

**PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING**

Appraisal Service, Litigation Support, Counseling  
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**COVER PAGE**

**APPRAISAL REPORT**

**Opinion of Value of  
An Undeveloped Site, Parcel 1 of Belnor Vista II,  
South of Valencia, west of Camino De La Tierra,  
Tucson, AZ  
Pima County, 85746**

**As Of August 10, 2023**

**Owner: Pima County  
Tax Parcel: 138-49-2640, now part of 138-49-267 (Block III)  
Sec 17, T15S, R13E**

*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**

Assignment Reference 2023278

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Letter of Transmittal

August 14, 2023

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

Re: Opinion of value, unimproved site known as Parcel 1, Belnor Vista II

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

**Problem Identification:** The purpose of the appraisal is to opine market value of the above identified property for potential disposition. Effective date of the appraisal is August 10, 2023, the date of site visit.

**Project Overview:** As indicated above, the Belnor Vista II Final Plat (2007, book 62, maps and plats p53) improvements were never constructed and any/all site improvement plans have since expired. The plat changed ownership several times since 2007 and was ultimately acquired by the Southern Arizona Land Trust, Inc. (SALT). SALT is a local 501 (c)(3) non-profit corporation and a support organization of the Pima County Industrial Authority (IDA). SALT's mission is "To improve the lives of Tucsonans by investing in and revitalizing neighborhoods through the development of quality affordable housing." and it's vision is of "A Tucson where everyone has housing available to them that is a blessing and not a burden." To that end, SALT is committed to providing quality multigenerational housing that is accessible to jobs, multi-modal transportation, education, recreation, commerce. SALT rezoned the property through the processing of the Belnor Vista Specific Plan (P20SP00001) which was approved by the Board of Supervisors on June 2, 2021 and Ordinance 2022-6. In order to begin development of the project in accordance with the Specific Plan and to obtain water service from Tucson Water, it was necessary to process a Block Plat on the property. Belnor Vista Specific Plan envisions the creation of an employment hub with supporting commercial services and housing in the emerging Southwest Growth Area. Situated along a major thoroughfare, this hub will provide convenient employment opportunities and services to the surrounding community. The plan includes two (2) land uses, each uniquely suited to a specific portion of the property. Proposed designations consist of Campus Core and Residential Neighborhood. The scale of new residential development will be generally compatible but more dense than adjacent established areas within the interior of BVSP. New development then transitions to one- and two-story residential along the perimeter where adjacent to existing residences.

**Relevant subject characteristics:** the site, indicated to be 6,582sf, was originally planned (Belnor Vista II Final Plat was recorded in 2007 within Book 62 of Maps and Plats at Page 53) to support the proposed development of a public sewer lift station; subdivision improvements associated with the Belnor Vista II (BVII), project were never constructed and all approvals for such site improvements have since expired. The site is now part of Block III, final plat for Belnor Vista, Blocks 1-5, located south of Valencia Road, Camino De La Tierra. In conjunction with a comprehensive plan amendment, the Belnor Vista Specific Plan (BVSP) received rezoning for the approximately 125-acre property from GR-1 (Rural Residential) and CR-3 (Single Residence Zone) to Specific Plan (SP) with a blend of two

(2) land use designations, Campus Core and Residential Neighborhood. The subject site (Parcel 1 BVII) is now part of Block III of Belnor Vista Blocks I-V and falls under Campus Core (CC) designation. Parcel 1, BVII, is indicated to be FEMA x (minimal flood hazard); with approximately 55.6% erosion hazard setback area (EHSA). As the original intended use for parcel 1 is no longer applicable, the site is considered as it contributes to Block III of Belnor Vista Blocks I-V; block III is indicated to be 22.70 acres, 17.38% FEMA flood zone A and 15.77% EHSA.

My opinion of market value of Parcel 1 as it contributes to Block III, is: \$5,900

Assignment Conditions: No extraordinary assumptions or hypothetical conditions are employed. Please see my limiting conditions and assumptions.

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

Sincerely,



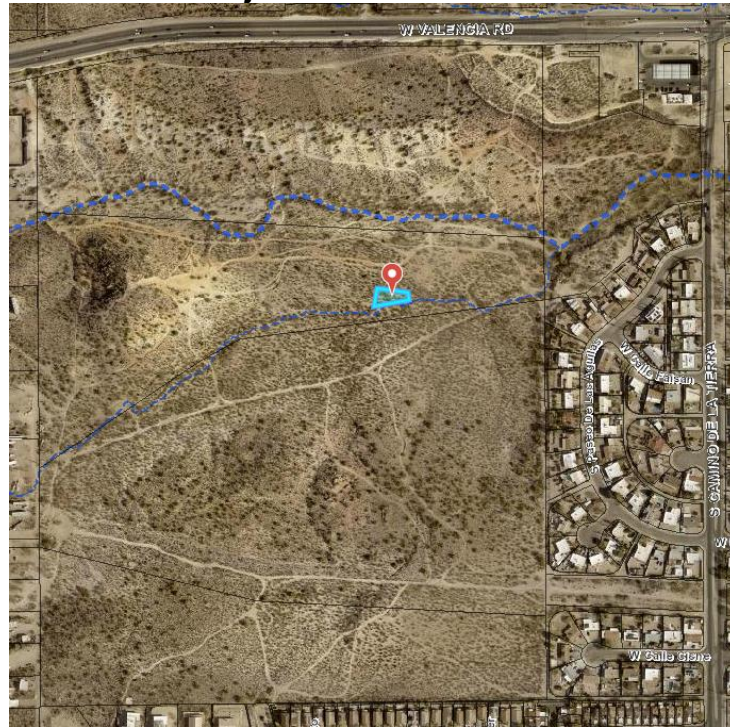
Paul D. Hendricks, MAI

Arizona Certified General Real Estate Appraiser 30197

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### Project Overview Exhibit



(Parcel 1 BVII highlighted above)

Belmor Vista Specific Plan

#### Exhibit I.A.3: Existing Land Uses



Site Inventory 33

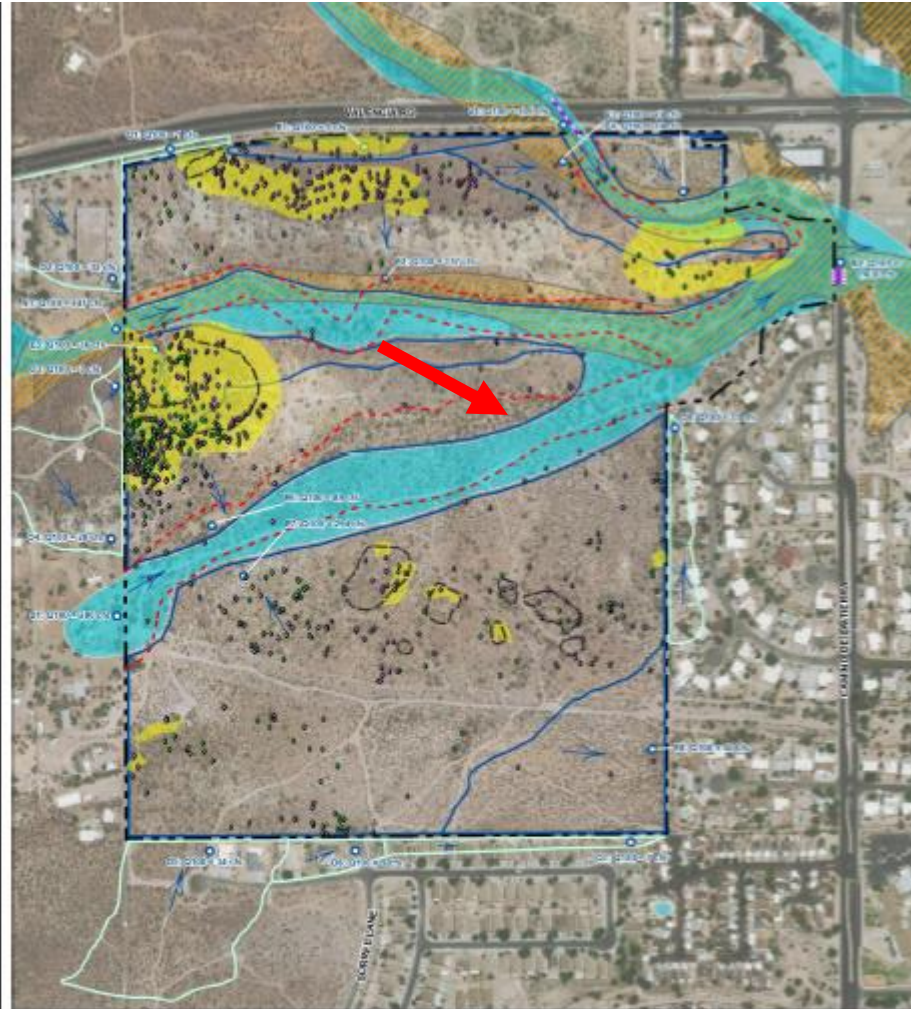


Exhibit 11: Composite Map  
Bajnor Visto Specific Plan

## PREFACE & SUMMARY

APPRAISAL REFERENCE: 2023278 VBII, pcl 1

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, Manager, Pima County Real Property Services.

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; the intended use is for potential disposition.

INTENDED USERS: Pima County, Pima County RPS and /or designated users are the only intended users; however, it is understood that following review and acceptance of this report by client, this report will become public information

SUBJECT CHARACTERISTICS: The site, 6,582sf, was originally intended for a public sewer lift station; BVII was never improved and improvement approvals have since expired. The site is now part of Block III, final plat for Belnor Vista, Blocks 1-5, in a comprehensive plan amendment, the Belnor Vista Specific Plan (BVSP) received rezoning from GR-1 (Rural Residential) and CR-3 (Single Residence Zone) to Specific Plan (SP) with a blend of two (2) land use designations, The subject site (Parcel 1 BVII) is now part of Block III of Belnor Vista Blocks I-V and falls under Campus Core (CC) designation. Parcel 1, BVII, is indicated to be FEMA x (minimal flood hazard); with approximately 55.6% erosion hazard setback area (EHSA). As the original intended use for parcel 1 is no longer applicable, the site is considered as it contributes to Block III of Belnor Vista Blocks I-V; block III is indicated to be 22.70 acres, 17.38% FEMA flood zone A and 15.77% EHSA.

TAX CODE: 138-49-264 (parcel 1), now part of 138-49-267 (BV Block III)

INTEREST CONSIDERED: Fee Simple

HIGHEST AND BEST USE: Investment with eventual development in conjunction with Belnor Vista Specific Plan

OPINION OF VALUE: \$5,900 (Parcel 1 as it contributes to Block III)

Assignment Conditions: No extraordinary assumptions or hypothetical conditions. Please see my limiting conditions and assumptions.

EFFECTIVE DATE OF VALUATION: August 10, 2023; date of site visit.

DATE OF APPRAISAL REPORT: August 14, 2023

TYPE OF APPRAISAL REPORT: Report.

### **PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to opine market value.

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

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

### **INTEREST APPRAISED**

The interests appraised are the fee simple. Fee Simple is 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 1 of Belnor Vista II, per the Final Plat for Belnor Vista II, as recorded in Book 62 of Maps & Plats, at Page 53, Records of Pima County, Arizona, located in the Northwest One-Quarter of Section 17, Township 15 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona..

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

Market Value means, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market
- (4) Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.

Source: Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696, as of Friday, August 24, 1990; CFR Federal Regulation 12 CFR, Part 1608, Uniform Appraisal Instructions to the Appraisers by the RTC, effective September 21, 1990, Title XI FIRREA (1989):

### **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 sale of the fee simple interest, to be approximately 12 to 24 months.

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

The effective date of the appraisal is August 10, 2023, the date of site visit. The transmittal date of the report is August 14, 2023.



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

- The appraiser performed an appraisal process in conformance with the Uniform Standards of Professional Appraisal Practice and Pima County requirements.
- 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, if any.
- Afforded the property owner opportunity to accompany the appraiser on inspection
- Performed an inspection of the property including the market area, the subject site, improvements (if any) and its relevant characteristics
- Reviewed site plat, zoning and flood zone maps indicating physical suitability of the parcel. Reviewed zoning ordinance and market area plans applicable to the subject property.
- Reviewed documents including Presidio Engineering Memorandum and Belnor Vista Specific Plan for descriptions of subject site and surrounding Belnor Vista development.
- Included items required by USPAP in the Addendum of this report.
- 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 and methodology 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 property
- Disregarded (if applicable) any increase or decrease in value due to the announcement of the project *(before the acquisition)*
- Opined the value of site and improvements, and
- Prepared an appraisal report describing my appraisal process, in conformance with the Uniform Standards of Professional Appraisal Practice and Pima County requirements.
- *Any other components of scope including the 7 parameters, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions are considered to be included in/as scope.*

## **OWNER CONTACT FOR INSPECTION**

I was contacted by property owner representative, Jeffrey Teplitsky, Manager, Pima County Real Property Services, who disclosed the property agent (Rita Leon) and noted that she/they did not wish to accompany me on site visit.

## **PROPERTY OWNERSHIP SALES HISTORY**

Ownership of the property is indicated to be Pima County. The Title Commitment indicates no market transactions within the past 5 years; to my knowledge, the site has not been offered for sale on the market over the past year.

## MARKET AREA 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 the southwest portion of Tucson. The area which exerts the most influence over the subject property is considered to be the area known as the Southwest Infrastructure Plan (SWIP) Area, seventy square miles of land located within the seven mile by twelve mile rectangular region identified as the area from Tucson Mountain Park on the north, Mission Road on the east, the Tohono O'odham Nation – San Xavier District and Pascua Yaqui Tribe lands on the south, and Sandario Road on the west.

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 neighborhood. The subject property generally falls in the east-central portion of this region.

The subject property is in a relatively sparsely developing neighborhood with primarily single-family residences both stick built and manufactured or mobile homes. A good deal of area in the neighborhood is restricted by the flood zone thus raised mobile homes have been a frequent alternative permitting residential development. Due to the flood zone status of much of the area there is a significant amount of land that is affected by various factors including riparian habitats, and land designated as different management areas under the Conservation Land System which does not decrease or limit existing legal land uses, zonings, permitted activities, or management of lands; it does however put significant conservation guidelines upon rezoning of parcels that fall under the CLS. Prior to the great recession, demand for land in the neighborhood made it possible for developers to take on the costs and time to get permits for issues previously preventing or limiting development, thus, while residential development was originally on larger-lower density suburban and rural zoned sites, more recent and anticipated development was on parcels that were zoned and developed to typical urban densities. Development stalled during the great recession and early effects of the Covid pandemic, however, given recent high demand and very limited supply of land ready for development, the area is again in demand and growing with new residential development. The neighborhood has virtually all services available, primarily along main traffic arterials including Valencia and Ajo Way though most are on the east end of the neighborhood.

