



DATE

SENT ELECTRONICALLY TO: LARESINV@GMAIL.COM AND USPS CERTIFIED MAIL #

Sanchez Investment Company
Attn: Adela Sanchez
2196 W. 12th St.
Yuma, AZ 85364

RE: Project: San Luis Master Drainage Improvements Project
Project No. \\
Federal No. \\
Parcel: 775-38-114, 115,116,117

Dear Adela Sanchez;

This is a follow up to the recent letter regarding right of way acquisition of your property for the City of San Luis Master Drainage Improvements Project.

The City of San Luis presents its offer of **Three Hundred Seventy-Five Thousand Dollars and No Cents (\$375,000.00)** for the property rights needed in connection with the above project. Below is a summary of the offer for your property located in San Luis, Arizona, also known as Yuma County Assessor Parcel number(s) 775-38-114, 115, 116, 117

The estate(s) or interest(s) needed is/are as follows:

Land in Fee 46,080 Square Feet

The amount offered represents what the City believes to be just compensation, and is the result of a review and analysis of the enclosed appraisal. If only part of the property is needed, full consideration has been given to the value of the remaining property, including items requiring compensation on a "cost-to-cure" basis, if any.

Land \$375,000.00

Total Just Compensation \$375,000.00

Provided is a booklet entitled *Acquisition Acquiring Real Property For Federal and Federal-Aid Programs and Projects* explaining the State's program for acquiring rights-of-way.

Also enclosed are the documents necessary to transfer your property rights to the City. If you accept the offer, please sign or have those persons authorized to sign on behalf of the property owners, sign all documents on the appropriate lines provided, and in cases where "Notary Certification" is indicated, have your signature(s) acknowledged before a notary public. *If the property to be acquired is owned by a Corporation, Limited Liability Company, Partnership or Trust, we will need a copy of the Articles of Organization, and/or Operating/Partnership/Trust Agreements, along with a resolution stating who has signature authority to sign on its behalf.* The documents marked "Your Copy" are for your records.

After the signed documents are returned, they will be processed in accordance with the terms of the *Purchase Agreement* and in compliance with the laws of the State. Processing time and final payment is generally 30-60 days after the signed documents are received; however, unusual circumstances may increase this time.

This offer is being made because it is necessary for The City of San Luis to acquire this property for a project purpose. The acquisition of this property is through the City's eminent domain authority. This is not a voluntary acquisition in the ordinary course of a real estate negotiation.

If you have any questions, please contact me at (602) 909-1572 or via email at mwilliams@cei-az.com. I am working directly with the City of San Luis on this project. Thank you for your consideration.

Sincerely,



Michelle Williams
Senior Right of Way Agent
Consultant Engineering, Inc.
Real Estate Services Division

Copy:

Enclosures:

- Purchase Agreement
- Warranty Deed
- Appraisal
- "Acquisition" Booklet

PURCHASE AGREEMENT

Title Company Security Title
 Address 2415 E Camelback Rd. Suite 200
 City Phoenix Arizona
 Escrow Officer Jason Bryant
 Escrow No. _____ Email _____
 Grantor Sanchez Investment Company, an Arizona corporation as to Lots 2, 3, 4 and Sanchez Commercial Properties, L.L.C., an Arizona limited liability company as to Lot 5
 Mailing Address 2196 W 12th Street, Yuma, AZ 85364
 Contact Name: Jonathan Sanchez
 Phone 928-581-9670 Mobile _____ Email: laresinv@gmail.com

Date _____
(to be completed by Title Company, if applicable)
 Zip Code 85016
 Phone 602-230-6297
jbryant@securitytitle.com

Grantee: The City of San Luis, (the "City")
 Mailing Address: The City of San Luis
 1090 E Union Street
 San Luis, AZ 85349

The CITY shall pay directly to the Grantor, or deposit with the Title Company ("Escrow Agent") if escrowed, the purchase price plus all lawful costs incidental to closing as follows:

Escrow Fees	_____	
Title Policy Fees	_____	
TOTAL ESCROW & TITLE FEES		<u>TBD</u>
Recording Fees		
Deed	_____	
Easement	_____	
Release	_____	
TOTAL RECORDING FEES		<u>TBD</u>
Other Charges		
Release Fees	_____	
Title Report Fee	_____	
Prorated Taxes/Dates	_____	
TOTAL OTHER CHARGES		<u>TBD</u>
Subtotal Fees		<u>TBD</u>
Title Report Credit (-)		_____
Total Closing Costs		<u>TBD</u>
Land		<u>\$375,000.00</u>

Total Purchase Price (Rounded)		<u>\$375,000.00</u>
TOTAL WARRANT**		<u>TBD</u>

Charges and disbursements to be paid from Grantor's funds as follows (check all that apply):

Total Acquisition of Grantor's Property: Full release of all monetary liens and encumbrances, and leases of any kind. Pay in full all due and delinquent real property taxes and general and special improvement assessments. Grantor will be charged for any costs necessary to make the property compliant with the Covenants, Conditions and Restrictions. Prorate the current year's real property taxes on closings that occur on or after the 3rd Monday of August each year. Escrow Agent shall withhold the prorated amounts from each party and pay the lien of the current year's taxes in full.

Partial Acquisition of Grantor's Property: Partial release of all monetary liens and encumbrances, and leases of any kind. At the discretion of the City, pay due and delinquent property taxes and general and special improvement assessments, including full payment of taxes and assessments on individual assessor parcels within City's partial acquisition, and any Certificate(s) of Purchase. The current year's taxes shall not be prorated regardless of the closing date.

Easement(s): Consent to permanent easement(s) by secured party(ies).

Other Disbursements: Temporary Construction Easement

Security Deposits and Prepaid Rents, if Applicable: Grantor agrees to return all security deposits and prepaid rents directly to lessee(s) outside of escrow.

Possession Date: Close of escrow/date of recording.

Special Conditions Right of Way Contract Yes No

Entry Agreement*** Yes No

***** If yes, City shall pay statutory interest on the "Total Purchase Price" from _____ to the close of escrow/date of recording directly to Grantor by separate warrant.**

Special Instructions/Information:

*Title policy fees based on this amount only.
 **Sum of "Total Closing Costs" and "Total Purchase Price" only.

THE GRANTOR, having executed a conveyance of certain real property rights to the GRANTEE in a certain conveyance dated _____ described in Exhibit "A" attached hereto and made a part hereof, and having delivered same to the above Title Company as Escrow Agent, said agent is directed to deliver said conveyance to the CITY OF SAN LUIS; title to said property to pass upon the acceptance of delivery and possession by the CITY OF SAN LUIS.

THIS PURCHASE AGREEMENT SHALL SERVE AS THE ESCROW INSTRUCTIONS

The Escrow Agent shall first apply the purchase price on deposit to satisfy such taxes, mortgage claims, leasehold interests, special assessments, fines, fees or charges to be paid to the homeowners association and other encumbrances as may be authorized for payment, and the balance thereof shall be paid in accordance with the terms hereof. If the subject property is encumbered with Covenants, Conditions and Restrictions, the Escrow Agent shall send a Notice of Pending Sale pursuant to A.R.S. 33-1806.

The Escrow Agent shall deposit all escrowed funds in escrow account and disburse same by check; pay encumbrances in accordance with this agreement; prorate all agreed items; record such escrowed instruments as are necessary or proper in the issuance of title insurance; and pay the balance of the escrowed funds to the party or parties entitled thereto. It is further understood and agreed that the Title Company shall not be responsible for any liens or encumbrances not of record at the closing of escrow.

The Grantor agrees that should further encumbrances be attached to this property subject to this transaction during the escrow period, including but not limited to, monetary liens, leases, easements and permits, Grantor shall remain responsible for any damages in the event of non-compliance.

The Escrow Agent is to withhold \$0 as a cost to cure and/or site-clearance deposit pending satisfactory delivery of the subject property to the City by the Grantor. The City will make written authorization to the Escrow Agent for disbursement of the cost to cure and/or site-clearance deposit in accordance with this agreement, after acceptance of delivery and possession of the subject property.

If cost-to-cure moneys have been paid to remove or relocate improvements on the property conveyed, Grantor agrees to remove all buildings and appurtenances including fences, floors other than concrete, plumbing lines above grade, and all combustible material not later than 30 days from the date of payment. The Grantor assumes all liability connected with said removal. It is further agreed that upon expiration of the time provided for removal, all improvements remaining partially or wholly upon the lands conveyed shall become the property of the City of San Luis, and all rights of the Grantor to said improvements shall cease and terminate. Grantor shall be liable for the reasonable costs incurred in removing said improvements. License is hereby granted to the City of San Luis to enter upon the Grantor's remaining lands where necessary to accomplish the purpose of this agreement.

The City will pay the costs of any escrow services and/or title insurance desired by it, but may, at its option, waive escrow and/or title insurance. Upon such waiver, the references to Title Company, Escrow Agent, and title insurance herein are not applicable. If this transaction is not handled through a title company, the conveyance will be delivered direct to the City of San Luis and payment will be made direct from the Grantee to the Grantor after approval and acceptance by the City of San Luis and the final filing and recording of the documents.

The Escrow Agent is to request the Grantor acknowledge receipt of the amount shown on the closing statement as due Grantor. Either a copy of this request or a copy of a signed receipt is to be retained in the escrow file.

The City of San Luis will be furnished a copy of the Grantor's closing statement with the following certification signed by an authorized officer: "This is to certify this is a true and correct statement of disbursement of funds collected from the City of San Luis".

If the City is acquiring only a portion of Grantor's property, then Grantor grants to the City its agents, employees and contractors, the right to enter Grantor's remaining property as necessary for utility reconnection, driveway reconnection, facilitating removal of buildings or appurtenances where portions of acquired buildings or appurtenances are situated on Grantor's remaining property, and to facilitate sound wall construction on adjacent City-owned right of way, if required. It is further understood and agreed that this temporary right will expire and terminate thirty (30) days after completion of City's project.

It is understood and agreed the consideration expressed herein is accepted by the Grantor as full and complete compensation for the interest being acquired, and in settlement for all injury or damage to the Grantor's remaining abutting lands. Further, said consideration shall constitute a waiver of any and all claims for damages or compensation to said abutting lands that may hereafter arise or result from the establishment and construction of the Project in the manner proposed by the City.

The City is acquiring Grantor's property through its right of eminent domain under threat of condemnation; therefore, it is not a voluntary sale in the ordinary course of real estate negotiation. Further, the settlement herein is in lieu of condemnation and not admissible as evidence of value, nor for any other evidentiary purpose, in conjunction with any judicial or administrative proceeding.

GRANTOR SUBSURFACE IMPROVEMENT STATEMENT

- 1. I am am not aware of the presence of any subsurface improvements (e.g., septic systems, storm cellars, ground wells) within the area of the City of San Luis' acquisition. If aware of such improvements, please provide any information that may assist in locating same.
- 2. Well(s) Yes No Well Registration No(s): 55-_____
- 3. Irrigation Water Rights Yes No **IGR Number:** 58-_____
- 4. Well is located within the acquisition area, outside the acquisition area.

(NOTE: If you answered yes regarding water rights, please provide a copy of the appropriate certificate for escrow to transfer, if available)

The Escrow Agent is to process and record the transfer of the well or irrigation water rights located within the acquisition area to the City.

Yes No Addendum attached hereto and made part hereof.

Notice of Pending Sale pursuant to A.R.S 33-1806.

GRANTOR: Sanchez Investment Company, an Arizona corporation as to Lots 2, 3, 4 and Sanchez Commercial Properties, L.L.C., an Arizona limited liability company as to Lot 5

Signature Date

Printed Name

Signature Date

Printed Name

Accepted _____ Date _____
ESCROW OFFICER

The CITY OF SAN LUIS

By _____

EXHIBIT "A"
Attached to Purchase Agreement

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF YUMA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

Lots 2 through 5, inclusive, Block 16, SAN LUIS TOWNSITE ADDITION No. 1 AND LOT 9, according to Book 4 of Plats, page 97, records of Yuma County, Arizona

Except all oil and gas as reserved in the Patent from the United States of America

WHEN RECORDED RETURN
CITY OF SAN LUIS
1090 E UNION STREET
SAN LUIS, AZ 85349

ESCROW No.
EXEMPT FROM AFFIDAVIT
BY A.R.S. §11-1134-A-3

CITY OF SAN LUIS
WARRANTY DEED

Sanchez Investment Company, an Arizona corporation as to Lots 2, 3, 4 and Sanchez Commercial Properties, L.L.C., an Arizona limited liability company as to Lot 5, the Grantor, for the consideration of TEN DOLLARS AND OTHER VALUABLE CONSIDERATION, does hereby grant, convey and warrant to the **City of San Luis, a municipal corporation of the State of Arizona** the Grantee, that certain real property situated in Yuma County, Arizona, more particularly described as:

SEE EXHIBIT “A” ATTACHED HERETO

AND BY REFERENCE MADE A PART HEREOF.

SUBJECT TO current taxes and assessments, reservations and all easements, rights of way, covenants, conditions, restrictions, liens and encumbrances of record.

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF YUMA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

Lots 2 through 5, inclusive, Block 16, SAN LUIS TOWNSITE ADDITION No. 1 AND LOT 9, according to Book 4 of Plats, page 97, records of Yuma County, Arizona

Except all oil and gas as reserved in the Patent from the United States of America



APPRAISAL REPORT

OF

VACANT LAND

LOCATED AT

715, 729, 743 & 757 NORTH 2ND AVENUE
SAN LUIS, YUMA COUNTY, ARIZONA 85349

PREPARED FOR

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

PREPARED BY

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

DATE OF REPORT: OCTOBER 18, 2023

EFFECTIVE DATE OF THE APPRAISAL: SEPTEMBER 19, 2023

OWNERSHIP: SANCHEZ INVESTMENT COMPANY

TAX CODE #S: 775-38-114, -115, -116 & -117

AXIA JOB NO. 27249-231



October 18, 2023

File No. 27249-231

Ownership: Sanchez Investment Company
Tax Code #s: 775-28-114, -115, -116 & -117

Ms. M. Clark Hochstein
Consultant Engineering, Inc.
10625 N. 25th Avenue, Ste. 200
Phoenix, AZ 85029

RE: Appraisal report of vacant land located at 715, 729, 743 & 747 North 2nd Avenue, San Luis, Yuma County, Arizona 85349.

Dear Ms. Hochstein:

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 and the portion of the property to be acquired by the City of San Luis for the Downtown San Luis Drainage Plan Project. The *intended use* of this report is to develop an opinion of the total value of the rights acquired due to the full acquisition of the subject property. The interest to be appraised is *fee simple*. The *effective date of the appraisal* is September 19, 2023, the most recent date of our inspection. The *date of report* is October 18, 2023. 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 San Luis, and is not intended to be used, transferred, or relied upon by any person other than the client and others involved in the project. The *intended users* of this appraisal include the client, the City of San Luis, others involved in the project and the property owners. 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 2020-2023) 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.

The *Scope of Work* for this report includes completing an appraisal inspection of the subject, analyzing the San Luis and Yuma County markets for trends that impact real estate values, and searching the local market for comparable data. The subject reflects vacant land that will reflect a full acquisition. For this analysis, the Sales Comparison Approach has been utilized to value the subject. Additional details on scope of work are in the body of the report. This scope of work is sufficient to develop credible assignment results.

Based upon the data and discussions contained within the following report, it is our opinion that the value of the property to be acquired, as of September 19, 2023, is as follows:


Summary of Value Opinions

	Size (SF)	Total	Per SF
Market Value of the Whole	46,080.00	\$375,000.00	\$8.14
Value of fee simple interest in Part Acquired:	46,080.00	\$375,000.00	\$8.14
Value of the Remainder Before the Acquisition	-	\$0.00	N/A
Value of the Remainder After the Acquisition	-	\$0.00	N/A
Value of the Remainder Before the Acquisition	-	\$0.00	N/A
Severance Damages or (Special Benefits)		\$0	
Market Value of Part Acquired		\$375,000	
Severance Damages or (Special Benefits)		\$0	
Market Value of Improvements Acquired		\$0	
TOTAL VALUE OF RIGHTS ACQUIRED		\$375,000	

It is a hypothetical condition that the property in the after condition is being appraised assuming the Town of San Luis, Downtown San Luis Drainage Plan Project has been completed. The use of a hypothetical condition may affect the assignment results.

We hereby certify that Andres A. Rubal, MAI, inspected the subject property; that the fee was not contingent upon the opinions of value 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.

Respectfully submitted,


ANDRES A. RUBAL, MAI
 AXIA Real Estate Appraisers
 Certified General Real Estate Appraiser
 Arizona Certificate #31801



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

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PURPOSE, INTENDED USE, AND INTENDED USERS

The *purpose* of this appraisal is to develop an opinion of the market value of the subject property and the portion of the property to be acquired by the City of San Luis for the Cesar Chavez Boulevard Project. The *intended use* of this report is to develop an opinion of the total value of the rights acquired due to the full acquisition of the subject property. This report has been prepared for the client, Consultant Engineering, Inc., as a contractor for the City of San Luis, and is not intended to be used, transferred, or relied upon by any person other than the client and others involved in the project. The *intended users* of this appraisal include the client, the City of San Luis, others involved in the project and the property owners. 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.

EFFECTIVE DATE OF THE APPRAISAL

The *effective date of the appraisal* is September 19, 2023, the most recent date of our inspection. The date of report is October 18, 2023.

DEFINITION OF MARKET VALUE

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.”

OWNERSHIP HISTORY

The Part to be Acquired reflects the property identified by the Yuma County Assessor’s Office as tax parcel numbers 775-38-114, -115, -116 & -117, and is currently vested in the name of Sanchez Investment Company. The entity has owned the property for a number of years with no recent transfers in the prior three years. The property presently reflects vacant land that is fenced and secured, that has been used for truck storage.

The subject is not presently listed for sale nor under contract, as of the effective date of appraisal, to the appraiser’s knowledge.

DATE OF INSPECTION & OWNER CONTACT

CEI attempted to reach the ownership but did not receive a response. Therefore, we completed our onsite inspection on September 19, 2023. Mr. Rubal was met onsite by Michelle Williams, CEI. Mr. Rubal documented and photographed the physical characteristics of the subject property and surrounding neighborhood. Per

INTEREST TO BE APPRAISED

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”¹.

EXPOSURE PERIOD

According to the Statement on Appraisal Standards No. 6 (SMT-6), from the Uniform Standards of Appraisal Practice and the Appraisal Standards Board, exposure time may be defined as follows:

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

The exposure period for the marketing of the subject depends on many factors including current market conditions and the factors of supply and demand. Pricing and competent professional marketing are two very important factors. When every effort is made to market the property in earnest, the exposure period for this type of property could be twelve months or less. Thus, the opinion of market value assumes that the subject property has been exposed to the market or offered for sale for 12 months or less priced at no more or less than 10 percent of the appraised value.

¹ The Dictionary of Real Estate Appraisal, 7th Edition, published by the Appraisal Institute

SCOPE OF THE APPRAISAL

The firm of AXIA Real Estate Appraisers has been asked by the client to develop an opinion of the market value of the portion of the property to be acquired by the City of San Luis for the Downtown San Luis Drainage Plan Project. In order to evaluate the subject, relevant data has been gathered and analyzed. Data gathered for appraisals are of two types: general and property specific. General data include information on social, economic, governmental, and environmental trends and conditions affecting the subject property. Each of these items has an impact on property value and the study of these forces enables the appraiser to identify the underlying causes of change in property values and what future market expectations might be. The geographic extent of our search for general market information included the areas surrounding the subject property. Property specific information includes data about the subject site, tax information and zoning classifications.

Property specific information was obtained from the Yuma County Assessor's Office as well as inspections and discussions with parties familiar with the subject site and the surrounding neighborhood. Additionally, we performed an exterior inspection of the property as well as reviewed aerial photographs. The general and specific data form the basis for the conclusions with respect to the highest and best use of the subject.

Comparable information was obtained from sources including the Yuma County Assessor's Office, Loopnet, Costar Comps, and interviews with knowledgeable real estate brokers and other market participants. The information contained in this report is considered to provide a well-supported conclusion as to the subject's market value as of the date of value.

Sources of general market information included government publications, census data, local newspapers, and other public and private organizations. Real estate oriented market information was abstracted from knowledgeable real estate agents, brokers, developers, and public officials in the area.

The subject reflects a single-family residence. Therefore, the Cost and Income Approaches to value were not completed. The Sales Comparison Approach was considered to represent the most applicable valuation approach.

Sales Comparison Approach – The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties, based on relevant, market-derived elements of comparison. The principal of substitution is fundamental to this approach.

The Sales Comparison Approach utilizes sales of similar properties to indicate a probable value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per acre, price per unit, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sales. The unit of comparison chosen for the subject is then used to determine a total value. Economic units of comparison are not generally adjusted, but rather analyzed as to relevant differences with the final

opinion derived based on the general comparisons. The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; and (d) the absence of atypical conditions affecting the sales price.

We searched for sales in the San Luis and surrounding market. For this appraisal assignment, an adequate quality and quantity of land sales were available to provide reasonable support for the value for the land component of the subject.

