

Land Sale No. 2

Property Identification

Property ID	8930
Property Type	Mixed Use Land
Property Name	Dove Mountain Centre II
Address	5250 W Dove Centre Road
City, State Zip	Marana, Arizona 85658
County	Pima
Tax ID	218-55-5780 & -5790

Sale Data

Seller	Cottonwood Properties Inc.
Buyer	AZ Land Holdings, LLC
Sale Date	03-09-2018
Reference No.	20180680576
Property Rights	Fee Simple
Market Time (days)	Unknown
Verification	Costar Comps, Affidavit, Public Records, , 08-02-2018

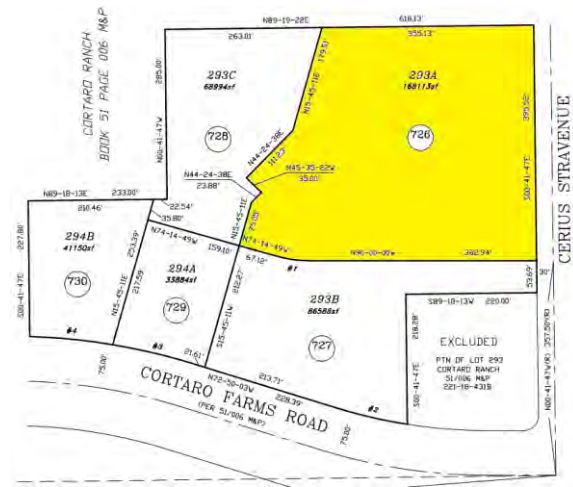
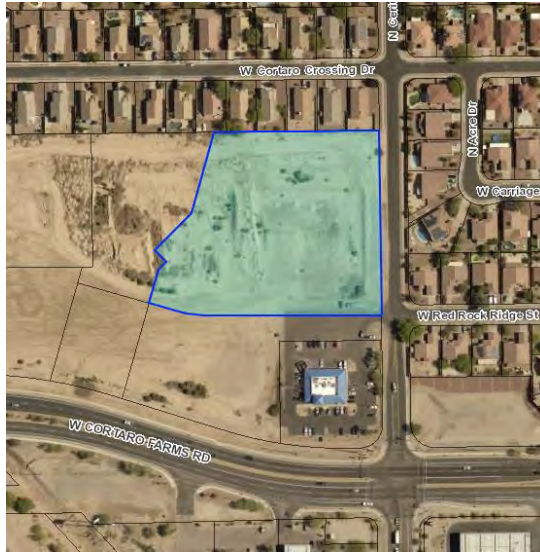
Land Data

Size	5.88 acres; 256,133 SF
Shape	Irregular, functional
Topography	Generally level
Utilities	All available
Zoning	F
Proposed Use	Senior Housing

Price	\$1,683,000
Price/Gross Acre	\$286,224 per acre
Price/Gross SF	\$6.57 per SF

Remarks

The sales is an arm's length transaction. The parcel backs onto open space. Surrounding land uses include upscale apartments, a health center and a retail shopping center. The site is planned for senior housing apartments.

Land Sale No. 3

Property Identification

Property Type	Commercial Land
Property Name	Cortaro Ranch
Address	5600 W Cortaro Farms Rd
City, State Zip	Marana, Arizona 85742
County	Pima
Tax ID	221-18-7260

Sale Data

Seller	Cortaro Commercial JV, LLC
Buyer	Marana Micro-hospital, LLC
Sale Date	05-31-2018
Reference No.	20181511065
Property Rights	Fee Simple
Market Time (days)	Unknown
Financing	Cash equivalent
Verification	

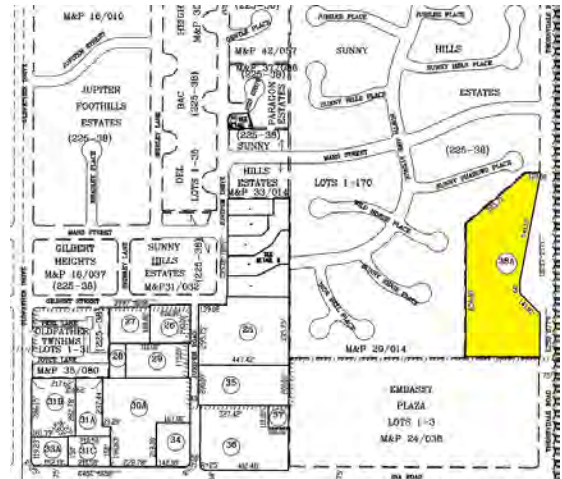
Land Data

Size	3.86 acres; 168,113 SF
Shape	Irregular, functional
Topography	Generally level
Utilities	All available
Zoning	VC, Village Commercial
Proposed Use	Micro-hospital

Price	\$966,650
Price/Gross Acre	\$250,427 per acre
Price/Gross SF	\$5.75 per SF

Remarks

The sale was confirmed as an arm's length, non-distressed transaction. The property was purchased to construct a 35,000 S.F. micro-hospital with 22 beds on the site. The property is part of the 20 acre Cortaro Ranch commercial development which will include an IHOP, a Dutch Bros coffee shop, a Serial Grillers restaurant, and additional medical/office space.

Land Sale No. 4

Property Identification

Property Type	Land
Property Name	Ina Overlook
Address	7417 N Thornydale Rd
City, State Zip	Tucson, Arizona 85741
County	Pima
Tax ID	225-36-038A

Sale Data

Seller	Ocean WH Medical Solutions, LLC
Buyer	Ina Overlook Partners, LLC
Sale Date	08-14-2018
Reference No.	20182260621
Property Rights	Fee Simple
Market Time (days)	224
Financing	Cash
Verification	Sandra Sarabia, Desco Southwest (520-297-8929)

Land Data

Size	5.95 acres; 259,182 SF
Shape	Irregular, functional
Topography	Rolling topography
Utilities	All available
Zoning	TR
Proposed Use	Assisted living

Price	\$1,300,000
Price/Gross Acre	\$218,487 per acre
Price/Gross SF	\$5.02 per SF

Remarks

The sale was confirmed as an arm's length, non-distressed transaction. The sellers had purchased the property in April 2017 for \$1,250,000, or \$4.82/S.F. They were out of state investors and the local developers they had planned to use backed out of the deal, so they decided to sell the property. The buyers also plan to develop the site with assisted living. The topography of the site is likely to increase development costs. There is approximately 1.25 acres in the center of the site which is required to remain as open space. The buyer plans to develop the site with a 77 bed assisted living facility (55 assisted living beds and 22 memory care beds).

Land Sales Comparison Analysis

I analyzed the sales and made adjustments for differences in the elements of comparison previously listed. The comparable sales are adjusted to the subject: if the comparable sale was superior to the subject, I applied a negative adjustment to the comparable sale. A positive adjustment to the comparable property was applied if it was inferior to the subject. A summary of the elements of comparison follows.

Transaction Adjustments

These items are applied prior to the application of property adjustments. Transaction adjustments include:

1. Real Property Rights Conveyed
2. Financing Terms
3. Conditions of Sale
4. Expenditures Made Immediately After Purchase

The adjustments are discussed as follows:

Real Property Rights Conveyed

The fee simple interest of the subject property is considered. The fee simple interest is transferred in each of the sales and no adjustment is necessary.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms.

The transactions were all cash or cash equivalent transactions, requiring no adjustment.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value.

The sales were all confirmed to be arm's length, non-distressed transactions. No adjustments are required.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include: (1) costs to demolish and remove any portion of the improvements, (2) costs to petition for a zoning change, and/or (3) costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost that was anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison.

Land Sales 1 through 4 require no adjustment for expenditures made immediately after purchase.

Market Conditions Adjustment

Market conditions change over time as a result of inflation, deflation, fluctuations in supply and demand and other factors. Changing market conditions creates the need for adjustments to sale comparables that represent transactions during periods of dissimilar market conditions.

The sales have occurred from February 2017 to August 2018. All of the sales, except Sale 1, occurred in the past year. The real estate market has improved over this period with decreasing vacancy and stabilizing to increasing rents in most areas. And upward adjustment is given to the older Sale 1. No other market conditions adjustments are warranted.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages that reflect the increase or decrease in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments.

The adjustments are discussed as follows:

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner versus interior lot location, neighboring properties, view amenities, and other factors.

The subject site is located in a path of growth area of Marana with above average disposable income demographics and a corner profile at a signalized intersection. Sales 1 through 4 are located in Oro Valley/ Marana in areas of similar demographic profiles. Sales 1, 3 and 4 all have arterial, midblock exposure and are adjusted upward for the subject's superior exposure. The adjustment considers the subject's corner orientation along with the limited 180 degree trade area due to significant public land to the west of the intersection. Sale 2 receives an upward adjustment for the subject's corner exposure, which is partially offset by Sale 2's location in an established retail center, despite its interior orientation.

Physical Characteristics

The size adjustment identifies variances in the physical size of the comparables and the subject. Typically, all other characteristics being equal, the larger a parcel, the lower the sale price per unit. This inverse relationship is due, in part, to the principle of "economies of scale." The subject site contains 3.44 acres. The sales range between 3.35 acres and 5.95 acres. This is considered to be within a competitive size range and no adjustments are warranted.

Sales 1 through 3 have functional shapes, generally level topography, are outside the 100-year floodplain, and are developable sites. This is similar to the subject and no adjustments are given. Sale 4 has an irregular shape and topography which reduces the development potential of the site and increases development costs. An upward adjustment is applied.

The subject lacks wet utilities. Estimated costs for utilities extensions of a rounded \$2.00/S.F. (or \$88,500/acre - see site description) are deducted from all of the sales, which have all utilities available. The estimated extension costs are based on uncertain assumptions such as a private cost sharing agreement with area land owners for water extension and the approval from Pulte Homes for sewer line extension from their Tangerine Ridge development. There are significant inherent risks associated with these assumptions. If a cost sharing agreement or sewer extension approval fails to be executed or the agreement takes years to accomplish, the net present value of the subject land could be severely impaired. The property cannot be developed in accordance with its highest and best use without a regional water solution along the corridor and the water solution requires a private cost sharing agreement. If Pulte Homes does not approve sewer line extensions to the subject, it could take years for an alternative solution to be found and/or the property could be limited to lower intensity development which is able to function on a septic system. A knowledgeable purchaser would consider the risk and unknown timeframe in the valuation of the subject property. A supported subjective downward adjustment is applied to address the risk and timing of wet utilities extensions.

Zoning/ Highest and Best Use

The highest and best use of sale comparables should be very similar to the subject property. When land sales with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and use similar to that of the subject may be used as comparables.

All of the sales are zoned for their proposed uses and support a variety of commercial developments, similar to the subject zoning. No adjustments apply.

No non-realty items are relevant to the analysis.

