

APPRAISAL COVER SHEET

TYPE OF REPORT: Appraisal for Market Value

ASSESSOR PARCEL NO.: Not Established

ADOT PARCEL NO.: L-SC-043

OWNER NAME: State of Arizona

NAME & LOCATION
OF PROPERTY: Vacant land consisting of approximately 1.28 acres
or 55,533 square feet according to the client. The
property is located southwest of Interstate-10 and
northwest of Miracle Mile in Tucson, Pima County,
Arizona 85705. The property does not currently
have a property address as the land is vacant.

PROJECT: M6975 01X

HIGHWAY: I-10, Casa Grande – Tucson Highway

SECTION: Prince Road – Speedway Boulevard Section

DATE OF APPRAISAL
REPORT: August 18, 2025

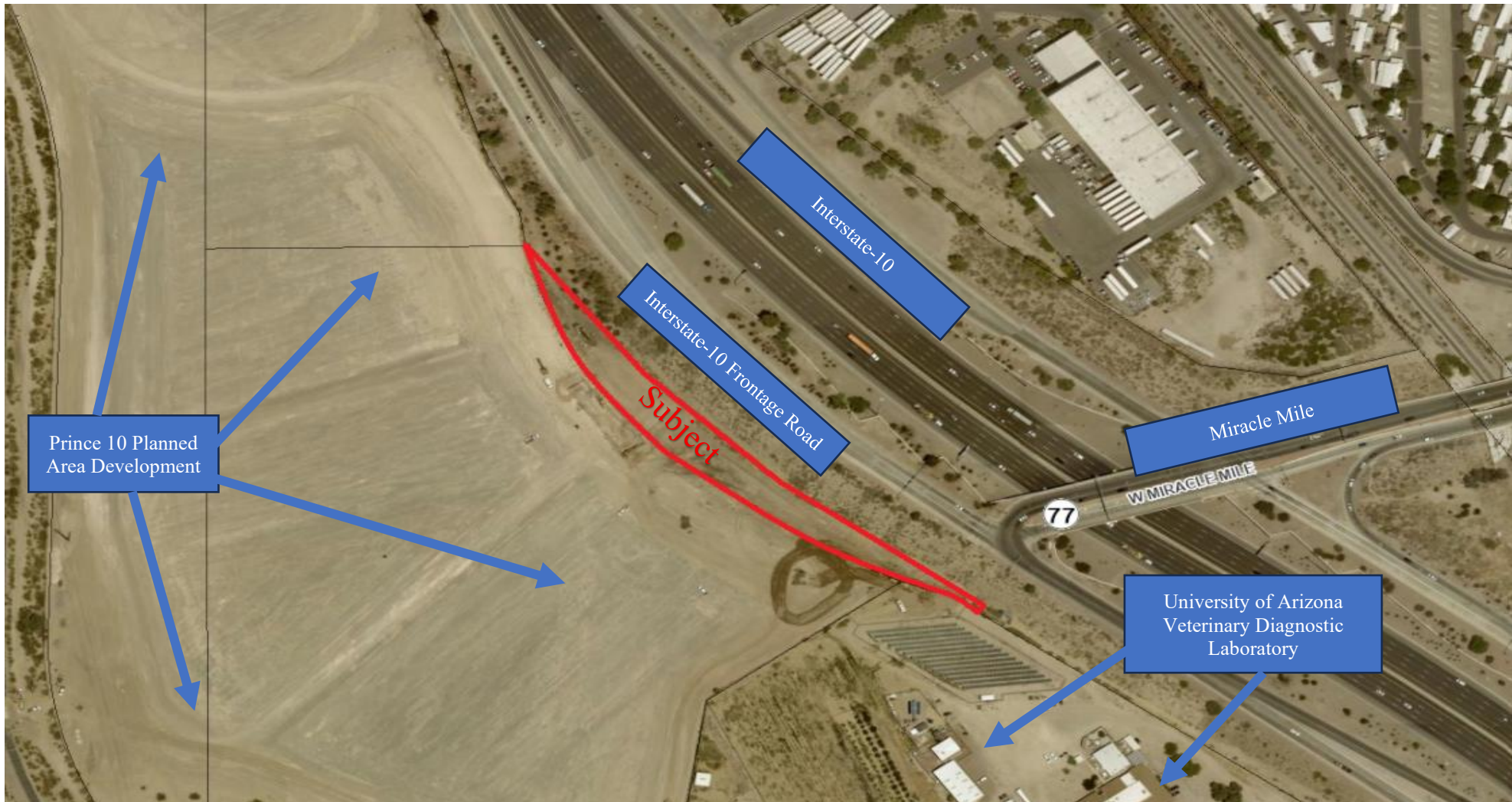
EFFECTIVE DATE OF VALUE: July 24, 2025

APPRAISERS:

STEVEN R. COLE, MAI, SRA, AI-GRS
*CERTIFIED GENERAL REAL
ESTATE APPRAISER #30130*

JOHN MEDLEY
*CERTIFIED GENERAL REAL
ESTATE APPRAISER #1049989*

AERIAL MAP – PROPERTY APPRAISED



The Subject's Red Property Boundaries are an Approximation



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August 18, 2025

Mr. Jim Walcutt
Arizona Department of Transportation
205 South 17th Avenue, Room 331
Mail Drop #612E
Phoenix, AZ 85007

RE: Appraisal of ADOT Parcel L-SC-143. The subject property consists of 55,533 square feet or 1.28 acres. The property currently does not have an assessor's parcel number or physical address as the land is vacant. The property is located southwest of Interstate-10 and northwest of Miracle Mile in Tucson, Pima County, Arizona 85705.

Appraiser's File No.: 25-223-L

Mr. Walcutt,

At your request, we have provided our opinion of market value for the subject property referenced above. The subject property consists of 55,533 square feet or 1.28 acres of vacant land. The subject property is located adjacent to and is currently physically but not legally developed as part of the adjacent Prince 10 development. The market value provided in this appraisal is to be used as the basis for the sale of the subject property.

Prince 10 AG Land SPE LLC, the adjacent property owner, has graded the subject property as a roadway that supports their Prince 10 development. All of the cost to develop the subject as a roadway have been incurred by the adjacent owner and are not considered in our opinion of market value for the subject. This valuation does not consider the subject's investment value, which would consider the assemblage of the subject into the adjacent Prince 10 development. An investment value would increase the subject's value as the subject's development restrictions would be cured if assembled with the adjacent property.

As a stand-alone property, the subject's development potential is limited. The property does not have legal access and its shape is restrictive in a manner that does not suitably allow for a building footprint. Due to the site's development restrictions, City of Tucson's Planning and Development Services stated that it is unlikely that a residential building permit would be approved. As described in the Highest and Best Use section, the most likely buyer of the subject would be a speculative land buyer. It is likely that a market participant would consider the possibility that the subject could be assembled with the adjacent development in the future as demand warranted.

The subject property is currently located in the R-1, Residence zoning district in the City of Tucson. As discussed in the Zoning section, it is likely the subject could be rezoned to PAD-43 with approval from the PAD-43 owner. As it is unlikely that the PAD-43 owner would allow a market participant into their development plan, this appraisal assumes it is unlikely the subject property could be rezoned to a more intensive use on the open market.

The purpose of this appraisal is to provide market value opinion for the subject property, as of July 24, 2025, the effective date of value. Our definition of market value is pursuant to Arizona Revised Statute 28-7091, which follows:

"... 'Market Value' means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements which the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable."

The intended use of the appraisal is to utilize the market value estimate to assist in decisions regarding the disposition of the property identified herein. The intended users of the appraisal include the officials and agents of the Arizona Department of Transportation (ADOT) and the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading.

This appraisal report is intended to comply with the requirements set forth in: (1) the Arizona Department of Transportation Appraisal Standards and Specifications; and (2) the *Uniform Standards of Professional Appraisal Practice 2024* (USPAP), promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Sales Comparison Approach is utilized to support our market value opinion.

This report or any portion thereof is for the exclusive use of the client and is not intended to be used, sold, transferred, given, or relied on by any other person other than the client without the prior, expressed written permission of the authors, as set forth within the Assumptions and Limiting Conditions contained in this report. Based upon the data, analysis, opinions, and conclusions contained in this report, our market value opinion for the subject disposal parcel, as of July 24, 2025, is as follows:

**“AS IS” MARKET VALUE OPINION FOR THE
SUBJECT PROPERTY, AS OF JULY 24, 2025\$53,000**

The value opinion provided herein is subject to the following Extraordinary Assumptions and Limiting Conditions, and appraiser certifications.

Extraordinary Assumption:

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), the definition of Extraordinary Assumption is as follows:

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

This appraisal report is based on the following extraordinary assumptions:

- 1) No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the disposal parcel.*

- 2) *No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the disposal parcel.*
- 3) *The disposal parcel was inspected by the appraiser. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption in this appraisal that there are no known environmental risks or hazardous conditions on the disposal parcel.*
- 4) *This appraisal relies on the subject's site size as provided by ADOT. It is an extraordinary assumption that the subject's site size contained in this appraisal are accurate.*

Hypothetical Condition:

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), hypothetical condition is defined as follows:

*"A hypothetical condition is a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."*¹

- 1) *The subject property is currently developed as a graded roadway. The property was graded with approval from ADOT and the adjacent property owner incurred all of the costs to improve the site. As the property owner did not incur any of these costs, this appraisal assumes that the subject property is raw, undeveloped land.*

The use of these extraordinary assumptions and hypothetical conditions might have affected the assignment results.

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

Respectfully submitted,



Steven R. Cole, MAI, SRA, AI-GRS
Certified General Real
Estate Appraiser # 30130



John E. Medley
Certified General Real
Estate Appraiser # 1049989

¹ *Uniform Standards of Professional Appraisal Practice, 2020-2023 Ed., Appraisal Foundation*

TABLE OF CONTENTS

<i>TABLE OF CONTENTS</i>	1
<i>SUBJECT PHOTOGRAPHS</i>	8
<i>EXECUTIVE SUMMARY</i>	11
<i>THE APPRAISAL PROCESS</i>	12
<i>PURPOSE OF THE APPRAISAL</i>	12
<i>DEFINITIONS</i>	13
<i>PROPERTY IDENTIFICATION</i>	15
<i>ABUTTING LAND DEVELOPMENT</i>	17
<i>OWNERSHIP HISTORY</i>	19
<i>SCOPE OF WORK</i>	20
<i>REGIONAL ANALYSIS</i>	21
<i>MARKET ANALYSIS</i>	28
<i>NEIGHBORHOOD ANALYSIS</i>	34
<i>SITE ANALYSIS</i>	37
<i>ZONING</i>	40
<i>ASSESSED VALUATION & TAX DATA</i>	43
<i>HIGHEST AND BEST USE</i>	44
<i>LAND VALUATION</i>	48
<i>LAND VALUE ANALYSIS</i>	54
<i>AUDITING BREAKDOWN</i>	62
<i>CERTIFICATION</i>	65
<i>ADDENDA</i>	72

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

The Appraisers assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraisers render any opinion as to the title, which is assumed to be good and marketable. Right of Way disposal report was furnished to the Appraisers. The property is appraised as though under responsible ownership, competent management and adequate marketing typical for that type of property. The legal description, if provided to me, is assumed to be correct. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

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

When possible, the Appraisers has relied upon building measurements provided by the client, owner, or agents of these parties. In their absence, the appraisers have relied upon their own measurements of the subject improvements. However, there are some factors that may limit our ability to obtain accurate measurements. Professional building area measurements are beyond the scope of this appraisal assignment.

In estimating the opinion of value of the subject property and in analyzing comparable information, the Appraisers have relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include, but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans and the like. To the extent that these plans may change, the value opinions of this report may also change.

The dates of value to which the opinions expressed in this report apply are set forth in this report. The Appraisers assumes no responsibility for the economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors. These forecasts are,

therefore, subject to changes with future conditions.

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

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

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

The Appraisers assumes that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology or structures which would render it more or less valuable. The Appraisers assume no responsibility for such conditions or for engineering which might be required to discover such factors.

Unless otherwise stated within this report, the existence of hazardous materials, which may or may not be present within or on the property, will not be considered by the appraiser. The Appraisers assumes, and the clients warrant, that no such materials adversely affect the utility, usability or development potential of the property to the best of their knowledge. The Appraisers are not qualified to detect such substances. The value opinion has been predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The clients are urged to retain an expert in this field, if desired.

The presence of barriers to the disabled, which may or may not be present within or on the subject property, will not be considered by us. We have not performed a compliance survey to determine if it is in conformance with the A.D.A (Americans with Disabilities Act). The Appraisers assumes, and the clients warrant, that no such barriers adversely affect the utility, usability, or development potential of the property to the best of their knowledge. The Appraisers are not qualified to analyze such barriers. The value opinion has been predicated on the assumption that there are no such barriers on or in the property that would cause a loss in value. The clients are urged to retain an expert in this field, if desired.

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

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

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

Prospective value opinions are intended to reflect the current expectations and perceptions of market participants. They should not be judged on whether specific items in the forecasts are realized. The Appraisers cannot be held responsible for unforeseeable events that alter market conditions after the effective date of the report. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is likely that some assumptions will not materialize and that unanticipated events may occur that will affect actual performance.

The appraisers have not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which is identified as an endangered or threatened species by the U.S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such plants and wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired.

Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraiser, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval from Southwest Appraisal Associates' President.

This appraisal was prepared for the sole and exclusive use of the client. Any party who is not the clients or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Southwest Appraisal Associates. We claim no expertise in areas such as, legal description survey, structural, or environmental, engineering mechanical or electrical systems and the like. We assume such data is accurate and such systems functional unless otherwise noted in the appraisal.

This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.

This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.

This appraisal is not intended to be used in connection with a real estate syndicate or syndicates. A real estate syndicate is a general or limited partnership, joint venture, unincorporated association or other organization formed for the purpose of an investment from an interest in real property. It includes, but is not limited to a sale, exchange, trade or development of such real property. It may or may not be registered with the United States Securities and Exchange Commission or a state regulatory agency which regulates public offerings.

This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights, (mineral, gas, and oil), were not considered in this appraisal unless specifically stated to the contrary.

If any claim is filed against Southwest Appraisal Associates, its officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, only for direct compensatory damages, (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by Southwest Appraisal Associates to provide this report.

All disputes shall be settled by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

The use of this report or its analysis and conclusions by the clients or any other party constitutes acceptance of all the above limiting conditions as well as those expressed in the letter of transmittal.

3D AERIAL BEFORE GRADING



Red Property Boundary is an Approximation. Image is From Google Earth, Dated February 13, 2024, Prior to Site Grading.

3D AERIAL AFTER GRADING



Red Property Boundary is an Approximation. Image is From Google Earth, Dated March 1, 2025, After Site Grading.

SUBJECT PHOTOGRAPHS

Photo 1: Facing South from Northernmost Property Boundary



Photo 2: Facing East from Subject's Western Boundary (Mid-block)



Photo 3: Facing North from Subject's Southernmost Boundary



Photo 4: Facing West from I-10 Frontage Road (Google Image, 03/2025)



Photo 5: Prince 10 Planned Development Adjacent West of Subject



Photo 6: Access Road and Entryway Just North of Subject Property Boundary



EXECUTIVE SUMMARY

Property Location:	The property is located southwest of Interstate-10 and northwest of Miracle Mile in Tucson, Pima County, Arizona 85705.
Assessor's Parcel Number:	Not Established
Property Type:	Vacant Land
Effective Date of Value:	July 24, 2025, the date of the property inspection.
Purpose of the Appraisal:	Provide "As Is" Market Value opinion for the subject property.
Intended Use:	The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the potential sale of the subject property.
Intended Users:	The intended users of the appraisal includes the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading.
Interest Appraised:	Fee Simple Interest.
Site Size:	According to the client, the subject property consists of 55,533 square feet or 1.28 acres.
Hazardous Substances:	None known.
Flood Insurance Zone:	The subject property is located within Flood Zone X according to the FEMA Map 04019C1669L, dated June 16, 2011.
Zoning:	The subject property is located in the R-1, Residence zoning district in the City of Tucson.
Highest & Best Use:	Speculative Investment
<i>Rounded Market Value Opinion:</i>	<i>\$53,000</i>
Exposure Time:	Exposure time is estimated at 12 months if priced appropriately.

THE APPRAISAL PROCESS

An appraisal is an opinion based upon research, judgment, and an analysis of factors influencing real estate value. These factors consider the four major forces at work in the economy: physical, legal/political, social and economic forces.

The sections comprising the first portion of the report include: Date, Function and Purpose of the Appraisal, Property Identification, Scope of Work, Regional Data, Neighborhood Data, Site Analysis, and Highest and Best Use. The highest and best use of the subject property is the basis upon which market value is determined.

The second portion of the report contains the approaches used to determine an opinion of market value for the fee simple in the subject property. The three traditional approaches to value are considered. However, since the subject property is vacant land, only the Sales Comparison Approach is applicable.

In the Sales Comparison Approach, recent sales of similar properties, known as "comparables," are analyzed and adjusted to the subject property. This approach best represents the actions of buyers and sellers in the market for this type of property. The degree of similarity between the comparables and the subject property determines the reliability of this approach.

PURPOSE OF THE APPRAISAL

<i>Purpose of the Appraisal:</i>	Provide "As Is" Market Value opinion for the subject property.
<i>Intended Users of the Appraisal:</i>	The intended users of the appraisal include the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading.
<i>Intended Use of the Appraisal:</i>	The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the potential sale of the subject property.
<i>Date of Value Opinion:</i>	The effective date of value for this appraisal is July 24, 2025, the date of the property inspection.
<i>Date of the Appraisal Report:</i>	The date of the appraisal report is August 18, 2025.

DEFINITIONS

Appraisal:

“(noun) The act or process of developing an opinion of value; an opinion of value. (adjective) Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.”²

Appraiser:

“One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.”³

Across-the-Fence Method:

“A land valuation method used in the appraisal of corridors. The across-the-fence method is used to develop a value opinion based on comparison to abutting land.”⁴

Across-the-Fence Value:

“In the valuation of real estate corridors, the value concluded based on a comparison with adjacent lands before the consideration of any other adjustment factors.”⁵

Contiguity:

“The quality or state of being contiguous.”⁶

Economic Unit:

- 1. “A portion of a larger (parent) parcel, vacant or improved, that can be described and valued as a separate and independent parcel. Physical characteristics such as location, access, size, shape, existing improvements, and current use are considered when identifying an economic unit. The economic unit should reflect marketability characteristics similar to other properties in the market area. In appraisal, the identification of economic units is essential in highest and best use analysis of a property.”*
- 2. “A combination of parcels in which land and improvements are used for mutual economic benefit. An economic unit may comprise properties that are neither contiguous nor owned by the same owner. However, they must be managed and operated on a unitary basis and each parcel must make a positive economic contribution to the operation of the unit.”⁷*

Exposure Time:

“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.”⁸

² Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, 2018-2019.

³ Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, pg. 10

⁴ Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, pg. 3

⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, pg. 3

⁶ Merriam-Webster On-Line Dictionary, 2010.

⁷ Appraisal Institute, The Dictionary of Real Estate Appraisal (Sixth Edition), pg. 72-73

⁸ Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, 2016-2017.

Fee Simple Estate:

The Fee Simple Estate is the interested to be appraised for the subject within this report.

