

**APPRAISAL REPORT**

**OF**

**A 35,056 SQUARE FOOT VACANT LOT**

**LOCATED ON THE SOUTH SIDE OF INA ROAD, EAST OF  
THUNDERHEAD DRIVE, TUCSON, PIMA COUNTY, ARIZONA**

**FOR**

**PIMA COUNTY PUBLIC WORKS,  
REAL PROPERTY SERVICES**

**MR. JEFF TEPLITSKY  
APPRAISAL SUPERVISOR**

**OWNERSHIP: PIMA COUNTY  
TAX PARCEL NUMBER: 108-04-0490  
SECTION 6, TOWNSHIP 13 SOUTH, RANGE 14 EAST**

**EFFECTIVE DATE OF APPRAISAL**

**OCTOBER 18, 2018**

**BAKER, PETERSON, BAKER & ASSOCIATES, INC.**  
*Tucson, Arizona*

BAKER, PETERSON, BAKER & ASSOCIATES, INC.

REAL ESTATE APPRAISERS - CONSULTANTS

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October 24, 2018

Mr. Jeffrey Teplitsky  
Appraisal Supervisor  
Pima County Public Works  
Real Property Services  
201 North Stone Avenue, Sixth Floor  
Tucson, Arizona 85701-1207

RE: An appraisal report of a 35,056 square foot vacant lot located on the south side of Ina Road, east of Thunderhead Drive, in Tucson, Pima County, Arizona

<i>Ownership:</i>	Pima County
<i>Tax Parcel No.:</i>	108-04-0490
<i>Effective Date of Appraisal:</i>	October 18, 2018
<i>Date of Report:</i>	October 24, 2018

Dear Mr. Teplitsky:

In response to your authorization, I have conducted the required inspection, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the market value of the fee simple interest in the above-named property. This report is intended for use only by the intended user, Mr. Jeff Teplitsky, Pima County Public Works, Real Property Services, and its designees. Use of this report by others is not intended by the appraiser. This report is intended only for use in the determination of the market value for the potential sale or disposition of the subject property. It is not intended for any other use.

I have formed the opinion that, as of the effective date of appraisal, October 18, 2018, in its "as is" condition, based on a six to twelve month marketing period, and subject to the assumptions and limiting conditions set forth in the report, the subject property has a market value of:

SIXTY TWO THOUSAND DOLLARS (\$62,000)

Mr. Jeffrey Teplitsky  
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This is an appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report (USPAP). As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraiser is not responsible for unauthorized use of this report.

Respectfully submitted,



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

C187608

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## **APPRAISAL ABSTRACT - PART I**

**INTENDED USER:**

Pima County Public Works, Real Property Services  
Mr. Jeffrey Teplitsky

**APPRAISER:**

Sara R. Baker, MAI, SRA

Baker, Peterson, Baker & Associates, Inc.  
4547 East Fort Lowell Road, Suite 401  
Tucson, Arizona 85712

**SUBJECT PROPERTY:**

An appraisal report of 35,056 square feet of vacant land located on the south side of Ina Road, east of Thunderhead Drive, Pima County, Arizona. The property is a lot within the Skyline Foothills Estates subdivision.

**LAND AREA:**

35,056 square feet, or 0.80 acres

**ZONING:**

CR-1, Pima County

**COMPREHENSIVE PLAN:**

LIU 1.2 (Low Intensity Urban 1.2)

**TAX PARCEL NUMBER:**

108-04-0490

**FULL CASH VALUE:**

\$141,000 (2018)

\$141,000 (2019)

The development of full cash values is based on mass appraisal models as set by the State of Arizona. They are for tax assessment purposes only and cannot be equated with market value as utilized in this appraisal. Thus, they serve only as a point of comparison with other properties.

Based upon the value ascribed in this report, the appraiser recommends appealing the assessed value of the property.

**LIMITED CASH VALUE:**

\$131,250 (2018)

\$137,813 (2019)

Limited Cash Value is the basis for primary property taxes. It is a legislatively established value based on a mathematical formula that limits the amount of increase in any given year.

**REAL ESTATE TAXES:**

\$0.00 (2017)

There are no taxes as the property is currently owned by a government entity.

Real estate taxes are a combination of a primary tax, which is the primary tax rate applied to the limited cash value and divided by 100, plus the secondary tax, which is the secondary tax rate applied to the full cash value and divided by 100. The primary and secondary tax rates are an aggregate of various tax rates set by various jurisdictions.

**DELINQUENT TAXES:**

None

**INTENDED USE OF REPORT:**

This report is intended for use only by the intended users, Mr. Jeffrey Teplitsky, Pima County Public Works, Real Property Services and its designees. Use of this report by others is not intended by the appraiser. This report is intended only for use in the determination of the market value for the potential sale or disposition of the subject property. It is not intended for any other use.

**INTEREST APPRAISED:**

Fee Simple Interest in the entire property. *Fee Simple Interest*, as defined in The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, page 90, is "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."

**MARKET VALUE DEFINITION:**

*Market value*, as utilized in this appraisal, and as defined in The Appraisal of Real Estate, 14th Edition, published by the Appraisal Institute, 2013, page 59, is:

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

**EFFECTIVE DATE OF APPRAISAL:**

October 18, 2018

**DATE OF INSPECTION:**

The property was re-inspected by the appraiser on October 18, 2018, without a representative of the owner present at the inspection.

**TITLE REPORT INFORMATION:**

The appraisers have reviewed information contained in a title report of the subject property as provided by the client. The appraisers do not consider there to be any impact on the market value of the subject property by items reviewed in the title report.

**LEGAL DESCRIPTION:**

Lot 49, Skyline Foothills Estates, Pima County, Arizona.

**OWNERSHIP:**

According to public records of the Pima County Assessor, title to the subject property is in the name of Pima County, according to a deed recorded in Docket 7657 at Page 811, dated November 18, 1985.

**SALES HISTORY:**

No known sales of the subject property have occurred within the last three years. No current listings, options, or agreements of sale of the subject property were discovered in the course of this analysis. The adjacent property owner has expressed interest in purchasing the property, however, there is currently no agreement of sale or contract.

**ASSUMPTIONS AND LIMITING CONDITIONS:**

Subject to those assumptions and limiting conditions contained in the "*Assumptions and Limiting Conditions*" section of this report.

**CERTIFICATION:**

See Part V.

## SCOPE OF THE APPRAISAL - PART II

USPAP identifies scope of work as the "amount and type of information researched and the analysis applied in an assignment." According to the scope of work rule as defined by USPAP, "For each appraisal, appraisal review, and appraisal consulting assignment, an appraiser must:

- 1) identify the problem to be solved;
- 2) determine and perform the scope of work necessary to develop credible assignment results; and
- 3) disclose the scope of work in the report."

This appraisal assignment has been completed in response to authorization by Mr. Jeffrey Teplitsky, Appraisal Supervisor, for Pima County Public Works, Real Property Services, in a contract executed on September 26, 2018 by Ms Sara R. Baker, MAI, SRA, for Baker, Peterson, Baker and Associates, Inc. The assignment includes appraisal of the property herein described, and the preparation of a report which describes the property being appraised, analyzes appropriate data, and offers an opinion of the market value of the property as of the effective date specified in the report. The appraisal is prepared and reported according to the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute, the standards of Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and to those specifications in the appraiser's Professional Services Contract with Pima County Public Works, Real Property Services.

This report is intended for use only by the intended user, Mr. Jeffrey Teplitsky, Pima County Public Works, Real Property Services and its designees. Use of this report by others is not intended by the appraiser. This report is intended only for use in the determination of the market value for the potential sale or disposition of the subject property. It is not intended for any other use. The purpose of the appraisal is to provide an opinion of the market value in fee simple interest of a specific property which has been previously identified in this report, and is referred to as the subject property, the subject, or the property.

The exact nature of, and interest in, the subject property is defined elsewhere in this report. One basic approach to value provided the conclusion of the market value of the subject property; namely the sales comparison approach, which is defined in the report. In completing this assignment the appraisers inspected and photographed the subject property (inside and out), reviewed and confirmed data relative to metropolitan Tucson (from economic and demographic data, including COMPS® Commercial Property Information Services, Tucson Multiple Listing Service (MLS), and the Pima County Real Estate Research Council), the neighborhood and the site.

An opinion of the "highest and best use" of the property was formed, utilizing resources to identify such factors as land use, supply and demand, governmental requirements,



environmental concerns, and economic elements, present and anticipated, which may impact upon the marketability of the property.

In the sales comparison approach, there was a thorough search for sale and listing data considered directly competitive to the subject property. This data was confirmed with one or more parties related to the transaction and (in the case of sales) by review of deeds and records of the Pima County Assessor. The analysis then compared each sale considered a reliable indicator of the value to the subject property in terms of those factors which were superior to the subject, inferior to the subject, and equal or offsetting.

The cost approach is not applicable as the subject property is vacant land. The income approach reflects the subject's income producing capabilities. Vacant land similar to the subject property is typically purchased by owner-users and is not leased. Therefore, the income approach is not applicable in valuing the subject property.

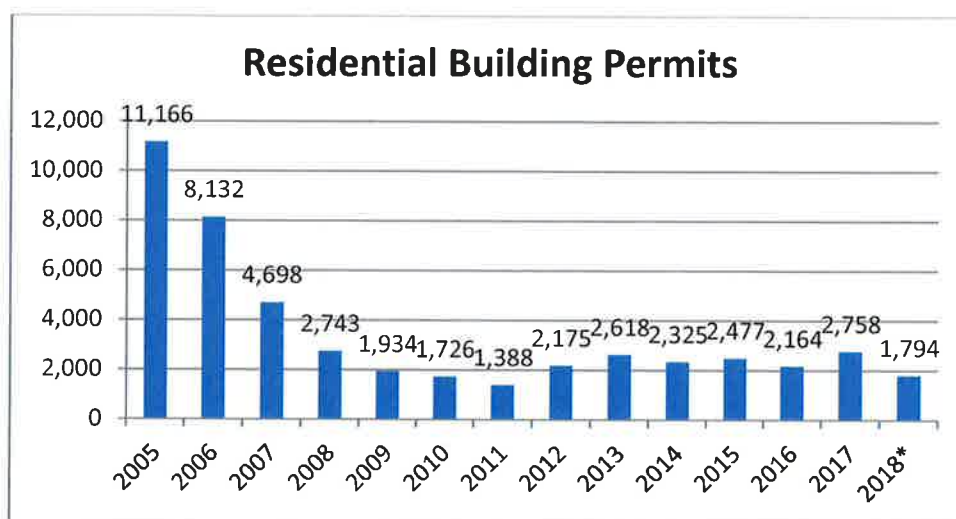
The sales comparison approach provided a final opinion of the market value of the subject property. To develop the opinion of value, the appraiser performed an appraisal process as defined by the Uniform Standards of Professional Appraisal Practice. This appraisal report is a brief recapitulation of the appraiser's data, analyses, and conclusions. The appraiser's file retains supporting documentation.

## DESCRIPTION OF REAL ESTATE APPRAISED - PART III

### TUCSON OVERVIEW:

Tucson is Arizona's second largest city and the "hub" of commerce in southeastern Arizona. According to the Pima Association of Governments, in July, 2010, the estimated population of all of Pima County (including Tucson) was 981,168 persons while the population of Tucson alone was estimated to be 520,795 persons.

Starting in 2006, fewer single-family residential permits were issued due to the current oversupply of lots and residential homes on the market. According to the United States Census Bureau, Building Permits Survey, the number of single-family residential permits declined through 2011. There was limited new single-family construction since 2008, with the decline continuing through 2011, with a small increase in 2012. The number of permits remained mostly stable with some slight variations since 2013, and increased slightly in 2017. The 2018 data is for the first half of the year only.



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

slight increase in 2017. New home sales are still well below peak or stabilized levels seen in the past.

### ***Multi-Family Market***

Vacancy rates for apartment properties in the Tucson Metropolitan area peaked in 2009 before slowly declining. The chart below shows vacancy rates in metropolitan Tucson between Second Quarter 2008 and Second Quarter 2018, according to Apartment Insights' *Statistics/Trends Summary*.



