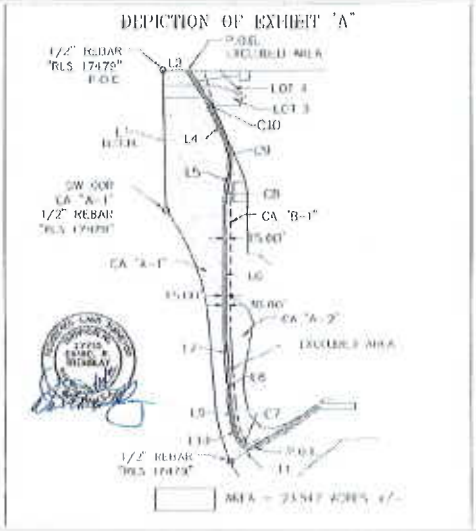
APPRAISAL OF



An appraisal of 23.547 Acres of Pima County Owned Vacant Land (Township 16S, Range 16E, Section 4)

LOCATED AT:

9820 South Rolling Water Drive and parcels south
Vail, AZ 85641

CLIENT:

Pima County Real Property Services
201 North Stone Avenue, 6th Floor
Tucson, AZ, 85701

AS OF:

February 2, 2022

BY:

Jeffrey D. Swango, SRA, AI-RRS, SR/WA, R/W-AC
AZ State Cert General Real Estate Appraiser: 31133

February 3, 2022

Attn: Mr. Jeffrey Teplitsky
Appraisal Supervisor
Pima County Real Property Services
201 North Stone Avenue, 6th Floor
Tucson, AZ, 85701

File Number: Sunset Exc Leon Ranch 23

Dear Mr. Teplitsky

In accordance with your request, I have appraised the real property at:

9820 South Rolling Water Drive and parcels south
Vail, AZ 85641

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as vacant. The property rights appraised are the fee simple interest in the site.

In my opinion, the defined value of the property as of February 2, 2022 is:

$283,000
Two Hundred Eighty-Three Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Respectfully,

Jeffrey D. Swango, SRA, AI-RRS, SR/WA, R/W-AC
AZ State Cert General Real Estate Appraiser: 31133
Senior Real Property Appraiser

JDS

Land Appraisal Report

PURPOSE

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal

Client Name/Intended User Pima County Real Property Services E-mail Jeff.Teplitsky@pima.gov
Client Address 201 North Stone Avenue, 6th Floor City Tucson State AZ Zip 85701
Additional Intended User(s) Pima County and all assigns and designees of thereof.

Intended Use To determine the current market fee simple value of the subject parcels as described.

SUBJECT

Property Address 9820 South Rolling Water Drive and parcels south City Vail State AZ Zip 85641
Owner of Public Record Pima County County Pima
Legal Description See Narrative Addenda
Assessor's Parcel # 305-72-2950, 2960, 2800, 2810 and 2850 Tax Year 2022 R.E. Taxes $ n/a -County Owned
Neighborhood Name McCloskey Properties Map Reference Pg: 166, QU:243 Census Tract 40.28
Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe) FCV $ 23,502 combined total of all 5 APN's.

SALES HISTORY

My research [X] did [ ] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
Prior Sale/Transfer: Date N/A Price N/A Source(s) Pima County Recorder's Office
Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) No prior sales of the subject parcel have occured within the prior three years of the date of appraisal. This complies with USPAP Standard Rule 1-5

Offerings, options and contracts as of the effective date of the appraisal See Attached Addendum - The subject parcels are not currently listed for sale.

NEIGHBORHOOD

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	[ ] Urban	[X] Suburban	[ ] Rural	Property Values	[X] Increasing	[ ] Stable	[ ] Declining	PRICE $(000)	AGE (yrs)	One-Unit	70 %
Built-Up	[ ] Over 75%	[X] 25-75%	[ ] Under 25%	Demand/Supply	[X] Shortage	[ ] In Balance	[ ] Over Supply	200 Low	New	2-4 Unit	5 %
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[X] Under 3 mths	[ ] 3-6 mths	[ ] Over 6 mths	700 High	40+	Multi-Family	5 %
								350 Pred	25	Commercial	15 %
										Other VacLn	5 %

Neighborhood Boundaries See Attached Addendum

Neighborhood Description See Attached Addendum

Market Conditions (including support for the above conclusions) Currently the market is experiencing relative shortages in available land and single family residential units. The past year has seen significant appreciation with days on market being reduced considerably year over year. Recent increases in the 30 year fixed mortgage rates may slow this demand in the coming months.

SITE

Dimensions Irregular shaped parcel Area 23.547 Acres Approx Shape Irregular View Desert / Mountains
Specific Zoning Classification GR-1 and SP Zoning Description GR-1 = 1 res/.83 acres, SP = Specific Plan - high density residential
Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe)
Highest and best use of the subject property See Attached Addendum

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	[X]	[ ] TEP in Area	Water	[X]	[ ] Tuc Wtr in Area	Street Dirt Road Surface	[ ]	[X]
Gas	[X]	[ ] SW Gas in Area	Sanitary Sewer	[X]	[ ] PC Wstewtr in Area	Alley None	[ ]	[ ]

FEMA Special Flood Hazard Area [X] Yes [ ] No FEMA Flood Zone X,AE,EHS-77% FEMA Map # 04019C2930L FEMA Map Date 6/16/2011
Site Comments See Attached Addendum - the larger parcel is 23.547 acres and is the combined total of parcels 305-72-2950, 2960, 2800, 2810, and 2850. All are remainder portions after the acquisition of right of way, and are valued as common area as no development will occur.

MARKET DATA ANALYSIS

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	9820 S Rolling Water Dr & parcels south, Vail, Arizona 85641	N Side of Esperanza, W of Desert Bell Drive, Green Valley AZ		NE Corner Speedway/Hougton Tucson AZ		6620 W Coachie Canyon Tr Tucson AZ	
Proximity to subject		22.17 miles SW		4.62 miles NW		37.61 miles NW	
Sales Price	$ N/A		$ 136,481		$ 100,000		$ 229,295
Price $/ Acre	0		11,069		8,052		14,860
Data Source	Pima Co, Inspection	Appraiser File, Inspection		Appraiser File, Inspection		Appraiser File, Inspection	
Date of Sale and Time Adjustment	DESCRIPTION N/A	DESCRIPTION 3/1/2019, 3%	+(-) Adjust. 332	DESCRIPTION 12/16/2020, 1%	+(-) Adjust. 1,000	DESCRIPTION 8/8/2018, 5%	+(-) Adjust. 743
Location	Suburban	Suburban		Suburban		Suburban	
Site/View	23.547 AC / Dsrt	12.33 AC/Dsrt		12.42 AC/Dsrt		15.43 AC/Dsrt	
Access	Dirt Road	Paved Road		Paved Road		Dirt Road 5%	
Utilities/Imprv	All in general area	All available		All available		Elc,Ph 5%	
Flood Designtn	FEMA X, AE, EHS-77%	FEMA X, EHS-98.9%	Offset	Fldwy-71%,EHS-88%	Offset	Fema X, AO, EHS 14%	-2,229
Zoning	GR-1 and SP	CB-1	Offset	SR	Offset	RH	Offset
Sales or Financing Concessions	N/A N/A	N/A N/A		N/A N/A		Motvtd Buyer -5% N/A	-743
Net Adj. (Total)		[X] + [ ] -	$ 332	[X] + [ ] -	$ 1,000	[ ] + [X] -	$ 2,229
Indicated Value of Subject		Net Adj. 3.0% Gross Adj. 3.0%	$ 11,401	Net Adj. 12.4% Gross Adj. 12.4%	$ 9,052	Net Adj. -15.0% Gross Adj. 25.0%	$ 12,631

Summary of Sales Comparrison Approach See Attached Addendum - at the appraised value of $12,000 per acre the price per unit is above sale 1, above sale 2 and just below sale 3. As applied to the subject the following calculations apply: 23.547 acres times $12,000 per acre = $282,564 round to $283,000. Value indication is within both the pre and posted adjusted ranges on a price per acre basis. It should be noted that the time adjustment is relatively small as properties with flood zone considerations or considered as common area do not fluctuate with regard to time at the same rate as more developable parcels.

