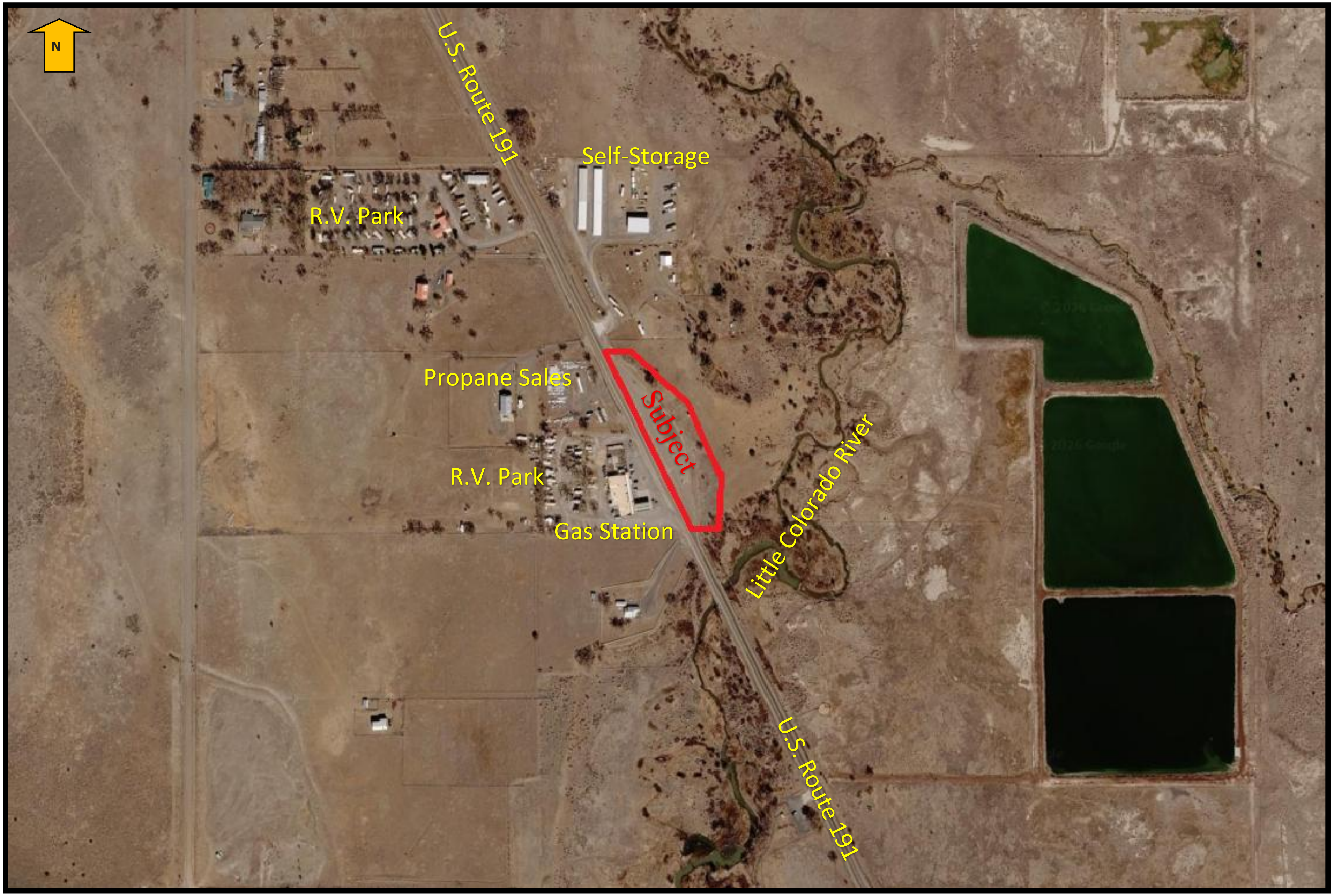
APPRAISAL COVER SHEET

TYPE OF REPORT:	Appraisal for Market Value
ASSESSOR PARCEL NO.:	Portion of 105-15-007
ADOT PARCEL NO.:	L-FS-7-50
OWNER NAME:	State of Arizona
DESCRIPTION & LOCATION OF PROPERTY:	The subject property contains 88,566 square feet, or 2.03 acres of vacant land. It is located at 265 W. Main Street, Springerville, Apache County, Arizona 85938.
PROJECT:	M6975 01X
HIGHWAY:	Show Low – Springerville Highway
SECTION:	N/A
DATE OF APPRAISAL REPORT:	August 20, 2026
EFFECTIVE DATE OF VALUE:	August 10, 2026

APPRAISER

JOHN MEDLEY
CERTIFIED GENERAL
APPRAISER #1049989

AERIAL MAP – PROPERTY APPRAISED



Red Property Boundary is an Approximation

August 20, 2026

Mr. Jim Walcutt
Arizona Department of Transportation
205 South 17th Avenue, Room 331
Mail Drop #612E
Phoenix, AZ 85007

RE: Appraisal of the fee simple estate in ADOT Parcel L-FS-7-50, a disposal parcel consisting of 88,566 square feet or 2.03 acres located at 265 W. Main Street, Springerville, Apache County, Arizona 85938.
Appraiser's File No.: 26-003-L

Mr. Walcutt:

At your request, I have developed an opinion of the market value of the fee simple estate in the above-referenced property. The subject property was previously improved with building improvements used by the State of Arizona as a weight station. Those improvements have since been demolished, and the site is currently vacant with some remaining site improvements.

The subject is located in a tertiary market characterized by stagnant population growth, limited new development, and an inventory of older existing improvements. These market conditions limit demand for new development and exert downward pressure on land values. These factors have been considered in the appraiser's opinion of market value.

The subject is located within the AR-20 and C-1 dual zoning district. This district allows residential and commercial uses. Since municipal sewer is not available to the property, development of dense residential uses, including multi-family development, is inhibited. The property has approximately 800 linear feet of frontage along U.S. Highway 191. While this highway frontage may create traffic noise and reduced desirability for certain residential uses, it provides favorable access, visibility, and exposure for commercial-oriented development. Due to this, the subject's highest and best use is for commercial-oriented development as market demand warrants.

The purpose of this appraisal is to provide a market value opinion for the subject property, as of the effective date of value, pursuant to Arizona Revised Statute 28-7091, as follows:

> *""Market value" means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable."*[1]

The intended users of the appraisal include the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading. The intended use of the appraisal is to assist the client in the potential sale of the property.

This appraisal report is intended to comply with the most recent requirements set forth in: (1) the Arizona Department of Transportation Appraisal Standards and Specifications; and (2) the *Uniform Standards of Professional Appraisal Practice* (USPAP), promulgated by the Appraisal Standards Board of the Appraisal Foundation.

This report or any portion thereof is for the exclusive use of the clients and is not intended to be used, sold, transferred, given, or relied on by any other person other than the client without the prior, expressed written permission of the author, as set forth within the Assumptions and Limiting Conditions contained in this report.

The purpose of this appraisal is to provide an opinion of market value for the subject property as of August 10, 2026, the effective date of value, as follows:

ROUNDED OPINION OF MARKET
VALUE AS OF AUGUST 10, 2026.. $65,000

Based on the subject market's limited population growth and comparables marketing time, an exposure time of 18 months is estimated for the subject property if priced appropriately.

<u>Extraordinary Assumption:</u>

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), the definition of Extraordinary Assumption is as follows:

"An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis."[2]

This appraisal report is based on the following extraordinary assumptions:

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[1] A.R.S. 28-7091

[2] *Uniform Standards of Professional Appraisal Practice, 2024 Ed.*, Appraisal Foundation

1) *No archaeological survey was provided to the appraiser. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the subject property.*
2) *No geological survey was provided to the appraiser. It is an extraordinary assumption of this appraisal that there is no known geological significance on the disposal parcel.*
3) *The subject property was inspected by the appraiser. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption in this appraisal that there are no known environmental risks or hazardous conditions on the subject property.*
4) *This appraisal assumes that the subject property is encumbered by typical utility and access easements that do not restrict the subject's development potential.*

Hypothetical Condition:

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), hypothetical condition is defined as follows:

"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. 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" [3]

No Hypothetical Conditions are utilized within this appraisal report.

The use of these extraordinary assumptions and hypothetical conditions might have affected the assignment results.

I hereby certify that to the best of my knowledge and belief, all statements and opinions contained in this appraisal report are correct. This transmittal letter is not valid for any purpose unless accompanied by the appraisal referred to herein.

Respectfully submitted,

John E. Medley
Certified General
Appraiser # 1049989

[3] *Uniform Standards of Professional Appraisal Practice, 2024 Ed.*, Appraisal Foundation

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ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the Appraiser appearing in the report is subject to the following conditions, and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

This report is being prepared for the client. This report or any portion thereof is for the exclusive use of the clients and is not intended to be used, sold, transferred, given or relied on by any other person than the clients without the prior, expressed written permission of the author, as set forth within the Limiting Conditions contained in this report.

The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership, competent management and adequate marketing typical for that type of property. The legal description, if provided to me, is assumed to be correct. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

The Appraiser has made no survey of the property. Any sketch or map in the report may show approximate dimensions and is included for illustrative purposes only. It is the responsibility of a certified engineer, architect or registered surveyor to show by a site plan the exact location of the subject property or any improvements or any proposed improvements thereon, or the exact measurements or calculations of estimated area of the site. In the absence of such a survey, the Appraiser may have utilized Tax Assessor's maps or other maps which may not represent the exact measurements of the subject property or other comparable information utilized to determine the value of the subject property. Any variation in dimensions or calculations based thereon may alter the estimates of value contained within the report.

When possible, the Appraiser has relied upon building measurements provided by the client, owner, or agents of these parties. In their absence, the appraiser has relied upon their own measurements of the subject improvements. However, there are some factors that may limit my ability to obtain accurate measurements. Professional building area measurements are beyond the scope of this appraisal assignment.

In estimating the opinion of value of the subject property and in analyzing comparable information, the Appraiser has relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include, but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans and the like. To the extent that these plans may change, the value opinions of this report may also change.

The dates of value to which the opinions expressed in this report apply are set forth in this report. The Appraiser assumes no responsibility for the 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. These forecasts are, therefore, subject to changes with future conditions.

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.

The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless prior arrangements have been made and confirmed in writing.

Any allocation of the valuation in the appraisal report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any appraisal and are invalid if so used.

The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.

Unless otherwise stated within this report, the existence of hazardous materials, which may or may not be present within or on the property, will not be considered by the appraiser. The Appraiser assumes, and the clients warrant, that no such materials adversely affect the utility, usability or development potential of the property to the best of their knowledge. The Appraiser is not qualified to detect such substances. The value opinion has been predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The clients are urged to retain an expert in this field, if desired.

The presence of barriers to the disabled, which may or may not be present within or on the subject property, will not be considered by us. I have not performed a compliance survey to determine if it is in conformance with the A.D.A (Americans with Disabilities Act). The Appraiser assumes, and the clients warrant, that no such barriers adversely affect the utility, usability, or development potential of the property to the best of their knowledge. The Appraiser is not qualified to analyze such barriers. The value opinion has been predicated on the assumption that there are no such barriers on or in the property that would cause a loss in value. The clients are urged to retain an expert in this field, if desired.

Information, estimates and opinions furnished to the Appraiser and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser can be attributed to the Appraiser.

Disclosures of the contents of the report by the Appraiser are governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser are affiliated.

On all reports which are undertaken subject to satisfactory completion of, alterations of or repairs to improvements, the report and value conclusions contained in it are contingent upon completion of the improvements or of the repairs thereto or alterations thereof in a workmanlike manner and consistent with the specifications presented to the Appraiser.

Prospective value opinions are intended to reflect the current expectations and perceptions of market participants. They should not be judged on whether specific items in the forecasts are realized. The Appraiser cannot be held responsible for unforeseeable events that alter market conditions after the effective date of the report. 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 likely that some assumptions will not materialize and that unanticipated events may occur that will affect actual performance.

The Appraiser has not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which is identified as an endangered or threatened species by the U.S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraiser is not qualified to detect or analyze such plants and wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired.

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 appraiser, professional designations, reference to any professional appraisal organization or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval from Medley Appraisal Services' President.

This appraisal was prepared for the sole and exclusive use of the client. Any party who is not the clients 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 Medley Appraisal Services. I claim no expertise in areas such as, legal description survey, structural, or environmental, engineering mechanical or electrical systems and the like. I assume such data is accurate and such systems functional unless otherwise noted in the appraisal.

This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.

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.

This appraisal is not intended to be used in connection with a real estate syndicate or syndicates. A real estate syndicate is a general or limited partnership, joint venture, unincorporated association or other organization formed for the purpose of an investment from an interest in real property. It includes, but is not limited to a sale, exchange, trade or development of such real property. It may or may not be registered with the United States Securities and Exchange Commission or a state regulatory agency which regulates public offerings.

This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights, (mineral, gas, and oil), were not considered in this appraisal unless specifically stated to the contrary.

If any claim is filed against Medley Appraisal Services, its 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, only for direct compensatory damages, (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by Medley Appraisal Services to provide this report.

All disputes shall be settled by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

The use of this report or its analysis and conclusions by the clients or any other party constitutes acceptance of all the above limiting conditions.

EXECUTIVE SUMMARY

Location:	The subject property is located at 265 W. Main Street, Springerville, Apache County, Arizona 85938.
Assessor's Parcel Number(s):	Portion of Apache County Assessor's Parcel Number 105-15-007.
Size/Topography/Shape:	According to the client, the subject property consists of 88,566 square feet, or 2.03 acres of vacant land. The property has generally flat topography that is irregularly shaped. It is largely improved with asphalt pavement that requires repaving.
Effective Date of Value:	August 10, 2026
Interest Appraised:	Fee Simple Estate.
Intended Users of the Appraisal:	The intended users of the appraisal includes the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading.
Intended Use of the Appraisal:	The intended use of the appraisal is to provide a market value opinion to assist the client in the potential sale of the property.
Flood Insurance Zone:	The subject property is identified as being located in the Flood Zone D and Zone A per FIRM Map Panel No.: 04001C4518E dated September 28, 2007.
Zoning:	The subject property is located in a dual zoning district. It is zoned AR-20, Agricultural-Residential and C-1, General Commercial within the Town of Springerville zoning code.
Highest and Best Use:	Commercial Use.
Opinion of Market Value:	**$65,000**

APPRAISAL PROCESS

An appraisal is an opinion based upon research, judgment, and an analysis of factors influencing real estate value. These factors consider the four major forces at work in the economy: physical, legal/political, social and economic forces.

The sections comprising the first portion of the report include: Date, Purpose of the Appraisal, Property Identification, Scope of Work, Regional, Market, and Neighborhood Analyses, Site Analysis, and Highest and Best Use. The highest and best use of the subject property is the basis upon which market value is developed.

The second portion of the report contains the approach(es) used to develop an opinion of market value for the fee simple interest in the subject property. All three traditional approaches to value are considered: Cost Approach, Sales Comparison Approach, and Income Approach.

In the Cost Approach, the appraiser estimates the current cost to replace the improvements, deducts estimated accrued depreciation, and adds the site value to arrive at an indication of market value. The accuracy in the estimate of accrued depreciation is a critical element in the reliability of the Cost Approach.

In the Sales Comparison Approach, recent sales of similar properties, known as "comparables", are analyzed and adjusted to the subject property. This approach best represents the actions of buyers and sellers in the market for this type of property. The degree of similarity between the comparable sales and the subject property determines the reliability of this approach.

