

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

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COVER PAGE

APPRAISAL REPORT

**An Opinion of Market Value,
Of a 4.44 acre parcel with improvements
located at 5101 N Avra Road,
NWC Avra View Rd.
Pima County, Arizona, 85743**

Project: 5101 N. Avra Road

As Of January 30, 2017

**Owner: Pima County
Tax Parcel: 213-27-0040
Sec. 18, T13S, R11E**

Prepared For Use By

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

Appraisal Prepared By

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

Assignment Reference 20171024
Appraisal Report Completed February 7, 2017

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Letter of Transmittal

February 7, 2017

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

Re: Estimate of market value of a 4.44 acre site at 5101 N Avra Road, Pima County, Arizona.

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

Problem Identification: The purpose of the appraisal is to opine market value of the site; the intended use is for potential disposition. Effective date of the appraisal is January 30, 2017, the date of site visit.

Relevant subject characteristics: Subject parcel site size is indicated to be 4.44 acres. It is located on the northwest corner of Avra and Avra View Roads, north of Manville Road, south and west of CAP Canal. The site is indicated to be FEMA zone X but Pima County Regional Flood Control District (RFCD) 100% Sheet Flooding Area Base Flood Elevation 6". Zoning is RH, Pima Rural Homestead; it is indicated under comprehensive plan as Low Intensity Rural (LIR). The site is and has been improved with accessory structures, often not as permitted. The main building area referred to as "1152" was originally a carport and later permitted for conversion to a garage; this area has since been improved with interior walls and finishes that suggest residential use, however, it is and will not be permitted as living area. The attached garage referred to as "576" was permitted as a carport but has since been enclosed as a garage. There are other site improvements including a porch, patio, septic system and fencing.

My opinion of site market value as of January 30, 2017, is: \$64,000

Assignment Conditions: It is an extraordinary assumption that site size is as indicated by assessor's record, 4.44 acres, rather than 5.0 acres as indicated by legal description in title commitment. It is assumed that the garage structure ("576" current use) has been or could be permitted for a garage. There is presumed to be good probability of receiving an MSR so that greater than code permitted accessory structures will be permitted to remain. The use of these extraordinary assumptions may affect assignment results; please also see standard limiting conditions and assumptions contained in the appendix.

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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PREFACE & SUMMARY

APPRAISAL REFERENCE: 20171024 5101 N Avra

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, Real Property Appraisal Supervisor.

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 of the site; the intended use is for potential disposition.

INTENDED USERS: Our client, Pima County is the only intended user; however, it is understood that following review and acceptance of this report by client, this report will become public information

SUBJECT CHARACTERISTICS: The site rectangular in shape, RFCDD Sheet Flooding Area Base Flood Elevation 6". It is improved with a garage and other site improvements.

SITE SIZE: 4.44 acres

ZONING: RH, Pima County Rural Homestead

TAX CODE: 213-27-0040

INTEREST CONSIDERED: Fee Simple.

EFFECTIVE DATE OF VALUATION: **January 30, 2017; Date of Site Visit.**

DATE OF APPRAISAL REPORT: February 7, 2017

TYPE OF APPRAISAL REPORT: Appraisal Report

VALUE OPINION: \$64,000

Assignment Conditions: There are extraordinary assumptions noted in the letter of transmittal; the use of extraordinary assumptions may affect assignment results, please also see standard limiting conditions and assumptions contained in the appendix.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate market value.

INTENDED USE OF THE APPRAISAL

The opinions of value will be used by the client, Pima County, for potential disposition.

INTEREST APPRAISED

The interest appraised is the fee simple estate 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 site is known as parcels 213-27-0040; the legal description (from assessor’s record) is S2 NE4 NE4 SE4 LESS RD 4.44 AC SEC 18-13-11, G&SRB&M, Pima County, Arizona (legal description from title commitment is available in appendix)

MARKET VALUE DEFINED *

Market value, as utilized in this appraisal, from The Appraisal of Real Estate, 14th Edition, is defined as follows:

Market Value

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

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 subject property to be 6 to 12 months.

EFFECTIVE DATE OF APPRAISAL, REPORT DATE

The effective date of the appraisal is January 30, 2017, the date of site visit. The transmittal date of the report is February 5, 2017.

ANALYSIS AND IDENTIFICATION OF LARGER PARCEL

The larger parcel is that previously described after consideration of the three tests of larger parcel, common ownership, use and physical contiguity, as well as beneficial control. All surrounding properties are of different ownership.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS (SCOPE)

- The appraiser performed an appraisal process in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and Pima County appraisal contract guidelines.
- 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
- Afforded the property owner opportunity to accompany the appraiser on inspection
- Afforded Pima County representatives, opportunity to accompany the appraiser on inspection
- Performed an inspection of the property including the market area, the subject site and its relevant characteristics
- Reviewed site plat, zoning and flood zone maps indicating physical suitability of the parcel. Reviewed zoning ordinance, historical permits and market area plans applicable to the subject property.
- Included the items specified in my agreement with Pima County as listed in the Addendum of this report, as well as items required by USPAP.
- 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 (sales comparison approach) and methodology in 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 site as if vacant
- Disregarded any increase or decrease in value due to the announcement of the project (*before the acquisition*)
- Prepared an appraisal report describing my appraisal process, in conformance with the Uniform Standards of Professional Appraisal Practice and Pima County appraisal contract standards.

PROPERTY OWNERSHIP; 5 YEAR SALES HISTORY

The subject property is currently vested in Pima County, by instrument recorded May 22, 2012, in Sequence No. 20121430335. A prior deed indicates the prior owner, Dean O. Grenoble took title September 20, 1991. No marketing of the property for sale within the past 3 years is known.

OWNER CONTACT FOR INSPECTION

Ownership (Pima County) representatives contacted me with request for proposal; upon award, ownership contacts, Rita DeLeon and Jeffrey Teplitsky were contacted as requested and mutually agreeable inspection appointment was set and accomplished.

MARKET AREA (NEIGHBORHOOD) 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 a rural area of unincorporated Pima County, west of Tucson and southwest of the Town of Marana. The boundaries of the area which exert the most influence over the subject are considered to be from Ajo Way on the south to the Pinal County line on the north; the eastern boundary an irregular line from the western bank of the Santa Cruz River on the north to Sanders/Sandario Road, the western boundary of Saguaro National Park West further south, with Ajo and Sierrita Mountain Road the southwest corner with the Tohono O'Odham Nation and Ironwood Forest National Monument forming the western boundary.

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 market area. The subject property falls near the center of this area.

The proposed Intermountain West Corridor in Pima County, Future I-11 analysis may route through this area as the CAP pipeline does, this route was located to traverse undeveloped State Trust Lands and to avoid populated areas as much as possible. It avoids Ironwood National Forest, Saguaro National Park, the Tohono O'Odham Nation, and the Town of Marana. The Intermountain West Corridor in Pima County, Future I-11 analysis is used for a number of descriptions of uses in this area.

Within the above referenced Corridor analysis, which continues south of the subject described market area down to Route 86 (Ajo Highway), and connects to I-19 south of the San Xavier District of the Tohono O'Odham Nation, from this analysis, primary land use of 179 parcels potentially impacted by the proposed roadway (classified by the Pima County Assessor's Office) is vacant (66%), followed by agricultural (15%), mining (6%), roadways (4%), commercial (4%), retired farm (3%), and residential (3%). Most of the 1,348 acres of impacted vacant land is State Trust Lands (61%) followed by federal and City of Tucson (13% each), private (10%) and Pima County (2%).

Avra Valley includes a high percentage of biologically important conservation lands that are identified in the Sonoran Desert Conservation Plan (SDCP). These lands are associated with the Brawley and Black Washes and generally represent habitat that is valuable to the conservation of biological diversity based on numerous SDCP studies. The SDCP land categories include Special Species Management Areas, Biological Core Management Areas, Important Riparian Areas, Multiple-Use Management Areas and Agricultural Inholdings.

Because this route traverses Avra Valley, it is not surprising that most of the corridor (94%) impacts one or more categories of the Conservation Land System (CLS). The largest impacts are to the Multiple-Use Management Area (49%) followed by the Special Species Management Area (17%) Biological Core Management Area (17%), and Important Riparian Area (2%).

In addition to the Pima County Conservation Land System, the area contains the City of Tucson's proposed Avra Valley Habitat Conservation Plan (AVHCP) permit area. The AVHCP permit area includes 22,000 acres of former agricultural lands in Avra Valley purchased by the City in the 1970s and 1980s for water rights.

Avra Valley is characterized by many drainages and floodplains associated with the Brawley and Black Washes, which are braided and meander from State Route 86 north to the Pinal County line. The Santa Cruz River also runs northwest from Tucson and crosses Avra Valley at the county line. The west and east branches of the Brawley Wash (the west branch is nearly ¼ mile wide), Black Wash, and the Santa Cruz River are large washes with flows in excess of 10,000 cubic feet per

second. These watercourses are distributary and have high potential for lateral migration and sediment mobility.

The City of Tucson uses several large water recharge facilities in central and southern Avra Valley to store and recover Colorado River water from the Central Arizona Project. The Central Avra Valley Storage and Recovery Project (CAVSARP) is located on City-owned land near Sandario Road and Mile Wide Road. The Southern Avra Valley Storage and Recovery Project (SAVSARP) will be constructed on former agricultural land near the intersection of Sandario Road and Snyder Hill Road.

Demographic characteristics of the subject market area (Intermountain West), and the surrounding 1 mile radius (subject) are compared to county averages as follows:

Variables	5101 N Avra Rd (1 mi)	Intermountain West MA	Pima County
2016 Total Population (Esri)	364	28,047	1,023,093
2016 Population Density (Pop per Square Mile) (Esri)	157.5	120.4	111.4
2016-2021 Population: Annual Growth Rate (Esri)	1.02%	0.22%	0.66%
2016 Total Households (Esri)	129	10,176	401,624
2016 Average Household Size (Esri)	2.81	2.7	2.48
2016 Median Household Income (Esri)	\$54,299	\$47,861	\$46,092
2016 Average Household Income (Esri)	\$69,251	\$59,095	\$65,197
2016 Per Capita Income (Esri)	\$25,389	\$21,968	\$26,060
2016 Median Home Value (Esri)	\$143,182	\$120,644	\$192,831
2016 Owner Occupied Housing Units (Esri)	98	8,288	242,491
Percent Owner Occupied	65.33%	71.64%	52.90%
2016 Vacant Housing Units (Esri)	21	1,393	56,730
Percent Vacant Housing Units	14.00%	12.04%	12.38%
2016 Total Housing Units (Esri)	150	11,569	458,354

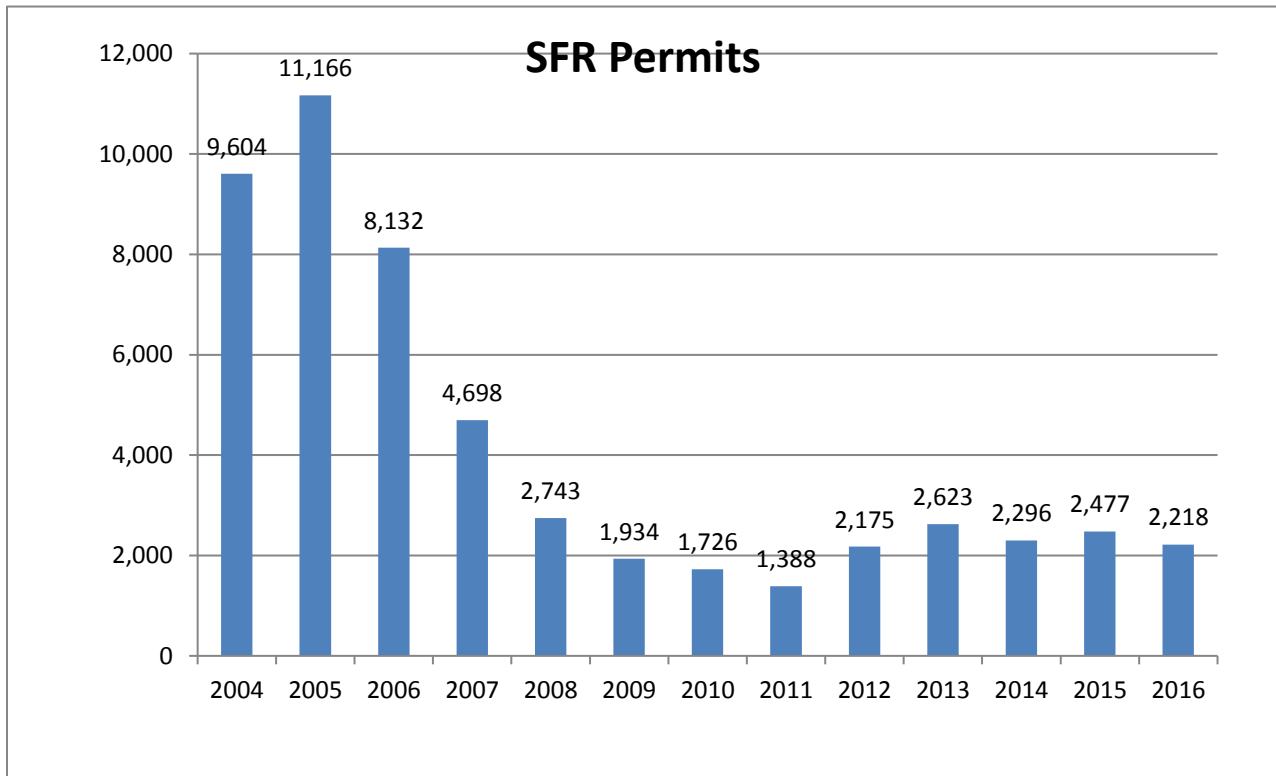
The surrounding market area indicates significantly less anticipated growth potential as compared to the county, likely due to lower density zoning and physical restrictions due to flood zone etc., however the 1 mile surrounding subject radius is anticipated to grow at double the metro area average. Median household income is moderately greater than county averages, however, median home values in the surrounding radius and market area are significantly below county averages. The surrounding 1 mile radius demonstrates greater per capita and median household income and median home values than the surrounding Intermountain market area averages.

The market area is served police and fire protection by Pima County Sheriff department and Avra Valley Fire District. Utilities are provided including electricity by Trico Electric Power, much of the area is outside of a water service provider and relies on well water, wastewater is not available in much of the area. The subject market area lies within the boundaries of Marana Unified School District. Public Transportation is not available in the market area.

