

**PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING**

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**COVER PAGE**

**APPRAISAL REPORT**

**An Opinion of Market Value,  
Of An Undeveloped Parcel,  
located on Camino Del Sapo (1400 N),  
s/o of Mile Wide Rd, e/o CAP,  
Pima County, Arizona, 85743**

**Project: Christensen  
As Of March 2, 2023**

**Owner: Kay-Christensen Family Trust  
Tax Parcels: 211-07-011M  
Sec. 3, T14S, R11E**

*Prepared For Use By*

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

*Appraisal Prepared By*

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

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Letter of Transmittal

April 14, 2023

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

Re: Estimate of market value of an undeveloped parcel on Camino Del Sapo (1400 N)  
s/o Mile Wide Rd and east of the CAP Canal, Pima County, Arizona.

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

Problem Identification: The purpose of the appraisal is to opine market value of the site; the intended use is for potential acquisition. Effective date of the appraisal is March 2, 2023, the date of site visit.

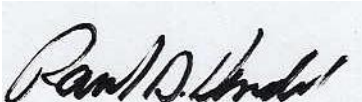
Relevant subject characteristics: Located on Camino Del Sapo (1400 N) Road, south of Mile Wide Rd and east of the CAP Canal; site size is indicated to be 4.21ac, zoned RH (Rural Homestead) and in a Buffer Overlay Zone, 38% Flood Control Resource Area, with Pima Prospects comprehensive plan (PP), categories including Resource Sensitive, and Conservation Lands System (CLS) Special Species, and MUMA with a 25.8% being Important Riparian Area (D). The site is indicated to be FEMA-x; Pima County Regional Flood Control District (RFCD) indicates 3.75% of the site is erosion hazard setback area (EHSA) and 38.4% is Important Riparian Area (IRA).

My opinion of site As Is market value as of March 2, 2023, is: \$92,500

Assignment Conditions: This appraisal report, conforming to Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) requires a jurisdictional exception to USPAP 1-2(c) requiring identification of reasonable exposure time as the UASFLA definition of market value already presumes a reasonable exposure period. The subject is in an area that may be served by well-share; it has previously belonged to this well share and reportedly has the ability to re-join for \$7,500; this is an extraordinary assumption; the use of this extraordinary assumption may affect assignment results. Please 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:	2023264-B Christensen
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 sites; the intended use is for potential acquisition.
INTENDED USERS:	Client, Pima County, and US Fish and Wildlife Service are the only intended users; however, it is understood that following review and acceptance of this report by client, this report will become public information
SUBJECT CHARACTERISTICS:	Located east side on Camino Del Sapo, south of Mile Wide Rd and east of the CAP Canal; site size is indicated to be 4.21ac, zoned RH (Rural Homestead) and in a Buffer Overlay Zone, 38% Flood Control Resource Area, with Pima Prospers comprehensive plan (PP), categories including Resource Sensitive, and Conservation Lands System (CLS) Special Species, and MUMA with a 25.8% being Important Riparian Area (C). The site is indicated to be FEMA-x; Pima County Regional Flood Control District (RFCD) indicates 3.75% of the site is erosion hazard setback area (EHSA) and 38.4% is Important Riparian Area (IRA).
TAX CODE:	211-07-011M
INTEREST CONSIDERED:	Fee Simple.
<b>EFFECTIVE DATE OF VALUATION:</b>	<b>March 2, 2023; Date of Site Visit.</b>
DATE OF APPRAISAL REPORT:	April 14, 2023
TYPE OF APPRAISAL REPORT:	Appraisal Report
VALUE OPINION:	\$92,500
Assignment Conditions:	This appraisal report, conforming to Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) requires a jurisdictional exception to USPAP 1-2(c) requiring identification of reasonable exposure time as the UASFLA definition of market value already presumes a reasonable exposure period. The subject is in an area that may be served by well-share; it has previously belonged to this well share and reportedly has the ability to re-join for \$7,500; this is an extraordinary assumption; the use of this extraordinary assumption may affect assignment results. Please see standard limiting conditions and assumptions contained in the appendix.

## **PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to opine market value.

## **INTENDED USE OF THE APPRAISAL**

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

## **INTEREST APPRAISED**

The 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”.

## **ANALYSIS AND IDENTIFICATION OF LARGER PARCEL**

The larger parcel, after consideration of unity of highest and best use, unity of title and contiguity (with emphasis on unity of highest and best use), is the subject as described. Though the site to the north is of similar ownership, it is an improved personal residence, thus not of unity of highest and best use. Other adjacent parcels are of different ownership.

## **PROPERTY IDENTIFICATION**

Parcel 211-07-011M; the legal description (from assessor’s record) is: CNTRL PTN E2 SE4 4.21 AC SEC 3-14-11 (Pima County, Arizona); (legal descriptions from title commitments are available in appendix)

## **MARKET VALUE DEFINED \***

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property

(Uniform Appraisal Standards for Federal Land Acquisitions)

## **EXPOSURE PERIOD**

(UASFLA) requires a jurisdictional exception to USPAP 1-2(c) requiring identification of reasonable exposure time as the UASFLA definition of market value already presumes a reasonable exposure period.

## **EFFECTIVE DATE OF APPRAISAL, REPORT DATE**

The effective date of the appraisal is March 2, 2023, the date of site visit. The transmittal date of the report is April 14, 2023.

## **PROJECT INFLUENCE**

### **UASFLA 1.2.7.3.3**

Any increase or decrease in the market value of real property prior to the date of valuation caused by the government project for which the property is being acquired must be disregarded in developing the appraisal.

Steps in the appraisal process, including the selection of comparable sales before the acquisition and analysis of market data, were completed disregarding any influence from the project for which this appraisal is being completed.

## **APPRAISAL DEVELOPMENT AND REPORTING PROCESS (SCOPE)**

- The appraiser performed an appraisal process in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), Uniform Appraisal Standards for Federal Land Acquisition (UASFLA) and Pima County appraisal 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.
- Reviewed title commitment
- 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 and UASFLA.
- 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
- Discussed valuation and adjustments to comparable sales with a review appraiser.
- 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, Uniform Appraisal Standards for Federal Land Acquisition and Pima County appraisal contract standards.
- *Any other components of scope including the 7 parameters, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions are considered to be included in/as scope.*

## **PROPERTY OWNERSHIP; 10 YEAR SALES HISTORY**

Title for the subject site is vested in: Kenneth R. Kay and Karen Christensen, as Co-Trustees of the Kay-Christensen Family Trust Agreement dated December 8, 2005. There have been no sales within the past 10 years and there has been no marketing of the site for sale.

## **OWNER CONTACT FOR INSPECTION**

Dana Hausman, Sr. Real Property Acquisition Agent of Pima County reports that the owner, provided owner contact information. I contacted owners by phone and email, scheduling a site visit accompanied by ownership representative Karen Christensen, Dana Hausman and Rita Leon for Pima County.

## **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 in a southeastern part 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.

The Record of Decision and Final Preliminary Section 4(f) Evaluation - November 16, 2021. The Record of Decision and Final Preliminary Section 4(f) Evaluation was published on Nov. 16, 2021 and can be found on the Documents page. This decision document identifies the Selected Corridor Alternative, which is a Build Alternative, and marks the end of the Tier 1 study. The Selected Corridor Alternative is the same as the Preferred Corridor Alternative outlined in the Final Tier 1 Environmental Impact Statement published on July 16, 2021. The Selected Corridor Alternative is a 2,000-foot-wide starting point within which the proposed I-11 facility could be built.

**3.4.2 Sahuarita to Marana:** The Selected Alternative carries forward both the west option and east option in Pima County due to agency and public concerns regarding the various resources along both options, allowing ADOT to make a more informed decision after completing detailed environmental and engineering studies prior to selecting one of the alignments in Tier 2.

Demographic characteristics of the subject market area (Intermountain West), and the surrounding 2 mile radius (subject) are compared to county averages as follows:

Variable	Christensen (2 mi)	Intermountain West	Pima County, AZ
2022 Total Population	626	26,386	1,060,553
2022-2027 Population: Compound Annual Growth Rate	-0.39%	-0.04%	0.32%
2022 Total Households	313	10,346	435,759
2022 Per Capita Income	\$29,577	\$30,176	\$36,615
2022 Median Household Income	\$64,208	\$57,995	\$61,675
2022 Population Age 25+: Graduate/Professional Degree	41	1,093	107,550
2022 Owner Occupied Housing Units	290	8,859	278,863
Percent Owner Occupied	79.5%	76.5%	58.4%
2022 Vacant Housing Units	52	1,237	41,510
Percent Vacant	14.2%	10.7%	8.7%
2022 Total Housing Units	365	11,583	477,269
2022 Median Home Value	\$277,778	\$144,543	\$255,160
2022 Average Home Value	\$288,976	\$191,133	\$304,698
2021 Housing: Mobile Homes	189	6,798	46,668
Percent Mobile Homes	51.8%	58.7%	9.8%
2021 Median Contract Rent (HHs Paying Cash Rent)	\$838	\$673	\$820
2022 Population Density (Pop per Square Mile)	49.8	124.1	115.4



The surrounding market area and subject 2 mi radius indicate significantly less anticipated growth potential (negative) as compared to the county, likely due to lower density zoning and physical restrictions due to flood zone etc. Median household income is moderately below county average in the surrounding market area slightly above average in the surrounding 2 mi radius; per capita income is moderately below average in both the surrounding 2 mi radius and Intermountain West MA. Median home values in the surrounding radius are higher but lower than metro area in the surrounding market area; both surrounding areas have considerably greater than average mobile home housing.

The market area is served police and fire protection by Pima County Sheriff department and Avra Valley and Three Points 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.

