

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

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COVER PAGE

APPRAISAL REPORT

**Opinion of Value of
An Undeveloped Site,
NEC of Saenz Dr, and San Joaquin Av,
north of Irvington, west of Mission Rd.,
Tucson, AZ
Pima County, 85746**

As Of April 20, 2023

**Owner: Lande, Andrew C & Lynn A, TR
Tax Parcel: 119-35-179E
Sec 33, T14S, R13E**

Prepared For Use By

**Pima County
201 N. Stone Avenue, Floor 6,
Tucson, Arizona 85701-1215
Attention: Mr. Jeffrey Teplitsky, Manager
Pima County Real Property Services**

Appraisal Prepared By

**PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING
Paul D. Hendricks, MAI
Arizona Certified General Real Estate Appraiser 30197**

Assignment Reference 2023267

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Letter of Transmittal

April 22, 2023

Mr. Jeffrey Teplitsky, Manager
Pima County Real Property Services
201 N. Stone Avenue, 6th Floor
Tucson, AZ 85701-1215

Re: Opinion of value, unimproved, site NEC Saenz and San Joaquin Av

In response to your request I have completed an appraisal analysis of the above referenced property; this letter of transmittal is part of the appraisal report. This appraisal report conforms to Uniform Standards of Professional Appraisal Practice (USPAP) and Pima County appraisal guidelines.

Problem Identification: The purpose of the appraisal is to opine market value of the above identified property for potential acquisition. Effective date of the appraisal is April 20, 2023, the date of site visit.

Relevant subject characteristics: the property, located north of Irvington and west of Mission, is at the end of San Joaquin Av at Saenz Dr. It is adjacent to Tucson Mountain Park on its north and west boundaries. The site is indicated to be 5.31ac, zoned SH; irregular in shape. It is indicated to be FEMA x (minimal flood hazard); with zoning overlays including Buffer Zone and Hillside Development Zone (HDZ), roughly 49% of the site is indicated to be PR-1 (restricted peaks and ridges); average cross slope is indicated to be 39%; the average cross slope and PR-1 area significantly restrict potential development. By Pima Prospers (comprehensive plan), the site is designated Resource Sensitive and MUMA (multiple use management area).

My opinion of market value is: \$123,000

Assignment Conditions: No extraordinary assumptions or hypothetical conditions are employed. Please see my limiting conditions and assumptions.

Please call if you have any questions regarding the following appraisal report. Thank you for the opportunity to be of service.

Sincerely,



Paul D. Hendricks, MAI

Arizona Certified General Real Estate Appraiser 30197

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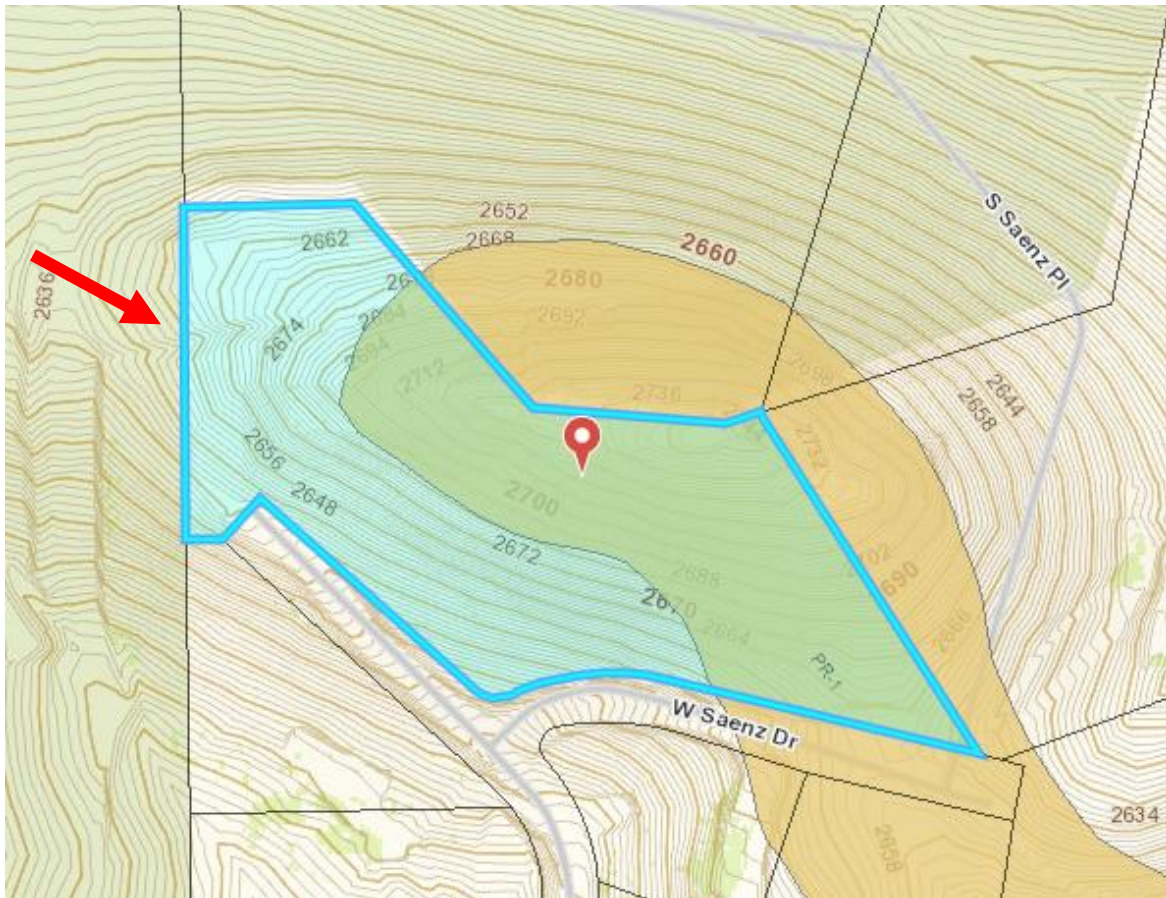
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Project Overview Exhibit



Average cross slope 36%

PREFACE & SUMMARY

APPRAISAL REFERENCE: 2023267 Land HDZ

PROBLEM IDENTIFICATION: The following 7 parameters are considered, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions:

CLIENT: Pima County, Real Estate Division
Attn: Mr. Jeffrey Teplitsky, Manager, Pima County Real Property Services.

APPRAISER: Paul D. Hendricks, MAI
Arizona Certified General Real Estate Appraiser 30197

PURPOSE, INTENDED USE: The purpose of the appraisal is to opine market value; the intended use is for potential acquisition.

INTENDED USERS: Pima County, Pima County RPS and /or designated users are the only intended users; however, it is understood that following review and acceptance of this report by client, this report will become public information

SUBJECT CHARACTERISTICS: Located north of Irvington and west of Mission at the NEC of San Joaquin Av at Saenz Dr. It is adjacent to Tucson Mountain Park on its north and west boundaries. The site is indicated to be 5.31ac, zoned SH; irregular in shape. It is indicated to be FEMA x (minimal flood hazard); with zoning overlays including Buffer Zone and Hillside Development Zone (HDZ), roughly 49% of the site is indicated to be PR-1 (restricted peaks and ridges); average cross slope is indicated to be 39%; the average cross slope and PR-1 area significantly restrict potential development. By Pima Prospers (comprehensive plan), the site is designated Resource Sensitive and MUMA (multiple use management area).

TAX CODE: 119-35-179E

INTEREST CONSIDERED: Fee Simple

HIGHEST AND BEST USE; Development of a single residence

OPINION OF VALUE: Market Value \$123,000

Assignment Conditions: No extraordinary assumptions or hypothetical conditions. Please see my limiting conditions and assumptions.

EFFECTIVE DATE OF VALUATION: April 20, 2023; date of site visit.

DATE OF APPRAISAL REPORT: April 22, 2023

TYPE OF APPRAISAL REPORT: Report.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to opine market value.

INTENDED USE OF THE APPRAISAL

The opinion of value will be used by the client, Pima County, for potential acquisition.

INTEREST APPRAISED

The interests appraised are the fee simple. Fee Simple is defined as “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat”.

PROPERTY IDENTIFICATION

The property is identified being at the northeast corner of San Joaquin Av and Saenz Dr., Tucson, AZ 85746. Legal description from assessor’s record is: IRR PCL IN NW4 SE4 LYG E OF EL PASO GAS LINE R.O.W. & ADJ OF SAENZ DR 5.31 AC SEC 33-14-13; a complete legal description from title commitment is available in the appendix.

MARKET VALUE DEFINED *

Market Value means, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale 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 sale concessions granted by anyone associated with the sale.

Source: Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696, as of Friday, August 24, 1990; CFR Federal Regulation 12 CFR, Part 1608, Uniform Appraisal Instructions to the Appraisers by the RTC, effective September 21, 1990, Title XI FIRREA (1989):

EXPOSURE PERIOD

Exposure time, always presumed to precede the effective date of the appraisal, is defined as follows: “The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market”.

Exposure time estimated from review of comparable sales and from discussions with active market participants is estimated for the sale of the fee simple interest, to be approximately 1 to 12 months.

EFFECTIVE DATE OF APPRAISAL, REPORT DATE

The effective date of the appraisal is April 20, 2023, the date of site visit. The transmittal date of the report is April 22, 2023.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS (SCOPE)

- The appraiser performed an appraisal process in conformance with the Uniform Standards of Professional Appraisal Practice and Pima County requirements.
- Determined the nature of the appraisal assignment by identifying the client, intended user, intended use, type of opinion, effective date of the opinion, property interest appraised, and subject property assignment conditions, the extraordinary or hypothetical assumptions, if any.
- Afforded the property owner opportunity to accompany the appraiser on inspection
- Performed an inspection of the property including the market area, the subject site, improvements (if any) and its relevant characteristics
- Reviewed site plat, zoning and flood zone maps indicating physical suitability of the parcel. Reviewed zoning ordinance and market area plans applicable to the subject property.
- Had several discussions with development services, site development City of Tucson to determine potential development of the site.
- Included items required by USPAP in the Addendum of this report.
- Performed a Highest and Best Use Analysis to identify the use that would result in highest market value.
- Researched comparable sales from available data sources including Costar, MLS, Realquest and appraiser's files.
- Inspected, by drive by, all comparable sales used.
- Attempted confirmation of each comparable sale with a party familiar with the property/transaction (when confirmation was not available, public records/information was relied upon).
- Applied appraisal techniques and methodology according to the appraisal body of knowledge and the expectations and actions of my appraisal peers to arrive at an indication of market value of the subject property
- Disregarded (if applicable) any increase or decrease in value due to the announcement of the project *(before the acquisition)*
- Opined the value of site and improvements, and
- Prepared an appraisal report describing my appraisal process, in conformance with the Uniform Standards of Professional Appraisal Practice and Pima County requirements.
- *Any other components of scope including the 7 parameters, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions are considered to be included in/as scope.*

OWNER CONTACT FOR INSPECTION

I contacted the property owner, Lynn Lande, by email to confirm that she was not able/interested in attending a site visit. I visited the site April 20, 2023, accompanied by George Andros of Pima County.

PROPERTY OWNERSHIP SALES HISTORY

Ownership of the property is indicated to be Andrew C & Lynn A Lande, TR. Assessor's record indicates a most recent recording of WT Deed 11/28/2022 at 2022 3320249; this was apparently a transaction between related parties as a deed and affidavit of sale (in my file) recorded 12/29/1995 to Mr. & Mrs. Lande. To my knowledge, the site has not been offered for sale on the market over the past year.

MARKET AREA ANALYSIS

A property is an integral part of its surroundings. The character and features of the surrounding area directly affect the use of a property which is a primary factor in the property's value. In order to estimate the value of a property, an analysis of the surrounding area must be made. This surrounding area is referred to as a Market area.

The subject property is located in the southwest portion of Tucson. The area which exerts the most influence over the subject property is considered to be the area known as the Southwest Infrastructure Plan (SWIP) Area, seventy square miles of land located within the seven mile by twelve mile rectangular region identified as the area from Tucson Mountain Park on the north, Mission Road on the east, the Tohono O'odham Nation – San Xavier District and Pascua Yaqui Tribe lands on the south, and Sandario Road on the west.

These boundaries are considered appropriate due to physical divisions, predominate land uses, and social characteristics. The area defined above is referred to herein as the subject neighborhood. The subject property generally falls in the east-central portion of this region.

The subject property is in a relatively sparsely developing neighborhood with primarily single-family residences both stick built and manufactured or mobile homes. A good deal of area in the neighborhood is restricted by the flood zone thus raised mobile homes have been a frequent alternative permitting residential development. Due to the flood zone status of much of the area there is a significant amount of land that is affected by various factors including riparian habitats, and land designated as different management areas under the Conservation Land System which does not decrease or limit existing legal land uses, zonings, permitted activities, or management of lands; it does however put significant conservation guidelines upon rezoning of parcels that fall under the CLS. Prior to the great recession, demand for land in the neighborhood made it possible for developers to take on the costs and time to get permits for issues previously preventing or limiting development, thus, while residential development was originally on larger-lower density suburban and rural zoned sites, more recent and anticipated development was on parcels that were zoned and developed to typical urban densities. Development stalled during the great recession and early effects of the Covid pandemic, however, given recent high demand and very limited supply of land ready for development, the area is again in demand and growing with new residential development. The neighborhood has virtually all services available, primarily along main traffic arterials including Valencia and Ajo Way though most are on the east end of the neighborhood.

Forming the southern boundary of the neighborhood, the San Xavier District of the Tohono O'odham Nation lies in the southwestern part of the Tucson metropolitan area and consists of 111.543 sq mi of land area, about 2.5 percent of the Tohono O'odham Reservation's territory. It had a 2000 census resident population of 2,053 persons, or 19 percent of the Tohono O'odham population. The district is home to a Spanish mission, Mission San Xavier del Bac, which was built by Tohono O'odham laborers between 1783 and 1797, a National Historic Landmark that has been in continuous use for over 200 years. The district is home to 2 of 3 Tohono O'odham casinos, Desert Diamond Tucson at 7350 S Nogales Highway about 1 mile south of Valencia, and Desert Diamond Sahuarita at 1100 W Pima Mine Road (I-19 Exit 80) at the southern boundary of the nation and the northern boundary of Sahuarita.

Tucson Mountain Park, the neighborhood northern boundary, established in 1929 and designated a National Park in 1994, encompasses approximately 20,000 acres with approximately 62 miles of non-motorized shared-use trails, ranging in elevation from 2,180' to 4,687'. The Arizona-Sonora Desert Museum is located on the west flank of the Tucson Mountains. Much of the range is protected by Saguaro National Park and Tucson Mountain County Park. Old Tucson Studios are located just west of the Tucson Mountains.

