

AN APPRAISAL REPORT

OF

170 ACRES OF VACANT LAND

**LOCATED ON THE SOUTH SIDE OF MANVILLE ROAD,
WEST OF ANWAY ROAD, PIMA COUNTY, ARIZONA**

FOR

**PIMA COUNTY PUBLIC WORKS,
REAL PROPERTY SERVICES
MR. JEFFREY TEPLITSKY**

**OWNERSHIP: JOE LEVKOWITZ BYPASS TRUST &
LEVKOWITZ FAMILY TRUST
TAX PARCEL NUMBER: 208-42-037A (PORTION)
SECTION 20, TOWNSHIP 13 SOUTH, RANGE 10 EAST**

**EFFECTIVE DATE OF APPRAISAL
NOVEMBER 13, 2024**

**DATE OF REPORT
DECEMBER 10, 2024**

BAKER, PETERSON, BAKER & ASSOCIATES, INC.
Tucson, Arizona

BAKER, PETERSON, BAKER & ASSOCIATES, INC.

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December 10, 2024

Mr. Jeffrey Teplitsky
Pima County Public Works
Real Property Services
201 North Stone Avenue, Sixth Floor
Tucson, Arizona 85701-1207

RE: An appraisal report of 170 acres of vacant land located on the south side of
Manville Road, west of Anway Road in Pima County, Arizona
Tax Parcel Code: 208-43-037A (portion)
Ownership: Joe Levkowitz Bypass Trust & Levkowitz
Family Trust
Effective Date of Appraisal: November 13, 2024
Date of Report: December 10, 2024

Dear Mr. Teplitsky:

In response to your authorization, I have conducted the required inspection, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the market value of the fee simple interest in the above-named property. This report is intended for use only by the intended user, Pima County, Pima County RPS, and/or designated users. Use of this report by others is not intended by the appraiser. This report is intended only for use in estimating the market value of the subject property for use in a potential acquisition of the subject property. It is not intended for any other use.

I have formed the opinion that, as of the effective date of the appraisal, November 13, 2024, based on a six to twelve month market period, and subject to the assumptions and limiting conditions set forth in the report, the subject property has a market value of:

THREE HUNDRED ONE THOUSAND EIGHT HUNDRED DOLLARS
(\$301,800)

This is an appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal practice for an Appraisal Report (USPAP). As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraiser is not responsible for unauthorized use of this report.

Respectfully submitted,



Sara R. Baker, MAI, SRA
Certified General Real Estate Appraiser
Certificate Number 31679
Designated Supervisory Appraiser
Registration Number DS0082

C248552

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APPRAISAL ABSTRACT - PART I

CLIENT

Pima County Real Property Services

APPRAISER

Sara R. Baker, MAI, SRA

Baker, Peterson, Baker & Associates, Inc.

4547 East Fort Lowell Road, Suite 401

Tucson, Arizona 85712

SUBJECT PROPERTY

A 170 acre parcel of vacant land located on the south side of Manville Road, west of Anway Road, in Pima County, Arizona.

LAND AREA

170 acres, per information provided by the client

ZONING

RH, Pima County

LEGAL DESCRIPTION

A portion of Section 20, Township 13 South, Range 10 East, G&SRB&M, Pima County, Arizona. The subject property is part of a tax parcel and the client would need to provide a full legal description of the property.

OWNERSHIP

According to public records of the Pima County Assessor, title to the subject property is in the name of The Joe Levkowitz Bypass Trust and the Levkowitz Family Trust, according to Sequence 20101480843, dated August 3, 2010. This was an internal transfer and not a market transaction.

SALES/LISTING HISTORY

No known sales of the subject property have occurred within the last three years. The subject property is listed with an agent as part of a larger 207 acre parcel listed for \$800,000. The 37 acres that is part of this listing but not part of the subject property is less flood prone and has a different potential use compared to the subject property. No written offers are reported to have been received for the property.

TAX PARCEL NUMBER

208-43-037A (portion)

FULL CASH VALUE

\$126,000 (2024, larger parcel)

\$126,000 (2025, larger parcel)

The development of full cash values is based on mass appraisal models as set by the State of Arizona. They are for tax assessment purposes only and cannot be equated with market value as utilized in this appraisal. Thus, they serve only as a point of comparison with other properties.

LIMITED CASH VALUE

\$126,000 (2024, larger parcel)

\$126,000 (2025, larger parcel)

Limited Cash Value is the basis for primary property taxes. It is a legislatively established value based on a mathematical formula that limits the amount of increase in any given year.

REAL ESTATE TAXES

\$3,111.85 (2024, larger parcel)

Real estate taxes are a combination of a primary tax, which is the primary tax rate applied to the limited cash value and divided by 100, plus the secondary tax, which is the secondary tax rate applied to the full cash value and divided by 100. The primary and secondary tax rates are an aggregate of various tax rates set by various jurisdictions.

DELINQUENT TAXES

None

LIMITING CONDITIONS

Subject to those assumptions and limiting conditions contained in the "*Assumptions and Limiting Conditions*" section of this report.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide the appraiser's opinion of the market value of the subject real property as of the effective date of the appraisal, November 13, 2024.

MARKET VALUE DEFINITION

Market value, as utilized in this appraisal, and as defined in The Appraisal of Real Estate, 15th Edition, published by the Appraisal Institute, 2020, page 48, is:

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.

INTENDED USE AND USER OF REPORT

This report is intended for use only by the intended user, Pima County, Pima County RPS, and/or designated users. Use of this report by others is not intended by the appraiser. This report is intended only for use in estimating the market value of the subject property for use in a potential acquisition of the subject property. It is not intended for any other use.

INTEREST VALUED

Fee Simple Interest, as defined in The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, page 73, is “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.”

EFFECTIVE DATE OF APPRAISAL

November 13, 2024

DATE OF INSPECTION

November 13, 2024. A representative for the property owner attended the inspection.

SCOPE OF THE APPRAISAL - PART II

Scope of work is identified by USPAP as the “amount and type of information researched and the analysis applied in an assignment.” According to the scope of work rule as defined by USPAP, “For each appraisal, appraisal review, and appraisal consulting assignment, an appraiser must:

- 1) identify the problem to be solved;
- 2) determine and perform the scope of work necessary to develop credible assignment results; and
- 3) disclose the scope of work in the report.”

This appraisal assignment has been completed in response to authorization by Mr. Jeffrey Teplitsky for Pima County Real Property Services, in a contract by Sara R. Baker, MAI, SRA for Baker, Peterson, Baker and Associates, Inc. The assignment includes appraisal of the property herein described, and the preparation of a report which describes the property being appraised, analyzes appropriate data, and offers an opinion of the market value of the property as of the effective date specified in the report. The appraisal is prepared and reported according to the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute, and to those specifications provided by Pima County.

This report is intended for use only by the intended user, Pima County, Pima County RPS, and/or designated users. Use of this report by others is not intended by the appraiser. This report is intended only for use in estimating the market value of the subject property for use in a potential acquisition of the subject property. It is not intended for any other use. The purpose of the appraisal is to provide the appraiser’s opinion of the market value in fee simple interest of a specific property which has been previously identified in this report, and is referred to as the subject property, the subject, or the property.

The exact nature of, and interest in, the subject property is defined elsewhere in this report. The appraisal provides an opinion of the market value of the subject property using the sales comparison approach, which is defined in the report. In completing this assignment, the appraiser inspected and photographed the subject property, reviewed and confirmed data relative to metropolitan Tucson (from economic and demographic data, including COMPS® Commercial Property Information Services, Real Estate Daily Comps, Southern Arizona Multiple Listing Service (MLS), the neighborhood, and the site.

An opinion of the “highest and best use” of the property was formed, utilizing resources to identify such factors as land use, supply and demand, governmental requirements, environmental concerns, and economic elements, present and anticipated, which may impact upon the marketability of the property.

In the sales comparison approach, there was a thorough search for sale and listing data considered directly competitive to the subject property. This data was confirmed with one or more parties related to the transaction and (in the case of sales) by review of deeds and records of the Pima County Assessor. The analysis then compared each sale considered a reliable indicator of the value to the subject property in terms of those factors which were superior to the subject, inferior to the subject, and equal or offsetting.

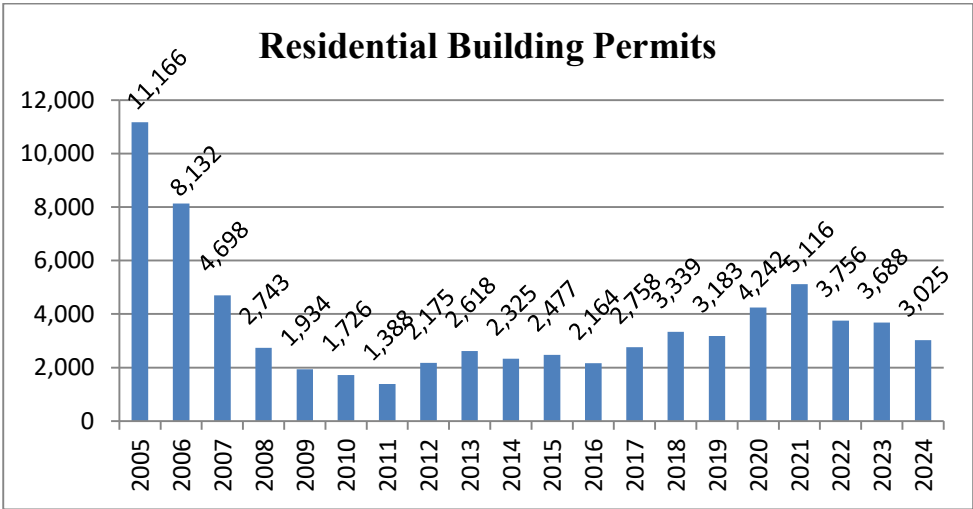
The sales comparison approach provided an opinion of the market value of the subject property to arrive at a final opinion of market value. To develop the opinion of value, the appraiser performed an appraisal process as defined by the Uniform Standards of Professional Appraisal Practice. This appraisal report is a brief recapitulation of the appraiser's data, analyses, and conclusions. The appraiser's file retains supporting documentation.

DESCRIPTION OF REAL ESTATE APPRAISED - PART III

TUCSON OVERVIEW:

Tucson is Arizona’s second largest city and the “hub” of commerce in southeastern Arizona. According to the MAP AZ dashboard, in 2020, the estimated population of the Tucson metropolitan area was 1,044,675 persons, while the 2020 US Census indicated the population of the City of Tucson was 542,629.

Starting in 2006, fewer single-family residential permits were issued due to the oversupply of lots and residential homes on the market at that time. According to the United States Census Bureau, Building Permits Survey, the Building permit activity declined steadily in the Tucson Metropolitan area declined from a peak in 2005 of 11,166 to a low of 1,388 in 2011 for all new single-family residential construction residential building permits. The number of permits remained mostly stable starting in 2013, and increased slightly in 2017 and again in 2018. The number of permits was mostly stable in 2019 but increased somewhat in 2020 and 2021 due to strong demand. During this time there was strong demand for residential properties due to low inventory; however, as interest rates rose during 2022, the number of permits declined in 2022 and again slightly in 2023. Due to higher interest rates, increase construction costs, and low inventory, residential demand has slowed compared to mid-2020 through mid-2022, with fewer sales and more limited construction. Construction remained more limited in 2023. The 2024 data is through August and indicates a slight increase in the number of permits compared to 2023.



Office Market

Overall, the Pima County *office market* experienced net positive absorption of 27,242 square feet in the Third Quarter 2024, according to *CoStar*. This compares to net negative absorption of 72,003 square feet in the Second Quarter 2024, net negative absorption of 361,648 square feet in the First Quarter 2024, net positive absorption of 8,351 square feet in the Fourth Quarter 2023, net positive absorption of 96,875 square feet in the Third Quarter 2023, net positive absorption of 251,756 square feet in the Second Quarter 2023, net negative

absorption of 56,942 square feet in the First Quarter 2023, net negative absorption of 192,488 square feet in the Fourth Quarter 2022, net positive absorption of 154,710 square feet in the Third Quarter 2022, net negative absorption of 208,714 square feet in the Second Quarter 2022, net positive absorption of 156,457 square feet in the First Quarter 2022, net positive absorption of 101,299 square feet in the Fourth Quarter 2021, net positive absorption of 50,194 square feet in the Third Quarter 2021, net negative absorption of 115,636 square feet in the Second Quarter 2021, net positive absorption of 40,528 square feet in the First Quarter 2021, net negative absorption of 82,344 square feet in the Fourth Quarter 2020, net negative absorption of 172,929 square feet in the Third Quarter 2020, net negative absorption of 106,299 square feet in the Second Quarter 2020, and net positive absorption of 105,767 square feet in the First Quarter 2020.

The following figure shows trends in the vacancy rates for office properties in Pima County through the Third Quarter 2024. The vacancy rate peaked in late 2013 and then declined through 2017. The vacancy rate remained mostly stable in 2018 and the first part of 2019 before increasing from early 2020 through mid-2021. The vacancy rate has fluctuated slightly since that time and most recently has remained mostly stable in 2024, with a vacancy rate of 10.5% in Third Quarter 2024.