Summary of Adjustments

Based on the preceding analysis, I have summarized adjustments to the sale comparables on the following adjustment grid. These adjustments are based on our market research, best judgment, and experience in the appraisal of similar properties.

After adjustments, the range of indicated values is \$3.38/S.F. to \$3.89/S.F. Given the limited data available and the relatively narrow adjusted range, the sales are given equal weight and support an upper-central value conclusion of \$3.75/S.F., reflecting the "as is" value conclusion. Lending additional support for the value conclusion is the 3.58 acre commercial land parcel adjacent south of the subject that has been listed for several years at \$2.89/S.F. This parcel does not have a corner location and has additional hydrology constraints, but it has similar zoning to the subject and also lacks wet utilities. The 149,846 S.F. site at \$3.75/S.F. yields a market value conclusion of \$561,923, rounded to \$560,000, the nearest \$10,000.

I conclude to a market value opinion for the subject property in the 'before condition' and assuming no project influence of \$560,000, or \$162,791/acre. The value conclusion per acre is utilized hereafter for the purpose of determining just compensation for the proposed partial acquisition.

Land Sale Adjustment Grid

	Sale 1	Sale 2	Sale 3	Sale 4
Property Name	Senior Apt Site	Dove Mountain Retail Centre Lot	Micro-hospital site	Assisted Living Site
Location	9005 N Oracle Rd	NE of Dove Mountain Blvd & Tangerine Rd	5600 W Cortaro Farms Rd	7417 N Thornycroft Rd
Date	2/17	3/18	5/18	8/18
Sale Price	\$830,000	\$1,683,000	\$966,650	\$1,300,000
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Cash Equiv.	Cash	Cash Equiv.	Cash Equiv.
Conditions of Sale	Typical	Typical	Typical	Typical
Expenditures after Sale per SF	\$0.00	\$0.00	\$0.00	\$0.00
Acres (usable)	3.35	5.88	3.86	5.95
Land SF	145,926	256,133	168,113	259,182
Zoning	R-S	F	VC	TR
Intended Use	Senior Apts	Senior Apartments	Micro-hospital	Assisted Living
Price/SF Land	\$5.69	\$6.57	\$5.75	\$5.02
Transactional Adjustments				
Property Rights Conveyed	0	0	0	0
Financing Terms	0	0	0	0
Conditions of Sale	0	0	0	0
Expenditures after Sale	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Price/SF	\$5.69	\$6.57	\$5.75	\$5.02
Market Conditions Adjust.	+10%	0	0	0
Adjusted Price/SF	\$6.26	\$6.57	\$5.75	\$5.02
Property Adjustments				
Location	+15%	+10%	+15%	+15%
Physical Characteristics				
Size	0	0	0	0
Shape, Topo, Flood	0	0	0	+25%
Utilities				
Extension Cost Est	(\$2.00)	(\$2.00)	(\$2.00)	(\$2.00)
Risk/ Timing	-25%	-25%	-25%	-25%
Economic Characteristics				
Zoning/Allowable Use	0	0	0	0
Non Realty Components	0	0	0	0
Indicated Value/SF	\$3.83	\$3.89	\$3.38	\$3.47

Reconciliation

Summary of Value Conclusions

The Income and Cost Approaches to value were not applicable and not used within this appraisal analysis. The Sales Comparison Approach to value for the vacant land was the sole approach used to develop market value opinion of the subject parcel, as is.

The value conclusion for the subject property, 'as is', is presented in the table below:

Value Conclusion	
	"As Is", Hypothetically assuming no Project Influence
Value Type	Market Value
Property Rights Appraised	Fee Simple
Date of Value	August 25, 2018
Value Conclusion	\$560,000
	\$162,791 per acre

Analysis of Prior Appraisal

None

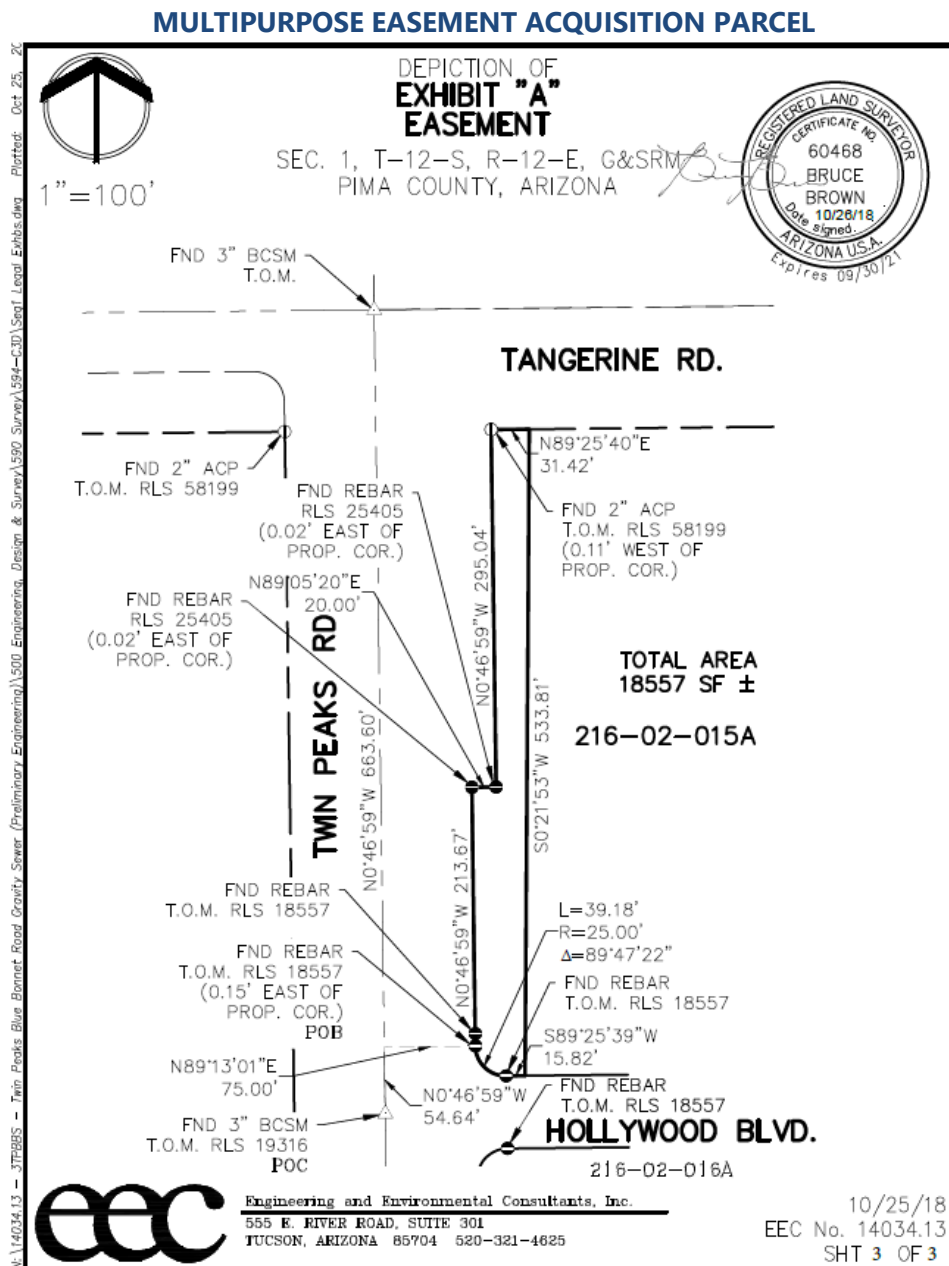
Exposure Time

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure times of 12-18 are considered reasonable and appropriate for the subject property. The marketing time for the comparable sales was inconclusive.

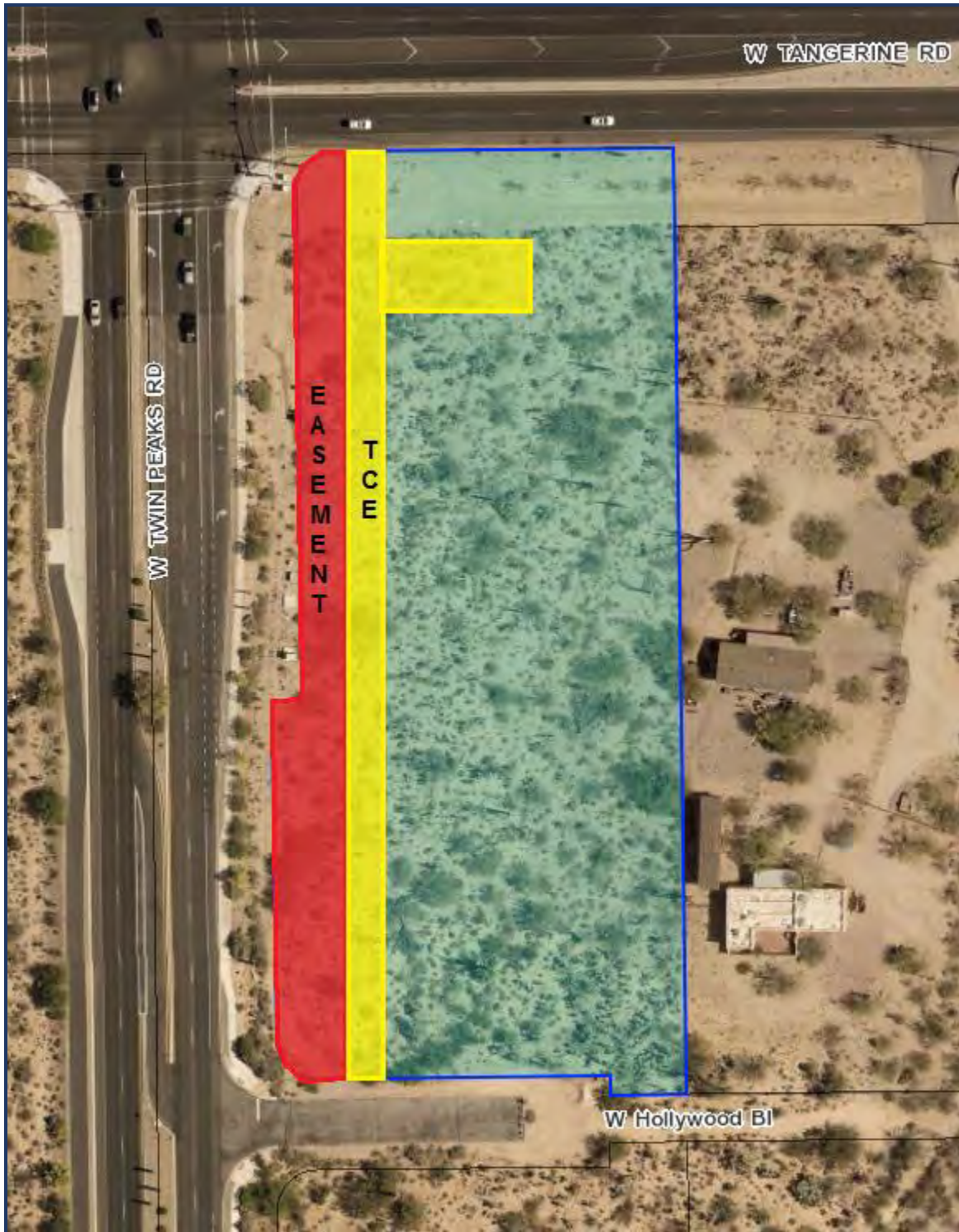
Nature and Extent of the Taking

Overview

Pima County plans to acquire a 0.4260 acre multipurpose easement from the west border of the site for the purpose of its public sewer project. The multipurpose easement will be approximately 40 feet wide and 534 feet long. Details regarding the project were obtained from Pima County and site plans and legal descriptions were prepared by EEC, Inc.



