

**AN APPRAISAL REPORT**

**OF**

**39,347 SQUARE FEET OF VACANT LAND**

**WRAPPING AROUND THE NORTHWEST CORNER OF GRANT  
ROAD AND THE I-10 FRONTAGE ROAD  
PIMA COUNTY, ARIZONA**

**FOR**

**ADOT RIGHT OF WAY OPERATIONS – APPRAISAL  
ADOT MAIL ROOM  
1655 W. JACKSON STREET  
PHOENIX, AZ 85007**

**ADOT PARCEL: L-T-136  
APPRAISAL ASSIGNMENT NO.: JW-21-006  
PROJECT: M6975 01X  
HIGHWAY: CASA GRANDE- TUCSON HIGHWAY  
SECTION: PRINCE RD. – SPEEDWAY BOULEVARD  
ORDER NO: PO 0000260062  
OWNERSHIP: STATE OF ARIZONA  
TAX PARCEL NUMBER: 107-07-016E**

**EFFECTIVE DATE OF APPRAISAL  
NOVEMBER 16, 2020**

**DATE OF REPORT  
DECEMBER 14, 2020**

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

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

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December 14, 2020

Mr. Jim Walcutt  
ADOT Right of Way Operations- Appraisal  
ADOT Mail Room  
1655 W. Jackson Street  
Phoenix, AZ 85007

RE: An appraisal report of 39,347 square feet of vacant land located wrapping around the northwest corner of Grant Road and the I-10 Frontage Road, in Tucson, Pima County, Arizona

*Appraisal Assignment No:* JW-21-006  
*Project:* M6975 01X  
*Order:* PO 0000260062  
*Highway:* Casa Grande – Tucson Highway  
*Section:* Prince Rd. – Speedway Boulevard  
*Parcel:* L-T-136  
*Tax Parcel Code:* 107-07-016E  
*Ownership:* State of Arizona  
*Effective Date of Appraisal:* November 16, 2020  
*Date of Report:* December 14, 2020

Dear Mr. Walcutt:

In response to your authorization, I have conducted the required inspection, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the market value of the fee simple interest in the above-named property. This report is intended for use only by the intended users, the officials and agents of the Federal Highway Administration and the Arizona Department of Transportation involved in the subject property. Use of this report by others is not intended by the appraiser. This report is intended only for use in assisting in decision making purposes regarding potential disposition of the subject property. It is not intended for any other use.

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

I have formed the opinion that, as of the effective date of the appraisal, November 16, 2020, in its “as is” condition, based on a six to twelve month market period, and subject to the assumptions and limiting conditions set forth in the report, the subject property has a market value of:

TWO HUNDRED SIXTEEN THOUSAND FIVE HUNDRED DOLLARS  
(\$216,500)

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

Respectfully submitted,



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

C207941

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## APPRAISAL ABSTRACT - PART I

### CLIENT

Arizona Department of Transportation  
Right-of-Way Operations Section

### APPRAISER

Sara R. Baker, MAI, SRA

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

### SUBJECT PROPERTY

A parcel containing 39,347 square feet of vacant land, located wrapping around the northwest corner of Grant Road and the I-10 Frontage Road, in Tucson, Pima County, Arizona.

### LAND AREA

39,347 square feet (per information provided by the State of Arizona)

### ZONING

I-1, City of Tucson

### LEGAL DESCRIPTION

A portion of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter of Section 35, Township 13 South, Range 13 East, G&SRB&M, Pima County, Arizona.

### OWNERSHIP

According to public records of the Pima County Assessor, title to the subject property is in the name of the State of Arizona, according to Sequence Number 20193650335 dated December 31, 2019. This was a recording of a judgement and was not a market transaction.

### SALES/LISTING HISTORY

No known market sales of the subject property have occurred within the last five years. A recording dated December 31, 2019 was a recording of a judgement regarding ownership of the property but this was not a sale of the subject. There were no market sales within the previous five years. No current listings, options, or agreements of sale of the subject property were discovered in the course of this analysis. However, the property owner intends to make the property available for sale in the future.

### TAX PARCEL NUMBER

107-07-016E

**FULL CASH VALUE**

\$234,666 (2020)

\$234,666 (2021)

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

**LIMITED CASH VALUE**

\$215,600 (2020)

\$226,380 (2021)

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

**REAL ESTATE TAXES**

There are currently no property taxes as the property is owned by the State of Arizona.

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

**DELINQUENT TAXES**

None

**SPECIAL ASSESSMENTS**

None

**LIMITING CONDITIONS**

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

**PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to provide the appraiser's opinion of the market value of the subject real property as of the effective date of the appraisal, November 16, 2020.

**MARKET VALUE DEFINITION**

*Market value*, as utilized in this appraisal, and as defined in Arizona Revised Statute 28-7091 is as follows:

For the purposes of this article, "market value" means the most probable price estimated in terms of cash in the United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser,

buying with knowledge of all the uses and purposes to which it was adapted and for which it was capable.

**INTENDED USE AND USER OF REPORT**

This report is intended for use only by the intended users, the officials and agents of the Federal Highway Administration and the Arizona Department of Transportation involved in the subject property. Use of this report by others is not intended by the appraiser. This report is intended only for use in assisting in decision making purposes regarding potential disposition of the subject property. It is not intended for any other use.

**INTEREST VALUED**

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

**EFFECTIVE DATE OF APPRAISAL**

November 16, 2020

**DATE OF INSPECTION**

November 16, 2020

## SCOPE OF THE APPRAISAL - PART II

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

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

This appraisal assignment has been completed in response to authorization by the Arizona Department of Transportation, in a contract executed by Sara R. Baker, MAI, SRA, for Baker, Peterson, Baker and Associates, Inc. The assignment includes appraisal of the property herein described, and the preparation of a report which describes the property being appraised, analyzes appropriate data, and offers an opinion of the market value of the property as of the effective date specified in the report. The appraisal is prepared and reported according to the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute, and the Arizona Department of Transportation Appraisal Standards and Specifications.

This report is intended for use only by the intended users, the officials and agents of the Federal Highway Administration and the Arizona Department of Transportation involved in the subject property. Use of this report by others is not intended by the appraiser. This report is intended only for use in assisting in decision making purposes regarding potential disposition of the subject property. It is not intended for any other use. The purpose of the appraisal is to provide the appraiser's opinion of the market value in fee simple interest of a specific property which has been previously identified in this report, and is referred to as the subject property, the subject, or the property.

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

An opinion of the “highest and best use” of the property was formed, utilizing resources to identify such factors as land use, supply and demand, governmental requirements, environmental concerns, and economic elements, present and anticipated, which may impact upon the marketability of the property.



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

The cost approach is not applicable as this property consists of vacant land. The income approach is not applicable as this type of land is typically not leased.

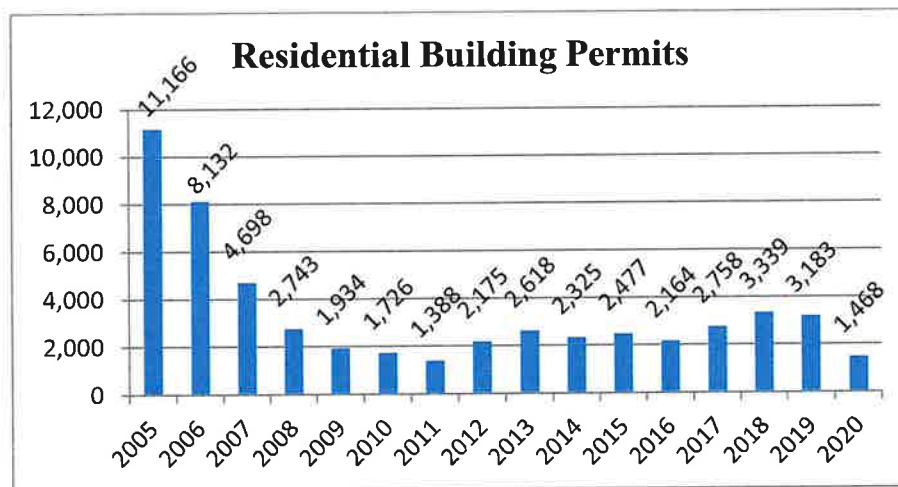
The sales comparison approach provided an opinion of the market value of the subject property to arrive at a final opinion of market value. To develop the opinion of value, the appraiser performed an appraisal process as defined by the Uniform Standards of Professional Appraisal Practice. This appraisal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

## DESCRIPTION OF REAL ESTATE APPRAISED - PART III

### TUCSON OVERVIEW:

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

Starting in 2006, fewer single-family residential permits were issued due to the current oversupply of lots and residential homes on the market. According to the United States Census Bureau, Building Permits Survey, the number of single-family residential permits declined through 2011. There was limited new single-family construction since 2008, with the decline continuing through 2011, with a small increase in 2012. The number of permits remained mostly stable with some slight variations since 2013, and increased slightly in 2017 and again in 2018. The number of permits was mostly stable in 2019. The first five months of 2020 permits were consistent with previous years. It is unknown how the number of permits in the near future will be affected by the ongoing Covid-19 pandemic.



Overall, housing permits and sales had been increasing and a period of substantial growth occurred during 2004 and 2005 with unprecedented price increases experienced for most areas of Tucson. Building permit activity declined steadily in the Tucson Metropolitan area from a peak in 2005 of 11,166 to a low of 1,388 in 2011 for all new single-family residential construction residential building permits, according to the United States Census Bureau, Building Permits Survey. This was due in part to the difficulty in obtaining financing and, to a larger extent, a decrease in demand from primary home buyers and speculative home purchases by out of state buyers and an oversupply of available homes on the market, resulting in declining home prices. The number of housing permits increased slightly in 2012 and 2013 and then remained relatively stable. In recent years, the number of permits has remained mostly stable with a slight increase in 2017 and 2018. The 2020 data is for the first five months of the year. In the immediate future, permits may be impacted by the Covid-19 pandemic.

### **Multi-Family Market**

Vacancy rates for apartment properties in the Tucson Metropolitan area peaked in 2009 before slowly declining. The chart below shows vacancy rates in metropolitan Tucson between Second Quarter 2008 and Second Quarter 2020.



The vacancy rate peaked in the Second Quarter 2009 and generally declined since that time. Vacancy rates for apartment properties typically increase in the second quarter of each year due to seasonal changes in population. The current rent levels for multi-family properties have remained generally stable with small increases in most sectors in many recent quarters. There has been limited demand for new construction, with the exception of student housing projects and some larger high-end Class A apartment complexes with many amenities. However, due to the Covid-19 pandemic and associated business shutdowns, some segments of the apartment market are predicted to soften in the short-term with increasing vacancy rates and a potential for decreasing rents in Class B and Class C apartments. Class A apartments are not expected to experience the same effects. Rent collection was also slightly lower for Class C apartments compared to Class A apartments in April through June 2020. It is uncertain how long and to what extent the apartment market will be impacted and what affect this may have on the apartment sale market. This will be affected by the length of business shutdowns, the severity and length of decline in GDP and the overall economy, and the severity of the increase in unemployment.

### **Office Market**

Overall, the Pima County leasable *office market* experienced net negative absorption of 28,143 square feet in the Second Quarter of 2020, according to *CoStar*. This compares to net negative absorption of 67,727 square feet in the First Quarter of 2020, net negative absorption of 103,120 square feet in the Fourth Quarter of 2019, positive absorption of 229,830 square feet in the Third Quarter of 2019, net positive absorption of 168,352 in the Second Quarter of 2019, net positive absorption of 211,446 in the First Quarter of 2019, net

negative absorption of 27,218 square feet in the Fourth Quarter of 2018, net positive absorption of 70,648 square feet in the Third Quarter of 2018, net positive absorption of 82,517 square feet in the Second Quarter 2018, and net positive absorption of 40,068 square feet in the First Quarter of 2018.

One new building containing 28,000 square feet were completed in the First Quarter of 2020. This compares to three new buildings containing 45,085 square feet in the First Quarter of 2020, two new buildings containing 33,341 square feet in the Fourth Quarter of 2019, two new buildings containing 206,737 in the Third Quarter 2019, two new buildings containing 330,300 square feet in the Second Quarter 2019, three new buildings totalling 205,000 square feet in the First Quarter 2019, one new building containing 14,952 square feet in the Fourth Quarter 2018, four new buildings containing 57,516 square feet in the Third Quarter 2018, one new building containing 61,000 square feet completed in the Second Quarter of 2018, and one new building containing 20,000 square feet completed in the First Quarter of 2018.

The following figure shows trends in the vacancy rates for office properties in Pima County between mid-2005 and Second Quarter of 2020. The vacancy rate increased until late 2013 and has declined since that time. The vacancy rate remained mostly stable in 2018 and the first part of 2019 before increasing at the end of 2019 through the second quarter of 2020.



