

AN APPRAISAL REPORT

OF

**THE MARKET VALUE OF AN EXCLUSIVE ACCESS EASEMENT
AND A NON-EXCLUSIVE ACCESS EASEMENT OVER PORTIONS OF
THE SUBJECT PROPERTY, AS VACANT, FOR A POTENTIAL
TRADE OF PROPERTY INTEREST**

LOCATED ON

**THE WEST SIDE OF CRAYCROFT ROAD, SOUTH OF RIVER ROAD,
PIMA COUNTY, ARIZONA**

FOR

MR. THOMAS KRAL, MAI, SRA

PIMA COUNTY PUBLIC WORKS

REAL PROPERTY SERVICES

MR. THOMAS KRAL

CHIEF REAL ESTATE APPRAISER

OWNERSHIP: PIMA COUNTY FLOOD CONTROL DISTRICT

TAX PARCEL NUMBER: 109-26-008E

SECTION 26, TOWNSHIP 13 SOUTH, RANGE 14 EAST

EFFECTIVE DATE OF APPRAISAL

FEBRUARY 11, 2025

DATE OF REPORT

FEBRUARY 13, 2025

BAKER, PETERSON, BAKER & ASSOCIATES, INC.

Tucson, Arizona

BAKER, PETERSON, BAKER & ASSOCIATES, INC.

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February 13, 2025

Mr. Thomas Kral, MAI, SRA
Chief Real Estate Appraiser
Pima County Public Works
Real Property Services
201 North Stone Avenue, Sixth Floor
Tucson, Arizona 85701-1207

RE: An appraisal report of the market value of an exclusive access easement and a non-exclusive access easement over portions of the subject property, as vacant, for a potential trade of property interest, located on the west side of Craycroft Road, South of River Road, Pima County, Arizona.

<i>Ownership:</i>	Pima County Flood Control District
<i>Tax Parcel No.:</i>	101-26-008E
<i>Effective Date of Appraisal:</i>	February 11, 2025
<i>Date of Report:</i>	February 13, 2025

Dear Mr. Kral:

In response to your authorization, we have conducted the required inspection, gathered the necessary data, and made certain analyses that have enabled us to form an opinion of the market value of an exclusive access easement and a non-exclusive access easement over portions of the subject property for a potential property interest trade.

This report is intended for use only by the intended user, Mr. Thomas Kral, Pima County Public Works, Real Property Services, and its designees. Use of this report by others is not intended by the appraisers. This report is intended only for use in assisting the intended user in the determination of the market value of an exclusive access easement and a non-exclusive access easement over portions of the subject property for a potential trade of property interest. It is not intended for any other use.

Mr. Thomas Kral
Pima County Public Works
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We have formed the opinion that, as of the effective date of appraisal, February 11, 2025, and subject to the assumptions and limiting conditions set forth herein, based on a six to twelve-month marketing period, the market value of the total easement interests of a non-exclusive access easement and an exclusive access easement area over a portion of the subject property to be included as part of a land interest trade has a market value of:

FIFTY SIX THOUSAND ONE HUNDRED DOLLARS
(\$56,100)


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

Hypothetical Condition: The subject property is currently improved with a driveway, parking lot, restrooms, recreation room, residential improvements, a portion of The Loop multi-use path, and other related site improvements. Because the easement interest being valued as part of a potential property interest trade with the adjacent property does not impact the existing site improvements on the subject property, this appraisal is a valuation of the land component only, as vacant. Per USPAP, the use of this Hypothetical Condition may have impacted the assignment results.

Respectfully submitted,



Thomas A. Baker, MAI, SRA
Certified General Real Estate Appraiser
Certificate Number 30139
Designated Supervisory Appraiser
Registration Number DS0007



Dan Orłowski
Certified General Real Estate Appraiser
Certificate Number 32195

C258584

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PART I - GENERAL INFORMATION

CLIENT

Mr. Thomas Kral, MAI, SRA
Chief Real Estate Appraiser
Pima County Real Property Services

APPRAISERS

Thomas A. Baker, MAI, SRA
Dan Orłowski

SUBJECT PROPERTY

The subject property is a parcel of land vacant, containing 10.42 acres, located on the west side of Craycroft Road, South of River Road, Pima County, Arizona.

LAND AREA

10.42 acres, based on the Pima County Assessor's Information.

ZONING

SR (Pima County)

TAX PARCEL NUMBER

109-26-008E

FULL CASH VALUE

\$927,549 – 2025 (As improved)

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

LIMITED CASH VALUE

\$715,426 – 2025 (As improved)

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

REAL ESTATE TAXES

There are currently no property taxes as the property owner is a government entity.

DELINQUENT TAXES

None

INTENDED USE OF REPORT

This report is intended for use only by the intended user, Mr. Thomas Kral, MAI, SRA; Pima County Public Works, Real Property Services, and its designees. Use of this report by others is not intended by the appraiser. This report is intended only for use in assisting the intended user in the determination of the market value of an exclusive access easement and a non-exclusive access easement over portions of the subject property, as vacant, for a potential trade of property interest. It is not intended for any other use.

INTEREST APPRAISED

Fee Simple Interest, as defined in The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, page 73, is “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Easement Interest, as defined in The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, page 58, is “The right to use another’s land for a stated purpose.”

MARKET VALUE DEFINITION

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

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

LEGAL DESCRIPTION

A portion of the Northeast Quarter of the Southeast Quarter of Section 26, Township 13 South, Range 14 East, G&SRB&M, Pima County, Arizona. The client will provide a full legal description of the property.

OWNERSHIP

According to public records of the Pima County Assessor, title to the subject property is in the name of the Pima County Flood Control District, according to a deed recorded in Docket 9847, on Page 713, dated August 11, 1994. This was not a market sale transaction of the subject property.

SALES HISTORY

No known sales of the subject property have occurred within the last five years prior to the date of value. Pima County is currently in discussions for a property interest trade with the adjacent property to the west which is currently in the rezoning and planning phases for a potential age-restricted multifamily development.

ASSUMPTIONS AND LIMITING CONDITIONS

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

HYPOTHETICAL CONDITION

The subject property is currently improved with a driveway, parking lot, restrooms, recreation room, residential improvements, a portion of The Loop multi-use path, and other related site improvements. Because the easement interest being valued as part of a potential property interest trade with the adjacent property does not impact the existing site improvements on the subject property, this appraisal is a valuation of the land component only, as vacant. Per USPAP, the use of this Hypothetical Condition may have impacted the assignment results.

CERTIFICATION

See exhibits

EFFECTIVE DATE OF APPRAISAL

February 11, 2025

DATE OF INSPECTION

February 11, 2025

PART II - SCOPE OF THE APPRAISAL

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

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

This appraisal assignment has been completed in response to authorization by Mr. Thomas Kral for Pima County, in a contract executed by Mr. Thomas A. Baker, MAI, SRA for Baker, Peterson, Baker and Associates, Inc. The assignment includes appraisal of the property herein described, and the preparation of a report which describes the property being appraised, analyzes appropriate data, and offers an opinion of the market value of the property as of the effective date specified in the report. The appraisal is prepared and reported according to the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute, the standards of Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and to those specifications provided by the client.

This report is intended for use only by the intended user, Mr. Thomas Kral, Pima County Public Works, Real Property Services, and its designees. Use of this report by others is not intended by the appraiser. This report is intended only for use in assisting the intended user in the determination of the market value of an exclusive access easement and a non-exclusive access easement over portions of the subject property, as vacant, for a potential trade of property interest. The purpose of the appraisal is to estimate the market value of the easement interest over portions of a specific property which has been previously identified in this report, and is referred to as the subject property, the subject, or the property.

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

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

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

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

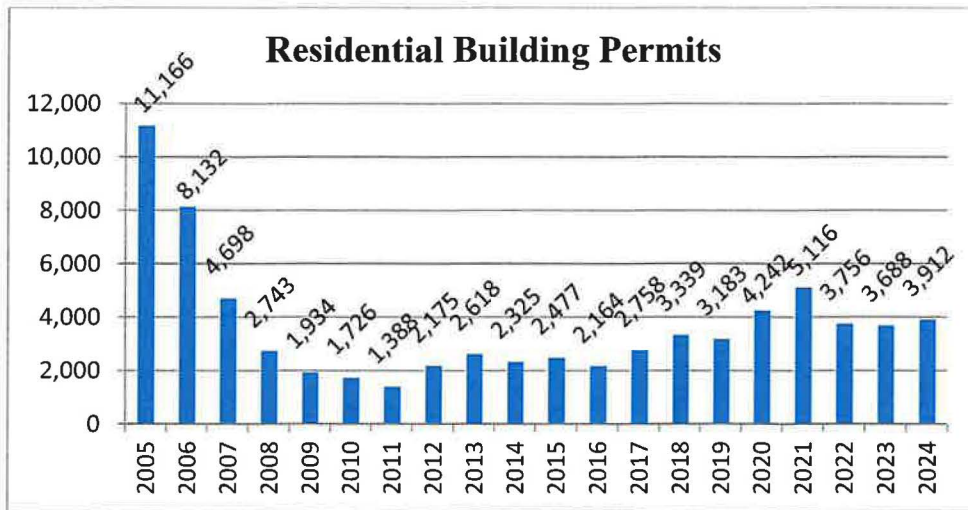
Hypothetical Condition: The subject property is currently improved with a driveway, parking lot, restrooms, recreation room, residential improvements, a portion of The Loop multi-use path, and other related site improvements. Because the easement interest being valued as part of a potential property interest trade with the adjacent property does not impact the existing site improvements on the subject property, this appraisal is a valuation of the land component only, as vacant. Per USPAP, the use of this Hypothetical Condition may have impacted the assignment results.

PART III - DESCRIPTION OF REAL ESTATE APPRAISED

TUCSON OVERVIEW:

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

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



Office Market

Overall, the Pima County *office market* experienced net positive absorption of 6,926 square feet in the Fourth Quarter 2024, according to *CoStar*. This compares to net positive absorption of 37,242 square feet in the Third Quarter 2024, net negative absorption of 74,503 square feet in the Second Quarter 2024, net negative absorption of 361,648 square feet in the First Quarter 2024, net positive absorption of 10,851 square feet in the Fourth Quarter 2023, net positive absorption of 96,875 square feet in the Third Quarter 2023, net positive absorption of 251,756 square feet in the Second Quarter 2023, net negative absorption of

58,442 square feet in the First Quarter 2023, net negative absorption of 192,488 square feet in the Fourth Quarter 2022, net positive absorption of 154,710 square feet in the Third Quarter 2022, net negative absorption of 208,714 square feet in the Second Quarter 2022, net positive absorption of 155,957 square feet in the First Quarter 2022, net positive absorption of 101,299 square feet in the Fourth Quarter 2021, net positive absorption of 50,194 square feet in the Third Quarter 2021, net negative absorption of 115,636 square feet in the Second Quarter 2021, and net positive absorption of 39,475 square feet in the First Quarter 2021.

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



No new buildings were completed in the Fourth Quarter 2024. This compares to one new building containing 10,000 square feet in the Third Quarter 2024, one new building containing 4,000 square feet in the Second Quarter 2024, no new buildings in the First Quarter 2024 and Fourth Quarter 2023, four new buildings containing 42,138 square feet in Third Quarter 2023, no new buildings in Second Quarter 2023, two new buildings containing 22,000 square feet in First Quarter 2023, two new buildings containing 27,988 square feet in Fourth Quarter 2022, one new building containing 18,500 square feet in Third Quarter 2022, two new buildings containing 50,695 square feet in the Second Quarter 2022, two new buildings containing 145,228 in the First Quarter 2022, no new buildings in the Third and Fourth Quarters 2021, three new buildings containing 64,037 square feet in the Second Quarter 2021, and three new buildings containing 120,000 square feet in the First Quarter 2021.

Market conditions for office properties stabilized around 2013 and remained slow but stable through 2019. Market conditions for office properties had started to slowly improve, primarily for office properties in high demand areas, smaller suites or buildings in many

areas of Tucson, and newer office buildings in good condition. Demand remains limited for older and obsolete office buildings in particular. Covid-19 impacted work from home trends with changes in office demand. It is not yet known to what extent recent work from home trends will permanently impact office demand.

Retail Market

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

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



This chart shows that the vacancy rate for retail properties increased through mid-2012. The retail vacancy rate declined from that time through 2018. The retail vacancy rate increased slightly from late 2018 through mid-2021 and then declined slightly in late 2022. The vacancy rate has remained generally stable and was 5.6% in the fourth quarter 2024.

There was net positive absorption of 210,351 square feet in the Fourth Quarter 2024, according to CoStar. This compares to net positive absorption of 5,029 square feet in the Third Quarter 2024, net positive absorption of 55,481 square feet in the Second Quarter 2024, net negative absorption of 24,151 square feet in the First Quarter 2024, net negative absorption of 197,191 square feet in the Fourth Quarter 2023, net positive absorption of 68,887 square feet in the Third Quarter 2023, net positive absorption of 123,740 square feet in the Second Quarter 2023, net positive absorption of 154,412 square feet in the First Quarter 2023, net negative absorption of 92,641 square feet in the Fourth Quarter 2022, net

positive absorption of 37,997 in the Third Quarter 2022, net positive absorption of 188,357 in the Second Quarter 2022, net positive absorption of 136,992 in the First Quarter 2022, net positive absorption of 16,529 square feet in the Fourth Quarter 2021, net positive absorption of 15,561 square feet in the Third Quarter 2021, net negative absorption of 113,376 in the Second Quarter 2021, and net positive absorption of 128,317 square feet in the First Quarter 2021.

In the Fourth Quarter 2024, two new retail buildings containing 162,300 square feet were completed. This compares to two new buildings containing 4,056 square feet in the Third Quarter 2024, six new buildings containing 19,511 square feet in the Second Quarter 2024, six new buildings containing 17,570 square feet in the First Quarter 2024, four new buildings containing 13,410 square feet in the Fourth Quarter 2023, nine new buildings containing 36,063 square feet in Third Quarter 2023, ten new buildings containing 61,885 square feet in Second Quarter 2023, 16 new buildings containing 102,757 square feet in the First Quarter 2023, nine new buildings containing 39,787 square feet in Fourth Quarter 2022, 12 new buildings containing 85,737 square feet in Third Quarter 2022, five new buildings containing 20,933 square feet in Second Quarter 2022, 12 new buildings containing 42,569 square feet in the First Quarter 2022, six new buildings containing 31,734 square feet in the Fourth Quarter 2021, six new buildings containing 25,861 square feet in the Third Quarter of 2021, six new buildings containing 21,331 square feet in the Second Quarter of 2021, and 13 new buildings containing 83,318 square feet in the First Quarter 2021.