“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.”⁹

Investment Value:

1. *“The value of a property to a particular investor or class of investors based on the investor’s specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.”*

2. *“The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth).”¹⁰*

Larger Parcel:

“In governmental land acquisitions and in valuation of charitable donations of partial interest in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, and unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.”¹¹

Speculative Demand:

“Demand Generated by speculative investors who buy properties and expect to resell them at a profit to other investors or space users.”¹²

Market Value:

““market value” means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.”¹³

⁹ Appraisal Institute, The Dictionary of Real Estate Appraisal Sixth Edition, pg. 90

¹⁰ Appraisal Institute, The Dictionary of Real Estate Appraisal Seventh Edition, pg. 99

¹¹ Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, pg. 105

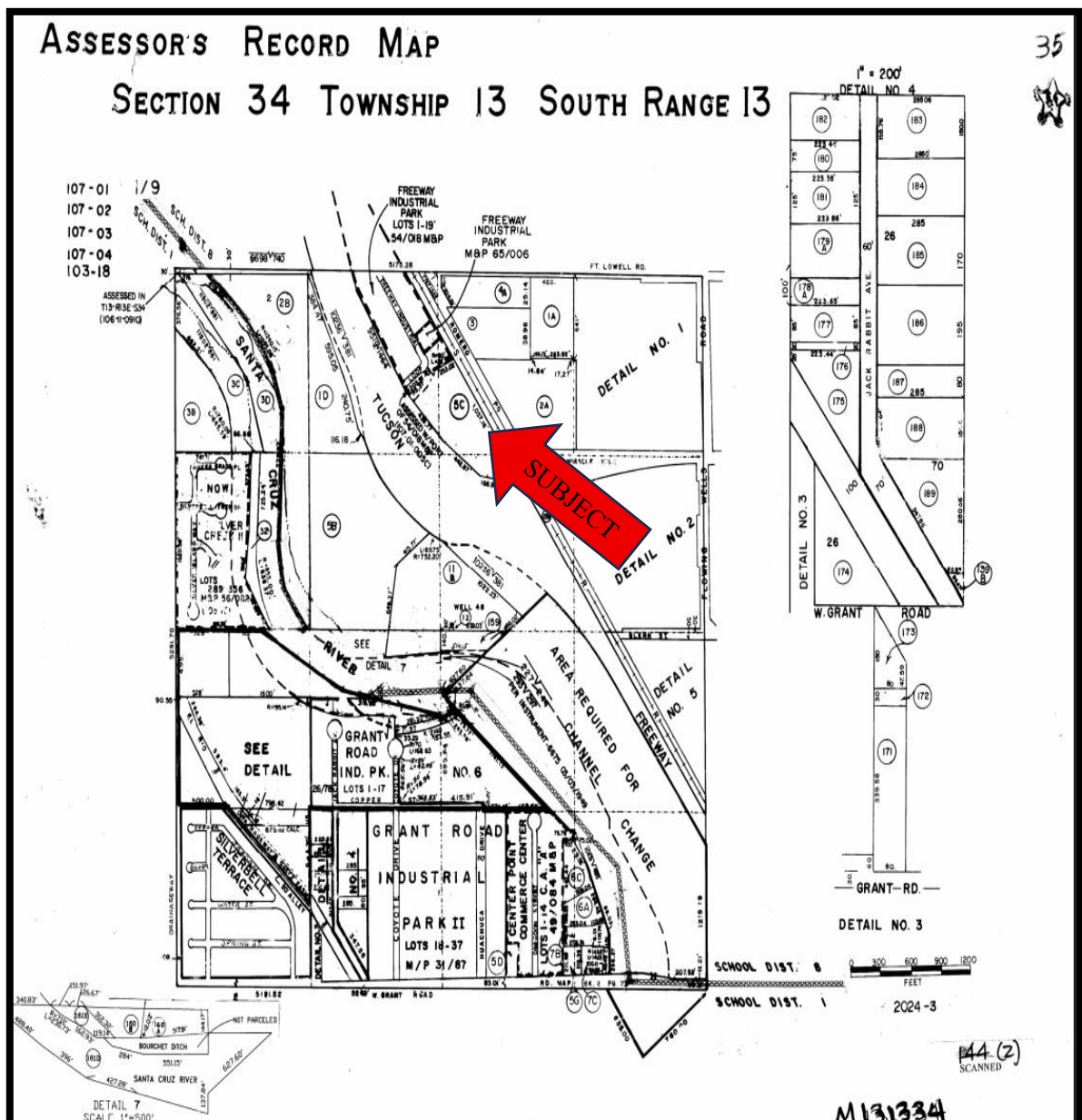
¹² Appraisal Institute, The Dictionary of Real Estate Appraisal Seventh Edition, pg. 179

¹³ A.R.S. 28-7091

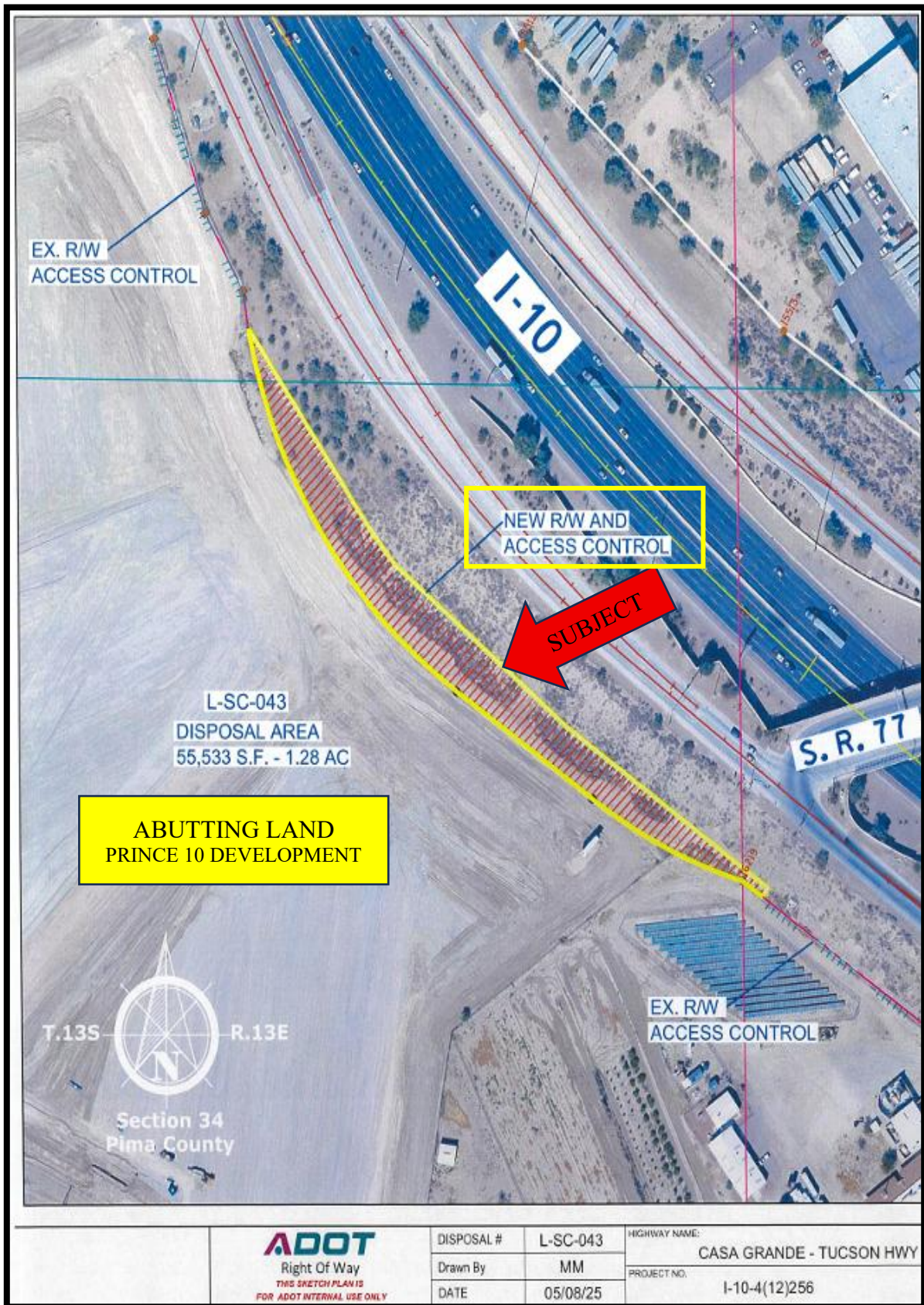
PROPERTY IDENTIFICATION

The 1.28-acre subject property is located adjacent southwest of the Interstate-10 southbound frontage road. It is west by northwest of Miracle Mile and south by southwest of Interstate-10 in Tucson, Pima County, Arizona 85705. As the subject property is vacant land owned by the State of Arizona, it does not have an established property address or Pima County Assessor's Parcel Number. It is located in Section 34, Township 13S, Range 13E in the Gila and Salt River Base and Meridian. The subject's plat map and ADOT Property Map follows.

PLAT MAP



ADOT PROPERTY MAP



ABUTTING LAND DEVELOPMENT

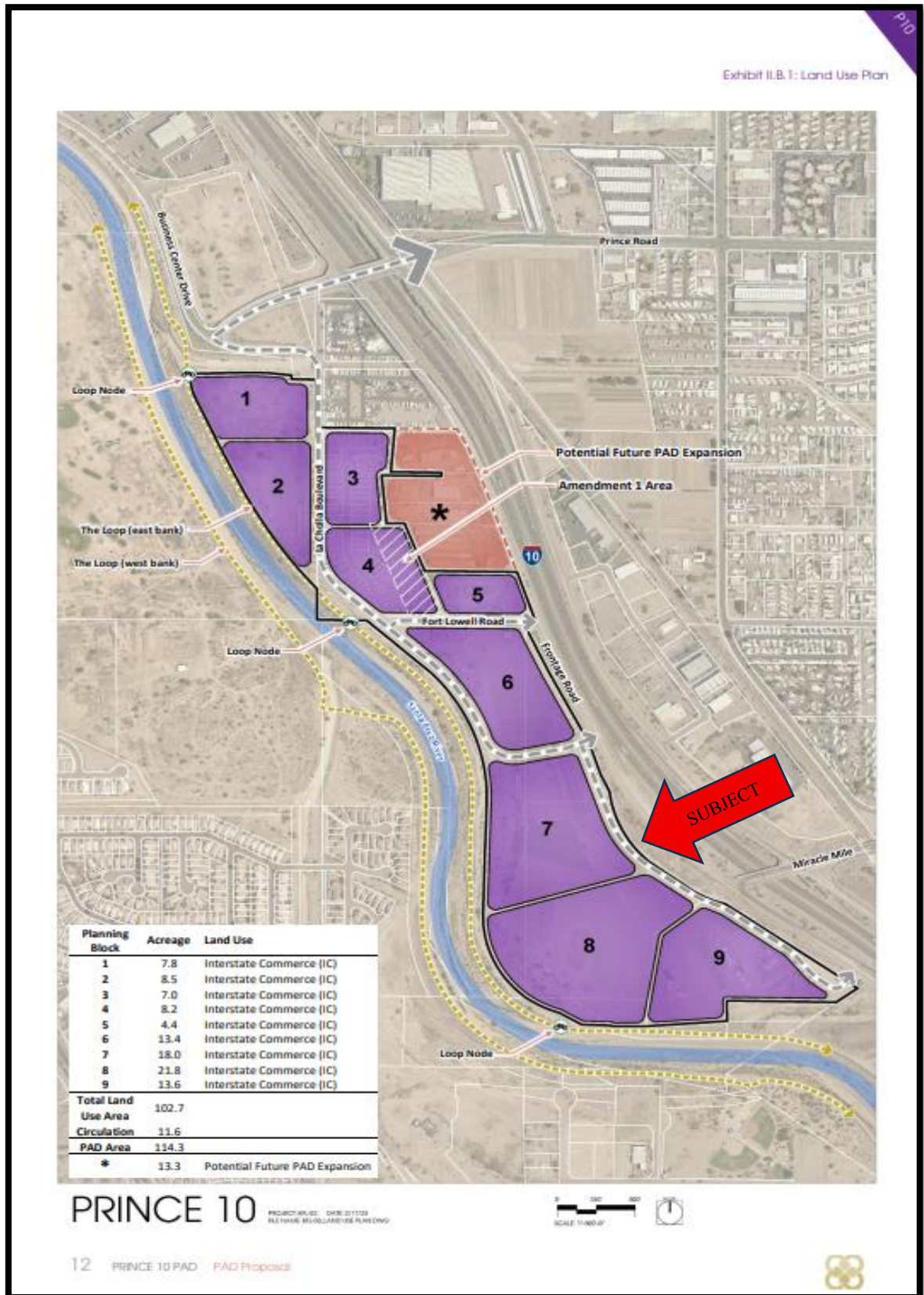
The subject property is located adjacent to the Prince 10 Planned Area Development, PAD. The developer met with City of Tucson officials in August, 2021 to try to obtain a rezoning of the property to PAD-43. It was adopted by the City of Tucson Mayor and City Council on August 22, 2023, Ordinance Number 12027. Based on the development plan maps, portions of the subject property are within the planned area to be developed. Although, no land survey was provided to verify the subject's location within the development plan. A description of this development plan follows.

Prince 10 Planned Area Development

The Prince 10 Planned Area Development (PAD) presents a significant real estate investment and development opportunity within the Tucson metropolitan area. Spanning approximately 113 acres, the site is strategically positioned west of Interstate 10 between Prince Road and Miracle Mile, providing immediate access to major transportation corridors and close proximity to downtown Tucson and the University of Arizona. Zoned for a diverse range of commercial, industrial, and residential uses, the PAD supports high-density development, making it ideal for corporate headquarters, logistics operations, mixed-use office and retail, light manufacturing, hospitality, and multifamily residential product.

The development benefits from substantial infrastructure investment, including completed grading, underground utilities, and drainage improvements, positioning the site as shovel-ready for immediate development. Furthermore, the property lies within both a Federal Opportunity Zone and Tucson's Central Business District, affording developers generous tax incentives and redevelopment advantages. With direct frontage along The Loop shared-use path bordering the Santa Cruz River, the site also offers potential for lifestyle-oriented development incorporating recreational amenities. Overall, Prince 10 represents one of Tucson's most flexible and well-positioned large-parcel real estate offerings for corporate, industrial, and mixed-use urban infill. A map representing the land use plan from page 12 of the development plan follows.

Prince 10 Land Use Plan



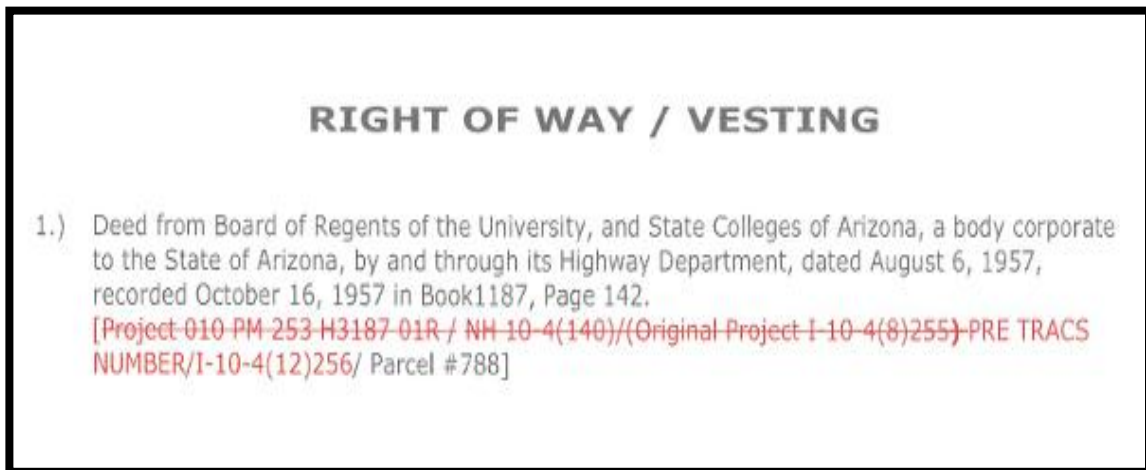
Source: https://www.tucsonaz.gov/files/sharedassets/public/v/1/city-services/planning-development-services/documents/prince-10-pad_revised-dated-august-10-2023.pdf

OWNERSHIP HISTORY

According to the title report provided by the client, title to the subject property is currently vested to the State of Arizona. The property was deeded to the State of Arizona from the Board of Regents of the University, and State of Colleges of Arizona. The property transfer was recorded on October 16, 1957 in Book 1187, Page 142. The subject property has not transferred ownership since this transaction.

To the best of the appraisers' knowledge, the subject property is not currently listed for sale. The adjacent property owner, Prince 10 AG Land SPE LLC, has expressed interest to purchase the subject property. They want to purchase the property to utilize the land area as part of their larger, adjacent development. Their plan, which is already developed as of the date of value, is to assemble the property and utilize the subject property as a roadway. No signed offers to purchase have been submitted to the subject property owner.

Mr. Jim Walcutt, ADOT representative, accompanied Mr. Steve Cole and Mr. John Medley, appraisers, on the inspection of the subject property on July 24, 2025. This inspection date is used as our date of value. The chain of Title provided by the client is shown below.



Abutting Land Ownership History

The abutting land that is part of the Prince 10 Commerce Campus is vested to Prince 10 AG Land SPE LLC. The property was purchased from the Arizona Board of Regents on June 30, 2021 for \$6,500,000, Recording Number 2021-1810505. Since this purchase, the property has been developed with ready to build pads that are currently listed for sale.

SCOPE OF WORK

The Scope of Work for an appraisal is the extent of the process of collecting, confirming, and reporting data, as well as the methods used in supporting the opinion of market value. The Sales Comparison Approach is employed to estimate the market value of the subject property. The Cost and Income Approaches are excluded since the market does not rely on these approaches when valuing vacant land that is not leased.

In accordance with *Uniform Standards of Professional Appraisal Practice* (USPAP) 2024, the scope of work for the appraisal includes, but is not limited to, the following:

- Inspection and analysis of the subject property, market conditions, and other restrictions that affect value; and
- Research, analysis, and confirmation of comparable market data.

Research included the examination of sales and listing data published by CoStar COMPS of Arizona, Multiple Listing Service of Southern Arizona (MLSSAZ), Pima County public records, and interviews with real estate participants and brokers. Based on our conclusions of Highest and Best Use, development restricted vacant land sales, similar to the subject were selected.

The comparable properties and other market data that is included in the analysis are considered to be the best available. The data selected is adequate to provide reliable indications of market value for the subject property. Overall, the market value opinion provided in this report is adequately supported.

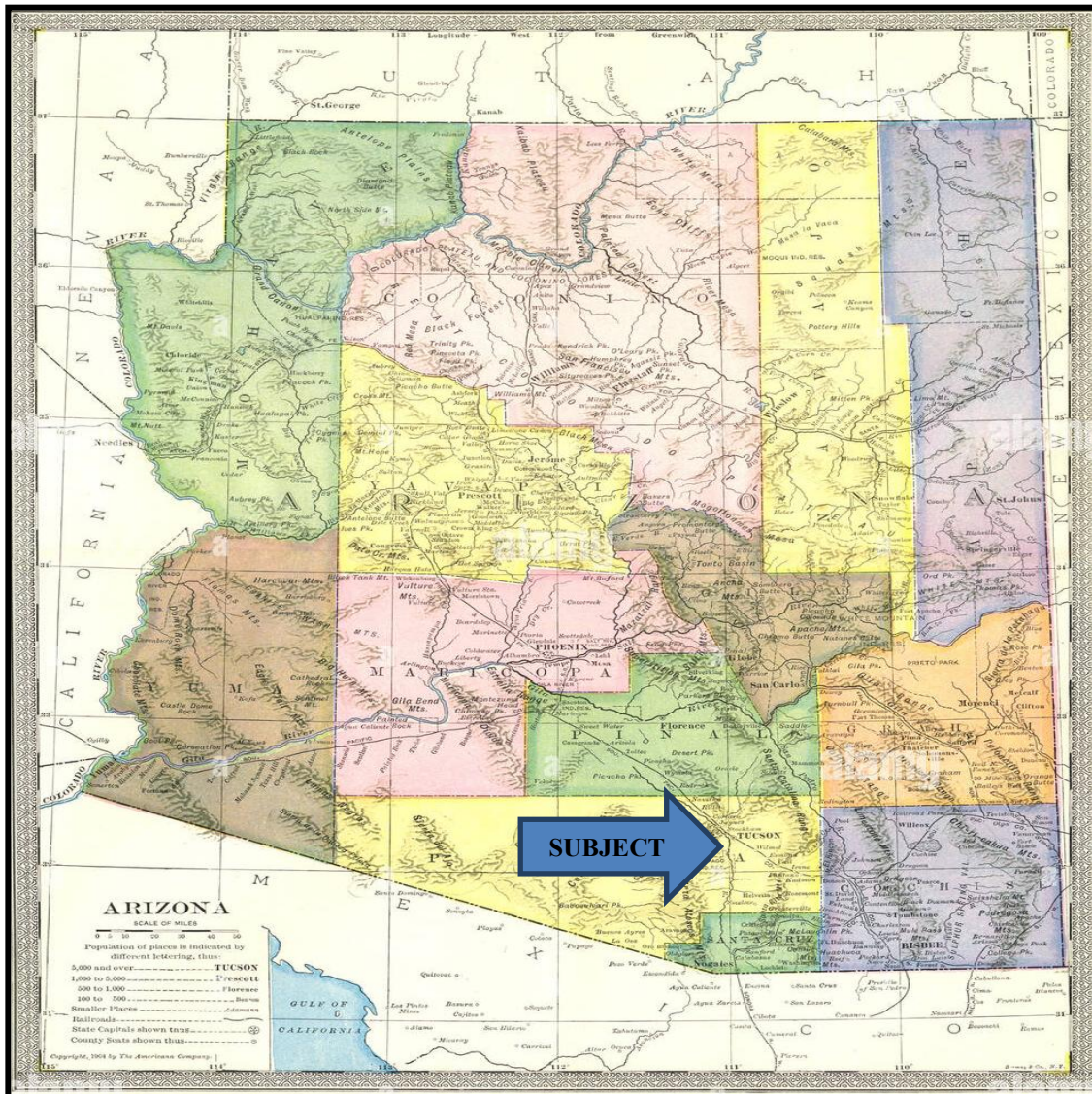
Limitation in Scope:

This report is a narrative appraisal report. There are no other limitations in the scope of the assignment, other than those discussed in the Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions.

