Town of Wickenburg

Sale of Real Property – 74 West Wickenburg Way Maricopa County Parcel No. 505-50-141

Bid Number # 25-02

Addendum No. 1

February 27, 2025

TO ALL BIDDERS: The following Addendum No. 1 shall be incorporated into the Contract Documents of the above project, and all requirements herein are fully made a part of the Contract Documents. All other provisions of the Contract Documents shall remain the same.

ADDENDUM NO. 1

Question Number	Question	Answer
1	Request for a copy of the appraisal of the subject property	Attached
2	What does the Town do if it does not receive a bid at appraised value or higher?	The Town Council has the right to award the highest bidder or to reject any and all bids.

There is no change in the opening time**. Submissions are due no later than 11:00 am (local time, Wickenburg, Arizona) on Wednesday, March 19, 2025**, to the Town of Wickenburg Town Clerk at 155 N. Tegner St., Ste. A, Wickenburg, AZ 85390.

TOWN OF WICKENBURG

74 West Wickenburg Way
Wickenburg, Arizona 85390

APPRAISAL REPORT

Date of Report: November 18, 2024

Colliers File #: PHX240563

PREPARED FOR
Tim Suan
Deputy Town Manager
Town of Wickenburg
155 North Tegner Street
Wickenburg, AZ 85390

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

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November 18, 2024

Tim Suan
Deputy Town Manager
Town of Wickenburg
155 North Tegner Street
Wickenburg, AZ 85390

RE: Town of Wickenburg
74 West Wickenburg Way
Wickenburg, Arizona 85390

Colliers File #: PHX240563

Mr. Suan:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by Town of Wickenburg and Colliers International Valuation & Advisory Services.

At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	October 23, 2024	$730,000

The subject is a Retail / Commercial (Retail - Office) property totaling 5,018 SF of NRA located on a 0.37-acre site at 74 West Wickenburg Way in Wickenburg, Arizona. The improvements were built in 1973, are in fair/average condition and have a remaining economic life of 25 years based on our estimate. The subject is comprised of 4,050 SF of office space (with basement level not included in the NRA) and a 968 SF storage building. The project is of wood frame and block construction (storage building) construction and features a 2.6/1,000 parking ratio.

The subject property has a single-tenant design that is currently vacant, and has a current occupancy level of 0.0%, which is below the stabilized occupancy level estimate of 94.0% that was developed in this appraisal. The subject's improvements will be described in greater detail in the following sections, with a summary overview provided in the Executive Summary and a detailed overview provided in the Improvement Description section.

Colliers International appraised the subject property in May 2023 for the same client. The concluded as-is market value was $710,000. Our concluded as-is market value in this report is slightly higher due to slight increases in sales prices throughout the market.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the appraisal guidelines of Town of Wickenburg.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

No Extraordinary Assumptions were made for this assignment.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

The Appraisal is for the sole use of the Client; however, the Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

TJ Gray, MAI
Valuation Services Director
Certified General Real Estate Appraiser
State of Arizona License #31808
+1 602 222 5056
tj.gray@colliers.com

Michael Brown
Associate Managing Director
Certified General Real Estate Appraiser
State of Arizona License #32091
+1 602 222 5166
michael.brown@colliers.com

GENERAL INFORMATION

Property Name	Town of Wickenburg
Property Type	Retail / Commercial - Retail - Office
Address	74 West Wickenburg Way
City	Wickenburg
State	Arizona
Zip Code	85390
County	Maricopa
Core Based Statistical Area (CBSA)	Phoenix-Mesa-Chandler, AZ
Market	Phoenix
Submarket	Wickenburg
Latitude	33.967441
Longitude	-112.732014
Number Of Parcels	1
Assessor Parcel	505-50-141
Total Assessed Lv	$61,142
Census Tract Number	0405.02

SITE INFORMATION

Land Area	**Acres**	**Square Feet**
Usable	0.37	16,100
Unusable	0.00	0
Excess	0.00	0
Surplus	0.00	0
Total	**0.37**	**16,100**
Topography	Level at street grade	
Shape	Rectangular	
Access	Average/Good	
Exposure	Average/Good	
Current Zoning	Central Business (C-2)	
Flood Zone	Zone X (Shaded)	
Seismic Zone	Low Risk	

IMPROVEMENT INFORMATION

Gross Building Area SF (GBA)	5,018 SF
Net Rentable Area (NRA)	5,018 SF
Floor Plate SF	5,018 SF
Total Number Of Stories	1
Year Built	1973
Quality	Fair/Average
Condition	Fair/Average
Building Class	C
Air-Conditioned %	81%
Type Of Construction	Wood frame and block construction (storage building)
Land To Building Ratio	3.2 : 1
Site Coverage Ratio	31.2%
Parking Type	Surface
Number of Parking Spaces	13
Parking Ratio (Spaces/1,000SF NRA)	2.6/1,000 SF NRA

MULTIPLE BUILDING DESCRIPTION GRID

BUILDING	GBA	YEAR BUILT	EFF. AGE	ECON. LIFE	REM. LIFE	STORIES	QUALITY	CONDITION
Office	4,050	1973	25	50	25	1	Fair/Average	Fair/Average
Storage Building	968	1994	25	50	25	1	Fair/Average	Fair/Average
TOTAL	**5,018**							

HIGHEST & BEST USE	
As Vacant	Development Of A Commercial Property As Market Conditions Warrant
As Improved	Continued Use As A Retail - Office Property

EXPOSURE TIME & MARKETING PERIOD	
Exposure Time	Twelve Months or Less
Marketing Period	Twelve Months or Less

TENANCY INFORMATION	
Tenancy	Single-Tenant Owner-Occupied
Occupancy	0.0%
Occupied SF	5,018 SF
Vacant SF	5,018 SF
Number of Tenants in Occupancy	0
Number Of Vacant Spaces	1

VALUATION SUMMARY	
VALUATION INDICES	**AS-IS MARKET VALUE**
INTEREST APPRAISED	**FEE SIMPLE**
DATE OF VALUE	**OCTOBER 23, 2024**
INCOME CAPITALIZATION APPROACH	
Direct Capitalization	**$720,000**
Direct Capitalization $/SF	$143/SF
NOI Proforma	$59,535
NOI $/SF	$11.86/SF
Capitalization Rate	8.25%
INCOME CONCLUSION	**$720,000**
Income Conclusion $/SF	$143/SF
SALES COMPARISON APPROACH	
SALES CONCLUSION	**$730,000**
Sales Conclusion $/SF	$145/SF
FINAL VALUE CONCLUSION	
FINAL VALUE	**$730,000**
$/SF	$145/SF


76
N Washington St
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Adams Towing & Automotive Repair
71
72
Faith Baptist Church
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Sunnyside Professional Auto Detailing
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William Kohl - State Farm Insurance Agent
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W Wickenburg Way
N Jefferson St
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EXTERIOR PROFILE

EXTERIOR PROFILE

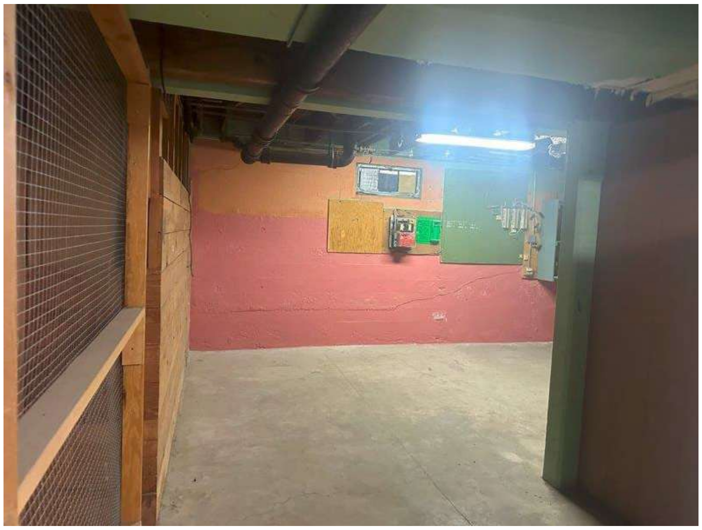
EXTERIOR PROFILE

EXTERIOR PROFILE

EXTERIOR PROFILE

EXTERIOR PROFILE


INTERIOR PROFILE


INTERIOR PROFILE


INTERIOR PROFILE


INTERIOR PROFILE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INTERIOR PROFILE

PROPERTY IDENTIFICATION

The subject is a Retail / Commercial (Retail - Office) property totaling 5,018 SF of NRA located on a 0.37-acre site at 74 West Wickenburg Way in Wickenburg, Arizona. The improvements were built in 1973, are in fair/average condition and have a remaining economic life of 25 years based on our estimate. The subject is comprised of 4,050 SF of office space (with basement level not included in the NRA) and a 968 SF storage building. The project is of wood frame and block construction (storage building) construction and features a 2.6/1,000 parking ratio.

The assessor's parcel number is: 505-50-141.

The legal description of the subject property is as follows: WICKENBURG BLK 13 TR DESC AS BEG AT SE COR LOT 12 TH NLY ALG LINE OF ALLEY 115' TH WLY 140' ON LINE PAR TO LINE OF LOTS 10 & 11 TH SLY 115' TH ELY 140' TO BEG BEING LOTS 12 & 11 & S 15' OF LOT 10 WHICH ADJOINS LOT 11

CLIENT IDENTIFICATION

The client of this specific assignment is Town of Wickenburg.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest.

INTENDED USE

The intended use of this appraisal is to assist the client in making internal business decisions related to this asset.

INTENDED USERS

Town of Wickenburg is the only intended user of this report. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	November 18, 2024
Date of Inspection	October 23, 2024
Valuation Date - As-Is	October 23, 2024

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY

Current Owner

The subject title is currently recorded in the name of Town of Wickenburg, who acquired title to the property on January 31, 1994 as improved for an undisclosed amount, as recorded in document #80179 of the Maricopa County Deed Records.

Three-Year Sales History

The Subject has not sold in the last three years.

Subject Sale Status

The subject is not currently offered for sale.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable:

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

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

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.[2]

VALUE SCENARIO

As-Is Value
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.[3]

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[1] Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.
[2] The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022
[3] The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

› The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.

› The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.

› The appraisers completed an office market analysis that included market and sub-market overviews. The Phoenix market and Wickenburg sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.

› The appraisers conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."

› The appraisers confirmed and analyzed financial features of the subject property including purchase & sale agreement and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.

› Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Income (Direct Capitalization) and Sales Comparison approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops an opinion of the As-Is Market Value of the subject property's fee simple interest. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.

› Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.

› We understand the Competency Rule of USPAP and the authors of this report meet the standards.

› Justin Hanson (Arizona State Registered Appraiser Assistant No. LRA-2000927) provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis.

SOURCES OF INFORMATION

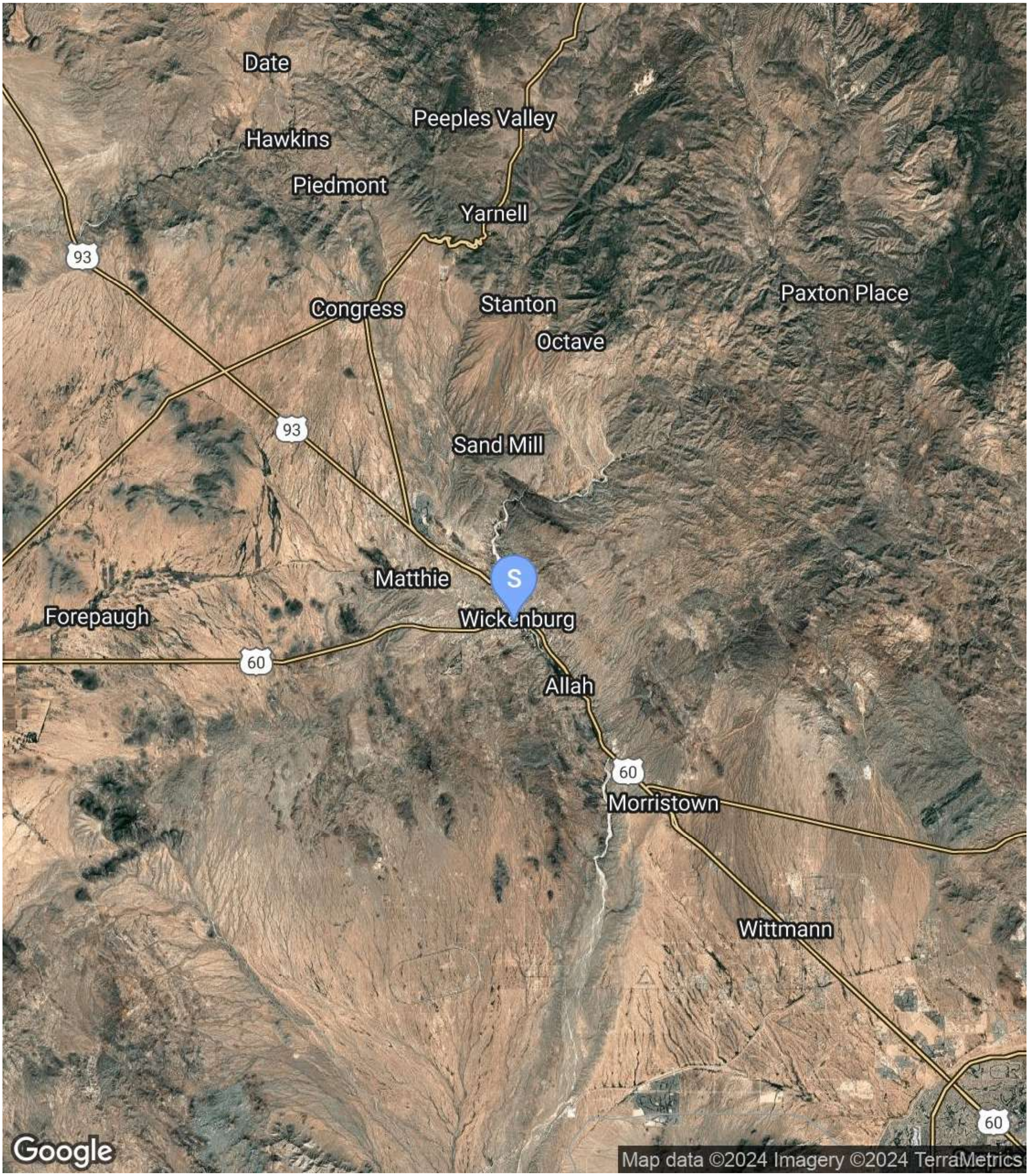
The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Maricopa County Tax Records
Zoning Information	Town of Wickenburg Zoning Code
Site Size Information	Maricopa County Property Records
Building Size Information	Maricopa County Property Records
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Warranty Deed from Maricopa County Register of Deeds
Other Property Data	Maricopa County Property Records

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
TJ Gray, MAI	Yes	Interior/Exterior	October 23, 2024
Michael Brown	No	-	-
Justin Hanson	No	-	-


Date
Peeples Valley
Hawkins
Piedmont
Yarnell
93
Congress
Stanton
Paxton Place
Octave
93
Sand Mill
Matthie
S
Forepaugh
Wickenburg
60
Allah
60
Morristown
Wittmann
60
Google
Map data ©2024 Imagery ©2024 TerraMetrics

INTRODUCTION

The Phoenix-Mesa-Chandler, AZ Metropolitan Statistical Area is in the central portion of Arizona. The MSA comprises two counties: Maricopa and Pinal. According to the 2020 census, the population was 4,845,832. The MSA contains the principal city of Phoenix, the capital of Arizona.

Historically, the economy of Phoenix was based on agriculture, dependent on copper, cattle, cotton, and citrus; however, farmlands were developed into suburbs, while the economy branched out in a myriad of directions. High-technology and telecommunication companies relocated to the MSA. Honeywell's Aerospace division is headquartered in Phoenix, and Intel has one of their largest sites in the city, employing a staff of approximately 11,900. American Express is home to their financial transactions, customer information, and website management in Phoenix. U-HAUL is headquartered in the city, as well as Best Western, the world's largest hotel chain. The military also has a large presence with Luke Air Force Base in the western suburbs.

Tourism is a particularly vital part of the economy, with approximately 200 golf courses, it is a top resort and outdoor recreation destination. The Sonora Desert, Tonto National Forest, local Native American communities, and wilderness surrounding the region continue to draw visitors adding to the region's economy.

According to a U.S. Census Bureau report, the Phoenix-Mesa-Chandler, AZ MSA has listed over 98,000 established private businesses working within its two counties. Included in these businesses are seven Fortune 500 Companies with headquarters in the state of Arizona, including Avnet, Freeport-McMoRan Copper and Gold, U.S. Airways Group, Republic Services and PetSmart. In addition to these companies, 88 local businesses each employ 1,000 people or more, and approximately 64,000 businesses employ less than 10 people, which represents 72 percent of all businesses listed.

DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by Esri ArcGIS®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Population

According to Esri ArcGIS®, a Geographic Information System (GIS) Company, the Phoenix-Mesa-Chandler metropolitan area had a 2024 population of 5,149,752 and experienced an annual growth rate of 1.5%, which was higher than the Arizona annual growth rate of 1.2%. The metropolitan area accounted for 68.5% of the total Arizona population (7,517,580). Within the metropolitan area the population density was 353.5 people per square mile compared to the lower Arizona population density of 66.1 people per square mile and the lower United States population density of 95.8 people per square mile.

POPULATION			
YEAR	US	AZ	CBSA
2020 Population	331,839,624	7,169,360	4,860,432
2024 Population	338,440,954	7,517,580	5,149,752
2029 Population	344,873,411	7,801,501	5,399,639
2020-2024 CAGR	0.5%	1.2%	1.5%
2024-2029 CAGR	0.4%	0.7%	1.0%

Source: Esri ArcGIS®

POPULATION DENSITY			
YEAR	US	AZ	CBSA
2024 Per Square Mile	95.8	66.1	353.5
2029 Per Square Mile	97.6	68.6	370.6

Source: Esri ArcGIS®

Education

The Phoenix-Mesa-Chandler, AZ MSA is home to numerous colleges and universities offering undergraduate and graduate level programs, in disciplines ranging from liberal arts, journalism, engineering, law, and healthcare. Arizona State University (ASU), a public research university is one of the largest universities in the United States, with an annual student enrollment of approximately 50,000. ASU offers programs in engineering, journalism, business, law, and nursing. The university is spread across four campuses throughout the region. The Maricopa County Community College District in Maricopa County, with approximately 260,000 students, is one of the largest community college districts in the United States with 10 separate campuses and two skill centers that serve Maricopa County and the surrounding Phoenix region.

Household Trends

The 2024 Households number of households in the metropolitan area was 1,922,675. The number of households in the metropolitan area is projected to grow by 1.3% annually, increasing the number of households to 2,048,005 by 2029 Households. The 2024 average household size for the metropolitan area was 2.63, which was 3.95% larger than the United States average household size of 2.53 for 2024. The average household size in the metropolitan area is anticipated to retract by 0.31% annually, reducing the average household size to 2.59 by 2029.

NUMBER OF HOUSEHOLDS			
YEAR	US	AZ	CBSA
2024 Households	130,716,571	2,880,743	1,922,675
2029 Households	134,930,577	3,043,050	2,048,005
2024-2029 CAGR	0.6%	1.1%	1.3%

Source: Esri ArcGIS®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	AZ	CBSA
2024	2.53	2.56	2.63
2029	2.50	2.51	2.59
2024-2029 CAGR	(0.24%)	(0.39%)	(0.31%)

Source: Esri ArcGIS®

The Phoenix-Mesa-Chandler metropolitan area had 32.25% renter occupied units, compared to the lower 31.08% in Arizona and the higher 35.64% in the United States.

HOUSING UNITS			
	US	AZ	CBSA
Owner Occupied	64.36%	68.92%	67.75%
Renter Occupied	35.64%	31.08%	32.25%

Source: Esri ArcGIS®

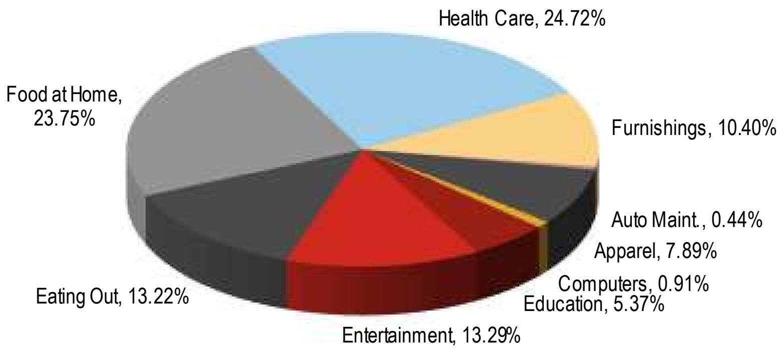
The 2024 median household income for the metropolitan area was $87,166, which was 10.24% higher than the United States median household income of $79,068. The median household income for the metropolitan area is projected to grow by 3.35% annually, increasing the median household income to $102,799 by 2029.