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

Industrial Market

Tucson experienced rapid industrial growth from the late 70's to the mid-80s. Since then, there has been more limited new industrial development with a recent increase in mid-2020 through mid-2024. Most recently in Tucson, one new building containing 50,000 square feet was completed in the Fourth Quarter 2024, according to CoStar. This compares to no new buildings in the Third Quarter 2024, one new building containing 12,500 square feet in the Second Quarter 2024, four new buildings containing 40,000 square feet in the First Quarter 2024, one new building containing 244,889 square feet in the Fourth Quarter 2023, six new buildings containing 1,544,476 square feet in Third Quarter 2023, three new buildings containing 135,324 square feet in Second Quarter 2023, one new building containing 4,200 square feet in First Quarter 2023, two new buildings containing 230,539 square feet in the Fourth Quarter 2022, two new buildings containing 305,545 square feet in Third Quarter 2022, one new building containing 60,437 square feet in Second Quarter 2022, one new building containing 50,000 square feet in the First Quarter 2022, one new building containing 240,000 square feet in the Fourth Quarter 2021, two new buildings containing 377,702 square feet in the Third Quarter 2021, one new building containing 39,290 square feet completed in Second Quarter 2021, and one new building containing 12,237 square feet completed in the First Quarter 2021. Many of the buildings constructed in recent years are larger buildings.

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

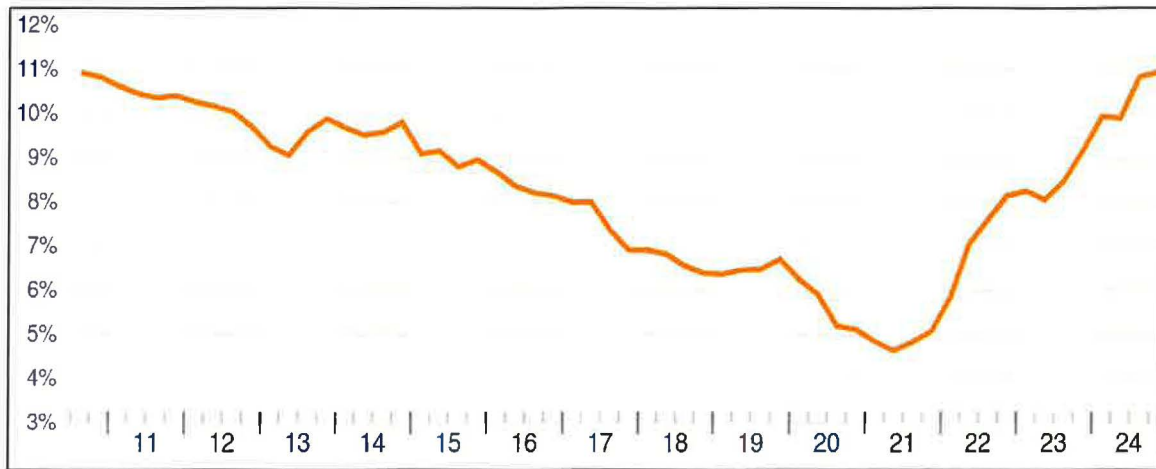


There was net positive absorption of 167,818 square feet in the Fourth Quarter 2024. This compares to net positive absorption of 84,426 square feet in the Third Quarter 2024, net positive absorption of 18,240 square feet in the Second Quarter 2024, net negative absorption of 191,497 square feet in the First Quarter 2024, net positive absorption of 301,143 square feet in the Fourth Quarter 2023, net positive absorption of 122,351 square feet in Third Quarter 2023, net negative absorption of 135,128 square feet in Second Quarter 2023, net positive absorption of 391,361 square feet in the First Quarter 2023, net positive absorption of 421,204 square feet in the Fourth Quarter 2022, net positive absorption of 147,791 square feet square feet in the Third Quarter 2022, net positive absorption of 376,723 square feet in the Second Quarter 2022, net negative absorption of 284,298 square feet in the First Quarter 2022, net positive absorption of 501,223 square feet in the Fourth Quarter 2021, net positive absorption of 808,926 square feet in the Third Quarter 2021, net positive absorption of 214,675 square feet in the Second Quarter 2021, and net positive absorption of 137,293 square feet in the First Quarter 2021, according to *CoStar*.

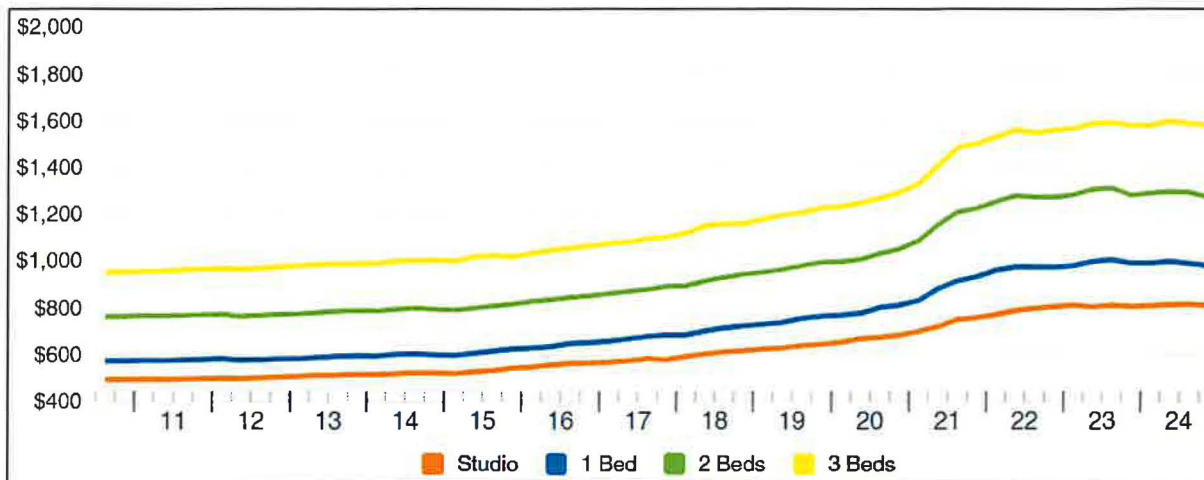
Overall, the industrial vacancy rate increased through mid-2012. The vacancy rate declined from late 2012 through the first part of 2019 before increasing somewhat through mid-2020 before declining again through late 2021 with a general decline though 2022. Most recently there was an increase from early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

Multi-Family Market

The following is the overall vacancy rate for apartments in Tucson through the Fourth Quarter 2024. Vacancy rates for apartment properties in the Tucson Metropolitan area gradually declined through 2019 and then declined more quickly in 2020. Vacancy rates have increased since late 2021 and were generally stable in the first part of 2024 before increasing in mid-2024.



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



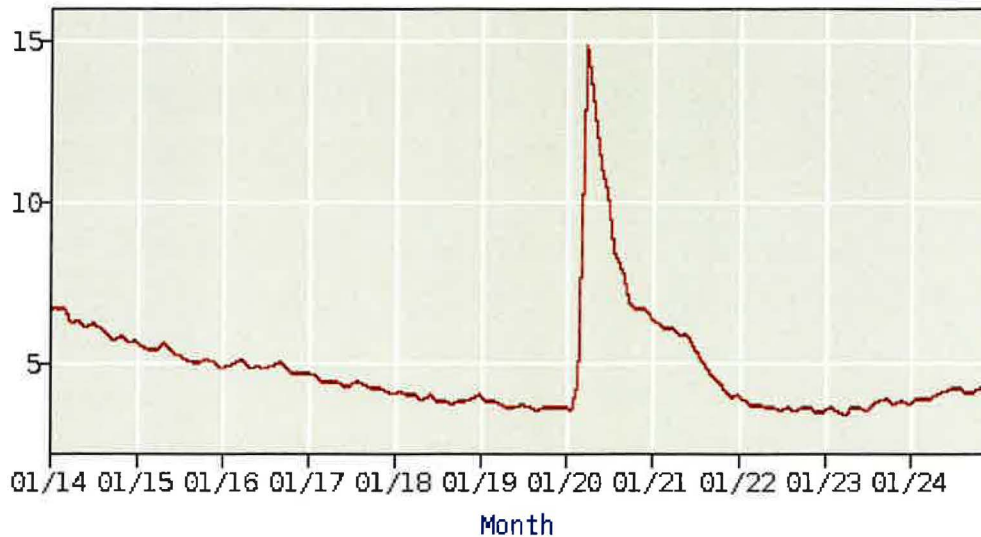
Market conditions for multi-family properties has increased significantly since mid-2020, with rapidly increasing rents, decreasing vacancy rates, and increased sales prices, with new construction and renovations during that time due to strong demand for apartments. Demand has slowed since mid-2022 recently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

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



This data shows that the unemployment rate in the Tucson metropolitan area had slowly been declining since early 2011. There was a slow steady decline in the unemployment rate over several years. However, the unemployment rate (not seasonally adjusted) was stable in 2019 with an increase early in the year. Due to the shutdown of many businesses due to Covid-19, unemployment began to increase significantly in mid-March 2020. The unadjusted unemployment rate was 4.3% in February 2020 and 5.2% in March 2020. This increased to a peak of 13% in April 2020, then declined slightly to 10.9% in May 2020 and 9.6% in July 2020. The unemployment rate declined to 7.7% in August 2020 and 6.6% in October 2020. The unemployment rate declined to 6.4% in January 2021, 3.9% in December 2021, and 3.4% in March 2022. The unemployment rate was 4.3% in August 2022, 3.3% in December 2022, 3.8% in August 2023, 3.6% in February 2024, and 3.6% in October 2024.

According to the United States Department of Labor, Bureau of Labor Statistics, the national seasonally adjusted unemployment rate also increased through late 2009. The unemployment rate remained high and started to decline slowly in late 2010. The unemployment rate has declined and is below 2007 levels. The seasonally adjusted unemployment rate was 3.5% in February 2020 and 4.4% in March 2020. This increased to a peak of 14.8% in April 2020, then declined slightly to 13.2% in May 2020 and 10.2% in July 2020. The unemployment rate declined to 8.4% in August 2020 and 6.9% in October 2020. The unemployment rate declined to 6.4% in January 2021, 3.9% in December 2021, and 3.7% in March 2022. The unemployment rate was 3.6% in August 2022, 3.5% in December 2022, 3.7% in August 2023, 3.9% in February 2024, and 4.1% in December 2024.



Overall, the commercial real estate markets reveal that in early to mid-2020, most investors held a cautionary outlook due to the uncertainty of the government conditions and Covid-19. Market conditions have improved for many property types since that time, starting as early as mid-2020. Market conditions were uncertain for some commercial property types, while demand remained for many other property types that are less impacted by Covid-19. Market conditions for single-family and multi-family properties has increased significantly in that time frame, while demand for many commercial uses, particularly those most impacted by Covid-19, were uncertain and stable for longer but increased for many other commercial uses. As interest rates increased starting in mid-2022, demand slowed and market conditions became more uncertain for most property types, with slower demand through quarters of 2024. There remains limited supply on the market for most property types. The long-term result should be a more balanced level of supply and demand - more conducive to steady long-term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.

MARKET AREA

The market area of the subject property is located to the northeast of the central business district of Tucson, Arizona. Generally, market area boundaries include River Road to the north, Grant Road to the south, Tanque Verde/Sabino Canyon Road to the east, and Swan Road to west. The market area is governed by both Pima County and the City of Tucson, and is located in the Tucson Unified School District.

Existing property types located in the market area include multi-family apartment complexes, single family homes, townhouses, churches, hospitals, and commercial uses normally located along main traffic arterial roadways. There is vacant land available in the area for development or for redevelopment, ranging from commercial sites along Grant Road to smaller "infill" residential sites located in established residential neighborhoods. Single family residential homes range in price from \$400,000 to over \$1,000,000, with the highest valued homes located in the northern portion of the market area, within the lower foothills of the Catalina Mountains and in the Tucson Country Club gated neighborhood. Multi-family apartment uses range from duplex developments to 500 units in size.

Commercial developments in the area are located primarily along Grant Road and Tanque Verde Road, with additional commercial development on River Road at the intersections of River Road and Craycroft and Camp Lowell Road and Swan Road. Grant Road and Tanque Verde Road are characterized by strip commercial development with neighborhood shopping centers that are typically located at major section-line intersections. The market area also contains two sub-neighborhoods comprised mainly of medical-dental office and hospital uses. A significant commercial development in the subject market area includes the Tucson Medical Center (TMC) at the northwest corner of Grant Road and Craycroft Road. This significant use has an impact on the surrounding the subject market area is located on the east side of Tucson, which is predominated by residential uses.

Newer developments in the subject market area include commercial development at the southeast corner of River Road and Craycroft Road, including a QuikTrip C-Store and the BASIS school on River Road, east of Craycroft Road, and a Whole Foods store in the River Road shopping plaza at the northeast corner of River Road and Craycroft Road. There is also a Class-A apartment complex as part of development at the corner of Craycroft Road and River Road. Overall, the market area is considered to be well-located and stable with a limited amount of available vacant land for additional development. Favorable influences affecting the market area include its relatively central location at the base of the Catalina Foothills school district with good access to public services and transportation routes.

SITE DESCRIPTION

The subject property is an irregularly shaped parcel with 811 feet of frontage on Craycroft Road along the eastern border, a width of approximately 660 feet along the southern border, and a depth of approximately 650 feet along the full length of the western border. Craycroft Road is a four-lane asphalt paved roadway with center turn lane, concrete curbs, sidewalks, but no streetlights in the area of the subject. Craycroft Road has a 2024 traffic count of 19,565 vehicles per day according to the Pima Association of Governments traffic count information.

A significant portion of the subject property is located within the floodways and channel of the Rillito River in the southern portion and within the floodway of Craycroft Wash in the eastern portion of the property. The land area out of the floodways and is considered to be the buildable portion of the subject property, with the subject having a total buildable land area of approximately 4.13 acres that are not within the floodways which are protected from eroding and flooding with the existing bank protection along the Rillito River and Craycroft Wash in the area of the site. The balance of the site is located within the floodways of the Rillito River and the Craycroft wash and can only be usable for area to meet lot size requirements and setbacks for any potential development on the site. There is a pedestrian bridge in place spanning the Craycroft Wash to allow access onto the subject property. Direct vehicular access to the site is from Craycroft Road in the northeastern portion of the site. Craycroft Road is a four-lane asphalt paved roadway with center turn lane, concrete curbs, sidewalks, but no streetlights in the area of the subject. The Southern portion of Craycroft Road becomes a bridge that spans the Rillito River in the area of the subject. The topography of the land outside the washes are mostly level, and gently sloping in a southern direction, towards the Rillito River. There are distant mountain views from the subject property due to its lower foothills location. Soil conditions appear to be typical of the area. Properties bordering the subject property include single family residences on large lots to the west and north, a school use on the south side of the Rillito River, Craycroft Road followed by multifamily uses to the east, and Craycroft Road followed by retail uses to the northeast. Public utilities available to the property include electric (Tucson Electric Power), telephone (Century Link), water (Tucson Water), and sewer (Pima County). Any development of the site would require an engineering study to determine the availability and adequacy of utilities.

