

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

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COVER PAGE

APPRAISAL REPORT

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

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

**Owner: Joanna Redstone
Tax Parcels: 211-07-010H
Sec. 3, T14S, R11E**

Prepared For Use By

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

Appraisal Prepared By

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

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Letter of Transmittal

April 12, 2023

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

Re: Estimate of market value of an undeveloped parcel north of Sinagua Road, east of Sandario Rd and west of the CAP Canal, Pima County, Arizona.

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

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

Relevant subject characteristics: Located north of Sinagua Road, east of Sandario Rd and west of the CAP Canal; site size is indicated to be 8.40ac, zoned RH (Rural Homestead) and in a Buffer Overlay Zone, 25.5% Flood Control Resource Area, with Pima Prospects comprehensive plan (PP), categories including Resource Sensitive, and Conservation Lands System (CLS) Special Species, and MUMA with a 25.8% being Important Riparian Area (D). The site is indicated to be FEMA-x, but Pima County Regional Flood Control District (RFCDD) indicates that a majority of the site (80%, my estimate) is Sheet Flooding Area- Base Flood Elevation 6". The subject site is currently listed for sale, MLS 22304113 for \$125,000.

My opinion of site market value as of March 2, 2023, is: \$125,000

Assignment Conditions: This appraisal report, conforming to Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) requires a jurisdictional exception to USPAP 1-2(c) requiring identification of reasonable exposure time as the UASFLA definition of market value already presumes a reasonable exposure period. There is an extraordinary assumption that there is potential for providing water to the site at reduced cost via a well-share agreement between the subject and other nearby un-developed parcels; the use of this extraordinary assumption may affect assignment results. Please see standard limiting conditions and assumptions contained in the appendix.

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

Sincerely,



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

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PREFACE & SUMMARY

APPRAISAL REFERENCE:	2023264-A Redstone
PROBLEM IDENTIFICATION:	The following 7 parameters are considered, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions:
CLIENT:	Pima County, Real Estate Division Attn: Mr. Jeffrey Teplitsky, Real Property Appraisal Supervisor.
APPRAISER:	Paul D. Hendricks, MAI Arizona Certified General Real Estate Appraiser 30197
PURPOSE, INTENDED USE:	The purpose of the appraisal is to opine market value of the site; the intended use is for potential acquisition.
INTENDED USERS:	Client, Pima County, and US Fish and Wildlife Service are the only intended users; however, it is understood that following review and acceptance of this report by client, this report will become public information
SUBJECT CHARACTERISTICS:	Located north side of Sinagua Road, east of Sandario Rd and west of the CAP Canal; site size is indicated to be 8.40ac, zoned RH (Rural Homestead) and in a Buffer Overlay Zone, 25.5% Flood Control Resource Area, with Pima Prospers comprehensive plan (PP), categories including Resource Sensitive, and Conservation Lands System (CLS) Special Species, and MUMA with a 25.8% being Important Riparian Area (D). The site is indicated to be FEMA-x, but Pima County Regional Flood Control District (RFCD) indicates that a majority of the site (80%, my estimate) is Sheet Flooding Area- Base Flood Elevation 6".
TAX CODE:	211-07-010H
INTEREST CONSIDERED:	Fee Simple.
EFFECTIVE DATE OF VALUATION:	March 2, 2023; Date of Site Visit.
DATE OF APPRAISAL REPORT:	April 12, 2023
TYPE OF APPRAISAL REPORT:	Appraisal Report
VALUE OPINION:	\$125,000
Assignment Conditions:	This appraisal report, conforming to Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) requires a jurisdictional exception to USPAP 1-2(c) requiring identification of reasonable exposure time as the UASFLA definition of market value already presumes a reasonable exposure period. There is an extraordinary assumption noted in the letter of transmittal; the use of this extraordinary assumption may affect assignment results. Please see standard limiting conditions and assumptions contained in the appendix.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to opine market value.

INTENDED USE OF THE APPRAISAL

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

INTEREST APPRAISED

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

ANALYSIS AND IDENTIFICATION OF LARGER PARCEL

The larger parcel, after consideration of unity of highest and best use, unity of title and contiguity (with emphasis on unity of highest and best use), is the subject as described. Other adjacent parcels are of different ownership.

PROPERTY IDENTIFICATION

Parcel 211-07-010H; the legal description (from assessor's record) is: PTN N521.95' SW4 SE4 8.41 AC SEC 3-14-11 (Pima County, Arizona); (a complete legal description from title commitment is available in the appendix)

MARKET VALUE DEFINED *

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

(Uniform Appraisal Standards for Federal Land Acquisitions)

EXPOSURE PERIOD

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

EFFECTIVE DATE OF APPRAISAL, REPORT DATE

The effective date of the appraisal is March 2, 2023, the date of site visit. The transmittal date of the report is April 12, 2023.

PROJECT INFLUENCE

UASFLA 1.2.7.3.3

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

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

APPRAISAL DEVELOPMENT AND REPORTING PROCESS (SCOPE)

- The appraiser performed an appraisal process in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), Uniform Appraisal Standards for Federal Land Acquisition (UASFLA) and Pima County appraisal guidelines.
- Determined the nature of the appraisal assignment by identifying the client, intended users, intended use, type of opinion, effective date of the opinion, property interest appraised, and subject property assignment conditions, the extraordinary or hypothetical assumptions
- Afforded the property owner opportunity to accompany the appraiser on inspection
- Afforded Pima County representatives, opportunity to accompany the appraiser on inspection
- Performed an inspection of the property including the market area, the subject site and its relevant characteristics
- Reviewed site plat, zoning and flood zone maps indicating physical suitability of the parcel. Reviewed zoning ordinance, historical permits and market area plans applicable to the subject property.
- Researched cost of water by private well,
- Discussed marketing history with listing agent/broker.
- Reviewed title commitment
- Included the items specified in my agreement with Pima County as listed in the Addendum of this report, as well as items required by USPAP and UASFLA.
- Performed a Highest and Best Use Analysis to identify the use that would result in highest market value.
- Researched comparable sales from available data sources including Costar, MLS, Realquest and appraiser's files.
- Inspected, by drive by, all comparable sales used.
- Attempted confirmation of each comparable sale with a party familiar with the property/transaction (when confirmation was not available, public records/information was relied upon).
- Applied appraisal techniques (sales comparison approach) and methodology in according to the appraisal body of knowledge and the expectations and actions of my appraisal peers to arrive at an indication of market value of the subject site as if vacant
- Disregarded any increase or decrease in value due to the announcement of the project (*before the acquisition*)
- Prepared an appraisal report describing my appraisal process, in conformance with the Uniform Standards of Professional Appraisal Practice, Uniform Appraisal Standards for Federal Land Acquisition and Pima County appraisal contract standards.
- *Any other components of scope including the 7 parameters, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions are considered to be included in/as scope.*

PROPERTY OWNERSHIP; 10 YEAR SALES HISTORY

The subject property is indicated to be owned by Joanna Redstone; the most recent transfer indicated by assessor's record is indicated to have been 5/10/2006 at 20060900332. Per title commitment, there is a vesting deed at this date and location, from Paul R Sievert to Joanna Redstone (portions of tax codes 211-07-010C, and 211-07-010D). The property has recently been offered for sale, MLS 22204047 when it was initially listed 2/14/2022 at \$150,000, reduced to 125,000 4/10/2022, withdrawn 2/3/2023; according to listing broker, Michael Hennessy, the subject property owner was not aware of and did not authorize this listing. It is currently offered for sale, with owner's authorization, (since 2/22/2023) at \$125,000.; there have reportedly been written offers to purchase by developers at \$100,000 which were rejected due to owner's desire to sell to a group for natural conservation rather than development; the listing agent believes at least one of the offerees would likely have increased their offering price to the listing price.

OWNER CONTACT FOR INSPECTION

Dana Hausman, Sr. Real Property Acquisition Agent of Pima County reports that the owner, Joanna Redstone is out of the country but that local broker, Jacob Anderson, (520) 999-5699; jacob.anderson.az@icloud.com is available for site visit; I contacted Mr. Anderson and he declined accompanying; I then contacted and scheduled a site visit with listing agent, Mike Hennessy, for ownership representative.