AERIAL APPROXIMATION



Value of the Subject Property "Before" the Acquisition

The market value opinion of the subject property, prior to the acquisition, was previously developed and is presented in the following table:

Value Conclusion

	"As Is", Hypothetically assuming no Project Influence
Value Type	Market Value
Property Rights Appraised	Fee Simple
Date of Value	August 25, 2018
Value Conclusion	\$560,000
	\$162,791 per acre

Project Influence/ Enhancement

The subject property is being appraised for partial acquisition in relation to a public sewer line project. In development of the 'before condition' of the subject property, any influences and effects caused by the project prior to the date of valuation is disregarded by the appraiser.

"Project enhancement is the increase in a property's market value in anticipation of a public project requiring condemnation action. The property owner cannot be compensated for project enhancement, and, in some jurisdictions, measurable project enhancement is an offset again condemnation award."

None of the comparable sales that were utilized in this appraisal report were impacted by project influence.

Part to be Acquired

According to the EEC, Inc. plans, 0.4260 acres (18,557 S.F.) from the western border of the lot will be acquired for a public multipurpose easement. The remainder parcel will retain exposure from Twin Peaks and Tangerine Roads. The remainder will contain 3.0140 acres in fee simple ownership and 0.4260 acres in partial fee ownership (encumbered by a multipurpose easement). The remainder parcel retains a functional shape and remains sufficient in size to develop commercial uses in accordance with zoning regulations and its highest and best use. The highest and best use and the general physical utility of the site remain unchanged in the 'after' condition.

Value of the Parcels to Be Acquired – Multipurpose easements

The 0.4260 acre parcel to be acquired for a multipurpose easement is valued at \$69,349 (0.4260 acres x \$162,791/acre = \$69,349), as a hypothetical fee simple allocation of the larger parcel. The fee simple interest is defined as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." (Dictionary of Real Estate Appraisal, 6th ed., Page 90).

The value of the easement, in accordance with its use limitations remaining to the landowner, is considered. An easement is defined as "the right to use another's land for a stated purpose." (Dictionary of Real Estate Appraisal, 6th Ed., Page 71). Alternatively, in the 5th edition, an easement is defined as a "nonpossessory interest in landed property (real estate) conveying use, but not ownership, of a portion of that property", which I feel is a more accurate definition.

In accordance with the Sewer Easement document contained within the addenda, the land owner is prohibited from constructing any improvements within the easement area. Furthermore, planting is within the easement area will require special permission and is limited to small shrubs and ground cover with shallow root systems. It appears that the easement will convey the majority of surface and subsurface rights. Uses of the area remaining to the property owner are considerably limited.

The multipurpose easement will be located within the front yard setback area. Building structures are not permitted within the setback area. However, low walls and landscaping/vegetation are generally permitted. Therefore, the area that is proposed for encumbrance by the multipurpose easement was previously restricted in use, but not to the extent which the multipurpose easement will enforce.

The Right of Way Publication presented an easement valuation matrix by Donald Sherwood, SR/WA, representing that sewer pipeline easements convey 50% of fee value. The Arizona State Land Department utilizes intensity of use factors of a minimum of 70% to 80% of fee for underground sewer pipeline easements.

EASEMENT VALUATION MATRIX

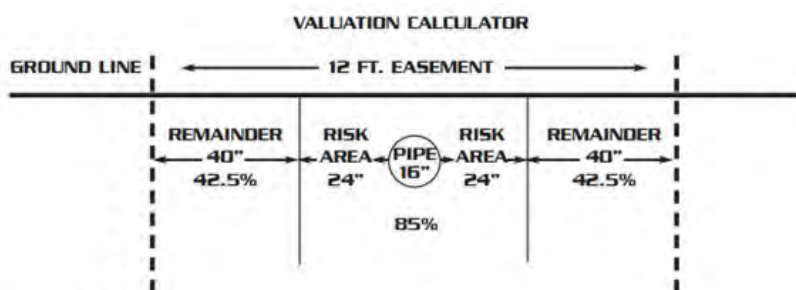
Percentage of Fee	Comments	Potential Types of Easements
90% - 100%	Severe impact on surface use Conveyance of future uses	Overhead electric Flowage easements Railroad ROW Irrigation canals Access roads
75% - 89%	Major impact on surface use Conveyance of future uses	Pipelines Drainage easements Flowage easements
51% - 74%	Some impact on surface use Conveyance of ingress/egress rights	Pipelines Scenic easements
50%	Balanced use by both owner and easement holder	Water or sewer lines Cable line Telecommunications
26% - 49%	Location along a property line, location across non usable land area	Water or sewer line Cable lines
11% - 25%	Subsurface or air rights that have minimal effect on use and utility Location with a setback	Air rights Water or sewer line
0% to 10%	Nominal effect on use and utility	Small subsurface easement

Source: Donald Sherwood, SR/WA

AZ State Land Department:

<u>Right of Way Uses (continued):</u>	<u>Minimum (as a % land value)</u>	
	Rural	Urban
<i>Underground transmission line including non-corridor 3 or more conduit fibre optic systems</i>	70%	80%
<i>O/H Sub-transmission lines (69KV, 115 KV et all less than 230 KV) & may include one 12 KV or other distribution line underbuild</i>	70%	80%
<i>O/H Double Circuit 69 KV/12 KV</i>	85%	93%
<i>Underground Sub-transmission lines (69KV and over),</i>	40%	50%
<i>Note: Non-corridor 2 conduit fibre optic systems could fall under the sub-transmission rates. Underground gas, water, and sewer etc too large to be distribution lines but too small for transmission lines would fit here.</i>		
<i>Underground transmission lines (natural gas, water, sewer, petroleum, slurry)</i>	70%	80%

A third approach is outlined in the March/April 2000 Right of Way Publication which breaks down the easement into areas of potential use limitations. Within the subject's 40 foot easement, the area over the sewer or water pipes and the surrounding 2 feet on each side, say 14 feet, are the most restrictive of use to the primary land owner. This is referred to as the "risk area". Extreme caution must be exercised when working in this area. Another pipeline cannot be placed in this area, nor can this area be penetrated with poles, tracks, towers, or any other surface or subsurface uses. This area is considered to impact 85% of use, not 100%, because some rights remain, such as surface access, parking, or storage. The remaining 26 feet of the easement area (13 feet on either side of the risk area) is impacted less and can be used as a buffer area or overlap zoned to other corridor uses and the surface and subsurface limitations on use are not greatly restricted. Per the article, this area should have an impact on use equal to half that of the risk area, or 42.5%. Calculating the weighted average yields an overall use limitation factor of a rounded 50% ($14/40 \times 85\% + 26/40 \times 42.5\% = 57.4\%$). An illustration is presented below from the article, which references a 12 foot easement within a corridor. Language within the sewer easement document indicates that use restrictions will be high within 10 feet of the sewer pipeline, or 20 feet wide, with the remaining 10 feet having reduced restrictions. Since the easement has now been extended to include potential water lines, this high impact area is amended by the appraiser to include 30 feet of high impact area and 10 feet of reduced restrictions. Under this scenario, the weighted average yields an overall use limitation factor of a rounded 74% ($30/40 \times 85\% + 10/40 \times 42.5\% = 74.4\%$).



MARCH/APRIL 2000 • RIGHT OF WAY

9

Information from these three entities support a limited use factor range of 50% to 80%. I also spoke with broker Ben Becker who recently negotiated underground water line easements with Metro Water in the area. He reported that Metro Water conveyed 75% of fee for underground water line easements. The underground water easement would have a similar impact on remaining surface rights to a multipurpose easement.

Considering the location of the multipurpose easement within the site along the property line and within the existing setback per zoning, and the current and potential future uses of the site, I conclude that a limited use factor of 70% appropriately reflects the restricted use of the easement land to the landholder over the term of the easement, as compared to the fee simple value.

Applying the .70 factor to the fee simple value conclusions of the easement parcel, as part of the whole, yields value a conclusion for the easement parcel of \$48,544 (\$69,349 x .70).

A		B		A x B		Intensity of Use Adjustment (Rights Conveyed)		Market Value Opinion of the Multipurpose Easement Acquisition Parcel (fractional interest)
Total Parcel Size to Be Acquired by Pima County for a Multipurpose Easement (acres)		Market Value Opinion Per Acre Based on the Larger Parcel		Market Value Opinion of the Multipurpose Easement Acquisition Parcel (as part of the whole)				
0.4260	x	\$162,791/acre	=	\$69,349	x	70%	=	\$48,544

Market Value of the Remainder Parcel in the Before Condition

As discussed above, there is no highest and best use difference in the remainder before or after the parcel is acquired by Pima County, "as is". The parcel will retain similar physical, legal, and economic characteristics in the before and after condition. The highest and best use of the remainder parcel will remain the same and there is no diminution of value to the remainder parcel after the site is encumbered by a 0.4260 acre multipurpose easement. The value of the remainder parcel, as part of the whole, in the before condition, is allocated as follows:

Market Value of the Larger Parcel		Less the Value of the Multipurpose Easement Acquired		Market Value of the Remainder Parcel in the Before Condition
\$560,000	-	\$48,544	=	\$511,456

Market Value of the Remainder Parcel in the After Condition

The remainder parcel in the after condition, hypothetically assuming project completion, is considered. In the after condition, the subject parcel will have unchanged access, unchanged shape, unchanged buildable area, unchanged views and no change in highest and best use. The subject parcel, in the after condition, will have access to a public sewer line for its wastewater requirements to the lot line. This will reduce the estimated sewer line extension costs by \$75,000/acre, or a rounded \$1.70/S.F. The estimated utilities extension costs are reduced to only those associated with water line extensions. A small portion of the risk adjustment is also offset. A revised adjustment grid, utilizing the same sale comparables and all the same adjustments, except for the utilities costs and

risk adjustment, results in an adjusted price range in the after condition of \$5.18-5.66/S.F. I conclude to a value of the subject property, in the after condition, of \$5.65/S.F. or \$246,114/acre.