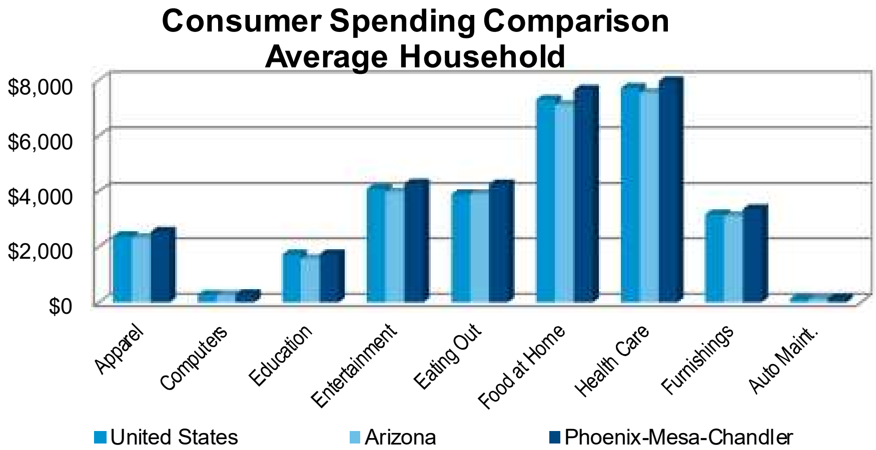
As is often the case when the median household income levels are higher than the national average, the cost of living index is also higher. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Phoenix-Mesa-Chandler, AZ MSA's cost of living is 102.9 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

MEDIAN HOUSEHOLD INCOME			
YEAR	US	AZ	CBSA
2024	$79,068	$79,653	$87,166
2029	$91,442	$94,857	$102,799
2024-2029 CAGR	2.95%	3.56%	3.35%

Source: Esri ArcGIS®

Consumer Spending Phoenix-Mesa-Chandler





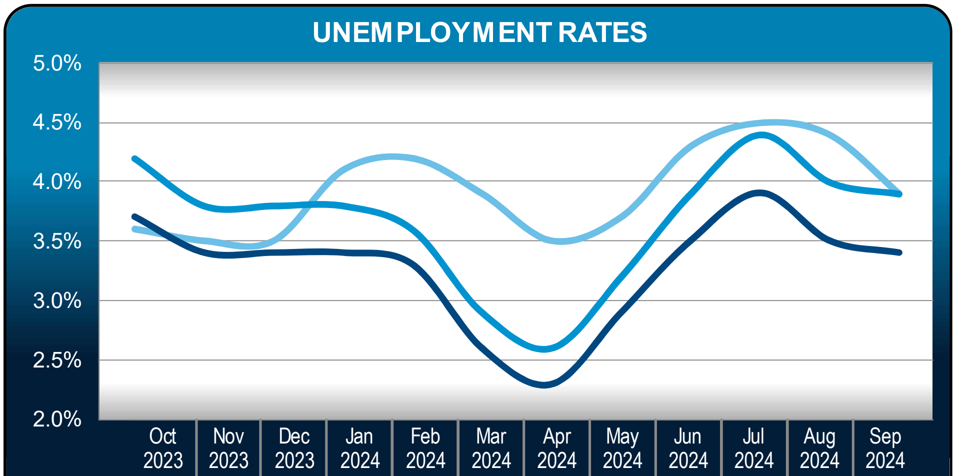
EMPLOYMENT

Total employment has increased annually over the past decade in the state of Arizona by 2.2% and increased annually by 2.7% in the area. From 2022 to 2023 unemployment increased in Arizona by 0.1% and increased by 0.1% in the area. In the state of Arizona unemployment has decreased over the previous month by 0.1% and decreased by 0.1% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2014 - 2023

	TOTAL EMPLOYMENT				UNEMPLOYMENT RATE		
	Arizona		Phoenix-Mesa-Scottsdale, AZ Metropolitan Statistical Area		United States*	Arizona	Phoenix-Mesa-Scottsdale, AZ Metropolitan Statistical Area
Year	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2014	2,906,193	2.9%	2,002,699	3.3%	6.2%	6.8%	5.9%
2015	2,990,545	2.9%	2,076,931	3.7%	5.3%	6.1%	5.2%
2016	3,075,851	2.9%	2,146,700	3.4%	4.9%	5.5%	4.7%
2017	3,079,700	0.1%	2,158,514	0.6%	4.4%	5.0%	4.3%
2018	3,166,013	2.8%	2,231,366	3.4%	3.9%	4.8%	4.2%
2019	3,267,548	3.2%	2,312,841	3.7%	3.7%	4.8%	4.2%
2020	3,200,219	(2.1%)	2,275,563	(1.6%)	8.1%	7.8%	7.3%
2021	3,347,264	4.6%	2,393,743	5.2%	5.3%	5.1%	4.6%
2022	3,462,671	3.4%	2,483,952	3.8%	3.6%	3.8%	3.4%
2023	3,546,508	2.4%	2,553,394	2.8%	3.6%	3.9%	3.5%
CAGR	**2.2%**	-	**2.7%**	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024
USA	3.6%	3.5%	3.5%	4.1%	4.2%	3.9%	3.5%	3.7%	4.3%	4.5%	4.4%	3.9%
Arizona	4.2%	3.8%	3.8%	3.8%	3.6%	2.9%	2.6%	3.2%	3.9%	4.4%	4.0%	3.9%
Area	3.7%	3.4%	3.4%	3.4%	3.3%	2.6%	2.3%	2.9%	3.5%	3.9%	3.5%	3.4%

The preceding chart depicts unemployment trends in the region, Arizona, and the U.S. Overall levels of unemployment in the region experienced a general increase throughout the past three months. By the end of September 2024, unemployment in the region was 0.5% lower than Arizona's and 0.5% lower than the national average.

TOP EMPLOYERS

EMPLOYER NAME	EMPLOYEES	INDUSTRY
Banner Health	43,440	Healthcare/Social Assistance
State of Arizona	41,564	Public Administration
Walmart	36,931	Wholesale/Retail Trade
Arizona State University	35,719	Education
Amazon.com	33,000	Wholesale/Retail Trade
University of Arizona	22,089	Education
Fry's Food Stores	20,000	Wholesale/Retail Trade
Maricopa County	15,550	Public Administration
City of Phoenix	14,500	Public Administration
Wells Fargo	14,315	Finance/Insurance

Source: https://www.maricopa.gov

The preceding chart depicts the top employers in Maricopa County. Principal employers are spread throughout diverse sectors, including healthcare/social assistance, public administration, and wholesale/retail trade. The largest employer is Banner Health, a non-profit health system based in Phoenix. Banner Health operates 28 hospitals as well as specialized facilities in six states, including Arizona, California, and Colorado. The second largest employer is the state of Arizona with a workforce of 41,564 people. The third largest employer is Walmart, the multinational retail corporation that operates a chain of hypermarkets, discount department stores, and grocery stores.

AIRPORT STATISTICS

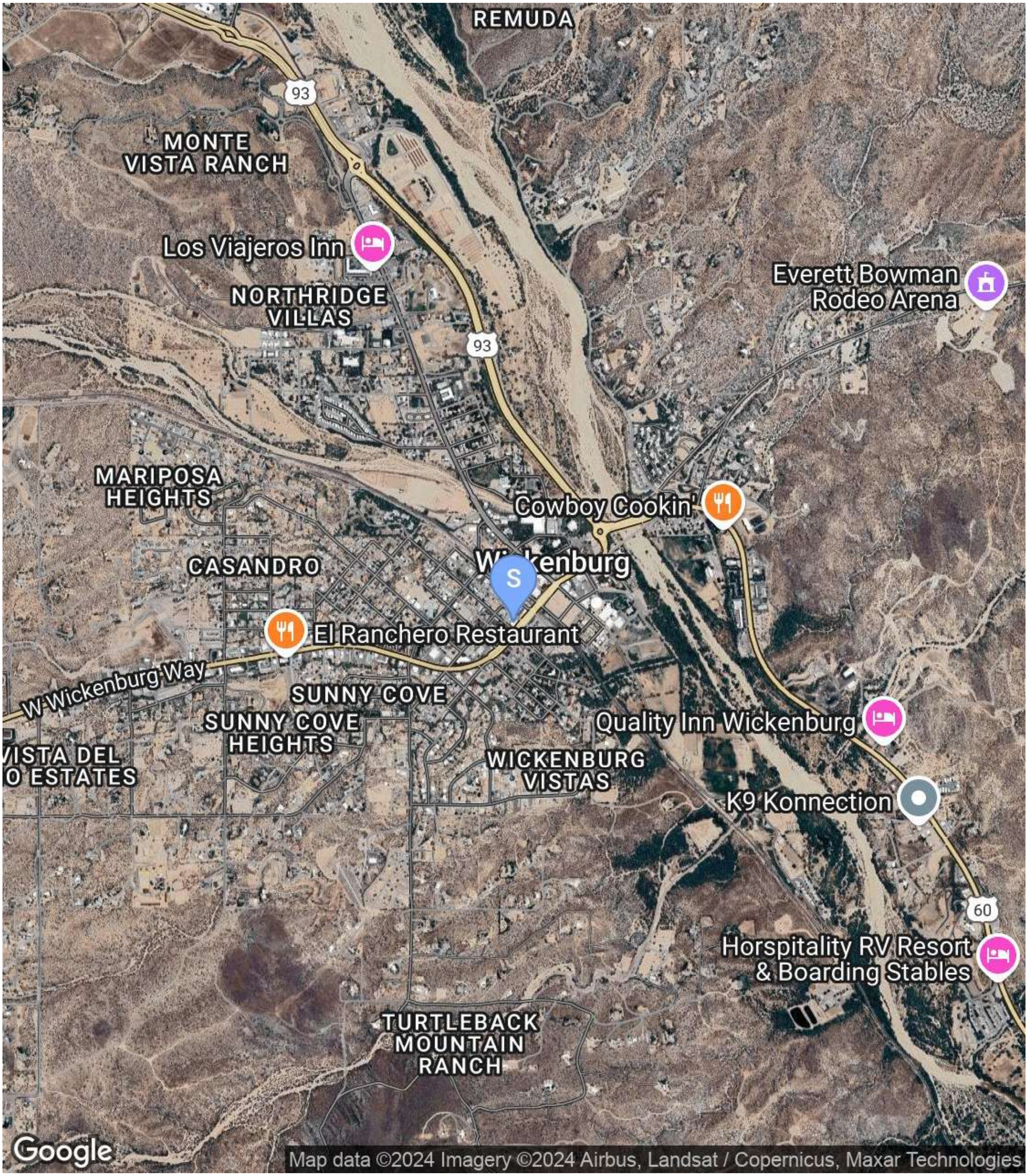
The following chart summarizes the local airport statistics.

PHOENIX SKY HARBOR INTERNATIONAL AIRPORT (PHX)		
YEAR	ENPLANED PASSENGERS	% CHG
2013	19,525,109	-
2014	20,344,867	4.2%
2015	21,351,445	4.9%
2016	20,896,265	(2.1%)
2017	21,185,458	1.4%
2018	21,622,580	2.1%
2019	22,433,552	3.8%
2020	10,531,436	(53.1%)
2021	18,940,287	79.8%
2022	21,852,586	15.4%
2023	23,880,504	9.3%

Source: U.S. Department of Transportation

SUMMARY

Population and economic growth have made the Phoenix-Mesa-Chandler, AZ MSA the center of the state's economy. The MSA is a diversified economic region that historically has relied on natural resources, but now also includes significant employment in the high-technology, aerospace, tourism, and healthcare sectors. This should have a positive impact and will benefit the growth in the regional economy for years to come. It is anticipated that the area will continue to be a part of a growing regional economy.


REMUDA
93
MONTE VISTA RANCH
Los Viajeros Inn
NORTHRIDGE VILLAS
Everett Bowman Rodeo Arena
93
MARIPOSA HEIGHTS
Cowboy Cookin'
CASANDRO
S
El Ranchero Restaurant
W Wickenburg Way
SUNNY COVE
SUNNY COVE HEIGHTS
VISTA DEL
O ESTATES
WICKENBURG VISTAS
Quality Inn Wickenburg
K9 Konnection
60
Horspitality RV Resort & Boarding Stables
TURTLEBACK MOUNTAIN RANCH
Google
Map data ©2024 Imagery ©2024 Airbus, Landsat / Copernicus, Maxar Technologies

LOCAL AREA PROFILE

The subject property is in Wickenburg, Arizona, within Maricopa County. According to the 2020 census, the population was 7,526. The town is within Maricopa and Yavapai counties, approximately 65 miles northwest of Phoenix and 59 miles southwest of Prescott. U.S. Routes 60 and 93 intersect the town. Air transportation is provided by Wickenburg Municipal Airport, approximately four miles west of the town's central business district.

DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by Esri ArcGIS®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS

DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				**AVERAGE HOUSEHOLD INCOME**			
2010 Population	2,523	6,838	8,283	2024	$96,225	$103,703	$106,057
2020 Population	2,526	6,585	7,978	2029	$113,815	$124,600	$128,063
2024 Population	2,510	6,658	8,187	Change 2024-2029	18.28%	20.15%	20.75%
2029 Population	2,627	7,387	9,359	**MEDIAN HOUSEHOLD INCOME**			
Change 2010-2020	0.12%	(3.70%)	(3.68%)	2024	$75,000	$68,834	$70,497
Change 2020-2024	(0.63%)	1.11%	2.62%	2029	$91,101	$86,054	$88,392
Change 2024-2029	4.66%	10.95%	14.32%	Change 2024-2029	21.47%	25.02%	25.38%
NUMBER OF HOUSEHOLDS				**PER CAPITA INCOME**			
2010 Households	1,128	3,039	3,655	2024	$45,917	$50,398	$51,500
2020 Households	1,149	3,137	3,737	2029	$55,393	$61,680	$63,097
2024 Households	1,229	3,296	3,969	Change 2024-2029	20.64%	22.39%	22.52%
2029 Households	1,318	3,745	4,651	**HOUSEHOLDS BY INCOME (2022)**			
Change 2010-2020	1.86%	3.22%	2.24%	Less than $15,000	11.10%	11.14%	10.16%
Change 2020-2024	6.96%	5.07%	6.21%	$15,000 - $24,999	7.02%	8.99%	8.99%
Change 2024-2029	7.24%	13.62%	17.18%	$25,000 - $34,999	7.84%	9.48%	8.53%
HOUSING UNITS				$35,000 - $49,999	13.71%	10.99%	12.05%
Owner Occupied	812	2,382	2,976	$50,000 - $74,999	18.53%	17.53%	17.68%
Renter Occupied	417	914	993	$75,000 - $99,999	14.45%	13.05%	12.51%
HOUSING UNITS BY YEAR BUILT				$100,000 - $149,999	18.53%	12.51%	13.22%
Built 2020 or Later	90	208	232	$150,000 - $199,999	5.47%	8.18%	8.63%
Built 2010 to 2019	43	144	226	$200,000 or More	3.18%	8.15%	8.28%
Built 2000 to 2009	164	693	959	**HOUSING BY UNITS IN STRUCTURE**			
Built 1990 to 1999	103	420	605	1, Detached	1,165	2,865	3,475
Built 1980 to 1989	183	636	716	1, Attached	41	142	163
Built 1970 to 1979	199	435	549	2	17	68	68
Built 1960 to 1969	175	419	440	3 or 4	105	187	187
Built 1950 to 1959	296	606	619	5 to 9	16	66	76
Built 1940 to 1949	86	161	167	10 to 19	9	36	36
Built 1939 or Earlier	107	124	124	20 to 49	31	83	83
HOME VALUES				50 or More	0	0	0
Average	$350,185	$477,635	$518,975	Mobile Home	44	333	478
Median	$262,784	$486,877	$523,571	Boat, RV, Van, etc.	18	64	70

Source: Esri ArcGIS®

Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	**DIRECTION**	**FUNCTION**	**DISTANCE FROM SUBJECT**
West Wickenburg Way	east-w est	Local Highw ay	The subject property fronts this street.
U.S. Route 93	north-south	Local Highw ay	This is w ithin a half mile of the subject property.
State Route 89	north-south	Local Highw ay	This is w ithin seven miles of the subject property.
SURFACE STREETS	**DIRECTION**	**FUNCTION**	**DISTANCE FROM SUBJECT**
Jefferson St	southeast-northw est	Secondary Arterial	The subject property fronts this street.

Public transportation is not available near the subject property.

Economic Factors

Wickenburg is a suburban community for the Phoenix metropolitan area. The town's economy is based on the healthcare, utilities, and wholesale/retail trade industries. Due to the residential nature of the town, there is a high dependency on revenue generated by residential property taxes, and the influence exerted by the regional economy. The largest employers in the town include Remuda Ranch/Meadows, Wickenburg Community Hospital, and Wickenburg Unified School District. Retail presence consists of restaurants, convenience stores, car dealerships, and locally owned businesses.

Community Services

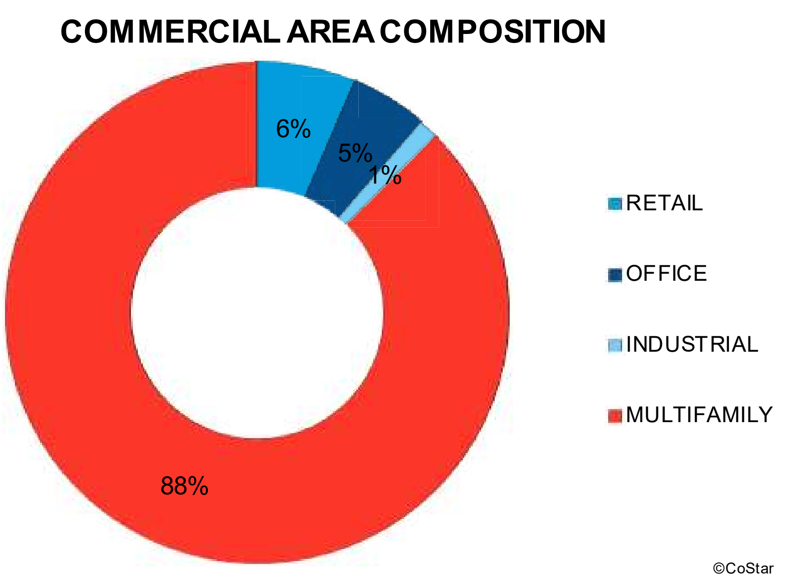
Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages).

IMMEDIATE AREA PROFILE

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

Significant development in the immediate area consists of limited retail, office and industrial uses along major arterials that are interspersed with multi-family complexes and single-family residential development removed from arterials. The local area has a mix of commercial uses nearby and the composition is shown in the following graph.



Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

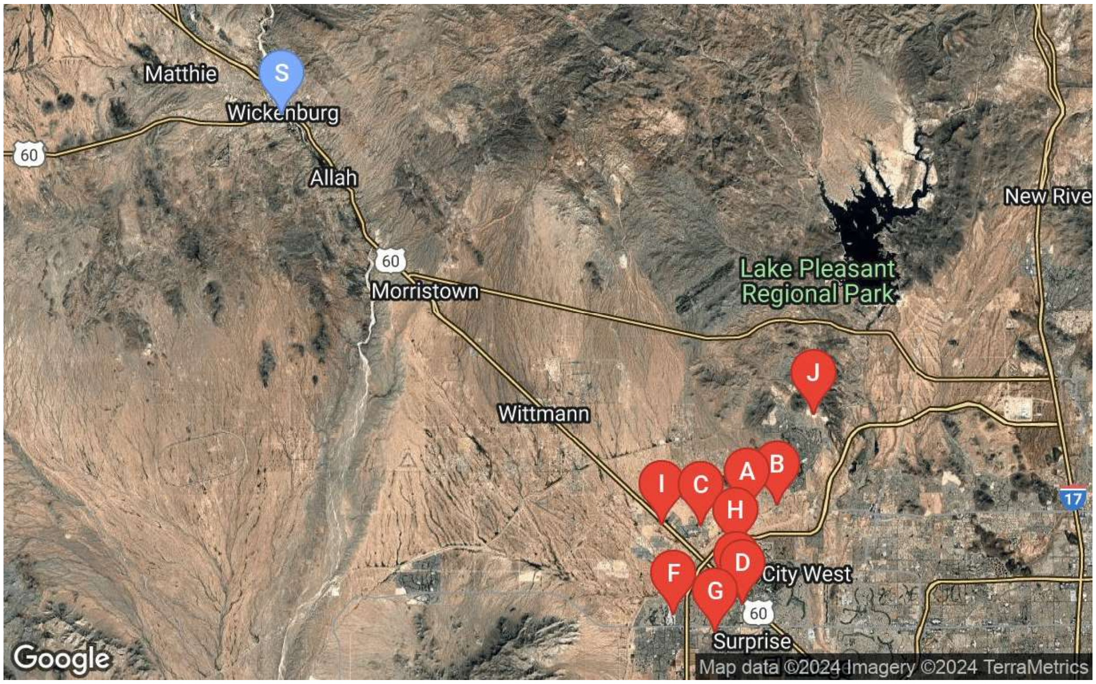
MULTIFAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	4	1,049,565	2018
B	25	16,067,226	2008
C	40	996,934	1973
TOTAL	**69**	**18,113,725**	**1988**

Source: CoStar

The three largest multi-family properties are at 14443 West Buckskin Trail, 13380 West Range Mule Drive and 24105 North 162nd Avenue with an NRA of 10,000,000 SF, 2,000,000 SF and 1,000,000 SF that were built in 2023, 2023 and 2023, respectively. The closest large multi-family property in proximity to the subject is at 17623 West Norwich Drive with an NRA of 250,000 SF that was built in 2023. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the eight largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Almeria at Ranch Mercado	27.2 Miles	A	B	########	2	2023
Legends at Rancho Cabrillo	28.0 Miles	B	B	2,000,000	2	2023
Redw ood Valley at Escalante	26.1 Miles	C	B	1,000,000	2	2023
Park Place	29.8 Miles	D	A	448,716	3	2006
LáSolana Condominiums At Sun City Grand	29.4 Miles	E	B	328,809	3	1998
Allora Surprise	28.2 Miles	F	B	322,419	3	2024
The Villas at Mountain Vista Ranch	30.0 Miles	G	B	258,052	2	2003
Deer Valley Gardens	28.0 Miles	H	B	252,974	2	2005
North Copper Canyon	24.8 Miles	I	B	250,000	3	2023
Avilla Mystic	27.1 Miles	J	B	248,666	1	2024

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	207	1,314,015	1981	98.5	$16.76
TOTAL	**207**	**1,314,015**	**1981**	**98.5**	**$16.76**

Source: CoStar

The three largest retail properties are at 16573 West Bell Road, 15215 North Cotton Lane and 17031-17067 West Bell Road with an NRA of 110,000 SF, 104,759 SF and 101,782 SF that were built in 2009, 2009 and 2007, respectively. The closest large retail property in proximity to the subject is at 2031 West Wickenburg Way with an NRA of 61,568 SF that was built in 1977. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Surprise Village Marketplace	29.2 Miles	A	Community Center	110,000	100.0	2009	N/Av
Marketplace at Prasada	29.6 Miles	B	Neighborhood Center	104,759	100.0	2009	N/Av
Shops A & B	28.8 Miles	C	Strip Center	101,782	100.0	2007	N/Av
Grand Bell Pavillions	29.7 Miles	D	Community Center	85,374	100.0	2001	N/Av
Albertson's Center	29.7 Miles	E	Neighborhood Center	82,604	94.4	1998	$24.00
WinCo Foods	28.9 Miles	F	General Retail	73,196	100.0	-	N/Av
Macayo's Plaza	29.9 Miles	G	Neighborhood Center	64,071	100.0	2006	N/Av
West Plaza Center	2.4 Miles	H	General Retail	61,568	100.0	1977	N/Av
Grand Village Center	29.8 Miles	I	General Retail	60,000	100.0	2007	N/Av
Grand Village	30.1 Miles	J	Neighborhood Center	59,491	100.0	2003	N/Av

Source: CoStar

Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
B	65	943,399	2000	95.5	$24.11
C	30	78,760	1965	96.7	-
TOTAL	**95**	**1,022,159**	**1989**	**95.8**	**$24.11**

Source: CoStar

The three largest office properties are at 14416 West Meeker Boulevard, 14420 West Meeker Boulevard and 14418 West Meeker Boulevard with an NRA of 63,339 SF, 62,744 SF and 57,763 SF that were built in 2004, 1997 and 2003, respectively. The closest large office property in proximity to the subject is at 14520 West Granite Valley Drive with an NRA of 40,004 SF that was built in 2008. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Del E Webb Medical Plaza	29.7 Miles	A	B	63,339	100.0	2004	N/Av
Webb Medical Plaza	29.7 Miles	B	B	62,744	86.4	1997	$30.50
Webb Medical Plaza	29.7 Miles	C	B	57,763	53.8	2003	$30.50
Surprise Professional Center	30.1 Miles	D	B	49,554	100.0	2007	N/Av
Office Building	30.1 Miles	E	B	45,410	0.0	1984	N/Av
Office Building	29.7 Miles	F	B	41,000	100.0	2007	N/Av
Office Building	29.4 Miles	G	B	40,004	100.0	2008	N/Av
Granite Valley Medical Bldg	29.5 Miles	H	B	39,671	79.5	1990	$27.00
Professional Office Building	29.6 Miles	I	B	32,505	100.0	1998	N/Av
Colonnade Pro. Plaza I	29.5 Miles	J	B	31,039	96.0	2001	$28.00

Source: CoStar

Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

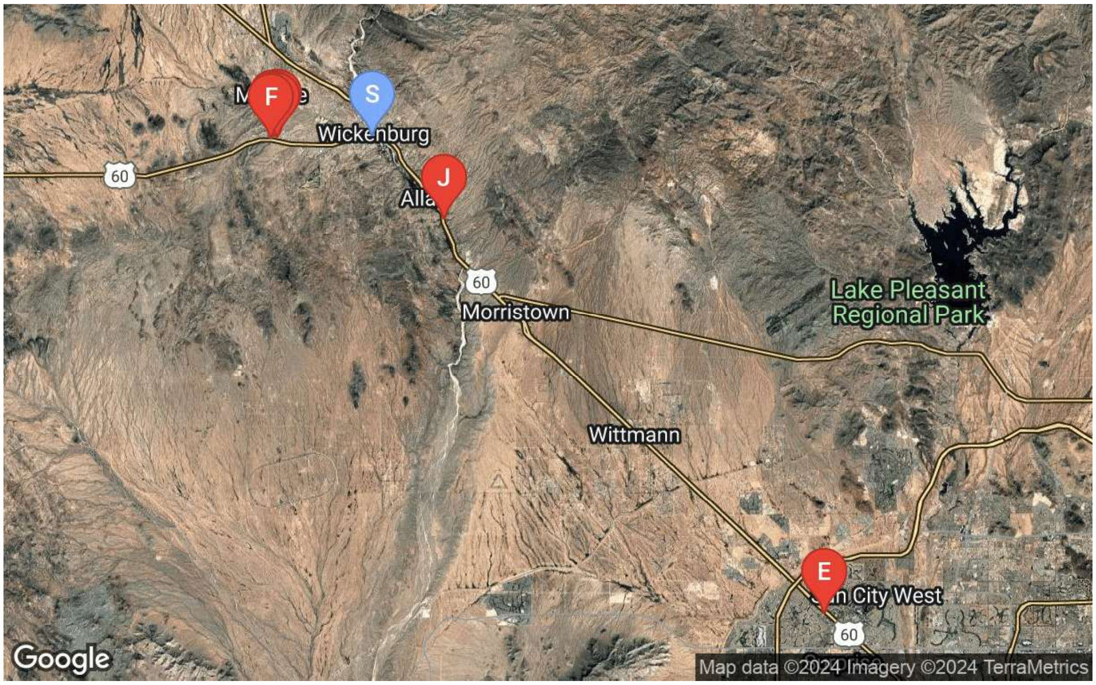
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	25	248,790	1976	96.0	-
Flex	2	11,257	1932	100.0	-
TOTAL	**27**	**260,047**	**1973**	**96.3**	**$0.00**

Source: CoStar

The three largest industrial properties are at 3475 North Sabin Brown Road, 3650 North Sabin Brown Road and 3550 North Sabin Brown Road with an NRA of 53,830 SF, 37,798 SF and 21,638 SF that were built in 1969, 1985 and 1977, respectively. The closest large industrial property in proximity to the subject is at 3400 North Sabin Brown Road with an NRA of 10,700 SF that was built in 1979. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Industrial Building	4.2 Miles	A	Industrial	53,830	100.0	1969	N/Av
Industrial Building	4.4 Miles	B	Industrial	37,798	100.0	1985	N/Av
Palos Verde Industrial Park	4.3 Miles	C	Industrial	21,638	100.0	1977	N/Av
Palos Verde Industrial Park	4.3 Miles	D	Industrial	19,198	100.0	1977	N/Av
Industrial Building	29.2 Miles	E	Industrial	16,415	100.0	1945	N/Av
Industrial Building	4.5 Miles	F	Industrial	13,803	100.0	2023	N/Av
Industrial Building	4.1 Miles	G	Industrial	10,700	100.0	1979	N/Av
Industrial Building	4.2 Miles	H	Industrial	10,250	100.0	1999	N/Av
Industrial Building	4.2 Miles	I	Industrial	9,198	100.0	-	N/Av
Industrial Building	4.9 Miles	J	Flex	8,522	100.0	1935	N/Av

Source: CoStar



SUBJECT PROPERTY ANALYSIS

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- **North -** Office: John David Johnson - State Farm Insurance Agent, Retail: Soroptimist Thrift Shop
- **South -** West Wickenburg Way, Multi-family Residential Neighborhood
- **East -** West Wickenburg Way, Retail: Wickenburg Motors Service & Restoration, Wickenburg Automotive Repair
- **West -** North Jefferson Street, Single-family residential neighborhood, Retail: Ascend Security and Audio, Incorporated

Access

The subject site has frontage on an arterial and connector street. Based on our field work, the subject's access is rated average/good compared to other properties with which it competes.

Visibility

The subject is clearly visible in both directions along the street. The visibility of the property is not hampered by adjacent properties, trees or other obstructions. In comparison to competitive properties, the subject property has average/good visibility.

Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall typical external influence for the subject, which is concluded to have an average position in context of competing properties.

SUMMARY

Wickenburg has a strategic location near notable economic hubs, with convenient connections to well-traveled transportation networks. The region's economic development has a direct influence on the town's employment base. Wickenburg has a stable economy supported by ongoing residential development, healthcare, and retail.

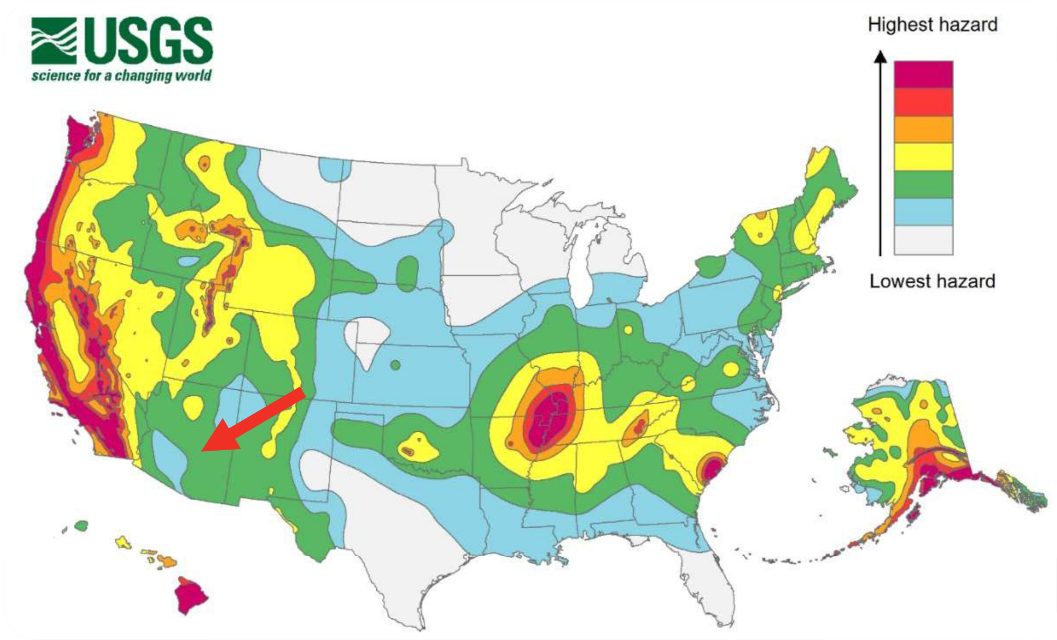
General Description	The subject site consists of 1 parcel. As noted below, the subject site has 16,100 SF (0.37 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements.
Assessor Parcel	505-50-141
Number Of Parcels	1

Land Area	**Acres**	**Square Feet**
Primary Parcel	0.37	16,100
Unusable Land	0.00	0
Excess Land	0.00	0
Surplus Land	0.00	0
Total Land Area	**0.37**	**16,100**

Shape	Rectangular - See Plat Map For Exact Shape
Topography	Level at street grade
Drainage	Assumed Adequate
Utilities	All available to the site

Street Improvements	**Street**	**Direction**	**No. Lanes**	**Street Type**	**Curbs**	**Sidewalks**	**Streetlights**	**Center Lane**	**Gutters**
West Wickenburg Way	Primary Street	two-way	four-lane	major arterial	✓	✓	✓	✓	✓
North Jefferson Street	Secondary Street	two-way	two-lane	minor arterial	✓	✓	✓		✓

Frontage	The subject has approximately 140 feet of frontage on West Wickenburg Way.
Accessibility	Average/Good - The accessibility of the subject is rated as average/good. The subject is accessed from two streets, with the main entrance and primary point of ingress/egress being North Jefferson Street. U.S. Route 60 is a major transportation arterial within proximity to the subject, providing linkage to the surrounding area.
Exposure	Average/Good - The subject has average/good exposure, as it is located along a major arterial. The project's exposure rating takes into account its average visibility and its average traffic count. It also considers the subject's exposure from multiple streets.
Seismic	The subject is in a low risk zone.



Flood Zone

Zone X (Shaded). This is referenced by Community Number 040056, Panel Number 04013C0328M, dated September 18, 2020. Zone X (shaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee. No BFEs or base flood depths are shown within these zones. (Zone X (shaded) is used on new and revised maps in place of Zone B.)

Easements

A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements.

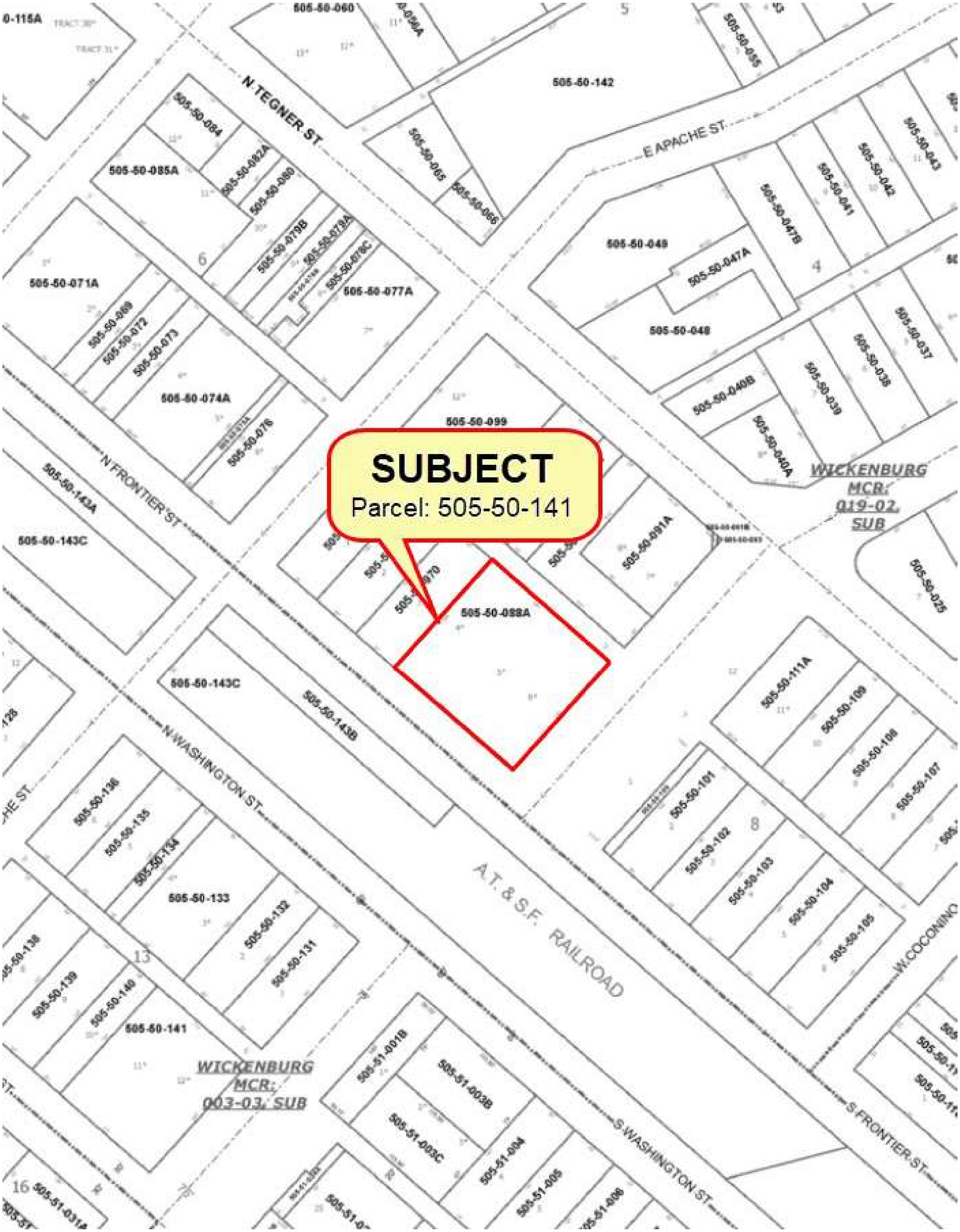
Soils

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property.

PLAT MAP


SUBJECT
Parcel: 505-50-141
505-50-088A
505-50-099
N TEGNER ST
E APACHE ST
N FRONTIER ST
N WASHINGTON ST
A.T. & S.F. RAILROAD
S WASHINGTON ST
S FRONTIER ST
W COCONINO
WICKENBURG MCR: 019-02, SUB
WICKENBURG MCR: 003-03, SUB
505-50-142
505-50-049
505-50-048
505-50-047A
505-50-077A
505-50-074A
505-50-071A
505-50-085A
505-50-143C
505-50-143B
505-50-133
505-50-141
505-50-111A

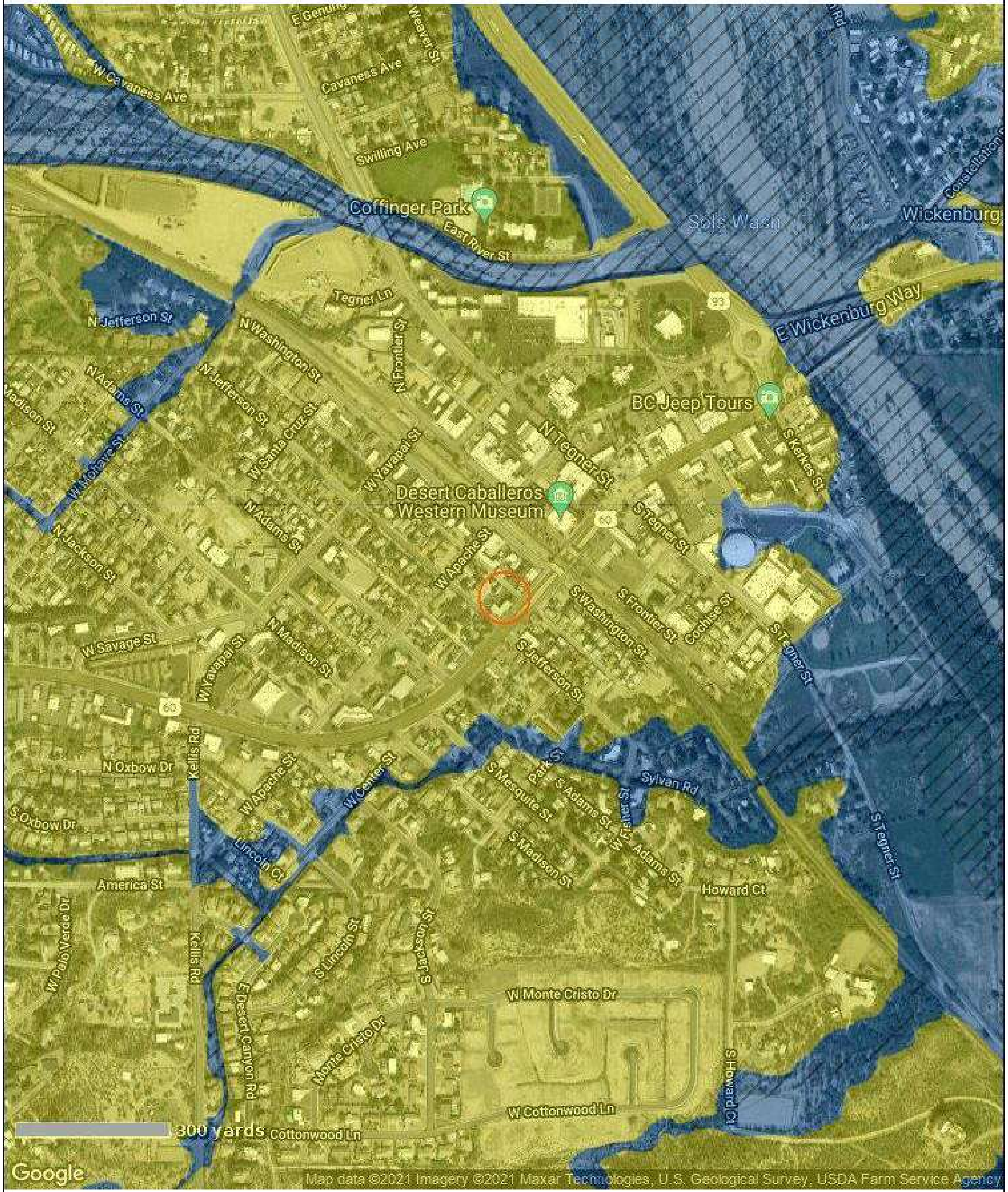
GIS ARIEL MAP

ZONING MAP

FLOOD MAP

InterFlood by a la mode

Prepared for: Colliers International



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MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **04013C0328M**
Zone: **X500**
Map Date: **September 18, 2020**
FIPS: **04013**

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

INTRODUCTION

The information presented below is a basic description of the existing improvements. This information is used in the valuation of the property. Reliance has been placed upon information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted.

