

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

Appraisal Service, Litigation Support, Counseling
Voice & Fax (520) 325-6512
Email pdhend@cox.net

COVER PAGE

APPRAISAL REPORT

**An Estimate of Market Value,
Of a Parcel
Located at 3401 W Ankla Road, w/o Players Club Dr,
Pima County, Arizona, 85745**

As Of September 5, 2018

**Owner: Pima County
Tax Parcel: 116-09-011A (portion),
Sec. 8, T14S, R13E**

Prepared For Use By

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

Appraisal Prepared By

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

Assignment Reference 20181087
Appraisal Report Completed September 14, 2018

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Letter of Transmittal

September 14, 2018

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

Re: Market value opinion of a property known as 3401 W Ankla Road, Pima County.

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

Problem Identification: The purpose of the appraisal is to opine market value; the intended use is for potential sale. Effective date of the appraisal is September 5, 2018, the date of site visit.

Relevant subject characteristics: The site is indicated to be 3.31 acres zoned SR; the comprehensive plan classifies the parcel as RC (Resource Conservation) and CLS category MUMA Resource Area. It is moderately irregular in shape with moderate rolling topography and two minor washes. It is currently improved with former residential improvements including a main residence of approximately 1,512sf with stone walls built in 1929 and guest house of approximately 716sf residence built 1948, and other related improvements. The residence apparently has not been lived in since 2010 if not earlier, is in very poor condition, considered to have exceeded its economic life; highest and best use as improved is considered to be removal of existing improvements for new residential development.

Assignment Conditions: County records indicate the site, formerly part of a 22.05ac larger parcel, is covered by "Henderson Trust" conservation easement, title commitment exceptions indicate restrictions on altering existing improvements, RC designation restricts the site from any development. It is an extraordinary assumption that the conservation easement (if any) is removed from the subject 3.31 acre parcel, that existing improvements may be razed for redevelopment, that RC designation will be changed to RS (Resource Sensitive) permitting development of a residence, and that the existing well is operable. The use of these extraordinary assumptions may affect assignment results. Please see standard limiting conditions and assumptions contained in the appendix.

My opinion of property market value, As Is, subject to all conditions and assumptions, is \$69,000.

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

Sincerely,



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

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PREFACE & SUMMARY

The value opinions are subject to all limiting conditions and special assumptions mentioned in this appraisal report.

APPRAISAL REFERENCE: 20181087 Henderson House

PROBLEM IDENTIFICATION: The following 7 parameters are considered, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions:

CLIENT: Pima County, Real Estate Division
Attn: Mr. Jeffrey Teplitsky, Real Property Appraisal Supervisor.

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

PURPOSE, INTENDED USE: The purpose of the appraisal is to opine market value; the intended use is for potential sale.

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

SUBJECT CHARACTERISTICS: The site is indicated to be 3.31 acres zoned SR; comprehensive plan classified as RC (Resource Conservation) and CLS category MUMA Resource Area. It is irregular in shape with moderate rolling topography and has two minor washes. It is currently improved with former residential improvements including a main residence of approximately 1,512sf with stone walls built in 1929 and guest house of approximately 716sf residence built 1948, and other related improvements. The residence apparently has not been lived in since 2010 if not earlier, is in very poor condition, considered to have exceeded its economic life, highest and best use as improved is considered to be removal of existing improvements for new residential development.

TAX CODE: 116-99-011A

INTEREST CONSIDERED: Fee Simple.

EFFECTIVE DATE OF VALUATION: **September 5, 2018 Date of Site Visit.**

DATE OF APPRAISAL REPORT: September 14, 2018

APPRAISAL CONDITIONS: See extraordinary assumptions in letter of transmittal Please see standard limiting conditions and assumptions contained in the appendix.

OPINION OF VALUE: \$69,000

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to opine market value.

INTENDED USE OF THE APPRAISAL

The opinion of value will be used by the client, Pima County, for potential sale of the described parcel in fee.

INTEREST APPRAISED

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

PROPERTY IDENTIFICATION

Parcel 116-09-011A (portion). The subject 3.31 acre site is part of a larger 22.05 acre parcel, legal description from assessor's (the 22.05 acre parcel) is:

CTRL PTN E2 SW4 LYG S & W C/L SAHUARO PK BLVD 22.05 AC SEC 8-14-13 SUBJ TO CONSERVATION EASEMENT County, (Pima County, Arizona).

A complete legal description of the 3.31 acre site appraised, is available in the appendix.

MARKET VALUE DEFINED *

Market value, as utilized in this appraisal, from The Appraisal of Real Estate, 14th Edition, is defined as follows:

Market Value

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

EXPOSURE PERIOD

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

Exposure time estimated from review of comparable sales and from discussions with active market participants is estimated for the two subject properties to be approximately 3 to 6 months.

EFFECTIVE DATE OF APPRAISAL, REPORT DATE

The effective date of the appraisal is September 5, 2018, the date of site visit. The transmittal date of the report is September 14, 2018.

ANALYSIS AND IDENTIFICATION OF LARGER PARCEL

The larger parcel is the 3.31 acre site previously described after consideration of the three tests of larger parcel, common ownership, use and physical contiguity, as well as beneficial control. The subject is “carved-out” of a larger 22.05ac parcel; it is to be separated for potential sale, the remaining 18.74ac parcel is restricted from development by RC comprehensive plan classification, a reported conservation

easement and deed restrictions prohibiting significant change in use, thus different in use than that considered for the subject parcel.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS (SCOPE)

- The appraiser performed an appraisal process in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP).
- Determined the nature of the appraisal assignment by identifying the client, intended user, intended use, type of opinion, effective date of the opinion, property interest appraised, and subject property assignment conditions, the extraordinary or hypothetical assumptions
- Afforded the property owner opportunity to accompany the appraiser on site visit
- Performed a walk-through of the property, in attempt to verify the subject and its relevant characteristics
- Reviewed site plat, zoning and flood zone maps indicating physical suitability of the parcel. Reviewed zoning ordinance and market area plans applicable to the subject property.
- Included the items as listed in the Addendum of this report, as well as items required by USPAP.
- Reviewed older repair cost estimates and discussed same with Rita Leon, Pima County Senior Property Agent.
- Performed a Highest and Best Use Analysis to identify the use that would result in highest market value.
- Researched the subject property and comparable sales from available data sources including the internet, Costar, Realquest, MLS and appraiser's files.
- Inspected, by drive by, all comparable sales used
- Attempted confirmation of each comparable sale with a party familiar with the property/transaction (when confirmation was not available, public records/information was relied upon).
- Applied appraisal techniques and methodology according to the appraisal body of knowledge and the expectations and actions of my appraisal peers to arrive at an indication of market value of the subject site as if improved
- *(if applicable)* Disregarded any increase or decrease in value due to the announcement of the project *(before the acquisition)*
- *(if applicable)* Opined the value of the part acquired and the effect to the remainder, and developed a final opinion of total compensation due as a result of the acquisition described,
- Researched and opined a cost estimate to demolish and remove existing improvements, and
- Prepared an appraisal report describing my appraisal process, in conformance with the Uniform Standards of Professional Appraisal Practice.

PROPERTY OWNERSHIP; 5 YEAR SALES HISTORY

Ownership is as indicated to be Pima County; as mentioned the subject site is carved-out of a larger 22.05 acre parcel, it has not been transferred/sold independently. The title commitment indicates the most recent transfer (22.05ac) April 30, 2013; by Trustee's Deed from A. Allen Hanshaw and Clague A. Van Slyke, Sr., as Successor Co-Trustees of the Mary Ewing Henderson Trust, to Pima County.

OWNER CONTACT FOR INSPECTION

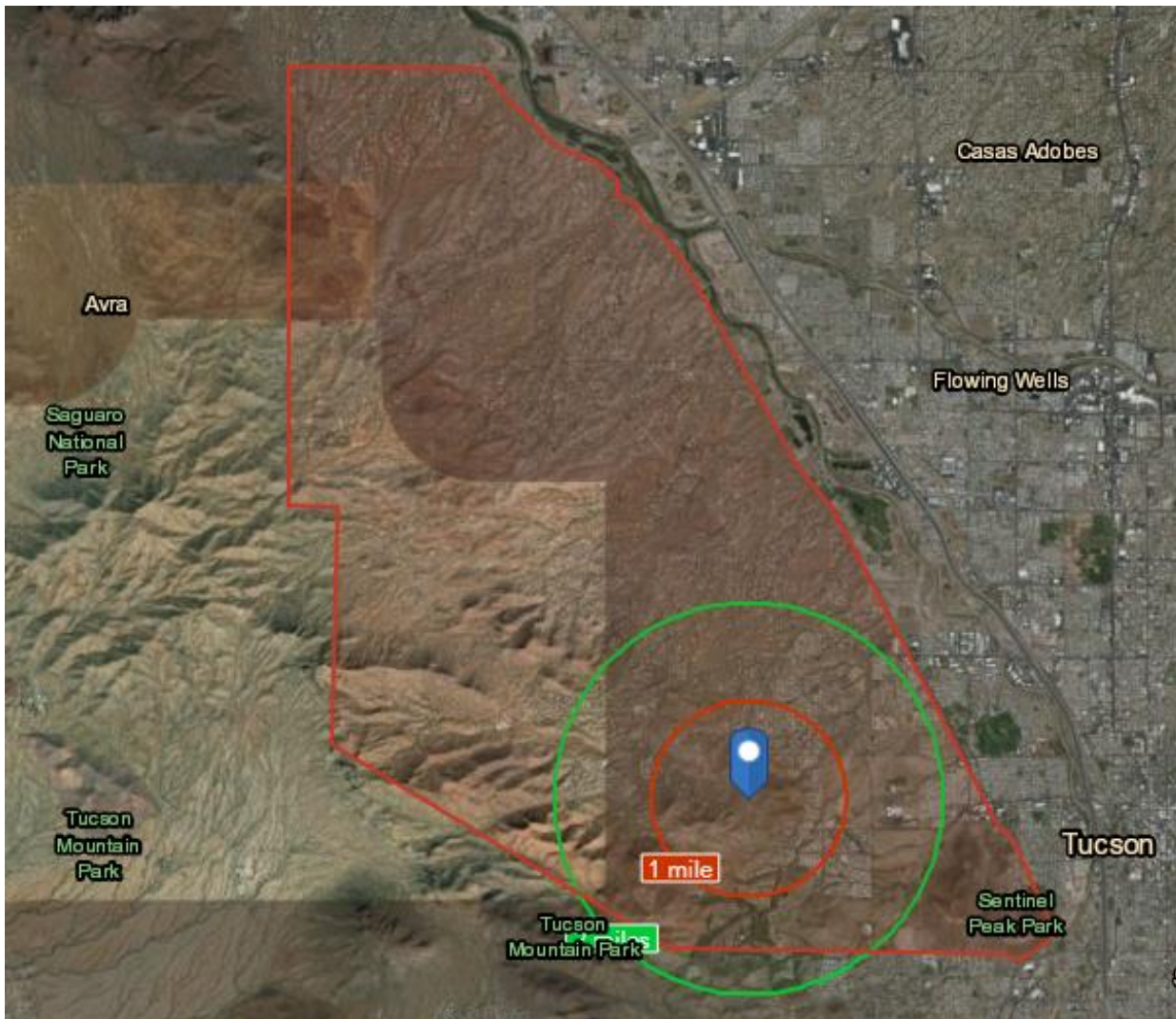
An ownership representative, Rita Leon, Pima County Property agent, was contacted and accompanied me, along with contractor's needed to open the property, on September 5, 2018.

MARKET AREA ANALYSIS

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

The subject property is located in an area transitioning from City of Tucson and urban densities to the western foothills. Starr Pass on the south to Ina Road on the north, from Silverbell Road on the east to Tucson Mountain Park/Saguaro National Park on the west. These boundaries are considered appropriate due to physical divisions, predominate land uses, and social characteristics. The area defined above is referred to herein as the subject market area. The subject property falls in the south-central portion of this area.

The subject property is in a mature, market area with a mix of primarily custom and tract single-family residences with some apartments and some commercial uses at Silverbell and other major arterials; it is largely developed but there are still a number of undeveloped lots available. There are a number of moderate washes throughout and therefore is a fair amount of land in proximity to these features that are affected by various factors including flood zones, riparian habitats, and land designated as different management areas under the Conservation Land System that often require significant conservation development guideline restrictions.



Local preserves in the market area include (south to north) Tumamock Hill, Greasewood Park, Painted Hills, Feliz Paseos Park, Sweetwater Preserve, Tucson Mountain Park and Saguaro National Park West. Recreational amenities include Silverbell and Starr Pass golf clubs, Silverbell Lake, and numerous trails. Pima Community College West campus is located between Speedway and Anklam at Greasewood and points of interest include Old Tucson Studio/Theme park and Arizona Sonora Desert Museum (both within Tucson Mountain Park). The market area has virtually all services available.

Demographic characteristics of the subject market area (Western Fthls), and the surrounding 2 mile radius (subject) are compared to county averages for comparison purposes.

