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COVER PAGE

APPRAISAL REPORT

**Opinion of Market Value Opinion for
A site known as 4360 N Green Valley Drive
Tucson, AZ
Pima County, 85719**

As Of April 13, 2022

**Owner: Pima County
Tax Parcel: 108-21-003
Sec 19, T13S, R14E**

Prepared For Use By

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

Appraisal Prepared By

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

Assignment Reference 2022234

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Letter of Transmittal

April 20, 2022

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

Re: Opinion of market value 4360 N Green Valley Dr.

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

Problem Identification: The purpose of the appraisal is to opine market value for potential disposition. Effective date of the appraisal is April 13, 2022, the date of site visit.

Relevant subject characteristics: the site is located at the northern terminus of Green Valley Dr., indicated to be 43,570sf, 1.00ac, zoned MH-1. It is adjacent (on the north) to Pima County owned land and the Rillito River Park. The site is FEMA x-shaded; it has water available by 1/10th well interest; the well site a "cut-out" on the site southern boundary.

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

My opinion of market value, as of the effective date of appraisal and assignment conditions above, is: \$187,000

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

Sincerely,



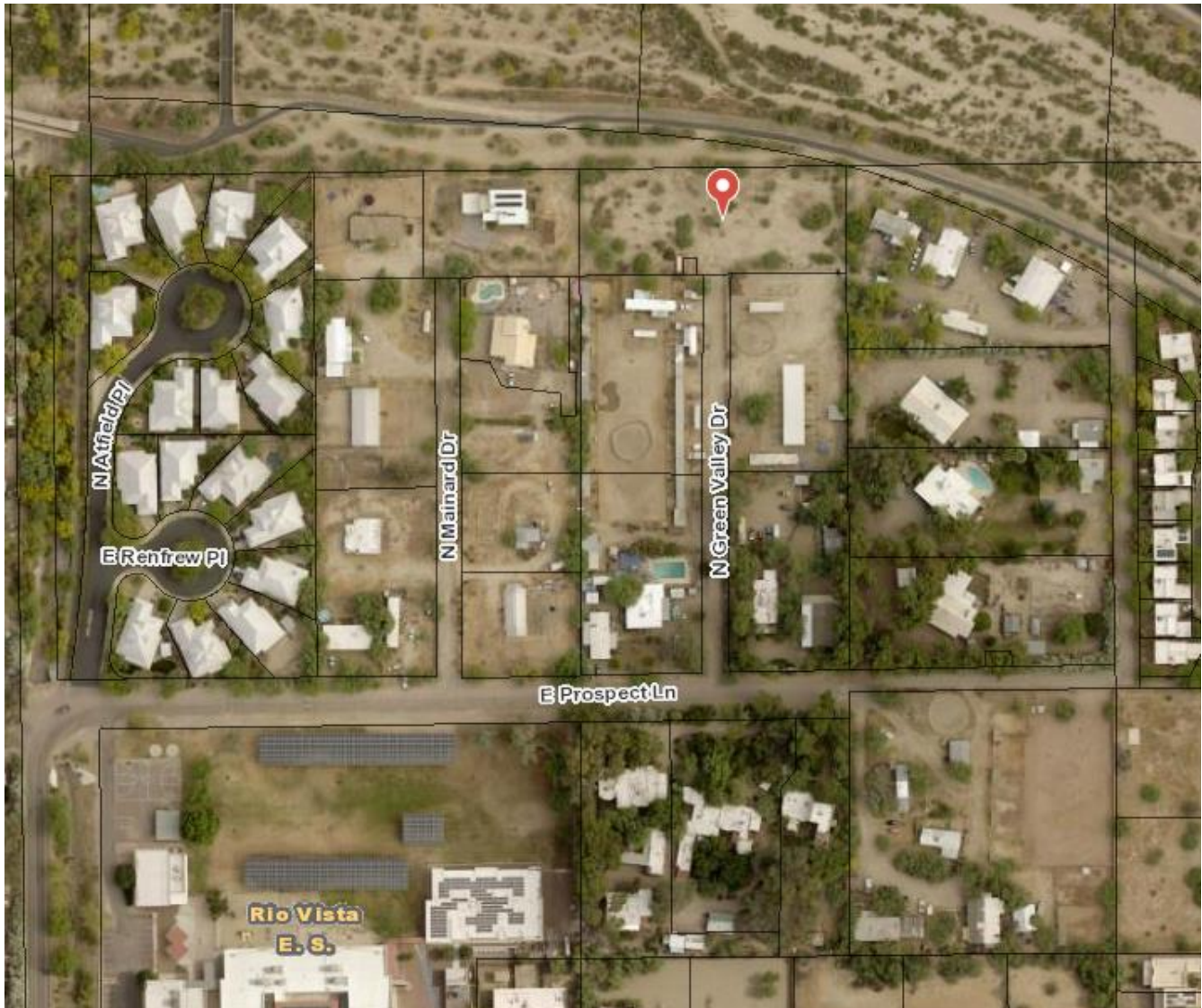
Paul D. Hendricks, MAI

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Project Overview Exhibit



PREFACE & SUMMARY

APPRAISAL REFERENCE: 2022234 PC 4360 N Green Valley Dr

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. Mr. Jeffrey Teplitsky, Manager, Pima County Real Property Services.

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

PURPOSE, INTENDED USE: The purpose of the appraisal is to opine market value, the intended use is to assist in potential disposition.

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

SUBJECT CHARACTERISTICS: Located at the northern terminus of Green Valley Dr., indicated to be 43,570sf, 1.00ac, zoned MH-1. It is adjacent (on the north) to Pima County owned land and the Rillito River Park. The site is FEMA x-shaded. It has water available by 1/10th well interest, the well site a "cut-out" on the site southern boundary.

TAX CODE: 108-21-003

INTEREST CONSIDERED: Fee Simple

OPINION OF VALUE: \$187,000

ASSIGNMENT CONDITIONS: No hypothetical conditions or extraordinary assumptions employed
Please see standard limiting conditions in the appendix.

EFFECTIVE DATE OF VALUATION: April 13, 2022; date of site visit.

DATE OF APPRAISAL REPORT: April 20, 2022

TYPE OF APPRAISAL REPORT: Report.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to opine market value.

INTENDED USE OF THE APPRAISAL

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

INTEREST APPRAISED

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

ANALYSIS AND IDENTIFICATION OF LARGER PARCEL

The larger parcel, after consideration of the three tests of larger parcel, common ownership, use and physical contiguity, is that described, parcel 108-21-003. Surrounding parcels, east, west and south are of different ownership and use. Property to the north are Pima County ownership but are part of the Rillito River Park recreational amenity.

PROPERTY IDENTIFICATION

The property is identified from assessor’s record as: N133' W2 NE4 NW4 SE4 EXC E16' OF W139' OF S20' 1 AC SEC 19-13-14, Pima County, AZ; 4360 BN Green Valley Dr., 108-21-003. A complete legal description, including interest in the well share, is available in the appendix.

MARKET VALUE DEFINED *

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

Market Value

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

EXPOSURE PERIOD

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

Exposure time estimated from review of comparable sales and from discussions with active market participants is estimated for the sale of the fee simple interest, to be approximately 1 to 6 months.

EFFECTIVE DATE OF APPRAISAL, REPORT DATE

The effective date of the appraisal is April 13, 2022, the date of site visit. The transmittal date of the report is April 20, 2022.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS (SCOPE)

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

OWNER CONTACT FOR INSPECTION

I contacted property owner representative, Jeffrey Teplitsky, Pima County Real Property Services Manager by phone and email to provide an opportunity to accompany me on site visit; he declined.

PROPERTY OWNERSHIP SALES HISTORY

Ownership of the property is indicated to be Pima County. Assessor's record indicates no market transfers within the past 5 years. I am unaware of any marketing of the property for sale over the past year.

MARKET AREA ANALYSIS

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

The subject property is located in the north-central portion of the City of Tucson, Pima County, Arizona. The boundaries of the area which exert the most influence over the subject can be described as Interstate 10 on the west to Campbell Road on the east, and from the Rillito River on the north to Speedway Boulevard on the south (Near NW). These boundaries are considered appropriate due to physical divisions, predominate land uses, and social characteristics. The area defined above is referred to herein as the subject neighborhood. The subject property falls in the north-central portion of this region.

The subject market area is a mixed use area with a variety of commercial and industrial uses along with single and multifamily residences. Industrial uses are generally in proximity to transportation linkages including the rail road, Interstates and highways. Other uses in the neighborhood are dispersed both on interior streets and along major traffic arterials. Due to the central-north location of the subject market area virtually all services are available.

Much of the southern portion of the market area was annexed into the City of Tucson in 1959; many properties date back to that period and prior; the area to the north of Roger Road from 1972, 1980, 1982-Tucson Mall, 1985-Auto Mall, 2015-south of Wetmore. There is a higher than average proportion of multi-family and older mobile home park development.

Tucson Mall, Tucson's largest at 1,300,000 square feet with over 200 stores and two levels of indoor shopping formerly anchored by Forever 21, J. C. Penney, Macy's, Dillard's, Old Navy and Sears. It is bounded by Oracle Road (Arizona State Route 77), Wetmore Road, Stone Avenue, and the Rillito River. The mall opened in 1982 and led to the creation of Tucson's most significant retail district.

