APPRAISAL OF
A Vacant Site

LOCATED AT
814 N. 5th Avenue
Phoenix, AZ 85003
Lot 8, Block M, Chester Place (MCR 03/48)

FOR
City of Phoenix
251 W. Washington Street
Phoenix, AZ 85003

AS OF
February 21, 2017

BY
Richard L. Kloc, MAI, SRA
Foresight Valuation Group, Inc.
3529 E. Nighthawk Way
Phoenix, AZ 85048
(480) 759-8199
foresight2@q.com
Foresight Valuation Group, Inc.
3529 E. Nighthawk Way
Phoenix, AZ  85048

Mr. Steve Laney
City of Phoenix
251 W. Washington Street, 8th Floor
Phoenix, AZ  85003

Re:  814 N. 5th Avenue, Phoenix, AZ

Dear Mr. Laney:

In accordance with your request, I have personally viewed and prepared an appraisal report of the above referenced real property, which is also identified as Maricopa County Tax Parcel No. 111-39-121. The purpose of this real property appraisal is to form an opinion of market value, predicated upon the definition of value described in the body of this report.

Attached, please find my appraisal report, which describes certain data gathered during the course of my investigation. The opinion of value expressed is contingent upon the attached Assumptions and Limiting Conditions. Use of this appraisal acknowledges your acceptance of these assumptions and limiting conditions.

Based upon the findings of this investigation, my opinion as to the market value range of the subject's fee simple interest, as of February 21, 2017 is:

$220,000

This opinion of market value is based upon the attached data and analysis, which provides the necessary support for this opinion. Please read the attached report in its entirety in order to understand the rationale for the final opinion of value. It has been a pleasure to assist you; if I may be of service to you in the future, please let me know.

Respectfully submitted,

Richard L. Kloc, MAI, SRA
AZ Certification No. 30063
Expires 8/31/2018
SUMMARY OF RELEVANT FACTS

LOCATION: 814 N. 5th Avenue, Phoenix AZ
APN: 111-39-121
AREA OF SITE: +/-7,000 S.F.
ZONING: DTC S-ROO, Downtown Code - Roosevelt South, City of Phoenix
IMPROVEMENTS: N/A
OPINION OF MARKET VALUE RANGE: $220,000
PROPERTY RIGHTS APPRAISED: Fee Simple
LEASEHOLD INTEREST: None
ESTIMATED VALUE RANGE OF SITE: $220,000

DATE OF VALUATION: February 21, 2017
DATE OF REPORT: March 16, 2017
APPRAISER: Richard L. Kloc, MAI, SRA
Certification #30063
State of Arizona
Expires: 8/31/2018
LAND APPRAISAL REPORT

Property Address: 814 N. 5th Avenue
City: Phoenix
County: Maricopa
Legal Description: Lot 8, Block M, Chester Place (MCR 03/48)
State: AZ
Zip Code: 85003

S U B J E C T

Assessor's Parcel #: 111-39-121
Tax Year: N/A
R.E. Taxes: $ Exempt
Special Assessments: $ N/A
Market Area Name: Roosevelt Historical District
Map Reference: T-1N, R-3E, Sec. 5
Census Tract: 1131.00
Current Owner of Record: City of Phoenix
Borrower (if applicable): N/A

Proj ect Type (if applicable): PUD De Minimis PUD Other (describe) Subdivided Lot
HOA: $ N/A per year per month

Are there any existing improvements to the property? Yes
If Yes, give a brief description: Vacant subdivided lot.

The purpose of this appraisal is to develop an opinion of: X Market Value (as defined), or N/A other type of value (describe)

This report reflects the following value (if not Current, see comments): X Current (the Inspection Date is the Effective Date) Retrospective Prospective

Property Rights Appraised: X Fee Simple Leasehold Leased Fee Other (describe)

Intended Use: Disposition of the property.

Intended User(s) (by name or type): Intended users are limited to the City of Phoenix.

Client: City of Phoenix
Address: 251 W. Washington Street, Phoenix, AZ 85003
Appraiser: Richard L. Kloc, MAI, SRA
Address: 3529 E. Nighthawk Way, Phoenix, AZ 85048

C H A R A C T E R I S T I C S

Location: x Urban x Suburban x Rural
Built up: x Over 75% x 25-75% x Under 25%
Growth rate: x Rapid x Stable x Slow
Property values: x Increasing x Stable x Declining
Demand/supply: x Shortage x In Balance x Over Supply
Marketing time: x Under 3 Mos. x 3-6 Mos. x Over 6 Mos.