No new buildings were completed in the Second Quarter 2024. This compares to one new building containing 4,000 square feet in the Second Quarter 2024, no new buildings in the First Quarter 2024 and Fourth Quarter 2023, four new buildings containing 42,138 square feet in Third Quarter 2023, no new buildings in Second Quarter 2023, two new buildings containing 22,000 square feet in First Quarter 2023, two new buildings containing 27,988 square feet in Fourth Quarter 2022, one new building containing 18,500 square feet in Third Quarter 2022, two new buildings containing 50,695 square feet in the Second Quarter 2022, two new buildings containing 145,228 in the First Quarter 2022, no new buildings in the Third and Fourth Quarters 2021, three new buildings containing 64,037 square feet in the Second Quarter 2021, three new buildings containing 120,000 square feet in the First Quarter 2021, no new buildings in the Fourth Quarter 2020, two new buildings containing 58,500

square feet in the Third Quarter 2020, two new buildings containing 42,000 square feet in the Second Quarter 2020, and four new buildings containing 47,713 square feet in the First Quarter 2020.

Market conditions for office properties stabilized around 2013 and remained slow but stable through 2019. Market conditions for office properties had started to slowly improve, primarily for office properties in high demand areas and newer office buildings in good condition. Demand remains limited for older and obsolete office buildings in particular. Covid-19 impacted work from home trends with changes in office demand. It is not yet known to what extent recent work from home trends will permanently impact office demand.

Retail Market

Retail space had maintained more constant levels of growth and absorption, with decreasing vacancy rates observed prior to mid-2007. In general, the market turned down starting at the end of 2007, and later remained stable and then slowly improved. In recent years, demand had increased for many types of retail properties and remained stable for less desirable retail uses. In March 2020, the Covid-19 pandemic impacted the world. After pausing in the immediate emergence of Covid-19, demand again increased for many retail property types and remained more stable for other property types. More recently demand remained stronger for some property types and more stable for others due to factors such as higher inflation and interest rates.

The following shows trends in the vacancy rate for retail properties in the Tucson market from 2010 through the Third Quarter 2024, according to *Costar*.



This chart shows that the vacancy rate for retail properties increased through mid-2012. The retail vacancy rate declined from that time through 2018. The retail vacancy rate increased slightly from late 2018 through mid-2021 and then declined slightly in late 2022. The vacancy rate has remained generally stable and was 5.7% in the third quarter 2024.

There was net positive absorption of 1,373 square feet in the Second Quarter 2024, according to CoStar. This compares to net positive absorption of 50,543 square feet in the Second Quarter 2024, net negative absorption of 19,151 square feet in the First Quarter 2024, net negative absorption of 194,791 square feet in the Fourth Quarter 2023, net positive absorption of 68,987 square feet in the Third Quarter 2023, net positive absorption of 123,740 square feet in the Second Quarter 2023, net positive absorption of 155,502 square feet in the First Quarter 2023, net negative absorption of 93,841 square feet in the Fourth Quarter 2022, net positive absorption of 42,644 in the Third Quarter 2022, net positive absorption of 187,157 in the Second Quarter 2022, net positive absorption of 138,192 in the First Quarter 2022, net positive absorption of 14,093 square feet in the Fourth Quarter 2021, net positive absorption of 6,765 square feet in the Third Quarter 2021, net negative absorption of 112,876 in the Second Quarter 2021, net positive absorption of 126,764 square feet in the First Quarter 2021, net positive absorption of 28,480 in the Fourth Quarter 2020, net negative absorption of 268,075 in the Third Quarter 2020, net positive absorption of 103,564 square feet in the Second Quarter 2020, and net negative absorption of 30,174 square feet in the First Quarter 2020.

In the Third Quarter 2024, no new retail buildings were completed. This compares to five new buildings containing 17,111 square feet in the Second Quarter 2024, seven new buildings containing 19,970 square feet in the First Quarter 2024, four new buildings containing 13,410 square feet in the Fourth Quarter 2023, nine new buildings containing 36,063 square feet in Third Quarter 2023, ten new buildings containing 61,885 square feet in Second Quarter 2023, 16 new buildings containing 102,757 square feet in the First Quarter 2023, nine new buildings containing 39,787 square feet in Fourth Quarter 2022, 13 new buildings containing 89,184 square feet in Third Quarter 2022, five new buildings containing 20,933 square feet in Second Quarter 2022, 12 new buildings containing 42,569 square feet in the First Quarter 2022, six new buildings containing 31,388 square feet in the Fourth Quarter 2021, five new buildings containing 17,565 square feet in the Third Quarter of 2021, six new buildings containing 21,331 square feet in the Second Quarter of 2021, 13 new buildings containing 83,318 square feet in the First Quarter 2021, four new buildings containing 42,218 square feet in the Fourth Quarter 2020, eight new buildings containing 33,731 square feet in the Third Quarter 2020, ten new buildings containing 64,680 square feet in the Second Quarter 2020, and 13 new buildings containing 69,437 square feet in the First Quarter of 2020.

Prices and rents are stable or increasing in high demand areas or for high demand property types, although there remains limited demand for older retail properties in low demand areas. Since mid-2022, market conditions have remained generally stable for many properties as interest rates have risen.

Industrial Market

Tucson experienced rapid industrial growth from the late 70's to the mid-80s. Since then, there has been more limited new industrial development with a recent increase in mid-2020 through mid-2024. Most recently in Tucson, no new buildings were completed in the Third Quarter 2024 were completed. This compares to one new building containing 12,500 square feet in the Second Quarter 2024, four new buildings containing 40,000 square feet in the First

Quarter 2024, one new building containing 244,889 square feet in the Fourth Quarter 2023, six new buildings containing 1,544,476 square feet in Third Quarter 2023, two new buildings containing 131,324 square feet in Second Quarter 2023, one new building containing 4,200 square feet in First Quarter 2023, two new buildings containing 230,539 square feet in the Fourth Quarter 2022, two new buildings containing 305,545 square feet in Third Quarter 2022, one new building containing 60,437 square feet in Second Quarter 2022, one new building containing 50,000 square feet in the First Quarter 2022, one new building containing 240,000 square feet in the Fourth Quarter 2021, two new buildings containing 377,702 square feet in the Third Quarter 2021, one new building containing 39,290 square feet completed in Second Quarter 2021, one new building containing 12,237 square feet completed in the First Quarter 2021, one new building containing 20,000 square feet completed in the Fourth Quarter 2020, no new buildings completed in the Third Quarter 2020, one new building containing 32,000 square feet completed in the Second Quarter 2020, and two new buildings containing 41,122 square feet in the First Quarter 2020, according to *CoStar*. Many of the buildings constructed in recent years are larger buildings.

The following chart shows trends in the industrial/flex vacancy rate in Tucson from 2010 through Third Quarter 2024, according to *CoStar*.



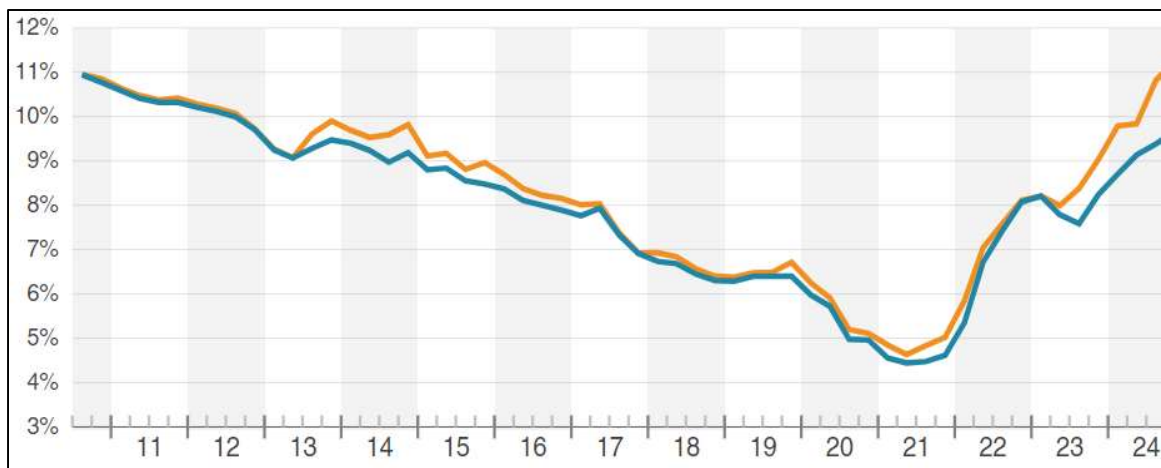
There was net positive absorption of 84,426 square feet in the Third Quarter 2024. This compares to net positive absorption of 18,140 square feet in the Second Quarter 2024, net negative absorption of 191,397 square feet in the First Quarter 2024, net positive absorption of 301,043 square feet in the Fourth Quarter 2023, net positive absorption of 123,251 square feet in Third Quarter 2023, net negative absorption of 139,128 square feet in Second Quarter 2023, net positive absorption of 391,361 square feet in the First Quarter 2023, net positive absorption of 421,204 square feet in the Fourth Quarter 2022, net positive absorption of 147,791 square feet square feet in the Third Quarter 2022, net positive absorption of 376,723 square feet in the Second Quarter 2022, net negative absorption of 284,298 square feet in the First Quarter 2022, net positive absorption of 501,223 square feet in the Fourth Quarter 2021, net positive absorption of 808,926 square feet in the Third Quarter 2021, net positive

absorption of 226,151 square feet in the Second Quarter 2021, net positive absorption of 137,293 square feet in the First Quarter 2021, net positive absorption of 395,771 square feet in the Fourth Quarter 2020, net negative absorption of 96,129 square feet in the Third Quarter 2020, net negative absorption of 40,710 square feet in the Second Quarter 2020, and net negative absorption of 52,216 square feet in the First Quarter 2020, according to *CoStar*.

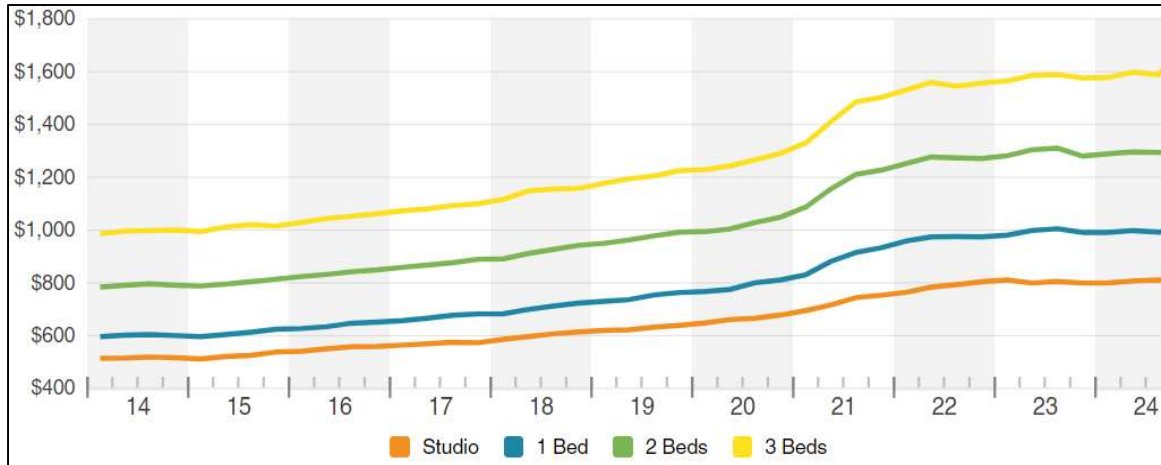
Overall, the industrial vacancy rate increased through mid-2012. The vacancy rate declined from late 2012 through the first part of 2019 before increasing somewhat through mid-2020 before declining again through late 2021 with a general decline though 2022. Most recently there was an increase from early 2023 and was generally level at 6.6% in the second quarter 2024. In March 2020, the Covid-19 pandemic led to a shutdown of many businesses; however, the industrial market experienced strong demand during that time with changes in supply chains leading to increased demand for industrial properties. From mid-2020 through mid-2022 there were rising prices and rental rates, with limited available supply of modern space, and new construction started during that time. Demand has recent slowed somewhat due to rising interest rates and construction costs, as well as the overall uncertainty in the market.

Multi-Family Market

The following is the market and stabilized vacancy rate for apartments in Tucson through the Third Quarter 2024. Vacancy rates for apartment properties in the Tucson Metropolitan area peaked in 2009 before slowly declining, with that decline continuing through 2021. Vacancy rates have increased since late 2021 and were generally stable in the first part of 2024 before increasing in the third quarter. The stabilized vacancy rate increased from 9.1% to 9.4% and the overall market vacancy rate increased from 9.8% to 10.8%.

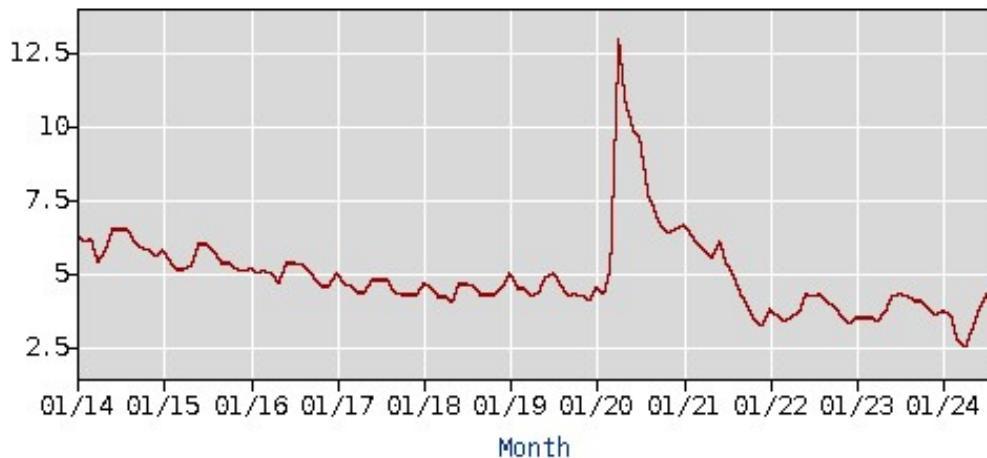


The following is the average effective rental rate per unit type for apartment properties through Second Quarter 2024 in the Tucson market, according to CoStar. There was a significant increase in rents for all unit types in the first three quarters of 2021 followed by a general stabilization. The average rent was generally stable with minimal fluctuations in 2023 and the first three quarters of 2024.



