

## APPRAISAL REPORT

PREPARED FOR: Ms. Renee Marruffo  
Right of Way Supervisor  
Land Resources – RC131  
Tucson Electric Power & UNS Energy Corp.  
3950 E. Irvington Road  
Tucson, AZ 85714-2114

PREPARED BY: Beverly Weissenborn, MAI  
Weissenborn Appraisal, LLC  
326 S. Convent Avenue  
Tucson, AZ 85701

DATE OF VALUE: May 2, 2019

DATE OF THE REPORT: May 17, 2019

WA FILE NUMBER: 03-19-13-L

PROJECT: Sonoran to Wilmot Energy Center – 138 kV  
Transmission Line Easement

OWNER: Pima County

PROPERTY: 4.63 acres of vacant land

LOCATION: Southwest corner of Old Vail  
Connection Road and Swan Road,  
Pima County, Arizona

ASSESSOR  
PARCEL  
NUMBER: 303-70-0040



May 17, 2019

Ms. Renee Marruffo  
Right of Way Supervisor  
Land Resources – RC131  
Tucson Electric Power & UNS Energy Corp.  
3950 E. Irvington Road  
Tucson, AZ 85714-2114

RE: Appraiser's File No.: 03-19-13-L  
Sonoran to Wilmot Energy Center Project  
Transmission Line Easement Acquisition

Dear Ms. Marruffo:

At your request, I have developed an opinion of market value of 4.63 acres of vacant land located at the southwest corner of Old Vail Connection Road and Swan Road, Pima County, Arizona.

The date of value is May 2, 2019, the date of the property inspection. The intended use of the appraisal is to assist Tucson Electric Power Company with the acquisition of a 0.449 acre transmission line easement needed in conjunction with the Sonoran to Wilmot Energy Center. The intended users of the appraisal are the authorized representatives for Tucson Electric Power Company and the parent company UNS Energy Corporation.

This Appraisal Report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the 2018-19 edition of the *Uniform Standards of Professional Appraisal Practice*. The appraisal is presented in a brief narrative report that includes summary property descriptions, data and reasoning used to develop the appraiser's opinion of market value for the subject property. Since the client and intended users of the appraisal are familiar with the subject neighborhood, a detailed description of the neighborhood has been omitted.

This report is being prepared for Tucson Electric Power Company. This report or any portion thereof is for the exclusive use of the client and is not intended to be used, sold, transferred, given, or relied on by any other person other than the client without the prior, expressed written permission of the author, as set forth within the Limiting Conditions contained in this report.

Based upon my judgment and the data and discussions contained in this report, my opinion of value of the subject property is as follows:

**OPINION OF MARKET VALUE OF THE  
SUBJECT PROPERTY, BEFORE THE ACQUISITION.....\$30,000**

**OPINION OF VALUE OF THE PART TO BE  
ACQUIRED AS PART OF THE WHOLE**

**Transmission Line Right-of-Way Easement.....\$2,618**

**OPINION OF MARKET VALUE OF THE REMAINDER  
BEFORE THE ACQUISITION .....\$27,382**

**OPINION OF MARKET VALUE OF THE REMAINDER  
AFTER THE ACQUISITION .....\$27,382**

**SEVERANCE DAMAGES .....\$0**

**SPECIAL BENEFITS.....\$0**

**TOTAL DIFFERENCE .....\$2,618**

**Hypothetical Condition:**

A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. In the case of the subject property the following hypothetical condition is invoked as of the date of valuation.

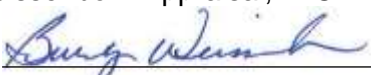
1. As encumbered (after valuation), a hypothetical condition is made that assumes the transmission line and easement are in place as shown on the survey prepared by Taylor J. Webb.

**The use of the hypothetical condition could impact the assignment results.**

I hereby certify that to the best of my knowledge and belief, all statements and opinions contained in this appraisal report are correct. This transmittal letter is not valid for any purpose unless accompanied by the appraisal referred to herein.

Respectfully submitted,

Weissenborn Appraisal, LLC

By   
Beverly Weissenborn, MAI  
Arizona Certified General  
Real Estate Appraiser #30125



Aerial of Subject Property



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### **Contingent and Limiting Conditions**

The certification of the Appraiser appearing in the report is subject to the following conditions, and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

This report is being prepared for my client. This report or any portion thereof is for the exclusive use of the client and is not intended to be used, sold, transferred, given or relied on by any other person than the client without the prior, expressed written permission of the author, as set forth within the Limiting Conditions contained in this report.

The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership, competent management and adequate marketing typical for that type of property.

The Appraiser has made no survey of the property. Any sketch or map in the report may show approximate dimensions and is included for illustrative purposes only. It is the responsibility of a certified engineer, architect or registered surveyor to show by a site plan the exact location of the subject property or any improvements or any proposed improvements thereon, or the exact measurements or calculations of estimated area of the site. In the absence of such a survey, the Appraiser may have utilized Tax Assessor's maps or other maps provided by the client which may not represent the exact measurements of the subject property or other comparable information utilized to determine the value of the subject property. Any variation in dimensions or calculations based thereon may alter the opinions of value contained within the report.

In determining the opinion of value of the subject property and in analyzing comparable information, the Appraiser has relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include, but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans and the like. In the opinion of market value, the Appraiser may consider the extent to which a knowledgeable and informed purchaser or seller, as of the date of the appraisal, would reflect the reasonable probability of changes in such land uses becoming actualized in the future. To the extent that these plans may change, the value opinions of this report may also change.

In the absence of a professional Engineer's Feasibility Study, information regarding the existence of utilities is made only from a visual inspection of the site. The Appraiser assumes no responsibility for the actual availability of utilities, their capacity or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons.

The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless prior arrangements have been made and confirmed in writing.

Any allocation of the valuation in the appraisal report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any appraisal and are invalid if so used.

The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors. To the extent that published data from public agencies is available on the above, the Appraiser has made an effort to consult this information.

Unless otherwise stated within this report, the existence of hazardous materials, which may or may not be present within or on the property, will not be considered by the appraiser. The Appraiser assumes, and the client warrants, that no such materials adversely affect the utility, usability or developability of the property to the best of their knowledge. The Appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas or other potentially hazardous materials may affect the opinion of value of the property. The value opinion has been predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. If at a later time hazardous materials or substances are discovered, the Appraiser reserves the right, for an additional agreed upon fee, to re-analyze and re-value said property, taking into account the discovery of such factor or factors and their effects on the value of the subject property.

Information, estimates and opinions furnished to the Appraiser and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser can be attributed to the Appraiser.

Disclosures of the contents of the report by the Appraiser are governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.

On all reports which are undertaken subject to satisfactory completion of, alterations of or repairs to improvements, the report and value conclusions contained in it are contingent upon completion of the improvements or of the repairs thereto or alterations thereof in a workmanlike manner and consistent with the specifications presented to the Appraiser.

The appraiser has not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which is identified as an endangered or threatened species by the U.S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraiser is not qualified to detect or analyze such plants and wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. It is possible that a survey of the property could reveal that the site contains endangered or threatened plants or wildlife. If so, this fact could have a negative effect on the value of the property. Since the appraiser has no direct evidence relating to this issue, possible endangered or threatened species were not considered in valuing the property.

The use of this report or its analysis and conclusions by the client or any other party constitutes acceptance of all the above limiting conditions.

**Hypothetical Condition:**

A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. In the case of the subject property the following hypothetical condition is invoked as of the date of valuation.

1. As encumbered (after valuation), a hypothetical condition is made that assumes the transmission line and easement are in place as shown on the survey prepared by Taylor J. Webb.

**The use of the hypothetical condition could impact the assignment results.**

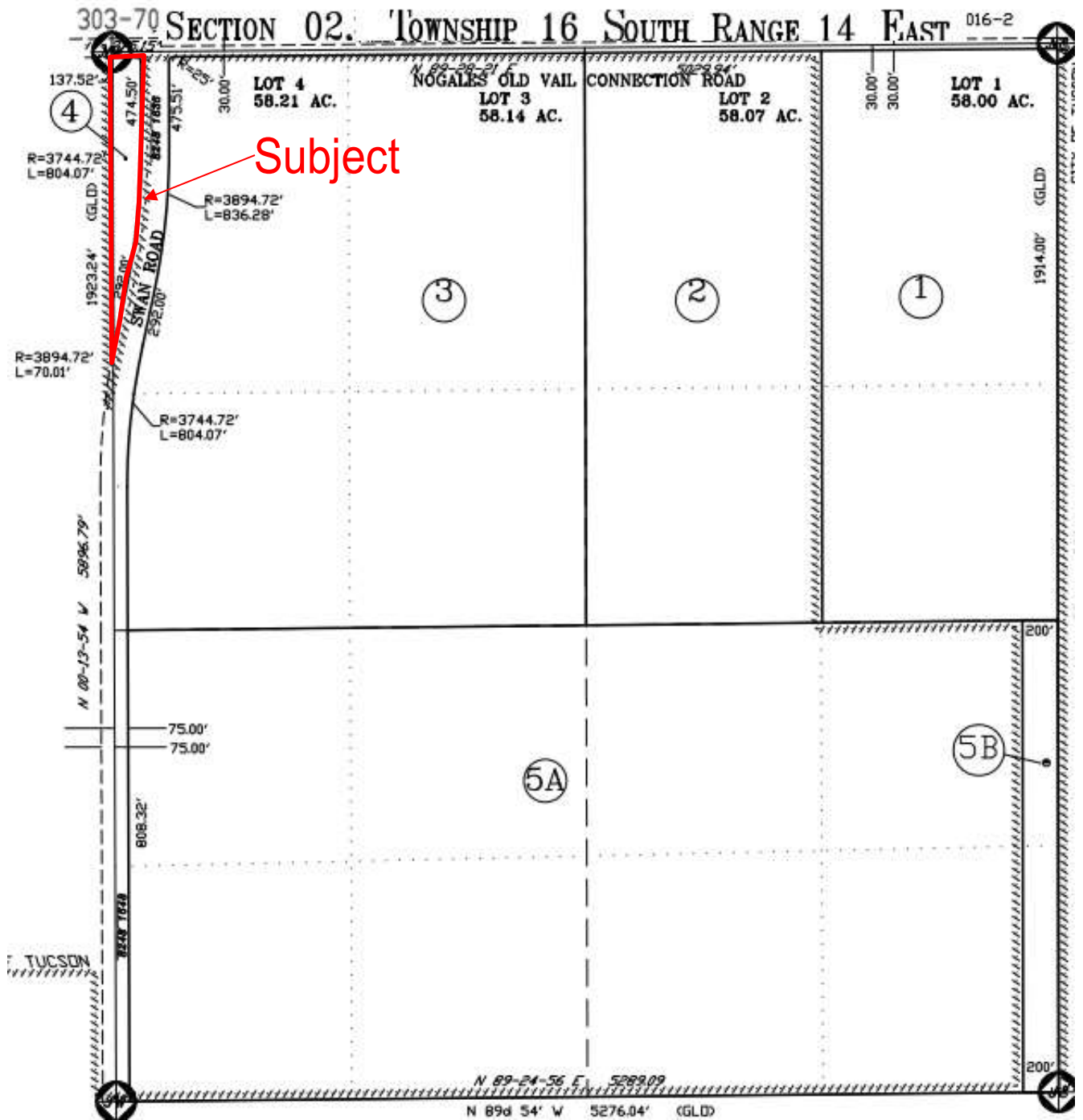


**Descriptive Summary**

<b>Subject Property:</b>	A 4.63 acre parcel of vacant land.
<b>Location:</b>	The property is located at the southwest corner of Old Vail Connection Road and Swan Road, Pima County, Arizona. It is in Section 2, T16S, R14E, G&SRM. The legal description is included in the title report in the Addenda
<b>Assessor Parcel No.:</b>	303-70-0040
<b>Owner of Record:</b>	On December 19, 2018, Sunshine Associates II quit claimed the subject property to Pima County. According to Dana Hausman, Senior Real Property Acquisition Agent with Pima County, the County had approached the property owner to acquire a 7,155.50 square foot sewer line easement along the north boundary. The widow of one of the owners wanted to dispose of excess parcels her husband had owned and decided to donate that portion of the property outside the easement. Upon closing, Pima County paid \$3,300 or \$0.44 per square foot for the portion that would have been encumbered by the easement. The balance of the remainder property was received by donation.
<b>Purpose of the Assignment:</b>	To develop an opinion of market value of the subject property before and after the acquisition of a transmission line easement.
<b>Client:</b>	Renee Marruffo, Right-of-Way Supervisor, Tucson Electric Power Company.
<b>Intended User:</b>	Representatives with Tucson Electric Power Company and the parent company UNS Energy Corporation.
<b>Intended Use:</b>	To provide a valuation basis for the potential acquisition of a 0.449 acre transmission line right of way easement across the northern portion of the subject property.
<b>Interest Appraised:</b>	Fee Simple subject to existing encumbrances.
<b>Effective Date of Value:</b>	May 2, 2019, the date of the property inspection.
<b>Date of the Report:</b>	May 17, 2019
<b>Site Description:</b>	The Pima County Assessor reports a site size of 4.63 acres.
<b>Shape:</b>	Long and narrow. The site has about 150 feet of frontage on Old Vail Connection Road and roughly 1,800 feet of frontage on Swan Road. The maximum depth is approximately 150 feet. It tapers to a point at the south end of the property.

