SEALED BID AUCTION

Property 1

Document 3 of 3

Mohave County Assessor Parcel Numbers:

214-40-373E; 214-40-373F; 214-40-373G

Attachment - Appraisal



Appraisal Report

GROUND LEASE - 8.94 ACRE SITE | Builhead City, Arizona As of January 26, 2023



Prepared for Garn Emery Bullhead City Attorney's Office City Hall Complex, 2355 Trane Road Bullhead City, Arizona 86442 Prepared by

Randall Clemson Executive Vice President

KM Job A23-0128

Kidder Mathews Valuation Advisory Services

2525 E. Camelback Rd., Ste 210 Phoenix, Arizona 85016 602.513.5158 randy.clemson@kidder.com



May 5, 2023

Garn Emery
City Attorney
BULLHEAD CITY ATTORNEY'S OFFICE
City Hall Complex, 2355 Trane Road
Bullhead City, Arizona 86442

RE: Appraisal Report of:

GROUND LEASE - 8.94 ACRE SITE 1300 Silver Creek Rd Bullhead City, Arizona 86442

Kidder Mathews File No.: A23-0128

Dear Mr. Emery:

In fulfillment of our agreement as outlined in the Letter of Engagement, Strategic Valuation Group of Arizona, PLC is pleased to transmit the appraisal of the above referenced property. This valuation presents the development of our opinion of the market value of the Leased Fee Interest in the property as of an effective date of January 26, 2023, the date of inspection.

The client has requested the following values:

• "As Is" Market Value of the Leased Fee Interest

In completing this assignment, an analysis of the physical and economic characteristics of the subject has been conducted, as well as a complete market analysis of the supply and demand characteristics of the competing macro and micro market areas. This investigation also involved the collection and analysis of comparable sales, rentals, offerings, listings and other developments that have occurred in the competing area in the recent past. The sources of data include county records, Costar Comps, buyers/sellers/brokers, our own internal database and input from market participants. The approaches utilized in this assignment are described in the scope of the assignment section of the appraisal report.

SUBJECT PROPERTY

The subject property is an 8.94-acre site located at 1300 Silver Creek Rd, Bullhead City, Arizona. The site is zoned M-1, Bullhead City, which allows for commercial and industrial uses. The site is fully finished with all on- and off-site improvements in place and all

Valuation Advisory Services



utilities available. Two parcels (214-40-373E and 214-40-373F) are currently improved with a Holiday Inn Express limited-service hotel. The remaining parcel (214-40-373G) is vacant and is planned for the development of another hotel in about 3 years. The ground leases commenced on May 10, 2018, and expire on May 9, 2068 (49 years remaining).

It should be noted that ground lease payments are not actual money. The lessee pays the lessor in "in kind" services. The "in kind" payments are 280 hours annually at the pool of the Holiday Inn Express and 134 room nights annually at the to-be-built hotel on parcel (214-40-373G). Prior to the completion of the hotel, the ground payment is \$4,000 annually until the lessee receives a Certificate of Occupancy.

VALUATION CONCLUSIONS

Based on our investigation and analyses, we have developed the following opinions of value, subject to the assumptions and limiting conditions, extraordinary assumptions, hypothetical conditions and definitions, which are set forth in the report:

CONCLUSION OF VALUE			
Valuation Basis	Interest Appraised	Effective DOV	Value Conclusion
As Is	Fee Simple	January 26, 2023	\$180,000

This appraisal has been completed in accordance with (a) our interpretation of the client's guidelines (b) all Federal banking regulations (primarily OCC Regulation 12 CFR Part 34, FDIC Regulation 12 CFR Part 323 and Title XI of the Financial Institution Reform, Recovery Enforcement Act of 1989 ("FIRREA"), and (c) the Uniform Standards of Professional Appraisal Practices and Conduct ("USPAP") as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

A hypothetical condition is "that which is contrary to what exists but is supposed for the purpose of analysis... hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis." (USPAP, 2010-2011 ed.)

An extraordinary assumption is "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions and/or conclusions... extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis." (USPAP).



The opinions of value stated above, as well as every other element of this appraisal, are qualified in their entirety by the Contingent and Limiting Conditions set forth in another part of this report and which is an integral part of the appraisal. As part of the Contingent and Limiting Conditions, the value conclusion is subject to completion of an American with Disabilities Act (ADA) compliance survey of the property. It is possible that a compliance survey with a detailed analysis of the provisions associated with ADA could reveal that the property is not in compliance with one or more stipulations. If so, this fact could have an effect upon the value of the property. Since we have no direct evidence relating to the issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

RELIANCE

This report is for the sole use and benefit of, and may be relied upon by the client. The client may only provide complete copies of the report (in its entirety) to third parties in connection with loan underwriting and/or securitization. However, the appraisers are not required to explain or testify as to the results of the appraisal or any data herein other than to respond to the client in the course of routine review questions/comments.

This report may not be distributed or relied upon by any other persons or entities without written permission of Kidder Mathews.

CERTIFICATION

The appraiser certifies and agrees that:

- The appraiser has no present or contemplated interest in the property appraised and that neither the employment to make this appraisal nor the compensation for it is contingent upon the appraised value of the property.
- The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Randall Clemson has made a personal/physical inspection of the subject property.
- According to the best of our knowledge and belief, all statements and information in this report are true and correct; and the appraiser has not knowingly withheld any information.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and represents our personal, impartial, and unbiased professional analyses, opinions, and conclusions.



- The analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- The appraiser certifies that to the best of our knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
 We further certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- No one provided significant professional assistance to the persons signing this
 report. The signatory appraisers prepared all of the conclusions and opinions
 concerning the real estate set forth in the appraisal.
- Our compensation for completing this assignment was not contingent upon the
 development of reporting of a predetermined value or direction of value that favors
 the cause of the client, the amount of the value opinion, the attainment of a
 stipulated result, or occurrence of a subsequent event directly related to the
 intended use of this appraisal.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Based on our experience, it is our opinion that we meet the qualifications to provide the following estimation of the subject property's value.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- In compliance with the ethics rule of USPAP, we hereby certify that the appraisers have no current or prospective interest in the subject property or parties involved. However, the signatories to this report have performed real estate services regarding the subject property within the prior 3-year period. I appraised the "land only" in May 2022.

No changes of any item of the appraisal report shall be made by anyone other than the appraiser, and the appraiser shall have no responsibility for any such unauthorized changes. This letter of transmittal and the pages that follow constitute our report, including the data and analyses utilized in forming an opinion of value. Should you have any questions concerning this report, please call us.

Respectfully submitted,



Randall Clemson

Arizona Certified General Appraiser

License Number 31665



SUMMARY OF SALIENT FACTS

Property ID/Name: 8.94 ACRE COMMERCIAL SITE

1300 Silver Creek Rd

Bullhead City, Arizona 86442

Assessor's Parcel Nos. 214-40-373E, 214-40-373F, 214-40-373G

Highest & Best Use

As if Vacant: Hold for development

As Improved: Utilization of the improvements

Site Data

Net Site Area (AC): 8.94
Net Site Area (SF): 389,426

Zoning

Building/Core Site: M-1, Bullhead City

VALUATION

RECONCILIATI	ON
Valuation Method	As Is
Income Capitalization Approach	\$180,000
Conclusion	\$180,000

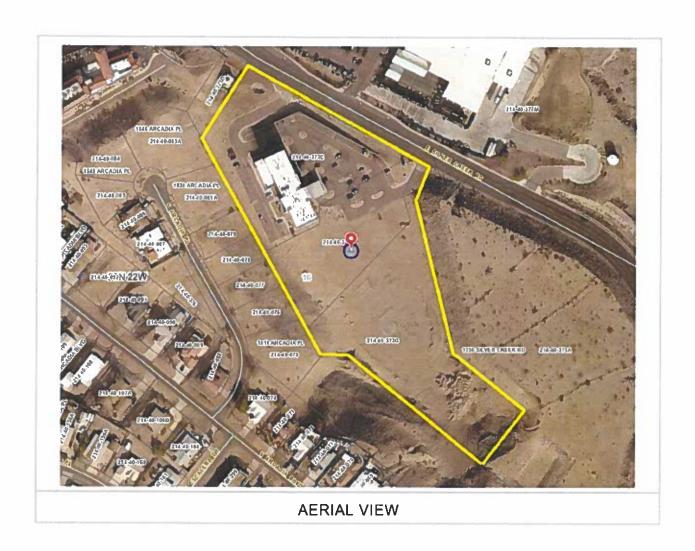
EXTRAORDINARY ASSUMPTIONS

None.

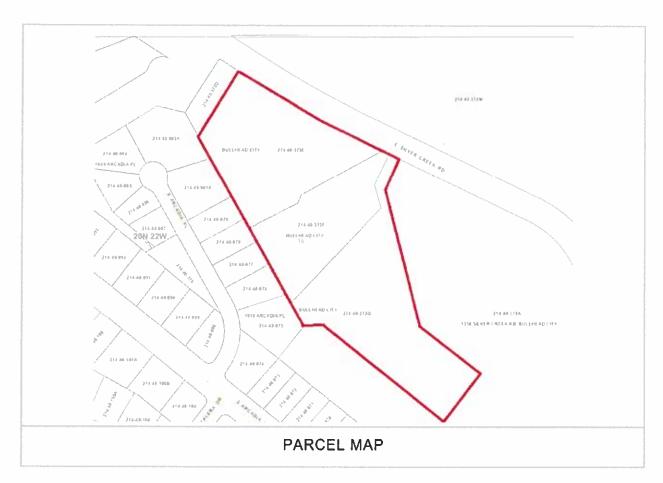
HYPOTHETICAL CONDITIONS

None.













