

**AN APPRAISAL REPORT**

**A 1.97 ACRE LOT AS VACANT  
LOCATED AT 3680 WEST SPEEDWAY BOULEVARD,  
PIMA COUNTY, ARIZONA**

**FOR**

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

**MR. JEFF TEPLITSKY  
APPRAISAL SUPERVISOR**

**OWNERSHIP: JAMES M. NELSON AND MARILYN J. NELSON,  
TRUSTEES OF THE GIEBELHAUSEN TRUST DATED MARCH 2,  
2007**

**TAX PARCEL NUMBER: 116-04-159L  
SECTION 5, TOWNSHIP 14 SOUTH, RANGE 13 EAST**

**EFFECTIVE DATE OF APPRAISAL**

**AUGUST 2, 2019**

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



BAKER, PETERSON, BAKER & ASSOCIATES, INC.

REAL ESTATE APPRAISERS - CONSULTANTS

4547 E. FT. LOWELL ROAD • SUITE 401 • TUCSON, AZ 85712

(520) 881-1700 • 1-800-204-1700

FAX (520) 325-3108

www.bakerpeterson.com

• Over 40 Years of Service •

August 5, 2019

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

RE: An appraisal report of a residential lot as vacant (1.97 acres) located at 3680 West Speedway Boulevard, Pima County, Arizona

<i>Ownership:</i>	James M. Nelson and Marilyn J. Nelson, Trustees of the Giebelhausen Trust Dated March 2, 2007
<i>Tax Parcel No.:</i>	116-04-159L
<i>Effective Date of Appraisal:</i>	August 2, 2019
<i>Date of Report:</i>	August 5, 2019

Dear Mr. Teplitsky:

In response to your authorization, I have conducted the required inspection, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the market value of the fee simple interest in the above-named property, both before and after the acquisition of a parcel of land and any improvements for construction of the Speedway Boulevard improvement project, and the estimated damages which may accrue to the remainder property not being acquired.

This report is intended for use only by the intended user, Mr. Jeffrey Teplitsky, Pima County Public Works, Real Property Services, and its designees. Use of this report by others is not intended by the appraiser. This report is intended only for use in assisting the intended user in the determination of the compensation due for a partial acquisition of the subject property. It is not intended for any other use.

A portion of Speedway Boulevard is located in the southern portion of the subject property. As part of this project, this is being corrected so Speedway Boulevard is located entirely within the right-of-way and not on the subject private property.



I have formed the opinion that, as of the effective date of appraisal, August 2, 2019, and subject to the assumptions and limiting conditions set forth herein, based on a six to twelve month marketing period, the market value of the fee simple interest of the part acquired and any severance damages is:

Market Value of Land, Before Acquisition	\$85,000
Market Value of Land To Be Acquired	\$7,100
Market Value of Remainder Land, Before	\$77,900
Market Value of Remainder Land, After	\$77,900
Severance Damages	-0-

**TOTAL COMPENSATION:**

Market Value of Land To Be Acquired	\$7,100
Severance Damages	<u>-0-</u>
<b>TOTAL COMPENSATION</b>	<b>\$7,100</b>

***Hypothetical Condition*** - This appraisal report includes the appraisal of the market value of the remainder land, as if the Speedway Boulevard improvement project between Camino De Oeste and Painted Hills Road was complete and all improvements were in place. As the road improvement project is not complete as of the effective date of value, the appraisal of the market value of the remainder land, after, is based upon the hypothetical condition that the improvements were completed based upon the plans provided to the appraiser by Pima County. If the project is not completed as indicated by the plans provided by Pima County to the appraiser, then the value indicated in this report is subject to change. Per USPAP, the use of this hypothetical condition might have affected the assignment results.



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

Respectfully submitted,



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

C197791



## TABLE OF CONTENTS

PART I - GENERAL INFORMATION .....	5
Intended User .....	5
Subject Property.....	5
Land Area.....	5
Tax Parcel Number .....	5
Intended Use of Report .....	6
Ownership .....	7
PART II - SCOPE OF THE APPRAISAL .....	9
PART III - DESCRIPTION OF REAL ESTATE APPRAISED.....	11
SECTION A - THE LAND BEFORE ACQUISITION .....	11
Market Area .....	17
Site Description.....	18
Zoning.....	19
Highest and Best Use.....	30
SECTION B - VALUATION OF PROPERTY, BEFORE .....	32
SECTION C - THE LAND TO BE ACQUIRED.....	36
SECTION D - VALUATION OF THE REMAINDER PROPERTY, BEFORE .....	37
SECTION E - THE REMAINDER LAND, AFTER ACQUISITION.....	38
SECTION F - SEVERANCE DAMAGES.....	40
SECTION G - SUMMARY OF VALUE CONCLUSIONS.....	41
PART IV - ASSUMPTIONS AND LIMITING CONDITIONS.....	42
PART V - CERTIFICATION .....	46
PART VI - EXHIBITS.....	48



## **PART I - GENERAL INFORMATION**

### **INTENDED USER**

Pima County Public Works, Real Property Services

### **APPRAISER**

Sara R. Baker, MAI, SRA

### **SUBJECT PROPERTY**

The subject property is located at 3680 West Speedway Boulevard, Tucson, Arizona. The subject of this appraisal is vacant land totaling 1.97 acres, or 85,813 square feet. The subject property is currently improved with a single family residence with related site improvements. Because the improvements are not impacted by the proposed acquisition, this is an appraisal of the physical segment of land only of the subject property. Only improvements in the area to be acquired have been valued in order to determine just compensation to the property owner.

The asphalt paving for Speedway Boulevard in the southern portion of the subject property is owned by Pima County and not the property owner; therefore, it is not included in this appraisal.

### **LAND AREA**

1.97 acres, or 85,813 square feet

### **ZONING**

CR-1, Pima County

### **TAX PARCEL NUMBER**

116-04-159L

### **FULL CASH VALUE**

\$466,964 (2019, land and improvements)

\$467,653 (2020, land and improvements)

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

### **LIMITED CASH VALUE**

\$439,421 (2019, land and improvements)

\$461,392 (2020, land and improvements)

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



**REAL ESTATE TAXES**

\$7,248.62 (2018, land and improvements)

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

**DELINQUENT TAXES**

None

**INTENDED USE OF REPORT**

This report is intended for use only by the intended user, Mr. Jeffrey Teplitsky, Pima County Public Works, Real Property Services, and its designees. Use of this report by others is not intended by the appraiser. This report is intended only for use in assisting the intended user in the determination of the compensation due for a partial acquisition of the subject property. It is not intended for any other use.

**INTEREST APPRAISED**

Fee simple interest in the land before the acquisition, in the land to be acquired, and in the remainder land after the acquisition.

*Fee Simple Interest*, as defined in The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, page 90, is "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

**MARKET VALUE DEFINITION**

*Market value*, as utilized in this appraisal, and 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."

The terms "market value" and "value", as used in this report, refer to market value as described herein.



## **PROJECT INFLUENCE**

Arizona Revised Statute §28-7097 states:

In acquiring property for transportation purposes pursuant to this article, when determining the market value of the property to be taken and the market value of the remainder, if any, in the before condition, a decrease or increase in the market value of the real property before the date of valuation caused by the public project for which the property is to be acquired or by the likelihood that the property would be acquired for the project shall be disregarded.

All steps in the appraisal process, including the selection of comparables and analysis of market data, were completed disregarding any influence from the project for which this appraisal is being completed.

## **TITLE REPORT INFORMATION**

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

## **LEGAL DESCRIPTION**

A portion of the West Half of the Southwest Quarter of Section 5, Township 14 South, Range 13 East, G&SRB&M, Pima County, Arizona. A full legal description can be found in the exhibits section of this report.

## **OWNERSHIP**

According to public records of the Pima County Assessor, title to the subject property is in the name of James M. Nelson and Marilyn J. Nelson, Trustees of the Giebelhausen Trust Dated March 2, 2007, according to a deed recorded in sequence number 20162000400, dated July 18, 2016. This was the purchase of the property as an improved property containing a residence for \$490,000.

## **SALES HISTORY**

The property sold on July 18, 2016 as an improved property containing a single-family residence for \$490,000. A second recording dated July 18, 2016 was an affidavit of marital status and not a market transaction. No current listings, options, or agreements of sale of the subject property were discovered in the course of this analysis.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

## **CERTIFICATION**

See Part V.

## **EFFECTIVE DATE OF APPRAISAL**

August 2, 2019



**DATE OF INSPECTION**

April 3, 2019. Per Pima County policy, a request to have the owner of record of the subject property attend the property inspection was sent on January 4, 2019. The letter was sent to Mr. James M. Nelson and Ms. Marilyn J. Nelson. The letter was not returned to this office. This appraiser was not given access to the property and could not see the stakes marking the acquisition area in front of the house and improvements. An exterior inspection was conducted on April 3, 2019, without the property owner present, from across the street and property line. The property was re-inspected from the exterior by the appraiser on August 2, 2019, without the property owner present, from the property line.

**HYPOTHETICAL CONDITION**

This appraisal report includes the appraisal of the market value of the remainder land, as if the Speedway Boulevard improvement project between Camino De Oeste and Painted Hills Road was complete and all improvements were in place. As the road improvement project is not complete as of the effective date of value, the appraisal of the market value of the remainder land, after, is based upon the hypothetical condition that the improvements were completed based upon the plans provided to the appraiser by Pima County. If the project is not completed as indicated by the plans provided by Pima County to the appraiser, then the value indicated in this report is subject to change. Per USPAP, the use of this hypothetical condition might have affected the assignment results.



## PART II - SCOPE OF THE APPRAISAL

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

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

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

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

The exact nature of, and interest in, the subject property is defined elsewhere in this report. The appraisal provides an opinion of the market value of the subject property using the sales comparison approach, which is defined in the report. In completing this assignment, the appraiser inspected and photographed the subject property, reviewed and confirmed data relative to metropolitan Tucson (from economic and demographic data, including COMPS® Commercial Property Information Services, Tucson Multiple Listing Service (MLS), and the Pima County Real Estate Research Council), the neighborhood and the site.

Identified factors which may have an impact upon the marketability of the property, such as land use, supply and demand, governmental requirements, environmental concerns, and economic elements, present and anticipated, helped form an opinion of the "highest and best use" of the property.



A portion of Speedway Boulevard is located in the southern portion of the subject property. As part of this project, this is being corrected so Speedway Boulevard is located entirely within the right-of-way and not on the subject private property. The asphalt paving in the southern portion of the subject property is Speedway Boulevard and is owned by Pima County, and not the property owner, therefore, it is not included in this appraisal.

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

The property is being appraised as if vacant. Therefore, the cost approach is not applicable as the residential improvements are not included in this analysis. The subject is being valued as vacant land. Vacant land similar to the subject is typically purchased by owner-users and not leased; therefore, the income approach is not applicable in valuing the subject

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

***Hypothetical Condition*** - This appraisal report includes the appraisal of the market value of the remainder land, as if the Speedway Boulevard improvement project between Camino De Oeste and Painted Hills Road was complete and all improvements were in place. As the road improvement project is not complete as of the effective date of value, the appraisal of the market value of the remainder land, after, is based upon the hypothetical condition that the improvements were completed based upon the plans provided to the appraiser by Pima County. If the project is not completed as indicated by the plans provided by Pima County to the appraiser, then the value indicated in this report is subject to change. Per USPAP, the use of this hypothetical condition might have affected the assignment results.



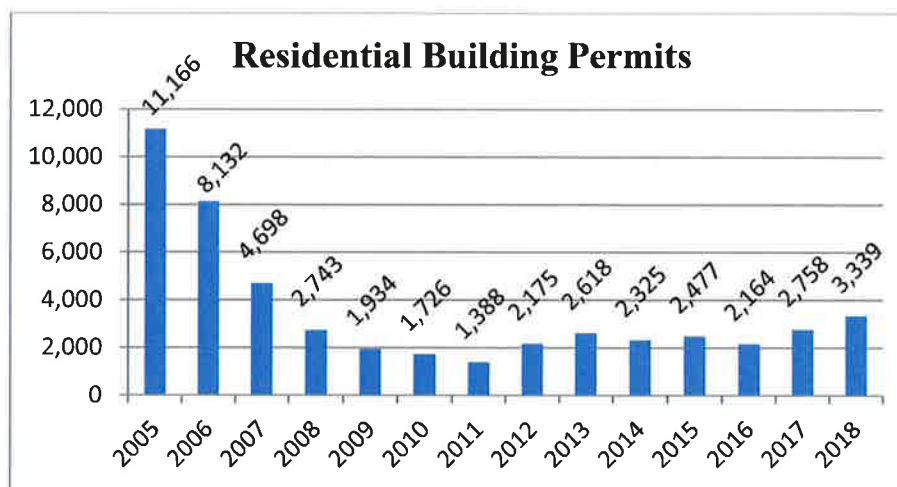
## PART III - DESCRIPTION OF REAL ESTATE APPRAISED

### SECTION A - THE LAND BEFORE ACQUISITION

#### TUCSON OVERVIEW:

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

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



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



number of permits for 2013 showed a continued improvement in the market, with indications of a slight decline in 2014. In recent years, the number of permits has remained mostly stable with a slight increase in 2017. New home sales are still well below peak or stabilized levels seen in the past.

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

Vacancy rates for apartment properties in the Tucson Metropolitan area peaked in 2009 before slowly declining. The chart below shows vacancy rates in metropolitan Tucson between Second Quarter 2008 and First Quarter 2019, according to Apartment Insights' *Statistics/Trends Summary*.



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

### ***Office Market***

Overall, the leasable *office market* experienced net positive absorption of 222,468 square feet in the First Quarter of 2019, according to *CoStar*. This compares to net negative absorption of 25,886 square feet in the Fourth Quarter of 2018, net positive absorption of 40,156 square feet in the Third Quarter of 2018, net positive absorption of 87,717 square feet in the Second Quarter 2018, net positive absorption of 43,015 square feet in the First Quarter of 2018, net positive absorption of 51,274 square feet in the Fourth Quarter of 2017, net positive absorption of 125,392 square feet in the Third Quarter of 2017, net positive absorption of 100,104 square feet in the Second Quarter of 2017, and net positive absorption of 74,455 square feet in the First Quarter of 2017.



Two new buildings totalling 200,000 square feet were completed in the First Quarter 2019. This compares to one new building containing 14,952 square feet in the Fourth Quarter 2018, two new buildings containing 47,907 square feet in the Third Quarter 2018, one new building containing 61,000 square feet completed in the Second Quarter of 2018, one new building containing 20,000 square feet completed in the First Quarter of 2018, two new buildings containing 12,850 square feet was completed in Fourth Quarter 2017, no new buildings in the Third Quarter 2017, two buildings containing 21,631 square feet was completed in the Second Quarter 2017, and no new buildings completed in the First Quarter 2017.

The following figure shows trends in the vacancy rates for office properties in Tucson between Second Quarter 2005 and First Quarter 2019. The vacancy rate increased until late 2013 and has declined since that time. The office vacancy rate remains higher than 2005-2008 levels.



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

### ***Industrial Market***

Tucson experienced rapid *industrial* growth from the late 70's to the mid-80s. There has been limited new industrial space constructed recently in Tucson, with one new building containing 25,000 square feet completed in the First Quarter of 2019, no new buildings completed in the Fourth or Third Quarters of 2018, one new building containing 300,181 square feet completed in the Second Quarter of 2018, no new buildings completed in the First Quarter of 2018, the Fourth Quarter of 2017, or the Third Quarter of 2017, four new buildings containing 53,721 square feet completed in the Second Quarter 2017, and no new buildings completed in the First Quarter 2017, according to *CoStar*.



There was net negative absorption of 34,326 square feet in the First Quarter of 2019. This compares to net positive absorption of 32,000 square feet in the Fourth Quarter 2018, net positive absorption of 277,004 square feet in the Third Quarter 2018, net positive absorption of 289,537 square feet in the Second Quarter 2018, net positive absorption of 36,713 square feet in the First Quarter 2018, net positive absorption of 252,389 square feet in the Fourth Quarter 2017, net positive absorption of 30,964 square feet in the Third Quarter 2017, net negative absorption of 153,554 square feet in the Second Quarter 2017, and net positive absorption of 67,821 square feet in the First Quarter 2017, according to *CoStar*.

The following chart shows trends in the industrial vacancy rate in Tucson from Second Quarter 2005 through First Quarter 2019, according to CoStar.



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

### ***Retail Market***

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



There was net negative absorption of 186,402 square feet in the First Quarter 2019, according to *CoStar*. This compares to net positive absorption of 197,433 square feet in the Fourth Quarter 2018, net positive absorption of 247,958 square feet in the Third Quarter 2018, net positive absorption of 211,234 square feet in the Second Quarter 2018, net positive absorption of 286,207 square feet in the First Quarter 2018, net positive absorption of 161,105 square feet in the Fourth Quarter 2017, net positive absorption of 193,664 square feet in the Third Quarter 2017, net positive absorption of 25,640 square feet in the Second Quarter 2017, and net positive absorption of 128,905 square feet in the First Quarter 2017.

The following shows trends in the vacancy rate for retail properties in the Tucson market between Second Quarter 2005 and First Quarter 2019, according to *Costar*.

