



Valbridge
PROPERTY ADVISORS

Appraisal Report

3.16 Acres of Vacant Land
West side of Casa Grande Highway, North of Diamond Street
Parcels: Portions of 101-20-0280 and -029E
Within Section 17 T13S R13E
Tucson, Pima County, Arizona



FOR:
Pima County Real Property Services
Mr. Jeffrey Teplitsky
Appraisal Supervisor
201 N Stone Avenue, Floor 6
Tucson, AZ 85701

Project Name: Diamond Street Well Sites Property
Property Owner: Pima County

Valbridge Property Advisors | Tucson

6061 East Grant Road
Tucson, AZ 85712
520.321.0000 phone
520.290-5293 fax

valbridge.com

Valbridge File Number:
AZ01-18-L-085B



June 26, 2019

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

Appraisal Report
3.16 Acres of Vacant Land
West side of Casa Grande Highway, North of Diamond Street
Tucson, Pima County, Arizona

Valbridge Property Advisors | Tucson, Job # AZ01-18-L-085B
Pima County Reference: Diamond Street Well Sites Property
Property Owner: Pima County

Dear Mr. Teplitsky:

In accordance with your request, I have appraised the fee simple interest in the above-referenced property as part of a potential exchange for another property located on West Curtis Road. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The subject property is vacant land which contains 137,606 S.F. (3.16 acres) and is located at the west side of Casa Grande Highway, north of Diamond Street in Tucson, Pima County, Arizona. The subject is further identified as a portion of Assessor's Parcel Numbers (APNs) 101-20-0280 and -029E.

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of the client as we understand them.

Pima County Real Property Services is the client in this assignment. The intended users of this report are Pima County, Pima County RPS, and/or designated users. The intended use is for asset management decisions, specifically potential exchange negotiations. The value opinion reported herein is subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

Extraordinary Assumptions:

- Pima County will fulfill its agreed upon obligation to contribute \$10,000 for permanent access from the I-10 Frontage Road, should DFA complete the access driveway prior to the termination of the agreement in May 2020.
- All material and equipment stored on the site is removed by its owner prior to any exchange or transaction of the subject property.

- A 40 foot easement encumbering the sewer line along the western border of the site will be recorded prior to any property exchange.

Hypothetical Conditions:

- None

Based on the analysis contained in the following report, my value conclusion involving the subject property is summarized as follows:

Value Conclusion

Value Conclusion	
	Market Value of the Subject Parcel
Value Type	As Is
Property Rights Appraised	Fee Simple
Date of Value	June 16, 2019
Value Conclusion	\$360,000

This letter of transmittal is not considered valid if separated from this report, and must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors |
MJN Enterprises, Inc.



Carolyn Van Hazel, MAI
Certified General Real Estate Appraiser
State of Arizona, Certificate No. 31591
Expires December 31, 2019

Table of Contents

Cover Page	
Letter of Transmittal	
Table of Contents.....	i
Summary of Salient Facts.....	ii
Aerial and Front Views.....	iv
Introduction.....	1
Regional and Market Area Analysis.....	8
City and Neighborhood Analysis	15
Market Analysis.....	19
Site Description	25
Zoning.....	37
Assessment and Tax Data	39
Highest & Best Use Analysis	40
Land Valuation.....	42
Reconciliation.....	52
General Assumptions and Limiting Conditions	54
Certification	60
Addenda	62

Summary of Salient Facts

Property Name:	Pima County Parcels -0280 & -029E (por)
Project:	Diamond Street Well Sites Property
Address:	West side of Casa Grande Highway, North of Diamond Street Tucson, Pima County, Arizona 85705
Assessor's Parcel Number:	Portions of 101-20-0280 and -029E
Property Rights Appraised:	Fee simple interest
Zoning:	I-1, light industrial, City of Tucson
Site Size:	137,606 S.F., or 3.16 acres, per Pima County Assessor
Property Type:	Vacant land
Extraordinary Assumptions:	<ul style="list-style-type: none">• Pima County will fulfill its agreed upon obligation to contribute \$10,000 for permanent access from the I-10 Frontage Road, should DFA complete the access driveway prior to the termination of the agreement in May 2020.• All material and equipment stored on the site is removed by its owner prior to any exchange or transaction of the subject property.• A 40 foot easement encumbering the sewer line along the western border of the site will be recorded prior to any property exchange.
Hypothetical Conditions:	None
Highest and Best Use As If Vacant:	Investment or industrial development
Date of Value:	June 16, 2019
Date of Report:	June 26, 2019

Value Conclusion

	Market Value of the Subject Parcel
Value Type	As Is
Property Rights Appraised	Fee Simple
Date of Value	June 16, 2019
Value Conclusion	\$360,000

Aerial and Front Views

AERIAL VIEW



FRONT VIEW



Introduction

Client and Other Intended Users of the Appraisal

The client in this assignment is Pima County Real Property Services. The intended users of this report are Pima County, Pima County RPS, and/or other designated users.

Intended Use of the Appraisal

The intended use of this report is for asset management decisions, specifically potential exchange negotiations.

Real Estate Identification

The subject property is located at the west side of Casa Grande Highway, north of Diamond Street in Tucson, Pima County, Arizona. The Pima County Assessor identifies the property as a portion of Assessor Parcel Numbers 101-20-0280 and -029E.

Legal Description

The following legal description was provided by the client.



22 February 2019

EXHIBIT "A"
LEGAL DESCRIPTION

All that portion of that parcel as described in Docket 9898 at Page 750, and that parcel as described in Docket 12050 at Page 7145, recorded in the office of the County Recorder, Pima County, Arizona, being located in the Southeast Quarter of Section 17, Township 13 South, Range 13 East, Gila & Salt River Meridian, Pima County, Arizona, more particularly described as follows:

COMMENCING at the center corner of said Section 17, shown as point number 75 in Book 68, Records of Survey, Page 69 and monumented by an aluminum cap set in concrete, marked "PE 1260, C+17," from which the south quarter corner of said section, shown as point number 119 per said Record of Survey, monumented by a brass disk stem, bears South 00°14'52" West, a distance of 2640.62 feet (basis of bearing for this legal description);

THENCE along the west line of said southeast one quarter South 00°14'52" West a distance of 1,049.84 feet to the southwest corner of said parcel described in Docket 9898 at Page 750;

THENCE along the south line of said parcel, North 89°24'21" East a distance of 50.00 feet to the **POINT OF BEGINNING**, being a point on a line 50.00 feet east of and parallel with said west line of the southeast one quarter;

THENCE along said parallel line North 00°14'52" East a distance of 273.74 feet to a point on a line 115.00 feet south of and parallel with the north line that parcel described in Docket 12050 at Page 7145;

THENCE along said parallel line, North 89°30'38" East a distance of 159.63 feet to a point on the west line of that parcel described in Docket 9898 at Page 750;

THENCE continuing along said parallel line North 89°21'12" East a distance of 209.61 feet;

THENCE North 53°32'11" East a distance of 196.51 feet to a point on the west right of way line of Interstate 10 as defined in Docket 11666 at Page 8680;

THENCE along said west right of way line South 40°57'09" East a distance of 147.89 feet;

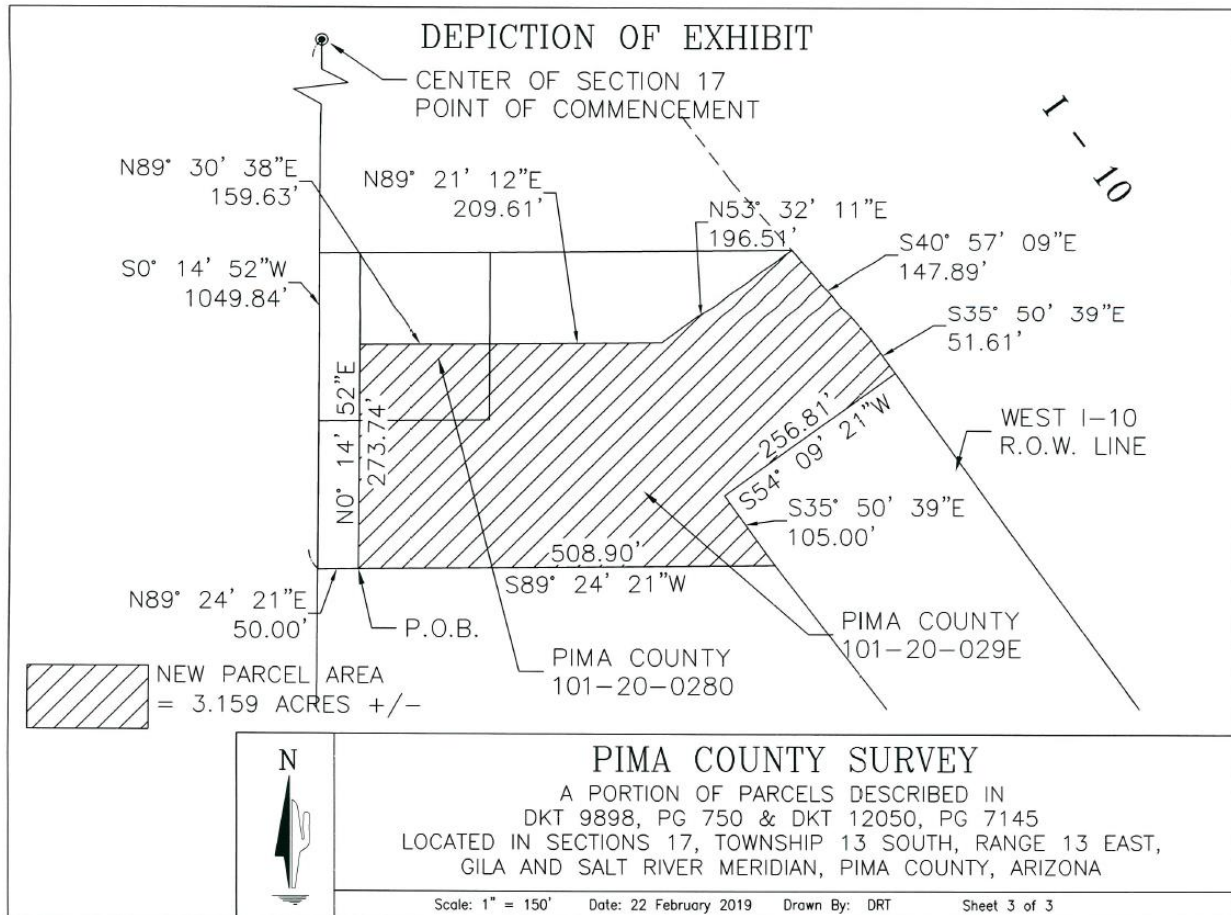
THENCE continuing along said west right of way line South 35°50'39" East a distance of 51.61 feet to the northeasterly corner of that parcel described in Sequence No. 20151340130;

THENCE along the northwesterly line of said parcel South 54°09'21" West a distance of 256.81 feet to the northwesterly corner of said parcel;

THENCE along the westerly line of said parcel South 35°50'39" East a distance of 105.00 feet to the south line of said parcel described in Docket 9898 at Page 750;

THENCE along said south line South 89°24'21" West a distance of 508.90 feet to the **POINT OF BEGINNING.**





Real Property Rights Appraised

I have appraised the fee simple interest of the subject property.

Type and Definition of Value

The following definition of market value has been utilized for the purpose of this appraisal.

Market Value

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

(Dictionary of Real Estate, 6th Edition, Page 141)

Please refer to the Glossary in the Addenda section for further definitions of value type(s) employed in this report.

Valuation Scenarios and Effective Dates of Value

The effective date of value is as follows:

Valuation	Effective Date
Market Value, Fee Simple, As Is	June 16, 2019

The property was inspected on June 16, 2019.

Date of Report

The date of this report is June 26, 2019, which is the same as the date of the letter of transmittal.

Scope of Work

Real estate appraisal involves the following steps:

- Identify the property
- Inspect the property
- Research subject and comparable data
- Analyze data
- Report conclusions

These items are discussed as follows:

[Extent to Which the Property was Identified](#)

Legal Characteristics

The subject parcel was legally identified via inspection of the plat map and the legal description provided.

Economic Characteristics

Economic characteristics of the subject parcel were identified via STDB demographic reports and CoStar market data, as well as a comparison to properties with similar locational and physical characteristics, and discussions with market participants.

Physical Characteristics

The subject property was physically identified via an inspection and a review of available plat maps and mapping provided by the client.

[Extent to Which the Property was Inspected](#)

I inspected the subject parcel on June 16, 2019.

[Type and Extent of Data Researched](#)

I researched and analyzed: 1) market area data, 2) property-specific market data, 3) land-use data, and 4) data on comparable listings and sales in the competitive market area.

[Type and Extent of Analysis Applied](#)

The subject is vacant land. I observed surrounding land use trends, existing zoning, demand for the subject land, and relative physical and legal limitations in concluding a highest and best use. I then valued the subject property utilizing the Sales Comparison Approach. The Cost and Income Capitalization approaches are not developed because they are not relied upon by market participants for valuing vacant land.

[Appraisal Report Type](#)

This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice.

Appraisal Conformity

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

Use of Real Estate as of the Effective Date of Value

The subject property is vacant land.

Use of Real Estate as of the Date of this Report

Same as above.

Ownership and Sales History

The current owner of record for the subject parcel is Pima County. The most recent deeds were recorded May 14, 2003 in Docket Book 12050 at Page 7145 and October 14, 1994 in Docket Book 9898 at Page 750.

The subject property is not currently listed or under contract for sale.

Pima County is contemplating an exchange of the subject parcel for a portion of parcels 101-14-313G & H which are located on West Curtis Road.

We have considered and analyzed the known history of the subject in the development of our opinions and conclusions.

List of Items Requested but Not Provided

Sufficient information was available.

Extraordinary Assumptions

An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may impact the assignment results. An extraordinary assumption may be used in an assignment only if:

- it is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption;
- use of the extraordinary assumption results in a credible analysis; and
- the appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

(USPAP, 2018 ed.)

- Pima County will fulfill its agreed upon obligation to contribute \$10,000 for permanent access from the I-10 Frontage Road, should DFA complete the access driveway prior to the termination of the agreement in May 2020.
- All material and equipment stored on the site is removed by its owner prior to any exchange or transaction of the subject property.

- A 40 foot easement encumbering the sewer line along the western border of the site will be recorded prior to any property exchange.