<b>Access:</b>	Access is possible from both Old Vail Connection Road and Swan Road. At this time Old Vail Connection Road is two lane natural surface road. Swan Road is a two lane paved street maintained by Pima County. Of the three favored alternatives for the future Sonoran Corridor, Old Vail Connection Road is along two of the alternative routes. This will be discussed in greater detail later in this report.
<b>Utilities:</b>	Electric, telephone and fiber optic lines extend along the north boundary. There is also a main sewer line along the north side of Old Vail Connection Road. This line is available for local service. There is no municipal water in the area. Area residents and businesses rely on individual wells. The closest service is two miles east or 1.5 miles west of the site. Should municipal water be extended to the site, a booster station would be needed.
<b>Floodplain:</b>	According to FEMA Map 04019C 2900L, dated 06/16/11, the site is in Zone X, outside the 100-year floodplain. A minor wash bisects the site and would be subject to setbacks.
<b>Schedule B Restrictions:</b>	<p>According to the title report included in the Addenda, there is a 50-foot wide transmission line easement parallel to the north boundary. The existing 138 kV line and towers are within this easement. The electric distribution line, phone line and fiber optic line to the north appear to be within the Old Vail Connection Road right of way.</p> <p>A dirt road passes through the southern portion of the site. The road has been used to provide access from Swan Road to the parcel adjacent west. There is no recorded easement.</p>
<b>Improvements:</b>	None
<b>Zoning/Land Use:</b>	RH, Rural Homestead, Pima County. Minimum lot size 4.13 acres. Though the subject property is located in Pima County it is an isolated parcel sandwiched between the Tucson City Limits. There is no land use designation reported in the Pima Prospects Comprehensive Plan or the City of Tucson Comprehensive Plan.
<b>TIA Airport Environs Zone:</b>	<p>CUZ-3; Permitted residential uses include those uses allowed under the IR, RH, SR, RX-1 (UR), RX-2, R-1, R-2, MH-1 (MH), MH-2 (MHP), or R-3 providing such zoning was in place prior to May 16, 1990. Prohibited uses include public assembly of more than 50 persons.</p> <p>NCD-65 &amp; NCD-70; Permitted uses include site-built residential, places of public accommodation, and administrative and professional office. Sound attenuation to reduce the interior noise level to LDN-45 is required. Mobile homes are not allowed.</p>
<b>Marketing/Exposure Time:</b>	6 to 9 months based on current demand and the exposure times of the sales as reported on the Land Sales Tabulation.

## Plat Map



### **Definition of Market Value**

Market value, as utilized in this appraisal, and pursuant to Arizona Revised Statutes Sec. 3, Section 12-1122, C, is defined as follows:

“Value shall be determined by ascertaining the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.”

### **Interest to be Appraised**

The interest to be appraised is the fee simple estate, which is defined as:

“This interest in the fee is a fee without limitations to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power, and taxation. The property is appraised as if free and clear and without any restrictions or encumbrances which would limit the marketability of the property.”

### **Scope of the Appraisal**

In preparing this appraisal report, the appraiser:

- Inspected the subject property on May 2, 2019.
- Researched local real estate and economic conditions, including the effects of physical, social, economic, and governmental trends. For each approach used, factual data and the analysis and reasoning leading to the value conclusion are discussed. The Sales Comparison Approach was the only applicable approach to value.
- Developed an opinion of Highest and Best Use based on market trends, surrounding land uses and permitted uses under existing zoning.
- Searched for recent land sales published by the Tucson Multiple Listing Service that are comparable to the subject property in terms of size, location, and highest and best use. The search focused on sales south of I-10 between Old Nogales Highway, Sahuarita Road and State Highway 83. I attempted to find RH zoned sales ranging in size from 1 to 7 acres. The time span of the search extended from January 2016 through year-to-date 2019.
- Each of the sales was inspected and all but one sale was confirmed with a party to the transaction.

### **Highest and Best Use**

Highest and best use is defined in the 14th Edition of The Appraisal of Real Estate, published by the Appraisal Institute, as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value." (Page 333)

#### **Physically Possible:**

The subject property consists of a long, narrow shaped site located in the southern portion of metropolitan Tucson at the southwest corner of Old Vail Connection Road and Swan Road.

The site consists of 4.63 acres and has about 150 feet of frontage on Old Vail Connection Road and 1,800 feet of frontage on Swan Road. The northern half of the site has a width of 150 feet. As the alignment of Swan Road curves west, the width of the site narrows and comes to a point at the south boundary.

Old Vail Connection Road is a 2-lane natural surface road that intersects with Wilmot Road about two miles east of the subject property. From Swan Road, it extends west to Old Nogales Highway but this segment is not regularly maintained and passage can be difficult during times of heavy rain. Swan Road is a two lane, asphalt paved, publically maintained street that extends for roughly five miles south of Los Reales Road. It dead-ends about two miles south of the subject property.

The terrain is rolling to gently sloping. The highest point is along a ridge that runs east-west through the southern portion of the property. From this ridge, the terrain slopes down gently to a minor wash that passes through the northern portion of the site. This wash is not in a FEMA identified floodplain and would not significantly impact the development of the subject site.

The site has native desert vegetation that includes creosote, cholla, ocotillo, palo verde, mesquite and other smaller shrubs and grasses. The vegetation is fairly dense along the wash.

Electric, telephone and fiber optic lines are within the Old Vail Connection Road right-of-way parallel to the north boundary of the subject site. These utilities are available for local service. In addition there is 50-foot wide electric easement and 138 kV transmission lines that cross the northern portion of the subject site south of and parallel to the overhead distribution lines. An 18-inch sewer line extends along the north side of Old Vail Connection Road right-of-way and could be used for local service. Nearby residents rely on individual septic systems for waste disposal.

There is no municipal water and no wells on the site. Most residential users in the neighborhood rely on individual wells. There is, however, municipal water two miles east of the subject property. The city provides service to the federal and county prisons and the

police and fire academies located on Wilmot Road. This is a low pressure line that requires each of these facilities to have their own booster pumps. If service were to be extended to the subject site a booster pump would be needed. A 12" municipal water line is also available on Old Vail Connection Road about 1.5 miles west of Swan Road. Without participation from other nearby property owners, the extension of municipal water to the subject site would likely be cost prohibitive given the distance and small size of the site. For this reason, any future development of the subject site would like require the property owner to drill a well.

Most of the large acreage parcels along the south side of Old Vail Connection Road to the east and west of the subject property are owned by the Tucson Airport Authority (TAA). The Tucson International Airport has three runways located 1.5 miles northwest of the subject. Over the years TIA has actively acquired lands in noise-sensitive areas of LDN 65 to 70. With the exception of the 160 acres located one-half mile east of the subject that is leased to Granite Construction, much of these TIA-owned lands are now inactive or depleted gravel pits. The 160-acre parcel across the street at the northwest corner of the intersection is also an inactive pit owned by RMX Tucson LLC. Granite Construction owns and operates the Swan Plant, an aggregate, asphalt and recycling plant at the northeast corner of Old Vail Connection Road and Swan Road.

There are a mix of uses beyond the immediate area of the subject and outside the airport noise-sensitive areas. As mentioned above, there are several institutional facilities along the Wilmot Road corridor from I-10 to Old Vail Connection Road, 2 miles east of the subject. These include three federal, state and county correctional facilities and the City of Tucson police and fire academies.

Land uses south of the subject are mostly vacant or low density, RH zoned residential subdivisions. A 3,184-acre masterplanned community known as Swan Southlands is located about two miles south of the subject. This project received final approval in September 2005 for a mixed use development, but due to the economic downturn and collapse of the housing market, the project has not been developed. About 3 years ago, Diamond Ventures received approval from Pima County to redesign the project based on market demand. In December 2017, 1,136 acres within the masterplan sold to Wilmot Energy Center for a solar field. The remaining land in the Southland Masterplan is intended for a mix of uses that include industrial and residential at various densities.

Land uses north of Old Vail Connection Road include several active and inactive aggregate mining operations, vacant land zoned for industrial use and the regional landfill at the southeast corner of Swan Road and Los Reales Road.

A significant amount of acreage in the neighborhood is held in trust by the Arizona State Land Department. Most of this land is leased for cattle grazing which is considered an interim use pending demand for more intensive development. Improved properties include a mix of industrial type uses and low density residential uses.

#### **Legally Permissible:**

The subject property is zoned RH; Rural Homestead. The RH zoning is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural community. The minimum lot area is 180,000 square feet or 4.13 acres. Site-built and mobile homes are allowed.



Under this zoning, a number of conditional uses may be permitted such as grocery stores, auto repair facilities, professional offices and the like. Many of these uses require access to a public collector street and have limitations on building size of 2,000 to 4,000 square feet. Conditional uses provide zoning flexibility, but due to their potentially adverse impacts, require site-specific reviews.

Despite the location in Pima County, there is no land use designation for the subject property under the Comprehensive Land Use Code (LUC). Instead the Pima.gov website reports the subject property is the City of Tucson's Comprehensive Plan known as Tucson International Airport/Interstate 10 Economic Development Area. But this plan also omits the subject property.

In addition, the subject site is in the TIA Airport Environs Zone (AEZ) which is used to enforce height restrictions, stipulate soundproofing and identify compatible uses. The northern two-thirds of the site is designated Compatible Use Zone 3 (CUZ-3). Permitted residential uses include those allowed under the IR, RH, SR, RX-1 (UR), RX-2, R-1, R-2, MH-1 (MH), MH-2 (MHP), or R-3 providing such zoning was in place prior to May 16, 1990. Prohibited uses include public assembly of more than 50 persons. The southern one-third of the site is in CUZ-4. There are no restrictions identified. Because this portion of the site is further from the airport, the restrictions are likely to be less onerous than those reported under the CUZ-3 zone.

Also the AEZ regulates noise. The northern two-thirds of the subject site is in NCD-65. The southern one-third of the site is in NCD-70. Permitted uses include site-built residential, places of public accommodation, and administrative and professional office. Sound attenuation to reduce the interior noise level to LDN-45 is required. In LCD-65, manufactured homes are not considered equivalent to a single family dwellings unless located on a property zoned MH-1 or MH-2 or unless it can be demonstrated that the unit provides adequate sound attenuation to reduce the interior noise level to LDN-45.

At this time, the only legally permitted use is for the subject site is one site-built single family residential dwelling.

### **Financially Feasible:**

Often the best evidence of the financial feasibility of a given use is provided by the presence, or alternatively absence, of that use in a given marketplace. Observation of existing land use trends also provides support for an important underlying tenet of highest and best use: that of reasonable probability.

With the exception of the Swan Southlands Special Planning area (SP), most of the land south of Old Vail Connection Road, north of Sahuarita Road, between Old Nogales Highway and Houghton Road is zoned RH like the subject. However, much of this land is either owned by TIA and leased for aggregate mining or held in trust by the Arizona State Land Department and leased for grazing. Privately owned parcels tend to be improved with low density residential uses with homes situated on 4.13 acre lots and larger.

North of Old Vail Connection Road the zoning includes a combination of heavy industrial and residential. Though much of the land remains vacant at this time, the existing uses tend to correspond to those allowed by zoning. There is some new higher density residential development closer to I-10. The industrial uses tend to be located further west near the airport and the landfill.

With the lack of adequate water infrastructure in place at this time, there is little demand and little likelihood for rezoning at this time. Nonetheless, development pressure continues to push south from I-10 as evidenced by the new commercial facilities at the interchange of I-10 and Wilmot and the subdivisions that wrap the corners. And, in fact, Wilmot Road has recently been paved between I-10 and Sahuarita Road. This has greatly improved connectivity between the Green Valley/Sahuarita areas and Vail.

There are three federal and state correctional facilities that occupy large acreage parcels along Wilmot Road, north of Old Vail Connection Road. In 2010, a 122-acre site was purchased by Corrections of America for future expansion, though, to date, no development has occurred. Other industrial-type uses along Wilmot include the 80-acre depleted mineral/materials site now used by Fairfax Companies to backfill with excess organic material. There are several utility infrastructure properties that include an electrical substation, high voltage transmission lines and a planned solar field.

Along Swan Road near the subject much of the land is vacant and controlled by TIA. The exceptions include is a 160-acre aggregate processing plant owned by Granite Construction located at the northeast corner of Swan and Old Vail Connection Road and an inactive pit located at the northwest corner which is owned by RMX, Tucson. With the prospect of the Sonoran Corridor being located along the Old Vail Connection Road alignment, development pressure in this area should increase over time, but the project is still in the Tier 1 stage, which is not expected to be completed until the spring of 2020. At that time it will advance to the Tier 2 stage which involves environmental studies. ADOT and the Federal Highway System will then examine each prospective corridor and presumably make a selection. Funding and a time frame have not been identified but completion of the Sonoran Corridor it is likely 5 to 10 years out.

Privately owned land further south, east and west of the subject site is either vacant, planned for residential development or improved with rural residential homesites ranging in size from one to five acres. Subdivision development at urban densities are concentrated along I-10 or in the communities of Corona de Tucson, Sycamore Canyon and Sahuarita where the necessary water and sewer infrastructure is in place.

The subject site is a small isolated parcel of land with a long, narrow shape. Given the size, irregular shape, lack of municipal utilities and existing RH zoning, it appears that the only use possible at this time is for a rural residential homesite. Long-term hold as the neighborhood transitions could eventually yield a higher price, particularly if the site is combined with the parcel adjacent west. But commercial and industrial uses are not economically feasible in the foreseeable future.

#### **Maximally Productive:**

While one could foresee an industrial use on the subject site such a use is not legally permissible or physically possible at this time. Given that residential use is both physically possible and legally permissible, residential lot sales that are similar in terms of location, physical characteristics and zoning are used as a proxy to develop an opinion of market value of the subject property.