VIEW OF THE SUBJECT SITE



VIEW OF THE SUBJECT SITE

Valuation Advisory Services 2525 E. Camelback Rd., Suite 210 Phoenix, AZ 85016





VIEW OF THE EAST SIDE OF THE SUBJECT



VIEW OF THE EAST SIDE OF THE SUBJECT





VIEW OF THE HOLIDAY INN EXPRESS



VIEW OF PARKING ON THE SW SIDE OF THE BUILDING





VIEW OF HOTEL FROM THE NORTH



LOOKING WEST ALONG SILVER CREEK RD





LOOKING EAST ALONG SILVER CREEK RD



Page Title Page Letter of Transmittal Summary of Salient Factsvij Introduction1 Regional Area Analysis 6 Local Market Area...... 14 Site Description19 Highest And Best Use Analysis31 Valuation Methodology...... Error! Bookmark not defined. land valuation Error! Bookmark not defined. Addendum **Assumptions and Limiting Conditions** Qualifications Supporting Documents

Engagement Letter



INTRODUCTION

SUBJECT IDENTIFICATION

The subject is identified by the Mohave County Assessor as Tax Parcels 214-40-373E, 214-40-373F and 214-40-373G. The site has a physical address of 1300 Silver Creek Rd in Bullhead City, Arizona.

PROPERTY OWNERSHIP

According to Mohave County records, title to the property is currently vested in the name of the City of Bullhead City. Because the site is owned by the City, there is no transaction history available. The city ground leases the site to Colorado River Hospitality, LLC, Colorado River Lodging, LLC and Colorado River Events, LLC., who operate a Holiday Inn Express. The ground lessees are attempting to purchase the land that is the subject of this appraisal.

Searches of Costar and the County Assessor's web site as well as discussions with the appraiser's property contact indicate there have been no other ownership transfers of the subject property during the previous three years.

The subject is not listed for sale.

EFFECTIVE DATE OF THE APPRAISAL/DATE OF THE REPORT

An inspection of the subject was conducted on and the effective date the appraisal is January 26, 2023. The date of the report is May 5, 2023.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide a market value opinion of the leased fee interest of the subject property under the following scenarios: "As Is"

INTENDED USER OF THE APPRAISAL

The intended user of the appraisal is Bullhead City Attorney's Office and-or participants.



INTENDED USE OF THE APPRAISAL

The intended use of the appraisal is to provide an opinion of market value for the leased fee position of the subject ground leases.

MARKET VALUE DEFINED

Market value, as used in this appraisal report, is defined by the Appraisal Foundation, as:

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

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

PROPERTY INTERESTS APPRAISED

The value conclusions in this report reflect the Leased Fee interest in a ground leased sites.

SCOPE OF WORK

The scope of the assignment relates to the degree and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report:

Client



- Intended use
- Intended user
- Type of opinion
- · Effective date of opinion
- · Relevant characteristics about the subject
- Assignment conditions

This appraisal of the subject is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of USPAP. This report incorporates complete descriptions and analyses of all information significant to the solution of the appraisal problem.

Extent to Which the Property is identified

Kidder Mathews reviewed the subject's legal description, address, and assessor's parcel number in identifying the subject.

Extent to Which the Property is Inspected

Kidder Mathews inspected the interior and exterior of the subject on January 26, 2023.

Type and Extent of the Data Researched

Kidder Mathews researched public records available through the city of Bullhead City, Mohave County, and FEMA. We reviewed demographic information prepared by Claritas, and market data was provided by Costar and other sources. Sales, listings, and rental data were researched through a variety of sources, including Costar, Loopnet, brokers, property managers, and our files.

Type and Extent of Analysis Applied

In this appraisal, all three traditional valuation methods have been considered and two approaches have been utilized.

SPECIAL APPRAISAL INSTRUCTIONS

There have been no special appraisal instructions for this assignment.

MARKETING/EXPOSURE PERIOD



The marketing period section is divided into reasonable exposure time and reasonable marketing time. Exposure time differs from marketing time in that marketing time is the period required to sell a real property interest at the market value during the period immediately after the effective date of the appraisal. Exposure time is always presumed to precede the effective date of the appraisal.

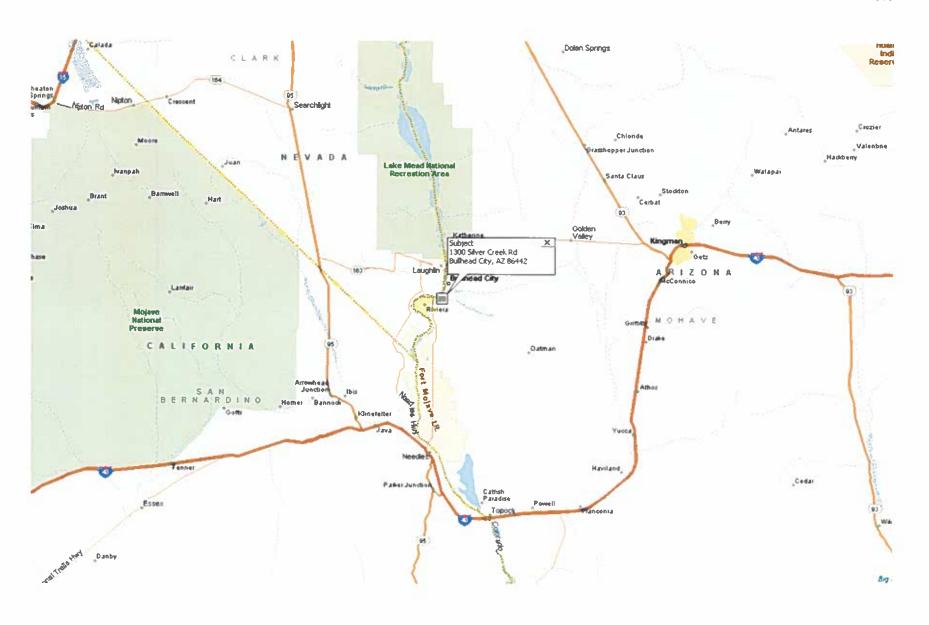
Marketing Time

Given the high level of uncertainty in the market, the property would likely require a marketing time of 12 months or less.

Exposure Period

The exposure period for the subject property is concluded to be 12 months or less.

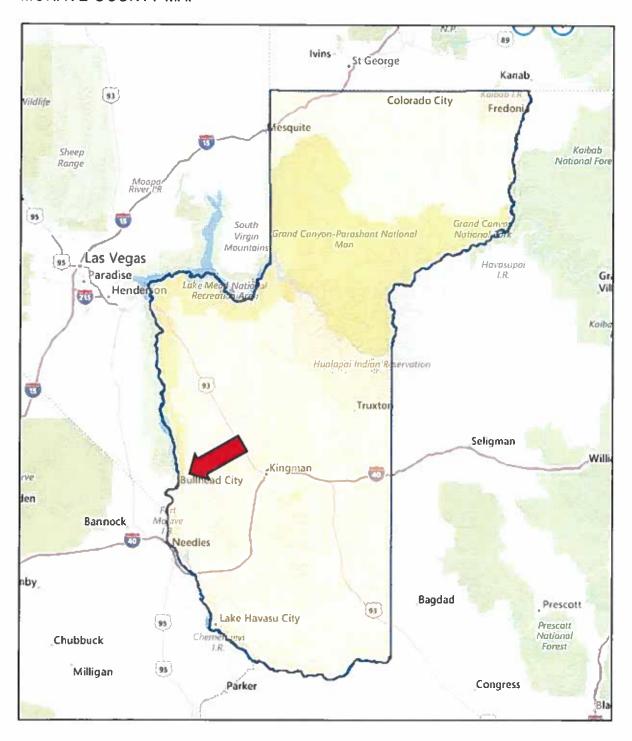






REGIONAL AREA ANALYSIS

MOHAVE COUNTY MAP

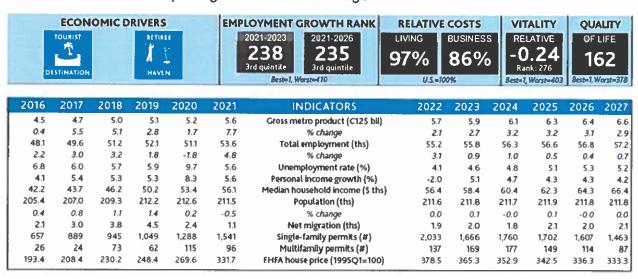




MOODY'S ECONOMY.COM

Recent Performance

Lake Havasu-Kingman's economy has picked up the pace, bolstered by a successful post-pandemic summer. Leisure/hospitality has been on the upswing as tourists return to the metro area and pent-up demand for spending is released. Together with an impressive surge in education/healthcare payrolls, this has outweighed sharp losses in trade and office-using jobs. The unemployment rate is closing in on a historical low, even as the labor force expands, with above-average wage gains drawing workers off the sidelines. House price appreciation has slowed considerably and fallen behind that of the state but is still outpacing the national average.