Hypothetical Conditions

A hypothetical condition is a condition, directly related to a specific assignment that is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may impact the assignment results. A hypothetical condition may be used in an assignment only if:

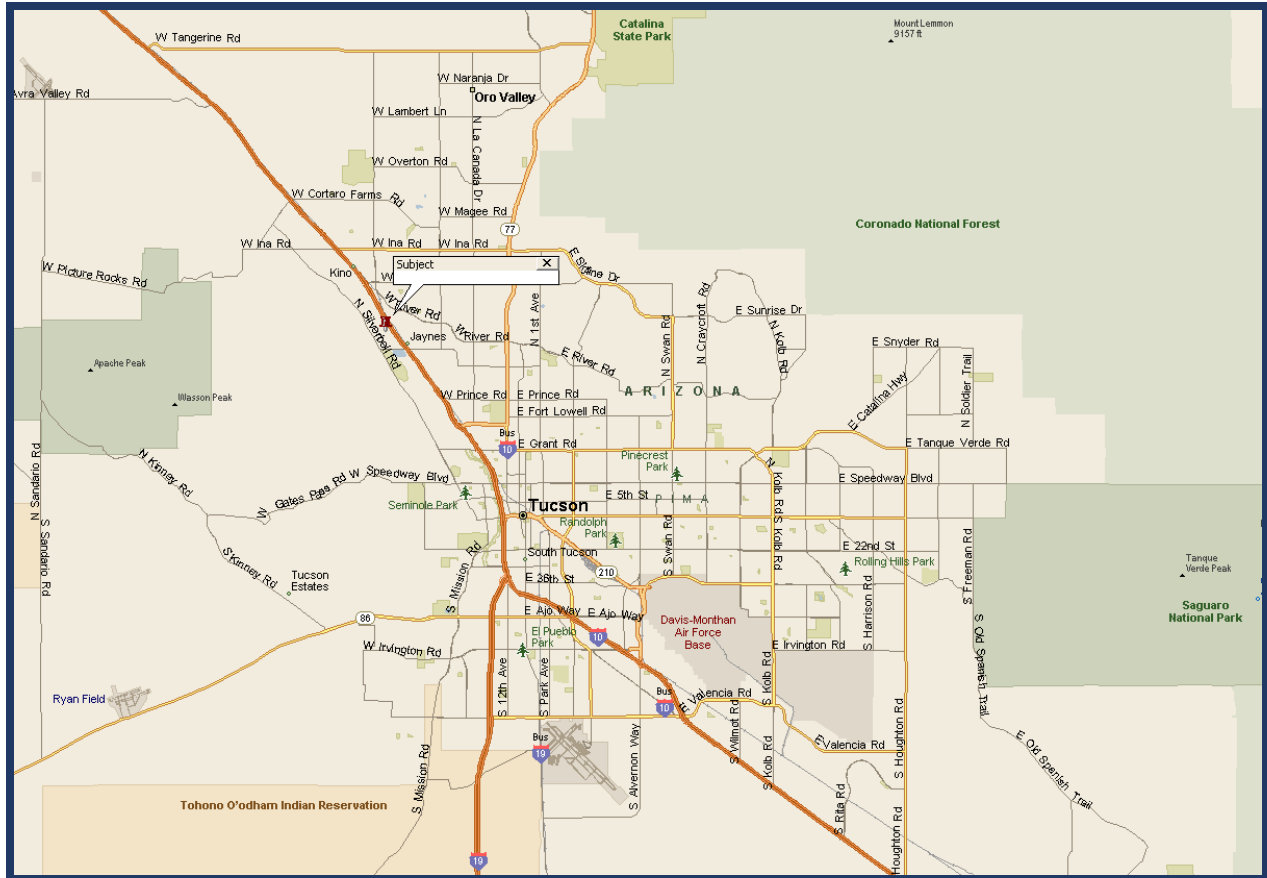
- use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- use of the hypothetical condition results in a credible analysis; and
- the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

(USPAP, 2018 ed.)

- None

Regional and Market Area Analysis

REGIONAL MAP



Overview

Tucson is in south-central Arizona, about 100 miles southeast of Phoenix and 60 miles north of the Mexican border. Tucson is the second largest metropolitan area in Arizona. The metropolitan area includes the incorporated communities of South Tucson, Oro Valley, Marana, and Sahuarita, plus the surrounding unincorporated areas of Pima County.

Population

Mid-year 2019 population in metro Tucson was projected at 1,041,900, which reflects a 0.8% increase over the prior year. The same growth rate is projected for 2020 through 2022.

Metropolitan Tucson Population Forecasts

	2017	2018	2019	2020	2021	2022
Population (000s, mid-year)	1,026.1	1,034.1	1,041.9	1,049.3	1,056.5	1,063.7
Change (000s)	8.6	8.0	7.8	7.4	7.2	7.2
% Change	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%

Source: Economic and Business Research Center, The University of Arizona, May 2019

Esri estimated a 2018 population of 1,039,768 for the Tucson MSA and projects an increase to 1,082,583 by 2023. This results in an average annual increase of 8,600 residents per year. They further project an increase of about 16,500 households over this period, or an average of just under 3,300 households per year. Tucson has a projected 2018 average household size of 2.47 persons.

Employment

The regional economy is primarily driven by tax-supported entities, including military bases, the University of Arizona, state and local governments, and the school districts. Most of these sectors have posted moderate levels of growth over the past decade. The military, which includes the U.S. Army Intelligence Center at Fort Huachuca in Sierra Vista (80 miles southeast of Tucson) and Davis Monthan Air Force Base in Tucson, employs nearly 15,000 in Southern Arizona. Raytheon Missile Systems, a defense contractor, is the largest private employer in the area and has maintained relatively stable employment over the past 20+ years. The government budget cuts for defense spending may affect employment in the military and defense related industries over the foreseeable future although the sector has been fairly stable over the past several years.

Tucson's Top 25 Employers - 2018

Rank	Name	Full Time Jobs	Industry
1	University of Arizona	11,251	Education
2	Raytheon Missile Systems	9,600	Manufacturing
3	State of Arizona	8,580	Government
4	Davis-Monthan Air Force Base	8,406	Military
5	Tucson Unified School District	7,700	Education
6	Pima County	7,060	Government
7	Banner-University Medical Center	6,272	Health Care
8	U.S. Border Patrol	5,739	Government
9	Freeport-McMoRan Copper & Gold	5,530	Mining
10	Wal-Mart Stores, Inc.	5,500	Retail
11	Fort Huachuca	5,477	Military
12	City of Tucson	4,595	Government
13	Tohono O'odham Nation	4,350	Government
14	Carondelet Health Network	3,860	Health Care
15	TMC HealthCare	3,162	Health Care
16	Southern AZ VA Health Care System	2,464	Health Care
17	Corrections Corp. of America (CCA)	2,413	Corrections
18	Fry's Food Stores of Arizona, Inc.	2,346	Retail
19	Pima Community College	2,235	Education
20	Asarco, LLC	2,200	Mining
21	Sunnyside Unified School District	2,100	Education
22	Afni Inc.	1,900	Call Center
23	Pinal County	1,852	Government
24	Amphitheater Unified School District	1,739	Education
25	Vail Unified School District	1,705	Education

Source: Phoenix Relocation Guide 2018

Davis Monthan Air Force Base's total economic impact in 2016 was estimated at \$2.6 billion. Employment was 16,679, including all contractors with 6,460 indirect jobs created according to statistics from Davis Monthan Air Force Base. There are 19,321 military retirees with annual retirement pay of \$513.6 million. Davis Monthan Air Force Base has annual expenditures totaling approximately \$428 million.

There have been a number of recent employment and other significant announcements that suggest Tucson's economy may improve at a greater pace than indicated over the past five or more years.

Raytheon Missile Systems, Tucson's largest private employer, is undertaking a major expansion that will add 1,975 new high-paying jobs.

Caterpillar has relocated its Surface Mining and Technology Division to Tucson and will provide 635 new high paying jobs over the next five years. They are temporarily located in several existing buildings in downtown Tucson while their new facility is being constructed just to the west of downtown. Completion is scheduled for early 2019.

Hexagon Mining, an information technology provider of planning, operations and safety solutions for the mining industry, announced in March 2017 the relocation and expansion of its North American headquarters to a new mixed-use facility in downtown Tucson. Hexagon moved into the new facility in the summer of 2018 and will employ 260 people in Tucson.

Amazon selected Tucson for a new fulfillment center that will ultimately employ 1,500 people. The facility is currently under construction in the southeast area of Tucson near I-10 and Kolb Road and should be completed mid-2019.

GEICO will soon move into a new office complex and expand its employment by 861 jobs.

ADP, a major human resources provider, announced in early 2017 that it was bringing another 250 jobs to Tucson as part of a program coordinated between the Human Capital Management firm, the City of Tucson and the State of Arizona.

HomeGoods has completed construction of an 800,000 square foot distribution center near the Tucson International Airport and will reportedly employ up to 900.

Comcast recently located a call center into a newly renovated facility near the Tucson Mall that will employ up to 1,100 positions.

Banner-University is building a new \$400 million addition to their existing facility near the University of Arizona campus.

A new AC Hotel by Marriott was completed in downtown Tucson in 2017, representing the first hotel to be built in the area in over 40 years. At least two more CBD hotels are in the planning stages.

Pima County completed a deal that brought World View Enterprises to the Tucson International Airport area where they operate Spaceport Tucson, a high altitude balloon launch site for near-space tourism and research.

Afni and Alorica call centers both announced in early 2017 that they will be hiring for 280 and 200 position at their local call centers in the coming year. C3/Customer Contact Channel opened its third call center facility in Tucson in 2017 as well.

Employment by industry for the MSA is as follows.

Metropolitan Tucson Nonfarm Employment

Year Ending Sector	2014		2015		2016		2017		2018	
	Empl.*	%Total	Empl.*	%Total	Empl.*	%Total	Empl.*	%Total	Empl.*	%Total
Natural Resources & Mining	2.3	0.6%	2.0	0.5%	1.6	0.4%	1.7	0.4%	1.7	0.4%
Construction	14.5	3.9%	14.9	3.9%	14.8	3.9%	16.4	4.3%	17.4	4.4%
Manufacturing	22.5	6.0%	22.9	6.1%	23.4	6.2%	24.6	6.4%	26.2	6.6%
Trade, Transp. & Utilities	63.3	16.9%	62.8	16.6%	61.4	16.2%	62.4	16.2%	63.1	16.0%
Information	4.5	1.2%	4.8	1.3%	5.0	1.3%	5.3	1.4%	5.6	1.4%
Financial Activities	17.8	4.7%	17.2	4.5%	17.4	4.6%	17.8	4.6%	17.7	4.5%
Professional & Business Svcs	51.7	13.8%	51.6	13.6%	50.0	13.2%	52.2	13.5%	54.5	13.8%
Education & Health Services	62.7	16.7%	64.2	17.0%	65.4	17.2%	65.6	17.0%	68.2	17.3%
Leisure & Hospitality	42.1	11.2%	43.1	11.4%	46.0	12.1%	45.5	11.8%	46.2	11.7%
Other Services	14.5	3.9%	14.5	3.8%	15.1	4.0%	13.0	3.4%	13.0	3.3%
Government	79.1	21.1%	80.1	21.2%	79.2	20.9%	80.9	21.0%	81.2	20.6%
TOTAL NONFARM	375.0	100%	378.1	100%	379.3	100%	385.4	100%	394.8	100%

Source: Arizona Office of Employment and Population Statistics * (000s) Year-end figures, non-seasonally adjusted

Unemployment

The unemployment rate increased dramatically over 2009 and 2010 as a result of the Great Recession, but has declined every year since 2010. Unemployment rates in Tucson were historically below the national and state averages, as dependence on governmental and tax-supported employment had historically insulated the region from national recessionary trends; however, the metro area's unemployment rate has more recently been similar to the national rate.

Average Unemployment Rate

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
National	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	3.7%
Arizona	6.2%	9.9%	10.4%	9.5%	8.3%	7.7%	6.8%	6.1%	5.4%	4.9%	5.1%
Metro Tucson	5.8%	9.1%	9.3%	8.5%	7.4%	6.8%	6.0%	5.5%	5.0%	4.5%	4.8%

Source: Arizona Office of Employment and Population Statistics & Bureau of Labor Statistics

Notes: Not seasonally adjusted.

Economic Forecasts

The projections summarized below suggest modest, yet lightly declining economic growth from 2019 through 2022. The forecast suggests that number of jobs lost in the Great Recession was finally recaptured some time in 2018. Projected growth will remain well below the growth experienced in prior recoveries.

Metropolitan Tucson Economic Forecasts

Category	2017	2018	2019	2020	2021	2022
Personal Income (\$mill)	\$42,585.4	\$44,489.5	\$46,479.7	\$48,514.0	\$50,588.1	\$52,845.6
% Change	6.0%	4.5%	4.5%	4.4%	4.3%	4.5%
Retail Sales (\$mill)	\$13,704.2	\$14,457.9	\$15,100.5	\$15,596.0	\$16,047.4	\$16,547.3
% Change	4.9%	5.5%	4.4%	3.3%	2.9%	3.1%
Employment (non-farm,000s)	377.2	381.5	386.2	389.7	391.8	394.4
Change (000s)	3.8	4.3	4.7	3.5	2.1	2.6
% Change	1.0%	1.1%	1.2%	0.9%	0.5%	0.7%
Residential Permits	4,495.0	4,266.0	3,902.5	3,712.4	3,650.6	3,672.6
% Change	82.3%	-5.1%	-8.5%	-4.9%	-1.7%	0.6%

Source: Economic and Business Research Center, The University of Arizona, May 2019

Commercial Real Estate

The retail, office and industrial sectors have all significantly recovered since the Great Recession; however, the office sector still remains somewhat challenged with respect to non-Class A properties, particularly those with secondary or marginal locations. Class A office sub-sector is fairly strong but is limited in scale relative to the overall office sector, which is impacted by significant aging inventory. Retail development has been on-going at prime locations while most significant vacancies are associated with secondary locations or older, dysfunctional spaces. Essentially all new industrial development over the recent past has been user-driven and there is minimal investor demand for new speculative industrial construction.

Metro Tucson Commercial Sectors - 2019

Sector	No. Buildings	Total Sq. Ft.	YTD Deliveries	Under Construction	Vacancy	YTD Absorption	Average Quoted Rent
Industrial	2,567	42,666,493	25,000	1,350,334	5.9%	(34,326)	\$6.06
Office	2,553	26,661,329	200,000	537,037	8.4%	222,968	\$18.51
Retail	5,446	54,176,160	66,634	41,665	5.7%	(191,402)	\$14.75

Source: CoStar: 1st Quarter 2019

Residential Real Estate

The Tucson MSA housing market is in a slow sustained recovery that commenced in 2012. Sale velocity has been within a consistent range from 10,300 to 11,500 sales per year since 2011, though falling to 9,900 in 2018. Based on the average sales velocity over the past five years, there is currently a little over three months of supply on the market. The low supply is due to limited new construction, a decrease in REO sales, and an inability of some homeowners to sell due to a lack of equity. The average single-family sale price increased by nearly 14% during 2016 and by 8% during 2017; and the average single-family sale price in 2018 finally topped the former 2007 peak by 0.3%. Real estate agents are reporting shorter marketing times, which is caused by a limited supply and gradual increase in demand. Investors made up a larger percentage of the total sales from 2011 to 2013; however, investor purchases have since slowed for the most part. The housing market is currently considered to be in balance with respect to supply and demand. The recent trends are summarized below.

Tucson Single-Family Market

Year	# Sales	Avg. SF	Avg. Sale Price	% Change	Avg. Price/SF	% Change	DOM
2007	10,164	1,688	\$264,122	1.30%	\$156.47	-2.60%	101
2008	8,383	1,727	\$233,696	-11.52%	\$135.32	-13.52%	155
2009	9,286	1,724	\$192,314	-17.71%	\$111.55	-17.56%	148
2010	9,329	1,731	\$180,091	-6.36%	\$104.04	-6.73%	140
2011	10,702	1,723	\$156,611	-13.04%	\$90.89	-12.63%	103
2012	11,245	1,752	\$167,787	7.14%	\$95.77	5.36%	70
2013	11,502	1,750	\$184,523	9.97%	\$105.44	10.10%	63
2014	10,616	1,771	\$196,987	6.75%	\$111.23	5.49%	76
2015	11,479	1,775	\$202,485	2.79%	\$107.93	-2.97%	79
2016	10,328	1,881	\$230,616	13.89%	\$122.60	13.59%	65
2017	10,431	1,889	\$249,489	8.18%	\$128.19	4.56%	54
2018	9,944	1,903	\$264,966	6.20%	\$135.38	5.61%	40