The Income Approach is based upon the premise that market value is the present worth of the anticipated benefits to be derived from the property. With income properties, this approach is of primary importance. In the Income Approach, the appraiser analyzes the subject property and comparable properties to estimate the market rent, effective gross income and operating expenses. The net income is converted to value through the process of direct capitalization or a discounted cash flow.

When multiple approaches to value are applied, the value from each approach is evaluated as to their pertinence and reliability. The purpose of the Reconciliation is to evaluate the strengths and weaknesses of the applicable approaches to value. After analyzing the pertinence and reliability of each approach, the appraiser makes a final opinion of value.

DEFINITIONS

Appraisal

"(noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services."[4]

Appraiser

"One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective."[5]

Economic Unit

1. "A portion of a larger (parent) parcel, vacant or improved, that can be described and valued as a separate and independent parcel. Physical characteristics such as location, access, size, shape, existing improvements, and current use are considered when identifying an economic unit. The economic unit should reflect marketability characteristics similar to other properties in the market area. In appraisal, the identification of economic units is essential in highest and best use analysis of a property.

2. A combination of parcels in which land and improvements are used for mutual economic benefit. An economic unit may comprise properties that are neither contiguous nor owned by the same owner. However, they must be managed and operated on a unitary basis and each parcel must make a positive economic contribution to the operation of the unit."[6]

Exposure Time

"An opinion, based on supporting market data, of the 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."[7]

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."[8]

Market Value

""market value" means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would

[4] Appraisal Institute, The Dictionary of Real Estate Appraisal, Eighth Edition, pg. 8

[5] Appraisal Institute, The Dictionary of Real Estate Appraisal, Eighth Edition, pg. 8

[6] Appraisal Institute, The Dictionary of Real Estate Appraisal, Eighth Edition, pg. 52

[7] Appraisal Institute, The Dictionary of Real Estate Appraisal, Eighth Edition, pg. 60

[8] Appraisal Institute, The Dictionary of Real Estate Appraisal, Eighth Edition, pg. 65

> *bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.”*[9]

PURPOSE OF THE APPRAISAL

Purpose of the Appraisal:	The purpose of this appraisal is to estimate the market value of the fee simple estate.
Intended Users of the Appraisal:	The intended users of the appraisal include the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading.
Intended Use of the Appraisal:	The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the potential sale of the subject property.
Date of Value Opinion:	The effective date of the value opinion is August 10, 2026, the date of the property inspection.
Date of the Appraisal Report:	The date of the appraisal report is August 20, 2026.

SCOPE OF WORK

The Scope of Work for an appraisal is the extent of the process of collecting, confirming, and reporting data, as well as the methods used in supporting the value opinion. This appraisal will provide an opinion of market value for the subject property. The Sales Comparison Approach, Cost Approach, and Income Approach were considered in the valuation of the subject. In accordance with *Uniform Standards of Professional Appraisal Practice* (USPAP), effective January 1, 2024, the scope of work for the appraisal includes, but is not limited to, the following:

- Inspection and analysis of the subject disposal parcel, market conditions, and other restrictions that affect value; and
- Research, analysis, and confirmation of comparable market data.

[9] Arizona Revised Statute 28-7091

Since the subject property is vacant land, only the Sales Comparison Approach is applicable in estimating the property's market value. Thus, the Cost and Income Approaches are excluded in this appraisal as they would not produce credible results. This appraisal relies solely on the Sales Comparison Approach. Research included the examination of sales and listing data published by ARMLS, Apache County public records, CoStar, and interviews with real estate participants and realtors/agents. Similar comparable sales were selected based on the appraiser's conclusion of Highest and Best Use.

The comparable data that is included in this appraisal is believed to be the best available. The data selected is adequate to provide reliable indications of market value for the subject property. Overall, the market value opinion provided in this report is well supported.

Limitation in Scope:

This report is a narrative appraisal report. There are no other limitations in the scope of the assignment, other than those discussed in the Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions.

PROPERTY IDENTIFICATION

The subject property is a portion of Apache County Assessor's Parcel Number 105-15-007. It is referred to by the client as ADOT Parcel L-FS-7-50. The property's situs address is 265 W. Main Street, Springerville, Apache County, Arizona 85938. It is physically located east of U.S. Highway 191, which is also known as Main Street, and west of the Little Colorado River. The subject's Section, Township, and Range, summary legal description from the Apache County Assessor's Office, and property identification map follows. A plat map is not available through the assessor's office.

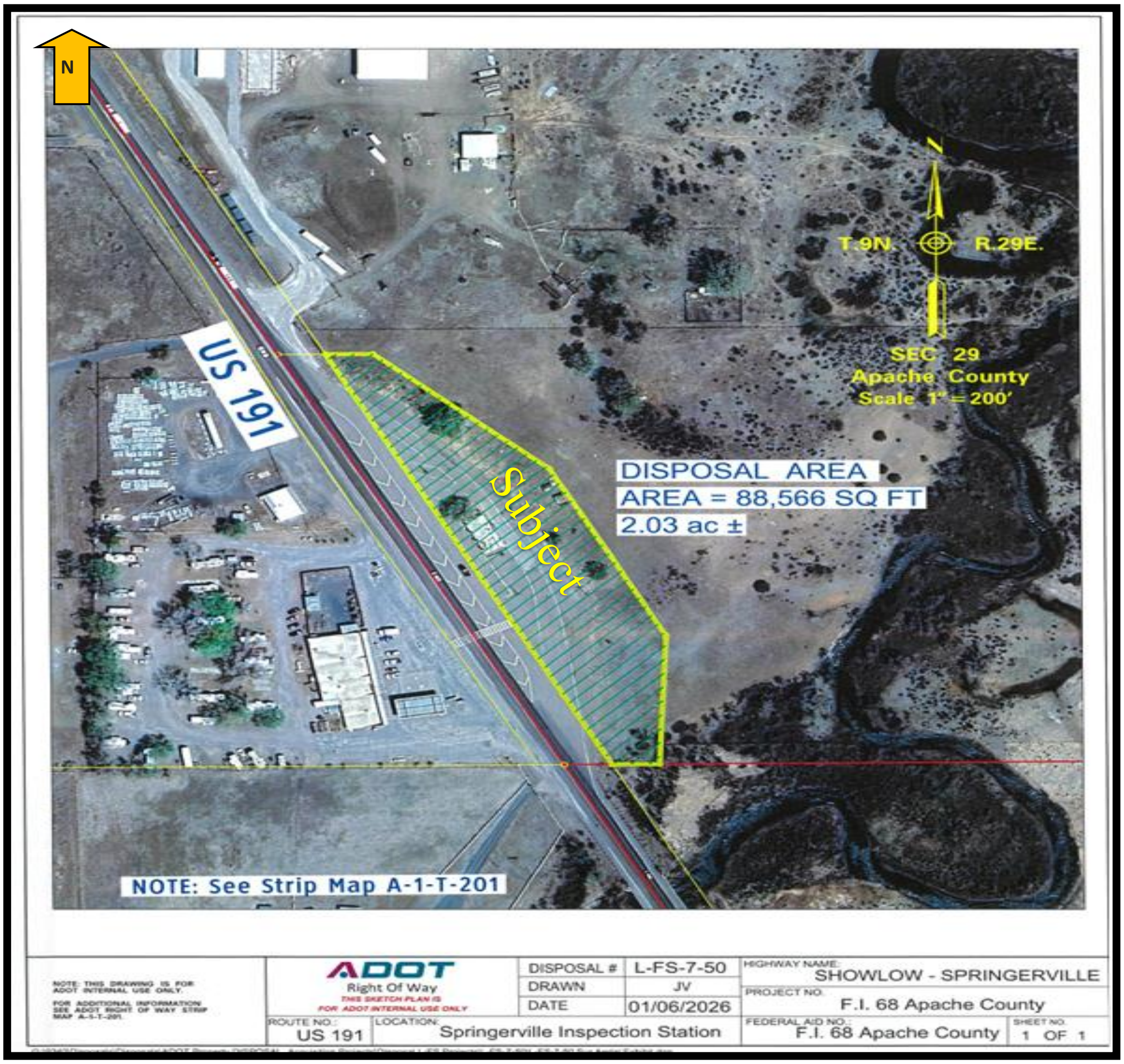
Section/Township/Range

Section 29, Township 9N, Range 29 East of the Gila and Salt River Meridian.

Summary Legal Description

IN S2 SW4 NE4 TOT M/L.

PROPERTY IDENTIFICATION MAP



5-YEAR OWNERSHIP HISTORY

According to the title report provided, the subject property is owned by the State of Arizona, by and through its Department of Transportation. Ownership of the subject property last transferred on June 19, 1952 from John and Mary Coleman to the State of Arizona. This transfer was recorded in Book 32 of Deeds, page 152. The State of Arizona has retained ownership since this transfer. To the best of the appraiser’s knowledge, the subject is not currently listed for sale or lease.

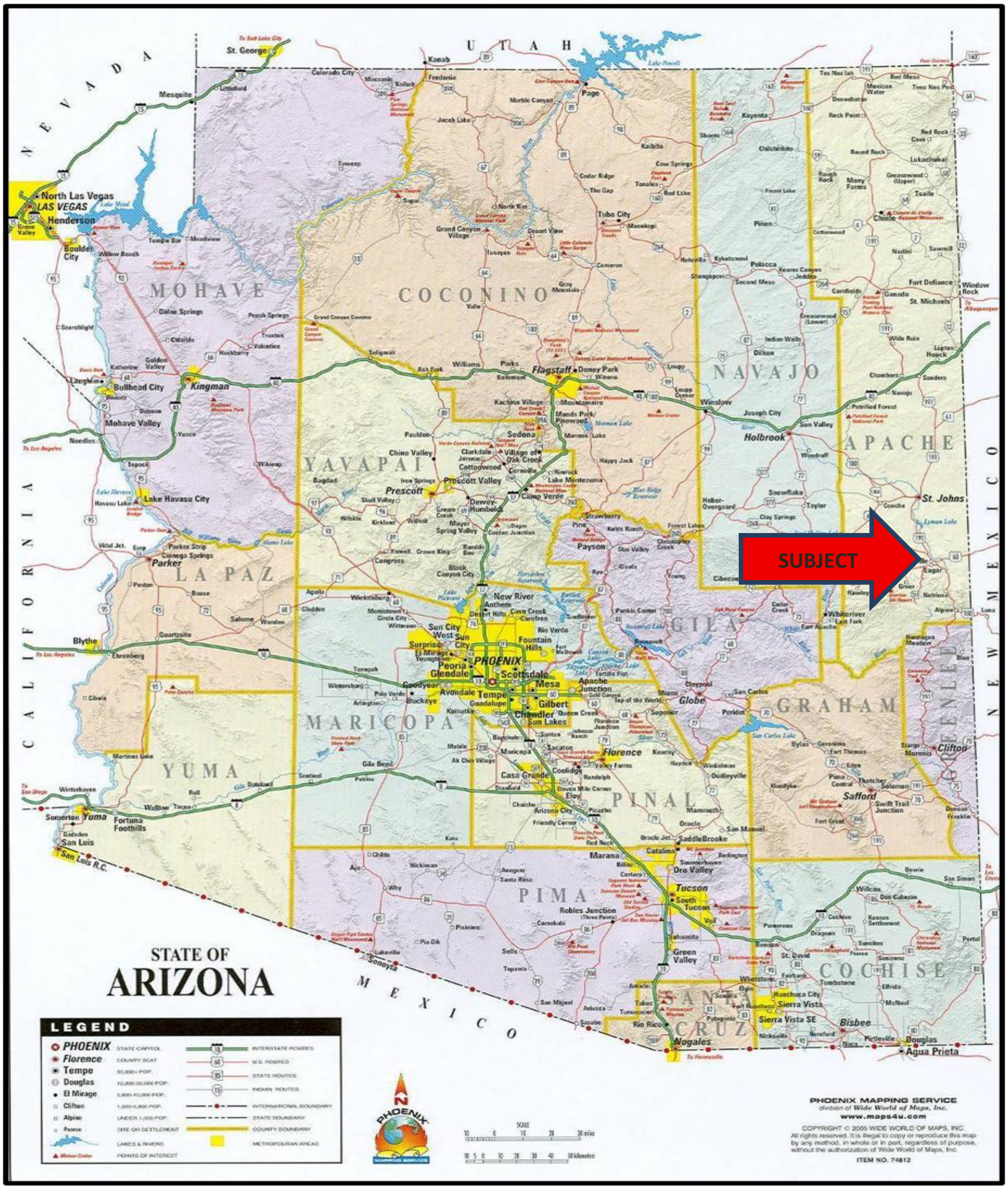
OWNER CONTACT

On July 27, 2026, the appraiser provided notice of inspection to ADOT officials, including Mr. Jim Walcutt. Mr. Walcutt inspected the subject property with the appraiser on August 10, 2026.

REGIONAL ANALYSIS

The value of any property is not entirely intrinsic, that is, it is not determined solely by the characteristics of the site itself. The economic, governmental, environmental, and social forces of the region must also be considered. The subject property is located in Apache County, which is discussed in the following analysis.

ARIZONA COUNTY MAP



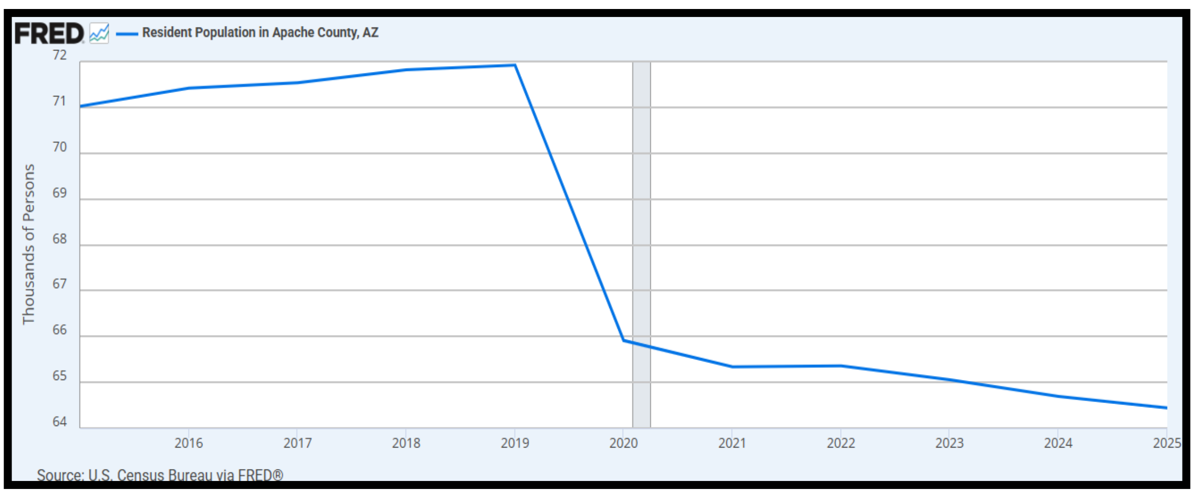
OVERVIEW – APACHE COUNTY

Apache County is located in the northeastern corner of the State of Arizona, within the Four Corners region where Arizona, New Mexico, Utah, and Colorado converge. Configured as a long, narrow rectangle oriented north to south, the county extends approximately 220 miles in length while averaging roughly 50 miles in width, encompassing an area of approximately 11,216 square miles. It is the third largest county in Arizona and among the largest counties in the United States, with all of its land lying above 4,000 feet in elevation and certain areas exceeding 8,000 feet.