As the property reflects vacant, unencumbered land, the Income Approach nor Cost Approach to value was not completed.

This scope of work is sufficient to develop credible assignment results.

CONDEMNATION VALUATION METHODOLOGY

When preparing an appraisal for condemnation it is imperative that the appraiser establish the appropriate methodology to determine the extent to which the project may influence the value of the property or properties being appraised and the nature of the larger parcel, or the Whole, from which the Part Acquired has been (or will be) acquired. The Whole typically consists of a property or properties that have a unity of ownership, contiguity, and unity of use. In some instances, the Part Acquired has utility in and of itself and is considered to be the Whole. In other instances, the Part Acquired is determined to be part of a larger Whole. In the event that the Part Acquired is determined to be part of a larger Whole, two sets of valuation analyses must take place.

1. First, the Whole must be appraised, with the highest and best use and the resulting indication of market value assuming no influence from the project that has brought about the necessity for the Acquisition. The value of the area of the Part Acquired is then calculated as a pro rata portion of the Whole on a value per unit basis such as price per square foot or price per acre.
2. Second, the Remainder tract (the Whole less the Part Acquired) must be appraised in its After the Acquisition condition in order to compare it to the Value of the Remainder Before the Acquisition (Value of the Whole Before the Acquisition less Value of the Part Acquired Before the Acquisition). To determine the value of the Remainder After the Acquisition, the appraiser conducts a new appraisal, taking into consideration the highest and best use of the Remainder After the Acquisition. The highest and best use of the Remainder After the Acquisition, and the resulting indication of market value reflect influence from the project. Upon determining the value of the Remainder After the Acquisition, an analysis of Benefits and Severance Damages is conducted.

Here follows a discussion of a determination of the nature of Project Influence, the Part Acquired, and the determination of the Whole to be appraised.

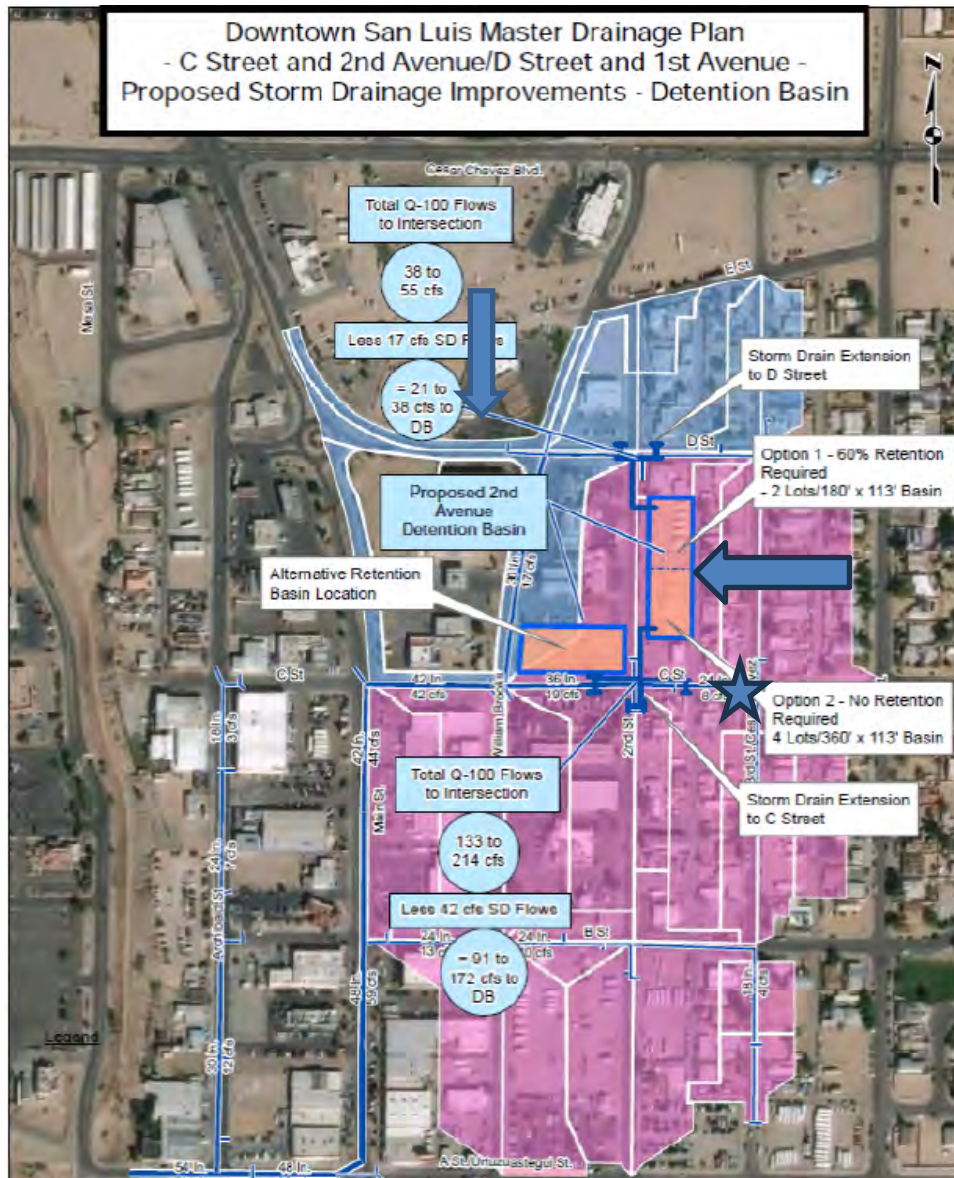
Project Influence: “The ‘project influence doctrine’ ... holds that property may not be charged with a lesser or greater value at the time of acquisition, when the change in value is caused by the acquisition itself or by anticipation of appreciation or depreciation arising from the planned project.²”

The Project for which the Part Acquired is for the City of San Luis for the Downtown San Luis Drainage Plan Project. This reflects construction of a drainage basin on the property.

In forming our opinion of value of the Whole, Before the Acquisition, we have not included any increase or decrease in the market value of the real property to be acquired prior to the date of valuation caused by the Project.

² *City of Phoenix v. Clauss*, 869 P. 2d 1219, 1222 (Ariz. 1994).

The Part Acquired: The acquisition reflects a full acquisition of the subject property reflecting vacant, commercially zoned land, with chain link fencing. The following map is an approximation of the proposed ROW location. The client did not provide any legal descriptions.



The Whole: The Whole, also often referred to as the larger parcel, typically consists of a property or properties that have a unity of ownership, contiguity, and unity of use. In some instances, the Part Acquired has utility in and of itself and is considered to be the Whole. In other instances, the Part Acquired is determined to be part of a larger Whole.

"Understanding the concept of the larger parcel is vital in condemnation appraisal because the appraiser cannot determine the highest and best use of a property until a conclusion as to the larger parcel is reached. The larger parcel may be all of one parcel, part of a parcel, or several parcels, depending to varying degrees on unity of ownership, unity of use and contiguity."³

Unity of Ownership/Contiguity: The Part Acquired reflects a parcel that is currently under unified ownership. As noted, the part acquired reflects tax parcel numbers 775-38-114, -115, -116 and -117. These parcels represent a clear unity of ownership, use and contiguity.

Unity of Use: The final component in identifying the Whole from which the Part Acquired will be purchased is the question of unity of use. The site reflects vacant land, zoned C-2 (Commercial Zone) in accordance with the City of San Luis.

The subject property is located on the east side of 2nd Avenue, in between C and D Street, at a mid-block location in San Luis, Yuma County, Arizona. The physical address is 715, 729, 743 & 757 North 2nd Avenue, San Luis, Yuma County, Arizona 85349.

According to the Yuma County Assessor, the subject is comprised of four parcels totaling 46,080 square feet or 1.06 acres. This site size is assumed to be correct and reliable and will be used throughout this report. The parcel is generally rectangular shaped.

Overall, research indicates that similarly located properties are being acquired for commercial development such as offices, storage yards, investment, etc. The most likely purchaser would be an owner user.

As the subject parcel is considered to have a similar use and has been established to have a unity of ownership and contiguity, it is reasonable to conclude that the larger parcel as described above represents the larger parcel, or Whole, from which the Part Acquired will be acquired. The larger parcel, or Whole, is the subject of the following analysis.

³ *Real Estate Valuation in Litigation, 2nd ed., 1995, page 76*

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.

Per the Arizona Department of Administration Office of Employment & Population Statistics, Arizona’s estimated 2020 population has reached nearly 7.3 million. As of August 2023, Arizona’s unemployment rate was reported at 3.8%.

Arizona

Data Series	Back Data	Mar 2023	Apr 2023	May 2023	June 2023	July 2023	Aug 2023
Labor Force Data							
Civilian Labor Force(1)		3,659.1	3,662.5	3,671.5	3,679.8	3,689.0	(P) 3,697.3
Employment(1)		3,529.7	3,536.8	3,546.1	3,551.6	3,554.4	(P) 3,555.7
Unemployment(1)		129.4	125.7	125.4	128.1	134.6	(P) 141.6
Unemployment Rate(2)		3.5	3.4	3.4	3.5	3.6	(P) 3.8

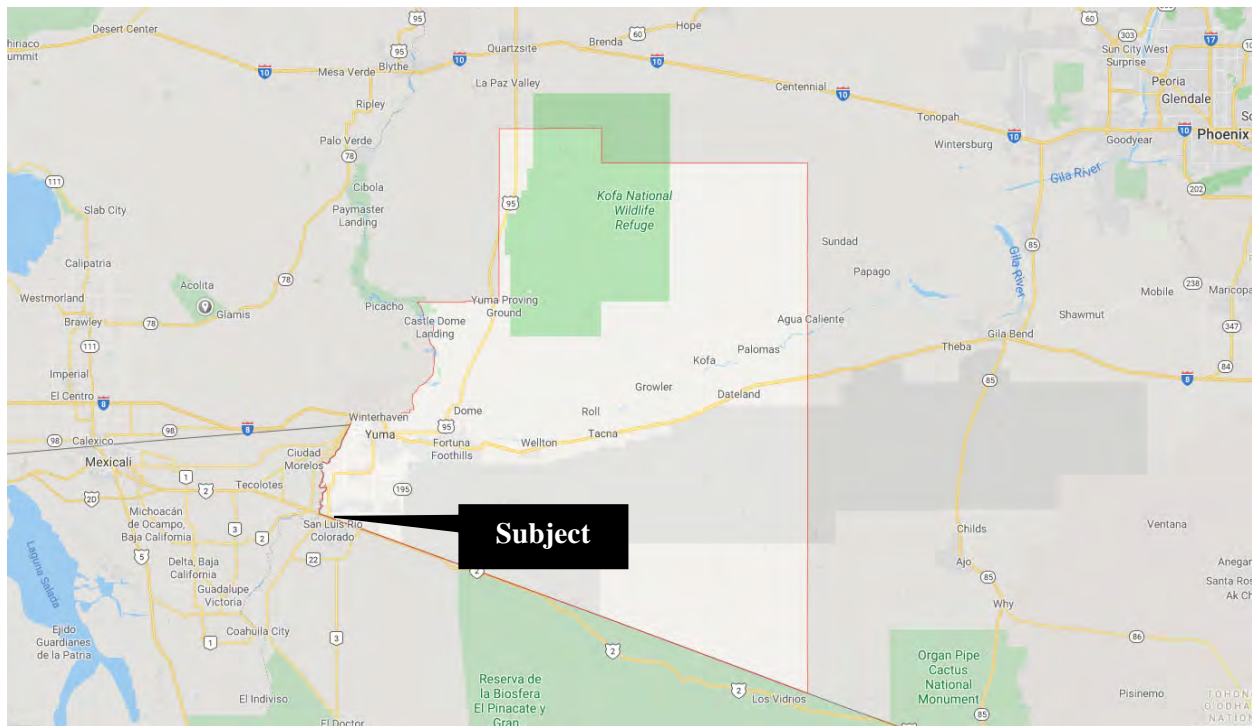
It should be noted that the recent (March 2020) onset of travel and assembly restrictions associated with the coronavirus pandemic throughout the county appear to be likely to cause a national economic recession during the near term. With still relatively modest restrictions on business and assembly currently imposed by Arizona state government, this could well negatively impact the state’s economy and various sectors of the real estate market if they are required over an extended period of time. We retain in our files a more complete overview of Arizona’s economy and how it is impacting real estate.

STATE MAP



YUMA COUNTY

Yuma County is situated in the extreme southwestern portion of Arizona, bordered by Mexico to the south and California to the west. The Colorado River, the largest river in the desert southwest, forms the western boundary of the county. It is largely low-lying desert with several small but rugged mountain ranges including the Gila Mountains and the Tule Mountains. The Bureau of Land Management accounts for 42 percent of land ownership; followed by other public lands at 40 percent; individual and corporate at 13 percent; state of Arizona with five percent; and Indian reservations with less than one percent. Two National Wildlife Refuges- Kofa and Cabeza Prieta, occupy a large portion of the county, as do two military installations- Yuma Proving Ground (US Army) and Barry M. Goldwater Air Force Range.



Population

The population of the county increased from 195,751 in 2010 to 203,881 in April 2020, reflecting a 4.15% increase over the 10 -year time span (0.415% per year). The county is generally rural with seven incorporated communities consisting of San Luis, Somerton, Wellton Yuma, Foothills/Fortuna, Gadsen, Tacna and unincorporated Yuma County.

QuickFacts

Yuma County, Arizona

QuickFacts provides statistics for all states and counties, and for cities and towns with a *population of 5,000 or more*.

CLEAR
TABLE
MAP
CHART

Table

All Topics	Yuma County, Arizona
Population Estimates, July 1 2021, (V2021)	206,990
PEOPLE	
Population	
Population Estimates, July 1 2021, (V2021)	206,990
Population estimates base, April 1, 2020, (V2021)	203,881
Population, percent change - April 1, 2020 (estimates base) to July 1, 2021, (V2021)	1.5%
Population, Census, April 1, 2020	203,881
Population, Census, April 1, 2010	195,751

Climate

Located at 138 feet above sea level, Yuma has a rather extreme climate. Like many other southwestern cities, the warm climate attracts winter visitors from the cooler climates.

Climate	
Average Annual Temp	89 degrees
Average High Temp- July	107 degrees
Average High Temp- January	68 degrees
Average Low-January	37 degrees
Annual Precipitation	3 inches

Transportation

TRANSPORTATION	
Highways	Interstate 8 US 95 Highway 80
Rail	Union Pacific Rail Road Yuma Valley Railway Tourist Railroad
Air Service	Yuma International Airport
Bus Lines	Greyhound Bus Lines

Interstate 8 bisects the county and provides an all-weather route from San Diego to the east coast. Federal and state highways give Yuma excellent access to most cities in Arizona and the Southwest. I-8 provides a direct link from Interstate 10, between Phoenix and Tucson, to San Diego, California. State Route 95 provides direct access to Interstate 10 to the north, continuing the Arizona/California border into Parker, Lake Havasu City, and Bullhead City. It also provides southern access to Mexico. Travel time from Yuma to metropolitan Phoenix is about three hours. The Southern Pacific railroad adds an additional means of transporting goods.

State Route 195, a 26-mile highway was completed in 2009 creating a direct link from Interstate 8 to the new Port of Entry at the terminus along the border with Mexico. The new limited access, four-lane divided highway known locally as the Area Service Highway (ASH), will help divert commercial traffic to the new San Luis commercial Port of Entry, bypassing the Highway 95 route through Yuma, Somerton, and San Luis.

Economy (Employment)

Yuma is the county seat and the economic center for southwestern Arizona. The Colorado and Gila River Valleys contain an abundance of arable land and irrigation has made agriculture one of the major industries in the county. The town of Quartzsite, north of Yuma County, has over one million winter visitors annually. The impact on Yuma County’s economy is strong since Yuma is one of the nearest communities for shopping.

Change in Labor Force		
September	City of Yuma	Yuma County
2010	46,032	95,465
2011	42,793	95,972
2012	42,282	96,727
2013	41,271	96,371
2014	41,060	93,426
2015	40,533	92,858
2016	42,096	93,887
2017	44,195	99,489
2018	43,290	92,050

Source: AZ Office of Employment and Population Statistics

Agriculture

Agriculture is a major economic factor, and at the current rate of growth, Yuma-area agribusiness has grown in to a billion dollar industry. There are approximately 247,000 acres of farmland in Yuma County, most of which (about 200,000 acres) is production during any particular year. The most recent statistics available (2019) indicate that gross agricultural production was approximately \$1.045 billion dollars, with 90% of that production representing various vegetable crops. Approximately 69% of total agricultural production in terms of gross sales consisted of various varieties of head, leaf and romaine lettuce, which were grown on approximately 90,000

acres, mostly during the winter months. Yuma County is also the state's top producer of lemons, tangelos, tangerines, watermelon and cantaloupes. Overall, 40% of the total economic base of Yuma County is attributable to agricultural production. Aside from winter vegetables, Yuma County has significant acreage dedicated to cotton, alfalfa, Bermuda grass, wheat, and other grains.

Households & Income

Rapid population growth over the last decade has occurred because of Yuma's popularity with winter visitors, some of whom become residents, growing international trade, and an influx of residents and businesses from California. The City of Yuma and Yuma County statistics are comparable to those of the State of Arizona, which as noted, is one of the fastest growing states in the nation.

According to the US Census Bureau, the 2020 average median household income was \$48,790. The per capita income of the Yuma County residents was about \$23,507. Though lower than the per capita incomes of Arizona's larger metro areas (Phoenix and Tucson), this level is somewhat similar to averages for some other counties, though lower than Cochise County (Sierra Vista, Douglas) in southeastern Arizona.

Per Zillow's Home Value Index, the average home price in the City of Yuma is \$284,449, an increase of 24.7% over the prior year.

Industrial & Commercial

The existing industrial and commercial land uses reflect the county's strategic location in relation to the Interstate 8 (I-8) corridor, MCAS-Yuma, and Mexico. Over 2/3 of the land currently designated as Industrial is located in the western portion of the county, primarily along Highway 95, Area Service Highway, and the I-8 corridor.

Existing commercial land uses reflect a combination of strip and cluster development. Most commercial establishments are located within the vicinity of residential areas and are adjacent to arterial roads and major intersections.

Summary

The ready and relatively inexpensive availability of canal supplied irrigation water sourced from the Colorado River via long standing entitlements assures Yuma County's standing as a major agricultural production area for the foreseeable future. Overall, the county is considered to be in its growth stage life cycle.

San Luis, Arizona and San Luis Rio Colorado, Mexico

About 15 miles southwest of Yuma is the City of San Luis, which is also considered part of the Yuma Metropolitan area. This community has a population of approximately 35,257 people (according to the 2020 Census), representing a 38.24% increase from 2010 figures at 25,505 and is situated along the International Border with Mexico. There is a Land Port of Entry (LPOE), commonly referred to as San Luis 1, at the terminus of Highway 95, which receives approximately 9,489 average daily vehicular traffic counts (explore.dot.gov, 2020). San Luis 2 is a recently constructed commercial LPOE that opened in the fall of 2010 and is located at the terminus of Avenue E. The subject LPOE is used primarily for commercial traffic, helping to relieve some of the pressure at the primary San Luis 1 LPOE.

Both LPOE's provide access to and from Mexico via the City of San Luis Rio Colorado, which is the fourth largest city within the Mexican state of Sonora. It reported a population of 192,739 as of the 2015 Census estimate. Given the moderate distance of each of the San Luis LPOE's from the City of Yuma (about 15 miles), some of the tourist/pedestrian traffic to and from Mexico also crosses at the Andrade Border Station to the west.

Traffic near the subject's location will be comprised primarily of commercial travelers, although it could serve non-commercial travelers as well. The following table summarizes the sub-types of northbound traffic at the San Luis 1 location, as well as the other Port of Entries in Arizona. It is noted that this table reflects traffic counts as of 2021, with no data provided for the San Luis 2 Port of Entry. Historical data for San Luis 2 is not yet available.

