MEMORANDUM

Date: December 8, 2015

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **Acquisition of Saint Demetrios Greek Orthodox Church Property**

A great deal of misinformation has been circulated regarding the County's acquisition of Saint Demetrios Greek Orthodox Church property on River Road.

The primary issue relates to an appraisal provided to Supervisor Ally Miller without the knowledge of the Church or County staff. This appraisal was received the afternoon of Monday, November 30, before the Tuesday, December 1, 2015, Board of Supervisors Meeting. The appraisal was performed by Southwest Appraisal Associates (SAA) and consists of 96 pages.

I communicated with Supervisor Miller nearly a year ago regarding this property acquisition. A copy of my January 30, 2015 memorandum to Supervisor Miller is Attachment 1. Discussions and negotiations regarding acquisition of the property have been occurring for 18 to 24 months.

Review of Southwest Appraisal Associates' Appraisal (the "SAA Appraisal")

Upon learning of the SAA Appraisal of the Church property, I requested our Real Property Services Division perform a review of the appraisal, and this review is Attachment 2 to this memorandum. The conclusion is as follows:

> ***"Review Conclusion.*** *In conclusion the appraisal report is considered to be lacking in reasonable support for the final conclusion of value of $650,000 ($80,000 per acre). The comparable sales selected and adjusted by the appraisers demonstrate a value that is at the lower end of the value range as the market evidence indicates that churches, charter schools, and other quasi-public/civic uses tend to pay a premium for land purchases. The premium paid is a function of these uses typically seeking high visibility land in developed areas, and, that these uses are not limited by zoning and can be developed under any zoning code."*

County-contracted Appraisal

It has been mistakenly stated that the appraisal of the property from which the offer to purchase was made was performed by County staff. This is incorrect. Included in with the material submitted for the Board agenda was the County's Technical Appraisal Review Summary (TARS), which is standard practice for all appraisals received by the County. This TARS is Attachment 3. The TARS is a review of a much more detailed appraisal conducted by Baker, Peterson, Baker & Associates, Inc., totaling 107 pages (the "BPB Appraisal"). While the County as the Buyer is obligated to have independent appraisals completed for real property acquisitions, the Seller has no similar obligation to share any appraisals they may choose to commission.

Written Review of Both Appraisals

I also asked staff for a written review of both appraisals to attempt a reconciliation of differing values and the assumptions made by the appraisers to arrive at the different conclusions (Attachment 4). The primary statement of the reason for the difference is the choice of comparable land sales. Both appraisers found that the highest and best use of the property is for development of a religious facility (church) or a compatible civic use, such as a private school. However, the SAA appraisal utilized three residential land sales and only one sale (development of a charter school) that reflected the highest and best use:

> *"An inherent weakness of the (SAA Appraisal) supporting a value conclusion for the subject property at $80,000.00 per acre is the reliance by the appraisers' on comparable sales that do not have the same highest and best use. This undermines the consistent use theory of appraising in that comparable sales that reflect the same or similar highest and best use should be used, if available."*

The BPB Appraisal used six comparable land sales, and all of those sales reflected the same or similar highest and best use:

> *"The BPB appraisal report relied on comparable sales that reflect the same or similar highest and best use as the subject's highest and best use. The comparable sales selected are considered to be reflective of the market evidence that indicates that churches, charter schools/quasi-public/civic uses tend to pay a premium for land purchases. This is a function of these uses typically seeking high visibility land in developed areas and that these uses are not limited by zoning and can be developed under any zoning code."*

Statement from Saint Demetrios Church

I also requested a statement from the Church regarding the purpose of the Church appraisal that was not disclosed to the County. The Church responded to my request for clarification by providing a letter dated December 7, 2015 (Attachment 5). In essence, the appraisals were commissioned at the same time, for different purposes. The purpose of the County's appraisal was to determine the Fair Market Value (FMV) of the property. The appraisal by the Church was to gain an independent understanding of the Church property's value, as the Church was considering retaining the property as well as putting the property on the market.

Even with the sale as approved by the Board, the Church will lose $325,000 in this transaction, since the Church purchased the property in 2008 for $1.25 million at the height of the real estate market before the Great Recession. Selling the property to Pima County required a two-thirds vote of the parishioners present and voting, and the Church vote that occurred on October 11, 2015 was 94 to 40 in favor of the sale. The vote does indicate continuing division within the Church with regard to the sale of the property.

Update of the County Appraisal

We also asked the original appraiser, Baker, Peterson, Baker & Associates Inc., to update their appraisal to what they believe is today's FMV of the property compared to its August 2014 appraisal, which is now over 15 months old. This appraisal update is dated December 3, 2015 and has a conclusion of value of $890,000 (Attachment 6). The update utilized six comparable land sales, of which four were for development of religious facilities, one for a charter school at $200,000/acre unadjusted, and one for a wholesale growing area for an adjacent retail plant nursery at $125,428/acre unadjusted. The County's appraisal review notes that the sixth comparable *"is an adjacent property that is considered to be reflective of land values in the area of the subject property, after adjustments."*

Future Functional Use of the Property

The property contains a rentable house, is primarily vacant property and topographically drops away from River Road. It is adjacent to other County-owned property to the south but not immediately appended to Brandi Fenton Memorial Park (BFMP). The house can either be rented or be an extension of BFMP by relocating the Environmental Education Program from BFMP to the house. In addition, long-term connectivity to the river park would facilitate notable park development and potential expansion for BFMP. If building envelopes are confined and near River Road out of the main floodprone portion of the

property, it is even possible the property could be used as a replacement for the Dusenberry-River Library. However, the primary purpose is to retain the natural topography of the property that is flooded from Finger Rock Wash so flooding of other private property from Finger Rock is not aggravated.

Summary

In summary, 1) the purchase acquisition approved by the Board reflects an appropriate market value for the property; 2) the public purpose to reduce future and existing flood hazards from Finger Rock Wash is satisfied by the acquisition; 3) a number of future public uses can be made of the property; and 4) the natural topography of the property away from River Road is retained to preserve its flood-carrying capacity from Finger Wash flooding without aggravating existing flooding to other private or public properties in the Finger Rock Wash floodplain.

Given the December 3, 2015 appraisal update's substantiation of the purchase price being paid by the County for the subject property and the public benefits to be realized from the purchase, I have directed staff to proceed to closing.

CHH/mjk

Attachments

c: Thomas Weaver, Chief Civil Deputy County Attorney
John Bernal, Deputy County Administrator for Public Works
Nanette Slusser, Assistant County Administrator for Public Works
Neil Konigsberg, Manager, Real Property Services

ATTACHMENT 1

MEMORANDUM

Date: January 30, 2015

To: The Honorable Ally Miller
District 1 Member
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **Potential Acquisition of Floodprone Land from St. Demetrios Church**

The Regional Flood Control District (RFCD) has directed Real Property Services to enter into negotiations for the acquisition of Tax Parcels 108-26-016A and 108-26-015B and D from St. Demetrios Greek Orthodox Church. This acquisition would be funded by the Floodprone Land Acquisition Program. The property consists of approximately 8.09 acres, is part of the Binghampton Rural Historic Landscape and is listed on the National Register of Historic Places.

A sale by the Church requires approval of two-thirds of the Church membership, and that level of support has not been obtained to date. No vote is expected to be taken until at least late April 2015; therefore, this item would not be presented to the RFCD Board until at least May 2015.

The Church purchased the property in 2008 for $1,250,000. It was appraised by the County at $850,000, and an offer of $900,000 was presented to the Church, subject to the RFCD's Board of Directors approval. We do not anticipate any increase in the offer.

The benefits of this acquisition would be that (1) the property is in a severe and chronic flood hazard area, is close to other County and RFCD lands, and provides a riparian restoration opportunity; and (2) it would preserve land in the Binghampton Rural Historic Landscape in the flat, active floodplain of the bank-protected Rillito River.

Attached for your information and review are the following:

1. Map of the Property.
2. Memorandum from the RFCD dated June 3, 2014.
3. A summary appraisal review.
4. The complete appraisal document.
5. A summary from the National Register of Historic Places.

CHH/anc

Attachments

c: Suzanne Shields, Director, Regional Flood Control District
Linda Mayro, Director, Office of Sustainability and Conservation
Neil Konigsberg, Manager, Real Property Services

EXHIBIT A-1 Depiction of Exhibit A 108-26-016A, 015B, 015D

MEMORANDUM

Floodplain Management
Regional Flood Control District

DATE: June 3, 2014

TO: Tammy Jorde
Office of the Director and Chief Engineer

FROM: Eric Shepp
Floodplain Administrator

SUBJECT: St Demetrios parcels – Tax ID Nos. 108-26-016A and 108-26-015B and D

Thanks for the opportunity to review these parcels for potential FLAP acquisition.

The St Demetrios parcels total approximately 7.9 acres.

From a Floodplain Management perspective, these parcels are good FLAP candidates. They are in a severe and chronic flood hazard area, are close to other County and District lands, and provide a riparian restoration opportunity. These factors are described more thoroughly below:

1) FEMA Zone A – These parcels are located within a FEMA Zone A Special Flood Hazard Area associated with the distributary flow area at the mouth of the Finder Rock Wash, where it enters the geologic floodplain of the Rillito River. Although the Zone A floodplains are considered approximate A zones. The Flood Control District has completed a study of the Finger Rock Wash. The results of the study conclude that flood depths on this property are between 0.5 and 2 feet during the base flood of the Finger Rock Wash. In addition, numerous tributaries discharge onto these properties from the lower foothills just to the north, increasing the frequency that flooding occurs.

2) Adjacency to other County District lands – Although not immediately adjacent to any District or County parcels, these parcels are with areas of acquisition associated with the Rillito River Bank protection, the Loop linear park, the Binghamton Historic Landscape and Brandi Fenton Park. These parcels are with the historic landscape and within close proximity to the linear park and if the goal is to expand and connect this floodprone area into a contiguous set of District parcels, these parcels would be appropriate for acquisition.

3) Riparian Habitat – Although regulated riparian habitat does not exist on this property, its location along the overbank of the Rillito River, in an area where there is frequent flows from tributaries, and within the rural historic landscape suggests great riparian restoration potential.

For the reasons stated above, I would recommend the acquisition of this parcel.

Please let me know if you have any questions.

Pima County Technical Appraisal Review Summary

T / R / Sec	13S/14E/21
Owner: St. Demetrios Greek Orthodox Church	Date: 8-21-14
LMS #: 1073-589	

Project: FLAP	Project #: 1400018750	Date of Value: Aug 21, 2014 Transmittal Date: Sept. 5, 2014
Owner: St. Demetrios Greek Orthodox Church	Occupant: vacant	Appraiser: Tom Baker, MAI,SRA
Location: South side of River Road bend, west of Dodge		Acquisition Agent: Rick Kieser
Tax Code #: 108-26-015B, 015D, 016A	Zoning and Comprehensive Plan: SR zoning. Comp Plan – 1.2 RAC northern portion, RT southern portion	
Current Use: Interim residential improvement		Highest and Best Use: Church or private school site
Parcel Size: 8.09 acres	Size(s) of Parcel(s) to be Acquired: Whole acquisition considered	
Year Built: 1958	Improvements/Size: 3 BR, 2 Ba, 1,743 sf adobe and brick home	

Paving: Y	Sewer: Yes, in Roger Road	Water - In River Road plus property has a well	Gas: Yes	Electric: Yes

Intended Use of Appraisal: Basis for offer price	Appraisal Report Type: Summary	Interest(s) Appraised: Fee
Purpose of Review: To assure a reliable report in conformance with professional and agency standards.	Reviewer's Client: Pima County	Intended Users of Review: Pima County and its designees
Intended Use of Review: For agency to reference in developing offer price, as assurance of a reliable and accurate report.		Extent/Scope of Review Process: Reviewed for spelling, math, accuracy, reasoning, comps and conclusion. Property not inspected by the reviewer. Consideration in review made for effect of floodprone characteristics.

Is the Reviewer Developing Own Opinion of Value? No

Appraisal Techniques Used: Direct Sales Comparison Approach

Comparable Sales Price Range, Unadjusted and Adjusted:

Unadjusted: $74,055 to $217,766/acre
Adjusted: $83,245 to $115,200/acre

Fee Appraiser's Conclusion: $105,000/acre x 8.09 ac. = $849,450, rounded to $850,000

Are the assumptions, techniques, data, adjustments, and methods adequate, relevant, appropriate and reasonable, in conformance with USPAP, and is the report complete according to the scope of the assignment? Yes

Are there developable reasons for disagreement with the appraisal? No

Report Recommended by Review? Yes	Value and Date: $850,000 as of 8-21-14

Reviewed by: Douglas M Laney

Douglas M Laney, MAI
Arizona Certified General Real Estate Appraiser: 30162
Real Property Appraiser Supervisor
Pima County Public Works, Real Property Services

Date of Review: 9-23-14

CERTIFICATION

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

I have not completed appraisal services regarding the subject property described in this report within the past three years as an appraiser.

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

The analysis, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

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

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.

No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person who signs this certification.

I have not made a personal inspection of the subject property of the work under review.

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

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

As of the date of this report, I, Douglas M. Laney, MAI, have completed the continuing education program of the Appraisal Institute.

Signed: Douglas M Laney

Date of Review: 9-23-14

Douglas M. Laney, MAI
Arizona Certified General Real Estate Appraiser: 30162
Real Property Appraiser Supervisor
Pima County Public Works, Real Property Services

LIMITING CONDITIONS

Possession of this review does not carry with it the right of publication.

This review is intended for the use of Pima County, the client, and its designees. This review shall not be disseminated through advertising, public relations, news, sales, or other media. However, the contents of the review can be acquired by a member of the public in accordance with open records statutes and policies.

This report is an appraisal review report, not an appraisal. It is not intended as the reviewer developing his own opinion of value.

The analyses, opinions, and conclusions in this review report are based solely on the data, analyses, and conclusions contained in the appraisal report under review. It is assumed that these data are representative of existing market data. No attempt, unless otherwise stated, has been made to obtain additional market data for this review.

Unless otherwise stated in this report, hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, or other environmental or cultural resources conditions, which may or may not be present on the property, were not called to the attention of the reviewer, nor did the reviewer become aware of such during the review. The reviewer is not qualified to test or research such substances, conditions or resources. The presence of such substances as asbestos, urea-formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, as might archaeological or cultural resources. The value estimate is predicated on the assumption that there is no such condition on or in the property, or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or knowledge required to discover them.

American with Disabilities Act (ADA) of 1990: The ADA became effective on January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of its requirements. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA.

All analyses and conclusions expressed by the reviewer are limited by the scope of the review process as defined herein.

SUMMARY

Binghampton Rural Historic Landscape is a geographically distinct, 427-acre, residential/agricultural enclave in Pima County, Arizona, just north of the central Tucson city limits. Comprising numerous individually-owned parcels, the district is located in the south half of Section 21 and the north half of the north half of the south half of Section 28, and the northwest quarter of Section 27 of Township 13S, Range 14E depicted on the Tucson North USGS Quadrangle of the Gila and Salt River Baseline and Meridian. On its east and west, Binghampton Rural Historic Landscape lies roughly between the alignments of N. Alvernon Way and N. Country Club Road. On its north and south, the district is located between the Santa Catalina Mountain foothills and the Rillito River at the point where the "reverse-S" of the watercourse has lent the site its well-known name "River Bend Area." Most of the district, including the south and central portions, lies in the flat, active floodplain of the bank-protected Rillito River, which curves to form much of the south and west boundaries, and Finger Rock Wash, which penetrates into the heart from the east. Rich soil has accumulated here from the watershed alluvia, creating what the district's first Mormon settlers called "the fertile valley between the river and the foothills." The northern portions of the district incorporate hilly, natural desert terrain on the first alluvial terrace below the Catalina Mountain foothills. River Road, a scenic, historic east-west route along the north side of the Rillito River, is the major roadway passing through the district. It bisects the area by its well-known dual-bend pattern, undoubtedly determined by the early land ordering system in this area.

Through continuing rural use, since its founding as a Mormon agrarian settlement in 1898, through its post-Mormon era of small ranches and farms, until today, the district has maintained a unique sense of place. Once a lush, natural riparian habitat of cottonwood, alder, sycamore, willow and walnut, the area was greatly modified after 1898 by its Mormon settlers. Divided into large, twenty- and forty-acre rectilinear tracts, divisions of the township, range and section land ordering system, and watered by an extensive ditch irrigation system, the zone was first transformed into a patchwork of cultivated crop, orchard and pasture fields. After the Mormon era, wells supplied irrigation water and land sales before the early 1950s set the largely rectilinear pattern evident today; that of smaller parcels ten acres or less in size. (The exception is the forty-acre Latter Day Saints Cemetery on the northeast corner of the district.) Irrigation-

intensive agricultural practices commonly gave way to less water intensive uses such as horse culture or simply letting fields go fallow (see following for land uses).

Tucsonans frequently view Binghampton Rural Historic Landscape by automobile from River Road, currently being widened and realigned in places by Pima County; or as pedestrians, equestrians or cyclists along the Rillito River walk. They recognize the rural district's distinctiveness by features which date from or are reminiscent of earlier times. Some features include pecan orchards, horse pastures, open fields, secluded, tree-shaded residences, stone retaining walls, post and rail fences and tree-lined drives. On foot, visitors may hear roosters crowing, horses neighing, goats bleating or the call of wild hawks nesting in the decades-old trees. Binghampton Rural Historic Landscape is geographically distinct and contrasts greatly with adjacent, low-density, upscale residential foothills development to the north and higher density urban development to the south.

Binghampton Rural Historic Landscape is being nominated under two criteria of significance. Under Criterion A, the district has two historic contexts (1) as Tucson's first Mormon agrarian settlement (1898 to the 1920s) on twenty- to forty-acre parcels and (2) as a distinct enclave of 1920s/1930s through early 1950s modest-scale, owner-occupied ranches, farms and residences on smaller parcels configured largely from earlier field patterns. Today's rural character most strongly reflects the second, post-Mormon context. Under Criterion C, the district is being nominated for the architectural quality of a number of its houses and buildings constructed between 1898 through 1953; the period of significance. Although some are architect-designed, most are contractor or owner-built structures which range widely in architectural style and vernacular type, reflecting the era when they were built.

Mormon Era Features: Few features remain today from Binghampton's Mormon era. Five buildings, both contributing and non-contributing, include the Jacob Bingham House (#33), Davidson Place (#86A & B) (which may predate the Mormon era), the J. Alma Young House (#91), the Bingham/Castro House (#55) (now a Montessori School building) and the original Mormon schoolhouse (#55). Several historic archaeological features have been found which relate to the Mormon era (see following). Also included is the contributing Latter Day Saints Cemetery (#20), in continuous use since its founding in 1899. Mormon ownership of the cemetery was formalized after a land dispute in 1927 (see Section 8).

AN APPRAISAL REPORT

OF

8.09 ACRES OF LAND WITH AN INTERIM USE SINGLE-FAMILY RESIDENCE

LOCATED
ON THE SOUTH SIDE OF RIVER ROAD,
EAST OF HACIENDA DEL SOL
PIMA COUNTY, ARIZONA

FOR

PIMA COUNTY PUBLIC WORKS,
REAL PROPERTY SERVICES

MR. DOUGLAS LANEY, MAI

OWNERSHIP: ST DEMETRIOS GREEK ORTHODOX CHURCH INC.
TAX PARCEL NUMBER: 108-26-015B, 015D, 016A
SECTION 21, TOWNSHIP 13 SOUTH, RANGE 14 EAST

EFFECTIVE DATE OF APPRAISAL

AUGUST 21, 2014

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

BAKER, PETERSON, BAKER & ASSOCIATES, INC.
REAL ESTATE APPRAISERS - CONSULTANTS
4547 E. FT. LOWELL ROAD • SUITE 401 • TUCSON, AZ 85712
520.881.1700 • 1.800.204.1700
FAX 520.325.3108
admin@bakerpeterson.com

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September 5, 2014

Mr. Douglas Laney, MAI
Pima County Public Works
Real Property Services
201 North Stone Avenue, Sixth Floor
Tucson, Arizona 85701-1207

RE: An appraisal report of 8.09 acres of land with an interim use single-family residence located on the south side of River Road, east of Hacienda Del Sol, in Pima County, Arizona
Effective Date of Appraisal: August 21, 2014
Date of Report: September 5, 2014

Dear Mr. Laney:

In response to your authorization, I have conducted the required inspection, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the market value of the fee simple interest in the above-named property. This report is intended for use only by the client and intended user, Pima County Real Property Division and its designees. Use of this report by others is not intended by the appraiser. This report is intended only for use in estimating the market value of the subject property for potential acquisition of the subject property. It is not intended for any other use.

I have formed the opinion that, as of the effective date of the appraisal, August 21, 2014, in its "as is" condition, based on a six to twelve month market period, and subject to the assumptions and limiting conditions set forth in the report, the subject property has a market value of:

EIGHT HUNDRED FIFTY THOUSAND DOLLARS ($850,000)

Mr. Douglas Laney, MAI
Pima County Public Works
Real Property Services

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

Respectfully submitted,

Thomas A. Baker, MAI, SRA
Certified General Real Estate Appraiser
Certificate Number 30139

C146922

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APPRAISAL ABSTRACT - PART I

CLIENT:
Pima County Public Works, Real Property Services

APPRAISER:
Thomas A. Baker, MAI, SRA

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

SUBJECT PROPERTY:
8.09 acres of land with an interim use single-family residence located on the south side of River Road, east of Hacienda Del Sol, in Pima County, Arizona

LAND AREA:
8.09 Acres - Per Pima County Assessor

ZONING:
SR (Pima County)

TITLE REPORT INFORMATION:
The appraisers have reviewed information contained in a title report of the subject property as provided by the client. The appraisers do not consider there to be any impact on the market value of the subject property by items reviewed in the title report. There are several drainage and slope easements located on the subject property that were obtained as part of previous drainage and roadway improvements on or in the vicinity of the subject property. These easements were determined to have no negative impact on the market value of the subject property.

LEGAL DESCRIPTION:
A portion of Section 21, Township 13 South, Range 14 East, G&SRB&M, Pima County, Arizona (See exhibits for full legal description).

OWNERSHIP:
According to public records of the Pima County Assessor, title to the subject property is in the name of St. Demetrios Greek Orthodox Church, according to Docket 13237, at Page 2670, dated February 6, 2008. See sale 1 in the Sales Comparison Approach section of this report for a discussion of this sale.

SALES/LISTING HISTORY:
There have been no sales of the subject property within the last five years. The current owner purchased the subject property on February 6, 2008 for $1,250,000. There was a subsequent transaction recorded on April 9, 2014, however this was an internal transfer of ownership and not a market transaction. No current listings, options, or agreements of sale of the subject property were discovered in the course of this analysis.

TAX PARCEL NUMBER:
108-26-015A, 108-26-015D, 108-26-016A

FULL CASH VALUE:

Parcel 108-26-015B	
$219,702 (2014)	$84,502 (2015) - Vacant Land
Parcel 108-26-015D	
$709,805 (2014)	$273,005 (2015) - Vacant Land
Parcel 108-26-016A	
$125,871 (2014)	$140,210 (2015) - Land and Improvements
Total	
$1,055,378 (2014)	$497,717 (2015) - Land and Improvements

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

LIMITED CASH VALUE:

Parcel 108-26-015B	
$219,702 (2014)	$84,502 (2015) - Vacant Land
Parcel 108-26-015D	
$709,805 (2014)	$273,005 (2015) - Vacant Land
Parcel 108-26-016A	
$125,871 (2014)	$132,165 (2015) - Land and Improvements
Total	
$1,055,378 (2014)	$489,672 (2015) - Land and Improvements

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

REAL ESTATE TAXES:
Parcel 108-26-015B
$5,068.46 (2013)
Parcel 108-26-015D
$16,375.00 (2013)
Parcel 108-26-016A
$1,762.89 (2013)

Total
$23,206.35 (2013)

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

DELINQUENT TAXES:
None

SPECIAL ASSESSMENTS:
None

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

PURPOSE OF THE APPRAISAL:
The purpose of this appraisal is to provide the appraisers' opinion of the market value of the subject real property as of the effective date of the appraisal, August 21, 2014.

MARKET VALUE DEFINITION:
Market value, as utilized in this appraisal, and as defined in The Appraisal of Real Estate, 14th Edition, published by the Appraisal Institute, 2013, page 59, is:

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

INTENDED USE AND USER OF REPORT:
This report is intended for use only by the intended user, Pima County Real Property Services and its designees. Use of this report by others is not intended by the appraiser. This report is intended only to provide the opinion of the market value of the subject site for potential acquisition of the subject property. It is not intended for any other use.

INTEREST VALUED:
Fee simple interest in the total property. *Fee Simple Interest*, as defined in the Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, page 78, is "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

EFFECTIVE DATE OF APPRAISAL:
August 21, 2014

DATE OF INSPECTION:
August 21, 2014. The appraiser met a representative of the property owner at the property for inspection of the subject property.

SCOPE OF THE APPRAISAL - PART II

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

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

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

This report is intended for use only by the intended user, Pima County Real Property Services and its designees. Use of this report by others is not intended by the appraiser. This report is intended only to provide the opinion of the market value of the subject site for potential acquisition of the subject property. It is not intended for any other use. The purpose of the appraisal is to provide the appraiser's opinion of the market value in fee simple interest of a specific property which has been previously identified in this report, and is referred to as the subject property, the subject, or the property.

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

An opinion of the "highest and best use" of the property was formed, utilizing resources to identify such factors as land use, supply and demand, governmental requirements,

environmental concerns, and economic elements, present and anticipated, which may impact upon the marketability of the property.

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

The existing single family residence on the subject property has significant physical depreciation due to the age of the improvements. Due to the significant depreciation due to all causes, the cost approach is not applicable in this analysis. Purchasers of properties similar to the subject do not utilize a cost analysis in their purchase decision, therefore although considered, this approach is not applicable in valuation of the subject property.

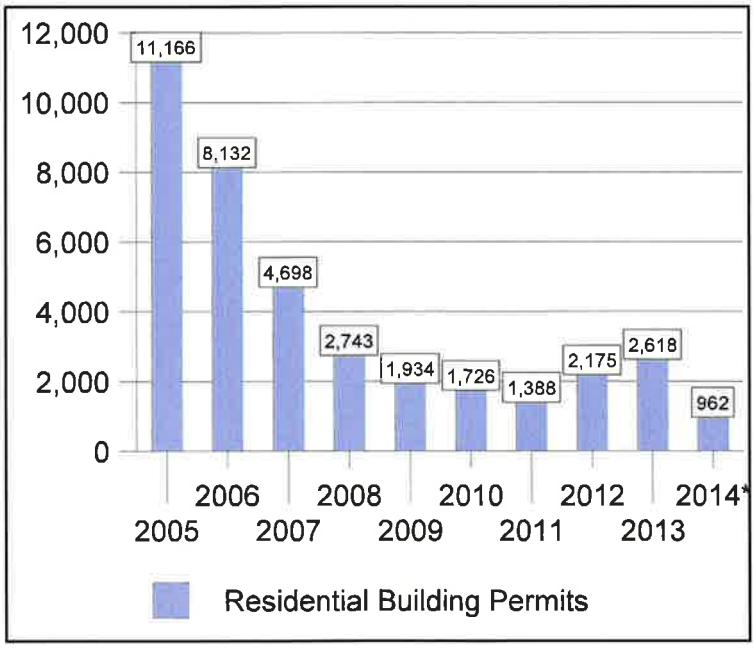
The subject property is owned by an owner-user. Many properties similar to the subject are purchased by owner users. Therefore, the income approach is not applicable in this analysis.

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

DESCRIPTION OF REAL ESTATE APPRAISED - PART III

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

Starting in 2006, fewer single-family residential permits were issued due to the current oversupply of lots and residential homes on the market. According to the United States Census Bureau, Building Permits Survey, the number of single-family residential permits declined through 2011. There was limited new single-family construction since 2008, with the decline continuing through 2011, with a small increase in 2012 and continuing through 2013. Data is provided for the first five months of 2014, indicating there were 962 permits issued in January through May of 2014.



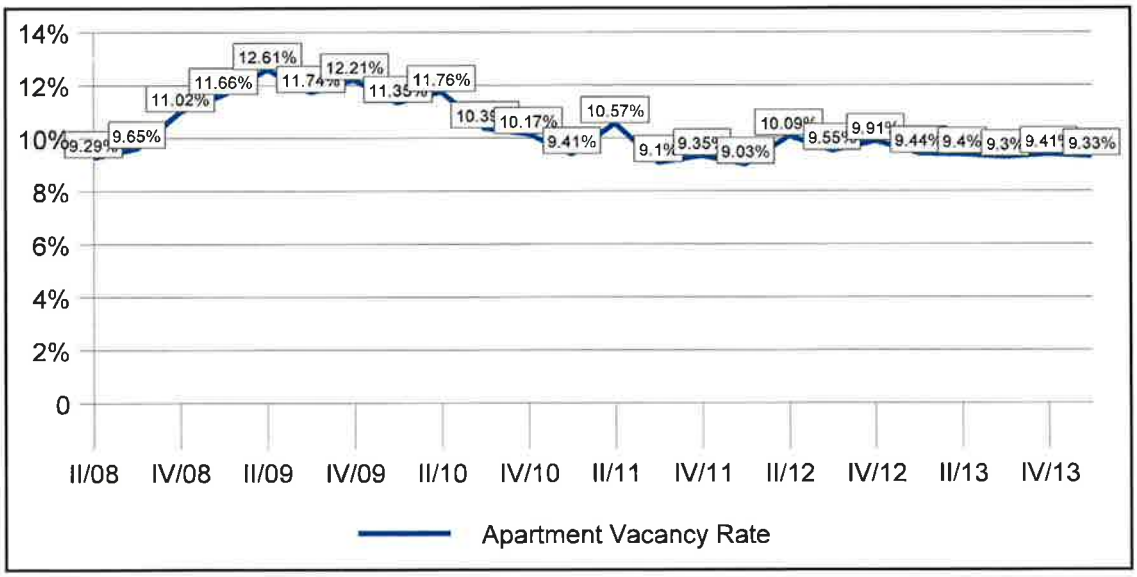
Overall, housing permits and sales had been increasing and a period of substantial growth occurred during 2004 and 2005 with unprecedented price increases having been experienced for most areas of Tucson. Building permit activity declined steadily in the Tucson Metropolitan area from a peak in 2005 of 11,166 to 1,388 in 2011 for all new single-family residential construction residential building permits, according to the United States Census Bureau, Building Permits Survey. This was due in part to the difficulty in obtaining financing and, to a larger extent, a decrease in demand from primary home buyers and speculative home purchases by out of state buyers and an oversupply of available homes on

the market, resulting in declining home prices. The slow down in sales has resulted in an increase in the inventory of available houses and a decrease in housing prices in the Tucson Metropolitan area. There has been a 56 percent increase in residential permits in 2012 from the bottom in 2011. This is an indication that the new home residential market is beginning to recover. The number of permits for 2013 shows a continued improvement in the market, but new home sales are still well below peak or stabilized levels seen in the past.

Multi-Family Market

Vacancy rates for apartment properties in the Tucson Metropolitan area continued to remain high into 2011. Figure 2 shows vacancy rates in metropolitan Tucson between Second Quarter 2008 and First Quarter 2014, according to Apartment Insights' *Statistics/Trends Summary*.

The vacancy rate peaked in the Second Quarter 2009 and generally declined through early 2012. However, vacancy rates for apartment properties typically increase in the second quarter of each year due to seasonal changes in population. The vacancy rate has remained mostly stable with slight fluctuations since early 2013. The current rent levels for multi-family properties have remained generally stable. There is limited demand for new construction, with the exception of student housing projects and some larger high-end Class A apartment complexes with many amenities.

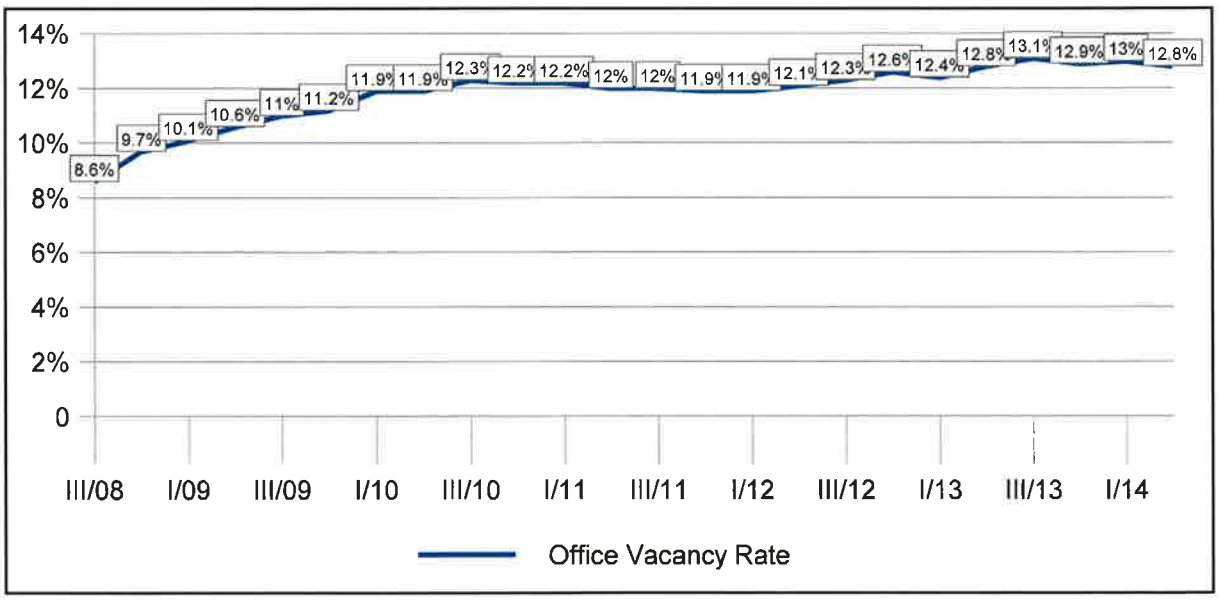


Office Market

Overall, the leasable *office market* experienced net positive absorption of 43,312 square feet in the Second Quarter 2014, according to *The CoStar Office Report, Tucson Office Market, Mid-Year 2014.* This compares to net positive absorption of 15,897 square feet in the First Quarter 2014, net positive absorption of 38,394 square feet in Fourth Quarter 2013, net negative absorption of 88,889 square feet in Third Quarter 2013, net negative absorption of 83,762 square feet in Second Quarter 2013, and net positive absorption of 42,417 square feet in First Quarter 2013.

One new office building containing 18,092 square feet was completed in Second Quarter 2014. One new building containing 27,060 square feet was completed in First Quarter 2014 and one new building containing 5,689 square feet was completed in the Fourth Quarter 2013. No new office buildings were completed in the Third, Second, and First Quarters 2013.

Figure 3 shows trends in the vacancy rates for office properties in Tucson between Third Quarter 2008 and Second Quarter 2014. The vacancy rate increased until late 2010 and then remained mostly stable with a slight decline through mid 2012. The vacancy rate increased from late 2012 through late 2013 and has remained mostly stable in the three most recent quarters.