REGIONAL ANALYSIS

The subject is located within Pima County within the State of Arizona. This section presents an analysis of Pima County's growth and economic trends. The City of Tucson is also reviewed here. Then, we provide a conclusion relating these area trends to the valuation of the subject.

ARIZONA COUNTY MAP



OVERVIEW – PIMA COUNTY

Pima County is located in southern Arizona and is about 95 miles south of Phoenix. Mexico is immediately south of Pima County. The county has five incorporated cities including Tucson, South Tucson, Marana, Oro Valley, and Sahuarita. These cities are

clustered around Tucson. Green Valley, a large retirement community, is unincorporated and is about 25 miles south of Tucson.

Pima County is within an area known as the Sonora Desert, a unique eco-system. It is the only area in the World where the Saguaro cactus grows naturally. The city of Tucson is located in eastern Pima County and is the largest city in Pima County. It is in a valley surrounded by the Catalina, Rincon, Santa Rita, and Tucson Mountain ranges. Elevations within these ranges climb to over 9,000 feet.

The University of Arizona is one of the largest employers in the County. It is a nationally recognized undergraduate and graduate school with total enrollment of over 45,900. Davis-Monthan Air Force base is an important defense installation, also located in Tucson. Due to its clear night skies, Pima County is home to a number of prominent observatories including the Kitt Peak National Observatory.

Population

The population of Pima County is detailed in the following table. The County has had positive population growth for the past decade. The population growth was 5.52% from 2018 to 2024.

Population Pima County			
Year	Total Population	Numerical Increase	Percent Increase
2018	1,028,511	N/A	N/A
2019	1,038,205	9,694	0.94%
2020	1,045,589	7,384	0.71%
2021	1,058,318	12,729	1.22%
2022	1,072,298	13,980	1.32%
2023	1,080,000	7,702	0.72%
2024	1,086,634	6,634	0.61%
2025	1,095,800	9,166	0.84%
2026	1,102,200	6,400	0.58%
Note: All estimates are as of July. 2020 is the actual Census.			
Note: 2025-2026 are projections.			
Source: State of Arizona, Office of Employment & Population Statistics.			
https://population.az.gov/population-estimates			

Gross Domestic Production

The primary measure of an area’s economic activity is Gross Domestic Product (GDP). GDP figures for the Tucson Metropolitan Statistical Area are provided in the following table for the past six years. Published data for 2023 County GDP was the most recent available as of the date of this appraisal. The figures are in current dollars. Pima

County's GDP was \$62 million in 2023, the second highest of all 15 counties. Arizona's overall GDP was \$422 million for the year, with Pima County's making up 14.7% of it.

Gross Domestic Product Pima County				
Year	Total	Numerical Increase		Percent Increase
2017	\$ 42,331	N/A		N/A
2018	\$ 44,786	\$ 2,455		5.80%
2019	\$ 47,040	\$ 2,254		5.03%
2020	\$ 48,112	\$ 1,072		2.28%
2021	\$ 51,828	\$ 3,716		7.72%
2022	\$ 55,800	\$ 3,972		7.66%
2023	\$ 62,169	\$ 6,369		11.41%

Note: Dollars are in millions.
Source: U.S. Bureau of Economic Analysis
https://www.bea.gov/iTable/index_regional.cfm

Employment and Unemployment

Total employment and unemployment rates for Pima County are provided in the following tables for 2015 through year end 2024. Pima County had positive employment growth from 2016 to 2019. In 2020, there was a large decrease in employment due to the COVID-19 pandemic. As the shock of the pandemic faded, this trend reversed dramatically until 2023 and levelled off to minor increase. As of December 2024, there were 476,403 employed persons in Pima County.



SOURCE: <https://fred.stlouisfed.org/series/LAUCN040190000000005>

The unemployment rate as of year-end 2024 was only 3.4%. Prior to the COVID-19 pandemic, the unemployment rate was consistently under 5%. The unemployment rate temporarily surged during the pandemic up to 12%. Since then, it has recovered even below pre-pandemic levels.



SOURCE: <https://fred.stlouisfed.org>

Largest Employers

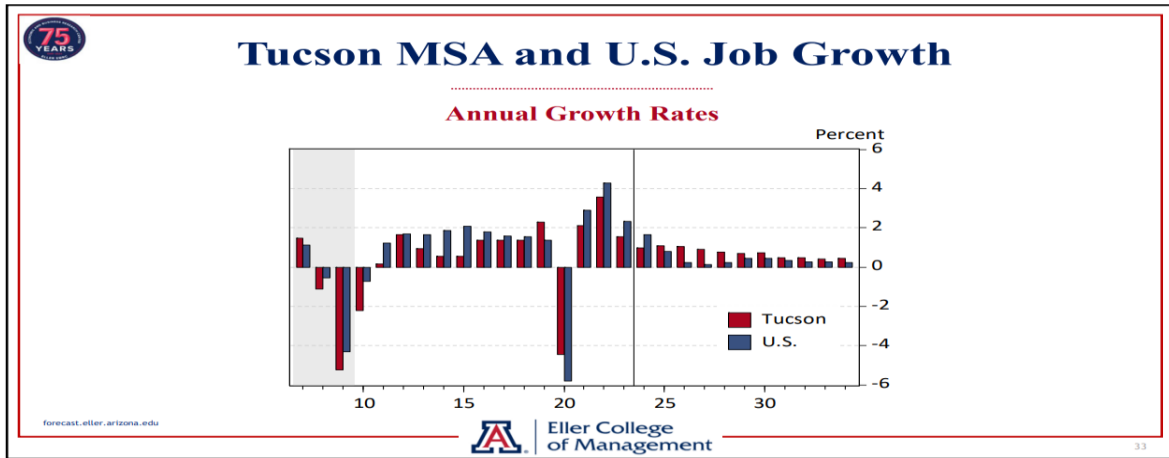
The ten largest employers for Pima County are noted in the following table. The county’s employment base is largely government related. Seven of the top ten employers are government or quasi-government entities. One the private sector employers noted, Raytheon, is largely dependent on government spending. The University of Arizona is one of the largest employers in the County. It is a nationally recognized undergraduate and graduate school with a total enrollment of over 45,900 people. Davis-Monthan Air Force base is an important defense installation, also located in Tucson.

Employer	Industry	Description
University of Arizona	Education	A major public research university with positions in faculty, research, administration, and support staff.
State of Arizona	Government	Offers a wide range of roles in public administration, education, healthcare, and public safety across various state agencies.
Raytheon Missiles & Defense	Defense	Specializes in missile defense and advanced radar technologies, offering roles in engineering, IT, and administration.
Banner – University Medical Center Tucson	Healthcare	A leading healthcare provider offering opportunities in clinical care, research, and administrative roles.
Davis-Monthan Air Force Base	Military	Provides roles for military personnel and civilians in logistics, maintenance, and administration.
Pima County	Government	Offers roles in public administration, healthcare, education, and community services.
Tucson Unified School District (TUSD)	Education	The largest public school district, employing teachers, administrators, and support staff.
Carondelet Health Network	Healthcare	Operates hospitals and medical facilities, providing jobs for healthcare professionals and administrative staff.
Tucson Electric Power (TEP)	Utilities	A key utility provider offering roles in energy generation, customer service, and operations.
Caterpillar Inc.	Manufacturing	Employs professionals in engineering, technology, and administration at its Surface Mining & Technology Division.

Employment Growth Projections

The University of Arizona Eller College of Management tracks the Tucson area economy. Employment figures were obtained from the Eller School of Management’s 2024

economic outlook project and are noted below. Employment growth is projected to continue as the population base continues to increase. This growth is expected to be at a slower pace than the previous 10-year pace.



Market Trends

The discussion here focuses on the four principal commercial property types. These include office, retail, industrial and apartments. Information from CoStar for each of these four property types is provided in the following table. All data is year-end information for each property type from 2010 through 2024.

Please note that the information reported is for the Tucson Metropolitan area which includes Tucson, South Tucson, Marana, Oro Valley, Sahuarita, and Green Valley. This represents the urban areas of Pima County, also known as the “Tucson Metropolitan Area.” The outlying rural areas are excluded.

Pima County - Metropolitan Tucson Commercial and Multi-Family Markets								
Year	Office		General Retail		Industrial		Apartment	
	Vacancy	Rent Per Sq. Ft.	Vacancy	Rent Per Sq. Ft.	Vacancy	Rent Per Sq. Ft.	Vacancy	Rent Unit
2010	12.0%	\$ 19.53	5.7%	\$ 11.52	11.6%	\$ 6.51	10.3%	\$ 603
2011	11.8%	\$ 18.98	5.1%	\$ 12.50	12.3%	\$ 6.34	10.0%	\$ 610
2012	12.4%	\$ 18.56	5.5%	\$ 12.98	11.9%	\$ 6.20	9.4%	\$ 618
2013	12.8%	\$ 18.62	4.7%	\$ 12.36	10.3%	\$ 6.31	9.4%	\$ 633
2014	12.1%	\$ 18.41	4.8%	\$ 11.98	9.6%	\$ 6.49	9.5%	\$ 645
2015	12.0%	\$ 18.98	3.7%	\$ 12.43	8.5%	\$ 6.80	8.6%	\$ 667
2016	10.9%	\$ 18.65	3.6%	\$ 14.10	7.1%	\$ 6.83	7.9%	\$ 692
2017	9.4%	\$ 18.93	3.2%	\$ 14.70	6.8%	\$ 6.53	6.7%	\$ 721
2018	8.5%	\$ 19.15	2.6%	\$ 14.54	5.8%	\$ 6.43	6.0%	\$ 767
2019	8.6%	\$ 20.79	7.9%	\$ 16.35	6.8%	\$ 8.69	6.5%	\$ 825
2020	9.4%	\$ 21.33	8.2%	\$ 16.93	6.4%	\$ 8.91	4.9%	\$ 874
2021	10.0%	\$ 22.21	6.1%	\$ 18.29	2.9%	\$ 8.97	4.6%	\$ 1,043
2022	10.5%	\$ 22.71	6.2%	\$ 17.57	3.1%	\$ 10.31	8.2%	\$ 1,088
2023	9.1%	\$ 23.45	5.7%	\$ 17.95	5.9%	\$ 10.72	8.5%	\$ 1,135
2024	10.5%	\$ 23.62	5.6%	\$ 19.73	5.9%	\$ 10.99	11.5%	\$ 1,161

Source: CoStar respective year-end reports for each property type.

In 2010, vacancy rates for 3 of the 4 property types exceeded 10%. Since then, economic conditions have slowly improved. By year-end 2017 and continuing through 2020,

vacancy rates for all property types were below 10%. However, the United States national economy has grown at a greater rate than the Pima County area.

At year-end 2024, the industrial and apartment vacancy rates were reported at 5.9% and 11.5%, respectively. Apartment vacancies experienced the highest vacancy increase of all categories despite higher interest rates. According to Hamid Panahi, a top performing multi-family broker in Tucson, the higher vacancy rates for apartments is skewed by the large number of lower-end units that we have in Tucson. Overall, for newer and superior maintained properties, Mr. Panahi believes that the vacancy rate is significantly lower.

Although there have been increases in vacancy rates over the past couple of years, the data shows that rental rates have continued to increase in nearly every category.

OVERVIEW – TUCSON

Tucson was founded in 1775 and incorporated in 1877. Early occupants in the area were Indian tribes. Later the Spanish founded the San Xavier Del Bac Mission, also known as the White Dove of the Desert. This is one of the more famous landmarks in the State of Arizona. The city occupies a valley surrounded by the Catalina, Rincon, Santa Rita, and Tucson Mountain ranges. The city’s elevation is 2,641 at the airport and is a desert climate.

Population – City of Tucson

Population information for the City of Tucson is provided in the following table for the past six years. Tucson has by far the largest population in Pima County. The city’s current population is 557,219. The six-year population growth totals 4.5% or about 0.75% per year. 2024 witnessed the most significant population growth in the period. This is substantially slower than Phoenix which has had an average of 1.2% growth per year for the past 6 years.

Population City of Tucson			
Year	Total Population	Numerical Increase	Percent Increase
2018	538,100	2,200	0.41%
2019	540,400	2,300	0.43%
2020	541,900	1,500	0.28%
2021	543,200	1,300	0.24%
2022	544,600	2,700	0.50%
2023	547,400	4,200	0.77%
2024	557,219	12,619	2.32%
Note: All estimates are as of July. 2020 is the actual Census.			
Source: State of Arizona, Office of Employment & Population Statistics.			
https://population.az.gov/population-estimates			

University of Arizona

Non-local visitors to Arizona Athletics events alone contribute substantially to the local economy. According to a study done by the University of Arizona Department of Agricultural & Resource Economics¹⁴, visitors and team travel for these events contribute roughly 2,600 jobs, \$80 million in labor income, \$120 million in gross regional product (GRP), and \$220 million in sales to the Pima County economy. When considering the spending of local residents attending events, the economic contributions are even larger, supporting an estimated \$69 million in GRP and over 1,300 jobs within the county.

Beyond athletics, the University of Arizona's overall operations and spending have a profound impact on Pima County's economy. The report estimates that in fiscal year 2017, the Arizona Public University Enterprise, which includes the University of Arizona, generated 84,355 jobs statewide, with \$6 billion in value added and \$11.1 billion in economic output. While county-level figures are not provided, it is evident that the University's presence as a major employer, consumer of goods and services, and driver of research expenditures creates significant economic activity in the region.

Transportation – Tucson

Tucson is adequately served by all major modes of transportation. The Tucson International Airport provides domestic and international air service to 23 different destinations. Interstate 10 connects Tucson with Phoenix and California to the north and New Mexico and Texas to the east. Interstate 19 connects Tucson with Mexico to the south. Greyhound provides local and national bus line service. Union Pacific provides freight rail service connecting California and Texas. Passenger rail service is provided by Amtrak.

Conclusion

Pima County and the City of Tucson have experienced modest economic growth in the last 12 months. The effects of the pandemic are still seen in higher-than-normal office and retail vacancy rates although pricing and rents have continued to increase. Employment in the area is projected to increase modestly, which will continue to stimulate the economy.

The depressing effect of higher interest rates on demand for all forms of real estate including single family residential homes has been significant. Weak national economic conditions put downward pressure on commercial and residential real estate values in the region. Continued population growth helps to sustain demand in all real estate sectors.

¹⁴<https://media.azpm.org/master/document/2024/3/13/pdf/arizona-athletics-2022-23-economic-impact-report.pdf>

Regional activity is expected to provide continued economic growth in Pima County and Tucson in the near-term.

MARKET ANALYSIS

The purpose of market analysis is to show how the interaction of supply and demand affects the property's value. "Market analysis is a process for the examination of the demand for, and supply of, a property type and the geographic market area for the property type."¹⁵

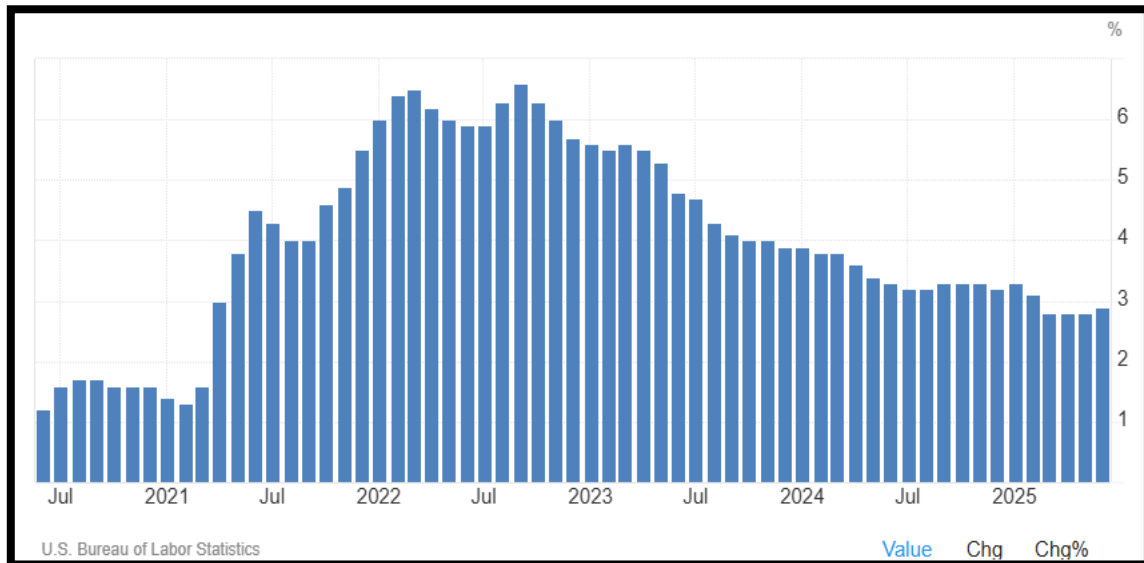
Subject Attributes

The subject property is vacant land located along Interstate-10 in the northwest portion of the City of Tucson. The surrounding area is primarily developed with industrial and commercial uses. The subject's location in the Interstate-10 right of way, narrow shape, and lack of access restricts the property's development potential. Due to this, the property would function as an open-space use as a stand-alone property. While the subject is currently physically developed as part of the adjacent property, it is not legally part of the Prince 10 Development. Due to this, the following market analysis will focus on development restricted land values.

National Economy

According to the U.S. Bureau of Labor Statistics, the inflation rate was around 2% from 2019 through 2021. In 2022 inflation began to increase and peaked at 6.6% in September 2022. Since then, inflation has declined and is presently at 2.9% as of June 2025. This remains above the Federal Reserve's target of 2%. The following chart represents inflation in the United States over the last 5 years according to the U.S. Bureau of Labor Statistics.

¹⁵ *The Appraisal of Real Estate, 14th Edition*, Appraisal Institute, P 299

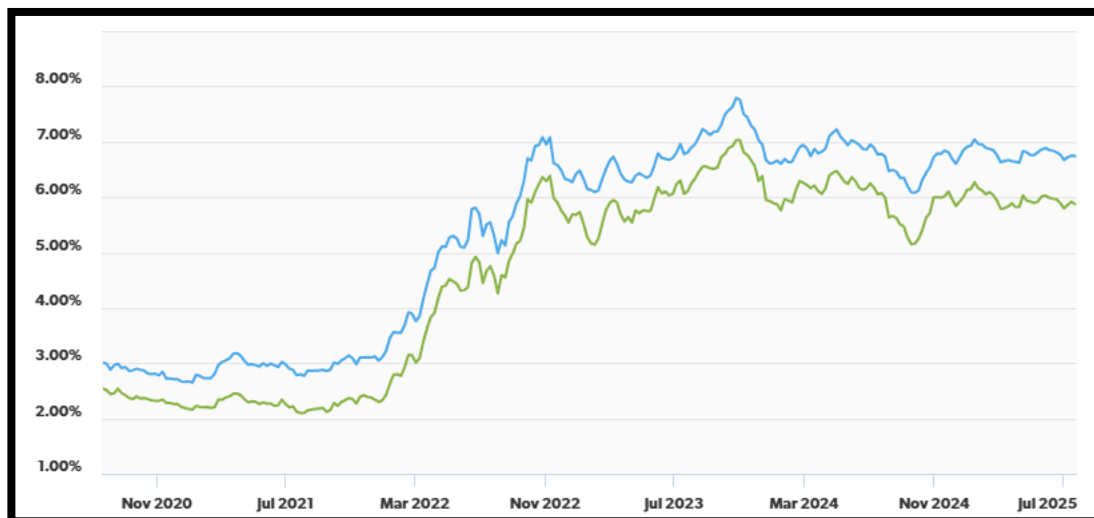


SOURCE: <https://tradingeconomics.com/united-states/core-inflation-rate>

Conventional Long Term Mortgage Data

According to the “Primary Mortgage Market Survey” compiled by Freddie Mac, the most recent interest rate for a 30-year fixed rate mortgage is 6.74% as of July 24, 2025. Mortgage interest rates are up from the all-time low of 2.65% in January, 2021. In the beginning of 2022, the 30-year United States Single Family Home Prices mortgage interest rate began a steep increase to 7.79% in October 2023. Since then, the 30-year mortgage interest rate has slightly declined to the previously reported 6.74%.

The following chart shows the fixed mortgage interest rates for a 15-year, in green, and 30-year, in blue, loan over the last 5-year period.