Forming the southern boundary of the neighborhood, the San Xavier District of the Tohono O'odham Nation lies in the southwestern part of the Tucson metropolitan area and consists of 111.543 sq mi of land area, about 2.5 percent of the Tohono O'odham Reservation's territory. It had a 2000 census resident population of 2,053 persons, or 19 percent of the Tohono O'odham population. The district is home to a Spanish mission, Mission San Xavier del Bac, which was built by Tohono O'odham laborers between 1783 and 1797, a National Historic Landmark that has been in continuous use for over 200 years. The district is home to 2 of 3 Tohono O'odham casinos, Desert Diamond Tucson at 7350 S Nogales Highway about 1 mile south of Valencia, and Desert Diamond Sahuarita at 1100 W Pima Mine Road (I-19 Exit 80) at the southern boundary of the nation and the northern boundary of Sahuarita.

Tucson Mountain Park, the neighborhood northern boundary, established in 1929 and designated a National Park in 1994, encompasses approximately 20,000 acres with approximately 62 miles of non-motorized shared-use trails, ranging in elevation from 2,180' to 4,687'. The Arizona-Sonora Desert Museum is located on the west flank of the Tucson Mountains. Much of the range is protected by Saguaro National Park and Tucson Mountain County Park. Old Tucson Studios are located just west of the Tucson Mountains.

The Casino of the Sun, operated by the Pascua Yaqui Tribe, is located in the southern portion of the neighborhood, on the south side of Valencia Road (5655 W) at Ignacio Baumea (west of Mark Road). The Pascua Yaqui became federally recognized in 1994 with a transfer of 202 acres in southwest

Tucson amidst the suburban communities of Drexel Heights and Valencia West, and adjacent to the eastern section of the Tohono O'odham Nation-San Xavier District. It has a land area of 1.8657 sq mi, or 1,194 acres, and a 2000 census resident population of 3,315 persons, over 90 percent of whom are Native Americans. Tribe operates the Casino of the Sun gaming facility, which includes slot machines, bingo, restaurants, games and employs more than 600 staff. Casino Del Sol, located at 7406 S Camino De Oeste, the Tribe's second gaming property, opened November 2011 and has provided an additional 550+ jobs on the reservation and in the Tucson Community.

Ryan Airfield (RYN) is a general aviation airport at the intersection of West Valencia Rd. and Ajo Way (State Route 86). Ryan occupies over 1,804 acres, and serves as a general aviation reliever airport for Tucson International Airport. More than 300 aircraft are based at the field and 30 tenants ranging from aircraft maintenance shops to charters and flight instruction facilities, provide a variety of services. A self-service fuel pump is located adjacent to the Administration Building. The airfield has a manned aircraft control tower and became part of the Federal Contract Tower Program in 1993. In 2004, the Federal Aviation Administration commissioned a Standard Terminal Automation Replacement System (STARS). The system is used to assist air traffic control services, including separation and sequencing of air traffic and traffic alerts.

Lawrence Park, surrounding Lawrence Intermediate school at the northeast corner of Mark Drive and Jeffrey Road, is 29 acres with 3 lighted baseball and 1 softball field, playground, ramadas with tables and grills, restrooms, soccer/football fields and a walking path.

As mentioned, the subject market area is identified as SWIP Area. Updated revisions to Pima Prospers, related to SWIP are as follows:

A. Comprehensive Planning: 1. The Southwest Infrastructure Plan (SWIP) shall be used to guide needs, obligations, funding, and provision of infrastructure and services related to transportation, flood control, wastewater, parks and recreation, and other governmental facilities. 2. New residential uses are incompatible within the one-half mile area from the bounds of the Tucson Trap and Skeet Club (Tax Code 210-12-0420). Any conflicts with policies approved under previous plan amendments shall be resolved at the time of the rezoning or specific plan. 3. Proposed development shall be planned, designed, and constructed to implement the sustainability principles as described in the Southwest Infrastructure Plan (SWIP).

B. Environmental Planning: At a minimum, applicable Maeveen Marie Behan Conservation Lands System Conservation Guidelines shall be complied with by providing for mitigation onsite, offsite, or in some combination thereof.

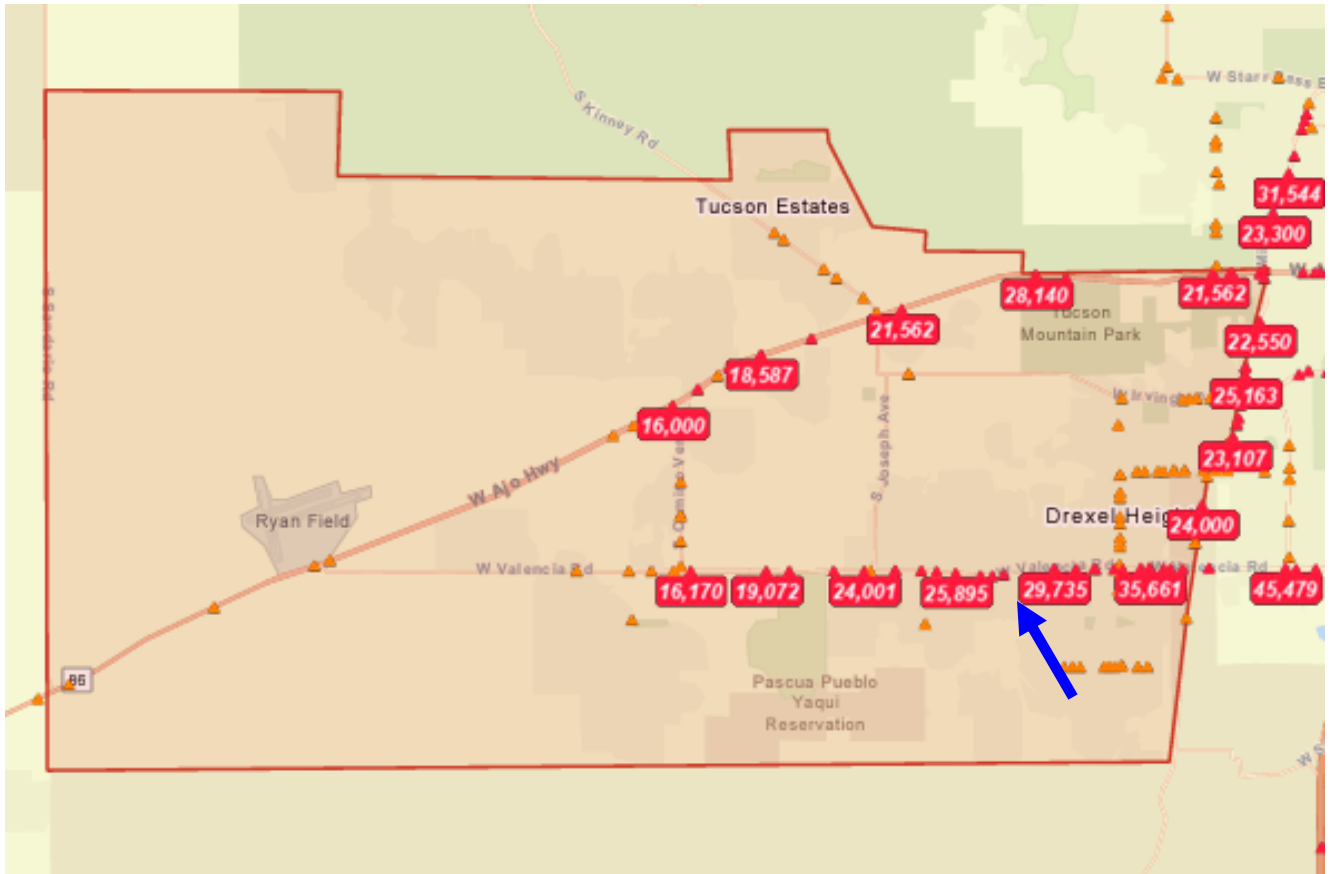
C. Regional Flood Control District: 1. No building permits shall be issued until offsite flood control improvements are constructed to remove proposed development out of the FEMA 100-year floodplain. 2. Development shall not occur within the Black Wash Administrative Floodway.

D. Wastewater Management: No person shall construe any action by Pima County as a commitment to provide sewer service to any new development within the plan amendment area until Pima County executes an agreement with the owner/developer to that effect. Adequate treatment and conveyance capacity to accommodate this plan amendment in the downstream public sewerage system may not be available when new development within the plan amendment area is to occur, unless it is provided by the owner/developer and other affected parties.

E. At a minimum, the majority of infrastructure and transportation costs shall be self-funded by the developer.

Access to the neighborhood is considered to be average to fair. Highest traffic volumes occur on Ajo and Valencia, particularly to the east nearer the urban core and commercial services. The following map indicates an estimate of traffic volumes within the subject neighborhood for each major thoroughfare, in

both directions, for a typical twenty-four hour period. These figures are estimates based on the most recent available traffic counts performed by Calibrate Technologies Q2 2023 (esri).



Demographic characteristics of the subject market area, and the surrounding 1 mile radius (subject) are compared to Metro Area (Pima County) averages below; the surrounding market area and surrounding 1 mi radius indicates above and below, respectively, anticipated growth potential. Per capita income is below, median household income brackets the metro area average; median home values, particularly in the surrounding 1 mi radius are well below average, percentage of mobile housing in the surrounding areas is significantly higher than average.

Variable	Pcl 1 BVII (1 mi)	SWIP MA	Pima County, AZ
2023 Total Population	8,397	60,911	1,066,578
2023-2028 Population: Compound Annual Growth Rate	-0.40%	0.30%	0.20%
2023 Total Households	2,894	21,297	440,609
2023 Per Capita Income	\$28,112	\$29,113	\$38,503
2023 Median Household Income	\$62,769	\$65,503	\$64,015
2023 Population Age 25+: Graduate/Professional Degree	180	2,944	117,191
2023 Owner Occupied Housing Units	2,025	17,215	285,100
Percent Owner Occupied	67.0%	74.9%	59.2%
2023 Vacant Housing Units	130	1,682	40,685
Percent Vacant	4.3%	7.3%	8.5%
2023 Total Housing Units	3,024	22,979	481,294
2023 Median Home Value	\$173,478	\$245,789	\$279,773
2023 Average Home Value	\$215,506	\$280,379	\$325,908
2021 Housing: Mobile Homes	635	6,545	46,668
Percent Mobile Homes	21.0%	28.5%	9.7%
2021 Median Contract Rent (HHs Paying Cash Rent)	\$812	\$739	\$820
2023 Population Density (Pop per Square Mile)	2,675.0	835.2	116.1

The neighborhood is served police and fire protection by the City of Tucson within city limits and Drexel Heights and Pima County Sherriff in Pima County. All utilities also provided including electricity by Tucson Electric Power or Trico, water by the City of Tucson, sewer by Pima County wastewater, gas by southwest gas and telephone by CenturyLink. The subject neighborhood is served by Tucson Unified, Marana Unified and Altar Velley Elementary School Districts

### SITE DESCRIPTION

As mentioned, the site, parcel 1, Belnor Vista II, is analyzed on the basis of its contribution to the surrounding Block III, Belnor Vista Blocks I-V.

Location:	South of Valencia, west of Camino De La Tierra.
Present Use:	Vacant, undeveloped, land.
Site Size:	Parcel 1 is 6,582sf; Block III is 22.70ac
Access:	Valencia Road provides access to the project; there is currently no physical-legal access to Block III or subject parcel 1; former dedicated public rights of way and various public easements have been released/abandoned.
Visibility:	Moderate; the site is moderately lower than areas to the north and south, visibility from Valencia would be restricted by development and raised topography along Valencia Road.
Views:	Moderately below average due to topography of the site and surrounding site areas.
Shape:	Irregular, see exhibits.
Topography:	Parcel 1 is lower, approximately 2,540', being just north of a minor wash (under 500cfs); Block III varies from a hill on the western boundary (over 2,610') to parcel 1 and moderately lower (2,538') to the east.
Flood Hazard:	FEMA FIRM 04019C2270L, effective 6/16/11, indicates the parcel 1 is FEMA flood zone X; Block III is 82.6% FEMA-X, 17.38% FEMA-A "special flood hazard areas subject to inundation by the 1% annual chance flood, no base flood elevations determined"; 55.61% of parcel 1 and 15.77% of Block III is indicated to be EHSA.
Easements:	As mentioned, dedicated public rights of way and easements under the former Belnor Vista II plat have been abandoned. The new plat indicates a 90' easement for public access and utilities (Sorrel Lane re-alignment); additionally, a 120' natural gas-line easement remains (block II)
Hazardous Materials/ Contamination:	No environmental assessment was available. No indications of hazardous materials were noted on site visit; this appraisal assumes that the subject is free of hazardous material contamination.
Utilities:	Utilities are generally available in the area from the following sources; however, an engineering study would be necessary to determine if utilities are available/sufficient for proposed uses: Water: None* Sewer: Pima County Wastewater (to the project) Electricity: Tucson Electric Power Natural Gas: Southwest Gas Telephone: CenturyLink Public Safety: Pima County Sheriff Fire: Drexel Heights

\*The subject project is largely surrounded by Tucson Water obligated service area, however, the subject site is not and though the BVSP indicates that water will be provided by City of Tucson, it is not currently, and future service is reported to be an "unknown".

**Surrounding Land Uses:** Undeveloped GR-1 and then CR-3 zoned land to the north, GR-1 zoned residential development to the west and east, commercial to the northwest, CR-3 zoned residential development to the southeast.

**Zoning:** Rezoned from CR-3 (TDR-RA) (Single Residence – Transfer of Development Rights – Receiving Area) and GR-1 (TDR-RA) to SP (with a blend of 2 land use designations.). BVSP summarizes zoning as follows: A Project Overview: 2a, Subject is CC Camus Core, the Campus Core designation is envisioned as the main employment driver and core identity of the Project. The goal is for the creation of a campus setting nestled into the natural character of the site. The flexible nature of this designation allows creative adaptation for campus employment to develop with a potential range of uses from educational, office, research and development and light manufacturing, to higher density housing and civic uses such as a fire station or regional library.... Campus Core also features a residential component to expand new housing options in the area and provide a residential transition from the Campus Core employment hub to housing planned in the Residential Neighborhood land use designation. The ultimate development mix, building sizes and configurations will be determined by the end user(s), with final design being determined during the development plan process.

A 2 b; site constraints, The Campus Core takes advantage of rolling terrain to create a secluded atmosphere. One- and two-story residential development will be situated in the higher elevations to maximize surrounding views (subject site is generally lower than adjacent east (with the exception of a fairly narrow window t the northeast (along the wash), north and south, offering views), whereas taller buildings will be centrally located on lower lying land.

A 2 C; (comprehensive plan amendment) Together, the amendment to PDC and the proposed RN and CC Specific Plan land use designations are sensitive to the predominant comprehensive plan land use designation in the area, which is MLIU. Tailoring the RN designation to ensure a residential density transition from the higher density potential in the Campus Core to lower density on the perimeter that is comparable to adjacent subdivisions.