The vacancy rate peaked in the Second Quarter 2009 and generally declined since that time. The vacancy rate declined in late 2015 and remained mostly stable in 2016. Vacancy rates for apartment properties typically increase in the second quarter of each year due to seasonal changes in population. The current rent levels for multi-family properties have remained generally stable with small increases in most sectors in many recent quarters. There is limited demand for new construction, with the exception of student housing projects and some larger high-end Class A apartment complexes with many amenities.

### ***Office Market***

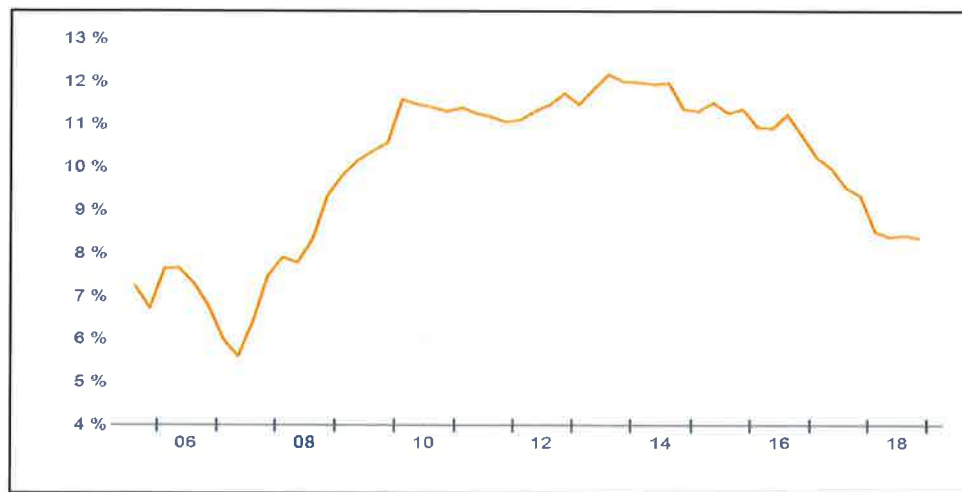
Overall, the leasable *office market* experienced net positive absorption of 42,164 square feet in the Third Quarter of 2018, according to *The CoStar Office Report, Tucson Office Market, Third Quarter 2018*. This compares to net positive absorption of 110,299 square feet in the Second Quarter 2018, net positive absorption of 44,011 square feet in the First Quarter of 2018, net positive absorption of 51,296 square feet in the Fourth Quarter of 2017, net positive absorption of 135,986 square feet in the Third Quarter of 2017, net positive absorption of 84,046 square feet in the Second Quarter of 2017, and net positive absorption of 89,696 square feet in the First Quarter of 2017.

Two new office buildings containing 50,500 was completed in Third Quarter of 2018. This compares to one new building containing 61,000 square feet completed in the Second Quarter

of 2018, one new building containing 20,000 square feet completed in the First Quarter of 2018, two new buildings containing 12,850 square feet was completed in Fourth Quarter 2017, no new buildings in the Third Quarter 2017, two buildings containing 21,631 square feet was completed in the Second Quarter 2017, and no new buildings completed in the First Quarter 2017.

The following figure shows trends in the vacancy rates for office properties in Tucson between Second Quarter 2005 and Third Quarter 2018. The vacancy rate increased until late 2013 and has declined since that time. The office vacancy rate remains higher than 2005-2008 levels.

**Office Vacancy Rate**



The stable but higher overall annual vacancy rate indicates an office market which is coupled to the overall stable but slow real estate market. There was a decline in demand for owner/user office buildings, which had made up a majority of office sales in 2006 and 2007. Market conditions stabilized in 2013 and remain slow but stable. Market conditions for office properties have started to slowly improve, primarily for office properties in high demand areas and newer office buildings in good condition. Demand remains lower for older office buildings.

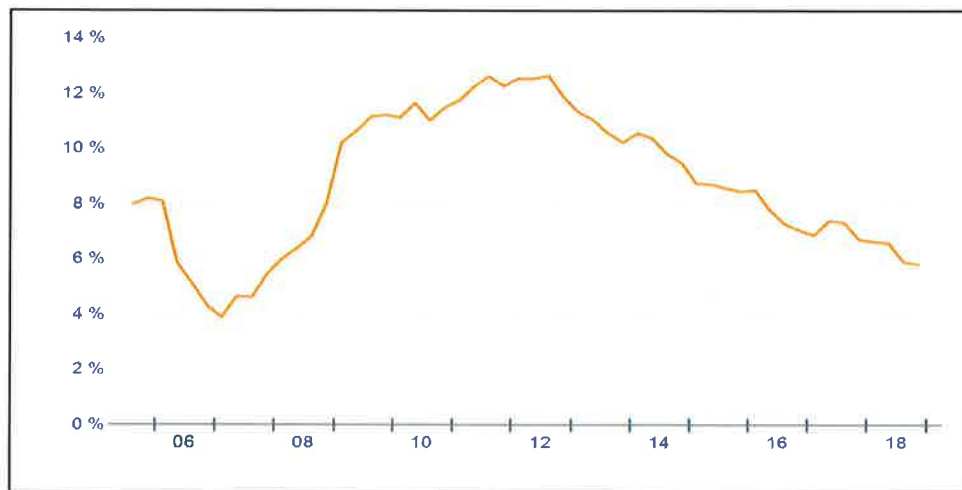
### ***Industrial Market***

Tucson experienced rapid *industrial* growth from the late 70's to the mid-80s. There has been limited new industrial space constructed recently in Tucson, with no new buildings completed in the Third Quarter of 2018, one new building containing 300,181 square feet completed in the Second Quarter of 2018, no new buildings completed in the First Quarter of 2018, the Fourth Quarter of 2017, or the Third Quarter of 2017, four new buildings containing 53,721 square feet completed in the Second Quarter 2017, and no new buildings completed in the First Quarter 2017, according to *The CoStar Industrial Report, Tucson Industrial Market, Third Quarter 2018*.

There was net positive absorption of 275,254 square feet in the Third Quarter 2018. This compares to net positive absorption of 314,587 square feet in the Second Quarter 2018, net positive absorption of 44,854 square feet in the First Quarter 2018, net positive absorption of 255,485 square feet in the Fourth Quarter 2017, net positive absorption of 29,338 square feet in the Third Quarter 2017, net negative absorption of 171,007 square feet in the Second Quarter 2017, and net positive absorption of 71,381 square feet in the First Quarter 2017, according to *The CoStar Industrial Report, Tucson Industrial Market, Third Quarter 2018*.

The following chart shows trends in the industrial vacancy rate in Tucson from Second Quarter 2005 through Third Quarter 2018, according to CoStar.

**Industrial Vacancy Rate**



Overall, the industrial vacancy rate increased through late 2012. The vacancy rate declined from late 2012 and continued to decline through 2016. The vacancy rate was somewhat stable from 2017 through the first half of 2018. The industrial market has stabilized but there are not yet signs of increased prices. There continues to be a large supply of fully zoned and improved industrial lots available in the Tucson market with limited demand in the current market. The overall decline in the economy is affecting many potential industrial users and there remains a slow demand for industrial zoned land.

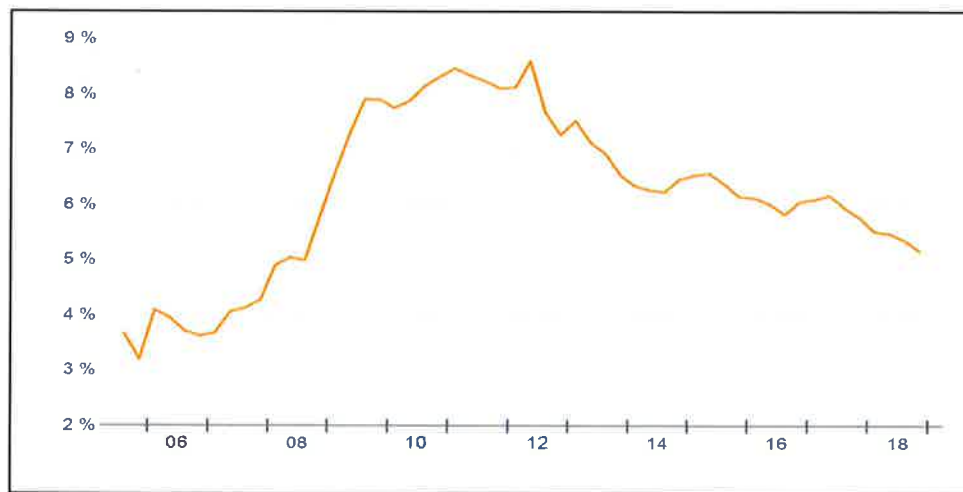
### ***Retail Market***

*Retail* space had maintained more constant levels of growth and absorption, with decreasing vacancy rates observed prior to mid-2007. In general, the market turned down starting at the end of 2007. Some signs for a decline in market conditions includes contracts cancelled, development projects put on hold with reasons including reduced demand and increased competition of other developments coming out of the ground, offers and counter offers at considerably below the listing price, listings being repriced at lower levels, existing tenants looking for rental relief, businesses closing their stores and vacating the premises, and excess developed land without demand. However, in recent years, demand has increased for many types of retail properties.

There was net positive absorption of 283,189 square feet in the Third Quarter 2018, according to *The CoStar Retail Report, Tucson Retail Market, Third Quarter 2018*. This compares to net positive absorption of 125,855 square feet in the Second Quarter 2018, net positive absorption of 263,692 square feet in the First Quarter 2018, net positive absorption of 166,347 square feet in the Fourth Quarter 2017, net positive absorption of 201,700 square feet in the Third Quarter 2017, net positive absorption of 44,726 square feet in the Second Quarter 2017, and net positive absorption of 126,805 square feet in the First Quarter 2017.

The following shows trends in the vacancy rate for retail properties in the Tucson market between Second Quarter 2005 and Third Quarter 2018, according to *Costar*.

**Retail Vacancy Rate**

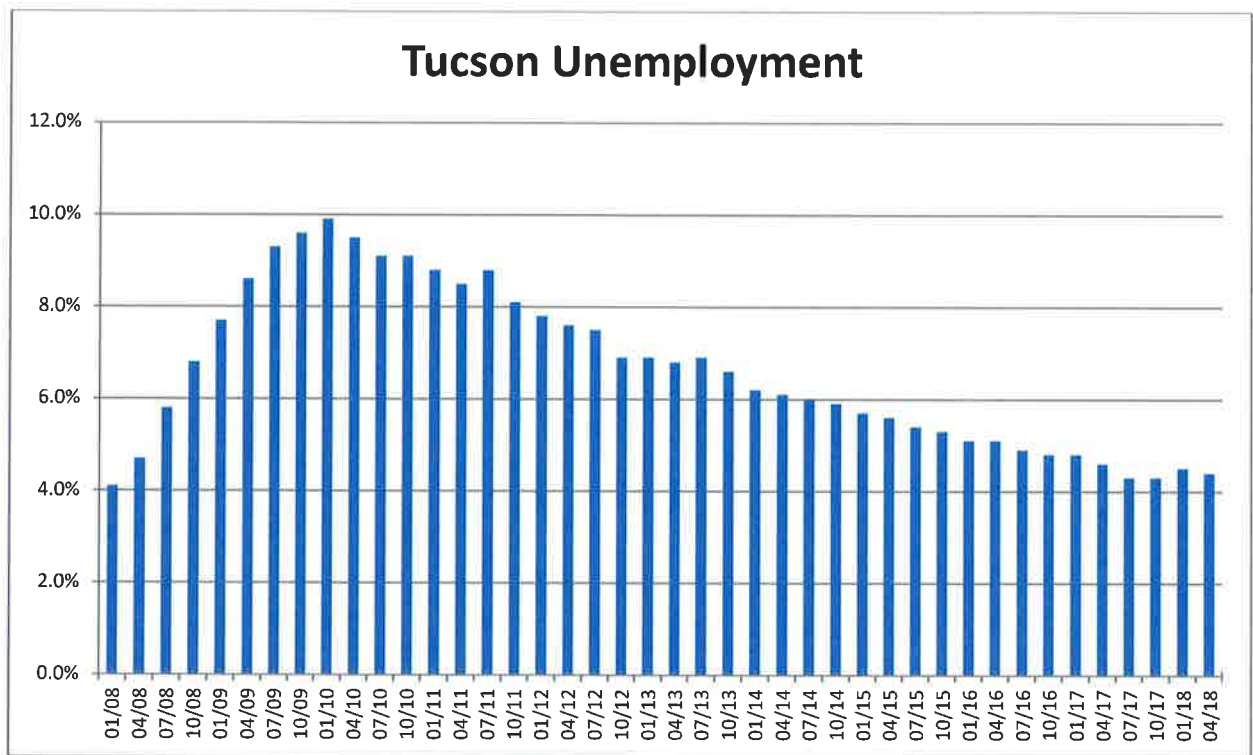


This chart shows that the vacancy rate for retail properties increased through mid-2012. The retail vacancy rate declined since that time and remained mostly stable from 2016 through the 2017, with a slight decline in early 2018. The retail market has stabilized and is starting to improve in high demand areas, although there remains little demand for older retail properties in low demand areas.

