CBRE VALUATION & ADVISORY SERVICES

APPRAISAL REPORT

VACANT LAND
SEC INTERSTATE 10 AND KINO PARKWAY
TUCSON, ARIZONA 85714
CBRE GROUP, INC. FILE NO. CB23US053699-1

PIMA COUNTY REAL PROPERTY SERVICES

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CBRE

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Date of Report: July 13, 2023

Mr. Jeff Teplitsky
Director
PIMA COUNTY REAL PROPERTY SERVICES
201 North Stone Avenue, Sixth Floor
Tucson, Arizona 85701

RE: Appraisal of: Vacant Land
SEC Interstate 10 and Kino Parkway
Tucson, Pima County, Arizona 85714
CBRE, Inc. File No. CB23US053699-1

Dear Mr. Teplitsky:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. In addition, the client has requested the fair market rental rate conclusion (ground lease) of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject is an 84.84-acre tract (per surveys provided by client) of mixed use zoned vacant land that is located at the southeast corner of Interstate 10 and Kino Parkway in Tucson, Arizona. The site is owned by Pima County and is currently vacant desert land. The subject encompasses three parcels, one of which is part of a larger parcel that has a portion developed with sports fields known as the Kino South Sports Complex. The other two parcels are adjacent. All three parcels are contiguous, have unity of title, are zoned PAD-18 (planned area development), and are thus considered to be one site. While the subject is known as a part of the Kino South Sports Complex, a Pima County owned and operated public athletic/sports venue, there is a development agreement nearing final completion for a third-party private developer who intends to develop the site for mixed use, including an iceplex, field house, sportsplex, stadium, and parking structure, as well as hospitality, parking, retail, office and open space uses. At the request of the client, the purpose of this report is to determine the market value and fair market rental rate for the subject land, which inherently considers this intended development agreement. Therefore, the highest and best use of the site is for future mixed use development.

At the request of the client, we have provided the following values:

- As Is - Fee Simple Estate market value of the 84.84 acres
- Fair Market Rental Rate (ground lease) of the 84.84 acres, As Is

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The "as is" market value and fair market rental rate are both based on a sale or a lease, in bulk, of the entire property to a single purchaser or lessee in a single transaction.

The following are extraordinary assumptions regarding the subject site.

- Parcel 132-28-765A encompasses a larger parcel of which the subject is a portion. For purposes of valuation we assume that the subject portion can be split off and that such costs are the responsibility of the seller. As such, we have not deducted any costs for the legal split.
- Per a survey provided by the client, the subject site encompasses (adjacent to parcel 132-28-7640) a portion of the Julian Wash Greenway, which appears to be undevelopable. According to information provided by the client, it will cost about $2 million to build a bridge to traverse the wash and establish continuity and access to the entire parcel. This is an estimate only. However, it is likely that potential development costs will increase at the subject due to the wash, thus bringing down value of the land. Therefore, we have not adjusted the developable size of the subject as the wash does not appear to decrease possible density and many large sites have some areas that are difficult to develop or require open space. Further, since the subject appears to have access to both sides of the wash from existing roads and it is speculative to assume costs or that a developer will install the bridge, we have accounted for the impact of the wash and potential cost of the bridge in our adjustments to the comparable sales in the valuation section of this report.
- Portions of the subject site are impacted by Class C Riparian Habitat (see later analysis). However, according to the conceptual development plan, the riparian area is planned to be mitigated according to the mitigation guidelines. We assume that this is achievable and therefore also have not adjusted the developable size of the subject for these riparian area. We assume this to be correct and reliable.

Based on the analysis contained in the following report, the market value and fair market rental rate of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	July 3, 2023	$8,700,000
Fair Market Annual Rent	Fee Simple Estate	July 3, 2023	$565,500

Compiled by CBRE

In June 2022, we appraised the subject property under the same premise, for $7,400,000, As Is, and $481,000 for the Fair Market Rental Rate. During mid-2022, the pandemic was still somewhat restraining the market, and while the industrial sector was strong, speculative industrial development was just starting. Currently, there are several speculative industrial development projects underway and absorption is healthy. Market rental rates being achieved at these projects are the highest ever for Tucson, spurred by the rising costs of construction as well as Tucson being a less expensive alternative to Phoenix and many other regional metro areas, which has increased demand for Tucson by institutional developers and users. In addition, there is a limited supply of shovel ready vacant industrial land located near the freeway which allows for good access for industrial users. The asking rates for these sites range from $3.25 to $8.00 per square foot of land. Thus, given the strong demand for industrial zoned land, similar to the subject, and with a limited supply, has caused recent industrial zoned land sales to achieve significantly higher prices than during early to mid 2022. Given the subject's industrial zoning,

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as well as its good location near the freeway, yields its highest and best for industrial use development. The land comparables sales utilized in this report to arrive at the subject's value are all recent sales with relatively similar characteristics to the subject. Thus, our current higher value is well supported by the recent market trends and data.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

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Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our 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.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Arizona.
8. 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 and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Byron Bridges, MAI, MRICS and Jo Dance, MAI, CCIM, CCIM have completed the continuing education program for Designated Members of the Appraisal Institute.
11. Byron Bridges, MAI, MRICS has and Jo Dance, MAI, CCIM, CCIM has not made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Byron Bridges, MAI, MRICS and Jo Dance, MAI, CCIM, CCIM have provided services, as appraisers, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Byron Bridges, MAI, MRICS
Director
Arizona Certified General Real Estate Appraiser
No. 31173

Jo Dance, MAI, CCIM
Managing Director
Arizona Certified General Real Estate Appraiser
No. 30249

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Subject Photographs

Aerial View (Source: PimaMaps)

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Aerial View (Source: PimaMaps)

*Outline of site is approximate

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View of Subject Looking North

View of Subject Looking South

View of Subject Looking East

View of Subject Looking West

Street Scene – Tournament Way

Street Scene – Campbell Avenue

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Executive Summary

Property Name	Vacant Land		
Location	SEC Interstate 10 and Kino Parkway Tucson, Pima County, AZ 85714		
Parcel Numbers	132-19-148A, 132-28-7640, and 132-28-765A (portion)		
Client	Pima County Real Property Services		
Highest and Best Use			
As Vacant	Mixed use, time and circumstance warranted		
Property Rights Appraised	Fee Simple Estate		
Date of Inspection	July 3, 2023		
Estimated Exposure Time	12 Months		
Estimated Marketing Time	12 Months		
Primary Land Area	84.84 AC		3,695,630 SF
Zoning	PAD-18 Kino Campus PAD - SubArea E (Tucson)		
Buyer Profile - As Is	Developer		

VALUATION	***Total***	***Per Acre***	***Per SF***
Land Value	$8,700,000	$102,546	$2.35
Fair Market Annual Rent	$565,500	$6,665	$0.15

CONCLUDED MARKET VALUE			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value**
As Is	Fee Simple Estate	July 3, 2023	$8,700,000
Fair Market Annual Rent	Fee Simple Estate	July 3, 2023	$565,500

Compiled by CBRE

MARKET VOLATILITY

We draw your attention to a combination of global inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have significantly increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

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CURRENT ECONOMIC CONDITIONS

At its May 2023 meeting, the Federal Reserve raised the federal funds rate by 25 basis points (bps) to a range of 5.00% to 5.25%, a 16-year high. In determining whether additional tightening is necessary, the Fed will consider the lagged impacts of previous rate hikes, as well as economic and financial market conditions, including banking sector stress. Hiking rates just days after the second largest bank failure in U.S. history shows that the Fed remains focused on reducing inflation even if it inflicts additional economic pain.

Although the economy has cooled, the strong labor market is complicating the Fed's inflation fight. Therefore, CBRE expects that the Fed will remain determined to see inflation fall to a more acceptable level. While financial markets are expecting a rate cut this summer, CBRE anticipates that the Fed will hold rates steady for several months before beginning to reduce them in Q4. Core inflation should ease as the economy and particularly the housing market cool, ending the year at around 4.00%. CBRE expects that the Fed will continue to cut interest rates throughout 2024. CBRE expects that capital markets will lead the commercial real estate recovery, with increased investment volume later this year and a rebound in leasing activity thereafter.

The table below summarizes the CBRE "House View" for the Federal Funds Rate, 10-Year Treasury, and GDP over the next several years. This view is reflective of what market participants are anticipating.

	2023	2024	2025 - 2028
Fed Funds Rate (Q4)	4.5% to 4.75%	2.25% to 2.5%	2.0% to 2.25%
10-Year Treasury (Q4)	3.3%	2.8%	3.0%
GDP (Q4/Q4)	-0.6%	2.1%	2.5%

The CBRE "House View" is for the yield on the 10-year Treasury to approximate 3.3% by Q4 2023, which should aid in the recovery of real estate investment volume. This is consistent with many market participants who anticipate the cost of capital in the future to be lower than current levels.

While opinions vary on future economic issues, the general market consensus at the time of this appraisal is the anticipation of moderating inflation as higher interest rates cool demand. Tighter financial and weaker macroeconomic conditions will weigh on real estate fundamentals, leading to lower real estate investment volume through the balance of 2023. Amid this uncertain and dynamic environment, investment market performance will be uneven across property types.

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EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions." [1]

- Parcel 132-28-765A encompasses a larger parcel of which the subject is a portion. For purposes of valuation we assume that the subject portion can be split off and that such costs are the responsibility of the seller. As such, we have not deducted any costs for the legal split.
- Per a survey provided by the client, the subject site encompasses (adjacent to parcel 132-28-7640) a portion of the Julian Wash Greenway, which appears to be undevelopable. According to information provided by the client, it will cost about $2 million to build two bridges to traverse the wash and establish continuity and access to the entire parcel and access parcel 132-19-148A. This is an estimate only. However, it is likely that potential development costs will increase at the subject due to the wash, thus bringing down value of the land. Therefore, we have not adjusted the developable size of the subject as the wash does not appear to decrease possible density and many large sites have some areas that are difficult to develop or require open space. Further, since the subject appears to have access to both sides of the wash from existing roads and it is speculative to assume costs or that a developer will install the bridge, we have accounted for the impact of the wash and potential cost of the bridge in our adjustments to the comparable sales in the valuation section of this report.
- Portions of the subject site are impacted by Class C Riparian Habitat (see later analysis). However, according to the conceptual development plan, the riparian area is planned to be mitigated according to the mitigation guidelines. We assume that this is achievable and therefore also have not adjusted the developable size of the subject for these riparian area. We assume this to be correct and reliable.
- The use of these extraordinary assumptions may have affected the assignment results.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis." [2]

- None noted

OWNERSHIP AND PROPERTY HISTORY

Title to the property is currently vested in the name of Pima County.

To the best of our knowledge, there have been no ownership transfers of any interest in the subject property during the previous three years, nor is the subject currently listed for sale. The County is in negotiations to lease the subject site to a third party developer.

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[1] *The Appraisal Foundation, USPAP, 2020-2021 (Effective January 1, 2020 through December 31, 2023)*

[2] *The Appraisal Foundation, USPAP, 2020-2021 (Effective January 1, 2020 through December 31, 2023)*

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EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information from the CBRE, Inc. National Investor Survey and the PwC Real Estate Investor Survey; and
- the opinions of market participants.

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA				
	Exposure/Mktg. (Months)			
Investment Type	Range			Average
Comparable Sales Data	6.0	-	24.0	12.0
Local Market Professionals	6.0	-	18.0	12.0
CBRE Exposure Time Estimate	**12 Months**			
CBRE Marketing Period Estimate	**12 Months**			
Source: CBRE National Investor Survey, RealtyRates.com Survey & PwC Real Estate Survey				

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Table of Contents

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Scope of Work

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied.

INTENDED USE OF REPORT

This appraisal is to be used for internal decision (asset management) purposes and no other use is permitted.

CLIENT

The client is Pima County Real Property Services.

INTENDED USER OF REPORT

This appraisal is to be used by Pima County Real Property Services. No other user(s) may rely on our report unless as specifically indicated in this report.

> Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report. [3]

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value and fair market rental rate (ground lease) of the subject property, as follows:

- As Is - Fee Simple Estate market value of the 84.84 acres
- Fair Market Rental Rate (ground lease) of the 84.84 acres, As Is

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this

[3] Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

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definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [4]

INTEREST APPRAISED

The value estimated represents the Fee Simple Estate as defined below:

> *Fee Simple Estate* - 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. [5]

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

The extent of the inspection included a physical inspection of the subject site and surrounding area on the effective date of value.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

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[4] Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

[5] Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015), 90.

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Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	*Source(s):*
Site Data	
Size	Surveys provided by Pima County (client)
Compiled by CBRE	

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Methodology Applicable to the Subject

In the valuation of the subject property, the Sales Comparison Approach is considered to be the only pertinent valuation approach, as the subject involves vacant land.

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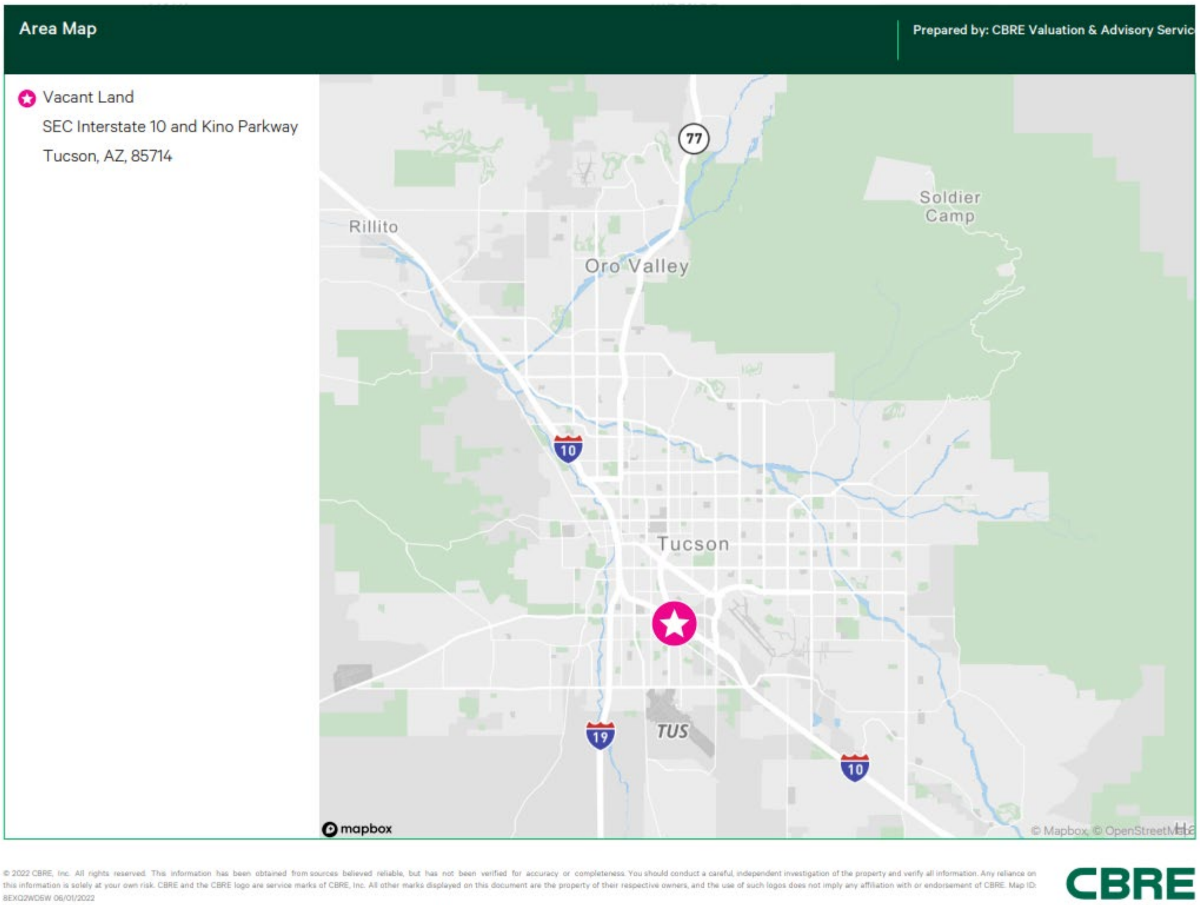
Area Analysis



The subject property is located within an unincorporated area of Pima County which is part of the Tucson MSA. Tucson is part of Pima County, which is the second largest county by population in the state of Arizona. Pima County is located in the south-central portion of the state. The Area Market Analysis is meant to provide background information for the greater Tucson market area. Key information about the Tucson MSA is provided in the following charts and paragraphs.

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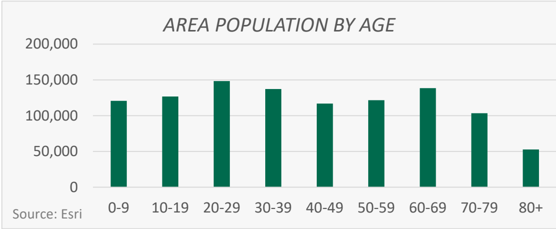
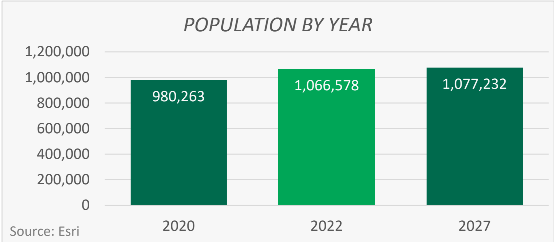
The subject is located in the Tucson, AZ Metropolitan Statistical Area. Key information about the area is provided in the following tables.

POPULATION

The area has a population of 1,066,578 and a median age of 40, with the largest population group in the 20-29 age range and the smallest population in 80+ age range.



Population has increased by 86,315 since 2020, reflecting an annual increase of 4.3%. Population is projected to increase by an additional 10,654 by 2027, reflecting 0.2% annual population growth.



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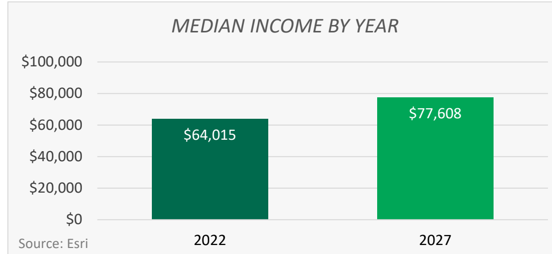
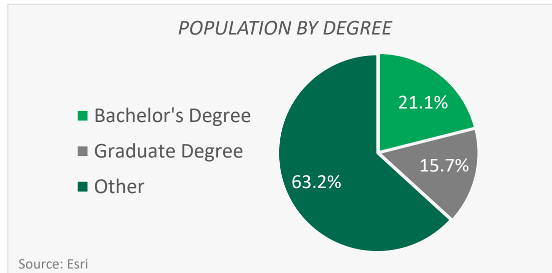
INCOME

The area features an average household income of $92,825 and a median household income of $64,015. Over the next five years, median household income is expected to increase by 21.2%, or $2,719 per annum.

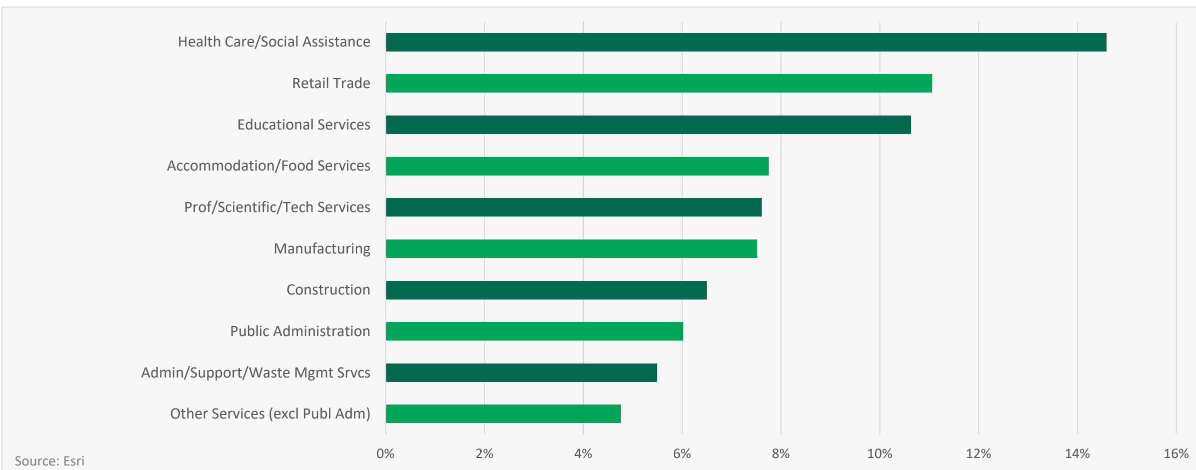


EDUCATION

A total of 36.8% of individuals over the age of 24 have a college degree, with 21.1% holding a bachelor's degree and 15.7% holding a graduate degree.



EMPLOYMENT



The area includes a total of 465,425 employees and has a 4.8% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Retail Trade and Educational Services, which represent a combined total of 36% of the population.

The following chart shows that Tucson fared better than the United Sates overall in the beginning of the recovery and is now in step with the overall Arizona economy and the Phoenix MSA.

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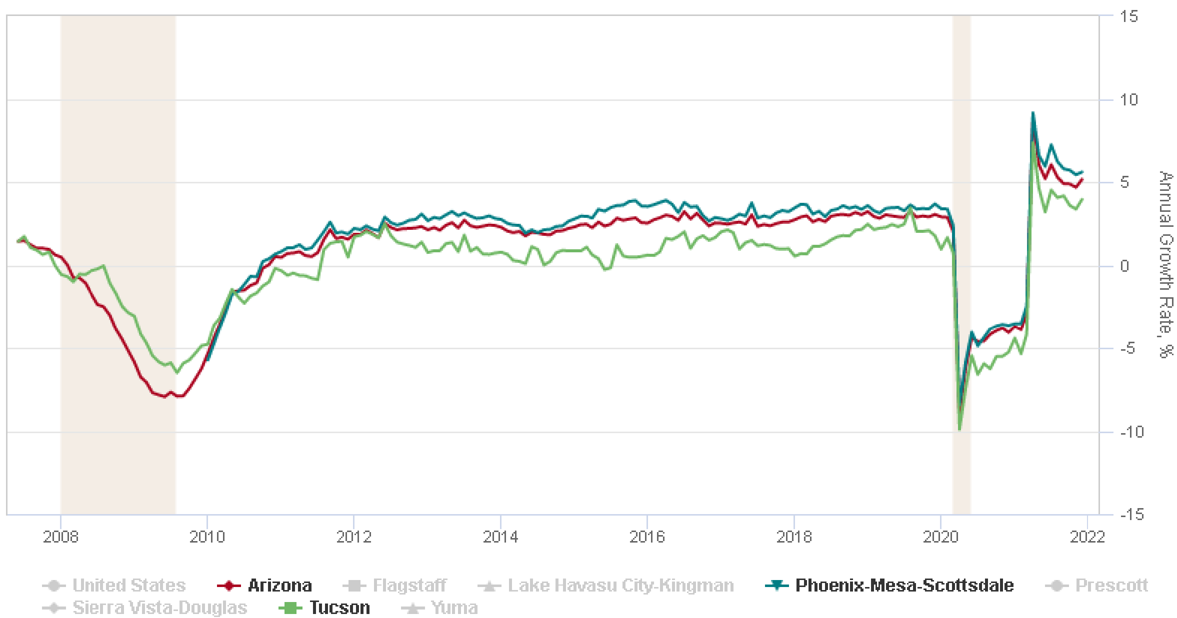
Nonfarm Job Growth - AZ, U.S. and AZ Metro Areas



Source: EBRC and Current Employment Statistics, Bureau of Labor Statistics
Published by Economic and Business Research Center.

Notwithstanding this information, Tucson's economy is heavily influenced by government, defense, mining, and aerospace industries. As shown in the following table, eight of the top 10 employers in the Tucson MSA fall within these industry categories, with Raytheon, Walmart, Banner Health, and Free-port-McMoRan representing the largest private employers in the area.

MAJOR EMPLOYERS

Rank	Company	# of Employees
1	University of Arizona	10,846
2	Raytheon Missle Systems	9,600
3	Davis-Monthan Air Force	8,406
4	State of Arizona	8,508
5	Wal-Mart Stores, Inc	7,450
6	Tucson Unified School District	7,688
7	U.S. Border Patrol	6,500
8	University of Arizona Health Network	6,099
9	Pima County	6,076
10	Freeport-McMoRan Copper & Gold	5,463

Source: Tucson Chamber of Commerce; Arizona Daily Star

THE UNIVERSITY OF ARIZONA

Originally established in 1885, the UA encompasses nearly 400 acres and includes 228 buildings. Now in its second century of service to the state, the UA has been ranked one of the nation's top 20 public research institutions. It is also one of only 63 members in the Association

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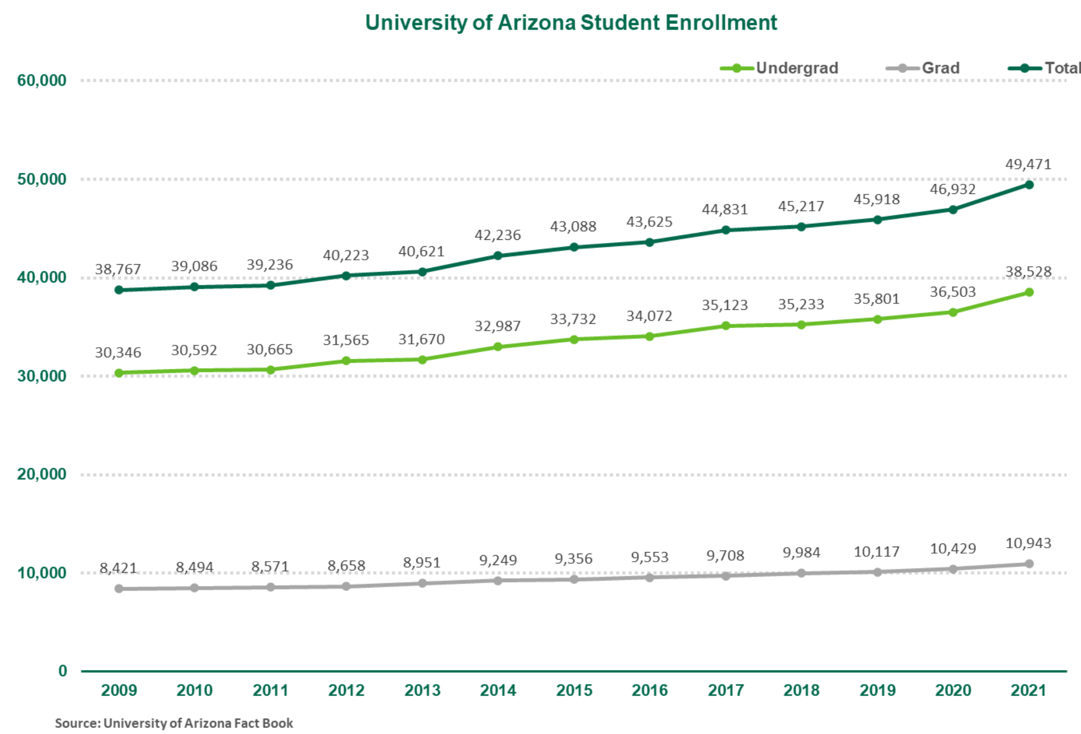
of American Universities, a prestigious organization that recognizes universities with exceptionally strong research and academic programs. During the past 25 years, the University has emerged as one of the top research universities in the nation, according to the National Science Foundation (NSF), with total research expenditures exceeding $687 million. The NSF ranked the University of Arizona in the top five universities for research expenditures in the physical sciences, which includes astronomy, physics and chemistry and 6th for NASA funded activity. In the latest survey, the UA ranks 20th among all public universities – the highest among Arizona institutions – and 35th among all U.S. universities, both public and private. The high level of education trickles into the regional economy of Tucson, helping to fuel growth and attract investment. Based on a recent study completed by Elliott D. Pollack & Company, in cooperation with The Maguire Company, the University of Arizona generated an overall economic output of roughly $4.19 billion in 2017.

According to the University of Arizona's most recent published data, total enrollment for the Fall 2021 semester equated to 49,471 students. The chart below illustrates student enrollment information from the 2012 through 2021 academic years. As shown, total enrollment at the University of Arizona has grown from 40,223 in 2012 to 49,471 in 2021, representing an average annual increase of about 2.5%.



DAVIS-MONTHAN AIR FORCE BASE

Davis-Monthan Air Force Base is a major military installation located in southeast Tucson, north of Interstate 10, south of Golf Links Road, and east of Alvernon Way. The base currently

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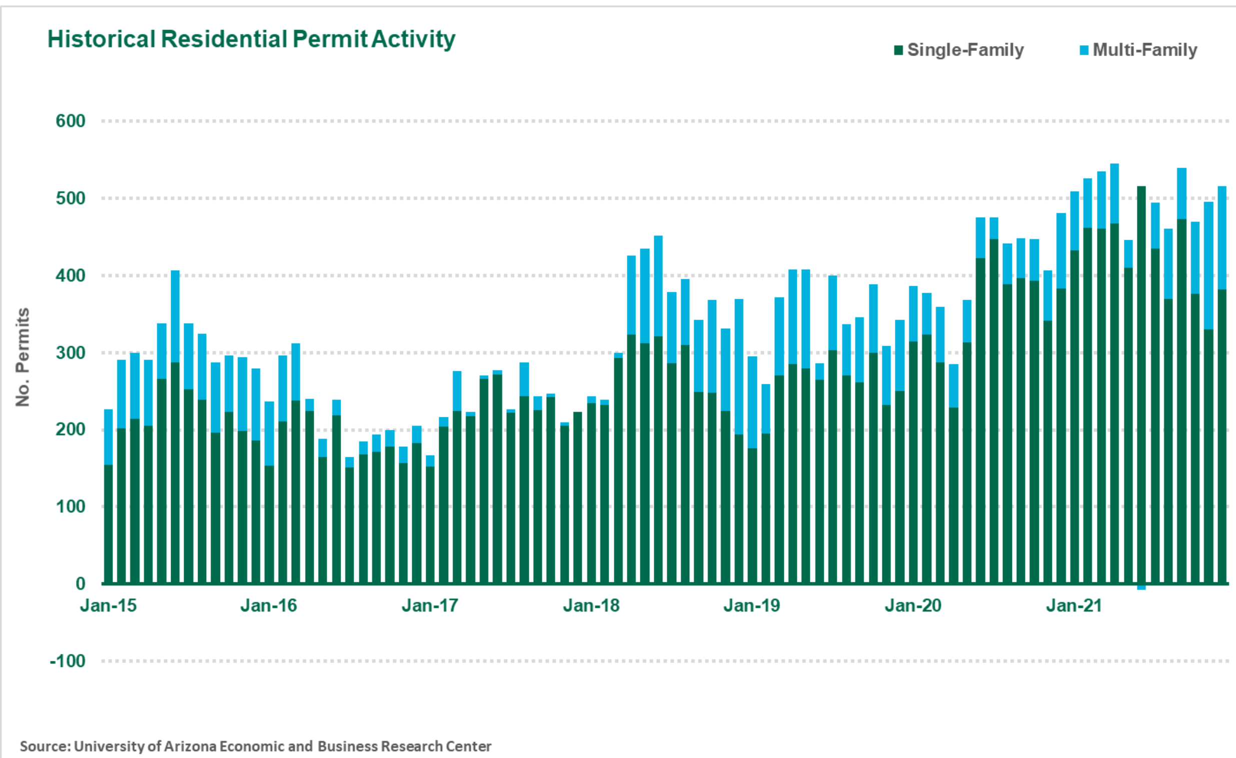
contains about 1,440 buildings, including 1,256 family housing units providing for roughly 60,000 personnel and family in a 10,763-acre community, which is one of the largest in Air Combat Command. According to its website, Davis-Monthan includes 11,000 airmen from 34 unique mission partners. The primary operation at the base is the 355th Wing, whose mission is to deploy, employ, and sustain expeditionary combat and combat support forces while enabling critical JFACC and HLS operations.

According to DM50, a non-profit organization that advocates for the base and its airmen, Davis-Monthan has an overall economic impact of $3 billion to the Tucson economy, making it an important employment center for the Southern Arizona region.

HOUSING

The following bar graph shows single-family and multi-family permit activity from January 2015 through December 2021, per data obtained from the University of Arizona Economic Business Research Center.



As indicated above, single-family permit has increased significantly since early-2020, following a slight dip during late 2018 and early 2019. Following a two-year period with very little multi-family development activity, multi-family permits rose significantly beginning 2018 and have continued through 2021. Multi-family housing demand in Tucson has strengthened over the past few years, as rental rates continued to rise while vacancy trended towards historically low levels throughout 2021. Additionally, investors have aggressively sought multi-family product in Tucson, as buyers have been attracted to the higher achievable returns available to them in the Tucson

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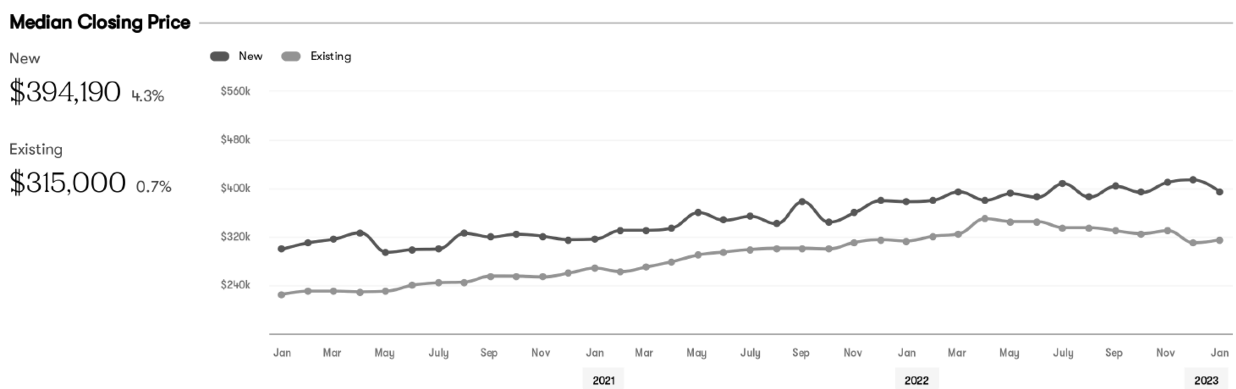
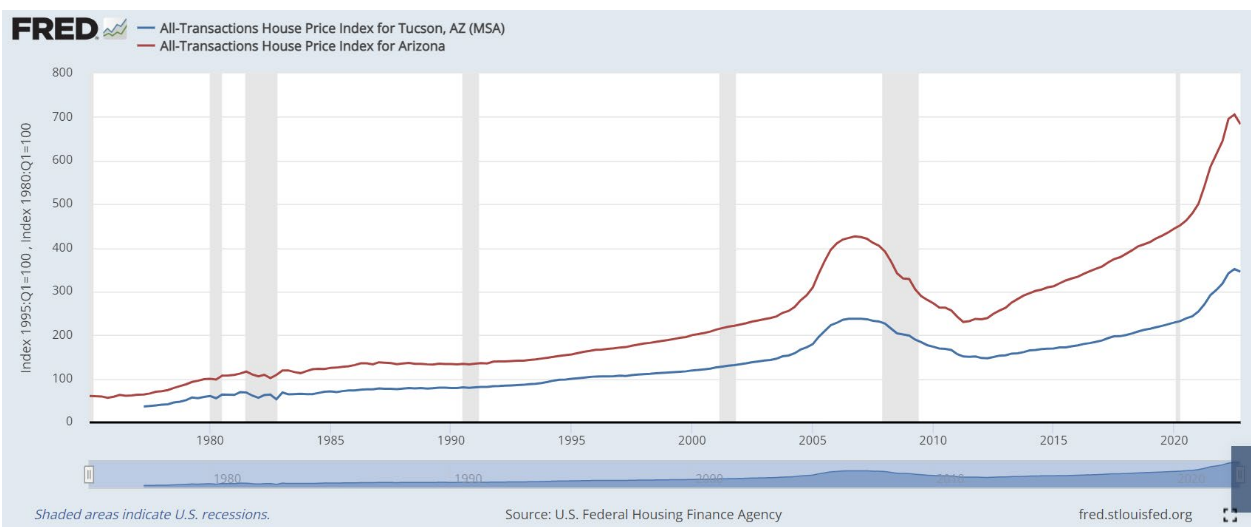
market as compared to larger and more competitive markets, particularly in California. This heightened investment activity led to some capitalization compression capitalization during 2019 and 2020.

