Contract No. 2019-067.1

FIRST AMENDMENT
TO
CONTRACT NO. 2019-067
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
DENNIS L. LOPEZ AND ASSOCIATES, LLC.

THIS FIRST AMENDMENT TO CONTRACT NO. 2019-067 (this "First Amendment") is entered into as of March 5, 2019, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town") and Dennis L. Lopez & Associates, LLC, an Arizona limited liability company (the "Contractor").

RECITALS

A. The Town and Contractor entered into Contract No. 2019-067 (the "Contract"), a true and correct copy of which is on file with the Town Clerk, for the appraisal of the market value for the property located at 16821 East Saguaro Boulevard, Fountain Hills, Arizona, APN 176-10-204, consisting of a 5,106 square foot structure and 44,867 square feet of land zoned R-3, Multi-Family Residential (the "Services"). All of the capitalized terms not otherwise defined in this First Amendment have the same meanings as defined in the Contract.

B. The Town has determined that additional services (the "Additional Services") from the Contractor are necessary as set forth in Exhibit A, and the Town and the Contractor desire to enter this First Amendment to provide for compensation to the Contractor for the Additional Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Contractor hereby agree as follows:

1. Compensation. The Town shall increase the compensation to Contractor by not more than $3,000.00, for the Additional Services at the rates set forth in the Contract and incorporated herein by reference, resulting in an increase of the aggregate not-to-exceed compensation from $5,000.00 to $8,000.00.

2. Effect of Amendment. In all other respects, the Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

3. Non-Default. By executing this First Amendment, the Contractor affirmatively asserts that (i) the Town is not currently in default, nor has it been in default at any time prior to this First Amendment, under any of the terms or conditions of the Agreement and (ii) any and all claims, known and unknown, relating to the Agreement and existing on or before the date of this First Amendment are forever waived.

4. Israel. Contractor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in Ariz. Rev. Stat. § 35-393, of Israel.

5. Conflict of Interest. This First Amendment and the Agreement may be cancelled by the Town pursuant to Ariz. Rev. Stat. § 38-511.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

"**Town**"

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

OR
3/13/19

Grady E. Miller, Town Manager

ATTEST:

Elizabeth A. Burke, Town Clerk

APPROVED AS TO FORM:

Aaron D. Arnson, Town Attorney

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On March 13, 2019, before me personally appeared Grady E. Miller, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the Town of Fountain Hills.

OFFICIAL SEAL
PATRICIA JO TOAL
Commission #521340
Notary Public - State of Arizona
MARICOPA COUNTY
My comm. expires Dec. 8, 2020

Patricia Jo Toal
Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

EXHIBIT A
TO
QSP
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
DENNIS L. LOPEZ & ASSOCIATES

[Contractor's Proposal]

See following pages.

"**Contractor**"

DENNIS L. LOPEZ & ASSOCIATES, LLC
a(n) Arizona limited liability company

By:_____

Name: DENNIS L. LOPEZ

Title: Sole Member

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On March 12, 2019, before me personally appeared Dennis L Lopez, the Sole Member of DENNIS L. LOPEZ & ASSOCIATES, LLC, a(n) Arizona limited liability company, whose identity was proven to me on the basis of satisfactory evidence to be the person who he/she claims to be, and acknowledged that he/she signed the above document on behalf of the limited liability company.

_____
Notary Public

(Affix notary seal here)

4845-9510-8489 v.1

Angela L Aguilar-Polzin
Notary Public
Maricopa County, Arizona
My Comm. Expires 09-24-22
Commission No. 556517

DENNIS L. LOPEZ & ASSOCIATES, LLC
REAL ESTATE APPRAISERS AND CONSULTANTS

February 28, 2019

Mr. Justin T. Weldy
Public Works Director
Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268

Re:	Assignment:	Appraisal of the Fee Simple Interest in a 14.995-acre Parcel of Industrially-zoned Land
	APN & Owner:	176-09-492B (City of Fountain Hills)
	Location:	Surrounding the southwest corner of Shea Boulevard and Technology Drive, Fountain Hills, Arizona

Dear Mr. Weldy:

This contract serves to confirm your order to have *Dennis L. Lopez & Associates, LLC,* prepare one appraisal of the market value of the fee simple interest in the property described above, as of a current effective date of the appraisal (date of valuation). The intended use of the appraisal will be for asset management purposes. The intended user of the appraisal will be you (the client) and any others involved with the management of this asset. One Appraisal Report, containing the opinion of market value, will be signed by Dennis L. Lopez, MAI, SRA.