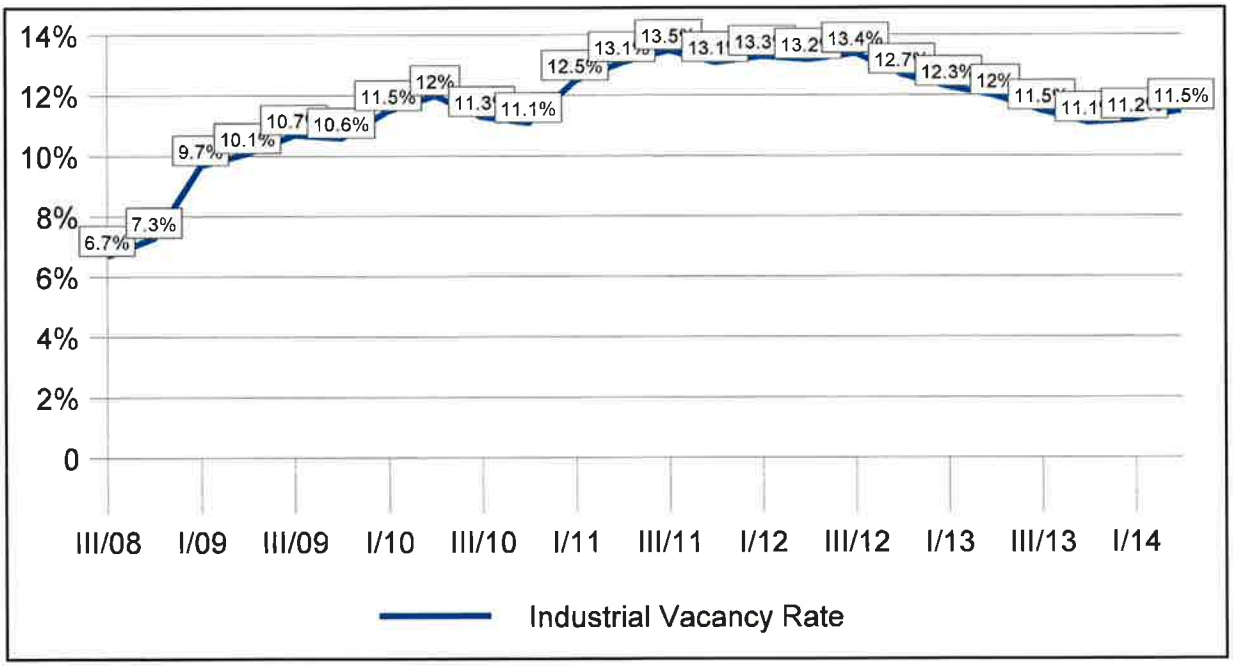
The slight increased overall annual vacancy rate indicates an office market which is coupled to the overall declining real estate market. There has been a decline in demand for owner/user office buildings which had made up a majority of office sales in 2006 and 2007. Market conditions stabilized in 2013. Market conditions for office properties are expected to remain stable and will improve slowly.

Industrial Market

Tucson experienced rapid *industrial* growth from the late 70's to the mid-80's. There has been limited new industrial space constructed recently in Tucson, with no new buildings completed in Second Quarter 2014, one building totaling 14,214 square feet completed in First Quarter 2014, no new buildings completed in Fourth Quarter 2013, one new building containing 3,947 square feet completed in Third Quarter 2013, one new building containing 15,000 square feet completed in the Second Quarter 2013, and no new industrial buildings completed in First Quarter 2013.

There was net negative absorption of 84,633 square feet of industrial space in the Second Quarter 2014. This compares to net negative absorption of 51,300 square feet in First Quarter 2014, net positive absorption of 166,614 square feet of industrial space in the Fourth Quarter 2013, net positive absorption of 204,351 square feet of industrial space in the Third Quarter 2013, net positive absorption of 146,436 square feet of industrial space in the Second Quarter 2013, and net positive absorption of 158,143 square feet of industrial space in the First Quarter 2013, according to *The CoStar Industrial Report, Tucson Industrial Market, Mid-Year 2014.*

Figure 4 shows trends in the industrial vacancy rate in Tucson between Third Quarter 2008 and the Second Quarter 2014, according to *The CoStar Industrial Report, Tucson Industrial Market, Mid-Year 2014.*



Overall, the industrial vacancy rate increased through 2011, peaking in the Third Quarter 2011 and Third Quarter 2012. The vacancy rate declined from late 2012 through late 2013. The vacancy rate for industrial properties has increased slightly in 2014. There are some

indications of stabilization in the industrial market. There continues to be a large supply of fully zoned and improved industrial lots available in the Tucson market with limited demand in the current market. The overall decline in the economy is affecting many potential industrial users and a slowing of demand for industrial zoned land is being experienced in the market.

Retail Market

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

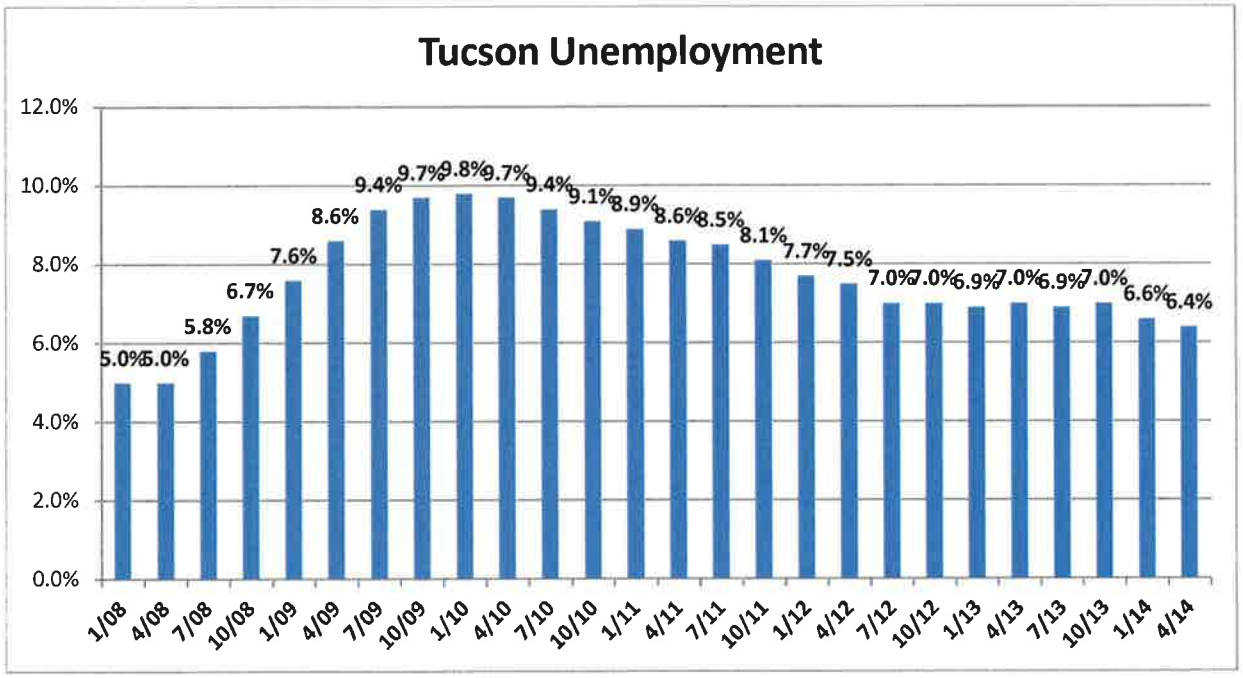
There was net positive absorption of 129,159 square feet in the Second Quarter 2014, according to *The CoStar Retail Report, Tucson Retail Market, Mid-Year 2014.* This compares to net positive absorption of 235,328 square feet in the First Quarter 2014, net positive absorption of 321,444 square feet in the Fourth Quarter 2013, net positive absorption of 275,583 square feet in the Third Quarter 2013, net positive absorption of 241,607 square feet in the Second Quarter of 2013, and net positive absorption of 13,886 square feet in the First Quarter of 2013.

In the Second Quarter 2014, new construction completed was three buildings totaling 45,100 square feet. This compares to four buildings totaling 121,784 square feet, twelve buildings totaling 149,732 square feet in the Fourth Quarter 2013, eight buildings totaling 210,484 square feet in the Third Quarter 2013, seven buildings totaling 49,284 square feet in the Second Quarter 2013, and six retail buildings totaling 129,833 square feet in the First Quarter 2013.

Figure 5 shows trends in the vacancy rate for retail properties in the Tucson market between Third Quarter 2008 and Second Quarter 2014, according to *The CoStar Retail Report, Tucson Retail Market, Mid-Year 2014.*

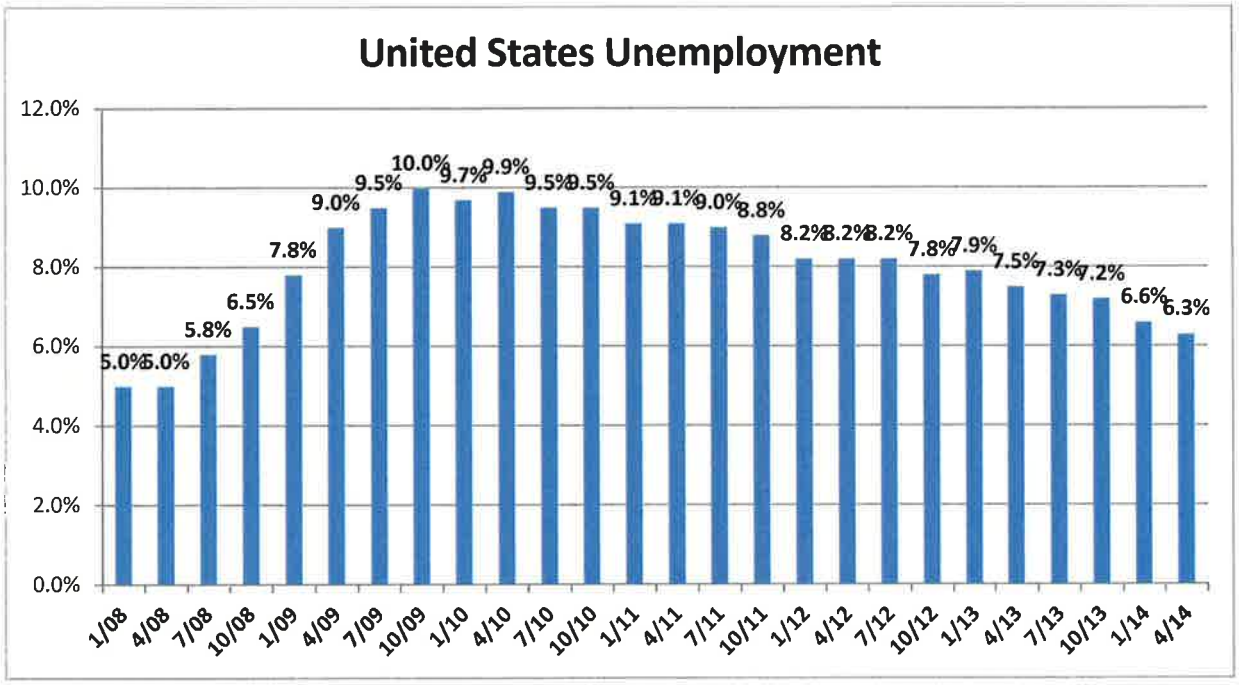
The vacancy rate for retail properties increased starting through early 2011. The retail vacancy rate remained mostly stable in 2011 but peaked in the Second Quarter 2012. The retail vacancy rate declined since that time, with the decline continuing through mid 2014. The retail market has stabilized and is starting to improve slightly in high demand areas, although there remains for little demand for older retail properties in low demand areas.

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



The previous data shows that the unemployment rate in the Tucson metropolitan area increased and peaked in early 2010. The unemployment rate has slowly been declining since early 2010 and remained mostly stable from mid 2012 through 2013. There has been a small decline in 2014.

According to the United States Department of Labor, Bureau of Labor Statistics, the national seasonally adjusted unemployment rate has also increased since 2008 through late 2009. The unemployment rate remained high and started to decline slowly in late 2010. The unemployment rate has declined but remains higher than in 2008. The unemployment rate is projected to remain high as the economy recovers slowly from the recession.



Overall, the commercial real estate markets reveal that most investors hold a cautionary outlook for 2014 due to the tight credit that adversely affects tenants, owners and investors, the sequester of 2013, the government shutdown of late 2013, and the continuing uncertainty of the government conditions. The stabilizing supply and demand fundamentals will result in stable to slowly improving values. In the short term, limited growth is projected for Tucson over the next one to two years, with market conditions expected to remain stable and slowly start to improve during this time. The long term result should be a more balanced level of supply and demand - more conducive to steady long-term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.

NEIGHBORHOOD DESCRIPTION:
The subject neighborhood is that area bordered by Rillito River/Tanque Verde Wash, on the south, Catalina Mountains to the North, Sabino Canyon Road on the East, Campbell Avenue on the west.

The neighborhood consists mainly of single family residential properties on one acre or larger sites, townhouse complexes, and neighborhood commercial development at major arterial intersections. There is a neighborhood shopping center at the northeast corner of Craycroft and River Roads. This center includes a Walgreens, Whole Foods supermarket, as well as several restaurants and other service businesses and a branch of the Pima County Public Library. A large apartment complex and an elder care facility are located to the east of the shopping center. There are also major commercial centers located at the intersections of Swan and Sunrise Drive. Additional commercial development is located at the intersection of River and Campbell and Sunrise and Kolb. A commercial development, including a large shopping center, is located at the intersection of Sunrise and Campbell.

The lower area in this neighborhood has homes and other uses on larger parcels of land along the Rillito River, with much of this land having some floodplain issues. There is a mix of horse properties, houses on larger lots, private schools, and religious facilities in this lower part of the neighborhood.

The neighborhood is situated in the Tucson Unified and Catalina Foothills School Districts. The Skyline Country Club and golf course are located on Swan near Ina and the La Paloma Country Club and golf course are located on Sunrise between Campbell and Swan. Homes in the neighborhood range upwards from $250,000 to well over one million dollars and range in age from new to fifty-plus years.

SITE DESCRIPTION:
The subject property is located on the south side of River Road, and the north side of Roger Road, east of Hacienda Del Sol. The site is irregular shape. The subject property has approximately 645 feet of frontage on River Road along the northern border and approximately 280 feet of frontage on Roger Road along the southern border. The site has a maximum depth of approximately 730 feet near the center of the site from River Road on the northern border and Roger Road on the southern border (see Exhibits). It contains a total gross area of 8.09 acres according to the Pima County Assessor. River Road is a four-lane, asphalt-paved roadway with center median and no concrete curbs, sidewalks, or streetlights in the vicinity of the subject. River Road has a 2010 traffic count of 15,000 vehicles per day near this site according to the Pima Association of Governments, Transportation Division. Roger Road is a two-lane dirt roadway, with no concrete curbs, sidewalks, or streetlights in the vicinity of the subject. There is no traffic count available for Roger Road in the area of the subject. The site has direct physical access from River Road along the northern border and Roger Road along the southern border. The site is below road grade of River road and at grade of Roger Road. The topography mostly level, sloping slightly in a southwesterly direction. Properties bordering the subject property include a residential uses to the north, south, east, and west. .

Utilities available to the subject property include electric (Tucson Electric Power Company), natural gas (Southwest Gas Corporation), and telephone (CenturyLink), and public sewer are available to the site in sufficient quantity and quality. While the subject site is not located within the Tucson Water Obligated Service Area, there is a public water line located within the southern right of way on River Road which could provide water to the subject property. In order to obtain public water from Tucson Water, the subject property would have to be annexed into the city. Currently there is one adjacent parcel to the west of the subject property, which is also not within the Tucson Water service area, separating the subject property from the City of Tucson city limits. In order for the subject property to receive public water, the adjacent property and the subject property would have to be annexed into the City of Tucson. There is a potential that the subject property owner could sign a pre-annexation agreement, stating that they would agree to be annexed into the city once the immediate area is ready to be annexed, which has been done on other properties in the past, in order to secure access to Tucson Water without the need for the adjacent parcel to also agree to be annexed immediately. Currently, there is one domestic well registered on the subject property. This well is dug to a depth of 250 feet with water level located at 170 feet. The casing diameter for the well is 9 inches and the well has a pump capacity of 25 gallons per minute. There is also an irrigation well that is located on the property which has been capped and the pump and tank removed. The appraiser was not able to locate any registration for this irrigation well. It is assumed that the well could be put back into service if needed.

According to FEMA Flood Insurance Rate Maps 04019C1695L and 04019C1695L, dated June 16, 2011, almost the entire subject property is identified as being located in Special Flood Hazard Area Zone A, with no base flood elevations determined. A very small portion of the subject property, located at the far northern border, is located outside the Special Flood Hazard area (see addenda). The Finger Rock Wash alignment is located on Roger Road along the southern border of the subject property. The property is not in a seismic zone.

According to a memorandum from Mr. Eric Shepp, Pima County Floodplain Administrator, the subject property is located within a Special Flood Hazard Area associated with the distributary flow area at the mouth of the Finger Rock Wash, where it enters the geologic floodplain of the Rillito River. Although the Zone A floodplains are considered approximate A zones, the Flood Control District has completed a study of the Finger Rock Wash and concluded that flood depths on this property are between 0.5 feet and 2 feet during the base flood of the Finger Rock Wash. In addition, numerous tributaries discharge onto the subject property from the lower foothills just to the north, increase the frequency of flooding on the subject property (See exhibits).

According to an aerial overlay of the base flood elevations from the Finger Rock Wash study, provided my Pima County Floodplain, it is noted that the northern portion of the site, adjacent to River Road has a base flood of 0.5 feet with the base flood depths increasing to a maximum base flood depth of only 1.5 feet towards the southern portion of the site, adjacent to the Finger Rock Wash alignment. The majority of the site has a maximum flow depth of 1 foot. (See exhibits). Any development on the site would require a hydrology study to be completed and any buildings would require to be built up 1 foot above base flood elevations.

There are several drainage and slope easements located on the subject property that were obtained as part of previous drainage and roadway improvements on or in the vicinity of the subject property. These easements were determined to have no negative impact on the market value of the subject property.

ZONING:
The subject site is zoned SR (Suburban Ranch), according to the Pima County Zoning Code. This classification is a low density single-family residential zone. A wide range of conditional agricultural and ranch uses are permitted.

There is no minimum lot width. The minimum distance between buildings is 20 feet. The maximum lot coverage by structures is 30 percent. Additional development standards under this classification include the following:

SR ZONING REQUIREMENTS

Min. Lot Area (SF)	Min. Area per Unit (SF)	Minimum Yards (feet)			Bldg. Height
		Front	Side	Rear	
144,000	144,000	50	10	50	34 feet

The subject property appears to satisfy these requirements.

COMPREHENSIVE PLAN:
The north portion of the subject property adjacent to River Road, having a depth of approximately 290 feet on the western border, narrowing to a depth of approximately 60 feet on the eastern border, with an area of approximately 2 acres, has a Land Use Intensity of LIU 1.2 according to the Pima County Comprehensive Plan. The purpose of this designation is to "designate areas for low density residential and other compatible uses; to provide incentives for clustering residential development and providing natural open space; and to provide opportunities for a mix of housing types throughout the region." Only land area zoned and planned for residential use, or natural or cluster open space areas, shall be included in gross density calculations. The maximum residential gross density is 1.2 residences per acre (RAC) or 2.5 to 4.0 residences per acre with 30 percent cluster open space. Allowable zonings under the LIU 1.2 designation are GC, SR, SR-2, SH, CR-1, CR-2, CR-3, CR-4, CR-5, CMH-1 and MR.

The remainder of the subject property, approximately 6.09 acres, is designated as Resource Transition (RT) according to the Pima County Comprehensive Plan. The purpose of this designation is to protect private land with environmentally sensitive characteristics that include wildlife corridors, natural washes, floodplains, peaks and ridges, buffers to public preserves, and other environmentally sensitive areas. Development of such land shall emphasize design that blends with the natural landscape and supports environmentally sensitive linkages in developing areas. Only land area zoned and planned for residential use, or natural or cluster open space areas shall be included in gross density calculations. Natural and cluster open space shall be defined as set forth in Section 18.09.040B, except that cluster

open space shall not include land developed under the GC Golf Course Zone. There is no minimum gross density. The maximum residential gross density is 0.3 residences per acre (RAC). Allowable zonings under the RT designation are RH, SR, and MR.

IMPROVEMENTS DESCRIPTION:

Improvement Overview. The subject property contains an existing single-story single family residence constructed in 1958. It is of average design and contains 1,743 square feet of living area (according to the Pima County Assessor) including three bedrooms, two bathrooms, a living room, family room, and kitchen. Basic construction is adobe and brick, steel casement windows, and rolled composition roof cover. It has gas forced warm air heat and air-condition cooling. There is non-attached two car carport. Overall condition of the residence is below average. As discussed later in this report, the existing single-family residence would be an interim use and would be demolished at the time the subject property is developed with its highest and best use.

Interior Features. Interior finish of the include painted adobe exterior walls and a combination of adobe and wood panel lined interior walls. The floor coverings include concrete, carpet, and vinyl. The master bedroom contains concrete flooring, ceiling fan, closet, and acoustic ceiling tiles. The second bedroom contains carpet flooring, closet, and acoustic ceiling tiles. The third bedroom consists of carpet flooring, closet, ceiling fan, and acoustic ceiling tiles. The maser bath contains vinyl tile flooring, shower stall with tile wainscoting, wood cabinetry, tile counter, sink, and toilet. The second full bath contains vinyl tile flooring, tub with shower overhead and tile wainscoting, sink, and toilet. The living room contains concrete flooring, cork ceiling, and fireplace. The family room contains carpet flooring, ceiling fan, and fireplace. The kitchen contains vinyl flooring, blown acoustic ceiling, original wood cabinetry, stove/range, laminate counters, dishwasher, and sink.

Patio/Site Features. The subject property has ranch fencing around the boundaries of the property. The property also has one domestic well and an irrigation well that has been capped and the pump and tank removed. The landscaping consists mainly of land that previously contained a pecan farm, but the pecan trees have since been removed and the land area is barren.

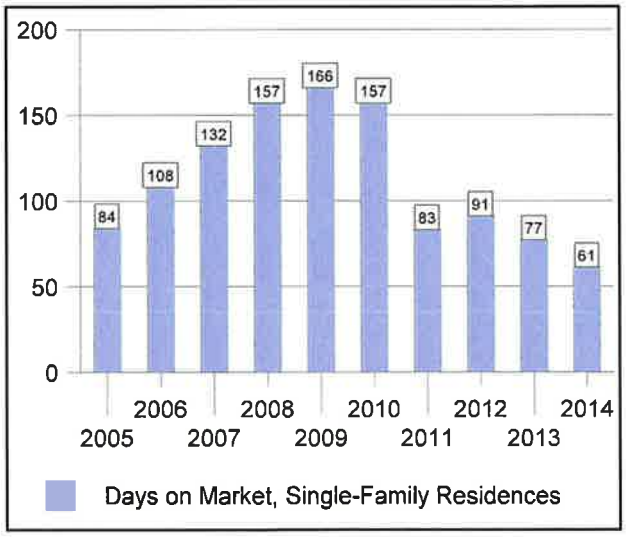
Summary. The subject property contains an existing single family residence. It is in below average condition. The house is in need of repairs and renovations. The condition and amenities in the home are below average. As discussed later in this report, the existing improvements would be an interim use and would be demolished at the time the subject property is developed with its highest and best use.

MARKET PROFILE - RESIDENTIAL:

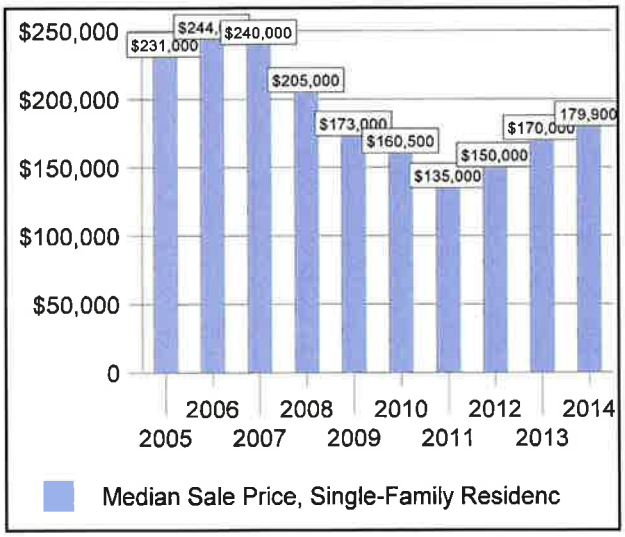
The residential market conditions in the Tucson area improved dramatically starting in 2004, with market prices for single family residences and residential lots increasing at a rapid rate. This trend continued throughout 2005 and into the start of 2006, with prices increasing most rapidly in 2005. This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

Starting in mid-2006, the market began to slow, and this trend continued into 2007, with a further slowdown in 2008 through 2010. Prices for residential properties leveled off and then decreased in all market areas. The demand for homes began to decline and fewer homes were purchased. The median price for homes also declined during this time. Over the past year there has been the beginning of a market recovery.

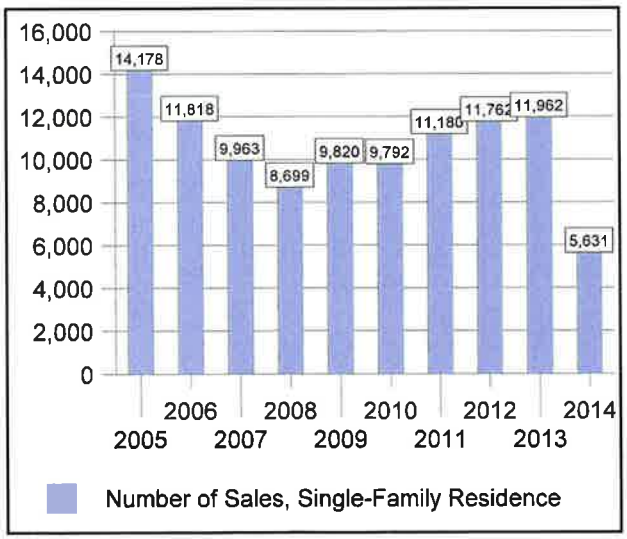
According to Multiple Listing Service (MLS), the days on market for sales of single-family residences in the Tucson area had increased as properties have taken longer to sell. This data indicates that the days on market for single-family increased significantly from 2005, peaking in 2009. The days on market remained mostly stable in 2010. Beginning in 2011, the days on market dropped significantly with results remaining stable from 2011 through 2013 and dropping during the first half of 2014.



The following is the median sale price for single-family residences for the Tucson area, according to MLS. There was a significant decline in the median sale price for single-family residences starting in 2007. The median sale price declined through 2011. The decline in median sale prices is due to the oversupply of available properties, decline in demand, and the increasing number of bank-owned properties available in the market. The median sales price began to slowly increase starting in 2012, continuing through the first half of 2014. The median sales price still remains well below peak market levels.

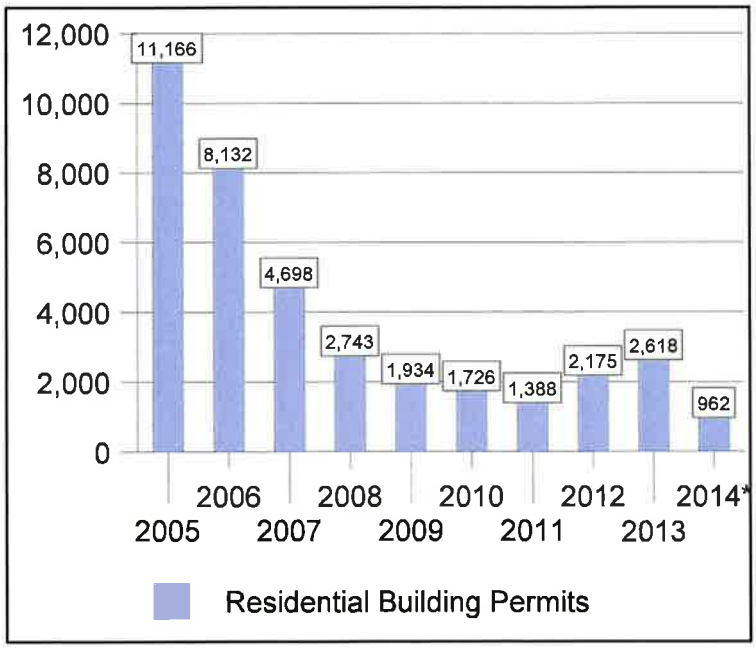


The number of sales of single-family residences in the Tucson area has also declined as fewer homes are purchased. The number of sales declined through 2008 and has gradually increased through 2013, which may be an indication that market conditions are stabilizing. 2014 results are slightly below 2013 pace midway through the year However, the number of sales remains low compared to the peak of the market in 2005.

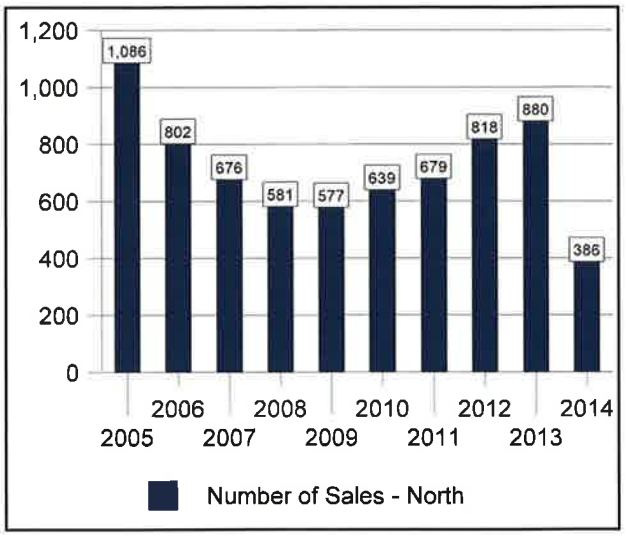


Starting in 2006, fewer single-family residential permits were issued due to the current oversupply of lots and residential homes on the market. According to the United States Census Bureau, Building Permits Survey, the number of single-family residential permits declined through 2012. There was limited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

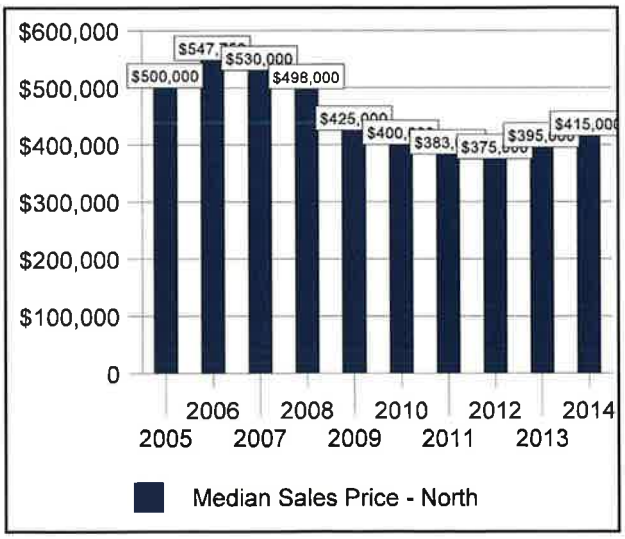
Starting in 2006, fewer single-family residential permits were issued due to the current oversupply of lots and residential homes on the market. According to the United States Census Bureau, Building Permits Survey, the number of single-family residential permits declined through 2011. There was limited new single-family construction since 2008, with the decline continuing through 2011, with a small increase in 2012 and continuing through 2013. Data is provided for the first five months of 2014, indicating there were 962 permits issued in January through May of 2014.



The following is the number of sales of single-family residences in the subject sector, North, through the first half of 2014, according to MLS. This data indicates that the number of sales declined through 2009, then slowly increased each year continuing through 2013. 2014 results appear to be slightly below 2013 pace midway through the year. Overall sales remain below peak market levels of 2005.



The following is the median sale price for single-family residences in the North sector through the first half of 2014, according to MLS. This data indicates that the median sale price peaked in 2006 and had declined significantly starting in 2007. This decline stabilized in 2011, with an increase in 2013 continuing through the first half of 2014. The median sales price in the North sector remains below peak market levels.



Land Market Data - Paired Sales
The following sale and resale of large undeveloped residential parcels demonstrate the decline in the residential real estate market conditions since the peak of the residential market in mid 2006.

1. A 37.34 acre parcel located near Colossal Cave Road was purchased as raw land in January 2006 for $1,725,000, or $46,197 per acre. The property owner platted the property with a 43-lot subdivision and obtained all necessary surveys, construction plans, etc. The property owner has approximately $1,850,000 invested in the property. This property has been listed since December 2007 and has not been purchased. The property was re-listed in September 2008 for $1,300,000 for the platted subdivision with all surveys, etc., and did not sell at this price. This property was re-listed again in 2009 at a price of $752,500. In September, 2009, the price was reduced to $688,000. Thereafter, the price was reduced to $538,350. This property sold in December 2010 for $517,500. This represents a 72 percent decline from the investment in the property by the owner.

2. An SR zoned property containing 185 acres of land and located on Sweetwater Drive sold for $4,629,225 in April 2006. The buyers spent $100,000 to $150,000 on platting and engineering for the property, for a total investment of $4,750,000. The property has been platted as a 46-lot subdivision. This property sold for $1,600,000 in March 2011. This represents a decline of approximately 67 percent since the peak of the market.

3. An SR zoned property containing 16.5 acres was purchased as raw land in March of 2006 for $865,000. The buyer split the property into five lots and provided utilities and access to each of the lots at a cost of approximately $350,000 to $400,000. This buyer spent approximately $1,215,000 to $1,265,000 on the property. This property resold in September 2011 for $737,500. This indicates a decline of 40% to 42% between the two dates of value. However, market conditions improved between the date of the first sale in March 2006 to the peak of the market at the end of 2007, indicating that the decline in market conditions as indicated by this sale is likely greater than 40% to 42%.

4. A 516-acre parcel located on the south side of Ajo Highway, east side of Continental Road alignment near the intersection of Ajo Highway and Valencia Road sold in September, 2012, for $5,500 per acre. This property sold as part of a larger parcel (containing a total of 738 acres) at a reported price of $22,500 per acre in July, 2006. This was an auction with the University of Arizona as the seller and only one bidder. This indicates a decline of close to 76%.

Sales and resales of residential lots also show the decline in market conditions since the peak of the residential market in mid 2006.

A CR-1 zoned lot in Pima Canyon Estates, on Desert Garden Drive, contains 1.18 acres of land. This lot sold in May 2005 for $575,000. This lot resold in April 2011 for $295,000, indicating a decline of 49%.

Another CR-1 zoned lot, located on Quartz Hill Place in Rockcliff, sold in September 2008 for $600,000. This lot resold in November 2011 for $350,000, indicating a decline of 42%.

A residential lot contains 1.02 acres is located on Circulo Manzanillo in Ridge Estates. This lot sold in April 2007 for $368,000 and resold in January 2012 for $140,000. This indicates a decline of 62%.