The Tucson Metro Area, as well as Arizona and the Nation are believed to be coming out of a significant recession. The National Bureau of Economic Research has (September 2010) determined that the recession officially started in December 2007 and ended in June 2009. The panel, however, made it clear that it knows the economy has not been favorable and that it has not been operating normally since then. With each real estate market and market area being affected differently the Tucson Metro Area residential market was analyzed.

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 surpassed the previous year, indicating a turn around, however, the trend again slowed; 2016 continues to show moderate improvement over the worst of the great recession through well below a 5,000 permit long term sustainable level benchmark and well below prior highs. Over this time period home values decreased drastically but again have turned around with relatively strong increases in 2012 and 2013 with recent appreciation in more moderate levels.

Conclusion: The subject market area is a western rural unincorporated area of Pima County between Saguaro National Park West and the Ironwood Forest National Monument. There is lower density development due to rural zoning and natural features including flood zone and riparian areas in relation to a number of significant washes, most notably the Brawley and Black Washes as well as the Santa Cruz. While median household income is on par with the surrounding metro area, median housing values are significantly lower. There is anticipated to be low growth in population in the market area for the foreseeable future again due particularly to physical characteristics of the land.

SITE DESCRIPTION

Location:	The subject site is on the northwest corner of Avra Road and Avra View Road, north of Manville Road and west of Sandario Road.
Site Size:	4.44 acres per assessor's record. The legal description in the title commitment does not net out Avra Road, which appears to have been done and thus the assessor's indication of site size rather than 5.0 acres as indicated by title commitment legal description.
Access:	Average to good for the area, Manville and Avra Roads are paved.
View:	Average; the site is adjacent to open space in US owned land for CAP canal to the east.
Shape:	Rectangular
Topography:	The site is relatively flat at around 2,146-2,150'; rising to the east.
Flood Hazard:	According to the FEMA Digital Flood Insurance Rate Map, panel 04019C1620L, the site is Flood Zone X (not flood); however, per Pima County Floodplain Management (RFCD), the site is in a special study 6" sheet-flow area which would require that any habitable structures be elevated 18" (1' above flood elevation).
Washes:	There site is approximately 620' northeast of the Brawley Wash; there is a minor wash in Avra Road northeast of the site northeast corner.
CLS:	The subject and surrounding area is Multiple Use Management Area (MUMA) requiring set aside at least 66.67% of site as undisturbed natural open space (if rezoned).
Easements:	There are is an easements indicated on the assessor's plat map on the subject southern boundary, for Avra View Road; the plat does not indicate dimensions of the easement and a more descriptive document for this easement was not found in the title commitment. See title report exceptions in the appendix.
Hazardous Materials/ Contamination:	No environmental assessment was available. No indications of hazardous materials were noted on inspection; however, the appraiser is not an expert in hazardous material contamination. This appraisal assumes that the subject is free of hazardous material contamination.
Utilities:	Utilities are generally available in the area from the following sources: Water: Well Sewer: Septic (presumed to be permitted) Electricity: Trico Electric Natural Gas: Propane (none currently on site) Telephone: CenturyLink Public Safety: Pima County Sheriff; Avra Valley Fire Taxation District The subject has water from a well-share with adjacent-southwest property owner and one other party.
Surrounding Land Uses:	Residential to the north, south and west (undeveloped site south) and US land (CAP) canal to the east.

- Zoning: Zoning on the subject site is RH, Rural Homestead. This zone is intended to preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area.
- Development Standards-General: minimum site area of 180,000sf, 34' building height, 50' front, 20' side and 50' rear setbacks, minimum distance between buildings-20'. Permitted coverage of accessory buildings and accessory structures: A. Permitted coverage: Fifteen hundred square feet, or seventy percent of the area of the largest main building on the site, whichever is greater. Min distance from property line-50', side and rear property lines-20'
- Comprehensive Plan: LIR (Low Intensity Rural), maximum residential gross density 0.3 RAC
- Site Analysis Conclusion: The subject site is in a special study 6" sheet-flow area which would require that any habitable structures be elevated 18" and zoned low for low density residential use with minimum site size per unit of 180,000 (4.13 acres). It has a CLS MUMA designation requiring 66.67% undisturbed natural open space but enforcement of this only comes into place if requesting a rezoning. It appears that the site has utilities necessary for development (as indicated above).

IMPROVEMENT ANALYSIS

Current Use:	Residential Related, vacant. The assessor's property record card indicates that there was previously a 8x30 mobile home on the site.
Building Size:	There is an approximate 1,730sf building. The building appears to be a 588sf garage (south end) attached to a 1,142 sf building (including 14sf attached water shed) that appears to have been nearly completed for residential use.
Functional Utility:	<p>Though the approximate 1,142sf building appears to have been nearing completion for a residential use it is not so permitted; it was permitted 10/17/91 as a 1,152sf detached garage (this area hereinafter referred to as "1152"); residential use is/will not be permitted. The southern 588sf structure now enclosed as a garage was permitted in 2002 as a 576sf carport (this area hereinafter referred to as "576").</p> <p>The structure would not be permitted as a residence due to RFCF flood status requiring structures to be elevated 18". Considered as accessory buildings/structures, zoning permits coverage of 1,500sf or 70% of the largest main building (residence) on site, whichever greater. The covered porch (585sf) is also considered accessory structure indicating a total accessory structure size of approximately 2,315sf. Given maximum coverage of 70% the indicated habitable structure necessary to make these accessory structures permissible, would be approximately 3,307sf (2,315/.70). However, it may be permissible to obtain a modification (MSR) which would permit them to continue (violations would only come to the attention of Pima County if there were a complaint filed).</p> <p>It is presumed that the 1,142sf building would be permitted to continue as it was permitted (as a garage), however, though finished to residential design, would not be permitted for residential use. The current finishes (below) are a super-adequacy functionally, not economically feasible for a garage (or storage) use.</p>
Utilities:	Electric, water (well-share) and septic.
Building Layout:	The building is located approximately center in the site north to south, in the western portion of the site further from Avra Road.
Foundation:	Concrete.
Exterior Walls:	Painted wood frame.
Roof:	Asphalt rolled roofing, "1152" sf building rolled white material
Floor Covering:	Concrete in "576"sf (now garage) and ceramic tile in "1152"sf building.
Ceilings and Walls:	Furred not insulated in "576"sf (now garage), drywall in "1152"sf building area.
Doors and Windows:	Double garage door, one with electric opener; fire door exterior and hollow core interior doors; dual pane aluminum.
Restrooms:	Full bath in "1152"sf area and utility room
Heating and Cooling:	Evaporative cooler, no heat, however there is a chimney from apparent planned fireplace or wood stove.

Electrical: Assumed adequate electrical system.
Sprinklering: None
Parking: Two space "576"sf now garage; the permitted garage ("1152") does not currently have openings to permit vehicle access.
Site Coverage: 1.2%
Quality of Improvements: Average to fair.
Other Improvements: There is a 585sf covered porch and 252sf open patio. The site is perimeter fenced (range fence) with metal gates front and side.
Physical Condition: Average to fair. Though improvements, particularly in the "1152" area appear to be new, improvements such as light fixtures, trims around tubs and skylights have not been finished.
Building Age: Improvements are indicated by assessor's record to have been constructed in 1992 for "1152" 576sf concrete slab (now garage) and front concrete slab (now porch and patio). However, improvements to/in the "1152" and "576" building areas were changed and completed later.
Economic Life: Typically approximately 25-30 years.
Effective Age: Approximately 10-15 years.
Remaining Economic Life: Approximately 15-20 years; however, given consistent future maintenance and renovation, remaining economic life could be extended.

Real Estate Tax Analysis

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

Tax Parcel	213-27-0040
2017 FCV Land	\$22,200
2017 FCV Impr	\$36,073
2016 Tax	\$581.45

There are delinquent taxes including three tax liens, one having matured, which, along with first half 2016, total \$7,188.41 (through 2/28/17). There are indicated to be no special assessments.

HIGHEST AND BEST USE

Highest and best use is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 6th Edition, as:

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:

Zoning on the subject site is RH, Rural Homestead. This zone is intended to preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area; code requirements include a minimum lot size of 180,000sf with maximum building height of 34', 50' front, 50' rear and 20' side yard setbacks. It is designated LIR (Low Intensity Rural) under the comprehensive plan, the objective: To designate areas for residential uses at densities consistent with rural and resource-based characteristics. Residential Gross Density: Residential gross density shall conform to the following: 1) Minimum – none 2) Maximum – 0.3 RAC.

Physically Possible: The subject site is indicated by assessor's record to be 4.44 acres. According to FEMA the site is Zone X however RFCD indicates the site is in a special study 6" sheet-flow area which would require that any habitable structures be elevated 18" (1' above flood elevation). Electricity is available and there is water by well-share.

Financially Feasible: The financial feasibility of the subject site is market derived. As mentioned, the local area appears to be coming out of the recession and home values again appear to be increasing moderately.

The subject site is significantly restricted by flood zone.

Maximum Profitability: In consideration of zoning and RFCD flood zone status highest and best use is considered to be residential development; in consideration of the need to elevate the habitable structure elevation and neighborhood demographic characteristics, mobile home development is likely maximally productive.

Highest and Best Use As Improved

The highest and best use of a property as improved pertains to the use of a property that should be made in light of its existing improvements. Depending on the condition of existing improvements, surrounding land use patterns, and local market characteristics, a number of alternative uses or alterations may be financially feasible. Alternatives include demolition of the improvements and redevelopment of the site, conversion to an alternative use, expansion or reduction of a building area, renovation or modernization, and continued use as is.

Legally Permissible Uses:

The RH, Rural Homestead zone is intended to preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area.

Physically Possible Uses:

The subject property is improved with an accessory building and other improvements. Though the approximate 1,142sf building appears to have been nearing completion for a residential use it is not so permitted; it was permitted 10/17/91 as a 1,152sf detached garage; residential use is/will not be permitted. The southern 576sf structure now enclosed as a garage was permitted in 2002 as a 576sf carport. The structure would not be permitted as a residence due to RFCD flood status requiring structures to be elevated 18”.

Financially feasible uses considered below include demolition, expansion or reduction, renovation or modernization or continued use as is.

Financially Feasible Uses:

Demolition: Considered as accessory buildings/structures, zoning permits accessory structures of 1,500sf or 70% of the largest main building (residence) on site, whichever greater. The covered porch (585sf) is also considered accessory structure indicating a total accessory structure size of approximately 2,315sf. Given maximum coverage of 70% the indicated habitable structure necessary to make these accessory structures permissible, would be approximately 3,307sf (2,315/.70). However, violations would only come to the attention of Pima County if there were a complaint filed, and from discussions with Pima County Planner, Miguel Velez, there is considered to be good probability of obtaining a modification (MSR) which would permit them to continue.

The building is in average to fair condition overall with significant remaining economic life. The property with the building is considered to exceed the value of the site as if vacant plus demolition, thus demolition is not the highest and best use as improved.

Expansion or Reductions: The current accessory buildings more than maximize development potential for accessory structures on the site, however, the accessory buildings, by definition require a main (residential) improvement, thus development of a residence on the site would maximize value and bring existing improvements into compliance with zoning.

Renovation or Modernization: As mentioned, the existing accessory building is considered to be in average to fair condition. While interior finishes in the “1152” area are a superadequacy, there is no need to remove them. Finishing trim areas and light fixtures, repairing the roof on the “576”sf area and sanding and painting of miscellaneous exterior wall areas would be feasible.

Conclusion: Highest and best use as improved is considered to be to add a residence, likely mobile or manufactured home that is designed to be above minimum base flood elevation requirement.

VALUATION METHODOLOGY

The valuation methodology, or appraisal process, is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed, and interpreted into an opinion of value.

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. Incomes are reduced by expenses to the owner and net income is capitalized by either direct capitalization, yield capitalization, or both. The income approaches is not typically employed in the analysis of single family residential property as they are typically developed/purchased for owner occupancy rather than income earning potential.

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 typically most reasonable for residentially improved property, provided there are sufficient sales of similarly improved properties. In this case, the main residential component, the residence, is absent; accessory structures remain. A search of the market revealed a number of sales of similar sites but an insufficient number of sales with similar size and range of accessory structures, thus while noted following, the sales comparison approach as improved is only marginally considered in support or test of reasonableness of the value opined by cost 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. Such is the case in the subject as the improvements, accessory structures absent the main residential component, results in inadequate market sales of similarly improved properties.

COST APPROACH

The cost approach is based on the premise that an informed purchaser will pay no more for a property than the cost of replacing a substitute property with equal utility. The cost approach is most useful for appraising new properties not yet affected by the various forms of depreciation and for special-purpose properties such as churches and libraries that have limited comparable market sales.

Comparable sales are utilized to indicate a market value of the site as if vacant. Actual costs as reported by applicable utility companies will guide our cost estimate of these features/conditions. Accrued depreciation, if any, is deducted from the cost of the site improvements, and the land value is added.

SITE VALUATION

The following comparable sales are chosen in the estimate of site value for the above referenced site. They were selected after a thorough search of the market; services used included affidavits and public records, brokers, appraisers, and others because they represent the best (i.e. most similar) comparables available within a reasonable degree of similarity to the property appraised.

Properties are never identical with respect to all major items which affect value, so the price of each of the comparable properties is adjusted, on a price per unit basis, for points of significant difference with respect to the property appraised in the order noted. The prices are adjusted, if need be, for (in sequence):

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 prices are then adjusted for differences in location, physical characteristics (including use or zoning), economic characteristics, and any non-realty components of value.

Adjustments are made on an overall homesite basis which is considered most reasonable for sites such as the subject.