Border Crossing Entry Data | Annual Data

Year		Border																				State	
[AR]		[AR]																				[Arizona]	
Port Name		Measure																					
[San Luis]		[AR]																					
Measure	Port Name	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021				
Bus Passengers	San Luis	836	1,256	1,838	1,758	1,725	1,364	722	450	326	31	35	70	259	228	189	82	35	29				
Dupes	San Luis	74	83	95	53	94	99	39	15	13	18	35	70	117	228	189	82	35	29				
Pedestrians	San Luis	912	2,227,887	2,669,311	2,919,604	2,544,499	2,537,177	2,448,158	2,762,696	2,497,321	2,315,369	2,287,955	2,551,586	2,583,051	2,545,115	2,440,887	2,529,641	1,921,114	1,456,866				
Personal vehicl.	San Luis	431	8,660,613	5,206,694	4,712,950	4,417,449	4,234,176	3,860,476	3,941,304	4,575,051	5,068,810	5,536,747	5,675,238	5,462,649	5,752,638	5,854,901	5,069,068	3,463,418	3,641,798				
Personal Vehicl.	San Luis	629	3,472,277	2,703,283	2,481,013	2,313,681	2,253,331	2,033,185	2,171,395	2,669,727	2,948,504	3,029,042	3,106,744	3,062,196	3,212,702	3,257,990	2,833,221	2,234,946	2,295,144				
Rail Containers	San Luis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Rail Passengers	San Luis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Tram	San Luis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Truck Container	San Luis	453	20,656	20,216	30,910	22,807	19,888	16,951	14,454	11,351	12,560	12,463	13,245	12,014	11,084	8,635	9,823	15,529	14,286				
Truck Container	San Luis	513	24,061	23,967	21,061	19,630	19,722	19,639	19,557	21,852	19,762	17,176	19,797	18,742	27,026	19,885	28,342	25,969	26,138				
Trucks	San Luis	184	45,898	45,651	42,716	43,791	39,644	37,103	34,190	34,891	33,492	31,998	33,712	31,338	31,940	28,211	36,888	41,153	40,527				

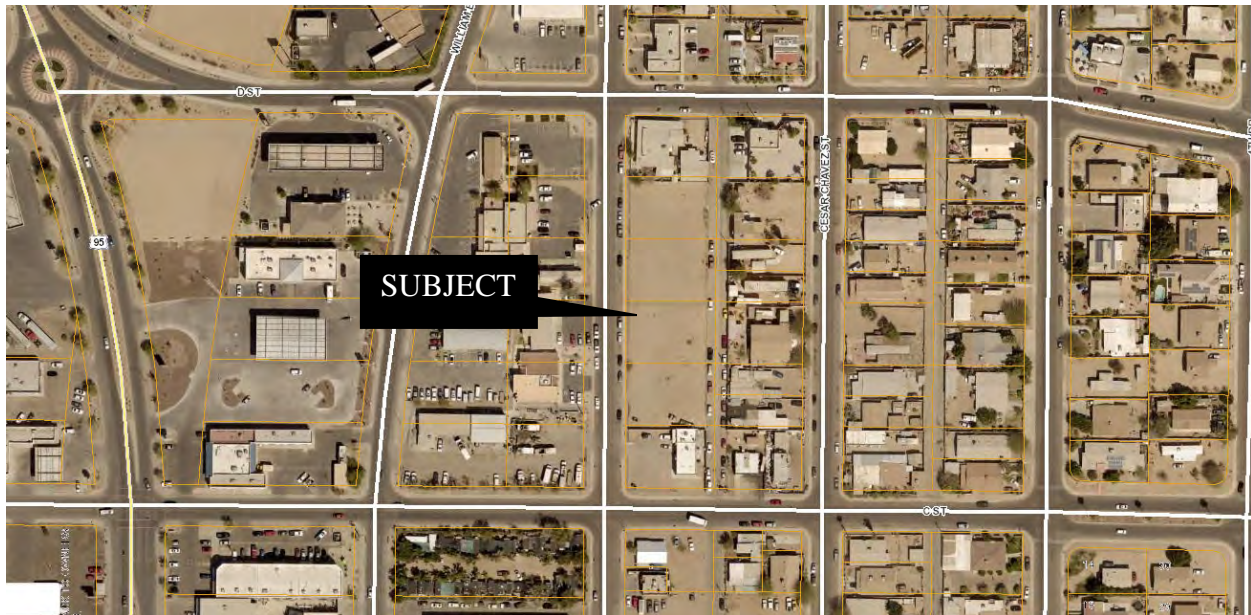
Gary Magrino Industrial Park

In January 2016, a 250-acre development located proximate to San Luis Port of Entry 2 was opened. The Greater Yuma Port Authority, in conjunction with other entities, developed the Magrino Industrial Park. The first phase of construction reflects 18 lots with about \$9 million in investment, located adjacent to the San Luis POE 2, proximate to Mexico. Presently, RL Jones Transfer Facility occupies a cold storage facility in the development with Growers Express leasing another cold storage facility recently completed at the east end of the development. 5297 E. Vaughan Street was also recently completed with a warehouse facility. All other lots remain vacant. RL Jones owns Lots 13-14 and 19-22 while Rascon Family Ltd Partnership owns Lots 9-10. The Greater Yuma Port Authority owns lots in the development as well.

SUMMARY

The subject is located within overlapping market influences that impact the area. While technically located in San Luis, the subject receives its greatest influence from the nearby city of Yuma and the associated metropolitan area. The subject's other primary influence, and the draw that attracts visitors from Yuma and other parts of the United States, is the City of San Luis Rio Colorado on the south side of the border, with additional industry and tourism in other parts of Mexico as well. At the subject's location, the primary demographic is Mexican-bound traffic seeking commercial trade in Mexico, with reciprocal traffic set for US destinations beyond the subject property.

Overall, the subject's area has a positive influence on the subject property.



SITE DESCRIPTION

The following information was obtained from physical inspections of the parcel, available public records, information provided by the client and the property owner's representative, and from interviews with representatives from applicable utility suppliers and municipal departments. All of the information derived from the above noted sources is believed to be correct and reliable. Where available, supporting documentation and exhibits are included.

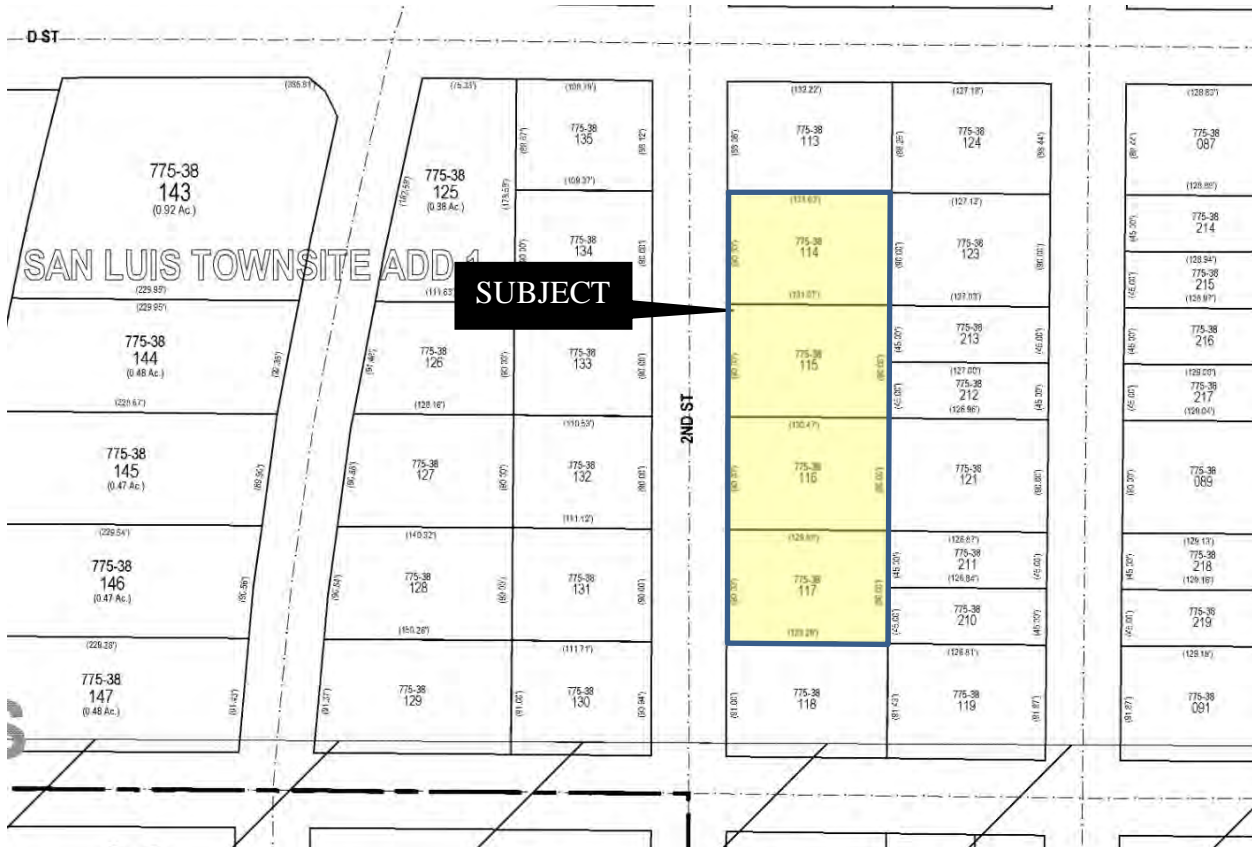
Location: The subject property is located on the east side of 2nd Avenue, in between C and D Street, at a mid-block location in San Luis, Yuma County, Arizona. The physical address is 715, 729, 743 & 757 North 2nd Avenue, San Luis, Yuma County, Arizona 85349.



Legal Description: Located within the Title Report, located in the addenda of this report.

Site Size/Shape: According to Yuma County Assessor's Office, the subject is comprised of four parcels totaling 46,080 square feet or 1.06 acres. This site size is assumed to be correct and reliable and will be used throughout this report. The parcel is rectangular shaped.

Property Identification			
APN	Address	Lot Size SF	Lot Acres
775-38-114	757 N. 2nd Avenue, San Luis, AZ	11,520	0.26
775-38-115	743 N. 2nd Avenue, San Luis, AZ	11,520	0.26
775-38-116	729 N. 2nd Avenue, San Luis, AZ	11,520	0.26
775-38-117	715 N. 2nd Avenue, San Luis, AZ	11,520	0.26
Totals		46,080	1.06

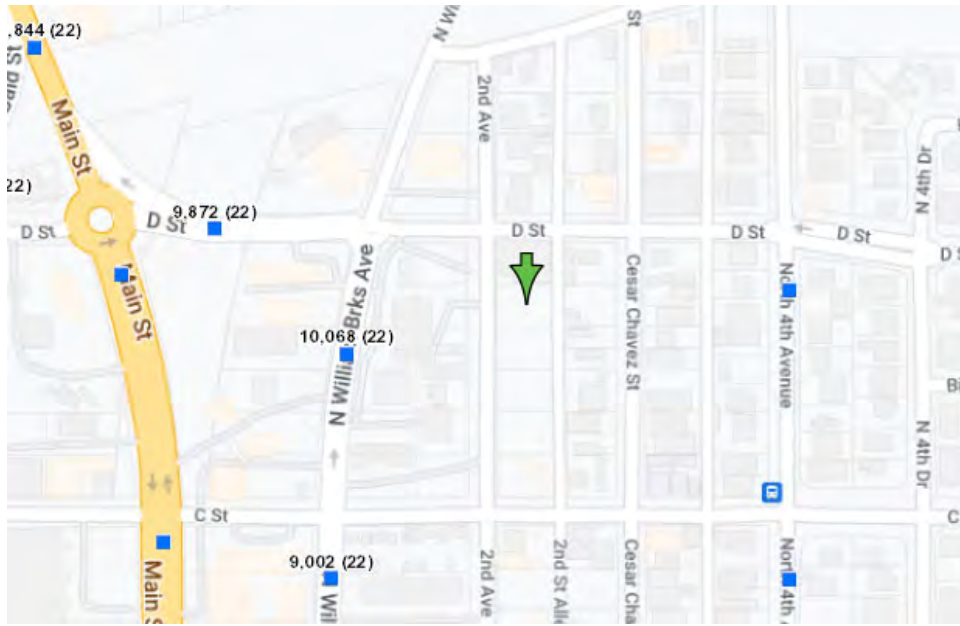


Frontage, Arterials, Access and Views:

The subject has 360' of frontage along the east side of 2nd Avenue. Access is via this roadway with two present rolling gates. 2nd Avenue reflects a secondary north/south roadway, connecting to E Street to the north and Urtuzuastegui Street to the south. Overall, access and visibility are considered to be average.

Traffic Counts:

Per the Yuma Metropolitan Planning Organization, no traffic counts are available along 2nd Avenue.



Seismic Zone: The subject property is located in seismic zone 4, an area of high seismic risk.

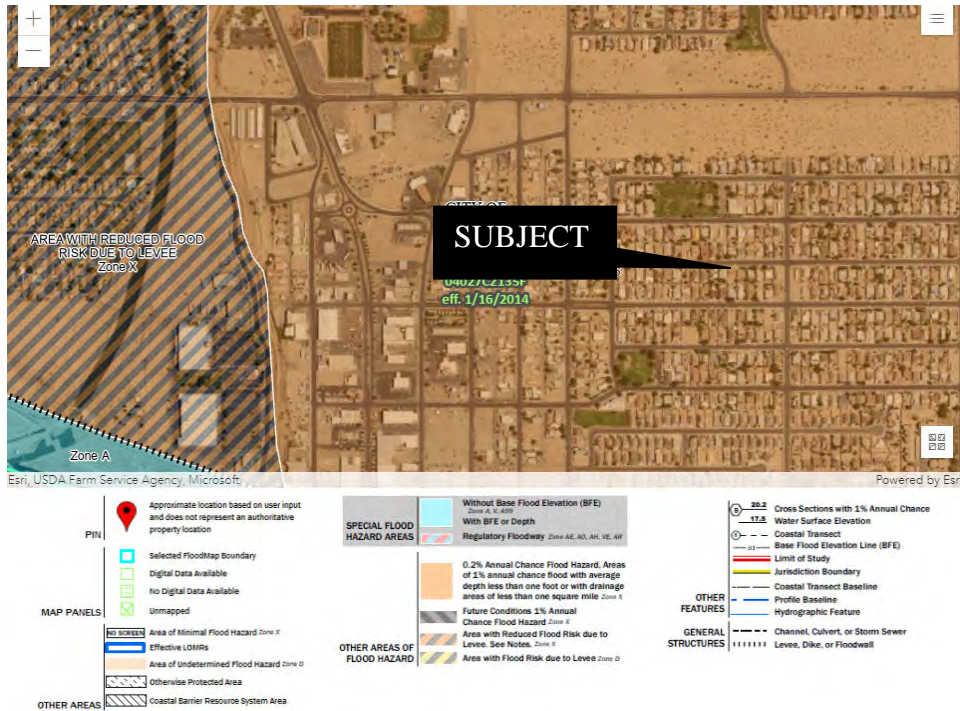
Site Condition: Vacant land, fully fenced.

Offsite Improvements: Curbing, sidewalks and gutters.

Topography: Generally level and at grade with surrounding roadways and properties.

Utilities: All utilities necessary to service the subject property are in place. The City of San Luis provides water, sewer and trash service. APS provides electric service and communication via Lumen Technologies, Inc.

Flood Condition: According to the Federal Emergency Management Agency, Flood Insurance Rate Map, Community Panel Number 04027C2135F, dated January 16, 2014, the subject is located within Zone X shaded. This reflects areas of 0.2% annual chance flood hazard, areas of 1% annual chance flood with average depths less than one foot or with drainage areas of less than one square mile.



Soils/Subsoils:

A soil survey was not provided. During the inspection, no conditions indicative of a potential soil or subsoil problem was apparent. This appraisal assumes soil conditions suitable for development. Should any questions arise as to the suitability of the soil, a soils sample analysis can be obtained by a qualified company.

Environmental:

An environmental assessment of the property was not provided for this assignment. The property reflects vacant land. The inspection of the property did not indicate any obvious items of environmental concern. This report assumes that no environmental concerns are present that would prevent the site from being put to its Highest and Best Use. If this remains an area of concern for the client, a Phase I environmental study by a qualified firm is recommended.

Easements:

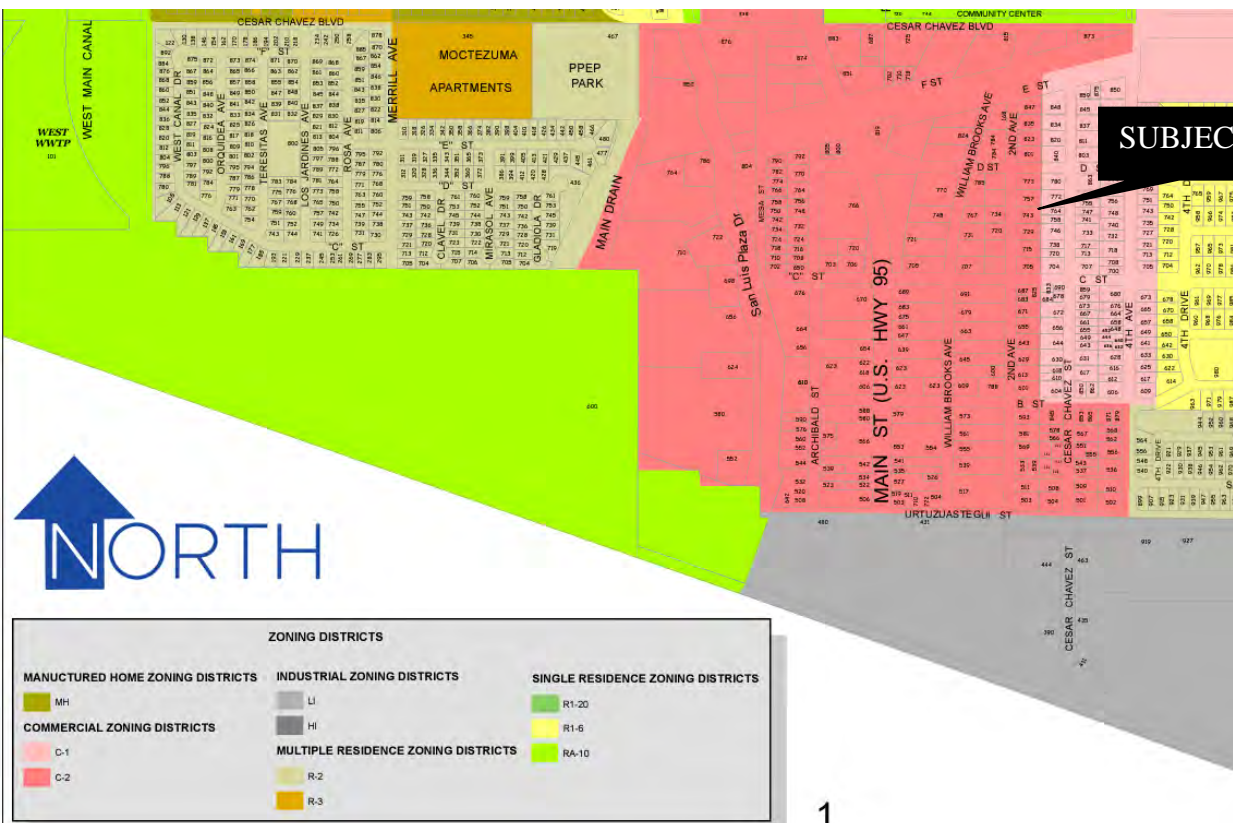
We were provided a title report for the subject property. Based on review of the title report, plat map and the physical inspection of the site, no readily observable easements that would limit the site from being developed to its highest and best use were uncovered, other than typical utility easements.

Adjacent Land Uses

- North: Single family residence followed by D Street and then Sunset Community Health Center-Dental and an AutoZone.
- East: Residential uses.
- West: 2nd Avenue followed by San Luis Maintenance Shop and PPEP Youth and San Luis Municipal Court.
- South: Tacos El Chipilon, restaurant followed by Panchita's Mexican food.