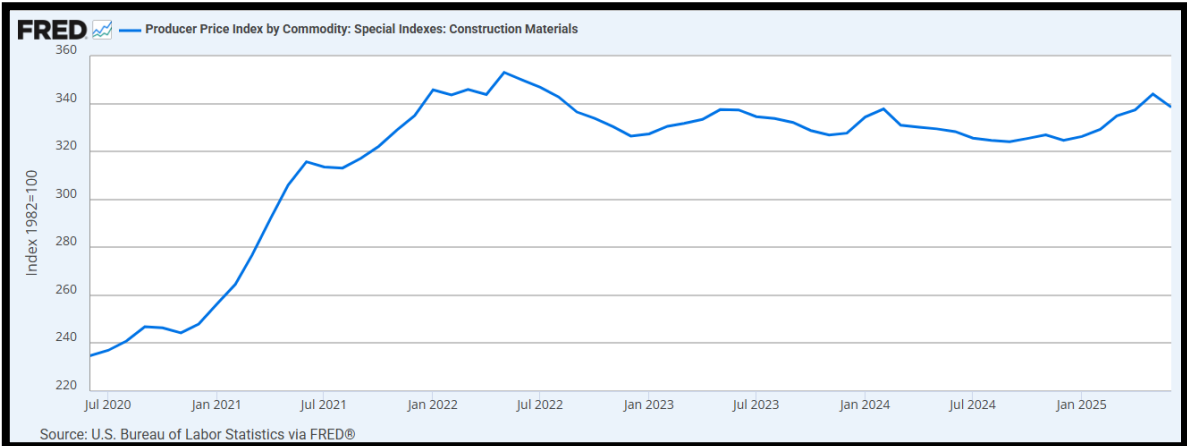
SOURCE: <https://www.freddie.mac.com/pmms>

Cost of Construction

In July 2020, Construction Materials Pricing index was 237.0, (1982=100). The

index increased dramatically to 353.02 in May 2022, an increase of 49% in less than 2 years. Even though construction material costs have declined to 338.482 in June 2025, these costs remain well above the previous 10-year average.

The following chart represents the previous 5-year period of construction costs according to the St. Louis Federal Reserve follows.

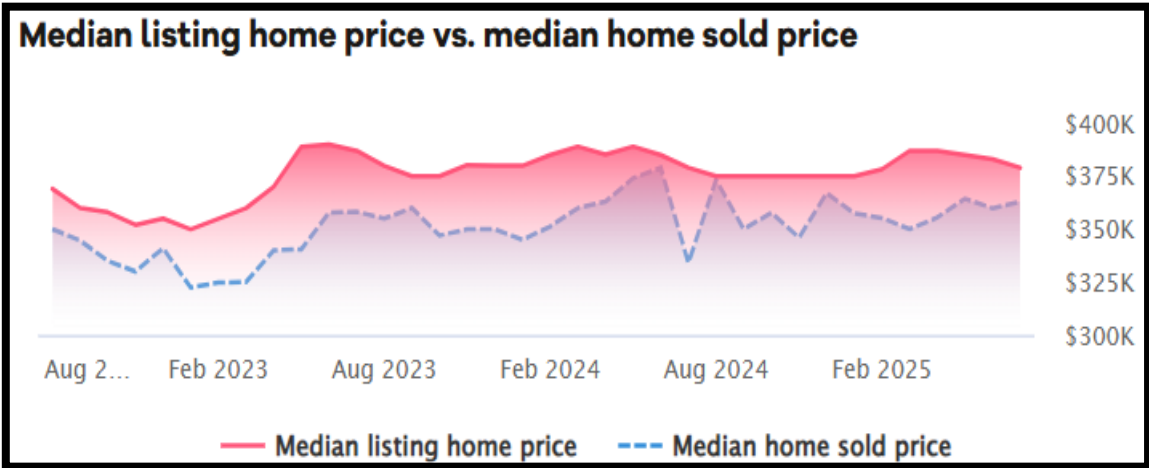


SOURCE: <https://fred.stlouisfed.org/series/WPUSI012011>

Tucson Housing Market

Over the last 3-year period, residential properties in the Tucson housing market have increased from \$350,000 in July 2022 to \$363,000 in June 2025. Residential home sale prices peaked in May 2024 with a median sale price of \$379,000. Over the next 13 months, median home sales prices declined 4.22% to the previously mentioned \$363,000. This decline is largely attributed to high mortgage interest rates.

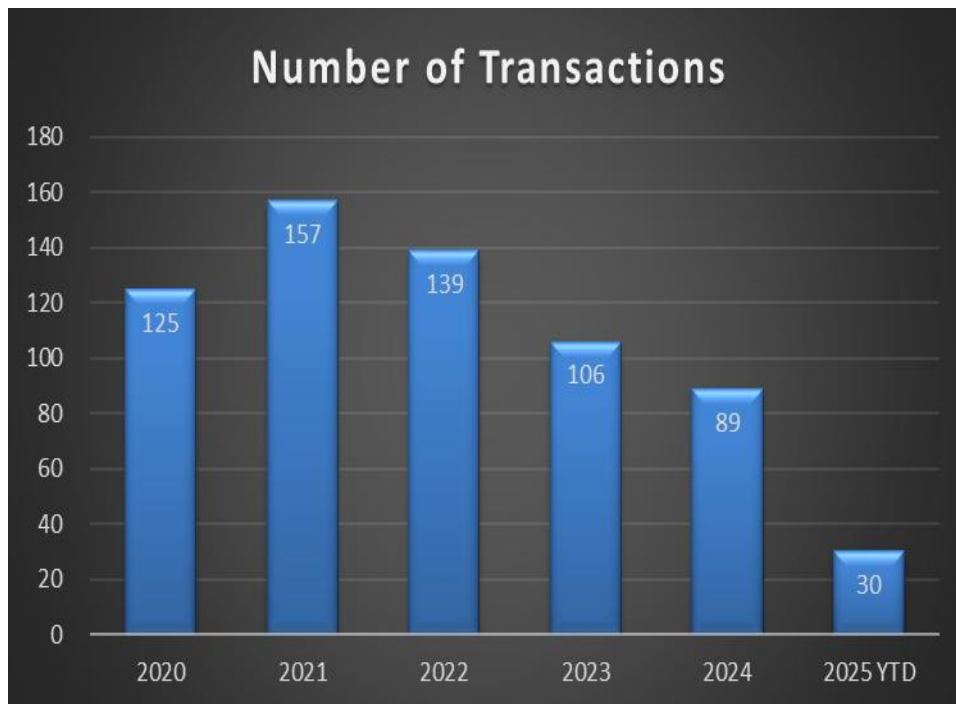
While the subject property’s value does not directly correlate with the single-family home residential market, this information provides insight into the real estate market as a whole. The chart below represents these statistics as provided by Realtor.com.



Source: https://www.realtor.com/realestateandhomes-search/Tucson_AZ/overview

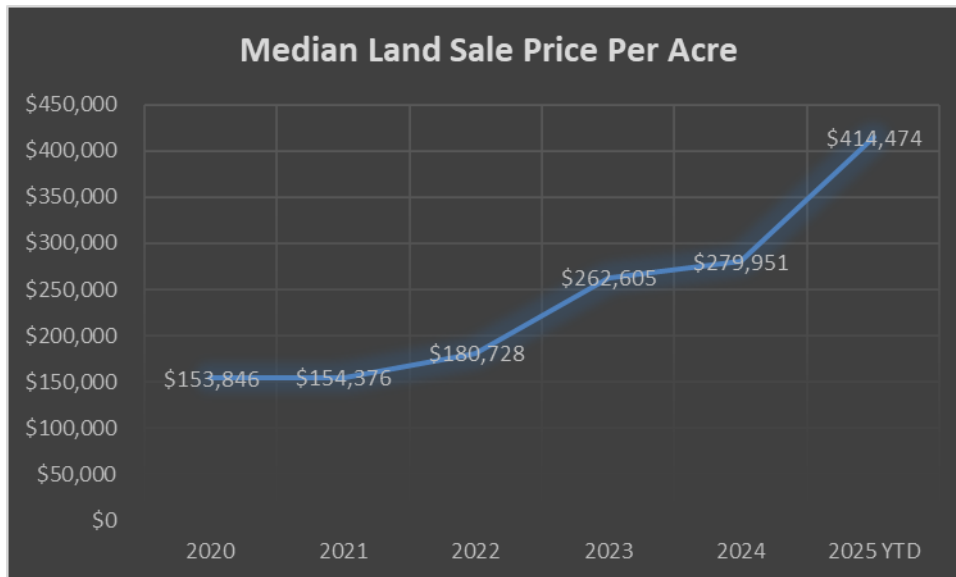
City of Tucson Land Sales

According to CoStar, there has been 646 land sales within the Tucson Market since the start of 2020. As represented in the following chart, 2021 and 2022 were the most active periods over this time. The decline in 2023 coincides with the increased cost of construction and rise in interest rates. The following chart represents the number of sales transactions since 2020 to 2025 year to date.



Source: CoStar

In 2020, the median sale price per acre was \$153,846. The median sales price per acre increased 169.4%, or approximately 28.2% annually, to \$414,474 per acre in 2025 year to date. The large sale price increase in 2025 is attributed to the limited number of sales, which reduces the viability of the data. From 2020 to 2024, land sales prices increased 81.9% or approximately 16.4% annually. While transactional volume has declined, sales prices for land have continued to increase. These discussed sales price increases are shown below.



Source: CoStar

Pima County Flood Prone Land Acquisitions

According to publications by Pima County, the Floodprone Land Acquisition Program began in 1984. This program seeks to acquire flood prone land areas to eliminate the need for structural flood control improvements and to preserve riparian areas. While the specific land purchases are not provided, over 14,000 acres of flood prone land has been purchased by Pima County since the project started.

Fiscal year 2014 to 2015 had an average purchase price of \$1,098 per acre. This increased to \$41,561 per acre in fiscal year 2022 to 2023. This equates to an average annual increase of 10.8% per acre over this 9-year period. This is only given partial consideration in our market condition adjustments as the differing characteristics of the sales data is largely unknown. The most recently available land purchase data is outlined in the following chart.

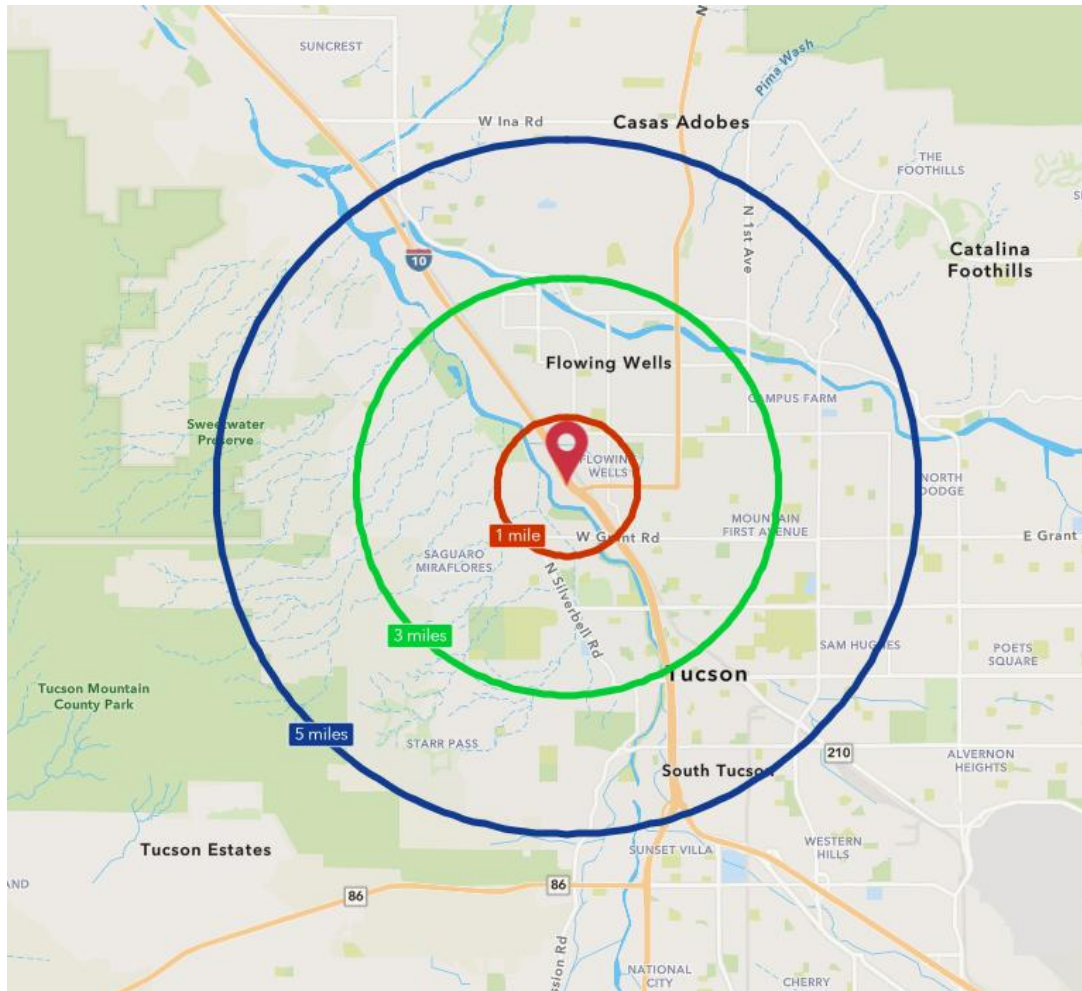
Pima County Floodprone Land Acquisition Program Purchases				
Fiscal Year	Land Purchased in Acres	Total Costs	Price Per Acre	Annual Percentage Change
2014 to 2015	246.92	\$271,000	\$1,098	N/A
2015 to 2016	101.69	\$172,180	\$1,693	54.3%
2016 to 2017	313.06	\$625,500	\$1,998	18.0%
2017 to 2018	411.36	\$765,448	\$1,861	-6.9%
2018 to 2019	525.01	\$850,750	\$1,620	-12.9%
2019 to 2020	86.91	\$694,450	\$7,990	393.1%
2020 to 2021	270.16	\$842,990	\$3,120	-60.9%
2021 to 2022	53.77	\$994,667	\$18,499	492.8%
2022 to 2023	116.14	\$4,826,847	\$41,561	124.7%
TOTALS	2,125.02	\$10,043,832	Average Price Per Acre \$4,725	Average Annual % Change 10.8%

Source: <https://www.pima.gov/1684/Floodprone-Land-Acquisition-Program>

Market Analysis Conclusion

Land values in the City of Tucson have increased over the last 5-year period. The Tucson Metropolitan's growing population base has been a driving force in the expansion of the real estate market. The subject property's lack of development potential has diminished its increasing value as properties like the subject are less desirable to non-governmental entities. Due to this, property values for non-developable land has increased in value at a slower rate than developable land. Based on the aforementioned data, a 4% annual appreciation rate will be utilized in our market conditions adjustments

NEIGHBORHOOD ANALYSIS



The subject property is located in the northwest portion of the Tucson metropolitan area, approximately 5 miles northwest of the central business district. The neighborhood's boundaries are west of Oracle Road, north of Speedway Boulevard, east of Silverbell, and south of Sunset Road.

Land Use and Economic Activity

Land uses within the subject's neighborhood primarily consist of a mixture of industrial, commercial, and residential uses. The immediate area surrounding the subject primarily consists of industrial, commercial, and residential uses. The majority of the residential development is west of the Santa Cruz River and east of Interstate-10. The neighborhood is largely improved with limited vacant land available for development. approximately 50% developed. Land use patterns are stable and the neighborhood's life cycle is in the redevelopment phase due to the limited availability of vacant, developable land. Some of the more prominent uses near the subject are outlined below.

Frito-Lay

Adjacent east of the subject, across Interstate-10, there is a Frito-Lay plant located at 3134 N Freeway Industrial Loop. This facility serves as a manufacturing and distribution facility for Frito-Lay, a division of PepsiCo. This site is dedicated to the production process where raw ingredients such as corn and potatoes are transformed into various snack products, followed by packaging and shipment to distribution centers and retail stores. The plant operates as a chemical industry facility equipped with advanced manufacturing lines designed to convert raw materials into finished snacks. In addition to manufacturing, the site functions as a distribution hub, managing the shipment of finished goods to retail locations.

Grant Road Industrial Center

The Grant Road Industrial Center is located adjacent south of the larger parcel, south of the Santa Cruz River. The industrial park covers approximately 470,000 square feet under roof and consists of 25 buildings, each managed by their own leasing companies. Zoned I-1 for industrial uses, the park supports a diverse range of activities including manufacturing, modern machine shops, hydraulic ram plating, water lab testing, electrical switchgears, importing/exporting, mining-related operations, office spaces, some wholesale and retail distribution, daycare services, contractors, and places of worship.

Access

Primary access to the subject neighborhood is provided by Interstate 10 and other major arterials. The Tucson MSA is set up in a grid format with major thoroughfares set one-mile apart. Major arterials in the neighborhood include Prince Road, Miracle Mile, Grant Road, and Speedway Boulevard. Overall, the subject's neighborhood is sufficiently served by several major thoroughfares and Interstate-10.

Demographics

2025 Demographics: <i>Source: STDBOnline</i>	1-Mile Radius	3-Mile Radius	5-mile Radius
2025 Summary			
Population	10,188	89,278	209,611
Households	4,618	41,749	94,892
Families	2,423	19,517	43,149
Average Household Size	2.20	2.11	2.07
Owner Occupied Housing Units	2,978	20,526	46,751
Renter Occupied Housing Units	1,640	21,223	48,141
Median Age	37.1	37.7	36.2
Median Household Income	\$47,410	\$45,462	\$54,060
Average Household Income	\$62,257	\$66,033	\$80,441

Conclusion

The neighborhood has a lower middle-income profile with a median household income of \$45,462 within three miles of the subject. The neighborhood's dense population base and limited availability of developable land benefits the subject's demand. Interstate-10 provides access suitable for larger industrial uses, as shown by the neighboring industrial developments. Generally, the neighborhood is expected to maintain a relatively stable growth pattern with new development primarily being renovated properties due to the lack of available land.

SITE ANALYSIS

Location

The subject property is located southwest of Interstate-10 and northwest of Miracle Mile in Tucson, Pima County, Arizona 85705.

Shape and Area

According to the client, the subject property consists of 55,533 square feet or 1.28 acres. The site has an elongated, narrow shape that is irregular. The site's irregular shape inhibits its development potential as its narrow shape restricts the development of a typical building footprint. Based on our measurements that are attached in the Addenda, the property has an approximately 78-foot width at the widest section of the property.

Topography

The subject property contains flat topography which has been recently graded as part of a new roadway. As of the date of value, the adjacent property owner graded the subject with approval from ADOT. Along the easternmost portion of the subject the terrain slopes upward towards Interstate-10. This slope ranges from approximately 2 feet near the northern boundary to 10 feet along the southern boundary. This is represented in the grading plan which follows below. This appraisal assumes the subject is raw, undeveloped land that is gently sloping.

Access

While physical access exists to the subject, it does not have legal access as shown on the previous ADOT property map. The nearest, non-legal access is from a curb-cut approximately 400 linear feet north of the subject property's northern boundary. Obtaining legal access would require a private way of necessity which is allowable under Arizona Revised Statutes § 12-1202. Although, due to the subject's restrictive development potential, this process is not considered to be financially feasible at this time.

Traffic Counts

According to the most recently available data from ADOT, the subject property has exposure to 3,715 vehicles per day along the N. Freeway frontage road, adjacent to the subject. Interstate-10 provides exposure to 186,621 vehicles per day near the subject.

Adjacent Uses

North: Vacant Land (Prince 10 Development) and Interstate-10

South: University of Arizona Vet Diagnostic Lab

East: Interstate-10

West: Vacant Land (Prince 10 Development)

The subject property does not contain any site improvements.

Electric, city water and sewer, and natural gas are located adjacent to the subject.

Police and fire and emergency services are provided by the City of Tucson.

No environmental reports were provided for review. Lacking an environmental report, this appraisal assumes no environmental conditions are present that would adversely affect the value of the appraised property.