Variable	3401 W Anklam (2 mi)	Western Fthls MA	Pima County, AZ
2018 Total Population (Esri)	14,679	27,031	1,039,768
2018-2023 Population: Annual Growth Rate (Esri)	0.75%	0.58%	0.81%
2018 Median Household Income (Esri)	\$57,074	\$69,986	\$51,163
2018 Per Capita Income (Esri)	\$33,169	\$39,067	\$28,531
2018 Median Home Value (Esri)	\$224,395	\$290,530	\$207,185
2018 Average Home Value (Esri)	\$264,427	\$335,812	\$257,202
2012-2016 ACS Median Contract Rent (Households Paying Cash Rent)	\$820	\$860	\$698
2018 Total Households (Esri)	6,312	11,280	410,290
2018 Owner Occupied Housing Units (Esri)	3,723	7,902	257,915
Percent Owner Occupied	54.5%	65.2%	55.5%
2018 Vacant Housing Units (Esri)	521	834	54,835
Percent Vacant	7.6%	6.9%	11.8%
2018 Total Housing Units (Esri)	6,833	12,114	465,125
2012-2016 ACS Housing: Mobile Homes	257	279	46,986
Percent Mobile Homes	3.8%	2.3%	10.1%
2018 Population Density (Pop per Square Mile) (Esri)	1,168.5	631.1	113.2

As indicated, the subject market area is projected to grow at a moderately lower rate than surrounding Pima County overall indicating the area being more nearly fully developed. Median household and per capita income levels in the surrounding 2 mi radius and market area are moderately to significantly above county averages, respectively, as are median home values.

The market area is served police and fire protection by the City of Tucson within city limits and Rural Metro and Pima County Sherriff in Pima County. Utilities are generally provided including electricity by Tucson Electric Power, water by the City of Tucson, sewer by Pima County wastewater, gas by southwest gas and telephone by CenturyLink. The subject market area is served primarily by Tucson Unified School District Number one. Public Transportation is limited to Silverbell and major arterials (Ironwood Hills, Speedway, Anklam) to Greasewood Drive.

Conclusion: The subject market area is a western foothills area transitioning from City of Tucson and urban density residential to County and lower density residential uses, into mountain parks/ranges. The area is significantly influenced by natural features. The surrounding 2 mi radius and market area have moderately to significantly above county average resident income and median home values.

SITE DESCRIPTION

Location:	South side of Anklam Road west of Players Club Drive (Starr Pass).												
Site Size:	3.31 acres per exhibit.												
Access/View:	Reasonable access, the site is moderately rising to the southwest offering good city-views through a view corridor to the southeast, views of rising hills/mountains to the southwest, northwest and northeast.												
Shape:	Moderately irregular but not to the point of significantly reducing site utility.												
Topography:	Moderately rising to the south and west, 2,574' at NEC, to 2,578' at SEC, approx. 2,584 near SWC, 2,576' at NWC (topography levels per mapguide).												
Flood Hazard:	According to the FEMA Digital Flood Insurance Rate Map, panel 04019C1720M, effective September 28, 2012 the site is zone X (area of minimal flood).												
Wash:	There are two minor washes (under 500cfs, 25' setback) to the north and south of the existing residence.												
Easements:	The title report indicates a number of easements including electric and telephone easements, ingress-egress easements and deed restrictions. The easements would not appear to significant hinder development utility and deed restrictions by extraordinary assumption are presumed not to restrict the subject development of a homesite; however, readers are strongly encouraged to review the title commitment documents and perform their own due diligence.												
Hazardous Materials/ Contamination:	None known												
Utilities:	<p>Utilities are generally available in the area from the following sources:</p> <table><tr><td>Water:</td><td>City of Tucson</td></tr><tr><td>Sewer:</td><td>Septic</td></tr><tr><td>Electricity:</td><td>Tucson Electric</td></tr><tr><td>Natural Gas:</td><td>Southwest Gas</td></tr><tr><td>Telephone:</td><td>CenturyLink</td></tr><tr><td>Public Safety:</td><td>Pima County Sheriff</td></tr></table> <p>Water is reportedly available from City of Tucson, additionally, there is an exempt well, registry 55-33553, indicated to have been drilled in 1926, water level 81', pump capacity 35gpm, well depth and casing unknown (assessor's record card indicates the well is 125' deep); it is assumed that this well is still operable.</p> <p>Septic; it is assumed, given the existing former residence and lack of sewer in the area that the site was improved with a septic system, however, no such records could be found.</p> <p>Electricity was previously available; the meter was removed in 2011. Given approval of electrical inspections, the property could again be served with electricity.</p>	Water:	City of Tucson	Sewer:	Septic	Electricity:	Tucson Electric	Natural Gas:	Southwest Gas	Telephone:	CenturyLink	Public Safety:	Pima County Sheriff
Water:	City of Tucson												
Sewer:	Septic												
Electricity:	Tucson Electric												
Natural Gas:	Southwest Gas												
Telephone:	CenturyLink												
Public Safety:	Pima County Sheriff												
Surrounding Land Uses:	The subject will be surrounded on three sides, north, west and south, by County Preserve Open Space; the remainder parcel, 18.75 acres (22.05-3.31ac); the parcel across Anklam, Painted Hills is similarly County open												

space. Roadrunner Hills, lower density residential subdivision is adjacent east.

Zoning: SR; Suburban ranch is intended as a low density zone principally for single-family residences and associated conditional uses on large lots.

Development Standards (general) include a minimum site area of 144,000sf, 34' building height, 50' front, 10' side (20' when adjacent to street) and 50' rear setbacks, 34' height, 30% site coverage, distance between main buildings 20'.

Comprehensive Plan: RC (Resource Conservation; residential gross density-none): Objective-To designate **publically-owned lands** that are public resource lands and preserves that protect sensitive and high-value biological, resource, value cultural, recreational and other sensitive resources lands. ...If these lands become privately held they will be treated as Resource Sensitive unless otherwise designated through a plan amendment process.

Resource Sensitive; Objective: To designate key larger parcels and land holdings with environmentally sensitive characteristics in close proximity to public preserves or other environmentally sensitive areas. Residential gross density, maximum-0.3 RAC.

CLS Habitat: The site is Multiple Use Management Area (MUMA), 66 2/3% to be conserved as undisturbed natural open space.

Other: The site is Buffer Overlay Zone; however, as the site was not 25 acres or more as of August 1, 1998, these restrictions do not appear to apply.

Site Analysis Conclusion: The subject parcel is moderately upward sloping to the south and west providing potentially good eastern-City views and surrounding desert-mountains views. It is zoned for low density residential with current comprehensive designation (RC) which would preclude development, however, it is presumed that given marketing and sale that it will be changed to Resource Sensitive. The site will be adjacent on two sides to a new Pima County Open space preserve with Painted Hills preserve to the north on the north side of Anklam Road.

Real Estate Tax Analysis

The following information is available from the county treasurer's office. There are no special assessments; this is the indication for the 22.05 acre parcel from which the subject is a 3.31 acre portion (with improvements); there are no taxes due to municipal ownership.

Tax Parcel	116-09-011A
FCV Land	\$330,750
FCV Impr	<u>\$359,238</u>
FCV Total	\$689,988
2018 Tax	\$0

Attributing \$15,000/ac from the above full cash value land (\$330,750/22.015ac) indicates a FCV for the subject 3.31 acre parcel of \$49,650.

IMPROVEMENT ANALYSIS

Condition at Inspection: The buildings have been boarded up in effort to hinder vandals and property damage, though some windows and doors were partially uncovered, it was dark (no electricity) and though having been boarded up, it was evident that at times or in some areas the property was not secured as there were animal droppings, debris left from vandals property damage and/or animals. Smells and molds encouraged a brief walk-through. The guest house full bath could not be entered as a dead animal was blocking the opening of the door.

Current Use:	Boarded up former residence.
Improvements:	The site is improved with a former residence and guest house with related improvements.
Main House Size:	The main house is approximately 1,512sf, with an effective date of construction per Assessor of 1929.
Building Layout:	A small narrow entrance leads past the kitchen to a west wing with two bedrooms and the sole (3/4) bath, a large, formerly screened porch essentially provides access to the these rooms, though there is a small common hallway between the bedrooms and bath. The eastern wing has a small kitchen, den and third bedroom, as well as a utility room.
Foundation:	Stone.
Exterior Walls:	Stone
Roof:	Built up, apparently rolled foam composition.
Floor Covering:	Concrete.
Ceilings and Walls:	Ceilings in the bedrooms and porch are wood with beams, drywall in the bath, kitchen and den.
Doors and Windows:	Primarily steel casement single pane, also some double hung wood, wood doors.
Restrooms:	¾ bath.
Heating/Cooling:	Central forced warm air, presumably inoperable, apparently no cooling currently.
Insulation:	Unknown, assumed none as typical for era of construction.
Quality of Improvements	Fair
Functional Utility:	Functional utility is considered to be relatively poor. There is effectively no “living” area in the main house, it would appear that this was effectively the large screened porch, however, this room is not finished, heated or cooled, has few if any electric receptacles, etc. The kitchen is quite small and narrow; kitchen cabinets and counter areas are small and of low quality-cost. There are no floor coverings. Though the site offers the potential of very good views, the residence is not designed to take advantage of this amenity.
Guest House:	There is an approximate 716sf guest house of block construction with flat foam roof, built, per assessor, 1948. It is an open design (no private bedrooms) with a small kitchen and full bath. It is evaporative cooled with an unappealing “downdraft” sheet metal opening. It also has wood ceiling with beams. Full bath.
Other Improvements:	Walled courtyard, mud adobe walls garage and storage room with concrete floors, pump room with no floor. There is a western patio on the guest house and former screened porch on the west end.

Physical Condition: Poor. As mentioned, floors throughout are concrete, some have minimal damaged remnants of former tile. Most of the windows appear to have been broken with many of the window frames damaged. Screens on the main house porch are missing. A number of floors appear to be un-even, of different pours-finish and in some cases significantly cracked. There seems to be evidence throughout both the main house and guest house of leaking roofs and windows with damage, including mold in ceilings and walls. The main house shower has no shower head and it appears that the shower is not finished to separate and contain shower area water. The guest house west patio is un-level and significantly cracked, the former screened porch's ceiling is now gone as are screens and wood posts damaged. There are cracks in walls, including stone walls.

Repair estimates: I was provided with two contractor's estimates for repairs, both provided in 2015 (see appendix); one, at \$158,500, for "cleanup" and HVAC upgrades in both houses, cleanup of out-buildings, upgrade and renovation of electrical systems and roofing repairs to the entire compound with replacement of 800sf, and architectural documentation; the other for \$59,390, to include cleaning, patching and painting with new HVAC units. It must be noted that the cost bids appear to cover only repairs to make the property habitable, no remodeling. In discussion with Rita Leon, PC property agent, it was reported that the first contractor estimate performed a more thorough inspection prior to bid and has proved more reasonable than the second. Further, that at the time of these bids there were no broken windows and that the property has continued to deteriorate, thus the cost bids outdated and understated.

Building Age: Assessor's record indicates the main house effective date of construction 1929, making it 89 years old; the guest house 1948 making it 70 years old.

Economic Life: Typically 50-55 years (average/good Class C, Marshall Valuation indication).

Effective Age: Approximately 90 years main house, 50 years guest house.

Rem. Economic Life: As will be discussed in greater detail in highest and best use as improved following, the improvements are considered to have exceeded their economic lives and should be removed.

HIGHEST AND BEST USE

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

The reasonably probable 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.

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

HIGHEST AND BEST USE, AS IF VACANT:

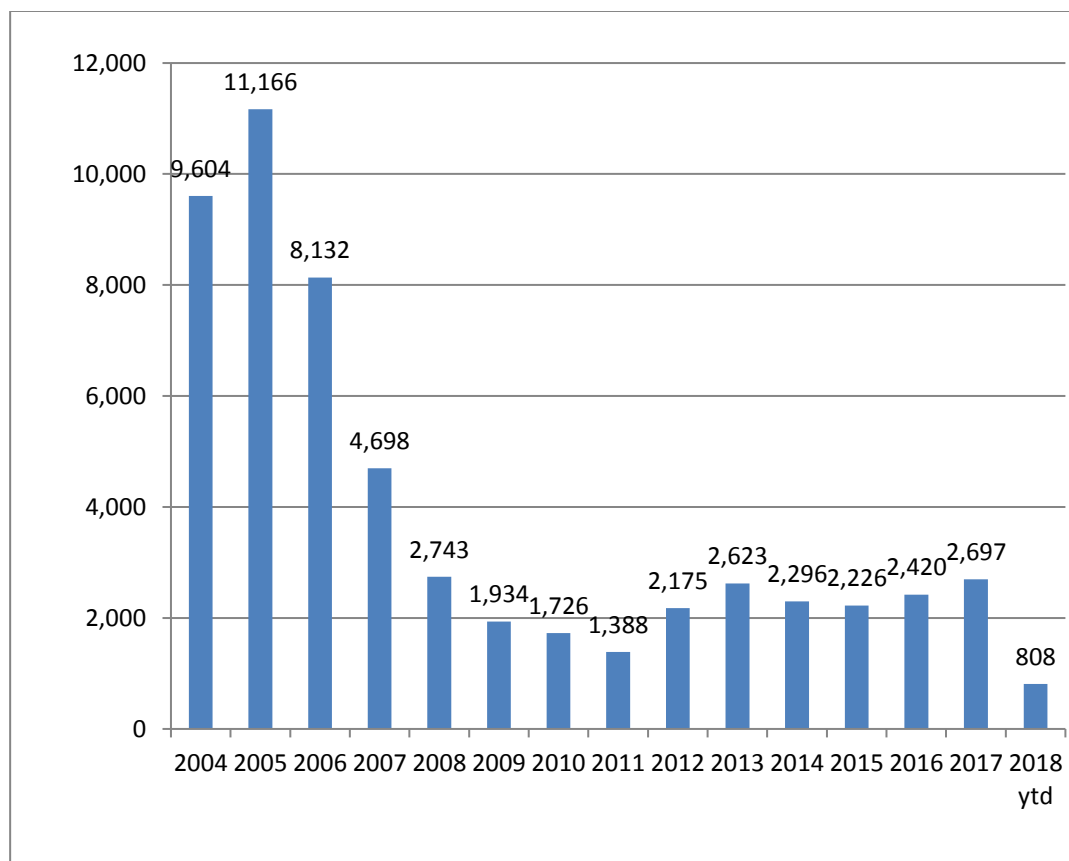
Legally Permissible Zoning on the subject sites is SR, a rather low density residential zoning; it is further restricted by RC comprehensive plan, but as discussed, given the sale of the site, it is assumed the classification would be changed to RS-resource sensitive, which would permit the development of a single family residence; it is MUMA, requiring 66 2/3rds% of the site to be conserved as undisturbed natural open space.