According to FEMA Flood Insurance Rate Map 04019C0694L, dated June 16, 2011, the southern and eastern portion of the subject property are located within the floodways of the Rillito River and the Craycroft Wash which run across the eastern and southern portion of the subject property. As noted, there are approximately 4.13 acres of the subject property that are not located within these floodways. A portion of the southern part of the subject property located outside of the floodway of the Rillito River is located within FEMA Special 100-Year Flood Hazard Area Zone A, with potential flow depths of approximately 1-foot, according to information from the Pima County GIS map. Additionally, a small portion of the subject property in the southern area is located within the FEMA 500-year floodplain Zone X-shaded. The area located within the 100-year FEMA floodplain is not considered to have a negative impact on the subject property as this is not where any potential building pads would be located, with this area being used for yard space to meet the required lot size of the underlying SR zoning on the subject. No area of the site above the bank of the wash is located within an erosion hazard setback due to the washes on the subject property being bank protected. The property is in a seismic zone which is considered to have a low probability of seismic activity. There is an easement for The Loop multiuse path which runs along the northern bank of the Rillito River, located along on the southern portion of the land area outside of the Floodway of the Rillito Wash. This easement is not considered to negatively impact any potential development of the site as this is not an area where any potential building pads would be located. There are no other known easements or encumbrances that adversely affect the subject property.

ZONING

The subject site is zoned SR (Suburban Ranch), according to the Pima County Zoning Code. The Suburban Ranch zoning is intended as a low density zone principally for single-family residences and associated conditional uses on large lots. A wide range of agricultural and ranch uses are permitted. The large minimum lot size requirement of this zone insures a considerable reservation of open space. Permitted land uses include certain residential, agricultural, civic, commercial, and recreation uses. The minimum lot size is 144,000 square feet. There is no minimum lot width. The minimum distance between buildings is 20 feet. The maximum lot coverage by structures is 30 percent. The maximum building height allowed is 34 feet. Specific building setbacks for the subject vary depending on the type of uses allowed on adjacent sites.

The subject property, as vacant, can be developed with one single-family residence, or can be split for up to three lots, with the lot boundaries extending into the floodway of the Rillito River to achieve the required minimum lots size requirements under the existing SR zoning.

COMPREHENSIVE PLAN

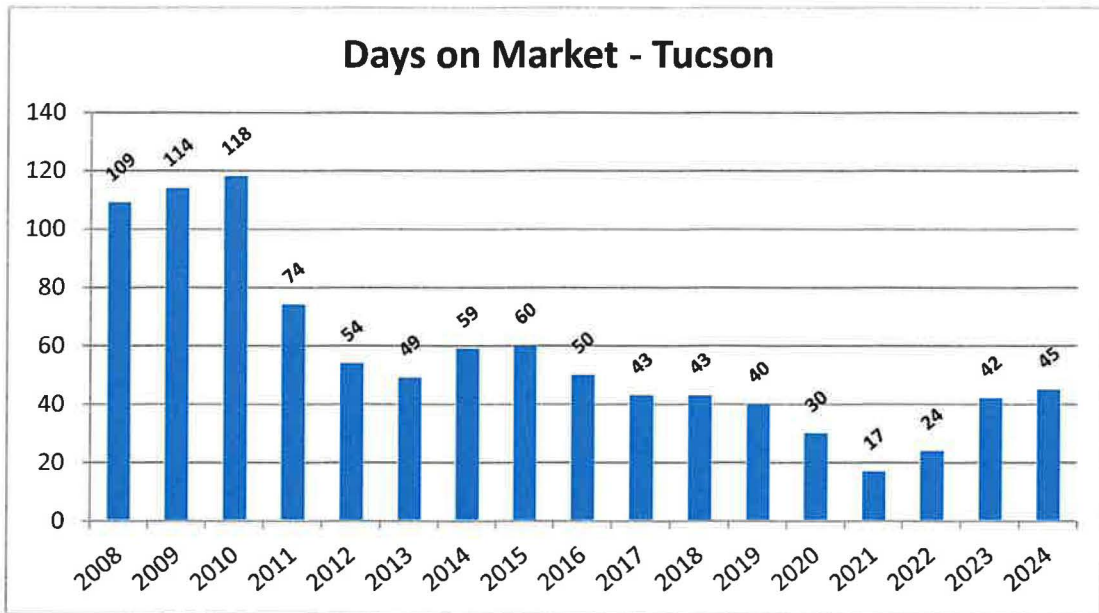
This property is located in an area designated as Low Intensity Urban 1.2 (LIU 1.2) according to the Pima County Comprehensive Plan. The purpose of this designation is to “designate areas for low density residential and other compatible uses; to provide incentives for clustering residential development and providing natural open space; and to provide opportunities for a mix of housing types throughout the region.” Only land area zoned and planned for residential use, or natural or cluster open space areas, shall be included in gross density calculations. The maximum residential gross density is 1.2 residences per acre (RAC) or 2.5 to 4.0 residences per acre with 30 percent cluster open space. Allowable zonings under the LIU 1.2 designation are GC, SR, SR-2, SH, CR-1, CR-2, CR-3, CR-4, CR-5, CMH-1 and MR.

The existing SR zoning of the subject property is consistent with the comprehensive plan. As discussed later in the Highest and Best Use section of this report. It would not be financially feasible to rezone the subject property to a density greater than the existing SR zoning.

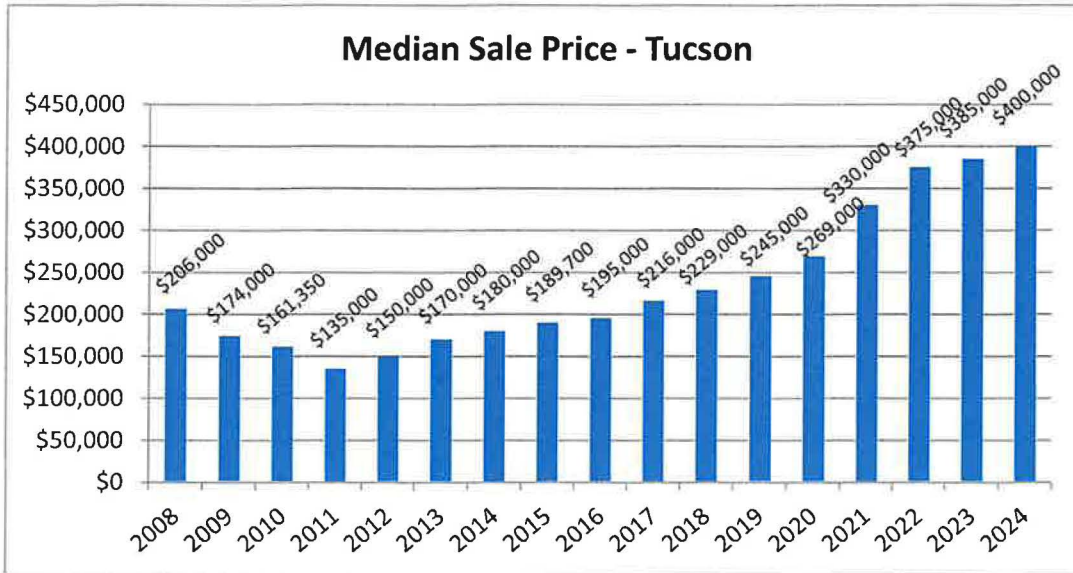
MARKET PROFILE – RESIDENTIAL

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

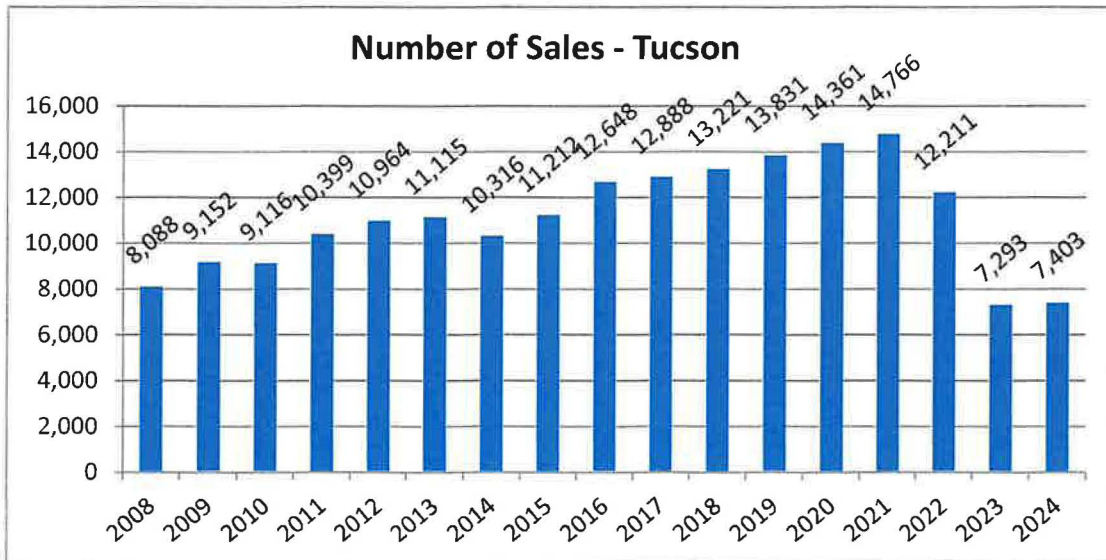
The following are the average number of days on market for sold single-family residences in the Tucson Market from 2008 through the third Quarter of 2024, according to Multiple Listing Service (MLS). This data indicates that the average days on market for single-family residences increased from 2008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



The following is the median sale price for single-family residences for the Tucson market from 2008 through third Quarter of 2024, according to MLS. The median sale price for single family residences declined yearly from 2008 through 2011. Beginning in 2011 the median sales price for single family residences in the Tucson market gradually increased on a year over year basis, continuing through the year end of 2023, with the rate of increase slowing from 2022 to 2023 compared to the previous years. Median sale prices through 2024 have increased slightly from the previous year; however, inventory remains low.



The following is the number of sales of single-family residences in the Tucson Market from 2008 through third Quarter of 2024, according to MLS. The number of sales began trending upwards from 2008 through 2021. Sales dropped from 2022 to 2023, with 2024 number of sales remaining stable from the prior year.



Prices for some types of homes, specifically in homes priced below \$300,000 had increased slowly starting in 2013. Starting in mid-2020, there was increased demand for residential uses due to low interest rates, the increase in available “remote” occupations, and a generally low amount of inventory for homes priced below \$300,000 placing upward pressure on home prices. Prices had increased significantly, and at a rapid pace, from mid-2020 through mid-2022. However, interest rates increased which has slowed some of the housing activity as potential market participants wait to see how the market reacts before listing or purchasing a home. There are indications of slightly longer marketing period. Prices appear to have become more stable with the previous rapid increase in prices having slowed dramatically. The long-term result should be a more balanced level of supply and demand - more conducive to steady long-term development.

EXPOSURE/MARKETING TIME

Marketing time, as utilized in this appraisal, is defined as:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

¹

The reasonable *exposure time* is the period a property is on the market until a sale is consummated and as utilized in this appraisal, is defined as:

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. ²

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

1. The Dictionary of Real Estate Appraisal (Appraisal Institute, Sixth Edition, 2015), p. 140

2. Ibid, p. 83

HIGHEST AND BEST USE

The Seventh edition of The Dictionary of Real Estate Appraisal (Appraisal Institute; 2022, p. 88), defines highest and best use as: “The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.” An analysis of market data supports the conclusion of highest and best use. An analysis of market data supports the conclusion of highest and best use.

Highest and Best Use as Vacant

Legal Considerations

The subject site is zoned SR (Suburban Ranch), according to the Pima County Zoning Code. The Suburban Ranch zoning is intended as a low density zone principally for single-family residences and associated conditional uses on large lots. A wide range of agricultural and ranch uses are permitted. The large minimum lot size requirement of this zone insures a considerable reservation of open space. Permitted land uses include certain residential, agricultural, civic, commercial, and recreation uses. The minimum lot size is 144,000 square feet. There is no minimum lot width. The minimum distance between buildings is 20 feet. The maximum lot coverage by structures is 30 percent. The maximum building height allowed is 34 feet. Specific building setbacks for the subject vary depending on the type of uses allowed on adjacent sites.

Additionally, this property is located in an area designated as Low Intensity Urban 1.2 (LIU 1.2) according to the Pima County Comprehensive Plan. The purpose of this designation is to “designate areas for low density residential and other compatible uses; to provide incentives for clustering residential development and providing natural open space; and to provide opportunities for a mix of housing types throughout the region.” Only land area zoned and planned for residential use, or natural or cluster open space areas, shall be included in gross density calculations. The maximum residential gross density is 1.2 residences per acre (RAC) or 2.5 to 4.0 residences per acre with 30 percent cluster open space. Allowable zonings under the LIU 1.2 designation are GC, SR, SR-2, SH, CR-1, CR-2, CR-3, CR-4, CR-5, CMH-1 and MR.

Legally, the subject property, as vacant, can be split into three lots for the development of three separate single-family residences, with the lot boundaries extending into the floodway of the Rillito River to achieve the required minimum lot size requirements under the existing SR zoning.

Physical Considerations

The subject property is an irregularly shaped parcel with 811 feet of frontage on Craycroft Road along the eastern border, a width of approximately 660 feet along the southern border, and a depth of approximately 650 feet along the full length of the western border. Craycroft Road is a four-lane asphalt paved roadway with center turn lane, concrete curbs, sidewalks, but no streetlights in the area of the subject. Craycroft Road has a 2024 traffic count of 19,565 vehicles per day according to the Pima Association of Governments traffic count information.

