

Overall, housing permits and sales had been increasing and a period of substantial growth occurred during 2004 and 2005 with unprecedented price increases experienced for most areas of Tucson. Building permit activity declined steadily in the Tucson Metropolitan area from a peak in 2005 of 11,166 to a summit of 1,388 in 2011 for all new single-family residential construction residential building permits, according to the United States Census Bureau, Building Permits Survey. This was due in part to the difficulty in obtaining financing and, to a larger extent, a decrease in demand from primary home buyers and speculative home purchases by out of state buyers and an oversupply of available homes on the market, resulting in declining home prices. The slow-down in sales has resulted in an increase in the inventory of available houses and a decrease in housing prices in the Tucson Metropolitan area. There has been a 56 percent increase in residential permits in 2012 from the bottom in 2011. This is an indication that the new home residential market is beginning to recover. The number of permits for 2013 showed a continued improvement in the market, with indications of a slight decline in 2014. In recent years, the number of permits has remained mostly stable with a slight increase in 2017. New home sales are still well below peak or stabilized levels seen in the past.

Residential market conditions have stabilized. Prices for some types of homes, specifically in homes priced below \$250,000 had increased slightly starting in 2013, and prices have continued to increase slowly. There is an oversupply of single-family residences that exceed \$250,000, particularly those over \$500,000, causing values for these types of product to remain mostly stable. In the short term, continued slow growth is projected for Tucson over the next one to two years for residential properties, with market conditions expected to continue to improve during this time. The long term result should be a more balanced level of supply and demand - more conducive to steady long-term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.

EXPOSURE/MARKETING TIME:

Marketing time, as utilized in this appraisal, is defined as:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. ¹

The reasonable *exposure time* is the period a property is on the market until a sale is consummated and as utilized in this appraisal, is defined as:

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. ²

The reasonable exposure and marketing time is estimated to be six to twelve months based on the sales used in this report and based on conversations with brokers familiar with properties similar to the subject property. This is consistent with the property type, location, physical characteristics, and overall market conditions.

HIGHEST AND BEST USE:

The Sixth edition of The Dictionary of Real Estate Appraisal (Appraisal Institute; 2015, p. 109), defines highest and best use as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

An analysis of market data supports the conclusion of highest and best use. The first step is to determine the highest and best use of the land as though vacant. This includes a determination as to whether the site should be left as vacant or should be developed. If the site should be developed, an analysis determines the ideal improvements that should be developed on the property. The second step is to determine the highest and best use of the property as improved. This involves a comparison of the existing improvements to the ideal improvements in order to determine if the existing improvements should be modified or left in the current condition.

Highest and Best Use as Vacant***Legal Considerations***

The subject site is zoned CR-1 (Single Residence), according to the Pima County zoning code.

1. The Dictionary of Real Estate Appraisal (Appraisal Institute, Sixth Edition, 2015), p. 140

2. Ibid, p. 83

This classification permits single family residences at the density (minimum lot area) of one unit per 36,000 square feet or as low as 24,000 square feet under the cluster development option if sewer is available and 43,560 square feet if sewer is not available. Mobile homes are not permitted under this zoning. The minimum lot width is 100 feet.

This property is located in an area designated as Low Intensity Urban 1.2 (LIU 1.2) according to the Pima County Comprehensive Plan. The purpose of this designation is to “designate areas for low density residential and other compatible uses; to provide incentives for clustering residential development and providing natural open space; and to provide opportunities for a mix of housing types throughout the region.” Only land area zoned and planned for residential use, or natural or cluster open space areas, shall be included in gross density calculations. The maximum residential gross density is 1.2 residences per acre (RAC) or 2.5 to 4.0 residences per acre with 30 percent cluster open space. Allowable zonings under the LIU 1.2 designation are GC, SR, SR-2, SH, CR-1, CR-2, CR-3, CR-4, CR-5, CMH-1 and MR. The existing zoning and development at the site is consistent with the comprehensive plan. The existing CR-1 zoning is consistent with the comprehensive plan designation.

The property is a lot within a residential subdivision. Therefore, the subject property could be developed with a single-family residential use.