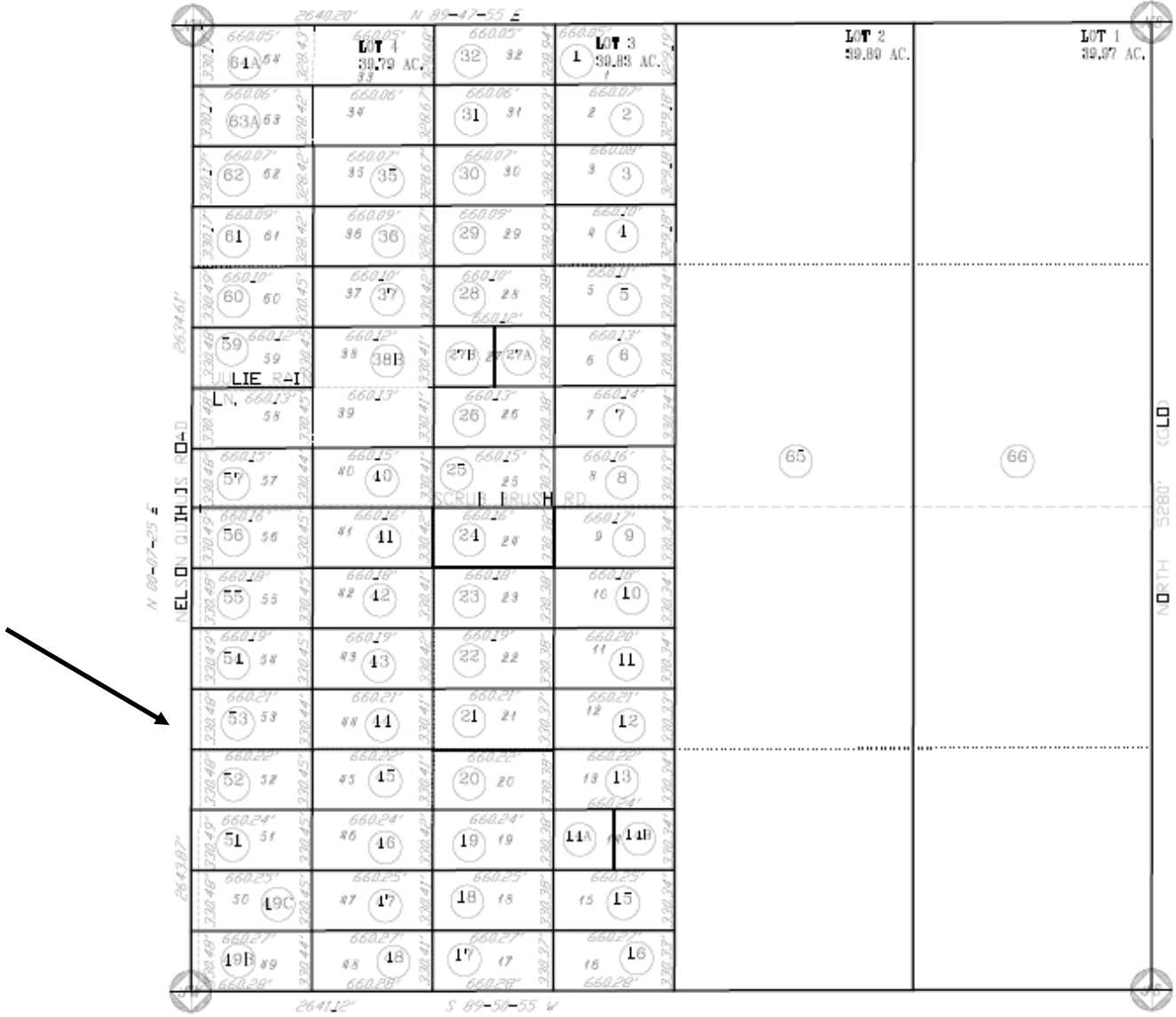
The following sales are considered to be most significant to the valuation of the subject site, after thorough search of market sales comparables.

Site Comparable 1

LOCATION: 6580 N Nelson Quihuis Rd., Pima County, Arizona
LEGAL DESCRIPTION: Avra Valley No 4 parcel 53 R/S 3731/130 AKA S2 SW4 NW4 SW4 SEC 1-13-10, G&SRB&M, Pima County, Arizona
TAX CODE NUMBER: 208-40-053
RECORDS: 12/31/2016 recording number not yet available
SELLER: Arizona Adobe Marble LLC
BUYER: Not Available
SALE PRICE: \$8,500 (Asking price \$10,000, 70 DOM)
TERMS: Cash
SITE SIZE: 5.0 acres.
PRICE PER AC: \$1,700
ZONING: RH, Pima County Rural Homestead.
COMMENTS: Accessible by Scrub Brush, dirt road 2 miles e/o Anway. Per FEMA AO-1; 11.66% RFCD Brawly Wash Floodplain Flow Corridor.
CONFIRMED WITH: MLS 21626784, Angela Murphy, listing agent, 425-7214, pdh 20171024

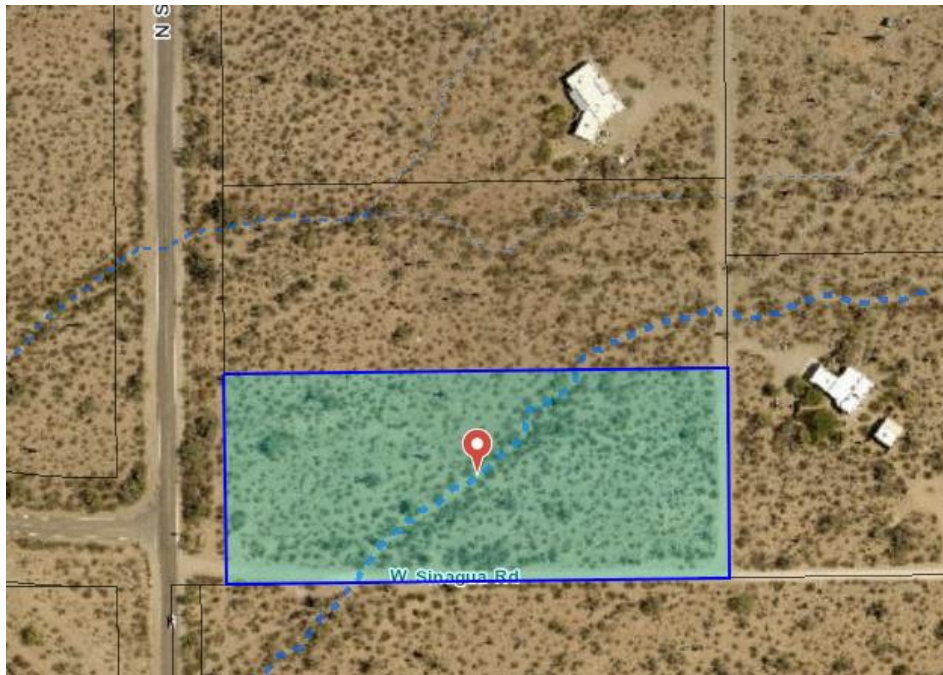


SECTION 01, TOWNSHIP 13 SOUTH, RANGE 10 EAST



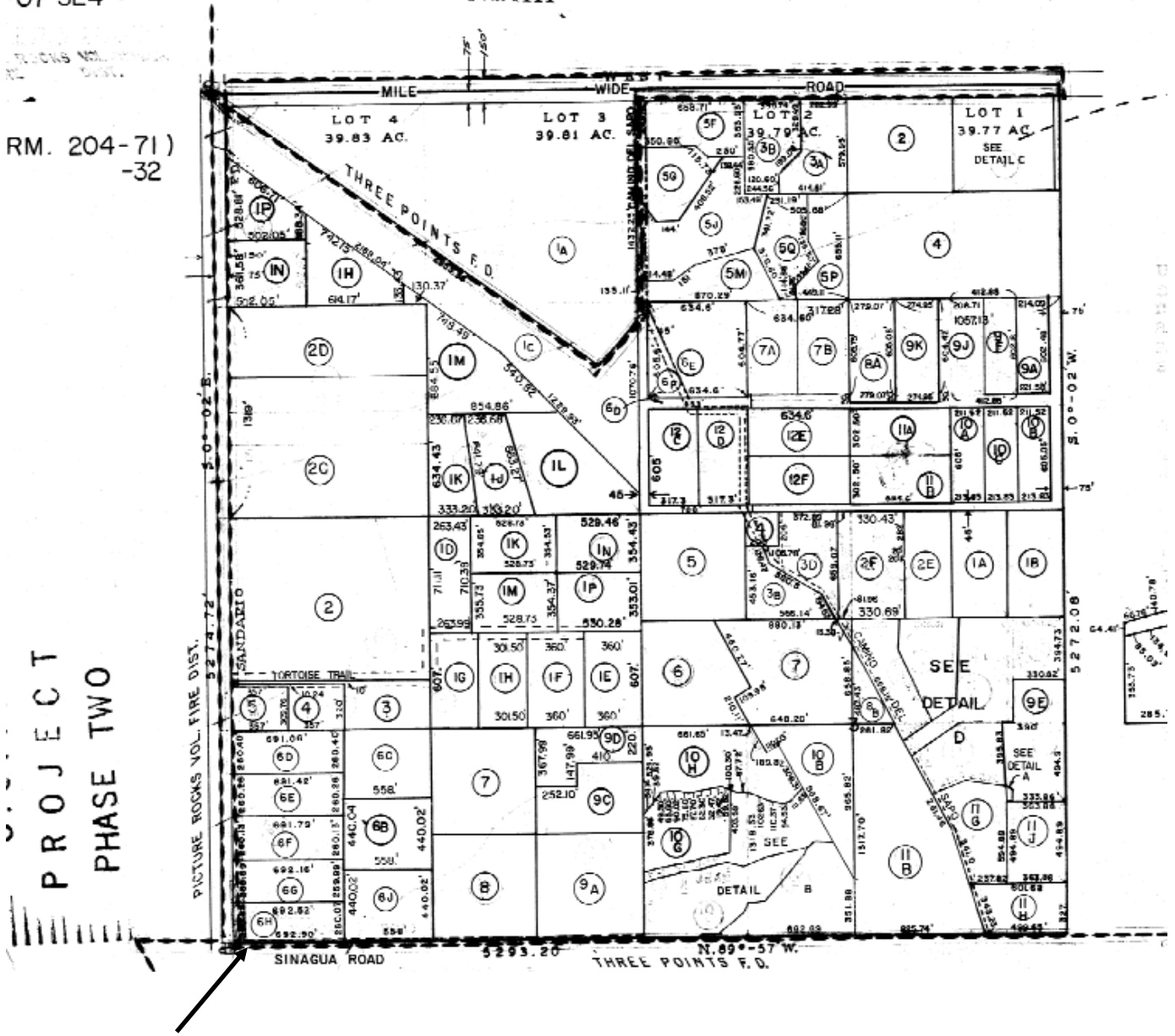
Site Comparable 2

LOCATION: 11700 W Sinagua Rd., Pima County, Arizona
LEGAL DESCRIPTION: S280.89' E692.90' W767.90' SW4 SW4 SW4 4.46 AC SEC 3-14-11, G&SRB&M, Pima County, Arizona
TAX CODE NUMBER: 211-06-006H
RECORDS: 12/07/2015 20153410304
SELLER: Morrison Svendenson Trust
BUYER: Nick Sherwood
SALE PRICE: \$32,450
TERMS: Cash
SITE SIZE: 4.46 acres.
PRICE PER AC: \$3,278
ZONING: RH, Pima County Rural Homestead.
COMMENTS: The site is at the northeast corner of Sandario Road. Per FEMA zone X, however RFCD 6" sheetflow flood; there is a small wash crossing through the center of the site with, not significantly reducing development utility and adding above average appeal due to moderate riparian area. Utilities available to site boundary. US Federal land to the south, Bureau of Reclamation Wildlife Mitigation Corridor and CAP.
CONFIRMED WITH: MLS 21515711, Rebecca Patsch, listing agent, 349-7322, pdh 20171024



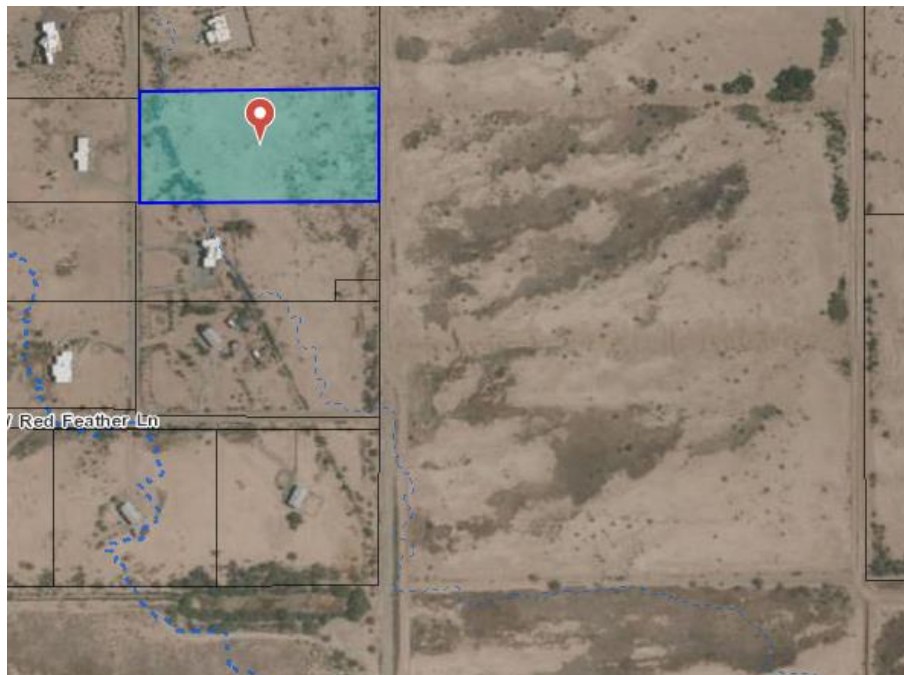
SECTION 3 TOWNSHIP 14 SOUTH RANGE 11 EAST