The report prepared pursuant to this contract will adhere to the Uniform Standards of Professional Appraisal Practice 2018-2019, the appraisal standards and requirements of the State Board of Appraisal and the professional organization to which Mr. Lopez belongs. Attached to this letter you will find our Underlying Assumptions and Contingent Conditions and Certification.

In consideration for the completion and delivery of three copies of the report as provided herein, our fee is **$3,000**. We expect payment within 30 days of delivery of the assignment to you.

Dennis L. Lopez & Associates, LLC, will provide only the appraisal and report. The appraiser, Dennis L. Lopez, MAI, SRA, shall not be required to provide additional opinions or appraisals, give testimony or to participate in or attend any public or private meeting or hearing, in court or otherwise, with reference to the appraisal assignments without further compensation at a rate of $300 per hour.

It is understood that:

- Only the Sales Comparison Approach will be utilized as the property is vacant land.
- The report will be used by the intended users in their entirety and no portions shall be used out of context.
- The appraisal and report will be subject to the attached Underlying Assumptions and Contingent Conditions and Certification.

In order to begin preparation of the appraisal and report, we will need the following:

1. Signed contract
2. Survey, if available
3. Title report, if available

We can deliver the assignment within **30 days** of authorization to proceed and receipt of the items requested above

We look forward to undertaking this assignment for you. If there are any questions, or any portion of this agreement does not conform to our understanding, please contact us at 480-838-7332.

Respectfully submitted,

Dennis L. Lopez & Associates, LLC

Dennis L. Lopez, MAI, SRA
Certified General Real Estate Appraiser - State of Arizona
Certificate No. 30189

ACKNOWLEDGMENT:

I hereby authorize *Dennis L. Lopez & Associates, LLC,* to prepare the above described assignment and I agree to all of the terms and conditions contained herein.

Name and Title

3-13-2019
Date

QUALIFICATIONS OF DENNIS L. LOPEZ, MAI, SRA

Education

Bachelor of Science Degree, Business Administration, Arizona State University, Magna Cum Laude, December, 1978
Real Estate Principles, Arizona State University, 1977
Real Estate Law, Arizona State University, 1977
Real Estate Management, Arizona State University, 1978
SREA 101 (Real Estate Appraisal), Arizona State University, 1978
SREA 201 (Real Estate Appraisal), Arizona State University, 1978
Real Estate Land Development, Arizona State University, 1978
Real Estate Investments, Arizona State University, 1978
Urban Planning, Arizona State University, 1978
AIREA Course VIII, "Single Family Residential Appraising," Arizona State University, 1978
SREA "Marketability and Market Analysis", 1979
SREA Seminar "Basic Money Market & Economic Analysis", 1980
SREA "Market Abstractions Seminar", 1981
AIREA "Standards of Professional Practice", 1981
AIREA "Condemnation & Litigation Valuation", 1982
IRWA "Skills of Expert Testimony", 1983
SREA FHLBB Reg. R41-(b) Seminar, 1985
AIREA "Valuation Analysis and Report Writing" (Exam 2-2), March, 1986
AIREA "Case Studies in Real Estate Valuation" (Exam 2-1), March, 1986
AIREA "Highest and Best Use Analysis", April, 1986
"Eminent Domain Valuation-Procedures and Case Studies," Robert Helmandollar, Deputy Chief Right-of-way Agent, Arizona Department of Transportation, November, 1986
"Arizona Condemnation and Zoning", Professional Education Systems, June, 1988
SREA "Environmental Waste As It Applies To Real Estate", December, 1988
SREA "Standards of Professional Practice and Conduct", December, 1988
AIREA "Rates, Ratios and Reasonableness", August, 1989
AIREA "Uniform Standards of Professional Practice", February, 1990
SREA "Income Property Valuation for the 1990's", July, 1990
AI "Reviewing Appraisals", June, 1992
IRWA "Easement Valuation" (Course 403), March, 1993
ADOT "Impact of Highway Construction on Real Estate", April, 1993
AI "Uniform Standards of Professional Appraisal Practice, Part A & B", February, 1994
AI "Advanced Income Capitalization, Course II510, ASU, February, 1995
AI "Fair Lending", October, 1995
AI "Subdivision Analysis", March, 1996
AI "New Industrial Valuation", May, 1998
Ted Whitmer, "Attacking & Defending an Appraisal in Litigation", January, 2000
AI, "710 Condemnation Appraising – Basic Principles and Applications", May, 2000
AI, "720 Condemnation Appraising – Advanced Topics and Applications", May, 2000
AI "Uniform Standards of Professional Appraisal Practice, Part C", October, 2000
AI "Litigation Appraisal: Specialized Topics and Applications, Course 705, March, 2002
IRWA "Reviewing Appraisals in Eminent Domain", May, 2005
AI "Subdivision Analysis", October, 2007
AI "Business Practices and Ethics", May, 2008
AI "Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book")", December, 2009
AI "Fundamentals of Separating Real Property, Personal Property, Intangible Business Assets", May, 2012
AI "Business Practices and Ethics", December, 2015
AI "2018-2019 Uniform Standards of Professional Appraisal Practice (USPAP) Update", January, 2018