Physically Possible: The site is moderately upward sloping to the south and west providing potentially good eastern-City views and surrounding desert-mountain views. It is irregular in shape, primarily due to the winding adjacent Anklam Road. It remains largely in natural desert vegetative state and is not restricted by flood zone. Utilities necessary for development, with the exception of sewer, are reportedly available; the site will require septic.

Financially Feasible: The financial feasibility of the subject site is market derived. The Tucson Metro Area, as well as Arizona and the Nation are believed to be coming out of a significant recession. The National Bureau of Economic Research has (September 2010) determined that the recession officially started in December 2007 and ended in June 2009. The panel, however, made it clear that it knows the economy has not been favorable and that it has not been operating normally since then. With each real estate market and market area being affected differently the Tucson Metro Area residential market was analyzed.

Real Estate Markets:

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



As indicated, residential permits dropped precipitously from a high in 2005 through 2011, over this time period home values decreased drastically but 2012 and 2013 began a turn around with relatively strong increases and appreciation; 2017 and 2018 to date (through 1st quarter, annualized indicates potential 3,232 units) continues to show improvement over the worst of the great recession though well below a 5,000 permit long term sustainable level benchmark and well below prior highs.

Brokers interviewed in the confirmation of sales report that it is again possible to get new construction loans enabling purchase by other than only all cash, improving marketability and sales potential.

Maximum Profitability: In conclusion, the highest and best use “as if vacant” is considered to be single family residential development.

Highest and Best Use As Improved

The highest and best use of a property as improved pertains to the use of a property that should be made in light of its existing improvements. Depending on the condition of existing improvements, surrounding land use patterns, and local market characteristics, a number of alternative uses or alterations may be financially feasible. Alternatives include demolition of the improvements and redevelopment of the site, conversion to an alternative use, expansion or reduction of a building area, renovation or modernization, and continued use as is.

Legally Permissible Uses:

As Mentioned, Zoning is SR, providing for low density residential development; low density residential development is supported by the anticipated Resource Sensitive classification under comprehensive plan, the site is further restricted by MUMA restricting 66 3/4ths % of site area to undisturbed natural open space.

Physically Possible Uses:

The site is 3.31 acres, moderately irregular in shape but not to the point of significantly restricting utility. It is moderately upward sloping to the south and west, offering potentially good views of the City to the east and surrounding desert-mountains on other sides. The site is adjacent to new Pima County park/preserve on the west and south with Painted Hills park/preserve across Anklam Road to the north.

The site is currently improved with a former residence and guest house of 1,512sf and 716sf, built in 1929 and 1948 respectively. Condition of the improvements is very poor; two repair estimates from 2015 were provided at \$158,500 and \$59,390, the first bid reported to be from the contractor with more appropriate estimates, who spent more time analyzing the property prior to their bid. It is further confirmed that physical condition of the improvements has continued to deteriorate since these bids, thus the cost bids outdated and understated.

Functional utility is considered to be relatively poor. There is effectively no "living" area in the main house, it would appear that this was effectively the large screened porch, however, this room is not finished, heated or cooled, has few if any electric receptacles, etc. The kitchen is quite small and narrow; kitchen cabinets and counter areas are small and of low quality-cost. There are no floor coverings. Though the site offers the potential of very good views, the residence is not designed to take advantage of this amenity by orientation or design of walls/windows, etc.

In my opinion, the best potential building site is to the west of existing building improvements, very near the site western boundary (preserve), which appears to be the approximate high point on the parcel and would permit a good view corridor of the City to the east, as well as surrounding desert-mountains. At this building site, views to the east are obstructed by existing buildings.

Financially Feasible Uses:

Demolition: As indicated above, the current buildings are in poor condition and of poor design by current standards/expectations. I have analyzed value as improved, taking into consideration cost of necessary repairs necessary to make the structures habitable (adjusted upward to \$175,000), as well as potential costs for remodeling with new kitchens, baths, floor coverings, etc. and adjusting for below average functional utility. This analysis (retained in file) demonstrates that highest and best use as improved is for demolition of existing improvements and new residential development to maximize views and provide current designs and finishes.

Conclusion: Highest and best use as improved is considered to be demolition of existing improvements for new residential development.

VALUATION METHODOLOGY

The valuation methodology, or appraisal process, is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed, and interpreted into an opinion of value.

The cost and income approaches are not typically employed in the analysis of site value as if vacant or the overall property value as improved given adequate sales of unimproved sites, thus they are not employed. In consideration of a suitably active market, the most reasonable method of forming an opinion of site market value is by sales comparison approach of similar sites.

Site Value Analysis

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

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

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


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

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

After adjusting the comparable sales prices to compare equally to the subject, the sales are reduced to common units of comparison for further analysis. The units of comparison selected depend on the type of property being appraised. The comparables have been analyzed primarily on the basis of overall price per homesite of site which is the common unit of comparison for residential sites. The comparable properties are then adjusted for locational, physical and economic differences as indicated.

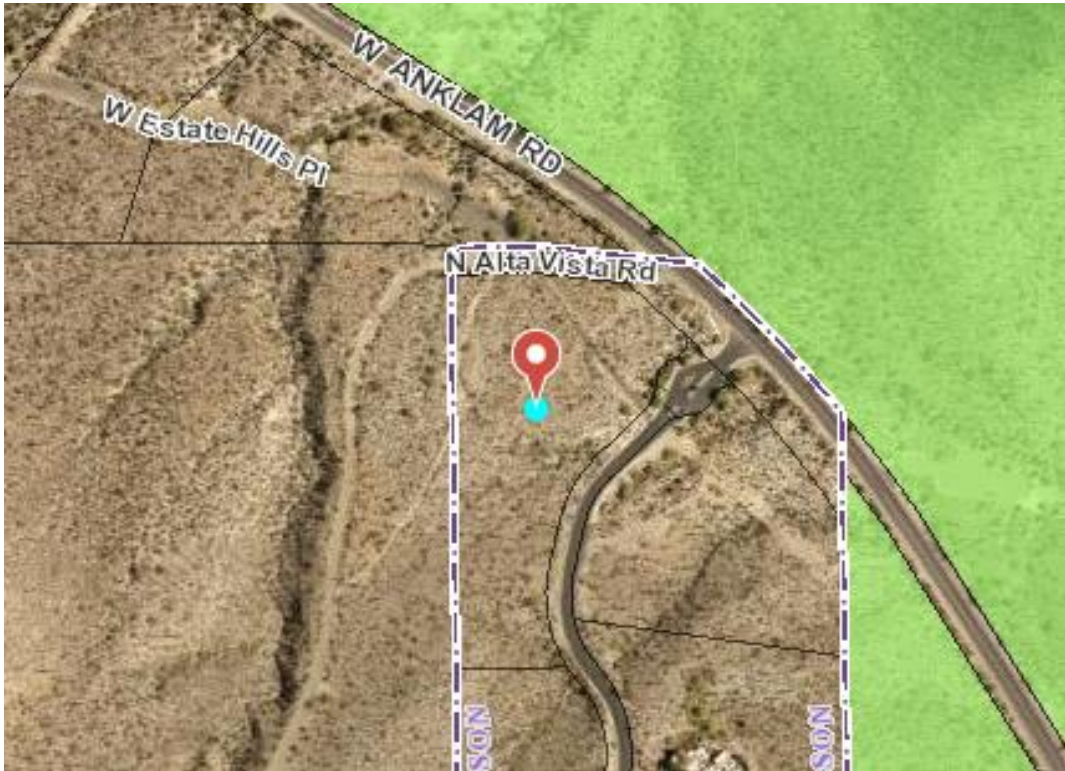
A search of the Tucson area market revealed the following sales, considered to be most applicable to this appraisal valuation.

Comparable One

MLS#: 21618008		Land-Lot / Residential		Status: Closed		Sold Price: 95,000		List Price: 99,900			
		List Price Sqft: Lot Dimensions: Irregular Lot Size \ Source: 3.7 Acre \ 161,172 SF \ Other Lot Sz Price/Acre: 27,000				Marketing Range: - Area: West Subdivision: Estates at Starr Pass (The) Community: None TRS: 14 / 13 / 8 Municipality/Zoning: Tucson - SR County: Pima Tax Code: 116-09-4390 Pima County GIS Year/Taxes: 2015 / 4,071.87 Assessments: 0 Method of Title: Ownership:					
Address: 435 N Resort Hills Place, Tucson, AZ 85745 Directions: Anklem Rd. west to Resort Hills South through Gate lot is on the West side of the street. Legal Description: The Estates at Starr Pass lot 14											
Electric: Electric Company; Location: Available Electric: Street Gas: Location: Available; Natural Gas: Street Sewer: Sewer: None Phone: Phone: Street Water: Location: Available Water: Street # Of Shared Well:		Fence: None View: City; Mountain; Sunset Lot Features: Subdivided Lots; Topography: Rolling Subdivision Restrictions:		Neighborhood Features: Gated Community; Legal Access; Paved Street Gated Community: Yes Horse Property: Road Type: Road Maintenance: Maintenance agreement		FEMA Flood Zone: Municipal Flood Zone: Fire Protection: Included in Taxes School District: TUSD Elementary School: Maxwell K-8 Middle School: Maxwell K-8 High School: Cholla Association & Fees: HOA Amt (Monthly): 138 - Assessed: Quarterly Rec Fee: - CC&Rs: Deed Restrictions: Yes					
Property Description: Enjoy pristine desert, lush vegetation, rolling terrain with gorgeous sunset, mountain and city views. This beautiful 3.74 acre lot is located within The Estates at Starr Pass, a private gated community just ten minutes from downtown, U of A and Pima West Campus. Survey and Perk test completed and available. Call for private showing today.											
Agent-Only Remarks: Please escrow with Denise Monahan, Stewart Title, 520-887-2797 FAX: 520-322-3554, 1050 E. River Rd., Ste. 200 Tucson, AZ 85718 E-mail: Denise.Monahan@stewart.com											
List Agent Name List Office 35325-Grant Westcott Hampton Lic#: Co-Agent 5195-Arizona Eagle Realty Lic#: LC648408000 Co-Office - Lic#: - Lic#:				Primary Mobile 520-907-2437 E-mail cheryl@terpening.com							
Terms: Cash; Conventional; Submit		Property Disclosure: Deed Restrictions; Unknown				Special Condition:					
Co-Op Fee: 3.00%		Variable Commission: No		Exclusive Agency:		Limited Service:		Distressed Info: None		DOM/CDOM: 151/151	
Listing Date: 06/29/2016		Pending Date: 01/09/2017		Status Change Date: 02/08/2017		Sold Date: 02/07/2017					
Sold Price: 95,000		Sold Date: 02/07/2017		Seller Concessions: 0							
Sold Price/SqFt.:		How Sold: Conventional		Seller Paid Repairs:							
Sold Lot Price/SqFt.: 25,675.68				Comparable Only Listing:							
Selling Agent: Name Co Selling Agent: Grant Westcott Hampton Selling Office: Arizona Eagle Realty		Primary Mobile 520-907-2437		E-mail cheryl@terpening.com							

Seller- Gary & Cindy Iverson. Purchasers: Charles W Green. 20170380487, confirmed with listing agent, 20181087ph, considered to have been arm's length, fair price, typical motivations. 3.74 acres per plat. Moderately upward sloping to the southwest, moderate city view, decent surrounding hills/mountains; Painted Hills Park across Anklem Rd. A golf cart path crosses through the site. Estates at Starr Pass, gated community but site at entrance, adjacent to Anklem thus not truly gate protected. (Sold a year previously, same price). Currently listed, MLS 21823903, \$180,000, approx. 2 weeks on market; this listing, by a different listing agent represents a significant jump in asking price and test to the market. While market conditions have reportedly improved over the recent past and there are no similar lots currently on the market within a mile under \$140,000, the market has not demonstrated increased values of this proportion.