RECONCILIATION

Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of Februrary 2, 2022, which is the effective date of this appraisal, is:
[X] Single point $ 283,000 [ ] Range $ to $ [ ] Greater than [ ] Less than $
This appraisal is made [X] "as is," [ ] subject to the following N/A

(gPAR™) General Purpose Appraisal Report

Land Appraisal Report

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as " the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.

3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.

4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.

5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.

6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.

7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.

8. This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

See Attached Addendum

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(gPAR™) General Purpose Appraisal Report 04/2016
GPARLAND 04/03/2016

Land Appraisal Report

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

No one provided additional assistance to the appraiser signing this certification.

Additional Certifications:

1. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

2. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

3. As of the date of this report, I Jeffrey D. Swango, SRA, AI-RRS, SR/WA, R/W-AC have completed the continuing education program of the Appraisal Institute.

Definition of Value: [X] Market Value [ ] Other Value:

Source of Definition: The Dictionary of Real Estate Appraisal, 6th Edition - 2015, Pg 141.

A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definition of market value have been developed and refined, such as the following.

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

ADDRESS OF THE PROPERTY APPRAISED:
9820 South Rolling Water Drive and parcels south
Vail, AZ 85641
EFFECTIVE DATE OF THE APPRAISAL: Februrary 2, 2022
APPRAISED VALUE OF THE SUBJECT PROPERTY $ 283,000

APPRAISER

Signature:
Name: Jeffrey D. Swango, SRA, AI-RRS, SR/WA, R/W-AC
Company Name: Pima County Real Property Services
Company Address: 201 North Stone Avenue, 6th Floor, Tucson, Arizona 85701
Telephone Number: 520 724 9089
Email Address: Jeff.Swango@pima.gov
State Certification # AZ Certified General: 31133
or License #
or Other (describe) State #
State: Arizona
Expiration Date of Certification or License: January 31, 2023
Date of Signature and Report: February 3, 2022
Date of Property Viewing: February 2, 2022
Degree of property viewing
[X] Did personally view [ ] Did not personally view

SUPERVISORY APPRAISER

Signature:
Name:
Company Name
Company Address:
Telephone Number:
Email Address:
State Certification #
or License #
State
Expiration Date of Certification or License:
Date of Signature
Date of Property Viewing
Degree of property viewing
[ ] Did personally view [ ] Did not personally view

Table of Contents

PRIOR SALES COMMENTS 2
OFFERINGS, CONTRACTS AND OPTIONS 2
LEGAL DESCRIPTION: 2
LARGER PARCEL: 2
NEIGHBORHOOD BOUNDARIES AND MARKET AREA 3
NEIGHBORHOOD MARKET CONDITIONS 4
ZONING DESCRIPTION 5
HIGHEST AND BEST USE – (GENERAL DEFINITION AS VACANT) 5
HIGHEST AND BEST USE AS VACANT - (SPECIFIC TO SUBJECT PROPERTY) 6
SITE COMMENTS 8
SUBJECT SIZE 8
COMPARABLE SALES DISCUSSION: 8
ADJUSTED SALES SUMMARY: 9
COMPARABLE SALES DISCUSSION: 10
SCOPE OF WORK GENERAL DEFINITION: 12
SCOPE OF WORK - ASSIGNMENT CONDITIONS 13
EXTRAORDINARY ASSUMPTION – GENERAL DEFINITION: 14
Extraordinary Assumptions Specific to This Assignment: 14
HYPOTHETICAL CONDITION – GENERAL DEFINITION: 14
Hypothetical Conditions Specific to This Assignment: 14
APPRAISER QUALIFICATIONS: 15

PRIOR SALES COMMENTS

No prior sale of the subject parcel noted within the prior three years.

OFFERINGS, CONTRACTS AND OPTIONS

Property is not currently listed for sale.

LEGAL DESCRIPTION:

- 305-72-2950 - MC CLOSKEY PROPERTY LOT 3
- 305-72-2960 - MC CLOSKEY PROPERTY LOT 4
- 305-72-2800 - RIVERWALK AT RANCHO DEL LAGO COMMON AREA A1 NATURAL OPEN SPACE
- 305-72-2810 - RIVERWALK AT RANCHO DEL LAGO COMMON AREA A2 NATURAL OPEN SPACE
- 305-72-2850 - RIVERWALK AT RANCHO DEL LAGO COMMON AREA B1 OPEN SPACE

Total Site Size: 23.547 Acres approximate only, no survey conducted.

LARGER PARCEL:

Definition: *In governmental land acquisitions and in valuation of charitable donations of partial interests' in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.*[1]

For the purposes of this report the parcels noted above will be combined into a single larger parcel as they essentially meet the definition of same. Namely, they share unity of title, and unity of use and contiguity.

[1] The Dictionary of Real Estate Appraisal, 6th Ed. Appraisal Institute Publishers, 2015, P. 127.

NEIGHBORHOOD BOUNDARIES AND MARKET AREA

The subject's market is in the southeast portion of the metropolitan Tucson area. The market area as shown below by zip code is rather large. Boundaries roughly correspond to the following – the entire metropolitan Tucson area and fringe locations including Green Valley Arizona. This is due to the relative scarcity of 'open space' or common area type comparables. Property uses in the market area include primarily single family residences, with retail and service related businesses along the major thoroughfares such as Ina Road, Twin Peaks Road, Orange Grove, Road – as east west connectors.

Development of this specific area began in earnest during the 1970's, as Tucson's CBD or central business district expanded towards the east. This progress was eventually hemmed in by the Rincon and Santa Catalina Mountains. Population increases, taking the path of least resistance, headed towards the northwest. Previously, more agricultural in nature with fruit tree groves, cotton fields, and dairies this area found itself transitioning towards residences with supportive commercial uses along the major thoroughfares.

The areas known as Vail soon incorporated becoming bedroom communities for those commuting to and from metro Tucson. By the late 1980's and early 1990's larger supportive commercial uses along I 10 became more prevalent including service sector related business, Costco, strip retail malls, restaurants, etc.

Growth has continued towards the northwest and southeast – the remaining areas with available land. Catalina, Saddlebrooke, Rancho Vistoso and La Reserve, Rita Ranch and Rancho Del Lago as major planned area developments, have continued wrapping around the north side of the Santa Catalina Mountains and the south end of the Rincon Mountains. Of course supporting commercial development has kept pace. Medical services, shopping, service businesses, restaurants and recreational facilities are all present offering a wide variety to local residences.

Commercial and industrial development has been evident with warehousing, distribution centers, corporate offices parks along Interstate 10. Subdivisions such as Rancho Del Lago, Honeybee Canyon and Dove Mountain provide up-scale product to these types of buyers.

The economic slow-down experienced in late 2006 and forward had an adverse effect on all types of real estate in the Tucson area but less so in the northwest which has and remains a relatively active portion of metro Tucson. While the core areas of Tucson suffered the greatest during the great recession, the northwest and southeast have fared somewhat better and are leading the way currently out of some of the price stagnation experienced earlier.

NEIGHBORHOOD MARKET CONDITIONS

Currently the market appears to be in quite strong with significant rates of appreciation over the past year in particular. Days on the market have been reduced year over year when compared to 2020. Recently, increases in the 30 fixed mortgage interest rate have increased to around 3.55%. It remains to be seen what impact this will have in the coming months with regard to buying activity and consumer confidence. As of the date of inspection inventory remains quite low with most brokers indicating a 'sellers' market. Demand for existing construction in the housing arena is especially high considering the supply chain delays with new construction. That coupled with a desire to be closer to metro amenities has spurred rapid price appreciation in this segment of the market.

Areas of more rapid growth are evident in the southeast and northwest specifically in locales such as Oro Valley, Marana and towards the southeast near Vail. The graph as noted, demonstrates the median prices for various residential categories such as single family, manufactured homes, condominiums, etc. Data is from the local Tucson Multiple Listing Service:

Local Market Update – December 2021

A Research Tool Provided by Southern Arizona MLS

MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

Tucson - Southeast

Single Family	December			Year to Date		
Key Metrics	**2020**	**2021**	**% Change**	**Thru 12-2020**	**Thru 12-2021**	**% Change**
New Listings	33	35	+ 6.1%	543	601	+ 10.7%
Pending Sales	37	32	- 13.5%	511	550	+ 7.6%
Closed Sales	47	38	- 19.1%	490	539	+ 10.0%
Days on Market Until Sale	13	22	+ 69.2%	27	15	- 44.4%
Median Sales Price*	$289,000	$361,000	+ 24.9%	$269,000	$338,000	+ 25.7%
Average Sales Price*	$313,917	$389,024	+ 23.9%	$291,895	$355,575	+ 21.8%
Percent of List Price Received*	100.3%	100.3%	0.0%	99.6%	101.0%	+ 1.4%
Inventory of Homes for Sale	34	44	+ 29.4%	—	—	—
Months Supply of Inventory	0.8	1.0	+ 25.0%	—	—	—

Quick Facts

- 12.3%	+ 27.5%	- 0.9%
Change in **Closed Sales** All Properties	Change in **Median Sales Price** All Properties	Change in **Homes for Sale** All Properties

The above data provided by City-Data.com and the Tucson Association of Realtors.