Specific Plan Land Use Designation	RAC Min.	Minimum # of Units	RAC Max.	Maximum # of Units
Campus Core (CC)*	6	0	15	350
Residential Neighborhood (RN)**	2.5	59	5	170

CLUP 2 c A total of up to 450 dwelling units is proposed (p67); further summary of CC permitted uses is available in the appendix.

**CLS Habitat:** Not Applicable.

**Other:** Use of Land 1 Land Use Element Policies...(p50) Goal 1, Policy 2: Provide an appropriate mix of land uses that: Supports a balance of housing, employment, shopping, recreation, and civic uses...

*Goal 1, Policy 7:* Support and incentivize horizontal and vertical mixed-use development and redevelopment in character and scale with existing development.

Site Analysis Conclusion: The site, parcel 1, Belnor Vista II, is analyzed on the basis of its contribution to the surrounding Block III, Belnor Vista Blocks I-V. It is zoned SP (Belnor Vista Specific Plan); the subject designated as Campus Core (CC) which permits relatively low restriction, broad permitted use from educational, office, research and development and light manufacturing, to higher density housing and civic uses such as a fire station or regional library. Campus Core also features a residential component to expand new housing options in the area and provide a residential transition from the Campus Core employment hub to housing planned in the Residential Neighborhood land use designation. The ultimate development mix, building sizes and configurations will be determined by the end user(s), with final design being determined during the development plan process. Utilities are indicated to be available with the exception of water. The site presently does not have physical-legal access, access to be provided within the project by development of a re-aligned Sorrel Lane.

### Real Estate Tax Analysis

The following information is available from the county treasurer's office. There is no tax due to municipal ownership; neither assessors record or treasurer offers full cash values or taxes on Block III.

	P 1, BVII
Tax Parcel	138-49-2640
FCV Land	\$24,000
FCV Impvt.	\$0
FCV Total	\$24,000
2022 Tax	\$0.00



## HIGHEST AND BEST USE

Highest and best use is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 7<sup>th</sup> Edition, as:

1 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:**

**Legally Permissible** The subject has been rezoned from CR-3 to SP (Belnor Vista Specific Plan); proposed use designations in the plan consist of Campus Core and Residential Neighborhood. The subject is within an area designated as Campus Core, the Campus Core designation is envisioned as the main employment driver and core identity of the Project. The goal is for the creation of a campus setting nestled into the natural character of the site. The flexible nature of this designation allows creative adaptation for campus employment to develop with a potential range of uses from educational, office, research and development and light manufacturing, to higher density housing and civic uses such as a fire station or regional library.... Campus Core also features a residential component to expand new housing options in the area and provide a residential transition from the Campus Core employment hub to housing planned in the Residential Neighborhood land use designation. The comprehensive plan amendment to PDC and the proposed RN and CC Specific Plan land use designations are sensitive to the predominant comprehensive plan land use designation in the area, which is MLIU. Tailoring the RN designation to ensure a residential density transition from the higher density potential in the Campus Core to lower density on the perimeter that is comparable to adjacent subdivisions.

**Physically Possible**: The subject 6,582sf (parcel 1) site is analyzed as it contributes to Block III (22.70ac). Parcel 1 is FEMA flood zone X; Block III is 82.6% FEMA-X, 17.38% FEMA-A "special flood hazard areas subject to inundation by the 1% annual chance flood, no base flood elevations determined"; 55.61% of parcel 1 and 15.77% of Block III are indicated to be EHSA. Parcel 1 is lower, at approximately 2,540', being just north of a minor wash (under 500cfs); Block III varies from a hill on the western boundary (over 2,610') to parcel 1 and moderately lower (2,538') to the east. Utilities, with the exception of water, are reported to be available. While the subject project is largely surrounded by Tucson Water obligated service area, the subject site is not and though the BVSP indicates that water will be provided by City of Tucson, it is not currently, and future service is reported to be an "unknown".

**Financially Feasible**: In addition to physical and legal characteristics, the financial feasibility of the subject site is significantly influenced by market conditions. The following is from the Arizona Economy Second Quarter 2023 Forecast Update by George W. Hammond, Ph.D., EBRC Director and Research Professor; June 2023:

The Arizona economy started 2023 in solid shape. The labor market generated strong job growth and low unemployment. Labor compensation decelerated at the end of 2022 and into early 2023 but remained robust. Even so, rapid inflation continued to chew up wage gains. In addition, retail sales declined again in the first quarter, after a strong increase in the fourth quarter of 2022. With plummeting

housing affordability and much higher mortgage interest rates, housing permit activity plummeted in late 2022 and into early 2023, driven by declines in single-family activity.

The outlook calls for Arizona's economic growth to slow in 2023 and 2024 but to avoid recession and outpace the nation. However, risks to the baseline forecast remain elevated. Under the pessimistic scenario, the U.S. economy succumbs to shocks originating in the financial sector, as recent bank failures cause much more financial tightening than expected under the baseline. This generates modest job losses in the state, but nothing like the state's experience during the 2007-2009 period.

### **Arizona Recent Developments**

In April 2023, Arizona jobs were 165,000 above their pre-pandemic peak. Nearly all industries in the state were above their pre-pandemic level in April, with the exception of government and other services.

For the Phoenix MSA, jobs were up by 151,700 from February 2020 to April 2023, accounting for the majority of the state increase. Government jobs in Phoenix remained significantly below their pre-pandemic level, while other services and natural resources and mining were close to full recovery. Most other sectors were well above February 2020 levels.

Jobs in the Tucson MSA have risen by 3,800 from February 2020 to April 2023, with much more varied performance across industries than for the state or Phoenix. Private education and health services jobs were 2,800 jobs below February 2020 and professional and business services jobs were 2,200 below. Both sectors performed much better in the Phoenix MSA, for reasons which are very unclear.

Similar to Phoenix, Tucson jobs in trade, transportation, and utilities; financial activities; construction; and manufacturing were well above their pre-pandemic level in April.

In April, the Arizona seasonally adjusted unemployment rate dropped to 3.4% (preliminary), an all-time low going back to 1976. Arizona's rate was equal to the national rate in April.

Arizona's tight labor market is putting upward pressure on employment costs, which include both wages and salaries and employer-paid fringe benefits. In the first quarter of 2023, Phoenix employment costs for private industry workers rose by 4.6% over the year, up slightly from 4.4% in the fourth quarter but below the national average of 4.8%. While the increase in Phoenix employment costs has moderated modestly, it is still higher than at any time in the past decade. Even so, employment costs are not keeping pace with Phoenix inflation, which hit 8.5% over the year in the first quarter.

Inflation continued to moderate both nationally and in the Phoenix MSA in April. Over the year, the all-items CPIU rose 4.9% nationally. It was up 7.4% in Phoenix. The U.S. inflation rate peaked in June 2022 at 9.1% over the year. The Phoenix inflation rate peaked at 13.0% in August.

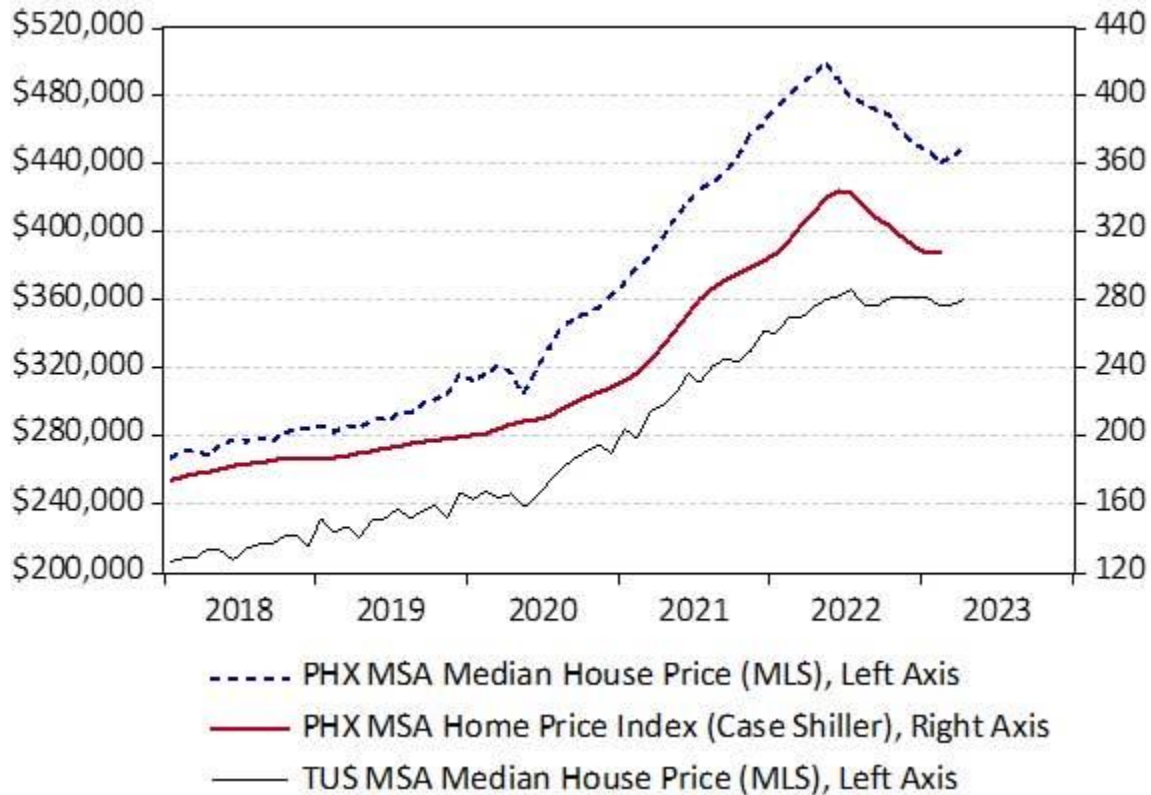
Phoenix inflation is outpacing the U.S. primarily because the cost of shelter has been rising much faster. In April, the shelter consumer price index for the Phoenix MSA was up 14.2% over the year and the national index was up 8.1%. In contrast to the U.S., shelter inflation in Phoenix has moderated significantly from its peak of 19.5% in September 2022 (estimated based on interpolated data).

Phoenix shelter inflation has moderated significantly because house prices have declined from their peak last summer. Median home prices in Phoenix dropped 10.7% from their peak of \$510,000 in May 2022 to \$455,400 in April 2023 (**Exhibit 1**). Using the Phoenix Case-Shiller index (which tracks repeat sales of single-family homes over time), the decline was 10.4% from the peak in June 2022 to February 2023.

Tucson median home prices declined from a peak of \$370,000 in June/July 2022 to \$365,000 in April 2023, a decline of 1.4%.

### **Exhibit 1: House Prices Continued to Decline During Early 2023, Median Sales Price for**

**Phoenix and Tucson and Case-Shiller for Phoenix, Seasonally Adjusted**



Arizona seasonally adjusted total housing permits dropped again in the first quarter of 2023. That was the fourth consecutive decline. Total permits were down 31.0% over the year in the first quarter, compared to benchmarked 2022 data. Permits posted a 24.8% drop in the fourth quarter. Single-family permits drove the decline during the past year, with a 42.3% decline in the fourth quarter and a 47.7% drop in the first quarter of this year. In contrast, multi-family permits were up 7.6% in the fourth quarter and up 8.0% in the first quarter of 2023.

Based on revised annual data from the U.S. Census Bureau, Arizona posted 60,994 total permits in 2022. That was down 6.6% from 2021. The decline was driven by single-family permits, which fell by 19.8% in 2022. Multi-family permits were up 26.0% for the year.

Total housing permits in the Phoenix MSA dropped from 50,581 in 2021 to 47,267 in 2022, a 6.6% decline. Again, the decline was completely driven by single-family permits, which fell by 21.8%. Multi-family permits increased by 25.7%.

The story was similar for the Tucson MSA, where total permits fell from 6,284 in 2021 to 5,714 in 2022. That translated into a decline of 9.1%. Single-family permits declined by 27.0% while multi-family permits rose by 69.4%.

**Arizona Outlook**

The forecasts for Arizona, Phoenix, and Tucson depend on the outlook for the global and national economies. The forecasts presented here are based on U.S. projections released by S&P Global in April 2023.

After increasing by 2.1% in 2022, the baseline forecast calls for U.S. real GDP growth to slow to 1.4% in 2023 and 1.5% in 2024. The economy is projected to be slightly stronger than expected last month, reflecting stronger recent growth.

On a quarterly basis, the forecast calls for real GDP to decline by 0.4% in the second quarter of 2023 before posting positive gains through the remainder of the year. The drop in the second quarter reflects the impact of tightening financial conditions (created by recent bank failures) on economic activity.

A slowing national economy will mean slower growth in Arizona. **Exhibit 2** shows that Arizona's job growth is forecast to slow from 4.2% in 2022 to 2.2% in 2023 and then again to 1.5% in 2024. Even so, the pace of state job growth is expected to far outpace the nation.

**Exhibit 2: Arizona Outlook Summary**

	<b>Actual</b>	<b>Forecast</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Growth Rate</b>				
Nonfarm Jobs	4.2	2.2	1.5	2.3
Personal Income	3.3	5.9	5.9	6.3
Retail Plus Remote Sales	8.1	3.9	3.1	6.2
Population	1.7	1.5	1.2	1.3
<b>Level</b>				
Unempl. Rate	3.8	4.0	4.6	4.8
Housing Permits	60,994	43,886	44,888	44,898

With the end of pandemic-related income support in 2021, Arizona personal income growth decelerated to 3.3% over the year in 2022. Gains return to normal in 2023, as labor market remain tight, interest rates remain elevated, and transfer income increases.

Retail sales growth (including remote sellers) decelerates from 8.1% in 2022 to 3.9% in 2023 and again to 3.1% in 2024, reflecting slower job gains and increased economic uncertainty.

Strong net migration related to the pandemic drove population growth of 1.7% in 2022. As the boost to net migration from the pandemic wanes, population growth is forecast to decelerate to 1.5% in 2023 and 1.2% in 2024.

The state labor market is forecast to remain tight this year, with the unemployment rate expected to rise from 3.8% in 2022 to 4.0% in 2023. As job growth decelerates in 2024, the unemployment rate increases to 4.6%.

Arizona total housing permits are forecast to decline from 60,994 in 2023 to 43,886 in 2023, reflecting rising significantly higher mortgage interest rates and lower housing affordability. Permits bounce up modestly in 2024 and then settle in at a pace consistent with population change.

**Risks to the Outlook**

The baseline U.S. forecast from S&P Global assumes no U.S. recession this year or next. However, risks to the baseline forecast remain elevated.

Under the pessimistic scenario, the U.S. economy succumbs to shocks originating in the financial sector, as recent bank failures cause much more financial tightening than expected under the baseline.


A national downturn would significantly slow Arizona job growth and increase the unemployment rate the increase in unemployment is expected to be fairly modest compared to what Arizona went through during the Great Financial Crisis, the pandemic, and even the downturn during the early 1990s.