The stable but higher overall annual vacancy rate indicates an office market which is coupled to the overall stable but slow real estate market. There was a decline in demand for owner/user office buildings, which had made up a majority of office sales in 2006 and 2007. Market conditions stabilized in 2013 and remained slow but stable through 2019. Market conditions for office properties had started to slowly improve, primarily for office properties in high demand areas and newer office buildings in good condition. Demand remained lower for older office buildings. It is uncertain the effects the Covid-19 pandemic will have on the office market and if these effects will be short-term. Possible effects in the near-term include

increased vacancy rates, decreased rents and leasing deals, and potential delays in construction starts. With many office employees currently working from home during the pandemic, it is not yet known if work from home will remain in demand when the pandemic slows, permanently impacting office trends and demand.

**Industrial Market**

Tucson experienced rapid *industrial* growth from the late 70's to the mid-80s. There has been limited new industrial space constructed recently in Tucson, with no new buildings completed in the Second Quarter of 2020, no new buildings in the First Quarter of 2020, one new building containing 157,000 square feet completed in the Fourth Quarter of 2019, four new buildings containing 286,434 square feet in the Third Quarter of 2019, two new buildings containing 906,900 square feet in the Second Quarter of 2019, no new buildings completed in the First Quarter of 2019, the Fourth Quarter of 2018, or the Third Quarter of 2018, two new buildings containing 306,966 square feet completed in the Second Quarter of 2018, and no new buildings completed in the First Quarter of 2018, according to *CoStar*. Many of the recently constructed buildings are larger buildings constructed for a specific user.

There was net negative absorption of 219,537 square feet in the Second Quarter of 2020. This compares to net negative absorption of 13,087 square feet in the First Quarter of 2020, net negative absorption of 37,187 square feet in the Fourth Quarter of 2019, net negative absorption of 324,676 square feet in the Third Quarter of 2019, net positive absorption of 1,197,300 square feet in the Second Quarter of 2019, net negative absorption of 27,432 square feet in the First Quarter of 2019, net negative absorption of 1,203 square feet in the Fourth Quarter 2018, net positive absorption of 310,355 square feet in the Third Quarter 2018, net positive absorption of 286,613 square feet in the Second Quarter 2018, and net positive absorption of 24,184 square feet in the First Quarter 2018, according to *CoStar*.

The following chart shows trends in the industrial/flex vacancy rate in Tucson from Second Quarter 2005 through Second Quarter 2020, according to *CoStar*.



Overall, the industrial vacancy rate increased through late 2012. The vacancy rate declined from late 2012 through the first part of 2019 before increasing slightly in the second half of 2019. The industrial market had stabilized but there were not yet signs of significantly increased prices. There continues to be a large supply of fully zoned and improved industrial lots available in the Tucson market with limited demand in the current market. In March 2020, the Covid-19 pandemic led to a shutdown of many businesses. It is not yet known what extent this pandemic will impact the industrial real estate market, although it is projected that the industrial market may be less significantly impacted and will recover more quickly than other markets. There may potentially be long-term impacts due to changing demand for warehouses and cold storage due to potential changes in supply chains and delivery and storage models.

### ***Retail Market***

*Retail* space had maintained more constant levels of growth and absorption, with decreasing vacancy rates observed prior to mid-2007. In general, the market turned down starting at the end of 2007. Some signs for a decline in market conditions includes contracts cancelled, development projects put on hold with reasons including reduced demand and increased competition of other developments coming out of the ground, offers and counter offers at considerably below the listing price, listings being repriced at lower levels, existing tenants looking for rental relief, businesses closing their stores and vacating the premises, and excess developed land without demand. In recent years, demand had increased for many types of retail properties and remained stable for less desirable retail uses. In March 2020, the Covid-19 pandemic impacted the world. With many businesses temporarily closed, there is anecdotal evidence of many retail tenants not paying rent in April 2020. However, the effects on the retail real estate market are not yet known, with demand remaining for some retail uses that remained open. Some sales and leases in process continued, with others temporarily paused. It is not known how long any impacts will continue, and the extent to which this will impact sale prices and rents. While the vacancy rate may increase in the short term, it is currently too soon to see these impacts.

There was net positive absorption of 63,365 square feet in the Second Quarter of 2020, according to *CoStar*. This compares to net negative absorption of 34,152 square feet in the First Quarter of 2020, net positive absorption of 92,942 square feet in the Fourth Quarter of 2019, net negative absorption of 53,635 square feet in the Third Quarter of 2019, net positive absorption of 64,570 square feet in the Second Quarter of 2019, net negative absorption of 171,303 square feet in the First Quarter of 2019, net positive absorption of 178,618 square feet in the Fourth Quarter of 2018, net positive absorption of 144,704 square feet in the Third Quarter of 2018, net positive absorption of 235,232 square feet in the Second Quarter of 2018, and net positive absorption of 376,239 square feet in the First Quarter 2018.

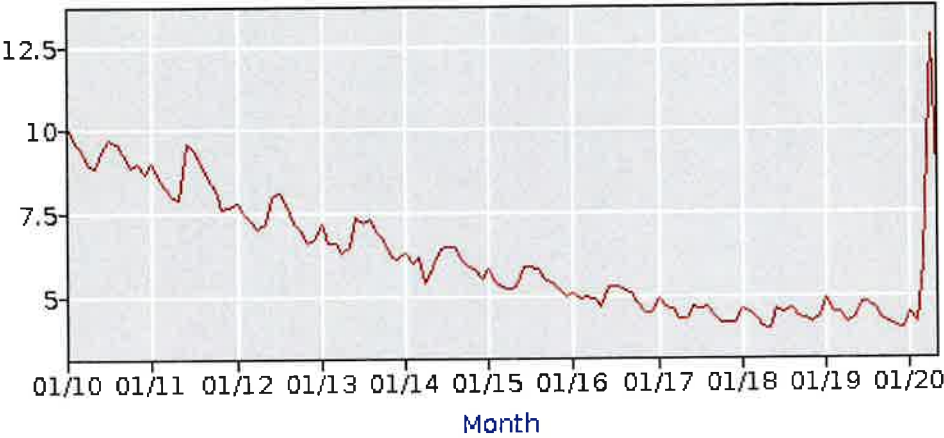
The following shows trends in the vacancy rate for retail properties in the Tucson market between Second Quarter 2005 and Second Quarter 2020, according to *Costar*.



This chart shows that the vacancy rate for retail properties increased through mid-2012. The retail vacancy rate declined since that time. Most recently, there was a decline though 2018, with a slight increase in the vacancy rate from late 2018 through the first quarter of 2020. The retail market has stabilized and prices and rents were increasing in high demand areas or for high demand property types, although there remains little demand for older retail properties in low demand areas. The Covid-19 pandemic may potentially impact the retail market in the short-term, although the extent and length of any impact is currently unknown.

In the Second Quarter 2020, ten new buildings containing 28,939 square feet were completed. This compares to eleven new buildings containing 62,783 square feet in the First Quarter of 2020, six new buildings containing 29,862 square feet in the Fourth Quarter of 2019, 14 new buildings containing 77,860 square feet in the Third Quarter of 2019, six new buildings containing 16,232 square feet in the Second Quarter of 2019, ten new buildings containing 87,989 square feet in the First Quarter of 2019, nine new buildings containing 114,424 square feet in the Fourth Quarter of 2018, fourteen new buildings containing 182,955 square feet in the Third Quarter 2018, thirteen new buildings containing 227,232 square feet in the Second Quarter of 2018, and eighteen new buildings containing 196,508 square feet in the First Quarter of 2018.

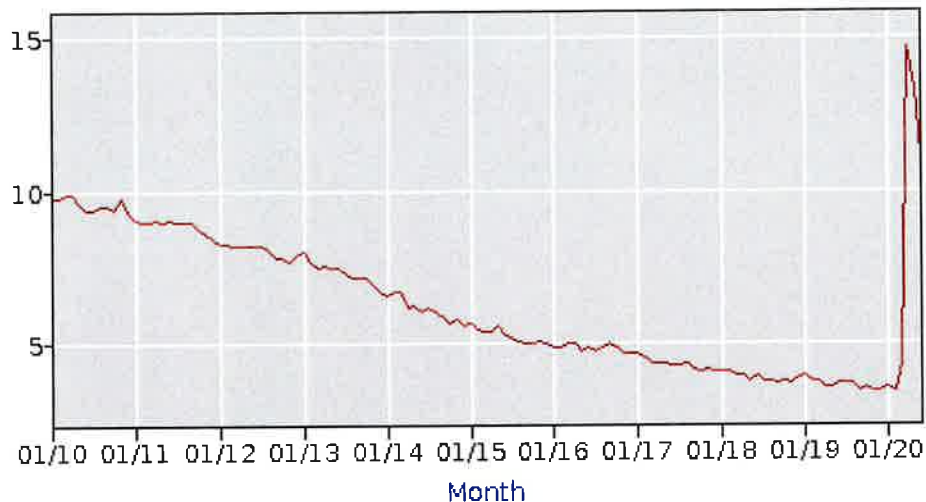
According to the Bureau of Labor Statistics, the unemployment rate for metropolitan Tucson was as follows:



This data shows that the unemployment rate in the Tucson metropolitan area has slowly been declining since early 2010. There was a slow steady decline in the unemployment rate over several years. However, the unemployment rate (not seasonally adjusted) was stable in 2019 with an increase early in the year. Due to the shutdown of many businesses due to Covid-19, unemployment began to increase significantly in mid-March 2020. The unemployment rate peaked at 12.8% in April and declined to 8.4% in May 2020. Areas with significant increases in unemployment include hospitality, restaurant, and retail jobs, although many job categories have seen increases in unemployment. It is uncertain how long it will take employment to recover.



According to the United States Department of Labor, Bureau of Labor Statistics, the national seasonally adjusted unemployment rate also increased through late 2009. The unemployment rate remained high and started to decline slowly in late 2010. The unemployment rate has declined and is below 2007 levels. The seasonally adjusted unemployment rate was 3.5% in February 2020 and 4.4% in March 2020. This increased to a peak of 14.7% in April 2020, then declined slightly to 13.3% in May 2020 and 11.1% in June 2020.



Overall, the commercial real estate markets reveal that most investors held a cautionary but improving outlook due to continued oversupply of available space in many markets which adversely affects tenants, owners and investors, and the continuing uncertainty of the government conditions. The stabilizing supply and demand fundamentals will result in slowly improving values. In the short term, market conditions are unstable and projected to decline for at least some property types in the immediate future due to impacts of Covid-19. As of the end of the first half of 2020, there was not yet evidence of declining market conditions including decreasing prices and rents as the effects of the pandemic are not yet known. The market appears to be on “pause” as market participants wait to see the impact of the pandemic and businesses shutdown. Many real estate deals already in progressing are closing, with others put on hold or cancelled. It is hoped that economic improving growth will be seen by the third quarter of 2020 but this is uncertain. However, it is projected that declines will be short-term, with good prospects for Tucson in the long term. The long-term result should be a more balanced level of supply and demand - more conducive to steady long-term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.

## **MARKET AREA**

The subject market area is located on Tucson's west side has the approximate boundaries of I-10 to the east, Greasewood Road to the west, the Miracle Mile alignment to the north, and Congress to the south. Major east-west arterials include Grant Road, Speedway, St. Marys/Anklam, and Congress. Major north-south arterials include Greasewood Boulevard and Silverbell Road.

The market area comprises a variety of uses, including single-family residences and commercial uses such as retail and office uses. Residential uses are primarily located in established communities of smaller lot homes. These residential subdivisions are located throughout the market area.

Commercial uses such as office and retail are primarily located along major arterials. St. Marys Hospital is located in the western portion of the market area and serves as the hospital for the market area. There are numerous medical buildings on the hospital campus as well as nearby that want to be located near the hospital. The Pima Community College West Campus is located in the western portion of the market area. The El Rio Golf Course is located in the market area. There is some industrial development in the market area, particularly at the north end along Grant Road. Other commercial uses include retail shopping centers and restaurants located throughout the market area on major arterials. Sentinel Peak ("A" Mountain) is located directly southwest of the market area. Overall demand in the market area is stable. There is adequate access within and to the market area.