Property Type	Retail / Commercial - Retail - Office
Design	Single-Tenant Owner-Occupied - 1 Tenant Space
Number of Buildings	2 (See Multiple Building Chart For Breakdown)
Number of Stories	1
Net Rentable Area (NRA)	5,018 SF
Gross Building Area (GBA)	5,018 SF
Floor Plate	5,018 SF
Percent Air Conditioned	81%
Building Class	C
Site Coverage Ratio	31.2%
Land to Building Ratio	3.2 : 1
Parking	13 (Surface) 2.6/1,000 SF NRA
Year Built	1973
Age/Life Analysis	
Actual Age	51 Years
Effective Age	25 Years
Economic Life	50 Years
Remaining Life	25 Years
Quality	Fair/Average
Condition	Fair/Average

MULTIPLE BUILDING DESCRIPTION GRID

BUILDING	GBA	YEAR BUILT	EFF. AGE	ECON. LIFE	REM. LIFE	STORIES	QUALITY	CONDITION
Office	4,050	1973	25	50	25	1	Fair/Average	Fair/Average
Storage Building	968	1994	25	50	25	1	Fair/Average	Fair/Average
TOTAL	**5,018**							

Functional Design	The building is positioned on the site to leverage as much parking area as possible. The space offers fair/average utility to the occupant.
Basic Construction	Wood frame and block construction (storage building)
Foundation	Poured concrete slab
Exterior Walls	Stucco and block
Roof	Sealed membrane
Insulation	Assumed to be standard and to code for both walls and ceilings

Heating	Forced Air in office, none in storage building
Air Conditioning	Central HVAC in office, none in storage building
Lighting	Fluorescent and Incandescent
Interior Walls	Drywall in office, none in storage building
Electrical	The buildings have a master meter.
Ceilings	Drywall in office, exposed in storage building
Windows	Standard windows; glass in aluminum frames
Doors	Single door system, glass in metal frame
Flooring	Ceramic tile and carpet
Plumbing	Standard plumbing
Fire Protection	The subject does not have a fire sprinkler system or smoke alarms.
Security	None noted
Landscaping	Asphalt paving, concrete sidewalks, concrete curbing, pole mounted lights and low maintenance sprinklered landscaping
Build-out/TIs	The subject improvements has typical finishes that will appeal to a wide range of tenants.
Signage	There is room for signage along the northern elevation of the building
Parking	The subject has an overall parking ratio of approximately 2.6 surface parking spaces per 1,000 square feet of NRA
Deferred Maintenance	The subject property is vintage construction and has no observable deferred maintenance existing.
Hazardous Materials	This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) asbestos. Please refer to the Assumptions and Limiting Conditions section regarding this issue.
***ADA* Compliance**	This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

ASSESSMENT & TAXATION

The subject property is located within the Maricopa County municipality. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2024				Tax Rate	0.0000%
Area Code	091800				Taxes Current	Yes
Taxes SF Basis	Gross Building Area					
APN	**FULL CASH PROPERTY VALUE**	**LIMITED PROPERTY VALUE (LV)**	**ASSESSMENT RATIO**	**ASSESSED LV**	**EXEMPTIONS**	**BASE TAX**
505-50-141	$464,937	$407,610	15%	$61,142	$61,142	$0
Totals	**$464,937**	**$407,610**		**$61,142**	**$61,142**	**$0**
Total/SF	**$92.65**	**$81.23**		**$12.18**	**$12.18**	**$0.00**

Source: Maricopa County Assessment & Taxation

In the State of Arizona, reassessments of property values occur every year. Arizona has three tax levels, Limited Cash Value, Secondary Full Cash Value, and Special Districts. The Limited Value (LCV) is a legislatively established value based on a mathematical formula that limits the amount of increase to 10% in any given year. Assessments based on the LCV provide funds for the operation and maintenance of the jurisdictions indicated by the area code in the property tax statement. The Secondary Full Cash Value (FCV) is the Assessor's estimate of the true market value, and has no limitations on annual increases. FCV is used to calculate taxes for voter approved bonds, budget overrides and certain special districts. Special Districts are limited purpose districts such as flood control, fire, irrigation, etc. **Real estate in Arizona is not re-assessed upon sale or transfer of ownership**.

The total assessment for the subject property is $61,142 or $12.18/SF. The subject property benefits from a municipal use exemption in the amount of $61,142, reducing the taxable assessment to $0 or $0.00/SF. Total taxes for the property are $0 or $0.00/SF.

According to the Maricopa County treasurer’s office, real estate taxes for the subject property are current as of the date of this report.

INTRODUCTION

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	Town of Wickenburg Planning & Zoning Department
Current Zoning	Central Business (C-2)
Specific Area Plan	Downtown Redevelopment Plan
Permitted Uses	Offices, restaurants other than drive-in or drive-through restaurants, restaurants & cafes, shoe repair shops, tailor shops, tattoo parlors, outdoor sales, museums, jewelry stores, and ice cream stores.
Prohibited Uses	Any other use not listed as permitted nor compatible with the district purpose and intent.
Current Use	Retail - Office
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely
ZONING REQUIREMENTS	
Conforming Use	The existing improvements represent a conforming use within this zone

Source: Tow n of Wickenburg Planning & Zoning Department

ZONING CONCLUSIONS

Detailed zoning studies are typically performed land use planners or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

INTRODUCTION

The market analysis section provides a comprehensive study of supply/demand conditions, examines transaction trends, and interprets ground level information conveyed by market participants. Based on these findings and an analysis of the subject property, conclusions are drawn with regard to the subject's competitive position within the marketplace.

The subject is most likely to be used as a home office; therefore, we have developed an Office Market analysis. Below is a list of the various sections covered in the following Office market analysis:

› Phoenix Office Market
› Wickenburg Office Submarket
› Competitive Dataset Analysis
› Transaction Trends
› Subject Property Analysis

PHOENIX OFFICE MARKET

The following is an analysis of supply/demand trends in the Phoenix Office market using information provided by CoStar, widely recognized as a credible source for tracking market statistics. The table below presents historical data for key market indicators.

PHOENIX HISTORICAL STATISTICS (LAST TEN YEARS)

PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2014	178,926,152 SF	1,142,313 SF	2,491,651 SF	16.1%	$20.41/SF
2015	182,038,113 SF	3,335,438 SF	4,077,139 SF	15.7%	$21.41/SF
2016	184,880,707 SF	3,076,505 SF	4,212,131 SF	14.6%	$22.57/SF
2017	186,466,897 SF	2,052,222 SF	2,902,453 SF	13.7%	$23.63/SF
2018	187,509,512 SF	1,310,192 SF	3,243,076 SF	12.4%	$24.68/SF
2019	190,593,523 SF	3,565,454 SF	4,227,672 SF	11.4%	$25.45/SF
2020	193,557,526 SF	3,037,712 SF	308,756 SF	11.9%	$27.38/SF
2021	195,777,339 SF	3,033,189 SF	(257,756) SF	13.5%	$27.65/SF
2022	196,957,081 SF	1,585,259 SF	(919,379) SF	14.0%	$28.42/SF
2023	197,242,068 SF	898,449 SF	(2,198,367) SF	15.2%	$29.04/SF
CAGR	1.0%	-	-	-	3.6%

*Supply numbers based on information w hich is amended/updated on an on-going basis by Costar.
Source: Costar®

Over the past ten years the Phoenix Office market was somewhat soft where there was slight imbalance in prevailing Office supply/demand conditions. Over this time period the market inventory significantly increased by 12.9%. Further there was significant positive absorption (10.1% change), moderate decrease in the vacancy rate (-0.9% change) and considerable increase of the asking average rent (42.3% change).

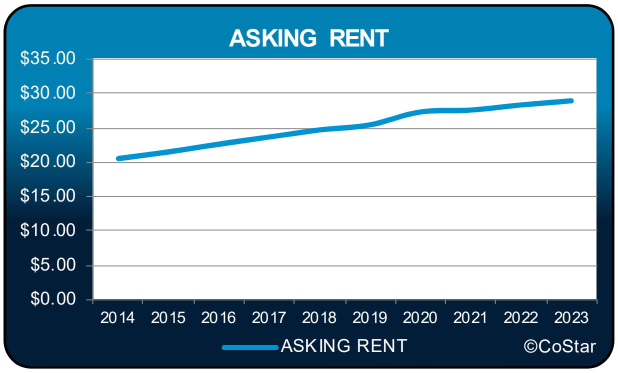
Analysis of the data indicates the Phoenix Office market has gone through three distinctive trends over the past ten years.

TEN YEAR HISTORICAL TREND ANALYSIS				
PERIOD	ADDED SUPPLY	NET ABSORPTION	VACANCY	ASKING RENT
2014-2023	23,036,733 SF	18,087,376 SF	16.1%→15.2%	$20.41→$29.04
10 Yrs	*12.9%*	*10.1%*	*-0.9%*	*42.3%*
2014-2019	14,482,124 SF	21,154,122 SF	16.1%→11.4%	$20.41→$25.45
6 Yrs	*8.1%*	*11.8%*	*-4.7%*	*24.7%*
2020-2023	8,554,609 SF	(3,066,746) SF	11.9%→15.2%	$27.38→$29.04
4 Yrs	*4.4%*	*-1.6%*	*3.3%*	*6.1%*

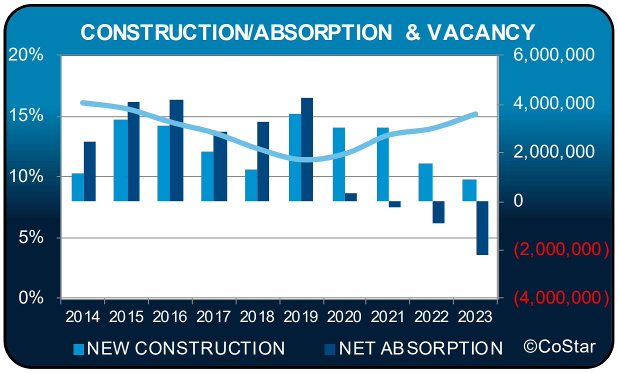
The six year period from 2014 to 2019 was highlighted with significantly increased supply, significant positive absorption, decrease of vacancy rates and considerable increase of asking rent in the market. The most recent four year period from 2020 to 2023 featured significantly increased supply, slight negative absorption, increase of vacancy rates and considerable increase of asking rent levels. Market.SubTrend.3

Over the past ten years the market had a compound annual growth rate (CAGR) of 1.0% per year. Vacancy has ranged from 11.4% to 16.1% with an average of 13.8%. Vacancy decreased from 16.1% in 2014 to 11.4% in 2019, increased from 11.9% in 2020 to 15.2% in 2023

Over the past ten years asking rent has experienced a CAGR of 3.6%. Asking rent hit a low of $20.41/SF in 2014 and a high in 2023 at $29.04/SF.



In the past ten years a total of 23,036,733 SF were added to the supply with 18,087,376 SF of net absorption achieved during the same period.



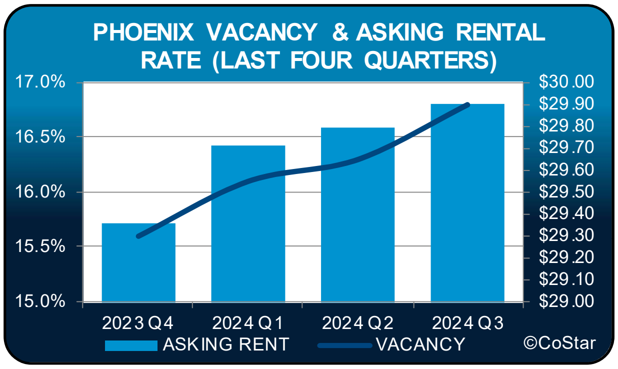
The following table summarizes the trailing four quarter performance of the Phoenix market.

PHOENIX TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2023 Q4	197,242,068 SF	164,000 SF	(194,401) SF	15.6%	$29.36/SF
2024 Q1	197,270,768 SF	39,000 SF	(871,328) SF	16.1%	$29.71/SF
2024 Q2	197,209,238 SF	91,124 SF	(481,008) SF	16.3%	$29.79/SF
2024 Q3	197,261,414 SF	268,356 SF	(980,081) SF	16.8%	$29.90/SF

Source: Costar®

As of Q3 2024 the Phoenix market has a total Office inventory of 197,261,414 SF with 33,227,930 SF vacant indicating a current vacancy rate of 16.8%. There was 268,356 SF completed last quarter, whereas there was 562,480 SF added in the last year.

Over the past four quarters the Phoenix office market has experienced a moderate increase of supply. These key factors have resulted in negative net absorption, increase of vacancy rates and increase of asking rent in the marketplace.



Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

PHOENIX MARKET TREND ANALYSIS			
	Q3 2024	2023	Last 10
Total SF	197,261,414	197,242,068	189,394,892
Vacant SF	33,227,930	29,980,794	26,195,207
Market Vacancy	16.8%	15.2%	13.8%
Construction Grow th Rate	0.1%	0.5%	1.0%
Absorption Rate	(0.5%)	(1.1%)	0.9%
Average Asking Rent/SF	$29.90	$29.04	$25.06

Source: Costar®

Vacancy
The Q3 2024 vacancy rate (16.8%) is higher than last year (15.2%) and higher than the average vacancy over the past ten years (13.8%). The historic vacancy trend indicates somewhat weak long-term demand for office space in the Phoenix market. The most recent vacancy trends demonstrate slightly inferior market conditions in comparison to the historic trend and suggest continued stability moving forward.

Supply
The inventory grew by 0.1% during Q3 2024, whereas the growth rate was 0.5% last year. Over the past ten years the Phoenix office market grew at a CAGR of 1.0%. The historic trend demonstrates a nominal growth rate that was generally supported. The most recent trends show slightly increased growth in comparison to the historic trend in reaction to the current economic conditions. As summarized in the table below, there are 18 Office projects under construction in the Phoenix Office market totaling 872,070 SF that represent 0.4% of supply that will be added in the near term. The construction activity in the market appears to be at a level that will reasonably be supported by the market. Based on this evidence it appears that supply side issues do not represent a threat to the stability of supply/demand conditions in the market.

PHOENIX OFFICE CONSTRUCTION ACTIVITY SUMMARY			
STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	18	872,070	0.4%

Source: Costar®

Absorption
During Q3 2024 net absorption was -0.5% and net absorption was -1.1% over the last year. The Phoenix office market has established an overall trend of somewhat weak absorption (0.9%) over the past ten years. The historic absorption trend indicates somewhat weak long-term demand for office space in the Phoenix market. The most recent absorption trends demonstrate slightly inferior market conditions in comparison to the historic trend and suggest continued stability moving forward.

Phoenix Market Conclusion
Based on the preceding analysis, the Phoenix Office market demonstrates sound fundamentals. Analysis of supply and demand factors indicate the market is currently stable with no evidence to prove this will change any time soon. There are no observed weaknesses of the market that stand out.

WICKENBURG OFFICE SUBMARKET OVERVIEW

The following is an analysis of supply/demand trends in the Wickenburg Office submarket using information provided by CoStar. The table below presents historical data for key market indicators.

WICKENBURG HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2014	121,877 SF	0 SF	(5,529) SF	13.5%	$12.22/SF
2015	121,877 SF	0 SF	9,055 SF	9.8%	$12.00/SF
2016	121,877 SF	0 SF	5,638 SF	2.6%	$16.46/SF
2017	121,877 SF	0 SF	(17,798) SF	17.9%	$12.15/SF
2018	121,877 SF	0 SF	15,158 SF	10.7%	$12.04/SF
2019	121,877 SF	0 SF	1,668 SF	1.8%	$13.74/SF
2020	121,877 SF	0 SF	3,251 SF	1.6%	$17.15/SF
2021	121,877 SF	0 SF	0 SF	1.0%	$17.25/SF
2022	121,877 SF	0 SF	0 SF	1.0%	$17.50/SF
2023	121,877 SF	0 SF	0 SF	1.0%	$17.87/SF
CAGR	0.0%	-	-	-	3.9%

*Supply numbers based on information w hich is amended/updated on an on-going basis by Costar.
Source: Costar®

Over the past ten years the Wickenburg Office submarket was somewhat soft where there was slight imbalance in prevailing Office supply/demand conditions. Over this time period the submarket inventory stable. Further there was positive absorption (9.4% change), substantial decrease in the vacancy rate (-12.5% change) and considerable increase of the asking average rent (46.2% change).

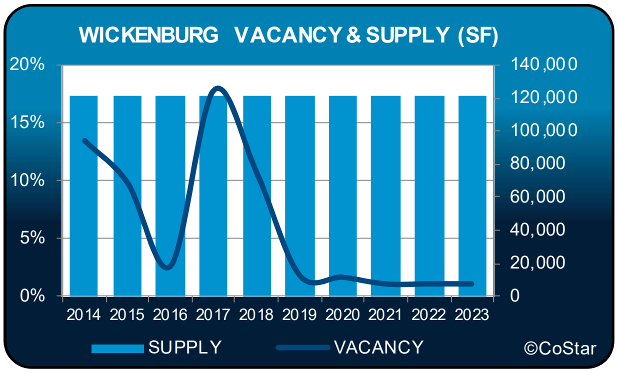
Analysis of the data indicates the Wickenburg Office submarket has gone through three distinctive trends over the past ten years.

TEN YEAR HISTORICAL TREND ANALYSIS

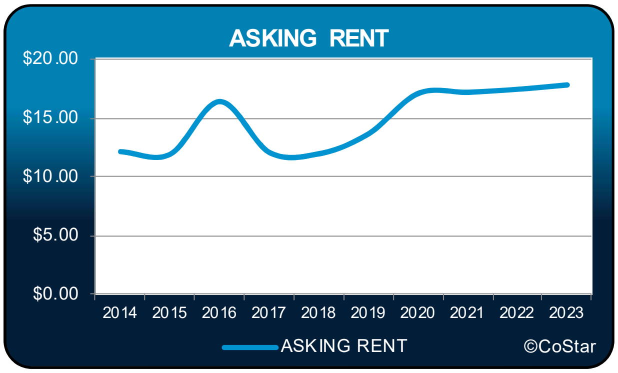
PERIOD	ADDED SUPPLY	NET ABSORPTION	VACANCY	ASKING RENT
2014-2023	0 SF	11,443 SF	13.5%→1.0%	$12.22→$17.87
10 Yrs	*0.0%*	*9.4%*	*-12.5%*	*46.2%*
2014-2016	0 SF	9,164 SF	13.5%→2.6%	$12.22→$16.46
3 Yrs	*0.0%*	*7.5%*	*-10.9%*	*34.7%*
2017-2017	0 SF	(17,798) SF	17.9%→17.9%	$12.15→$12.15
1 Yrs	*0.0%*	*-14.6%*	*0.0%*	*0.0%*
2018-2023	0 SF	20,077 SF	10.7%→1.0%	$12.04→$17.87
6 Yrs	*0.0%*	*16.5%*	*-9.7%*	*48.4%*

The three year period from 2014 to 2016 was highlighted with stable supply, significant positive absorption, substantial decrease of vacancy rates and considerable increase of asking rent in the submarket. The next one year period from 2017 to 2017 featured stable supply, significant negative absorption, stability of vacancy rates and stable of asking rent levels. The most recent six year period from 2018 to 2023 featured stable supply, significant positive absorption, substantial decrease of vacancy rates and considerable increase of asking rent levels.