ZONING DESCRIPTION

SP = Specific Plan which supports high density residential development with complimentary commercial uses along major thoroughfares. Given the fact that the subject parcels are common area however, the zoning designation is moot as the parcels will remain as open space and not subject to future development. The comprehensive plan is a combination of MIR – Medium Intensity Rural and PDC or Planned Development Community.

HIGHEST AND BEST USE – (GENERAL DEFINITION AS VACANT)

The highest and best use of the property currently suggests development of a site built or manufactured home in keeping with the styles and sizes currently in place in the immediately surrounding area. A more detailed analysis follows:

The highest and best use of the land as vacant must meet four criteria. The highest and best use must be:

Legally Permissible: *What uses are permitted by zoning, private restrictions, historic districts, and environmental regulations on the site?*

Physically Possible: *Based on the physical characteristics of the site, what uses are physically possible?*

Financially Feasible: *Which uses meeting the first two criteria will produce a positive return to the owner of the site?*

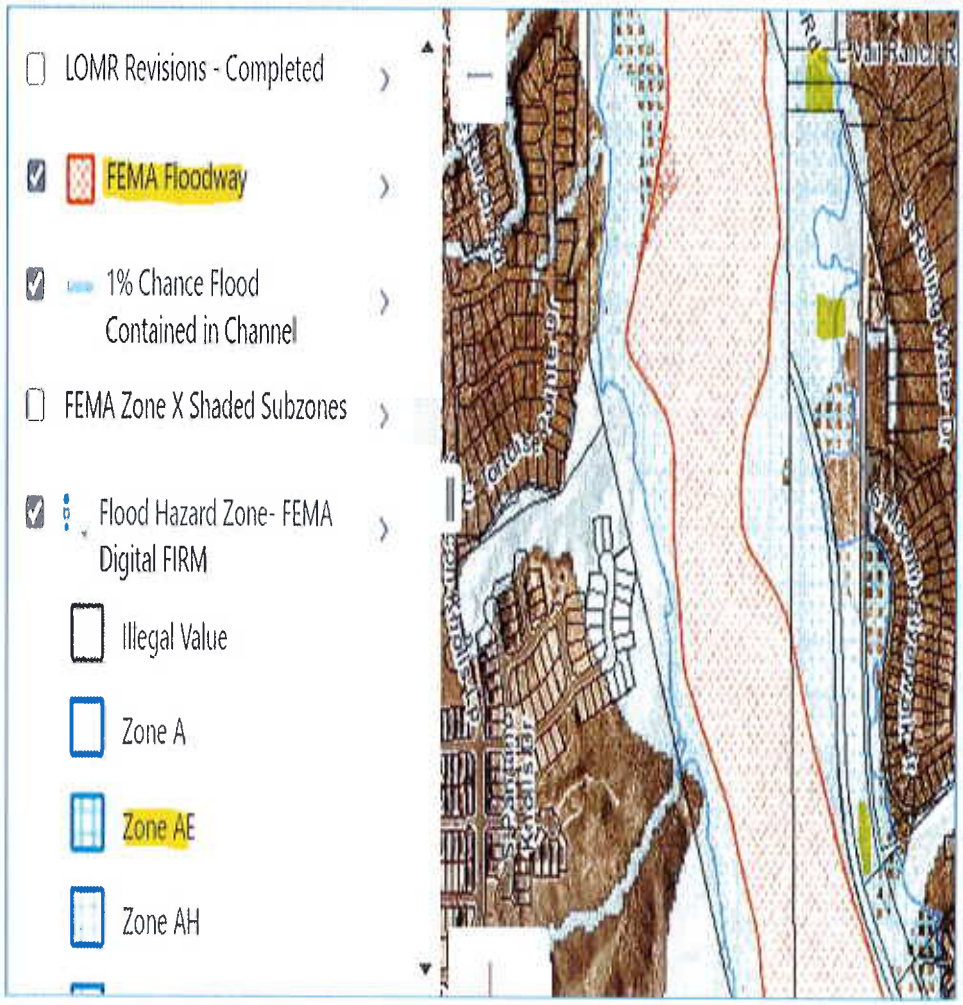
Maximally Productive: *Among the feasible uses, which use will produce the highest price, or value, consistent with the rate of return warranted by the market? This use is the highest and best.*

HIGHEST AND BEST USE AS VACANT - (SPECIFIC TO SUBJECT PROPERTY)

Legally Permissible: Legally the property is zoned as Pima County SP or specific plan which promotes higher density residential development with complimentary commercial uses along major thoroughfares. Some minor GR-1 zoned area is to the north end allowing 1 residence per .83 acres. The intent is to minimize wildcat development or uses that are incongruous with the primary objective and high density housing. At the combined size of 23.547 acres such a high density development may have been possible pending an engineer's site study and survey. As noted however the most recent plat indicates that the parcels are essentially common area. No development may occur as the parcels are to remain 'as is'.

The comprehensive plan indicates both MIR or medium intensity rural and Planned Development Community. Under normal conditions this would allow for the development of residential areas with supportive commercial uses on major thoroughfares. As noted however the subject parcels are to remain open space rendering both the zoning, and comprehensive overlays moot.

The map following indicates that both subject parcels are in FEMA Zone X, AE, with about 77% in an EHS or Erosion Hazard Setback area.



Physically Possible: The subject is adjacent east and west or North Leon Ranch Road for most of its length. If considered WITHOUT the existing common area designation the following might be possible. Considering the relatively low housing inventory, increased demand for same, and the surrounding uses suggesting a high density residential development the subject parcels could several lots pending a site engineer's study and survey. Allowances to made for infrastructure such as sidewalks, streets, lighting, curbing, utility hookups, etc. However, with the common area designations in place, any future development options are extinguished along with the economic utility of the parcels.

Financially Feasible: The feasibility of a particular use is dependent upon demand. A use may indeed be physically and legally possible but there must be a demand for such to be truly feasible. Currently, the inventory for similar properties is low which increases demand and pricing. Though currently fairly low that same inventory has a variety of parcels not as affected as the subject providing many alternatives to potential buyers of the subject.

The site is made less desirable within the marketplace due to the primary reason outlined above –

- The entire parcel is considered as common area which is to affect the subject parcels in perpetuity. All economic utility of the site has been removed.

Maximally Productive: The factors outlined above, specifically with regard to the cultural preservation / open space designation has removed any economic utility or value from the parcel. No development of any kind will be permitted in the future.

Considering the information above, with input from Pima County Flood Control District, the **highest and best use is concluded to be open space. The land will remain 'as is' and undeveloped in perpetuity.**

NOTE: Comparables, thus selected, will also have similar limited utility, restrictions, setback requirements and/or other impediments to development. Most will have similar highest and best uses and are thus reflective of alternatives that potential buyers of the subject would consider.

SITE COMMENTS

This particular parcel is located in the southeast portion of Metro Tucson. it is level, with natural desert vegetation. Access is made by going eastbound on Interstate 10 to the East Colossal Cave Road Interchange. Then north on South Camino Loma Alta Road to East Rex Molly Road, South on South White Lightning Way, West on East Rolling Water Drive bearing right to Leon Ranch Road which bends to the north. The subject parcels are primarily on the West side of this alignment.

SUBJECT SIZE

In lieu of any recent survey, the report is based on a site size derived from the Pima County Assessor's Office. The assessor may rely on a variety of sources for site size calculations including; GIS mapping, survey legal descriptions or in office planimeter measurements. It is important to note that several sizes are given for the subject.

Pima County GIS mapping indicates a combined size of 26.92 acres; the assessor's legal descriptions notes is not indicated. A more recent plat map indicates 23.57 acres. **For the purposes of this report, the plat survey calculation of 23.57 acres is being used for comparison purposes as specific dimensions could be ascertained and measured via a sketch program.** In addition, slight variances such as these do not have a bearing on value and most buyers are purchasing a potential building site.