## **SITE DESCRIPTION**

The site is an irregular flag-shaped property wrapping around the northwest corner of Grant Road and the I-10 frontage road. The property has an access strip with 35.50 feet of frontage on Grant Road and a depth of 181.94 feet. The main portion of the property is a backage area, triangular in shape, and located north of Grant Road with approximately 333 feet of frontage on the I-10 frontage road right-of-way. This portion of the property has a depth of about 275 feet on the western property line and a width of about 200 feet on the southern boundary. The site contains a total area of 39,347 square feet (0.90 acres). The property has access from Grant Road through the access strip portion of the property. However, visibility of the main portion of the property is limited as the main area is a backage area with no direct frontage and a building on the adjacent parcel that blocks visibility of the developable area of the subject property. There would be some limited visibility from Grant Road from the east or west. The property has some visibility from the I-10 frontage road; however, there is no access from the I-10 frontage road. Grant Road is a four-lane, asphalt-paved roadway with center left turn lanes, concrete curbs, sidewalks, and streetlights in the vicinity of this property. Grant Road has a 2019 traffic count of 31,170 vehicles per day west of this site. The I-10 frontage road is a one-way (east-bound) two-way roadway that widens to a four-lane roadway at the south end of the property at the intersection with Grant Road. The east-bound I-10 frontage road has a 2019 traffic count of 2,647 vehicles per day in the vicinity of this site. The topography of the majority of the subject property is mostly level. However, the topography in the area is sloping to the southwest. This property is below grade of the I-10 frontage road. The western edge of the subject property contains a retaining wall, and this property is several feet above grade of the property to the west. Soil conditions appear to be

typical of the area. Properties bordering the subject property include commercial uses (including a Waffle House and a former service station building) followed by Interstate-10 to the east, commercial uses to the south, an ADOT facilities site to the west, and I-10 to the north.

Utilities available to the property include electric (Tucson Electric Power Company), telephone (CenturyLink), water (City of Tucson Water Company), and sewer (Pima County Wastewater Management). Any development of the site would require an engineering study to determine the availability and adequacy of utilities.

According to FEMA Flood Insurance Rate Map 04019C1688L, dated June 16, 2011, approximately 40% of the property of the land (eastern and central portions) is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain (see Exhibits). The remainder of the property is located in an area designated as Shaded Zone X, in an area of 500-year flood. The property is in a seismic zone which is considered to have a low probability of seismic activity. The northernmost portion of the property contains a utility easement. There is an electric line over this area with a pole in the northernmost corner of the property. There is a gas easement in the southern and eastern portions of the developable portion of the property. These are located within areas that would be used for setback requirements and no buildings would be constructed in this area. No habitable structures can be developed in the easement areas. However, there is adequate land area in the center of the property, outside of the easement areas, that could be developed with a building. It appears that the southernmost portion of this property, including the easement area, has been fenced off with a chain link fence. This fence appears to not be along the property line but to have been constructed further into the property. Therefore, the property owner would be able to move this fencing to the property line. Additionally, a gate with a Southwest Gas lock has been placed at the entrance to the property adjacent to Grant Road. This was not constructed by the subject property, and would therefore likely be removed by the property owner.

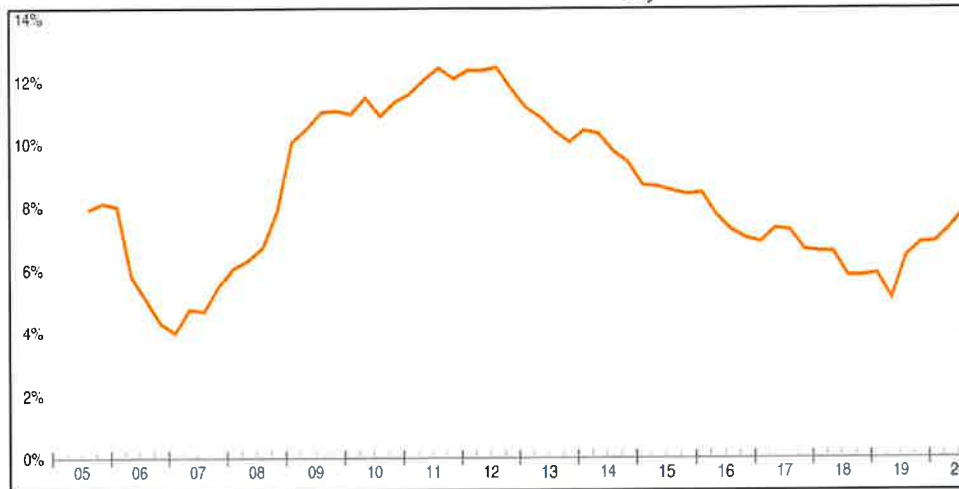
#### **ZONING**

The subject property is zoned I-1 according to the City of Tucson zoning code. The purpose of this zone is to provide for industrial uses that do not have offensive characteristics, in addition to the land uses allowed in more restrictive nonresidential zones. The I-1 zoning allows for commercial, industrial, and manufacturing uses. No dwelling uses are permitted except for caretakers' residences. There is no minimum lot or site area. A maximum building height of 75 feet is permitted. Specific building setbacks for the subject vary depending on the type of uses allowed on adjacent sites.

## MARKET PROFILE - INDUSTRIAL

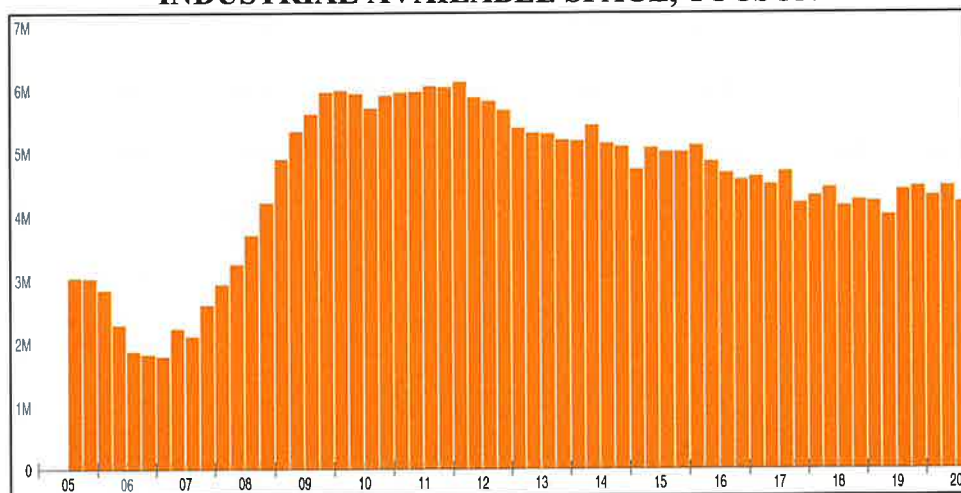
The following is the vacancy rate for industrial properties in the Tucson Market, according to CoStar. This data indicates that the vacancy rate for industrial properties increased from 2007, peaking in mid-2012. From the peak level the vacancy rate for industrial properties have trended downward through mid-2019. The industrial vacancy rate has increased slightly through the third quarter of 2020.

### INDUSTRIAL VACANCY RATE, TUCSON

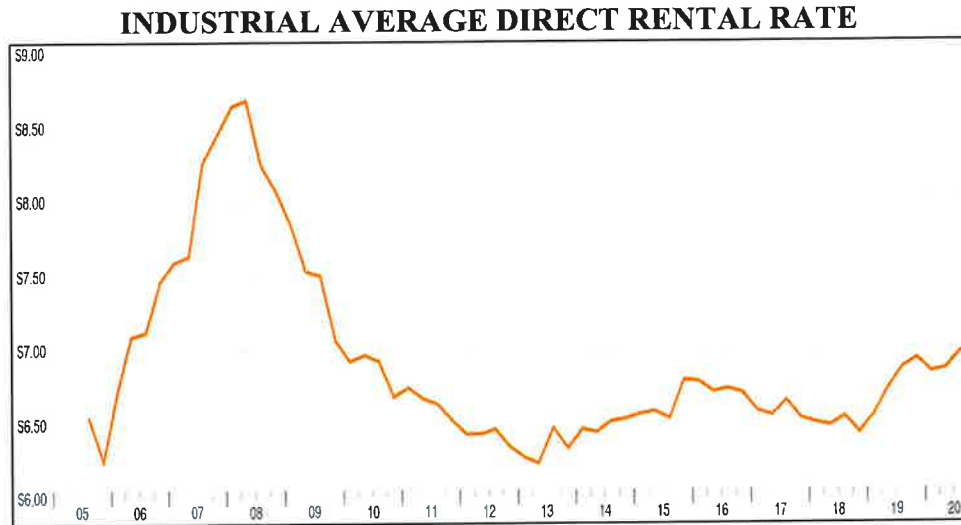


The following is the amount of available industrial space in the Tucson market, according to CoStar. This data indicates that the amount of available industrial space increased from 2005 to a peak level 2012. The amount of available industrial space began a slow downward trend occurring through the third quarter of 2020.

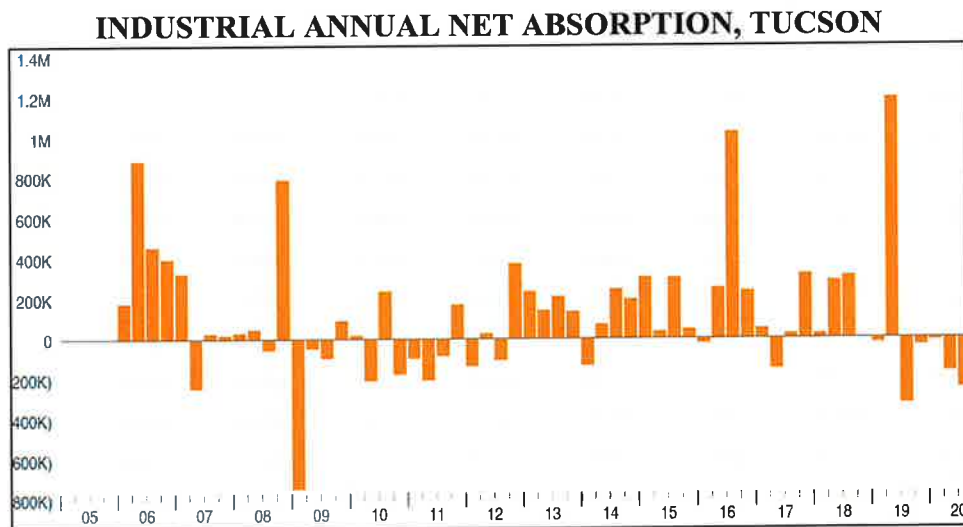
### INDUSTRIAL AVAILABLE SPACE, TUCSON



The following is the average direct rental rate for industrial properties in the Tucson market, according to CoStar. The average direct rental increased from 2005 to a peak level in early 2008. From the peak level in early 2008, the rental rate for industrial properties declined through 2013. From 2015 through the third quarter of 2020, rental rates for industrial properties in the Tucson market have generally trended upwards.

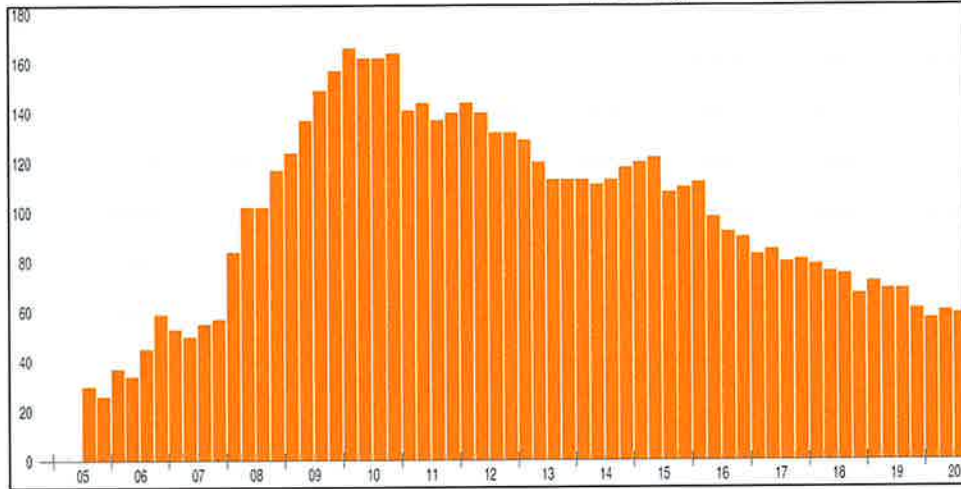


The following is the industrial net absorption rate in the Tucson Market, according to CoStar. There has been a mix of net positive and net negative absorption for industrial properties in the Tucson market between 2005 and the third quarter of 2020. However, there has been net negative absorption in the first three quarters of 2020.