**Sales Comparison Approach**

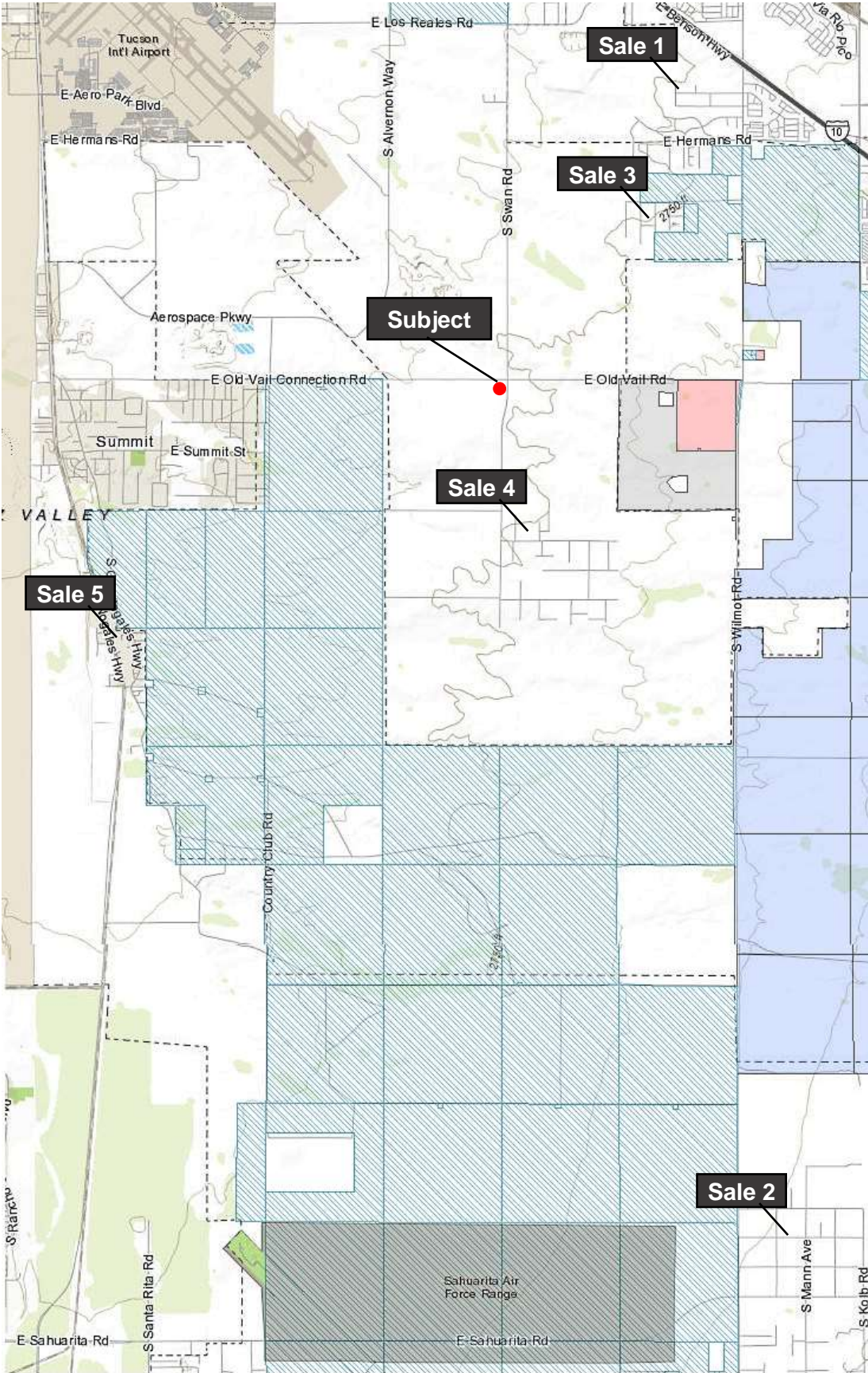
The Sales Comparison Approach is used to form an opinion of market value of the subject property. In the Sales Comparison Approach, sales of similar properties in the subject area are compared and adjusted to the subject property. This approach applies the principle of substitution which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property without undue or costly delay.

The following tabulation summarizes the comparable sales. Photographs and aerials of each sale are included in the Addenda.

## LAND SALES TABULATION

SALE	DATE DOC. #	SELLER / BUYER LOCATION ASSESSOR PARCEL NUMBER	SALE PRICE TERMS	SITE SIZE (ACRES)	COMMENTS	CONFIRMED WITH	ZONING COMP PLAN
1	12/21/16 2016-3550049	Weiss APC Profit Sharing / Ramirez SW of I-10 and Wilmot N end of Pistol Ridge Rd. 140-44-2450	\$52,000 25% down SCB	5.00	Level desert, Electric & phone. City water, no sewer, paved access to south boundary, Sunnyside S.D. Since improved with 2 mfd. Homes Backs up to Rodeo Wash COT landfill nearby	Danny Roth Keller Williams Realty	SH No Comp Plan
2	05/21/17 2017-1220389	Hoening / Mendez North sd of Noyes 3/4 mile east of Wilmot 305-22-0770	\$24,000 Cash	4.99	Electric & phone nearby, no water dirt road access. 65% sheet flooding Generally level Buyer plans to eventually build a home	Donna Schenek Listing agent	RH LR; 0.3 RAC
3	09/11/18 2018-2540186	Beor Fund 1, LLC / Pena Van Buran St btwn Craycroft & Wilmot 140-45-0240	\$25,900 Cash	1.78	Electric, phone, Graded dirt road No water or sewer/septic; REO sale	Affidavit of Value	SH LIU - 3.0
4	11/06/18 2018-3100458	Chanez / Carbajal & Juarez 10625 S. Knoll Crest; 0.5 mi E of Swan 4.5 mi S of Los Reales 303-09-025E	\$60,000 Cash	4.13	Gently sloping, all utilities to graded building pad. Incl. certified septic & well share (1 share of 8 or 9)	Jennifer Meeker Keller Williams	RH LR; 0.3 RAC
5	11/09/18 2018-3130641	Otero / Barrera Roofing LLC 11300 S. Old Nogales Hwy 303-15-021G	\$25,000 Cash	1.64	Level site with electric only. No water or sewer.	Anna Garcia Realty Executives	GR-1 MIR
<b>Subject</b>	5/2/2019 DOV	Owner: Pima County SWc of Old Vail Connection Rd. & Swan Rd. 303-70-0040	N/A	4.63	Long narrow shaped site Electric, phone. Sewer across the street.	Inspection Jeff Teplitsky & Dana Hausman Pima County	RH N/A

**Overall Land Sales Map**



### **Sales Comparison Approach – Land Valuation**

A search for sales and listings in the southern portion of metropolitan Tucson has been conducted utilizing the multiple listing service, interviewing local market participants and searching my own data base. The search focused on recent sales of rural residentially zoned lots that are similar to the subject in terms of location, size, and potential use. The time frame of the search extended from January 2016 through year-to-date 2019.

Because much of the surrounding land is controlled by the Tucson Airport Authority or other governmental agencies, the search for sales covered a broad geographic area south of Interstate 10, north of Sahuarita Road, between Old Nogales Highway and the Sonoita Highway (aka State Highway 83). The search included residentially developed areas closest to the subject. In each area one or more lot sales were found. The sales selected are the most recent and most physically similar to the subject.

The comparable dataset is not particularly well suited for analysis at the ideal level, where highly refined quantified adjustments are identified through a series of paired sales analyses from multiple data sets, and then applied as appropriate through a progression of set criteria. Though much of the valuation is based in paired sales, it must be recognized that, in most cases, only one or two pairings have been found in support of a single adjustment. The adjustments applied to the sales for the various factors are intended not as a precise measure of the specific effect on value, but as an indication of the *magnitude* of the impact. This method is preferable to a simple “plus or minus” bracketing methodology in that it provides better guidance in considering the relative influence of each factor considered, when weighed against the others.

The valuation looks toward identifying features held in common by the subject and comparable sales, but is also based largely on identifying important differences between them. The sales comparison follows a logical progression through the factors identified as having a significant impact on prices paid in this marketplace. The reasoning used at each stage of the analysis is laid out clearly in this analysis and the resulting value indications are considered in the context of market expectations for the subject in a sale situation. The resulting opinion of value is well supported by local market data.

#### **Comparable Sales Overview:**

As can be seen on the tabulation that follows, five sales have been selected and arranged by date from oldest to most recent.

Sale One is a residential lot located in a platted subdivision in the southwest quadrant of the I-10/Wilmot Road interchange. This neighborhood is about six miles northeast of the subject. The subdivision is predominately platted with 1+/- acre lots, but due to restrictions associated with the Rodeo Wash, which extends along the north boundary, four larger lots were included in the plat. Sale One is the most similar in terms of size of these four lots, all of which sold in 2016.

Sale One consists of 5.0 acres and sold in December 2016 for \$52,000. It has electric, phone, city water and paved access at the south boundary. Septic systems will be installed for waste disposal. The buyer has since placed two manufactured homes near the south boundary furthest from the wash. The SH; Suburban Homestead zoning allows two residences per lot. With the availability of utilities in support of the ultimate use and the higher density use allowed under the SH zoning, Sale One is least comparable to the subject.



Sale Two is located in a rural residential area about seven miles southeast of the subject in the vicinity of Wilmot Road and Sahuarita Road. This particular lot consists of 4.99 acres and is located on the north side of Noyes Road, about  $\frac{3}{4}$  of a mile east of Wilmot Road. It sold in May 2017 for \$24,000, cash. This lot is located on a dirt road and lacks utilities. Electric and phone are nearby but not at the property boundary and there is no developed water source or septic system in place. In addition, roughly 65% of the site is subject to sheet flooding. Sale Two, which is inferior to the subject in regards to physical features, was selected to help establish a lower limit of value for the subject, before adjustments.

Sale Three is a long, narrow shaped parcel located in a rural neighborhood about four miles northeast of the subject property. Electric and phone are available to the property boundaries, but there is no developed water source or septic system in place. Access is via a series of dirt roads off Wilmot Road, which is roughly  $\frac{3}{4}$  of a mile away. This site is zoned SH so it could legally (and physically) accommodate two residences. This was an REO sale that sold in September 2018 for \$25,900, cash. It is most comparable in terms of shape.

Sale Four is located roughly 1.25 miles south of the subject property. This site is the closest sale to the subject and most similar in terms of location and access. It consists of 4.13 acres and sold in November 2018 for \$60,000, cash. The site was previously improved with a manufactured home that had been removed, but due to the prior use, electric, phone and water were available to a developed building pad. In addition, the sale included a certified septic system. Because of the developed building pad and the availability of utilities, Sale Four sets an upper limit of value for the subject, both before and after adjustments.

Sale Five is a 1.64 acre lot located just west of Old Nogales Highway. The site is zoned GR-1, which allows one residence per 36,000 square feet. At 1.64 acres or 71,438 square feet it can only accommodate one unit without a variance. Access is via an easement that extends west about 395 feet from Old Nogales Highway. Electric and phone are at the property line. Water is a short distance away at Old Nogales Highway. A septic system would be required for waste disposal. Sale Five sold in November 2018 for \$25,000, cash.

The analysis of the sales will consider the following elements of value, which are segregated into two general categories. The first includes factors related to the sale transaction. These are:

- Property Rights Conveyed
- Financing Terms
- Conditions of Sale
- Expenditures Made Immediately After Purchase
- Market Conditions

The second category includes factors related to the property. Those are:

- Location
- Physical Characteristics
- Economic Characteristics
- Legal Characteristics
- Non-realty Components of Value Included in the Sale

**Unit of Comparison:**

The analysis is made on the basis of total price per parcel, which is a common measure of comparison for this class of property. When adequate market data exists from which to develop adjustments, quantified adjustments are made. In other cases, when the data is inadequate or inconclusive, the adjustments are qualitative and upward (+) or downward (-) adjustments are reported on the Adjustment Grid that follows the analysis.

**Transactional Characteristics****Property Rights Conveyed:**

The interest appraised is the fee simple estate. Since all of the sales represent the transfer of the fee simple interest, no adjustments are made for property rights conveyed.

**Financing Terms:**

In accordance with the definition of market value as set forth in this report, the subject property is appraised based on a cash sale or on terms equivalent to cash. Sales Two, Three, Four and Five sold for cash. No adjustments are necessary.

Sale One included a 29% down payment and the balance carried by the seller. When asked about the terms of sale, the sales agent stated that the seller preferred to carry the note and the price was not impacted by the financing. No adjustment is developed or applied to Sale One.

**Conditions of Sale:**

The definition of market value requires that the resulting value opinion reflect “... *a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming that the price is not affected by undue stimulus.*”

The definition continues to include the following conditions:

1. *buyer and seller are typically motivated;*
2. *both parties are well informed or well advised, and each acting in what he or she considers his or her best interest;*
3. *a reasonable time is allowed for exposure in the open market;*

The adjustment for conditions of sale considers any unusual motivations of the buyer or seller. Unusual motivations can include a sale to an adjacent property owner, a sale between related parties or financial duress.

All of the sales, except Sale Three, were confirmed with a listing or sales agent to the transaction. Sales One, Two, Four and Five are believed to represent arms-length transactions between knowledgeable buyers and sellers. No adjustments are necessary to these sales.

Based on information found in MLS, Sale Three was an REO sale. It was first listed July 11, 2018 for \$21,500. It sold three months later at a higher price of \$25,900. The price relative to the other sales appears reasonable. No adjustment is made.