A CR-1 zoned lot is located on Black Rock Drive in Sabino Mountain. This lot sold in May 2006 for $450,000 and resold in March 2012 for $192,000. This indicates a decline of 57%.

Another lot on Black Rock Drive in Sabino Mountain sold in March 2006 for $585,000. This lot resold in March 2012 for $233,000, indicating a decline of 60%.

A CR-1 zoned lot on Lindstrom Place in River Heights Estates sold in March 2007 for $259,900. This lot resold in August 2010 for $150,000, indicating a decline of 42% between the two dates of value.

A 4.82 acre lot on Tarvers Place in Saguaro Ranch sold in January 2007 for $1,640,000. This lot resold in March 2012 for $320,000, indicating a decline of 80%.

A 1.0 acre lot on Tortolita Mountain Circle in Stone Canyon II sold in April 2007 for $310,000. This lot resold in April 2011 for $135,000, indicating a decline of 56%.

There is a 1.94 acre lot on Nesting Quail Place in Canyon Pass IV at Dove Mountain. This lot sold in February 2007 for $429,000 and resold in July 2011 for $155,000. This indicates a decline of 64%.

There is a lot on Stone Canyon Drive, north of Sunrise and east of Kolb Road. This lot sold in May 2007 for $780,000. This lot went into escrow in February 2012 with a list price of $398,270. This indicates a decline of at least 50%.

A CR-1 zoned lot is located on the south side of Manzanita Avenue, west of Campbell Avenue. This lot sold in March 2008 for $525,000. This lot resold in August 2011 for $342,600, indicating a decline of 35%.

Another CR-1 zoned lot, located on Avenida de Castilla, west of Hacienda del Sol, north of River Road, sold in April 2007 for $484,000. This lot resold in July 2011 for $210,000, indicating a decline of 56%.

A residential lot is located in the Estates at Honey Bee Ridge on Silver Cloud Drive and contains 1.39 acres of land. This lot sold in May 2007 for $349,900 and resold in July 2011 for $150,000. This indicates a decline of 57%.

A residential lot containing 0.84 acres of land is located in Rio Verde Vista 3 on Red Cardinal, East of Craycroft Road, North of River Road. This lot sold in July 2005 for $270,000. This lot resold in March 2011 for $175,000, indicating a decline of 35% since mid 2005. Market conditions would have increased from July 2005 to the peak of the market, indicating a decline of greater than 35% from the peak of the market.

A 1.23 acre residential lot, located on Playa de Coronado, east of Alvernon, north of Skyline, is located in Summit at Finger Rock. This lot sold in October 2007 for $612,500. The lot resold in October 2011 for $356,000, indicating a decline of 42%.

A residential lot containing 0.83 acres is located on Vistoso View Place in Vistoso Point. This lot sold in May 2007 for $309,000. This lot resold in June 2011 for $130,000, indicating a 58% decline.

These sales indicate that for lots containing approximately one acre of land, prices have declined 50 percent or more since the peak of the market in mid 2006.

An SR zoned lot containing 8.6 acres is located on the north side of Redington Road in La Cebadilla. This lot cannot be split into more than one lot. This lot sold in January 2005 for $398,500. This lot was a bank owned property and sold in January 2010 for $237,500.

A residential lot is located on Placita Borboa, north of Snyder Road in the Snyder Creek Canyon subdivision. This lot sold in January 2008 for $373,000. A more recent sale in this subdivision closed in March, 2012 at $135,000. These two lots are located adjacent to one another in the same subdivision and are considered similar.

There are some early indications that the decline in residential market conditions is starting to stabilize and even increase in some market areas. Over the past year there has been the beginning of a market recovery for single-family residences, specifically in homes priced below $250,000. Homes in this price range are in higher demand and there is currently limited inventory of this type of home, causing homes in this price range to rise faster than more expensive single-family residences. There is an oversupply of single-family residences that exceed $250,000, causing values for this type of product to rise more slowly than the less expensive homes. Market participants recognize that the residential home and residential vacant land market will remain stable with some increases for a time before starting to substantially improve, and that this will be a slow, long-term recovery. The same market participants indicated that purchases of large vacant rural properties are few and this trend will continue for the near future as the market regains balance and value begin to stabilize and increase.

In the short term, limited growth is projected for Tucson over the next one to two years, with market conditions expected to stabilize and slowly start to improve during this time. The long term result should be a more balanced level of supply and demand - more conducive to steady long-term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.

EXPOSURE/MARKETING TIME:
Marketing Time, as utilized in this appraisal, is defined as:

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

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

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

The reasonable exposure and marketing time is estimated to be six to eighteen months based on the sales used in this report and based on conversations with brokers familiar with properties similar to the subject property. This is consistent with the location of the property, the surrounding uses, the zoning, the lack of utilities, and the overall market conditions.

HIGHEST AND BEST USE:
The 5th edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2010), defines highest and best use as follows:

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

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

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1. *The Dictionary of Real Estate Appraisal* (Chicago: Appraisal Institute, Fifth Edition, 2010), p. 121

2. Ibid, p. 73

Highest and Best Use as Vacant

Legal Considerations
The subject site is zoned SR (Suburban Ranch), according to the Pima County Zoning Code. This classification is a low density single-family residential zone. A wide range of conditional agricultural and ranch uses are permitted. The minimum lot area is 144,000 square feet ad the minimum area per unit is 144,000 square feet. There is no minimum lot width. The minimum distance between buildings is 20 feet. The maximum lot coverage by structures is 30 percent.

The north portion of the subject property adjacent to River Road, having a depth of approximately 290 feet on the western border, narrowing to a depth of approximately 60 feet on the eastern border, with an area of approximately 2 acres, has a Land Use Intensity of LIU 1.2 according to the Pima County Comprehensive Plan. The purpose of this designation is to "designate areas for low density residential and other compatible uses; to provide incentives for clustering residential development and providing natural open space; and to provide opportunities for a mix of housing types throughout the region." Only land area zoned and planned for residential use, or natural or cluster open space areas, shall be included in gross density calculations. The maximum residential gross density is 1.2 residences per acre (RAC) or 2.5 to 4.0 residences per acre with 30 percent cluster open space. Allowable zonings under the LIU 1.2 designation are GC, SR, SR-2, SH, CR-1, CR-2, CR-3, CR-4, CR-5, CMH-1 and MR.

The remainder of the subject property, approximately 6.09 acres, is designated as Resource Transition (RT) according to the Pima County Comprehensive Plan. The purpose of this designation is to protect private land with environmentally sensitive characteristics that include wildlife corridors, natural washes, floodplains, peaks and ridges, buffers to public preserves, and other environmentally sensitive areas. Development of such land shall emphasize design that blends with the natural landscape and supports environmentally sensitive linkages in developing areas. Only land area zoned and planned for residential use, or natural or cluster open space areas shall be included in gross density calculations. Natural and cluster open space shall be defined as set forth in Section 18.09.040B, except that cluster open space shall not include land developed under the GC Golf Course Zone. There is no minimum gross density. The maximum residential gross density is 0.3 residences per acre (RAC). Allowable zonings under the RT designation are RH, SR, and MR.

According to FEMA Flood Insurance Rate Maps 04019C1695L and 04019C1695L, dated June 16, 2011, almost the entire subject property is identified as being located in Special Flood Hazard Area Zone A, with no base flood elevations determined. A very small portion of the subject property, located at the far northern border, is located outside the Special Flood Hazard area (see addenda). The Finger Rock Wash alignment is located on Roger Road along the southern border of the subject property. The property is not in a seismic zone.

According to a memorandum from Mr. Eric Shepp, Pima County Floodplain Administrator, the subject property is located within a Special Flood Hazard Area associated with the distributary flow area at the mouth of the Finger Rock Wash, where it enters the geologic

floodplain of the Rillito River. Although the Zone A floodplains are considered approximate A zones, the Flood Control District has completed a study of the Finger Rock Wash and concluded that flood depths on this property are between 0.5 feet and 2 feet during the base flood of the Finger Rock Wash. In addition, numerous tributaries discharge onto the subject property from the lower foothills just to the north, increase the frequency of flooding on the subject property (See exhibits).

According to an aerial overlay of the base flood elevations from the Finger Rock Wash study, provided my Pima County Floodplain, it is noted that the northern portion of the site, adjacent to River Road has a base flood of 0.5 feet with the base flood depths increasing to a maximum base flood depth of only 1.5 feet towards the southern portion of the site, adjacent to the Finger Rock Wash alignment. The majority of the site has a maximum flow depth of 1 foot. (See exhibits). Any development on the site would require a hydrology study to be completed and any buildings would require to be built up 1 foot above base flood elevations.

The legal characteristics of the subject property would allow for up to two-single family residences on two lots to be constructed under the current SR zoning. If the area located on the north portion of the subject property, located within the area designated as LIU 1.2 under the Pima County Comprehensive Plan were tp be re-zoned to CR-1, then the subject property could be developed with up to three single-family residences located on three lots with 1 single-family residence on a one-acre lot in the re-zoned portion of the property and 2 single-family residence located on two additional lots on the remainder of the land with each lot at least 144,000 square feet required under the existing SR zoning. Or, the subject property could be developed with a religious facility or a private school based on the existing zoning.

Physical Considerations

The subject property is located on the south side of River Road, and the north side of Roger Road, east of Hacienda Del Sol. The site is irregular shape. The subject property has approximately 645 feet of frontage on River Road along the northern border and approximately 280 feet of frontage on Roger Road along the southern border. The site has a maximum depth of approximately 730 feet near the center of the site from River Road on the northern border and Roger Road on the southern border (see Exhibits). It contains a total gross area of 8.09 acres according to the Pima County Assessor. River Road is a four-lane, asphalt-paved roadway with center median and no concrete curbs, sidewalks, or streetlights in the vicinity of the subject. River Road has a 2010 traffic count of 15,000 vehicles per day near this site according to the Pima Association of Governments, Transportation Division. Roger Road is a two-lane dirt roadway, with no concrete curbs, sidewalks, or streetlights in the vicinity of the subject. There is no traffic count available for Roger Road in the area of the subject. The site has direct physical access from River Road along the northern border and Roger Road along the southern border. The site is below road grade of River road and at grade of Roger Road. The topography mostly level, sloping slightly in a southwesterly direction. Properties bordering the subject property include a residential uses to the north, south, east, and west.

The physical characteristics of the subject property would allow for for up to two-single family residences on two lots to be constructed under the current SR zoning. If the area located on the north portion of the subject property, located within the area designated as LIU 1.2 under the Pima County Comprehensive Plan were tp be re-zoned to CR-1, then the subject property could be developed with up to three single-family residences located on three lots with 1 single-family residence on a one-acre lot in the re-zoned portion of the property and 2 single-family residence located on two additional lots on the remainder of the land with each lot at least 144,000 square feet required under the existing SR zoning. Or, the subject property could be developed with an institutional use such as a religious facility or a private school based on the existing zoning. Since the year 2000, there has been interest by private schools and religious groups on developing facilities in this area. Some of this development has occurred where existing facilities are incorporated into a development if these existing improvements are large enough in size and the quality of construction and condition of the improvements is good. The issue to overcome for users in this area for private schools and religious facilities is the floodplain nature of most of the land in the area. Any development of a private school or religious facility on the subject site would require the development of retention areas to avoid increasing the depth of flow off the subject site onto adjacent parcels when raising building pads and putting in parking lots.

Financial Feasibility

The subject property could be developed with a religious facility or a private school based on the existing zoning and demand for these types of uses in the area of the subject property. This is supported by the numerous private schools and religious facilities located in the area of the subject property. Due to the floodprone nature of the site, cost to re-zone a portion of the subject property, and lower price paid for residential uses on larger lots in the immediate area of the subject property, the subject property would not be developed with residential uses.

Maximally Productive

Therefore, the maximally productive highest and best use of the subject site would be for development of a religious facility or a private school.

Highest and Best Use as Improved
The highest and best use as improved compares the ideal improvements for the property to the existing improvements. This is used to determine if the existing improvements should be retained or modified. A modified property can be converted, removed, or renovated. The subject property as vacant would be developed with a religious facility or a private school. The property currently contains a single-family residence, domestic well, and fencing. This single-family residence was constructed in 1958. It contains 1,743 square feet. The single-family residence is in below average condition.

Legal Considerations
The subject property as improved meets all requirements under the existing SR zoning. Therefore, the existing improvements could be retained under the existing zoning. There are no legal restrictions to converting, renovating, or demolishing the improvements.

Physical Considerations
The subject improvements are in below average condition and average quality of construction and would not be utilized in the potential development of the subject property to its highest and best use as a religious facility or a private school. The existing improvements are not in sufficient size, quality of construction, or in adequate condition to support incorporating these improvements in the development of a private school or religious facility on the subject site. There are no physical restrictions to renovating, or demolishing the existing improvements.

Financial Feasibility
The subject property improvements are in below average condition, average quality, and smaller size, and would not be utilized in the potential development of the subject property to its highest and best use as a religious facility or a private school. Due to the floodprone nature of the site, cost to re-zone a portion of the subject property, and lower price paid for residential uses on larger lots in the immediate area of the subject property, the subject property would not be developed with residential uses. The exiting improvements would be utilized as an interim use to be rented until the subject property is ready for eventual development of its highest and best use as a religious facility or a private school. At that time, the existing improvements would be demolished. The income generated from renting the existing improvements would offset the demolition costs of existing improvements

Because the existing improvements would be used as an interim basis and income generated from the interim use would offset the demolition costs of the existing improvements, the existing improvements neither add or detract from the value of the subject property as vacant. Therefore, the exiting improvements would be utilized as an interim use to be rented until the subject property is ready for eventual development of its highest and best use as a religious facility or a private school. At that time, the existing single-family residence would be demolished.

Maximally Productive

The maximally productive highest and best use of the property as improved is to retain the existing improvements as an interim use to be rented until the subject property is ready for eventual development of its highest and best use as a religious facility or a private school. At that time, the existing single-family residence would be demolished.

SUMMARY OF ANALYSIS AND VALUATION - PART IV

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

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

Table of Comparable Land Sales

Sale No.	Sale Date	Property Location	Sale Price	Site Size (Acre)	Price/ Acre	Zoning
1.	02/08	South side of River Road, West of Alvernon Way	$1,250,000	8.09	$154,512	SR
2.	10/08	East side of Shannon Road, North of Overton Road	$500,000	4.73	$105,708	SR
3.	12/10	West side of Skyline Drive, North side of Ina Road	$1,618,000	7.43	$217,766	SR
4.	02/11	Between Starlight View Lane and Desert Gem Lane, South of Sahuarita Road	$1,200,000	7.50	$160,000	SP
5.	04/11	Southwest corner of Sahuarita Road and Melpomene Way	$449,713	5.00	$89,943	TR
6.	01/13	North side of Valencia Road, east of Nexus Road	$725,000	9.79	$74,055	SR
		Subject Property		8.09		SR

COMPARABLE LAND SALE ADJUSTMENT GRID

	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Sale Date		02/2008	10/2008	12/2010	02/2011	04/2011	01/2013
Site Size (Acres)	8.09	8.09	4.73	7.43	7.50	5.00	9.79
Zoning	SR	F	SR	SR	SP	TR	SR
Utility	Fair	Similar	Superior	Superior	Superior	Superior	Superior
Sale Price		$1,250,000	$500,000	$1,618,000	$1,200,000	$449,713	$725,000
Price per Acre		$154,512	$105,708	$217,766	$160,000	$89,943	$74,055
Summary of Adjustments							
Unadjusted Price / Sq. Ft.		$154,512	$105,708	$217,766	$160,000	$89,943	$74,055
Property Rights		0	0	0	0	0	0
Adjusted Price		$154,512	$105,708	$217,766	$160,000	$89,943	$74,055
Financing		0	0	0	0	0	0
Adjusted Price		$154,512	$105,708	$217,766	$160,000	$89,943	$74,055
Conditions of Sale		0%	0%	-10%	0%	0%	0%
Adjusted Price		$154,512	$105,708	$195,989	$160,000	$89,943	$74,055
Date/Market Conditions		-33%	-25%	-10%	-10%	-10%	0%
Adjusted Price		$103,523	$79,281	$176,390	$144,000	$80,948	$74,055
Physical Adjustments (%)							
Location		0	40	-15	25	40	30
Zoning		0	-5	-5	-20	0	-5
Site Size		0	-10	0	0	-10	5
Site Utility		0	-20	-20	-25	-25	-15
Net Adjustment		0%	5%	-40%	-20%	5%	15%
Indicated Value / Acre		**$103,523**	**$83,245**	**$105,834**	**$115,200**	**$84,996**	**$85,163**

This analysis compares six sales of similar vacant land parcels to the subject property on a price per acre foot basis. This is the sale price divided by the acreage of the site. These sales occurred within 79 months of the effective date of the appraisal. Sales prices range from $217,776 to $74,055 per acre before adjustment. The adjustment grid on the previous page reflects the adjustments. An upward adjustment indicates that the comparable is inferior to the subject; a downward adjustment indicates that the comparable is superior to the subject; and no adjustment (0) indicates the comparable is similar or equal to the subject.

Comparable Sale One requires a downward adjustment for date and market conditions as market data indicates that prices have deceased since the date of this sale and the date of value.

There are no physical adjustments required as this is a prior sale of the subject property. Overall, this sale on a price per acre basis indicates a downward adjustment in comparison to the subject property.

Comparable Sale Two requires a downward adjustment for date and market conditions as market data indicates that prices have deceased since the date of this sale and the date of value.

Physical adjustments include an upward adjustment for location as this property is located in an area with not as great of demand as the subject property. A downward adjustment is warranted for zoning as this property has the ability to be rezoned to a superior zoning than the subject property. A downward adjustment is required for site size as this property is smaller than the subject property. Smaller properties tend to sell for more on a per acre basis than larger properties, all else being equal. A downward adjustment is required for site utility as this property has lower development costs due to being less floodprone than the subject property. This is partially offset as a portion of this property is not useable due to a wash traversing the property. Overall, this sale on a price per acre basis indicates a downward adjustment in comparison to the subject property.

Comparable Sale Three requires a downward adjustment for conditions of sale as the buyer paid above market value for the property because this property met their specific requirements. A downward adjustment is required for date and market conditions as market data indicates that prices have deceased since the date of this sale and the date of value.

Physical adjustments include a downward adjustment for location as this property is located in an area with greater demand than the subject property. This is partially offset as this property has visibility, but no access from a major roadway, compared to the subject property. A downward adjustment is warranted for zoning as this property has the ability to be rezoned to a superior zoning than the subject property. A downward adjustment is required for site utility as this property has lower development costs due to being less floodprone than the subject property. This is partially offset as this property requires extra grading costs compared to the subject property. Overall, this sale on a price per acre basis indicates a downward adjustment in comparison to the subject property.

Comparable Sale Four requires a downward adjustment for date and market conditions as market data indicates that prices have deceased since the date of this sale and the date of value.

Physical adjustments include an upward adjustment for location as this property is located in an area with not as great of demand as the subject property and is a backage pad with less visibility from a major roadway compared to the subject property. A downward adjustment is warranted for zoning as this property has superior zoning than the subject property. A downward adjustment is required for site utility as this property has lower development costs due to being less floodprone than the subject property. Overall, this sale on a price per acre basis indicates a downward adjustment in comparison to the subject property.

Comparable Sale Five requires a downward adjustment for date and market conditions as market data indicates that prices have deceased since the date of this sale and the date of value.

Physical adjustments include an upward adjustment for location as this property is located in an area with not as great of demand as the subject property. While this property has superior zoning than the subject property, there is no demand for the development of townhomes which are allowed under the zoning for this property and did not have any impact on the sales price, therefore no adjustment is required. A downward adjustment is required for site size as this property is smaller than the subject property. Smaller properties tend to sell for more on a per acre basis than larger properties, all else being equal. A downward adjustment is required for site utility as this property has lower development costs due to being less floodprone than the subject property. Overall, this sale on a price per acre basis indicates a slight downward adjustment in comparison to the subject property.

Comparable Sale Six does not require an adjustment for date and market conditions as market conditions did not change between the date of the sale and the date of value.

Physical adjustments include an upward adjustment for location as this property is located in an area with not as great of demand as the subject property. While this property has the potential for re-zoning to a superior zoning than the subject property, this is partially offset as there is little demand for the development commercial uses which are allowed under the potential zoning of this property and had little impact on the sales price. An upward adjustment is required for site size as this property is larger than the subject property. Larger properties tend to sell for less on a per acre basis than smaller properties, all else being equal. A downward adjustment is required for site utility as this property has lower development costs due to being less floodprone than the subject property. However, this is partially offset by the extra development costs compared to the subject property to construct wash crossings over portions of this property. Overall, this sale on a price per acre basis indicates an upward adjustment in comparison to the subject property.

Sales Comparison Approach Summary.

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Adjusted Sale Price/Acre	$103,523	$83,245	$105,834	$115,200	$84,996	$85,163

These six comparable sales indicate a price range of $83,245 to $115,200 per acre after adjustment. Comparable Sale One warrants the greatest weight as this is a prior sale of the subject property. Secondary weight is given to sale Three as this sale required the least amount and least magnitude of physical adjustments. The remaining comparable sales receive slightly less weight as these sales required more adjustments. After analyzing the comparable sales, the conclusion of market value of the subject property by the sales comparison approach, as of August 21, 2014, is $105,000 per acre, times 8.09 acres, equaling $849,450, rounded to $850,000.

Market Value Conclusion. Therefore, based on the above analysis and subject to the assumptions and limiting conditions contained in this report, the opinion of market value of the subject property, "as is", as of the effective date of the appraisal, August 21, 2014, is $850,000.

OPINION OF MARKET VALUE OF SUBJECT PROPERTY,
"AS IS", AS OF AUGUST 21, 2014:

EIGHT HUNDRED FIFTY THOUSAND DOLLARS ($850,000)

ASSUMPTIONS AND LIMITING CONDITIONS - PART V

1. ***Definitions***. "Appraisal," as herein defined, is the process of completing a service; namely, a valuation assignment. "Subject property" refers to the property which is the subject of the assignment. "Appraisers" are those persons, whether one or more, who have accepted the assignment and who have participated in the analyses, opinions, and conclusions formed in the appraisal. "Company" refers to Baker, Peterson, Baker & Associates, Inc. "Report" refers to this written document containing the analyses, opinions, and conclusions which constitute the appraisal.

2. ***Liability***. The liability of Baker, Peterson, Baker & Associates, Inc., including any or all of its employees, and including the appraisers responsible for this report, is limited to the Client only, and to the fee actually received by the Company. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of any person other than the Client, the Client is responsible for making such party aware of all assumptions and limiting conditions related thereto. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the subject property, whether physical, financial, or legal.

3. ***Title***. No opinion as to title is rendered. Data related to ownership and legal description was provided by the Client or was obtained from available public records and is considered reliable. Unless acknowledged in this report, no title policy or preliminary title report were provided. Title is assumed to be marketable and free and clear of all liens, encumbrances, and restrictions except those specifically discussed in the report. The property is appraised assuming responsible ownership, competent management and ready availability for its highest and best use.

4. ***Survey or Engineering***. No survey or engineering analysis of the subject property has been made by the appraisers. It is assumed that the existing boundaries are correct and that no encroachments exist. The appraisers assume no responsibility for any condition not readily observable from customary investigation and inspection of the premises which might affect the value thereof, excepting those items which are specifically mentioned in the report.

5. ***Data Sources***. The report is based, in part, upon information assembled from a wide range of sources and, therefore, the incorporated data cannot be guaranteed. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the Client consider independent verification within these categories prior to any transaction involving a sale, lease, or other significant commitment of the subject property, and that such verification be performed by appropriate recognized specialists.

6. ***Subsequent Events***. The date of valuation to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. The appraisers assume no responsibility for economic or physical factors occurring after the date of valuation which

may affect the opinions in this report. Further, in any prospective valuation assignment, the appraisers cannot be held responsible for unforeseeable events that alter market conditions prior to the date of valuation. Such prospective value estimates are intended to reflect the expectations and perceptions of market participants along with available factual data, and should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized.

7. ***Adjustments***. The appraisers reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available subsequent to issuance of the report.

8. ***Special Rights***. No opinion is expressed as to the value of any subsurface (oil, gas, mineral) or aerial rights or whether the property is subject to surface entry for the exploration or removal of materials except where expressly stated in the report.

9. ***Value Distribution***. The distribution of total value in this report between land and improvements applies only under the specified highest and best use of the subject property as herein described. The allocations of value among the land and improvements do not apply to any other property other than the property which is the subject of this report.

10. ***Legal or Special Opinions***. No opinion is intended to be expressed for matters which require legal expertise, specialized investigation, or a level of professional or technical knowledge beyond that customarily employed by real estate appraisers.

11. ***Personal Property***. Unless expressly stated within this report, no consideration has been given as to the value of any personal property located on the premises, or to the cost of moving or relocating such personal property. Only the real property has been considered.

12. ***Soil Conditions***. Unless expressly stated within this report, no detailed soil studies covering the subject property were available to the appraisers. Therefore, it is assumed that existing soil conditions are capable of supporting development of the subject property in a manner consistent with its highest and best use without extraordinary foundation or soil remedial expense. Further, it is assumed that there are no hidden or unapparent matters (hazardous materials, toxic substances, etc.) related to the soil or subsoil which would render the subject more or less valuable by knowledge thereof.

13. ***Court Testimony***. Testimony or attendance in court or at any other hearing (including depositions) is not required by reason of rendering this appraisal or issuing this report, unless such arrangements have previously been made and are part of a contract for services.

14. ***Exhibits***. Maps, floor plans, photographs, and any other exhibits contained in this report are for illustration only, and are provided as an aid in visualizing matters discussed within the report. They should not be considered as surveys or scale renderings, or relied upon for any other purpose.

15. ***Statute, Regulation, and License***. Unless otherwise stated within the report, the subject property is assumed to be in full and complete compliance with all applicable federal, state, and local laws related to zoning, building codes, fire, safety, permits, and environmental regulations. Further, it is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authorizations have been, or can be, readily obtained or renewed as related to any use of the subject property on which the value estimate contained herein is based.

16. ***Hidden or Unapparent Conditions***. It is assumed that there are no hidden or unapparent conditions which, if known, would affect the analyses, opinions or conclusions contained in this report. This includes, but is not limited to, electrical, mechanical, plumbing, and structural components.

17. ***Hazardous/Toxic Substances***. In this appraisal assignment, no observation was made of the existence of potentially hazardous material used in the construction and/or maintenance of the improvements, or from any other source, whether borne by land or air, including, but not limited to, asbestos, lead, toxic waste, radon, and urea formaldehyde. While not observed, and while no information was provided to confirm or deny the existence of such substances (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such substances. Unless otherwise stated, no consideration has been given to the presence of, nature of, or extent of such conditions, nor to the cost to "cure" such conditions or to remove any toxic or hazardous substances which could potentially affect the value or marketability of the property. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. This value estimate assumes that there is no such material on or in the property.

18. ***Americans with Disabilities Act of 1990***. The ADA became effective on January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

19. ***Disclosure***. Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, including the value estimate, the identity of the appraisers or their professional designations, or the company with which the appraisers are associated, shall be used for any purpose by anyone other than the Client as herein stated, without the prior written consent of the appraisers. Nor shall it be conveyed, in whole or in part, in the public through advertising,

news, sales, listings, or any other media without such prior written consent. Possession of this report does not carry with it any right of public distribution.

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

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

22. ***Acceptance of Report***. Acceptance and/or use of this report by the Client or any third party constitutes acceptance of all of the above conditions.

CERTIFICATION - PART VI

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

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

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

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

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Foundation, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute, and any other specifications submitted by the Client, including Title XI, FIRREA.

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

9. In accord with the Uniform Standards of Professional Appraisal Practice, I have the experience and knowledge to complete this assignment in a credible and competent manner.

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

11. The effective date of this appraisal is August 21, 2014.

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

13. Our firm has not appraised the subject property within three years prior to this assignment.

14. It is noted that Dan F. Orlowski assisted significantly with this report by performing the following tasks under the direction of the appraiser: Researched the subject and comparable sale information, assisted in comparable sale selection, inspected the subject property, developed the report, and provided analysis and value conclusion input. The final analysis and value conclusion is that of Thomas A. Baker, MAI, SRA.

15. I am a Certified General Real Estate Appraiser in the State of Arizona.

Thomas A. Baker, MAI, SRA
Certified General Real Estate Appraiser
Certificate Number 30139

EXHIBITS - PART VII

Exhibit A	Title Report
Exhibit B	Subject Map
Exhibit C	Zoning Map
Exhibit D	Aerial Photograph
Exhibit E	Flood Plain Map
Exhibit F	Flood Plain Management Memorandum
Exhibit G	Base Flood Elevation Map
Exhibit H	Subject Photographs
Exhibit I	Comparable Land Sales Location Map
Exhibit J	Comparable Land Sales and Aerial Photos
Exhibit K	Qualifications

EXHIBIT A - TITLE REPORT

ALTA Commitment (8/1/06)

ALTA Commitment Form

COMMITMENT FOR TITLE INSURANCE

Issued by

Sanctity of Contract®

STEWART TITLE®
GUARANTY COMPANY

STEWART TITLE GUARANTY COMPANY, a Texas Corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This Commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

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

Countersigned by:

Authorized Countersignature
Stewart Title & Trust of Tucson
Company Name
Tucson, AZ 85710
City, State

stewart
title guaranty company

Matt Morris
President and CEO

Denise Calfee
Secretary

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.

2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.

3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and the Conditions and Stipulations, and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

As to ALTA 2006 Policy forms:

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

STEWART TITLE®
GUARANTY COMPANY

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252.

SCHEDULE A

Order Number: 14420112 Escrow Officer: Kim Moss

Effective Date: June 27, 2014 at 5:00 p.m. Title Officer: Gail Franklin

1. Policy or Policies to be issued: Amount of Insurance

   (a) Owner's: LTAA Standard Coverage Owner's Policy $ 0.00

   Proposed Insured:

   Pima County, Arizona, a body politic

   (b) Lender's: None $ 0.00

   Proposed Insured:

   (c) Lender's: None $ 0.00

   Proposed Insured:

2. The estate or interest in the land described or referred to in this Commitment and covered herein is:

   FEE

3. Title to said estate or interest in said land is at the effective date hereof vested in:

   St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation

4. The land referred to in this Commitment is described as follows:

   See Exhibit A attached hereto and made a part hereof.

5. The Deed of Trust to be insured and the assignments thereof, if any are described as follows:

   n/a

Order Number: 14420112

Exhibit A

PARCEL 1:

All that part of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 14 East, Gila and Salt Meridian, Pima County, Arizona, described as follows:

Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter ;

Run thence Northerly along the West line thereof, a distance of 30 feet;

Thence Easterly parallel with the South line thereof, a distance of 266.2 feet;

Thence North 0 degrees 05 minutes East, a distance of 307.97 feet measured (338.5 feet record);

Thence South 89 degrees 58 minutes East, a distance of 21.6 feet;

Thence North 0 degrees 05 minutes East, a distance of 368 feet to a point in the Southerly line of River Road, according to the map thereof of record in Book 5 of Road Maps at page 31;

Thence North 74 degrees 30 minutes West along said Southerly line to the Northeasterly corner of that property conveyed to L. Richard Masek, Jr., by deed recorded in Docket 1173 at page 423;

Thence South 0 degrees 06 minutes East along the Easterly line of said Masek property, a distance of 148 feet to the Southeast corner thereof;

Thence North 89 degrees 57 minutes West along the Southerly line of said Masek property, a distance of 238 feet to the Southwest corner thereof;

Thence South 0 degrees 06 minutes West, a distance of 308.7 feet;

Thence South 88 degrees 28 minutes East, a distance of 316 feet;

Thence South 0 degrees 05.5 minutes West, a distance of 341.5 feet along a line parallel with and 16 feet Westerly from the East line of the Southwest Quarter of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter to a point in the South line thereof;

Thence Easterly along said South line, a distance of 16 feet to the Point of Beginning .

EXCEPT that portion conveyed in Deed recorded in Docket 3608 at page 56.

Jv arb: portion of 66

Order Number: 14420112

PARCEL 2:

All that part of the following described property lying Easterly of the Southerly extension of the Easterly line of that property conveyed to L. Richard Masek, Jr., by Deed recorded in Docket 1173 at page 423;

All that part of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 14 East, Gila and Salt Meridian, Pima County, Arizona, described as follows:

Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter;

Run thence Northerly along the West line thereof, a distance of 30 feet;

Thence Easterly parallel with the South line thereof, a distance of 266.2 feet;

Thence North 0 degrees 05 minutes East, a distance of 307.97 feet measured (338.5 feet record);

Thence South 89 degrees 58 minutes East, a distance of 21.6 feet;

Thence North 0 degrees 05 minutes East, a distance of 368 feet to a point in the Southerly line of River Road, according to the map thereof of record in Book 5 of Road Maps at page 31;

Thence North 74 degrees 30 minutes West along said Southerly line to the Northeasterly corner of that property conveyed to L. Richard Masek, Jr., by deed recorded in Docket 1173 at page 423;

Thence South 0 degrees 06 minutes East along the Easterly line of said Masek property, a distance of 148 feet to the Southeast corner thereof;

Thence North 89 degrees 57 minutes West along the Southerly line of said Masek property, a distance of 238 feet to the Southwest corner thereof;

Thence South 0 degrees 06 minutes West, a distance of 308.7 feet;

Thence South 88 degrees 28 minutes East, a distance of 316 feet;

Thence South 0 degrees 05.5 minutes West, a distance of 341.5 feet along a line parallel with and 16 feet Westerly from the East line of the Southwest Quarter of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter to a point in the South line thereof;

Thence Easterly along said South line, a distance of 16 feet to the Point of Beginning .

EXCEPT that portion conveyed to Pima County, a political subdivision of the State of Arizona, by Warranty Deed recorded in Docket 12498 at page 8861.

Order Number: 14420112

PARCEL 3:

All that part of the West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 14 East, Gila and Salt Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at the point of intersection of the West line of the said West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, with the South line of River Road as said road is shown in the office of the County Recorder of Pima County, Arizona in Book 5 of Road Maps at page 31;

Run thence Southerly along said West line of the West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, a distance of 233 feet to a point;

Run thence Eastward along a line at right angles to the said West line of the West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, a distance of 238 feet to a point;

Run thence Northward along a line parallel to the said West line of the West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, to a point on the South line of River Road;

Run thence Northwesterly along the South line of said River Road to the Point of Beginning .

EXCEPT that portion conveyed to Pima County, a political subdivision of the State of Arizona, by Warranty Deed recorded in Docket 12534 at page 1832.

SCHEDULE B

Order Number: 14420112

Showing matters which will be excepted in the Policy unless the same are disposed of to the satisfaction of the Company.

i. Defects, liens, encumbrances, adverse claims or other matters, if any, created first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

ii. Subject to the usual printed exclusions and exceptions contained in the regular form of policy, reprinted for reference on the Addendum attached hereto.