The Casino of the Sun, operated by the Pascua Yaqui Tribe, is located in the southern portion of the neighborhood, on the south side of Valencia Road (5655 W) at Ignacio Baumea (west of Mark Road). The Pascua Yaqui became federally recognized in 1994 with a transfer of 202 acres in southwest

Tucson amidst the suburban communities of Drexel Heights and Valencia West, and adjacent to the eastern section of the Tohono O'odham Nation-San Xavier District. It has a land area of 1.8657 sq mi, or 1,194 acres, and a 2000 census resident population of 3,315 persons, over 90 percent of whom are Native Americans. Tribe operates the Casino of the Sun gaming facility, which includes slot machines, bingo, restaurants, games and employs more than 600 staff. Casino Del Sol, located at 7406 S Camino De Oeste, the Tribe's second gaming property, opened November 2011 and has provided an additional 550+ jobs on the reservation and in the Tucson Community.

Ryan Airfield (RYN) is a general aviation airport at the intersection of West Valencia Rd. and Ajo Way (State Route 86). Ryan occupies over 1,804 acres, and serves as a general aviation reliever airport for Tucson International Airport. More than 300 aircraft are based at the field and 30 tenants ranging from aircraft maintenance shops to charters and flight instruction facilities, provide a variety of services. A self-service fuel pump is located adjacent to the Administration Building. The airfield has a manned aircraft control tower and became part of the Federal Contract Tower Program in 1993. In 2004, the Federal Aviation Administration commissioned a Standard Terminal Automation Replacement System (STARS). The system is used to assist air traffic control services, including separation and sequencing of air traffic and traffic alerts.

Lawrence Park, surrounding Lawrence Intermediate school at the northeast corner of Mark Drive and Jeffrey Road, is 29 acres with 3 lighted baseball and 1 softball field, playground, ramadas with tables and grills, restrooms, soccer/football fields and a walking path.

As mentioned, the subject market area is identified as SWIP Area. Updated revisions to Pima Prospers, related to SWIP are as follows:

A. Comprehensive Planning: 1. The Southwest Infrastructure Plan (SWIP) shall be used to guide needs, obligations, funding, and provision of infrastructure and services related to transportation, flood control, wastewater, parks and recreation, and other governmental facilities. 2. New residential uses are incompatible within the one-half mile area from the bounds of the Tucson Trap and Skeet Club (Tax Code 210-12-0420). Any conflicts with policies approved under previous plan amendments shall be resolved at the time of the rezoning or specific plan. 3. Proposed development shall be planned, designed, and constructed to implement the sustainability principles as described in the Southwest Infrastructure Plan (SWIP).

B. Environmental Planning: At a minimum, applicable Maeveen Marie Behan Conservation Lands System Conservation Guidelines shall be complied with by providing for mitigation onsite, offsite, or in some combination thereof.

C. Regional Flood Control District: 1. No building permits shall be issued until offsite flood control improvements are constructed to remove proposed development out of the FEMA 100-year floodplain. 2. Development shall not occur within the Black Wash Administrative Floodway.

D. Wastewater Management: No person shall construe any action by Pima County as a commitment to provide sewer service to any new development within the plan amendment area until Pima County executes an agreement with the owner/developer to that effect. Adequate treatment and conveyance capacity to accommodate this plan amendment in the downstream public sewerage system may not be available when new development within the plan amendment area is to occur, unless it is provided by the owner/developer and other affected parties.

E. At a minimum, the majority of infrastructure and transportation costs shall be self-funded by the developer.

Access to the neighborhood is considered to be average to fair. Highest traffic volumes occur on Ajo and Valencia, particularly to the east nearer the urban core and commercial services. The following map indicates an estimate of traffic volumes within the subject neighborhood for each major thoroughfare, in

both directions, for a typical twenty-four hour period. These figures are estimates based on the most recent available traffic counts performed by Calibrate Technologies Q3 2022 (esri).



The neighborhood is served police and fire protection by the City of Tucson within city limits and Drexel Heights and Pima County Sherriff in Pima County. All utilities also provided including electricity by Tucson Electric Power or Trico, water by the City of Tucson, sewer by Pima County wastewater, gas by southwest gas and telephone by CenturyLink. The subject neighborhood is served by Tucson Unified, Marana Unified and Altar Valley Elementary School Districts

Demographic characteristics of the subject market area, and the surrounding 1 mile radius (subject) are compared to Metro Area (Pima County) averages below; the surrounding market area and surrounding 1 mi radius indicates above and below, respectively, anticipated growth potential. Per capita income is below, median household income moderately below the metro area average; median home values, particularly in the surrounding 1 mi radius are also well below average, percentage of mobile housing in the surrounding areas is significantly higher than average.

Variable	Pima County, AZ 2	SWIP MA	W Saenz Drive (1 mi)
2022 Total Population	1,060,553	59,807	2,575
2022-2027 Population: Compound Annual Growth Rate	0.32%	0.41%	0.10%
2022 Total Households	435,759	20,854	1,002
2022 Per Capita Income	\$36,615	\$27,378	\$27,941
2022 Median Household Income	\$61,675	\$60,770	\$59,120
2022 Population Age 25+: Graduate/Professional Degree	107,550	2,166	132
2022 Owner Occupied Housing Units	278,863	16,717	799
Percent Owner Occupied	58.4%	73.9%	63.9%
2022 Vacant Housing Units	41,510	1,759	249
Percent Vacant	8.7%	7.8%	19.9%
2022 Total Housing Units	477,269	22,613	1,251
2022 Median Home Value	\$255,160	\$211,311	\$191,566
2022 Average Home Value	\$304,698	\$243,500	\$212,437
2021 Housing: Mobile Homes	46,668	6,545	548
Percent Mobile Homes	9.8%	28.9%	43.8%
2021 Median Contract Rent (HHs Paying Cash Rent)	\$820	\$739	\$803
2022 Population Density (Pop per Square Mile)	115.4	820.1	820.3

SITE DESCRIPTION

Location:	North of Irvington and west of Mission at the end of San Joaquin Av at Saenz Dr., the northeast corner; adjacent to Tucson Mountain Park on north and west boundaries.
Present Use:	Vacant Land.
Site Size:	5.31ac per assessor's record.
Access:	Irvington Place to San Joaquin, north to the northeast corner of Saenz Dr., all paved roads (Saenz Dr and San Joaquin north of Saenz, are not County maintained).
Visibility:	Moderate; the site is elevated and thus visible from lower elevations to the south; however the site is well removed from any arterials or collector streets.
Views:	Excellent views of natural landscapes and ridges of Tucson Mountain Park; restricted views to the north, east and west as topographies continue to rise.
Shape:	Irregular, see exhibits.
Topography:	Rising significantly to the north, from around 2,602' at the intersection of San Joaquin and Saenz, to 2,752 at the peak (PR-1) in the northeast corner; the average cross slope is indicated to be 39%, 49.3% of the site PR-1 (northeast portion). Due to average cross slope the HDZ ordinance requires a site area minimum of 36 acres; however, due to date of the parcel recording being between July 1, 1976 and August 11, 1995, per HDZ 18.61.052, D., parcels that are less in area than the required area per dwelling unit may be developed with a single dwelling unit, provided that all other applicable requirements of this chapter and code are met including the set-aside of natural area set forth in Section 18.61.053. All of the land area on the parcel outside of the allowable amount of grading shall be restricted as natural area in conformance with the requirements of 18.61.053C.
Flood Hazard:	FEMA FIRM 04019C2270L, effective 6/16/11, indicates the site is FEMA flood zone X, area of minimal flooding.
Easements:	There appear to be no easements or other title restrictions significantly affecting development utility; however, readers are advised to review documents for themselves as some are not legible, others appear to have expired, etc.
Hazardous Materials/ Contamination:	No environmental assessment was available. No indications of hazardous materials were noted on site visit; this appraisal assumes that the subject is free of hazardous material contamination.
Utilities:	Utilities are generally available in the area from the following sources; however, an engineering study would be necessary to determine if utilities are available/sufficient for proposed uses: Water: City of Tucson Sewer: None; Septic Electricity: Trico Electric Natural Gas: Southwest Gas Telephone: CenturyLink Public Safety: Pima County Sheriff

Fire:	Drexel Heights
Surrounding Land Uses:	Tucson Mountain Park to the north and west (west of Pima County strip), single family residences to the south and east.
Zoning:	SH (suburban homestead, Pima County), permitted uses are primarily residential, with a number of potential conditional uses. General Dev Stds include: min site area/min site area per dwelling unit 36,000sf, 18,000sf respectively; min lot width 100' setbacks front-30', side-10', rear-40', ht 2 story, 34', distance between buildings 20'
HDZ:	As mentioned, the site average cross slope is reported to be 39%, requiring 36 acres per dwelling unit; however, as the site is recorded between July 1, 1976 and August 11, 1998, it may be improved with a single residence; "regulatory constraints plus the extreme physical constraints will make this a very expensive/challenging build"
Comprehensive Plan:	Resource Sensitive; Objective: (summarizing): To designate key larger parcels and land holdings with environmentally sensitive characteristics in close proximity to public preserves or other environmentally sensitive areas. Residential gross density, maximum-0.3 RAC.
CLS Habitat:	The site is indicated to be Multiple Use Management Area (MUMA), however, it is significant to note: Goal 1, Policy 1, b) Application of CLS designations or guidelines shall not alter, modify, decrease or limit existing and legal land uses, zoning, permitted activities, or management of lands; c) When applied to development of land subject to county or Flood Control District authority, CLS designations and guidelines will be applied to: 1. New rezoning and specific plan requests;...
Other:	The site is in a Buffer Overlay Zone; however, as the site was not 25 acres or more as of August 1, 1998, these restrictions do not appear to apply.
Site Analysis Conclusion:	North of Irvington and west of Mission is at the end of San Joaquin Av at Saenz Dr., adjacent to Tucson Mountain Park on north and west boundaries. It is zoned SH, irregular in shape, FEMA flood zone x. Rising significantly to the north, from around 2,602' at the intersection of San Joaquin and Saenz, to 2,752 at the peak (PR-1, 49.3% of site) in the northeast corner; the average cross slope is indicated to be 39%, 49.3% of the site PR-1 (northeast portion); per HDZ 18.61.052D, the site is permitted to be developed with a single dwelling unit, provided that all other applicable requirements of the code are met.

Real Estate Tax Analysis

The following information is available from the county treasurer's office.

Tax Parcel	119-35-179E
FCV Land	\$113,000
FCV Impvt.	\$0
FCV Total	\$113,000
2022 Tax	\$1,558.69

HIGHEST AND BEST USE

Highest and best use is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 7th Edition, as:

1 The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be most profitable use. The four criteria for the estimate of highest and best use that result in the highest land value are that the use be, legally permissible, physically possible, financially feasible, and maximally productive.

HIGHEST AND BEST USE, AS IF VACANT:

Legally Permissible The subject is zoned SH (suburban homestead, Pima County), permitted uses are primarily residential, with a number of potential conditional uses.

General Dev Standards include: min site area/min site area per dwelling unit 36,000sf, 18,000sf respectively; min lot width 100' setbacks front-30', side-10', rear-40', ht 2 story, 34', distance between buildings 20'

Other restrictions include: Buffer Zone and Hillside Development Zone (HDZ), roughly 49% of the site is indicated to be PR-1 (restricted peaks and ridges); average cross slope is indicated to be 39. By Pima Prospers (comprehensive plan), the site is designated Resource Sensitive and MUMA (multiple use management area).

Physically Possible: The subject parcel is 5.31 acres, irregular in shape. It is indicated to be FEMA x (minimal flood hazard); it is restricted by HDZ; roughly 49% of the site is indicated to be PR-1 (restricted peaks and ridges); average cross slope is indicated to be 39%; the average cross slope and PR-1 area significantly restrict potential development; however, per 18.61.052, D., parcels that are less in area than the required area per dwelling unit may be developed with a single dwelling unit, provided that all other applicable requirements of this chapter and code are met.

Financially Feasible: In addition to physical and legal characteristics, the financial feasibility of the subject site is significantly influenced by market conditions. Arizona, prior to the current "Covid19 crisis" was stabilizing into moderate growth, though at significantly lower rates to those prior to the last economic downturn.

The following is from the Arizona Economy First Quarter 2023 Forecast Update by George W. Hammond, Ph.D., EBRC Director and Research Professor; March 2023:

Despite a modest slowing at the end of 2022, the Arizona economy remains resilient. According to preliminary data, the state continued adding jobs to close out the year, although the pace slowed. The unemployment rate ticked up modestly from historic lows reached last summer. The latest population data suggest rapid population growth through mid-2022, driven by accelerated net migration. In addition, Phoenix inflation has come off highs reached during the summer but remains very rapid. Single-family housing permits plummeted during the second half of 2022, as housing affordability rapidly deteriorated.

The baseline U.S. outlook calls for a mild recession during the first half of 2023. That translates into slowing growth in Arizona, Phoenix, and Tucson, but no outright recession. The Arizona economy remains well-positioned to outpace the nation. The pessimistic scenario calls for a more severe U.S.

downturn, which generates job losses statewide this year. The optimistic alternative envisions a more robust national economy, which likewise generates faster gains in Arizona.

Arizona Recent Developments

On the inflation front, there is a bit of good news. Over-the-year inflation in Phoenix dropped from a peak of 13.0% in August 2022 to 8.5% in February. The national rate has also decelerated recently to 6.0% over the year in February. That was down from a peak of 9.1% in June.

Both Phoenix and the nation have seen a significant deceleration in commodities inflation, with a much more modest slowdown in services inflation. One major factor driving this divergence is housing, which is included in the services index. **Exhibit 1** shows shelter inflation (the largest component within the housing index) for Phoenix and the U.S. Shelter inflation is still very high in Phoenix, although on an over-the-year basis it cooled from 19.5% in September 2022 to 16.0% in February. Nationally, shelter inflation continued to gain speed in February at 8.1%.