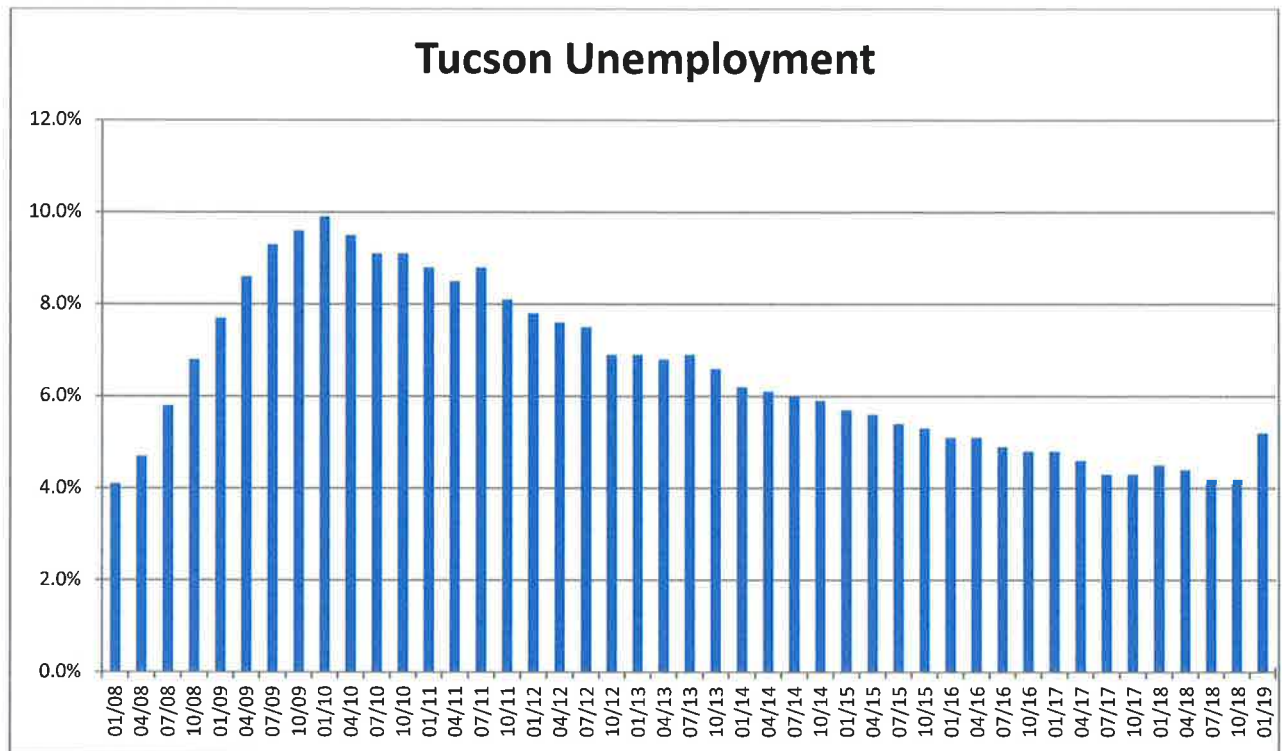


This chart shows that the vacancy rate for retail properties increased through mid-2012. The retail vacancy rate declined since that time and remained mostly stable from 2016 through the 2017, with a slight decline in early 2018. The retail market has stabilized and is starting to improve in high demand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

In the First Quarter 2019, seven new buildings containing 71,634 square feet were completed. This compares to eight new buildings containing 99,524 square feet in the Fourth Quarter 2018, thirteen new buildings containing 178,531 square feet in the Third Quarter 2018, twelve new buildings containing 219,700 square feet in the Second Quarter 2018, seventeen new buildings containing 176,294 square feet in the First Quarter 2018, eleven new buildings containing 67,813 square feet in the Fourth Quarter 2017, three new buildings containing 85,155 square feet in the Third Quarter 2017, nine new buildings containing 79,866 square feet in the Second Quarter 2017, and eight new buildings containing 156,962 square feet in the First Quarter 2017.



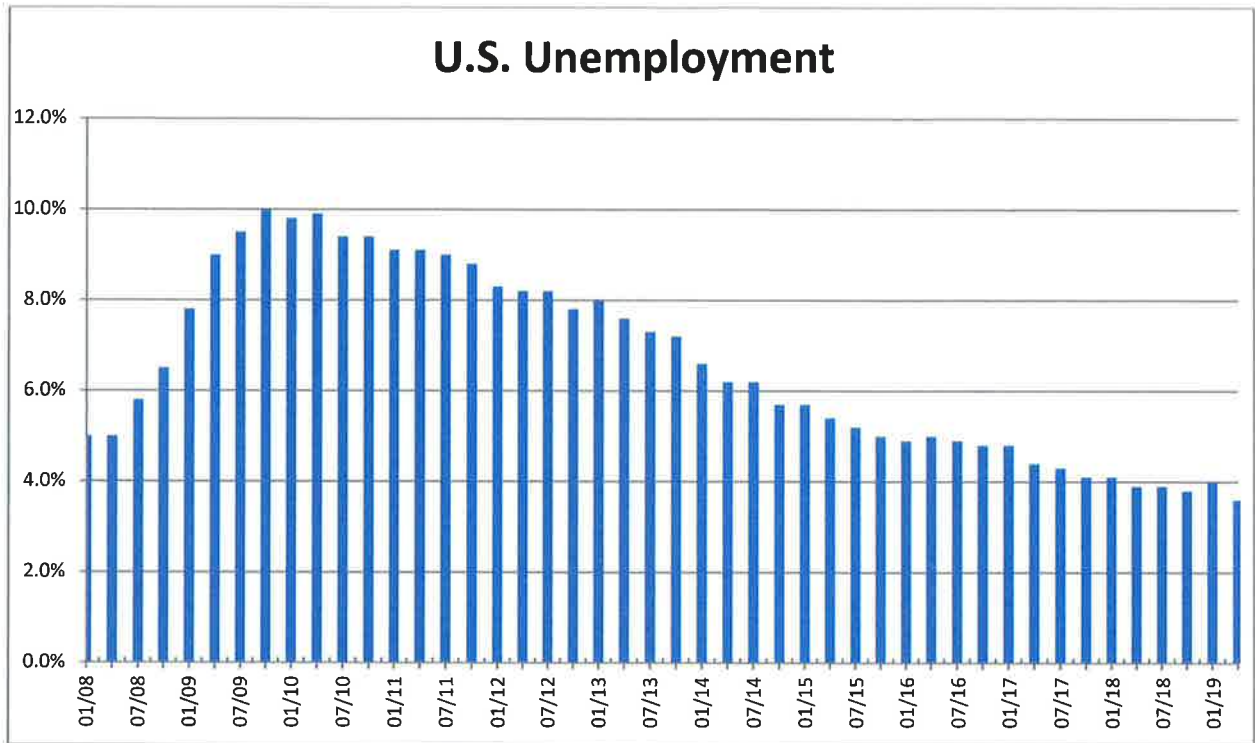
According to Arizona Department of Administration, Office of Employment and Population Statistics, the seasonally adjusted unemployment rate for metropolitan Tucson was as follows:



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



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



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

#### **MARKET AREA**

The subject market area is that area located west of Greasewood Road, south of Sweetwater Drive, north of Star Pass Boulevard, and east of the Tucson Mountains. Most properties are being developed on larger lots with acreage of 1 to 5 acres with homes built for view and privacy. Many lots in the market area have good city and/or mountain views and are developed with custom homes. It is an area of large restricted peaks and ridges, with limited commercial properties and multi-family properties in the immediate area. Development on larger lots, particularly in the west portion of the neighborhood, is in an area of high peaks



and ridges, with good views towards the valley to the east and the mountains to the north and west. The price range of most of these homes ranges from \$400,000 to \$1,000,000 plus. Homes on smaller lots in the neighborhood are typically in the \$175,000 to \$350,000 price range. There are some subdivision developments in the area, including Mountain Garden Estates, Trails End Estates, Enclave at Gates Pass, Saguaro Cliffs, Paseo Montana Subdivision, Starr Pass community, Rancho Aqua Dulce community, Sierra Tortuga Estates, and Tucson Mountain Reserve.

Commercial uses are limited in the area, with most commercial development east of the market area in areas like Silverbell Road, Anklam, and Grant Road. There is retail development at Silverbell Road and Speedway. There is a retail center at the northeast corner of Speedway Boulevard and Silverbell Road that contains Albertsons Grocery Store, Tucson Federal Credit Union, and other smaller retail uses. Pima Community College West Campus, the largest community college in Pima County, is located to the west of the market area. St Mary's Hospital is located to the west at Silverbell Road and St Mary's Road. There are limited multi-family developments in the market area. The JW Marriot Starr Pass Resort, Spa, and golf course are located at the end of Starr Pass Boulevard in the southern portion of the market area.

Overall, there is average demand for residential properties in the market area with particular demand for homes with good views.

#### **SITE DESCRIPTION**

The site is an irregular shaped lot with 125 feet of frontage on Speedway Boulevard along the southern property line. The site has a depth of 533 feet along the eastern property line, and a length of 96.93 feet along the northern property line. The property contains 1.97 acres of land per Pima County Assessor. The site has visibility and access from Speedway Boulevard. Speedway Boulevard is a two-lane, asphalt-paved roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. Speedway Boulevard has a 2017 traffic count of 2,619 vehicles per day in the vicinity of this site, according to the Pima Association of Governments, Transportation Division. The topography is sloping in a northerly direction. There is a level building pad in the southern portion of the site, north of Speedway Boulevard. From this area, the property slopes north toward a local wash. The building pad is elevated above grade of Speedway Boulevard. There are mountain and valley views from the property. Properties bordering the subject property include low density single family homes to the north, and west, a vacant lot followed by residences to the east, and vacant land and open space to the south.

Utilities available to the subject property include electric (Tucson Electric Power Company), telephone (CenturyLink), and water (Tucson Water). Sewer services are not available to the site. A private septic system would be required for any development.

According to FEMA Flood Insurance Rate Map 04019C2260L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain (see Exhibits). The northern portion of the property (approximately



one-third of the subject property) is located within an important riparian area with a designation of Xeroriparian C. The West Speedway Wash runs along the northern property line and has an erosion hazard setback area of 50 feet. Approximately 20 percent of the property is within the erosion hazard setback. There can be no development within the erosion hazard setback area. There is a setback of 30 feet from the southern property line due to zoning requirements. There is adequate room for development outside of the setback area. The property is in a seismic zone which is considered to have a low probability of seismic activity. There are no known easements or encumbrances that adversely affect the subject property. There is an easement in the northern portion of the property for the adjacent property to the west. This easement is used by the adjacent property owner to access and service their septic system. Based on the developable area of this lot, this is not considered to adversely affect the subject property.

#### **CURRENT USE**

The subject property is currently improved with a single family residence with related site improvements. Because the improvements are not impacted by the proposed acquisition, this is an appraisal of the physical segment of land only of the subject property. Only improvements in the area to be acquired have been valued in order to determine just compensation to the property owner.

#### **ZONING**

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

**CR-1 ZONING REQUIREMENTS**

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

#### **EXPOSURE ON MAJOR ROADWAY:**

The following sales provide an indication of the diminution in value to a vacant lot that has frontage on a major roadway compared to a lot that does not have direct frontage on a major roadway. The subject site has exposure and is negatively impacted by being adjacent to Speedway Boulevard, a major roadway.

<u>Sale</u>	<u>Parcel No.</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	219-47-015B	\$275,000	
Sale Two	219-47-013B	\$290,000	\$15,000, or 5.2%



A lot zoned R1-144 under the Oro Valley Zoning Code is located on the north side of Tangerine Road, west of La Canada. Tangerine Road is a two-lane roadway, with the market knowing the roadway would be widened in the future. Tangerine Road also contains larger power lines on the south side of the road and has a 2010 average daily traffic count of 13,000 vehicles per day in this area. This lot has direct frontage on Tangerine Road, a major roadway, and sold in March 2006 for \$275,000. The lot directly to the north of this lot was purchased by the same buyer at the same time in a separate transaction for \$290,000. This indicates a diminution in value of 5.2% due to frontage on a major roadway.

<u>Sale</u>	<u>Parcel No.</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	219-46-023B	\$245,000	
Sale Two	219-28-004K	\$269,500	\$24,500, or 9%

A second R1-144 zoned lot is located on the north side of Tangerine Road, west of La Canada. This lot has direct frontage on Tangerine Road, a major roadway. This lot sold for \$245,000 in September 2007, after the peak of the residential market. A lot located north of Moore Road, on the west side of the La Cholla Boulevard Alignment, also sold in September 2007. This lot is zoned RH under the Pima County Zoning Code. This lot sold for \$269,500. This indicates a diminution in value of 9% due to frontage on a major roadway.

<u>Sale</u>	<u>Parcel No.</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	224-47-0290	\$202,000	
Sale Two	224-41-007E	\$225,000	
Adjusted Sale Two		\$225,000	\$23,000, or 10.2%

An SR zoned lot on the west side of Thornydale, south of Lambert Lane, sold in March 2007 for \$202,000. Thornydale Road is a two-lane roadway with transmission and distribution on larger wooden poles on the west side of the road in this area. Thornydale Road has a 2010 average daily traffic count of 17,000 vehicles per day in this area. A second lot zoned SR, located on the east side of Camino Del Plata, north of Overton Road, sold for \$225,000. Market conditions declined between the two dates of value, indicating that the second lot, which sold six months later, would likely have sold for closer to \$245,000 in March 2007. This lot has much better views than the first lot, which is slightly offset by a more irregular shape. After adjustment for views, this second lot has an adjusted sale price of \$225,000. The sales price of the first lot of \$202,000, compared to the adjusted sales price of the second lot of \$225,000, indicates a diminution in value of 10.2% due to the first lot having direct frontage on Thornydale, a major roadway.

<u>Sale</u>	<u>Parcel No.</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	109-14-098C	\$250,000	
Sale Two	109-27-1210	\$265,000	\$15,000, or 5.7%



There is a CR-1 zoned lot that is located on the east side of Swan's Nest Road, north of River road. This lot has access from Swans' Nest Road but backs up to Swan Road and has radio towers in the viewshed. Swan Road is a four-lane roadway with electric distribution lines in this area. Swan Road has a 2010 average daily traffic count of 30,000 vehicles per day in this area. This lot sold for \$250,000 in November 2006. Another CR-1 zoned lot located on the west side of Via Paco, north of River Road, sold in October 2006 for \$265,000. This indicates a diminution in value of 5.7% due to backing up to a major roadway.

<u>Sale</u>	<u>Parcel No.</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	108-15-050E	\$185,000	
Sale Two	108-18-339B	\$195,000	
Adjusted Sale Two		\$205,000	\$20,000, or 9.8%

There is a CR-1 zoned lot located at the northwest corner of Campbell Avenue and Calle La Vela, with this property siding to Campbell Avenue. Campbell Avenue is a two-lane roadway in this area and has a 2011 average daily traffic count of 13,000 vehicles per day in this area. This lot sold in February 2010 for \$185,000. A second CR-1 zoned lot located on the north side of Via Entrada, west of Campbell Avenue, sold in February 2010 for \$195,000. This second lot is located in an area with less demand as this property is not located in the Catalina Foothills School District and the first sale is located in the Catalina Foothills School District. However, the view from the Via Entrada lot is superior, indicating a downward adjustment. Therefore, the second sale has an adjusted sale price of \$205,000. This indicates a diminution in value of 9.8% for siding to a major roadway.

<u>Sale</u>	<u>Parcel No.</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	109-09-098H	\$220,000	
Adjusted Sale One		\$275,000	
Sale Two	109-22-4240	\$315,000	
Adjusted Sale Two		\$305,000	\$30,000, or 9.8%

A CR-1 zoned lot located east of Craycroft Road, west of Paseo Cimarron, backs up to Sunrise Drive but does not have access from Sunrise Drive. Sunrise Drive is a two-lane roadway with larger power lines in this area. Sunrise Drive has a 2012 average daily traffic count of 19,000 vehicles per day in this area. This lot sold in October 2008 for \$220,000. This lot required site work, including the creation of a shared driveway and bringing utilities to the property. This site work was estimated to be \$50,000 to \$60,000, indicating an adjusted sale price of \$275,000. Another CR-1 zoned lot sold on the north side of Coyotes Den Place, north of River Road in October 2007 for \$315,000. The buyer paid slightly more, as the buyer already owned an adjacent property, indicating an adjusted sales price of \$305,000. Market conditions declined between October 2007 and October 2008. Therefore,



after adjustment for date and market conditions, the second sale has an adjusted sales price of \$260,000. This property requires additional adjustments for utility and location as this property required some site work and is not located in the Catalina Foothills District. This second sale has an adjusted sales price of \$305,000 after all adjustments. Compared to the adjusted sales price of \$275,000 for the first sale, this indicates a diminution in value of 9.8% for backing up to a major roadway.

