



Valbridge
PROPERTY ADVISORS

Appraisal Report

Four Cell Tower Site Right-Of Way Use Licenses

4100 N Harrison Road
3220 W Ina Road
2902 W Paseo del las Aves
SE Corner Wade & Valencia Rds
Pima County, Arizona



FOR
Pima County Real Property Services
Mr. Jeffrey Teplitsky
Appraisal Supervisor
201 N Stone Avenue, Floor 6
Tucson, AZ 85701

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Valbridge Job No.:
AZ01-19-L-097



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July 31, 2019

Mr. Jeffrey Teplitsky
Appraisal Supervisor
Pima County Real Property Services
201 N Stone Avenue, Floor 6
Tucson, AZ 85701

RE: Appraisal Report
Six Cell Tower Site Right-Of Way Use Licenses
4100 N Harrison Road
3220 W Ina Road
2902 W Paseo del las Aves
SE Corner Wade & Valencia Roads
Pima County, Arizona

Pima Co Dept. of Information Technology – Contract No. CTN-IT-1500000000000000003
Valbridge | MJN Job # AZ01-19-L-097

Dear Mr. Teplitsky:

At your request, I have appraised the above-referenced properties. This appraisal report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The subject properties are all license rights associated with a non-exclusive right-of-way use license for wireless communication facilities referenced by Pima County contract number CTN-IT-1500000000000000003, Amendment #5, but excluding the properties located at 3851 W Tangerine Road and 6515 W Ina Road. However, rather than expiring on September 23, 2020, the appraisal has assumed a 50-year license term with the stated contract license fees utilized for the first year, followed by 3% annual increases for the remaining 49 years. The effective date of value is September 24, 2019, which is the date the next annual payments are due for each of the sites. The license permits the licensee to place and operate cellular communications facilities on each of the subject sites per the applicable site plans, which have been copied in the Addenda of this report. The appraisal has supported my opinions of the market value of the specified property interest for each of the properties.

Client and Intended Users of the Appraisal

The client in this assignment is Pima County Real Property Services. The intended user of this report is Pima County Real Property Services and other parties with an interest in the potential sale and acquisition of the subject property interests.

Intended Use of the Appraisal

The appraisal will be used as a basis for an open market auction of the specified right of way use license rights.

Real Estate Identification

The subject properties are all rights associated with a non-exclusive right-of-way use license for wireless communication facilities referenced by Pima County contract number CTN-IT-15000000000000000003, Amendment #5, but excluding the properties located at 3851 W Tangerine Road and 6515 W Ina Road. Per this contract, the appraised properties are identified as follows:

Co-Location Facilities:

1. 4100 N Harrison Road (McDonald Park), Site PHNXAZB025
2. 3220 W Ina Road, Site B042-D
3. 2902 W Paseo de las Aves, Site PHNXAZT904-D
4. SE Corner West Valencia Road and Wade Road, Site AZL01287

Legal Description

Legal descriptions, if available, are included on the site plan exhibits copied in the Addendum of this report.

Real Property Interest Appraised

The appraisal has addressed the non-exclusive right-of-way use license for wireless communication facilities interests for the subject properties with a specified term of 50 years.

Personal Property Identification

No personal property (FF&E) has been included in the concluded opinion of value.

Definition of Market Value

Market value is the most probable price that a specified interest in real 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 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:

- a) buyer and seller are typically motivated;
- b) both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c) a reasonable time is allowed for exposure to the open market;

- d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - e) 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.
- 12 CFR 34.42(g) (2012).

The definition of market value set forth above is utilized for most federally-related transactions but is considered to be appropriate for general use as well, including this appraisal of the subject property. Use of an alternate definition of market value would not change that results of this appraisal as long as the general terms and conditions were similar.

Effective Date of Value

The effective date of value is September 24, 2019. This is the date that the next annual license fee payment is due for each of the sites under the terms of the current contract. I last inspected the first three sites on July 20, 2018. I inspected the Wade and Valencia site on November 28, 2018 and again on July 23, 2019, noting that the cell tower improvements have recently been completed.

Scope of Work

In undertaking this appraisal assignment I completed the following scope of work:

- Identify the properties
- Inspect the properties
- Research subject and comparable data
- Analyze data
- Report conclusions

Use of Real Estate as of the Effective Date of Value

As of the date of value, all of the subject properties were apparently being utilized as cell tower sites.

Ownership and Sales History

The subject sites are all located within public rights-of-way or on sites owned by Pima County, a political subdivision of the State of Arizona. There have been no sales of the properties over the past three years that I am aware of and they are not currently reported to be listed for sale or pending sale.

Pima County apparently received an offer of interest to purchase six properties (right-of-way use licenses) from a party known as Landmark Dividend in February 2019. The four subject properties were included in this offer, which also included the properties located at 3851 W Tangerine Road and 6515 W Ina Road.

Landmark had reportedly offered to purchase an easement interest in the properties at specified prices in return for the right to receive the lease/license fee income over a 50-year term. In November of 2017, Landmark had offered to purchase five of the properties (excluding Wade & Valencia) for prices that were 5% to 15% lower than the current offers. It is my understanding that no purchase agreements were ever executed.

Summary of Proposed Option Agreement Purchase Prices

Site	Fixed Asset ID	Address	Purchase Price
(1)N117924	10091241	3851 W Tangerine Rd *	\$249,276.97
PHNXAZB025	10113246	4100 N Harrison Rd	\$131,638.44
BO42-D	10114434	3220 W Ina Rd	\$107,767.49
PHNXAZT904-D	10107309	2902 W Paseo de las Aves	\$107,767.49
B049-HH	Unspecified	6515 W Ina Rd *	\$107,767.49
AZL01287	12879452	SEc W Valencia & Wade Roads	\$107,767.49

Note: Offers based on a 50-year easement term. * Excluded from appraisal

It is my understanding that these options have not been executed by Pima County and that no purchase agreement currently exists. This appraisal has been commissioned by Pima County Real Property Services in order to assist in the decisions related to the potential sale of the subject properties (use license interests).

The subject sites are currently licensed for use by New Cingular Wireless PCS, LLC per the terms of a Restated and Amended Non-Exclusive Right-Of-Way Use License For Wireless Communication Facilities dated September 24, 2014 and referenced by Pima County contract number CTN-IT-15000000000000000003, Amendment #4. Per the terms of this agreement, the following license fees are stipulated:

License Fee Schedule

Site	Location	Facility Type	9/24/17-9/23/18	9/24/18-9/23/19	9/24/19-9/23/20
			Annual	Annual	Annual
(1)N117924	3851 W Tangerine Rd	Single Use	\$16,885.21	\$17,729.47	\$18,615.94
PHNXAZB025	4100 N Harrison Rd	Co-Location	\$8,442.60	\$8,864.73	\$9,307.97
BO42-D	3220 W Ina Rd	Co-Location	\$6,945.75	\$7,293.04	\$7,657.69
PHNXAZT904-D	2902 W Paseo de las Aves	Co-Location	\$6,945.75	\$7,293.04	\$7,657.69
B049-HH	6515 W Ina Rd	Co-Location	\$6,945.75	\$7,293.04	\$7,657.69
AZL01287	SEc Wade & Valencia Rds	Co-Location	(2018-2019 pro rated)	\$7,293.04	\$7,657.69

Note - All reflect annual payments with 5% increases per year

The properties located at 3851 W Tangerine Road and 6515 W Ina Road are excluded from this appraisal.

The annual fees for the 2017-2018 and 2018-2019 terms have reportedly been paid so the next payment would be due by September 24, 2019 and would cover the last year under the current contract. For this appraisal, I have been instructed to assume that the right-of-way use licenses for the six sites would be extended for an additional 49 years with the annual license fees increasing by 3% per year.

List of Items Requested but Not Provided

- **None**

Extraordinary Assumptions

1. The subject properties are non-exclusive right-of-way use licenses for wireless communication facilities that are assumed to have a term of 50 years commencing on September 24, 2019. The licenses would permit the interest owner to place and operate wireless communication facilities on each of the properties per the general terms and conditions of the Restated and Amended Non-Exclusive Right-Of-Way Use License For Wireless Communication Facilities dated September 24, 2014, and Fifth Amendment to Restated and Amended Nonexclusive Right-Of-Way Use License For Wireless Communications Facilities effective November 6, 2018, with the exception of the license term and license fee schedule after the current agreement expires.
2. The market value conclusions are prospective in nature and are effective as of September 24, 2019. I have assumed that the purchaser would receive the license fees for each parcel that are due on this date. I have also assumed no significant changes in overall economic conditions that might impact investor yield requirements.

Hypothetical Conditions

- None.

Elimination of or changes to the extraordinary assumptions noted above could impact the results of this appraisal assignment.

Property Descriptions

All of the subject properties are located in rights-of-way within Pima County, Arizona, at or near the addresses noted below. As such, the properties do not have assessor tax parcel numbers. I relied on the site plans provided by the Pima County Department of Information Technology to identify the five sites and have copied these in the Addenda of this report.

General Site Location

Site	Location	Description
PHNXAZB025	4100 N Harrison Rd	Northeast quadrant Harrison Rd and main entrance to McDonald Park Baseball field light pole and adjacent site
BO42-D	3220 W Ina Rd	North side Ina Rd, east of Camino de la Tierra TEP power pole and adjacent site
PHNXAZT904-D	2902 W Paseo de las Aves	Southwest corner Cardinal Ave and Paseo de las Aves, TEP power pole and adjacent site
AZL01287	SE Crnr Wade & Valencia Rds	Southeast corner Wade Road and Valencia Road TRICO power pole and adjacent site - No improvements apparent

The approximate location of each site are noted in the aerial photos shown below.

The highest and best use of the subject properties is considered to be for their current use or intended use as a cell tower sites since there are no alternative uses that would yield a higher property value.

4100 N HARRISON ROAD



3220 W INA ROAD



2902 W PASEO DE LAS AVES



SE CORNER WADE & VALENCIA ROADS



Appraisal Methodology and Valuation of Subject Properties

The subject properties are proposed 50-year license agreements that would permit the licensee to place and operate wireless communications/cell tower facilities on each of the sites. After consideration of the significant factors, I concluded that their market value would be equal to the present value of the forgone license fee/rental payments over the 50-year easement term that would typically be expected if the property were leased over this period of time. This is an application of the Income Capitalization Approach and is considered to be the only reliable method. The sales comparison approach is not applicable due to the general lack of sales of comparable properties. The subject sites are part of larger properties and their fee simple interest values could be determined through analysis of recent comparable sales; however, this would not be insightful in determining the value of the subject properties, which involve licensed use interests that could generate \$10,500 annual income in the current market environment. Because the subject properties do not include any improvements for the purposes of this appraisal, the cost approach would not be applicable. Therefore, the subject properties were valued based on application of the income capitalization approach, and more specifically based on a present value calculation of the income that would be expected over the proposed 50-year term of the hypothetical license agreements. Because the current license agreement runs through September 23, 2020, I have utilized the existing fee schedule through the remaining term of this agreement and then utilized market license fees for the balance of the 50-year term that is being assumed. The license fees are paid annually and the next payments will be for the year commencing September 24, 2019. For analysis purposes, I have assumed that the 50-year full term will start on September 24, 2019 and will include one year of contract license fees followed by 49 years of market-projected license fees. I have been instructed to assume that the market rental rates utilized for year 2 will be increased by 3% per year over the remainder of the proposed 50-year license term.