COMPARABLE SALES DISCUSSION:

Note on Verification: According to the current edition of USPAP Standards Rule 1-4, "In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results." The extent of the verification process is further discussed on Page 125 of the Appraisal of Real Estate, 14th Edition that states, "Appraisers investigate how much verification of data will be necessary for a specific assignment in the determination of the scope of work."

The concept that the appraiser must talk directly to a party to the transaction to verify data used in an appraisal assignment is a requirement found in the Uniform Appraisal Standards for Federal Land Acquisitions or "Yellow Book". Much depends on the availability of contact information and the willingness of participants to divulge relevant sales details. Consequently, the Scope of Work spells out the manner in which sales data may be confirmed using one or more sources as discussed above.

ADJUSTED SALES SUMMARY:

At the estimated value of $283,000 or roughly $12,000 per acre, the subject is within the range of both pre and post adjusted values. Emphasis placed on sales 1 with the least net adjustment. Sale 3 was included due to similarity in size but is more dated. However, it should be noted that properties of this nature do not fluctuate with the passage of time given their relatively low overall utility and development potential. Sale 2 is the most recent. Typically, sales requiring fewer and/or less dramatic adjustments are more reliable indicators of potential value than those requiring more numerous adjustments in a variety of categories. The final value opinion of $12,000 per acre is above sale 1, above sale 2 and just below sale 3.

COMPARABLE SALES DISCUSSION:

Sale 1 is located on the north side of Esperanza Boulevard, west of Desert Bell Drive in Green Valley Arizona, about 35 south of metro Tucson. This sale occurred on 9-7-2018 for $136,481 and was an all-cash transaction. The seller was William L. Pippin and the buyer was Las Campanas Community Association.

Adjustments were considered for the following: a relatively small upward amount was made for the date of sale although not to the extent that more developable land might demonstrate. No other adjustments found necessary and of the three sales analyzed this comparable had the least net adjustment. Nearly the entire comparable parcel is within an EHS or erosion hazard setback area, negating any future development potential.

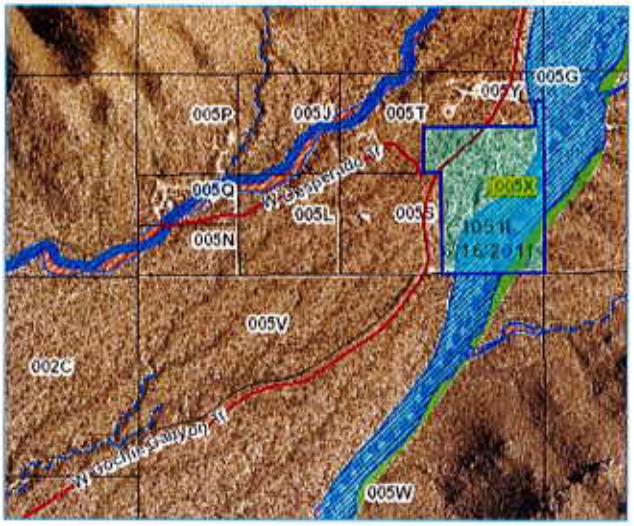
- Confirmed previously with the Las Companas Community Association via email.
- Overall this sale was adjusted upward from the initial sales price.

Sale 2 is at the northeast corner of Speedway Blvd, and Houghton Road. It sold on 12/16/2020 for $100,000 and was an all-cash transaction. The seller was the 76 Trust and the buyer was the Pima County Flood Control District. No other financing types or concessions were noted at the time of sale.

Adjustments were made for the following: a relatively small upward amount was made for the date of sale although not to the extent that more developable land might demonstrate. No other adjustments were required. Like the subject, this parcel will not be developed due to numerous flood zone overlays including 'floodway'.

- Confirmed with Dana Hausman Sr. Acquisition Agent, Pima County Real Property Services.
- Overall this sale was adjusted upward from the initial sales price.

Sale 3 is at 6620 Cochie Canyon Trail and was sold on 8/8/2018 for $229,295. The seller was Michael W. and Kelly G. McCully Revocable Living Trust. The buyer was Meritage Homes of Arizona, LLC. The initial owner was to keep the site as open space and the buyer was highly motivated as the site meets the requirement for mitigation land. Meritage Homes LLC has since donated the site to Pima County to be preserved as open space.



Adjustments were made for the following; a relatively small upward amount was made for the date of sale although not to the extent that more developable land might demonstrate. A significant downward amount was considered for the less severe flood zone designation. In short this sale has some development potential whereas the subject, considered as common area, has no future development potential. Final downward adjustment represents a highly motivated buyer who needed the land for development mitigation purposes.

- Confirmed with Dana Hausman Sr. Acquisition Agent, Pima County Real Property Services.
- Overall this sale was adjusted downward from the initial sales price.

Comparable	Sale 1	Sale 2	Sale 3
Adjusted Sales Prices	**$11,401**	**$9,052**	**$12,631**
Subject at: $12,000/Acre	Above	Above	Nearly At

VALUE IS THUS: $283,000 FOR A 23.547 ACRE VACANT SITE ($12,000/ACRE)

NOTE: The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO, March 11, 2020; Covid-19 was declared a public health emergency by the US government on Jan 31, and Feb. 2, 2020. As of this writing the Covid-19 pandemic is still underway in the US and the effects on real estate markets, prices, transaction volume, as well as financial markets and business, are still unfolding. The readers and users of this budget estimate are cautioned that the budget estimate conclusions presented in this budget estimate apply only as of the effective date(s) indicated and have been influenced by the market before the pandemic. **Values are dynamic and may be influenced to varying degrees by such events.** ***No representations as to the effect on the subject property by any unforeseen event after the effective date are made or implied.***

SCOPE OF WORK GENERAL DEFINITION:

- The type of data and the extent of research and analyses. (SVP)
- The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2020-2021).

The Scope of Work for an appraisal assignment is defined by the Uniform Standards of Professional Appraisal Practice (USPAP) as "the research and analyses that are necessary to develop credible assignment result".

For each appraisal and appraisal review assignment, an appraiser must:

- Properly identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report."

The appraisal is intended to comply with the 2020-2021 USPAP. The findings are conveyed in an Appraisal Report as defined by USPAP. The appraisal assignment and report have been completed in response to a request for an appraisal of the subject property by the Pima County Flood Control Department.

The appraisal assignment includes the appraisal of the property described and referred to as "the subject", "subject property", "subject parcel" or in other various ways meant to describe the subject property, and the preparation of an appraisal report.

The appraisal report describes the subject property being appraised, analyzes data selected and compared to the subject property, and renders an opinion of the market value of the subject property as of the effective date of the report.

The appraisal report is prepared and reported following the Uniform Standards of Professional Appraisal Practice published by the Appraisal Foundation, the Code of Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, the standards of Title XI of the Federal Financial Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and to those standards and specifications dictated by Pima County.

This appraisal report is only intended for use by Pima County Real Property Services and the designees and / or assigns thereof. Use of this appraisal report by others not named is not intended by the appraiser.

The purpose of the appraisal report is to provide the appraiser's opinion of the fee simple market value interest of a specific property that has been previously identified. This report is intended to be used to assist the intended user in the determination of the just compensation due to the property owner for the potential acquisition of the subject property. It is not intended for any other use.

A statement and conclusion of the highest and best use of the subject property is given by the appraiser and is supported by various standards and resources related to land use, supply and demand, governmental requirements, site utility, environmental issues, availability of public utilities, access, and present and anticipated economic elements which might have an impact on the marketability of the subject property.

The appraisal process includes the physical inspection of the subject property, the photographing of the subject property, the research of all pertinent information related to the subject property (zoning, flood, size, topography, etc.) the selection, review, analysis, and confirmation of recent market (sale/escrow/listing) data deemed comparable to the subject property.

Further, it includes the collection of economic, demographic, and statistical data from published sources including any one or all of the following; Co-Star™, Tucson Multiple Listing Service (TAR/MLS), Loop-Net™, various brokerage offices that publish data, and various sources that publish data relevant to the Tucson and Pima County real estate market. Any or all of these sources may assist the appraiser in completing the appraisal report.