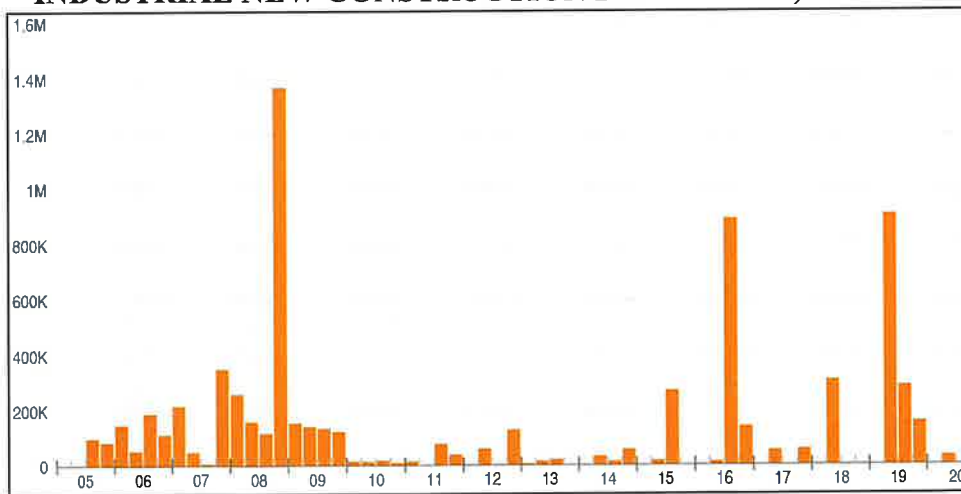
The following is the number of industrial properties listed for sale in the Tucson market, according to CoStar. The number of listings increased from 2005 to a peak level in 2010. From 2010 through the third quarter of 2020, the number of listings for industrial properties has been on a gradual downward trend.

**INDUSTRIAL LISTINGS FOR SALE, TUCSON**



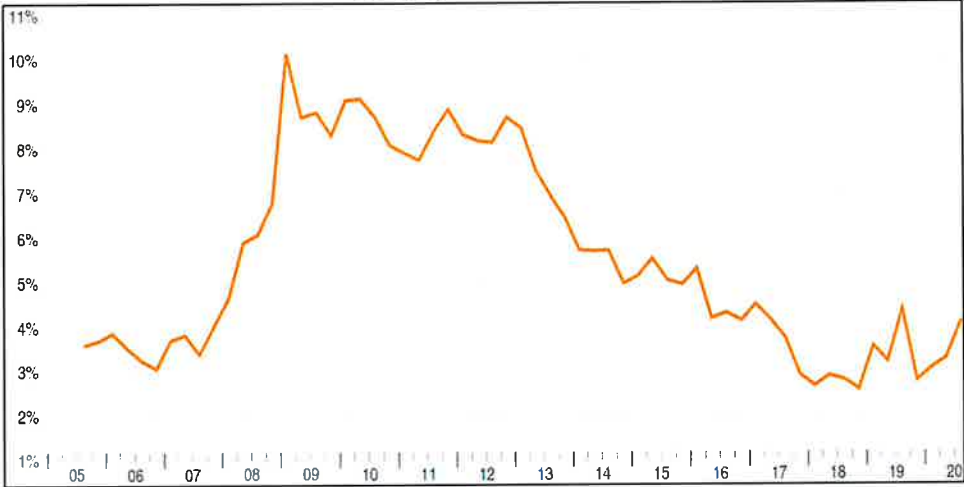
The following is the amount of new construction delivery of industrial space in the Tucson Market, according to CoStar. There has been limited new construction from 2010 through the third quarter of 2020 for industrial properties in the overall Tucson market. Although 2016 indicates an increase in new construction, the majority of this new construction was located in one large building that contained approximately 800,000 square feet of building area. As market conditions improve and the oversupply of existing properties is absorbed, it is expected that the number of buildings constructed will increase.

**INDUSTRIAL NEW CONSTRUCTION DELIVERIES, TUCSON**



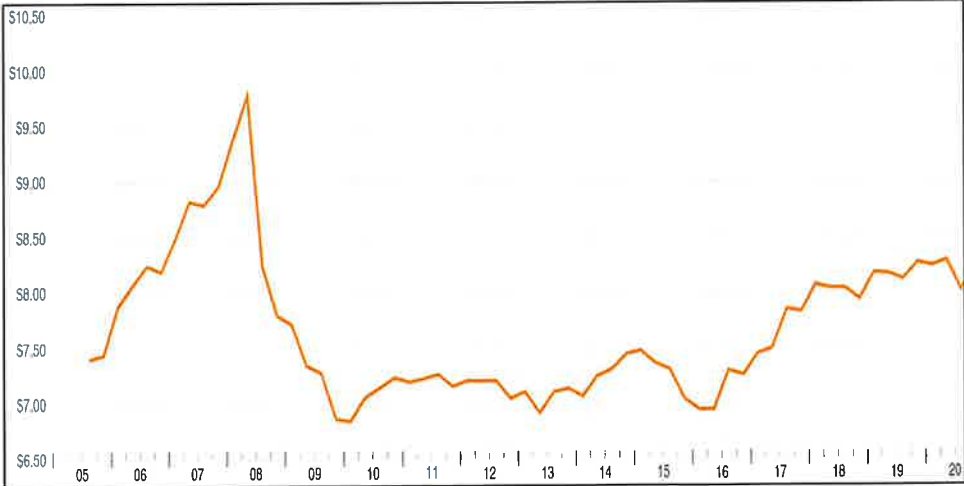
The following are the vacancy rates for industrial properties in the subject sector, Northwest, according to CoStar. This data indicates that the industrial vacancy rate in the subject sector increased from late 2007 to a peak level in 2009. After a slight decline, the vacancy rate was generally stable until late 2012, at which time the vacancy rate began to decline. The industrial vacancy rate was stable in 2018 and after some variations in 2019, there has been a slight increase in 2019.

**Industrial Vacancy Rate, Northwest Sector**



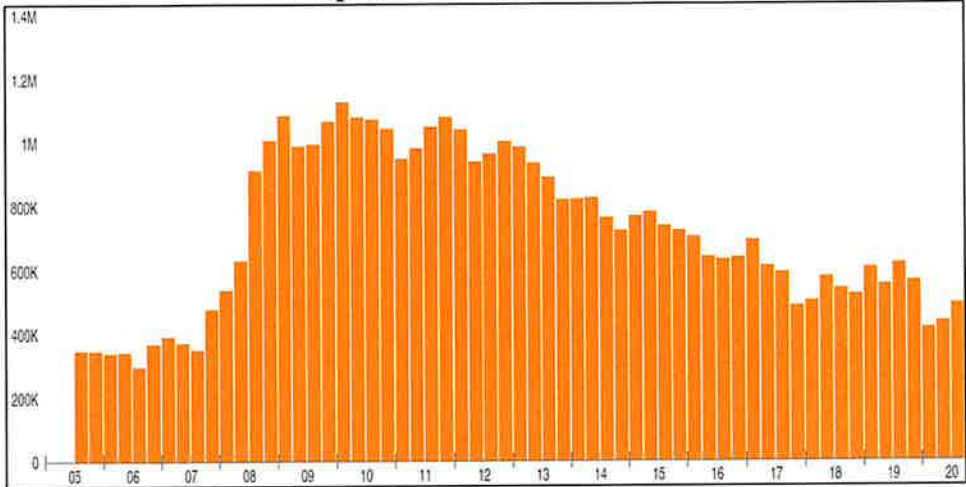
The following is the average rental rate for industrial properties within the subject sector, Northwest, according to CoStar. The average rental rate increased from 2005 through mid-2008. From the peak level, the rental rate in the sector declined sharply through 2009 and remained mostly stable through 2015. From 2016 through mid-2020, rental rates were gradually increasing, with a slight decrease in the third quarter of 2020.

**Industrial Rental Rates, Northwest Sector**



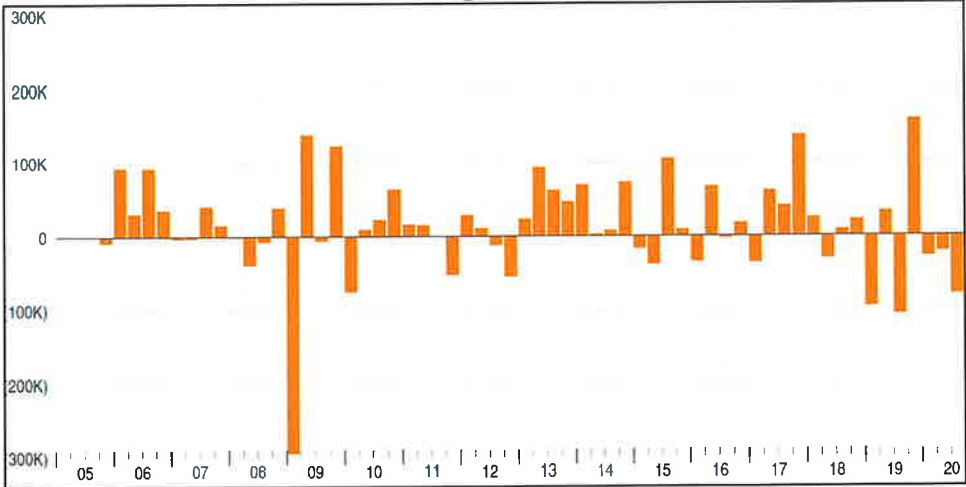
The following is the amount of industrial space available for lease within the subject Sector, Northwest, according to CoStar. This indicates that the amount of available space for lease increased from 2005 through 2008, where the available space for lease remained generally stable through 2013. The amount of available industrial space has gradually declined through 2017. After a slight increase, there was another decline in early 2020, with slight increases through the third quarter.

**Industrial Space For Lease, Northwest Sector**



The following is the industrial net absorption rate for the subject sector, Northwest, according to CoStar. There has been a mix of net positive and net negative absorption for industrial properties in the subject sector between 2005 and the third quarter of 2020. After mostly net positive absorption since 2013, there was a mix of net positive and net negative absorption in 2019 and net negative absorption in the first three quarters of 2020.

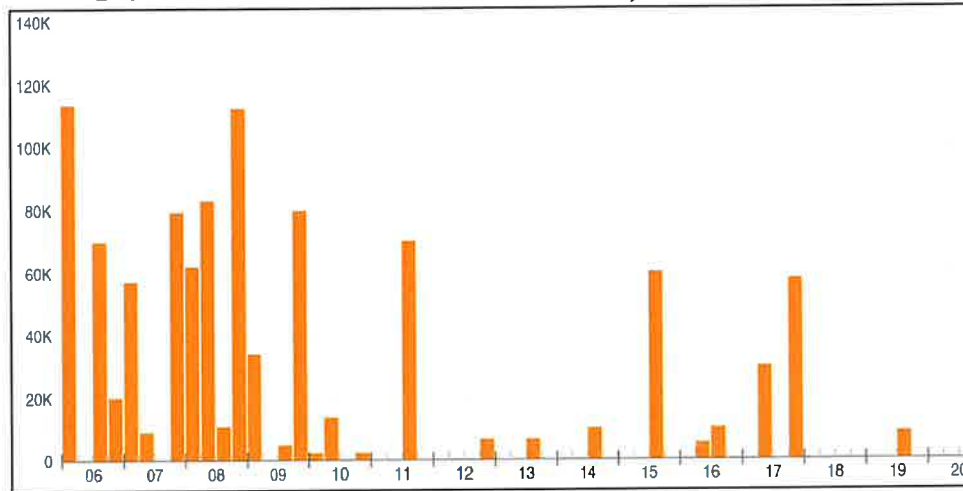
**Industrial Net Absorption, Northwest Sector**





The following is new industrial construction deliveries in the subject sector, Northwest, according to CoStar. After 2011, there has been limited new industrial construction deliveries in the subject sector through the third quarter of 2020, with the exception of 2015 and 2017 which saw an increase in new industrial construction deliveries. There were no new deliveries in the sector so far in 2020.

**Industrial New Construction Deliveries, Northwest Sector**



Overall, the Tucson commercial real estate market reveals that most investors had held a cautionary but improving outlook due to continued oversupply of available space in many markets which adversely affects tenants, owners and investors, and the continuing uncertainty of the government conditions. The stabilizing supply and demand fundamentals had resulted in slowly improving values over the past few years. The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The effect of the recent COVID-19 pandemic is unknown in the market as of the effective date of this appraisal because there is not yet sufficient data to support changes in market conditions. At this time, market conditions for this type of property remain generally static. It is not yet known how market conditions may be affected in the coming months. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal. The long-term result should be a more balanced level of supply and demand - more conducive to steady long term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.

## **EXPOSURE/MARKETING TIME**

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

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

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

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

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

## **HIGHEST AND BEST USE**

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

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

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

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

#### ***Legal Considerations***

The subject property is zoned I-1 according to the City of Tucson zoning code. The purpose of this zone is to provide for industrial uses that do not have offensive characteristics, in addition to the land uses allowed in more restrictive nonresidential zones. The I-1 zoning allows for commercial, industrial, and manufacturing uses. No dwelling uses are permitted

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

2. Ibid, p. 83

except for caretakers' residences. There is no minimum lot or site area. A maximum building height of 75 feet is permitted. Specific building setbacks for the subject vary depending on the type of uses allowed on adjacent sites.