**Expenditures Made Immediately After Purchase:**

Knowledgeable buyers will typically account for any expenditures to be made immediately after purchase, in order to place the property on the same competitive plane as others in its class, as a part of the overall price. These costs may cover such items as deferred maintenance, demolition, environmental remediation, etc.

Though the buyers of the sales will need to spend additional funds to facilitate development of each sale property, in none of the sales did the buyer project immediate expenditures that would effectively add to the sale price. Since the conditions of each property are addressed in *Physical Characteristics*, none of the sales require adjustment for this factor.

**Market Conditions:**

The adjustment for market conditions considers any differences in market conditions between the date of valuation of the subject property and the date of the comparable sales. The date of value is May 2, 2019. Sale One is the oldest sale. It closed on December 20, 2016 nearly two and one-half years prior to the date of valuation. Sale Two sold in May 2017, two years ago. The other three sales sold within the last 9 months under similar market conditions that exist as of the date of valuation.

To determine whether or not an adjustment is appropriate to Sales One and Two for changes in market conditions over time, I have looked to the market to determine if there are any trends over the time period in question. Ideally, the sale and resale of the same property over the same time frame would provide market support for any changes in value attributable to changes in market conditions. Unfortunately none of the sales used in this analysis represent the sale and resale of the same property. However, in my search for comparables, two pairings were discovered.

First is the sale and resale of a 3.35 acre lot in Rincon View Estates, a subdivision located north of Andrada Road, between Wentworth and State Highway 83. This lot previously sold in May 2016 for \$23,000. It resold 2.5 years later in October 2018 for \$38,000. However, the buyer in the first sale (seller in the second sale) had graded a building pad and bladed two driveways. In addition, he had installed a culvert across the front drainageway for all-weather access. According to the sales agent he spent at least \$10,000 on site improvements. After making an upward adjustment to the first sale for the money spent subsequent the sale, the following is indicated

**1) Sale/Resale of Lot 34 of Rincon View Estates**

APN 305-20-0340: 10/16/18	\$38,000
APN 305-20-0340: 05/03/16	<u>\$33,000*</u>
Difference	\$5,000 / \$33,000 = +15.2%

\*Added \$10,000 to the price for site improvements since the sale.

The preceding comparison suggests a maximum upward adjustment of 15.2% over the past 2.5 years.

A second pairing was found. This one involves two adjacent lots located on Kolb Road, south of Sahuarita Road. One 5.0 acre lot sold in July 2018, and another 5.0 acre lot adjacent west sold in December 2017. This sale pairing is summarized below.

2) Sales involving two adjacent lots

APN 305-23-062C: 07/18/18	\$48,000
APN 305-23-062B: 12/15/17	<u>\$45,000</u>
Difference	\$3,000 / \$45,000 = +6.7%

The preceding comparison suggests an upward adjustment of 6.7% over this seven-month time frame.

To further evaluate changes in the market over time, I have conducted a search for lot sales for each year beginning in 2013 using the Tucson Multiple Listing Service. The area of the search is formed by the alignment of Los Reales Road on the north, Highway 83 on the east, Sahuarita Road on the south and I-19 on the west. Below is a summary of the results.

Year	No. of Lot Sales	Avg Sale Price / Lot	Median Sale Price / Lot	% Change in Median Price
2013	10	\$27,988	\$24,000	
2014	22	\$34,759	\$27,950	+16.5%
2015	16	\$37,250	\$38,000	+36.0%
2016	18	\$36,556	\$30,500	-19.7%
2017	27	\$39,385	\$35,000	+14.8%
2018	36	\$48,549	\$42,500	+21.4%
2019	10	\$45,380	\$40,000	-5.9%

\*YTD through November

With the exception of 2016, in which a decline in price was reported, the market has improved each and every year since 2013. Year-to-date statistics suggest sales volume and prices are leveling off. The data above indicates an increase in price of 31% from 2016 to 2019. From 2017 to year-to-date 2019 a more moderate increase of 14% is reported. It is important to note that the increase from 2015 to year-to-date 2019 was only 5.3%.

Based on the preceding discussion with greater weight given to the paired sales analysis, an upward adjustment of 15% is made to Sale One which sold 2.5 years prior to the date of valuation. An upward adjustment of 10% is made to Sale Two which sold in 2017. No adjustments are necessary to Sales Three, Four or Five which are recent.

**Property Characteristics**

The following four sections of the analysis consider characteristics of the subject and comparable sale properties that may significantly affect value.

After considering adjustments for transactional characteristics, the sales range in price from \$25,000 (Sale Five) up to \$59,800 (Sale One). This next section of the analysis will focus on differences in location/quality of access, availability of utilities, size, floodplain restrictions, zoning and potential use.

**Location/Access:**

The subject property is located in the south-central portion of metropolitan Tucson between I-10 and Sahuarita Road. Though somewhat distant from the subject, all of the sales are located in the same general area with similar demographics. Each share the same basic locational attributes, but access and surrounding uses vary.

The subject site is situated at the southwest corner of Old Vail Connection Road and Swan Road. Though there are residential properties within one to two miles of the subject, many of the nearby parcels have active or inactive gravel operations. These types of users generate truck traffic and increased dust which detract from the desirability of the subject property for residential purposes.

Old Vail Connection Road is a two lane, dirt road. It provides connectivity between Old Nogales Highway and Wilmot Road, but there are segments where maintenance is minimal and passage is difficult or restricted particularly during monsoon season. However, there is a reasonably good probability that the new Sonoran Corridor will be built along this alignment which would ultimately improve access. But completion of this highway is likely 5 to 10 years away.

Swan Road is a two lane, county maintained paved street. The segment in the vicinity of the subject is about five miles long. It begins at Los Reales Road and dead-ends approximately 2 miles south of the subject property. From Los Reales Road, one can travel east about a mile to Craycroft Road and then north about ½ mile to the I-10/Craycroft Road interchange. Los Reales Road also extends west about a mile providing access to businesses and commercial properties in and around the airport.

Paved access is generally considered a benefit for most types of uses. Sale One has paved access to the south boundary and is only a short distance from the I-10/Wilmot Road interchange. Sales Two, Three and Four are accessible via dirt roads. The distance to pavement ranges from 0.4 to 1.5 miles. Lastly, Sale Five is just one lot west of Old Nogales Highway which is paved. Access is via a dirt easement.

To evaluate the potential impact on value attributed to the quality of access, consideration is given to the comparison of two lot sales, both of which are located south of Sahuarita Road between Kolb Road and Sahuarita Place. The first sale, Sale A, is situated on a paved street just south of Sahuarita Road. The second sale, Sale B, is located on a privately maintained dirt road about one mile south of Sahuarita Road. Sale A sold in May 2016 for \$45,000, cash. Sale B sold in November 2014 for \$39,950, cash. Both have electric, phone and water.

#### Sales A and B; paved vs. no paved access

Sale A; APN 305-22-176; 05/17/16	\$45,000
Sale B; APN 305-22-163U; 11/04/2014	<u>\$39,950</u>
Difference	\$5,050 / \$39,950 = +12.6%

The preceding comparison suggests an upward adjustment of 12.6% is appropriate for a site that is located on a dirt road. It should be noted, however, that there is 1.5 year time difference between these two sales. Considering the upward trend in the market, a more modest adjustment may be appropriate.

In addition to the above pairings, I found four listings also located in the vicinity of Sahuarita Road and Kolb Road. These listings are owned by Diamond Ventures, a knowledgeable and reputable land development company with a long history in the Tucson area. The individual prices for each parcel vary depending on location (access) and the availability of water. There appears to be no particular difference in the list prices for size and/or floodplain classification. All are located in the Lee Moore Wash Basin Management area. The listings are summarized below.

Listing	Location	Size	Asking Price Per Acre	Characteristics
C	N sd of Sahuarita Rd.	33.04 ac.	\$8,989	1,155' frontage; paved, well
D	NWc Sahuarita & Kolb Rds.	56.67 ac.	\$9,882	Corner with 1,245' frontage; paved, 2 wells
E	W sd of Kolb, N of Sahuarita Rd.	20.0 ac.	\$8,000	Interior, dirt road, no frontage, well
F	W of Kolb, N of Sahuarita Rd.	20.0 ac.	\$7,000	Interior, dirt road, no frontage, no wells

To isolate the impact of paved access, a comparison is made between Listings C and E. Parcel C has frontage on Sahuarita Road. Parcel E is an interior site about ¼ mile north of Sahuarita Road with access off Kolb Road, a graded dirt road in this vicinity. Both have wells.

Listing C:	\$8,989
Listing E:	<u>\$8,000</u>
Difference	\$ 989 / \$8,000 = +12.4%

This pairing suggests a similar adjustment for paved versus unpaved access. However, this comparison is between list prices and not closed sales. Furthermore, the parcels are much larger and have a different highest and best use. But the owner and listing agent are active and knowledgeable in the local market and their pricing structure is believed to reflect how they perceive the market will gauge the differences between the properties.

The preceding pairings will be used to help develop adjustments to each sale as discussed below.

Sale One is located in the southwest quadrant of I-10 and Wilmot Road, about 4.5 miles northeast of the subject. It is an interior site with paved access to the south boundary. The quality of access is comparable, but Sale One is closer to the freeway and more proximate to employment centers and commercial amenities. A downward adjustment is appropriate. This sale is adjacent to an attractive residential neighborhood to the south, but it is just east of the city landfill and just south of I-10. The general area is considered comparable to the subject. Overall, a downward adjustment of 5% is made.

Sale Two is located roughly 10 miles southeast of the subject. It is situated on the north side of Noyes Street, which is ¾ of a mile east of Wilmot and about ½ mile north of Sahuarita Road. The surrounding land uses are residential. Though Sale Two is further from commercial amenities in Tucson, it is only five miles from the Town of Sahuarita which has many of the same commercial facilities available.

Noyes Road is a privately maintained dirt road. As discussed previously, an upward adjustment is appropriate for the paved access to the subject. Based on the data presented above, which is partially offset by the negative influences of the industrial type users in the vicinity of the subject, an upward adjustment of 10% is made to Sale Two.

Like Sale Two, Comparable Sale Three has dirt road access and is about ¾ of a mile off Wilmot Road. It is located in a residential area about 4 miles northeast of the subject and a similar distance from commercial amenities. The inferior access to Sale Three also warrants an upward adjustment of 10% relative to the subject.



Sale Four is located roughly 1.25 miles south of the subject property. This site is the closest sale to the subject and most similar in terms of location and access. However, it is in a more attractive residential area about 0.4 mile from Swan Road with access via a natural surface dirt road. Offsetting adjustments are made for quality of access and surrounding neighborhood.

Sale Five is located a short distance west of Old Nogales Highway. Surrounding uses are primarily residential with some older industrial and commercial uses to the north. Access is via a dirt easement. Compared to the subject, the quality of access and location are comparable. No adjustment is necessary.

### **Physical Characteristics:**

*Utilities and Other Improvements* – The most significant difference between the sales and the subject property pertains to the availability of utilities. There is usable power, phone service and a fiber optic line parallel to the north boundary of the subject site. A high voltage transmission line extends east-west across the northern portion of the subject parallel to the distribution line. This transmission line is not available for local service. A sewer line extends along the north side of Old Vail Connection Road and could be used to provide service to the subject site, but it is at least 1,000 feet from any potential building pad so it is likely that any future residential use would rely on a septic system for waste disposal. There is no developed water source. The closest municipal service is about two miles away. Like other residential users in the area, a well could be drilled for domestic use.

The sales vary in terms of utilities and, as illustrated below, the availability or lack of utilities has a direct impact on the price a buyer is willing to pay. The table summarizes the adjusted sale prices of each sale after adjustments for differences in market conditions and location. Admittedly, there are other differences between the sales such as size and shape, but these differences are believed to have a relatively nominal impact on the price.

<b>Sale</b>	<b>Subtotal of Adjusted Sale Price*</b>
1	\$56,810
2	\$29,040
3	\$28,490
4	\$60,000
5	\$25,000

\*After adjustments for market conditions location/access

Sale One has electric, phone and city water available to the property boundary. There is no sewer or septic system. With the availability of city water, Sale One sold at a price toward the upper end of the range.

Sale Two has no utilities. Electric and phone are in the area, but will have to be extended to the property. The adjusted price of Sale Two of \$29,040 is toward the lower end of the range due to the lack of utilities.

Sales Three and Five have electric and phone to the property boundaries but no developed water or waste disposal system. These two sales represent the low end of the range. It is noted, however, that these two sales consist of 1.78 acres and 1.64 acres, respectively, and are considerably smaller than the subject. This also contributed to the adjusted prices being at the low end of the range.

Sale Four had electric, phone, water (one of 8 or 9 shares) and a certified septic system. No extensions are needed as all utilities had been extended to a developed building pad. According to the sales agent, a septic system cost \$5,000 to \$10,000 to install depending on the soil quality. Wells cost \$15,000 to \$20,000 depending on the depth of the water table. The adjusted price of \$60,000 reflects the improved status of this lot.

The sales above illustrate the difference in price for the availability of water and/or septic. Fairly significant downward adjustments are appropriate to Sales One and Four. Sale One has municipal water, but no sewer. Comparing Sale One to the subject, a downward adjustment of \$15,000. This adjustment is at the low end of the range of the cost of a well. The low end is applied, in part, to account for the sewer along Old Vail Connection Road. Someday this may be a benefit to the subject.

Sale Four has a building pad with a certified septic system and well share. Again based on costs, a downward adjustment of \$25,000 is applied.