A significant portion of the subject property is located within the floodways and channel of the Rillito River in the southern portion and within the floodway of Craycroft Wash in the eastern portion of the property. The land area out of the floodways is considered to be the buildable portion of the subject property, with the subject having a total buildable land area of approximately 4.13 acres that are not within the floodways which are protected from eroding and flooding with the existing bank protection along the Rillito River and Craycroft Wash in the area of the site. The balance of the site is located within the floodways of the Rillito River and the Craycroft wash and can only be usable for area to meet lot size requirements and setbacks for any potential development on the site. There is a pedestrian bridge spanning the Craycroft Wash to allow access onto the subject property. Direct vehicular access to the site is from Craycroft Road in the northeastern portion of the site. Craycroft Road is a four-lane asphalt paved roadway with center turn lane, concrete curbs, sidewalks, but no streetlights in the area of the subject. The Southern portion of Craycroft Road becomes a bridge that spans the Rillito River in the area of the subject. The topography of the land outside the washes are mostly level, and gently sloping in a southern direction, towards the Rillito River. There are distant mountain views from the subject property due to its lower foothills location. Soil conditions appear to be typical of the area. Properties bordering the subject property include single family residences on large lots to the west and north, a school use on the south side of the Rillito River, Craycroft Road followed by multifamily uses to the east, and Craycroft Road followed by retail uses to the northeast. Public utilities available to the property include electric (Tucson Electric Power), telephone (Century Link), water (Tucson Water), and sewer (Pima County). Any development of the site would require an engineering study to determine the availability and adequacy of utilities.

According to FEMA Flood Insurance Rate Map 04019C0694L, dated June 16, 2011, the southern and eastern portion of the subject property are located within the floodways of the Rillito River and the Craycroft Wash which run across the eastern and southern portion of the subject property. As noted, there are approximately 4.13 acres of the subject property that are not located within these floodways. A portion of the southern part of the subject property located outside of the floodway of the Rillito River is located within FEMA Special 100-Year Flood Hazard Area Zone A, with potential flow depths of approximately 1-foot, according to information from the Pima County GIS map. Additionally, a small portion of the subject property in the southern area is located within the FEMA 500-year floodplain Zone X-shaded. The area located within the 100-year FEMA floodplain is not considered to have a negative impact on the subject property as this is not where any potential building pads would be located, with this area being used for yard space to meet the required lot size of the underlying SR zoning on the subject. No area of the site above the bank of the wash is located within an erosion hazard setback due to the washes on the subject property being bank protected. The property is in a seismic zone which is considered to have a low probability of seismic activity. There is an easement for The Loop multiuse path which runs along the northern bank of the Rillito River, located along on the southern portion of the land area outside of the Floodway of the Rillito Wash. This easement is not considered to negatively impact any potential development of the site as this is not an area where any potential building pads would be located. There are no other known easements or encumbrances that adversely affect the subject property.

The physical characteristics of the subject property, as vacant can be split the site into three lots for the development of three separate single-family residences with the lot boundaries extending into the floodway of the Rillito River to achieve the required minimum lots size requirements under the existing SR zoning.

Financial Feasibility

The subject property could be developed with either one single-family residence, or can be split for up to three lots, for the development of three single-family residences with the lot boundaries of each lot extending into the floodway of the Rillito River to achieve the required minimum lots size requirements under the existing SR zoning. The Comprehensive Plan allows a maximum density of a 1.2 RAC, so there is potential to rezone the property and develop the site with smaller lots using a cluster option to retain the overall maximum density of 1.2 acres; however, due to a substantial portion of this site having undevelopable land area located within a FEMA floodway, along with single-family residences in this area typically being on larger lot sizes, there would be insufficient land area to support the cost of a rezoning and attempt to modify the Pima County Comprehensive plan to potentially achieve a greater density of development.

Therefore, the most financially feasible use of the subject property, as vacant, would be to split the site into three lots for the development of three separate single-family residences with the lot boundaries extending into the floodway of the Rillito River to achieve the required minimum lots size requirements under the existing SR zoning.

Maximally Productive

Therefore, the most maximally productive and highest and best use of the subject property, as vacant, would be to split the parcel into three separate lots, with the lot boundaries extending into the floodway of the Rillito River to achieve the required minimum lots size requirements under the existing SR zoning in order to develop each lot with a single-family residence.

PART IV - SUMMARY OF ANALYSIS AND VALUATION

SALES COMPARISON APPROACH

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

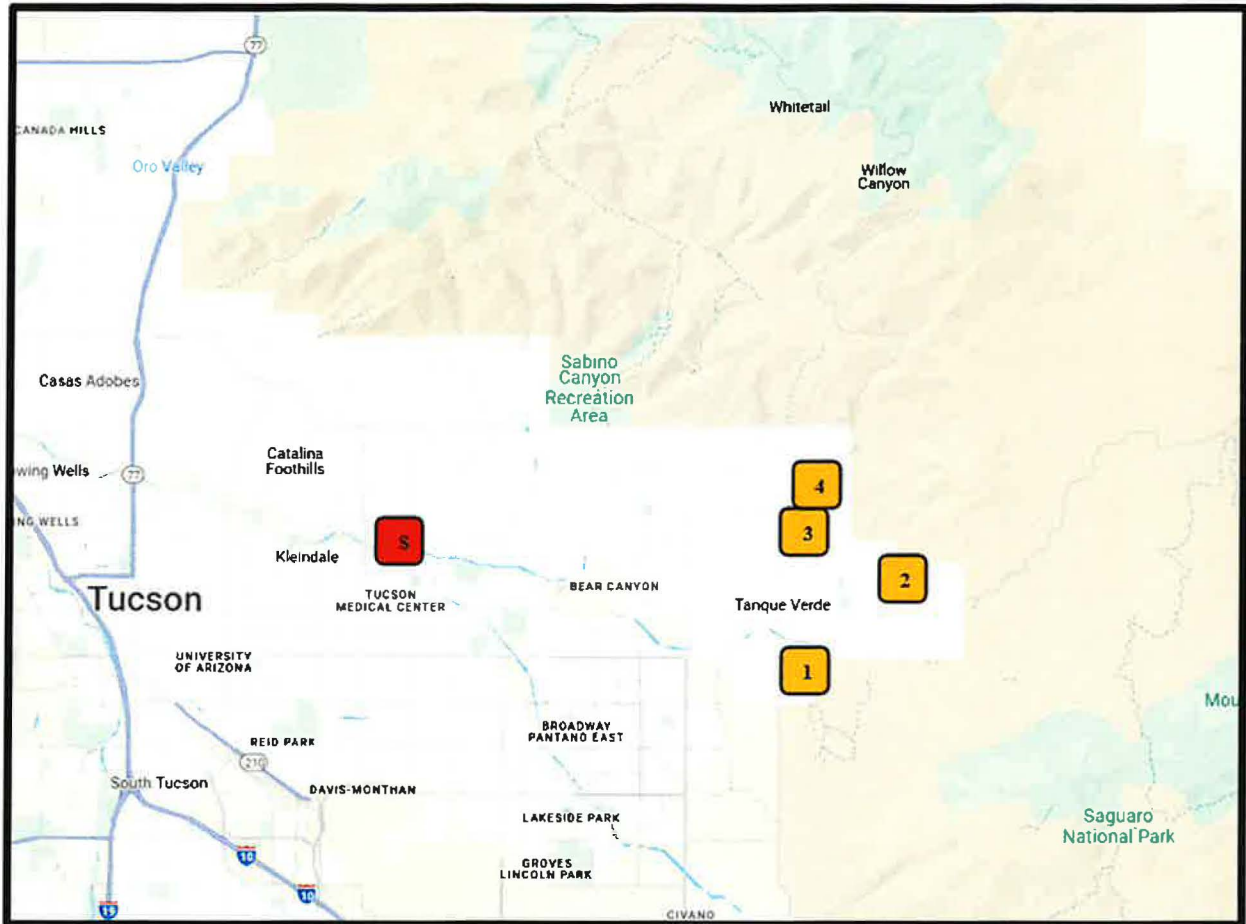
This analysis uses those sales most relevant as indicators of value of the subject property, adjusting for dissimilarities such as terms of sale, site size, location, number of potential lots, zoning, and site utility. Sales used in this approach must contain these elements; 1) both parties are typically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

Table of Comparable Land Sales

Sale No.	Sale Date	Property Location	Sale Price	Site Size (Acres)	No. of Lots	Price / Lot	Zoning
1	04/23	East side of Avenida Aguila, between Calle Del Gorrion and Calle Sus	\$495,000	7.92	2	\$247,500	SR
2	06/23	West side of Placita Muy Escondida and the north side of Camino Cascabel	\$1,000,000	10.24	3	\$333,333	SR
3	04/24	East side of Larkspur Road, north of Thunderbird Trail	\$450,000	6.95	2	\$225,000	SR
4	11/24	Northeast corner of Silver Drive and Prince Road	\$850,000	9.93	3	\$283,333	SR
Subject Property				10.42*	3		SR

* Approx 4.21 acres outside the FEMA floodway

COMPARABLE LAND SALES LOCATION MAP



Subject: West side of Craycroft Road, South of River Road

Sale 1: East side of Avenida Aguila, between Calle Del Gorrion and Calle Sus

Sale 2: West side of Placita Muy Escondida and the north side of Camino Cascabel

Sale 3: East side of Larkspur Road, north of Thunderbird Trail

Sale 4: Northeast corner of Silver Drive and Prince Road

COMPARABLE LAND SALES

LAND COMPARABLE NUMBER ONE (SALE)

ID: SR 0819 8584

LOCATION: East side of Avenida Aguila, between Calle Del Gorrion and Calle Sus

LEGAL DESCRIPTION: A portion of the Northwest quarter of the Southwest quarter of the Northeast quarter of Section 8, Township 14 South, Range 16 East, G&SRB&M, Pima County, Arizona

STATE TAX PARCEL: 205-54-013F (now 205-54-013H and 205-54-013G)

RECORD DATA: Fee number 20231070432

DATE OF SALE: April 17, 2023

SELLER: Ruby Diana Tschirhart

BUYER: Dorothy J. Murphy, Michael Rohasek, and Kim Sheridan-Rohasek, as trustees of The 16 Paws Trust

CONFIRMED BY: Douglas Frisch, buyer's agent (520-907-5919)
VM; February, 2025

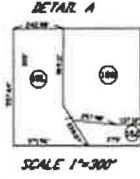
LAND DESCRIPTION: This site is a rectangular shaped property with about 540 feet of frontage on Calle Del Gorrion on the northern property boundary, about 640 feet of frontage on Avenida Aguila on the western property boundary, and about 540 feet of frontage on Calle Sus on the southern property boundary. The site has a width of about 640 feet on the eastern property boundary. Avenida Aguila, Calle Del Gorrion, and Calle Sus are all two-lane, dirt-graded residential roadways. The topography is mostly level and gently sloping in northerly direction. Electric and water are available to the property. There is no access to public sewer in the general area of the property and future site development would require installing a septic system. According to FEMA Flood Insurance Rate Map 04019C2330L, dated June 16, 2011, the land is identified as being located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.

LAND SIZE: 7.92 acres, or about 344,995 square feet

ZONING:	SR, Pima County
REPORTED SALE PRICE: NUMBER OF	\$495,000
POTENTIAL LOTS:	Two lots
PRICE PER LOT:	\$247,500
PRICE PER ACRE:	\$62,121
MARKETING TIME:	60 days, per MLS
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	Records of the Pima County Assessor indicate that the property sold prior to this sale on May 11, 2021 for \$400,000.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	To split the property into two equally sized parcels, to develop one of the parcels with a single family residence, and to sell the vacant parcel
COMMENTS:	The buyer's agent indicated that the buyer split the property into two equally size parcels and sold one of the two parcels on August 6, 2024 for \$253,000.

ASSESSOR'S RECORD MAP
SECTION 08, TOWNSHIP 14 SOUTH, RANGE 16 EAST

205-54
 205-55
 205-56
 205-57



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2024-1
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LAND COMPARABLE NUMBER TWO (SALE)

ID: SR 0820 8584

LOCATION: West side of Placita Muy Escondida, north side of Camino Cascabel

LEGAL DESCRIPTION: A portion of the Southwest quarter of Section 34, Township 13 South, Range 16 East, G&SRB&M, Pima County, Arizona

STATE TAX PARCEL: 205-39-001V (now 205-39-0820; -0830; and -0840) and 205-39-001S

RECORD DATA: Fee number 20231770150

DATE OF SALE: June 26, 2023

SELLER: Timothy Mark Steiniger and Gregory Herman Marantz

BUYER: Kick Ghost LLC

CONFIRMED BY: Timothy Mark Steiniger, seller (520-771-0895) VM; February, 2025

LAND DESCRIPTION: This site is an irregular shaped property with about 920 feet of frontage on Placita Muy Escondida on the eastern property boundary and about 540 feet of frontage on Camino Cascabel which runs across the southern property boundary. The property has a depth of about 340 feet on the northern property boundary and a width of about 1,300 feet on the western property boundary. Placita Muy Escondida and Camino Cascabel are both two-lane private shared roadways which cross the adjacent parcels to the south of this property. Placita Muy Escondida is dirt-graded. The southern portion of Camino Escondida is paved with the northern portion being dirt-graded. The topography is mostly level and gently sloping in southwesterly direction. Electric is available near the site and water is by a private well. The property includes a 0.037-acre well site located on the west side of Camino Cascabel to the south of the property. There is no access to public sewer in the general area of the property and future site development would require installing a septic system. According to FEMA Flood Insurance Rate Map 04019C1740M, dated June 16, 2011, the land is identified as being located in Zone X (unshaded) which

are areas determined to be outside the 0.2 percent annual chance floodplain. The northernmost, the middle, and the southernmost portions of the property are located in riparian areas designated as Xeroriparian C. The Old Grandad Wash with erosion hazard setback of 75 feet crosses the northern portion of the property and several local washes with erosion hazard setback of 25 feet cross the middle and the southernmost portions of the property.

LAND SIZE: 10.24 acres, or about 446,054 square feet

ZONING: SR, Pima County

REPORTED SALE PRICE: \$1,000,000

NUMBER OF POTENTIAL LOTS: Three lots

PRICE PER LOT: \$333,333

PRICE PER ACRE: \$97,656

MARKETING TIME: 130 days, per MLS

TERMS OF SALE: This was an all cash to the seller transaction.

PRIOR SALE: Records of the Pima County Assessor indicate that the property sold prior to this sale on March 22, 2021 for \$225,000. The seller stated that the previous owner was looking to sell the property quickly, therefore, the land was listed at a below the market price.

CONDITIONS OF SALE: This sale is reported to have occurred under normal market conditions.

INTENDED USE: To develop with a single family residence and on all three parcels of the property

COMMENTS: The seller indicated that the property was split into one 3.58-acre parcel and two 3.33-acre parcels prior to this sale.