Due to COVID-19, single-family permits saw a significant jump starting in mid-2020, an increase that is being seen in most parts of the country.

The following graph shows the trend in home values in the Tucson MSA, showing strong increases over the pandemic with a drop in late 2022 to 2023 due to rising interest rates.



The following graph shows home price trends within metropolitan Tucson and the state of Arizona between January 2008 through year-end 2022, per Federal Reserve Economic Data (FRED) information.



As indicated in the previous chart, home prices within metropolitan Tucson have climbed steadily over the past ten years following a downward trend during the aftermath of the financial crisis in 2008. However, home prices in Tucson recovered more slowly than the rest of the state, resulting in higher housing affordability for the metro area than other large MSAs located in the southwest region of the U.S. Since interest rates were significantly increased over 2022-2023, prices have

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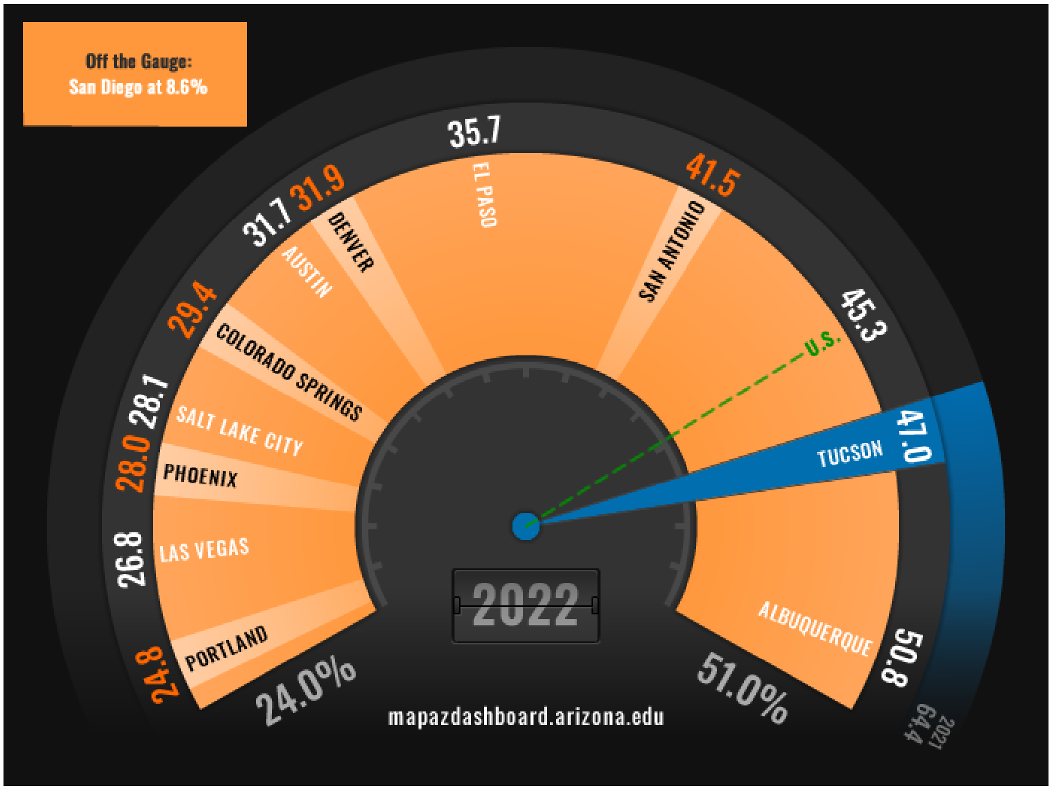
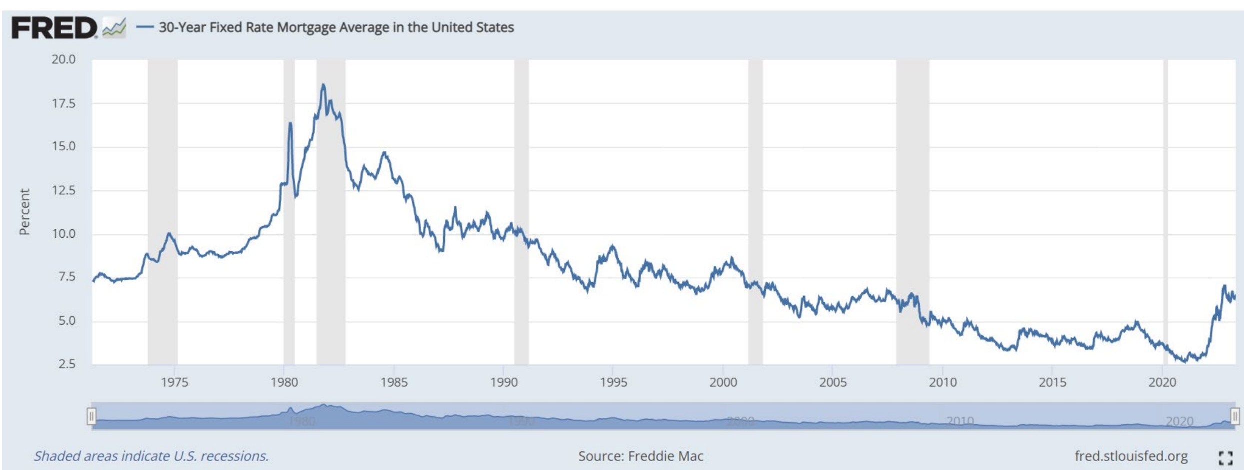
declined slightly to moderately. The Tucson housing affordability index, as compared to other southwest MSAs, is illustrated in the following chart that is provided by the University of Arizona MAP Dashboard.



The following graph illustrates mortgage rate trends from January 2015 through April 2023 and is based on Federal Reserve Economic Data (FRED) information.



As indicated above, mortgage rates generally increased during 2017 and 2018, and trended downward beginning in early 2019. In an attempt to lessen the economic fallout caused by the outbreak of the Novel Coronavirus (COVID-19), the Federal Reserve cut its benchmark interest rate to zero, resulting in lower mortgage interest rates. In response to rampant inflation, rates

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have been drastically increased when the Federal Reserve began raising the Fed Funds rate to combat inflation starting in early 2022.

CONCLUSION

Over the last few years, Tucson's economy has seen upward trends in employment and housing growth while still being one of the most affordable places to live within the Southwest region. Multi-family has continued to see new construction while rental rates increase and vacancy hovers around historic lows. Yet, Tucson's dependence on government spending has historically been a key contributor to its slower growth as compared to the state and the nation, and diversification of its economy could better position the Tucson MSA over the long-term. Still, recent job announcements by companies such as Amazon, and Caterpillar, as well as the continuing revitalization efforts in downtown Tucson and enrollment growth at the University of Arizona provided reason for optimism.

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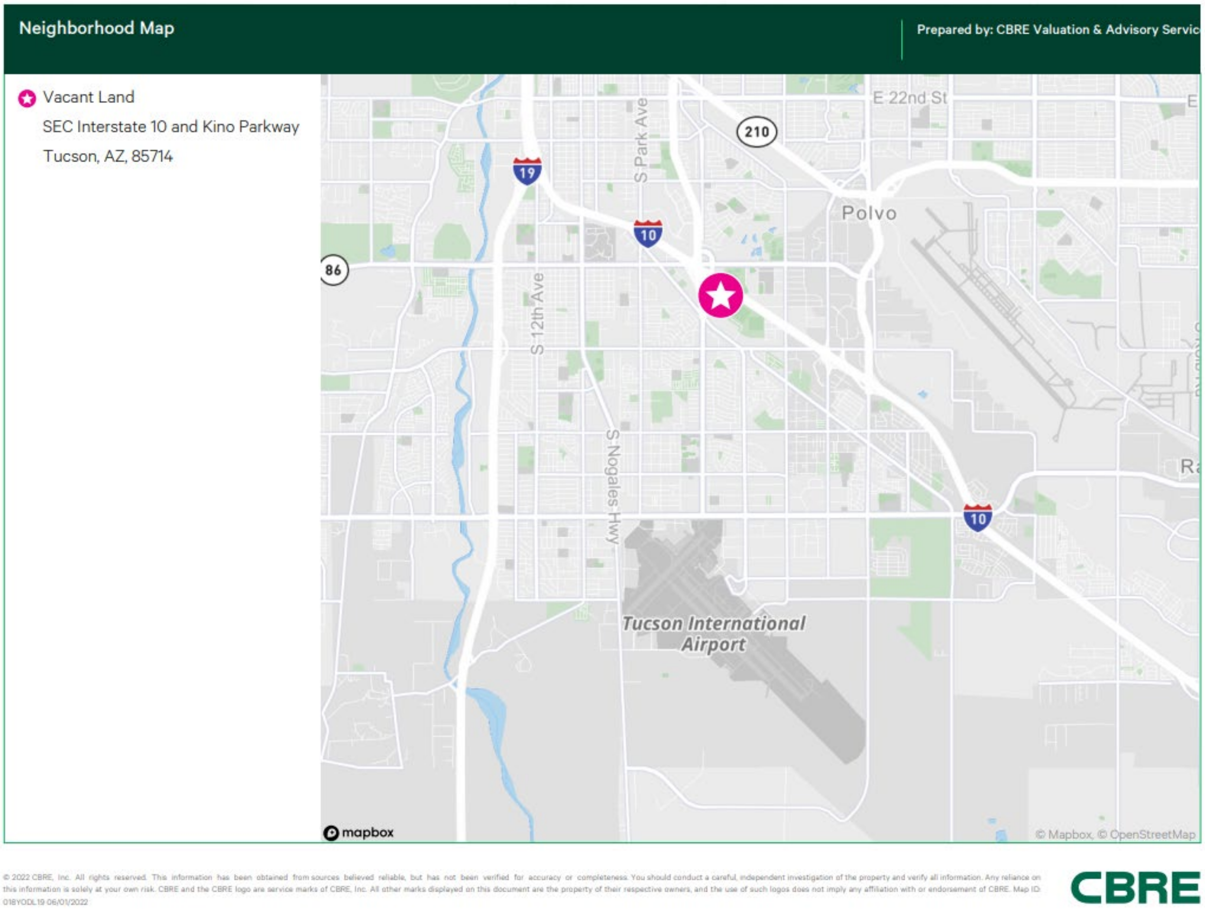
Neighborhood Analysis



LOCATION

The subject is located in the southern portion of the city of Tucson and is considered a suburban location. The property is situated approximately three miles southeast of downtown Tucson and roughly five miles north of the main entrance to Tucson International Airport.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

North:	22nd Street
South:	Valencia Road/Tucson International Airport
East:	Interstate 10/Davis-Monthan Air Force Base
West:	Interstate 19

THE BRIDGES

The Bridges is a large, mixed-use, master-planned development situated on ±350 acres bounded by Interstate 10 to the south, 36th Street to the north, Kino Parkway to the east, and straddling the

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east and west sides of Park Avenue. The development is controlled by three separate entities, each owning their respective component of the project. The three separate components of the project are as follows:

FORMER RESIDENTIAL COMPONENT: Composed of approximately 38 acres north of I-10 and west of Park Avenue and about 74 acres running through the middle of the development from the northwest to south east is the former residential component of The Bridges that is owned by Bourn Companies. Originally, Lennar Homes and KB Homes planned to develop and sell single-family and multi-family residential units. According to the original Planned Area Development document, this ±111.72-acre portion of the development, identified within the PAD as Sub-Areas B-I, B-II, B-III, and B-IV was assigned a zoning designation akin to the City of Tucson's R-3, High Density Residential Zone, and could support a maximum of 1,084 housing units.

In January 2018, Bourn Companies submitted an amendment of The Bridges Planned Area Development to the City of Tucson, which sought to re-zone Sub-Areas B-I, B-II (subject parcel), B-III, and B-IV to a district akin to the City's OCR-1, Office/Commercial/Residential, which allows for a variety of high-density office, residential, commercial, or any combination of these uses. Following input and suggested revisions from community members and city officials, the PAD amendment was preliminarily approved by the City's Zoning Examiner in April 2018, with the Mayor and City Council officially authorizing the PAD amendment and zoning change by a unanimous vote on May 22, 2018.

Bourn Companies utilized 19.37 acres of the 29.86-acre parcel (Sub-Area B-II) in order to develop the recently completed three-story, 200,215-square-foot, regional headquarters office building for GEICO. Bourn Companies has yet to announce any other firm development plans for the remaining land of the ±111.72-acre portion of The Bridges.

TUCSON MARKETPLACE: The Tucson Marketplace represents the major retail component of the development, which is comprised of approximately 114 acres and has been designed as a regional power center proposed for a total of 795,242 square feet of retail space. The Tucson Marketplace represents the southern portion of the project in between Park Avenue and Kino Parkway, and runs along the north side of Interstate 10. Additionally, a 6.42-acre portion of the retail component is located along the east side of Kino Parkway to the north of the interstate. The retail power center is shadow-anchored by a 148,000-square-foot Costco Wholesale and a 156,000-square-foot Walmart, which were completed in 2011 and 2012, respectively. Since selling the 15.41-acre site to Costco in 2010 and the 18.37-acre site to Walmart in 2011, the developer of the Tucson Marketplace at The Bridges, Eastbourne Investments, Ltd. has sold numerous pad sites to end-users/developers, completed build-to-suit projects, and leased various shop space to retailers. Currently, retailers located within the shopping center include Century Theatres (Cinemark), Planet Fitness, Dave & Buster's, McDonald's, Culver's, Lin's Grand Buffet, Popeye's, Starbucks, Great Clips, Mattress Firm, and many others.

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UNIVERSITY OF ARIZONA RESEARCH PARK: The final component of The Bridges represents approximately 65 acres owned by the University of Arizona, situated in the northeast quadrant of the Planned Area Development. The UA Tech Park at The Bridges is a 65-acre community of innovation within a larger 350-acre multi-use development that includes residential and retail development in central Tucson. This location is located only 3.5 miles south of the main University of Arizona campus. The Tech Park at The Bridges is divided in to three zones, Technology, Corporate, and University. The first building being built is named "The Refinery" because of its proximity to the talent and bright minds that can be mined from the University of Arizona. Allowing companies who locate here, to directly mine talent from the university campus just down the road and allows leading-edge technology companies to recruit the best and brightest talent providing graduates with engaging employment and students with hands-on internships.

This four-story building will provide 120,000 square feet of office space, ideal for small to mid-sized tech-focused businesses and organizations. The Refinery will serve as the University of Arizona's innovation and commercialization hub creating a centralized location that bridges resources and accelerates the most promising inventions. Activities housed at The Refinery will include the University of Arizona Applied Research Corporation (UA ARC); the new offices for Tech Launch Arizona; an additional regional outpost of UA Center for Innovation; innovation space for University of Arizona's Office of Research, Innovation and Impact, and University of Arizona Online. The remainder of the Class A office space is available to businesses looking to co-locate with the University of Arizona expertise.

In addition, a 126-room Marriott Springhill Suites hotel is planned and will be breaking ground soon.

An aerial depiction of The Bridges Planned Area Development is shown below.

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LAND USE

The larger neighborhood is an older area of development that was primarily developed in the 1950s through 1970s. In general, the area is in the revitalization stage of the life cycle, as older commercial properties are razed and redeveloped with newer retail developments. The Tucson Electric Park is located within the neighborhood, along with the Kino Medical Center.

In the immediate area, Kino Parkway/Campbell Avenue, Park Avenue, 6th Avenue, and 12th Avenue represent major north/south arterials in the neighborhood. Existing developments along these arterials consists largely of older retail developments, including strip centers, freestanding retail buildings including fast food restaurants and gas stations, and some neighborhood shopping centers. Industrial uses are predominantly located in the eastern and southern portions of the neighborhood near Davis-Monthan Air Force Base and Tucson International Airport.

Residential development in the neighborhood typically includes a mix of older single and multi-family housing of various quality and condition. According to information obtained from ESRI, about 65% of the homes built within a three-mile radius of the subject were constructed before 1980, while roughly 35% were constructed in 1980 or later. Additionally, ESRI reports a median owner-occupied home value of $132,245 within a three-mile radius of the subject.

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EMPLOYMENT

The neighborhood boasts several nearby employment centers, including Tucson International Airport, Davis-Monthan Air Force Base, and the Southern Arizona VA Medical Center, as well as the various retail, commercial, and hospitality uses that support them. Additionally, the neighborhood includes several industrial business parks and corporate campuses such as Intuit.

TUCSON INTERNATIONAL AIRPORT

Tucson International Airport encompasses 8,244 acres. The airport averages approximately 115 flights a day and totaled about 1,600,000 passengers in 2022. The airport has three runways and 28 terminal spaces for aircraft including two for international flights. Commercial air service is provided by Alaska, American, Delta, Southwest, Sunwest, United, and other smaller airlines. According to a 2021 Arizona Department of Transportation study, TUS has an annual economic impact of $8.3B for the community. This includes $4.9 billion in on-airport activities and $805.7 million in visitor spending. Additionally, for every 100 direct jobs, TUS supports an additional 72 jobs in Arizona. Employing 45,785 part-time and full-time employees, TUS paid $2.5 billion to workers in wages and benefits in 2021.

DAVIS-MONTHAN AIR FORCE BASE

Davis-Monthan Air Force Base, formally known as Tucson MAP, was renamed the Davis-Monthan landing field in November 1925. At the time, the base was equipped with a small Army presence to handle and service the frequent visiting military aircraft. Davis-Monthan was upgraded during the early 1940s to enable bomber aircrew training on the B-24 and later the B-29. Immediately after World War II, the base was one of many southern locations which were employed to store surplus aircraft, with Davis-Monthan housing the largest concentration of B-29s and C-47s in the country. Due to the arid weather conditions in the Sonoran Desert, Davis-Monthan is ideal for long-term storage and the disposal of retired US military aircraft.

The base currently contains about 1,440 buildings, including 1,256 family housing units providing for roughly 60,000 personnel and family in a 10,763-acre community, which is one of the largest in Air Combat Command. According to its website, Davis-Monthan includes 6,500 Active Duty military personnel, 1,000 Reserve and Air National Guard personnel, and 3,000 civilian employees. The primary operation at the base is the 355th Wing, whose mission is to deploy, employ, and sustain expeditionary combat and combat support forces while enabling critical JFACC and HLS operations.

According to DM50, a non-profit organization that advocates for the base and its airmen, Davis-Monthan has an overall economic impact of $2.6 billion to the Tucson economy, making it an important employment center for the Southern Arizona region.

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SOUTHERN ARIZONA VA MEDICAL CENTER

Located at the northeast corner of Ajo Way and 6th Avenue, and along the southern frontage of Interstate 10 is the Southern Arizona VA Medical Center, a 277-bed hospital that serves over 171,000 Veterans located in eight counties in Southern Arizona and one county in Western New Mexico. Dedicated in 1928, the hospital has affiliations with over 67 academic institutions, including the University of Arizona's Colleges of Medicine, Nursing, and Pharmacy. Each year, over 700 physicians, nurses, and other health care professionals from across the county receive training at the hospital or affiliate locations. Southern Arizona VA Medical Center employs over 2,500 health care professionals and support staff, and treated over 8,100 inpatients, performed over 5,100 surgeries, and complete over 700,000 outpatient visits.

TUCSON SPECTRUM

The most prominent retail project in the immediate area is the Tucson Spectrum, a 1.1 million square foot regional power center located at the southwest corner of Irvington Road and Interstate 19. Anchor tenants include Target, Home Depot, JC Penny, Harkins Theaters, Food City, Sports Authority, Bed Bath & Beyond, Best Buy, Ross Dress For Less, Marshall's, Michael's, and OfficeMax.

GROWTH PATTERNS

Growth patterns have occurred primarily along Interstate 10 and Interstate 19 as well as primary commercial east/west thoroughfares such as Irvington Road, Drexel Road, Benson Highway, Valencia Road, Ajo Way, 36th Street, and 22nd Street, and north/south thoroughfares such as 12th Avenue, 6th Avenue/Nogales Highway, Park Avenue, Kino Parkway/Campbell Avenue, Country Club Road, Palo Verde Road, and Alvernon Way.

ACCESS

Primary access to the subject neighborhood is provided by Interstate 10, Interstate 19, and major arterials. The Tucson MSA is set up in a grid format with major thoroughfares set one-mile apart. East/west arterials in the neighborhood include Ajo Way, Irvington Road, Drexel Road, and Valencia Road. North/south arterials include Irvington Road, Drexel Road, Benson Highway, Valencia Road, Ajo Way, 36th Street, and 22nd Street. All of the major east/west arterials have interchanges with Interstate 10 and 19. North/south arterials in the neighborhood include 12th Avenue, 6th Avenue/Nogales Highway, Park Avenue, Kino Parkway/Campbell Avenue, Country Club Road, Palo Verde Road, and Alvernon Way. Overall, the existing freeway and arterial road networks are adequate to facilitate traffic to and through the neighborhood.

DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

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SELECTED NEIGHBORHOOD DEMOGRAPHICS				
SEC Interstate 10 and Kino Parkway Tucson, AZ 85714	1 Mile Radius	3 Mile Radius	5 Mile Radius	Tucson, AZ Metropolitan
Population				
2027 Total Population	7,291	90,917	231,452	1,077,232
2022 Total Population	7,437	91,000	232,145	1,066,578
2010 Total Population	7,987	95,752	232,727	980,263
2000 Total Population	7,945	89,261	214,718	843,746
Annual Growth 2022 - 2027	*-0.40%*	*-0.02%*	*-0.06%*	*0.20%*
Annual Growth 2010 - 2022	*-3.50%*	*-2.51%*	*-0.13%*	*4.31%*
Annual Growth 2000 - 2010	*0.05%*	*0.70%*	*0.81%*	*1.51%*
Households				
2027 Total Households	2,673	32,690	88,680	451,069
2022 Total Households	2,695	32,215	87,492	440,609
2010 Total Households	2,522	30,085	80,404	388,660
2000 Total Households	2,501	28,104	75,142	332,350
Annual Growth 2022 - 2027	*-0.16%*	*0.29%*	*0.27%*	*0.47%*
Annual Growth 2010 - 2022	*3.37%*	*3.48%*	*4.31%*	*6.47%*
Annual Growth 2000 - 2010	*0.08%*	*0.68%*	*0.68%*	*1.58%*
Income				
2022 Median Household Income	$49,102	$42,617	$46,621	$64,015
2022 Average Household Income	$65,983	$59,677	$66,226	$92,825
2022 Per Capita Income	$24,382	$21,234	$25,173	$38,503
2022 Pop 25+ College Graduates	537	6,918	32,735	273,969
Age 25+ Percent College Graduates - 2022	11.7%	12.7%	23.6%	36.8%
Source: ESRI				

CONCLUSION

The demographic data indicate that the subject's neighborhood has experienced moderate positive increases in both population and the number of households since 2000, a trend that is expected to continue over the next five years. ESRI estimates the 2022 average household income within a three-mile radius of the subject at $59,677, which is significantly below the Tucson MSA average. Overall, the neighborhood is expected to continue experiencing modest growth in the near-term, with more robust growth anticipated as more redevelopment occurs over the long-term.

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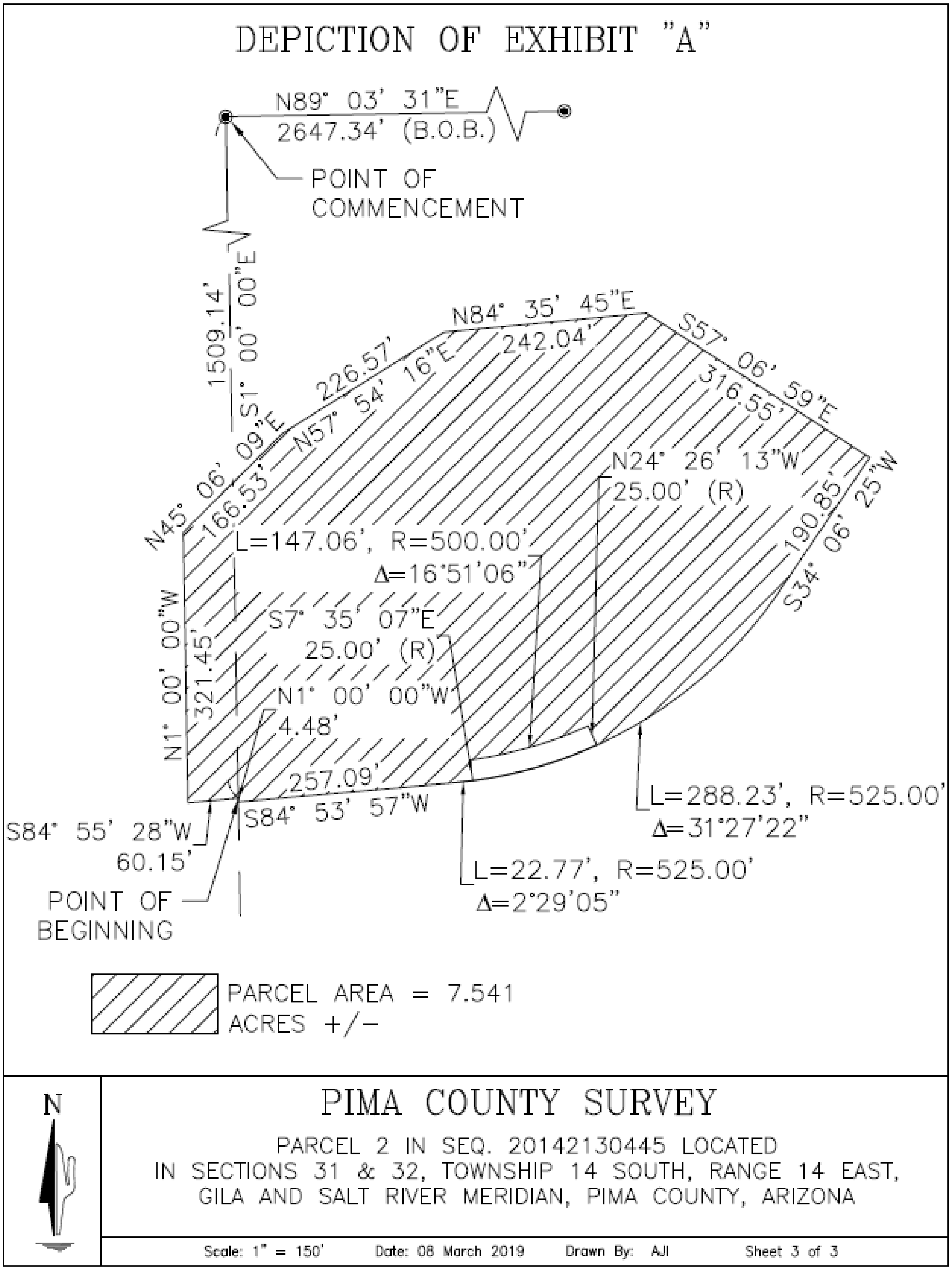
SURVEY – PARCEL 132-19-148A



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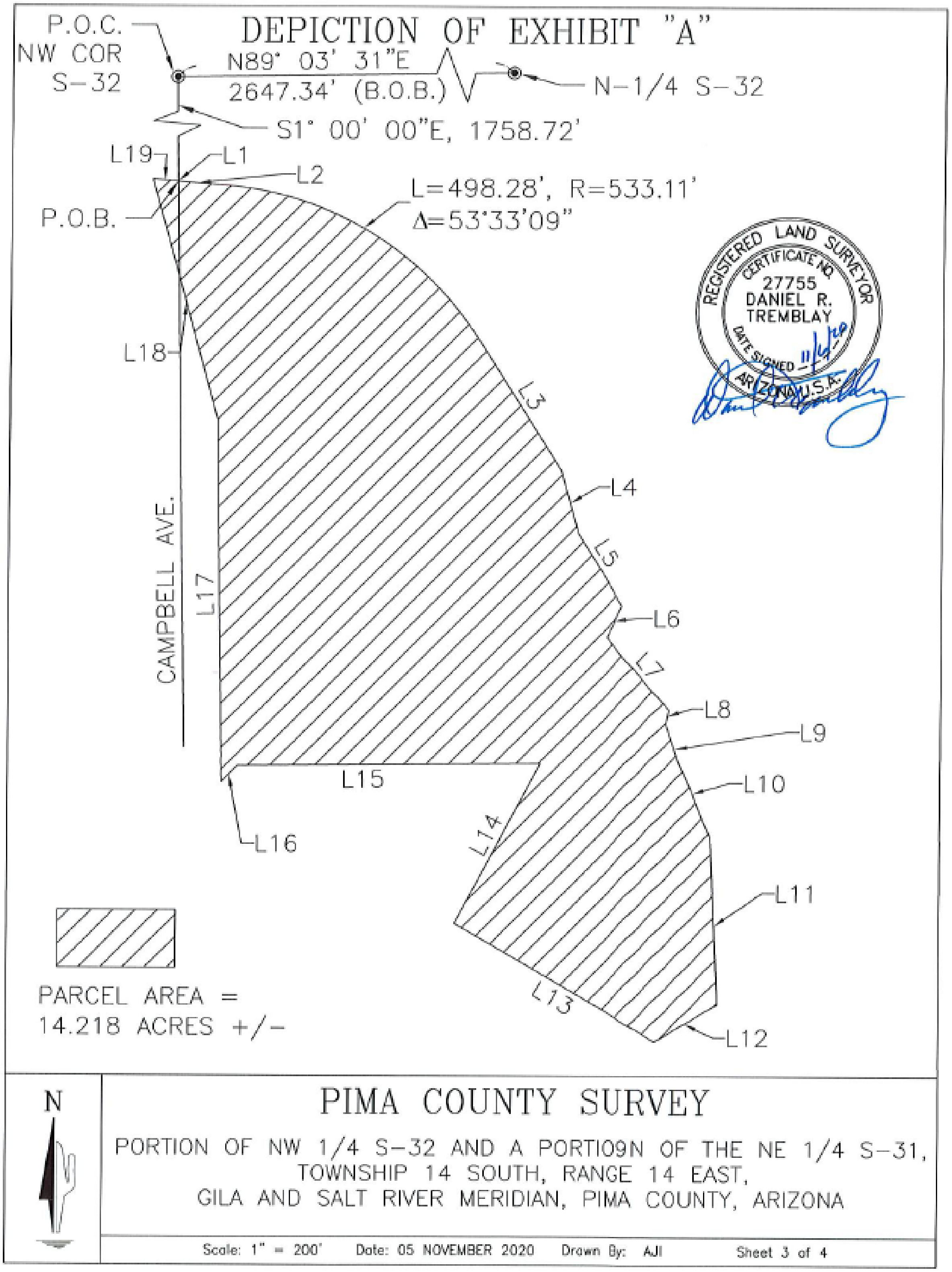
SURVEY – PARCEL 132-28-7640



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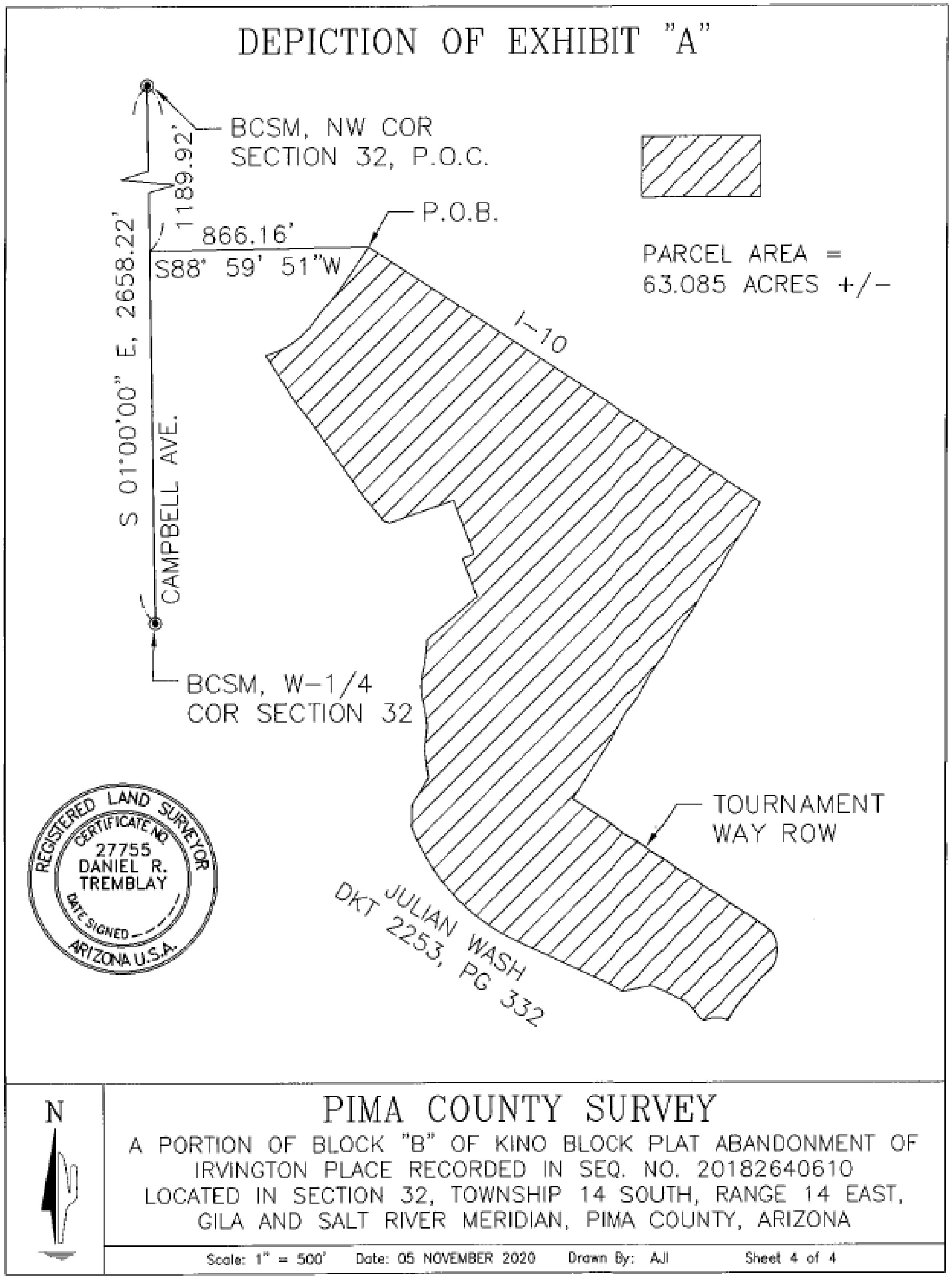
SURVEY – PARCEL 132-28-765A



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Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS

Physical Description			
Gross Site Area		84.84 Acres	3,695,630 Sq. Ft.
Primary Road Frontage		Interstate 10 Freeway	+/- 2,500 Feet
Secondary Road Frontage		Campbell Ave/Kino Pkwy	+/- 1,500 Feet
Shape		Irregular	
Topography		Generally Level	
Parcel Numbers		132-19-148A, 132-28-7640, and 132-28-765A (portion)	
Zoning District		PAD-18 Kino Campus PAD - SubArea E (Tucsor	
Flood Map Panel No. & Date		04019C2287L	16-Jun-11
Flood Zone		Zone X (Unshaded)	
Adjacent Land Uses		Commercial and residential uses	
Earthquake Zone		n/a	
Comparative Analysis		**Rating**	
Visibility		Good	
Functional Utility		Good	
Traffic Volume		High (freeway frontage)	
Adequacy of Utilities		Asssumed adeqaute	
Drainage		Appears adeqaute	
Utilities	**Provider**		**Availability**
Water	Tucson Water		Yes
Sewer	Pima County Wastewater		Yes
Natural Gas	Southwest Gas		Yes
Electricity	Tucson Electric Power		Yes
Telephone	CenturyLink, others		Yes
Mass Transit	SunTran (nearby)		Yes
Other	**Yes**	**No**	**Unknown**
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X

Source: Various sources compiled by CBRE

The subject is an 84.84-acre tract (per surveys provided by client) of mixed use zoned vacant land that is located at the southeast corner of Interstate 10 and Kino Parkway in Tucson, Arizona. The site is owned by Pima County and is currently vacant desert land. The subject encompasses three parcels, one of which is part of a larger parcel that has a portion developed with sports fields known as the Kino South Sports Complex. The other two parcels are adjacent. All three parcels

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are contiguous, have unity of title, are zoned PAD-18 (planned area development), and are thus considered to be one site.