Physical Considerations

The site is irregular in shape with 259 feet of frontage on Ina Road. The site has a depth of 192 feet along the western property line and a width of 154 feet along the southern property line. It contains a total area of 35,056 square feet or 0.80 acres. Ina Road is a four-lane, asphalt-paved roadway with a landscaped center median, concrete curbs, but no sidewalks or streetlights in the vicinity of this site. Ina Road has a 2017 traffic count of approximately 32,000 vehicles per day near the subject site. The property currently does not have a curb cut from Ina Road. According to Rick Hicks of the Pima County Site Development Group, a curb cut would be granted to provide access to the property from Ina Road. According to Mr. Rick Hicks, Pima County is legally obligated to provide access to this property. However, if the property was purchased by an adjacent property owner, it is probable Pima County would not approve a curb cut for direct access from Ina road as the property would have access through the adjacent lot. The topography is steeply sloping in a southeasterly direction and below street grade of Ina Road. The northern portion of the property is steeply sloping to the south. The southern portion of the property is somewhat more level but sloping somewhat to the east and south. Extensive site work would need to be done prior to developing the site. The site work would include creating a driveway that would likely contain switchbacks due to the slope. Cut and fill work would be required to achieve a level building pad. Because of the steeply sloping terrain, the ideal building area would be in the southwest portion of the property as this area is slightly more level. This area is below grade of Ina Road. The development cost would be high due to the cut and fill work to obtain a level building pad and the cost to build a driveway in the steeply sloping northern portion of the lot. Because the property is below grade of Ina Road, the views are somewhat limited, with some city and mountain views from the building area. There is a drainage structure on the adjacent property to the east at the eastern property line. Properties bordering the subject property include residential uses to the north, to the south, and to the west. There is vacant land and residential uses to the east of the subject property.

Utilities available to the subject property include electric (Tucson Electric Power Company), natural gas (Southwest Gas Corporation), telephone (Century Link), water (Tucson Water), and sewer (Pima County Wastewater Management) and are available to the site in sufficient quantity and quality.

According to FEMA Flood Insurance Rate Map 04019C1680L, dated June 16, 2011, the subject property is identified as being located in Zone X (see Exhibits) which are areas determined to be outside the 500-year floodplain. The property is in a seismic zone which is considered to have a low probability of seismic activity. There are no known easements or encumbrances that adversely affect the subject property. A utility easement along the southern property line and a sewer easement along the southern property line do not have an adverse effect on the property.

The physical characteristics would allow for a development of a custom home on the residential lot.

Financial Feasibility

From among those uses which are legally permissible and physically possible, one dominant use emerges as being most marketable, i.e., financially feasible. There is strong demand for homes within the market area. Market conditions for homes in this market area remain stable. There are vacant lots available for purchase and construction of custom homes in the neighborhood. Due to the high development costs as well as the average views and frontage on Ina Road, there are many other lots that would be developed with a custom home before the subject. After these lots are developed, it would be feasible to develop the subject. Therefore, the subject property would likely be held for investment until market conditions improve. At that time the subject would be developed with a custom single family residence.

Maximally Productive

Therefore, the maximally productive highest and best use of the subject site is for investment with eventual development of a custom single-family residence.

SUMMARY OF ANALYSIS AND VALUATION - PART IV

Sales Comparison Approach.

The sales comparison approach to value considers what a typical well-informed purchaser would pay for a property, based on an analysis of similar properties. This approach reflects the application of the principle of substitution, which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property.

This approach analyzes sales and listings of properties similar to the subject. This analysis uses those sales most relevant as indicators of value of the subject property, making adjustments for dissimilarities such as site size, location, quality, age, building size, condition, appeal, amenities, and terms of sale. Sales used in this approach must contain these elements; 1) both parties are typically motivated; 2) both parties are well-informed; 3) a reasonable market exposure time is allowed; 4) payment is made in cash or its equivalent; and 5) financing reflects terms typically available, and not affected by special or unusual terms.

This analysis uses the following six sales and adjustments. The adjustment grid on the following page indicates the adjustments. An upward adjustment (+) indicates that the comparable is inferior to the subject; a downward adjustment (-) indicates that the comparable is superior to the subject; and no adjustment (0) indicates the comparable is similar or equal to the subject.