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-32

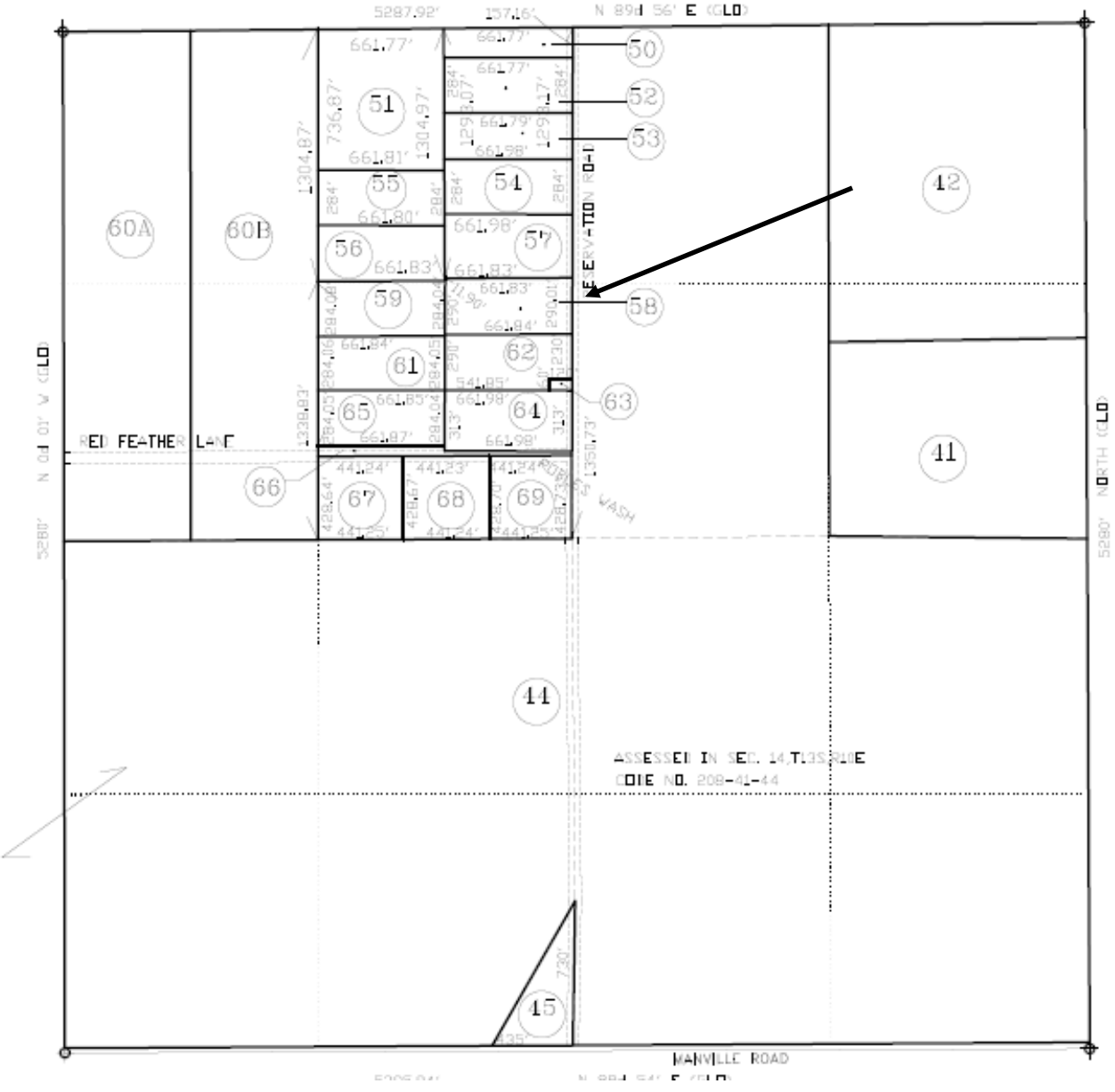


Site Comparable 3

LOCATION: 5382 N Lone Owl Trl., Pima County, Arizona
LEGAL DESCRIPTION: S290.01' N1583.18' E661.84' E2 NW4 4.41 AC SEC 13-13-10, G&SRB&M, Pima County, Arizona
TAX CODE NUMBER: 208-41-058
RECORDS: 10/23/2015 20152950099
SELLER: Maurici Gaetano
BUYER: Gregory & Rebecca Springer
SALE PRICE: \$14,500
TERMS: Cash
SITE SIZE: 4.41 acres.
PRICE PER AC: \$3,288
ZONING: RH, Pima County Rural Homestead.
COMMENTS: The site is accessible via Manville to Reservation; only a small portion of Red Feather is dirt road. Per FEMA flood zone AO-1; City of Tucson land adjacent east. Electricity available to the site and well share agreement.
CONFIRMED WITH: MLS 21433995, John Davis, listing agent, 327-8709, pdh 20171024



SECTION 13, TOWNSHIP 13 SOUTH, RANGE 10 EAST

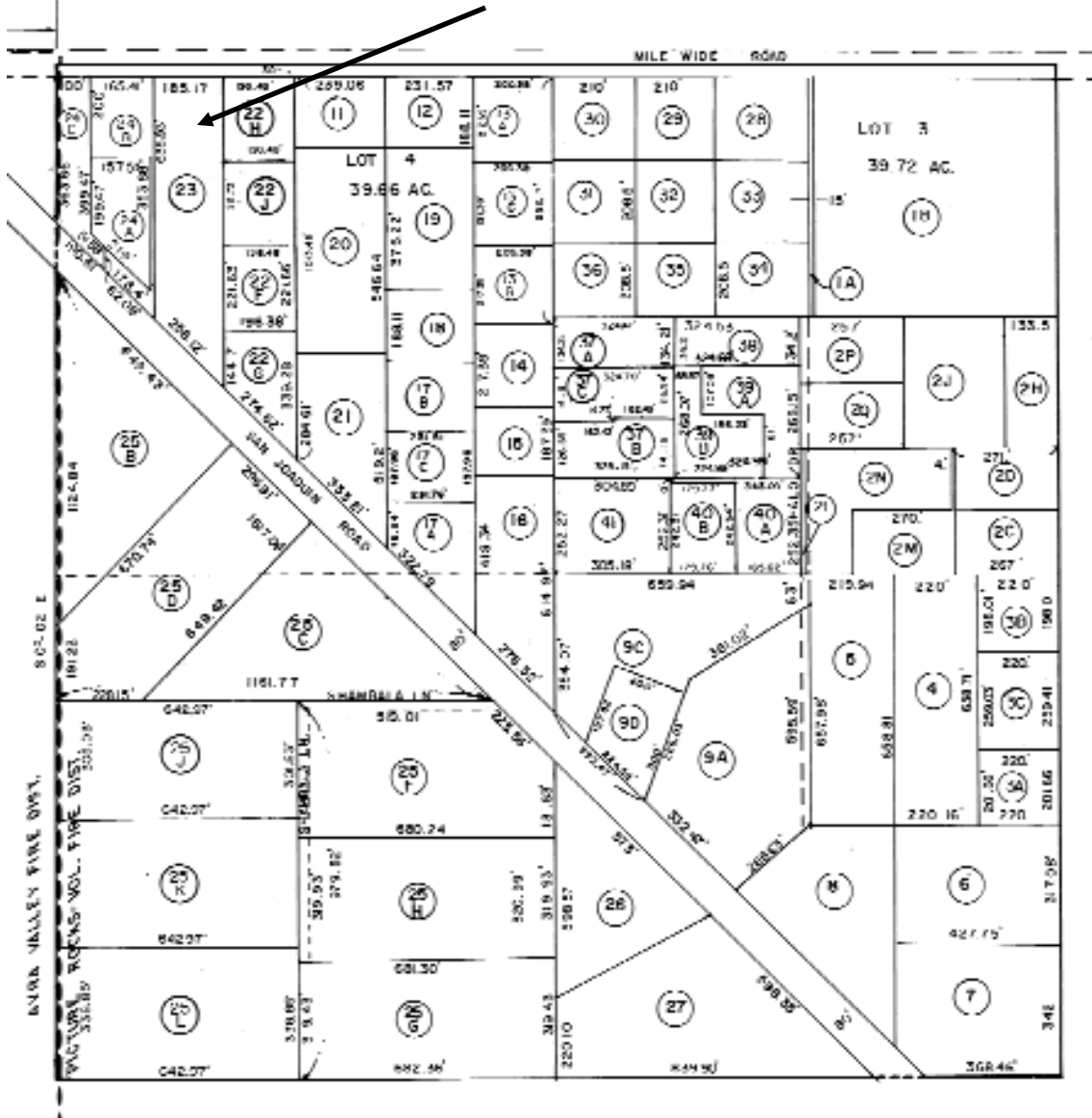


Site Comparable 4

LOCATION: 12555 W Mile Wide Rd, Pima County, Arizona
LEGAL DESCRIPTION: E185.17' W450.5' LOT 4 LYG N San Joaquin Rd EXC Mile Wide Rd 3.10 AC SEC 4-14-11 , G&SRB&M, Pima County, Arizona
TAX CODE NUMBER: 211-09-023
RECORDS: 6/12/2015 2051620276
SELLER: Slow Buck LLC
BUYER: Albright, Lytle & Amanda
PRICE: \$30,000 (\$38,900 Asking Price, 520 DOM)
TERMS: Cash
SITE SIZE: 3.1 acres.
PRICE PER AC: \$9,677
ZONING: GR-1, Pima County General Rural
COMMENTS: The site has frontage on two paved roads. Per FEMA 014019C2240L the site is zone X; however, RFCD 6" sheetflow flooding. Electricity and water are reportedly at lot line.
CONFIRMED WITH: MLS 21334017, Jeremy Schutt, listing and selling agent, 591-0027, would not return call by writing of report, pdh 20171024

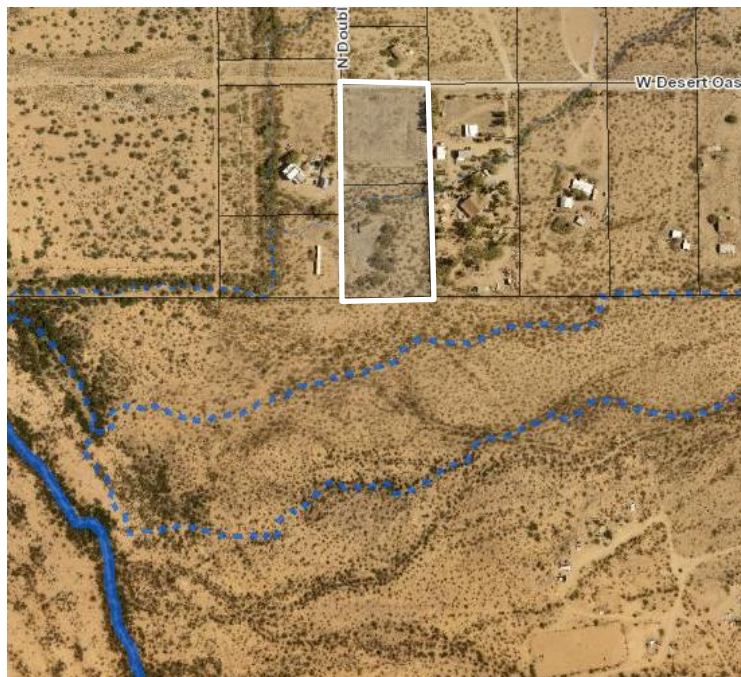


SECTION 4, TOWNSHIP 14 SOUTH, RANGE 11 EAST DETAIL 2, NORTHWEST 1/4

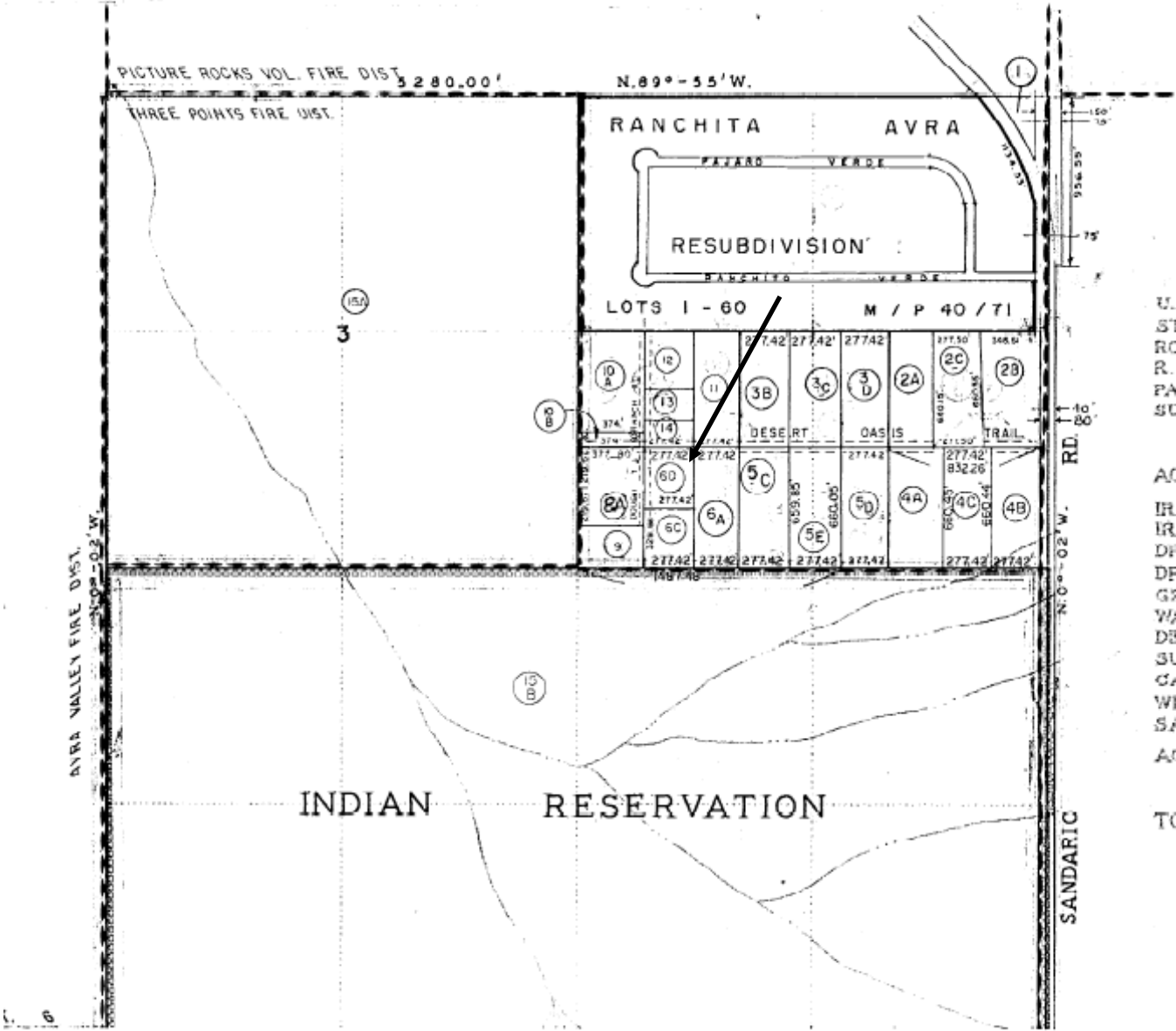


Site Comparable 5

LOCATION: 12121 W Desert Oasis Trl, Pima County, Arizona
LEGAL DESCRIPTION: E277.42' W655.22' S2 SW4 NE4 SEC 9-14-11, G&SRB&M, Pima County, Arizona
TAX CODE NUMBER: 211-17-006C, 006D
RECORDS: 3/20/2015 2050790112
SELLER: Thomas Tucker
BUYER: Adam & Heidi Ramsey
PRICE: \$26,900 (\$26,900 Asking Price, 373 DOM)
TERMS: Cash
SITE SIZE: 4.2 acres.
PRICE PER AC: \$6,405
ZONING: RH, Pima County Rural Homestead
COMMENTS: The site accessed via good dirt road approx. .37mi w/o Sandario Road. Per FEMA 95% zone X; however, RFC6 6" sheetflow flooding; there is a small wash crossing through the center of the site with, not significantly reducing development utility and adding above average appeal due to moderate riparian area. Electricity and water are reportedly at lot line. The site was improved with partial fencing and a small garage (est 330sf); a portion of the south lot had been excavated for pond. Tohono O Ohdam Nation open space adjacent south.
CONFIRMED WITH: MLS 214904467, Pam Browning, listing agent, 225-8780, pdh 20171024



SECTION 9, TOWNSHIP 14 SOUTH, RANGE 11 EAST



SITE SALES COMPOSITE MAP



Site Value Analysis

Five sales have been selected for the subject value analysis. The comparables were selected due to their being relatively recent sales of similar size and flood zone characteristics.