Parcel 132-28-765A encompasses a larger parcel of which the subject is a portion. For purposes of valuation we assume that the subject portion can be split off and that such costs are the responsibility of the seller. As such, we have not deducted any costs for the legal split.

Per a survey provided by the client, the subject site encompasses (adjacent to parcel 132-28-7640) a portion of the Julian Wash Greenway, which appears to be undevelopable. According to information provided by the client, it will cost about $2 million to build two bridges to traverse the wash and establish continuity and access to the entire parcel and access parcel 132-19-148A. Costs are unknown, although the bridge crossing the Julian Wash in Phase 1 reportedly cost $1,000,000. Project manager, Nancy Cole, noted that the subject bridge crossing will need to be about twice the size of the Phase 1 bridge. This is an estimate only. However, it is likely that potential development costs will increase at the subject due to the wash, thus bringing down value of the land. Therefore, we have not adjusted the developable size of the subject as the wash does not appear to decrease possible density and many large sites have some areas that are difficult to develop or require open space. Further, since the subject appears to have access to both sides of the wash from existing roads and it is speculative to assume costs or that a developer will install the bridge, we have accounted for the impact of the wash and potential cost of the bridge in our adjustments to the comparable sales in the valuation section of this report.

Portions of the subject site are impacted by Class C Riparian Habitat (see later analysis). However, according to the conceptual development plan, the riparian area is planned to be mitigated according to the mitigation guidelines. We assume that this is achievable and therefore also have not adjusted the developable size of the subject for these riparian area. We assume this to be correct and reliable.

INGRESS/EGRESS

Ingress and egress can be available to the site via South Campbell Avenue/Kino Parkway and Tournament Way.

Campbell Avenue/Kino Parkway, at the subject, is a north/south major arterial road that is improved with two and three lanes of traffic in each direction with a median. Campbell Avenue turns into Kino Parkway at the subject. Portions of this road are elevated above grade. Street improvements include asphalt paving and concrete curbs, gutters, and street lighting. Street parking is not permitted.

Tournament Way, at the subject, is a collector road that is improved with one lane of traffic in each direction. Street improvements include asphalt paving and concrete curbs, gutters, and street lighting. Street parking is not permitted.

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TOPOGRAPHY

The site appears to have generally flat topography with some slight variations and evidence of soil erosion including fissures and depressions, most notable in the land surrounding the Julian Wash. Per a correspondence regarding the site from Pima County: According to Pima County Project Manager, Ms. Nancy Cole, areas where Pima County has stabilized the outflow from the wash result in limited erosion issues. Pima County expects to require additions of rip rap/gabion type solutions to areas where the outflow has not been managed. As storm water is controlled, most areas will be refilled and repurposed as a result of superior channel containment.

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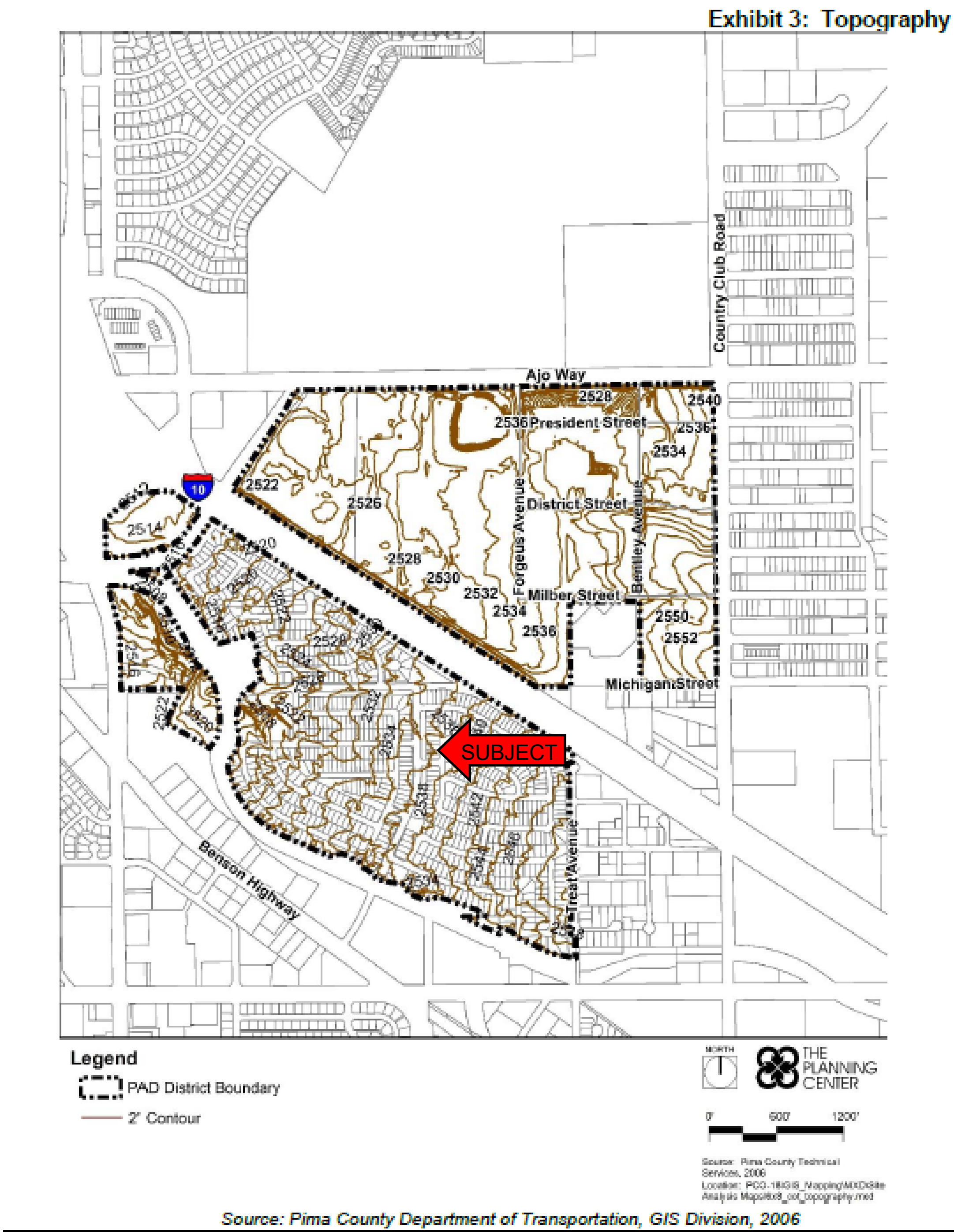

*The reader should note that the site was previously platted for single-family residential use, which was abandoned by Pima County.

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UTILITIES

All necessary utility services are in the immediate vicinity of the subject, however, Existing water and electric/fiber optic lines exist at the eastern edge of the subject site. According to Nancy Cole, Project Manager at Pima County, the mainline infrastructure will be required to be extended to Kino Parkway, approximately 2,000 feet, in order to form a looped system prior to internal distribution to the planned development. The extension costs are unknown but are estimated between $100/LF to $125/LF ($200,000 to $250,000), based on typical extension costs and cost savings of simultaneous extensions. We have accounted for this potential cost in our adjustments in the valuation of the subject site.

SOILS

A soils analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soils report, it is a specific assumption that the site has adequate soils to support the highest and best use.

ENVIRONMENTAL ISSUES

We were not provided an Environmental Site Assessment report.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this

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appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

RIPARIAN HABITAT AND WASH

As noted earlier, a significant portion of the subject site is within the Xeroriparian C Habitat. According to the Pima County Regional Flood District guidelines, mitigation of these areas are as follows:

The mitigation ratio for Xeroriparian habitat is one to one (1:1). For example, if a property owner will be disturbing 1.0 acre (in size) of Xeroriparian Class A-D habitat, the mitigation requirement would be the equivalent number of plants required for disturbance of 1.0 acre. The following example is for Xeroriparian Class C habitat: 1.0 ac x 45 trees/ac x 1.0 mitigation ratio = 45 trees. The actual size of the mitigation area provided shall be the minimum necessary to ensure the long-term viability of the mitigation plantings, accounting for topography, frequency of inundation and existing vegetation, but in no case shall be less than 70 % of the disturbed area, after the mitigation ratio is applied. The 70% minimum mitigation area is based upon the maximum Total Vegetative Volume for each class of riparian habitat at maturity. The 70% represents the smallest area which will physically be able to sustain the required number of plants. The minimum size for disturbance of 1 acre is: 1.0 ac x 70% = 0.70 ac minimum area required If it is demonstrated that the full mitigation requirement cannot be completed onsite, a combination of onsite and offsite mitigation will be allowed.

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☆ Regulated Riparian Habitat

Pima County Ord. 2005-FC2, Effective 10/20/2005

Class: C

Ownership: INCORP RIP

Change Date: Aug 21, 2018 12:00 AM

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FLOOD ZONE

According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), the majority of the site appears to be located within Zone X (Unshaded) (unshaded), with some portions within Zone A and Zone AE, as shown on the indicated Community Map Panel No. 04019C2287L and 04019C2291L (dated June 16, 2011). FEMA defines the flood zones as follows:

> Zones C and X (unshaded) are flood insurance rate zones used for areas outside the 0.2-percent-annual-chance floodplain. No Base Flood Elevations (BFEs) or depths are shown in this zone, and insurance purchase is not required.
>
> Zone A is the flood insurance rate zone used for 1-percent-annual-chance (base flood) floodplains that are determined for the Flood Insurance Study (FIS) by approximate methods of analysis. Because detailed hydraulic analyses are not performed for such areas, no Base Flood Elevations (BFEs) or depths are shown in this zone. Mandatory flood insurance purchase requirements apply.
>
> Zones AE and A1-A30 are the flood insurance rate zones used for the 1-percent-annual-chance floodplains that are determined for the Flood Insurance Study (FIS) by detailed methods of analysis. In most instances, Base Flood Elevations (BFEs) derived from the detailed hydraulic analyses are shown at selected intervals in this zone. Mandatory flood insurance purchase requirements apply. AE zones are areas of inundation by the 1-percent-annual-chance flood, including areas with the 2-percent wave runup, elevation less than 3.0 feet above the ground, and areas with wave heights less than 3.0 feet. These areas are subdivided into elevation zones with Base Flood Elevations (BFEs) assigned. The AE zone will generally extend inland to the limit of the 1-percent-annual-chance Stillwater Flood Level (SWEL).

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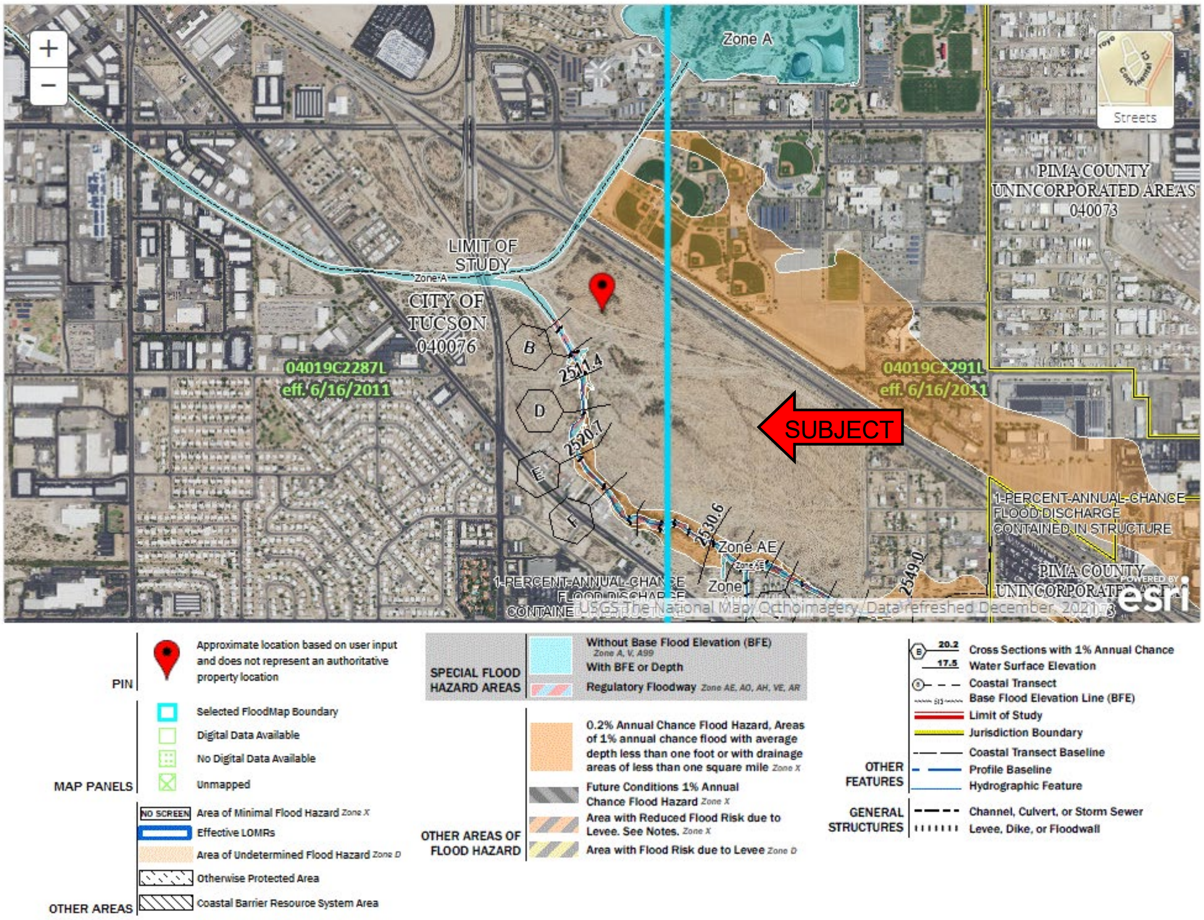

We are not experts in determining flood zone elevations and we were not provided with a flood zone certificate for the subject. The reader is encouraged to consult with a professional engineer to determine the subject's actual flood zone status. We reserve the right to modify our analyses and conclusions if our assumption proves to be incorrect.

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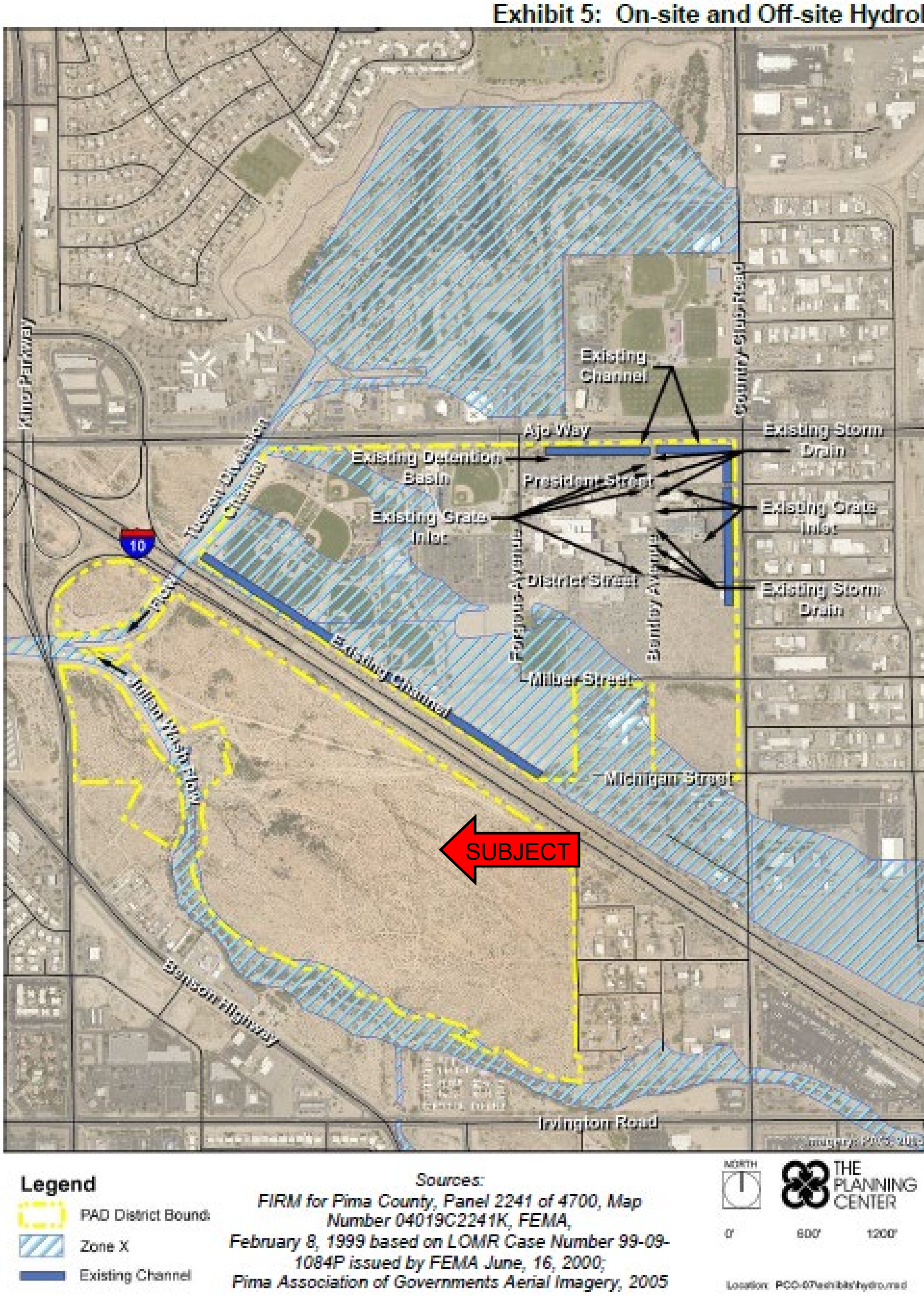
Exhibit 5: On-site and Off-site Hydrology



ADJACENT PROPERTIES

The adjacent land uses are summarized as follows:

North:	Interstate 10 freeway and Kino Sports Complex
South:	Commercial/Industrial uses
East:	Kino Sports Complex
West:	Campbell Avenue/Kino Parkway, then Commercial/Industrial uses

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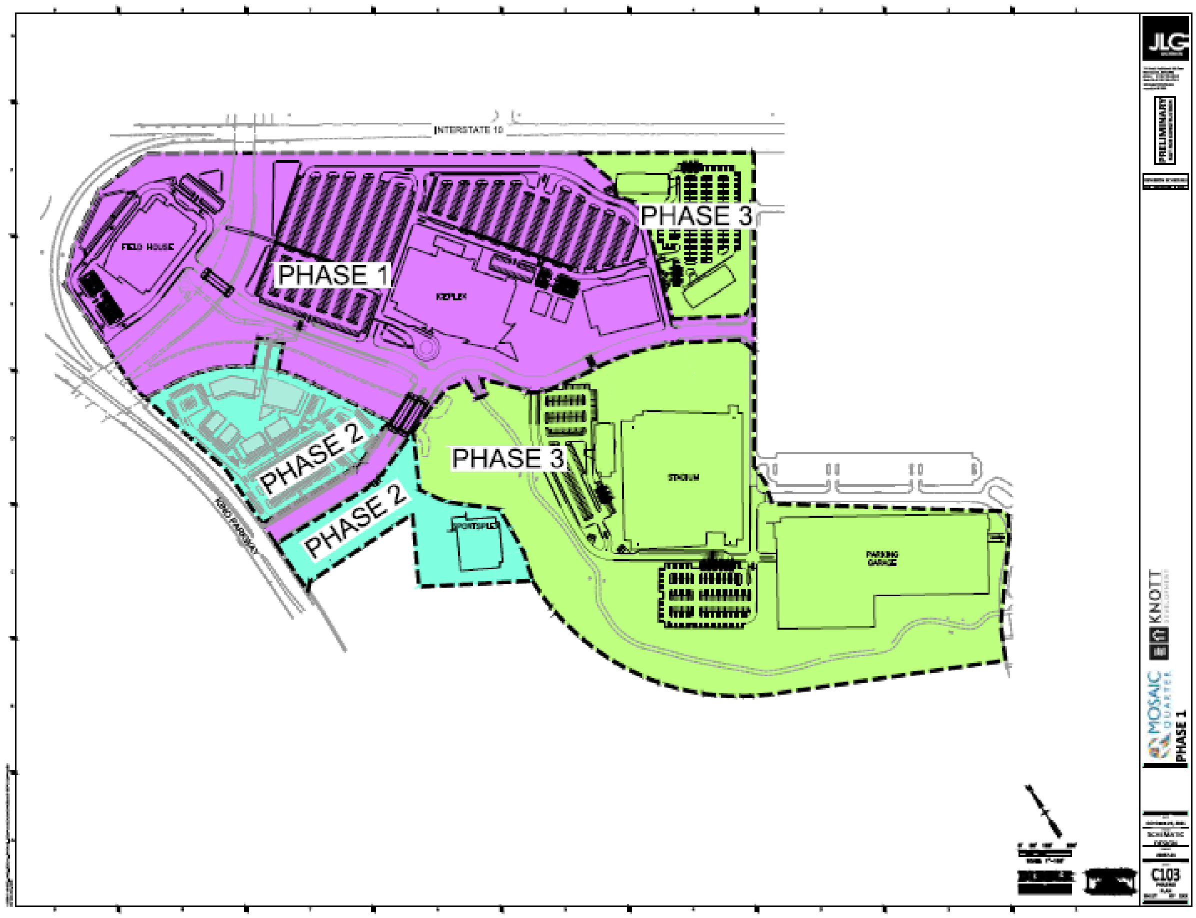
IMPROVEMENTS

We did not observe any improvements on the subject. It is reported by the subject ownership that none exist. We assume this to be correct and reliable.

CONCEPTUAL DEVELOPMENT PLAN

While the subject is known as a part of the Kino South Sports Complex, a Pima County owned and operated public athletic/sports venue, there is a development agreement nearing final completion for a third-party private developer who intends to develop the site for mixed use, including an iceplex, field house, sportsplex, stadium, and parking structure, as well as hospitality, parking, retail, office and open space uses. For the reader's reference, the following shows the conceptual development plan.



A larger version of the revised site plan is attached to this letter as Exhibit A

CONCLUSION

The subject is located within an established area that is along the Interstate 10 freeway and within a few miles of downtown Tucson and the University of Arizona. The adjacent uses are commensurate with the subject property. Access and visibility are good, and the size, topography,

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and level of off-site improvements will support a variety of development options. Overall, there are no known factors that are considered to prevent the site from development to its highest and best use, as vacant.

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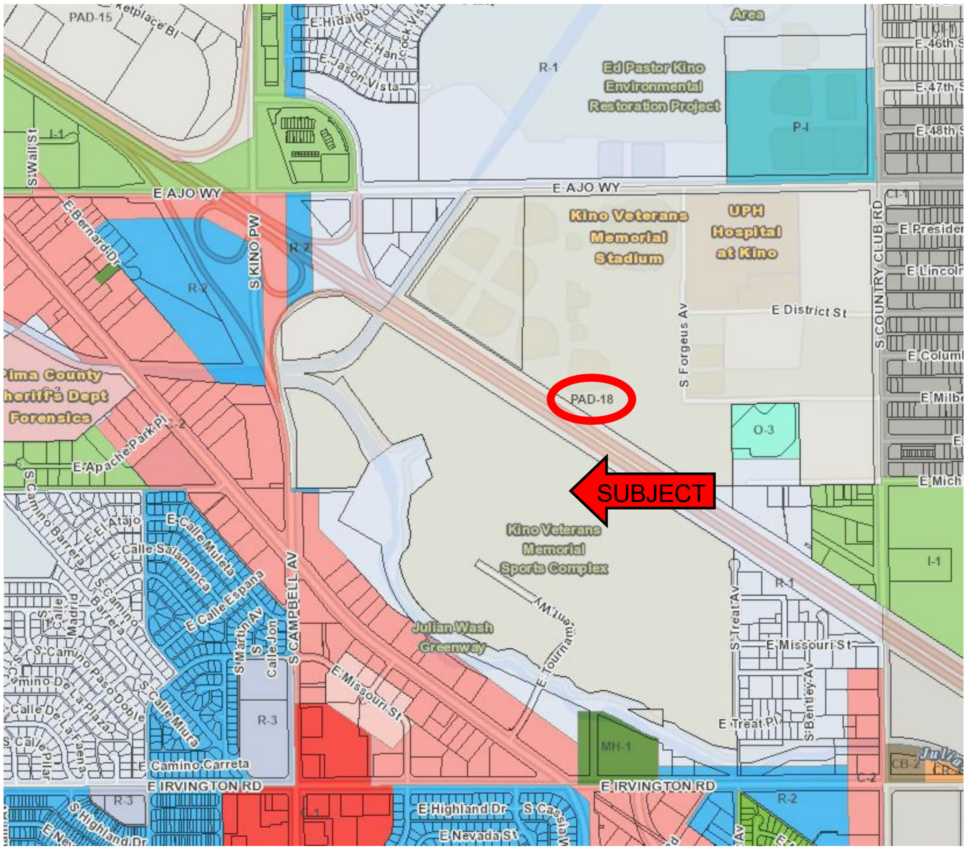
Zoning



The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	PAD-18 Kino Campus PAD - SubArea E (Tucson)
Legally Conforming	N/A; Vacant Land
Uses Permitted	Permitted uses within the Kino Campus PAD include all those permitted within OCR-1 of the City of Tucson Unified Development Code (UDC). Special Exception Land Uses as provided for in OCR-1 shall be deemed Permitted Land Uses for the purposes of this PAD. Secondary Land Uses permitted in OCR-1 shall be permitted secondary uses throughout the PAD. These include industrial (manufacturing) uses. The purpose of the OCR-1 zone is to provide for high-rise development, that serves the community and region, located in major activity centers or at transit centers. A mixture of development types is encouraged, including office, commercial, and high-density residential uses, with industrial (manufacturing) as secondary uses subject to additional requirements. The subject is also located in an Opportunity Zone, which means that investment in development of the site may, under certain conditions, be eligible for preferential tax treatment. The Opportunity Zones program is designed to spur economic development and job creation in distressed communities by providing tax benefits to investors.
Zoning Change	Not likely

Source: PAD Ordinance

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Exhibit 20.a: Conceptual Kino Campus PAD Sub-Areas

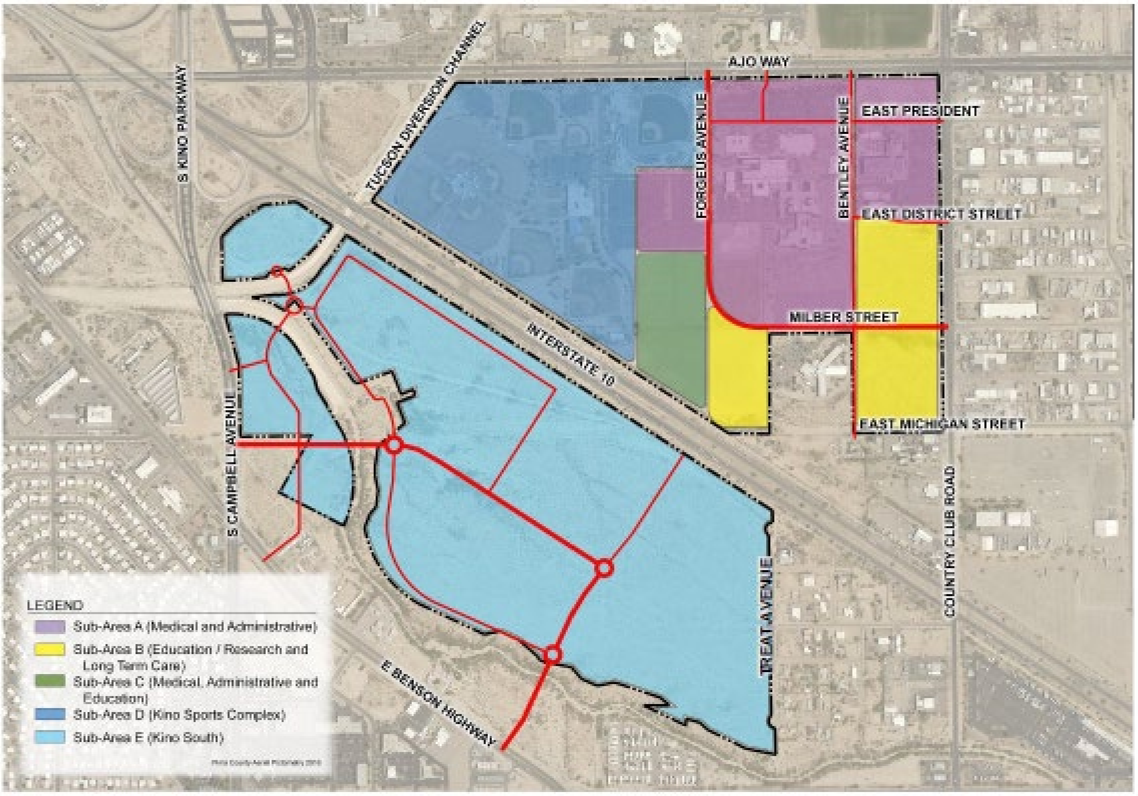

Table C.1: Kino Campus PAD Development Intent

PAD Sub-Areas	Sub-area Description	Building Types	Proposed Phase:	Target GBSF
Sub-Area A	Medical and Admin/Professional Office	Administration Building Hospital Expansion Outpatient Clinics Psychiatric Building Crisis Response Center	Phase 1A (0 to 5 Years)	600,000
		Hospital Expansion Outpatient Clinics Sports Medicine Complex Children and Women Center Gateway Building Education and Research	Phase 1B (0 to 10 Years)	2,250,000
Sub-Area B	Education, Research and Long-Term Care	Education and Research and Long-term Care Facilities	Phase 2 (10 to 15 Years)	400,000
		Education and Research and Long-term Care Facilities	Phase 3 (More than 15 Years)	1,120,000
Sub-Area C	Medical, Admin/Professional Office and Education	As allowed in OCR-1	Phase 3 (More than 15 Years)	As allowed in OCR-1
Sub-Area D	Kino Sports Complex	As allowed in OCR-1	Phase 3 (More than 15 Years)	As allowed in OCR-1
Sub-Area E	Kino South	As allowed in OCR-1	Phase 3 (More than 15 Years)	As allowed in OCR-1

ANALYSIS AND CONCLUSION

Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

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Tax Assessment Data

ARIZONA'S PROPERTY TAX SYSTEM

All property in Arizona, whether real or personal, is subject to property taxes unless specifically exempted. Examples of exempt properties include government buildings, educational institutions, hospitals, and churches. Property taxes are levied on real and personal property based on the state's statutory classification system, valuation methods, assessment ratios, and the taxing jurisdiction's tax rate.

Property in Arizona is classified and valued by the Arizona Department of Revenue (ADOR) and county assessors. The value of the property refers to the monetary worth of the property based on market values and statutory formulas.

With the exception of centrally valued properties and personal property, all property is valued based on its full cash value (FCV) and limited property value (LPV). FCV is synonymous with market value with no limit to annual growth, while LPV is the basis for the assessment of property taxes and is determined by a constitutional formula utilizing the previous year's LPV and capping growth at 5% annually.