Designations, Memberships, Licenses and Certifications

MAI - Member, Appraisal Institute, May, 1988, Certificate No. 7798
SRA - Senior Residential Appraiser, Appraisal Institute, August, 1980
Certified General Real Estate Appraiser, State of Arizona, Certificate No. 30189
Licensed Real Estate Salesperson - State of Arizona

Professional & Civic Activities

Appraisal Institute, Admissions Committee, Experience Review, 1989-1997
Appraisal Institute, Review and Counseling Committee, 1991-2005
Society of Real Estate Appraisers, Phoenix Chapter #68, Chairman, Professional Practice Committee, 1989-1990
Society of Real Estate Appraisers, Phoenix Chapter #68, Chapter President and Supervisory Officer of the Professional Practice Committee, 1987-88
College of Business Administration, Arizona State University, Guest Lecturer, Finance and Real Estate Departments, College of Business
Mesa Community College, Scottsdale Community College, Desert Vista High School, Guest Lecturer, Real Estate Appraisal
"Condemnation Summit", Eminent Domain and Condemnation Law Conference, Guest Lecturer, April, 2012
CLE International, Guest Lecturer, Eminent Domain Conference, April, 2005

Awards

Awarded the "Employer of the Year, 2004", by the Phoenix Chapter 28, International Right-of-way Association, September, 2004
Awarded the "Minority Consultant Firm of the Year", by the City of Phoenix Minority Business Enterprise Affirmative Action Program, October, 1989
Awarded the "Phoenix Board of Realtors Outstanding Real Estate Student of the Year," by the Phoenix Board of Realtors in conjunction with the College of Business Administration, Arizona State University, 1978

Experience

Independent fee appraiser and consultant since June, 1978, with varied experience in appraising and analyzing single-family residences, vacant land, multi-family residential properties, commercial, retail, industrial and special use properties; specialization in eminent domain valuation and expert witness testimony
Qualified as an expert witness in matters of real estate appraisal in Maricopa County, Pima County, Pinal County, Coconino County, Yavapai County, Yuma County, Santa Cruz, and Mohave County Superior Courts, and U.S. Bankruptcy Court
Currently self-employed with *Dennis L. Lopez & Associates, LLC*, Real Estate Appraisers and Consultants, 8631 South Priest Drive, Suite 103, Tempe, Arizona 85284-1912, 480-838-7332, dennis@lopezappraisal.com, www.lopezappraisal.com
Vice President, Commercial Team Leader and Residential Manager with Sell, Huish & Associates, Inc., Real Estate Appraisers and Consultants, Tempe, Arizona, January, 1980 to July, 1988
Independent fee appraiser with Diversified Property Services Limited, Phoenix, Arizona, June, 1978, to June, 1980
Licensed Real Estate Salesperson – State of Arizona, 1981 to present

Geographical Area

State of Arizona

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

1. This report is the confidential and private property of the client and the appraiser. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI and SRA designations. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.