All of the sites are defined as "co-location facilities" by Pima County.

The assumed market license terms are summarized as follows:

Type:	Co-Location
Term:	50 years
Rent:	\$10,500 per year
Escalations:	3% per year
Co-Location:	No additional fees payable to Pima County
Permitted Uses:	Placing and operating cellular-communications facilities as depicted on the associated site plans
Operating Expenses:	All paid by licensee

The license terms noted above are considered to be generally reflective of current market standards with the exception of the 50-year term. As noted below, the market terms is generally 5 years, although most of these involve older original agreements that are extended every five years at prevailing rates. Recent comparable cell tower site use licenses are summarized below. All of these properties are located in rights of way owned by Pima County.

Comparable Wireless Communication Facilities Licenses

No.	Location	Tenant	Lease Date	Initial Term (years)	Annual Rent	Annual Escalations	Extension Options	Type
1	2955 W Ironwood Hill Dr	Verizon	2017	5	\$10,500	5%/yr	None	Co-location
2	4975 N Calle Bendita	T-Mobile	2015	5	\$10,500	5%/yr	None	Co-location
3	5245 W Sunset Rd	Verizon	2017	5	\$10,500	5%/yr	None	Co-location
4	Valencia Rd/Spencer Ave	T-Mobile	2017	5	\$10,500	5%/yr	None	Co-location

The most significant variable is the appropriate discount rate that would be applied in order to convert the income stream (annual license fee payments) to a present value. There is limited published or comparable sales data related to temporary easement interests; however, data from purchases of net leased investments and ground leases is considered to be insightful. The PwC National Real Estate Investor Survey (second quarter 2019) indicated a range of discount rates from 5.0% to 12.0% and an average of 7.5% for the "national net lease" market. This includes a wide array of office, industrial and retail properties that are typically leased to national tenants for lease terms of 10 years or more. The survey also indicates a range of overall capitalization rates (initial annual income divided by purchase price) for this sector from 5.0% to 8.5%, with an average of 6.6%.

Sales of ground leases provide insight into overall capitalization rates, which are also useful in the selection of an appropriate discount rate for the subject property.

Ground Lease Sales

No.	Location	Tenant	Sale Date	Price	Site Size (SF)	Cap Rate	Annual NOI	Remaining Term (years)	Extension Options	Escalations
1	6920 E Sunrise	Wells Fargo	Dec-17	\$1,269,500	36,085	4.75%	\$60,300	3.5	5x5 yrs	15% / 5 yrs
2	5601 E Broadway	El Pollo Loco	Apr-17	\$1,800,000	32,139	5.10%	\$91,800	19	Unknown	Unknown
3	12025 N Thorneydale	Chase Bank	Nov-16	\$2,850,000	43,473	4.63%	\$131,955	14	4x5 yrs	10% / 5 yrs
4	15960 S Rancho Sahuarita	Chase Bank	Dec-15	\$2,950,000	34,848	4.85%	\$143,000	12	4x5 yrs	10% / 5 yrs
5	12140 N Dove Mt. Blvd.	Wells Fargo	Sep-15	\$2,118,000	30,928	4.79%	\$101,452	?	4x5 yrs	10% / 5 yrs
6	775 W Sahuarita Rd	McDonalds	Sep-15	\$2,152,000	43,560	3.95%	\$85,000	13	Unknown	10% / 5 yrs

Based on the available data, I concluded that it would be appropriate to utilize an 8% initial discount rate and apply this to the annual rental income that would be received for the first 15 years, and then to increase this by 3% for each subsequent 5-year period. The logic behind the increasing discount rates is that over time the user faces increasing risk that the current cell tower technology will change and that this could render the site obsolete for the current use. This logic could also be justified by an investor since the risk of receiving the rental payments increases over time because the risk of the site becoming obsolete for the current use also increases over time. This discount rates selected for the subject properties also recognize that the users/licensees do not have the ability to generate

additional revenues from co-location users as would be the case with a cell tower on a fee-owned or leased site and this puts upward pressure on the discount rates.

The present value calculations for the subject properties are shown on the pages that follow.

Present Value Calculation - Harrison Site

\$9,307.97 Year 1 contract License Fee
\$10,500.00 Year 2 market based License Fee
3% Annual Rent Growth Rate

8.00% Annual Discount Rate - Years 1-15 20.00% Annual Discount Rate - Years 31-35
11.00% Annual Discount Rate - Years 16-20 23.00% Annual Discount Rate - Years 36-40
14.00% Annual Discount Rate - Years 21-25 26.00% Annual Discount Rate - Years 41-45
17.00% Annual Discount Rate - Years 26-30 29.00% Annual Discount Rate - Years 46-50

Lease Year				Lease Year			
Year	Starting Sept 24	Annual Fee	Present Value	Year	Starting Sept 24	Annual Fee	Present Value
1	2019	\$9,307.97	\$8,618	26	2018	\$21,344.34	\$360
2	2020	\$10,500.00	\$9,002	27	2019	\$21,984.67	\$317
3	2021	\$10,815.00	\$8,585	28	2020	\$22,644.21	\$279
4	2022	\$11,139.45	\$8,188	29	2021	\$23,323.53	\$246
5	2023	\$11,473.63	\$7,809	30	2022	\$24,023.24	\$216
6	2024	\$11,817.84	\$7,447	31	2023	\$24,743.94	\$87
7	2025	\$12,172.38	\$7,102	32	2024	\$25,486.26	\$75
8	2026	\$12,537.55	\$6,774	33	2025	\$26,250.84	\$64
9	2027	\$12,913.68	\$6,460	34	2026	\$27,038.37	\$55
10	2028	\$13,301.09	\$6,161	35	2027	\$27,849.52	\$47
11	2029	\$13,700.12	\$5,876	36	2028	\$28,685.01	\$17
12	2030	\$14,111.12	\$5,604	37	2029	\$29,545.56	\$14
13	2031	\$14,534.46	\$5,344	38	2030	\$30,431.92	\$12
14	2032	\$14,970.49	\$5,097	39	2031	\$31,344.88	\$10
15	2033	\$15,419.60	\$4,861	40	2032	\$32,285.23	\$8
16	2034	\$15,882.19	\$2,990	41	2033	\$33,253.78	\$3
17	2035	\$16,358.66	\$2,775	42	2034	\$34,251.40	\$2
18	2036	\$16,849.42	\$2,575	43	2035	\$35,278.94	\$2
19	2037	\$17,354.90	\$2,389	44	2036	\$36,337.31	\$1
20	2038	\$17,875.55	\$2,217	45	2037	\$37,427.43	\$1
21	2039	\$18,411.81	\$1,175	46	2038	\$38,550.25	\$0
22	2040	\$18,964.17	\$1,062	47	2039	\$39,706.76	\$0
23	2041	\$19,533.09	\$959	48	2040	\$40,897.96	\$0
24	2042	\$20,119.09	\$867	49	2041	\$42,124.90	\$0
25	2043	\$20,722.66	\$783	50	2042	\$43,388.64	\$0

Present Value Cash Flow \$122,537

Cap Rate 7.60%

The present value of the cash flows over the 50-year term for the Harrison Road site is equal to \$122,500 (rounded). Based on the discount rates selected, about 84% of the present value comes from the first 15 years of payments, and this is considered realistic given the risk of technology change. If the first year's income is divided by this present value figure, an overall capitalization rate of about 7.6% is indicated. This is compared to the cap rates of the ground lease sales, which ranged

from about 4.0% to 5.1%; however, it is noted that all of the ground leases involved functional commercial sites that will have significant value at the end of the ground lease terms and this suggests that the cap rate for the subject property would have to be higher. I felt that the 7.6% cap rate indicated for the Tangerine property was realistic when the lack of any reversionary value is also considered. The offer by Landmark Dividend was \$131,638.44, which is about 7% greater than my conclusion of market value. At this offered price, the indicated initial cap rate approximates 7.1%.

**Present Value Calculation - 3220 W Ina Site, Paseo de las Aves Site
and Wade & Valencia Site**

\$7,657.69 Year 1 contract License Fee
\$10,500.00 Year 2 market based License Fee
3% Annual Rent Growth Rate

8.00%	Annual Discount Rate - Years 1-15	20.00%	Annual Discount Rate - Years 31-35
11.00%	Annual Discount Rate - Years 16-20	23.00%	Annual Discount Rate - Years 36-40
14.00%	Annual Discount Rate - Years 21-25	26.00%	Annual Discount Rate - Years 41-45
17.00%	Annual Discount Rate - Years 26-30	29.00%	Annual Discount Rate - Years 46-50

Lease Year				Lease Year			
Year	Starting Sept 24	Annual Fee	Present Value	Year	Starting Sept 24	Annual Fee	Present Value
1	2019	\$7,657.69	\$7,090	26	2018	\$21,344.34	\$360
2	2020	\$10,500.00	\$9,002	27	2019	\$21,984.67	\$317
3	2021	\$10,815.00	\$8,585	28	2020	\$22,644.21	\$279
4	2022	\$11,139.45	\$8,188	29	2021	\$23,323.53	\$246
5	2023	\$11,473.63	\$7,809	30	2022	\$24,023.24	\$216
6	2024	\$11,817.84	\$7,447	31	2023	\$24,743.94	\$87
7	2025	\$12,172.38	\$7,102	32	2024	\$25,486.26	\$75
8	2026	\$12,537.55	\$6,774	33	2025	\$26,250.84	\$64
9	2027	\$12,913.68	\$6,460	34	2026	\$27,038.37	\$55
10	2028	\$13,301.09	\$6,161	35	2027	\$27,849.52	\$47
11	2029	\$13,700.12	\$5,876	36	2028	\$28,685.01	\$17
12	2030	\$14,111.12	\$5,604	37	2029	\$29,545.56	\$14
13	2031	\$14,534.46	\$5,344	38	2030	\$30,431.92	\$12
14	2032	\$14,970.49	\$5,097	39	2031	\$31,344.88	\$10
15	2033	\$15,419.60	\$4,861	40	2032	\$32,285.23	\$8
16	2034	\$15,882.19	\$2,990	41	2033	\$33,253.78	\$3
17	2035	\$16,358.66	\$2,775	42	2034	\$34,251.40	\$2
18	2036	\$16,849.42	\$2,575	43	2035	\$35,278.94	\$2
19	2037	\$17,354.90	\$2,389	44	2036	\$36,337.31	\$1
20	2038	\$17,875.55	\$2,217	45	2037	\$37,427.43	\$1
21	2039	\$18,411.81	\$1,175	46	2038	\$38,550.25	\$0
22	2040	\$18,964.17	\$1,062	47	2039	\$39,706.76	\$0
23	2041	\$19,533.09	\$959	48	2040	\$40,897.96	\$0
24	2042	\$20,119.09	\$867	49	2041	\$42,124.90	\$0
25	2043	\$20,722.66	\$783	50	2042	\$43,388.64	\$0

Present Value Cash Flow \$121,009

Cap Rate 6.33%

The other three sites all have the same current contract license fees, which are about 18% lower than the current fee for the Harrison Road site, which is also designated as a co-location site. The present

value of \$121,000 (rounded) for each of these sites results in an initial cap rate of 6.3%. The lower initial cap rate is warranted because the Year 2 rent increases by 37% for these sites, while the increase for the Harrison property was only 13%. The offer by Landmark Dividend was \$107,767.49 for each site, which is 11% below my conclusions of market value. At this offered price, the indicated initial cap rate approximates 7.1%.