The county seat is St. Johns, and the county's three incorporated communities are St. Johns, Eagar, and Springerville, with additional population centers including Chinle, Fort Defiance, Window Rock, and numerous unincorporated communities. The county is distinguished by its substantial tribal land holdings, containing more land designated as Indian reservation than any other county in the United States, with portions of the Navajo Nation and the Fort Apache Indian Reservation situated within its boundaries.

Population

Apache County's population base has decreased 9.3% over the last 10 years from 71,026 persons in 2015 to 64,445 persons in 2025. The following chart represents the county's population base increases over the last 10-year period.



SOURCE: https://fred.stlouisfed.org/series/AZAPAC0POP

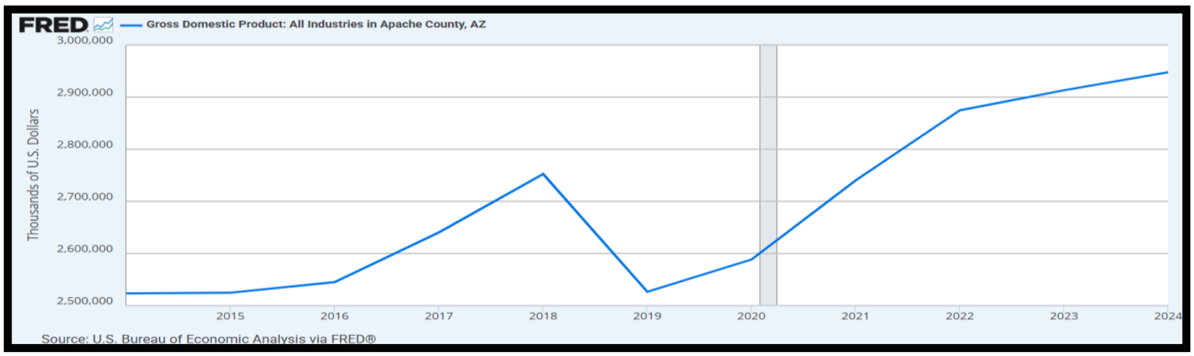
According to World Population Review, the most populated municipality in Apache County is Eagar with 4,472 residents. This is followed by Pinetop-Lakeside with 4,182 residents, St Johns with 3,319 residents, and Springerville with 1,722 residents. Over the last six years, the population base in these municipalities has remained relatively stagnant. This is represented in the following chart.

CITY	RANK	2026 POP. ↓	2020 POP.	ANNUAL CHANGE	DENSITY (/MI²)	AREA (MI²)	TYPE
Eagar	1	4,472	4,382	0.29%	364	12	Town
Pinetop-Lakeside	2	4,182	4,014	0.8%	376	11	Town
St. Johns	3	3,319	3,424	-0.51%	128	26	City
Springerville	4	1,722	1,717	0.17%	150	12	Town

SOURCE: https://worldpopulationreview.com/us-cities/arizona/by-county/apache-county

Gross Domestic Production

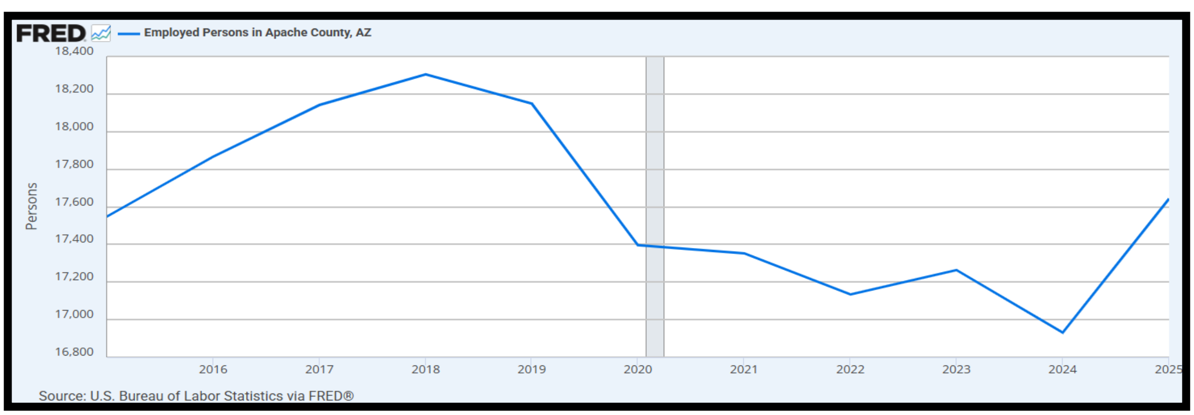
The primary measure of an area's economic activity is Gross Domestic Product (GDP). According to the St. Louis Federal Reserve, Apache County's GDP has increased from approximately \$2.5 billion to \$2.9 billion over the last 10 years. This is a 16.8% increase overall or 1.7% increase annually. The county has the second lowest GDP in the State of Arizona, second only to Greenlee County, which is substantially smaller in land area. The most recently available GDP figures for Apache County are provided in the following chart.



SOURCE: https://fred.stlouisfed.org/series/GDPALL04001

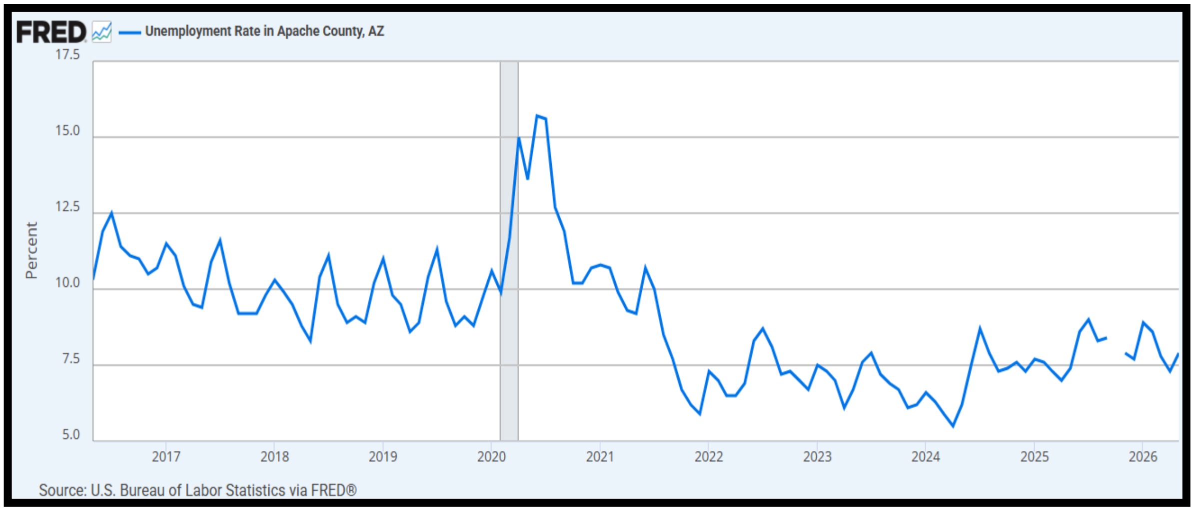
Employment and Unemployment

Total employment and unemployment rates for Apache County are provided in the following tables. Over the last 10 years, Apache County had relatively stagnant employment growth from 17,549 persons in 2015 to 17,643 persons in 2025. Employment changes over the last 10 years is shown in the following chart.



SOURCE: https://fred.stlouisfed.org/series/LAUCN040010000000005A

Prior to the COVID-19 pandemic, the county's unemployment rate varied from 8.3% to 12.5%. Unemployment levels temporarily surged during the pandemic up to 15.7%. The unemployment rate since then has recovered even below pre-pandemic levels ranging from 5.5% to 8.7%. Currently, the county's unemployment rate is 7.9% as of May 2026, as shown in the chart below.



SOURCE: https://fred.stlouisfed.org/series/AZAPAC0URN

Transportation

Interstate-40, a four-lane divided freeway, is the primary transportation route for this region. I-40 runs east to west across the middle of the county and provides access from Barstow, California to Winston-Salem, North Carolina. Other major roadways include U.S. Route 191 which runs north to south through the county and State Route 60 which is an east to west roadway located in the southern portion of the county. Due to the limited population base, the existing roadways sufficiently support the county.

Conclusion

Apache County is a sparsely populated county with a declining population base. It has the second lowest GDP of any county in the State of Arizona which has slowly increased over the last 10 years. The limited population base and lack of growth limits development in the region. Following historical trends, the county's growth outlook is projected to be stagnant in the near future.

MARKET ANALYSIS

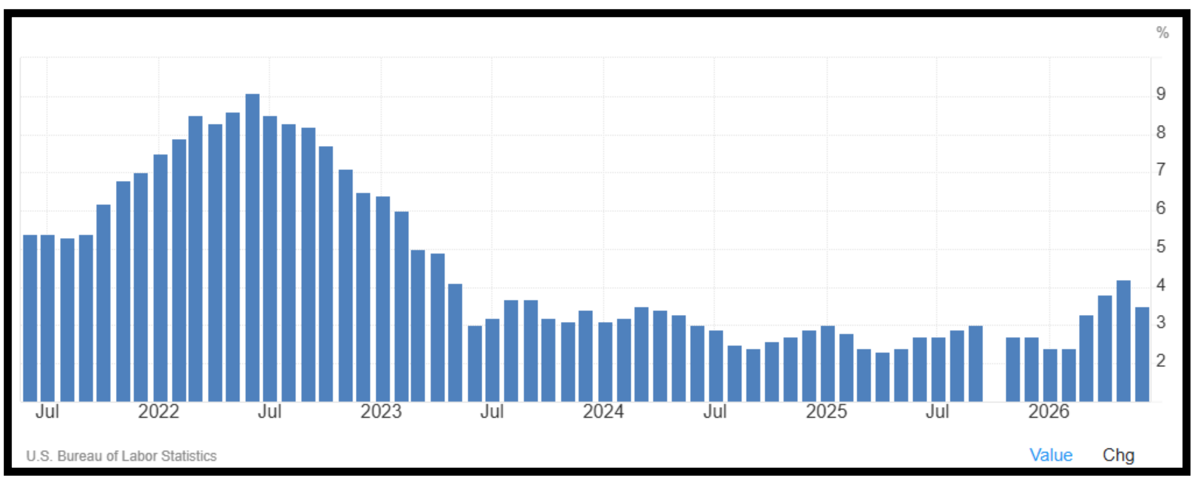
"Market analysis is a study of the supply of and demand for a specific type of property in a specific market area."[10]

Subject Attributes

The subject property is located in a tertiary market with limited transactional volume and available market data. Due to the lack of market data, reliable sales trends are unavailable. The best available data is presented in this analysis. Since the subject property is zoned for commercial and residential uses, the following market analysis will focus on the commercial and residential markets.

National Economy

According to the U.S. Bureau of Labor Statistics, the inflation rate was around 2% from 2019 through 2021. In 2022 inflation increased rapidly and peaked at over 9% in June, 2022. Since then, inflation has declined and is presently at 3.5% as of June 2026. This remains above the Federal Reserve's target of 2%. The following chart represents inflation in the United States over the last 5 years according to the U.S. Bureau of Labor Statistics.



***SOURCE**: https://tradingeconomics.com/united-states/inflation-cpi*

Conventional Long Term Mortgage Data

According to the "Primary Mortgage Market Survey" compiled by Freddie Mac, the most recent interest rate for a 30-year fixed rate mortgage is 6.69% as of August 2026. Mortgage interest rates are up from the all-time low of 2.65% in January, 2021. In the

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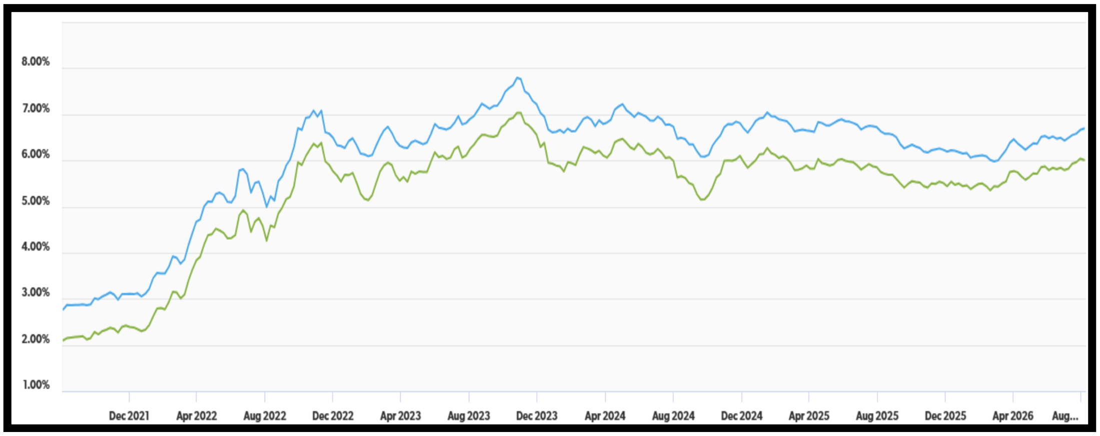
[10] *The Appraisal of Real Estate, 16th Edition,* Appraisal Institute, P 253

beginning of 2022, the 30-year United States Single Family Home Prices mortgage interest rate began a steep increase to almost 8% by late 2023. Since then, the 30-year mortgage interest rate has declined to the previously reported 6.69%.

The following chart shows the fixed mortgage interest rates for a 30-year loan rate, in blue, and the 15-year loan rate, in green, over the last 5-year period.

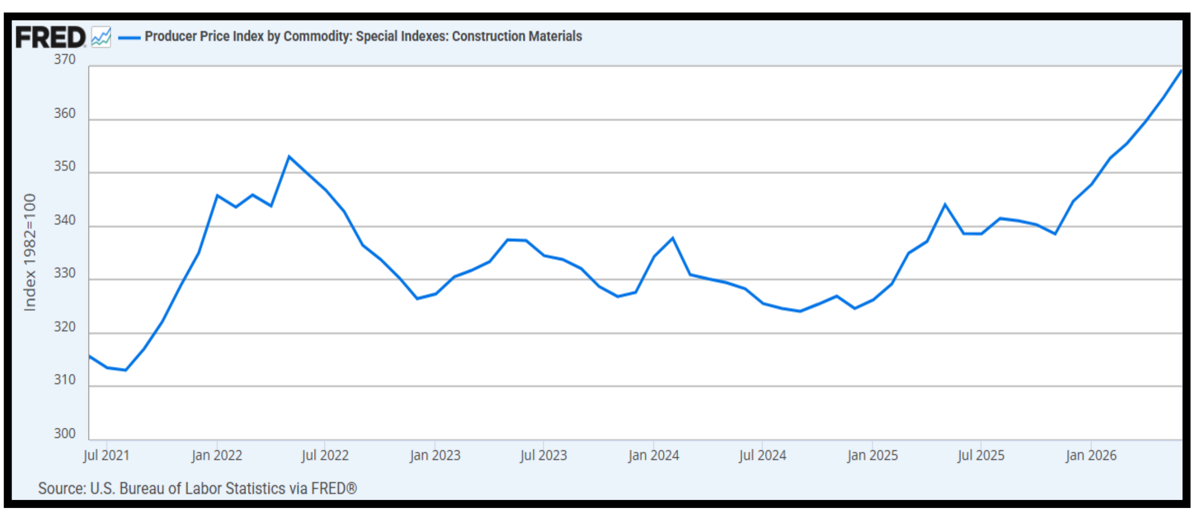


SOURCE: https://www.freddiemac.com/pmms

Cost of Construction

In November 2020, Construction Materials Pricing index was 244.3, (1982=100). The index increased dramatically to 353.02 in May 2022, an increase of 44.5% in less than 2 years. While construction material costs declined over the next 2 years, they have steadily increased starting in November 2025. Currently, the Construction Materials Pricing index is at 369.260 as of June 2026, which is an all-time high.