Table of Comparable Land Sales

Sale No.	Sale Date	Property Location	Sale Price	Site Size (Acres)	Zoning
1.	11/2015	East side of Montecatina Drive, south side of Ina Road	\$77,000	0.97	CR-1
2.	11/2016	North side of Coachlight Lane, West of Swan Road, south of River Road	\$50,000	1.24	CR-1
3.	01/2017	Southwest corner of Skyline Drive and Doane Drive	\$90,800	0.83	CR-1
4.	04/2017	West side of Yvon Drive, north of River Road, west of 1 st Avenue	\$59,000	0.87	CR-1
5.	04/2017	West side of Hacienda Del Sol, north of River Road	\$88,100	1.26	CR-1
6.	04/2018	South side of Ina Road, west of Skyway Drive	\$89,500	1.02	CR-1
		Subject		0.80	CR-1

COMPARABLE LAND SALES ADJUSTMENT GRID

	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Sale Date		11/2015	11/2016	01/2017	04/2017	04/2017	04/2018
Site Size (Acres)	0.80	0.97	1.24	0.83	0.87	1.26	1.02
Zoning	CR-1	CR-1	CR-1	CR-1	CR-1	CR-1	CR-1
Utility	Fair	Superior	Superior	Superior	Similar	Similar	Superior
Sale Price		\$77,000	\$50,000	\$90,800	\$59,000	\$88,100	\$89,500
<i>Summary of Adjustments</i>							
Unadjusted Sale Price		\$77,000	\$50,000	\$90,800	\$59,000	\$88,100	\$89,500
Property Rights		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price		\$77,000	\$50,000	\$90,800	\$59,000	\$88,100	\$89,500
Financing		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price		\$77,000	\$50,000	\$90,800	\$59,000	\$88,100	\$89,500
Conditions of Sale		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price		\$77,000	\$50,000	\$90,800	\$59,000	\$88,100	\$89,500
Date/Market Conditions		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price		\$77,000	\$50,000	\$90,800	\$59,000	\$88,100	\$89,500
Physical Adjustments (%)							
Location/Views		10	20	-10	10	-15	-10
Frontage		0	0	0	-8	-8	0
Zoning		0	0	0	0	0	0
Lot Size		0	0	0	0	0	0
Site Utility/Access		<u>-25</u>	<u>-5</u>	<u>-25</u>	<u>0</u>	<u>-5</u>	<u>-20</u>
Net Adjustment		-15%	15%	-35%	2%	-28%	-30%
Indicated Value		\$65,450	\$57,500	\$59,020	\$60,180	\$63,432	\$62,650

This analysis compares six sales of similar vacant land parcels to the subject property on a gross sales price basis. Sales prices range from \$50,000 to \$90,800 before adjustment. The adjustment grid on the previous page reflects the adjustments. An upward adjustment indicates that the comparable is inferior to the subject; a downward adjustment indicates that the comparable is superior to the subject; and no adjustment (0) indicates the comparable is similar or equal to the subject.

Comparable Sale One does not require an adjustment for date and market conditions as market conditions for this type of property did not change between the date of this sale and the date of value. There is an upward adjustment for location/views as this property is located in an area with less demand than the subject property. This sale warrants a downward adjustment for site utility as this property has better utility and lower development costs compared to the subject property. The subject property requires extensive development costs to develop a level building pad and driveway. Overall, this comparable sale indicates a downward adjustment in comparison to the subject property.

Comparable Sale Two does not require an adjustment for date and market conditions as market conditions for this type of property did not change between the date of this sale and the date of value. There is an upward adjustment for location/views as this property is in an area with less demand and inferior views compared to the subject property. This sale warrants a downward adjustment for site utility as this property has better utility compared to the subject property. This property requires less site work than the subject property. Overall, this comparable sale indicates an upward adjustment in comparison to the subject property.

Comparable Sale Three does not require an adjustment for date and market conditions as market conditions for this type of property did not change between the date of this sale and the date of value. There is a downward adjustment for location/views as this property has better views compared to the subject property. This sale warrants a downward adjustment for site utility as this property has better utility and lower development costs compared to the subject property. The subject property requires extensive development costs to develop a level building pad and driveway. Overall, this comparable sale indicates a downward adjustment in comparison to the subject property.

Comparable Sale Four does not require an adjustment for date and market conditions as market conditions for this type of property did not change between the date of this sale and the date of value. There is an upward adjustment for location/views as this property is located in an area with less demand than the subject property. There is a downward adjustment for frontage as this property has frontage only on a residential street, and the subject property has frontage on a major roadway. Property located on a residential street sell for more than property located on a major roadway, all else being equal. Therefore, there is a downward adjustment for frontage. Overall, this comparable sale indicates an upward adjustment in comparison to the subject property.