A fairly nominal upward adjustment of \$5,000 is made to Sale Two. Electric and phone are a short distance from the property boundary and will have to be extended. Electric and phone are at the north boundary of the subject.

No adjustments are necessary to Sales Three and Five, which are similar to the subject in terms of availability of utilities.

*Size* – The subject site consists of 4.63 acres. The sales range in size from 1.64 acres to 5.0 acres. Typically a smaller property will sell for a lower price on a per lot basis than a larger, but otherwise similar property. Conversely, a larger property generally sells for a higher price.

The sales are fairly comparable in size and because of other differences it is difficult to isolate a difference in value attributable to size. Sales One and Two, with sizes of about 5.0 acres each, are similar to the subject. Likewise Sale Four, with a size of 4.13 acres, is also comparable to the subject in terms of size. No adjustments are necessary to these three sales.

Sales Three and Five, which consist of 1.78 and 1.64 acres, respectively, are notably smaller. Upward adjustments of 10% are applied to these two sales on the Adjustment Grid.

*Shape* – The subject site has a long, narrow shape. Any future residential development will have to be located closer to Swan Road than a more desirable location further setback from the street. Sale Three also has a long, narrow shape. No adjustment is necessary. Sales One, Two, Four and Five have regular usable shapes. Downward adjustments are appropriate.

*Floodplain/Topography/View* – The subject property has a rolling to gently sloping terrain. A ridge extends across the southern portion of the site which allows for distant views of the surrounding mountain ranges. The terrain gently drops down to an un-named wash that runs through the northern portion of the property. The site is outside the 100-year floodplain.

The sales have been selected, in part, for their similarity to the subject in terms of topographical features, floodplain restrictions and view.

Sale One is generally level with no notable view amenity. The site is just south of Rodeo Wash and bisected by a lesser tributary. Each wash has setback requirements and, according to the sales agent, there were additional riparian restrictions that impacted property. But the site was suitable for residential development. Compared to the subject, no adjustment is necessary.

Sale Two is generally level with distant views of the surrounding mountains. About 65% of the site is subject to sheet flooding. Compared to the subject, a slight upward adjustment is applied.

Sales Three, Four and Five are generally level with distant mountain views. No adjustments are necessary compared to the subject.

### **Economic Characteristics:**

Economic characteristics include all the attributes of a property that directly affect its income. This element of comparison is usually applied to income-producing properties. The subject property is being appraised as a single homesite. Since all of the sales represent the sales of individual parcels, and none were leased at the time of sale, no adjustments are necessary.

### **Zoning/Potential Use:**

The subject site is zoned RH, Rural Homestead. This zoning is intended for rural residential development at a density of one home per 4.13 acres.

While one could foresee an industrial use on the subject site in the future, such a use is not legally permissible or physically possible at this time. Given that residential use is both physically possible and legally permissible, residential lot sales are used as a proxy to develop an opinion of market value of the subject property.

All five sales have rural residential zonings. Sales Two and Four, like the subject, are zoned RH and were purchased as single family residential lots. No adjustments are necessary to these two sales.

Comparable Sale One is located in the Tucson City Limits. It is a 5-acre SH zoned lot within a platted subdivision. The SH zoning has a minimum lot size of 36,000 square feet and allows two residences per lot. Though the 5.0 acre size would allow additional splits, the designation on the plat as a single lot precludes further splits. Nonetheless, two residences are permitted under the SH zoning and two manufactured homes have since been installed. A downward adjustment is appropriate compared to the RH zoning of the subject.

Sale Three consists of 1.78 acres and is also zoned SH. Like Sale One, a downward adjustment is appropriate since this site could accommodate two residences.

Sale Five is zoned GR-1. This zoning has a minimum lot size of 36,000 square feet. At 1.64 acres only one residence is allowed. No adjustment is made compared to the subject.

### **Non-Realty Components:**

Like the subject, none of the sales had any personal property included in the purchase prices. No adjustments are necessary.

The following adjustment grid summarizes the adjustments as they apply to the sales.

LAND SALES ADJUSTMENT GRID						
	Subject Property 4.63 Ac	Sale 1 5.0 Ac.	Sale 2 4.99 Ac.	Sale 3 1.78 Ac	Sale 4 4.13 Ac	Sale 5 1.64 Ac.
Sale Price / Lot		\$52,000	\$24,000	\$25,900	\$60,000	\$25,000
<b>Transactional Adjustments</b>						
Property Rights	Fee Simple	\$0	\$0	\$0	\$0	\$0
Financing Terms	Assume Cash	\$0	\$0	\$0	\$0	\$0
Conditions of Sale	Market	\$0	\$0	\$0	\$0	\$0
Expenditures After Purchase	N/A	\$0	\$0	\$0	\$0	\$0
Market Conditions	5/2/2019	\$7,800	\$2,400	\$0	\$0	\$0
<b>Subtotal</b>		\$59,800	\$26,400	\$25,900	\$60,000	\$25,000
<b>Property Adjustments</b>						
Location	Swan & OVC	-\$2,990	\$2,640	\$2,590	\$0	\$0
Utilities & other Impmts	E, P, S, No water	(\$15,000)	\$5,000	\$0	(\$25,000)	\$0
Size	4.63 Ac.	\$0	\$0	\$2,590	\$0	\$2,500
Shape	Long, narrow	-	-	\$0	-	-
Floodplain & Restrictions	Zone X	\$0	+	\$0	\$0	\$0
Economic Characteristics	None	\$0	\$0	\$0	\$0	\$0
Zoning / Use	RH	-	\$0	-	\$0	\$0
Non-realty Components	None	\$0	\$0	\$0	\$0	\$0
		<	About	<	<	<
<b>Indicated Value</b>		<b>\$41,810</b>	<b>\$34,040</b>	<b>\$31,080</b>	<b>\$35,000</b>	<b>\$27,500</b>

**Conclusion:** Sale One is similar in size to the subject and has paved access. But the lot has underground electric and phone service and is connected to city water. Significant downward adjustments were necessary. Sale One suggests a market value of less than \$41,810.

Sale Two lacks utilities and is an interior site located on a dirt road. After adjustments, Sale Two indicates a market value of about \$34,040.

Sale Three has a similar shape to the subject and is located within the same general area as the subject. But the site is zoned SH which allows two residences. For this reason, a downward adjustment prevails to the adjusted price of \$31,080.

Sale Four is only two miles south of the subject and is most similar in terms of location. But this site has level building pad improved with all utilities. Significant downward adjustment were applied. After adjustments, Sale Four suggests a market value of less than \$35,000.

Sale Five is furthest from the subject. The indicated value of less than \$27,500 is outside the range indicated by the other sales. For this reason least weight is given to this sale.

Based on the data and discussions, the market value of the subject site is estimated to be \$30,000

**OPINION OF MARKET VALUE OF THE  
SUBJECT SITE BEFORE THE ACQUISITION ..... \$30,000**

### **Exposure Time / Marketing Time**

Exposure time is the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. The exposure times for the sales and listings are tabulated below.

<b>Sale</b>	<b>Exposure Time</b>
1	1.5 years
2	3 months
3	3 months
4	1 to 2 months
5	1 month

Based on the preceding information, the exposure time for the sale of the subject property is estimated to be 6 to 9 months.

Marketing time differs from exposure time. It is defined as “the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.” In a market that is trending downward, the marketing time is often longer than the exposure time. The current market has been improving which is expected to continue in the foreseeable future. Thus, the projected marketing time is estimated to be about 6 months.

The following section addresses the proposed easement acquisition and its impact on value.

### **Part To Be Acquired**

Tucson Electric Power (TEP) has proposed building a new 138kV substation, transmission lines and switchyard in the vicinity of the subject property. This project is intended to strengthen electric reliability for its customers, meet future energy needs of the area and connect the local electric system to what will become TEP's largest local community-scale solar array and battery storage system. The following map depicts the proposed project. Alternatives 2 and A are the routes that have been selected.

The subject property is located at the extreme northwest corner of the project area. In the vicinity of the subject, the new transmission line easement will include a rectangular shaped site measuring 98.29 feet (north and south boundaries) by 200 feet (east and west boundaries) for a total area of 19,658 square feet or 0.449 acre according to the legal description. It will be adjacent to the existing 50-foot wide TEP easement that is the location of the existing 138kV transmission lines. As part of the project new lines will be installed which will be mounted on 100 foot tall steel monopoles. The large towers on the subject property that currently support the existing 138kV line will be replaced with a single monopole.

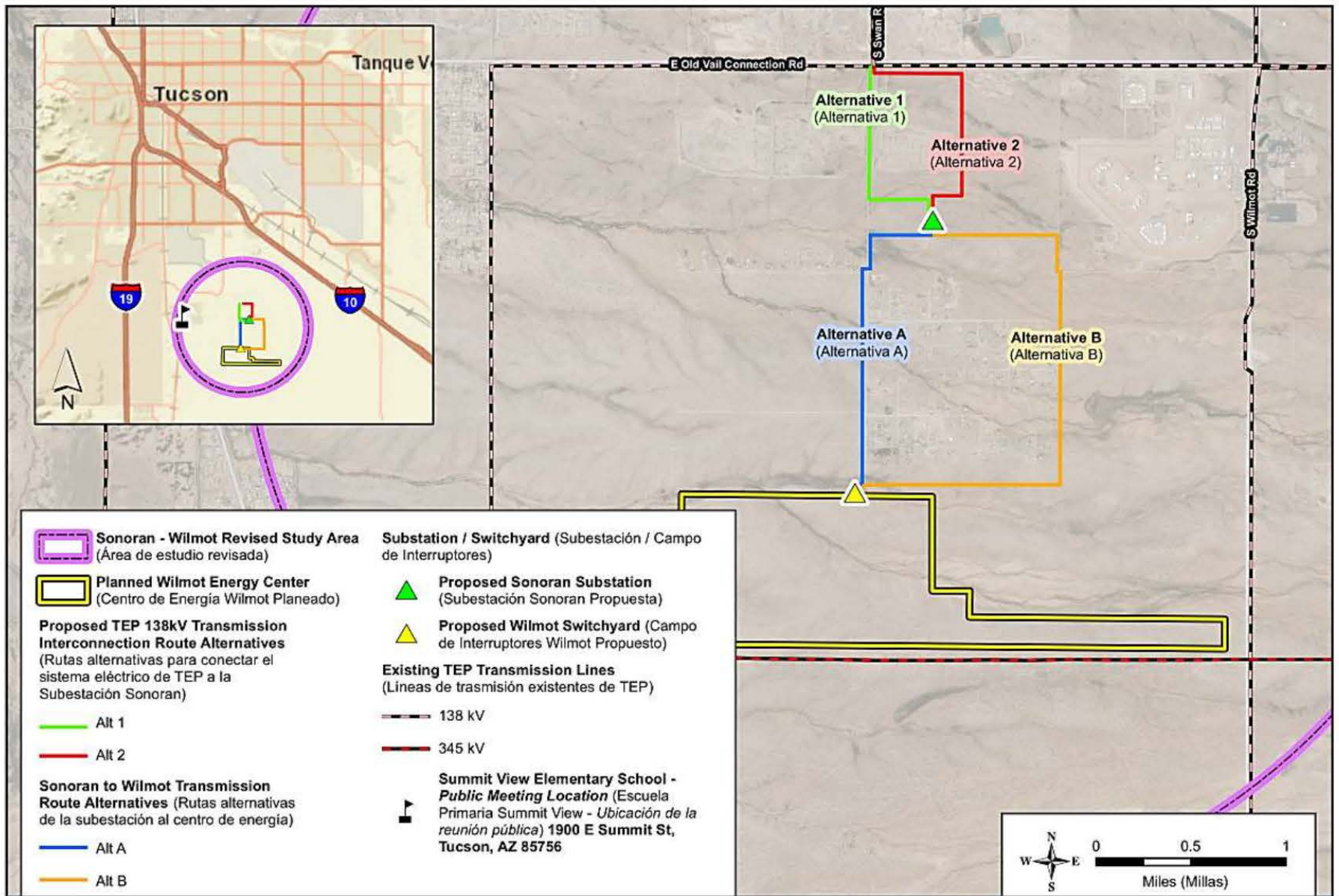
Below is a summary of the easement area to be acquired.