Market conditions for multi-family properties has increased significantly since mid-2020, with rapidly increasing rents, decreasing vacancy rates, and increased sales prices, with new construction and renovations during that time due to strong demand for apartments. Demand has slowed since mid-2022 recently due to increased interest rates as well as stabilization of rents and increasing vacancy rates.

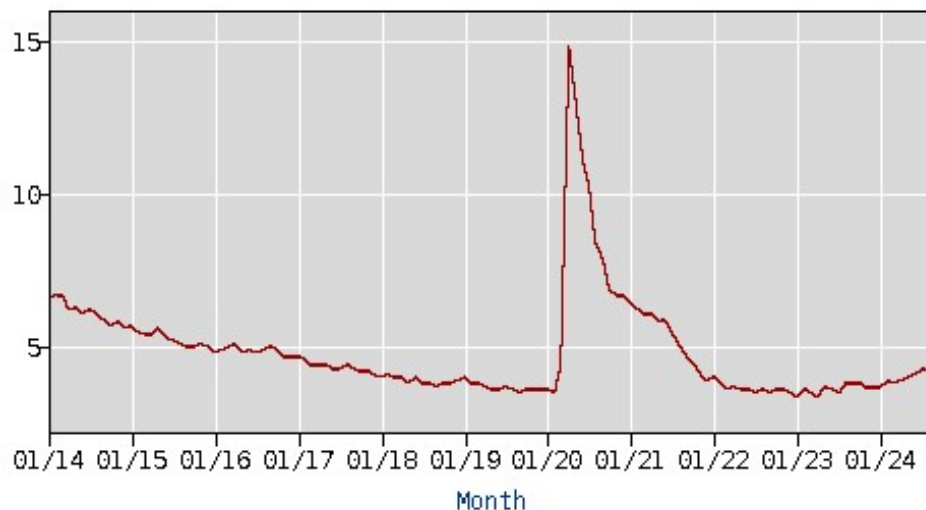
According to the Bureau of Labor Statistics, the (not seasonally adjusted) unemployment rate for metropolitan Tucson was as follows:



This data shows that the unemployment rate in the Tucson metropolitan area had slowly been declining since early 2011. There was a slow steady decline in the unemployment rate over several years. However, the unemployment rate (not seasonally adjusted) was stable in 2019

with an increase early in the year. Due to the shutdown of many businesses due to Covid-19, unemployment began to increase significantly in mid-March 2020. The unadjusted unemployment rate peaked at 13.0% in April 2020 and declined to 10.9% in May 2020. There was a decline to 7.7% in August 2020. In October 2020 the unemployment rate was 6.6%. The unemployment rate was 6.7% in January 2021 and then declined to 3.2% in December 2021, and increased to 3.8% in January 2022. The unemployment rate declined to 3.4% in March 2022 and increased to 4.3% in June 2022. The unemployment rate declined to 3.9% in October 2022, was 3.2% in January 2023 and increased to 4.6% in July 2023. Most recently the unemployment rate was 4.2% in October 2023. Most recently it was 3.7% in January 2024, declined to 2.5% in April 2024, and increased to 4.3% in August 2024.

According to the United States Department of Labor, Bureau of Labor Statistics, the national seasonally adjusted unemployment rate also increased through late 2009. The unemployment rate remained high and started to decline slowly in late 2010. The unemployment rate has declined and is below 2007 levels. The seasonally adjusted unemployment rate was 3.5% in February 2020 and 4.4% in March 2020. This increased to a peak of 14.7% in April 2020, then declined slightly to 13.2% in May 2020 and 10.2% in July 2020. The unemployment rate declined to 8.4% in August 2020 and 6.9% in October 2020. The unemployment rate declined to 6.4% in January 2021, 3.9% in December 2021, and 3.6% in March 2022. The unemployment rate was 3.7% in August 2022, 3.5% in December 2022, 3.8% in August 2023, 3.7% in December 2023, 3.9% in February 2024, and 4.1% in September 2024.



Overall, the commercial real estate markets reveal that in early to mid-2020, most investors held a cautionary outlook due to the uncertainty of the government conditions and Covid-19. Market conditions have improved for many property types since that time, starting as early as mid-2020. Market conditions were uncertain for some commercial property types, while demand remained for many other property types that are less impacted by Covid-19. Market conditions for single-family and multi-family properties has increased significantly in that time frame, while demand for many commercial uses, particularly those most impacted by Covid-19, were uncertain and stable for longer but increased for many other commercial uses. As interest rates increased starting in mid-2022, demand slowed and market conditions became more uncertain for most property types, with slower demand through the first three

quarters of 2024. There remains limited supply on the market for most property types. The long-term result should be a more balanced level of supply and demand - more conducive to steady long-term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.

MARKET AREA

The subject market area is the area bounded on the north by Avra Valley Road, on the west by the Ironwood Forest National Monument, on the south by the 22nd Street Alignment, and on the east by Sandario Road. The market area of the subject property is located in Pima County. The market area contains a significant area of vacant land throughout, with most of the development located in the northern and eastern portions of the market area. There are some agricultural uses in the market area, primarily in the northern portion of the market area. There are some residential uses, primarily in the eastern portion of the market area by Sandario Road but some lower density residential uses located in other portions of the market area. There is limited or no availability of water and sewer in some undeveloped portions of the market area. Access to the market area is currently considered adequate. Public transportation is not readily available to the subject market area which is typical for more rural areas like the subject market area. There is a large amount of vacant land in the market area.

SITE DESCRIPTION

The site is an irregular shaped property with approximately 200 feet of frontage on Manville Road on the northern property line. The site has a depth of approximately 5,240 feet on the western property line and approximately 3,100 feet on the easternmost property line, and a width of approximately 1,700 feet on the southern property line. It contains a total area of 170 acres, per information provided by the client. Manville Road is a two-lane, asphalt-paved dirt graded roadway in the vicinity of this property. Manville Road has a 2023 traffic count of 1,081 vehicles per day east of Anway Road, although no traffic count is available in the area of the subject property west of Anway Road. The topography is generally level, sloping slightly in a northerly direction. Soil conditions appear to be typical of the area. Properties bordering the subject property include vacant land to the south and west, vacant land and low density residences to the north, and low density residential uses to the east.

Electric (Trico Electric Cooperative) is located along Manville Road directly to the east of the subject property and could be brought a short distance to the property line. Public water and sewer are not available; a private well and private septic would be required. Any development of the site would require an engineering study to determine the availability and adequacy of utilities.

According to FEMA Flood Insurance Rate Map 04019C11615L, dated June 16, 2011 as well as an analysis by Pima Flood Control, approximately 138 acres of the subject 170 acres is within a floodplain with a designation of Zone AO-2. A small portion along the northeast and the southwest portions of the property are located within a floodplain with a designation of Zone AO-1. Only approximately two acres at the southwest corner of the site is designated as Zone X outside the 0.2 percent annual chance floodplain. Per the Pima County Floodplain

memo provided to the appraiser, any new residential development would be prohibited within the portion of the property zoned AO-2 due to flood depth. Also, according to this memo, a recently completed floodplain study confirms that the site is generally floodprone with a depth of 1 to 3 feet except for the southwest corner of the site. Additionally, about 59 acres of the site is within an Important Riparian Area with designations of Xeroriparian B and C. The property is in a seismic zone which is considered to have a low probability of seismic activity. There are no known easements or encumbrances that adversely affect the subject property.

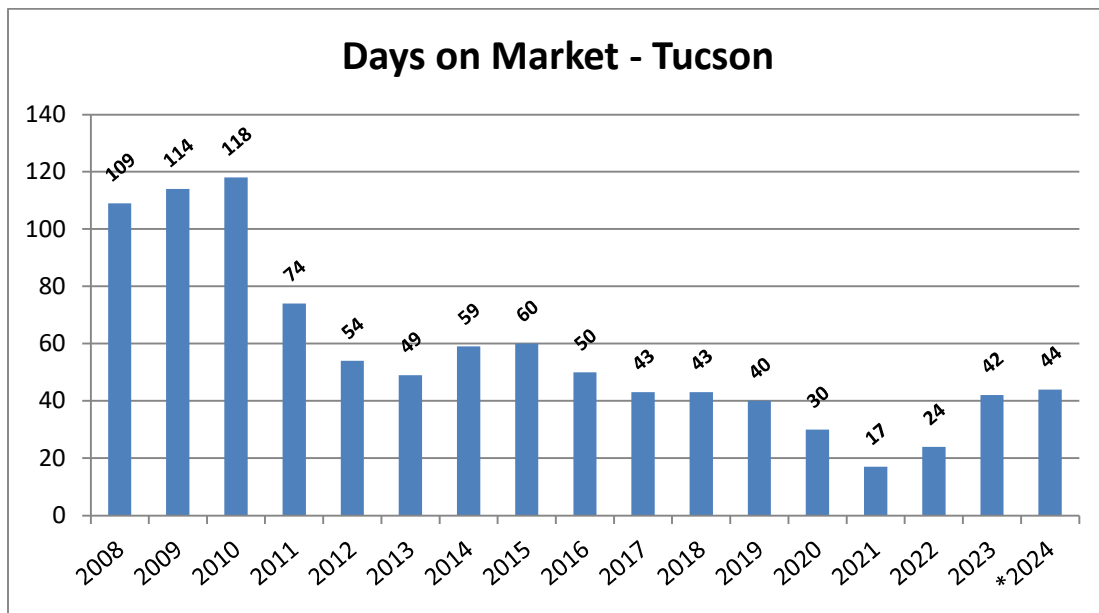
ZONING

The site is zoned Rural Homestead (RH), according to the Pima County Zoning Code (see Exhibit C). The purpose of this zone is 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.” The principal uses allowed by this zoning designation are low density residential, limited commercial use, agriculture use, and governmental uses. Specific allowable uses include single family residences, manufactured or mobile homes and trailers, and some commercial agriculture uses. The general development standards include a minimum site area of 180,000 square feet, with minimum front/rear yard setbacks of 50 feet and a minimum side yard setback of 25 feet. The maximum building height is 34 feet.

MARKET PROFILE – RESIDENTIAL

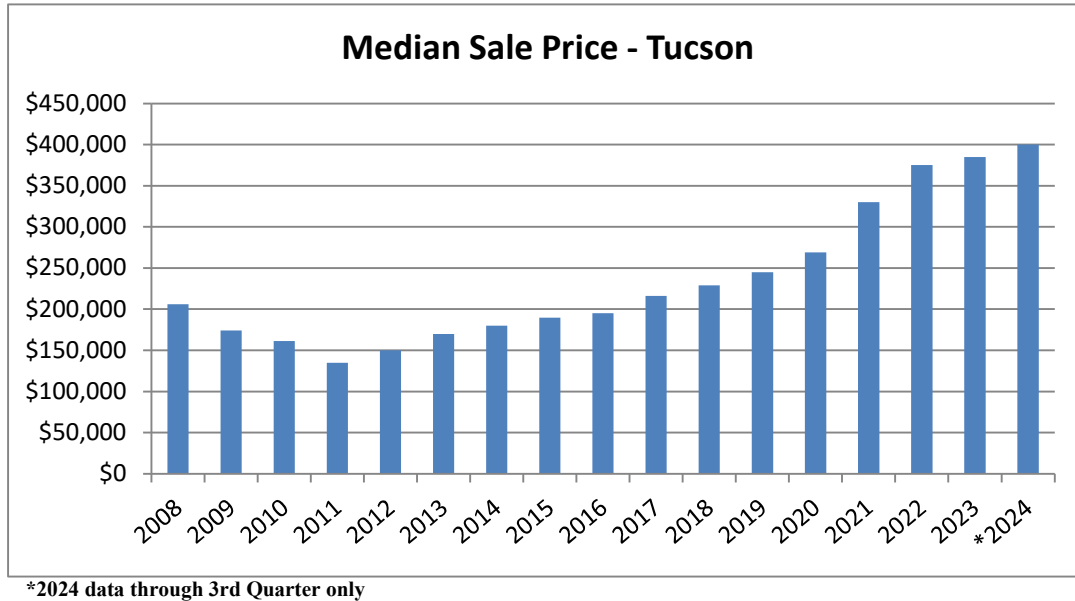
Starting in mid-2006, the market began to slow, and this trend continued into 2007, with a further slowdown in 2008 through 2010. Prices for residential properties leveled off and then decreased in all market areas. The demand for homes began to decline and fewer homes were purchased. The median price for homes also declined during this time. From 2011, there has been a steady recovery in the residential housing market, in all market areas. Market conditions for single-family residences increased significantly starting in mid-2020 due to largely in part to low interest rates and extremely limited inventory.

The following are the average number of days on market for sold single-family residences in the Tucson Market from 2008 through the third quarter of 2024, according to Multiple Listing Service (MLS). This data indicates that the average days on market for single-family residences increased from 2008 and peaked in 2010. Beginning in 2011, the number of days on market dropped significantly and was mostly stable from 2012 through 2019. The number of days on market decreased in 2020 and 2021, with a substantial reduction in 2021. The days on market increased in 2022 and 2023 and have remained relatively stable through the third quarter of 2024. While inventory of homes is still low, the effect of interest rate increases has led to an increase in marketing time from the prior years when interest rates were at historically low levels.