**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. Median household income is moderately below county average in the surrounding market area slightly above average in the surrounding 2 mi radius; however, median home values in the surrounding radius are moderately higher but significantly below county average in the surrounding market area. There is anticipated to be low growth (negative) in population in the surrounding radius and market area for the foreseeable future again due particularly to physical characteristics of the land.

There is belief that the area may grow beyond current expectations if the I-11 interstate takes the western option; however, to date, both the western and east options are still being considered.

### SITE DESCRIPTION

Location:	The subject site is on the east side of Camino Del Sapo, south of Mile Wide Rd and east of the CAP Canal.												
Site Size:	4.21ac												
Access:	Access is by Camino Del Sapo, a dirt road, 30' ingress-egress easement, privately maintained.												
View:	Average to good; the site, rising to the east, provides views of western mountain ranges (Ironwood Forest National Monument) as well as Saguaro National Park to the northeast.												
Shape:	Irregular all; see exhibits.												
Topography:	The site is rising moderately to the northeast towards the Bureau of Reclamation Wildlife Mitigation Corridor, and Saguaro National Park further. CAP Channel, from approximately 2396' to 2410' on the eastern boundary; the CAP Channel surrounding berm is raised further.												
Flood Hazard:	According to the FEMA Digital Flood Insurance Rate Map, panel 04019C2250L, the site is Flood Zone X (area of minimal flood hazard); per Pima County Floodplain Management (RFCDD), the site 38% IRA and 3.75% EHSA.												
Washes:	None indicated on the site; there is a small un-named wash just to the south.												
Easements:	There appear to be no easements that significantly restrict utility of the subject site; however, the reader is strongly encouraged to view recorded documents and determine utility for themselves; a number of documents are difficult to track absent a survey, particularly because lines do not correspond to current parcel boundaries in the area. Camino Del Sapo is indicated to be a both a 25' and 30' ingress-egress easement; there is indicated to be an easement along the 30' along subject southern boundary; there is indicated to be a 20' electric easement along portions of the subject site northern boundary , eastern and southern boundaries. There are CC&R's including: homes not less than 1,200sf, also guest house; max height 14', 10' for access bldgs; protection of Ocotillo, Saguaro, barrel cactus; trailers, junked vehicles etc. stored so as not-to be visible, etc..												
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: <table><tr><td>Water:</td><td>Well</td></tr><tr><td>Sewer:</td><td>Septic</td></tr><tr><td>Electricity:</td><td>Trico Electric</td></tr><tr><td>Natural Gas:</td><td>Propane (none currently on site)</td></tr><tr><td>Telephone:</td><td>CenturyLink</td></tr><tr><td>Public Safety:</td><td>Pima County Sheriff; Three Points Fire District</td></tr></table>	Water:	Well	Sewer:	Septic	Electricity:	Trico Electric	Natural Gas:	Propane (none currently on site)	Telephone:	CenturyLink	Public Safety:	Pima County Sheriff; Three Points Fire District
Water:	Well												
Sewer:	Septic												
Electricity:	Trico Electric												
Natural Gas:	Propane (none currently on site)												
Telephone:	CenturyLink												
Public Safety:	Pima County Sheriff; Three Points Fire District												

The subject is in an area that reportedly may be served by well-share; it has previously belonged to this well share and reportedly has the ability to re-join for \$7,500. Electrical service is available in the area by Trico.

Surrounding Land Uses:

Adjacent to open space in US owned land for CAP canal to the west, residential single family improved sites to the north, east and south.

Zoning:

Zoning on the subject sites 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:

Resource Sensitive; Objective: (summarizing) To designate key larger parcels and land holdings with environmentally sensitive characteristics in close proximity to public preserves or other environmentally sensitive areas. Residential gross density, maximum-0.3 RAC. Approximately 25.5% is indicted to be Flood Control Resource Area.

CLS Habitat:

The site is indicated to be Special Species Management Area (SSMA); this calls for (summarizing) at least 80% of the total acreage to be conserved as UNOS with a 4:1 mitigation ratio (4 conserved acres for 1 acre developed); it is Multiple Use Management Area (MUMA), 66 2/3% to be conserved as undisturbed natural open space with a 2:1 mitigation ratio; a portion of the site is Important Riparian Area (IRA), which calls for at least 95% to be UNOS. However, it is significant to note: **Goal 1, Policy 1, b) Application of CLS designations or guidelines shall not alter, modify, decrease or limit existing and legal land uses, zoning, permitted activities, or management of lands;** c) When applied to development of land subject to county or Flood Control District authority, CLS designations and guidelines will be applied to: 1. New rezoning and specific plan requests;...

Other:

The site is Buffer Overlay Zone; however, as the site(s) was not 25 acres or more as of August 1, 1998, these restrictions do not appear to apply.

Site Analysis Conclusion:

The subject site is 4.21ac zoned RH and in a Buffer Overlay Zone, 38% Flood Control Resource Area, with Pima Prospers comprehensive plan (PP), categories including Resource Sensitive, and Conservation Lands System (CLS) Special Species, and MUMA with a 38.4% being Important Riparian Area (D). The site is indicated to be FEMA-x; Pima County Regional Flood Control District (RFCD) indicates 3.75% of the site is erosion hazard setback area (EHSA). Rising to the east, provides views of western mountain ranges (Ironwood Forest National Monument) as well as Saguaro National Park to the northeast.

**Real Estate Tax Analysis**

The following information is available from the county treasurer's office, 2024 full cash value and 2022 Taxes:

Tax Parcel	211-07-011M
FCV Land	\$73,000
FCV Impvt.	\$0
FCV Total	\$73,000
2022 Tax	\$1,084.55

## HIGHEST AND BEST USE

Highest and best use is defined by Uniform Appraisal Standards for Federal Land Acquisitions), as:

The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.

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 Comprehensive Plan designated Resource Sensitive under the comprehensive plan, the objective: To designate key larger parcels and land holdings with environmentally sensitive characteristics in close proximity to public preserves or other environmentally sensitive areas. Residential gross density, maximum-0.3 RAC. Approximately 38% is indicted to be Flood Control Resource Area

**Physically Possible:** The subject site is indicated by assessor's record to be 4.21 acres. According to FEMA the site is Zone X; Pima County RFCD indicates 38.4% of the site is IRA and 3.75% EHSA.

It is accessed via Camino Del Sapo, a dirt road (30' ingress-egress easement), going south from Mile Wide Road; there are a number of easements (see title report schedule B exceptions); none appear to significantly reduce development utility.

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

The following is from the Arizona Economy December 2022 update by George W. Hammond, Ph.D., EBRC Director and Research Professor:

Shifting economic winds are buffeting the Arizona economy. The labor market remains very tight, with low unemployment, high levels of labor market churn, and a mountain of open jobs. Retail sales have slowed but remain surprisingly resilient. At the same time, income gains are more than offset by inflation while rising mortgage interest rates and low affordability have combined to generate declining home sales, prices, and permit activity.

The baseline (most likely) forecast for the U.S. economy now includes a mild downturn beginning late this year and ending in mid-2023. That is expected to take the wind out of Arizona's sails, generating a significant slowdown in growth next year across all major economic indicators. Even so, the state is forecast to outperform the national economy. However, downside risks to the forecast remain a key consideration, with uncertainty created by the war in Ukraine and supply-chain issues.

### Arizona Recent Developments

Inflation remains a key concern, with prices rising much faster in the Phoenix MSA than nationally. In October, U.S. inflation measured by the all-items Consumer Price Index for All Urban Consumers (CPIU) was 7.7% over the year. Prices in the Phoenix MSA rose even faster in October, up 12.1% over the year (**Exhibit 1**). Price increases in commodities have moderated slightly from their summer peak, but services inflation (which includes housing) continues at a very rapid pace, particularly in Phoenix.

**Exhibit 1: Phoenix Inflation Remains Red Hot, Phoenix and U.S. All-Items CPIU, Over-the-Year Growth Rates**

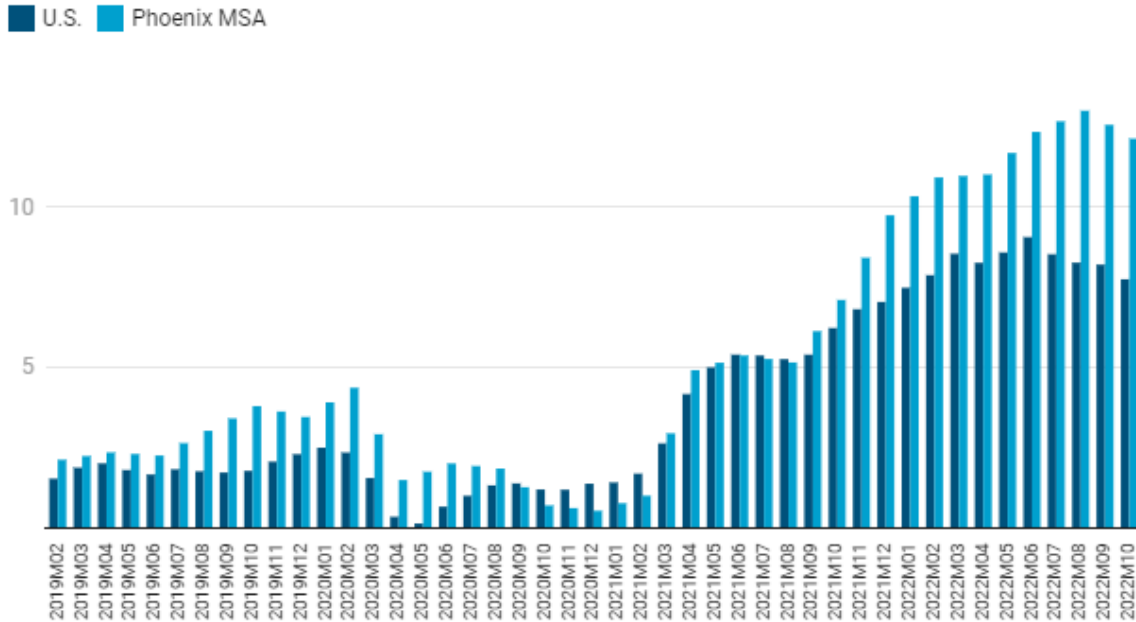
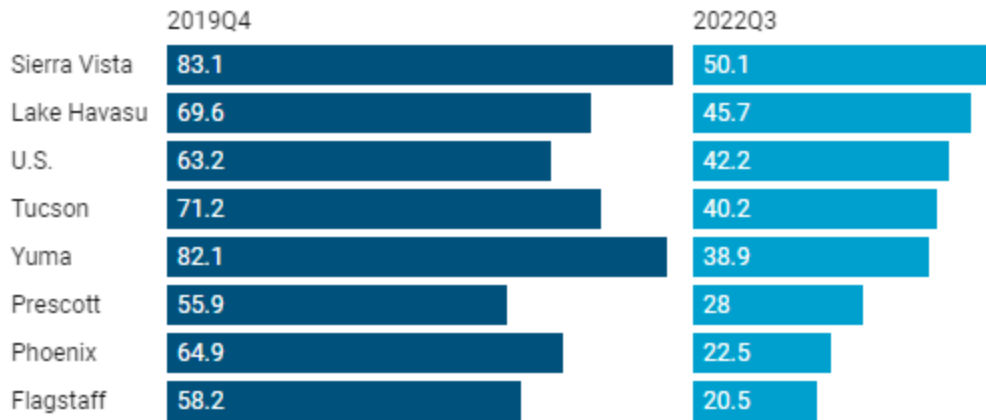