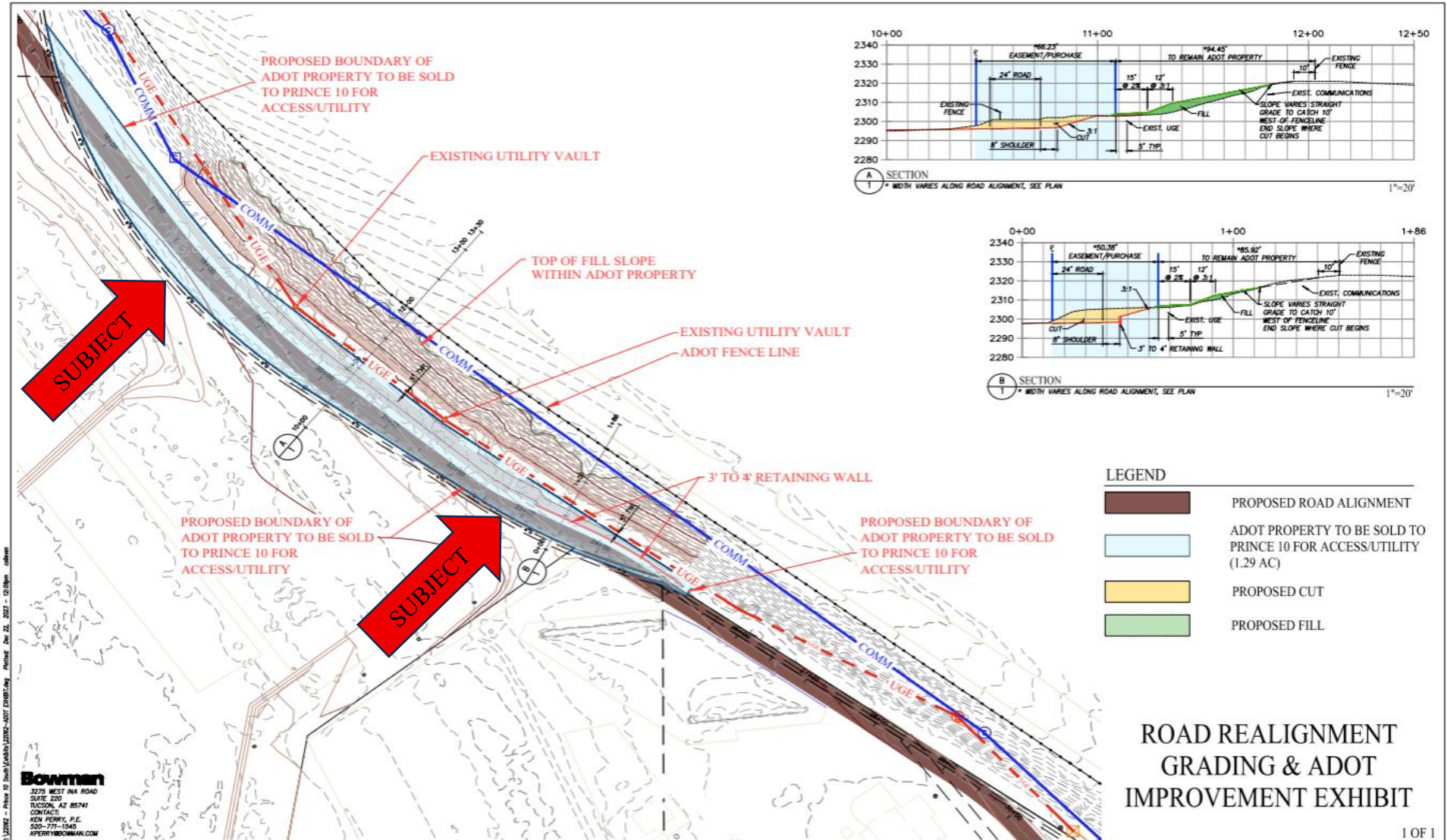
No soils engineering reports were provided to the appraisers and the soil and sub-soil conditions are not known. There is no visual evidence of adverse soil conditions on the site.

A title report was provided for review by the appraisers. The subject is encumbered by typical public utility easements that do not adversely affect value.

The subject property is located within Flood Zone X according to the FEMA Map 04019C1669L, dated June 16, 2011. Zone X is defined by FEMA as follows:

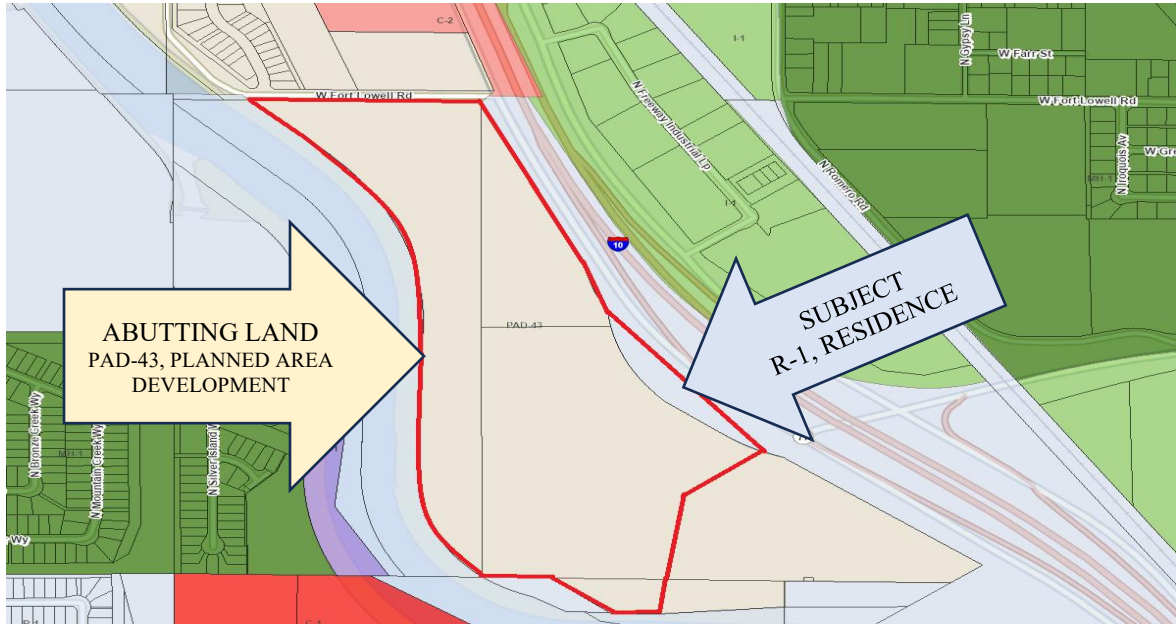
FEMA FLOOD MAP

Grading Plan - Subject Outlined in Light Blue



ZONING

The subject property is located in the R-1, Residence zoning district in the City of Tucson. The abutting land is located in the PAD-43, Planned Area Development zoning district in the City of Tucson. These zones are represented on the following map followed by a brief description of their allowable uses and probability of rezoning.



R-1, Residence Zone (Subject Property)

The R-1, Residence zoning district in the City of Tucson is intended to provide for urban, low-density, single-family residential development. This zone is designed to foster a residential environment by permitting single-family homes while supporting essential community amenities such as schools, parks, and other necessary public services to ensure a satisfactory urban residential setting. In addition to primary single-family residences, the R-1 district allows for certain other uses, such as day care facilities and farmers' market. The district maintains strict standards to preserve the urban low-density character, focusing on appropriate allowable uses that do not disrupt the neighborhood environment. According to Mr. Jay Olivas, Lead Planner-Entitlements with the City of Tucson's Planning and Development Services, a building permit to develop a residence on the subject would not likely be approved due to its location and lack of access.

Pad-43, Planned Area Development (Abutting Land)

The PAD-43, Prince 10 Planned Area Development, PAD, zoning district in the City of Tucson is a mixed-use interstate commerce campus. It is designed to attract high-tech

industries, corporate offices, research and development, light industrial uses, and high-density multifamily residential developments. The district permits building heights up to 12 stories high throughout the property. There is no lot size, lot width, setback, lot coverage, and maximum density restrictions.

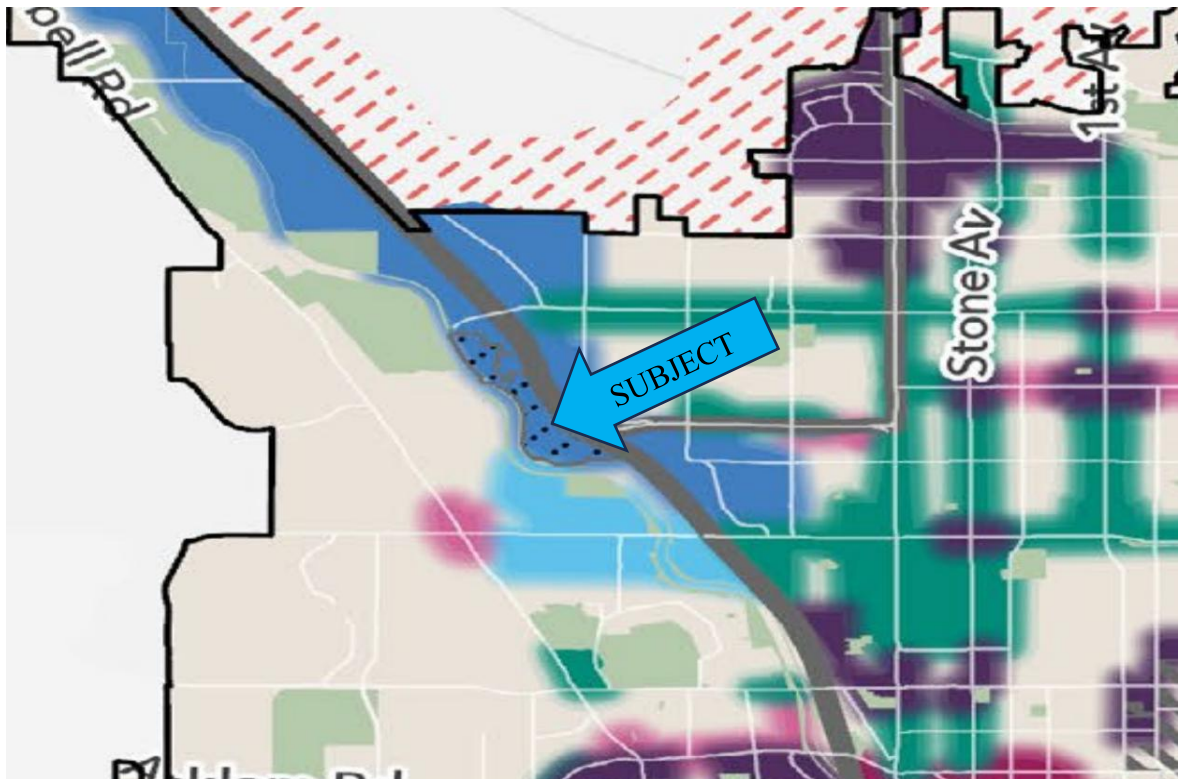
Allowable uses include but are not limited to: agricultural uses, civic uses, office uses, retail uses, hospitality uses, bars, automotive repair facilities, banks, medical services, personal services, general manufacturing, perishable goods manufacturing, precision manufacturing, storage uses, multi-family, and other commercial uses.

Prohibited uses include but are not limited to: single-family residences, billboards, construction services, refining uses, salvage and recycling uses, primary manufacturing, construction material sales, and hazardous material storage.

General Plan

The subject property is located in the pre-planned, Industrial Land Use district in the City of Tucson's General Plan. The typical land use mix allows manufacturing, warehouses, supportive retail services and housing where appropriate. Since this area is pre-planned, greater flexibility is allowed based on the PAD. The subject's location on the General Plan Map is represented below.

GENERAL PLAN MAP



Probability of Rezoning

The subject property is located within a low-density residential zoning district. The subject's narrow shape and lack of access prohibits its development with a residential use. Due to its stand-alone development restrictions, the subject property would not receive approval to be rezoned to any other use outside of PAD-43. In order for the subject to be developable, it would have to be assembled with the adjacent Prince 10 Planned Development Area, PAD-43.

Due to the subject's development restrictions, a knowledgeable buyer would consider the likelihood of rezoning the site with a more intensive zone that conforms to the adjacent development. We have relied on the following text in our consideration of rezoning the subject property.

Definition - Probability of Rezoning

The general rule is that present market value must ordinarily be determined by consideration only of the uses for which the land "is adapted and for which it is available." The exception to this general rule is that if the land is not presently available for a particular use by reason of a zoning ordinance or other restriction imposed by law, but the evidence tends to show a "reasonable probability of a change in the near future" in the zoning ordinance or other restriction, then the effect of such probability upon the minds of purchasers generally may be taken into consideration in fixing present market value.¹⁶

Mr. Jay Olivas, Lead Planner-Entitlements with the City of Tucson's Planning and Development Services, was contacted about the probability of rezoning the subject property to PAD-43. According to Mr. Olivas, a Pre-Application Conference with the current owner of the existing PAD-43 development would be required. In his opinion, the subject property would likely receive approval to be rezoned to PAD-43 if it were assembled with the adjacent Prince 10 development. **This would require the owner of the PAD-43 development plan to approve the subject's inclusion into the plan.**

City of Tucson Rezoning Fees

Some of the cost to rezone a property in the City of Tucson are outlined in Sections 4-05-1.0 through 4-05-3.0 of the City of Tucson's Unified Development Code¹⁷. These costs are largely based on a percentage of the cost to develop specific uses. Due to the lack of a

¹⁶ *Martens V. State, Real Estate Valuation in Litigation 2nd Edition, page 142, Appraisal Institute*

¹⁷ https://codelibrary.amlegal.com/codes/tucson/latest/tucson_az_udc/0-0-0-28076#JD_ADMSec.4-05.3.0

specific development type that the subject property would support, the exact cost to rezone the subject are unknown.

According to the Staff Review Calculation Table, Section 4-05.2.0, Planning and Permitting Fee Schedule for PAD zoning is \$23,540 plus \$235.40 per acre. This would equate to \$23,841 for the subject's 1.28-acre site.

Conclusion

While the subject property would be benefitted by its inclusion into the adjacent Prince 10 development, it is speculative to assume the PAD-43 owner would approve its inclusion. As this appraisal provides an opinion of market value, it would be too speculative and not supportable to assume the PAD-43 owner would allow a typical market participant entry into their development plan. Assuming the PAD-43 owner would be the only buyer of the subject property would require an opinion of investment value, which is outside of the scope of this appraisal. Thus, it is reasonable assume the subject property **would not receive approval** to be rezoned from R-1, Residence to PAD-43, Planned Area Development.

ASSESSED VALUATION & TAX DATA

The subject is owned by the State of Arizona, which is a tax-exempt entity. As the property does not have an established parcel number, valuations for taxation purposes are not performed or available. Thus, there is no available tax information.

HIGHEST AND BEST USE

According to the 15th Edition of *The Appraisal of Real Estate*, published by the Appraisal Institute, highest and best use may be defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value." (Page 332)

The highest and best use must meet four criteria. The highest and best use must be:

- 1) ***Legally Permissible:*** What uses are permitted by zoning, private restrictions, historic districts, and environmental regulations on the site?
- 2) ***Physically Possible:*** Based on the physical characteristics of the site, what uses are physically possible?
- 3) ***Financially Feasible:*** Which uses meeting the first two criteria will produce a positive return to the owner of the site.
- 4) ***Maximally Productive:*** Among the feasible uses, which use will produce the highest price, or value, consistent with the rate of return warranted by the market? This use is the highest and best use.

AS VACANT

Legally Permissible

The subject property is located within R-1, Residence zoning district in the City of Tucson. This district is intended to provide for urban, low-density, single-family residential development. Although, the subject's lack of legal access restricts the property's development with a residential use.

As discussed in the Zoning section, the subject property would likely receive approval from the City to be rezoned to PAD-43 in order to be developed with the adjacent property. Although, it is speculative to assume the owner of the PAD-43 development would allow the subject property be included into their adjacent development. Due to this, only the adjacent property owner benefits from the probability to rezone the subject. Thus, the probability to rezone the subject to PAD-43 is not considered in our market value appraisal.

Physically Possible

The subject property consists of approximately 55,533 square feet or 1.28 acres. The property contains flat terrain, which was graded by the adjacent owner who incurred all of the grading costs. The subject property has an irregular site shape which could accommodate

a smaller residence, but the market would not likely develop the site with a residence due to the limited utility of the site.

Utilities are available to the property, which have been extensively developed by the adjacent property. The property has physical vehicular access from the neighboring property. Prior to utilizing this vehicular access, the property would need to obtain legal access through a private way of necessity, which is not feasible. There are no floodplain issues that inhibit the site's development.

Based on the zoning, location, physical characteristics and surrounding improved uses, the physically possible use, as vacant, is for open space uses due to the restrictive shape and lack of access. Assemblage of the subject property with the adjacent Prince 10 development would provide the subject with legal and physical access and increase the site's overall utility dramatically. Although, assuming the adjacent property owner would purchase the subject property for assemblage in determining the subject's market value is considered too speculative.

Financially Feasible and Maximally Productive

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. The subject's restrictive shape and lack of access limits its development potential as a stand-alone property. It is located adjacent to the Prince 10 development which is currently selling developed pads. These recently listed pads are marketed at \$20 to \$24 per square foot.

Due to the subject's lack of developable utility, obtaining legal access to the subject is not considered financially feasible. The cost to obtain legal access would cost more than the value it provides to the subject. Assuming the subject would require a 16-foot-wide easement over the approximately 400 linear feet to the nearest access point would total 6,400 square feet of easement. This easement would need to be purchased from the adjacent owner through a private way of necessity.

Based on the Easement Valuation by Donald Sherwood, which is attached in the Addenda, it is reasonable to assume that the access easement would cost 90% of the fee value of the adjacent land needed. Using the lowest list price of \$20 per square foot, it is estimated the easement would cost approximately \$18 per square foot or \$115,200 as outlined below.

$$\text{\$18 Per Square Foot X 6,400 Square Feet} = \text{\$115,200}$$

This cost excludes additional planning and survey fees, recording fees, and attorney fees which are required. A land survey is estimated to cost approximately \$5,000 and attorney's fees can range from \$350 to \$500 per hour. The total attorney's fees would be reliant on if the lawsuit is contested, length of process, and property circumstances. Thus, obtaining legal access in order to develop the subject property is not considered financially feasible.

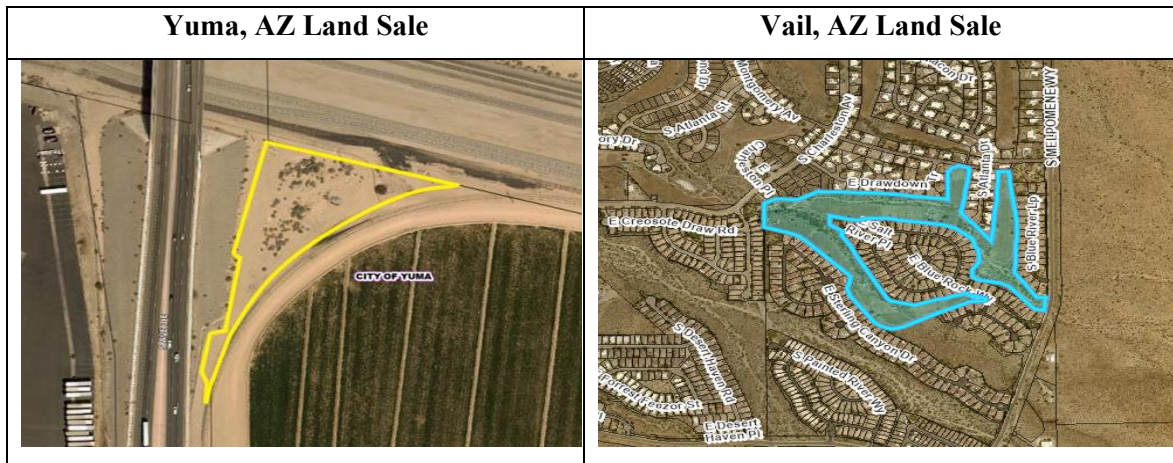
Due to the lack of feasibility to immediately develop the subject property, it is likely that the subject property would be purchased by the adjacent property owner or a speculative investor to hold for future development or assemblage. The Appraisal Institute outlines this in the following text.

“Holding a property for future use may produce a higher present value than current development of a different use on the property.”¹⁸

It is too speculative to assume in this market value appraisal that the adjacent property owner would be the only buyer. Although, it is reasonable to consider the adjacent property owner a market participant and a potential buyer. In addition to the adjacent owner, there are other market participants that purchase development restricted land to hold as a speculative investment. To support this claim, two speculative land purchases that were purchased with no intention of developing the land are outlined below. These sales are not utilized in our Sales Comparison Approach due to their differing locations.

SPECULATIVE INVESTMENT LAND PURCHASES					
LOCATION	SALE DATE	SALE PRICE	SITE SIZE IN S.F.	SALE PRICE PER S.F.	COMMENTS
SW of Melpomene Way and Montgomery Avenue, Vail, AZ 85641	9/18/2023	\$60,000	1,516,324	\$0.04	The buyer purchased the land knowing that it could not be developed. Their intent is to hold the property for their estate in hopes that one day the development restrictions would be rescinded and the property could be developed with a use that would provide a return on their investment. The property has access and all utilities.
East of Avenue 3E, South of Union Pacific Rail Line, Yuma, AZ 85365	9/17/2024	\$18,000	72,066	\$0.25	The buyer purchased the land knowing that it did not have legal access. Obtaining access was not feasible and the site's irregular shape was development restrictive. The buyer purchased the property to hold with hope that future development would provide the property with additional value. The site has electric at the lot line.