source: Tucson MLS

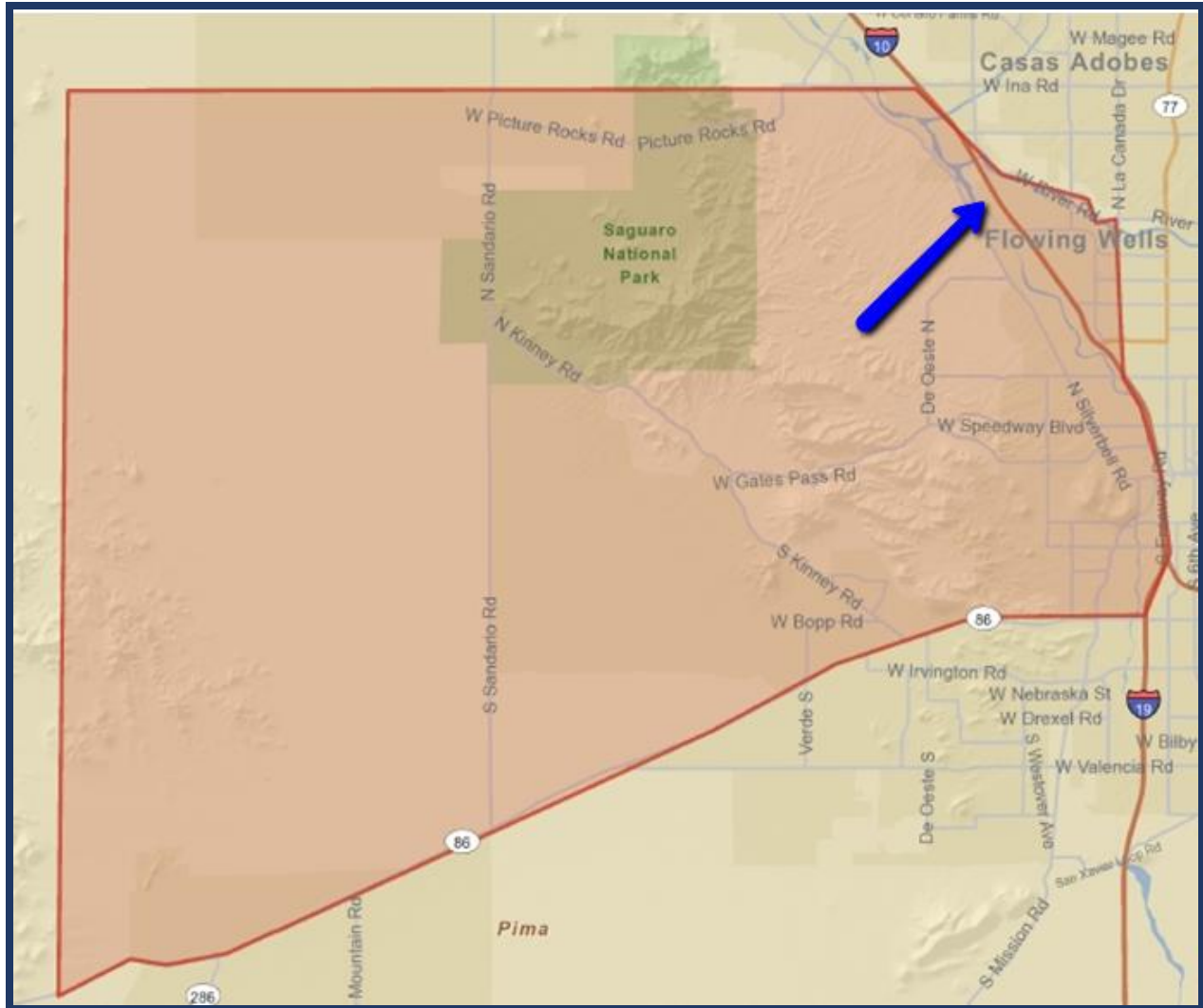
Tucson's multifamily sector has demonstrated stable performance over the past several years with larger 40-plus unit apartment projects averaging about 94% occupancy over 2017 and 2018. There was a limited amount of new multifamily construction from 2007 to 2010 but a new development cycle ramped up during 2011 and 2012 and over 5,500 units have been constructed since 2010. Approximately 943 units were under construction at the end of the fourth quarter 2018. The vast majority of new construction has been in the Class A luxury and student housing sectors. The Class A sector had been underserved for the past 20 or more years and new Class A projects have generally been experiencing strong market acceptance. Rental rates remain fairly modest, averaging about \$1.05 per square foot overall and about \$1.38 per square foot for new conventional projects currently in lease-up. Tucson's modest economic growth over the recent past kept downward pressure on rents; however, concessions have continued to trend downward and average gross rents increased by almost 5% over 2016, by 6% over 2017 and by 7% over 2018. Given the limited amount of construction currently scheduled, Tucson's apartment market should continue to improve over the near term.

Conclusions

Economic projections for metro Tucson suggested that the population increased by about 8,000, or 0.8% from mid-2017 to mid-2018, and that annual gains of 0.8% are forecast through 2022. Employment growth was projected at 1.0% over 2017 and 1.8% over 2018, but growth is forecast to decrease to 1.7% over 2019 and 1.5% over 2020, followed by significantly reduced growth of only 0.8% for 2021 and 0.7% for 2022. These forecasts suggest that economic growth may have peaked in 2018 and that Tucson's economy will again become sluggish by 2021 or 2022. These factors suggest that the residential and commercial real estate sectors should remain fairly healthy over the next two years but may experience reduced demand or downward pressure on rents in the following years. Because there is essentially no speculative development occurring, the risk of overbuilding is considered to be minimal in the current market environment. With the exception of office, most real estate sectors are demonstrating fairly balanced supply and demand characteristics and the office market has also been continuing to show improvement over the past several years. Significant vacancies in most sectors are at least partially the result of older, dysfunctional space as opposed to limited demand.

City and Neighborhood Analysis

TUCSON WEST NEIGHBORHOOD MAP



Boundaries: West Ina Road and River Road (north), I-10, La Canada Drive (east), State Route 86 (south), Tohono O'odham Nation Reservation (west).

Neighborhood Trends

The market area is generally bounded by the Tucson Mountain County Park to the north, the Tohono O'Odham Indian Reservation to the west and south, and the Tucson Mountain Foothills and Interstate-10 to the east. The area located to the west of Interstate 10 and east of the Tucson Mountains is most intensively developed and includes tract home subdivisions as well as custom homes on larger lots. Industrial development and motels are interspersed along Interstate-10. The far north and west areas are largely rural in character. The southern portion of the market area is primarily undeveloped and includes significant State land holdings. Over the past decade, a number of newer residential projects have been planned for the southern portion of the market area, generally along Valencia Road and near the Ajo/Kinney Road intersection, and homebuilding actively increased significantly in these two areas. Many of Tucson's major homebuilders have been active in the area and the path of growth is generally moving west along Valencia Road toward its intersection with the Ajo Highway. While traditional development in the area included custom homes or mobile homes on large one to ten-acre lots, the current development trend is for tract homes on lots of 6,000 to 8,000 square feet. Current pricing of new homes in the area generally ranges from the low to mid \$100,000s.

Commercial facilities are generally located along Silverbell Road, between St. Mary's road on the south and Ironwood Hills Road on the north, and include three neighborhood shopping centers. There are no other significant commercial facilities located within the market area. Residents in the north, far west and south areas must generally travel at least 5 to 10 miles for access to all but convenience shopping. A Walmart anchored center is planned at the northwest corner of Ajo Way and Kinney Road. However, offsite construction costs and infrastructure delays have delayed the planned completion time. Other significant uses in the neighborhood include Carondelet St. Mary's Hospital at Silverbell Road and St. Mary's Road and the west campus of Pima Community college located at Anklam Road and Greasewood Road.

Ryan Airfield is located within the market area and will impact future development of sites located in proximity to its boundary and approach zone. Ryan Airfield is located along the north side of the Ajo Highway, at the intersection with Valencia Road. Ryan Airfield is a general aviation facility that is not planned to serve larger aircraft or to grow significantly beyond its current boundaries. It comprises about 1,750 acres and has three runways. It is owned and operated by the Tucson Airport Authority.

The eastern portion of the market area has fairly direct access to the central area of metro Tucson via east-west arterial roadways Ironwood Hills Drive/Grant Road, Speedway Boulevard, Anklam Road/St. Mary's Road and Congress Street, all of which are linked by north-south arterial Silverbell Road and Interstate-10, which forms the east boundary of the market area. Twenty Second Street, a major arterial through the metro Tucson area provides access to the southeast quadrant of the market area and becomes known as Starr Pass Boulevard to the west of Mission Road. The Tucson Mountains in the central area of the market area essentially limit access to the western portions of the market area to Speedway Boulevard, which becomes Gates Pass Road as it travels west through the mountains. Ajo Way/Highway provides east-west access along the southern boundary of the market area and also provides access to the western areas. Sandario Road and other minor roadways facilitate access in the western portion of the market area.

Utilities other than sewer reach the majority of the properties within the market area boundaries although parts of the eastern segment have sewer lines and these have been extended to support the newer subdivisions being developed in this area.

Demographics tabulated on the following page reflect an affordable area with above-average rates of homeownership. Lower growth rates should increase as permit growth returns to the Tucson metropolitan area.

Neighborhood Demographic Profile

Population	Neighborhood	Tucson MSA
2010 Census	95,301	980,263
2018 Estimate	98,069	1,039,768
2023 Projection	100,468	1,082,583
Gross Population Change		
2010 - 2018	2.9%	6.1%
2018 - 2023	2.4%	4.1%
Average Annual Population Change		
2010 - 2018	0.4%	0.8%
2018 - 2023	0.5%	0.8%
Median Age (2018)	39.8	39.0
Households		
2018 Estimate	37,998	410,290
2023 Projection	38,937	426,743
Avg. New HH/Year 2018-2023	188	3,291
2018 - 2023 % Change	2.5%	4.0%
Avg. Annual Change 2018 - 2023	0.5%	0.8%
Average Household Size (2018)	2.52	2.47
Daytime Population (2018)		
Total	86,026	1,032,351
Workers	31,114	449,415
Residents	54,912	582,936
Income (2018)		
Average HH Income	\$64,575	\$71,176
Median HH Income	\$46,411	\$51,163
Per Capita Income	\$25,669	\$28,531
Household Income		
\$0 - \$15,000	14.5%	14.0%
\$15,000 - \$24,999	11.5%	10.4%
\$25,000 - \$34,999	11.6%	10.2%
\$35,000 - \$49,999	15.3%	14.1%
\$50,000 - \$74,999	18.2%	18.4%
\$75,000 - \$99,999	11.8%	12.1%
\$100,000 - \$149,999	10.1%	12.0%
\$150,000 - \$199,999	3.6%	4.4%
\$200,000 +	3.5%	4.5%
Housing (2018)		
% Owner Occupied	60.2%	55.5%
% Renter Occupied	28.3%	32.8%
% Vacant	11.5%	11.8%
Median Home Value	\$168,157	\$207,185

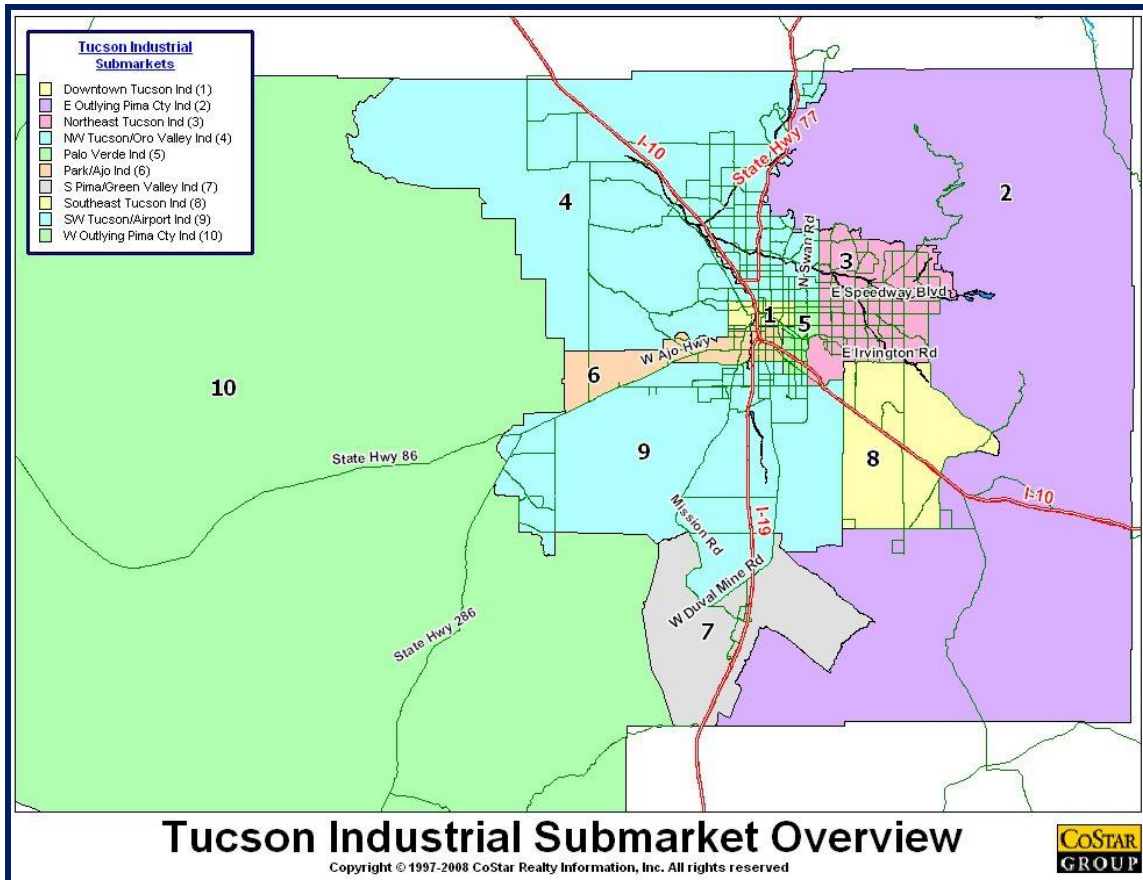
Source: U.S. Bureau of the Census, 2010 Census of Population and Housing. ESRI forecasts for 2018 and 2023

Market Analysis

Property Type

The subject is an industrial site. Industrial and Flex data from Metro Tucson and the submarket is analyzed to determine overall market conditions that influence the subject property.

MARKET AREA MAP

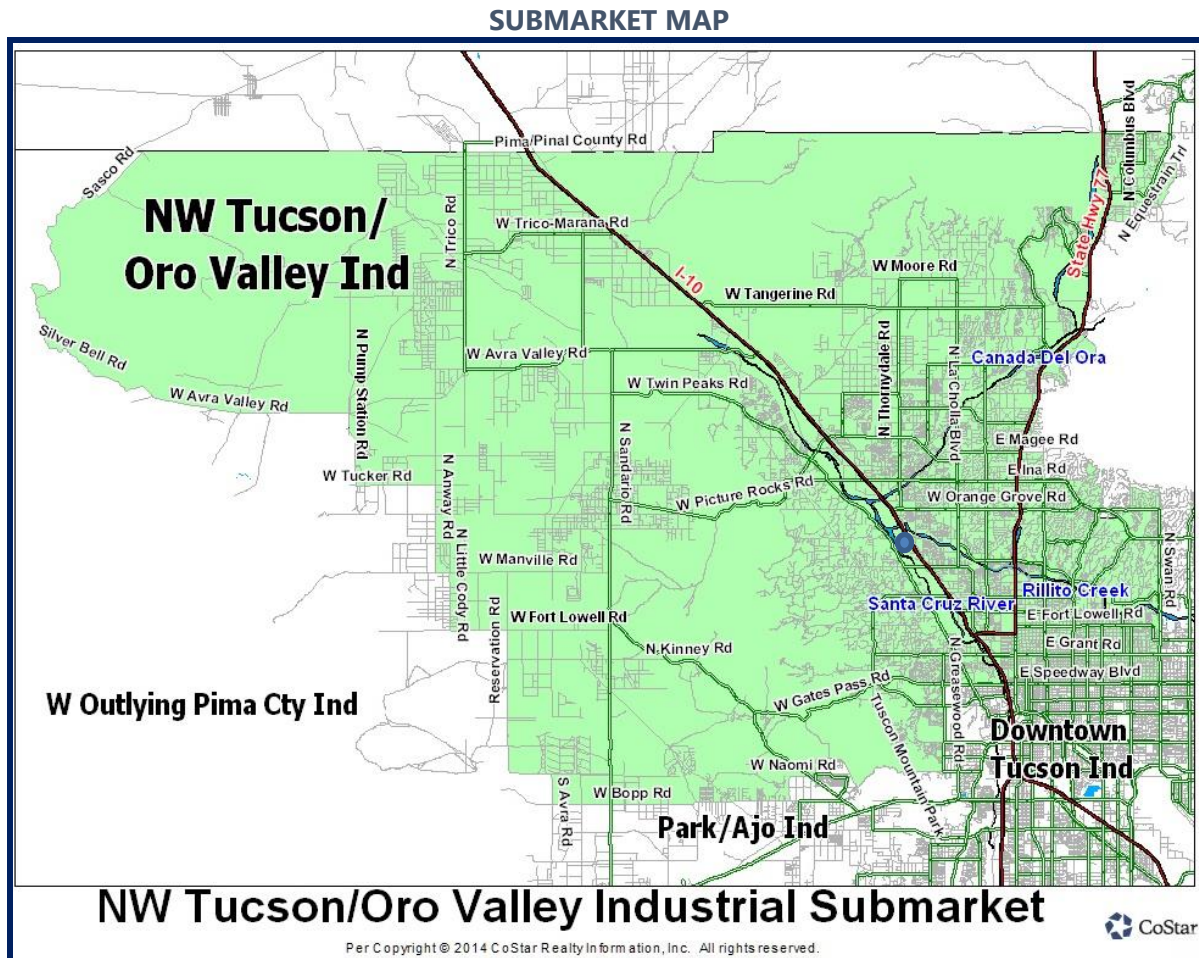


Overview

The subject’s market area is defined as Metro Tucson and the submarket is defined as NW Tucson/Oro Valley Industrial Submarket. The general boundaries are noted on the following map and the subject is indicated by the blue dot on the submarket map.