In the Third Quarter of 2018, eight new buildings containing 227,611 square feet were completed. This compares to six new buildings containing 118,780 square feet in the Second Quarter 2018, fifteen new buildings containing 152,297 square feet in the First Quarter 2018, seven new buildings containing 43,949 square feet in the Fourth Quarter 2017, three new buildings containing 85,155 square feet in the Third Quarter 2017, nine new buildings containing 80,229 square feet in the Second Quarter 2017, and eight new buildings containing 156,962 square feet in the First Quarter 2017.

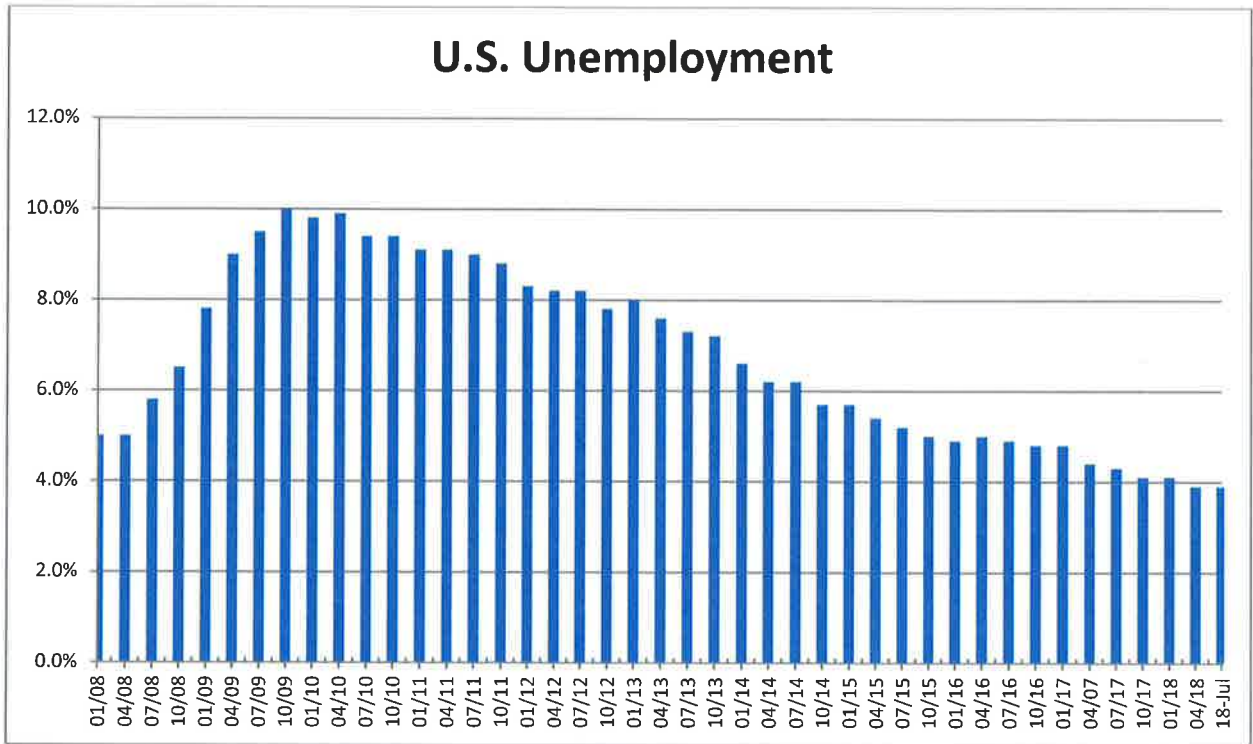


According to Arizona Department of Administration, Office of Employment and Population Statistics, the seasonally adjusted unemployment rate for metropolitan Tucson was as follows:



The previous data shows that the unemployment rate in the Tucson metropolitan area increased and peaked in early 2010. The unemployment rate has slowly been declining since early 2010 and remained mostly stable from mid-2012 through 2013. There has been a slow steady decline in the unemployment rate over the last several years, with the unemployment rate remaining mostly level in the last year.

According to the United States Department of Labor, Bureau of Labor Statistics, the national seasonally adjusted unemployment rate also increased through late 2009. The unemployment rate remained high and started to decline slowly in late 2010. The unemployment rate has declined and is now close to early 2008 levels.



Overall, the commercial real estate markets reveal that most investors hold a cautionary but improving outlook due to continued oversupply of available space in many markets which adversely affects tenants, owners and investors, and the continuing uncertainty of the government conditions. The stabilizing supply and demand fundamentals will result in slowly improving values. In the short term, improving growth is projected for Tucson over the next one to two years, with market conditions expected to remain stable and slowly start to improve during this time. There are some areas of Tucson where demand is increasing greater than the overall market. The long term result should be a more balanced level of supply and demand - more conducive to steady long-term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.



**MARKET AREA:**

The subject market area is that area bordered by Rillito River/Tanque Verde Wash on the south, Catalina Mountains to the North, Swan Road on the East, and First Avenue on the west. Major arterial roadways include Skyline/Ina Road, Swan Road, Campbell Avenue, and First Avenue.

The market area consists mainly of single family residential properties mostly on one acre or larger sites, some multi-family complexes, and neighborhood commercial development at major arterial intersections and along major arterials. There are major commercial centers located at the intersections of Swan and Sunrise Drive. La Encantada, a commercial development that includes 258,000 square feet of retail/commercial uses consisting of 35 to 40 upscale stores, is located at the intersection of Skyline Drive and Campbell. The northeast corner consists of a specialty retail center totaling 24,787 square feet. There is additional commercial and office developments located at the southeast and southwest corners of Skyline Drive and Campbell Avenue and further west along Skyline. These existing commercial uses support the surrounding residential uses which are collectively known as the Catalina Foothills neighborhood of Tucson.

The lower area in this market area has homes and other uses on larger parcels of land along the Rillito River, with much of this land having some floodplain issues. There is a mix of horse properties, houses on larger lots, private schools, and religious facilities in this lower part of the market area. There has been good demand in this area for school and religious use facilities due to the location at the base of the foothills. The homes on the northern portion of the property are primarily on lots of approximately one acre and many are located in older established neighborhoods. Many have good city and/or mountain views.

The market area is situated in the Tucson Unified and Catalina Foothills School Districts. The Skyline Country Club and golf course are located on Swan near Ina and the La Paloma Country Club and golf course are located on Sunrise between Campbell and Swan. Homes in the neighborhood range upwards from \$250,000 to well over one million dollars and range in age from new to fifty-plus years.

Access to the market is considered adequate and public transportation is available to a portion of the market area. Demand for residential uses in the neighborhood is considered good due to the good views from many homes in the area.

**SITE DESCRIPTION:**

The site is irregular in shape with 259 feet of frontage on Ina Road. The site has a depth of 192 feet along the western property line and a width of 154 feet along the southern property line. It contains a total area of 35,056 square feet or 0.80 acres. Ina Road is a four-lane, asphalt-paved roadway with a landscaped center median, concrete curbs, but no sidewalks or streetlights in the vicinity of this site. Ina Road has a 2017 traffic count of approximately 32,000 vehicles per day near the subject site. The property currently does not have a curb cut from Ina Road. According to Rick Hicks of the Pima County Site Development Group, a curb cut would be granted to provide access to the property from Ina Road. According to Mr. Rick Hicks, Pima County is legally obligated to provide access to this property. However, if the property was

purchased by an adjacent property owner, it is probable Pima County would not approve a curb cut for direct access from Ina road as the property would have access through the adjacent lot. The topography is steeply sloping in a southeasterly direction and below street grade of Ina Road. The northern portion of the property is steeply sloping to the south. The southern portion of the property is somewhat more level but sloping somewhat to the east and south. Extensive site work would need to be done prior to developing the site. The site work would include creating a driveway that would likely contain switchbacks due to the slope. Cut and fill work would be required to achieve a level building pad. Because of the steeply sloping terrain, the ideal building area would be in the southwest portion of the property as this area is slightly more level. This area is below grade of Ina Road. The development cost would be high due to the cut and fill work to obtain a level building pad and the cost to build a driveway in the steeply sloping northern portion of the lot. Because the property is below grade of Ina Road, the views are somewhat limited, with some city and mountain views from the building area. There is a drainage structure on the adjacent property to the east at the eastern property line. Properties bordering the subject property include residential uses to the north, to the south, and to the west. There is vacant land and residential uses to the east of the subject property.

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

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

**CURRENT USE:**

Vacant land

**ZONING:**

The subject site is zoned CR-1 (Single Residence), according to the Pima County zoning code. This classification permits single family residences at the density (minimum lot area) of one unit per 36,000 square feet or as low as 24,000 square feet under the cluster development option if sewer is available and 43,560 square feet if sewer is not available. Mobile homes are not permitted under this zoning. The minimum lot width is 100 feet. Additional development standards under this classification include the following:

## CR-1 ZONING REQUIREMENTS

Min. Lot Width	Minimum Yards (feet)			Bldg. Height
	Front	Side	Rear	
100 feet	30	10	40	34 feet

The subject property appears to satisfy these requirements.

### **COMPREHENSIVE PLAN:**

#### **LIU 1.2 (Low Intensity Urban 1.2)**

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

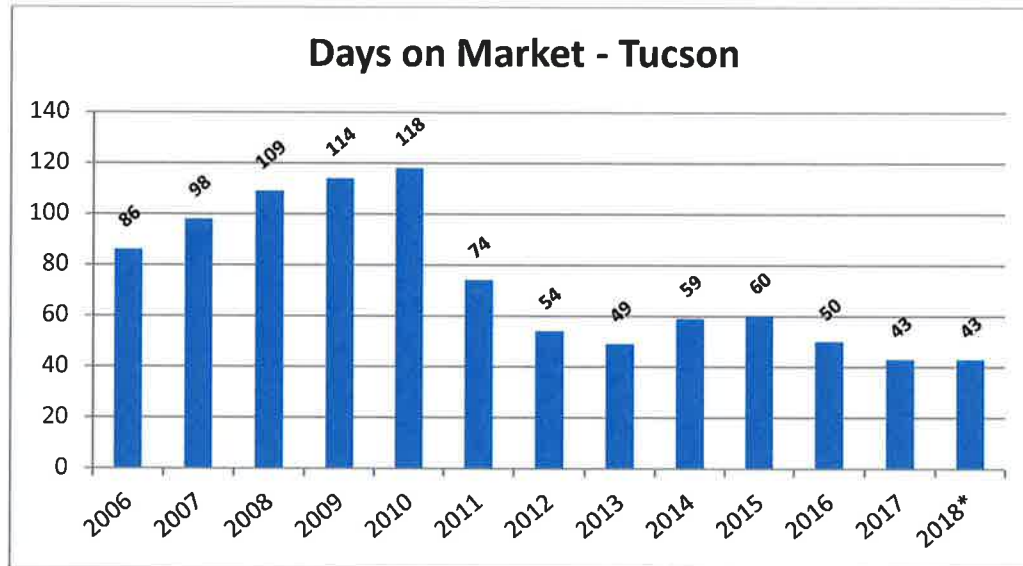
### **MARKET PROFILE - RESIDENTIAL**

The residential market conditions in the Tucson area improved dramatically starting in 2004, with market prices for single family residences and residential lots increasing at a rapid rate. This trend continued throughout 2005 and into the start of 2006, with prices increasing most rapidly in 2005. This increase in sales activity and property values led to an increase in the demand for large parcels of land for development of subdivisions, with prices of land increasing rapidly, and the planning of many new subdivisions throughout the Tucson area and Pima County. Purchases of large parcels of land for large scale subdivisions were especially common in Marana and in the area southeast of Tucson. The number of permits issued in Pima County increased as an increasing number of subdivisions provided more lots and residential homes for the growing market. In 2005, properties were sold quickly, and the time spent on the market for a residential home or lot decreased.