The University of Arizona, on the southern boundary of the market area, it covers approximately 362 acres and has an enrollment of around 43,625 with full-time enrollment equivalent of around 42,749 students, a total university of community of around 58,000. There are (Fall 2015) 227 buildings. The University is one of the top research universities in the nation.

The Rillito River Park runs along the Rillito River from Craycroft Road to Interstate 10 and joins "The Loop", a system of paved, shared-use paths and short segments of buffered bike lanes connecting the Rillito, Santa Cruz, and Pantano River Parks with the Julian Wash and Harrison Road Greenways, soon to be completed offering 131 miles of multi-use trail that spans the metropolitan area, allowing cyclists, pedestrians, joggers and equestrians recreational opportunities.

Access to the market area is considered to be average to good. Most significant traffic arterials in the neighborhood include Oracle Road, 1st Avenue and Campbell north-south, River Road, Grant, Speedway, Prince and Wetmore east-west. Newly constructed and proposed road improvements are considered to enhance traffic flow through the subject area. Grant Road is in the process of improving a 5-mile section of

Grant between Oracle Road and Swan Road; the road project will result in the reconstruction of Grant Road with one new travel lane in each direction, also significant enhancements to the streetscape, landscape, transit, bicycle, and pedestrian facilities. The Prince Road Interstate 10 interchange has been elevated over the rail road tracks, reducing traffic interruption by crossing trains.

The market area, where City of Tucson, is served police and fire protection by the City of Tucson with all utilities also provided including electricity by Tucson Electric Power, water by the City of Tucson, sewer by Pima County wastewater, gas by southwest gas and telephone by CenturyLink. The subject market area lies within the boundaries of Amphitheater School District Number Ten. Public Transportation is available on most major traffic arterials in the neighborhood.

To the north of the market area, it transitions into lower foothills, primarily residential homes of lower density and higher resident incomes and property values.

Demographic characteristics of the subject surrounding 1 mile radius and market area are compared to the metro area (Pima County):

Variable	Pima County	Near NW	Subject (1 mi)
2021 Total Population	1,077,673	80,461	15,493
2021-2026 Population: Compound Annual Growth Rate	0.88%	0.50%	0.71%
2021 Total Households	428,697	34,499	7,535
2021 Per Capita Income	\$30,716	\$19,425	\$30,014
2021 Median Household Income	\$55,823	\$31,654	\$41,027
2021 Population Age 25+: Graduate/Professional Degree	106,106	4,362	2,091
2021 Owner Occupied Housing Units	274,307	13,094	2,396
Percent Owner Occupied	57.3%	33.2%	28.5%
2021 Vacant Housing Units	49,834	4,924	860
Percent Vacant	10.4%	12.5%	10.2%
2021 Total Housing Units	478,531	39,423	8,395
2021 Median Home Value	\$240,501	\$145,287	\$249,677
2021 Average Home Value	\$309,933	\$166,387	\$332,304
2019 Housing: Mobile Homes	47,450	8,249	669
Percent Mobile Homes	9.9%	20.9%	8.0%
2019 Median Contract Rent (HHs Paying Cash Rent)	\$760	\$640	\$731
2021 Population Density (Pop per Square Mile)	117.3	5,266.2	4,935.5

As indicated above, the surrounding 1 mi radius and market area are projected to grow at slower rate than the metro area overall due to being more fully developed. The surrounding 1 mi radius is very near the metro area average per capita income, both the surrounding market area and 1 mi subject radius are below average median household income; median home values in the 1 mi radius is very near the average in median home value, the market area is significantly lower; it is notable that the surrounding market area has significantly greater housing by mobile homes.

Conclusion:

The subject is in a northwest-central part of the city which initially developed in the late 1950's but saw significant growth around the time of the development of the Tucson Mall (1982) and experienced re-definition as a premier retail district, particularly along Oracle Road, at that time. The market area continues to be relatively diverse and of mixed use, it has significantly greater housing by mobile homes, demographics within the surrounding market area are below average in median and per capita income as well as median home values; the 1 mi radius surrounding the subject site are generally near metro area averages in these characteristics.

SITE DESCRIPTION

Location:	The subject is located on the northern terminus of Green Valley Drive, south of the Rillito River Park and Rillito River. It is in a relatively unique "island" set north, between Limberlost and Rio Vista Elementary School and south of the Rillito River and River Park. It is unique in sites larger than zoning permitted minimum lot size and many of surrounding sites with horse facilities.
Present Use:	Undeveloped site
Site Size:	43,570sf, 1.00 ac from plat map
Access:	Average.
Visibility:	Poor; located at the terminus of Green Valley Drive, a minor interior residential street.
Views:	Average for the area, however, being adjacent to Pima County open space on the north is a positive amenity.
Shape:	Rectangular, 330' width by 133' depth (less well site)
Topography:	Very level at around 2,336'.
Flood Hazard:	FEMA FIRM 04019C1687L, indicates the site is FEMA x-shaded (Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.)
Easements:	There is indicated to be a servient easement for water from the well site to the 10 lots surrounding.
Hazardous Materials/ Contamination:	No environmental assessment was available. No indications of hazardous materials were noted on site visit; this appraisal assumes that the subject is free of hazardous material contamination.
Utilities:	<p>Utilities are generally available in the area from the following sources; however, an engineering study would be necessary to determine if utilities are available/sufficient for proposed uses:</p> <p>Water: Well interest Sewer: N/A Electricity: Tucson Electric Natural Gas: Southwest Gas (in the area) Telephone: CenturyLink Public Safety: City of Tucson</p> <p>The Foothills Community Water Co (manager Christine Johnson) provides water to initially 10 well-interest property owners, including the subject site. Discussions with Ms. Johnson revealed that water, and therefore development of lots in the sharing group are limited by the current well. She reported that when created, the properties were restricted, from SH zoning, to two residences on a lot (min lot 36,000sf); this, no more than 2 residential units on the subject site, would be reasonable and have good potential of support/approval from the members of the water company (owner's association). Annual fees to each well interest are reported to be \$300/year; the owners were recently assessed \$5,000 each for well work</p>

and may be assessed similarly in the near future for water-line improvements needed.

There is no sewer in the area. Septic is typically restricted to sites of 1 acre or more. Restrictions include a minimum of 100' from sewer components and any well, 10' between structures (to permit pump-truck access) and 5' property line setbacks. The subject site, if split, would not permit individual septic tanks.

Zoning:

MH-1 (mobile home zone); This zone provides for low to medium density, residential development primarily in mobile home buildings on individual lots and within mobile home parks. Civic, educational, recreational, religious uses, and select other uses, such as day care and urban agriculture, are also permitted that provide reasonable compatibility with adjoining residential uses.

Development Standards include a minimum site size 7,000sf, density MF/MH Park 8/acre; lot coverage 70%, max height 25', perimeter yards res to res use are 6' or 2/3H.

Neighborhood Plan:

Northside: the subject is in sub-area Campus Farms (area 3). The Campus Farm subarea covers an area of approximately 600 acres that is bounded by Prince Road on the south, the Rillito Creek on the north, and First Avenue on the west. The east boundary is marked primarily by Campbell Avenue but also incorporates the portion of the University of Arizona Campus Agricultural Center that lies to the east of Campbell Avenue. The Campus Farm neighborhood is characterized by a mix of low and medium density residential uses, with older, single family residences in the southern half and newer or developing higher density residential uses to the north. Although existing zoning in the western and northern sections of the subarea (R-2 and CR-5) would allow more intensely scaled development, much of these areas are built out in predominantly one-story, detached residential structures. ***Significant land uses in the neighborhood are the University of Arizona Campus Agricultural Center, established horse properties near and along the Rillito Creek,*** and two large mobile home parks.

Surrounding Land Uses:

Residential use properties south, east and west, including mobile homes and properties with horse facilities; the Rillito River Park and Rillito River to the north.

Site Analysis Conclusion:

The subject site is 1.0 acre at the northern terminus of Green Valley Dr. a minor interior residential street. It is adjacent to the Rillito River Park on the north and lower density residential uses including mobile homes and horse properties to the south, east and west. In spite of surrounding properties being MH-1 (similar to the subject), minimum lot size 8,000sf, lots have not been split to develop to this density, most are roughly 1/2 to 1 acre in size. Water is by water-company which would reportedly support no more than two residential units on the subject site. There is no sewer in the area, the site would be suitable for septic (as long as setbacks are observed); there is no potential to split the lot and provide septic to each.

Real Estate Tax Analysis

The following information is available from the county treasurer's office; there are no real estate taxes due to municipal ownership.

Tax Parcel	108-21-003
FCV Land	\$82,000
FCV Impvt.	\$0
FCV Total	\$82,000
2021 Tax	\$0.00

HIGHEST AND BEST USE

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

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

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

HIGHEST AND BEST USE, AS IF VACANT:

Legally Permissible The subject is zoned MH-1 (mobile home zone); this zone provides for low to medium density, residential development primarily in mobile home buildings on individual lots and within mobile home parks. Civic, educational, recreational, religious uses, and select other uses, such as day care and urban agriculture, are also permitted that provide reasonable compatibility with adjoining residential uses. Standards include a minimum site size 7,000sf, density MF/MH Park 8/acre; lot coverage 70%, max height 25', perimeter yards res to res use are 6' or 2/3H.