Definition of Product and Market Segmentation

In the following paragraphs, we describe the competitive qualities of the subject and the market segment in which it competes. Tables for Metro Tucson and the NW Tucson/Oro Valley Industrial Submarket are presented in this analysis. Utilizing CoStar, we researched the market area to identify real estate trends.



Inventory of Existing Space

The Tucson industrial market includes 2,567 buildings with a base inventory of 42,666,493 square feet. This equates to an average building size of 16,621 square feet. Inventory levels in Metro Tucson have increased by 5.8% since 2008, although growth rates have slowed since 2008.

The NW Tucson/Oro Valley Industrial Submarket includes 738 buildings with a base inventory of 9,807,327 square feet, or an average of 13,289 square feet per building. The submarket makes up about 23% of the metro inventory. Inventory levels in the submarket have increased by 2.0% since 2008, which is well below the metro average. Increase in inventory has slowed since 2008, and has remained lower in the submarket (at 0.1% inventory increase since 2015) than in the overall Tucson market (which increased 3.2% in that same time).

Barriers to Entry

New construction was limited from 2009 to 2014 due to the downturn in the overall economy. Financing was difficult to secure for new development as financial institutions increased their requirements and limited the supply of funds. Additionally, speculative development has generally been infeasible since 2007 due to the combination of high vacancy rates and low lease rates. With the exception of the central area of metro Tucson, there are still a significant number of improved

industrial lots available for development and there are also large tracts of land envisioned for future industrial development, particularly in the south and southeast areas of metro Tucson.

Metro Tucson Industrial Market

Period	Leaseable Sq. Ft.	Change in Inventory	Vacancy Rate	Vacant Sq. Ft.	Avail. Rate	Net Absorption	Sq. Ft. Delivered	Quoted Rates
Annual Trend								
2008	40,302,868	1,913,086	8.0%	3,244,130	10.4%	1,068,417	1,917,357	\$8.06
2009	40,859,186	556,318	11.2%	4,581,337	14.6%	-780,889	556,318	\$6.86
2010	40,849,652	-9,534	11.5%	4,691,358	14.4%	-119,555	56,721	\$6.39
2011	40,968,951	119,299	12.2%	5,012,682	14.7%	-202,025	130,525	\$6.14
2012	40,996,764	27,813	11.8%	4,852,834	13.8%	187,661	186,754	\$5.88
2013	41,023,749	26,985	10.2%	4,164,390	12.7%	715,429	40,515	\$6.08
2014	41,087,500	63,751	9.5%	3,903,068	12.3%	325,073	63,751	\$6.39
2015	41,357,500	270,000	8.5%	3,499,188	11.8%	673,880	270,000	\$6.91
2016	42,324,666	967,166	7.0%	2,972,536	10.7%	1,493,818	1,037,959	\$6.66
2017	42,378,387	53,721	6.7%	2,826,137	9.7%	200,120	53,721	\$6.27
2018	42,641,493	263,106	5.8%	2,470,694	9.6%	618,549	300,181	\$6.02
Quarterly Trend								
2017 Q2	42,378,387	53,721	7.3%	3,111,990	10.4%	1,423,830	53,721	\$6.28
2017 Q3	42,378,387	0	7.3%	3,081,026	10.8%	30,964	0	\$6.35
2017 Q4	42,378,387	0	6.7%	2,826,137	9.7%	254,889	0	\$6.27
2018 Q1	42,378,387	0	6.6%	2,789,424	10.0%	36,713	0	\$6.15
2018 Q2	42,670,493	292,106	6.5%	2,791,993	10.1%	289,537	300,181	\$6.15
2018 Q3	42,641,493	-29,000	5.8%	2,493,589	9.6%	269,404	0	\$6.15
2018 Q4	42,641,493	0	5.8%	2,470,694	9.6%	22,895	0	\$6.02
2019 Q1	42,666,493	25,000	5.9%	2,530,020	9.6%	-34,326	25,000	\$6.06
8 Quarter Average			6.5%	2,761,859	10.0%	286,738	47,363	\$6.18
4 Quarter Average			6.0%	2,571,574	9.7%	136,878	81,295	\$6.10

Source: CoStar Group - Note: includes leaseable and owner-occupied space

New or Proposed Construction

New construction in the industrial sector has been limited over the past five years, with all new construction being completed for specific users. New space delivered over the last four quarters totaled 325,181 S.F. (81,295 S.F./quarter, avg) in the metro Tucson industrial market. New construction delivered in 2015 included a 210,000-square-foot facility for Fed Ex at 7050 S. Palo Verde (South Industrial Submarket) and the 60,000-square-foot Ventana/Roche Logistics Center at 10739 N. Tangerine Farms Road (North Industrial Submarket). Just over 1 million square feet was delivered in 2016, including HomeGoods' 860,000-square-foot distribution center at 7000 S Alvernon Way (SW Tucson/Airport submarket). Currently Costar reports 1,350,334 square feet of industrial and flex space under construction.

New construction in the submarket over the last four quarters totaled 25,000 square feet (6,250 S.F./quarter, average) which represents about 8% of the metro total in that same period. The average

annual growth rate in the submarket has been minimal since 2009. Currently, there is 8,800 square feet of new space under construction in the submarket.

NW Tucson/Oro Valley Industrial Submarket

Period	Leaseable Sq. Ft.	Change in Inventory	Vacancy Rate	Vacant Sq. Ft.	Avail. Rate	Net Absorption	Sq. Ft. Delivered	Quoted Rates
Annual Trend								
2008	9,587,951	265,997	6.9%	662,162	10.5%	85,790	265,997	\$7.28
2009	9,706,500	118,549	8.5%	820,573	11.0%	-39,862	118,549	\$6.09
2010	9,705,747	-753	8.2%	799,265	10.7%	20,555	18,047	\$6.98
2011	9,770,823	65,076	9.0%	882,251	11.1%	-17,910	70,000	\$6.85
2012	9,721,558	-49,265	8.6%	834,730	10.2%	-1,744	6,501	\$6.87
2013	9,725,742	4,184	6.4%	617,800	8.3%	221,114	6,501	\$6.89
2014	9,735,742	10,000	4.9%	477,653	7.3%	150,147	10,000	\$7.28
2015	9,795,742	60,000	4.9%	476,943	7.3%	60,710	60,000	\$7.01
2016	9,760,591	-35,151	4.1%	397,957	6.4%	43,835	15,358	\$7.52
2017	9,790,402	29,811	2.9%	279,773	4.8%	147,995	29,811	\$7.60
2018	9,782,327	-8,075	2.4%	235,456	5.6%	36,242	0	\$7.31
Quarterly Trend								
2017 Q2	9,790,402	29,811	4.2%	406,573	6.2%	268,003	29,811	\$7.29
2017 Q3	9,790,402	0	3.7%	361,580	5.9%	44,993	0	\$7.37
2017 Q4	9,790,402	0	2.9%	279,773	4.8%	81,807	0	\$7.60
2018 Q1	9,790,402	0	2.6%	254,256	5.4%	25,517	0	\$7.64
2018 Q2	9,782,327	-8,075	2.8%	276,110	6.1%	-29,929	0	\$7.83
2018 Q3	9,782,327	0	2.8%	276,124	5.9%	-14	0	\$7.90
2018 Q4	9,782,327	0	2.4%	235,456	5.6%	40,668	0	\$7.31
2019 Q1	9,807,327	25,000	3.9%	380,577	6.5%	-120,121	25,000	\$7.31
8 Quarter Average			3.2%	308,806	5.8%	38,866	6,851	\$7.53
4 Quarter Average			3.0%	292,067	6.0%	-27,349	6,250	\$7.59

Source: CoStar Group - Note: includes leasable and owner-occupied space

Occupancy / Frictional Vacancy

Vacancy rates in the Metro Tucson industrial market steadily increased from 2007 to 2011, and have decreased since. The average vacancy rate between 2008 and 2018 was 9.3%, which is 340 basis points above the current vacancy rate of 5.9%.

The submarket has generally followed the overall market trend. The current vacancy rate of 3.9% is below the average vacancy rate of 6.1% over the past ten years. The submarket vacancy rate is 200 basis points below the metro industrial vacancy.

Absorption Trends

Overall, absorption of industrial space in Metro Tucson has been positive in the last 7 of the last 8 quarters and totaled 2,293,906 square feet (286,738 S.F./quarter avg.) or 5.4% of the total inventory compared to absorption in the last 4 quarters of 547,510 S.F. (136,878 S.F./quarter avg.), which is 1.3% of the total inventory. The past four quarters demonstrate deceleration of absorption over the previous four quarters.

Absorption in the submarket has been positive in 5 of the last 8 quarters. Absorption in the last 8 quarters totaled 310,924 S.F. (38,866 S.F./quarter). Absorption in the last 4 quarters totaled negative 109,396 S.F. (negative 27,349 S.F./quarter). The past four quarters demonstrate a deceleration in the rate of absorption.

Range and Average of Rental Rates

Rental rates in the Metro Tucson industrial market peaked in 2007 at \$8.26 per square foot and are currently \$6.06 per square foot, 26.6% below the historical high. Rental rates generally declined though, and bottomed in, 2012. Rates have vacillated and generally been tepid.

Rental rates in the submarket have vacillated compared to the overall market. The asking lease rate in the submarket peaked at \$7.60 per square foot in 2017. The current quoted asking lease rate is \$7.31 per square foot, 3.8% below the historical high and 17.1% above the current Metro Tucson rate of \$6.06 per square foot. The submarket rents have been higher than the overall market since 2010.

Growth Factors (Employment, Population, Income, Households)

Population and household growth in Metro Tucson has historically ranged from 0.5% to 0.1% and is projected to demonstrate growth of about 0.8% over the next five years. The subject's neighborhood average annual growth rate was 1.4% from 2010 to 2018 and the projected annual growth rate is 1.3% annually through 2023. The Metro Tucson growth rate suggests that there will be continued demand for housing in Metro Tucson which should spur demand for retail and commercial uses. Personal income is projected to steadily grow by 4.5% to 5.2% annually through 2022, employment is projected to grow by 0.7% to 1.7% annually through 2022, and retail sales are projected to grow by 3.0% to 4.3% through 2022. These growth rates should positively influence the commercial real estate markets, especially retail, and ultimately increase demand for industrial uses. Income characteristics in the subject's neighborhood are above the metro average.

Conclusions

Tucson's industrial market peaked in 2006 and 2007, trended downward from 2008 to 2011, and has been in a gradual recovery since 2012. The market is bifurcated with very low vacancy in buildings of less than 20,000 square feet and higher vacancies in 100,000 S.F. or larger properties, a number of which are functionally obsolete. New development is generally only occurring to meet the needs of specific users and a return to large-scale speculative development is not expected over the foreseeable future. Increasing projected household growth and employment rates should drive economic development to some extent but significant improvement will require sustained job growth. Furthermore, competition for large industrial users is fierce, requiring major economic incentives by governmental entities, and thus, is often unrelated to population and employment projections.

Market Participant Interview / Local Survey

Steve Cohen, Cushman & Wakefield/ PICOR

Vacancy rates are getting down to a point where lease rates will have to increase. Lease rates would have to be in the range of \$0.80 to \$0.85 per square, per month, triple net to support new construction of typical light industrial facilities.

Gary Emerson, GRE Partners

Much of the vacancy is represented by buildings in excess of 25,000 square feet. Leasing is getting tighter for smaller buildings and their lease rates should be moving up. The majority of tenants want some secure outside storage. Tenants are also looking for both dock-high and drive-in overhead doors.

Paul Hooker, Cushman & Wakefield/PICOR

In general, sales and leasing activity are slowly improving. Vacancy is very low in the subject environs and there has even been some spec building. Land values could be as high as \$4.00-\$5.00/S.F. along the frontage road, but there are no comparable sales available for support.

Tim Healy, CBRE

The existing inventory is aging with a number of functionally obsolete spaces.

Ron Zimmerman, Cushman & Wakefield

The industrial market is really picking up with much more transactional volume. Land is finally trading again. However, market comps are really difficult to find as there is a lot of inventory being cleared out that has weird issues.

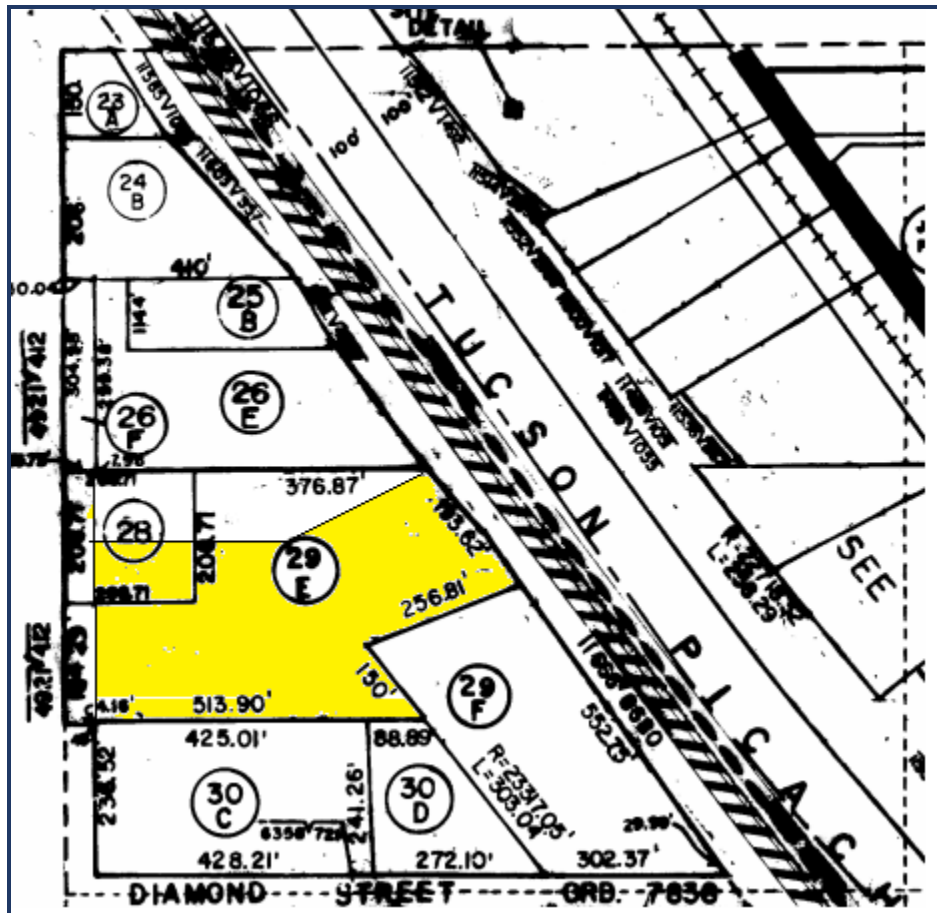
Site Description

The following description of the subject parcel is based on our appraisal inspection of the subject, assessor records, and information provided by the client, owner, and/or broker.