The subject property is vacant land consisting of roughly **23.547 acres** more or less. The appraisal report concludes an opinion of the fee simple market value of the subject property using the Sales Comparison Approach. The Sales Comparison Approach process includes a thorough search of the real estate market for current data (sales, listings, and escrows) considered relevant and comparable to the subject property. The selected data has been confirmed, when possible, with one or more parties to the transaction, review of the deed (affidavit of value), and/or records of the Pima County Recorder and Assessor.

The appraiser compared the sales/listings/escrows to the subject property and makes adjustments to the comparable data in terms of those factors deemed superior in comparison to the subject property, inferior in comparison to the subject property, or equal to or having offsetting factors in comparison to the subject property.

The Sales Comparison Approach provides the basis and support of the final opinion of the market value of the subject property. The appraisal does not include the Income Approach or Cost Approach methods of valuation as these approaches are not applicable to this assignment.

The development of the final opinion of value includes performing the appraisal process in conformance and compliance with the Uniform Standards of Professional Appraisal Practice as defined by the Appraisal Standards Board. This appraisal report is only a summary of the appraisal data, analyses, and conclusions that the appraiser performed for this assignment.

The file retained by the appraiser includes all supporting documents for the concluded opinion of value. The work file and the appraisal report are what constitute the "appraisal" and both parts are considered integral to the final opinion of value.

SCOPE OF WORK - ASSIGNMENT CONDITIONS

1. Client: Pima County Real Property Services and all assigns and designees thereof
2. Intended Use: To determine the fee simple market value of the subject as described.
3. Intended Users: All assigns and designees authorized by Pima County Real Property Services.
4. Type of Value: Fee simple market value.
5. Effective Date of Value: February 2, 2022
6. Physical Characteristics: As described within report.
7. Assignment Conditions: As follows –

EXTRAORDINARY ASSUMPTION – GENERAL DEFINITION:

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment; Extraordinary Assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis. *(USPAP, 2020-2021 Ed.)*

Extraordinary Assumptions Specific to This Assignment:

It is being assumed that any environmental issues or concerns do not affect the subject as of the date of inspection. Should environmental issues be of special concern to the client it is recommended that an environmental survey be conducted. The results of same may or may not affect the value herein and the appraiser reserves the right to readdress the value estimate when such results are available for review.

HYPOTHETICAL CONDITION – GENERAL DEFINITION:

1. A condition that is presumed to be true when it is known to be false. (SVP)

2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. *Comment:* Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP, 2020-2021 Ed.)*

Hypothetical Conditions Specific to This Assignment:

No specific hypothetical conditions are being employed regarding this parcel for the assignment.

APPRAISER QUALIFICATIONS:

Jeffrey D. Swango, SRA, AI-RRS, SR/WA is a certified general, senior real property appraiser with the Real Property Services Dept. of Pima County in Tucson. A third generation appraiser, he earned a Bachelor's degree from the University of Arizona in 1990 and has been appraising for 29 years 11 of which were in private practice in a family run appraisal company.

Beginning primarily with residential appraisal assignments Jeff expanded his practice to include land and commercial properties obtaining his general certification in 2003 after joining the appraisal section of Pima County Real Property Services.

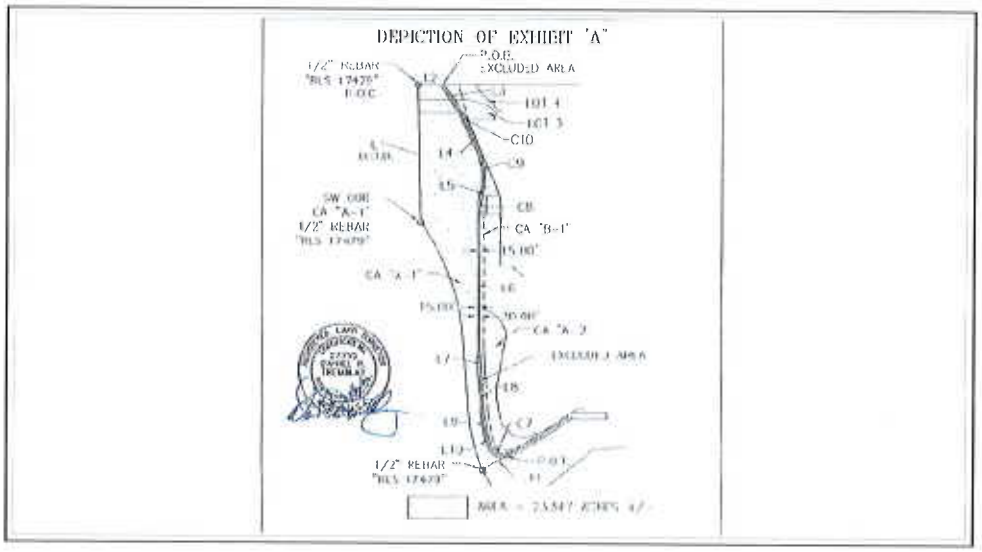
Regular assignments include right of way appraisals for a variety of properties throughout the county including single family residences, land, and commercial parcels, review appraising, license and fee settings, budget projections and various teaching engagements nationwide.

Jeff has authored several articles that have appeared in *Right of Way* magazine and other related professional appraisal publications. He has been active with both the IRWA and the Appraisal Institute serving in various capacities including that of president for each chapter. He is currently a certified instructor for the IRWA and teaches most of appraisal courses offered by that organization and is on the publications review committee of the Appraisal Institute.

He holds the SRA, and AI-RRS designations of the Appraisal Institute and the SR/WA, R/W-AC, and R/W-NAC designations/certifications of the International Right of Way Association. Mr. Swango enjoys the tremendous variety within the field of eminent domain and the more difficult assignments where theory and methodology are often challenged.

SUBJECT PROPERTY PHOTO ADDENDUM

Client: Pima County Real Property Services	File No.: Sunset Exc Lean Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south	Case No.: Sunset Exchange
City: Vail State: AZ	Zip: 85641



FRONT VIEW OF SUBJECT PROPERTY

Appraised Date: February 2, 2022
Appraised Value: $ 283,000

REAR VIEW OF SUBJECT PROPERTY

STREET SCENE

LOCATION MAP

Client: Pima County Real Property Services	File No.: Sunset Ex: Leon Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south	Case No.: Sunset Exchange
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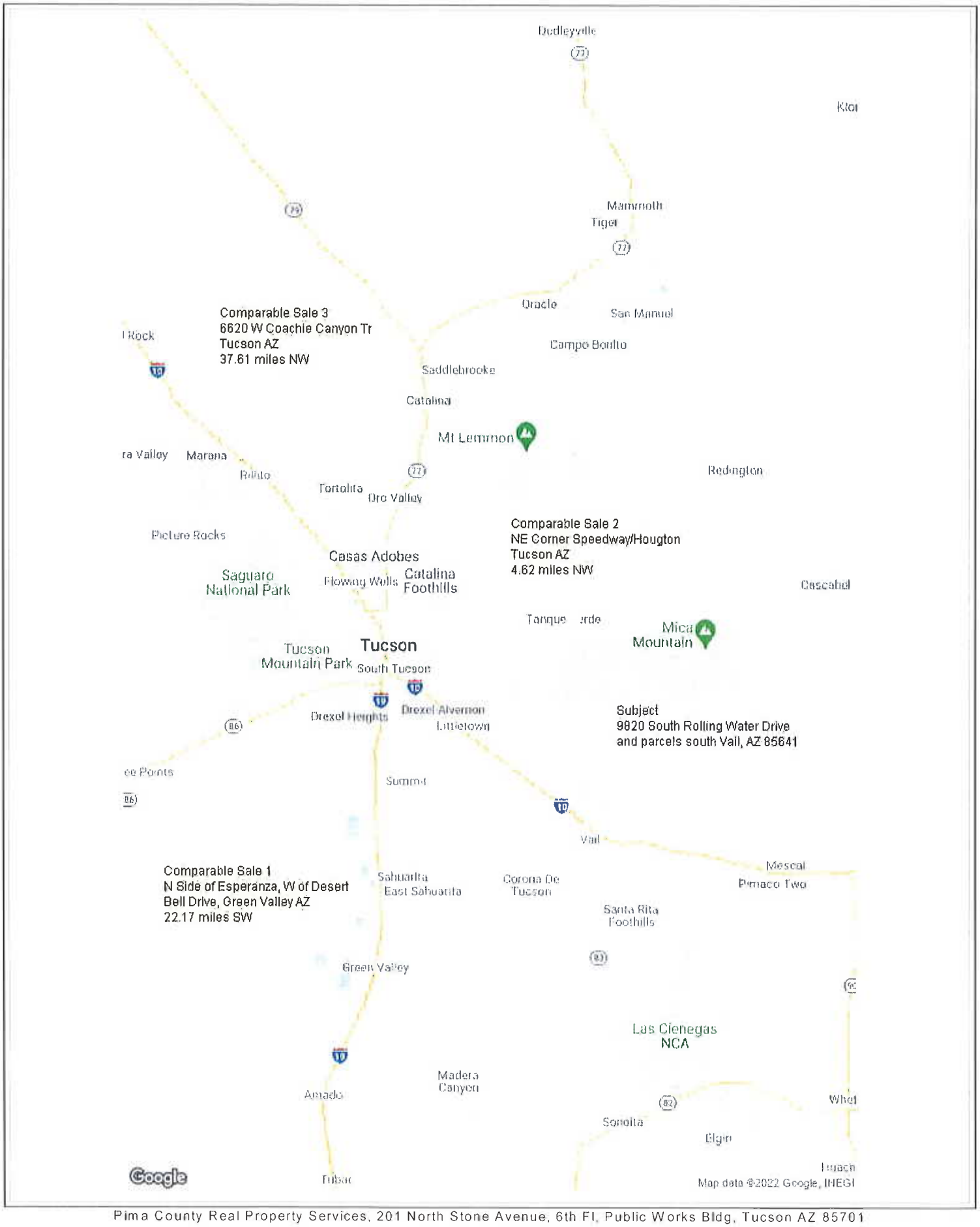