The following matters will be excepted in Schedule B of the policy to be issued:

1. Taxes and assessments collectible by the County Treasurer, not yet due and payable for the year 2014.

2. Any action by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.

3. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.

   This exception is not limited by reason of the disclosure of any matter relating to Water Rights as may be set forth elsewhere in Schedule B.

4. Reservations, exceptions, easements or rights in Patents or in Acts authorizing the issuance thereof.

5. Matters as set forth in Certificate of Water rights recorded in Book 3 of Land Claims, page 421.

6. Terms and conditions of Water Agreement recorded in Docket 491, page 276 and corrected in Docket 515, page 226.

7. Terms and conditions of Sewer Connection Agreement recorded in Docket 1270, page 32 and Docket 1420, page 65.

8. Certificate of Grandfathered Groundwater Right recorded in Docket 7124, page 571.

9. Provisions within Resolution No. 1991-FC15 re: Pima County Flood Control District authorized to condemn real property recorded in Docket 9664, page 500.

10. Terms and conditions of Drainage Easement, and rights incident thereto, as set forth in instrument recorded in Docket 12484, page 3762.

SCHEDULE B (Continued)

Order Number: 14420112

11. Terms and conditions of Drainage Easement, and rights incident thereto, as set forth in instrument recorded in Docket 12498, page 8869.

12. Terms and conditions of Drainage Easement, and rights incident thereto, as set forth in instrument recorded in Docket 12534, page 1828.

13. Terms and conditions of Slope Easement, and rights incident thereto, as set forth in instrument recorded in Docket 13108, page 2722.

14. Terms and conditions of Slope Easement, and rights incident thereto, as set forth in instrument recorded in Docket 13108, page 2728.

15. Matters shown on survey recorded in Book 12 of Maps, page 5; in Book 59 of Record of Surveys at page 99; in Book 66 of Record of Surveys at page 2 and in Book 2013 of Record of Surveys at page 0880270.

16. Any adverse claim to any portion of said land which has been created by artificial means or which is accretion, alluvion, dereliction or avulsion with particular reference to that portion of the subject property lying within any wash or arroyo and its tributaries.

17. Any easements or rights of way not disclosed by those public records which impart constructive notice and which are not visible and apparent from an inspection of the surface of said land.

REQUIREMENTS

Order Number: 14420112

The County Recorder may not accept documents for recording which do not comply with Arizona Revised Statutes 11-480 which, among other things, requires the following:

a) Print must be ten-point type (pica) or larger.

b) Margins of at least one-half inch along the left and right sides, one-half inch across the bottom, and on the first page at least two inches on top for recording and return address information. (NOTE: Nothing must be contained in the margin areas, including initials.)

c) Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

Due to changes in Arizona Revised Statutes the County Recorder <u>may not accept for recording</u> any documents containing any more than five numbers that are reasonably identifiable as being part of an individual's Social Security Number, Credit Card, Charge Card or Debit Card Numbers, Retirement Account Numbers, Savings, Checking or Securities Entitlement Account Numbers.

THIS COMMITMENT IS NOT AN ABSTRACT, EXAMINATION, REPORT, OR REPRESENTATION OF FACT OR TITLE AND DOES NOT CREATE AND SHALL NOT BE THE BASIS OF ANY CLAIM FOR NEGLIGENCE, NEGLIGENT MISREPRESENTATION OR OTHER TORT CLAIM OR ACTION. THE SOLE LIABILITY OF COMPANY AND ITS TITLE INSURANCE AGENT SHALL ARISE UNDER AND BE GOVERNED BY THE CONDITIONS OF THE COMMITMENT.

The following requirements must be met and completed to the satisfaction of the Company before its policy of title insurance will be issued:

1. PROVIDE a legal description and map by a Registered Land Surveyor of the property to be insured herein. Further requirements and/or additional matters may be deemed necessary upon review of said documentation.

2. RECORD PARTIAL RELEASE AND RECONVEYANCE of Deed of Trust in the original amount of $1,210,000.00, and any other amounts payable under the terms thereof, dated February 5, 2008, recorded February 6, 2008 in Docket 13237, page 2676, St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation, as Trustor, Commerce Bank of Arizona, as Trustee, and Commerce Bank of Arizona, as Beneficiary.

   Modification of Deed of Trust recorded February 21, 2008 in Docket 13247, page 5367.

3. FURNISH a copy of the Cancellation Instruction ("Revolving Line of Credit Letter"), signed by the borrower and sent to the lender, for the Deed of Trust shown in Requirement No. 2.

   NOTE: This cannot be a "to come" item.

REQUIREMENTS (Continued)

Order Number: 14420112

4. FURNISH currently certified copy of a Resolution of the Board of Directors of St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation, authorizing the execution and delivery by the proper officers of all instruments required to consummate this transaction. Said certification must be by an officer other than the officer(s) authorized to sign and must state that the Resolution has not been revoked.

5. RECORD Deed from **St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation** to **Pima County, Arizona, a body politic.**

NOTE: The Company hereby informs the parties that it has not made a determination of whether or not this transaction is subject to the provisions of A.R.S. 33-422 entitled "Land divisions; disclosure affidavit; recording" and A.R.S. 11-480 entitled "Review of land divisions; definitions". It will be the responsibility of the parties to make this determination; therefore, the Company assumes no liability with respect to these matters.

TAX STATUS NOTE:

Year: 2013
Parcel No.: 108-26-016A (Parcel 3)
Total Amount: $1,762.89
First half: $PAID
Second half: $PAID

Year: 2013
Parcel No.: 108-26-015B (Parcel 1)
Total Amount: $5,068.46
First half: $PAID
Second half: $PAID

Year: 2013
Parcel No.: 108-26-015D (Parcel 2)
Total Amount: $16,375.00
First half: $PAID
Second half: $PAID

(Property tax notices are mailed on or about September 1st for the tax year due. First half taxes are due October 1st of the tax year shown and delinquent November 1st of that same year. Second half taxes are due March 1st of the following year and delinquent May 1st of the following year.)

REQUIREMENTS (Continued)

Order Number: 14420112

Escrow personnel MUST verify any delinquent taxes information with the Pima County Treasurer's office at (520) 724-8341.

STREET ADDRESS NOTE:

According to the Pima County Assessor's Office, the purported street address of the subject property is disclosed as follows:

3232 E. River Road (as to tax parcel: 108-26-015D)
Tucson, AZ
No address shown (as to tax parcels: 108-26-016A and 108-26-015B)

This information is provided as a courtesy, and no liability is assumed as to its accuracy. If no address is shown, it means the Assessor does not disclose one.

CHAIN OF TITLE (30 YEAR)/VESTING NOTE:

PARCEL 1:

1) Deed from Leonard Daily and Susan Daily, husband and wife to Zona Investment Club, An Arizona corporation recorded April 17, 1959 in Docket 1415, page 90;

2) Deed from Zona Investment club, an Arizona corporation to Helen S. Ramsover, wife of Paul A. Ramsover recorded September 20, 1961 in Docket 1832, page 458;

3) Disclaimer Deed from Paul A. Ramsover to Helen S. Ramsover, spouse recorded September 20, 1961 in Docket 1832, page 460;

4) Deed from Helen S. Ramsover, wife of Paul A. Ramsover to L. Richard Masek, Jr. and Helen A. Masek, husband and wife recorded June 11, 1969 in Docket 3514, page 94;

5) Affidavit of Succession to Real Property in the matter of the Estate of Helen A. Masek, deceased; property to W. Roger MacVittie and Suzanne Masek, as Trustee of the Helen A. Masek Revocable Trust under Agreement dated November 10, 2003, recorded February 6, 2008 in Docket 13237, page 2658;

6) Affidavit of Succession to Real Property in the matter of the Estate of Louis Richard Masek, deceased ; property to George Masek, Trustee of the Richard Masek Revocable Trust under Agreement dated August 10, 2000, recorded February 6, 2008 in Docket 13237, page 2662;

7) Affidavit of One in the Same re: L. Richard Masek, Jr. is one in the same as Louis Richard Masek, Jr. recorded February 6, 2008 in Docket 13237, page 2666;

REQUIREMENTS (Continued)

Order Number: 14420112

8) Warranty Deed from George A. Masek, as Trustee of the George A. Masek Revocable Trust, created by Agreement dated September 27, 1999, as to Parcel 1; and George A. Masek, Successor Trustee of the Richard Masek Revocable Trust, created by Agreement dated August 10, 2000, as to Parcels 1, 2 and 3, to St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation recorded February 6, 2008 in Docket 13237, page 2670;

9) Warranty Deed from W. Roger MacVittie and Suzanne Masek, as Co-Trustees of the Helen A. Masek Revocable Trust under Agreement dated November 10, 2003 to St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation recorded April 9, 2009 in Docket 13533, page 1823.

PARCEL 2:

1) Deed from Leonard Daily and Susan Daily, husband and wife to Zona Investment Club, An Arizona corporation recorded April 17, 1959 in Docket 1415, page 90;

2) Deed from Zona Investment club, an Arizona corporation to Helen S. Ramsover, wife of Paul A. Ramsover recorded September 20, 1961 in Docket 1832, page 458;

3) Disclaimer Deed from Paul A. Ramsover to Helen S. Ramsover, spouse recorded September 20, 1961 in Docket 1832, page 460;

4) Deed from Helen S. Ramsover, wife of Paul A. Ramsover to L. Richard Masek, Jr. and Helen A. Masek, husband and wife recorded June 11, 1969 in Docket 3514, page 94;

5) Deed from L. Richard Masek, Jr. and Helen A. Masek, husband and wife to George A. Masek and Nina Masek, husband and wife recorded October 24, 1969 in Docket 3608, page 56; (undivided 65.08% interest)

6) Quit Claim Deed from Nina Masek to George A. Masek, spouse, recorded September 15, 1997 in Docket 10630, page 1639;

7) Special Warranty Deed from George A. Masek, a married man as his sole and separate property to George A. Masek, as Trustee of the George A. Masek Revocable Trust created by Agreement dated September 27, 1999, recorded September 12, 2000 in Docket 11382, page 1603; (undivided 65.08% interest)

8) Special Warranty Deed from L. Richard Masek, Jr. and Helen A. Masek, husband and wife to Louis Richard Masek, as Trustee of the Richard Masek Revocable Trust created by Agreement dated August 10, 2000, as to an undivided 17.46% interest; AND to Helen A. Masek, wife of L. Richard Masek, as her sole and separate property, as to an undivided 17.46% interest; recorded September 18, 2000 in Docket 11385, page 3112;

9) Beneficiary Deed executed by Helen A. Masek, a married woman to Louis Richard Masek, Jr. ass to an undivided 17.46% interest recorded December 3, 2003 in Docket 12188, page 5545;

REQUIREMENTS (Continued)

Order Number: 14420112

10) Notice of Grantor's Death under Beneficiary Deed disclosing the death of Helen A. Masek-property conveyed to Louis Richard Masek Jr. as to an undivided 17.46% interest; recorded April 19, 2007 in Docket 13037, page 4425;

11) Special Warranty Deed from Louis Richard Masek, Jr. to Louis Richard Masek, Trustee of the Richard Masek Revocable Trust created by Agreement dated August 10, 2000 and recorded May 17, 2007 in Docket 13057, page 4586; (undivided 17.46% interest)

12) Affidavit of One and Same evidencing L. Richard Masek Jr is the same person as Louis Richard Masek Jr. recorded February 6, 2008 in Docket 13237, page 2666.

13) Warranty Deed from George A. Masek, as Trustee of the George A. Masek Revocable Trust, created by Agreement dated September 27, 1999, as to Parcel 1; and George A. Masek, Successor Trustee of the Richard Masek Revocable Trust, created by Agreement dated August 10, 2000, as to Parcels 1, 2 and 3, to St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation recorded February 6, 2008 in Docket 13237, page 2670;

PARCEL 3:

1) Deed from Clarence W. Torsell and Hazel Torsell, husband and wife to L. Richard Masek, Jr., an unmarried man recorded September 9, 1957 in Docket 1173, page 423;

2) Disclaimer Deed from Helen A. Masek, now spouse to L. Richard Masek, Jr. recorded September 18, 2000 in Docket 11385, page 3106;

3) Special Warranty Deed from L. Richard Masek, Jr., to Louise Richard Masek, Trustee of the Richard Masek Revocable Trust created by Agreement dated August 10, 2000, recorded September 18, 2000 in Docket 11385, page 3109;

4) Warranty Deed from George A. Masek, as Trustee of the George A. Masek Revocable Trust, created by Agreement dated September 27, 1999, as to Parcel 1; and George A. Masek, Successor Trustee of the Richard Masek Revocable Trust, created by Agreement dated August 10, 2000, as to Parcels 1, 2 and 3, to St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation recorded February 6, 2008 in Docket 13237, page 2670.

NOTE: This transactiondoes not qualify for a short term Re-Issue Rate.

POLICY NOTE:

Unless specified otherwise on Schedule A, ALTA 2006 coverage policy(s) will be issued in connection with this transaction.

REQUIREMENTS (Continued)

Order Number: 14420112

WIRING NOTE:

Arizona Revised Statutes Section 6-483 regulates the disbursement of funds by escrow agents. Funds received by Stewart Title & Trust of Tucson via wire transfer may be disbursed upon receipt. Other types of payments may delay closing of your transaction. You should contact your escrow officer directly to obtain wiring instructions.

SEARCH NOTE:

All searches required pursuant to issuance of this commitment for title insurance were performed through a dedicated title plant, including a search of the geographically posted indices affecting the subject real property and any matters disclosed in the general index relating to the parties being insured herein. Accordingly those matters, if any, are shown herein.

LENDER NOTE (Only applies to Purchase Money Loans):

The name(s) of the proposed buyers in this transaction has (have) not been searched in the public records and this commitment does not reflect matters such as liens, proceedings or decrees, which do not specifically describe the land which is referred to in this commitment. If any do exist, they may affect the title or impose liens or encumbrances upon the land herein described.

Any loan policy issued pursuant to the terms hereof that insures the loan securing a purchase money obligation on residential property will insure that such matters, if any, are subordinate to the lien being insured herein.

ADDENDUM TO COMMITMENT FOR TITLE INSURANCE

The policy or policies to be issued will contain exceptions to or exclusions from coverage as to the following matters unless the same are disposed of to the satisfaction of or by agreement with the Company.

EXCEPTIONS TO STANDARD POLICIES AND ALTA OWNER'S POLICIES

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interest or claims which are not shown by the Public Records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.

3. Easements, liens or encumbrances, or claims thereof, which are not shown by the Public Records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.

5. (a) Unpatented mining claims;
   (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
   (c) water rights, claims or title to water.

6. Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule A, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.

7. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

EXCLUSIONS FROM STANDARD POLICIES, ALTA OWNER'S POLICIES AND ALTA LOAN POLICIES (EXCEPT 2006 POLICY FORMS)

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of the violation of any of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

4. Any claim, which arises out of the transaction (vesting in the insured the estate or interest)(creating the interest of the mortgagee) insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:

(a) the transaction creating the (estate or interest insured by this policy)(interest of the insured mortgagee) being deemed a fraudulent conveyance or fraudulent transfer, or

(b) the subordination of the insured mortgage (if applicable) as a result of the application of the doctrine of equitable subordination; or

(c) the transaction creating the (estate or interest insured by this policy)(interest of the insured mortgagee) being deemed a preferential transfer except where the preferential transfer results from the failure:

(i) to timely record the instrument of transfer, or
(ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

In addition, as to an ALTA Loan Policy only:

5. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.

6. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

7. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.

NOTE: Exceptions numbered 1 through 7 above will be eliminated from an ALTA (Extended Coverage) Owner's or Loan Policy. Exclusions 1 through 7 are exclusions from coverage in the regular form of the policy and said items cannot be eliminated.

EXCLUSIONS FROM ALTA 2006 OWNER'S POLICY:

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

(a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is

(a) a fraudulent conveyance or fraudulent transfer, or

(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attached between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

NOTE: Exceptions numbered 1 through 7 above will be eliminated from an ALTA (Extended Coverage) Owner's or Loan Policy. Exclusions 1 through 5 are exclusions from coverage in the regular form of the policy and said items cannot be eliminated.

EXCLUSIONS FROM ALTA 2006 LOAN POLICY:

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

(i) the occupancy, use, or enjoyment of the Land;
(ii) the character, dimensions, or location of any improvement erected on the Land;
(iii) the subdivision of land; or
(iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

(a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or crated subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is

(a) a fraudulent conveyance or fraudulent transfer, or

(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

NOTE: Exceptions numbered 1 through 7 above will be eliminated from an ALTA (Extended Coverage) Owner's or Loan Policy. Exclusions 1 through 7 are exclusions from coverage in the regular form of the policy and said items cannot be eliminated.

(All references to ALTA policies shall mean those as revised 10/17/92, unless otherwise noted)

EXCLUSIONS FROM 10/22/03 ALTA HOMEOWNER'S POLICIES

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:

a. building
b. zoning
c. land use
d. improvements on the land
e. land division
f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.

3. The right to take the Land by condemning it, unless:
   a. a notice of exercising the right appears in the Public Records at the Policy Date; or
   b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.

4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records,
   b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date.
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8d, 22, 23, 24 or 25.

5. Failure to pay value for Your Title.

6. Lack of a right:
   a. to any land outside the area specifically described and referred to in Paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

EXCLUSIONS FROM 01/01/08 ALTA HOMEOWNER'S POLICIES

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation concerning:
   a. building
   b. zoning
   c. land use
   d. improvements on the land
   e. land division
   f. environmental protection

This Exclusion does not limit the coverage described in Covered Risk 8a, 14, 15, 16, 17, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8e, 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:
   a. to any land outside the area specifically described and referred to in Paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

Title Department

STG Privacy Notice 1 (Rev 01/26/09) Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the **Stewart Title Guaranty Company** and its affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes—to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes – to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes—information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and nonfinancial companies. *Our affiliates may include companies with a Stewart name: financial companies, such as Stewart Title Company.*	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness.	No	We don't share
For our affiliates to market to you	Yes	No
For nonaffiliates to market to you. Nonaffiliates are companies not related by common ownership or control. They can be financial and nonfinancial companies.	No	We don't share

We may disclose your personal information to our affiliates or to nonaffiliates as permitted by law. If you request a transaction with a nonaffiliate, such as a third party insurance company, we will disclose your personal information to that nonaffiliate. (We do not control their subsequent use of information, and suggest you refer to their privacy notices.)

Sharing practices	
How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction
How often do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.
How often do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you • request insurance-related services • provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact Us	If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056

EXHIBIT B - SUBJECT PLAT MAP

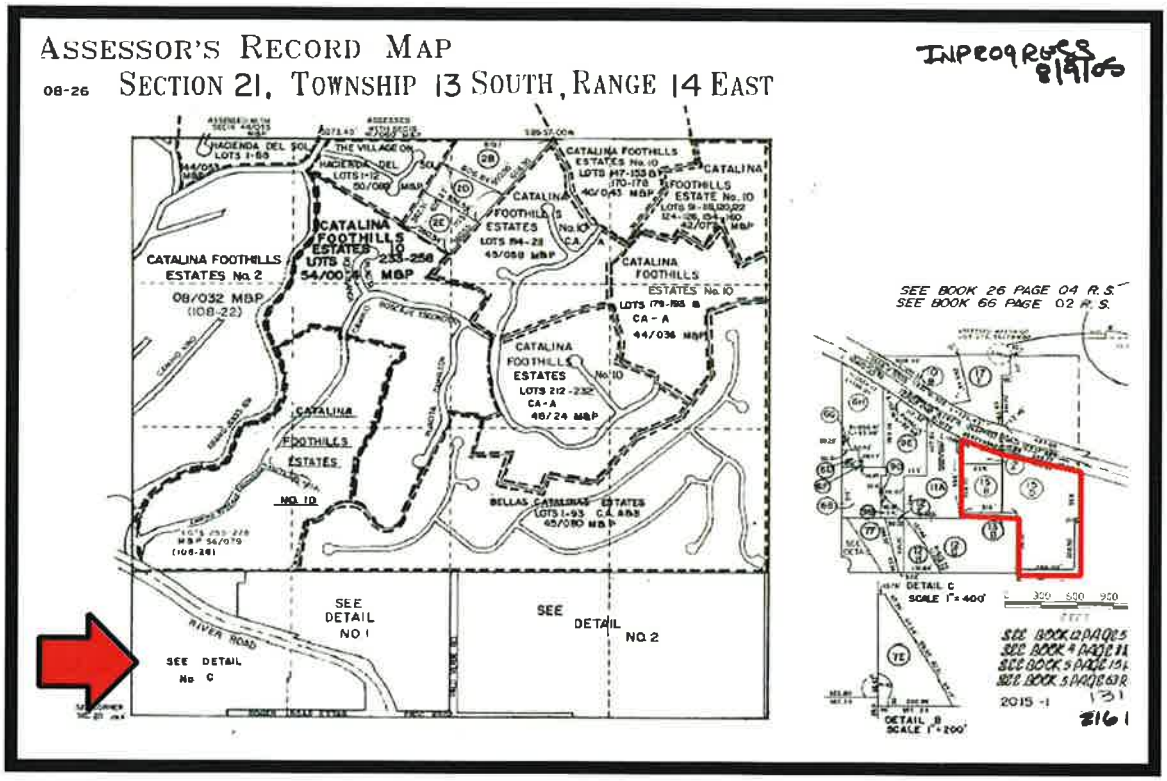
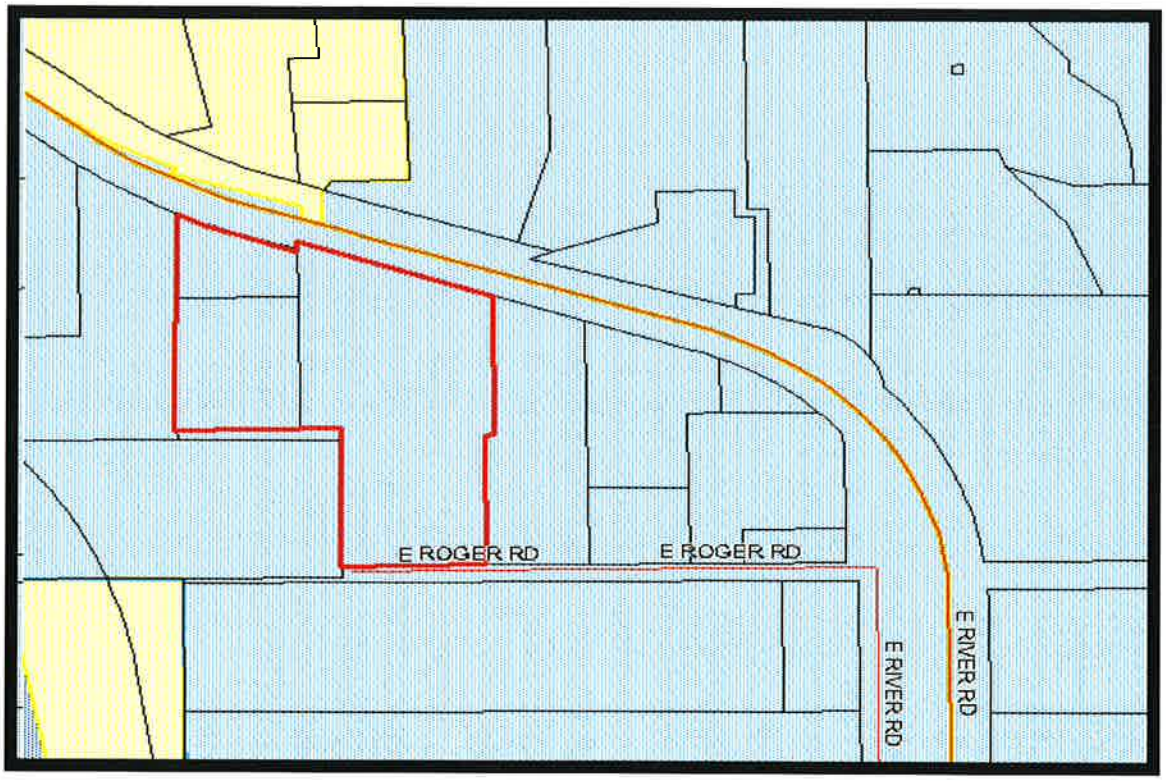


EXHIBIT C - ZONING MAP



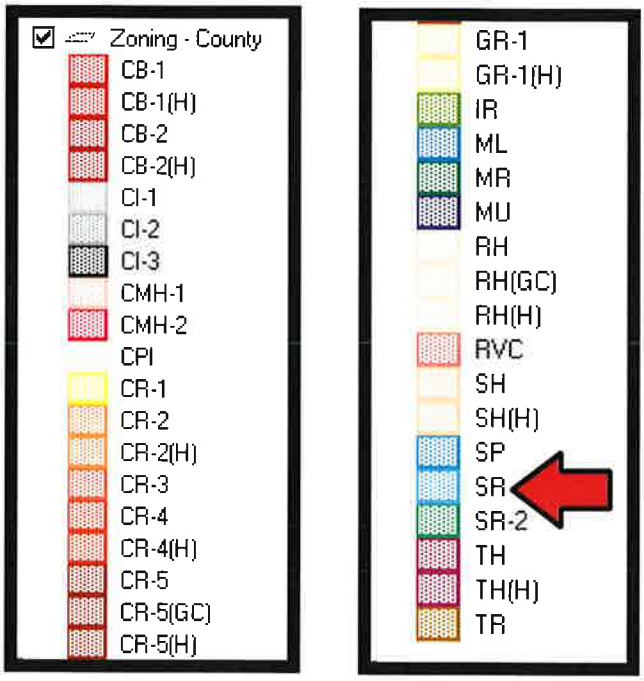


EXHIBIT D - AERIAL PHOTOGRAPH

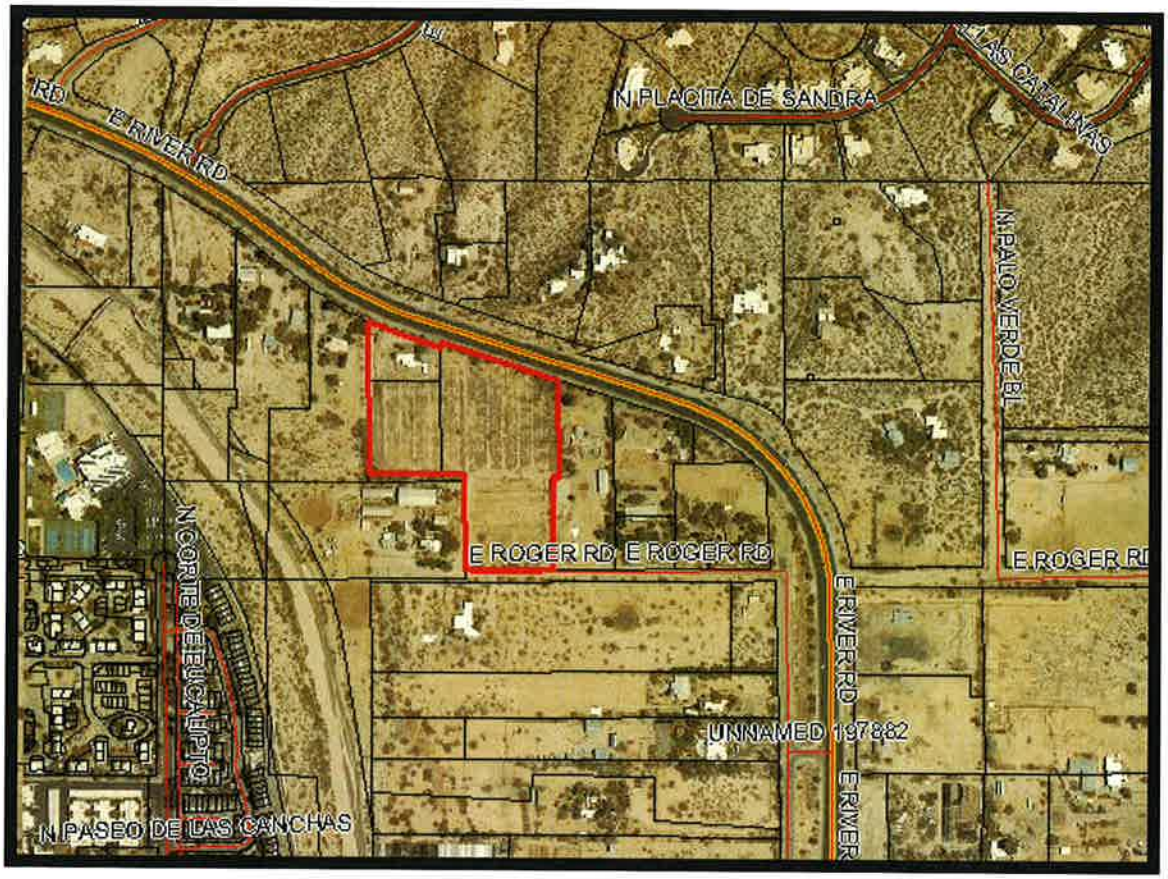


EXHIBIT E - FLOODPLAIN MAP

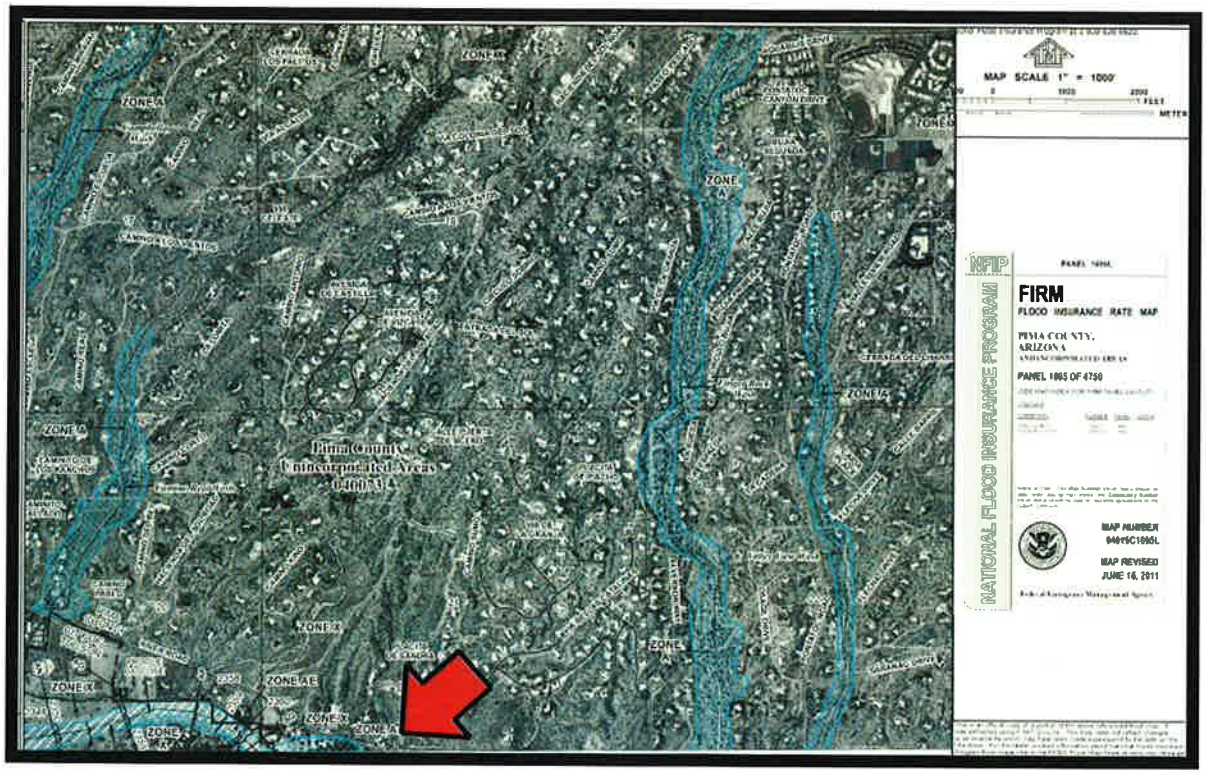


EXHIBIT F - FLOOD PLAIN MANAGEMENT MEMORANDUM

Pima County Regional FLOOD CONTROL DISTRICT

MEMORANDUM

Floodplain Management
Regional Flood Control District

THE SEAL OF PIMA COUNTY ARIZONA

DATE: June 3, 2014

TO: Tammy Jorde
Office of the Director and Chief Engineer

FROM: Eric Shepp
Floodplain Administrator

SUBJECT: St Demetrios parcels – Tax ID Nos. 108-26-016A and 108-26-015B and D

Thanks for the opportunity to review these parcels for potential FLAP acquisition.

The St Demetrios parcels total approximately 7.9 acres.

From a Floodplain Management perspective, these parcels are good FLAP candidates. They are in a severe and chronic flood hazard area, are close to other County and District lands, and provide a riparian restoration opportunity. These factors are described more thoroughly below:

1) FEMA Zone A – These parcels are located within a FEMA Zone A Special Flood Hazard Area associated with the distributary flow area at the mouth of the Finder Rock Wash, where it enters the geologic floodplain of the Rillito River. Although the Zone A floodplains are considered approximate A zones. The Flood Control District has completed a study of the Finger Rock Wash. The results of the study conclude that flood depths on this property are between 0.5 and 2 feet during the base flood of the Finger Rock Wash. In addition, numerous tributaries discharge onto these properties from the lower foothills just to the north, increasing the frequency that flooding occurs.

2) Adjacency to other County District lands – Although not immediately adjacent to any District or County parcels, these parcels are with areas of acquisition associated with the Rillito River Bank protection, the Loop linear park, the Binghamton Historic Landscape and Brandi Fenton Park. These parcels are with the historic landscape and within close proximity to the linear park and if the goal is to expand and connect this floodprone area into a contiguous set of District parcels, these parcels would be appropriate for acquisition.

3) Riparian Habitat – Although regulated riparian habitat does not exist on this property, its location along the overbank of the Rillito River, in an area where there is frequent flows from tributaries, and within the rural historic landscape suggests great riparian restoration potential.

For the reasons stated above, I would recommend the acquisition of this parcel.

Please let me know if you have any questions.