2. Neither this report, nor any of its contents, may be used for the sale of shares or similar units of ownership in the nature of securities, without specific prior approval of the appraiser. No part of this appraisal may be reproduced in any promotional materials without the permission of the appraiser.

3. The information furnished by the property owner, agent, management or the client is assumed to be correct as received.

4. The appraiser is not responsible for the accuracy of the opinions furnished by others and contained in this report, nor is he responsible for the reliability of government data utilized in the report.

5. The title to the property is assumed to be marketable and free and clear of all liens.

6. The property is appraised as if owned in fee simple title without encumbrances, unless otherwise mentioned in this report.

7. The fee simple estate in the property contains the sum of all fractional interests which may exist.

8. The legal description obtained by the appraiser was assumed correct and descriptive of the subject property. No responsibility is assumed for the legal description provided or for matters including legal or title considerations. A survey and title report should be obtained to verify its accuracy.

9. No site survey was provided to the appraiser unless otherwise noted. It is assumed that the sources for dimensions and size relied upon are correct.

10. The utilization of the land by the improvements is assumed to be within the boundaries or property lines described and that no encroachments exist unless otherwise noted in the report.

11. No hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable were assumed to exist. No responsibility is assumed for such conditions or arranging engineering studies that may be required for their discovery.

12. Subsurface rights (mineral, oil, etc.) and their potential impact upon value were not considered in this appraisal, unless stated otherwise.

13. This appraisal assumes the subject property, as vacant or as improved, has no historical or archeological significance. The value estimate is predicated on the assumption that no such condition exists. Should the client have a concern over the subject's status, he or she is urged to retain the services of a qualified independent specialist to determine the extent of either significance, if any, and the cost to study the condition or the benefit or detriment such a condition brings to the property. The cost of inspection and study must be borne by the client or owner of the property. Should the development of the property be restricted or enhanced in any way, the appraiser reserves the right to modify the opinion of value indicated by the market.

14. 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.

15. This appraisal assumes the subject property complies with the requirements under the *ADA, Americans With Disabilities Act*. The appraisers are not qualified to detect each and every item of compliance or lack thereof. The value estimate is predicated on the assumption that there is no lack of compliance that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

    Should the client have a concern over the subject's state of compliance, he or she is urged to retain the services of a qualified independent ADA specialist to determine the extent of compliance and the cost to bring the property into compliance if needed. The cost of inspection, study and compliance must be borne by the client or owner of the property. The cost could be deducted from the estimate of market value of the subject property if indicated by the market.

16. The subject property is assumed not to be in violation of any government regulations or laws pertaining to the environment.

17. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances as asbestos, PCB transformers, urea-formaldehyde foam insulation, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (containing hazardous materials). Mold may be present in areas the appraiser cannot see. The value estimate is predicated on the assumption that there is no such material or growth on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

    Should the client have a concern over the existence of such substances, he or she is urged to retain the services of a qualified independent environmental specialist to determine the extent of the contamination, if any, and the cost of treatment or removal. The cost of detection, treatment or removal and permanent storage must be borne by the client or owner of the property. This cost can be deducted from the estimate of market value of the subject property if requested by the client.

18. Responsible ownership and competent management is assumed to exist for the subject property.

19. The values assigned to the improvements, if shown in this report, are in proportion to the contribution they make to the value of the property as a whole. The separate estimates of value for the land and building must not be used in conjunction with any other appraisal and are invalid if so used, or if used separately.

20. All furnishings and equipment (or other personal property), except those specifically indicated and/or typically considered as a part of real property (under common accepted definitions) have been disregarded in this valuation. Only the real estate, as permanently affixed to the subject site, has been valued herein.

21. This report is not considered a legal document and the appraiser assumes no responsibility for matters of a legal nature except for his obligations under the contract to provide the appraisal and report.

22. The appraiser is not required to testify regarding this report in deposition or in court unless arrangements were previously made.

23. The appraiser cannot predict or evaluate the possible effects of future wage or price control actions of the government upon rental income or financing of the subject property; hence, it is assumed that no controls will apply which would nullify contractual agreements, thereby changing property values.