The following is the Forecast for the Tucson Metro Area, compared with that of Arizona from second quarter 2023 baseline scenario forecasts produced in June 2023 by the EBRC:

## Arizona Economic Forecast Data (Statewide)

Arizona Forecast*	2022	2023	2024	2025	2026
Personal Income (\$ mil)	417,020.8	441,601.8	467,676.6	497,095.8	526,323.4
% Chg from Year Ago	3.3%	5.9%	5.9%	6.3%	5.9%
Retail Sales (\$mil)	165,000.0	169,000.0	174,000.0	184,000.0	193,000.0
% Chg from Year Ago	11.5%	2.4%	3.0%	5.7%	4.9%
Total Nonfarm Employment (000s)	3,095.7	3,164.3	3,211.2	3,286.3	3,350.5
% Chg from Year Ago	4.2%	2.2%	1.5%	2.3%	2.0%
Population (000s), July 1st estimates	7,409.2	7,521.8	7,615.6	7,714.7	7,816.9
% Chg from Year Ago	1.7%	1.5%	1.2%	1.3%	1.3%
Residential Building Permits (units)	60,994.0	43,886.4	44,888.0	44,898.2	45,366.9
% Chg from Year Ago	-6.6%	-28.0%	2.3%	0.0%	1.0%


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## Tucson MSA Forecast (Pima County)

Tucson MSA Forecast*	2022	2023	2024	2025	2026
Personal Income (\$ mil)	56,408.3	59,539.4	62,902.5	66,513.2	70,035.3
% Chg from Year Ago	1.3%	5.6%	5.6%	5.7%	5.3%
Retail Sales (\$ mil)	21,008.5	21,482.5	22,153.2	23,168.6	24,205.3
% Chg from Year Ago	8.9%	2.3%	3.1%	4.6%	4.5%
Total Nonfarm Employment (000s)	393.7	400.2	404.3	410.3	415.5
% Chg from Year Ago	3.2%	1.7%	1.0%	1.5%	1.3%
Population (000s), July 1st estimates	1,072.3	1,081.8	1,088.8	1,096.6	1,104.2
% Chg from Year Ago	1.3%	0.9%	0.6%	0.7%	0.7%
Residential Permits (units)	5,714.0	4,197.5	4,301.3	4,215.6	4,220.2
% Chg from Year Ago	-9.1%	-26.5%	2.5%	-2.0%	0.1%

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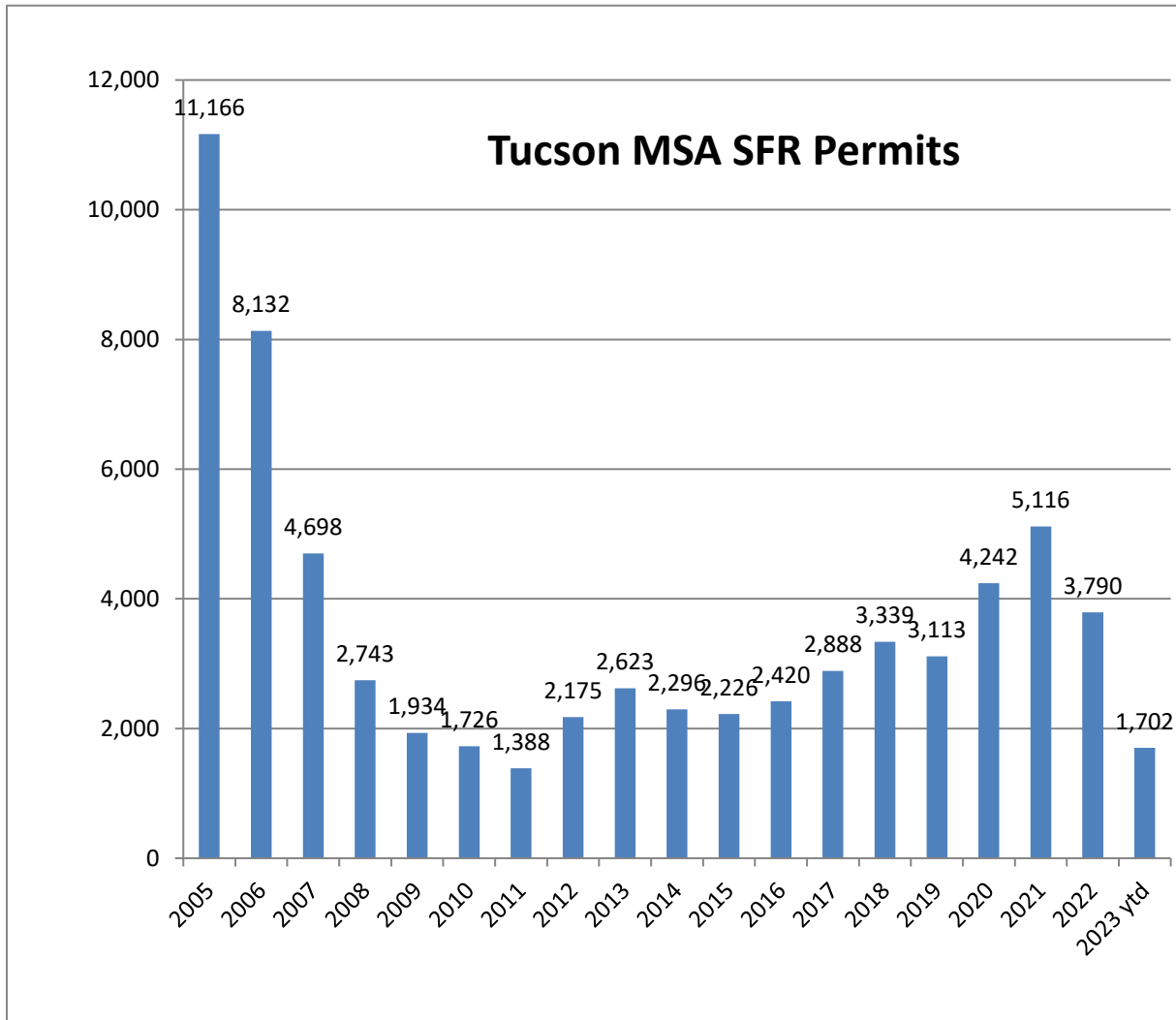
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While each real estate market and market area are affected differently, the decline leading into the great recession, particularly in the Tucson Metro area, was precipitated by the residential market and this market was initially the first to signal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

### Real Estate Markets:

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

County) as follows:



As indicated, residential permits dropped precipitously from a high in 2005 through 2011; 2012 and 2013 indicated the beginning of a turn around, there was a string of increases, though prior to 2021, levels were still well below a 5,000 permit long term sustainable level benchmark. In 2006 through 2011 home values decreased drastically from but again have turned around with relatively strong recent increases in appreciation; 2021 SFR permits significantly surpassed prior years; 2022 was indicated to be 26% below that of 2021; year to date 2023 (through June), 2023 permits are moderately below (91%) of 2022 totals for the same period. (Source: census.gov).

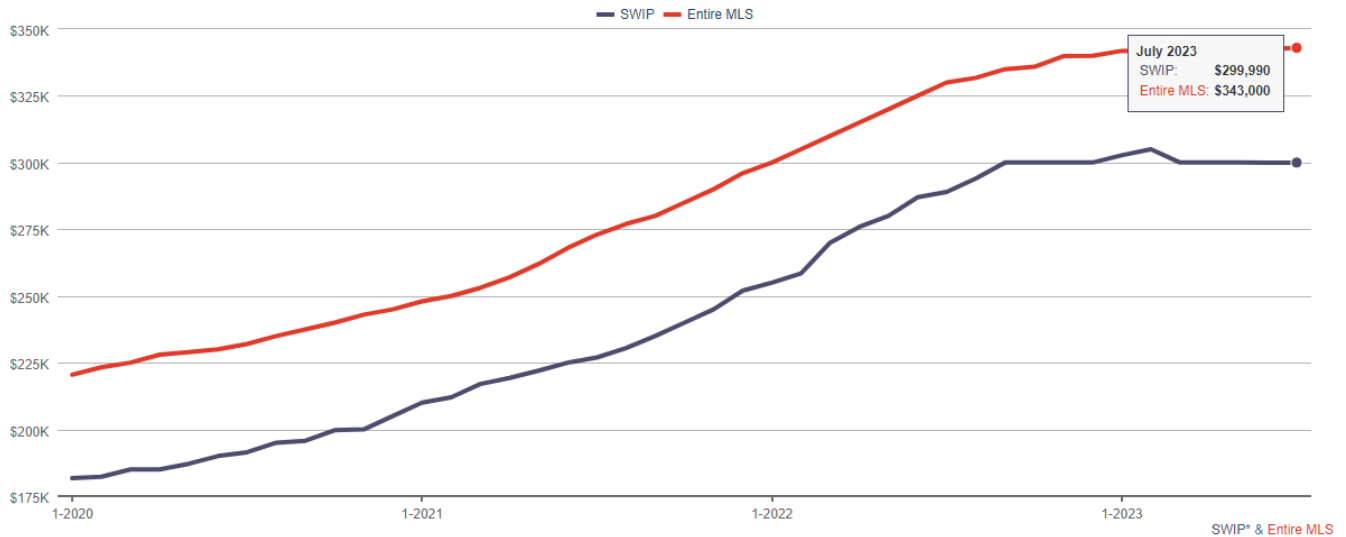
While the residential real estate market is cooling relative the high demand and value appreciation of the past 2 years due to rising interest rates, though decreasing each of the past 6 weeks (6.60% as of 3/16/2023, a year ago at this time-4.16%) and fears of a recession, the real estate market is still relatively strong. Average days on market for homes is currently at 43, while it was significantly shorter up to the 2<sup>nd</sup> half of 2022, a norm is approximately 60 days; while percentage of sale to listing price prior to the 2<sup>nd</sup> half of 2022 was over 100%, it is still currently around 95%; there is currently an approximate supply of 3 months of resales given demand, the market norm is typically around 6 months.

The following are 3 year trends in SFR properties for the entire MLS and the subject SWIP market area; to summarize, median home prices in the subject neighborhood are 14.3% lower than that for the entire MLS, prices have risen 3.8% over the past year as compared to 3.9% in the entire MLS. There are

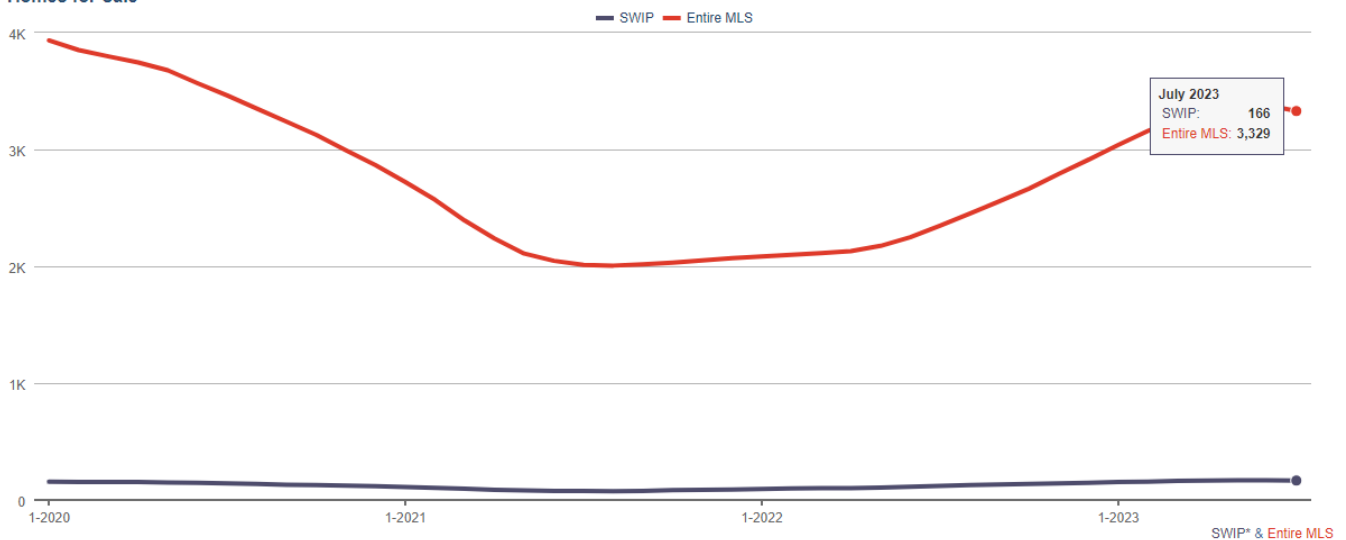
relatively few SFR listings available in the market area, months of supply is increasing from a low of 0.9 months 3rd quarter 2021 to 2.3 months currently; median days on market has also increased from a low of 6 days 2<sup>nd</sup> and 3<sup>rd</sup> quarter 2021 to 25 days currently; median sale percent of list price remains at 100% in the SWIP market area, that of the entire MLS, has moderated to 99.4%.