Physically Possible: The subject parcel is 43,570sf, 1.0 acres, rectangular in shape (with the exception of the well-site cut out on the southern boundary), at the northern terminus of Green Valley Dr., a minor interior residential street. It is FEMA x-shaded, quite level. Water is provided by small (originally 10 lots) water-company, which would reportedly support two residences on the subject site. There is no sewer in the area, septic would be appropriate, given observation of setbacks; the inability to provide septic to more than 1 site would preclude splitting of the site.

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

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

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

Arizona Recent Developments

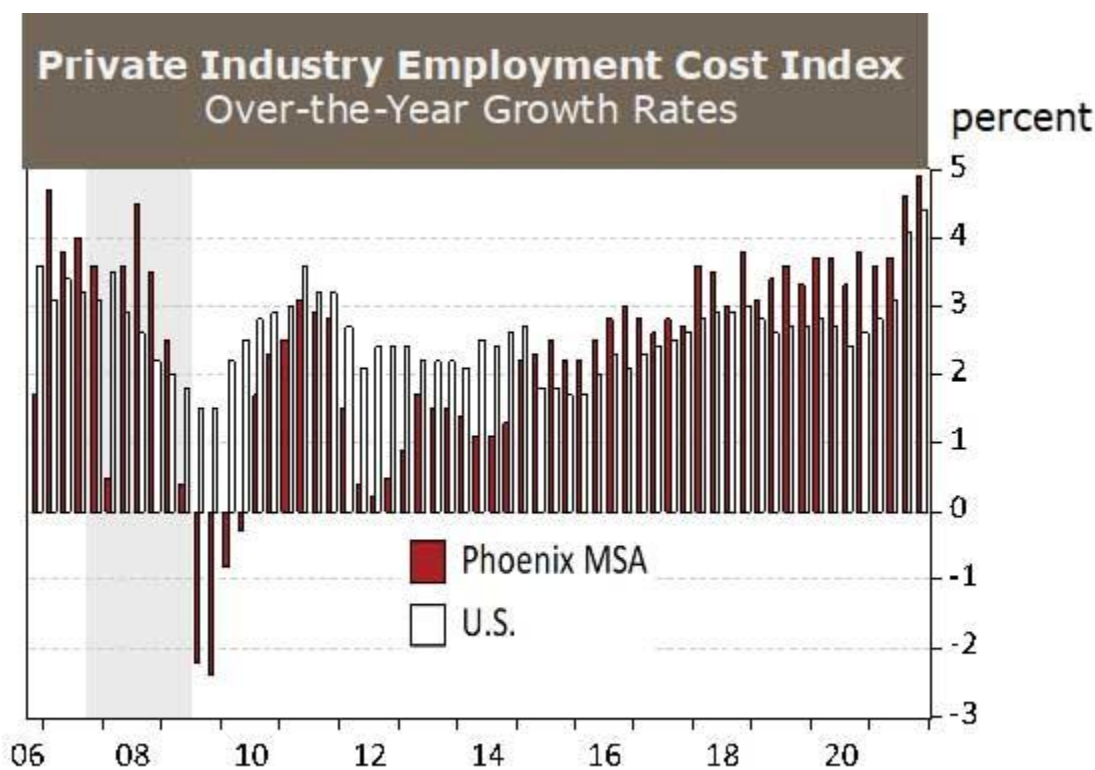
Arizona's preliminary seasonally-adjusted unemployment rate plummeted again in December, according to preliminary estimates. The state rate has fallen from 6.8% in June 2021 to 4.1% in December, which was the lowest since December 2007. That was slightly above the national rate of 3.9% but below its February 2020 level of 4.9%. The non-seasonally adjusted state rate was 2.8%. The labor market is really tight.

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

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

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

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



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

Housing affordability in Arizona has deteriorated significantly as house prices skyrocketed. According to data from the NAHB/Wells Fargo housing opportunity index, 54.2% of homes sold in the fourth quarter of 2021 nationally were affordable to a family making the median income. That was higher than the Phoenix rate of 44.5% but below Tucson at 58.0%. Phoenix affordability in the fourth quarter was down 20.4 percentage points over the year. Tucson affordability was down 13.2 percentage points and national affordability was down 9.0 percentage points.

Arizona housing permit activity remained strong in 2021, according to the preliminary estimates from the U.S. Census Bureau. Arizona permits totaled 64,924 in 2021, up 7.6% from the revised 2020 total, calculated using non-seasonally

adjusted monthly data. The count in the model is slightly different since we use seasonally-adjusted estimates there. Single-family permits were up 9.1% and multi-family permits were up 4.0% last year. Housing permit data for 2021 will be revised later this year.

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

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

Arizona Outlook

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

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

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

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

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

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

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

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

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

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

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

Arizona Outlook Summary Annual Growth Rates and Levels				
	Actual 2021	Forecast		
		2022	2023	2024
Growth Rate				
Nonfarm Jobs	3.2	4.6	3.1	2.2
Personal Income	6.0	1.9	6.5	6.2
Retail Plus Remote Sales	19.9	2.3	3.1	5.2
Population	1.5	1.6	1.6	1.5
Level				
Unempl. Rate	6.1	4.5	4.5	4.5
Housing Permits	64,692	64,501	61,815	50,158
Personal income and retail sales are forecast in 2021.				

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

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

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

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

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

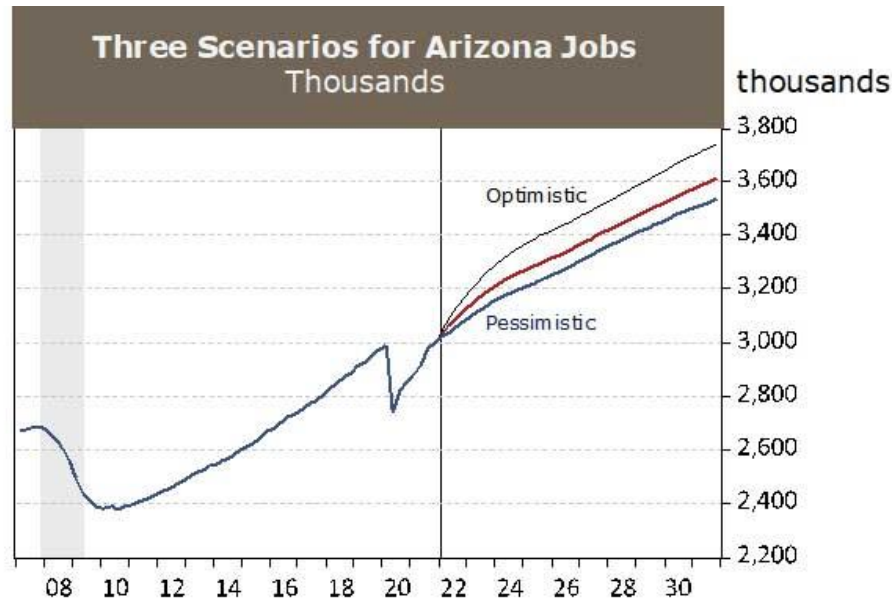
Risks to the Outlook

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

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

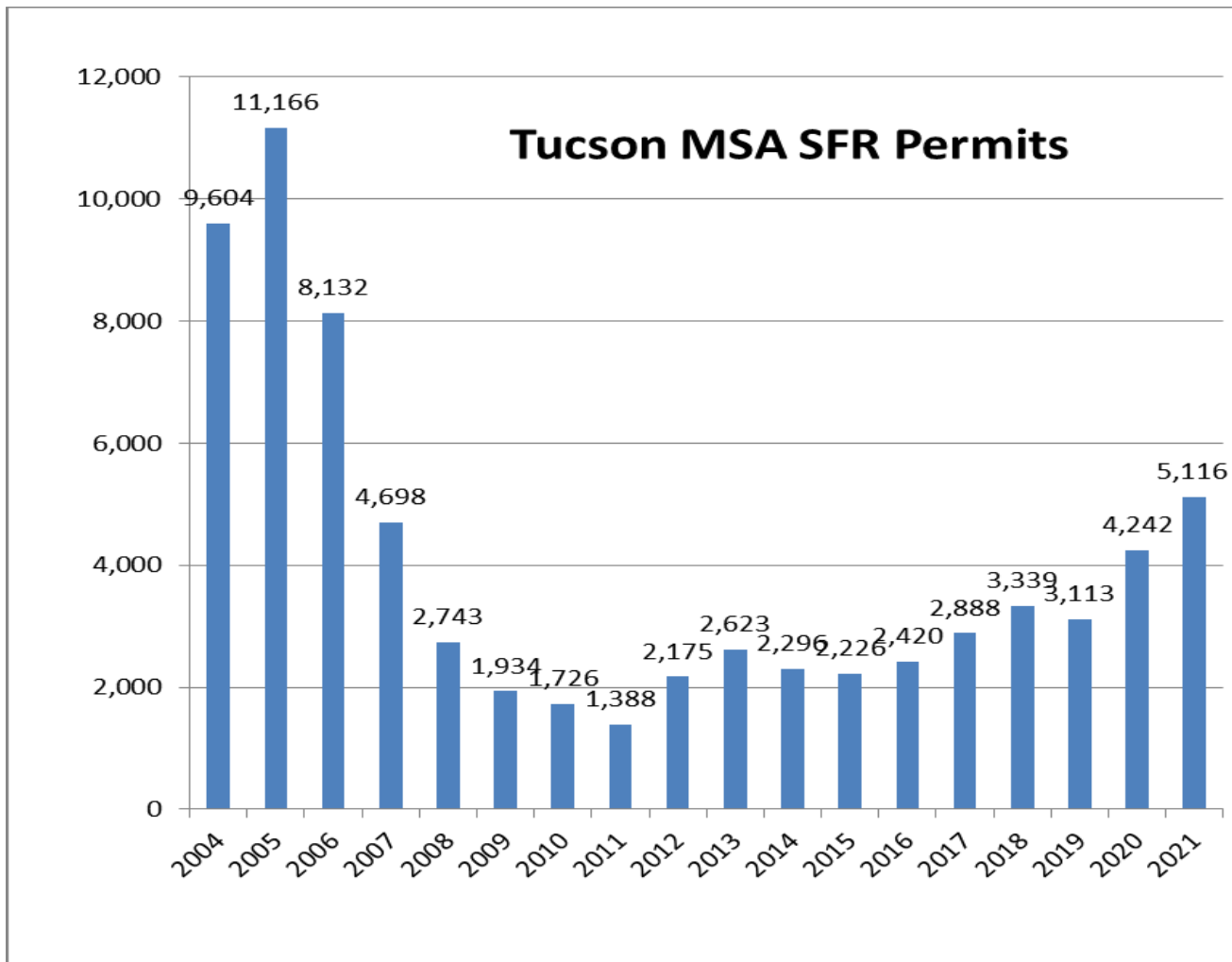
The optimistic scenario (20% probability) assumes that travel and tourism recovers rapidly, supply-chain issues are resolved more quickly, and that consumers respond more positively to infrastructure spending. These factors generate stronger near-term growth.