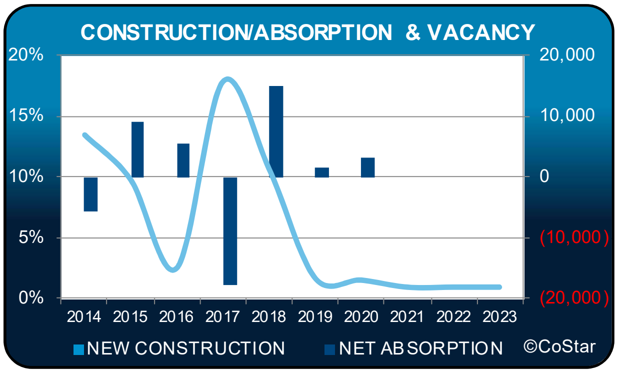
Over the past ten years the submarket had a compound annual growth rate (CAGR) of 0.0% per year. Vacancy has ranged from 1.0% to 17.9% with an average of 6.1%. Vacancy decreased from 13.5% in 2014 to 2.6% in 2016, decreased from 17.9% in 2017 to 17.9% in 2017 and decreased from 10.7% in 2018 to 1.0% in 2023.



Over the past ten years asking rent has experienced a CAGR of 3.9%. Asking rent hit a low of $12.00/SF in 2015 and a high in 2023 at $17.87/SF.



In the past ten years a total of 0 SF were added to the supply with 11,443 SF of net absorption achieved during the same period.



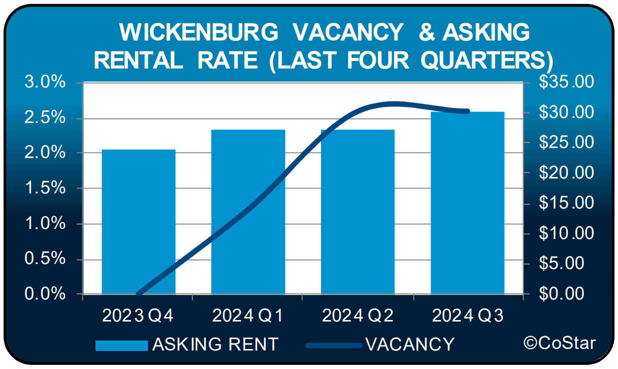
The following table summarizes the trailing four quarter performance of the Wickenburg submarket.

WICKENBURG TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2023 Q4	121,877 SF	0 SF	3,872 SF	0.0%	$23.82/SF
2024 Q1	121,877 SF	0 SF	(1,402) SF	1.2%	$27.09/SF
2024 Q2	121,877 SF	0 SF	(1,792) SF	2.6%	$27.09/SF
2024 Q3	121,877 SF	0 SF	0 SF	2.6%	$30.23/SF

Source: Costar®

As of Q3 2024 the Wickenburg submarket has a total Office inventory of 121,877 SF with 3,194 SF vacant indicating a current vacancy rate of 2.6%. There was no additional inventory delivered last quarter, nor were there any new deliveries in the last year.

Over the past four quarters the Wickenburg office submarket has experienced no growth of supply. There was also positive net absorption, increase in vacancy rates and increase of asking rent in the marketplace.



Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

WICKENBURG MARKET TREND ANALYSIS	Q3 2024	2023	Last 10
Total SF	121,877	121,877	121,877
Vacant SF	3,194	1,219	7,413
Market Vacancy	2.6%	1.0%	6.1%
Construction Grow th Rate	0.0%	0.0%	0.0%
Absorption Rate	0.0%	0.0%	0.9%
Average Asking Rent/SF	$30.23	$17.87	$14.84

Source: Costar®

Vacancy

The Q3 2024 vacancy rate (2.6%) is higher than last year (1.0%) and substantially lower than the average vacancy over the past ten years (6.1%). The historic vacancy trend indicates strong long-term demand for office space in the Wickenburg submarket. The most recent vacancy trends demonstrate similar market conditions in comparison to the historic trend and suggest continued stability moving forward.

Supply

There was no new inventory added during Q3 2024, nor were there any new deliveries in the last year. As summarized in the table below, there are currently no new Office projects under development in the Wickenburg submarket.The construction activity in the submarket appears to be at a level that will reasonably be supported by the market. Based on this evidence it appears that supply side issues do not represent a threat to the stability of supply/demand conditions in the market.

WICKENBURG OFFICE CONSTRUCTION ACTIVITY SUMMARY

STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	0	0	-

Source: Costar®

Absorption

During Q3 2024 net absorption was 0.0% and net absorption was 0.0% over the last year. The Wickenburg office market has established an overall trend of stable absorption (0.9%) over the past ten years. The historic absorption trend indicates stable long-term demand for office space in the Wickenburg submarket. The most recent absorption trends demonstrate slightly superior market conditions in comparison to the historic trend and suggest continued stability moving forward.

Wickenburg Submarket Conclusion

Based on the preceding analysis, the Wickenburg Office submarket demonstrates sound fundamentals. Analysis of supply and demand factors indicate the market is currently stable with no evidence to prove this will change any time soon. There are no observed weaknesses of the submarket that stand out.

TRANSACTION TRENDS

Sales Volume

The volume of sale transactions for similar assets has been steady over the past six months within the local area. This assertion is supported by the comparable sales that were selected for the Sales Comparison Approach. These sales are all recent transactions, which provides support for the reported market sales activity. Sales volume is directly impacted by the activity levels of sellers and buyers of this property type.

Seller Activity

Based on research completed on various listing sources including CoStar and LoopNet, properties similar to the subject in terms of pricing and overall investment appeal have general availability, with numerous listings offered within the marketplace. This trend represents the general sentiment of market participants interviewed for this and other assignments.

Most Probable Buyer Profile/Activity

In the open market, the subject property type would command most interest from local buyers that are actively pursuing similar owner-user properties. There is currently steady buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is an owner user.

Transaction Trends Conclusion

Based on the preceding analysis, there is an established sales market for the subject property. As previously discussed, the velocity of sale transactions has been steady over the past six months. Currently there is steady buyer demand, while there is general availability for this property type on the supply side. Based on these factors, conditions are in equilibrium in regard to negotiating sale terms. One of the greatest observed strengths of this asset type is the particularly sound fundamentals compared to other commercial real estate sectors.

SUBJECT PROPERTY ANALYSIS

This market analysis has examined historical and current supply/demand trends for the subject property type on market and submarket levels. Further, the subject's competitive dataset was profiled and analyzed to gain perspective of supply/demand conditions for properties in direct competition with the subject. Market participant interviews were conducted to provide ground level support of what is really occurring in the marketplace. Next, transaction trends were researched and analyzed. The final step will be to draw conclusions from the market data and analyses based on their perceived influence on the subject property.

The subject is an Office asset with a total net rentable area of 5,018 SF. The market generally classifies the subject as an owner-user property. The subject consists of a vacant building. The subject is demised into 1 tenant spaces all of which are currently vacant. The subject's current occupancy exceeds the stabilized occupancy estimate of 95%. The most notable physical strength of the subject is its appealing market location.

Tenant Appeal Conclusion

Based on our analysis of the subject property and investigation of comparable properties in the marketplace, the subject is considered to have average overall tenant appeal with a typical competitive position for attracting and retaining tenants.

Buyer Appeal Conclusion

Based on our analysis of the subject property and investigation of substitute properties in the marketplace, the subject is considered to have average overall buyer appeal with an average competitive position if the asset was exposed to the open market.

General Vacancy Conclusion

As summarized in the table below this market analysis relied on various published data sources and field research for assessing how supply/demand conditions influence the long-term vacancy estimate of the subject property.

GENERAL VACANCY CONCLUSION			
CoStar	2024 Q3	**LAST YR**	10 YR AVG
Phoenix Market	16.8%	15.2%	13.8%
Wickenburg Submarket	2.6%	1.0%	6.1%
Subject	100.0%	100.0%	0.0%
GENERAL VACANCY RATE CONCLUSIONS			6.0%

Based on the subject's size, location and appeal, the submarket analysis findings warrant primary consideration. The submarket level analysis indicated a CoStar vacancy rate of 2.6% and an average vacancy rate of 6.1% over the past ten years. As of the effective date of this appraisal, the subject property has a current vacancy rate of 100.0%. Based on our analysis of supply/demand trends and considering the subject's actual performance, a general vacancy rate of 6.0% is concluded.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market" (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2015). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property’s exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The following information was taken into consideration to develop estimates of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD

SOURCE	QUARTER	RANGE			AVG
PriceWaterhouse Coopers					
National Secondary Office	3Q 24	3.0	to	12.0	6.8
Market Participant	3Q 24	1.0	to	7.0	5.0
AVERAGE		**2.0**	**to**	**9.5**	**5.9**

The availability of acquisition financing factors into exposure time. In recent quarters, financing has been available for well-positioned commercial real estate, particularly for stabilized assets within core MSAs and owner/user deals. For second tier or marginal properties, financing has been available but subject to more stringent requirements. Based on review of the local capital market, we conclude that adequate financing options would have been available to consummate a sale of the property on the date of value.

Exposure Time Conclusion

The preceding information generally supports an exposure time range from 1 to 12 months for Retail / Commercial (Retail - Office) properties. The subject property is of fair/average quality and is in fair/average condition. Based on its overall physical and locational characteristics, the subject has an average overall appeal to owner/users. Considering these factors, a reasonable estimate of exposure time for the subject property is twelve months or less.

Marketing Period Conclusion

Marketing period is very similar to exposure time, but reflects a projected time period to sell the property, rather than a retrospective estimate. We have reviewed open listings and discussed the market with local participants, and given the nature of the subject property, we feel that a time period of twelve months or less is supported for the subject's marketing period.

INTRODUCTION

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant and As-Improved.

As-Vacant Analysis

Permitted uses of the subject's Central Business (C-2) zoning were listed in the Zoning Analysis section. Regarding physical characteristics, the subject site is rectangular in shape and has level topography with average/good access and average/good exposure. The subject site has frontage on a major arterial. The immediate area is developed with office, retail, and mixed-use development along major arterials that is interspersed with multi-family complexes and single-family residential development removed from arterials. Based on our observations of land development trends for sites with similar zoning and physical characteristics as the subject and analysis of current supply/demand trends, the highest and best use of the subject site as-vacant is development of a commercial property as market conditions warrant.

As-Improved Analysis

The subject's Retail / Commercial (Retail - Office) use (as-improved) is permitted outright by the C-2 zoning. The legal factors influencing the highest and best use of the subject property support the existing use. The subject's improvements were constructed in 1973 and have a remaining economic life of 25 years based on our estimate. The project is of fair/average quality construction and in fair/average condition, with adequate service amenities. Legal, physical, locational and marketability factors support the existing use as the highest and best use of the subject site.

In addition to legal, physical and locational considerations, analysis of the subject property as-improved requires the treatment of alternative uses for the property. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and the subject's use "as-improved". Among the five alternative uses, continued use as a retail - office property is the Highest and Best Use of the subject property as-improved continued use as a retail - office property. The most likely buyer would be for an owner-occupied use.

INTRODUCTION

The following presentation of the appraisal process deals directly with the valuation of the subject property. The following paragraphs describe the standard approaches to value that were considered for this analysis.

INCOME APPROACH

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. The two fundamental methods of this valuation technique include Discounted Cash Flow and Direct Capitalization.

- **Discounted Cash Flow (DCF)**
  The DCF analysis models a property's performance over a buyer's investment horizon from the date of acquisition through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at a rate reflective of the property's economic and physical risk profile.
- **Direct Capitalization**
  This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Characteristics specific to the subject property warrant that this valuation technique is developed. Development of the Income Approach is a specific scope requirement of this assignment. The subject is an investment property; therefore, the Income Approach represents the decision making process of knowledgeable buyers and sellers of this property type. The Direct Capitalization method is used in this analysis. Discounted Cash Flow analysis does not contribute substantially to estimating value beyond the direct capitalization method and is not used in this analysis.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

Characteristics specific to the subject property warrant that this valuation technique to be developed. Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Sufficient sales data is available to provide a credible value estimate by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

LAND VALUATION

Development land in the subject marketplace is most often valued utilizing the Sales Comparison Approach. Characteristics specific to the subject property do not warrant that a site value is developed. Development of the subject site value is not a specific scope requirement of this assignment.

COST APPROACH

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised. For investment properties, this valuation technique is most often relied upon as a test of financial feasibility for proposed construction.

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Development of the Cost Approach is not a specific scope requirement of this assignment. The Cost Approach has limited applicability due to the age of the improvements and lack of market based data to support an estimate of accrued depreciation. Based on the preceding information, the Cost Approach will not be presented.

RECONCILIATION OF VALUE CONCLUSIONS

The Income (Direct Capitalization) and Sales Comparison approach is used to value the subject property, which will be reconciled into the final opinion of market value in the Analysis of Value Conclusions section.

INTRODUCTION

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. As previously discussed within the Valuation Methods section, the Direct Capitalization method is used in this analysis, and Discounted Cash Flow analysis is not developed.

Direct Capitalization
This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The first step in the direct capitalization method is to estimate the subject's durable rental income through reconciliation of the subject's in-place lease terms and market rent analysis. Next, we analyze other income items including reimbursements and miscellaneous revenue. Then, vacancy allowance and operating expenses are estimated based on analysis of the subject and market indicators. Finally, the resulting net operating income is capitalized at an appropriate supported rate. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Given the appraisal problem and defined scope of work, the following table summarizes the value scenarios and Income Approach methods developed within this appraisal report:

INCOME APPROACH VALUE SCENARIOS		
VALUE	METHODS USED	
SCENARIO	DCF	DIRECT CAP
As-Is Market Value		✓

Income Approach Framework
The following identifies the primary sections and order in which the Income Approach is developed.

- Subject Lease Analysis
- Market Rent Analysis
- Contract Income Risk Analysis
- Income & Expense Analysis
- Capitalization Rate Analysis
- Direct Capitalization
- Adjustments to Value

SUBJECT LEASE ANALYSIS

The subject is 100% vacant; therefore, we have relied on our market rent assumptions.

MARKET RENT ANALYSIS

This section examines competitive comparable properties within the marketplace to establish our opinion of market rent for the subject property.

Adjustment Process

Quantitative adjustments are made to the comparable leases. The following adjustments or general market trends were considered for the basis of market rent analysis.

Transactional Adjustments	If warranted, the comparable leases were adjusted for varying lease structures, atypical concessions and market conditions. The adjustment for rent concession equivalency quantifies the differences between market standard free rent and tenant improvement allowances compared to those of the lease transaction, which were divided by the comparable's lease term, and applied to the beginning "face" rent of the comparable lease. The market conditions adjustment is explained at the end of this section.
Concession Adjustment	The adjustment for rent concessions is a basis for creating a comparable market standard free rent of 0 to 3 months and an average market tenant improvement allowance of $10 to $25/SF or higher for first generation space.
Property Adjustments	Quantitative percentage adjustments were made for location and physical characteristics such as size, age, condition, exposure and parking ratio. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.
Tenant Space Adjustments	The lease comparables were further adjusted to the subject to account for tenant space specific characteristics such as size and space functionality.

Transactional market conditions adjustment was based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	October 2024	(As-Is)	2%

The analysis applies an upward market conditions adjustment of 2% annually reflecting the conditions between the oldest comparable lease date up through the effective valuation date.

ANALYSIS OF COMPARABLE COMMERCIAL LEASES

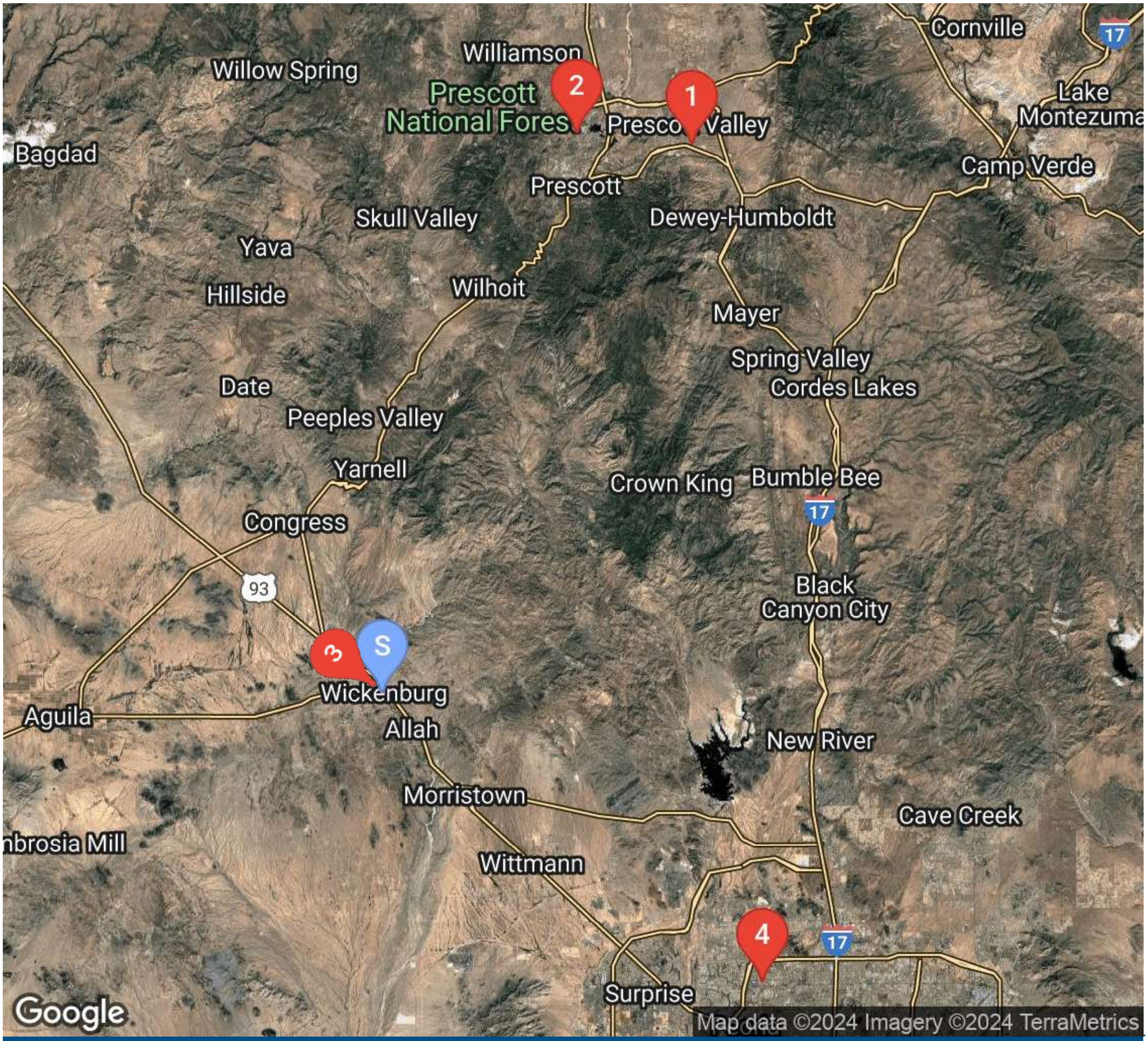
The Commercial lease analysis is used to derive an opinion of market rent and correlating leasing assumptions for the Other 1 MLA category. The following table includes a summary of the comparables selected for this analysis, including relevant listings and actual leases at competing properties. Following the table is an adjustment grid, analysis and our conclusion. Datasheets containing more details of the comparables are presented later in this section.