Predominant Occupancy

One-Unit Housing

PRICE $(000) AGE (yrs)
Owner 138 Low New
Tenant 85
Vacant (0-5%) 1,050 High 105 Multi-Unit 25
Vacant (>5%) 375 Pred 85 Schools/Pks 5

Factors Affecting Marketability

Item

Employment Stability
Convenience to Employment
Convenience to Shopping
Convenience to Schools
Adequacy of Public Transportation
Recreational Facilities

Adequacy of Utilities
Property Compatibility
Protection from Detrimental Conditions
Police and Fire Protection
General Appearance of Properties
Appeal to Market

Change in Land Use

Not Likely
Likely *
In Process *
Not Likely
To: New residential and commercial development.

Present Land Use

One-Unit 45 %
Multi-Unit 15 %
Comm/1 25 %
Schools/Pks 5 %

MARKET AREA DESCRIPTION

The subject neighborhood is bound on the north by McDowell Road, on the east by Central Avenue, on the south by Fillmore Street and on the west by 7th Avenue. The described neighborhood consists of approximately 1/3 of a square mile. This neighborhood is over 75% built up. New residential infill development has been ongoing. Since the supply of vacant sites is limited, new development often requires the demolition or renovation of older, depreciated improvements. New residential development is intermixed with older historical single-family and multi-family dwellings. Most of the subject neighborhood is within the Roosevelt Historical District. Thus, new development must be made in conformance with the appropriate historic preservation overlay in addition to City zoning requirements. Most recent residential development has been of higher density condominium projects and apartments. Many existing historic single-family homes have been converted to business uses that include law offices, other small-scale professional offices, and restaurants.

Schools, shopping and other supportive community services are located within one mile. Roosevelt Row, considered a prominent arts and culture district unique to the downtown area, provides a mix of local businesses, retail shops and galleries within walking distance. The downtown central business district is located directly south of the subject neighborhood. A light rail system borders the east side of the neighborhood, connecting the cities of Tempe and Mesa to the east, with downtown and uptown Phoenix to the northwest. Interstate 10 transverses the subject neighborhood in an east/west direction running below grade under Margaret T. Hance Park. Burton Barr Central Library is located on Central Avenue, within walking distance of the subject neighborhood. The overall market appeal of the neighborhood is considered average.

The subject neighborhood is in the revitalization stage of its life cycle. This is a period that is signified by renewal, redevelopment, and modernization. Due to limited land sales activity, it was necessary to expand the search for comparables to include a larger market area. Based upon statistical information provided by ARMLS, the median sales price of residential dwellings has increased over the past 7-12 month period. The supply of active listings has increased over this same period. The number of closed sales has remained relatively stable. Based upon current period absorption, a 4.5-month supply remains of detached single-family homes. Thus, supply/demand for conventional detached homes is considered in balance. However based upon current absorption figures, a 14-month supply of loft/townhouse/apartment style dwellings remains. Unless the number of closed sales increases in the coming months, prices of this sector are expected to soften.
LAND APPRAISAL REPORT

Dimensions: 50.0' x 140'
Site Area: 7,000 Sq.Ft.

Zoning Classification: DTC-S-ROO, Downtown Code Roosevelt South
Description: Allows residential and commercial development that conforms to Section 1204 Land Use Matrix, subject to provision of Section 1219 Roosevelt South and Section 812.D of the City’s Zoning Ordinance, which includes the General Design Guidelines for Historic Properties. Do present improvements comply with existing zoning requirements?  Yes  No  X  No Improvements
Uses allowed under current zoning: Residential, commercial, or mixed uses that preserve the historic character of the subject neighborhood.

Are CC&Rs applicable?  X  Yes  No  X  Unknown

Have the documents been reviewed?  X  Yes  No
Ground Rent (if applicable) $ NA/

Highest & Best Use as improved:  X  Present use, or

Other use (explain) Residential/commercial or mixed use development

Actual Use as of Effective Date: Vacant Subdivided Lot
Use as appraised in this report: Vacant Subdivided Lot

Summary of Highest & Best Use: Considering the size of the subject site, its utility services, access, visibility, zoning, and historical location, its Highest and Best Use is for future residential/commercial or mixed use development. Future development of the site is limited by its physical size, and improvements are to be constructed in accordance with the minimum building setbacks and lot coverage restrictions dictated by its current zoning restrictions.