¹⁸ The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, 2020



There is also demand for governmental agencies to secure open space, recreational areas for the population base they serve. Due to the subject's restrictive access, smaller size, and lack of utility, it is unlikely a governmental entity would purchase the subject for a public recreational use.

The maximally productive use of the subject property is to be assembled with the adjacent property. While the adjacent owner is a market participant and most likely buyer, it is speculative to assume they are the only purchaser. Due to the substantial adjacent development, it is financially feasible and maximally productive to purchase the subject property as a speculative investment to hold. The possible uses include but are not limited to: future sale of property to adjacent owner as their development warrants, sale to a future pad owner in the adjacent development to increase their land holdings, and speculate that future zoning regulation changes will allow the buyer to lease or sell the property to a billboard or wireless antenna provider.

Conclusion, Highest and Best Use

Given the zoning, location, physical characteristics and general market conditions, the highest and best use, as vacant, is to purchase the property as a speculative investment.

LAND VALUATION

The Sales Comparison Approach is used to provide a market value opinion for the subject property, as vacant land. This approach applies the principle of substitution which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property without undue or costly delay. The Sales Comparison Approach is the only applicable approach to value vacant land like the subject. Thus, neither a Cost nor Income Approach is applicable to the valuation of vacant land.

Adjustments are made to the comparable sales based on the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, and zoning/planned use. The subject property consists of vacant land. Its highest and best use is speculative investment land. Thus, the appropriate unit of comparison is sale price per square foot.

Search parameters for comparable land sales focused on sales and listings of development restricted land. A focus was made to obtain sales that are similar in location, utility, and size to that of the subject. The search for land sales included immediate and surrounding areas that have similar demographics and are planned for accessory uses that are restrictive to development.

Since there is limited recent sale data of properties similar to the subject within close proximity, we have utilized some older land sales. Price adjustments have been made to these properties to account for the increased market conditions since their sale date. The market data that is included in the analysis is considered to be the best available and provides a credible opinion of value.

A location map showing the selected comparable land sales relative to the subject property and individual data sheets are presented on the following pages. The price per square foot adjustment matrix follows the land value analysis.

COMPARABLE MAP



COMPARABLE LAND SALE



COMPARABLE:	LAND COMP 1
LOCATION:	South of Business Center Drive and West of N. La Cholla Boulevard, Tucson, AZ 857056
TAX CODE NUMBER(S):	Not Established
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	March 31, 2021
Deed Recording No:	2021-0900768
SELLER:	State of Arizona
BUYER:	Prince 10 COT SPE LLC
SALE PRICE:	\$24,300
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length - Adjacent Buyer, Appraised Value, No Fees
LAND AREA IN SQ. FT.	48,435
LAND AREA IN ACRES.	1.11
LAND PRICE PER SQ. FT:	\$0.50
LAND PRICE PER ACRE:	\$21,854
PHYSICAL DESCRIPTION	
Location:	Above Average / NW Tucson
Access/Visibility:	Above Average / Average
Traffic Count (VPD):	Not Recorded, Assumed Nominal
Topography/Shape:	Flat / Rectangular-Development Restricted
Utilities:	All Available
Flood Plain:	Zone X (Shaded)
Site Improvements:	None
ZONING / PLANNED USE:	R-1, Residence / Open Space Assemblage
THREE YEAR HISTORY:	No Sales
MARKETING TIME:	Direct Sale for Appraised Value
CONFIRMED WITH:	Donna Bentley, Seller's Representative, Warranty Deed, Public Sources
DATE CONFIRMED:	7/31/2025

COMMENTS:

This comparable represents the purchase of 1.11 acres of raw, residentially zoned land. The property is mostly encumbered by utility easements that restrict the site's development. It was purchased by an adjacent property owner who purchased the property to assemble it with their adjacent development. On a stand-alone basis, the site could not be developed. As assembled, the property can provide open space uses to support the larger, adjacent development. The purchase price was based on an appraised market value. As the buyer was not obligated to purchase the property, it is considered a reliable indicator of market value.

COMPARABLE LAND SALE



COMPARABLE:	LAND COMP 2
LOCATION:	North of Sinagua Road, West of Camino Del Sapo, Tucson, AZ
TAX CODE NUMBER(S):	211-07-010J, 010K, and 010L
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	March 31, 2023
Deed Recording No:	2023-0900285
SELLER:	The Nature Conservancy
BUYER:	Pima County
SALE PRICE:	\$284,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length - Appraised Value, No Fees
LAND AREA IN SQ. FT.	866,992
LAND AREA IN ACRES.	19.90
LAND PRICE PER SQ. FT.:	\$0.33
LAND PRICE PER ACRE:	\$14,271
PHYSICAL DESCRIPTION	
Location:	Below Average / Pima County
Access/Visibility:	Below Average / Poor
Traffic Count (VPD):	1,825 Along Sandario Road, ADOT 2024
Topography/Shape:	Gently Sloping / Irregular
Utilities:	Electric
Flood Plain:	Zone X
Site Improvements:	None
ZONING / PLANNED USE:	RH, Rural Homestead / Open Space Wildlife Corridor
THREE YEAR HISTORY:	No Sales
MARKETING TIME:	Direct Sale for Appraised Value
CONFIRMED WITH:	Jeff Teplitsky, Pima County Director of Real Property Services, Warranty Deed, Public Records
DATE CONFIRMED:	5/5/2025
COMMENTS:	

This comparable represents the purchase of 19.9 acres of raw, residentially zoned land. The seller is a non-profit agency who works to conserve lands and waters for wildlife habitats. The comparable was purchased by Pima County to act as a wildlife corridor across the CAP canal, just east of the comparable. The property will remain as open space with no development. According to Mr. Teplitsky, buyer's representative, the property was purchased for its appraised value. While the property was purchased by a government agency, it was not purchased under the threat of eminent domain. The seller was not legally obligated to sell the property and did so without undue duress. The property is comprised of 3 separate, but contiguous parcels.

COMPARABLE LAND SALE



COMPARABLE:	LAND COMP 3
LOCATION:	NWC of Tangerine and Oracle Road, Tucson, AZ 85737
TAX CODE NUMBER(S):	222-46-018
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	August 10, 2023
Deed Recording No:	2023-2220187
SELLER:	State of Arizona Department of Transportation
BUYER:	VWI/Vistoso Investment LLC
SALE PRICE:	\$270,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length - Adjacent Buyer, Appraised Value, No Fees
LAND AREA IN SQ. FT.	974,437
LAND AREA IN ACRES.	22.37
LAND PRICE PER SQ. FT.:	\$0.28
LAND PRICE PER ACRE:	\$12,070
PHYSICAL DESCRIPTION	
Location:	Above Average / Oro Valley
Access/Visibility:	Good / Good
Traffic Count (VPD):	43,254 Along Oracle Road and Tangerine, ADOT 2022
Topography/Shape:	Sloping / Irregular (Restrictive)
Utilities:	All Available
Flood Plain:	Zone X
Site Improvements:	None
ZONING / PLANNED USE:	Unzoned, Adjacent to Open Space / Open Space Assemblage
THREE YEAR HISTORY:	No Sales
MARKETING TIME:	Not Disclosed
CONFIRMED WITH:	Jordan Simon, Buyer's Broker, Special Warranty Deed, Public Records, Work file
DATE CONFIRMED:	5/6/2025
COMMENTS:	
This comparable represents the sale of 22.37 acres of raw, unzoned land. The property was unzoned as it was a remnant piece of land from a right of way project by ADOT. According to Milini Simms, Oro Valley Planning and Zoning, the property's zoning would assume the zoning of the adjacent parcel, Open Space. The buyer is an adjacent property owner who purchased the comparable as a protection buffer for their neighboring development, Innovation Park. The site has sloping topography and an irregular shape which makes developing the property more costly.	

COMPARABLE LAND SALE



COMPARABLE:	LAND COMP 4
LOCATION:	La Cholla Blvd and Fort Lowell Right of Way, Located South of Prince Road and West of I-10, Tucson, AZ 85705
TAX CODE NUMBER(S):	Not Established
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	July 9, 2025
Deed Recording No:	2025-1900504
SELLER:	City of Tucson
BUYER:	Prince 10 QOB, LLC
SALE PRICE:	\$220,300
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length - Adjacent Buyer, Appraised Value, No Fees
LAND AREA IN SQ. FT.	146,820
LAND AREA IN ACRES.	3.37
LIST PRICE PER SQ. FT:	\$1.50
LIST PRICE PER ACRE:	\$65,361
PHYSICAL DESCRIPTION	
Location:	Above Average / NW Tucson
Access/Visibility:	Above Average / Average
Traffic Count (VPD):	Not Recorded, Assumed Nominal
Topography/Shape:	Flat-Asphalt Paved / Irregular (Restrictive)
Utilities:	All Available
Flood Plain:	Zone X
Site Improvements:	Depreciated Asphalt Pavement
ZONING / PLANNED USE:	PAD-43 / Right of Way Assemblage
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	Direct Sale
CONFIRMED WITH:	Geoff Caron, Prince 10 Project Manager, Tiana Clark, City of Tucson Real Estate Supervisor, Warranty Deed
DATES OF CONFIRMATION:	8/4/2025
COMMENTS:	
This comparable represents the sale of 3.37 acres that was previously utilized as a public right of way. The property was purchased by the adjacent property owner. According to Tiana Clark, City of Tucson Real Estate Supervisor, the property was sold for its appraised value. The existing right of way was abandoned at the time of purchase and the land was assembled with the PAD-43, Prince 10 development. The property was not listed on the open market and the buyer was able to purchase the property directly from the City of Tucson. Due to its narrow shape, the property cannot be developed on a stand-alone basis. The buyer purchased the property to provide access for their development.	

LAND VALUE ANALYSIS

Quantitative adjustments have been considered for elements of comparison including property rights conveyed, financing terms, conditions of sale, and date of sale, location, and physical characteristics, zoning/planned use. Due to the limited number of development restricted land sales, the appraisers are largely unable to utilize paired sales for our price adjustments. Costs are also considered a reliable indicator for price adjustments. Although, since the subject property's highest and best use is speculative development, a buyer would not pay to develop the property until demand warrants. Due to this, costs are not considered a reliable indicator for price adjustments. The following price adjustments are based on the best available information as discussed below. A tabulation of these comparable sales follows.

<i>SUMMARY OF COMPARABLE LAND SALES</i>								
LAND COMP	SALE DATE	PROPERTY LOCATION	LAND SALE PRICE	GROSS ACRES	LAND AREA (SF)	PRICE PER ACRE	PRICE PER SF	ZONING / PLANNED USE
1	03/31/21	South of Business Center Drive and West of N. La Cholla Boulevard, Tucson, AZ	\$24,300	1.11	48,435	\$21,854	\$0.50	R-1, Residence / Open Space Assemblage
2	03/31/23	North of Sinagua Road, West of Camino Del Sapo, Tucson, AZ 85743	\$284,000	19.90	866,992	\$14,271	\$0.33	RH, Rural Homestead / Open Space
3	08/10/23	NWC of Tangerine and Oracle Road, Tucson, AZ 85737	\$270,000	22.37	974,437	\$12,070	\$0.28	Unzoned, Adjacent to Open Space / Open Space Assemblage
4	07/09/25	La Cholla Blvd and Fort Lowell Right of Way, Located South of Prince Road and West of I-10, Tucson, AZ 85705	\$220,300	3.37	146,820	\$65,361	\$1.50	PAD-43 / Right of Way Assemblage
SUBJECT	---	Southwest of Interstate-10 and Northwest of Miracle Mile, Tucson, AZ 85705	---	1.28	55,533	---	---	R-1, Residence / Undevelopable Speculative Investment

The following is an analysis of the sales by each element of comparison. The adjustment matrix summarizes the price adjustments and precedes the conclusion of this analysis.

Property Rights Conveyed

No price adjustments to any of the comparable sales is made for property rights conveyed. The fee simple interest was transferred for each comparable.

Financing Terms

In accordance with the definition of market value, adjustments for financing terms assume all cash or cash to the seller with the buyer obtaining new conventional financing at prevailing interest rates.

Comparable Sales One, Two, Three, and Four, were transacted with cash to seller. No price adjustments are made for those financing terms.

Conditions Of Sale

A price adjustment for conditions of sale is made if the transaction was influenced by outside factors such as financial duress, lack of a sales commission, a related-party transaction, or out of the ordinary motivations of the buyer or seller.

Comparable Sales One, Three, and Four were arm's-length transactions that were purchased by an adjacent property owner for the appraised value. It is typical of the market for an adjacent buyer to pay a premium to secure possession and expand their contiguous holdings. As the sale prices were established by a market value appraisal that did not consider assemblage value, no price adjustments are warranted for an adjacent buyer.

None of the comparable sales paid real estate commissions, which is not typical of the market. It is typical for the buyer and seller to each pay 3% of the purchase price to a real estate agent. An upward price adjustment is made to all of the sales to account for the lack of sales commissions paid.

Market Conditions (Time)

A price adjustment for market conditions considers any changes in market prices that occur over time. These changes include fluctuations in supply and demand and general price changes for the property type. Since the subject property is appraised as of a specific date, the comparable sales must be analyzed to determine the direction of price change, if any, during the period between the sale date and the effective date of value.

The sales dates for the comparable sales range from March 2021 to July 2025. As discussed in the Market Analysis, market conditions have been improving since March 2021 to the effective date of value. A 4% annual upward price adjustment is applied to Comparable Sales One, Two, and Three from the comparable sales dates to the July 24, 2025 date of value. Comparable Sale Four is not adjusted as it is a recent sale with no change in market conditions.

LOCATION

General/Access/Frontage

In order to determine the economic differences between the subject property and the comparable sales, income levels, population base, surrounding uses, access, and frontage are analyzed. The following chart summarizes these characteristics for the subject and comparable sales and are considered in our price adjustments.

PROPERTY CHARACTERISTICS					
Category	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Median Household Income*	\$45,462	\$50,374	\$70,142	\$110,840	\$50,374
Population*	89,278	79,786	934	20,021	79,786
Surrounding Uses	Commercial and Industrial	Commercial, Industrial, and Residential	Vacant Land and Low-Density Residential	Commercial and Office	Commercial, Industrial, and Residential
Access	No Legal, Near Freeway Interchange	Two-Lane Asphalt Paved Road Near Interstate Interchange	Unmaintained Dirt Road Suitable for High Clearance Vehicles	Mid-Block Access from State Route	Two-Lane Asphalt Paved Road Near Interstate Interchange
Visibility	Below Grade Frontage With Exposure to 190,336 V.P.D.	Limited Visibility With Exposure to Limited Traffic	Isolated Location With Minimal Visibility and Nominal Traffic	Corner Location With Exposure to 43,254 V.P.D.	Limited Visibility With Exposure to Limited Traffic
*2025 Annual Data is From Site to do Business Within a 3-Mile Radius					

The subject property is located just west of Interstate-10 and northwest of Miracle Mile. It is located in the northwest portion of the City of Tucson. The surrounding area is largely developed with few remaining developable areas of land. In the immediate vicinity there are commercial and industrial uses. Dense residential developments are not adjacent to but are located within close proximity. The subject is located adjacent to the Price 10 development, which is a benefit to its highest and best use as a speculative investment as it is reasonable the adjacent land will be densely developed in the foreseeable future with intensive uses. Overall, the subject's location is considered above average.

The subject does not have legal access. As previously outlined in the Highest and Best Use section, it is not currently feasible to obtain legal access to the property. Physical access is from the Interstate-10 frontage road, approximately 400 linear feet north of the property boundary. Overall, access is considered poor due to the lack of legal access. While the subject's access is considered poor, its highest and best use as a speculative land purchase reduces its immediate necessity for access which is considered in our reduced-price adjustments.

The subject property has restricted visibility to large amounts of traffic from the Interstate-10 frontage road as the property is below grade of the roadway. While it is a prime location for an interstate billboard, the property does not currently have the legal rights to develop this use. Overall, its visibility is considered average.

Comparable Sale One is located within close proximity to the subject property. Its location is above average, similar to the subject. No price adjustment is made. It is located near the Prince Road interchange with Interstate-10 which provides above average access. A downward price adjustment is made. The property is set-back from Interstate-10 with adjacent developments restricting its visibility from the freeway. It has exposure to limited

traffic volumes and has average visibility overall. No price adjustment is warranted. Overall, a downward price adjustment is made.

Comparable Sale Two is located in the southwest portion of the Tucson Metropolitan area, in Pima County. The surrounding area largely consists of low-density residential uses and the Tucson Mountain Park. Additionally, its location and use as open space allows for a corridor to protect local wildlife. Its location is considered below average due to its isolated location. An upward price adjustment is made.

Access to Comparable Sale Two is from a graded dirt road partially improved with gravel. Standard vehicular access is restricted due to the rough terrain. This provides below average access. A downward price adjustment is made. The property does not have exposure to heavy traffic volumes due to its isolated location. Its visibility is considered poor. An upward price adjustment is made. Overall, an upward price adjustment is made.

Comparable Sale Three is located in the northern portion of the Town of Oro Valley. The comparable is located adjacent north of the Oro Valley Marketplace which is a large retail development. The surrounding area is primarily commercial, residential, and civic uses. There are large tracts of vacant land in the comparable's immediate area. While the adjacent population base is inferior, the surrounding population is more affluent which supports higher-end development types. Overall, the comparable's location is considered above average. This is similar to the subject and no price adjustment is made.

Comparable Sale Three is corner located at Oracle Road, also known as State Route 77, and Tangerine Road. These are considered major roadways and provide good access and visibility to the subject's corner location. This is superior to the subject and downward price adjustments are made. Overall, a downward price adjustment is made.

Comparable Sale Four is located within close proximity to the subject property. Its location is above average, similar to the subject. No price adjustment is made. It is located near the Prince Road interchange with Interstate-10 which provides above average access. A downward price adjustment is made. The property is set-back from Interstate-10 with adjacent developments restricting its visibility from the freeway. It has exposure to limited traffic volumes and has average visibility overall. No price adjustment is warranted. Overall, a downward price adjustment is made.

Physical Characteristics

Adjustments for physical characteristics include the size, topography/shape, availability of utilities, floodplain issues, and zoning/planned use.

Site Size

Assuming all other things are equal, a larger property usually sells for a lower price per acre than a smaller property due to economies of scale. This is because smaller properties typically have a larger number of potential buyers than a larger property and because the holding cost to the developer of a larger parcel is greater due to the extended timeline to develop a larger site area. The subject property is comprised of 55,533 square feet or 1.28 acres. The comparable sales range from 48,435 square feet to 974,437 square feet or 1.11 acres to 22.37 acres.

Due to the restrictive developable uses allowed for the subject and comparable sales, there is limited available market data to extract reliable site size adjustments using paired sales. Land sales throughout Pima County were analyzed to estimate site size adjustments. According to CoStar, within the last 3-year period, the 59 land sales ranging from 1 acre to 2 acres had a median sale price of \$12.95 per square foot. The 32 land sales that ranged from 3 acres to 4 acres had a median sale price of \$5.03 per square foot. The 19 land sales ranging from 19 acres to 23 acres had a median sale price of \$3.00 per square foot. Land sales ranging from 1 to 2 acres sold for 76.8% per square foot than land sales ranging from 19 to 23 acres.

It is acknowledged that the smaller land sales include more developed sites which typically sell for more per square foot compared to raw land sales. These differences provide some guidance regarding a size adjustment and is considered the basis for our adjustments. Based on the aforementioned data, economies of scale are most prevalent for properties over 3 acres.

Comparable Sale One is similarly sized compared to the subject property. No price adjustment is made.

Comparables Two, Three, and Four are larger than the subject. Upward price adjustments are made.

Topography / Shape

The subject property has flat topography that was recently graded by the adjacent property owner. According to Geoff Caron, Prince 10 Project Manager, the cost to grade the subject property was \$74,716. This is not considered in the subject's market value as these costs were not incurred by the subject property owner. This appraisal uses a hypothetical condition to assume the property has gently sloping topography and not a graded roadway. The subject is irregular in shape in a manner that is restrictive to its development. In order

to sufficiently be developed, the property would have to be assembled with the adjacent property.

Comparable Sale One has flat topography with a rectangular shape. There are several easements that restrict the property's development. Due to this, the site's developable topography and shape do not benefit its value. No price adjustment is made.

Comparable Sale Two has gentle sloping terrain, similar to the subject, and is irregular in shape. The shape is not restrictive due to its larger site size. A downward price adjustment is made for the superior site shape.

Comparable Sale Three has sloping topography that is inferior to the subject. An upward price adjustment is made to account for the added cost to grade or develop the site. The comparable has an irregular shape that is restrictive to development. No price adjustment is made.