Locals and Visitors

A steady flow of tourists has helped fuel growth this summer, but a broad-based slowdown is in the cards. Up until now, leisure/hospitality has accounted for a growing share of new jobs and expanded more quickly than its national counterpart as more vacationers and migrants favors LAH. However, job growth will decelerate in the near term. Demand for travel and vacations will taper off because of still-high inflation, which has been exacerbated by supply-chain disruptions and geopolitical uncertainty. High prices for gasoline will curb car travel. This will have an outsize negative impact on LAH, given that most visitors to the metro area arrive by car, partially because of its proximity to Route 66.

The outlook for retail is even more bleak, and the industry will shed jobs as demand dwindles. Tourism will not be enough to counteract the impact of LAH's thrifty residents; the large and growing share of retirees on fixed incomes will weigh on prospects. This cohort is mostly past its prime spending years, and a significant portion of disposable income for older residents is spent on housing and healthcare. Among prime-age workers, rising prices will do more to limit discretionary spending as inflation raises costs for housing, food and other essentials.

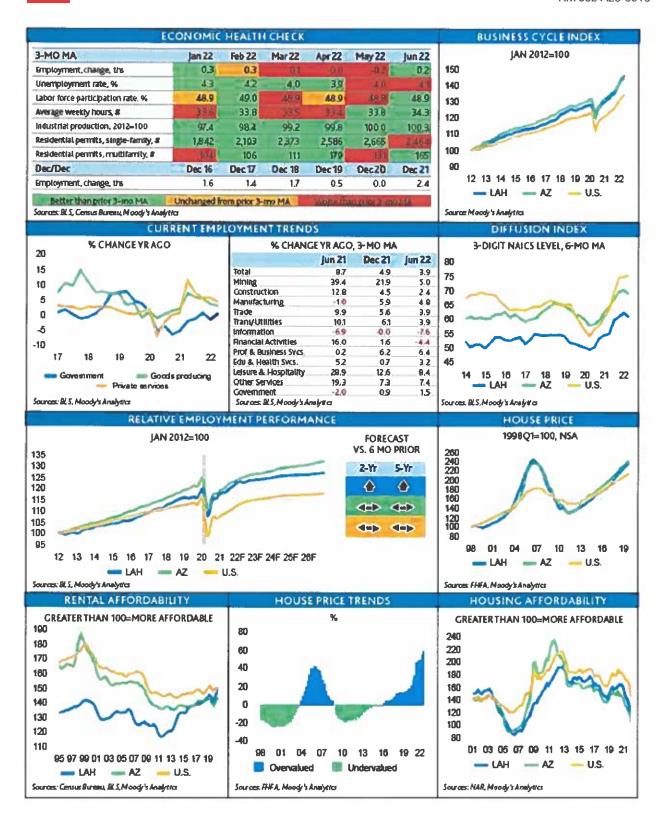
Medical

Healthcare will remain a key source of employment growth. The industry will receive an outsize boost from the large and expanding retiree population, as seniors are the largest consumers of medical services. Job growth will remain impressive and outpace the national average in the near term. Healthcare is the largest source of mid- and highwage jobs in LAH. With-out robust job additions in doctor's offices and hospitals, income growth would underperform that of the nation by an even larger margin.

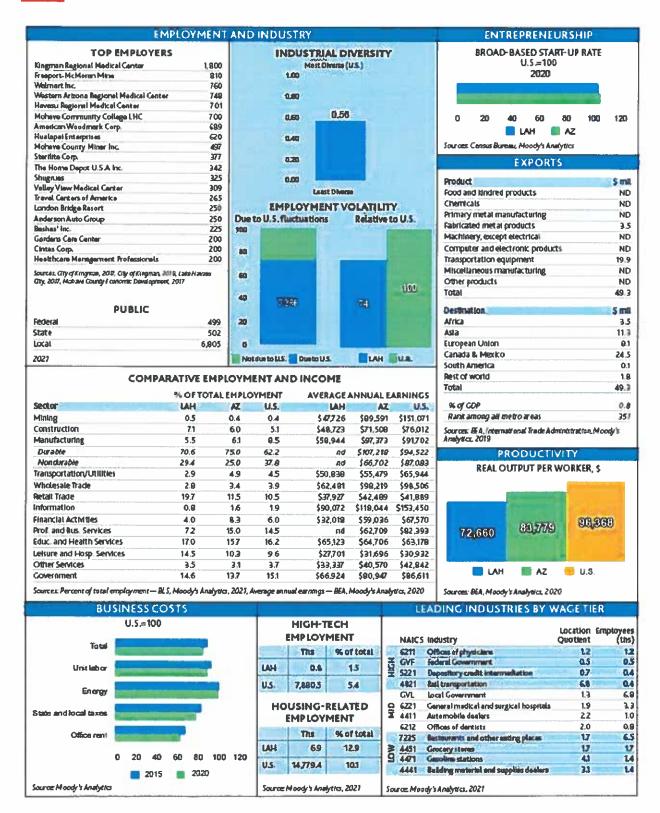
Labor Force

Vulnerability to LAH's outlook centers on the diminishing size of the working-age population. The number of residents age 15-64 will decline, lowering the availability of workers to fill open positions. The labor force participation rate is already among the lowest in the West, and the substantial gap will remain. Although wages are rising rapidly, they are still low relative to the state and nation, which will make it difficult to attract working-age migrants. Below-average educational attainment also reduces the attractiveness of the metro area for the relocation of high-skill service or manufacturing jobs.

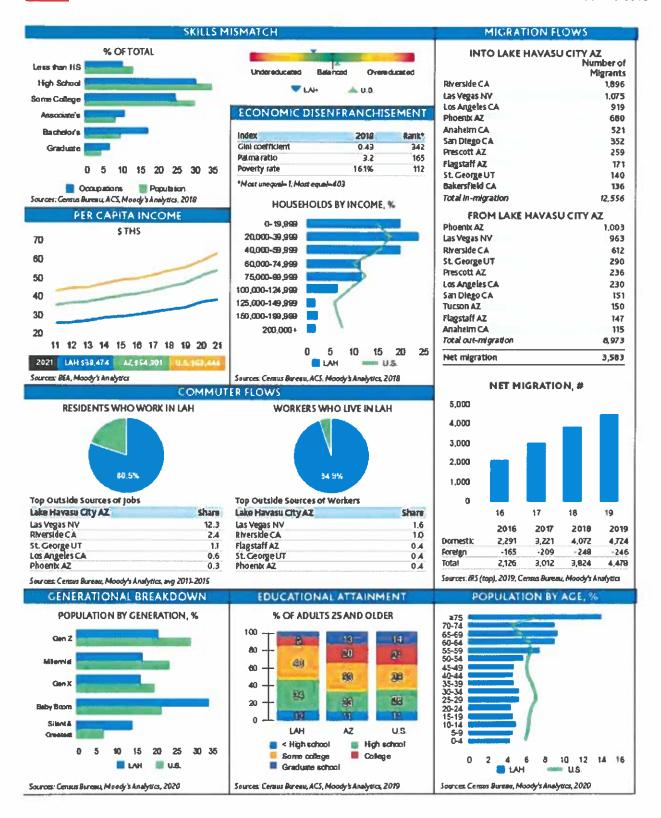




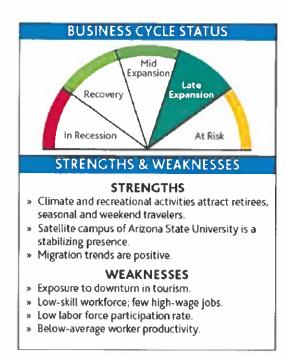


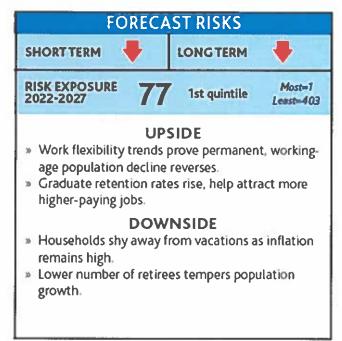








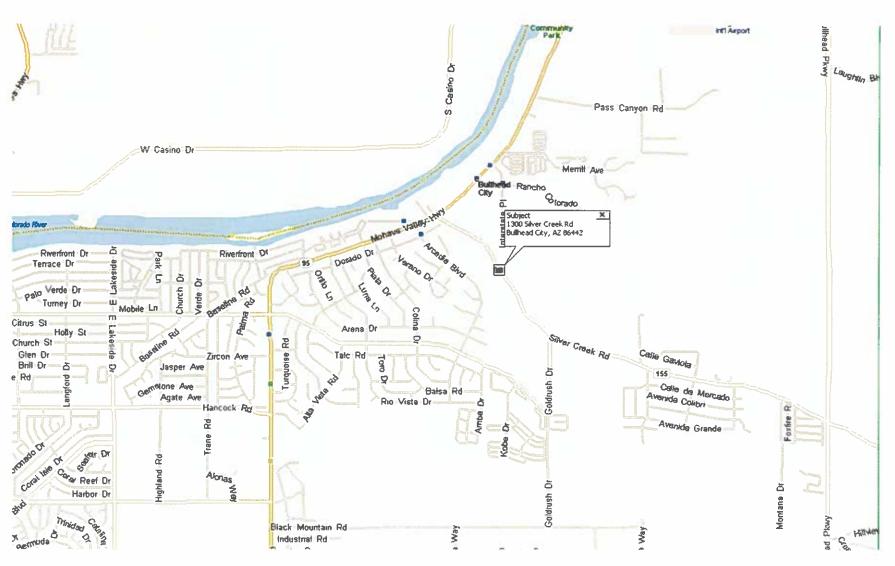




CONCLUSION

Lake Havasu City-Kingman's economy will move to the slow lane in the near term. Demand for travel and vacations will decline amid rising inflation, which will cap prospects for consumer-dependent industries. On the upside, the large and growing retiree population will help drive faster-than-average job gains in healthcare. Longer term, weak demographics will hamper the development of new economic drivers, causing LAH to under-perform the nation.