MARKET AREA (NEIGHBORHOOD) ANALYSIS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Conclusion:

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

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

SITE DESCRIPTION

Location:	The subject site is north of Sinagua Rd, east of Sandario Road and west of the CAP Canal.												
Site Size:	8.40ac												
Access:	Access is by un-named dirt road north from Sinagua, a dirt road in this area; access is indicated to be a 30' ingress-egress easement (also proposed as a utility easement) per survey (see appendix); each of these easement-roads are not Pima County maintained.												
View:	Average to good; the site is adjacent to open space in US owned land for CAP canal to the east.												
Shape:	Irregular; see exhibits in the appendix.												
Topography:	The site is rising moderately to the east towards the CAP Channel, from approximately 2360' to 2378'; the CAP Channel surrounding berm is raised further.												
Flood Hazard:	According to the FEMA Digital Flood Insurance Rate Map, panel 04019C2250L, the site is Flood Zone X (area of minimal flood hazard); however, per Pima County Floodplain Management (RFCM), the site is in a special study 6" sheet-flow area (80%, my estimate) which would require that any habitable structures be elevated 18" (1' above flood elevation).												
Washes:	None indicated on the site.												
Easements:	There is are easement indicated on the survey (see appendix) along (Sinagua Road) and a 30' easement along the west line of SW4 of SE4, for ingress-egress and utilities. There are CC&R's including (partial list): single family residence only along with 1 multi-use building, 1 guest house, private garage or carport. No mobile homes; no trade or business except owner-occupant and if no nuisance, residential character, etc. no birds, foul, livestock, max of 3 dogs; inoperable or junked vehicles only in enclosed buildings; no commercial ag. Main res at least 1,200sf; all new utilities underground; gas tanks, satellite dishes, water storage tanks, etc. not to be visible from surrounding property, etc.												
Hazardous Materials/ Contamination:	No environmental assessment was available. No indications of hazardous materials were noted on inspection; however, the appraiser is not an expert in hazardous material contamination. This appraisal assumes that the subject is free of hazardous material contamination.												
Utilities:	Utilities are generally available in the area from the following sources: <table><tr><td>Water:</td><td>Well</td></tr><tr><td>Sewer:</td><td>Septic</td></tr><tr><td>Electricity:</td><td>Trico Electric</td></tr><tr><td>Natural Gas:</td><td>Propane (none currently on site)</td></tr><tr><td>Telephone:</td><td>CenturyLink</td></tr><tr><td>Public Safety:</td><td>Pima County Sheriff; Three Points Fire District</td></tr></table>	Water:	Well	Sewer:	Septic	Electricity:	Trico Electric	Natural Gas:	Propane (none currently on site)	Telephone:	CenturyLink	Public Safety:	Pima County Sheriff; Three Points Fire District
Water:	Well												
Sewer:	Septic												
Electricity:	Trico Electric												
Natural Gas:	Propane (none currently on site)												
Telephone:	CenturyLink												
Public Safety:	Pima County Sheriff; Three Points Fire District												

The subject is in an area that does not appear to be served with water and there is no well on ADWR registry. Electrical service is available in the area by Trico.

Surrounding Land Uses:	Adjacent to open space in US owned land for CAP canal to the east, undeveloped land (current ownership indicated to be The Nature Conservancy) to the south, private single family residential sites to the north and west.
Zoning:	<p>Zoning on the subject sites is RH, Rural Homestead. This zone is intended to preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area.</p> <p>Development Standards-General: minimum site area of 180,000sf, 34' building height, 50' front, 20' side and 50' rear setbacks, minimum distance between buildings-20'. Permitted coverage of accessory buildings and accessory structures: A. Permitted coverage: Fifteen hundred square feet, or seventy percent of the area of the largest main building on the site, whichever is greater. Min distance from property line-50', side and rear property lines-20'</p>
Comprehensive Plan:	Resource Sensitive; Objective: (summarizing): To designate key larger parcels and land holdings with environmentally sensitive characteristics in close proximity to public preserves or other environmentally sensitive areas. Residential gross density, maximum-0.3 RAC. Approximately 25.5% is indicted to be Flood Control Resource Area.
CLS Habitat:	<p>The site is indicated to be Special Species Management Area (SSMA); this calls for (summarizing) at least 80% of the total acreage to be conserved as UNOS with a 4:1 mitigation ratio (4 conserved acres for 1 acre developed); it is Multiple Use Management Area (MUMA), 66 2/3% to be conserved as undisturbed natural open space with a 2:1 mitigation ratio; a portion of the site is Important Riparian Area (IRA), which calls for at least 95% to be UNOS. However, it is significant to note: Goal 1, Policy 1, b) Application of CLS designations or guidelines shall not alter, modify, decrease or limit existing and legal land uses, zoning, permitted activities, or management of lands; c) When applied to development of land subject to county or Flood Control District authority, CLS designations and guidelines will be applied to: 1. New rezoning and specific plan requests;...</p>
Other:	The site is in a Buffer Overlay Zone; however, as the site was not 25 acres or more as of August 1, 1998, these restrictions do not appear to apply.
Site Analysis Conclusion:	The subject site, 8.40ac, is zoned RH with minimum site area of 180,000sf (4.13ac), thus it could be split. It is in a special study 6" sheet-flow area which would require that any habitable structures be elevated 18". It has a CLS SSMA and MUMA designation requiring 80% and 66.67% UNOS, respectively but enforcement of this only comes into place if requesting a rezoning, rezoning extensions, etc.

Real Estate Tax Analysis

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

Tax Parcel	211-07-010H
FCV Land	\$96,000
FCV Impvt.	\$0
FCV Total	\$96,000
2022 Tax	\$1,482.18
Interest Due	\$49.41

HIGHEST AND BEST USE

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

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

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

HIGHEST AND BEST USE, AS IF VACANT:

Legally Permissible: Zoning on the subject site is RH, Rural Homestead. This zone is intended to preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area; code requirements include a minimum lot size of 180,000sf with maximum building height of 34', 50' front, 50' rear and 20' side yard setbacks. It is Comprehensive Plan designated Resource Sensitive, the objective: To designate key larger parcels and land holdings with environmentally sensitive characteristics in close proximity to public preserves or other environmentally sensitive areas. Residential gross density, maximum-0.3 RAC. Approximately 25.5% is indicted to be Flood Control Resource Area

Physically Possible: The subject site is indicated by assessor's record to be 8.40 acres. Thus, per zoning, it could be split. According to FEMA the site is Zone X however RFCD indicates much of the site is in a special study 6" sheet-flow area which would require that any habitable structures be elevated 18" (1' above flood elevation).

It is accessed via dirt road (30' ingress-egress easement), going north from Sinagua Road (a dirt road), both not Pima County maintained.

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

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

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

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

Arizona Recent Developments

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

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

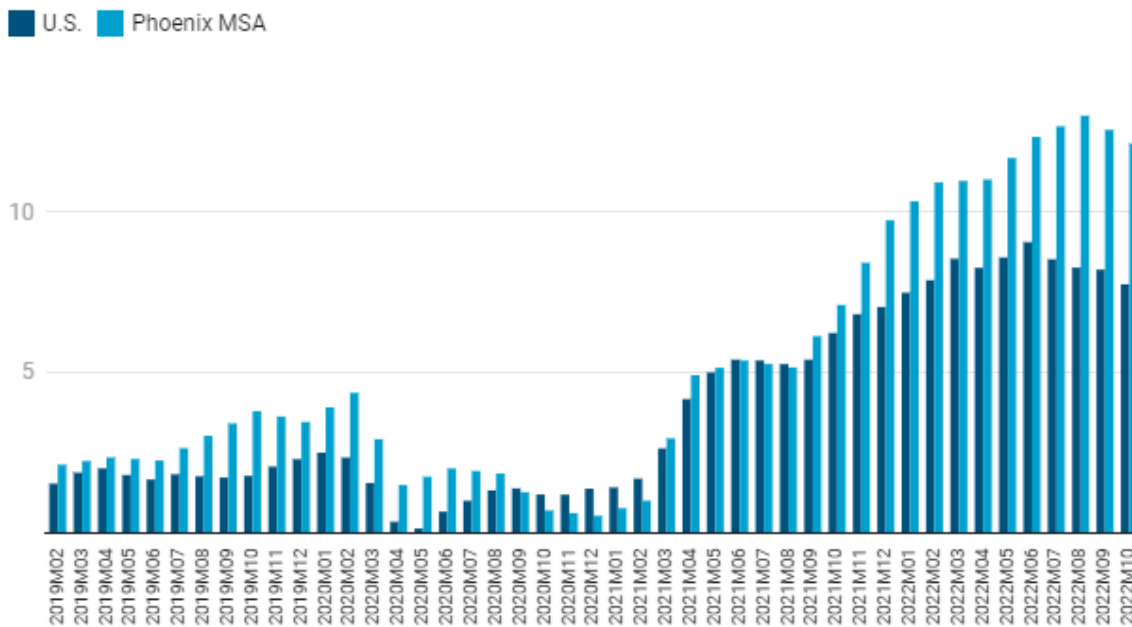


Exhibit 1: U.S. and Phoenix MSA All-Items CPIU, Over-the-Year Growth Rates

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

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

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

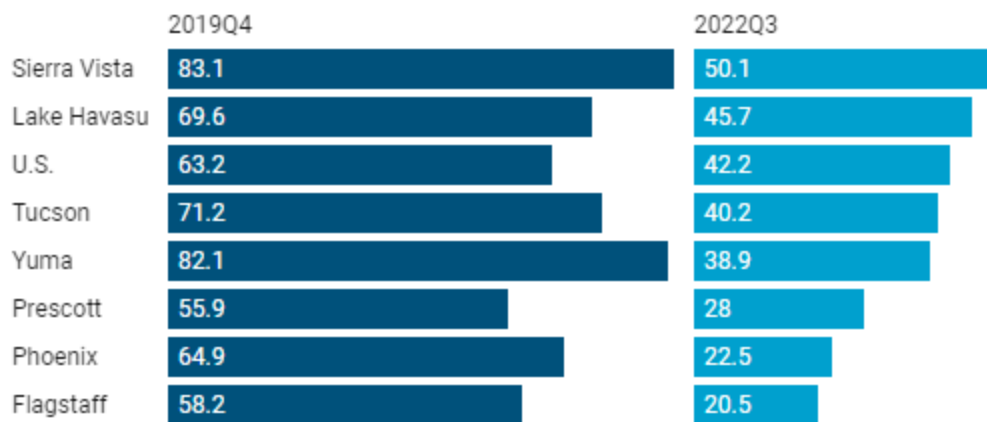


Exhibit 2: NAHB-Wells Fargo Housing Opportunity Index, Percent

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

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

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

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

Arizona Outlook

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

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

Exhibit 3: Arizona Outlook Summary

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

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

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

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

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

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

Risks to the Outlook

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


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

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

Tucson MSA Forecast (Pima County)