Comparable Sale Five does not require an adjustment for date and market conditions as market conditions for this type of property did not change between the date of this sale and the date of value. There is a downward adjustment for location/views as this property is located in an area

with superior views compared to the subject property. There is a downward adjustment for frontage as this property has frontage only on a residential street, and the subject property has frontage on a major roadway. Property located on a residential street sell for more than property located on a major roadway, all else being equal. Therefore, there is a downward adjustment for frontage. This sale warrants a downward adjustment for utility as this property requires slightly less sight work than the subject. Overall, this comparable sale indicates a downward adjustment in comparison to the subject property.

Comparable Sale Six does not require an adjustment for date and market conditions as market conditions for this type of property did not change between the date of this sale and the date of value. There is a downward adjustment for location/views as this property has better views compared to the subject property. This sale warrants a downward adjustment for site utility as this property has better utility and lower development costs compared to the subject property. The subject property requires extensive development costs to develop a level building pad and driveway. Overall, this comparable sale indicates a downward adjustment in comparison to the subject property.

Sales Comparison Approach Summary.

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Adjusted Gross Sale Price	\$65,450	\$57,500	\$59,020	\$60,180	\$63,432	\$62,650

These six comparable sales indicate a gross sales price range of \$57,500 to \$63,432 after adjustment. Comparable Sale Four warrants the greatest weight as this sale required the least magnitude of adjustments. Comparable Sale Six receives secondary weight as this property is adjacent to the subject property and is a reliable indicator of value after adjustments. The remaining comparable sales receive slightly less weight as these sales require either more adjustment or are not the most similar to the subject. After analyzing the comparable sales, the conclusion of market value of the subject property by the sales comparison approach, as of October 18, 2018, is \$62,000

Market Value Conclusion.

Therefore, based on the above analysis and subject to the assumptions and limiting conditions contained in this report, the opinion of market value of the subject property, "as is", as of the effective date of the appraisal, October 18, 2018, is \$62,000.

OPINION OF MARKET VALUE OF SUBJECT PROPERTY,
"AS IS", AS OF OCTOBER 18, 2018:

SIXTY TWO THOUSAND DOLLARS (\$62,000)

ASSUMPTIONS AND LIMITING CONDITIONS - PART V

1. **Type of Report.** This is an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. **Definitions.** "Appraisal," as herein defined, is the process of completing a service; namely, a valuation assignment. "Subject property" refers to the property which is the subject of the assignment. "Appraisers" are those persons, whether one or more, who have accepted the assignment and who have participated in the analyses, opinions, and conclusions formed in the appraisal. "Company" refers to Baker, Peterson, Baker & Associates, Inc. "Report" refers to this written document containing the analyses, opinions, and conclusions which constitute the appraisal.
3. **Liability.** The liability of Baker, Peterson, Baker & Associates, Inc., including any or all of its employees, and including the appraiser responsible for this report, is limited to the Client only, and to the fee actually received by the Company. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of any person other than the Client, the Client is responsible for making such party aware of all assumptions and limiting conditions related thereto. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the subject property, whether physical, financial, or legal.
4. **Title.** No opinion as to title is rendered. Data related to ownership and legal description was provided by the Client or was obtained from available public records and is considered reliable. Unless acknowledged in this report, no title policy or preliminary title report were provided. Title is assumed to be marketable and free and clear of all liens, encumbrances, and restrictions except those specifically discussed in the report. The property is appraised assuming responsible ownership, competent management and ready availability for its highest and best use.
5. **Survey or Engineering.** No survey or engineering analysis of the subject property has been made by the appraiser. It is assumed that the existing boundaries are correct and that no encroachments exist. The appraiser assumes no responsibility for any condition not readily observable from customary investigation and inspection of the premises which might affect the value thereof, excepting those items which are specifically mentioned in the report.