Exhibit 1: Phoenix Inflation Shelter Cools a Little but Remains Elevated, Phoenix and U.S. Shelter CPIU, Over-the-Year Growth Rates

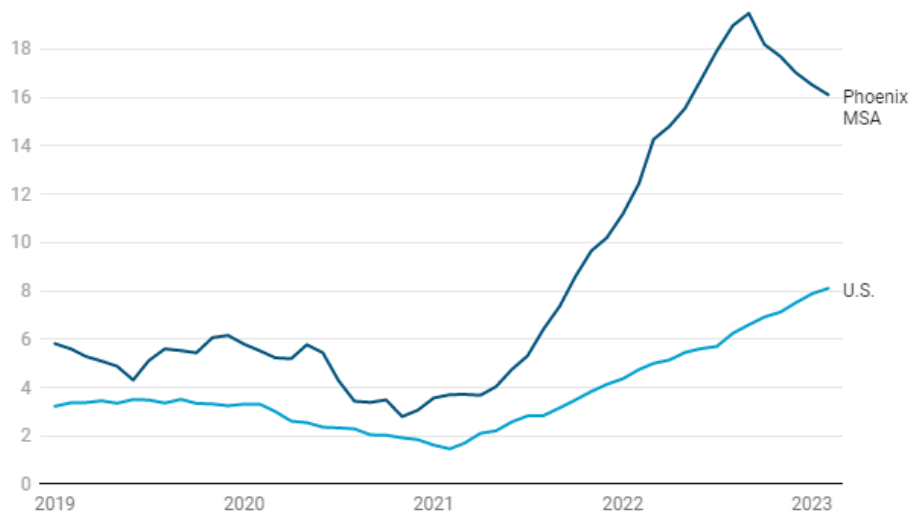


Exhibit 1: U.S. and Phoenix MSA Shelter CPIU, Over-the-Year Growth Rates

Chart: Economic and Business Research Center, Eller College of Management, The University of Arizona • Source: [U.S. BLS](#)

The huge increase in house prices since 2019, along with the recent increases in mortgage rates, have had a big negative impact on housing affordability nationally and in Arizona. Phoenix housing affordability (measured by the NAHB-Well Fargo Housing Opportunity Index) dropped from 64.9% in the fourth quarter of 2019 to 18.3% in the fourth quarter of 2022. That was a 46.6 percentage point drop in the share of homes sold that were affordable to a family making the median income. Tucson housing affordability dropped from 71.2% to 35.0% and in Prescott affordability declined from 55.9% to 18.6%. The nation experienced a decline from 63.2% to 38.1%.

Even so, housing remained more affordable in Arizona than in the major markets in California (a major source of migration to Arizona). In the fourth quarter of last year, only 2.2% of homes sold in Los Angeles were affordable to a family making the median income. Housing affordability was 7.3% in San Jose and 4.9% in San Francisco and San Diego.

As the Federal Reserve pushed up short-term interest rates last year, the 30-year conventional mortgage rate spiked from 3.1% in December 2021 to 6.4% in December 2022. That contributed to a significant drop in single-family permits issued in Arizona last year (preliminary Census data), which dropped from a revised total of 46,561 in 2021 to a preliminary count of 37,404 in 2022. That was a drop of 19.7% over the year. In contrast, multi-family permits increased significantly, rising by 24.2%. Overall, total permits were down 7.1% in 2022. Note that the Arizona forecast incorporates seasonally-adjusted

quarterly data. Seasonal adjustment introduces small distortions to the annual data, so the Appendix Tables show slightly different results for 2022.

The statewide housing permit pattern was similar for the Phoenix MSA. Total permits dropped from a revised 50,581 in 2021 to a preliminary 46,939 last year. That 7.2% decline was driven by single-family permits, which declined by 21.9%, while multi-family permits increased by 23.9%. Tucson MSA total permits dropped from a revised 6,284 in 2021 to a preliminary 5,769 last year. Similar to the state and Phoenix, the drop was powered by single-family activity, down 25.9%, while multi-family permits rose 69.4%.

Arizona added 22,700 seasonally-adjusted jobs over the month in January 2023, up from a revised loss of 1,300 jobs in December. The preliminary estimates for December suggested that the state added 3,100 jobs in December.

Arizona's seasonally-adjusted unemployment rate dropped to 3.8% in January, down from 4.0% in December. That was slightly above the national rate of 3.4% in January.

With the release of the preliminary January data, the Bureau of Labor Statistics (BLS) has released benchmarked (revised) estimates for prior years. The revisions primarily impact estimates for 2021 and 2022, although data for prior years may reflect revisions as well.

Also, with this release, the BLS has transitioned from 2017 North American Industrial Classification System (NAICS) codes to 2022 NAICS codes. The largest impacts of this change are in retail trade. Stay tuned for more on this in upcoming posts.

The benchmark revisions suggest stronger job growth in Arizona in 2021 and 2022. On an annual average basis, job growth for 2021 has been raised from 3.6% to 4.1%. For 2022, growth has been raised from 3.7% to 4.2%. In percentage terms, construction and professional and business services jobs were revised up significantly in both years.

As **Exhibit 2** shows, nearly all major industries in Arizona are now above their pre-pandemic employment level. The one sector that has yet to regain its pre-pandemic peak is government, particularly local government. Overall, total state jobs are estimated to be 151,600 above their pre-pandemic level.

**Exhibit 2: Arizona Jobs by Industry, Change from February 2020 to January 2023,
Seasonally Adjusted, Thousands**

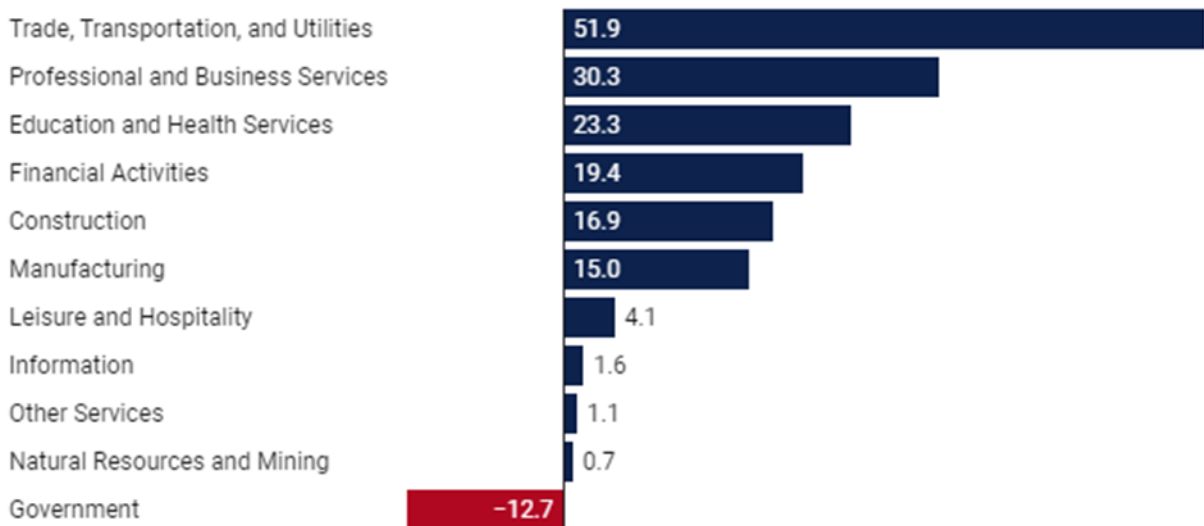


Exhibit 2: Arizona Jobs by Industry, Change From February 2020 to January 2023, Seasonally Adjusted, Thousands

Chart: Economic and Business Research Center, Eller College of Management, The University of Arizona • Source: [U.S. BLS](#)

The Arizona Office of Economic Opportunity has released population estimates for Arizona and its counties and places. Their estimates suggest that Arizona's population was 7.409 million as of July 1, 2022. That was up 123,800 from 2021, which translated into a growth rate of 1.7%. If correct, that was the fastest pace of population growth since 2007.

With natural decrease (more deaths than births) of 1,100 during the July 1, 2021 to June 30, 2022 period, implied net migration for Arizona was 124,900. That was up from net migration during the prior year of 113,900.

Phoenix MSA population rose by 1.9% (93,800). Natural increase of 8,100 generated implied net migration of 85,700, up from 76,700 in 2021. Tucson was estimated to have added 14,000 residents in 2022, which translated into a growth rate of 1.3%. Implied net migration was 16,400 in 2022, with natural decrease of 2,400.

Arizona Outlook

The outlook for Arizona, Phoenix, and Tucson depends in part on national and global economic events. The forecasts presented here are based on U.S. projections released by IHS Markit in January 2023. It was based on the following assumptions:

A transition from pandemic to endemic continues.

The forecast reflects legislation enacted before December 29 and current tax policy. It does not reflect the Consolidated Appropriations Act covering FY23. It does not include the cancellation of any student debt.

The Fed is assumed to raise its policy rate to a range of 4.75%-5.00% by March 2023, unchanged from the December forecast. It temporarily overshoots the terminal range of 2.5%-2.75%. The Fed's balance sheet declines by about one-third through 2024.

Tariffs and trade agreements between the U.S. and China since 2017 are assumed to continue.

Real foreign GDP contracted by 4.7% in 2020. Growth rebounded to 5.6% in 2021. The forecast calls for it to slow to 3.3% in 2022 and again to 1.4% in 2023, which is close to the IHS Markit characterization of a global recession.

The price of Brent crude oil rose to \$113 per barrel in the second quarter of 2022, up from \$80 per barrel in the fourth quarter of 2021. The price is forecast to drop back to \$86 per barrel by the first quarter of 2023 due to significantly slower global growth. After a modest rebound during the second half of 2023, prices settle around \$87 per barrel in 2024.

The baseline forecast (summarized here) is assigned a 55% probability. The pessimistic scenario is assigned 25% and the optimistic scenario is assigned the remaining 20%.

The baseline forecast calls for real GDP to increase by 2.0% in 2022 (annual average basis) before slowing to 0.5% in 2023. Growth rebounds to 1.8% in 2024 and again to 2.0% in 2025.

On a quarterly basis, the forecast calls for U.S. real GDP to decline during the first and second quarters of 2023. The peak-to-trough decline is 0.6%, which would be similar to the (relatively mild) early 2000s recession.

If the U.S. economy slows significantly and falls into recession, it will take the wind out of Arizona's sails. As **Exhibit 3** shows, Arizona job growth decelerates from 3.7% in 2022 to 1.5% in 2023 and 1.6% in 2024.

Exhibit 3: Arizona Outlook Summary

	Actual	Forecast		
	2022	2023	2024	2025
Growth Rate				
Nonfarm Jobs	3.7	1.5	1.6	2.4
Personal Income*	2.9	5.0	5.9	6.4
Retail Plus Remote Sales*	8.1	2.2	3.7	6.3
Population	1.7	1.5	1.2	1.3
Level				
Unempl. Rate	3.6	5.0	5.2	4.8
Housing Permits	60,910	39,319	40,620	44,812

*Personal income and retail sales data are forecast in 2022.

Slowing job growth causes the state unemployment rate to track up from 3.6% in 2022 to 5.0% in 2023 and 5.2% in 2024.

Nominal personal income growth is forecast to decelerate to 2.9% in 2022, reflecting the end of federal pandemic-related income support. Growth rebounds to 5.0% in 2023 and 5.9% in 2024.

Retail plus remote sales growth slows from 8.1% in 2022 to 2.2% in 2023 and 23.7% in 2024 as consumers adjust to higher prices, more normal income growth, depleted savings, and higher unemployment.

Net migration is forecast to drop significantly starting in 2023. This reflects the end of the work-from-home boom and reduced mobility as higher interest rates and past house price increases decimated housing affordability. This contributes to a slowdown in population growth, which falls from 1.7% in 2022 to 1.3% by 2025.


Housing permits are forecast to drop significantly in 2023, before stabilizing modestly and then finding a level commensurate with slowing population growth.

The following is the Forecast for the Tucson Metro Area, compared with that of Arizona from first quarter 2023 baseline scenario forecasts produced in March 2023 by the EBRC:

Tucson MSA Forecast (Pima County)

Tucson MSA Forecast*	2021	2022	2023	2024	2025
Personal Income (\$ mil)	55,696.7	56,058.1	58,986.2	62,310.7	65,939.2
% Chg from Year Ago	6.3%	0.6%	5.2%	5.6%	5.8%
Retail Sales (\$ mil)	19,290.4	21,052.7	21,276.2	21,931.7	23,014.2
% Chg from Year Ago	19.4%	9.1%	1.1%	3.1%	4.9%
Total Nonfarm Employment (000s)	379.4	391.1	395.8	399.8	406.5
% Chg from Year Ago	1.5%	3.1%	1.2%	1.0%	1.7%
Population (000s), July 1st estimates	1,058.3	1,072.3	1,081.9	1,088.9	1,096.6
% Chg from Year Ago	1.2%	1.3%	0.9%	0.6%	0.7%
Residential Permits (units)	6,284.0	5,769.0	4,122.7	4,270.9	4,189.5
% Chg from Year Ago	26.7%	-8.2%	-28.5%	3.6%	-1.9%

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Arizona Economic Forecast Data (Statewide)

Arizona Forecast*	2021	2022	2023	2024	2025
Personal Income (\$ mil)	403,739.3	415,470.0	436,194.7	461,892.8	491,613.8
% Chg from Year Ago	7.5%	2.9%	5.0%	5.9%	6.4%
Retail Sales (\$mil)	148,000.0	164,000.0	167,000.0	173,000.0	182,000.0
% Chg from Year Ago	21.3%	10.8%	1.8%	3.6%	5.2%
Total Nonfarm Employment (000s)	2,958.0	3,067.5	3,113.7	3,163.0	3,240.3
% Chg from Year Ago	3.7%	3.7%	1.5%	1.6%	2.4%
Population (000s), July 1st estimates	7,285.4	7,409.2	7,520.8	7,614.8	7,716.6
% Chg from Year Ago	1.5%	1.7%	1.5%	1.2%	1.3%
Residential Building Permits (units)	65,334.0	60,910.5	39,319.2	40,620.4	44,811.6
% Chg from Year Ago	8.3%	-6.8%	-35.4%	3.3%	10.3%