<u>Sale</u>	<u>Parcel No.</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	219-41-0160	\$105,000	
Adjusted Sale One		\$110,000	
Sale Two	224-11-055D	\$120,000	\$10,000, or 9.1%

An R1-144 zoned lot located at the northwest corner of Tangerine Road and Camino del Plata has frontage on Tangerine Road. Tangerine Road has a 2011 average daily traffic count of 12,000 vehicles per day in this area. This lot sold in August 2014 for \$105,000. This lot had water from a well on a nearby property, and required water lines to be brought to the property, indicating an upward adjustment for utility. The adjusted sale price of this property is \$110,000. Another R1-144 zoned lot, located on the east side of Vista del Sol, north of Naranja, sold in April 2014 for \$120,000. Compared to the adjusted sales price of \$110,000 for the first sale, this indicates a diminution in value of 9.1% for backing up to a major roadway.

These paired sales indicate a diminution in value of 5.2% to 10.2% for frontage on a major roadway or backing up to a major roadway. Paired Sales One, Two, and Three receive the most weight as these sales required the fewest adjustments, with the remaining sales providing secondary weight. Based on these sales, this analysis uses an adjustment of 8% for diminution in value of lots having frontage on a major roadway.

***Paired Sales; Houses on major streets compared to houses on residential streets***

The following sales provide an indication of the diminution in value to a single-family residence that has frontage on a major roadway compared to a house that does not have direct frontage on a major roadway.

<u>Sale</u>	<u>Address</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	5459 East Calle Bosque	\$305,000	
Adjusted Sale One		\$327,100	
Sale Two	5084 North Calle Bosque	\$355,000	8.5%



Sale One is a house at 5459 East Calle Bosque that sold for \$305,000 in April 2011. This property has frontage on Craycroft Road. Craycroft Road is a four-lane roadway with larger power poles and has a 2012 average daily traffic count of 21,000 vehicles per day in this area.

This house is compared to 5084 North Calle Bosque, which sold in October 2011 for \$355,000. Sale Two has frontage only on a residential street. Sale One is adjusted for all differences except for frontage on a major road compared to Sale Two. Sale One requires an upward adjustment for condition, baths, living area, and patio amenities compared to Sale Two. Sale One requires a downward adjustment for views and fireplace. The net adjusted sale price for Sale One is \$327,100 in comparison to the sale price of \$355,000 for Sale Two. This indicates a diminution of 8.5% for frontage on a major road for Sale One.

<u>Sale</u>	<u>Address</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	5500 East Paseo Cimarron	\$350,000	
Adjusted Sale One		\$365,200	
Sale Two	5714 North Via Ligera	\$395,000	8.0%

Sale One is a house at 5500 East Paseo Cimarron that sold for \$350,000 in February 2013. This property has frontage on Craycroft Road and Sunrise Drive. Craycroft Road is a two-lane roadway with turn lanes. Sunrise Drive is a four-lane, asphalt-paved roadway with a 2012 average daily traffic count of 19,000 vehicles per day in this area. This house is compared to 5714 North Via Ligera, which sold in September 2012 for \$395,000. Sale Two has frontage only on a residential street. Sale One is adjusted for all differences except for frontage on a major road compared to Sale Two. Sale One requires an upward adjustment for quality, condition, and baths compared to Sale Two. Sale One requires a downward adjustment for living area, garage, and fireplace compared to Sale Two. The net adjusted sale price for Sale One is \$365,200 in comparison to the sale price of \$395,000 for Sale Two. This indicates a diminution of 8.0% for frontage on a major road for Sale One.

<u>Sale</u>	<u>Address</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	6165 East Calle Ojos Verde	\$365,000	
Adjusted Sale One		\$353,400	
Sale Two	3640 North Calle Agua Verde	\$385,000	8.9%

Sale One is a house at 6165 East Calle Ojos Verde that sold for \$365,000 in March 2014. This property has frontage on River Road. River Road is a two-lane roadway with a 2012 average daily traffic count of 16,000 vehicles per day in this area. This house is compared to 3640 North Calle Agua Verde, which sold in February 2014 of \$385,000. Sale Two has



frontage only on a residential street. Sale One is adjusted for all differences except for frontage on a major road compared to Sale Two. Sale One requires an upward adjustment for patio amenities compared to Sale Two. Sale One requires a downward adjustment for condition and living area compared to Sale Two. The net adjusted sale price for Sale One is \$353,400 in comparison to the sale price of \$385,000 for Sale Two. This indicates a diminution of 8.9% for frontage on a major road for Sale One.

<u>Sale</u>	<u>Address</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	701 East Placita de Arnoldo	\$335,000	
Adjusted Sale One		\$359,500	
Sale Two	5721 North Placita del Trueno	\$378,750	5.4%

Sale One is a house at 701 East Placita de Arnoldo that sold for \$335,000 in August 2013. This property has frontage on 1<sup>st</sup> Avenue. First Avenue is a four-lane roadway with a 2012 traffic count of 22,000 vehicles per day in this area. This house is compared to 5721 North Placita del Trueno, which sold in May 2013 for \$378,750. Sale Two has frontage only on a residential street. Sale One is adjusted for all differences except for frontage on a major road compared to Sale Two. Sale One requires an upward adjustment for quality, condition, baths, and patio amenities compared to Sale Two. Sale One requires a downward adjustment for living area and fireplace compared to Sale Two. The net adjusted sale price for Sale One is \$359,500 in comparison to the sale price of \$378,750 for Sale Two. This indicates a diminution of 5.4% for frontage on a major road for Sale One.

<u>Sale</u>	<u>Address</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	9603 East Corte del Sol Brillante	\$205,000	
Adjusted Sale One		\$206,100	
Sale Two	9550 East Corte Puente del Sol	\$223,000	8.2%

Sale One is a house at 9603 East Corte del Sol Brillante that sold for \$205,000 in March 2013. This property backs up to Speedway Boulevard. Speedway Boulevard is a four-lane roadway with larger electric poles in this area. Speedway Boulevard has a 2011 average daily traffic count of 19,000 vehicles per day in this area. This house is compared to 9550 East Corte Puente del Sol, which sold in September 2013 for \$223,000. Sale Two has frontage only on a residential street. Sale One is adjusted for all differences except for frontage on a major road compared to Sale Two. Sale One requires an upward adjustment for date and



market conditions compared to Sale Two. Sale One requires a downward adjustment for views compared to Sale Two. The net adjusted sale price for Sale One is \$206,100 in comparison to the sale price of \$223,000 for Sale Two. This indicates a diminution of 8.2% for frontage on a major road for Sale One.

<u>Sale</u>	<u>Address</u>	<u>Sale Price</u>	<u>Diminution in Value</u>
Sale One	935 North Via Zahara del Sol	\$212,500	
Adjusted Sale One		\$216,300	
Sale Two	1016 North Avenida Jeanine	\$238,000	10.0%

Sale One is a house at 935 North Via Zahara del Sol that sold for \$212,500 in January 2014. This property has frontage on Harrison Road. Harrison Road is a four-lane roadway with distribution and transmission lines. Harrison Road has a 2013 average daily traffic count of 13,000 vehicles per day in this area. This house is compared to 1016 North Avenida Jeanine, which sold in August 2013 for \$238,000. Sale Two has frontage only on a residential street. Sale One is adjusted for all differences except for frontage on a major road compared to Sale Two. Sale One requires an upward adjustment for quality, condition, and patio amenities compared to Sale Two. Sale One requires a downward adjustment for date and market conditions and living area compared to Sale Two. The net adjusted sale price for Sale One is \$216,300 in comparison to the sale price of \$238,000 for Sale Two. This indicates a diminution of 10.0% for frontage on a major road for Sale One.

These paired sales of houses indicate a diminution in value of 5.4% to 10% for frontage on a major roadway or backing up to a major roadway. Based on these sales, this analysis uses an adjustment of 8% for diminution in value of homes having frontage on a major roadway.

#### **MARKET PROFILE**

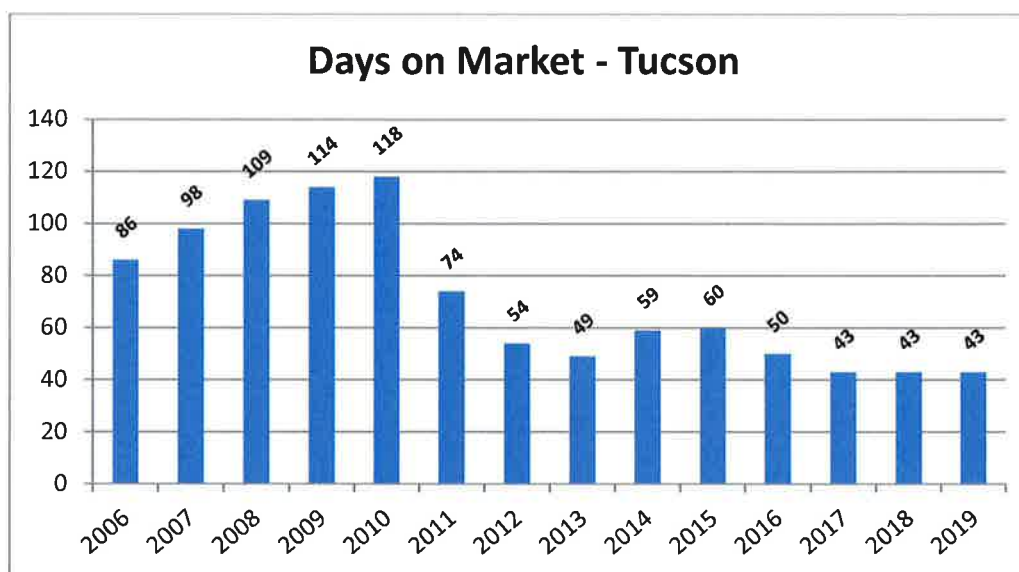
The residential market conditions in the Tucson area improved dramatically starting in 2004, with market prices for single family residences and residential lots increasing at a rapid rate. This trend continued throughout 2005 and into the start of 2006, with prices increasing most rapidly in 2005. This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

Starting in mid-2006, the market began to slow, and this trend continued into 2007, with a further slowdown in 2008 through 2010. Prices for residential properties leveled off and then decreased in all market areas. The demand for homes began to decline and fewer homes were

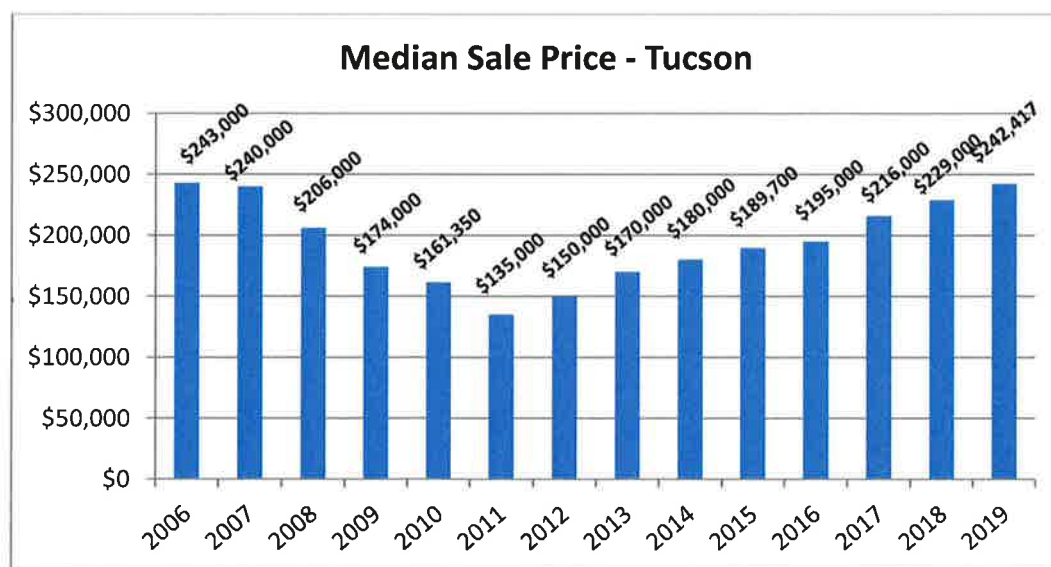


purchased. The median price for homes also declined during this time. Over the past year there has been the beginning of a market recovery.

The following are the average number of days on market for single-family residences in the Tucson Market from 2006 through the third quarter of 2018, according to Multiple Listing Service (MLS). This data indicates that the average days on market for single-family residences increased from 2007 and peaked in 2010. Beginning in 2011, the number of days on market dropped significantly with results remaining relatively stable from 2012 through the first half of 2019.

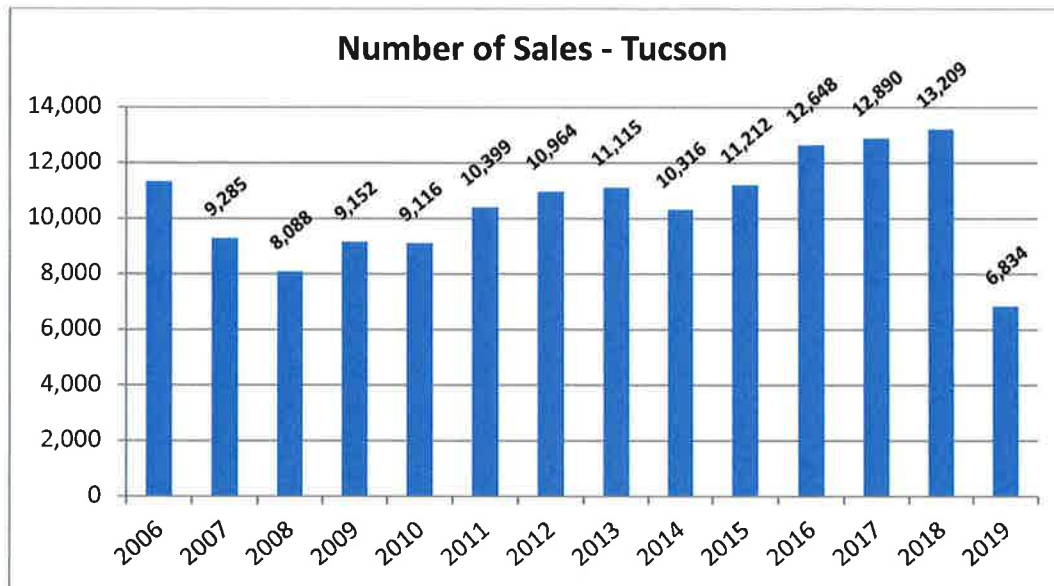


The following is the median sale price for single-family residences for the Tucson market from 2006 through the first quarter of 2019, according to MLS. The median sale price for single family residences declined yearly from 2007 through 2011. Beginning in 2011, the median sales price for single family residences in the Tucson market gradually increased on a year over year basis, with a slight decline for the first half of 2019.





The following is the number of sales of single-family residences in the Tucson Market from 2006 through the first quarter of 2019, according to MLS. The number of sales declined from 2006 through 2008. Beginning in 2009, the number of sales began a gradual upward trend, which continued through 2018. The number of sales in the first half of 2019 is consistent with previous years.

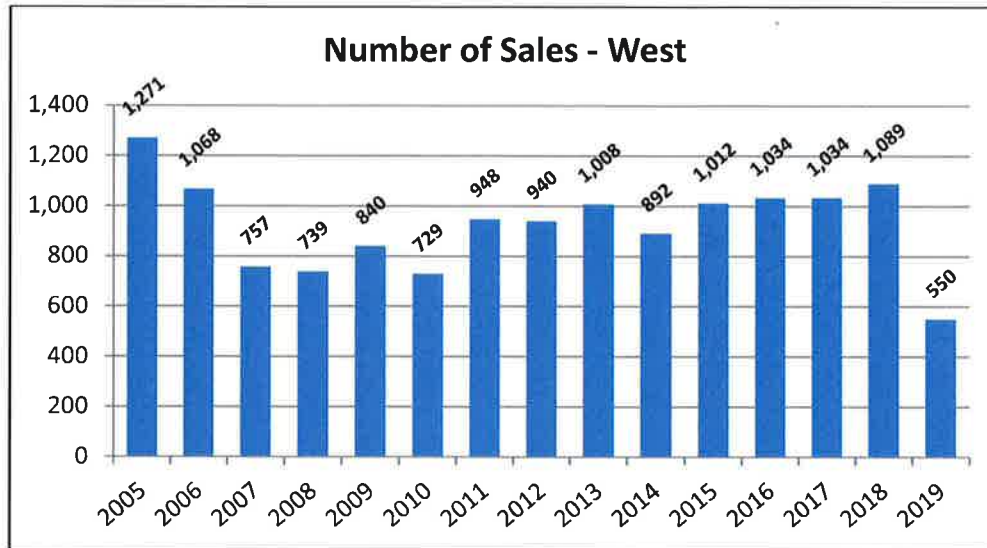


The following is the median sale price for single-family residences from 2006 through the first half of 2019 in the subject sector, West, according to MLS. This data indicates that the median sale price in the sector declined from 2006 through 2011. The median sale price has gradually increased from that time, continuing through the first half of 2019.