AERIAL VIEW



ASSESSOR'S PLAT MAP



General Data

Location: West side of Casa Grande Highway, north of Diamond Street in Tucson, Pima County, Arizona 85705

Assessor Parcel Numbers: Portion of 101-20-0280 and -029E

Adjacent Land Uses

North: Industrial uses

South: Industrial uses

East: Interstate-10

West: The Loop public trail followed by industrial uses

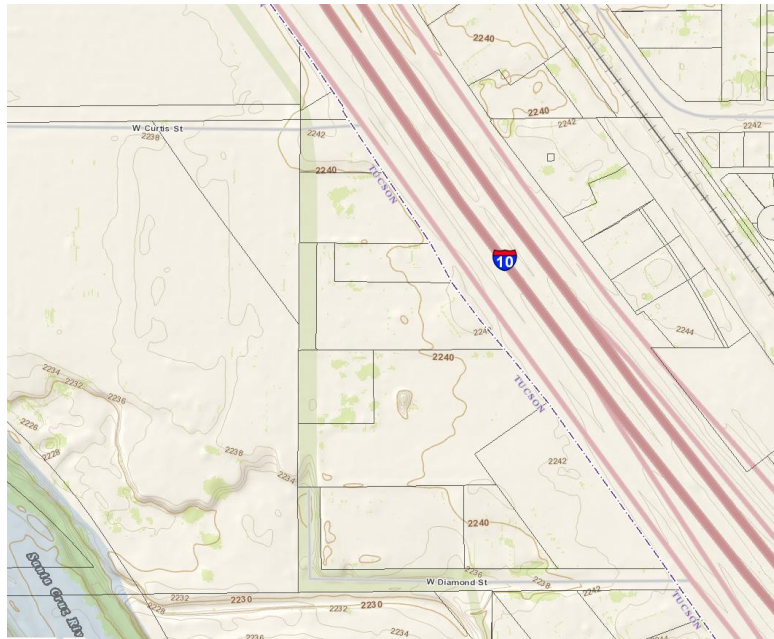
Physical Characteristics

Site Area: 137,606 S.F., or 3.16 acres

Shape: Irregular, yet functional

Topography: The site is generally level.

TOPOGRAPHY MAP



Access

Street Name: Diamond Street

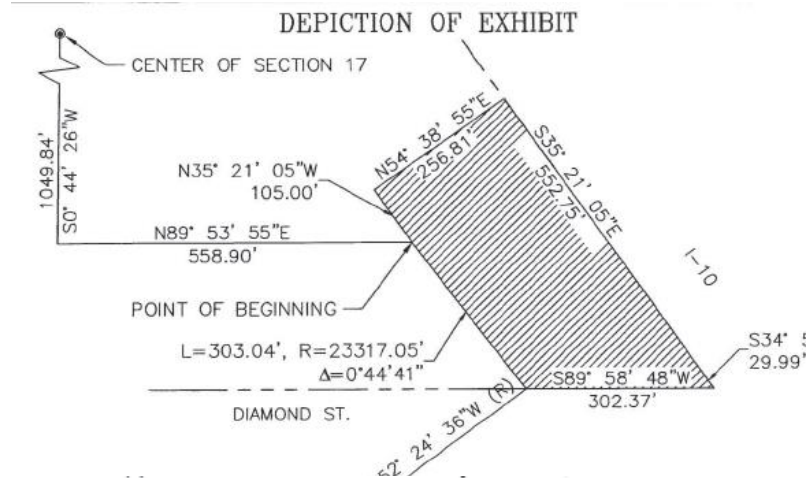
Street Type: A graded dirt roadway leading west from the I-10 Frontage Road

At Signalized Intersection: No

Comments: The subject has frontage but no direct access from the I-10 Frontage Road. The frontage road is one-way only and is asphalt paved with two lanes. Access to northbound travel is somewhat circuitous and requires driving south on the I-10 frontage road approximately one-half mile to the Ruthrauff Road interchange. Both northbound and southbound travelers must exit I-10 at Sunset Road to access the subject. The subject has a blanket cross access easement from Diamond Street across the parcel to the south (101-20-029F) for access onto the subject. The easement was agreed upon in an exchange agreement dated May 14, 2015. Furthermore, the owner of the parcel to the south, DFA, has a five year option to obtain permission for and construct a direct access driveway from the frontage road to the DFA parcel and the subject. If DFA completes this task within 5 years of the agreement (or May 2020), then Pima County will contribute \$10,000 to the construction costs. It is not clear within the Agreement what will happen if Pima County sells or transfers title to the subject property and DFA constructs the access driveway within the five year window. Therefore, it is an extraordinary assumption of this report that Pima County will fulfill its agreed upon obligation to contribute \$10,000 for permanent access from the I-10 Frontage Road, should DFA complete the access driveway prior to the termination of the agreement in May 2020.

5. Diamond Street Access Easement.

5.1. Retained Access Easement. County shall retain, and DFA shall take the County Property subject to, a blanket, non-exclusive easement for ingress and egress over the entire County Property from Diamond Street in favor of County and its lessees and licensees, for the benefit of County's remaining property adjacent to the County Property (the "**Access Easement**").



5.2.3. DFA constructs the Frontage Road Access, together with a paved, permanent access road to the County Property from the Frontage Road Access (the "**Access Drive**") at DFA's sole cost, in accordance with the requirements of the Arizona Department of Transportation and the City of Tucson (the "**Access Easement Termination Requirements**"), subject to the County contribution of Ten Thousand Dollars (\$10,000.00) outlined in Section 5.5 below. DFA shall obtain all necessary permits and approvals for the construction of the Frontage Road Access.

5.5. Deferred Payment. Within sixty (60) days after County's receipt of DFA's Notice of Performance, County shall pay DFA the sum of Ten Thousand Dollars (\$10,000.00) (the "**Deferred Payment**") to partially defray the cost of the Frontage Road Access and Permanent Road. At Closing, County shall segregate the Deferred Payment from the proceeds in a special revenue account for payment to DFA pursuant to this Section 5.5. In the event that the Frontage Road Access is not approved and constructed within five (5) years of the Effective Date, the financial obligation of County to DFA pursuant to this Section 5.5 shall cease.

Site Improvements

Utilities:

Electric: Tucson Electric Power
 Natural Gas: Southwest Gas
 Sewer: Pima County (nearby) or septic (required)
 Water: City of Tucson (250 feet to the south)
 Telecomm: Century Link

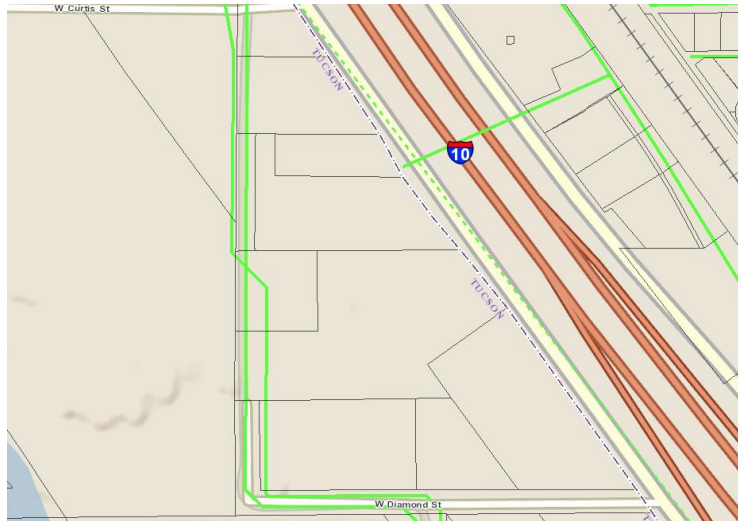
It is reported that the subsurface water in the area has historically been contaminated due to a landfill (now closed) to the south. A fenced monitoring well is on the property for Pima County to continue monitoring the subsurface water quality. There are also three additional wells on the property used for injections. These wells are located near the northeast corner of the site, near the south property line, and one adjacent to the west sewer easement. The wells are identified on the following map:



According to Janet at the City of Tucson Water Department (520-791-5764), there is a 6 inch water line in Diamond Road which could be extended approximately 250 feet to the subject property if the owners wished to connect to City water. Extension costs vary but typically are estimated in the \$50-\$60/linear foot range, or \$12,500 to \$15,000 total.

Sewer is available in the subject vicinity but many properties, especially older properties, still utilize septic systems for their wastewater needs. The sewer mains along the western border of the property are not available for connection. There is a manhole and an 8" sewer line located about 100 feet north of the subject in the ADOT right of way. It may be possible to connect to this line, but it is unknown if it is uphill or downhill from the subject property. According to Rick at Pima County Wastewater, connection costs are estimated in the \$20,000 range. The subject could also utilized a septic system for wastewater needs upon development. Septic systems generally cost \$5,000 to \$10,000, installed.

SEWER LINE MAP



On-Site Improvements:

None; however, the property owner adjacent north has been utilizing portions of the site for material and equipment storage. It is an extraordinary assumption that all material and equipment stored on the site is removed by its owner prior to any exchange or transaction of the subject property.

Flood Zone Data

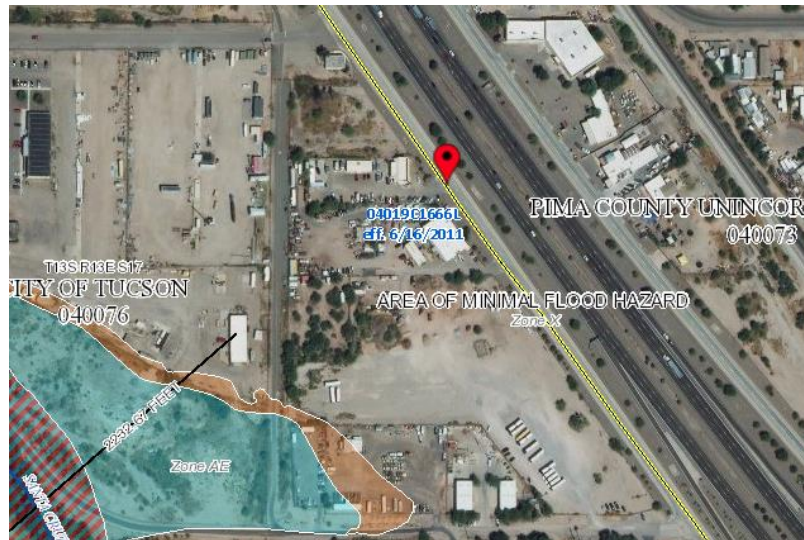
Flood Map Panel:

Flood Zone:

Panel: 04019C1666L dated June 16, 2011

The site is within Zone X, outside the 100-year flood zone per FEMA and GIS mapping. A very small piece in the southwest corner of the site is within the Shaded Zone X, subject to 500-year flooding. This is not significant.

FEMA MAP



Other Site Conditions
Environmental Issues:

According to the AZDEQ Map, the site is partially within the El Camino del Cerro/Shannon Road Superfund area. ADEQ established a registry of sites in Arizona where groundwater and/or soil contamination is present (Superfund Site) and qualify for funds from the Water Quality Assurance Revolving Fund (WQARF). Sites on the WQARF Registry are evaluated and given a score based on the type and location of contaminant(s) and the possibility for human exposure to the contaminant(s) present. The scores are used to help determine relative risk at the site, but do not necessarily indicate a direct risk to people or the environment. The maximum score a site can receive is 120. The El Camino del Cerro site was placed on the WQARF Registry in August 1998 with a score of 71 out of a possible 120.

SUPERFUND MAPS

Shannon Road-Rillito Creek/El Camino del Cerro



Site Status Update:

The *Final Remedial Investigation Report for Shannon Road Camino Del Cerro WQARF Site* was completed in March 2015. A data gaps study has been completed, and a Feasibility Study (FS) Work Plan has been developed for the Site. From July 1, 2014 to June 30, 2015 the Metropolitan Domestic Water Improvement District (Metro Water) pumped and treated 222,343,000 gallons and removed approximately 50 pounds of volatile organic compounds (VOCs) at their South Shannon well site. During the same time period Pima County pumped and treated 66,409,000 gallons of groundwater and removed approximately 15 pounds of VOCs immediately down gradient of the El Camino del Cerro Landfill.

Metro Water is the main municipal water provider within this area. A water treatment system is used by Metro Water on the South Shannon Well to ensure that drinking water meets the drinking water standards. No one is known to be drinking contaminated water from this site. However, water from private wells within the boundaries of the site may still be contaminated. There are 24 wells in the area for water quality monitoring, one of which is located on the subject property.

No other environmental conditions were noted upon inspection, but we are not qualified to detect them.

Easements and Encroachments: A title report was provided. The appraisal assumes typical utility easements that do not affect the subject or surrounding sites adversely. A monitoring well is located near the eastern edge of the site and is within a fenced area. Three additional wells are located on the site and used for injection. Pima County will retail rights to enter the property for well monitoring purposes. There is currently a sewer line traversing the western border of the property. The appraisal is subject to the recordation of a 40 foot easement encompassing this sewer line prior to any property exchange. According to the legal description and survey provided, the easement will be located along the western border of the site and could be used for storage, parking or landscaping. Buildings are not permitted over the easement, although it is rare for improvements to be placed immediately adjacent to the lot line. Due to their locations and size, the wells and sewer easement do not affect the marketability or development potential of the site. However, collectively they will

decrease design flexibility and retain an element of nuisance due to the ability of outside entities to enter onto the site for monitoring and maintenance.

Analysis/Comments on Site The subject parcel is located in an established industrial area of west Tucson. It is limited by a lack of water or sewer to the site, though these limitations are financially feasible to cure. The wells and sewer easement reduce design flexibility and privacy of the site.

Legal Description Sewer Easement



20 May 2019

EXHIBIT "A"
LEGAL DESCRIPTION

A portion of that parcel as described in Docket 9898 at Page 750, and that parcel as described in Docket 12050 at Page 7145, recorded in the office of the County Recorder, Pima County, Arizona, being located in the Southeast Quarter of Section 17, Township 13 South, Range 13 East, Gila & Salt River Meridian, Pima County, Arizona, more particularly described as follows:

COMMENCING at the center corner of said Section 17, shown as point number 75 in Book 68, Records of Survey, Page 69 an aluminum cap set in concrete, marked "PE 1260, C+17," from which the south quarter corner of said section, shown as point number 119 per said Record of Survey a brass disk stem, bears South 00°14'52" West, a distance of 2640.62 feet;

THENCE along the west line of said southeast one quarter South 00°14'52" West a distance of 1,049.84 feet to the southwest corner of said parcel described in Docket 9898 at Page 750;

THENCE along the south line of said parcel, North 89°24'21" East a distance of 50.00 feet to the **POINT OF BEGINNING**, being a point on a line 50.00 feet east of and parallel with said west line of the southeast one quarter;

THENCE along said parallel line North 00°14'52" East a distance of 273.74 feet to a point on a line 115.00 feet south of and parallel with the north line that parcel described in Docket 12050 at Page 7145;

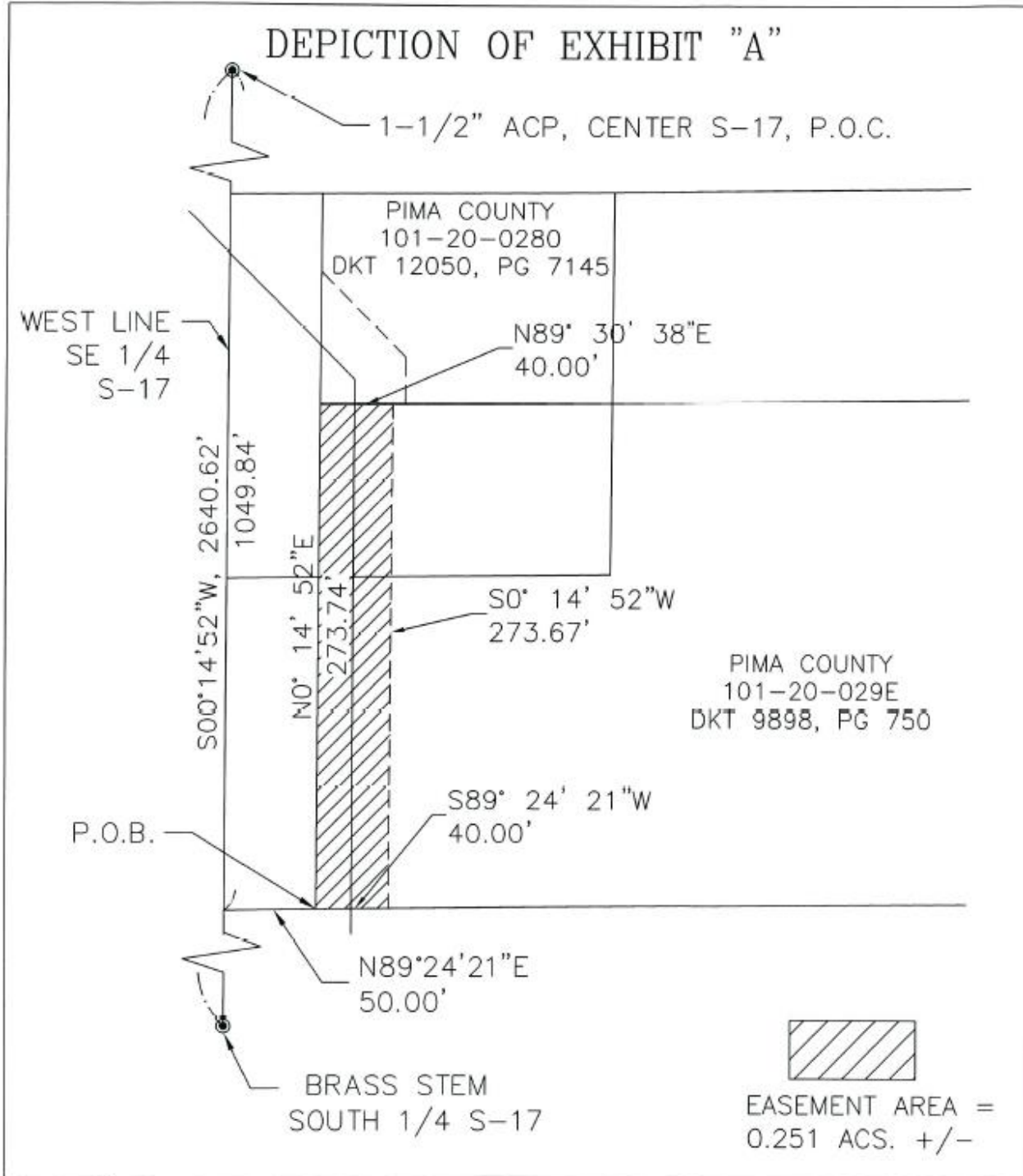
THENCE along said parallel line, North 89°30'38" East a distance of 40.00 feet to a point on a line 90.00 feet east of and parallel with said west line of the southeast one quarter;

THENCE along said parallel line South 00°14'52" West a distance of 273.67 feet to a point on the south line of said parcel described in Docket 9898 at Page 750;

THENCE along said south line South 89°24'21" West a distance of 40.00 feet to the **POINT OF BEGINNING**.