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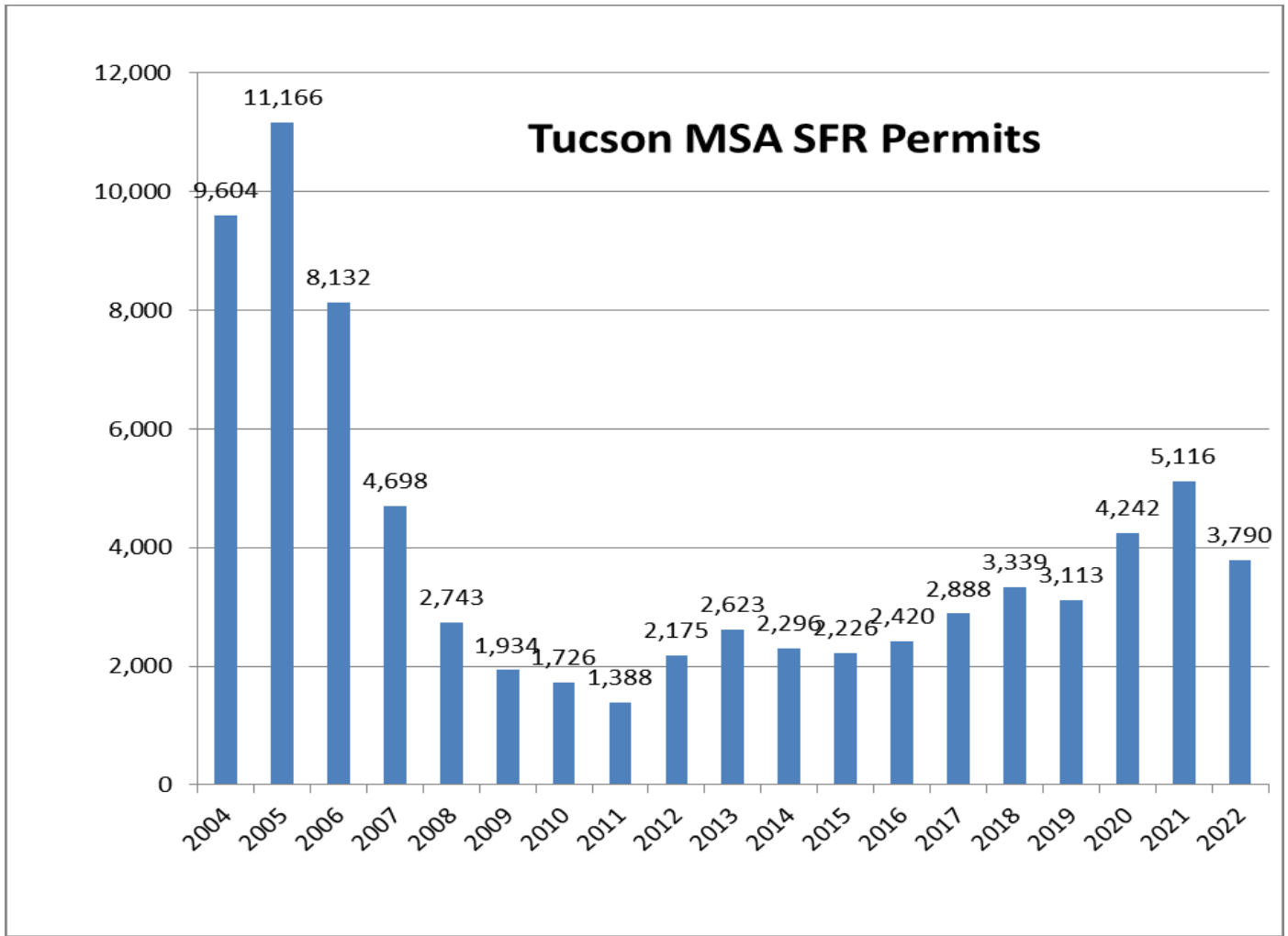
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While each real estate market and market area are affected differently, the decline leading into the great recession, particularly in the Tucson Metro area, was precipitated by the residential market and this market was initially the first to signal recovery, it is also the first market to demonstrate strength in spite of the Covid-19 pandemic; it is thus summarized.

Real Estate Markets:

Residential: US Census reported single family residential permits in the Tucson Metro area (Pima County) as follows:



As indicated, residential permits dropped precipitously from a high in 2005 through 2011; 2012 and 2013 indicated the beginning of a turn around, recently there has been a string of increases, though prior to 2021, levels were still well below a 5,000 permit long term sustainable level benchmark. Over this time period (2006 through 2011) home values decreased drastically from but again have turned around with relatively strong recent increases in appreciation; 2022 SFR permits were significantly surpassed prior years; while the first 5 months of 2022 were 26% below that of 2021; through February 2023, single family permits are only 18% of that in the same time period 2022. (Source: census.gov).

While the residential real estate market is cooling relative the high demand and value appreciation of the past 2 years due to rising interest rates, though decreasing each of the past 6 weeks (6.60% as of 3/16/2023, a year ago at this time-4.16%) and fears of a recession, the real estate market is still relatively strong. Average days on market for homes is currently at 43, while it was significantly shorter up to the 2nd half of 2022, a norm is approximately 60 days; while percentage of sale to listing price prior to the 2nd half of 2022 was over 100%, it is still currently around 95%; there is currently an approximate supply of 3 months of resales given demand, the market norm is typically around 6 months.

Maximum Profitability: In conclusion, the highest and best use “as if vacant” is considered to be development of a single residence.

VALUATION METHODOLOGY

In the appraisal of real estate, three methods of estimating value are often employed, depending on the characteristics of the property; they include the Cost Approach, Sales Comparison Approach and the Income Approach.

The cost approach is a set of procedures through which a value of the fee simple interest is derived by estimating a reproduction or replacement cost of improvements, deducting accrued depreciation from all sources, and adding the value of the site as if vacant. This approach is particularly useful in the analysis of a property that is new or nearly new, which is not significantly affected by any forms of depreciation, and properties that are not frequently exchanged in the market.

The cost approach includes a site value typically based on sales comparison and site improvements based on a national cost source or local construction cost bids. The subject is an undeveloped site, the cost approach is not considered to be applicable to the subject analysis.

The Sales Comparison Approach is a set of procedures through which value is estimated by comparison of the subject property to the sales of similar properties that have recently sold, making adjustments to the sales for differences between the subject and the comparable property's based on units of comparison. The sales comparison approach is applied and considered to be appropriate as the sales provide meaningful analysis of property similar to the subject in the current market.

The income approach is a set of procedures through which value is estimated based on the future benefits of property ownership (income earning potential) of the property appraised. Rental income is estimated based on analysis of similar market properties and/or the subject income stream from existing leases. Incomes are reduced by expenses to the owner and net income is capitalized by either direct capitalization, yield capitalization, or both. Properties of this type are typically purchased for owner occupancy rather than for income earning potential, thus the income approach is not considered to be necessary for credible assignment results and is not employed.

SALES COMPARISON APPROACH

The sales comparison approach considers the recent sales of properties with similar use and improvements to the subject. This technique is an application of the principle of substitution which affirms that, when a property can be replaced with an alternative property of similar utility without undue delay, its value tends to be set by the cost to acquire such an equally desirable substitute property.

The sales comparison approach is the process of analyzing sales data of properties considered comparable to the subject being appraised. The reliability of the sales comparison approach is dependent upon (a) the availability of comparable sales data, (b) verification of the sales data and derivation of various indicators of value, (c) the absence of non-typical conditions affecting the sales price of the comparable sales, and (d) the degree of comparability of the sales to the subject and the extent of adjustments required to make the sales equal to the subject.

Under the sales comparison analysis there are ten basic elements of comparison that will be considered in sales comparison analysis; they include:

1. Real property rights conveyed
2. Financial terms
3. Conditions of sale
4. Expenditures made immediately after purchase
5. Market conditions
6. Location
7. Physical characteristics
8. Economic characteristics
9. Use
10. Non-realty components of value

Adjustments for items 1-5 above are made first if necessary, indicating an "adjusted sale price". The comparables prices are each then adjusted for differences in location, physical characteristics (including use or zoning), economic characteristics and any non-realty components of value.

After adjusting the comparable sales prices to compare equally to the subject, the sales are reduced to common units of comparison for further analysis. The units of comparison selected depend on the type of property being appraised. The comparables have been analyzed on an overall site basis which is a common unit of comparison for properties such as the subject. The comparable properties are then adjusted for locational, physical and economic differences as indicated.

A search of Pima County revealed the following sales, considered to be most applicable to this appraisal valuation.

Site Sale One

Location: 3387 W Placita De La Tierra, Tucson, 85746

Legal Description: PTN W186.18' E366.38' S806.18' SE4 SW4 3.35 AC SEC 5-15-13, G&SRB&M, Pima County

Tax Code Number: 137-16-013V

Records: 12/30/2022 2022 3640445

Seller: Angela Rivera

Buyer: Idec & Jose Lopez

Price: \$82,000; Asking price \$85,000, 11 DOM

Terms: Cash

Site Size: 3.35ac

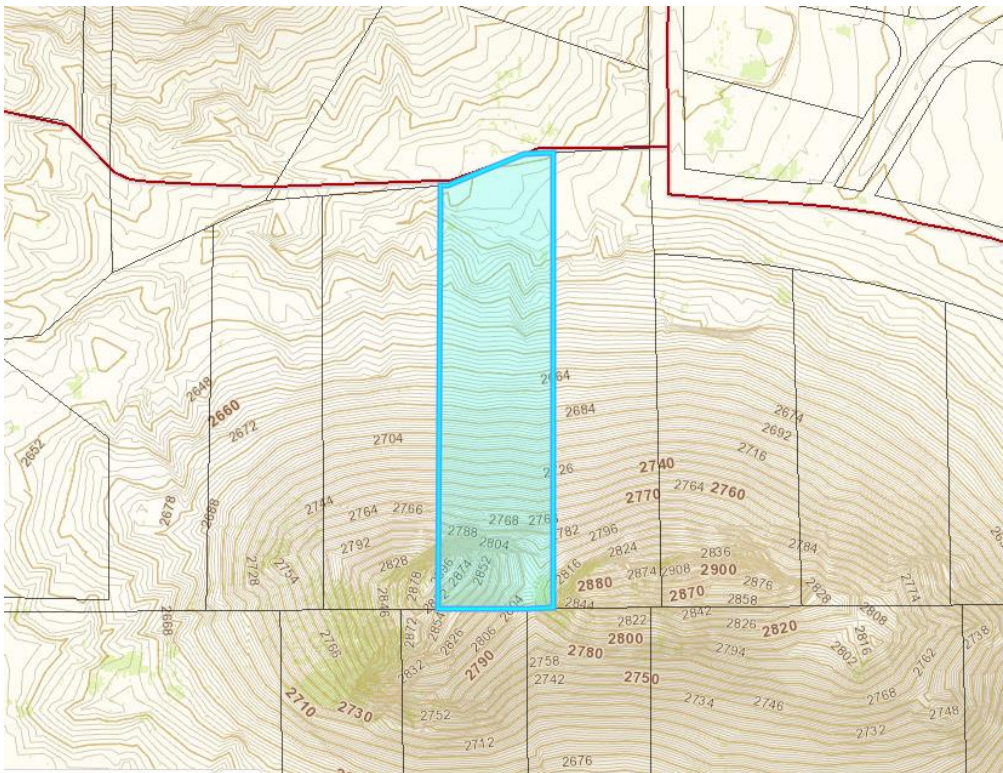
Price Per AC: \$24,478

Zoning: SR Pima County Suburban Ranch

Comments: Located n/o Drexel, w/o Cardinal, accessible by dirt road. FEMA-x, 22% PR-1, 43% average cross slope, 9.75% EHSA. A nearest water main is reported to be approximately 250' away; other utilities are reportedly available (excepting sewer).

Confirmation: MLS 22017645, Alfred Gallegos, listing agent, 520-909-2350 2023267, pdh

3387 W Placita De La Tierra



Site Sale Two

Location: 2351 W Saenz Dr., Tucson, 85746
Legal Description: NWLY CTRL PTN SE4 5.81 AC SEC 33-14-13, G&SRB&M, Pima County
Tax Code Number: 119-35-180A
Records: 3/11/2022 2022 0700632
Seller: Joseph Foresman
Buyer: Edgar Quezada
Price: \$160,000; Asking price \$160,000 (initially \$180,000), 59,215 DOM/CDOM
Terms: Cash
Site Size: 5.81ac
Price Per AC: \$27,539
Zoning: SH Pima County Suburban Homestead
Comments: Located at the end of Saenz Dr., n/o Irvington, w/o Mission, accessible by paved road. FEMA-x, 55% PR-1, 46% average cross slope; Tucson Mountain Park is adjacent east. Utilities, excepting sewer, were available. A former mobile home removed, leaving private access road and building site as well as an on-site septic system, entry gate and wall.
Confirmation: MLS 22200982, Darci Hazelbaker, listing agent, 505-353-1114 2023267, pdh

2351 W Saenz Dr



Site Sale Three

Location: 3635 W Placita De La Tierra, Tucson, 85746

Legal Description: PTN W186.18' E366.38' S806.18' SE4 SW4 3.35 AC SEC 5-15-13, G&SRB&M, Pima County

Tax Code Number: 137-16-925

Records: 9/9/2021 2021 2580369

Seller: Judas Valdez

Buyer: Molloy, Paula Rev Trust, & Jenkins, Raymon Rev Trust

Price: \$115,000; Asking price \$115,000, 22 DOM

Terms: Cash

Site Size: 3.41ac

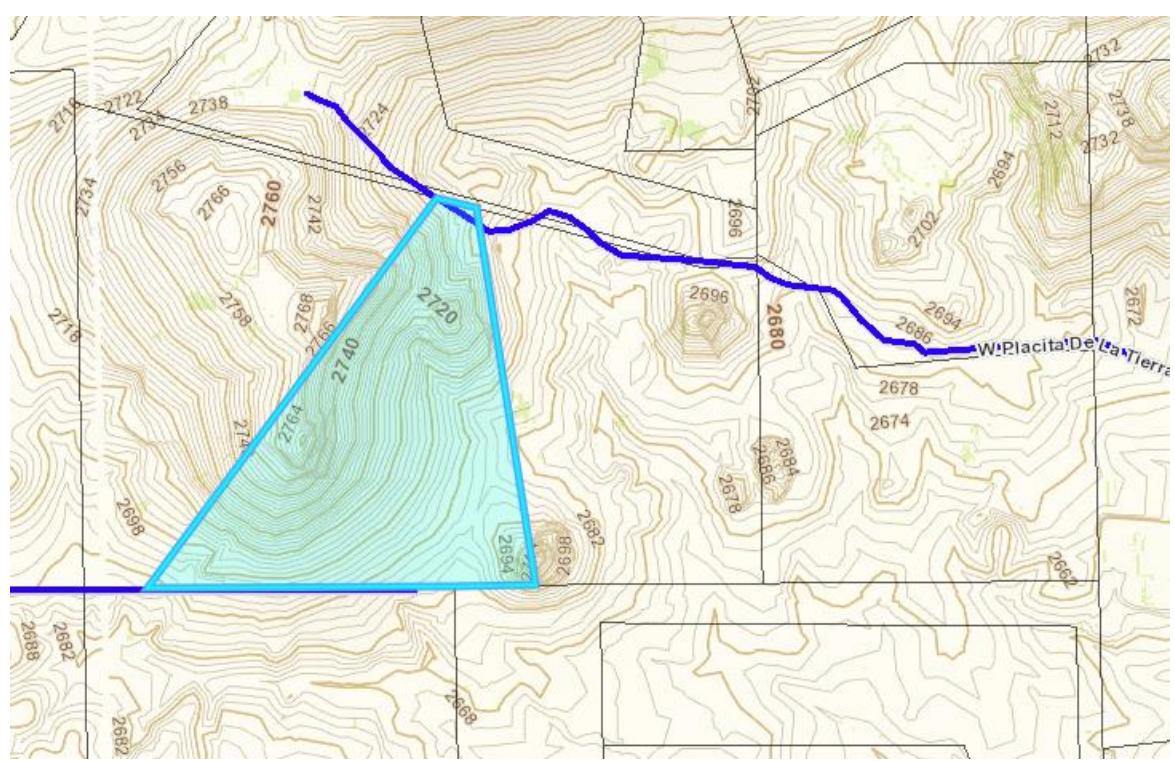
Price Per AC: \$33,274

Zoning: SR Pima County Suburban Ranch

Comments: Located n/o Drexel, w/o Cardinal, accessible by dirt road. FEMA-x, 40% PR-1, 33% average cross slope. Utilities, excepting sewer, were available. The site reportedly has access to a driveway into the site and it appears a portion of the site has been partially cleared.