Exhibit 1: U.S. and Phoenix MSA All-Items CPIU, Over-the-Year Growth Rates

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

Skyrocketing house prices have driven inflation in Phoenix well above the national average. They have also pushed housing affordability to very low levels in the third quarter of 2022. According to data from the NAHB-Wells Fargo Housing Opportunity Index, 22.5% of homes sold in the Phoenix MSA in the third quarter were affordable to a family making the median income (**Exhibit 2**). That was up slightly from 22.3% in the second quarter, but well below the national average of 42.2% and miles below Phoenix affordability in the fourth quarter of 2019 (64.9%).

**Exhibit 2: Housing Affordability Has Declined for All Arizona Metropolitan Areas, NAHB-Wells Fargo Housing Opportunity Index, Percent**



*Exhibit 2: NAHB-Wells Fargo Housing Opportunity Index, Percent*

Chart: Economic and Business Research Center, Eller College of Management, The University of Arizona • Source: NAHB-

Compared to February 2020, Arizona jobs were up by 103,800 in October. During that period, the strongest job gains were in trade, transportation and utilities, education and health services, manufacturing, financial activities, construction, and professional and business services. Jobs in government and leisure and hospitality remained well below their February 2020 level in October. The state's seasonally-adjusted unemployment rate ticked up from 3.7% in September to 3.9% in October. That was slightly above the U.S. rate of 3.7%. Even so, the state's labor market remains very tight.

As of October, Tucson replaced 95.4% of the jobs lost during the first two months of the pandemic. Since February 2020, trade, transportation, and utilities has generated by far the most jobs, followed by manufacturing and education and health services. In contrast, professional and business services has lost the most, followed by government, leisure and hospitality, information. Jobs in other services, construction, and natural resources and mining are close to their February 2020 level.

Tight labor markets have driven strong wage gains. One key measure of wage/price pressures is the Employment Cost Index (ECI) from the U.S. Bureau of Labor Statistics. Overall compensation growth in the Phoenix MSA was 5.5% over the year in the third quarter, just above the U.S. at 5.2%. Even so, compensation growth was well below Phoenix inflation in the third quarter.

### **Arizona Outlook**

The outlook for Arizona, Phoenix, and Tucson depends in part on national and global economic events. The baseline forecast from IHS Markit calls for U.S. real GDP to increase by 1.7% in 2022 (annual average basis) before dropping by 0.5% in 2023. Growth rebounds to 1.3% in 2024 and again to 2.0% in 2025. On a quarterly basis, the forecast calls for real GDP to decline from the fourth quarter of 2022 through the second quarter of 2023. The peak-to-trough decline is 1.1%, which would be similar to the (relatively mild) early 1990s recession.

If the U.S. economy falls into recession, it will take the wind out of Arizona's sails. As **Exhibit 3** shows, Arizona job growth decelerates from 3.8% in 2022 to 1.1% in 2023 and 1.6% in 2024.

### **Exhibit 3: Arizona Outlook Summary**

	Actual	Forecast		
	2021	2022	2023	2024
<b>Growth Rate</b>				
Nonfarm Jobs	3.7	3.8	1.1	1.6
Personal Income	7.5	2.6	4.5	6.0
Retail Plus Remote Sales	19.9	8.4	1.2	3.9
Population	1.5	1.4	1.5	1.2
<b>Level</b>				
Unempl. Rate	4.9	3.5	5.2	5.7
Housing Permits	65,334	62,949	50,118	43,968

Slowing job gains drive the state's unemployment rate up from 3.5% in 2022 to 5.2% in 2023 and 5.7% in 2024.

Nominal personal income growth is forecast to decelerate from 7.5% in 2021 to 2.6% in 2022, as federal pandemic-related income support ends. Income growth rebounds to a modest 4.5% in 2023 as wage gains decelerate with loosening labor markets.

Growth in nominal retail sales (including remote sales) decelerates from 19.9% in 2021 to 8.4% in 2022 and then to 1.2% in 2023 as negative real income growth, wealth effects (declining stock and real estate values), and reduced consumer confidence take their toll on consumers.

Population growth cycles up and down modestly in the near term, reflecting residual effects of the pandemic on net migration and natural increase (births minus deaths).

Skyrocketing mortgage rates, plummeting housing affordability, and slowing population growth combine to drive housing permit activity down from 65,334 in 2021 to 43,968 in 2024.

#### **Risks to the Outlook**

With this forecast, the U.S. baseline (most likely) scenario includes a mild recession. The pessimistic scenario assumes a deeper downturn while the optimistic scenario assumes that performance is somewhat better. The baseline scenario is assigned a 55% probability, while the pessimistic scenario is assigned 30%. The remaining 15% is assigned to the optimistic scenario.

Those assumptions translate into something similar for Arizona. While there are modest quarterly job losses in the baseline and pessimistic scenarios, the downturn is expected to be less severe in Arizona than nationally. In particular, the baseline forecast calls for peak-to-trough job loss in Arizona to reach 0.5%. The U.S. forecast calls for national job loss to hit 2.1%.


The following is the Forecast for the Tucson Metro Area, compared with that of Arizona:



## Tucson MSA Forecast (Pima County)

Tucson MSA Forecast*	2021	2022	2023	2024	2025
Personal Income (\$ mil)	55,203.4	55,497.2	58,307.7	61,579.3	64,964.1
% Chg from Year Ago	7.5%	0.5%	5.1%	5.6%	5.5%
Retail Sales (\$ mil)	19,267.1	21,520.4	21,731.2	22,462.8	23,687.6
% Chg from Year Ago	19.6%	11.7%	1.0%	3.4%	5.5%
Total Nonfarm Employment (000s)	379.4	392.2	395.8	399.1	405.8
% Chg from Year Ago	1.5%	3.4%	0.9%	0.8%	1.7%
Population (000s), July 1st estimates	1,058.3	1,068.5	1,077.7	1,084.7	1,092.6
% Chg from Year Ago	1.2%	1.0%	0.9%	0.6%	0.7%
Residential Permits (units)	6,284.0	6,049.5	5,471.5	4,312.2	4,197.3
% Chg from Year Ago	26.7%	-3.7%	-9.6%	-21.2%	-2.7%

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## Arizona Economic Forecast Data (Statewide)

Arizona Forecast*	2021	2022	2023	2024	2025
Personal Income (\$ mil)	403,739.3	414,130.9	432,821.2	458,872.8	488,337.6
% Chg from Year Ago	7.5%	2.6%	4.5%	6.0%	6.4%
Retail Sales (\$mil)	148,000.0	165,000.0	166,000.0	172,000.0	183,000.0
% Chg from Year Ago	21.3%	11.5%	0.6%	3.6%	6.4%
Total Nonfarm Employment (000s)	2,958.0	3,069.7	3,102.8	3,153.1	3,232.4
% Chg from Year Ago	3.7%	3.8%	1.1%	1.6%	2.5%
Population (000s), July 1st estimates	7,285.4	7,388.7	7,496.7	7,590.0	7,690.5
% Chg from Year Ago	1.5%	1.4%	1.5%	1.2%	1.3%
Residential Building Permits (units)	65,334.0	62,949.4	50,118.1	43,968.1	45,364.0
% Chg from Year Ago	8.3%	-3.6%	-20.4%	-12.3%	3.2%