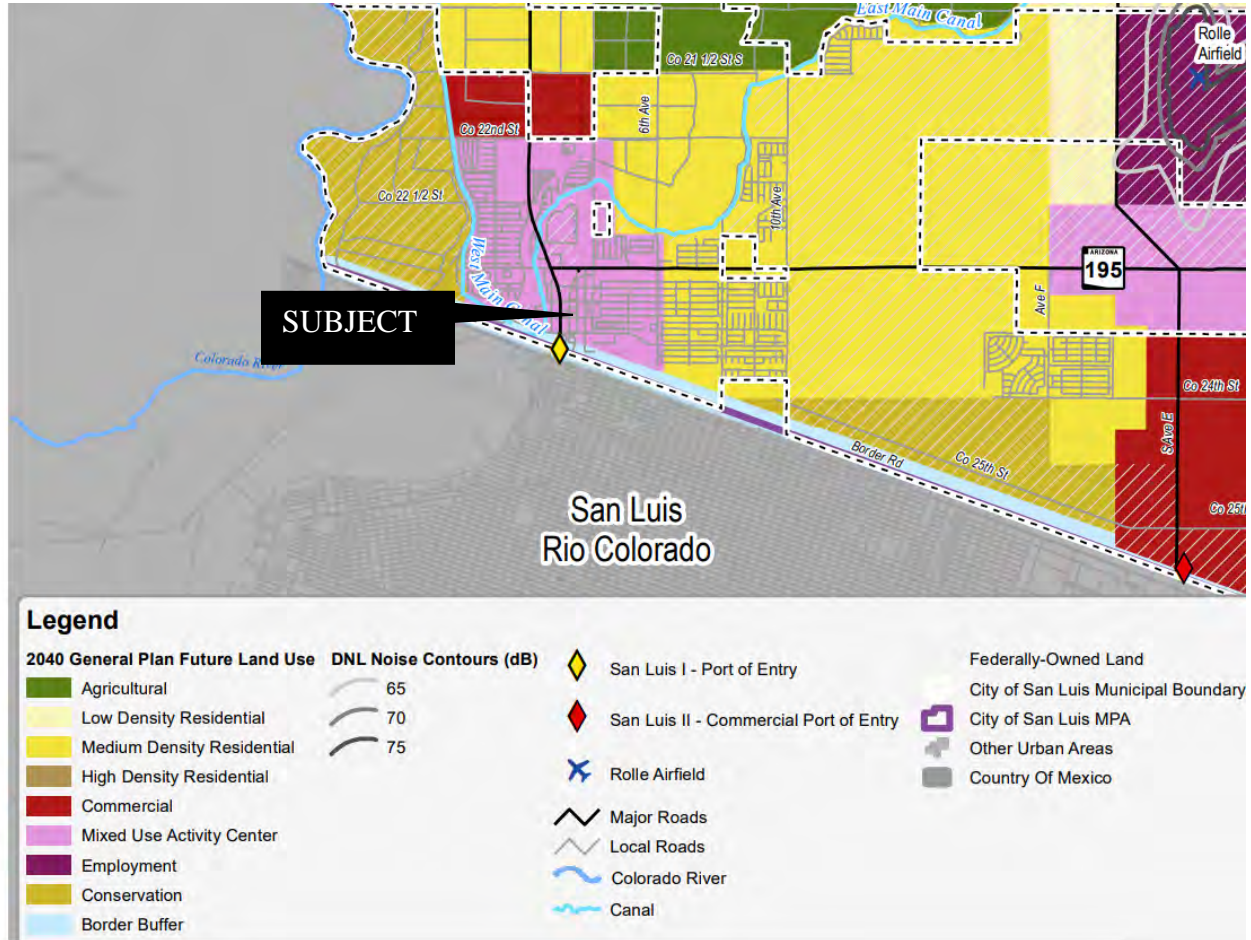
Zoning:

The subject site is zoned C-2, General Commercial, in accordance with the City of San Luis Land Use Code. This zoning designation provides for general business and commercial uses. The intent is to allow for larger and more intense commercial uses to satisfy the broader retail and business needs of the community. Medical and office uses, childcare facilities, banks, restaurants, drive through window facilities, health clubs, fitness, parking lots, car washes, auto repair, outdoor display for sale of automobiles, boats, RVs, nurseries and plant sales, religious facilities, etc. are permitted uses. The maximum building size is 50,000 square feet.



General Plan:

The subject site is designated as Mixed-Use Activity Center (MU). This designation is intended to for the primary community focal areas and include a wide range of high density residential, office, commercial, and employment uses. Building heights from 1-6 stories are intended with a greater density than 12 du/acre.



Tax Data:

The subject property is identified by the Yuma County Assessor as parcel numbers 775-38-114, -115, -116 and -117. The 2023 and 2024 full cash value is \$322,560 and the limited cash is also \$322,560.

SUBJECT TAXES						
APN	2023 FCV	2023 LCV	2024 FCV	2024 LCV	2022 Taxes	2023 Taxes
775-38-114	\$ 80,640	\$ 80,640	\$ 80,640	\$ 80,640	\$ 1,650.92	\$ 1,531.40
775-38-115	\$ 80,640	\$ 80,640	\$ 80,640	\$ 80,640	\$ 1,650.92	\$ 1,531.40
775-38-116	\$ 80,640	\$ 80,640	\$ 80,640	\$ 80,640	\$ 1,650.92	\$ 1,531.40
775-38-117	\$ 80,640	\$ 80,640	\$ 80,640	\$ 80,640	\$ 1,650.92	\$ 1,531.40
Totals	\$322,560	\$322,560	\$322,560	\$322,560	\$ 6,603.68	\$ 6,125.60

Per the Yuma County Treasurer's Office, 2023 taxes are in the amount of \$6,125.60 and are payable, with no reported delinquencies.

**Description of
Improvements:**

None, vacant land. The site is fenced with chain link fencing, with 3-strand barbed wire and two rolling gates.

SUBJECT PHOTOGRAPHS

Top photo: View of the Whole property looking northeast.

Bottom photo: View of the Whole property looking east.



SUBJECT PHOTOGRAPHS

Top photo: View of the Whole property looking southeast.

Bottom photo: View of the Whole property looking east.



SUBJECT PHOTOGRAPHS

Top photo: View of 2nd Avenue looking north.
Bottom photo: View of 2nd Avenue looking south.



HIGHEST AND BEST USE OF THE WHOLE, BEFORE THE ACQUISITION

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*; Fifteenth 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 stages of Highest and Best Use analysis have been applied to the subject parcel. Following is a discussion of the estimated Highest and Best Use of the subject site, as vacant.

As if Vacant

Legally Permissible: The subject site is zoned C-2, General Commercial, in accordance with the City of San Luis Land Use Code. This zoning designation provides for general business and commercial uses. The intent is to allow for larger and more intense commercial uses to satisfy the broader retail and business needs of the community. Medical and office uses, childcare facilities, banks, restaurants, drive through window facilities, health clubs, fitness, parking lots, car washes, auto repair, outdoor display for sale of automobiles, boats, RVs, nurseries and plant sales, religious facilities, etc. are permitted uses. The maximum building size is 50,000 square feet.

The subject site is designated as Mixed-Use Activity Center (MU). This designation is intended for the primary community focal areas and include a wide range of high density residential, office, commercial, and employment uses. Building heights from 1-6 stories are intended with a greater density than 12 du/acre.

Physically Possible: The subject property is located on the east side of 2nd Avenue, in between C and D Street, at a mid-block location in San Luis, Yuma County, Arizona. According to Yuma County Assessor’s Office, the subject is comprised of four parcels totaling 46,080 square feet or 1.06 acres. This site size is assumed to be correct and reliable and will be used throughout this report. The parcel is rectangular shaped. The City of San Luis provides water, sewer and trash service. APS provides electric service and communication via Lumen Technologies, Inc.

Overall, there are no other physical factors that would limit the site from being developed with its highest and best use.

Financially Feasible/Maximally Productive: Overall, the legally permissible and physically possible uses are considered to be commercial uses or investment. The site has average access and exposure via 2nd Avenue, at a midblock location. Surrounding uses are primarily local restaurants, offices, contractor yards, etc.

Per CoStar, the retail San Luis market presently contains a 0% vacancy rate, lower than the prior quarter at 1.4%, demonstrating strong demand for retail uses in the market. Per CoStar, there are presently 37 retail buildings with a total inventory of 515,000 square feet and a market rent of \$14.86/SF. Presently, a build to suit for sale Starbucks was recently constructed at 1589 N Main Street. The asking price is \$3,471,000 or \$1,444/SF at a 4.25% cap rate. Other facilities under construction are Burger King, AEA Credit Union and Clean Freak Carwash, as out parcel to Wal-Mart Super Center. However, the site is located at a mid-block location with mixed uses due to limited traffic counts. Office uses are another legally permissible use.

INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET RENT/SF	MARKET SALE PRICE/SF	MARKET CAP RATE
515K +0%	0 -	7.5K +2.1%	0% -1.4%	\$14.86 +3.2%	\$182 +2.2%	7.4% +0.1%
Prior Period 515K	Prior Period 0	Prior Period 7.3K	Prior Period 1.4%	Prior Period \$14.40	Prior Period \$178	Prior Period 7.3%

Availability		Inventory		Sales Past Year		Demand	
Vacant SF	-	Existing Buildings	37 ↓	Asking Price Per SF	\$116	12 Mo Net Absorp % of Inventory	1.4% ↑
Sublet SF	-	Under Construction Avg SF	-	Sale to Asking Price Differential	-14.3%	12 Mo Leased SF	11.5K ↓
Availability Rate	-	12 Mo Demolished SF	0 ↓	Sales Volume	\$3.9M ↑	Months on Market	-
Available SF Total	-	12 Mo Occupancy % at Delivery	-	Properties Sold	9 ↓	Months to Lease	-
Available Asking Rent/SF	\$16.00 ↓	12 Mo Construction Starts SF	0 ↓	Months to Sale	3.3	Months Vacant	-
Occupancy Rate	100.0% ↑	12 Mo Delivered SF	0 ↓	For Sale Listings	1 ↓	24 Mo Lease Renewal Rate	93.5%
Percent Leased Rate	100.0% ↑	12 Mo Avg Delivered SF	-	Total For Sale SF	2.4K ↓	Population Growth 5 Yrs	2.9%

Per CoStar, the office San Luis market presently contains a 0% vacancy rate, lower than the prior quarter at 1.9%, demonstrating demand for office uses in the market. Per CoStar, there are presently 7 buildings with a total inventory of 26,300 square feet and a market rent of \$20.89/SF. In August 2020, Adult and Pediatric Rehabilitation purchased a lot for development of a medical office facility at the southeast corner of Cesar Chavez Boulevard and 7th Avenue, in San Luis and in June 2023, Chicanos Por La Causa purchased an adjacent site for development of their headquarters.

INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET RENT/SF	MARKET SALE PRICE/SF	MARKET CAP RATE
26.3K +0%	0 -	496 +223.2%	0% -1.9%	\$20.89 +3.4%	\$87 -6.9%	11.0% +0.9%
Prior Period 26.3K	Prior Period 0	Prior Period (402)	Prior Period 1.9%	Prior Period \$20.20	Prior Period \$94	Prior Period 10.1%

Availability		Inventory		Sales Past Year		Demand	
Vacant SF	-	Existing Buildings	7	Asking Price Per SF	-	12 Mo Net Absorp % of Inventory	1.9%
Sublet SF	0	Under Construction Avg SF	-	Sale to Asking Price Differential	-	12 Mo Leased SF	0
Availability Rate	32.7%	12 Mo Demolished SF	0	Sales Volume	\$0	Months on Market	8.2
Available SF Total	8.6K	12 Mo Occupancy % at Delivery	-	Properties Sold	0	Months to Lease	-
Available Asking Rent/SF	-	12 Mo Construction Starts SF	0	Months to Sale	-	Months Vacant	-
Occupancy Rate	100.0%	12 Mo Delivered SF	0	For Sale Listings	-	24 Mo Lease Renewal Rate	48.6%
Percent Leased Rate	100.0%	12 Mo Avg Delivered SF	-	Total For Sale SF	-	Population Growth 5 Yrs	2.9%

Overall, research indicates that similarly located properties are being acquired for commercial development such as medical or professional office, storage lots or investment. The most likely purchaser would be an owner user.

VALUATION OF THE WHOLE, BEFORE THE ACQUISITION

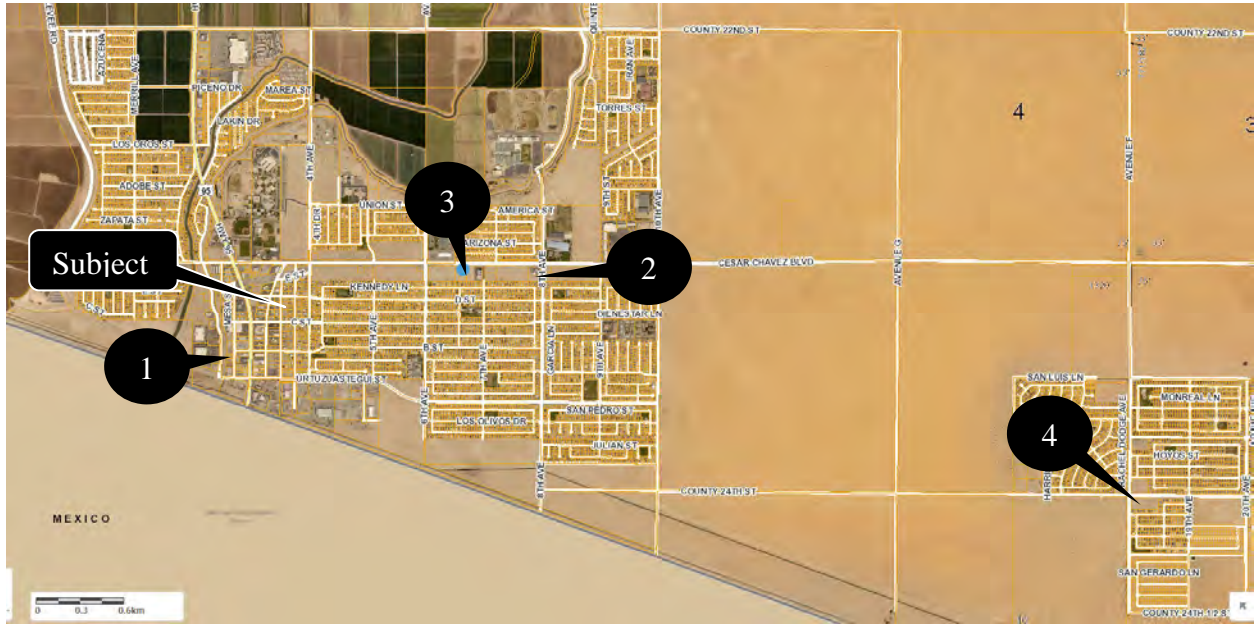
The Sales Comparison Approach to value considers recent sales and listings of similar vacant comparable properties. This approach has been utilized to develop an opinion of the market value of the larger parcel, or Whole, from which the Part Acquired will be purchased. The technique is an application of the economic principle of substitution that 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.

As noted in the Scope of the Appraisal section of this report, a great deal of research of land sales that may be considered similar as compared to the subject has been conducted in the course of this assignment. Of those sales, the sales data contained herein are considered to reflect the best available information with which to derive a reliable opinion of value for the subject land. The following tabulation, map, and aerial images summarize the transactions analyzed.

Comparable Land Sales

Comparable Number:	1	2	3	4	Subject
Sale Date:	Jan-20	Dec-21	Jul-23	Active	N/A
Location:	665 N. Cesar Chavez Street, San Luis, AZ	W Side 8th Avenue, S of Cesar Chavez Blvd, San Luis	W of NWc Cesar Chavez Blvd. and 7th Ave., San Luis, AZ	SEc County 24th Street and Avenue F, San Luis, AZ	715, 729, 743 & 757 N. 2nd Avenue, San Luis, AZ
APNs:	775-46-212	776-34-257	776-33-246	783-05-162	775-38-114, -115, -116 & -117
Zoning:	C-1, San Luis	C-2, San Luis	C-2, San Luis	C-2, San Luis	C-2, San Luis
Utilities	All to site	All to site	All to site	All to site	All to site
Sales Price	\$60,000	\$328,000	\$500,000	\$850,000	N/A
Terms of Sale:	CTS	Seller carryback	Cash to seller	TBD	N/A
Use:	Fenced Lot.	Expansion for Super C Fuel	Chicano por La Causa, Headquarters	Commercial Uses	Vacant land, fully fenced
Site Size (SF):	5,440	38,768	54,450	151,153	46,080
Site Size (AC):	0.12	0.89	1.25	3.47	1.06
Sales Price Per SF	\$11.03	\$8.46	\$9.18	\$5.62	N/A

COMPARABLE SALES MAP



COMPARABLE LAND SALE ONE

LOCATION: 665 N. Cesar Chavez Boulevard, San Luis, Yuma County, Arizona

LEGAL DESCRIPTION: SAN LUIS TOWNSITE ADDITION NO 1 AND LOT NO 9 Block: 10 S2 LOT 3 Section: 12 Township: 11S Range: 25W, Gila and Salt River Meridian, Pima County, Arizona

TAX CODE NUMBER: 775-46-212

RECORDING DATE: January 9, 2020

RECORDS: 2020-00646

OWNERSHIP HISTORY: No recorded sales in previous three years.

SELLER: Raquel and Alicia Silva

BUYER: Aaron and Judy Palacios

PURCHASE PRICE: \$60,000

TERMS: Cash to seller

MARKETING TIME: 1.5 years

SITE SIZE: 0.12 Acres or 5,440 square feet

ZONING: C-1, San Luis

ACCESS & VISIBILITY: Average access via Cesar Chavez Street

FLOOD PLAIN: Zone X, Shaded

TOPOGRAPHY: Level

PRICE/SQ.FT: \$11.03

CONDITION: Vacant lot. Chain link fenced.

UTILITIES: All to site.

COMMENTS:

Site is fully fenced and zoned commercially. The lot previously had a mobile home unit that was removed.

CONFIRMED WITH:

Yuma MLS #135178 and public records. Attempts to reach the buyer's broker were unsuccessful.

CONFIRMED BY:

Andres A. Rubal, MAI

DATE:

October 2023



COMPARABLE LAND SALE TWO

LOCATION: W Side 8th Avenue, S of Cesar Chavez Boulevard, San Luis, Yuma County, Arizona

LEGAL DESCRIPTION: Section: 07 Township: 11S Range: 24W STATE PLAT NO 17 S 133.58 FT OF E 329.40 FT OF TRACT 8 EXC E 40 FT RW PER SUPER "C" LOT SPLIT AKA PARCEL B 28/10, Gila and Salt River Meridian, Pima County, Arizona

TAX CODE NUMBER: 776-34-257

RECORDING DATE: December 20, 2021

RECORDS: 2021-46845

OWNERSHIP HISTORY: No recorded sales in previous three years.

SELLER: HMS Development, LLC

BUYER: Super Fuel C, LLC

PURCHASE PRICE: \$328,000

TERMS: Seller carryback financing. Terms not disclosed.

MARKETING TIME: Unk.

SITE SIZE: 0.89 Acres or 38,768 square feet

ZONING: C-2, San Luis

ACCESS & VISIBILITY: Good access via 8th Avenue

FLOOD PLAIN: Zone X, Shaded

TOPOGRAPHY: Level

PRICE/SQ.FT: \$8.46

CONDITION: Vacant lot.

UTILITIES: All to site.

COMMENTS:

Site is purchased as assemblage for future expansion of Super C fuel (improved property to the north).

CONFIRMED WITH:

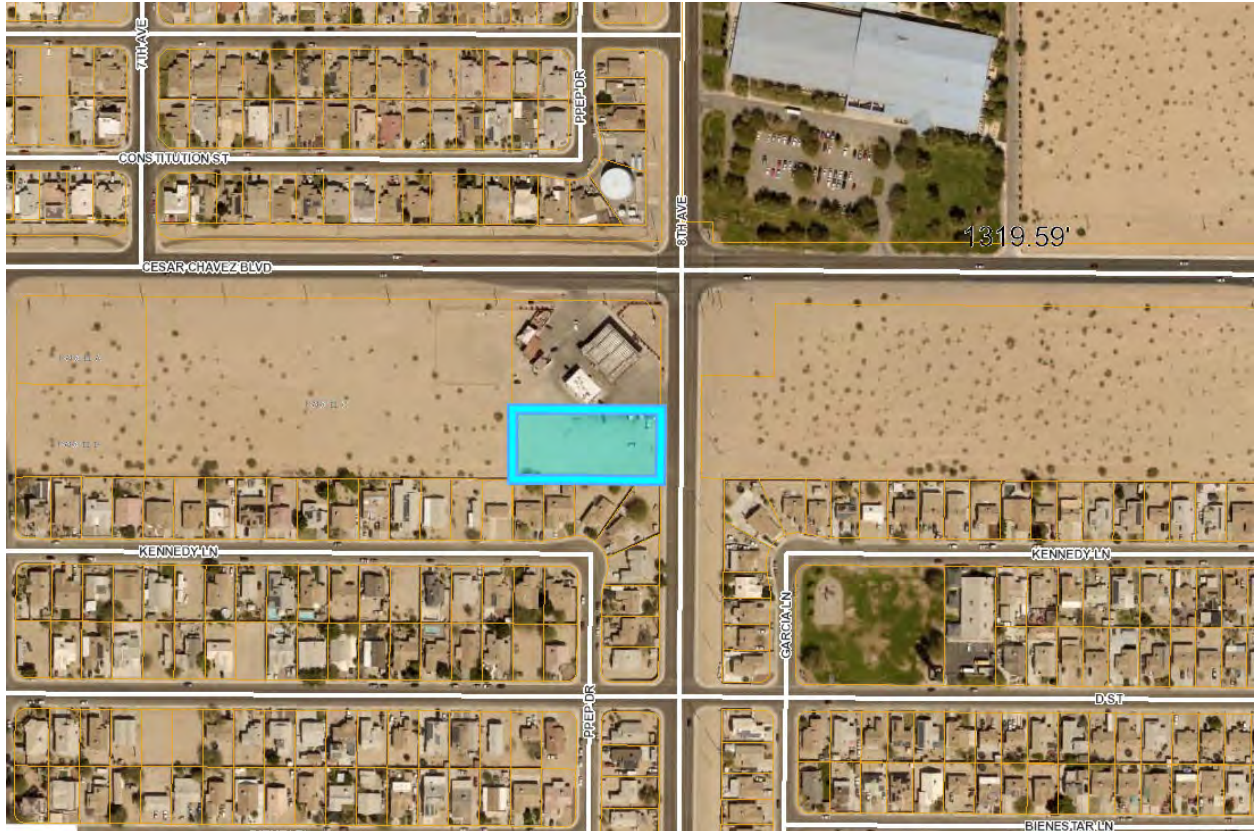
Laura Fernandez, seller representative and public records.