Arizona's property tax system classifies property according to its use under nine classes (each with one or more additional subclasses), and each class is assigned an assessment ratio ranging from 1% to 18%. The assessment ratio is applied to a property's LPV to determine the net assessed value (NAV). The following table summarizes Arizona's property classes and assessment ratios

Tax Year 2020 Property Classification and Assessment Ratios

Property Class	Assessment Ratio	Description of Class
Class 1	18%	Mines and mining claim property and standing timber. Local telecommunications service, gas, water and electric utility company property, pipeline company property, producing oil and gas property. Commercial and industrial real property (A.R.S. § 42-12001).
Class 2	15%	Agricultural real property, golf courses, and vacant land (A.R.S. § 42-12002).
Class 3	10%	Primary residential residence of owner or owner's relative (A.R.S. § 42- 12003).
Class 4	10%	Property used for residential rental purposes, including property owned in foreclosure by a financial institution that is not otherwise included in any other class (A.R.S. § 42-12004).
Class 5	15%	Railroad, private rail car, and airline flight property (A.R.S. § 42-12005).
Class 6	5%	Noncommercial historic property, foreign trade zone property, qualifying military reuse zone property, enterprise zone property that qualified prior to the 7/1/11 sunset (primary taxes only), qualifying environmental technology property, and qualifying environmental remediation property (A.R.S. § 42-12006).
Class 7	18%	Historic commercial and industrial property (18%) and renovations (1%) (A.R.S. § 42-12007 and 42-12101).
Class 8	10%	Residential rental historic property (10%) and renovations (1%) (A.R.S. § 42-12008 and 42-12101).
Class 9	1%	Possessory interests and real property and improvements, regardless of ownership, leased and used exclusively by a nonprofit organization that operates as a charter school or church, religious assembly, or religious institution (A.R.S. § 42-12009).

Source: ADOR *Assessment Procedures Manual Part 3: Assessment Procedures.*

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Property taxes are levied on a property's NAV by government bodies (i.e., the state, counties, community college districts, school districts, cities and towns, and special taxing districts) using the tax rate of each taxing jurisdiction. Property taxes are composed of two rates, primary and secondary. Primary tax rates typically fund the operational budgets of governments, while secondary tax rates typically fund voter approved general obligation bonds and overrides, and special taxing districts (i.e., fire districts and countywide special taxing districts for library, flood, jails, etc.).

The sum of the two rates is the total tax rate. The statewide average total property tax rate for tax year (TY) 2020 was $12.17 per $100 of assessed values. The tax rate applies to all property types, unless exempt, no matter the class.

ARIZONA TAX BURDEN BY CLASS

Although all property classes are subject to the same taxing jurisdiction's tax rate, the amount of tax owed as a percent of property value ranges by use because of the state's property classification system and varying assessment ratios. The actual amount owed (i.e., tax liability) is the effective tax.

Comparing effective tax rates is a more accurate representation of a property's overall tax liability given Arizona's varying assessment ratios. For context, based on the previous example, the effective tax rate for the Class 3 (residential) property is 1.1% (e.g., $2,190.60/$200,000) vs. 2.0% (e.g., $19,715.40/$1,000,000) for Class 1 (commercial) property.

The following table summarizes the tax year (TY) 2020 effective tax rates in Arizona, the FCV, and tax liability by class type.

TY 2020 Full Cash Value, Tax Liability, and Effective Tax Rates by Class

Class	Type	Assessment Ratio	Full Cash Value	Percent of Total	Total Liability	Percent of Total	Effective Rate
1	Business, industrial, telecom, utility, mines	18%	$157,474,354,302	20.27%	$2,774,678,108	34.29%	1.76%
2	Agricultural, vacant land, golf courses, nonprofits	15%	$28,634,763,379	3.69%	$340,231,943	4.21%	1.19%
3	Owner occupied residential	10%	$384,724,534,914	49.51%	$3,194,863,898	39.49%	0.83%
4	Rental residential; nonprofit residential	10%	$196,455,693,981	25.28%	$1,706,415,967	21.09%	0.87%
5	Railroads & flight property	15%	$2,155,280,389	0.28%	$33,760,595	0.42%	1.57%
6	Historic prop; FTZ; enviro tech; (more)	5%	$7,069,367,584	0.91%	$37,651,269	0.47%	0.53%
7	Comm historic property	18%/1%	$63,669,468	0.01%	$762,850	0.01%	1.20%
8	Rental residential historic property	10%/1%	$22,702,792	0.00%	$657,739	0.01%	2.90%
9	Possessory interests; leased churches	1%	$424,713,434	0.05%	$1,792,740	0.02%	0.42%
Total			**$777,025,080,244**	**100.00%**	**$8,090,815,110**	**100.00%**	**1.04%**

Source: Arizona Tax Research Association.

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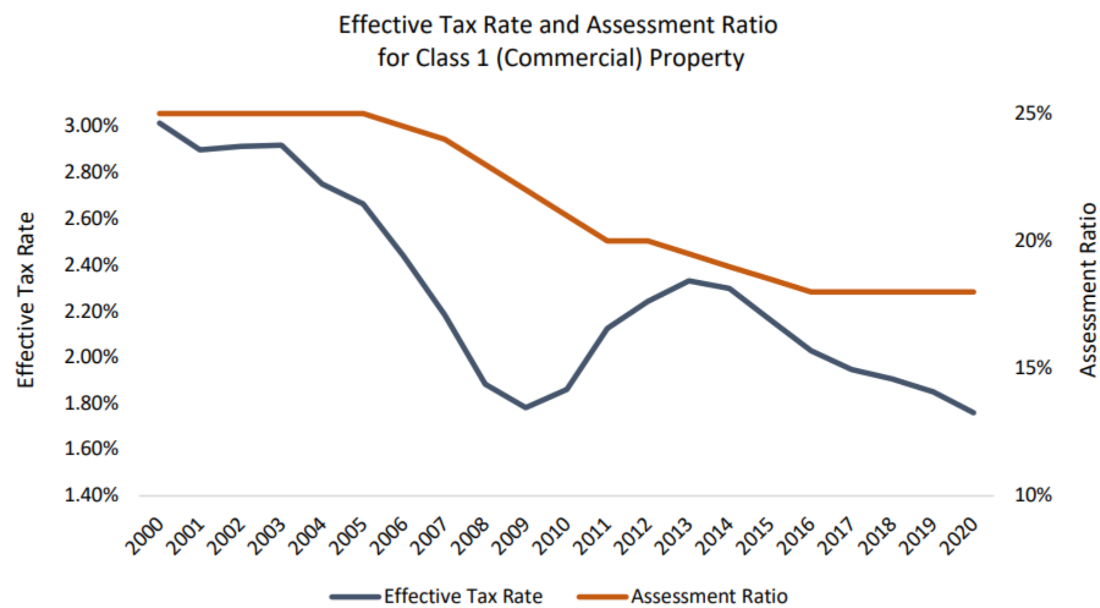
HISTORICAL CHANGES TO THE ASSESSMENT RATIO

The legislation currently being proposed is not the first passed in Arizona that is focused on equalizing the tax burden and lowering the assessment ratio for commercial properties. A competitive tax policy is often linked with economic growth and development. A review of historical changes to the commercial assessment ratio in Arizona provides support to this idea.

Prior to 2006, the assessment ratio on commercial property was 25%. Beginning after December 31, 2005, the assessment ratio was gradually reduced until reaching 18% in 2016. As a result, the effective tax rate declined from 3.01% in 2000, to 2.03% in 2016 and, most recently, 1.76% in 2020. This resulted in a gradual decline in the effective tax rate between 2000 and 2009.

However, in 2009, property values and construction activity began to decline as a result of the Great Recession of 2008. To offset this reduction in property taxes, taxing jurisdictions began raising property tax rates. This brought the effective rate up until it began to decline again in 2013.



Source: ATRA

Employment, a key indicator for economic growth and overall economic health, increased over this timeframe as the effective tax rate on commercial property declined (see the following chart). Employment grew at an average rate of 1.2% per year. The FCV of commercial property grew at an average annual rate of 5.1%. This indicates that as the effective rate declined, Arizona's improved competitive position helped fuel additional economic growth and resulted in a net gain in tax collections.

Arizona was experiencing strong employment growth from 2000 to 2007 until the economic downturn in the business cycle. If not for the Great Recession of 2008, employment would have

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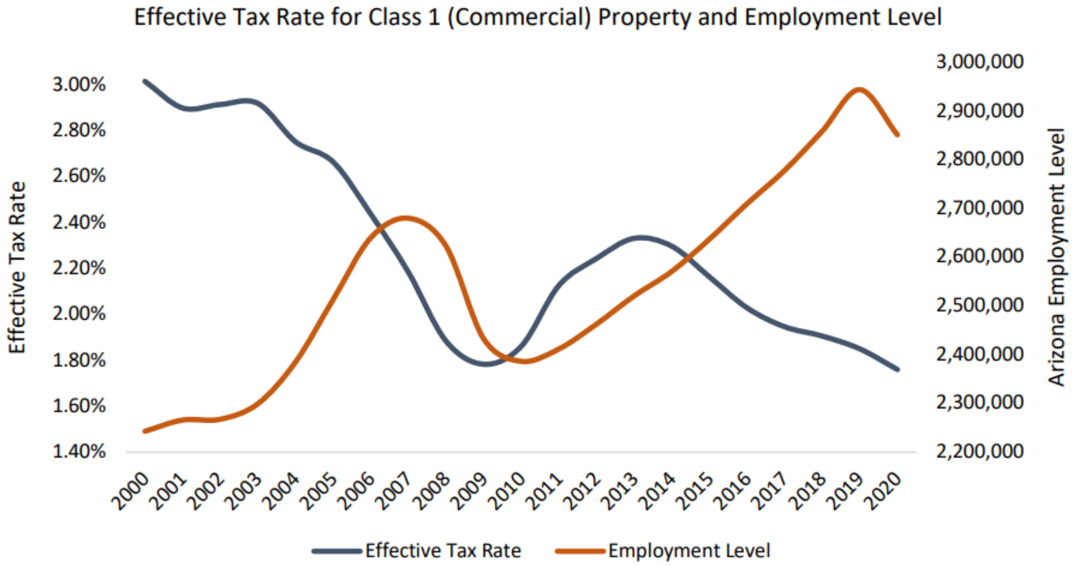
grown at a faster rate. In fact, after the Great Recession employment grew at an average annual rate of 2.4% between 2010 to 2019 (the year before the most recent economic downturn).



Source: Arizona Office of Economic Opportunity; ATRA

While many factors influence economic growth, maintaining a competitive position related to tax policy encourages economic development, business procurement, retention and expansion. This leads to wage enhancements and employment growth throughout the state. The following assessment ratios apply to the three most used classifications.

PROPERTY ASSESSMENT RATIO			
Tax Year	Vacant Land	Residential	Commercial
2010	16.0%	10.0%	21.0%
2011	16.0%	10.0%	20.0%
2012	16.0%	10.0%	20.0%
2013	16.0%	10.0%	19.5%
2014	16.0%	10.0%	19.0%
2015	16.0%	10.0%	18.5%
2016-2021	16.0%	10.0%	18.0%
2022	16.0%	10.0%	17.5%
2023	16.0%	10.0%	17.0%
2024	16.0%	10.0%	16.5%
2025	16.0%	10.0%	16.0%

Sources: County Asssesor's Office

ANALYSIS OF CHANGES TO THE COMMERCIAL PROPERTY ASSESSMENT RATIO - STATE OF ARIZONA

March 2021 | Prepared for NAIOP | Prepared by RCG

Rounds Consulting Group, Inc. was retained to analyze changes to Arizona's assessment ratio for commercial property. This analysis is part of the Arizona Chapter of NAIOP's, the Commercial

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Real Estate Development Association, larger effort to position the state to be a preferred choice for business locations and expansions, support commercial real estate development, and grow the state's economy.

In order to continue advancing the state's economy, Arizona will need to remain competitive. At the present time, legislation is being considered that would gradually phase down the commercial property assessment ratio from 18% to 17% over two years.

Lawmakers should give consideration to the economic benefits that would result from lowering uncompetitive business tax burdens. Enacting commercial property tax reforms would help equalize the varying tax burdens among commercial and all other property, incentivize additional real estate development, and advance the state's business attraction and expansion efforts.

Proposed Property Tax Changes

In the first session of the 55th State Legislature of Arizona, legislation is being considered to change how commercial property taxes are calculated. The proposed change would gradually phase down the Class 1 (i.e., commercial property) assessment ratio from 18% to 17% over two years. The assessment ratio determines a property's assessed value to which property tax rates are then applied.

Commercial property in Arizona has the highest assessment ratio of any other property type. The proposed reform establishes a new assessment rate of 17.5% for tax year 2022. After 2022, the rate would drop to 17%. While not in the current reform proposal, ideally, the assessment ratio should be gradually decreased to 15%.

The goal of the proposed legislation is to add to the competitiveness of the state's economic fundamentals. In the longer term the enhanced level of competitiveness could allow for modest reductions in the need for project-specific incentives.

There will exist short-term "costs" absent any consideration for tax rate changes. However, that is not a likely scenario. Ultimately, the reductions in the commercial assessment ratio of the property tax formula will result in modifications to local government tax rates, resulting in a more competitive balance in the tax code.

The Legislature's estimate of net assessed value (NAV) reduction will equal $1.39B by tax year 2023, which represents only a 1.7% reduction. However, statewide commercial property values have been increasing by more than 6% per year over the last 5 years. Thus, the anticipated growth will more than fully offset any modest reductions in the assessment ratio. In addition, business cycle impacts to the property tax formula have been met with modifications in the tax rates. This means it is likely that a portion of the NAV reduction will be offset through the flexibility of rate adjustment.

When examining economic fundamentals, individual categories (i.e., competitive tax policy, infrastructure investment, workforce development, etc.) cannot be fully separated. In other words,

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the shift in property tax burden, when combined with other fundamentals, will indeed lead to additional economic growth. In fact, the potential for a full offset of any tax revenue losses will be greater as the assessment ratio for commercial property is reduced to the recommended 15%.

Historical Property Tax Changes

The legislation currently being proposed is not the first passed in Arizona that is focused on equalizing the tax burden and lowering the assessment ratio for commercial properties. Prior to 2006, the assessment ratio on commercial property was 25%. Beginning after December 31, 2005, the assessment ratio was gradually reduced until reaching 18% in 2016. Since property taxes are levied on net assessed values, this resulted in effective tax rate declines going from 3.01% in 2000, to 2.03% in 2016 and, most recently, 1.76% in 2020.

As the effective rate declined, the value of commercial properties increased at an average annual rate of 5.1% between 2000 and 2020. This indicates that as the effective rate declined, Arizona's improved competitive position helped fuel additional economic growth and resulted in a net gain in tax collections.

While many factors influence economic growth, maintaining a competitive position related to tax policy encourages economic development, business procurement, retention and expansion. This leads to wage enhancements and employment growth throughout the state.

When examining economic fundamentals, individual categories cannot be fully separated. In other words, the shift in property tax burden, when combined with other fundamentals, will ultimately lead to additional economic growth.

Property tax payments are typically factored into the rent a tenant pays. Many small businesses were significantly impacted by the COVID-19 pandemic. Building owners and landlords worked with their tenants to temporarily modify rents to help these local merchants survive. Moving forward, a reduction in the property tax assessment ratio has the potential to provide additional relief to small businesses in the form of lower rent payments.

Further, this review clearly identifies a tax category that is uncompetitive, and modifications to the assessment ratio will yield positive economic benefits. Continuing to reduce the rate to 15% over time will produce similar benefits.

Rule "B"

Arizona courts have interpreted the term full cash value to mean the "cash equivalent value" of the property. However, the value established by the assessor may be equal to, or less than, the actual market value. These lower values are the result of adjusting all sale prices for mass appraisal error, creative financing, personal property, and time on the market. Full cash values are unlimited in the amount that they increase each year since they fluctuate with the market. Following the Proposition 117 amendment, the yearly increase in limited property value was further limited from 10% to 5% of the previous year's value, with a few exceptions. The exceptions include properties that have had changes in use, new construction, tenant

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improvements, demolition, parcel splits, parcel combinations, change in legal descriptions, or other changes from the previous year. According to the new statute, if a property falls under one of these exceptions, the limited property value may be recalculated using what is known as the "Rule B" factor. For the 2015 tax year, the Rule B factor mandates that the limited property value equate to 93.5% of the full cash value for commercial property, 96.2% for primary residences, 95.2% for rental residential property, and 95.3% for vacant land. Whether an exception applies to a property or not, the limited property value cannot exceed the full cash value.

In Arizona, a sale of a property does not initiate its reassessment. Taxes are determined by applying the tax rates to the assessed value. The following summarizes the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures and equipment (FF&E).

AD VALOREM TAX INFORMATION

APN Number	2021 Actual Limited Property Value	2022 Actual Limited Property Value	2023 Pro Forma Limited Property Value
Commercial Zoned Parcels			
132-19-148A	$579	$608	$638
132-28-7640	$191,253	$200,816	$125,000
132-28-765A	$2,563,729	$4,514,939	$4,740,686
Subtotal	$2,755,561	$4,716,363	$4,866,324
Assessment Rate	15.00%	15.00%	15.00%
Assessed Values	$413,334	$707,454	$729,949
Taxation Type	Combined	Combined	Combined
Rates per $100	N/A	N/A	---
Total Ad Valorem Tax	$0	$0	---
Total Taxes	**$0**	**$0**	**---**
Sources: County Treasurer's Office; County Asssesor's Office			

The subject (including the larger parcel of 132-28-765A) is owned by Pima County and has no tax burden. In the state of Arizona, a sale does not trigger a re-assessment.

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Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Given the mixed use plan for the subject, such as an iceplex, field house, sportsplex, stadium, and parking structure, as well as hospitality, parking, retail, office and open space uses, we have included market data related to hospitality, retail, and office. Sports related market data is not readily available. In addition, the subject has industrial zoning and the highest and best use as industrial; therefore, we have included market data related to industrial uses.

TUCSON MSA INDUSTRIAL MARKET ANALYSIS

Within this section, we have addressed the overall market trends influencing the Tucson industrial market, the trends occurring in the local submarket, and our projections for the long-term market acceptance of the subject property. The data used in this section of the report is attributable to the CBRE Research's Industrial MarketView, 1st Quarter 2023 for Tucson, CBRE Econometric Advisors' Industrial Outlook 1st Quarter 2023 for Tucson, and CoStar.

TUCSON MSA AT A GLANCE

The population of the Tucson area stands at roughly 1.06 million, which is 55th largest of the industrial markets tracked by CBRE Econometric Advisors (CBRE EA). Total employment in the area currently stands at 399,200 workers.

Key Statistics	Level	Rank
Population (mil.)	1.06	55
Total Employment (mil.)	0.40	60
Total Inventory (msf)	39.6	66
Manufacturing	7.5	61
Warehouse	20.1	66
R&D	9.8	46
Availability Rate (%)	2.7	2
EA Asking Rent ($/sf)	9.51	33

1-Quarter Change	Metro	All Mkts
Total Employment Growth	↑	↔
Manufacturing Emp.	↓	↓
Distribution Emp.	↓	↓
Completion Rate	↓	↓
Under Construction	↑	↓
Absorption Rate	↓	↓
Availability Rate	↓	↑
EA Asking Rent Growth	↓	↓

Industrial Market Forecast

The short-term forecast calls for an overall decline in manufacturing and distribution workers through year-end 2024. Total net absorption is forecasted to be a positive 1.7 million square feet, lagging supply during the same period. By year-end 2024, the availability rate is expected to be 4.4% while rents are forecasted to grow – reaching $10.36 compared to current market rents of $9.51.

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Historical minimum, maximum, and average values for each variable are provided to put current market performance in perspective. The time period from which these values are calculated is 1990 (or the earliest year of available data) to the current year. CBRE EA expects net absorption to be higher than long-term averages during the forecast, though still below historical peaks.

Tucson Forecast Summary: Q1 2023

	Demand				Supply		Performance		
	New Jobs								
	Mfg	Distribution	Net Absorp (sf x 1000)	Absorp Rate (%)	Deliveries (sf x 1000)	Compl Rate (%)	Avail Rate (%)	EA Asking Rent($/sf)	Rent Infl (%)
2022	1,000	600	1,841	5.1	654	1.7	4.2	9.48	14.4
2023F	-300	-400	1,907	5.0	1,792	4.5	3.8	9.95	5.0
Q1	0	0	595	1.6	0	0.0	2.7	9.51	0.3
Q2F	0	-100	757	2.0	986	2.5	3.2	9.70	2.0
Q3F	-200	-200	175	0.5	302	0.7	3.5	9.85	1.5
Q4F	-100	-100	380	1.0	504	1.2	3.8	9.95	1.0
2024F	0	100	393	1.0	683	1.7	4.4	10.36	4.1
Historical Performance (1990 - Present)									
Min	-2,700	-1,800	-1,499	-4.6	0	0.0	2.7	4.42	-13.5
Max	3,800	3,500	3,772	21.6	1,627	4.9	26.0	9.51	17.8
Mean	100	500	607	2.4	484	1.6	11.2	6.96	2.3

The Tucson Economy

According to CBRE EA, over the last five years, total employment in the Tucson area has grown at an average annual rate of 1.0% while across the U.S., employment has grown at an average annual rate of 1.0%. In the last 4 quarters, Tucson's employment has grown at an average annual rate of 1.7%. Our forecast predicts growth of 1.0% in the Tucson area in the next five years. Tucson's professional & business services employment sector will post the best job performance over the next five years.

The table below presents the current employment levels for major industry groups as well as historical growth rates over the last five years, last 12 months, and the next five years.

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Employment Levels & Growth Rates: Tucson vs. Nation

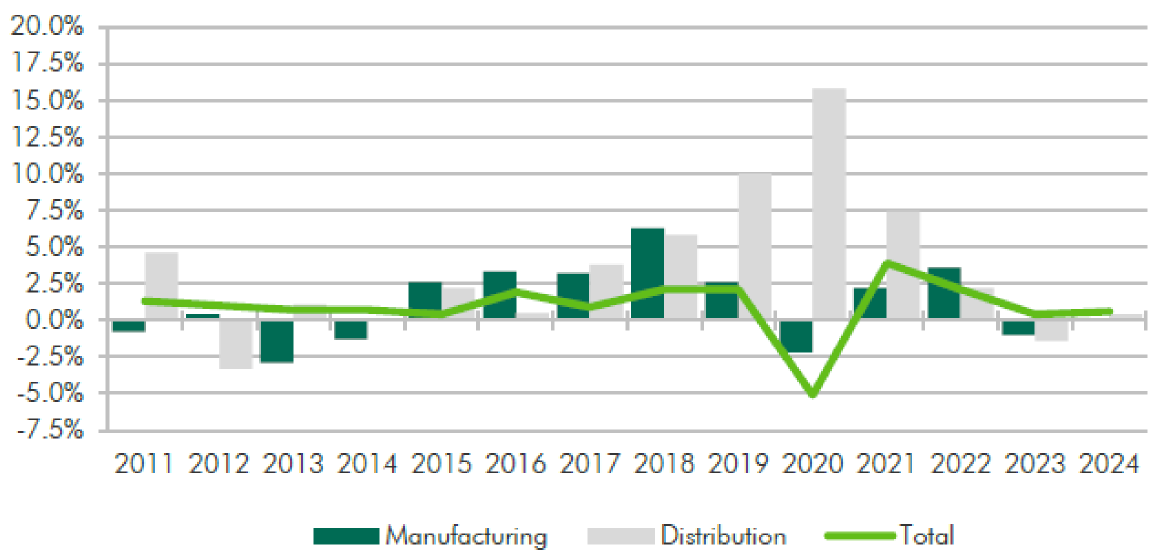
NAICS Category	Level (x 1000)	Location Quotient	Avg Annual Growth Rates (%) Last 5 Years Metro	Last 5 Years U.S.	Last 12 Mos. Metro	Last 12 Mos. U.S.	Next 5 Years Metro	Next 5 Years U.S.
Agriculture & Mining	2	1.23	2.1	-2.2	11.1	8.2	-1.0	-1.1
Construction	20	0.99	3.9	2.0	2.0	3.5	2.1	1.1
Manufacturing	29	0.86	2.2	0.6	3.2	2.6	0.8	0.6
Wholesale Trade	8	0.51	1.0	0.7	5.3	2.7	0.0	0.1
Retail Trade	42	1.05	-0.1	-0.3	-3.2	0.3	0.5	0.6
Transportation & Warehousing	20	1.09	12.2	4.3	-3.8	2.3	1.1	0.8
Information	5	0.67	-1.4	1.7	-1.9	2.6	1.8	0.9
Financial Activities	20	0.83	1.6	1.3	-1.5	1.5	0.9	0.5
Prof. & Business Svcs.	50	0.85	-0.2	1.9	2.9	2.7	1.6	1.1
Education & Health	68	1.06	0.8	1.3	2.9	4.3	1.0	0.8
Hospitality & Leisure	45	1.06	0.0	0.4	4.4	6.6	0.9	1.4
Other Services	14	0.95	1.2	0.0	3.6	3.3	0.6	0.9
Government	76	1.32	0.2	0.1	2.3	1.8	1.0	0.8
Total	**399**	**n/a**	**1.0**	**1.0**	**1.7**	**3.0**	**1.0**	**0.8**

Source: Oxford Economics, CBRE Econometric Advisors

Industrial Employment

Distribution and manufacturing employment are the primary determinants of industrial demand. CBRE EA defines "distribution employment" as all of the wholesale trade sector plus transportation (trucking and warehousing). The latest estimates of distribution and manufacturing employment for Tucson are 28,100 workers and 28,800 workers, respectively. Over the last five years, Tucson's distribution employment has grown by 8.3%, while manufacturing employment has grown by 2.2%. During the last 12 months, distribution employment has grown by 1.7% and manufacturing employment has grown by 3.2%

Mfg and Distribution Employment Growth vs. Total Employment Growth



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Tucson Industrial Market Characteristics

The properties that comprise the industrial market in Tucson are those industrial properties 10,000 square feet or larger. The table below gives a summary of the existing, competitive industrial space in the Tucson industrial market.

Tucson Industrial Market Statistics by Building Type

Building Type	Inventory		Availability Rate		Net Absorption		Asking Rents	
	Bldgs	Total Inventory (SF x 1000)	Curr Qtr (%)	YTD Chg (BPS)	Curr Qtr (SF x 1000)	YTD	Curr Qtr ($/SF)	Net or Gross
Manufacturing	162	7,541	1.6	-80	65	65	9.44	Net
Warehouse	472	20,087	1.8	-290	579	579	8.87	Gross
R & D	236	9,839	6.0	40	-43	-43	10.14	Net
Total	950	39,646	2.7	-150	595	595	9.54	Net

Tucson Annual History & Forecast

Presented below is our six-year forecast for the Tucson industrial market. Historical measures are provided back to 2010.

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Tucson Annual History & Forecast: 2011 - 2028

Year	Mfg Emp (x 1000)	Distrib Emp (x 1000)	Total Inventory (SF x 1000)	Completions (SF x 1000)	Availability Rate (%)	Net Absorption (SF x 1000)	EA Asking Rent ($/SF)	Rent Growth (%)
History								
2011	24.2	18.2	34,647	70	15.1	-35	7.53	-2.1
2012	24.3	17.6	34,861	214	15.7	33	7.44	-1.2
2013	23.6	17.8	34,933	72	14.2	582	7.54	1.3
2014	23.3	17.8	35,073	140	13.0	536	7.70	2.1
2015	23.9	18.2	35,469	396	11.6	829	7.69	-0.1
2016	24.7	18.3	36,429	960	11.3	948	7.76	0.9
2017	25.5	19.0	36,429	0	8.9	909	7.82	0.8
2018	27.1	20.1	36,978	549	7.8	894	8.11	3.7
2019	27.8	22.1	38,081	1,103	8.7	680	8.19	1.0
2020	27.2	25.6	38,081	0	7.7	391	8.26	0.9
2021	27.8	27.5	38,992	911	7.3	986	8.29	0.4
2022	28.8	28.1	39,646	654	4.2	1,841	9.48	14.4
Forecast								
2023	28.5	27.7	41,438	1,792	3.8	1,907	9.95	5.0
2024	28.5	27.8	42,124	683	4.4	393	10.36	4.1
2025	28.8	28.2	42,864	738	5.4	272	10.72	3.5
2026	29.2	28.7	43,570	704	6.3	280	11.07	3.3
2027	29.8	29.1	44,245	673	7.1	262	11.41	3.1
2028	30.1	29.4	44,891	644	8.0	226	11.72	2.7

Industrial employment is projected to grow by 2,600 jobs during the 2023-2028 period. During the same time period, new supply is expected to average 874,200 square feet, while net absorption is expected to average 556,700 square feet, lagging new supply. Availability rates are expected to increase to 8.0%, while rents are forecasted to rise to $11.72.

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TUCSON INDUSTRIAL MARKET OVERVIEW

The CBRE Research and CBRE Econometric Advisors industrial surveys include leasable industrial facilities of at least 10,000 square feet in size.

▼2.5%	▼191K	▲1.8M	▼$0.87
Vacancy Rate	SF Net Absorption	SF Construction	NNN / Lease Rate

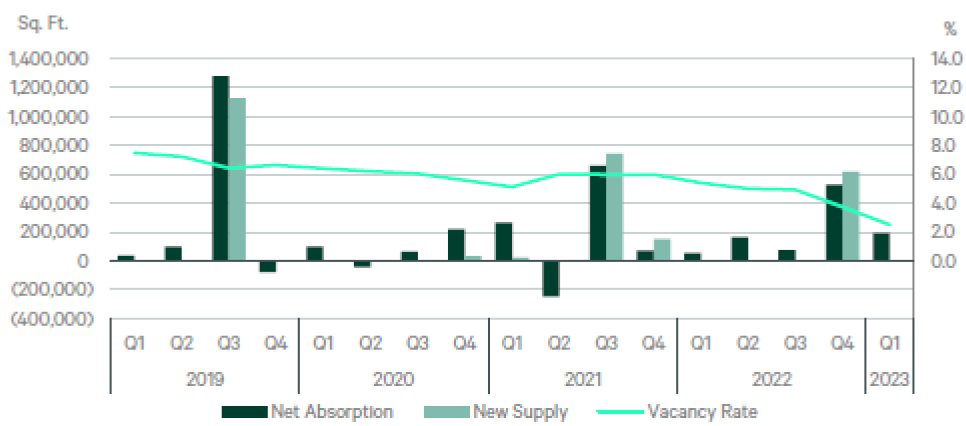
Note: Arrows indicate change from previous quarter.

CBRE Research reports that

The Tucson industrial market had healthy leasing activity with 389,500 sq. ft. of gross absorption. While renewals dominated market activity, new leases pushed net absorption to 191,465 sq. ft. in Q1 2023.

The vacancy rate dropped to 2.5% as new leases outpaced move-outs in Q1 2023. The decrease in vacancy was also a result of the lack of new product deliveries in the first quarter. Under construction projects located in the Northwest and Airport submarket are anticipated to deliver in Q2 2023. Lastly, direct average asking NNN lease rates remained nearly flat at $0.87 per sq. ft. Total construction activity increased slightly to 40,000 sq. ft., with no deliveries in Q1 2023

FIGURE 1: Supply and Demand



Source: CBRE Research, Q1 2023.

Availability and Vacancy

Industrial space availability decreased to 2.7%, equivalent to 1.1 million sq. ft. of space at the end of Q1 2023. Availability in the Airport submarket declined to 3.7% with multiple large new leases. The Northwestern submarket's availability rate of 2.9% was slightly higher than the Tucson average, but the submarket remains a sought-after submarket due to interstate access and proximity to Phoenix. Space available in the Southeast submarket remained scarce, with 1.3% available.

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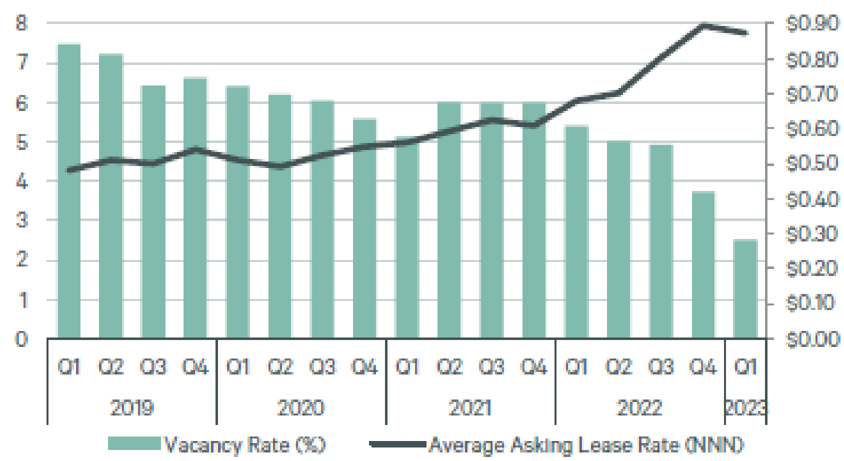
Tucson's total vacancy declined to 2.5% in Q1 2023 with 1.0 million sq. ft. of vacant space. The vacancy rate in the Airport submarket had a quarter-over-quarter decrease of 20 basis points to 3.5% while the Northwest submarket vacancy increased 80 bps to 2.8%. The Southeast submarket vacancy remained tight at 1.2% and remained a desirable market for distribution and manufacturing operations.

Lease Rates

The direct average asking NNN lease rate increased $0.19 year-over-year to $0.87 per sq. ft. in Q1 2023—a 28.4% increase year-over-year. Asking rates within the Southeast submarket increased to $0.78, which represented the most notable rate change. Decreased availability in this submarket continued to put upward pressure on asking rates. The Airport submarket recorded a minor increase in NNN asking lease rate at $0.83 per sq. ft. With an average asking lease rate of $0.72 per sq. ft., the Northwest submarket offers tenants a cost-efficient and geographically advantageous option.

FIGURE 2: Overall Vacancy and Lease Rate



Source: CBRE Research, Q1 2023.

Net Absorption and Leasing Activity

The Tucson industrial market had 191,465 sq. ft. of positive net absorption in Q1 2023, driven primarily by the Southeast and Airport submarkets. The Southeast submarket recorded 171,357 sq. ft. of net absorption. The Airport submarket recorded 101,774 sq. ft. of leasing activity, with a 65,303 sq. ft. lease signed by Cactus Portable Storage and an owner-user building acquisition at 2425 E Medina Rd. The Southwest submarket recorded a notable 65,250 sq. ft. warehouse leased by Pima County.