LOCAL MARKET AREA

LOCATION OVERVIEW

The subject property is located within Bullhead City. This area is in the west-central portion of Mohave County, along the Colorado River near the Nevada and California state lines.

Bullhead City was originally a construction town for workers building the Davis Dam from 1946-1951. In the 1960s, Bullhead City was marketed by developers as a retirement destination and the population grew from there. In the 1980s the population of Bullhead City was around 10,000. The population is currently estimated at 40,252.

The Davis Dam spans the width of the Colorado River and state line between Arizona and Nevada. Located two miles north of Bullhead City, and 70 miles downstream from Hoover Dam. Davis Dam is a hydroelectric power plant and is owned and operated by the US Bureau of Reclamation.

Bullhead City is closely associated with its neighbor across the river – Laughlin, Nevada. Laughlin has an active gaming and hospitality industry, which has helped to spur Bullhead City's economic growth. At the same time, Bullhead City provides services and housing for Laughlin.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

North: Highway 68

South: Fort Mohave

East: Mount Nutt Wilderness

West: Colorado River

RESIDENTIAL

The Riviera neighborhood is generally bounded on the north by Hancock Road, on the south by Riverview Drive, on the east by Lakeside Drive, and on the west by the Colorado River. The area is primarily residential with some businesses located along the minor arterial and collector streets. Most of the residential development here consists of small lots with manufactured housing.

Originally, retired people and winter visitors occupied these homes. As the ownership has transitioned, however, this area has become a location for low rent housing. In



contrast to the other older housing, the area also has over 4 miles of River frontage lined with homes that tend to be very upscale.

Low and medium-density, residential developments have been constructed further inland where the elevations are higher. Some of these higher end developments include:

Laughlin Ranch Golf Community: This 12,000-acre, high-end community was announced in 2004 with plans for 44,000 new residents within a 15 to 25-year buildout schedule. The recession put a damper on home building, but Laughlin Ranch recently reopened its Canyons neighborhood development with room for 109 homes. Amenities include 18-hole golf course, clubhouse, and spa.

Fox Creek Estates: This partially completed, master planned community includes single-family and age restricted neighborhoods. Amenities include clubhouses, community pools, hiking trails, walking paths, dog park, and amphitheater.

RETAIL

Bullhead City's retail development was originally located within the Riviera neighborhood, along the river. As the City has grown, most retail is now located along the city's busiest arterial, US 95. Retail centers include:

Mohave Crossroads: This shopping center was built between 2007-2009 and includes approximately 300,000 square feet. It's located at the southwest corner of Bullhead Parkway and US 95. Anchor tenants include Target, Kohl's, Ross, and PetSmart.

Riverview Mall: This retail center is approximately 278,000 square feet and is located at the intersection of US 95 and Marina Boulevard, Riverview Mall was built between 1989 and 1996. Anchor tenants include Hobby Lobby, Ace Hardware, and JoAnn.

INDUSTRY

Tourism is the main economic driver of Bullhead City. Most of this activity is derived from the resort and gaming industry across the river in Laughlin, water sports and fishing along the Colorado River and Lake Mohave, golfing, hiking, and sporting events.

DEMOGRAPHICS

The most recent demographics for Bullhead City are shown in the following tables:



Population

	1 mile	3 mile	5 mile
2010 Population	4,251	26.675	42.676
2022 Population	4,465	28.748	48,617
2027 Population Projection	4.892	31,703	54.023
Annual Growth 2010-2022	0.4%	0.6%	1.2°
Annual Growth 2022-2027	1.9%	2.1°。	2.2
Median Age	59.6	52.9	54.4
Bachelor's Degree or Higher	11%	8°.	800
U.S. Armed Forces	1	7	7

Households

	1 mile	3 mile	5 mile
2010 Households	1.956	11,640	18,534
2022 Households	2,056	12,540	21,155
2027 Household Projection	2,260	13.868	23.580
Annual Growth 2010-2022	0.9%	0.3%	0.5%
Annual Growth 2022-2027	2.0%	2.1%	2.3%
Owner Occupied Households	1.505	7,532	13.851
Renter Occupied Households	755	6.336	9.729
Avg Household Size	2.1	2.3	2.3
Avg Household Vehicles	2	1	2
Total Specified Consumer Spending (\$)	\$51.7M	\$297.5M	\$524.3M

Housing

	1 mile	3 mile	5 mile
Median Home Value	\$132,362	\$144,215	\$171,430
Median Year Built	1988	1986	1989



Income

	1 mile	3 mile	5 mile
Avg Household Income	\$56,159	\$50.981	\$54,564
Median Household Income	\$43.456	\$41,637	\$43,301
< \$25 000	458	3.756	6.067
\$25 000 - 50,000	745	3,770	6.115
\$50 000 - 75 000	386	2.615	4.401
375 000 - 100 000	281	1.334	2.288
\$100,000 - 125 000	59	539	1,144
\$125 000 - 150 000	53	230	400
\$150,000 - 200 000	24	134	365
\$200.000+	50	163	376

Source: Costar

CONCLUSION

The Subject is located in Bullhead City; ranging from well-established, densely populated neighborhoods, to remote, open desert land. The long-term prospects for the Subjects' market are for relative stability.







SITE DESCRIPTION

Address/Location:	1300 Silver Creek Rd, Bullhead City, AZ
Assessor's Parcel Numbers:	214-40-373E, 214-40-373F, 214-40-373G

 Net Site Area (AC):
 8.94

 Net Site Area (SF):
 389,426

Shape: The site is irregular in shape.

Topography: The site is flat to sloping. The site is above street

grade. Prior to any construction, the site was mountainous and sloping above grade. The site

work was extensive.

Frontage: The subject has frontage along Silver Creek Road.

Access: The subject has access from curb cuts along Silver

Creek Road.

Visibility: Good

Utilities

Water: City of Bullhead City

Sewer: City of Bullhead City

Electricity: Mohave Electric Co-Op

Gas: Southwest Gas Corporation

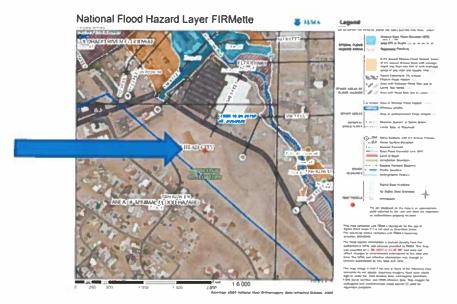
Telephone: Suddenlink/Cox Communications.

Flood Zone: According to the Federal Emergency Management

Agency (FEMA), the site is identified as X on

04015C4752G, dated November 18, 2009.





The subject lies within areas designated as Flood Zone "X, which is defined below:

FEMA Zone X: Areas outside the 500-year flood.

Site Improvements:

The subject has curbs, gutters, storm drains, street lighting and sidewalks.

Soils:

We were not provided with a soils report and do not know the condition or load-bearing capacity of the subject site. We assume that the site has sufficient capacity to support the existing improvements.

Environmental/Hazardous Substances:

We have not observed any existence of potentially hazardous or toxic material substances, which could be present on or near the site. Furthermore, we have not been provided any third-party environmental studies indicating the existence or analysis of such substances.

Regardless, we are not environmental engineers and are not trained or qualified to perform technical environmental inspections, nor are we qualified to interpret the findings of others.



The existence of hazardous or toxic materials could have a material effect on the value of the property. As such, we have specifically assumed that the property is not affected by any hazardous or toxic materials that may be present on or near the property.

Land Use Restrictions:

The subject is ground leased. In addition to the typical restrictions enforceable due to the ground lease, we were not provided with a title report and have no knowledge of any easements, encroachments or restrictions that could adversely affect the value or marketability of the property.

Adjacent Land Uses

North: Lowe's Home Improvement Store

South: Vacant lots and single-family homes

East: Silver Creek Rd followed by vacant land

West: A motel and vacant lots

CONCLUSION:

Overall, the subject site is considered functional for development. The site has adequate size, topography, access and all utilities. Also, the subject does not lie within a designated flood zone and, there does not appear to be any adverse characteristics that would affect development to its highest and best use.



REAL ESTATE TAXES & ASSESSMENTS

The subject property is assessed by the Maricopa County Assessor's Office. A summary of the subject's Full Cash Value, Limited Value, Assessment Ratios, Assessed Value, Tax Rate and Levied Taxes is detailed in the following charts.