CONFIRMED BY:

Andres A. Rubal, MAI

DATE:

September 2021



COMPARABLE LAND SALE THREE

LOCATION: W of NWc Cesar Chavez Boulevard and 7th Avenue, San Luis, Yuma County, Arizona

LEGAL DESCRIPTION: AMENDED 24/7 GET FIT LOT TIE/LOT SPLIT Lot: A EXC DEED 2023-06763 Section: 07 Township: 11S Range: 24W , Gila and Salt River Meridian, Pima County, Arizona

TAX CODE NUMBER: 776-33-246

RECORDING DATE: July 5, 2023

RECORDS: 2023-15947

OWNERSHIP HISTORY: Purchased for \$1,015,000 on May 31, 2022 as a part of a larger, 3.14 acre sale. Buyer kept a portion of the site for expansion of their gym business and sold off an excess land parcel.

SELLER: Get Fit Holdings, LLC

BUYER: Campesinos Sin Fronteras

PURCHASE PRICE: \$500,000

TERMS: Cash to seller

MARKETING TIME: 8 months

SITE SIZE: 1.25 Acres or 54,450 square feet

ZONING: C-2, San Luis

ACCESS & VISIBILITY: Good access via Cesar Chavez Boulevard

FLOOD PLAIN: Zone X, Shaded

OPOGRAPHY: Level

PRICE/SQ.FT: \$9.18

CONDITION: Vacant lot.

UTILITIES: All to site.

COMMENTS:

The site was purchased for \$1,015,000 on May 31, 2022 as a part of a larger, 3.14 acre sale. Buyer kept a portion of the site for expansion of their gym business and sold off this excess land parcel. Site is purchased for development of Chicanos por La Causa's, headquarters, a non-profit.

CONFIRMED WITH:

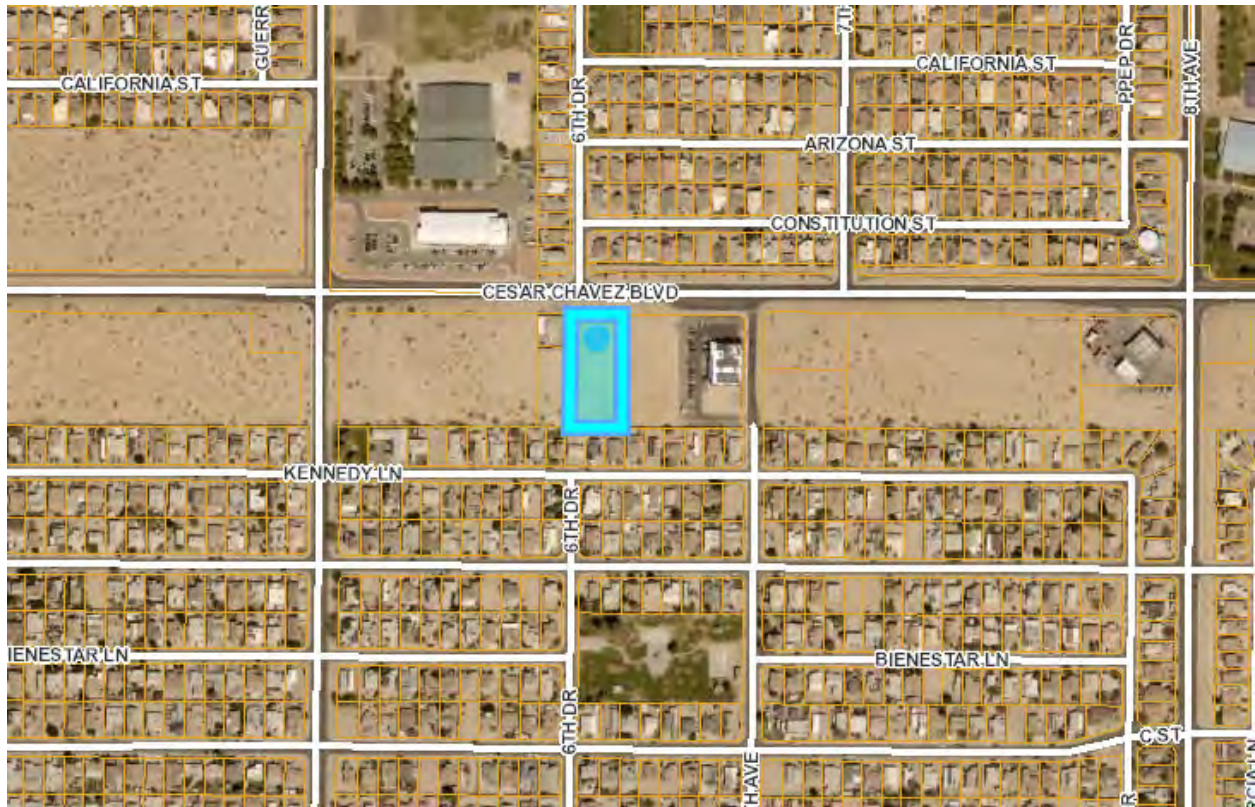
Matias Rosales, Realty One Group Gateway, listing agent, and public records.

CONFIRMED BY:

Andres A. Rubal, MAI

DATE:

October 2023



COMPARABLE LAND SALE FOUR

LOCATION: SEc County 24th Street and Avenue F, San Luis, Yuma County, Arizona

LEGAL DESCRIPTION: Subdivision: BIENESTAR ESTATES 10 Tract: B Section: 15 Township: 11S Range: 24W, Gila and Salt River Meridian, Pima County, Arizona

TAX CODE NUMBER: 783-05-162

RECORDING DATE: TBD

RECORDS: TBD

OWNERSHIP HISTORY: No transactions within previous three years.

SELLER: Comite De Bien Estar Inc. AZ Corp

BUYER: TBD

ASKING PRICE: \$850,000

TERMS: TBD

MARKETING TIME: ~7 months

SITE SIZE: 3.47 Acres or 151,153 square feet

ZONING: C-2, San Luis

ACCESS & VISIBILITY: Good access and exposure via County 24th Street and Avenue F

FLOOD PLAIN: Zone X, Shaded

TOPOGRAPHY: Level

PRICE/SQ.FT: \$5.62

CONDITION: Vacant lot.

UTILITIES: All to site.

COMMENTS:

Located at a non-signalized intersection in east San Luis. Mr. Rosales indicated retail users and apartment developers have expressed interest in the site but no meeting of the minds, yet. Multi-family is being developed across the street and a strip retail user put an offer in that was not accepted.

CONFIRMED WITH:

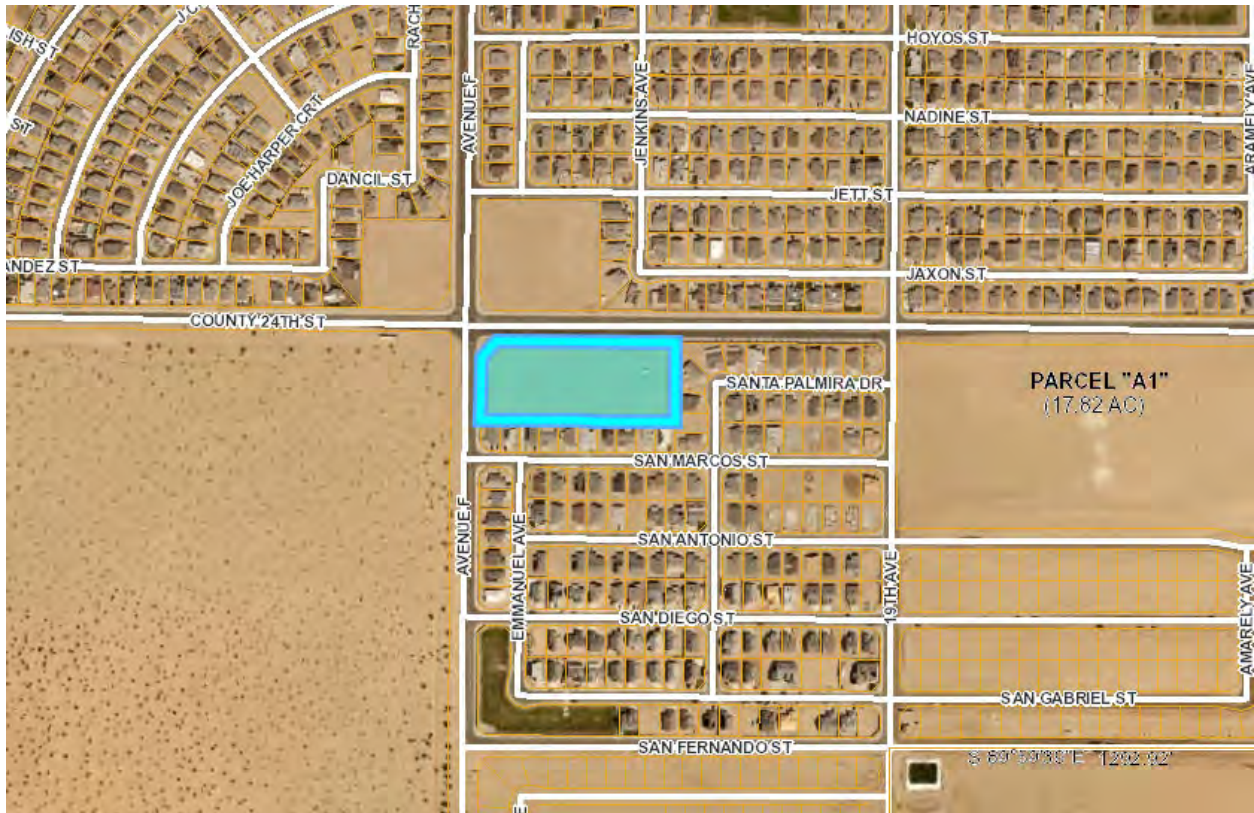
Matias Rosales, Realty One Group Gateway, listing agent, and public records.

CONFIRMED BY:

Andres A. Rubal, MAI

DATE:

October 2023



Discussion of Adjustments

In order to develop an opinion of the market value of the subject, the comparable sales have been analyzed on a price per square foot basis. Adjustments to the comparables price per square foot unit of comparison have been considered for differences in property rights, terms of sale (cash equivalency), market conditions (time), location, size, zoning/use, utility availability, and shape/site utility. Here follows a discussion of each of the adjustments.

Property Rights

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

Terms of Sale

Adjustments for terms of sale have been considered in this analysis. The analysis assumes a cash equivalent purchase. Cash equivalent sales imply those transactions, which are financed by third-party lenders such as savings and loan associations, insurance companies, or commercial banks. Transactions, which are financed by sellers, may provide advantages not available from third-party lenders. Typically, seller carry back financing includes a lower down payment than what would be available via third-party financing. However, in some cases, sellers consider a carry back either the same as or preferable to cash, depending upon the tax status of the sale or desire to defer sale proceeds.

All of the comparables, except Comparable Two, sold for cash or cash equivalent terms warranting no adjustment for this factor. Comparable Two involved seller carryback financing. Specific terms were not disclosed and the terms were not considered to impact the price, per conversation with the parties involved.

Sale Conditions

The comparable sales were analyzed to determine if the transaction differed from the definition of a true market sale. All of the comparables, except Comparables Two and Four, in this analysis are considered to be market sales with typical buyer and seller motivations, and no adjustments to these comparables are warranted. Comparable Two was purchased as assemblage, warranting a downward adjustment for this element of comparison. Comparable Four reflects an active listing on the market for about 7 months. As such, a list to sales price factor is warranted.

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 comparables range in date of sale from January 2020 to July 2023 with a listing. The effective date of appraisal is October 2023. The market for commercial land continues to remain in good demand. Comparable One occurred in 2020, during inferior market conditions, warranting an upward adjustment. The remaining sales have occurred during generally similar market conditions, with no adjustments warranted.

Location

The subject property is located along the east side of 2nd Avenue, in between C and D Street, at a mid-block location in San Luis, AZ. Overall, access and exposure are average.

Comparables One and Two are located at similar locations, warranting no adjustments for this factor. Comparable Three is located along Cesar Chavez Boulevard, an east/west thoroughfare in the community, providing superior exposure, warranting a downward adjustment. Comparable Four is located at an unsignalized intersection but in the east San Luis market, considered to provide inferior exposure, warranting an upward adjustment for this element of comparison.

Site Size

In this analysis, adjustments for size have been considered for the comparable properties. In analyzing the comparables for size differences, it is important to understand that generally, smaller properties will sell for more on a per unit basis than larger ones, due to there being a broader market with a greater number of prospective purchasers looking for small sites. Conversely, larger properties tend to sell at a lower price per unit than smaller ones due to the greater risk inherent in owning and/or developing a larger parcel and a smaller market with fewer prospective purchasers.

Comparables Two and Three are considered sufficiently similar to warrant no adjustment while Comparable One is considered sufficiently smaller to warrant a downward adjustment and Comparable Four is considered sufficiently larger to warrant an upward adjustment.

Zoning/Use

Zoning regulations can limit the use or the development potential of a property, thereby affecting market value. As discussed previously, the subject is C-2, San Luis with a highest and best use for commercial uses. All of the comparables are similarly zoned with similar highest and best uses, warranting no adjustments for this factor.

Utility Availability

The subject presently contains electric service, water and sewer to the lot. All of the comparables contain similar utility availability, warranting no adjustments for this factor.

Shape/Site Utility

Adjustments for shape/site utility take into consideration the shape, flood condition, and overall developability of the comparable sales as compared to the subject. The subject has generally topography, is at grade with surrounding properties and generally level, and is located within zone X, shaded. The site is also fenced with three strand barbed wire and has two rolling gates.

Comparable One contains similar site utility, warranting no adjustment for this factor. None of the remaining sales are fenced, warranting upward adjustments for this factor.

Summary and Final Value Conclusion

The factors noted above can influence market price. Adjustments to the comparable sales utilized in this analysis for the various differences result in an indication of the market value range for the subject. The following adjustment grid provides a summary of the adjustments considered warranted for each of the comparables.

<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	\$11.03	\$8.46	\$9.18	\$5.62
Terms of Sale	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
Adjusted Price/SF	\$11.03	\$8.46	\$9.18	\$5.62
Sale Conditions	0.0%	-5.0%	0.0%	-10.0%
	None	Assemblage	None	Listing
Adjusted Price/SF	\$11.03	\$8.04	\$9.18	\$5.06
Time of Sale	5.0%	0.0%	0.0%	0.0%
	Inferior	Similar	Similar	Similar
Adjusted Price/SF	\$11.58	\$8.04	\$9.18	\$5.06
<i>Physical Adjustments:</i>	1	2	3	4
Location	0.0%	0.0%	-15.0%	10.0%
	Similar	Similar	Superior	Inferior
Size	-30.0%	0.0%	0.0%	50.0%
	Smaller	Similar	Similar	Larger
Zoning/Use	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
Utility Availability	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
Site Utility	0.0%	2.5%	2.5%	2.5%
	Similar	Inferior	Inferior	Inferior
Gross Additional Adjustments	30.0%	2.5%	17.5%	62.5%
Net Additional Adjustments	-30.0%	2.5%	-12.5%	62.5%
Adjusted Price Per SF	\$8.11	\$8.24	\$8.03	\$8.22

The preceding transactions were analyzed in order to develop an opinion of the market value of the subject site. The prior tabulation reflects the physical adjustments that are considered appropriate for each of the comparable properties in comparison to the subject. While the comparables vary somewhat in comparison to the subject, they are considered to provide the best indication of value for the subject as of the date of valuation. Although support for specific quantifiable adjustments could not be abstracted from the market for each of the adjustments, the adjustments shown reflect subjective observations of the current market and are considered reasonable.

Conclusion

After adjustments are applied, the range is refined to about \$8.03 to \$8.24 per square foot. Considering the data, a value of \$8.05 to \$8.25 per square foot is considered reasonable and well supported. Therefore, the value of the subject is calculated by multiplying \$8.05 and \$8.25 per square foot by 46,080 square feet, equals a value from \$370,944 to \$380,160, reconciled at \$375,000 or \$8.14/SF.

OPINION OF THE MARKET VALUE

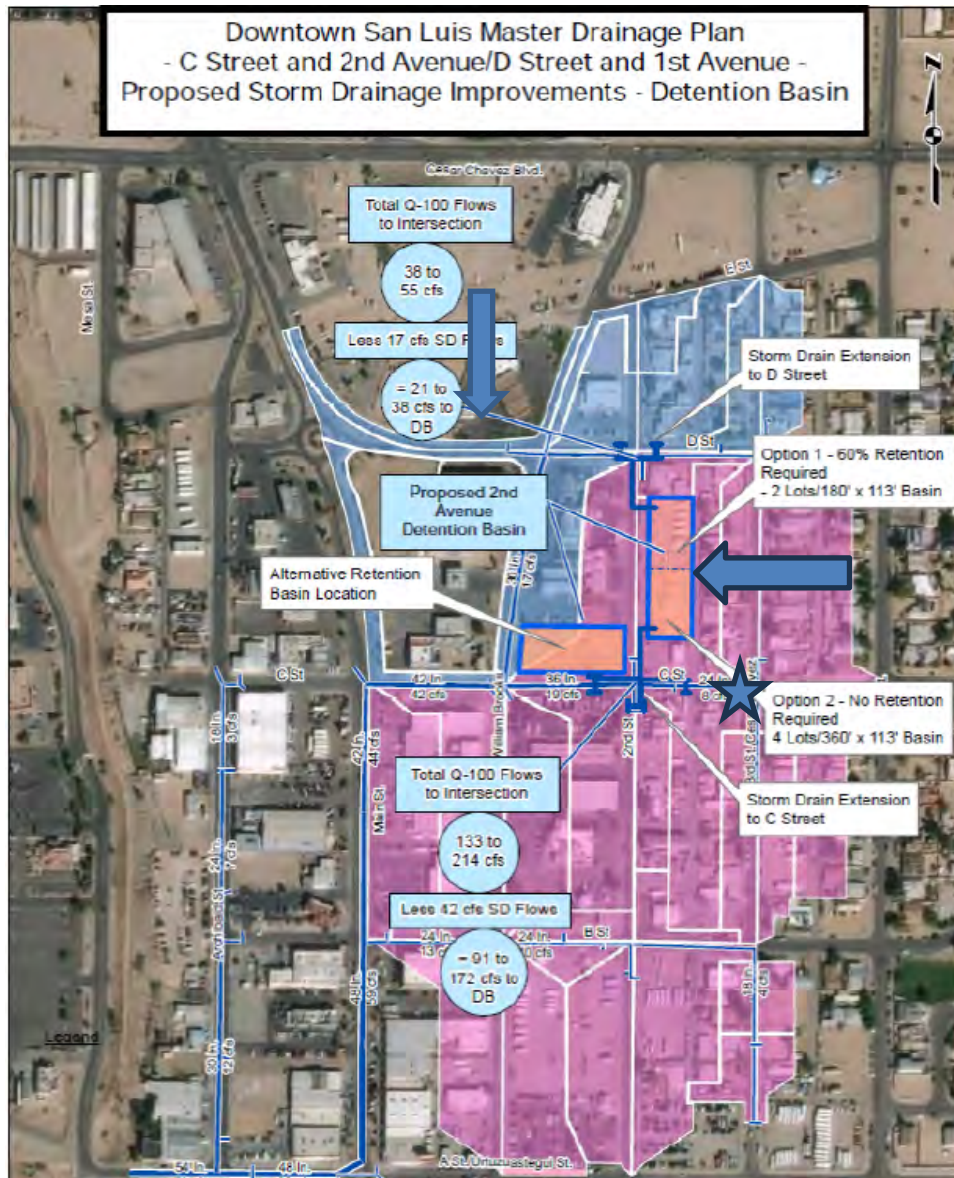
OF THE WHOLE\$375,000

ACQUISITION ANALYSIS

The acquisition reflects a full acquisition of the subject property reflecting vacant, commercially zoned land, with chain link fencing. The following map is an approximation of the proposed ROW location. The client did not provide any legal descriptions.

The Project for which the Part Acquired is for the City of San Luis for the Downtown San Luis Drainage Plan Project. This reflects construction of a drainage basin on the property.

The acquisition reflects a full acquisition of the subject property reflecting vacant land, fully fenced. The full acquisition results in a value of \$375,000.



VALUATION OF THE PART ACQUIRED

As previously stated, the acquisition represents a full acquisition which results in a value of \$375,000 or \$8.14/SF.

**OPINION OF THE MARKET VALUE
OF THE ACQUIRED.....\$375,000**

Site Improvements To Be Acquired

As previously noted, the acquisition reflects a full acquisition. Therefore, this factor has already been accounted for in the Valuation of the Part Acquired.

VALUE OF THE REMAINDER BEFORE THE ACQUISITION

The Remainder Before the Acquisition is comprised of the Whole, less the Part Acquired. As this is a full acquisition, the remainder before the acquisition is \$0.

THE REMAINDER AFTER THE ACQUISITION

The Remainder After the Acquisition is comprised of the Whole, less the Part Acquired. As this is a full acquisition, the remainder after the acquisition is \$0.