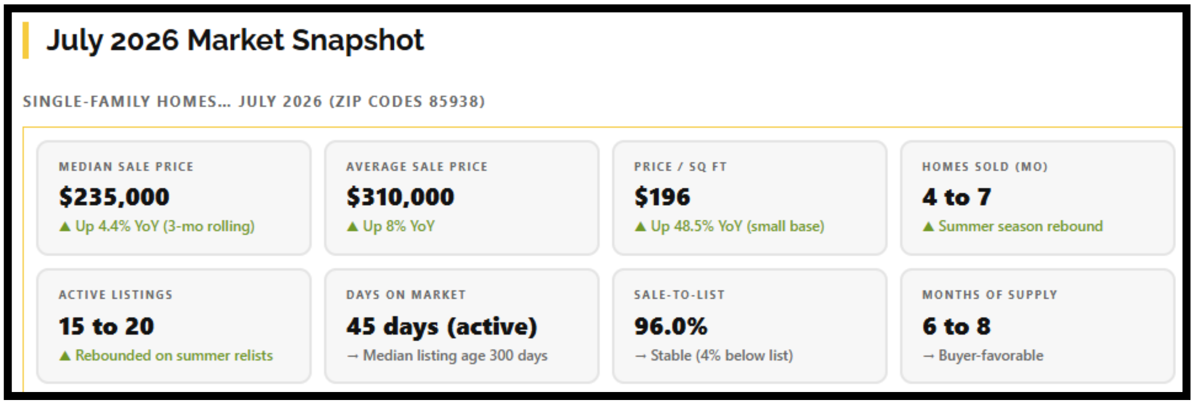
The following chart represents the previous 5-year period of construction costs according to the St. Louis Federal Reserve follows.



SOURCE: https://fred.stlouisfed.org/series/WPUSI012011

Springerville Housing Market

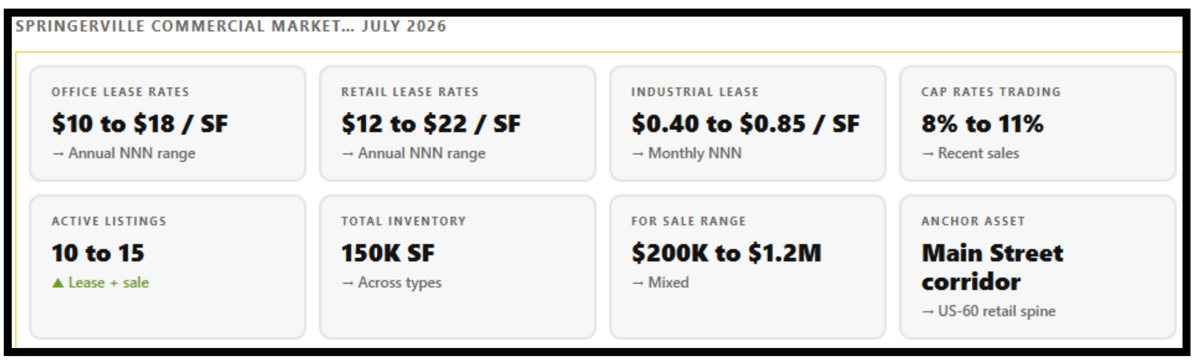
The subject property's value does not directly correlate with the single-family home residential market. Although, this information provides insight into the real estate market as a whole. Residential sale prices in the Springerville housing market have increased 4.4% over the last year with a current median sale price of $235,000. The chart below represents single-family residential sales trends.



Source: https://arizonahomesandcondos.com/springerville-arizona-real-estate/

Lease Rates by Property Type-Springerville Market

Within the Springerville market, retail use properties demand the highest rent rates ranging from $12.00 to $22.00 per square foot. Office space rents range from $10.00 to $18.00 per square foot while industrial use rents range from $4.80 to $10.20 per square foot. These rents are shown in the following chart.



Source: https://arizonahomesandcondos.com/springerville-arizona-real-estate/

Springerville Sale and Resale Trends

Due to limited market data availability, this analysis identified vacant land sales in the Springerville market area that were subsequently resold with no material changes to the properties other than the passage of time. These paired sales demonstrate appreciating land values in the subject's market. On average, the properties appreciated at an annual rate of 5.6% between their original purchase and resale dates. Due to the limited data set, the average sale price increase is only given partial consideration in the appraiser's final conclusion.

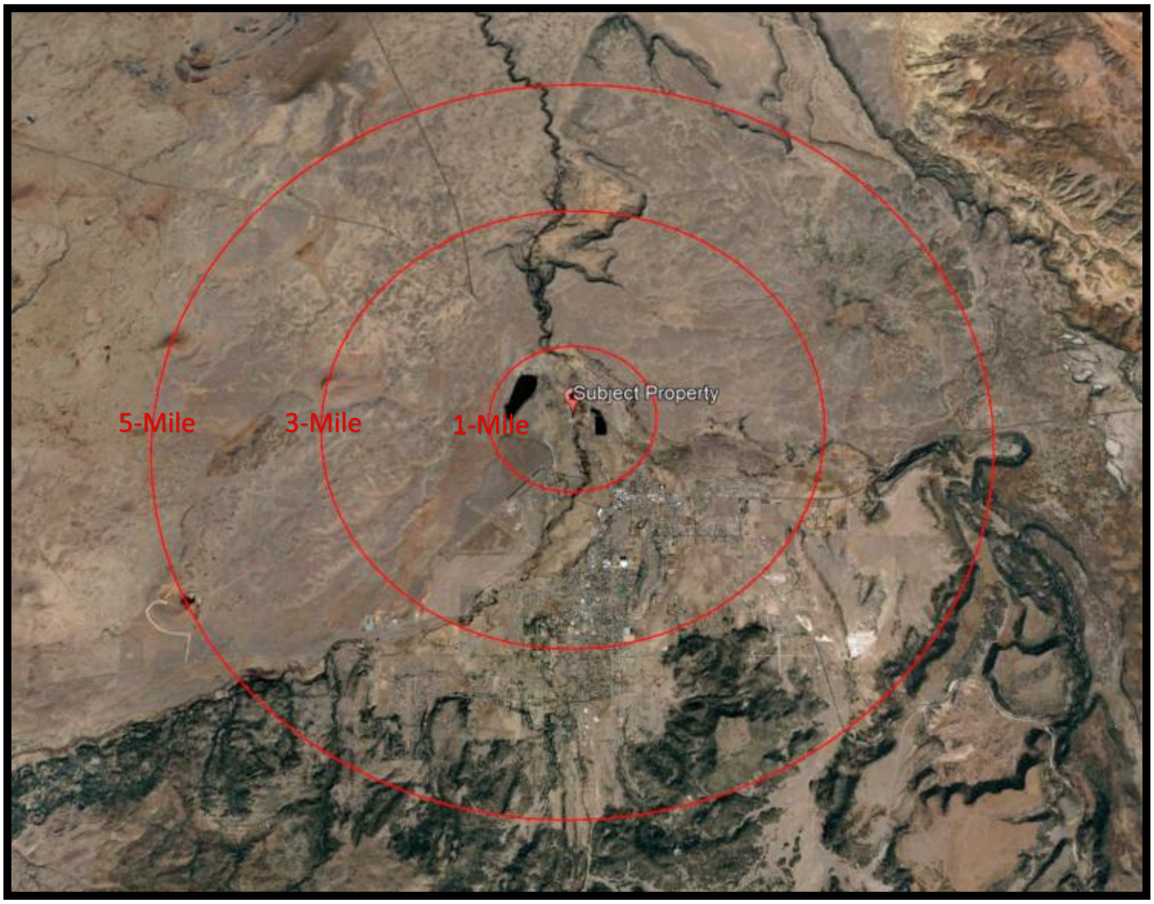
LAND SALE AND RESALE PRICE CHANGES										
LAND SALE	ASSESSOR'S PARCEL	SITE SIZE IN S.F.	FIRST SALE DATE	SALE PRICE	SALE PRICE PER S.F.	RESALE DATE	RESALE PRICE	RESALE PRICE PER S.F.	TOTAL PRICE CHANGE %	ANNUALIZED PRICE CHANGE %
1	105-51-015	12,632	March 2, 2011	$25,000	$1.98	April 22, 2026	$17,000	$1.35	-47.1%	-3.1%
2	105-19-003	24,394	January 26, 2022	$26,500	$1.09	March 3, 2026	$40,000	$1.64	33.8%	8.0%
3	104-03-068B	232,175	March 31, 2023	$85,000	$0.37	December 11, 2025	$92,000	$0.40	7.6%	2.9%
4	104-68-249	26,572	August 13, 2020	$13,300	$0.50	October 29, 2025	$35,000	$1.32	62.0%	11.9%
5	105-42-047C	58,806	March 25, 2022	$25,000	$0.43	September 24, 2025	$35,000	$0.60	28.6%	8.2%
AVERAGES		70,916	---	$34,960	$0.87	---	$43,800	$1.06	17.0%	5.6%

*The data presented is unconfirmed information provided by CoStar

Conclusion

The subject property is located in a tertiary market with a limited population base. The limited population and stagnant population growth restricts the feasibility of developing new real estate developments. While there is limited available market data, the obtainable sale and resale trends indicate increasing land values. Based on the aforementioned data, a 2% annual appreciation rate is used for increased market conditions in the Land Valuation Analysis.

NEIGHBORHOOD ANALYSIS



The value of any property is not solely determined by the physical characteristics of the site. The environmental, social, economic, and governmental forces in the immediate area must also be analyzed as they can have direct and indirect effects on value.

Location

The subject property is located in the northern portion of the Springerville town limits. The property also benefits from its close proximity to the Town of Eagar. These communities are commonly referred to as the Round Valley. Due to the smaller market area, the neighborhood's boundaries are the entire Town of Springerville and outlying areas.

Land Use and Economic Activity

The subject neighborhood consists of the Town of Springerville. It is a smaller community that is primarily developed with single-family residences and commercial uses that support the market area. It contains vast amounts of undeveloped land. According to the Arizona Commerce Authority, the principal economic activities in Springerville are tourism, agriculture, construction, and forestry. Some of the most prominent economic activities near the subject property are outlined below.

Springerville Municipal Airport is a general aviation airport located approximately 2 miles southwest of the subject property. The airport supports air ambulance services, pilot training, wildland firefighting, and tourism events. A 2021 study performed by ADOT estimated the airport provides over $5 million in economic output to Arizona's economy.

Casa Malpais Archaeological Park & Museum is located approximately 1-mile southeast of the subject property. It features a remarkably preserved 13th-century Mogollon pueblo complex complete with a Great Kiva, a volcanic rock solar calendar, and ancient stone staircases. This nationally recognized heritage landmark serves as a significant cultural anchor, driving regional tourism.

Independent Livestock Operators are a prominent driver to the local economy. While several locally operated ranches are not located in Springerville, their economic output benefits the town. Some of the most prominent ranches and ranch related businesses include Milky Ranch, X Diamond Ranch, Platt Cattle Company, and Cowboy Up Hay and Ranch Supply.

Round Valley Plaza is Springerville's largest neighborhood shopping hub, encompassing over 52,000 square feet of commercial space located approximately 1.5 miles south of the subject. The shopping center functions as a core retail destination for the local community, anchored by popular national chains like Family Dollar and Safeway.

Access

Primary access to the subject neighborhood is provided by State Routes 60 and 260 and U.S. Route 191. The area is also sufficiently served by several two-lane, asphalt paved roadways to provide access throughout the community. The lack of major arterial roadways does not inhibit the area due to the limited population base.

Governmental Forces

Government services provided to the subject's area are the Round Valley Police and Fire Departments, and the Round Valley Unified School District. These entities provide adequate governmental services to the neighborhood.

Neighborhood Boundaries

Due to the small market area, the neighborhood boundaries encompass the entire Town of Springerville and surrounding area which includes the Town of Eagar.

Adjacent Uses

North:	Vacant Land and Self-Storage Use
South:	Vacant Land and Gas Station
East:	Vacant Land
West:	Commercial and Residential Uses

Environmental Forces

Quality of Surrounding Area:	Some environmental characteristics that influence value include land use patterns, topography, building densities, property maintenance, nuisances and hazards, and the adequacy of transportation corridors. The surrounding area is largely undeveloped with existing improvements ranging from fair to good condition.

DEMOGRAPHICS

The following data shows demographics within a one, three, and five-mile radius of the subject.

2025 Demographics Source: CoStar	1-Mile Radius	3-Mile Radius	5-Mile Radius
Population	126	3,805	6,467
Households	46	1,427	2,462
Median Household Income	$94,999	$72,919	$69,310
Median Home Value	$291,666	$241,044	$255,223

CONCLUSION

The population and number of households within the subject's immediate area and the larger neighborhood have remained relatively stable since 2020. The subject neighborhood has a middle-income profile, with a 2025 median household income of $72,919 within a three-mile radius of the subject.

The subject neighborhood is currently in a development phase of the neighborhood life cycle due to the amount of vacant developable land. The neighborhood is reliant on agricultural and tourism uses to support the local economy. Limited population restricts the feasibility of development in the neighborhood. In summary, the neighborhood's growth and economic output are restricted due to the lack of prominent economic drivers and population.

AERIAL IMAGE

Red Property Boundary is an Approximation. Image is from Google Earth

SUBJECT PHOTOGRAPHS

FACING EAST FROM WEST ELEVATION MID-BLOCK

FACING SOUTH FROM NORTHERN PROPERTY BOUNDARY

FACING NORTH FROM SOUTHERN BOUNDARY

FACING NORTH FROM EASTERNMOST BOUNDARY

FACING NORTHWEST FROM SOUTHEAST PROPERTY CORNER

U.S. HIGHWAY 191 ALONG WESTERN PROPERTY BOUNDARY

WELL HOUSE

DEPRECIATED ASPHALT PAVEMENT

SITE ANALYSIS

Location	The subject property is located at 265 W. Main Street, Springerville, Apache County, Arizona 85938.
Parcel Size/Shape/Topography	According to the client, the subject property consists of 88,566 square feet or 2.03 acres of vacant land. The property contains flat topography, that was previously developed. It is irregularly shaped in an elongated manner that can support development.
Access (Legal / Physical)/ Visibility	Legal and physical access to the property is from U.S. Route 191 which is an asphalt paved, 2-lane arterial roadway. It is mid-block located with approximately 800 L.F. of direct frontage along U.S. Route 191.
Traffic Counts:	According to ADOT, in 2025 there were 3,713 vehicles per day on U.S. Route 191 near the subject property.
Site Improvements	The property is partially improved with asphalt pavement that is in disrepair. A new asphalt overlay is required for the asphalt to conform to current market standards. Additionally, the property contains a 64 square foot well house and pressure tank pad.
Utilities	
Electric:	Navopache Electric Co-Op
Telephone:	Private Providers
Gas:	None, Tank Required
Water:	Water Well (Well Registration #55-637102)
Sewer:	None, septic required.
Floodplain	The subject property is identified as being located in the Flood Zone D and Zone A per FIRM Map Panel No.: 04001C4518E dated September 28, 2007. Zone D is an area defined by FEMA as areas with possible but undetermined flood hazards. Zone A is defined as Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. The subject was previously developed with a weight station. This indicates that the subject's flood zone

designations do not impact the subject's development potential.