Utilities

Electricity  X  APS
Gas  X  Southwest Gas
Water  X  City of Phoenix
Sanitary Sewer  X  City of Phoenix
Storm Sewer  X  N/A

Other site elements:  X  Inside Lot  X  Corner Lot  X  Cul de Sac  X  Underground Utilities  X  Other (describe)

FEMA Spec'1 Flood Hazard Area  X  Yes  No  FEMA Flood Zone X  FEMA Map # 04013C2205L  FEMA Map Date 10/16/2013

Site Comments: A survey of the subject was not provided, nor were the corners of the subject property identified as of the effective date of appraisal. No obvious adverse easements, encroachments, or other unfavorable conditions were noted. According to Community-Panel No. 04013C2205L, dated 10/16/2013, the subject is located in Zone X, which is outside of the 100 year flood area. Flood insurance is not typically required for improvements built in Zone X. The subject site is rectangular in shape and at grade with surrounding properties. Based upon dimensions provided on the recorded plat map, the subject’s size is estimated at 7,000 square feet. This figure was relied upon in the following Sales Comparison Approach.

No overhead power lines were noted from a physical viewing of the subject. However, Arizona Public Service stated that power is available to the property from the rear alleyway. Without an on-site visit, APS could not confirm if the service would be provided underground or by overhead lines. Southwest Gas confirmed that nature gas service is available to the subject property. However, the service was disconnected as of the effective date of appraisal.

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<th>FEATURE</th>
<th>SUBJECT PROPERTY</th>
<th>COMPARABLE NO. 1</th>
<th>COMPARABLE NO. 2</th>
<th>COMPARABLE NO. 3</th>
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3/2007
SALES COMPARISON APPROACH

Comparable No. 1 is located on the same street as the subject property. This comparable is the same size with the same or similar development potential. According to the listing agent, Comparable No. 1 is scheduled to close escrow the first week of April. The agreed upon sales price is $250,000, which is also the original list price. The listing agent reports that the property has fallen out of escrow three prior times due to development restrictions imposed by zoning and historical preservation guidelines.

Comparable Nos. 2 and 3 are located in character areas Evans Churchill West and Evans Churchill East, respectively. Both character areas allow higher density developments with higher height limitations. The grantee of Comparable No. 2 purchased the property with the intention of developing the site with a commercial use that includes a restaurant on the ground floor. The development potential of both of these comparables is considered superior to the subject site as both are located outside of any historical district. The purchase price of Comparable No. 3 reportedly included approved construction plans for a 10,500 sf, three-story multi-family development containing four units with 2,000 sf of retail space on the ground floor.

Comparable No. 4 is a slightly larger site located just outside of the area governed by the Downtown Code. This comparable is zoned R-5 (R) (HP) Multi-family Residential which also allows some commercial uses such as professional/medical office. It is located in the Garfield historical preservation district. The combined effect of its zoning and HP designation is considered similar to the subject's development potential. This comparable was purchased as part of larger assemblage.

My research did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal. Data Source(s): Maricopa County Public Records, ARMLS.

Analysis of sales/transfer history and/or any current agreement of sales/listing:

As of the effective date of appraisal, the subject is not offered for sale in ARMLS or reported to be in escrow. No real estate signs were discovered on the property at the time of viewing. No prior transfers of the subject were discovered within the past five years.

No prior transfers of any of the comparables are known to have taken place within the past three-year period.

Since the subject consists of a vacant site, only the sales comparison approach proved to be an applicable method of analysis. Thus, full emphasis is placed upon this approach in the final analysis.

This appraisal is made "as is", or subject to the following conditions:

Based upon the inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is:

$220,000, as of: February 21, 2017, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

A true and complete copy of this report contains 22 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

- Scope of Work
- Narrative Addendum
- Location Map(s)
- Flood Addendum
- Additional Sales
- Hypothetical Conditions
- Extraordinary Assumptions
- Survey/Legal Description

Client Contact: Mr. Steve Laney
E-Mail: steve.laney@phoenix.gov

Appraiser: Richard L. Kloc, MAI, SRA
Company: Foresight Valuation Group, Inc.
Phone: (480) 759-8199
E-Mail: foresight2@cox.com
Date of Report (Signature): March 16, 2017
License or Certification #: 30063
Designation: MAI, SRA
Expiration Date of License or Certification: 08/31/2018
Inspection of Subject: Did Inspect
Date of Inspection: February 21, 2017

