

**PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING**

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**COVER PAGE**

**APPRAISAL REPORT**

**An Opinion of Market Value,  
Of 3 Undeveloped Parcels,  
located on Sinagua Rd, e/o Sandario, w/o CAP,  
Pima County, Arizona, 85743**

**Project: The Nature Conservancy  
As Of April 27, 2022**

**Owner: The Nature Conservancy  
Tax Parcels: 211-07-010J, 10K, 10L  
Sec. 3, T14S, R11E**

*Prepared For Use By*

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

*Appraisal Prepared By*

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

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Letter of Transmittal

April 27, 2022

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

Re: Estimate of market value of 3 undeveloped parcels on Sinagua Road, east of Sandario Rd and west of the CAP Canal, Pima County, Arizona.

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

Problem Identification: The purpose of the appraisal is to opine market value of the sites; the intended use is for potential acquisition. Effective date of the appraisal is April 27, 2022, the date of site visit.

Relevant subject characteristics: Located on the north side of Sinagua Road, east of Sandario Rd and west of the CAP Canal; site size is indicated to be 7.12ac-parcel 10J, 7.39ac-parcel 10K, and 5.58ac-parcel 10L; all are zoned RH (Rural Homestead) and in a Buffer Overlay Zone, with Pima Prospers comprehensive plan (PP), categories including Resource Sensitive, and Conservation Lands System (CLS) Special Species and MUMA. They are indicated to be FEMA-x, but Pima County Regional Flood Control District (RFCD) indicates 100% Sheet Flooding Area Base Flood Elevation 6". There is a wash dividing parcels 10K and 10J and touching parcel 10L southeast corner.

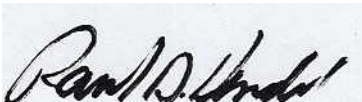
My opinion of site market value as of April 27, 2022, is:

Parcel 10J	\$110,000
Parcel 10K	\$110,000
Parcel 10L	\$79,000
Sub Total	\$299,000
Bulk Sale Discount	-\$14,950
Bulk Sale Value	\$284,050
Rounded to	\$284,000

Assignment Conditions: No extraordinary assumptions or hypothetical conditions are employed. Please see standard limiting conditions and assumptions contained in the appendix.

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

Sincerely,



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

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**PREFACE & SUMMARY**

APPRAISAL REFERENCE: 2022236 TNC Sinagua

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

CLIENT: Pima County, Real Estate Division  
Attn: Mr. Jeffrey Teplitsky, Real Property Appraisal Supervisor.

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

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

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

SUBJECT CHARACTERISTICS: Located on the north side of Sinagua Road, east of Sandario Rd and west of the CAP Canal; site size is indicated to be 7.12ac-parcel 10J, 7.39ac-parcel 10K, and 5.58ac-parcel 10L; all are zoned RH (Rural Homestead) and in a Buffer Overlay Zone, with Pima Prospers comprehensive plan (PP), categories including Resource Sensitive, and Conservation Lands System (CLS) Special Species and MUMA. They are indicated to be FEMA-x, but Pima County Regional Flood Control District (RFCD) indicates 100% Sheet Flooding Area Base Flood Elevation 6". There is a wash dividing parcels 10K and 10J and touching parcel 10L southeast corner.

TAX CODE: 211-07-010J, 10K, 10L

INTEREST CONSIDERED: Fee Simple.

**EFFECTIVE DATE OF VALUATION:** **April 27, 2022; Date of Site Visit.**

DATE OF APPRAISAL REPORT: April 28, 2022

TYPE OF APPRAISAL REPORT: Appraisal Report

VALUE OPINION:

Parcel 10J	\$110,000
Parcel 10K	\$110,000
Parcel 10J	\$79,000
Sub Total	\$299,000
Bulk Sale Discount	-\$14,950
Bulk Sale Value	\$284,050
Rounded to	\$284,000

Assignment Conditions: No extraordinary assumptions or hypothetical conditions are employed. Please see standard limiting conditions and assumptions contained in the appendix.

### **PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to estimate market value.

### **INTENDED USE OF THE APPRAISAL**

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

### **INTEREST APPRAISED**

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

### **PROPERTY IDENTIFICATION**

Parcel 211-07-010J; the legal description (from assessor’s record) is: SELY PTN E1039.50' S626.76' SW4 SE4 7.12 AC SEC 3-14-11

Parcel 211-07-010K; the legal description (from assessor’s record) is: WLY & CNTRL PTN S626.76' W2 SW4 SE4 7.39 AC SEC 3-14-11

Parcel 211-07-010L; the legal description (from assessor’s record) is: PTN N469 M/L' S886.14 M/L' SW4 SE4 5.58 AC SEC 3-14-11

(legal descriptions from title commitments are available in appendix)

### **MARKET VALUE DEFINED \***

*Market value*, as utilized in this appraisal, from The Appraisal of Real Estate, 15<sup>th</sup> Edition, is defined as follows:

Market Value

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

### **EXPOSURE PERIOD**

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

Exposure time estimated from review of comparable sales and from discussions with active market participants is estimated for the subject property to be 1 to 3 months.

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

The effective date of the appraisal is April 27, 2022, the date of site visit. The transmittal date of the report is April 28, 2022.

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

The larger parcels are as previously described after consideration of the three tests of larger parcel, common ownership, use and physical contiguity, as well as beneficial control. Though the three

parcels are of similar ownership, use and are physically contiguous, they are all of above minimum site size required per zoning, they are of a size typically transferred in the surrounding area and individual transfer and development would maximize value (highest and best use). Other surrounding properties are of different ownership.

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

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

### **PROPERTY OWNERSHIP; 5 YEAR SALES HISTORY**

The subject properties are currently vested in The Nature Conservancy, a District of Columbia non-profit corporation, by instrument recorded November 26, 2018, in Sequence No. 2018-3300588, records of Pima County, Arizona. No marketing of the properties for sale within the past 3 years is known.

### **OWNER CONTACT FOR INSPECTION**

An ownership representative (Damian Rawoot) and Pima County representative (Jeffrey Teplitsky) were contacted by email, offering them to accompany me on site visit, each declined.

## **MARKET AREA (NEIGHBORHOOD) ANALYSIS**

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

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

These boundaries are considered appropriate due to physical divisions, predominate land uses, and social characteristics. The area defined above is referred to herein as the subject market area. The subject property falls in a southeastern part of this area.

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

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

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

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

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

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

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

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

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

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

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

Variable	TNC (2 miles)	Intermountain West	Pima County, AZ
2021 Total Population	742	28,544	1,077,673
2021-2026 Population: Compound Annual Growth Rate	0.27%	0.45%	0.88%
2021 Total Households	296	10,515	428,697
2021 Per Capita Income	\$24,918	\$24,054	\$30,716
2021 Median Household Income	\$58,208	\$52,634	\$55,823
2021 Population Age 25+: Graduate/Professional Degree	49	1,092	106,106
2021 Owner Occupied Housing Units	265	8,847	274,307
Percent Owner Occupied	75.5%	76.1%	57.3%
2021 Vacant Housing Units	55	1,104	49,834
Percent Vacant	15.7%	9.5%	10.4%
2021 Total Housing Units	351	11,619	478,531
2021 Median Home Value	\$221,154	\$182,001	\$240,501
2021 Average Home Value	\$300,094	\$249,542	\$309,933
2019 Housing: Mobile Homes	254	7,428	47,450
Percent Mobile Homes	72.4%	63.9%	9.9%
2019 Median Contract Rent (HHs Paying Cash Rent)	\$838	\$692	\$760
2021 Population Density (Pop per Square Mile)	59.1	134.2	117.3

The surrounding market area and subject 2 mi radius indicate significantly less anticipated growth potential as compared to the county, likely due to lower density zoning and physical restrictions due to flood zone etc. Median household income is moderately below county average in the surrounding market area slightly above average in the surrounding 2 mi radius; however, median home values in the



surrounding radius and market area are below county averages, particularly in the surrounding market area; both surrounding areas have considerably greater than average mobile home housing.

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

**Conclusion:**

The subject market area is a western rural unincorporated area of Pima County between Saguaro National Park West and the Ironwood Forest National Monument. There is lower density development due to rural zoning and natural features including flood zone and riparian areas in relation to a number of significant washes, most notably the Brawley and Black Washes as well as the Santa Cruz. Median household income is moderately below county average in the surrounding market area slightly above average in the surrounding 2 mi radius; however, median home values in the surrounding radius and market area are below county averages, particularly in the surrounding market area. There is anticipated to be low growth in population in the surrounding radius and market area for the foreseeable future again due particularly to physical characteristics of the land.

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

### SITE DESCRIPTION

Location:	The subject sites are on the north side of Sinagua Rd, east of Sandario Road and west of the CAP Canal.
Site Size:	Parcel 10J: 7.12ac Parcel 10K: 7.39ac Parcel 10L: 5.58ac
Access:	Access to parcels 10J and 10K are via Sinagua, a dirt road in this area; access to parcel 10L is via Sinagua to private easement along the western boundary of parcel 10K (and beyond).
View:	Average to good; the sites (10J and 10L) are adjacent to open space in US owned land for CAP canal to the east and (10J and 10K) Bureau of Reclamation Wildlife Mitigation Corridor to the south.
Shape:	Irregular all; see exhibits.
Topography:	The sites are rising moderately to the east towards the CAP Channel, from approximately 2356' to 2378'.
Flood Hazard:	According to the FEMA Digital Flood Insurance Rate Map, panel 04019C1620L, the site is Flood Zone X (not flood); however, per Pima County Floodplain Management (RFCD), the site is in a special study 6" sheet-flow area which would require that any habitable structures be elevated 18" (1' above flood elevation).
Washes:	There is a wash (unknown, 2000-5000cfs, 75') dividing parcels 10K and 10J, touching parcel 10L southeast corner.
Easements:	There are easements indicated on the survey (see appendix) along the subject boundary (Sinagua Road) and a 30' easement along the west line of SW4 of SE4, for ingress-egress and utilities. There is also a 30' easement along the eastern boundary of parcels 10J and 10L (and continuing north) for ingress-egress. There are CC&R's including prohibiting mobile homes.
Hazardous Materials/ Contamination:	No environmental assessment was available. No indications of hazardous materials were noted on inspection; however, the appraiser is not an expert in hazardous material contamination. This appraisal assumes that the subject is free of hazardous material contamination.
Utilities:	Utilities are generally available in the area from the following sources: Water: Well Sewer: Septic (presumed to be permitted) Electricity: Trico Electric Natural Gas: Propane (none currently on site) Telephone: CenturyLink Public Safety: Pima County Sheriff; Three Points Fire District  The subject is in an area that does not appear to be served with water and there is no well on ADWR registry. Electrical service is available in the area by Trico.
Surrounding Land Uses:	Parcels 10J and 10L are adjacent to open space in US owned land for CAP canal to the east, parcels 10J and 10K are adjacent to Bureau of

Reclamation Wildlife Mitigation Corridor to the south; there is low density undeveloped and residential development to the north and west of parcels 10L and 10K.

- Zoning: Zoning on the subject sites is RH, Rural Homestead. This zone is intended to preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area.
- Development Standards-General: minimum site area of 180,000sf, 34' building height, 50' front, 20' side and 50' rear setbacks, minimum distance between buildings-20'. Permitted coverage of accessory buildings and accessory structures: A. Permitted coverage: Fifteen hundred square feet, or seventy percent of the area of the largest main building on the site, whichever is greater. Min distance from property line-50', side and rear property lines-20'
- Comprehensive Plan: Resource Sensitive; Objective: (summarizing) To designate key larger parcels and land holdings with environmentally sensitive characteristics in close proximity to public preserves or other environmentally sensitive areas. Residential gross density, maximum-0.3 RAC.
- CLS Habitat: The site is indicated to be Special Species Management Area (SSMA); this calls for (summarizing) at least 80% of the total acreage to be conserved as UNOS with a 4:1 mitigation ratio (4 conserved acres for 1 acre developed); it is Multiple Use Management Area (MUMA), 66 2/3% to be conserved as undisturbed natural open space with a 2:1 mitigation ratio; a portion of the site is Important Riparian Area (IRA), which calls for at least 95% to be UNOS. However, it is significant to note: **Goal 1, Policy 1, b) Application of CLS designations or guidelines shall not alter, modify, decrease or limit existing and legal land uses, zoning, permitted activities, or management of lands;** c) When applied to development of land subject to county or Flood Control District authority, CLS designations and guidelines will be applied to: 1. New rezoning and specific plan requests;...
- Other: The site is Buffer Overlay Zone; however, as the site(s) was not 25 acres or more as of August 1, 1998, these restrictions do not appear to apply.
- Site Analysis Conclusion: The subject site is in a special study 6" sheet-flow area which would require that any habitable structures be elevated 18" and zoned low for low density residential use with minimum site size per unit of 180,000 (4.13 acres). It has a CLS SSMA and MUMA designation requiring 80% and 66.67% UNOS, respectively but enforcement of this only comes into place if requesting a rezoning, rezoning extensions, etc.