The West Central submarket offset the positive net absorption in the market due to the 60,000 sq. ft. move out of Sam Levitz Furniture Company. The Northwestern submarket followed closely behind with 52,576 sq. ft. of negative net absorption

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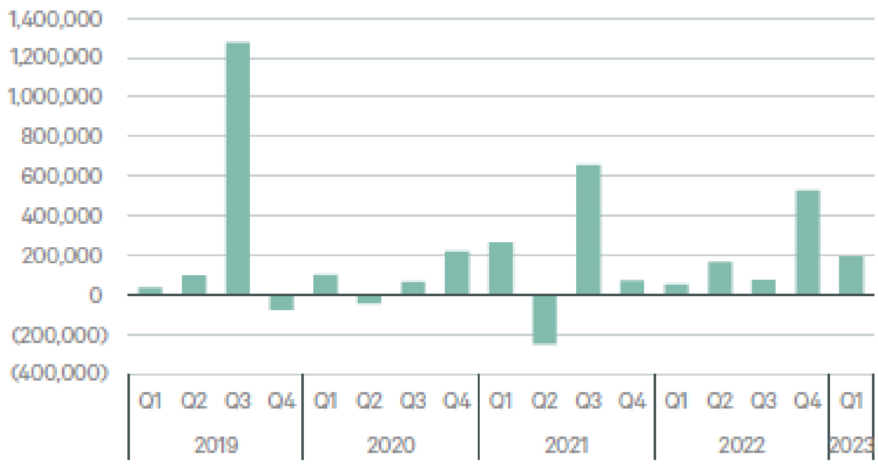
FIGURE 3: Net Absorption (Sq. Ft.)



Source: CBRE Research, Q1 2023.

Development Activity

No projects were delivered in Q1 2023, but construction continued for the 1.8 million sq. ft. of industrial product. The 946,415 sq. ft. from buildings 1 and 2 of the Southern Arizona Logistics Center made significant development progress in the Northwestern submarket and are expected to deliver in Q2 2023. The 40,000 sq. ft. Campbell Landing project is near completion as well. The four-building project will serve a much-desired space requirement for tenants looking to fill up to 10,000 sq. ft. The 806,000 sq. ft. Tucson Commerce Center in the Airport submarket is expected to deliver in late 2023. Many projects, such as the remaining Southern Arizona Logistics Center buildings, I-10 International and the newly announced Southern Arizona Regional, remain planned and await construction start dates.

Outlook

The Tucson industrial market has had several quarters of consistent growth and these trends are expected to continue in subsequent quarters. With sustained record low vacancy and a strong construction pipeline, Tucson is expected to capitalize on tenants looking to establish or expand operations in the Sun Belt. Prospective projects like American Battery Factory's new manufacturing facility will place the spotlight on Tucson as an optimal manufacturing location further sustaining demand.

Submarket Overview

A map of the submarkets and table summarizing their current state are presented below. The subject is located in the Southeast industrial submarket, as demarcated by CBRE Research.

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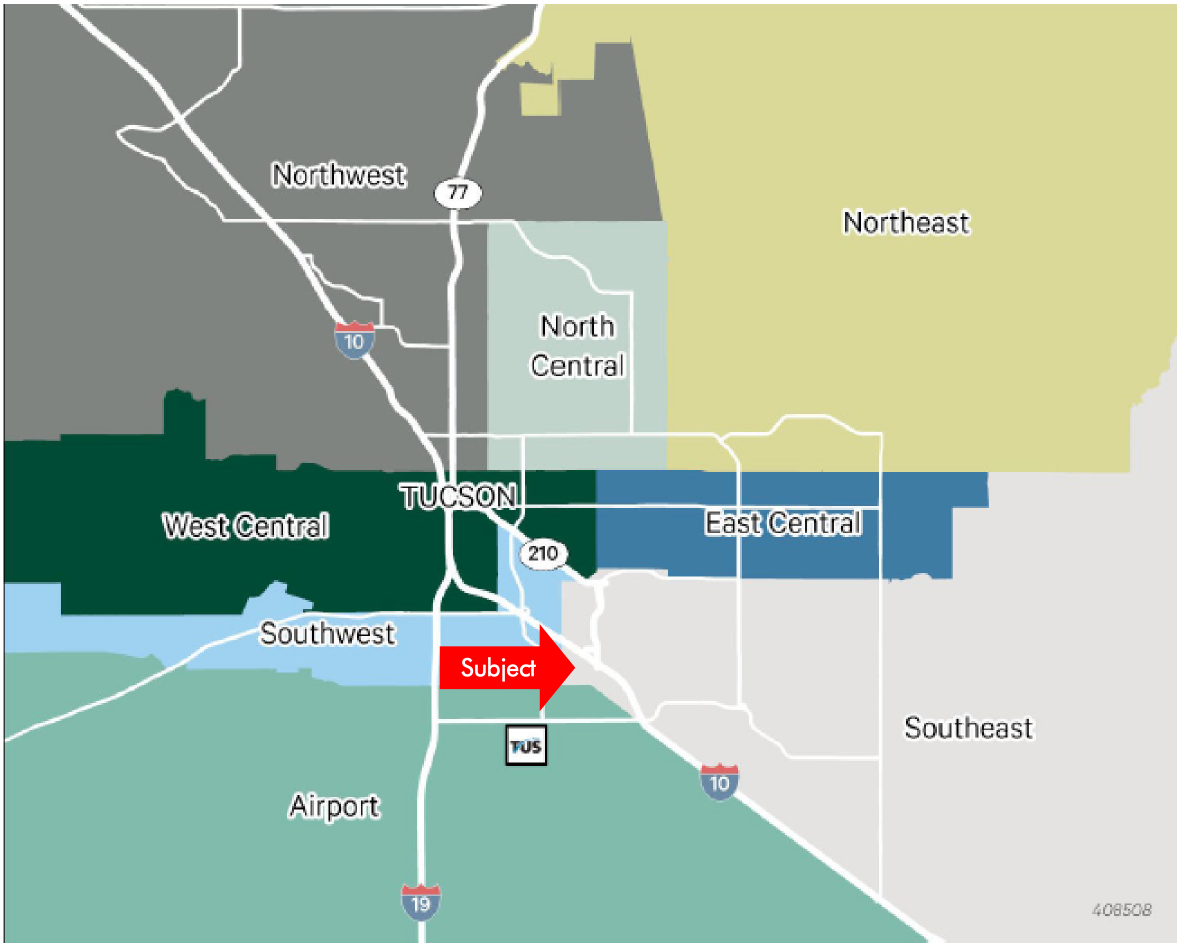

FIGURE 5: Submarket Stats

	Building Count	Net Rentable Area (Sq. Ft.)	Availability (%)	Vacancy (%)	Net Absorption (Sq. Ft.) Q1 2023	Net Absorption (Sq. Ft.) 2023 YTD	Under Construction (Sq. Ft.)	Construction Deliveries (Sq. Ft.)	Avg. Direct Asking Lease Rate ($PSF/NNN)
Airport	162	10,956,144	3.7%	3.5%	71,774	71,774	846,606	0	$0.83
East Central	44	1,189,709	5.6%	4.7%	(3,686)	(3,686)	0	0	$0.85
North Central	11	191,587	5.4%	2.7%	(256)	(256)	0	0	$0.83
Northeast	15	1,045,095	11.3%	11.3%	0	0	0	0	$1.41
Northwest	268	7,023,918	2.9%	2.8%	(52,576)	(52,576)	946,435	0	$0.72
Southeast	251	12,593,094	1.3%	1.2%	171,357	171,357	0	0	$0.77
Southwest	105	2,877,358	1.1%	1.0%	67,052	67,052	0	0	$0.78
West Central	179	4,458,840	2.1%	1.7%	(62,200)	(62,200)	0	0	$0.77
Tucson Total	1,035	40,335,745	2.7%	2.5%	191,465	191,465	1,793,041	0	$0.87

Source: CBRE Research, Q1 2023.

According to CBRE Research, the base inventory of industrial space currently stands at 40,335,745 square feet. The subject's Southwest submarket consists of 12,593,094 square feet, which accounts for roughly 31.2% of the overall supply. Vacancy in the submarket currently stands at 1.2%, which is below the market-wide average of 2.7%.

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CBRE Research reports that in Q1 2023, the Southeast submarket experienced positive net absorption of 171,357 square feet, with 0 square feet under construction. Additionally, the submarket has a current average annual asking lease rate of $9.24 per square foot ($0.77 per square foot monthly), triple-net, which is above the overall Tucson industrial market average of $10.44 per square foot ($0.87 per square foot monthly).

CONCLUSION

Tucson's industrial and logistics market continues to experience high-tenant demand marketwide. However, the supply for large user requirements (above 80,000 sq. ft.) remains limited to existing product that requires ample tenant improvement. Alternatively, BTS activity remains healthy for large users requiring ceiling clear heights that existing product cannot provide, in addition to other site amenities such as loading access and access to road network.

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TUCSON MSA HOTEL MARKET ANALYSIS

Market data for the Tucson lodging market was obtained through the CBRE Hotels Research (CBRE Hotels) November 2022 Hotel Horizons report for the Tucson MSA, CBRE Econometric Advisors (CBRE EA), Kalibri Labs, and Oxford Economics.

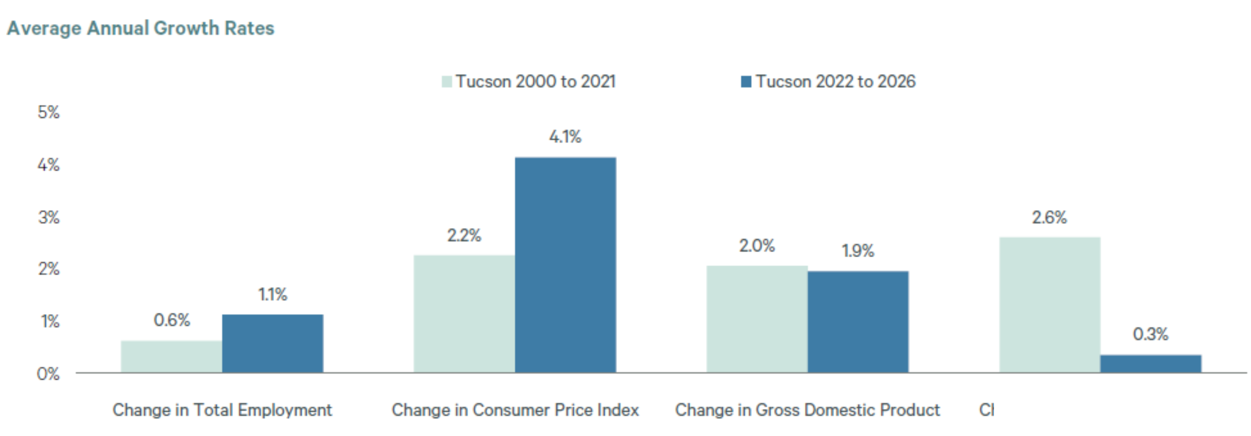
Overview

According to CBRE Hotels Research, the Tucson lodging market includes a supply of 4,052 upper-priced rooms, 6,591 mid-priced rooms, and 4,369 lower-priced rooms, for a total of 15,012. The inventory includes a higher-than-average ratio of upper-priced rooms at 26.8% of the total. Only about one out of five U.S. hotel markets include 25% or more of upper-priced product.

The economic fundamentals of the Tucson hotel market were strong into early-2020 prior to the COVID-19 pandemic in March 2020, which significantly disrupted the global hotel industry. The Tucson MSA had outpaced national growth trends in average daily rate (ADR) and revenue per available room (RevPAR) in recent years and was much better positioned headed into the current downturn than it was during 2008. Consistent with national trends, hotels within the upscale and luxury categories were most severely impacted, while hotels in the midscale and economy chain segments experienced fewer extreme fluctuations in demand and occupancy levels.

Economic Drivers of Demand

Personal income and total employment are the primary economic drivers of hotel forecasting models. Income and employment are important barometers of economic health and are used in every Hotel Horizons forecast model. The chart below indicates how historical average annual growth rates compare with the CBRE Hotels-AR forecast over the next five years.



Source: CBRE EA, Oxford Economics, Q3 2022

The tables on the following page illustrate the historical trends and forecasts for income (real personal income) and employment.

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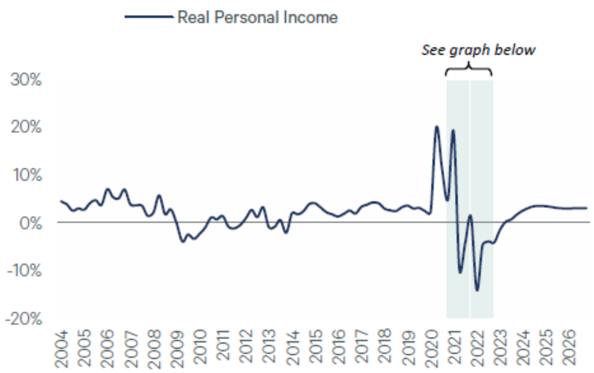
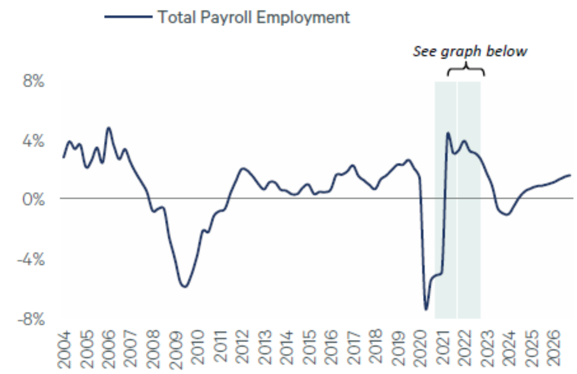
Income Change



Source: CBRE EA, Q3 2022

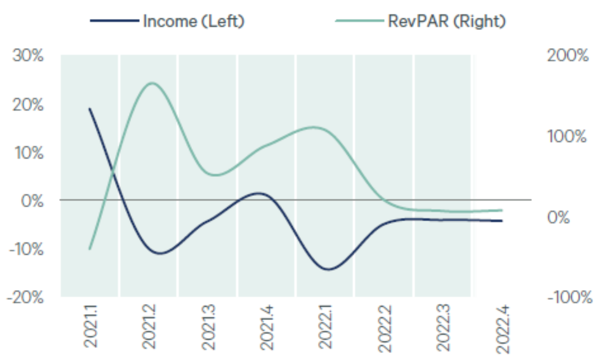
Employment Change



Source: CBRE EA, Q3 2022

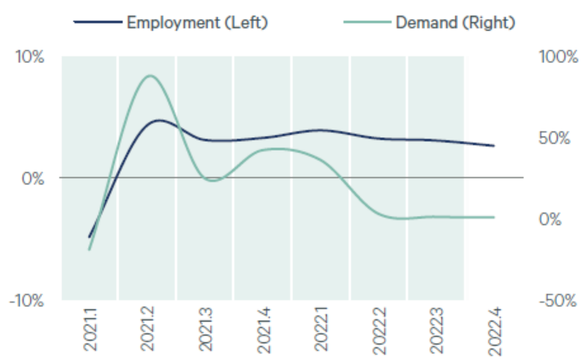
These next two charts provide a zoomed in view of quarterly income and employment trends from 1Q 2021 through 4Q 2022 (forecasted). As shown, the forces that affect the broader economy also affect lodging, but in different magnitudes and time periods. The chart on the left illustrates the relationship between changes in personal income and quarterly RevPAR change. The chart on the right shows the relationship between quarterly changes in employment and lodging demand.

Quarterly Real Personal Income vs. RevPAR Change



Source: CBRE EA, CBRE Hotels, Kalibri Labs, Q3 2022

Quarterly Employment vs. Demand Change



Source: CBRE EA, CBRE Hotels, Kalibri Labs, Q3 2022

Compound Average Annual Supply & Demand Changes

The following charts compare near-term historical compound annual growth rates (CAGRs) in supply and demand to the respective CAGRs for the forecast period.

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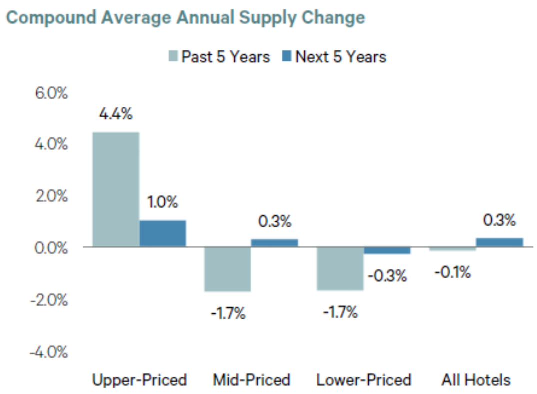
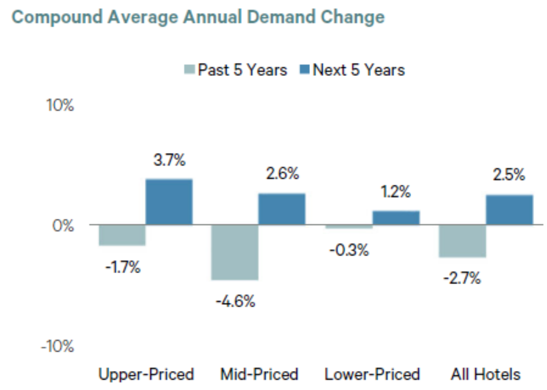


Source: CBRE Hotels Research, Kalibri Labs, Q3 2022



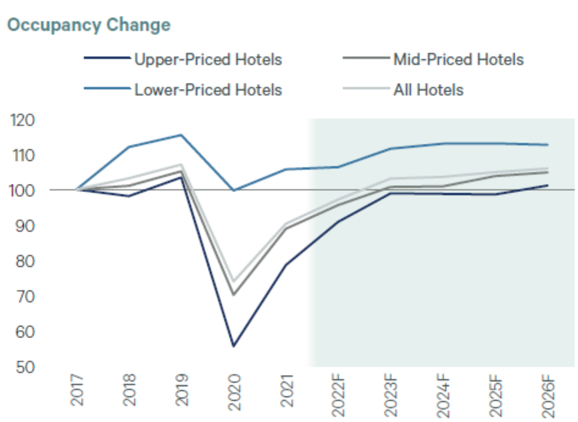
Source: CBRE Hotels Research, Kalibri Labs, Q3 2022

As shown in the chart on the left, upper-priced hotels have experienced significant gains in supply over the past five years, while mid-priced and lower-priced hotels witnessed declines in competitive supply. Upper-priced hotels are forecast to see greater supply gains over the next five years compared to the other segments, although notably lower than the past five years.

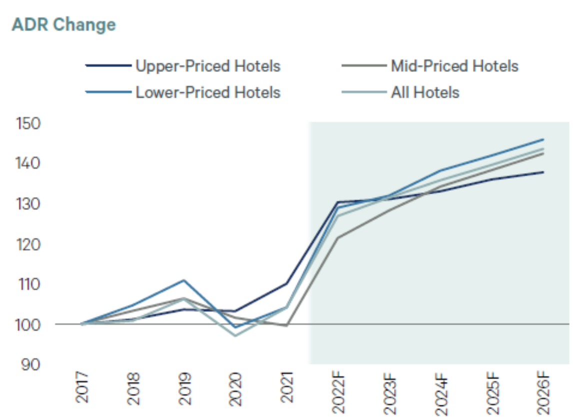
It should be noted with the chart on the right, the average annual demand change over the past five years is skewed downward due to the impact of the COVID-19 pandemic. Over the five-year forecast period, Tucson area demand growth is estimated to be driven primarily by the upper-priced and mid-priced segments, with modest growth projected in the lower-priced segment.

Magnitude of Occupancy & ADR Changes

The following graphs illustrate the magnitude of change in occupancy and ADR performance during the historical and forecasted period from 2017 to 2026. Used as a relative benchmark, each market segment is plotted against a common index value of 2017 = 100. This method provides insight of how each market segment performed and is expected to perform in relation to others in the specified period.



Source: CBRE Hotels Research, Kalibri Labs, Q3 2022



Source: CBRE Hotels Research, Kalibri Labs, Q3 2022

As shown in the chart on the left, the lower-priced and mid-priced segments experienced notable gains in occupancy in the years preceeding the COVID-19 pandemic, while the upper-priced

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segment was generally flat. Upper-priced hotels saw the most severe declines in occupancy during 2020 and occupancy levels are forecast to recover later than the other segments.

The chart on the right illustrates that all three market segments were experiencing robust ADR gains between 2017 and 2019, before witnessing significant declines in 2020. Unlike the trends in occupancy, upper-priced hotels experienced the least severe decline in ADR, while lower-priced hotels saw the greatest ADR drop. During 2021, the upper-priced and lower-priced segments saw positive year-over-year changes in ADR; however, the mid-priced segment experienced continued decline before beginning to trend upward in 2022.

Annual Performance

By year-end 2022, occupancy is anticipated to grow by 7.6%, while ADR is projected to increase by 21.8%, resulting in a RevPAR gain of 31.1%. Presented below is the CBRE Hotels five-year history and forecast summary for the entire Tucson hotel market in terms of occupancy, ADR, and RevPAR. As shown, Tucson market occupancy levels are forecasted to range from 64.5% to 70.3% over the next five years.

Annual Performance - Five Year History and Forecast

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2017	66.4%	5.4%	$105.97	4.7%	$70.35	10.4%
2018	68.5%	3.2%	$106.82	0.8%	$73.15	4.0%
2019	71.1%	3.8%	$112.49	5.3%	$79.96	9.3%
2020	49.1%	-30.9%	$102.83	-8.6%	$50.53	-36.8%
2021	59.9%	22.0%	$110.28	7.2%	$66.10	30.8%
2022F	64.5%	7.6%	$134.32	21.8%	$86.65	31.1%
2023F	68.5%	6.1%	$139.18	3.6%	$95.28	10.0%
2024F	68.7%	0.4%	$143.77	3.3%	$98.83	3.7%
2025F	69.6%	1.3%	$147.80	2.8%	$102.90	4.1%
2026F	70.3%	1.0%	$152.06	2.9%	$106.94	3.9%

Source: Kalibri Labs, Q3 2022

Long Run Averages 2000 to 2021

Occupancy: 62.0%, ADR Change: 1.1%, RevPAR Change: 1.4%

Looking towards 2023, Tucson RevPAR is expected to grow by 10.0%, which is notably lower than the rate of growth projected in 2022, but well above the long run average. Prospects for RevPAR growth in the middle-priced segment (11.3%) are better than in the upper-priced segment (9.5%) and lower-priced segment (7.3%). Overall, RevPAR for Tucson area hotels is expected to recover to 2019 levels, on a nominal basis, by year-end 2022, in-line with national trends.

Upper-Priced Hotel Summary

Presented below is the complete CBRE Hotels-AR five-year forecast for the Tucson upper-priced hotel market. Historical measures are provided going back to 2017.

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Tucson, AZ Forecast - Upper-Priced Hotels

Year	Period	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR	Δ Supply	Δ Demand
2017	Annual	66.2%	0.5%	$160.61	8.0%	$106.25	8.5%	2.0%	2.6%
2018	Annual	64.9%	-1.9%	$162.41	1.1%	$105.39	-0.8%	2.9%	0.9%
2019	1	79.0%	3.6%	$203.34	1.9%	$160.66	5.6%	9.0%	12.9%
2019	2	68.4%	0.2%	$160.91	2.7%	$110.05	2.9%	8.8%	9.0%
2019	3	62.7%	16.8%	$129.29	8.4%	$81.08	26.6%	8.8%	27.1%
2019	4	63.9%	3.6%	$163.95	1.5%	$104.78	5.2%	8.8%	12.7%
2019	Annual	68.4%	5.5%	$166.40	2.5%	$113.90	8.1%	8.8%	14.8%
2020	1	63.1%	-20.2%	$203.27	0.0%	$128.22	-20.2%	3.6%	-17.3%
2020	2	17.5%	-74.4%	$123.30	-23.4%	$21.60	-80.4%	3.6%	-73.5%
2020	3	31.4%	-50.0%	$130.91	1.3%	$41.05	-49.4%	3.6%	-48.2%
2020	4	35.5%	-44.4%	$150.96	-7.9%	$53.61	-48.8%	3.6%	-42.4%
2020	Annual	36.8%	-46.2%	$165.66	-0.4%	$61.05	-46.4%	3.6%	-44.2%
2021	1	43.2%	-31.5%	$173.16	-14.8%	$74.83	-41.6%	2.5%	-29.8%
2021	2	53.6%	205.7%	$175.03	42.0%	$93.75	334.0%	2.5%	213.4%
2021	3	49.8%	58.7%	$157.81	20.5%	$78.53	91.3%	2.5%	62.7%
2021	4	61.3%	72.7%	$195.70	29.6%	$120.03	123.9%	2.5%	77.0%
2021	Annual	52.0%	41.1%	$176.64	6.6%	$91.87	50.5%	2.5%	44.7%
2022	1	69.3%	60.4%	$247.28	42.8%	$171.41	129.1%	-3.6%	54.6%
2022	2	63.8%	19.2%	$201.06	14.9%	$128.33	36.9%	-3.6%	14.9%
2022	3	50.0%	0.5%	$167.33	6.0%	$83.66	6.5%	-3.6%	-3.2%
2022F	4	57.5%	-6.2%	$209.21	6.9%	$120.34	0.3%	-3.6%	-9.6%
2022F	Annual	60.1%	15.6%	$209.10	18.4%	$125.68	36.8%	-3.6%	11.4%
2023F	Annual	65.4%	8.8%	$210.31	0.6%	$137.57	9.5%	0.0%	8.8%
2024F	Annual	65.3%	-0.2%	$213.50	1.5%	$139.42	1.4%	0.2%	0.1%
2025F	Annual	65.2%	-0.1%	$218.18	2.2%	$142.32	2.1%	1.9%	1.7%
2026F	Annual	66.9%	2.6%	$221.10	1.3%	$147.94	3.9%	1.8%	4.5%
2021 3Q	Year to Date	48.9%	31.0%	$168.57	-1.1%	$82.38	29.7%	2.5%	34.3%
2022 3Q	Year to Date	61.0%	24.8%	$209.06	24.0%	$127.48	54.7%	-3.6%	20.3%
2022 3Q	Trailing 4 Qtrs	61.1%	34.0%	$205.59	24.5%	$125.55	66.8%	-2.1%	31.2%

Source: CBRE Hotels Research, Kalibri Labs, Q3 2022

Mid-Priced Hotel Summary

Presented below is the complete CBRE Hotels-AR five-year forecast for the Tucson mid-priced hotel market. Historical measures are provided going back to 2017.

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Tucson Forecast - Mid-Priced Hotels

Year	Period	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR	Δ Supply	Δ Demand
2017	Annual	71.7%	6.9%	$100.48	2.5%	$72.08	9.7%	0.4%	7.4%
2018	Annual	72.5%	1.0%	$103.73	3.2%	$75.18	4.3%	-1.2%	-0.2%
2019	1	85.0%	5.0%	$129.47	3.5%	$110.08	8.6%	-7.8%	-3.2%
2019	2	73.6%	1.0%	$100.48	2.8%	$74.00	3.8%	-8.3%	-7.4%
2019	3	69.4%	5.2%	$90.35	3.7%	$62.74	9.1%	-10.0%	-5.4%
2019	4	73.6%	4.8%	$102.74	1.3%	$75.64	6.2%	-10.3%	-6.0%
2019	Annual	75.4%	4.1%	$106.85	3.0%	$80.59	7.2%	-9.1%	-5.4%
2020	1	71.3%	-16.1%	$134.73	4.1%	$96.07	-12.7%	-2.2%	-18.0%
2020	2	33.4%	-54.7%	$83.14	-17.3%	$27.74	-62.5%	-2.0%	-55.6%
2020	3	46.9%	-32.4%	$82.56	-8.6%	$38.76	-38.2%	-2.8%	-34.3%
2020	4	49.7%	-32.5%	$85.57	-16.7%	$42.51	-43.8%	-3.4%	-34.8%
2020	Annual	50.4%	-33.2%	$102.03	-4.5%	$51.37	-36.3%	-2.6%	-35.0%
2021	1	59.6%	-16.4%	$91.72	-31.9%	$54.66	-43.1%	1.0%	-15.6%
2021	2	67.6%	102.6%	$99.68	19.9%	$67.40	143.0%	5.1%	113.0%
2021	3	60.4%	28.6%	$97.36	17.9%	$58.79	51.7%	9.6%	41.0%
2021	4	67.2%	35.2%	$109.50	28.0%	$73.54	73.0%	11.2%	50.4%
2021	Annual	63.7%	26.6%	$100.04	-2.0%	$63.77	24.1%	6.7%	35.1%
2022	1	76.0%	27.5%	$143.88	56.9%	$109.31	100.0%	9.4%	39.5%
2022	2	66.7%	-1.4%	$115.90	16.3%	$77.26	14.6%	5.0%	3.5%
2022	3	61.4%	1.6%	$104.06	6.9%	$63.84	8.6%	3.1%	4.8%
2022F	4	70.4%	4.8%	$119.74	9.4%	$84.29	14.6%	1.5%	6.4%
2022F	Annual	68.6%	7.6%	$121.90	21.9%	$83.58	31.1%	4.7%	12.6%
2023F	Annual	72.2%	5.3%	$128.79	5.7%	$93.03	11.3%	0.9%	6.3%
2024F	Annual	72.4%	0.2%	$134.70	4.6%	$97.50	4.8%	0.1%	0.3%
2025F	Annual	74.4%	2.8%	$138.86	3.1%	$103.36	6.0%	0.0%	2.8%
2026F	Annual	75.2%	1.0%	$143.02	3.0%	$107.54	4.0%	0.0%	1.0%
2021 3Q	Year to Date	62.6%	23.7%	$96.48	-10.1%	$60.36	11.2%	5.2%	30.2%
2022 3Q	Year to Date	68.0%	8.6%	$122.65	27.1%	$83.34	38.1%	5.8%	14.9%
2022 3Q	Trailing 4 Qtrs	67.8%	13.9%	$119.41	26.6%	$80.91	44.2%	7.1%	22.0%

Source: CBRE Hotels Research, Kalibri Labs, Q3 2022

Lower-Priced Hotel Summary

Presented below is the complete CBRE Hotels-AR five-year forecast for the Tucson lower-priced hotel market. Historical measures are provided going back to 2017.

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Tucson Forecast - Lower-Priced Hotels

Year	Period	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR	Δ Supply	Δ Demand
2017	Annual	58.8%	6.7%	$68.88	5.6%	$40.48	12.7%	-2.3%	4.2%
2018	Annual	65.8%	12.0%	$72.07	4.6%	$47.42	17.1%	9.5%	22.7%
2019	1	79.9%	6.3%	$94.41	8.7%	$75.47	15.5%	-2.2%	3.9%
2019	2	64.0%	3.3%	$71.22	5.7%	$45.60	9.1%	-2.8%	0.4%
2019	3	60.9%	2.5%	$64.17	2.3%	$39.08	4.9%	-4.3%	-1.9%
2019	4	66.5%	-0.4%	$70.48	3.1%	$46.85	2.7%	-5.3%	-5.7%
2019	Annual	67.8%	3.1%	$76.31	5.9%	$51.76	9.2%	-3.7%	-0.7%
2020	1	70.8%	-11.5%	$89.56	-5.1%	$63.37	-16.0%	-7.7%	-18.4%
2020	2	49.1%	-23.4%	$58.12	-18.4%	$28.52	-37.5%	-7.7%	-29.3%
2020	3	59.8%	-1.9%	$59.84	-6.7%	$35.76	-8.5%	-6.6%	-8.4%
2020	4	54.7%	-17.7%	$59.33	-15.8%	$32.47	-30.7%	-4.1%	-21.1%
2020	Annual	58.6%	-13.6%	$68.33	-10.5%	$40.03	-22.7%	-6.6%	-19.3%
2021	1	62.2%	-12.0%	$64.54	-27.9%	$40.17	-36.6%	-5.2%	-16.6%
2021	2	64.0%	30.3%	$75.28	29.5%	$48.15	68.8%	-4.6%	24.4%
2021	3	57.5%	-3.7%	$69.51	16.2%	$39.99	11.8%	-6.2%	-9.6%
2021	4	64.6%	18.0%	$77.02	29.8%	$49.72	53.1%	-4.8%	12.3%
2021	Annual	62.1%	6.0%	$71.74	5.0%	$44.54	11.3%	-5.2%	0.5%
2022	1	72.1%	15.9%	$105.56	63.6%	$76.12	89.5%	2.4%	18.6%
2022	2	57.7%	-9.8%	$87.01	15.6%	$50.17	4.2%	2.4%	-7.7%
2022	3	55.4%	-3.8%	$75.09	8.0%	$41.58	4.0%	1.9%	-2.0%
2022F	4	64.8%	0.4%	$83.28	8.1%	$53.97	8.5%	0.4%	0.8%
2022F	Annual	62.5%	0.6%	$88.75	23.7%	$55.45	24.5%	1.8%	2.4%
2023F	Annual	65.5%	4.9%	$90.82	2.3%	$59.50	7.3%	-1.1%	3.7%
2024F	Annual	66.4%	1.3%	$95.09	4.7%	$63.10	6.0%	0.0%	1.3%
2025F	Annual	66.4%	0.1%	$97.68	2.7%	$64.88	2.8%	0.0%	0.1%
2026F	Annual	66.2%	-0.3%	$100.43	2.8%	$66.48	2.5%	0.0%	-0.3%
2021 3Q	Year to Date	61.3%	2.3%	$69.86	-1.7%	$42.79	0.5%	-5.3%	-3.1%
2022 3Q	Year to Date	61.7%	0.7%	$90.65	29.8%	$55.93	30.7%	2.2%	3.0%
2022 3Q	Trailing 4 Qtrs	62.4%	4.8%	$87.15	29.5%	$54.39	35.7%	0.4%	5.2%

Source: CBRE Hotels Research, Kalibri Labs, Q3 2022

PIPELINE ACTIVITY

As of Q3 2022, there were two hotels currently under construction in the Tucson MSA. Additionally, there are several proposed projects in the pipeline (in different stages of planning), all with varying degrees of likelihood of completion over the next several years. After many years of tepid supply growth, Tucson area supply began accelerating in 2018, and several hotel projects were under construction when the COVID-19 pandemic began, all of which have subsequently been completed. The full extent of the COVID-19 pandemic's impact on pipeline activity is currently unknown; however, some projects that were previously in the planning stage have been deferred or delayed until market conditions fully recover.

Tucson MSA Submarkets

CBRE Hotels' Americas Research breaks down the Tucson market into four submarkets. The following table depicts the Tucson hotel supply by submarket, and the following map demarcates the boundaries of each submarket.