24. The appraiser did not base a conclusion or opinion of value on the following:

a. Racial, ethnic, or religious homogeneity of the inhabitants of an area or of a property

b. Racial, religious, and ethnic factors as predictors of value trends or price variance

c. Neighborhood trends analyzed upon stereotyped or biased presumptions relating to race, color, religion, sex, or national origin, or upon unsupported presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.

CERTIFICATION

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

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

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

8. My analyses, opinions, and conclusions were developed, and this report have been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

9. I have made a personal inspection of the property that is the subject of this report.

10. No one provided significant professional assistance to the person signing this report with inspection, data gathering, description, analysis, and report preparation.

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

12. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Phone: 480-816-5100
Fax: 480-837-3145

REQUEST FOR QUOTATION
FOR
Property Appraisal and Report

C2019-067

All quotes due by February 19, 2019, 3:00 P.M., Local Time, Phoenix, Arizona.

The Town of Fountain Hills (the "Town") is seeking a licensed and qualified Vendor to provide all material and labor required as described below on a one-time basis.

Section I – Project Information

Vendor will prepare an appraisal of the market value for the property located at 16821 East Saguaro Boulevard, Fountain Hills, Arizona, APN 176-10-204, consisting of a 5,106 square foot structure and 44,867 square feet of land zoned R-3, Multi-Family Residential

Section II – Instructions and Conditions

1. This is an indefinite quantity and indefinite delivery Agreement for Services, which shall only be provided when the Town chooses to move forward with a pending project and proper authorization and documentation have been approved. The Town does not guarantee any minimum or maximum amount of Services will be requested under this Agreement. However, this Agreement will not exceed $5,000.00.
2. All quotations must contain the quoting firm's name and be signed by an authorized agent, officer or employee.
3. Award will be made to the Vendor whose quotation is the most advantageous to the Town.
4. Please attach your Quotation behind the Exhibit A cover sheet and submit this document to the address above.

If you need additional information or have questions please contact Justin T. Weldy by email jweldy@fh.az.gov.

Section III – Pricing

The Quotation shall be attached hereto as Exhibit A and shall contain pricing unless a separate price sheet is required, in which case the Price Sheet shall be submitted in the form attached hereto as Exhibit B and incorporated herein by reference.

Note: Prices offered shall include applicable state and local taxes.

Section IV – Execution and Submission

By executing this document and submitting a quotation to the Town of Fountain Hills, the authorized agent agrees (i) he/she has read the Town's Standard Terms and Conditions, dated April 14, 2016, as set forth on the Town of Fountain Hills website (http://www.fh.az.gov/po-terms), which are incorporated into and become a part of the company's quotation offer as if set forth fully herein and (ii) the company shall be bound by the Standard Terms and Conditions, dated April 14, 2016. By signing below the company is offering to provide the services set forth in Exhibit A and upon written acceptance of the company's offer by the Town, it will have entered into a binding agreement. The offer shall be considered held open for 60 days from the quotes due date set forth above.

Signature: _____ Date: 2-5-19

Printed Name: DENNIS L. LOPEZ Title: _____

Company Name: DENNIS L. LOPEZ + ASSOCIATES, LLC

Address: 8631 S. PRIEST DRIVE, SUITE 103

City: TEMPE State: ARIZONA Zip: 85284-1912

Email Address: DENNIS@LOPEZAPPRAISAL.COM Telephone No. 480-838-7332

The total contract amount, including all renewal terms, may not exceed $49,999.99. Contracts for $50,000 or more will not be authorized and will require a formal procurement process.

ACCEPTANCE OF OFFER AND CONTRACT AWARD (For Town of Fountain Hills Use Only)

The Vendor's Offer is hereby accepted. The Vendor shall not commence any billable work or provide any materials or service under this Contract prior to the date this Contract is executed.