Supervisory or Co-Appraiser: (if required)

Company:
Phone:
Fax:
E-Mail:
Date of Report (Signature):
License or Certification #: State:
Designation:
Expiration Date of License or Certification:
Inspection of Subject: Did Inspect
Date of Inspection:
## ADDITIONAL COMPARABLE SALES

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**Summary of Sales Comparison Approach**

Comparable No. 1 is a pending sale scheduled to close escrow the first week of April. Comparable Nos. 2 and 3 both closed within the past five months. These comparables are considered recent enough not to require an adjustment for time. An upward adjustment is made to Comparable No. 4 to reflect improving market conditions. Downward adjustments are made to Comparable No. 2 to reflect its superior commercial location and higher density development potential. Downward adjustments are made to Comparable No. 3 to reflect its higher density development potential and contributory value of its approved construction plans/permits. A downward adjustment is made to Comparable No. 4 to reflect its larger size.

Before adjustment, the comparables provide a price range from $235,000 to $449,000. After adjustment, this range narrowed to between $195,000 and $250,000. Based upon these comparables, my opinion of the subject's market value is $220,000. Adjustments made to these comparables were based upon conversations with buyers, sellers, brokers active in this market, comparative market abstraction, and cognitive reasoning.
PURPOSE AND INTENDED USE

The purpose of this appraisal is to arrive at an opinion of a market value for the subject property. The function, or intended use of this appraisal is for the exclusive use by the City of Phoenix (Client) for the sole purpose of property disposition. No other uses are identified as additional intended users of this report. This appraisal report is not to be relied upon by anyone other than the above referenced "Intended User" for any reason without the explicit written authorization of Foresight Valuation Group Inc.

ADVERSE ENVIRONMENTAL CONDITIONS

The subject was appraised as being free of any hazardous materials. I am not trained in the detection of hazardous materials and a Phase-I Study was not provided for review. If subsequent testing reveals any hazardous materials, I reserve the right to amend my analysis.

EXPOSURE TIME/MARKETING TIME

Exposure time is estimated at 6 to 9 months based upon recent vacant land sales. Marketing time for the subject is expected to be within this time frame.

PERSONAL PROPERTY

No items of personal property are included in this appraisal.

HIGHEST AND BEST USE

As Vacant

The subject is at grade with surrounding parcels. Water is provided to the property by the City of Phoenix. Electrical service is available by Arizona Public Service (APS). Streets are publicly maintained by the City of Phoenix. The subject property is zoned DTC, Downtown Code. The property is located in the Roosevelt-South Historic Preservation District. At this time a change in zoning is considered unlikely.

Considering the size of the subject site, its utility services, access, visibility, zoning, and location, its Highest and Best Use (as vacant) is for future residential/commercial, or mixed use development. Improvements are to be constructed in accordance with the minimum building setbacks and lot coverage restrictions dictated by its current zoning classification and the Roosevelt South Preservation Guidelines.
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<th>City</th>
<th>County</th>
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**Neighborhood Map**

**Client**
City of Phoenix

**Owner**
City of Phoenix
### Zoning Map

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<tr>
<th>Client</th>
<th>City of Phoenix</th>
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![Zoning Map Image]

Form MAP_LT.Zoning — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE
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<td>Phoenix</td>
</tr>
<tr>
<td>County</td>
<td>Maricopa</td>
</tr>
<tr>
<td>State</td>
<td>AZ</td>
</tr>
<tr>
<td>Zip Code</td>
<td>85003</td>
</tr>
</tbody>
</table>

**City of Phoenix**
814 N. 5th Avenue
Phoenix, Maricopa, AZ 85003

**Client**
City of Phoenix

**Owner**
City of Phoenix
### Property Address

<table>
<thead>
<tr>
<th>Client</th>
<th>City of Phoenix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Address</td>
<td>814 N. 5th Avenue</td>
</tr>
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<td>Zip Code</td>
<td>85003</td>
</tr>
<tr>
<td>Owner</td>
<td>City of Phoenix</td>
</tr>
</tbody>
</table>

### Subject Photographs

#### Subject Front

- 814 N. 5th Avenue
- Sales Price: N/A
- Date of Sale: N/A
- Site Area: 7,000
- Location: Average
- Shape/Utility: Rectangular/Average
- Zoning: DTC-Roosevelt S. HP
- Development Potential: Average
- Other: Vacant
- ADOM: N/A