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.

All the sales were full fee simple transfers and no adjustments were required for interest transferred.

Financing: The sales involved cash to seller financing, no adjustment is required.

Conditions of Sale: Adjustments are sometimes necessary for special conditions related to a sale, particularly when these adjustments may be quantifiable; each of the comparables is reported to have had typical sale motivation, no adjustments are necessary.

Market Condition: The comparable sales occurred from March 2015 through December 2016, the market appears to have been stable over this time period, no adjustment is considered necessary.

Location: The subject property is considered to be in an average location as it is relatively distant from services and employment centers. The comparables are similar and in close proximity, no adjustment is necessary.

Site Size: On an overall homesite basis larger parcels typically sell for more all else equal, conversely, smaller parcels sell for less. Comparables 2, 3 and 5 are similar to the subject, not requiring adjustment. Sale 1 is adjusted moderately downward and sale 4 upward for larger and smaller size respectively.

Zoning/Use: The subject and comparable sales are zoned rural residential which is typical in the surrounding area; no adjustment is necessary.

Improvements: The subject is considered as and comparables were typically unimproved, not requiring adjustment. Sale 5 is adjusted downward for improvements on the site.

Site utility/utilities: The comparables are generally similar to the subject in flood zone restriction and the availability of utilities necessary for development of a residence, no adjustments are considered necessary.

Access/View: The subject is considered to have average to good access due to being accessible via paved roads; view is considered to be average. Sales 1 and 3 are considered to be inferior due to access via dirt roads and are adjusted upward depending on distance from paved access, quality of roads etc. Comparables 2 and 5 are considered to be similar to the subject in access and adjacent open space but are considered to be superior (view) due to minor washes that did not significantly restrict development utility but enhanced appeal due to riparian area surrounding the wash.

Site Value Conclusion

The range of unadjusted and adjusted sales is relatively wide with a variance (difference between high and low prices) range of \$23,950 unadjusted and \$22,375 adjusted; the wide range is considered to be due to the site somewhat unique nature due to flood zone characteristics, distance between properties and apparent lack of market participant knowledge of other prices of sales/listings in the surrounding area. The subject is considered to be bracketed by the comparable sales; comparables 1, 3 and 4 with net upward physical adjustment and sales 2 and 5 with net downward adjustment. Less emphasis is placed on sales 1 and 4 which require greater adjustment; a subject value, excluding accessory structures and other improvements, at \$22,500, approximately \$5,068 per acre, is considered reasonable.

Greater detail concerning the comparable sales 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	Comp 5
Location	5101 N Avra	6580 N Nelso Quihuis	11700 W Sinagua Rd	5382 N Lone Owl Trl	12555 W Mile Wide	12121 W Desert Oasis Trl
Tax ID Number	213-27-004	208-40-053	211-06-006h	208-41-058	211-09-023	211-17-006c
Sales Data						
Date of Sale	N/A	Dec-16	Dec-15	Oct-15	Jun-15	Mar-15
Sale (Listing) Price	N/A	\$8,500	\$32,450	\$14,500	\$30,000	\$26,900
Site Size (Ac)	4.44	5.00	4.45	4.41	3.10	4.20
Price per AC	N/A	\$1,700	\$7,292	\$3,288	\$9,677	\$6,405
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	N/A	\$8,500	\$32,450	\$14,500	\$30,000	\$26,900
Conditions of Sale	Average	Average	Average	Average	Average	Average
Condition Adjustment	0%	0%	0%	0%	0%	0%
Market Condition (Time)	N/A	Dec-16	Dec-15	Oct-15	Jun-15	Mar-15
Market Conditions Adj.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price	N/A	\$8,500	\$32,450	\$14,500	\$30,000	\$26,900
Adjusted price per AC	N/A	\$1,700	\$7,292	\$3,288	\$9,677	\$6,405
Physical Characteristics						
Location	Average	Similar	Similar	Similar	Similar	Similar
Size; (ac)	4.44	5.00	4.45	4.41	3.10	4.20
Zoning	RH	RH	RH	RH	GR-1	RH
Improvements	None	None	None	None	None	Garage +
Flood / Wash	RFCD 6"	AO-1	RFCD 6"	AO-1	RFCD 6"	RFCD 6"
Site Utility/Utilities	Average	Similar	Similar	Similar	Similar	Similar
Access/View	Avg/Good	Inferior	Superior	Inferior	Similar	Superior
Adjustments						
Location	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	-5.0%	0.0%	0.0%	10.0%	0.0%
Zoning/Use	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	-12.5%
Site Utility/Utilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Access/Visibility	0.0%	30.0%	-10.0%	5.0%	0.0%	-10.0%
Net Physical Adjustments						
Net Physical Adjustments	Same	Upward	Downward	Upward	Upward	Downward
Net Adjustment (Overall)	0.0%	25.0%	-10.0%	5.0%	10.0%	-22.5%
Adjusted Comp Price	N/A	\$10,625	\$29,205	\$15,225	\$33,000	\$20,848
Adjusted Comp Price/sf	N/A	\$2,295	\$6,563	\$3,452	\$8,710	\$4,964
Subject Value Opinion	\$22,500					
Subject Value (\$/AC)	\$5,068					

Replacement Cost Estimate:

The following replacement cost estimate is made from analysis of the Marshal Valuation national cost handbook as well as local construction cost bids, my files etc.

Cost Approach	SF Size	Eff Age.	Use. Life		
Number of Units	1				
Equipment Building	1,142	10	30		
Site Size (Ac)	4.46				
Garage	588	10	30		
Porch	585				
Patio	252				
Equipment Building					
Good Cls-D, Sec 17 p 13					
Base Cost	\$32.93				
Refinements					
HVAC	\$0.10				
Perimeter Multiplier	1.08				
Story Height Multiplier	1				
Current Cost Multiplier	1.03				
Local Cost Multiplier	0.92				
Adjusted Base	\$33.80	x	1,142	=	\$38,592.40
Equipment Building Replacement Cost					\$38,592
Garage	\$38.83	x	588	=	\$22,834
Porch	\$16.93	x	585	=	\$9,907
Patio	\$5.79	x	252	=	\$1,459
Sub Total					\$72,792
Additional Site Improvements					
Septic	\$5,000	x	1	=	\$5,000
Fencing	\$3.82	x	1,720	=	\$6,578
Site Improvements Sub Total					\$11,578
Sub Total					\$84,370
Soft Costs	7.50%				\$6,328
Entrepreneurial Profit	10.00%				\$9,070
Total Improvements					\$99,767
Less Physical Depreciation	33.33%	x	\$99,767	=	-\$33,256
Less Functional Obsolescence	25.00%	x	\$99,767	=	-\$24,942
Depreciated Improvements					\$41,570
Plus Site Value					\$22,500
total Value indicated by Cost Approach					\$64,070
	Rounded				\$64,000
	Per Acre				\$14,350
	Per sf Bldg				\$37.00

As mentioned, the above cost estimates are based primarily on Marshal Valuation service.

Physical depreciation is estimated based on economic age life ratio (effective age / typical useful life).

Functional obsolescence is also estimated at approximately 25% as the improvements are believed to represent an over-improvement of accessory buildings, excluding a main residence, risk of receiving an MSR or ability to permit all improvements to their current use if necessary, etc.

The value of site and improvements by cost approach is opined at \$64,000.

SALES COMPARISON ANALYSIS / RECONCILIATION

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.

There were inadequate sales of improved properties similar to the subject in improvements, thus a point by point comparison of the subject to comparable sales is not employed, but rather an analysis of the subject value indicated by cost approach in comparison with other sales in the market area with varying size, condition and utility of improvements.

Two sites with non-residence accessory building improvements include 12121 W Desert Oasis Trail (already analyzed as site sale 5) and 12590 W Mile Wide Road.

12121 W Desert Oasis Trail, improved with fencing, a frame garage of approximately 330sf, sold at \$26,900, \$6,405/acre, approximately \$81.52/sf of garage building; the increment in value per acre above that opined for the subject as unimproved (\$5,068/ac) is minor due to relatively minor improvements, the significantly higher value/sf improvements is significantly higher than that opined for the subject by cost approach (\$37.00) due to the significantly smaller improvements.

12590 W Mile Wide Rd. improved with two "tuff sheds", estimated at approximately 320 and 145sf with the 320sf building being finished with drywall, windows and AC, sold December 2014 on a 4.34 acre site, RFCD 6" sheet-flooding, at \$47,500, \$10,945/acre. In addition to the two sheds the site was improved with fencing including an electric gate and water. Again, the \$10,945/acre is above the subject as unimproved (\$5,068/ac) but below the cost approach opined subject value per acre (\$14,350) due to significantly smaller accessory buildings.

A comparative market analysis (CMA) searching residentially improved sales from the same approximate area that the unimproved site comparables were obtained, dated 1/1/15 to current, having 3-6 acres with residential improvements from 1,000-2,500sf, yielded a total of 7 active, 2 active contingent, and 22 closed sales (see CMA in appendix). The range in sale price per acre was \$3,407 to \$40,670 with median sale price \$23,536/acre, \$67.21/sf residential improvements. Again, though the opined subject value per acre including improvements (\$14,350) is within the range of sales, it is well below the median sale/acre of the subject; this is considered reasonable due to the comparables all being comprised and analyzed on the basis of sf of *residence* as compared to the subject *accessory structures* size.

In consideration of the subject functional obsolescence due to improvements being accessory rather than residential habitable structures, I also analyzed lower limit listings and sales in the same area and search parameters. Selected are 3 current listings and 5 sales (see CMA in appendix). The lower limits are significantly influenced by REO properties, 2 of 3 listings and 4 of 5 sales. The indicated median price per acre for the listings is \$10,980 per acre with the median price per acre of the sales at \$5,200/acre.

Again, there were insufficient market sales of properties similar to the subject in accessory structure only improvements; the above analyses indicate that the subject value opined by the cost approach is bracketed by the analysis of overall residentially improved and lower limit residentially improved properties, thus supporting reasonableness of value opined by the cost approach.

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*.

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

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.

I am competent to complete the appraisal.

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. Comparable Market Area Analyses (CMAs)
3. Subject Exhibits and Photos
4. Title Report (select portions)
5. Pima County Appraisal Contract Specifications
6. 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 included 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 held 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 and/or Analysis Herein By Appraiser Estimate

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. Pygmy Owl Habitat

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 Summary 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 ---

CMA's

Property type Residential; Inside 2.00 mi. radius search; Inside the map search Polygon; Status of 'Active', 'Closed', 'Pending', 'Active CAPA', 'Active Contingent'; Combined SqFt between 1000 and 2500; Property Sub-Type of 'Manufactured Single Family Residence', 'Mobile Home'; Lot Acres between 3 and 6; Pending Date between '02/2/2016' and '02/2/2027'; Sold Date between '01/01/2015' and '02/2/2027'.

ACTIVE Properties

MLS #	Type	Address	BR	Bath	STO	PL	CP	GR	A/C	FP	FENC	ACRES	YRBT	OCC	K	Subdivision	L-PRICE	GH	SQFT	\$/SQFT
21630912	MSFR	15131 W Scrub Brush Road	5	2(1 0 0)	1	No	0	0	Wall	0	WIRE	5.00	1984	V	Y	Unsubdivided	\$39,900 N	1,416	28.18	
21632641	MSFR	12852 W Fort Lowell Road	3	2(1 1 0 0)	1	No	0	0	Cent	1	OTH	5.00	1998	V	Y	Unsubdivided	\$64,900 N	1,344	40.85	
21701425	MSFR	16270 W Snakeweed Road	2	2(2 0 0 0)	1	No	0	0	None	0	CHNL	5.03	1979	V	Y	N/A	\$79,000 N	1,232	64.12	
21703150	MSFR	15370 W Scrub Brush Road	3	2(2 0 0 0)	1	No	0	0	Cent	0	NONE	5.00	2000	V	Y	Other/Unknown	\$89,000 N	1,848	53.57	
21702011	MSFR	6680 N Shadows Desert Lane	3	2(2 0 0 0)	1	No	0	0	Cent	0	NONE	5.00	1999	C	Y	Unsubdivided	\$105,000 N	1,706	61.55	
21631126	MSFR	7785 N Avra Road	3	2(1 1 0 0)	1	No	0	2.5	Cent	1	NONE	5.00	2006	C	Y	Unsubdivided	\$199,000 N	2,048	97.17	
21700687	MSFR	6550 N Gemstone Road	3	2(2 0 0 0)	1	No	2	0	Cent	0	CMBO	4.00	1998	O	Y	N/A	\$200,000 N	1,680	119.05	
Total Listings: 7																	Med \$/sqft:	81.55		
																	Avg \$/sqft:	88.38		
																	Avg DOM:	35		

ACTIVE CONTINGENT Properties

MLS #	Type	Address	BR	Bath	STO	PL	CP	GR	A/C	FP	FENC	ACRES	YRBT	OCC	K	Subdivision	L-PRICE	GH	SQFT	\$/SQFT
21622407	MSFR	1205 N San Joaquin Road	4	2(2 0 0 0)	1	No	0	2	Cent	1	NONE	4.30	1995	V	Y	Unsubdivided	\$172,900 N	2,128	81.25	
21618393	MSFR	5820 N Chaparral Road	3	2(2 0 0 0)	1	Yes	4	0	Cent	0	WIRE	5.00	1979	C	Y	Unsubdivided	\$175,000 N	1,440	121.53	
Total Listings: 2																	Med \$/sqft:	101.39		
																	Avg \$/sqft:	101.39		
																	Avg DOM:	160		