SEVERANCE DAMAGES/BENEFITS

Severance damages or benefits are determined by subtracting the Value of the Remainder After the Acquisition from the Value of the Remainder Before the Acquisition. The value of the Remainder After the Acquisition is equal to the value of the Remainder Before the Acquisition. Therefore, no severance damages or benefits have occurred as a result of the acquisition, as summarized on the following tabulation.

DETERMINATION OF THE TOTAL VALUE OF THE RIGHTS ACQUIRED

Based on the conclusions set forth above, our opinion of the total value of the rights acquired due to the property owner is summarized as follows:

Summary of Value Opinions

	Size (SF)	Total	Per SF
Market Value of the Whole	46,080.00	\$375,000.00	\$8.14
Value of fee simple interest in Part Acquired:	46,080.00	\$375,000.00	\$8.14
Value of the Remainder Before the Acquisition	-	\$0.00	N/A
Value of the Remainder After the Acquisition	-	\$0.00	N/A
Value of the Remainder Before the Acquisition	-	\$0.00	N/A
Severance Damages or (Special Benefits)		\$0	
Market Value of Part Acquired		\$375,000	
Severance Damages or (Special Benefits)		\$0	
Market Value of Improvements Acquired		\$0	
TOTAL VALUE OF RIGHTS ACQUIRED		\$375,000	

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 me 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 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.

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute.

We certify that Andres A. Rubal, MAI inspected the subject. James S. Bradley, MAI, CCIM has completed the requirements under the continuing education program of the Appraisal Institute. Andres A. Rubal, MAI, 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.

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.

We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

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 my 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 my 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 my 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:

Summary of Value Opinions

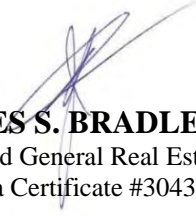
	Size (SF)	Total	Per SF
Market Value of the Whole	46,080.00	\$375,000.00	\$8.14
Value of fee simple interest in Part Acquired:	46,080.00	\$375,000.00	\$8.14
Value of the Remainder Before the Acquisition	-	\$0.00	N/A
Value of the Remainder After the Acquisition	-	\$0.00	N/A
Value of the Remainder Before the Acquisition	-	\$0.00	N/A
Severance Damages or (Special Benefits)		\$0	
Market Value of Part Acquired		\$375,000	
Severance Damages or (Special Benefits)		\$0	
Market Value of Improvements Acquired		\$0	
TOTAL VALUE OF RIGHTS ACQUIRED		\$375,000	

It is a hypothetical condition that the property in the after condition is being appraised assuming the Town of San Luis, Downtown San Luis Drainage Plan Project has been completed. The use of a hypothetical condition may affect the assignment results.

Respectfully submitted,



ANDRES A. RUBAL, MAI
AXIA Real Estate Appraisers
Certified General Real Estate Appraiser
Arizona Certificate #31801



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

QUALIFICATIONS OF ANDRES A. RUBAL, MAI

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

Member of the Appraisal Institute (MAI), September 2022
Licensed Real Estate Broker, State of Arizona
Affiliate member of Southern Arizona CCIM Chapter
Member of the International Right of Way Association (IRWA)

FORMAL EDUCATION

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

PROFESSIONAL EDUCATION

2022 7 Hour Update USPAP Course, Appraisal Institute
 Fundamentals of the Uniform Appraisal Standard for Federal Land Acquisitions, Appraisal Institute
 Appraising Automobile Dealerships, Appraisal Institute
 Rates and Ratios: Making Sense of GIMs, OARs and DCF, Appraisal Institute

2021 Supervisory Appraiser/ Trainee Course, Appraisal Institute
 General Demonstration Report Writing, Appraisal Institute

2020 Advanced Concepts and Case Studies, Appraisal Institute
 7 Hour Update USPAP Course, Hogan School of Real Estate

2018 Quantitative Analysis, Appraisal Institute
 Housing and Land Market Perspective, Appraisal Institute
 7 Hour Update USPAP Course, Hogan School of Real Estate

2016 Advanced Market Analysis and Highest and Best Use, Appraisal Institute
 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

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, litigation 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.

QUALIFICATIONS OF JAMES S. BRADLEY, MAI, AI-GRS, CCIM
State of Arizona Certified General Real Estate Appraiser,
Certificate #30432 (Expires 10/31/2024)

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
- 1982 - 1985 Real Estate Broker in Grand Junction, Colorado, working in commercial sales and property management
- 1978 - 1982 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.
- Member #15817 of the CCIM Institute. Mr. Bradley received his CCIM designation in April 2009. He is a past president of the Southern Arizona CCIM Chapter.
- Member of Chapter 73 International Right of Way Association
- Designated Real Estate Broker, State of Arizona since 1985 (#BRO-12667000)
- Citizens Advisory Committee Regional Transportation Authority Pima County (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. Also all classes necessary to obtain and retain his Arizona Designated Brokers License.

SEMINARS/CLASSES

- 2022 USPAP 2022-2023
- 2020 Problems in the Valuation of Partial Acquisitions
Business Practices & Ethics
Appraising Convenience Stores
Appraising Automobile Dealerships
Divorce & Estate Appraisals – Elements of Non-Lender Work
- 2019 USPAP 2020-2021
Annual Arizona Ag Forum (ASFMRA)
- 2018 USPAP 2018 – 2019
Housing & Land: Market Perspective
Business Practices & Ethics
Annual Arizona Ag Forum (ASFMRA)
Various Continuing Education Classes For Broker's License
- 2017 Uniform Appraisal Standards For Federal Land Acquisitions: Practical Applications
Yellow Book Changes – Overview for Appraisers
Annual Arizona Ag Forum (ASFMRA)
- 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

ADDENDA

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

ENGAGEMENT LETTER

8/1/2023

James Bradley
Axia Real Estate Appraisers
3320 N. Country Club Road, Suite #110
Tucson, AZ 85716
(520) 545-0000

jim@axiaappraisers.com

Re: Subconsultant Agreement
City of San Luis
Downtown Master Drainage Plan Acquisitions
CEI Project No. 0123076.00

Dear James 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. Enclosed please find the Associate Consultant Agreement between Consultant Engineering, Inc. and Axia Real Estate Appraisers.

Please return the executed copies 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 signed Associate Consultant Agreement, 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.



M. Clark Hochstein
Vice President

CH/TS

Attachments

cc: Contract File (CEI #0123076.00)

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

THIS AGREEMENT made this 1st day of August, 2023, 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 San Luis ("the Client") for the furnishing of professional services ("the Contract").

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 and 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.

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 **Acquisition Services for City of San Luis Downtown Master Drainage Plan**. 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.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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 Consultant's 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.

(8) 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.

(9) 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. Notwithstanding the foregoing, Associate Consultant may retain one (1) copy of its work product for internal record-keeping purposes, subject to confidentiality obligations in this Agreement.

(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.

(10) Insurance. During the term of this Agreement, the Associate Consultant shall comply with the following minimum insurance requirements unless higher limits are required under the Prime Agreement, in which case Associate Consultant shall obtain and maintain insurance consistent with those limits:

(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, occurrence and \$2,000,000 aggregate**, 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 occurrence and \$2,000,000 aggregate**, 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. 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.

(11) 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 and employees, including costs and expenses, for or on account of any or all claims or suits for damages 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, including costs and expenses, for or on account of any or all claims or suits for damages resulting from injuries or damages sustained by any person or persons or property to the extent 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.

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

(13) 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.

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

(15) 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.

(16) 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 provided Consultant continues to make payments of undisputed amounts to Associate Consultant.

(17) 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.

(18) Non-Assignability. 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.

(19) 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.

(20) 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.

(21) 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.

(22) 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.

(23) 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.

(24) 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.

(25) 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.

(26) 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

CONSULTANT:
CONSULTANT ENGINEERING, INC.

By: James S. Bradley, MAI
Its: Owner/President
Date: 08/02/2023

By: Mandi Clark Hochstetler
Its: Vice President
Date: August 2, 2023



HELPING BUILD THE SOUTHWEST SINCE 1996

Arizona
California
Nevada
New Mexico
Texas
Utah

ATTACHMENT A

Consultant Engineering, Inc.
CONTRACT WITH CLIENT

PROFESSIONAL SERVICES AGREEMENT

Professional Services Agreement (this "Agreement") made the 26 day of July 2023 between the City of San Luis, Arizona, a municipal corporation of the State of Arizona ("CITY"), and Consultant Engineering, Inc., an Arizona corporation, authorized to do business in the State of Arizona ("CONSULTANT"). CONSULTANT and CITY may be referred to singularly as the "Party" and collectively as the "Parties."

RECITALS

The Parties entered into this Agreement based on the following facts, understanding and intentions of the Parties:

- A. CITY has determined that it is in the public interest to proceed with the work described below in Section One (the "Project"); and
- B. CONSULTANT has made a Proposal ("Proposal") to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit 1; and
- C. CITY desires to engage CONSULTANT and CONSULTANT agrees to render professional services to perform certain specific duties and produce the specific work as set forth in the Proposal; and
- D. CONSULTANT represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. CONSULTANT further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and 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:

SECTION ONE. DESCRIPTION OF PROJECT

The Project is described in the attached Exhibit 1, July 20, 2023, proposal for The City of San Luis Downtown Master Drainage Plan Project by Consultant Engineering, Inc.

SECTION TWO. PROPOSAL SUBMITTAL

The Parties mutually agree that the attached Exhibit 1, as described in Section One above is incorporated in this Agreement by this reference.

**SECTION THREE.
SCOPE OF WORK**

CONSULTANT shall provide the Services as set forth in the Scope of Work described in the Proposal as attached to and incorporated in this Agreement by this reference.

**SECTION FOUR.
SCOPE OF WORK—ADDITIONAL SERVICES**

CITY and CONSULTANT understand that it may be necessary for the CONSULTANT to perform or secure the performance of consulting and related services other than those set forth in the proposal. If the CITY requests additional services, CONSULTANT shall advise CITY in writing of the need for additional services and the cost and estimated time to perform the services. CONSULTANT shall not proceed to perform any such additional service until CITY has determined that such service is beyond the scope of the basic services to be provided by CONSULTANT and has given its written authorization to proceed. Written approval for performance and compensation for additional services may be granted by the San Luis Economic Development Director (referred to as the “Economic Development Director”) or the San Luis City Manager. Except as stated in this paragraph, any additional service shall require a written amendment to this Agreement and shall be subject to all the provisions of this Agreement.

**SECTION FIVE.
AUTHORITY OF THE ECONOMIC DEVELOPMENT DIRECTOR**

CONSULTANT shall perform all necessary services provided under the Agreement and outlined in the proposal and shall do, perform, and carry out such work in a satisfactory and proper manner as determined by and to the satisfaction of the Economic Development Director. The Economic Development Director reserves the right to make changes, additions or deletions, to the scope of work as deemed to be necessary or advisable to implement and carry out the purposes of the Agreement. The Economic Development Director is authorized to execute the change orders on behalf of the CITY.

**SECTION SIX.
RESPONSIBILITY OF CONSULTANT**

By executing this Agreement, CONSULTANT represents and states to CITY that he possesses or will arrange to secure from others all necessary professional capabilities, experience, resources and facilities necessary to provide to CITY the services contemplated under this Agreement. CONSULTANT further warrants that he will follow the current generally accepted practices of the profession to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the Project for which services are rendered under this Agreement.

**SECTION SEVEN.
INDEPENDENT CONTRACTOR**

The Parties to this Agreement agree that CONSULTANT, his employees, agents and subcontractors shall be independent contractors with regard to the providing of services under this Agreement and that CONSULTANT's employees, agents and subcontractors shall not be considered to be employees or agents of CITY, for any purpose, whatsoever, and will not be entitled to any of the benefits CITY provides for its employees. Rights of the CONSULTANT as an independent contractor include, but are not limited to, control of the work, manner and methods of the work, and the right to contract with other employers.

Rights of the CITY include, but are not limited to, inspection and approval of the work and the right to contract with others to perform the work.

**SECTION EIGHT.
MATERIALS AND EQUIPMENT**

CONSULTANT shall furnish at its own expense all materials and equipment necessary to carry out the terms of this Agreement.

**SECTION NINE.
DIGITAL FILES**

CONSULTANT shall furnish copies of all deliverables in digital format. Files shall be compatible with the current versions used by CITY. All other deliverables shall be in accordance with the Proposal.

**SECTION TEN.
EMPLOYMENT OF PERSONNEL**

CONSULTANT shall provide experienced and qualified personnel to carry out the work to be performed by CONSULTANT under this Agreement and shall be responsible for and in full control of the work of such personnel.

**SECTION ELEVEN.
TIME OF PERFORMANCE**

Subject to the provisions of this Agreement, CONSULTANT agrees to perform the Project in accordance with the proposal. The services of CONSULTANT are to be undertaken and completed in such a sequence as to assure their expeditious completion in light of the purpose of this Agreement. CONSULTANT's performance of the Project starts July 26, 2023, and shall be completed on or before June 30, 2024.

**SECTION TWELVE.
COMPENSATION**

Subject to the provisions of this Agreement, CONSULTANT agrees to perform the work and services specified and outlined in the proposal for \$ [REDACTED] CONSULTANT shall prepare

invoices in accordance with this Agreement and shall submit to CITY once a month covering the amount and value of the Project satisfactorily performed by CONSULTANT up to the date of such invoice. CITY shall reimburse CONSULTANT for work satisfactorily performed on a time and materials basis. The satisfactory performance will be determined as described in Section Five. The consultant's billing statements shall be paid within sixty (60) days of the statement date. The CITY agrees that it will review the CONSULTANT's statement upon receipt and will advise the CONSULTANT of any objection to or dispute with the statement and the work reflected in the statement within sixty (60) days of the statement date. In the event the CITY disputes part of the CONSULTANT's bill, the undisputed part shall be paid within thirty (30) days of the statement date. Without liability, the CONSULTANT reserves the right to withhold delivery of services, testimony, reports or data (written or oral), or suspend work, if the account on this agreement is not current. A late payment charge of one percent (1%) per month (or the maximum rate permitted by law, whichever is less) may be added to any outstanding invoices that are past due.

**SECTION THIRTEEN.
ASSIGNMENT**

CONSULTANT shall not assign any duties, responsibilities or obligations under this Agreement without the prior written consent of CITY.

**SECTION FOURTEEN.
INDEMNIFICATION**

To the fullest extent permitted by law, CONSULTANT agrees to indemnify, protect, defend and hold harmless CITY, its Mayor, Council Members, any and all of its officers, directors, officials, employees, agents, insurers, and indemnitors ("Indemnified Parties") for, from and against any and all suits, claims, losses, liabilities, damages, costs, expenses and debt, including reasonable attorneys' fees and costs incurred by the CITY which arise out of, attributable to or caused in whole or in part by acts or omissions of CONSULTANT (or its officers, directors, shareholders, agents or employees) including but not limited to injuries to CONSULTANT's employees who may or may not be covered by workers' compensation insurance; except, to the extent such suits, claims, losses, liabilities, damages, costs, expenses and debt result from acts or omission of the CITY and all Indemnified Parties. Notwithstanding the foregoing, but without limiting insurance coverage provided by Section 15 of this Agreement, CONSULTANT, and its partners, agents and employees, shall not be liable to CITY, whether jointly severally or individually, in excess of the compensation paid to the CONSULTANT under any Agreement as a result of any act or omission not amounting to willful or intentional wrong. CITY hereby agrees that to the fullest extent permitted by law, but without limiting insurance coverage provided by Section 15 of this Agreement, CONSULTANT shall not be liable to CITY for any special indirect or consequential damages whatsoever, whether caused by CONSULTANT's negligence, errors, omissions, strict liability, breach of contract, breach of warranty or other cause or causes whatsoever.

**SECTION FIFTEEN.
INSURANCE**

A. Insurance Requirements.

Prior to the beginning and throughout the duration of the work, CONSULTANT will maintain insurance in conformance with the requirements set forth below. CONSULTANT will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth in this Section Fifteen, then such coverage shall be amended to do so. CONSULTANT acknowledges that the insurance coverage and policy limits set forth in this Section Fifteen constitute the minimum amount of coverage required. Any insurance proceeds in excess of the limits and coverage required in this Agreement, and which is applicable to a given loss in accordance with the terms of this Agreement, will be available to CITY.

Without in any way limiting CONSULTANT's liability pursuant to the indemnification described above, CONSULTANT shall maintain, during the term of this Agreement, the following types and amounts of insurance:

<u>Coverage Type</u>	<u>Coverage Amounts- Minimum Limits</u>
<u>Commercial General Liability, including:</u> Premises and Operations Contractual Liability Personal-Injury Liability Independent Contractors Liability	\$1,000,000 Combined Single Limit, per occurrence and \$2,000,000 general aggregate

Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits.

<u>Comprehensive Automobile Liability</u> (including, owned, non-owned and hired autos)	\$1,000,000 Combined Single Limit, per Occurrence
--	---

If CONSULTANT owns no vehicles, then this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If CONSULTANT or

CONSULTANT'S employees use personal motor vehicles in any way on this Project, then CONSULTANT shall obtain evidence of personal motor vehicle liability coverage for each such person.

Workers Compensation and Employer's Liability Statutory \$1,000,000

Professional Liability \$1,000,000 per claim and \$2,000,000 annual aggregate

Except for Workers Compensation and Professional Liability Insurance coverage, such insurance shall include additional endorsements naming CITY and its directors, officers, employees and agents as additional insured with respect to liabilities arising out of the performance of services under this Agreement. CONSULTANT shall provide CITY with certificates of insurance documenting that the CONSULTANT has obtained the above coverages. Such certifications shall include the required provisions and endorsements required by this Agreement. Such Certificates shall include a statement that insurance may not be canceled without 30-day prior written notice to CITY by first class mail, postage prepaid, 10 days of notice in the event that cancellation is due to nonpayment of premium.

B. Certificates of Insurance and Endorsements.

CONSULTANT will file a certificate of insurance naming CITY as an additional insured under General Liability and Auto Liability, if applicable. Such liability insurance maintained by CONSULTANT shall be primary and non-contributory, and any coverage maintained by CITY shall not be expected to contribute to any claims to the extent caused by the negligence or more culpable conduct of CONSULTANT in performing the Services under this agreement. The CONSULTANT shall file these certificates with CITY within 10 days of execution of this Agreement and prior to engaging any operation or activities set forth in this Agreement. The foregoing policies shall provide that no cancellation, major change in coverage, or expiration by the insurance company or the insured during the term of this Agreement shall occur without 30 days' written notice to CITY prior to the effective date of such cancellation or change in coverage.

**SECTION SIXTEEN.
COMPLIANCE WITH LAWS AND REGULATIONS**

Services performed by CONSULTANT pursuant to this Agreement shall be performed in accordance with full compliance to all applicable federal, state, and CITY laws and any rules or

regulations promulgated under such laws including but not limited to the following Arizona required provisions:

A. Conflict of Interest

CONSULTANT declares that he presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services under this Agreement. CONSULTANT further declares that in the performance of this Agreement, no subcontractor or person having such interest shall be employed. CONSULTANT certifies that, if it hires any employee, no one who has or will have any financial interest in this Agreement is an officer or employee of CITY. The Parties agree that in the performance of the services under this Agreement, CONSULTANT shall at all times be deemed an independent contractor and not an agent or employee of CITY. Under Arizona law, rules and regulations, no member, official or employee of the CITY shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official or employee participate in any decision relating this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or it is, directly or indirectly, interested. This Agreement is subject to A.R.S. §38-511.

B. Employment Eligibility

CONSULTANT hereby warrants that it complies with all federal immigration laws and regulations that relate to its employees and with A.R.S. § 23-214 relating to verification of employment eligibility. A breach of this warranty shall be deemed a material breach of this Agreement. CITY retains the legal right to inspect the papers of CONSULTANT to ensure that CONSULTANT complies with this warranty.

C. Boycott

CONSULTANT certifies that it does not participate in, and agrees not to participate in during the term of this Agreement a boycott of Israel under A.R.S. § 35-393.01.

D. San Luis Business License

CONSULTANT shall obtain a San Luis Business License.

**SECTION SEVENTEEN.
INSPECTION OF WORK**

CITY's representative or his or her designee shall at all times have the right to inspect the work, services or performance of CONSULTANT. CONSULTANT shall furnish all reasonable aid and assistance required by the CITY for proper examination of the work or services. Such inspection shall not relieve the CONSULTANT of any obligation to perform such services in accordance with the law or this Agreement.

**SECTION EIGHTEEN.
NO WAIVER**

CONSULTANT agrees that any waiver by CITY of any breach or violation of any term or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by CITY of the performance of any work or services by CONSULTANT shall not be deemed to be a waiver of any term or condition of this Agreement.

**SECTION NINETEEN.
ATTORNEYS' FEES; COURT VENUE**

Should either Party to this Agreement commence legal action against the other (including a formal judicial proceeding, mediation or arbitration), the case shall be handled in Yuma County, Arizona in either the Superior Court or the United States District Court for the District of Arizona at the election of the plaintiff in such legal action. The Parties waive any right to object to such venue. Nothing in this paragraph will be deemed to have authorized the bringing of any legal action in a court which does not otherwise have jurisdiction to adjudicate the legal action.