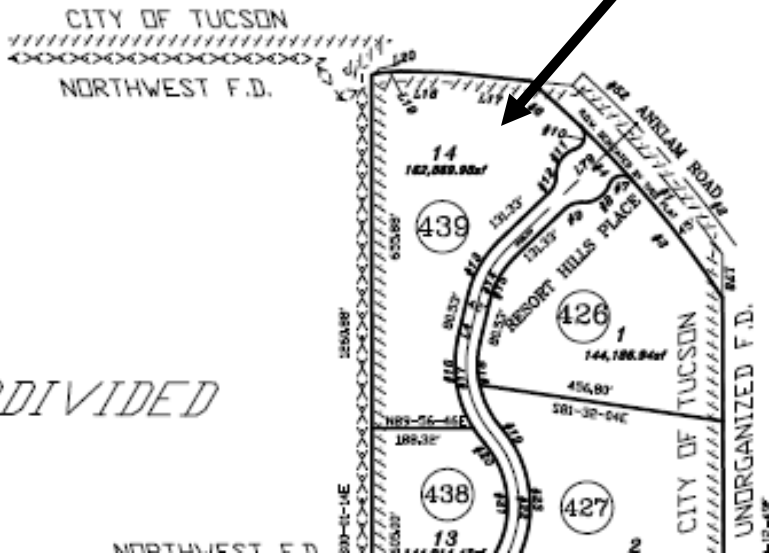
435 N Resort Hills Place




THE ESTATES AT STARR PASS
LOTS 1-14 & COMMON AREA A

VE TABLE		
		L
1	9-12-31	206.29'
2	9-27-43	276.32'
3	2-22-24	178.64'
4	12-14-44	126.42'
5	2-25-34	123.73'
6	118-279-43	76.70'
7	74-14-42	66.89'
8	47-54-27	23.45'
9	118-279-43	76.70'
10	74-14-42	66.89'
11	47-54-27	23.45'
12	38-23-44	124.80'
13	38-23-44	124.80'
14	32-22-44	76.72'
15	45-55-30	176.82'
16	34-26-43	146.84'
17	25-12-21	86.36'
18	22-46-20	76.82'
19	8-41-25	33.51'
20	85-203-14	2146.32'
21	85-203-14	2199.80'
22	94-12-27	204.80'
23	2-43-47	6.48'
24	48-43-17	126.67'
25	42-42-47	124.22'
26	42-43-47	125.24'

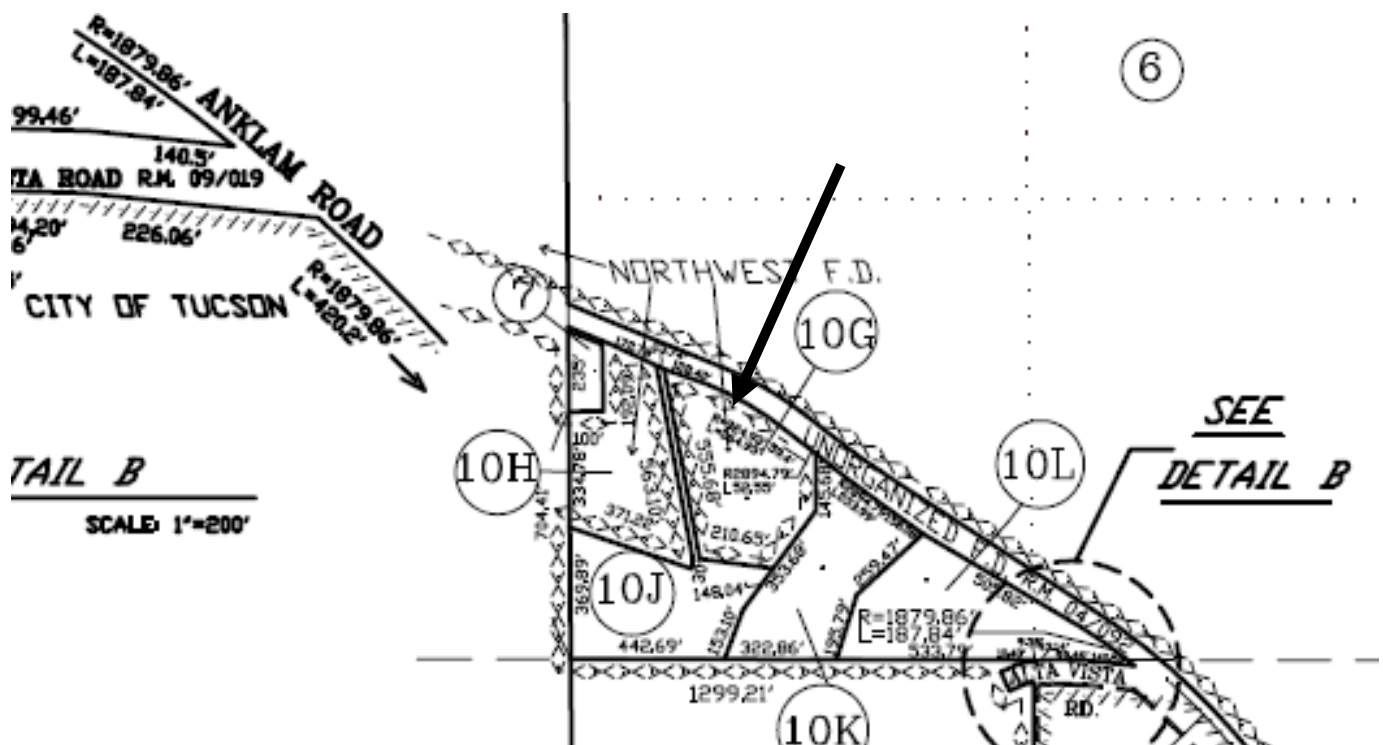
UNSUBDIVIDED




Comparable Two

MLS#: 21623477		Land-Lot / Residential		Status: Closed		Sold Price: 72,000		List Price: 74,000	
		List Price Sqft: Lot Dimensions: Irregular Lot Size \ Source: 3.6 Acre \ 156,815 SF \ Assessor Lot Sz Price/Acre: 20,555.56				Marketing Range: - Area: West Subdivision: N/A Community: None TRS: 14 / 13 / 8 Municipality/Zoning: Tucson - SR County: Pima Tax Code: 118-09-010G Pima County GIS Year/Taxes: 2015 / 2,951.07 Assessments: 0 Method of Title: Ownership:			
Address: 3710 W Estate Hills Place, Tucson, AZ 85745 Directions: Greasewood/Anklam Rd- W, Alta Vista- S, Estate Hills Pl- W, to Gate Entrance, to Lot. Legal Description: Parcel 5 RS 36/99 AKA PTN NW4 3.60 AC Sec 8-14-13									
Electric: Location: Available Electric: Lot Gas: Location: Available; Natural Gas: Lot Sewer: Sewer: Septic Required Phone: Phone: Lot Water: Location: Available Water: Lot # Of Shared Well:		Fence: None View: Mountain Lot Features: Subdivided Lots; Topography: Sloped Subdivision Restrictions:		Neighborhood Features: Gated Community: Legal Access; Paved Street Gated Community: Yes Horse Property: Road Type: Road Maintenance: Maintenance agreement		FEMA Flood Zone: Municipal Flood Zone: Fire Protection: None School District: TUSD Elementary School: Tolson Middle School: Maxwell K-8 High School: Cholla Association & Fees: HOA Amt (Monthly): 125 - Assessed: Quarterly Rec Fee: CC&Rs: Deed Restrictions: Yes			
Property Description: Gorgeous 3.6 Acre Lot with Beautiful Mountain & City Views with tons Privacy in Gated Starr Pass Community. Close to JW Marriott Resort, Golf Course & Country Club. Perfect Lot for your Custom Home.									
Agent-Only Remarks: 5% to Buyers Agent; Owner Carry back with 20% down. Septic has passed perc test March, 2016. See in documents.									
List Agent Name 1572-Rob Lamb Lic#: SA042168000		Primary 520-444-4411		Mobile 520-444-4411		E-mail RobLamb@RobLamb.com			
List Office 18725-Long Realty Company Lic#: CO000192042		520-299-8444							
Co-Agent - Lic#:									
Co-Office - Lic#:									
Terms: Cash; Conventional; Owner Carry; Submit				Property Disclosure: Deed Restrictions: Unknown				Special Condition:	
Co-Op Fee: 5%		Variable Commission: No		Exclusive Agency:		Limited Service:		Distressed Info: None	
DOM/CDOM: 98/98									
Listing Date: 08/30/2016		Pending Date: 12/06/2016		Status Change Date: 12/21/2016		Sold Date: 12/21/2016			
Sold Price: 72,000		Sold Date: 12/21/2016		Seller Concessions: 0					
Sold Price/SqFt:		How Sold: Cash		Seller Paid Repairs:					
Sold Lot Price/SqFt: 20,000				Comparable Only Listing:					
Selling Agent: Name Eric L Shaffer		Primary 502-808-7265		Mobile		E-mail els@tierraantigua.com			
Co Selling Agent:									
Selling Office: Tierra Antigua Realty		520-644-2335				taadmin@tierraantigua.com			

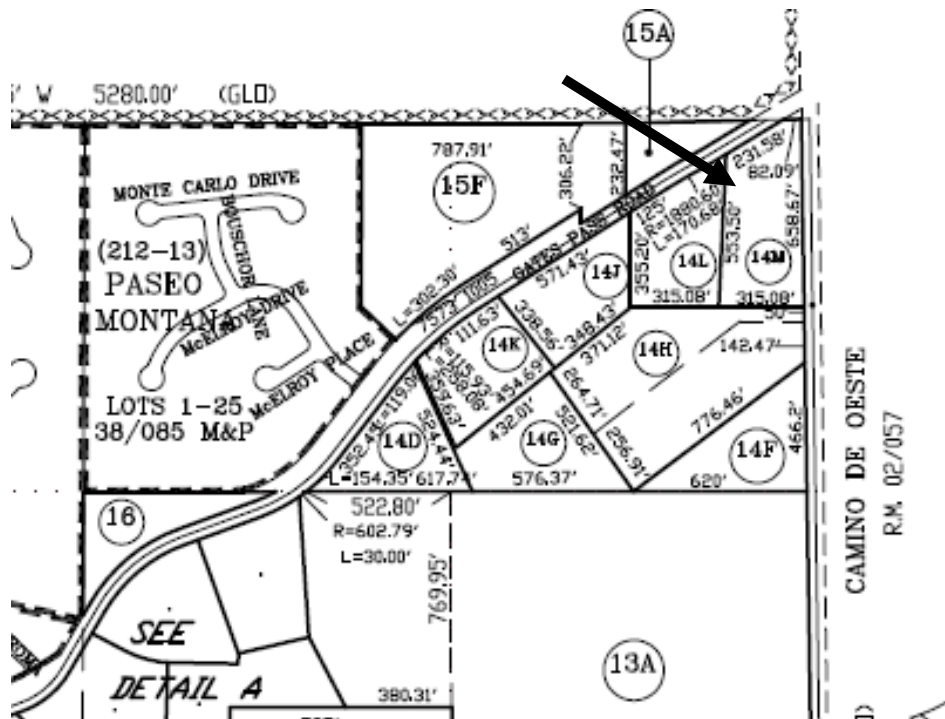
Seller- Patrick & Angelica Arendt Purchasers: Christine Henneke. 20163560544, confirmed with listing agent, 20181087ph, considered to have been arm's length, typical motivations, agent believed it was \$100,000 lot but there were few buyers. Moderately upward sloping to the southwest, minimal city view, good surrounding hills/mountains; Painted Hills Park across Anklam Rd. Gated community but the site fronts on Anklam.



Comparable Three

MLS#: 21417127		Land-Lot / Residential		Status: Closed		Sold Price: 120,000		List Price: 145,000	
		List Price Sqft: Lot Dimensions: Irregular Lot Size \ Source: 4.28 Acre \ 186,234 SF \ Assessor Lot Sz Price/Acre: 33,878.5				Marketing Range: - Area: West Subdivision: N/A Community: None TRS: 14 / 12 / 12 Municipality/Zoning: Pima County - SR County: Pima Tax Code: 212-11-014M Pima County GIS Year/Taxes: 2013 / 5,498.91 Assessments: 0 Method of Title: Ownership:			
Address: 909 N Camino De Oeste II, Tucson, AZ 85745 Directions: Located on SW corner of Gates Pass Rd. and Camino De Oeste. Legal Description: PTN W315.08' E335.08' N658.67' NE4 LYG SLY Gates Pass Rd. 4.28 AC 12-14-12									
Electric: Location: Available Electric: Lot line Gas: Location: Available Gas: Unknown Sewer: Location: Available Sewer: Lot line Phone: Phone: Available Water: Location: Available Water: Lot line # Of Shared Well:		Fence: None View: City; Mountain; Sunset Lot Features: Subdivided Lots; Topography: Sloped Subdivision Restrictions:		Neighborhood Features: Horses Allowed: Legal Access; Paved Street Gated Community: No Horse Property: Road Type: Road Maintenance:		FEMA Flood Zone: Municipal Flood Zone: Fire Protection: Included in Taxes School District: TUSD Elementary School: Tolson Middle School: Maxwell K-8 High School: Cholla Association & Fees: HOA Amt (Monthly): 0 - Assessed: Rec Fee: CC&Rs: Deed Restrictions:			
Property Description: A 4+ AC lot with the best of both worlds; a private setting yet a quick commute to freeway, downtown, hospitals, U of A, and all sorts of entertainment venues. This parcel is served by Tucson Water and Public Sewer. David Yetmam Trailhead and other hiking trails near by. Ajoining 3.43 AC parcel also available.									
Agent-Only Remarks: The 909 N. Camino De Oeste address was the address of the lot prior to being split. A new address could be required for this parcel.									
List Agent Name 15004-Ben Rensvold Lic#: SA538242000		Primary 520-444-8618		Mobile 520-444-8618		E-mail ben.rensvold@azmoves.com			
List Office 70202-Coldwell Banker Residential Brokerage Lic#: LC627335024		520-577-7433							
Co-Agent - Lic#:									
Co-Office - Lic#:									
Terms: Cash; Conventional; Owner Carry; Submit				Property Disclosure: Unknown			Special Condition:		
Co-Op Fee: 4%		Variable Commission: No		Exclusive Agency:		Limited Service:		Distressed Info: None	
DOM/CDOM: 354/354									
Listing Date: 06/16/2014		Pending Date: 07/07/2015		Status Change Date: 07/08/2015		Sold Date: 07/08/2015			
Sold Price: 120,000		Sold Date: 07/08/2015		Seller Concessions:		Seller Paid Repairs:			
Sold Price/SqFt.:		How Sold: Cash		Comparable Only Listing:		E-mail			
Sold Lot Price/SqFt.: 28,037.38		Primary		Mobile					
Selling Agent: Hadley Castaneda									
Co Selling Agent:									
Selling Office: Tierra Antigua Realty		520-544-2335				taadmin@tierraantigua.com			

Seller- New Century Inc. Purchasers: Douglas & Katherine Mehaffey. 20151890190, confirmed with buyer's agent, 20181087ph, considered to have been arm's length, fair price, typical motivations. Moderately upward sloping to the southwest, minimal if any city view, decent surrounding hills/mountains; Tucson Mountain Park across Gates Pass Rd.