The value of the remainder parcel in the 'after condition' is concluded at \$246,114/acre. The remainder parcel includes 3.014 acres in fee and 0.4260 acres in fractional interest ownership. The market value conclusion for the remainder parcel, after condition, is \$773,241.

	Area		Fee Market Value/acre	Rights Conveyed			Total Market Value
Remainder Parcel (Fee Simple Ownership)	3.0140	x	\$246,114	x	100%	=	\$741,788
Remainder Parcel (Fractional Interest)	0.4260	x	\$246,114	x	30%	=	\$31,453
Market Value of the Remainder Parcel, After Condition	3.440						\$773,241

Land Sale Adjustment Grid - After Condition

	Sale 1	Sale 2	Sale 3	Sale 4
Property Name	Senior Apt Site	Dove Mountain Retail Centre Lot	Micro-hospital site	Assisted Living Site
Location	9005 N Oracle Rd	NE of Dove Mountain Blvd & Tangerine Rd	5600 W Cortaro Farms Rd	7417 N Thornysdale Rd
Date	2/17	3/18	5/18	8/18
Sale Price	\$830,000	\$1,683,000	\$966,650	\$1,300,000
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Cash Equiv.	Cash	Cash Equiv.	Cash Equiv.
Conditions of Sale	Typical	Typical	Typical	Typical
Expenditures after Sale per SF	\$0.00	\$0.00	\$0.00	\$0.00
Acres (usable)	3.35	5.88	3.86	5.95
Land SF	145,926	256,133	168,113	259,182
Zoning	R-S	F	VC	TR
Intended Use	Senior Apts	Senior Apartments	Micro-hospital	Assisted Living
Price/SF Land	\$5.69	\$6.57	\$5.75	\$5.02
Transactional Adjustments				
Property Rights Conveyed	0	0	0	0
Financing Terms	0	0	0	0
Conditions of Sale	0	0	0	0
Expenditures after Sale	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Price/SF	\$5.69	\$6.57	\$5.75	\$5.02
Market Conditions Adjust.	+10%	0	0	0
Adjusted Price/SF	\$6.26	\$6.57	\$5.75	\$5.02
Property Adjustments				
Location	+15%	+10%	+15%	+15%
Physical Characteristics				
Size	0	0	0	0
Shape, Topo, Flood	0	0	0	+25%
Utilities				
Extension Cost Est	(\$0.30)	(\$0.30)	(\$0.30)	(\$0.30)
Risk/ Timing	-20%	-20%	-20%	-20%
Economic Characteristics				
Zoning/Allowable Use	0	0	0	0
Non Realty Components	0	0	0	0
Indicated Value/SF	\$5.66	\$5.64	\$5.18	\$5.66

Severance Damages

Severance damages are a loss in value to the remainder property not taken, which arise as a result of a partial taking or construction of public improvements which have a negative impact on the remaining property. Severance is more decisively defined as "the damages that will accrue to the portion not sought to be condemned by reason of its severance from the portion sought to be condemned, and the construction of the improvement in the manner proposed by the plaintiff." (Arizona Revised Statutes §12-1122 (A)(2))

The remaining property has a higher value conclusion after the easement acquisition and completion of the public sewer project. The remaining property accrues no severance damages under the nature and extent of the taking.

SEVERANCE DAMAGES \$-0-

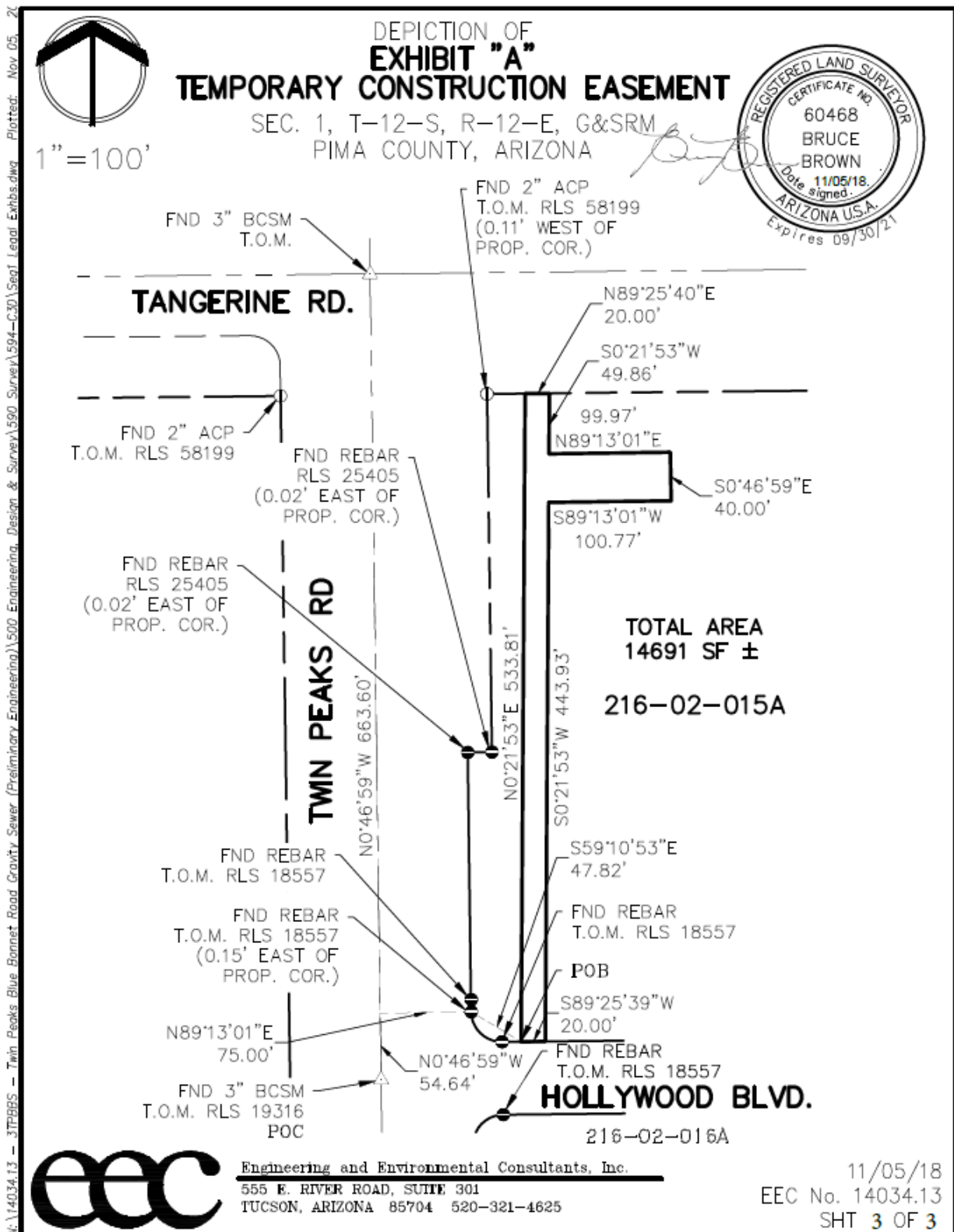
Special Benefits

Special benefits are defined as those benefits accruing to the remaining property which are not shared by the other properties in the area. Per ARS 12-1122, benefits can only accrue as an offset to severance damages on the same parcel. While the remaining property was determined to have a higher value in the after condition, there was no severance damages accrued and therefore, no special benefits to the subject property are accrued.

SPECIAL BENEFITS \$-0-

Temporary Construction Easement

Along with the permanent multipurpose easement, a temporary construction easement is required for the construction of the sewer pipeline. A temporary construction easement is a non-possessory right which allows the holder of the easement to use the land for construction of the improvements in the area to be acquired for a stated period of time. After the stated period of time, the easement rights revert to the owner of the fee simple interest. The estimated loss in value that results from the temporary easement is generally based on the economic rent loss of the area encumbered by the easement for the term of the easement.



In order to value the temporary construction easement, the fee simple value of the area encumbered by the easement is multiplied by an appropriate rate of return extracted from the

market which equals the annual market rent. The annual market rent is then multiplied by the stated time period in which the temporary construction easement is to be in place.

TCE Value = Fee simple interest in land encumbered x annual rate of return x time period (in years)

Pima County is seeking to acquire a 0.3373 acre temporary construction easement (TCE) for a period of one year. The easement will be 20 feet wide with a 100'x40' offshoot and located adjacent east of the proposed permanent multipurpose easement.

I surveyed market participants to ascertain a reasonable rate of return for the land to be encumbered by the TCE, which is summarized as follows:

Jon Jump, Jump Ventures: Rates of return on land should be around 10%, based on what Larsen Baker attempts to achieve on their deals

Ben Becker, CBRE: Ben is currently negotiating a TCE with Metropolitan Water at a rate of 10%.

Paul Schloss, NAI Horizons: For ground lease rates, developers typically look to achieve a rate of return 200 basis points above the cap rate, or 6% to 8%. However, the short term duration of a TCE and the use limitations demand a premium. He would estimate a rate of return at 10% to 12%.

Mark Fast, Arizona State Land Department: The TCE rate for ASLD is based on a 99% land intensity rate times a time discount rate, which equals about 9% for a one year TCE.

I conclude to a rate of return of 10%.

The value of the temporary construction easement for the one year duration of the construction on the subject property is as follows:

Easement Area (acres)	0.3373
Market value/acre	\$162,791
Fee Simple Value of the Easement Area	\$54,909
x 10% Rate of Return	0.1
Total annual rent	\$5,491
x time period of TCE	1 year
Estimated Compensation for TCE	\$5,491
Rounded To	\$5,500

The total compensation for the one year temporary construction easement is equal to a rounded \$5,500.

Auditing Breakdown

The total award is the sum of the easements to be acquired plus the site improvements within this area. The total award is estimated at \$54,044.

Auditing Breakdown

Acquisition Parcel TRP Twin Peaks

Market Value Opinion, As a Whole, Before the Acquisition	\$560,000
Land to Be Acquired for Sewer Easement @ 70% Rights Conveyed	\$48,544
Value of the Remainder in the Before Condition	\$511,456
Value of the Remainder, in the After Condition	\$773,241
Severance Damage	\$0
Special Benefits	\$0
Temporary Construction Easement - 1 Year	\$5,500
Total Award	\$54,044

General Assumptions and Limiting Conditions

This appraisal and appraisal certification are subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for matters legal in character, nor is any opinion rendered by us to title which is assumed to be marketable. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. The stamps and/or consideration placed on deeds/affidavits used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
4. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
5. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
6. Unless expressly specified in this Agreement, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | MJN Enterprises, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
7. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
8. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
9. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.