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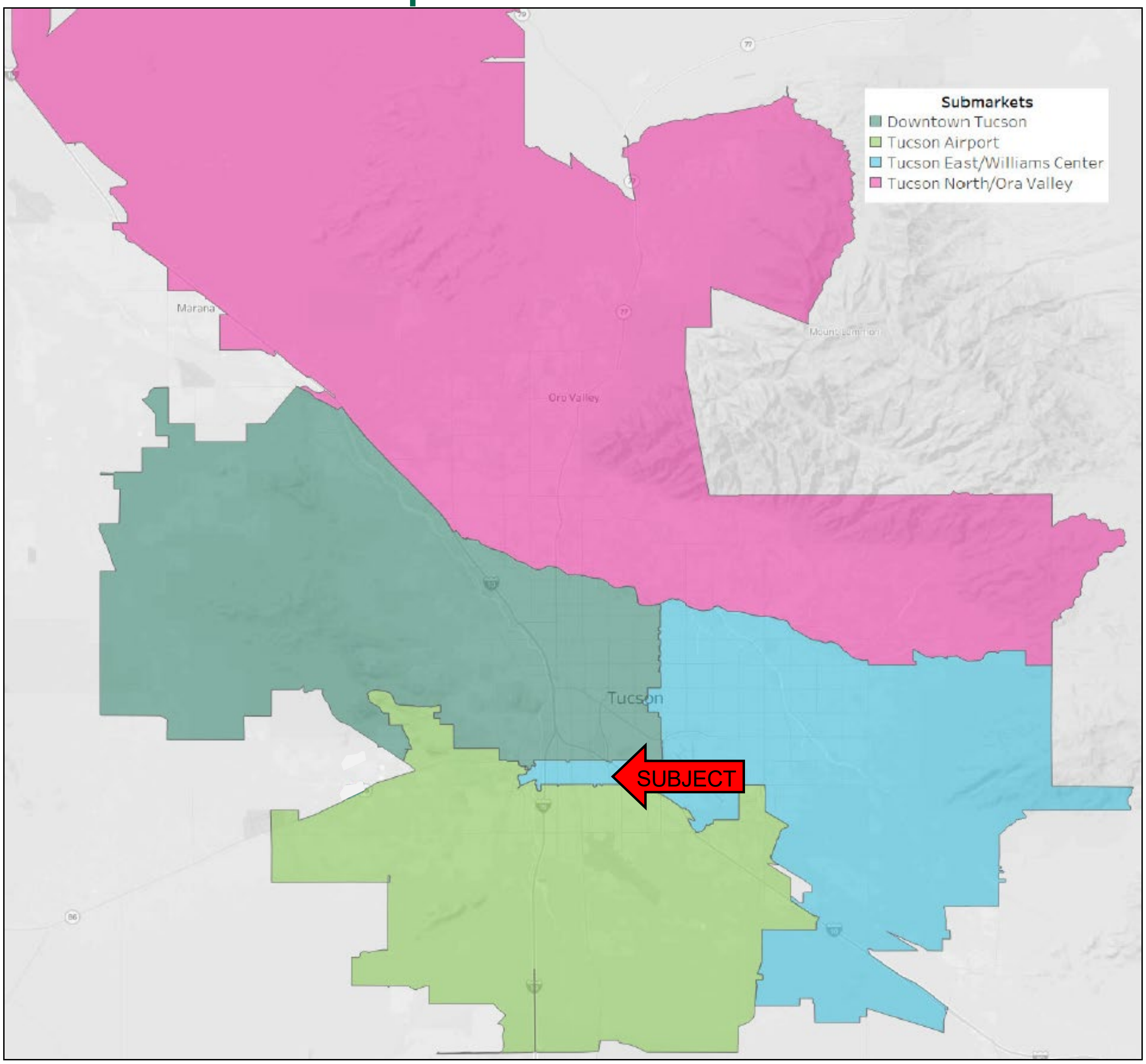
Tucson, AZ Submarket Summary

Submarket	Upper-Priced			Mid-Priced			Lower-Priced			Totals		
	Properties	Rooms	% Mkt	Properties	Rooms	% Mkt	Properties	Rooms	% Mkt	Properties	Rooms	% Mkt
Downtown Tucson	6	1,129	7.5%	26	2,023	13.4%	25	2,133	14.1%	57	5,285	34.9%
Tucson Airport	0	0	0.0%	16	2,190	14.5%	5	520	3.4%	21	2,710	17.9%
Tucson East/Williams Center	3	517	3.4%	13	1,705	11.3%	7	743	4.9%	23	2,965	19.6%
Tucson North/Oro Valley	14	2,406	15.9%	7	673	4.4%	11	973	6.4%	32	4,052	26.8%
Total	23	4,052	26.8%	62	6,591	43.6%	48	4,369	28.9%	133	15,012	99.2%

Source: Kalibri Labs, Q3 2022

Tucson Submarket Map



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CONCLUSIONS - TUCSON HOTEL MARKET

Recovering occupancy levels and above-average RevPAR gains will characterize Tucson area lodging performance over the near term as the market continues to recover from the COVID-19 pandemic. CBRE Hotels current baseline forecast for the Tucson MSA projects RevPAR will recover to 2019 levels on a nominal basis by year-end 2022, in-line with the national projection. While the lodging industry is recovering from the worst downturn in history, there are still significant near-term challenges. Job openings per hotel are above the pre-pandemic peak and hotel wages are up significantly year-over-year. Business travel is beginning to pick up; however, group demand and international travel have been slower to return in full. Many offices are reopening and urban core locations across the country are seeing more activity. The Tucson economy has been expanding at a more rapid pace than the U.S., and the continued diversification of its economy will help better position the MSA over the long-term relative to historical averages. Sectors such as education/health services, financial activities, and technology have experienced significant growth in recent years. Driving factors include Tucson's business-friendly environment, sizeable local talent pool, and advantageous geographical location. Overall, the outlook for the Tucson MSA hotel market remains positive over the long-term as the area continues to recover from the COVID-19 pandemic.

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TUCSON RETAIL MARKET OVERVIEW

An overview of local market conditions is a necessary aspect of the appraisal process. The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. The data used in this section of the report is attributable to CBRE Research's Tucson Retail Figures Report; 1st Quarter 2023. The CBRE Econometric Advisors market study for the Tucson retail sector consists of neighborhood, power, and selected strip centers within the metropolitan area.

Recent Trends

6.8%	195,365	80,516	$17.44
Vacancy Rate	SF Net Absorption	SF Construction	NNN / Lease Rate

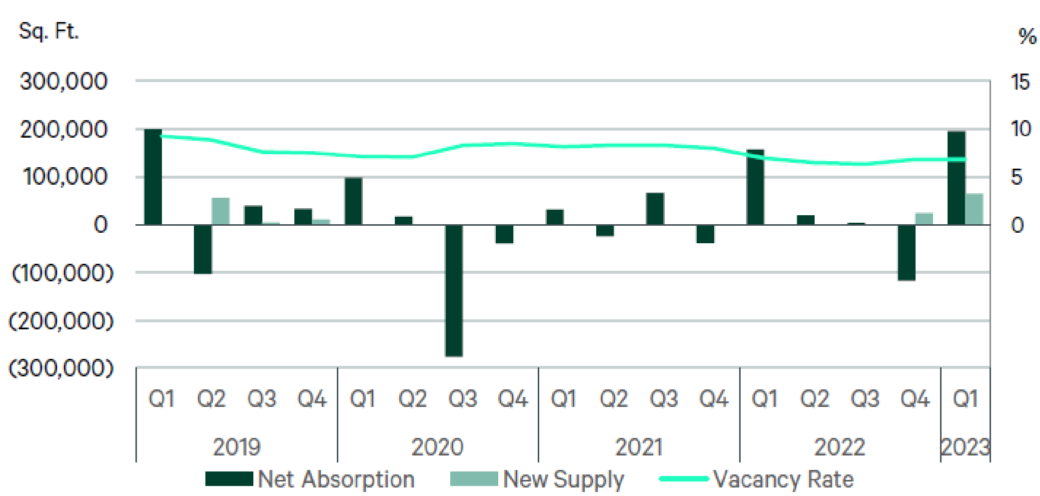
Note: Arrows indicate change from previous quarter.

The Tucson retail market experienced one of the best performing quarters in several years, with high net absorption, increased construction activity and low vacancy. Tucson's national exposure as a premier retail and lifestyle location is evident, seen by the increase in leasing activity and high net absorption for the quarter. As the Tucson market heads in the direction of creative forms of retail experiences, development activity increased to 80,516 sq. ft. under construction.

Key Takeaways

- 195,365 sq. ft. of net absorption occurred in Q1 2023, along with 297,725 sq ft. of gross activity.
- Construction activity increased from the year prior even though 63,500 sq. ft. delivered in the first quarter.
- Tucson average asking lease rates increased $0.11 from the prior quarter to $17.44.

FIGURE 1: Supply and Demand



Source: CBRE Research, Q1 2023

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Availability and Vacancy

Vacancy remained unchanged quarter-over-quarter at 6.8%. The Northwest submarket, the largest in Tucson, dropped 30 basis points (bps) to 5.0%. The most significant increase in vacancy was in the Southeast submarket, which reached 6.5% vacancy, but remained slightly below market average.

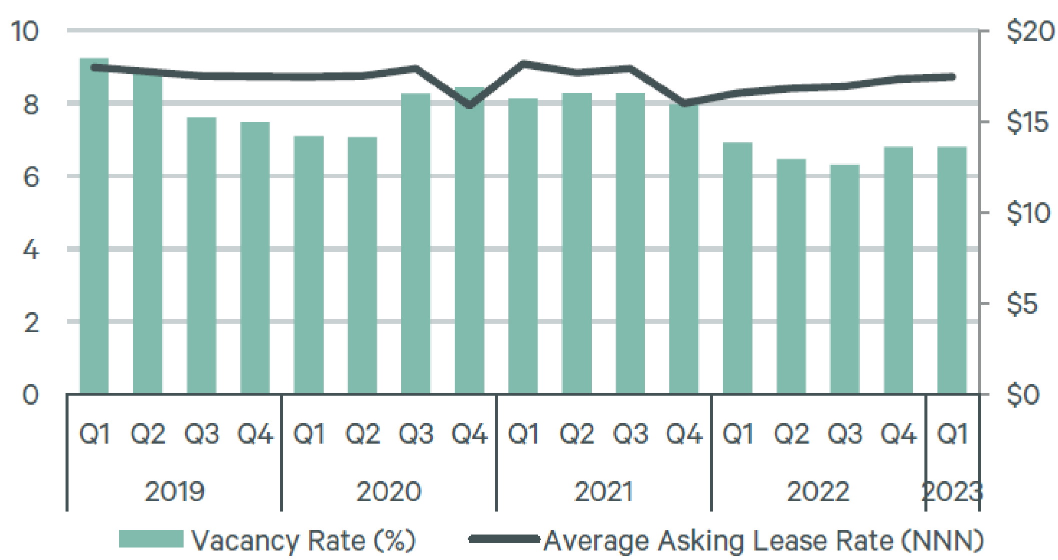
The market-wide availability rate increased 30 bps to 8.6% in Q1 2023.Both the Southeast and Southwest submarkets experienced upticks in availability reaching 9.0% and 7.9%, respectively. The Northwest submarket recorded an availability rate of 6.9%, which remained unchanged from Q4 2022.

Lease Rates

The average asking direct NNN lease rate was $17.44 in Q1 2023—a 0.7% increase from Q4 2022. Tucson retail continued its upward trend in lease rates with a 5.4% growth in lease rates over the past year. As highly sought after retail locationsbecome more limited each quarter, increases in asking rates for the spaces that remained followed.

The Northwest submarket average asking lease rate decreased to $17.71 but remained above the Tucson market average. The Central submarket remained a cost-efficient option for retailers with an average asking rate of $14.39 per sq. ft. The largest increase in asking rates was in the Southeast submarket at $22.26 per sq. ft., well above the market average.

FIGURE 2: Overall Vacancy and Lease Rate



Source: CBRE Research, Q1 2023.

Net Absorption and Leasing Activity

The Tucson retail market recorded 195,365 sq. ft. of positive net absorption, driven primarily by several big box space leases and preleased construction deliveries. Overall absorption was

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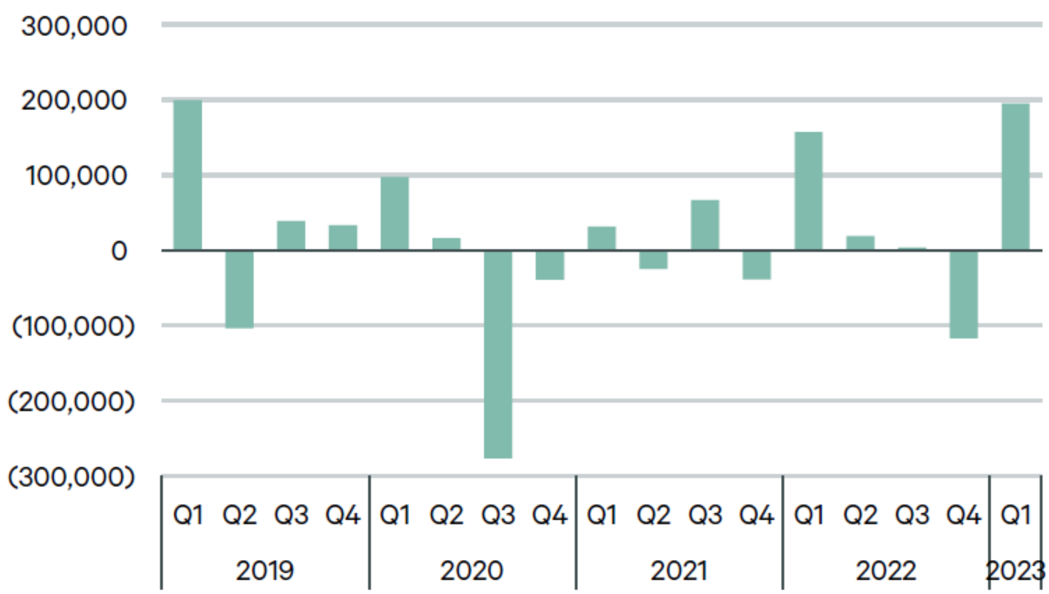
partially offset by several large move-outs including Bed Bath and Beyond and Big Lots. The Central submarket had half of the recorded net absorption in the quarter, which accounted for 137,975 sq. ft, due to minimal move-outs and several health and wellness companies which leased over 10,000 sq. ft. vacant spaces. The Southwest submarket accounted for the second most net absorption, made up mainly of construction deliveries.

The Tucson market experienced an impressive 297,725 sq. ft. of gross activity in Q1 2023. The largest leases signed in the quarter were by Floor & Décor, Spirit Halloween and Bullfrog Spas, as these companies leased or renewed space. The Central submarket recorded over 150,000 sq. ft. of gross activity, more than half of the leasing activity for the quarter.

FIGURE 3: Net Absorption (Sq. Ft.)



Source: CBRE Research, Q1 2023.

Development Activity

The 50,000 sq. ft. Main Event entertainment center delivered at The Landing shopping center in Q1 2023, continuing Tucson's momentum of new retail on the market. Retail product construction increased to 80,516 sq. ft., which marked a four-year high in square footage under construction in the Tucson retail market.

The highly anticipated Fry's shopping center is planned within the Marana area and is expected to break ground in Q2 2023, catering to the rapidly expanding community in the Northwest submarket. Lastly, partial demolishing of the Foothills Mall was underway, as a mixed-use project in the former space is planned to better serve the community.

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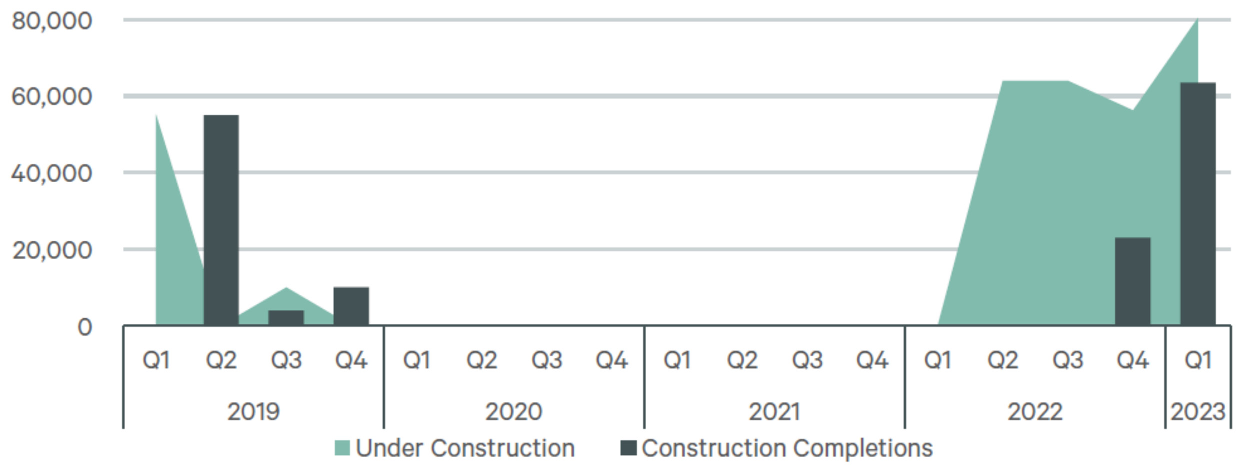
FIGURE 4: Under Construction and New Supply (Sq. Ft.)



Source: CBRE Research, Q1 2023.

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Submarket Overview

A map of the submarkets and table summarizing their current state are presented below. The subject is located within the Southwest submarket, as demarcated by CBRE.

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FIGURE 5: Submarket Stats

	Building Count	Net Rentable Area	Availability %	Vacancy %	Net Absorption Q1 2023	Net Absorption 2023 YTD	Gross Activity Q1 2023	Under Construction	Construction Completions	Avg. Direct Asking Lease Rate ($PSF/NNN)
Central	56	4,969,866	12.4%	11.1%	137,975	137,975	151,294	21,600	0	$14.39
Northeast	14	1,177,763	10.2%	6.3%	(666)	(666)	4,381	0	0	$20.31
Northwest	85	9,484,456	6.9%	5.0%	14,494	14,494	46,337	0	0	$17.71
Southeast	27	2,889,732	9.0%	6.5%	(16,630)	(16,630)	17,381	0	0	$22.26
Southwest	26	4,177,746	7.9%	6.9%	59,238	59,238	77,378	58,916	63,500	$15.38
West	10	1,063,372	4.5%	2.3%	954	954	954	0	0	$12.25
Tucson Total	218	23,762,935	8.6%	6.8%	195,365	195,365	297,725	80,516	63,500	$17.44

Source: CBRE Research, Q1 2023.

According to CBRE Research, the base inventory of shopping center space stands at 23,762,935 square feet. Of this total, approximately 4,177,746 square feet is located within the Southwest submarket, or approximately 17.6% of the overall supply.

The lowest vacancy levels for Q1 2023 were experienced in the West, Northwest, and Northeast submarkets of the metro area (2.6%, 5.0%, and 6.3%, respectively), with the highest occurring in the Central and Southwest submarkets (11.1% and 6.9%, respectively). During Q1 2023, the Southwest submarket had a vacancy rate of 6.9% and net absorption of 59,238 square feet, year-to-date. The Southwest submarket's average asking rate of $15.38 per square foot, NNN, is below the market-wide average of $17.44 per square foot.

Outlook

The Tucson retail market is expected to trend positive in the future. Although net absorption was negative to close out the year due to closures of large big box retail spaces, demand for smaller brick-and-mortar retail space has helped mitigate the negative absorption impacts. These trends, coupled with expected deliveries of large build-to-suits, are expected to drive modest net absorption growth and stable vacancy rates throughout 2023.

Lending concerns and fears of a recession in 2023 may halt the start of many construction plans. However, retail development will prove to be an opportunity for developers in the long run. Developers will want to stay on track with planned development so as not to lose momentum as the market stabilizes.

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TUCSON OFFICE MARKET OVERVIEW

The CBRE Research and CBRE Econometric Advisors office survey includes leasable multi-tenant office facilities of at least 10,000 square feet in size.

▲13.9%	▼-66,303	▶ 0	▲ $23.17
Vacancy Rate	SF Net Absorption	SF Construction	FSG / Lease Rate

Note: Arrows indicate change from previous quarter.

According to CBRE Research, the Tucson office market saw mixed indicators in Q4 2022. Other than a large single tenant move out, leasing activity was healthy amongst the Tucson submarkets, especially North Central. The East Central submarket has the highest availability rate, reaching 24.5% of space available. The average asking FSG lease rate increased 2.3% from the quarter prior, with Class A reaching a record high rate of $25.40 per sq. ft caused by a large quantity of high cost per sq. ft. Class A space newly entering the market.

Key Takeaways

- The full service gross direct average asking lease rate reached $23.17 in Q4 2022.
- The market experienced 85,202 sq. ft. of leasing activity, but 66,303 sq. ft. of negative net absorption in Q4 2022, due primarily to East Central submarket move outs.
- Vacancy increased 50 basis points and remains 300bps higher than pre-pandemic levels.

Availability and Vacancy

Office space availability in Tucson increased more than 100 bps, reaching 15.8%. The biggest increase in availability was from the East Central submarket, with a 510 bps increase in availability caused by a 128,000 sq. ft. move out from Raytheon. The North Central submarket had a 370 bps decrease in availability; the steepest decline amongst Tucson submarkets.

Vacancy increased to 13.9% in Q4 2022. Although higher than the prior quarter, vacancy remains lower than the Q2 high of 14.7%. Class A had a notable 230 bps increase in vacancy but remained lower than the market average. Class B continued to see a decline in vacancy, dropping 130 bps reaching 17.5%. Space in the North Central remains limited as vacancy declined 310 bps to 6.5%. North Central continues to be a highly sought-after location for office users.

Lease Rates

The fourth quarter average asking FSG rate was $23.17 per sq. ft, representing year-over-year growth of 7.6%. Class A average asking lease rates increased while other building classes saw declines. The influx of new Class A space entering the East Central submarket placed upwards pressure on the average asking lease rate.

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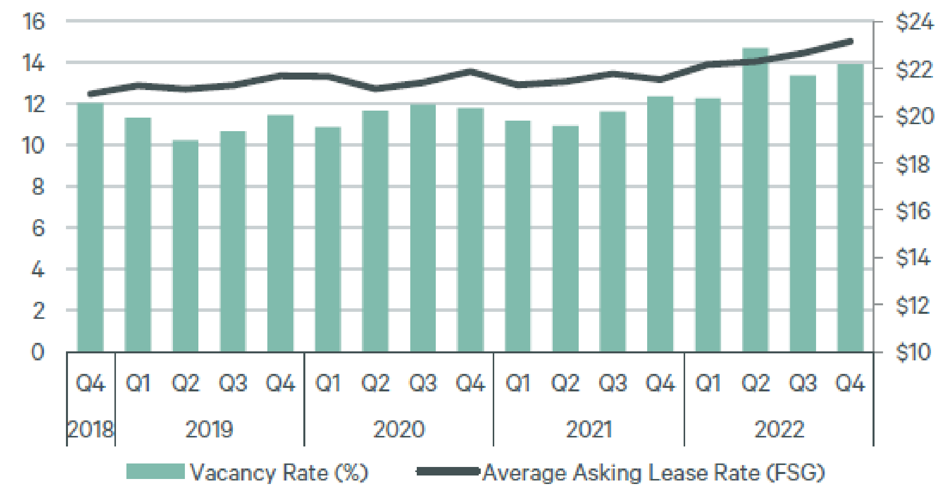
The North Central submarket remains one of the most expensive submarkets, with an average direct asking lease rate of $24.47 per sq. ft. In contrast, the Northeast submarket recorded an asking lease rate of $18.99 per sq. ft., making it a cost-effective submarket for office users.

FIGURE 2: Overall Vacancy and Lease Rate



Source: CBRE Research, Q4 2022.

Net Absorption and Leasing Activity

Net absorption turned down by -66,303 sq. ft. in Q4 2022. A key contributor was a 128,000 sq. ft. space vacated by Raytheon in October. The move out had a strong impact on net absorption both in Class A product and the East Central submarket. Class B product captured positive absorption for the second consecutive quarter with 50,936 sq. ft., counteracting the negative Class A net absorption. The North Central submarket recorded a positive net absorption of 51,783 sq. ft. Several large lease transactions were signed in the North Central submarket including leases signed at the Offices at La Paloma and substantial sublease activity at the Cambric Corporate Center.

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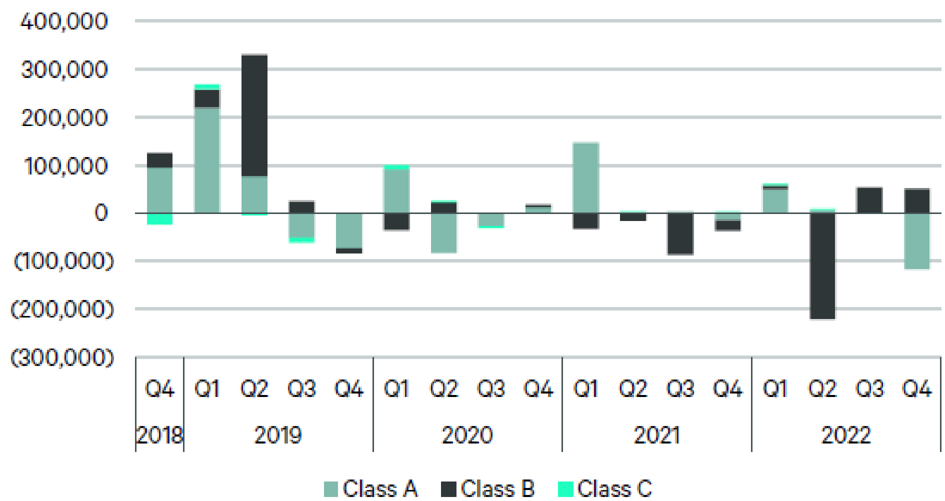
FIGURE 3: Net Absorption by Class (Sq. Ft.)

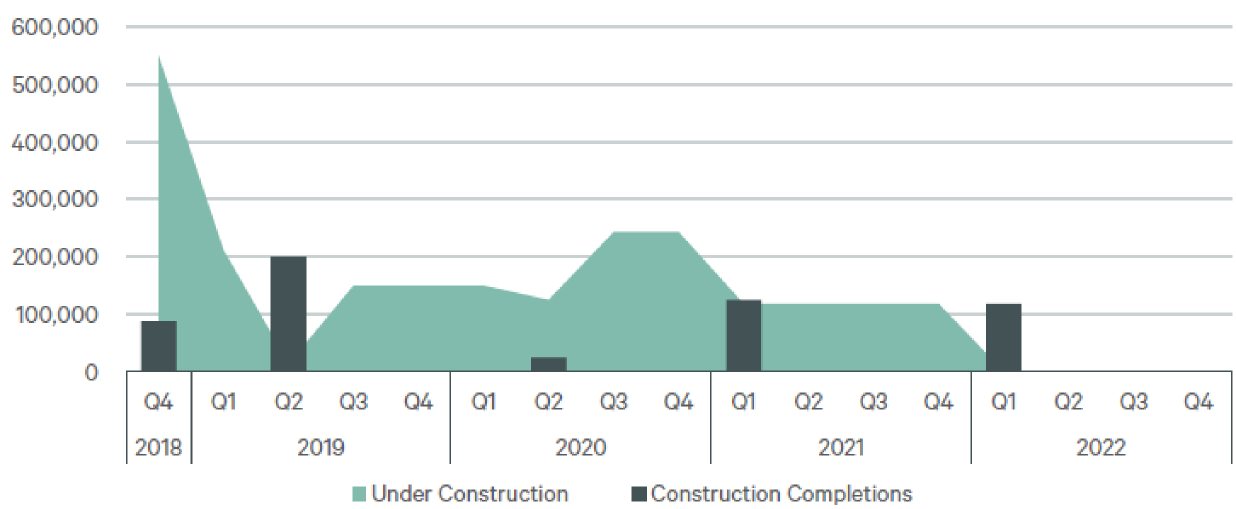


Source: CBRE Research, Q4 2022.

Development Activity

Tucson office development remained quiet through year's end with no new construction projects or deliveries in Q4. Due to economic uncertainty and increased capital costs, many developers remain reluctant to begin new projects. However, as the market stabilizes in the coming quarters, strong activity in certain submarkets such as North Central may help to inspire developer confidence. Additionally, Class A availability remains below 3.0% in the Downtown, North Central and Southeast submarkets—positive indicators for potential future development.

FIGURE 4: Under Construction and New Supply (Sq. Ft.)



Source: CBRE Research, Q4 2022.

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Outlook

The Tucson office market outlook is positive. Tucson continues to be a desirable locale for office users looking for alternative space options near key sunbelt markets. American Battery Factory recently announced the development of their new battery manufacturing facility, strengthening Arizona's identity for emerging technology. Tucson continues to build a brand as an innovation hub for energy, aerospace and emerging technology with a strong talent pipeline and affordable office product.

Submarket Overview

A map of the submarkets and table summarizing their current state are presented below. The subject is located in the Southwest submarket, as demarcated by CBRE Research.

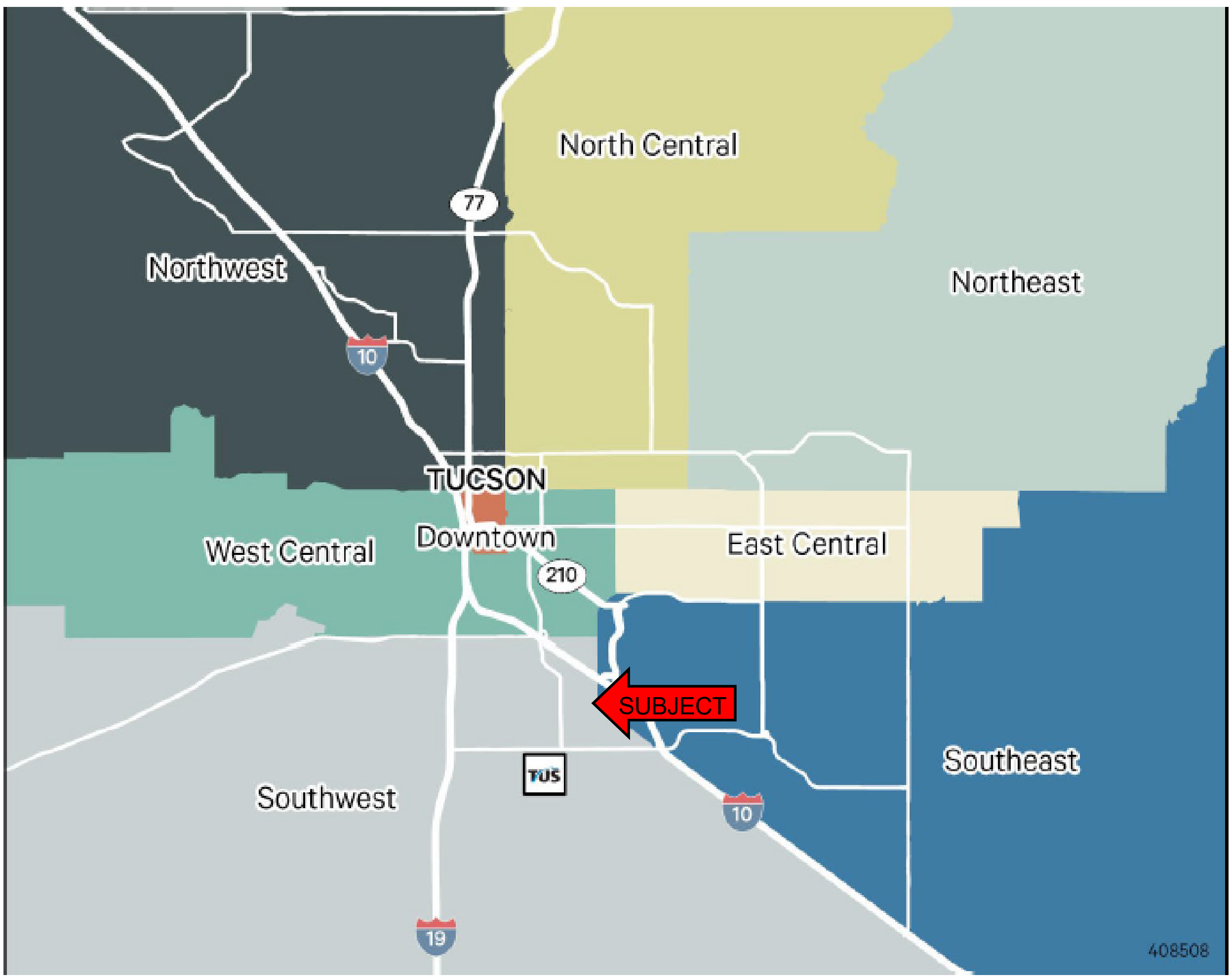

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FIGURE 5: Submarket Stats

	Building Count	Net Rentable Area (Sq. Ft.)	Availability (%)	Vacancy (%)	Net Absorption (Sq. Ft.) Q4 2022	Net Absorption (Sq. Ft.) 2022 YTD	Under Construction (Sq. Ft.)	Construction Deliveries (Sq. Ft.)	Avg. Direct Asking Lease Rate ($PSF/FSG)
Downtown	19	816,273	8.0%	8.0%	968	-48	0	0	$23.51
East Central	59	2,784,496	24.5%	21.0%	-114,999	-115,551	0	0	$23.70
North Central	85	2,159,996	7.3%	6.5%	51,783	56,485	0	0	$24.47
Northeast	53	995,019	21.4%	21.1%	-15,089	33,363	0	0	$18.99
Northwest	72	2,440,052	16.3%	13.7%	5,462	-196,819	0	0	$21.83
Southeast	2	119,157	12.5%	12.5%	0	0	0	0	$27.00
Southwest	2	118,273	5.8%	5.8%	0	0	0	0	$24.96
West Central	23	914,892	10.3%	9.3%	5,572	61,317	0	0	$27.21
Tucson Total	315	10,348,158	15.8%	13.9%	-66,303	-161,253	0	0	$23.17

Source: CBRE Research, Q4 2022.

According to CBRE Research, the base inventory of multi-tenant office space (over 10,000 square feet) stands at 10,344,358 square feet. Of this total, 118,273 square feet, or about 1.1% of the overall supply, is located in the subject's submarket. Current vacancy in the subject's submarket is 5.8%, which ranks as the lowest rate of the submarkets, and falls well below the Tucson average of 13.9%. The submarket's average asking rate is $24.96 per square foot, full-service gross (FSG), which is slightly above the market-wide average asking rent of $23.17 per square foot.

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DEMOGRAPHIC ANALYSIS

Demand for retail properties is a direct function of demographic characteristics analyzed on the following pages.

Housing, Population and Household Formation

The following table illustrates the population and household changes for the subject neighborhood.