COMPARABLE PROPERTY PHOTO ADDENDUM

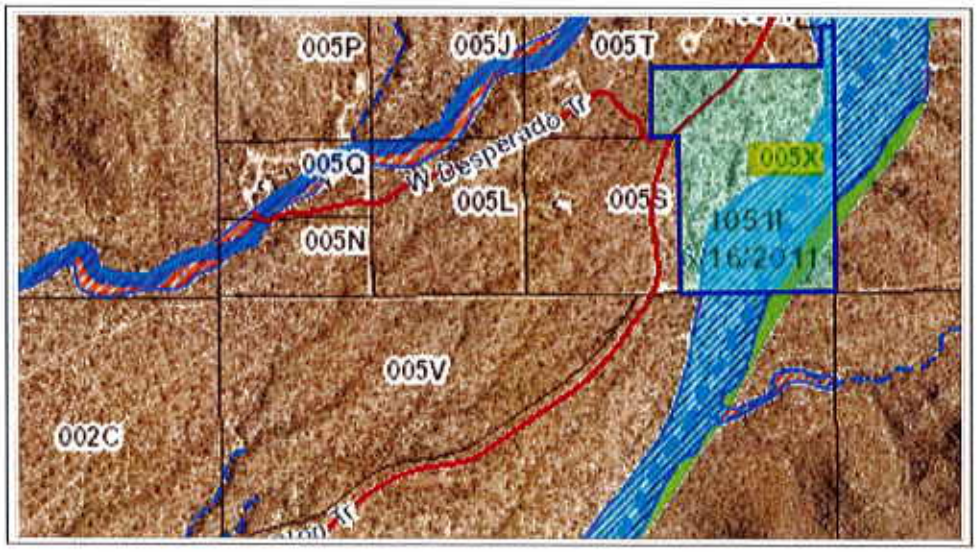
Client: Pima County Real Property Services		File No.: Sunset Ex: Leon Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south		Case No.: Sunset Exchange
City: Vail	State: AZ	Zip: 85641

COMPARABLE SALE #1

N Side of Esperanza, W of Desert Bell Drive, Green Valley AZ
Sale Date: 3/1/2019, 3%
Sale Price: $ 136,481

COMPARABLE SALE #2

NE Corner Speedway/Hougton
Tucson AZ
Sale Date: 12/16/2020, 1%
Sale Price: $ 100,000



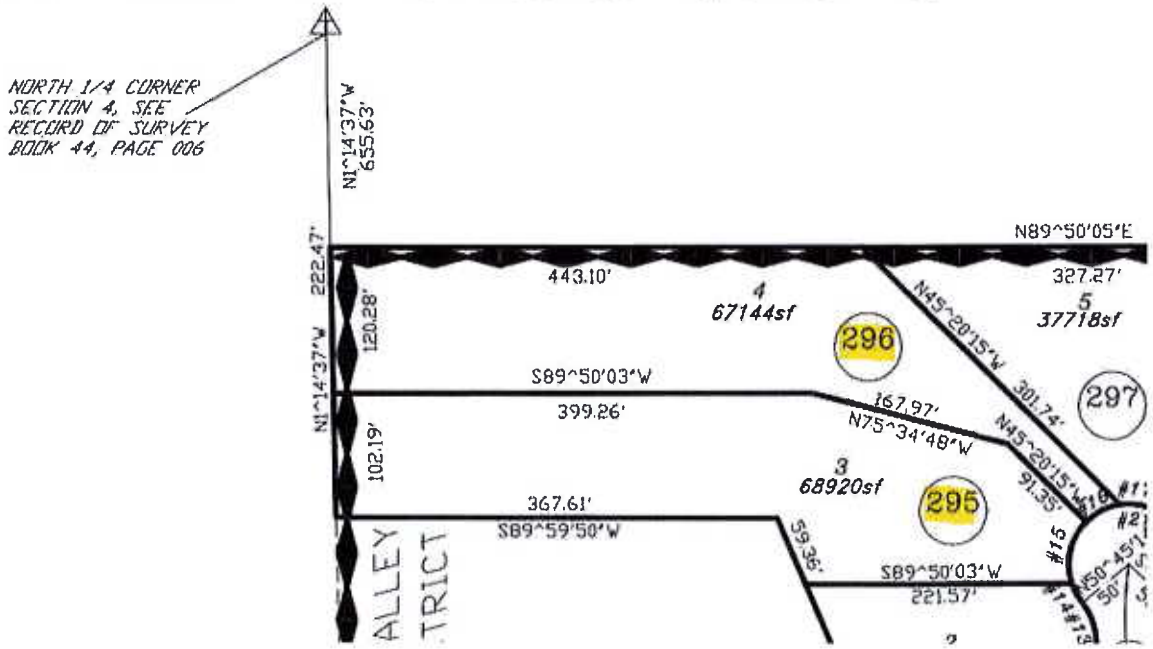
COMPARABLE SALE #3

6620 W Coachie Canyon Tr
Tucson AZ
Sale Date: 8/8/2018, 5%
Sale Price: $ 229,295

PLAT MAP

Client: Pima County Real Property Services	File No.: Sunset Exc Leon Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south	Case No.: Sunset Exchange
City: Vail State: AZ	Zip: 85641

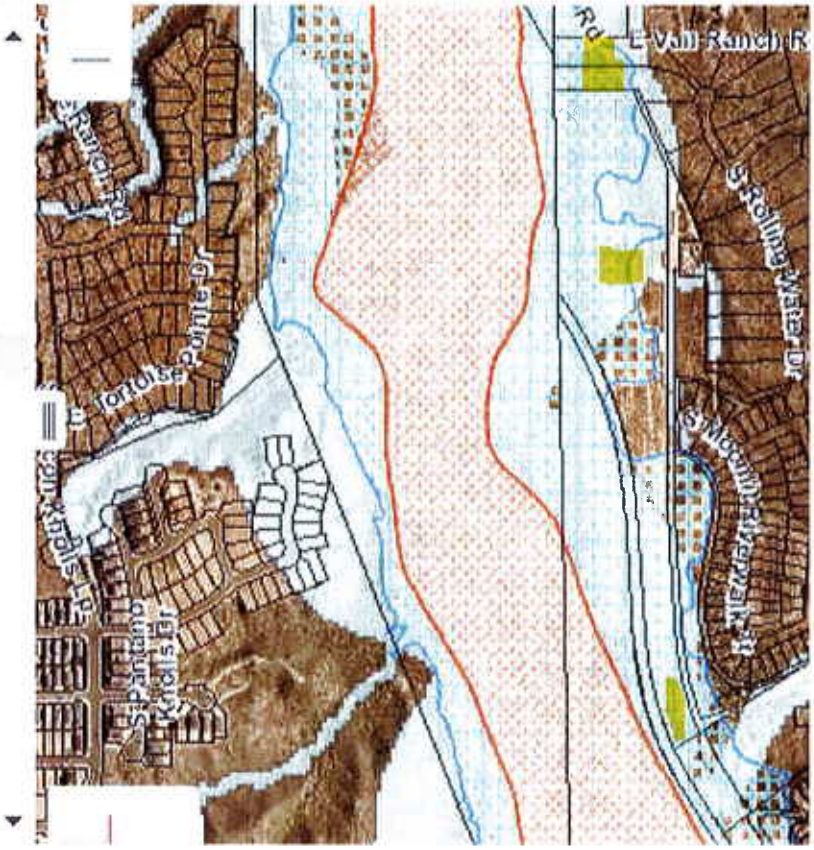
McCloskey Property
Lots 001-029 & Common Area A