10. The information, estimates and opinions which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
11. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by MJN Enterprises, Inc. Valbridge Property Advisors, Inc. nor any of its affiliates, has not been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. This appraisal was prepared for the sole and exclusive use of the client. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | MJN enterprises, Inc. and Client. We assume no liability for unauthorized use of the appraisal report by a third party.
14. No claim is intended to be expressed for matters of expertise which would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc..
15. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
16. The value opinion provided herein is subject to any and all predications set forth in this report.
17. If required by governmental authorities, any environmental impact statement prepared for the subject property will be favorable, unless otherwise stated in the report.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

19. If the appraisal is for mortgage loan purposes 1) we assume satisfactory condition of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income & Expense Projection" are anticipated.
20. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
21. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.
22. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
23. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
24. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional

cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.

25. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
26. In the absence of a professional Engineer's Feasibility Study, information regarding the existence of utilities is made only from a visual inspection of the site. The Appraiser assumes no responsibility for the actual availability of utilities, their capacity, or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
28. This appraisal is not intended to be used, and may not be used, on behalf of or in connection with a real estate syndicate or syndicates. A real estate syndicate means a general or limited partnership, joint venture, unincorporated association or similar organization formed for the purpose of, and engaged in, an investment or gain from and interest in real property, including, but not limited to, a sale or exchange, trade or development of such real property, on behalf of others, or which is required to be registered with the United States Securities and Exchange Commission or any state regulatory agency which regulates investments made as a public offering. It is agreed that any user of this appraisal who uses it contrary to the prohibitions in this section indemnifies the appraisers and the appraiser's firm and holds them harmless of and from all claims, including attorney's fees, arising from said use.
29. Unless otherwise stated in this report, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value conclusion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
30. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. It is possible that a compliance

survey of the property, together with an 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 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 developing an opinion of value.

31. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
32. If any claim is filed against any of Valbridge Property Advisors, Inc. a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
33. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
34. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
35. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
36. It is your responsibility to read the report and to inform the appraisers of any errors or omissions of which you are aware, prior to utilizing the report.
37. Disclosures of the contents of the appraisal report by the Appraiser are governed by the Bylaws and regulations of the professional appraisal organizations with which the Appraiser is affiliated.

38. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes subject to client data confidentiality.
39. All disputes shall be settled by binding arbitration in accordance with the then-existing commercial arbitration rules of the American Arbitration Association.
40. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification

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

1. The statements of fact contained in this report are true.
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 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 engagement in this assignment and my compensation are not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, approval of a loan, or the occurrence of a subsequent event.
7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Carolyn Van Hazel, MAI, has personally inspected the subject property.
9. Except as provided hereafter, no one provided significant real property appraisal assistance in the preparation of the appraisal.
10. 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 the Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
11. The undersigned hereby acknowledge that they have the appropriate education and experience to completion the assignment in a competent manner. The reader is referred to the appraisers' Statement of Qualifications.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, I, Carolyn Van Hazel, MAI, have completed the continuing education program of the Appraisal Institute.

14. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
15. All conclusions and opinions concerning the real estate that are set forth in the appraisal were prepared by the Appraisers whose signature(s) appears on the appraisal, unless indicated as "Review Appraiser".
16. No change of any item in the appraisal report shall be made by anyone other than the Appraiser(s), and the Appraiser(s) shall have no responsibility for any such unauthorized change.
17. Carolyn Van Hazel has provided no previous services, as an appraiser or in any other capacity, regarding the subject property within the three years prior to this assignment.
18. My opinion of the market value of the just compensation award as of the 25th day of August, 2018, based upon my independent appraisal and the exercise of my professional judgement is:

Auditing Breakdown

Acquisition Parcel TRP Twin Peaks	
Market Value Opinion, As a Whole, Before the Acquisition	\$560,000
Land to Be Acquired for Sewer Easement @ 70% Rights Conveyed	\$48,544
Value of the Remainder in the Before Condition	\$511,456
Value of the Remainder, in the After Condition	\$773,241
Severance Damage	\$0
Special Benefits	\$0
Temporary Construction Easement - 1 Year	\$5,500
Total Award	\$54,044

By



Carolyn Van Hazel, MAI
Certified General Real Estate Appraiser
State of Arizona, Certificate No. 31591

Addenda

Glossary

Definitions are taken from the Dictionary of Real Estate Appraisal, 5th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Additional Rent

Any amounts due under a lease that is in addition to base rent. Most common form is operating expense increases. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base (Shell) Building

The existing shell condition of a building prior to the installation of tenant improvements. This condition varies from building to building, landlord to landlord, and generally involves the level of finish above the ceiling grid. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

The areas of the building that provide services to building tenants but which are not included in the rentable area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common areas are; floor common areas, parking spaces, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A statement issued by a local government verifying that a newly constructed building is in compliance with all codes and may be occupied.

Common Area (Public) Factor

In a lease, the common area (public) factor is the multiplier to a tenant's useable space that accounts for the tenant's proportionate share of the common area (restrooms, elevator lobby, mechanical rooms, etc.). The public factor is usually expressed as a percentage and ranges from a low of 5 percent for a full tenant to as high as 15 percent or more for a multi-tenant floor. Subtracting one (1) from the quotient of the rentable area divided by the useable area yields the load (public) factor. At times confused with the "loss factor" which is the total rentable area of the full floor less the useable area divided by the rentable area. (BOMA)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.

CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings. CAM can refer to all operating expenses.

CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15 percent addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee. (Dictionary)

Condominium

A form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common areas.

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real property restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature to continue, subject to the easement. In some locations, a conservation easement may be referred to as a conservation restriction. (Dictionary)

Contributory Value

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability to a property to meet its debt service out of net operating income. Also called Debt Service Coverage Ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

- 1) In appraising, the loss in a property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2) In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method. (Dictionary)

Disposition Value

The most probable price that a specified interest in real property is likely to bring under the following conditions:

- Consummation of a sale within a exposure time specified by the client;
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;

- An adequate marketing effort will be made during the exposure time specified by the client;
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real property after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs). (Dictionary)

EPDM

Ethylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called an expense recovery clause or stop clause. (Dictionary)

Estoppel Certificate

A statement of material factors or conditions of which another person can rely because it cannot be denied at a later date. In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an estoppel letter. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and

best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (Dictionary)

Exposure Time

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

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

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. (Dictionary)

Floor Common Area

Areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a full service lease. (Dictionary)

Going Concern Value

- The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern.
- The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable. (Dictionary)

Gross Building Area

The total constructed area of a building. It is generally not used for leasing purposes (BOMA)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of the same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expense in income-producing properties when less than 100 percent occupancy is assumed. The gross up method approximates the actual expense of providing services to the rentable area of a building given a specified rate of occupancy. (Dictionary)

Gross Retail Sellout

The sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning. A general term encompassing any system designed to heat and cool a building in its entirety.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are 1) legal permissibility, 2) physical possibility, 3) financial feasibility, and 4) maximally profitability. Alternatively, the probable use of land or improved –specific with respect to the user and

timing of the use—that is adequately supported and results in the highest present value. (Dictionary)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Industrial Gross Lease

A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real estate taxes as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Dictionary)
(Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees).

Investment Value

The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken. (Dictionary)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary)

Leasehold Interest

The tenant's possessory interest created by a lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a short period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 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. (Dictionary)

Loan to Value Ratio (LTV)

The amount of money borrowed in relation to the total market value of a property. Expressed as a percentage of the loan amount divided by the property value. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

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

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- e. 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.

Market Value As If Complete

Market value as if complete means the market value of the property with all proposed construction, conversion or rehabilitation hypothetically completed or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value As If Stabilized

Market value as if stabilized means the market value of the property at a current point and time when all improvements have been physically constructed and the property has been leased to its optimum level of long term occupancy.

Marketing Time

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 the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the optionee) to buy, sell, or lease real property for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole (a fractional interest). (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real estate taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to real property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

Market value "upon completion" is a prospective future value estimate of a property at a point in time when all of its improvements are fully completed. It assumes all proposed construction, conversion, or rehabilitation is hypothetically complete as of a future date when such effort is projected to occur. The projected completion date and the value estimate must reflect the market value of the property in its projected condition, i.e., completely vacant or partially occupied. The cash flow must reflect lease-up costs, required tenant improvements and leasing commissions on all areas not leased and occupied.

Prospective Future Value Upon Stabilization

Market value "upon stabilization" is a prospective future value estimate of a property at a point in time when stabilized occupancy has been achieved. The projected stabilization date and the value estimate must reflect the

absorption period required to achieve stabilization. In addition, the cash flows must reflect lease-up costs, required tenant improvements and leasing commissions on all unleased areas.

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, super-adequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee (i.e., the tenant) leases part or all of the property to another party and thereby becomes a lessor. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior,

or subordinate, to the claims of another party. (Dictionary)

Substantial Completion

Generally used in reference to the construction of tenant improvements (TIs). The tenant's premises are typically deemed to be substantially completed when all of the TIs for the premises have been completed in accordance with the plans and specifications previously approved by the tenant. Sometimes used to define the commencement date of a lease.

Surplus Land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net lease, or fully net lease. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area or building common area on a floor. The total of all the usable areas on a floor shall equal floor usable area of that same floor. The amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

Letter To Owners



10061 E. Grant Road
Suite 121
Tucson, AZ 85712
520-321-0000 phone
520-298-5293 fax
valbridge.com

August 20, 2018

TRP Twin Peaks LLC
P.O. Box 196
Vernon, AZ 85940

Re: Parcel #216-02-015A, Pima County, Arizona

To Whom It May Concern,

I am writing to inform you that I have been contracted by Pima County Real Property Services to appraise the above referenced property under your ownership for a partial easement acquisition for a proposed underground sewer line. I will be inspecting the property on August 25th and 27th, 2018. If you would like to be present at the inspection, do not hesitate to contact me to make arrangements. I will be contacting you via telephone in the next couple of weeks to discuss the property and any pertinent data you are willing to share concerning the history and legal and physical attributes of the parcel.

I look forward to speaking with you.