Starting in mid-2006, the market began to slow, and this trend continued into 2007, with a further slowdown in 2008 through 2010. Prices for residential properties leveled off and then decreased in all market areas. The demand for homes began to decline and fewer homes were purchased. The median price for homes also declined during this time. Over the past year there has been the beginning of a market recovery.

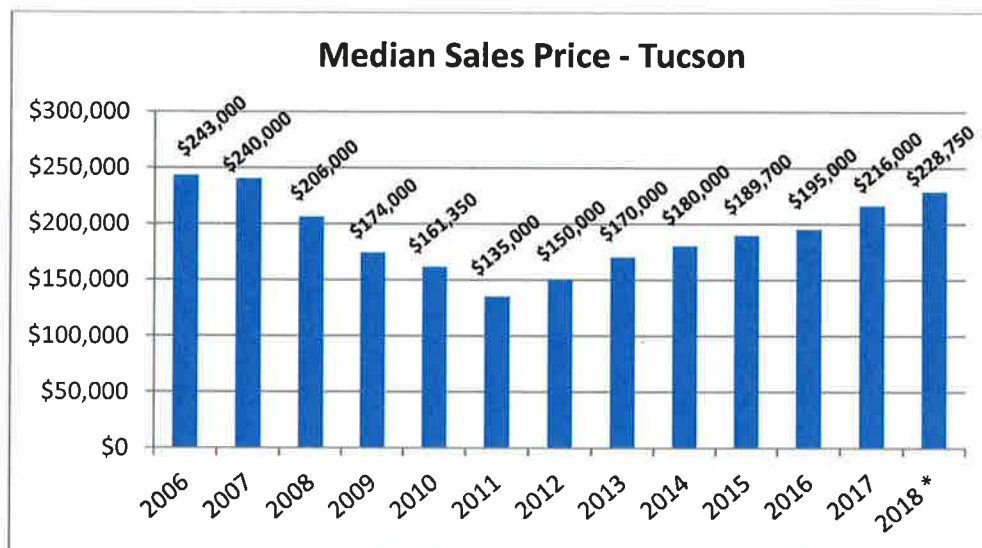
The following are the average number of days on market for single-family residences in the Tucson Market from 2006 through the third quarter of 2018, according to Multiple Listing

Service (MLS). This data indicates that the average days on market for single-family residences increased from 2007 and peaked in 2010. Beginning in 2011, the number of days on market dropped significantly with results remaining relatively stable from 2012 through the first three quarters of 2018.



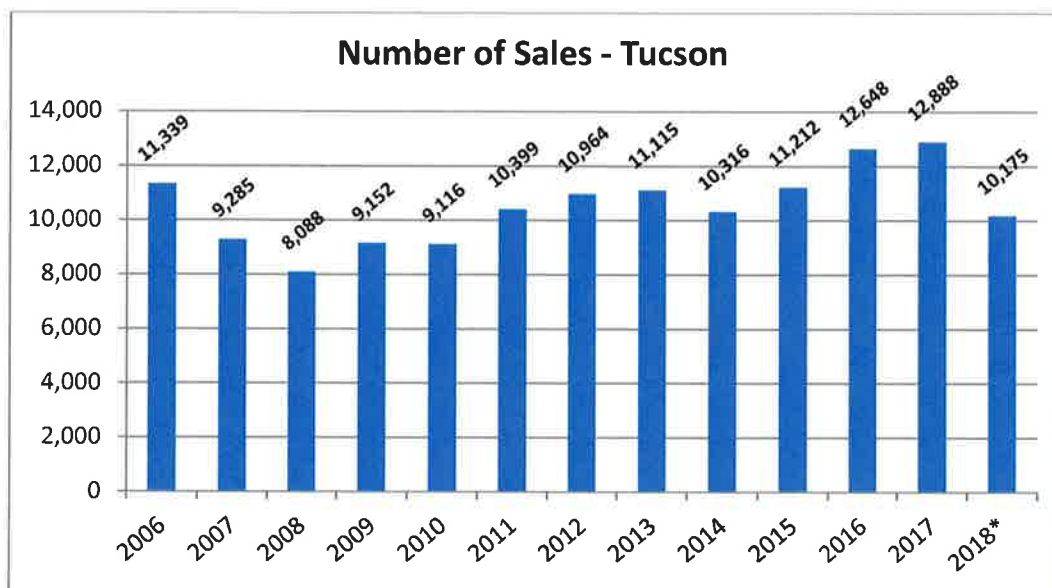
\* 2018 data are through the third quarter of the year

The following is the median sale price for single-family residences for the Tucson market from 2006 through the first three quarters of 2018, according to MLS. The median sale price for single family residences declined yearly from 2007 through 2011. Beginning in 2011 the median sales price for single family residences in the Tucson market gradually increased on a year over year basis, continuing through the first three quarters of 2018. The median sales price in Tucson continues to be below peak market levels.



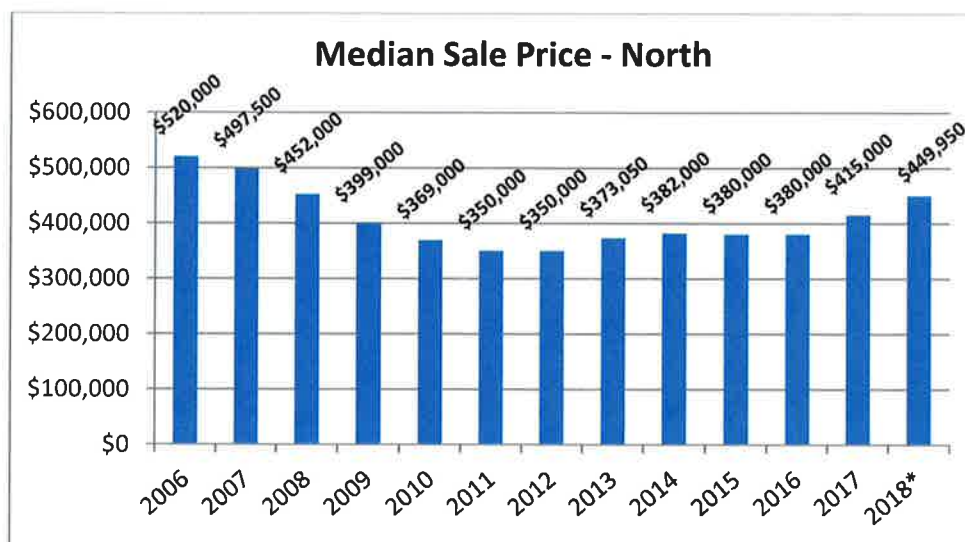
\* 2018 data are through the third quarter of the year

The following is the number of sales of single-family residences in the Tucson Market from 2006 through the third quarter of 2018, according to MLS. The number of sales declined from 2006 through 2008. Beginning in 2009, the number of sales began a gradual upward trend, which continued through 2017. The number of sales in the Tucson market in 2017 was above 2006 levels, and the number of sales so far in 2018 is on pace to surpass 2017 sales.



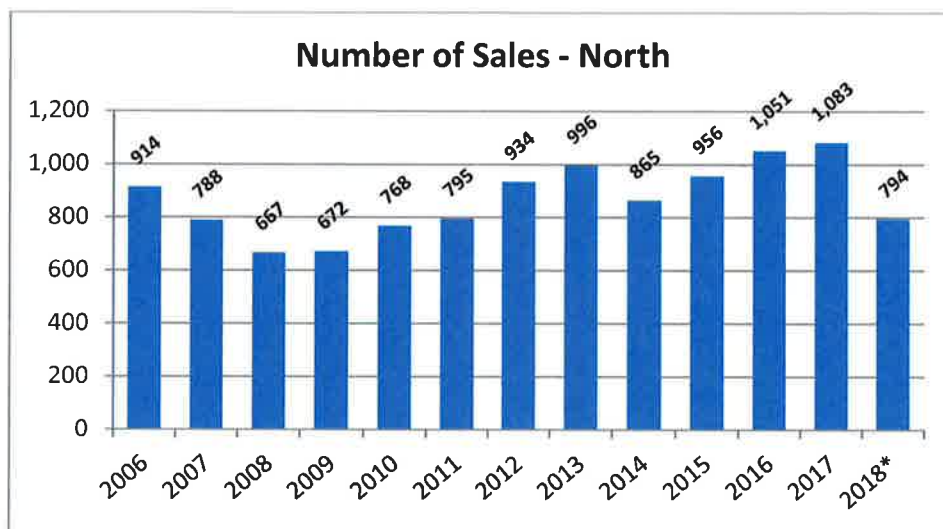
\* 2018 data are through the third quarter of the year

The following is the median sale price for single-family residences from 2006 through the third quarter of 2018 in the subject sector, North, according to MLS. This data indicates that the median sale price in the sector declined from 2006 through 2011. Beginning in 2013, the median sales price remained relatively stable with an increase in the first three quarters of 2018. However, the median sale price in the sector is below peak 2006 levels.



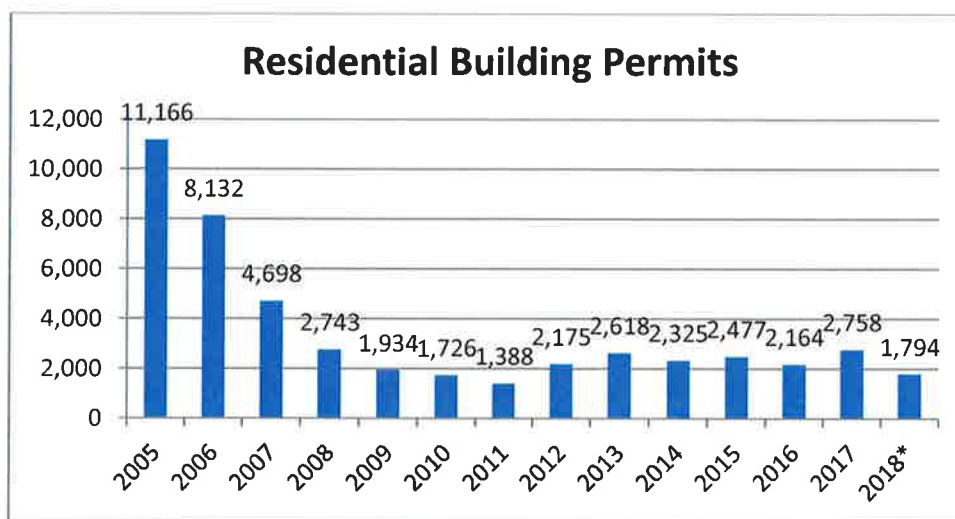
\* 2018 data are through the third quarter of the year

The following is the number of sales of single-family residences from 2006 through the third quarter of 2018 in the subject sector, North, according to MLS. This data indicates that the number of sales declined from 2006 through 2008, and then increased through 2013. After a slight decline in 2014, the number of single-family residence sales increased through 2017. The 2018 data is for the first three quarters of the year.



\* 2018 data are through the third quarter of the year

Starting in 2006, fewer single-family residential permits were issued due to the current oversupply of lots and residential homes on the market. According to the United States Census Bureau, Building Permits Survey, the number of single-family residential permits declined through 2011. There was limited new single-family construction since 2008, with the decline continuing through 2011, with a small increase in 2012. The number of permits remained mostly stable with some slight variations since 2013, and increased slightly in 2017. The 2018 data is for the first half of the year only.