Environmental Conditions

No environmental reports were provided for my review. Lacking environmental reports, this appraisal assumes that there are no environmental conditions on or around the subject parcel that would adversely impact its market value.

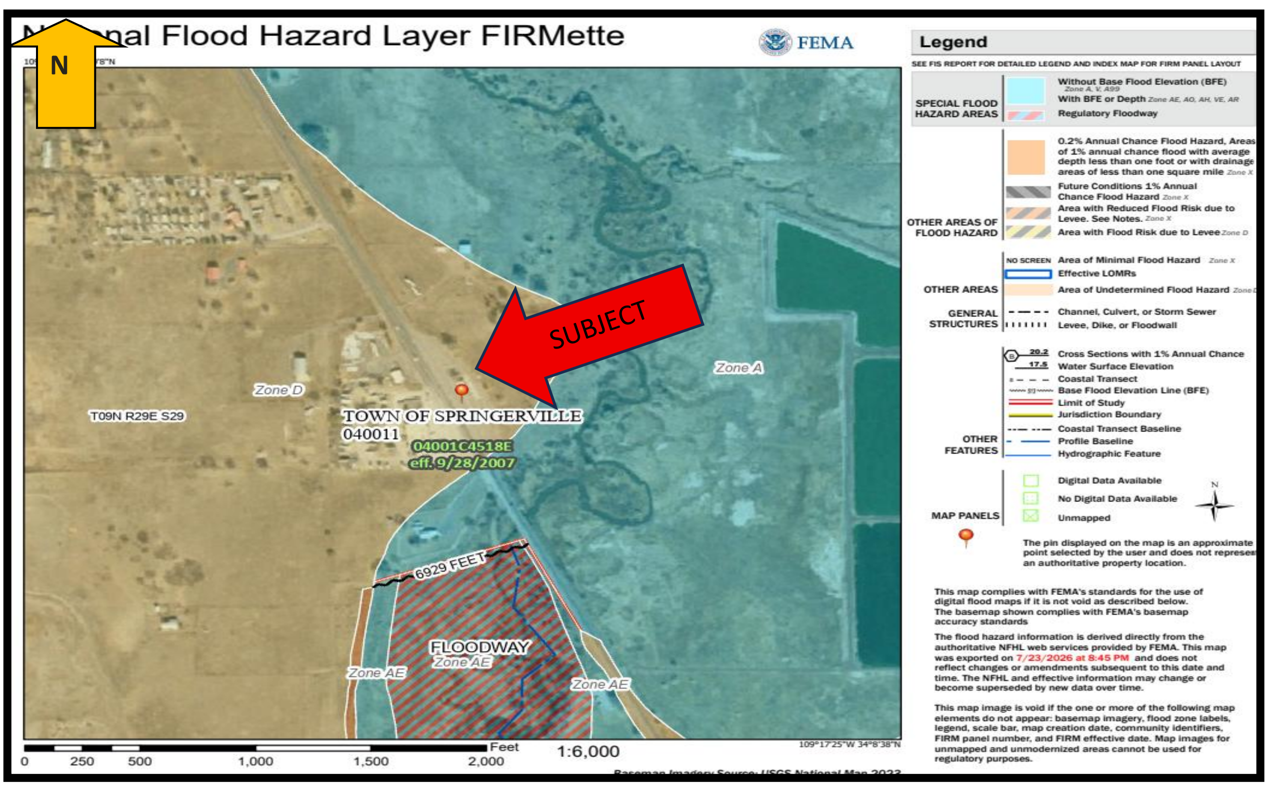
Soil & Subsoil Conditions

No soils engineering reports were provided for my review. Thus, the soil and subsoil conditions are not known. During the property inspection there was no visual evidence of adverse soil conditions on the subject parcel. The surrounding improved properties indicate that subsoil conditions support development.

Restrictions & Easements

The subject's Right of Way Title Report was provided for review. Although, the title report does not outline the access and utility easements located on the property. This appraisal assumes the subject property is encumbered by typical public utility and access easements that do not adversely affect the property's value.

FLOOD MAP



ASSESSED VALUATION & TAX DATA

The subject property is part of Apache County Assessor's Parcel 105-15-007. According to the Apache County Assessor, the parcel's 2026 full cash value is $34,375 with a limited cash value of $33,213 and primary assessed value of $4,982. Next year's 2027 full cash value increased to $36,000. Since the property is owned by a governmental agency, it is exempt from paying property taxes. The subject's tax valuations are in-line with similar properties in the area and do not negatively influence the property's value. The property does not have any delinquent property taxes due. The following chart represents the 2026-2027 property taxes for the subject property.

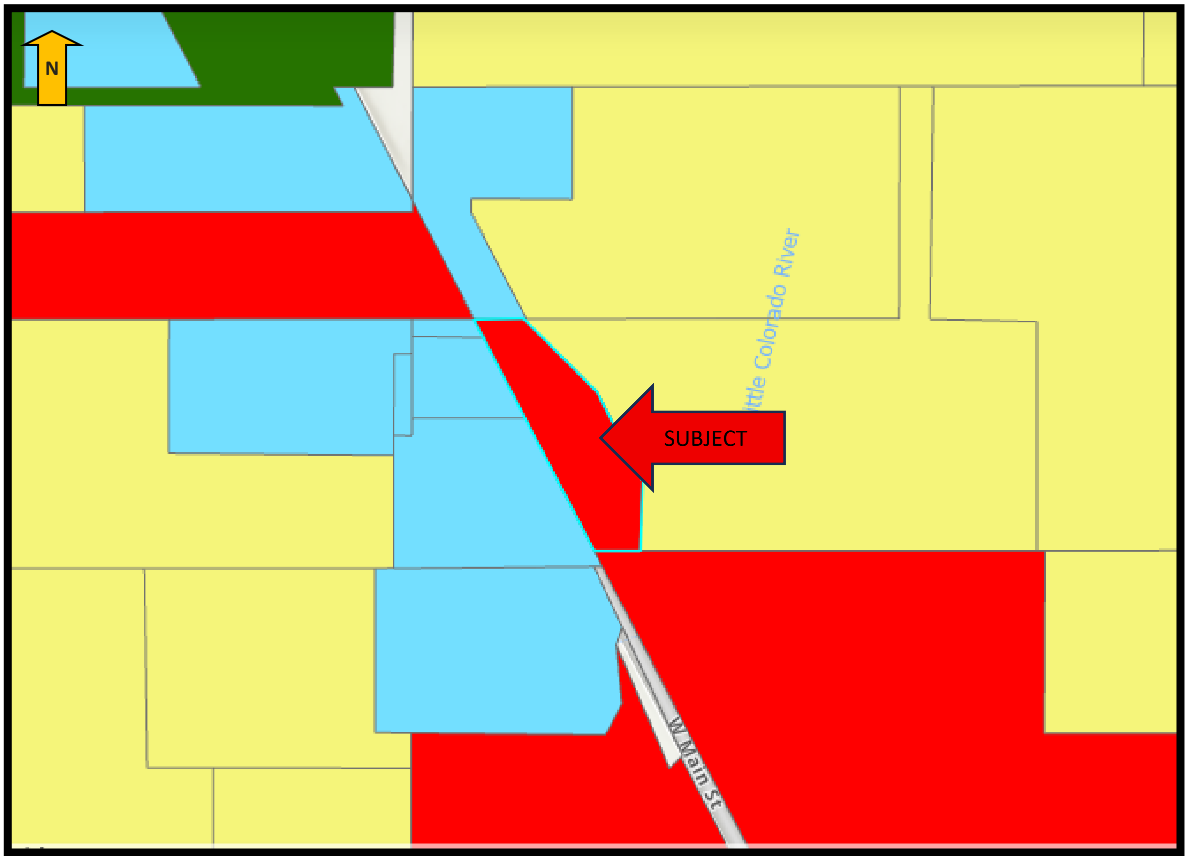
2026 Tax Information

ASSESSOR'S PARCEL	2026 FCV	2026 LIMITED VALUE	2026 ASSESSED VALUE	2026 TAXES DUE
105-15-007	$34,375	$33,213	$4,982	Exempt

2027 Tax Information

ASSESSOR'S PARCEL	2027 FCV	2027 LIMITED VALUE	2027 ASSESSED VALUE	2027 TAXES DUE
105-15-007	$36,000	$34,874	$5,231	Exempt

ZONING



SOURCE: https://www.springervilleaz.gov/

Zoning-AR-20/C-1, Agricultural-Residential and Commercial (Dual Zoning District)

The subject property is located in the AR-20, Agricultural and C-1, General Commercial zoning districts. This is a dual zoning district in the Town of Springerville. Development standards for both zoning districts are legally allowable uses for the subject and these districts are outlined below.

AR-20, Agricultural-Residential

The AR-20 district is intended to preserve agricultural areas and low-density residential development, with land use composed chiefly of individual homes on medium-sized lots and low-intensity agriculture. Permitted uses include one single-family dwelling or mobile/manufactured home, one guest house of not more than four bedrooms, farming and agriculture, including the keeping of cattle, horses, sheep, and goats, but not pigs, the keeping of fowl up to fifty in number, customary accessory uses and buildings, home occupations, and residential facilities for the developmentally disabled. A range of conditional uses requiring a permit are also allowed, such as publicly owned parks and recreation areas, churches, public and private schools, colleges and universities, golf/tennis/country clubs, cemeteries, and public utility buildings.

The district requires a minimum lot area of 20,000 square feet, a minimum average lot width and lot frontage of 100 feet each, and a minimum dwelling size of 800 square feet. Setbacks are uniform at 20 feet for the front, side, and rear yards. Maximum building height is 25 feet, though greater heights may be allowed with a conditional use permit, and maximum lot coverage is 75 percent. Agricultural density is limited to one head of cattle, horses, sheep, or goats per 20,000 square feet of lot area, with pigs prohibited.

C-1, General Commercial

The C-1 district is intended to provide for general commercial uses, composed chiefly of retail service businesses together with accessory uses, with development standards designed to encourage compatible development in existing and future commercial areas. Permitted uses span a broad array of retail sales, repair and personal services, restaurants and other food/beverage establishments served indoors, banks and financial institutions, professional and medical/dental offices, hotels and motels, hospitals and clinics, gasoline service stations, business and trade schools, churches, and light manufacturing incidental to a permitted use. Conditional uses requiring a permit include outdoor food service and drive-in facilities, automobile and equipment sales, mortuaries, indoor and outdoor commercial recreation, wholesale establishments, mini-storage complexes, residential uses per the MF-7 zone.

The district requires a minimum lot area of 7,500 square feet, a minimum average lot width of 70 feet, and a minimum lot frontage of 30 feet, with no minimum dwelling or building size specified. Setbacks are a 10-foot front yard, a 5-foot side yard, and a 5-foot rear yard, with reduced side and rear yards allowed by conditional use permit. Maximum building height is 25 feet, with greater heights permitted through a conditional use permit, and there is no maximum lot coverage requirement. Screening of commercial uses from adjacent noncommercial or nonindustrial zones is required via a six-foot solid masonry or wood fence.

HIGHEST AND BEST USE

According to *The Appraisal of Real Estate, 16th Edition*, published by the Appraisal Institute, highest and best use is defined as the reasonably probable use of property that results in the highest value. To be reasonably probable, a use must satisfy four criteria, analyzed in the following sequence:

1) ***Legally Permissible:*** The use is permitted by zoning, private restrictions, easements, historic district controls, environmental regulations, and other applicable codes, or a change to permit the use is reasonably probable.

2) ***Physically Possible:*** The use is supported by the size, shape, frontage, topography, soils, access, and available utilities of the site, or making it possible is reasonably probable.

3) ***Financially Feasible:*** Of the uses that are legally permissible and physically possible, those that produce a positive return to the owner are financially feasible.

4) ***Maximally Productive:*** Among the financially feasible uses, the one that produces the highest value—consistent with the rate of return warranted by the market—is the highest and best use.

Legally Permissible

The subject property is located within the Town of Springerville's dual zoning districts of AR-20, Agricultural-Residential and C-1, General Commercial. The C-1 district permits a broad range of commercial uses, including retail sales, service businesses, restaurants, financial institutions, professional offices, hotels and motels, gasoline service stations, and certain light manufacturing and storage-related uses. The AR-20 district allows low-density residential and agricultural uses.

Physically Possible

The site is comprised of 88,566 square feet or 2.03 acres of generally flat topography. It is irregularly shaped in an elongated manner that can support development. It has approximately 800 linear feet of frontage along U.S. Route 191, with legal and physical access from the roadway. Utilities available to the property include electric and a water well. Sewer is not available in the area and septic is required for development. Development of multi-family residential uses is diminished by the subject's reliance on septic development.

The property is located in FEMA Flood Zone D and Zone A which do not appear to restrict the subject's development. The site was previously developed with a weight station, further supporting its physical suitability for development.

Financially Feasible

The subject's small and relatively stagnant market reduces overall demand for added real estate development. Commercial activity along major transportation corridors is supported by transient travelers and the local community which benefits the subject's development potential. While the subject's frontage benefits commercial development, it creates a nuisance for residential uses.

The subject's surrounding area is primarily developed with commercial uses while residential developments are setback from transportation corridors. The lack of residential developments with similar frontage as the subject indicates these uses are not feasible in the market. Given the zoning, site characteristics, and market context, commercial use is more consistent with market demand than residential development on this site.

Maximally Productive

Considering the legal, physical, and market factors, the highest and best use of the subject site as vacant land is for commercial development as allowed by the C-1, Commercial zoning district, with development occurring as market demand warrants.

LAND VALUATION

The Sales Comparison Approach is used to provide a market value opinion for the subject property's vacant land. This approach applies the principle of substitution which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property without undue or costly delay. The Sales Comparison Approach is the most applicable approach to value vacant land like the subject. Thus, neither a Cost nor Income Approach are applicable to the subject's valuation.