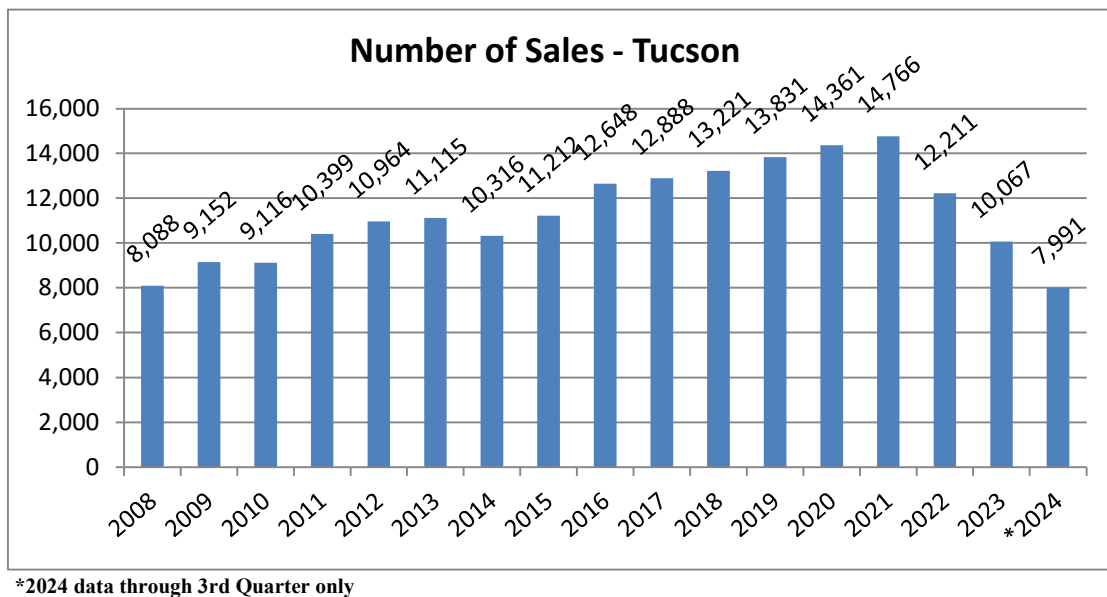


*2024 data through 1st Quarter only

The following is the median sale price for single-family residences for the Tucson market from 2008 through Third Quarter of 2024, according to MLS. The median sale price for single family residences declined yearly from 2008 through 2011. Beginning in 2011 the median sales price for single family residences in the Tucson market gradually increased on a year over year basis, continuing through the year end of 2023, with the rate of increase slowing from 2022 to 2023 compared to the previous years. The 2024 data is for the first three quarters of the year only and are generally consistent with the prior year.



The following is the number of sales of single-family residences in the Tucson Market from 2008 through Third Quarter of 2024, according to MLS. The number of sales began trending upward from 2008 through 2021. Sales dropped steadily from 2022 through 2023, with the data from the third quarter of 2024 indicating sales are similar to the 2023 sales.



Prices for some types of homes, specifically in homes priced below \$300,000 had increased slowly starting in 2013. Starting in mid-2020, there was increased demand for residential uses due to low interest rates, the increase in available “remote” occupations, and a generally low amount of inventory for homes priced below \$300,000 placing upward pressure on home prices. Prices had increased significantly, and at a rapid pace, from mid-2020 through mid-2022. However, interest rates increased starting in mid-2022 which slowed some of the housing activity as fewer homes were purchased. Due to high construction costs, demand for vacant residential land has also remained more stable and limited. Prices appear to have become more stable with the previous rapid increase in prices having slowed dramatically. Market participants indicate that prices have been more level in the last couple of years for vacant residential land after increasing from mid-2020 through mid-2022. The long-term result should be a more balanced level of supply and demand - more conducive to steady long-term development.

EXPOSURE/MARKETING TIME

Marketing time in this appraisal, is defined as: “An opinion of the amount of time it might take to sell a property interest at the concluded market value level or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.” ¹

The reasonable *exposure time* is the period a property is on the market until a sale is consummated and as utilized in this appraisal, is defined as: “The time a property remains on the market; An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” ²

The reasonable exposure and marketing time is estimated to be six to twelve months based on the sales used in this report and based on conversations with brokers familiar with properties similar to the subject property.

HIGHEST AND BEST USE

The Seventh edition of The Dictionary of Real Estate Appraisal (Appraisal Institute; 2022, p. 88), defines highest and best use 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.”

An analysis of market data supports the conclusion of highest and best use.

Highest and Best Use as Vacant

Legal Considerations

The site is zoned Rural Homestead (RH), according to the Pima County Zoning Code (see Exhibit C). The purpose of this zone is to “preserve the character and encourage the orderly

1. The Dictionary of Real Estate Appraisal (Appraisal Institute, Seventh Edition, 2022), p. 116

2. Ibid, p. 67

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.” The principal uses allowed by this zoning designation are low density residential, limited commercial use, agriculture use, and governmental uses. Specific allowable uses include single family residences, manufactured or mobile homes and trailers, and some commercial agriculture uses. The general development standards include a minimum site area of 180,000 square feet, with minimum front/rear yard setbacks of 50 feet and a minimum side yard setback of 25 feet. The maximum building height is 34 feet.

Physical Considerations

The site is an irregular shaped property with approximately 200 feet of frontage on Manville Road on the northern property line. The site has a depth of approximately 5,240 feet on the western property line and approximately 3,100 feet on the easternmost property line, and a width of approximately 1,700 feet on the southern property line. It contains a total area of 170 acres, per information provided by the client. Manville Road is a two-lane, asphalt-paved dirt graded roadway in the vicinity of this property. Manville Road has a 2023 traffic count of 1,081 vehicles per day east of Anway Road, although no traffic count is available in the area of the subject property west of Anway Road. The topography is generally level, sloping slightly in a northerly direction. Soil conditions appear to be typical of the area. Properties bordering the subject property include vacant land to the south and west, vacant land and low density residences to the north, and low density residential uses to the east.

Electric (Trico Electric Cooperative) is located along Manville Road directly to the east of the subject property and could be brought a short distance to the property line. Public water and sewer are not available; a private well and private septic would be required. Any development of the site would require an engineering study to determine the availability and adequacy of utilities.

According to FEMA Flood Insurance Rate Map 04019C11615L, dated June 16, 2011 as well as an analysis by Pima Flood Control, approximately 138 acres of the subject 170 acres is within a floodplain with a designation of Zone AO-2. A small portion along the northeast and the southwest portions of the property are located within a floodplain with a designation of Zone AO-1. Only approximately two acres at the southwest corner of the site is designated as Zone X outside the 0.2 percent annual chance floodplain. Per the Pima County Floodplain memo provided to the appraiser, any new residential development would be prohibited within the portion of the property zoned AO-2 due to flood depth. Also, according to this memo, a recently completed floodplain study confirms that the site is generally floodprone with a depth of 1 to 3 feet except for the southwest corner of the site. Additionally, about 59 acres of the site is within an Important Riparian Area with designations of Xeroriparian B and C. The property is in a seismic zone which is considered to have a low probability of seismic activity. There are no known easements or encumbrances that adversely affect the subject property.

The physical characteristics of the subject property would not allow for residential development on the majority of the property due to the floodprone nature of the property.

Financial Feasibility

The majority of the property is within a floodplain designation that would not allow for any residential development. While the very southwest corner of the property is not located within a floodplain, it is unlikely that development would occur in this area as it would require access to cross through a large floodprone area, and there is adequate land in the area that does not require crossing through a floodplain to access. There is some potential for a couple of homes to be developed in the narrow strip of land along the northeast portion of the property that is designated as AO-1, although there may not be strong market demand for homes in this area as it is located within a floodplain that would require homes to be built up. Therefore, the highest and best use is for open space with a potential for a couple of homes to be developed in the future.

Maximally Productive

Therefore, the highest and best use is for open space with a potential for a couple of homes to be developed in the future. Any home development would be most likely occur along the narrow strip of land along the northeast portion of the property that is designated as AO-1.

SUMMARY OF ANALYSIS AND VALUATION - PART IV

SALES COMPARISON APPROACH

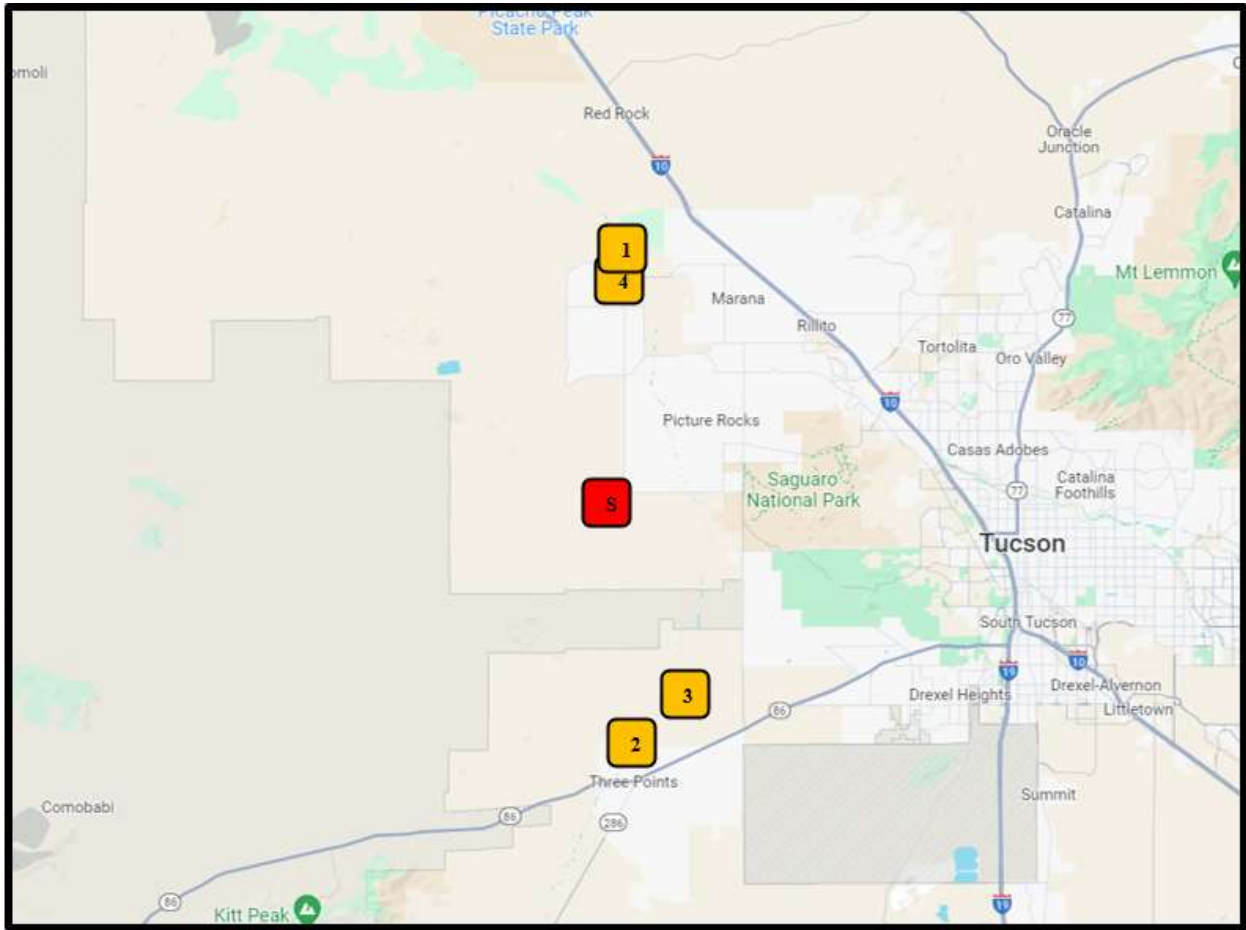
The sales comparison approach to value considers what a typical well-informed purchaser would pay for a property, based on an analysis of similar properties. This approach reflects the application of the principle of substitution, which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property.

This approach analyzes sales and listings of properties similar to the subject. This analysis uses those sales most relevant as indicators of value of the subject property, making adjustments for dissimilarities such as terms of sale, site size, location, zoning, and utility. Sales used in this approach must contain these elements; 1) both parties are typically motivated; 2) both parties are well-informed; 3) a reasonable market exposure time is allowed; 4) payment is made in cash or its equivalent; and 5) financing reflects terms typically available, and not affected by special or unusual terms. The summary below illustrates the comparable sales used in this report.