**Real Estate Tax Analysis**

The following information is available from the county treasurer's office, 2023 Improvement values and 2021 Taxes:

Tax Parcel	211-07-010J	211-07-010K	211-07-010L
FCV Land	\$81,000	\$82,000	\$74,000
FCV Impvt.	\$0	\$0	\$0
FCV Total	\$81,000	\$82,000	\$74,000
2021 Tax	\$1,493.48	\$1,550.26	\$1,277.01

## HIGHEST AND BEST USE

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

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

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

### HIGHEST AND BEST USE, AS IF VACANT:

Zoning on the subject site is RH, Rural Homestead. This zone is intended to preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area; code requirements include a minimum lot size of 180,000sf with maximum building height of 34', 50' front, 50' rear and 20' side yard setbacks. It is designated Resource Sensitive under the comprehensive plan, the objective: To designate key larger parcels and land holdings with environmentally sensitive characteristics in close proximity to public preserves or other environmentally sensitive areas. Residential gross density, maximum-0.3 RAC.

**Physically Possible:** The subject sites are indicated by assessor's record to be 7.12ac-parcel 10J, 7.39ac-parcel 10K, and 5.56-parcel 10L. According to FEMA the sites are Zone X however RFCDD indicates the sites are in a special study 6" sheet-flow area which would require that any habitable structures be elevated 18" (1' above flood elevation).

**Financially Feasible:** The financial feasibility of the subject site is market derived. The following is from the First Quarter 2022 Forecast Update (completed at the end of February 2022) by George W. Hammond, Ph.D., EBRC Director and Research Professor:

Arizona's jobs are once again breaking new ground, after regaining their pre-pandemic peak in November 2021. In addition, the state unemployment plunged during the second half of the year, as the state's labor market tightened significantly. Nominal retail sales continued to rise rapidly through the end of the year, reflecting past income gains, rising household wealth, and rapid inflation. House prices have soared lately, as household formation increased, dragging down housing affordability. Population gains were solid last year, driven solely by net migration as natural increase dipped into negative territory.

The outlook for the state economy is positive, with the baseline forecast calling for strong job growth in 2022 and 2023 and continued solid population gains. Income and sales growth are forecast to slow in nominal terms this year and fall after adjustment for inflation. The recent surge in inflation implies more restrictive monetary policy and higher interest rates this year, which will likely contribute to slower economic growth and may raise the risk of a downturn next year.

### Arizona Recent Developments

Arizona's preliminary seasonally-adjusted unemployment rate plummeted again in December, according to preliminary estimates. The state rate has fallen from 6.8% in June 2021 to 4.1% in December, which was the lowest since December

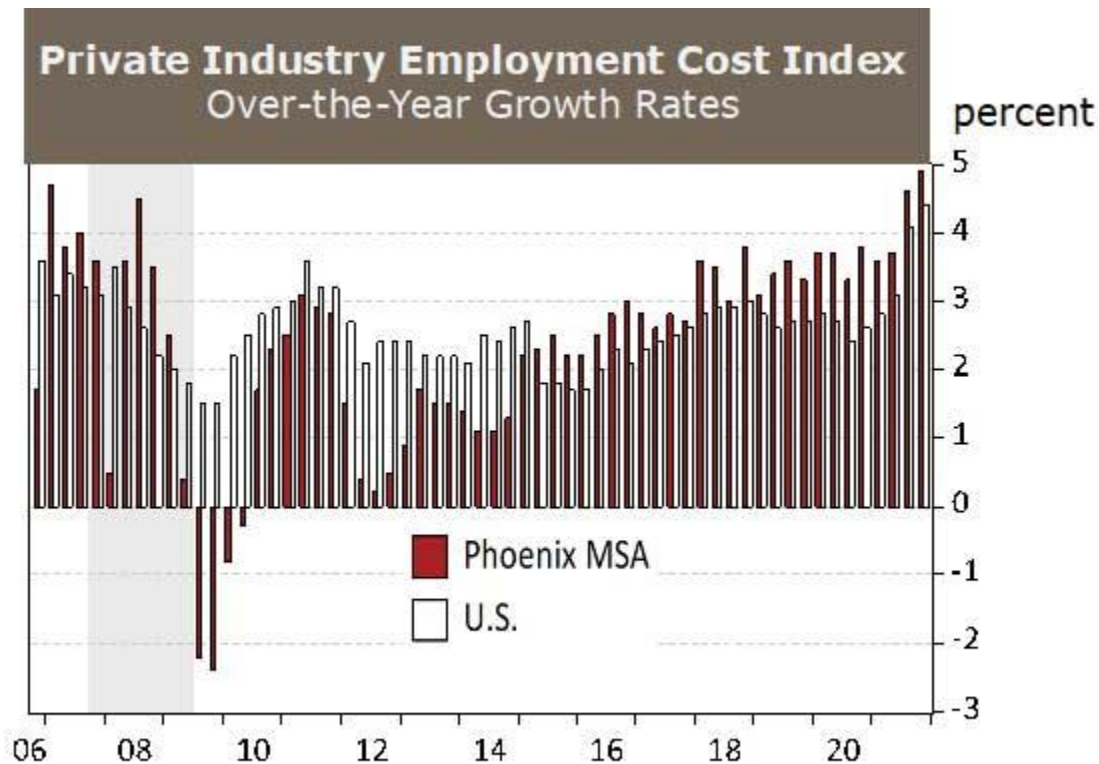
2007. That was slightly above the national rate of 3.9% but below its February 2020 level of 4.9%. The non-seasonally adjusted state rate was 2.8%. The labor market is really tight.

While Arizona has replaced all of the jobs lost during the early months of the pandemic, the U.S. has not. Keep in mind that getting back to the pre-pandemic peak is a low bar. The state is nowhere near the number of jobs we would have had if we had remained on our pre-pandemic trend. Indeed, if the state had continued to generate jobs at the same pace recorded from 2015-2019 (0.2% per month) then employment would be 138,200 jobs higher than we observed in December.

Over the year in the third quarter, Arizona personal income rose by 3.7%, below the U.S. growth rate of 5.2%. State gains were driven by earnings from work (up 9.0%) and dividends, interest, and rent (up 3.5%). Transfer receipts were down 8.0% over the year.

Wage gains accelerated at the end of 2021, according to data from the Employment Cost Index for the U.S. and Phoenix (Exhibit 1). For total compensation of private industry workers, the index increased by 4.9% over the year in the fourth quarter, up from 4.6% in the third. Growth in the fourth quarter was the fastest since the fourth quarter of 2006. It was also faster than national growth, which hit 4.4% over the year in the fourth quarter and 4.1% in the third. Keep in mind that the employment cost index is adjusted for shifts in employment across industries and occupations.

**Exhibit 1: Phoenix Compensation Growth Accelerated at the End of 2021**



In December 2021, the median house price in Phoenix hit \$452,000, up 27.3% over the year. The Tucson median house price was \$338,000, up 27.5%. The Phoenix Case-Shiller index (repeat sales measure) was up 32.2% over the year in November (latest data as of this writing). House prices for Phoenix, and Tucson were well above their prior peak at the end of 2021.

Housing affordability in Arizona has deteriorated significantly as house prices skyrocketed. According to data from the NAHB/Wells Fargo housing opportunity index, 54.2% of homes sold in the fourth quarter of 2021 nationally were affordable to a family making the median income. That was higher than the Phoenix rate of 44.5% but below Tucson at

58.0%. Phoenix affordability in the fourth quarter was down 20.4 percentage points over the year. Tucson affordability was down 13.2 percentage points and national affordability was down 9.0 percentage points.

Arizona housing permit activity remained strong in 2021, according to the preliminary estimates from the U.S. Census Bureau. Arizona permits totaled 64,924 in 2021, up 7.6% from the revised 2020 total, calculated using non-seasonally adjusted monthly data. The count in the model is slightly different since we use seasonally-adjusted estimates there. Single-family permits were up 9.1% and multi-family permits were up 4.0% last year. Housing permit data for 2021 will be revised later this year.

Phoenix permits hit 51,143 in 2021, up 6.0% from the revised 2020 count. Single-family permits were up 9.0% and multi-family permits were up 0.4%.

Tucson permits increased strongly last year, rising by 22.5% to reach 6,075. Single-family permits were up 20.6% and multi-family permits were up 33.9%.

### **Arizona Outlook**

The outlook for Arizona, Phoenix, and Tucson depends in part on national economic performance. The forecasts presented here are based on U.S. projections produced by IHS Markit in January 2022. Their current forecast is based on the following assumptions:

In early 2022, a winter wave of COVID (Omicron variant) temporarily slows spending on travel and tourism services. By spring the transition from pandemic to endemic resumes as more of the population is vaccinated or previously infected. There is no repeat of the 2020 “lockdown.”

The forecast includes all of the pandemic relief enacted in 2020, as well as the American Recovery Plan (\$1.9 trillion) Act. The support to incomes from these measures, which averaged \$2.7 trillion (annual rate) over the first half of 2021, will drop to less than \$0.5 trillion by the fourth quarter. The forecast includes the Infrastructure Investment and Jobs Act. This has a small positive impact on the forecast. The forecast does not include the “Build Back Better” reconciliation bill.

The Federal Reserve maintains its policy rate near 0% until May 2022. The Federal Reserve is assumed to tolerate inflation modestly above 2.0% after 2023 in order to establish its 2.0% target as an average rather than a ceiling.

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

Real foreign GDP contracted by 4.7% in 2020. Growth rebounds to 5.4% in 2021 and 3.8% in 2022.

As global growth rebounds, the price of Brent crude oil recovers from \$29/barrel in the second quarter of 2020 to \$79/barrel by the fourth quarter of 2021. The price then eases to \$67 by 2025, before resuming a gradual increase.

The baseline forecast calls for U.S. real GDP to rise by 5.7% in 2021, 4.1% in 2022 and then decelerate to 2.5% in 2023 and 2024.

Inflation gathers momentum during the near term, with an average price increase of 4.7% in 2021 followed by a deceleration to 4.2% in 2022, and 2.2% in 2023. Inflation moderates as supply-chain issues ease and workers return to the labor force.

Based on the U.S. projections, the Arizona forecast calls for annual average job gains to rise from 92,300 (3.2%) in 2021 to 134,300 (4.6%) in 2022, then to decelerate to 94,700 (3.1%) in 2023 and 69,000 (2.2%) in 2024 (**Exhibit 2**).

**Exhibit 2: Arizona Personal Income and Sales Gains Decelerate in 2022**

**Arizona Outlook Summary**  
Annual Growth Rates and Levels

	Actual	Forecast		
	2021	2022	2023	2024
<b>Growth Rate</b>				
Nonfarm Jobs	3.2	4.6	3.1	2.2
Personal Income	6.0	1.9	6.5	6.2
Retail Plus Remote Sales	19.9	2.3	3.1	5.2
Population	1.5	1.6	1.6	1.5
<b>Level</b>				
Unempl. Rate	6.1	4.5	4.5	4.5
Housing Permits	64,692	64,501	61,815	50,158

Personal income and retail sales are forecast in 2021.

The forecast calls for Arizona to add 650,500 jobs during the next decade, with education and health services; professional and business services; leisure and hospitality; and trade, transportation and utilities generating the most jobs. These four sectors together are projected to account for 77.5% of total state job gains.

Arizona’s population rose by an estimated 109,000 in 2021. The forecast calls for the state to add 116,300 residents in 2022, 121,900 in 2023, and 113,100 in 2024. Population gains are expected to be driven primarily by net migration, as natural increase only modestly recovers after a pandemic-driven dip into negative territory. Even so, Arizona’s population growth is expected to far outpace the U.S.

Population gains help sustain strong housing permit activity through 2023. Permits are forecast to hit 64,501 in 2022, 61,815 in 2023 before dropping to 50,158 in 2024, a level more consistent with population change.

In contrast to solid job and population gains, income and sales growth decelerates in 2022. That reflects the cessation of federal income support related to the pandemic. Nominal gains remain positive, but inflation-adjusted income and sales are expected to decline in 2022.

Phoenix drives state growth during the forecast, with gains well above the nation. Tucson expands as well, but at a much slower rate.

**Risks to the Outlook**

The baseline outlook calls for Arizona to generate strong job and population growth in the near term as income and sales growth decelerate. **Exhibit 3** shows the state job forecasts for the baseline, pessimistic, and optimistic scenarios. The baseline outlook is assigned a 50% probability.

The pessimistic scenario is assigned a 30% probability. It assumes that the resurgence of the pandemic in the winter months prevents a rapid recovery in travel and tourism. It also assumes that supply-chain issues drag on through the year. This slows growth in consumer spending on durables. Together, these factors provide a significant drag on U.S. and Arizona growth.

The optimistic scenario (20% probability) assumes that travel and tourism recovers rapidly, supply-chain issues are resolved more quickly, and that consumers respond more positively to infrastructure spending. These factors generate stronger near-term growth.