6. **Data Sources.** The report is based, in part, upon information assembled from a wide range of sources and, therefore, the incorporated data cannot be guaranteed. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the Client consider independent verification within these categories prior to any transaction involving a sale, lease, or other significant commitment of the subject property, and that such verification be performed by appropriate recognized specialists.
7. **Subsequent Events.** The date of valuation to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring after the date of valuation which may affect the opinions in this report. Further, in any prospective valuation assignment, the appraiser cannot be held responsible for unforeseeable events that alter market conditions prior to the date of valuation. Such prospective value estimates are intended to reflect the expectations and perceptions of market participants along with available factual data, and should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized.
8. **Adjustments.** The appraiser reserves the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available subsequent to issuance of the report.
9. **Special Rights.** No opinion is expressed as to the value of any subsurface (oil, gas, mineral) or aerial rights or whether the property is subject to surface entry for the exploration or removal of materials except where expressly stated in the report.
10. **Value Distribution.** The distribution of total value in this report between land and improvements applies only under the specified highest and best use of the subject property as herein described. The allocations of value among the land and improvements do not apply to any other property other than the property which is the subject of this report.
11. **Legal or Special Opinions.** No opinion is intended to be expressed for matters which require legal expertise, specialized investigation, or a level of professional or technical knowledge beyond that customarily employed by real estate appraisers.
12. **Personal Property.** Unless expressly stated within this report, no consideration has been given as to the value of any personal property located on the premises, or to the cost of moving or relocating such personal property. Only the real property has been considered.

13. **Soil Conditions.** Unless expressly stated within this report, no detailed soil studies covering the subject property were available to the appraiser. Therefore, it is assumed that existing soil conditions are capable of supporting development of the subject property in a manner consistent with its highest and best use without extraordinary foundation or soil remedial expense. Further, it is assumed that there are no hidden or unapparent matters (hazardous materials, toxic substances, etc.) related to the soil or subsurface which would render the subject more or less valuable by knowledge thereof.
14. **Court Testimony.** Testimony or attendance in court or at any other hearing (including depositions) is not required by reason of rendering this appraisal or issuing this report, unless such arrangements have previously been made and are part of a contract for services.
15. **Exhibits.** Maps, floor plans, photographs, and any other exhibits contained in this report are for illustration only, and are provided as an aid in visualizing matters discussed within the report. They should not be considered as surveys or scale renderings, or relied upon for any other purpose.
16. **Statute, Regulation, and License.** Unless otherwise stated within the report, the subject property is assumed to be in full and complete compliance with all applicable federal, state, and local laws related to zoning, building codes, fire, safety, permits, and environmental regulations. Further, it is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authorizations have been, or can be, readily obtained or renewed as related to any use of the subject property on which the value estimate contained herein is based.
17. **Hidden or Unapparent Conditions.** It is assumed that there are no hidden or unapparent conditions which, if known, would affect the analyses, opinions or conclusions contained in this report. This includes, but is not limited to, electrical, mechanical, plumbing, and structural components.
18. **Hazardous/Toxic Substances.** In this appraisal assignment, no observation was made of the existence of potentially hazardous material used in the construction and/or maintenance of the improvements, or from any other source, whether borne by land or air, including, but not limited to, asbestos, lead, toxic waste, radon, and urea formaldehyde. While not observed, and while no information was provided to confirm or deny the existence of such substances (unless expressly stated herein), it is emphasized that the appraiser is not qualified to detect or analyze such substances. Unless otherwise stated, no consideration has been given to the presence of, nature of, or extent of such conditions, nor to the cost to "cure" such conditions or to remove any toxic or hazardous substances which could potentially affect the value or marketability of the property. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. This value estimate assumes that there is no such material on or in the property.

19. ***Americans with Disabilities Act of 1990.*** The ADA became effective on January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
20. ***Disclosure.*** Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, including the value estimate, the identity of the appraisers or their professional designations, or the company with which the appraisers are associated, shall be used for any purpose by anyone other than the Client as herein stated, without the prior written consent of the appraisers. Nor shall it be conveyed, in whole or in part, in the public through advertising, news, sales, listings, or any other media without such prior written consent. Possession of this report does not carry with it any right of public distribution.
21. ***Endangered and Threatened Species.*** The appraisers have not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which are identified as an endangered or threatened species by the U. S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such plants or wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. It is possible that a survey of the property could reveal that the site contains endangered or threatened plants or wildlife. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible endangered or threatened species in estimating the value of the property.
22. ***Acceptance of Report.*** Acceptance and/or use of this report by the Client or any third party constitutes acceptance of all of the above conditions.