	2022 Tax & Assessments 2023 Assessments & Tax Projections									
Parcel No.	Primary (Limited)	Secondary (Full Cash)	Primary (Limited)	Secondary (Full Cash)						
214-40-373E 214-40-373F 214-40-373G	\$91,860 \$66,274 \$105,915	\$145,174 \$104,738 \$167,385	\$96,453 69,588 \$111,210	\$263,416 194,523 \$300,649						
Total Assessments:	\$264,049	\$417,297	\$277,251	\$758,588						
Assessment Rate:	15.0%	15.0%	15.0%	15.09						
Assessed Values:	\$39,607	\$62,595	\$41,588	\$113,78						
		LEVIED TAX ANALY	SIS AND ESTIMATE							
_	Primary Tax Rate	Secondary Tax Rate	Primary Tax Rate	Secondary Tax Rate						
Tax Rates (Rate/100):	0.0000	0	0	0						
Levied Taxes:	\$0	\$0	\$0	\$0						
pecial District Rate (Rate/100):	N/A	0.0000	N/A	0.0000						
Special District Levy:	N/A	\$0	N/A	\$0						
Subtotal Taxes:	\$0	\$0	\$0	\$0						
Total Taxes:		\$0		\$0						

Source: Mohave County Assessor

According to the Mohave County Assessor, no delinquent taxes are reported for the subject. Because the subject site is owned by the City, no taxes are assessed.



ZONING



The following chart presents a summary of the subject's zoning.

ZONING SUMMARY						
Current Zoning (Bldg.)	M-1, Bullhead City					
Jurisdiction	Bullhead City, AZ					
Uses Permitted	M-1 General limited industrial zoning district is intended to provide sufficient space in appropriate locations for manufacturing development, wholesale and heavy commercial uses, which, while not necessarily attractive in operational appearances, are installed and operated in a manner so as not to cause inconvenience to other uses in the district or to adjacent districts. Hotel use is permitted.					
Current Use Conforming (Y/N)	Yes					
Likelihood of Zoning Change	Unlikely					

Source: Mohave County

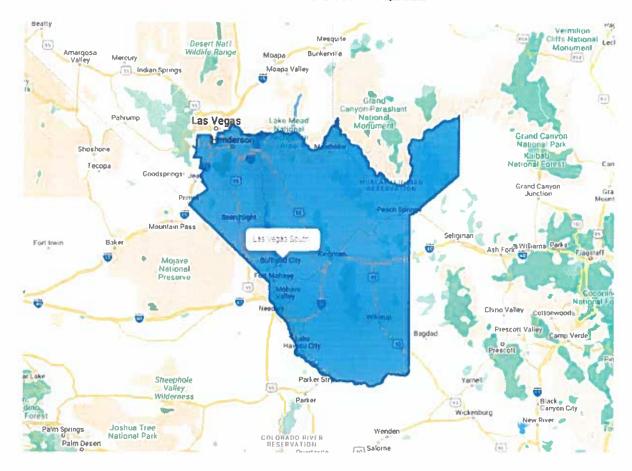
ANALYSIS AND CONCLUSION

The subject falls within the M-1 zoning district. This zoning allows for hotels. Therefore, the improvements represent a legally conforming use.



MARKET ANALYSIS

HOSPITALITY MARKET - LAS VEGAS SOUTH - 4Q2022



Summary

Las Vegas South is among the largest U.S. hotel submarkets and contains around 39,000 rooms spread across some 170 properties. The submarket is characterized by very large hotels. The average hotel in Las Vegas South contains 226 rooms, placing it in the top 5% of U.S. hotel submarkets.

The submarket's inventory skews towards cost-efficient lodging: Over half of the rooms here are Economy or Midscale.

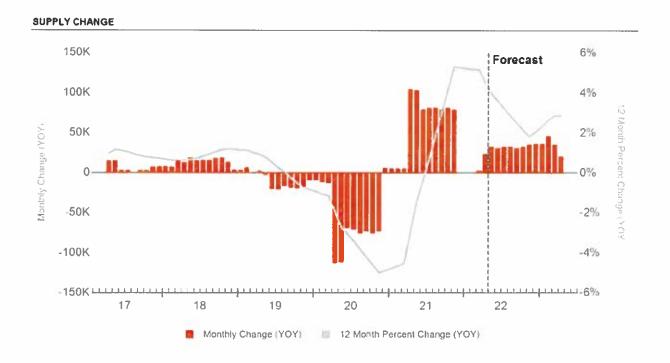
The 1,300 rooms currently underway in the Las Vegas South submarket represent a 3.2% expansion to the existing inventory. This extends a stretch of new development in the submarket, which saw 7 projects containing around 780 rooms deliver in the past three years. That development was partially offset by a number of demolitions, which took around 240 rooms off line over the same timeframe.



Las Vegas South has an active investment market, and recorded about 10 hotel trades over the past year—above the three-year average.

KEY INDICATORS						
Clase	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	2,433				0	0
Upscale & Upper Midscale	12,357				216	1,004
Midscale & Economy	24,549				225	260
Total	39,339				441	1,264
Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy						
Occupancy Change						
ADR						
ADR Change						
RevPAR						
RevPAR Change						

Construction





Under Construction Properties

Las Vegas South Hospitality

Properties Rooms Percent of Inventory Average Rooms

9

1,306

3.3%

145

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	Delta Hotels by Marriott Las Vega 4175 S Valley View Blvd	Upscale	284	4	Jul 2019	Sep 2023	Delta Hotel
2	Durango Casino & Resort Durango & Roy Hom Hwy Dr	Economy	200		Mar 2022	Dec 2023	
3	Boulder Lodge & Casino 920 S Boulder Hwy	Upscale	150	5	Jun 2021	Jun 2023	1
4	aloft Hotel Henderson SEQ Saint Rose Parkway an	Upscale	136	4	Jan 2022	May 2023	aloft Hotel G2 Capital Development
5	SpringHill Suites Las Vegas Airport S Decatur Blvd	Upscale	127	4	Dec 2021	Apr 2023	SpringHill Suites
6	Holiday Inn Express Henderson S 1530 Railroad Pass Casino Rd	Upper Midscale	127	7	Jul 2021	Nov 2022	Holiday Inn Express
7	Home2 Suites by Hilton Las Vega 0 S Durango Dr	Upper Midscale	120	4	Nov 2021	Арг 2023	Home2 Suites by Hillon Sun West Custom Homes



UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
8	Home2 Suites by Hilton Lake Hav Nwq Ot Park Avenue & Rota Dr	Upper Midscale	102	3	Feb 2022	Jun 2023	Home2 Suites by Hilton
9	Wingste by Wyndham Kingman 1125 Sunrise Ave	Midscale	60	3	Арт 2022	Mar 2023	Wingate by Wyndham

Sales

Sales Past 12 Months

Las Vegas South Hospitality

Sale Comparables Average Price/Room

Average Price

Average Cap Rate

12

\$65K

\$6.1M

8.6%

SALE COMPARABLE LOCATIONS





SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	\$1,675,000	\$6,099,580	\$4,126,650	\$13,250,000
Price Room	\$32,843	\$64,958	\$60,552	\$95,710
Cap Rate	7.7%	8 6%	8 9%	9.3%
Time Since Sale in Months	0.4	48	27	11.3
Property Attributes	Low	Average	Median	High
Property Size in Rooms	28	151	98	703
Number of Floors	1	6	2	55
Total Meeting Space	1,296	6,121	6,121	16,600
Year Built	1948	1977	1977	2007
Class	Economy	Midscale	Economy	Upper Midscale

RECENT SIGNIFICANT SALES

		Proper	ty Informati	on	Sale Information			
Property Name/Address	Class	Yr Bullt	Rooms	Brand	Sale Date	Price	Price/Roon	
Motel 6 Las Vegas, NV - Boulder 4125 Boulder Hwy	Economy	1979	161	Motel 6	4/5/2022	\$13,250,000	\$95,710	
Motel 6 Las Veges I-15 Stadium 5085 Dean Martin Dr	Economy	1977	139	Motel 6	4/5/2022	\$13,250,000	\$95,710	
Baymont Inn & Suites Las Vegas	Midscale	2007	111	Baymont	6/22/2021	\$8,000,000	\$72,072	
Quality Inn & Suites Lake Havasu 271 Lake Havasu Avo S	Midscale	1977	177	Quality Inn	3/2/2022	\$7,800,000	\$44,068	
Sunrise Suites 320 Lee Ave	Economy	1984	80	*	3/3/2022	\$4,844,150	\$60,552	
Arizona Sunset Suites 2220 Rancho Colorado Blvd	Economy	1992	55	1	3/3/2022	\$4,126,650	\$75,030	
Rodeway Inn Kingman Route 66 1400 E Andy Devine Ave	Economy	1964	98	Rodeway Inn	5/13/2022	\$3,750,000	\$38,265	
El Rancho Boulder Motel 725 Nevada Hwy	MicIscale	1954	39	-	6/14/2021	\$2,250,000	\$57,692	
Desert Inn Of Boulder City 800 Nevada Hwy	Economy	1948	28	12	7/1/2021	\$2,050,000	\$73,214	
Royal Inn 2190 Birch Sq	Economy	1973	51	*	4/26/2022	\$1,675,000	\$32,843	
Paims Casino Resort 4321 W Flamingo Rd	Upper Midscale	2001	703	14	4/27/2022	-		
2 Extended Stay America Las Vega 4270 S Valley View Blvd	Economy		176	Extended Stay America	6/16/2021	_		

ARIZONA HOTEL MARKET OVERVIEW – 3rd Quarter 2022

In order to more precisely identify hotel market trends, as they relate to the subject, we have also included statistics for Arizona. Statewide Lodging Performance from Smith Travel Research is summarized as follows. Historical Statewide figures through March



31, 2022, are summarized on the following chart. As illustrated, for the 3 months ending March 31, 2022, occupancy increased by 21.7% in Arizona as compared to the same period in 2021. ADR increased by 46.7% and RevPar increased by 78.5%.