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

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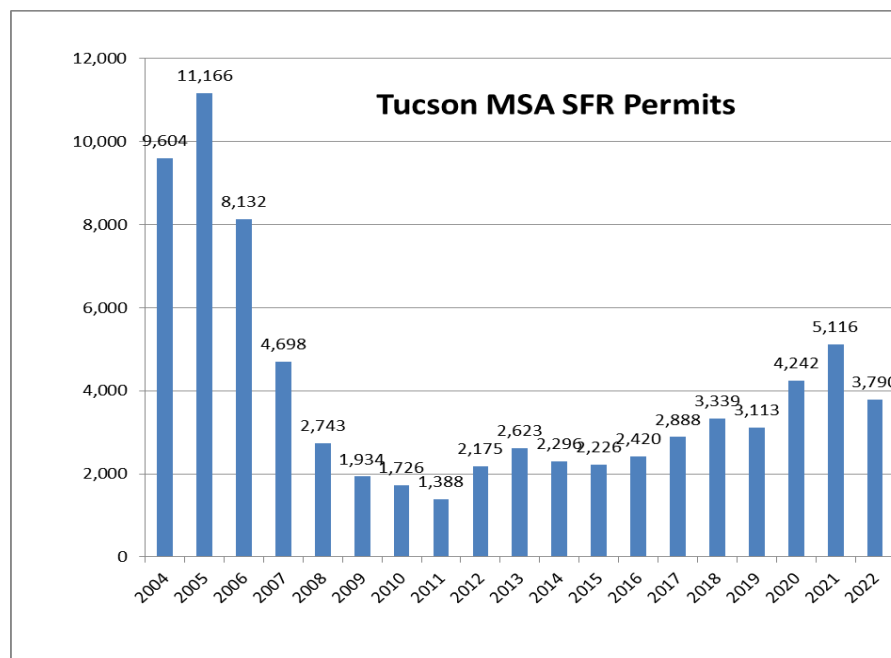
Arizona Economic Forecast Data (Statewide)

Arizona Forecast*	2021	2022	2023	2024	2025
Personal Income (\$ mil)	403,739.3	414,130.9	432,821.2	458,872.8	488,337.6
% Chg from Year Ago	7.5%	2.6%	4.5%	6.0%	6.4%
Retail Sales (\$mil)	148,000.0	165,000.0	166,000.0	172,000.0	183,000.0
% Chg from Year Ago	21.3%	11.5%	0.6%	3.6%	6.4%
Total Nonfarm Employment (000s)	2,958.0	3,069.7	3,102.8	3,153.1	3,232.4
% Chg from Year Ago	3.7%	3.8%	1.1%	1.6%	2.5%
Population (000s), July 1st estimates	7,285.4	7,388.7	7,496.7	7,590.0	7,690.5
% Chg from Year Ago	1.5%	1.4%	1.5%	1.2%	1.3%
Residential Building Permits (units)	65,334.0	62,949.4	50,118.1	43,968.1	45,364.0
% Chg from Year Ago	8.3%	-3.6%	-20.4%	-12.3%	3.2%
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While each real estate market and market area are affected differently, the decline leading into the great recession, particularly in the Tucson Metro area, was precipitated by the residential market and this market was initially the first to signal recovery, it is also the first market to demonstrate strength in spite of the Covid-19 pandemic; it is thus summarized.

Real Estate Markets:

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



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

While the residential real estate market is cooling relative the high demand and value appreciation of the past 2 years due to rising interest rates (6.13% as of 1/26/2023, a year ago at this time-3.55%) 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 2nd half of 2022, a norm is approximately 60 days; while percentage of sale to listing price prior to the 2nd half of 2022 was over 100%, it is still currently around 95%; there is currently an approximate supply of 3 months of resales given demand, the market norm is typically around 6 months.

Maximum Profitability: In conclusion, the highest and best use “as if vacant” is considered to residential development; value would likely be maximized by splitting the parcel into two as permitted by zoning; however, it is not uncommon for sites in the area to be utilized as single residential sites in spite of being large enough to split.

VALUATION METHODOLOGY

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

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

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

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

SITE VALUATION

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

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

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

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

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

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

Comparable Sale One

Location: NEC Sandario & W Tortoise Trl (w/o 11720 W Tortoise Trl), Tucson, 85743
Tax Code Number: 211-06-002A (now 002J and 2H)
Records: 2/22/2022 2022 0530869
Seller: Jade Lee
Buyer: George Bennett and Denise A Graves
Sale Price: \$129,000 (\$129,000 Asking Price, 4 DOM)
Site Size: 9.47ac (assessor)
\$/Ac Site: \$13,621
Terms: Cash
Zoning: RH, Rural Homestead
Comments: Located on the northeast corner Sandario Road (1,777vpd traffic counts (22)) and Tortoise Trail (dirt road), west of the CAP canal. Indicated to be FEMA-X; Pima Prospers indicates Resource Sensitive, SSMA and MUMA. The listing indicates there is water from a water company. 15' ingress/egress and utility easement along north and east lines, 25' ingress/egress public utility easement along south line. There are recorded CCR's including no mobile homes, minimum residence of 1,200sf, new utility lines to be underground, etc.

Originally set up as 2 lots (2 water meters); due to Arizona law the seller was not able to sell the 6th lot without subdivision report, thus the two lots were sold as one. The parcel was subsequently split, parcel 2J sold for \$80,000, 11/18/2022 2022 1190098. MLS 22224652; parcel 2H sold 2/23/23 for \$85,000.

Confirmation: MLS 22203092, listing agent, Lynn Hansel, 520.360-2318, pdh 2023264



Comparable Sale Two

Location: NWC Dancing Ravin Rd, Tucson, 85743
Tax Code Number: 213-34-138H (now 138S)
Records: 3/9/2022 2022 740516
Seller: Blue Sky Land
Buyer: Michael Robert Harper
Sale Price: \$128,000 (\$128,000 Asking Price, 92 DOM)
Site Size: 8.01ac (asessor)
\$/Ac Site \$15,980
Terms: Cash
Zoning: RH, Rural Homestead
Comments: Located west of Sandario, north of Mile Wide, a development of 4 above sized lots. Access is via Dancing Raven, a 30' ingress, egress, utility easement (dirt trail). Indicated to be FEMA-X; approximately 26.35% EHSA. Pima Prospects indicates Resource Sensitive, and Multiple Use Management Area (MUMA). Water is available by local water company. CC&R's indicating 1 story only private residences, no mobiles etc.
Confirmation: MLS 22127302, listing agent, Pat Jessup, 520.307-6181, pdh 2023264



Comparable Sale Three

Location: NWC Dancing Ravin Rd, Tucson, 85743
Tax Code Number: 213-34-138H (now 138T)
Records: 3/17/2022 2022 760470
Seller: Blue Sky Land
Buyer: Theron Humphrey
Sale Price: \$125,500 (\$128,000 Asking Price, 93 DOM)
Site Size: 8.01ac (asessor)
\$/Ac Site \$15,668
Terms: Cash
Zoning: RH, Rural Homestead
Comments: Located west of Sandario, north of Mile Wide, a development of 4 above sized lots. Access is via Dancing Raven, a 30' ingress, egress, utility easement (dirt trail). Indicated to be FEMA-X; approximately 5% EHSA. Pima Prospects indicates Resource Sensitive, and Multiple Use Management Area (MUMA). Water is available by local water company. CC&R's indicating 1 story only private residences, no mobiles etc.
Confirmation: MLS 22127303, listing agent, Pat Jessup, 520.307-6181, pdh 2023264



Comparable Sale Four

Location: NEC Semrai Lane (2002 N) and Tableau Place, Tucson, 85743
Tax Code Number: 211-05-001M
Records: 10/28/2021 2021 3010317
Seller: Eugene Semrai
Buyer: Mark & Jeannie DeWein
Sale Price: \$120,000 (\$138,000 Asking Price, 480 DOM, 663 CDOM)
Site Size: 8.26ac (assessor)
\$/Ac Site: \$14,526
Terms: Cash
Zoning: RH, Rural Homestead
Comments: Located east of Sandario, south of Mile Wide, adjacent-west of the CAP, the CAP significantly higher, restricting northeastern views. Access is via dirt road. Indicated to be FEMA-X; <5% EHSA. Pima Prospects indicates Resource Sensitive, Special Species and Multiple Use Management Area (MUMA). Water is available by local water company.
Confirmation: MLS 22014797, listing agent, Jennifer Talavera, 520.403-1644, pdh 2023264