CLOSED Properties

MLS #	Type	Address	BR	Bath	STO	PL	CP	GR	A/C	FP	ACRES	YRBT	CLS-DATE	FIN	DOM/CDOM	L-PRICE	GH	S-PRICE	SQFT	\$/SQFT
21632617	MSFR	8121 N Maggies Farm Lane	3	2(2 0 0 0)	1	No	0	0	Cent	0	4.94	0	12/21/2016	CASH	7/130	\$33,500 N	\$16,955	1,680	10.09	
21500953	MSFR	6415 N Trico Road	3	2(2 0 0 0)	1	No	0	0	Cent	0	4.99	1997	02/13/2015	CASH	32/122	\$14,900 N	\$17,000	1,344	12.65	
21502416	MSFR	16200 W Tucker Road	3	2(2 0 0 0)	1	No	0	0	Cent	0	5.00	1997	02/13/2015	CASH	6/234	\$31,900 N	\$26,000	1,566	16.60	
21613066	MSFR	11685 W Massingale Road	3	2(1 1 0 0)	1	No	0	0	None	1	3.00	1989	05/26/2016	CASH	1/1	\$90,000 N	\$40,000	1,568	25.51	
21528271	MSFR	1205 N San Joaquin Road	4	2(2 0 0 0)	1	No	0	2	Cent	1	4.30	1995	12/09/2015	CASH	25/25	\$69,000 N	\$61,954	2,128	29.11	
21504595	MSFR	5811 N River Rock Lane	3	2(2 0 0 0)	1	No	0	0	Cent	0	5.00	2003	04/13/2015	FHA	21/21	\$82,500 N	\$82,500	1,223	67.46	
21617009	MSFR	6560 N Gambel Quail Trail	4	2(2 0 0 0)	1	No	1	0	Cent	0	5.00	1998	11/22/2016	CONV	111/111	\$95,500 N	\$90,000	1,792	50.22	
21513788	MSFR	12241 W Ranchettes Drive	3	2(2 0 0 0)	1	No	1	0	Cent	1	4.19	1981	12/04/2015	CASH	143/143	\$118,000 N	\$94,000	1,536	61.20	
21601748	MSFR	4359 N Avra Road	4	2(2 0 0 0)	1	No	0	0	Cent	0	4.54	2005	08/24/2016	CASH	79/79	\$102,870 N	\$96,150	2,343	41.04	
21523513	MSFR	4975 N Sandario Road	2	2(2 0 0 0)	1	No	0	0	Cent	0	4.45	1994	08/23/2016	CONV	270/270	\$108,000 N	\$100,000	1,056	94.70	
21517326	MSFR	7120 N Pale Moon Tr Trail	3	2(2 0 0 0)	1	No	0	0	Cent	0	4.25	1998	08/19/2015	CONV	9/9	\$105,000 N	\$105,000	1,568	66.96	
21600232	MSFR	7010 N Tula Lane	3	2(2 0 0 0)	1	No	1	0	Cent	0	5.00	1996	06/15/2016	CASH	128/128	\$119,900 N	\$110,000	1,216	90.46	
21608183	MSFR	7665 N Pale Stone Place	5	2(2 0 0 0)	1	No	0	0	Cent	0	3.00	1999	12/30/2016	FHA	152/152	\$115,000 N	\$115,000	2,368	48.56	
21514442	MSFR	4593 N Avra Road	3	2(2 0 0 0)	1	No	0	0	Cent	0	4.80	2002	09/21/2015	FHA	43/43	\$119,500 N	\$119,500	1,568	75.21	
21604832	MSFR	6225 N Sand Ruby Road	3	2(2 0 0 0)	1	No	0	0	Cent	0	4.86	1999	07/29/2016	CONV	108/312	\$129,900 N	\$122,500	1,680	72.92	
21616427	MSFR	6750 N Anway Road	3	2(2 0 0 0)	1	No	0	4	Cent	0	4.94	1996	07/29/2016	FHA	3/3	\$122,900 N	\$122,900	1,368	89.84	
21525121	MSFR	5995 N River Rock Lane	4	3(3 0 0 0)	1	No	0	0	Cent	1	5.00	2003	12/09/2015	VA	53/53	\$129,000 N	\$123,000	2,128	57.80	
21621543	MSFR	11901 W Desert Oasis Trail	4	2(1 1 0 0)	1	No	0	0	Cent	0	4.21	1995	09/23/2016	FHA	1/1	\$149,900 N	\$135,000	1,540	87.66	
21427041	MSFR	11555 W Orange Grove Road	3	2(2 0 0 0)	1	No	0	0	Cent	1	4.15	1995	10/30/2015	FHA	352/362	\$142,000 N	\$140,000	1,568	89.29	
21523768	MSFR	5355 N Lak A Yucca Road	3	2(2 0 0 0)	1	No	2	4	Cent	0	4.90	2006	10/30/2015	FHA	20/20	\$153,000 N	\$147,000	1,620	90.74	
21516013	MSFR	5300 N Buffalo Trail	4	3(1 2 0 0)	1	No	1	0	Cent	1	5.00	2001	07/24/2015	CONV	4/4	\$168,000 N	\$170,000	2,400	70.83	
21603529	MSFR	11415 W Orange Grove Road	3	2(2 0 0 0)	1	No	2	0	Cent	0	4.18	2005	08/01/2016	CONV	131/131	\$179,000 N	\$170,000	2,312	73.53	

Listings as of 02/02/17 at 2:43 PM

Page 2

Total Listings 22

Med \$/sqft: 87.21
 Avg \$/sqft: 80.16
 Avg DOM: 77

Report Count 31

Summary

Status	Total	Average Price	Low Price	High Price	Median	Avg DOM
Active	7	\$110,971	\$39,900	\$200,000	\$99,000	35
Active Contingent	2	\$173,950	\$172,900	\$175,000	\$173,950	150
Closed*	22	\$100,203	\$16,955	\$170,000	\$107,500	77
Total	31	\$113,160	\$14,900	\$200,000	\$105,000	72
Price Differential	90.86					

* Price statistics for closed listings based on sold price. All other statuses and Totals based on current list price.

“Lower Limit”

Inside 2.00 mi. radius search; Inside the map search Polygon; Status of 'Active', 'Closed', 'Pending','Active CAPA','Active Contingent'; Combined SqFt between 1000 and 2500; Property Sub-Type of 'Manufactured Single Family Residence', 'Mobile Home'; Lot Acres between 3 and 6; Pending Date between '02/2/2016' and '02/2/2027'; Sold Date between '01/01/2015' and '02/2/2027'. (Selected Listings Only)

ACTIVE Properties

MLS #	Type	Address	BR	Bath	STO	PL	CP	GR	A/C	FP	FENC	ACRES	YRBT	OCC	K	Subdivision	L-PRICE	GH	SQFT	\$/SQFT
21630912	MSFR	15131 W Scrub Brush Road	5	2(1 1 0 0)	1	No	0	0	Wall	0	WIRE	5.00	1984	V	Y	Unsubdivided	\$39,900 N		1,416	28.18
21632641	MSFR	12852 W Fort Lowell Road	3	2(1 1 0 0)	1	No	0	0	Cent	1	OTH	5.00	1998	V	Y	Unsubdivided	\$54,900 N		1,344	40.85
21701425	MSFR	16270 W Snakeweed Road	2	2(2 0 0 0)	1	No	0	0	None	0	CHNL	5.03	1979	V	Y	N/A	\$79,000 N		1,232	64.12
Total Listings 3																	Med \$/Sqt:	40.85		
																	Avg \$/Sqt:	44.38		
																	Avg DOM:	47		

CLOSED Properties

MLS #	Type	Address	BR	Bath	STO	PL	CP	GR	A/C	FP	ACRES	YRBT	CLS-DATE	FIN	DOM/CDOM	L-PRICE	GH	S-PRICE	SQFT	\$/SQFT
21632617	MSFR	8121 N Maggles Farm Lane	3	2(2 0 0 0)	1	No	0	0	Cent	0	4.94	0	12/21/2016	CASH	7/130	\$33,500 N	\$16,955	1,680	10.09	
21500953	MSFR	6415 N Trloo Road	3	2(2 0 0 0)	1	No	0	0	Cent	0	4.99	1997	02/13/2015	CASH	32/122	\$14,900 N	\$17,000	1,344	12.65	
21502416	MSFR	16200 W Tucker Road	3	2(2 0 0 0)	1	No	0	0	Cent	0	5.00	1997	02/13/2015	CASH	6/234	\$31,900 N	\$26,000	1,566	16.60	
21613066	MSFR	11685 W Massingale Road	3	2(1 1 0 0)	1	No	0	0	None	1	3.00	1989	05/26/2016	CASH	1/1	\$90,000 N	\$40,000	1,568	25.51	
21528271	MSFR	1205 N San Joaquin Road	4	2(2 0 0 0)	1	No	0	2	Cent	1	4.30	1995	12/09/2015	CASH	25/25	\$69,000 N	\$61,954	2,128	29.11	
Total Listings 5																	Med \$/Sqt:	16.60		
																	Avg \$/Sqt:	18.79		
																	Avg DOM:	14		

Report Count 8

Summary

Status	Total	Average Price	Low Price	High Price	Median	Avg DOM
Active	3	\$57,933	\$39,900	\$79,000	\$54,900	47
Closed*	5	\$32,382	\$16,955	\$61,954	\$26,000	14
Total	8	\$51,638	\$14,900	\$90,000	\$39,950	26
Price Differential	76.09					