Pg. 1 of 2



N

PIMA COUNTY SURVEY

A PORTION OF THAT PARCEL PER DOCKET 12050, PAGE 7145
LOCATED IN SECTION 17, TOWNSHIP 13 SOUTH, RANGE 13 EAST,
GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

Scale: 1" = 75'
Date: 20 MAY 2019
Drawn By: DRT
Sheet 2 of 2

Subject Photographs



Street scene looking north along the I-10 Frontage Road



View looking southwest through the site



Street scene looking west along Diamond Street



View looking east through the site



View looking northwest through the site

Zoning

ZONING MAP



Zoning Code:
Zoning Jurisdiction:
Permitted Uses:

The subject is zoned I-1, Light Industrial
City of Tucson
The I-1 zone provides for industrial uses that do not have offensive characteristics. Permitted uses include industrial, civic, commercial services, recreation, retail and storage.

Development Standards:

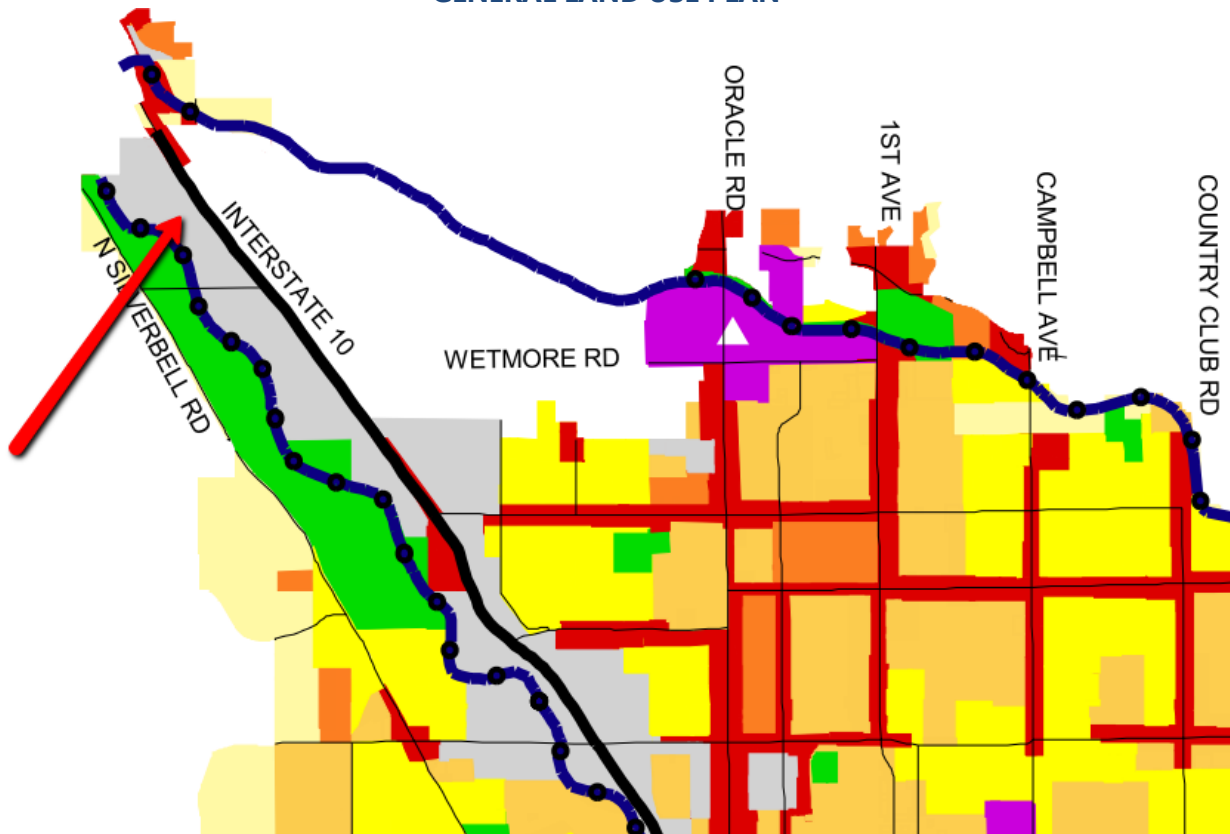
DEVELOPMENT STANDARDS	
I-1, Light Industrial	
Minimum site area:	None
Minimum Setbacks	
Front Street:	20' or 1.5 (H)
Side Street	10'
Side:	0*
Rear:	0*
Maximum Height:	75'
Maximum Floor Area Ratio	2.0
* no setback if adjacent zoning is commercial. 1.5 (H) if adjacent residential	
Source: City of Tucson Land Use Code	

Parking requirements depend on the property use. The commercial services group (office) requires 1 space per 300 S.F. and the industrial group (warehouse) requires 1 space per 1,000 S. F. of gross floor area.

General Land Use Plan

Industrial -Major industrial and business employment generators, existing or planned. Includes research, commercial, and industrial parks and campuses. Uses include research and development, publishing, fabricating and assembly, and other business and industrial uses.

GENERAL LAND USE PLAN



Assessment and Tax Data

Assessment Methodology

In Arizona, property tax is based on a full cash value (FCV) and a limited property value (LPV). Full cash value is equal to market value, with certain exceptions (e.g., agricultural property, golf courses and shopping centers). Limited value is determined by statute, and can never exceed full cash value. The assessment ratio is based on the subject's classification into one of nine categories. The most typical categories are residential property (10%); vacant land (15%); and commercial property (18%).

On November 6, 2012, voters approved an amendment to the Arizona Constitution known as the Arizona Property Tax Assessed Valuation Amendment, or Proposition 117, which changes how property taxes are calculated beginning in the 2015 tax year. For 2015 and following years, real estate taxes will be based on the combined primary and secondary tax rates applied only to the LPV, which, by statute, cannot be increased by more than 5% per year (except under certain limited exceptions, including new construction).

Assessed Values and Property Taxes

The subject parcels are identified by the Pima County Assessor as a portion of APNs 101-20-0280 and -029E. The assessed values reflect a vacant site, assessed at a 15% ratio. The property is publicly owned and is not taxed. The assessed values reflect the entire 5.46 acre site. The subject is a 3.16 acre portion of the overall site, or 58%.

Assessment History

Parcel	Full Cash Value		Limited Property Value	
	2019	2020	2019	2020
101-20-0280	\$66,647	\$66,647	\$66,647	\$66,647
101-20-029E	\$291,220	\$291,220	\$291,220	\$291,220
Total:	\$357,867	\$357,867	\$357,867	\$357,867

Real Estate Tax Rates (Area 0850)

Year	2013	2014	2015	2016	2017	2018
Primary Rate	10.4083	11.0206	11.1110	11.0111	11.0022	10.5566
Secondary Rate	4.8632	4.8507	5.1417	5.4337	5.2767	5.5262
Total Tax Rate	15.2715	15.8713	16.2527	16.4448	16.2789	16.0828
Annual Change	+9.9%	+3.9%	+2.4%	+1.2%	-1.0%	-1.2%
Average 5-year Change						+1.1%

Highest & Best Use Analysis

The Highest and Best Use of a property is the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Physically Possible

The subject site has an irregular, yet functional shape and contains 137,606 square feet or 3.16 acres. Electricity is available to the site. Sewer lines are nearby to the site, although the ability to extend or connect to this line is unknown. Most developed properties in the area utilize septic systems. Subsurface water in the area is reportedly contaminated. Potable water would require an extension of the water lines located approximately 250 feet to the south or hauling water. The site has frontage, but no access, along the Interstate-10 Frontage Road, which is somewhat circuitous for northbound travel. Cross access is available to Diamond Street through the parcel adjacent south. According to the FEMA map, the site is outside the 100-year floodplain in Zone X. Physical constraints are size, circuitous access, and water and wet utilities: line extension and septic costs.

Legally Permissible

The subject site is zoned I-1, industrial. Permitted uses under this zoning regulation include civic, industrial, retail, and storage. The general land use plan designated the site for industrial use, which is consistent with surrounding land uses. The appraisal assumes typical utility easements that do not affect the site adversely. A monitoring well and three injection wells are located on the site. There is a sewer line traversing the western edge of the site and the appraisal is subject the recordation of a 40 foot easement encompassing the sewer line prior to any exchange. The easement area retains the ability to utilize this area for landscaping, storage and/or parking. Improvement development to the lot line is unusual. While the well sites and sewer easement are small and mostly located along the edges of the site, the cumulative effect results in reduced design and layout flexibility as well as reduced privacy due to the ability of outside entities to enter onto the site for monitoring and maintenance. There were no other restrictions observed on the site which would negatively affect the highest and best use. Zoning is not a use limitation.

Financially Feasible

After determining the uses that are physically possible and legally permissible, an appraiser considers the uses that are likely to produce an adequate return on investment based on a cost/benefit analysis or through direct market observation. Further, it is the appraiser's opinion the use of the subject site should generally conform to surrounding uses, which primarily consist of industrial properties.

The market demand for the development of the subject site is considered average. Vacancy is slowly improving market wide and is very low in the subject submarket. There is increased activity of industrial building sales to users, but current rental rates do not support widespread speculative development. Although some participants report improving market conditions, the vast majority of brokers report flat rents at best. There has been little industrial development with the exception of a few owner-user and build-to-suit properties. Land sales are scarce. Development is considered premature at this time unless owner-user driven. A recovery in rents will eventually make speculative development feasible at the site.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for owner-user development or investment until recovery in rents eventually makes speculative industrial development feasible at the subject site.

Conclusion of Highest and Best Use as though Vacant

The conclusion of the highest and best use as though vacant, as analyzed in the previous sections, is for owner-user development or investment until recovery in rents eventually makes speculative industrial development feasible at the subject site

Most Probable Purchaser of Subject Property

Based on the nature of the subject property, the most probable purchaser would be an owner user.

Land Valuation

Methodology

Land is most often valued using the Sales Comparison Approach. This approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same utility. In the sales comparison approach, the opinion of market value is based on closed sales, listings and pending sales of properties similar to the subject property, using the most relevant units of comparison. The comparative analysis focuses on the difference between the comparable sales and the subject property using all appropriate elements of comparison.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is the price per square foot.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The main elements of comparison that are considered in sales comparison analysis are as follows: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, (7) physical characteristics, (8) economic characteristics, and (9) use/zoning.

Comparable Sales Data

A search of data sources and public records, a field survey, interviews with knowledgeable real estate professionals in the area, and a review of our internal database were conducted to obtain and verify comparable sales of vacant land properties. Comparable sales were scarce. Brokers report an improving market for industrial land, but not many market comps available.

We discovered a 2.3 acre industrial land sale at 5374 N. Casa Grande Highway, on the east side of I-10, in the subject vicinity. The land was purchased in September 2016 for \$85,000, or \$0.85/S.F. The listing broker reported that the site has a very narrow, shallow shape with numerous billboards on the site, which the seller required to remain in place. Furthermore, it did not have a legal access driveway to the frontage road and was near an interchange, which made permit approval time consuming, risky, and costly. Due to the functional obstacles associated with this sale, it is not utilized in this analysis. Adjustments would be large and highly subjective.

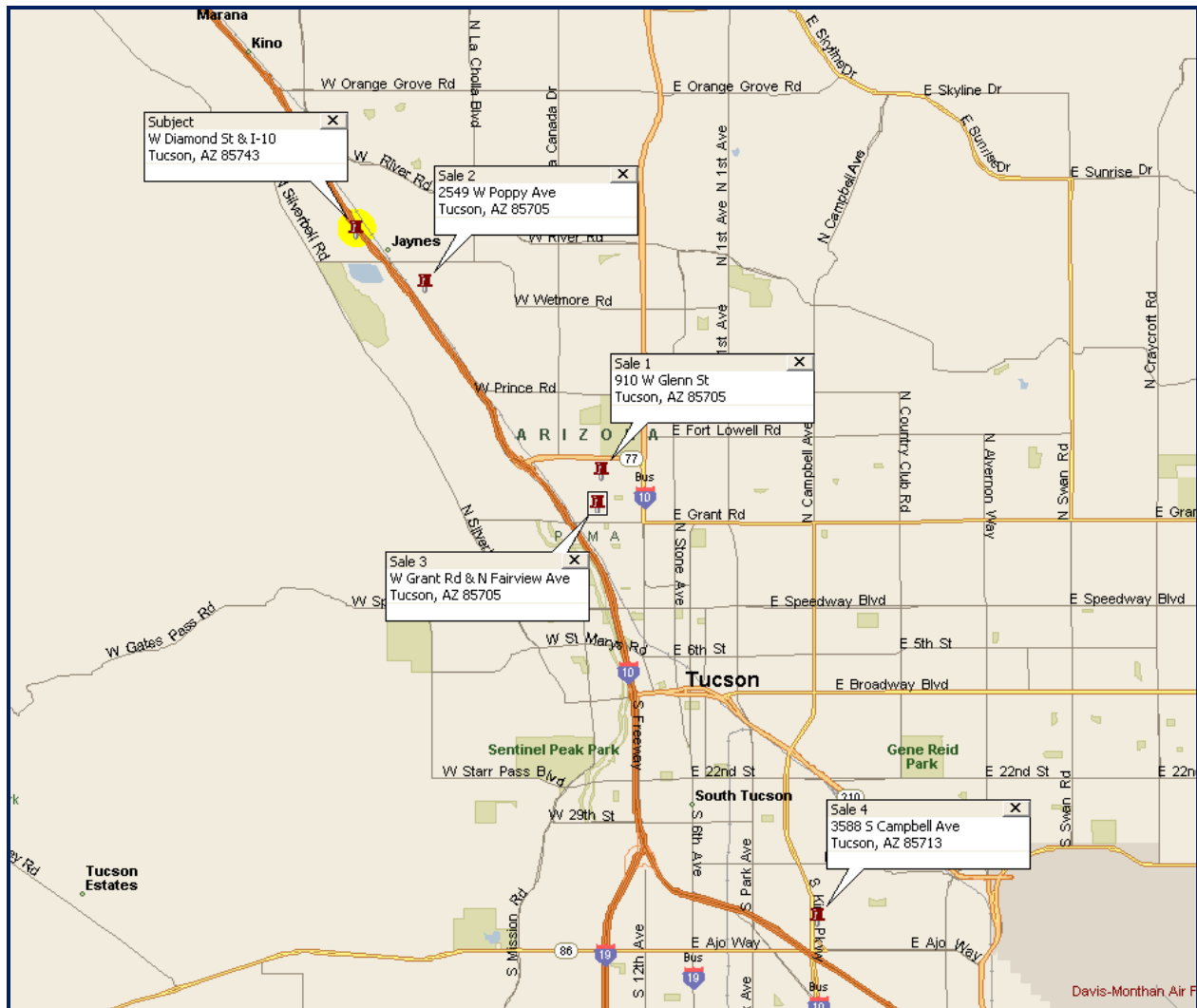
We used four sales in our analysis, these representing the sales judged to be the most comparable in developing an indication of the market value of the subject property. There were minimal industrial land sales discovered in the Tucson MSA over the past year.