### *Physical Considerations*

The site is an irregular flag-shaped property wrapping around the northwest corner of Grant Road and the I-10 frontage road. The property has an access strip with 35.50 feet of frontage on Grant Road and a depth of 181.94 feet. The main portion of the property is a backage area, triangular in shape, and located north of Grant Road with approximately 333 feet of frontage on the I-10 frontage road right-of-way. This portion of the property has a depth of about 275 feet on the western property line and a width of about 200 feet on the southern boundary. The site contains a total area of 39,347 square feet (0.90 acres). The property has access from Grant Road through the access strip portion of the property. However, visibility of the main portion of the property is limited as the main area is a backage area with no direct frontage and a building on the adjacent parcel that blocks visibility of the developable area of the subject property. There would be some limited visibility from Grant Road from the east or west. The property has some visibility from the I-10 frontage road; however, there is no access from the I-10 frontage road. Grant Road is a four-lane, asphalt-paved roadway with two center left turn lanes, concrete curbs, sidewalks, and streetlights in the vicinity of this property. Grant Road has a 2019 traffic count of 31,170 vehicles per day west of this site. The I-10 frontage road is a one-way (east-bound) two-way roadway that widens to a four-lane roadway at the south end of the property at the intersection with Grant Road. The east-bound I-10 frontage road has a 2019 traffic count of 2,647 vehicles per day in the vicinity of this site. The topography of the majority of the subject property is mostly level. However, the topography in the area is sloping to the southwest. This property is below grade of the I-10 frontage road. The western edge of the subject property contains a retaining wall, and this property is several feet above grade of the property to the west. Soil conditions appear to be typical of the area. Properties bordering the subject property include commercial uses (including a Waffle House and a former service station building) followed by Interstate-10 to the east, commercial uses to the south, an ADOT facilities site to the west, and I-10 to the north.

Utilities available to the property include electric (Tucson Electric Power Company), telephone (CenturyLink), water (City of Tucson Water Company), and sewer (Pima County Wastewater Management). Any development of the site would require an engineering study to determine the availability and adequacy of utilities.

According to FEMA Flood Insurance Rate Map 04019C1688L, dated June 16, 2011, approximately 40% of the property of the land (eastern and central portions) is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain (see Exhibits). The remainder of the property is located in an area designated as Shaded Zone X, in an area of 500-year flood. The property is in a seismic zone which is considered to have a low probability of seismic activity. The northernmost portion of the property contains a utility easement. There is an electric line over this area with a pole in the northernmost corner of the property. There is a gas easement in the southern and eastern portions of the developable portion of the property. These are located within areas that would

be used for setback requirements and no buildings would be constructed in this area. No habitable structures can be developed in the easement areas. However, there is adequate land area in the center of the property, outside of the easement areas, that could be developed with a building. It appears that the southernmost portion of this property, including the easement area, has been fenced off with a chain link fence. This fence appears to not be along the property line but to have been constructed further into the property. Therefore, the property owner would be able to move this fencing to the property line. Additionally, a gate with a Southwest Gas lock has been placed at the entrance to the property adjacent to Grant Road. This was not constructed by the subject property, and would therefore likely be removed by the property owner.

The physical characteristics of the subject property would allow for commercial development on the property such as a retail use or industrial use.

#### *Financial Feasibility*

The subject property could physically and legally be developed with uses such as a retail use or industrial use. However, uses would be limited by the lack of frontage on Grant Road of the developable portion of the property and the limited visibility of the property from Grant Road. The developable portion of the property is a backage parcel and there would be some limitations on visibility due to the Waffle House restaurant located in front of this property that would block the view of the property from Grant Road. The property also has only a 35-foot-wide access strip of land to provide access. This narrow access strip may be difficult to see for some users. Therefore, it is unlikely that the property would be developed with many retail uses that require good access and visibility. However, the property could be developed with a destination-oriented business that does not require better visibility or frontage on a major roadway such as Grant Road. This would include certain retail uses, industrial office or industrial retail uses that contain warehouse and retail or office, or contractor yard. The location near the I-10 and Grant Road interchange is a positive factor. However, due to the uncertainty in the market due to Covid-19, it is unlikely that the property would be immediately developed. It is more likely that the property would be held for short-term investment until market conditions stabilize in the near future, and then developed with a commercial/industrial use.

#### *Maximally Productive*

Therefore, the maximally productive highest and best use of the subject site is for short-term investment due to Covid-19, followed by development of a destination-oriented commercial/industrial use.

## SUMMARY OF ANALYSIS AND VALUATION - PART IV

### SALES COMPARISON APPROACH

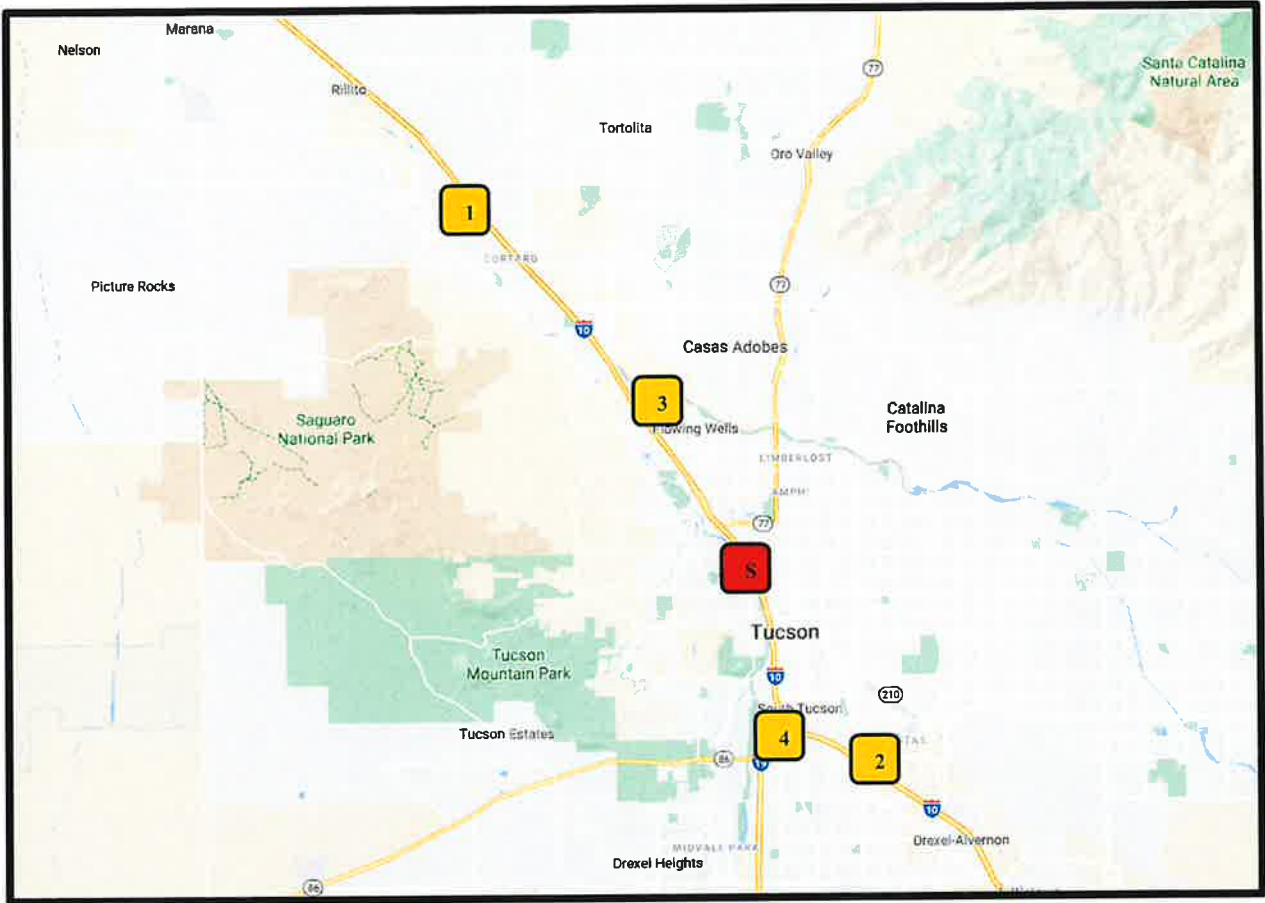
The sales comparison approach to value considers what a typical well-informed purchaser would pay for a property, based on an analysis of similar properties. This approach reflects the application of the principle of substitution, which affirms that when a property can be replaced, its value tends to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

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

**Table of Comparable Land Sales**

Sale No.	Sale Date	Property Location	Sale Price	Site Size (Sq. Ft.)	Price/ Sq. Ft.	Zoning
1.	06/16	West side of Tiffany Loop, north of Twin Peaks Road	\$570,000	107,593	\$5.30	F
2.	03/19	West side of Campbell Avenue, east side of Kino Parkway, north of Ajo Way	\$176,500	35,112	\$5.03	I-1
3.	09/19	South of Orange Grove Road, west of River Road, west of I-10	\$134,000	23,438	\$5.72	LI
4.	10/20	South of Silverlake Road, west of I-10	\$166,000	30,747	\$5.40	I-1
<b>Subject Property</b>				<b>39,347</b>		<b>I-1</b>

## COMPARABLE LAND SALE LOCATION MAP



**Subject:** Wrapping around the northwest corner of Grant Road and the I-10 Frontage Road

**Sale 1:** West side of Tiffany Loop, north of Twin Peaks Road

**Sale 2:** West side of Campbell Avenue, east side of Kino Parkway, north of Ajo Way, and I-10

**Sale 3:** South of Orange Grove Road, West of River Road, East of I-10

**Sale 4:** South of Silverlake Road, west of I-10

## COMPARABLE LAND SALES

LAND COMPARABLE NUMBER ONE (SALE)

ID: MAL 0312 F 7450

LOCATION: West side of Tiffany Loop, north of Twin Peaks Road

LEGAL DESCRIPTION: Lot 2, John Deere Marana, Pima County, Arizona

STATE TAX PARCEL: 226-08-0210

RECORD DATA: Fee number 2016-1590414

DATE OF SALE: June 7, 2016

SELLER: K.O.P.E. Real Estate II, LLC

BUYER: Groome Properties IV, LLC

CONFIRMED BY: Randy Emerson, listing broker (520-777-4949)  
TAB; November 14, 2017

LAND DESCRIPTION: This site is an irregular shaped interior property with about 515 feet of frontage on Tiffany Loop. The site has a maximum depth of about 335 feet along the north property line. Tiffany Loop has access to the I-10 frontage road from the Twin Peaks interchange, which is located to the south of this parcel. There is a Cortaro-Marana Irrigation District wellsite located at the south end of the site that is partially located within the south and east property lines of the parcel but not included in this parcel or this sale. Tiffany Loop is a two-lane, asphalt-paved roadway with no curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count available for Tiffany Loop in the vicinity of this site. The topography is level and at the existing street grade. All utilities are available to the site. According to FEMA Flood Insurance Rate Map 04019C1065L, dated June 16, 2011, a majority of the land is located in light shaded Zone X, in an area of 500-year flood. There is a narrow strip along the west property line that is located in Zone AE which is a Special Flood Hazard Area subject to inundation by the 1% annual chance flood with Base Flood Elevations determined. The majority of the property is in a riparian area of Xeroriparian D.

LAND SIZE: 107,593 square feet or 2.47 acres

ZONING: F (Town of Marana)

REPORTED SALE PRICE: \$570,000

PRICE PER SQ. FT.: \$5.30

MARKETING TIME: 246 days

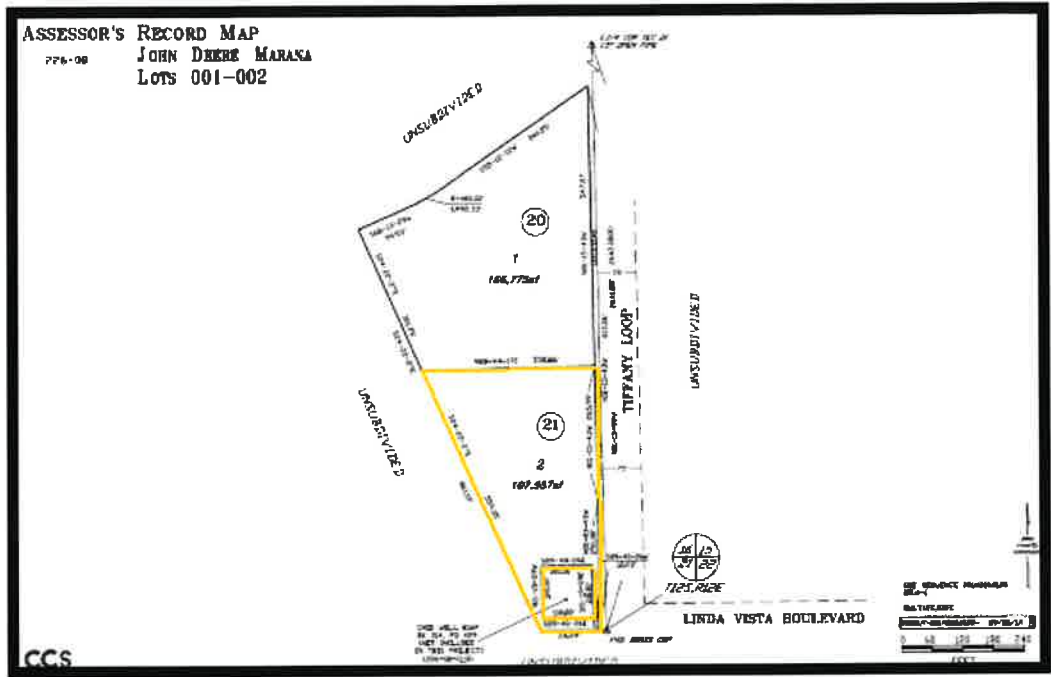
TERMS OF SALE: This was an all cash to the seller transaction.