Statewide Lodging Performance – 3rd quarter 2022

THE RESERVE		Statewid	e Lodging Perfo	rmance	
	T	hird Quarter 2	022 (July, Augus	t, September)	
Market Year	Occupancy	ADR	RevPAR	Demand	Supply
United States					
2021	64.7%	\$138.93	\$89.89	328,723,368	508,080,648
2022	67.6%	\$155.03	\$104.82	347,297,968	513,681,309
% change Q3	4.5%	11,6%	16.6%	5.7%	1.1%
Mountain Region	n				
2021	66.7%	\$140.08	\$93.51	39,546,009	59,245,448
2022	68.4%	\$149.37	\$102.18	40,547,844	59,274,431
% change Q3	2.5%	6.6%	9.3%	2.5%	0.0%
State of Arizona					
2021	60.8%	\$117.54	\$71.45	6,817,283	11,214,523
2022	61.7%	\$124.62	\$76.92	6,913,770	11,200,953
% change Q3	1.5%	6.0%	7.6%	1.4%	-0.1%
Metro Phoenix					
2021	60.3%	\$112,77	\$68.04	3,847,364	6,376,829
2022	61.2%	\$121.82	\$74.57	3,892,712	6,359,122
% change Q3	1.5%	8.0%	9.6%	1.2%	-0.3%
Metro Tucson					
2021	54.7%	\$108.73	\$59.44	809,575	1,480,798
2022	55.3%	\$112.19	\$62.07	816,215	1,475,324
% change Q3	1.2%	3.2%	4.4%	0.8%	-0.4%
Flagstaff AZ					
2021	74.4%	\$132.82	\$98.84	360,048	483,828
2022	75.3%	\$131.99	\$99.44	366,310	486,218
% change Q3	1.2%	-0.6%	0.6%	1.7%	0.5%
AZ Northeast &	Holbrook				
2021	62.7%	\$96.12	\$60.30	249,849	398,268
2022	66.1%	\$108.48	\$71.67	263,690	399,140
% change Q3	5.3%	12.9%	18.8%	5.5%	0.2%
AZ Southeast & S	sierra Vista				
2021	58.4%	\$89.47	\$52.24	267,651	458,436
2022	54.7%	\$99.72	\$54.52	242,799	444,084
% change Q3	-6.4%	11.5%	4.4%	-9.3%	-3.1%
Non-metro AZ	7.7				
2021	63.4%	\$130.41	\$82.71	2,048,175	3,229,476
2022	65.0%	\$135.97	\$88.36	2,092,278	3,219,675
% change Q3	2.5%	4.3%	6.8%	2.2%	-0.3%



Quarter 3 2022
Arizona Office of Tourism
Lodging Performance by County



				ewide Lodg Quarter 20	No. of Street, other					
County	Occu	pancy	ADR (S)		RevPAR (S)		Dema	nd	Supply	
	2022	% Ch Q3 2022 vs 2021	2022	% Ch Q3 2022 vs 2021	2022	% Ch Q3 2022 vs 2021	2022	% Ch Q3 2022 vs 2021	2022	% Ch Q3 2022 vs 2021
Apache	61.9%	12,3%	114.07	8.1%	70.62	21.5%	58,436	12.1%	94.392	0.0%
Cochise	53.3%	-10.3%	97.63	9.4%	52.01	-1.9%	130,354	-13.6%	244,720	-3.5%
Coconino	71.9%	9.1%	148.48	2.0%	106.71	11.4%	874,685	8.6%	1.217.036	0.1%
Gila	60.9%	-L3%	119.94	6.3%	73.00	4.9%	67,719	-6.0%	111,259	-4.6%
Graham	57.3%	10.1%	106.89	17.9%	61.19	30,2%	30,866	9.6%	53,912	0.0%
Greenlee	N/A		N/A		N/A		N/A		N/A	
La Paz	62.9%	10.1%	104.10	6.5%	65.45	17.3%	41,879	10.0%	66,608	0.0%
Maricopa	60.8%	1.4%	123.04	7.2%	74.85	8.9%	3,731,153	0.8%	6,133,649	-0.5%
Mohave	66.9%	-1.3%	105.59	3,9%	70.62	2.6%	260,644	3.6%	389,712	5.2%
Navajo	67.3%	3.8%	107.17	14.5%	72.18	19.0%	204,007	3.8%	302,908	0.3%
Pirma	55.3%	1.3%	112.19	3.0%	62.07	4.3%	816,215	0.8%	1,475,324	-0.4%
Pinal	71.7%	4.4%	93.55	16.2%	67.03	21.3%	161.559	11.8%	225,473	7.2%
Santa Cruz	52.5%	-10.1%	96.87	11.8%	50.81	0.5%	44,636	-10.0%	85,100	0.0%
Yavapai	60.9%	-8.7%	188.67	-1.7%	114.98	-10.2%	281,947	-8.1%	462,668	0.6%
Yuma	62.2%	0.3%	113.84	12.5%	70.78	12.9%	206,263	0.4%	331,752	0.0%

Source: STR, Inc.-The information contained in this report is based upon independent surveys and research from sources considered reliable but no representation is made as to its completeness or accuracy. This information is intended solely for the internal purposes of your organization and should not be published in any manner unless authorized by the Arizona Office of Tourism and STR. REPUBLICATION OR OTHER RE-USE OF THIS DATA WITHOUT THE EXPRESS WRITTEN PERMISSION OF STR IS STRICTLY PROHIBITED.

N/A = Not Available

The subject's county, Mohave, had an average occupancy rate of 66.9% through September 2022. This was a 1.3% decrease in occupancy from the same period in 2021.

Mohave County posted an average ADR of \$105.59 through March 2022. This represented a 3.9% increase from the previous year.

Mohave County posted an average RevPAR of \$70.62. This represented a 2.6% increase over last year.



HIGHEST AND BEST USE ANALYSIS

Four criteria are examined in order to determine the highest and best use of the subject property. The criteria and their applicability to the subject, both "as vacant" and "as improved" are as follows:

Legally Permissible: a legally permissible use is determined primarily by current zoning regulations. However, other considerations such as long-term leases, deed restrictions, and environmental regulations may preclude some possible highest and best use.

Physically Possible: the size, shape and topography affect the uses to which land may be developed. The utility of a parcel is dependent on its frontage and depth. Sites with irregular shapes may be more expensive to develop, and topography or subsoil conditions may make utilization too costly or restrictive. Highest and best use as improved also depends on physical characteristics such as condition and utility.

Financially Feasible: the use of the property is analyzed to make a determination as to the likelihood that the property is capable of producing a return which is greater than the combined income needed to satisfy operation expenses, debt service, and capital amortization. Any use that is expected to produce a positive return is classified as financially feasible.

Maximally Productive: the use that provides the highest rate of return among financially feasible uses is the highest and best use. The use of the land must yield a profitable net return, and the quantity of land devoted to any specific use must be limited to that quantity which will yield a maximum return to each owner.

HIGHEST AND BEST AS IF VACANT

The subject is zoned for M-1, Bullhead City and a significant change in zoning to a higher intensity use is improbable given the surrounding residential and retail/office land uses. The physical attributes of the site are suited for near term development.

Market conditions affecting the subject were outlined previously. The hospitality market significantly declined from the COVID 19 pandemic. However, market conditions have improved to above pre-COVID levels. Due to the subject's tertiary location, the financials still do not warrant new construction (unless there are municipal incentives). The most productive use of the subject, if vacant, is to hold for future development.



VALUATION METHODOLOGY

There are three generally accepted approaches available in developing an opinion of value: the Cost, Sales Comparison and Income Capitalization Approaches. We have considered each this valuation to develop an opinion of the market value of the subject property.

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. The reliability of each approach is dependent upon the availability and comparability of the market data, as well as the motivations and investment "mind-sets" of buyers/sellers within the marketplace for a property considered similar to the subject.

Each of the approaches and applicability are briefly summarized below.

Cost Approach

The cost approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements, for which there exists few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach assumes that value is created by the expectation of benefits to be derived in the future.



Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Methodology Applicable to the Subject

In valuing the subject, only the Income Approach has been utilized.



GROUND RENT

Two parcels (214-40-373E and 214-40-373F) are currently improved with a Holiday Inn Express limited-service hotel. The remaining parcel (214-40-373G) is vacant and is planned for the development of another hotel in about 3 years. The ground leases commenced on May 10, 2018, and expire on May 9, 2068 (49 years remaining).