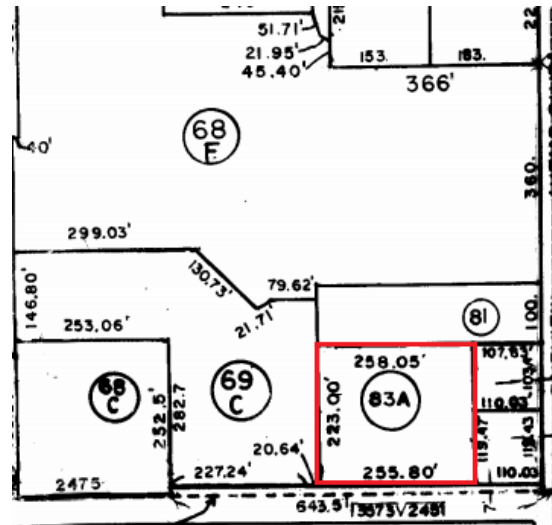
The following table summarizes each of the land sale comparables and is followed by a map displaying the location of each comparable in relation to the subject. Summary sheets detailing each comparable follow the location map along with a discussion of necessary adjustments and an adjustment grid.

Land Sales Summary

Comp #	Location	Sale Date	Acres	Sq Ft	Sale Price	Price /SF Land	Zoning
Subject	W/s of I-10 Frontage Rd, N of Diamond St.	N/A	3.16	137,606	N/A	N/A	I-1
1	910 W Glenn St	6/17	1.30	56,417	\$200,000	\$3.55	I-1
2	2549 W Poppy Ave	8/17	1.53	66,776	\$200,000	\$3.00	CI-1
3	NW Grant & Fairview Rd (aka 964, 985 & 986 W Fairview Business Park Pl)	3/18	4.14	180,206	\$720,000	\$4.00	I-1
4	3588 S Campbell Ave	3/19	0.81	35,114	\$176,500	\$5.03	I-1

COMPARABLE SALES MAP



Land Sale No. 1

Property Identification

Property Type	Industrial Land
Address	910 W Glenn Street
City, State Zip	Tucson, Arizona 85705
County	Pima
Tax ID	107-06-083A

Sale Data

Seller	Herman Ventures LLC
Buyer	American Development LLC
Sale Date	06-27-2017
Reference No.	20171780080
Property Rights	Fee Simple
Market Time (days)	65
Financing	Cash
Verification	Rick Sack, Long Realty 520-299-2201

Land Data

Size	1.30 acres; 56,417 SF
Shape	Regular
Topography	Generally level
Site Improvements	Three sides with block fencing and fourth side with chain link fence and access gate. There is a storage shed on the site which did not contribute to value
Zoning	I-1 Industrial
Proposed Use	Investment

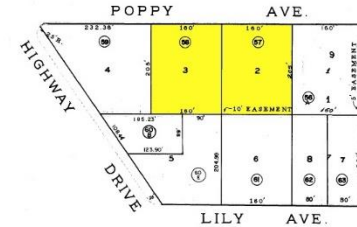
Price	\$200,000
Price/Gross SF	\$3.55 per SF

Remarks

Arm's length market transaction.

Land Sale No. 2


ASSESSOR'S RECORD MAP
 103-07
 8
 BLOCK 6, TUCSONITA ADD'N.


Property Identification

Property ID	8620
Property Type	Industrial Land
Address	2549 W Poppy Ave
City, State Zip	Tucson, Arizona 85705
County	Pima
Tax ID	103-07-057 & -058

Sale Data

Seller	Marlin L Smith Living Trust
Buyer	L&J Investment Group III LLC
Sale Date	08-22-2017
Reference No.	20172340435
Property Rights	Fee Simple
Market Time (days)	69
Financing	Cash
Verification	Bob DeLaney, CBRE, 520-323-5171, 03-05-2018

Land Data

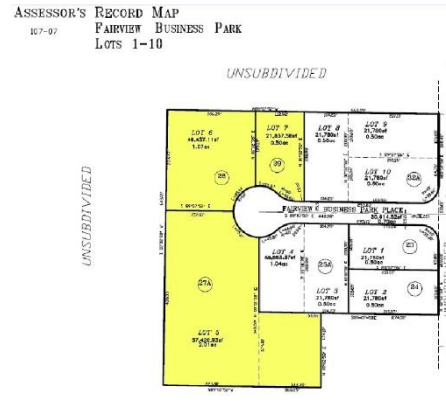
Size	1.53 acres; 66,776 SF
Shape	Regular
Topography	Generally level
Site Improvements	Secure with fencing
Zoning	CI-1 Industrial
Proposed Use	Investment

Price	\$200,000
Price/Gross SF	\$3.00 per SF

Remarks

Arm's length market transaction. Owner passed away and heirs sold the property; however, purchase price was represented as market. Site had been used as an auto junk yard. A dilapidated building and the junk cars were removed by seller. The site is secured by fencing. Buyer is an investor with other property in the area. Buyer has site listed for lease at \$1,500 per month triple net or may do a build-to-suit.

The septic on the site has not been used in 20 years and did not pass inspection. Development of the site will require the septic be fixed or, more likely, entombed and the sewer extended from Highway Drive, half a block away

Land Sale No. 3

Property Identification

Property ID	8619
Property Type	Industrial Land
Property Name	Fairview Business Park - Lots 5, 6 & 7
Address	NW Grant & Fairview Rd (aka 964, 985 & 986 W Fairview Business Park Pl)
City, State Zip	Tucson, Arizona 85705
County	Pima
Tax ID	107-07-027A, -028 & -030

Sale Data

Seller	Fairview Grant LLC
Buyer	Auto Nation
Sale Date	03-01-2018
Reference No.	Not yet available
Property Rights	Fee Simple
Market Time (days)	See property remarks
Financing	Cash Equivalent
Verification	Paul Hooker, Cushman & Wakefield/PICOR, 520-748-7100, 03-05-2018

Land Data

Size	4.14 acres; 180,206 SF
Shape	Irregular, functional
Topography	Generally level
Utilities	All available
Zoning	I-2 Heavy Industrial

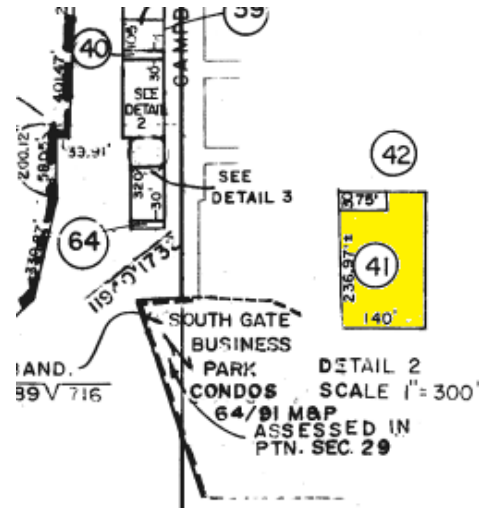
Price	\$720,000
Price/Gross Acre	\$174,041 per acre
Price/Gross SF	\$4.00 per SF

Remarks

Arm's length market transaction. The buyer will construct a body shop to support the Auto Mall.

The broker reported he has had the listing for about two years but the property has been on the market much longer. The buyer wanted to be closer to the auto mall but was unable to find a vacant site of the necessary size and zoning.

Land Sale No. 4



Property Identification

Property Type	Industrial – Mixed Use Land
Address	3588 S Campbell Ave
City, State Zip	Tucson, Arizona 85713
County	Pima
Tax ID	132-13-0410

Sale Data

Seller	Henry Layton
Buyer	Community Development Group, LLC
Sale Date	03-04-2019
Reference No.	20190630433
Property Rights	Fee Simple
Market Time (days)	81
Financing	Seller carryback at market terms
Verification	Tony Reed, Long Realty 520-918-5189

Land Data

Size	0.81 acres; 35,114 SF
Shape	Irregular, functional
Topography	Generally level
Utilities	All available
Zoning	I-1, light Industrial

Price	\$176,500
Price/Gross Acre	\$218,955 per acre
Price/Gross SF	\$5.03 per SF

Remarks

Arm's length market transaction. The buyer was an investor that planned to resale the property at a higher price. The broker felt that the sale price reflected market. He felt that while there were retail uses nearby, the orientation of the site presented itself for industrial uses. The site has frontage along Kino Parkway, but access is circuitous and interior from Campbell Avenue.

Land Sales Comparison Analysis

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

A summary of the elements of comparison follows.

Transaction Adjustments

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

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

The adjustments are discussed as follows:

Real Property Rights Conveyed

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

Financing Terms

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

The transactions were all cash or cash equivalent transactions, except Sale 4, requiring no adjustment. Sale 4 was seller financed at market terms and no adjustment is warranted.

Conditions of Sale

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

All of the sales were confirmed as arm's length transactions with no distress characteristics. No adjustments for conditions of sale are applied.

Expenditures Made Immediately After Purchase

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

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

Land Sales 1 through 6 require no adjustment for expenditures made immediately after purchase.

Market Conditions Adjustment

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

The sales have occurred from June 2017 through March 2019. Brokers report improving market conditions with low vacancy in the northwest and stabilized rents, although industrial land sale activity and new construction has been stagnant or reserved for owner-users. No adjustments for changing market conditions are indicated for the data set.

Property Adjustments

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

The adjustments are discussed as follows:

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

The subject site has frontage along the I-10 Frontage Road, which is desirable for ease of access and exposure. Sales 1 through 3 are located in areas proximate to the interstate, but have more interior locations with inferior exposure, though Sale 1 benefits from collector street frontage. Upward adjustments are applied to Sales 1 and 2. The adjustment to Sale 3 is more than offset by its location in a more established and built up industrial park and less circuitous access to the interstate. A net downward adjustment applies. Sale 4 has circuitous interior access but has visibility and frontage along Kino Parkway with proximity to Interstate-10. Furthermore, the surrounding area has more commercial retail appeal. A downward adjustment for location is warranted for Sale 4.

The size adjustment identifies variances in the physical size of the comparables and the subject. Typically, all other characteristics being equal, the larger a parcel, the lower the sale price per unit. This inverse relationship is due, in part, to the principle of "economies of scale." The subject site contains 3.16 net acres. The smaller Sales 1, 2 and 4 receive downward adjustments. Sale 3 is considered competitive in size and no additional adjustment is warranted.

All of the sales, except Sale 2, had generally level topography with all utilities available, and developable sites. The septic on Sale 2 did not pass inspection and connection to the sewer line less

than a block away would be required. The subject lacks water and sewer. Estimated costs to obtain these services would vary depending on the needs of the user. A subjective downward adjustment is applied to all of the sales, loosely based on the estimated cost ranges discussed within the Site Analysis in relation to the size of the subject parcel. The adjustment to Sale 2 is partially offset due to probable sewer connection costs.

The appraisal is subject to the extraordinary assumption that a 40 foot easement encumbering the sewer line along the western border of the site will be recorded prior to any property exchange. Additionally, there is a small fenced monitoring well on the site and three injection wells. While individually these encumbrances are small and mostly located near the borders of the site, they cumulatively result in decreased design flexibility and potential nuisance from outside entities entering onto the site to service the wells. A downward adjustment is applied to all of the sales.

The subject and all of the sales have a highest and best use for investment or industrial development. All of the sales are zoned to permit industrial development. No further adjustments apply.

No non-realty items are relevant to the analysis.

Summary of Adjustments

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

The unadjusted sale prices for comparable Sales 1 through 4 ranged from \$3.00 to \$5.03/S.F. After adjustments, the range of indicated values is narrow between \$2.51 to \$2.70/S.F. Brokers report wide ranges of sale prices as the market works through inventory. The adjusted sales indicate a market value of \$2.65/S.F. Multiplying the subject 137,606 S.F. by \$2.65/S.F. yields a value range of \$364,656. The 'as is' market value conclusion is rounded to \$360,000, the nearest \$10,000.

Land Sale Adjustment Grid

	Sale 1	Sale 2	Sale 3	Sale 4
Location	910 W Glenn St	2549 W Poppy Ave	NW Grant & Fairview Rd (aka 964, 985 & 986 W Fairview Business Park Pl)	3588 S Campbell Ave
Date	6/17	8/17	3/18	3/19
Sale Price	\$200,000	\$200,000	\$720,000	\$176,500
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Cash	Cash	Cash Equiv.	Seller Carryback
Conditions of Sale	Typical	Typical	Typical	Typical
Expenditures after Sale	\$0	\$0	\$0	\$0
Expenditures after Sale/SF	\$0.00	\$0.00	\$0.00	\$0.00
Acres	1.30	1.53	4.14	0.81
Land SF	56,417	66,776	180,206	35,114
Zoning	I-1	CI-1	I-1	I-1
In Flood Plain?	No	No	No	No
Intended Use	Industrial Development	Investment	Owner-user Body Shop	Industrial Development
Price/SF Land	\$3.55	\$3.00	\$4.00	\$5.03
Transactional Adjustments				
Property Rights Conveyed	0	0	0	0
Financing Terms	0	0	0	0
Conditions of Sale	0	0	0	0
Expenditures after Sale	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Price/SF	\$3.55	\$3.00	\$4.00	\$5.03
Market Conditions Adjust.	0	0	0	0
Adjusted Price/SF	\$3.55	\$3.00	\$4.00	\$5.03
Property Adjustments				
Location	+5%	+10%	-15%	-20%
Physical Characteristics				
Size	-10%	-10%	0	-10%
Shape/Topo/Utilities	-10%	0	-10%	-10%
Easements/ Encumbrances	-10%	-10%	-10%	-10%
Economic Characteristics	0	0	0	0
Zoning/Allowable Use	0	0	0	0
Non Realty Components	0	0	0	0
Indicated Value/SF	\$2.66	\$2.70	\$2.60	\$2.51

Reconciliation

Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

Value Indications and Conclusions

	As Is Value
Valuation Date	June 16, 2019
Market Value, Fee Simple, "as is"	\$360,000

To reach a final opinion of value, we considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach.

The sales comparison approach is typically important in the estimate of market value for a property of this type. This approach is considered in both the listing of the property for sale, as well as the purchase of the property by an informed and prudent purchaser. Sales of industrial land parcels were confirmed and the data is rated average. Brokers report very few comparable land sales indicative of market values.

Analysis of Recent Transactions

There have been no recent transactions involving the subject property.

Exposure Time

Exposure time may be defined as: the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The opinion of exposure time may be expressed as a range and can be based on one or more of the following:

- Statistical information about days on market;
- Information gathered through sales verification; and
- Interviews of market participants.

The reasonable marketing time is an opinion of the amount of time it might take to sell a real property interest at the concluded market value level during the period immediately after the effective date of an appraisal. The opinion of marketing time may be a range and can be based on one or more of the following:

- Statistical information about days on market;
- Information gathered through sales verification;
- Interviews of market participants; and
- Anticipated changes in market conditions.

The marketing time is a function of price, time, use, and anticipated market conditions, such as changes in the cost and availability of funds, and is not an isolated opinion of time alone. Marketing and exposure times were each estimated at 12 months or less.

General Assumptions and Limiting Conditions

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

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

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

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

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

survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.