Confirmation: MLS 22118364, Rosa Varela, listing agent, 520-861-1043 2023267, pdh

3635 W Placita De La Tierra



Site Sale Four

Location: 3939 W Coyote Ridge Trail, Tucson, 85746

Legal Description: PTN E876.45' W1747.56' S290' S2 S2 NE4, 3.36 AC SEC 31-14-13, G&SRB&M, Pima County

Tax Code Number: 119-44-036A

Records: 6/08/2021 2021 1590418

Seller: AJPJ Plan

Buyer: Alfonso Pasqueira (buyer's/agent)

Price: \$105,000; Asking price \$110,000 (initially \$120,000), 72,273 DOM/CDOM

Terms: 4.36% cash to PMM, less than 1 year, no effect on sale price

Site Size: 3.36ac

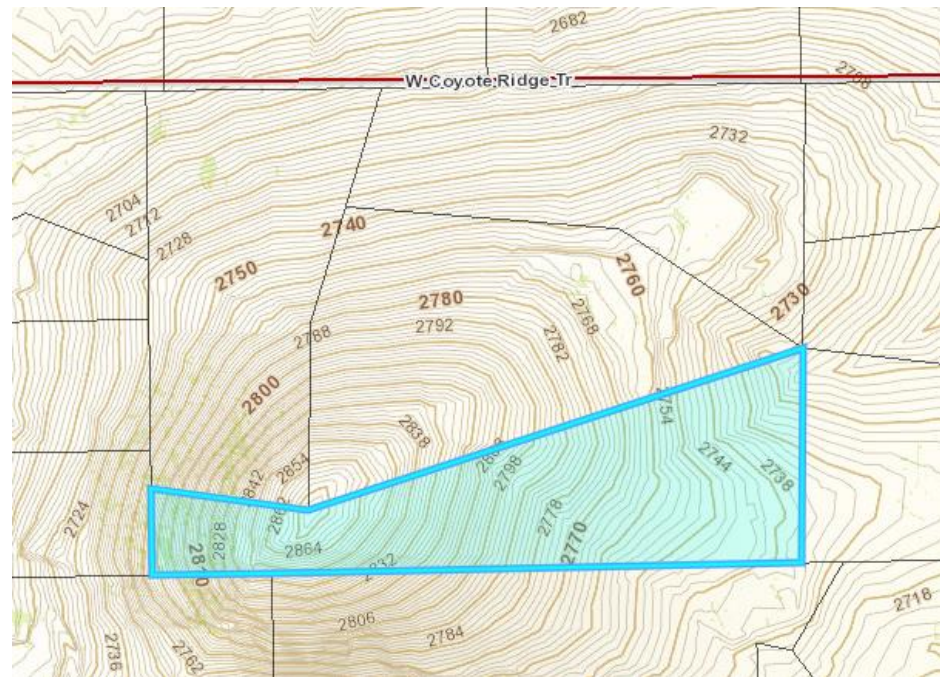
Price Per AC: \$31,250

Zoning: SR Pima County Suburban Ranch

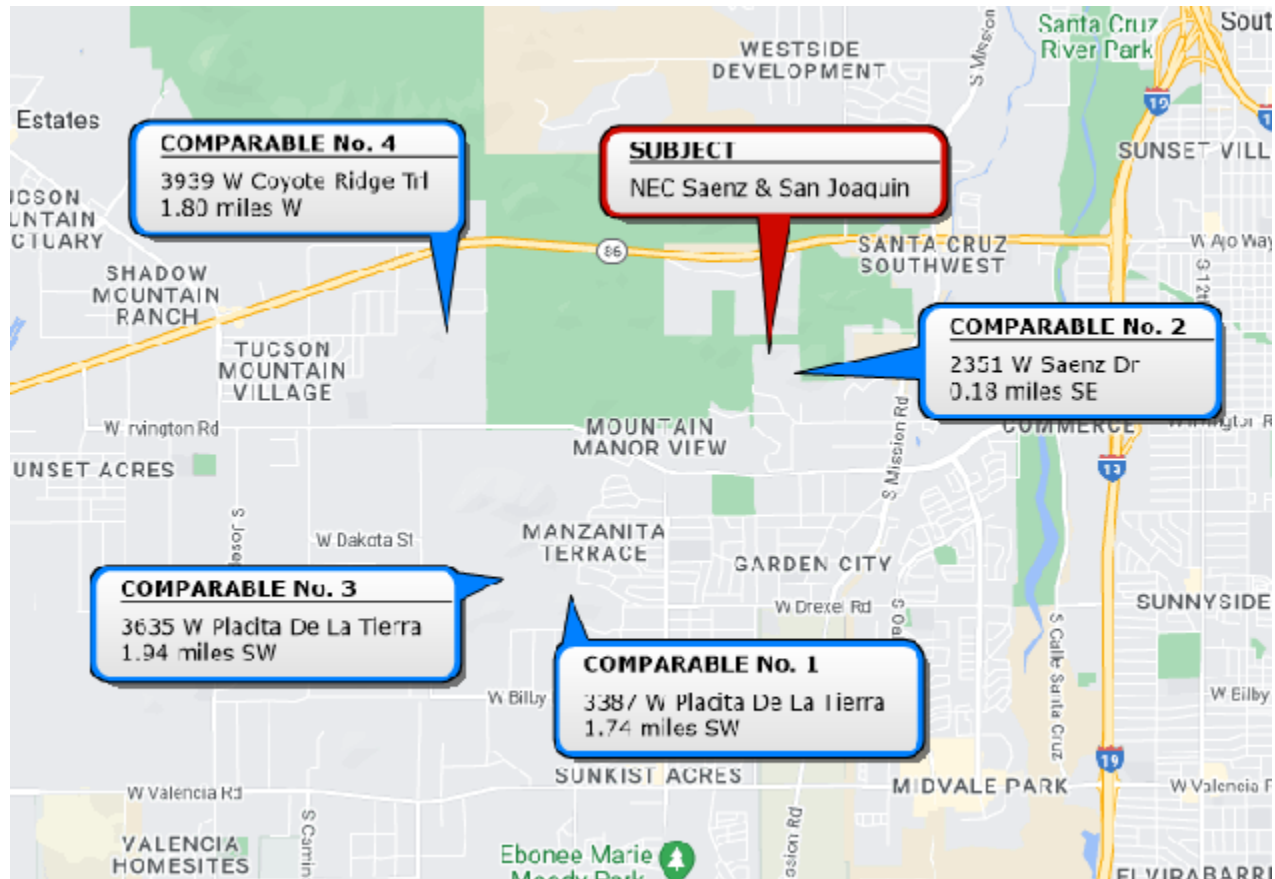
Comments: Located south of Ajo, west of Bilbray, accessible by dirt road. FEMA-x, 30.5% PR-1, 29% average cross slope. Utilities, excepting sewer, were available. Subsequently developed by single family residence.

Confirmation: MLS 22100886, James Matusiak, listing agent, 520-321-0601 2023267, pdh

3939 W Coyote Ridge Trail



SALES COMPOSITE MAP



Value Analysis

Four sales have been selected for the subject value analysis.

Adjustments are applied to provide insight into the relative significance (weight) of the characteristic being considered and difference from the various comparable sales to the subject parcel. While based on appraisal experience and interpretation from the market, they are not intended to be precise to each comparable and category.

Property Rights: each of the sales is similar to the subject being fee simple, no adjustment is necessary.

Financing: Comparables 1-3 were cash to seller, sale 4 had, financed by owner carryback for less than a year, not considered to have affected the sale price, no adjustment necessary.

Conditions of Sale: The sales were considered to have had typical sale motivations, no adjustment is considered necessary.

Market Conditions: The sales occurred from June 2021 through December 2022; property values have been increasing over this time frame; the sales are adjusted upward on the basis of approximately 7.5% per year.

Location: the subject is located in the southwestern suburban area the comparables are considered to be similar, not requiring adjustment.

Size difference, within the range of comparable sales, size appears to cause no consistent effect on sale price (all are restricted to a single residence regardless of size), no adjustment is made.

Zoning: the subject and comparables vary in terms of minimum site size; however, each of the sites, like the subject, are restricted to a single residence due to significant slope and the HDZ; no adjustment is considered necessary.

Improvements: The subject and sales 1 and 4 were unimproved. Sales 2 and 3 had site improvements in place reducing cost of development and are thus adjusted downward accordingly.

Site Utility: Again, the subject and comparables are significantly restricted due to hillside restrictions, development costs are anticipated to be considerably higher than average due to the rough terrain; no adjustments are considered necessary.

Utilities: the subject and comparables 2-4 have utilities in close proximity, typically at the lot line, not requiring adjustment; sale 1 is adjusted upward for water bring more removed.

Access/View: the comparables, like the subject have relatively well above average views due to their elevation, on-site and/or nearby peaks and ridges etc. However, the subject has Tucson Mountain Park adjacent to the north and west; sale 2 is considered to be similar, not requiring adjustment. Sales 1, 3 and 4 are adjusted upward for lack of this open space amenity. Access for the subject and comparables are considered to be similar, not requiring adjustment.

Conclusion: The subject is considered to be bracketed by the comparables; sales 1, 3 and 4 have net upward adjustment, sale 2 net downward adjustment. Minor emphasis is placed on sale 1 due to it being the most recent and requiring least gross adjustment; a subject site value at \$123,000 is considered reasonable; the indicated subject value per acre is moderately below each of the comparables due to its larger than average size.

Greater detail concerning the comparables and their adjustment when compared to the subject site is available on the following grid:

SITE SALES COMPARISON SUMMARY					
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Location	n/o 2415 W Saenz	3387 W Placita De La Tierra	2351 W Saenz Dr	3635 W Placita De La Tierra	3939 W Coyote Ridge Trl
Tax ID Number	119-35-179E	137-16-013V	119-35-180A	137-16-925	119-44-036A
Sales Data					
Date of Sale	N/A	12/30/22	3/11/22	9/9/21	6/8/21
Sales (listing) Price	N/A	\$82,000	\$160,000	\$115,000	\$105,000
Site Size (ac)	5.31	3.35	5.81	3.41	3.36
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash, PMM
Cash Equivalent Price	N/A	\$82,000	\$160,000	\$115,000	\$105,000
Conditions of Sale	Average	Average	Average	Average	Average
Condition Adjustment	0%	0.0%	0.0%	0.0%	0.0%
Market Conditions Adj.	0.0%	2.0%	8.0%	12.0%	14.0%
Adjusted Price	N/A	\$83,640	\$172,800	\$128,800	\$119,700
Physical Characteristics					
Location	Average	Similar	Similar	Similar	Similar
Size	5.31	3.35	5.81	3.41	3.36
Zone/Use	SH	SR	SH	SR	SR
Improvements	None	None	Road , pad	Driveway	None
Site Utility	49.3% PR-1, 36% acs, TM 2 sides	22% PR-1, 43% acm, 9.75% EHSA	55% PR-1, 46% acs, TM 1 side	40% PR-1, 33% acm	30.5% PR-1, 29% acs
Utilities	Average	Inferior	Similar	Similar	Similar
Access/View/OS	Avg/VGood	Inferior	Similar	Inferior	Inferior
Adjustments					
Location	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	0.0%	0.0%	0.0%	0.0%
Zoning/use	0.0%	0.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	-20.0%	-10.0%	0.0%
Site Utility	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities	0.0%	5.0%	0.0%	0.0%	0.0%
Access/View	0.0%	10.0%	0.0%	10.0%	10.0%
Net Physical Adustments					
Net Physical Adustments	Same	Upward	Downward	Offsetting	Upward
Net Adjustment (Overall)	0.0%	15.0%	-20.0%	0.0%	10.0%
Adjusted Comp Price	N/A	\$96,186	\$138,240	\$128,800	\$131,670
Adjusted Comp Price /Ac	N/A	\$28,712	\$23,793	\$37,771	\$39,188
Subject Value Opinion	\$123,000				
Subject Value (\$/Ac)	\$23,164				

STATEMENT AND CERTIFICATION OF APPRAISER

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

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

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

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

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

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

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

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 & Standards of Professional Appraisal Practice of the Appraisal Institute. (C.S.R.1-1)

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

The appraisal was developed and the appraisal report prepared in conformance with the Appraisal Standards Board's *Uniform Standards of Professional Appraisal Practice*.

I have made a physical inspection of the property appraised and the property owner designated representative, was given the opportunity to accompany me on the property inspection.

No one provided significant professional appraisal assistance to the person signing this report.

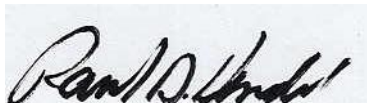
The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.(C.S.R.1-2).

As of the date of this report, I have completed the continuing education program of the Appraisal Institute (C.S.R.1-3).

I have performed no services regarding the subject property within the prior 3 years as an appraiser or in any other capacity.

If this report is in any way disassembled, reproduced, altered, or used in any other capacity than that made known to the appraiser at the time of the request and stated herein, the appraiser is not responsible for this report and it is invalid.