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



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

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

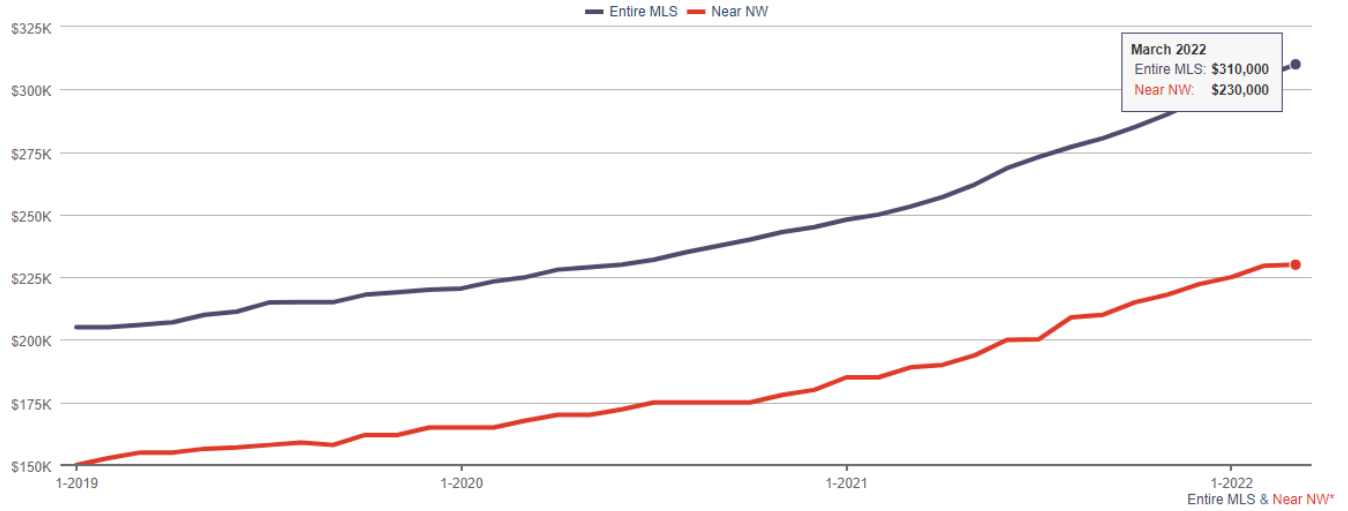


As indicated, residential permits dropped precipitously from a high in 2005 through 2011; 2012 and 2013 indicated the beginning of a turn around, recently there has been a string of increases towards 5,000 permits which has been considered to be a long term sustainable level benchmark. Over this time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

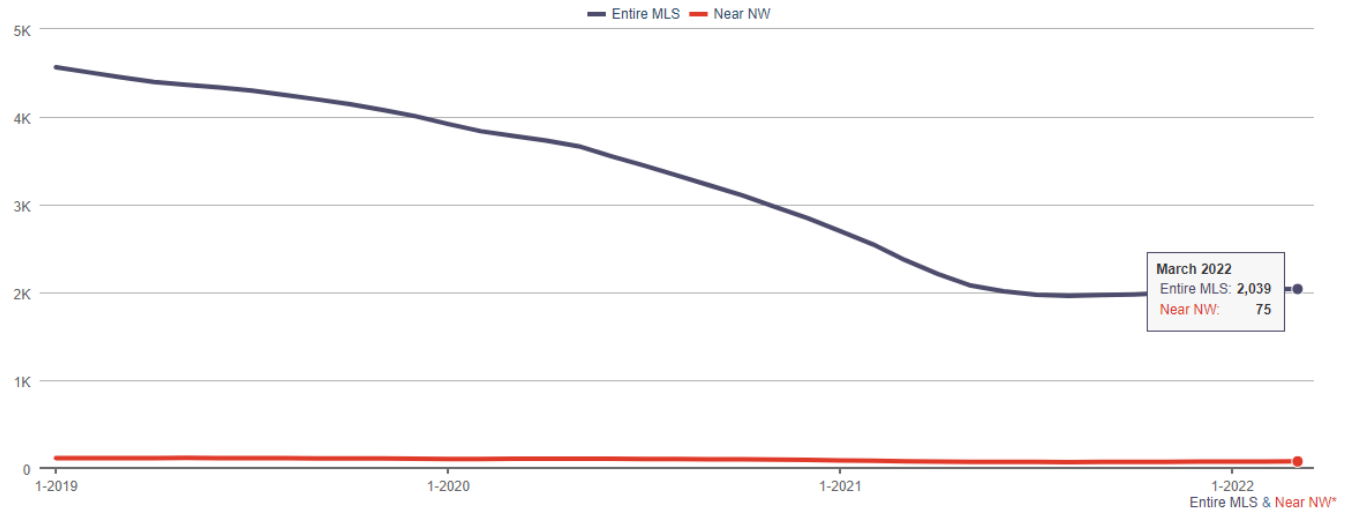
The following are 3 year trends in SFR properties for the entire MLS and the subject Near NW market area; to summarize, median home prices in the subject neighborhood are 25.8% lower than that for the entire MLS, prices have increased 21.7% over the past year as compared to 22.4% appreciation in the entire MLS. There are very few SFR listings available in the neighborhood, months of supply is moderating from a high of approximately 2.3 months August 2019 to 1.2 months currently; median days on market has been generally dropping to 7 days currently; median sale percent of list price, has been more erratic in the subject neighborhood but from December 2020 has joined that of the entire MLS, at 100%.