Comparable Sale Five

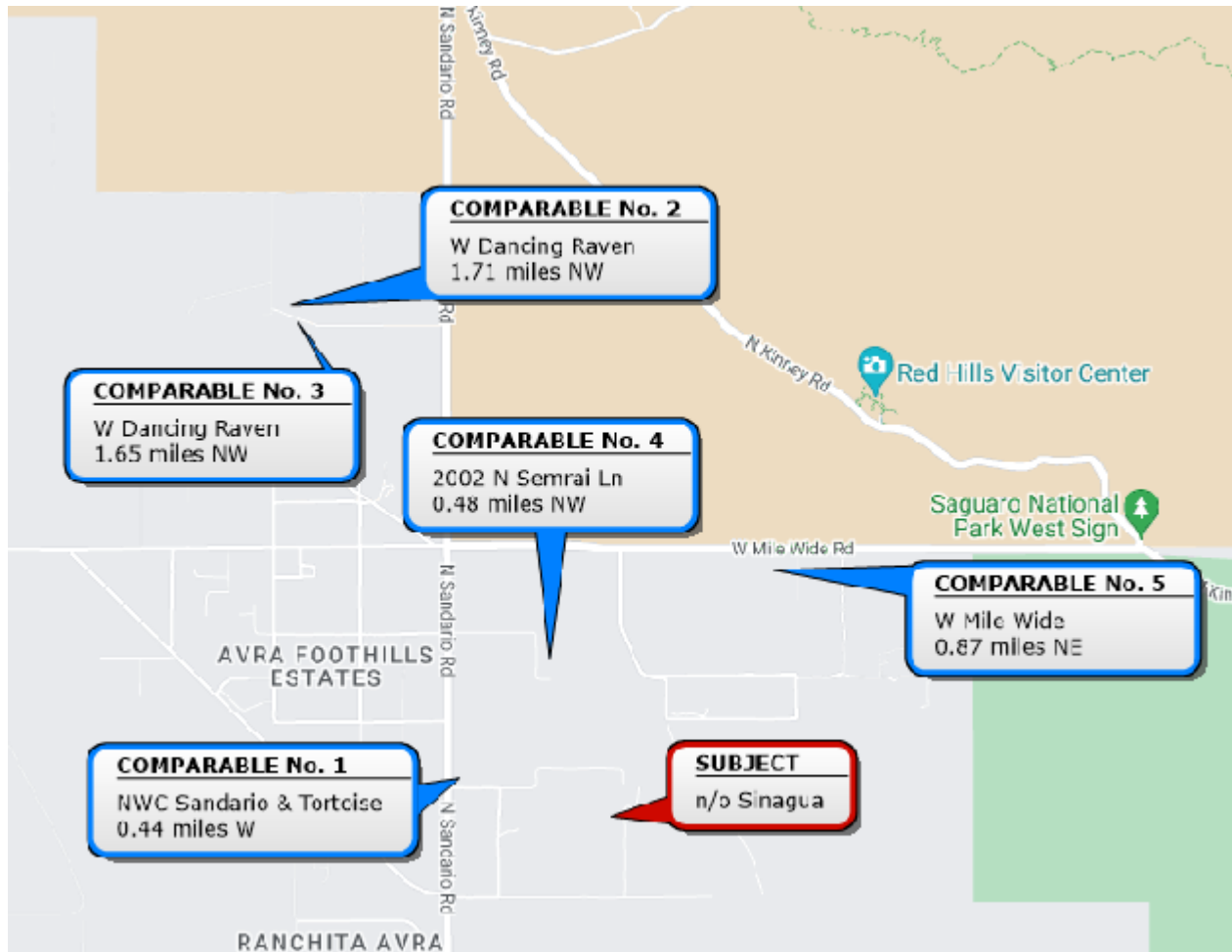
Location: w/o 11051 W Mile Wide Rd, Tucson, 85743
Tax Code Number: 211-04-0020
Records: 05/26/2022 2022 1460693
Seller: Graves Revocable Living Trust
Buyer: Amy & James Gehring
Sale Price: \$175,000
Site Size: 8.81ac (assr)
\$/Ac Site \$19,864
Terms: Cash
Zoning: RH, Rural Homestead
Comments: Located on Mile Wide Rd. e/o Camino Del Sapo, south of Saguaro National Park West. Indicated to be FEMA-X; however, RFCD 6" sheet-flow, Pima Prospers indicates Resource Sensitive and SSMA and MUMA. The listing indicates there is no water is available.

The site is sold (2/22), MLS 22202312 at \$150,000; 2022 0630633, 5 DOM; confirmation- listing agent, Trac Paulette, 520.904-5055. Trac was not involved in the subsequent sale but reports that the purchaser had purchased the adjacent 19.84ac site to the south and was motivated to purchase the site fronting on Mile Wide.

Confirmation: Affidavit, Trac Paulette (prior listing agent) pdh 2022264



SITE SALES COMPOSITE MAP



Site Value Analysis

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

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

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

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

Conditions of Sale: Adjustments are sometimes necessary for special conditions related to a sale, particularly when these adjustments may be quantifiable; comparables 1-4 were reported to have had typical sale motivation, no adjustments are necessary; sale 5 is adjusted downward for reported purchaser motivation.

Market Condition: The comparable sales occurred from October 2021 through May 2022, the market has continued to improve over this time period, the comparables are adjusted upward on the basis of approximately 7.5% per year; the subject current list price is not adjusted downward for listing status in spite of typically buyer-seller negotiations resulting in sale prices below asking price due to the analysis of the following sales.

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

Site Size: On an overall homesite basis larger parcels typically sell for more all else being equal, conversely, smaller parcels sell for less; comparables 2-5 are considered to be similar enough in size as to not warrant adjustment; sale 1 is adjusted moderately downward for larger size.

Zoning/Use: The subject and comparable sales are zoned rural residential which is typical in the surrounding area. The subject and sales 1, 4 and 5 have the potential of lot splitting; sales 2 and 3, lacking this potential due to required minimum site size, are adjusted upward.

Improvements: The subject and comparables were unimproved, not requiring adjustment.

Site utility: The comparables are superior to the subject due to its 6" sheet-flow status which will raise development cost; they are thus adjusted downward; sale 5 is adjusted more significantly for utility due to its shape and frontage on Mile Wide, making lot splitting for development of two sites more desirable/feasible.

Utilities: The subject lacks utilities with the exception of having electrical service to the area. Comparables 1-4 are all superior due to having water available by well-share or local water company and are thus adjusted downward for this relatively unknown but anticipated significant cost (local driller estimated at \$47,000-\$55,000) to provide water to the subject site by new well; sale 5 is similar to the subject in lack of water, requiring no adjustment. It is an extraordinary assumption that the market would recognize the potential reduction in cost to bring water by banding together with nearby undeveloped sites, thereby splitting the cost of well and equipment (there are 5 undeveloped parcels for potential sharing indicated in the Arrow Land Survey, see appendix); it is noted that there presently is only the potential for well-share agreement between the subject site and one or more of these parcels.

Access/View: The subject is accessible via somewhat rough dirt roads, approximately .65mi from Sandario Rd. The CAP Canal is on the site eastern boundary, considered to be an amenity in that this is open space, though not publically accessible; the canal rises from roughly 10' to 25', nominally restricting view of other conservation/park areas to the east. Comparables 1-4 are considered to be inferior due to lack of adjacent open space; sales 2 and 3 inferior in view due to being lower in topography; comparable 5 is adjusted downward for paved street access and superior frontage or proximity to conservation/park areas.

Site Value Conclusion;

The subject is considered to be bracketed by the comparable sales, sales 2 and 3 with net upward adjustment (due to market conditions/time) and sales 1, 4 and 5 with net downward adjustment. With similar emphasis on each of the sales as well as the subject current offering price, a subject value at the asking price, \$125,000, indicating \$14,881/ac is reasonable.