Table of Comparable Land Sales

Sale No.	Sale Date	Property Location	Sale Price	Site Size (Acres)	Price/Acre	Zoning
1.	01/19	South and west of Silverbell Road, east of Cocio Road	\$83,000	66.42	\$1,250	RH
2.	12/20	West side of Howling Coyote Trail, north of Ajo Way	\$90,000	59.61	\$1,510	RH
3.	04/23	South side of Park Road, west of Avra Road	\$75,000	43.60	\$1,720	RH
4.	09/24	West side of Musket Road, north of the Moore Road alignment	\$272,500	101.49	\$2,685	RH
Subject Property				170		RH

COMPARABLE LAND SALES LOCATION MAP



- Subject:** North side of Sandario Road, west of Anway Road
- Sale 1: South and west of Silverbell Road, east of Cocio Road
- Sale 2: West side of Howling Coyote Trail, north of Ajo Way
- Sale 3: South side of Park Road, west of Avra Road
- Sale 4: West side of Musket Road, north side of the Moore Road alignment

COMPARABLE LAND SALES

LAND COMPARABLE NUMBER ONE (SALE)

ID: RH 0575 8458

LOCATION: South and west of Silverbell Road, east of Cocio Road

LEGAL DESCRIPTION: A portion of the Northwest quarter of Section 21, Township 11 South, Range 10 East, G&SRB&M, Pima County, Arizona

STATE TAX PARCEL: 208-13-005D

RECORD DATA: Fee number 20190080470

DATE OF SALE: January 8, 2019

SELLER: Melvin M. Dixon, Successor Trustee to the Kathryn M. Dixon Survivors Trust

BUYER: Pima County Flood Control District

CONFIRMED BY: Jeffry Teplitsky, buyer's rep (520-724-6306)
TFH; February, 2024

LAND DESCRIPTION: This site is an irregular shaped backage property with a length of 1,549.61 feet along the northeastern property line, a length of 1,549.43 feet along the northern property line, a length of 1,545.57 feet along the eastern property line, and a length of 3,738.01 feet along the southwestern property line. There is legal access to the property by a 15 foot wide easement along the northern property line of the adjacent property to the east, which is a dirt pathway. The topography is level. There are no public utilities available to this site. According to FEMA Flood Insurance Rate Map 04019C1005L, dated June 16, 2011, the majority of the land is located in zone AE which is a Special Flood Hazard Area subject to inundation by the 1% annual chance flood with Base Flood Elevations determined. There is an important riparian area with a designation of Xeroriparian C located in the middle portion of the site. The Brawley wash traverses through the middle portion of this site and has a 250 erosion hazard setback area.

LAND SIZE: 66.42 acres, or about 2,893,255 square feet

ZONING:	RH, Pima County
REPORTED SALE PRICE:	\$83,000
PRICE PER ACRE:	\$1,250
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Open space for flood and drainage use
COMMENTS:	This property was a flood prone property that could not be developed. It was purchased by Pima County through the FLAP program.

LOCATION: West side of Howling Coyote Trail, north of Ajo Way

LEGAL DESCRIPTION: A portion of the Southeast quarter of Section 17,
Township 15 South, Range 10 East, G&SRB&M, Pima
County, Arizona

STATE TAX PARCEL: 208-61-001D, 208-61-001C, 208-57-002F,

RECORD DATA: Fee number 20203530218

DATE OF SALE: December 18, 2020

SELLER: Cynthia Ripley

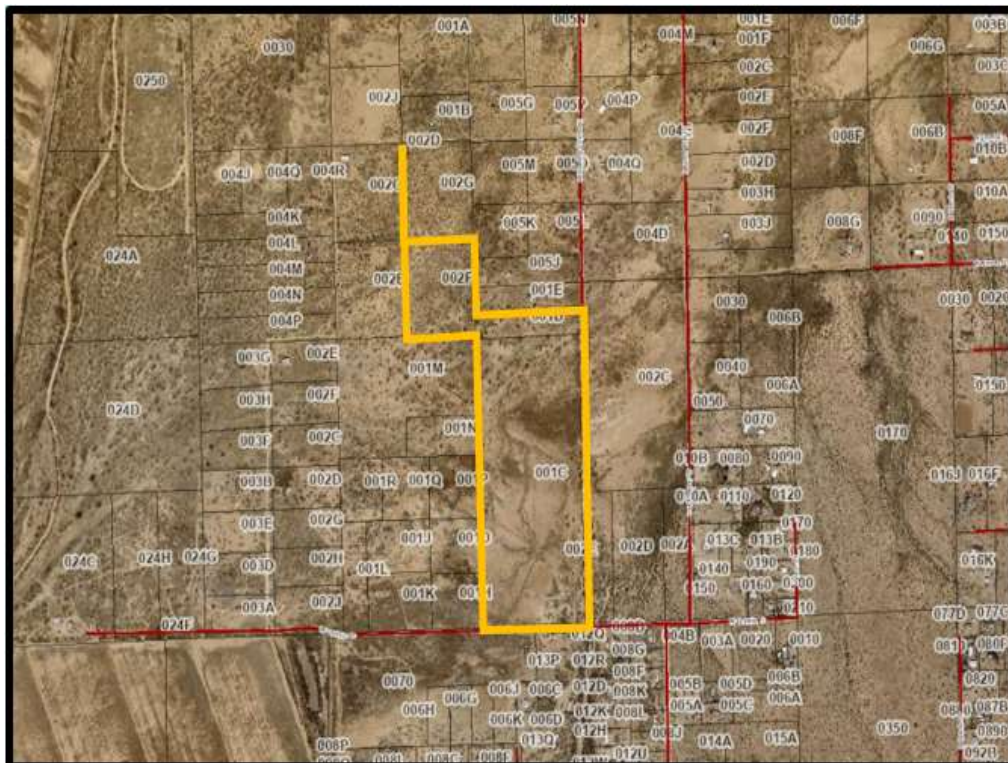
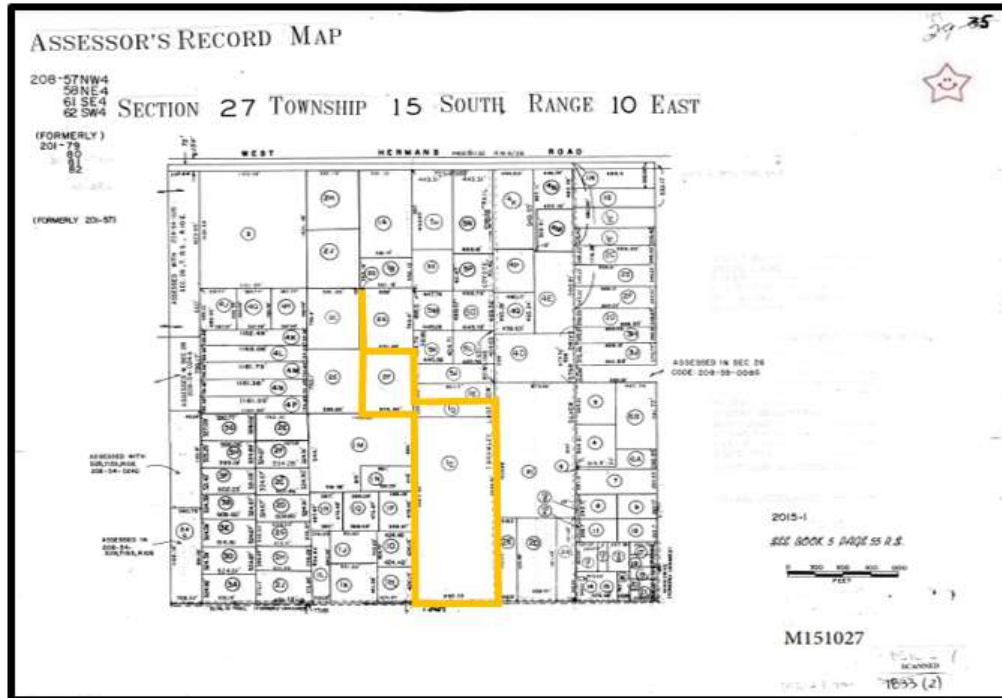
BUYER: Robert Shane Gourdin

CONFIRMED BY: John Thrush, listing agent (602-499-9602)
TFH; February, 2024

LAND DESCRIPTION: This site is an irregular shaped property with about
2,434 feet of frontage on Howling Coyote Trail along
the most eastern property line. The site has a maximum
depth of about 3,780 feet from the most northern end of
the site to the most southern end and a maximum depth
of about 1,470 feet from the most eastern end of the site
to the most western end of the site. The site has a width
of 895.33 feet along the most southern property line.
Access to the site is from Howling Coyote Trail which
is a dirt roadway. The topography is mostly level.
Utilities available to the site include water through an
active well, a septic system, and electric to the lot line.
According to FEMA Flood Insurance Rate Maps
04019C2810L and 04019C2805L, dated June 16, 2011,
the majority of the land, mostly the middle and southern
portion, is identified as being located in Zone AO 3
(depth 3 feet) which is a Special Flood Hazard Area
subject to inundation by the 1% annual chance flood
with flood depths of 1 to 3 feet (usually sheet flow on
sloping terrain); average depths determined. For areas
of alluvial fan flooding, velocities also determined. The
northern portion of the site is located in zone AO 2
which has depths of two feet. A portion of the site is
located within a riparian area with a designation of

Xeroriparian C. There is an unnamed wash that traverses along the eastern property line and has an erosion hazard setback of 100 feet, and an unnamed wash that traverses along the southern property line with an erosion hazard setback area of 75 feet.

LAND SIZE:	59.61 acres, or about 2,596,612 square feet
ZONING:	RH, Pima County
REPORTED SALE PRICE:	\$90,000
PRICE PER ACRE:	\$1,510
MARKETING TIME:	605 days, per MLS
TERMS OF SALE:	Terms of the sale included a down payment in the amount of \$36,000 (40%), with the buyer obtaining financing from the seller for the remaining balance, considered to be at market terms.
PRIOR SALE:	Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Ranching and investment.
COMMENTS:	This listing agent indicated that the site had an active well with some water lines throughout the property. Additionally, there were some minor ranching improvements as well as wood fencing along the perimeter of the site.



LOCATION: South side of Park Road, west of Avra Road

LEGAL DESCRIPTION: Parcel 52 Tucson West, Section 7, Township 15 South, Range 11 East, G&SRB&M, Pima County, Arizona

STATE TAX PARCEL: 209-08-037F

RECORD DATA: Fee number 20231170572

DATE OF SALE: April 27, 2023

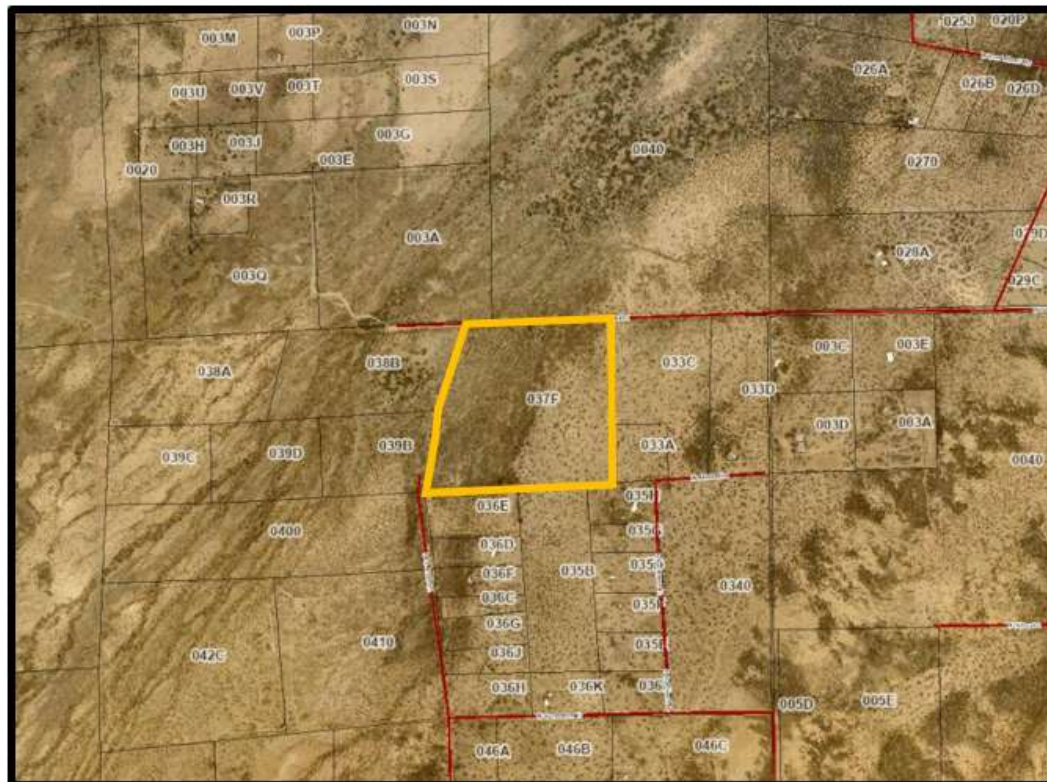
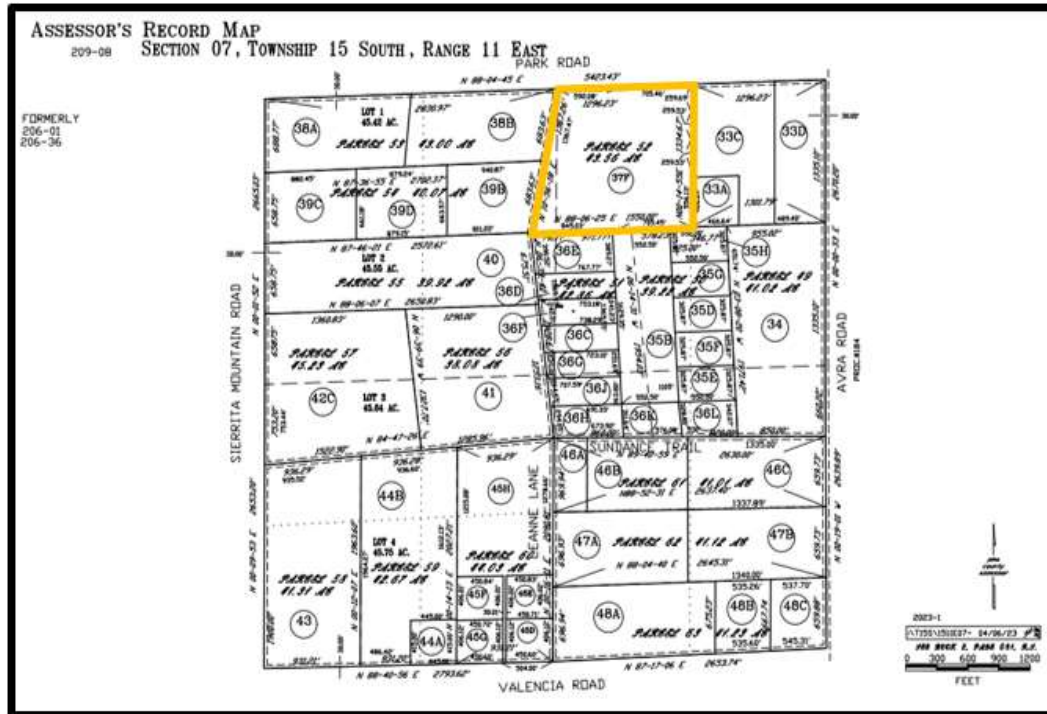
SELLER: John H. Monreal and Maria J. Monreal

BUYER: Pima County Flood Control District

CONFIRMED BY: Jeffrey Teplitsky, Buyer's Rep (520-724-6306)
TFH; February, 2024

LAND DESCRIPTION: This site is an irregular shaped property with about 1,298 feet of frontage on Park Road along the northern property line, a length of about 1,335 feet along the eastern property line, a length of about 1,500 feet along the southern property line, and a length of about 1,367 feet along the western property line. Access to the site is from Park Road, which is a dirt roadway. The topography is mostly level. Electric is available to the site. Water and sewer are not available to the site. According to FEMA Flood Insurance Rate Map 04019C225L, dated June 16, 2011, the land is identified as being located in Zone AO (with the majority in Zone AO 2 and AO3 with Depths of two and three feet, and a smaller remaining portion in AO 1 with depths of one foot) which is a Special Flood Hazard Area subject to inundation by the 1% annual chance flood with flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined. For areas of alluvial fan flooding, velocities also determined. More than half of the site is located within a riparian area with a designation of Mesoriparian H. There is an unnamed wash that traverses through the middle portion of the site that has an erosion hazard setback of 100 feet.