SUBJECT PHOTOS & EXHIBITS
Site View Looking Northwest from Southeast Corner



Avra Road Looking South



Accessory Building Front View



Accessory Building Rear View



“1152” main room



“1152” Counter and sink



“1152” Open Room



“1152” room with closet partition



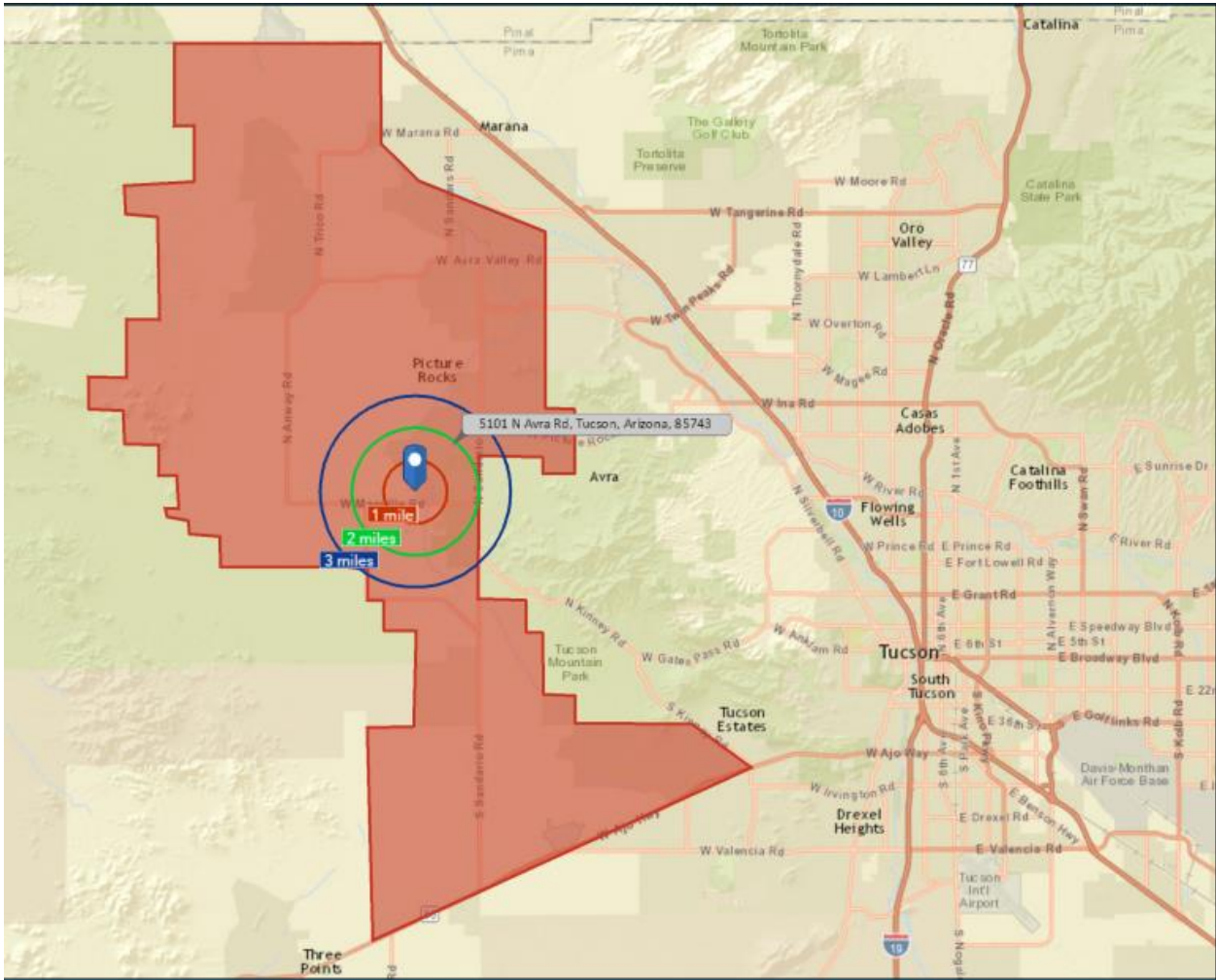
“1152” full bath



“576” now enclosed as garage



MARKET AREA MAP



PLAT MAP

SECTION 18 TOWNSHIP 13 SOUTH, RANGE 11 EAST

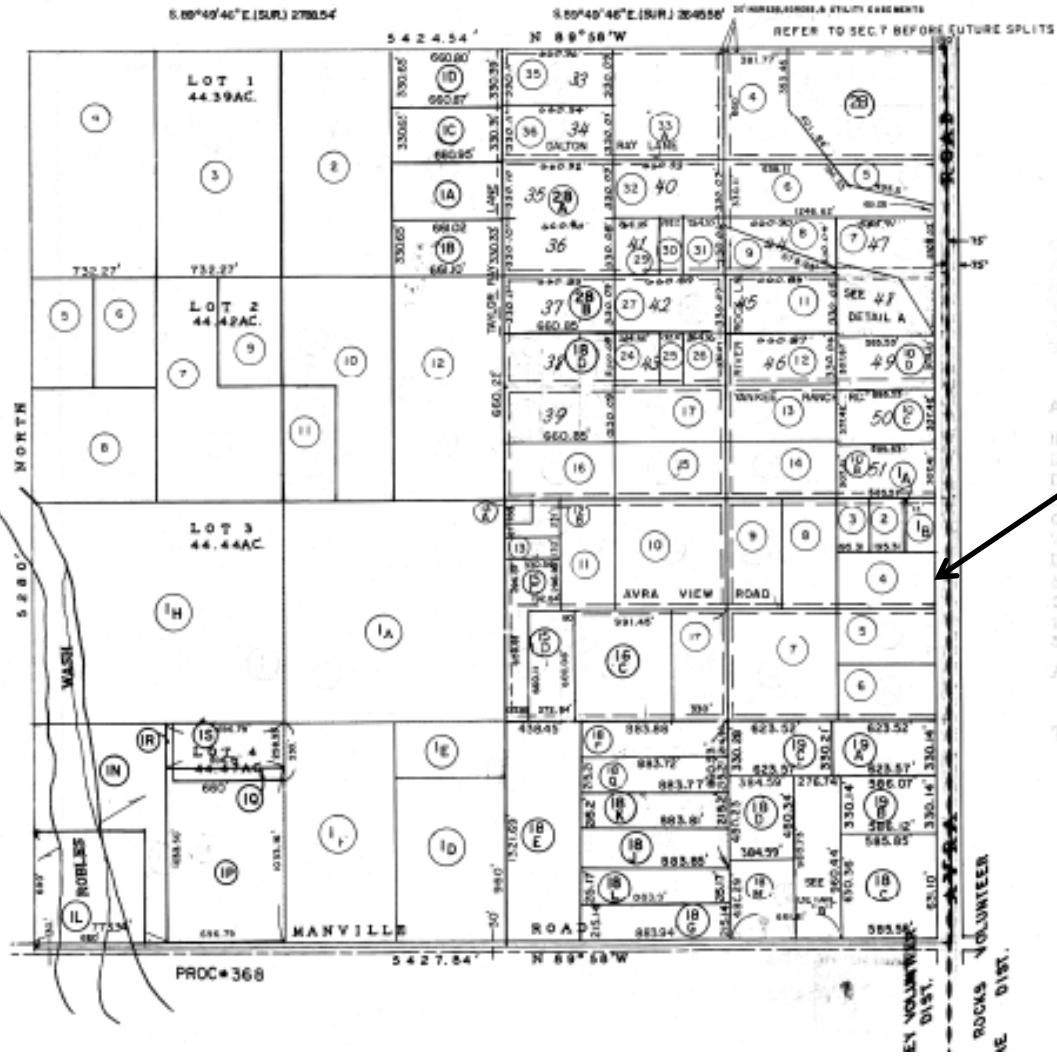
213-24 NE 1/4
-25 NW 1/4
-26 SW 1/4
-27 SE 1/4

FORMERLY
204-01
4/11

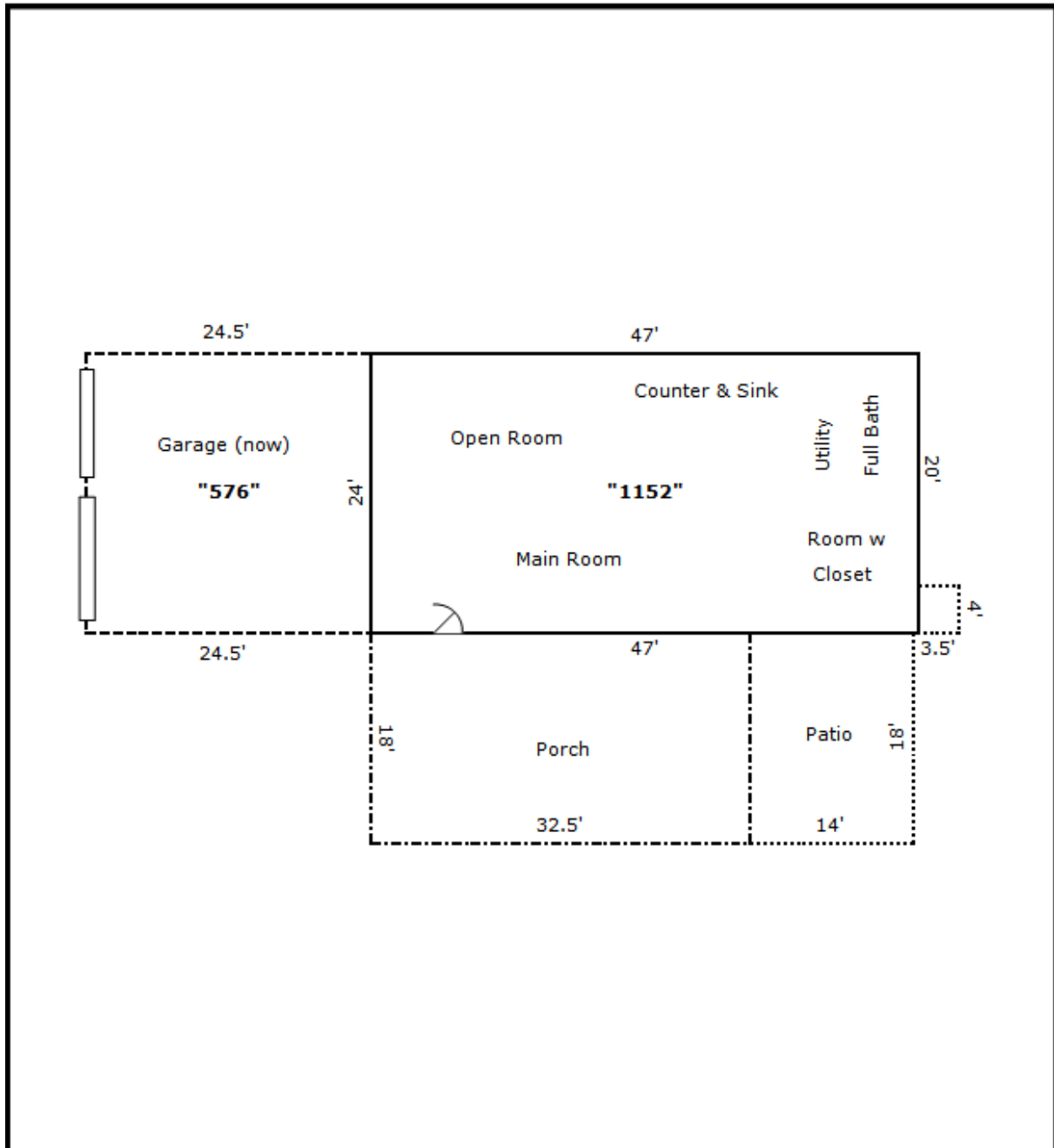


U.U.I.
PROJECT
PHASE TWO

COZ
PROJECT



Floor Plan

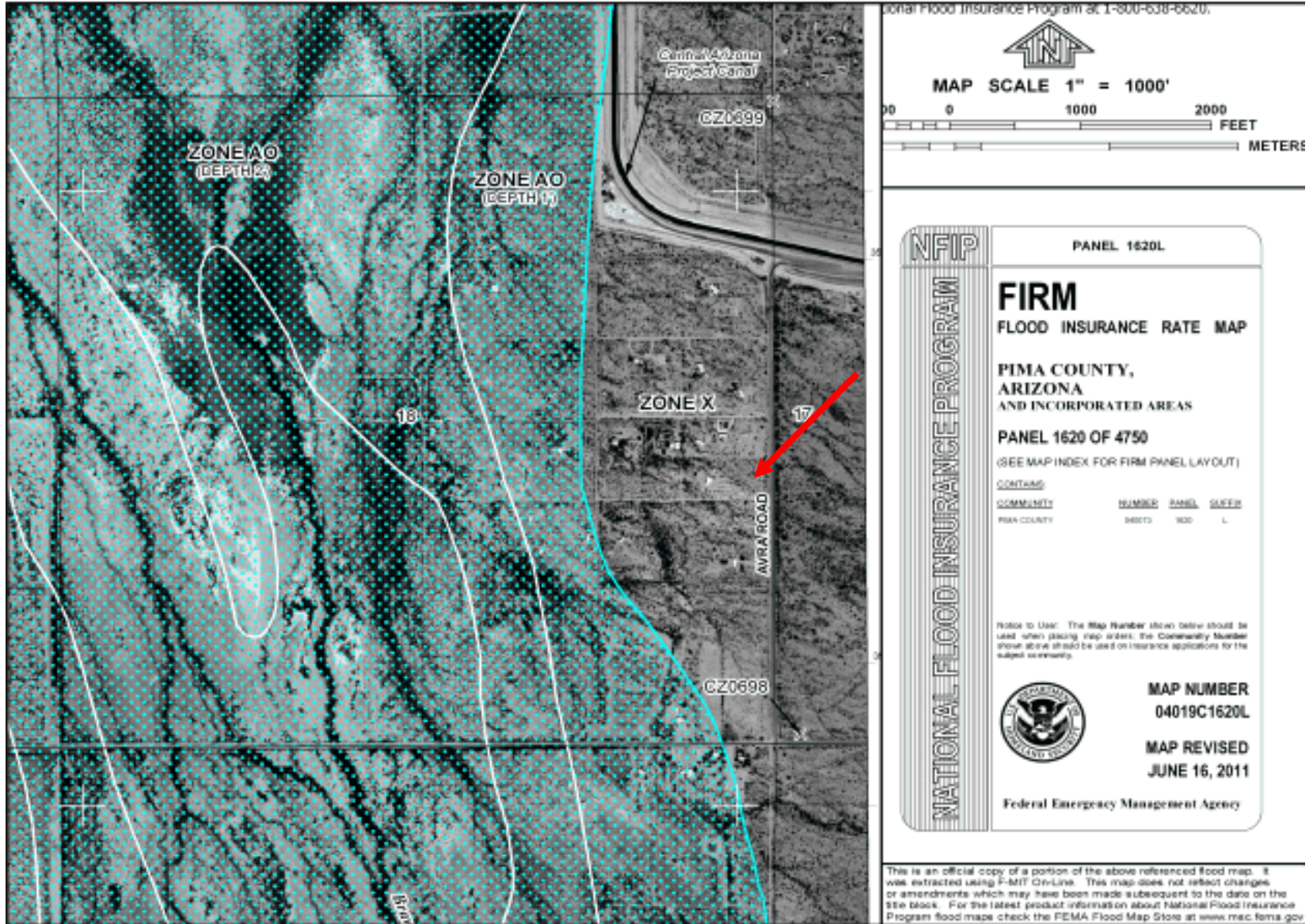


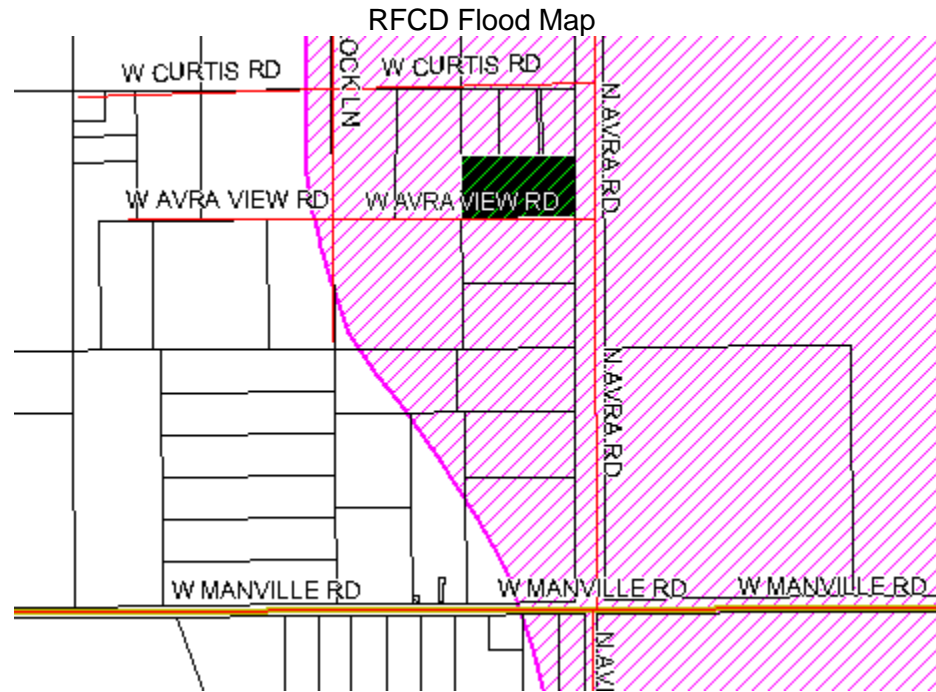
TOTAL sketch by a la made, inc.