It should be noted that the offered prices have not been agreed to by any written contract as of the date this report was finalized. It is my understanding that Landmark Dividend has indicated their intent to acquire the easement interests at the prices reported previously in an email correspondence with Mike Stofko, a former employee of Pima County.

Based on my investigation and analyses, I concluded the following:

Summary of Market Value Conclusions as of September 24, 2019

Site	Address	Market Value
PHNXAZB025	4100 N Harrison Rd	\$122,500
BO42-D	3220 W Ina Rd	\$121,000
PHNXAZT904-D	2902 W Paseo de las Aves	\$121,000
AZL01287	SE Crnr Wade & Valencia Rds	\$121,000

The appraisal has determined the market value of license rights associated with a non-exclusive right-of-way use license for wireless communication facilities and has not addressed the fee simple value of these sites. The market value conclusions are prospective, in that they are applicable as of September 24, 2019, the assumed date that the next annual license fees would be received.

Prior Appraisal

I have previously appraised all of the subject properties within the past three years.

Exposure Time and Marketing Periods

Marketing and exposure time were each estimated at 6 to 12 months. The subject easement interest involves an attractive cell tower site and would most likely experience strong demand if offered for sale in the open market.

Respectfully submitted,
Valbridge Property Advisors | Tucson



Craig W. Johnson, MAI
Certified General Real Estate Appraiser
State of Arizona Certificate No. 30236
cjohnson@valbridge.com

General Assumptions and Limiting Conditions

This appraisal and appraisal certification are subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for matters legal in character, nor is any opinion rendered by us to title which is assumed to be marketable. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. The stamps and/or consideration placed on deeds/affidavits used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
4. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
5. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
6. Unless expressly specified in this Agreement, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | MJN Enterprises, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
7. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
8. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
9. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.

10. The information, estimates and opinions which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
11. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by MJN Enterprises, Inc. Valbridge Property Advisors, Inc. nor any of its affiliates, has not been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. This appraisal was prepared for the sole and exclusive use of the client. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | MJN enterprises, Inc. and Client. We assume no liability for unauthorized use of the appraisal report by a third party.
14. No claim is intended to be expressed for matters of expertise which would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
15. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
16. The value opinion provided herein is subject to any and all predications set forth in this report.
17. If required by governmental authorities, any environmental impact statement prepared for the subject property will be favorable, unless otherwise stated in the report.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. If the appraisal is for mortgage loan purposes 1) we assume satisfactory condition of improvements if construction is not complete, 2) no consideration has been given for rent

loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income & Expense Projection" are anticipated.

20. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
21. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.
22. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
23. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
24. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.
25. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a

survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.

26. In the absence of a professional Engineer's Feasibility Study, information regarding the existence of utilities is made only from a visual inspection of the site. The Appraiser assumes no responsibility for the actual availability of utilities, their capacity, or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
28. This appraisal is not intended to be used, and may not be used, on behalf of or in connection with a real estate syndicate or syndicates. A real estate syndicate means a general or limited partnership, joint venture, unincorporated association or similar organization formed for the purpose of, and engaged in, an investment or gain from and interest in real property, including, but not limited to, a sale or exchange, trade or development of such real property, on behalf of others, or which is required to be registered with the United States Securities and Exchange Commission or any state regulatory agency which regulates investments made as a public offering. It is agreed that any user of this appraisal who uses it contrary to the prohibitions in this section indemnifies the appraisers and the appraiser's firm and holds them harmless of and from all claims, including attorney's fees, arising from said use.
29. Unless otherwise stated in this report, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value conclusion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
30. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.

31. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
32. If any claim is filed against any of Valbridge Property Advisors, Inc. a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
33. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
34. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
35. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
36. It is your responsibility to read the report and to inform the appraisers of any errors or omissions of which you are aware, prior to utilizing the report.
37. Disclosures of the contents of the appraisal report by the Appraiser are governed by the Bylaws and regulations of the professional appraisal organizations with which the Appraiser is affiliated.
38. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes subject to client data confidentiality.
39. All disputes shall be settled by binding arbitration in accordance with the then-existing commercial arbitration rules of the American Arbitration Association.
40. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification

I certify that, to the best of my knowledge:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My engagement in this assignment and my compensation are 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, approval of a loan, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Craig Johnson has personally inspected the subject property.
9. No one provided significant professional assistance to the person(s) signing this report.
10. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
11. The undersigned hereby acknowledge that they have the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraiser's Statement of Qualifications.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, I, Craig W. Johnson, MAI, have completed the continuing education program of the Appraisal Institute.
14. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
15. All conclusions and opinions concerning the real estate that are set forth in the appraisal were prepared by the Appraisers whose signature(s) appears on the appraisal, unless indicated as "Review Appraiser".
16. No change of any item in the appraisal report shall be made by anyone other than the Appraiser(s), and the Appraiser(s) shall have no responsibility for any such unauthorized change.
17. I have performed appraisal services regarding the properties that are the subject of this report within the three-year period immediately preceding acceptance of the assignment.



Craig W. Johnson, MAI
Certified General Real Estate Appraiser
State of Arizona Certificate No. 30236
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Addenda

Glossary

Definitions are taken from the Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and

is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger DCR typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

- 1) In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
- 2) In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- 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. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

- 1) The date on which the appraisal or review opinion applies. (SVP)
- 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

- 1) The time a property remains on the market.
- 2) The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

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. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of*

the going concern or market value of the total assets of the business. (Dictionary)

Gross Building Area (GBA)

- 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
- 2) Gross leasable area plus all common areas.
- 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

- 1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
- 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
- 3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

- 1) A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice, effective January 1, 2015)
- 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary)

Industrial Gross Lease

A type of modified gross lease of an industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real property taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- 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. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- 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.

(Dictionary)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after

the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of

the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease, net net net lease, or fully net lease*. (Dictionary)


(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)



SITE NUMBER: B025-EE
SEARCH RING: McDONALD PARK
CANDIDATE NAME: McDONALD PARK LIGHT POLE

APPROVALS

AT&T (RF): _____ DATE: _____

AT&T (CONST.): _____ DATE: _____

AT&T (S.A.): _____ DATE: _____

LANDLORD: _____ DATE: _____

LANDLORD: _____ DATE: _____

SITE ACQ: _____ DATE: _____

EXHIBIT C

DRAWING INDEX

REV	DESCRIPTION
4	TITLE SHEET
4	PROPOSED SURVEY (PENDING)
4	OVERALL SITE PLAN & EQUIPMENT PLAN
4	ENLARGED SITE & EQUIPMENT PLAN
4	ELEVATION

DESIGN PACKAGE BASED ON RF DATA SHEET DATE STAMPED 02/01/2010 V.0.0

PROJECT INFORMATION

OWNER: PIMA COUNTY
SITE ADDRESS: 1100 N. HARRISON ROAD
TUCSON, AZ 85710
APN: 114-21-351A
JURISDICTION: PIMA COUNTY
ZONING: SR
LEASE: SR
EXISTING USE: 9500 COUNTY VACANT (LAND)
PROPOSED EQUIPMENT: EQUIPMENT SHELTER W/ ANTENNAS ON REPLACEMENT LIGHT POLE
OCCUPANCY: UNARMED TELECOMMUNICATIONS FACILITY
CONSTRUCTION TYPE: YES
ALLOWABLE AREA: 5500 SF
ACTUAL AREA: 525 SF
POWER COMPANY: TEP
TELCO COMPANY: QWEST

PROJECT SUMMARY

- INSTALLATION OF AN EQUIPMENT SHELTER WITH TELECOMMUNICATION EQUIPMENT CABINETS
- INSTALLATION OF AN ANTENNA ARRAY, 3 SECTORS, 3 ANTENNAS PER SECTOR ON A
- INSTALLATION OF UNDERGROUND COAXIAL CABLE FROM PROPOSED SHELTER TO
- EXISTING UNDERGROUND FIBER OPTIC CABLE
- INSTALLATION OF ELECTRICAL SERVICE FROM POWER COMPANY'S POE TO
- ELECTRICAL SHELTER/DECK AT EQUIPMENT SHELTER
- INSTALLATION OF UNDERGROUND SERVICE FROM TELCO COMPANY'S POE TO HOPKINS
- BOX AT EQUIPMENT SHELTER

SITE DIRECTION

START FROM JURY OFFICE AT: 1. HEAD SOUTH ON N. JAYSON ROAD AND MAKE A RIGHT TURN ON E. HARRISON ROAD, PROCEEDING WEST

2. TAKE A RIGHT TURN ON E. HARRISON ROAD AND PROCEED EAST

3. TAKE A LEFT TURN ON E. HARRISON ROAD AND PROCEED EAST

4. TAKE A LEFT TURN ON E. HARRISON ROAD AND PROCEED EAST

5. BEAR LEFT ON E. GRANT ROAD, TURN LEFT ON E. TANKER WEDGE ROAD

6. TURN LEFT ON E. CATALINA HWY

7. TURN RIGHT ON S. JAYSON ROAD

SITE QUALIFICATION PARTICIPANTS

NAME	COMPANY	PHONE
MICHAEL T. HINES	FM GROUP INC	602-277-7877
JAMIE REEDS	FM GROUP INC	602-360-1333
DAVID M. HARRIS	AT&T	602-315-1199
JILL M. HARRIS	AT&T	602-315-1199

SITE QUALIFICATION PARTICIPANTS

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DAVID M. HARRIS	AT&T	602-315-1199
JILL M. HARRIS	AT&T	602-315-1199