#### Subject Rear

#### Subject Street
## Photograph Addendum

<table>
<thead>
<tr>
<th>Client</th>
<th>City of Phoenix</th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>

**Multiple-Family Residential Across 5th Avenue**

**Commercial Retail North of Subject**
## Comparable Photographs

**Comparable 1**

- **837 N. 5th Avenue, Phoenix**
- **Prox. to Subj.** 0.07 miles NE
- **Sales Price** 250,000
- **Date of Sale** Closing 4/7/2017
- **Site Area** 7,000
- **Location** Average
- **Shape/Utility** Rectangular/Average
- **Zoning** DTC-Roosevelt S. HP
- **Development Potential** Average
- **Other** Vacant
- **ADOM** 229

**Comparable 2**

- **813 N. 1st Street, Phoenix**
- **Prox. to Subj.** 0.48 miles E
- **Sales Price** 420,000
- **Date of Sale** 1/5/2017
- **Site Area** 7,000
- **Location** Superior
- **Shape/Utility** Rectangular/Average
- **Zoning** DTC-Evans Churchill W
- **Development Potential** Superior
- **Other** Vacant
- **ADOM** +/-245

**Comparable 3**

- **504 E. Roosevelt St., Phoenix**
- **Prox. to Subj.** 0.78 miles E
- **Sales Price** 449,000
- **Date of Sale** 9/26/2016
- **Site Area** 6,729
- **Location** Average
- **Shape/Utility** Rectangular/Average
- **Zoning** DTC-Evans Churchill E
- **Development Potential** Superior
- **Other** Approved Plan/Permits
- **ADOM** N/A
### Comparable Photographs

<table>
<thead>
<tr>
<th>Comparable</th>
<th>City of Phoenix</th>
<th>814 N. 5th Avenue</th>
<th>Phoenix</th>
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<th>AZ</th>
<th>85003</th>
</tr>
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<tr>
<td>Client</td>
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<td>City</td>
<td>County</td>
<td>State</td>
<td>Zip Code</td>
<td></td>
</tr>
</tbody>
</table>

#### Comparable 4
- **City of Phoenix**
- **725 E. Pierce Street, Phoenix**
- **Prox. to Subj.** 0.96 miles E
- **Sales Price** 235,000
- **Date of Sale** 5/27/2016
- **Site Area** 10,000
- **Location** Average
- **Shape/Utility** Rectangular/Average
- **Zoning** R-5, MFR, HP
- **Development Potential** Average
- **Other** Vacant
- **ADOM** N/A

#### Comparable 5
- **Prox. to Subj.**
- **Sales Price**
- **Date of Sale**
- **Site Area**
- **Location**
- **Shape/Utility**
- **Zoning**
- **Development Potential**
- **Other**
- **ADOM**

#### Comparable 6
- **Prox. to Subj.**
- **Sales Price**
- **Date of Sale**
- **Site Area**
- **Location**
- **Shape/Utility**
- **Zoning**
- **Development Potential**
- **Other**
- **ADOM**
Assumptions & Limiting Conditions

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser’s client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser’s client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.
Definitions & Scope of Work

DEFINITION OF MARKET VALUE *:
Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite
to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.
Implicit in this definition is the consummation of a sale at 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 U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions
   granted by anyone associated with the sale.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions
Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System
(FRS), National Credit Union Administration (NCUAA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS),
and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS,

SCOPE OF WORK:
The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible
assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the
appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by
the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work,
Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical
Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties
assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Per the client’s request, an Appraisal Report was prepared on the subject property. All three approaches to value were considered. However, only
the sales comparison approach proved to be a reliable method of analysis for developing an opinion of the subject’s market value.

The scope of this assignment included a physical viewing of the subject parcel. This was done to ascertain the general location, access, offsite
improvements, and functional utility of the subject. However, this is not a property survey and should not be relied upon as such. The site area
relied upon for this analysis was taken directly from the Maricopa County Assessor’s Records. It is outside the scope of this assignment for the
apraiser to verify the accuracy of this estimate. Unless stated otherwise, a site survey was not available for analysis. If this is a concern, a
property survey should be obtained from a licensed surveyor. Square footage estimates are approximate and are for the sole purpose of
comparison in the sales comparison approach. They are not to be relied upon in marketing the subject property, or for any other reason. Unless
otherwise stated, the site area of the comparables is based upon information provided in the public records, by MLS, or other resources considered
reliable. It is outside the scope of this assignment for the appraiser to physically measure comparable properties.