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

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

**EXPOSURE/MARKETING TIME:**

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

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

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

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

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

**HIGHEST AND BEST USE:**

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

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

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

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

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

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

2. Ibid, p. 83



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

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

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

#### *Physical Considerations*

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

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

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

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

#### *Financial Feasibility*

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

#### *Maximally Productive*

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

## SUMMARY OF ANALYSIS AND VALUATION - PART IV

### Sales Comparison Approach.

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

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

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

**Table of Comparable Land Sales**

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

## COMPARABLE LAND SALES ADJUSTMENT GRID

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

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

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

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

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

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

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

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

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

*Sales Comparison Approach Summary.*

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

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

***Market Value Conclusion.***

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

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

SIXTY TWO THOUSAND DOLLARS (\$62,000)

## ASSUMPTIONS AND LIMITING CONDITIONS - PART V

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

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



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

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

## CERTIFICATION - PART VI

I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF:

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

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



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

## **EXHIBITS - PART VII**

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

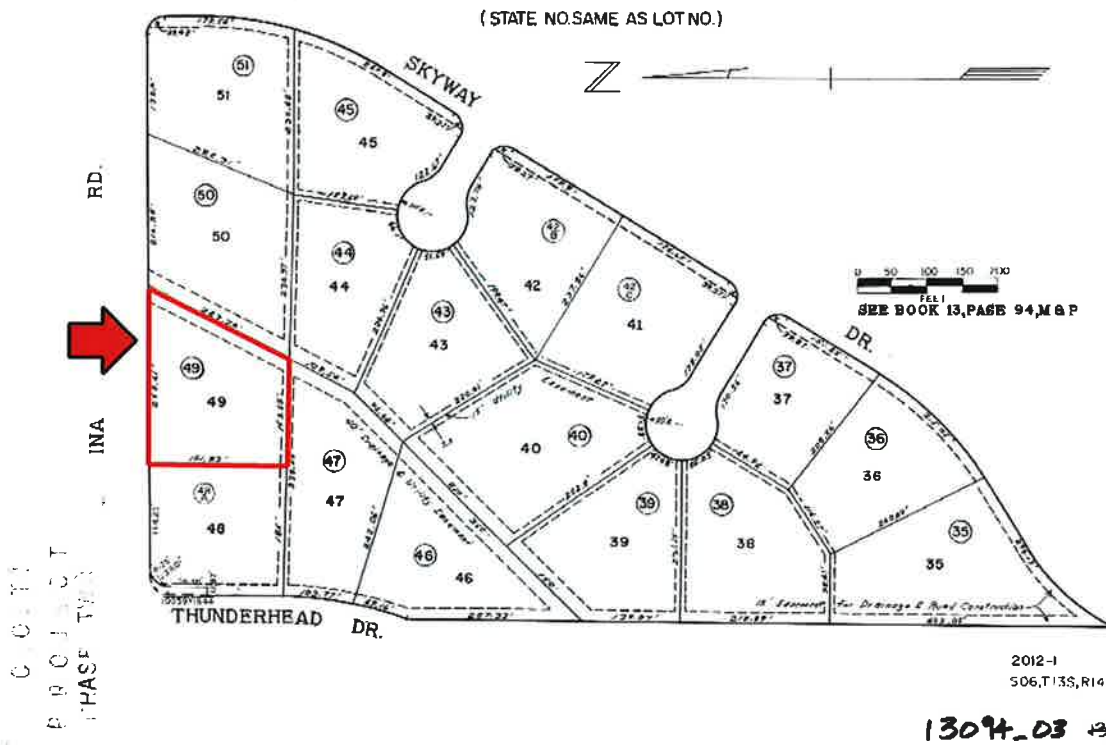
# EXHIBIT A - SUBJECT PLAT MAP

## ASSESSOR'S RECORD MAP

108-04  
3/5

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

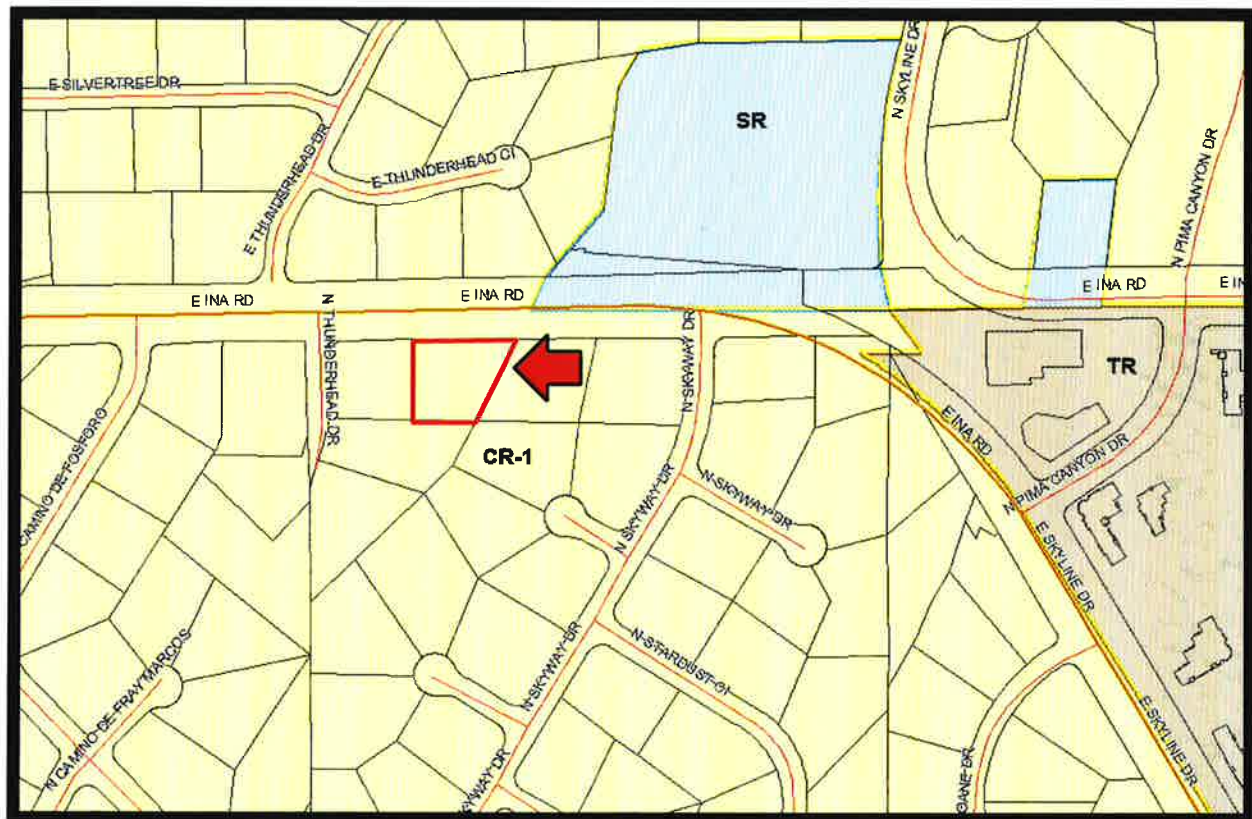
56







# **EXHIBIT C - ZONING MAP** (Pima County)

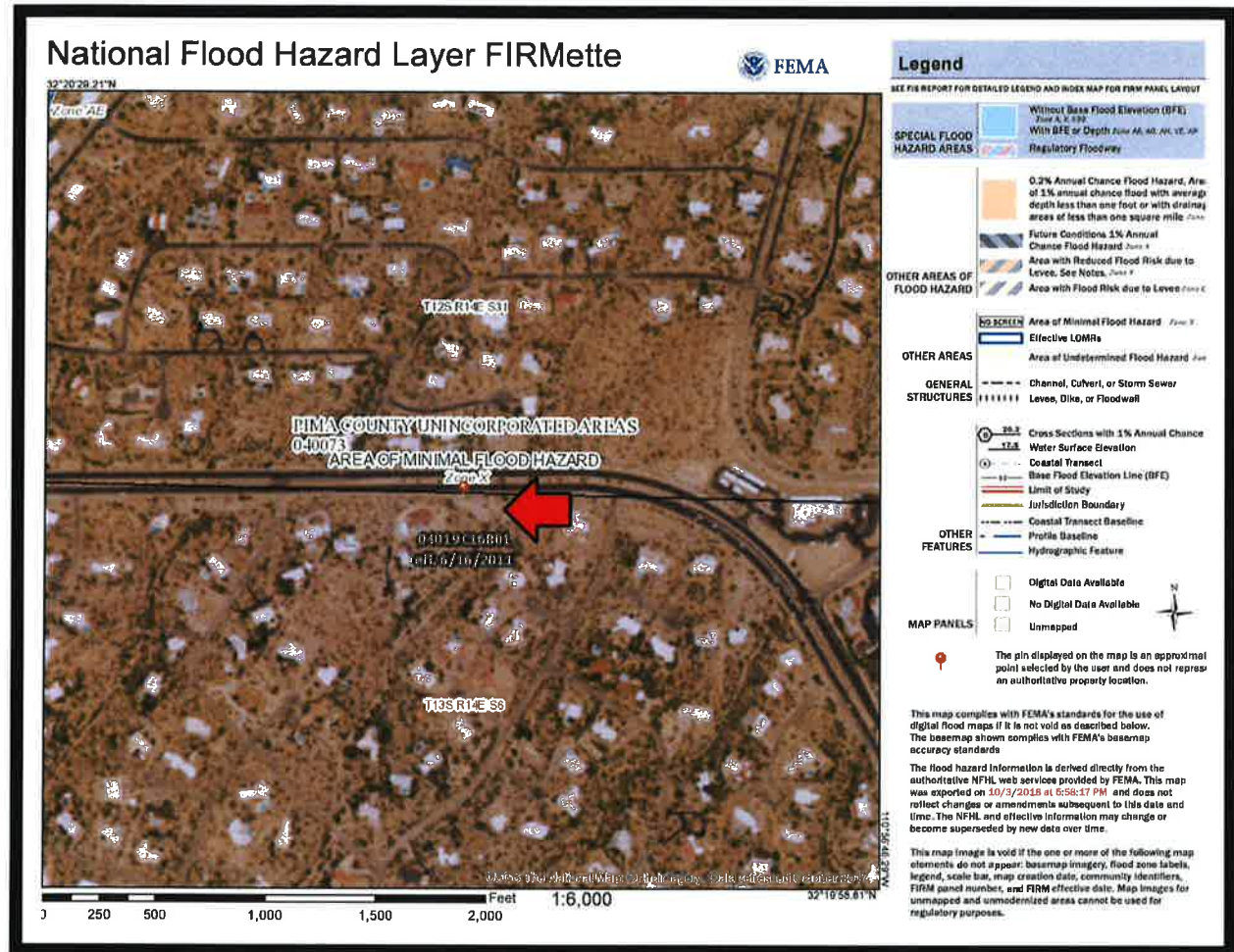


<input checked="" type="checkbox"/>	Zoning - County
	CB-1
	CB-1(H)
	CB-2
	CB-2(H)
	CI-1
	CI-2
	CI-3
	CMH-1
	CMH-2
	CPI
	CR-1
	CR-2
	CR-2(H)
	CR-3
	CR-4
	CR-4(H)
	CR-5
	CR-5(GC)
	CR-5(H)