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

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

Certification

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

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

14. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
15. All conclusions and opinions concerning the real estate that are set forth in the appraisal were prepared by the Appraisers whose signature(s) appears on the appraisal, unless indicated as "Review Appraiser".
16. No change of any item in the appraisal report shall be made by anyone other than the Appraiser(s), and the Appraiser(s) shall have no responsibility for any such unauthorized change.
17. Carolyn Van Hazel has provided previous services, as an appraiser, regarding the subject property within the three years prior to this assignment; prior appraisal completed of a larger 5.01 acre parcel encompassing the subject dated June 7, 2018.

By 

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

Addenda

Glossary

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

Absolute Net Lease

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

Additional Rent

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

Amortization

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

As Is Market Value

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

Base (Shell) Building

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

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

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

Building Common Area

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

Building Rentable Area

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

Certificate of Occupancy (COO)

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

Common Area (Public) Factor

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

Common Area Maintenance (CAM)

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

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

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

Condominium

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

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

Conservation Easement

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

Contributory Value

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

Debt Coverage Ratio (DCR)

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

Deed Restriction

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

Depreciation

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

Disposition Value

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

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

- An adequate marketing effort will be made during the exposure time specified by the client;
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement

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

EIFS

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

Effective Date

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

Effective Gross Income (EGI)

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

Effective Rent

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

EPDM

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

Escalation Clause

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

Estoppel Certificate

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

Excess Land

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

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

Expense Stop

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

Exposure Time

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

Extraordinary Assumption

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

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

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

Full Service (Gross) Lease

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

Going Concern Value

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

Gross Building Area

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

Gross Measured Area

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

Gross Up Method

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

Gross Retail Sellout

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

Ground Lease

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

Ground Rent

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

HVAC

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

Highest and Best Use

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

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

Hypothetical Condition

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

Industrial Gross Lease

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

Insurable Value

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

Investment Value

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

Just Compensation

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

Leased Fee Interest

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

Leasehold Interest

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

Lessee (Tenant)

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

Lessor (Landlord)

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

Liquidation Value

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

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

Loan to Value Ratio (LTV)

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

Major Vertical Penetrations

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

Market Rent

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

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is

not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value As If Complete

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

Market Value As If Stabilized

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

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary)

Master Lease

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

Modified Gross Lease

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

Operating Expense Ratio

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

Option

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

Partial Interest

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

Pass Through

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

Potential Gross Income (PGI)

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

Prospective Future Value Upon Completion

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

Prospective Future Value Upon Stabilization

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

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

Replacement Cost

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

Reproduction Cost

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

Retrospective Value Opinion

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

Sandwich Leasehold Estate

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

Sublease

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

Subordination

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

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

Substantial Completion

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

Surplus Land

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

Triple Net (Net Net Net) Lease

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

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

Usable Area

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

Value-in-Use

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

Appraisal Contract



6061 E. Grant Road
Suite 121
Tucson, AZ 85712
520-321-0000 phone
520-290-5293 fax
valbridge.com

Date: June 4, 2019

Mr. Jeff Teplitsky
Appraisal Supervisor
Pima County Real Property Services
201 N Stone Avenue, Floor 6
Tucson, AZ 85701

Sent by e-mail: Jeffrey.Teplitsky@pima.gov

Re: Real Property Appraisals
Two properties owned by Harvey and Pima County in Tucson, Pima County, AZ

Dear Mr. Teplitsky:

I am submitting this proposal for an appraisal report regarding the property referenced above.

Two appraisal reports will be prepared. The reports will contain abbreviated descriptions of the market area and the subject properties and contain a summary of supporting factual data and analyses necessary to substantiate my conclusions, as well as pertinent exhibits and photographs. The intended users are Pima County, Pima County RPS and/or other designated parties with an interest in the subject property. The intended use is for potential exchange. Per your request, the reports will address the market value of the fee simple interest in the properties as of the current date. The scope of work will include completion of the Sales Comparison Approach only; the Income Capitalization and Cost Approaches will not be undertaken. The appraisal report will conform to the minimum written report requirements of Pima County Real Property Services.

My certification included in the appraisal report will be subject to the attached limiting conditions and to other specific and limiting conditions which will be set forth in the report if appropriate.

The total fee for the appraisal assignment will be \$2,200.

Upon the timely receipt of the necessary information, and the mutually-executed agreement, the report will be completed in approximately 3.0 weeks.

The client hereby agrees to pay an 18% per annum finance charge on any unpaid balance of the fee if payment is not received when due. Accounts which must be assigned to an outside agency for collection will be assessed a \$200.00 service charge. In case legal action is instituted to collect a past due balance, the above-named client promises to pay collection costs and such additional sums as the court may adjudge reasonable such as court costs, attorney fees, service of process, and any other costs necessary to effect judgment and enforce payment. Please make all checks payable to MJN Enterprises, Inc.

If this agreement is not signed by the client and returned to the appraisers within two days from the above date, the fees set forth herein may be subject to change. Further, the above-quoted fee agreement is subject to change by the appraisers upon inspection of the property or upon change in the client's requested services. Appraisers shall notify the client of any such change in fees prior to commencement of the work.

The parties agree that the estimated fee does not include any services or expenses other than those as set forth above. For example, post appraisal consultation, appearance at legal proceedings, research, analysis, preparation, and testimony for depositions or court appearances for any legal proceedings are not included services, unless specifically set forth above. Any such additional services requested by the client and expenses occasioned thereby are subject to an additional fee to be billed at \$200 per hour, excepting expert witness testimony and testimony within depositions which are billed at \$250 per hour.

Your acceptance of this proposal, as confirmed by your signature on this letter, will acknowledge your understanding and agreement with the terms of this assignment as set forth in this letter, including the document entitled "General Assumptions and Limiting Conditions." This contract is made solely with Valbridge | MJN Enterprises, Inc., an independent corporation.

If these terms expressed in this letter are acceptable to you, please date and sign this original letter and return it to me, together with your check covering the retainer fee made payable to MJN Enterprises, Inc. I am enclosing a signed copy of this letter for your records.

If any provision of this agreement is determined to be void or unenforceable by any court of proper jurisdiction, such determination shall not affect any other provision of this agreement held to be enforceable and all such enforceable provisions shall remain in full force and effect. Any actions or proceedings brought by anyone relating to or arising out of this agreement shall be brought in a court of proper jurisdiction in Pima County, Arizona. It is agreed that this agreement and the performance hereunder and all suits and legal proceedings hereunder shall be construed in accordance with and pursuant to the laws of the State of Arizona. This agreement represents the entire agreement between the parties and supersedes all prior written or oral agreements, negotiations, or representations.

This agreement shall be binding upon the heirs, successors, and assigns of the parties.

I look forward to being of service to you.

Respectfully submitted,

VALBRIDGE PROPERTY ADVISORS | TUCSON.



By: Carolyn Van Hazel, MAI
Certified General Real Estate Appraiser
State of Arizona, Certificate No. 31591
cvanhazel@valbridge.com

CLIENT ACCEPTED & APPROVED:

By  _____
Date 6/4/19

Qualifications

CAROLYN VAN HAZEL, MAI

State of Arizona Certified General Real Estate Appraiser, Certificate #31591

PROFESSIONAL EXPERIENCE

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

PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS

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

FORMAL EDUCATION

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

PROFESSIONAL EDUCATION

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

SCOPE OF PRACTICE

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

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

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

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

Department of Financial Institutions
State of Arizona

CGA - 31591

CAROLYN VAN HAZEL

has complied with the provisions of

This document is evidence that:
Arizona Revised Statutes, relating to the establishment and operation of a:
Certified General Real Estate Appraiser

and that the Superintendent of Financial Institutions of the State of Arizona has granted this license to transact the business of a:
Certified General Real Estate Appraiser

CAROLYN VAN HAZEL

This license is subject to the laws of Arizona and will remain in full force and effect until surrendered, revoked or suspended as provided by law.

Expiration Date : **December 31, 2019**

Signed in the Superintendent's office at 2910 North 44th Street, Suite 310,
in the City of Phoenix, State of Arizona, this 16th day of November, 2017.


Robert D. Charlton
Superintendent



Comprehensive Valuation and Advisory Services

Valbridge specializes in appraising all types of property and land:

- Office buildings and properties
- Industrial buildings and properties
- Retail buildings and properties
- Apartments, multifamily, senior living buildings and properties
- Hotel, lodging, hospitality, recreational buildings and properties
- Other special-purpose buildings and properties

SPECIALTY SERVICES

- Portfolio valuation
- Real estate market and feasibility analysis, including rent and demand studies and site analysis and selection
- Property and lease comparables, including lease review
- Due diligence
- Property tax assessment analysis and property tax appeals
- Valuations and analysis of property for right-of-way, eminent domain, easements
- REO and foreclosure evaluation
- Valuations of property for financial reporting, including goodwill impairment, impairment or disposal of long-lived assets, fair value and leasehold valuations
- Valuation of property for insurance, estate planning and trusteeship, including fractional interest valuation for gifting and IRS purposes
- Litigation support, including expert witness testimony
- Business and partnership valuation and advisory services, including partial interests



Company Information on Valbridge Property Advisors

- // Valbridge is one of the Top 3 national commercial real estate valuation and advisory services firms based on:
 - Total number of MAIs (200 on staff)
 - Total number of office locations (68 across the U.S.)
 - Total number of staff (650+ strong)

- // Valbridge covers the U.S. from coast to coast.

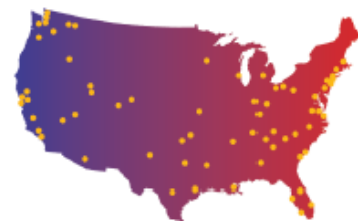
- // Valbridge services all property types, including special-purpose properties.

- // Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.

- // Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.

- // Valbridge is owned by our local office leaders.

- // Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.



Independent Valuations for a Variable World

valbridge.com



Valbridge
PROPERTY ADVISORS

OFFICE LOCATIONS

ALABAMA

4732 Woodmere Boulevard
Montgomery, AL 36106
334-277-5077

ARIZONA

6061 E. Grant Road
Suite 121
Tucson, AZ 85712
520-321-0000

CALIFORNIA

4915 Calloway Drive
Suite 101
Bakersfield, CA 93312
661-587-1010

1370 N. Brea Boulevard
Suite 255
Fullerton, CA 92835
714-449-0852

2613 Coffee Road
Suite E-2
Modesto, CA 95355
209-569-0450

99 S. Lake Avenue
Suite 21
Pasadena, CA 91101
626-744-0428

10301 Placer Lane
Suite 100
Sacramento, CA 95827
916-361-2509

55 South Market Street
Suite 1210
San Jose, CA 95113
408-279-1520

3160 Crow Canyon Place
Suite 245
San Ramon, CA 94583
925-327-1660

COLORADO

5345 Arapahoe Avenue
Suite 7
Boulder, CO 80303
303-443-9600

562 Highway 133
Carbondale, CO 81623
970-340-1016

CONNECTICUT

6 Central Row
Third Floor
Hartford, CT 06103-2701
860-246-4606

17 High Street
Suite 214
Norwalk, CT 06851
203-286-6520

FLORIDA

2240 Venetian Court
Naples, FL 34109
239-514-4646

FLORIDA (cont'd.)

603 Hillcrest Street
Orlando, FL 32803
407-839-3626

1100 16th Street N
St. Petersburg, FL 33705
727-894-1800

2711 Poinsettia Avenue
West Palm Beach, FL 33407
561-833-6331

GEORGIA

2675 Paces Ferry Road
Suite 145
Atlanta, GA 30339
678-644-4853

IDAHO

1459 Tyrell Lane
Suite B
Boise, ID 83706
208-336-1097

1875 N. Lakewood Drive
Suite 100
Coeur d'Alene, ID 83814
208-292-2965

INDIANA

820 Fort Wayne Avenue
Indianapolis, IN 46204
317-687-2747

KANSAS

10990 Quivira Road
Suite 100
Overland Park, KS 66210
913-451-1451

KENTUCKY

214 South 8th Street
Suite 200
Louisville, KY 40202
502-585-3651

LOUISIANA

512 North Causeway Boulevard
Metairie, LA 70001
504-833-8234

7607 Fern Avenue
Suite 104
Shreveport, LA 71105
318-797-0543

MARYLAND

6240 Old Dobbin Lane
Suite 140
Columbia, MD 21045
410-423-2300

MASSACHUSETTS

21 Muzzey Street
Suite 2
Lexington, MA 02421
781-652-0700

MICHIGAN

1442 Brush Street
Detroit, MI 48226
313-986-3313

2127 University Park Drive
Suite 390
Okemos, MI 48864
517-336-0001

MINNESOTA

120 South 6th Street
Suite 1650
Minneapolis, MN 55402
612-253-0650

NEVADA

3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702-242-9369

NEW JERSEY

2740 Route 10 West, Suite 204
Morris Plains, NJ 07950
973-970-9333

3500 Route 9 South, Suite 202
Howell, NJ 07731
732-807-3113

NEW YORK

424 West 33rd Street
Suite 630
New York, NY 10001
212-268-1113

NORTH CAROLINA

412 E. Chatham Street
Cary, NC 27511
919-859-2666

4530 Park Road, Suite 100
Charlotte, NC 28209
704-376-5400

OHIO

1655 W. Market Street
Suite 130
Akron, OH 44313
330-899-9900

8291 Beechmont Ave.,
Suite B
Cincinnati, OH 45255
513-785-0820

1422 Euclid Avenue
Suite 1070
Cleveland, OH 44115
216-367-9690

OKLAHOMA

6525 N. Meridian Avenue
Suite 309
Oklahoma City, OK 73116
405-603-1553

6666 South Sheridan Road
Suite 104
Tulsa, OK 74133
918-712-9992

OREGON

8220 SW Warm Springs Street
Suite 100
Tualatin, OR 97062
503-620-0881

PENNSYLVANIA

150 S. Warner Road
Suite 440
King of Prussia, PA 19406
215-545-1900

4701 Baptist Road
Suite 304
Pittsburgh, PA 15227
412-881-6080

SOUTH CAROLINA

610 N. Main Street
Greenville, SC 29601
864-233-6277

800 Main Street
Suite 220
Hilton Head Island, SC 29926
843-342-2302

1250 Fairmont Avenue
Mt. Pleasant, SC 29464
843-884-1266

TENNESSEE

112 Westwood Place
Suite 300
Brentwood, TN 37027
615-369-0670

701 Broad Street
Suite 209
Chattanooga, TN 37402
423-285-8435

213 Fox Road
Knoxville, TN 37922
865-522-2424

6750 Poplar Avenue
Suite 706
Memphis, TN 38138
901-753-6977

TEXAS

Two Energy Square
4849 Greenville Avenue
Suite 1495
Dallas, TX 75206
214-446-1611

974 Campbell Road
Suite 204
Houston, TX 77024
713-467-5858

2731 81st Street
Lubbock, TX 79423
806-744-1188

111 Soledad
Suite 800
San Antonio, TX 78205
210-227-6229

UTAH

260 South 2500 West
Suite 301
Pleasant Grove, UT 84062
801-492-9328

1100 East 6600 South
Suite 201
Salt Lake City, UT 84121
801-262-3388

20 North Main
Suite 304
St. George, UT 84770
435-773-6300

VIRGINIA

656 Independence Parkway
Suite 220
Chesapeake, VA 23320
757-410-1222

7400 Beaufort Springs Drive
Suite 300
Richmond, VA 23225
804-672-4473

5107 Center Street
Unit 2B
Williamsburg, VA 23188
757-345-0010

WASHINGTON

18728 Bothell Way, NE
Suite B
Bothell, WA 98011
425-450-4040

2927 Colby Avenue
Suite 100
Everett, WA 98201
425-258-2611

419 Berkeley Avenue
Suite A
Fircrest, WA 98466
253-274-0099

8378 W. Grandridge Boulevard
Suite 110-D
Kennewick, WA 99336
509-221-1540

506 Second Avenue
Suite 1001
Seattle, WA 98104
206-209-3016

324 N. Mullan Road
Spokane Valley, WA 99206
509-747-0999

WISCONSIN

12660 W. North Avenue
Brookfield, WI 53005
262-782-7990

Each Valbridge office is independently owned and operated.

CORPORATE OFFICE

2240 Venetian Court
Naples, FL 34109

239-325-8234 phone
239-325-8356 fax

valbridge.com