LOCATION: East side of Larkspur Road, north of Thunderbird Trail

LEGAL DESCRIPTION: A portion of the Southeast quarter of the Northeast quarter of Section 20, Township 13 South, Range 16 East, G&SRB&M, Pima County, Arizona

STATE TAX PARCEL: 205-34-207P

RECORD DATA: Fee number 20240960135

DATE OF SALE: April 5, 2024

SELLER: Lili Salinas Walsh, as trustee of the Lili Salinas Walsh Revocable Trust

BUYER: Sammy Thomas, Jr. and JoAnn George

CONFIRMED BY: Karin Radzewicz, buyer's agent (520-572-8180) VM; February, 2025

LAND DESCRIPTION: This site is a rectangular shaped property with a depth of about 670 feet on the northern property boundary, a width of about 500 feet on the eastern property boundary, a depth of about 720 feet on the southern property boundary, and a width of about 500 feet on the western property boundary. Access to the property is from Larkspur Road which runs as a two-lane asphalt-paved roadway to the southwest corner of the site and as a dirt easement roadway further to the north. The topography is mostly level and gently sloping in westerly direction. Electric and public water are available near the property. There is no access to public sewer in the general area of the property and future site development would require installing a septic system. According to FEMA Flood Insurance Rate Map 04019C1740M, dated June 16, 2011, the land is identified as being located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. A small area of the western portion of the property is located in a riparian area designated as Xeroriparian B. A local wash with erosion hazard setback of 25 feet runs across the western portion of the site.

LAND SIZE: 6.95 acres, or about 302,742 square feet

ZONING: SR, Pima County

REPORTED SALE PRICE: \$450,000

NUMBER OF POTENTIAL LOTS: Two lots

PRICE PER LOT: \$225,000

PRICE PER ACRE: \$64,748

MARKETING TIME: 24 days, per MLS

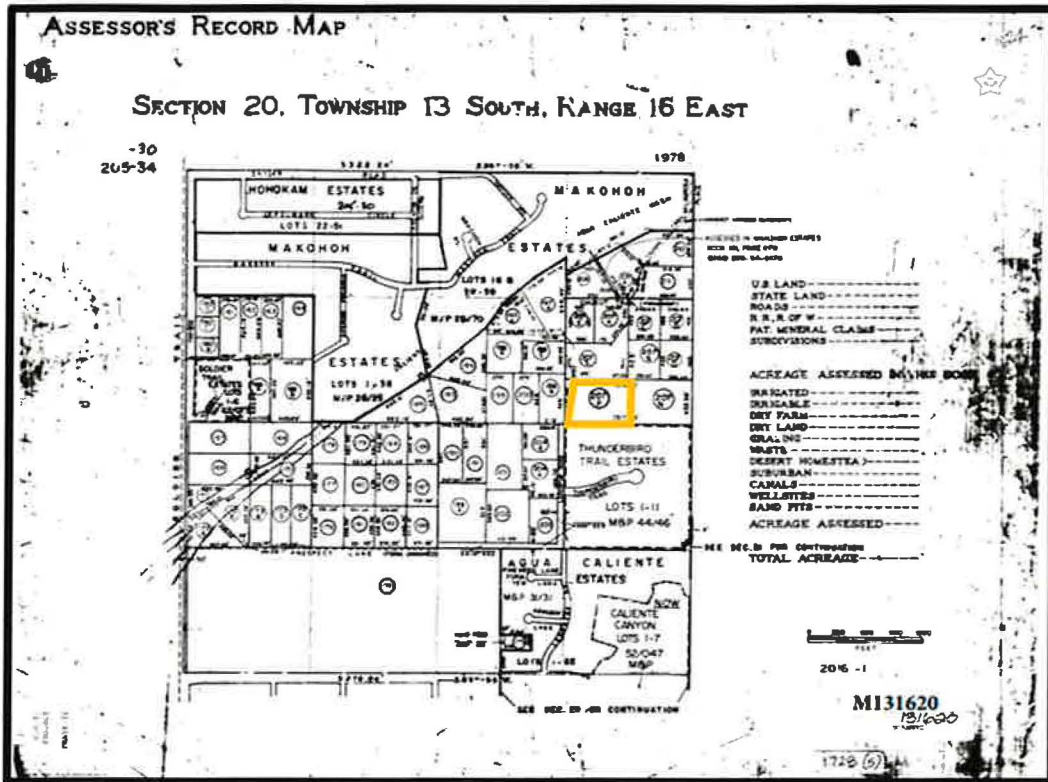
TERMS OF SALE: This was an all cash to the seller transaction.

PRIOR SALE: Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation.

CONDITIONS OF SALE: This sale is reported to have occurred under normal market conditions.

INTENDED USE: To split the property into two 5-acre parcels, to develop one of the parcels with a single family residence, and to sell the vacant parcel

COMMENTS: The buyer's agent indicated that under the SR zoning the property could have been split into two parcels at the time of sale. However, the buyer's intention was to build a home on the original 7-acre parcel.



LOCATION: Northeast corner of Silver Drive and Prince Road

LEGAL DESCRIPTION: A portion of the Southwest quarter of the Southwest quarter of the Northeast quarter of Section 29, Township 13 South, Range 16 East, G&SRB&M, Pima County, Arizona

STATE TAX PARCEL: 205-35-066A

RECORD DATA: Fee number 20243200313

DATE OF SALE: November 15, 2024

SELLER: Khosrow Shiva

BUYER: Kentton C. Grant and Amy J. Grant

CONFIRMED BY: James Tyler Stokoe, buyer's agent (520-247-6999) VM; February, 2025

LAND DESCRIPTION: This site is a rectangular shaped property with about 690 feet of frontage on Silver Drive on the western property boundary and about 650 feet of frontage on Prince Road on the southern property boundary. The site has a depth of about 690 feet on the eastern property boundary and about 650 feet on the northern property boundary. Silver Road and Prince Road are both two-lane, dirt-graded residential roadways. The topography is mostly level and gently sloping in westerly direction. Electric is available near the site and water is by a private well. There is no access to public sewer in the general area of the property and future site development would require installing a septic system. According to FEMA Flood Insurance Rate Map 04019C1740M, dated June 16, 2011, the land is identified as being located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. Small areas of the property along the northern and the southern property boundaries are located in riparian areas designated as Hydromesoriparian or Mesoriparian H.

LAND SIZE: 9.93 acres, or about 432,551 square feet

ZONING: SR, Pima County

REPORTED SALE PRICE: \$850,000

NUMBER OF POTENTIAL LOTS: Three lots

PRICE PER LOT: \$283,333

PRICE PER ACRE: \$85,599

MARKETING TIME: 26 days, per MLS

TERMS OF SALE: This was an all cash to the seller transaction.

PRIOR SALE: Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation.

CONDITIONS OF SALE: This sale is reported to have occurred under normal market conditions.

INTENDED USE: To split the property into two near 5-acre parcels, to develop one of the parcels with a single family residence, and to sell the vacant parcel

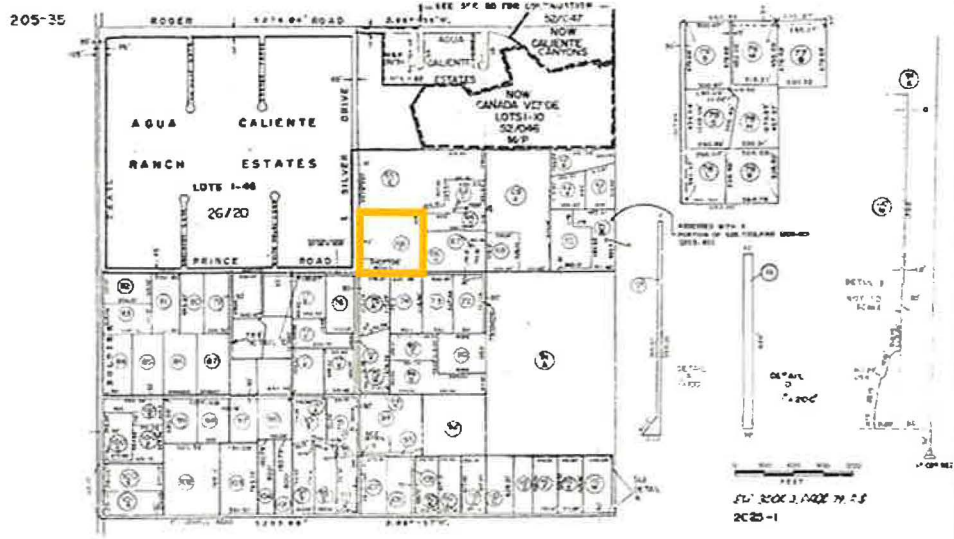
COMMENTS: The buyer's agent indicated that the property could have been split into three 3.3-acre parcels at the time of sale. However, the buyer was looking to build a home on a larger parcel and considered possibly splitting the property into two near 5-acre parcels rather than three 3.3-acre parcels.

ASSESSOR'S RECORD MAP

31

SECTION 29, TOWNSHIP 13 SOUTH, RANGE 16 EAST

DETAIL C
SCALE 1"=400'



M131629
M LINDER
M HANNY
M HANNY



COMPARABLE LAND SALES ADJUSTMENT GRID

	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Sale Date		04/2023	06/2023	04/2024	11/2024
Site Size (Acres)	10.42*	7.92	10.24	6.95	9.93
Number of Lots	3	2	3	2	3
Zoning	SR	SR	SR	SR	SR
Utility	Average	Similar	Similar	Similar	Similar
Sale Price		\$495,000	\$1,000,000	\$450,000	\$850,000
Price per Lot		\$247,500	\$333,333	\$225,000	\$283,333

* Approx 4.21 acres of land area located outside of the FEMA floodway

Summary of Adjustments

Unadjusted Price / Lot	\$247,500	\$333,333	\$225,000	\$283,333
Property Rights	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Price	\$247,500	\$333,333	\$225,000	\$283,333
Financing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Price	\$247,500	\$333,333	\$225,000	\$283,333
Conditions of Sale	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Price	\$247,500	\$333,333	\$225,000	\$283,333
Date/Market Conditions	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$247,500	\$333,333	\$225,000	\$283,333
Physical Adjustments (%)				
Location/Views	20	-15	15	5
Zoning	0	0	0	0
Number of Lots	-5	0	-5	0
Lot Size	0	0	0	0
Site Utility/Utilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Adjustment	15%	-15%	10%	5%
Indicated Value / Lot	\$284,625	\$283,333	\$247,500	\$297,500

This analysis compares four vacant land sales of properties similar to the subject property on a price per lot basis. The comparable properties range in size from 6.95 to 10.24 acres, with between 2 and 3 potential lots, and sales prices ranging from \$225,000 to \$333,333 on a price per lot basis, before the adjustments. An upward adjustment indicates that the comparable is inferior to the subject; a downward adjustment indicates that the comparable is superior to the subject; and no adjustment (0) indicates the comparable is similar or equal to the subject.

Comparable Sale One does not require an adjustment for date and market conditions as market conditions for this type of property have not changed between the date of this sale and the date of value.

Physical adjustments include an upward adjustment for location/views as this property is located in an area with inferior demand and inferior views compared to the subject property. There is a downward adjustment for number of lots as this property has fewer potential lots compared to the subject property. Properties with fewer lots tend to sell for a greater amount on a price per lot basis compared to properties that have a greater number of potential lots. Overall, this sale indicates an upward adjustment on a price per lot basis in comparison to the subject property.

Comparable Sale Two does not require an adjustment for date and market conditions as market conditions for this type of property have not changed between the date of this sale and the date of value.

Physical adjustments include a downward adjustment for location/views as this property has superior views compared to the subject property. Overall, this sale indicates a downward adjustment on a price per lot basis in comparison to the subject property.

Comparable Sale Three does not require an adjustment for date and market conditions as market conditions for this type of property have not changed between the date of this sale and the date of value.

Physical adjustments include an upward adjustment for location/views as this property has inferior views compared to the subject property. There is a downward adjustment for number of lots as this property has fewer potential lots compared to the subject property. Properties with fewer lots tend to sell for a greater amount on a price per lot basis compared to properties that have a greater number of potential lots. Overall, this sale indicates an upward adjustment on a price per lot basis in comparison to the subject property.

Comparable Sale Four does not require an adjustment for date and market conditions as market conditions for this type of property have not changed between the date of this sale and the date of value.

Physical adjustments include an upward adjustment for location/views as this property has inferior views compared to the subject property. Overall, this sale indicates an upward adjustment on a price per lot basis in comparison to the subject property.

Sales Comparison Approach Summary

	Sale 1	Sale 2	Sale 3	Sale 4
Adjusted Sale/Price Per Lot	\$284,625	\$283,333	\$247,500	\$297,500

These four comparable sales indicate a price range of \$247,500 to \$297,500 per potential lot after adjustment. Comparable Sale One and Comparable Sale Two are given the most weight as these sales are most similar to the subject and required the fewest adjustments. The remainder sales are given secondary weight as these sales required a greater amount/magnitude of physical adjustments; however, all the adjusted sales provide a reliable range of value for the subject property. After analyzing the comparable sales, the conclusion of market value of the subject property by the sales comparison approach, as of February 11, 2025, is \$285,000 per potential lot, times 3 potential lots, equaling \$855,000.

In order to value the easement interest of the proposed access easements over portions of the subject property to be traded as part of a property interest rights trade, the concluded value of \$855,000 for the fee simple interest of the subject property needs to be converted to a price per square foot. Therefore, the concluded value of the subject property on a price per square foot basis is equal to the concluded value of \$855,000, divided by the number of square feet of the subject property, or 453,895 square feet (10.42 acres), correlates to a price per square foot of \$1.88370 for the fee-simple interest in the subject property.

PART V – VALUATION OF EASEMENT INTERESTS

DESCRIPTION

The Pima County is seeking to transfer an exclusive access easement and a non-exclusive access easement over portions of the of the larger subject property to use in a potential trade of property interest with the purchaser of the adjacent parcels to the west (see Exhibits). See discussion below on the users of each of the two easements being valued in this appraisal report.

NON-EXCLUSIVE ACCESS EASEMENT

The exclusive access easement is located in the northwestern portion of the subject property, with the non-exclusive access easement area located adjacent to Craycroft along the northeastern portion of the subject property. The non-exclusive easement provides direct access to Craycroft and travels west to a point in the center of the property and the exclusive access easement travels west from this point to the western boundary of the subject property (See exhibits). This easement area is irregular in shape, with the majority of the easement area having a width of 28 feet, with the eastern border of the non-exclusive easement area adjacent to Craycroft Road having a width of 56.34 feet. The eastern portion of the non-exclusive access easement adjacent to Craycroft Road allows for signage to be placed within this area for use by the subject property owner and for the adjacent property owner to the west. The non-exclusive access easement contains a total land area of 11,444.5 square feet, according to information provided by the client. This non-exclusive easement will allow for access by the subject property owner, the adjacent properties to the north which already use this area for access to their properties, and for access to the adjacent property to the west of the subject. A legal description and map of this non-exclusive easement of this area can be found in the Exhibits.