Town of Fountain Hills, an Arizona municipal corporation

CR 2/5/19

_____ Date: 2.5.2019

Grady E. Miller, Town Manager

Town Attorney Approval: 4819-1123-2646

2375176.6

EXHIBIT B
TO
REQUEST FOR QUOTATION
FOR

[Price Sheet]

DENNIS L. LOPEZ & ASSOCIATES, LLC
REAL ESTATE APPRAISERS AND CONSULTANTS

January 25, 2019

Mr. Justin T. Weldy
Public Works Director
Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268

Re: Assignment: Appraisal of the Fee Simple Interest in a 5,106 Square Foot Fire Station and 44,867 Square Feet of Land Zoned R-3, Multi-family Residential
APN & Owner: 176-10-204 (Fountain Hills Voluntary Fire District)
Address: 16821 East Saguaro Boulevard, Fountain Hills, Arizona

Dear Mr. Weldy:

This contract serves to confirm your order to have *Dennis L. Lopez & Associates, LLC,* prepare one appraisal of the market value of the fee simple interest in the property described above, as of a current effective date of the appraisal (date of valuation). The intended use of the appraisal will be for asset management purposes. The intended user of the appraisal will be you (the client) and any others involved with the management of this asset. One Appraisal Report, containing the opinion of market value, will be signed by Dennis L. Lopez, MAI, SRA.

The report prepared pursuant to this contract will adhere to the Uniform Standards of Professional Appraisal Practice 2018-2019, the appraisal standards and requirements of the State Board of Appraisal and the professional organization to which Mr. Lopez belongs. Attached to this letter you will find our Underlying Assumptions and Contingent Conditions and Certification.

In consideration for the completion and delivery of three copies of the report as provided herein, our fee is **$5,000**. We expect payment within 30 days of delivery of the assignment to you.

Dennis L. Lopez & Associates, LLC, will provide only the appraisal and report. The appraiser, Dennis L. Lopez, MAI, SRA, shall not be required to provide additional opinions or appraisals, give testimony or to participate in or attend any public or private meeting or hearing, in court or otherwise, with reference to the appraisal assignments without further compensation at a rate of $300 per hour.

It is understood that:

- Only the Sales Comparison Approach will be utilized as improved, and/or as vacant land.
- The report will be used by the intended users in their entirety and no portions shall be used out of context.
- The appraisal and report will be subject to the attached Underlying Assumptions and Contingent Conditions and Certification.

In order to begin preparation of the appraisal and report, we will need the following:

1. Signed contract
2. Building and floor plans, if available
3. Title report, if available
4. List of deferred maintenance and cost-to-cure, if available
5. Town of Fountain Hills allowed alternative uses besides fire station

We can deliver the assignment within **30 days** of authorization to proceed and receipt of the items requested above

We look forward to undertaking this assignment for you. If there are any questions, or any portion of this agreement does not conform to our understanding, please contact us at 480-838-7332.

Respectfully submitted,

Dennis L. Lopez & Associates, LLC

Dennis L. Lopez, MAI, SRA
Certified General Real Estate Appraiser - State of Arizona
Certificate No. 30189

ACKNOWLEDGMENT:

I hereby authorize *Dennis L. Lopez & Associates, LLC,* to prepare the above described assignment and I agree to all of the terms and conditions contained herein.

Drew E. Wilson, Town Manager
Name and Title

2-19-2019
Date

QUALIFICATIONS OF DENNIS L. LOPEZ, MAI, SRA

Education

Bachelor of Science Degree, Business Administration, Arizona State University, Magna Cum Laude, December, 1978
Real Estate Principles, Arizona State University, 1977
Real Estate Law, Arizona State University, 1977
Real Estate Management, Arizona State University, 1978
SREA 101 (Real Estate Appraisal), Arizona State University, 1978
SREA 201 (Real Estate Appraisal), Arizona State University, 1978
Real Estate Land Development, Arizona State University, 1978
Real Estate Investments, Arizona State University, 1978
Urban Planning, Arizona State University, 1978
AIREA Course VIII, "Single Family Residential Appraising," Arizona State University, 1978
SREA "Marketability and Market Analysis", 1979
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AIREA "Valuation Analysis and Report Writing" (Exam 2-2), March, 1986
AIREA "Case Studies in Real Estate Valuation" (Exam 2-1), March, 1986
AIREA "Highest and Best Use Analysis", April, 1986
"Eminent Domain Valuation-Procedures and Case Studies," Robert Helmandollar, Deputy Chief Right-of-way Agent, Arizona Department of Transportation, November, 1986
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AIREA "Rates, Ratios and Reasonableness", August, 1989
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AI "Litigation Appraisal: Specialized Topics and Applications, Course 705, March, 2002
IRWA "Reviewing Appraisals in Eminent Domain", May, 2005
AI "Subdivision Analysis", October, 2007
AI "Business Practices and Ethics", May, 2008
AI "Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book")", December, 2009
AI "Fundamentals of Separating Real Property, Personal Property, Intangible Business Assets", May, 2012
AI "Business Practices and Ethics", December, 2015
AI "2018-2019 Uniform Standards of Professional Appraisal Practice (USPAP) Update", January, 2018