CERTIFICATION - PART VI

I CERTIFY THAT, TO THE BEST OF MY 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Foundation, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute, and any other specifications submitted by the Client, including Title XI, FIRREA.
8. The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.
9. In accord with the Uniform Standards of Professional Appraisal Practice, I have the experience and knowledge to complete this assignment in a credible and competent manner.
10. As of the date of this report, I have completed requirements of the continuing education program of the Appraisal Institute.
11. The effective date (date of valuation) of this appraisal is October 18, 2018.
12. I have made a personal inspection of the property that is the subject of this report.

13. Our firm has appraised the subject property within three years prior to this assignment.
14. It is noted that Timothy Hale (Certificate T0137) assisted significantly with this report by performing the following tasks under the direction of the appraiser: Researched the subject and comparable sale information and developed the report. The final analysis and value conclusion is that of Sara R. Baker, MAI, SRA.
15. I am a Certified General Real Estate Appraiser in the State of Arizona.



Sara R. Baker, MAI, SRA
Certified General Real Estate Appraiser
Certificate Number 31679
Designated Supervisory Appraiser
Registration Number DS0082

EXHIBITS - PART VII

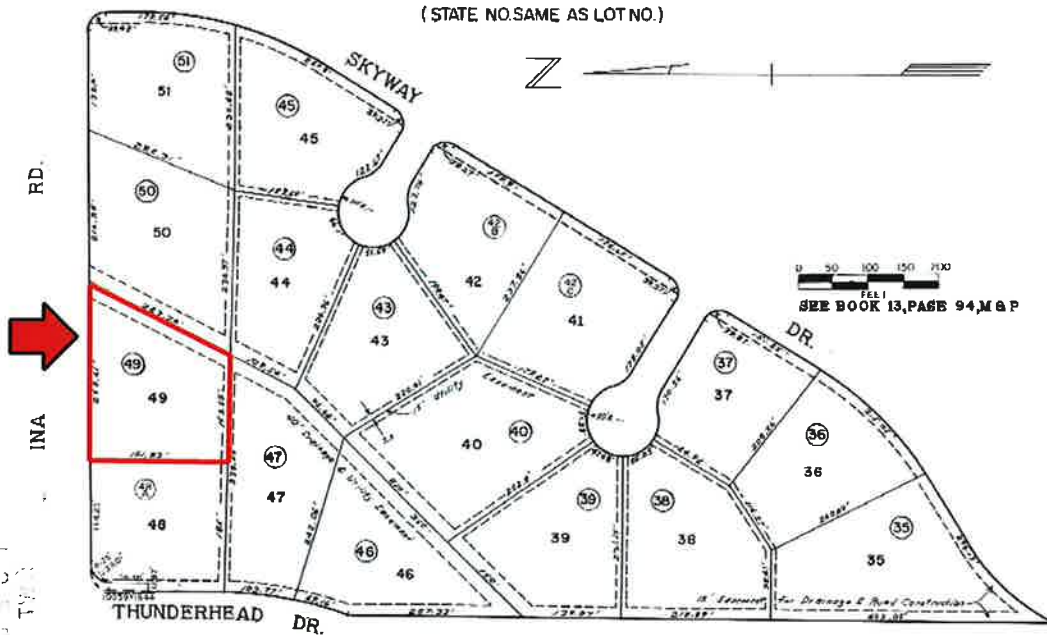
Exhibit A	Subject Plat Map
Exhibit B	Aerial Photograph
Exhibit C	Zoning Map (Pima County)
Exhibit D	FEMA Flood Plain Map
Exhibit E	Subject Photographs
Exhibit F	Comparable Land Sales Location Map
Exhibit G	Comparable Land Sales, Plat Maps and Aerial Photographs
Exhibit H	Qualifications

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108-04
3/5

SKYLINE FOOTHILLS EST., DETAIL No. 3, (Lots 35 thru 51)

(STATE NO.SAME AS LOT NO.)