The value of the non-exclusive easement interest is being valued for a potential trade of property interest rights with the adjacent property. The value of the easement area is based on the "part of the whole" theory; therefore, the value per square foot applicable of the fee-simple value of the subject property land area is equal to the fee-simple value of the land area to be encumbered with the non-exclusive access easement. As the property rights for the non-exclusive access easement will be shared with the adjacent properties already using this area for access, the estimated market value of the non-exclusive access easement over portions of the subject property is equal to 60% of the fee simple land value of the subject property. Therefore, the easement interest is equal to the fee simple value of the subject property, or \$1.88370 per square foot, times 11,444.5 square feet of land area of the non-exclusive easement, times 60% easement interest of the non-exclusive easement, equaling \$12,935.

$\$1.88370 \text{ sq. ft.} \times 11,444.5 \text{ square feet} \times 60\% \text{ non-exclusive easement interest} = \$12,935$

There is existing asphalt improvements located over non-exclusive access easement area. The cost new for the asphalt paving, based on local costs, is equal to \$4.50 per square foot, times 11,444.5 square feet of paved area, equaling \$51,500 for the cost new of the asphalt over the nonexclusive easement area. The asphalt over the non-exclusive access easement is estimated to have a depreciation of 10% from all causes, giving a depreciated cost of the asphalt paving

within the non-exclusive easement area of \$46,350. As previously concluded, the easement interest for the non-exclusive access easement is estimated to be 60% of the total value of the easement area; therefore, the easement interest of the depreciated cost of the asphalt improvements over the non-exclusive easement area is equal to the depreciated cost of the asphalt over the easement area, or \$46,350, times 60% interest, for a total contributory value of the existing asphalt site improvements, or \$27,810. Following is a summary of the estimated market value of the non-exclusive easement:

11,444.5 square feet x \$1.88370 per sq. ft. x 60% easement interest =	\$12,935
Plus, 60% interest of depreciated cost of asphalt (\$46,350 x 60%) =	<u>\$27,810</u>
Total Value of Non-Exclusive Access Easement:	\$40,745
Rounded to:	\$40,800

EXCLUSIVE ACCESS EASEMENT

The exclusive access easement is located in the northwest portion of the subject property, west of non-exclusive access easement. The eastern border of the exclusive access easement is adjacent to the western border of the non-exclusive access easement and continues west along the subject property to the western border of the subject property. This exclusive access easement is for access use only by the users of the adjacent property to the west that is being planned for an age-restricted multi-family use.

This exclusive access easement area is irregular in shape, with the majority of the exclusive access easement area being 25 feet wide, with a width of 54.09 feet at the western end of the exclusive access easement area and a width of 62.47 at the eastern end of the exclusive access easement area, adjacent to the non-exclusive access easement area. The exclusive access easement contains a total land area of 8,520.5 square feet, according to information provided by Pima County. There are no existing improvements within the exclusive access easement land area, with the user of this access easement to be responsible for the development a driveway in this exclusive easement area at their cost. A legal description and map of the exclusive access easement area can be found in the Exhibits section of this report.

The value of the exclusive easement interest is being valued for a potential trade of property interests rights with the adjacent property. The value of the easement area is based on the "part of the whole" theory; therefore, the value per square foot applicable of the fee-simple value of the subject property land area is equal to the fee-simple value of the land area to be encumbered with the exclusive access easement. As the majority of the property rights for the exclusive access easement will be owned by the adjacent property owner, the estimated market value of the exclusive access easement over portions of the subject property, is equal to 95% of the fee simple land value of the subject property, or as concluded earlier in this report, of \$1.88370 per square foot. Therefore, the exclusive access easement interest is equal to the fee simple value of the subject property, or \$1.88370 per square foot, times 8,520.5 square feet of land area of the exclusive easement, times 95% easement interest of the exclusive access easement, equaling \$15,248, rounded to \$15,300.

8,520.5 square feet x \$1.88370 per sq. ft. x 95% exclusive easement interest =	\$15,248
Rounded To:	\$15,300

MARKET VALUE OF THE TOTAL EASEMENT AREAS

The total easement area being valued for the potential trade of property interest rights is equal to the market values of both the non-exclusive access easement, plus the value of the exclusive access easement over portions of the subject property. The market value of the non-exclusive access easement, or \$40,800, plus the market value of the exclusive access easement, or \$15,300, for a total value of the easement interest to be traded of \$56,100.

Value of the Non-Exclusive Easement:	\$40,800
Value of the Exclusive Easement:	<u>\$15,300</u>
Total Value of Easement Areas:	\$56,100

Therefore, based on the above analysis and subject to the assumptions and limiting conditions contained in this report, the opinion of market value of the non-exclusive access easement and the exclusive access easement, as of the effective date of the appraisal, February 11, 2025, is \$56,100.

OPINION OF THE MARKET VALUE OF THE NON-EXCLUSIVE AND EXCLUSIVE ACCESS EASEMENTS, AS OF FEBRUARY 11, 2025:

**FIFTY SIX THOUSAND ONE HUNDRED DOLLARS
(\$56,100)**

PART VI - ASSUMPTIONS AND LIMITING CONDITIONS

1. **Definitions.** "Appraisal," as herein defined, is the process of completing a service; namely, a valuation assignment. "Subject property" refers to the property which is the subject of the assignment. "Appraisers" are those persons, whether one or more, who have accepted the assignment and who have participated in the analyses, opinions, and conclusions formed in the appraisal. "Company" refers to Baker, Peterson, Baker & Associates, Inc. "Report" refers to this written document containing the analyses, opinions, and conclusions which constitute the appraisal.
2. **Liability.** The liability of Baker, Peterson, Baker & Associates, Inc., including any or all of its employees, and including the appraisers responsible for this report, is limited to the Client only, and to the fee actually received by the Company. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of any person other than the Client, the Client is responsible for making such party aware of all assumptions and limiting conditions related thereto. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the subject property, whether physical, financial, or legal.
3. **Title.** No opinion as to title is rendered. Data related to ownership and legal description was provided by the Client or was obtained from available public records and is considered reliable. Unless acknowledged in this report, no title policy or preliminary title report were provided. Title is assumed to be marketable and free and clear of all liens, encumbrances, and restrictions except those specifically discussed in the report. The property is appraised assuming responsible ownership, competent management, and ready availability for its highest and best use.
4. **Survey or Engineering.** No survey or engineering analysis of the subject property has been made by the appraisers. It is assumed that the existing boundaries are correct and that no encroachments exist. The appraisers assume no responsibility for any condition not readily observable from customary investigation and inspection of the premises which might affect the value thereof, excepting those items which are specifically mentioned in the report.
5. **Data Sources.** The report is based, in part, upon information assembled from a wide range of sources and, therefore, the incorporated data cannot be guaranteed. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the Client consider independent verification within these categories prior to any transaction involving a sale, lease, or other significant commitment of the subject property, and that such verification be performed by appropriate recognized specialists.

6. **Subsequent Events.** The date of valuation to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. The appraisers assume no responsibility for economic or physical factors occurring after the date of valuation which may affect the opinions in this report. Further, in any prospective valuation assignment, the appraisers cannot be held responsible for unforeseeable events that alter market conditions prior to the date of valuation. Such prospective value estimates are intended to reflect the expectations and perceptions of market participants along with available factual data, and should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized.
7. **Adjustments.** The appraisers reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available subsequent to issuance of the report.
8. **Special Rights.** No opinion is expressed as to the value of any subsurface (oil, gas, mineral) or aerial rights or whether the property is subject to surface entry for the exploration or removal of materials except where expressly stated in the report.
9. **Value Distribution.** The distribution of total value in this report between land and improvements applies only under the specified highest and best use of the subject property as herein described. The allocations of value among the land and improvements do not apply to any other property other than the property which is the subject of this report.
10. **Legal or Special Opinions.** No opinion is intended to be expressed for matters which require legal expertise, specialized investigation, or a level of professional or technical knowledge beyond that customarily employed by real estate appraisers.
11. **Personal Property.** Unless expressly stated within this report, no consideration has been given as to the value of any personal property located on the premises, or to the cost of moving or relocating such personal property. Only the real property has been considered.
12. **Soil Conditions.** Unless expressly stated within this report, no detailed soil studies covering the subject property were available to the appraisers. Therefore, it is assumed that existing soil conditions are capable of supporting development of the subject property in a manner consistent with its highest and best use without extraordinary foundation or soil remedial expense. Further, it is assumed that there are no hidden or unapparent matters (hazardous materials, toxic substances, etc.) related to the soil or subsoil which would render the subject more or less valuable by knowledge thereof.

13. **Court Testimony.** Testimony or attendance in court or at any other hearing (including depositions) is not required by reason of rendering this appraisal or issuing this report, unless such arrangements have previously been made and are part of a contract for services.
14. **Exhibits.** Maps, floor plans, photographs, and any other exhibits contained in this report are for illustration only, and are provided as an aid in visualizing matters discussed within the report. They should not be considered as surveys or scale renderings, or relied upon for any other purpose.
15. **Statute, Regulation, and License.** Unless otherwise stated within the report, the subject property is assumed to be in full and complete compliance with all applicable federal, state, and local laws related to zoning, building codes, fire, safety, permits, and environmental regulations. Further, it is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authorizations have been, or can be, readily obtained or renewed as related to any use of the subject property on which the value estimate contained herein is based.
16. **Hidden or Unapparent Conditions.** It is assumed that there are no hidden or unapparent conditions which, if known, would affect the analyses, opinions or conclusions contained in this report. This includes, but is not limited to, electrical, mechanical, plumbing, and structural components.
17. **Hazardous/Toxic Substances.** In this appraisal assignment, no observation was made of the existence of potentially hazardous material used in the construction and/or maintenance of the improvements, or from any other source, whether borne by land or air, including, but not limited to, asbestos, lead, toxic waste, radon, and urea formaldehyde. While not observed, and while no information was provided to confirm or deny the existence of such substances (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such substances. Unless otherwise stated, no consideration has been given to the presence of, nature of, or extent of such conditions, nor to the cost to "cure" such conditions or to remove any toxic or hazardous substances which could potentially affect the value or marketability of the property. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. This value estimate assumes that there is no such material on or in the property.
18. **Americans with Disabilities Act of 1990.** The ADA became effective on January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not

in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

19. **Disclosure.** Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, including the value estimate, the identity of the appraisers or their professional designations, or the company with which the appraisers are associated, shall be used for any purpose by anyone other than the Client as herein stated, without the prior written consent of the appraisers. Nor shall it be conveyed, in whole or in part, in the public through advertising, news, sales, listings, or any other media without such prior written consent. Possession of this report does not carry with it any right of public distribution.
20. **Type of Report.** This is an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
21. **Endangered and Threatened Species.** The appraisers have not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which are identified as an endangered or threatened species by the U. S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such plants or wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. It is possible that a survey of the property could reveal that the site contains endangered or threatened plants or wildlife. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible endangered or threatened species in estimating the value of the property.
22. **Acceptance of Report.** Acceptance and/or use of this report by the Client or any third party constitutes acceptance of all of the above conditions.

PART VII - CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Foundation, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute, and any other specifications submitted by the Client, including Title XI, FIRREA.
8. The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.
9. In accord with the Uniform Standards of Professional Appraisal Practice, we have the experience and knowledge to complete this assignment in a credible and competent manner.
10. As of the date of this report, we have completed requirements of the continuing education program of the Appraisal Institute.
11. The effective date of this appraisal is February 11, 2025.
12. We have made a personal inspection of the property that is the subject of this report.

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



Thomas A. Baker, MAI, SRA
Certified General Real Estate Appraiser
Certificate Number 30139
Designated Supervisory Appraiser
Registration Number DS0007



Dan Orłowski
Certified General Real Estate Appraiser
Certificate Number 32195

PART VIII - EXHIBITS

Exhibit A	Subject Plat Map
Exhibit B	Aerial Photograph
Exhibit C	Zoning Map (Pima County)
Exhibit D	FEMA Flood Plain Map
Exhibit E	Pima County Flood Plain
Exhibit F	Concept Development Plan
Exhibit G	Exclusive Easement Legal Description and Map
Exhibit H	Non-Exclusive Easement Legal Description and Map
Exhibit I	Subject Photographs
Exhibit J	Qualifications