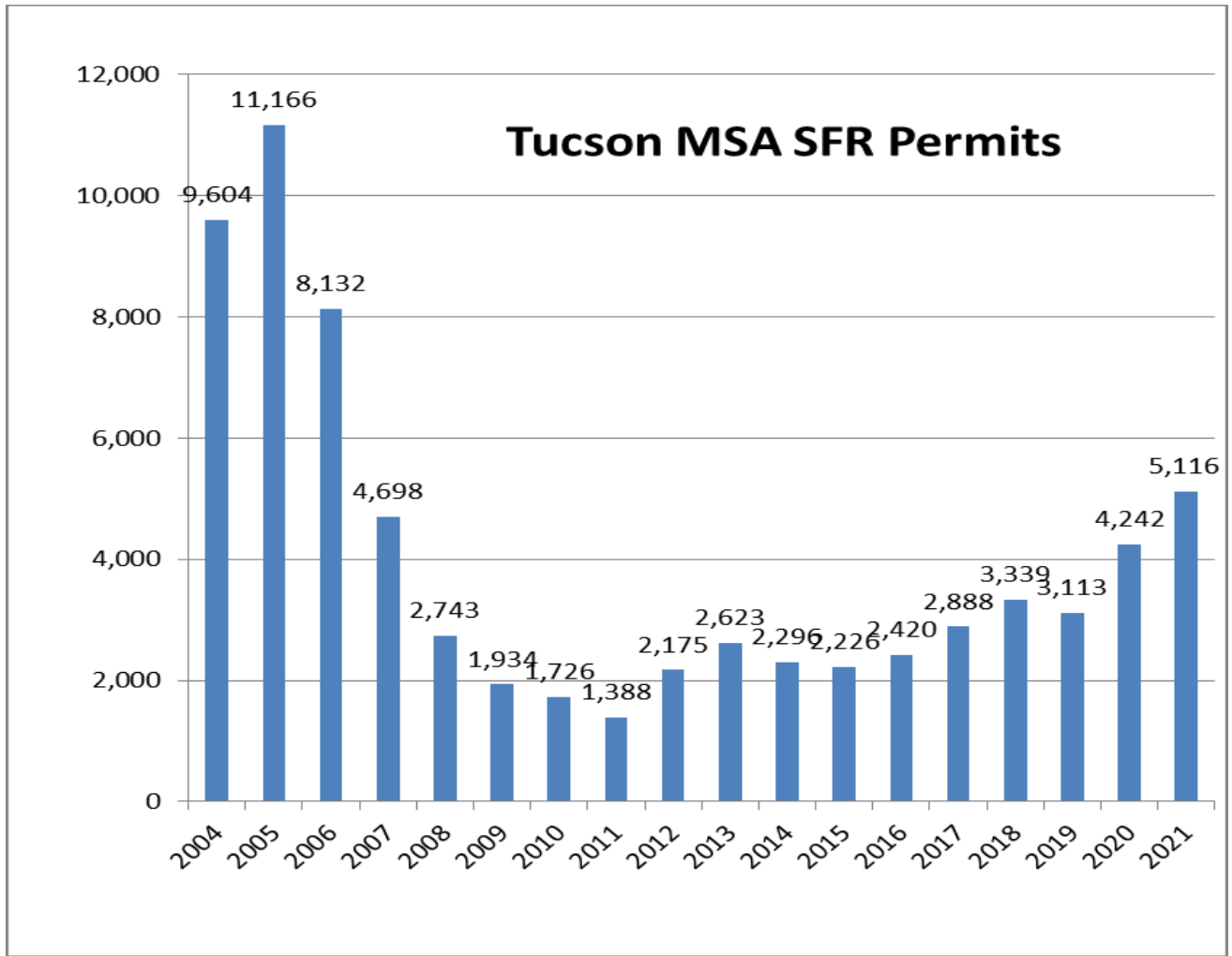


**Exhibit 3: Another Surge of the Coronavirus Drives the Pessimistic Scenario**



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

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



As indicated, residential permits dropped precipitously from a high in 2005 through 2011; 2012 and 2013 indicated the beginning of a turn around, recently there has been a string of increases towards 5,000 permits which has been considered to be a long term sustainable level benchmark. From 2006 through 2011 home values decreased drastically from previous highs but again have turned around with strong recent increases in appreciation; March 2022 statistics indicate that Tucson Median Sales Prices (all MLS) increased by 22.4% year over year. SFR permits have significantly surpassed recent years (almost 36.3% above 2019) and 2021 is again 20.5% above 2020 (Source: census.gov).

**Maximum Profitability:** In consideration of zoning and RFCD flood zone status highest and best use is considered to be residential development.

## **VALUATION METHODOLOGY**

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

The income approach is a set of procedures through which value is estimated based on the future benefits of property ownership (income earning potential) of the property appraised. Rental income is estimated based on analysis of similar market properties and or the subject income stream. Incomes are reduced by expenses to the owner and net income is capitalized by either direct capitalization, yield capitalization, or both. The income approaches is not typically employed in the analysis of undeveloped residential land as they are typically developed/purchased for owner occupancy rather than income earning potential.

The Sales Comparison Approach is a set of procedures through which value is estimated by comparison of the subject property to the sales of similar properties that have recently sold, making adjustments to the sales for differences between the subject and the comparable property's based on units of comparison. The sales comparison approach is typically most reasonable for residential property, provided there are sufficient sales of similar properties.

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

## SITE VALUATION

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

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

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

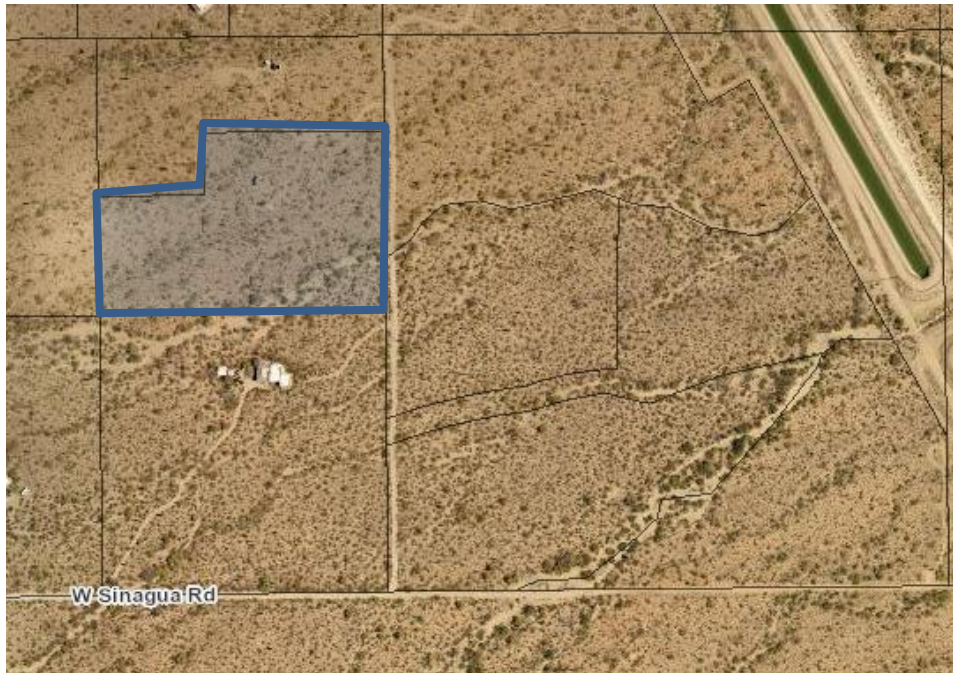
Adjustments for items 1-5 above are made first if necessary, indicating an "adjusted sale price". The prices are then adjusted for differences in location, physical characteristics (including use or zoning), economic characteristics, and any non-realty components of value.

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

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

### Comparable Sale One

Location: 11520 W Sinagua Rd, Tucson, 85743  
Tax Code Number: 211-11-009C (9E split)  
Records: 02/24/2021 2021 0620929  
Seller: Joe Murray, Carla Ryan  
Buyer: Eric & Helen Mellen  
Sale Price: \$62,000 (72,800 Asking Price, 65 DOM)  
Site Size: 5.80ac  
\$/Ac Site \$10,690  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located east of Sandario Rd., north of Sinagua, via easement. Indicated to be FEMA-X; however, RFCD 6" sheet-flow; there is also some IRA. Pima Prospers indicates Resource Sensitive and SSMA and MUMA. The listing indicates there is water from Sandario Water (however, phone call reported no service at this address) and electricity. The listing indicates a 210sf adobe structure on site "taken over by desert dwellers, conveyed as-is". The listing agent believes the sale may have been a little low, "the seller wanted to move it", however, it was available for reasonable marketing period. Though photos show the adobe building in considerable dis-repair, the listing agent believes it added some value for a cool factor.  
Confirmation: MLS 222023657, listing agent, Heather Amaud, 520.975-4459, pdh 2022236



### Comparable Sale Two

Location: s/o 4841 N Sandario, Tucson, 85743  
Tax Code Number: 213-22-2040  
Records: 01/26/2022 2022 0260396  
Seller: Eric Adamec  
Buyer: Graves Revocable Living Trust  
Sale Price: \$83,000 (90,000 Asking Price, 1 DOM)  
Site Size: 4.44ac  
\$/Ac Site \$18,693  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located on Sandario Rd., just north of Manville, Saguaro National Park to the east. Indicated to be FEMA-X; however, RFCD 1' sheet-flow. Pima Prospers indicates Resource Sensitive and SSMA and MUMA. The listing indicates there is electric and water at lot line.  
The site is now (4/27/22) listed, MLS 22203781 at \$115,000, 75 DOM to date, Justin Byrd.  
Confirmation: MLS 22200870, listing agent, Stefanie Polston, listing agent-Shawn Polston assistant, 520.404-7710, pdh 2022236



### Comparable Sale Three

Location: e/o 11570 W Rudasill Rd, Tucson, 85743  
Tax Code Number: 213-14-007G  
Records: 01/21/2022 2022 0200935  
Seller: David Charles Mellberg  
Buyer: Jonathan Robinson  
Sale Price: \$87,500 (\$87,5000 Asking Price, 25 DOM)  
Site Size: 4.66ac  
\$/Ac Site \$18,777  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located on Rudasill Rd., east of Sandario; Saguaro National Park to the south. Indicated to be FEMA-X; however, RFCD indicates 69% 2' sheet-flooding, 31% 6" sheet-flooding. Pima Prospers indicates Resource Sensitive and MUMA. The listing indicates there is electric on site.  
Confirmation: MLS 22127568, listing agent, Justin Byrd, 520.909-6360, pdh 2022236



### Comparable Sale Four

Location: 5525 N Sandario Rd, Tucson, 85743  
Tax Code Number: 213-22-2470  
Records: 01/21/2022 2022 040634  
Seller: George & Denise Graves  
Buyer: Gray & Barbara Larkum  
Sale Price: \$124,800 (\$124,800 Asking Price, 4 DOM)  
Site Size: 4.43ac  
\$/Ac Site \$28,172  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located south of Rudasill Rd., on the west side of Sandario; Saguaro National Park to the east. Indicated to be FEMA-X; however, RFCD indicates 59% 6" sheet-flooding, 41% 1' sheet-flooding. Pima Prospers indicates Resource Sensitive, SSMA and MUMA. The listing indicates there is electric on site and water company water service available.  
Confirmation: MLS 22131806, listing agent, Justin Byrd, 520.909-6360, pdh 2022236



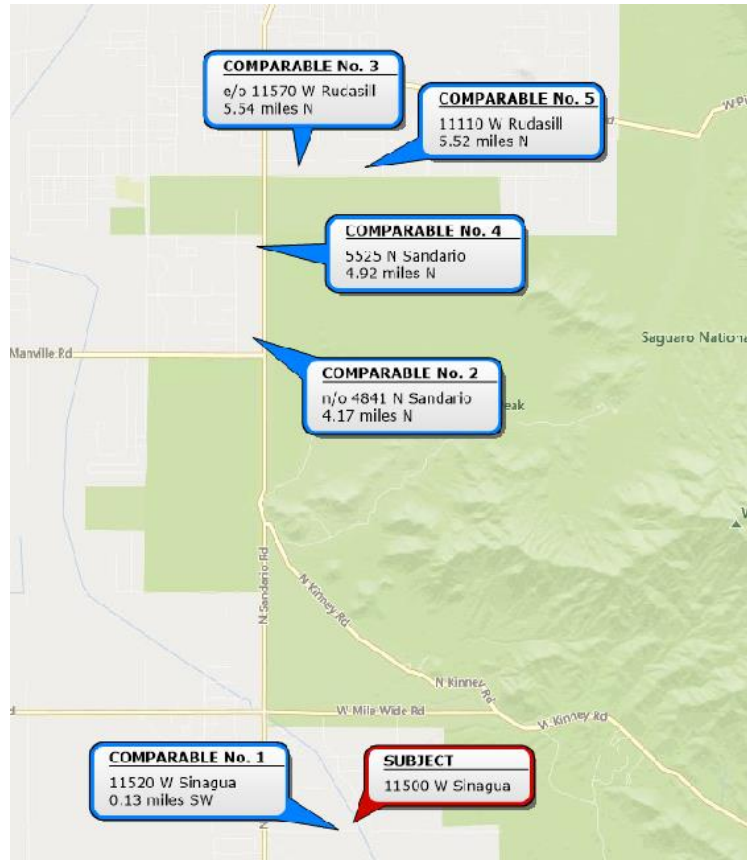


### Comparable Sale Five

Location: 11110 W Rudasill Rd, Tucson, 85743  
Tax Code Number: 213-14-003E  
Records: 01/26/2022 2022 0250168  
Seller: Deborah Davis  
Buyer: Michael & Susan Frontino  
Sale Price: \$140,000 (\$140,000 Asking Price, 8 DOM)  
Site Size: 4.66ac  
\$/Ac Site \$30,042  
Terms: Cash  
Zoning: RH, Rural Homestead  
Comments: Located on Rudasill Rd east of Sandario; Saguaro National Park to the south. Indicated to be FEMA-X; however, RFCD indicates 1' sheet-flooding, 28% EHSA. Pima Prospers indicates Resource Sensitive and MUMA. The listing indicates there is electric on site and water company water service available.  
Confirmation: MLS 22131620, listing agent, Shannon Smith, 520.490-0789, pdh 2022236



### SITE SALES COMPOSITE MAP



### Site Value Analysis; Parcel 10J

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

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

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

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

Conditions of Sale: Adjustments are sometimes necessary for special conditions related to a sale, particularly when these adjustments may be quantifiable; comparables 2-5 were reported to have had typical sale motivation, no adjustments are necessary; sale 1 is adjusted moderately upward for reported seller motivation.