**SECTION TWENTY.
NOTICES**

All notices to be given under this Agreement, or which may be given by either Party to the other, shall be considered validly given and fully received when made in writing and delivered or refused delivery by means of prepaid service by:

- deposit in the United States Postal Service by certified mail, return receipt requested, and postage prepaid,
- personal delivery by process server or
- sent by a nationally recognized courier (e.g., Federal Express, UPS)

and addressed to the respective Parties as follows:

If for the CITY -

City Manager
City of San Luis
P.O. Box 1170(by United States Postal Service)
1090 East Union Street (by personal process or courier)
San Luis, Arizona 85349

Copy to

San Luis City Attorney
City of San Luis
P.O. Box 1170
San Luis, Arizona 85349

If to the CONSULTANT- Consultant Engineering, Inc.
10625 25th Avenue, Suite 200
Phoenix, Arizona 85029
Attn: Clark Hochstein

or such other addresses as either Party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective.

SECTION TWENTY-ONE. TERMINATION

This agreement is effective as of the date first above written and shall continue until the services and Project are completed and delivered to the CITY. Either Party may terminate this Agreement upon 30 days' written notice to the other Party. In the event of such termination, CITY shall pay CONSULTANT for all services performed to the satisfaction of CITY to the date of receipt of notice of termination. An itemized statement of the work performed to the date of termination shall be submitted to CITY. In ascertaining the services actually rendered under this Agreement up to the date of termination, consideration shall be given to both completed work and work in the process of completion and to complete and incomplete documents whether delivered to CITY or in the possession of CONSULTANT.

SECTION TWENTY-TWO. OWNERSHIP OF DOCUMENTS

Upon completion, termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of CITY and may be used, reused, or otherwise disposed of by CITY without the permission of CONSULTANT.

When CONSULTANT creates any copyrightable material or invents any patentable property under this Agreement, CITY shall retain a royalty-free, non-exclusive and irrevocable license to reproduce, publish, recover, or otherwise use the materials or property and to authorize others to do the same.

SECTION TWENTY-THREE. GOVERNING LAW AND SEVERABILITY

This Agreement shall be administered and interpreted under the laws of Arizona. Jurisdiction of litigation arising from this Agreement shall be in Arizona. If any part of this Agreement is found to conflict with applicable laws, then such part shall be inoperative and void insofar as it conflicts with such laws, but the remainder of the Agreement shall continue to be in full force and effect.

SECTION TWENTY-FOUR.

MISCELLANEOUS PROVISIONS

A. Headings

The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement.

B. Authority

The undersigned represent to each other that they have full power and authority to enter into this Agreement and that all necessary actions have been taken to give full force and effect to this Agreement.

C. No Third-Party Beneficiaries

There are no third-party beneficiaries to this Agreement, and no person or entity not a Party shall have any right or cause of action under this Agreement.

D. No Agency Created

It is not intended by this Agreement to, and nothing contained in this Agreement shall create any agency, partnership, joint venture or other similar arrangement between the Parties.

E. No Personal Liability

No member, official or employee of the CITY shall be personally liable to CONSULTANT, or any successor or assignee, (a) if any default occurs or breach by the CITY, (b) for any amount which may become due to the CONSULTANT or its successor or assign, or (c) under any obligation of the CITY under this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the liability of CONSULTANT under this Agreement shall be limited solely to the assets of CONSULTANT and shall not extend to or be enforceable against: (i) the individual assets of the individuals or entities who are shareholders, members, managers constituent partners, officers or directors of the general partners or members of CONSULTANT; (ii) the shareholders, members or managers or constituent partners of CONSULTANT; or (iii) officers of CONSULTANT.

F. Survival

All representations and warranties of CONSULTANT, CONSULTANT's indemnity, hold harmless and defense obligations shall survive the expiration or earlier termination of the Agreement.

G. Time is of the Essence

Time is of the essence in this Agreement, and CONSULTANT agrees to use the utmost diligence and dispatch to speedily to have all the work specified in this Agreement entirely

completed on or before June 30, 2024. Unless otherwise specifically provided in this Agreement, any consent to delay in the performance of the CONSULTANT of any obligation shall be applicable only to the particular transaction to which it relates, and it shall not apply to any other obligation or transaction.

H. Further Acts

Each of the Parties shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

I. Force Majeure

If CONSULTANT or CITY are prevented or materially restricted from performing any of their obligations under this Agreement by an event of force majeure, then the obligations of each Party shall be suspended or reduced to the extent made necessary by the event. As used in this section, "force majeure" means any act or cause not reasonably within the control of the Party whose ability to perform is impaired and which that Party could not have prevented by the exercise of reasonable diligence. Examples of "force majeure" include, but are not limited to, acts of God, fire, flood, explosions, strikes or labor disputes over which the affected Party has no control, sabotage, riots, civil commotion, acts of civil or military authority, wars or material changes in applicable business laws or regulations.

J. Counterparts

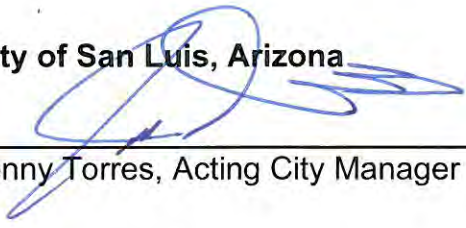
This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts, and such signature pages all attached to a single instrument so that the signature of all Parties may be physically attached to a single document.

SECTION TWENTY-FIVE. ENTIRE AGREEMENT

This Agreement, including its Exhibits, represents the entire understanding of CITY and CONSULTANT as to those matters contained in this Agreement. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in it. This Agreement may not be modified or altered except by amendment in writing signed by both Parties.

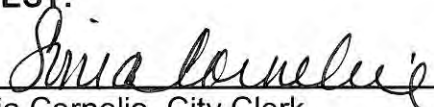
The Parties have executed this Agreement in Arizona the day and year first above written, which is the day the last Party approved this Agreement.

City of San Luis, Arizona



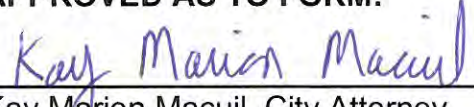
Jenny Torres, Acting City Manager

ATTEST:




Sonia Cornelio, City Clerk

APPROVED AS TO FORM:



Kay Marion Macuil, City Attorney

Consultant Engineering, Inc.



Clark Hochstein, Vice President

July 20, 2023

Jenny Torres
City of San Luis
Economic Development Director
1090 E. Union Street
San Luis, AZ 85349
jtorres@sanluisaz.gov

Re: Fee Estimate
Downtown Master Drainage Plan ACQ

Dear Ms. Torres:

Consultant Engineering, Inc. (CEI) is pleased to present the attached scope of work and associated price proposal to provide acquisition and relocation services for the above referenced project. The attached fee sheet includes fees charged by three subconsultants.

We assumed that there would be federal funding on the project and we'll certainly comply with all regulations in our efforts.

If you have any questions, feel free to contact me at 480-201-8646 (mobile phone) or chochstein@cei-az.com.

CEI looks forward to working with the City of San Luis!

Sincerely,

CONSULTANT ENGINEERING, INC.



M. Clark Hochstein
Vice President

Enclosures: Fee Estimate

cc: T. Sumrall



HELPING BUILD THE SOUTHWEST SINCE 1996

ATTACHMENT B

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



Bid Proposal

Project: Downtown San Luis Master Drainage Plan

Appraisal \$ _____ Per Residential \$ 3,000 Per Commercial
\$ _____ Per TCE \$ _____ Per R/W

Breakdown/Details Appraisal of four lots in the Downtown San Luis Drainage Plan - C Street and 2nd Avenue/D Street and 1st Avenue - Proposed Storm Drainage Improvements - Detention Basin.

Appraisal Est. Delivery Date 4 weeks from engagement

Appraisal Review \$ _____ Per Appraisal

Breakdown/Details _____

Review Est. Delivery Date _____

Comments: _____

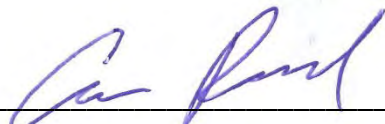
Hourly Rate for Condemnation Testimony \$ _____

It is understood and agreed to that the below identified disclosure of confidential information may provide certain information that is and must be kept confidential. To ensure the protection of such information and to preserve any confidentiality necessary, it is agreed that

1. The Confidential Information to be disclosed can be described as and includes:

Any and all project specifics as detailed above, regardless of whether such information is designated as "Confidential Information" at the time of its disclosure.

2. The Recipient shall limit disclosure of Confidential Information within its own organization to its directors, officers, partners, members, employees and/or independent contractors (collectively referred to as "affiliates") having a need to know. The Recipient and affiliates will not disclose the confidential information obtained unless required to do so by law



Signature

July 17, 2023

Date

Certified General Appraiser

Title

TITLE REPORT

Commitment

Chicago Title - Yuma
FOR SETTLEMENT INQUIRIES, CONTACT:

File No.: ST15230750

Property Address: 757 N 2nd Avenue, San Luis, AZ 85349

Introducing LiveLOOK

LiveLOOK title document delivery system is designed to provide 24/7 real-time access to all information related to a title insurance transaction.

Access title reports, exception documents, an easy-to-use summary page, and more, at your fingertips and your convenience.

[To view your new Chicago Title LiveLOOK report, Click Here](#)



Effortless, Efficient, Compliant, and Accessible

ALTA COMMITMENT FOR TITLE INSURANCE

issued by:



Commitment Number:

2301235

NOTICE

IMPORTANT - READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, Chicago Title Insurance Company, a Florida corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Amount of Insurance and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within one hundred eighty (180) days after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

Chicago Title Insurance Company

By:

Handwritten signature of Michael J. Nolan in black ink.

Michael J. Nolan, President

Attest:

Handwritten signature of Marjorie Nemzura in black ink.

Marjorie Nemzura, Secretary

Countersigned By:

Handwritten signature of Wayne Eide in black ink.

Wayne Eide, Vice President & County Manager
Authorized Officer or Agent

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:

ISSUING OFFICE:	FOR SETTLEMENT INQUIRIES, CONTACT:
Chicago Title Agency, Inc., an AZ corporation 170 West 16th Street, 2nd Floor Yuma, AZ 85364 Main Phone: (928)782-9212 Email: Jeff.Rudolph@CTT.com Order No.: ST15230750	

Order Number: 2301235**Loan Number:****Property Address: 757 N 2nd Avenue, San Luis, AZ 85349****743 N 2nd Avenue, San Luis, AZ 85349****729 N 2nd Avenue, San Luis, AZ 85349****715 N 2nd Avenue, San Luis, AZ 85349****SCHEDULE A**

1. Commitment Date: August 11, 2023 at 12:00 AM
2. Policy to be issued:
 - (a) ALTA Standard Owner's Policy 2021
 - Proposed Insured: City of San Luis, a municipal corporation of the State of Arizona
 - Proposed Amount of Insurance: \$100,000.00
 - The estate or interest to be insured: A Fee
3. The estate or interest in the Land at the Commitment Date is:
 - A Fee
4. The Title is, at the Commitment Date, [vested in:](#)
 - Sanchez Investment Company, an Arizona corporation as to Lots 2, 3, 4 and Sanchez Commercial Properties, L.L.C., an Arizona limited liability company as to Lot 5
5. The Land is described as follows:
 - SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

END OF SCHEDULE A

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EXHIBIT "A"
Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF YUMA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

Lots 2 through 5, inclusive, Block 16, SAN LUIS TOWNSITE ADDITION No. 1 AND LOT 9, according to Book 4 of Plats, page 97, records of Yuma County, Arizona

Except all oil and gas as reserved in the Patent from the United States of America

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**SCHEDULE B, PART I
REQUIREMENTS**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. Compliance with Company policies relating to absentee owners, if applicable.
7. The Proposed Policy Amount(s) must be increased to the full value of the estate or interest being insured, and any additional premium must be paid at that time. An Owner's policy should reflect the purchase price or full value of the Land. A Loan Policy should reflect the loan amount or value of the property as collateral. Proposed Policy Amount(s) will be revised and premiums charged consistent therewith when the final amounts are approved.
8. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

Upon confirmation by the owner of no open Deeds of Trust or Mortgages encumbering the Land described herein, furnish the Company an owner's Affidavit of no open Deed of Trust(s).
9. Recordation of a certified copy of the Ordinance of the City of San Luis authorizing the execution and delivery of all instruments necessary to consummate this transaction.
10. Intentionally Omitted
11. Intentionally Omitted

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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**SCHEDULE B, PART I
REQUIREMENTS**
(continued)

12. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Sanchez Investment Company, an Arizona corporation

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent
- d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

13. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below.

Limited Liability Company: Sanchez Commercial Properties, L.L.C., an Arizona limited liability company

- a. A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b. If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendment thereto with the appropriate filing stamps.
- c. If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member.
- d. A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created.
- e. If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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**SCHEDULE B, PART I
REQUIREMENTS**
(continued)

14. Furnish for recordation a deed as set forth below:

Type of deed: Warranty
 Grantor(s): Sanchez Investment Company, an Arizona corporation as to Lots 2, 3, 4 and Sanchez Commercial Properties, L.L.C., an Arizona limited liability company as to Lot 5
 Grantee(s): City of San Luis, a municipal corporation of the State of Arizona

Note: ARS 11:1133 may require the completion and filing of an Affidavit of Value.

Tax Note:

Year: 2022
Tax Parcel No: [775-38-114](#)
 Total Tax: \$1,650.92
 First Installment Amount: \$ PAID
 Second Installment Amount: \$ PAID

Tax Note:

Year: 2022
Tax Parcel No: [775-38-115](#)
 Total Tax: \$1,650.92
 First Installment Amount: \$ PAID
 Second Installment Amount: \$ PAID

Tax Note:

Year: 2022
Tax Parcel No: [775-38-116](#)
 Total Tax: \$1,650.92
 First Installment Amount: \$ PAID
 Second Installment Amount: \$ PAID

Tax Note:

Year: 2022
Tax Parcel No: [775-38-117](#)
 Total Tax: \$1,650.92
 First Installment Amount: \$ PAID
 Second Installment Amount: \$ PAID

END OF SCHEDULE B, PART I

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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**SCHEDULE B, PART II
EXCEPTIONS**

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2023.
2. The right of entry to prospect for, mine and remove the minerals excepted from the description of said Land in Schedule A.
3. Easements, covenants, conditions and restrictions as set forth on the plat recorded in Book 4 of Plats, page 97.
4. Matters contained in that certain document

Entitled: Affidavit of Affixture
Recording Date: June 8, 1989
Recording No: [Docket 1642, page 422](#)
(LOT 3)

Reference is hereby made to said document for full particulars.

5. Matters contained in that certain document

Entitled: Resolution No 387
Recording Date: September 23, 1998
[Recording No: 98-25312](#)
(LOT 5)

Reference is hereby made to said document for full particulars.

END OF SCHEDULE B, PART II

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COMMITMENT CONDITIONS**1. DEFINITIONS**

- a. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
 - b. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
 - c. "Land": The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
 - d. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
 - e. "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
 - f. "Proposed Amount of Insurance": Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.
 - g. "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
 - h. "Public Records": The recording or filing system established under State statutes in effect at the Commitment Date under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
 - i. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
 - j. "Title": The estate or interest in the Land identified in Item 3 of Schedule A.
2. If all of the Schedule B, Part I-Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.
 3. The Company's liability and obligation is limited by and this Commitment is not valid without:
 - a. the Notice;
 - b. the Commitment to Issue Policy;
 - c. the Commitment Conditions;
 - d. Schedule A;
 - e. Schedule B, Part I-Requirements;
 - f. Schedule B, Part II-Exceptions; and
 - g. a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company is not liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- a. The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - i. comply with the Schedule B, Part I-Requirements;
 - ii. eliminate, with the Company's written consent, any Schedule B, Part II-Exceptions; or
 - iii. acquire the Title or create the Mortgage covered by this Commitment.
- b. The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- c. The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- d. The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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(continued)

- e. The Company is not liable for the content of the Transaction Identification Data, if any.
- f. The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I-Requirements have been met to the satisfaction of the Company.
- g. The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM

- a. Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- b. Any claim must be based in contract under the State law of the State where the Land is located and is restricted to the terms and provisions of this Commitment. Any litigation or other proceeding brought by the Proposed Insured against the Company must be filed only in a State or federal court having jurisdiction.
- c. This Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- d. The deletion or modification of any Schedule B, Part II-Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- e. Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- f. When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. CLAIMS PROCEDURES

This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.

10. CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS COMMITMENT, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS COMMITMENT, ANY BREACH OF A COMMITMENT PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS COMMITMENT, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING. ANY POLICY ISSUED PURSUANT TO THIS COMMITMENT WILL CONTAIN A CLASS ACTION CONDITION.

11. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Amount of Insurance is Two Million And No/100 Dollars (\$2,000,000.00) or less may be arbitrated at the election of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

END OF CONDITIONS

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Inquire before you wire!

WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Effective January 1, 2023

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to affiliated or nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to affiliated or nonaffiliated third parties with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: We are providing this notice pursuant to state law. You may be placed on our internal Do Not Call List by calling FNF Privacy at (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. For further information concerning Nevada's telephone solicitation law, you may contact: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: aginquiries@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

For Virginia Residents: For additional information about your Virginia privacy rights, please email privacy@fnf.com or call (888) 714-2710.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions or would like to correct your Personal Information, visit FNF's [Privacy Inquiry Website](#) or contact us by phone at (888) 714-2710, by email at privacy@fnf.com, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE

ALTA OWNER'S POLICY OF TITLE INSURANCE (07-01-2021)

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.

2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.

5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments, imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
- (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims;
- (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
- (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

ALTA OWNER'S POLICY (06-17-2006)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
- (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims;
- (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
- (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (07-01-2021)

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and We will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by You;
 - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
 - c. resulting in no loss or damage to You;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
 - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
 4. Lack of a right:
 - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
 - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.

Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
 5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 30.
 7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
 9. Any lien on Your Title for real estate taxes or assessments, imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a or 27.
 10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

**ATTACHMENT ONE
(CONTINUED)**

**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (07-01-2021)
(continued)**

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Amount of Insurance shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1.00% of Amount of Insurance shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1.00% of Amount of Insurance shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1.00% of Amount of Insurance shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

COVERED RISKS 16, 18, 19 AND 21

16. Because of a violation existing at the Date of Policy of a State or Municipal subdivision law or State or Municipal subdivision regulation affecting the Land:
- a. You are unable to obtain a building permit from a Municipal authority;
 - b. You are ordered by a State or Municipal authority to remove or remedy the violation; or
 - c. someone else refuses to perform a contract to purchase the Land, lease the Land, or make a mortgage loan on the Land, based on that violation.
- The Amount of Insurance for Covered Risk 16 is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
18. You are ordered by a State or Municipal authority to remove or remedy any portion of Your existing structures - other than boundary walls or fences - because any portion of Your existing structures was built without obtaining a building permit from the proper Municipal authority. The Amount of Insurance for Covered Risk 18 is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
19. You are ordered by a State or Municipal authority to remove or remedy any portion of Your existing structures, because they violate an existing State or Municipal zoning law or State or Municipal zoning regulation. The Amount of Insurance for Covered Risk 19 is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
21. You are forced to remove any portion of Your existing structures because they encroach onto Your neighbor's land. If the encroaching structures are boundary walls or fences, the Amount of Insurance for Covered Risk 21 is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

**ATTACHMENT ONE
(CONTINUED)**

ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-2013)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

COVERED RISKS 16, 18, 19 AND 21

16. Because of an existing violation of a subdivision law or regulation affecting the Land:
 - a. You are unable to obtain a building permit;
 - b. You are ordered by a State or Municipal authority to remove or remedy the violation; or
 - c. someone else has a legal right to, and does, refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it.The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
18. You are forced to remove or remedy Your existing structures, or any part of them - other than boundary walls or fences - because any portion was built without obtaining a building permit from the proper government office. The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
19. You are forced to remove or remedy Your existing structures, or any part of them, because they violate an existing zoning law or zoning regulation. If You are required to remedy any portion of Your existing structures, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
21. You are forced to remove Your existing structures because they encroach onto Your neighbor's land. If the encroaching structures are boundary walls or fences, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

**ATTACHMENT ONE
(CONTINUED)**

Former ALTA RESIDENTIAL TITLE INSURANCE POLICY (06-01-1987)

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- land use
- improvements on the land
- land division
- environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Item 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:

- a notice of exercising the right appears in the public records on the Policy Date
- the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:

- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

**ATTACHMENT ONE
(CONTINUED)**

**ALTA U.S. POLICY (12-03-2012)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under the policy;
 - (c) resulting in no loss or damage to the insured claimant; or
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under insuring provision 6).
4. This policy does not insure against the invalidity or insufficiency of any condemnation proceeding instituted by the United States of America, except to the extent set forth in insuring provision 5.
5. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the title as shown in Schedule A is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in insuring provision 6.