The subject’s market area was searched for active listings, and comparable land sales that occurred within a 12-month period of the effective date
of appraisal. Data sources utilized include Arizona Regional Multiple Listing Service (ARMLS), and the Maricopa County Public Records, as provided
by Flexmls. The comparables used in the sales comparison approach represent the best, most comparable market data discovered as a result of
this search.

Due to the lack of recent sales within the immediate subject neighborhood, it was necessary to expand the search for comparables to surrounding
market area.

EXTRAORDINARY ASSUMPTIONS AND/OR HYPOTHETICAL CONDITIONS:
No extraordinary assumptions or hypothetical conditions apply.
## Certifications

### Client Information
- **Client Name:** Phoenix
- **City:** Phoenix
- **State:** AZ
- **Address:** 251 W. Washington Street, Phoenix, AZ 85003

### Appraiser Information
- **Appraiser:** Richard L. Kloc, MAI, SRA
- **Address:** 3529 E. Nighthawk Way, Phoenix, AZ 85048

### Appraiser's Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of 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.
- I have 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.
- Unless otherwise indicated, I have 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

### Additional Certifications

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 Standards of Professional Appraisal Practice of the Appraisal Institute. 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, Richard L. Kloc, MAI, SRA, has completed the requirements of the continuing education program for Designated members of the Appraisal Institute.

Neither myself, nor anyone else associated with Foresight Valuation Group Inc. have appraised the subject property, or had any other involvement with this property within the past three years prior to being engaged by the client of this assignment.

### Signatures

**Appraiser:**

**Supervisory Appraiser (if required) or Co-Appraiser (if applicable):**

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraiser Name</td>
<td>Richard L. Kloc, MAI, SRA</td>
</tr>
<tr>
<td>Company</td>
<td>Foresight Valuation Group, Inc.</td>
</tr>
<tr>
<td>Phone</td>
<td>(480) 759-8199</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:foresight2@q.com">foresight2@q.com</a></td>
</tr>
<tr>
<td>Date Report Signed</td>
<td>March 16, 2017</td>
</tr>
<tr>
<td>License or Certification #</td>
<td>30063</td>
</tr>
<tr>
<td>State</td>
<td>AZ</td>
</tr>
<tr>
<td>Designation</td>
<td>MAI, SRA</td>
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<td>Expiration Date of License or Certification</td>
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<td>February 21, 2017</td>
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<td>Supervisory or Co-Appraiser Name</td>
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CITY OF PHOENIX - REAL ESTATE DIVISION - APPRAISAL SECTION

RECOMMENDATION AND CERTIFICATION

<table>
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<tr>
<th>Property: 814 N. 5th Avenue, Phoenix, AZ 85003</th>
<th>Parcel: APN 111-39-121</th>
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</table>

### Appraiser
Richard L. Kloc, MAI, SRA

Appraisal documented and acceptable as to City and Federal Standards and Specifications? Yes

<table>
<thead>
<tr>
<th>TOTAL MARKET VALUE</th>
<th>$220,000</th>
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### REVIEW APPRAISER’S OPINION OF MARKET VALUE:

<table>
<thead>
<tr>
<th>TOTAL MARKET VALUE</th>
<th>$245,000</th>
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</table>

### REMARKS:
This recommendation and certification provides the review appraiser’s opinion of the market value of the subject property, as of April 12, 2017, based upon data contained in the March 16, 2017 appraisal report prepared by Richard L. Kloc, MAI, SRA, of Foresight Valuation Group.

One of the comparable properties utilized in the appraisal was sale pending as of the effective date of the appraisal, February 21, 2017. The transaction closed and recorded on April 11, 2017, with a confirmed selling price of $255,000. Based upon the market data, reasonable value indications for the subject property range from $220,000 to $255,000. Considering trends in the subject neighborhood, it is my opinion that the current market value of the subject property is $245,000 ($35 per square foot of land area).

This market value estimation may be used in connection with a City of Phoenix or partially and/or fully funded federal aid program. I did personally inspect the subject property of the report under review. I have no direct or indirect interest, present or contemplated, in the property. The estimation of value has been reached independently based on the appraisal(s) or other factual data, without collaboration or direction. Analyses, opinions and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

### $245,000 Certified Market Value

RECOMMENDED:

Steve Laney, SR/WA
Review Appraiser
Arizona Certified General Real Estate Appraiser No. 30861
April 12, 2017