It should be noted that ground lease payments are not actual money. The lessee pays the lessor in "in kind" services. The "in kind" payments are 280 hours annually at the pool of the Holiday Inn Express and 134 room nights annually at the to-be-built hotel on parcel (214-40-373G). Prior to the completion of the hotel, the ground payment is \$4,000 annually until the lessee receives a Certificate of Occupancy.

Market Ground Rent

There are two market rent categories: 1) 280 hours of pool time annually and 2) 134 room nights annually.

Pool Time: We surveyed the website "Swimply" and we surveyed municipal pools in Mohave County to estimate an hourly pool rental rate. Our results are as follows:

POOL RENT	AL
Adress	Hourly Rate
Lake Havasu City, AZ	\$26,4/Hr
Lake Havasu City, AZ	\$93.5/Hr
Kingman, AZ	\$17.6/Hr
LHC Aquatic Center	\$57.00/Hr
Laughlin Aquatic Center	\$55.00/Hr

We have modeled the subject's hourly pool rate at \$55.00 per hour. Thus, the annual rent is \$15,400. We have assumed that the rental rate will grow by 3% annually.

Room Nights: We surveyed surrounding hotels to estimate average Rack Rates for competitive hotels. Our results are as follows:



	HOTEL	
Name	Address	Rac Rates
Days Inn	1126 AZ-95 BHC	\$43 - \$60
Lodge on the River	1717 AZ-95 BHC	\$53-\$70
Motel 6	1081 US-95 BHC	\$52-\$56
Bayshore Inn	1955 W Casino Dr, Laughlin	\$87-\$97
Holiday Inn Express	40 London Bridge Road, LHC	\$179-\$218
Holiday Inn Express	1300 Silver Creek Road, BHC	\$156-\$208

We have modeled the subject's average room night at \$150.00 per night. Thus, the annual rent is \$20,100. We have assumed that the rental rate will grow by 3% annually. However, the hotel won't be completed for 3 years, so we have modeled annual rent of \$4,000 per year for the first three years.

Discount Rate Analysis

A discount rate for the leased fee interest (a relatively safe asset after the site has been improved) is analyzed based on comparative yields from government-issued securities, corporate bond yields, and/or the build-up method. Typically, the safe rate used in the build-up method is based on long-term treasuries, and then a premium is added for risk during term, illiquidity, and management.

In analyzing the appropriate discount rate for the ground rent, we have considered the following:

Realty Rates indicates Land Leases for Special Purpose properties display discount rates ranging from 7.46% to 20.03% with an average of 10.68%.



RealtyRates.com INYESTOR SURYEY - 1st Quarter 2023* LAND LEASES										
	Capita	lization	Rates	Disc	ount R	ates				
Property Type	Min.	Max.	Avg.	Min.	Maz.	Avg.				
Apartments	3.99%	10.77%	8.15%	6.59%	11.27%	9.15%				
Golf	4.44%	15.89%	10.28%	7.04%	16.39%	11.28%				
Health Care/Senior Housing	4.49%	12.15%	8.75%	7.09%	12.65%	9.75%				
Industrial	4.34%	11.71%	8.57%	6.94%	12.21%	9.57%				
Lodging	4.44%	15.89%	8.86%	7.04%	16.39%	9.86%				
Mobile Home/RV Park	4.39%	14.31%	9.44%	6.99%	14.81%	10.44%				
Office	4.34%	11.55%	8.25%	6.94%	12.05%	9.25%				
Restaurant	4.91%	17.89%	10.08%	7.51%	18.39%	11.08%				
Retail	4.04%	11.69%	8.67%	6.64%	12.19%	9.67%				
Self-Storage	4.34%	11.85%	9.58%	6.94%	12.35%	10.58%				
Special Purpose	4.94%	17.89%	10.44%	7.46%	20.03%	10.68%				
All Properties	3.99%	17.89%	9.19%	6.59%	18.39%	10.06%				

"4th Quarter 2022 Data

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Because the ground lease payments are not actual money, a potential investor would require a much higher rate of return. The highest discount rate for Special Purposes properties is 20.03%. The highest discount rate for All Properties is 18.39%. We have used a discount rate of 19.0%.

The discounted cash flow is presented below:



Fiscal Year Starting May-23	Pool Rent	Hotel Rent	Reversion Proceeds	Net Cash Flow Weighted Average	PV Factor @ 19,00%	PV of Cash Flov
2024	\$15,400	\$4,000	\$0	\$19,400	0.8403361	\$16,303
2025	\$15,862	\$4,000	\$0	\$19,862	0.7061648	\$14,026
2026	\$16,338	\$4,000	\$0	\$20,338	0.5934158	\$12,069
2027	\$16,828	\$20,100	\$0	\$36,928	0.4986688	\$18,415
2028	\$17,333	\$20,703	\$0	\$38,036	0.4190494	\$15,939
2029	\$17,853	\$21,324	\$0	\$39,177	0.3521423	\$13,796
2030	\$18,388	\$21,964	\$D	\$40,352	0.2959179	\$11,941
2031	\$18,940	\$22,623	\$0	\$41,563	0.2486705	\$10,335
2032	\$19,508	\$23,301	\$0	\$42,810	0.2089668	\$8,946
2033	\$20,094	\$24,000	\$0	\$44,094	0.1756024	\$7,743
2034	\$20,696	\$24,720	\$0	\$45,417	0.1475650	\$6,702
2035	\$21,317	\$25,462	\$0	\$46,779	0.1240042	\$5,801
2036	\$21,957	\$26,226	\$0	\$48,183	0.1042052	\$5,021
2037	\$22,615	\$27,013	\$0	\$49,628	0.0875674	\$4,346
2038	\$23,294	\$27,823	\$0	\$51,117	0.0735861	\$3,761
2039	\$23,993	\$28,658	\$0	\$52,650	0.0618370	\$3,256
2040	\$24,712	\$29,518	\$0	\$54,230	0.0519639	\$2,818
2041	\$25,454	\$30,403	\$0	\$55,857	0.0436671	\$2,439
2042	\$26,217	\$31,315	\$0	\$57,533	0.0366951	\$2,111
2043	\$27,004	\$32,255	\$0	\$59,259	0.0308362	\$1,827
2044	\$27,814	\$33,222	\$0	\$61,036	0.0259128	\$1,582
2045	\$28,649	\$34,219	\$0	\$62,867	0.0217754	\$1,369
2046	\$29,508	\$35,245	\$0	\$64,753	0.0182987	\$1,185
2047	\$30,393	\$36,303	\$0	\$66,696	0.0153770	\$1,026
2048	\$31,305	\$37,392	\$0	\$68,697	0.0129219	\$888
2049	\$32,244	\$38,514	\$0	\$70,758	0.0108587	\$768
2050	\$33,212	\$39,669	\$0	\$72,881	0.0091250	\$665
2051	\$34,208	\$40,859	\$0	\$75,067	0.0076681	\$576
2052	\$35,234	\$42,085	\$0	\$77,319	0.0064437	\$498
2053	\$36,291	\$43,347	\$0	\$79,639	0.0054149	\$431
2054	\$37,380	\$44,648	\$0	\$82,028	0.0045503	\$373
2055	\$38,501	\$45,987	\$0	\$84,489	0.0038238	\$323
2056	\$39,656	\$47,367	\$0	\$87,023	0.0032133	\$280
2057	\$40,846	\$48,788	\$0	\$89,634	0.0027002	\$242
2058	\$42,071	\$50,252	\$0	\$92,323	0.0022691	\$209
2059	\$43,333	\$51,759	\$0	\$95,093	0.0019068	\$181
2060	\$44,633	\$53,312	\$0	\$97,945	0.0016024	\$157
2061	\$45,972	\$54,911	\$0	\$100,884	0.0013465	\$136
2062	\$47,352	\$56,559	\$0	\$103,910	0.0013433	\$118
2063	\$48,772	\$58,255	\$0	\$107,028	0.0009509	\$102
2064	\$50,235	\$60,003	\$0	\$110,238	0.0007991	\$88
2065	\$51,742	\$61,803	\$0	\$113,546	0.0006715	\$76
2066	\$53,295	\$63,657	\$0	\$116,952	0.0005643	\$66
2067	\$54,894	\$65,567	\$0	\$120,461	0.0004742	\$57
2068	\$56,540	\$67,534	\$0	\$124,074	0.0003985	\$49

Our value opinion of the 8.94 ground leased site is \$180,000



CONTINGENT AND LIMITING CONDITIONS

The certification of the appraisers appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraisers in the report.

- The appraisers assume no responsibility for matters of a legal nature affecting the
 property appraised or the title thereto, nor do the appraisers render any opinion
 as to the title, which is assumed to be marketable. The property is appraised as
 though under responsible ownership.
- Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraisers have made no survey of the property.
- The appraisers are not required to give testimony or appear in court because of having made this appraisal with reference to the property in question unless arrangements have been made therefore.
- The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
- The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraisers assume no responsibility for such conditions or for engineering which might be required to discover the factors.
- Information, estimates, and opinions furnished to the appraisers and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraisers can be assumed by the appraisers.
- Disclosure of the contents of this appraisal is governed by the by-laws and regulations of the professional appraisal organizations with which the appraisers are affiliated.
- Neither all nor any part of the contents of this report or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organizations, or the firm



with which the appraisers are connected) shall be used for any purposes by anyone but the client or his assigns without the previous written consent of the appraisers, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraisers.