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING



Paul D. Hendricks, MAI

Arizona Certified General Real Estate Appraiser 30197

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

APPENDIX

1. Appraisal Assumptions and Limiting Conditions
2. Subject Exhibits and Photos
3. Title Commitment (select pages)
4. Consultant Qualifications

LIMITING CONDITIONS AND ASSUMPTIONS

of Standard Real Estate Appraisal

(Consisting of the 23 Items Below and Others as Mentioned)

1. Information Used, Trade Secrets

The appraiser(s) shall not be responsible for the accuracy of any information obtained from the client or any other source and used in the appraisal, subject to the due diligence provision of the Uniform Standards of Professional Appraisal Practice. The appraiser(s) shall not be liable for any information or work obtained from any subcontractor. It is strongly suggested that the client consider independent verification of all factual data as a prerequisite to any transaction involving the purchase, sale, lease, or other decision involving a significant commitment of funds affecting the subject property. The client agrees that the appraisal produced pursuant to this agreement consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552(b)(4) and furthermore agrees to obtain the appraiser(s) authorization before reproducing the appraisal in whole or in part.

2. Authentic Copies, Changes, Modifications

The authentic copies of this report were delivered to the client; copies not coming from the client may have been altered. The appraiser(s) reserve the right, at their sole discretion, and at any time, to alter statements, analysis, conclusions or any value estimate(s) in the appraisal if facts pertinent to the appraisal process and report which were unknown at the time of completion become known to the appraiser(s).

3. Use of Appraisal, Limit of Liability

This report is intended solely and exclusively for use by the client. The sole purpose of the report is to assist the client by valuation of the subject property. The client also acknowledges and agrees that some of those involved with the assignment appraisal may be independent contractors and the client hereby agrees not to hold the appraiser(s) liable for any acts of same. Notwithstanding anything herein to the contrary, the client will forever indemnify and hold appraiser(s) harmless from any claims by third parties related in any way to this appraisal.

The liability of the appraiser and affiliated business entities, its officers, directors, shareholders or employees (hereinafter collectively referred to as appraiser) is limited to the herein named client only. No liability shall extend to any third party, and the total amount of such liability shall in no event exceed the amount of the fee actually received by the appraiser(s).

Third parties shall include, but not be limited to, general and limited partners of the client if said client is a partnership, stock holders of the client if said client is a corporation, and all lenders, tenants, past owners, successors, assigns, offerees, transferees and spouses of client. The appraiser(s) shall not be held responsible for any costs incurred to investigate or correct any deficiencies of any type which may be present in the real estate and/or real property herein appraised. Acceptance and/or use of this report by the client constitutes acceptance of all limiting conditions and assumptions set forth herein.

4. Court Testimony

Testimony or attendance in court by reason of this appraisal, with reference to the property in question, shall not be required, unless arrangements have previously been made.

5. Copies, Publication, Distribution of the Report

Possession of any copy of this report shall not authorize or empower the client or any third party with any publication rights whatsoever, or with any authorization to use the appraisal other than for its intended and stated purpose noted in the agreement and/or in the report. The physical report(s) shall remain the property of the appraiser(s) at all times and appraiser(s) hereby grant the client permission to use the appraisal report(s) solely for the purposes set forth. The client agrees that the payment of the appraisal fee is in exchange for the analytical services of appraiser(s) and by the payment of said fee, the client

has not purchased the appraisal report. With the exception of public disclosure indicated below, neither all nor any part of this appraisal report shall be given, recited, published, copied, distributed, nor in any way communicated to third parties in any manner, in whole or in part, without the prior written consent of the appraiser(s).

This report has been prepared for Pima County and appraiser recognizes that the report will become public record after review and will be available for review by the public upon request.

6. Confidentiality

All conclusions and opinions concerning the analysis as set forth in this report were prepared by the appraiser(s) whose signature(s) appear on the appraisal report. No changes shall be made in the report by anyone other than the appraiser(s). The appraiser(s) shall not be held responsible for any unauthorized changes or such consequences as may transpire from unauthorized changes. The appraiser(s) may not divulge the material contents of the report to anyone other than the client or his designee as specified in writing, except as may be required by the professional association(s) of which the appraiser(s) are members as may be requested in confidence for ethics enforcement, or by a court of law, or any other body with the power of subpoena. The appraisal has been prepared for Pima County with the knowledge that the report will ultimately become public records and may be made available for public review.

7. Measurements, Exhibits

The sketches, maps and photographs in the appraisal report are include solely for the purpose of assisting the reader in visualizing the property and are not necessarily to scale. The appraiser(s) have made no survey of the property and site plans included in the report are not to be considered as surveys unless so designated. Any sketch or map in the appraisal report shows approximate dimensions and is included for general illustrative purposes only. It is the responsibility of a qualified engineer, architect, or registered land surveyor to show the exact location of the subject improvements thereon, existing or proposed, as well as the measurements and areas of land and improvements. In the absence of a survey, the appraiser(s) may have used Tax Assessor's maps or records or other maps provided by the client which may or may not represent the exact measurements of the subject property or other comparable data relied upon in estimating the market value of the subject property. Any variation in land or building areas from those considered in the appraisal may alter the estimates of value contained in the report.

8. Legal, Title, and Market Value Premise

The appraiser(s) have no responsibility for matters of any legal nature affecting the property being appraised or the title thereto; the appraiser(s) assume title to be good and marketable, and free of clouds unless otherwise noted. No Title Policy or report has been furnished to the appraiser(s), unless so stated in the report. The property is being appraised as though it were under financially sound and responsible ownership with typical and competent management. The hypothetical sale referred to in the definition of market value assumes adequate marketing efforts and exposure time normal for the property. The appraiser(s) are not responsible for the accuracy of legal description.

9. Engineering, Structural Matters; Hazardous or Toxic Materials, Physical Condition

The appraiser(s) have inspected the land and the improvements. However, it is not possible to observe conditions beneath the soil surface, or hidden structural, mechanical, or other components; the appraiser(s) shall not be hold responsible for any defects in the property related thereto. The property appraised is as though there are no hidden or unapparent conditions which would affect market value; this includes subsoil conditions, potential flood conditions, hydrological and/or structural conditions. The appraiser(s) are not responsible for such conditions or those engineering efforts which might be required to discover and/or correct such factors. The value estimate assumes there are no defective property conditions that would cause a loss of value. The land or the soil of the area being appraised is assumed to be firm and otherwise satisfactory for building use. Although soil subsidence and the influence of toxic material in the area of the subject and its environs is unknown, the appraiser(s) do not warrant against this condition or occurrence of problems from soil (or toxic atmospheric) conditions known or unknown.

Unless otherwise stated in the report, the existence of hazardous material, substance or gas, which may or may not be present within, on or near the property, has been disregarded in the appraisal. The appraiser(s) are not qualified to detect such substances as asbestos, urea-formaldehyde foam insulation, radon gas, or other potentially hazardous material and/or substances which may adversely affect the value of the property. The value estimate is predicated on the assumption that there is no such toxic material and/or condition affecting the property that would cause a loss in value. The appraiser(s) are

not responsible for any such condition and/or the engineering expertise required to discover any such condition. The client is urged to retain an expert in this field, if so desired. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are assumed to be in good working order unless otherwise stated. Appraiser(s) are not responsible for the adequacy or type of insulation, or energy efficiency of the improvements or equipment, which are assumed to be standard for the subject property type. Unless otherwise stated, the appraiser(s) have not been supplied with a termite inspection report or occupancy permit. The appraiser(s) shall not be held responsible for, nor shall the appraiser(s) be deemed to have made any representations regarding any potential costs associated with obtaining same or for past or present, legal or physical, deficiencies which may be found. Client further agrees that the appraiser(s) shall not be held responsible for any costs incurred or consequences arising from the need, or the lack of need, for flood hazard insurance.

10. Utilities

In the absence of a qualified professional engineer's study, information regarding the existence of utilities is made from a visual inspection of the site and review of available public information. The appraiser(s) have no responsibility for the actual availability of utilities, their capacity, or any other problem which might result from a condition involving utilities. Although public utility lines might be located adjacent to the subject property, the capacity of these lines for any proposed development is not known. The respective companies, governmental agencies or entities should be contacted directly by concerned individuals. Unless otherwise stated in the report, utilities of all types are considered in the appraisal to be present in adequate quality and quantity for the intended use or highest and best use of the property.

11. Legality of Use, Management of Property

The appraisal is based, unless otherwise stated, on there being full compliance with all applicable federal, state and local environmental regulations and laws, that all applicable zoning, building, use regulations and restrictions of all types have been complied with and, moreover, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate. The appraisal is prepared under the assumption that the property which is the subject of this report is maintained and managed pursuant to prudent and competent ownership and management.

12. Component Values, Special Studies

The distribution of the total valuation in this report between land and improvements applies only under the existing program of use. The separate valuations for land and building must not be used separately and are invalid if so used. No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or within the report.

13. Inclusions.

Furnishings, equipment, personal property or business operations which may sometimes be considered a part of the real estate, have been disregarded, unless otherwise specified and only the real estate is considered in the value estimate. In some limited circumstances, business and real estate interests and values may be combined depending on the specific situation and as determined by a written agreement. Please see the appraisal report for further clarification.

14. Proposed Improvements, Conditional Value

Any improvements proposed, on- or off-site, as well as any repairs required, will be assumed, for purposes of this appraisal, to be completed in a good and workmanlike manner according to information submitted by the client for consideration by the appraiser(s). In cases of proposed construction, the appraisal is subject to change upon inspection of the property by the appraiser after construction is completed. The estimate of market value is as of the date shown, as proposed, and as if completed and operating at the levels shown and projected or as otherwise indicated and labeled in the appraisal report.

15. Value Change, Dynamic Market, Influences on Market Value, Alteration of Estimate and/or Analysis Herein By Appraiser

The estimated market value, as defined in the report, is subject to change with market fluctuations over time; value is highly related to exposure, time, promotional effort, terms, motivation, and personal and general economic and supply/demand conditions surrounding the offering. The value estimate considers

the productivity and relative attractiveness of the property both physically and economically in the marketplace.

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate. The client hereby agrees that the appraisal report and value estimate are subject to change if the physical or legal entity or the financial arrangements are different than that envisioned in this report or upon change in, or discovery of, certain influencing market conditions or property conditions as well.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use, the client hereby acknowledges and agrees that such estimates are intended to be a reflection of benefits which the appraiser(s) have been directed to assume as given, as well as from the appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic. The client agrees that these types of appraisals are based on reasonable estimates and as such, will not hold appraiser(s) responsible for any errors in the estimated values. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present or previous owners nor upon the occupants of the properties in the vicinity of the property which is the subject of the appraisal.

16. After-Tax Analysis, Investment Analysis, and/or Valuation

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid; the client acknowledges and agrees that the appraiser(s) do not claim any expertise in tax matters and moreover will not rely on any information prepared by appraiser(s) which in any way relates to income tax matters.

17. Information furnished by Client and Third Parties

Any and all information furnished by the client and/or third parties is logically presumed to not only be correct but complete, either in entirety or summarized as presented, and if there are no other documents modifying the one or ones mentioned herein.

18. Federal Law OMB Circular A-129 & Bulletins 91-05 and 92-06 Amending Circular A-129

These require USPAP standards and practices be used under State certification and license programs under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (P.L. 101-73) and OMB Bulletin 92-06 applies these USPAP to the 17 affected Federal eminent-domain agencies subject to the regulations of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), as amended by regulations in 49 CFR Part 24. Agencies not subject to the Uniform Act should follow the revised 49 CFR Part 24 to conform to OMB Bulletin 92-06.

19. Americans With Disabilities Act (ADA)

This act became effective January 26, 1992. The appraiser(s) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. As the appraiser(s) have no direct evidence relating to this issue, possible or direct noncompliance with the requirements of ADA in estimating the value of the property was not considered.

20. Environmental

It is assumed that there are no protected species of plants or animals in, on, or near the subject property other than any described in the report.

It is assumed that the site is not a cactus ferruginous pygmy owl habitat (defined by US Fish & Wildlife as: Land below 4000 feet in elevation that has saguaro greater than 8 feet tall or containing a woodpecker cavity) ironwood, mesquite, or paloverde vegetation (must be >6 inches in diameter). (note as of May 2006 the pygmy owl has been de-listed as an endangered species; however, there is ongoing litigation seeking to overturn this de-listing).

21. Report Type

This is a Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

22. Other Information for Readers

We recommend that if sewer or septic connection, or condition of same, is of concern to client or other readers of this report, a qualified expert should be hired to inspect the system and perform appropriate tests as he/she deems necessary. Further, if water source, status, possible toxic influences on air, water, soil, or improvement construction material or condition of mechanical, structural or other systems or components are of concern, an appropriate expert should be engaged as we are not experts in such matters. The reader is cautioned that value is dynamic and changes with changing market conditions over time. Subsequent sales, listings, and other market influencing activity may influence value after the date of the value estimate. The value estimate is an estimate, not a determined fact.

23. Conclusion

Acceptance of and/or use of this appraisal report by the client or any third party reader or user, constitutes acceptance of the above stated conditions as well as any other(s) stated in this report. The acceptance of this appraisal report also constitutes acceptance of responsibility for payment of the appraisal fee balance due and any costs incurred by the appraiser(s) in collection of same. Appraiser liability extends only to stated client, not subsequent parties or users; any additional appraiser liability is limited to the actual amount of fee received by said appraiser(s).

These Limiting Conditions and Assumptions are in conjunction with any form type page(s) of similar nature in the appraisal report package; further, the reader is advised that certain comments in the report may point out other specific assumptions and/or limiting conditions pertaining to this appraisal even though an attempt has been made to summarize all limiting conditions and assumptions herein; the client or designated user of the appraisal report should inspect the property and confirm factual information before a final decision is made concerning the subject.

--- end ---

SUBJECT PHOTOS & EXHIBITS

Subject site looking NE along Saenz Dr.