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

SITE SALES COMPARISON SUMMARY; Redstone						
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Location	n/o Sinagua Rd, w/o CAP	NEC Sandario, Tortoise Trl	NWC Dancing Raven	NWC Dancing Raven	Semrai & Tableau	w/o 11051 W Mile Wide
Tax ID Number	211-07-010H	211-06-002A	213-34-138S	213-34-138T	211-05-001M	211-04-0020
Sales Data						
Date of Sale	Curr Listing	2/22/22	3/9/22	3/17/22	10/28/21	5/26/22
Sales (listing) Price	\$125,000	\$129,000	\$128,000	\$125,500	\$120,000	\$175,000
Site Size (ac)	8.40	9.47	8.01	8.01	8.26	8.81
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	\$125,000	\$129,000	\$128,000	\$125,500	\$120,000	\$175,000
Conditions of Sale	Average	Average	Average	Average	Average	Motivation
Condition Adjustment	0%	0.0%	0.0%	0.0%	0.0%	-10.0%
Market Condition (Time)	Curr Listing	Feb-22	Mar-22	Mar-22	Oct-21	May-22
Market Conditions Adj.	0.0%	8.0%	7.0%	7.0%	10.0%	6.0%
Adjusted Price	\$125,000	\$139,320	\$136,960	\$134,285	\$132,000	\$166,950
Physical Characteristics						
Location	Average	Similar	Similar	Similar	Similar	Similar
Size	8.40	9.47	8.01	8.01	8.26	8.81
Zone/Use	RH/split	RH/split	RH	RH	RH/split	RH/split
Improvements	None	None	None	None	None	None
Site Utility	6" Sht 80%, 26% IRA, FCR	Superior	Superior	Superior	Superior	6" Sht Fld
Utilities	Avg/Fair	Superior	Superior	Superior	Superior	Similar
Access/View	Dirt/CAP	Paved/Dirt	Dirt	Dirt	Dirt/CAP*	Pvd/SNP
Adjustments						
Location	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	-2.5%	0.0%	0.0%	0.0%	0.0%
Zoning/use	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site Utility	0.0%	-5.0%	-5.0%	-5.0%	-5.0%	-10.0%
Utilities	0.0%	-15.0%	-15.0%	-15.0%	-15.0%	0.0%
Access/View	0.0%	10.0%	15.0%	15.0%	10.0%	-10.0%
Net Physical Adjustments						
Net Physical Adjustments	Same	Downward	Offsetting	Offsetting	Downward	Downward
Net Adjustment (Overall)	0.0%	-12.5%	0.0%	0.0%	-10.0%	-20.0%
Adjusted Comp Price	\$125,000	\$121,905	\$136,960	\$134,285	\$118,800	\$133,560
Adjusted Comp Price /Ac	\$14,881	\$12,873	\$17,099	\$16,765	\$14,383	\$15,160
Subject Value Opinion	\$125,000					
Subject Value (\$/Ac)	\$14,881					

STATEMENT AND CERTIFICATION OF APPRAISER

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

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

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

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

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

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

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

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

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

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

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

No one provided significant professional appraisal assistance to me.

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

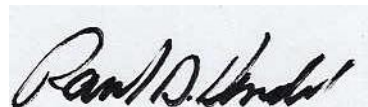
As of the date of this report, I have completed the continuing education program of the Appraisal Institute (C.S.R.1-3).

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

My opinion of: Fee Simple Market Value of the site, as of March 3, 2023, is \$125,000.

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

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING



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

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

APPENDIX

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

LIMITING CONDITIONS AND ASSUMPTIONS

of Standard Real Estate Appraisal

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

1. Information Used, Trade Secrets

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

2. Authentic Copies, Changes, Modifications

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

3. Use of Appraisal, Limit of Liability

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

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

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

4. Court Testimony

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

5. Copies, Publication, Distribution of the Report

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

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

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

6. Confidentiality

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

7. Measurements, Exhibits

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

8. Legal, Title, and Market Value Premise

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

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

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

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

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

10. Utilities

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

11. Legality of Use, Management of Property

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

12. Component Values, Special Studies

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

13. Inclusions.

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

14. Proposed Improvements, Conditional Value

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

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

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

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

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

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

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

17. Information furnished by Client and Third Parties

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

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

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

19. Americans With Disabilities Act (ADA)

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

20. Pygmy Owl Habitat

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

21. Report Type

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

22. Other Information for Readers

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

23. Conclusion

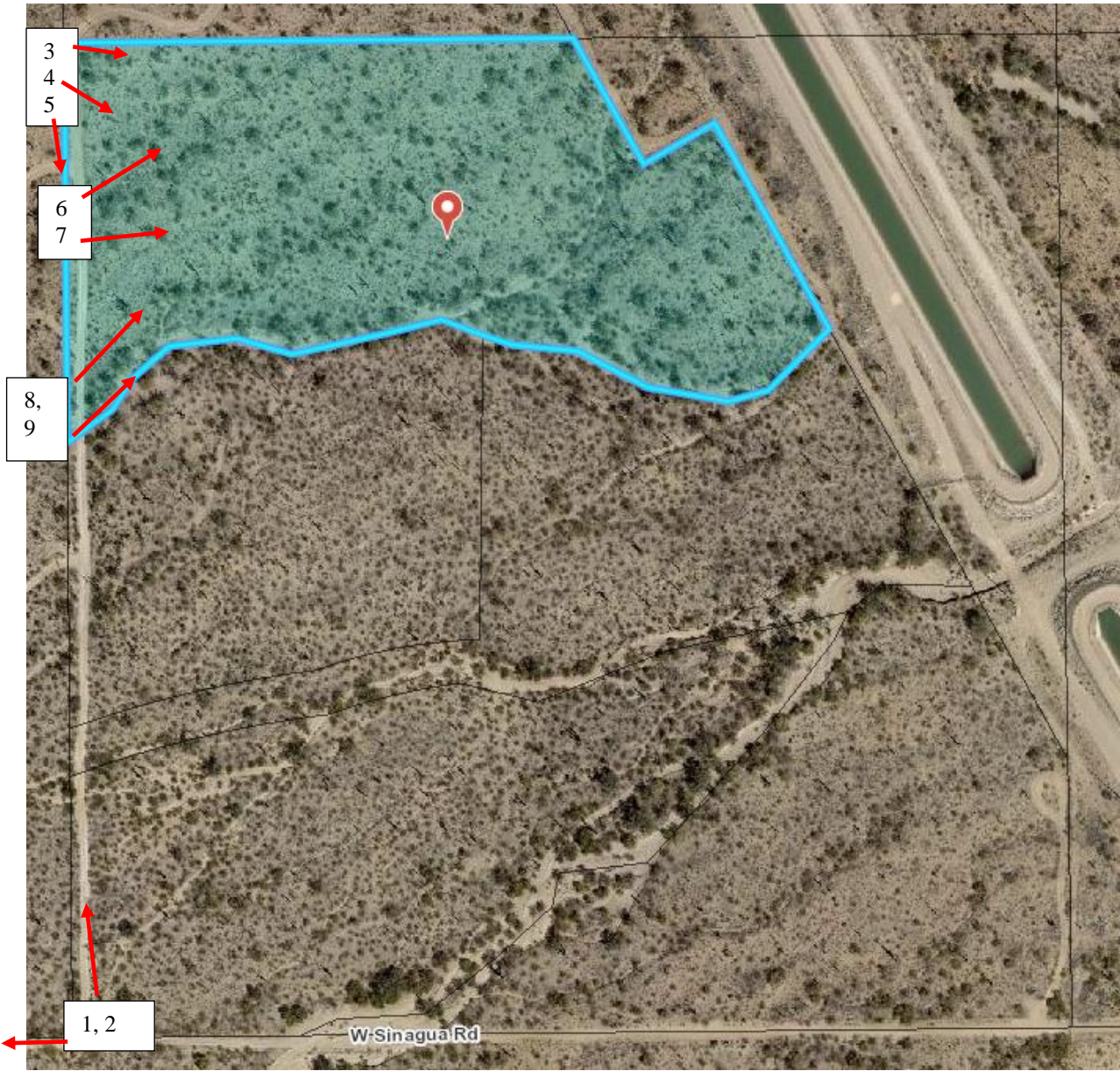
Acceptance of and/or use of this appraisal report by the client or any third party reader or user, constitutes acceptance of the above stated conditions as well as any other(s) stated in this report. The acceptance of this appraisal report also constitutes acceptance of responsibility for payment of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