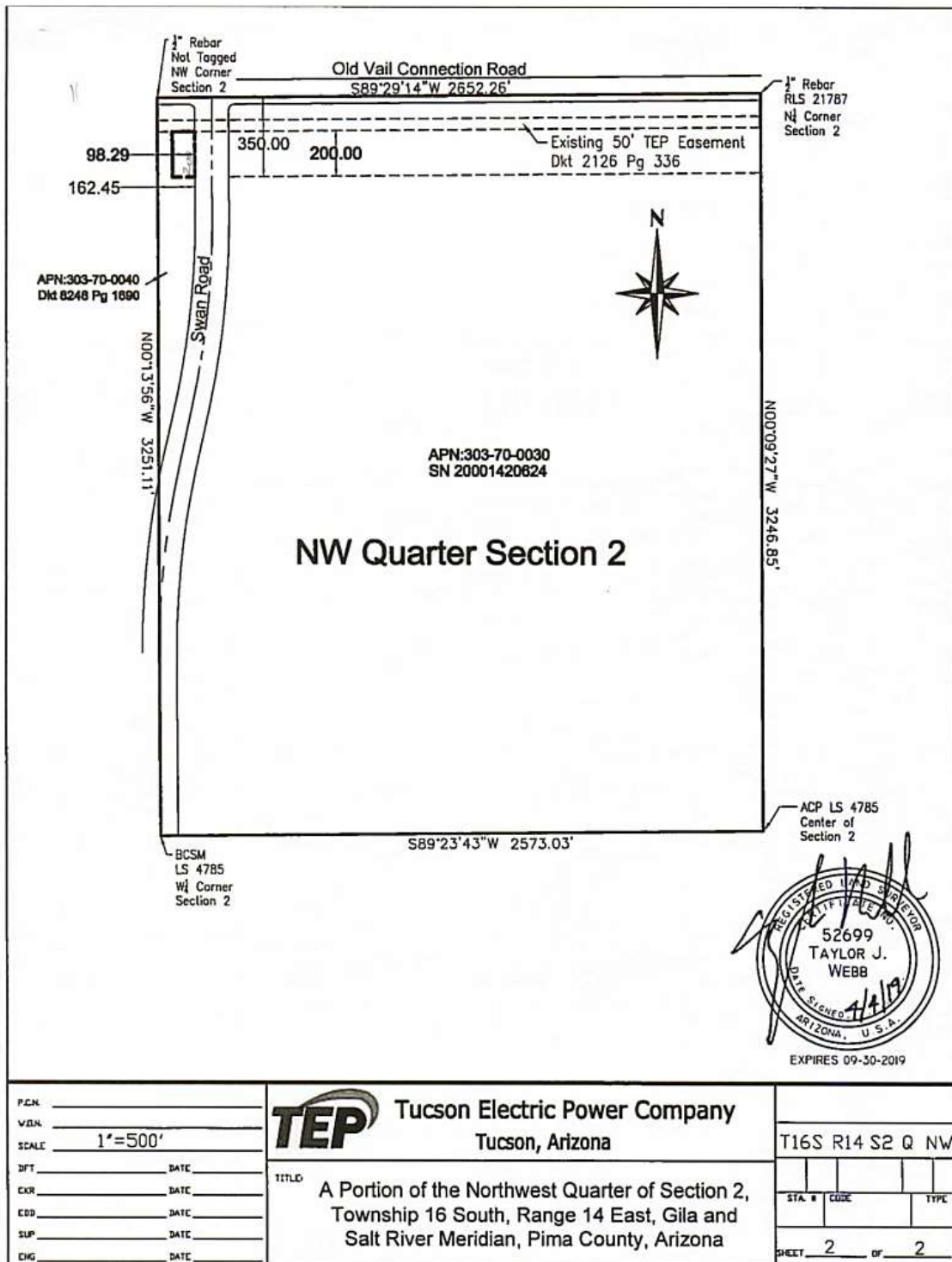
Site Before the Acquisition:	4.63 acres
Transmission Line Easement:	0.449 acre

From the subject property, the lines will cross Swan Road and continue in an easterly direction. They will parallel the existing 138kV line and Old Vail Connection Road. About one half mile east the new lines will turn south and parallel the mid-section line of Section 2, T16S, R14E. The lines will then connect into the back side of the proposed Sonoran Substation to be located on a 40-acre parcel on the east side of Swan Road south of the subject property. The Sonoran substation will connect the existing 138kV transmission system to the Wilmot Energy Center and will house transforms and other equipment that is need to reduce voltage from the 138kV line and allow for lower voltage to customers. Alternative A lines will extend south from the substation and connect to the proposed Wilmot Switchyard located within the Wilmot Energy Center. The switchyard will interconnect the new solar and battery storage systems to the TEP electrical system through the proposed 138kV facilities.

The following maps and photographs depict the proposed project and the easement acquisition on the subject site.







***Tucson Electric Power Company***

88 East Broadway Blvd.  
Tucson, AZ 85701-1720

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

A portion of the Northwest Quarter of Section 2, Township 16 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

The south 200.00 feet of the north 350.00 feet of the east 98.29 feet of the west 162.45 of the said Northwest Quarter.

The above described strip of land contains 0.449 acres, more or less.



SHEET 1 OF 2





**Looking southeast at subject property from the northwest corner.  
New transmission line easement to the right of existing towers.**



**Looking east across existing utility corridor parallel to north boundary of the  
subject property. New easement to the right.**

### **Valuation - Part To Be Acquired**

As part of the whole, the value of the *fee simple interest* is equal to the unit value multiplied by the easement area. The unit value is calculated by dividing the total property value of \$30,000 by the size of the lot of 4.63 acres which equals \$6,479 per acre. The *fee simple interest* in the area to be acquired is calculated as follows:

$$\text{Transmission Line Easement: } 0.449 \text{ acre} \times \$6,479 / \text{acre} = \$2,909$$

Since the ownership interest to be acquired is an easement, consideration is given to the easement restrictions. An easement is usually the right to perform a specific action on a particular land parcel, or portion of a parcel of land, without owning the underlying fee. An easement is an estate which may be severed from the bundle of rights and can be defined in terms of time and space. The owner of an easement is said to have a dominant estate, while the owner of the underlying fee is said to have a subservient estate. Though the fee owner may retain the right to use the land encumbered by the easement, this use must not interfere in any manner with the easement owner's use of the property for the purposes specified in the written easement. As such, the owner of the easement dominates the rights retained by the fee owner.

When valuing an easement, the measure of damage caused by an easement acquisition is the loss of salable utility both to the area encumbered and to the unencumbered portion of the larger parcel. In this regard, a detailed understanding of the use and restrictions of the easement is necessary. According to the easement documents:

Tucson Electric Power Company, an Arizona corporation, its successors and assigns (hereinafter referred to as "Grantee"), seeks to acquire "an [perpetual] easement and right-of-way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time one or more transmission and distribution voltage electric lines and appurtenant facilities for the transmission and distribution of electricity, consisting of wires, wood, or steel poles, lattice towers, surface and underground foundations, cables, guy wires, anchors, and other appurtenant fixtures and equipment necessary or useful for transmission and distribution of electrical energy and for communication systems (taken together, the "Facilities") of Grantee, including fiber optic ground wires, concrete pads, above ground structures and underground conduits associated with communications in, over, under, across and along that certain real property as legally described."

The Grantor (Pima County) will further convey to the Grantee the right of ingress and egress to and from the Easement over and across Grantor's lands adjoining the Easement during all periods of construction, maintenance, installation, reinforcement, repair and removal.

The Grantor shall agree not to erect, place or maintain, nor to permit the erection, placement or maintenance of any building, landscaping, earth fill, walls or fences upon the easement which would impair the repair, maintenance, or removal of any or all of the facilities. All systems including electrical and communication structures installed by the Grantee in and upon the easement, shall remain the personal property of the Grantee and shall not be considered part of the realty.

The Grantee shall have the right to trim or top such trees and to cut such roots and remove such obstacle that could endanger or interfere with the Facilities and shall have free access to all of the Facilities and every part thereof, at all times, for the purpose of exercising the rights herein granted.

The Grantee shall have the right during initial construction of the Facilities, to use for the purposes incidental to said construction, a strip of land 30 feet in width adjacent and contiguous to the Easement, said strip to be in whole or in part on each side of the Easement, said right to use said strip of land ceasing and being terminated at such time as said initial construction is completed.

According to Liza Castillo, the TCE will be negotiated outside the appraisal process.

The Grantor shall not increase or decrease the ground surface elevation within the boundaries of the Easement after approved final grade is established and meets Grantee's construction standards.

The reader should refer to a complete copy of the easement included in the Addenda.

Tucson Electric Power has provided a list of uses that may be conditionally approved within the easement upon review of plans submitted by the property owner. These are summarized below:

- ☐ Improved parking areas with curbs and sidewalks. This includes lighting structures not over 20 feet in height and electrically grounded.
- ☐ Landscaping and trees that do not grow over 18 feet at maturity.
- ☐ Recreational facilities with no associated structures over 15 feet above existing grade. Lighting structures may be 20 feet in height and electrically grounded. Swimming pools and spas are excluded from being approved.
- ☐ Fences or walls within the easement area may be conditionally approved after TEP reviews plans for such improvements. Access to the power line and structures will be paramount in any final decision on allowing fences or walls.
- ☐ Roads crossing perpendicular to the easement, and no closer than 20 feet to a TEP structure, where the final grade is not changed.
- ☐ Roads that are parallel with, and inside the easement, as long as the interior edge of the roadway is no closer than 20 feet to any TEP structure, and the final grade is not changed.
- ☐ Detention/retention basins, subject to review of submitted plans.
- ☐ Drainage structures crossing the easement, subject to review of submitted plans.
- ☐ The facilities of other utility companies, subject to review of submitted plans.
- ☐ Business signs and advertising signs
- ☐ Agricultural use, maintaining a 75 foot clear area around TEP structures.

**Other requirements:**

- ☐ A 75 foot clear area around all sides of the transmission line structures must be maintained.
- ☐ No habitable buildings, whether permanent or temporary, will be allowed in the easement area.
- ☐ No permanent storage buildings are allowed in the easement area.
- ☐ No storage of toxic, hazardous, flammable or explosive materials will be allowed in the easement area.

With respect to the impact on the use of the land within the easement, the property owner will relinquish a majority of the bundle of rights. Though the area within the easement could be used for parking, landscaping, fences, walls, roads, signage and drainage facilities there are restrictions and specific approval by TEP must be granted. For development, the land area can be used to calculate density and comply with setback requirements. It can also be used for access.

By definition, the creation of an easement conveys a portion of the total bundle of rights to a third party. The challenge to the appraiser is measuring, in terms of dollars, the market value of the rights conveyed. To help measure the value of these rights, consideration is given to the Easement Valuation Matrix developed by Donald Sherwood, SR/WA<sup>1</sup> and to the Intensity of Use Guidelines for Rights of Way developed by the Arizona State Land Department.

This easement is a surface, subsurface and aerial restriction of use on the land. Easements that impact multiple areas tend to affect the value to a greater degree. The Easement Valuation Matrix that follows was developed by Mr. Sherwood based on market data derived through paired sales analysis. It is used as a general guide in looking at the effect an easement may have on the total bundle of rights.

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<sup>1</sup> Donald Sherwood, SR/WA, "Easement Valuation," *Right of Way Magazine* Vol. 53, no. 3 (May/Jun 2006): 30-33.

**EASEMENT VALUATION MATRIX**

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

Based on the preceding, the value of an easement for a transmission line is equal to 90% to 100% of fee value.

The Intensity of Use Schedule used by ASLD shows that an overhead sub-transmission line (69-kV, 115-kV et al. less than 230-kV) is valued at 70% of fee value for a rural location, up to 80% of fee value for an urban location.

Since the Grantor retains some rights that are beneficial to the highest and best use, such as the right to access, landscape, setback, and possibly use for parking a rate of 90% is applied. This is at the low end of the range on the Matrix Schedule, but above the rates used by ASLD.

The following calculation summarizes the market value of the easement interest to be acquire as part of the whole.

$$\text{Transmission Line Easement: } 0.449 \text{ acre} \times \$6,479 / \text{acre} \times 0.9 = \$2,618$$

**OPINION OF VALUE OF THE PART TO BE ACQUIRED,  
AS PART OF THE WHOLE**

**Transmission Line Right-of-Way Easement.....\$2,618**



**Valuation - Remainder As Part of the Whole**

The market value of the remainder, as part of the whole, is equal to the reconciled market value of the subject site less the value of the part to be acquired, as part of the whole. The resulting value does not consider an increase (special benefits) or decrease in value (severance damages) as a result of the acquisition.

**OPINION OF MARKET VALUE OF THE  
SUBJECT PROPERTY, BEFORE THE ACQUISITION.....\$30,000**

**OPINION OF VALUE OF THE PART TO BE  
ACQUIRED AS PART OF THE WHOLE**

**Transmission Line Right-of-Way Easement.....\$2,618**

**OPINION OF MARKET VALUE OF THE REMAINDER  
BEFORE THE ACQUISITION .....\$27,382**

**Valuation - Remainder Parcel After the Acquisition*****Description of Remaining Property:***

Before the acquisition, the subject site consists of 4.63 acres that is encumbered by an existing 50 foot' wide power line easement for a 138kV transmission line. This existing easement is parallel to the north boundary.

After the acquisition, the 200 foot wide easement will be parallel and adjacent to the 50 foot wide easement. It will encumber an additional 0.449 acre of land that is 200 feet wide by 98.29 feet deep. A new 138kV transmission line will be mounted on a 100-foot tall monopole. The steel towers that support the existing line will be replaced by 100-foot steel monopoles. A visual illustration showing the current condition and the simulated condition is included in the addenda.

***Highest and Best Use:***

Other than the additional aerial and surface restrictions associated with the transmission line easement, there are no significant physical changes to the subject property as a result of the acquisition. The site will still have a long narrow shape with 150 feet of frontage on Old Vail Connection Road and 1,800 feet of frontage on Swan Road. Access across the new transmission line easement will not be restricted so any future development can still have direct access to Old Vail Connection Road.

In the before condition, the highest and best use was for investment with the potential development of a single residential homesite. Because of the minor wash the passes through the northern portion of the subject site, the intersection corner and the higher terrain to the south the most likely location of the homesite in the before condition was south of the wash. With the additional encumbrance across the portion of the site parallel to the existing transmission line, the new easement should not physical impact the development potential. Despite the addition of another transmission line, the project will replace the large towers with steel monopoles. The overall visual impact will not change significantly.

At this juncture, it is difficult to know how development in the neighborhood will transition over time, but with the existing RH zoning, size, shape and availability of utilities, the only use that is potentially possible at this time is for residential purposes.

The easement in the northern half of the site and the location of the new pole will dictate the placement of any structure(s) and/or outbuildings on that portion of the property, but that was never an ideal location for a homesite. Thus, the highest and best use in the after condition is the same as the highest and best use in the before condition.