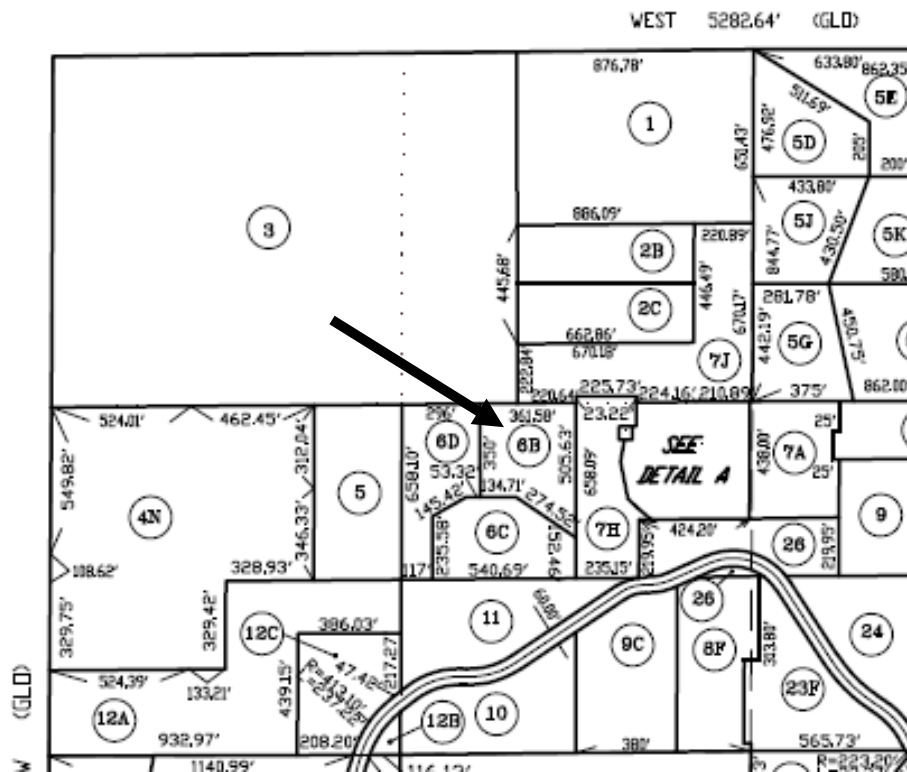


Comparable Four


MLS#: 21726765		Land-Lot / Residential		Status: Closed	Sold Price: 97,500	List Price: 99,900
		List Price Sqft: Lot Dimensions: Irregular Lot Size \ Source: 3.31 Acre \ 144,183 SF \ Assessor Lot Sz Price/Acre: 30,181.27			Marketing Range: - Area: West Subdivision: Unsubdivided Community: None TRS: 13 / 12 / 15 Municipality/Zoning: Pima County - SR County: Pima Tax Code: 214-35-006B Pima County GIS Year/Taxes: 2017 / 2,055.19 Assessments: 0 Method of Title: Fee (Simple) Ownership: Individual	
Address: 6780 W Sunset Road, Tucson, AZ 85743 Directions: West on Sunset to directional arrow then right down cement driveway, then go Right (east) around Block house up hill to my sign which is roughly the southeast corner. PULL PLOT MAP FIRST! Legal Description: PTN E361.58' N505.63' NW4 SE4 NW4 3.31 AC SEC 15-13-12						
Electric: Electric Company; Location: On Site Electric: Unknown Gas: None Gas: Unknown Sewer: Septic Sewer: Unknown Phone: Location: Available Phone: Unknown Water: Location: On Site; Water Company Water: Unknown # Of Shared Well:		Fence: None View: Panoramic; Sunrise; City; Mountain; Sunset Lot Features: Adjacent to: Federal; Cul-De-Sac Lot; East/West Exposure; North/South Exposure; Topography: Rolling Subdivision Restrictions: Age Restrictions: No; CC&Rs: Yes; Deed Restrictions: No		Neighborhood Features: Horses Allowed; Paved Street Gated Community: No Horse Property: Yes - By Zoning Road Type: Paved Road Maintenance: County		FEMA Flood Zone: No Municipal Flood Zone: No Fire Protection: Included in Taxes School District: Marana Elementary School: Coyote Trail Middle School: Marana High School: Marana Association & Fees: HOA Amt (Monthly): - Assessed: Rec Fee: - CC&Rs: Yes Deed Restrictions: Yes
Property Description: Sellers loss is your gain! They paid \$165,000 for this incredible Elevated lot adjacent to the Saguaro National park and is now offered for \$50,000 Less than the owners paid. Great paved access (all except driveway to lot) both City water and electric available along w/incredible ridge top views! Enjoy forever views of the Saguaro Park along with a straight shot view (see photo's) of all mnts ranges and City lights! Great level house sites available with 360% unobstructed views. Walk or ride off your lot to the Park! Please see all photo's plus maps and aerial's attached under documents. NO Hoa's, simple common sense deed restrictions, homes must be a minimum of 1500 sq feet. Pins on the West and south side are flagged. Small pile of dirt in trail is approx west line of property/Park						
Agent-Only Remarks: please pull a map before showing but easy to find!						
List Agent Name 9022-Yoyo Yocum Lic#: SA035453000 List Office 2866-Tierra Antigua Realty Lic#: LC529176000 Co-Agent - Lic#: Co-Office - Lic#:		Primary 520-591-9595 520-544-2335		Mobile 520-591-9595		E-mail yoyo@buytucsonhome.com taadmin@tierraantigua.com
Terms: Cash; Conventional; Submit		Property Disclosure: Affidavit of Disclosure; CC&Rs; Deed Restrictions; Seller Prop Disclosure; Surveyed Plat; Topographic Map				Special Condition: None
Co-Op Fee: 4%		Variable Commission: Yes		Exclusive Agency: No		Limited Service: No
				Distressed Info: None		DOM/CDOM: 171/171
Listing Date: 10/03/2017		Pending Date: 06/08/2018		Status Change Date: 07/19/2018		Sold Date: 06/08/2018
Sold Price: 97,500 Sold Price/SqFt.: Sold Lot Price/SqFt.: 29,456.19		Sold Date: 06/08/2018 How Sold: Cash		Seller Concessions: 0 Seller Paid Repairs: Comparable Only Listing: No		
Selling Agent: Mindy A Slanaker Co Selling Agent: Selling Office: Homesmart Advantage Group		Primary 520-850-7395 520-505-3000		Mobile 520-850-7395		E-mail mindymoves@gmail.com

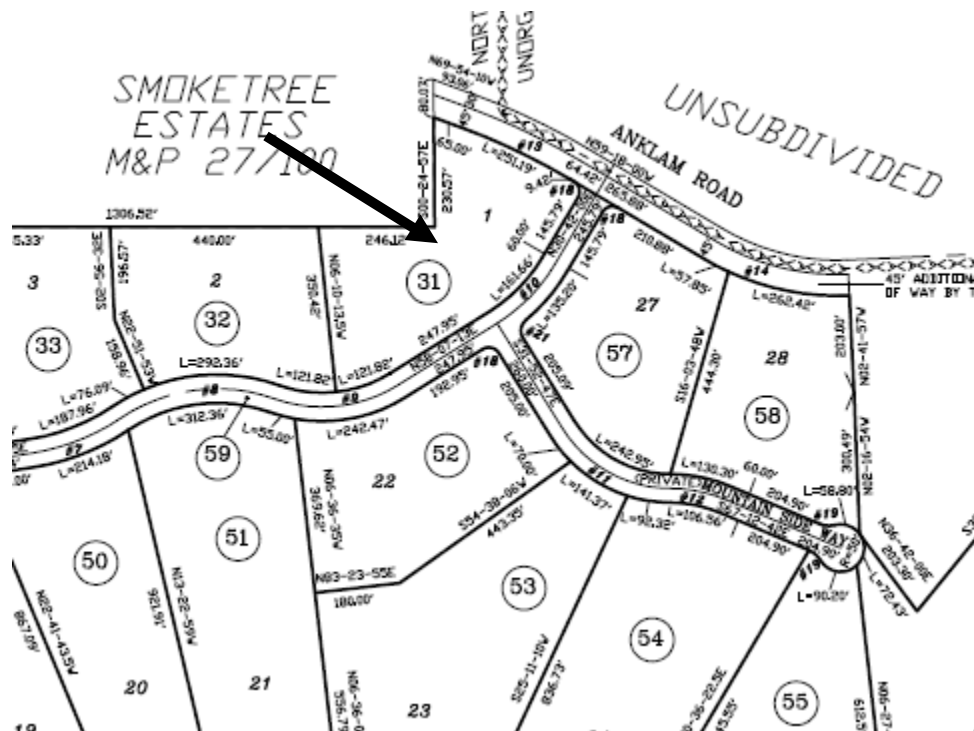
Seller. Rauh Family Trust Purchasers: Frank H Collins. 20181590310, confirmed with listing agent, 20181087ph, considered to have been arm's length, fair price, typical motivations. Moderately upward sloping center-hilltop, very good city views, surrounding hills/mountains; Sahuaro National Park on northern boundary.

6780 W Sunset



Comparable Five

MLS#: 21702777		Land-Lot / Residential		Status: Closed		Sold Price: 65,000		List Price: 75,000	
		List Price Sqft: Lot Dimensions: Irregular Lot Size \ Source: 3.2 Acre \ 139,391 SF \ Assessor Lot Sz Price/Acre: 23,437.5				Marketing Range: - Area: West Subdivision: Twin Hills Estates (1-28) Community: None TRS: 14 / 13 / 7 Municipality/Zoning: Pima County - SR County: Pima Tax Code: 116-08-0310 Pima County GIS Year/Taxes: 2016 / 2,439.12 Assessments: 0 Method of Title: Ownership:			
Address: 4200 W Mountain Side Drive Lot 1, Tucson, AZ 85745 Directions: Saint Marys & Anklam, west to Mountain Side approx SW corner. Call agent for gate code. Legal Description: Twin Hills Estates Lot 1									
Electric: Electric Company; Location: Available Electric: line Gas: Location: Available Gas: line Sewer: Sewer: not available Phone: Phone: line Water: Location: Available Water: city # Of Shared Well:		Fence: None View: City; Mountain Lot Features: Subdivided Lots; Topography: Sloped Subdivision Restrictions:		Neighborhood Features: Gated Community; Legal Access; Paved Street Gated Community: Yes Horse Property: Road Type: Road Maintenance:		FEMA Flood Zone: Municipal Flood Zone: Fire Protection: Included in Taxes School District: TUSD Elementary School: Maxwell K-8 Middle School: Mansfeld High School: Cholla Association & Fees: HOA Amt (Monthly): 66 - Assessed: Monthly Rec Fee: - CC&Rs: Deed Restrictions: Yes			
Property Description: One of the few remaining lots left in Twin Hills Estates (a small enclave of custom homes backing up to Tucson Mt.Park.) Close to town/the vibrant Mercado San Augustine to the east & easy access to best of the Tucson Mountains of the West. (Yetman Trail, Gates Pass, Feliz Paseos Park.) Nestle in amidst lush Sonoran Desert: city lights and Mountain views. All utilities to line; septic required. Don't miss this one!									
Agent-Only Remarks: Property perked when owner bought it but will need to be tested again. Flood prone area crosses NE corner. Property is flagged. Sign on Mountain Side Drive approx SW corner. SPDS,HOA ADDENDUM, Plat map, CCRs are in attached documents.									
List Agent		Name		Primary		Mobile		E-mail	
List Office		3083-Mary Provost Lic#: SA027073000		520-906-6398		520-906-6398		mjprovost@msn.com	
Co-Agent		16707-Long Realty Company Lic#: CO000192011		520-326-1122					
Co-Office		15267-Greg Yares Lic#: SA539654000				520-323-9020		gregy@longrealty.com	
		16707-Long Realty Company Lic#: CO000192011		520-326-1122					
Terms: Cash; Conventional; Submit				Property Disclosure: Deed Restrictions; Unknown				Special Condition:	
Co-Op Fee: 3%		Variable Commission: Yes		Exclusive Agency:		Limited Service:		Distressed Info: None	
								DOM/CDOM: 97/279	
Listing Date: 01/30/2017		Pending Date: 06/12/2017		Status Change Date: 06/22/2017		Sold Date: 06/22/2017			
Sold Price: 65,000		Sold Date: 06/22/2017		How Sold: Cash		Seller Concessions: 0			
Sold Price/SqFt.:						Seller Paid Repairs:			
Sold Lot Price/SqFt.: 20,312.5						Comparable Only Listing: No			
Selling Agent:		Name		Primary		Mobile		E-mail	
Co Selling Agent:		Mary Provost		520-906-6398		520-906-6398		mjprovost@msn.com	
Selling Office:		Greg Yares				520-323-9020		gregy@longrealty.com	
		Long Realty Company		520-326-1122					
Seller: John & Victoria Meyer. Purchasers: Barcelo Investments LLC (builder). 20171730531, confirmed with co-listing agent, 20181087ph, considered to have been arm's length, fair price, typical motivations, however on the market for a long time. Moderately upward sloping to south; little city views, average surrounding hills/mountains; Painted Hills Park to the north, across Anklam (roughly 1/2 of site northern boundary). Irregularly shaped, adjacent western residence quite close and looks down on the site. Project is gated but gate is roughly 1/2 way into site and site is adjacent to Anklam, thus not truly gate protected									



SITE SALES COMPOSITE MAP



Site Value Analysis

Five sales have been selected for the subject value analysis. The comparables were selected due to their being western, lower density, single family sites influenced by proximity to parks or open space preserves. As each of the properties is considered to be a home-site (potential), as is the subject parcel, the comparables are adjusted on an overall homesite basis.