PRIOR SALE: Records of the Pima County Assessor indicate that the property sold on December 6, 2013 for \$576,099 as part of a larger parcel. The property sold on October 14, 2014 for \$296,306 as part of another parcel. A transaction dated November 18, 2014 was a rerecording of a prior transaction. Improvements were made and a subdivision map recorded after these previous sales.

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

INTENDED USE: To utilize the property for an Arizona Shuttle Service shuttle transportation facility.





LOCATION: West side of Campbell Avenue, east side of Kino Parkway, north of Ajo Way, and I-10

LEGAL DESCRIPTION: A portion of the South Half of the Southeast Quarter of Section 30, Township 14 South, Range 14 East G&SRB&M, Pima County, Arizona

STATE TAX PARCEL: 132-13-0410

RECORD DATA: Fee number 20190630433

DATE OF SALE: March 4, 2019

SELLER: Layton A. McHenry

BUYER: Community Development Group, LLC

CONFIRMED BY: Tony Reed, listing broker (520-918-5189)  
TFH; March, 2019

LAND DESCRIPTION: This site is a mostly rectangular shaped property with approximately 265 feet of frontage on Campbell Avenue along the eastern property line and 236.97 feet of frontage on Kino Parkway along the western property line. The site has a depth of 140 feet along the southern property line. It is located on the east side of Campbell Avenue, the west side of Kino Parkway, and north of Ajo Way and I-10. Access to the site is from Campbell Avenue only. Campbell Avenue is a two-lane, asphalt-paved roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this site. There is no traffic count available for Campbell Avenue in the vicinity of this property. Kino Parkway is a six-lane, asphalt-paved roadway with concrete curbs, sidewalks, and streetlights in the vicinity of this property. Kino Parkway has a 2018 traffic count of approximately 29,300 vehicles per day in the vicinity of this site, according to the Pima Association of Governments. The property has visibility from Kino Parkway but no access from Kino Parkway. The topography is mostly level and at street grade. All utilities are available to the site. According to FEMA Flood Insurance Rate Map 04019C2287L, dated June

16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. The Greyhound wash runs through the southern portion of this property and has a 25-foot erosion hazard setback area. There can be no building development within the erosion hazard setback area.

LAND SIZE: 35,112 square feet, or 0.81 acres

ZONING: I-1, City of Tucson

REPORTED SALE PRICE: \$176,500

PRICE PER SQ. FT.: \$5.03

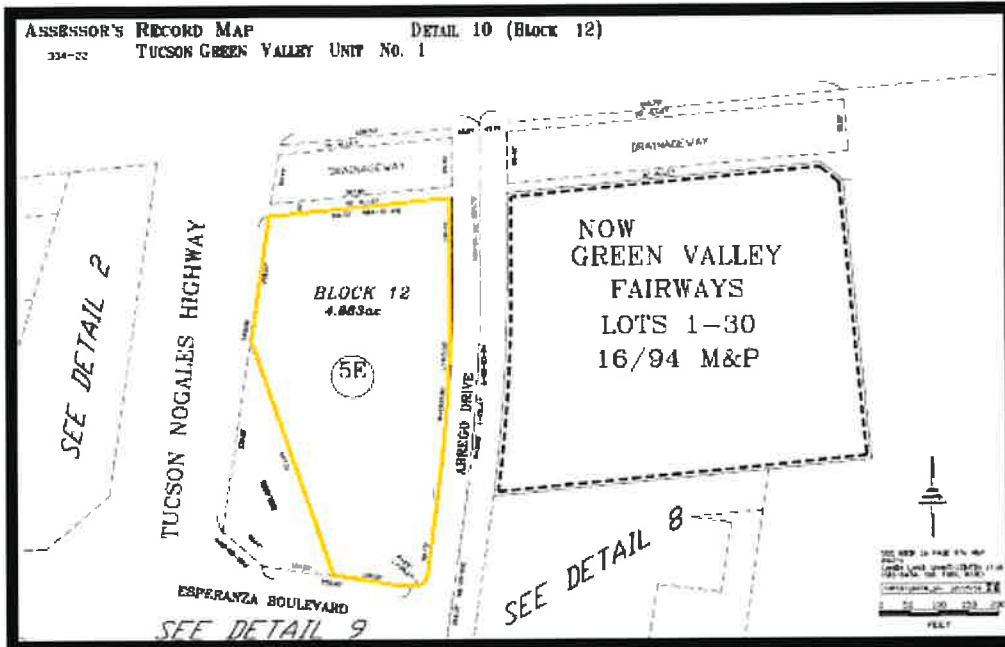
MARKETING TIME: 81 days

TERMS OF SALE: The terms of sale included a down payment in the amount of \$76,500 (43%), with the seller carrying back a note in the amount of \$100,000, payable at 6% interest, with interest only quarterly payments and a 2 year stop date. This was considered to be market terms and had no impact on the sale price.

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

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

INTENDED USE: Investment purposes with potential future development of a build-to-suit building.



LOCATION: South of Orange Grove Road, West of River Road, East of I-10

LEGAL DESCRIPTION: Lot 4, Orange Grove I-10 Plaza, Pima County, Arizona

STATE TAX PARCEL: 101-06-0620

RECORD DATA: Fee number 2019-2480360

DATE OF SALE: September 5, 2019

SELLER: The Schomac Group Inc.

BUYER: John R. Lopez as Trustee of the John R. Lopez Trust

CONFIRMED BY: Gordon Wagner, listing broker (520-398-5130)  
RMT; July, 2020

LAND DESCRIPTION: This site is an irregular shaped property with 98.08 feet of frontage on Travel Center Drive on the western property line. The site has a length of 134.10 feet on the eastern property line and a depth of 235.68 feet on the northern property line and a depth of 196.53 feet on the southern property line. Travel Center Drive is a two-lane, asphalt-paved roadway with concrete curbs and sidewalks, but no streetlights in the vicinity of this property. No traffic count is available for Travel Center Drive in the vicinity of this property. The topography is level. All utilities are available to the site. According to FEMA Flood Insurance Rate Map 04019C1660L, dated June 16, 2011, the land is located in Zone X (shaded) which are areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.

LAND SIZE: 23,438 square feet or 0.54 acres

ZONING: LI, Town of Marana

REPORTED SALE PRICE: \$134,000

PRICE PER SQ. FT.: \$5.72

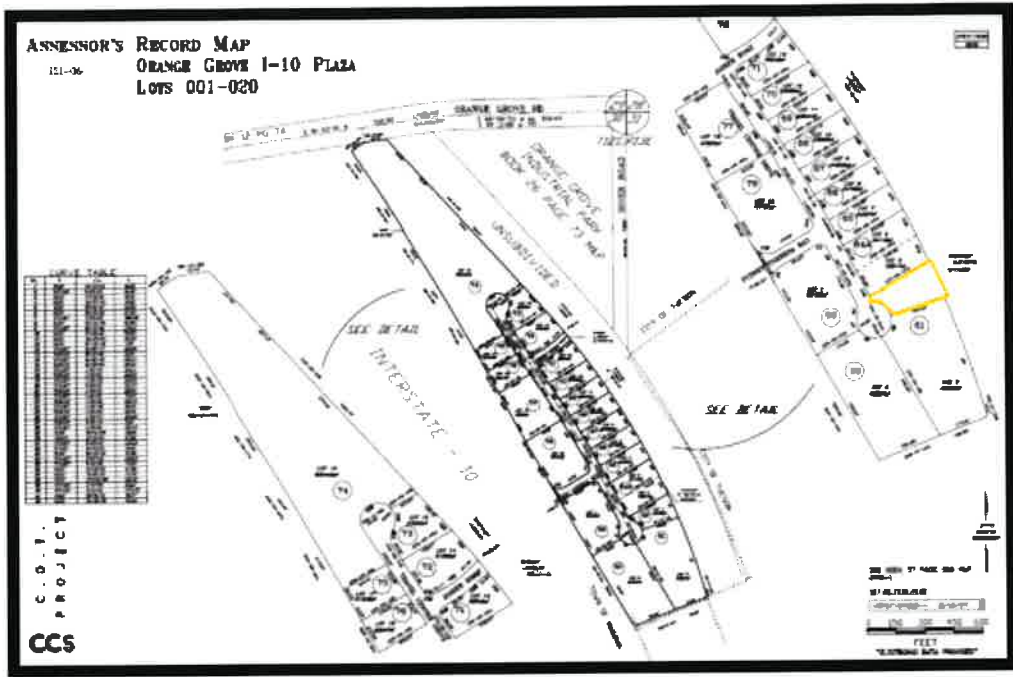
MARKETING TIME: 463 days

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

PRIOR SALE: Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation. There was an internal transfer dated July 19, 2019.

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

INTENDED USE: Investment



LOCATION: South of Silverlake Road, west of I-10

LEGAL DESCRIPTION: Lots 2 and 3, Final Block Plat of Silverlake Industrial Park Subdivision, Pima County, Arizona

STATE TAX PARCEL: Portion of 118-11-013G

RECORD DATA: Fee number 20202831035

DATE OF SALE: October 9, 2020

SELLER: Silverlake Properties, LLC

BUYER: Rustic Adobe Masonry, LLC

CONFIRMED BY: Walter Austin, seller (520-404-2320)  
DFO; November, 2020

LAND DESCRIPTION: This site is an irregular rectangular shaped backage property with a width of 142.75 feet on the southern property line and 216.10 feet and a depth of 170.05 feet on the eastern property line. The property has access from a shared access drive that provides access from Silverlake Road to the north down to these parcels. There is no visibility of the property from Silverlake Road. Silverlake Road is a four-lane, asphalt-paved roadway with a center turn lane, concrete curbs, sidewalks, and streetlights in the vicinity of this property. Silverlake Road has a 2019 traffic count of 15,808 vehicles per day in the vicinity of this site, according to the Pima Association of Governments. The topography is mostly level. All utilities are available to the site. According to FEMA Flood Insurance Rate Map 04019C2278L, dated June 16, 2011, with a LOMR dated March 3, 2017, the land is located in shaded Zone X in an area of 500-year flood. The Mission View Wash is located north of this property. The northern portion of the property is located in a local 100-year floodplain. The southern 45 feet of the property contains a cross parking and reciprocal access easement, with access and parking shared for this property, the adjacent properties to the east and west, and the property to the south. There is a similar



easement at the north end of the property to the south. There is a shared driveway and shared paved parking in this area. There are some underground utilities in this area including a water line easement and an electric easement. There is a drainage easement in the western portion of the subject property.

LAND SIZE: 30,747 square feet or 0.71 acres

ZONING: I-1, City of Tucson

REPORTED SALE PRICE: \$166,000

PRICE PER SQ. FT.: \$5.40

MARKETING TIME: Not available

TERMS OF SALE: The terms of sale included a down payment in the amount of \$33,200 (20%), with seller financing for the balance. This was reported to be at market terms and did not impact the sale price.