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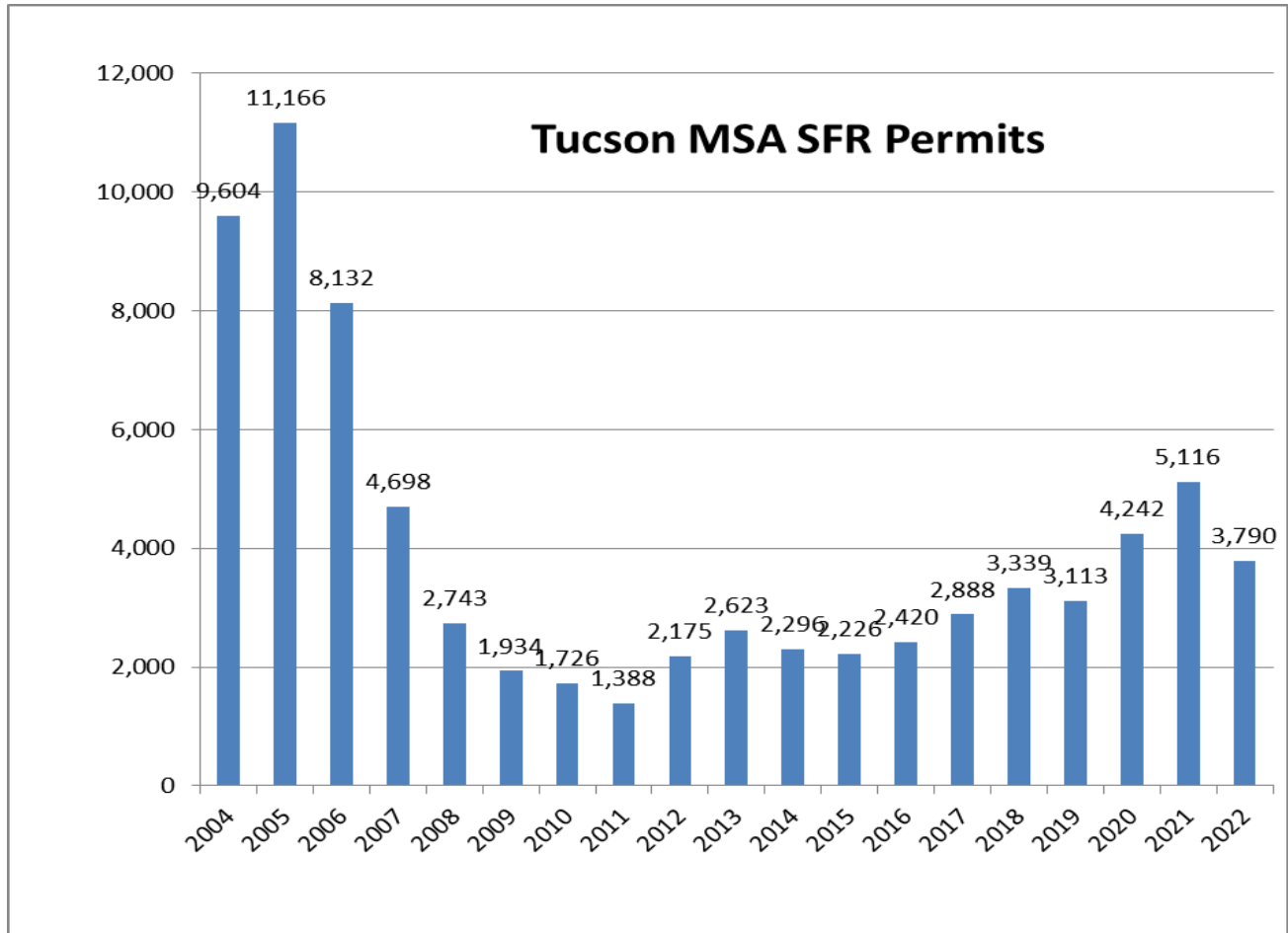
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While each real estate market and market area are affected differently, the decline leading into the great recession, particularly in the Tucson Metro area, was precipitated by the residential market and this market was initially the first to signal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

### Real Estate Markets:

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



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

While the residential real estate market is cooling relative the high demand and value appreciation of the past 2 years due to rising interest rates (6.50% as of 2/23/2023, a year ago at this time-3.89%) and fears of a recession, the real estate market is still relatively strong. Average days on market for homes is currently at 43, while it was significantly shorter up to the 2<sup>nd</sup> half of 2022, a norm is approximately 60 days; while percentage of sale to listing price prior to the 2<sup>nd</sup> half of 2022 was over 100%, it is still currently around 95%; there is currently an approximate supply of 3 months of resales given demand, the market norm is typically around 6 months.

**Maximum Profitability:** In conclusion, the highest and best use “as if vacant” is considered to residential development.

## **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 approach is not typically employed in the analysis of undeveloped residential land 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 residential property, provided there are sufficient sales of similar properties.

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

### **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 site 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.

The following analysis assumes that the subject's water right has been restored; following this analysis, the result will be reduced by the reported cost of restoring this right, \$7,500.

### Comparable Sale One

Location: 1650 N Sandario (NEC Tortoise Trl), Tucson, 85743  
Tax Code Number: 221-06-002H (formerly 211-06-002F)  
Records: 02/23/2023 recording doc not yet available  
Seller: Graves Revocable Living Trust  
Buyer: Not yet available  
Sale Price: \$85,000 (95,000 Asking Price, 8/128 DOM/CDOM)  
Site Size: 4.73ac (survey)  
\$/Ac Site \$17,970  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located north of Sinagua at the NEC of Tortoise Trl. (dirt road), west of the CAP canal. Indicated to be FEMA-X; Pima Prospects indicates Resource Sensitive, SSMA and MUMA. The listing indicates there is water from a water company. 30' ingress/egress and utility easement along north and 25' ingress/egress public utility easement along south line. There are recorded CCR's including no mobile homes, minimum residence of 1,200sf, new utility lines to be underground, etc.  
Confirmation: MLS 22301726, listing agent, Jen Warren, 520.784-9848, pdh 2022264



### Comparable Sale Two

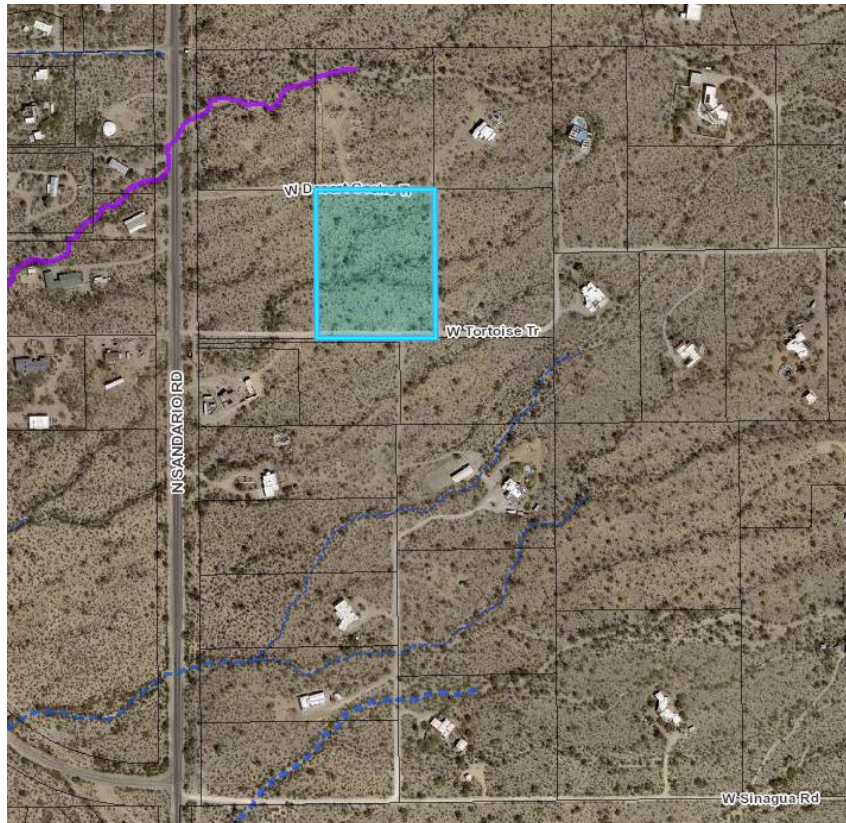
Location: 11085 W Calle Pima, Tucson, 85743  
Tax Code Number: 211-07-001A  
Records: 12/15/2022 2022 3500539  
Seller: Alicia McKelvey  
Buyer: Arctostaphylos LLC  
Sale Price: \$125,000 (\$129,900 Asking Price, 184 DOM)  
Site Size: 4.73ac (survey)  
\$/Ac Site: \$25,000  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located south of Mile Wide Rd, east of the CAP canal on Calle Pima (dirt road). Indicated to be FEMA-X; approximately 9.5% EHSA and IRA (there is a minor wash in the southeast corner), however no sheet flooding. Pima Prospects indicates Resource Sensitive, 9.6% Flood Control Resource Area and Special Species Management Area (SSMA) and Multiple Use Management Area (MUMA). Shared well. The listing agent believes there is value in this area due to it being a unique community with shared road maintenance agreement which serves like an HOA with CC&R's; the road well maintained. The purchaser owns the adjacent improved property to the west, reportedly used as a short term rental, considered to be a point of motivation for purchase.  
Confirmation: MLS 22214071, listing agent, Christina Esla, 520.400-0904, pdh 2023264





### Comparable Sale Three

Location: 11720 W Tortoise Trl (1650 N Sandario Rd, B), Tucson, 85743  
Tax Code Number: 211-06-002A (now 002J)  
Records: 11/18/2022 2022 1190098  
Seller: George B Graves  
Buyer: Not Available  
Sale Price: \$80,000 (\$95,000 Asking Price, 33 DOM)  
Site Size: 4.73ac (survey)  
\$/Ac Site \$16,913  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located north of Sinagua, 1 lot east of Sandario Road, west of the CAP canal on W Tortoise Trail (dirt road). Indicated to be FEMA-X; Pima Prospects indicates Resource Sensitive, SSMA and MUMA. The listing indicates there is water from a water company. 15' ingress/egress and utility easement along north and east lines, 25' ingress/egress public utility easement along south line. There are recorded CCR's including no mobile homes, minimum residence of 1,200sf, new utility lines to be underground, etc.  
Confirmation: MLS 22224652, listing agent, Christina Esla, 520.400-0904, pdh 2023264