The sales occurred from July 2015 through June 2018, market conditions are considered to have been stable over the past year, not requiring adjustment; sale 5 is adjusted upward for moderate appreciation over this period.

The comparables are all considered to be similar in location, zoning, site utility and access/visibility, no adjustments are considered necessary.

Comparables 1, 2, 4 and 5 are similar to the subject in size, not requiring adjustment; sale 3 is moderately larger and therefore adjusted downward.

Sales 1, 2 and 5 are gated communities, considered to be an amenity offering greater security and therefore adjusted downward; however, as mentioned, each of these sales are adjacent to public roadway, thus reducing such security. Sales 3 and 4 are similar to the subject, not requiring adjustment.

As mentioned, the subject is adjacent to new Pima County park/preserve on two sides with Painted Hills across the street north of Anklam. The comparables are all similar to the subject though to a lesser degree; views available are also comparable though some offering superior and some inferior views overall. Comparables 1-3 and 5 are judged inferior to the subject overall and are therefore adjusted upward accordingly, sale 4 superior and therefore adjusted downward.

Site Value Conclusion

The unadjusted comparables sold in a relatively wide range, \$65,000 to \$120,000, the range considered to be due to uniqueness of each site and what was available at the time of sale. Sales 1-3 and 5 have net upward physical adjustment, largely due to the subject's greater preserve influence, sale 4 is adjusted downward for greater view. With moderately greater emphasis on sales 1 and 4 and less on sales 3 and 5, representing the two extremes, a subject value at \$94,000, roughly \$28,400 per acre, subject to extraordinary assumptions noted, is considered reasonable.

Greater detail concerning the comparable sales and their adjustment when compared to the subject site is available on the following grid:

SITE SALES COMPARISON SUMMARY						
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
			3710 W	909 N		4200 W
Location	3401 W Anklam	435 N Resort Hills Pl	Estate Hills Pl	Camino De Oeste	6780 W Sunset Rd	Mountain Side
Tax ID Number	116-09-011A	116-09-4390	116-09-010G	212-11-014M	214-35-006B	116-08-031
Sales Data						
Date of Sale	N/A	Feb-17	Dec-16	Jul-15	Jun-18	Jun-17
Sales Price	N/A	\$95,000	\$72,000	\$120,000	\$97,500	\$65,000
Site Size (AC)	3.31	3.74	3.60	4.28	3.31	3.20
Price per Acre	N/A	\$25,401	\$20,000	\$28,037	\$29,456	\$20,313
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	N/A	\$95,000	\$72,000	\$120,000	\$97,500	\$65,000
Conditions of Sale	Average	Average	Average	Average	Average	Average
Condition Adjustment	0%	0%	0%	0%	0%	0%
Market Condition (Time)	N/A	Feb-17	Dec-16	Jul-15	Jun-18	Jun-17
Market Conditions Adj.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted price	N/A	\$95,000	\$72,000	\$120,000	\$97,500	\$65,000
Physical Characteristics						
Location	Average	Similar	Similar	Similar	Similar	Similar
Size	3.31	3.74	3.60	4.28	3.31	3.20
Zoning	SR	SR	SR	SR	SR	SR
Impvts/Amenities	None	Gated*	Gated*	None	None	Gated*
View/Park	City, Mtns	Inferior	Inferior	Inferior	Sup/Inf	Inferior
Site Utility/Utilities	Average	Similar	Similar	Similar	Similar	Similar
Access/Visibility	Average	Similar	Similar	Similar	Similar	Similar
Adjustments						
Location	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	0.0%	0.0%	-5.0%	0.0%	0.0%
Zoning	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Impvts/Amenities	0.0%	-5.0%	-5.0%	0.0%	0.0%	-2.5%
View/Park	0.0%	10.0%	10.0%	10.0%	-5.0%	25.0%
Site Utility/Utilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Access/Visibility	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Physical Adjustments	Same	Upward	Upward	Upward	Downward	Upward
Net Adjustment (Overall)	0.0%	5.0%	5.0%	5.0%	-5.0%	22.5%
Adjusted Comp Price		\$99,750	\$75,600	\$126,000	\$92,625	\$79,625
Subject Value Opinion	\$94,000					
Subject Value (\$/Ac)	\$28,399					

Demolition Cost

As highest and best use is considered to be the demolition and removal of existing improvements for site redevelopment, the cost of this removal must be deducted from the above estimate of value as if unimproved and ready for development.

Demolition and removal cost has been estimated by Marshall Valuation service at approximately \$22,000; Catclaw Contracting, local demolition contractor provided an estimate at demolition at approximately \$25,000, if a NESHAP (National Emission Standards for Hazardous Air Pollutants Compliance) was required, the cost would be an additional \$2,000, not including the cost of abatement if any hazardous materials are found, this estimate would also be amended if it is determined that a historical review is necessary. Based on the two sources, an estimate of approximately \$25,000 for demolition is utilized, deducting this cost from the above indication of site value as if ready for development yields an opinion of as is value at \$69,000 (\$94,000-\$25,000).

STATEMENT AND CERTIFICATION OF APPRAISER

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

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

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

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

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

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

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

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

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

I made a very limited personal inspection of the property that is the subject of this report.

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

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

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

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

I am competent to complete the appraisal.

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

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING



9/14/2018

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

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

APPENDIX

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

LIMITING CONDITIONS AND ASSUMPTIONS

of Standard Real Estate Appraisal

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

1. Information Used, Trade Secrets

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

2. Authentic Copies, Changes, Modifications

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

3. Use of Appraisal, Limit of Liability

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

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

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

4. Court Testimony

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

5. Copies, Publication, Distribution of the Report

Possession of any copy of this report shall not authorize or empower the client or any third party with any publication rights whatsoever, or with any authorization to use the appraisal other than for its intended and stated purpose noted in the agreement and/or in the report. The physical report(s) shall remain the property of the appraiser(s) at all times and appraiser(s) hereby grant the client permission to use the appraisal report(s) solely for the purposes set forth. The client agrees that the payment of the appraisal fee is in exchange for the analytical services of appraiser(s) and by the payment of said fee, the client has not purchased the appraisal report. With the exception of public disclosure indicated below, neither all nor any part of this appraisal report shall be given, recited, published, copied, distributed, nor in any way

communicated to third parties in any manner, in whole or in part, without the prior written consent of the appraiser(s).

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

6. Confidentiality

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

7. Measurements, Exhibits

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

8. Legal, Title, and Market Value Premise

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

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

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

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

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

10. Utilities

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

11. Legality of Use, Management of Property

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

12. Component Values, Special Studies

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

13. Inclusions.

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

14. Proposed Improvements, Conditional Value

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

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

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

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

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

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

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

17. Information furnished by Client and Third Parties

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

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

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

19. Americans With Disabilities Act (ADA)

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

20. Environmental

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

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

21. Report Type

This is 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. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

22. Other Information for Readers

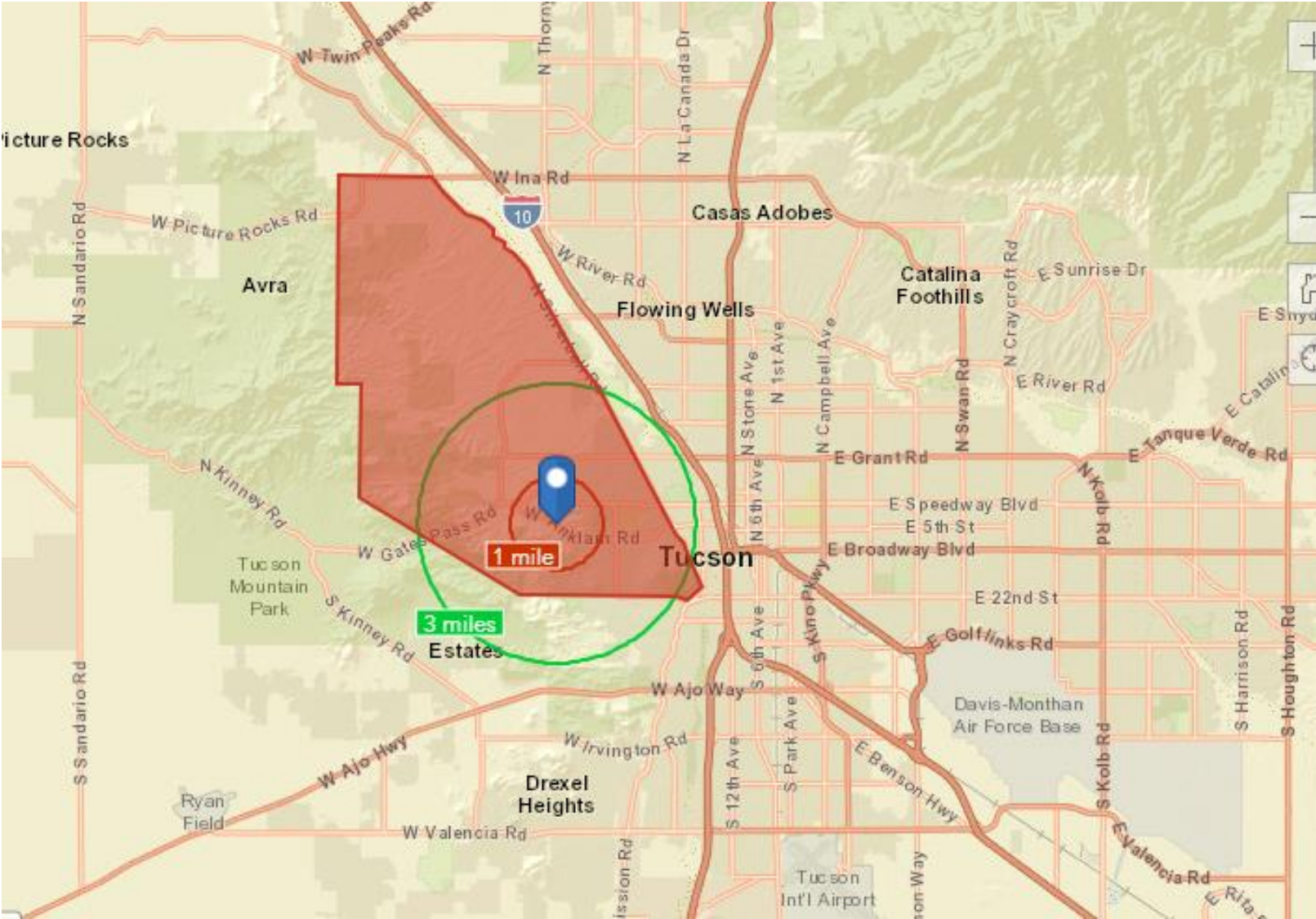
We recommend that if sewer or septic connection, or condition of same, is of concern to client or other readers of this report, a qualified expert should be hired to inspect the system and perform appropriate tests as he/she deems necessary. Further, if water source, status, possible toxic influences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

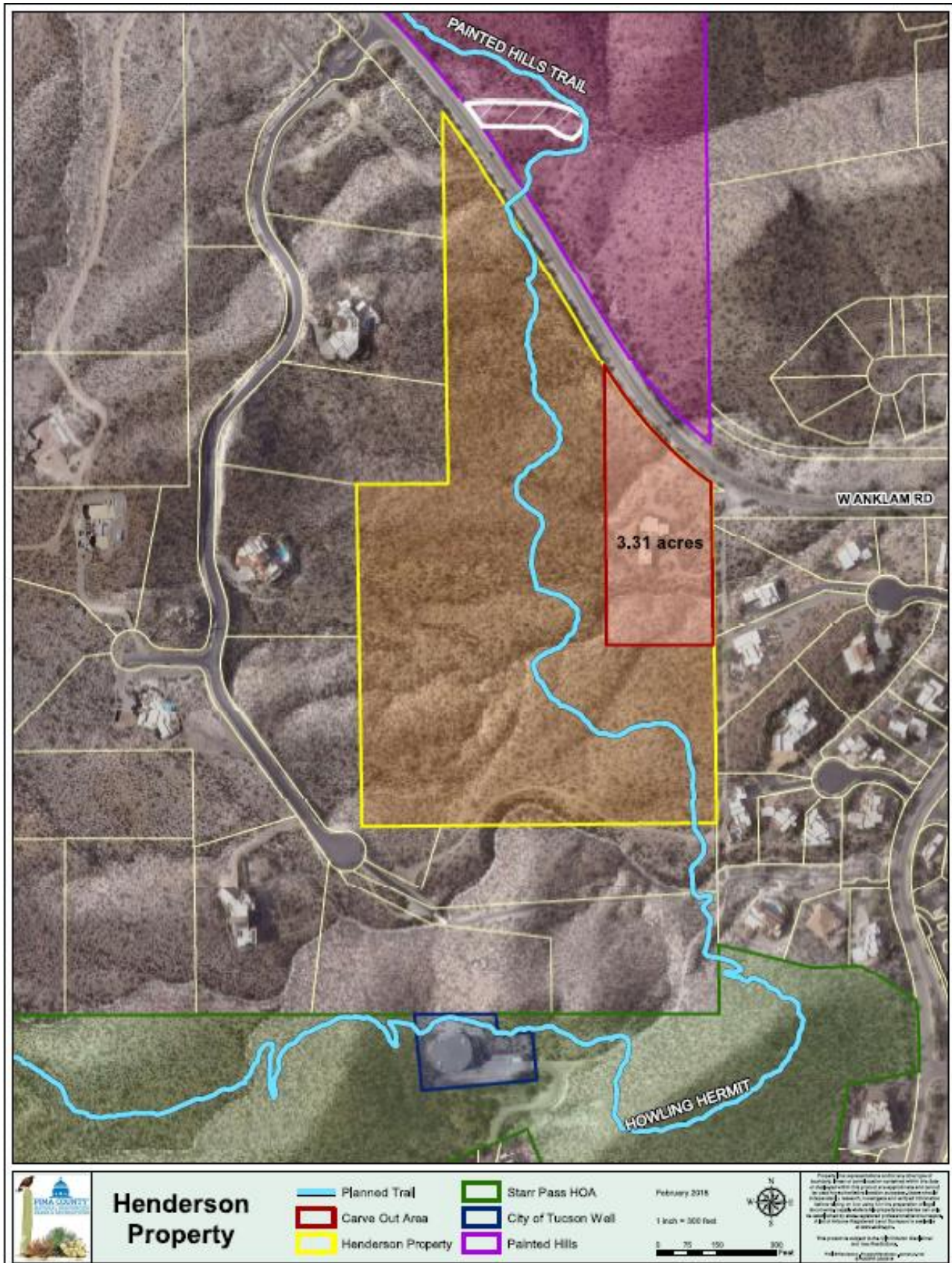
23. Conclusion

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

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

SUBJECT EXHIBITS
MARKET AREA MAP





Legal Description/Survey



30 April 2018

EXHIBIT "A" LEGAL DESCRIPTION

All that portion of the East Half of the Southwest Quarter of Section 08, Township 14 South, Range 13 East, Gila & Salt River Meridian, Pima County, Arizona, and as described in Sequence No. 20131201610, recorded in the office of the Pima County Recorder, more particularly described as follows:

COMMENCING at the southeast corner of said Southwest Quarter of Section 08, a GLO brass cap survey monument, to which the northeast corner of said Southwest Quarter of Section 08, a ½" rebar untagged bears North 00°41'24" West a distance of 2661.77 feet;

THENCE along the east line of said southwest quarter North 00°41'24" West a distance of 931.29 feet to the **POINT OF BEGINNING**;

THENCE South 89°18'36" West a distance of 269.14 feet to a point on a line 269.14 feet west of and parallel with said east line of the southwest quarter;

THENCE along said parallel line North 00°41'24" West a distance of 711.07 feet to a point on the southwesterly right of way line of Anklam Road, being a point on a curve concave to the northeast having a radius of 848.51 feet and to which a radial line bears South 60°47'53" West;

THENCE along the arc of said curve to the left and said southwesterly right of way line through a central angle of 16°00'05" a distance of 236.97 feet to a point of tangency;

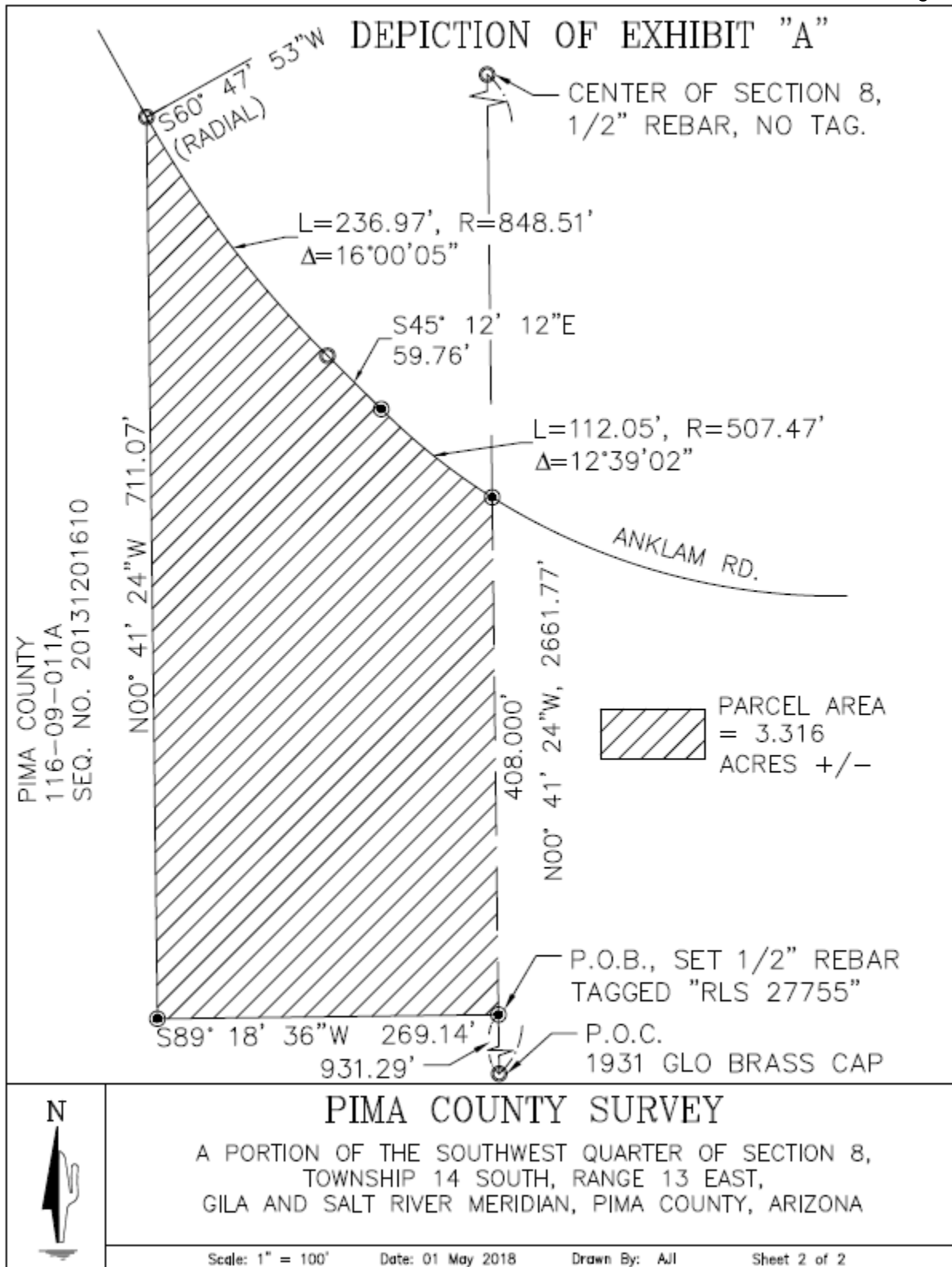
THENCE continuing along said southwesterly right of way line South 45°12'12" East a distance of 59.76 feet to the beginning of a tangent curve concave to the northeast having a radius of 507.47 feet and a central angle of 12°39'02";

THENCE continuing along said southwesterly right of way line and arc of said curve to the left a distance of 112.05 feet to a point on the east line of said southwest quarter;

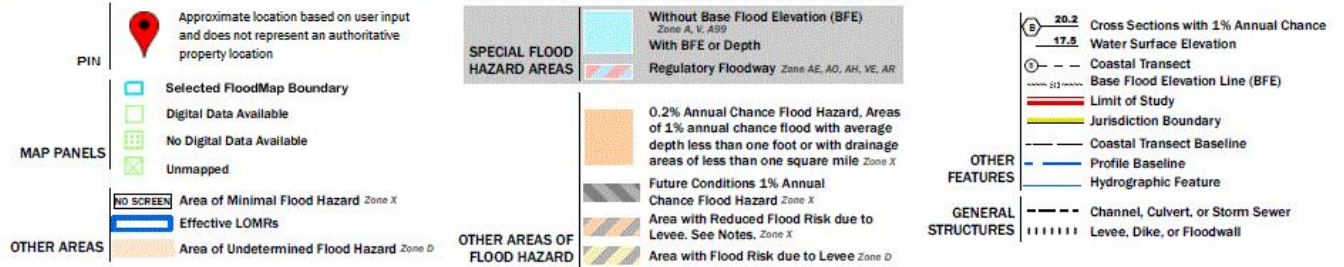
THENCE along said east line South 00°41'24" East a distance of 408.00 feet to the **POINT OF BEGINNING**.



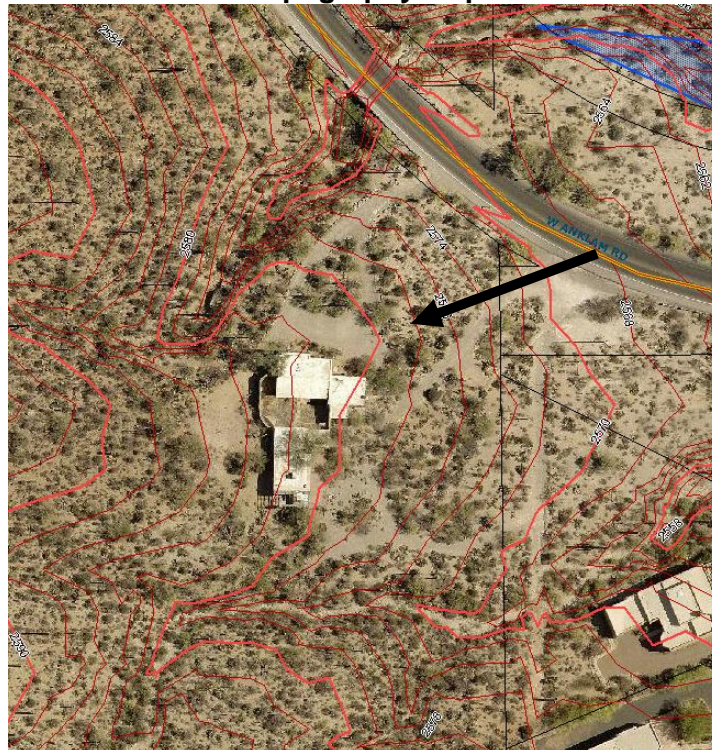
Expires 31 March 2021



FEMA FLOOD MAP



Topography Map

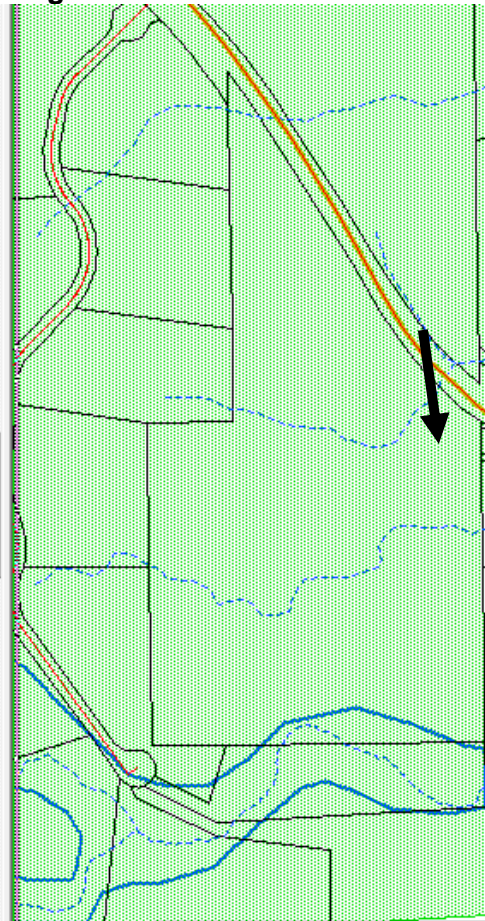


ZONING MAP



CLS Designation

- ☐ Planning Areas
- ☐ Land Use Intensity Labels
- ☐ Land Use Intensity
- ☐ Rezoning Policies - Labels
- ☐ Rezoning Policies
- ☐ Special Area Policies - Labels
- ☐ Special Area Policies
- ☐ Flood Control Resource Areas
- ☐ Congressional Districts - U.S.
- ☒ Conservation Lands System - Adopted
 - ☐ Special Species Management Areas
 - ☐ Scientific Research Areas
 - ☒ CLS Categories
 - ☒ AGRICULTURE INHOLDINGS WITH
 - ☒ BIOLOGICAL CORE MANAGEMENT
 - ☒ IMPORTANT RIPARIAN AREAS
 - ☒ MULTIPLE USE MANAGEMENT AREAS
- ☒ Development Instruments - Pima County
 - ☐ Development Permits
 - ☐ Development Plans - Historical
 - ☐ Development Approvals - Historical
 - ☐ DOT Improvement Plans - Historical
 - ☐ Landscape Plans
 - ☐ Native Plant Plans
 - ☐ Tentative Plats
 - ☐ Development Plans - Incorporated Areas
 - ☐ Electric Company Service Areas
 - ☐ Empowerment Zone - Tucson
 - ☐ Enterprise Zone - Tucson Pima
 - ☐ EPA Brownfields Pima County Target Areas
 - ☐ Fire Taxation Districts
 - ☐ Golf Courses - Pima County
 - ☐ Historic Districts - National Register - Pima



Subject Photos

Main House Front-North Side View



Main House West Side View (Courtyard Wall)



Main House formerly screen enclosed porch



Bedroom



¾ Bath



Kitchen



Den



Den Ceiling



Guest House East Side View



Guest House west patio



Guest House west and south sides view (formerly screened porch)