Comparable Sale Four has flat topography that is improved with asphalt pavement that is older at the time of sale and requires extensive repairs or replacement. Although, the existing asphalt does reduce the cost of developing the property with a new roadway, which is superior to the subject. A downward price adjustment is made. The comparable's shape is more restrictive than the subject's as the area cannot accommodate any stand-alone development. The property can only be utilized for a right of way to benefit the adjacent property. As the property's purchase price was based on market value and not investment value to the adjacent property, an upward price adjustment is made. Overall, no price adjustment is made accounting for superior topography and inferior shape.

Utilities (Offsites)

The subject property's water, sewer, gas, and electric utilities are located at or near the property's lot line. The subject's limited development potential is less reliant on utility development, which is considered in our price adjustments.

Comparable Sales One, Three, and Four have all utilities available, similar to the subject. No price adjustments are made.

Comparable Two has electric available to the property. Due to its limited use, it is not feasible to develop utilities to the property. This is inferior to the subject and an upward price adjustment is made.

Floodplain

As discussed in the Site Analysis, the subject property is located in FEMA Zone X, outside of the floodplain. All of the comparable sales are located outside of the floodplain, similar to the subject. No price adjustments are made.

Zoning / Potential Use

The subject property is currently zoned R-1, Residence in the City of Tucson. As discussed in the Zoning section, in order for the subject property to be rezoned to PAD-43, the adjacent property owner would need to approve the rezoning. Thus, they are the only entity likely to rezone the subject if purchased.

Comparable Sale One is located in the same zoning district as the subject. No price adjustment is warranted. The property was purchased to assemble with the owner's adjacent development. Assemblage value was not considered in the market value appraisal. The site is development restricted and will serve as an open space use that supports the nearby development. As the property was purchased based on its stand-alone value, no price adjustment is made for use.

Comparable Sale Two is located in the RH, Rural Homestead zoning district in Pima County. While this residential district is inferior to the subject's zoning, the use of the property is not reliant on the zoning for development. No price adjustment is warranted for zoning. The property's use as an open space corridor for wildlife does not provide any future economic benefit to the site. This is inferior to the subject and an upward adjustment is made.

Comparable Sale Three was purchased as unzoned land. It is adjacent to open space zoning which is the only likely zoning the property would receive. While the subject is development restricted, its allowable uses and zoning are superior to the comparable. An upward price adjustment is made for zoning. The property was purchased to create an open space buffer for their adjacent development. The purchase price was based on a market value that did not consider its assemblage value with the adjacent property. Any future development of the comparable is speculative, similar to the subject. No price adjustment is made for use. Overall, an upward price adjustment is made.

Comparable Four is located in the PAD-43 zoning district in the City of Tucson. As described in the Zoning section, this is an intensive zoning with development flexibility. This is superior to the subject and a downward price adjustment is made. The property's use as a right of way provides support to the adjacent development. This is superior to the subject and a downward price adjustment is made.

LAND COMPARABLE ADJUSTMENT MATRIX

ELEMENTS OF COMPARISON	SUBJECT	LAND COMP 1		LAND COMP 2		LAND COMP 3		LAND COMP 4	
	Southwest of Interstate-10 and Northwest of Miracle Mile, Tucson, AZ 85705	South of Business Center Drive and West of N. La Cholla Boulevard, Tucson, AZ 857056	Price Per S.F. / Adjustments	North of Sinagua Road, West of Camino Del Sapo, Tucson, AZ 85743	Price Per S.F. / Adjustments	NWC of Tangerine and Oracle Road, Tucson, AZ 85737	Price Per S.F. / Adjustments	La Cholla Blvd and Fort Lowell Right of Way, Located South of Prince Road and West of I-10, Tucson, AZ 85705	Price Per S.F. / Adjustments
SALE PRICE	N/A	\$24,300	\$0.50	\$284,000	\$0.33	\$270,000	\$0.28	\$220,300	\$1.50
PROPERTY RIGHTS CONVEYED	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Adjustment		0%	0.00	0%	0.00	0%	\$0.00	0%	\$0.00
FINANCING TERMS	Assume cash to seller	Cash to Seller	0.50	Cash to Seller	0.33	Cash to Seller	\$0.28	Cash to Seller	\$1.50
Adjustment		0%	0.00	0%	0.00	0%	\$0.00	0%	\$0.00
CONDITIONS OF SALE	Assume Arm's -Length	Arm's-Length - Adjacent Buyer, Appraised Value, No Fees	0.50	Arm's-Length - Appraised Value, No Fees	0.33	Arm's-Length - Adjacent Buyer, Appraised Value, No Fees	\$0.28	Arm's-Length - Adjacent Buyer, Appraised Value, No Fees	\$1.50
Adjustment		3%	0.02	3%	0.01	3%	\$0.01	3%	\$0.05
MARKET CONDITIONS (TIME)	July 24, 2025	March 31, 2021	0.52	March 31, 2023	0.34	August 10, 2023	\$0.29	July 9, 2025	\$1.55
Adjustment	Date of Value	17%	0.09	9%	0.03	8%	\$0.02	0%	\$0.00
ADJUSTED SALE PRICE			0.60		0.37		\$0.31		\$1.55
LOCATION									
General	Above Average / NW Tucson	Above Average / NW Tucson		Below Average / Pima County		Above Average / Oro Valley		Above Average / NW Tucson	
Access/Visibility	Poor / Average	Above Average / Average		Below Average / Poor		Good / Good		Above Average / Average	
Adjustment		-10%	-0.06	25%	0.09	-25%	-\$0.08	-10%	-\$0.15
PHYSICAL CHARACTERISTICS									
Site Size in Acres	1.28	1.11		19.90		22.37		3.37	
Site Size in Square Feet	55,533	48,435		866,992		974,437		146,820	
Adjustment		0%	0.00	50%	0.18	50%	\$0.15	10%	\$0.15
Topography / Shape	Gently Sloping / Irregular (Restrictive)	Flat / Rectangular-Development Restrictive		Gently Sloping / Irregular		Sloping / Irregular (Restrictive)		Flat-Asphalt Paved / Irregular (Restrictive)	
Adjustment		0%	0.00	-5%	-0.02	0%	\$0.00	0%	\$0.00
Utilities	All Available	All Available		Electric		All Available		All Available	
Adjustment		0%	0.00	10%	0.04	0%	\$0.00	0%	\$0.00
Floodplain	Zone X	Zone X (Shaded)		Zone X		Zone X		Zone X	
Adjustment		0%	0.00	0%	0.00	0%	\$0.00	0%	\$0.00
Zoning / Planned Use	R-1, Residence / Undevelopable Speculative Investment	R-1, Residence / Open Space Assemblage		RH, Rural Homestead / Open Space Wildlife Corridor		Unzoned, Adjacent to Open Space / Open Space Assemblage		PAD-43 / Right of Way Assemblage	
Adjustment		0%	0.00	10%	0.04	10%	\$0.03	-30%	-\$0.46
ADJUSTED SALE PRICE / S.F.			0.54		0.70		\$0.42		\$1.08

Conclusion:

The unadjusted sale prices for the comparables range from \$0.28 to \$1.50 per square foot. After making adjustments for all of the appropriate elements of comparison, the adjusted price range for the comparable sales is \$0.42 to \$1.08 per square foot, with an average price of \$0.69 and a median price of \$0.62 per square foot. Greatest weight is given to the adjusted sale price of Comparable Four. This recent transaction is the sale of undevelopable land located near the subject. While given less weight, the other sales are also considered.

Based on the foregoing data and analysis, it is our opinion that the market value of the subject property is \$0.95 per square foot. This equates as follows.

55,533 Square Feet X \$0.95 Per Square Foot = \$52,756, Rounded to \$53,000

“As Is” Rounded Market Value Opinion:

\$53,000

EXPOSURE TIME

Exposure time is the estimated length of time the appraised property 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. An exposure time of 12 months or less is estimated for the subject property if priced appropriately.

AUDITING BREAKDOWN

Market Value Opinion, Land:	\$53,000
Market Value Opinion, Improvements:	\$0
Severance Damages:	\$0
Cost to Cure:	\$0
Opinion of Market Value:	\$53,000

CERTIFICATION OF APPRAISER

Project Number: M6975 01X
ADOT Parcel Number: L-SC-043

We hereby certify:

That we personally inspected, the property herein appraised, and that we have afforded the property owner the opportunity to accompany us at the time of inspection. We 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 we 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 our 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 we 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. This 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 our analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

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 our 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 we understand this appraisal may be used in conjunction 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 our employment nor our compensation for making the appraisal and report are in any way contingent upon the values reported herein.

That we 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 we 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 we will not do so unless so authorized by proper State officials,

or until we are required to do so by due process of law, or until we are released from this obligation by having publicly testified as to such findings.

Based upon our independent appraisal and the exercise of our professional judgements, our opinion of the MARKET VALUE of the subject as of the 24th day of July, 2025, is \$53,000.



Steven R. Cole, MAI, SRA, AI-GRS
Certified General Real
Estate Appraiser # 30130



John E. Medley
Certified General Real
Estate Appraiser # 1049989

CERTIFICATION

THE APPRAISER CERTIFIES TO THE BEST OF THEIR KNOWLEDGE AND BELIEF:

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

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

The reported valuations, assumptions and limiting conditions are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

We have not performed services as appraisers regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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

Our compensation 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.

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

Steven Cole, MAI, AI-GRS and John Medley made a personal inspection of the property that is the subject of this report.

All work within this appraisal was completed by the signing appraisers.

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

We hereby certify that we are competent to complete the appraisal assignment. The reader is referred to appraisers' Statement of Qualifications.

All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraisers whose signatures appear on the appraisal report, unless indicated as "Review Appraiser".

No change of any item in the appraisal report shall be made by anyone other than the Appraisers, and the Appraisers shall have no responsibility for any such unauthorized change.

As of the date of this report, Steve Cole, MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.

A handwritten signature in blue ink, appearing to read "Steve Cole", with a stylized initial "S" and "C".

Steven R. Cole, MAI, SRA, AI-GRS
Certified General Real
Estate Appraiser # 30130

A handwritten signature in blue ink, appearing to read "John E. Medley", with a stylized initial "J" and "M".

John E. Medley
Certified General Real
Estate Appraiser # 1049989

QUALIFICATIONS OF STEVEN R. COLE, MAI, SRA, AI-GRS

FORMAL EDUCATION:

Bachelor of Arts Degree with high honors, University of California, Santa Barbara.

Master's degree in business administration, University of California, Los Angeles. Concentration: Urban Land Economics.

PROFESSIONAL EDUCATION:

Successful Completion of Examinations for the following courses given by the Appraisal Institute:

"Real Estate Appraisal Principles" and "Basic Valuation Procedures"

"Capitalization Theory & Techniques", Parts 1, 2, and 3

"Case Studies in Real Estate Valuation"

"Introduction to Real Estate Investments Analysis"

"Litigation Valuation"

"Standards of Professional Practice", Part A, B & C

"Market Analysis"

"Review Theory - General"

Attendance at Numerous Educational Seminars:

PROFESSIONAL MEMBERSHIPS:

Member, Appraisal Institute (MAI), Certification Number 6080. The institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification. As of this date, I have completed the requirements under the continuing education program of the Appraisal Institute. I am currently certified through December 31, 2027.

Senior Residential Appraiser (SRA), of the Appraisal Institute. This designation signifies expertise in the valuation of residential properties of 1 to 4 units.

General Review Specialist (AI-GRS), of the Appraisal Institute. This designation signifies expertise in the review of appraisals of general real estate properties.

EXPERIENCE:

Includes valuation of most types of urban real property: single and multi-family residential, commercial, industrial, and vacant land. Experience also includes special purpose properties, feasibility studies, Fee Simple and leasehold interest, counseling, and appraisal for condemnation since 1975.

ADDITIONAL EDUCATIONAL AND PROFESSIONAL ACTIVITY:

Publication of articles in Professional Journals:

“A New Methodology for Estimating Highest and Best Use”,

Real Estate Appraiser and Analyst, Summer, 1987

“

Estimating the Value of Proposed Developments by Discounting Cash Flow”, *Real Estate Review*, Summer, 1988.

Formerly a Certified Instructor with the Appraisal Institute for “Highest and Best Use Applications”, “Feasibility Analysis and Highest and Best Use- Nonresidential Properties”, and “Principals and Procedures of Real Estate Appraisal”.

Associate Faculty, University of Arizona and Pima Community College. Courses offered; “Real Estate Appraisal Principles” and “Basic Valuation Procedures.”

Instructor for Tucson Board of Realtors, American Bar Association, Brodsky School of Real Estate, and Hogan School of Real Estate. Appraisal Principles, Appraisal Procedures, Market Analysis. Using the Internet for Due Diligence.

President of Southern Arizona Chapter #116, Appraisal Institute, 1983-84.

President for the Arizona State Chapter #41, Appraisal Institute, 1990.

Chairman, Pima County Real Estate Council, 2003-2004, Director 1989-2007.

Chairman, Tucson Airport Authority Chairman, 2015.

Board of Directors, 2011-2016. Member, Tucson Airport Authority, 2007-2024.

Member of the Arizona Airports Association.

APPROVED APPRAISER:

With many major commercial banks and mortgage companies in Arizona.

STATE CERTIFICATION:

Arizona Certified General Appraiser Number 30130. Currently certified through August 31, 2026.

Licensed Arizona real estate sale person, licensed through April 2026.

ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-30130



This certificate was printed on August 5, 2024 and will remain in effect until a change request has been approved by the Department or the credential is surrendered, suspended, revoked or expired.

Arizona Department of Insurance and Financial Institutions
difi.az.gov
100 N 15th Ave, Suite 261
Phoenix, AZ 85007-2630

QUALIFICATIONS OF JOHN E. MEDLEY

FORMAL EDUCATION:

Bachelor of Arts Degree, University of Arizona, Tucson, 2008

PROFESSIONAL EDUCATION:

Successful completion of examinations for the following courses:

- Basic Appraisal Principles and Basic Valuation Procedures
- Residential Market Analysis and Highest and Best Use
- Residential Sales Comparison and Income Approaches
- Residential Site Valuation and Cost Approach
- General Appraiser Market Analysis and Highest and Best Use
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Sales Comparison Approach
- General Appraiser Report Writing and Case Studies
- General Appraiser Income Approach
- Statistics, Modeling and Finance
- Commercial Appraisal Review
- Expert Witness for Commercial Appraisers

EXPERIENCE:

Includes valuation of most types of commercial, industrial, and vacant land properties. Experience also includes condemnation appraisals, aviation properties, special purpose properties, fee simple, leased fee, and leasehold interests.

SEMINARS:

- Condemnation Summit XXXI
- Arizona Airport Association Conferences
- Southern Arizona CCIM Economic Forecasts
- Tucson Association of Realtors Conferences

STATE CERTIFICATION:

Arizona Certified General Real Estate Appraiser Number 1049989. Currently certified through November 30, 2025.

Department of Insurance and Financial Institutions

State of Arizona

CGA - 1049989

John Edward Medley

This document is evidence that:
Arizona Revised Statutes, relating to the establishment and operation of a:

has complied with the provisions of

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

John Edward Medley

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

Expiration Date : **November 30, 2025**

ADDENDA



PURCHASE ORDER

PHOENIX, on 7/17/2025
CTR054974/ JW-26-001/ M697501X/ L-SC-043/ Appraisal due in 30 days-SOUTHWEST APPRAISAL ASSOCIATES INC

SUPPLIER

SOUTHWEST APPRAISAL ASSOCIATES INC
Attn: STEVEN COLE
Address: Legal Address
PO BOX 16156
UNITED STATES
TUCSON, Arizona 85732-6156
Phone: 5203270000
E-mail: STEVE@SWAA.BIZ

ORDER No. P0000788761

(please refer to this number on all documents)

Amendment:
Requestor: ESTHER VALENCIA
Agency: Department of Transportation
Division: Infrastructure Delivery & Operations
Division Construction
Department: Right Of Way
Site: RIGHT OF WAY
Phone: 6027128793
Email: EVALENCIA@AZDOT.GOV

DELIVER TO

(unless specified differently per item)

Address: RIGHT OF WAY
205 S 17th Ave
UNITED STATES
Phoenix, Arizona 85007
Deliver To:
Requested Delivery Date:

(Unless specified differently per item in section delivery details)

BILL TO

Address: RIGHT OF WAY
205 S 17TH AVE
MD 612E RM 331
UNITED STATES
PHOENIX, Arizona 85007-3212
Payment Terms: Net 30

ITEM	CONTRACT ID	CODE/SKU	REFERENCE AND DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL (USD)
1	CTR054974-4	929309-1	CTR054974/ JW-26-001/ M697501X/ L-SC-043/ Appraisal due in 30 days Commentaire : L-SC-043	1.0000	Total Cost		

Total before Tax

Non-Taxable - 0 %

Total after Tax

205 S. 17th Ave.
Mail Drop: 612E
Phoenix, AZ 85007

July 17, 2025

Steven Cole
Southwest Appraisal Associates, Inc
P.O. Box 16156
Tucson, AZ. 85732-6156

RE: Appraisal Assignment No.: JW-26-001
PROJECT: M6975 01X
HIGHWAY: I-10, CASA GRANDE - TUCSON HIGHWAY
SECTION: Prince Road - Speedway Boulevard Segment
PARCEL: L-SC-043

Dear Steven Cole:

You are hereby requested to provide your fee quote to prepare an appraisal for the referenced parcel. Your appraisal report will need to reflect the market value using the current date of valuation, and be prepared in accordance with terms of this task; the ADOT Right of Way Procedures Manual Project Management Section Chapters Three and Four; The Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24; the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) guidelines at the time of your valuation; and the enclosed scope of work and provided information.

The purpose of the appraisal report is to estimate the market value of the fee simple estate of the acquisition and its effect to the remaining property. The intended use of the appraisal report is to utilize value estimates to assist in decisions regarding the sale or disposal of this excess parcel.

ADOT Procurement Group will issue a Purchase Order that will be your notice to proceed with the appraisal assignment. You may contact the property owners to arrange for the property inspection after you receive your notice to proceed from procurement. Inspection dates/times must be provided at least seven calendar days prior to inspection to the Property Owner and emailed to Merrisa Marin (MMarin@AZDOT.GOV); Sandy Ojeda (SOjeda2@AZDOT.GOV); Michael Craig (MCraig@AZDOT.GOV); Tim O'Connell (TOconnell@AZDOT.GOV); Jim Walcutt (JWalcutt@AZDOT.GOV); and Amber Gibbs (AGibbs.consultant@AZDOT.GOV).

Please direct any questions regarding this appraisal assignment to Jim Walcutt, (520-591-7923, JWalcutt@AZDOT.GOV), ADOT R/W Review Appraiser. All changes must be in writing to prevent any miscommunications.

Additional information regarding the parcel is as follows:

Type of Report: Appraisal
Type of Property: EXCESS LAND

Scope Notes: Market Value is required for appraisal of this excess parcel. The FHWA is to be named as an intended user of the appraisal. The appraisal report must include the ADOT Certificate of Appraiser immediately following the Auditing Breakdown section of the report. The addenda to the report is to include a current copy of the appraiser's State of Arizona Certified General Real Estate Appraiser license, a copy of the owner contact correspondence including Owner Contact Report Form(s), and a copy of the signed procurement purchase order.

Appraisal Contractor agrees that within any particular project wherein Contractor has provided appraisal or consulting services to ADOT, no other appraisal services may be provided to other clients/property owners in this project, without the written approval of ADOT. Any hypothetical assumptions, extraordinary limiting condition or jurisdictional exceptions of the appraisal must be pre-approved by the Review Appraiser prior to submittal of the appraisal report and identified in the appraisal report.

In the course of the appraisal assignment due diligence, if it is discovered that the property ownership has transferred to any entity other than that noted in the ADOT Title report, the Review Appraiser must be notified immediately. A new Title Report and Ownership Record Sheet will then be ordered for inclusion in the appraisal report.

Please note that there are changes to civil expert disclosure and discovery rules effective July 1, 2018. Please update your qualifications in the appraisal report to list all other cases in which you have testified as an expert witness at a hearing or trial during the previous four years.