### Comparable Sale Four

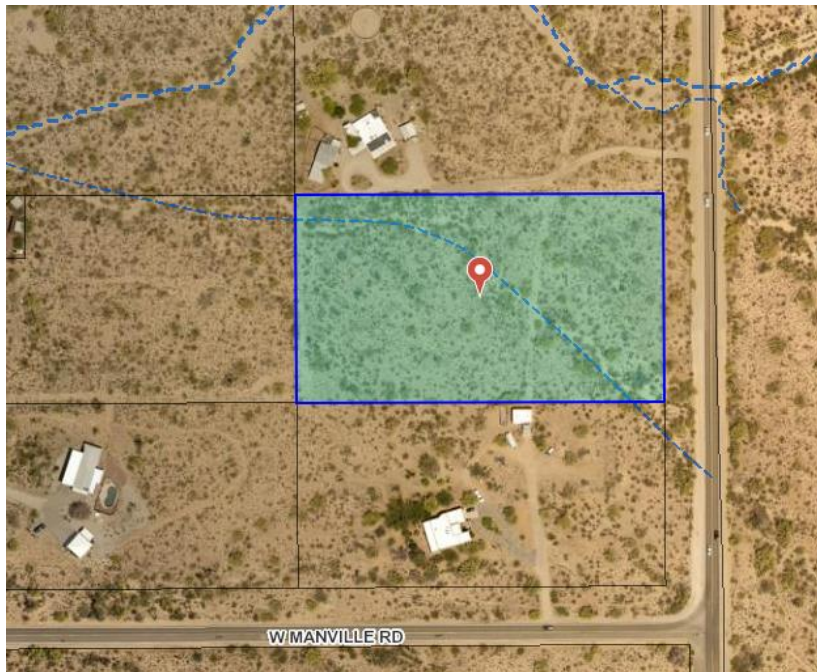
Location: 11700 W Sinagua Rd (NEC Sandario Rd), Tucson, 85743  
Tax Code Number: 211-06-006H  
Records: 8/31/2022 2022 2430279  
Seller: George B Graves  
Buyer: Kenneth Stevens  
Sale Price: \$76,000 (\$79,000 Asking Price, 70 DOM)  
Site Size: 4.46ac (survey)  
\$/Ac Site: \$16,913  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located at the NEC of Sinagua and Sandario Rd. west of the CAP canal, Bureau reclamation Wildlife Mitigation Corridor adjacent south (across street). Indicated to be FEMA-X; however RFCD indicates 6" sheet flooding, 26.6% EHSA, 20% IRA (1,000-2,000 CFS wash, 50' setback). Pima Prospers indicates Resource Sensitive, SSMA, MUMA and some IRA. The listing indicates there is water from a water company.  
Confirmation: MLS 22224652, listing agent, Christina Esla, 520.400-0904, pdh 2023264



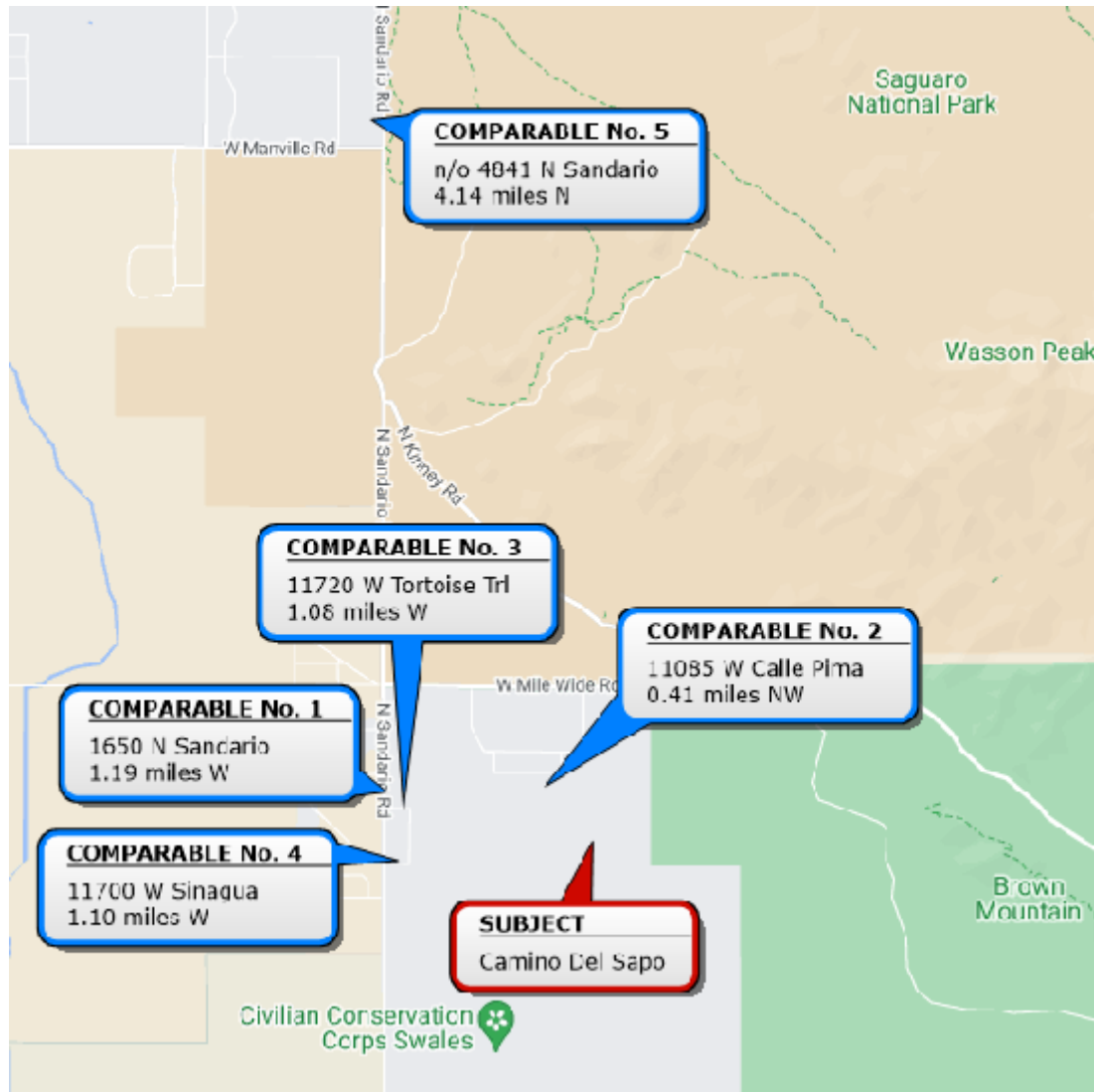


### Comparable Sale Five

Location: s/o 4841 N Sandario, Tucson, 85743  
Tax Code Number: 213-22-2040  
Records: 05/12/2022 2022 1320277  
Seller: Graves Revocable Living Trust  
Buyer: Anton Joseph Vasquez  
Sale Price: \$115,000 (115,000 Asking Price, 76 DOM)  
Site Size: 4.44ac (listing)  
\$/Ac Site: \$25,901  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located on Sandario Rd., just north of Manville, Saguaro National Park to the east (across street). Indicated to be FEMA-X; however, RFCD 1' sheet-flow, 20.3% EHSA; Pima Prospers indicates Resource Sensitive and SSMA and MUMA. The listing indicates there is electric and water at lot line.  
The site is sold (1/26/22), MLS 22200870 at \$83,000, 1 DOM.  
Confirmation: MLS 22203781, listing agent, Justin Byrd, 520.909-6360, pdh 2022264



### 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 recent sales from similar location, of similar size and physical 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; sales 1, 3-5 were reported to have had typical sale motivation, no adjustments are necessary; sale 2 is adjusted downward for purchaser motivation due to owning an adjacent property.

Market Condition: The comparable sales occurred from May 2022 through February 2023, the market has continued to improve over this time period, the comparables are adjusted upward on the basis of approximately 7.5% per year.

Location: The subject property is considered to be in an average location as it is relatively distant from many services and employment centers. The comparables are similar and in relatively close proximity; though the agent for comparable 2 believes there was value in its location due to covenants and restrictions; the subject site is from the same area, same proactive covenants and restrictions, further, statistical analysis (retained in my file) indicates that there is not sufficient difference in surrounding property values for an adjustment; no adjustment is considered necessary.

Site Size: The subject and sales are considered to be comparable in size, no adjustment is considered necessary.

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 and comparables were unimproved, not requiring adjustment.

Site utility: Comparables 1-3 are generally similar or offsetting to the subject in flood zone and other characteristics, not requiring adjustment; sales 4 and 5 are adjusted upward for inferior utility due to greater flooding characteristics raising cost of development, sale 4 more significantly in spite of lesser (6") sheet flow designation than sale 5 (1'), due to the location of a wash diagonally through the center of the site thus forcing a homesite to be nearer the paved street or neighbors.

Utilities: The subject for purposes of this analysis, is considered as having access to water via a well-share; the comparables are similar, not requiring adjustment. The subject site value will be adjusted for reported cost of purchasing back a well share, indicating As Is site value, following this analysis and adjustment grid.

Access/View: The subject is accessible via dirt road. Analysis between sale 1 adjacent to paved access, and sale 3, provides support for a downward adjustment due to proximity to paved access; sale 1 was marketed and sold \$5,000 higher than sale 3 (by the same agent), due to its frontage on Sandario; the adjustment is moderated by market respondents with mixed opinions of any value enhancement due to fronting on paved roads (Sandario). The CAP Canal is on the western boundary of Camino Del Sapo, across the street from the subject site, considered to be an amenity in that this is open space, though not publically accessible. Comparables 1-3 are adjusted upward, largely for view/subject proximity to CAP; sales 4 and 5 are adjusted downward for paved access and superior frontage on open space/parks (though also across the street from the comparables).