***Land Value Analysis - After the Easement Acquisition:***

Considering there were steel towers and a transmission line in place along the north boundary in the "before" condition, and there is adequate area in the "after" condition to place a single family residence south of the wash, away from the new easement, there does not appear to be any additional negative impact from the new easement and modification of the power poles.

In conclusion, the same sales are used in the valuation "after" the acquisition as were presented in the "before" valuation. The only adjustment pertains to the reduction in utility within the newly encumbered easement area. Thus, the market value of the subject property in the "after" condition is same as the "before" condition of \$30,000, less the value of the part to be acquired of \$2,618, or \$27,382.

**OPINION OF MARKET VALUE OF THE  
SUBJECT PROPERTY, BEFORE THE ACQUISITION..... \$30,000**

**OPINION OF VALUE OF THE PART TO BE  
ACQUIRED AS PART OF THE WHOLE**

**Transmission Line Right-of-Way Easement..... \$2,618**

**OPINION OF MARKET VALUE OF THE REMAINDER  
BEFORE THE ACQUISITION ..... \$27,382**

**OPINION OF MARKET VALUE OF THE REMAINDER  
AFTER THE ACQUISITION ..... \$27,382**

**SEVERANCE DAMAGES ..... \$0**

**SPECIAL BENEFITS..... \$0**

**TOTAL DIFFERENCE ..... \$2,618**

**Certification**

THE APPRAISER CERTIFIES 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 I have 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 appraisal 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.

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

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

No one provided significant professional assistance to the person(s) signing this report, except as stated in the report. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser."

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

I have not provided any appraisal services on the subject property within the past three years.



Beverly Weissenborn, MAI  
Certified General Real  
Estate Appraiser #30125

**Qualifications of Beverly Weissenborn, MAI****Formal Education:**

Bachelor of Science Degree in Business Administration, Northern Arizona University, 1980.  
Concentration: Finance.

**Professional Affiliations:**

Member of the Appraisal Institute, (MAI), Certification Number 8972. I have completed the requirements under the continuing education program of the Appraisal Institute. Currently certified through December 31, 2021.

Arizona Certified General Real Estate Appraiser Number 30125. Currently certified through August 31, 2020.

President, Southern Arizona Chapter of the Appraisal Institute, 2004

Member, Board of Directors, Southern Arizona Chapter of the Appraisal Institute, 2005-07

Appointment to the Arizona State Board of Equalization; March 2007 to current

Current Member of CREW, Commercial Real Estate Women (Board of Directors 2012-15)

Current Member of IRWA (International Right-of-Way Association), Saguaro Chapter #73

**Professional Experience:**

2014 to current:	Co-Owner, Weissenborn Appraisal, LLC
2005 – 2013:	Partner, Burke Weissenborn, LLC
1982 – 2005:	Associate Appraiser with Southwest Appraisal Associates, Inc.

Experience includes valuation of most types of real property: vacant land, subdivisions, multi-family residential, commercial and industrial. Experience also includes valuation of complex properties, flood prone properties, easements, leased fee and leasehold estates. Geographical areas of experience include Southern Arizona, specifically Pima, Pinal, Santa Cruz, Cochise, Graham, Greenlee, La Paz and Yuma Counties. Areas of experience also outside of Southern Arizona include Gila County, Navajo County, Apache County, Coconino County and rural Maricopa County.

**Professional Education:**

Successful completion of all courses related to the MAI designation given by the American Institute of Real Estate Appraisers or The Appraisal Institute between 1982 and 1991. Successful completion of the Comprehensive Examination for the MAI Designation, February 1991.

Recently attended courses and seminars given by the Appraisal Institute:

Understanding Limited Appraisals, September 1994  
 Subdivision Analysis, March 1996  
 Highest and Best Use Applications, June 1996  
 Litigation Skills for the Appraiser: An Overview, April 1997  
 Acquisitions & Appraisals of State Lands, April 1998  
 Attacking & Defending an Appraisal in Litigation, January 2000  
 Partial Interest Valuation – Undivided, March 2000  
 Conservation Easements – June 2001  
 Appraisal Consulting – October 2003  
 Reappraising, Readdressing and Reassigning Appraisals – May 2005  
 Scope of Work – May 2005  
 Case Studies in Commercial Highest and Best – May 2007  
 Condemnation Appraising: Advanced Topics & Applications - March 2008  
 Appraisal Curriculum Overview - January 2009  
 Litigation Appraising; Specialized Topics and Applications, April 2011  
 Fundamentals of Separating Real Property, Personal Property & Intangible Business Assets – March 2012  
 Appraising the Appraisal; Appraisal Review-General – September 2012  
 Complex Litigation Appraisal Case Studies – March 2013  
 Business Practices and Ethics – August 2016  
 Advanced Land Valuation: Sound Solutions to Perplexing Problems – August 2017

Uniform Standards of Professional Appraisal Practice – 15 Hours, January 2004  
 Uniform Standards of Professional Appraisal Practice – 7 Hours, January 2018  
 Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book), 15 hours: April 2007, May 2017

Recently attended courses and seminars given by the International Right of Way Association (IRWA):

Eminent Domain & Right-of-Way Symposium, October 2010  
 Ethics and the Right-of-Way Profession, April 2011

**Expert Witness:**

*United States v. 400 acres of land in Lincoln County, State of Nevada, and Jessie J. Cox, et al.*, Deposition June 2018

*Goodeagle, et al., vs. United States of America; Bear, et al., vs. United States of America; and Quapaw Tribe of Oklahoma vs. United States of America*; Deposition, July 2016

*The Chickasaw Nation and The Choctaw Nation vs. The Department of Interior*, Deposition, April 2015

**ADDENDA**

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Individual Comparable Sale Maps and Photos..... 51

Title Report ..... 56

## ELECTRIC TRANSMISSION AND DISTRIBUTION RIGHT-OF-WAY EASEMENT

### GRANTOR NAME

(hereinafter referred to as "Grantor"), hereby grants to **Tucson Electric Power Company**, an Arizona corporation, its successors and assigns (hereinafter referred to as "Grantee"), an easement and right-of-way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time one or more transmission and distribution voltage electric lines and appurtenant facilities for the transmission and distribution of electricity, consisting of wires, wood or steel poles, lattice towers, surface and underground foundations, cables, guy wires, anchors, and other appurtenant fixtures and equipment necessary or useful for transmission and distribution of electrical energy and for communication facilities of Grantee, including fiber-optic ground wires, concrete pads, aboveground structures and underground conduits associated with communications systems (taken together, the "Facilities") in, over, under, across and along that certain real property described as follows (the "Easement"):

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

Grantor further conveys to Grantee, its successors and assigns, the right of ingress and egress to and from the Easement over and across Grantor's lands adjoining the Easement during all periods of construction, maintenance, installation, reinforcement, repair and removal.

Grantor agrees for itself, its successors and assigns, not to erect, place or maintain, nor to permit the erection, placement or maintenance of any building, landscaping, earth fill, walls or fences upon the Easement which would impair the repair, maintenance or removal of any or all of Grantee's Facilities. All systems, including electrical and communication structures installed by Grantee in and upon the Easement, shall remain the personal property of the Grantee and shall not be deemed a part of the realty.

Grantee and its contractors, agents and employees shall have the right to trim or top such trees and to cut such roots and remove such obstacles that could endanger or interfere with the Facilities, and shall have free access to all of the Facilities and every part thereof, at all times, for the purpose of exercising the rights herein granted.

Grantee shall have the right during initial construction of the Facilities, to use for the purposes incidental to said construction, a strip of land 30 feet in width adjacent and contiguous to the Easement, said strip to be in whole or in part on each side of the Easement, said right to use said strip of land ceasing and being terminated at such time as said initial construction is completed.

Grantor shall not increase or decrease the ground surface elevation within the boundaries of the Easement after approved final grade is established and meets Grantee's construction standards. If subsequent to construction, Grantor changes the grade in such a way as to require relocation of the Facilities, the cost shall be borne by Grantor or subsequent owners.

Grantor hereby agrees that these covenants are made for the above-described underlying real property which is the subject of this Easement. Grantor hereby warrants and represents, and acknowledges Grantee's reliance upon said warranty and representation, that Grantor has good and sufficient title to the real property in order to grant this Easement, subject to all matters apparent or of record.

Sonoran to Wilmot Energy Center 138 kV Transmission Line Project  
Address:  
APN:

Easement, Page 1 of 2

In consideration of the mutual terms, covenants and conditions herein contained, this Easement shall be binding upon and inure to benefit of any heirs, executors, administrators, permittees, licensees, agents, or assigns of Grantor and any successors and assigns of Grantee.

In witness hereof, the Grantor has executed these presents this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**Grantor Name**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
TITLE

STATE OF                                )  
  ) ss.  
COUNTY OF                         )

This instrument was acknowledged before me, the undersigned notary public, by \_\_\_\_\_  
\_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019,  
as \_\_\_\_\_ for. \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

Sonoran to Wilmot Energy Center 138 kV Transmission Line Project  
Address:  
APN:

Easement, Page 2 of 2



# Sonoran to Cisne 138kV Transmission Alternative Line Siting

Key Observation Point (KOP) #2 - Northern 2 Alt.



Current Condition



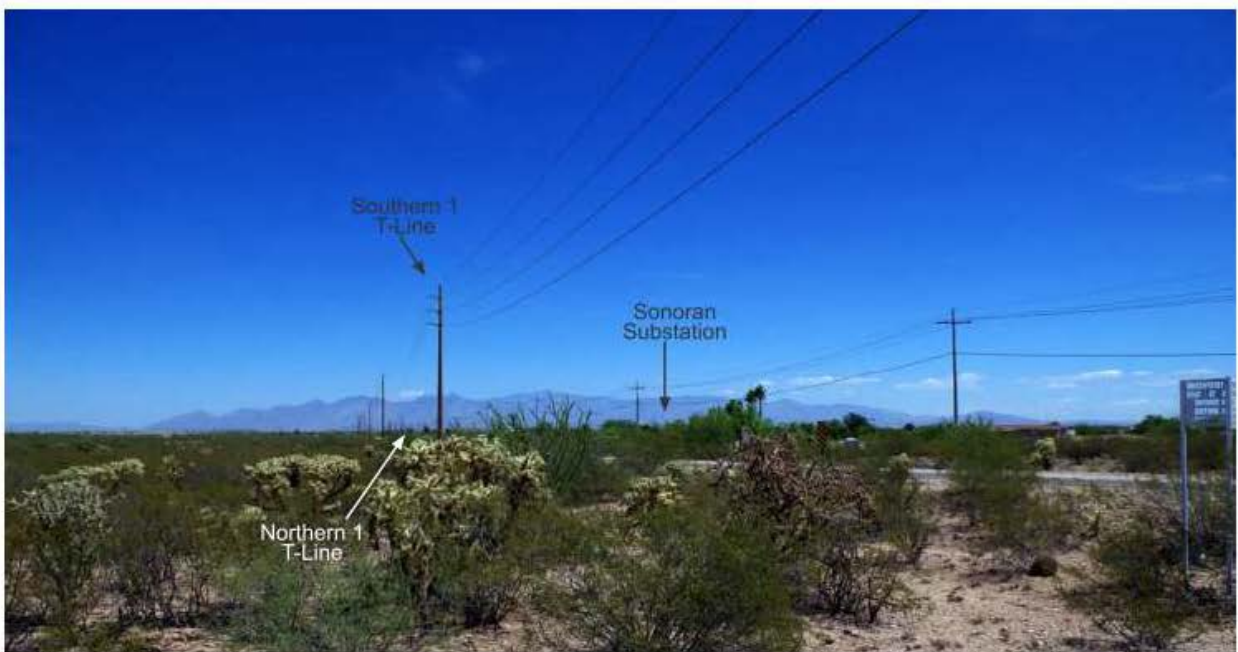
Simulated Condition

# Sonoran to Cisne 138kV Transmission Alternative Line Siting

Key Observation Point (KOP) #8 - Northern 1/Southern 1 Alt.