Market Condition: The comparable sales occurred from February 2021 through January 2022, the market has continued to improve significantly over this time period, the comparables are adjusted upward on the basis of approximately 17.5% per year.

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

Site Size: On an overall homesite basis larger parcels typically sell for more all else equal, conversely, smaller parcels sell for less; each of the comparables is adjusted upward for inferior smaller size.

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

Improvements: The subject and comparables were typically unimproved, not requiring adjustment; sale 1 had a small, very dilapidated adobe structure; no adjustment is considered necessary.

Site utility: The comparables are generally similar or offsetting to the subject in flood zone and other restrictions, no adjustment is considered necessary.

Utilities: The subject lacks utilities with the exception of having electrical service to the area. Comparables 1 and 3 are similar, not requiring adjustment; sales 2, 4 and 5 are adjusted downward for water reportedly being provided by local utility company.

Access/View: The subject is at the end of a somewhat rough dirt road, approximately .57mi from Sandario. On the positive side, the Bureau of Reclamation Wildlife Management Corridor (open space) is adjacent on the south side of Sinagua (the CAP Canal is on the site eastern boundary). Sale 1 is similar in access but inferior in view/adjacent open space, it is adjusted upward. Comparables 2-5 are considered to be superior due to having paved road access and an adjacent open space (Saguaro National Park); they are adjusted downward for superior paved access.

#### **Site Value Conclusion; Parcel 10J**

The comparable sales bracket the subject with comps 1 and 3 with upward net adjustment and comparables 2, 4 and 5 with net downward adjustment. Least emphasis is placed on sale 1 as it is the most dated; with similar emphasis on the remaining sales, a subject value at \$110,000, indicating \$15,449/ac (below average price per acre due to larger parcel size) is reasonable.

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

SITE SALES COMPARISON SUMMARY; Parcel 10J						
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Location	Sinagua Rd, Parcel 10J	11520 W Sinagua	s/o 4841 N Sandario	e/o 11570 W Rudasill Rd	5525 N Sandario	11110 W Rudasill Rd
Tax ID Number	211-07-010J	211-11-009C	213-22-2040	213-14-007G	213-22-2470	213-14-003E
<b>Sales Data</b>						
Date of Sale	N/A	2/24/21	1/26/22	1/21/22	1/21/22	1/26/22
Sales Price	N/A	\$62,000	\$83,000	\$87,500	\$124,800	\$140,000
Site Size (ac)	7.12	5.80	4.44	4.66	4.43	4.66
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	N/A	\$62,000	\$83,000	\$87,500	\$124,800	\$140,000
Conditions of Sale	Average	Motivation	Average	Average	Average	Average
Condition Adjustment	0%	10.0%	0.0%	0.0%	0.0%	0.0%
Market Condition (Time)	N/A	Feb-21	Jan-22	Jan-22	Jan-22	Jan-22
Market Conditions Adj.	0.0%	20.0%	4.0%	5.0%	5.0%	4.0%
Adjusted Price	N/A	\$81,840	\$86,320	\$91,875	\$131,040	\$145,600
<b>Physical Characteristics</b>						
Location	Average	Similar	Similar	Similar	Similar	Similar
Size	7.12	5.80	4.44	4.66	4.43	4.66
Zoning	RH	RH	RH	RH	RH	RH
Improvements	None	Nil	None	None	None	None
Site Utility	6" sht,30% EHSA, 14% IRA	6" Sht Fid, IRA	1' Sheet flow	2', 6" Sht Fid	59% 6", 41% 1' Sht Fid	1' Sht-Fld, 28% EHSA
Utilities	Average	Similar	Superior	Similar	Superior	Superior
Access/View	Dirt/BRWMC	Average	Pvd/SNP	Pvd/SNP	Pvd/SNP	Pvd/SNP
<b>Adjustments</b>						
Location	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	7.5%	15.0%	15.0%	15.0%	15.0%
Zoning	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site Utility	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	-15.0%	0.0%	-15.0%	-15.0%
Access/View	0.0%	10.0%	-5.0%	-5.0%	-5.0%	-5.0%
<b>Net Physical Adjustments</b>						
Net Physical Adjustments	Same	Upward	Downward	Upward	Downward	Downward
Net Adjustment (Overall)	0.0%	17.5%	-5.0%	10.0%	-5.0%	-5.0%
Adjusted Comp Price		\$96,162	\$82,004	\$101,063	\$124,488	\$138,320
Adjusted Comp Price /Ac		\$16,580	\$18,469	\$21,687	\$28,101	\$29,682
Subject Value Opinion	\$110,000					
Subject Value (\$/SF)	\$15,449					

**Site Value Analysis; Parcel 10K**

The same five sales are considered to be appropriate for analysis of the subject parcel 10K.

The same adjustments to comparable sales are reasonable for this site; the value, again, with similar emphasis on the comparable sales, is opined at \$110,000, indicating (\$14,885/ac slightly less than that indicate for parcel 10J due to larger size). The following is the adjustment grid for subject parcel 10K:

<b>SITE SALES COMPARISON SUMMARY; Parcel 10K</b>						
<b>Comparable</b>	<b>Subject</b>	<b>Comp 1</b>	<b>Comp 2</b>	<b>Comp 3</b>	<b>Comp 4</b>	<b>Comp 5</b>
Location	Sinagua Rd, Parcel 10K	11520 W Sinagua	s/o 4841 N Sandario	e/o 11570 W Rudasill Rd	5525 N Sandario	11110 W Rudasill Rd
Tax ID Number	211-07-010K	211-11-009C	213-22-2040	213-14-007G	213-22-2470	213-14-003E
<b>Sales Data</b>						
Date of Sale	N/A	2/24/21	1/26/22	1/21/22	1/21/22	1/26/22
Sales Price	N/A	\$62,000	\$83,000	\$87,500	\$124,800	\$140,000
Site Size (ac)	7.39	5.80	4.44	4.66	4.43	4.66
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	N/A	\$62,000	\$83,000	\$87,500	\$124,800	\$140,000
Conditions of Sale	Average	Motivation	Average	Average	Average	Average
Condition Adjustment	0%	10.0%	0.0%	0.0%	0.0%	0.0%
Market Condition (Time)	N/A	Feb-21	Jan-22	Jan-22	Jan-22	Jan-22
Market Conditions Adj.	0.0%	20.0%	4.0%	5.0%	5.0%	4.0%
Adjusted Price	N/A	\$81,840	\$86,320	\$91,875	\$131,040	\$145,600
<b>Physical Characteristics</b>						
Location	Average	Similar	Similar	Similar	Similar	Similar
Size	7.39	5.80	4.44	4.66	4.43	4.66
Zoning	RH	RH	RH	RH	RH	RH
Improvements	None	Nil	None	None	None	None
Site Utility	6" sht,30% EHSA, 13.5% IRA	6" Sht Fld, IRA	1' Sheet flow	2', 6" Sht Fld	59% 6", 41% 1' Sht Fld	1' Sht-Fld, 28% EHSA
Utilities	Average	Similar	Superior	Similar	Superior	Superior
Access/View	Dirt/BRWMC	Average	Pvd/SNP	Pvd/SNP	Pvd/SNP	Pvd/SNP
<b>Adjustments</b>						
Location	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	7.5%	15.0%	15.0%	15.0%	15.0%
Zoning	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site Utility	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	-15.0%	0.0%	-15.0%	-15.0%
Access/View	0.0%	10.0%	-5.0%	-5.0%	-5.0%	-5.0%
<b>Net Physical Adjustments</b>						
Net Physical Adjustments	Same	Upward	Downward	Upward	Downward	Downward
Net Adjustment (Overall)	0.0%	17.5%	-5.0%	10.0%	-5.0%	-5.0%
Adjusted Comp Price		\$96,162	\$82,004	\$101,063	\$124,488	\$138,320
Adjusted Comp Price /Ac		\$16,580	\$18,469	\$21,687	\$28,101	\$29,682
Subject Value Opinion	\$110,000					
Subject Value (\$/SF)	\$14,885					

**Site Value Analysis; Parcel 10L**

The same five sales are considered to be appropriate for analysis of the subject parcel 10L. The most significant change in adjustments to the comparables are lesser adjustment for difference in site size (sale 1 is similar not requiring a size adjustment); the comparables are each adjusted downward for superior site utility due to the subject long access lane on the western portion of the site; comparable 1 is similar to the subject in access/view (lack of being adjacent to open space), the remainder sales are adjusted more significantly downward for having this influence.

Although sale 1 is still given least emphasis due to it being the most dated, it's emphasis is only moderately less than the other four sales. After adjustment, a subject value at \$79,000, indicating \$14,158/ac is considered reasonable. The following is the parcel 10L comparable adjustment grid:

<b>SITE SALES COMPARISON SUMMARY; Parcel 10L</b>						
<b>Comparable</b>	<b>Subject</b>	<b>Comp 1</b>	<b>Comp 2</b>	<b>Comp 3</b>	<b>Comp 4</b>	<b>Comp 5</b>
Location	Sinagua Rd, Parcel 10L	11520 W Sinagua	s/o 4841 N Sandario	e/o 11570 W Rudasill Rd	5525 N Sandario	11110 W Rudasill Rd
Tax ID Number	211-07-010L	211-11-009C	213-22-2040	213-14-007G	213-22-2470	213-14-003E
<b>Sales Data</b>						
Date of Sale	N/A	2/24/21	1/26/22	1/21/22	1/21/22	1/26/22
Sales Price	N/A	\$62,000	\$83,000	\$87,500	\$124,800	\$140,000
Site Size (ac)	5.58	5.80	4.44	4.66	4.43	4.66
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	N/A	\$62,000	\$83,000	\$87,500	\$124,800	\$140,000
Conditions of Sale	Average	Motivation	Average	Average	Average	Average
Condition Adjustment	0%	10.0%	0.0%	0.0%	0.0%	0.0%
Market Condition (Time)	N/A	Feb-21	Jan-22	Jan-22	Jan-22	Jan-22
Market Conditions Adj.	0.0%	20.0%	4.0%	5.0%	5.0%	4.0%
Adjusted Price	N/A	\$81,840	\$86,320	\$91,875	\$131,040	\$145,600
<b>Physical Characteristics</b>						
Location	Average	Similar	Similar	Similar	Similar	Similar
Size	5.58	5.80	4.44	4.66	4.43	4.66
Zoning	RH	RH	RH	RH	RH	RH
Improvements	None	Nil	None	None	None	None
Site Utility	6" sht,12% EHSA, 6% IRA, Shape	6" Sht Fld, IRA	1' Sheet flow	2', 6" Sht Fld	59% 6", 41% 1' Sht Fld	1' Sht-Fld, 28% EHSA
Utilities	Average	Similar	Superior	Similar	Superior	Superior
Access/View	Dirt/Avg	Similar	Superior	Superior	Superior	Superior
<b>Adjustments</b>						
Location	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	0.0%	7.5%	7.5%	7.5%	7.5%
Zoning	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site Utility	0.0%	-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Utilities	0.0%	0.0%	-15.0%	0.0%	-15.0%	-15.0%
Access/View	0.0%	0.0%	-15.0%	-15.0%	-15.0%	-15.0%
<b>Net Physical Adjustments</b>						
Net Physical Adjustments	Same	Downward	Downward	Downward	Downward	Downward
Net Adjustment (Overall)	0.0%	-10.0%	-32.5%	-17.5%	-32.5%	-32.5%
Adjusted Comp Price		\$73,656	\$58,266	\$75,797	\$88,452	\$98,280
Adjusted Comp Price /Ac		\$12,699	\$13,123	\$16,265	\$19,967	\$21,090
Subject Value Opinion	\$79,000					
Subject Value (\$/SF)	\$14,158					

**Bulk Sale Discount:**

As per USPAP SR1-4(e) an appraiser should analyze the effect on value, if any, of the assemblage of the various estates or component parts of a property and refrain from valuing the whole solely by adding together the individual values of the various estates or component parts.

The subject is comprised of three sites which have been valued independently. In effort to analyze any potential bulk sale discount, I had conversations with a number sales agents in the area that sold properties both in bulk and individual retail lots. Two respondents, Lois Mindes, who sold 4 retail lots over the course of approximately 6 months, and Terry Enright, who sold in bulk a 21.17ac site that had been split into 5 lots, both opined that there would be no discount from retail to bulk sale. Pat Jessup, who sold three lots independently over one year stated that a discount of 5% to 10% for bulk sale would be reasonable; Thrac Paulette, who sold 8.81 ac and 19.84 acre parcels that had also been offered for sale together in bulk; the two sales, as compared to the bulk offering, indicated a discount of 3.05% (assuming the bulk sale would have sold at asking price as the two components did), had the two components been split again into more lots, I believe there would be potential for greater bulk sale discount. Based on the above analysis, and in consideration of subject site characteristics, I believe a bulk sale discount of 5% is reasonable. Bulk market value is thus opined as follows:

Parcel 10J	\$110,000
Parcel 10K	\$110,000
Parcel 10J	\$79,000
Sub Total	\$299,000
Bulk Sale Discount	-\$14,950
Bulk Sale Value	\$284,050
Rounded to	\$284,000

## STATEMENT AND CERTIFICATION OF APPRAISER

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

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

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

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

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

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

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

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

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

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

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

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

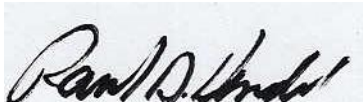
As of the date of this report, I have completed the continuing education program of the Appraisal Institute (C.S.R.1-3).