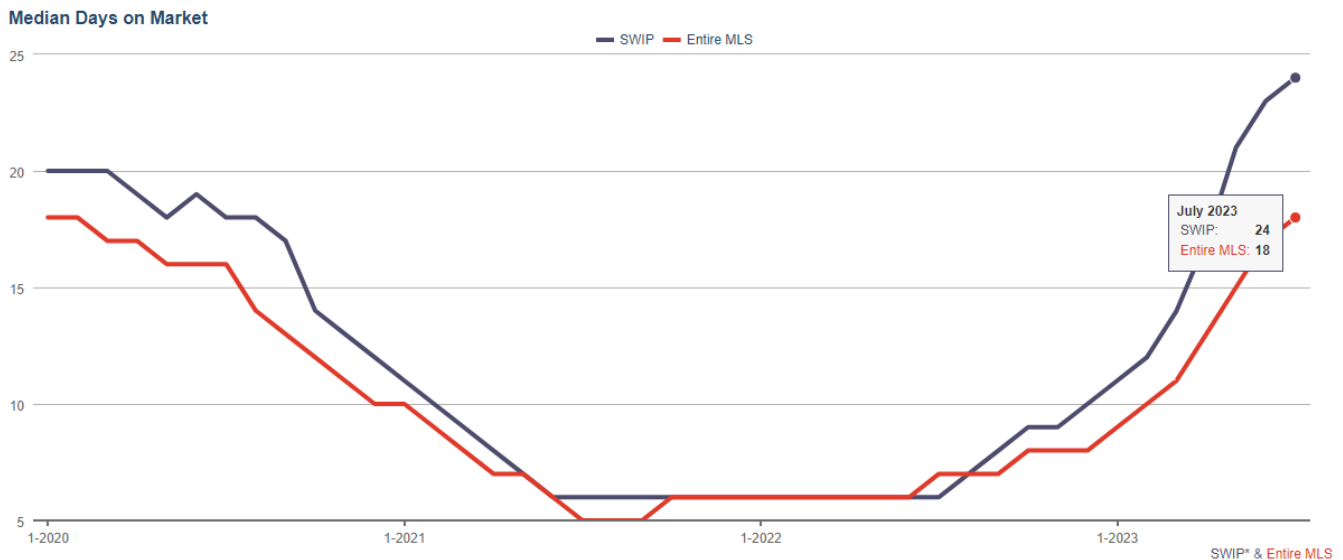
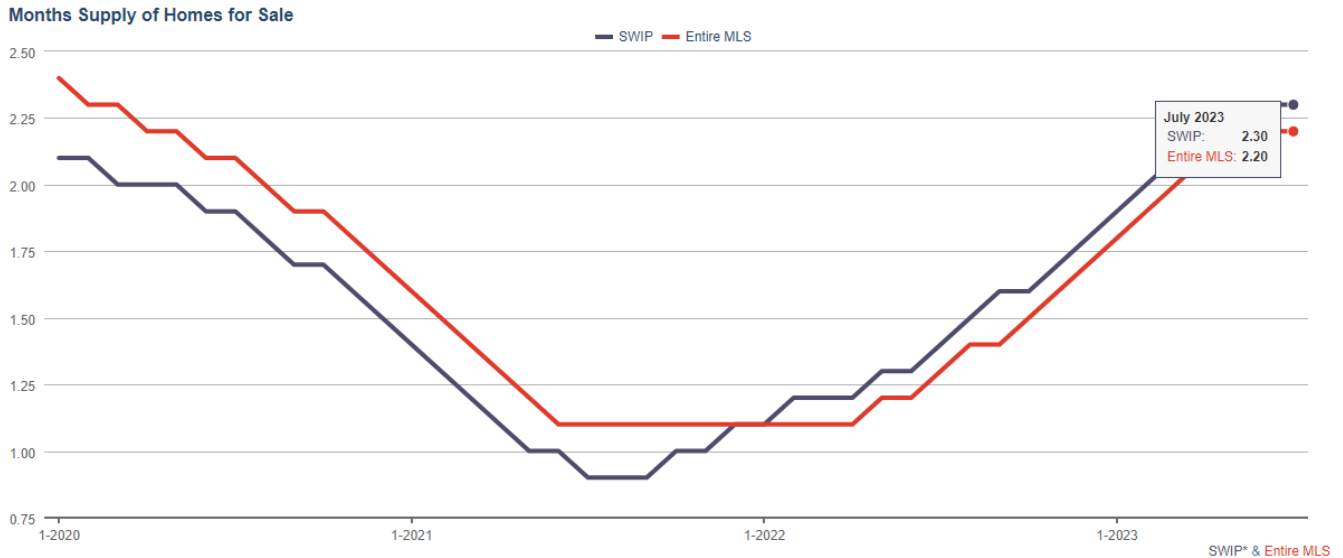
The indicated trend SFR information is considered to be reasonable for analysis of subject residential lots, lot sales are not tracked; the analysis of residential sales is significant as this is the highest and best and anticipated use of the subject sites:

**Median Sales Price**



**Homes for Sale**





As the Belnor Vista Specific plan is designed to be flexible in creative adaptation for campus employment to develop with a potential range of uses from educational, office, research and development and light manufacturing, to higher density housing and civic uses such as a fire station or regional library, apartment, office and industrial markets have also been analyzed.

The Costar Tucson Metro Area **Multi-Family** market, provides the following summary:

The Tucson multifamily market is in a period of transition. Leasing demand has slowed considerably as high inflation and economic uncertainty stall the launch of renter households. As a result, five of the last six quarters saw negative net absorption causing vacancy to rise to 8.4%, erasing the occupancy gains made during the pandemic era. Additionally, rent growth has been modest and concession usage has risen. These trends are not unique to Tucson and mirror activity seen in other Sun Belt markets and the U.S. as a whole.

The metro's saving grace is its lack of over-construction, which has contributed to steady improvement over the past decade. Additionally, the current pipeline has just 2,100 units underway, representing 2.5% of the existing stock. This moderate development activity will help keep supply-side pressures at bay, supporting the metro's recovery when multifamily demand eventually re-engages.

Elevated capital costs and the potential for an economic recession have made it difficult for deals to pencil. About \$652 million worth of apartment properties traded hands in the past 12 months, with the vast majority



of that taking place in the back half of 2022. The past two quarters have seen limited sales activity as the gap between buyers' and sellers' pricing expectations remains wide. Moving forward, these headwinds are expected to continue to weigh on transaction volume in 2023, negatively impacting yields and values.

Over the long term, Tucson has a positive outlook. Strong demographic patterns, the affordable cost of living, and expanding job market will keep Tucson as one of the faster-growing markets in the nation.

**The Costar Tucson Metro Area Industrial market, provides the following summary:**

The Tucson industrial market remains healthy as steady leasing activity broadly supports property performance. The metro-wide vacancy rate of 3.4% is at an all-time low, though the 7.4% availability rate, which includes space that is available but hasn't been vacated yet, has been trending upward since early 2022 as new speculative ground breakings added more available space to the market. Logistics tenants have been a key driver of recent leasing activity, with distribution and warehousing space near the Tucson International Airport receiving particular interest.

Unlike other areas of the country that are seeing a boom in new construction activity, the development pipeline in Tucson remains relatively mild. About 1.8 million SF of industrial space is currently underway, the majority of which is allocated to a single multi-building development. In addition to the airport, developers are active in the northern part of the metro along Interstate 10 near Marana.

Tucson's average rent of \$10.60/SF is well below the level seen in Southern California, where rents can exceed \$18/SF. The relative affordability of space, as well as proximity to trade entry points such as the U.S.-Mexico border and the Ports of Los Angeles and Long Beach, has been an important driver in attracting new tenant demand. Low availability has spurred a healthy rise in rents, which are up 5.4% in the past year.

About \$138 million worth of industrial assets sold in the past 12 months, which marks a moderation from elevated levels in 2021 and 2022. The impact of higher debt costs is beginning to weigh on sales activity as the investment market normalizes. These factors together with the uncertain economic outlook have caused cap rates to drift upward and may rise further over the near term.

**The Costar Tucson Metro Area Office market, provides the following summary:**

The Tucson office market appears to be treading water. Lower office utilization rates brought about by flexible work arrangements have structurally reduced demand for office space. Additionally, the potential for an economic recession has made businesses less likely to sign long-term space commitments. As a result, conditions have been largely flat over the past two years as the market struggles to gain meaningful leasing momentum.

Property performance weakness seen at the onset of the pandemic has since stabilized and conditions are stuck in neutral. After rising 200 basis points in the 18 months post-COVID, vacancy has remained in the 9% to 10% range since mid-2021, which is on pace with levels seen in 2016. The manageable construction pipeline has been key to avoiding a more severe supply-demand imbalance, with about 160,000 SF currently under construction, representing just 0.6% of existing inventory. This lack of supply-side pressure will benefit the sector moving forward.

Positive tailwinds supporting the Tucson office market include affordability and healthy demographics. The aerospace industry has a strong presence here, anchored by Raytheon's Missiles & Defense HQ and the Davis-Monthan Air Force Base. Healthcare, insurance, and public-sector organizations have also been sources of demand. Additionally, the University of Arizona, an R1 research university, supplies the market with a steady stream of talent and often collaborates with businesses through public-private partnerships.

That average market cap rate is considerably higher than those found in Phoenix or the U.S. average. Additionally, prices can be found at a nearly 50% discount compared to the National Index. The lower price point and stronger yields have drawn investors to the market, resulting in about \$119 million worth of office properties trading in the past 12 months. The continued rise in interest rates and uncertain economic outlook are expected to keep investment activity modest in the coming months.

**Maximum Profitability:** In conclusion, the highest and best use "as if vacant" is considered to be investment and eventual phased development following development of infrastructure, including water, roads, etc. As previously mentioned, the Southern Arizona Land Trust, current owner, has a mission

reported to be “To improve the lives of Tucsonans by investing in and revitalizing neighborhoods through the development of quality affordable housing.” To that end, SALT is committed to providing quality multigenerational housing that is accessible to jobs, multi-modal transportation, education, recreation, commerce. The Belnor Vista Specific Plan envisions the creation of an employment hub with supporting commercial services and housing in the emerging Southwest Growth Area. Situated along a major thoroughfare, this hub will provide convenient employment opportunities and services to the surrounding community. The plan includes two (2) land uses, each uniquely suited to a specific portion of the property. Proposed designations consist of Campus Core and Residential Neighborhood. The scale of new residential development will be generally compatible but more dense than adjacent established areas within the interior of BVSP. New development then transitions to one- and two-story residential along the perimeter where adjacent to existing residences.

The subject is indicated to be CC Camus Core, a designation envisioned as the main employment driver and core identity of the Project. The goal is for the creation of a campus setting nestled into the natural character of the site. The flexible nature of this designation allows creative adaptation for campus employment to develop with a potential range of uses from educational, office, research and development and light manufacturing, to higher density housing and civic uses such as a fire station or regional library.... Campus Core also features a residential component to expand new housing options in the area and provide a residential transition from the Campus Core employment hub to housing planned in the Residential Neighborhood land use designation. The ultimate development mix, building sizes and configurations will be determined by the end user(s), with final design being determined during the development plan process.

## VALUATION METHODOLOGY

In the appraisal of real estate, three methods of estimating value are often employed, depending on the characteristics of the property; they include the Cost Approach, Sales Comparison Approach and the Income Approach.

The cost approach is a set of procedures through which a value of the fee simple interest is derived by estimating a reproduction or replacement cost of improvements, deducting accrued depreciation from all sources, and adding the value of the site as if vacant. This approach is particularly useful in the analysis of a property that is new or nearly new, which is not significantly affected by any forms of depreciation, and properties that are not frequently exchanged in the market.

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 is an undeveloped site, the cost approach is not considered to be applicable to the subject analysis.

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 applied and considered to be appropriate as the sales provide meaningful analysis of property in the current market, including several potential development options which are available and considered potentially suitable for subject site.

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 from existing leases. Incomes are reduced by expenses to the owner and net income is capitalized by either direct capitalization, yield capitalization, or both. Properties of this type are typically purchased for owner occupancy rather than for income earning potential, thus the income approach is not considered to be necessary for credible assignment results and is not employed.

## **SALES COMPARISON APPROACH**

The sales comparison approach considers the recent sales of properties with similar use and improvements to the subject. This technique is an application of the principle of substitution which affirms that, when a property can be replaced with an alternative property of similar utility without undue delay, its value tends to be set by the cost to acquire such an equally desirable substitute property.

The sales comparison approach is the process of analyzing sales data of properties considered comparable to the subject being appraised. The reliability of the sales comparison approach is dependent upon (a) the availability of comparable sales data, (b) verification of the sales data and derivation of various indicators of value, (c) the absence of non-typical conditions affecting the sales price of the comparable sales, and (d) the degree of comparability of the sales to the subject and the extent of adjustments required to make the sales equal to the subject.

Under the sales comparison analysis there are ten basic elements of comparison that will be considered in sales comparison analysis; they include:

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

After adjusting the comparable sales prices to compare equally to the subject, the sales are reduced to common units of comparison for further analysis. The units of comparison selected depend on the type of property being appraised. The comparables have been analyzed on a price per square foot basis which is a common unit of comparison for properties such as the subject. The comparable properties are then adjusted for locational, physical and economic differences as indicated.

A search of Pima County revealed the following sales, considered to be most applicable to this appraisal valuation.

**Site Sale One**

Location: NWC Moore (10468 W) & I-10 Frontage Rd, Marana, 85658  
Legal Description: Block 5, Vanderbuilt Farms, Pima County  
Tax Code Number: 216-39-0200  
Records: 7/26/2023 2023 2070548  
Seller: SBH Marana LP, Sunbelt Holdings  
Buyer: HSL Monarch Block 5, LLC  
Price: \$4,454,772  
Terms: Cash  
Site Size: 937,847sf, 21.53ac  
Price Per SF: \$4.75  
Zoning: SP Rancho Marana (EC, Employment Center), Town of Marana  
Comments: The site has paved access along Moore Road, which is accessible from I-10 frontage Road; Clark Farms and the re-alignment of Moore Road, part of Vanderbuilt Farms plan, are not yet complete. Moore Road to the west has a 2022 traffic count of 877vpd; I-10, Tangerine to Sandario Rd has 67,037vpd 2022 traffic counts. FEMA x-shaded. Utilities necessary for development were available. The site reportedly purchased for investment, the buyer, known for development of apartment properties, previously purchased an adjacent 58 acres.  
Confirmation: Costar, REDN, Will White, listing broker, 520-514-7454 2023278, pdh

NWC Moore & I-10



### Site Sale Two

Location: 3450 W Valencia, w/o Camino De la Tierra, Tucson, 85746  
Legal Description: W2 E2 SW4 EXC RDS 38.19 AC SEC 8-15-13, G&SRB&M, Pima County, Arizona  
Tax Code Number: 137-19-004D  
Recorded: 4/4/2023 2023-0940399, Special Warranty Deed, Pima County.  
Seller: Wong Living Trust  
Buyer: Title Security Agency c/o KB Home Tucson.  
Sale Price: \$1,501,500, marketing time unavailable; no sale within prior 3 years.  
Terms: Cash  
Site Size: 38.19 acres  
Sale Price/Unit \$39,317/ac, \$0.90/sf  
Zoning: GR-1 to CR-5 (see below)  
Comments: Traffic counts on Valencia are 31,022 vpd (22). The site was raw land when entering escrow; while in escrow, purchaser successfully rezoned to CR-5 and completed engineering and entitlement for development of a 143 lots. The Valencia Wash (1,000-2,000cfs), 50' setback crosses through the site and will require crossing; approximately 15.6% of the site is indicated to be FEMA-A, 15.7% EHSA and 21% IRA. Additionally, purchasers were aware of rocky soil requiring greater development cost. Utilities were available or within reasonable proximity.  
Confirmation: Costar, Andrew Katz, purchaser representative, 602.686-9889, pdh 2023269b





**Site Sale Three**

Location: 4840 W Valencia Road, Tucson, 85757  
Legal Description: E2 E647.03' M/L SW4 SE4 EXC S75' FOR RD 10 AC SEC 12-15-12, G&SRB&M, Pima County  
Tax Code Number: 210-23-0600  
Records: 11/01/2022 2022 3040685  
Seller: Ralph & Elizabeth Baker  
Buyer: John Thomason Price Rev Trust  
Price: \$675,000; Asking price \$750,000, 215 DOM  
Terms: \$575,000 cash to PMM, considered to have had no effect on sale price  
Site Size: 10.0ac  
Price Per sf: \$1.55  
Zoning: GR-1 Pima County General Rural  
Comments: Fronting on Valencia, a traffic arterial, traffic counts 23,398vpd (22). The site has had several rezoning cases, Case C09-74-035 GR to CI-2 (see case file) C09-70-081 from GR-1 to TH (approved per case file); C09-74-087 GR-1 to CI-2 (case closed); the adjacent site west, C09-05-016 rezoned to CR-4. Improvements on site were considered to add no value. FEMA-x. Utilities were available. Per seller and buyer's agents, the purchaser was unsure of direction of use (considered to be investment).  
Confirmation: MLS 22208342, Jim Chumbler, listing agent, 520-294-7600, James Dean, buyer's broker, 520.440-3326, 2023278, pdh