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



## EXHIBIT D - FEMA FLOOD PLAIN MAP



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



**PHOTO 2 - VIEW SOUTHWEST OF PROPERTY**



PHOTO 3 - VIEW SOUTHWEST FROM NORTHEAST



PHOTO 4 - VIEW SOUTH FROM NORTH





PHOTO 5 - VIEW WEST FROM SOUTHEAST



PHOTO 6 - VIEW NORTHWEST FROM SOUTHEAST



PHOTO 7 - VIEW NORTH FROM SOUTH



PHOTO 8 - VIEW EAST FROM SOUTHWEST





PHOTO 9 - VIEW NORTHEAST FROM SOUTHWEST



PHOTO 10 - VIEW NORTHEAST



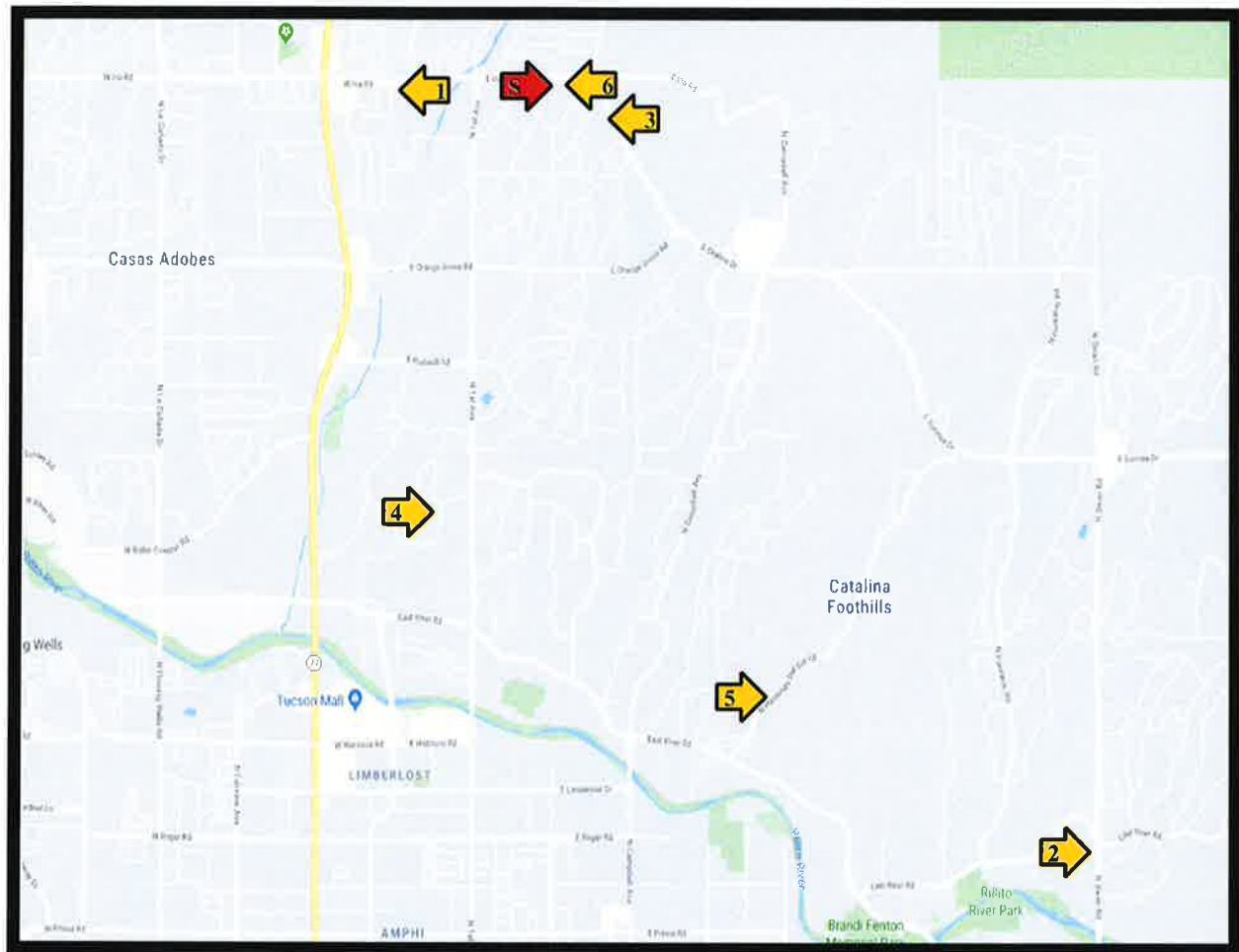
PHOTO 11 - VIEW WEST ON INA ROAD



PHOTO 12 - VIEW EAST ON INA ROAD



## EXHIBIT F - COMPARABLE LAND SALES LOCATION MAP



**Subject:** South side of Ina Road, east of Thunderhead Drive

**Sale 1:** East side of Montecatina Drive, south side of Ina Road

**Sale 2:** North side of Coachlight Lane, west of Swan Road, south of River Road

**Sale 3:** Southwest corner of Skyline Drive and Doane Drive

**Sale 4:** West side of Yvon Drive, north of River Road, west of 1<sup>st</sup> Avenue

**Sale 5:** West side of Hacienda Del Sol, north of River Road

**Sale 6:** South side of Ina Road, west of Skyway Drive



## EXHIBIT G - COMPARABLE LAND SALES

### LAND COMPARABLE NUMBER ONE (SALE)

ID: CR-1 0303 7374

LOCATION: East side of Montecatina Drive, south side of Ina Road

LEGAL DESCRIPTION: Portion of Lot 379-B, Casas Adobes Estates No. 3B  
Resubdivision, Pima County, Arizona

STATE TAX PARCEL: 102-03-125B

RECORD DATA: Fee number 20153341066

DATE OF SALE: November 30, 2015

SELLER: Allen S. Silver and Sheila B. Silver

BUYER: Jesse Dykema

CONFIRMED BY: Rick Sack, buyer's agent (520-906-2801)  
JHM; March, 2017

LAND DESCRIPTION: This site is an irregular shaped property with approximately 225 feet of frontage on Ina Road on the northern property line and approximately 190 feet of frontage on Montecatina Drive on the western property line. Although the property has frontage on two roads this is not a corner property as Montecatina dead-ends at the subject and does not connect to Ina Road. The site has a depth of approximately 165 feet along the eastern property line. The property has access from Montecatina Drive, which is a residential street. The property backs to Ina Road but does not have access from Ina Road. Ina Road is a four-lane, asphalt-paved roadway with raised center median, concrete curbs, and streetlights in the vicinity of this property. Ina Road has a 2015 traffic count of 33,000 vehicles per day in the vicinity of this site. Montecatina Drive is a two-lane, asphalt-paved roadway, with no curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count for Montecatina Drive in the vicinity of this property. The topography is somewhat sloping in a southwesterly direction. The property is below grade of Ina Road but at grade of Montecatina. All utilities are available to the site. According to FEMA Flood Insurance Rate Map 04019C1680L, dated June 16, 2011, the land is located

in Zone X (unshaded) which are areas determined to be outside the 500-year floodplain. There are mountain views from the property.

LAND SIZE: 42,253 square feet or 0.97 acres

ZONING: CR-1

REPORTED SALE PRICE: \$77,000

MARKETING TIME: 2 days

TERMS OF SALE: This was an all cash to the seller transaction

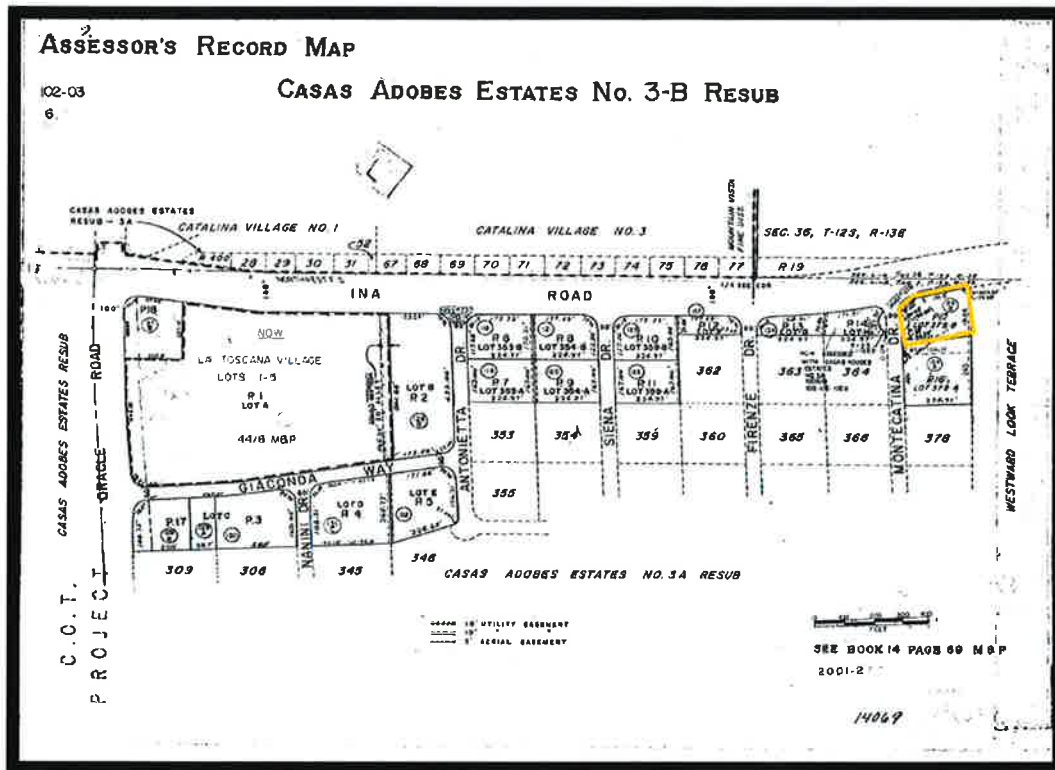
PRIOR SALE: Records of the Pima County Assessor indicate that the property sold for \$86,500 on February 28, 2014.

CONDITIONS OF SALE: This sale is reported to have occurred under normal market conditions.

INTENDED USE: Development of a single family residence.

COMMENTS: Backing to Ina Road did impact the sale price, according to the buyer's agent. There is a wall along the northern property line, adjacent to Ina Road. The wall is for aesthetic purposes and is not intended to be a sound abatement wall.

COMPARABLE LAND SALE ONE - PLAT MAP AND AERIAL PHOTOGRAPH  
102-03-125B



LAND COMPARABLE NUMBER TWO (SALE)

ID: CR-1 0301 7374

LOCATION: North side of Coachlight Lane, west of Swan Road,  
south of River Road

LEGAL DESCRIPTION: Portion of Lot 13, River Ridge, Pima County, Arizona

STATE TAX PARCEL: 110-01-021A

RECORD DATA: Fee number 20163070124

DATE OF SALE: November 2, 2016

SELLER: Covell Living Trust

BUYER: Javier Barcelo Durazo and Fernanda Judith Munguia  
Duarte

CONFIRMED BY: Noe Gaxiola, buyer's agent (520-591-4075)  
JHM; March, 2017

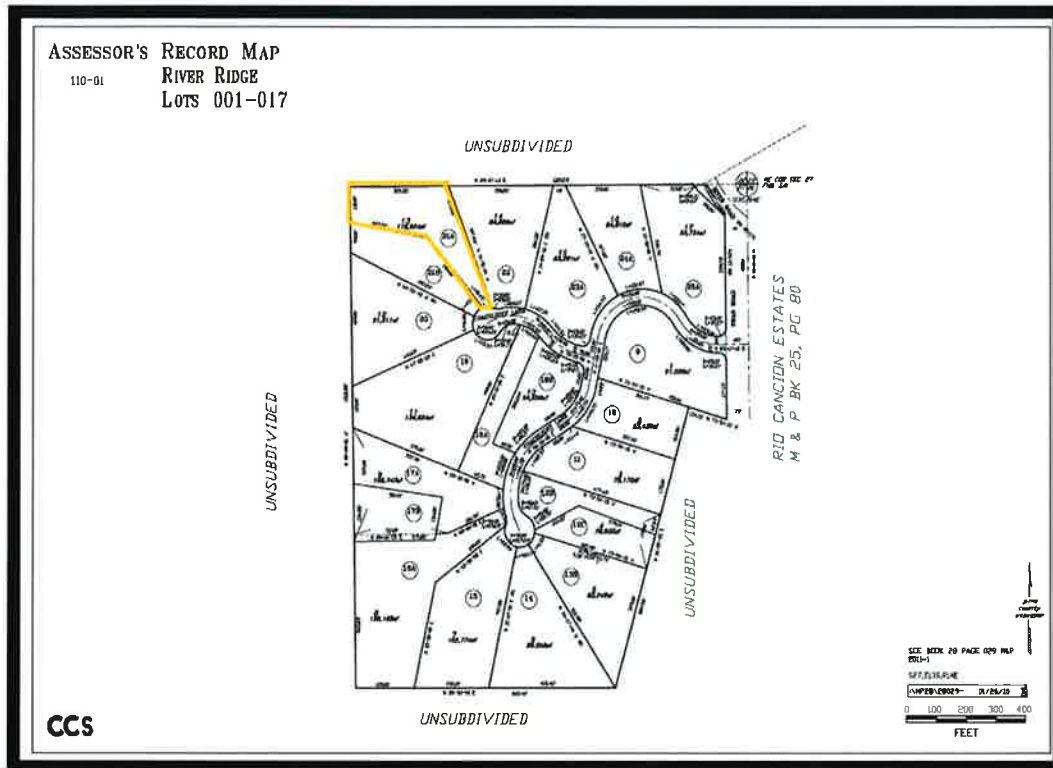
LAND DESCRIPTION: This site is an irregular shaped property with approximately 30 feet of frontage on Coachlight Lane on the southern property line. The site has a depth of 398 feet along the eastern property line and a width of 330 feet on the northern property line. There is a long narrow strip of land that provides access to the more rectangular portion of the property where a building pad would be constructed. Coachlight Lane is a two-lane, asphalt-paved residential roadway with no curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count for Coachlight Lane in the vicinity of this site. The eastern portion of the property is rolling and sloping with a valley in the west-central portion of the property that is below grade of the eastern and western portions of the site. Significant site work would be needed to grade a level driveway and create a level building pad. Site work includes cut and fill and development of retaining walls. All utilities are available to the site except sewer; septic is required. According to FEMA Flood Insurance Rate Map 04019C1694L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 500-year floodplain. The property backs up near River Road and the potential building pad is within the vicinity of River Road. The property has mountain views.