EXHIBIT G - BASE FLOOD ELEVATION MAP

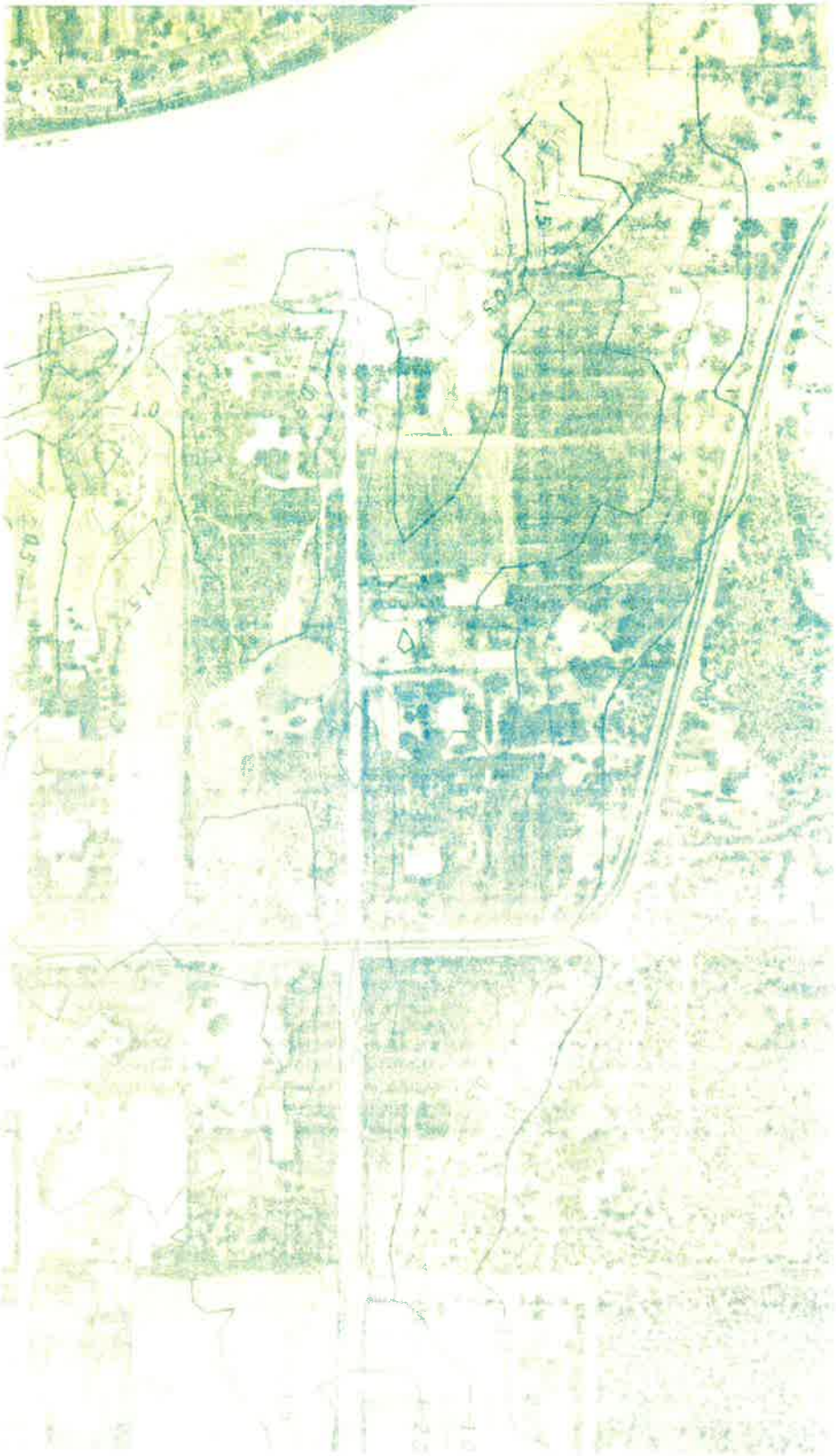


EXHIBIT H - SUBJECT PHOTOGRAPHS

PHOTO 1 - VIEW FROM RIVER

PHOTO 2 - VIEW FROM RIVER

PHOTO 3 - VIEW FROM RIVER

PHOTO 4 - VIEW ALONG EAST PROPERTY LINE FROM RIVER

PHOTO 5 - VIEW NORTHWEST FROM ROGER

PHOTO 6 - VIEW NORTHEAST FROM ROGER

PHOTO 7 - VIEW OF HOUSE FROM MIDDLE OF PARCEL

PHOTO 8 - VIEW ACROSS PARCEL TOWARD ROGER ROAD

PHOTO 9 - FUNCTIONING WELL

PHOTO 10 - CAPPED IRRIGATION WELL

PHOTO 11 - REAR OF HOME

PHOTO 12 - CARPORT

PHOTO 13 - FRONT OF HOME

PHOTO 14 - INTERIOR OF HOME

PHOTO 15 - INTERIOR OF HOME

PHOTO 16 - INTERIOR OF HOME

PHOTO 17 - INTERIOR OF HOME

PHOTO 18 - INTERIOR OF HOME

PHOTO 19 - INTERIOR OF HOME

PHOTO 20 - WASH ALONG WEST BOUNDARY

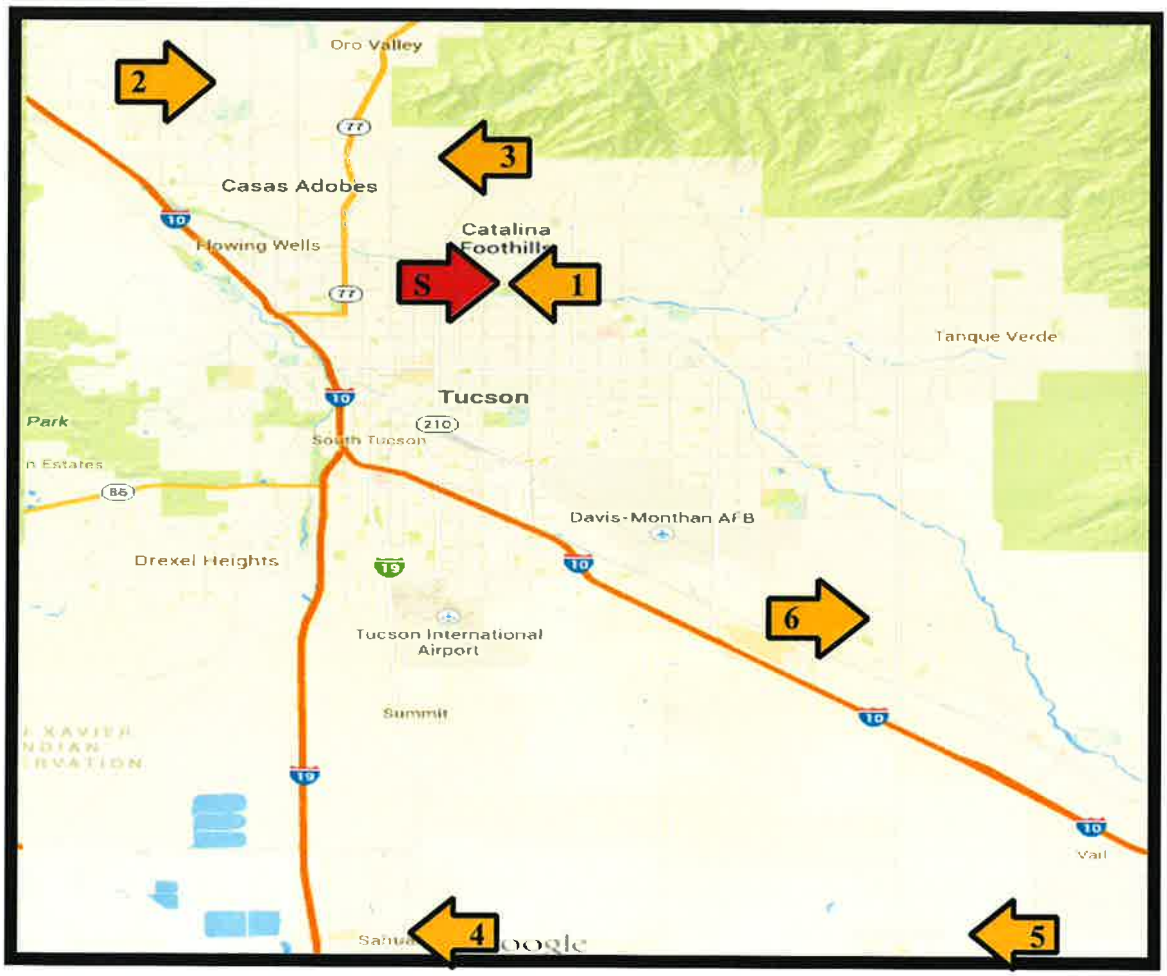
PHOTO 21 - VIEW WEST ALONG ROGER

PHOTO 22 - VIEW EAST ALONG ROGER

PHOTO 23 - VIEW EAST ALONG RIVER

PHOTO 24 - VIEW WEST ALONG RIVER

EXHIBIT I - COMPARABLE LAND SALES LOCATION MAP



Subject:	**South side of River Road, east of Hacienda Del Sol**
Sale 1:	South side of River Road, west of Hacienda Del Sole
Sale 2:	East side of Shannon road, north of Overton Road
Sale 3:	West side of Skyline Drive, north side of Ina Road
Sale 4:	Between Starlight View Lane and Desert Gem Lane Alignment, south of Sahuarita Road
Sale 5:	Southwest corner of Sahuarita Road and Melpomene Way
Sale 6:	North side of Valencia Road, east of Nexus Road

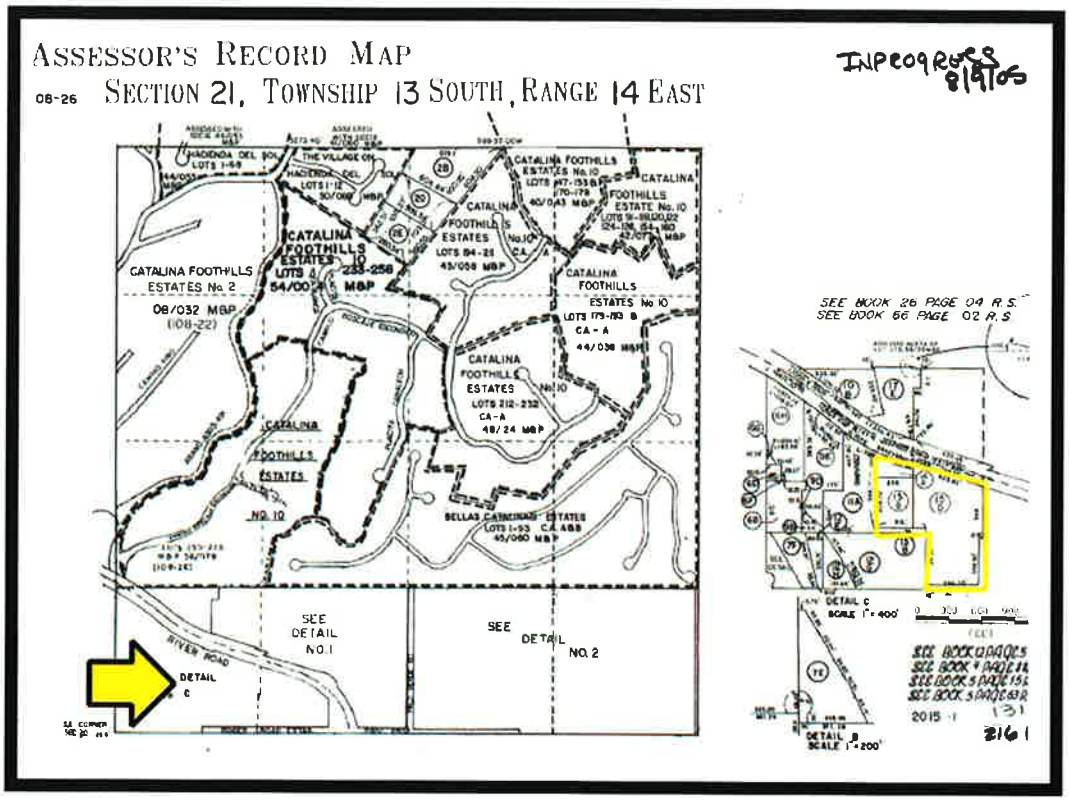
EXHIBIT J - COMPARABLE LAND SALES

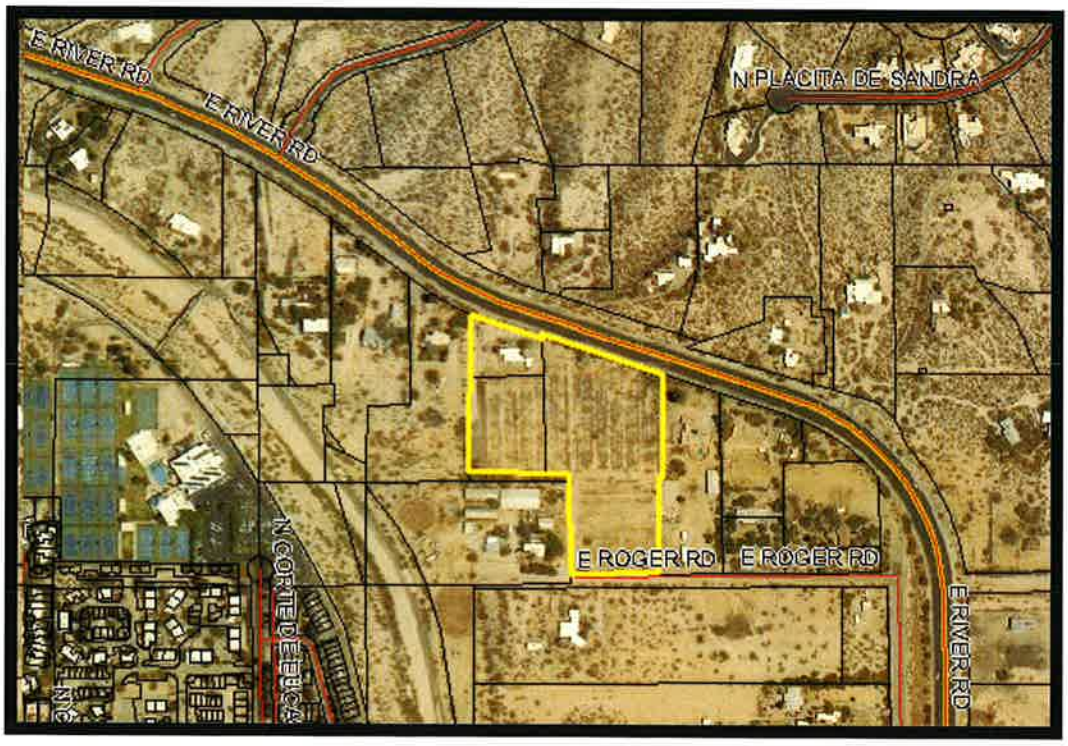
LAND COMPARABLE NUMBER ONE (SALE) ID: SR 0511 5615

LOCATION:	South side of River Road, West of Hacienda Del Sol
LEGAL DESCRIPTION:	A portion of the Southwest Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 14 East, G&SRB&M, Pima County, Arizona
STATE TAX PARCEL:	108-26-015B, 015D, and 016A
RECORD DATA:	Book 13237, at Page 2670
DATE OF SALE:	February 6, 2008
SELLER:	Richard Masek Trust, George Masek Trust, & Helen Masek
BUYER:	St. Demetrios Greek Orthodox Church
CONFIRMED BY:	Bill Anaspopoulous, representative of buyer (520-722-2500) Peter Matiatos, representative of buyer (520-349-0144) TAB; September, 2007
LAND DESCRIPTION:	This site is an irregular shaped property consisting of three parcels with approximately 645 feet of frontage on River Road and approximately 280 feet of frontage on Roger Road. The site has a maximum depth of approximately 730 feet near the center of the site from River Road on the northern border and Roger Road on the southern border. River is a four-lane, asphalt-paved roadway with a center median, concrete curbs, sidewalks and streetlights in the vicinity of this property. Roger Road is a two-lane, asphalt-paved roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of the property. River Road has a 2004 traffic count of 31,500 vehicles per day west of this site and a 2006 traffic count of 13,800 vehicles per day east of this site. No traffic count is available for Roger Road in the vicinity of the property. The topography is mostly level, sloping slightly in a westerly direction and is below street grade. All utilities are available to the property. According to FEMA Flood Insurance Rate Maps 04019C1643K and 04019C1645K, with a LOMR dated April 22, 2004, the majority of the land is identified as being located in a Special Flood Hazard Area,

	with a designation of Zone AE and A. A small portion of the northwest corner may be located outside of a Special Flood Hazard Area.
LAND SIZE:	8.09 acres
ZONING:	SR
REPORTED SALE PRICE:	$1,250,000
PRICE PER ACRE:	$154,895
MARKETING TIME:	Not Available
TERMS OF SALE:	The sale included a down payment in the amount of $40,000 (3.2%) with the balance of $1,210,000 being carried by a new conventional loan.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions. The property contained an 1,800 square foot house. The buyer is likely to make use of the building on the property and some value was attributed to the improvements.
INTENDED USE:	Development of church facilities.
COMMENTS:	The buyer is a greek church. The buyer will initially construct 20,000 to 25,000 square feet of building area. The buyer hopes to build a school on the property in the future. A hydrology study is being conducted on the property. Due to flood issues, it is possible any building pad will need to be raised up to three feet.

COMPARABLE LAND SALE ONE - PLAT MAP AND AERIAL PHOTO



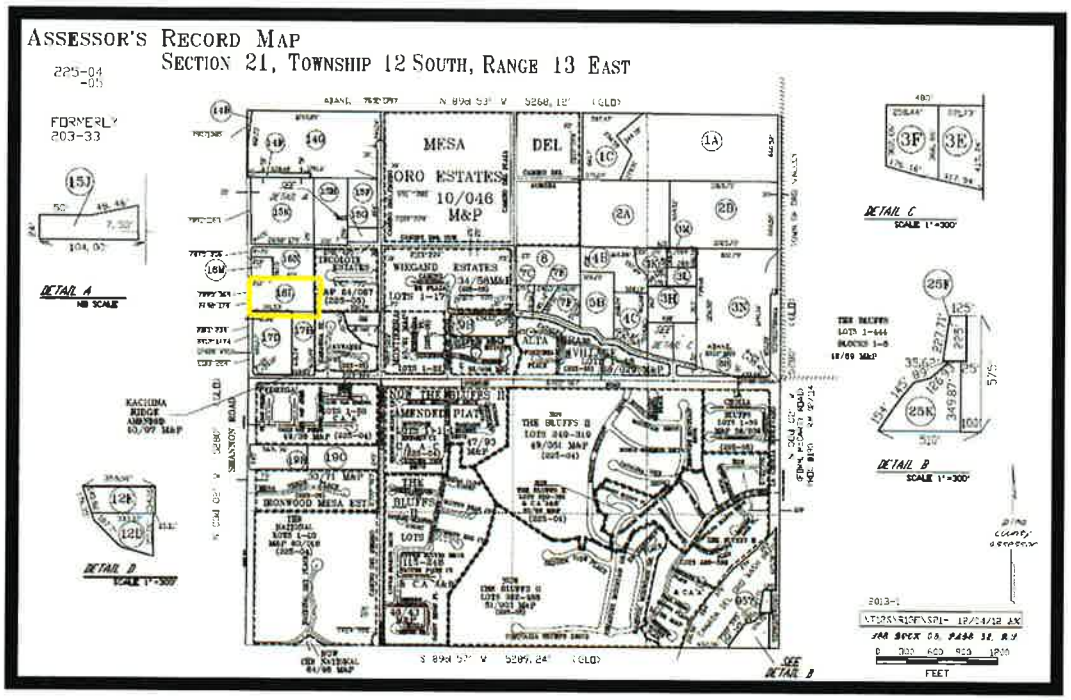


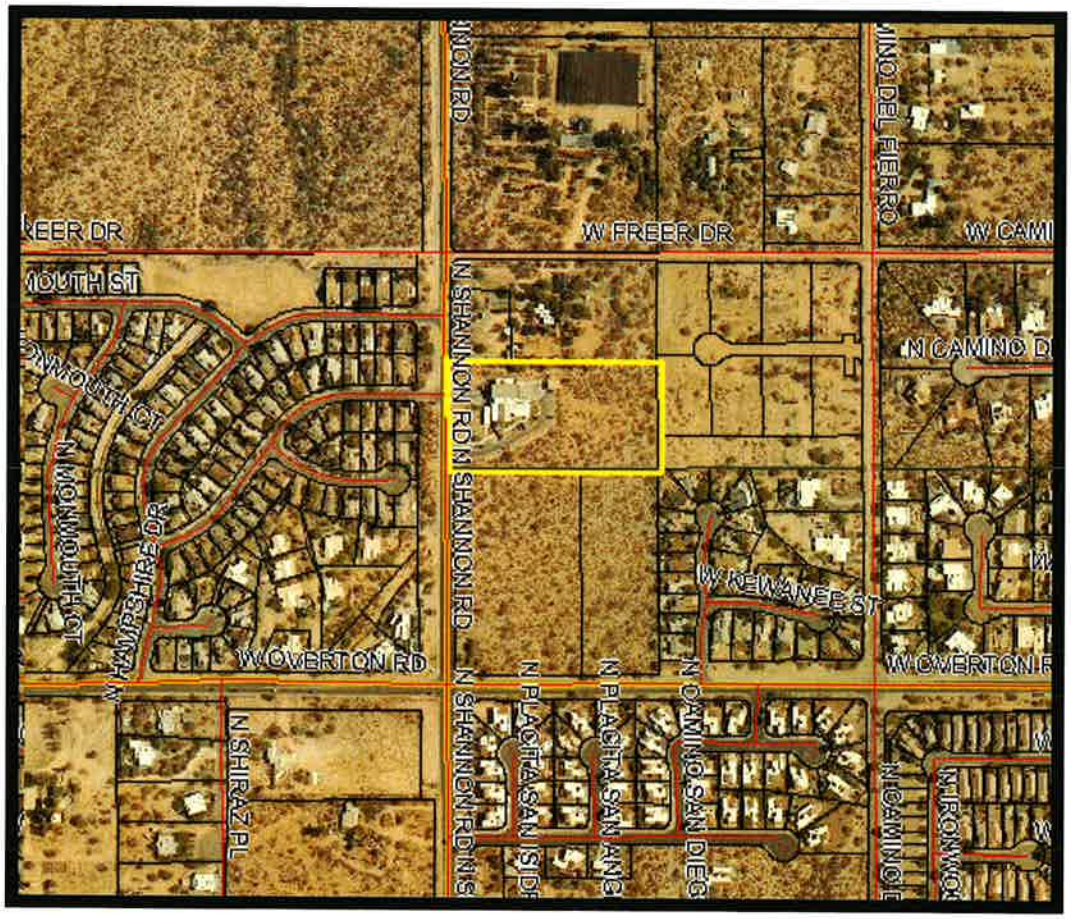
LAND COMPARABLE NUMBER TWO (SALE) ID: SR 0575 5935E

LOCATION:	East side of Shannon Road, north of Overton Road
LEGAL DESCRIPTION:	A portion of the South half of the Northwest quarter of the Southwest quarter of the Northwest quarter of Section 21, Township 12 South, Range 13 East, G&SRB&M, Pima County, Arizona
STATE TAX PARCEL:	225-04-016L
RECORD DATA:	Book 13410, at Page 1920
DATE OF SALE:	October 10, 2008
SELLER:	Robert A. Lenzner
BUYER:	Mountain Vista Fire District
CONFIRMED BY:	Michael Treece, buyer's representative (520-297-6186) JT; May, 2009
LAND DESCRIPTION:	This site is a rectangular shaped interior property with about 332 feet of frontage on Shannon Road. The site has a depth of about 620 feet. Shannon Road is a two-lane, asphalt-paved roadway with no curbs, sidewalks or streetlights in the vicinity of this property. Shannon Road has a 2007 traffic count of 7,000 vehicles per day near this site. The topography is level, sloping in a southwesterly direction. All utilities are available to the property. According to FEMA Flood Insurance Rate Map 04019C1020K, dated February 8, 1999, the land is not identified as being located in a Special Flood Hazard Area. However, there is a wash transversing a portion of the site. According to the buyer's representative, approximately 15 percent of the site is unuseable due to this wash area.
LAND SIZE:	206,039 square feet or 4.73 acres
ZONING:	SR
REPORTED SALE PRICE:	$500,000
PRICE PER ACRE:	$105,708

MARKETING TIME:	Not officially on the market. The buyer approached the seller.
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	To construct a fire station for the Mountain Vista Fire District.
COMMENTS:	According to the buyer's representative, this was a fair market price at the time of sale. The property was in escrow for about one year prior to closing. The purchaser was looking for a site in a particular area for a new fire station. The property is in the comprehensive plan for potential rezoning to one house per acre. The buyer and seller were aware of the potential for rezoning and impact on pricing.

COMPARABLE LAND SALE TWO - PLAT MAP AND AERIAL PHOTO



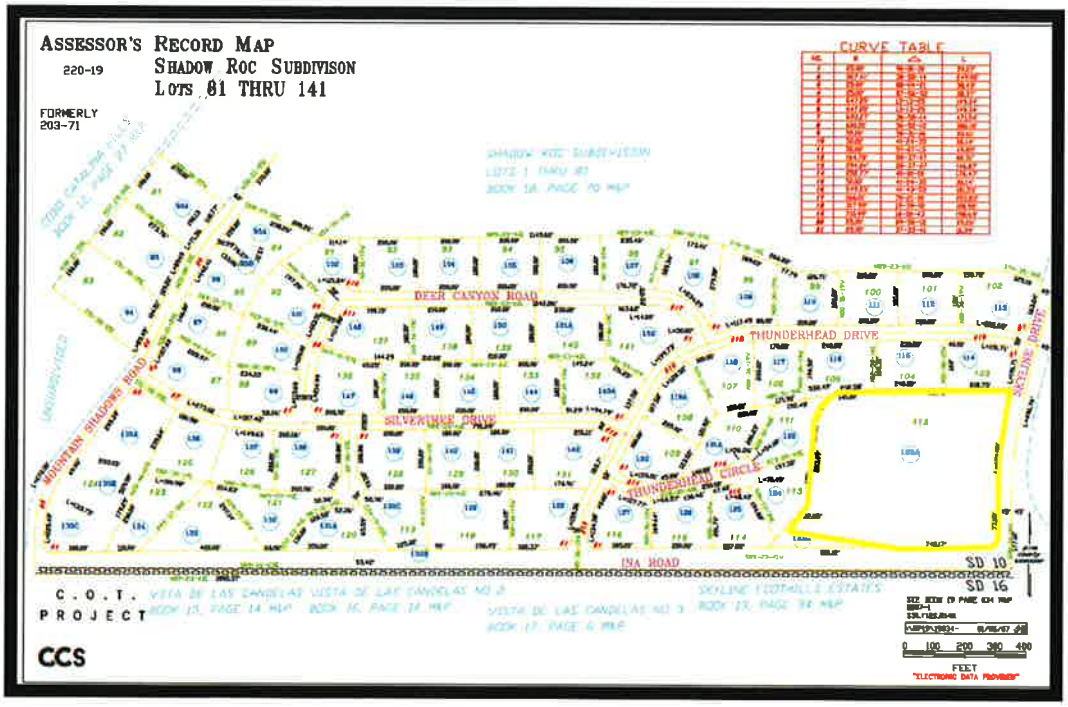


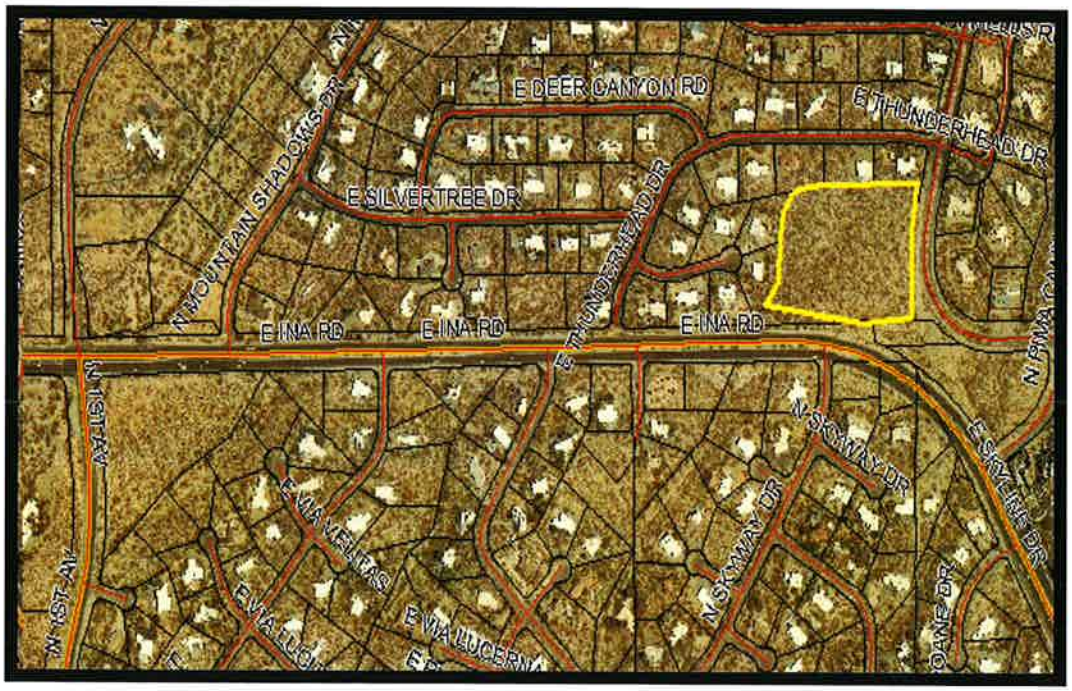
LAND COMPARABLE NUMBER THREE (SALE) ID: SR 0645 6611

LOCATION:	West side of Skyline Drive, north side of Ina Road
LEGAL DESCRIPTION:	Portion of Lot 112, Shadow Roc Subdivision
STATE TAX PARCEL:	220-19-123A
RECORD DATA:	Fee Number 2010-2491724
DATE OF SALE:	December 29, 2010
SELLER:	Foothills Pima Canyon Properties, LP
BUYER:	Corporation of the Presiding Bishop of the Church of Latter Day Saints
CONFIRMED BY:	Rob Tomlinson, seller's broker (520-546-2757) DFO; February, 2014
LAND DESCRIPTION:	This site is a mostly rectangular shaped property with 507 feet of frontage along Skyline Drive along the eastern border. The site has a depth of approximately 700 feet along the southern border. Skyline Drive is a two-lane asphalt paved roadway, with center median, but no sidewalks, concrete curbs, or streetlights in the vicinity of the subject. There is no traffic count available for Skyline Drive in the vicinity of the site. Ina road is a four-lane asphalt paved roadway with center median and concrete curbs, but no sidewalks or streetlights in the vicinity of the site. Ina Road has a 2010 traffic count of 31,000 vehicles per day in the area of this site. The site has direct access from Skyline Drive. The site has visibility, but no direct access from Ina Road. The topography slopes fairly steeply in a southwesterly direction. Utilities are available to the property line. The site is covered in natural desert vegetation. According to FEMA Flood Insurance Rate Map 04019C1680L, dated June 16, 2011, the site is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.
LAND SIZE:	7.43 acres (323,651 square feet)
ZONING:	SR (Pima County)

REPORTED SALE PRICE:	$1,618,000
PRICE PER ACRE:	$217,766
MARKETING TIME:	204 Days
TERMS OF SALE:	This was an all cash transaction to the seller.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This was reported to be a normal market transaction.
INTENDED USE:	Development of a church
COMMENTS:	The seller's broker indicated the buyer paid slightly higher than market rate for this site. This parcel is in Pima County Comprehensive Plan for LIU 1.2 and could be rezoned to CR-1 for the entire parcel.

COMPARABLE LAND SALE THREE - PLAT MAP AND AERIAL PHOTO



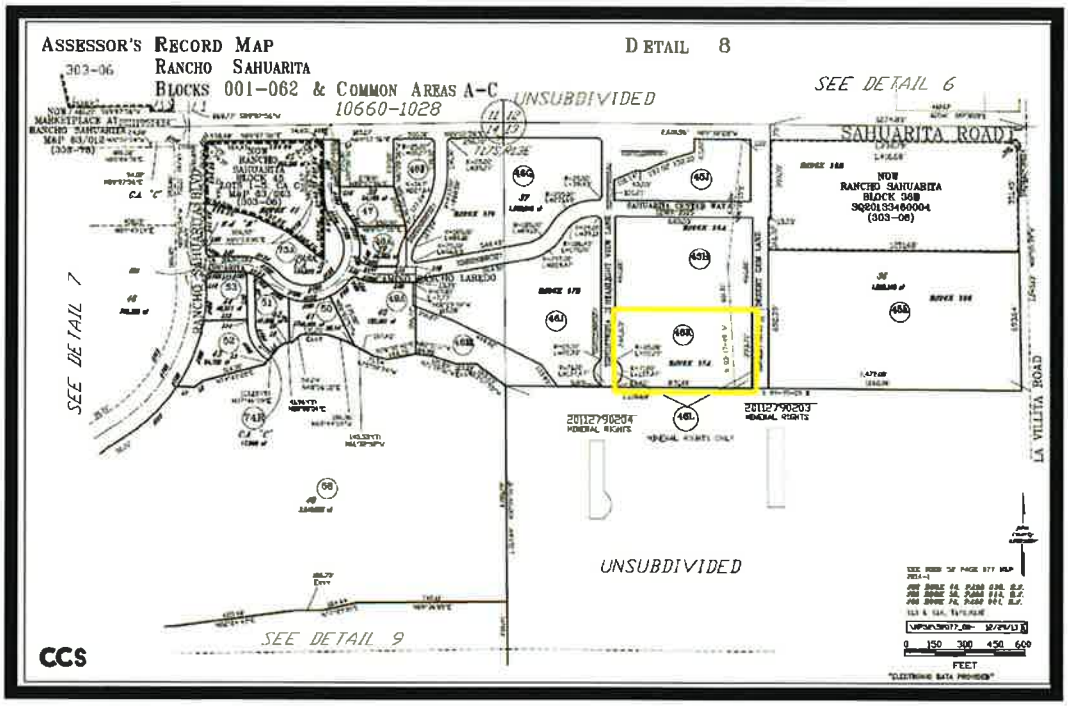


LAND COMPARABLE NUMBER FOUR (SALE) ID: SP 0054 6922

LOCATION:	Between Starlight View Lane and Desert Gem Lane Alignment, South of Sahuarita Road
LEGAL DESCRIPTION:	A portion of Rancho Sahuarita Parcel 37A Blocks 36 & 37
STATE TAX PARCEL:	303-06-046D (now 303-06-046K)
RECORD DATA:	Fee Number 2014-0780444
DATE OF SALE:	February 1, 2011
SELLER:	RSMC III, LLC
BUYER:	Corporation of the Presiding Bishop of the Church of Latter Day Saints
CONFIRMED BY:	Fred Lewis, Seller Representative (520-299-8766) TAB; September, 2014 Mike Bowman, Seller Representative (520-299-8766) DFO; September, 2014
LAND DESCRIPTION:	This site is a mostly rectangular shaped backage property with 393.71 feet of frontage on Starlight View Lane along the western border and a depth of 831 feet. The subject property contains 7.50 acres (326,700 square feet) of land area. Starlight View Lane is a two-lane, asphalt-paved roadway with raised center median, concrete curbs, and sidewalks, but no streetlights in the vicinity of this property. Starlight View Lane terminates in a cul-de-sac at the southwestern corner of the property. There is no traffic count available for Starlight View Lane in the vicinity of this property. Desert Gem Lane is a two-lane, asphalt-paved roadway with concrete curbs and sidewalks, but no streetlights in the vicinity of this property. The paved portion of Desert Gem Lane terminates at the northeast portion of the property. The alignment for Desert Gem Lane runs adjacent to the eastern property line. There is no traffic count available for Desert Gem Lane in the vicinity of this property. Direct Access to the site is from 2 curb cuts on Starlight View Lane and 1 curb cut on Desert Gem Lane in the northeast corner of the site. The topography is somewhat level, sloping in an easterly direction. All utilities are available to the property. According to FEMA Flood

	Insurance Rate Maps 04019C2245L and 04019C3455L, both dated June 16, 2011, the land is identified as being located in Zone X which outside of the Special Flood Hazard Area.
LAND SIZE:	7.50 acres (326,700 square feet)
ZONING:	SP (Town of Sahuarita)
REPORTED SALE PRICE:	$1,200,000
PRICE PER ACRE:	$160,000
MARKETING TIME:	N/A
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	There were no prior sales of the subject property within three years of the date of sale. There were several transactions dated December 31, 2009, however these were internal transfers of ownership and not market transactions. Subsequent to the sale, there were two transactions dated October 6, 2011. These two transactions were dedication of land for right of ways for portions of Starlight View Lane and Desert Gem Lane from the subject property.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Development of a church facility
COMMENTS:	The property does not have visibility from Sahuarita Road, however, the subject property owner would be allowed to construct a sign on Sahuarita Road. The SP zoning allows for a wide variety of uses including commercial and residential.