Sincerely,



Carolyn Van Hazel, MAI
Certified General Real Estate Appraiser
State of Arizona, Certificate No. 31591
cvanhazel@valbridge.com
520-321-0000, ext 5

Title Report

**ALTA COMMITMENT FOR TITLE INSURANCE
SCHEDULE A**ISSUED BY
STEWART TITLE GUARANTY COMPANY*Transaction Identification Data for reference only:*

Issuing Agent: Stewart Title & Trust of Tucson
Issuing Office: 6400 N. Oracle Road, Ste 102, Tucson, AZ 85704 (520) 575-0365
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Commitment Number: 256099
Issuing Office File Number: 256099
Property Address: 5311 West Twin Peaks Road, Marana, AZ 85658
Revision Number:

Title Officer: Gail M. Franklin
Escrow Officer: Susan Lane

1. Commitment Date: July 16, 2018 at 8:00AM
2. Policy to be issued: Proposed Policy Amount

(a) ALTA Owner's Standard
Proposed Insured: Pima County, a political subdivision of the State of Arizona

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

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

TRP Twin Peaks, LLC, an Arizona limited liability company
5. The Land is described as follows:

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

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File No.: 256099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 1 of 10



**ALTA COMMITMENT FOR TITLE INSURANCE
EXHIBIT(S)**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

**EXHIBIT "A"
LEGAL DESCRIPTION**

File No.: 256099

The West half of the Northwest quarter of Lot 4 in Section 1, Township 12 South, Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

EXCEPT the West 30 feet thereof; and

EXCEPT the South 15 feet thereof; and

EXCEPT any portion lying with Tangerine Road as shown on Road Map recorded in Book 7 of Road Maps, Page 83; and

FURTHER EXCEPT all that property as conveyed to the Town of Marana, an Arizona municipal corporation by Special Warranty Deed recorded December 16, 2009 in Docket 13706, Page 3323 and rerecorded in Docket 13724, Page 2058 and described as follows:

A portion of the Northwest one-quarter of Section 1, Township 12 South, Range 12 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

COMMENCING at the Northwest corner of said Section 1 being a found 2" brass cap with punchmark and no other markings;

THENCE South 00 degrees 49 minutes 02 seconds East upon the West line of said Section 1 a distance of 50.00 feet to a point on the South right-of-way line of Tangerine Road as recorded in Book 7 of Road Maps at Page 83, Pima County Recorder's Office, Pima County, Arizona;

THENCE North 89 degrees 25 minutes 33 seconds East upon said right-of-way line a distance of 30.00 feet to the POINT OF BEGINNING;

THENCE continue North 89 degrees 25 minutes 33 seconds East upon said right-of-way line a distance of 90.11 feet to a point of cusp of a non-tangent curve concave Southeasterly, a radial line of said curve through said point having a bearing of North 00 degrees 34 minutes 27 seconds West;

THENCE Southwesterly upon the arc of said curve, to the left, having a radius of 25.00 feet and a central angle of 90 degrees 14 minutes 35 seconds for an arc length of 39.38 feet to a point of tangency on a line 95.00 feet East of and parallel with the West line of said Section 1;

THENCE South 00 degrees 49 minutes 02 seconds East upon said parallel line a distance of 320.00 feet;

THENCE South 89 degrees 10 minutes 58 seconds West a distance of 20.00 feet to a point on a line 75.00 feet East of and parallel with said West line;

THENCE South 00 degrees 49 minutes 02 seconds East upon said parallel line a distance of 213.68 feet to a point of curvature of a tangent curve concave Northeasterly;

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File No.: 256099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 2 of 10



**ALTA COMMITMENT FOR TITLE INSURANCE
EXHIBIT(S)**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

THENCE upon the arc of said curve, to the left, having a radius of 25.00 feet and a central angle of 89 degrees 46 minutes 51 seconds for an arc length of 39.17 feet to a point of tangency;

THENCE North 89 degrees 24 minutes 07 seconds East, a distance of 185.10 feet

;

THENCE South 00 degrees 35 minutes 53 seconds East a distance of 15.00 feet;

THENCE South 89 degrees 24 minutes 07 seconds West a distance of 254.94 feet to a point on a line 30.00 feet East of and parallel with said West line;

THENCE North 00 degrees 49 minutes 02 seconds West upon said parallel line a distance of 598.79 feet to the POINT OF BEGINNING.

(jv arb: 12)

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File No.: 256099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 3 of 10



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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 256099

Requirements

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

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

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

All of the following Requirements must be met:

1. FURNISH LEGAL DESCRIPTION AND BOUNDARY SURVEY to be insured herein. THE RIGHT IS RESERVED to make additional exceptions or requirements upon review of the information required.
2. Purchaser(s) acknowledge, by executing the Terms and Conditions of Escrow that the Company will issue its ALTA Standard Owner's Policy in lieu of the ALTA Homeowner's Policy as referred to in the Purchase Contract.
3. RECORD PARTIAL DEED OF RELEASE AND RECONVEYANCE OF Deed of Trust given to secure the original amount of \$1,168,666.49, and any other amounts payable under the terms thereof
Dated: June 15, 2011
Trustor: Molly G. Levitt, Executor of the Estate of Thomas w. Levitt
Trustee: Neil Hiller, member of State Bar of Arizona
Beneficiary: Ryna Jean Grossman, Trustee of the Ryna Jean Grossman Survivor's Trust
Recorded: August 19, 2011, in [Sequence No. 2011-2310018](#)

Partial Release recorded in [Sequence No. 2011-3530611](#) (No legal description attached).

NOTE: An indemnity has been requested from previous title insurer. Contact title officer prior to close of escrow if this requirement has been met.

4. DISMISSAL of pending proceedings in the Superior Court of Arizona, County of Pima, Case No. C20150818; entitled Buette Derosse Commercial Real Estate Properties, LLC, as Plaintiff, TRP Twin Peaks, LLC, an Arizona limited liability Company, et al, as Defendants, Bryan M. Canavan Attorney Disclosed by Lis Pendens recorded February 25, 2015 in [Sequence No. 2015-0560196](#).

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File No.: 256099

ALTA Commitment For Title Insurance 8-1-18 (4-2-18)

Page 4 of 10



**ALTA COMMITMENT FOR TITLE INSURANCE
SCHEDULE B PART I**ISSUED BY
STEWART TITLE GUARANTY COMPANY

5. RECORD Sewer Easement from TRP Twin Peaks, LLC, an Arizona limited liability company in favor of Pima County, a political subdivision of the State of Arizona.

NOTE: Records on file with the Arizona Corporation Commission for TRP Twin Peaks, LLC, an Arizona limited liability company disclose the Members to be: Pierce Goodman; Trym H. Gibbons and Robert Roy Brown. ALL must sign unless further document is provided.

NOTE: The Company hereby informs the parties that it has not made a determination of whether or not this transaction is subject to the provisions of A.R.S. 33-422 entitled "Land divisions; disclosure affidavit; recording" and A.R.S. 11-480 entitled "Review of land divisions; definitions". It will be the responsibility of the parties to make this determination; therefore, the Company assumes no liability with respect to these matters.

TAX STATUS NOTE:

Year: 2017
Parcel Number: 216-02-015A
Total Amount: \$2,566.94
First half: \$PAID
Second half: \$PAID

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

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

STREET ADDRESS NOTE:

According to the Pima County Assessor's Office, the purported street address of the subject property is disclosed as follows: 5311 West Twin Peaks Road, Marana, AZ 85658

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

CHAIN OF TITLE (30 YEAR) VESTING NOTE:

Warranty Deed by and between Holden W. Olsen and Mary G. Olsen husband and wife the grantors and Northwest Properties Investors Limited Partnership an Arizona Limited Partnership the grantees recorded January 22, 1987 in [Docket 7957, Page 1565](#).

Warranty Deed by and between Northwest Properties Investors Limited Partnership an Arizona limited partnership the grantor and Inlet Company, a Missouri General Partnership the grantees recorded March 24, 1987 in [Docket 7998, page 1532](#).

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)
Page 5 of 10



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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Warranty Deed by and between Inlet Company, a Missouri General Partnership for the purpose of winding up business the grantor and Thomas W. Levitt, a married man as his sole and separate property the grantees recorded November 21, 2003 in Docket [12182, Page 6993](#)

Disclaimer Deed by and between Molly G. Levitt spouse of Thomas W. Levitt the grantor and Thomas W. Levitt, a married man as his sole and separate property the grantee recorded November 21, 2003 in [Docket 12182, Page 6995](#).

Certified Copy, Proof of Authority for Molly G. Levitt as Personal Representative for the Estate of Thomas W. Levitt, deceased Probate No. 20091043 recorded December 16, 2009 in [Docket 13706, Page 3299](#)

Special Warranty Deed by and between Molly G. Levitt, as Personal Representative of the Estate of Thomas W. Levitt the grantor and the Town of Marana, an Arizona municipal corporation the grantee recorded December 16, 2009 in Docket 13706, Page 3323 and rerecorded in [Docket 13724, Page 2058](#)(as to portion of roadways)

Certificate of Death for Thomas William Levitt recorded April 1, 2013 in [Sequence No. 2013-0910558](#);

Deed from Molly G. Levitt, as Domiciliary Foreign Personal Representative of the Estate of Thomas William Levitt, deceased, Probate #2009-1043 to GLP Kansas City LLC recorded April 1, 2013 in [Sequence No. 2013-0910559](#);

Deed from GLP Kanasa City LLC, an Arizona limited liability company to TRP Twin Peaks, LLC, an Arizona limited liability company recorded August 30, 2013 in [Sequence No. 2013-2420690](#).

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

POLICY NOTE:

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

WIRING NOTE:

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

SEARCH NOTE:

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

LENDER NOTE (Only applies to Purchase Money Loans):

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File No.: 2560099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 6 of 10



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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

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

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

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File No.: 256099

ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 7 of 10



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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

File No.: 256099

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

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

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.

2. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

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

3. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
4. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
 - (a) Unpatented mining claims;
 - (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
 - (c) water rights, claims or title to water.
6. Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule A, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.
7. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
8. Taxes and assessments collectible by the County Treasurer, not yet due and payable for the year 2018.

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File No.: 256099

ALTA Commitment For Title Insurance 8-1-18 (4-2-18)

Page 8 of 10



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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

9. Any action by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.
10. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.
11. Reservations or exceptions in Patents or in Acts authorizing the issuance thereof.
12. Easement for electric and rights incident thereto, as set forth in instrument recorded in [Docket 6612, page 882](#).
13. Provisions within Resolution of Establishment and Advance Acquisition under Resolution No. 89-07-A-62 recorded in [Docket 8609, page 1063](#).
14. Provisions within Marana Ordinance No. 97.24, Extending and Increasing the Corporate Limits of the Town of Marana, recorded in [Docket 10604, Page 605](#).
15. Provisions within Marana Ordinance No. 2002.25, Rezone Approximately 196 acres recorded in [Docket 11923, Page 3533](#).
16. Terms, conditions, restrictions, covenants and easement as contained in Drainage Easement and Restrictive Covenant recorded in Docket 13706, Page 3330 and re-recorded in [Docket 13724, Page 2067](#);
Consent recorded in Docket 13706, page 3346 and re-recorded in [Docket 13724, page 2086](#); and in Docket 13706, page 3353 and re-recorded in [Docket 13724, page 2094](#).
17. Easement for construction and rights incident thereto, as set forth in instrument recorded in Docket 13706, Page 3355 and re-recorded in [Docket 13724, Page 2097](#).
18. Terms and conditions as contained in instrument entitled Franchise, In the Matter of the Application of Trico Electric cooperative, Inc., an Arizona nonprofit corporation, to renew its Franchise recorded in [Sequence No. 2011-1530134](#).
19. Matters as disclosed by instrument entitled Notice of Contract Completion recorded in [Sequence No. 2014-0800161](#).
20. Provisions within Marana Ordinance No. 2015.002; Relating to Development, recorded in [Sequence No. 2015-0230159](#).
21. Terms and conditions of Order For Immediate Possession under Case #20163031 entitled Town of Marana, as Plaintiff vs TRP Twin Peaks, LLC, et, al as Defendants recorded August 2, 2016 in [Sequence No. 2016-2150646](#).
22. Matters as disclosed in [Book 58 Record of Surveys, page 26](#); and in [Sequence No. 2015-0080169](#); in [Sequence No. 2016-3580167](#).