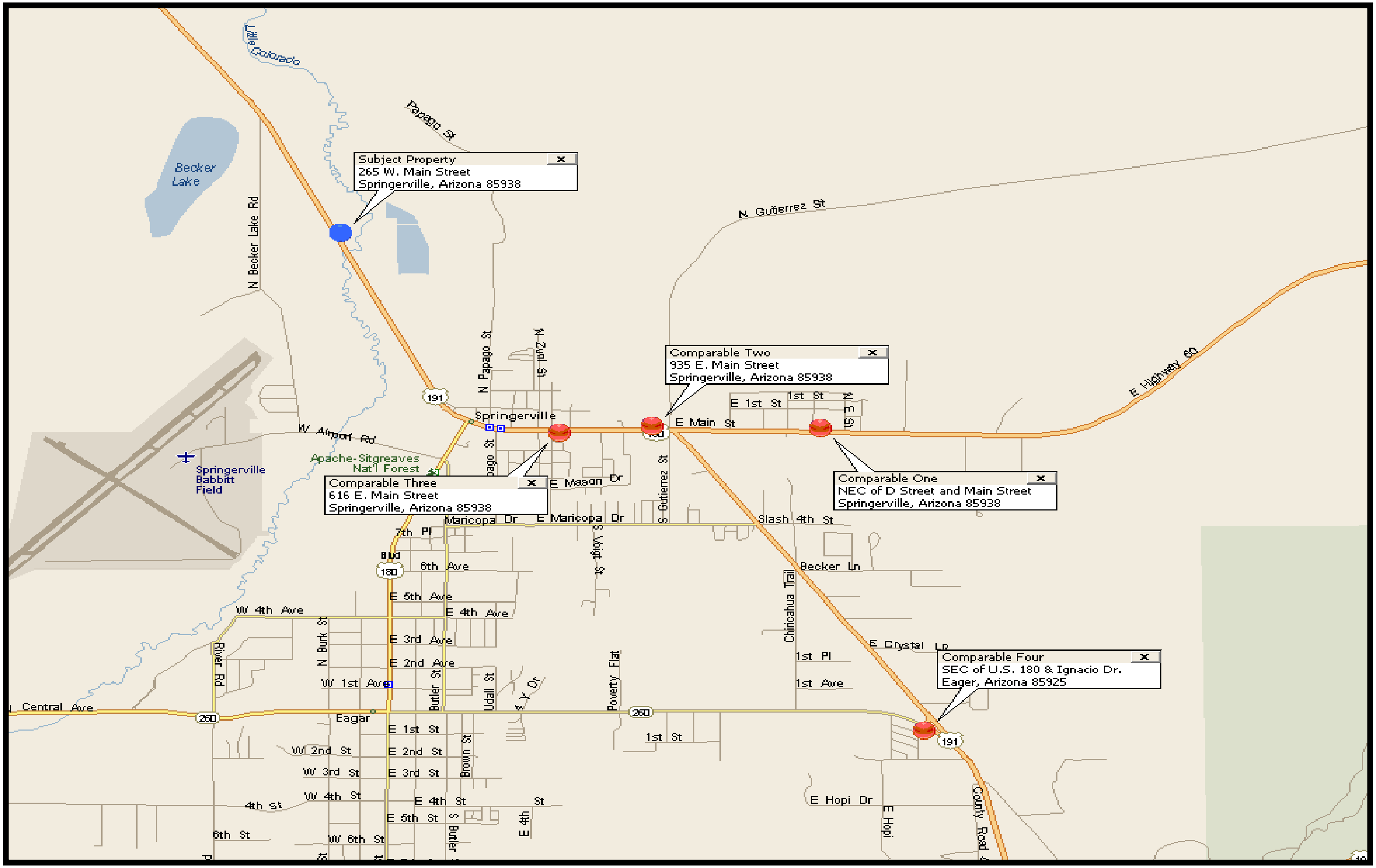
Adjustments to the comparable sale prices are considered based on the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, and zoning/planned use. The most appropriate unit of comparison is sale price per square foot.

Search parameters for comparable vacant land sales focused on sales and listings that are similar in location, physical characteristics, and use to that of the subject. The search for recent land sales included immediate and surrounding areas that have similar demographics and are planned for similar uses. An emphasis was made to find commercially zoned land sales that have prominent frontage along major transportation corridors. Sufficient sales were found within the subject's immediate market. The market data that is included in the analysis is considered to be the best available and provides a credible opinion of value.

On March 17, 2022, 1.32 acres of vacant land located approximately ½ mile southeast of the subject property sold for $145,000 or $2.52 per square foot of land (Parcels 105-18-001B and 105-18-001C). These parcels sold with existing billboards leases that generate an estimated $15,000 in income to the buyer annually. As the subject property does not benefit from any income producing billboards, the property sale is not included in the following analysis.

A location map showing the comparable sales relative to the subject property and individual data sheets are presented on the following pages. The price per square foot adjustment matrix follows the land value analysis.

LAND COMPARABLE MAP



COMPARABLE LAND SALE

COMPARABLE:	Comparable One
LOCATION:	NEC of D Street and Main Street, Springerville, AZ 85938
TAX CODE NUMBER(S):	105-42-046A
RECORDS:	
Instrument:	Warranty Deed
Recorded Sale Date:	February 28, 2022
Instrument No:	2022-001508RP
SELLER:	Vipul C. Shah
BUYER:	Robert K. Graves
SALE PRICE:	$90,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Assumed Arm's-Length
LAND AREA IN SQ. FT.	139,828
LAND AREA IN ACRES.	3.21
SALE PRICE PER SQ. FT:	$0.64
SALE PRICE PER ACRE:	$28,037
PHYSICAL DESCRIPTION	
Location:	Average
Access/Visibility:	Above Average / Average
Traffic Counts:	1,768 V.P.D. ADOT 2025
Topography/Shape:	Level / Rectangular
Utilities:	All Available
Flood Plain:	Zone D
Site Improvements:	Partial Chain-Link Fencing
ZONING / PLANNED USE:	C-1, Commercial / Assumed Storage-Future Commercial
THREE YEAR HISTORY:	None
MARKETING TIME:	21 Days
CONFIRMED WITH:	MLS, Affidavit of Value, Public Records
DATE CONFIRMED:	7/29/2026

COMMENTS:

This comparable represents the sale of 3.21 acres of vacant land located approximately 2.5 miles southeast of the subject property. Multiple unsuccessful attempts were made to contact a party related to the sale transaction. At the time of purchase, the property was improved with chain-link fencing along Main Street. This fencing does not surround the property and has limited utility to secure the site. After the purchase, the buyer improved the property with storage containers. Historical imagery indicates that the buyer is utilizing the property for storage uses and it is assumed to have a future commercial use as demand warrants.

COMPARABLE LAND SALE

COMPARABLE:	Comparable Two
LOCATION:	935 E. Main Street, Springerville, AZ 85938
TAX CODE NUMBER(S):	105-20-001D & 105-20-012
RECORDS:	
Instrument:	Warranty Deed
Recorded Sale Date:	October 23, 2024
Deed Recording No:	2024-006217
SELLER:	Mary Lee Colter Stewart-Colter 1997 Trustee
BUYER:	Shane Le Dikoff
SALE PRICE:	$45,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
LAND AREA IN SQ. FT.	109,771
LAND AREA IN ACRES.	2.52
SALE PRICE PER SQ. FT:	$0.41
SALE PRICE PER ACRE:	$17,857
PHYSICAL DESCRIPTION	
Location:	Average
Access/Visibility:	Above Average / Above Average
Traffic Counts:	6,422 V.P.D. ADOT 2025
Topography/Shape:	Sloping-Fill Required / Irregular
Utilities:	All Available
Flood Plain:	Zone D
Site Improvements:	None
ZONING / PLANNED USE:	C-1, Commercial / Commercial Use
THREE YEAR HISTORY:	No Sales
MARKETING TIME:	Not Disclosed
CONFIRMED WITH:	Shane Le Dikoff, Buyer, CoStar, Affidavit of Value
DATE CONFIRMED:	7/27/2026

COMMENTS:

This sale represents the sale of 2.52 acres of vacant land located approximately 2 miles southeast of the subject property. According to the buyer, the site required substantial fill and grading prior to development. The buyer purchased the adjacent parcels in separate transactions to obtain excess fill for the comparable's site. All four parcels were subsequently assembled into a larger site. Since the buyer owns a grading company, they did not contract out this added work. The property was originally purchased for the buyer's grading business. Since the purchase, the buyer changed his business plan and will use the site as an RV park. The buyer developed the frontage along U.S. 180 which is not represented in the parcel outline above as the parcel map has not been updated by the assessor.

COMPARABLE LAND SALE

COMPARABLE:	Comparable Three
LOCATION:	616 E. Main Street, Springerville, AZ 85938
TAX CODE NUMBER(S):	105-21-112
RECORDS:	
Instrument:	Warranty Deed
Recorded Sale Date:	April 29, 2026
Deed Recording No:	2026-003016
SELLER:	Estate of Nancy Golightly
BUYER:	DLD Eagar Properties LLC
SALE PRICE:	$80,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
LAND AREA IN SQ. FT.	33,541
LAND AREA IN ACRES.	0.77
SALE PRICE PER SQ. FT:	$2.39
SALE PRICE PER ACRE:	$103,897
PHYSICAL DESCRIPTION	
Location:	Above Average
Access/Visibility:	Above Average / Above Average
Traffic Counts:	6,422 V.P.D. ADOT 2025
Topography/Shape:	Level / Rectangular
Utilities:	All Available
Flood Plain:	Zone D
Site Improvements:	Street Signage, Minimal Landscaping
ZONING / PLANNED USE:	C-1, Commercial / Assumed Commercial Use
THREE YEAR HISTORY:	No Sales
MARKETING TIME:	145 Days
CONFIRMED WITH:	Shelly Reidhead, Buyer's Agent, MLS, Affidavit of Value
DATE CONFIRMED:	7/27/2026

COMMENTS:

This comparable represents the sale of 0.77-acre of vacant land located approximately 1.5 miles southeast of the subject property. The property was previously developed with an office building that was demolished prior to the sale. The buyer's agent was unwilling to disclose the buyer's planned use. Due to this, it is assumed to be for commercial development based on the site's location and frontage. The property is centrally located in Springerville in a densely developed area. It is adjacent east of a Dollar General retail store. Some landscaping and a street signage remained on the property from the previous development.

COMPARABLE LAND LISTING

COMPARABLE:	Comparable Four
LOCATION:	SEC of U.S. 180 and Ignacio Drive, Eager, AZ 85925
TAX CODE NUMBER(S):	104-24-002I
RECORDS:	
Listing Date:	February 27, 2025
Days on Market:	529 Days From List Date to Date of Value
MLS Listing No:	WMMLS #254702
SELLER:	John and Deborah Kettunen
BUYER:	Not Available
LIST PRICE:	$125,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Assumed Cash to Seller
CONDITIONS OF SALE:	Assumed Arm's-Length Listing
LAND AREA IN SQ. FT.	128,066
LAND AREA IN ACRES.	2.94
LIST PRICE PER SQ. FT:	$0.98
LIST PRICE PER ACRE:	$42,517
PHYSICAL DESCRIPTION	
Location:	Average
Access/Visibility:	Above Average / Average
Traffic Counts:	1,807 V.P.D. ADOT 2025
Topography/Shape:	Level / Irregular
Utilities:	All Available
Flood Plain:	Zone D
Site Improvements:	None
ZONING / PLANNED USE:	C-1, Commercial / Assumed Commercial Use
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	529 Days
CONFIRMED WITH:	Erin Rivas, Listing Agent, MLS, Public Records
DATE CONFIRMED:	7/27/2026

COMMENTS:

This comparable represents 2.94 acres of vacant land that is currently listed for sale. The comparable is located approximately 5 miles southeast of the subject property. According to Ms. Erin Rivas, listing broker, the property has received some interest to purchase the property but no written offers. Based on the interest received, Ms. Rivas thought the property would sell for close to the list price. She stated that land for sale required an extended marketing period in the market area but did not necessitate large price reductions. The surrounding area is largely undeveloped land with the Eagle Cove Apartments adjacent south of the site.

LAND VALUATION ANALYSIS

Adjustments are considered to each of the comparable sales prices for differences between the subject property and the comparable sales for the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, zoning and planned use.

SUMMARY OF COMPARABLES

LOT COMP	SALE DATE	PROPERTY LOCATION	SALE PRICE	GROSS ACRES	LAND AREA (SF)	PRICE PER ACRE	PRICE PER SF	ZONING / PLANNED USE
1	02/28/22	NEC of D Street and Main Street, Springerville, AZ 85938	$90,000	3.21	139,828	$28,037	$0.64	C-1, Commercial / Assumed Storage-Future Commercial
2	10/23/24	935 E. Main Street, Springerville, AZ 85938	$45,000	2.52	109,771	$17,857	$0.41	C-1, Commercial / Commercial Use
3	04/29/26	616 E. Main Street, Springerville, AZ 85938	$80,000	0.77	33,541	$103,897	$2.39	C-1, Commercial / Assumed Commercial Use
4*	Active Listing	SEC of U.S. 180 and Ignacio Drive, Eager, AZ 85925	$125,000	2.94	128,066	$42,517	$0.98	C-1, Commercial / Assumed Commercial Use
SUBJECT	---	265 W. Main Street, Springerville, AZ 85938	---	2.03	88,566	---	---	C-1, Commercial / Commercial H&BU

*List Price Information Shown

Here follows the analysis of the comparable sales by element of comparison. An adjustment matrix summarizing the adjustments as they apply to the comparables precedes the conclusion of this analysis.

Property Rights Conveyed

This appraisal values the fee simple interest of the subject property, which is encumbered by typical utility and access easements that do not impact its value. All of the comparables transferred or will transfer the fee simple interest encumbered with typical utility and access easements. No price adjustments are warranted for property rights conveyed.

Financing Terms

In accordance with the definition of market value, price adjustments for financing terms assume transactions which were all cash or cash to the seller with the buyer obtaining new conventional financing at prevailing interest rates. The subject property is appraised on a cash to seller basis with no unusual financing terms.

All of the comparables are or are assumed to be cash to seller transactions. No price adjustments are warranted.

Conditions of Sale

An adjustment for conditions of sale is made if the transaction was influenced by outside factors such as financial duress, a related-party transaction, out of the ordinary motivations of the buyer or seller, or sales status.

Comparable Sales One and Three were or are assumed to have been arm's-length transactions with no unusual conditions of sale. No price adjustments are warranted.

Comparable Sale Two is an arm's-length transaction. After the purchase of the property, the buyer purchased the adjacent parcels from a different seller. The comparable's purchase price was not impacted by the adjacent acquisitions as the sale price was agreed upon prior to assembling the larger property. As these separate purchases did not impact the comparable's purchase price, no price adjustment is warranted.

Comparable Listing Four is an active listing that has not sold as of the date of value. It is typical in the market for buyers to purchase a property for less than the asking price. In the listing broker's opinion, the property would sell for close to the asking price. Although, the property has been listed on the open market for an extended period of time. This indicates that the seller would have to reduce the asking price to facilitate a sale. Thus, a downward price adjustment is made.

Market Conditions (Time)

A price adjustment to the comparable sales for market conditions considers any changes in prices of vacant land that occur in the marketplace over time. These changes may be due to fluctuations in supply and demand, inflation, or deflation. Since the subject property is appraised as of a specific date, the sales must be analyzed to determine the direction of change in market prices, if any, during the period between the sale date and the date of valuation.

The comparables' sale dates range from February 2022 to April 2026 with Comparable Four being an active listing currently for sale. As discussed in the Market Analysis section, a 2% annual appreciation rate is utilized from the sale dates to the effective date of value. Comparable Sales One and Two are adjusted upward. No price adjustments are made for Comparable Sale Three which is a recent transaction and Comparable Listing Four which is actively listed for sale.

Location/Access/Visibility

The location, access, and visibility information for the subject and comparables is outlined in the following chart. Location demographics include population, median household income, and adjacent developments. Access and visibility characteristics include the roadway(s) that support the property's access and traffic counts.