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

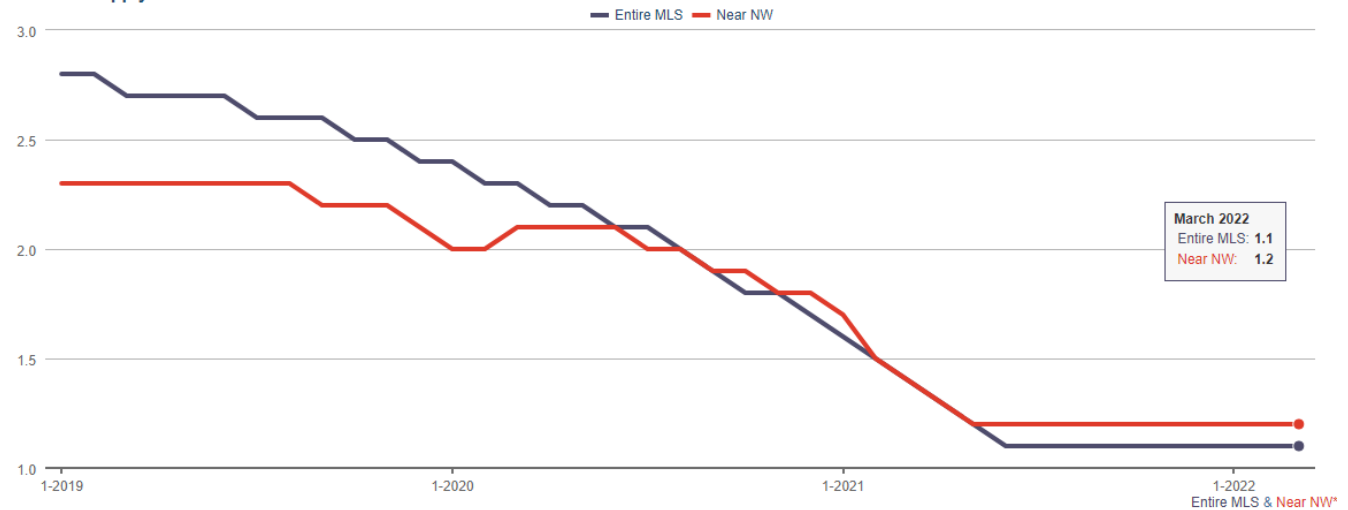
Median Sales Price



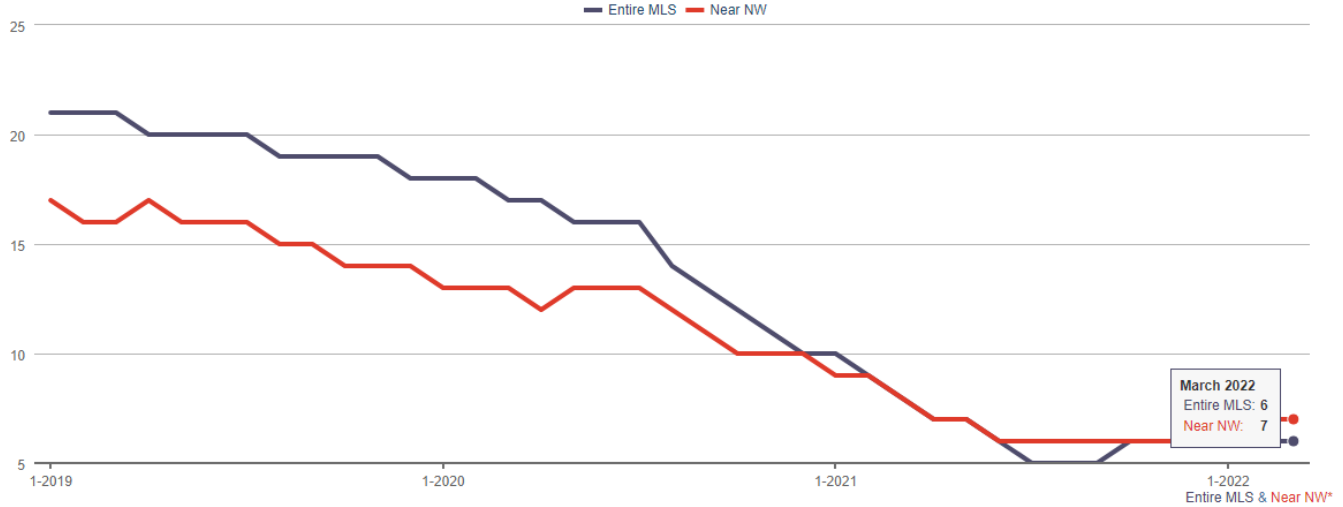
Homes for Sale



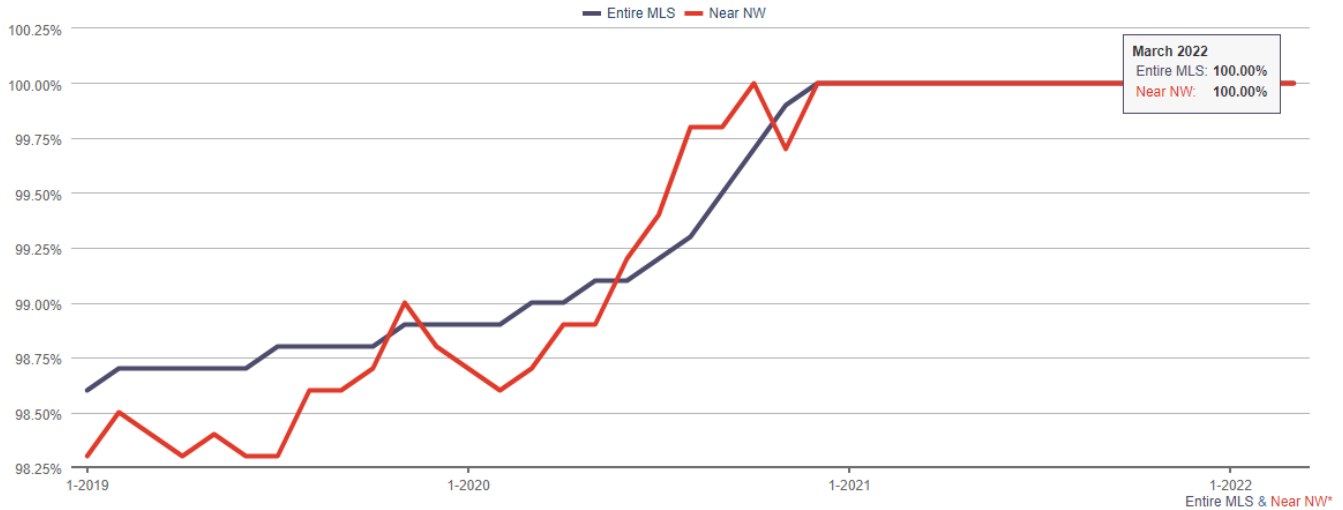
Months Supply of Homes for Sale



Median Days on Market



Median Percent of Last List Price



Maximum Profitability: In conclusion, highest and best use “as if vacant” is considered to be residential development; in consideration of site size, restrictions due to the septic requirement and the providing water-company, single family or potentially two residences (or house and guest house) on the same parcel, is considered to be most appropriate.

VALUATION METHODOLOGY

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

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

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

The Sales Comparison Approach is a set of procedures through which value is estimated by comparison of the subject property to the sales of similar properties that have recently sold, making adjustments to the sales for differences between the subject and the comparable property's based on units of comparison. The sales comparison approach is applied and considered to be appropriate as the sales provide meaningful analysis of property similar to the subject in the current market.

The income approach is a set of procedures through which value is estimated based on the future benefits of property ownership (income earning potential) of the property appraised. Rental income is estimated based on analysis of similar market properties and/or the subject income stream from existing leases. Incomes are reduced by expenses to the owner and net income is capitalized by either direct capitalization, yield capitalization, or both. Properties of this type appear to be typically purchased for owner use/development rather than for income earning potential, thus the income approach is not considered to be necessary for credible assignment results and is not employed.

SALES COMPARISON APPROACH

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

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

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

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

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

After adjusting the comparable sales prices to compare equally to the subject, the sales are reduced to common units of comparison for further analysis. The units of comparison selected depend on the type of property being appraised. The comparables have been analyzed on a price lot basis as each, regardless of zoning, is considered to be no more than a single home-site. The comparable properties are then adjusted for locational, physical and economic differences as indicated.

A search of the Tucson area market revealed the following sales, considered to be most applicable to this appraisal valuation.

Comparable Site One

Location: 5310 E Placita Del Mesquite, Tucson, 85712
Tax Code Number: 110-09-007N
Records: 5/28/2021, 2021 1481702
Seller: Lawrence M Hecker,
Buyer: Subramanian, Mohan Subbanna Shalini
Sale Price: \$225,000
Site Size: 36,103sf, .83ac
\$/Sf Site \$6.23
Terms: Cash
Zoning: HRX-1
Comments: An irregularly shaped site at the end of cul-de-sac, south of private school in Fort Lowell Historic District. The site is 83% FEMA-A, significantly wooded (indicated to be 92% EHSA (PC RFCD); reportedly with the ability to develop with one residence.
Confirmation: MLS 22107508, Leigh Anne Wilkey, listing agent, 343-4499, pdh 2022234



Comparable Site Two

Location: 1411 E Prospect Lane, Tucson, 85719

Tax Code Number: 108-21-009D

Records: 3/5/2021, 2021 0640863

Seller: Michelle Cerepak,

Buyer: Mainard Remodeco, LLC

Sale Price: \$117,500

Site Size: 19,361sf, .44ac

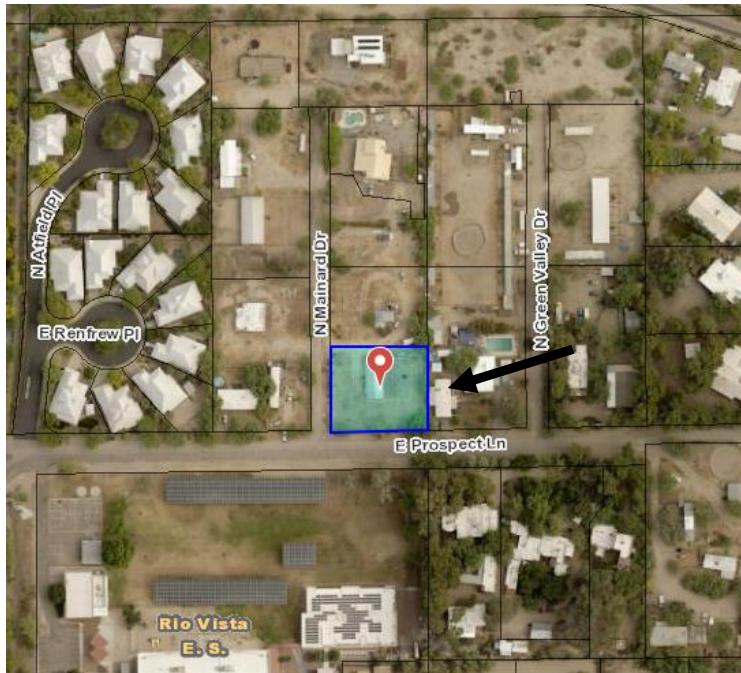
\$/Sf Site \$6.07

Terms: Cash

Zoning: MH-1

Comments: A rectangular site at the corner of Prospect and Mainard Dr., both minor interior streets, across from Rio Vista Elementary School (playground). The site reportedly had approval for septic though too small by code; it is served water by private water company well; it is FEMA x-shaded. Though improved with a greenhouse, the site was purchased as vacant land. In spite of zoning (greater density) the site is limited to a single residence due to size/septic and restriction by the water company.