EXHIBIT A - SUBJECT PLAT MAP

ASSESSOR'S RECORD MAP

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109-23
109-24
109-25
109-26

SECTION 26, TOWNSHIP 13 SOUTH, RANGE 14 EAST

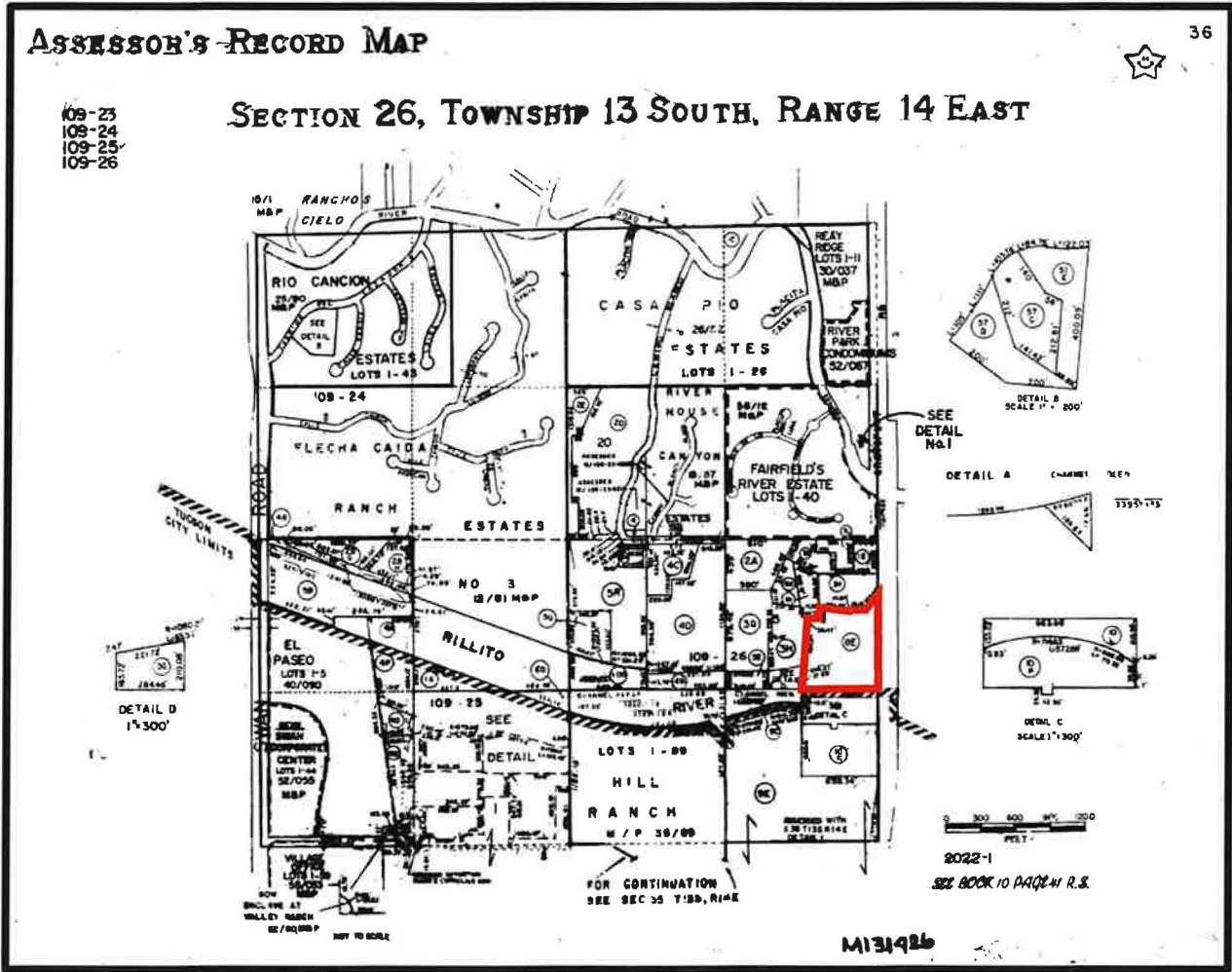


EXHIBIT B - AERIAL PHOTOGRAPH



EXHIBIT E - PIMA COUNTY FLOOD PLAIN

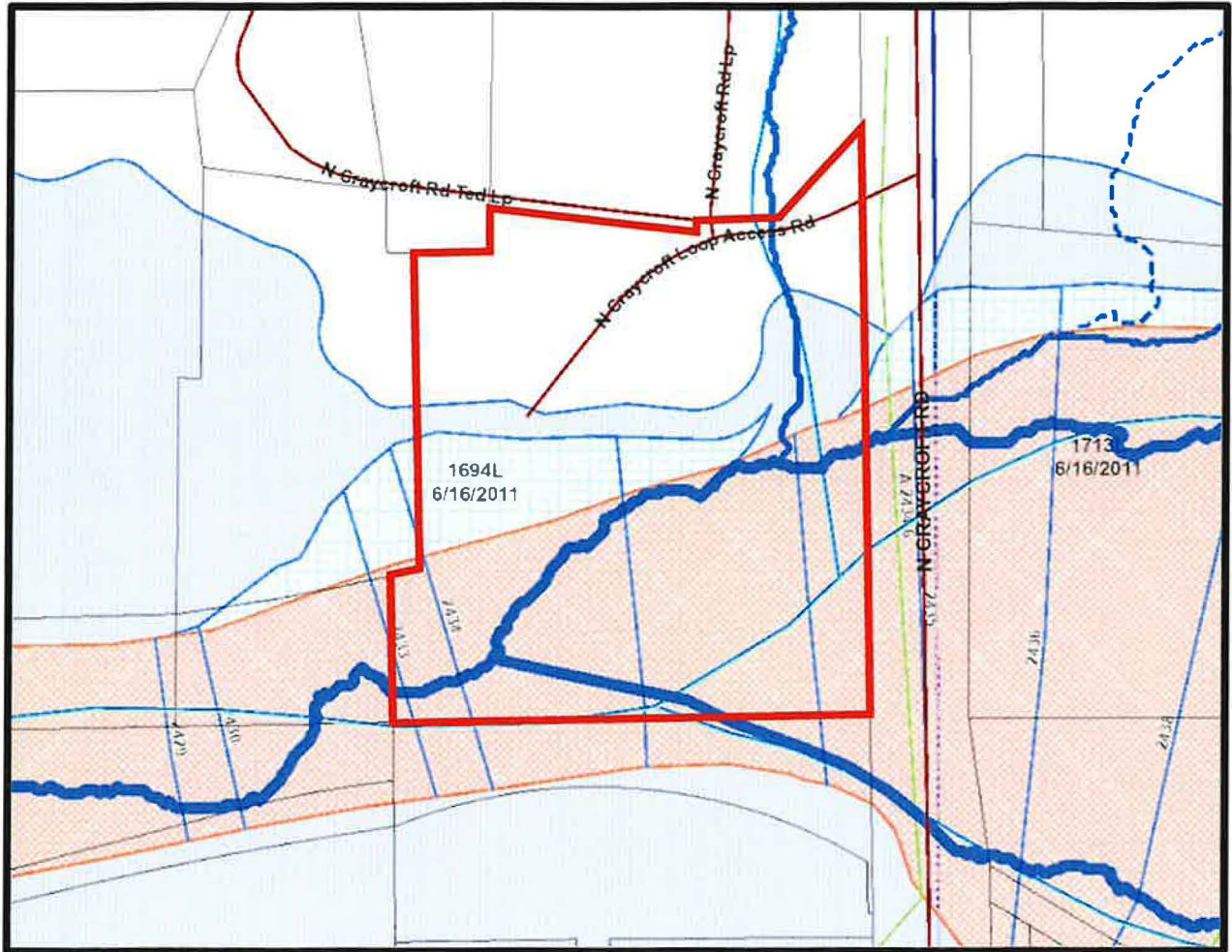
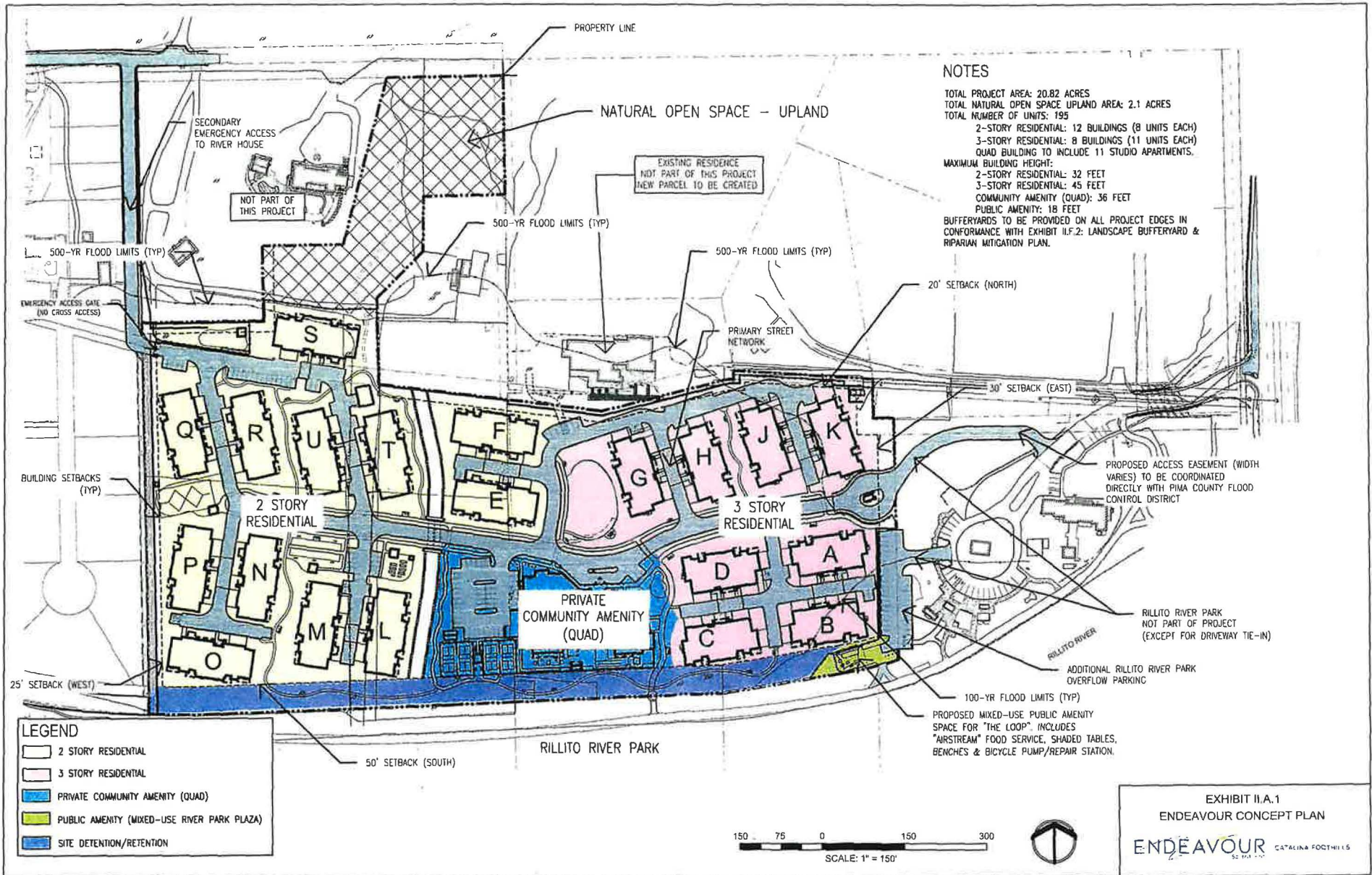


EXHIBIT F – CONCEPT PLAN

(see following page)



NOTES

TOTAL PROJECT AREA: 20.82 ACRES
 TOTAL NATURAL OPEN SPACE UPLAND AREA: 2.1 ACRES
 TOTAL NUMBER OF UNITS: 195

2-STORY RESIDENTIAL: 12 BUILDINGS (8 UNITS EACH)
 3-STORY RESIDENTIAL: 8 BUILDINGS (11 UNITS EACH)
 QUAD BUILDING TO INCLUDE 11 STUDIO APARTMENTS.

MAXIMUM BUILDING HEIGHT:
 2-STORY RESIDENTIAL: 32 FEET
 3-STORY RESIDENTIAL: 45 FEET
 COMMUNITY AMENITY (QUAD): 36 FEET
 PUBLIC AMENITY: 18 FEET

BUFFERYARDS TO BE PROVIDED ON ALL PROJECT EDGES IN CONFORMANCE WITH EXHIBIT II.F.2: LANDSCAPE BUFFERYARD & RIPARIAN MITIGATION PLAN.

LEGEND

[White Box]	2 STORY RESIDENTIAL
[Pink Box]	3 STORY RESIDENTIAL
[Blue Box]	PRIVATE COMMUNITY AMENITY (QUAD)
[Yellow Box]	PUBLIC AMENITY (MIXED-USE RIVER PARK PLAZA)
[Shaded Blue Box]	SITE DETENTION/RETENTION

EXHIBIT II.A.1
 ENDEAVOUR CONCEPT PLAN

ENDEAVOUR CALIFORNIA FOOTBALL CLUB

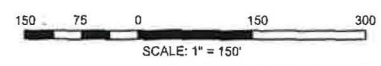


EXHIBIT G - EXCLUSIVE EASEMENT LEGAL DESCRIPTION AND MAP

(see following pages)

LEGAL DESCRIPTION – EXCLUSIVE ACCESS EASEMENT

An Exclusive Access Easement over a portion of that parcel described in Docket 9547 at Page 1541 and Docket 10828 at Page 4481, Pima County records, located within the Northeast Quarter of the Southeast Quarter of Section 26, Township 13 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, being more particularly described as follows:

Commencing at the East Quarter Corner of said Section 26, from which the Southeast Corner thereof bears South 01°02'21" East, 2,629.44 feet distant;

Thence South 01°02'21" East, 657.36 feet upon the East line of the Southeast Quarter of said Section 26, also being the West Right-of-Way line of Craycroft Road, per Book 13 at Page 51, Road Maps, Pima County Records;

Thence South 89°11'12" West, 627.22 feet upon the North line of the Southeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 26 to the Northeast corner of "Parcel 2" of that parcel described in Sequence No.20171990455, Pima County Records, from which the Southeast Corner thereof bears South 01°03'37" East, 436.47 feet distant;

Thence South 01°03'37" East, 91.31 feet upon the East line of said "Parcel 2", also being the Common line to that parcel described in Docket 9547 at Page 1541, Pima County records, to the **Point of Beginning**;

Thence continue upon said Common line, South 01°03'37" East, 54.09 feet to a non-tangent curve having a radius that bears South 77°37'31" West, 49.50 feet distant;

Thence Northeasterly, upon said curve, turning to the right, through a delta of 22°04'48", an arc length of 19.08 feet;

Thence North 34°27'17" East, 34.73 feet to a tangent curve having a radius of 137.50 feet;

Thence Northeasterly, upon said curve, turning to the right, through a delta of 55°32'43", an arc length of 133.30 feet;

Thence South 90°00'00" East, 93.08 feet to a tangent curve having a radius of 17.50 feet;

Thence Southeasterly, upon said curve, turning to the right, through a delta of 58°32'41", an arc length of 17.88 feet;

Thence South 01°08'41" West, 34.63 feet;

Thence North 42°49'47" East, 14.99 feet;

Thence North 49°02'51" East, 62.47 feet;

Thence North 39°40'46" West, 0.50 feet;

Thence South 50°19'14" West, 5.00 feet to a tangent curve having a radius of 24.50 feet;

Thence Westerly, upon said curve, turning to the right, through a delta of 90°18'42",
an arc length of 38.62 feet to a reverse curve having a radius of 42.50 feet;

Thence Northwesterly, upon said curve, turning to the left, through a delta of 50°37'56",
an arc length of 37.56 feet;

Thence North 90°00'00" West, 93.08 feet to a tangent curve having a radius of 162.50 feet;

Thence Southwesterly, upon said curve, turning to the left, through a delta of 47°44'49",
an arc length of 135.42 feet;

Thence South 42°15'11" West, 31.65 feet to the **Point of Beginning**.