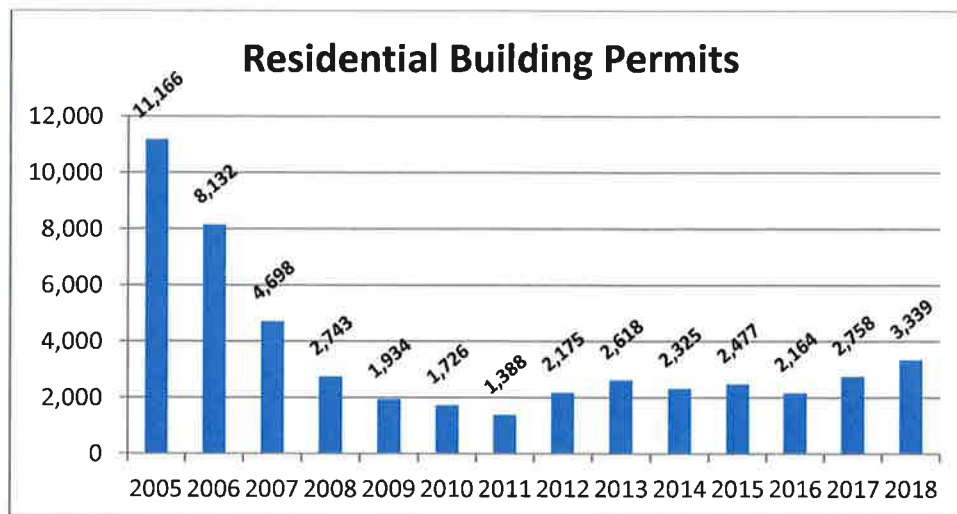




The following is the number of sales of single-family residences from 2006 through the first half of 2019 in the subject sector, West, according to MLS. This data indicates that the number of sales declined from 2005 through 2007, and then remained mostly stable until 2010. After increasing slightly, the number of sales in the sector remained mostly stable with some slight increases through 2018. The number of sales in the first half of 2019 is consistent with previous years.



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





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

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

#### **EXPOSURE/MARKETING TIME**

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

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

1

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

The estimated length of time that the property interest being appraised would have been offered on the market prior to the

---

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



hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.<sup>2</sup>

The reasonable exposure and marketing time is estimated to be six to twelve months based on the sales used in this report and based on conversations with brokers familiar with properties similar to the subject property.

#### **HIGHEST AND BEST USE**

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

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

An analysis of market data supports the conclusion of highest and best use.

#### ***Highest and Best Use as Vacant***

##### *Legal Considerations*

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

Therefore, the property could legally be developed with a single-family residence,

##### *Physical Considerations*

The site is an irregular shaped lot with 125 feet of frontage on Speedway Boulevard along the southern property line. The site has a depth of 533 feet along the eastern property line, and a length of 96.93 feet along the northern property line. The property contains 1.97 acres of land per Pima County Assessor. The site has visibility and access from Speedway Boulevard. Speedway Boulevard is a two-lane, asphalt-paved roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. Speedway Boulevard has a 2017 traffic count of 2,619 vehicles per day in the vicinity of this site, according to the Pima Association of Governments, Transportation Division. The topography is sloping in a northerly direction. There is a level building pad in the southern portion of the site, north of Speedway Boulevard. From this area, the property slopes north toward a local wash. The building pad is elevated above grade of Speedway Boulevard. There are mountain and valley views from the property.

---

2. Ibid, p. 83



Properties bordering the subject property include low density single family homes to the north, and west, a vacant lot followed by residences to the east, and vacant land and open space to the south.

Utilities available to the subject property include electric (Tucson Electric Power Company), natural gas (Southwest Gas Corporation), telephone (CenturyLink), and water (Tucson Water). Sewer services are not available to the site. A private septic system would be required for any development.

According to FEMA Flood Insurance Rate Map 04019C2260L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. The northern portion of the property (approximately one-third of the subject property) is located within an important riparian area with a designation of Xeroriparian C. The West Speedway Wash runs along the northern property line and has an erosion hazard setback area of 50 feet. Approximately 20 percent of the property is within the erosion hazard setback. There can be no development within the erosion hazard setback area. There is a setback of 30 feet from the southern property line due to zoning requirements. There is adequate room for development outside of the setback area. The property is in a seismic zone which is considered to have a low probability of seismic activity.

There are no known easements or encumbrances that adversely affect the subject property. There is an easement in the northern portion of the property for the adjacent property to the west. This easement is used by the adjacent property owner to access and service their septic system. Based on the developable area of this lot, this is not considered to adversely affect the subject property.

Therefore, the property could physically be developed with a single-family residence.

#### *Financial Feasibility*

The subject property could be developed with a single-family residence. The property is surrounded by residences and is located in an area with some demand for residential uses. There is some demand for new construction in the area, and it is probable that a vacant lot in the area would be purchased for development of a residence. Therefore, it would be financially feasible to develop the lot with a single family residence.

#### *Maximally Productive*

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



## SECTION B - VALUATION OF PROPERTY, BEFORE

### SALES COMPARISON APPROACH

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

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

Table of Comparable Land Sales					
Sale No.	Sale Date	Property Location	Sale Price	Site Size (Acre)	Zoning
1.	12/2016	North side of Speedway Boulevard, east side of Dusty Hollow Court	\$70,000	1.00	CR-1
2.	07/2017	Southwest side of Coral Bells Court, west of Coral Bells Drive	\$100,000	1.82	CR-1
3.	02/2018	West side of the Camino Miraflores cul-de-sac, south of Plaza De Lirios, north of Speedway Boulevard	\$87,000	0.78	RX-2
4.	01/2019	West side of Calle Castellon, south of Goret Road	\$72,000	0.96	CR-1
5.	03/2019	South side of Plaza De Lirios, east of Camino Mira Flores, north of Speedway Boulevard	\$100,000	0.85	RX-2
Subject				1.97	CR-1



# COMPARABLE LAND SALES ADJUSTMENT GRID

	<b>Subject</b>	<b>Comp 1</b>	<b>Comp 2</b>	<b>Comp 3</b>	<b>Comp 4</b>	<b>Comp 5</b>
<b>Sale Date</b>		12/2016	07/2017	02/2018	01/2019	03/2019
<b>Site Size (Acres)</b>	1.97	1.00	1.82	0.78	0.96	0.85
<b>Zoning</b>	CR-1	CR-1	CR-1	RX-2	CR-1	RX-2
<b>Utility</b>	Average	Superior	Superior	Superior	Similar	Superior
<b>Sale Price</b>		\$70,000	\$100,000	\$87,000	\$72,000	\$100,000

## Summary of Adjustments

<b>Unadjusted Sale Price</b>	\$70,000	\$100,000	\$87,000	\$72,000	\$100,000
<b>Property Rights</b>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$70,000	\$100,000	\$87,000	\$72,000	\$100,000
<b>Financing</b>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$70,000	\$100,000	\$87,000	\$72,000	\$100,000
<b>Conditions of Sale</b>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$70,000	\$100,000	\$87,000	\$72,000	\$100,000
<b>Date/Market Conditions</b>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$70,000	\$100,000	\$87,000	\$72,000	\$100,000
<b>Physical Adjustments (%)</b>					
Location/Views	0	-10	0	15	-10
Frontage	0	-8	-8	-8	-8
Zoning	0	0	0	0	0
Lot Size	5	0	5	5	5
Site Utility/Access	<u>15</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Adjustment	20%	-13%	-3%	12%	-13%
<b>Indicated Value</b>	<b>\$84,000</b>	<b>\$87,000</b>	<b>\$84,390</b>	<b>\$80,640</b>	<b>\$87,000</b>



This analysis compares five sales of similar vacant lots to the subject property on a gross sales price basis. Sales prices range from \$70,000 to \$100,000 before adjustment. The adjustment grid on the previous page reflects the adjustments. An upward adjustment indicates that the comparable is inferior to the subject; a downward adjustment indicates that the comparable is superior to the subject; and no adjustment (0) indicates the comparable is similar or equal to the subject.

*Comparable Sale One* does not require an adjustment for date/market conditions as market conditions for this type of property have not changed between the date of this sale and the date of value.

Physical adjustments include an upward adjustment for lot size as this lot is smaller than the subject property. Smaller lots sell for less than larger lots on a gross sales price basis, all else being equal. There is an upward adjustment for site utility/access as this lot has inferior utility with higher development costs compared to the subject. Overall, this gross sale price indicates an upward adjustment in comparison to the subject property.

*Comparable Sale Two* does not require an adjustment for date/market conditions as market conditions for this type of property have not changed between the date of this sale and the date of value.

Physical adjustments include a downward adjustment for location/views as this property is located in a subdivision with greater demand and has superior views compared to the subject property. This sale requires a downward adjustment for frontage as this property has frontage on a residential street while the subject property has frontage on a major roadway. As previously discussed, residential properties with frontage on a major roadway tend to sell for 8% less than similar lots with frontage only on a residential roadway. There is an upward adjustment for site/utility access, as this lot has inferior utility with more site work required compared to the subject. Overall, this gross sale price indicates a downward adjustment in comparison to the subject property.

*Comparable Sale Three* does not require an adjustment for date/market conditions as market conditions for this type of property have not changed between the date of this sale and the date of value.

Physical adjustments include a downward adjustment for frontage as this property has frontage on a residential street while the subject property has frontage on a major roadway. As previously discussed, residential properties with frontage on a major roadway tend to sell for 8% less than similar lots with frontage only on a residential roadway. This sale requires an upward adjustment for lot size as this lot is smaller than the subject property. Smaller lots sell for less than larger lots on a gross sales price basis, all else being equal. Overall, this gross sale price indicates a downward adjustment in comparison to the subject property.

*Comparable Sale Four* does not require an adjustment for date/market conditions as market conditions for this type of property have not changed between the date of this sale and the date of value.



Physical adjustments include an upward adjustment for location/views as this property has inferior views and is located in an area with less demand compared to the subject. This sale warrants a downward adjustment for frontage as this property has frontage on a residential street while the subject property has frontage on a major roadway. As previously discussed, residential properties with frontage on a major roadway tend to sell for 8% less than similar lots with frontage only on a residential roadway. This sale requires an upward adjustment for lot size as this lot is smaller than the subject property. Smaller lots sell for less than larger lots on a gross sales price basis, all else being equal. Overall, this gross sales price indicates an upward adjustment in comparison to the subject property.

*Comparable Sale Five* does not require an adjustment for date/market conditions as market conditions for this type of property have not changed between the date of this sale and the date of value.

Physical adjustments include a downward adjustment for location/views as this property has superior views compared to the subject property. This sale warrants a downward adjustment for frontage as this property has frontage on a residential street while the subject property has frontage on a major roadway. As previously discussed, residential properties with frontage on a major roadway tend to sell for 8% less than similar lots with frontage only on a residential roadway. This sale requires an upward adjustment for lot size as this lot is smaller than the subject property. Smaller lots sell for less than larger lots on a gross sales price basis, all else being equal. Overall, this gross sale price indicates a downward adjustment in comparison to the subject property.

*Sales Comparison Approach Summary.*

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Adjusted Sale Price/ Lot	\$84,000	\$87,000	\$84,390	\$80,640	\$87,000

*Land Value Before Acquisition.* These five comparable sales indicate a gross sales price range of \$80,640 to \$87,000 after adjustment. Comparable sale Three warrants the greatest weight as this sale required the lowest magnitude of physical adjustments and is most similar to the subject property. All of the sales provide a reliable a reliable indicator of value. After analyzing the comparable sales, the conclusion of market value of the subject property as vacant, before the acquisition, as of August 2, 2019, is \$85,000. This can be converted to a price per square foot. This is the value conclusion of the land as vacant, or \$85,000, divided by the acreage, or 1.97 acres (\$85,000/1.97 acres), equaling \$43,147 per acre.



## SECTION C - THE LAND TO BE ACQUIRED

### DESCRIPTION

Pima County is seeking to acquire a fee simple portion of the subject property as part of the Speedway Boulevard improvement project. As part of this project, Speedway Boulevard between Camino De Oeste and Painted Hills Road will be improved. Speedway Boulevard will continue to be a two-lane roadway and a six foot paved shoulder will be added on each side of the street. Speedway Boulevard will be constructed entirely in the public right-of-way and no portion will remain on the subject property.

Pima County is seeking to acquire a fee simple portion of the subject property as part of the Speedway Boulevard improvement project. The acquisition area is located in the southern portion of the subject and is mostly rectangular in shape with 191.49 feet along the southern border, adjacent to the Speedway Boulevard, and 165.62 feet along the northern border. The acquisition area has a depth of 46.00 feet on the eastern border and a width of 40.18 feet on the western border. There are no improvements to be acquired within the acquisition area. The fee simple acquisition contains a total area of 7,113 square feet, according to a survey provided by Pima County. This can be converted to the acreage by dividing 7,113 square feet by 43,560 square feet per acre equaling 0.163 acres ( $7,113 \text{ sq. ft.} / 43,560 \text{ sq. ft.} = 0.163$  acres). A legal description of the acquisition area can be found in the exhibits section.

The value of the part to be acquired on a fee simple basis is based on the "part of the whole" theory; therefore, the value per acre applicable to the land before the acquisition is applicable to the land to be acquired. The estimated market value of the subject property before the acquisition is \$43,147 per acre.

### LAND VALUE, PART TO BE ACQUIRED

The land to be acquired will be purchased in fee with all rights transferring to Pima County. A portion of the paving of Speedway Boulevard is located in the acquisition area. Although Pima County utilizes this area of the subject for the road, Pima County has requested that the property owner be paid for the fee simple acquisition area and 100% of the rights associated with that area. Following is an estimate of the market value of the land to be acquired:

0.163 acres x \$43,147 per acre x 100% =	\$7,033
	Rounded to: \$7,100



## **SECTION D - VALUATION OF THE REMAINDER PROPERTY, BEFORE**

### **REMAINDER PROPERTY BEFORE**

The market value of the remainder property before the acquisition is the difference between the value of the entire property before the acquisition less the value of the part to be acquired. This step reflects the value of the remainder property without recognizing any increase or decrease in value as the result of any special benefits or severance damages.

Value of Property Before Acquisition:	\$85,000
Value of Property To Be Acquired:	<u>(\$7,100)</u>
Value of Remainder Property Before:	\$77,900



## SECTION E - THE REMAINDER LAND, AFTER ACQUISITION

### DESCRIPTION

After the acquisition, Speedway Boulevard will be a two-lane, asphalt-paved roadway with 11-foot travel lanes, and six foot paved shoulders on each side of the street. The remainder land will consist of an irregular shaped parcel totaling 1.807 acres (see Exhibits). The site will continue to have access from Speedway Boulevard. As part of this project, Speedway Boulevard will be located entirely in the public right-of-way and no portion will remain in the private street. The shape of the remaining land remains similar to that which existed before the acquisition. The land maintains the same long term developability.

According to information provided by the project manager, although the asphalt will be approximately two feet closer to the subject property in the after condition, this will be the paved shoulder only. The travel lane will be approximately two feet further south (further from the lot) in the after condition than in the before condition.

*Highest and Best Use, After, as Vacant.* After the acquisition, the subject has a highest and best use that is the same as in the before condition. That use is for development of a single family residence. This use is considered to be the most feasible use based on the location, the zoning, surrounding development, and the supply of vacant land in the neighborhood.

***Hypothetical Condition*** - This appraisal report includes the appraisal of the market value of the remainder land, as if the Speedway Boulevard improvement project between Camino De Oeste and Painted Hills Road was complete and all improvements were in place. As the road improvement project is not complete as of the effective date of value, the appraisal of the market value of the remainder land, after, is based upon the hypothetical condition that the improvements were completed based upon the plans provided to the appraiser by Pima County. If the project is not completed as indicated by the plans provided by Pima County to the appraiser, then the value indicated in this report is subject to change. Per USPAP, the use of this hypothetical condition might have affected the assignment results.



#### **LAND VALUE AFTER ACQUISITION**

The remainder land is being appraised using the same comparable sales, the same adjustments, and the same value conclusion used to value the property in the before condition. After the acquisition, the shape of the parcel remains similar and the site size is reduced to 1.807 acres. The highest and best use of the property is considered to be the same as in the before condition.

There is no loss in value due to the paving for the road shoulder being located approximately two feet further to the north in the after condition. The travel lanes will be approximately two feet further from the lot to the south in the after condition compared to the before condition. Although the 30-foot setback will be measured from the new property line, there will remain adequate land area to develop a home outside of the setback and erosion hazard setback areas.

Based on the same highest and best use, the same comparable sales are utilized for the conclusion of land value after the acquisition. The sales indicate a value of \$43,147 per acre for the land.

Therefore, the estimated market value of the property after the acquisition is as follows:

$$\begin{array}{rcl} 1.807 \text{ acres} \times \$43,147 \text{ per acre} & = & \$77,967 \\ & & \text{Rounded to: } \$77,900 \end{array}$$



## SECTION F - SEVERANCE DAMAGES

### ***DESCRIPTION***

Severance damages are a loss in value to the remainder property not acquired which arises as the result of a partial acquisition or construction of public improvements which have a negative impact on the remaining property. Severance damages are typically estimated by deducting the value of the remainder property after the acquisition from the value of the remainder property before the acquisition.

### **CONCLUSION**

The market value of the land, before the acquisition is \$85,000. The market value of the land to be acquired of \$7,100 is deducted from the market value of \$85,000 to arrive at the market value of the remainder, before, of \$77,900. The market value of the remainder, after, is estimated at \$77,900. Therefore, there are no severance damages reflected to the subject property.