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

--- end ---

SUBJECT PHOTOS & EXHIBITS

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



1 Sinagua Looking West from Road Easement North



2 Road Easement Looking North Towards Site from Sinagua



3 View Looking East Along Northern Boundary from Northwest Corner



4 View Looking Southeast from Northwest Corner



5 View South from Northwest Corner



6 View Northeast From Western Boundary (mountain views)



7 View Looking East from Western Boundary



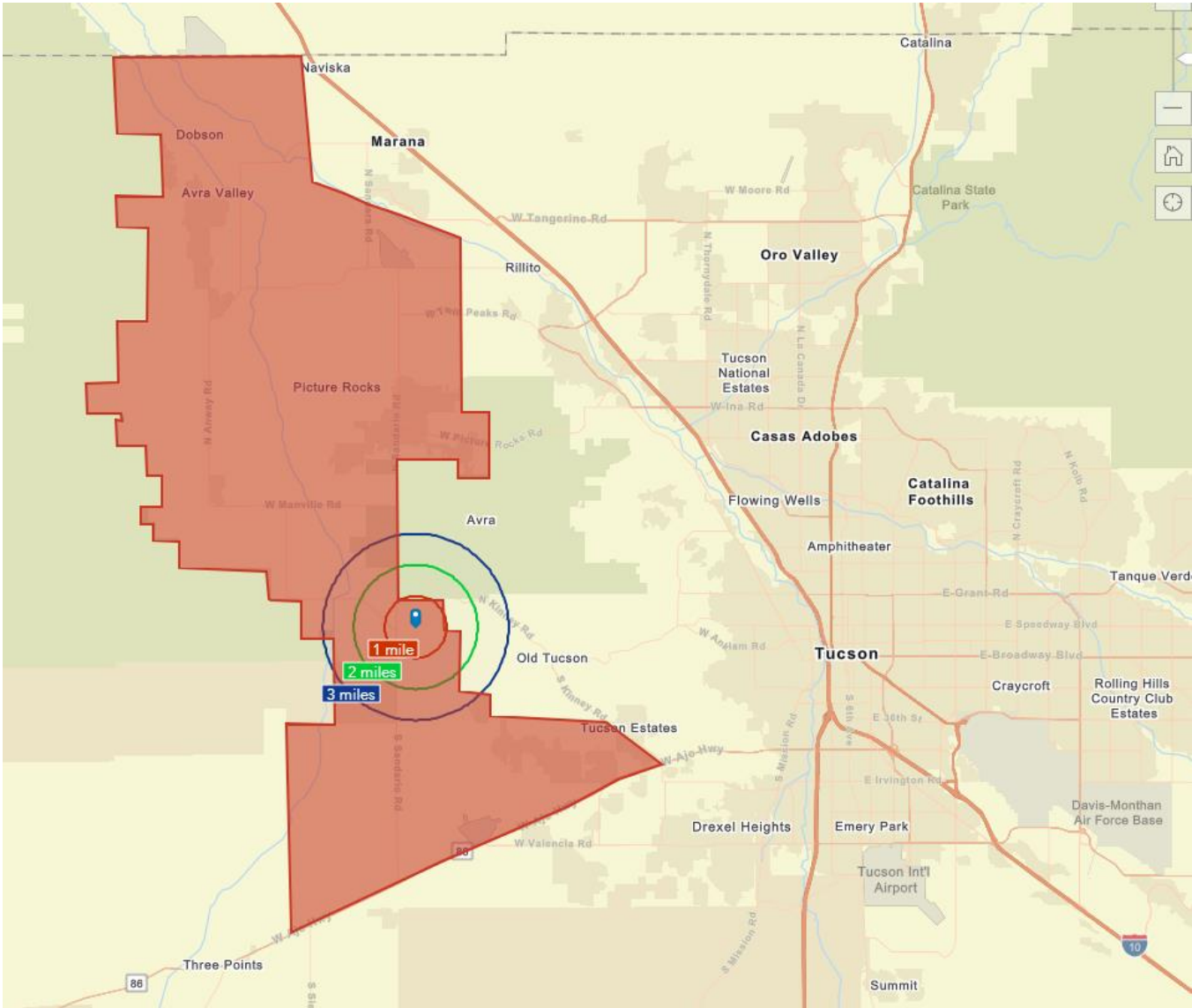
8 View Looking North-Northeast from Southwest Corner (Access Easement Looking North)



9 View Looking Northeast from Southwest Corner (Wash along Southern Boundary)



MARKET AREA MAP



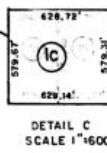
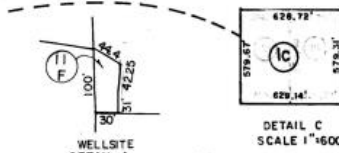
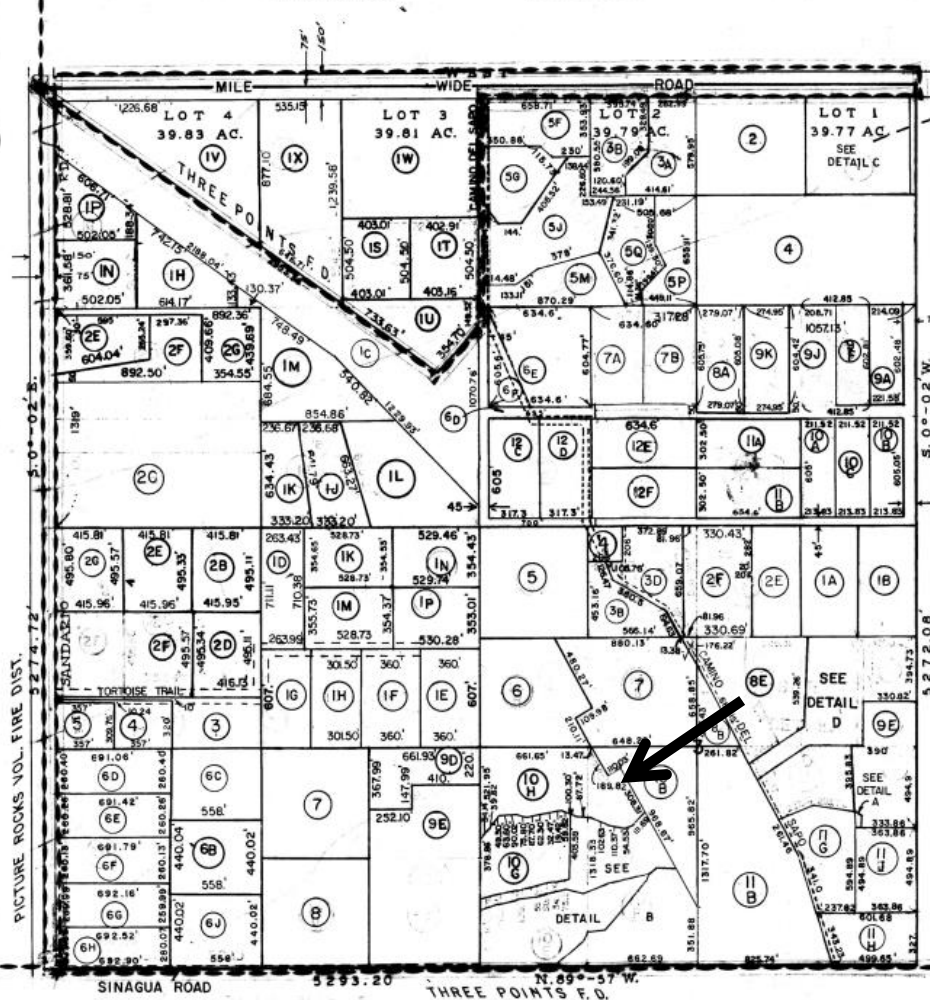
PLAT MAP

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

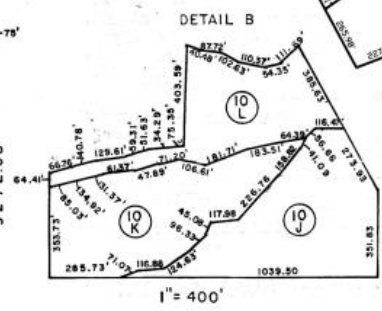
SECTION 3 TOWNSHIP 14 SOUTH RANGE 11 EAST

(FORM. 204-71)
-32

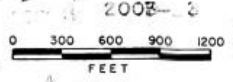
PROJECT
PHASE TWO



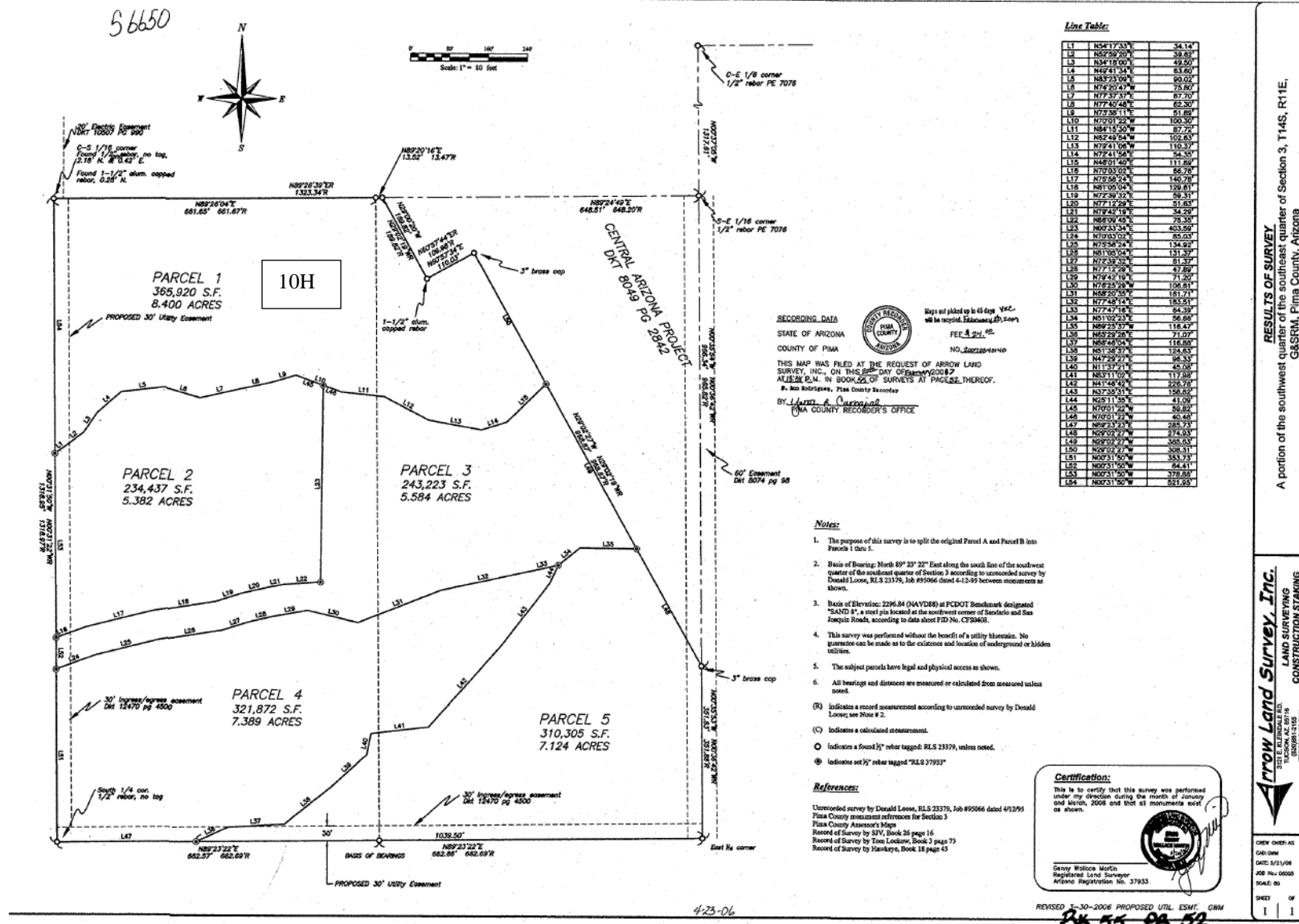
U.S. LAND
STATE LAND
ROADS
S.W. 1/4 OF W. 1/4
S.W. 1/4 OF W. 1/4
S.W. 1/4 OF W. 1/4
S.W. 1/4 OF W. 1/4