ARTIST MOBILITY

DATE	TIME	LOCATION
12/11/09	10:00 AM	1100 N. HARRISON ROAD, TUCSON, AZ 85710



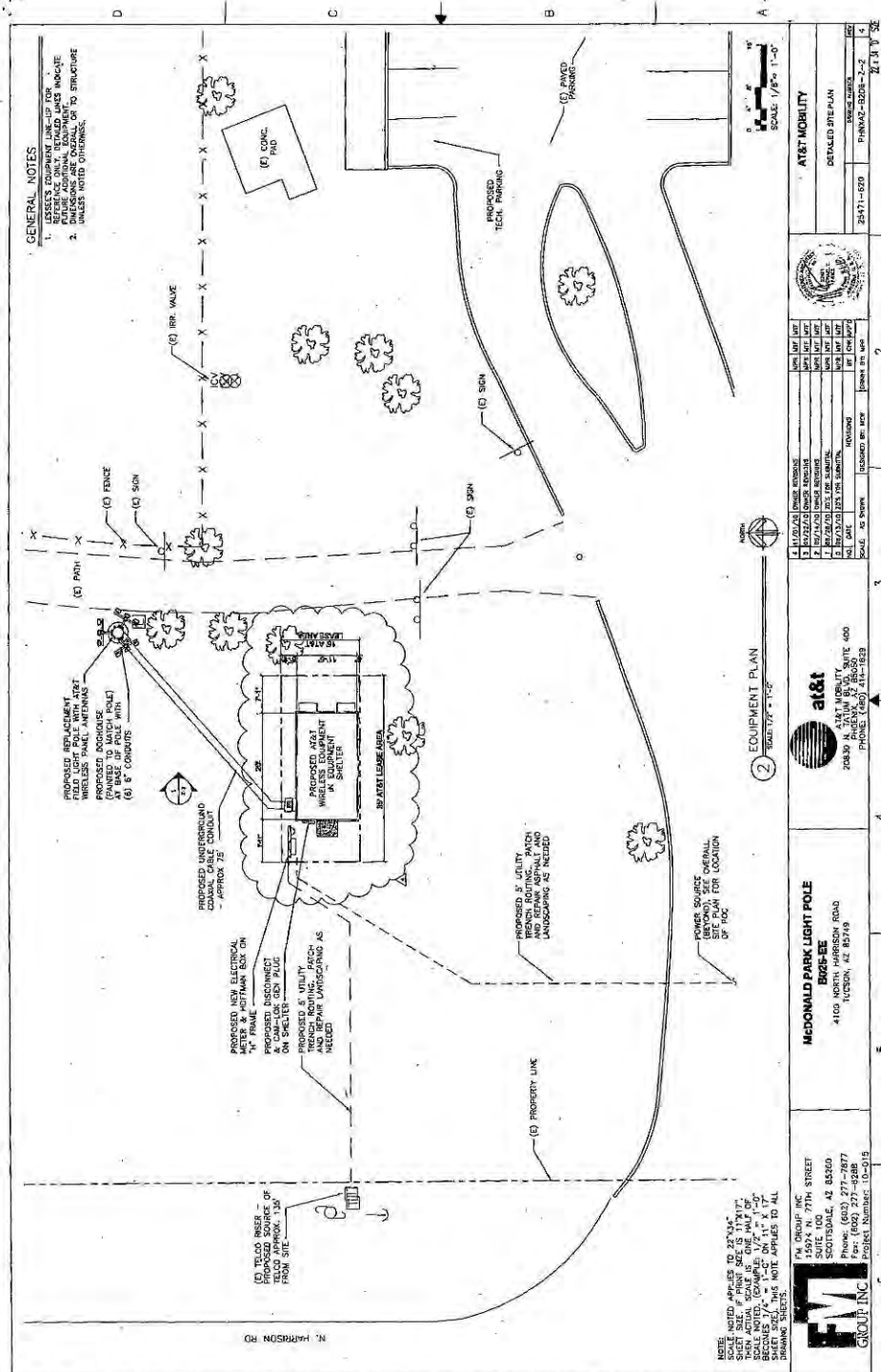





EXHIBIT D



at&t
Your World. Delivered

3000 N. AVENUE
SUITE 100
TUCSON, AZ 85711


SITE NAME: B042-D
SITE ID: INA TEP

DEVELOPMENT SUMMARY

APPLICANT:	AT&T WIRELESS 3000 N. AVENUE, SUITE 100 TUCSON, AZ 85711
OWNER/LANDLORD:	PIMA COUNTY
TOWER OWNER:	TEP
PROJECT ADDRESS:	10000 N. GARDEN ROAD, SUITE 100 3000 N. AVENUE, TUCSON, AZ 85711
ASSESSMENT PARCEL NUMBER:	
LOCATION:	23° 00' 15.5" N 111° 07' 08.6" W
LONGITUDE:	GPS-MAGNA
LONGITUDE TYPE:	TO
EXISTING ZONING:	300.00, P.T.
PROPOSED PROJECT AREA:	TYPE 148
PROPOSED TYPE OF CONSTRUCTION:	TYPE 148
PROPOSED OCCUPANCY:	TYPE 148
EXISTING OCCUPANCY:	U
ADJACENT:	PIMA COUNTY

PROJECT INFORMATION

AT&T PROPOSES A NEW 1500 WIRELESS COMMUNICATIONS COMPOUND WITH (6) NEW ANTENNAS MOUNTED ON AN EXISTING TEP POWER POLE.

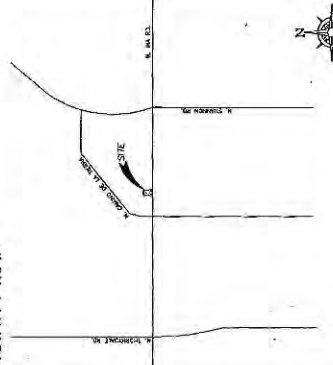


Bechtel Communications, Inc.
500 N. TULSA BLVD., 3020S
GLENDALE, AZ 85308

SITE NAME: INA TEP
SITE ID: B042-D

ADDRESS: IN FRONT OF
3262 W. INA RD.
TUCSON, AZ 85741

VICINITY MAP



DRIVING DIRECTIONS

DEPART PHOENIX ON I-19 WEST TOWARDS TUCSON. GO APPROX. 19.5 MILES, TAKE EXIT 24A FOR I-19 AND TURN LEFT (EAST). SITE IS APPROX. 1.2 MILES ON NORTH SIDE OF I-19. IN FRONT OF THE GLENDALE POINT ART COMPLEX AT 3717 W. INA BL. ON A TEP POWER POLE.

SHEET INDEX

SHEET NUMBER:

1-1
2-1
2-2
2-3


DESCRIPTION

TITLE SHEET
GENERAL SITE PLAN
OVERALL SITE PLAN
ENLARGED SITE PLAN
ELEVATIONS

CLIENT APPROVAL BLOCK

SITE AGO	
CONST.	
P.E.	
OPS	
LL	

CITY APPROVAL BLOCK



at&t
Your World. Delivered

3000 N. AVENUE
SUITE 100
TUCSON, AZ 85711

SITE NAME: B042-D
SITE ID: INA TEP

DEVELOPMENT SUMMARY

APPLICANT:	AT&T WIRELESS 3000 N. AVENUE, SUITE 100 TUCSON, AZ 85711
OWNER/LANDLORD:	PIMA COUNTY
TOWER OWNER:	TEP
PROJECT ADDRESS:	10000 N. GARDEN ROAD, SUITE 100 3000 N. AVENUE, TUCSON, AZ 85711
ASSESSMENT PARCEL NUMBER:	
LOCATION:	23° 00' 15.5" N 111° 07' 08.6" W
LONGITUDE:	GPS-MAGNA
LONGITUDE TYPE:	TO
EXISTING ZONING:	300.00, P.T.
PROPOSED PROJECT AREA:	TYPE 148
PROPOSED TYPE OF CONSTRUCTION:	TYPE 148
PROPOSED OCCUPANCY:	TYPE 148
EXISTING OCCUPANCY:	U
ADJACENT:	PIMA COUNTY

PROJECT INFORMATION

AT&T PROPOSES A NEW 1500 WIRELESS COMMUNICATIONS COMPOUND WITH (6) NEW ANTENNAS MOUNTED ON AN EXISTING TEP POWER POLE.

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2-2
2-3

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TITLE SHEET
GENERAL SITE PLAN
OVERALL SITE PLAN
ENLARGED SITE PLAN
ELEVATIONS

CLIENT APPROVAL BLOCK

SITE AGO	
CONST.	
P.E.	
OPS	
LL	

CITY APPROVAL BLOCK

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SHEET NUMBER:

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2-2
2-3

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OVERALL SITE PLAN
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ELEVATIONS

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SITE AGO	
CONST.	
P.E.	
OPS	
LL	

CITY APPROVAL BLOCK

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SITE AGO	
CONST.	
P.E.	
OPS	
LL	

CITY APPROVAL BLOCK

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2-2
2-3

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TITLE SHEET
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OVERALL SITE PLAN
ENLARGED SITE PLAN
ELEVATIONS

CLIENT APPROVAL BLOCK

SITE AGO	
CONST.	
P.E.	
OPS	
LL	

CITY APPROVAL BLOCK

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SHEET NUMBER:

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2-1
2-2
2-3

DESCRIPTION

TITLE SHEET
GENERAL SITE PLAN
OVERALL SITE PLAN
ENLARGED SITE PLAN
ELEVATIONS

CLIENT APPROVAL BLOCK

SITE AGO	
CONST.	
P.E.	
OPS	
LL	

CITY APPROVAL BLOCK

SHEET INDEX

SHEET NUMBER:

1-1
2-1
2-2
2-3

DESCRIPTION

TITLE SHEET
GENERAL SITE PLAN
OVERALL SITE PLAN
ENLARGED SITE PLAN
ELEVATIONS

CLIENT APPROVAL BLOCK

SITE AGO	
CONST.	
P.E.	
OPS	
LL	

CITY APPROVAL BLOCK

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2-1
2-2
2-3

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OVERALL SITE PLAN
ENLARGED SITE PLAN
ELEVATIONS

CLIENT APPROVAL BLOCK

SITE AGO	
CONST.	
P.E.	
OPS	
LL	

CITY APPROVAL BLOCK

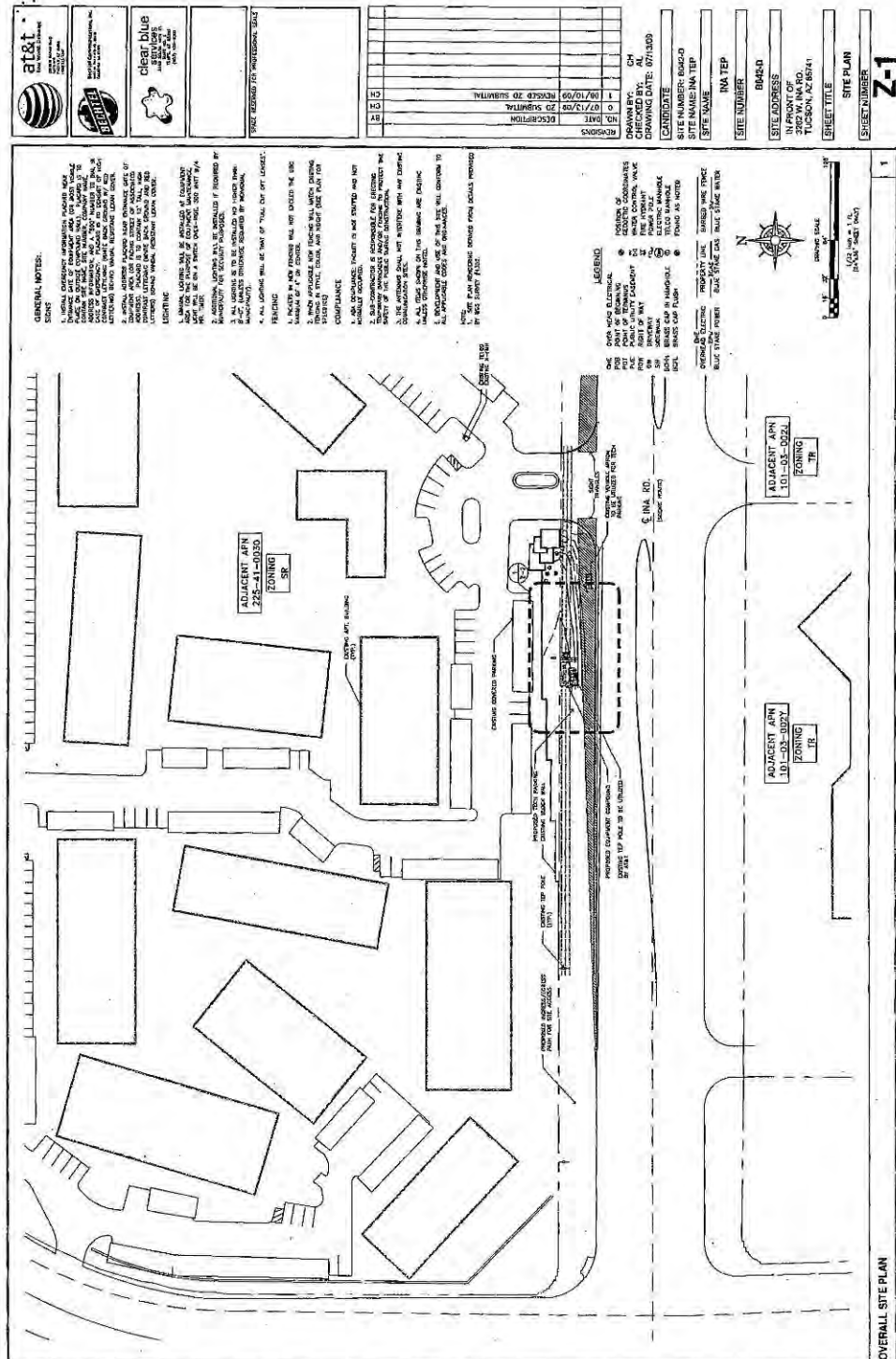
SHEET INDEX

SHEET NUMBER:

1-1
2-1
2-2
2-3

DESCRIPTION

TITLE SHEET
GENERAL SITE PLAN
OVERALL



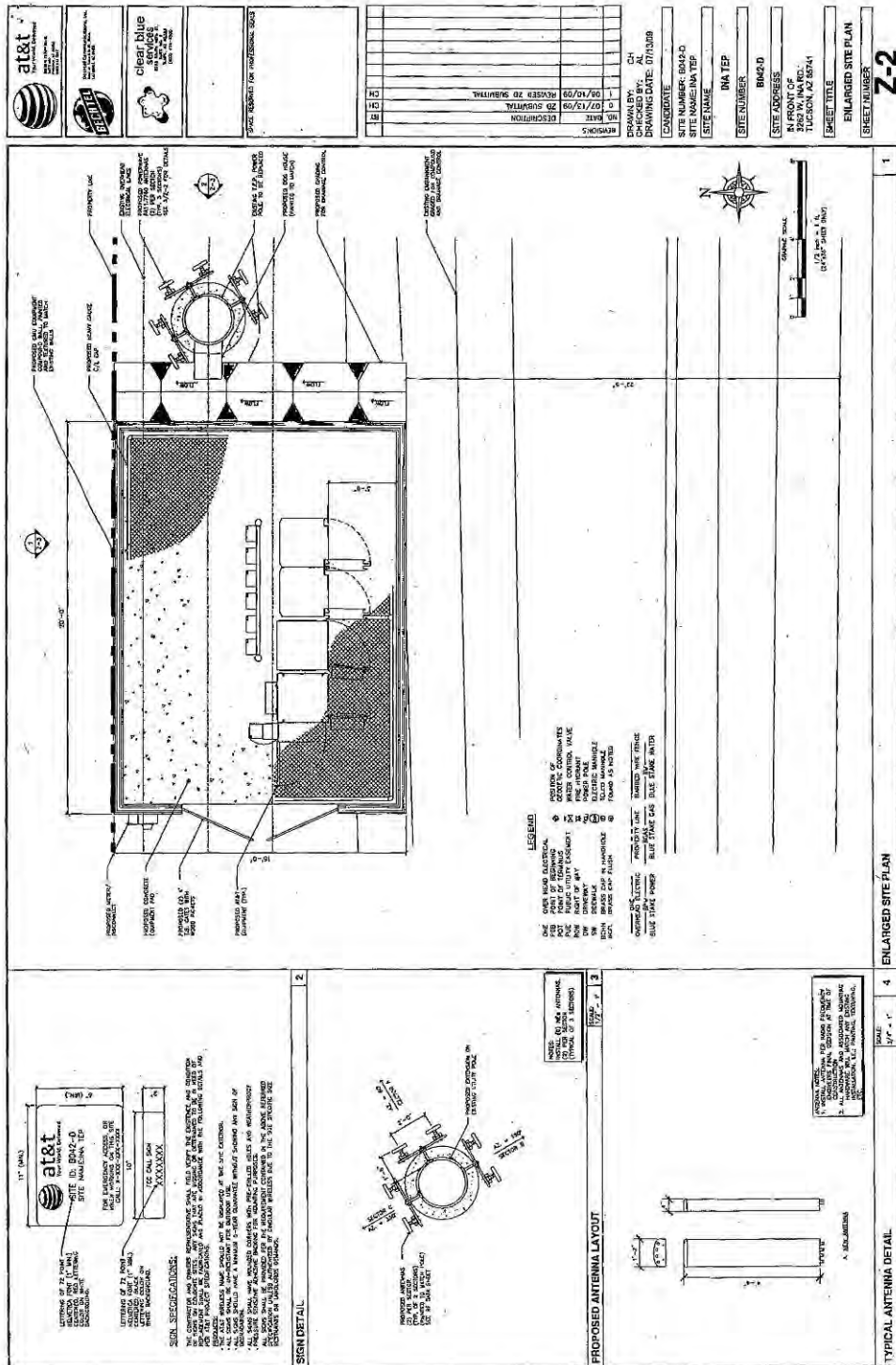


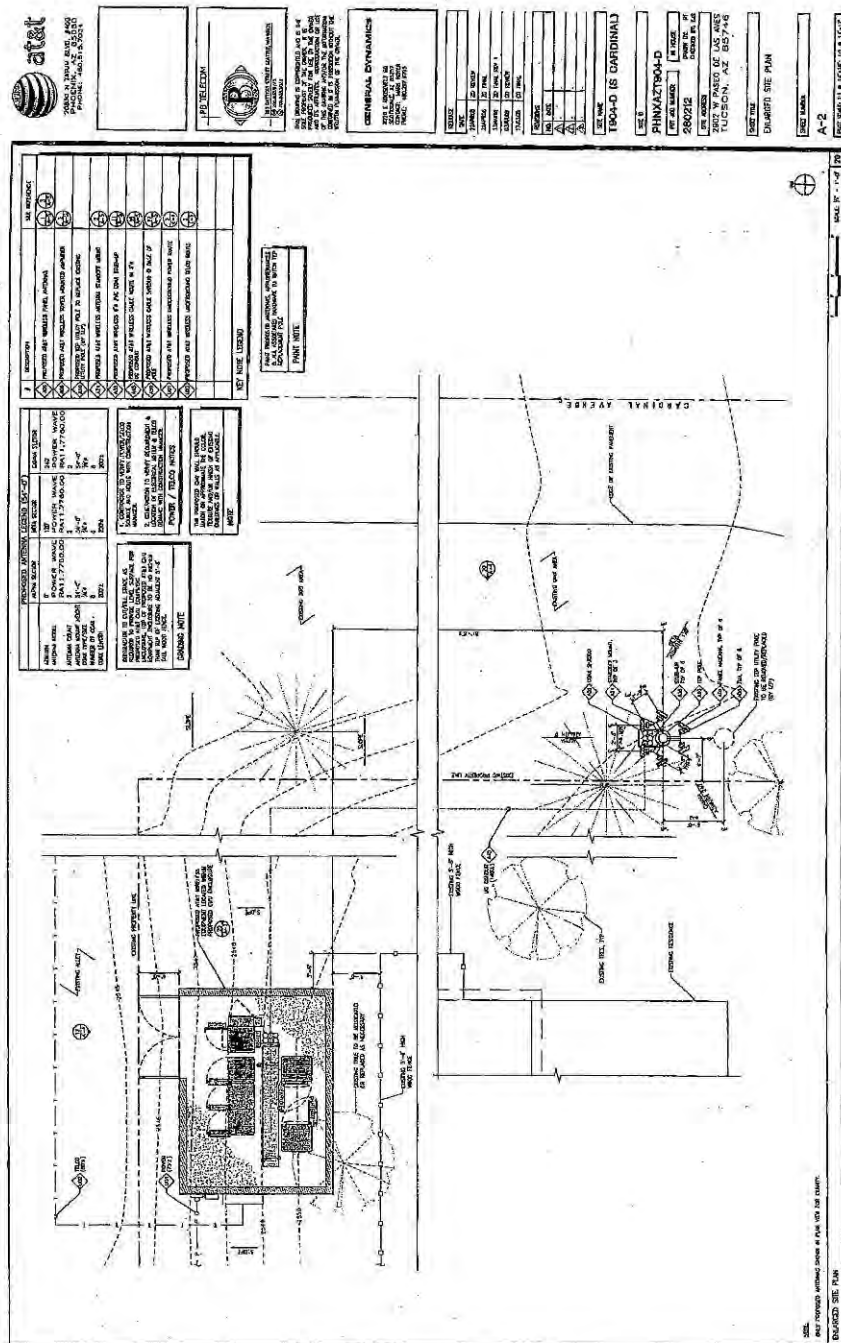
EXHIBIT E

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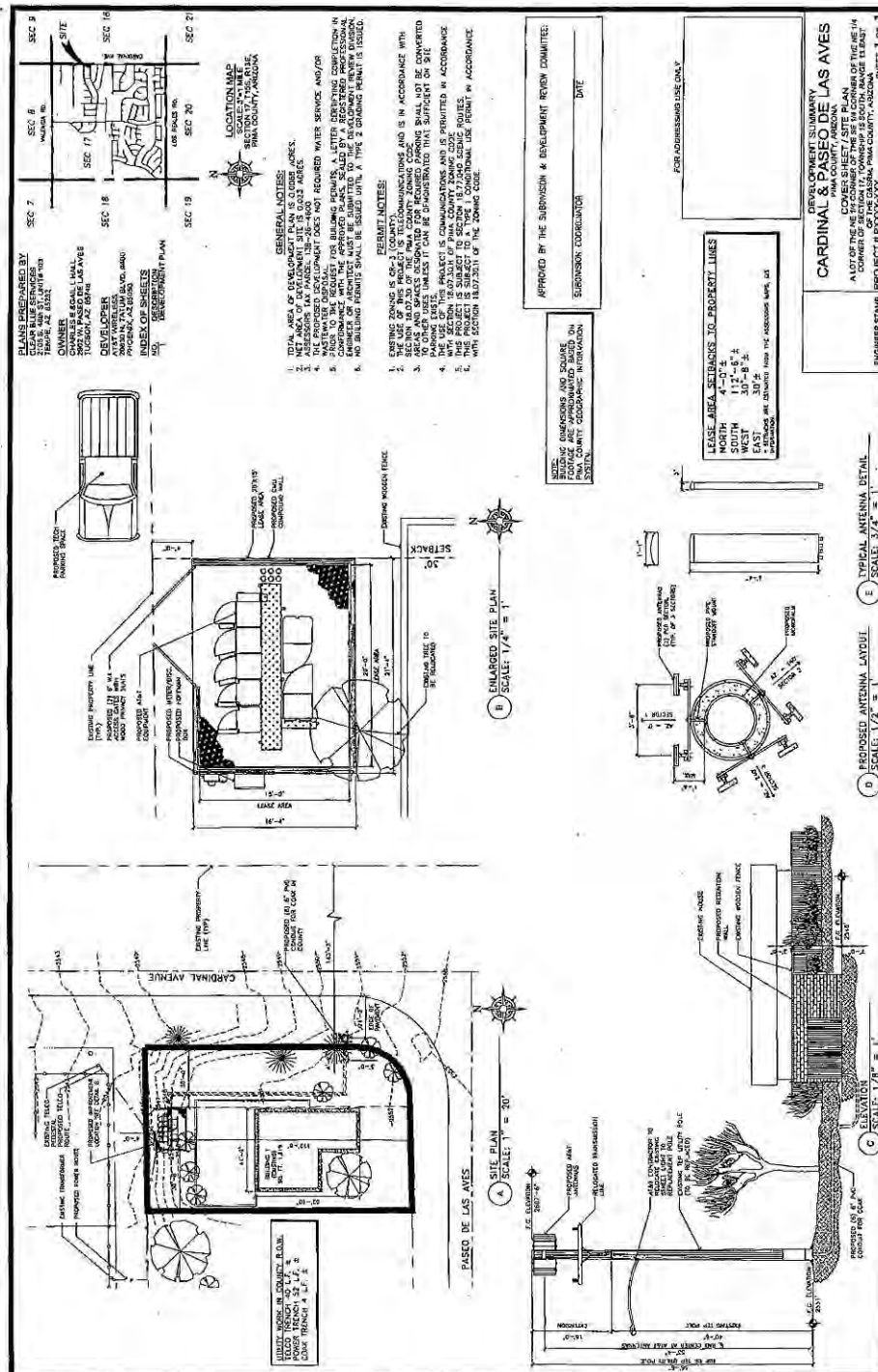
Landscaping Note

There are no existing plants within the Pima County Right-of-Way that will be disturbed by the proposed 4' underground coax run. Nor are proposing to put any landscaping on or around the coax because it will be under ground and therefore hidden from site.

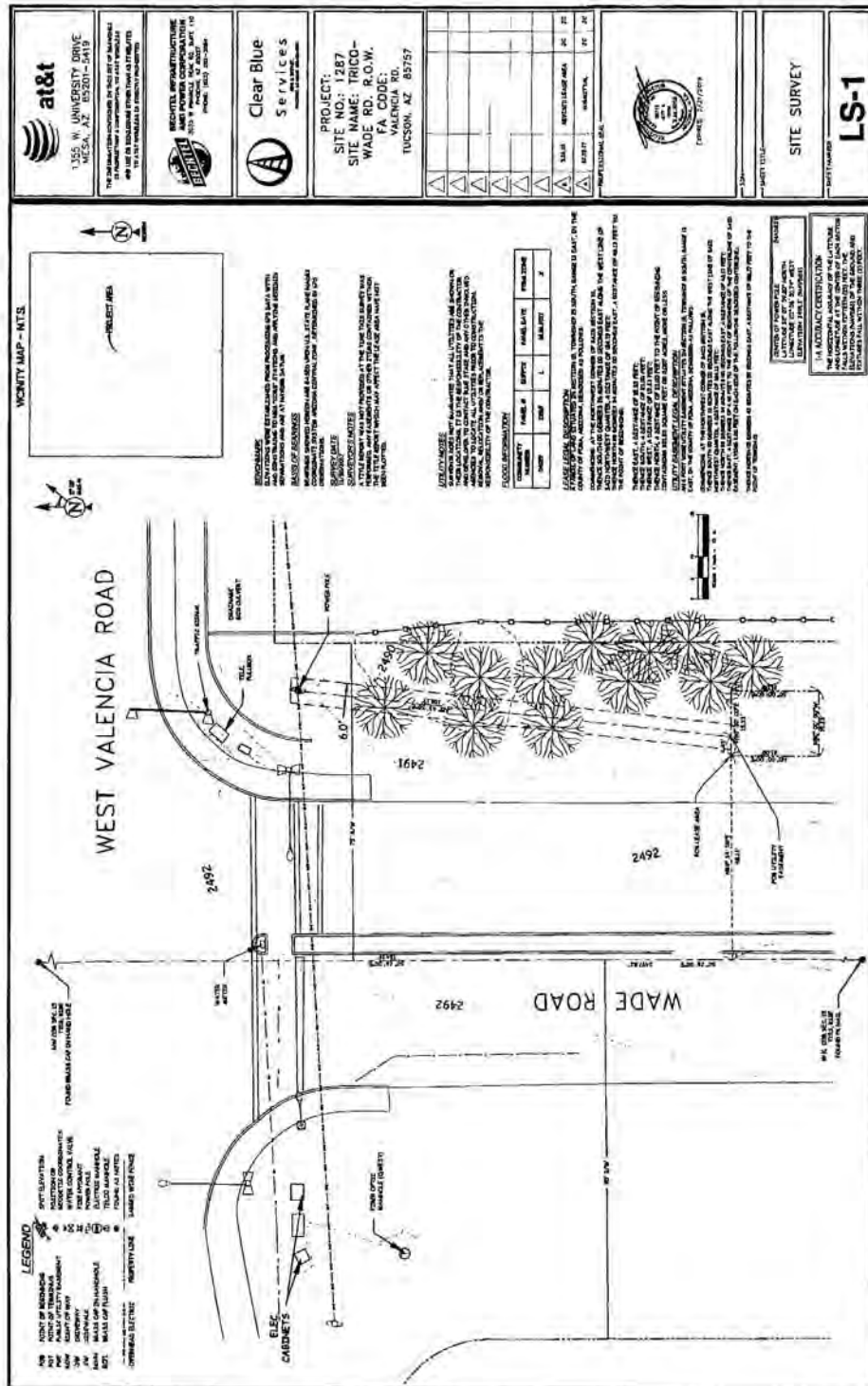
These plans have been approved by the Pima County Planning Dept.