Value of Remainder Property, Before:	\$77,900
Value of Remainder Property, After:	<u>(77,900)</u>
Severance Damages:	-0-



## SECTION G - SUMMARY OF VALUE CONCLUSIONS

Market Value of Land, Before Acquisition	\$85,000
Market Value of Land To Be Acquired	\$7,100
Market Value of Remainder Land, Before	\$77,900
Market Value of Remainder Land, After	\$77,900
Severance Damages	-0-

### TOTAL COMPENSATION:

Market Value of Land To Be Acquired	\$7,100
Severance Damages	-0-
TOTAL COMPENSATION	\$7,100



## PART IV - ASSUMPTIONS AND LIMITING CONDITIONS

1. **Definitions.** "Appraisal," as herein defined, is the process of completing a service; namely, a valuation assignment. "Subject property" refers to the property which is the subject of the assignment. "Appraisers" are those persons, whether one or more, who have accepted the assignment and who have participated in the analyses, opinions, and conclusions formed in the appraisal. "Company" refers to Baker, Peterson, Baker & Associates, Inc. "Report" refers to this written document containing the analyses, opinions, and conclusions which constitute the appraisal.
2. **Liability.** The liability of Baker, Peterson, Baker & Associates, Inc., including any or all of its employees, and including the appraisers responsible for this report, is limited to the Client only, and to the fee actually received by the Company. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of any person other than the Client, the Client is responsible for making such party aware of all assumptions and limiting conditions related thereto. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the subject property, whether physical, financial, or legal.
3. **Title.** No opinion as to title is rendered. Data related to ownership and legal description was provided by the Client or was obtained from available public records and is considered reliable. Unless acknowledged in this report, no title policy or preliminary title report were provided. Title is assumed to be marketable and free and clear of all liens, encumbrances, and restrictions except those specifically discussed in the report. The property is appraised assuming responsible ownership, competent management and ready availability for its highest and best use.
4. **Survey or Engineering.** No survey or engineering analysis of the subject property has been made by the appraisers. It is assumed that the existing boundaries are correct and that no encroachments exist. The appraisers assume no responsibility for any condition not readily observable from customary investigation and inspection of the premises which might affect the value thereof, excepting those items which are specifically mentioned in the report.
5. **Data Sources.** The report is based, in part, upon information assembled from a wide range of sources and, therefore, the incorporated data cannot be guaranteed. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the Client consider independent verification within these categories prior to any transaction involving a sale, lease, or other significant commitment of the subject property, and that such verification be performed by appropriate recognized specialists.



6. ***Subsequent Events.*** The date of valuation to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. The appraisers assume no responsibility for economic or physical factors occurring after the date of valuation which may affect the opinions in this report. Further, in any prospective valuation assignment, the appraisers cannot be held responsible for unforeseeable events that alter market conditions prior to the date of valuation. Such prospective value estimates are intended to reflect the expectations and perceptions of market participants along with available factual data, and should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized.
7. ***Adjustments.*** The appraisers reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available subsequent to issuance of the report.
8. ***Special Rights.*** No opinion is expressed as to the value of any subsurface (oil, gas, mineral) or aerial rights or whether the property is subject to surface entry for the exploration or removal of materials except where expressly stated in the report.
9. ***Value Distribution.*** The distribution of total value in this report between land and improvements applies only under the specified highest and best use of the subject property as herein described. The allocations of value among the land and improvements do not apply to any other property other than the property which is the subject of this report.
10. ***Legal or Special Opinions.*** No opinion is intended to be expressed for matters which require legal expertise, specialized investigation, or a level of professional or technical knowledge beyond that customarily employed by real estate appraisers.
11. ***Personal Property.*** Unless expressly stated within this report, no consideration has been given as to the value of any personal property located on the premises, or to the cost of moving or relocating such personal property. Only the real property has been considered.
12. ***Soil Conditions.*** Unless expressly stated within this report, no detailed soil studies covering the subject property were available to the appraisers. Therefore, it is assumed that existing soil conditions are capable of supporting development of the subject property in a manner consistent with its highest and best use without extraordinary foundation or soil remedial expense. Further, it is assumed that there are no hidden or unapparent matters (hazardous materials, toxic substances, etc.) related to the soil or subsoil which would render the subject more or less valuable by knowledge thereof.



13. **Court Testimony.** Testimony or attendance in court or at any other hearing (including depositions) is not required by reason of rendering this appraisal or issuing this report, unless such arrangements have previously been made and are part of a contract for services.
14. **Exhibits.** Maps, floor plans, photographs, and any other exhibits contained in this report are for illustration only, and are provided as an aid in visualizing matters discussed within the report. They should not be considered as surveys or scale renderings, or relied upon for any other purpose.
15. **Statute, Regulation, and License.** Unless otherwise stated within the report, the subject property is assumed to be in full and complete compliance with all applicable federal, state, and local laws related to zoning, building codes, fire, safety, permits, and environmental regulations. Further, it is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authorizations have been, or can be, readily obtained or renewed as related to any use of the subject property on which the value estimate contained herein is based.
16. **Hidden or Unapparent Conditions.** It is assumed that there are no hidden or unapparent conditions which, if known, would affect the analyses, opinions or conclusions contained in this report. This includes, but is not limited to, electrical, mechanical, plumbing, and structural components.
17. **Hazardous/Toxic Substances.** In this appraisal assignment, no observation was made of the existence of potentially hazardous material used in the construction and/or maintenance of the improvements, or from any other source, whether borne by land or air, including, but not limited to, asbestos, lead, toxic waste, radon, and urea formaldehyde. While not observed, and while no information was provided to confirm or deny the existence of such substances (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such substances. Unless otherwise stated, no consideration has been given to the presence of, nature of, or extent of such conditions, nor to the cost to "cure" such conditions or to remove any toxic or hazardous substances which could potentially affect the value or marketability of the property. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. This value estimate assumes that there is no such material on or in the property.
18. **Americans with Disabilities Act of 1990.** The ADA became effective on January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could



have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

19. **Disclosure.** Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, including the value estimate, the identity of the appraisers or their professional designations, or the company with which the appraisers are associated, shall be used for any purpose by anyone other than the Client as herein stated, without the prior written consent of the appraisers. Nor shall it be conveyed, in whole or in part, in the public through advertising, news, sales, listings, or any other media without such prior written consent. Possession of this report does not carry with it any right of public distribution.
20. **Type of Report.** This is an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
21. **Endangered and Threatened Species.** The appraisers have not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which are identified as an endangered or threatened species by the U. S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such plants or wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. It is possible that a survey of the property could reveal that the site contains endangered or threatened plants or wildlife. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible endangered or threatened species in estimating the value of the property.
22. **Acceptance of Report.** Acceptance and/or use of this report by the Client or any third party constitutes acceptance of all of the above conditions.



## PART V - CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. My reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Foundation, and any other specifications submitted by the Client, including Title XI, FIRREA.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. In accord with the Uniform Standards of Professional Appraisal Practice, I have the experience and knowledge to complete this assignment in a credible and competent manner.
11. As of the date of this report, I have completed requirements of the continuing education program of the Appraisal Institute.
12. The effective date (date of valuation) of this appraisal is August 2, 2019.



13. I have made a personal inspection of the property that is the subject of this report.
14. It is noted that Timothy Hale (Certificate T0137) assisted significantly with this report by performing the following tasks under the direction of the appraiser. Researched the subject and comparable sales information and provided assistance with the development of the report. The final analysis and value conclusion is that of Sara R. Baker, MAI, SRA.
15. This firm has appraised the subject property in the three years prior to this appraisal.
16. I am a Certified General Real Estate Appraiser in the State of Arizona.



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



## **PART VI - EXHIBITS**

Exhibit A	Title Report
Exhibit B	Subject Plat Map
Exhibit C	Aerial Photograph
Exhibit D	Zoning Map (Pima County)
Exhibit E	FEMA Flood Plain Map
Exhibit F	Legal Description and Maps of Acquisition
Exhibit G	Inspection Letter
Exhibit H	Subject Photographs
Exhibit I	Acquisition Photographs
Exhibit J	Comparable Land Sales Location Map
Exhibit K	Comparable Land Sales, Plat Maps and Aerial Photographs
Exhibit L	Qualifications



## EXHIBIT A - Title Report

 <b>First American Title<sup>TM</sup></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.

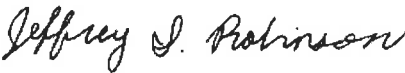
THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS

IN WITNESS WHEREOF, First American Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

**First American Title Insurance Company**



Dennis J. Gilmore  
President



Jeffrey S. Robinson  
Secretary

*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.*

Copyright 2006-2016 American Land Title Association. All rights reserved.  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





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.

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





## 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.

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

AMERICAN  
LAND TITLE  
ASSOCIATION





- (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.
- (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>.


*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





 <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.: 600-93522

ALTA® Universal ID:

File No.: 600-93522-RDH  
 Escrow Officer: Rhonda Herrera

1. Effective Date: August 8, 2018 at 07:30 AM  
 Amended: August 20, 2018 No.: 1/yc
2. Policy (or Policies) to be issued:
  - a. ALTA Standard Owners Policy (6-17-06)  
 Proposed Insured: Pima County, a body politic  
 Proposed Policy Amount: TBD
3. The estate or interest in the land described or referred to in this Commitment is  
 (Identify estate covered, i.e. Fee, Leasehold, etc)  
 Fee, as to Parcels 1 and 2 and an Easement as to Parcel 3.
4. Title to the estate or interest in this land is at the Effective Date vested in:  
 James M. Nelson and Marilyn J. Nelson, as Trustees of the Giebelhausen Trust dated March 2, 2007
5. The land referred to in this Commitment is described as follows:  
 SEE EXHIBIT A ATTACHED HERETO

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
 The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





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

**Title Security Agency, LLC**  
**Rhonda Herrera**  
**6640 N. Oracle Road, Suite 120**  
**Tucson, AZ 85704**  
**Phone: (520)219-6451**  
[www.titlesecurity.com](http://www.titlesecurity.com)

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

Title Officer  
Typist



Authorized Representative

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

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





## **EXHIBIT A**

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

**PARCEL 1:**

All that portion of the Southwest quarter of Section 5, Township 14 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

COMMENCING at the Southwest corner of the Southwest quarter of said Section 5;

THENCE North 00 degrees 12 minutes 18 seconds West, along the West line of the Southwest quarter of said Section 5, a distance of 1082.20 feet to a point on the North right of way of Speedway Boulevard as recorded in Book 3 of Road Maps, Pages 33 through 36;

THENCE South 89 degrees 57 minutes 19 seconds East, along said North right of way line, a distance of 309.00 feet;

THENCE North 00 degrees 07 minutes 23 seconds East a distance of 39.78 feet to the Southeast corner of Lot 44 of Los Arroyos Del Oeste Subdivision as recorded in Book 48 of Maps and Plats, Page 25;

THENCE continue North 00 degrees 07 minutes 23 seconds East, along the East line of said Lot 44, a distance of 77.46 feet to the Southeast angle point of said Lot 44;

THENCE North 61 degrees 19 minutes 02 seconds East along the Southern line of said Lot 44, a distance of 240.48 feet to the Southern corner of Lot 44 and Lot 45 of said Los Arroyos Del Oeste Subdivision;

THENCE South 82 degrees 05 minutes 38 seconds East, along the South line of said Lot 45, a distance of 161.73 feet to the Southern corner of Lot 45 and Lot 46 of said Los Arroyos Del Oeste Subdivision;

THENCE South 82 degrees 30 minutes 00 seconds East, along the South line of said Lot 45 and Lot 46, a distance of 122.81 feet to the Southern angle point of Lot 46 and the TRUE POINT OF BEGINNING;

THENCE North 59 degrees 21 minutes 41 seconds East along the Southern line of Lot 46 and Lot 47 of said Los Arroyos Del Oeste Subdivision, a distance of 253.22 feet to the Southern corner of Lot 47 and Lot 48 of said Los Arroyos Del Oeste Subdivision;

THENCE South 59 degrees 39 minutes 14 seconds East along the Southwestern line of said Lot 48 a distance of 96.93 feet to the South corner of said Lot 48, said point also being the Northwest corner of Lot 35 of Painted Hills Estates Subdivision, as recorded in Book 13 of Maps and Plats, Page 23;

THENCE South 18 degrees 16 minutes 15 seconds West along the West line of said Lot 35, a distance of 200.03 feet to the Western corner of Lot 35 and Lot 36 of said Painted Hills Estates Subdivision;

THENCE South 18 degrees 19 minutes 06 seconds West along the West line of said Lot 36, a distance of 274.96 feet to the Southwest corner of said Lot 36;

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





**EXHIBIT A**  
(Continued)

THENCE continue South 18 degrees 19 minutes 06 seconds West, a distance of 57.60 feet to a point on the North right of way of Speedway Boulevard as recorded in Book 3 of Road Maps, Pages 33 through 36;

THENCE North 64 degrees 26 minutes 20 seconds West, along said North right of way, a distance of 124.99 feet;

THENCE North 08 degrees 20 minutes 37 seconds West, a distance of 97.00 feet;

THENCE N 31 degrees 49 minutes 33 seconds East, a distance of 100.00 feet;

THENCE North 17 degrees 30 minutes 40 seconds West, a distance of 75.00 feet;

THENCE North 72 degrees 29 minutes 20 seconds East, a distance of 125.00 feet;

THENCE North 17 degrees 30 minutes 40 seconds West, a distance of 70.00 feet;

THENCE South 72 degrees 29 minutes 20 seconds West, a distance of 125.00 feet;

THENCE North 17 degrees 30 minutes 40 seconds West, a distance of 55.00 feet to the TRUE POINT OF BEGINNING;

EXCEPT the following described parcel:

A portion of Section 5, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County Arizona, more particularly described as follows:

BEGINNING at the southern angle point of Lot 46 of Los Arroyos Del Oeste as recorded in Book 48, Page 25 of Maps and Plats of Pima County, Arizona, a found 1/2 inch iron pin tagged RLS 16597, said point being the Northwest corner of that property described in Docket 13313, Page 608, records of Pima County, Arizona;

THENCE South 17 degrees 30 minutes 40 seconds East along the Westerly boundary line of said described parcel, 200.00 feet to a set 1/2 inch iron pin tagged RLS 23942 and the POINT OF BEGINNING;

THENCE South 31 degrees 49 minutes 35 seconds West along said Westerly line, 100.00 feet to a set 30-d nail in a rock face, tagged RLS 23942;

THENCE South 08 degrees 30 minutes 37 seconds East along said Westerly line, 33.60 feet to a set 1/2 inch iron pin tagged RLS 23942;

THENCE North 31 degrees 49 minutes 55 seconds East, 61.56 feet to a set 1/2 inch iron pin tagged RLS 23942;

THENCE North 13 degrees 08 minutes 55 seconds East, 67.69 feet to the POINT OF BEGINNING.

PARCEL 2:

A portion of Section 5, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County,

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





## **EXHIBIT A**

(Continued)

Arizona, more particularly described as follows:

BEGINNING at the southern angle point of Lot 46 of Los Arroyos Del Oeste as recorded in Book 48, Page 25, Maps and Plats of Pima County, Arizona, a found 1/2 inch iron pin tagged RLS 16597 said point being the Northwest corner of that property described in Docket 13313, Page 608, records of Pima County, Arizona;

THENCE South 17 degrees 30 min minutes 40 seconds East along the Westerly boundary lien of said described parcel, 200.00 feet to a set 1/2 inch iron pin tagged RLS 23942;

THENCE South 31 degrees 49 minutes 35 seconds West along said Westerly line, 100.00 feet to a set 30-d nail in a rock face, tagged RLS 23942;

THENCE South 08 degrees 30 minutes 37 seconds East along said Westerly line, 33.60 feet to a set 1/2 inch iron pin tagged RLS 23942 and the POINT OF BEGINNING;

THENCE continue South 08 degrees 20 minutes 37 seconds East along said Westerly line, 63.40 feet to a point on the North right of way line of Speedway Blvd., as recorded in Book 3, Page 33, Road Maps of Pima County, a set 1/2 inch iron pin tagged RLS 23942;

THENCE North 64 degrees 29 minutes 17 seconds West along said right of way line, 66.51 feet to a set 1/2 inch iron pin tagged RLS 23942;

THENCE North 56 degrees 08 minutes 39 seconds East, 61.20 feet to the POINT OF BEGINNING.

PARCEL 3:

An easement for ingress, egress and utility purposes described as Parcel No. 2 in Warranty Deed recorded in Docket 12489, Page 5008 and re-recorded In Docket 12498, Page 3.

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

AMERICAN  
LAND TITLE  
ASSOCIATION





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

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

File No.: 600-93522-RDH

**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	2017
Parcel No.	<u>116-04-159L</u>
Total Tax	\$7,208.53
First Half	\$PAID
Second Half	\$PAID

2. Property herein appears to be free and clear of liens. Please verify. Further requirements may be deemed necessary upon said disclosure.

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





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

3. Submit for review an original Certification of Trust in the form prescribed by this Company dated and executed within thirty days prior to closing by an acting trustee of the The Giebelhausen Trust dated March 2, 2007 Trust.
4. RECORD Deed from James M. Nelson and Marilyn J. Nelson, as Trustees of the Giebelhausen Trust dated March 2, 2007 to Pima County, a body politic.