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

I am competent to complete the appraisal.

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

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING



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

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING



## **APPENDIX**

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

**LIMITING CONDITIONS AND ASSUMPTIONS**

**of Standard Real Estate Appraisal**

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

**1. Information Used, Trade Secrets**

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

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

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

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

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

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

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

**4. Court Testimony**

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

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

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

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

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

#### **6. Confidentiality**

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

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

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

#### **8. Legal, Title, and Market Value Premise**

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

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

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

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

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

#### **10. Utilities**

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

#### **11. Legality of Use, Management of Property**

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

#### **12. Component Values, Special Studies**

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

#### **13. Inclusions.**

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

#### **14. Proposed Improvements, Conditional Value**

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

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

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

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

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

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

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

**17. Information furnished by Client and Third Parties**

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

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

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

**19. Americans With Disabilities Act (ADA)**

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

**20. Pygmy Owl Habitat**

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

**21. Report Type**

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

**22. Other Information for Readers**

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

**23. Conclusion**

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

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

--- end ---

**SUBJECT PHOTOS & EXHIBITS**

Parcel 10J looking North from Sinagua Rd.



Parcel 10K looking N from Sinagua Rd



Sinagua Rd looking west (road partially washed out)



Parcel 10J looking NW from SEC





Parcel 10L looking NW from approx. SEC



Access easement North off of Sinagua Rd, looking S from pcl 10L west boundary



Parcel 10L view looking E from westerly boundary 30' access



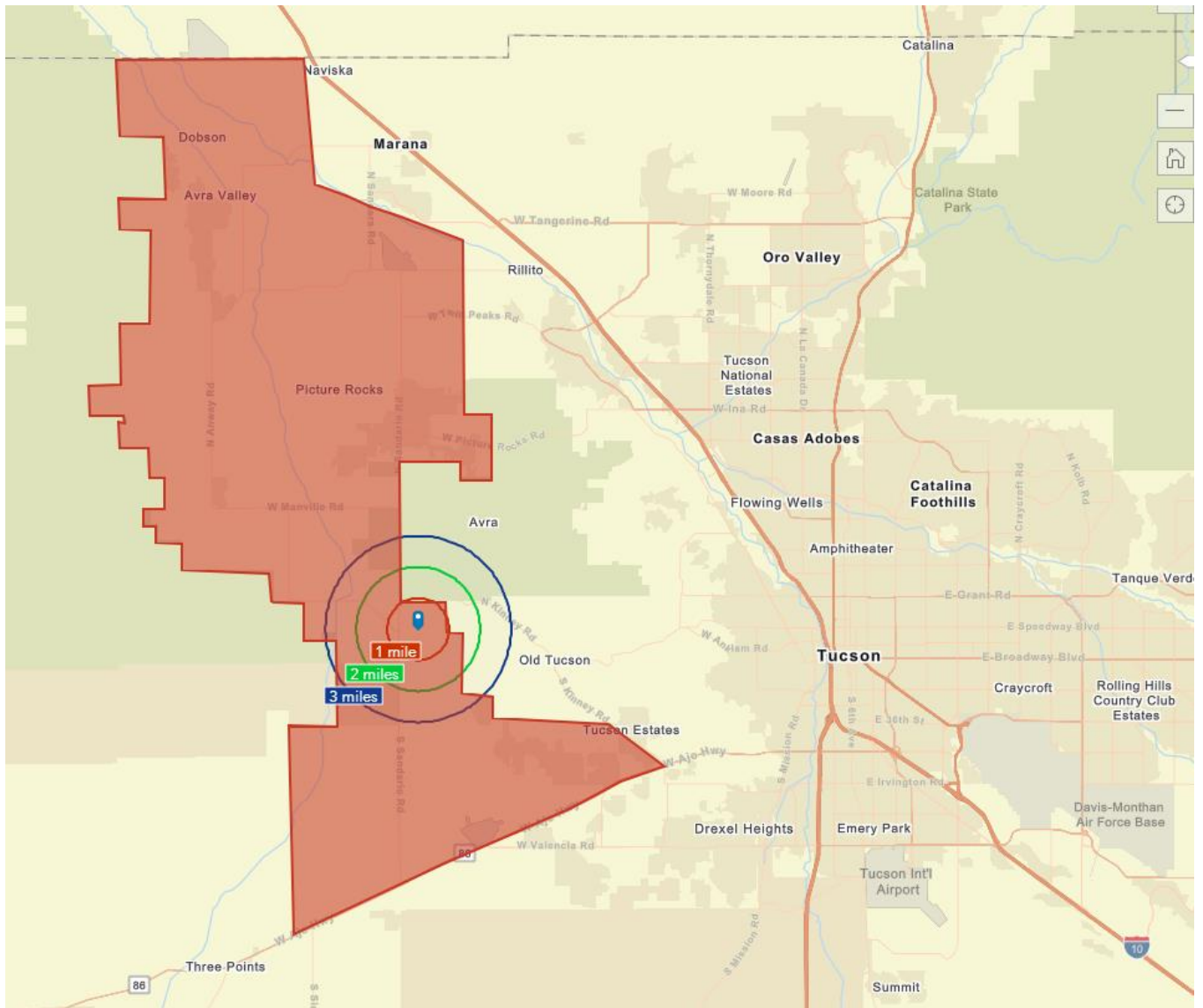
Bureau of Reclamation Wildlife Management Corridor, south of Sinagua Rd



CAP property east of subject sites



### MARKET AREA MAP



PLAT MAP

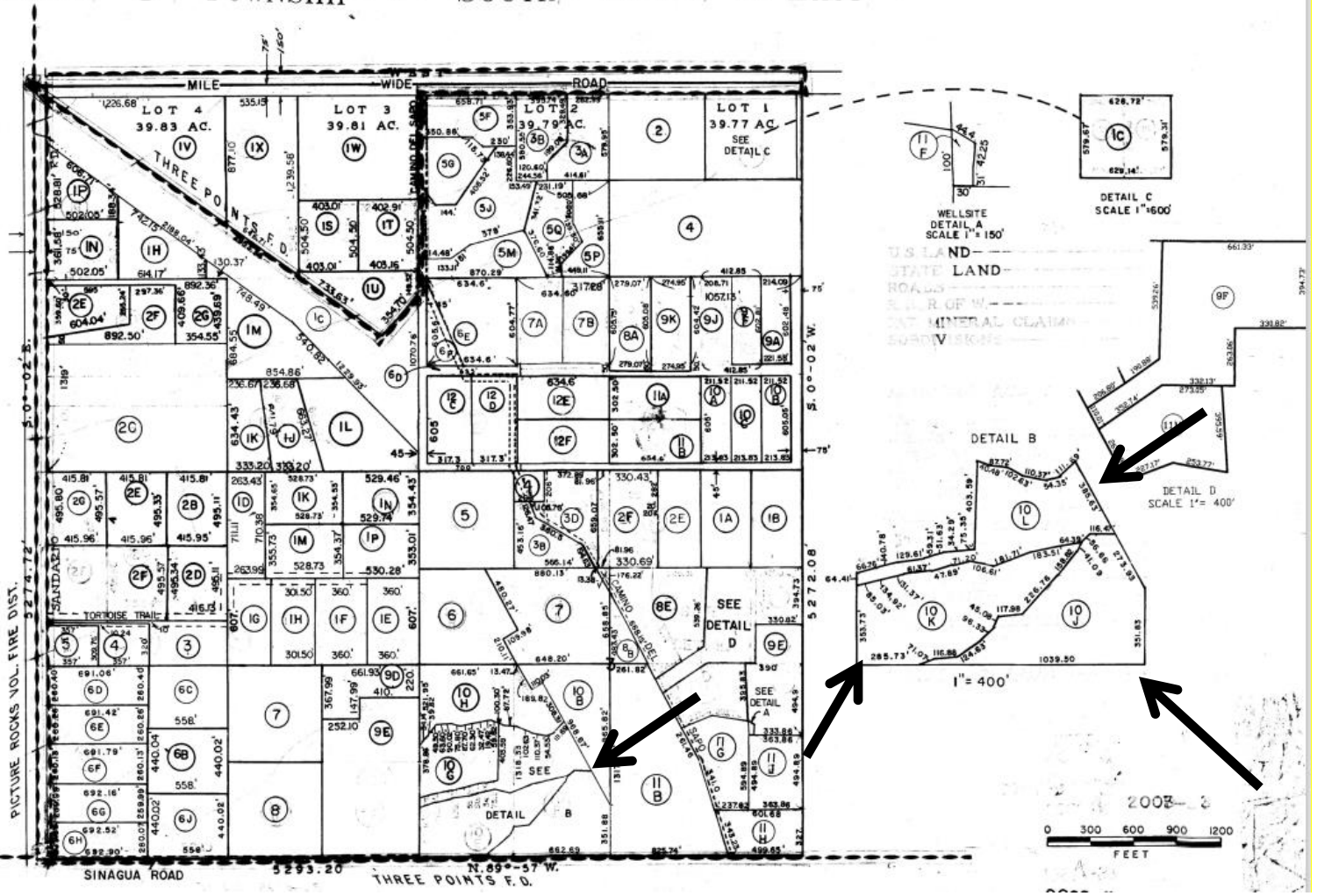
211-04 NE4  
211-05 NW4  
211-06 SW4  
211-07 SE4