COMMERCIAL LEASE SUMMATION TABLE					
COMPARABLE	**SUBJECT**	**LEASE 1**	**LEASE 2**	**LEASE 3**	**LEASE 4**
Name	Town of Wickenburg	Office Property	Office Property	Arrowhead Park Place III	Retail Property
Address	74 West Wickenburg Way	8841 Florentine Road	37 North Jefferson Street	7170 West Camino San Xavier	23287 State Highway 89
City	Wickenburg	Prescott Valley	Wickenburg	Glendale	Yarnell
State	AZ	AZ	AZ	AZ	AZ
Zip	85390	86314	85390	85308	85362
PHYSICAL INFORMATION					
Property Type	Retail / Commercial	Office	Office	Office	Retail
NRA	5,018	7,264	1,782	6,845	2,738
Occupancy	-	100.0%	100.0%	100.0%	100.0%
Location	Average	Average/Good	Average	Average/Good	Fair
Quality	Fair/Average	Average	Average	Average/Good	Fair/Average
Condition	Fair/Average	Average	Average	Average/Good	Fair/Average
Exposure	Average/Good	Average	Average	Average	Fair/Average
Access	Average/Good	Average	Average	Average	Fair/Average
Parking Ratio	2.6	4.3	6.7	4.4	6.6
Year Built	1973	1997	1925	2008	1965
Site Coverage	31%	35%	25%	29%	5%
LEASE INFORMATION					
Tenant Name		Confidential	Confidential	Union Universal Solutions	Barnstar Brewery
Commencement Date		4/26/2024	9/1/2023	5/1/2023	4/21/2022
Lease Type		New	New	New	New
Lease Status		Signed	Signed	Signed	Signed
Rate Type		NNN	NNN	NNN	NNN
Size (SF)		2,240	1,782	6,845	2,738
Term (Yrs)		3.0	5.0	5.0	2.0
Rent ($/SF/Yr.)		$16.00	$15.96	$15.00	$8.76

Current Listings (For Lease)

- Research within the local area (3-mile ring) resulted in no vacant spaces available for lease.
- Overall, given the number of listings in the area, the subject would have average investment appeal with a relatively average position if offered for sale.

COMPARABLE COMMERCIAL LEASE MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	LEASE DATE	SF	$/SF
SUBJECT	-	74 West Wickenburg Way, Wickenburg, AZ	-	-	-
No. 1	49.0 Miles	8841 Florentine Road, Prescott Valley, AZ	4/26/2024	2,240	$16.00
No. 2	0.0 Miles	37 North Jefferson Street, Wickenburg, AZ	9/1/2023	1,782	$15.96
No. 3	37.3 Miles	7170 West Camino San Xavier, Glendale, AZ	5/1/2023	6,845	$15.00
No. 4	17.0 Miles	23287 State Highw ay 89, Yarnell, AZ	4/21/2022	2,738	$8.76

COMPARABLE COMMERCIAL RENT PHOTOGRAPHS

COMPARABLE 1

COMPARABLE 2

COMPARABLE 3

COMPARABLE 4

COMMERCIAL LEASE ADJUSTMENT TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4
Name	Town of Wickenburg	Office Property	Office Property	Arrowhead Park Place III	Retail Property
Address	74 West Wickenburg Way	8841 Florentine Road	37 North Jefferson Street	7170 West Camino San Xavier	23287 State Highway 89
City	Wickenburg	Prescott Valley	Wickenburg	Glendale	Yarnell
NRA	5,018	7,264	1,782	6,845	2,738
Location	Average	Average/Good	Average	Average/Good	Fair
Quality	Fair/Average	Average	Average	Average/Good	Fair/Average
Condition	Fair/Average	Average	Average	Average/Good	Fair/Average
Exposure	Average/Good	Average	Average	Average	Fair/Average
Access	Average/Good	Average	Average	Average	Fair/Average
Parking Ratio	2.6	4.3	6.7	4.4	6.6
Year Built	1973	1997	1925	2008	1965
Site Coverage	31%	35%	25%	29%	5%
LEASE INFORMATION					
Tenant Name		Confidential	Confidential	Union Universal Solutions	Barnstar Brewery
Commencement Date		4/26/2024	9/1/2023	5/1/2023	4/21/2022
Lease Type		New	New	New	New
Lease Status		Signed	Signed	Signed	Signed
Rate Type		NNN	NNN	NNN	NNN
Size (SF)		2,240	1,782	6,845	2,738
Term (Yrs)		3.0	5.0	5.0	2.0
Rent ($/SF/Yr.)		$16.00	$15.96	$15.00	$8.76
TRANSACTIONAL ADJUSTMENTS					
Lease Type		$0.00	$0.00	$0.00	$0.00
Concessions		$0.00	$0.00	$0.00	$0.00
Market Conditions[1]		1%	2%	3%	5%
Subtotal Eff Rent		$16.16	$16.33	$15.45	$9.21
PROPERTY ADJUSTMENTS					
Location		-5%	0%	-5%	10%
Size (Property)		-10%	-10%	5%	-10%
Quality		-5%	-5%	-10%	0%
Condition		-5%	-5%	-10%	0%
Exposure		5%	5%	5%	10%
Access		5%	5%	5%	10%
Parking Ratio		-3%	-6%	-3%	-6%
Site Coverage		0%	-3%	0%	-6%
Subtotal Property Adj		-18%	-19%	-13%	8%
TOTAL ADJUSTED RENT		**$13.25**	**$13.22**	**$13.44**	**$9.94**

STATISTICS	UNADJUSTED	ADJUSTED
LOW	$8.76	$9.94
HIGH	$16.00	$13.44
MEDIAN	$15.48	$13.24
AVERAGE	$13.93	$12.46

MARKET CONCESSIONS[1]	
Lease Type	Triple Net
Free Rent	3 Mos.
TI's	$25/SF

[1] Market Conditions Adjustment - Compound annual change in market conditions: 2%

Date of Value (for adjustment calculations): 10/23/24

Commercial Lease Analysis

The comparables indicate an adjusted lease rate range from $9.94 to $13.44/SF, with a median of $13.24/SF and an average of $12.46/SF. The range of total gross adjustment applied to the comparables was from 39% to 57%, with an average gross adjustment across all comparables of 46%. The level of total adjustment applied to the comparables is considered to be moderate. Overall, the availability of market data and extent of analysis was adequate to develop a reasonably credible lease rate conclusion. The adjustment process for each comparable is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 ($13.25/SF adjusted) required a total upward transaction adjustment of $0.16. An upward adjustment was made to account for improved market conditions. This comparable required a total downward adjustment of -18% for property characteristics. Downward adjustments are applied for superior location, (smaller) size, quality, condition and parking ratio. Upward adjustments are applied for inferior exposure and access. The total gross adjustment applied to this comparable was 39%.

Comparable 2 ($13.22/SF adjusted) required a total upward transaction adjustment of $0.37. An upward adjustment was made to account for improved market conditions. This comparable required a total downward adjustment of -19% for property characteristics. Downward adjustments are applied for superior (smaller) size, quality, condition, parking ratio, and site coverage. Upward adjustments are applied for inferior exposure and access. The total gross adjustment applied to this comparable was 41%.

Comparable 3 ($13.44/SF adjusted) required a total upward transaction adjustment of $0.45. An upward adjustment was made to account for improved market conditions. This comparable required a total downward adjustment of -13% for property characteristics. Downward adjustments are applied for superior location, quality, condition and parking ratio. Upward adjustments are applied for inferior (larger) size, exposure and access. The total gross adjustment applied to this comparable was 46%.

Comparable 4 ($9.94/SF adjusted) required a total upward transaction adjustment of $0.45. An upward adjustment was made to account for improved market conditions. This comparable required a total upward adjustment of 8% for property characteristics. Downward adjustments are applied for superior (smaller) size, parking ratio, and site coverage. Upward adjustments are applied for inferior location, exposure and access. The total gross adjustment applied to this comparable was 57%.

COMMERCIAL SPACE MARKET RENT CONCLUSION

The comparables indicate an adjusted lease rate range from $9.94 to $13.44/SF, with a median of $13.24/SF and an average of $12.46/SF. Based on the results of the preceding analysis, Comparable 1 ($13.25/SF adjusted), Comparable 2 ($13.22/SF adjusted) and Comparable 3 ($13.44/SF adjusted) are given primary consideration for the lease rate conclusion.

Comparable 3 ($9.94/SF adjusted) is given secondary consideration due to the greater number of gross adjustments required.

The following table summarizes the analysis of the comparables leases and the Commercial market rent conclusion.

COMMERCIAL LEASE CONCLUSION TABLE									
	LEASE	ADJUSTMENT				NET	GROSS	OVERALL
LEASE	RATE	TRANSACTIONAL[1]	ADJUSTED	PROPERTY[2]	FINAL	ADJ %	ADJ %	COMPARISON
1	$16.00	$0.16	$16.16	-18%	**$13.25**	-17%	39%	PRIMARY
2	$15.96	$0.37	$16.33	-19%	**$13.22**	-17%	41%	PRIMARY
3	$15.00	$0.45	$15.45	-13%	**$13.44**	-10%	46%	PRIMARY
4	$8.76	$0.45	$9.21	8%	**$9.94**	13%	57%	SECONDARY
LOW	**$9.94**					**AVERAGE**		**$12.46**
HIGH	**$13.44**					**MEDIAN**		**$13.24**
				ACHIEVABLE MRKT RANGE				**CONCLUSION**
Other 1				**$12.50 - $13.50**				**$13.00**

[1]Cumulative [2]Additive (Includes Tenant Adjustments)

Emphasizing all comps, we consider an achievable market range between $12.50/SF and $13.50/SF, NNN for the subject's space and have concluded an average market rent of $13.00/SF NNN per year.

Limited details were disclosed regarding leasing commissions, concessions and tenant improvement allowances as the market is perceived to be extremely competitive from property to property and leasing agents/owners are not willing to disclose certain details which may negatively impact their negotiations in future deals. Based on discussions with local participants, leasing commissions are ranging from 4% to 6% depending on involvement of an outside broker and the length of the lease and tenant improvements for second generation space is typically ranging from $0 to $10 per square foot depending on the prior build out. Annual rent escalations typically range between 2% and 3% per year.

POTENTIAL GROSS RENT

Our analysis and conclusions of the subject's potential gross rent are detailed as follows:

POTENTIAL GROSS RENT SUMMARY AS OF OCTOBER 2024							
OCCUPIED SPACE							
	TOTAL	% OF	TENANT	BASIS FOR	RENT FORECAST		
TENANT	NRA (SF)	NRA	CATEGORY	PROFORMA	$/SF(MO.)	$/SF(YR.)	ANNUAL
OCCUPIED SUBTOTALS	**0**	**0.0%**	-	-	-	-	**$0**
VACANT SPACE					**MARKET POTENTIAL RENT (1)**		
Vacant	5,018	100.0%	Commercial	Market	$1.08	$13.00	$65,234
VACANT SUBTOTALS	**5,018**	**100.0%**			**$1.08**	**$13.00**	**$65,234**
TOTAL	**5,018**	**100.0%**			**$1.08**	**$13.00**	**$65,234**

(1) Potential rent at current market levels, reflected on an annual basis.

INCOME & EXPENSE ANALYSIS

The preceding section addressed potential risks associated with the cash flow of the subject property. Having addressed potential risks, it is appropriate to analyze historical revenues and operating expenses. No historical information was provided to the appraisers during the course of the assignment.

OTHER INCOME

The subject is owner occupied and does not have any source of other income.

Expense Reimbursements

Our analysis and conclusions of the subject's expense reimbursements are assumed to be NNN and are detailed as follows:

TOTAL REIMBURSEMENT INCOME				
YEAR	**TOTAL**	**$/SF**	**%EGI**	**ANALYSIS**
PROFORMA	$15,634	$3.12	20.5%	Reimbursements for the NNN leases' include: RE tax, insurance, repairs and maintenance and management.

The rental income conclusion assumes a NNN expense structure where the tenant pays its proportionate share of real estate tax, insurance, and repairs and maintenance through reimbursement to the owner, and the balance of the operating expenses including management fee, and reserves are incurred by the subject owner. These reimbursements were based on the operating expenses that are concluded later in the Income Approach.

VACANCY AND CREDIT LOSS

General vacancy was discussed in depth in the market analysis section of this report. Please reference that discussion for a full analysis. Regarding credit loss, non-sophisticated investors often lump this allocation within the general vacancy loss factor when using direct capitalization. Whereas, sophisticated investors generally apply credit loss in a range from none to 2% depending on the quality of tenant mix and current economic conditions. Our general vacancy and credit loss conclusions are summarized in the following table and are intended to mirror behavior of typical purchasers of the subject.

VACANCY & CREDIT LOSS	
General Vacancy Rate	6.0%
Credit Loss Conclusion	0.0%
Total	6.0%

ANALYSIS OF OPERATING EXPENSES

The operating expenses for the subject property were not available. The following chart summarizes comparable expenses as well as available published operating expense data.

EXPENSE COMPARABLES													
COMPARABLE	**COMP 1**		**COMP 2**		**COMP 3**		**COMP 4**		**COMP 5**		**LOW**	**HIGH**	**AVG**
Expense Year	2023		2022		2023		2023	2022	2022		1905	1905	1905
Actual/Budget	Actual		Actual		Actual		Actual		Actual		-	-	-
Net Rentable Area	5,018		23,350		11,407		15,262		12,268		5,018	23,350	13,461
Year Built	2008		1988		1983		2010		1971		1971	2008	1988
EFFECTIVE GROSS INCOME	$7.03		$20.00		$14.00		$10.00		$6.17		$6.17	$20.00	$11.44
EXPENSE ITEMS	**$/SF**	**%EGI**	**$/SF**	**%EGI**	**$/SF**	**%EGI**	**$/SF**	**%EGI**	**$/SF**	**%EGI**	**LOW**	**HIGH**	**AVG**
Real Estate Taxes	$3.14	44.7%	$0.83	4.2%	$2.98	21.3%	$3.63	36.3%	$3.15	13.3%	$0.83	$3.63	$2.75
Property Insurance	$0.64	9.1%	$0.23	1.2%	$0.30	2.1%	$0.33	3.3%	$0.24	0.7%	$0.23	$0.64	$0.35
Repairs and Maintenance	$1.31	18.6%	$1.19	6.0%	$0.68	4.9%	$1.76	17.6%	$0.65	12.7%	$0.65	$1.76	$1.12
Management Fees	$0.31	4.4%	$0.40	2.0%	$0.49	3.5%	$0.40	4.0%	$0.37	5.0%	$0.31	$0.49	$0.39
%EGI	4.4%		2.0%		3.5%		4.0%		6.0%		*2.0%*	*6.0%*	*4.0%*
Reserves	$0.20	2.8%	$0.20	1.0%	$0.20	1.4%	$0.20	2.0%	$0.20	1.6%	$0.20	$0.20	$0.20
TOTAL EXPENSES ($/SF)	$5.60	79.7%	$2.85	14.3%	$4.65	33.2%	$6.32	63.2%	$4.61	74.8%	$2.85	$6.32	$4.81

CONCLUSION OF OPERATING EXPENSES

In the following section we discuss the individual expense conclusions for the subject property.

EXPENSE ANALYSIS & CONCLUSIONS

REAL ESTATE TAXES

	SUBJECT			EXPENSE COMPS		
YEAR	TOTAL	$/SF	%EGI	COMP	$/SF	%EGI
				1	$3.14	44.7%
				2	$0.83	4.2%
				3	$2.98	21.3%
				4	$3.63	36.3%
				5	$3.15	13.3%
CONCLUSION	**$5,683**	**$1.13**	**7.5%**	**AVG**	$2.75	23.9%

ANALYSIS

The concluded taxes are based on the current taxes of the subject adjusted to reflect next years tax burden. The conclusion is based on the tax expense comparables. Please refer to the Assessments and Taxes section for additional details.

PROPERTY INSURANCE

	SUBJECT			EXPENSE COMPS		
YEAR	TOTAL	$/SF	%EGI	COMP	$/SF	%EGI
				1	$0.64	9.1%
				2	$0.23	1.2%
				3	$0.30	2.1%
				4	$0.33	3.3%
				5	$0.24	0.7%
CONCLUSION	**$1,505**	**$0.30**	**2.0%**	**AVG**	$0.35	3.3%

ANALYSIS

This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, equipment and bonding of employees. The conclusion is based on the expense comparable information.

REPAIRS AND MAINTENANCE

	SUBJECT			EXPENSE COMPS		
YEAR	TOTAL	$/SF	%EGI	COMP	$/SF	%EGI
				1	$1.31	18.6%
				2	$1.19	6.0%
				3	$0.68	4.9%
				4	$1.76	17.6%
				5	$0.65	12.7%
CONCLUSION	**$5,018**	**$1.00**	**6.6%**	**AVG**	$1.12	11.9%

ANALYSIS

This expense covers the cost of all other routine maintenance and repairs including routine maintenance and repairs to the roof, pest control and equipment maintenance. The conclusion is based on the expense comparable information.

MANAGEMENT FEES

	SUBJECT			EXPENSE COMPS		
YEAR	TOTAL	$/SF	%EGI	COMP	$/SF	%EGI
				1	$0.31	4.4%
				2	$0.40	2.0%
				3	$0.49	3.5%
				4	$0.40	4.0%
				5	$0.37	5.0%
CONCLUSION	**$3,428**	**$0.68**	**4.5%**	**AVG**	$0.39	3.8%

ANALYSIS

This expense reflects the professional management service for the subject. The conclusion is based on the expense comparable information.

RESERVES

	SUBJECT			EXPENSE COMPS		
YEAR	TOTAL	$/SF	%EGI	COMP	$/SF	%EGI
				1	$0.20	2.8%
				2	$0.20	1.0%
				3	$0.20	1.4%
				4	$0.20	2.0%
				5	$0.20	1.6%
CONCLUSION	**$1,004**	**$0.20**	**1.3%**	**AVG**	$0.20	1.8%

ANALYSIS

This expense includes all capital expenditures items related to structure, building systems, public areas, elevators, restrooms, and windows. The conclusion is based on the expense comparable information.

TOTAL EXPENSES	LOW	HIGH
EXPENSE COMPARABLES $/SF	$2.85	$6.32
EXPENSE COMPARABLES %EGI	14.3%	79.7%
TOTAL EXPENSES $/SF	$3.32	
TOTAL EXPENSES %EGI	21.8%	
TOTAL EXPENSES	**$16,638**	

CONCLUSION

We were not provided with historical or budgeted operating expenses. Our conclusions are in line with expense comparables.

DEVELOPMENT OF CAPITALIZATION RATE

The going-in capitalization rate, also known as overall rate (OAR), can be determined using several sources and methods. In developing our opinion of OAR, the following techniques were used:

- › Comparable Sales (Sales Comparison Approach)
- › Supplemental Comparable Sales (Competitive Market)
- › Investor Surveys
- › Band of Investment Technique

Comparable Sales

The following table presents a summary of the comparable sales used ahead in the Sales Comparison Approach, and the capitalization rates from each of those sales. We have included additional sales (Comparables 6 thru 16) to further support capitalization rate trends for the subject property.

CAPITALIZATION RATE COMPARABLES (OAR)

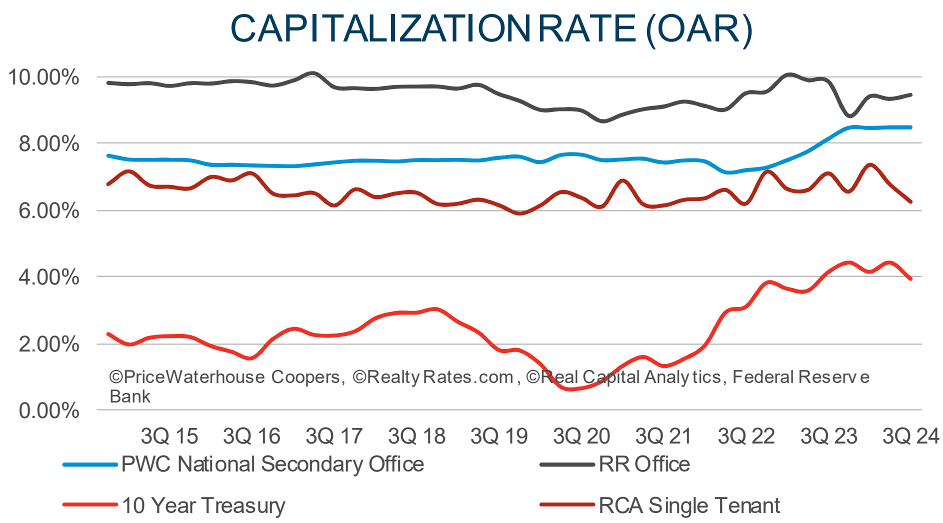
	ADDRESS	CITY	ST	SALE DATE	YR BLT	NRA	$/SF	SALE PRICE	NOI	NOI/SF	CAP RATE
1	450 West Goodw in Street	Prescott	AZ	October 1, 2024	1980	5,560	$171	$950,000	$58,900	$10.59	6.20%
2	15615 North Cave Creek Roa(	Phoenix	AZ	March 8, 2024	1960	5,632	$151	$850,000	$93,500	$16.60	11.00%
3	8841 Florentine Road	Prescott Valley	AZ	June 16, 2023	1997	7,264	$145	$1,050,000	$75,600	$10.41	7.20%
4	1235 West Wickenburg Way	Wickenburg	AZ	May 18, 2022	1979	2,783	$180	$500,000	-	-	-
5	1000-1010 Willow Creek Rd	Prescott	AZ	August 12, 2022	1974	12,990	$169	$2,200,000	$139,920	$10.77	6.36%
6	1555 W Iron Springs Rd	Prescott	AZ	November 18, 2022	1987	11,133	$264	$2,940,000	$254,604	$22.87	8.66%
7	45 Castle Rock Rd	Sedona	AZ	November 21, 2022	1983	6,498	$200	$1,300,000	$94,640	$14.56	7.28%
8	8841 Florentine Rd	Prescott Valley	AZ	June 16, 2023	1997	7,264	$145	$1,050,000	$76,125	$10.48	7.25%
9	1745 Rustic Timbers Ln	Prescott	AZ	October 5, 2023	2008	8,851	$220	$1,950,000	$136,500	$15.42	7.00%
LOW				May 18, 2022							**6.20%**
HIGH				October 1, 2024							**11.00%**
AVERAGE				May 17, 2023							**7.62%**
MEDIAN				June 16, 2023							**7.23%**
SUBJECT		Wickenburg	AZ		1973	5,018				$11.86	

The cap rate comparables indicate a range from 6.20% to 11.00%, and average 7.62%. Based upon the subject's location, age/condition, and investment appeal, a rate towards the upper end is reasonable.