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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ALTA Commitment For Title Insurance 8-1-16 (4-2-18)

Page 9 of 10



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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

23. Liabilities and obligations imposed upon said land by reason of its inclusion within Town of Marana General Plan.
24. Liabilities and obligations imposed upon said land by reason of its inclusion within Northwest Fire District.
25. Terms and conditions of Sewer Easement and rights incident thereto, as set forth in instrument recorded in Sequence No. _____.

(to be recorded herein.)

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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Page 10 of 10



Sewer Easement Document

Pima County
Regional Wastewater Reclamation Department

Engineering Design Standards 2016

Section 07

Easements and Maintenance Access

7.1 Requirements for Public Sewer Easements

The following requirements for the design of Public Sewer easements are pursuant to Pima County Code of Ordinances 13.020.030(A) and are based on the Department's goal to provide safe and efficient maintenance access to Public Sewers.

7.1.1 Horizontal and Vertical Alignment

The design of Public Sewer easements shall conform to the following requirements:

- AAC R18-9-E301(D)(2)(I);
- S.D.s RWRD-109, -110 and -111;
- Easements should be horizontally centered along the sewer line and at each manhole, to the highest degree possible;
- For sewer depths less than or equal to 10 feet, the minimum width for sewer easements shall be 20 feet;
- For sewer depths greater than 10 feet, the minimum width for sewer easements shall be twice the depth of the sewer line (invert to finish grade) and rounded up to the nearest 5 feet;
- Public Sewer easements shall be specific to Public Sewers, unless otherwise Approved by the Department on a case-by-case basis
- The driving surface shall have longitudinal slopes not greater than 9.0% unless otherwise Approved by the Department on a case-by-case basis, and cross slopes not greater than 2.0%.
- Provide a 20-foot landing area in front of each manhole with a relatively flat surface (2.0% maximum slope in any direction);
- Easements shall provide all-weather maintenance access to all manholes and
- Dead-end easements shall be avoided, except for flow-through sewers that are constructed to the subdivision/development boundary during initial sewer installation.

The Department reserves the right to modify or waive any of these requirements on a case-by-case basis (i.e. existing sewer easements).

7.1.2 Short Access Easements

The safety of the public and of the Department's maintenance staff will not be compromised; therefore, adequate visual and navigational room must be available within the Public Sewer easement and the Right-of-Way. In certain cases, Public

Sewer easements may be designed so that the Department's maintenance vehicles can navigate safely in reverse. A right-angle turn-around, per S.D. RWRD-110 may be waived when the following criteria are met:

- The Public Sewer easement is a straight line and does not exceed 150 feet in length to the last manhole within the easement;
- The safety of the maintenance vehicle will not be hindered by heavy traffic, difficult terrain and other factors; and
- No obstructions exist for the vehicle or driver to navigate within the Public Sewer easement or onto the Right-of-Way at the beginning of the easement.

7.2 Conveyance of Public Sewer Easements

Unless a prior agreement exists between the developer and the Department, the developer shall be responsible for the acquisition of all Public Sewer easements and Right-of-Way needed to construct, access and maintain new Public Sewers.

Where a new Public Sewer easement is required for a new subdivision, it must be dedicated by the final plat.

If a Public Sewer easement cannot be dedicated by final plat, it must be dedicated by separate instrument and the recording information referenced on the associated Sewer Plan. If the easement is not associated with a Sewer Plan, only the dedication and recordation will be required.

Complete detailed and accurate descriptions for all new Public Sewer easements shall be submitted to the Department for review after the initial review of the Design Drawings has been completed and prior to the next plan submittal.

A request for a Public Sewer easement should include all vital information necessary to accurately portray the location of the easement to the Pima County Real Property Services. The submittal shall include:

- A legal description of proposed sewer easement(s), sealed by an Arizona Registered Land Surveyor;
- A location map of proposed sewer easement(s) with parcel, adjacent property ownership and street identification labels (8½" × 11");
- The company's name, address and phone number;
- Copy of deed evidencing current ownership; and
- The Department's project reference number for a Subdivision Plat or Sewer Plan.

The dedication of Public Sewer easements shall grant the following rights to the Department:

- The Department or its Contractor has the right to install, anywhere within the Public Sewer easement, temporary or permanent underground or above-ground facilities that may be required to monitor, operate, maintain, repair or replace Public Sewers;

- The Department assumes no liability for damage to, or removal of, any vegetation, above-ground or underground facilities, surface treatments, materials, equipment, or structures placed within the easement or within 20 feet above the surface of the easement by anyone other than the Department or its Contractor;
- The property owner shall be liable for injury to personnel and/or damage to maintenance vehicles or construction equipment that results from contact with any prohibited encroachments anywhere within the full width of the Public Sewer easement or within 20 feet above the surface of the easement, or from any actions necessary to remove such encroachments from the easement;
- Liability for injury or damage shall include personnel and equipment of the Department and its Contractors; and
- The Department has no obligation to provide advance notice to property owners in emergency conditions, however, the Department will endeavor to provide advanced notice to property owners when it is known that a Public Sewer easement will be accessed for maintenance or construction.

Any construction, development, planting or landscaping within the Public Sewer easement shall conform to the maintenance access requirements and guidelines per Subsections 7.5, 7.6 and 7.7.

7.3 Temporary Construction Easements

Where temporary construction easements are required for construction activities that extend beyond the limits of the Public Sewer easement, they shall be specified on the Sewer Plan.

7.4 Abandonment of Public Sewers and Easements

To request the abandonment of an existing Public Sewer asset, Public Sewer easement, Right-of-Way or license agreement, an application for the release of Public Sewer easements shall be completed and submitted to the Pima County Real Property Services along with any required fees and information. If Approved, the facility, easement, Right-of-Way or license agreement shall be released by separate instrument.

The abandonment of Public Sewer assets shall conform to Subsections 5.1.12 and 5.2.19, and the *Standard Specifications and Details*, Subsections 3.2.3(H) and 3.3.3(E).

7.5 Maintenance Access and Encroachments within Public Sewer Easements

Structures, impediments or other features located within a Public Sewer easement or Right-of-Way that may hinder or prevent vehicular maintenance access to manholes, shall not be permitted without Approval from the Department. These features include:

-
- Walls, fences, swimming pools, gazebos, water fountains, sculptures, or any permanent or temporary structures etc.;
 - Steep slopes (refer to Subsection 7.1.1) or other conditions that may subject maintenance vehicles to sliding, loss of traction or overturning;
 - Abrupt changes in terrain, such as vertical curbs, retaining walls or drainage channels;
 - Surface treatments that could cause maintenance equipment to become stuck or damaged, such as:
 - Sand or uncompacted soil;
 - Sharp rocks, rip-rap or boulders; and
 - Vegetative or organic ground cover.
 - Trees, cacti and other vegetation that hinders maintenance vehicle access per Subsection 7.7;
 - Objects that may cause injury to maintenance workers or damage to maintenance equipment; and
 - The storage of vehicles (temporary or permanent), equipment or materials, by the property owner, unless Approved by the Department.

Where walls or fences are required by a property owner to limit maintenance access through a Public Sewer easement, a minimum 16-foot wide gate or a gate equivalent to the width of the existing easement, with an Approved locking system, shall be provided. No obstructions shall exist that cause the overhead clearance to be less than 20-feet. The owner of the gate shall be responsible for its full operation and for maintaining unrestricted 24-hour access for the Department. The construction of a wall, fence, gate or any other encroachment within Public Sewer easements shall require:

- Acceptance of the construction documents for the wall, fence, gate or other encroachment; or
- The recording of an encroachment agreement with the Department for the wall, fence, gate or other encroachment.

7.6 Maintenance Access within Right-of-Way

Where new sewers are not placed beneath the paved portions of roads, surface improvements sufficient to provide the Department's sewer maintenance vehicles with unrestricted year round, all-weather access to the Public Sewer manholes may be required, in accordance with Code, specifically 13.20.030(A)(1). The required surface improvements shall accommodate the weight and turning radius of the Department's combo-cleaner trucks and conform to the requirements for turn-around areas.

For manholes that are located within Right-of-Way but outside paved areas (e.g. shoulders, sidewalks, medians, traffic circles, etc.), the design shall consider the Department's ability to safely and efficiently maneuver a combo-cleaner truck to these manholes.

The design for providing a safe and efficient maintenance access driveway to each manhole located outside the paved areas of Right-of-Way shall consider:

- Replacing existing vertical curb with a 16 foot wide driveway;
- Providing all-weather maintenance access;
- Providing a stabilized surface treatment per S.D. RWRD-111;
- Providing a minimum 20-foot landing area for a combo-cleaner truck to park in front of each manhole with a relatively flat surface (2.0% maximum slope in any direction, unless otherwise Approved by the Department on a case-by-case basis);
- Providing post barricades, lockable gates or other types of removable barriers, Approved by the Department, to limit public access;
- Increasing the thickness of concrete to 6-inches for sidewalks, ramps, driveways, etc.;
- Avoiding the placement of irrigation and utility boxes within the maintenance access driveway;
- Constructing a concrete collar per S.D. RWRD-212;
- Adjusting the frame and cover to an elevation above finish grade to minimize wet weather inflow and inadvertent burial;
- Providing a 20-ft x 20-ft clearance zone throughout the maintenance access driveway; and
- The landscaping and planting guidelines for Public Sewers per Subsection 7.7.

The Department has the authority to take whatever action (e.g. cutting, trimming, moving, removal, etc.) is deemed necessary to gain maintenance access to Public Sewers that are restricted by vegetation, obstacles or structures. The Agency having jurisdiction over the respective Right-of-Way is ultimately responsible for maintaining, repairing or replacing these items originally placed by a Project.

7.6.1 Dead-end Streets and Cul-de-Sacs

When Public Sewers are located in a public or private cul-de-sac or other public or private permanent dead-end street, the street shall be designed with adequate turn-around area for the Department's combo-cleaner trucks. Refer to the latest version of the *Pima County Subdivision and Development Street Standards* for the minimum design criteria for dead-end streets and cul-de-sacs.