4840 W Valencia



**Site Sale Four**

Location: 8650 E Old Vail Rd., Tucson, 85747  
Tax Code Number: 141-22-001E  
Legal Description: TRI PT NW4 NW4 ADJ TO W LINE SEC 27 & PT NE4 NE4 LYG NE OF RR  
R/W 10.10 AC SEC 28-15-15, G&SRB&M, Pima County, AZ  
Records: 12/05/2022 2022 3360034  
Seller: Ray M Kimberlin Revocable Trust  
Buyer: Tucson Commercial Buildings LLC  
Sale Price: \$825,000; Asking Price \$825,000, 2,224 DOM  
Site Size: 439,956sf, 10.1ac  
\$/Sf Site \$1.88/sf  
Terms: Cash  
Zoning: I-2, Tucson Industrial  
Comments: Located on Old Vail Road in Rita Ranch, a collector, 3,005vpd traffic counts (22).  
FEMA-X; the site is restricted by airport environs including ADC-2, NCD-A Utilities  
necessary for development were reportedly available.  
Confirmation: Costar, Gordon Wagner, listing agent, 520.398-5130, pdh 2022269

8650 E Old Vail Road

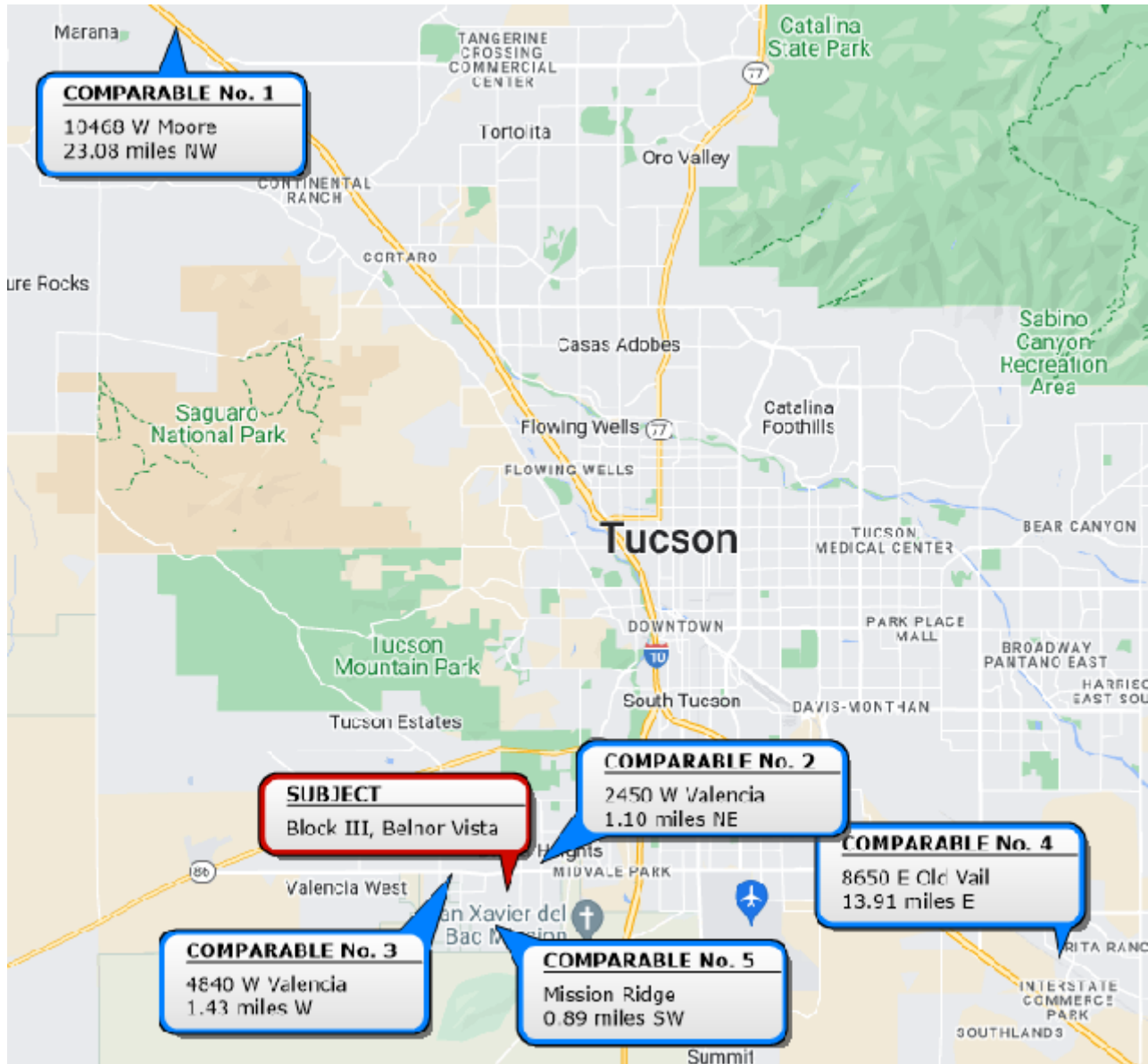


**Site (Listing) Five**

Location: Mission Ridge (3700 W Avenida Sierra Alta), Tucson, 85746  
Legal Description: Mission Ridge Lots 745-753, Lots 754-778, Lots 779-788, Mission Ridge, Pima County  
Tax Code Number: 138-32-426F, 449A, 474A  
Records: N/A Current Listing  
Seller: Holden Enterprises Inc.  
Buyer: N/A  
Price: \$1,100,000 Asking price, 571 DOM/CDOM  
Terms: Negotiable  
Site Size: Approximately 17.3ac  
Price Per Sf: \$1.46  
Zoning: CR-4 Pima County Suburban Ranch  
Comments: Fronting on Sorrel Lane north of Los Reales. 44 platted and engineered lots. FEMA-X; all utilities are reportedly available. The site has rising topography with average cross slope from 7.78% on the southeast to 14.15% on the north  
Confirmation: MLS 22122464, Trac Paulette, listing agent/principal, 520-904-5505, 2023278, pdh



### SALES COMPOSITE MAP



### Value Analysis

Four sales and a current listing have been selected for the subject value analysis.

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.

Property Rights: each of the sales is similar to the subject being fee simple, no adjustment is necessary.

Financing: Comparables 1, 2 and 4 were cash to seller, sale 3 had a portion financed by owner carryback, not considered to have affected the sale price, no adjustment necessary; comparable 5, a listing, offers the potential for "terms".

Conditions of Sale: The sales were considered to have had typical sale motivations, no adjustment is considered necessary.

Market Conditions: The sales occurred from November 2022 through July 2023; comparable 5 is a current listing. Property values have been increasing over this time frame; sales 3 and 4, dated by more than 6 months, are adjusted upward on the basis of approximately 5% per year.

Location: the subject is located in the southwestern suburban area, comparables 2, 3 and 5 are similar, sale 4 is considered offsetting, not requiring adjustment, sale 1 is considered to be superior for greater demand and level of growth, is adjusted significantly downward.

Size difference, as smaller parcels typically sell at higher unit price all else being equal, comparables 3-5 are adjusted moderately downward for superior smaller size; conversely, sale 2 is adjusted moderately upward; sale 1 is similar in size, not requiring adjustment.

Zoning: the subject is SP, designated as CC, permitting a wide variety, including more intensive uses. Comparables 1 and 4 are considered to be similar/offsetting, not requiring adjustment. Comparables 2, 3 and 5 are adjusted upward for more restrictive zonings, particularly sale 3, which is not yet zoned for moderate density residential.

Use: the subject highest and best use is considered to be investment rather than near term development; comparables 2, 4 and 5 are superior and thus adjusted downward; sales 1 and 3 were also considered to be investment, not requiring adjustment.

Site Utility: Subject site utility is reduced by Flood Zone A and EHSA. Sales 1, 3 and 4 are adjusted downward for superior utility; comparables 2 and 5 are considered to be similar or offsetting, not requiring adjustment.

Improvements: The subject and sales 1, 2 and 4 were unimproved. Sale 3 had improvements that were considered to be insignificant and not contributing to value, no adjustment is considered necessary; comparable 5 was platted and engineered and is thus adjusted downward.

Utilities: each of the comparables was reported to have utilities necessary for development, superior to the subject and thus adjusted downward.

Access/Visibility: the subject currently has no access, this will come with development of the project, when complete, it will have access to Valencia by a neighborhood collector. Comparables 1-4 are superior and thus adjusted downward; comparable 5 is accessible via neighborhood collector more distant from a significant traffic arterial, no adjustment is considered necessary.

Conclusion: Each of the comparables has net downward adjustment due largely to the site being appropriate for investment rather than near term development due to lacking planned infrastructure. Less emphasis is placed on comparables 1 and 4 due to their having greatest gross adjustment and locational dissimilarities (comparables 1, 2 and 5 are similar in location). With emphasis as indicated a subject site value at \$0.90/sf is considered reasonable; subject site (6,582sf) contribution on this basis is rounded to \$5,900.

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



SITE SALES COMPARISON SUMMARY						
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Location	Belnor Vista Block III	NWC Moore & I-10 Frntg	2450 W Valencia Rd	4840 W Valencia Rd	8650 E Old Vail Rd	Mission Ridge
Tax ID Number	138-49-267	216-39-0200	137-19-004D	210-23-0600	141-22-001E	138-32-426F+
<b>Sales Data</b>						
Date of Sale	N/A	Jul-23	May-23	Nov-22	Dec-22	Curr Listing
Sales Price	N/A	\$4,454,772	\$1,501,500	\$675,000	\$825,000	\$1,100,000
Site Size (ac)	22.70	21.53	38.19	10.00	10.10	17.30
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, PMM	Cash	Cash, Neg.
Cash Equivalent Price	N/A	\$4,454,772	\$1,501,500	\$675,000	\$825,000	\$1,100,000
Conditions of Sale	Average	Average	Average	Average	Average	Average
Condition Adjustment	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Market Condition (Time)	N/A	Jul-23	May-23	Nov-22	Dec-22	Curr Listing
Market Conditions Adj.	0.0%	0.0%	0.0%	4.0%	3.0%	-5.0%
Adjusted price per SF	N/A	\$4.75	\$0.90	\$1.61	\$1.93	\$1.39
<b>Physical Characteristics</b>						
Location	Average	Superior	Similar	Similar	Offsetting	Similar
Size (parcel 1 - 6,582sf)	22.70	21.53	38.19	10.00	10.10	17.30
Zoning	SP-CC	SP-EC	GR-1*	GR-1	I-2	CR-4
Use	Investment	Investment	Res Dev	Investment	Ind Dev	Res Dev
Site Utility	Avg/Fair	Superior	Similar	Superior	Superior	Offsetting
Improvements	N/A	None	None	Nil	None	Platted
Utilities	Avg/Fair	Superior	Superior	Superior	Similar	Similar
Access/Visibility	Avg/Fair	Superior	Superior	Superior	Superior	Similar
<b>Adjustments</b>						
Location	0.0%	-25.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	0.0%	5.0%	-5.0%	-5.0%	-2.5%
Zoning	0.0%	0.0%	5.0%	10.0%	0.0%	5.0%
Use	0.0%	0.0%	-25.0%	0.0%	-25.0%	-25.0%
Site Utility	0.0%	-10.0%	0.0%	-10.0%	-5.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	-5.0%
Utilities	0.0%	-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Access/Visability	0.0%	-25.0%	-10.0%	-10.0%	-10.0%	0.0%
<b>Net Physical Adustments</b>						
Net Physical Adustments	Same	Downward	Downward	Downward	Downward	Downward
Net Adjustment (Overall)	0.0%	-70.0%	-35.0%	-25.0%	-55.0%	-37.5%
Adjusted Comp Price/sf		\$1.42	\$0.59	\$1.21	\$0.87	\$0.87
Subject Value (\$/SF)	\$0.90					
Subject Site Contribution	\$5,900					

## STATEMENT AND CERTIFICATION OF APPRAISER

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

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

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

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

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

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

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

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

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

The appraisal was developed and the appraisal report prepared in conformance with the Appraisal Standards Board's *Uniform Standards of Professional Appraisal Practice*.

I have made a physical inspection of the property appraised and the property owner designated representative, was given the opportunity to accompany me on the property inspection.

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.

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 Commitment (select pages)
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 include 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 hold 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 Estimate and/or Analysis Herein By Appraiser**

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. Environmental**

It is assumed that there are no protected species of plants or animals in, on, or near the subject property other than any described in the report.

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 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**

Belnor Vista Project (left) Looking West along Valencia



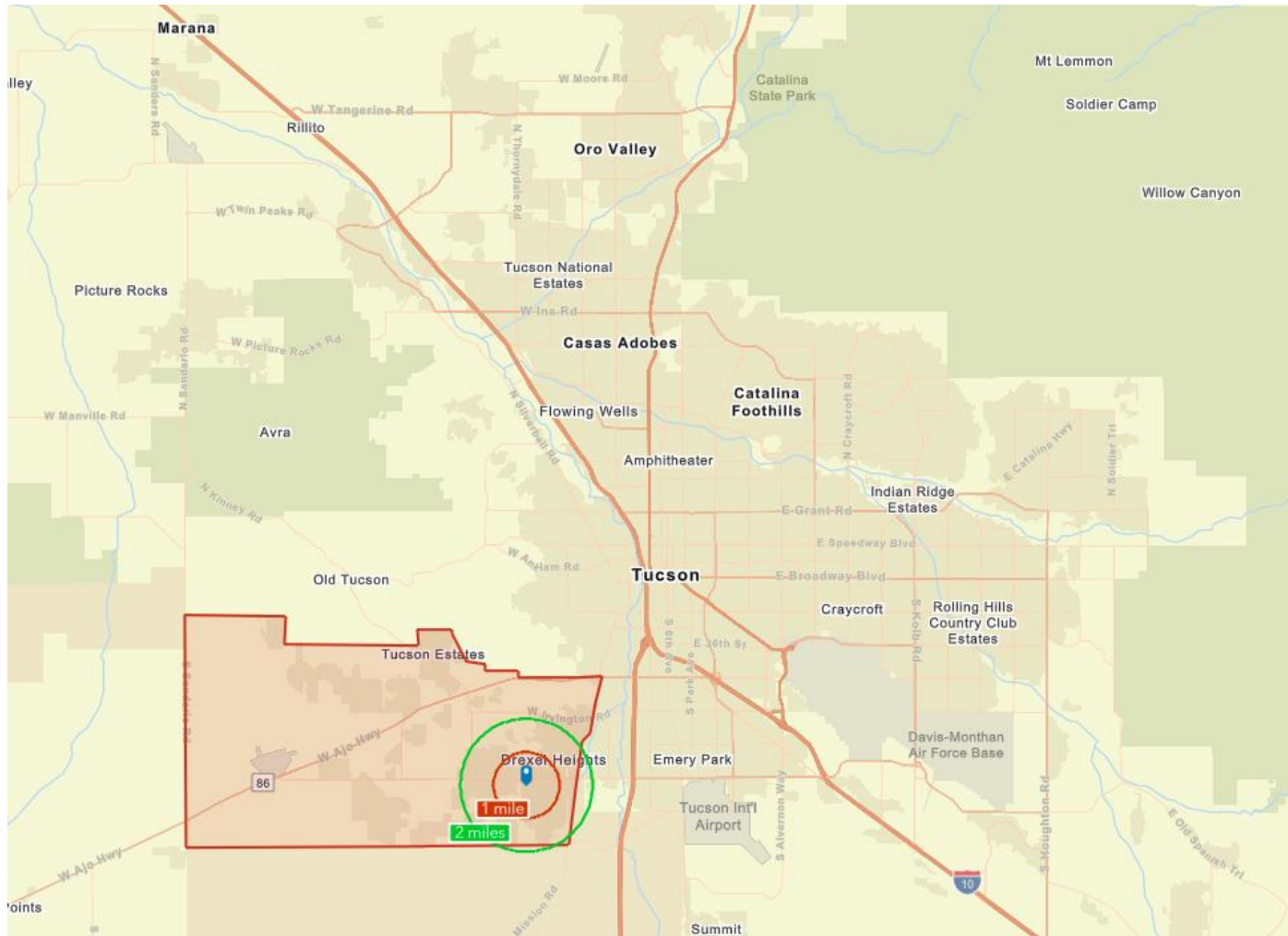
View Looking South from Valencia Rd. towards subject Block III and Parcel 1