FEMA Flood Map

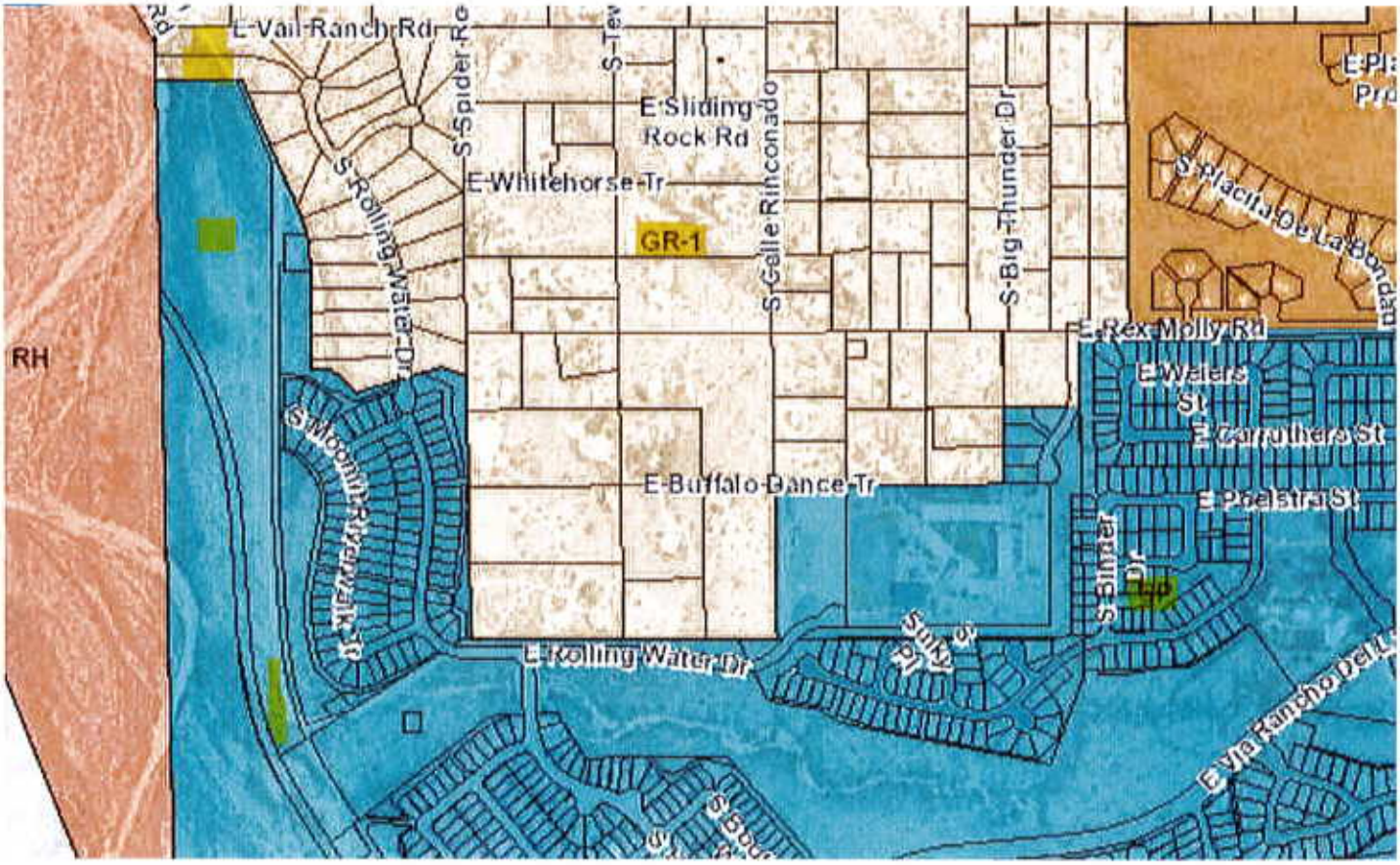
Client: Pima County Real Property Services	File No.: Sunset Ex: Leon Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south	Case No.: Sunset Exchange
City: Vail State: AZ	Zip: 85641

- [ ] LOMR Revisions - Completed
- [x] FEMA Floodway
- [x] 1% Chance Flood Contained in Channel
- [ ] FEMA Zone X Shaded Subzones
- [x] Flood Hazard Zone- FEMA Digital FIRM
  - Illegal Value
  - Zone A
  - Zone AE
  - Zone AH



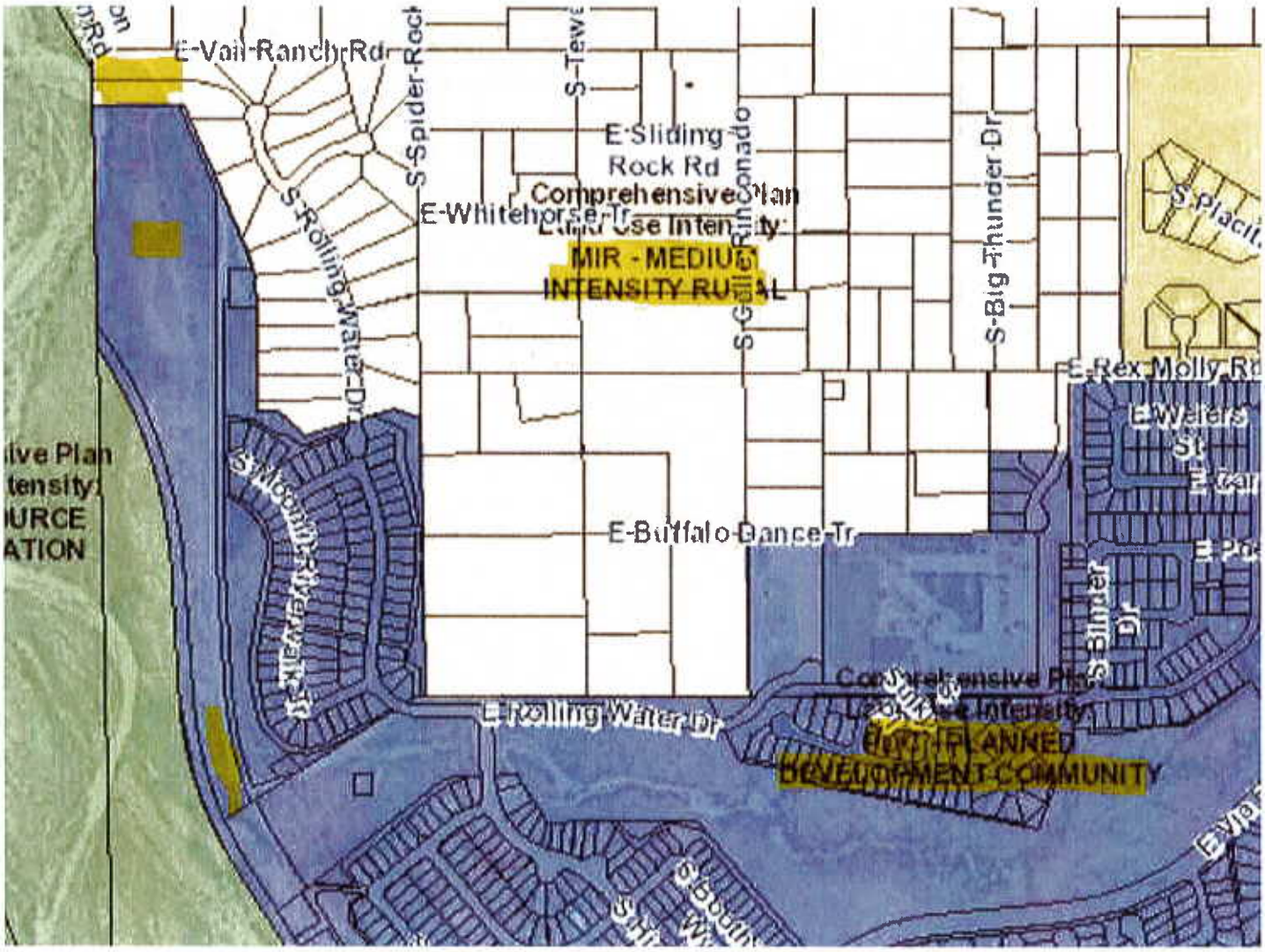
Zoning Map

Client: Pima County Real Property Services	File No.: Sunset Ex: Leon Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south	Case No.: Sunset Exchange
City: Vail State: AZ	Zip: 85641