Confirmation: Affidavit, George Palmer, listing agent, 520.326-1122, pdh 2022234



Comparable Site Three

Location: 1941 E Greenlee Rd, Tucson, 85719
Tax Code Number: 113-05-059B
Records: 1/8/2021, 2021 0081035
Seller: Church of Jesus Christ Peniel
Buyer: 1366 E Milton, LLC
Sale Price: \$130,000
Site Size: 20,017sf, .46ac
\$/Sf Site \$6.49
Terms: Cash (20%) and PMM (reportedly not affecting the sale price)
Zoning: RX-2 (16,000sf min lot size)
Comments: An "L" shaped site with usable area in the rear; purchased for and subsequently sold with residence (\$445,000). In Richland Heights (lower density central area). FEMA x.
Confirmation: MLS 22026733, Chuck Magestro, listing agent, 520.298-5751, pdh 2022234



Comparable Site Four

Location: 1369 E Prospect Ln., Tucson, 85719

Tax Code Number: 108-21-006

Records: 4/14/2020, 2020 1050701

Seller: Eric Alvin Thomson, successor trustee of the Quintin Robert and Nihia H Thomson Revocable Trust

Buyer: Jennifer Nicholson

Sale Price: \$204,000; \$149,000 abstracted site value

Site Size: 37,897sf, .87ac

\$/Sf Site \$5.38; abstracted site value \$3.93/sf.

Terms: Cash

Zoning: MH-1

Comments: A rectangular site on the northwest corner of Prospect Ln & Mainard Dr., both minor interior streets; across from Rio Vista Elementary School (playground). The site it is served water by private water company well; it is FEMA x-shaded.

The site was improved with a 1,000 sfr built 1955 with 450sf carport and storage, a 14x16 mobile home, 592sf stables and 576sf horse shade. The mobile home appears to have been since removed with two "mobile mini" homes added. The depreciated value of improvements is estimated at \$55,000 (calculations retained in my file), indicating an abstracted site value at \$149,000, \$3.93/sf.

Confirmation: Affidavit, Eric Thomson, seller, 520.297-6444, pdh 2022234



Comparable Site Five

Location: 4330 N Mainard Dr., Tucson, 85719

Tax Code Number: 108-21-008B (now 8C)

Records: 6/7/2019, 2019 1580824

Seller: Michelle Cerepak, 612.805-1433

Buyer: Christopher V & Hazel A Heinzer

Sale Price: \$80,000

Site Size: 18,375sf, .87ac

\$/Sf Site \$4.35

Terms: Cash (\$30,000 cash to private financing)

Zoning: MH-1

Comments: A rectangular site on Mainard Dr., a minor interior street. The site is served water by private water company well; it is FEMA x-shaded. The site is believed to have been approved for septic though of insufficient size per code. In spite of zoning (greater density) the site is limited to a single residence due to size/septic and restriction by the water company.

Confirmation: Affidavit, Jonathan, seller's husband declined confirmation for his wife, pdh 2022234



SALES COMPOSITE MAP



Value Analysis

Five sales have been selected for comparison in the subject value analysis.

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

Property Rights: The sales all were fee simple interests, no adjustment necessary.

Financing: Sales 1, 2, 4 and 5 were cash; sale 3 involved a partial seller carryback, terms of sale were not considered to have affected the sale price, no adjustment is considered necessary.

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

Market Conditions: The sales occurred from June 2019 through May 2021; market conditions for this type of property have been improving/appreciating over this time, the comparables are adjusted upward for market conditions at approximately 20% per year over the past year (less for 2020, 2019).

Location: the subject and comparables 2-5 are similar in location, not requiring adjustment; comparable 1 is adjusted downward for superior location due to being in area of historical significance and higher median home values in the surrounding area, etc.

Size; as each of the comparables are smaller than the subject, they are adjusted upward for superior subject size; sales 1 and 4 are much more similar to the subject in size and thus adjusted less significantly.

Zoning: the subject and comparables are all zoned for residential use; as each site is appropriate for only a single unit, no adjustment for differences in density is considered necessary.

Improvements: the subject and comparables 1, 2, 3 and 5 have no improvements, no adjustment is necessary; sale 4 has been analyzed based on abstracted site value (net of depreciated improvements included in the sale).

Site Utility: the subject and comparable 1 are restricted in site utility, the subject due to the well and restricted placement due to septic setbacks, sale 1 due to flood zone and erosion hazard setbacks; the subject is considered to be moderately superior to sale 1, thus the sale is adjusted upward; sale 2's "L" shape is considered to be offsetting in utility as compared to the subject, sales 3-5 are adjusted downward for more typical site utility.

Access/View: The subject and comparables 1, 2 and 4 are considered to be similar in access/view; the subject being adjacent to open space-River Park and comparables 1 (mesquite Bosque) and sales 2 and 4 due to being across from school playground. Sales 3 and 5, with no such adjacent open space, are adjusted upward.

Another sale considered was the October 2020 sale of 18,536sf site, north of comparable sale 2, same seller to same purchaser, for \$141,000, \$7.61/sf. It was improved with a guest house that was retained and thus considered to add value; it was not analyzed in greater detail due the analysis of sale 2 above (given emphasis due to being from the same seller to buyer, of similar size, and yet being a more recent sale and not improved), and the analysis of sale 5 (sale 5 also improved yet more similar in site size to the subject).

Conclusion: the comparables bracket the subject, sales 2, 3 and 5 with net upward physical characteristics adjustment and sales 1 and 5 with downward net physical characteristics adjustment. Slightly greater emphasis is placed on comparables 2 and 3 due to locational similarity and their being more recent. With emphasis as indicated, a subject site value at \$187,000, approximately \$4.29/sf (the subject lower \$/sf due to greater site size and yet being a single developable site, and restriction due to septic placement and the well), is considered 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						
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Location	4360 N Green Valley	5310 E Pla Del Mesquite	1411 E Prospect Ln	1941 E Greenlee	1369 E Prospect Ln	4330 N Mainard
Tax ID Number	108-21-003	110-09-007N	108-21-009D	113-05-059B	108-21-006	108-21-008B
Sales Data						
Date of Sale	N/A	May-21	Mar-21	Jan-21	Apr-20	Jun-19
Sales Price	N/A	\$225,000	\$117,500	\$130,000	\$149,000	\$80,000
Site Size (ac)	1.00	0.83	0.44	0.46	0.87	0.42
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash, PMM	Cash	Cash
Cash Equivalent Price	N/A	\$225,000	\$117,500	\$130,000	\$149,000	\$80,000
Conditions of Sale	Average	Average	Average	Average	Average	Average
Condition Adjustment	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Market Condition (Time)	N/A	May-21	Mar-21	Jan-21	Apr-20	Jun-19
Market Conditions Adj.	0.0%	17.0%	22.0%	25.0%	30.0%	40.0%
Adjusted price per SF	N/A	\$263,250	\$143,350	\$162,500	\$193,700	\$112,000
Physical Characteristics						
Location	Average	Superior	Similar	Similar	Similar	Similar
Size	1.00	0.83	0.44	0.46	0.87	0.42
Zoning	MH-1	HRX-1	MH-1	RX-2	MH-1	MH-1
Improvements	None	None	None	None	None*	None
Site Utility	Avg/Fair	Inferior	Superior	Offsetting	Superior	Superior
Access/View	Avg/Good	Offsetting	Offsetting	Inferior	Offsetting	Inferior
Adjustments						
Location	0.0%	-25.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	5.0%	25.0%	25.0%	5.0%	25.0%
Zoning	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site Utility	0.0%	5.0%	-10.0%	0.0%	-10.0%	-10.0%
Access/View	0.0%	0.0%	0.0%	5.0%	0.0%	5.0%
Net Physical Adjustments						
Net Physical Adjustments	Same	Downward	Upward	Upward	Downward	Upward
Net Adjustment (Overall)	0.0%	-15.0%	15.0%	30.0%	-5.0%	20.0%
Adjusted Comp Price/sf		\$223,763	\$164,853	\$211,250	\$184,015	\$134,400
Adjusted Comp Price		\$6.20	\$8.51	\$10.55	\$4.86	\$7.31
Subject Value Opinion	\$187,000					
Subject Value (\$/SF)	\$4.29					

STATEMENT AND CERTIFICATION OF APPRAISER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING



Paul D. Hendricks, MAI

Arizona Certified General Real Estate Appraiser 30197

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

APPENDIX

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

LIMITING CONDITIONS AND ASSUMPTIONS

of Standard Real Estate Appraisal

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

1. Information Used, Trade Secrets

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

2. Authentic Copies, Changes, Modifications

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

3. Use of Appraisal, Limit of Liability

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

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

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

4. Court Testimony

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

5. Copies, Publication, Distribution of the Report

Possession of any copy of this report shall not authorize or empower the client or any third party with any publication rights whatsoever, or with any authorization to use the appraisal other than for its intended and stated purpose noted in the agreement and/or in the report. The physical report(s) shall remain the property of the appraiser(s) at all times and appraiser(s) hereby grant the client permission to use the appraisal report(s) solely for the purposes set forth. The client agrees that the payment of the appraisal fee is in exchange for the analytical services of appraiser(s) and by the payment of said fee, the client

has not purchased the appraisal report. With the exception of public disclosure indicated below, neither all nor any part of this appraisal report shall be given, recited, published, copied, distributed, nor in any way communicated to third parties in any manner, in whole or in part, without the prior written consent of the appraiser(s).