### **Site Value Conclusion;**

The comparable sales bracket the subject with comps 1, 3, 4 and 5 with upward net adjustment, sale 2 with net downward adjustment (sale conditions) Moderately greater emphasis is placed on sales 1 and 3 due to being more recent and requiring least gross adjustment; a subject value at \$100,000, indicating \$23,753/ac (before adjustment for lack of well share to As Is value) is 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; Christensen						
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Location	Camino Del Sapo (1400 N)	1650 N Sandario	11085 W Calle Pima	11720 W Tortoise Trl	11700 W Sinagua	s/o 4841 N Sandario
Tax ID Number	211-07-011M	221-06-002H	211-07-001A	211-06-002J	211-06-006H	213-22-2040
<b>Sales Data</b>						
Date of Sale	N/A	2/23/23	12/15/22	11/18/22	8/31/22	5/12/22
Sales (listing) Price	N/A	\$85,000	\$125,000	\$80,000	\$76,000	\$115,000
Site Size (ac)	4.21	4.73	4.73	4.73	4.46	4.44
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	\$85,000	\$125,000	\$80,000	\$76,000	\$115,000
Conditions of Sale	Average	Average	Motivation	Average	Average	Average
Condition Adjustment	0%	0.0%	-10.0%	0.0%	0.0%	0.0%
Market Condition (Time)	N/A	Feb-23	Dec-22	Nov-22	Aug-22	May-22
Market Conditions Adj.	0.0%	0.0%	2.0%	2.0%	4.0%	6.0%
Adjusted Price	N/A	\$85,000	\$114,750	\$81,600	\$79,040	\$121,900
<b>Physical Characteristics</b>						
Location	Average	Similar	Similar	Similar	Similar	Similar
Size	4.21	4.73	4.73	4.73	4.46	4.44
Zoning	RH	RH	RH	RH	RH	RH
Improvements	None	None	None	None	None	None
Site Utility	38% IRA, 38% FCR	Offsetting	9.5% EHSA, FCRA	Offsetting	6" Sht Fld, 26% EHSA, 20% IRA	1' Sht Fld, 20% EHSA
Utilities	Average	Similar	Similar	Similar	Similar	Similar
Access/View	Dirt/CAP	Paved	Dirt	Dirt	Pvd/BWMC	Pvd/SNP
<b>Adjustments</b>						
Location	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Zoning	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site Utility	0.0%	0.0%	0.0%	0.0%	7.5%	5.0%
Utilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Access/View	0.0%	5.0%	5.0%	7.5%	-2.5%	-2.5%
<b>Net Physical Adjustments</b>						
Net Physical Adjustments	Same	Upward	Upward	Upward	Upward	Upward
Net Adjustment (Overall)	0.0%	5.0%	5.0%	7.5%	5.0%	2.5%
Adjusted Comp Price	N/A	\$89,250	\$120,488	\$87,720	\$82,992	\$124,948
Adjusted Comp Price /Ac	N/A	\$18,869	\$25,473	\$18,545	\$18,608	\$28,141
Subject Value Opinion	\$100,000					
Subject Value (\$/SF)	\$23,753					

#### Adjustment to As Is Value:

The above value conclusion is reduced by the reported cost of re-establishing the subject well-share, \$7,500, to \$92,500

## STATEMENT AND CERTIFICATION OF APPRAISER

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

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

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

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

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

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

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

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute. (C.S.R.1-1)

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

The appraisal was developed and the appraisal report was prepared in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*;

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).

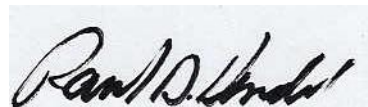
As of the date of this report, I have completed the continuing education program of the Appraisal Institute (C.S.R.1-3).

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

My opinion of: Fee Simple Market Value of the site, as it contributes to the larger assemblage parcel, as of March 2, 2023, is \$92,500.

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

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HENDRICKS APPRAISAL & COUNSELING

## **APPENDIX**

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

**LIMITING CONDITIONS AND ASSUMPTIONS**

**of Standard Real Estate Appraisal**

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

**1. Information Used, Trade Secrets**

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

**2. Authentic Copies, Changes, Modifications**

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

**3. Use of Appraisal, Limit of Liability**

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

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

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

**4. Court Testimony**

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

**5. Copies, Publication, Distribution of the Report**

Possession of any copy of this report shall not authorize or empower the client or any third party with any publication rights whatsoever, or with any authorization to use the appraisal other than for its intended and stated purpose noted in the agreement and/or in the report. The physical report(s) shall remain the property of the appraiser(s) at all times and appraiser(s) hereby grant the client permission to use the appraisal report(s) solely for the purposes set forth. The client agrees that the payment of the appraisal fee is in exchange for the analytical services of appraiser(s) and by the payment of said fee, the client has not purchased the appraisal report. With the exception of public disclosure indicated below, neither all nor any part of this appraisal report shall be given, recited, published, copied, distributed, nor in any way

communicated to third parties in any manner, in whole or in part, without the prior written consent of the appraiser(s).

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

#### **6. Confidentiality**

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

#### **7. Measurements, Exhibits**

The sketches, maps and photographs in the appraisal report are 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**

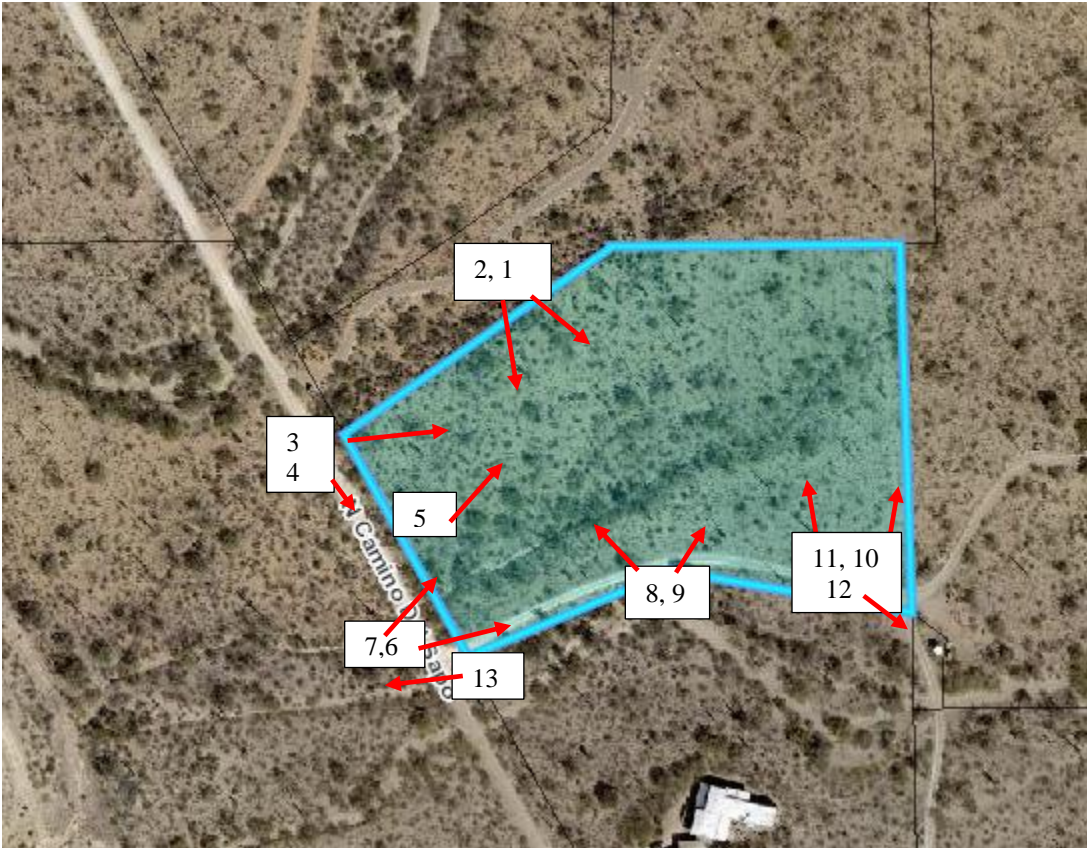
Acceptance of and/or use of this appraisal report by the client or any third party reader or user, constitutes acceptance of the above stated conditions as well as any other(s) stated in this report. The acceptance of this appraisal report also constitutes acceptance of responsibility for payment of 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 ---

**SUBJECT PHOTOS & EXHIBITS**

Photo Key (All photos taken 3/2/2023 by Paul Hendricks)



1 View SW from mid-northern boundary (224301206)





2 View S from mid-northern boundary (224304528)



3 View East from NWC (224811367)





4 Camino del Sapo Looking South (224921142)



5 Mountain views Looking NE from W boundary (224921142)





6 Southern boundary easement looking NE from SWC (225043148)



7 view looking NE from SWC (225046987)