Investor Surveys

The potential investor pool for the subject asset includes national, regional and local investors. While all of these groups place emphasis on local cap rates, regional and national investors would also strongly consider national cap rate trends from investor surveys due to the potential to invest in other regions that are offering competitive rates of return.

The following graph provides a historical illustration of capitalization rate statistics as surveyed by investors that we considered to be relevant to the subject property.



The following table provides the most recent survey results from investors and Our independent market participant interview.

CAPITALIZATION RATE SURVEYS (OAR)					
SOURCE	**QUARTER**	**RANGE**			**AVG**
PriceWaterhouse Coopers					
National Secondary Office	3Q 24	6.50%	to	10.25%	8.50%
RealtyRates.com					
Office	2Q 24	6.08%	to	13.37%	9.43%
Real Capital Analytics					
Single Tenant Office	3Q 24				6.27%
10 Year Treasury	3Q 24	-		-	3.95%
Market Participant Interview	3Q 24	7.50%		9.00%	8.25%
AVERAGE		**6.69%**	**to**	**10.87%**	**8.11%**

If leased as an investment, the subject could be judged to reflect a Building Class C non-institutional grade property located in a tertiary market. Based on the subject's quality and location, a rate at the upper end of this range is reasonable.

Band of Investment Technique

Because most properties are purchased with debt and equity capital, the overall capitalization rate must satisfy the market return requirements of both investment positions. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk of the investment or they will not make funds available. Lenders also require that the principal amount of the loan be repaid through amortization payments. Similarly, equity investors must anticipate receiving a competitive equity cash return commensurate with the perceived risk or they will invest their funds elsewhere.

The table on the following page indicates average interest rates for similar properties at 8.36% with average loan-to-value ratios of 70%.

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2024*
PERMANENT FIXED-RATE FINANCING

	Apt.	Golf	Health Senior Housing	Ind.	Lodging	RV/Camp Mfg Hsg MH Park	Office	Restaurant	Retail	Self Storage	Special Purpose
Spread Over Base**											
Minimim	0.48%	1.20%	1.28%	1.05%	1.40%	1.10%	1.05%	1.50%	0.75%	1.05%	1.44%
Maximum	4.78%	10.00%	6.08%	5.78%	9.85%	8.48%	5.65%	12.00%	5.88%	5.88%	12.00%
Average	2.70%	5.06%	3.30%	3.09%	3.37%	3.96%	2.85%	4.75%	3.25%	4.13%	4.92%
Interest Rate											
Minimim	4.98%	5.70%	5.78%	5.55%	5.90%	5.60%	5.55%	6.00%	5.25%	5.55%	5.94%
Maximum	9.28%	14.50%	10.58%	10.28%	14.35%	12.98%	10.15%	16.50%	10.38%	10.38%	16.50%
Average	7.20%	9.56%	7.80%	7.59%	7.87%	8.46%	7.35%	9.25%	7.75%	8.63%	9.42%
Debt Coverage Ratio											
Minimim	1.00	1.15	1.05	1.10	1.05	1.10	1.10	1.10	1.10	1.10	1.15
Maximum	1.86	2.15	2.25	2.05	2.85	2.05	2.15	2.15	2.15	2.50	2.15
Average	1.43	1.53	1.48	1.44	1.52	1.35	1.63	1.55	1.39	1.51	1.70
Loan-to-Value Ratio											
Minimim	55%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Maximum	90%	80%	90%	87%	80%	80%	80%	80%	80%	80%	80%
Average	73%	67%	70%	70%	67%	69%	68%	66%	70%	70%	66%
Amortization (Yrs.)											
Minimim	15	15	15	15	15	15	15	15	15	40	15
Maximum	40	40	40	40	40	40	40	30	40	15	40
Average	26	23	25	25	23	26	30	22	25	28	23
Term (Yrs.)											
Minimim	3	5	3	3	5	5	3	3	3	3	3
Maximum	40	30	25	30	30	30	30	15	10	10	20
Average	20.50	9.00	13.65	11.46	7.80	9.15	8.00	7.45	6.20	6.10	7.85
** 10-Year Treasury											

*4th Quarter 2023 Data

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information indicates the following terms:

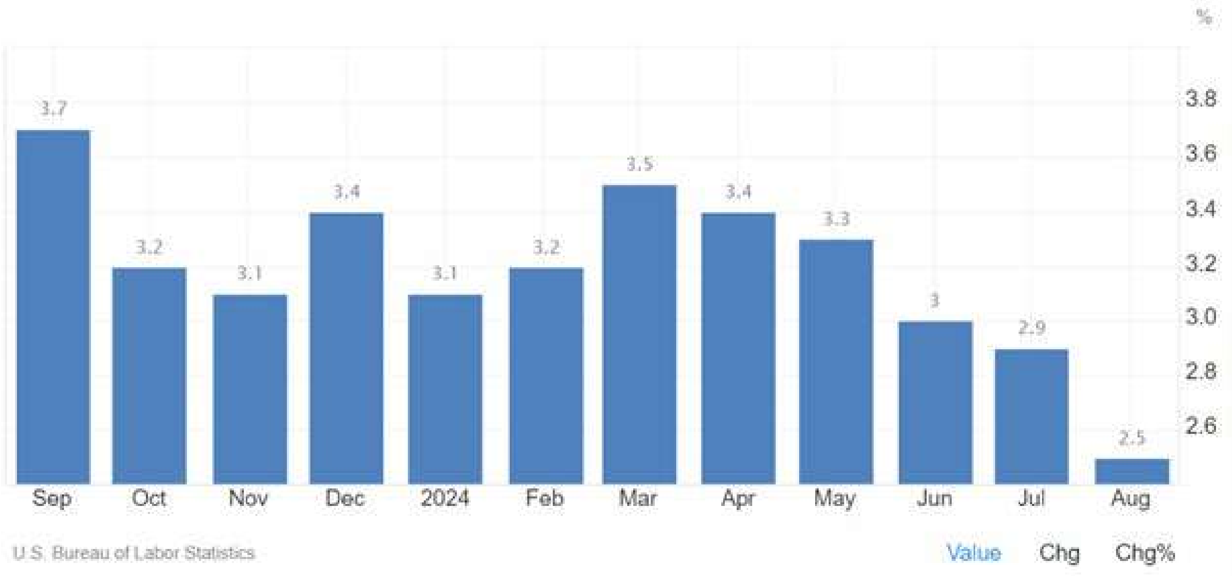
BAND OF INVESTMENT ASSUMPTIONS	
Loan Amortization Period	25 Years
Interest Rate	6.75%
Loan-to-Value (LTV) Ratio	70%
Mortgage Constant	8.29%

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

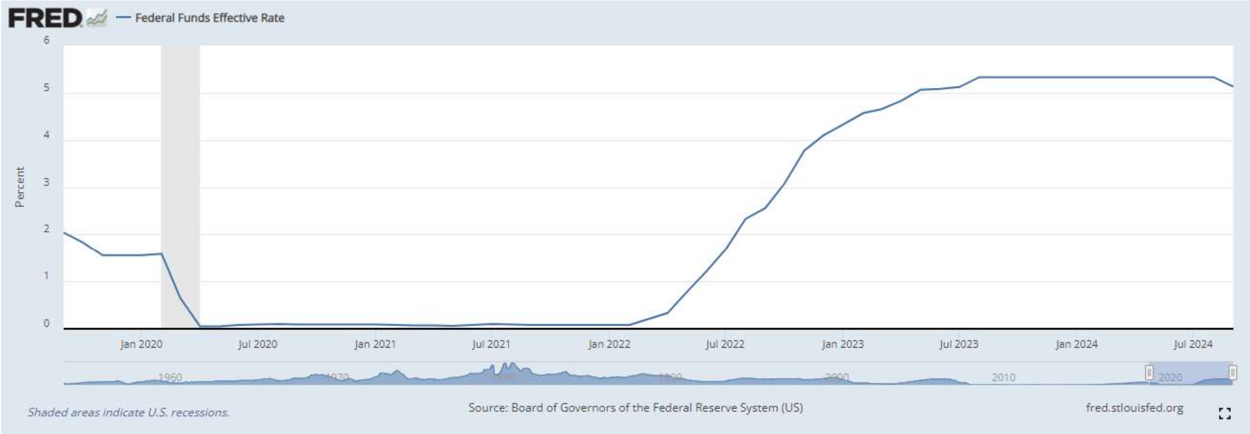
BAND OF INVESTMENT CALCULATION					
Mortgage Component	70%	x	8.29%	=	5.804%
Equity Component	30%	x	8.29%	=	2.487%
Indicated Capitalization Rate					8.291%
INDICATED CAPITALIZATION RATE					**8.29%**

Inflation Impact / Macroeconomy Overview

Over the past two years, macroeconomic conditions have slowed commercial real estate activity and tightened debt markets. GDP growth has moderated. CPI trends indicate a continued but slower pace of inflation, reflecting the impact of tighter monetary policy. Inflation reached a high of 9.1% in June 2022 and declined to 2.5% in August 2024. Although above the goal of 2.0% targeted as normal for a healthy economy, the inflation break has paved the way for a shift in interest rates. With employment growth slowing, the unemployment rate reached 4.2% in August 2024. Macroeconomic changes of this nature suggest a softening economy or the potential for recession. In July 2024, bond markets began pricing in anticipation of forthcoming federal funds rate cuts. Likewise, many economists believe the certainty of multiple rate cuts in 2024 has increased. The following charts summarize the current inflation rates in the United States.



Federal Funds Effective Rate



In the August 2024 meeting, the Federal Reserve announced a rate reduction of 50 basis points to 4.75% to 5.0%. Statements from the Chair suggest future 2024 rate cuts were being considered with a continued goal to reach 2% inflation objective. Forecasts project another 50-basis points in rate cuts by year end with the majority of traders expecting 75, with meeting dates on November 7th and December 18th. Messaging thus far has been centered on measured cuts going forward unless economic conditions warrant a more significant rate reduction.

The higher cost of capital and future uncertainty of rising rates weighed on investment decisions in the real estate market from mid-year 2022 through mid-year 2024 and was reflected in transactions that closed through much of the 3Q24. As rates leveled in summer 2024 and began contracting with market participants anticipating further rate contractions and more favorable capital markets conditions looking forward, transaction activity in the form of recapitalizations, refinancing, and outright sales transactions, began to improve in August 2024, along with general market sentiment. The market for commercial real estate is still adjusting to these changes and their impact is likely to lag and not likely to be fully reflected in transaction activity until late 4Q24 and into 2025.

Impact of Treasury Rate Changes

As of late September 2024, the 10-Year Treasury was near 3.75%. This marks a decrease from a high of 5% in the 4th Quarter of 2023 and a trend in the 4.25 to 4.5% range through the first half of 2024. The rapid decline of the 10-year treasury in late July reflects the lowest level since June 2023.

The following table reflects changes in the US Treasury note over the past 90 days, illustrating the significant decline.

While it remains unclear as to how the market will react overall, the expectation is that the drop will be a catalyst for increased transaction volume. Initial feedback from investors conveys that the lower 10-year treasury reflects the market's anticipation of what the Federal Reserve will continue to do relative to the Federal Funds Rate. Nonetheless, the 10-year Treasury is a benchmark for lending and has resulted in lower lending rates along with more favorable LTV levels, which is anticipated to have an influence on buyer/seller actions, as has been conveyed in general by active investment sales brokers and investors.

The outcome of those actions remains to be seen along with how the economic factors driving the rate adjustments may impact investor demand going forward, but generally speaking, these favorable capital markets adjustments have narrowed the timeframe by which an asset can conceivably achieve positive leverage. We have interviewed market participants to obtain specific feedback on how rate changes have impacted sales of similar assets and weighed the adjustment in our capitalization rate analysis and conclusion, recognizing more clarity on the market's adjustment will take more time to fully manifest.

Capitalization Rate Conclusion

With recent interest rate hikes in 2022 and throughout 2023, we consider how this would affect capitalization rates in 2024. As evidenced by sales data in the market, and based on conversations with market participants, capitalization rates have experienced an increase between (50-100 points) since 2022. For investments of the subject's general size and price, and when sales activity is brisk with relative market stability, the Market Extraction Method is most often relied upon by buyers and sellers to develop cap rate decisions. In this analysis, sufficient recent sales and supplemental sales data was available indicating adequate support for the capitalization rate developed by the Market Extraction Method. National Survey data has application for the subject property, and it helps establish general macro trends for this type of investment property. The Band of Investments Technique has limitations.

Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion.

CAPITALIZATION RATE CONCLUSION (OAR)					
SOURCE	**QUARTER**	**RANGE**			**AVG**
Comparable Sales		6.20%	to	11.00%	8.13%
Supplemental Comparable Sales		6.36%	to	8.66%	7.31%
Investor Surveys	3Q 24	6.69%	to	10.87%	8.11%
Market Participant Interview	3Q 24	7.50%	to	9.00%	8.25%
Band of Investment Technique					8.29%
AVERAGE		6.69%	to	9.88%	8.02%
CAPITALIZATION CONCLUSION (FEE SIMPLE)					**8.25%**

DIRECT CAPITALIZATION CONCLUSION

The subject property is above stabilized occupancy. The pro-forma reflecting the subject's stabilized operations is presented in the following table.

DIRECT CAPITALIZATION SUMMATION TABLE					
INCOME ITEMS	**%PGI**	**%EGI**	**$/SF(MO.)**	**$/SF(YR.)**	**TOTAL**
Market Rent Vacant Space			$1.08	$13.00	$65,234
TOTAL RENTAL INCOME			$1.08	$13.00	$65,234
REIMBURSEMENTS					
Real Estate Taxes			$0.09	$1.13	$5,683
Property Insurance			$0.03	$0.30	$1,505
Repairs and Maintenance			$0.08	$1.00	$5,018
Management			$0.06	$0.68	$3,428
TOTAL REIMBURSEMENTS			$0.26	$3.12	$15,634
POTENTIAL GROSS INCOME (PGI)	**100.0%**	**106.2%**	**$1.34**	**$16.12**	**$80,868**
VACANCY & CREDIT LOSS					
General Vacancy	(6.0%)		($0.07)	($0.78)	($3,914)
Reimbursement Vacancy	(5.0%)		($0.01)	($0.16)	($782)
TOTAL VACANCY & CREDIT LOSS	(5.8%)		($0.08)	($0.94)	($4,696)
EFFECTIVE GROSS INCOME (EGI)	**94.2%**	**100.0%**	**$1.26**	**$15.18**	**$76,172**
EXPENSE ITEMS					
Real Estate Taxes	(7.0%)	(7.5%)	($0.09)	($1.13)	($5,683)
Property Insurance	(1.9%)	(2.0%)	($0.03)	($0.30)	($1,505)
Repairs and Maintenance	(6.2%)	(6.6%)	($0.08)	($1.00)	($5,018)
Management Fees	(4.2%)	(4.5%)	($0.06)	($0.68)	($3,428)
Reserves	(1.2%)	(1.3%)	($0.02)	($0.20)	($1,004)
TOTAL EXPENSES	(20.6%)	(21.8%)	($0.28)	($3.32)	($16,638)
NET OPERATING INCOME (NOI)	**73.6%**	**78.2%**	**$0.99**	**$11.86**	**$59,535**
Capitalization Rate					8.25%
Capitalized Value					$721,632
AS-IS MARKET VALUE				**$143/SF**	**$720,000**
					Rounded to nearest $10,000

INTRODUCTION

The Sales Comparison Approach is based on the principle of substitution, which asserts that a buyer would not pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per square foot of GBA. This indicator best reflects the analysis used by buyers and sellers in this market for improved properties with similar design and utility.

COMPARABLE SELECTION

We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In selecting comparables, emphasis was placed on confirming recent improved sales of properties that match the highest and best use, and buyer/seller profile of the subject property. Overall, the sales selected represent the best comparables available for this analysis.

The comparable sales are listed on the Sales Comparable Summation Table. It is noted that extensive research was conducted to find the most recent sales in the subject's regional and local area. A thorough search was made for comparable sales throughout the MSA using our appraisal files, *CoStar*, *LoopNet*, as well as our on-going conversations with local brokers to discuss market activity. In selecting comparables, emphasis was placed on confirming recent sales that are similar to the subject property in terms of proximity to the subject; size, quality, linkage to employment nodes, and date of sale. Other physical characteristics considered also include age, access, parking capabilities, and exposure.

Our search revealed four closed sales of comparable properties. The comparables used in this analysis bracket the subject and give support to the value conclusion.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments
Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest sales were adjusted accordingly.
Financing Terms	The subject property was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace. All of the comparables sold for cash or equivalent; therefore, no adjustments are applied for atypical financing terms.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales.
Expenditures After Purchase	Adjustments were applied if physical conditions warranted expenditures on the part of the buyer to bring the comparable up to functional standards. Most often this adjustment accounts for costs associated with deferred maintenance.

Market Conditions

Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	October 2024	(As-Is)	0%

The market has exhibited value stability during the time from the oldest sale date up through the effective valuation date; therefore a market conditions adjustment is not warranted.

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, age, site and parking ratios, access, exposure, quality and condition, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject property.

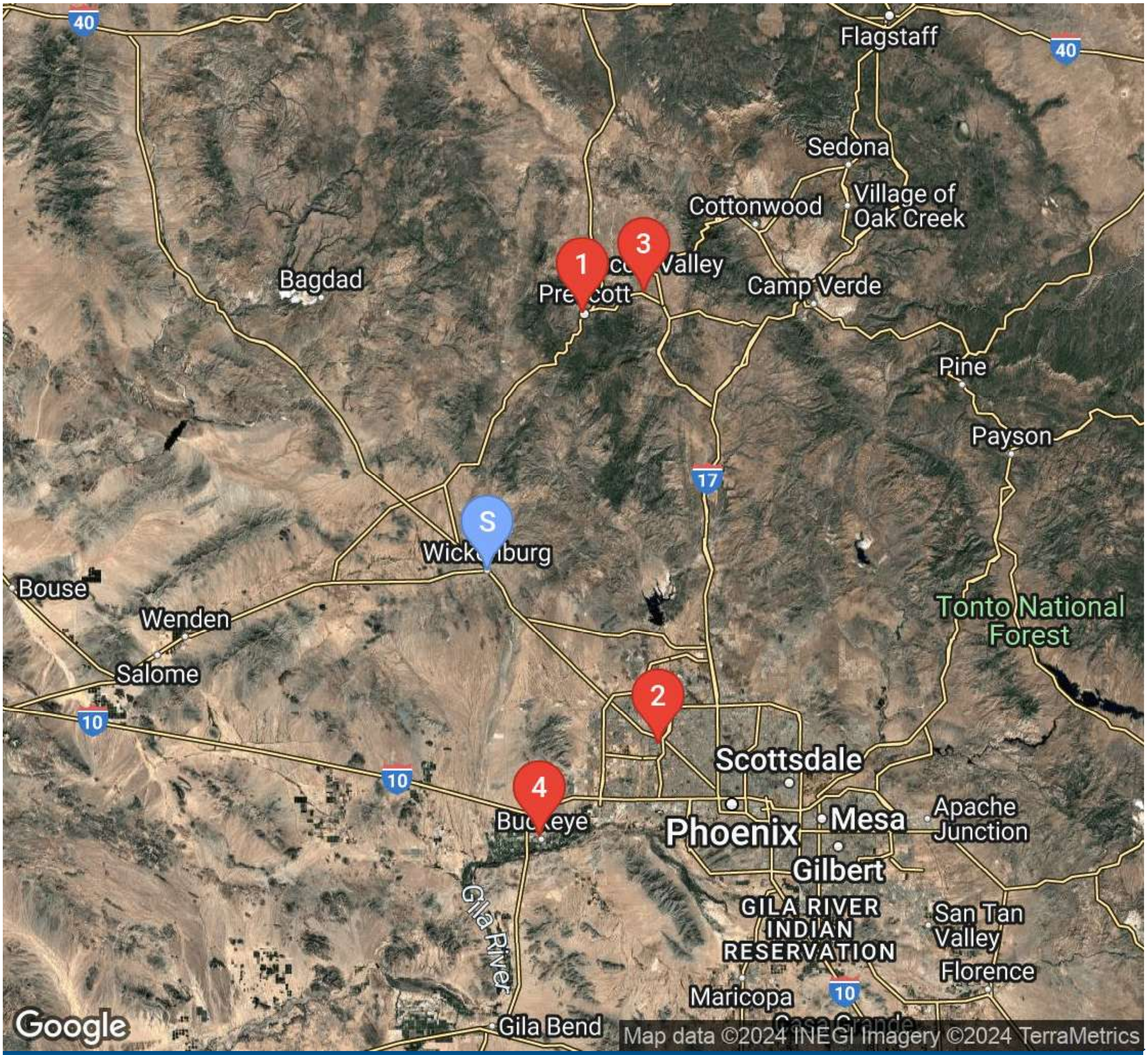
PRESENTATION

The following Sales Summation Table, Location Map and datasheets summarize the improved sales data. Following these items, the comparable sales are adjusted for applicable elements of comparison and the opinion of value by the Sales Comparison Approach is concluded.