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SEE BOOK 13, PAGE 94, M & P

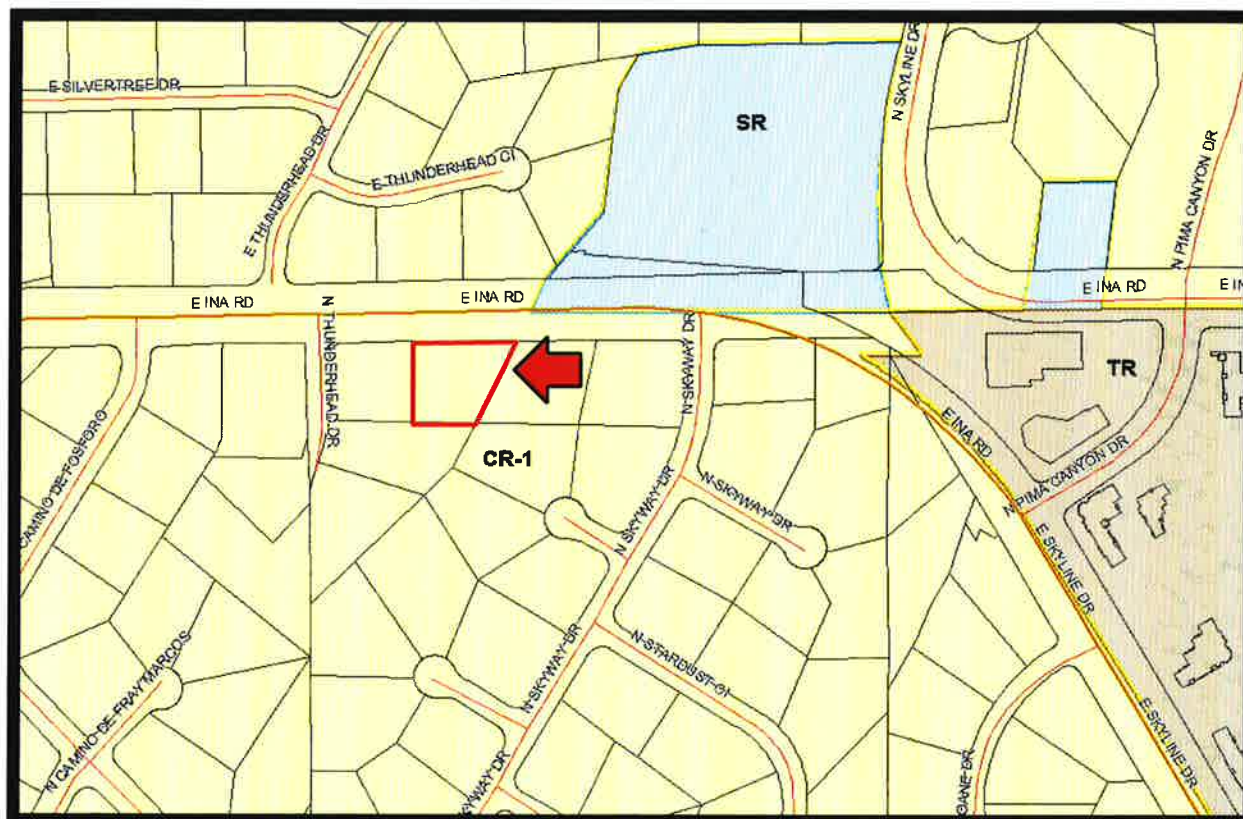
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SCAMEN

COPIES
POLICE
CHASE TWO

An aerial photograph of a residential neighborhood. A large, irregularly shaped lot is outlined in red. A red arrow points to the right side of this red-outlined lot. The lot is surrounded by other residential properties, some with houses and swimming pools. A road runs horizontally across the top of the image, and another road runs vertically on the left side. The lot number '0450' is visible within the red-outlined area.

EXHIBIT C - ZONING MAP (Pima County)



<input checked="" type="checkbox"/> Zoning - County
CB-1
CB-1(H)
CB-2
CB-2(H)
CI-1
CI-2
CI-3
CMH-1
CMH-2
CPI
CR-1
CR-2
CR-2(H)
CR-3
CR-4
CR-4(H)
CR-5
CR-5(GC)
CR-5(H)