- On all appraisals involving proposed construction, the appraisal report and value conclusions are contingent upon completion of the proposed improvements, if any, in accordance with the plans and specifications.
- Unless otherwise stated in this report, the existence of hazardous material, including but not limited to, asbestos, polychlorinated biphenyls, petroleum leakage or agricultural chemicals which may or may not be present on the property, were not called to the attention of, nor were they observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances as listed above, or substances such as asbestos, urea-formaldehyde foam insulation, chemical or toxic waste, or other potentially hazardous materials may affect the value of the property. The value estimate is predicted on the assumption that there is no such material on or in the property, or on or in adjoining properties that would cause a loss in value to the property being appraised. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required discovering them.
- The values as concluded herein are entirely contingent upon the subject property not being within or subject to a federally designated potential Endangered Species area as defined by the U.S. Fish and Wildlife Service which as a result might otherwise limit, restrict, and/or prevent development of the subject to its highest and best use.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- All engineering information, if any, is assumed to be correct.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.



- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to change as a result of variations in the market.
- The construction and condition of the improvements mentioned in the body of this
 report are based on observations. No engineering study has been provided which
 would assist in the discovery of any latent defects. No certification as to any of
 the physical aspects could be given unless a proper engineering study was made.
- Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee or the Appraisal Institute without the previous written consent of the appraisers.



QUALIFICATIONS

Department of Insurance and Financial Institutions State of Arizons

CGA - 31665

This document is evidence that:

RANDALL P. CLEMSON

has complied with the provisions of

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

Certified General Real Estate Appraiser

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

Certified General Real Estate Appraiser

RANDALL P. CLEMSON

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

Expiration Date: September 30, 2024



RANDALL CLEMSON

Executive Vice President, Shareholder Valuation Advisory Services

Randall Clemson is the executive vice president of Kidder Mathews Valuation Advisory Services. He provides leadership, recruiting, and business development for the firm's Valuation Advisory Services on the West Coast.

Randall Clemson entered the commercial real estate valuation business in early 2005 as an appraiser with CBRE. Randall was consistently ranked as one of the top producers during his tenure at CBRE. In March 2009, he joined Strategic Valuation Group as a senior partner, which he successfully ran for over 10 years. Strategic Valuation Group became one of the largest local commercial real estate appraisal firms and was consistently ranked in the top three largest firms according to the Book of Lists (Phoenix Business Journal). In October 2019, Randall became senior vice president and manager of Valuation Advisory Services for the Phoenix office of Kidder Mathews. In this position he was the top producer in 2020 and 2021 and was ranked #2 in 2022 for VAS company wide.

Coming from a diverse appraisal background, Randall has experience with a wide range of property types.

APPRAISAL EXPERIENCE

Randall Clemson's appraisal experience involves a wide variety of property types including retail power centers, retail neighborhood/community centers, retail strip centers, retail pad buildings, multi-tenant office buildings, multi-tenant industrial projects, single tenant office and industrial buildings, limited and full service hotels, luxury resorts, medical office buildings, surgery centers, apartments, net lease investments and all types of land and land assemblages.

COURT EXPERIENCE

Randall also provides litigation support/expert witness testimony for various commercial real estate disputes, deficiency judgements, bankruptcies and eminent domain. He is qualified and has testified in the following courts:

us Federal Bankruptcy Court

ARIZONA superior Court

EDUCATION

MBA - W.P. Carey School of Business, Arizona State University, Tempe, AZ
BA, Economics - University of Arizona, Tucson, AZ

MEMBERSHIPS, LICENSES AND PROFESSIONAL AFFILIATIONS

ARIZONA General Real Estate Appraiser, No. 31665

SELECT CLIENT LIST

Alerus Bank & Trust

Arizona Bank & Trust

Bank 34

Clark Hill

Enterprise Bank

Frazer, Ryan, Goldberg & Arnold

Harvest Commercial Capital

May Potenza Baran & Gillespie

Midfirst Bank

Northern Trust

Pacific Premier Bank

Quarles & Brady

State of Arizona

Sunwest Bank

Washington Federal



602.513.5158
 randy.clemson@kidder.com
 2525 E Camelback Rd
 Suite 210
 Phoenix, AZ 85016





SUPPORTING DOCUMENTS



ENGAGEMENT LETTER

AGREEMENT FOR SECOND APPRAISAL REPORT HOLIDAY INN EXPRESS 1300 SILVER CREEK ROAD BULLHEAD CITY

This Agreement for Second Appraisal Report Holiday Inn Express 1300 Silver Creek Road Bullhead City ("Agreement") is entered into between the City of Bullhead City, an Arizona municipal corporation ("City"), and Kidder Mathews, Inc., a Washington corporation authorized to do business in the State of Arizona ("KM"), effective January 24, 2023.

RECITALS

- A. The City owns real property that it intends to post for public auction and is need of an appraisal to establish market value for the auction in compliance with Arizona law; and
- B. KM is agreeable to, and is qualified to perform the required appraisal services; and
- C. City and KM desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and KM agree as follows:

- 1. Services. KM will perform a real estate appraisal of the City-owned land located at 1300 Silver Creek Road, Bullhead City, Arizona, in accordance with the scope of work and engagement of services as outlined in the engagement letter dated January 21, 2023 and attached hereto as Exhibit A ("Services").
- Schedule. The Services will be undertaken in a manner that ensures that they are completed timely and efficiently
 in accordance with all requirements and will be completed by no later than February 28, 2023.
- 3. KM's Work.
 - 3.1 Standard. KM must perform Services in accordance with the standards of due diligence, care, and quality prevailing among providers having substantial experience with the successful furnishing of Services for projects that are similar in nature, size, scope, quality.
 - 3.2 Coordination; Interaction. City may require KM to coordinate with other individuals, professionals or other sources in connection with the provisions of the Services and if so, KM agrees to proactively interact with, work in close consultation with and obtain or timely disseminate information for the proper execution of the Services.
 - 3.3 Work Product.
 - (A) Ownership. Upon receipt of final payment for Services furnished, KM grants to City the exclusive ownership of and all copyrights, if any, to data and specifications provided as well as the actual work product delivered ("Work Product").
 - (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) KM warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.

(B) City Use.

- City may reuse the Work Product at its sole discretion in connection with the pending public auction for the property.
- (2) City will not attempt to utilize the Work Product for other applications.
- Compensation for the Services. KM's compensation for the Services will not exceed a total of \$3,500.
- 5. Termination. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than two working days following the date of delivery. KM will be equitably compensated for Services actually furnished prior to receipt of the termination notice and for reasonable costs incurred.
- 6. Conflicts of Interest. KM acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.
- 7. Uyghurs Prohibition. During the term of this Agreement KM certifies, pursuant to A.R.S. § 35-394, that it, nor any of its contractors, will not use the goods or services produced by the forced labor of ethnic Uyghurs in the people's republic of China.
- 8. E-Verify. KM warrants, to the extent applicable under A.R.S. § 41-4401, that it has registered with and will continue to participate in the E-Verify program established by the United States Department of Homeland Security and Social Security Administration or any successor program; that it warrants compliance with all federal immigration laws and understands that any breach of this warranty subjects KM to penalties, including termination of this Agreement; and finally, understands that City has the right to inspect the papers of KM or any of its employees participating in this Agreement to ensure compliance with this section.
- 9. Notices. A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if it's in writing and delivered in person or by private express overnight delivery service (delivery charges prepaid), certified or registered mail (return receipt requested). Notice is deemed to have been delivered to the person to whom it is addressed as set out below:

KM:

Kidder Mathews, Inc.

Randy Clemson

2525 E. Camelback Road, Suite 210

Phoenix, Arizona 85016

City:

City of Bullhead City City Manager 2355 Trane Road

Bullhead City, Arizona 86442

with required copy to:

City of Bullhead City City Attorney 2355 Trane Road

Bullhead City, Arizona 86442

10. Entire Agreement; Survival

10.1 Integration. This Agreement contains the entire agreement between City and KM and supersedes all prior conversations and negotiations between the parties regarding the Services or this Agreement. Any terms or conditions as may be stated in Exhibit A are hereby incorporated into the Agreement to the extent they do not conflict with any other term or condition herein.

- 10.2 Interpretation. The Agreement will be interpreted in accordance with the laws of the State of Arizona.
- 10.3 Survival. Except as specifically provided otherwise in this Agreement, every other right, remedy and responsibility of a party, will survive completion of the Services, or the earlier termination of this Agreement.
- 10.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties.
- 10.5 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform to applicable law.
- 11. Term. The term of this Agreement commences as stated above and may continue through February 28, 2023.
- 12. Exhibits. The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A Services (Engagement of Services – Appraisal Report dated January 21, 2023, pages 1-2)

KM

NOW therefore, the parties enter into this Agreement through their designated representatives below.

Foby Cotter City Manager
Trans truth an behalf of
Toby Cotter

Date: 1124123

Randy Clemson, Sénior Vice President, Manager

1-25-2

ATTEST:

CITY

NAVAN DI LLU Susan Stein, City Clerk (SEAL)

APPROVED AS TO FORM:

Garnet K. Emery, City Attorney