A complete initial appraisal report in an electronic PDF file format is to be submitted by e-mail to the review appraiser by the appraisal due date. All subsequent appraisal report iterations are also to be e-mailed to the review appraiser. Within 5 business days after ADOT approves the acceptability for the initial report submittal, the Appraiser will deliver an electronic PDF file and four (4) bound color copies of the final report. The submitted final hard copies of the appraisal report are to include, a CD with a PDF copy of the appraisal report with the following naming convention:

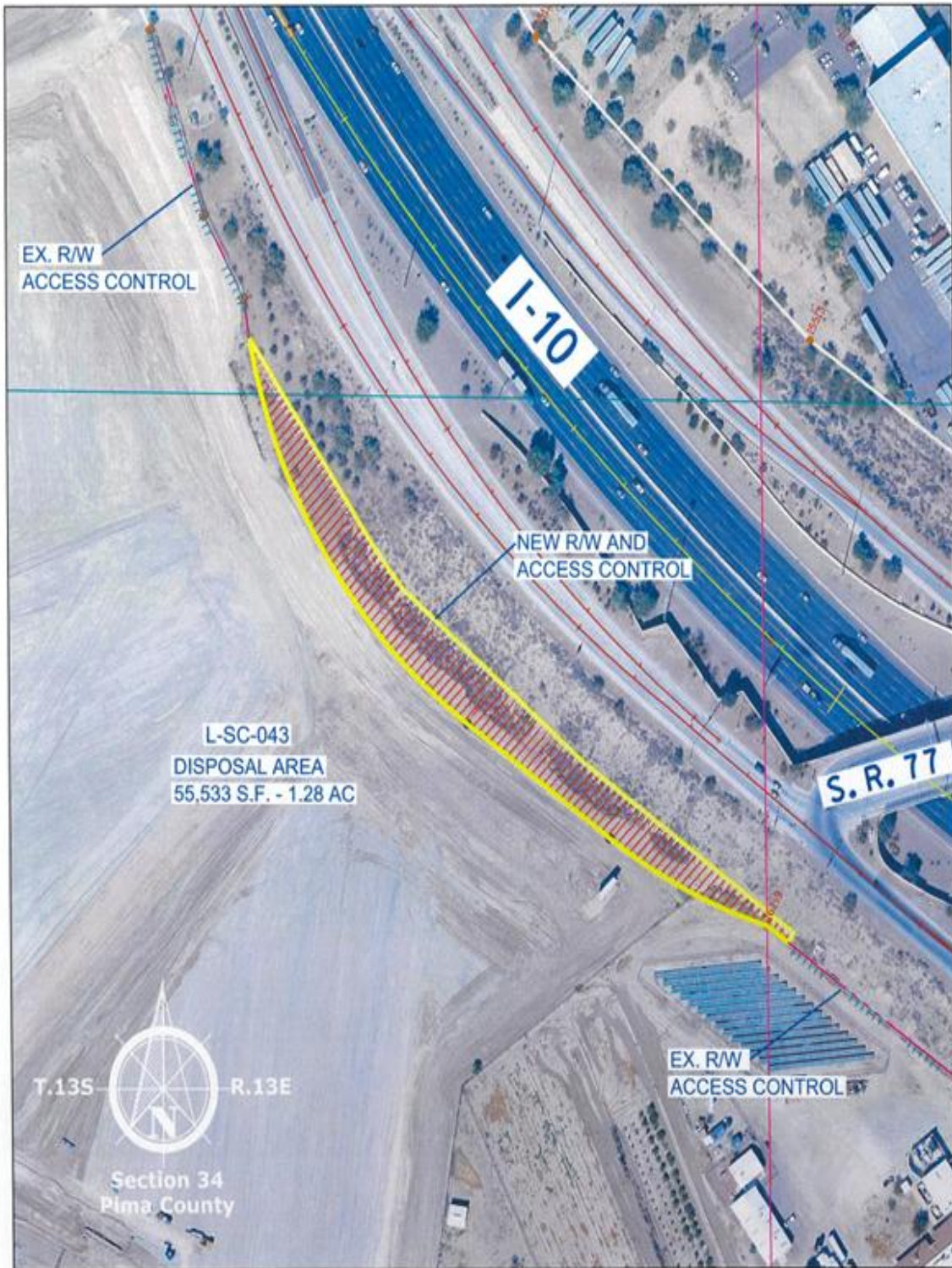
ADOT Parcel # Owner Name – (Appraisal Firm Name) – Date of Value - Date of Appraisal Report,
eg: Owner Name - (Appraisal Firm) DOV xx-xx-2020 DOR xx-xx-2020.

The appraisal report package is to be addressed to ADOT Right of Way Operations - Appraisal, ADOT Mail Room, 1655 W. Jackson Street, Phoenix, AZ 85007. Packages must be marked Time Sensitive or Urgent. If a delivery service is utilized, a confirmation notice is to be e-mailed to the review appraiser.

Please complete the last page of this bid request with your quote and email to RightofWayContracts@azdot.gov no later than 5:00 p.m. on July 17, 2025.

Sincerely,
Jim Walcutt
R/W Project Management Section

Enclosure(s)
cc: Esther Valencia, R/W Contracts Section



ADOT Right Of Way THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY		DISPOSAL #	L-SC-043	HIGHWAY NAME:	CASA GRANDE - TUCSON HWY
		Drawn By	MM	PROJECT NO.	I-10-4(12)256
		DATE	05/08/25	FEDERAL AID NO.:	140 3140V500
ROUTE NO.:	LOCATION:			SHEET NO.:	

EXHIBIT "A"

That portion of Section 34, Township 13 South, Range 13 East, Pima County, Arizona, described as follows:

COMMENCING at the Northwest corner of said Section 34, being North 89°06'50" West 2587.60 feet from the North quarter corner of said Section 34 (basis of bearing);

thence along the North line of said Section 34, South 89°06'50" East 1293.80 feet to the Northeast corner of the Northwest quarter of the Northwest quarter (NW¼NW¼) of said Section 34;

thence South 00°53'10" West 30.00 feet to the South right of way line of Fort Lowell Road as it now exists;

thence along said South right of way line of Fort Lowell Road South 89°06'50" East 17.18 feet to the existing westerly right of way line of Interstate Highway 10 (CASA GRANDE – TUCSON HIGHWAY);

thence along said existing westerly right of way line of Interstate Highway 10 South 25°01'35" East 351.24 feet;

thence continuing along said existing westerly right of way line South 26°57'32" East 595.05 feet;

thence continuing along said existing westerly right of way line South 18°01'11" East 240.75 feet;

thence continuing along said existing westerly right of way line South 28°39'27" East 116.18 feet;

thence continuing along said existing westerly right of way line from a Local Tangent Bearing of South 06°56'12" East along a curve to the Left having a radius of 752.20 feet, a length of 49.95 feet to the POINT OF BEGINNING;

thence South 34°16'01" East 282.33 feet;

thence along a curve to the Left having a radius of 999.71 feet, a length of 95.11 feet;

thence South 50°01'11" East 330.14 feet;

(continued)

EXHIBIT "A"

PAGE 1

PROJECT: 010 PM 253 H3187	LOCATION: Prince Rd. – Speedway Blvd.	PARCEL: L-SC-043
10-4(140)	Disposal	cg 01-06-2025

thence South 54°35'05" East 366.75 feet;

thence South 34°58'30" West 14.05 to said existing westerly right of way line of Interstate Highway 10;

thence along said existing westerly right of way line North 55°01'30" West 36.27 feet;

thence continuing along said existing westerly right of way line from a Local Tangent Bearing of North 73°32'22" West along a curve to the Right having a radius of 752.20 feet, a length of 248.13 feet;

thence continuing along said existing westerly right of way line North 54°56'12" West 245.81 feet;

thence continuing along said existing westerly right of way line along a curve to the Right having a radius of 752.20 feet, a length of 630.16 feet to the POINT OF BEGINNING.

The parcel of land described above shall have no right or easement of access to said Interstate Highway 10.

The Access Control provisions set forth above shall be a covenant running with the land and shall be binding upon, and shall inure to the benefit of the State of Arizona, the landowners and their respective successors and assigns with respect to the property. The Access Control provisions shall also remain enforceable by the State of Arizona even if all or part of any roadway is abandoned to a local jurisdiction.

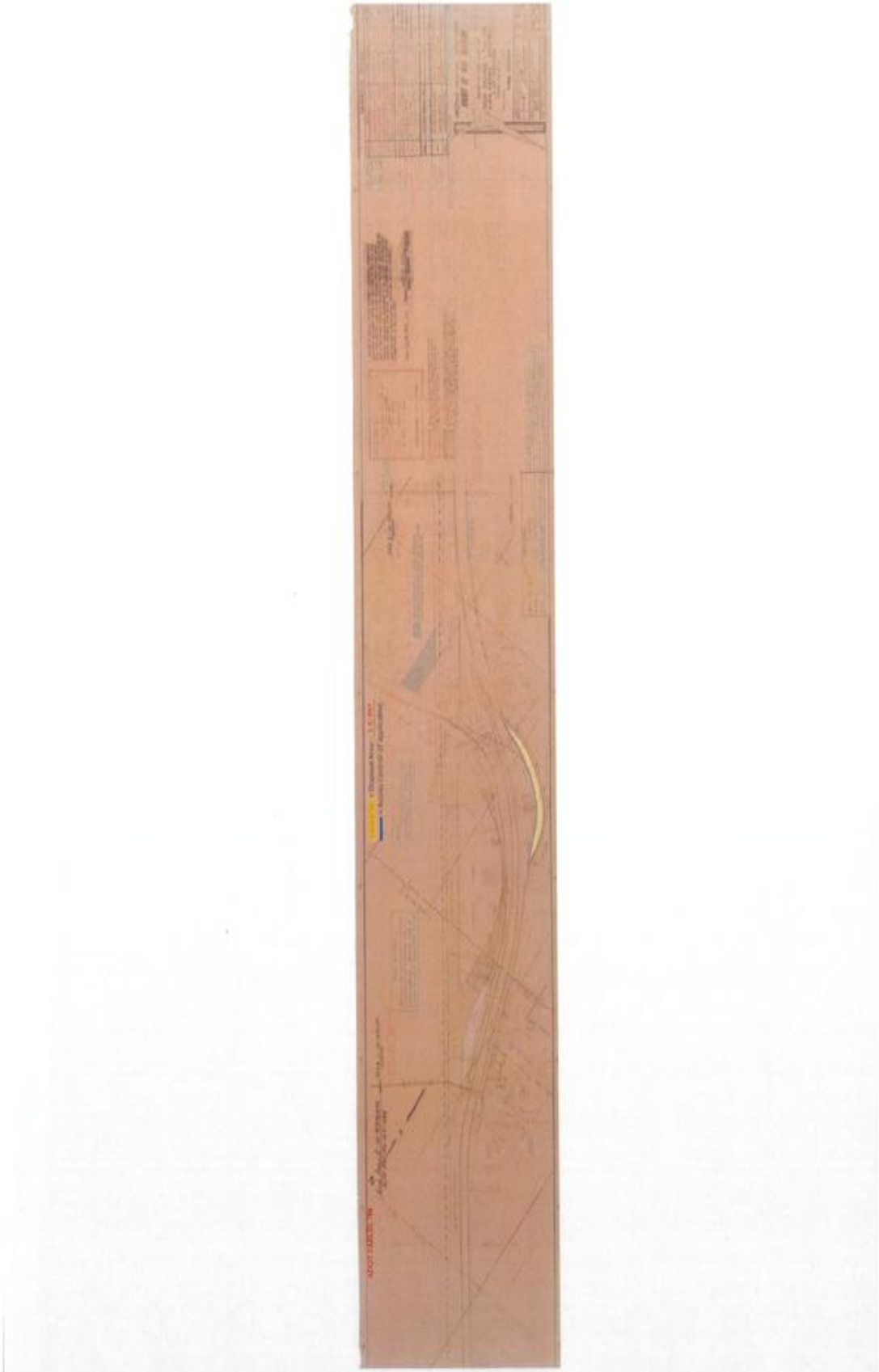
GRANTOR RESERVES unto the public and various utility companies, easements for existing utilities, if any, within the above described property, in accordance with Arizona Revised Statute 28-7210. Access to the existing utilities will be by way of what exists at the time of this conveyance and shall be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

The parcel of land described above is landlocked, having no means of access to or from any public way. By acceptance of this deed, the Grantee acknowledges awareness of the landlocked condition of this parcel prior to purchase and further acknowledges that it is the Grantee's expressed intention to acquire a landlocked parcel of land. The Grantor makes no warranty, covenant or assurance, expressed or implied, concerning the suitability or usability of this parcel of land for any purpose.

EXHIBIT "A"

PAGE 2

PROJECT: 010 PM 253 H3187 10-4(140)	LOCATION: Prince Rd. – Speedway Blvd. Disposal	PARCEL: L-SC-043 cg 01-06-2025
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ARIZONA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY GROUP
RIGHT OF WAY DISPOSAL REPORT

The undersigned has examined the title to the property described in SCHEDULE A-1 herein, and the fee owner is:

The State of Arizona, by and through its Department of Transportation

Address: 205 South 17th Avenue, Mail Drop 612E, Phoenix, Arizona 85007-3212

By virtue of that certain: See Right of Way / Vesting Section.

Upon compliance with REQUIREMENTS herein, satisfactory title will vest in the proposed buyers.

LEGAL DESCRIPTION

SEE EXHIBIT "A"

SEE SCHEDULE A-1 ATTACHED

REMARKS: The Schedule B Items shown, if any, reflect only those matters that have occurred subsequent to the acquisition of the subject property. ****NOTE:** This report replaces original report dated 7/9/2024 in which the incorrect ADOT Parcel No. was requested *****AMENDED**to delete partial tracs no. and add Fed. No. I-10-4(12)256; no other changes (SLK)**

Date of Search: 10/23/2024

Examiner: Sherry L Kinsella

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

County: Pima

Tax Arb: 107-01-N/A

Disposal: N/A

Tracs No.: PRE TRACS NUMBER

Highway: Prince Rd.-Speedway Blvd.

Excess Land: L-SC-043

Fed. No.: I-10-4(12)256

Section: I-10 Casa Grande-Tucson Hwy **Parcel No.:** 788

SCHEDULE A-1 LEGAL DESCRIPTION

That portion of the NW ¼ Section 34, Township 13 South, Range 13 East being a portion of ADOT Parcel #788, as depicted on Exhibit "A" attached, ADOT Drawing D-10-T-369, Sheet 11, the Right of Way Plans of Casa Grande - Tucson Highway - Prince Rd. - Speedway Blvd., Project ~~010PM253H318701X/NH-10-4(140)- PRE TRACS NUMBER/1-10-4(12)256~~

NOTE: The legal description of the area to be disposed will be produced by the ADOT Right of Way Delineation Unit.

END OF SCHEDULE A-1

RIGHT OF WAY / VESTING

- 1.) Deed from Board of Regents of the University, and State Colleges of Arizona, a body corporate to the State of Arizona, by and through its Highway Department, dated August 6, 1957, recorded October 16, 1957 in Book1187, Page 142.
[Project-010-PM-253-H3187-01R- / NH-10-4(140)/(Original-Project-I-10-4(8)255)-PRE TRACS
NUMBER/I-10-4(12)256/ Parcel #788]

END OF RIGHT OF WAY / VESTING

REQUIREMENTS

1. Record Deed from the State of Arizona, by and through its Department of Transportation to the proposed buyer(s).

NOTE: Repurchase rights **do not** apply due to property being obtained more than eight years prior to this transaction, see Item No. 1 of Right of Way / Vestings.

[Project 010-PM-253-H3187-01R / NH-10-4(140)/(Original Project I-10-4(8)255)-PRE TRACS NUMBER/I-10-4(12)256/ Parcel #788]

END OF REQUIREMENTS

SCHEDULE B

1. Resolution No. 1959-P-332 to widen portion of the Casa Grande-Tucson Highway and to acquire access rights for the U of A Farms Interchange by Julian S. Baker, Deputy Chief Right of Way Agent for the Arizona State Highway Commission dated July 24, 1957.
2. Resolution No. 59-87 to establish access control of a portion of the Casa Grande-Tucson Highway at the U of A Farms Interchange by William E. Willey, State Highway Engineer dated March 24, 1959.
3. Easement for the construction, operation and maintenance of a gas line or system to The Tucson Gas, Electric Light and Power Company, a corporation dated February 15, 1962, recorded March 2, 1962 in Book 1915, Page 261. Described as a 10' wide easement in NW ¼ & SW ¼ NE ¼ Sec. 34, T13S, R13E.
4. Easement to construct, operate, maintain and repair telephone and telegraph lines and incidentals to The Mountain States Telephone and Telegraph Company dated November 30, 1966, recorded December 23, 1966 in Book 2897, Page 448. Described as a 10' wide strip of land in E ½ NW ¼ & W 1/2 NE ¼ Sec. 34, T13S, R13E.
5. Easement to construct, operate, maintain and repair telephone lines and incidentals to The Tucson Gas and Electric Company dated July 20, 1972, recorded July 23, 1972 in Book 4301, Page 315. Described as a 10' wide and 70' in length located on a portion of NW 1/4 Sec. 34, T13S, R13E.
6. Easement to construct, operate and maintain communications systems and appurtenances to U.S. West Communications, Inc., a Colorado corporation dated August 11, 1992, recorded September 1, 1992 in Docket 9367, Page 2285; thereafter re-recorded November 25, 1992 in Docket 9425, Page 931. Described as being in the N ½ Sec. 34, T13S, R13E.
7. Resolution No. 1992-10-A-70 to acquire and establish a portion of the state route preliminary transportation corridor of the Casa Grande-Tucson Highway, State Route Interstate 10, as a state highway and to include access control by James S. Creedon, Acting Director, Arizona Department of Transportation dated October 16, 1992, recorded October 28, 1992 in Docket 9406, Page 758
8. Easement to construct, operate and maintain communications systems and appurtenances to U.S. West Communications, Inc., a Colorado corporation dated September 22, 1992, recorded February 9, 1993 in Docket 9475, Page 1116. Described as a 10' underground easement being in the NW ¼ Sec. 34, T13S, R13E.
9. Resolution No. 94-07-A-38 to acquire and establish new right of way to include access control by Larry S. Bonine, Director, Arizona Department of Transportation dated July 15, 1994, recorded August 9, 1994 in Docket 9852, Page 1944

END OF SCHEDULE B

- 5 -

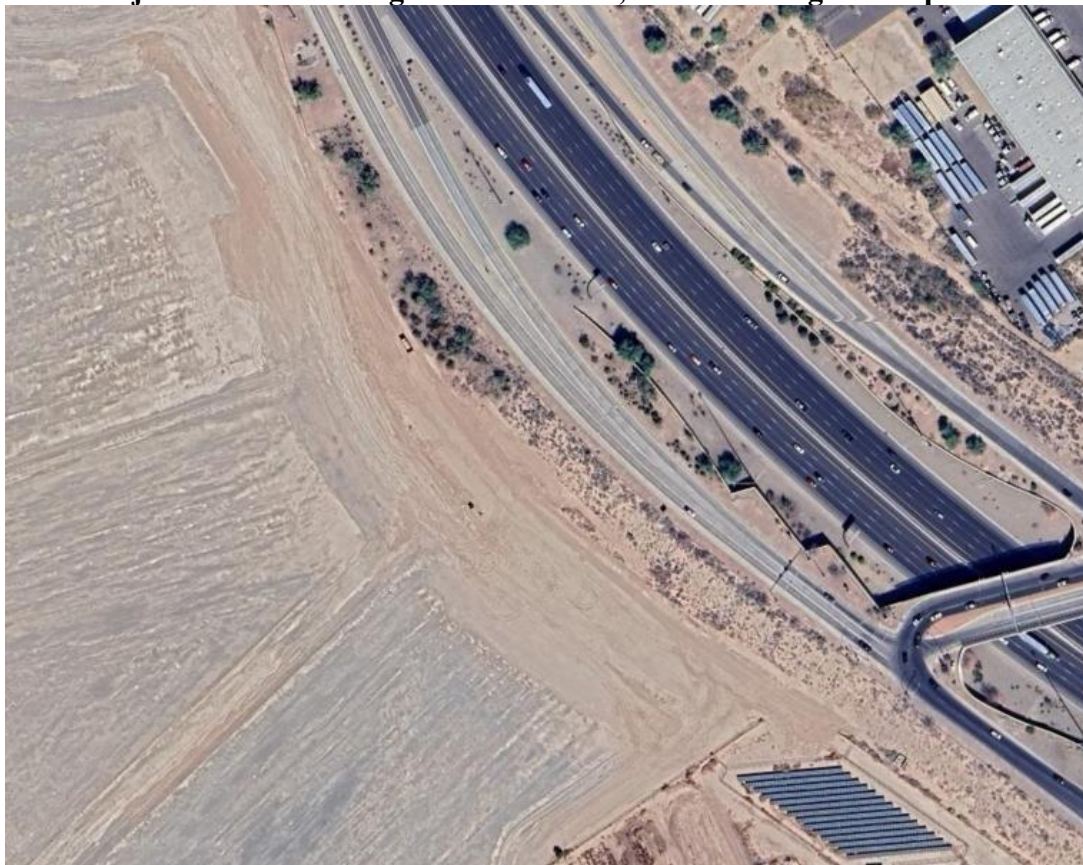
Grading to Existing Right of Way (Assumed to be Outside of Subject Property Boundary)



Subject Historical Image from February 13, 2024



Subject Historical Image from March 1, 2025 Showing Development



Estimated Largest Width-78 Feet



Easement Valuation EASEMENT VALUATION MATRIX

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

Source: Easement Valuation, June 2006, Donald Sherwood