COMPARABLE LAND SALE FOUR - PLAT MAP AND AERIAL PHOTO

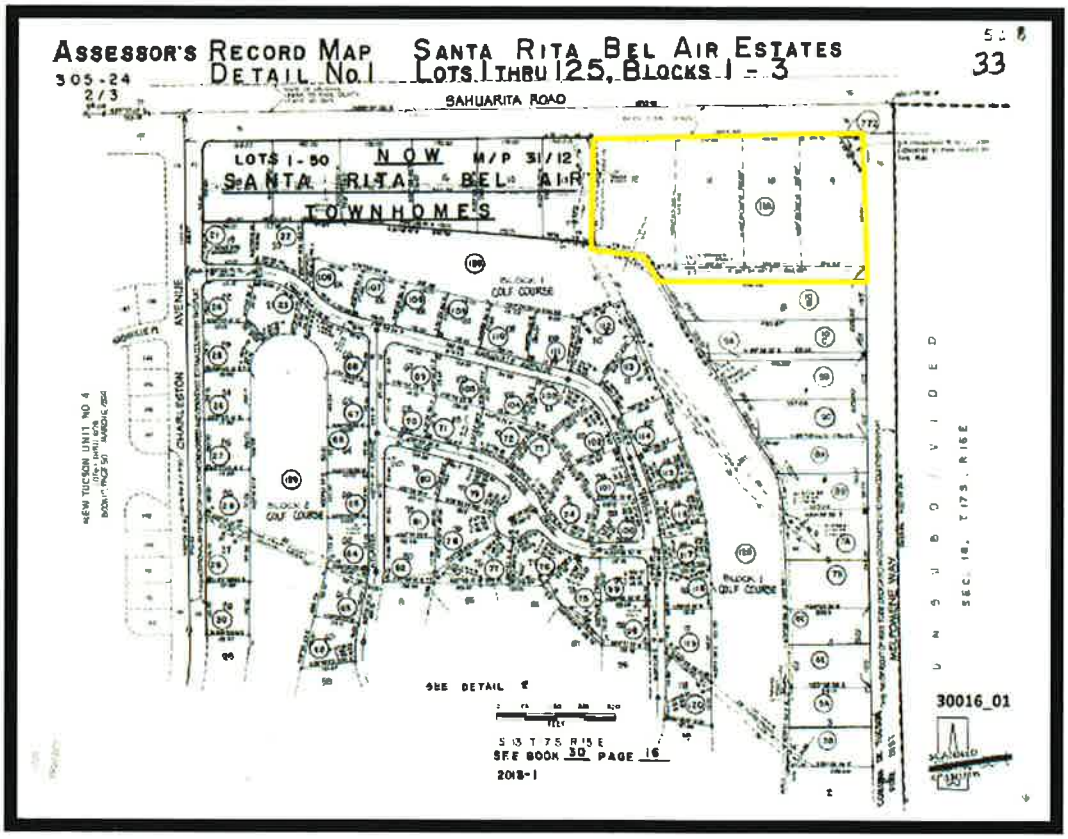


LAND COMPARABLE NUMBER FIVE (SALE) ID: TR 0097 6585

LOCATION:	Southwest corner of Sahuarita Road and Melpomene Way
LEGAL DESCRIPTION:	A portion of Lots 8-12 of Santa Rita Bel Air Estates Subdivision, According to Book 30 of Maps, Page 16, Pima County Recorder located in part of the Northeast quarter of the Northeast quarter of Section 13, Township 17 South, Range 15 East, G&SRB&M, Pima County, Arizona.
STATE TAX PARCEL:	305-24-011A
RECORD DATA:	Fee No.: 2011-0910534
DATE OF SALE:	April 1, 2011
SELLER:	Northcross Family Trust, and Joyce V Scampa Revocable Trust
BUYER:	Church of Jesus Christ & Latter Day Saints
CONFIRMED BY:	Todd Harrison, Selling Agent (520-398-3133) TAB; January, 2013
LAND DESCRIPTION:	This site is an mostly rectangular shaped corner property with approximately 648.11 feet of frontage on Sahuarita Road and approximately 241.99 feet on Melpomene Way. The Southwest corner of the property backs up to a golf course. Sahuarita Road is a two-lane, asphalt-paved roadway with a painted center median. There is a dedicated right turn lane on the eastbound lane to allow for a turn onto southbound Melpomene Way. Melpomene way is a two-lane, asphalt-paved roadway, . There is a dedicated right turn lane on the northbound lane to allow for a turn onto eastbound Sahuarita Road. There are no concrete curbs, sidewalks, or streetlights in the vicinity of this property. Sahuarita Road has a 2011 traffic count of 5,000 vehicles per day near this site. There is no traffic count available for Melpomene Way in the vincinity of the subject property. The topography is generally level and gradually slopes to the northwest. All utilities are available to the property. According to FEMA Flood Insurance Rate Map 04019C3500L, dated June 16, 2011, the land is identified as being located in Zone X (unshaded) which are areas

	determined to be outside the 0.2 percent annual chance floodplain. The northwest corner of the property has a small local wash and is listed as a riparian area with a designation of Xeroriparian C.
LAND SIZE:	217,800 square feet (5.0 acres)
ZONING:	TR (Restricted) - (Pima County)
REPORTED SALE PRICE:	$449,713.46
PRICE PER ACRE:	$89,943
MARKETING TIME:	Not available
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	Records of the Pima County Assessor indicate that no sales transactions have occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions. .
INTENDED USE:	Development of a church.
COMMENTS:	The property had TR zoning, but was restricted to residential single family or townhome use. No other uses were allowed on the property due to zoning restrictions. There is a sewer easement that runs along the southern property line.

COMPARABLE LAND SALE FIVE - PLAT MAP AND AERIAL PHOTO

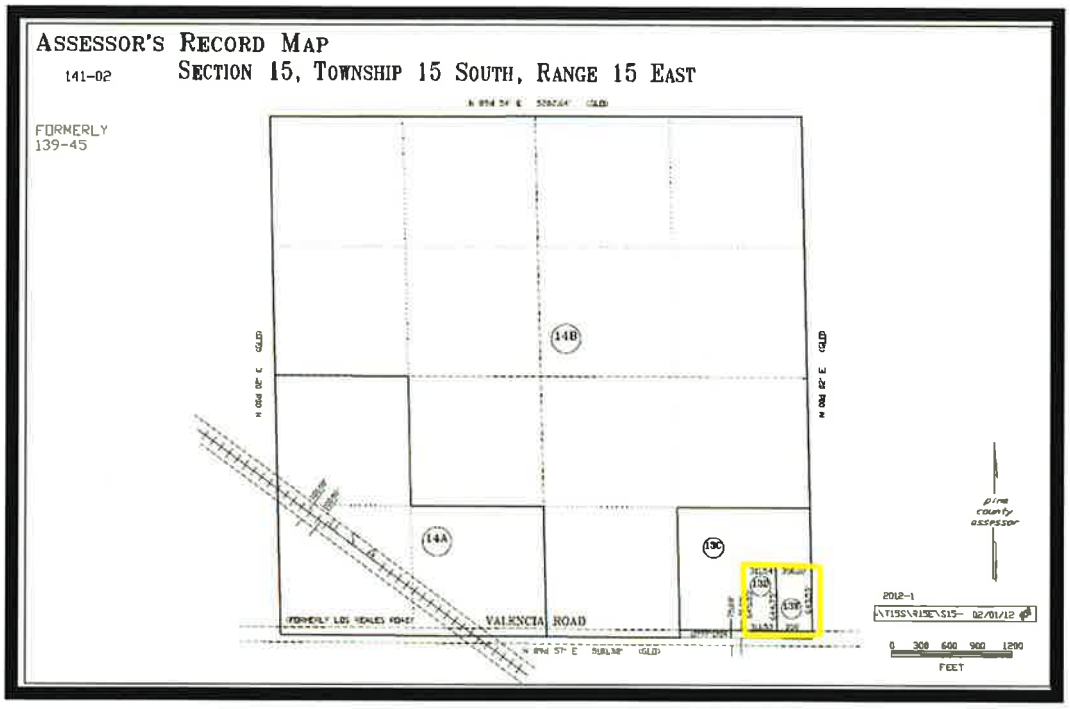


LAND COMPARABLE NUMBER SIX (SALE) ID: SR 0640 6682

LOCATION:	North side of Valencia Road, east of Nexus Road
LEGAL DESCRIPTION:	A portion of Section 15, Township 15 South, Range 15 East, G&SRB&M, Pima County, Arizona
STATE TAX PARCEL:	141-02-013D, 013E
RECORD DATA:	Fee Number 2013-0311067
DATE OF SALE:	January 31, 2013
SELLER:	Mission Investment Fund of the Evangelical Lutheran Church in America
BUYER:	Vail Christian Church
CONFIRMED BY:	Ben Pitney, buyer (520-722-1220) TH; July, 2013
LAND DESCRIPTION:	This site is a rectangular shaped property with 661.53 feet of frontage on Valencia Road and a depth of approximately 646 feet. Valencia is a two-lane, asphalt-paved roadway with a center left-turn lane onto Frost Drive (south of Valencia). Valencia has a 2010 traffic count of 8,000 vehicles per day in the vicinity of the site. The topography is mostly level. A wash transverses the site in a northeast to southwest direction. The area of the wash is located in a riparian habitat area identified as Xeroriparian C. Utilities available to the property include water, sewer, electric, gas and telephone. According to FEMA Flood Insurance Rate Map 04019C2925L, dated June 16, 2011, the land is identified as being located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.
LAND SIZE:	426,496 square feet or 9.79 acres
ZONING:	SR (existing), with the potential to be rezoned for a commercial use (City of Tucson Zoning Code)
REPORTED SALE PRICE:	$725,000
PRICE PER ACRE:	$74,055

MARKETING TIME:	2,338 days
TERMS OF SALE:	The terms of sale included a down payment in the amount of $145,000 (20%), with the seller carrying the note at a market interest rate.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions. The buyer indicated the terms of sale gave the seller a slight advantage.
INTENDED USE:	Development of a church and related facilities containing 41,000 square feet per current concept plan
COMMENTS:	The property is currently zoned SR (City of Tucson) and had the potential to be rezoned for a commercial use at the time of sale. According to the buyer, development of the property will have to cross the local wash which will require the installation of two wash crossings.

COMPARABLE LAND SALE SIX - PLAT MAP AND AERIAL PHOTO



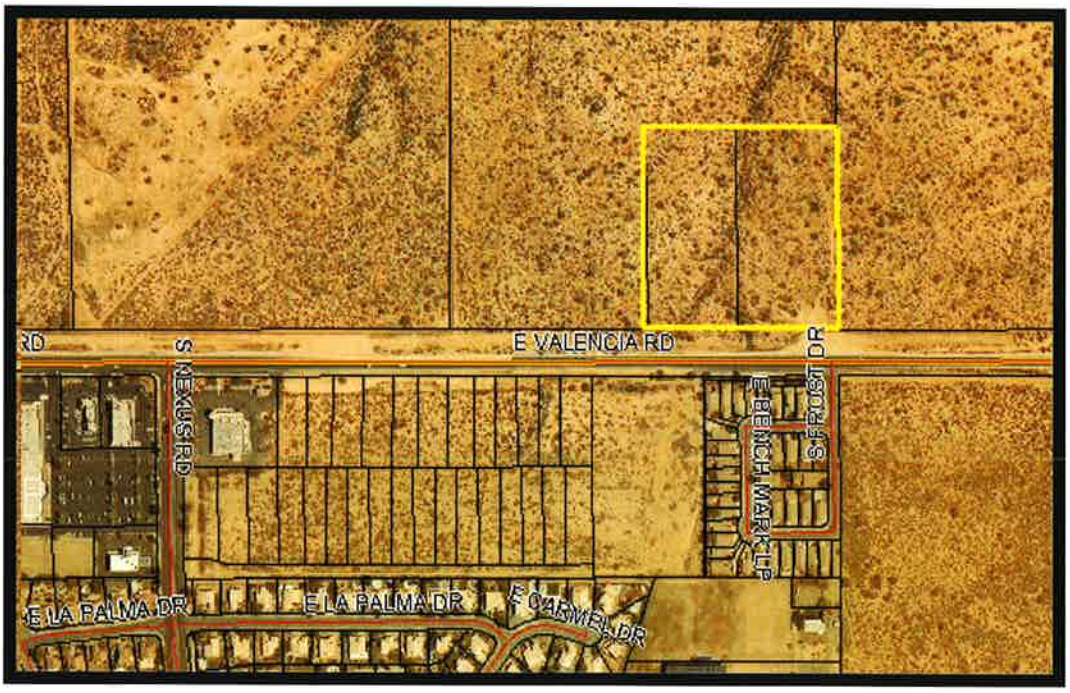


EXHIBIT K - QUALIFICATIONS

BAKER, PETERSON, BAKER & ASSOCIATES, INC. serves a wide variety of clients in Southeastern Arizona, providing real estate appraisal and consultation services relating both to residential and to commercial properties. These clients include governmental agencies, banks, savings and loan associations, credit unions, mortgage brokers, relocation services, developers, real estate brokers, corporate and legal professionals, and numerous individuals. More than fifty years of such services are represented by those presently associated with the firm, founded by Don M. Baker and William D. Peterson in 1974, with Thomas A. Baker becoming an owner in 1984.

WILLIAM D. PETERSON, MAI, is a principal of the Company, and specializes in valuation and consultation services related to commercial and income-producing properties. He is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 30216). He is a graduate of the University of Arizona in Business and Public Administration. He holds the MAI Designation of the Appraisal Institute. He is a licensed real estate broker in the State of Arizona and a Graduate of the Realtor Institute (GRI). He qualifies as an expert witness in the Superior Court of Pima and Cochise Counties. He is a past President of the Arizona Chapter of the American Institute of Real Estate Appraisers, and of the Tucson Chapter of the Society of Real Estate Appraisers.

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

JEFF TEPLITSKY is a staff appraiser in commercial valuation. He specializes in valuation and consultation services related to commercial and income-producing properties. He is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 30151). He is a graduate of the University of Arizona, with a Bachelor of Arts degree in Political Science. He is a Practicing Affiliate of the Appraisal Institute. He is a licensed real estate broker in the State of Arizona. He qualifies as an expert witness in the Superior Court of Pima, Santa Cruz, and Yuma Counties.

SARA R. BAKER, MAI, SRA, is a staff appraiser in commercial valuation. She specializes in valuation and consultation services related to commercial, income-producing, and residential properties. She is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 31679). She holds the MAI and SRA Designations of the Appraisal Institute. Sara is on the 2013 Board of Directors of the Appraisal Institute, Southern Arizona Chapter and serves as the chapter Secretary and Chair of Continuing Education. She graduated from Washington University in St. Louis with a Bachelor's Degree in Comparative Literature and earned a Master's Degree at the University of California at Los Angeles.

DAN F. ORLOWSKI is an appraiser trainee in commercial valuation. He graduated from San Diego State University with a Bachelor's Degree in Business Administration and also received a Master's Degree from the University of Phoenix in Accountancy.

ROBERT A. PARKER, **SUSAN A. CLEVELAND** and **STEFANIE MICHELS** are production coordinators and support technicians.

ATTACHMENT 2

Pima County Technical Appraisal Review Summary

T / R / Sec	13S/14E/21
Owner: St. Demetrios Greek Orthodox Church	Date: 8-19-14
LMS #: 1073-589	

Project: FLAP	Project #: 1400018750	Date of Value: Aug 19, 2014 Transmittal Date: Sept. 4, 2014
Owner: St. Demetrios Greek Orthodox Church	Occupant: vacant	Appraiser: Steve Cole, MAI/Thomas Kral, MAI
Location: South side of River Road bend, west of Dodge		Acquisition Agent: Bill Satterly
Tax Code #: 108-26-015B, 015D, 016A	Zoning and Comprehensive Plan: SR zoning. Comp Plan – 1.2 RAC northern portion, RT southern portion	
Current Use: Interim residential improvement		Highest and Best Use: Church or private school site
Parcel Size: 8.07 acres	Size(s) of Parcel(s) to be Acquired: Whole acquisition considered	
Year Built: 1958	Improvements/Size: 3 BR, 2 Ba, 1,743 sf burnt adobe house	

Paving: Y	Sewer: Yes, in Roger Road	Water - In River Road plus property has a well	Gas: Yes	Electric: Yes

Intended Use of Appraisal: Market Value	Appraisal Report Type: Summary	Interest(s) Appraised: Fee
Purpose of Review: To assure a reliable report in conformance with professional and agency standards.	Reviewer's Client: Pima County	Intended Users of Review: Pima County and its designees

Intended Use of Review: For agency to reference in developing support for offer price, as assurance of a reliable and accurate report.	Extent/Scope of Review Process: Reviewed for spelling, math, accuracy, reasoning, comps and conclusion. Property not inspected by the reviewer. Consideration in review made for effect of floodprone characteristics.

Is the Reviewer Developing Own Opinion of Value? No

Appraisal Techniques Used: Direct Sales Comparison Approach

Comparable Sales Price Range, Unadjusted and Adjusted:

Unadjusted: $65,600 to $78,616/acre
Adjusted: $69,536 to $86,478/acre

Fee Appraiser's Conclusion: $80,000/acre x 8.07 ac. = $645,600, rounded to $650,000

Are the assumptions, techniques, data, adjustments, and methods adequate, relevant, appropriate and reasonable, in conformance with USPAP, and is the report complete according to the scope of the assignment? Yes

Are there developable reasons for disagreement with the appraisal? Yes (See attached supporting document)

Report Recommended by Review? No (see attached supporting document	Value and Date: $650,000 as of 8-19-14

Reviewed by: _____

Jeffrey Teplitsky
Arizona Certified General Real Estate Appraiser: 30151
Real Property Appraiser Supervisor
Pima County Public Works, Real Property Services

Date of Review: 12/3/2015

CERTIFICATION

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

I have not completed appraisal services regarding the subject property described in this report within the past three years as an appraiser.

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

The analysis, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

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

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.

No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person who signs this certification.

I have not made a personal inspection of the subject property of the work under review.

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

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

As of the date of this report, I, Jeffrey Teplitsky, have completed the continuing education program of the State of Arizona.

Signed: _____ **Date of Review: 12/3/2015**

Jeffrey Teplitsky
Arizona Certified General Real Estate Appraiser: 30151
Real Property Appraiser Supervisor
Pima County Public Works, Real Property Services

LIMITING CONDITIONS

Possession of this review does not carry with it the right of publication.

This review is intended for the use of Pima County, the client, and its designees. This review shall not be disseminated through advertising, public relations, news, sales, or other media. However, the contents of the review can be acquired by a member of the public in accordance with open records statutes and policies.

This report is an appraisal review report, not an appraisal. It is not intended as the reviewer developing his own opinion of value.

The analyses, opinions, and conclusions in this review report are based solely on the data, analyses, and conclusions contained in the appraisal report under review. It is assumed that these data are representative of existing market data. No attempt, unless otherwise stated, has been made to obtain additional market data for this review.

Unless otherwise stated in this report, hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, or other environmental or cultural resources conditions, which may or may not be present on the property, were not called to the attention of the reviewer, nor did the reviewer become aware of such during the review. The reviewer is not qualified to test or research such substances, conditions or resources. The presence of such substances as asbestos, urea-formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, as might archaeological or cultural resources. The value estimate is predicated on the assumption that there is no such condition on or in the property, or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or knowledge required to discover them.

American with Disabilities Act (ADA) of 1990: The ADA became effective on January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of its requirements. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA.

All analyses and conclusions expressed by the reviewer are limited by the scope of the review process as defined herein.

Southwest Appraisal Associates Report

Appraisal Summary. The SAA appraisal report, dated August 19, 2014 valued 8.07 acres of land, as if vacant. The report was prepared for Mr. Vince Gingras for the St. Demetrios Parrish Council. The purpose of the appraisal was to provide a market value opinion for the subject property as of August 19, 2014. The report was signed by Steven R. Cole, MAI and Thomas W. Kral, MAI, SRA.

The appraisers' adequately outlined the scope of work to be completed and the appraisal report adequately addressed all issues related to the scope described. The appraisers' adequately described the subject property (neighborhood, site, improvements). While there is a 1,747 square foot residence located on the property the appraisal does not indicate any value attributable to the improvements. The appraisers' concluded that the highest and best use of the property was for the development of a church property, or other compatible civic uses.

The subject property is identified within the appraisal report as being impacted by flood issues designated by FEMA as "Zone A Flood Hazard Area with sheet flooding depths of 2.0 to 2.5 feet". An independent hydrology study (JE Fuller Hydrology) and archeological study (SWCA Environmental Consultants) was included as part of the appraisal report.

The appraisers' utilized four (4) comparable land sales to support a value conclusion for the subject property. The comparable sales used in the report include three (3) residential land sales purchased for residential development that indicated unadjusted prices of $65,600, $52,801, and $73,931 per acre. The fourth comparable land sales used in the appraisal was purchased for the development of a charter school and indicated an unadjusted price of $78,616 per acre. The appraisers' adjusted the comparable sales for differences as compared to the subject property and an adjusted range of price from $69,536 per acre to $86,478 per acre was concluded. The final value is concluded at $80,000 per acre which falls slightly above the unadjusted range of the comparable sales and within the adjusted range presented in the report.

Review Comments. The appraisers' relied on four (4) comparable sales to estimate the market value of the subject property. Based on the highest and best use as stated in the report that is for development of a church or a compatible civic use the appraisers' utilized only one sale that reflects this use (Comparable Sale 3). An inherent weakness of the appraisal report supporting a value conclusion for the subject property at $80,000 per acre is the reliance by the appraisers' on comparable sales that do not have the same highest and best use. This undermines the consistent use theory of appraising in that comparable sales that reflect the same or similar highest and best use should be used, if available. Comparable Sales One, Two and Four were purchased for residential development or land investment with future residential development. It is clear from the appraisal report that these three sales reflected a lower price per acre as compared to Comparable Sale 3 which was purchased for the development of a charter school (considered a quasi-civic use and similar to a church use). Comparable Sale 3 indicated an unadjusted price of $78,616 per acre and an adjusted price of $86,478 per acre which is the highest prices reflected by Comparable Sales. The appraisers' included a hydrology study in the report that

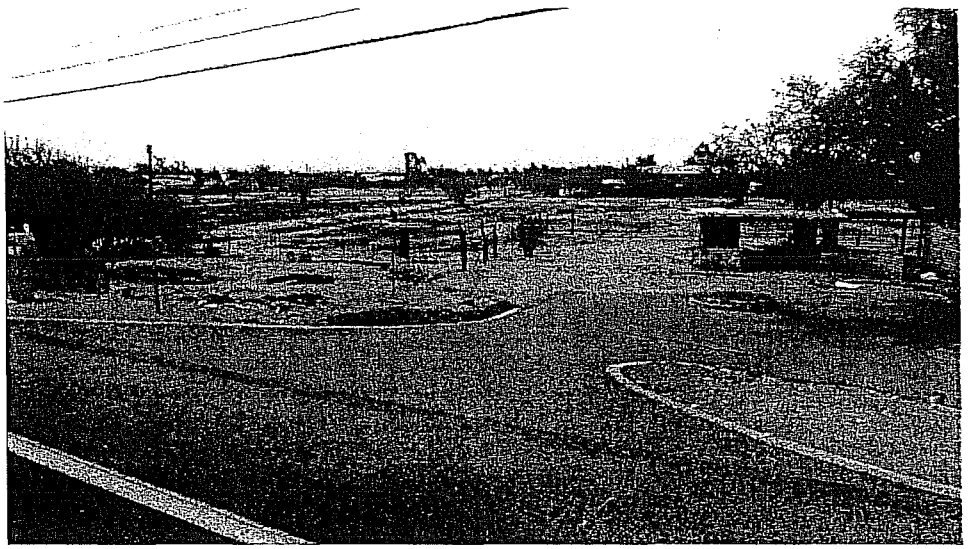
indicates flood depths of .5 feet to 2.5 feet over the entirety of the subject property. This is a major impact to the value of the subject property. The appraisal recognized the impact and adjusts each of the comparable sales downward for superior flood conditions. It is difficult to quantify this adjustment as the actual cost to raise and prepare the site for development had not been established as of the date of the appraisal. The appraisal is considered to have adequately addressed the flood issues.

In the opinion of the reviewer the reliability of the concluded value for the subject property at $80,000 per acre, or a total of $650,000, is hindered by the appraisers' choice of comparable sales. As of the date the appraisal report was completed there were comparable sales (closed and recorded) that were purchased for the development of church uses or compatible civic uses. These sales (known to the reviewer) reflected unadjusted prices that ranged from $74,055 per acre to $217,766 per acre. Additionally, the subject property had previously sold as of February, 2008 at a price of $1,250,000, or $154,512 per acre. While the date of the sale is considered older than optimal for use in an appraisal report, the quantity of recent market data was minimal as of the date of the report and the previous sale could potentially have been analyzed for support of the final value conclusion.

Review Conclusion. In conclusion the appraisal report is considered to be lacking in reasonable support for the final conclusion of value of $650,000 ($80,000 per acre). The comparable sales selected and adjusted by the appraisers' demonstrate a value that is at the lower end of the value range as the market evidence indicates that churches, charter schools, and other quasi-public/civic uses tend to pay a premium for land purchases. This is a function of these uses typically seeking high visibility land in developed areas and that these uses are not limited by zoning and can be developed under any zoning code.

APPRAISAL REPORT
FOR MARKET VALUE

TYPE OF PROPERTY:
8.07 GROSS ACRES OF VACANT LAND



LOCATED:

3232 EAST RIVER ROAD
PIMA COUNTY, ARIZONA

APPRAISER'S FILE NO. 14-156-L

DATE OF VALUE:

AUGUST 19, 2014

PREPARED FOR:

MR. VINCE GINGRAS
ST. DEMETRIOS PARRISH COUNCIL
1145 E. FT. LOWELL
TUCSON, ARIZONA

PREPARED BY:

STEVEN R. COLE, MAI, SRA AND THOMAS KRAL, MAI, SRA

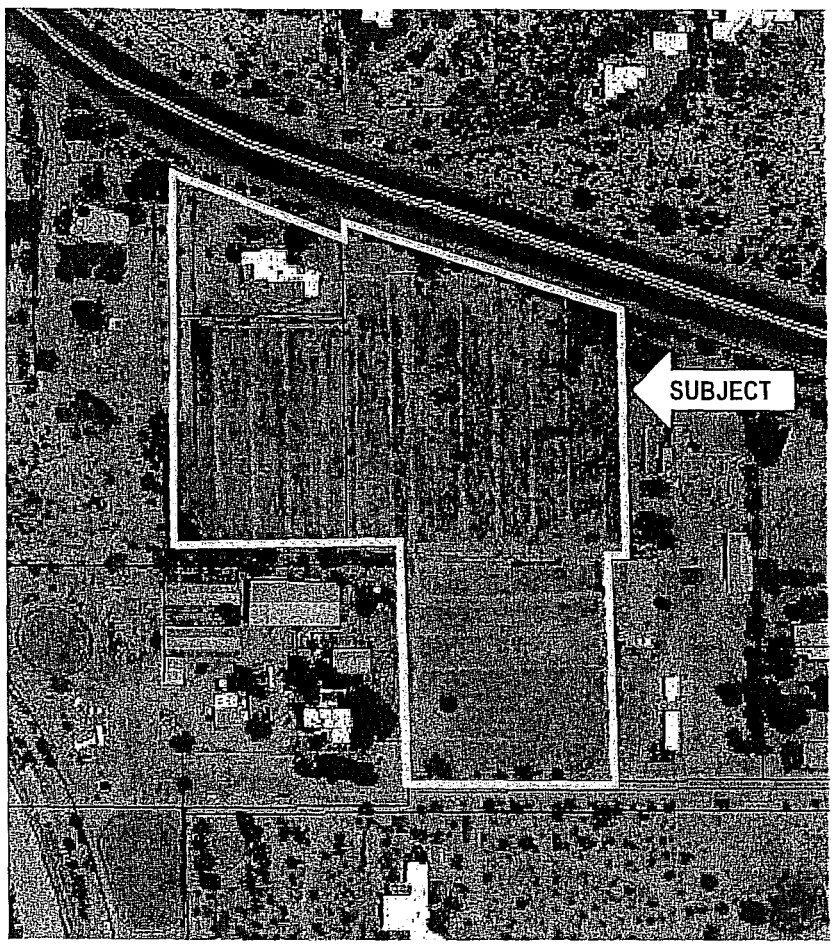
CERTIFIED GENERAL REAL ESTATE APPRAISER #30130

CERTIFIED GENERAL REAL ESTATE APPRAISER #3096O

SOUTHWEST APPRAISAL ASSOCIATES
P: (520) 327-0000 | F: (520) 327-3974 | P.O. Box 16156, Tucson, AZ 85732

SUBJECT PROPERTY

3232 East River Road
South Side of River Road, East of Alvernon Way,
Pima County, Arizona



Boundary lines are not to scale.

SOUTHWEST APPRAISAL ASSOCIATES
P.O. Box 16156
Tucson, Arizona 85732
(520) 327-0000
FAX (520) 327-3974

September 4, 2014

Mr. Vince Gingras
St. Demetrios Parrish Council
1145 E. Ft. Lowell
Tucson, AZ 85719

REF: Appraisal report for 8.07 gross acres of land located at 3232 E. River Road, in Tucson, Pima County, Arizona.
Appraiser's File No.: 14-156-L

Dear Mr. Gingras:

At your request, we have provided our "as is" market value opinions for the subject property which is comprised of 8.07 gross acres of land located at 3232 East River Road, west of Alvernon Way, in Tucson, Pima County Arizona. The purpose of this appraisal is to provide a market value opinion for the subject property, as of August 19, 2014, the date of inspection of the subject property.

The subject is located on the south side of River Road. It also has secondary access along its south boundary from Roger Road. River Road receives a relatively high volume of vehicular traffic, 28,841 vehicles per day. The subject is located in north-central Tucson.

There is a 1,747 square foot house situated near the northwest corner of the 8.07-acre site. This is an older home in below average condition, built in 1958, and does not represent the highest and best use of the subject property. As such this home would most likely be demolished and removed from the site. The site is level and slightly below grade of River Road.

Tucson's land market was negatively impacted by the 2008-2009 recession which caused significant decreases in pricing, especially for commercial properties. However, market prices have not yet improved significantly.

The subject is located almost entirely within a Zone A Flood Hazard area, with sheet flooding depths of 2 to 2.5 feet below the 100-year flood prone elevation. Only a small portion in the extreme northwest area of the subject adjacent to River Road is located in Zone X which is outside the 100-year flood area. According to a report prepared by JE Fuller Hydrology & Geomorphology, Inc. dated May 28, 2014, the subject property receives a discharge runoff across the subject property of 1,400 cubic feet of water per second during sufficient rainfall events. This discharge flow is from the Finger Rock

Wash, upstream north of the subject site and flows through the subject to the Rillito River to the southwest.

The subject is zoned SR, Suburban Ranch, Pima County, which permits low-density agricultural, residential and civic uses. The minimum site area is 144,000 square feet per dwelling, or 3.3 acres.

The subject is also encumbered by underlying land use intensities of LIU-1.2, Low Intensity Urban, and RT, Resource Transition, per *Pima County Comprehensive Plan*. Approximately the north 1/3 of the subject is labeled LIU-1.2 and the remaining 2/3 is RT. Any likely rezoning of the subject property must comply with the permitted densities indicated in the comprehensive plan. The LIU-1.2 portion would allow possible rezoning to one residence per 36,000 square feet or 0.83 acre. However, the RT category encompasses land with environmentally sensitive characteristics such as wildlife corridors, natural washes, floodplains, and buffers to public preserves. The maximum allowed density for residential development is 0.3 residences per acre or one residence per 3.3 acres. Both the SR zoning and underlying Pima County Comprehensive Plan restrict the subject to low intensity uses.

The intender users of the appraisal are Mr. Vince Gingras and the St. Demetrios Parrish Council, the client. The intended use of the appraisal is to value the property for a possible disposition. The date of market value opinion is August 19, 2014, the most recent date of inspection by the appraisers.

The definitions of value, legal description, and ownership of the property are contained in the appraisal report to follow. This appraisal report is intended to comply with the reporting requirements set forth in Standards rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation. Since the subject is being appraised for land value, the Sales Comparison Approach to value is employed in the appraisal. The Cost and Income Approaches are omitted since they are inapplicable to the valuation of land.

Based upon the data, analyses, opinions and conclusions contained in this report, our market-value opinion, as of August 19, 2014, is as follows:

"AS IS" MARKET VALUE OPINION FOR
THE 8.07 ACRES THAT COMPRISE THE SUBJECT.....$650,000
$80,545 per Acre

The estimated exposure period is 12 months or less.

There are no extraordinary assumptions or hypothetical conditions associated with this appraisal.

The subject parcel identified as Assessor's Number 108-26-016A, which has the single family residence, is to increase in FCV by 11.4% and LCV by 5.0% in 2015. The valuation of this parcel should be appealed in February 2015 when tax notices of FCV are mailed to property owners.

Should the subject property be classified as religious use property, a tax exempt status should be pursued.

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.

In order to guarantee the authenticity of this report, the designated appraiser has imprinted this letter of transmittal with an embossed seal. Any copy without same is not a certified copy and the appraiser assumes no responsibility or liability for such a report.

Respectfully submitted,

Southwest Appraisal Associates, Inc.

By _____
Steven R. Cole, MAI, SRA
Certified General Real
Estate Appraiser #30130

By _____
Thomas W. Kral, MAI, SRA
Certified General Real
Estate Appraiser # 30960

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CONTINGENT 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 Appraiser in the report.