Subject site looking NW



San Joaquin Av looking south



Views south



View southwest



View west



Site looking NE from San Joaquin



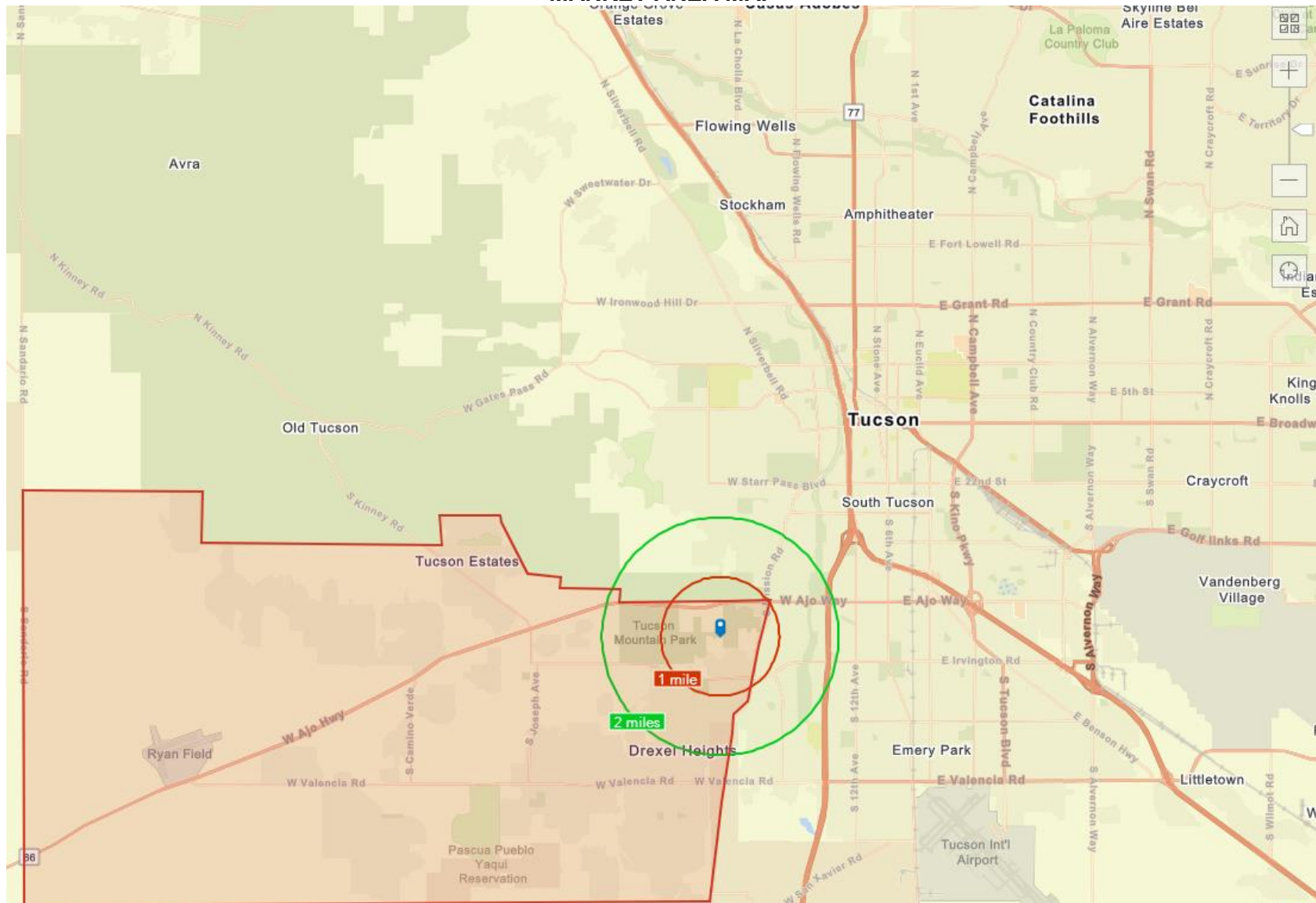
Site looking N from San Joaquin



Site looking NW from San Joaquin (likely area most appropriate for development)

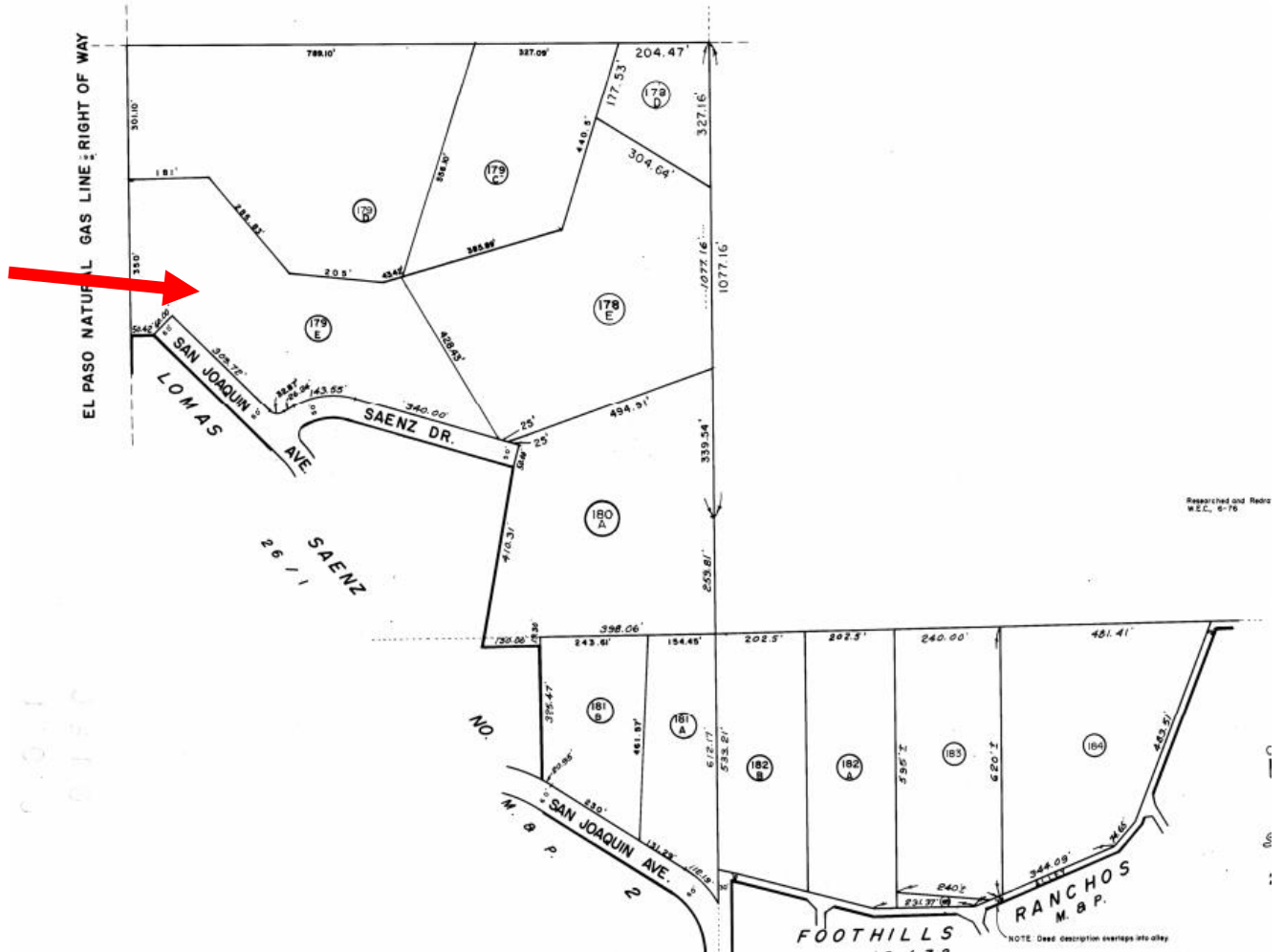


MARKET AREA MAP

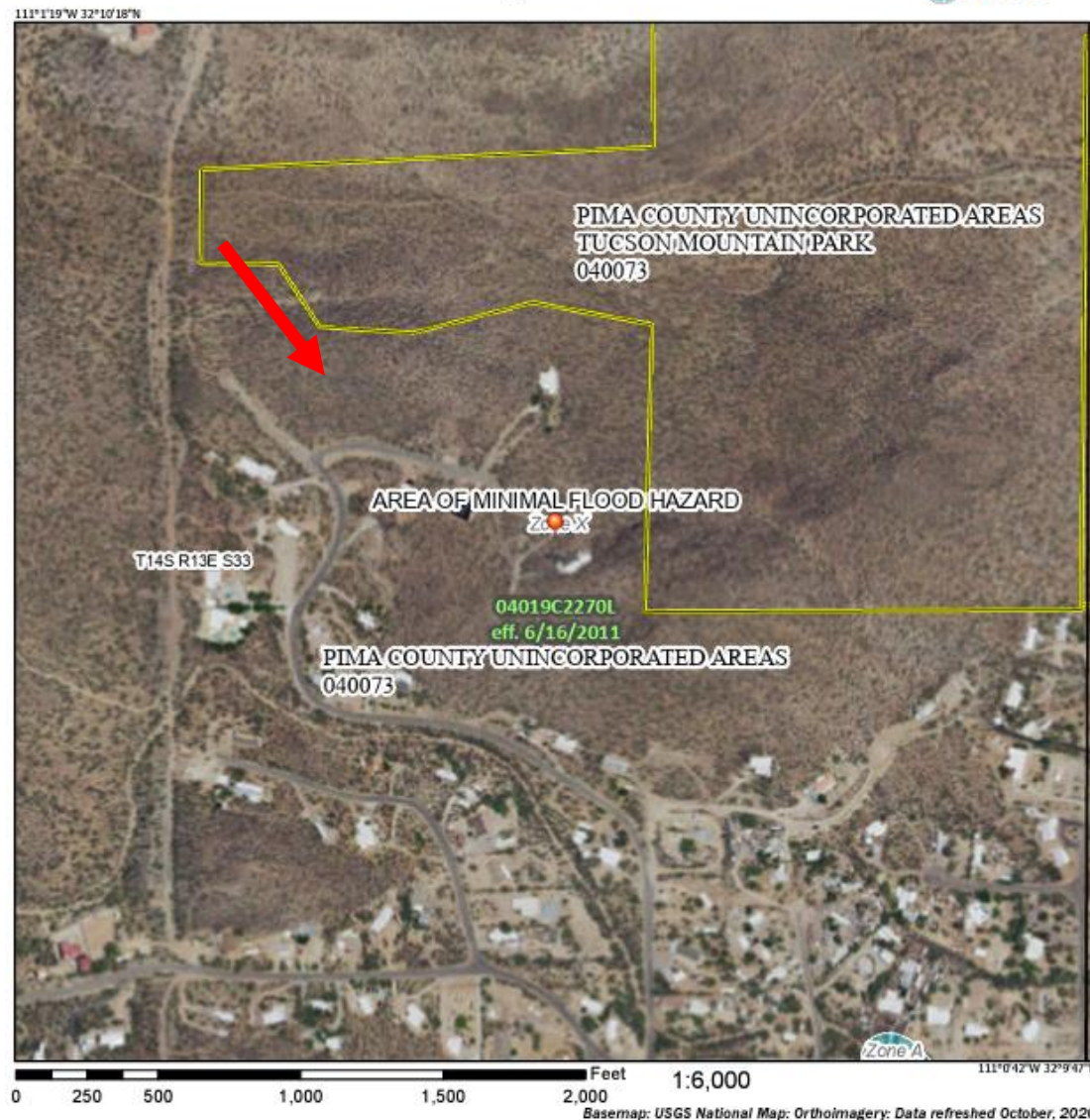


119-35

SECTION 33, TOWNSHIP 14 SOUTH, RANGE 13 EAST
DETAIL No. 6 (PT. OF SE¹/₄)



National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation Zone A, X, A99
		With BFE or Depth Zone AE, AD,...
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard of 1% annual chance flood with depth less than one foot or with areas of less than one square
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk Levee. See Notes. Zone X
		Area with Flood Risk due to L...
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood H...
		Channel, Culvert, or Storm Se...
OTHER FEATURES		Levee, Dike, or Floodwall
		Cross Sections with 1% Annual...
MAP PANELS		Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BF...
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
		Hydrographic Feature
		Digital Data Available
		No Digital Data Available
		Unmapped
		The pin displayed on the map is an a...

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

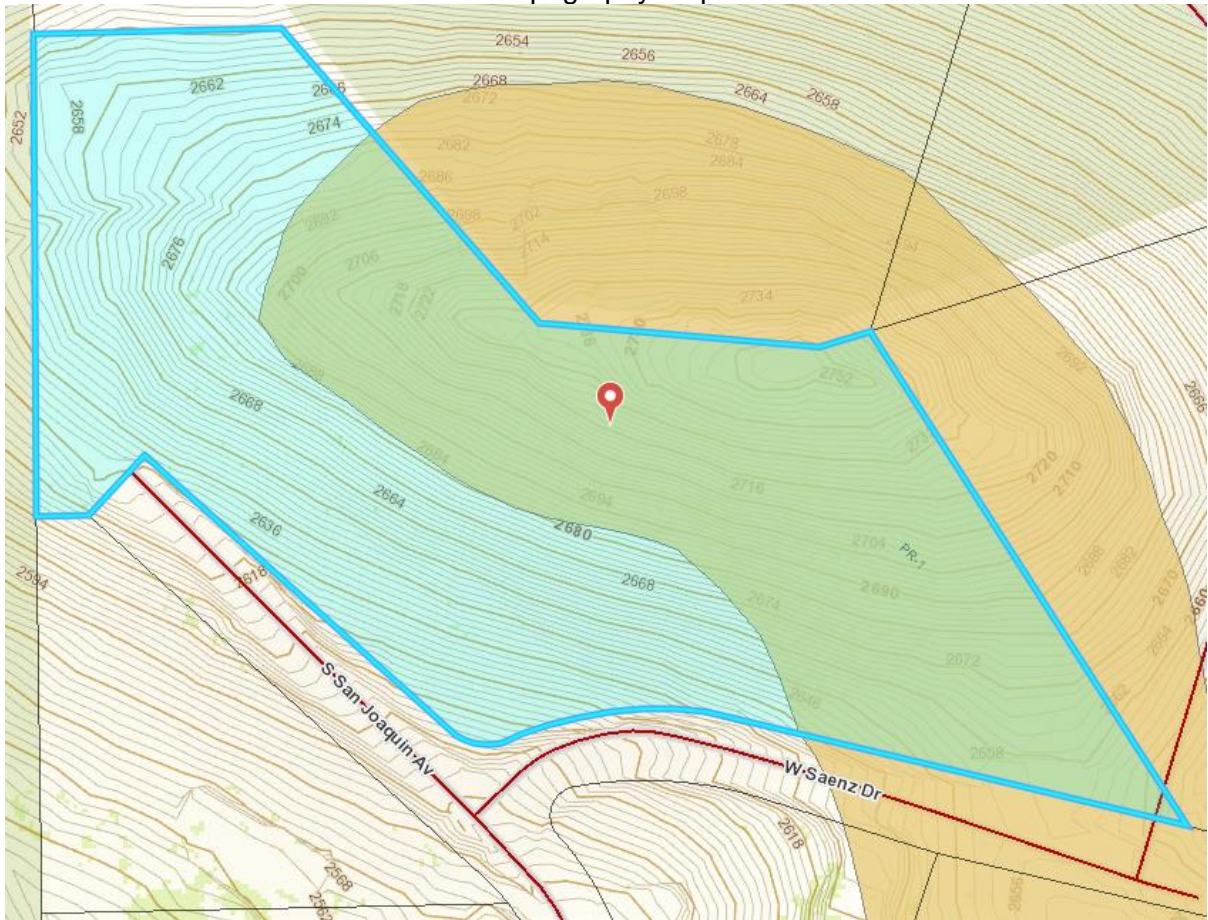
The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This was exported on 4/20/2023 at 9:55 AM and does not reflect changes or amendments subsequent to this date. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following elements do not appear: basemap imagery, flood zone legend, scale bar, map creation date, community identifier, FIRM panel number, and FIRM effective date. Map imagery unmapped and unmodernized areas cannot be used for regulatory purposes.