Guest House Interior



Kitchen



Garage, Storage, Well rooms North Side



Pump Room



Garage



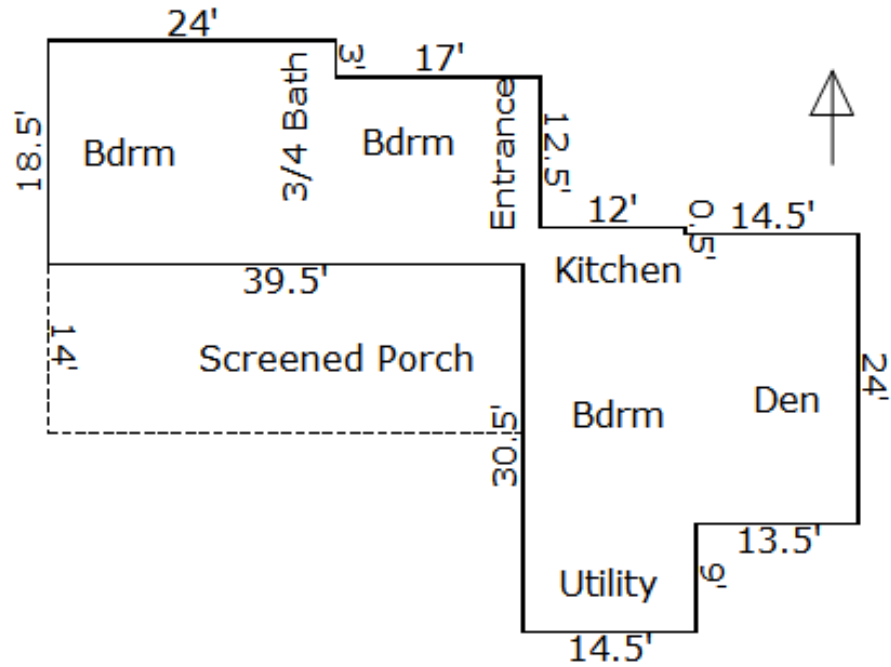
City View from Guest House Eastern Patio



North-northwest Desert-Mountain Views



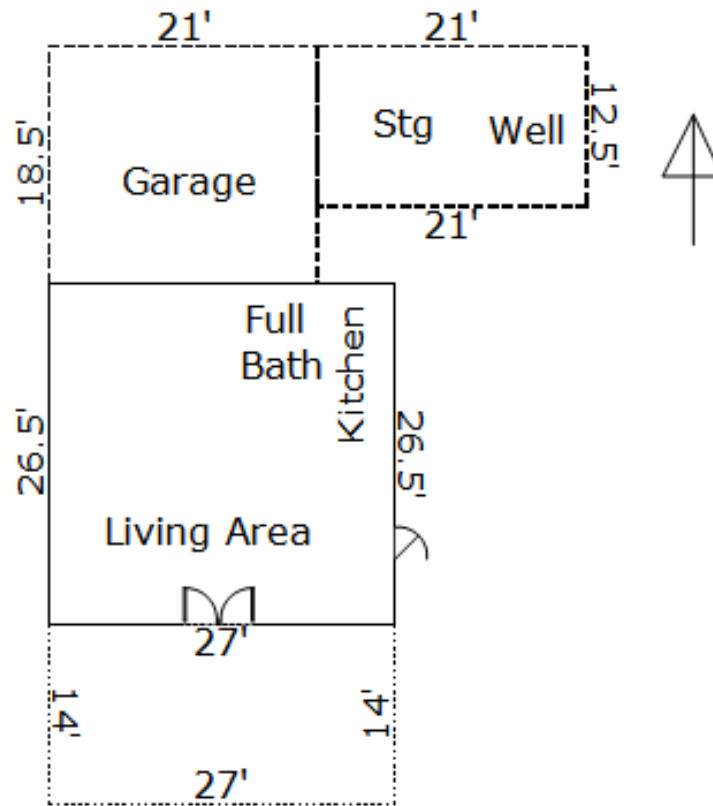
Floor Plans



TOTAL Sketch by e la mode, Inc.

Area Calculations Summary

Living Area		Calculation Details	
Main House	1512.25 Sq ft	18.5 x 24 =	444
		15.5 x 15.5 =	240.25
		14.5 x 9 =	130.5
		28 x 24 =	672
		1.5 x 12.5 =	18.75
		0.5 x 13.5 =	6.75
Total Living Area (Rounded):		1512 Sq ft	
Non-living Area			
Screened Porch	553 Sq ft	39.5 x 14 =	553



TOTAL Sketch by a la mode, Inc.

Area Calculations Summary

Living Area		Calculation Details
Guest House	715.5 Sq ft	$27 \times 26.5 = 715.5$
Total Living Area (Rounded):	716 Sq ft	
Non-living Area		
Stg/Well	262.5 Sq ft	$12.5 \times 21 = 262.5$
Garage	388.5 Sq ft	$21 \times 18.5 = 388.5$
Screened Patio	378 Sq ft	$27 \times 14 = 378$

Select Title Commitment Documentation

ALTA COMMITMENT FOR TITLE INSURANCE SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

File No.: 276499

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

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

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

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

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

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

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

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File No.: 276499

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

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

ISSUED BY
STEWART TITLE GUARANTY COMPANY

9. Any action by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.
10. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.
11. Reservations or exceptions in Patents from the United States of America, recorded in [Book 245 of Deeds, page 62.](#)
12. Easement for Transmission lines, and rights incident thereto, as set forth in instrument recorded in [Book 59 of Miscellaneous Records, page 562](#)
13. Easement for telephone and telegraph lines, and rights incident thereto, as set forth in instrument recorded in [Book 66 of Miscellaneous Records, page 362.](#)
14. Easement for right of way, and rights incident thereto, as set forth in instrument recorded in [Book 70 of Miscellaneous Records, page 619.](#)
15. Easement for electric lines, and rights incident thereto, as set forth in instrument recorded in [Book 77 of Miscellaneous Records, page 7.](#)
16. Terms and conditions as contained in Water Service Agreement recorded in [Docket 2923, page 121](#)
17. Easement for right of way , and rights incident thereto, as set forth in instrument recorded in Docket 4445, page 518 and re-recorded in [Docket 4492, page 266](#) and in [Docket 11871, page 363.](#)
18. Easement for ingress and egress, and rights incident thereto, as set forth in instrument recorded in [Docket 9723, page 1857.](#)
19. Terms, conditions, restrictions, qualifications, reverter rights and limitations as contained in instrument entitled Trustee's Deed recorded in [Docket 11871, page 363](#)
20. Terms, conditions, restrictions, qualifications, rights and limitations as set forth in instrument recorded in [Sequence No. 2013-1201610.](#)
21. Terms, conditions, restrictions, covenants, easements, reservations, liabilities and obligations as set forth in Master Restrictive Covenant For Pima County MSCP Mitigation Land recorded in [Sequence No. 2016-3130354;](#)

Site-Specific Agreement to Master Restrictive Covenant (Pima County MSCP Mitigation Land) recorded in [Sequence No. 2017-3530137.](#)
22. Matters as disclosed by survey recorded in [Book 52 of Record of Surveys, page 68.](#)
23. Established and or existing roads, roadways and highways with particular reference to Anklam Road.

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

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Dated Repair Cost Estimates

DESERT EARTH & WOOD, LLC
GENERAL CONTRACTOR

Tel: (520) 624-5602 • Fax: (520) 624-5521
421 N. 5th Ave., Suite 107, Tucson AZ 85705
ROC 243367 KB-01

Remodel Estimate

To:
Rita Leon
201 N. Stone Avenue, 6th Floor
Tucson, AZ 85701

Date: March 12, 2015

Job: Renovation of 3401 W Anklam Road

Estimated Costs:

• General Remodel, Cleanup and HVAC Upgrades Main House 2181 Square Feet	\$76,000.00
• General Remodel, Cleanup and HVAC Upgrades Guest House	39,000.00
• General Cleanup of Out Buildings	1,500.00
• Upgrade and renovate Electrical Systems supplying Dwellings	21,000.00
• Roofing Repairs to entire Compound and Replacement of 800 Sq Ft	18,000.00
• Architectural Documentation	3,000.00

Total Estimated Costs: **\$158,500.00**

Respectfully submitted by:



Timothy Barrett

03/12/2015

Date

Antigua Builders, LLC
5454 E. 3rd St.
Tucson, AZ 85711

PROPOSAL

3/10/2015

Pima County Housing
3401 W. Anklam
Tucson, AZ 85701

Guest House

- 1 Demo:** Remove exterior front porch
 - 2 Floor:** Demo existing Parquet and VCT and clean
 - 3 Walls:** Paint interior walls with 2 coats of D.E. Suprema Velvet.
 - 4 Ceilings:** Wood beam ceilings to remain.
 - 5 Electric:** Install electric from junction box to receptacles and lights
 - 6 Mech:** Install new 2 ton A/C package unit to roof
 - 7 Plumbing:** Clean all plumbing lines and service water heater, sinks and toilets.
 - 8 Stucco:** Apply 2 coat system of stucco to exterior walls
 - 9 Painting:** Paint exterior trim, doors and metal window sash
 - 10 Roof:** Patch and apply 2 coats of Sta Kool roof coating
- Total Bid 19,650.00**

Main House

- 1 Floors:** Clean concrete and patch and paint both bedroom floors.
 - 2 Walls:** Paint interior walls with 2 coats of D.E. Suprema Velvet.
 - 3 Ceilings:** Wood beam ceilings to remain and drywall ceilings patch and paint.
 - 4 Electric:** Install new 200 amp panel and feed guest house and all main house.
 - 5 Mech:** Install new 4 ton A/C package unit to roof.
 - 6 Plumbing:** Clean all plumbing lines and service water heater, sinks and toilets.
 - 7 Painting:** Paint exterior trim, doors and metal window sash
 - 8 Stone:** Patch holes in the exterior stone of house.
 - 9 Roof:** Patch and apply 2 coats of Sta Kool roof coating
- Total Bid 39,740.00**

A Payment Schedule: 40% Down and Progress Payments.

All material is guaranteed to be specified. All work to be completed in a substantial workman like manner according to specifications submitted per standard practice.

AUTHORIZED SIGNATURE: EDWARD PEREZ

Acceptance of Proposal: The above prices, specifications and conditions are accepted.
You are authorized to do the work specified.

ACCEPTED BY: _____ **DATE:** _____

Pima County Appraisal Request



REAL PROPERTY SERVICES
201 N. Stone Avenue, Sixth Floor,
Tucson, Arizona 85701-1215
(520) 724-6306
jeffrey.teplitsky@pima.gov

PIMA COUNTY REAL PROPERTY REQUEST FOR FEE QUOTE

July 20, 2018

Property Identification:	Existing SFR – poor condition
Property Address:	3401 West Anklam Road
Property Owner:	Pima County
APN:	116-09-011A
Intended Use:	Determine fee simple value for potential sale of property
Intended User:	Pima County, Pima County RPS, and/or designated users
Type of Opinion:	Fee Simple
Effective Date of Value:	As of date of inspection
Scope of Work:	TBD
Pima County RPS Contact:	Jeff Teplitsky, Appraisal Supervisor, Real Property Services
Appraisal Requirement:	Appraisal to be completed per USPAP and Pima County requirements.
Assignment Conditions:	Appraiser herein understands and agrees to the following conditions pertaining to the appraisal assignment

- **Appraiser** shall determine specific date of delivery;
- Any request for additional time to complete the appraisal shall be made in writing;
- Draft appraisal shall be sent to Pima County Real Property via email/PDF and clearly marked as "DRAFT";
- Invoice for appraisal may be submitted with draft appraisal report;
- Appraiser herein understands that payment of invoice shall be approximately 30 days from submittal of invoice to Pima County Real Property;
- Draft appraisal shall be reviewed for quality control by Pima County Real Property appraisal staff;
- Quality control review of draft appraisal shall be completed in a timely manner from the date of submittal;
- Comments/Corrections generated by the quality control review shall be submitted to **Appraiser** in written format for review/comment by **Appraiser**;
- Any corrections/changes to be made to the appraisal shall be completed in a timely manner by **Appraiser** after receiving the comments/corrections;
- Completed appraisal shall be sent via email/PDF with one original paper version delivered to Pima County Real Property;
- If the **Appraiser** determines for any reason that they will not be able to complete the appraisal assignment for Pima County Real Property per the terms of this Scope of Work Pima County shall not be obligated to pay the full fee agreed upon for the completed appraisal.
- Pima County RPS may request that the appraiser complete a formal letter related to property owner inquiries about the completed appraisal report. Said letters shall be prepared on appraisers' letterhead and considered as an addendum to the original appraisal report. Said letters billed at an hourly rate not to exceed \$150 per hour.

CONSULTANT'S QUALIFICATIONS
PAUL D. HENDRICKS, MAI
4708 E. Scarlett, Tucson, AZ 85711
(520) 881-1260; FAX (520) 325-6512
Email: pdhend@cox.net

EDUCATION

Academic

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

Valuation

*

Appraisal Courses and Examinations:

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

Appraisal Seminars

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

- * Due Diligence/Environmental Checklist
- * Residential Appraisal Techniques
- * FEMA Flood Hazard
- * Arizona Appraisal Law
- * Construction and Engineering Awareness
- * Reviewing Appraisals
- * Small Residential Income Property Appraisal
- * Hazardous Materials
- * Litigation Valuation
- * Appraiser as Expert Witness
- * Partial Interest Valuation; Undivided
- * Land Valuation Assignments
- * Residential & Commercial Solar Valuation
- * Uniform Standards Appraisal Federal Land Acquisitions

EXPERIENCE

November 1995 - Present:

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

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

1994-November 1995:

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

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

1986-1993:

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

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

1979-1986:

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

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

PROPERTIES

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

COMPUTERS

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

PROFESSIONAL AFFILIATIONS

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

GEOGRAPHIC WORK/MARKET EXPERIENCE

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

EXPERT WITNESS EXPERIENCE

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

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

SPECIAL PROJECTS

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

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

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

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