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

6. Confidentiality

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

7. Measurements, Exhibits

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

8. Legal, Title, and Market Value Premise

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

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

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

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

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

10. Utilities

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

11. Legality of Use, Management of Property

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

12. Component Values, Special Studies

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

13. Inclusions.

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

14. Proposed Improvements, Conditional Value

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

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

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

the productivity and relative attractiveness of the property both physically and economically in the marketplace.

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

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

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

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

17. Information furnished by Client and Third Parties

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

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

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

19. Americans With Disabilities Act (ADA)

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

20. Environmental

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

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

21. Report Type

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

22. Other Information for Readers

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

23. Conclusion

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

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

--- end ---

SUBJECT PHOTOS & EXHIBITS

Site View Looking Northeast



Site Looking Southeast from approx Southeast Corner



Well-site on Subject Southern Boundary



Rillito River Park, Rillito River (north of subject)



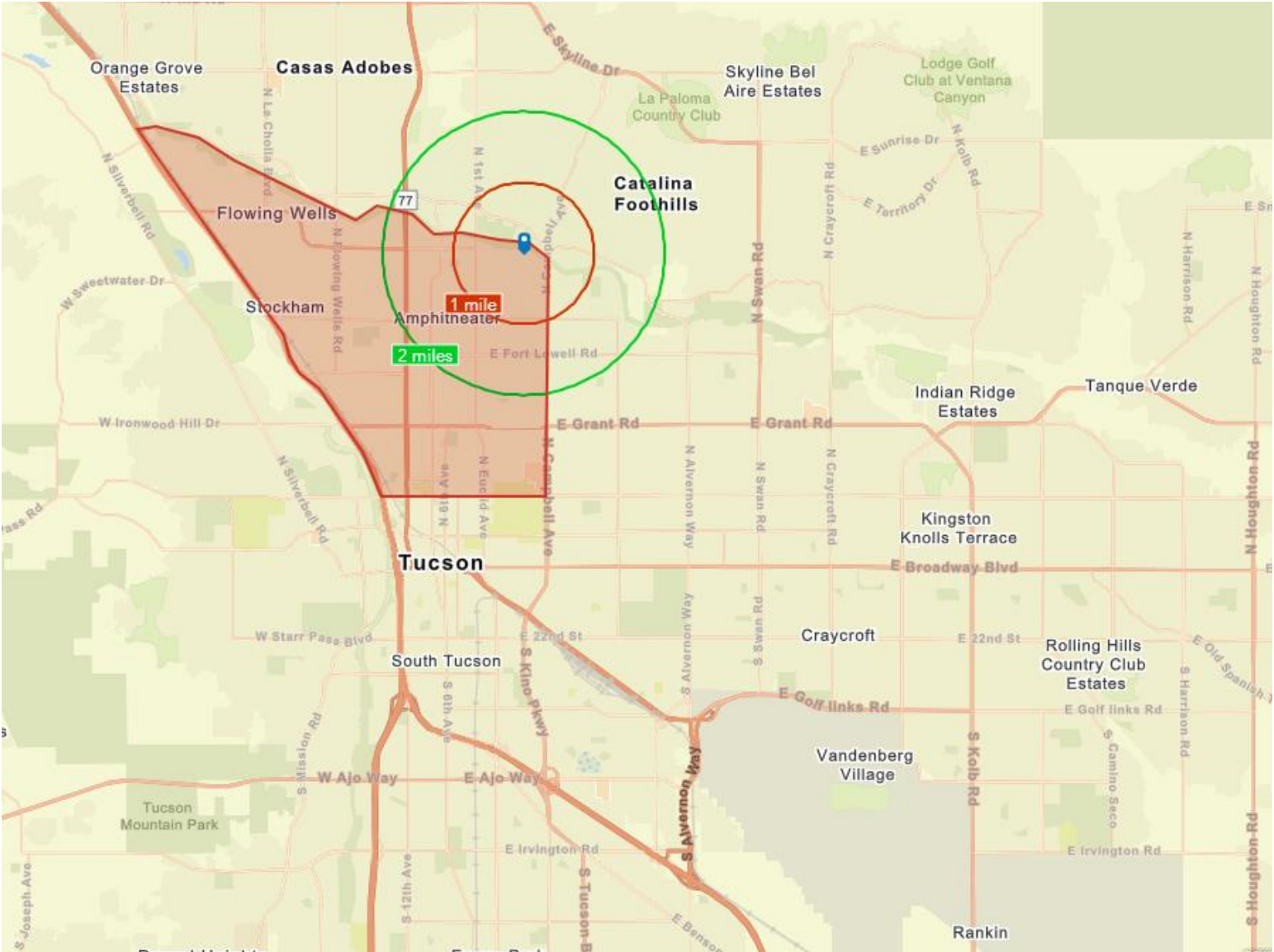
Green Valley Road Looking North into Subject Site



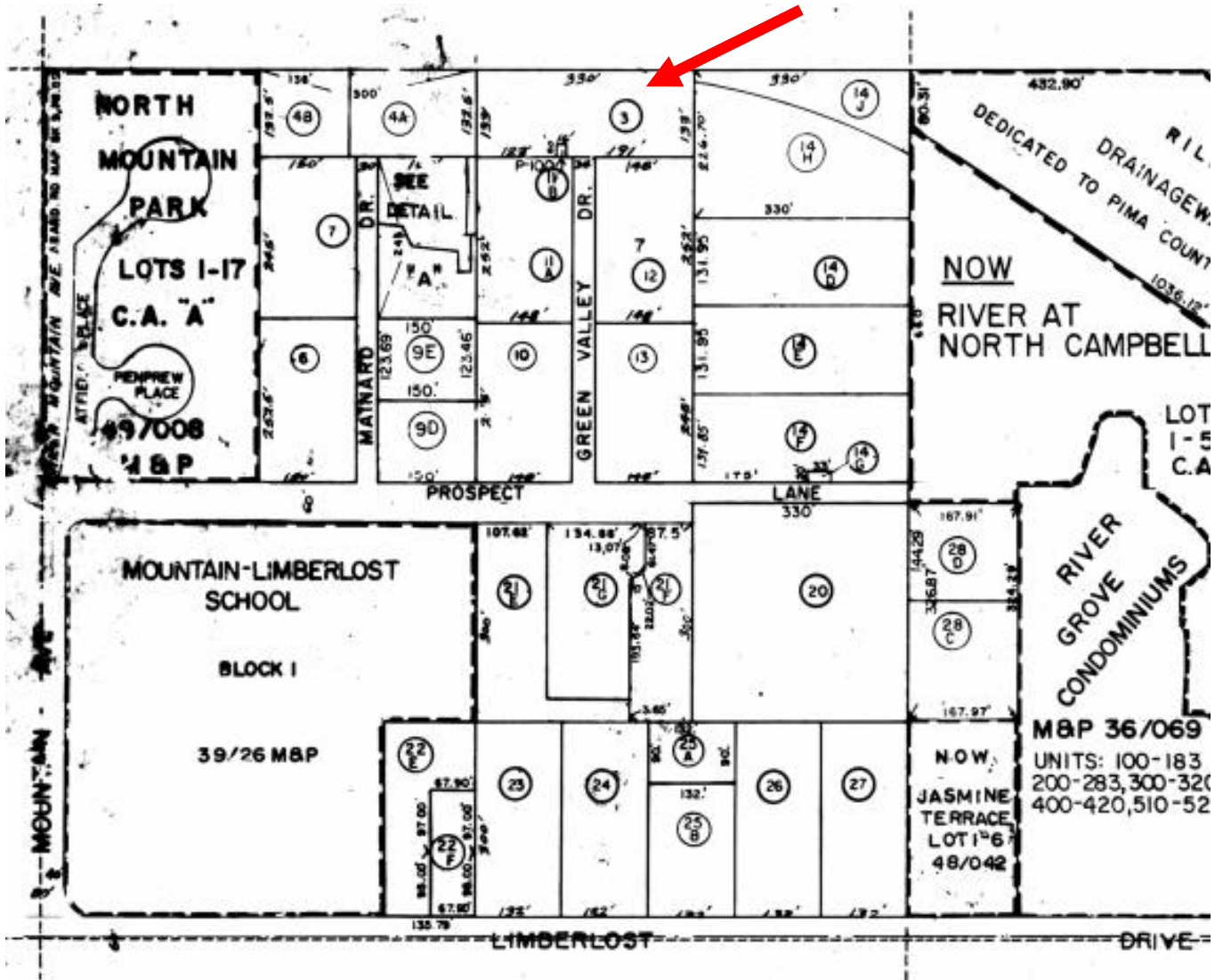
Green Valley Road Looking South from Subject Site