Comprehensive Plan Map

Client: Pima County Real Property Services	File No.: Sunset Exc Leon Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south	Case No.: Sunset Exchange
City: Vail State: AZ	Zip: 85641



Client: Pima County Real Property Services		File No.: Sunset Exc Leon Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south		Case No.: Sunset Exchange
City: Vail	State: AZ	Zip: 85641

December 2021

The 2021 housing market was one for the history books. After three consecutive months of increases recently, existing home sales are on pace to hit their highest level in 15 years, with an estimated 6 million homes sold in 2021 according to the National Association of REALTORS®. Sales prices reached new heights, inventory hit rock bottom, and homes sold in record time, often for well above asking price. Mortgage rates, which began the year at historic lows, remain attractive, and homeowners who choose to sell in the coming months can expect to see plenty of buyer activity due to pent-up demand during the pandemic.

New Listings increased 6.0 percent for Single Family and 4.4 percent for Townhouse/Condo. Pending Sales increased 11.6 percent for Single Family and 12.6 percent for Townhouse/Condo. Inventory increased 2.4 percent for Single Family but decreased 24.0 percent for Townhouse/Condo.

Median Sales Price increased 25.9 percent to $352,500 for Single Family and 22.3 percent to $211,000 for Townhouse/Condo. Days on Market increased 4.3 percent for Single Family and 9.5 percent for Townhouse/Condo. Months Supply of Inventory remained flat for Single Family but decreased 33.3 percent for Townhouse/Condo properties.

Looking ahead, experts anticipate many of the housing market trends of 2021 will continue in 2022, albeit at a more moderate level. Strong buyer demand and inventory shortages are likely to persist over the next year. Home sales are projected to remain strong but will be tempered by the limited supply of homes, higher sales prices, and rising interest rates, with the Federal Reserve planning multiple rate hikes in the new year. Price growth is expected to slow somewhat as a result, but affordability will likely remain a top constraint for some homebuyers.

Client: Pima County Real Property Services		File No.: Sunset Exc Leon Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south		Case No.: Sunset Exchange
City: Vail	State: AZ	Zip: 85641

Local Market Update – December 2021

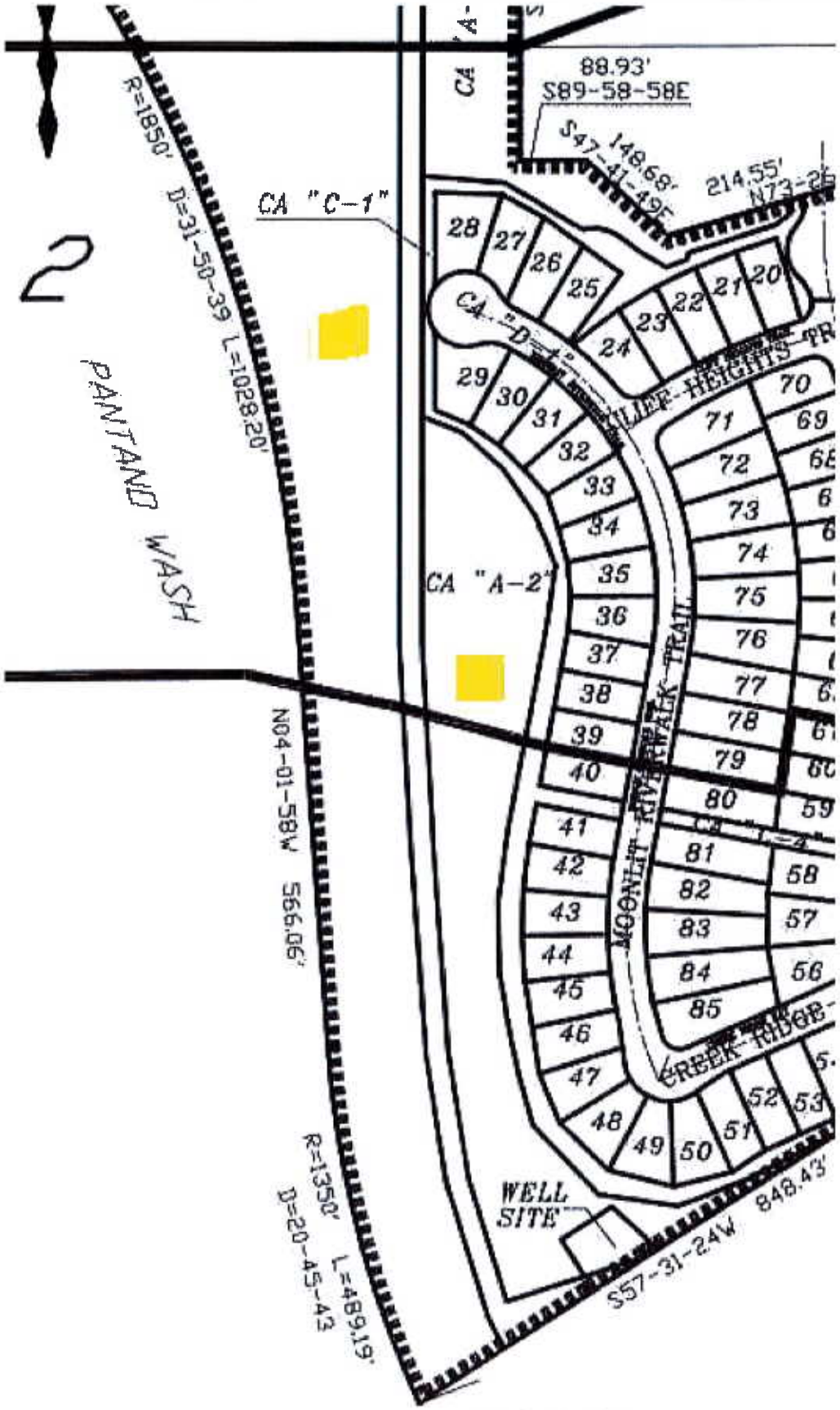
A Research Tool Provided by Southern Arizona MLS

MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

Tucson - Southeast

Single Family	December			Year to Date		
Key Metrics	**2020**	**2021**	**% Change**	**Thru 12-2020**	**Thru 12-2021**	**% Change**
New Listings	33	**35**	+ 6.1%	543	**601**	+ 10.7%
Pending Sales	37	**32**	- 13.5%	511	**550**	+ 7.6%
Closed Sales	47	**38**	- 19.1%	490	**539**	+ 10.0%
Days on Market Until Sale	13	**22**	+ 69.2%	27	**15**	- 44.4%
Median Sales Price*	$289,000	**$361,000**	+ 24.9%	$269,000	**$338,000**	+ 25.7%
Average Sales Price*	$313,917	**$389,024**	+ 23.9%	$291,895	**$355,575**	+ 21.8%
Percent of List Price Received*	100.3%	**100.3%**	0.0%	99.6%	**101.0%**	+ 1.4%
Inventory of Homes for Sale	34	**44**	+ 29.4%	—	—	—
Months Supply of Inventory	0.8	**1.0**	+ 25.0%	—	—	—

Aerial Map

Client: Pima County Real Property Services	File No.: Sunset Exc Lens Ranch 23
Property Address: 9820 South Rolling Water Drive and parcels south	Case No.: Sunset Exchange
City: Vail State: AZ	Zip: 85641

Client: Pima County Real Property Services	File No.: Sunset Exc Lean Ranch 2J
Property Address: 9820 South Rolling Water Drive and parcels south	Case No.: Sunset Exchange
City: Vail State: AZ	Zip: 85641