SECTION 3 TOWNSHIP 14 SOUTH RANGE 11 EAST

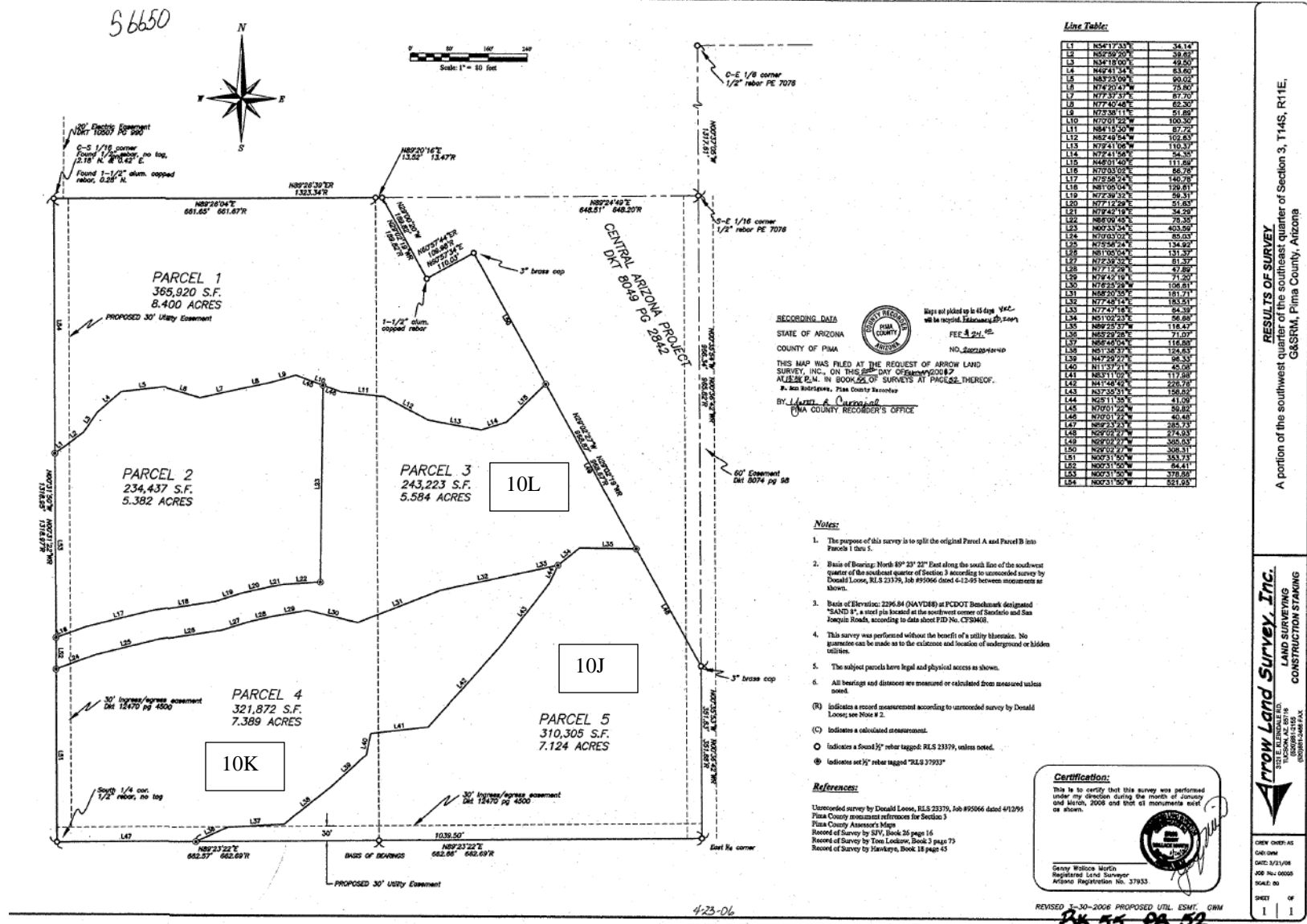


(FORM. 204-71)  
-32

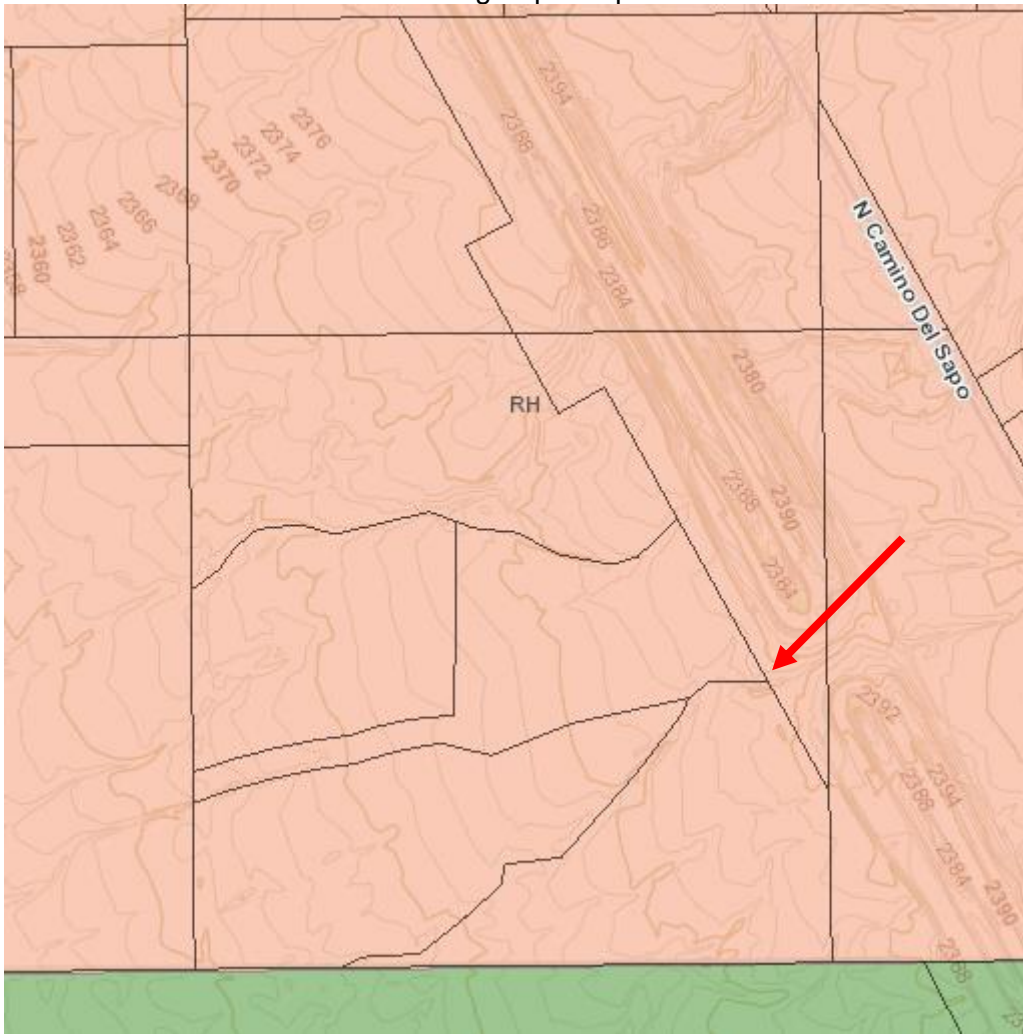
PROJECT  
PHASE TWO



Survey



Zoning/Topo Map

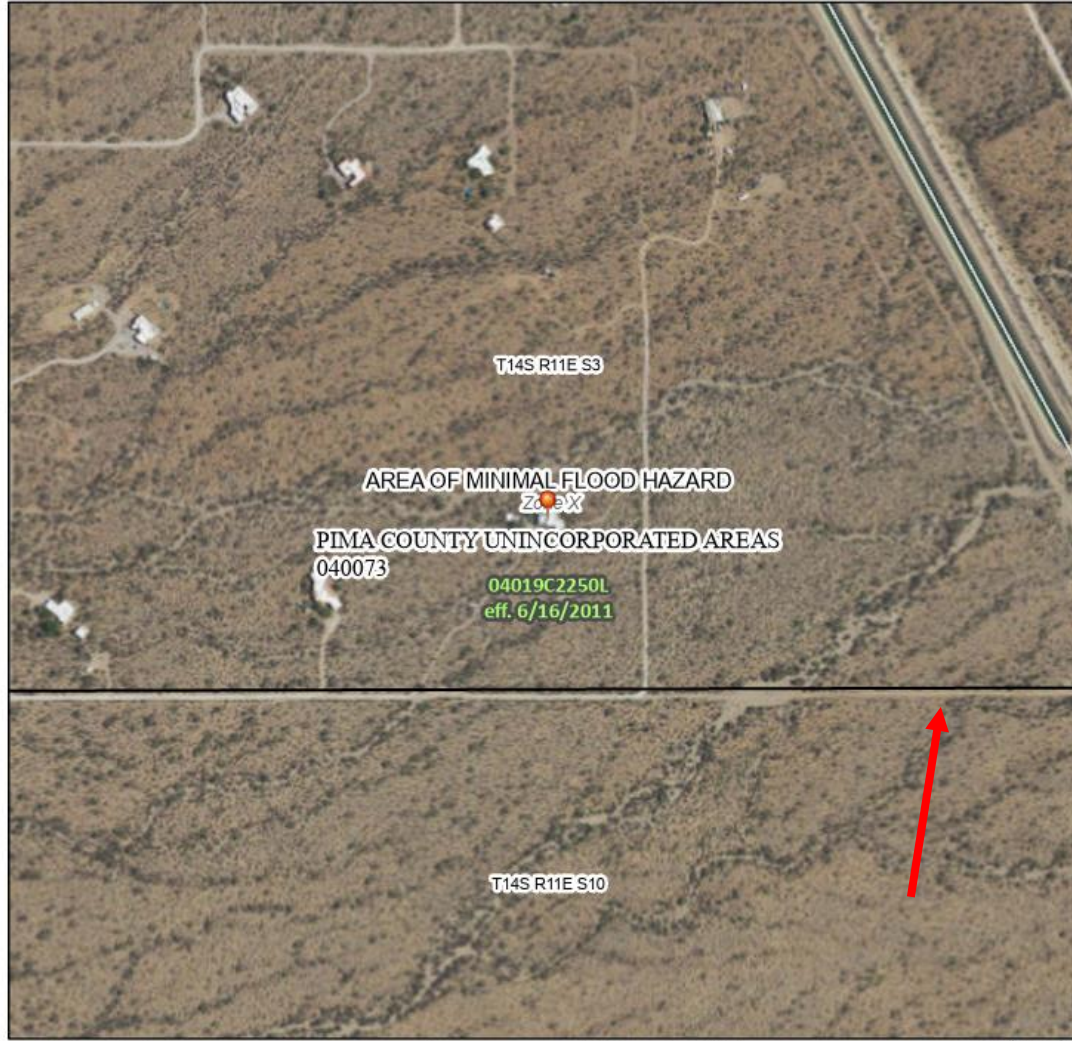


FEMA Flood Map

National Flood Hazard Layer FIRMette



111°12'56"W 32°14'22"N



**Legend**

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

- SPECIAL FLOOD HAZARD AREAS**
  - Without Base Flood Elevation (BFE) Zone A, V, A99
  - With BFE or Depth Zone AE, AO, AH, VE, AR
  - Regulatory Floodway
  
- OTHER AREAS OF FLOOD HAZARD**
  - 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
  - Future Conditions 1% Annual Chance Flood Hazard Zone X
  - Area with Reduced Flood Risk due to Levee. See Notes, Zone X
  - Area with Flood Risk due to Levee Zone D
  
- OTHER AREAS**
  - NO SCREEN Area of Minimal Flood Hazard Zone X
  - Effective LOMRs
  - Area of Undetermined Flood Hazard Zone D
  
- GENERAL STRUCTURES**
  - Channel, Culvert, or Storm Sewer
  - Levee, Dike, or Floodwall
  
- OTHER FEATURES**
  - 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
  - 17.8 Coastal Transect
  - Base Flood Elevation Line (BFE)
  - Limit of Study
  - Jurisdiction Boundary
  - Coastal Transect Baseline
  - Profile Baseline
  - Hydrographic Feature
  
- MAP PANELS**
  - Digital Data Available
  - No Digital Data Available
  - Unmapped

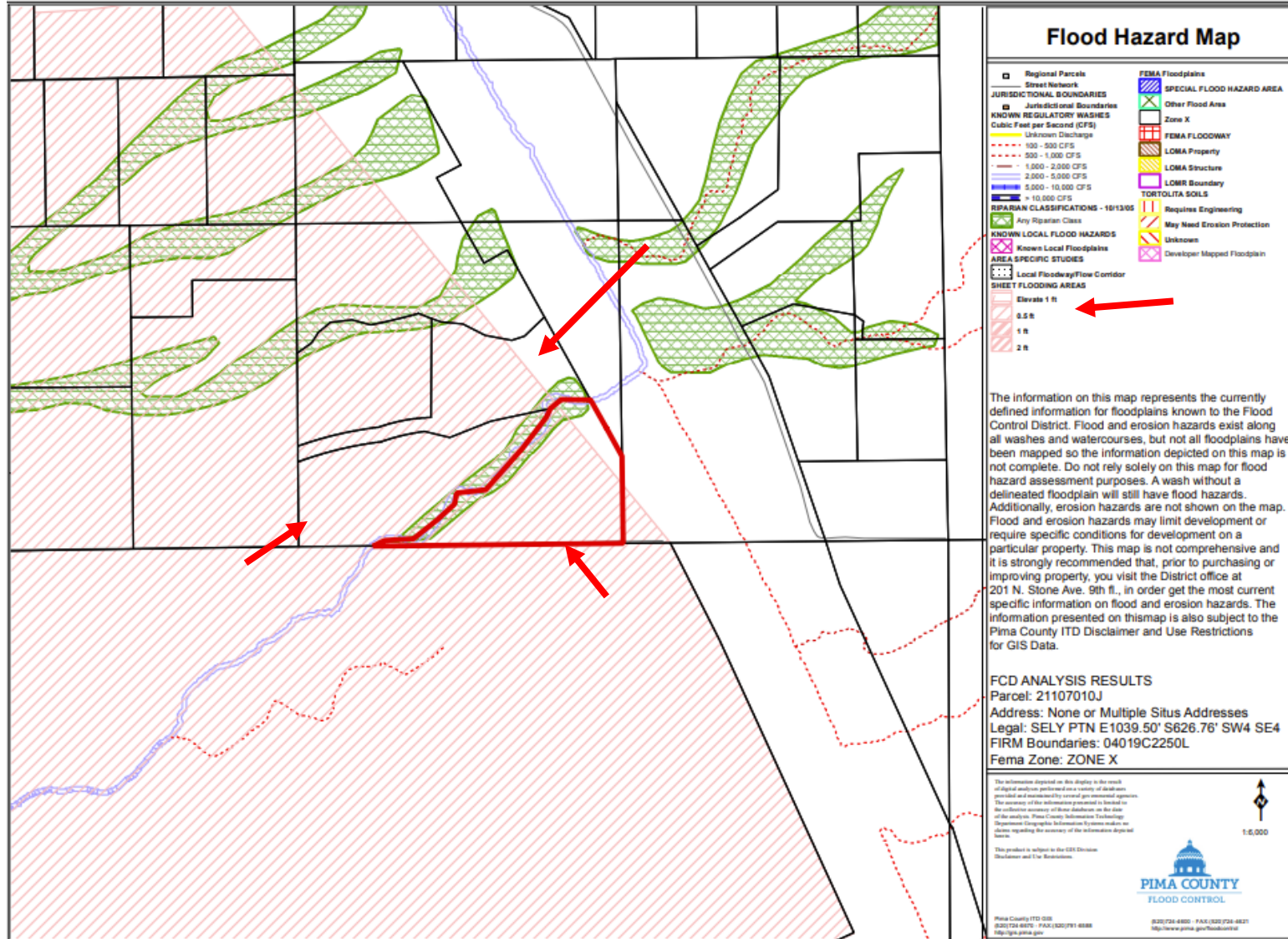
This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 4/23/2022 at 8:08 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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



RFCD Flood Map



Saturday, April 23, 2022

**TITLE REPORT (Select Portions; 211-07-010J)**

**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE A**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

*Transaction Identification Data for reference only:*

Issuing Agent: Stewart Title & Trust of Tucson  
Issuing Office: 3939 E. Broadway Blvd, Tucson, AZ 85711 (520) 327-7373  
Issuing Office's ALTA® Registry ID:  
Loan ID Number:  
Commitment Number: 1646099  
Issuing Office File Number: 1646099  
Property Address: no site address, Tucson, AZ 85743  
Revision Number:

Title Officer: Jenny Monahan  
Escrow Officer: Paula Woodard

1. Commitment Date: March 21, 2022 at 8:00AM
2. Policy to be issued: Proposed Policy Amount  
  - (a) ALTA Owner's Standard  
Proposed Insured: Pima County, a political subdivision of the State of Arizona
  - (b) ALTA Loan  
Proposed Insured: N/A
3. The estate or interest in the Land described or referred to in this Commitment is:  
FEE
4. The Title is, at the Commitment Date, vested in:  
The Nature Conservancy, a District of Columbia non-profit corporation
5. The Land is described as follows:  
See Exhibit "A" Attached Hereto
6. The Deed of Trust to be insured and the assignments thereof, if any are described as follows:  
N/A

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File No.: 1646099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 1 of 8



**ALTA COMMITMENT FOR TITLE INSURANCE  
EXHIBIT(S)**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

**EXHIBIT "A"  
LEGAL DESCRIPTION**

File No.: 1646099

Parcel 1:

Parcel 5 shown on Survey recorded in Book 55 of Survey Maps, page 52 situate in a portion of the Southwest Quarter of the Southeast Quarter of Section 3, Township 14 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

Parcel 2:

A 30.00 foot easement for ingress and egress as described in Docket 10032 at page 3084 and in Docket 11279 at page 1302 records of the Pima County Recorder's Office, Pima County, Arizona.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

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## ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART I

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

File No.: 1646099

### Requirements

The County Recorder may not accept documents for recording which do not comply with Arizona Revised Statutes 11-480 which, among other things, requires the following:

- a. Print must be ten-point type (pica) or larger.
- b. Margins of at least one-half inch along the left and right sides, one-half inch across the bottom, and on the first page at least two inches on top for recording and return address information.  
NOTE: Nothing must be contained in the margin areas, including initials)
- c. Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

Due to changes in Arizona Revised Statutes the County Recorder may not accept for recording any documents containing any more than five numbers that are reasonably identifiable as being part of an individual's Social Security Number, Credit Card, Charge Card or Debit Card Numbers, Retirement Account Numbers, Savings, Checking or Securities Entitlement Account Numbers.