IMPROVED SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Name	Town of Wickenburg	Goodwin Office Park	Commercial Building	Office Property	Commercial Building
Address	8337-8345 W Washington St	450 West Goodwin Street	15615 North Cave Creek Road	8841 Florentine Road	1235 West Wickenburg Way
City	Wickenburg	Prescott	Phoenix	Prescott Valley	Wickenburg
State	AZ	AZ	AZ	AZ	AZ
Zip	85390	86303	85032	86314	85390
County	Maricopa	Yavapai	Maricopa	Yavapai	Maricopa
APN	142-41-039A, et al.	109-05-034	214-40-006E	103-31-028A	505-38-007C
PHYSICAL INFORMATION					
Property Type	Retail / Commercial	Office	Retail	Office	Retail
GBA (SF)	5,018	5,560	5,632	7,264	2,783
Land Area (AC)	0.4	0.3	1.7	0.5	0.8
Land Area (SF)	16,100	13,939	75,358	20,908	33,062
L:B Ratio	3.2	2.5	13.4	2.9	11.9
Location	Average	Average/Good	Average/Good	Average	Average
Quality	Fair/Average	Average	Fair/Average	Average	Fair/Average
Condition	Fair/Average	Average	Fair	Average/Good	Average
Exposure	Average/Good	Average	Average	Fair/Average	Average/Good
Access	Average/Good	Average/Good	Average	Average	Average/Good
Year Built	1973	1980	1960	1997	1979
SALE INFORMATION					
Date		10/1/2024	3/8/2024	6/16/2023	5/18/2022
Status		Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Fee Simple
Transaction Price		$950,000	$850,000	$1,050,000	$500,000
$/SF NRA		**$171**	**$151**	**$145**	**$180**
NOI/SF NRA	**$11.86**	**$10.59**	**$16.60**	**$10.41**	
Occupancy	0.0%	100.0%	100.0%	100.0%	0.0%
Capitalization Rate		**6.20%**	**11.00%**	**7.20%**	

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	OCC.	SALE DATE	OAR	$/SF
SUBJECT	-	74 West Wickenburg Way, Wickenburg, AZ	-	-	-	-
No. 1	42.2 Miles	450 West Goodwin Street, Prescott, AZ	100.0%	10/1/2024	6.20%	$170.86
No. 2	46.6 Miles	15615 North Cave Creek Road, Phoenix, AZ	100.0%	3/8/2024	11.00%	$150.92
No. 3	49.0 Miles	8841 Florentine Road, Prescott Valley, AZ	100.0%	6/16/2023	7.20%	$144.55
No. 4	1.3 Miles	1235 West Wickenburg Way, Wickenburg, AZ	0.0%	5/18/2022		$179.66

COMPARABLE 1

LOCATION INFORMATION

Name	Goodwin Office Park
Address	450 West Goodwin Street
City, State, Zip Code	Prescott, AZ, 86303
County	Yavapai
MSA	Prescott Valley-Prescott, AZ
APN	109-05-034

SALE INFORMATION

Buyer	Luke Rotvold
Seller	Jonathan Aten
Transaction Date	10/1/2024
Transaction Status	Recorded
Transaction Price	$950,000
Analysis Price	$950,000
Recording Number	40193
Rights Transferred	Leased Fee
Financing	Undisclosed
Conditions of Sale	Arms-Length
Marketing Time	8 Months

PHYSICAL INFORMATION

Leasable Area (NRA)	5,560
Number of Buildings	1
Year Built	1980
No. of Floors	2
Parking Spaces / Ratio	24 (4.3/1,000 SF NRA)
Class	C
Quality	Average
Condition	Average
Site Size	0.3 Acres (13,939 SF)
Zoning	BG
Access	Average/Good
Exposure	Average
Site Coverage	40%

GOODWIN OFFICE PARK

ANALYSIS INFORMATION

Price per SF	$171
Adjusted Price per SF	$149
Capitalization Rate	6.20%

CONFIRMATION

Name	Confidential	
Company	Confidential	
Source	Seller's Broker	
Date / Phone Number	11/12/2024	Confidential

REMARKS

This is the October 2024 sale of a 5,560-SF office building on Goodwin St in Prescott. The property sold at a 6.20% capitalization rate and was on the market for approximately 8 months.

COMPARABLE 2

LOCATION INFORMATION	
Name	Commercial Building
Address	15615 North Cave Creek Road
City, State, Zip Code	Phoenix, AZ, 85032
County	Maricopa
MSA	Phoenix-Mesa-Chandler, AZ
APN	214-40-006E
SALE INFORMATION	
Buyer	Issa Rabadi
Seller	Andrew Tang
Transaction Date	03/8/2024
Transaction Status	Recorded
Transaction Price	$850,000
Analysis Price	$850,000
Recording Number	121410
Rights Transferred	Leased Fee
Financing	Undisclosed
Conditions of Sale	Arms-Length
Marketing Time	9 Months
PHYSICAL INFORMATION	
Leasable Area (NRA)	5,632
Number of Buildings	1
Year Built	1960
No. of Floors	1
Parking Spaces / Ratio	20 (3.6/1,000 SF NRA)
Quality	Fair/Average
Condition	Fair
Site Size	1.7 Acres (75,358 SF)
Zoning	C-C
Access	Average
Exposure	Average
Site Coverage	7%

COMMERCIAL BUILDING

ANALYSIS INFORMATION		
Price per SF		$151
Adjusted Price per SF		$145
Capitalization Rate		11.00%
CONFIRMATION		
Name	Confidential	
Company	Confidential	
Source	Buyer's Broker	
Date / Phone Number	11/15/2024	Confidential

REMARKS

This is the March 2024 sale of a 5,632-SF freestanding retail building on the east side of Cave Creek Rd in Phoenix. The property has a multi-tenant design and transacted at an 11% capitalization rate.

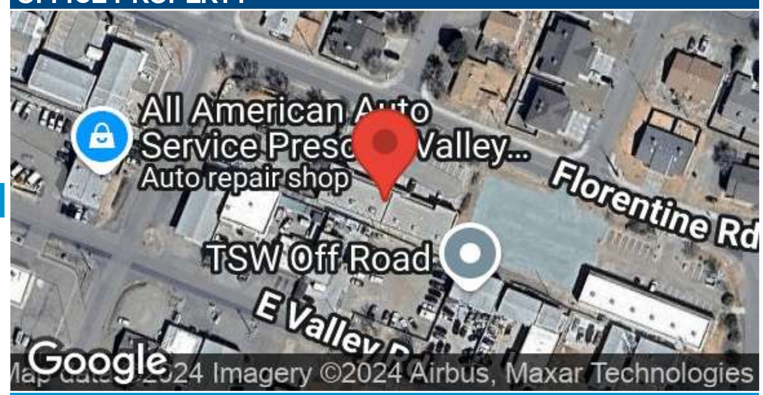
COMPARABLE 3

LOCATION INFORMATION	
Name	Office Property
Address	8841 Florentine Road
City, State, Zip Code	Prescott Valley, AZ, 86314
County	Yavapai
MSA	Prescott Valley-Prescott, AZ
APN	103-31-028A

SALE INFORMATION	
Buyer	Abbas Family Trust
Seller	Mason William
Transaction Date	06/16/2023
Transaction Status	Recorded
Transaction Price	$1,050,000
Analysis Price	$1,050,000
Recording Number	26325
Rights Transferred	Leased Fee
Financing	Undisclosed
Conditions of Sale	Arms-Length
Marketing Time	12 Months

PHYSICAL INFORMATION	
Leasable Area (NRA)	7,264
Number of Buildings	1
Year Built	1997
No. of Floors	1
Parking Spaces / Ratio	31 (4.3/1,000 SF NRA)
Quality	Average
Condition	Average/Good
Site Size	0.5 Acres (20,908 SF)
Zoning	C-2
Access	Average
Exposure	Fair/Average
Site Coverage	35%

OFFICE PROPERTY



ANALYSIS INFORMATION	
Price per SF	$145
Adjusted Price per SF	$147
Capitalization Rate	7.20%

CONFIRMATION		
Name	Confidential	
Company	Confidential	
Source	Seller's Broker	
Date / Phone Number	11/11/2024	Confidential

REMARKS

This is the June 2023 sale of a 7,264-SF office building located on the south side of Florentine Rd in Prescott Valley. The property sold at a 7.20% cap rate.

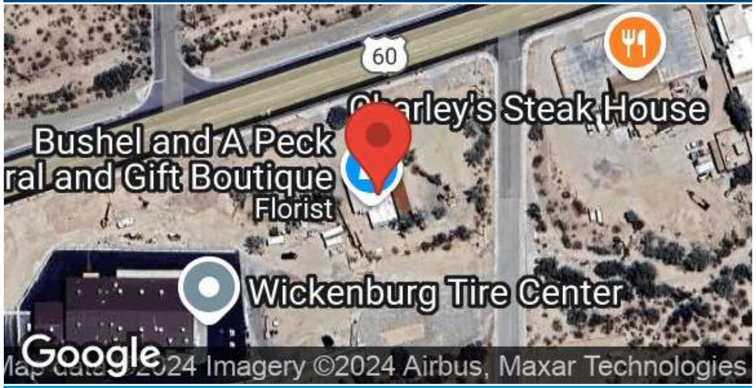
COMPARABLE 4

LOCATION INFORMATION	
Name	Commercial Building
Address	1235 West Wickenburg Way
City, State, Zip Code	Wickenburg, AZ, 85390
County	Maricopa
MSA	Phoenix-Mesa-Chandler, AZ
APN	505-38-007C

SALE INFORMATION	
Buyer	Kevin Grantham
Seller	Mcconnell Trust
Transaction Date	05/18/2022
Transaction Status	Recorded
Transaction Price	$500,000
Analysis Price	$500,000
Recording Number	430512
Rights Transferred	Fee Simple
Financing	Undisclosed
Conditions of Sale	Arms-Length
Marketing Time	8 Months

PHYSICAL INFORMATION	
Leasable Area (NRA)	2,783
Number of Buildings	1
Year Built	1979
No. of Floors	1
Parking Spaces / Ratio	20 (7.2/1,000 SF NRA)
Quality	Fair/Average
Condition	Average
Site Size	0.8 Acres (33,062 SF)
Zoning	C-3
Access	Average/Good
Exposure	Average/Good
Site Coverage	8%

COMMERCIAL BUILDING



ANALYSIS INFORMATION	
Price per SF	$180
Adjusted Price per SF	$140
Capitalization Rate	

CONFIRMATION		
Name	Confidential	
Company	Confidential	
Source	Seller's Broker	
Date / Phone Number	11/15/2024	Confidential

REMARKS

This is the May 2022 sale of a 2,783-SF commercial building located on Wickenburg Way in Wickenburg. The property has previously been used as a restaurant, coffee shop and a nursery.

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Name	Town of Wickenburg	Goodwin Office Park	Commercial Building	Office Property	Commercial Building
Address	8337-8345 W Washington St	450 West Goodwin Street	15615 North Cave Creek Road	8841 Florentine Road	1235 West Wickenburg Way
City, State	Wickenburg, AZ	Prescott, AZ	Phoenix, AZ	Prescott Valley, AZ	Wickenburg, AZ
Zip	85390	86303	85032	86314	85390
APN	142-41-039A, et al.	109-05-034	214-40-006E	103-31-028A	505-38-007C
GBA (SF)	5,018	5,560	5,632	7,264	2,783
Land Area (AC)	0.4	0.3	1.7	0.5	0.8
Land Area (SF)	16,100	13,939	75,358	20,908	33,062
Location	Average	Average/Good	Average/Good	Average	Average
Quality	Fair/Average	Average	Fair/Average	Average	Fair/Average
Condition	Fair/Average	Average	Fair	Average/Good	Average
Exposure	Average/Good	Average	Average	Fair/Average	Average/Good
Access	Average/Good	Average/Good	Average	Average	Average/Good
Parking Ratio	2.6	4.3	3.6	4.3	7.2
Year Built	1973	1980	1960	1997	1979
Site Coverage	31%	40%	7%	35%	8%
SALE INFORMATION					
Date		10/1/2024	3/8/2024	6/16/2023	5/18/2022
Status		Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Fee Simple
Analysis Price		$950,000	$850,000	$1,050,000	$500,000
$/SF NRA		$171	$151	$145	$180
Occupancy	0.0%	100.0%	100.0%	100.0%	0.0%
TRANSACTIONAL ADJUSTMENTS					
Property Rights		0%	0%	0%	0%
Financing		0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%
Market Conditions[1]		0%	0%	0%	0%
Subtotal Transactional Adj Price		$171	$151	$145	$180
PROPERTY ADJUSTMENTS					
Location		-5%	-5%	0%	0%
Size		0%	-5%	5%	-5%
Quality		-5%	0%	-5%	0%
Condition		-5%	5%	-10%	-5%
Exposure		5%	5%	10%	0%
Access		0%	5%	5%	0%
Parking Ratio		-3%	-3%	-3%	-6%
Site Coverage		0%	-6%	0%	-6%
Subtotal Property Adjustment		-13%	-4%	2%	-22%
TOTAL ADJUSTED PRICE		**$149**	**$145**	**$147**	**$140**
STATISTICS	**UNADJUSTED**	**ADJUSTED**			
LOW	$145	$140			
HIGH	$180	$149			
MEDIAN	$161	$146			
AVERAGE	$161	$145			

[1] Market Conditions Adjustment: 0%

Date of Value (for adjustment calculations): 10/23/24

SALES COMPARABLE ANALYSIS

Introduction

The comparable sales indicate an adjusted value range from $140 to $149/SF, with a median of $146/SF and an average of $145/SF. The range of total gross adjustment applied to the comparables was from 22% to 38%, with an average gross adjustment across all comparables of 29%. The level of total adjustment applied to the comparables is considered to be moderate. Overall, the availability of market data and extent of analysis was adequate to develop the subject property's total value. The adjustment process for each comparable sale is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 ($149/SF adjusted) did not require any transaction adjustments. This comparable required a total downward adjustment of -13% for property characteristics. This comparable was adjusted downward for its superior location, quality, condition and parking ratio, and upward for its inferior exposure. The total gross adjustment applied to this comparable was 23%.

Comparable 2 ($145/SF adjusted) did not require any transaction adjustments. This comparable required a total downward adjustment of -4% for property characteristics. This comparable was adjusted downward for its smaller size and superior location, parking ratio and site coverage, and upward for its inferior condition, exposure and access. The total gross adjustment applied to this comparable was 34%.

Comparable 3 ($147/SF adjusted) did not require any transaction adjustments. This comparable required a total upward adjustment of 2% for property characteristics. This comparable was adjusted downward for its superior quality, condition and parking ratio, and upward for its larger size and inferior exposure and access. The total gross adjustment applied to this comparable was 38%.

Comparable 4 ($140/SF adjusted) did not require any transaction adjustments. This comparable required a total downward adjustment of -22% for property characteristics. This comparable was adjusted downward for its smaller size and superior condition, parking ratio and site coverage. The total gross adjustment applied to this comparable was 22%.

SALES COMPARISON APPROACH CONCLUSION

The comparable sales indicate an adjusted value range from $140 to $149/SF, with a median of $146/SF and an average of $145/SF. Based on the results of the preceding analysis, Comparable 1 ($149/SF adjusted), Comparable 2 ($145/SF adjusted) and Comparable 4 ($140/SF adjusted) are given primary consideration for the subject's opinion of value.

Comparable 3 ($147/SF adjusted) is given secondary consideration due to the greater number of gross adjustments required.

The following table summarizes the analysis of the comparables, reports the reconciled price per NRA value conclusion, and presents the concluded value of the subject property.

SALES COMPARISON APPROACH CONCLUSION (NRA)

COMP	ANALYSIS PRICE	ADJUSTMENT TRANSACTIONAL¹	ADJUSTMENT ADJUSTED	ADJUSTMENT PROPERTY²	ADJUSTMENT FINAL	NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
1	$171	0%	$171	-13%	**$149**	-13%	23%	PRIMARY
2	$151	0%	$151	-4%	**$145**	-4%	34%	PRIMARY
3	$145	0%	$145	2%	**$147**	2%	38%	SECONDARY
4	$180	0%	$180	-22%	**$140**	-22%	22%	PRIMARY
LOW	**$140**					**AVERAGE**		**$145**
HIGH	**$149**					**MEDIAN**		**$146**
			SUBJECT SF		**$/SF CONCLUSION**			**VALUE**
AS-IS MARKET VALUE			**5,018**	**x**	**$145/SF**	**=**		**$730,000**

¹Cumulative ²Additive — Rounded to nearest $10,000

INTRODUCTION

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Understanding the profiles of potential buyers and their typical reliance on each approach to value strongly influences the weighting process.

In the open market, the subject property type would command most interest from local buyers that are actively pursuing similar owner-user properties. There is currently steady buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is an owner user.

Based on the overall quality of the data and analyses, and considering the decision-making process of the typical buyer profile of the subject asset, the Sales Approach warranted primary emphasis, and the Income Approach warranted secondary emphasis in developing our final opinion of market.

PRESENTATION OF VALUE CONCLUSIONS

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report.

ANALYSIS OF VALUE CONCLUSIONS	
VALUATION INDICES	**AS-IS MARKET VALUE**
INTEREST APPRAISED	**FEE SIMPLE**
DATE OF VALUE	**OCTOBER 23, 2024**
Sales Comparison Approach	$730,000
Income Approach	$720,000
FINAL VALUE CONCLUSION	**$730,000**
$/SF	$145/SF
Exposure Time	Twelve Months or Less
Marketing Period	Twelve Months or Less

We certify that, to the best of our knowledge and belief:

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

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

› The signers of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

› TJ Gray, MAI has performed no services, as an appraiser 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. Michael Brown has performed no services, as an appraiser 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.

› The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.

› The engagement in this assignment was not contingent upon developing or reporting predetermined results.

› The 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.

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

› TJ Gray, MAI inspected the property that is the subject of this report. Michael Brown did not inspect the property that is the subject of this report. Justin Hanson did not inspect the property that is the subject of this report.

› Justin Hanson (Arizona State Registered Appraiser Assistant No. LRA-2000927) provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis.

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

As of the date of this report TJ Gray, MAI completed the continuing education program for Designated Members of the Appraisal Institute.

As of the date of this report Michael Brown has completed the Standards and Ethics Education Requirement for (Candidates or Practicing Affiliates) of the Appraisal Institute.

November 18, 2024
Date

TJ Gray, MAI
Valuation Services Director
Certified General Real Estate Appraiser
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November 18, 2024
Date

Michael Brown
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Certified General Real Estate Appraiser
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This appraisal is subject to the following assumptions and limiting conditions:

› The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.

› We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.

› The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.

› Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.

› The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.

› Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.

› This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.

› The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.

› The statements of value and all conclusions shall apply as of the dates shown herein.

› There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.

› Without the written consent or approval of the authors 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. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.

› This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

› The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.

› The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.

› The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

› The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act* (*ADA*). Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.

› An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.

› A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.

› This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.