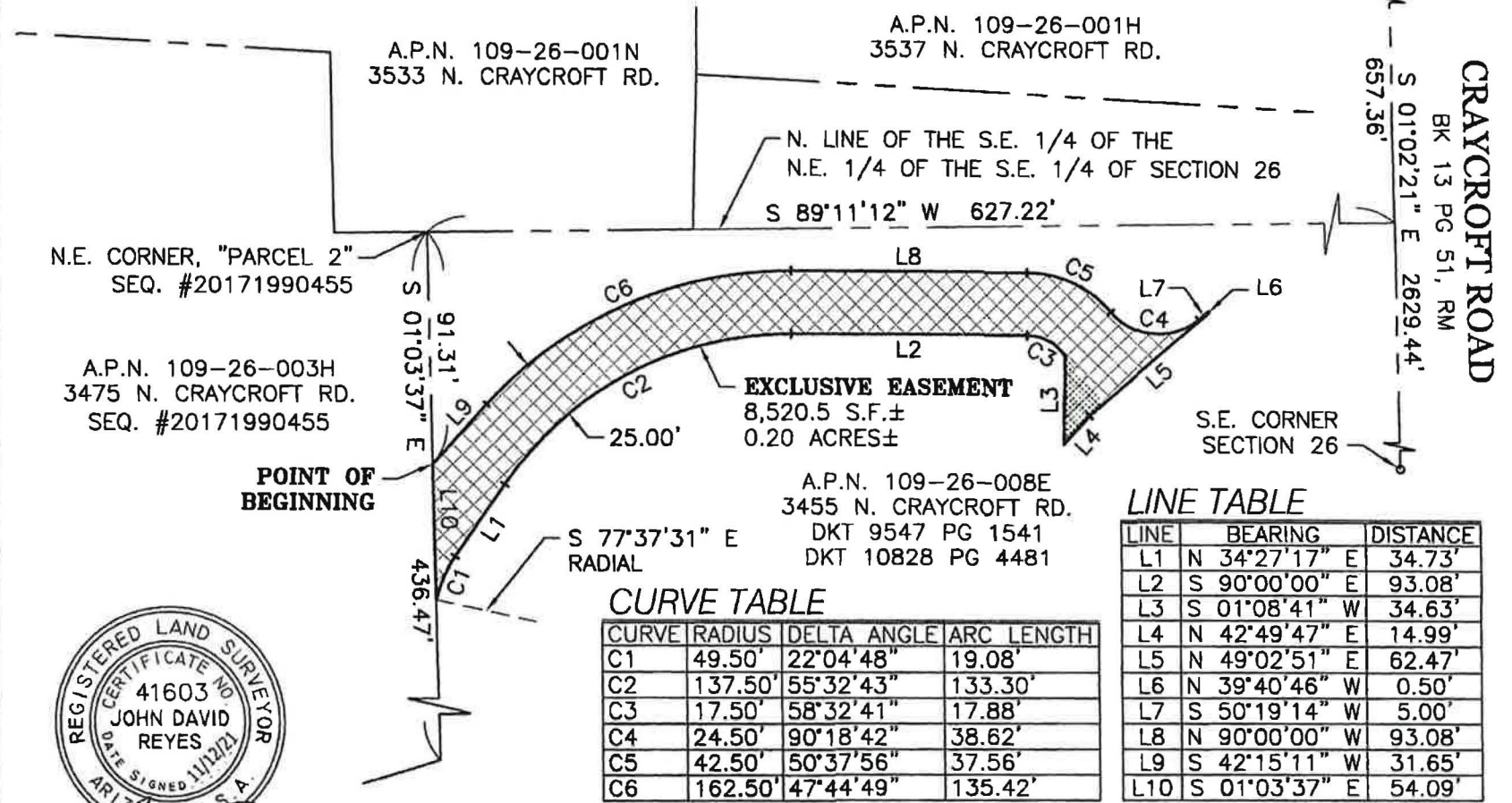
The area of said easement contains 8,520.5 square feet or 0.20 acres, more or less.



NOTE: THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY.

 SIGN EASEMENT AREA

POINT OF COMMENCEMENT
E. 1/4 CORNER SECTION 26



[Handwritten Signature]

CURVE TABLE

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH
C1	49.50'	22°04'48"	19.08'
C2	137.50'	55°32'43"	133.30'
C3	17.50'	58°32'41"	17.88'
C4	24.50'	90°18'42"	38.62'
C5	42.50'	50°37'56"	37.56'
C6	162.50'	47°44'49"	135.42'

LINE TABLE

LINE	BEARING	DISTANCE
L1	N 34°27'17" E	34.73'
L2	S 90°00'00" E	93.08'
L3	S 01°08'41" W	34.63'
L4	N 42°49'47" E	14.99'
L5	N 49°02'51" E	62.47'
L6	N 39°40'46" W	0.50'
L7	S 50°19'14" W	5.00'
L8	N 90°00'00" W	93.08'
L9	S 42°15'11" W	31.65'
L10	S 01°03'37" E	54.09'



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EXCLUSIVE ACCESS EASEMENT
OVER A PORTION OF THE N.E. 1/4 OF THE S.E. 1/4 OF SECTION 26
T.13 S., R.14 E., G. & S. R. M., PIMA COUNTY, ARIZONA

PROJECT NO. 20.012

NOVEMBER 12, 2021

EXHIBIT H - NON-EXCLUSIVE EASEMENT LEGAL DESCRIPTION AND MAP

(see following pages)



SITE CONSULTING
SURVEY
SITE ENGINEERING

Job No. 20.012

November 12, 2021

LEGAL DESCRIPTION – NON-EXCLUSIVE ACCESS EASEMENT

A Non-Exclusive Access Easement over a portion that parcel described in Docket 9547 at Page 1541 and Docket 10828 at Page 4481, Pima County records, located within the Northeast Quarter of the Southeast Quarter of Section 26, Township 13 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, being more particularly described as follows:

Commencing at the East Quarter Corner of said Section 26, from which the Southeast Corner thereof bears South 01°02'21" East, 2,629.44 feet distant;

Thence South 01°02'21" East, 564.06 feet upon the East line of the Southeast Quarter of said Section 26, also being the West Right-of-Way line of Craycroft Road, per Book 13 at Page 51, Road Maps, Pima County Records and being the **Point of Beginning**;

Thence South 88°57'39" West, 15.00 feet;

Thence South 01°02'21" East, 15.00 feet to a non-tangent curve having a radius that bears South 23°32'58" East, 300.00 feet distant;

Thence Southwesterly, turning to the left, through a delta of 7°55'13", an arc length of 41.47 feet to a reverse curve;

Thence Southwesterly, upon said curve, having a radius of 150.00 feet, turning to the right, through a delta of 25°43'54", an arc length of 67.37 feet;

Thence South 84°15'43" West, 40.53 feet to a tangent curve having a radius of 280.00 feet;

Thence Southwesterly, upon said curve, turning to the left, through a delta of 32°12'52", an arc length of 172.09 feet;

Thence South 49°02'51" West, 71.58 feet;

Thence South 60°13'06" East, 32.31 feet to a non-tangent curve having a radius that bears South 59°08'09" East, 50.00 feet distant;

Thence Northeasterly, upon said curve, turning to the right, through a delta of 18°11'00", an arc length of 15.87 feet;

Thence North 49°02'51" East, 45.32 feet to a tangent curve having a radius of 252.00 feet;

Thence Northeasterly, upon said curve, turning to the right, through a delta of 32°12'52", an arc length of 154.88 feet;

Thence North 84°15'43" East, 40.53 feet to a tangent curve having a radius of 178.00 feet;

Thence Northeasterly, upon said curve, turning to the left, through a delta of 25°43'54", an arc length of 79.94 feet to a reverse curve;

Thence Northeasterly, upon said curve, having a radius of 272.00 feet, turning to the right, through a delta of 5°27'11", an arc length of 25.89 feet;

Thence South 01°02'21" East, 10.76 feet;

Thence North 88°57'39" East, 15.00 feet to the East line of the Southeast Quarter of said Section 26, also being the West Right-of-Way line of said Craycroft Road;

Thence North 01°02'21" West, 56.34 feet upon the East line of the Southeast Quarter of said Section 26, and said West Right-of-Way line of Craycroft Road to the **Point of Beginning**.

The area of said easement contains 1,444.5 square feet or 0.26 acres, more or less.

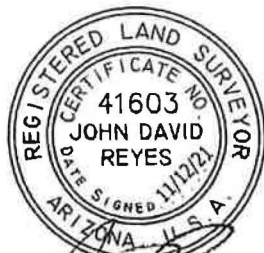


CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA
C1	300.00'	41.47'	7°55'13"
C2	150.00'	67.37'	25°43'54"
C3	280.00'	172.09'	35°12'52"
C4	50.00'	15.87'	18°11'00"
C5	252.00'	154.88'	35°12'52"
C6	178.00'	79.94'	25°43'54"
C7	272.00'	25.89'	5°27'11"

LINE TABLE

LINE	BEARING	DISTANCE
L1	S 88°57'39" W	15.00'
L2	S 01°02'21" E	15.00'
L3	S 84°15'43" W	40.53'
L4	S 49°02'51" W	71.58'
L5	S 60°13'06" E	32.31'
L6	N 49°02'51" E	45.32'
L7	N 84°15'43" E	40.53'
L8	S 01°02'21" E	10.76'
L9	N 88°57'39" E	15.00'
L10	N 01°02'21" W	56.34'



[Handwritten Signature]

NOTE: THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY.

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POINT OF COMMENCEMENT
 E. 1/4 CORNER SECTION 26

A.P.N. 109-26-001H
 3537 N. CRAYCROFT RD.

NON-EXCLUSIVE EASEMENT
 11,444.5 S.F. ±
 0.26 ACRES ±

A.P.N. 109-26-008E
 3455 N. CRAYCROFT RD.
 DKT 9547 PG 1541
 DKT 10828 PG 4481

S 59°08'09" E
 RADIAL

POINT OF BEGINNING

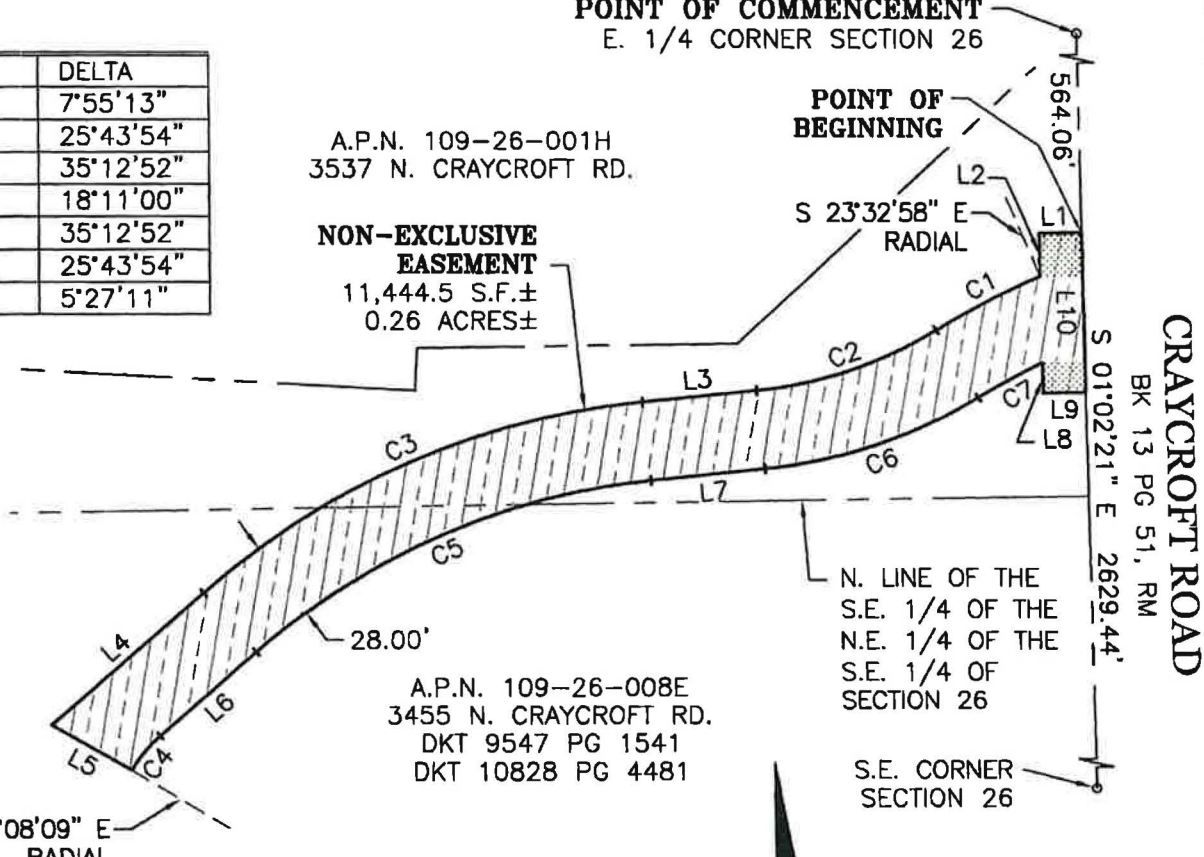
S 23°32'58" E
 RADIAL

N. LINE OF THE
 S.E. 1/4 OF THE
 N.E. 1/4 OF THE
 S.E. 1/4 OF
 SECTION 26

S.E. CORNER
 SECTION 26

SCALE:
 1" = 60'

SIGN EASEMENT AREA



NON-EXCLUSIVE ACCESS EASEMENT
 OVER A PORTION OF THE N.E. 1/4 OF THE S.E. 1/4 OF SECTION 26,
 T.13 S., R.14 E., G. & S. R. M., PIMA COUNTY, ARIZONA

PROJECT NO. 20.012

NOVEMBER 12, 2021

CRAYCROFT ROAD
 BK 13 PG 51, RM

EXHIBIT I - SUBJECT PHOTOGRAPHS

PHOTO 1 – VIEW FROM CRAYCROFT



PHOTO 2 – VIEW WEST ALONG NON-EXCLUSIVE EASEMENT



PHOTO 3 – VIEW EAST ALONG NON-EXCLUSIVE EASEMENT



PHOTO 4 – VIEW WEST ALONG NON-EXCLUSIVE EASEMENT



PHOTO 5 – VIEW EAST ALONG EXCLUSIVE EASEMENT



PHOTO 6 – VIEW EAST ALONG EXCLUSIVE EASEMENT AND NON-EXCLUSIVE EASEMENT



PHOTO 7 – VIEW SOUTH ON CRAYCROFT



PHOTO 8 – VIEW NORTH ON CRAYCROFT



EXHIBIT J - QUALIFICATIONS

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

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

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

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

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

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