COMPLIANCE with ARS 11-1133, which states essentially that an affidavit must be completed by a seller and a buyer and appended to a deed or contract for the sale of real estate which is presented for recording.

COMPLIANCE with Section 33-404 A.R.S., which states essentially that the names and addresses of the beneficiaries under a trust must appear on the face of any conveyance of Real Property wherein the Grantor or Grantee is named Trustee.

NOTICE: If a Power of Attorney is being used for this transaction, submit to the Title Officer sufficiently prior to close of this transaction for approval. Such further requirements as may be necessary after completion of the above.

**30 YEAR CHAIN OF TITLE:**

Warranty Deed recorded November 24, 1981 in Docket 6663, Page 315 and re-recorded December 7, 1981 in Docket 6671, Page 25; Grantor: Jose Alfonso Morales Pavlovich, a married man, as his sole and separate property; Grantee: Tucson Surgical Specialties P.C., Pension Plan and Pension Trust Agreement No. 2, Citizens Commercial Trust and Savings Bank of Pasadena, as Trustees.

Deed recorded September 18, 1990 in Document No. , Docket 8875 at Page 509 and re-recorded May 21, 1999 in Docket 11052, Page 3519; Grantor: Citizens Commercial Trust and Savings Bank of Pasadena, as Trustee of the Tucson Surgical Specialists, P.C., Pension Plan and Trust Agreement No. 2; Grantee: Dr. Morton Aronoff, Successor Trustee of the Tucson Surgical Specialists, P.C. Profit-Sharing Plan.

Deed recorded January 4, 1996 in Document No. , Docket 10203 at Page 837; Grantor: Morton Aronoff, M.D. and Richard J. Toll, M.D., as Trustees Tucson Surgical Specialists, P.C., Profit Sharing Plan and Trust Agreement dated July 1, 1989 and Dr. Morton Aronoff, Successor Trustee of the Tucson Surgical Specialists, P.C. Profit Sharing Plan; Grantee: First American Title Insurance Company, a California corporation as Trustee under Trust No., 4629.

Deed recorded June 5, 2003 in Document No. , Docket 12065 at Page 5233; Grantor: First American Title Insurance Company, a California corporation, as Trustee under Trust No. 4629; Grantee: Tres Partners, LLC, an Arizona Limited Liability Company.

Deed recorded December 24, 2003 in Document No. , Docket 12204 at Page 111; Grantor: Tres Partners, L.L.C., an Arizona limited liability company; Grantee: Christopher M. Gause, (Strawman).

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





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

Deed recorded December 24, 2003 in Docket 12204, Page 120; Grantor: Christopher M. Gause, (Strawman); Grantee: Tres Partners, L.L.C., an Arizona limited liability company, their successors and assigns.

Deed recorded February 2, 2006 in Docket 12733, Page 3733 and re-recorded September 5, 2013 in Document No. 20132480658; Grantor: Tres Partners LLC, an Arizona limited liability company; Grantee: Leroy C. Kane and Lagreta Kane, husband and wife;

Deed recorded May 23, 2008 in Docket 13313, Page 608; Grantor: Leroy C. Kane and Lagreta Kane, husband and wife; Grantee: Leroy C. Kane and Lagreta Kane, as Co-Trustees of the Leroy C. Kane and Lagreta Kane Revocable Living Trust, dated July 20, 2000.

Quit Claim Deed recorded March 4, 2010 in Docket 13758, Page 1; Grantor: Leroy C. Kane and Lagreta Kane; Grantee John Peter Whilwhite and Veletta K. Canouts.

Corrective Quit Claim Deed recorded October 2, 2013 in Document No. 20132750148.  
(Corrects Docket 13758, Page 1).

Deed recorded March 4, 2010 in Docket 13758, Page 3 and re-recorded December 20, 2010 in Docket 13959, Page 388; Grantor: John Peter Whilwhite and Veletta K. Canouts; Grantee: Leroy C. Kane and Lagreta Kane.

Corrective Deed recorded October 2, 2013 in Document No. 20132750149.  
(Corrects Docket 13758, Page 3).

Affidavit of Marital Status recorded July 18, 2016 in Document No. 20162000398.

Warranty Deed recorded July 18, 2016 in Document No. 20162000400; Grantor: Leroy C. Kane and Lagreta Kane, as Co-Trustees of the Leroy C. Kane and Lagreta Kane Revocable Living Trust, dated July 20, 2002, Leroy C. Kane and Lagreta Kane, husband and wife; Grantee: James M. Nelson and Marilyn J. Nelson, as Trustees of the Giebelhausen Trust dated March 2, 2007.

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

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





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

3680 W. Speedway Blvd., Tucson, AZ 85745

**END OF SCHEDULE B - PART I**

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





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

File No.: 600-93522-RDH

## 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.
- 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.

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





**SCHEDULE B**  
(Continued)

- 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.
2. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year:  
  
2018
3. ANY ACTION by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.
4. MATTERS SHOWN ON SURVEY:  
  
Recorded in Book 47 of Record of Surveys of Page 60
5. MATTERS SHOWN ON SURVEY:  
  
Recorded in Book 76 of Surveys, Page 98
6. EASEMENT and rights incident thereto, as set forth in instrument:  
  
Recorded in Document No.  
Recorded in Docket 12204  
Page 102  
Purpose ingress, egress and utilities
7. EASEMENT and rights incident thereto, as set forth in instrument:  
  
Recorded in Document No.  
Recorded in Docket 12224  
Page 1413  
Purpose electric lines
8. EASEMENT and rights incident thereto, as set forth in instrument:  
  
Recorded in Document No.  
Recorded in Docket 12423  
Page 3030

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**  
The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





**SCHEDULE B**  
(Continued)

and in Docket 12733

Page 3733

Purpose ingress, egress and utilities

9. Any matters arising by reason of Affidavit of Disclosure recorded July 18, 2016 in Document No. 2016200399.

10. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No.

Recorded in Docket 12637

Page 712

Purpose septic system

**END OF SCHEDULE B – PART II**

*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.*

**Copyright 2006-2016 American Land Title Association. All rights reserved.**

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.







## Privacy Information

### We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

### Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

### Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

### Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

### Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

### Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

### Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

[FirstAm.com](http://FirstAm.com) uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

---

### Fair Information Values

**Fairness** We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

**Public Record** We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

**Use** We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

**Accuracy** We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.



## **DISCLOSURE NOTICES**

### **Good Funds Law**

Arizona Revised Statutes Section 6-843 regulates the disbursement of escrow funds by an escrow agent. The law requires that funds be deposited in the escrow agent's escrow account and available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company in the form of cashier's checks, certified checks or teller's checks, or checks which are made by an affiliate of a state or federally regulated depository institution when the check is drawn on that institution, may be disbursed the same day as deposited. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

### **PURCHASER DWELLING ACTIONS NOTICE**

Pursuant to Arizona Revised Statutes Section 12-1363.N, notice is hereby provided to the purchaser of a dwelling of the provisions of Arizona Revised Statutes Sections 12-1361, 1362 and 1363. These statutory sections set forth the requirements to be met by a purchaser prior to bringing an action against the seller of a dwelling arising out of or related to the design, construction, condition or sale of the dwelling. "Dwelling" means a single or multifamily unit designed for residential use and common areas and improvements owned or maintained by an association or its members. "Seller" means any person, firm, partnership, corporation, association or other organization engaged in the business of designing, constructing or selling dwellings. The complete statutory sections can be viewed on the Arizona State Legislature's web site: [www.azleg.state.az.us/ars/ars.htm](http://www.azleg.state.az.us/ars/ars.htm).

### **NOTICE:**

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 ½ inches in width and 14 inches in length.

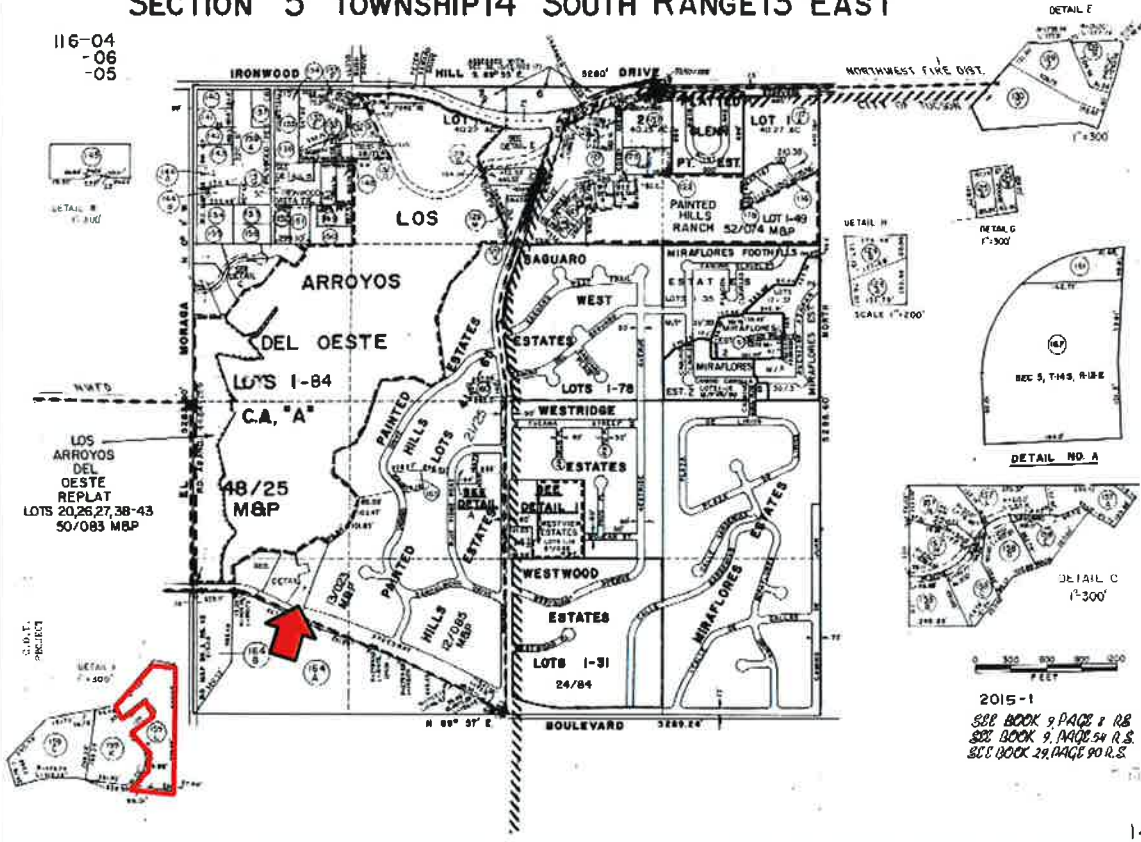


# EXHIBIT B - SUBJECT PLAT MAP

## ASSESSOR'S RECORD MAP

### SECTION 5 TOWNSHIP 14 SOUTH RANGE 13 EAST

116-04  
-06  
-05

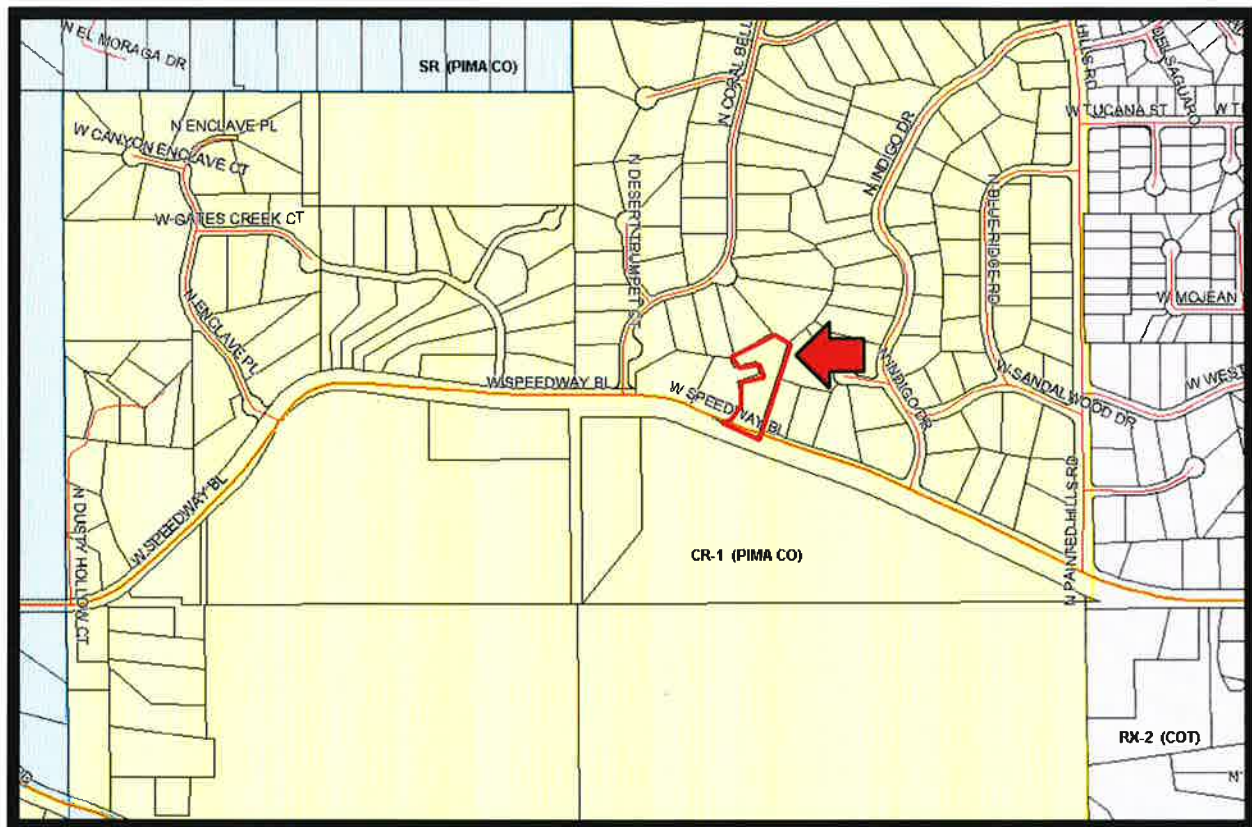























## An aerial photograph of a residential area with a red outline and a red arrow. The red outline is a large, irregular polygon that encompasses several parcels of land. A red arrow points from the right side of the image towards the center of the outlined area. The map shows various houses, some with swimming pools, and a road labeled 'W. SPEEDWAY BL.' at the bottom. Other labels include 'N. COAL BLVD.' on the left, 'N. INDIGO' on the right, and several parcel numbers like 2080, 2090, 2100, 2110, 159C, 159K, 159L, 037B, 037C, 037D, 0380, 0390, 033F, 0310, and 0320. The terrain is dry and hilly with sparse vegetation.