POPULATION AND HOUSEHOLD PROJECTIONS

Population	1 Mile Radius	3 Mile Radius	5 Mile Radius	Tucson, AZ Metropolitan Statistical Area
2027 Total Population	7,291	90,917	231,452	1,077,232
2022 Total Population	7,437	91,000	232,145	1,066,578
2010 Total Population	7,987	95,752	232,727	980,263
2000 Total Population	7,945	89,261	214,718	843,746
Annual Growth 2022 - 2027	*-0.40%*	*-0.02%*	*-0.06%*	*0.20%*
Annual Growth 2010 - 2022	*-3.50%*	*-2.51%*	*-0.13%*	*4.31%*
Annual Growth 2000 - 2010	*0.05%*	*0.70%*	*0.81%*	*1.51%*
Households				
2027 Total Households	2,673	32,690	88,680	451,069
2022 Total Households	2,695	32,215	87,492	440,609
2010 Total Households	2,522	30,085	80,404	388,660
2000 Total Households	2,501	28,104	75,142	332,350
Annual Growth 2022 - 2027	*-0.16%*	*0.29%*	*0.27%*	*0.47%*
Annual Growth 2010 - 2022	*3.37%*	*3.48%*	*4.31%*	*6.47%*
Annual Growth 2000 - 2010	*0.08%*	*0.68%*	*0.68%*	*1.58%*

Source: ESRI

As shown, the subject's neighborhood is experiencing a slight increases in population and households. Population and household growth over the next five years is expected to be positive, though nominal due to the built-up nature of the neighborhood.

Income Distributions

Household income available for expenditure on consumer items is a primary factor in determining the retail supply and demand levels in a given market area. In the case of this study, a projection of household income identifies (in gross terms) the market from which the subject submarket draws. The following table illustrates estimated household income distribution for the subject neighborhood.

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HOUSEHOLD INCOME DISTRIBUTION				
Households by Income Distribution (2022)	1 Mile Radius	3 Mile Radius	5 Mile Radius	Tucson, AZ Metropolitan Statistical Area
<$15,000	11.32%	14.70%	14.98%	9.92%
$15,000 - $24,999	9.54%	13.48%	11.57%	7.88%
$25,000 - $34,999	11.17%	12.08%	10.95%	8.95%
$35,000 - $49,999	18.81%	16.45%	15.14%	12.61%
$50,000 - $74,999	18.74%	17.90%	18.06%	16.45%
$75,000 - $99,999	14.17%	11.03%	12.20%	13.90%
$100,000 - $149,999	9.98%	10.21%	11.14%	16.94%
$150,000 - $199,999	4.94%	2.52%	3.04%	6.17%
$200,000+	1.37%	1.62%	2.90%	7.17%

Source: ESRI

The following table illustrates the median and average household income levels for the subject neighborhood.

HOUSEHOLD INCOME LEVELS				
Income	1 Mile Radius	3 Mile Radius	5 Mile Radius	Tucson, AZ Metropolitan Statistical Area
2022 Median Household Income	$49,102	$42,617	$46,621	$64,015
2022 Average Household Income	$65,983	$59,677	$66,226	$92,825
2022 Per Capita Income	$24,382	$21,234	$25,173	$38,503

Source: ESRI

An analysis of the income data indicates that the submarket is generally comprised of lower- and lower-middle income economic cohort groups, which include the target groups to which the subject is oriented.

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Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

AS VACANT

The property is zoned for mixed use and is of sufficient size to accommodate various types of development. The immediate area includes various office, retail, residential, and civic land uses. Considering the surrounding land uses, location attributes, legal restrictions and other factors, it is our opinion that a mixed use would be reasonable and appropriate.

While the subject is known as a part of the Kino South Sports Complex, a Pima County owned and operated public athletic/sports venue, there is a development agreement nearing final completion for a third-party private developer who intends to develop the site for mixed use, including an iceplex, field house, sportsplex, stadium, and parking structure, as well as hospitality, parking, retail, office and open space uses. At the request of the client, the purpose of this report is to determine the market value and fair market rental rate for the subject land, which inherently considers this intended development agreement. Therefore, the highest and best use of the site is for future mixed use development.

However, given the continued strong demand for industrial in Tucson currently, it is likely that, if the subject were sold to a third party, that industrial oriented uses would be predominately developed. The current PAD zoning allows for industrial (manufacturing) as an allowed secondary land use. In addition, while multi-family demand has slowed recently, apartment developers continue to purchase sites for future multi-family development, and multi-family uses would be a strong consideration for development of the subject site.

Therefore, it is our opinion that the highest and best use would be for mixed use development, predominantly industrial and/or multifamily, time and circumstances warranting. The likely buyer is a developer or land speculator.

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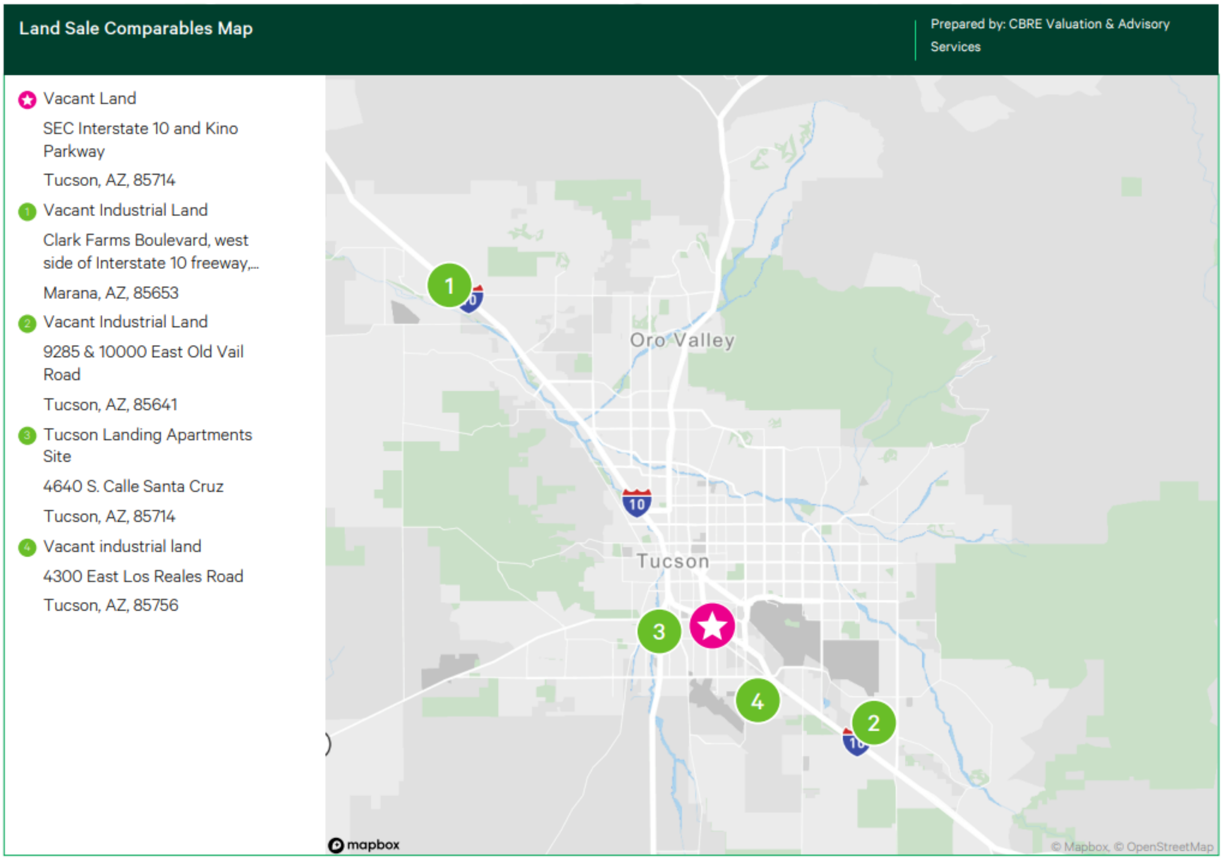
Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



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		Transaction								
No.	Property Location	Type	Date	Zoning	Proposed Use	Actual Sale Price	Size (Acres)	Size (SF)		Price Per SF
1	Clark Farms Boulevard, west side of Interstate 10 freeway, north of Tangerine Road Marana, AZ 85653	Sale	May-22	F, Specific Plan (Marana)	Mixed use, with predominantly industrial	$21,192,870	128.47	5,596,153		$3.79
2	9285 & 10000 East Old Vail Road Tucson, AZ 85641	Sale	Aug-22	I-1, Light Industrial (Tucson)	Speculation (likely industrial)	$4,396,566	43.11	1,877,711		$2.34
3	4640 S. Calle Santa Cruz Tucson, AZ 85714	Sale	Aug-22	PAD-29	Mixed use, with predominantly hotel	$2,700,000	15.23	663,419		$4.07
4	4300 East Los Reales Road Tucson, AZ 85756	Sale	Sep-22	CI-2, General Industrial (Pima County)	Industrial use	$7,600,000	98.65	4,297,194		$1.77
Subject	SEC Interstate 10 and Kino Parkway, Tucson, Arizona	---	---	PAD-18 Kino Campus PAD - SubArea E (Tucson)	Mixed Use	---	84.84	3,695,630	-	---

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The sales utilized represent the best data available for comparison with the subject. The sales chosen were all large sites that considered the most comparable based upon their similar physical, location, and zoning characteristics and were all within the Tucson MSA. All comparables represents sites along or near major transportation corridors, similar to the subject.

As mentioned earlier, given the continued strong demand for industrial in Tucson currently, it is likely that, if the subject were sold to a third party, that industrial oriented uses would be predominately developed. The current PAD zoning allows for industrial (manufacturing) as an allowed secondary land use. In addition, while multi-family demand has slowed recently, apartment developers continue to purchase sites for future multi-family development, and multi-family uses would be a strong consideration for development of the subject site.

Comparables 2 and 3 were purchased for industrial uses. Comparables 1 and 3 were purchased for development of a mixed use project. Therefore, all sales represent planned uses that conform to the subject's PAD and represent the highest and best use.

Last, we are also aware of a sale in September 2021 of an 85-acre (net) site located along the west side of Interstate 10, straddling Prince Road. While not disclosed in public record, according to the buyer who intends to develop a mixed use (PAD-43) planned development with uses from commercial (retail/office), industrial, multi-family and other uses, the assembled purchase price is around $3.00 per square foot. Utilities are to the site. This is supportive of the comparables, though given limited weight due to its lack of transparency.

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DISCUSSION/ANALYSIS OF LAND SALES

Land Sale One

This comparable represents the sale of a 128.47-acre site that is located along the east side of Clark Farms Boulevard, on the west side of Interstate 10 freeway, north of Tangerine Road in Marana, Arizona. The site was agriculture land that is zoned F, Specific Plan with mixed uses including industrial uses. Two adjacent sites were purchased concurrently in May 2021 for $21,192,870, which equates to $3.79 per square foot. It is proposed for a cold storage facility by Shamrock Farms. The site has excellent visibility due to its frontage along Interstate 10 freeway. No conditions of sale were noted.

Upon comparison with the subject, this comparable was considered superior in terms of shape and received a downward adjustment for this characteristic due to it not being bifurcated by a wash. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Land Sale Two

This comparable represents the sale of 43.1 acres of undeveloped land located at the 9825 & 10000 Old Vail Road, in Tucson, Arizona. The site is zoned I-1, Light Industrial, has generally level topography, and is not situated within a floodplain. All utilities are reported to be adjacent to the site. The buyer is a developer (Diamond Ventures) who purchased the site for speculative future development. The site sold in August 2022 for $4,396,566 or $2.34 per square foot. No atypical conditions of sale were noted.

Upon comparison with the subject, this comparable was considered superior in terms of shape and received a downward adjustment for this characteristic due to it not being bifurcated by a wash. In terms of proximity to freeway, this comparable was judged inferior due to its further proximity to the freeway and received an upward adjustment for this characteristic. An upward adjustment was applied to this comparable for its inferior access/visibility attribute when compared to the subject, based upon its lesser visibility. Overall, the adjustments applied to this comparable resulted in a net adjustment of zero, whereby the property was deemed similar in comparison to the subject.

Land Sale Three

This comparable represents the sale of a 15.23-acre site located at 4640 S. Calle Santa Cruz in Tucson, AZ, north of the Tucson Landing shopping center, and west of Interstate-19. The site sold in August 2022 for $2,700,000, or $4.07 per square foot. Since the date of sale, construction has begun on a 210-unit apartment complex. The sale price per proposed unit equates to $12,857. No conditions of sale were noted.

The downward adjustment for size reflects this comparable's superior feature with respect to economies of scale regarding parcel size. Upon comparison with the subject, this comparable was considered superior in terms of shape and received a downward adjustment for this

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characteristic due to it not being bifurcated by a wash. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Land Sale Four

This comparable represents the listing of a 98.65-acre tract of vacant industrial zoned land located at 4300 East Los Reales Road in Tucson, Arizona. The site is the former raceway and is partially improved. The site has frontage along Los Reales Road, an east/west arterial and is near the Tucson International Airport. According to the listing broker, the site sold in September 2022 for $7,600,000 or $1.77 per square foot. The site has city water and a well and 3 phase power. No other conditions of sale were noted.

Upon comparison with the subject, this comparable was considered superior in terms of shape and received a downward adjustment for this characteristic due to it not being bifurcated by a wash. In terms of proximity to freeway, this comparable was judged inferior due to its further proximity to the freeway and received an upward adjustment for this characteristic. An upward adjustment was applied to this comparable for its inferior access/visibility attribute when compared to the subject, based upon its lesser visibility. Overall, the adjustments applied to this comparable resulted in a net adjustment of zero, whereby the property was deemed similar in comparison to the subject.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

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LAND SALES ADJUSTMENT GRID					
Comparable Number	1	2	3	4	Subject
Transaction Type	Sale	Sale	Sale	Sale	---
Transaction Date	May-22	Aug-22	Aug-22	Sep-22	---
Zoning	F, Specific Plan (Marana)	I-1, Light Industrial	PAD-29	CI-2, General Industrial	PAD-18 Kino Campus PAD -
Actual Sale Price	$21,192,870	$4,396,566	$2,700,000	$7,600,000	---
Size (Acres)	128.47	43.11	15.23	98.65	84.84
Price Per SF	$3.79	$2.34	$4.07	$1.77	---
Price ($ PSF)	$3.79	$2.34	$4.07	$1.77	---
Property Rights Conveyed	0%	0%	0%	0%	
Financing Terms [1]	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	
Subtotal	$3.79	$2.34	$4.07	$1.77	
Size	0%	0%	-10%	0%	
Shape	-15%	-15%	-15%	-15%	
Proximity to Freeway	0%	5%	0%	15%	
Access/Visibility	0%	10%	0%	10%	
Topography	0%	0%	0%	0%	
Location	0%	0%	0%	0%	
Zoning/Density	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	
Highest & Best Use	0%	0%	0%	0%	
Total Other Adjustments	-15%	0%	-25%	10%	
Value Indication for Subject	**$3.22**	**$2.34**	**$3.05**	**$1.95**	
Absolute Adjustment	*15%*	*30%*	*25%*	*40%*	

Compiled by CBRE

CONCLUSION

After adjustments, the majority of comparables indicate a range of $1.95 to $3.22 with an average of $2.64 and a median of $2.70 per square foot. Greater weight is given to Comparables 2 which required zero net adjustments and is generally supported by the average and median of the range. Based on analysis of comparable market data, and considering all factors, a price per square foot indication near Comparable 2, which is considered to be most similar, but below the average and median of the range, was most appropriate for the subject. The following chart presents the valuation conclusion:

CONCLUDED LAND VALUE				
$ PSF		Subject SF		Total
$2.25	x	3,695,630	=	$8,315,168
$2.45	x	3,695,630	=	$9,054,294
Indicated Value:				**$8,700,000**
		(Rounded $ PSF)		$2.35

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Market Rental Rate

At the request of the client, the purpose of this report is to determine the market value and fair market rental rate for the subject land, which inherently considers this intended development agreement. Therefore, the highest and best use of the site was concluded to be for future mixed use development and the Fee Simple Estate of the subject land was previously valued.

While researched, we were unable to find comparables of rental rates for large mixed-use sites.

Given such constraints, a secondary and acceptable methodology to arrive at a rental rate is to apply a market based capitalization rate to the land value to arrive at the net operating income to the property. Since a typical ground lease is based on an absolute net structure, where there are no expenses to the landlord, the net operating income is equal to the ground lease rate.

Our research found varying sales of ground leased land and capitalization rates sufficient to apply an appropriate market rate of return to the subject's concluded land value in order to determine an appropriate ground lease rate. Further, market participants were interviewed as to their opinion of an appropriate rate of return.

The following table summarizes the comparable data used in the estimation of a capitalization rate for a market rental rate conclusion for the subject. A detailed description of each transaction is included in the addenda.

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SUMMARY OF GROUND LEASED LAND SALES (CAPITALIZATION RATES)							
No.	**Property Location**	**Transaction Type**	**Transaction Date**	**Actual Sale Price**	**Size (Acres)**	**NOI Per SF**	**OAR**
9	Walmart & Sam's Club Ground Leases US Highway 278 & Bluffton Road Bluffton, SC 29910	Sale	Nov-19	$18,550,000	61.35	$0.35	5.07%
10	Cromwell Field Shopping Center Ground Lease 7383 Baltimore Annapolic Boulevard Glen Burnie, MD 21061	Sale	Nov-19	$2,210,000	20.31	$0.17	6.61%
11	140 Commerce Court Rincon, GA 31326	Sale	Aug-20	$3,000,000	12.00	$0.55	9.56%
12	3000 East 106th Street Chicago, IL 60617	Sale	Sep-20	$4,100,000	36.80	$0.69	8.40%
13	100 Morgan Industrial Blvd Garden City, GA 31408	Sale	Dec-20	$5,800,000	19.87	$0.40	6.00%
14	Walmart Ground Lease 16280 Dresden Ave East Liverpool, OH 43920	Sale	Apr-21	$7,000,000	22.14	$0.48	6.76%
15	300 Creekview Ave Logan Township, NJ 08014	Sale	Sep-21	$51,410,000	20.00	$1.40	3.00%
16	1 Great America Parkway Santa Clara, CA 95054	Sale	Jun-22	$310,000,000	116.64	$2.41	3.95%
Subject	SEC Interstate 10 and Kino Parkway, Tucson, Arizona	---	---	---	84.84	---	---

Compiled by CBRE

As noted, given the dearth of sales of ground leased mixed use sites in Tucson and Arizona, we search nationally and found these sales. They are considered to be the best available and comparable. The sales used in this analysis are considered largely comparable to the subject, yet the required adjustments were based on reasonable and well-supported rationale. The sales are numbered starting with number 9 to separate them from the fee simple sale.

DISCUSSION/ANALYSIS OF COMPARABLES

COMPARABLE ANALYSIS								
Comparable	9	10	11	12	13	14	15	16
Location	○	○	▼	▲	▲	▲	▲	▲
Access/Visibility	○	○	▼	○	○	▲	○	○
Design Appeal	○	○	○	▼	○	○	○	○
Tenancy	▲	○	▼	○	▼	○	▲	▲
Overall	▲	○	▼	▼	○	○	▲	▲

▼ = Inferior ○ = Similar ▲ = Superior

Source: CBRE

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COMPARABLE NINE

As compared to the subject, this project was regarded as similar in terms of location, access/visibility and design/appeal, but superior in terms of tenancy. Overall, this comparable is superior to the subject and we expect the subject to achieve a capitalization rate above this comparable.

COMPARABLE TEN

As compared to the subject, this project was regarded as similar in terms of location, access/visibility, design/appeal, and tenancy. Overall, this comparable is similar to the subject and we expect the subject to achieve a capitalization rate near this comparable.

COMPARABLE ELEVEN

As compared to the subject, this project was regarded as similar in terms of design/appeal but inferior in terms of location, access/visibility, and tenancy. Overall, this comparable is inferior to the subject and we expect the subject to achieve a capitalization rate below this comparable.

COMPARABLE TWELVE

As compared to the subject, this project was regarded as similar in terms of access/visibility and tenancy, inferior in terms of design/appeal, but superior in terms of location. Overall, this comparable is inferior to the subject and we expect the subject to achieve a capitalization rate below this comparable.

COMPARABLE THIRTEEN

As compared to the subject, this project was regarded as similar in terms of design/appeal and access/visibility, inferior in terms of tenancy, but superior in terms of location. Overall, this comparable is similar to the subject and we expect the subject to achieve a capitalization rate near this comparable.

COMPARABLE FOURTEEN

As compared to the subject, this project was regarded as similar in terms of design/appeal and tenancy, but superior in terms of access/visibility and location. Overall, this comparable is similar to the subject and we expect the subject to achieve a capitalization rate near this comparable.

COMPARABLE FIFTEEN

As compared to the subject, this project was regarded as similar in terms of access/visibility and design/appeal, but superior in terms of location and tenancy. Overall, this comparable is superior to the subject and we expect the subject to achieve a capitalization rate above this comparable.

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COMPARABLE SIXTEEN

As compared to the subject, this project was regarded as similar in terms of access/visibility and design/appeal, but superior in terms of location and tenancy. Overall, this comparable is superior to the subject and we expect the subject to achieve a capitalization rate above this comparable.

MARKET PARTICIPANTS

The following table illustrates different sources for deriving a capitalization rate applicable to the ground lease rate of return.

OVERALL CAPITALIZATION RATES		
Investment Type	OAR Range	Average
Land Leases - RealtyRates - 2Q 2023		
Retail	4.00% - 11.50%	8.53%
Office	4.22% - 11.35%	8.09%
Special Purpsoe	5.00% - 17.75%	10.26%
PwC Survey		
National Data	6.00% - 8.00%	6.73%
Indicated OAR:		**6.50% - 7.00%**
Compiled by: CBRE		

As a cross-check, we have interviewed market participants in Tucson in regard to capitalization rates for ground leases in the Tucson MSA. The participants noted a wide range of 5% to 10% but concurred that a well located site would invoke a lower rate offset by the risk of a larger size.

MARKET RENT CONCLUSIONS

Considering the previous analysis, we give most weight to the indication by the comparables capitalization rate sales which showed similar comparisons in the range of 6.00% to 6.75%, which is generally supported by published data and market participants. **Overall, we opine a rate of return at 6.50% given the location and projected development plan of the subject site.**

The following chart shows the market rental rent (ground lease) conclusions for the subject:

MARKET RENT (GROUND LEASE) CONCLUSIONS	
Category	Ground Lease Rate
Subject Size (Acres)	84.84
Market Value (Fee Simple Estate)	$8,700,000
Market Rate of Return	6.50%
Market Rent ($/SF/Yr.)	**$565,500**
Lease Type	Absolute Net
Escalations	2% - 3%
Average Lease Term*	See Narrative
Compiled by CBRE	

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*Per the client, Pima County is precluded from entering into leases for more than 25 years. Therefore, the market rent is based on a lease term of 25 years plus options to extend for additional terms up to 40 years following the final completion of all Anchor Elements. This is reasonable and within market parameters.

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Reconciliation of Value

At the request of the client, we have provided the following values:

- As Is - Fee Simple Estate market value of the 84.84 acres
- Fair Market Rental Rate (ground lease) of the 84.84 acres, As Is

The "as is" market value and fair market rental rate are both based on a sale or a lease, in bulk, of the entire property to a single purchaser or lessee in a single transaction.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	July 3, 2023	$8,700,000
Fair Market Annual Rent	Fee Simple Estate	July 3, 2023	$565,500

Compiled by CBRE

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Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:

   (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.

   (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.

   (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.

   (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.

   (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.

   (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.

   (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.

   (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.

   (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.

   (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

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(xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

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13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

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Addendum A

LAND SALE DATA SHEETS

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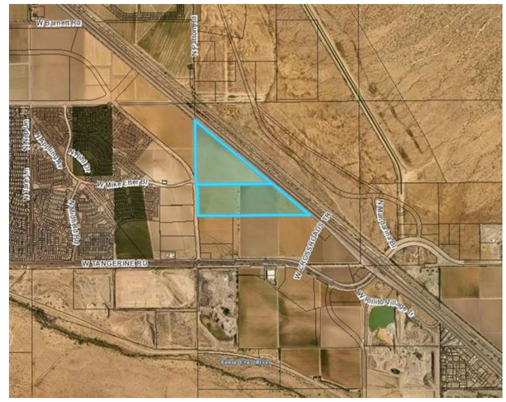
Sale — Land - Industrial — No. 1



Property Name	Vacant Industrial Land
Address	Clark Farms Boulevard, west side of Interstate 10 freeway, north of Tangerine Road Marana, AZ 85653 United States
Government Tax Agency	Pima
Govt./Tax ID	217-55-013F, 012D, 012A

Site/Government Regulations

	Acres	Square feet
Land Area Net	128.470	5,596,153
Land Area Gross	N/A	N/A

Site Development Status	Semi-Finished
Shape	Irregular
Topography	Generally Level
Utilities	All to site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	4,750 ft	Interstate 19 Freeway Frontage Road

General Plan	N/A
Specific Plan	N/A
Zoning	F, Specific Plan (Marana)
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Southern Arizona Logistics Center, LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	End User
Recorded Seller	Fidelity National Title Trust 60528	Seller Type	Developer
True Seller	N/A	Primary Verification	Broker, affadavit

Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	5/12/2022
Proposed Use	Cold Storage Facility	Sale Price	$21,192,870
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	Tim Healy, CBRE	Cash Equivalent	$21,192,870
Doc #	20221320504, 20221320519	Capital Adjustment	$0
		Adjusted Price	$21,192,870

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
05/2022	Sale	Southern Arizona Logistics Center, LLC	Fidelity National Title Trust 60528	$21,192,870	$164,964 / $3.79

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CBRE

Sale	Land - Industrial	No. 1

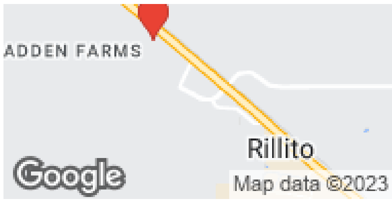
Units of Comparison

$3.79	/ sf	N/A	/ Unit
$164,963.57	/ ac	N/A	/ Allowable Bldg. Units
		N/A	/ Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of a 128.47-acre site that is located along the east side of Clark Farms Boulevard, on the west side of Interstate 10 freeway, north of Tangerine Road in Marana, Arizona. The site was agriculture land that is zoned F, Specific Plan with mixed uses including industrial uses. Two adjacent sites were purchased concurrently in May 2021 for $21,192,870, which equates to $3.79 per square foot. It is proposed for a cold storage facility by Shamrock Farms. The site has excellent visibility due to its frontage along Interstate 10 freeway. No condtions of sale were noted.

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Sale | Land - Industrial | No. 2

Property Name	Vacant Industrial Land
Address	9285 & 10000 East Old Vail Road Tucson, AZ 85641 United States
Government Tax Agency	Pima
Govt./Tax ID	141-18-6020, -006B

Site/Government Regulations

	Acres	Square feet
Land Area Net	43.106	1,877,711
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Irregular
Topography	Generally Level
Utilities	All nearby

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	2,000 ft	Old Vail Road

General Plan	N/A
Specific Plan	N/A
Zoning	I-1, Light Industrial (Tucson)
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Diamond Ventures	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Developer
Recorded Seller	Old Vail Plaza, LLC	Seller Type	Private Investor
True Seller	Bill DiVito (estate)	Primary Verification	Diamond Ventures and public records

Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	8/16/2022
Proposed Use	Hold for future development	Sale Price	$4,396,566
Listing Broker	None	Financing	All Cash
Selling Broker	None	Cash Equivalent	$4,396,566
Doc #	20222280257	Capital Adjustment	$0
		Adjusted Price	$4,396,566

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
08/2022	Sale	Diamond Ventures	Old Vail Plaza, LLC	$4,396,566	$101,994 / $2.34

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Sale — Land - Industrial — No. 2

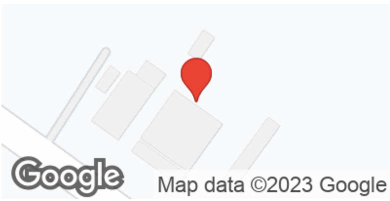
Units of Comparison

$2.34	/ sf	N/A	/ Unit
$101,993.58	/ ac	N/A	/ Allowable Bldg. Units
		N/A	/ Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of 43.1 acres of undeveloped land located at the 9825 & 10000 Old Vail Road, in Tucson, Arizona. The site is zoned I-1, Light Industrial, has generally level topography, and is not situated within a floodplain. All utilities are reported to be adjacent to the site. The buyer is a developer (Diamond Ventures) who purchased the site for speculative future development. The site sold in August 2022 for $4,396,566 or $2.34 per square foot. No atypical conditions of sale were noted.

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Sale | Land - Multi Unit Residential | No. 3

Property Name	Tucson Landing Apartments Site
Address	4640 S. Calle Santa Cruz Tucson, AZ 85714 United States
Government Tax Agency	Pima
Govt./Tax ID	Multiple

Site/Government Regulations

	Acres	Square feet
Land Area Net	15.230	663,419
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Irregular
Topography	Generally Level
Utilities	To Site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	N/A	Cale Santa Cruz

General Plan	N/A
Specific Plan	N/A
Zoning	PAD-29
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Tucson Landing Apartments LLC	Marketing Time	N/A
True Buyer	Tucson Landing Apartments LLC	Buyer Type	N/A
Recorded Seller	Irvington Interstate Partners North II LLC	Seller Type	N/A
True Seller	Bourne Advisory Services	Primary Verification	Public Record, CoStar
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	8/29/2022
Proposed Use	210-Unit Apartment	Sale Price	$2,700,000
Listing Broker	N/A	Financing	Not Available
Selling Broker	N/A	Cash Equivalent	$2,700,000
Doc #	20222410525	Capital Adjustment	$0
		Adjusted Price	$2,700,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
08/2022	Sale	Tucson Landing Apartments LLC	Irvington Interstate Partners North II LLC	$2,700,000	$177,282 / $4.07

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Sale	Land - Multi Unit Residential	No. 3

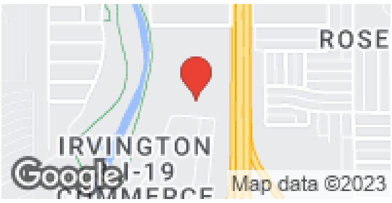
Units of Comparison

$4.07	/ sf	N/A	/ Unit
$177,281.68	/ ac	N/A	/ Allowable Bldg. Units
		N/A	/ Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of a 15.23-acre site located at 4640 S. Calle Santa Cruz in Tucson, AZ, north of the Tucson Landing shopping center, and west of Interstate-19. The site sold in August 2022 for $2,700,000, or $4.07 per square foot. Since the date of sale, construction has begun on a 210-unit apartment complex. The sale price per proposed unit equates to $12,857. No conditions of sale were noted.

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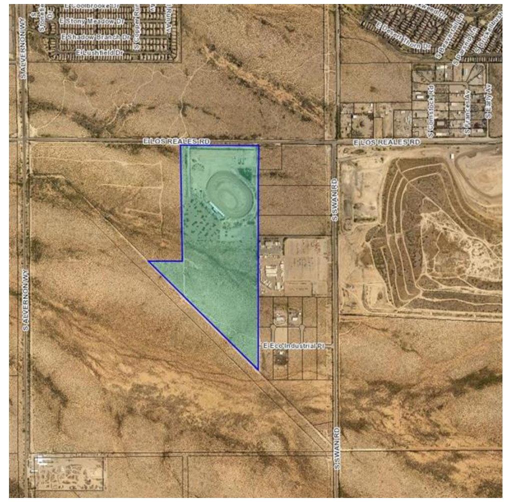
Sale | Land - Industrial | No. 4

Property Name: Vacant industrial land
Address: 4300 East Los Reales Road
Tucson, AZ 85756
United States



Government Tax Agency: Pima
Govt./Tax ID: 140-44-003A

Site/Government Regulations

	Acres	Square feet
Land Area Net	98.650	4,297,194
Land Area Gross	N/A	N/A

Site Development Status	Semi-Finished
Shape	Irregular
Topography	Generally Level
Utilities	All to Site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	N/A	Los Reales Road

General Plan	N/A
Specific Plan	N/A
Zoning	CI-2, General Industrial (Pima County)
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Schnitzer Properties, LLC	Marketing Time	12 Month(s)
True Buyer	N/A	Buyer Type	Developer
Recorded Seller	Raceway Partners, LLC	Seller Type	End User
True Seller	N/A	Primary Verification	Broker, CoStar, Affadavit

Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Closed raceway	Date	9/22/2022
Proposed Use	Spec development	Sale Price	$7,600,000
Listing Broker	Jesse Blum, PICOR	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$7,600,000
Doc #	202222650906	Capital Adjustment	$0
		Adjusted Price	$7,600,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
09/2022	Sale	Schnitzer Properties, LLC	Raceway Partners, LLC	$7,600,000	$77,040 / $1.77

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Sale Land - Industrial No. 4

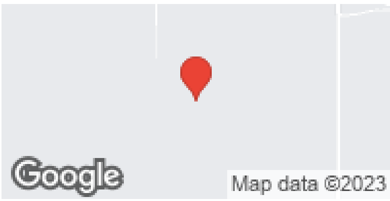
Units of Comparison

$1.77	/ sf	N/A	/ Unit
$77,040.04	/ ac	N/A	/ Allowable Bldg. Units
		N/A	/ Building Area

Financial

No information recorded

Map & Comments



This comparable represents the listing of a 98.65-acre tract of vacant industrial zoned land located at 4300 East Los Reales Road in Tucson, Arizona. The site is the former raceway and is partially improved. The site has frontage along Los Reales Road, an east/west arterial and is near the Tucson International Airport. According to the listing broker, the site sold in Septemebr 2022 for $7,600,000 or $1.77 per sqaure foot. The site has city water and a well and 3 phase power. No other conditions of sale were noted.