Designations, Memberships, Licenses and Certifications

MAI - Member, Appraisal Institute, May, 1988, Certificate No. 7798
SRA - Senior Residential Appraiser, Appraisal Institute, August, 1980
Certified General Real Estate Appraiser, State of Arizona, Certificate No. 30189
Licensed Real Estate Salesperson - State of Arizona

Professional & Civic Activities

Appraisal Institute, Admissions Committee, Experience Review, 1989-1997
Appraisal Institute, Review and Counseling Committee, 1991-2005
Society of Real Estate Appraisers, Phoenix Chapter #68, Chairman, Professional Practice Committee, 1989-1990
Society of Real Estate Appraisers, Phoenix Chapter #68, Chapter President and Supervisory Officer of the Professional Practice Committee, 1987-88
College of Business Administration, Arizona State University, Guest Lecturer, Finance and Real Estate Departments, College of Business
Mesa Community College, Scottsdale Community College, Desert Vista High School, Guest Lecturer, Real Estate Appraisal
"Condemnation Summit", Eminent Domain and Condemnation Law Conference, Guest Lecturer, April, 2012
CLE International, Guest Lecturer, Eminent Domain Conference, April, 2005

Awards

Awarded the "Employer of the Year, 2004", by the Phoenix Chapter 28, International Right-of-way Association, September, 2004
Awarded the "Minority Consultant Firm of the Year", by the City of Phoenix Minority Business Enterprise Affirmative Action Program, October, 1989
Awarded the "Phoenix Board of Realtors Outstanding Real Estate Student of the Year," by the Phoenix Board of Realtors in conjunction with the College of Business Administration, Arizona State University, 1978

Experience

Independent fee appraiser and consultant since June, 1978, with varied experience in appraising and analyzing single-family residences, vacant land, multi-family residential properties, commercial, retail, industrial and special use properties; specialization in eminent domain valuation and expert witness testimony
Qualified as an expert witness in matters of real estate appraisal in Maricopa County, Pima County, Pinal County, Coconino County, Yavapai County, Yuma County, Santa Cruz, and Mohave County Superior Courts, and U.S. Bankruptcy Court
Currently self-employed with *Dennis L. Lopez & Associates, LLC*, Real Estate Appraisers and Consultants, 8631 South Priest Drive, Suite 103, Tempe, Arizona 85284-1912, 480-838-7332, dennis@lopezappraisal.com, www.lopezappraisal.com
Vice President, Commercial Team Leader and Residential Manager with Sell, Huish & Associates, Inc., Real Estate Appraisers and Consultants, Tempe, Arizona, January, 1980 to July, 1988
Independent fee appraiser with Diversified Property Services Limited, Phoenix, Arizona, June, 1978, to June, 1980
Licensed Real Estate Salesperson – State of Arizona, 1981 to present

Geographical Area

State of Arizona

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

1. This report is the confidential and private property of the client and the appraiser. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI and SRA designations. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.

2. Neither this report, nor any of its contents, may be used for the sale of shares or similar units of ownership in the nature of securities, without specific prior approval of the appraiser. No part of this appraisal may be reproduced in any promotional materials without the permission of the appraiser.

3. The information furnished by the property owner, agent, management or the client is assumed to be correct as received.

4. The appraiser is not responsible for the accuracy of the opinions furnished by others and contained in this report, nor is he responsible for the reliability of government data utilized in the report.

5. The title to the property is assumed to be marketable and free and clear of all liens.

6. The property is appraised as if owned in fee simple title without encumbrances, unless otherwise mentioned in this report.