# EXHIBIT D - ZONING MAP (Pima County)



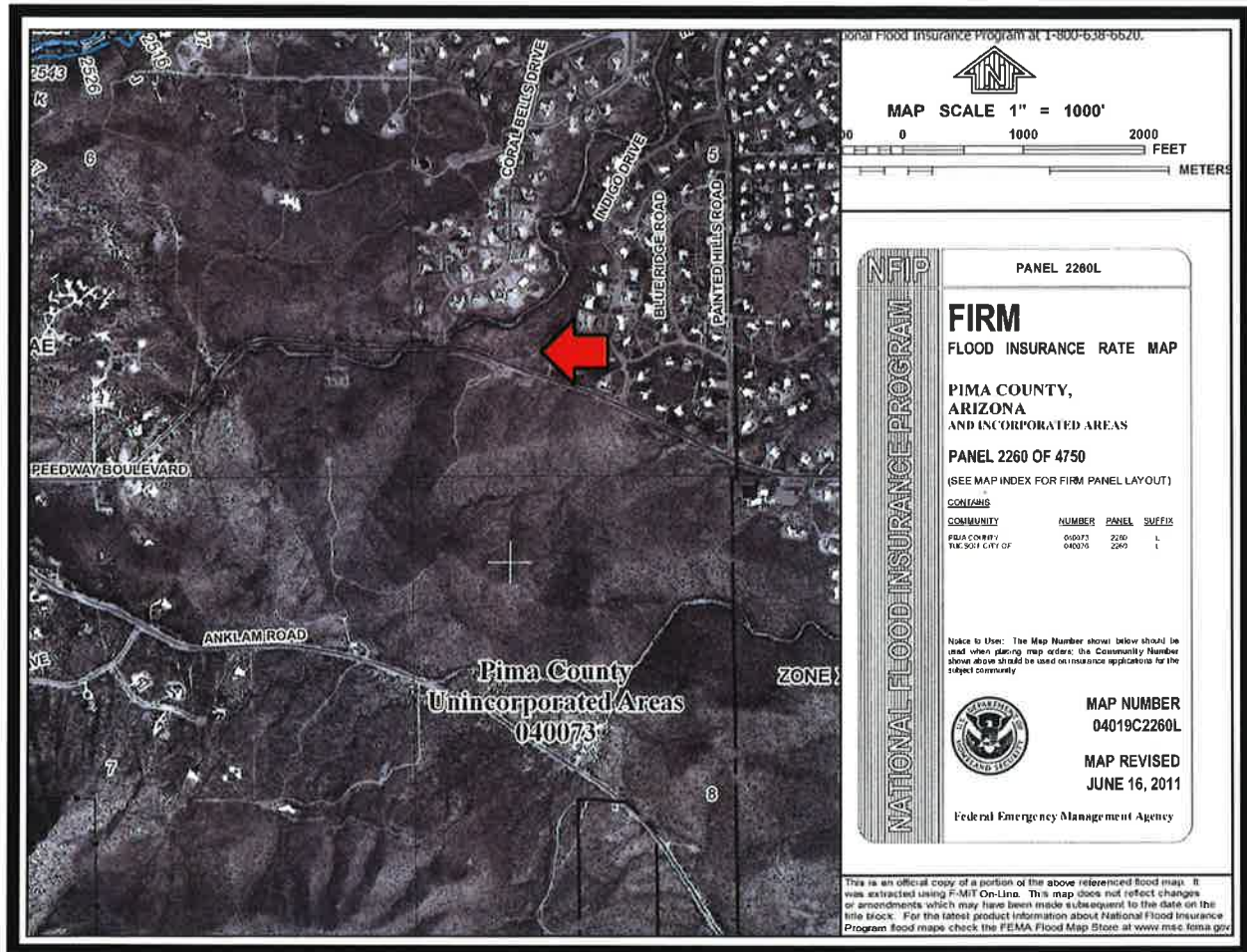
## ☒ Zoning - County

-  CB-1
-  CB-1(H)
-  CB-2
-  CB-2(H)
-  CI-1
-  CI-2
-  CI-3
-  CMH-1
-  CMH-2
-  CPI
-  CR-1
-  CR-2
-  CR-2(H)
-  CR-3
-  CR-4
-  CR-4(H)
-  CR-5
-  CR-5(GC)
-  CR-5(H)

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



# EXHIBIT E - FLOOD PLAIN MAP





## EXHIBIT F - LEGAL DESCRIPTION & ACQUISITION MAP



17 July 2019

### EXHIBIT "A" LEGAL DESCRIPTION

A portion of that parcel as described in Sequence No. 20162000400, recorded in the office of the Pima County Recorder, Arizona, being a portion of the Southwest One-Quarter of Section 5, Township 14 South, Range 13 East, Gila & Salt River Meridian, Pima County, Arizona, more particularly described as follows:

**COMMENCING** at the southwest corner of said Section 5, a 2" steel capped pipe to which the west one-quarter corner of said Section 5, 1 1/2" ACP stamped "RLS7599", bears North 00°30'15" West a distance of 2669.73 feet;

**THENCE** along the west line of said Section 5, North 00°30'15" West a distance of 1082.19 feet to a point on the north right of way line of Speedway Boulevard;

**THENCE** along said north right of way line North 89°44'44" East a distance of 345.01 feet to the beginning of a tangent curve concave to the southwest having a radius of 475.74 feet and a central angle of 25°30'59";

**THENCE** continuing along said north right of way line and the arc of said curve to the right a distance of 211.87 feet;

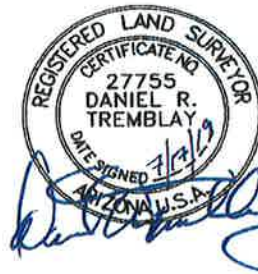
**THENCE** continuing along said north right of way line South 64°44'17" East a distance of 237.12 feet to the southwest corner of said parcel described in Sequence No. 20162000400 and the **POINT OF BEGINNING**;

**THENCE** along the west line of said parcel North 55°50'55" East a distance of 40.18 feet;

**THENCE** South 68°33'32" East a distance of 165.62 feet to a point on the east line of said parcel;

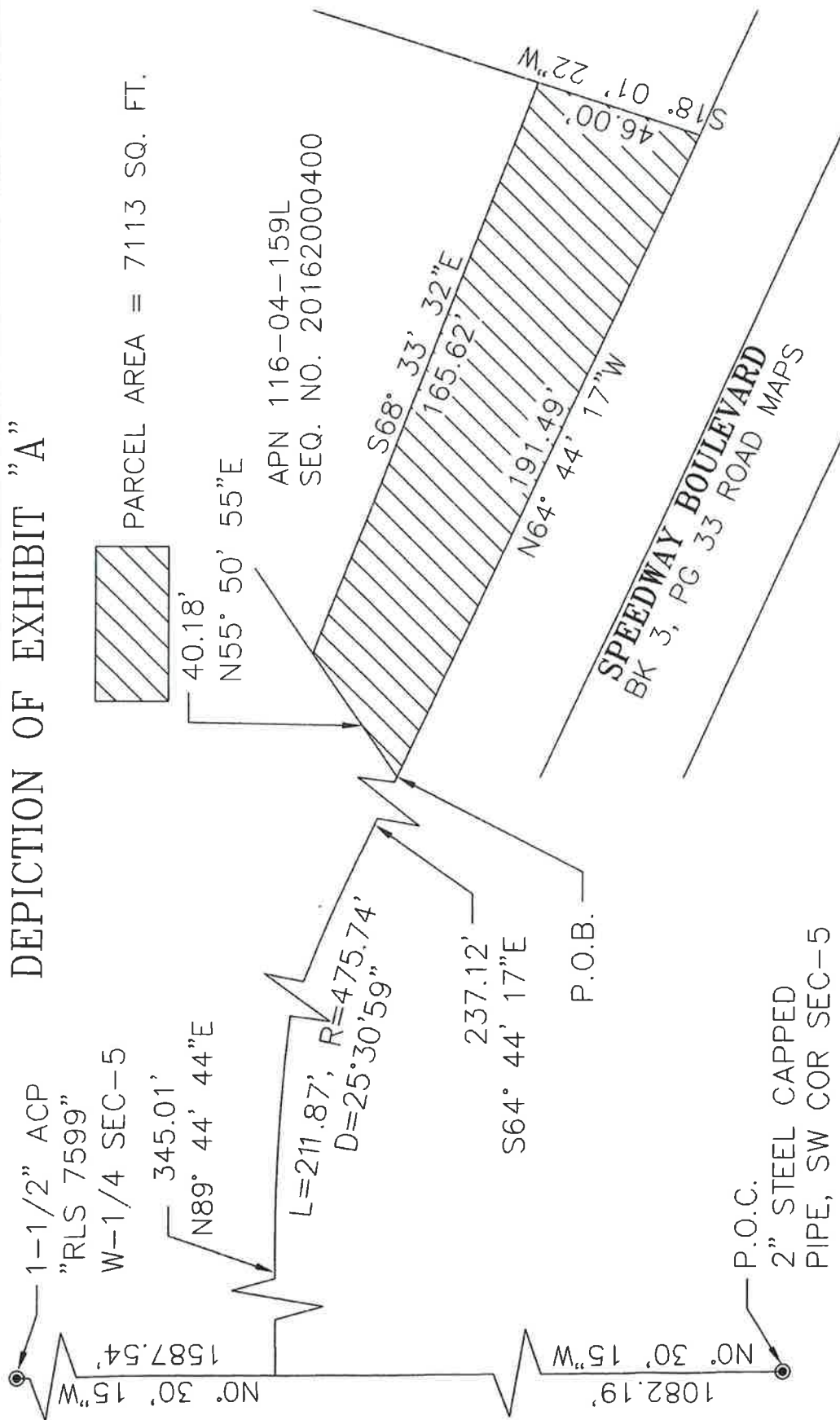
**THENCE** along said east line South 18°01'22" West a distance of 46.00 feet to the southeast corner of said parcel and the north right of way line of Speedway Boulevard;

**THENCE** along said north right of way line North 64°44'17" West a distance of 191.49 feet to the **POINT OF BEGINNING**.





# DEPICTION OF EXHIBIT "A"



## PIMA COUNTY SURVEY

A PORTION OF PARCEL RECORDED IN SEQ. NO. 201620000400  
LOCATED IN SECTION 05, TOWNSHIP 14 SOUTH, RANGE 13 EAST,  
GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

Scale: 1" = 40'

Date: 17 July 2019

Drawn By: AJL

Sheet 2 of 2



## EXHIBIT G - INSPECTION LETTER

### BAKER, PETERSON, BAKER & ASSOCIATES, INC.

#### REAL ESTATE APPRAISERS - CONSULTANTS

4547 E. FT. LOWELL ROAD • SUITE 401 • TUCSON, AZ 85712

(520) 881-1700 • 1-800-204-1700

FAX (520) 325-3108

admin@bakerpeterson.com

• Over 40 Years of Service •

January 4, 2019

JAMES M & MARILYN J NELSON  
3680 W SPEEDWAY BLVD  
TUCSON, AZ 85745-1645

RE: *Project:* North Side of Speedway Boulevard, East of Coral Bells Drive  
*Tax Parcel No.:* 116-04-159L  
*Property Address:* 3680 West Speedway Boulevard

Dear Property Owner:

Pima County is considering the acquisition of certain property rights in connection with the above referenced project. This will involve real property which our records indicate is presently in your ownership.

In order to estimate the market value, I have been requested to appraise the property sought by Pima County. Please give the name and telephone number of the person to contact to arrange a time to inspect the property.

NAME: \_\_\_\_\_ TELEPHONE NO.: \_\_\_\_\_

It is Pima County policy to offer the owner an opportunity to accompany the appraiser on the inspection and/or talk with the appraiser. Check the appropriate box below.

- 1) ☐ I do wish to accompany and/or talk with the appraiser.  
2) ☐ I do not wish to accompany the appraiser.

Regardless of whether you wish to be present at the inspection, please return this letter to our office in the enclosed stamped, self-addressed envelope.

Should you have any questions, please feel free to contact me at (520) 881-1700, ext. 19.

Sincerely,



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

7680



**EXHIBIT H - SUBJECT PHOTOGRAPHS**  
**PHOTO 1 - VIEW NORTHEAST OF PROPERTY**



**PHOTO 2 - VIEW NORTHWEST OF PROPERTY**





PHOTO 3 - VIEW EAST OF SPEEDWAY BOULEVARD



PHOTO 4 - VIEW WEST ON SPEEDWAY BOULEVARD





**EXHIBIT I - ACQUISITION PHOTOGRAPHS**  
**PHOTO 1 - VIEW EAST OF ACQUISITION AREA**

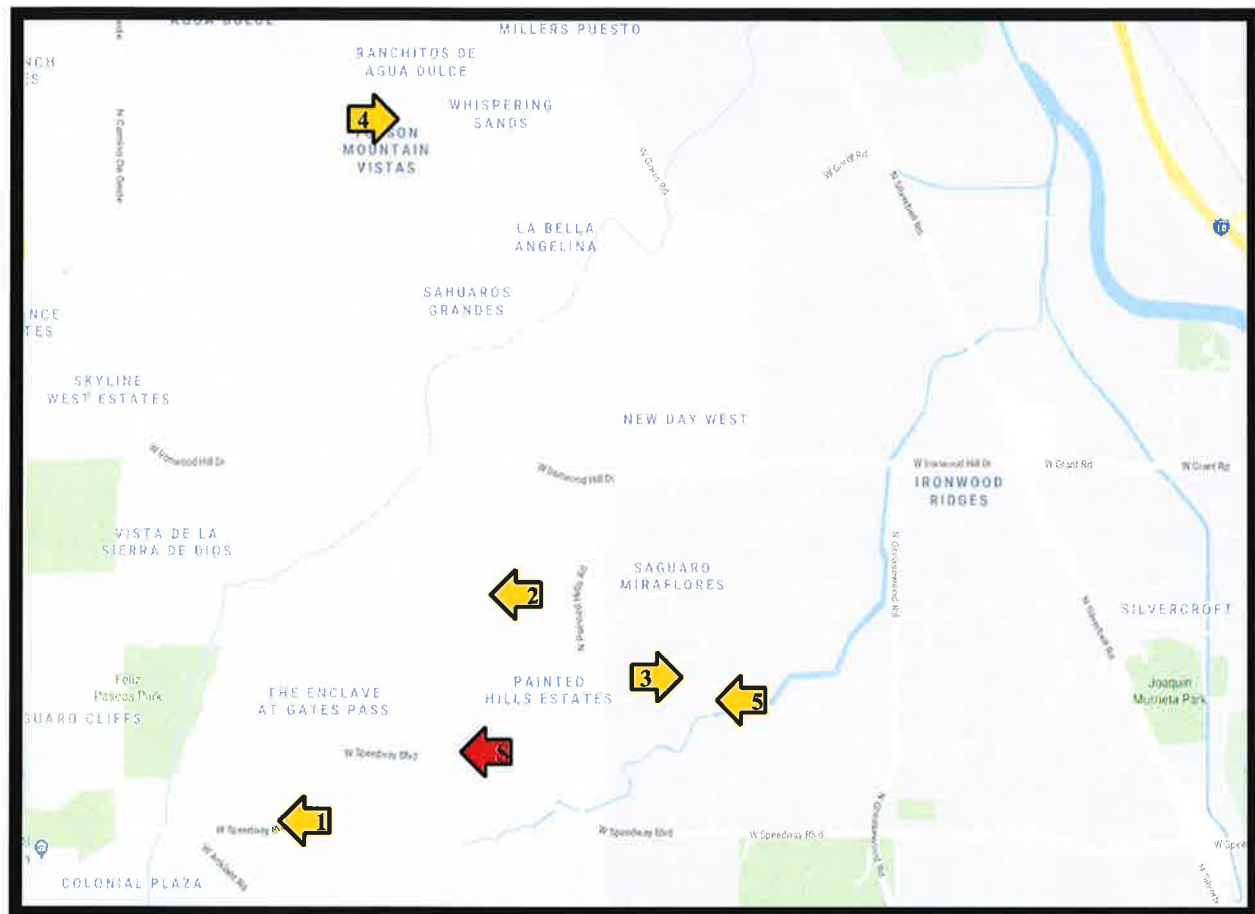


**PHOTO 2 - VIEW WEST OF ACQUISITION AREA**





## EXHIBIT J - COMPARABLE LAND SALES LOCATION MAP



**Subject:** North side of Speedway Boulevard, east of Coral Bells Drive

Sale 1: North side of Speedway Boulevard, east side of Dusty Hollow Court

**Sale 2:** Southwest side of the coral Bells Court cul-de-sac, west of Coral Bells Drive

Sale 3: Southwest side of the Camino Miraflores cul-de-sac, south of Plaza De Lirios

**Sale 4:** West side of Calle Castellon, south of Goret Road

**Sale 5:** South side of Plaza De Lirios, east of Camino MiralFlores



## EXHIBIT K - COMPARABLE LAND SALES

### LAND COMPARABLE NUMBER ONE (SALE)

ID: CR1 0354 7679

LOCATION: North side of Speedway Boulevard, east side of Dusty Hollow Court

LEGAL DESCRIPTION: A portion of the Southwest Quarter of the Southwest Quarter of the Southeast Quarter of Section 6, Township 14 South, Range 13 East, G&SRB&M, Pima County, Arizona

STATE TAX PARCEL: 116-07-127G

RECORD DATA: Fee number 20163470342

DATE OF SALE: December 12, 2016

SELLER: Manuel A. Villasenor and Carol A. Villasenor

BUYER: Manuel Martinez and Yolanda Martinez, as conservators of the estate of Mario Luna Martinez

CONFIRMED BY: Traci Caruthers, listing agent (520-404-2509)  
TFH; March, 2019

LAND DESCRIPTION: This site is an irregularly shaped property with 149.91 feet of frontage on Speedway Boulevard along the southern property line. The northwest corner of this lot contains Dusty Hollow Court, which is an easement roadway, with approximately 25 feet of frontage on Dusty Hollow Court. The lot has a depth of 265.80 feet along the eastern property line, a length of 236.56 along the northern property line, and a depth of 373.02 along the western property line. Speedway Boulevard is a two-lane, asphalt-paved roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. Speedway Boulevard has a 2017 traffic count of 2,619 vehicles per day in the vicinity of this site, according to the Pima Association of Governments. Dusty Hollow Court is a one-lane, dirt-graded residential easement roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count available for Dusty Hollow Court as this is a residential roadway. The topography

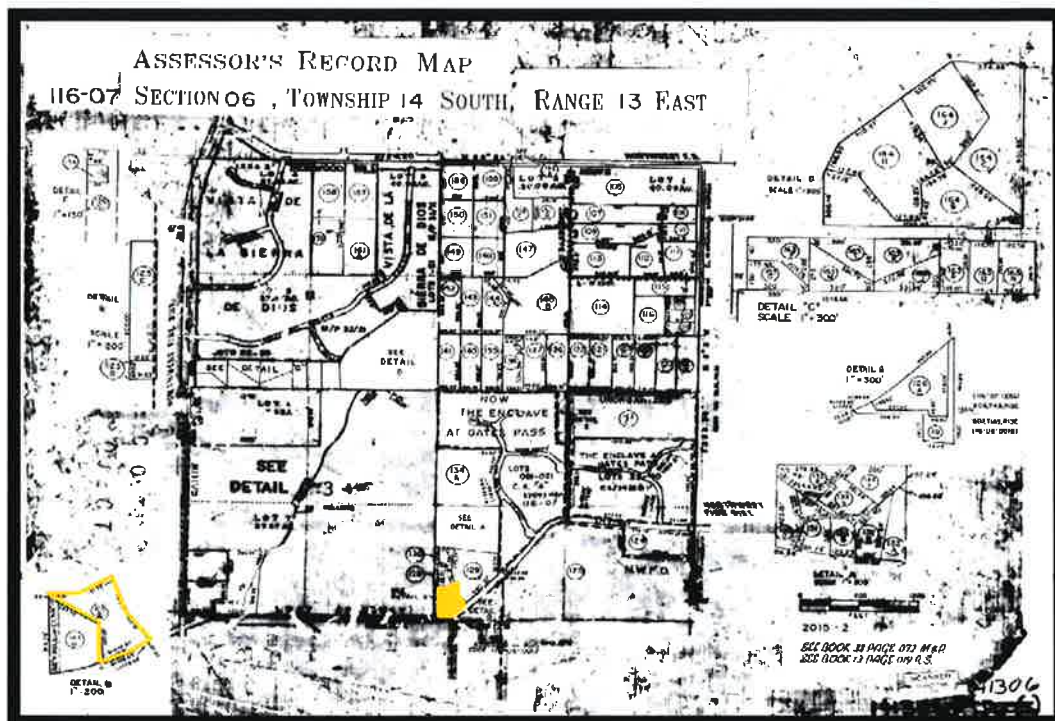


is sloping in a northern direction. The shape and topography of this lot restricts the developable area; however, there is adequate room for development of a home. There was an area designated as a future building pad. There are some mountain views from this lot. All utilities are available to the site except for sewer. A private septic system would be required for any development. According to FEMA Flood Insurance Rate Map 04019C2260L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.