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Addendum B

LEGAL DESCRIPTION

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PIMA COUNTY
Department of Transportation
Survey Section

11 March 2019

EXHIBIT "A"
LEGAL DESCRIPTION

A portion of the Northwest One-Quarter of Section 32 and the Northeast One-Quarter of Section 31, Township 14 South, Range 14 East, Gila & Salt River Meridian, Pima County, Arizona, being all that portion of Parcel 2 as described in Sequence No. 20142130445, recorded in the office of the Pima County Recorder, Arizona, more particularly described as follows:

COMMENCING at a flush brass cap at the northwest corner of said Section 32, from which a brass cap in a hand hole at the north quarter corner of said Section 32 bears North 89°03'31" East (an assumed bearing) at a distance of 2647.34 feet;

THENCE along the west line of the Northwest Quarter of said Section 32, South 01°00'00" East, a distance of 1509.14 feet to a point on the Northerly line of Julian Wash, as recorded in Docket 2380, Page 224, Pima County Records, said point being the **POINT OF BEGINNING**;

THENCE along said northerly line, South 84°55'28" West, a distance of 60.15 feet to a point on the west line of the east 60.00 feet of the Northeast Quarter of said Section 31;

THENCE along said west line, North 01°00'00" West a distance of 321.45 feet to a point on the southerly line of the Interstate 10 right of way;

THENCE along said southerly line North 45°06'09" East a distance of 166.53 feet to a point on the east line of the west 60.00 feet of the Northwest Quarter of said Section 32;

THENCE along the southerly line of said Interstate 10 right of way, North 57°54'16" East a distance of 226.57 feet;

THENCE continuing along said southerly line, North 84°35'45" East, a distance of 242.04 feet;

THENCE continuing along said southerly line, South 57°06'59" East, a distance of 316.55 feet to a point on the northerly line of the Diversion Channel as recorded in Docket 4629, page 180, Pima County Records;

THENCE along said northerly line, South 34°06'25" West, a distance of 190.85 feet to the beginning of a tangent curve, concave to the northwest, having a radius of 525.00 feet and a central angle of 31°27'22";

THENCE continuing along said northerly line and the arc of said curve to the right a distance of 288.23 feet to the southeast corner of that parcel described in Sequence No. 20140760667;

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THENCE along a radial line and east line of said parcel North 24°26'13" West a distance of 25.00 feet to a point on a line 25.00 feet north of and parallel with the north line of said Diversion Channel being the beginning of a curve concave to the northwest, having a radius of 500.00 feet and a central angle of 16°51'06"

THENCE along the arc of said curve to the right a distance of 147.06 feet to the end of said curve;

THENCE along a radial line South 07°35'07" East a distance of 25.00 feet to the northerly line of said Diversion Channel being a curve concave to the north having a radius of 525.00 feet and a central angle of 02°29'05";

THENCE along said northerly line of the Diversion Channel and curve to the right a distance of 22.77 feet to a point of tangency;

THENCE along said northerly line South 84°53'57" West, a distance of 257.09 feet to a point on the west line of the Northwest Quarter of said Section 32**;**

THENCE along said west line North 01°00'00"West a distance of 4.48 feet to the **POINT OF BEGINNING.**

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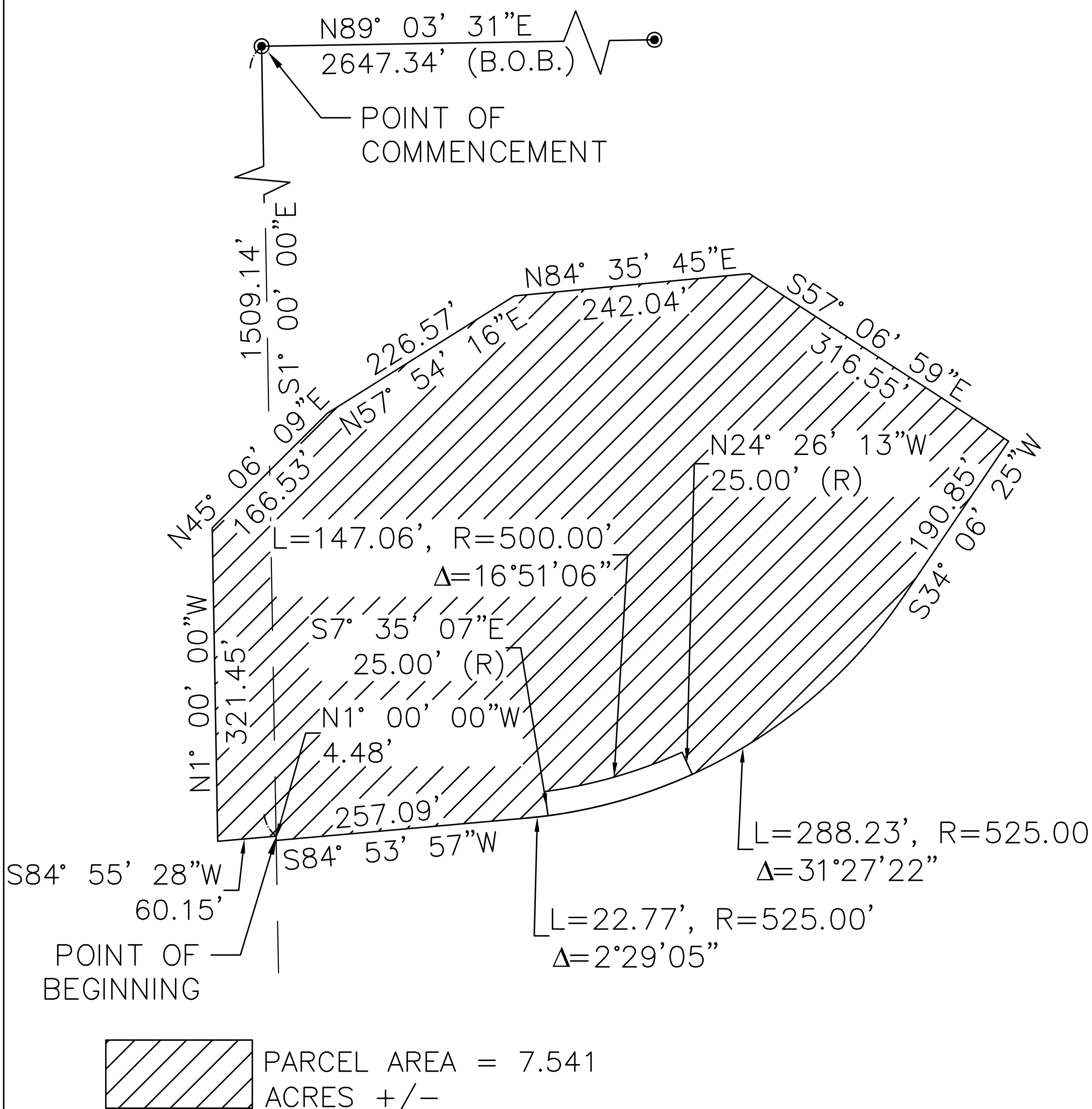
DEPICTION OF EXHIBIT "A"



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PIMA COUNTY SURVEY

PARCEL 2 IN SEQ. 20142130445 LOCATED
IN SECTIONS 31 & 32, TOWNSHIP 14 SOUTH, RANGE 14 EAST,
GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

Scale: 1" = 150' Date: 08 March 2019 Drawn By: AJI Sheet 3 of 3

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PIMA COUNTY
Department of Transportation
Survey Section

05 November 2020

EXHIBIT "A"
LEGAL DESCRIPTION

A portion of the Northwest One-Quarter of Section 32 and the Northeast One-Quarter of Section 31, Township 14 South, Range 14 East, Gila & Salt River Meridian, Pima County, Arizona, being a portion of Block "A" of the abandoned plat for Irvington Place, Lots 1-755, Sequence No. 20182640610, a portion of Parcel 5 as recorded in Docket 4629 at Page 180, a portion of that parcel as described in Docket 2253 at Page 332 and all of that parcel as described in Docket 7128 at Page 879, recorded in the office of the Pima County Recorder, Arizona, more particularly described as follows:

COMMENCING at a 2" brass cap at the northwest corner of said Section 32, from which a 2" brass cap in a hand hole at the north quarter corner of said Section 32 bears North 89°03'31" East (an assumed bearing) at a distance of 2647.34 feet;

THENCE South 01°00'00" East, along the west line of the Northwest Quarter of said Section 32, for a distance of 1758.72 feet to a point on the North line of said Block "A"and the **POINT OF BEGINNING**;

THENCE continuing South 01°00'00" East a distance of 1.01 feet;

THENCE along the north line of said Block "A" South 86°08'40" East a distance 70.72 feet to the beginning of a tagent curve concave to the southwest having a radius of 533.11 feet and a central angle of 53°33'09";

THENCE continung along said block line and the arc of said curve to the right a distance of 498.28 feet to a point of tangency;

THENCE continung along said block line South 32°35'31 East a distance of 245.95 feet;

THENCE continung along said block line South 15°51'47" East a distance of 104.17 feet;

THENCE continung along said block line South 32°34'45" East a distance of 136.68 feet;

THENCE continung along said block line South 27°52'20" West a distance of 56.08 feet;

THENCE South 41°31'57" East a distance of 154.80 feet

THENCE South 14°17'04" West a distance of 22.34 feet;

THENCE South 20°19'43" East a distance of 69.84 feet;

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THENCE South 23°26'13" East a distance of 123.73 feet;

THENCE South 02°41'21" East a distance of 266.56 feet;

THENCE South 59°29'24" West a distance of 115.96 feet to a point of the southwesterly line of that parcel described in Docket 2253 at Page 332;

THENCE along said parcel line North 60°03'59" West a distance of 373.89 feet;

THENCE continuing along said parcel line North 27°53'29" East a distanc eof 287.99 feet to the south line of that parcel described in Docket 7128 at Page 879;

THENCE along said south line South 89°23'04" West a distance of 484.23 feet;

THENCE South 44°00'48" West a distance of 36.36 feet to a point on the east right of way line of Campbell Avenue;

THENCE along said east right of way line North 01°00'00" West a distanc eof 576.23 feet;

THENCE continuing along said east right of way line North 15° 36' 42" West a distance of 395.84 feet;

THENCE South 86°00'14" East a distance of 40.01 feet to the **POINT OF BEGINNING.**

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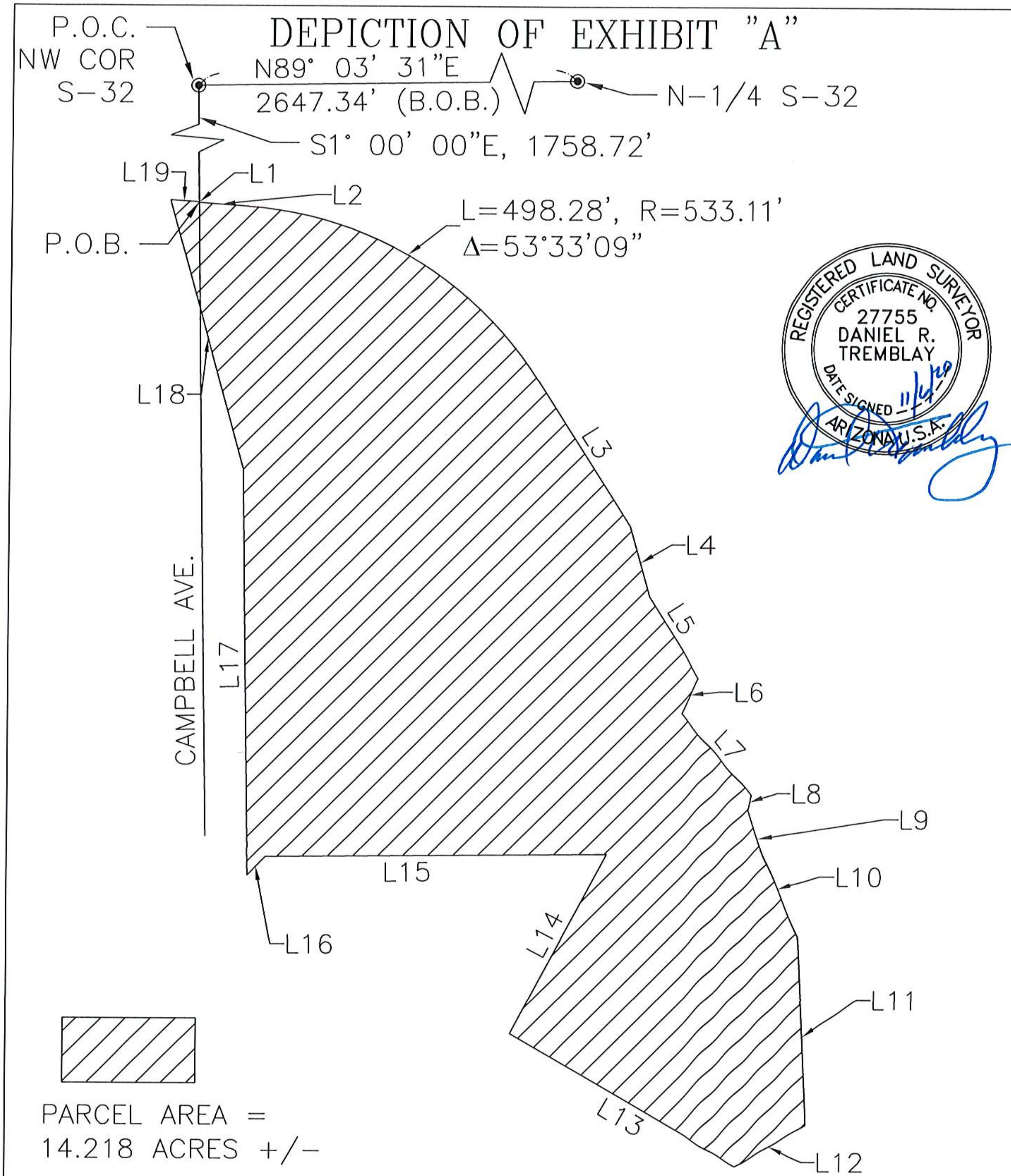
DEPICTION OF EXHIBIT "A"



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PIMA COUNTY SURVEY

PORTION OF NW 1/4 S-32 AND A PORTIO9N OF THE NE 1/4 S-31,
TOWNSHIP 14 SOUTH, RANGE 14 EAST,
GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

Scale: 1" = 200' Date: 05 NOVEMBER 2020 Drawn By: AJI Sheet 3 of 4

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DEPICTION OF EXHIBIT "A"

Parcel Line Table

Line #	Length	Direction
L1	1.01'	S1° 00' 00"E
L2	70.72'	S86° 08' 40"E
L3	245.95'	S32° 35' 31"E
L4	104.17'	S15° 51' 47"E
L5	136.68'	S32° 34' 45"E
L6	56.08'	S27° 52' 20"W
L7	154.80'	S41° 31' 57"E
L8	22.34'	S14° 17' 04"W
L9	69.84'	S20° 19' 43"E
L10	123.73'	S23° 26' 13"E

Parcel Line Table

Line #	Length	Direction
L11	266.56'	S2° 41' 21"E
L12	115.96'	S59° 29' 24"W
L13	373.89'	N60° 03' 59"W
L14	287.99'	N27° 53' 29"E
L15	484.23'	S89° 23' 04"W
L16	36.36'	S44° 00' 48"W
L17	576.23'	N1° 00' 00"W
L18	395.84'	N15° 36' 42"W
L19	40.01'	S86° 00' 14"E

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
27755
DANIEL R.
TREMBLAY
DATE SIGNED 11/6/20
ARIZONA U.S.A.

N

PIMA COUNTY SURVEY

PORTION OF NW 1/4 S-32 AND A PORTIO9N OF THE NE 1/4 S-31,
TOWNSHIP 14 SOUTH, RANGE 14 EAST,
GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

Scale: N/A Date: 05 NOVEMBER 2020 Drawn By: AJI Sheet 4 of 4

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PIMA COUNTY
Department of Transportation
Survey Section

23 December 2020

EXHIBIT "A"
LEGAL DESCRIPTION

A portion of the West half of Section 32, Township 14 South, Range 14 East, Gila & Salt River Meridian, Pima County, Arizona, being a portion of Block "B" of the abandoned plat for Irvington Place, Lots 1-755, Sequence No. 20182640610, recorded in the office of the Pima County Recorder, Arizona, more particularly described as follows:

COMMENCING at a 2" brass cap at the northwest corner of said Section 32, from which a 2" brass cap at the west quarter corner of said Section 32 bears South 01°00'00" East (an assumed bearing) at a distance of 2658.22 feet;

THENCE South 01°00'00" East, along the west line of the Northwest Quarter of said Section 32, for a distance of 1189.92;

THENCE North 88°59'51" East a distance of 866.16 feet to the North corner of said Block "B"being a point on the southwest right of way line of I-10 and the **POINT OF BEGINNING**;

THENCE along said right of way line and northeast line of said Block "B" South 57°07'00" East a distance of 1865.09 feet;

THENCE South 32°54'58" West a distance of 1390.61 feet to the southwest corner of the Tournament Way right of way as defined in Sequence No. 20193290712;

THENCE along the southwest right of way line of said Tounament Way South 57°04'45" East a distance of 916.81 feet to the beginning of a tangent curve concave to the southwest having a radius of 117.00 feet and a central angle of 101°25'22";

THENCE continuing along said right of way line and the arc of said curve to the right a distance of 207.11 feet to a point of tangency;

THENCE continuing along said right of way line South 44°20'36" West a distance of 105.10 feet to the beginning of a tangent curve concave to the southeast having a radius of 540.00 feet and a central angle of 15°53'40";

THENCE continuing along said right of way line and the arc of said curve to the left a distance of 149.80 feet to the beginning of a non-tangent curve concave to the south having a radius of 113.55 feet and a central angle of 48°46'49" and to which a radial line bears North 24°01'02" East;

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THENCE along the arc of said curve to the left a distance of 96.67 feet to the beginning of a non-tangent curve concave to the northeast having a radius of 77.50 feet and a central angle of 35°38'49" and to which a radial line bears South 21°40'39" West, said point being on the north line of that parcel as defined in Docket 13059 at Page 2530;

THENCE along said north line and the arc of said curve to the right a distance of 48.22 feet to a point of tangency;

THENCE continuing along said north line North 32°40'31" West a distance of 11.96 feet;

THENCE continuing along said north line North 42°33'50" West a distance of 47.94 feet;

THENCE continuing along said north line North 65°17'43" West a distanc eof 151.18 feet;

THENCE continuing along said north line South 78°32'48" West a distance of 115.81 feet to a point on the north line of the Julian Wash as defined in Docket 2253 at Page 332;

THENCE along said north line North 65°15'26" West a distance of 468.22 feet to the beginning of a tangent curve concave to the northeast having a radius of 811.47 feet and a central angle of 44°36'27";

THENCE continuing along said north line and the arc of said curve to the right a distance of 631.77 feet to a point of non-tangency;

THENCE North 01°24'37" East a distance of 92.28 feet;

THENCE North 31°44'47" East a distance of 121.88 feet;

THENCE North 08°02'23" West a distance of 115.76 feet to the east line of said parcel defined in Docket 13059 at Page 2530;

THENCE along said east line North 10°08'03" East a distance of 37.98 feet to the begininnig of a tangent curve concave to the west having a radius of 279.00 feet and a central angle of 28°00'40";

THENCE continuing along said east line and the arc of said curve to the left a distance of 136.40 feet to a point of reverse curve having a radius of 233.50 feet and a central angle of 31°41'46;

THENCE contiuing along said east line and the arc of said curve to the right a distance of 129.17 feet to a point of reverse curve having a radius of 666.89 feet and a central angle of 11°29'22";

THENCE continuing along said east line and the arc of said curve to the left a distance of 133.73 feet to a non-tangent point;

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THENCE contiuing along said east line North 49°19'19" East a distance of 259.50 feet to a point on the east line of that parcel as defined in Docket 4629 at Page 180;

THENCE along said east line North 21°14'24" West a distance of 160.81 feet;

THENCE continuing along said east line North 68°46'16" East a distance of 49.93 feet;

THENCE continuing along said east line North 21°13'44" West a distance of 227.45 feet;

THENCE continuing along said east line South 70°42'12" West a distance of 267.44 feet;

THENCE continuing along said east line North 74°31'08" West a distanc eof 23.47 feet;

THENCE continuing along said east line North 39°44'40" West a distance of 133.88 feet;

THENCE continuing along said east line North 35°20'20" West a distance of 365.92 feet;

THENCE continuing along said east line North 37°58'06" West a distance of 90.12 feet;

THENCE continuing along said east line North 32°32'36" West a distance of 216.28 feet to the beginninng of a non-tangent curve concave to the northwest having a radius of 350.00 feet and a central angle of 40°35'11" and to which a radial line bears South 15°21'19" East;

THENCE continuing along said east line and the arc of said curve to the left a distance of 247.93 feet to a point of tangency;

THENCE continuing along said east line North 34°03'30" East a distance of 37.05 feet to the beginning of a non-tangent curve concave to the northwest having a radius of 665.00 feet and a central angle of 11°05'25" and to which a radial line bears South 44°47'09" East;

THENCE continuing along said east line and the arc of said curve to the left a distance of 128.72 feet to a point of tangency;

THENCE continuing along said east line North 34°07'26" East a distance of 189.08 feet to the **POINT OF BEGINNING.**

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
27755
DANIEL R.
TREMBLAY
DATE SIGNED 12/23/20
ARIZONA U.S.A.

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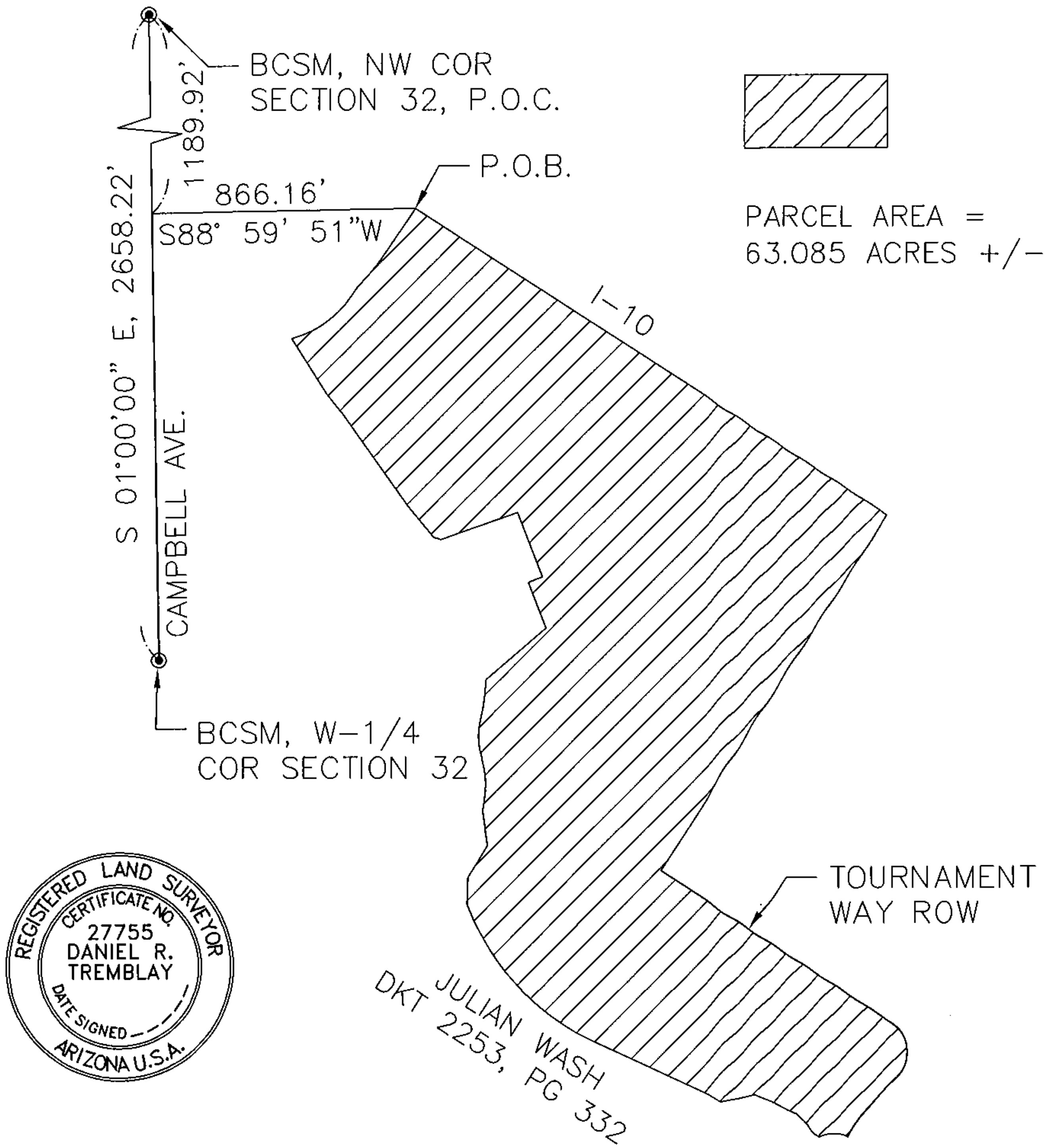
DEPICTION OF EXHIBIT "A"



N

PIMA COUNTY SURVEY

A PORTION OF BLOCK "B" OF KINO BLOCK PLAT ABANDONMENT OF IRVINGTON PLACE RECORDED IN SEQ. NO. 20182640610 LOCATED IN SECTION 32, TOWNSHIP 14 SOUTH, RANGE 14 EAST, GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

Scale: 1" = 500' Date: 05 NOVEMBER 2020 Drawn By: AJI Sheet 4 of 4

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Addendum C

CLIENT CONTRACT INFORMATION

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Proposal and Contract for Services

CBRE

CBRE, Inc.
3719 N. Campbell Avenue
Tucson, AZ 85719
www.cbre.us/valuation

Byron Bridges, MAI, MRICS
Director

June 21, 2023

Jeff Teplitsky
Director
Pima County Real Property Services
201 North Stone Avenue, Sixth Floor
Tucson, AZ 85701
Phone: 520-724-6306
Email: jeffrey.teplitsky@pima.gov

RE: Assignment Agreement Land
85.66 Acres Located at the SEC Interstate 10 and Kino Parkway
Tucson, AZ 85714

Dear Mr. Teplitsky:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate
Premise:	As Is and Fair Market Rental Conclusion (Ground Lease)
Rights Appraised:	Fee Simple
Intended Use:	Internal Decisions/Other
Intended Use Comments:	Asset Management decisions in setting a ground lease rate
Intended User:	The intended user is **Pima County Real Property Services** ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

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Scope of Inspection:	A full inspection of the property will be conducted and arranged with the property contact and performed by CBRE Valuations. If this expected property inspection is not possible due to unforeseen issues (such as lack of on-site personnel cooperation, physical obstructions, or appraiser/property contact health and safety concerns), the client will be promptly advised. The client may continue this assignment based on other inspection options agreed upon by CBRE and client or provide CBRE with a written notice to cancel. If CBRE determines that a credible appraisal result cannot be achieved due to inspection limitations, it will promptly provide the client with a written cancellation of this assignment.
Valuation Approaches:	Only the Land Sales Comparison Approach will be completed. The Fair Market Rental Value will also be concluded.
Report Type:	Standard Appraisal Report
Appraisal Standards:	USPAP
Appraisal Fee:	$2,000.00. If cancelled by either party before a completion, the fee will be based on CBRE's hourly rates for the time expended; plus actual expenses.
Expenses:	Fee includes all associated expenses
Retainer:	A retainer is not required for this assignment.
Payment Terms:	Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The full appraisal fee is considered earned upon delivery of the draft report. We will invoice you for the assignment in its entirety at the completion of the assignment.
Delivery Instructions:	CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report. An Adobe PDF file via email will be delivered to jeffrey.teplitsky@pima.gov. The client has requested 0 bound final copy (ies).
Delivery Schedule:	
Preliminary Value:	Not Required
Draft Report:	Not Required
Final Report:	7 business days after the Start Date
Start Date:	The appraisal process will start upon receipt of your signed agreement and the property specific data.
Acceptance Date:	These specifications are subject to modification if this proposal is not accepted within 5 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the

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Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties, including all intended users, hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE, Inc.
Valuation & Advisory Services

Byron Bridges, MAI, MRICS
Director
As Agent for CBRE, Inc.
T +1 520 3235163
Byron.Bridges@cbre.com

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AGREED AND ACCEPTED

FOR PIMA COUNTY REAL PROPERTY SERVICES ("CLIENT"):

Jeff Teplitsky	6/21/2023
Signature	Date
Jeff Teplitsky	Manager
Name	Title
520-724-6306	jeffrey.teplitsky@pima.gov
Phone Number	E-Mail Address

ADDITIONAL OPTIONAL SERVICE

Assessment & Consulting Services: CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports and other necessary due diligence service (seismic risk analysis, zoning compliance service, construction risk management, annual inspections, etc.).

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at **ACSProposals@cbre.com**. We will route your request to the appropriate manager. For more information, please visit www.cbre.com/assessment.

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TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the hourly rate of the time and expenses incurred (including travel expenses to and from the job site), with a minimum charge of $500. Additional copies of the Appraisal Reports are available at a cost of $250 per original color copy and $100 per photocopy (black and white), plus shipping fees of $30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between

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Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material) on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS ($10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

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16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report , in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

17. Furthermore, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Appraisal Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

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SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
2. **Current title report and title holder name**
3. **Legal description**
4. **Survey and/or plat map**
5. **Site plan for proposed or entitled development, if applicable**
6. **Current county property tax assessment or tax bill**
7. **Details on any sale, contract, or listing of the property within the past three years**
8. **Engineering studies, soil tests or environmental assessments**
9. **Ground lease, if applicable**
10. **Planning/Zoning application or approval, if applicable**
11. **Any previous market/demand studies or appraisals**
12. **Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process**
13. **Any other information that might be helpful in valuing this property**

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Byron Bridges, MAI, MRICS
Director
Byron.Bridges@cbre.com
CBRE, Inc.
Valuation & Advisory Services
3719 N. Campbell Avenue, Ste 500
Tucson, AZ 85719

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Addendum D

QUALIFICATIONS

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Byron Bridges, MAI, MRICS

Director, Tucson

T + 520 323 5163
M +520 903 8962
Byron.bridges@cbre.com

3719 North Campbell Avenue
Tucson, Arizona 85719

Clients Represented

- Caliber Companies
- Capital Source Bank
- Cargill /CarVal Investors
- CEMEX
- Citibank
- Compass Bank
- Exclusive Resorts
- Freddie Mac
- Fortress Investment Group
- Four Seasons Resorts
- Goldman Sachs
- Grupo Presidente
- ING
- Kerzner International
- Lewis & Roca
- Merrill Lynch
- MIRA Companies
- Morgan Stanley
- Ohana Real Estate
- PriceWaterhouseCoopers
- Promecap
- Snell & Wilmer
- State Farm Insurance
- U.S. Army Corps of Engineers
- Walton Street Capital
- Western Alliance Bank

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Experience

Mr. Bridges is the director of the Valuation & Advisory Services Group's Tucson office in the Intermountain Region and has over 22 years of real estate appraisal and consulting experience. Mr. Bridges is a designated the Member of the Appraisal Institute (MAI). Mr. Bridges primary geographical location is Southern Arizona. Mr. Bridges is also a member of CBRE's Latin America Valuation & Advisory Team and has performed numerous international valuation assignments.

His appraisal experience has been in the fee preparation of real estate appraisals, rent analyses, demand and absorption studies, and feasibility studies for a variety of clients, including numerous financial institutions, government agencies, Fortune 500 corporations, insurance companies, and private organizations. Experience involves a wide variety of property types as well as conservation easements, special purpose real estate holdings, agriculture properties, among others. Mr. Bridges has considerable experience with litigation cases.

Mr. Bridges has conducted many appraisals, market studies and feasibility analyses of master-planned communities, condominium projects, land, hospitality resort properties, residential properties, and commercial properties within and around the major beach front communities in Mexico, Costa Rica, and Belize. Mr. Bridges has extensive knowledge of the Mexico and Latin America real estate marketplace and since 2001 has performed valuation and consultation assignments in Latin America countries in excess of over 800 individual assignments.

Mr. Bridges areas of concentration include the oceanfront beach resorts of Mexico, Costa Rica, and Belize, and other Latin America countries. Within Baja California Sur resort areas, he has completed extensive valuation and consultation work in Los Cabos (Cabo San Lucas, San Jose del Cabo), East Cape, Todos Santos, the Pacific Ocean area, La Paz, and Loreto; in Quintana Roo, Riviera Maya, Playa del Carmen, Cancun, Tulum, Cozumel, Isla Mujeres, and Riviera Maya; in Jalisco and Nayarit, Puerto Vallarta, Punta Mita, Nuevo Vallarta, Sayulita, and the Riviera Vallarta; in Baja California, Rosarito, Ensenada, and San Felipe; in Sonora, Puerto Peñasco (Rocky Point) and San Carlos/Guaymas; in Costa Rica, Guanacaste, and Jaco.

The assignments prepared were done for various clients for many reasons such as financial transactions, business decisions, investment speculation, estates, litigation, partnership disputes, easements, and others.

Professional Affiliations / Accreditations

- State Certified General Real Estate Appraiser-State of Arizona, No. 31173
- Appraisal Institute, Designated Member (MAI), No. 534642
- Member of the Royal Institution of Chartered Surveyors (MRICS)

Education

- University of Arizona
- Bachelor of Science; Regional Development/Planning
- Bachelor of Science in Business Administration; Entrepreneurship
- Appraisal Institute and other appraisal-related coursework

Department of Insurance and Financial Institutions

State of Arizona

CGA - 31173

This document is evidence that: **BYRON LLOYD BRIDGES** has complied with the provisions of Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

and that the Superintendent of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

BYRON LLOYD BRIDGES

This license is subject to the laws of Arizona and will remain in full force and effect until surrendered, revoked or suspended as provided by law.

Expiration Date : **August 31, 2023**

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Jo Dance, MAI, CCIM

Managing Director, Arizona

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Clients Represented

- CBRE Capital Markets
- Western Alliance Bank
- Walker & Dunlop
- MidFirst Bank
- C-III Asset Management
- Opus Bank
- JLL
- HFF
- Bank of the West
- National Bank of AZ
- Bank of Oklahoma
- BBVA Compass
- PNC
- Citibank
- Washington Federal
- Blackstone
- StanCorp
- A10 Capital
- Starwood Capital
- VEREIT, Inc.
- CoBiz Bank
- First Bank
- East West Bank
- Bank OZK

Experience

Jo Dance serves as Managing Director of CBRE Valuation & Advisory Services, Pacific Southwest Division, where she leads a team of over 20 appraisal and consulting professionals in the Phoenix and Tucson offices. An accomplished 30-year real estate professional with extensive industry and management experience, she leads CBRE's efforts to provide exceptional outcomes for local, regional and global clients.

Working alongside a dedicated team of specialized experts, she works to elevate CBRE's best-in-class status by ensuring consistent, quality appraisal services. In her role as Managing Director, she coordinates all activities for Arizona, including overseeing new business development, client relations and appraisal quality control production.

She is licensed as a Certified General Appraiser in the states of Arizona, New Mexico and Nevada. Ms. Dance is a designated member of the Appraisal Institute (MAI and SRA) and holds a CCIM designation. Her appraisal experience spans a broad spectrum of real estate appraisals, rent analyses and market studies of commercial and multifamily residential properties. She has also provided litigation support and expert testimony in deposition and court in Arizona.

Professional Affiliations / Accreditations

- Appraisal Institute – Designated Member (MAI and SRA)
- CCIM Institute – CCIM designation
- Certified General Real Estate Appraiser, State of Arizona, No. 30249
- Certified General Real Estate Appraiser, State of New Mexico, No. 03242-G
- Certified General Real Estate Appraiser, State of Nevada, No. No. A.0206799-CG
- Licensed Real Estate Broker: State of Arizona (#BR505868000)

Education

- Arizona State University
  - Science in Business Administration, Production & Operations Management

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Department of Insurance and Financial Institutions

State of Arizona

CGA - 30249

This document is evidence that: **JOLENE U. DANCE** has complied with the provisions of Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

JOLENE U. DANCE

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **August 31, 2024**

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ADDENDA

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