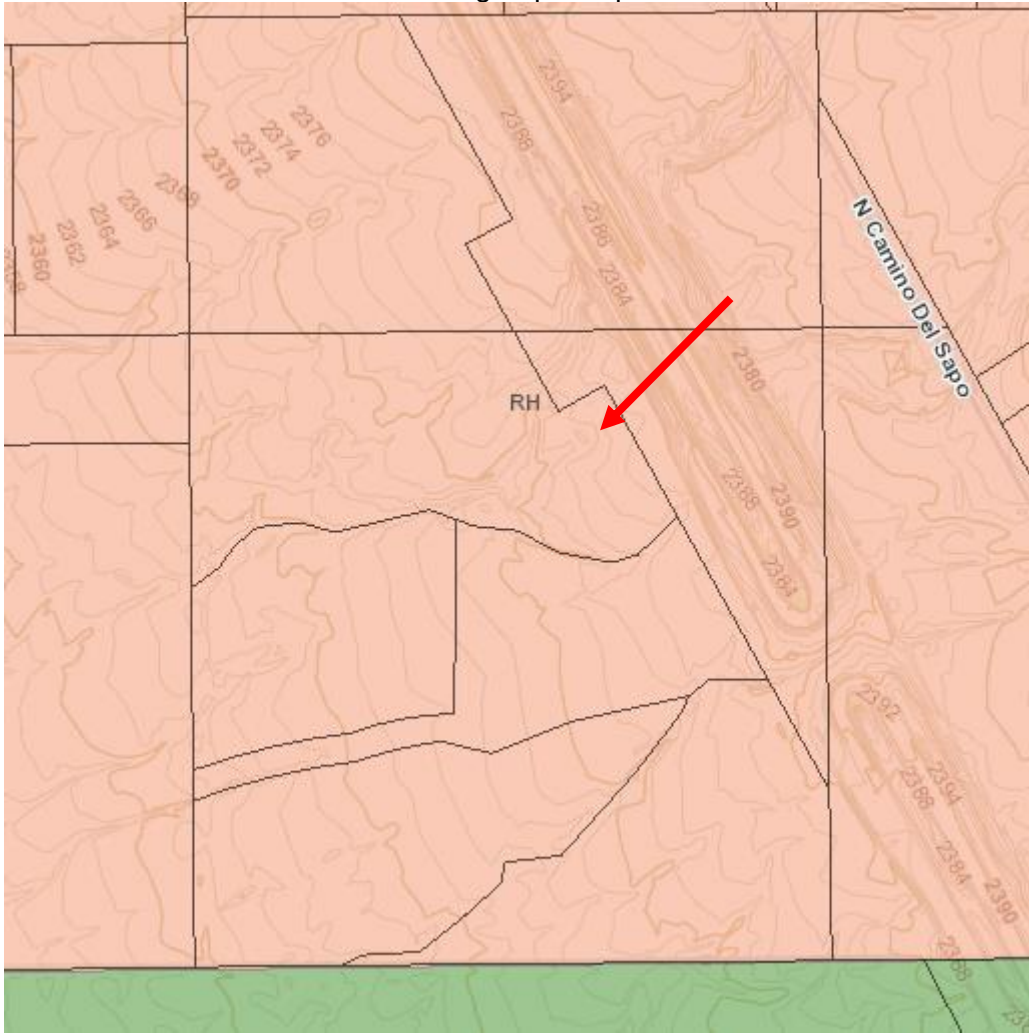
DETAIL D
SCALE 1" = 400'



Survey



Zoning/Topo Map

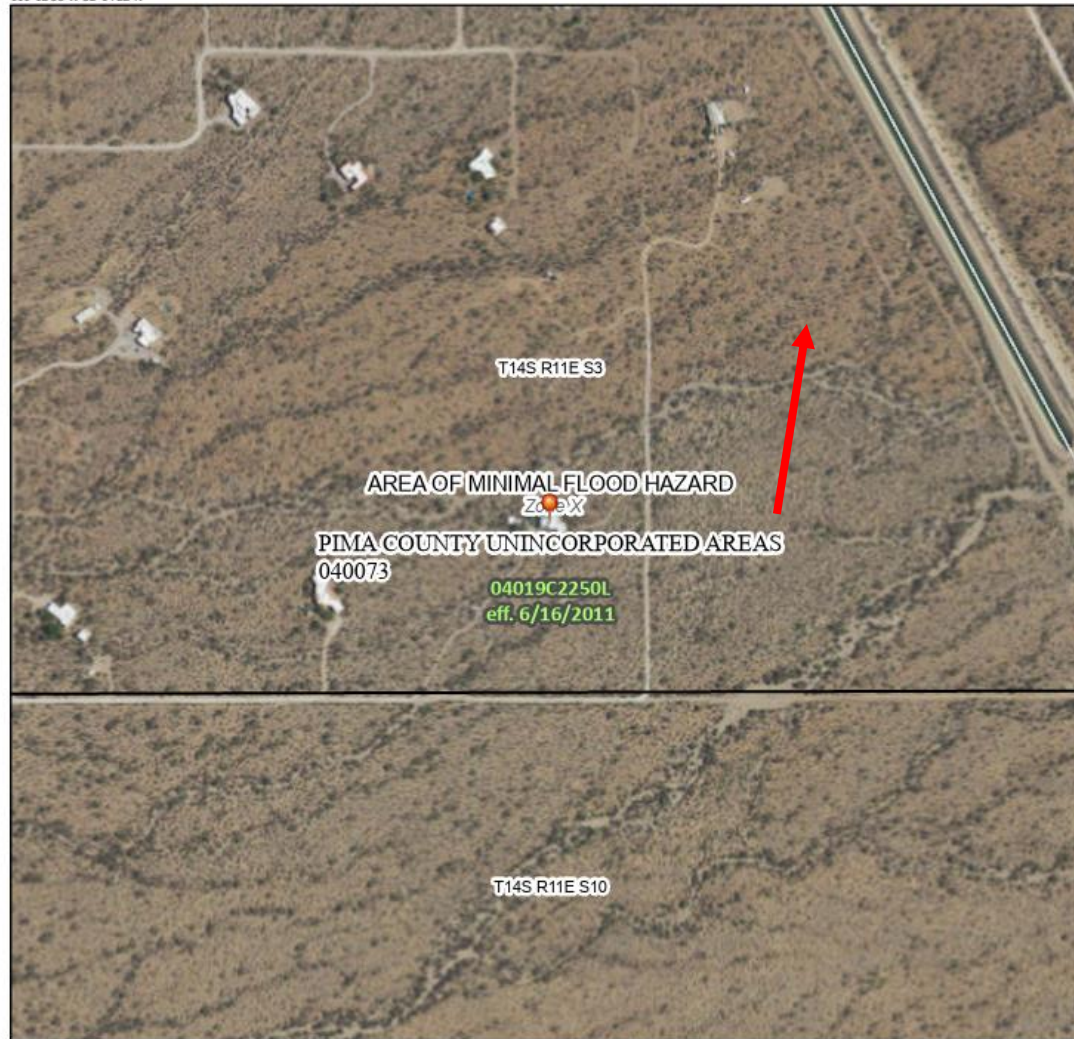


FEMA Flood Map

National Flood Hazard Layer FIRMette



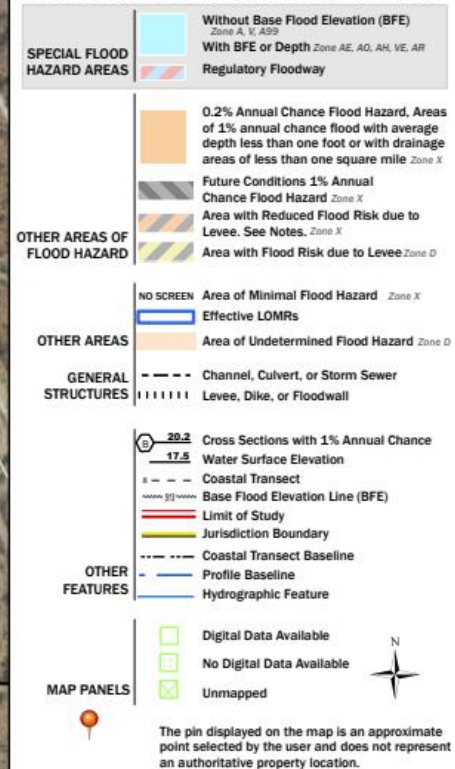
111°12'56"W 32°14'22"N



0 250 500 1,000 1,500 2,000 Feet 1:6,000
Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend

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

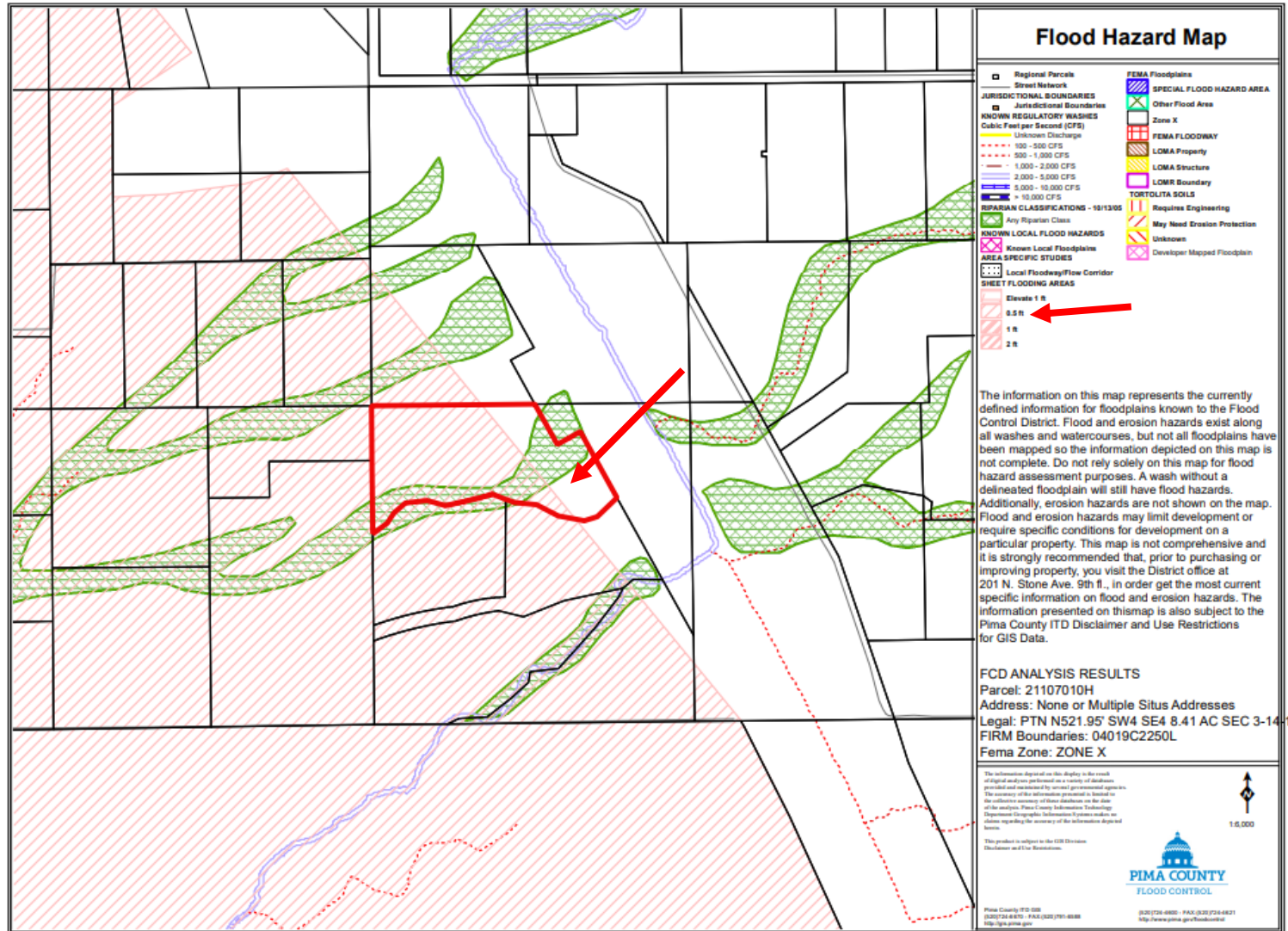


This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

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

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

RFCD Flood Map



Monday, February 27, 2023

TITLE REPORT (Select Portions;)

ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

EXHIBIT "A"

LEGAL DESCRIPTION

ISSUED BY

STEWART TITLE GUARANTY COMPANY

File No.: 1954383

Parcel 1:

A portion of those certain parcels described in Docket 10032, page 3084 and re-recorded in Docket 10260, page 1855 in the records of the Pima County Recorder, and in Docket 11279, page 1302 in the records of the Pima County Recorder, Pima County, Arizona, located in the Southwest quarter of the Southeast quarter of Section 3, township 14 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona; more particularly described as follows:

Commencing at the Southeast corner of the Southwest quarter of the Southeast quarter of said Section

Thence South 89° 23' 22" West along the South line of the Southwest Quarter of the Southeast Quarter of said Section 3, a distance of 1325.23 feet to the South one quarter corner of said Section 3;

Thence North 00° 31' 50" West (North 00° 31' 22" West-Record) along the West line of the Southwest quarter of the Southeast quarter of said Section 3, a distance of 797.00 feet to the Point of Beginning;

Thence continue North 00° 31' 50" West (North 00° 31' 22" West-Record) a distance of 521.95 feet to the Northwest corner of the Southwest quarter of the Southeast quarter of said Section 3;

Thence North 89° 26' 04" East (North 89° 26' 39" East-Record) along the North line of the Southwest quarter of the Southeast quarter of said Section 3, a distance of 661.65 feet;

Thence North 89° 24' 44" East (North 89° 26' 39" East-Record) along said North line, a distance of 13.53 feet to a point of intersection with the Westerly right of way of the C.A.P. property as described in Docket 8049, page 2837 in the records of the Pima County Recorder;

Thence South 29° 00' 20" East (South 29° 02' 19" East-Record) along said Westerly right of way of the C.A.P. property, a distance of 189.80 feet; (189.82 feet record)

Thence North 60° 57' 34" East (North 60° 57' 44" East-Record) along said Westerly right of way of the C.A.P. property, a distance of 110.03 feet; (109.98 feet record)

Thence South 29° 02' 27" East (South 29° 02' 19" East-Record) along said Westerly right of way of the C.A.P. property, a distance of 308.31 feet;

Thence South 46° 01' 40" West a distance of 111.69 feet;

Thence South 72° 41' 56" West a distance of 54.35 feet;

Thence North 79° 41' 06" West a distance of 110.37 feet;

Thence North 62° 49' 54" West a distance of 102.63 feet;

Thence North 84° 15' 30" West a distance of 87.72 feet;

Thence North 70° 01' 22" West a distance of 100.30 feet;

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

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File No.: 1954383

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

Page 3 of 9



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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Thence South 73° 38' 11" West a distance of 19.42 feet;
Thence South 73° 38' 11" West a distance of 32.47 feet;
Thence South 77° 40' 48" West a distance of 62.30 feet;
Thence South 77° 37' 37" West a distance of 87.70 feet;
Thence North 74° 20' 47" West a distance of 75.80 feet;
Thence South 83° 23' 09" West a distance of 90.02 feet;
Thence South 49° 41' 34" West a distance of 63.60 feet;
Thence South 34° 18' 00" West a distance of 49.50 feet;
Thence South 52° 59' 20" West a distance of 39.62 feet;
Thence South 54° 17' 33" West a distance of 34.14 feet to the Point of Beginning.

APN: 211-07-010H
(JV Arb 177)

Parcel 2:

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

Parcel 3:

An easement for access road and utilities over the West 30 feet of the Southwest quarter of the Southeast quarter of said Section 3.

EXCEPT that portion lying within Parcel 1 described hereto.

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

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File No.: 1954383
ALTA Commitment for Title Insurance Schedule A (07-01-2021)
Page 4 of 9



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

EDUCATION

Academic

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

Valuation

Appraisal Courses and Examinations:

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

Appraisal Seminars

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

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

EXPERIENCE

November 1995 - Present:

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

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

1994-November 1995:

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

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

1986-1993:

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

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

1979-1986:

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

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

PROPERTIES

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

COMPUTERS

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

PROFESSIONAL AFFILIATIONS

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

GEOGRAPHIC WORK

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

EXPERT WITNESS EXPERIENCE

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

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

SPECIAL PROJECTS

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

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

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

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