LAND SIZE:	54,014 square feet, or 1.24 acres
ZONING:	CR-1
REPORTED SALE PRICE:	\$50,000
MARKETING TIME:	86 days
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	Records of the Pima County Assessor indicate that no market transactions have occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Investment and eventual development of a single family residence
COMMENTS:	The buyer received a bid of \$20,000 to construct a building pad, according to the buyer's agent. There is significant site work required to obtain a level building pad and driveway. It is likely that development will require cut and fill and the use of retaining walls.



# COMPARABLE LAND SALE TWO - PLAT MAP AND AERIAL PHOTOGRAPHS

## 110-01-021A



LAND COMPARABLE NUMBER THREE (SALE)

ID: CR-1 0306 7374

LOCATION: Southwest corner of Skyline Drive and Doane Drive

LEGAL DESCRIPTION: Lot 11, Monte Cielo, Tucson, Pima County, Arizona

STATE TAX PARCEL: 108-02-0680

RECORD DATA: Fee number 20170300275

DATE OF SALE: January 30, 2017

SELLER: Armando Alvarado and Zarina Alvarado

BUYER: A & M Acquisitions, LLC

CONFIRMED BY: Donald Clause, buyer's agent (520-907-6678)  
JHM; March, 2017

LAND DESCRIPTION: This site is an irregular shaped corner property with approximately 315 feet of frontage on Skyline Drive and approximately 190 feet of frontage on Doane Drive. The site has a depth of 267 feet along the western property line and 80 feet along the southern property line. The property is located at the southwest corner of Skyline Drive and Doane Drive, which is not a signalized intersection. The property has frontage on Skyline Drive but does not have access from Skyline Drive. The property has access only from Doane Drive. Doane Drive is a two-lane, asphalt-paved roadway with no curbing, sidewalks, or streetlights in the vicinity of this property. There is no traffic count for Doane Drive in the vicinity of this property. Skyline Drive is a four-lane, asphalt-paved roadway with raised center median and concrete curbs in the vicinity of this property. Skyline Drive has a 2013 traffic count of 24,000 vehicles per day in the vicinity of this site. The topography is sloping somewhat in a southwesterly direction. All utilities are available to the site. According to FEMA Flood Insurance Rate Map 04019C1680L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 500-year floodplain. There is a local wash with a 50 foot erosion hazard setback that traverses the eastern portion of the property in a north south direction. This same area is in a riparian habitat with the designation of Xeroriparian B. The property has

good mountain views. There is a wall along Skyline Drive, north of the property.

LAND SIZE: 36,155 square feet or 0.83 acres

ZONING: CR-1

REPORTED SALE PRICE: \$90,800

MARKETING TIME: 52 days

TERMS OF SALE: This was an all cash to the seller transaction.

PRIOR SALE: Records of the Pima County Assessor indicate that no market transactions have occurred within three years of the date of valuation.

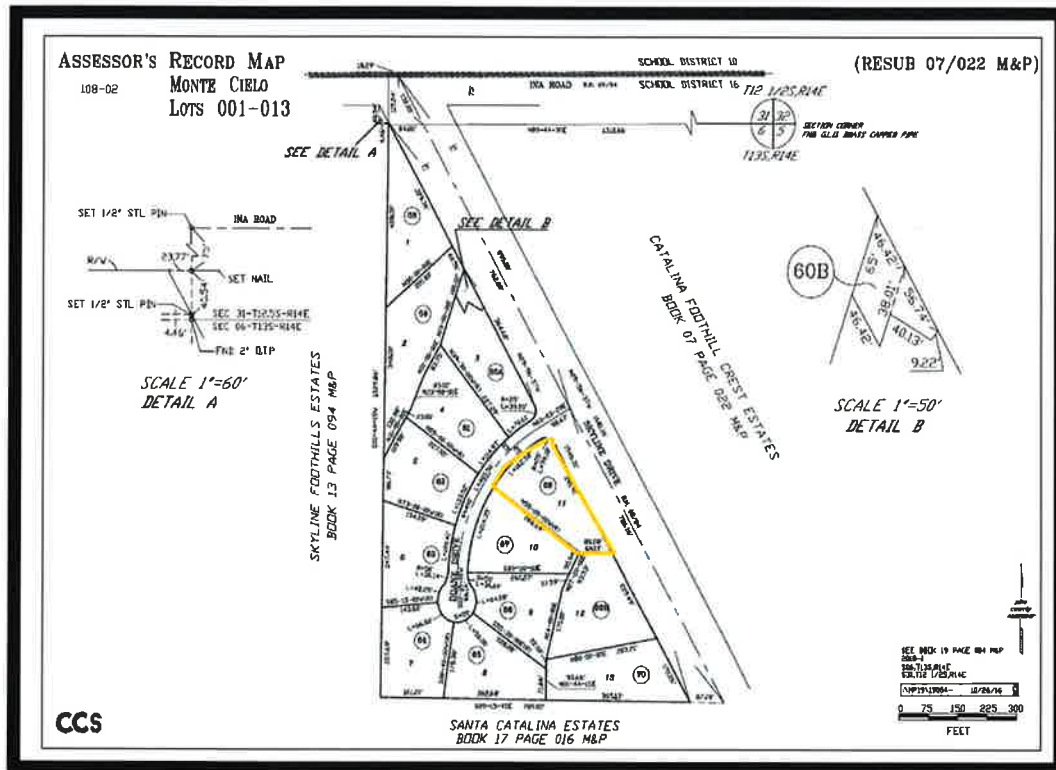
CONDITIONS OF SALE: This sale is reported to have occurred under normal market conditions.

INTENDED USE: Development of a single family residence.

COMMENTS: The proximity to Skyline Drive did impact the sale price of the property. The buyer considered the wall to partially abate the noise of Skyline Drive. The property is below grade of Skyline Drive. The property is located within the Catalina Foothills School District.



COMPARABLE LAND SALE THREE - PLAT MAP AND AERIAL PHOTOGRAPH  
108-02-0680



LOT COMPARABLE NUMBER FOUR (SALE)

ID: CR1 0331 7608

LOCATION: West side of Yvon Drive, north of River Road, west of 1<sup>st</sup> Avenue

LEGAL DESCRIPTION: A portion of Lot 331 of Oracle Foothills Estates No. 7, Pima County, Arizona

STATE TAX PARCEL: 105-02-162B

RECORD DATA: Fee Number 20170940077

DATE OF SALE: April 4, 2017

SELLER: Diane Christian Taylor, Trustee under the Taylor Trust

BUYER: Todd A. Smith and Julie J. Hathaway

CONFIRMED BY: Rick Sack, listing agent (520-918-5477)  
TFH; October, 2018

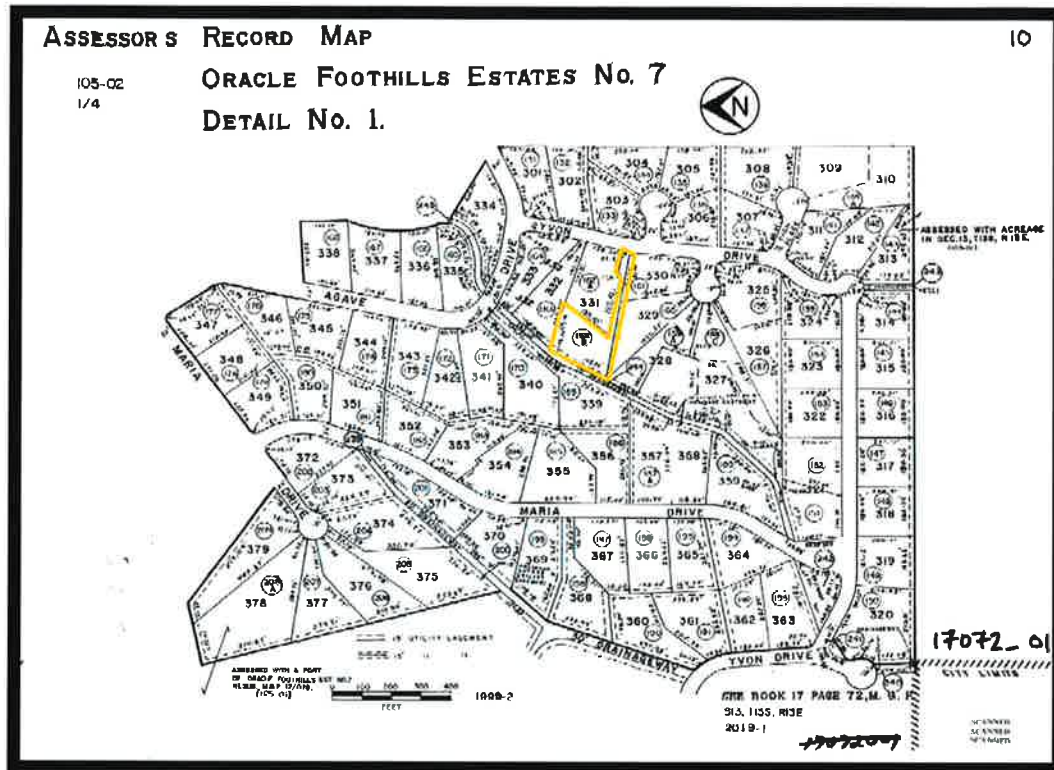
LOT DESCRIPTION: This site is an irregular "flag" shaped lot with 22.57 feet of frontage on Yvon Drive. The lot has a maximum depth of 464 feet along the southern property line and a width of 221.68 along the western property line. The property consists of a long narrow strip of land that provides access to a usable, mostly rectangular area. This area has a length of 176.14 feet on the north end and a depth of 221.68 feet on the east end. Some site work would be required to develop a level building pad. Yvon Drive is a two-lane, asphalt-paved residential roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count available for Yvon Drive in the vicinity of this lot. The topography is sloping in a southwesterly direction, with the steepest slope on the western portion of the lot. All utilities are available to the lot line on Yvon Drive. Utility lines would need to be brought up approximately 300 feet along the southern property line, which would increase development costs. There are some mountain views from this lot, but no city views. According to FEMA Flood Insurance Rate Map 04019C1687L, dated June 16, 2011, the lot is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. The western most portion of

the lot is located in a riparian area with a designation of Xeroriparian C. There is an unnamed wash that traverses the adjacent property to the west with a 50 foot hazard set back area, with a small portion of this lot located in this setback. There can be no development within the setback area.

LOT SIZE:	37,897 square feet or 0.87 acres
ZONING:	CR-1, Pima County
REPORTED SALE PRICE:	\$59,000
MARKETING TIME:	395 days
TERMS OF SALE:	This was an all cash to the seller transaction
PRIOR SALE:	Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation. A recording dated January 26, 2016 was the recording of a site survey and not a market sale.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Development of a single family residence
COMMENTS:	The listing agent indicated that \$25,000 to \$30,000 in site work was needed to create a level building pad. The lot is located in a neighborhood containing mostly older homes.