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

The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. No Owner's Title Policy has been furnished to the Appraiser. 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 Appraiser has made no survey of the property. Any sketch or map in the report may show approximate dimensions and is included for illustrative purposes only. It is the responsibility of a certified engineer, architect or registered surveyor to show by a site plan the exact location of the subject property or any improvements or any proposed improvements thereon, or the exact measurements or calculations of estimated area of the site. In the absence of such a survey, the Appraiser may have utilized Tax Assessor's maps or other maps 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 appraiser has relied upon building measurements provided by the client, owner, or agents of these parties. In their absence, the appraiser has relied upon his 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 Appraiser has relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include, but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans and the like. 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 appraiser 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 Appraiser assumes no responsibility for the actual availability of utilities, their capacity or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons.

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

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

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

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

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 me. I have not performed a compliance survey to determine if it is in conformance with the A.D.A (Americans with Disabilities Act). The Appraiser assumes, and the client warrants, that no such barriers adversely affect the utility, usability, or developability of the property to the best of their knowledge. The Appraiser is 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 client is urged to retain an expert in this field, if desired.

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

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

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

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

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 appraiser 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 client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of 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 is 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 binging 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 client or any other party constitutes acceptance of all the above limiting conditions.

Hypothetical Condition:

A hypothetical condition[1] is defined as follows:

> A hypothetical condition is that which is contrary to what exists but is supposed for the purpose of analysis.

None.

Extraordinary Assumption:

In accordance with 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".

None.

[1] *Uniform Standards of Professional Appraisal Practice, 2012-2014 Ed.*, Appraisal Foundation, P U-3

SUMMARY OF IMPORTANT CONCLUSIONS

Location of Property Appraised:	3232 East River Road, Tucson, Arizona 85718. The subject is located on the south side of River Road, west of Alvernon Way, in Pima County, Arizona.
Property Type:	Vacant land
Intended Users of the Appraisal:	Mr. Vince Gingras and the St. Demetrios Parrish Council.
Intended Use of the Appraisal:	The intended use of the appraisal is to value the property for a potential sale.
Assessor's Parcel Numbers:	108-26-015B; -015D; and -016A
Site Data:	An irregular shaped parcel comprised of 8.07acres. A Portion of the Southwest Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 14 East, G&SRB&M, Pima County, Arizona. The site is level and slightly below grade of River Road.
Improvements Data:	A 1,747 square foot home in poor condition, built in 1958, which does not represent the highest and best use of the subject property. As such this home would most likely be demolished and removed from the site.
Flood Insurance Zone:	Zone A, a flood hazard zone, FIRM Map Panel Nos. 04019C1695L and 04019C1695L, dated June 16, 2011.
Zoning:	SR (Suburban Ranch), low density residential and agriculture use, Pima County. Also permitted are public and quasi-public uses such as churches, parks, and schools.
Highest and Best Use:	Church or civic use.
Market Value Opinion:	$650,000

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, 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 of the fee simple interest in the subject property. The three traditional approaches to value are considered. Since the subject is vacant land, the Sales Comparison Approach is the only applicable approach to value. The Cost and Income Approaches are omitted since they do not apply to valuation of land.

In the Sales Comparison Approach, retrospective 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.

PROPERTY IDENTIFICATION

The subject property is identified as an 8.07-acre parcel comprising a portion of the southwest quarter of the southwest quarter of Section 21, Township 13 South, Range 14 East, in Pima County, Arizona. The property is further identified as Assessor's parcel numbers 108-26-015B; -015D; and -016A. No title report was provided to the appraisers. Lacking a title report, the legal description from the Assessor's records, pertaining to each tax code parcel, is as follows:

108-26-015B

West 238' East 332' North 308.07' South 650.2' W2 SE4 SW4 SW4 1.69 Acres, Section 21, Township 13 South, Range 14 East, Gila and Salt River Base and Meridian, Pima County, Arizona

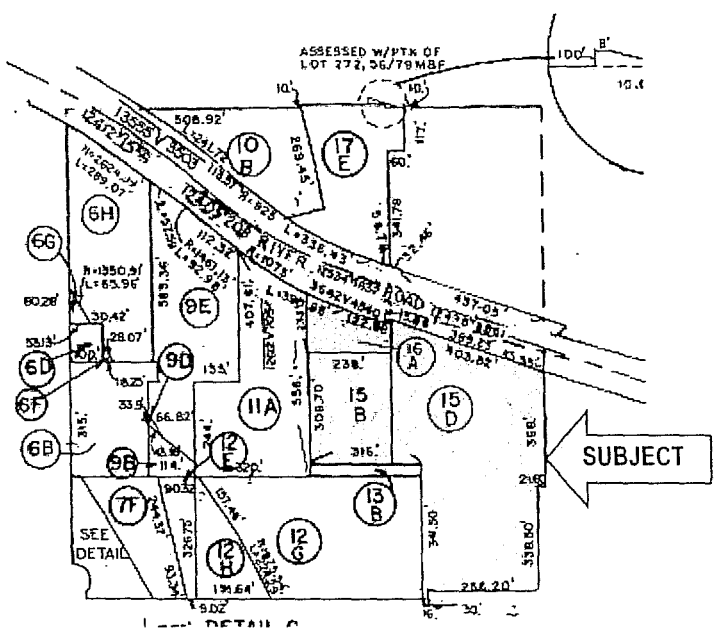
108-26-015D

Southeasterly Portion SW4 SW4 Lying South of River Road 5.46 Acres, Section 21, Township 13 South, Range 14 East, Gila and Salt River Base and Meridian, Pima County, Arizona

108-26-016A

North 233' Portion West 238' East Half of the SW4 SW4 Lying South of River Road 0.93 Acre, Section 21, Township 13 South, Range 14 East, Gila and Salt River Base and Meridian, Pima County, Arizona

PROPERTY IDENTIFICATION PLAT



PURPOSE OF THE APPRAISAL

Purpose of the Appraisal:	The purpose of the appraisal is to provide a market value opinion of the fee simple interest for the subject property.
Intended Users of the Appraisal:	Mr. Vince Gingras and the St. Demetrios Parrish Council, the client.
Intended Use of the Appraisal:	The intended use of the appraisal is to value the property for a potential sale.
Date of Value Opinion:	The date of the value opinion is August 19, 2014, the date of the most recent inspection of the subject property.
Date of the Appraisal Report:	The date of the appraisal report is September 3, 2014.

DEFINITIONS

Definition of Market Value:

"Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of the title from seller to buyer under conditions whereby:

1. Buyer and Seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests.
3. A reasonable time is allowed for exposure to the open market.
4. Payment is made in terms of cash in U.S. dollars or in term of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing of sales concessions granted by anyone associated with the sale.

Valuation Premises:

"As Is" Valuation Premise:

"As Is Market Value" is defined as follows:

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

The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, *Page 12*

Exposure Time:

Exposure time is defined as follows:

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.

The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, *Page 73.*

Interest To Be Appraised:

The interest to be appraised is that interest arising from fee simple estate ownership. *The Dictionary of Real Estate Appraisal, 5th Edition*, by The Appraisal Institute defines the fee simple estate as:

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.

OWNERSHIP HISTORY

Title to the subject property is vested in St Demetrios Greek Orthodox Church, Inc., through an Affidavit Succession recorded on February 6, 2008, in Document Sequence Number 20080250598, and in Docket 13237 at Page 2658. This recording represents the sale of the subject property for $1,250,000. The seller was the George Masek Revocable Trust.

The subject is not listed for sale or under any contract for sale, as of the valuation date of August 19, 2014.

SCOPE OF WORK

The scope of work for an appraisal is the extent of the process of collecting, confirming, and reporting data, and the methods used to support the value opinions. All three traditional approaches to value have been considered in this appraisal.

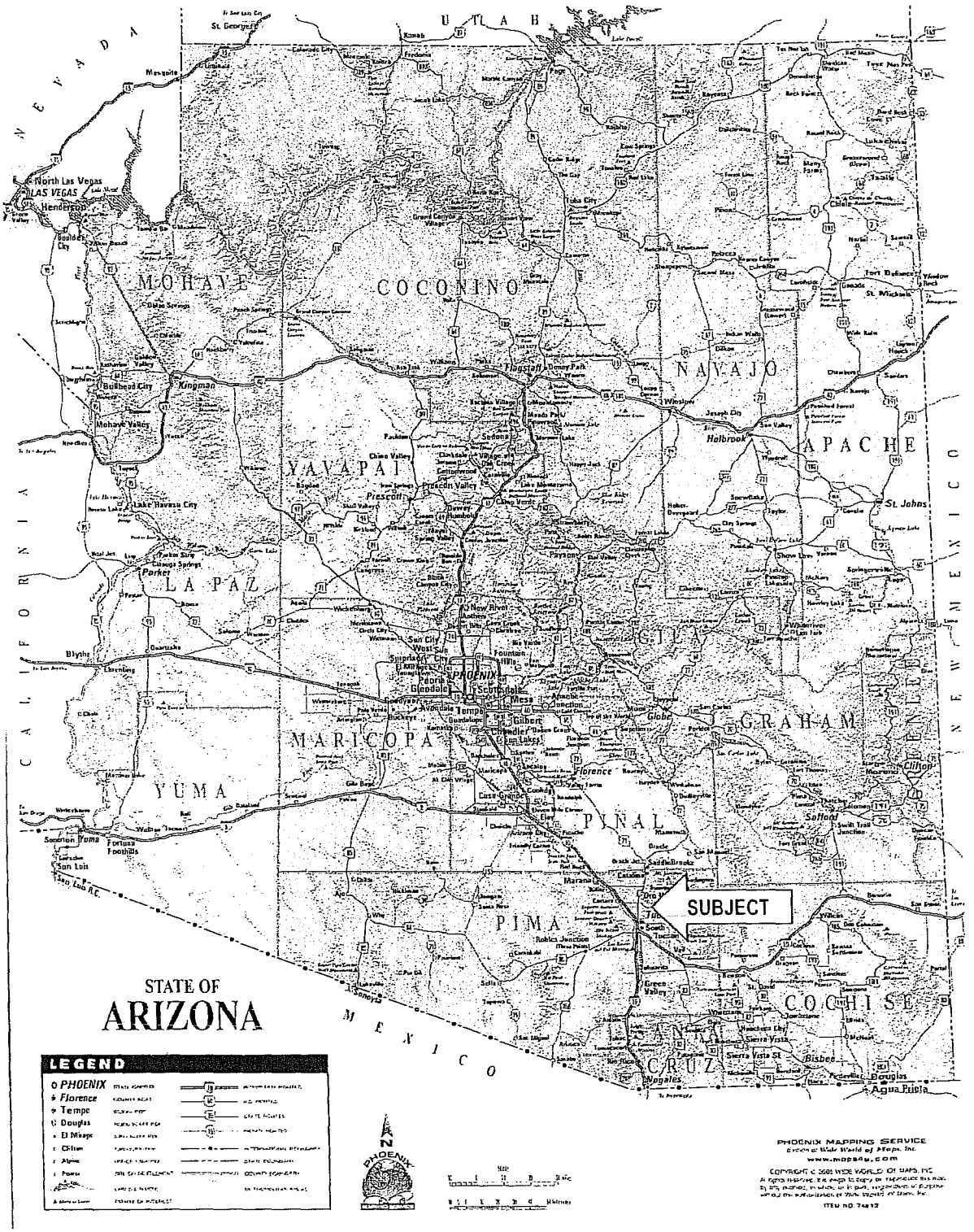
In accordance with Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2014, the scope of the appraisal includes, but is not limited to, the following:

- Inspection and analysis of the subject property, market factors, and government and other restrictions that affect value; and
- Research, analysis, inspection and confirmation of comparable market data; and
- Consideration of the three approaches to value which include the Cost, Sales Comparison and Income Approaches to support my market value opinion for the subject property.

In the preparation of the appraisal, the appraiser has conducted a field inspection of the subject property and surrounding neighborhood, collected and considered pertinent demographic, economic, governmental and environmental data, analyzed supply, demand and absorption trends and the effect of these forces on the subject property. Pertinent market data has been collected, confirmed and analyzed to support the value conclusions. Information in the Area, City and Neighborhood Data and other sections of the report, were compiled from many sources. These include Arizona Economy newsletters, Arizona Community Profiles and statistical data from the Site Do To Business website.

Since the subject property is for land value, the only applicable approach to value is the Sales Comparison Approach. The Cost and Income Approaches are omitted. Market data including land sales and statistical information was obtained from published sources that include real estate brokerage firms, CoStar Comps, Tucson Association of Realtors' Multiple Listing Service (MLS), Pima County Assessor's records and interviews with market participants.

REGIONAL MAP



REGIONAL ANALYSIS

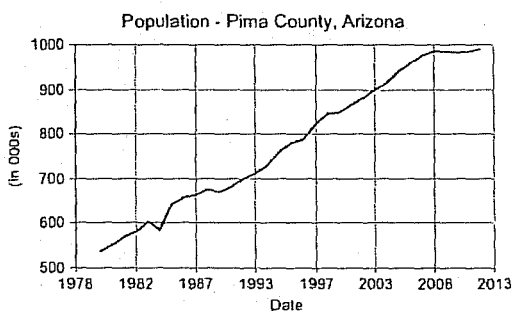
Geographic Location:

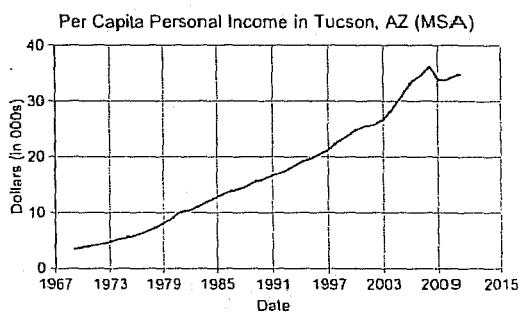
The subject property is located along River Road, west of Alvernon Way, about 5 miles northeast of downtown Tucson which is the second largest city in the state of Arizona. Metropolitan Tucson is part of Pima County, the 68th largest county in the nation. It is located 100 miles south of Phoenix and 70 miles north of the Mexican border.

Population Data:

The population in Pima County has been growing since 1978. Even during economic recessions, population has increased from the prior year until 2008. The following chart displays historical, current, and projected populations for Pima County through 2012, the most current publication year to date.

Population and Personal Income





Population - Tucson MSA	2006	2007	2008	2009	2010	2011	2012
Arizona Office of Employment and Population Statistics							
Tucson MSA (Pima County)	959,474	977,258	984,032	984,274	981,168	986,081	990,380
%Chg from Prior	2.07%	1.85%	0.69%	0.02%	-0.32%	0.5%	0.44%
Marana	30,775	32,686	34,226	34,737	35,051	35,858	36,957
Oro Valley	38,809	40,821	41,220	41,263	40,984	41,153	41,275
Sahuarita	17,705	20,658	22,621	24,280	25,347	25,645	26,121
South Tucson	5,854	5,858	5,862	5,884	5,672	5,653	5,675
Tucson	521,728	525,837	526,373	523,860	520,795	522,815	523,471
Unincorporated Pima	344,603	351,397	353,731	354,250	353,319	354,957	356,861

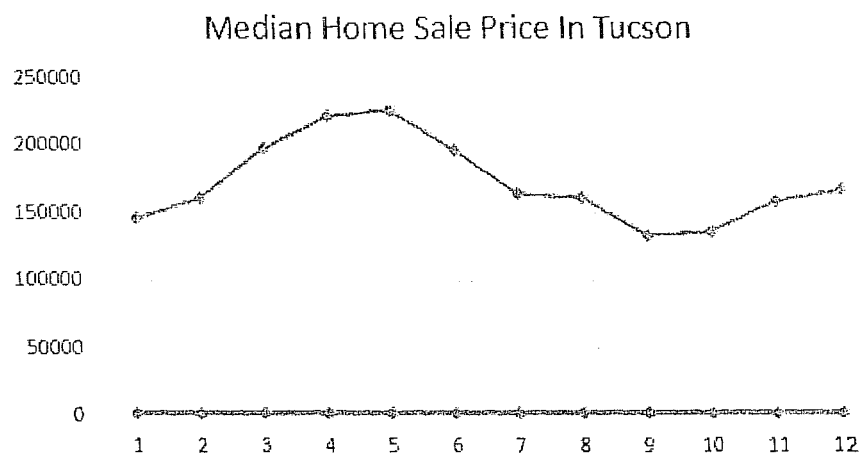
Published by The Economic and Business Research Center, The University of Arizona

Income and Earnings - Tucson MSA	2007	2008	2009	2010	2011
Bureau of Economic Analysis					
Total personal income ($000)	33,069,716	35,067,808	32,977,680	33,277,952	34,596,360
% Chg from Year Ago	5.66%	6.04%	-5.96%	0.91%	3.96%

Source: University of Arizona Eller School of Management

The most recent population estimate for the Tucson MSA from the University of Arizona in 2014, *Arizona's Economy* is 1,003,542. This represents a 0.75% increase from 996,046 persons reported for 2013 and a 1.33% increase from 990,380 persons in 2012. The 2015 forecast is for an increase in population growth by only 1.1% to 1,014,709, and for 2.55% to 1,029,091 persons in 2016.

Throughout its history, Tucson's economic growth has primarily been driven by population growth with a high percentage of retirees relocating here from the northern climates. The collapse of the housing market nationwide had stifled the ability for people to be able to sell their homes in order to relocate. However, the slow improvement in the national economy has helped Tucson's housing market. The median home price in Tucson as of April 2014 is $164,900, which is up 5% from 12 months ago in 2013 when the median sale price was $157,000.



The Chart above includes 12 years from 2003 (1) to 2014 (12)

Source: Tucson Association of Realtor's Multiple Listing Service

Another factor that has adversely affected Tucson's population growth is Arizona's recent immigration laws which compelled many existing residents to relocate. Marshall Vest, Senior Economist for the University of Arizona, Eller College of Management, stated that population growth will drag as long as housing is weak.

Following is a table showing the single family residential permits issued in Pima County since 2005. The table indicates the dramatic decline in housing starts over the last 10 years from a high in 2005 to the lowest number of permits in 2010. However,

residential housing permits for new construction rose during 2011 through 2013 to 2,101 permits, but based on 2014 figures year-to-date, projected 2014 permits may see another decline.

SINGLE FAMILY RESIDENTIAL PERMITS – PIMA COUNTY

YEAR	*CONSTRUCTION COST*	*# UNITS*
2005	$1,963,290,883	11,150
2006	$1,458,687,148	8,069
2007	$792,679,088	4,271
2008	$570,487,131	2,738
2009	$367,546,676	1,824
2010	$289,316,458	1,181
2011	$359,289,437	1,384
2012	$468,737,724	1,722
2013	$549,724,366	2,101
2014*	$142,224,237	498

** - 2014 year to date through April*

SOURCE: http://censtats.census.gov

Employment and Labor Force Data:

The following chart displays the Southern Arizona top ten public and private employers in 2013. As is evident from this table, Tucson and Southern Arizona are heavily dependent on government jobs with only three of the top ten employers from the private sector.

Southern Arizona Top 10 Major Employers -2013

2013 Rank	Company Name	Industry	FTE Jobs
1	University of Arizona	Higher Education	10,846
2	Raytheon Missile Systems	Military and Defense	10,300
3	Davis-Monthan Air Force Base	Military and Defense	9,100
4	State of Arizona	Government	8,807
5	Wal-Mart Stores Inc	Retailers	7,450
6	Tucson Unified School District	Education	6,790
7	Pima County	Government	6,500
8	University of Arizona Healthcare	Health Care	6,099
9	U.S. Customs and Border Protection	Homeland Security	6,076
10	Freeport-McMoRan Copper & Gold	Mining	5,463

Source: Economic & Business Research Center, Eller College of Mgt.

According to the most recent *Arizona's Economy*[2] newsletter, "Arizona is still working its way out of the hole created by the Great Recession, but we are making progress. The state is generating growth in jobs, income, retail sales and population. But we are not out of the hole just yet. For instance, while state jobs are growing at a faster pace than nationally, we have replaced just 49% of the jobs lost in the downturn."

The forecast calls for Arizona to continue growing, and to outpace national growth for most indicators. In particular, the forecast implies that the state will replace all of the jobs that were lost in Great Recession by 2015. If that turns out to be the case, it will have taken eight years for the state to get back on even terms. That is a testament to the severity of the downturn and the painful recovery.

Although housing permit activity increased statewide, both the Phoenix and Tucson market experienced some deceleration of activity during the summer of 2013. Phoenix house prices, measured by the Case-Shiller house price index were up 41.2% from their bottom in September 2011. Even so, they are still 37.8% below the peak of June 2006.

The outlook for the national economy is for it to gradually recover from the weakness experienced through the end of 2013 due to the sequestration and government shutdown. Growth is expected to accelerate only slightly in 2014 and 2015 as the federal fiscal drag diminishes. Expectations are for non-residential fixed investment (business equipment and structures) to rebound and the housing recovery will continue as world growth picks up momentum.

Dr. George Hammond, with the Eller College at the University of Arizona, forecasts for Tucson calls for gains in all economic measures for 2014 and beyond, assuming Davis-Monthan retains the A-10 fighter squadrons. However, Dr. Hammond has also found that the Arizona economy is still expanding at a slow rate.

[2] Dr. George Hammond, "Still in a Hole, But Improving: 4th Quarter Forecast Update" *Arizona's Economy*, University of Arizona, Eller College of Management, December 1, 2013.
Dr. George Hammond, "Clearing, but Still a Bit Cloudy Second Quarter 2014 Forecast Update" June 1, 2014.

Arizona Forecast	2012	2013	2014	2015	2016	2017
Personal Income ($ mil)	237,512.6	244,010.1	254,392.5	269,017.3	285,585.8	303,777.9
% Chg from Year Ago	3.6%	2.7%	4.3%	5.7%	6.2%	6.4%
Retail Sales ($ mil)	81,341.26	85,919.19	88,979.99	92,696.05	97,391.74	102,139
% Chg from Year Ago	4.66%	5.63%	3.56%	4.18%	5.07%	4.87%
Total Nonfarm Employment (000s)	2,463.4	2,514.1	2,574.5	2,655.1	2,749.5	2,844.7
% Chg from Year Ago	2.1%	2.1%	2.4%	3.1%	3.6%	3.5%
Population, July 1st estimates	6,468,374	6,539,812	6,627,075	6,734,317	6,856,959	6,985,869
% Chg from Year Ago	0.76%	1.1%	1.33%	1.62%	1.82%	1.88%
Residential Housing (units)	21,726	23,765	28,672.77	44,602.07	51,409.03	53,054.63
% Chg from Year Ago	67.03%	9.39%	20.65%	55.56%	15.26%	3.2%

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Published by Economic and Business Research Center, The University of Arizona Powered by datazoa

As shown in the preceding table, improved growth is forecast in personal incomes, retail sales, employment, population, and housing permits. These forecasts are, of course, dependent on a national economic recovery, which is still uncertain.

Projections of Employment:

Projections for employment growth in the Tucson metropolitan area, however, remain modest with Pima County projected to add only 3,900 in 2014. The civilian labor force according to the Arizona Department of Administration for the Tucson MSA was reported in March, 2013 to be 456,312. Thus, the increase in jobs is projected to be 7/10 of 1%. This is about half of the increase projected by the University of Arizona.

University of Arizona:

Funding for the University of Arizona continues to decline. According to Eileen I. Klein, president of the Arizona Board of Regents, "Arizona's public universities still lack a clear funding path for the future."[3] The UofA receives funding from the state and the students. Thus, students are paying more for tuition and fees to make up for the reduction of state funding. Despite increasing tuition, student enrollment has continued to increase annually.

[3] "*Senate budget would trim UA funds*", The Daily Wildcat, March 31, 2014

Raytheon Missile Systems:

In 2013, Raytheon reported that they had 10,300 full-time local employees. Some salaried employees were laid off in October, 2013, however, the company would not say how many. Previously, Raytheon moved several hundred jobs to Huntsville, Alabama stating that the Tucson location did not have adequate room for expansion. Pima County and Tucson International Airport are cooperating to move Hughes Access Road to the south thereby increasing the area available to Raytheon for expansion.

Potential Changes in Employment at Davis-Monthan Air Force Base:

Davis-Monthan Air Force Base is Southern Arizona's third largest employer with 9,100 military and civilian workers, not including contractors. The D-M Base serves two key functions for the Air Force. The primary function is the Air Force Maintenance and Regeneration Group (AMARG) which maintains, stores and recycles retired military aircraft from all of the nation's military forces. The other key mission is as the nation's primary training facility for the A-10 Thunderbolt II "Warthog" ground support aircraft. In February 2014, Defense Secretary Chuck Hagel announced that the Pentagon's current budget plans included a phased retirement of the 83 A-10's that are currently assigned to Davis-Monthan by 2019. Recent upgrades to the A-10, including the expenditures of over one billion dollars, were intended to extend service life of the A-10 until 2028. However, a more recent June 2014 proposal by the Air Force is to retire the entire fleet of nearly 300 A-10's, including more than 80 at Davis Monthan, by 2019.

As reported by the *Arizona Daily Star*,[4] four major Washington think tanks agreed with the Defense Department that the A-10 fleet should be retired. However, Congress rejected the A-10 retirement proposal last year, and the 2014 National Defense Authorization Act prohibits the Pentagon from retiring the A-10 until a comparable replacement has been developed and certified.

Sentiments regarding the potential retirement of the A-10, have created strong bipartisan backlash at the national and local level. MacKenzie Eaglen, resident fellow at the AEI's Marilyn Ware Center for Security Studies, stated that, "It's tough to say which way this is going to go."

In May 2014, the House Armed Services Committee (HASC) passed an amendment to forbid the USAF from retiring the plane unless it can assure legislators it

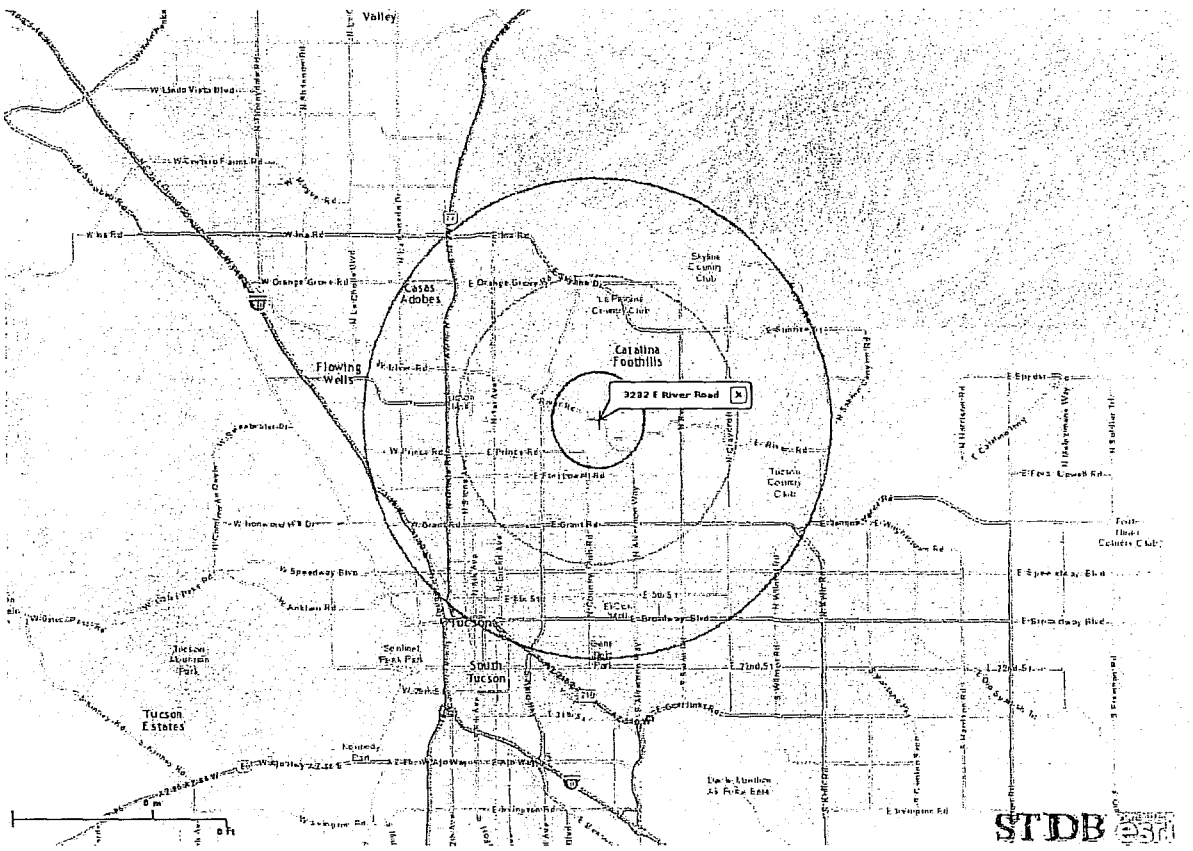
[4] *"A-10 retirement plan won't fly for critics,"* Arizona Daily Star, March 30, 2014

has other ways of providing "adequate" close-air support to ground troops. Meanwhile, the Senate Armed Services Committee is working on a plan to shift funding from other programs to cover the cost of the A-10. The uncertainty of the A-10's future in Tucson directly impacts an estimated 2,000 Davis-Monthan military and civilian jobs and could cost the region tens of millions of dollars per year.

Impact on Value of Regional Analysis:

Traditionally, Tucson has enjoyed a stable economic base provided by the University of Arizona, Raytheon and the Davis-Monthan Air Force Base. The region's mild climate and recreational opportunities have established Tucson as a major resort destination. In the past, Tucson has gained some manufacturers, which bring high-paying jobs to the region. However, such gains have diminished over the last few years. Before the announcement of the potential decommissioning of the A-10 fleet, the long term outlook was for slow improvement in the fundamental economic conditions for the area. With the announcement, there is uncertainty about the economic future for the Metropolitan Tucson Area.

NEIGHBORHOOD MAP



NEIGHBORHOOD ANALYSIS

The value of any property is not solely determined by the physical characteristics of the site. The environmental, social, economic and governmental forces in the immediate area must also be analyzed as they can have direct and indirect effects on value.

The subject property is located along the south side of River Road, west of Alvernon Way. River Road and the Rillito River represent a dividing line between the affluent Catalina Foothills north of River Road, and City limits of Tucson south of the Rillito River. The Catalina Foothills are characterized by low-density custom homes on acre-sized or larger lots. The City of Tucson is characterized by higher density residential subdivision, apartments, and commercial uses along major traffic corridors.

Detailed information about the area within a 1 mile and 3 mile radius of the subject, is presented below.

2013 Demographics *Source: STDB Online*	**1-Mile Radius**	**3-Mile Radius**
2013 Population:	5,355	90,167
Estimated 2018 Population:	5,531	92,118
Annual Rate of Increase 2013-2018:	0.65%	0.43%
Number of Households in 2013:	2,757	42,758
Estimated Number of Households in 2018:	2,863	43,733
Annual Rate of Increase in Households In 2013 to 2018:	0.76%	0.45%
Median Household Income:	$40,444	$33,062
Median Home Value:	$193,394	$182,295
2013 Income Statistics:		
Less than $15,000	16.1%	21.8%
$15,000 to $24,999	11.7%	15.3%
$25,000 to $34,999	14.5%	15.2%
$35,000 to $49,999	17.2%	14.6%
$50,000 to $74,999	17.6%	14.5%
$75,000 to $99,999	5.8%	5.8%
$100,000 to $149,999	8.3%	6.9%
$150,000 to $199,999	3.7%	2.8%
$200,000 +	5.2%	3.0%
Average Household Income:	$63,759	$52,526

The data above suggests that the subject neighborhood and surrounding area will experience only moderate growth in the next 5 years. Home values, income levels and income distribution will also experience only moderate growth.

As the subject lies at the boundary of two major neighborhood divisions, boundaries, but is more closely aligned to the unincorporated Catalina Foothills neighborhood adjacent north, these neighborhood boundaries will be considered.

Neighborhood Boundaries:

North:	Sunrise Drive
South:	Rillito River
East:	Swan Road
West:	Campbell Avenue

General Description: The area is more than 90% built up. Much of this area represents the "Old Foothills" portion of the larger Catalina Foothills skirting the south side of this mountain range. Most homes in this area are custom

built or luxury homes ranging from $400,000 to well over $1,000,000 in value. Most access roads are winding through hilly terrain. Primary access roads are Campbell Avenue, Hacienda Del Sol, Pontatoc Road and Swan Road traversing north to south, with only Sunrise Drive and River Road being primary east-west corridors.

Governmental Forces:

Police Protection: Pima County Sheriff's Department

Fire Protection: Rural Metro Fire Department

Environmental Forces:

Predominant District Use: The predominant land use in the immediate vicinity low-density single family residences on acreage lots. There are no major commercial developments in the area other than St. Philips Plaza at Campbell and River Road, and La Paloma along Sunrise Drive. Residents travel south to Tucson for shopping and employment.

The area along River Road has several parks and community centers. Parks include Brandi Fenton Memorial Park, George Mehl Foothills Park, and Rillito River Park which borders the Rillito River with walkways and bikeways. Community centers include Vision Quest, Khalsa Montessori School, The Tucson Jewish Community Center and the Tucson Hebrew Academy.

Social Forces:

Transportation Linkages: The subject is well located along the south side of River Road, west of Alvernon Way. Current average traffic along this portion of River Road is 28,841 vehicles per day. This portion has greater traffic than that portion of River Road east of Alvernon Way, which is 20,736 vehicles per day, per *Site To Do Business*. This appears to be a function of more commuters traveling east to get to Alvernon Way into Tucson, where residents further east prefer using Swan Road to travel into Tucson.

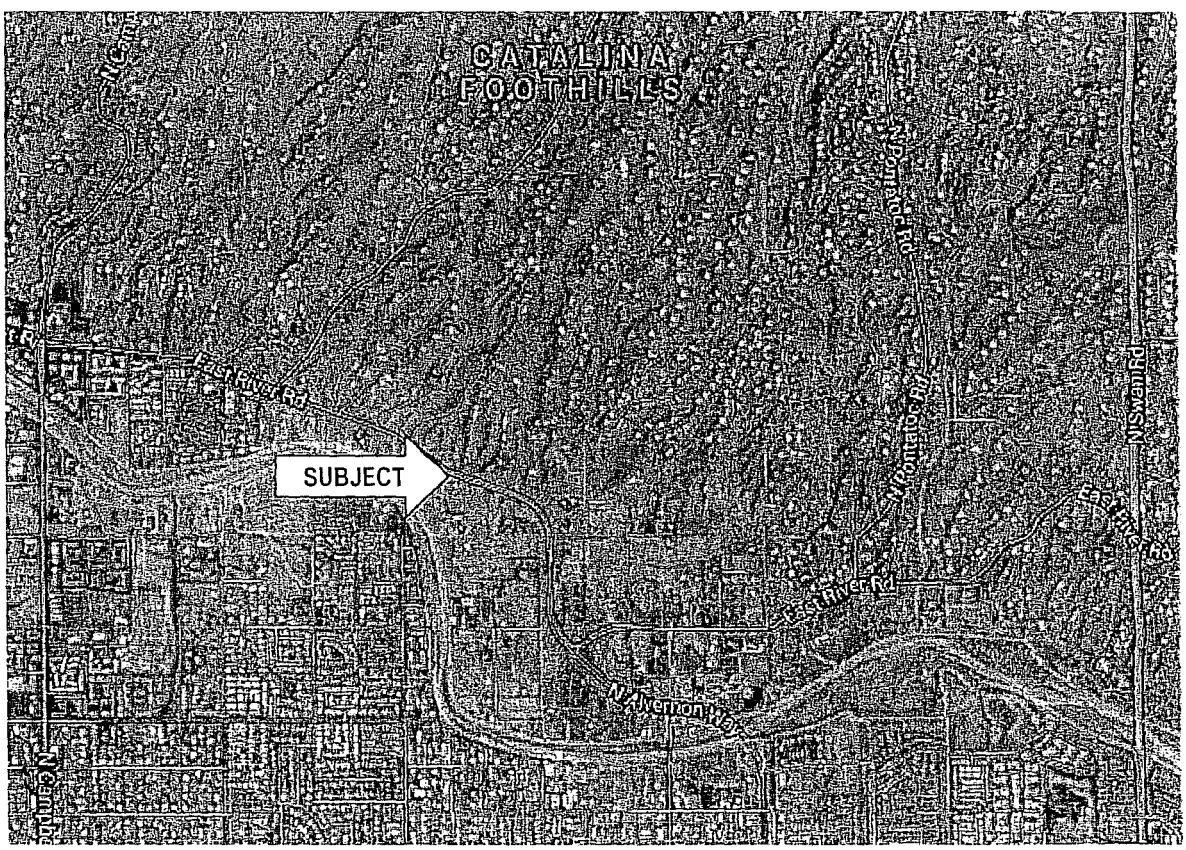
Most access roads in the subject neighborhood are winding through hilly terrain. Primary access roads are Campbell Avenue, Hacienda Del Sol, Pontatoc Road and Swan Road traversing north to south, with only Sunrise Drive and River Road being primary

east-west corridors.