8 View NW from Mid S boundary (225217410)



9 View NE from Mid S boundary (225220471)





10 View NE from SEC (225617321)



11 View N from SEC (225619811)



12 Adjacent well site looking SE from SEC (225626771)

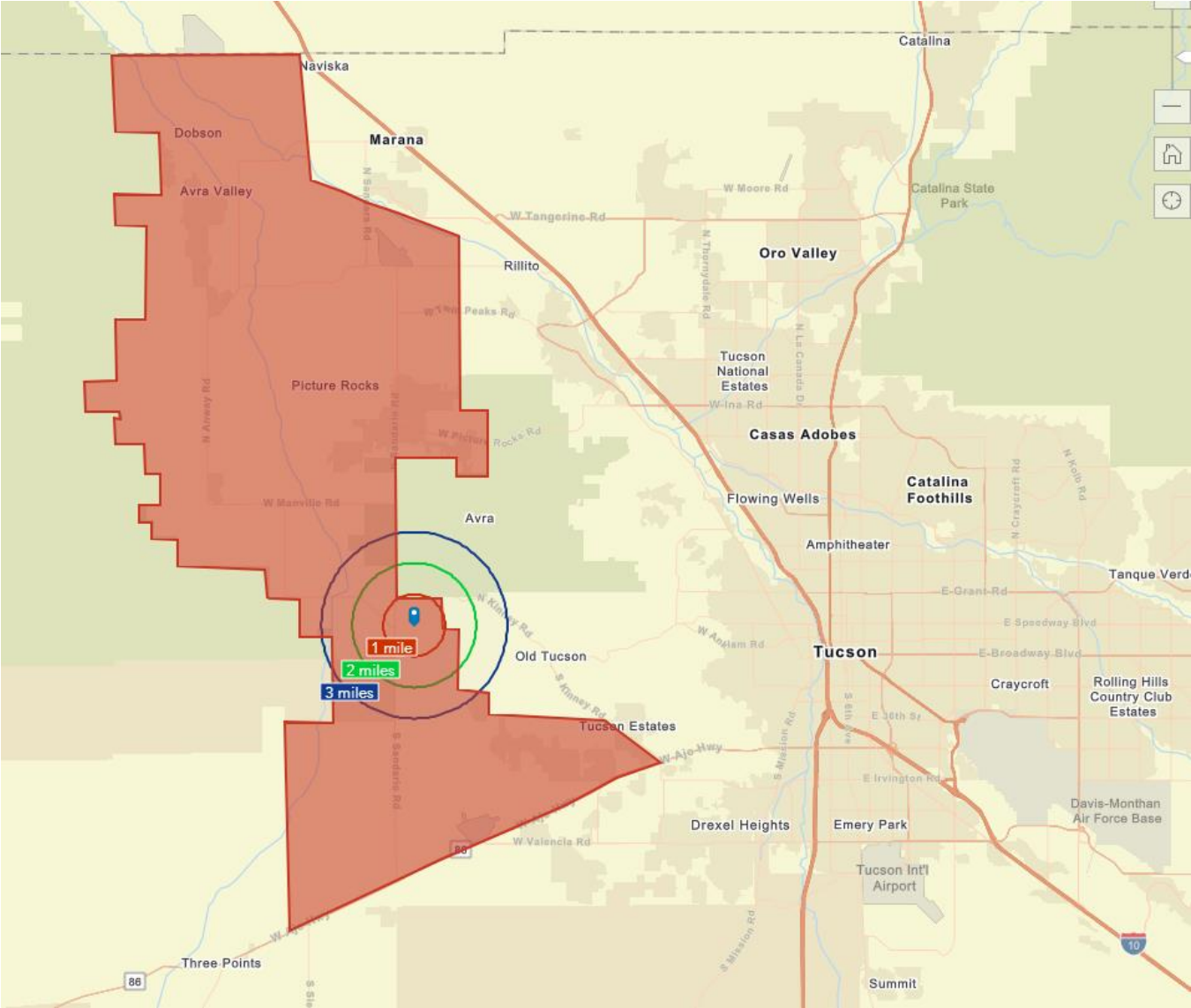


13 View W from SWC towards CAP (25844935)



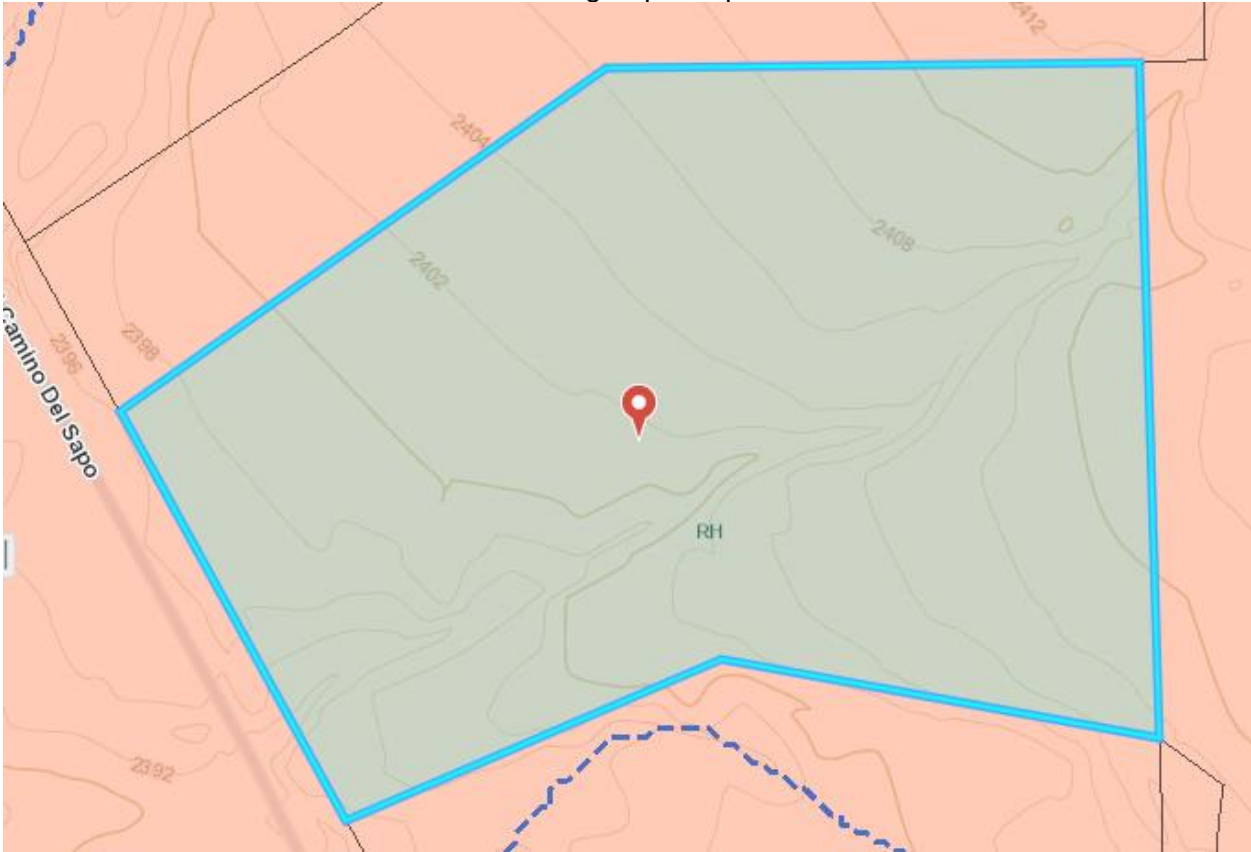


MARKET AREA MAP



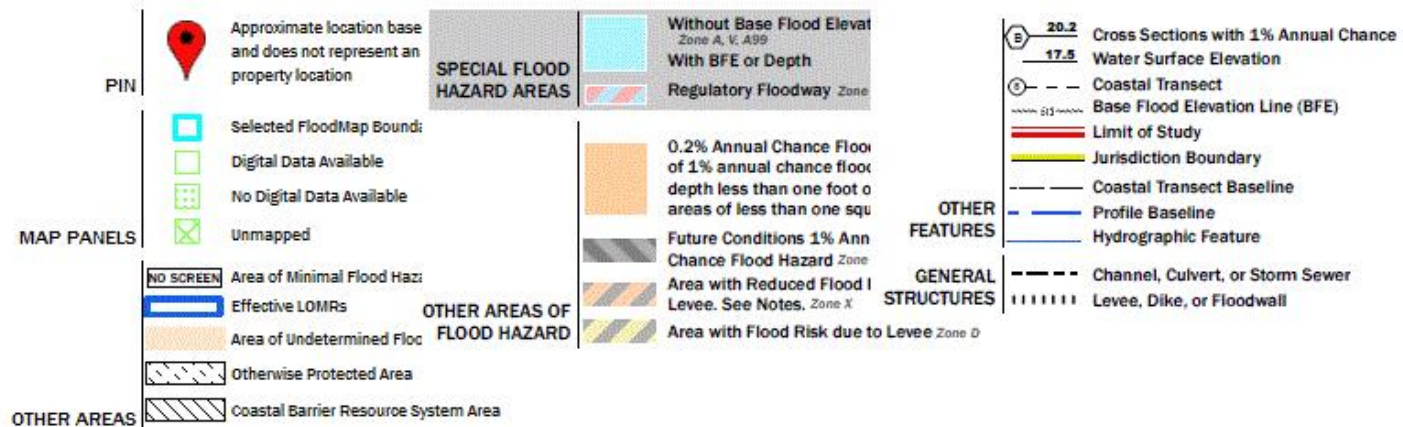


Zoning/Topo Map

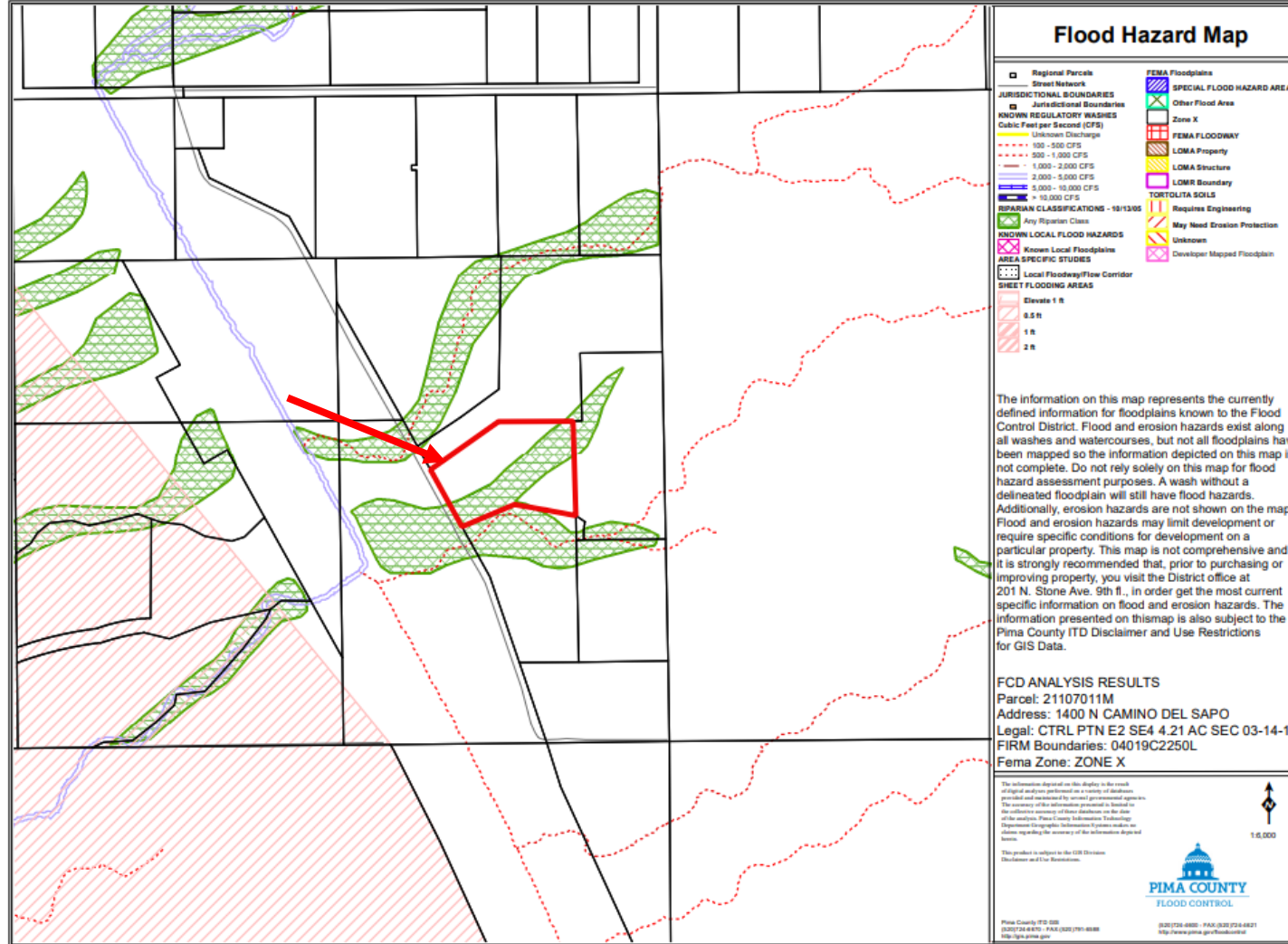




# FEMA Flood Map



# RFCD Flood Map



Monday, February 27, 2023

**TITLE REPORT (Select Portions)**

**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)  
EXHIBIT "A"  
LEGAL DESCRIPTION**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

File No.: 1960784

Parcel I:

LOT 4

That portion of the Southeast Quarter of the Southeast Quarter and Section 3, Township 14 South, Range 11 East of the Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

Commencing at a 2" aluminum capped rebar at the Southeast corner of said Section 3;

Thence North 00° 42' 04" West along the East line of the Southeast Quarter a distance of 1316.79 feet to a #4 rebar tagged RLS 11373;

Thence South 89° 26' 39" West, along the North line of the Southeast Quarter of the Southwest Quarter, a distance of 390.00 feet to the Point of Beginning;

Thence South 04° 23' 17" East a distance of 395.59 feet to a #4 rebar tagged LS 11115;

Thence North 81° 13' 29" West a distance of 253.77 feet to a #4 rebar tagged LS 11115;

Thence South 68° 38' 27" West a distance of 227.17 feet to a point on the easterly line of the United States Bureau of Reclamation Tract No. TA-5-14 as described in Docket 8074, page 98, records of the Pima County Recorder;

Thence North 29° 03' 37" West along the easterly line of the United States Bureau of Reclamation Tract No. TA-5-14 as described in Docket 8074, page 98, records of the Pima County Recorder, a distance of 265.98 feet to a #4 rebar LS 13187;

Thence North 54° 48' 17" East a distance of 352.74 feet to a #4 rebar tagged LS 13187 on the North line of said Southeast Quarter of the Southeast Quarter;

Thence North 89° 26' 39" East along the North line of said Southeast Quarter of the Southeast Quarter distance of 273.05 feet to the Point of Beginning.

A.P.N.: 211-07-011M

Parcel II:

An easement for ingress, egress, and utilities over the South 30 feet.

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

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File No.: 1960784

ALTA Commitment for Title Insurance Schedule A (07-01-2021)

Page 3 of 9





**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)  
SCHEDULE B PART II**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

File No.: 1960784

**Exceptions**

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

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

NOTE: Exceptions 1 through 9, inclusive and as shown below, will be eliminated from any A.L.T.A. Extended Coverage Policy, A.L.T.A. Homeowner's Policy, A.L.T.A. Expanded Coverage Residential Loan Policy and any short form versions thereof. However, the same or similar exception may be made in Schedule B of those policies in conformity with Schedule B, Part Two of this Commitment.

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
3. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
4. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
5. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
6. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
7. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
8. Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule A, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.
9. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

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ALTA Commitment for Title Insurance Schedule BII (07-01-2021)

Page 7 of 9



**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)**  
**SCHEDULE B PART II**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

10. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the land together with all rights, privileges and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.
11. 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.
12. Taxes and assessments collectible<sup>2</sup> by the County Treasurer, a lien not yet due and payable for the year 2023.
13. Reservations or exceptions in Patents or in Acts authorizing the issuance thereof.
14. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.  
This exception is not limited by reason of the disclosure of any matter relating to Water Rights as may be set forth elsewhere in Schedule B.
15. Liabilities and obligations imposed upon said land by reason of its inclusion within any district formed pursuant to Title 48 Arizona Revised Statutes.