LAND SIZE:	1.00 acre, or 43,560 square feet
ZONING:	CR-1, Pima County
REPORTED SALE PRICE:	\$70,000
MARKETING TIME:	9 days
TERMS OF SALE:	This was an all cash to the seller transaction
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation. Additional transaction dated March 14, 2019 was an internal transfer and not a market sale. Two transactions dated October 24, 2016 were a quit claim deed and termination of joint tenancy, and not market sales. Transaction dated June 6, 2016 was a certificate of death and not a market sale.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Development of a single family residence
COMMENTS:	The agent indicated that the frontage on Speedway Boulevard had a negative impact on the sale price.



**COMPARABLE LAND SALE ONE - PLAT MAP AND AERIAL PHOTOGRAPH**  
116-07-127G





LAND COMPARABLE NUMBER TWO (SALE)

ID: CR1 0357 7679

LOCATION: Southwest side of Coral Bells Court, west of Coral Bells Drive

LEGAL DESCRIPTION: A portion of Lot 20, Los Arroyos del Oeste, Pima County, Arizona

STATE TAX PARCEL: 116-04-250B

RECORD DATA: Fee number 20172120810

DATE OF SALE: July 31, 2017

SELLER: Sixto O. Molina and Frances B. Molina

BUYER: Ramon Humberto Blanco and Maria Fernando Blanco

CONFIRMED BY: Maria Davilla, buyer's agent (520-440-0734)  
TFH; April, 2019

LAND DESCRIPTION: This site is an irregular "flag" shaped lot. There is a long and narrow strip of land connecting the main portion of the lot to Coral Bells Court. This area has 25.23 feet of frontage on Coral Bells Court along the eastern property line. The length of this narrow strip is 362.91 feet along the southern property line and 349.34 feet along the northern property line. This narrow strip of land provides access to this sale and the adjacent lots on the north and south side. The main portion of the site has a length of 451.46 feet along the eastern property line, a length of 296.47 feet along the western property line, and a width of 423.51 along the southern property line. This is the portion of the property that would be developed with a home. Coral Bells Court is a two-lane, asphalt-paved roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count available for Coral Bells Court as this is a residential roadway. The topography is sloping in a northeasterly direction. Some site development work is needed to create a level building pad. All utilities are available to the site except for sewer. A private septic system would be required for any development of the site. The property is in a gated subdivision. The property has good mountain views

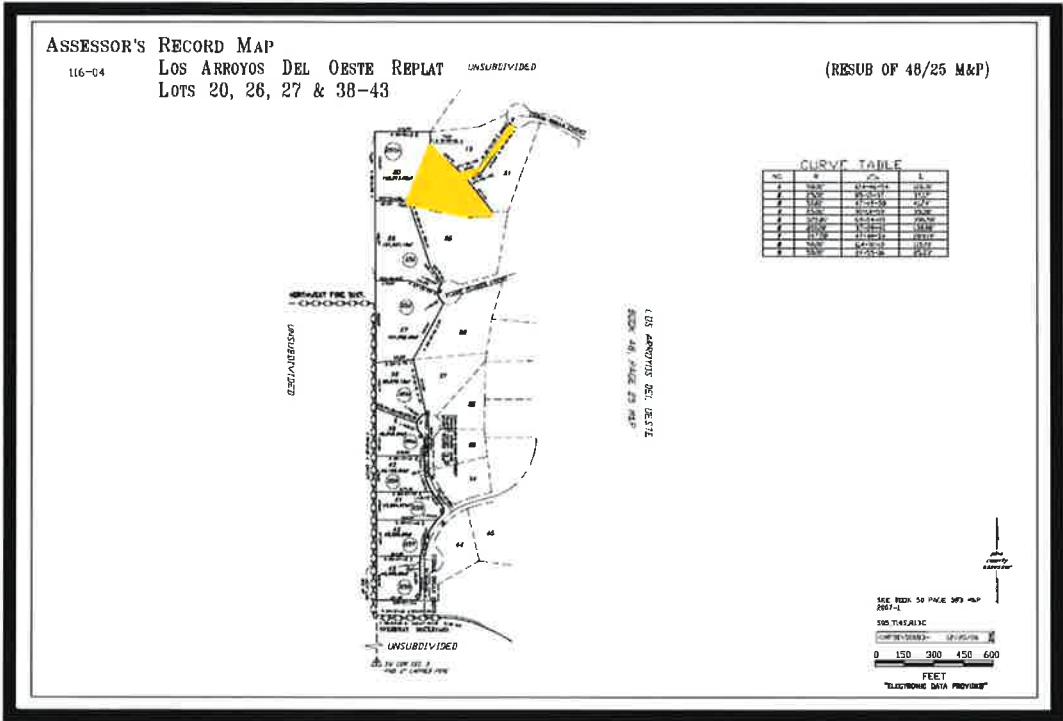


According to FEMA Flood Insurance Rate Map 04019C2260L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.

LAND SIZE:	1.82 acres or 79,279 square feet
ZONING:	CR-1, Pima County
REPORTED SALE PRICE:	\$100,000
MARKETING TIME:	98 days
TERMS OF SALE:	This was an all cash to the seller transaction
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Development of a single family residence



# COMPARABLE LAND SALE TWO - PLAT MAP AND AERIAL PHOTOGRAPH 116-04-250B





LAND COMPARABLE NUMBER THREE (SALE)

ID: RX-2 0016 7679

LOCATION: West side of the Camino Miraflores cul-de-sac, south of Plaza De Lirios, north of Speedway Boulevard

LEGAL DESCRIPTION: Lot 113 of Miraflores Estates, Pima County, Arizona

STATE TAX PARCEL: 116-06-1790

RECORD DATA: Fee number 20180440187

DATE OF SALE: February 13, 2018

SELLER: Rickey Ray Malott

BUYER: Richard J. Dow and Cheryl A. Dow

CONFIRMED BY: Jackie Malott, listing agent (520-977-0145)  
TFH; March, 2019

LAND DESCRIPTION: This site is an irregular shaped lot with 35.56 feet of frontage on Camino Miraflores along the eastern property line. The site has a depth of 252.19 feet along the southern property line, a length of 160 feet along the western property line, a depth of 115 feet along the northern property line, and a depth of 214.26 feet along the northeast property line. Camino Miraflores is a two-lane, asphalt-paved residential roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count available for Camino Miraflores as this is a residential roadway. The topography is sloping somewhat in a southeastern direction. There are some mountain views from this site. All utilities are available to the site. According to FEMA Flood Insurance Rate Map 04019C2260L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.

LAND SIZE: 0.78 acres, or 33,977 square feet

ZONING: RX-2, City of Tucson

REPORTED SALE PRICE: \$87,000



MARKETING TIME:	58 days
TERMS OF SALE:	This was an all cash to the seller transaction
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation. A recording dated November 3, was a quit claim deed and not a market transaction.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Development of a single family residence.



ASSESSOR'S RECORD MAP  
MIRAFLORES ESTATES  
LOTS 001-114

116-06

CURVE TABLE

NO.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	
-----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	--





LAND COMPARABLE NUMBER FOUR (SALE)

ID: CR1 0356 7679

LOCATION: West side of Calle Castellon, south of Goret Road

LEGAL DESCRIPTION: Lot 33 of Tucson Mountain Vistas, Pima County, Arizona

STATE TAX PARCEL: 103-15-0370

RECORD DATA: Fee number 20190310059

DATE OF SALE: January 31, 2019

SELLER: Perry R. Skeath and Meredith B. Skeath

BUYER: Angelica Deitering and Daniel Deitering

CONFIRMED BY: Rick Sack, listing agent (520-918-5477)  
TFH; April, 2019

LAND DESCRIPTION: This site is an irregular shaped lot with 218.94 feet of frontage on Calle Castellon along the eastern property line. The site has a depth of 301.29 feet along the northern property line, a depth of 276.30 feet along the southern property line, and a width of 85 feet along the western property line. Calle Castellon is a two-lane, asphalt-paved residential roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count available for Calle Castellon as this is a residential roadway. The topography is sloping in a northern direction. There is a more level building area on the property. There are mountain views from the site. All utilities are available to the site except for sewer. A private septic system is required for any development of the site. According to FEMA Flood Insurance Rate Map 04019C1668L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.

LAND SIZE: 0.96 acres or 41,818 square feet

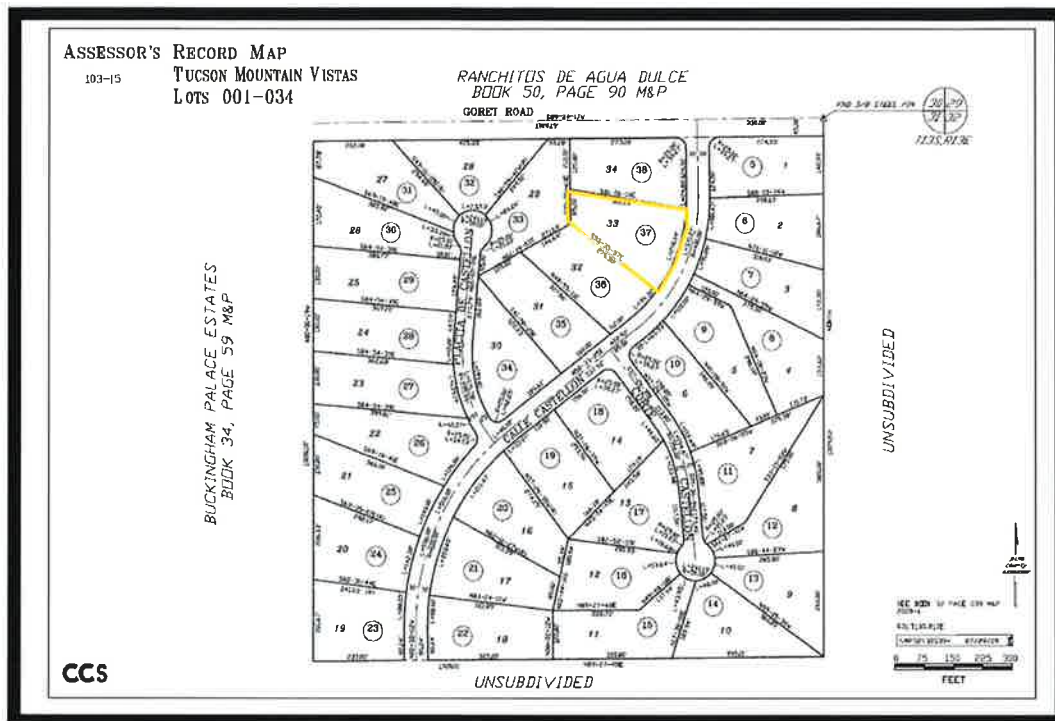
ZONING: CR-1, Pima County



REPORTED SALE PRICE:	\$72,000
MARKETING TIME:	11 days
TERMS OF SALE:	This was an all cash to the seller transaction
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Development of a single family residence



**COMPARABLE LAND SALE FOUR - PLAT MAP AND AERIAL PHOTOGRAPH**  
103-15-0370





LAND COMPARABLE NUMBER FIVE (SALE)

ID: RX2 0017 7679

LOCATION: South side of Plaza De Lirios, east of Camino MiraFlores, north of Speedway Boulevard

LEGAL DESCRIPTION: Lot 92 of Miraflores Estates, Pima County, Arizona

STATE TAX PARCEL: 116-06-1580

RECORD DATA: Fee number 20190730250

DATE OF SALE: March 14, 2019

SELLER: Robert M. Valenzuela

BUYER: Jesse Espinoza and Yurianna Espinoza

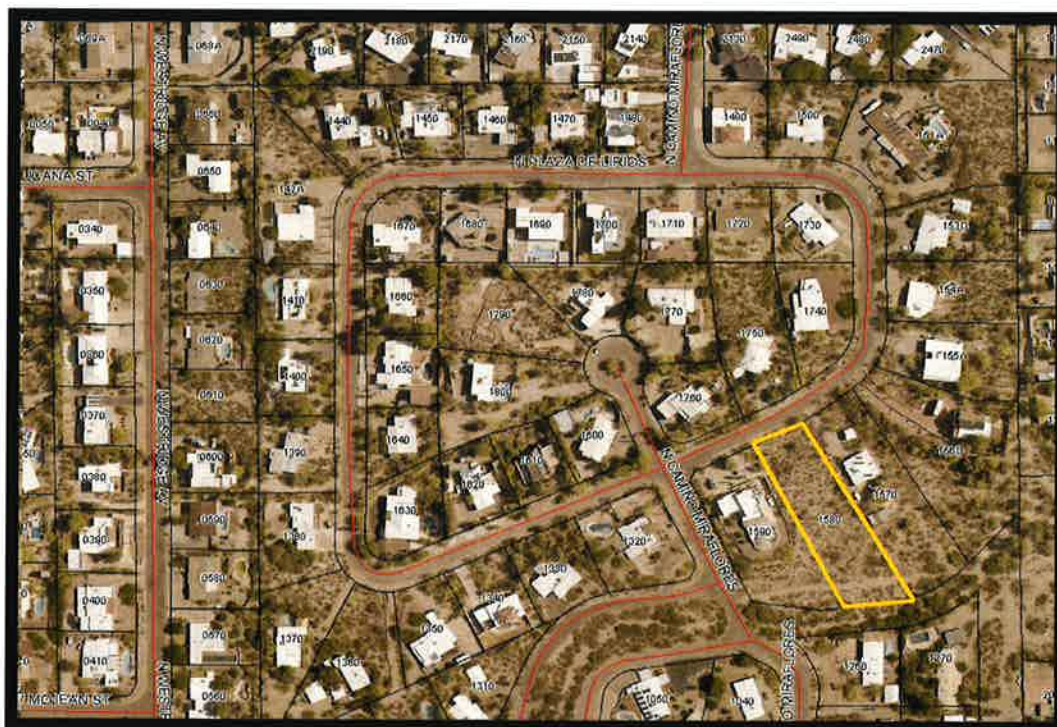
CONFIRMED BY: Michael Martinez, buyer's representative (520-971-3475) TFH; April, 2019

LAND DESCRIPTION: This site is a mostly rectangular shaped lot with approximately 85 feet of frontage on Plaza De Lirios along the northern property line. The site has a length of 382.09 feet along the eastern property line, a length of 340.58 feet along the western property line, and a width of 127.38 feet along the southern property line. Plaza De Lirios is a two-lane, asphalt-paved residential roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count available for Plaza De Lirios as this is a residential roadway. The topography is sloping in a southerly direction. The northern half is more gently sloping, with the middle portion having a steeper slope to the south and the southern portion having a gentler slope. Therefore, a home would likely be developed in the more level portion of the lot due to lower development costs. There are mountain views from the property. All utilities are available to the site. According to FEMA Flood Insurance Rate Map 04019C2260L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. The southern portion of the lot is in an important riparian area with a designation of Xeroriparian C. The Painted Hills Wash runs just south of the lot and has a 50 foot



	erosion hazard setback area. Approximately 10 percent of the southern portion of the property is located in the erosion hazard setback area. There can be no building development within the erosion hazard setback area.
LAND SIZE:	0.85 acres or 37,026 square feet
ZONING:	RX-2, City of Tucson
REPORTED SALE PRICE:	\$100,000
MARKETING TIME:	139 days
TERMS OF SALE:	The property sold with conventional financing.
PRIOR SALE:	Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation. Another transaction on March 14, 2019 was an internal transfer. Two recordings on October 24, 2016 were internal transactions and not market transactions.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Development of a single family residence.



[illegible]



## **EXHIBIT L - QUALIFICATIONS**

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

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

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

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

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

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