PROPERTY DEMOGRAPHICS					
Category	**Subject**	**Comp One**	**Comp Two**	**Comp Three**	**Comp Four**
Median Annual Household Income*	$72,919	$67,569	$67,876	$68,181	$67,405
Population*	3,805	5,093	5,567	5,674	5,367
Adjacent Development	Limited Commercial & Residential With Several Tracts of Vacant Land	Limited Commercial & Residential With Several Tracts of Vacant Land	Limited Commercial & Residential With Several Tracts of Vacant Land	Commercial & Residential With Limited Vacant Land	Limited Residential and Multi-Family With Several Tracts of Vacant Land
Access	Two-Lane U.S. Highway	Two-Lane U.S. Highway and Two-Lane Secondary Residential Roadway	Two-Lane U.S. Highway	Four-Lane U.S. Highway	Two-Lane U.S. Highway and Two-Lane Secondary Residential Roadway
Visibility	Mid-Block Location on U.S. Highway with 3,713 V.P.D.	Corner Location on U.S. Highway with 1,768 V.P.D.	Mid-Block Location on U.S. Highway with 6,422 V.P.D.	Mid-Block Location on U.S. Highway with 6,422 V.P.D.	Corner Location on U.S. Highway with 1,807 V.P.D.

***2025 Annual Data From CoStar Within a 3-Mile Radius**

The subject property is located on the east side of U.S. Highway 191, also known as Main Street, in the northern portion of the Town of Springerville. It is approximately 1.5 miles northwest of the town center. Within a three-mile radius, there are 3,805 residents with a median household income of $72,919. While there are some commercial developments near the subject, the area is primarily undeveloped with several tracts of vacant land. Most of the town's development is located near the town center. Overall, the subject's location is considered average.

Access to the subject property is from an asphalt paved, two-lane U.S. Highway. It is mid-block located along U.S. Highway 191 with exposure to 3,713 vehicles per day. Overall, the subject has above average access and average visibility.

Comparable Sale One is located approximately 2.5 miles southeast of the subject. Due to its close proximity, it shares the same economic characteristics as the subject. The surrounding area is developed with commercial and residential uses and has several large tracts of undeveloped land. Overall, its location is considered average, similar to the subject. No price adjustment is warranted.

Comparable Sale One is accessed from U.S. Highway 60 which is an asphalt paved, two-lane highway. Additional access is provided from D Street, which is an asphalt paved secondary residential roadway. Overall, the property's access is considered above average, similar to the subject. No price adjustment is warranted. Its corner location has exposure to 1,768 vehicles per day. While traffic volumes are inferior to the subject, the comparable's corner location is a benefit. Overall, its visibility is average, similar to the subject. No price adjustment is warranted.

Comparable Sale Two is located approximately 2 miles southeast of the subject. Due to its close proximity, it shares the same economic characteristics as the subject. The surrounding area is developed with commercial and residential uses and has several tracts of undeveloped land. Overall, its location is considered average, similar to the subject. No price adjustment is warranted.

Comparable Sale Two is accessed from U.S. Highway 191 which is an asphalt paved, two-lane highway near the property. Overall, the property's access is considered above average, similar to the subject. No price adjustment is warranted. Its mid-block location has exposure to 6,422 vehicles per day, which is superior to the subject. Overall, its visibility is above average, superior to the subject. A downward price adjustment is made.

Comparable Sale Three is located approximately 1.5 miles southeast of the subject within the primary commercial hub for the Town of Springerville. Due to its close proximity, it shares the same demographic characteristics as the subject. The surrounding area is largely developed with commercial and residential uses and has minimal vacant land that can support development. Overall, its location is considered above average, superior to the subject. A downward price adjustment is made.

Comparable Sale Three is accessed from U.S. Highway 191 which is an asphalt paved, four-lane highway near the property. Overall, the property's access is considered above average, similar to the subject. No price adjustment is warranted. Its mid-block location has exposure to 6,422 vehicles per day, which is superior to the subject. Overall, its visibility is above average, superior to the subject. A downward price adjustment is made. Overall, downward price adjustments are applied for the comparable's superior location and visibility.

Comparable Listing Four is located approximately 5 miles southeast of the subject. The comparable has similar demographic characteristics as the subject. The surrounding area is largely undeveloped land with the Valley View Mobile Home Park and Eagle Cove Apartments being adjacent developments. Overall, its location is considered average, similar to the subject. No price adjustment is warranted.

Comparable Listing Four is accessed from U.S. Highway 180 which is an asphalt paved, two-lane highway. It also has indirect access to U.S. Highway 191 which merges near the comparable's northern boundary. Overall, the property's access is considered above average, similar to the subject. No price adjustment is warranted. Its corner location has exposure to 1,807 vehicles per day. While traffic volumes are inferior to the subject, the comparable's corner location is a benefit. Overall, its visibility is average, similar to the subject. No price adjustment is warranted.

PHYSICAL CHARACTERISTICS

Price adjustments are considered for physical characteristics. These include the size, topography, shape, availability of utilities, and flood plain issues.

Site Size

Generally, due to economies of scale, smaller parcels tend to sell at higher prices than larger ones, on a price per-square-foot basis. The subject property is 88,566 square feet, or 2.03 acres. The comparable sales range from 33,541 square feet or 0.77-acre to 139,828 square feet, or 3.21 acres. Due to the lack of available market data and paired sales, the appraiser was unable to establish a basis for size adjustments. Due to this, economies of scale price adjustments that are typical of the vacant land market are applied.

Comparable Sales One, Two, and Four are larger than the subject property with economies of scale present. Upward price adjustments are made.

Comparable Sale Three is smaller than the subject property with economies of scale present. A downward price adjustment is made.

Topography / Shape

The subject property has level terrain with an elongated site that is irregularly shaped in a non-restrictive manner. Comparables One, Three, and Four have level terrain and non-restrictive site shapes. No price adjustments are required.

Comparable Sale Two has a non-restrictive site shape. According to the buyer, the property required substantial site fill to develop the site. According to Marshall Valuation Service, the base cost for fill dirt is $0.58 per cubic foot. As the amount of fill dirt was not known by the buyer, the sale price per square foot of Comparable Sale One and Comparable Sale Two were compared. Comparable Sale One sold for $0.23 more per square foot. This closely located sale did not require additional fill dirt. The price of fill and the paired sale are used as a basis for the upward price adjustment applied to Comparable Sale Two.

Utilities

The subject property contains a water well and has electric to the lot line. It is not currently feasible to extend sewer to the property so a septic system is required for development. According to Marshall Valuation Services, MVS, the base cost to develop a 6,000 gallon septic tank ranges from $13,600 to $17,000. The property contains a well house and pressure tank pad that support the existing water well.

All of the comparables have electric, water, and sewer to the properties. This is superior to the subject property and a downward price adjustment is made for the added cost of developing a septic system. Price adjustments vary based on the comparables' site areas.

Floodplain

The subject property is primarily located in the Zone D floodplain. A small portion of the southern property boundary is located in the Zone A floodplain. Due to its smaller size and location, the portion of land located within Zone A does not impact the subject's development.

All of the comparables are located in the Zone D floodplain, similar to the subject. This flood zone is typical of the market and does not impact development. No price adjustments are warranted.

Site Improvements

Site improvements such as fencing, grading, paving, and landscaping typically enhance land value by increasing the site's utility and marketability. Improvements that can be utilized by the buyer reduce development cost and reduce the timeline for construction. Alternatively, site improvements that provide no value and require demolition increase construction costs and reduce the land's value. The subject property contains asphalt pavement that requires renovations and a storage shed that serves as a well house. The existing well house and pressure tank pad do not contribute value to the subject on a stand-alone basis. Their value is part of the subject's utility development and it is not considered in this section.

According to Marshall Valuation Services, *MVS*, the base cost to develop 2-inch asphalt pavement has an average cost of $2.02 per square foot. While the subject's asphalt pavement requires a new overlay to conform to current market standards, its contributory value is diminished.

Comparable Sale One contains chain-link fencing along Main Street. The existing fencing does not fully enclose the property which reduces its utility. According to MVS, the base cost to develop 6' high chain-link fencing is $21.30 per linear foot. The depreciated value of this fencing is comparable to the subject's asphalt pavement. Thus, no price adjustment is warranted.

Comparables Two and Four do not contain any site improvements. This is inferior to the subject and upward price adjustments are made. The price adjustments vary based on the comparables' size.

Comparable Sale Three contains street signage and some minor landscaping. According to MVS, the base cost to develop a double sided street sign is $111 per square foot. Landscaping has a base cost of $6.20 per square foot. Due to the limited landscaping and smaller street sign, these improvements do not contribute substantial value to the property. Overall, its contributory value on the open market is comparable to the subject's improvements and no price adjustment is warranted.

Zoning / Planned Use

The subject property is located within the Town of Springerville's dual zoning districts of AR-20, Agricultural-Residential and C-1, General Commercial. The subject property's highest and best use is for commercial development.

All of the comparable sales are located within the C-1, Commercial zoning district, similar to the subject. They were not purchased with any entitlements and are planned for commercial uses. No price adjustments are warranted.

Here follows an Adjustment Matrix summarizing the adjustments as they apply to the comparable land sales.

COMPARABLE ADJUSTMENT MATRIX

ELEMENTS OF COMPARISON	Subject	Comparable One		Comparable Two		Comparable Three		Comparable Four	
	265 W. Main Street, Springerville, AZ 85938	NEC of D Street and Main Street, Springerville, AZ 85938	Price Per S.F. / Adjustments	935 E. Main Street, Springerville, AZ 85938	Price Per S.F. / Adjustments	616 E. Main Street, Springerville, AZ 85938	Price Per S.F. / Adjustments	SEC of U.S. 180 and Ignacio Drive, Eager, AZ 85925	Price Per S.F. / Adjustments
SALE PRICE	**N/A**		**$0.64**		**$0.41**		**$2.39**		**$0.98**
PROPERTTY RIGHTS CONVEYED	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Adjustment		0%	0.00	0%	0.00	0%	$0.00	0%	$0.00
			0.64		0.41		$2.39		$0.98
FINANCING TERMS	Assume Cash to Seller	Cash to Seller		Cash to Seller		Cash to Seller		Assumed Cash to Seller	
Adjustment		0%	0.00	0%	0.00	0%	$0.00	0%	$0.00
			0.64		0.41		$2.39		$0.98
CONDITIONS OF SALE	Assume Arm's -Length	Assumed Arm's-Length		Arm's-Length		Arm's-Length		Active Listing	
Adjustment		0%	0.00	0%	0.00	0%	$0.00	-15%	-$0.15
			0.64		0.41		$2.39		$0.83
MARKET CONDITIONS (TIME)	August 10, 2026	February 28, 2022		October 23, 2024		April 29, 2026		Active Listing	
Adjustment	Date of Value	9%	0.06	4%	0.02	0%	$0.00	0%	$0.00
ADJUSTED SALE PRICE PER S.F.			**$0.70**		**$0.43**		**$2.39**		**$0.83**
LOCATION									
General	Average	Average		Average		Above Average		Average	
Access / Visibility	Above Average / Average	Above Average / Average		Above Average / Above Average		Above Average / Above Average		Above Average / Average	
Adjustment		0%	$0.00	-5%	($0.02)	-20%	($0.48)	0%	$0.00
PHYSICAL CHARACTERISTICS									
Site Size in S.F.	88,566	139,828		109,771		33,541		128,066	
Adjustment		10%	$0.07	5%	$0.02	-20%	($0.48)	7.5%	$0.06
Topography / Shape	Level / Irregular	Level / Rectangular		Sloping-Fill Required / Irregular		Level / Rectangular		Level / Irregular	
Adjustment		0%	$0.00	55%	$0.23	0%	$0.00	0%	$0.00
Utilities	Electric and Well, Septic Required	All Available		All Available		All Available		All Available	
Adjustment		-15%	($0.10)	-20%	($0.09)	-20%	($0.48)	-15%	($0.12)
Floodplain	Primarily Zone D and Partial Zone A	Zone D		Zone D		Zone D		Zone D	
Adjustment		0%	$0.00	0%	$0.00	0%	$0.00	0%	$0.00
Site Improvements	Depreciated Asphalt & Well House	Partial Chain-Link Fencing		None		Street Signage, Minimal Landscaping		None	
Adjustment		0%	$0.00	10%	$0.04	0%	$0.00	5%	$0.04
Zoning / Planned Use	C-1, Commercial / Commercial H&BU	C-1, Commercial / Assumed Storage-Future Commercial		C-1, Commercial / Commercial Use		C-1, Commercial / Assumed Commercial Use		C-1, Commercial / Assumed Commercial Use	
Adjustment		0%	$0.00	0%	$0.00	0%	$0.00	0%	$0.00
NET % ADJUSTMENT / ADJUSTED SALE PRICE PER S.F.		**3.6%**	**$0.66**	**50.8%**	**$0.62**	**-60.0%**	**$0.96**	**-17.1%**	**$0.81**

Land Value Conclusion:

The unadjusted value range from the comparable land sales is $0.41 to $2.39 per square foot. After making price adjustments for the appropriate elements of comparison, the comparables values range from $0.62 to $0.96 per square foot. The arithmetic mean is $0.76 and the median is $0.74 per square foot. Greatest weight is given to adjusted sale prices of Comparable Sale One and Comparable Listing Four. These comparables are located outside of the town center, located with access and frontage along highways, and have the most comparable development potential compared to the subject property. Least weight is given to Comparable Sale Three due to its smaller size and superior location.

Based on the aforementioned data, the opinion of value for the subject property is $0.75 per square foot. This equates to a market value of $66,425 which is rounded to $65,000, as outlined below.

88,566 S.F. Site X $0.75 Per S.F. = $66,425

This is Rounded to $65,000

ROUNDED OPINION OF MARKET
VALUE AS OF AUGUST 10, 2026: $65,000

EXPOSURE TIME

Exposure time is the estimated length of time the appraised property would have been offered on the market prior to the hypothetical consummation on the effective date of the appraisal. Based on the current market conditions in the subject's area and comparables marketing time, an exposure time of 18 months is estimated for the subject property. This assumes that the property is appropriately priced and marketed.

AUDITING BREAKDOWN

The following section is the Auditing Breakdown required by the ADOT Right of Way Procedures Manual.

Value of the Land	$65,000
Value of the Improvements	$0
Opinion of Market Value:	**$65,000**

ADOT CERTIFICATION OF APPRAISER

Project Number: M6975 01X
Parcel Number: L-FS-7-50

I hereby certify;

That I personally inspected, the property herein appraised, and that I have afforded the property owner the opportunity to accompany me at the time of inspection. I also made a personal field inspection of each comparable sale relied upon in making said appraisal. The subject and the comparable sales relied upon in making the appraisal were represented by the photographs contained in the appraisal.

That I have given consideration to the value of the property the damages and benefits to the remainder, if any; and accept no liability for matters of title or survey. That, to the best of my knowledge and belief, the statements contained in said appraisal are true and the opinions, as expresses therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and I assume no responsibility for such conditions, or for engineering which might be required to discover such factors. That, unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the property, was not observed by myself or acknowledged by the owner. This appraiser, however, is not qualified to detect such substances, the presence of which may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

That my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, policies and procedures applicable to appraisal of right of way for such purposes; and that, to the best of my knowledge, no portion of the value assigned to such property consists of items which are non-compensable under the established laws of said State.

That I understand this appraisal may be used in conjunction with the acquisition of right of way for a highway to be constructed by the State of Arizona with the assistance of Federal aid highway funds or other Federal funds.

That neither my employment nor my compensation for making the appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in the property that is the subject of this report, or any benefit from the acquisition of the property appraised herein.

That I have not revealed the findings and result of such appraisal to anyone other than the proper officials of the Arizona Department of Transportation or officials of the Federal Highway Administration, and I will not do so unless so authorized by proper State officials, or until I am required to do so by due process of law, or until I am released from this obligation by havening publicly testified as to such findings.

That my opinion of the MARKET VALUE of the excess parcel as of the 10th day of August, 2026, is $65,000, based upon my independent appraisal and the exercise of my professional judgment.