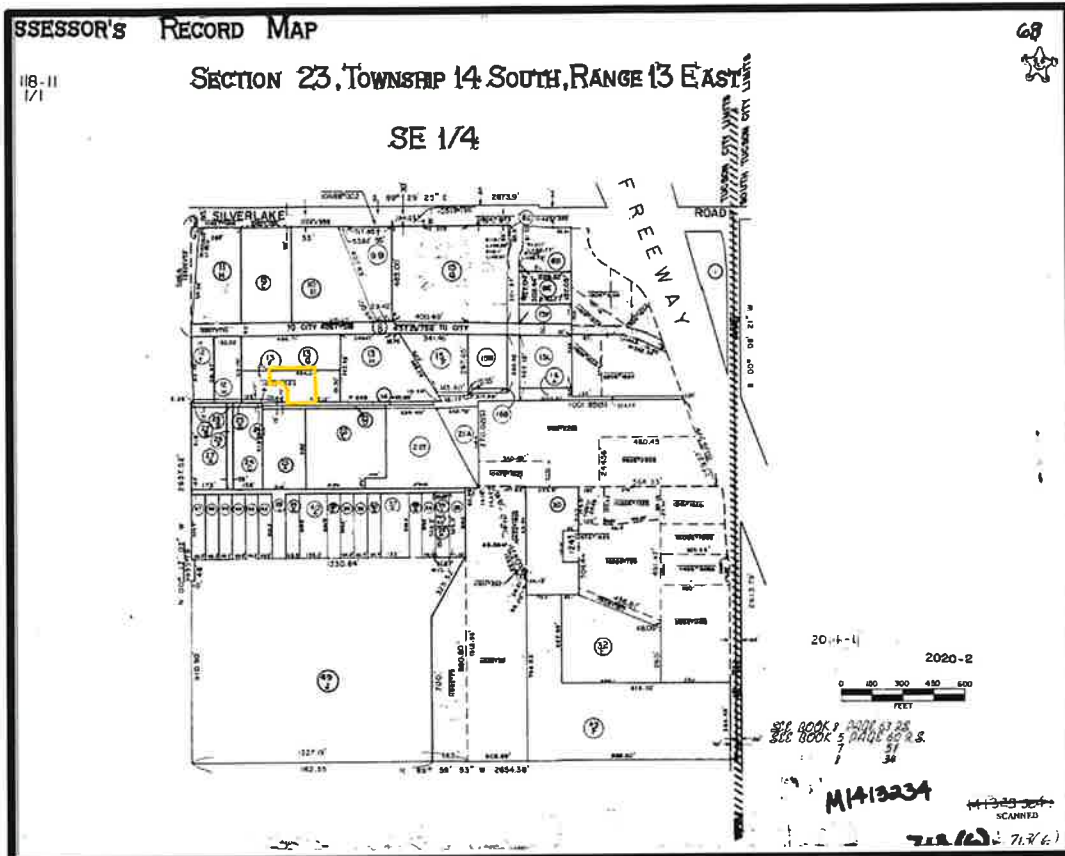
PRIOR SALE: Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation.

CONDITIONS OF SALE: This sale is reported to have occurred under normal market conditions. No brokers were involved in this sale and no commission was paid.

INTENDED USE: Contractor's yard

COMMENTS: The buyer was leasing the property for \$660 per month on a modified gross basis with a three-year lease and wanted to purchase the property. The sale price was negotiated in late 2019, and there was an extended escrow period while the seller obtained a minor land division to create four parcels out of a larger parcel. This was the sale of two of those parcels. The sale price was based upon a 2017 appraisal of the larger parcel, with a market conditions adjustment, with no brokers involved in this sale. The property was a fenced contractor's yard with shared common area drive and parking. There was contributory value to the improvements, which included asphalt paving and

parking, fencing, and grading. While the buyer could construct a building on the property, at this time the buyer intends to not construct a building but to continue to use the property as a contractor's yard.



(Property lines are approximate)



## COMPARABLE SALES ADJUSTMENT GRID

	<b>Subject</b>	<b>Comp 1</b>	<b>Comp 2</b>	<b>Comp 3</b>	<b>Comp 4</b>
<b>Sale Date</b>		06/2016	03/2019	09/2019	10/2020
<b>Site Size (Sq. Ft.)</b>	39,347	107,593	35,112	23,438	30,747
<b>Zoning</b>	I-1	F	I-1	LI	I-1
<b>Site Utility</b>	Fair-Avg	Superior	Superior	Superior	Inferior
<b>Sale Price</b>		\$570,000	\$176,500	\$134,000	\$166,000
<b>Price per Sq. Ft.</b>		\$5.30	\$5.03	\$5.72	\$5.40

*Summary of Adjustments*

<b>Unadjusted Price / Sq. Ft.</b>	\$5.30	\$5.03	\$5.72	\$5.40
<b>Property Rights</b>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$5.30	\$5.03	\$5.72	\$5.40
<b>Financing</b>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price	\$5.30	\$5.03	\$5.72	\$5.40
<b>Conditions of Sale</b>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>5%</u>
Adjusted Price	\$5.30	\$5.03	\$5.72	\$5.67
<b>Date/Market Conditions</b>	<u>10%</u>	<u>2%</u>	<u>1%</u>	<u>0%</u>
Adjusted Price	\$5.83	\$5.13	\$5.77	\$5.67
<b>Physical Adjustments (%)</b>				
Location/Visibility	10	15	10	10
Zoning	0	0	0	0
Site Size	5	0	-5	0
Site Utility	-15	-15	-15	5
Site Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>-15</u>
Net Adjustment	0%	0%	-10%	0%
<b>Indicated Value / Sq. Ft.</b>	<b>\$5.83</b>	<b>\$5.13</b>	<b>\$5.20</b>	<b>\$5.67</b>

This analysis compares four sales of similar vacant land parcels to the subject property on a price per square foot basis. This is the sale price divided by the square footage of the site. Sales prices range from \$5.03 to \$5.72 per sq. ft. before adjustment. The adjustment grid on the previous page reflects the adjustments. An upward adjustment indicates that the comparable is inferior to the subject; a downward adjustment indicates that the comparable is superior to the subject; and no adjustment (0) indicates the comparable is similar or equal to the subject.

*Comparable Sale One* requires an upward adjustment for date and market conditions as market conditions for this type of property improved between the date of this sale and the date of value. There is an upward adjustment for location/visibility as this property is located in an area with less demand than the subject property. There is an upward adjustment for site size as this property is larger than the subject property. Larger properties tend to sell for less on a price per square foot basis than larger properties, all else being equal. This sale warrants a downward adjustment for utility as this property has better utility than the subject due to the subject's irregular shape, access strip that is not developable, and easement areas. Additionally, the subject has a more irregular shape. Overall, this sale price per square foot indicates an upward adjustment in comparison to the subject property.

*Comparable Sale Two* requires an upward adjustment for date and market conditions as market conditions for this type of property improved between the date of this sale and the date of value. There is an upward adjustment for location/visibility as this property is located in an area with less demand and inferior access compared to the subject property. This is partially offset as this property has better visibility. There is a downward adjustment for utility as this property has better utility than the subject. The subject property has areas that cannot be developed due to the access strip and easements on the property. Additionally, the subject has a more irregular shape. Overall, this sale price per square foot indicates an upward adjustment in comparison to the subject property.

*Comparable Sale Three* requires an upward adjustment for date and market conditions as market conditions for this type of property improved between the date of this sale and the date of value. There is an upward adjustment for location/visibility as this property is located in an area with less demand than the subject property. There is a downward adjustment for site size as this property is smaller than the subject property. Smaller properties tend to sell for more on a price per square foot basis than smaller properties, all else being equal. This sale warrants a downward adjustment for utility as this property has better utility than the subject. The subject property has areas that cannot be developed due to the access strip and easements on the property. Additionally, the subject has a more irregular shape. Overall, this sale price per square foot indicates an upward adjustment in comparison to the subject property.

*Comparable Sale Four* requires an upward adjustment for conditions of sale as no brokers were involved with this sale and no commission was paid. There is an upward adjustment for location/visibility as this property is located in an area with less demand and visibility than the subject property. There is an upward adjustment for utility as this property is more

flood prone than the subject. This sale warrants a downward adjustment for site improvements as this property contained improvements that contributed some value, including asphalt paved driveway and parking, fencing, and grading. Overall, this sale price per square foot indicates an upward adjustment in comparison to the subject property.

*Sales Comparison Approach Summary.*

	Sale 1	Sale 2	Sale 3	Sale 4
Adjusted Sale Price / Sq. Ft.	\$5.83	\$5.13	\$5.20	\$5.67

These four comparable sales indicate a price range of \$5.13 to \$5.83 per square foot after adjustment. All of the comparable sales provide a reliable indicator of value. After analyzing the comparable sales, the conclusion of market value of the subject property by the sales comparison approach, as of November 16, 2020, is \$5.50 per square foot, times 39,347 square feet, equaling \$216,409, rounded to \$216,500.

**MARKET VALUE CONCLUSION**

Therefore, based on the above analysis and subject to the assumptions and limiting conditions contained in this report, the opinion of market value of the subject property, as of the effective date of the appraisal, November 16, 2020, is \$216,500.

OPINION OF MARKET VALUE OF SUBJECT PROPERTY,  
AS OF NOVEMBER 16, 2020:

TWO HUNDRED SIXTEEN THOUSAND FIVE HUNDRED DOLLARS  
(\$216,500)

**AUDIT BREAKDOWN:**

<b>MARKET VALUE OF LAND</b>	<b>\$216,500</b>
<b>MARKET VALUE OF IMPROVEMENTS</b>	<b>N/A</b>
<b>MARKET VALUE OF PROPERTY ACQUIRED</b>	<b>N/A</b>
<b>TOTAL PROPERTY VALUE</b>	<b>\$216,500</b>

Project No.: M6975 01X  
Parcel No.: L-T-136

I hereby certify:

That I personally inspected the property herein appraised, and that I have afforded the property owner the opportunity to accompany me at the time of inspection. I also made a personal field inspection of each comparable sale relied upon in making said appraisal. The subject and the comparable sales relied upon in making the appraisal were as represented by the photographs contained in the appraisal.

That I have given consideration to the value of the property the damages and benefits to the remainder, if any; and accept no liability for matters of title or survey. That, to the best of my knowledge and belief, the statements contained in said appraisal are true and the opinions, as expressed therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and I assume no responsibility for such conditions, or for engineering which might be required to discover such factors. That, unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the property, was not observed by myself or acknowledged by the owner. The appraiser, however, is not qualified to detect such substances, the presence of which may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. That my analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the ADOT ROW Procedures Manual, Chapters 3 and 4, Appraisal Standards and Specifications (2016); the Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24; and the Uniform Standards of Professional Appraisal Practice (USPAP 2020-2021) guidelines.

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes; and that, to the best of my knowledge, no portion of the value assigned to such property consists of items which are non-compensable under the established laws of said State.

That I understand this appraisal may be used in connection with the acquisition of right-of-way for a highway to be constructed by the State of Arizona with the assistance of Federal aid highway funds or other Federal funds. That neither my employment nor my compensation for making the appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in the property that is the subject of this report, or any benefit from the acquisition of the property appraised herein.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the Arizona Department of Transportation or officials of the Federal Highway Administration, and I will not do so unless so authorized by proper State officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That my opinion of the Market Value of the property as of November 16, 2020 is \$216,500, based on my independent appraisal and the exercise of my professional judgment.

Date: December 14, 2020

Signature: \_\_\_\_\_



SARA R. BAKER, MAI, SRA  
ARIZONA CERTIFIED GENERAL REAL ESTATE APPRAISER #31679

**Department of Insurance and Financial Institutions**  
**State of Arizona**

**CGA - 31679**

This document is evidence that: **SARA R. BAKER** has complied with the provisions of  
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**

**SARA R. BAKER**

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 : **October 31, 2022**



## ASSUMPTIONS AND LIMITING CONDITIONS - PART V

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

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

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

professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. This value estimate assumes that there is no such material on or in the property.

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

## CERTIFICATION - PART VI

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Foundation, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute, and any other specifications submitted by the Client, including Title XI, FIRREA.
8. The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.
9. In accord with the Uniform Standards of Professional Appraisal Practice, I have the experience and knowledge to complete this assignment in a credible and competent manner.
10. As of the date of this report, I have completed requirements of the continuing education program of the Appraisal Institute.
11. The effective date (date of valuation) of this appraisal is November 16, 2020.
12. I have made a personal inspection of the property that is the subject of this report.

13. Our firm has not appraised the subject property within three years prior to this assignment.
14. No one provided significant real property appraisal assistance to the person signing this certification.
15. I am a Certified General Real Estate Appraiser in the State of Arizona.