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. PAY Second Installment 2021 taxes, Parcel No. 211-07-010J.
6. The Company requires a copy of the LEGAL DESCRIPTION AND BOUNDARY SURVEY (if different than what is disclosed in Exhibit A of Schedule A herein) for review and approval NO LATER THAN 48 HOURS prior to recording the transaction to be insured herein. THE RIGHT IS RESERVED to make additional exceptions or requirements upon review of the information provided.
7. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation(s), please contact the Title Department immediately for further review prior to closing. The captioned property appears to be free and clear of liens and encumbrances, please verify with a written Affidavit of No Open Deeds of Trust of Mortgages.
8. THE RIGHT IS RESERVED by the Company to make additional exceptions and/or requirements should additional information be provided that changes or modifies the proposed transaction beyond the scope of that defined by Schedule A of this Commitment for Title Insurance.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.*

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File No.: 1646099

ALTA Commitment For Title Insurance 8-1-18 (4-2-18)

Page 3 of 8



## ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART I

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

9. FURNISH currently certified copy of a Resolution of the Board of Directors of The Nature Conservancy, a District of Columbia non-profit corporation, authorizing the execution and delivery by the proper officers of all instruments required to consummate this transaction. Said certification must be by an officer other than the officer(s) authorized to sign and must state that the Resolution has not been revoked.
10. RECORD Deed from The Nature Conservancy, a District of Columbia non-profit corporation to Pima County, a political subdivision of the State of Arizona.

COMPLIANCE with A.R.S. 11-1133, which states that an affidavit must be completed by a seller and a buyer and appended to a deed or contract for the sale of real estate which is presented for recording. Pursuant to A.R.S. 1134 A & B, the affidavit and fee required by this article may not apply to certain deeds and/or transfers of title. If a document is exempt, the Exemption Code must appear on the face of the document.

NOTE: The Company hereby informs the parties that it has not made a determination of whether or not this transaction is subject to the provisions of A.R.S. 11-806.03 entitled "Land divisions; disclosure affidavit; recording" and A.R.S. 11-809 entitled "Review of land divisions; definitions". It will be the responsibility of the parties to make this determination; therefore, the Company assumes no liability with respect to these matters.

PLEASE NOTE: Copies of supporting documents are hyperlinked into the title commitment. Please scroll through Requirements, Exceptions and Notes after the Title Requirements. Look for the underlined words colored in blue. Click on said blue words, if a new window opens up, click on the open button, otherwise the document will appear.

### TAX STATUS NOTE:

Year: 2021  
Parcel Number: [211-07-010J](#)  
Total Amount: \$1493.48  
First half: PAID  
Second half: \$746.74

(Property tax notices are mailed on or about September 1st for the tax year due. First half taxes are due October 1st of the tax year shown and delinquent November 1st of that same year. Second half taxes are due March 1st of the following year and delinquent May 1st of the following year.)

Escrow personnel MUST verify any delinquent taxes information with the Pima County Treasurer's office.

### [ASSESSOR MAP](#)

### STREET ADDRESS NOTE:

According to the Pima County Assessor's Office, the purported street address of the subject property is disclosed as follows: no site address, Tucson, AZ 85743

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.*

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File No.: 1646099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

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## ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART I

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

This information is provided as a courtesy, and no liability is assumed as to its accuracy. If no address is shown, it means the Assessor does not disclose one.

### CHAIN OF TITLE (24 month) VESTING NOTE:

The subject property is currently vested in the party(ies) shown in Schedule A, Paragraph 4, by instrument recorded November 26, 2018, in Sequence No. [2018-3300588](#), records of Pima County, Arizona.

NOTE: This transaction does not qualify for a short term Re-Issue Rate.

### POLICY NOTE:

Unless specified otherwise on Schedule A, ALTA 2006 coverage policy(s) will be issued in connection with this transaction.

### WIRING NOTE:

Arizona Revised Statutes Section 6-483 regulates the disbursement of funds by escrow agents. Funds received by via wire transfer may be disbursed upon receipt. Other types of payments may delay closing of your transaction. You should contact your escrow officer directly to obtain wiring instructions.

### SEARCH NOTE:

All searches required pursuant to issuance of this commitment for title insurance were performed through a dedicated title plant, including a search of the geographically posted indices affecting the subject real property and any matters disclosed in the general index relating to the parties being insured herein. Accordingly those matters, if any, are shown herein.

### LENDER NOTE (Only applies to Purchase Money Loans):

The name(s) of the proposed buyers in this transaction has (have) not been searched in the public records and this commitment does not reflect matters such as liens, proceedings or decrees, which do not specifically describe the land which is referred to in this commitment. If any do exist, they may affect the title or impose liens or encumbrances upon the land herein described.

Any loan policy issued pursuant to the terms hereof that insures the loan securing a purchase money obligation on residential property will insure that such matters, if any, are subordinate to the lien being insured herein.

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File No.: 1646099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

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## ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

### Exceptions

File No.: 1646099

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

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

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

3. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
4. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
  - (a) Unpatented mining claims;
  - (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
  - (c) water rights, claims or title to water.
6. Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule A, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.
7. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
8. Taxes and assessments collectible by the County Treasurer, not yet due and payable for the year 2022.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

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## ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

9. Any action by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.
10. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.
11. Reservations contained in Patent from the United States of America, recorded in [Docket 1344, Page 2](#).
12. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.
13. Liabilities and obligations imposed upon said land by reason of its inclusion within Three Points Fire District.
14. Easement for ingress, egress and utilities, and rights incident thereto, as set forth in instruments recorded in [Docket 1112, Page 88](#); [Docket 5513, Page 43](#); Docket 6276, Pages [419](#) and [420](#).
15. Easement for and rights incident thereto, as set forth in instrument recorded in [Docket 4459, Page 835](#).
16. Easement for roadway and rights incident thereto, as set forth in instrument recorded in [Docket 8049, Page 2837](#).
17. Any matters arising, if any, from said land abutting the boundary of the Tucson Aqueduct, set forth by Deed to the United States of America recorded in [Docket 8062 at page 1870](#) and by Declaration of Taking recorded in [Docket 8074 at page 97](#).
18. Easement for access road and utilities, and rights incident thereto, as set forth in [Docket 9497, Page 269](#).
19. Board of Supervisors Memorandum - Request to Name Street or Easement regarding Camino del Sapo, as set forth in [Docket 9987, Page 448](#).
20. Easement for ingress and egress and rights incident thereto, as set forth in instrument recorded in [Docket 10032, Page 3084](#) and [Docket 10292, Page 1011](#).
21. Matters shown on surveys recorded in [Book 55 of Record of Survey, Page 52](#) and [Docket 12776, Page 134](#).
22. Easement for ingress and egress and rights incident thereto, as set forth in instrument recorded in [Docket 12470, Page 4500](#).

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File No.: 1646099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 7 of 8





**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART II**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

23. Restrictions, Conditions, Covenants, Reservations, including but not limited to any recitals creating easements, liabilities, obligations or party walls, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin contained in instrument recorded in [Docket 12801, Page 1506](#).

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File No.: 1646099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 8 of 8



**TITLE REPORT (Select Portions; 211-07-010K)**

**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE A**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

*Transaction Identification Data for reference only:*

Issuing Agent: Stewart Title & Trust of Tucson  
Issuing Office: 3939 E. Broadway Blvd, Tucson, AZ 85711 (520) 327-7373  
Issuing Office's ALTA® Registry ID:  
Loan ID Number:  
Commitment Number: 1646149  
Issuing Office File Number: 1646149  
Property Address: no site address, Tucson, AZ 85743  
Revision Number:

Title Officer: Jenny Monahan  
Escrow Officer: Paula Woodard

1. Commitment Date: March 21, 2022 at 8:00AM
2. Policy to be issued: Proposed Policy Amount
  - (a) ALTA Owner's Standard  
Proposed Insured: Pima County, a political subdivision of the State of Arizona
  - (b) ALTA Loan  
Proposed Insured: N/A
3. The estate or interest in the Land described or referred to in this Commitment is:  
FEE
4. The Title is, at the Commitment Date, vested in:  
The Nature Conservancy, a District of Columbia non-profit corporation
5. The Land is described as follows:  
See Exhibit "A" Attached Hereto
6. The Deed of Trust to be insured and the assignments thereof, if any are described as follows:  
N/A

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File No.: 1646149

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 1 of 8



**ALTA COMMITMENT FOR TITLE INSURANCE  
EXHIBIT(S)**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

**EXHIBIT "A"  
LEGAL DESCRIPTION**

File No.: 1646149

PARCEL 1:

Parcel 4 shown on Survey recorded in Book 55 of Survey Maps, page 52 situate in a portion of the Southwest Quarter of the Southeast Quarter of Section 3, Township 14 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

PARCEL 2:

A 30.00 foot easement for ingress and egress as described in Docket 10032 at page 3084 and in Docket 11279 at page 1302 records of the Pima County Recorder's Office, Pima County, Arizona.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

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**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART I**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

File No.: 1646149

**Requirements**

The County Recorder may not accept documents for recording which do not comply with Arizona Revised Statutes 11-480 which, among other things, requires the following:

- a. Print must be ten-point type (pica) or larger.
- b. Margins of at least one-half inch along the left and right sides, one-half inch across the bottom, and on the first page at least two inches on top for recording and return address information.  
NOTE: Nothing must be contained in the margin areas, including initials)
- c. Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

Due to changes in Arizona Revised Statutes the County Recorder may not accept for recording any documents containing any more than five numbers that are reasonably identifiable as being part of an individual's Social Security Number, Credit Card, Charge Card or Debit Card Numbers, Retirement Account Numbers, Savings, Checking or Securities Entitlement Account Numbers.

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. PAY Second Installment 2021 taxes, now due, Parcel No. 211-07-010K.
6. The Company requires a copy of the LEGAL DESCRIPTION AND BOUNDARY SURVEY (if different than what is disclosed in Exhibit A of Schedule A herein) for review and approval NO LATER THAN 48 HOURS prior to recording the transaction to be insured herein. THE RIGHT IS RESERVED to make additional exceptions or requirements upon review of the information provided.
7. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation(s), please contact the Title Department immediately for further review prior to closing. The captioned property appears to be free and clear of liens and encumbrances, please verify with a written Affidavit of No Open Deeds of Trust of Mortgages.
8. THE RIGHT IS RESERVED by the Company to make additional exceptions and/or requirements should additional information be provided that changes or modifies the proposed transaction beyond the scope of that defined by Schedule A of this Commitment for Title Insurance.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 3 of 8



**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART I**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

9. FURNISH currently certified copy of a Resolution of the Board of Directors of The Nature Conservancy, a District of Columbia non-profit corporation, authorizing the execution and delivery by the proper officers of all instruments required to consummate this transaction. Said certification must be by an officer other than the officer(s) authorized to sign and must state that the Resolution has not been revoked.
10. RECORD Deed from The Nature Conservancy, a District of Columbia non-profit corporation to Pima County, a political subdivision of the State of Arizona.

COMPLIANCE with A.R.S. 11-1133, which states that an affidavit must be completed by a seller and a buyer and appended to a deed or contract for the sale of real estate which is presented for recording. Pursuant to A.R.S. 1134 A & B, the affidavit and fee required by this article may not apply to certain deeds and/or transfers of title. If a document is exempt, the Exemption Code must appear on the face of the document.

NOTE: The Company hereby informs the parties that it has not made a determination of whether or not this transaction is subject to the provisions of A.R.S. 11-806.03 entitled "Land divisions; disclosure affidavit; recording" and A.R.S. 11-809 entitled "Review of land divisions; definitions". It will be the responsibility of the parties to make this determination; therefore, the Company assumes no liability with respect to these matters.

PLEASE NOTE: Copies of supporting documents are hyperlinked into the title commitment. Please scroll through Requirements, Exceptions and Notes after the Title Requirements. Look for the underlined words colored in blue. Click on said blue words, if a new window opens up, click on the open button, otherwise the document will appear.

**TAX STATUS NOTE:**

Year: 2021  
Parcel Number: [211-07-010K](#)  
Total Amount: \$1550.26  
First half: PAID  
Second half: \$775.13

(Property tax notices are mailed on or about September 1st for the tax year due. First half taxes are due October 1st of the tax year shown and delinquent November 1st of that same year. Second half taxes are due March 1st of the following year and delinquent May 1st of the following year.)