7.6.2 Traffic Circles

The design of traffic circles near or surrounding a Public Sewer manhole is strongly discouraged by the Department. If a traffic circle must be in the same location as a Public Sewer manhole, the design shall consider:

- Providing curb openings for combo-truck maintenance access if the center of the manhole cover is greater than 3 feet away from the curb;
- Placing the curb opening in a location that will minimize disturbance to the flow of vehicle traffic during sewer maintenance operations;

- Raising the frame and cover elevation so as to direct drainage away from the manhole and avoiding water harvesting; and
- Providing a sustainable landscaping and planting design that will not hinder maintenance access to manholes.

Deep-rooted trees and other aggressive root vegetation shall be avoided. Landscaping shall be limited to flowers, grasses, shrubs, and other small plants that can either be driven over or removed easily and quickly in the event that the manhole must be accessed for maintenance.

7.7 Landscaping and Planting Guidelines for Public Sewers

Planting within Public Sewer easements shall only be allowed with Special Approval. Trees with branches or roots having the potential to extend into Public Sewer easements shall be avoided. The Department assumes no liability for damage due to the removal of tree branches or roots that extend into Public Sewer easements.

In special cases where Public Sewers must be located outside paved or stabilized areas, the design of landscaping and planting shall adhere to the following guidelines:

- Limit planting to small shrubs and ground cover within 10 feet of sewer lines, provided that they can be driven over by a vehicle and do not contain spikes or thorns that can damage tires or hinder access by maintenance personnel;
- Select plants that will not develop root systems that will reach sewer facilities (contact the Department for a list of excluded plants);
- Select plants that will not interfere with visual and maintenance vehicle access to manholes;
- Do not place irrigation equipment within the maintenance vehicle access driveway to each manhole;
- Show the location of Public Sewer lines and manholes in the landscaping and planting design; and
- Provide a certification on the cover sheet, sealed by the Landscape Architect, declaring that the project was designed in accordance with the landscaping and planting guidelines for Public Sewers per Subsection 7.7.

The Department reserves the right to review the design of landscaping and planting that is proposed near Public Sewer. The Department assumes no liability for damage due to the cutting back or the removal of plants that hinders maintenance access to Public Sewer manholes.

7.7.1 Stabilized Surface Treatments

For Public Sewer easements located outside of paved areas, a stabilized surface treatment, per S.D. RWRD-111, shall be provided for clear and unrestricted vehicular maintenance access to Public Sewer manholes.

Stabilized surface treatments may not be appropriate in all cases, such as wash or channel crossings, or in environmentally sensitive areas. In such cases, the

Design Engineer should coordinate with the Department early in the planning process to find a solution for providing vehicle maintenance access to Public Sewer manholes, while conforming to all applicable Federal, State and local environmental laws, and regulations.

7.7.2 Manholes in Right-of-Way

For Public Sewer manholes located outside the paved areas within Right-of-Way, both vehicle maintenance access and visual access shall be a top priority. In these cases, the design of any improvements within the Right-of-Way shall adhere to the following guidelines:

- Provide visual access to the manhole cover from the closest travel lane;
- Provide the ability for the Department's combo-cleaner trucks to safely and efficiently pull off the road and access the manhole;
- Provide a relatively level 6-foot diameter area around the manhole cover to allow working room for setup of a tripod and related safety equipment when manhole entry is required;
- Minimize impacts to traffic flow for regular maintenance operations being performed at the manhole; and
- Preserve or improve the current maintenance vehicle access to an existing manhole.

A maintenance vehicle access lane, having a width of 16 feet, shall be provided to the manhole cover and kept free of objects that may hinder vehicle access to the manhole. These objects include, but are not limited to, shrubs, trees, boulders, riprap and drainage swales. Planting design shall locate tree trunks at least 16 feet away from a manhole and a sufficient distance so that the ultimate canopy will not overhang the maintenance vehicle access driveway. The manhole elevation shall be a minimum of 2 inches above finish grade and, under no circumstances, shall it be buried under landscaping or surface materials.

For existing manholes, if a concrete collar is not present, a concrete collar per S.D. RWRD-212 may be required.

Water Availability

CITY OF
TUCSONTUCSON WATER
DEPARTMENT

September 25, 2018

Valbridge Property Advisors
6061 E. Grant Rd.
Tucson, AZ 85712

Attn: Carolyn Van Hazel

SUBJECT: Water Availability for Project: SE Twin Peaks & Tangerine , APN: 21601004C, 21602015A, 21602016A, 21603002A, 21603004A, Case #: WA2603 , T-12 R-12 S-01 , Lots: 9999 , Location Code: MAR , Total Area: 72.38 , Zoning: R-36

Tucson Water is unable to provide water service to this parcel due to the fact that it does not conform to the requirements of the Tucson Water Service Area Policy. Please contact the Arizona Corporation Commission at 520-628-6550 for information regarding other potential water sources.

If you have any questions, please call New Development at 520-791-4718.

Sincerely,

Richard A. Sarti, P.E.
Engineering Manager
Tucson Water Department

RS:ka

CC:21601004C,015a,016a002a,004a.docx

NEW DEVELOPMENT • P.O. BOX 27210 • TUCSON, AZ 85726-7210
(520) 791-4718 • FAX (520) 791-2501 • TDD (520) 791-2639 • www.tucsonaz.gov/water

Qualifications

CAROLYN VAN HAZEL, MAI**State of Arizona Certified General Real Estate Appraiser, Certificate #31591****PROFESSIONAL EXPERIENCE**

2013 to present Valbridge Property Advisors | MJN Enterprises, Inc., Managing Director
1999 to 2012 MJN Enterprises, Inc., Senior Analyst and Consultant

PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS

Member of the Appraisal Institute, earning the MAI designation in 2012. The Institute conducts a mandatory program of continuing education for its designated members. Ms. Van Hazel is currently certified under this program.

FORMAL EDUCATION

Bachelor of Science, *cum laude*, in Economics, 1993 – 1995, University of Arizona

PROFESSIONAL EDUCATION

All required classes to obtain and maintain the MAI designation and state certifications.

SCOPE OF PRACTICE

Ms. Van Hazel's appraisal practice is concentrated on valuations for the following purposes: Mortgage loan underwriting, Private negotiations, Legal proceedings, and Consultations.

She specializes in the valuation of most types of commercial real property including:

- single-family residential subdivisions,
- multifamily residential,
- hotels,
- office,
- retail,
- industrial,
- vacant land and
- specialty properties such as cellular towers, event centers, and charter schools.

Assignments include leased fee, leasehold and sandwich leasehold valuations, partial interest valuations, tax credit valuations, eminent domain valuations and UASFLA (Yellow Book) compliant appraisals.

Department of Financial Institutions State of Arizona		
CGA - 31591		
This document is evidence that:	CAROLYN VAN HAZEL	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		
CAROLYN VAN HAZEL		
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 : December 31, 2019	Signed in the Superintendent's office at 2910 North 44 th Street, Suite 310, in the City of Phoenix, State of Arizona, this 16th day of November, 2017.  Robert D. Charlton Superintendent	



SERVICES

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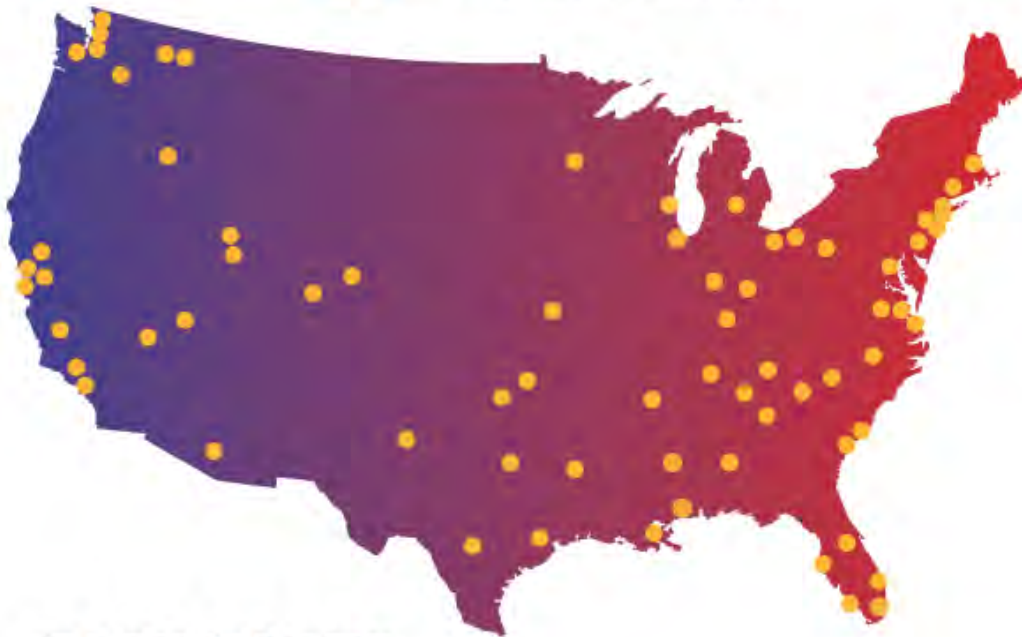
- Office buildings and properties
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- Apartments, multifamily, senior living buildings and properties
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SPECIALTY SERVICES

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- REO and foreclosure evaluation
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- Valuation of property for insurance, estate planning and trusteeship, including fractional interest valuation for gifting and IRS purposes
- Litigation support, including expert witness testimony
- Business and partnership valuation and advisory services, including partial interests

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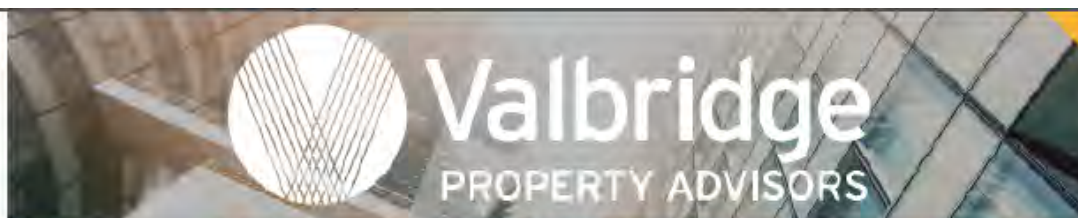
FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent national commercial real estate valuation and advisory services firm in North America.
 - Total number of MAI-designated appraisers (200+ on staff)
 - Total number of office locations (70+ across U.S.)
 - Total number of staff (675+ strong)
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge services all property types, including special-purpose properties.
- Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.
- Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by our local office leaders.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.

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<div> <div>CORPORATE OFFICE</div> <div> 2240 Venetian Court Naples, FL 34109 239-325-8234 phone 239-325-8366 fax </div> <div>valbridge.com</div> </div>				
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