ATTACHMENT ONE (CONTINUED)

ALTA LOAN POLICY OF TITLE INSURANCE (07-01-2021)

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser or encumbrancer had been given for the Insured Mortgage at the Date of Policy.
 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business law.
 5. Invalidity or unenforceability of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury law or Consumer Protection Law.
 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 13.b.
 7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.
 8. Any lien on the Title for real estate taxes or assessments, imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records. Exclusion 8 does not modify or limit the coverage provided under Covered Risk 2.b. or 11.b.
 9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
- (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims;
- (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
- (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE (CONTINUED)

ALTA LOAN POLICY (06-17-2006)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
- (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims;
- (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
- (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ASSUMPTIONS AND LIMITATIONS

APPRAISAL CONDITIONS, 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 we 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.

No Assignment of Claims

Legal claims or causes of action relating to the appraisal are not transferable or assignable to a third part, except: (i) as a result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.

Maximum Time Frame for Legal Actions

Unless the time frame is shorter under applicable law, any legal action or claim relating to the appraisal or Appraiser's services shall be filed in court (or in the applicable arbitration tribunal, if the parties to the dispute have executed an arbitration agreement) within two (2) years from the date of delivery to the Client of the appraisal report to which the claims or cause of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time frame stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time frame stated in this section shall apply to all non-criminal claims or causes of action of any type.

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 and Hypothetical Conditions

It is a hypothetical condition that the property in the after condition is being appraised assuming the Town of San Luis, Downtown San Luis Drainage Plan Project has been completed. The use of a hypothetical condition may affect the assignment results.

APPRAISERS' CERTIFICATES

Department of Insurance and Financial Institutions

State of Arizona

CGA - 31801

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

has complied with the provisions of

Andres A. Rubal

Certified General Real Estate Appraiser

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

Certified General Real Estate Appraiser

Andres A. Rubal

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

Expiration Date : **August 31, 2024**

Department of Insurance and Financial Institutions
State of Arizona

CGA - 30432

JAMES S. BRADLEY

has complied with the provisions of

This document is evidence that:

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

Certified General Real Estate Appraiser

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

Certified General Real Estate Appraiser

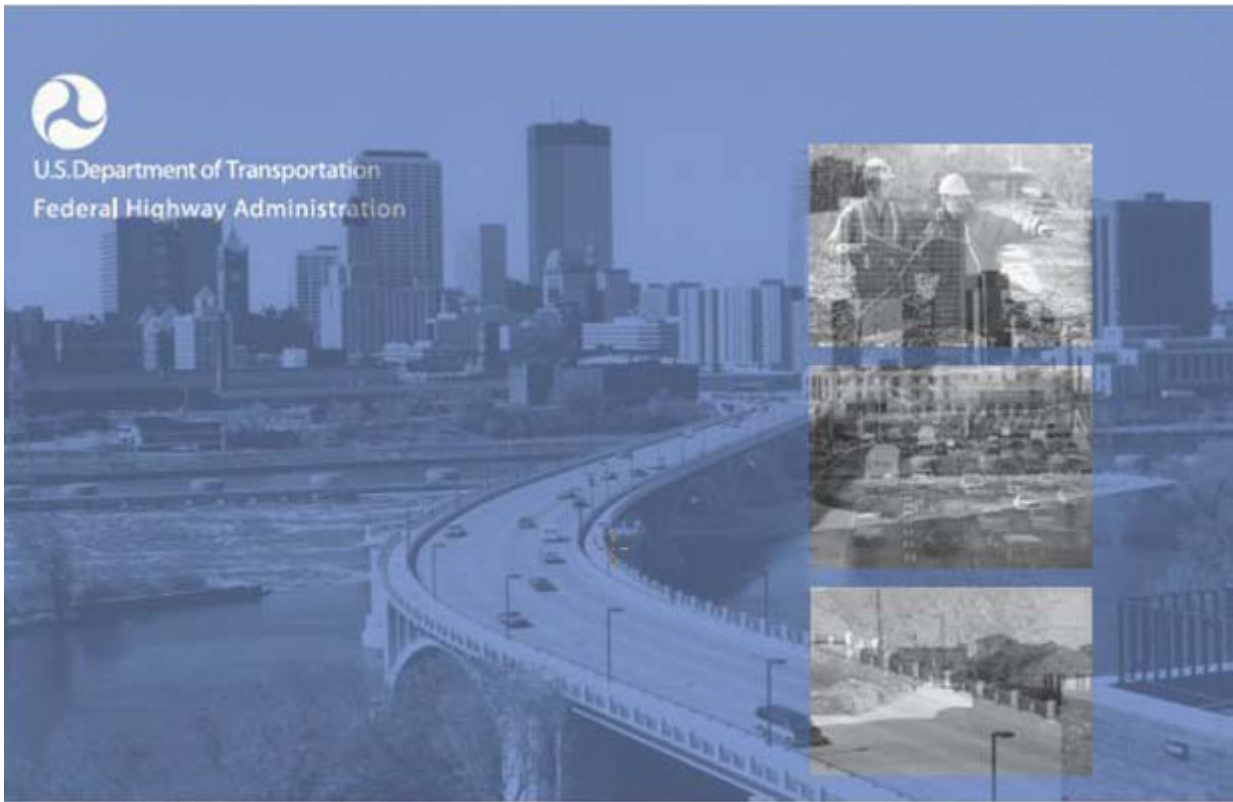
JAMES S. BRADLEY

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

Expiration Date : **October 31, 2024**



U.S. Department of Transportation
Federal Highway Administration



ACQUISITION

ACQUIRING REAL PROPERTY FOR FEDERAL AND FEDERAL-AID PROGRAMS AND PROJECTS



R
Office of Real Estate Services

June 2005



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INTRODUCTION

Government programs designed to benefit the public as a whole often result in acquisition of private property and, sometimes, in the displacement of people from their residences, businesses or farms. Acquisition of this kind has long been recognized as a right of government and is known as the power of eminent domain. The Fifth Amendment of the Constitution states that private property shall not be taken for public use without just compensation.

To provide uniform and equitable treatment for persons whose property is acquired for public use, Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and amended it in 1987. This law, called the Uniform Act, is the foundation for the information discussed in this brochure.

Revised rules for the Uniform Act were published in the Federal Register on January 4, 2005. The rules are reprinted each year in the Code of Federal Regulations (CFR), Title 49, Part 24. All Federal, State and local government agencies, as well as others receiving Federal financial assistance for public programs and projects, that require the acquisition of real property, must comply with the policies and provisions set forth in the Uniform Act and the regulation.



The acquisition itself does not need to be federally-funded for the rules to apply. If Federal funds are used in any phase of the program or project, the rules of the Uniform Act apply. The rules encourage acquiring agencies to negotiate with property owners in a prompt and amicable manner so that litigation can be avoided.

This brochure explains your rights as an owner of real property to be acquired for a federally-funded program or project. The requirements for relocation assistance are explained in a brochure entitled Relocation, Your Rights and Benefits as a Displaced Person under the Federal Relocation Assistance Program.

Acquisition and relocation information can be found on the Federal Highway Administration Office of Real Estate Services website: www.fhwa.dot.gov/realestate

The agency responsible for the federally-funded program or project in your area will have specific information regarding your acquisition. Please contact the sponsoring agency to receive answers to your specific questions.

IMPORTANT TERMS USED IN THIS BROCHURE

Acquisition

Acquisition is the process of acquiring real property (real estate) or some interest therein.

Agency

An agency can be a government organization (Federal, State, or local), a non-government organization (such as a utility company), or a private person using Federal financial assistance for a program or project that acquires real property or displaces a person.

Appraisal

An appraisal is a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

Condemnation

Condemnation is the legal process of acquiring private property for public use or purpose through the agency's power of eminent domain. Condemnation is usually not used until all attempts to reach a mutually satisfactory agreement through negotiations have failed. An agency then goes to court to acquire the needed property.

Easement

In general, an easement is the right of one person to use all or part of the property of another person for some specific purpose. Easements can be permanent or temporary (i.e.,

limited to a stated period of time). The term may be used to describe either the right itself or the document conferring the right. Examples are: permanent easement for utilities, permanent easement for perpetual maintenance of drainage structures, and temporary easement to allow reconstruction of a driveway during construction.

Eminent Domain

Eminent domain is the right of government to take private property for public use. In the U.S., just compensation must be paid for private property acquired for federally-funded programs or projects.

Fair Market Value

Fair market value is market value that has been adjusted to reflect constitutional and other legal requirements for public acquisition.

Interest

An interest is a right, title, or legal share in something. People who share in the ownership of real property have an interest in the property.

Just Compensation

Just compensation is the price an agency must pay to acquire real property. An agency official must make the estimate of just compensation to be offered to you for the property needed. That amount may not be less than the amount established in the approved appraisal report as the fair market value for your property. If you and the agency cannot agree on the amount of just compensation to be

paid for the property needed, and it becomes necessary for the agency to use the condemnation process, the amount determined by the court will be the just compensation for your property.

Lien

A lien is a charge against a property in which the property is the security for payment of a debt. A mortgage is a lien. So are taxes. Customarily, liens must be paid in full when the property is sold.

Market Value

Market value is the sale price that a willing and informed seller and a willing and informed buyer agree to for a particular property.

Negotiation

Negotiation is the process used by an agency to reach an amicable agreement with a property owner for the acquisition of needed property. An offer is made for the purchase of property in person, or by mail, and the offer is discussed with the owner.

Person

A person is an individual, partnership, corporation, or association.

Personal Property

In general, personal property is property that can be moved. It is not permanently attached to, or a part of, the real property. Personal property is not to be included and valued in the appraisal of real property.

Program or Project

A program or project is any activity or series of activities undertaken by an agency where Federal financial assistance is used in any phase of the activity.

Waiver Valuation

The term waiver valuation means an administrative process for estimating fair market value for relatively low-value, non-complex acquisitions. A waiver valuation is prepared in lieu of an appraisal.

PROPERTY APPRAISAL

An agency determines what specific property needs to be acquired for a public program or project after the project has been planned and government requirements have been met.



If your property, or a portion of it, needs to be acquired, you, the property owner, will be notified as soon as possible of (1) the agency's interest in acquiring your property, (2) the agency's obligation to secure any necessary appraisals, and (3) any other useful information.

When an agency begins the acquisition process, the first personal contact with you, the property owner, should be no later than during the appraisal of the property.



An appraiser will contact you to make an appointment to inspect your property. The appraiser is responsible for determining the initial fair market value of the property. The agency will have a review appraiser study and recommend

approval of the appraisal report used to establish the just compensation to be offered to you for the property needed.

You, or a representative that you designate, will be invited to accompany the appraiser when the appraiser inspects your property. You can point out any unusual or hidden features of the property that the appraiser could overlook. At this time, you should advise the appraiser if any of these conditions exist:

- There are other persons who have ownership or interest in the property.
- There are tenants on the property.
- Items of real or personal property that belong to someone else are located on your property.
- The presence of hazardous material, underground storage or utilities.

This is your opportunity to tell the appraiser about anything relevant to your property, including other properties in your area that have recently sold.

The appraiser will inspect your property and note its physical characteristics. He

or she will review sales of properties similar to yours in order to compare the facts of those sales with the facts about your property. The appraiser will analyze all elements that affect value.



The appraiser must consider normal depreciation and physical deterioration that has taken place. By law, the appraiser must disregard the influence of the future public project on the value of the property. This requirement may be partially responsible for any difference in the fair market value and market value of your property.

The appraisal report will describe your property and the agency will determine a value based on the condition of the property on the day that the appraiser last inspected it, as compared with other similar properties that have sold.

JUST COMPENSATION

Once the appraisal of fair market value is complete, a review appraiser from the agency will review the report to ensure that all applicable appraisal standards and requirements are met.

When they are, the review appraiser will give the agency the approved appraisal to use in determining the amount of just compensation to be

offered for your real property. This amount will never be less than the fair market value established by the approved appraisal.



If the agency is only acquiring a part of your property, there may be damages or benefits to your remaining property. Any allowable damages or benefits will be reflected in the just compensation amount. The agency will prepare a written offer of just compensation for you when negotiations begin.

Buildings, Structures and Improvements

Sometimes buildings, structures, or other improvements are located on the property to be acquired. If they are real property, the agency must offer to acquire at least an equal interest in them if they must be removed or if the agency determines that the improvements will be adversely affected by the public program or project.

An improvement will be valued as real property regardless of who owns it.

Tenant-Owned Buildings, Structures and Improvements

Sometimes tenants lease real property and build or add improvements for their use. Frequently, they have the right or obligation to remove the improvements at the expiration of the lease term. If, under State law, the improvements are considered to be real property, the agency must make an offer to the tenants to acquire these improvements as real property.

In order to be paid for these improvements, the tenant-owner must assign, transfer, and release to the agency all right, title, and interest in the improvements. Also, the owner of the real property on which the improvements are located must disclaim all interest in the improvements.

For an improvement, just compensation is the amount that the improvement contributes to the fair market value of the whole property, or its value for removal from the property (salvage value), whichever amount is greater.

A tenant-owner can reject payment for the tenant-owned improvements and obtain payment for his or her property interests in accordance with other applicable laws. The agency cannot pay for tenant-owned improvements if such payment would result in the duplication of any other compensation otherwise authorized by law.

If improvements are considered personal property under State law, the tenant-owner may be reimbursed for moving them under the relocation assistance provision.

The agency will personally contact the tenant-owners of improvements to explain the procedures to be followed. Any payments must be in accordance with Federal rules and applicable State laws.

EXCEPTIONS TO THE APPRAISAL REQUIREMENT

The Uniform Act requires that all real property to be acquired must be appraised, but it also authorizes waiving that requirement for low value acquisitions.

Regulations provide that the appraisal may be waived:

- If you elect to donate the property and release the agency from the obligation of performing an appraisal, or
- If the agency believes the acquisition of your property is uncomplicated and a review of available data supports a fair market value likely to be \$10,000 or less, the agency may prepare a waiver valuation, rather than an appraisal, to estimate your fair market value.

If the agency believes the acquisition of your property is uncomplicated and a review of available data supports a fair market value likely to be over \$10,000 but less than \$25,000, the agency may prepare a waiver valuation rather than an appraisal to estimate your fair market value, however, if you elect to have the agency appraise your property, an appraisal will be obtained.

THE WRITTEN OFFER

After the agency approves the just compensation offer they will begin negotiations with you or your designated representative by delivering the written



offer of just compensation for the purchase of the real property. If practical, this offer will be delivered in person by a representative of the agency. Otherwise, the offer will be made by mail and followed up with a contact in person or by telephone. All owners of the property with known addresses will be contacted unless they collectively have designated one person to represent their interests.

An agency representative will explain agency acquisition policies and procedures in writing, either by use of an informational brochure, or in person.

The agency's written offer will consist of a written summary statement that includes all of the following information:

- The amount offered as just compensation.
- The description and location of the property and the interest to be acquired.
- The identification of the buildings and other improvements that are considered to be part of the real property.

The offer may list items of real property that you may retain and remove from the property and their retention values. If you decide to retain any or all of these items, the offer will be reduced by the value of the items retained. You will be responsible for removing the items from the property in a timely manner. The agency may elect to withhold a portion of the remaining offer until the retained items are removed from the property.

Any separately held ownership interests in the property, such as tenant-owned improvements, will be identified by the agency.

The agency may negotiate with each person who holds a separate ownership interest, or, may negotiate with the primary owner and prepare a check payable jointly to all owners.

The agency will give you a reasonable amount of time to consider the written offer and ask questions or seek clarification of anything that is not understood.

If you believe that all relevant material was not considered during the appraisal, you may present such information at this time. Modifications in the proposed terms and conditions of the purchase may be requested. The agency will consider any reasonable requests that are made during negotiations.

Partial Acquisition

Often an agency does not need all the property you own. The agency will usually purchase only what it needs.

If the agency intends to acquire only a portion of the property, the agency must state the amount to be paid for the part to be acquired.

In addition, an amount will be stated separately for damages, if any, to the portion of the property you will keep.

If the agency determines that the remainder property will have little or no value or use to you, the agency will consider this remainder to be an uneconomic remnant and will offer to purchase it. You have the option of accepting the offer for purchase of the uneconomic remnant or keeping the property.

Agreement Between You and the Agency

When you reach agreement with the agency on the offer, you will be asked to sign an option to buy, a purchase agreement, an easement, or some form of deed prepared by the agency. Your signature will affirm that you and the agency are in agreement concerning the acquisition of the property, including terms and conditions.



If you do not reach an agreement with the agency because of some important point connected with the acquisition offer, the agency may suggest mediation as a means of coming to agreement. If the agency thinks that a settlement cannot be reached, it will initiate condemnation proceedings.

The agency may not take any action to force you into accepting its offer. Prohibited actions include:

- Advancing the condemnation process.
- Deferring negotiations.
- Deferring condemnation.
- Delaying the deposit of funds with the court for your use when condemnation is initiated.
- Any other coercive action designed to force an agreement regarding the price to be paid for your property.

ACQUISITIONS WHERE CONDEMNATION WILL NOT BE USED

An agency may not possess the power of eminent domain. Or an agency has the power of eminent domain but elects not to use it for a program or project. If this is the case, you will be informed in writing, before negotiations begin, that the agency will not condemn your property if you and the agency fail to reach agreement. Before making you an offer, the agency will inform you, in writing, of what it believes to be

the fair market value for the property it would like to acquire. An owner, in this situation, is not eligible for relocation assistance benefits.

Tenants on the property may be eligible for relocation benefits.

PAYMENT

The next step in the acquisition process is payment for your property. As soon as all the necessary paperwork is completed for transferring title of the property, the agency will pay any liens that exist against the property and pay your equity to you. Your incidental expenses will also be paid or reimbursed.

Incidental expenses are reasonable expenses incurred as a result of transferring title to the agency, such as:

- Recording fees and transfer taxes.
- Documentary stamps.
- Evidence of title, however, the agency is not required to pay costs required solely to perfect your title or to assure that the title to the real property is entirely without defect.
- Surveys and legal descriptions of the real property.
- Other similar expenses necessary to convey the property to the agency.

Penalty costs and other charges for prepaying any preexisting recorded mortgage entered into in good faith encumbering the real property will be reimbursed.

The pro rata share of any prepaid real property taxes that can be allocated to the period after the agency obtains title to the property or takes possession of it, will be reimbursed.

If possible, the agency will pay these costs directly so that you will not need to pay the costs and then claim reimbursement.

POSSESSION

The agency may not take possession of your property unless:

- You have been paid the agreed purchase price, or
- In the case of condemnation, the agency has deposited with the court an amount for your benefit and use that is at least the amount of the agency's approved appraisal of the fair market value of your property, or
- The agency has paid the amount of the court award of compensation in the condemnation proceeding.



If the agency takes possession while persons still occupy the property:

- All persons occupying the property must receive a written notice to move at least 90 days in advance of the required date to move. In this context, the term person includes residential occupants, homeowners, tenants, businesses, non-profit organizations, and farms.
- An occupant of a residence cannot be required to move until at least 90 days after a comparable replacement dwelling has been made available for occupancy. Only in unusual circumstances, such as when continued occupancy would constitute a substantial danger to the health or safety of the occupants, can vacation of the property be required in less than 90 days.

SETTLEMENT

The agency will make every effort to reach an agreement with you during negotiations. You may provide additional information, and make reasonable counter offers and proposals for the agency to consider.

When it is in the public interest, most agencies use the information provided as a basis for administrative or legal settlements, as appropriate.

CONDEMNATION

If an agreement cannot be reached, the agency can acquire the property by exercising its power of eminent domain. It will do this by instituting formal condemnation proceedings with the appropriate State or Federal court.

If the property is being acquired directly by a Federal agency, the condemnation action will take place in a Federal court and Federal procedures will be followed.

If the property is being acquired by anyone else that has condemnation authority, the condemnation action will take place in State court and the procedures will follow State law.

In many States, a board of viewers or commissioners, or a similar body, will initially determine the amount of compensation you are due for the property. You and the agency will be allowed to present information to the court during these proceedings.

If you or the agency are dissatisfied with the board's determination of compensation, a trial by a judge or a jury may be scheduled. The court will set the final amount of just compensation after it has heard all arguments.

Litigation Expenses

Normally, the agency does not reimburse you for costs you incur as a result of condemnation proceedings. The agency will reimburse you, however, under any of the following conditions:

- The court determines that the agency cannot acquire your property by condemnation.
- The condemnation proceedings are abandoned by the agency without an agreed-upon settlement.
- You initiate an inverse condemnation action and the court agrees with you that the agency has taken your real property rights without the payment of just compensation, or the agency elects to settle the case without further legal action.
- The agency is subject to State laws that require reimbursement for these or other condemnation costs.

The information is provided to assist you in understanding the requirements that must be met by agencies, and your rights and obligations. If you have any questions, contact your agency representative.

Additional information on Federal acquisition requirements, the law and the regulation can be found at www.fhwa.dot.gov/realestate

NOTES

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NOTES

Uniform Relocation Assistance and Real Property Acquisition
Policies Act of 1970 As Amended, Including 49 Code of Federal
Regulations (CFR) Part 24 dated January 4, 2005.

Office of Real Estate Services 202-366-0142 www.fhwa.dot.gov/realestate



U.S. Department of Transportation
Federal Highway Administration



Publication No. FHWA - HEP-05-030