GR-1
GR-1(H)
IR
ML
MR
MU
RH
RH(GC)
RH(H)
RVC
SH
SH(H)
SP
SR
SR-2
TH
TH(H)
TR

EXHIBIT D - FEMA FLOOD PLAIN MAP

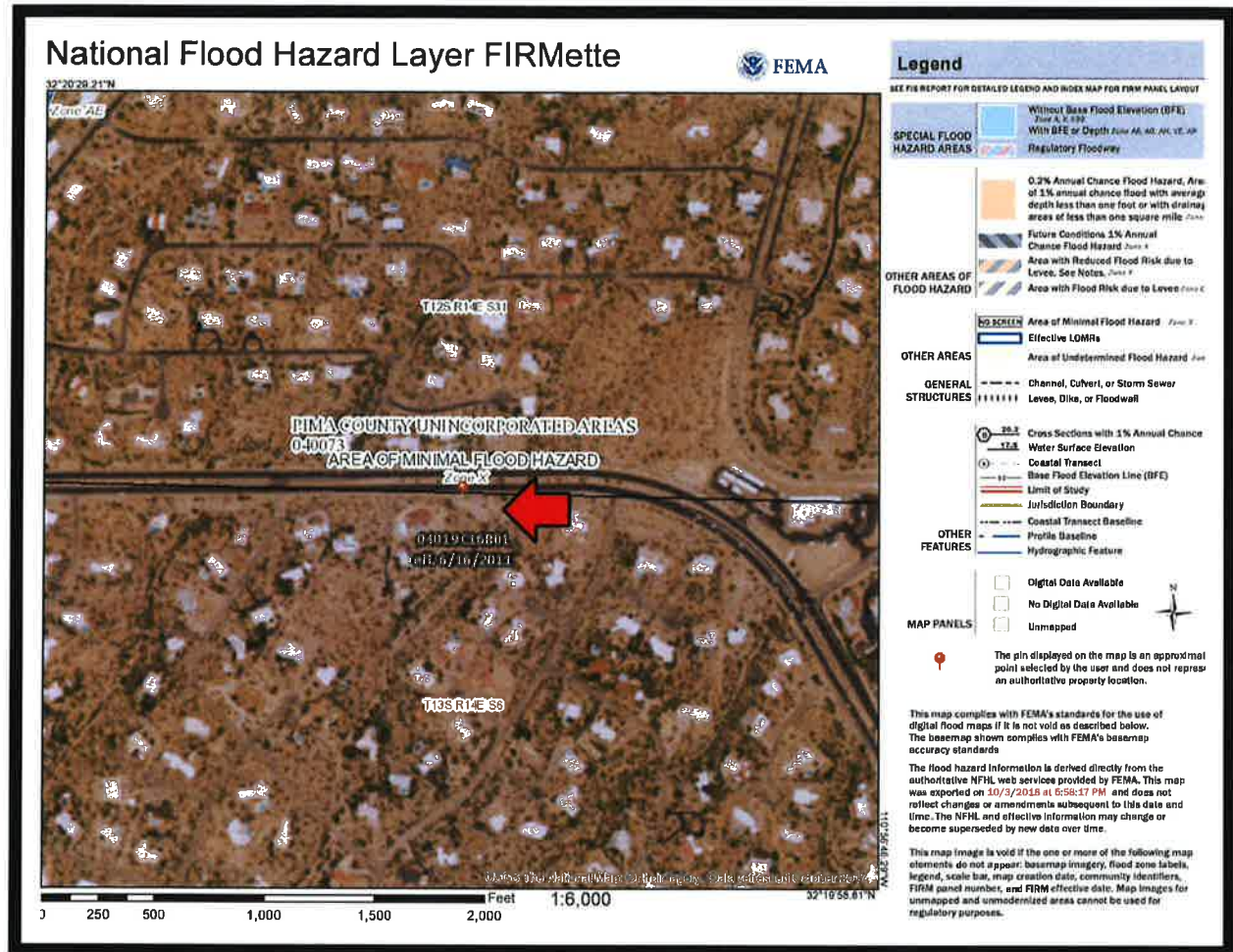


EXHIBIT E - SUBJECT PHOTOGRAPHS
PHOTO 1 - VIEW SOUTHEAST OF PROPERTY



PHOTO 2 - VIEW SOUTHWEST OF PROPERTY



PHOTO 3 - VIEW SOUTHWEST FROM NORTHEAST



PHOTO 4 - VIEW SOUTH FROM NORTH



PHOTO 5 - VIEW WEST FROM SOUTHEAST



PHOTO 6 - VIEW NORTHWEST FROM SOUTHEAST