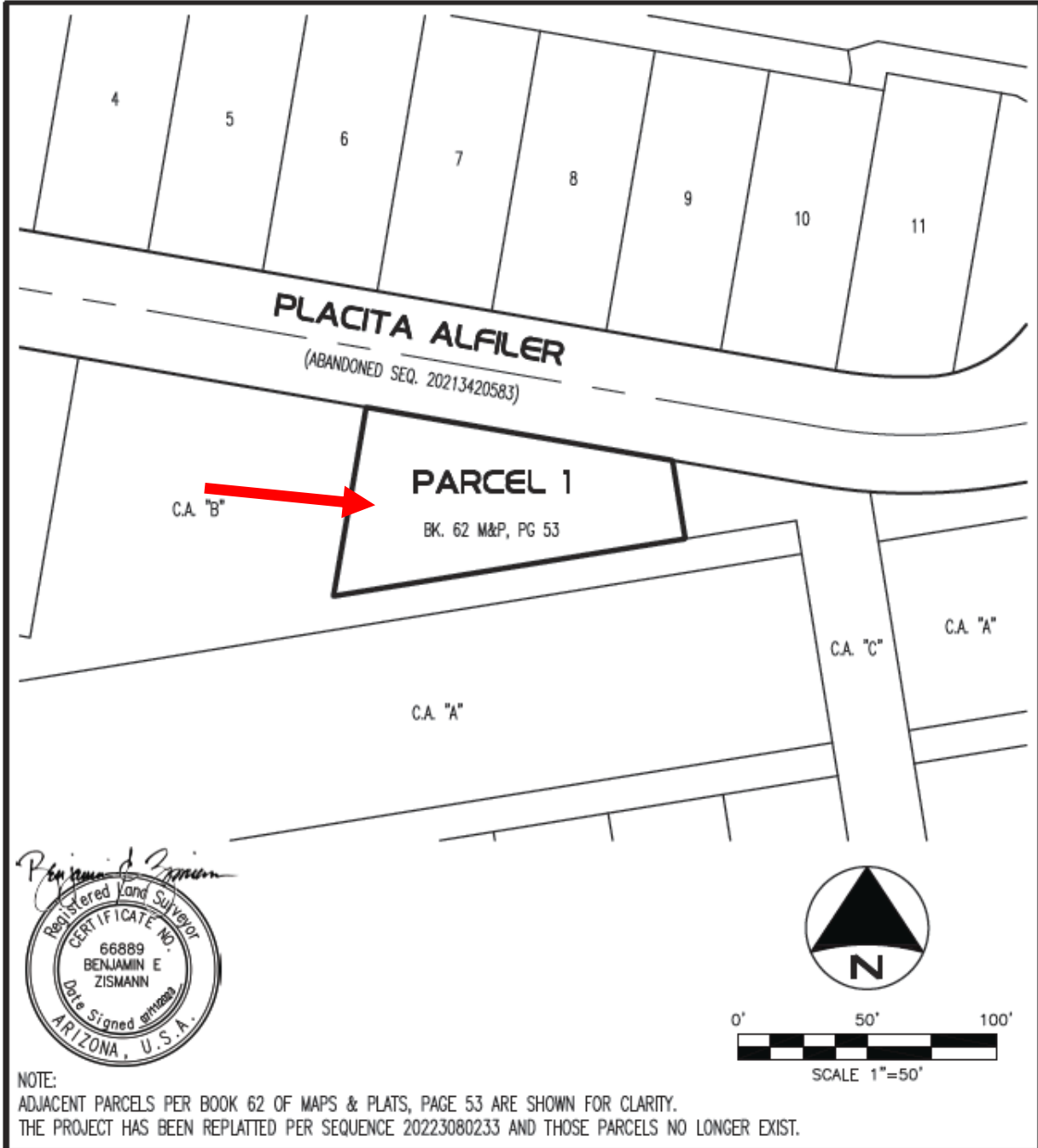
View Looking West across Block III and Parcel 1



### MARKET AREA MAP



Plat Map (Former BVII); Legal Description



NOTE:  
ADJACENT PARCELS PER BOOK 62 OF MAPS & PLATS, PAGE 53 ARE SHOWN FOR CLARITY.  
THE PROJECT HAS BEEN REPLATTED PER SEQUENCE 20223080233 AND THOSE PARCELS NO LONGER EXIST.

**Presidio**  
ENGINEERING, INC.

Civil • Land Development • Water Resources  
190 S. Stratford Dr. Suite 105 • Tucson, Arizona 85716  
(520) 795-7255 • Fax (520) 795-6747

**DEPICTION OF EXHIBIT "A"**

PARCEL 1 OF BELNOR VISTA II,  
LOCATED IN THE NORTHWEST ONE-QUARTER OF SECTION 17, TOWNSHIP 15 SOUTH,  
RANGE 13 EAST, GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

JOB NO. 119016-01-1018	DATE: 07/11/2023	SHEET <b>2</b> OF <b>2</b>
---------------------------	---------------------	----------------------------



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Parcel 1 of Belnor Vista II, per the Final Plat for Belnor Vista II, as recorded in Book 62 of Maps & Plats, at Page 53, Records of Pima County, Arizona, located in the Northwest One-Quarter of Section 17, Township 15 South, Range 13 East, G1a and Salt River Meridian, Pima County, Arizona.

See depiction of Exhibit A made a part hereof.

Prepared by:  
Presidio Engineering, Inc.

Benjamin E. Zismann, RLS



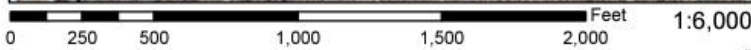
July 11, 2023



# National Flood Hazard Layer FIRMette



111°2'48"W 32°8'7"N



Basemap Imagery Source: USGS National Map 2023

## 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, X, AS19
  - 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
  - 17.6 Water Surface Elevation
  - 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

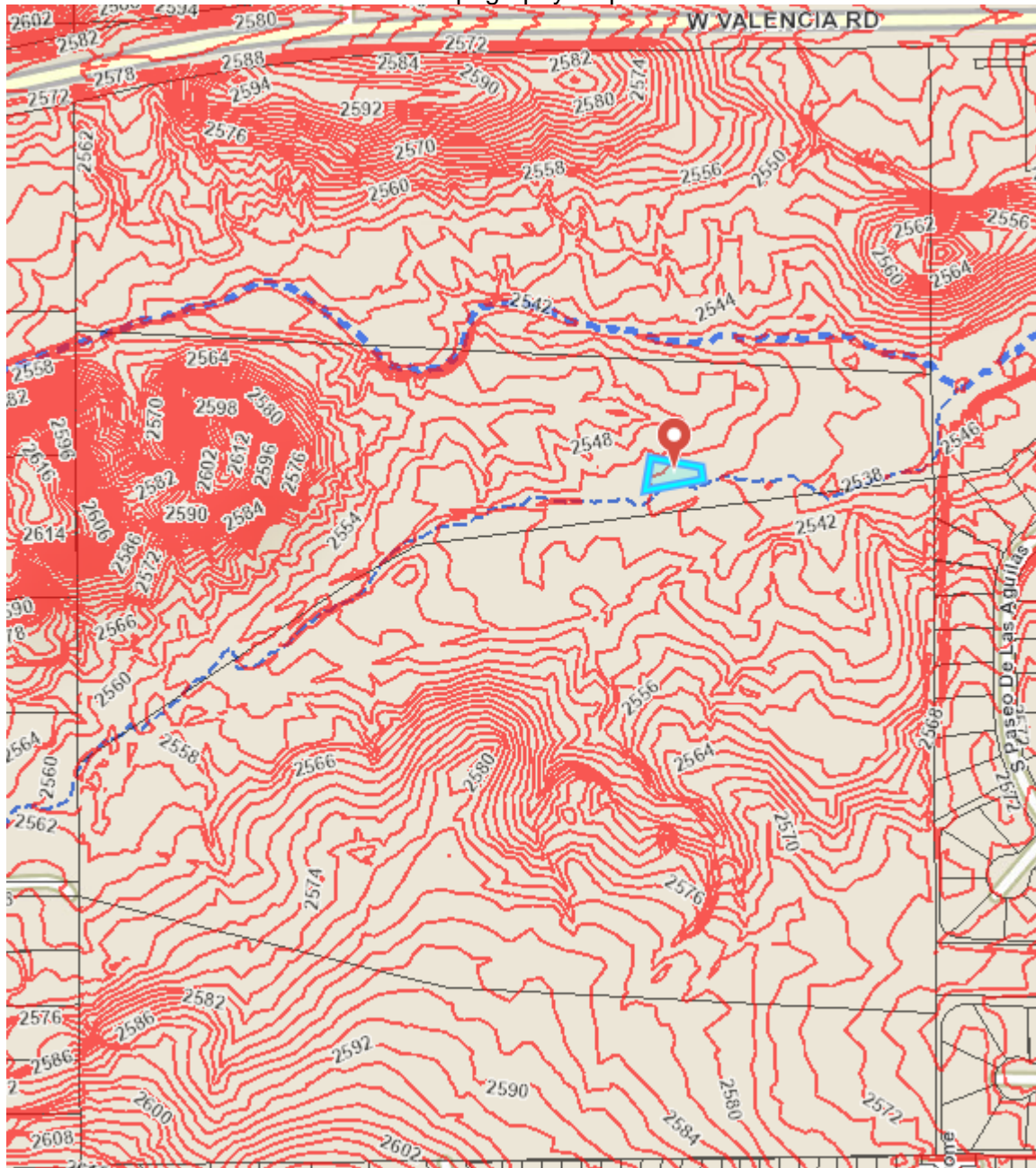
The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/7/2023 at 11:27 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by 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.





Topography Map



Belnor Vista Specific Plan (Select Exhibits)

Belnor Vista Specific Plan

Exhibit I.A.6.a: Existing Zoning

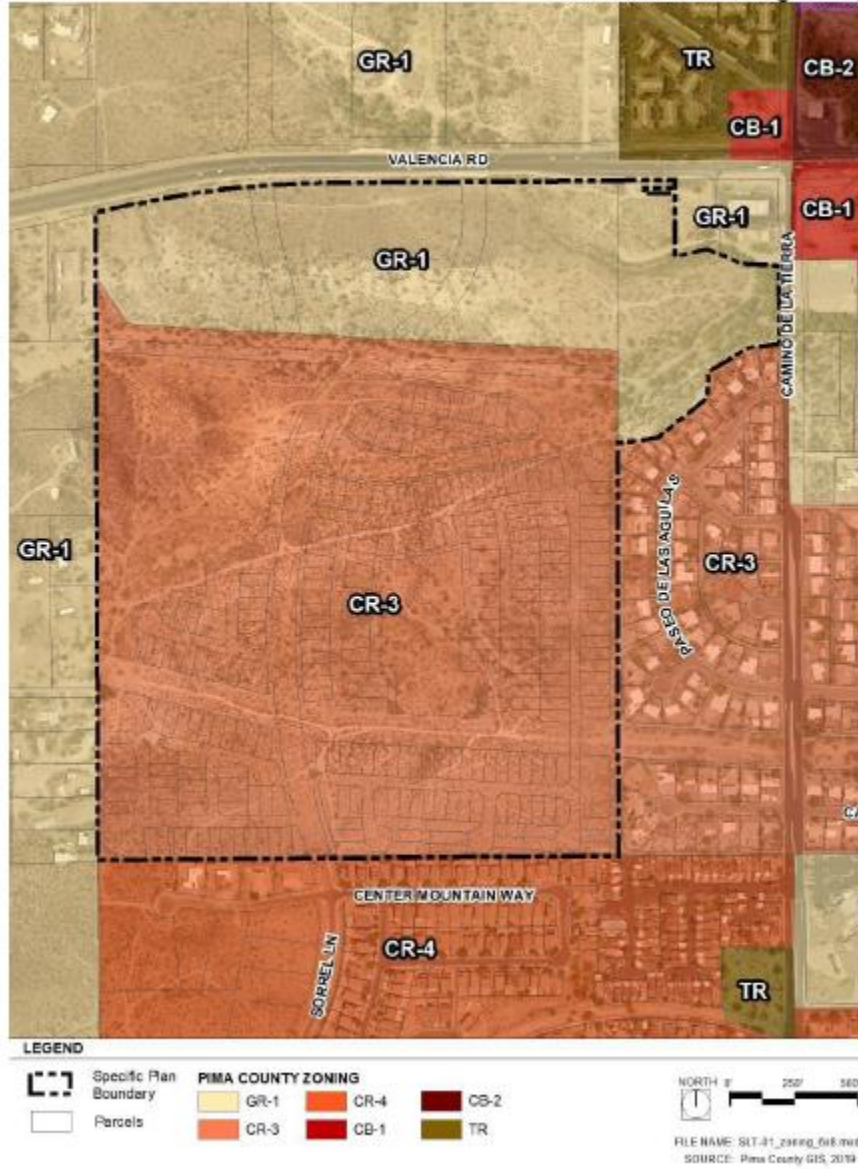
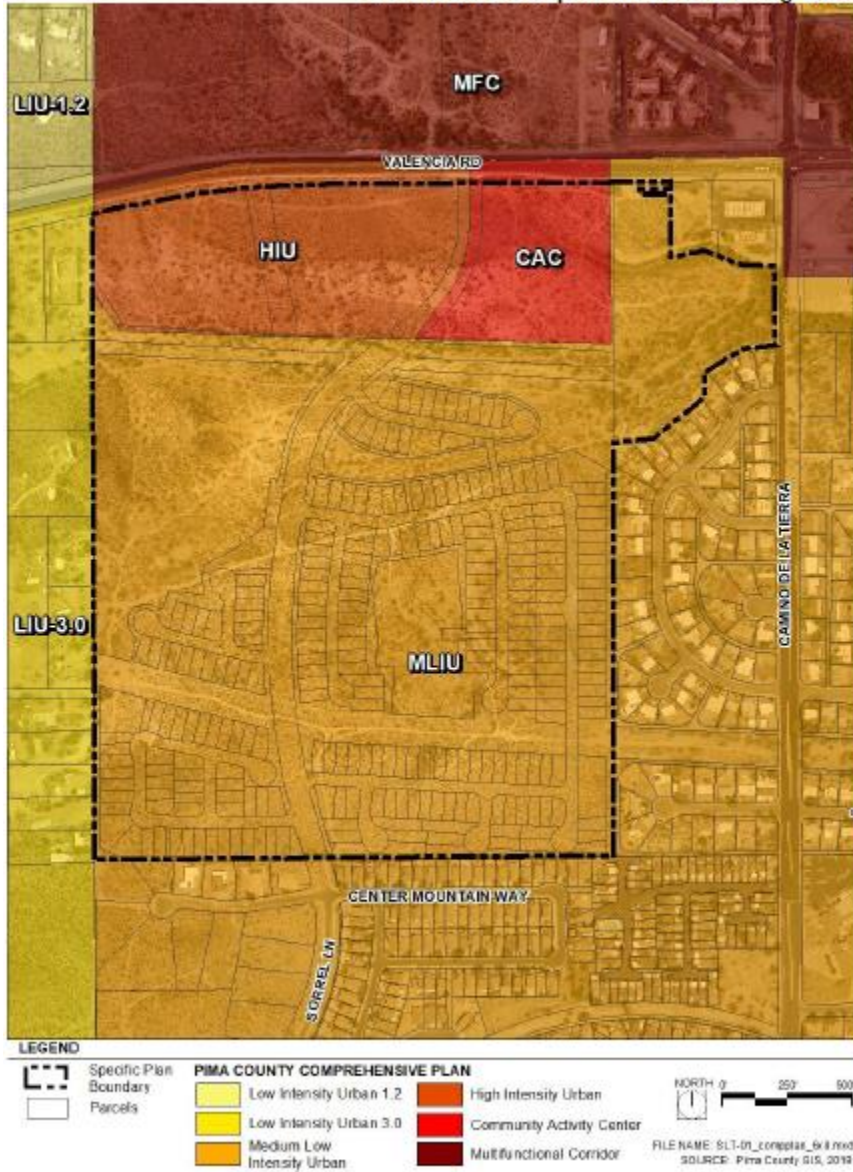