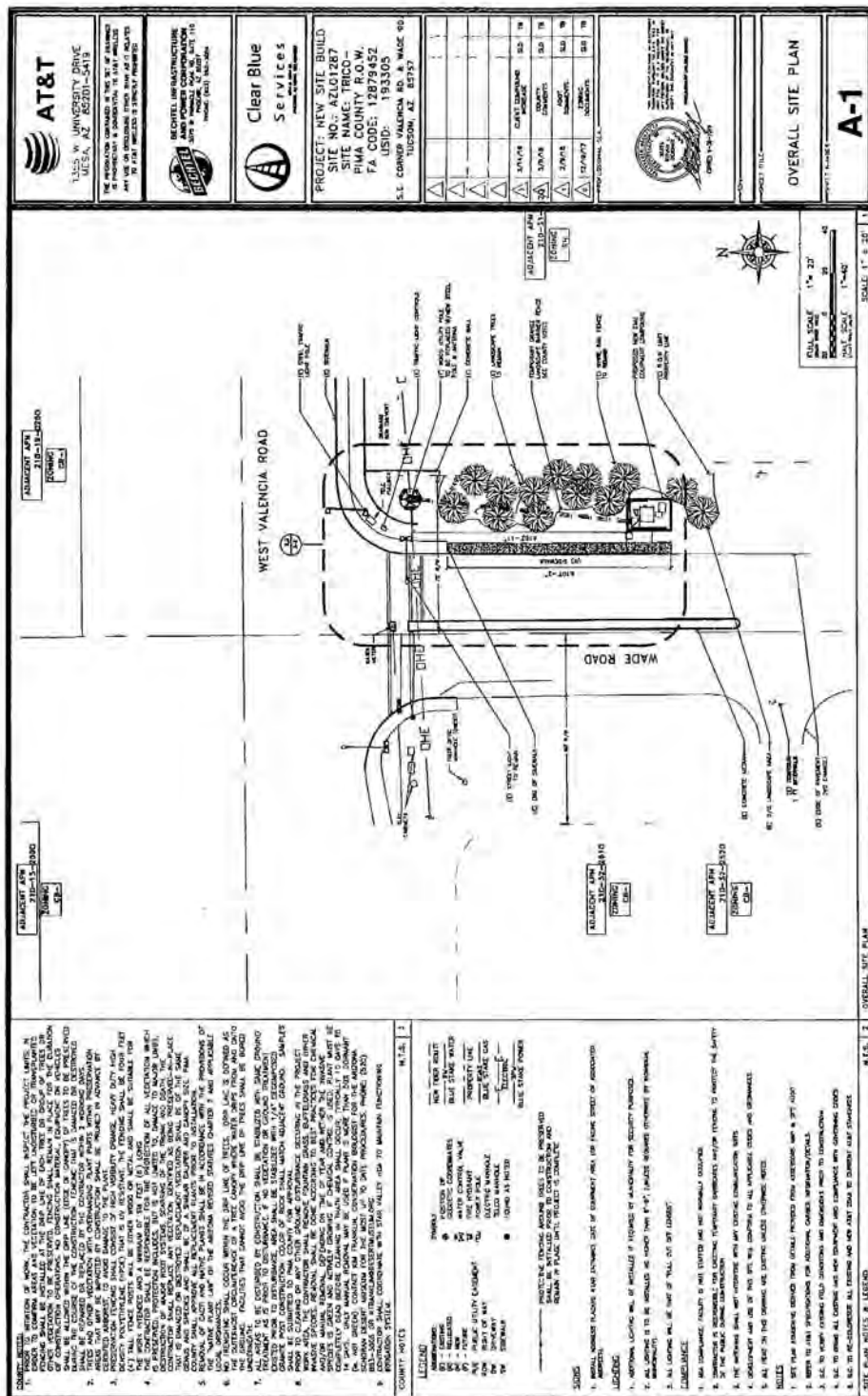


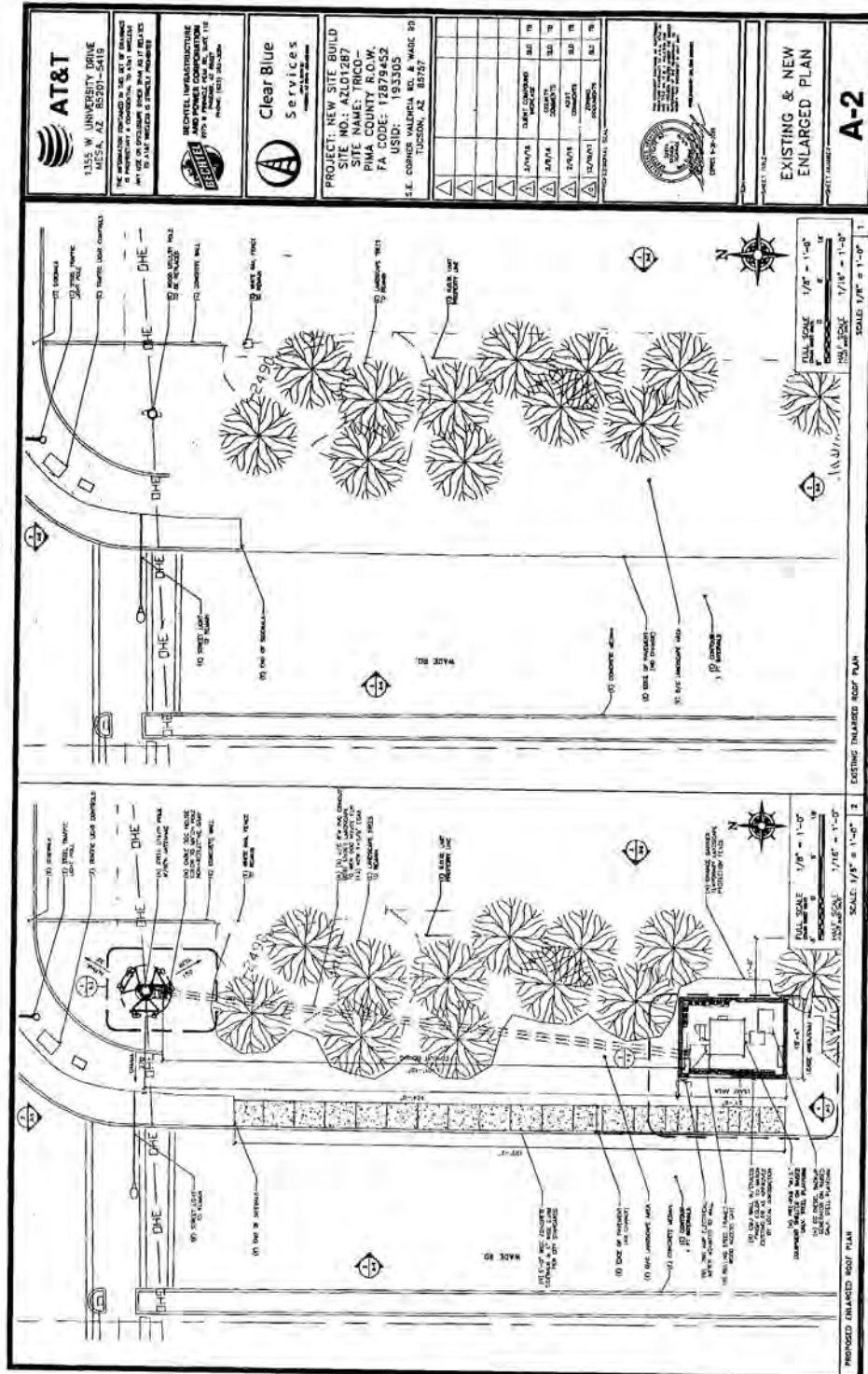


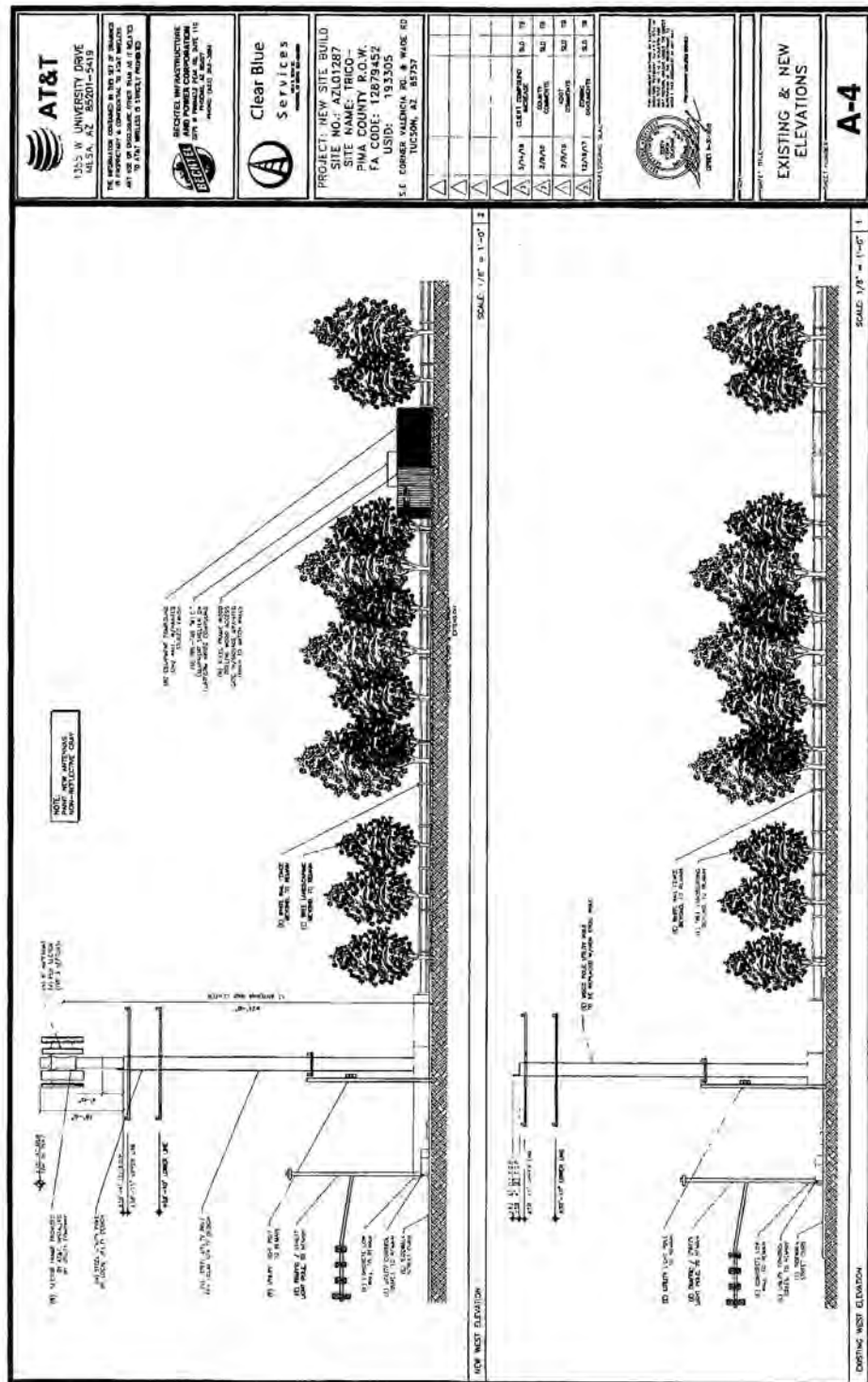


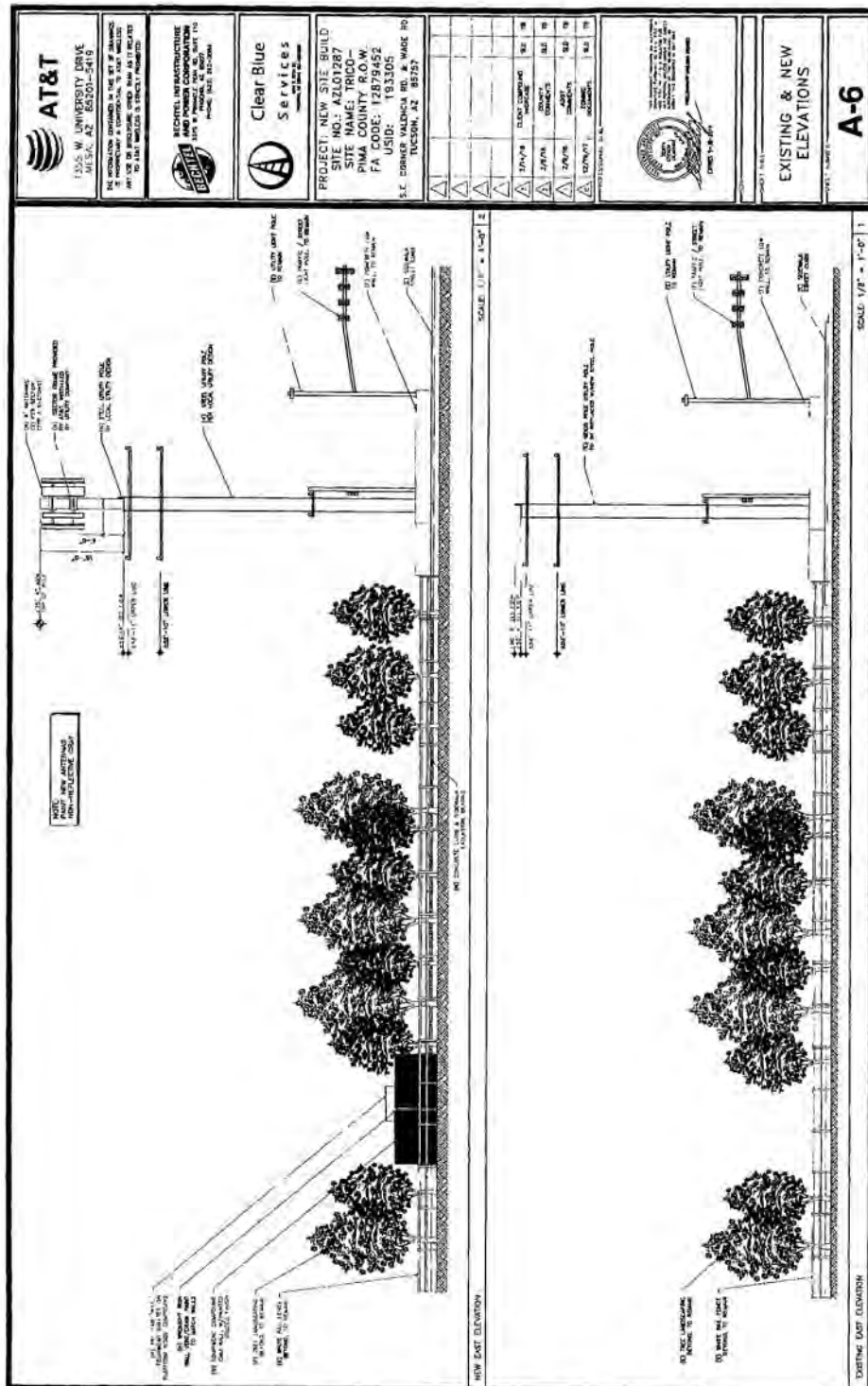
<p>CONSULTANT TEAM</p> <p>AT&T 1552 W. UNIVERSITY DRIVE TUCSON, AZ 85701-5419</p> <p>PROJECT: NEW SITE BUILD SITE NO.: AZ101287 SITE NAME: TRICO PIMA COUNTY, R.O.W. FA CODE: 12879452 USID: 193305 S.E. CORNER VALENCIA RD. & WADE RD. TUCSON, AZ 85757</p>	<p>APPROVALS</p> <p>AT&T (RF): _____ DATE: _____</p> <p>AT&T (CONS.): _____ DATE: _____</p> <p>AT&T (SEA.): _____ DATE: _____</p> <p>UNAPPROVED: _____ DATE: _____</p>	<p>PROJECT DESCRIPTION</p> <p>THIS PROJECT IS A NEW SITE BUILD FOR A SIX CELL TOWER. THE SITE IS LOCATED AT THE S.E. CORNER OF VALENCIA RD. & WADE RD. IN TUCSON, AZ. THE SITE IS A 1.5 ACRE PARCEL. THE PROJECT WILL INCLUDE THE CONSTRUCTION OF A SIX CELL TOWER, ANTENNAS, AND RELATED EQUIPMENT. THE PROJECT WILL ALSO INCLUDE THE INSTALLATION OF A FIBER OPTIC CABLE. THE PROJECT WILL BE COMPLETED BY THE END OF 2010.</p>	<p>AT&T 1552 W. UNIVERSITY DRIVE TUCSON, AZ 85701-5419</p> <p>PROJECT: NEW SITE BUILD SITE NO.: AZ101287 SITE NAME: TRICO PIMA COUNTY, R.O.W. FA CODE: 12879452 USID: 193305 S.E. CORNER VALENCIA RD. & WADE RD. TUCSON, AZ 85757</p>	<p>Clear Blue Services</p> <p>PROJECT: NEW SITE BUILD SITE NO.: AZ101287 SITE NAME: TRICO PIMA COUNTY, R.O.W. FA CODE: 12879452 USID: 193305 S.E. CORNER VALENCIA RD. & WADE RD. TUCSON, AZ 85757</p>																					
<p>GENERAL NOTES</p> <p>1. THE SITE IS A 1.5 ACRE PARCEL. THE PROJECT WILL INCLUDE THE CONSTRUCTION OF A SIX CELL TOWER, ANTENNAS, AND RELATED EQUIPMENT. THE PROJECT WILL ALSO INCLUDE THE INSTALLATION OF A FIBER OPTIC CABLE. THE PROJECT WILL BE COMPLETED BY THE END OF 2010.</p> <p>2. THE SITE IS A 1.5 ACRE PARCEL. THE PROJECT WILL INCLUDE THE CONSTRUCTION OF A SIX CELL TOWER, ANTENNAS, AND RELATED EQUIPMENT. THE PROJECT WILL ALSO INCLUDE THE INSTALLATION OF A FIBER OPTIC CABLE. THE PROJECT WILL BE COMPLETED BY THE END OF 2010.</p>	<p>DRIVING DIRECTIONS</p> <p>STARTING FROM THE AT&T OFFICE AT 1552 W. UNIVERSITY DRIVE, WEST ON UNIVERSITY DRIVE TO THE VALENCIA RD. INTERSECTION. TURN RIGHT ON VALENCIA RD. AND TRAVEL EAST TO THE WADE RD. INTERSECTION. TURN LEFT ON WADE RD. AND TRAVEL SOUTH TO THE SITE.</p>	<p>VICINITY MAP</p>	<p>APPLICABLE CODES</p> <p>ALL CODES ARE BASED ON THE 2008 EDITION OF THE INTERNATIONAL BUILDING CODE (IBC) AND THE 2008 EDITION OF THE INTERNATIONAL PLUMBING CODE (IPC). THE CODES ARE BASED ON THE 2008 EDITION OF THE INTERNATIONAL BUILDING CODE (IBC) AND THE 2008 EDITION OF THE INTERNATIONAL PLUMBING CODE (IPC).</p>	<p>RFDS DATA SUMMARY</p> <p>RFDS DATA SUMMARY: THE PROJECT WILL INCLUDE THE CONSTRUCTION OF A SIX CELL TOWER, ANTENNAS, AND RELATED EQUIPMENT. THE PROJECT WILL ALSO INCLUDE THE INSTALLATION OF A FIBER OPTIC CABLE. THE PROJECT WILL BE COMPLETED BY THE END OF 2010.</p>																					
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A-5	EXISTING & NEW ELEVATIONS	1																							













6061 E. Grant Road
Suite 121
Tucson, AZ 85712
520-321-0000 phone
520-290-5293 fax
valbridge.com

Date: June 27, 2018

Mr. Jeff Teplitsky
Appraisal Supervisor
Pima County Real Property Services
201 N Stone Avenue, Floor 6
Tucson, AZ 85701

Sent by e-mail: Jeffrey.Teplitsky@pima.gov

Re: Valuation of four proposed cell tower site right-of-way use licenses in Pima County,
Arizona:
4100 N Harrison Road
3220 W Ina Road
2902 W Paseo de las Aves
SEc Wade and Valencia Rds (AZL01287 site)

Dear Mr. Teplitsky:

I am submitting this proposal to complete appraisals of the referenced properties, which comprise license rights associated with a non-exclusive right-of-way use license for wireless communication facilities referenced by Pima County contract number CTN-IT-15000000000000000003, Amendment #5. However, rather than expiring on September 23, 2020, the appraisal will assume a 50-year license term with the stated contract license fees utilized for the first year, followed by 3% annual increases for the remaining 49 years. The appraisal would determine the market value of the stated interest for each site based on the proposed terms and will be used as a basis for an open market auction of the noted property rights.

The scope of work proposed for this assignment will involve application of the income capitalization approach to determine the present value of each easement interest based on the income potential of the site assuming the specified lease terms. The report, which will meet USPAP standards, will provide brief summaries of each property, its market environment, proposed lease terms and the method utilized to determine the current market

value. One appraisal report will be prepared that will address the individual market values of the license rights for each of the parcels.

The intended users of the report are Pima County Real Property Services and other parties with an interest in selling or acquiring the easement interests of the subject properties.

My certification on the report will be subject to the attached limiting conditions and to other specific and limiting conditions which will be set forth in the report if appropriate.

The total fee for the appraisal assignment will be \$1,500. Upon the timely receipt of the necessary information, and the mutually-executed agreement, the report will be completed by July 26, 2019.