COMPARABLE LAND SALE FOUR - PLAT MAP AND AERIAL PHOTOGRAPH  
105-02-162B



LOT COMPARABLE NUMBER FIVE (SALE)

ID: CR1 0332 7608

LOCATION: West side of Hacienda Del Sol, north of River Road

LEGAL DESCRIPTION: A portion of Lot 220 of Catalina Foothills Estates No.2, Pima County, Arizona

STATE TAX PARCEL: 108-22-025C

RECORD DATA: Fee Number 20171020540

DATE OF SALE: April 12, 2017

SELLER: Hacienda Del Sol Investors, LP

BUYER: A&M Acquisitions LLC

CONFIRMED BY: Donald Clause, selling agent (520-907-6678)  
TFH; October, 2018

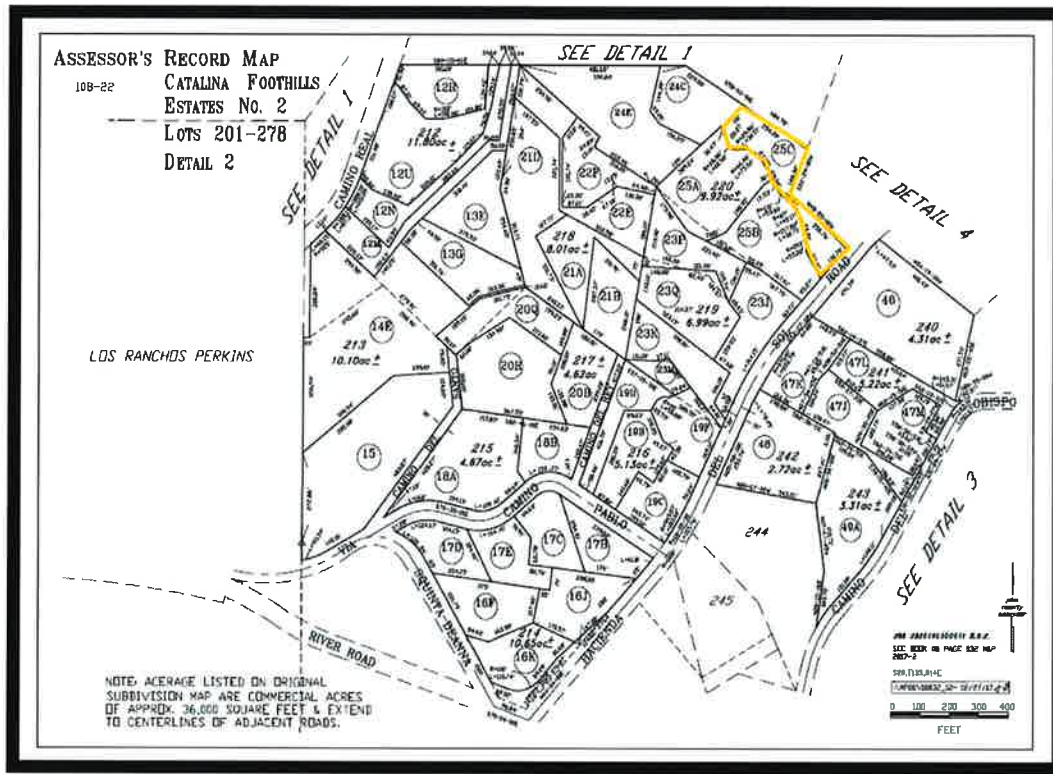
LOT DESCRIPTION: This site is an irregularly shaped lot consisting of two larger land areas connected by a narrow strip of land. The property has 130.76 feet of frontage on Hacienda Del Sol Road. The lot has a maximum depth of 511.04 feet along the northern property line. The eastern portion of the lot, adjacent to Hacienda Del Sol, is somewhat triangular in shape, and has a maximum depth of 256 feet. Due to the smaller size of this area, it is unlikely that this portion of the lot would be developed with a home. This area connects to a larger northern area by a narrow strip of land. The western portion is somewhat rectangular in shape with a length of 254.28 feet on the north and a depth of 148.32 feet on the east. The lot is located within a gated area of four lots. Access to the lot is through a shared paved driveway with an ingress egress easement located on the adjacent property to the south of this lot. Hacienda Del Sol Road is a two-lane, asphalt-paved residential road way with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. Hacienda Del Sol Road has a 2017 traffic count of approximately 6,300 vehicles per day in the vicinity of this site. The topography is sloping, with the usable portion of the lot steeply sloping in an easterly and northeasterly direction from the southwest corner. There are both city and mountain views from this lot.

Utilities are available to the lot along the private street except for sewer. A septic system would be required for development of this lot. According to FEMA Flood Insurance Rate Map 04019C1695L, dated June 16, 2011, the lot is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. There is an unnamed wash that traverses the eastern tip of this lot with an erosion hazard setback area of 50 feet. There can be no development within the erosion hazard setback area.

LOT SIZE:	54,886 square feet or 1.26 acres
ZONING:	CR-1, Pima County
REPORTED SALE PRICE:	\$88,100
MARKETING TIME:	491 days
TERMS OF SALE:	This was an all cash to the seller transaction
PRIOR SALE:	Records of the Pima County Assessor indicate that no market transactions occurred in the three years prior to this transaction. A recording dated November 24, 2015 was an internal transfer and not a market sale. After the date of this sale, a house was constructed on this lot and the property sold on August 14, 2018 as an improved property for \$386,900.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Development of a single family residence as an investment and sale of the improved property.
COMMENTS:	The selling agent estimated \$50,000 in site development was needed to create a level building pad.



COMPARABLE LAND SALE FIVE - PLAT MAP AND AERIAL PHOTOGRAPH  
108-22-025C



LOT COMPARABLE NUMBER SIX (SALE)

ID: CR1 0328 7608

LOCATION: South side of Ina Road, West of Skyway Drive

LEGAL DESCRIPTION: Lot 50, Skyline Foothills Estates, Pima County, Arizona

STATE TAX PARCEL: 108-04-0500

RECORD DATA: Fee Number 20181080145

DATE OF SALE: April 18, 2018

SELLER: Frederick Russell and Samantha Horsman

BUYER: Svein O Larsen and Carol Sue Larsen

CONFIRMED BY: Peter Deluca, listing agent (520-977-4770)  
TFH; October, 2018

LOT DESCRIPTION: This site is an irregular shaped lot with 216.35 feet of frontage on Ina Road along the northern property line. The lot has a depth of 222.31 feet along the eastern property line and a width of 234.97 feet along the southern property line. Access to the site is through a curb cut on Ina Road. There is shared access with the adjacent property to the east. Ina Road is a four-lane, asphalt-paved roadway with a landscaped center median and concrete curbs, but no sidewalks or streetlights in the vicinity of this site. Ina Road has a 2017 traffic count of approximately 32,000 vehicles per day near this site. The topography for the majority of the property is steeply sloping in a southerly and westerly direction, with the western portion of the lot below grade of Ina Road. There is however a level building pad area on the eastern portion of this site. Some additional site work would be needed to compact the fill on the building pad. This building pad area is at about street grade of Ina Road. All utilities are available to the lot. There are city views and some mountain views from this site. According to FEMA Flood Insurance Rate Map 04019C1680L, dated June 16, 2011, the lot is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. There is an unknown wash that traverses the western portion of this site with a 25 foot erosion hazard setback. There can be no



development within the setback area.

LOT SIZE: 44,431 square feet or 1.02 acres

ZONING: CR-1, Pima County

REPORTED SALE PRICE: \$89,500

MARKETING TIME: 941 days

TERMS OF SALE: This was an all cash to the seller transaction

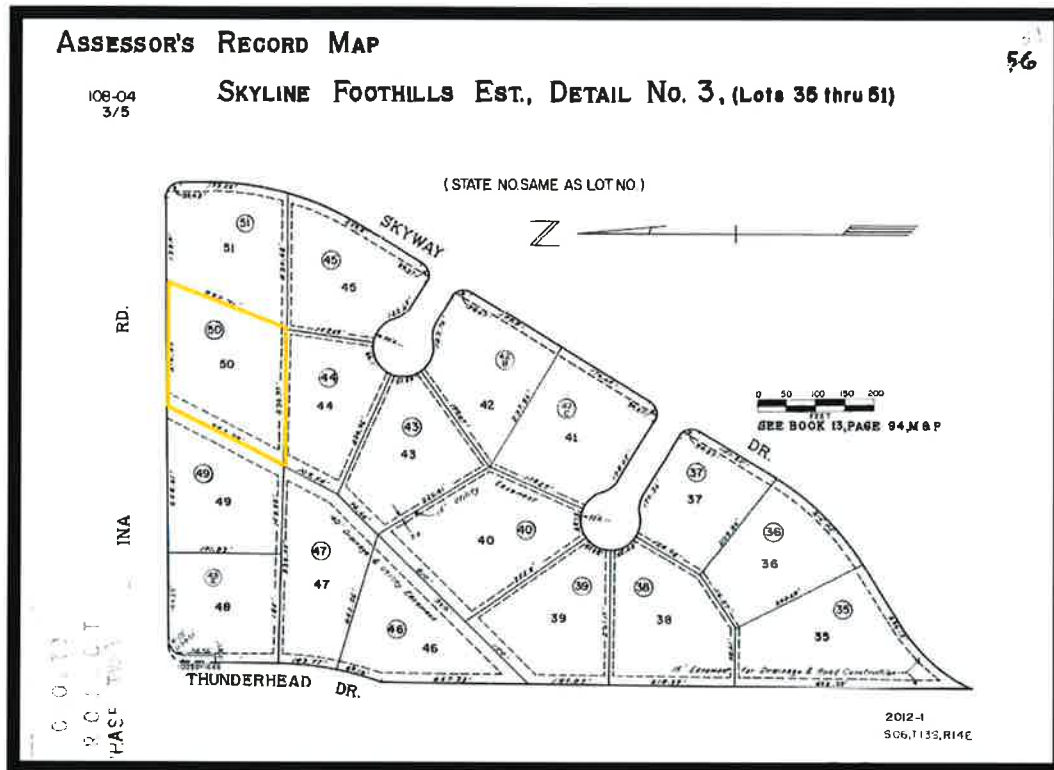
PRIOR SALE: Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.

CONDITIONS OF SALE: This sale is reported to have occurred under normal market conditions.

INTENDED USE: Development of a single family residence

COMMENTS: The listing agent indicated that the fill work for the level building area needed to be re-compacted to create a suitable level building pad before there can be any development of the site. The approximate cost for this site work would be \$10,000.

COMPARABLE LAND SALE SIX - PLAT MAP AND AERIAL PHOTOGRAPH  
108-04-0500



## **EXHIBIT H - QUALIFICATIONS**

**BAKER, PETERSON, BAKER & ASSOCIATES, INC.** serves a wide variety of clients in Arizona, providing real estate appraisal and consultation services relating both to commercial and to residential properties. We also provide a wide variety of appraisal services relating to right of way acquisitions for multiple government agencies across Arizona. These clients include governmental agencies, utility companies, right of way companies, attorneys, CPA's, banks, credit unions, developers, real estate brokers, corporate and legal professionals, and numerous individuals. More than forty years of such services are represented by those presently associated with the firm, which was founded in 1974.

**THOMAS A. BAKER, MAI, SRA**, is a principal of the Company, and specializes in valuation and consultation services related to commercial, income-producing, and residential properties. He is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 30139). He is a graduate of the University of Arizona, with a Master's Degree in Business Administration (MBA) with a specialty in Real Estate Finance. He holds the MAI and SRA Designations of the Appraisal Institute. He qualifies as an expert witness in United States District Court, the Superior Courts of Pima County, Maricopa County and Pinal County, and United States Bankruptcy Court. He is Past President of the Tucson Chapter of the Society of Real Estate Appraisers and is Past President of the Southern Arizona Chapter of the Appraisal Institute.

**SARA R. BAKER, MAI, SRA**, is a principal of the Company, and specializes in valuation and consultation services related to commercial, income-producing, and residential properties. She is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 31679). She holds the MAI and SRA Designations of the Appraisal Institute. She qualifies as an expert witness in the Superior Court of Pima County. She is a Past President of the Appraisal Institute, Southern Arizona Chapter. She graduated from Washington University in St. Louis with a Bachelor's Degree in Comparative Literature and earned a Master's Degree at the University of California at Los Angeles.

**DAN F. ORLOWSKI** is a staff appraiser specializing in valuation and consultation services related to commercial and income-producing properties. He is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 32195). He graduated from San Diego State University with a Bachelor's Degree in Business Administration and also received a Master's Degree from the University of Phoenix in Accountancy.

**TIM HALE** is an appraiser trainee in commercial valuation. He graduated from Arizona State University with a Bachelor's Degree in Justice Studies.

**EDDIE VANTURE** is an appraiser trainee in commercial valuation. He graduated with an undergraduate degree from The University of Arizona and obtained an MBA from The University of Texas at Austin.

**ROBERT PARKER, SUSAN CLEVELAND, and ROBIN ELLER** are production coordinators and support technicians.