MARKET AREA MAP

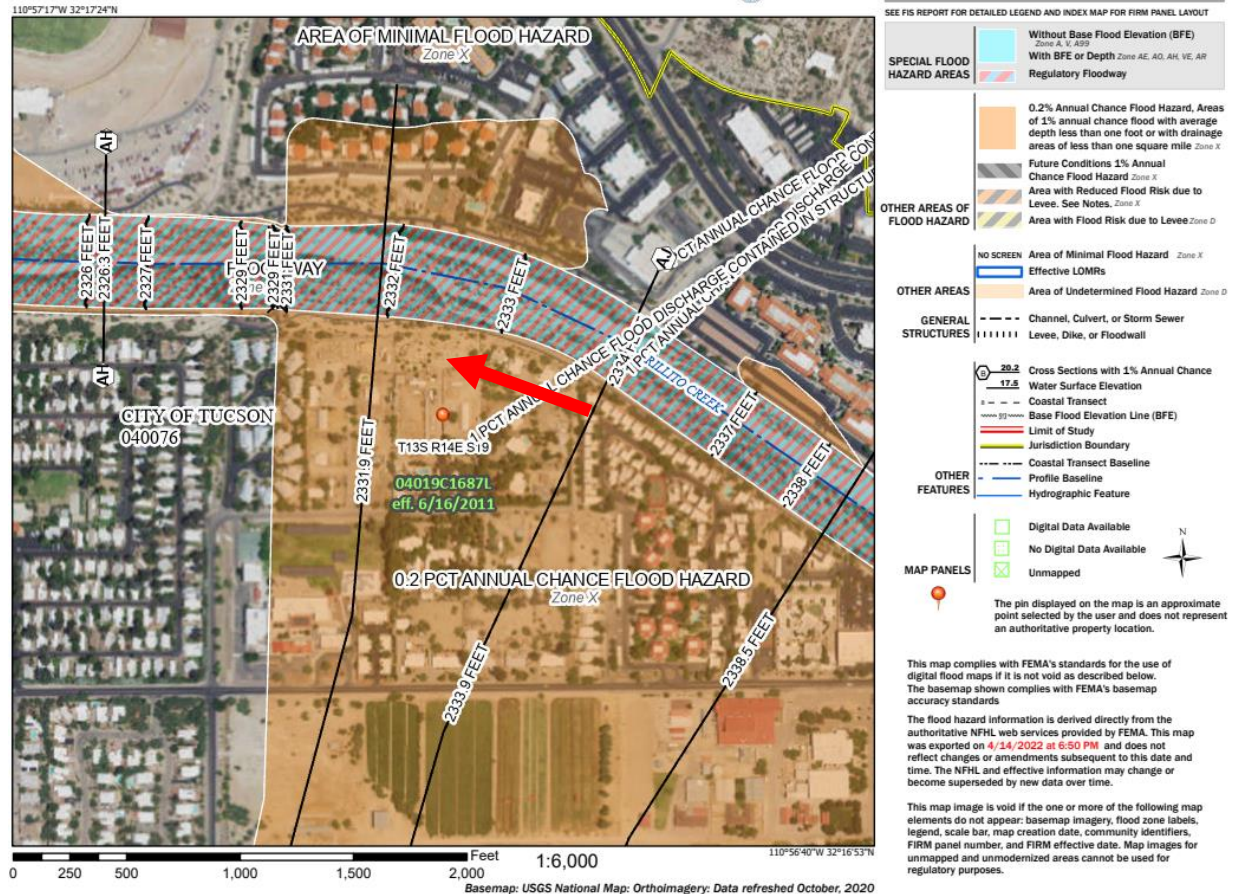


Plat Map



Flood Map

National Flood Hazard Layer FIRMette



Zoning/Topography Map



Title Commitment (select pages)

**ALTA COMMITMENT FOR TITLE INSURANCE
SCHEDULE A**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Transaction Identification Data for reference only:

Issuing Agent: Stewart Title & Trust of Tucson
Issuing Office: 3939 E. Broadway Blvd, Tucson, AZ 85711 (520) 327-7373
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Commitment Number: 1646234
Issuing Office File Number: 1646234
Property Address: 4360 N Green Valley Drive, Tucson, AZ 85719
Revision Number:

Title Officer: Jenny Monahan
Escrow Officer: Paula Woodard

1. Commitment Date: March 24, 2022 at 8:00AM
2. Policy to be issued: Proposed Policy Amount

(a) ALTA Owner's Standard
Proposed Insured: to be determined

(b) ALTA Loan
Proposed Insured: N/A
3. The estate or interest in the Land described or referred to in this Commitment is:

FEE
4. The Title is, at the Commitment Date, vested in:

Pima County, a Body Politic
5. The Land is described as follows:

See Exhibit "A" Attached Hereto
6. The Deed of Trust to be insured and the assignments thereof, if any are described as follows:

N/A

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File No.: 1646234

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)
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**ALTA COMMITMENT FOR TITLE INSURANCE
EXHIBIT(S)**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

**EXHIBIT "A"
LEGAL DESCRIPTION**

File No.: 1646234

PARCEL 1:

The North 133 feet of the West half of the Northeast Quarter of the Northwest Quarter of the Southeast Quarter of Section 19, Township 13 South, Range 14 East, Gila and Salt River Base and Meridian, Pima County, Arizona;

EXCEPT the East 16 feet of the West 139 feet of the South 20 feet of said tract, on which well is located.

PARCEL 2:

An undivided one-tenth interest in that certain well site excepted in Parcel No. 1 above, and as described in [Docket 2986, Page 41](#).

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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1646234

Requirements

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

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

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

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. The Company requires a copy of the LEGAL DESCRIPTION AND BOUNDARY SURVEY for review and approval NO LATER THAN 48 HOURS prior to recording the transaction to be insured herein. THE RIGHT IS RESERVED to make additional exceptions or requirements upon review of the information provided.
6. RECORD Affidavit of Removal of Affidavit of Affixture recorded October 30, 1981 in [Docket 6647, Page 1186](#).
7. THE RIGHT IS RESERVED to make additional exceptions or requirements upon submission of the name of the proposed insured.
8. THE RIGHT IS RESERVED by the Company to make additional exceptions and/or requirements should additional information be provided that changes or modifies the proposed transaction beyond the scope of that defined by Schedule A of this Commitment for Title Insurance.

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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

9. RECORD Deed from Pima County, a Body Politic to Proposed Purchaser.

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

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

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

TAX STATUS NOTE:

Year: 2021
Parcel Number: [108-21-0030](#)
Total Amount: EXEMPT
First half: EXEMPT
Second half: EXEMPT

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

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

[ASSESSOR MAP](#)

STREET ADDRESS NOTE:

According to the Pima County Assessor's Office, the purported street address of the subject property is disclosed as follows: 4360 N Green Valley Drive, Tucson, AZ 85719

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

CHAIN OF TITLE (24 month) VESTING NOTE:

The subject property is currently vested in the party(ies) shown in Schedule A, Paragraph 4, by

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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

instrument recorded May 29, 1987, in [Docket 8045, Page 1070](#), records of Pima County, Arizona.

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

POLICY NOTE:

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

WIRING NOTE:

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

SEARCH NOTE:

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

LENDER NOTE (Only applies to Purchase Money Loans):

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

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

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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

File No.: 1646234

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

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

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

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

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

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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

9. Any action by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.
10. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.
11. Reservations contained in patents from the United States of America recorded in [Book 29 of Deeds, Page 152](#) and [Book 39 of Deeds, Page 105](#).
12. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.
13. Liabilities and obligations imposed upon said land by reason of its inclusion within Central Arizona Water Conservation District.
14. Liabilities and obligations imposed upon said land by reason of its inclusion within Pima County Flood Control District.
15. Restrictions, Conditions, Covenants, Reservations, including but not limited to any recitals creating easements, liabilities, obligations or party walls, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin contained in instrument recorded in [Docket 145, Page 313](#).
16. Easement for wellsite and rights incident thereto, as set forth in instrument recorded in [Docket 5747, Page 490](#).
17. The rights or claims of title, if any, by the State of Arizona to any portion of the property described in Schedule "A" being located in the bed of any river or dry wash.
18. Any unpaid personal property taxes which may become a lien on real property by reason of manufactured/mobile home located thereon.

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

EDUCATION

Academic

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

Valuation

•
Appraisal Courses and Examinations:

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

Appraisal Seminars

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

EXPERIENCE

November 1995 - Present:

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

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

1994-November 1995:

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

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

1986-1993:

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

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

1979-1986:

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

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

PROPERTIES

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

COMPUTERS

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

PROFESSIONAL AFFILIATIONS

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

GEOGRAPHIC WORK/MARKET EXPERIENCE

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

EXPERT WITNESS EXPERIENCE

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

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

SPECIAL PROJECTS

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

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

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

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