7. The fee simple estate in the property contains the sum of all fractional interests which may exist.

8. The legal description obtained by the appraiser was assumed correct and descriptive of the subject property. No responsibility is assumed for the legal description provided or for matters including legal or title considerations. A survey and title report should be obtained to verify its accuracy.

9. No site survey was provided to the appraiser unless otherwise noted. It is assumed that the sources for dimensions and size relied upon are correct.

10. The utilization of the land by the improvements is assumed to be within the boundaries or property lines described and that no encroachments exist unless otherwise noted in the report.

11. No hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable were assumed to exist. No responsibility is assumed for such conditions or arranging engineering studies that may be required for their discovery.

12. Subsurface rights (mineral, oil, etc.) and their potential impact upon value were not considered in this appraisal, unless stated otherwise.

13. This appraisal assumes the subject property, as vacant or as improved, has no historical or archeological significance. The value estimate is predicated on the assumption that no such condition exists. Should the client have a concern over the subject's status, he or she is urged to retain the services of a qualified independent specialist to determine the extent of either significance, if any, and the cost to study the condition or the benefit or detriment such a condition brings to the property. The cost of inspection and study must be borne by the client or owner of the property. Should the development of the property be restricted or enhanced in any way, the appraiser reserves the right to modify the opinion of value indicated by the market.

14. 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.

15. This appraisal assumes the subject property complies with the requirements under the *ADA, Americans With Disabilities Act*. The appraisers are not qualified to detect each and every item of compliance or lack thereof. The value estimate is predicated on the assumption that there is no lack of compliance that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

    Should the client have a concern over the subject's state of compliance, he or she is urged to retain the services of a qualified independent ADA specialist to determine the extent of compliance and the cost to bring the property into compliance if needed. The cost of inspection, study and compliance must be borne by the client or owner of the property. The cost could be deducted from the estimate of market value of the subject property if indicated by the market.

16. The subject property is assumed not to be in violation of any government regulations or laws pertaining to the environment.

17. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances as asbestos, PCB transformers, urea-formaldehyde foam insulation, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (containing hazardous materials). Mold may be present in areas the appraiser cannot see. The value estimate is predicated on the assumption that there is no such material or growth on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

    Should the client have a concern over the existence of such substances, he or she is urged to retain the services of a qualified independent environmental specialist to determine the extent of the contamination, if any, and the cost of treatment or removal. The cost of detection, treatment or removal and permanent storage must be borne by the client or owner of the property. This cost can be deducted from the estimate of market value of the subject property if requested by the client.

18. Responsible ownership and competent management is assumed to exist for the subject property.

19. The values assigned to the improvements, if shown in this report, are in proportion to the contribution they make to the value of the property as a whole. The separate estimates of value for the land and building must not be used in conjunction with any other appraisal and are invalid if so used, or if used separately.

20. All furnishings and equipment (or other personal property), except those specifically indicated and/or typically considered as a part of real property (under common accepted definitions) have been disregarded in this valuation. Only the real estate, as permanently affixed to the subject site, has been valued herein.

21. This report is not considered a legal document and the appraiser assumes no responsibility for matters of a legal nature except for his obligations under the contract to provide the appraisal and report.

22. The appraiser is not required to testify regarding this report in deposition or in court unless arrangements were previously made.

23. The appraiser cannot predict or evaluate the possible effects of future wage or price control actions of the government upon rental income or financing of the subject property; hence, it is assumed that no controls will apply which would nullify contractual agreements, thereby changing property values.

24. The appraiser did not base a conclusion or opinion of value on the following:

a. Racial, ethnic, or religious homogeneity of the inhabitants of an area or of a property

b. Racial, religious, and ethnic factors as predictors of value trends or price variance

c. Neighborhood trends analyzed upon stereotyped or biased presumptions relating to race, color, religion, sex, or national origin, or upon unsupported presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.

CERTIFICATION

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

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

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

8. My analyses, opinions, and conclusions were developed, and this report have been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

9. I have made a personal inspection of the property that is the subject of this report.

10. No one provided significant professional assistance to the person signing this report with inspection, data gathering, description, analysis, and report preparation.

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

12. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.