Escrow personnel MUST verify any delinquent taxes information with the Pima County Treasurer's office.

[ASSESSOR MAP](#)

**STREET ADDRESS NOTE:**

According to the Pima County Assessor's Office, the purported street address of the subject property

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

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**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART I**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

is disclosed as follows: no site address, Tucson, AZ 85743

This information is provided as a courtesy, and no liability is assumed as to its accuracy. If no address is shown, it means the Assessor does not disclose one.

**CHAIN OF TITLE (24 month) VESTING NOTE:**

The subject property is currently vested in the party(ies) shown in Schedule A, Paragraph 4, by instrument recorded November 26, 2018, in Sequence No. [2018-3300588](#), records of Pima County, Arizona.

NOTE: This transaction does not qualify for a short term Re-Issue Rate.

**POLICY NOTE:**

Unless specified otherwise on Schedule A, ALTA 2006 coverage policy(s) will be issued in connection with this transaction.

**WIRING NOTE:**

Arizona Revised Statutes Section 6-483 regulates the disbursement of funds by escrow agents. Funds received by via wire transfer may be disbursed upon receipt. Other types of payments may delay closing of your transaction. You should contact your escrow officer directly to obtain wiring instructions.

**SEARCH NOTE:**

All searches required pursuant to issuance of this commitment for title insurance were performed through a dedicated title plant, including a search of the geographically posted indices affecting the subject real property and any matters disclosed in the general index relating to the parties being insured herein. Accordingly those matters, if any, are shown herein.

**LENDER NOTE (Only applies to Purchase Money Loans):**

The name(s) of the proposed buyers in this transaction has (have) not been searched in the public records and this commitment does not reflect matters such as liens, proceedings or decrees, which do not specifically describe the land which is referred to in this commitment. If any do exist, they may affect the title or impose liens or encumbrances upon the land herein described.

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File No.: 1646149

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

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**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART II**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

**Exceptions**

File No.: 1646149

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

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

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
3. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
4. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.  
(a) Unpatented mining claims;  
(b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;  
(c) water rights, claims or title to water.
6. Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule A, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.
7. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
8. Taxes and assessments collectible by the County Treasurer, not yet due and payable for the year 2022.

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**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART II**

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STEWART TITLE GUARANTY COMPANY

9. Any action by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.
10. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.
11. Reservations contained in Patent from the United States of America, recorded in [Docket 1344, Page 2](#).
12. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.
13. Liabilities and obligations imposed upon said land by reason of its inclusion within Three Points Fire District.
14. Easement for ingress, egress and utilities, and rights incident thereto, as set forth in instruments recorded in [Docket 1112, Page 88](#); [Docket 5513, Page 43](#); Docket 6276, Pages [419](#) and [420](#).
15. Easement for and rights incident thereto, as set forth in instrument recorded in [Docket 4459, Page 835](#).
16. Easement for roadway and rights incident thereto, as set forth in instrument recorded in [Docket 8049, Page 2837](#).
17. Any matters arising, if any, from said land abutting the boundary of the Tucson Aqueduct, set forth by Deed to the United States of America recorded in [Docket 8062 at page 1870](#) and by Declaration of Taking recorded in [Docket 8074 at page 97](#).
18. Easement for access road and utilities, and rights incident thereto, as set forth in [Docket 9497, Page 269](#).
19. Board of Supervisors Memorandum - Request to Name Street or Easement regarding Camino del Sapo, as set forth in [Docket 9987, Page 448](#).
20. Easement for ingress and egress and rights incident thereto, as set forth in instrument recorded in [Docket 10032, Page 3084](#) and [Docket 10292, Page 1011](#).
21. Matters shown on surveys recorded in [Book 55 of Record of Survey, Page 52](#) and [Docket 12776, Page 134](#).
22. Easement for ingress and egress and rights incident thereto, as set forth in instrument recorded in [Docket 12470, Page 4500](#).

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**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART II**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

23. Restrictions, Conditions, Covenants, Reservations, including but not limited to any recitals creating easements, liabilities, obligations or party walls, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin contained in instrument recorded in [Docket 12801, Page 1506](#).

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**TITLE REPORT (Select Portions; 211-07-010L)**

**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE A**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

*Transaction Identification Data for reference only:*

Issuing Agent: Stewart Title & Trust of Tucson  
Issuing Office: 3939 E. Broadway Blvd, Tucson, AZ 85711 (520) 327-7373  
Issuing Office's ALTA® Registry ID:  
Loan ID Number:  
Commitment Number: 1646193  
Issuing Office File Number: 1646193  
Property Address: no site address, Tucson, AZ 85743  
Revision Number:

Title Officer: Jenny Monahan  
Escrow Officer: Paula Woodard

1. Commitment Date: March 23, 2022 at 8:00AM
2. Policy to be issued: Proposed Policy Amount
  - (a) ALTA Owner's Standard  
Proposed Insured: Pima County, a political subdivision of the State of Arizona
  - (b) ALTA Loan  
Proposed Insured: N/A
3. The estate or interest in the Land described or referred to in this Commitment is:  
FEE/EASEMENT
4. The Title is, at the Commitment Date, vested in:  
The Nature Conservancy, a District of Columbia non-profit corporation
5. The Land is described as follows:  
See Exhibit "A" Attached Hereto
6. The Deed of Trust to be insured and the assignments thereof, if any are described as follows:  
N/A

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**ALTA COMMITMENT FOR TITLE INSURANCE  
EXHIBIT(S)**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

**EXHIBIT "A"  
LEGAL DESCRIPTION**

File No.: 1646193

PARCEL 1:

Parcel 3 shown on Survey recorded in Book 55 of Survey Maps, page 52 situate in a portion of the Southwest Quarter of the Southeast Quarter of Section 3, Township 14 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

PARCEL 2:

A 30.00 foot easement for ingress and egress as described in Docket 10032 at page 3084 and in Docket 11279 at page 1302 records of the Pima County Recorder's Office, Pima County, Arizona.

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**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART I**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

File No.: 1646193

**Requirements**

The County Recorder may not accept documents for recording which do not comply with Arizona Revised Statutes 11-480 which, among other things, requires the following:

- a. Print must be ten-point type (pica) or larger.
- b. Margins of at least one-half inch along the left and right sides, one-half inch across the bottom, and on the first page at least two inches on top for recording and return address information.  
NOTE: Nothing must be contained in the margin areas, including initials)
- c. Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

Due to changes in Arizona Revised Statutes the County Recorder may not accept for recording any documents containing any more than five numbers that are reasonably identifiable as being part of an individual's Social Security Number, Credit Card, Charge Card or Debit Card Numbers, Retirement Account Numbers, Savings, Checking or Securities Entitlement Account Numbers.

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. PAY Second Installment 2021 taxes, now due, Parcel No. 211-07-010L.
6. The Company requires a copy of the LEGAL DESCRIPTION AND BOUNDARY SURVEY (if different than what is disclosed in Exhibit A of Schedule A herein) for review and approval NO LATER THAN 48 HOURS prior to recording the transaction to be insured herein. THE RIGHT IS RESERVED to make additional exceptions or requirements upon review of the information provided.
7. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation(s), please contact the Title Department immediately for further review prior to closing. The captioned property appears to be free and clear of liens and encumbrances, please verify with a written Affidavit of No Open Deeds of Trust or Mortgages.
8. THE RIGHT IS RESERVED by the Company to make additional exceptions and/or requirements should additional information be provided that changes or modifies the proposed transaction beyond the scope of that defined by Schedule A of this Commitment for Title Insurance.

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**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART I**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

9. FURNISH currently certified copy of a Resolution of the Board of Directors of The Nature Conservancy, a District of Columbia non-profit corporation, authorizing the execution and delivery by the proper officers of all instruments required to consummate this transaction. Said certification must be by an officer other than the officer(s) authorized to sign and must state that the Resolution has not been revoked.
10. RECORD Deed from The Nature Conservancy, a District of Columbia non-profit corporation to Pima County, a political subdivision of the State of Arizona.

COMPLIANCE with A.R.S. 11-1133, which states that an affidavit must be completed by a seller and a buyer and appended to a deed or contract for the sale of real estate which is presented for recording. Pursuant to A.R.S. 1134 A & B, the affidavit and fee required by this article may not apply to certain deeds and/or transfers of title. If a document is exempt, the Exemption Code must appear on the face of the document.

NOTE: The Company hereby informs the parties that it has not made a determination of whether or not this transaction is subject to the provisions of A.R.S. 11-806.03 entitled "Land divisions; disclosure affidavit; recording" and A.R.S. 11-809 entitled "Review of land divisions; definitions". It will be the responsibility of the parties to make this determination; therefore, the Company assumes no liability with respect to these matters.

PLEASE NOTE: Copies of supporting documents are hyperlinked into the title commitment. Please scroll through Requirements, Exceptions and Notes after the Title Requirements. Look for the underlined words colored in blue. Click on said blue words, if a new window opens up, click on the open button, otherwise the document will appear.

**TAX STATUS NOTE:**

Year: 2021  
Parcel Number: [211-07-010L](#)  
Total Amount: \$1277.01  
First half: PAID  
Second half: \$638.50

(Property tax notices are mailed on or about September 1st for the tax year due. First half taxes are due October 1st of the tax year shown and delinquent November 1st of that same year. Second half taxes are due March 1st of the following year and delinquent May 1st of the following year.)

Escrow personnel MUST verify any delinquent taxes information with the Pima County Treasurer's office.

[ASSESSOR MAP](#)

**STREET ADDRESS NOTE:**

According to the Pima County Assessor's Office, the purported street address of the subject property is disclosed as follows: no site address, Tucson, AZ 85743

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**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART I**

ISSUED BY  
STEWART TITLE GUARANTY COMPANY

This information is provided as a courtesy, and no liability is assumed as to its accuracy. If no address is shown, it means the Assessor does not disclose one.

**CHAIN OF TITLE (24 month) VESTING NOTE:**

The subject property is currently vested in the party(ies) shown in Schedule A, Paragraph 4, by instrument recorded November 26, 2018, in Sequence No. [2018-3300588](#), records of Pima County, Arizona.

NOTE: This transaction does not qualify for a short term Re-Issue Rate.

**POLICY NOTE:**

Unless specified otherwise on Schedule A, ALTA 2006 coverage policy(s) will be issued in connection with this transaction.

**WIRING NOTE:**

Arizona Revised Statutes Section 6-483 regulates the disbursement of funds by escrow agents. Funds received by via wire transfer may be disbursed upon receipt. Other types of payments may delay closing of your transaction. You should contact your escrow officer directly to obtain wiring instructions.

**SEARCH NOTE:**

All searches required pursuant to issuance of this commitment for title insurance were performed through a dedicated title plant, including a search of the geographically posted indices affecting the subject real property and any matters disclosed in the general index relating to the parties being insured herein. Accordingly those matters, if any, are shown herein.

**LENDER NOTE (Only applies to Purchase Money Loans):**

The name(s) of the proposed buyers in this transaction has (have) not been searched in the public records and this commitment does not reflect matters such as liens, proceedings or decrees, which do not specifically describe the land which is referred to in this commitment. If any do exist, they may affect the title or impose liens or encumbrances upon the land herein described.

Any loan policy issued pursuant to the terms hereof that insures the loan securing a purchase money obligation on residential property will insure that such matters, if any, are subordinate to the lien being insured herein.

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**ALTA COMMITMENT FOR TITLE INSURANCE  
SCHEDULE B PART II**

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**Exceptions**

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2. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
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  - (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
  - (c) water rights, claims or title to water.
6. Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule A, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.
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13. Liabilities and obligations imposed upon said land by reason of its inclusion within Three Points Fire District.
14. Easement for ingress, egress and utilities, and rights incident thereto, as set forth in instruments recorded in [Docket 1112, Page 88](#); [Docket 5513, Page 43](#); Docket 6276, Pages [419](#) and [420](#).
15. Easement for and rights incident thereto, as set forth in instrument recorded in [Docket 4459, Page 835](#).
16. Easement for roadway and rights incident thereto, as set forth in instrument recorded in [Docket 8049, Page 2837](#) and [Docket 8164, Page 1329](#).
17. Any matters arising, if any, from said land abutting the boundary of the Tucson Aqueduct, set forth by Deed to the United States of America recorded in [Docket 8062 at page 1870](#) and by Declaration of Taking recorded in [Docket 8074 at page 97](#).
18. Easement for access road and utilities, and rights incident thereto, as set forth in [Docket 9497, Page 269](#).
19. Easement for ingress and egress and rights incident thereto, as set forth in instrument recorded in [Docket 10032, Page 3084](#), [Docket 11279 at page 1302](#) and [Docket 10292, Page 1011](#).
20. Matters shown on surveys recorded in [Book 55 of Record of Survey, Page 52](#) and [Docket 12776, Page 134](#).
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indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap,  
familial status or national origin contained in instrument recorded in [Docket 12801, Page 1506](#).

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

## EDUCATION

### Academic

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

Valuation

#### Appraisal Courses and Examinations:

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

#### Appraisal Seminars

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

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

## **EXPERIENCE**

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

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

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

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

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

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

### **1986-1993:**

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

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

### **1979-1986:**

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

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

## **PROPERTIES**

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

## **COMPUTERS**

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

### **PROFESSIONAL AFFILIATIONS**

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

### **GEOGRAPHIC WORK**

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

### **EXPERT WITNESS EXPERIENCE**

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

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

### **SPECIAL PROJECTS**

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

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

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

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