LAND SIZE:	43.60 acres, or about 1,899,216 square feet
ZONING:	RH, Pima County
REPORTED SALE PRICE:	\$75,000
PRICE PER ACRE:	\$1,720
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Open space for flood and drainage purposes.
COMMENTS:	This property was purchased by Pima County as part of the Floodprone Land Acquisition Program (FLAP).



LOCATION: West side of Musket Road, north of the Moore Road alignment

LEGAL DESCRIPTION: Lots 148 through 159 and Lots 223 through 228 of Hunter Subdivision No. 2, Pima County, Arizona

STATE TAX PARCEL: 208-17-1550 through -1660 and 208-17-2300 through -2350

RECORD DATA: Fee number 20242710470

DATE OF SALE: September 27, 2024

SELLER: Title Security Agency, Trust No. 201924-S

BUYER: Pima County Flood Control District

CONFIRMED BY: Jeffrey Teplitsky, buyer's rep (520-724-6306)
SRB; November, 2024

LAND DESCRIPTION: The site is an irregular shaped property consisting of two non-contiguous land areas that are separated by one parcel of land (parcel number 208-17-1670). The northern site area has approximately 2,420 feet of frontage on Musket Road along the eastern property line, a length of 1,296.60 feet along the northern property line, a length of 2,423.03 feet along the western property line, and a length of 1170.96 feet along the southern property line. This land area is subdivided into 12 lots. The southern site area has 1,320.10 feet of frontage on Musket Road along the eastern property line, a length of 1,325.64 feet along the northern property line, a length of 1,369.36 feet along the western property line, and a length of 995.27 feet along the southern property line. This land area is subdivided into 6 lots. The northern and southern land areas are separated by a parcel of land with a width of about 220 feet. The southern site area contains 31.24 acres and the northern site area contains 70.25 acres, with the combined site areas having a total land area of 101.49 acres, per information provided by Pima County. The total land area is subdivided into 18 subdivision lots in the Hunter No. 2 subdivision.

Musket Road is currently a dirt roadway. The topography is mostly level, slightly sloping in a northerly direction.

Utilities available to or near the property include electric (Trico Electric Cooperative), telephone (CenturyLink), water (Marana Domestic Water Improvement District). These utilities are all located to the east of the property. There are water lines east of the subject property on the east side of Musket Road. Sewer is not available in the vicinity of this site. Any development of the site would require a septic system.

According to FEMA Flood Insurance Rate Map 04019C1005L, dated June 16, 2011, the land is located in Zone AE which is a Special Flood Hazard Area subject to inundation by the 1% annual chance flood with Base Flood Elevations determined. There is a small portion of the northern site area located on the eastern end that is located in Zone X (shaded) which are areas of 0.2% annual chance flood (see exhibits). The majority of the site is located with a riparian area with a designation of Xeroriparian C. The Blanco Wash traverses north through the middle of the southern half of the subject site area and has a building area setback of 250 feet. The Blanco Wash then traverses just west of the northern half of the subject site area. There are two tributaries that traverse the northern half of the subject property and flow into the Blanco Wash, adjacent to the northern half of the site along the western end

The subject property consist of 18 subdivision lots that total 101.49 acres of vacant land. The six most southern lots are all undevelopable due to the depth of flow impacting the entire property, up to three feet. The five most northern lots are all undevelopable due to the depth of flow and the presence of low flow channels throughout the property. The three lots south of the five most northern lots may be developable but with significant improvements including two feet of fill and significant armoring of the fill including 48" or more of toe-down and erosion protection. The remaining four lots are likely developable with a small amount of drainage improvements consisting of fill and minor scour protection.

LAND SIZE:	101.49 acres
ZONING:	RH, Pima County
REPORTED SALE PRICE:	\$272,500
PRICE PER ACRE:	\$2,685
MARKETING TIME:	N/A
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	For use as open space
COMMENTS:	The subject property consist of 18 subdivision lots that total 101.49 acres of vacant land. The six most southern lots are all undevelopable due to the depth of flow impacting the entire property, up to three feet. The five most northern lots are all undevelopable due to the depth of flow and the presence of low flow channels throughout the property. The three lots south of the five most northern lots may be developable but with significant improvements including two feet of fill and significant armoring of the fill including 48" or more of toe-down and erosion protection. The remaining four lots are likely developable with a small amount of drainage improvements consisting of fill and minor scour protection. Therefore, the majority of the property is not developable, with a portion having a potential for residential development.



COMPARABLE SALES ADJUSTMENT GRID

	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Sale Date		01/2019	12/2020	04/2023	09/2024
Site Size (Acres)	170.00	66.42	59.61	43.60	101.49
Zoning	RH	RH	RH	RH	RH
Sale Price		\$83,000	\$90,000	\$75,000	\$272,500
Price per Acre		\$1,250	\$1,510	\$1,720	\$2,685

Summary of Adjustments

Unadjusted Price / Acre	\$1,250	\$1,510	\$1,720	\$2,685
Property Rights	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$1,250	\$1,510	\$1,720	\$2,685
Financing	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$1,250	\$1,510	\$1,720	\$2,685
Conditions of Sale	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$1,250	\$1,510	\$1,720	\$2,685
Date/Market Conditions	<u>14%</u>	<u>8%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$1,425	\$1,631	\$1,720	\$2,685
Physical Adjustments (%)				
Location	0	10	10	0
Zoning	0	0	0	0
Site Size	-15	-15	-20	-10
Access to Utilities	20	-10	0	-10
Site Utility	<u>20</u>	<u>20</u>	<u>15</u>	<u>-15</u>
Net Adjustment	25%	5%	5%	-35%
Indicated Value / Acre	\$1,781	\$1,712	\$1,806	\$1,745

This analysis compares four sales of similar floodprone vacant land parcels to the subject property on a price per acre basis. This is the sale price divided by the acreage of the site. Sales prices range from \$1,250 to \$2,685 per acre before adjustment. The adjustment grid on the previous page reflects the adjustments. An upward adjustment indicates that the comparable is inferior to the subject; a downward adjustment indicates that the comparable is superior to the subject; and no adjustment (0) indicates the comparable is similar or equal to the subject.

Comparable Sale One warrants an upward adjustment as market conditions for this type of property improved between the date of this sale and the date of value. There is a downward adjustment for site size as this property is smaller than the subject property. Smaller properties tend to sell for more on a price per acre basis than larger properties, all else being equal. This sale warrants an upward adjustment for access to utilities as this property has inferior access to utilities with no public utilities available to this property. There is an upward adjustment for site utility as this property is more floodprone with less potential for residential development compared to the subject property. Overall, this sale price per acre indicates an upward adjustment in comparison to the subject.

Comparable Sale Two warrants an upward adjustment as market conditions for this type of property improved between the date of this sale and the date of value. This sale warrants an upward adjustment for location as this property is located in an area with less demand than the subject property. There is a downward adjustment for site size as this property is smaller than the subject property. Smaller properties tend to sell for more on a price per acre basis than larger properties, all else being equal. This sale warrants a downward adjustment for access to utilities as this property has better access to utilities than the subject with a well available to this property. There is an upward adjustment for site utility as this property is more floodprone with less potential for residential development compared to the subject property. Overall, this sale price per acre indicates an upward adjustment in comparison to the subject.

Comparable Sale Three does not warrant an adjustment for date and market conditions as market conditions for this type of property were generally stable between the date of this sale and the date of value. This sale warrants an upward adjustment for location as this property is located in an area with less demand than the subject property. There is a downward adjustment for site size as this property is smaller than the subject property. Smaller properties tend to sell for more on a price per acre basis than larger properties, all else being equal. There is an upward adjustment for site utility as this property is more floodprone with less potential for residential development compared to the subject property. Overall, this sale price per acre indicates an upward adjustment in comparison to the subject.

Comparable Sale Four does not warrant an adjustment for date and market conditions as market conditions for this type of property were generally stable between the date of this sale and the date of value. There is a downward adjustment for site size as this property is smaller than the subject property. Smaller properties tend to sell for more on a price per acre basis than larger properties, all else being equal. This sale warrants a downward adjustment for access to utilities as this property has better access to utilities with water nearby. There is a

downward adjustment for site utility as this property has more land with a potential to be developed compared to the subject. Overall, this sale price per acre indicates a downward adjustment in comparison to the subject.

Sales Comparison Approach Summary

	Sale 1	Sale 2	Sale 3	Sale 4
Adjusted Sale Price / Acre	\$1,781	\$1,712	\$1,806	\$1,745

These four comparable sales indicate a price range of \$1,712 to \$1,806 per acre after adjustment. All of the sales provide a reliable indicator of value range for the subject property. After analyzing the comparable sales, the conclusion of market value of the subject property by the sales comparison approach, as of November 13, 2024, is \$1,775 per acre, times 170 acres, equaling \$301,750, rounded to \$301,800.

MARKET VALUE CONCLUSION

Therefore, based on the above analysis and subject to the assumptions and limiting conditions contained in this report, the opinion of market value of the subject property, "as vacant", as of the effective date of the appraisal, November 13, 2024, is \$301,800.

OPINION OF MARKET VALUE OF SUBJECT PROPERTY,
AS OF NOVEMBER 13, 2024:

THREE HUNDRED ONE THOUSAND EIGHT HUNDRED DOLLARS
(\$301,800)

ASSUMPTIONS AND LIMITING CONDITIONS - PART V

1. **Type of Report.** This is an appraisal 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 for an Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses 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.
2. **Definitions.** "Appraisal," as herein defined, is the process of completing a service; namely, a valuation assignment. "Subject property" refers to the property which is the subject of the assignment. "Appraisers" are those persons, whether one or more, who have accepted the assignment and who have participated in the analyses, opinions, and conclusions formed in the appraisal. "Company" refers to Baker, Peterson, Baker & Associates, Inc. "Report" refers to this written document containing the analyses, opinions, and conclusions which constitute the appraisal.
3. **Liability.** The liability of Baker, Peterson, Baker & Associates, Inc., including any or all of its employees, and including the appraiser responsible for this report, is limited to the Client only, and to the fee actually received by the Company. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of any person other than the Client, the Client is responsible for making such party aware of all assumptions and limiting conditions related thereto. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the subject property, whether physical, financial, or legal.
4. **Title.** No opinion as to title is rendered. Data related to ownership and legal description was provided by the Client or was obtained from available public records and is considered reliable. Unless acknowledged in this report, no title policy or preliminary title report were provided. Title is assumed to be marketable and free and clear of all liens, encumbrances, and restrictions except those specifically discussed in the report. The property is appraised assuming responsible ownership, competent management and ready availability for its highest and best use.
5. **Survey or Engineering.** No survey or engineering analysis of the subject property has been made by the appraiser. It is assumed that the existing boundaries are correct and that no encroachments exist. The appraiser assumes no responsibility for any condition not readily observable from customary investigation and inspection of the premises which might affect the value thereof, excepting those items which are specifically mentioned in the report.

6. **Data Sources.** The report is based, in part, upon information assembled from a wide range of sources and, therefore, the incorporated data cannot be guaranteed. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the Client consider independent verification within these categories prior to any transaction involving a sale, lease, or other significant commitment of the subject property, and that such verification be performed by appropriate recognized specialists.
7. **Subsequent Events.** The date of valuation to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring after the date of valuation which may affect the opinions in this report. Further, in any prospective valuation assignment, the appraiser cannot be held responsible for unforeseeable events that alter market conditions prior to the date of valuation. Such prospective value estimates are intended to reflect the expectations and perceptions of market participants along with available factual data, and should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized.
8. **Adjustments.** The appraiser reserves the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available subsequent to issuance of the report.
9. **Special Rights.** No opinion is expressed as to the value of any subsurface (oil, gas, mineral) or aerial rights or whether the property is subject to surface entry for the exploration or removal of materials except where expressly stated in the report.
10. **Value Distribution.** The distribution of total value in this report between land and improvements applies only under the specified highest and best use of the subject property as herein described. The allocations of value among the land and improvements do not apply to any other property other than the property which is the subject of this report.
11. **Legal or Special Opinions.** No opinion is intended to be expressed for matters which require legal expertise, specialized investigation, or a level of professional or technical knowledge beyond that customarily employed by real estate appraisers.
12. **Personal Property.** Unless expressly stated within this report, no consideration has been given as to the value of any personal property located on the premises, or to the cost of moving or relocating such personal property. Only the real property has been considered.