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

EXHIBIT A - SUBJECT PLAT MAP

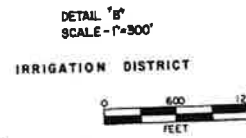
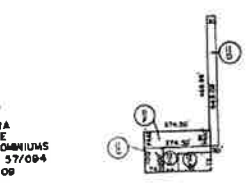
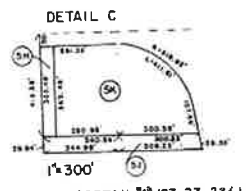
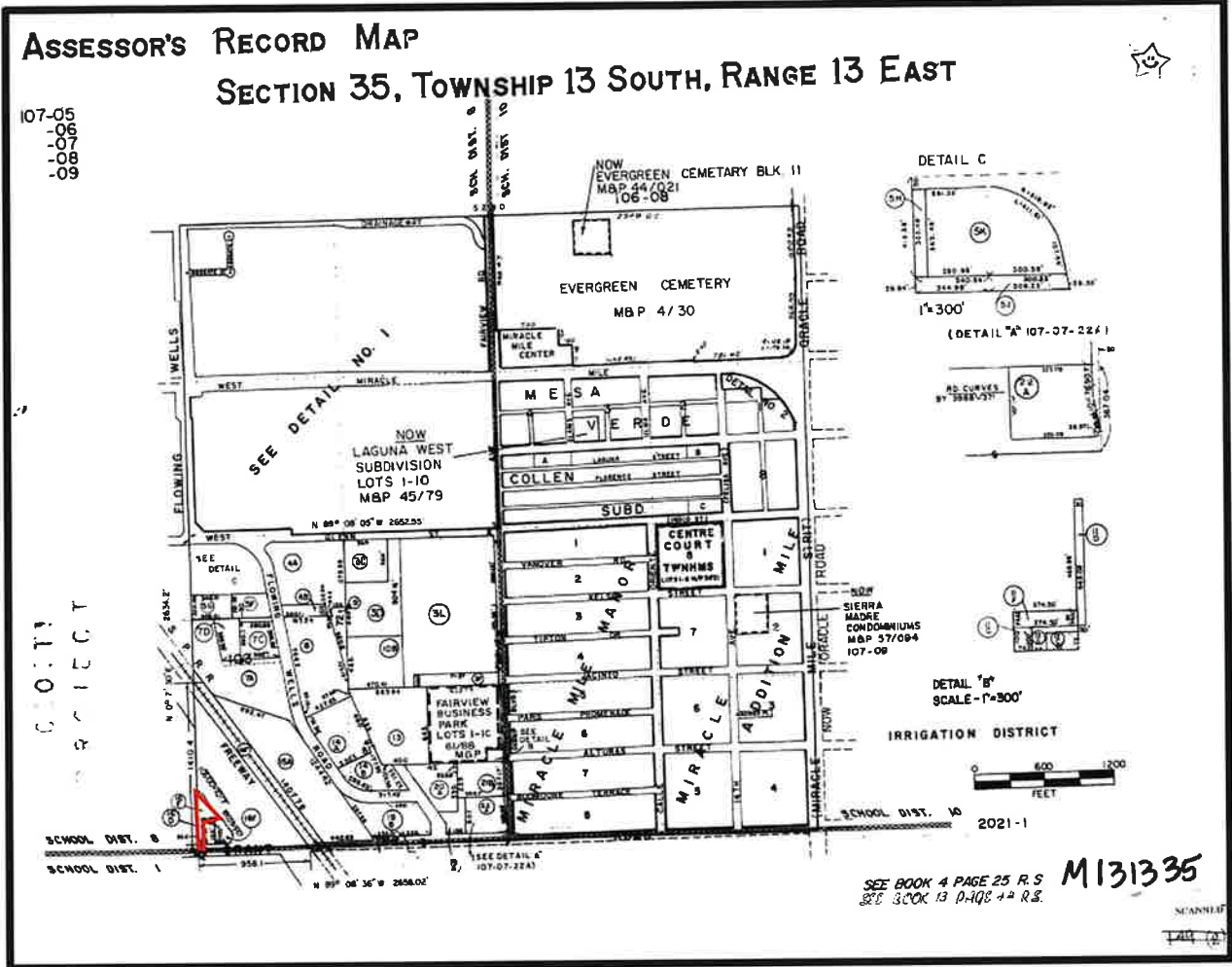
ASSESSOR'S RECORD MAP

SECTION 35, TOWNSHIP 13 SOUTH, RANGE 13 EAST

107-05  
-06  
-07  
-08  
-09



COLLECT



SEE BOOK 4 PAGE 25 R.S.  
SEE BOOK 13 PAGE 14 R.S.

M131335

SCANNED

# EXHIBIT B - AERIAL PHOTOGRAPH





# EXHIBIT C - ZONING MAP (City of Tucson)

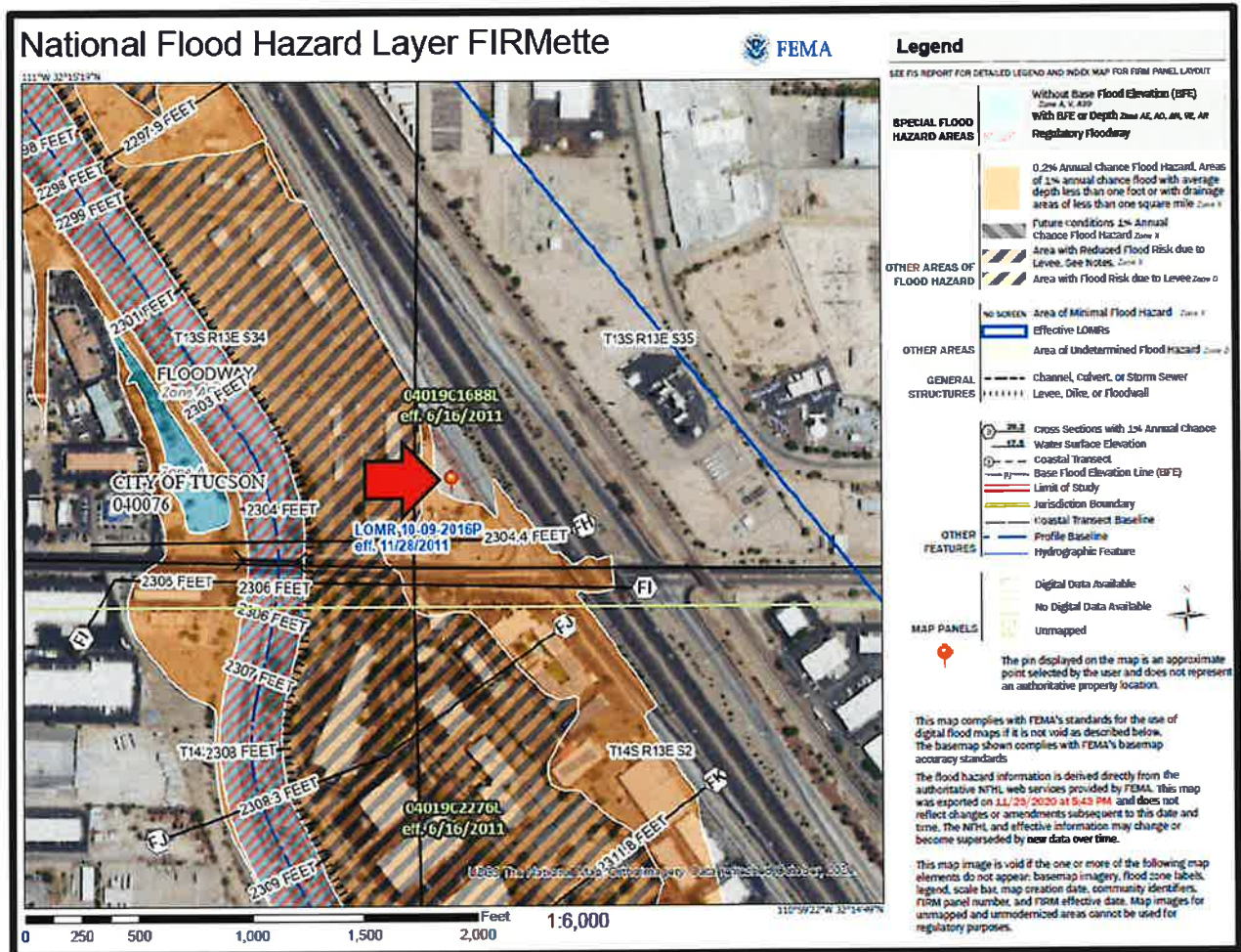


Zoning - Tucson	
	C-1
	C-2
	C-3
	HC-1
	HC-2
	HC-3
	HNC
	HO-1
	HO-2
	HO-3
	HO-CR-2
	HP
	HR-1
	HR-2
	HR-3
	HRX-1
	HRX-2
	HSR
	I-1
	I-2
	MH-1

	MH-2
	MU
	NR-1
	NR-2
	NR-3
	O-1
	O-2
	O-3
	OCR-1
	OCR-2
	OS
	P
	P-1
	PAD-1
	PAD-2
	PAD-3
	PAD-4
	PAD-5
	PAD-7
	PAD-8
	PAD-9

	PAD-10
	PAD-11
	PAD-12
	PAD-13
	PAD-14
	PAD-15
	PAD-16
	PAD-17
	PAD-18
	PAD-19
	PAD-20
	R-1
	R-2
	R-3
	RH
	RV
	RX-1
	RX-2
	SH
	SR

# EXHIBIT D - FEMA FLOOD PLAIN



**EXHIBIT E - LEGAL DESCRIPTION OF SUBJECT PROPERTY**

(See Following Pages)

## EXHIBIT "A"

That portion of the Southwest quarter of the Southwest quarter (SW¼SW¼) of Section 35, Township 13 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

COMMENCING at a brass cap marking the Southwest corner of said Section 35, being South 00°23'02" West 2634.30 feet from a pin in casting marking the West quarter corner of said Section 35;

thence along the West line of said Section 35, North 00°23'02" West 50.00 feet to the POINT OF BEGINNING on the existing North right of way line of Grant Road;

thence continuing along said West line of Section 35 North 00°23'02" West 464.52 feet to a 4 foot chain link fence as it exists in April, 2020, that will be the relocated southwesterly right of way line of Interstate Highway 10;

thence along said existing 4 foot chain link fence South 47°39'46" East 111.23 feet;

thence continuing along said existing 4 foot high chain link fence South 33°45'47" East 108.48 feet;

thence continuing along said existing 4 foot high chain link fence South 33°23'23" East 103.06 feet;

thence continuing along said existing 4 foot high chain link fence South 12°19'20" East 13.57 feet;

thence South 16°34'04" East 0.96 feet to a 3 foot high block wall that is on the North line of the property described in TRACT 2, Exception PARCEL I of that Final Order of Condemnation recorded in Docket No. 10600, Page 1017, records of Pima County, Arizona;

thence along said 3 foot high block wall on said North property line South 89°54'08" West 58.16 feet to the Northwest corner of said property cited above;

thence along the West line of said property, being along a 3 foot high block wall, South 00°23'03" East 15.00 feet to the Northeast corner of the property described in TRACT 2, Exception PARCEL II of the above cited Final Order of Condemnation;

(continuing)

**PAGE 1**

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PROJECT: 010 PM 253 H3187 NH-10-4(140)	SECTION: Prince Rd - Speedway Blvd. Disposal	PARCEL: L-T-136 cg 04-22-2020
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thence along the North line of the property described in said Exception PARCEL II South 88°43'24" West 106.98 feet to the Northwest corner of said property described in said Exception PARCEL II;

thence along the West line of said property described in said Exception PARCEL II South 00°23'02" East 181.94 feet to the Southwest corner of said property described in said Exception PARCEL II on said existing North right of way line of Grant Road;

thence along said existing North right of way line of Grant Road North 89°38'16" West 35.50 feet to the POINT OF BEGINNING.

39,347 square feet, more or less.

GRANTOR RESERVES unto the public and various utility companies, easements for existing utilities, if any, within the above described property, in accordance with Arizona Revised Statute 28-7210. Access to the existing utilities will be by way of what exists at the time of this conveyance and shall be the responsibility of the Grantee herein and of the public or utility companies to show where that access is located.

The parcel of land herein conveyed shall have no right or easement of access to or from said Interstate Highway 10.

**PAGE 2**

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<b>PROJECT:</b> 010 PM 253 H3187	<b>SECTION:</b> Prince Rd - Speedway Blvd.	<b>PARCEL:</b> L-T-136
NH-10-4(140)	Disposal	cg 04-22-2020

**EXHIBIT F - SUBJECT PHOTOGRAPHS**

**PHOTO 1 – VIEW FROM GRANT ROAD**



**PHOTO 2 – VIEW NORTH OF PROPERTY FROM GRANT ROAD**



PHOTO 3 – VIEW NORTH



PHOTO 4 – VIEW NORTH ALONG EASTERN PROPERTY LINE



PHOTO 5 – VIEW NORTHWEST



PHOTO 6 – VIEW SOUTH FROM NORTHWEST





PHOTO 7 – VIEW OF SOUTHEAST FROM NORTHWEST



PHOTO 8 – VIEW OF NORTHERN UTILITY EASEMENT AREA



PHOTO 9 – VIEW NORTHEAST



PHOTO 10 – VIEW NORTH



PHOTO 11 – VIEW SOUTH OF ACCESS STRIP



PHOTO 12 – VIEW OF FENCED OFF PORTION OF SUBJECT PROPERTY



PHOTO 13 – VIEW WEST ON GRANT ROAD



PHOTO 14 – VIEW EAST ON GRANT ROAD



## QUALIFICATIONS

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

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

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

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

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

**ROBERT PARKER** and **JOSHUA BAKER** are production coordinators and support technicians.

## **EXHIBITS - PART VII**

Exhibit A	Subject Plat Map
Exhibit B	Aerial Photograph
Exhibit C	Zoning Map
Exhibit D	FEMA Flood Plain Map
Exhibit E	Legal Description of Subject Property
Exhibit F	Subject Photographs
Exhibit G	Qualifications