Current Condition



Simulated Condition





**Looking southwest across subject property from the northeast corner of the site.**



**Looking south across subject property from Old Vail Connection Road.**



**Looking east along Old Vail Connection Road, subject property to the right.**



**Looking south on Swan Road, subject property to the right.**



**Access road that bisects southern portion of subject property.**



**Access road looking west toward TAA parcel.**



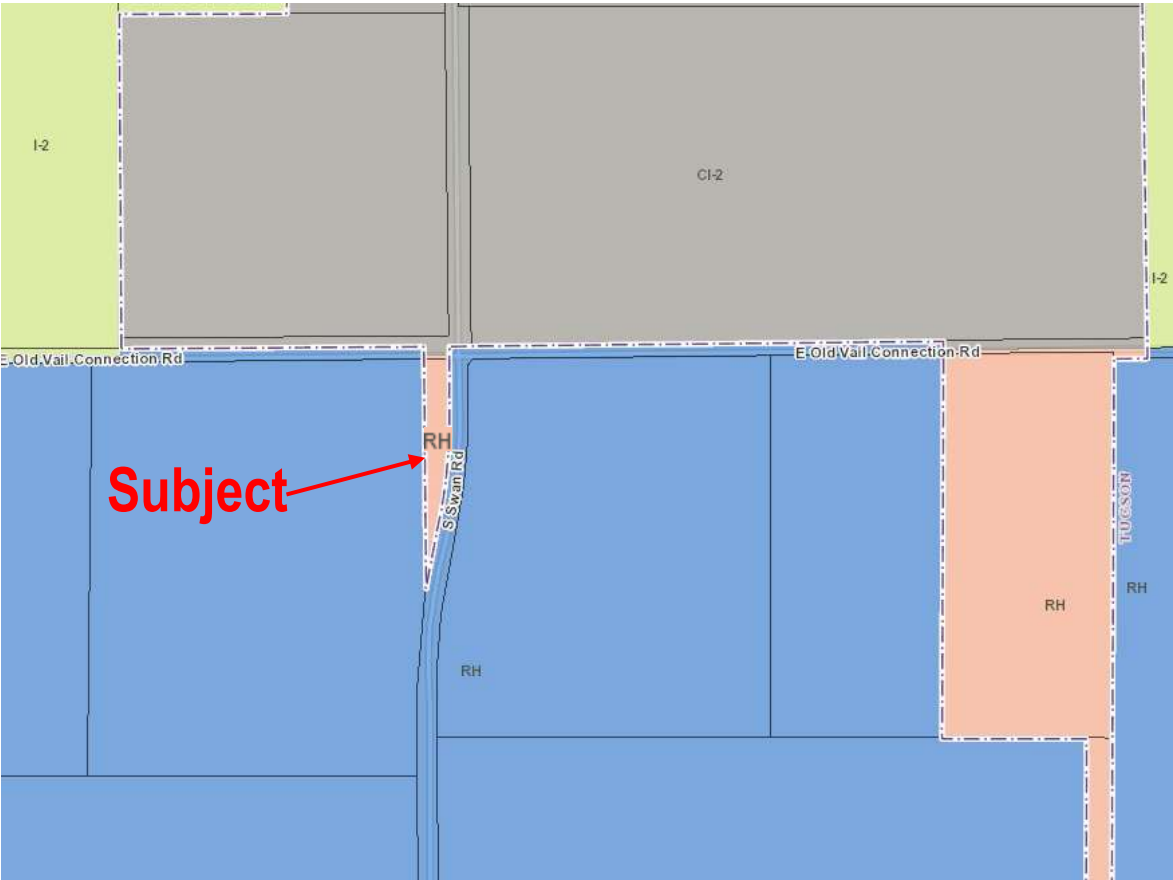


**Looking north from southern portion of subject property.**



**Looking northwest across subject property from Swan Road.**

**Zoning Map**



**Comparable Sale One**





**Comparable Sale Two**



**Comparable Sale Three**





**Comparable Sale Four**



**Comparable Sale Five**





	<b>First American Title™</b>	<b>Commitment for Title Insurance</b>
		ISSUED BY <b>First American Title Insurance Company</b>
<b>Commitment</b>		

**COMMITMENT FOR TITLE INSURANCE**

Issued By

**FIRST AMERICAN TITLE INSURANCE COMPANY**

**NOTICE**

**IMPORTANT—READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

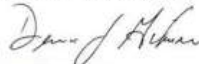
THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**First American Title Insurance Company**



Dennis J. Gilmore  
President



Jeffrey S. Robinson  
Secretary

**If this jacket was created electronically, it constitutes an original document.**

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

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Form 5030000 (1-31-17)

ALTA Commitment for Title Insurance (8-1-16)

**COMMITMENT CONDITIONS****1. DEFINITIONS**

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.

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Form 5030000 (1-31-17)

ALTA Commitment for Title Insurance (8-1-16)

- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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Form 5030000 (1-31-17)

ALTA Commitment for Title Insurance (8-1-16)

	<b>First American Title™</b>	<b>Commitment For Title Insurance</b>
<b>Schedule A</b>		ISSUED BY <b>First American Title Insurance Company</b>

**Transaction Identification Data for reference only:**

Issuing Agent: Title Security Agency, LLC  
 Issuing Office: 6390 E. Tanque Verde Tucson, AZ 85715  
 Commitment No.: 600-135612

ALTA® Universal ID:

File No.: 600-135612-YC  
 Escrow No.:  
 Escrow Officer:

1. Commitment Date: April 2, 2019 at 07:30 AM  
 Amended: No.:
2. Policy (or Policies) to be issued:
  - a. ALTA Standard Owners Policy (6-17-06)  
 Proposed Insured: Tucson Electric Power Company, an Arizona corporation  
 Proposed Policy Amount: \$9,000.00
3. The estate or interest in the Land described or referred to in this Commitment is a Fee.
4. The Title is, at the Commitment Date, vested in:  
 Pima County, a political subdivision of the State of Arizona, as to Parcels 1 and 2 and  
 Stewart Title & Trust of Tucson, an Arizona corporation, as Trustee under Trust #3566, as to Parcel 1
5. The Land is described as follows:  
 SEE EXHIBIT A ATTACHED HERETO

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Form 5030000-A (4-12-17)

ALTA Commitment for Title Insurance (6-1-16)

Schedule A



**Note:** Please direct all inquiries and correspondence to:

**Title Security Agency, LLC, Authorized Representative for First  
American Title Insurance Company**  
**Yolanda Carlson - YC**  
Title Officer  
Typist

Phone:

[www.titlesecurity.com](http://www.titlesecurity.com)



Authorized Representative

(This Schedule A valid only when Schedule B is attached)

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Form 5030000-A (4-12-17)

ALTA Commitment for Title Insurance (8-1-16)

Schedule A

**EXHIBIT A**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PIMA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

\*\*\* DO NOT ATTACH TO ANY DOCUMENTS TO BE RECORDED\*\*\*

PARCEL 1:

All that portion of Parcel 2 as described in [Docket 8248 at Page 1689](#) recorded in the office of the Pima County Recorder and being within the Northwest Quarter of Section 2, Township 16 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

All of said Parcel 2 lying South of a line 75 feet south of and parallel with the north line of said Section 2.

PARCEL 2:

All that portion of Parcel 3 as described in [Docket 8248 at Page 1689](#) recorded in the office of the Pima County Recorder and being within the Northwest Quarter of Section 2, Township 16 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

All of said Parcel 3 lying South of a line 75 feet south of and parallel with the north line of said Section 2.

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Form 5030000-Exh (4-12-17)

Multipurpose Exhibit A

**SCHEDULE B - PART 1**  
(Continued)

 <b>First American Title™</b>	<b>Commitment For Title Insurance</b>
<b>Schedule BI</b>	<small>ISSUED BY</small> <b>First American Title Insurance Company</b>

File No.: 600-135612-YC

**REQUIREMENTS**

**NOTE:** Pursuant to Arizona Revised Statutes 11-480, effective January 1, 1991, the County Recorder may not accept documents for recording that do not comply with the following:

- a. Print must be ten-point type (pica) or larger.
- b. Margins of at least one-half inch along the left and right sides one-half inch across the bottom and at least two inches on top for recording and return address information.
- c. Each instrument shall be no larger than 8 1/2 inches in width and 14 inches in length.

All of the following Requirements must be met:

- A. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
- B. Pay the agreed amount for the estate or interest to be insured.
- C. Pay the premiums, fees, and charges for the Policy to the Company.
- D. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

1. **TAX NOTE:**

Year	2018
Parcel No.	<u>303-70-0040</u>
Total Tax	\$376.48
First Half	\$paid
Second Half	\$paid

2. PROVIDE the legal description to be insured herein. The right is reserved to make additional requirements and/or exceptions upon review of said legal description.

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Form 5030002-BI (5-9-17)

ALTA Commitment for Title Insurance (8-1-16)

Schedule BI

**SCHEDULE B - PART 1**  
(Continued)

3. RECORD Consent to Easement by party named below to easement referred to in Exhibit "A", Schedule A, Item No. 5.

Party	George Steinhilber
Interest disclosed by	Deed of Trust
Document No.	
Docket	8016
Page	2105
(Parcel 2)	

4. RECORD Consent to Easement by party named below to easement referred to in Parcel No. Exhibit "A", Schedule A, Item No. 5

Party	Golab & Baker PC
Interest disclosed by	Deed of Trust
Document No.	
Docket	8230
Page	1291
(Parcel 2)	

5. RECORD Consent to Easement by party named below to easement referred to in Parcel No. Exhibit "A", Schedule A, Item No. 5

Party	Bob Simonds Corporation, an Arizona corporation
Interest disclosed by	Deed of Trust
Document No.	
Docket	8241
Page	1349
(Parcel 2)	

6. RECORD Consent to Easement by party named below to easement referred to in Parcel No. Exhibit "A", Schedule A, Item No. 5

Party	George Steven Steinhilber
Interest disclosed by	Deed of Trust
Document No.	
Docket	8256
Page	840
(Parcel 2)	

7. RECORD Grant of Easement from Pima County, a political subdivision of the State of Arizona, as to Parcels 1 and 2 and Stewart Title & Trust of Tucson, an Arizona corporation, as Trustee under Trust #3566, as to Parcel 1 to Tucson Electric Power Company, an Arizona corporation

**VESTING INFORMATION:**

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Form 5030002-BI (5-9-17)

ALTA Commitment for Title Insurance (8-1-16)

Schedule BI

**SCHEDULE B - PART 1**  
(Continued)

**PARCEL 1:**

Quit Claim Deed recorded September 17, 1998 in Docket 10883, Page 2699; Grantor: Sidney Lex Felker, Testamentary Trustee under the Last Will and Testament of Charles P. Lievers dated 7/24/73; Grantee: Stewart Title & Trust of Tucson, an Arizona corporation, as Trustee under Trust #3566.

Declaration of Trust and Affidavit recorded January 26, 2005 in Docket 12476, Page 4948.

**PARCELS 1 and 2:**

Quit Claim Deed recorded December 19, 2018 in Document No. 2018-3530409; Grantor: Sunshine Associates II, an Arizona general partnership; Grantee: Pima County, a political subdivision of the State of Arizona

**Lender's Note:** The purported address as disclosed by the **Pima** County Assessor's office is as follows:

, AZ

**END OF SCHEDULE B - PART I**

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Form 5030002-BI (5-9-17)

ALTA Commitment for Title Insurance (8-1-16)

Schedule BI

	<b>First American Title™</b>	<b>Commitment for Title Insurance</b>
		ISSUED BY <b>First American Title Insurance Company</b>
<b>Schedule BII</b>		

File No.: 600-135612-YC

**SCHEDULE B, PART II****Exceptions**

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:

- A. 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.
- B. a) Taxes or assessments that 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; (b) proceedings by a public agency that 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.
- C. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession thereof.
- D. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- E. 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.

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Form 5030002-BII (5-9-17)

ALTA Commitment for Title Insurance (8-1-16)

Schedule BI

**SCHEDULE B**  
(Continued)

- F. (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, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
- G. Any lien or right to a lien for services, labor or material not shown by the Public Records.
1. RESERVATIONS or exceptions in Patents or in Acts authorizing the issuance thereof, recorded in Docket 357, Page 393.
2. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year:  
2019
3. Easement for electric lines as set forth in instrument recorded in [Docket 2126 at Page 336](#).
4. Any matters arising by reason of Tucson Airport Authority 1 Annexation District set forth in [Document Number 20142250065](#) and Ordinance No. 11211 by the Mayor and Council of The City of Tucson set forth in instrument recorded in [Document Number 20143230545](#).
5. Any matters arising by reason of Resolution and Order No. 2015-6 as set forth in instrument recorded in [Document Number 20150420605](#).
6. MATTERS SHOWN ON SURVEY:  
Recorded in [Document No. 2017-2580267](#)
7. DEED OF TRUST given to secure the original amount shown below, and any other amount payable under the terms thereof:  
Amount \$488,921.52  
Dated December 18, 1986  
Recorded April 17, 1987  
Document No.  
[Docket 8016](#)  
[Page 2105](#)  
Trustor Ronald G Todd  
Trustee Stewart Title and Trust of Tucson  
Beneficiary George Steinhilber, an unmarried man  
(Parcel 2)

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Form 5030002-BII (5-9-17)

ALTA Commitment for Title Insurance (8-1-16)

Schedule BI



**SCHEDULE B**  
(Continued)

Assignment of Equity Interest recorded in [Docket 8256, page 847](#).

8. DEED OF TRUST given to secure the original amount shown below, and any other amount payable under the terms thereof:

Amount \$166,500.00  
Dated January 28, 1988  
Recorded February 25, 1988  
Document No.  
[Docket 8230](#)  
[Page 1291](#)  
Trustor Ronald G Todd, an unmarried man  
Trustee Golab & Baker PC  
Beneficiary Robert B. Medland  
(Parcel 2)

9. DEED OF TRUST given to secure the original amount shown below, and any other amount payable under the terms thereof:

Amount \$150,000.00  
Dated February 9, 1988  
Recorded March 11, 1988  
Document No.  
[Docket 8241](#)  
[Page 1349](#)  
Trustor Ronald G Todd, an unmarried man  
Trustee Transamerica Title Insurance Company, a California corporation  
Beneficiary Bob Simonds Corporation, an Arizona corporation  
(Parcel 2)

10. DEED OF TRUST given to secure the original amount shown below, and any other amount payable under the terms thereof:

Amount \$50,000.00  
Dated March 7, 1988  
Recorded April 1, 1988  
Document No.  
[Docket 8256](#)  
[Page 840](#)  
Trustor Ronald G Todd

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Form 5030002-BII (5-9-17)

ALTA Commitment for Title Insurance (8-1-16)

Schedule BI



**SCHEDULE B**  
(Continued)

Trustee Stewart Title and Trust of Tucson  
Beneficiary George Steven Steinhilber  
(Parcel 2)

**END OF SCHEDULE B – PART II**

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Form 5030002-BII (5-9-17)

ALTA Commitment for Title Insurance (8-1-16)

Schedule BI