16. Easement for ingress and egress and rights incident thereto, as set forth in instrument recorded December 31, 1992, [Book 9449, Page 1587](#).
17. Easement for road and utilities and rights incident thereto, as set forth in instrument recorded May 23, 1994, [Book 9798, Page 1738](#).
18. Easement for underground electric distribution facilities and rights incident thereto, as set forth in instrument recorded May 17, 1995, [Book 10045, Page 729](#) and in [Docket 10045 at page 737](#).
19. Easement for ingress, egress, and utilities and rights incident thereto, as set forth in instrument recorded August 28, 1995, [Book 10116, Page 1335](#).
20. Terms and conditions as contained in instrument entitled Joint Well Agreement, recorded August 28, 1995, [Book 10116, Page 1369](#). Thereafter, Easement Agreement recorded March 12, 1999, [Book 11002, Page 2144](#). Modification Agreement recorded in Instrument No. [2012-1930205](#). Thereafter Quit Claim of Interest in Well Site and Notice of Withdrawal From Joint Well Agreement recorded in [Docket 12696 at page 3893](#).
21. Restrictions, Conditions, Covenants, Reservations, including but not limited to any recitals creating easements, liabilities, obligations or party walls, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin contained in instrument recorded August 28, 1995, [Book 10116, Page 1405](#).
22. Terms and conditions as contained in instrument entitled Request to Name Street or Easement recorded in [Docket 9987 at page 448](#) and re-recorded, recorded April 22, 1996, [Book 10278, Page 975](#) and re-recorded recorded November 7, 2001, [Book 11671, Page 302](#).

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File No.: 1980784

ALTA Commitment for Title Insurance Schedule BII (07-01-2021)

Page 8 of 9



**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)**  
**SCHEDULE B PART II**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

23. Terms and conditions as contained in instrument entitled Quit Claim Deed recorded March 21, 1997, [Book 10507, Page 969](#).
24. Terms and conditions as contained in instrument entitled Annexation to Three Points Fire District - Elkhorn/Canal Territories, recorded November 28, 2001, [Book 11684, Page 2604](#).
25. Easement for vehicular and pedestrian ingress and egress and rights incident thereto, as set forth in instrument recorded July 11, 2012, [Instrument No. 20121930200](#).
26. Terms and conditions as contained in instrument entitled Road Maintenance Agreement, recorded April 22, 2015, [Instrument No. 20151120206](#). And thereafter Acknowledgment of Road Maintenance Agreement recorded June 2, 2015, [Instrument No. 20151530834](#).
27. Restrictions, Conditions, Covenants, Reservations, including but not limited to any recitals creating easements, liabilities, obligations or party walls, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin contained in instrument recorded June 2, 2015, [Instrument No. 20151530835](#).
28. Matters shown on survey recorded in Instrument No. [2012-1660245](#).
29. Matters shown on survey recorded in Instrument No. [2017-2560415](#).

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

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**CONSULTANT'S QUALIFICATIONS**  
**PAUL D. HENDRICKS, MAI**  
4708 E. Scarlett, Tucson, AZ 85711  
Voice & Fax (520) 325-6512  
Email: PaulHendricksMAI@gmail.com  
www.TucsonAzAppraisal.com

## EDUCATION

### Academic

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

#### Valuation

##### Appraisal Courses and Examinations:

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

##### Appraisal Seminars

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

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

## **EXPERIENCE**

### **November 1995 - Present:**

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

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

### **1994-November 1995:**

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

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

### **1986-1993:**

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

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

### **1979-1986:**

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

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

## **PROPERTIES**

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

## **COMPUTERS**

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



#### **PROFESSIONAL AFFILIATIONS**

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

#### **GEOGRAPHIC WORK**

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.