13. **Soil Conditions.** Unless expressly stated within this report, no detailed soil studies covering the subject property were available to the appraiser. Therefore, it is assumed that existing soil conditions are capable of supporting development of the subject property in a manner consistent with its highest and best use without extraordinary foundation or soil remedial expense. Further, it is assumed that there are no hidden or unapparent matters (hazardous materials, toxic substances, etc.) related to the soil or subsurface which would render the subject more or less valuable by knowledge thereof.
14. **Court Testimony.** Testimony or attendance in court or at any other hearing (including depositions) is not required by reason of rendering this appraisal or issuing this report, unless such arrangements have previously been made and are part of a contract for services.
15. **Exhibits.** Maps, floor plans, photographs, and any other exhibits contained in this report are for illustration only, and are provided as an aid in visualizing matters discussed within the report. They should not be considered as surveys or scale renderings, or relied upon for any other purpose.
16. **Statute, Regulation, and License.** Unless otherwise stated within the report, the subject property is assumed to be in full and complete compliance with all applicable federal, state, and local laws related to zoning, building codes, fire, safety, permits, and environmental regulations. Further, it is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authorizations have been, or can be, readily obtained or renewed as related to any use of the subject property on which the value estimate contained herein is based.
17. **Hidden or Unapparent Conditions.** It is assumed that there are no hidden or unapparent conditions which, if known, would affect the analyses, opinions or conclusions contained in this report. This includes, but is not limited to, electrical, mechanical, plumbing, and structural components.
18. **Hazardous/Toxic Substances.** In this appraisal assignment, no observation was made of the existence of potentially hazardous material used in the construction and/or maintenance of the improvements, or from any other source, whether borne by land or air, including, but not limited to, asbestos, lead, toxic waste, radon, and urea formaldehyde. While not observed, and while no information was provided to confirm or deny the existence of such substances (unless expressly stated herein), it is emphasized that the appraiser is not qualified to detect or analyze such substances. Unless otherwise stated, no consideration has been given to the presence of, nature of, or extent of such conditions, nor to the cost to "cure" such conditions or to remove any toxic or hazardous substances which could potentially affect the value or marketability of the property. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person

or other entity with an interest in the subject property is urged to retain an expert if so desired. This value estimate assumes that there is no such material on or in the property.

19. ***Americans with Disabilities Act of 1990.*** The ADA became effective on January 26, 1992. I 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 on the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
20. ***Disclosure.*** Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, including the value estimate, the identity of the appraisers or their professional designations, or the company with which the appraisers are associated, shall be used for any purpose by anyone other than the Client as herein stated, without the prior written consent of the appraisers. Nor shall it be conveyed, in whole or in part, in the public through advertising, news, sales, listings, or any other media without such prior written consent. Possession of this report does not carry with it any right of public distribution.
21. ***Endangered and Threatened Species.*** The appraisers have not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which are identified as an endangered or threatened species by the U. S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such plants or wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. It is possible that a survey of the property could reveal that the site contains endangered or threatened plants or wildlife. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible endangered or threatened species in estimating the value of the property.
22. ***Acceptance of Report.*** Acceptance and/or use of this report by the Client or any third party constitutes acceptance of all of the above conditions.

CERTIFICATION - PART VI

I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Foundation, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute, and any other specifications submitted by the Client, including Title XI, FIRREA.
8. The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.
9. In accord with the Uniform Standards of Professional Appraisal Practice, I have the experience and knowledge to complete this assignment in a credible and competent manner.
10. As of the date of this report, I have completed requirements of the continuing education program of the Appraisal Institute.
11. The effective date (date of valuation) of this appraisal is November 13, 2024.
12. I have made a personal inspection of the property that is the subject of this report.

13. Our firm has not appraised the subject property within three years prior to this assignment.
14. No one provided significant real property appraisal assistance to the person signing this certification.
15. I am a Certified General Real Estate Appraiser in the State of Arizona.

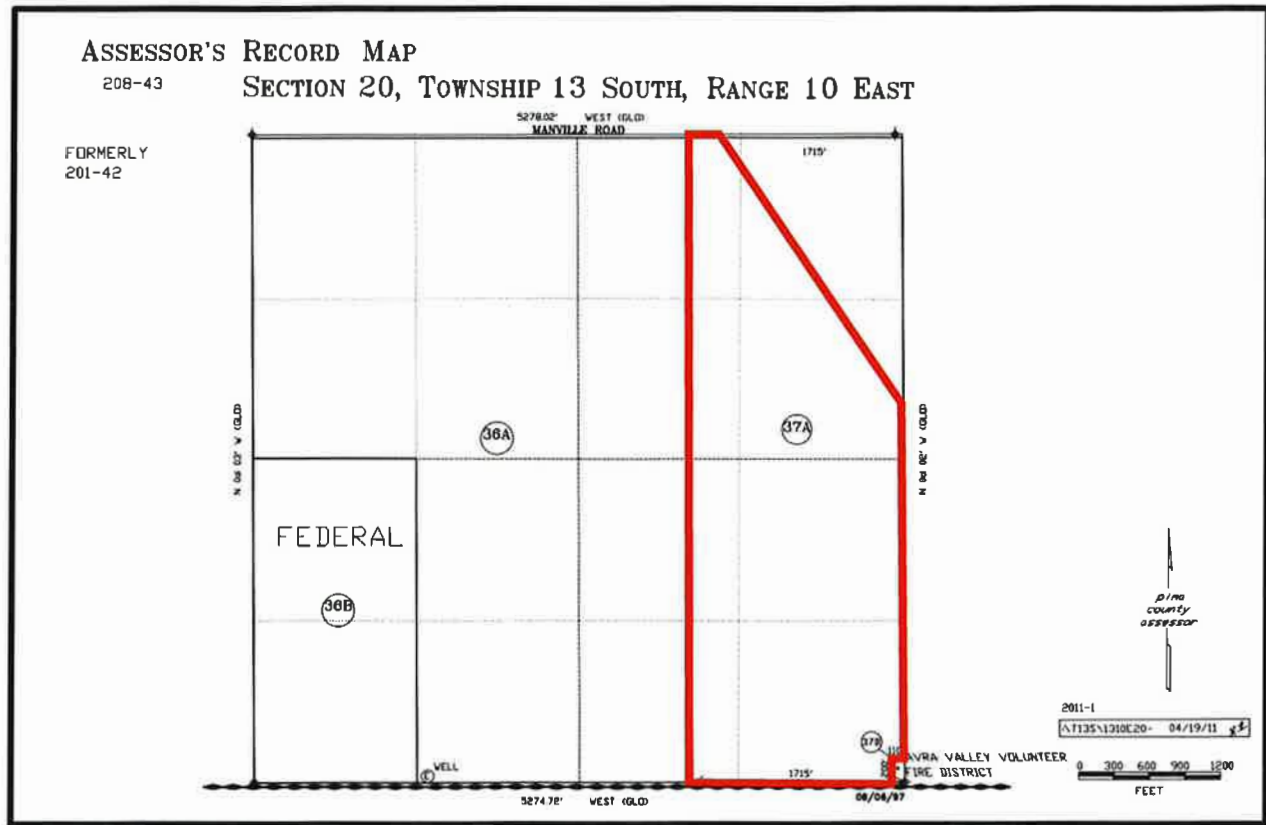


Sara R. Baker, MAI, SRA
Certified General Real Estate Appraiser
Certificate Number 31679
Designated Supervisory Appraiser
Registration Number DS0082

EXHIBITS - PART VII

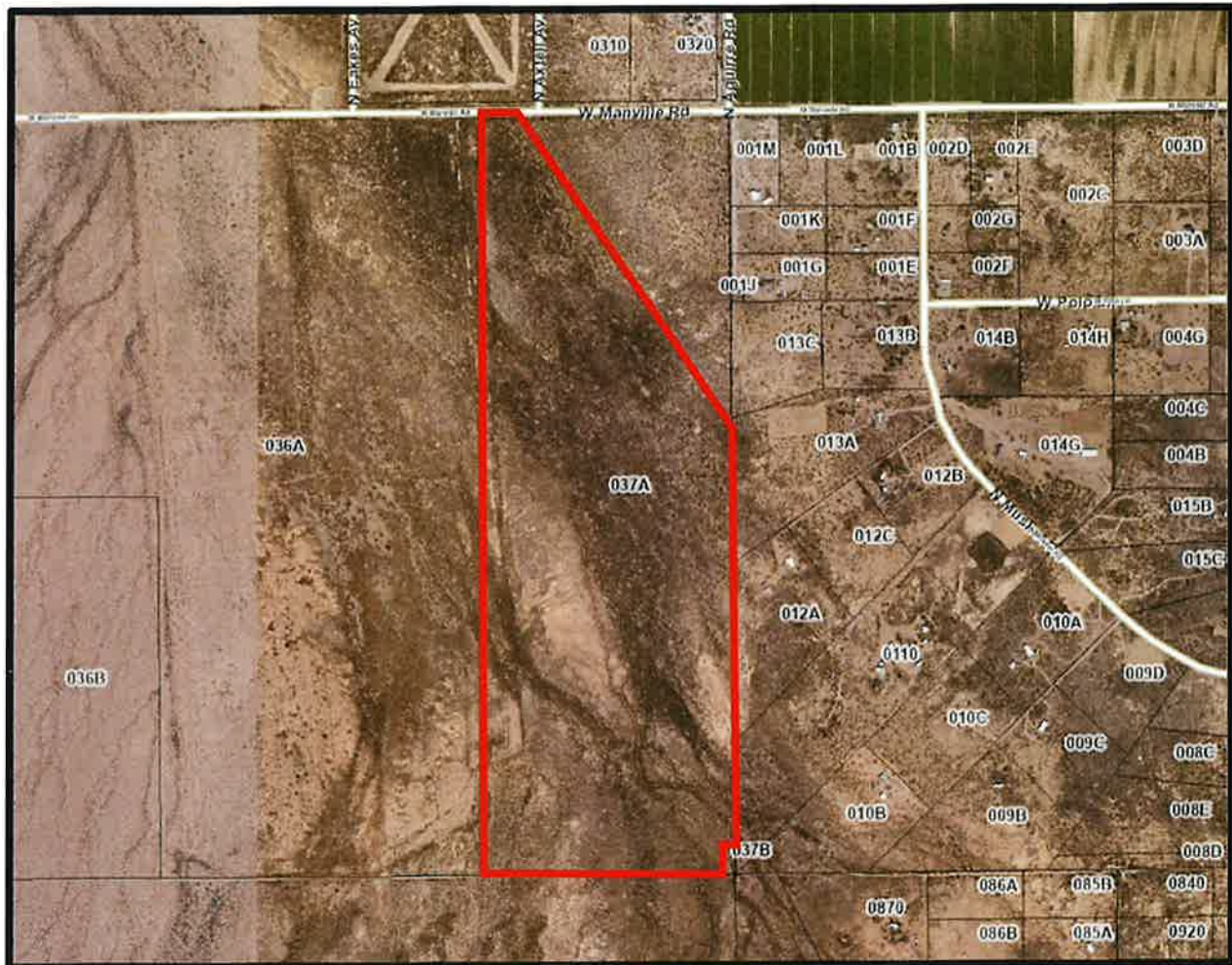
Exhibit A	Subject Plat Map
Exhibit B	Aerial Photograph
Exhibit C	Zoning Map
Exhibit D	Pima County Flood Plain
Exhibit E	FEMA Flood Plain Map
Exhibit F	Riparian Habitat Map
Exhibit G	Subject Photographs
Exhibit H	Qualifications

EXHIBIT A - SUBJECT PLAT MAP



(property outline is estimate)

EXHIBIT B - AERIAL PHOTOGRAPH



(property outline is estimate)