Date: August 20, 2026 Signature: ______________________

Arizona Certified General Real Estate Appraiser # 1049989

CERTIFICATION

THE APPRAISER CERTIFIES TO THE BEST OF THEIR KNOWLEDGE AND BELIEF:

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

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

The reported valuations, assumptions and limiting conditions 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 or bias with respect to the parties involved.

I have not performed services as an appraiser 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 compensation 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 standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

John Medley, appraiser, made a personal inspection of the property that is the subject of this report.

No assistance was provided to the signing appraiser in the development of this appraisal.

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

I hereby certify that I am competent to complete the appraisal assignment. The reader is referred to appraiser's Statement of Qualifications.

All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser".

I certify that any artificial intelligence tools used in connection with this assignment were limited to non-analytical, report-preparation functions such as formatting, grammar, editing, and assisting in research. All data, analyses, opinions, and conclusions set forth in this report reflect my own independent professional judgment.

No confidential information or assignment results were disclosed to any third party or external system in a manner inconsistent with my confidentiality obligations under USPAP.

No change of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.

John E. Medley
Certified General
Appraiser # 1049989

QUALIFICATIONS OF JOHN E. MEDLEY

FORMAL EDUCATION:

Bachelor of Arts Degree, University of Arizona, Tucson, 2008

PROFESSIONAL EDUCATION:

Successful completion of examinations for the following courses:

- Basic Appraisal Principles and Basic Valuation Procedures
- Residential Market Analysis and Highest and Best Use
- Residential Sales Comparison and Income Approaches
- Residential Site Valuation and Cost Approach
- General Appraiser Market Analysis and Highest and Best Use
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Sales Comparison Approach
- General Appraiser Report Writing and Case Studies
- General Appraiser Income Approach
- Statistics, Modeling and Finance
- Commercial Appraisal Review
- Expert Witness for Commercial Appraisers

EXPERIENCE:

Includes valuation of most types of commercial, industrial, special purpose, and vacant land properties. Experience also includes condemnation appraisals, aviation properties, and fee simple, leased fee, and leasehold interests.

SEMINARS:

- Condemnation Summits
- Arizona Airport Association Conferences
- Southern Arizona CCIM Economic Forecasts
- Tucson Association of Realtors Conferences

MEMBERSHIPS:

- Member of the Arizona Airport Association

STATE CERTIFICATION:

Arizona Certified General Real Estate Appraiser Number 1049989. Currently certified through November 30, 2027.

ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-1049989

License Status: Active

John Edward Medley

CREDENTIAL TYPE	ISSUE DATE	EFFECTIVE DATE	EXPIRATION DATE
Certified General Appraiser	December 10, 2023	December 1, 2025	November 30, 2027

This certificate was printed on December 2, 2025 and will remain in effect until a change request has been approved by the Department or the credential is surrendered, suspended, revoked or expired.

Arizona Department of Insurance and Financial Institutions
difi.az.gov
100 N 15th Ave, Suite 261
Phoenix, AZ 85007-2630

ADDENDA

NOTE: THIS DRAWING IS FOR ADOT INTERNAL USE ONLY.

FOR ADDITIONAL INFORMATION SEE ADOT RIGHT OF WAY STRIP MAP A-1-T-201.

ADOT Right Of Way
THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY

DISPOSAL #	L-FS-7-50
DRAWN	JV
DATE	01/06/2026
HIGHWAY NAME:	SHOWLOW - SPRINGERVILLE
PROJECT NO.	F.I. 68 Apache County
ROUTE NO.:	US 191
LOCATION:	Springerville Inspection Station
FEDERAL AID NO.:	F.I. 68 Apache County
SHEET NO.	1 OF 1

EXHIBIT "A"

That certain parcel of land in the South half of the Southwest quarter of the Northeast quarter (S½SW¼NE¼) of Section 29, Township 9 North, Range 29 East, Gila and Salt River Meridian, Apache County, Arizona, being described as follows:

BEGINNING at the point of intersection of the existing centerline of U.S. Highway 60 (SHOW LOW – SPRINGERVILLE – EAST HIGHWAY) with the East – West mid-section line of said Section 29, being South 89°31' West 2098.4 feet from the East quarter corner of said Section 29;

thence along said East – West mid-section line of Section 29, being the South line of that parcel of land described in that Warranty Deed recorded in Book 32 of Deeds, Page 152, records of Apache County, Arizona, North 89°31' East 111.4 feet to the southeasterly corner of the above cited parcel of land;

thence along the northeasterly line of the above cited parcel of land North 02°25' East 205.8 feet;

thence continuing along the northeasterly line of the above cited parcel of land North 26°40' West 300.0 feet;

thence continuing along the northeasterly line of the above cited parcel of land North 48°01' West 274.6 feet to the northeasterly corner of the above cited parcel on the North line of said South half of the Southwest quarter of the Northeast quarter (S½SW¼NE¼) of Section 29;

thence along the North line of the above cited parcel on said North line of the South half of the Southwest quarter of the Northeast quarter (S½SW¼NE¼) of Section 29 South 89°31' West 111.4(R) 111.47(C) feet to said existing centerline of U.S. Highway 60;

thence along said existing centerline of U.S. Highway 60 South 26°40' East 735.6(R) 735.64(C) feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM, a strip of land 50.00 feet in width of existing right of way for said U.S. Highway 60, the easterly line thereof being 50.00 feet easterly of and parallel with said existing centerline of U.S. Highway 60.

GRANTOR ALSO RESERVES unto the public and various utility companies, easements for existing utilities, if any, within the above described property, in accordance with Arizona Revised Statute 28-7210. Access to the existing utilities will be by way of what exists at the time of this conveyance and shall be the responsibility of the Grantee herein and of the public or utility companies to show where that access is located.

PROJECT: F.I. 68 Apache County **LOCATION:** Springerville Inspection Station Disposal **PARCEL:** L-FS-7-50 cg 06-08-2026

ARIZONA DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY GROUP

RIGHT OF WAY DISPOSAL REPORT

The undersigned has examined the title to the property described in SCHEDULE A–1 herein, and the fee owner is:

The State of Arizona, by and through its Department of Transportation

Address: 205 South 17th Avenue, Mail Drop 612E, Phoenix, Arizona 85007–3212

By virtue of that certain: See Right of Way / Vesting Section.

Upon compliance with REQUIREMENTS herein, satisfactory title will vest in the proposed buyers.

LEGAL DESCRIPTION

SEE SCHEDULE A–1 ATTACHED
SEE EXHIBIT "A"

REMARKS: The Schedule B Items shown, if any, reflect only those matters that have occurred subsequent to the acquisition of the subject property.

Date of Search: 7/16/2025	**Examiner:** Jim Gregg	**Reviewer:**
Update to:	**Examiner:**	**Reviewer:**
Update to:	**Examiner:**	**Reviewer:**
Update to:	**Examiner:**	**Reviewer:**
Update to:	**Examiner:**	**Reviewer:**

County: Apache	**Tax Arb:** 105-15-007	**Disposal:** N/A
Tracs No.: N/A	**Highway:** SHOWLOW-SPRINGERVILLE HIGHWAY	**Excess Land:** L-FS-7-50 Facility Site No. 7-50
Fed. No.: N-810-602	**Section:** N/A	**Parcel No.:** 7-50

SCHEDULE A–1
LEGAL DESCRIPTION

That portion of the South half of the Southwest quarter of the Northeast quarter of Section 29, Township 9 North, Range 29 East of the Gila and Salt River Base and Meridian, Apache County, Arizona, as depicted on Exhibit "A" attached, ADOT File No. A-1-T-201, Strip Map of SHOWLOW-SPRINGERVILLE HIGHWAY.

NOTE: The legal description of the area to be disposed will be produced by the ADOT Right of Way Delineation Unit.

END OF SCHEDULE A–1

RIGHT OF WAY / VESTING

1.) Warranty Deed from John R. Coleman and Mary E. Coleman, husband and wife, to the State of Arizona, by and through its Department of Transportation, dated May 8, 1952, recorded June 19, 1952, in Book 32 of Deeds, page 152.
[Strip Map of SHOWLOW-SPRINGERVILLE HIGHWAY, Parcel 7-50]

END OF RIGHT OF WAY / VESTING

REQUIREMENTS

1. Record Deed from the State of Arizona, by and through its Department of Transportation to the proposed buyer(s).

   NOTE: Repurchase rights do not apply due to the property being acquired more than eight years prior to this transaction.

END OF REQUIREMENTS

SCHEDULE B

1. Arizona Department of Water Resources Well Registration Number 55-637102, owner Arizona Department of Transportation. Change in remedial action site August 16, 2004.

END OF SCHEDULE B

ARIZONA
— DEPARTMENT OF —
TRANSPORTATION

205 S. 17th Ave, MD612E
Phoenix, AZ 85007

KATIE HOBBS
GOVERNOR

JENNIFER TOTH
DIRECTOR

205 S. 17th Ave.
Mail Drop: 612E
Phoenix, AZ 85007

July 22, 2026

John Medley
Medley Appraisal Services LLC
2633 W. Como Bosque
Tucson, Arizona 85755

RE:	Appraisal Assignment No.:	JW-27-003
	PROJECT:	M6975 01X
	HIGHWAY:	SHOWLOW - SPRINGERVILLE HIGHHWAY
	SECTION:	N/A
	PARCEL:	FS-7-50

Dear John Medley:

You are hereby requested to provide your fee quote to prepare an appraisal for the referenced parcel. Your appraisal report will need to reflect the market value using the current date of valuation, and be prepared in accordance with terms of this task; the ADOT Right of Way Procedures Manual Project Management Section Chapters Three and Four; The Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24; the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) guidelines at the time of your valuation; and the enclosed scope of work and provided information.

The purpose of the appraisal report is to estimate the market value of the fee simple estate of the acquisition and its effect to the remaining property. The intended use of the appraisal report is to utilize value estimates to assist in decisions regarding the sale or disposal of tis excess parcel.

ADOT Procurement Group will issue a Purchase Order that will be your notice to proceed with the appraisal assignment. You may contact the property owners to arrange for the property inspection after you receive your notice to proceed from procurement. Inspection dates/times must be provided at least seven calendar days prior to inspection to the Property Owner and emailed to Merrisa Marin (MMarin@AZDOT.GOV); Michael Craig (MCraig@AZDOT.GOV); Tim O'Connell (TOconnell@AZDOT.GOV); Jim Walcutt (JWalcutt@AZDOT.GOV); Bridget Raab (BRaab@AZDOT.GOV); and Amber Gibbs (AGibbs@AZDOY.GOV).

Please direct any questions regarding this appraisal assignment to Jim Walcutt, (520-591-7923, JWalcutt@AZDOT.GOV), ADOT R/W Review Appraiser. All changes must be in writing to prevent any miscommunications.

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Additional information regarding the parcel is as follows:

Type of Report:	Appraisal
Type of Property:	EXCESS LAND

ARIZONA DEPARTMENT OF TRANSPORTATION
205 S. 17th Ave. | Phoenix, AZ 85007 | azdot.gov

Scope Notes: Market value is required for apprisal of this excess parcel.
The FHWA is to be named as an intended user of the appraisal. The appraisal report must include the ADOT Certificate of Appraiser immediately following the Auditing Breakdown section of the report. The addenda to the report is to include a current copy of the appraiser's State of Arizona Certified General Real Estate Appraiser license, a copy of the owner contact correspondence including Owner Contact Report Form(s), and a copy of the signed procurement purchase order.

Appraisal Contractor agrees that within any particular project wherein Contractor has provided appraisal or consulting services to ADOT, no other appraisal services may be provided to other clients/property owners in this project, without the written approval of ADOT. Any hypothetical assumptions, extraordinary limiting condition or jurisdictional exceptions of the appraisal must be pre-approved by the Review Appraiser prior to submittal of the appraisal report and identified in the appraisal report.

In the course of the appraisal assignment due diligence, if it is discovered that the property ownership has transferred to any entity other than that noted in the ADOT Title report, the Review Appraiser must be notified immediately. A new Title Report and Ownership Record Sheet will then be ordered for inclusion in the appraisal report.

Please note that there are changes to civil expert disclosure and discovery rules effective July 1, 2018. Please update your qualifications in the appraisal report to list all other cases in which you have testified as an expert witness at a hearing or trial during the previous four years.

A complete initial appraisal report in an electronic PDF file format is to be submitted by e-mail to the review appraiser by the appraisal due date. All subsequent appraisal report iterations are also to be e-mailed to the review appraiser. Within 5 business days after ADOT approves the acceptability for the initial report submittal, the Appraiser will deliver an electronic PDF file and four (4) bound color copies of the final report. The submitted final hard copies of the appraisal report are to include, a CD with a PDF copy of the appraisal report with the following naming convention:

ADOT Parcel # Owner Name – (Appraisal Firm Name) – Date of Value - Date of Appraisal Report,
eg: Owner Name - (Appraisal Firm) DOV xx-xx-2020 DOR xx-xx-2020.

The appraisal report package is to be addressed to ADOT Right of Way Operations - Appraisal, ADOT Mail Room, 1655 W. Jackson Street, Phoenix, AZ 85007. Packages must be marked Time Sensitive or Urgent. If a delivery service is utilized, a confirmation notice is to be e-mailed to the review appraiser.

Please complete the last page of this bid request with your quote and email to RightofWayContracts@azdot.gov no later than 5:00 p.m. on July 13, 2026.

Sincerely,
Jim Walcutt
R/W Project Management Section

Enclosure(s)
cc: Esther Valencia, R/W Contracts Section

ARIZONA

PURCHASE ORDER

PHOENIX, on 7/15/2026
CTR082269/ JW-27-003/ M697501X/ L-FS-7-50/ Appraisal due in 45 days -Medley Appraisal Services LLC

SUPPLIER

Medley Appraisal Services LLC
Attn: Mr. John Medley
Address: Business Address
2633 W Como Bosque Trail
UNITED STATES
Tucson, Arizona 85755
Phone: 5207771421
E-mail: john@medleyappraisal.com

ORDER No. PO0000892633

(please refer to this number on all documents)

Amendment:
Requestor: ESTHER VALENCIA
Agency: Department of Transportation
Division: Infrastructure Delivery & Operations Division Construction
Department: Right Of Way
Site: RIGHT OF WAY
Phone: 6027128793
Email: EVALENCIA@AZDOT.GOV

DELIVER TO

(unless specified differently per item)

Address: RIGHT OF WAY
205 S 17th Ave
UNITED STATES
Phoenix, Arizona 85007
Deliver To:
Requested Delivery Date: 7/14/2026
(Unless specified differently per item in section delivery details)

BILL TO

Address: RIGHT OF WAY
205 S 17TH AVE
MD 612E RM 331
UNITED STATES
PHOENIX, Arizona 85007-3212
Payment Terms: Net 30

ITEM	CONTRACT ID	CODE/SKU	REFERENCE AND DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL (USD)
1	CTR082269	1047244-1	CTR082269/ JW-27-003/ M697501X/ L-FS-7-50/ Appraisal due in 45 days Specific deliver address: : RIGHT OF WAY 205 S 17th Ave 85007 Phoenix Arizona UNITED STATESCommentaire : L-FS-7-50	1.0000	Total Cost	[redacted]	[redacted]

Total before Tax	[redacted]USD
Non-Taxable - 0 %	0.00 USD
Total after Tax	[redacted]USD

ARIZONA

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