Zoning Map



Topography Map



Title Commitment (select pages)

FIDELITY NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NO. FP50230228

Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:

ISSUING OFFICE:	FOR SETTLEMENT INQUIRIES, CONTACT:
Title Officer: Tonya Christner Fidelity National Title Agency Inc. 6245 E. Broadway Blvd, Suite 180 Tucson, AZ 85711	Escrow Officer: Barbara Stewart BAStewart@fnf.com Fidelity National Title Agency Inc. 6245 E. Broadway Blvd, Suite 180 Tucson, AZ 85711 Main Phone: (520)290-8227 Main Fax: (520)290-3884

Order Number: FP50230228

Property Address: [APN/Parcel ID\(s\) 119-35-179E](#)

SCHEDULE A

1. Commitment Date: March 28, 2023 at 12:00 AM
2. Policy to be issued:
 - (a) ALTA Extended Owner's Policy
Proposed Insured: Pima County
Proposed Amount of Insurance: \$5,000.00
The estate or interest to be insured: Fee Simple
3. The estate or interest in the Land at the Commitment Date is:
Fee Simple
4. The Title is, at the Commitment Date, [vested in:](#)
Andrew C. Lande and Lynn A. Lande, Trustees of the Andrew Lande and Lynn Lande Trust under agreement dated October 28, 2022

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by Fidelity National Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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ALTA Commitment for Title Insurance (07/01/2021)



Printed: 04.05.23 @ 11:11 AM
AZ-FT-FCOP-01406.042050-SPS-1-23-FP50230228

FIDELITY NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NO. FP50230228

SCHEDULE A
(continued)

5. The Land is described as follows:

For [APN/Parcel ID\(s\): 119-35-179E](#)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PIMA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

Parcel 1:

That portion of the Northwest Quarter of the Southeast Quarter of Section 33, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

BEGINNING at a point on the West line of the Southeast Quarter of Section 33, lying South 00°14'47" West, 301.10 feet from the Center of Section 33;

THENCE South 89°45'13" East, 181.00 feet to a point;

THENCE South 39°33'39" East, 286.83 feet to a point;

THENCE South 26°00'18" East, 313.22 feet to a point of curvature on the North right-of-way line of Saenz Drive;

THENCE Westerly along the arc of a curve to the left, having a radius of 175.00 feet, a distance of 143.55 feet to a point of tangency;

THENCE South 60°00'00" West, 26.24 feet to a point;

THENCE Westerly along the arc of a curve to the Right having a radius of 25.00 feet, a distance of 32.87 feet to a point of tangency on the Northeasterly right-of-way line of San Joaquin Avenue;

THENCE North 44°40'36" West, along the Northeasterly right-of-way line of San Joaquin Avenue, 309.72 feet to a point;

THENCE South 45°19'24" West, 60.00 feet to a point;

THENCE North 89°45'13" West, 50.42 feet to a point on the West line of the Southeast Quarter of Section 33;

THENCE North 00°14'47" East, 350.00 feet to the POINT OF BEGINNING.

Parcel 2:

That portion of the Northwest Quarter of the Southeast Quarter of Section 33, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

From a point on the West line of the Southeast Quarter of Section 33, lying South 00°14'47" West,

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FIDELITY NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NO. FP50230228

SCHEDULE A
(continued)

301.10 feet from the Center of Section 33;

THENCE South 89°45'13" East, 181.00 feet to a point;

THENCE South 39°33'39" East, 286.83 feet to the POINT OF BEGINNING;

THENCE South 83°29'28" East, 205.00 feet to a point;

THENCE North 74°25'45" East, 429.01 feet to a point;

THENCE South 18°05'28" West, 497.43 feet to a point on the North line of Saenz Drive, lying North 73°00'00" West, 50.00 feet from the Northeast Corner of Loma Saenz No. 2 as recorded in Book 26, Page 1, Maps and Plats, records of Pima County, Arizona;

THENCE North 73°00'00" West, along the North right-of-way line of Saenz Drive, 340.00 feet to a point of curvature;

THENCE North 26°00'18" West, 313.22 feet to the POINT OF BEGINNING.

EXCEPTING therefrom any portion lying within the following described property:

A part of the Northwest Quarter of the Southeast Quarter of Section 33, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

COMMENCING at the Northwest corner of said Northwest Quarter,

THENCE South 00°14'47" West, along the West line of said Northwest Quarter, a distance of 301.10 feet to the north line of the land described in Docket 6525 at Page 33, Pima County Recorder's Office;

THENCE South 89°45'13" East, along the said North line, a distance of 181.00 feet to an East line of said land;

THENCE South 39°33'59" East along the said East line, a distance of 286.83 feet to the North line of the land described in Docket 6525 at Page 34;

THENCE South 83°29'28" East along the said North line, a distance of 205.00 feet;

THENCE North 74°25'45" East along the said North line, a distance of 43.12 feet to the POINT OF BEGINNING at the Southwest corner of the land described in Docket 6525 at Page 35;

THENCE North 74°25'45" East along the North line of the land described in Docket 6525 at Page 34, a distance of 385.89 feet to the East line of said land;

THENCE South 18°05'28" West along the said East line, a distance of 497.43 feet to the most Southerly corner of said land;

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FIDELITY NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NO. FP50230228

SCHEDULE A
(continued)

THENCE North 30°28'18" West, a distance of 428.43 feet to the POINT OF BEGINNING

END OF SCHEDULE A

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FIDELITY NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NO. FP50230228

SCHEDULE B, PART I REQUIREMENTS

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

Party(s): Andrew C. Lande and Lynn A. Lande, Trustees of the Andrew Lande and Lynn Lande Trust
under agreement dated October 28, 2022

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

7. An inspection of said Land has been ordered; upon its completion the Company reserves the right to except additional items and/or make additional requirements.
8. Furnish a plat of an ALTA/NSPS Land Title Survey. If the owner of subject property is in possession of a current ALTA/NSPS Land Title Survey, this Company will require that said Survey be submitted for review and approval. Otherwise, a new survey, satisfactory to the Company, must be prepared by a registered land surveyor and supplied to the Company prior to the close of escrow. The Company reserves the right to except additional items and/or make additional requirements after review of such survey.

Said Plat of Survey shall include the recommended certification and at the minimum, also have shown thereon Items 1, 2, 6, 8, 10, 11, 16 and 18 from Table A thereof.

Note: If an ALTA 3.1 Zoning Endorsement is requested, Items 7a, 7b, 7c and 9 of Table A will also be required. The number and type of parking spaces must be shown on the survey. Property use information must also be provided to Fidelity National Title Insurance Company.

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ALTA Commitment for Title Insurance (07/01/2021)



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**SCHEDULE B, PART II
EXCEPTIONS**

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

- A. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.
1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2023.
 2. Property taxes, including any personal property taxes and any assessments collected with taxes, for the second installment of 2022 Taxes.
 3. Reservations contained in the Patent

From: The United States of America
Recording No: [Book 159 of Deeds, page 467](#)

Which among other things recites as follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.

4. Water rights, claims or title to water, whether or not disclosed by the Public Records.
5. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: electric lines
Recording Date: December 11, 1951
Recording No: [Docket 410, page 98](#)

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: electric and communication lines
Recording Date:
Recording No: [Docket 6152, page 910](#)

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EXCEPTIONS**

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The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

- A. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.
- 1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2023.
- 2. Property taxes, including any personal property taxes and any assessments collected with taxes, for the second installment of 2022 Taxes.
- 3. Reservations contained in the Patent

From: The United States of America
Recording No: [Book 159 of Deeds, page 467](#)

Which among other things recites as follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.

- 4. Water rights, claims or title to water, whether or not disclosed by the Public Records.
- 5. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: electric lines
Recording Date: December 11, 1951
Recording No: [Docket 410, page 98](#)

- 6. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: electric and communication lines
Recording Date:
Recording No: [Docket 6152, page 910](#)

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FIDELITY NATIONAL TITLE INSURANCE COMPANY

COMMITMENT NO. FP50230228

**SCHEDULE B, PART II
EXCEPTIONS**
(continued)

7. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Lease for Oil and Gas
Lessor: United States Department of the Interior Bureau of Land Management
Lessee: Murphy H. Baxter
Recording Date: December 12, 1983
Recording No: [Docket 7176, page 746](#)

8. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the Public Records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

9. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

END OF SCHEDULE B, PART II

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CONSULTANT'S QUALIFICATIONS

PAUL D. HENDRICKS, MAI

4708 E. Scarlett, Tucson, AZ 85711

Voice & Fax (520) 325-6512

Email: PaulHendricksMAI@gmail.com

www.TucsonAzAppraisal.com

EDUCATION

Academic

Bachelor of Science in Business Administration, University of Arizona; Real Estate and Finance Major.

Valuation

Appraisal Courses and Examinations:

- Standards of Professional Practice; A, B
- Standards of Professional Practice, C
- Investment Analysis
- Highest and Best Use, and Market Analysis
- Valuation Analysis and Report Writing
- Case Studies in Real Estate Valuation
- Income Approach to Value and Capitalization
- Basic Principles, Methods 1A

Appraisal Seminars

- Appraisal Business Management
- Critical Building Inspections
- Fair Lending and the Appraiser
- Residential Real Estate Econometrics
- Commercial Appraisal; Lender Requirements

- Americans with Disabilities Act
- Due Diligence/Environmental Checklist
- Residential Appraisal Techniques
- FEMA Flood Hazard
- Arizona Appraisal Law
- Construction and Engineering Awareness
- Reviewing Appraisals
- Small Residential Income Property Appraisal
- Hazardous Materials
- Litigation Valuation
- Appraiser as Expert Witness
- Partial Interest Valuation; Undivided
- Land Valuation Assignments
- Residential & Commercial Solar Valuation
- Uniform Standards Appraisal Federal Land Acquisitions

EXPERIENCE

November 1995 - Present:

Real Estate Appraiser/Consultant, Paul Hendricks Appraisal & Counseling, Tucson, Arizona

In November 1995, Mr. Hendricks again returned to his own firm which performs appraisal and consulting assignments primarily in Arizona; he also works as an independent contractor for other appraisal firms in the Tucson area. He continues to work as an independent contractor with Hendricks, Vella, Weber & Williams, a California corporation with assignments primarily in California.

1994-November 1995:

Senior Real Estate Analyst; The Dorchester Group, Scottsdale, Arizona.

In January 1994 Mr. Hendricks joined The Dorchester Group as a Senior Analyst. He has provided consulting and valuation services on several complex real estate issues and assignments for the firm which specialized in litigation support for its operations in Arizona and California.

1986-1993:

Real Estate Appraiser/Consultant, Paul Hendricks Appraisal & Counseling; Tucson, Arizona.

During this time Mr. Hendricks performed real estate appraisals and consulting for his own firm as well as working as an independent contractor primarily for Swango Appraisal. Appraisal assignments included a wide variety of property types including industrial and retail, special use, apartment, motel, subdivision and land as well as residential properties and commercial appraisal reviews.

1979-1986:

Senior Real Estate Analyst, Swango Appraisal & Consultation; Tucson, Arizona.

Mr. Hendricks primarily performed a wide variety of appraisal assignments for residential and commercial properties.

PROPERTIES

Property experience encompasses virtually all types, including apartments, retail centers, industrial, offices, motels, special use properties and commercial appraisal reviews. Clients include private, corporate, institutional, and governmental entities.

COMPUTERS

Mr. Hendricks' experience includes development of specialized spreadsheets dealing with anticipated income streams from tenant leases, analysis of various leasehold positions and Discounted Cash Flow analyses and projections.

PROFESSIONAL AFFILIATIONS

- Member Appraisal Institute, MAI (Membership No. 7811)
- Certified General Real Estate Appraiser, State of Arizona (30197)
- President, Appraisal Institute, Tucson Chapter (1997)
- Vice President, Appraisal Institute, Tucson Chapter (1996)
- Secretary, Appraisal Institute, Tucson Chapter (1995)
- Treasurer, Appraisal Institute, Tucson Chapter (1994)
- Board of Directors, Appraisal Institute, Tucson, Arizona (1991-1993)

GEOGRAPHIC WORK/MARKET EXPERIENCE

Mr. Hendricks has completed real estate assignments and has market familiarity in Arizona, California and Nevada.

EXPERT WITNESS EXPERIENCE

Mr. Hendricks will always sign appraisal reports and be responsible for analysis of the appraisal problem, primary and secondary data research, selection and confirmation of comparable properties, inspection and all analysis as well as defense of conclusions.

Mr. Hendricks has been qualified as an expert witness in Superior Court in Arizona and has given depositions and testimony experience in bankruptcy proceedings, condemnation, and other litigation. He has performed analysis for condemnor and condemnee parties.

SPECIAL PROJECTS

In Tucson, Mr. Hendricks worked as an independent fee appraiser for the City of Tucson and Pima County in the condemnation, acquisition and negotiation of several large road projects including Country Club, Alvernon and Speedway Boulevard, Golf Links, Wetmore Road and La Cholla as well as condemnation for the acquisition of Central Arizona Project pumping station sites.

In Phoenix, Mr. Hendricks is an independent fee appraiser for the City of Phoenix with experience in appraisal of a variety of commercial property types for the Central Phoenix/East Valley Light Rail Project.

Mr. Hendricks is under contract with Arizona Department of Transportation and has experience in appraisal of a variety of commercial property types.

At The Dorchester Group, Mr. Hendricks has assisted in the analysis of the impact of the Exxon Valdez Oil Spill in Prince William Sound, Alaska on certain real estate holdings and litigation support for the U.S. Justice Department in relation to acquisition of and subsequent development of Lake Pleasant. Consulting assignments have analyzed market rental and effects in value from site contamination and soil subsidence.