EXHIBIT D - PIMA COUNTY FLOOD PLAIN

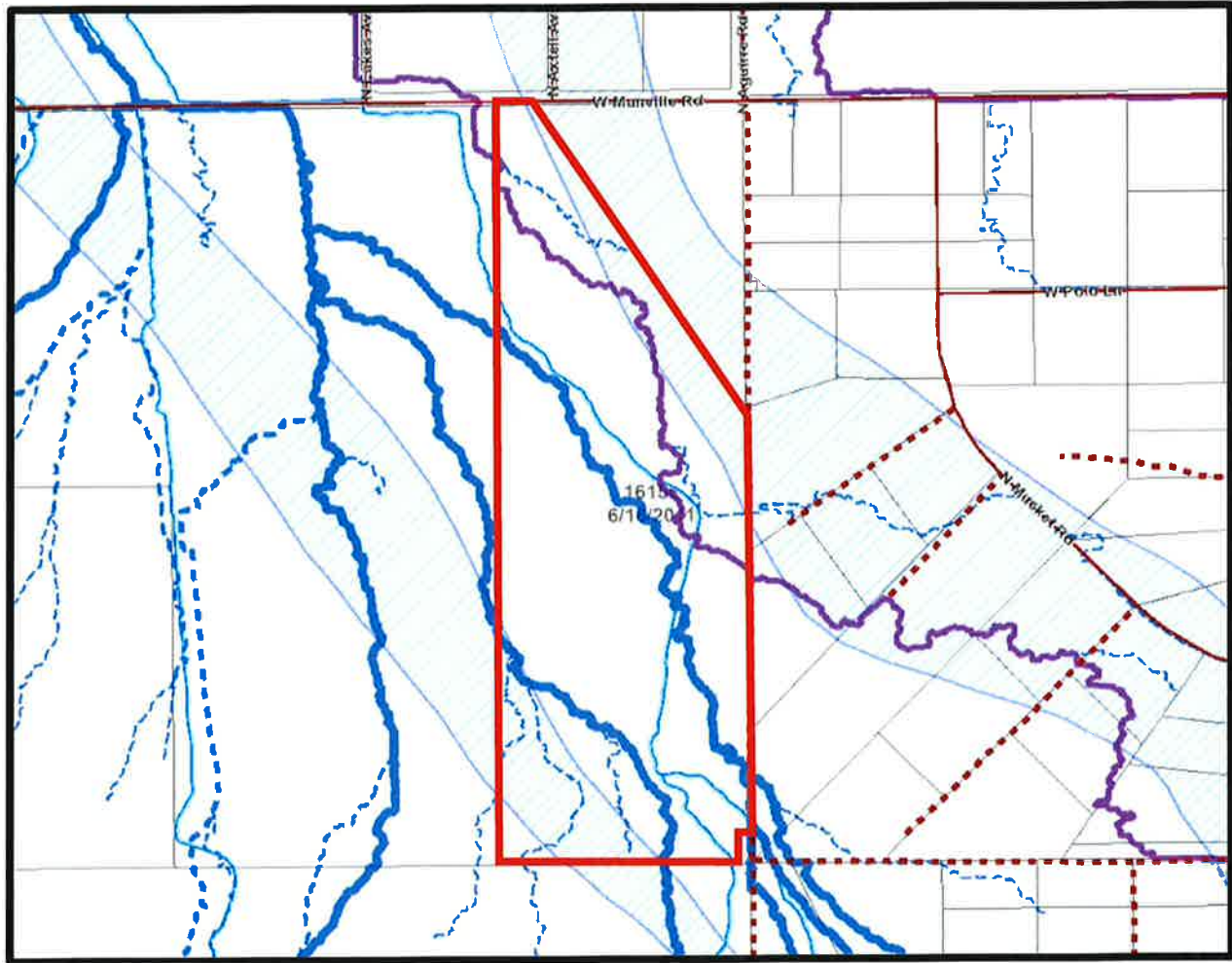


EXHIBIT E - FEMA FLOOD PLAIN

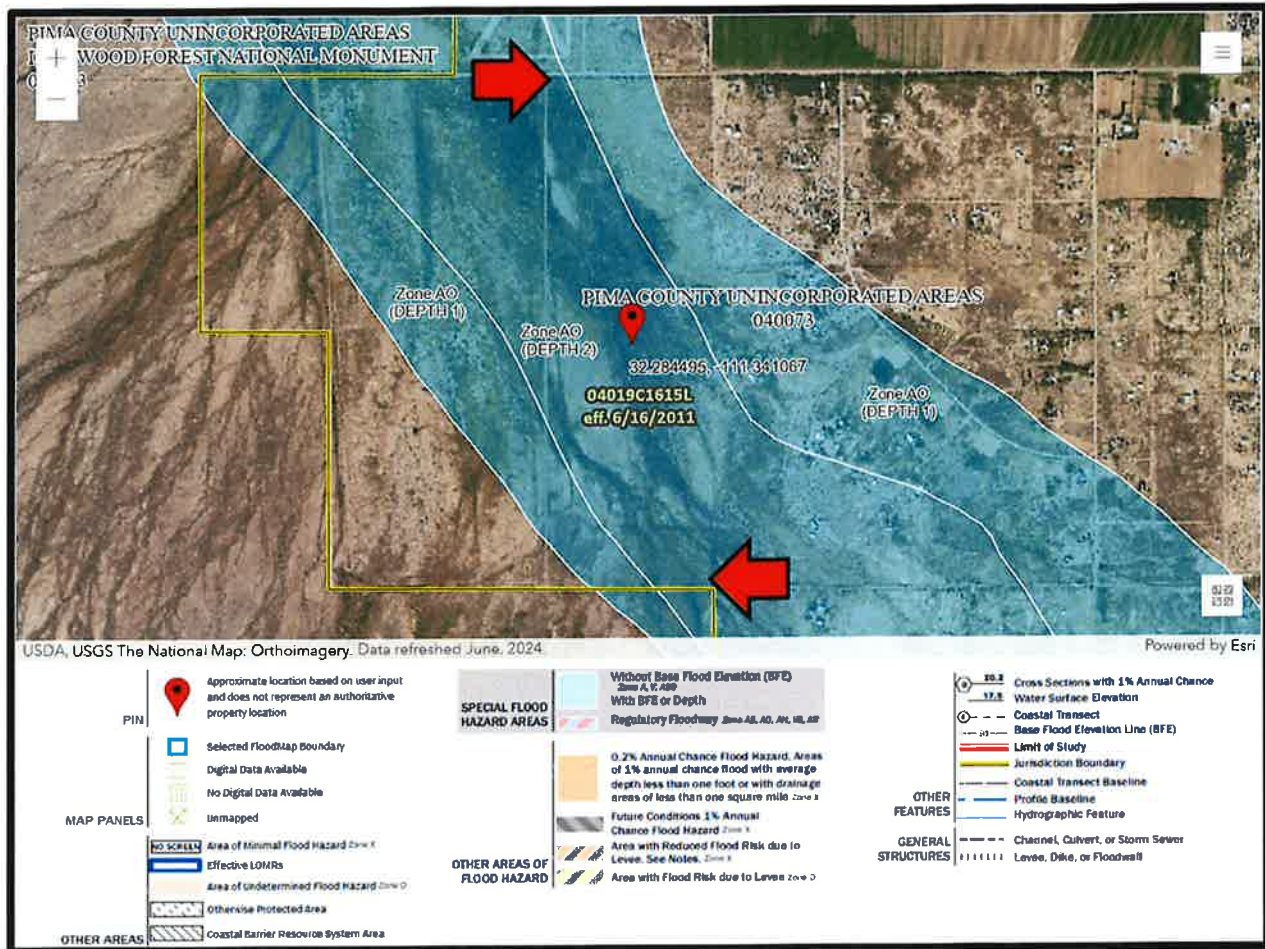
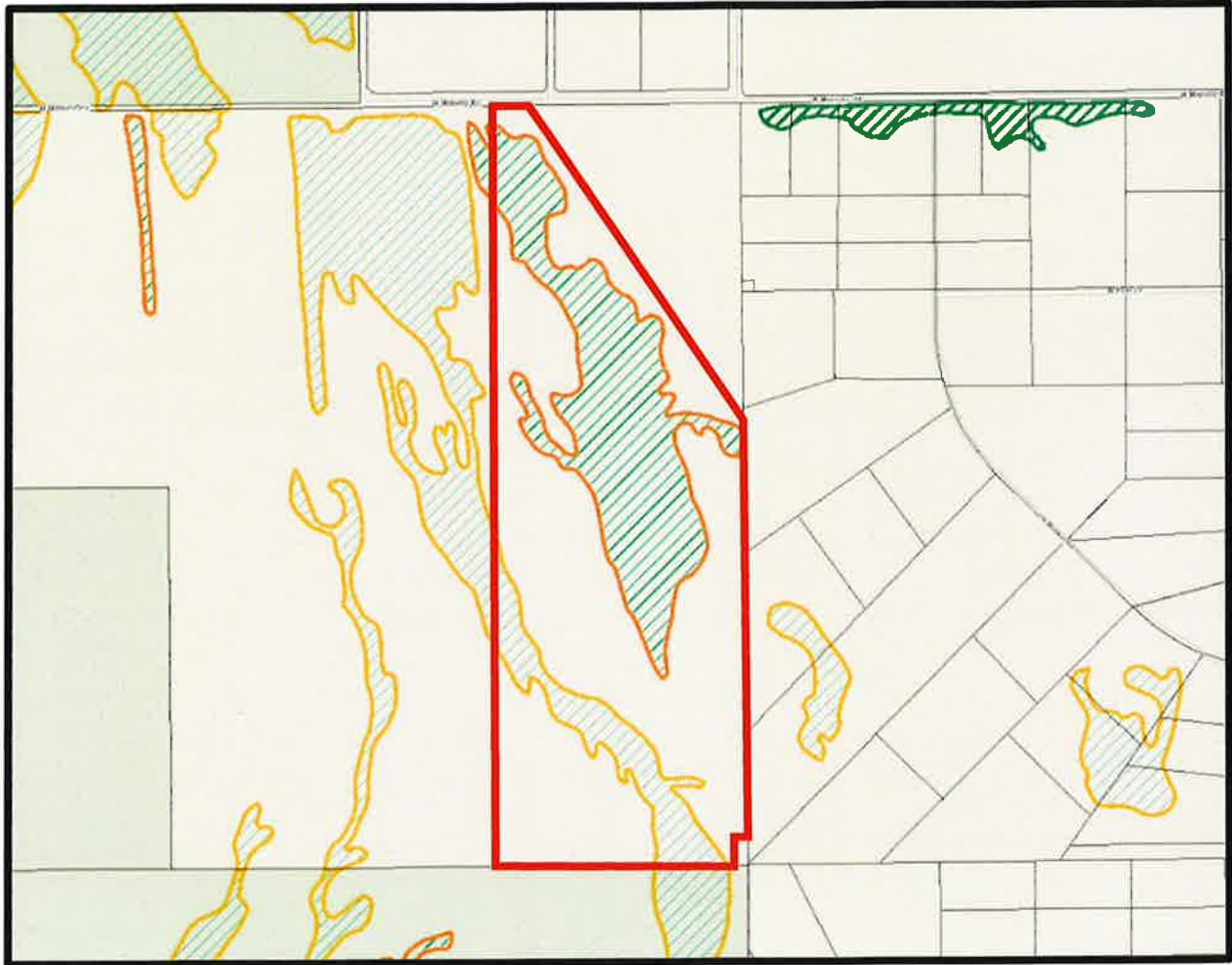


EXHIBIT F - RIPARIAN HABITAT MAP



(property outline is estimate)

EXHIBIT G - SUBJECT PHOTOGRAPHS

PHOTO 1 – VIEW SOUTH FROM MANVILLE ROAD



PHOTO 2 – VIEW SOUTHWEST FROM MANVILLE ROAD



PHOTO 3 – VIEW SOUTHEAST FROM MANVILLE ROAD



PHOTO 4 – VIEW SOUTHEAST FROM NORTHWEST



PHOTO 5 – VIEW EAST FROM NORTHWEST



PHOTO 6 – VIEW EAST FROM WEST OF WASH



PHOTO 7 – VIEW EAST FROM WEST



PHOTO 8 – VIEW NORTHEAST FROM WEST



PHOTO 9 – VIEW EAST FROM SOUTHWEST



PHOTO 10 – VIEW SOUTHWEST FROM EAST



PHOTO 11 – VIEW WEST ON MANVILLE



PHOTO 12 – VIEW EAST ON MANVILLE



EXHIBIT H - QUALIFICATIONS

BAKER, PETERSON, BAKER & ASSOCIATES, INC. serves a wide variety of clients in Arizona, providing real estate appraisal and consultation services relating both to commercial and to residential properties. We also provide a wide variety of appraisal services relating to right of way acquisitions for multiple government agencies across Arizona. These clients include governmental agencies, utility companies, right of way companies, attorneys, CPA's, banks, credit unions, developers, real estate brokers, corporate and legal professionals, and numerous individuals. More than forty years of such services are represented by those presently associated with the firm, which was founded in 1974.

THOMAS A. BAKER, MAI, SRA, is a principal of the Company, and specializes in valuation and consultation services related to commercial, income-producing, and residential properties. He is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 30139). He is a graduate of the University of Arizona, with a Master's Degree in Business Administration (MBA) with a specialty in Real Estate Finance. He holds the MAI and SRA Designations of the Appraisal Institute. He qualifies as an expert witness in United States District Court, the Superior Courts of Pima County, Maricopa County, Pinal County, Cochise County, and Santa Cruz County, and United States Bankruptcy Court. He is Past President of the Tucson Chapter of the Society of Real Estate Appraisers and is Past President of the Southern Arizona Chapter of the Appraisal Institute.

SARA R. BAKER, MAI, SRA, is a principal of the Company, and specializes in valuation and consultation services related to commercial, income-producing, and residential properties. She is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 31679). She holds the MAI and SRA Designations of the Appraisal Institute. She qualifies as an expert witness in the Superior Court of Pima County. She is a Past President of the Appraisal Institute, Southern Arizona Chapter. Sara graduated from Washington University in St. Louis with a Bachelor's Degree in Comparative Literature and earned a Master's Degree at the University of California at Los Angeles.

DAN F. ORLOWSKI is a staff appraiser specializing in valuation and consultation services related to commercial and income-producing properties. He is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 32195). He graduated from San Diego State University with a Bachelor's Degree in Business Administration and earned a Master's Degree from the University of Phoenix in Accountancy.

TIM HALE is a staff appraiser specializing in valuation and consultation services related to commercial and income-producing properties. He is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 1023143). He graduated from Arizona State University with a Bachelor's Degree in Justice Studies.

VALENTIN MINCHEV is an appraiser trainee in commercial valuation. He graduated from the Berlin School of Economics and Law, Berlin, Germany with a Bachelor's Degree in International Business Management.

ROBERT PARKER and **JOSHUA BAKER** are production coordinators and support technicians.