Exhibit I.A.5: Comprehensive Plan Designations





Appendix A 89



- LEGEND**
- Property Boundary: 125 AC (approx)
  - Campus Core: 49.0 AC (approx)
  - Residential Neighborhood: 23.9 AC (approx)
  - Pedestrian Circulation
  - FEMA Floodplain Limits
  - Easement
  - 📍 Viewpoint
  - 80' Maximum Building Height

- Notes:**
1. Total Residential Units: 260 up to 450 allowed
    - 136 Single Family units (SFO)
    - 124 Multifamily Detached Rental (MFD-R)
  2. Total Non-residential Building Footprint area: 265,000 SF, up to 400,000 SF with additional height allowance
    - Library: 20,000 SF
    - Office/lab/R&D: 185,000 SF
    - Commercial: 60,000 SF
  3. Potential uses shown are for illustrative purposes only and are not intended to be prescriptive. See the Better Vista Specific Plan for a comprehensive list of permitted land uses.



Exhibit A.1: Illustrative Development Concept 1

Better Vista Specific Plan

Appendix A 90



**LEGEND**

- Property Boundary: 125 AC (approx)
- Campus Core: 40.0 AC (approx)
- Residential Neighborhood: 23.9 AC (approx)
- Pedestrian Circulation
- FEMA Floodplain Limits
- Easement
- Viewpoint
- 50' Maximum Building Height

**Notes**

1. Total Residential Units: 400
  - 301 Single Family Units (SFU)
  - 288 Multifamily Apartments (MFA)
  - 47 Multifamily Detached Rental (MFRD)
2. Total Non-Residential Building Footprint area: 205,000 SF, up to 600,000 SF with additional height allowances
  - Library: 20,000 SF
  - Office/Classroom: 145,000 SF
  - Commercial: 40,000 SF
3. Potential uses shown are for illustrative purposes only and are not intended to be prescriptive. See the Bahar Vista Specific Plan for a comprehensive list of permitted land uses.

DATE: 08/20/2024  
BY: [Signature]



Exhibit A.2: Illustrative Development Concept 2

Bahar Vista Specific Plan

## O. Development Standards

This section of the Belnor Vista Specific Plan is intended to provide land use and development standards for each designation as identified on the Conceptual Land Use Plan.

### 1. Campus Core (CC)

#### a. Permitted Uses

Unless modified herein, all uses identified within the County CPI and CB-2 Zones are permitted in the Campus Core (CC) designation. Residential uses are also permitted and may consist of single-family homes (detached/attached) and multifamily units.

#### b. Prohibited Uses

The following land uses are prohibited within the Campus Core:

1. Automotive, trailer, mobile home, boat or motorcycle repair, sales, storage or washing
2. Building material sales yards including lumberyard or plant nursery
3. Billboards
4. Cemetery, mortuary or crematory
5. Contractor equipment sales or storage
6. Drive in theater
7. Fair, carnival or tent show
8. Feed yards
9. Fortune telling
10. Gasoline service station
11. Kennels
12. Large scale retail (over 50,000 square feet)
13. Laundromat or dry cleaning
14. Liquor store
15. Medical marijuana dispensary/cultivation
16. Nightclub
17. Pawn shop
18. Public utility storage yard
19. Self-storage facility (unless facility is climate-controlled)



Belnor Vista Specific Plan

**Table III.A.1: Campus Core (CC) Development Standards**

Minimum Site Area	None
Maximum Site Coverage	None
Maximum Floor Area Ratio (FAR)	None
Maximum Height	As shown on Exhibit II.B.1: Interior: 75 feet 25 feet (one-story) within 60 feet of western property line, otherwise, 40-50 feet
Minimum Setbacks	North: None except for Valencia Road bufferyard and erosion hazard setback East: No setback adjacent to GR-1 Zone as it is planned for commercial use South & East (Interior, adjacent to RN): Residential – None Non-residential – 20 feet West: 20 feet
Minimum Building Separation	Per Building Code
Vehicular Parking	Per Pima County Code unless modified with an Individual Parking Reduction Plan (IPRP)
Bicycle Parking	Office/Civic/Light Industrial: 1 space per 10,000 SF; Minimum 2 spaces Multifamily: 1 space per 4 units Single-Family: None
Loading Areas	1 space per 50,000 SF GFA





**Title Commitment (select pages)**



**First American Title**

**Commitment for Title Insurance  
Arizona - 2021 v. 01.00 (07-01-2021)**

**Transaction Identification Data, for which the Company assumes no liability as set forth in  
Commitment Condition 5.e.:**

Issuing Agent: Title Security Agency, LLC  
Issuing Office: 6390 E Tanque Verde Road, Tucson, AZ 85715  
Commitment Number: 600235580  
Issuing Office File Number: 600235580  
Property Address: Vacant Land - Belnor Vista, Tucson, AZ  
Revision Number:

Title officer: David Riley @ (520)202-6651.

**ESCROW/CLOSING INQUIRIES** should be directed to your Escrow Officer: **Rhonda Herrera at  
(520)740-0424**

**SCHEDULE A**

1. Commitment Date: July 25, 2023 at 8:00 a.m.
2. Policy to be issued:
  - a. ALTA® Standard Owner's Policy  
Proposed Insured: To Be Determined  
Proposed Amount of Insurance: \$1,000.00  
The estate or interest to be insured: See Item 3 below
3. The estate or interest in the Land at the Commitment Date is:  
  
Fee Simple
4. The Title is, at the Commitment Date, vested in:  
  
Pima County
5. The Land is described as follows:  
  
See Exhibit A attached hereto and made a part hereof

*This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by First American Title Insurance Company. 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 counter-signature by the Company or its issuing agent that may be in electronic form.*

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Form 50126904 (5-31-22)

Page 1 of 13



**First American Title**

**Commitment for Title Insurance  
Arizona - 2021 v. 01.00 (07-01-2021)**

Commitment No.: 600235580

**SCHEDULE B, PART I—Requirements**

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. Compliance with A.R.S. 11-480 relative to all documents to be recorded in connection herewith. See note at end of this section for details

NOTE: In connection with Arizona Revised Statutes 11-480, as of January 1, 1991, the County Recorder may not accept documents for recording that do not comply with the following:

- a. Print must be ten-point type or larger.
  - b. A margin of two inches at the top of the first page for recording and return address information and margins of one-half inch along other borders of every page.
  - c. Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.
6. The property is exempt from taxes for the year 2022

NOTE: Taxes are assessed in the total amount of \$0.00 for the year 2022 under Assessor's Parcel No. 138-49-26409.

7. Proper evidence showing that all assessments due and payable, levied by Belnor Vista Homeowners Association, its successors and assigns, have been paid to and including the closing date of this transaction.
8. Record Partial Release of Assurance Agreement for Construction Subdivision Improvements (Third Party Trust) [Docket 13049, Page 973](#). Amendment to Trust recorded in [Docket 13049, Page 977](#).

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Page 2 of 13



**First American Title**

**Commitment for Title Insurance  
Arizona - 2021 v. 01.00 (07-01-2021)**

9. Record partial release and reconveyance of a Deed of Trust securing an original indebtedness in the amount of \$3,500,000.00, recorded October 20, 2006 as [Docket 12914, Page 3174](#)
- Dated: October 18, 2006  
Trustor: Belnor Vista, L.L.C., an Arizona limited liability company  
Trustee: National Bank of Arizona, a national banking association  
Beneficiary: National Bank of Arizona, a national banking association

(Covers More Property)

10. Furnish the names of parties to be insured herein and disposition of any matters disclosed thereby.
11. Approval by all parties to this transaction of the description used herein.
12. Record Warranty Deed from Pima County to Buyer(s).

NOTE: If this will be other than a Cash Transaction, notify the title department prior to close and additional requirements will be made.

13. Such further requirements as may be necessary after completion of the above.
14. Return to title department for final recheck before recording.

**NOTE:** According to the Public Records, the following matters constitute the chain of title for the 24 month period preceding the Commitment Date hereof

OR  
the last recorded instrument vesting title to the Land:

A document recorded April 02, 2007 as Final Plat of Belnor Vista II recorded in [Book 62 of Maps, Page 53](#)

From: Fidelity National Title Agency, Inc., an Arizona corporation as trustee under Trust No. 60,050  
Dedicated To: Pima County

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

The map attached, if any, may or may not be a survey of the Land thereon. The Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy.

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Form 50126904 (5-31-22)

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**First American Title**

**Commitment for Title Insurance  
Arizona - 2021 v. 01.00 (07-01-2021)**

Commitment No.: 600235580

**SCHEDULE B, PART II—Exceptions**

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

In addition to the Exceptions from Coverage contained in the form of Short Form Residential Loan Policy identified in Item 2 of Schedule A, the Policy will not insure against loss or damage resulting from the terms and conditions of any easement or lease included in the description of the Land as set forth in the Insured Mortgage, 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. (a) Taxes or assessments that 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; (b) proceedings by a public agency that 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
4. Easements, liens or encumbrances, or claims thereof, 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.
6. (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, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
7. Any lien or right to a lien for services, labor or material not shown by the Public Records.

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*First American Title*

Commitment for Title Insurance  
Arizona - 2021 v. 01.00 (07-01-2021)

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

8. Any additional taxes which may become a lien by reason of the county assessor reassessing the within described premises for the year(s) 2022.
9. Taxes for the full year of 2023.  
(The first half is due October 1, 2023 and is delinquent November 1, 2023. The second half is due March 1, 2024 and is delinquent May 1, 2024 .)
10. Any charge upon said land by reason of its inclusion in Belnor Vista Homeowners Association, its successors and assigns.
11. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Belnor Vista, as recorded in Plat Record [Book 33 of Maps, Page\(s\) 79](#), 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 to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

Thereafter Quit-Claim Deed of Easement those certain electric easements as depicted on said plat, recorded in [Docket 12843, page 356](#); thereafter Resolution recorded in [Docket 12996, Page 1582](#); thereafter Release of Easement to the public utility Easements located within Belnor Vista, recorded in [Docket 13049, Page 912](#) and thereafter Quit Claim Deed recorded in [Docket 13049, page 920](#) and Affidavit of Scrivener's Error recorded in [Docket 13935, Page 2417](#).

12. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Belnor Vista II, as recorded in Plat Record [Book 62 of Maps, Page\(s\) 53](#) and thereafter Declaration of Scrivener's Error recorded in [Docket 13068, page 2257](#), 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 to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
13. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Belnor Vista Blocks 1-5, as recorded in Plat Record [20223080233](#) of Official Records , 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 to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
14. Covenants, Conditions and Restrictions as set forth in document recorded on as [Docket 6462, Page 886](#), 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 to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

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*First American Title*

**Commitment for Title Insurance  
Arizona - 2021 v. 01.00 (07-01-2021)**

15. An easement for sewer, gas, water, or similar pipelines, or for canals laterals or ditches, or for electric, telephone and similar lines which shall continue as they existed prior to this conveyance and incidental purposes in the document recorded as [Docket 13049, Page 920](#).
16. All matters as set forth in Resolution No. 2009-24, recorded February 23, 2009 as [Docket 13500, Page 543](#).
17. The terms and provisions contained in the document entitled "public non-motorized trail easement" recorded as [Docket 12701, Page 1205](#).
18. All matters as set forth in Resolution 2022-16, recorded March 22, 2022 as [2022-0810573](#) of Official Records.
19. Water rights, claims or title to water, whether or not shown by the public records.

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**First American Title**

**Commitment for Title Insurance  
Arizona - 2021 v. 01.00 (07-01-2021)**

**EXHIBIT A**

The Land referred to herein below is situated in the County of Pima, State of Arizona, and is described as follows:

PARCEL I, OF BELNOR VISTA II, ACCORDING TO THE MAP OF RECORD IN THE PIMA COUNTY RECORDER'S OFFICE, PIMA COUNTY, ARIZONA, IN [BOOK 62 OF MAPS AND PLATS AT PAGE 53](#) AND AS AMENDED BY DECLARATION OF SCRIVENER'S ERROR RECORDED IN [DOCKET 13068 PAGE 2257](#).

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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 it's 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/MARKET EXPERIENCE**

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.