Area Calculations Summary

Non-living Area		
Water Shed	14 Sq ft	4 x 3.5 = 14
"1152"	1128 Sq ft	24 x 47 = 1128
"576"	588 Sq ft	24 x 24.5 = 588
Covered Porch	585 Sq ft	32.5 x 18 = 585
Patio	252 Sq ft	18 x 14 = 252

FEMA Flood Map

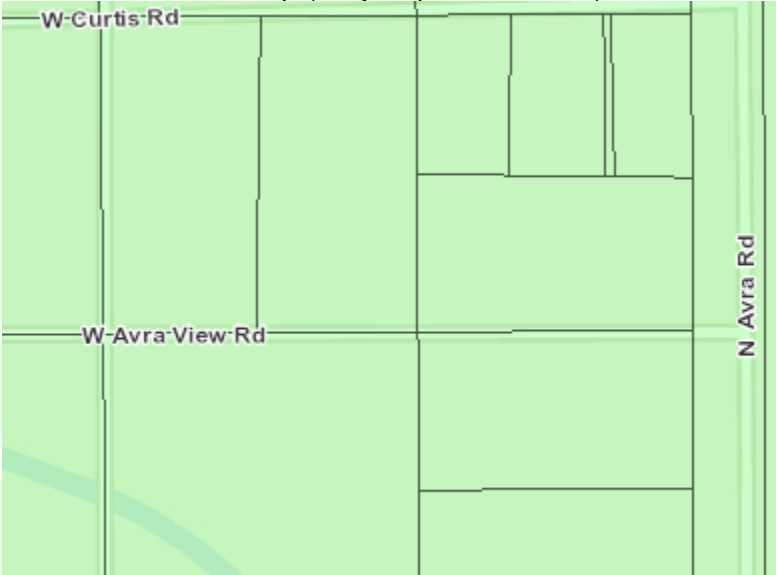




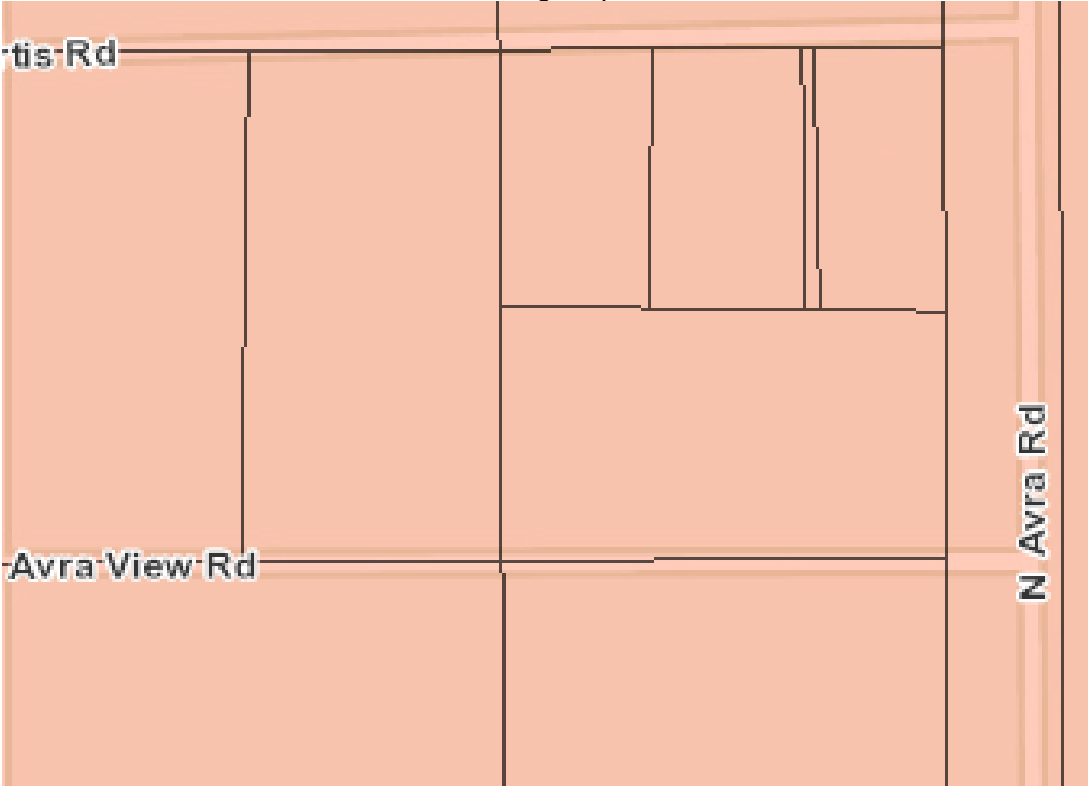
Aerial Photo(s)

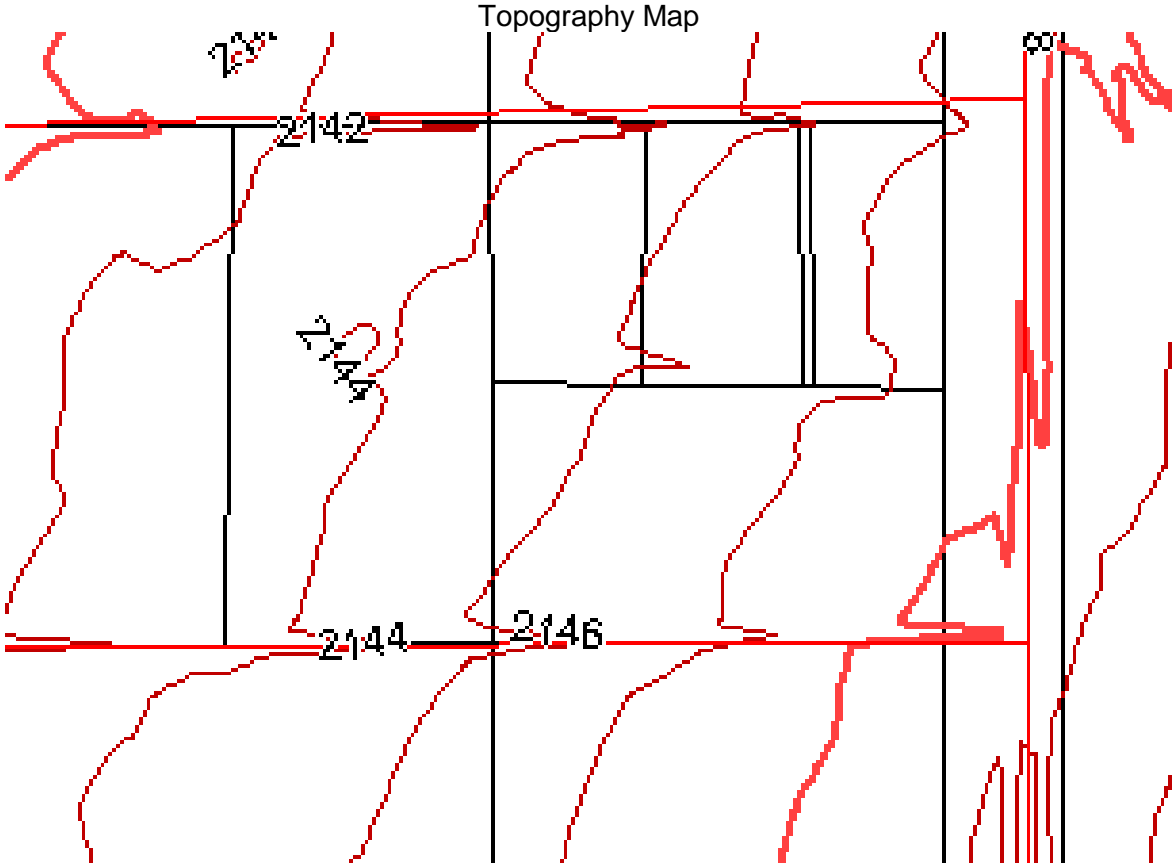


CLS Map (subject partial MUMA)



Zoning Map





**TITLE REPORT (Select Portions)
SCHEDULE A**

File No.: 05504-28147

Escrow Officer: Cyd Bradford

Effective Date: January 13, 2017 at 5:00 p.m.

Title Officer: Diana Helzer

1. Policy or Policies to be issued:

Amount of Insurance

(a) 1974 (LTAA Standard Coverage)

T.B.D.

Proposed Insured:

To Be determined

(b) ALTA Loan Policy 2006 (Extended)

Proposed Insured:

2. The estate or interest in the land described or referred to in this Commitment and covered herein is:

Fee

3. Title to said estate or interest in said land is at the effective date hereof vested in:

Pima County, a body politic

4. The land referred to in this Commitment is described as follows:

The South Half of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of Section 18, Township 13 South of Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona.

5. The Deed of Trust to be insured and the assignments thereof, if any are described as follows:

NONE

The following matters will be excepted in Schedule B of the policy to be issued:

1. Taxes and assessments collectible by the County Treasurer, not yet due and payable for the year 2017.
2. Any action by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.
3. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.
4. Reservations or exceptions in Patents or in Acts authorizing the issuance thereof.
5. Established and/or existing roads, roadways, highways, rights-of-way and easements therefor.
6. Matters as set forth in Resolution and Order under Proceedings No. 1082 for the establishment of Avra Road recorded in [Docket 1461 at page 502](#) and as shown in [Book 8 of Road Maps at page 98](#).
7. Terms, conditions, easements liabilities and/or obligations arising by reason of Well Ownership and Easement Agreement recorded in [Docket 9565 at page 700](#).
8. Matters as set forth in Supervisors Memorandum Request to Name Street or Easement recorded in [Docket 10529 at page 2158](#).

CHAIN OF TITLE (24 month) VESTING NOTE:

The subject property is currently vested in the party(ies) shown in Schedule A, Paragraph 3, by instrument recorded May 22, 2012, in Sequence No. [20121430335](#), records of Pima County, Arizona.

PIMA COUNTY REAL PROPERTY MINIMUM WRITTEN REPORT REQUIREMENTS



REAL PROPERTY SERVICES
201 N. Stone Avenue, Sixth Floor,
Tucson, Arizona 85701-1215
(520) 724-6306
FAX (520) 724-6763
Jeffrey.Teplitsky@pima.gov

PIMA COUNTY REAL PROPERTY
REQUEST FOR FEE QUOTE
January 20, 2017

Property Identification:	24' x 48' garage improvement – permit violation
Property Owner:	Pima County
Location:	5101 North Avra Road, Pima County, Arizona
APN:	213-27-0040
Intended Use:	Estimate market value for sale of property
Intended User:	Pima County and/or designated users
Type of Opinion:	Fee Simple
Effective Date of Value:	Current
Relevant Characteristics:	The subject property is a garage building that has been modified with single family improvements. Inspection may reveal other issues. Pima County intends to sell the property with the improvements in the “as-is” condition. Appraiser will need to determine if the improvements add value to the and as vacant
Scope of Work:	Appraisal report estimating fee simple market value
Appraisal Requirement:	Appraisals to be completed per USPAP. Appraiser must contact Pima County agent prior to property inspection. Agent is Rita Leon at 724-6462.
Assignment Conditions:	<i>Appraiser</i> herein understands and agrees to the following conditions pertaining to the appraisal assignment

- *Appraiser* shall determine specific date of delivery;
- Any request for additional time to complete the appraisal shall be made in writing;
- Draft appraisal shall be sent to Pima County Real Property via email/PDF and clearly marked as “DRAFT”;
- Invoice for appraisal may be submitted with draft appraisal report;
- Appraiser herein understands that payment of invoice shall be approximately 30 days from submittal of invoice to Pima County Real Property;
- Draft appraisal shall be reviewed for quality control by Pima County Real Property appraisal staff;
- Quality control review of draft appraisal shall be completed in a timely manner from the date of submittal;
- Comments/Corrections generated by the quality control review shall be submitted to *Appraiser* in written format for review/comment by *Appraiser*;
- Any corrections/changes to be made to the appraisal shall be completed in a timely manner by *Appraiser* after receiving the comments/corrections;
- Completed appraisal shall be sent via email/PDF with one original paper version delivered to Pima County Real Property;
- If the *Appraiser* determines for any reason that they will not be able to complete the appraisal assignment for Pima County Real Property per the terms of this Scope of Work Pima County shall not be obligated to pay the full fee agreed upon for the completed appraisal.

PIMA COUNTY REAL PROPERTY MINIMUM WRITTEN REPORT REQUIREMENTS

All reports shall be in compliance with the Uniform Standards of Professional Appraisal Practice and State of Arizona Statutes regarding appraisal and review practice, and of the project is a federal funded or federally-assisted program, also in compliance with Part 24-Uniform Relocation Assistance and Real Property Acquisition, and shall contain at a minimum, unless directed otherwise by the COUNTY, the following items:

- Title Page Including:
 - a. Owner
 - b. Tax Code
 - c. Date of Value
 - d. Section/Township/Range
- Table of Contents
- Letter of Transmittal
- Subject Property Photographs
- Identification of the Real Estate Including Legal Description
 - a. If an improved property is appraised as a fractional appraisal by the appraiser for the land component "as if vacant land" explain support for a conclusion that no severance damages accrue to the total improved property
- Scope of Appraisal
 - 1. Client
 - 2. Intended User
 - 3. Intended Use
 - 4. Type of Opinion
 - 5. Effective Date of Opinion
 - 6. Identification of Subject Property
 - 7. Property Interest Appraised
 - 8. Assignment Conditions – if any
 - a. Extraordinary Assumptions
 - b. Hypothetical Conditions
- Definition of Market Value
- Exposure Time
- Analysis and Identification of Larger Parcel
- Extent of Appraisal Process (collecting, confirming, reporting data)
- Five Year History of Subject Property (Sales/Listing/Escrows/Options)
- Zoning and Comprehensive Plan Including Maps
- Floodplain Analysis Including Map
- Real Estate Taxes and Full Cash Values
- Market Area Description (Neighborhood)
- Site Description Including:
 - a. Location Map
 - b. Plat Map
 - c. FEMA Map
 - d. Topo Map
 - e. Utilities Map
- Availability of Utilities
- Highest and Best Use
- Description of Improvements – If Applicable
- Drawing of Subject Improvements (building outline and rooms identified)
- Comparable Land Sales Data Sheets Including Plat Map, Aerial Photo
- Comparable Land Sales Location Map
- Comparable Land Sales Adjustment Table, Explanation of Adjustments, and Land Value Conclusion
- Cost Approach with Analysis – If Applicable
- Direct Sales Comparison Approach for Improved Properties
- Comparable Improved Sales Location Map
- Comparable Improved Sales Data Sheets Including Plat Map, Aerial Photo, Building Photo
- Direct Sales Comparison Approach, as Improved, Analysis and Conclusion
- Income Approach to Value
- Comparable Rental Data Sheets Including Plat Map, Photo
- Comparable Rental Map

- Comparable Rental Table
- Comparable Rental Analysis and Conclusion
- Income and Expense Analysis
- Net Operating Income Conclusion
- Capitalization Rate Analysis
- Income Approach Conclusion
- Reconciliation of Valuation Approached
- Market Value Conclusion
- Addenda (Including Preliminary Title Report)
- Appraiser Certification
- Assumptions and Limiting Conditions
- Appraiser Qualifications/Copy of License

The Following Additional Items Apply to Partial Acquisitions Only:

- Description of the Acquisition and Extent of Acquisition
- Legal Description and Map of Area to be Acquired
- Market Value of Property Before the Acquisition
- Description of the Project as Proposed
- Market Value of Property to be Acquired (land and improvements, if any)
- Market Value of Remainder Before
- Market Value of Remainder After
- Severance Damages/Special Benefits Analysis
- Conclusion of the Market Value/Just Compensation
- Summary Page of Elements of Estimated Compensation

CONSULTANT'S QUALIFICATIONS
PAUL D. HENDRICKS, MAI
4708 E. Scarlett, Tucson, AZ 85711
(520) 325-6512; FAX (520) 325-6512
Email: pdhend@cox.net

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
- 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
- Appraisal Standards for Federal Land Acquisitions
- Fundamentals of Segregating Real, Personal Property and Intangible Business Assets
- Residential and Commercial Solar Valuation

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

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

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.