The client hereby agrees to pay an 18% per annum finance charge on any unpaid balance of the fee if payment is not received when due. Accounts which must be assigned to an outside agency for collection will be assessed a \$200.00 service charge. In case legal action is instituted to collect a past due balance, the above-named client promises to pay collection costs and such additional sums as the court may adjudge reasonable such as court costs, attorney fees, service of process, and any other costs necessary to effect judgment and enforce payment. Please make all checks payable to MJN Enterprises, Inc.

If this agreement is not signed by the client and returned to the appraisers within two days from the above date, the fees set forth herein may be subject to change. Further, the above-quoted fee agreement is subject to change by the appraisers upon inspection of the property or upon change in the client's requested services. Appraisers shall notify the client of any such change in fees prior to commencement of the work.

The parties agree that the estimated fee does not include any services or expenses other than those as set forth above. For example, post appraisal consultation, appearance at legal proceedings, research, analysis, preparation, and testimony for depositions or court appearances for any legal proceedings are not included services, unless specifically set forth above. Any such additional services requested by the client and expenses occasioned thereby are subject to an additional fee to be billed at \$200.00 per hour, excepting expert witness testimony and testimony within depositions which are billed at \$250 per hour.

Your acceptance of this proposal, as confirmed by your signature on this letter, will acknowledge your understanding and agreement with the terms of this assignment as set forth in this letter, including the document entitled "General Assumptions and Limiting Conditions." This contract is made solely with Valbridge | MJN Enterprises, Inc., an independent corporation.

If these terms expressed in this letter are acceptable to you, please date and sign this original letter and return it to me, together with your check covering the retainer fee made payable to MJN Enterprises, Inc. I am enclosing a signed copy of this letter for your records.

If any provision of this agreement is determined to be void or unenforceable by any court of proper jurisdiction, such determination shall not affect any other provision of this agreement held to be enforceable and all such enforceable provisions shall remain in full force and effect. Any actions or proceedings brought by anyone relating to or arising out of this agreement shall be brought in a court of proper jurisdiction in Pima County, Arizona. It is agreed that this agreement and the performance hereunder and all suits and legal proceedings hereunder shall be construed in accordance with and pursuant to the laws of the State of Arizona. This agreement represents the entire agreement between the parties and supersedes all prior written or oral agreements, negotiations, or representations.

This agreement shall be binding upon the heirs, successors, and assigns of the parties.

I look forward to being of service to you.


Respectfully submitted,

VALBRIDGE PROPERTY ADVISORS | TUCSON



By _____
Craig Johnson, MAI
Managing Director
Certified General Real Estate Appraiser
State of Arizona, Certificate #30236

CLIENT ACCEPTED & APPROVED:

By  _____
Date 6/27/19

QUALIFICATIONS OF CRAIG W. JOHNSON, MAI
State of Arizona Certified General Real Estate Appraiser, Certificate #30236

PROFESSIONAL EXPERIENCE

2013 to present	Valbridge Property Advisors MJN Enterprises, Inc., Managing Director
2012 – 2013	US Department of Interior, Office of Valuation Services, Review Appraiser
2005 to 2012	MJN Enterprises, Inc., Senior Analyst and Consultant
2001 – 2005	Bruce D. Greenberg, Inc., Senior Analyst and Consultant
2000	KB Real Estate Advisors & Appraisers, Inc., Senior Analyst/Consultant
1994 - 2000	CB Richard Ellis, Inc., Assistant VP Valuation & Advisory Services
1992 - 1994	Craig W. Johnson, MAI, sole proprietor
1990 - 1991	RTC/Pima Federal Savings, Vice President and Chief Appraiser
1982 - 1990	Greenberg Chin Consultants, Senior Appraiser

PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS

Member (MAI), #8241 of the Appraisal Institute. The Institute conducts a mandatory program of continuing education for its designated members. Mr. Johnson is currently certified under this program.

FORMAL EDUCATION

Bachelor of Science in Business Administration, University of Arizona, Finance major

PROFESSIONAL EDUCATION

All required classes to obtain MAI Designation and state certifications.

SCOPE OF PRACTICE

Mr. Johnson's appraisal practice is concentrated on valuations for the following purposes: Mortgage loan underwriting, Private negotiations, Legal proceedings, and Consultations.

Clientele include private individuals, corporate entities, financial institutions, and governmental agencies. Mr. Johnson is experienced in the appraisal of both residential and commercial properties and specializes in single- and multi-tenant industrial, retail, and office facilities, and conventional and subsidized multifamily projects, including apartments developed under the Low Income Housing Tax Credit (LIHTC) program. Assignments have been completed in Arizona, New Mexico, Colorado and Nevada, with the State of Arizona being the primary service area.





FAST FACTS


Company Information on Valbridge Property Advisors

- Valbridge is the largest national commercial real estate valuation and advisory services firm in North America:
 - Total number of MAIs (200 on staff)
 - Total number of office locations (68 across the U.S.)
 - Total number of staff (675 strong)
- Valbridge covers the U.S. from coast to coast.
- Valbridge services all property types, including special-purpose properties.
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