Schools: Tucson Unified School District 1 south of the 4800 North address alignment. This is the school district the subject property is located within.

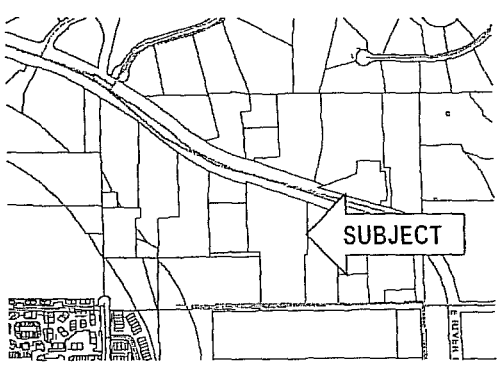
Catalina Foothills School District 16 is to the north of the 4800 North address alignment, about one mile north of the subject property.

NEIGHBORHOOD AERIAL PHOTOGRAPH



SITE ANALYSIS

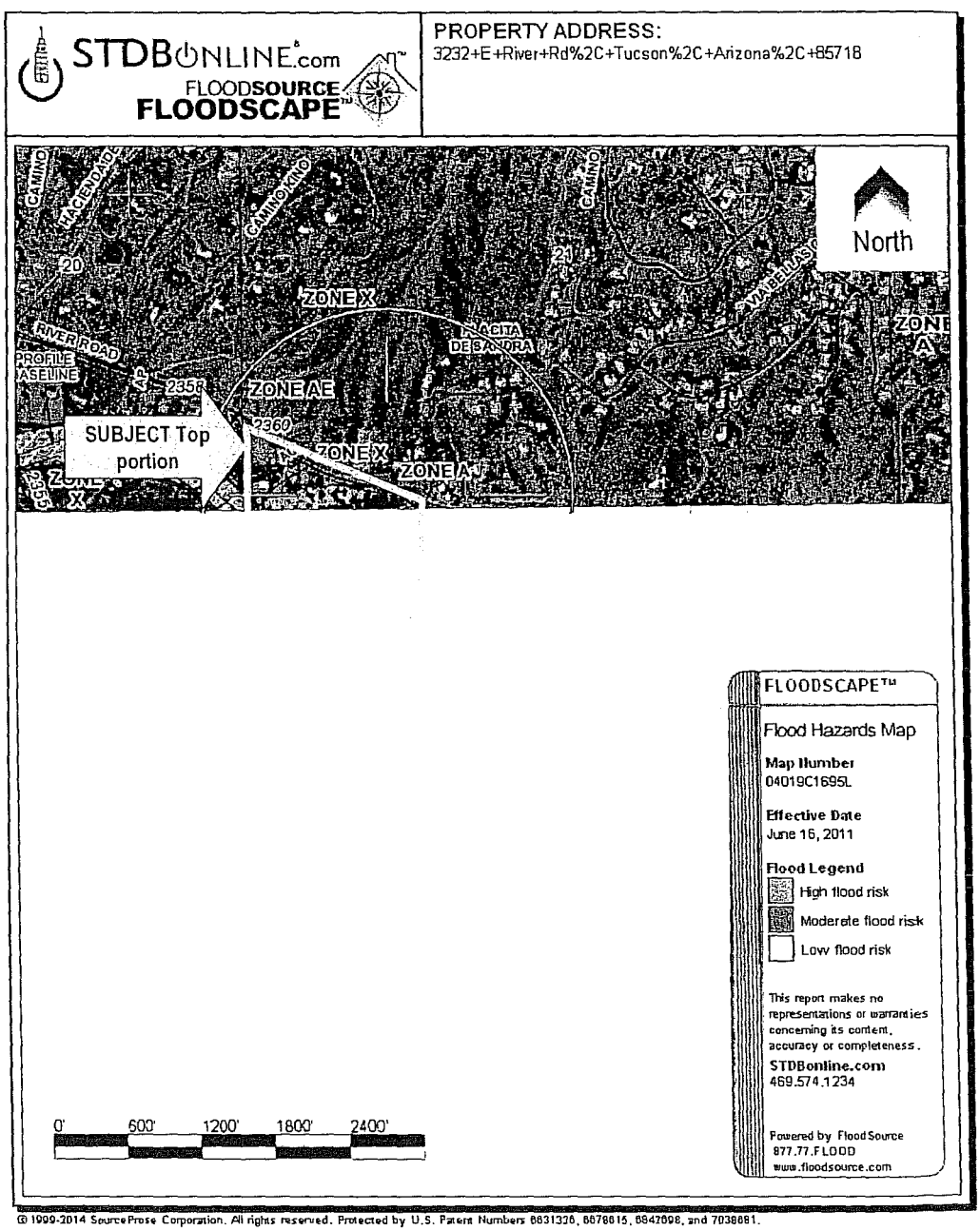
Location:	South side of River Road, west of Alvernon Way, Tucson, Pima County, Arizona.
Shape/Topography:	The subject is irregular in shape as it is comprised of 3 adjoining tax code parcels and also contours to River Road along its north boundary. The topography is flat and slightly below grade of River Road.
Access:	River Road provides direct access to the subject property via a curb cut to the existing residence bearing the street address of 3232 E. River Road. There is secondary access to the south side of the subject property along Roger Road which is a gravel road accessed from River Road.
Traffic Count:	Average of 28,841 vehicles per day in 2013 at the subject location along River Road, per *STDB*.
Surrounding Uses:	***North:*** River Road and custom homes built on acre-sized, or larger lots. ***East:*** Single family residence with horse facilities on an acreage site. ***South:*** Single family residence with horse facilities on an acreage parcel. ***West:*** Single family residences on acreage lots.
Utilities:	All utilities are to the subject property as follows. There are also a water well and septic system on site associated with the existing residence. The service providers are as follows:
Electric:	Tucson Electric Power
Telephone:	Xfinity, or private carrier
Gas:	Southwest Gas
Water:	City of Tucson
Sewer:	City of Tucson, a sewer map is shown below.

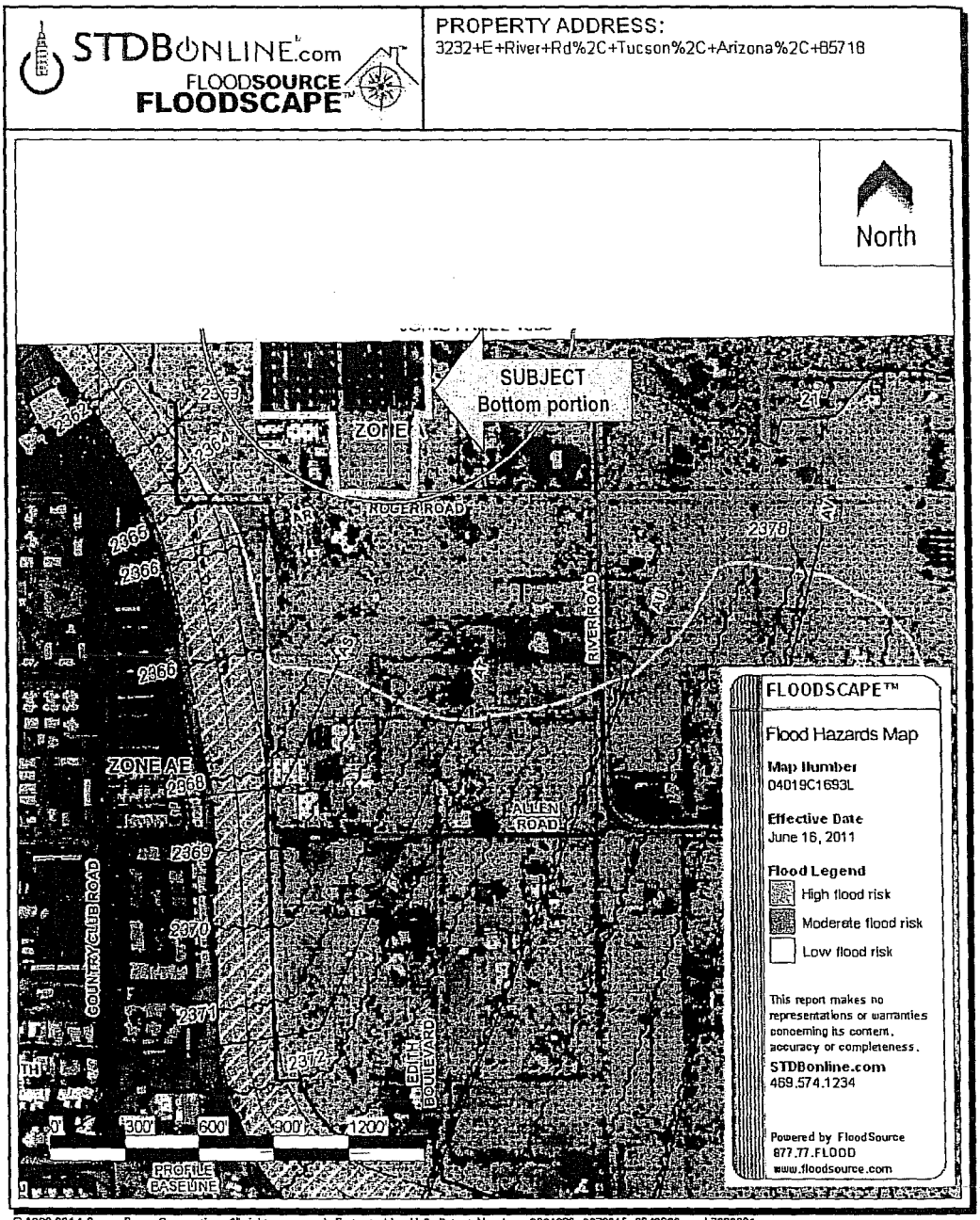


Floodplain Status: The subject property straddles two FIRM Map Panels. FIRM Map Panel 04019C1695L dated June 16, 2011 encompasses the portion along River Road. FIRM Map Panel 1693L dated June 16, 2011 encompasses most of the subject property. These FIRM panels show the subject to be located almost entirely within a Zone A Flood Hazard area.

Following are floodplain maps of the subject, delineated in an upper and lower portion.

FLOODPLAIN MAP





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As shown above, the subject is located almost entirely within a Zone A Flood Hazard area, with sheet flooding depths of 2 to 2.5 feet. Only a small portion in the extreme northwest portion of the subject adjacent to River Road is located in Zone X which is a low flood risk.

According to a report prepared by JE Fuller Hydrology & Geomorphology, Inc. dated May 28, 2014, the subject property receives a discharge runoff across the subject property of 1,400 cubic feet of water per second during sufficient rainfall events. This discharge flow is from the Finger Rock Wash, upstream north of the

subject site and flows through the subject to the Rillito River to the southwest. A copy of this report is included in the addenda of this report.

Environmental Conditions: The appraisers have not been provided any environmental studies. Although the entire acreage was not inspected, no adverse odors, soil stains or distressed vegetation was observed. Lacking an environmental assessment report, this appraisal assumes that there are no environmental conditions on or around the subject property that adversely affect its market value.

Archeological Conditions: The appraisers were provided with an Archaeological survey prepared by SWCA Environmental Consultants dated March 2014. According to this report, the subject lies within the National Registry of Historic Places (NRHP) listed Binghampton Rural Historic Landscape, identified on the NRHP Nomination Form as Parcel 12 – The Spessard Pecan Orchard and Torsell Well. Recommendations are that development plans include measures that are consistent with the qualities of the Binghampton Rural Historic Landscape. No additional evidence of prehistoric archaeological resources were discovered. A copy of this archaeological survey are included in the addenda of this report. *This appraisal assumes there are no environmental or archeological conditions that would adversely affect the value of the subject property.*

Soil & Subsoil Conditions: No published reports were provided to the appraisers. *Based on the existing uses to the south and east of the subject parcel, this appraisal assumes that the soil conditions are adequate for similar uses.*

Restrictions & Easements: No title report was provided for review by the appraisers. No adverse easements or encroachments were observed. Lacking a title report, this appraisal assumes that the subject is encumbered by typical easements that do not adversely affect value.

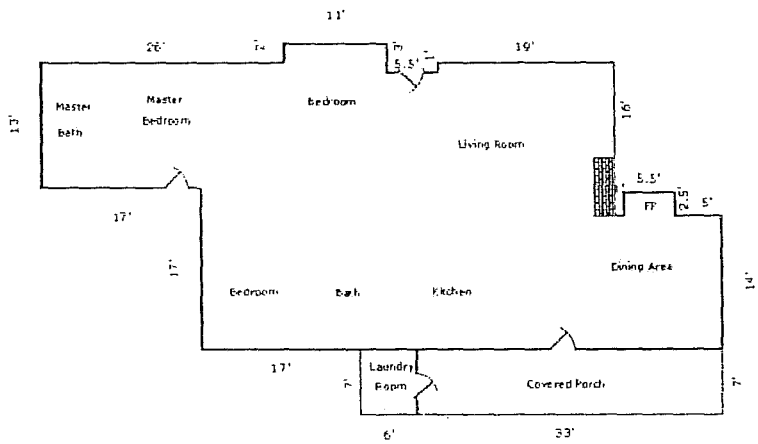
Site Improvements: The subject property is improved with an existing single family residence built in 1953, per Archaeological report. According to the appraiser's hand measurements of this home, the improvements contain 1,747 square feet as shown in the APEX generated sketch below.

SKETCH/AREA TABLE ADDENDUM

SUBJECT

Property Address			
City Tucson	County Pima	State Arizona	Zip
Borrower			
Lender/Client			
Appraiser Name			

IMPROVEMENTS SKETCH



Scale 1 = 15

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GLA1	First Floor	1747.25	1747.25
P/P	Porch	231.00	231.00
CTH	Laundry Room	42.00	42.00
Net LIVABLE Area		(rounded)	1747

LIVING AREA BREAKDOWN

Breakdown			Subtotals
First Floor			
56.00	x	14.00	784.00
61.50	x	12.00	738.00
3.00	x	44.50	133.50
2.50	x	5.50	13.75
2.00	x	11.00	22.00
1.00	x	37.00	37.00
1.00	x	19.00	19.00
7 Items		(rounded)	1747

SOUTHWEST APPRAISAL ASSOCIATES

Construction is burnt adobe masonry construction, on a concrete foundation. The roof is built-up. Condition is below average.

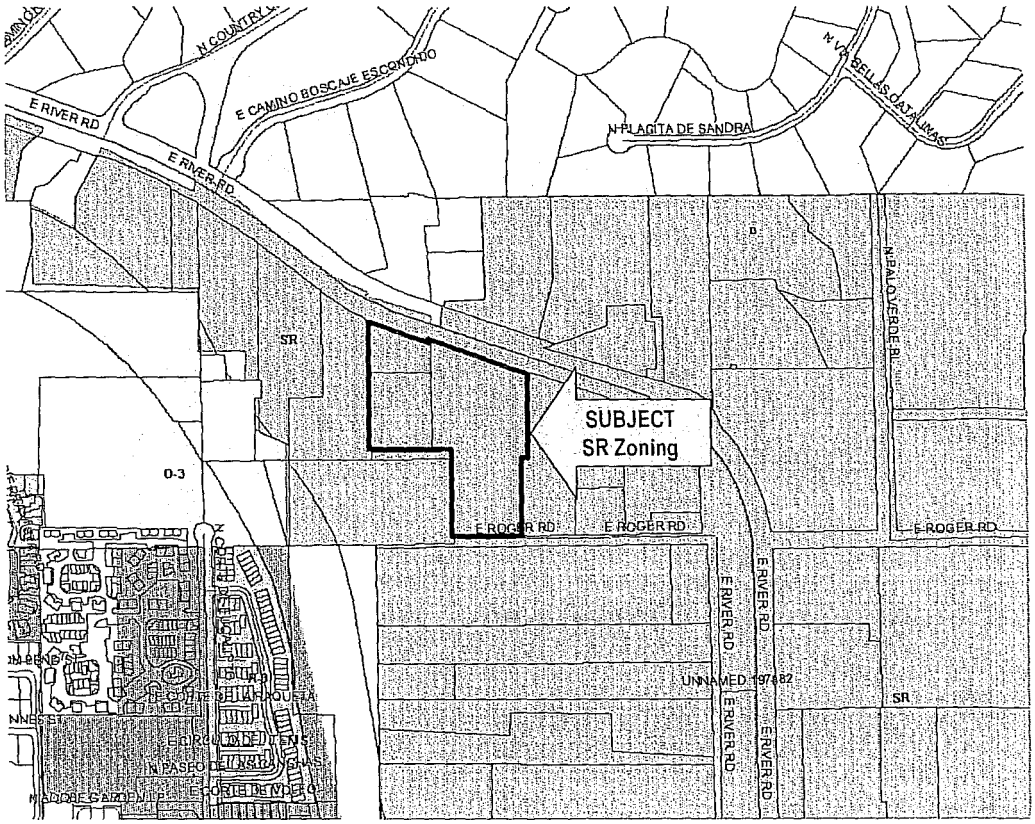
ZONING

The subject property is zoned SR, Suburban Ranch, Pima County. This low-density residential zone allows a minimum lot size of 3.3 acres. The purpose of the suburban ranch zone is to provide for low density single-family residences, commercial agricultural, and associated conditional uses on large lots. A wide range of agricultural and ranch uses is permitted. The large minimum lot size requirement insures a considerable reservation of open space. Also permitted are public and quasi-public uses such as churches, parks, and schools.

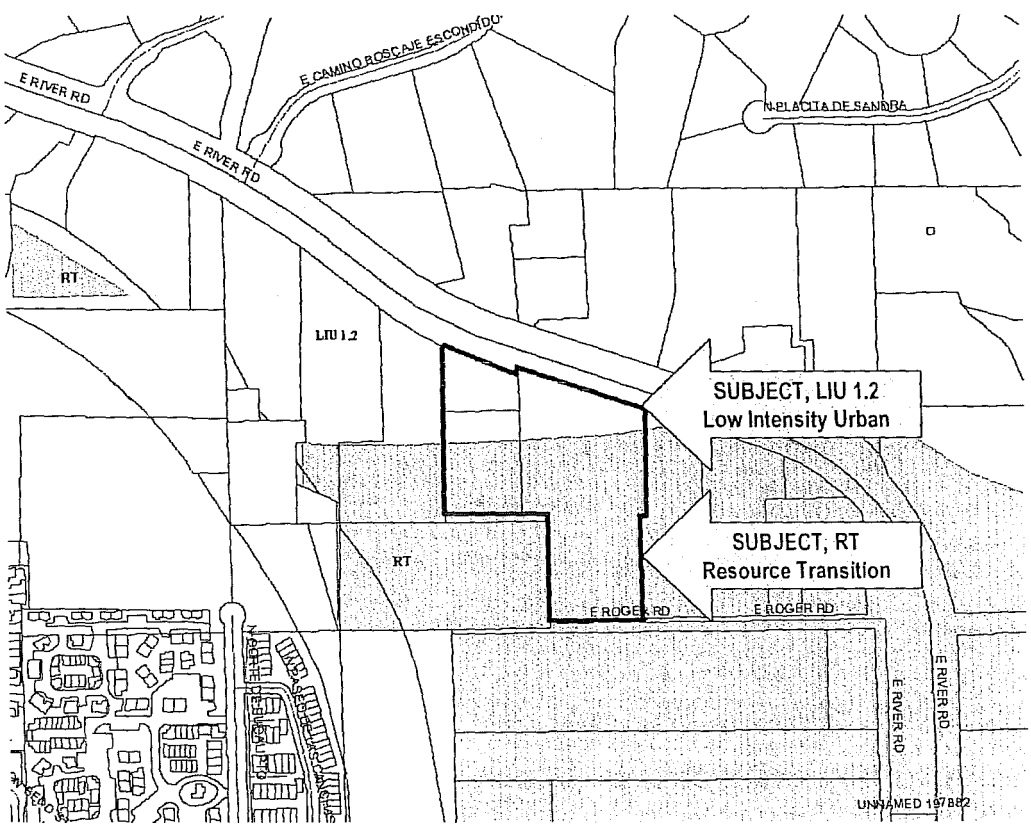
Comprehensive Plan: The subject is also encumbered by underlying land use intensities of LIU-1.2, Low Intensity Urban, and RT, Resource Transition, per *Pima County Comprehensive Plan*. Approximately the north 1/3 of the subject is labeled LIU-1.2 and the remaining bottom 2/3 labeled RT. Any potential rezoning of the subject property must comply with the permitted density indicated in the comprehensive plan. The LIU-1.2 portion would allow possible rezoning to one residence per 36,000 square feet or 0.83 acre. However, the RT category encompasses land with environmentally sensitive characteristics such as wildlife corridors, natural washes, floodplains, and buffers to public preserves. The maximum allowed density for residential development is 0.3 residences per acre or one residence per 3.3 acres.

The Zoning Map and Comprehensive Plan Map follows.

PIMA COUNTY ZONING MAP



PIMA COUNTY COMPREHENSIVE PLAN MAP



Methodology

In Arizona, property tax is based on a full cash value, (FCV) and a limited property value, (LPV). Full cash value is presumably equal to market value. There are certain exceptions (agricultural property, golf courses, and shopping centers).

Limited value is determined by statute and cannot exceed full cash value. The assessment ratio is based on the subject's classification into one of nine categories. The most common categories and their ratios are: residential property (10%); vacant land (16%); and commercial property 19.0% for 2014. This ratio for commercial property declines by 0.5% per year to 18%. For the subject property, it is 18.5%

Assessed Values

The subject is identified by the Pima County Assessor as three Assessor's Parcel Numbers 108-26-015B, -015D and -016A. These are delineated as follows.

	Full Cash Value		Limited Property Value	
Parcel	2014	2015	2014	2015
APN: 108-26-015B	$219,702	$84,502	$219,702	$84,502
$ Per S.F.	$2.98	$1.15	$2.98	$1.15
Change		-61.5%		-61.5%

	Full Cash Value		Limited Property Value	
Parcel	2014	2015	2014	2015
APN: 119-18-0930	$709,805	$273,005	$709,805	$273,005
$ Per S.F.	$2.98	$1.15	$2.98	$1.15
Change		-61.5%		-61.5%

	Full Cash Value		Limited Property Value	
Parcel	2014	2015	2014	2015
APN: 119-18-0930	$125,871	$140,210	$125,871	$132,165
$ Per S.F.	$3.14	$3.50	$3.14	$3.30
Change		11.4%		5.0%
Totals:	$1,055,378	$497,717	$1,055,378	$489,672

As shown above, the FCV and LCV is to decrease by 61.5% in 2015 for parcel numbers 108-26-015B and -015D, which are taxed as vacant parcels. The third, parcel number 108-26-016A, which has the single family residence, is to increase in FCV by 11.4% and LCV by 5.0% in 2015. The valuation of this parcel should be appealed in February 2015 when tax notices of FCV are mailed to property owners.

Property Taxes

The subject's current and projected taxes for 2013 and 2014 are below, as delineated by its three separate tax code parcels. Projected 2014 taxes are based on the 2013 taxes plus 3% per year for inflation.

Parcel	2013	2014
108-26-015B		
Total Tax	$5,068.46	$5,220.51
Per S.F.	$0.07	$0.07
Change	N/A	3.0%

Parcel	2013	2014
108-26-015D		
Total Tax	$16,375.00	$16,866.25
Per S.F.	$0.07	$0.07
Change	N/A	3.0%

Parcel	2013	2014
108-26-016A		
Total Tax	$1,762.89	$1,815.78
Per S.F.	$0.04	$0.05
Change	N/A	3.0%
Totals:	$23,206.35	$23,902.54

According to the Pima County Treasurer, the subject's taxes were paid as of the date of value.

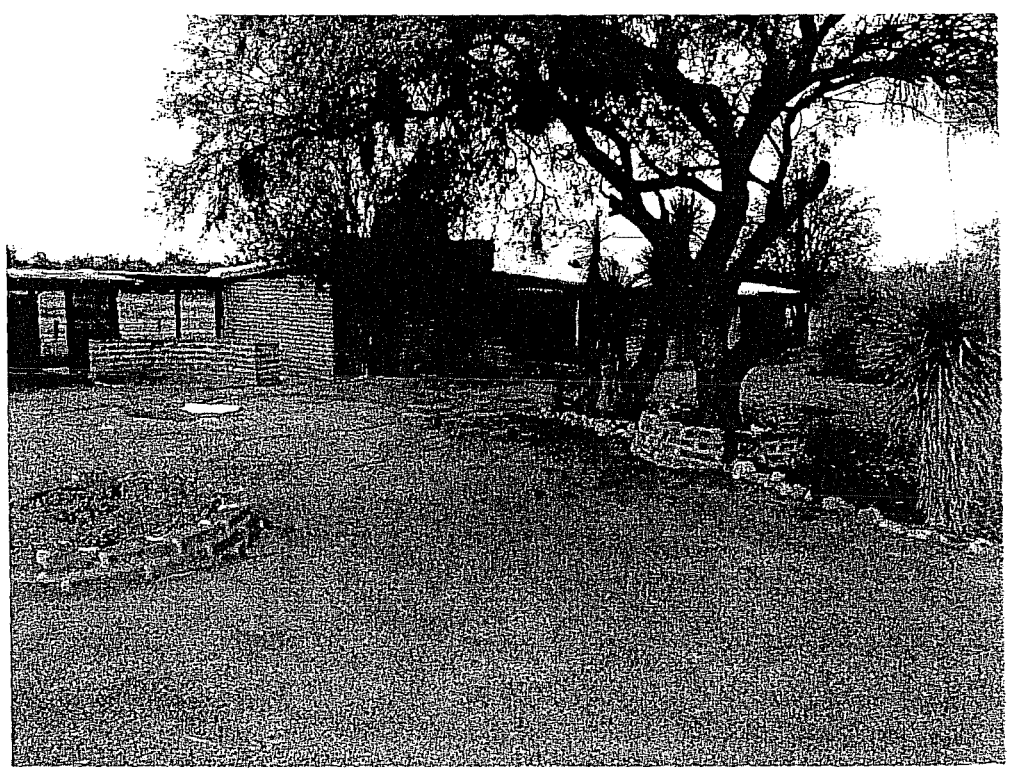
Should the subject property be classified as religious use property, a tax exempt status should be pursued.

These taxes appear to be reasonable based on a comparison with similar properties, or based on the relationship of Full Cash Value to our estimate of market value.

SUBJECT PHOTOGRAPHS

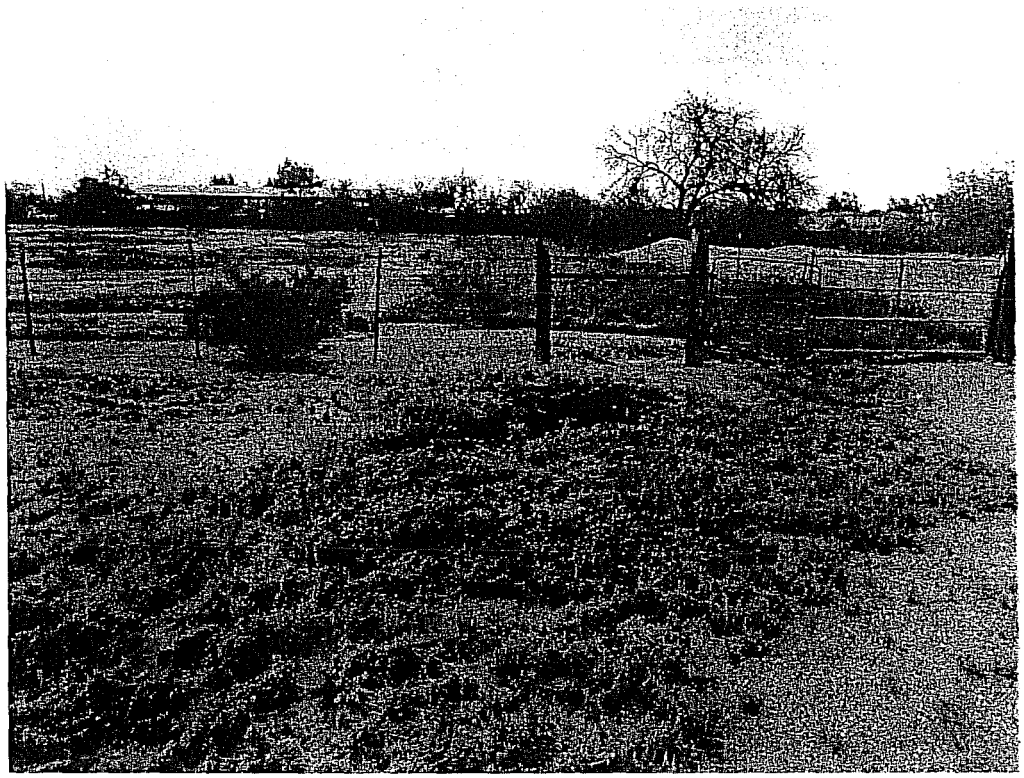
View of the subject property from River Road, looking southeast.

Single family residence on the property, looking south from River Road.

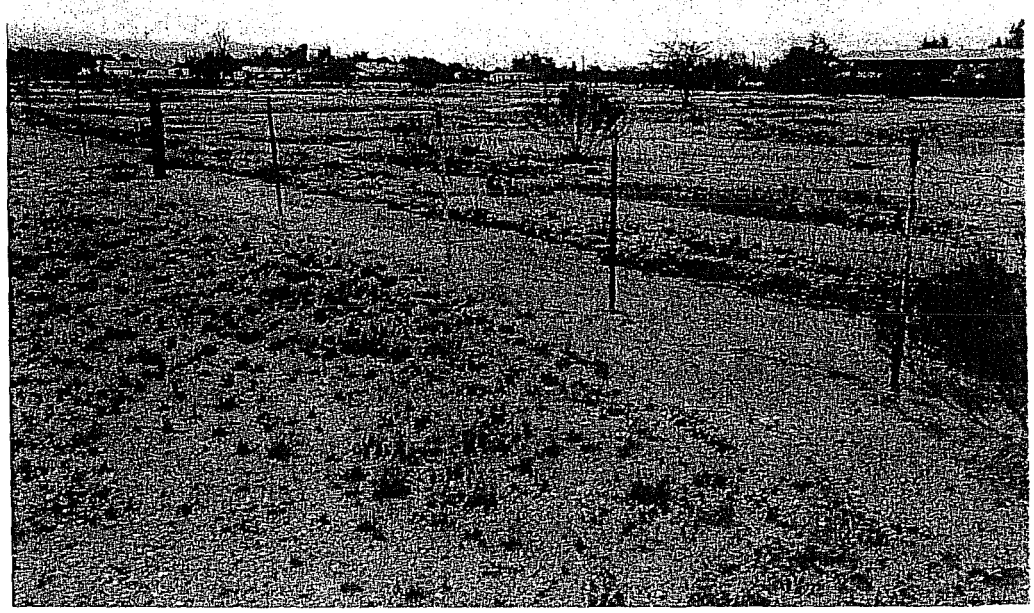


SUBJECT PHOTOGRAPHS

View of subject land, looking south.

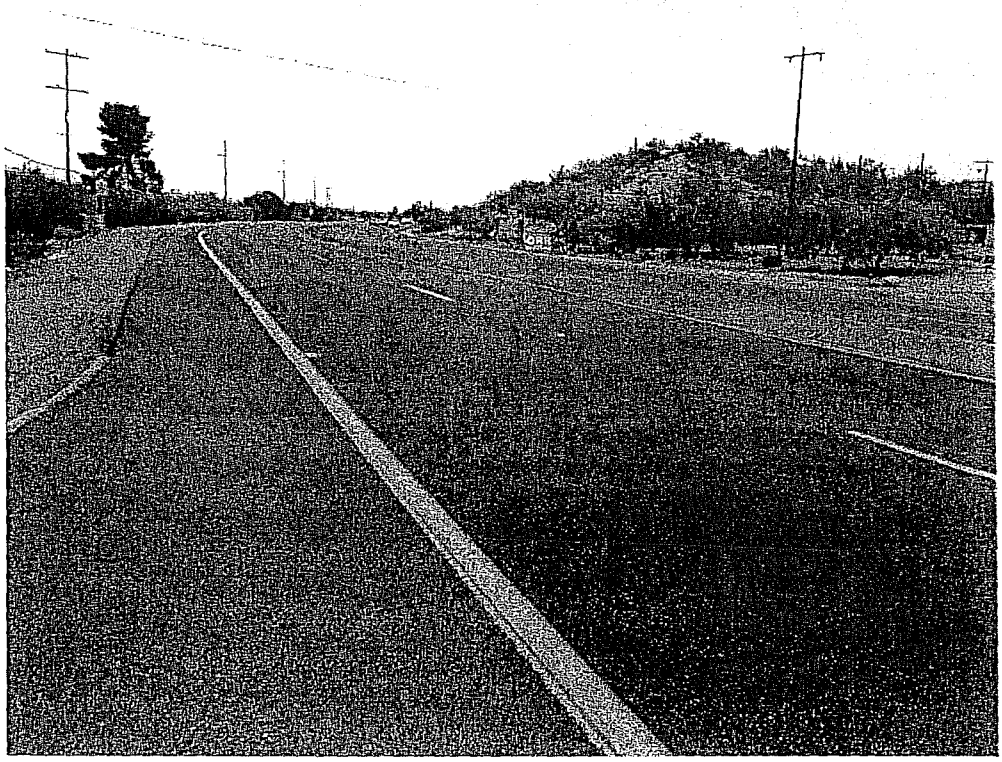


View of subject land, looking southeast.



SUBJECT PHOTOGRAPHS

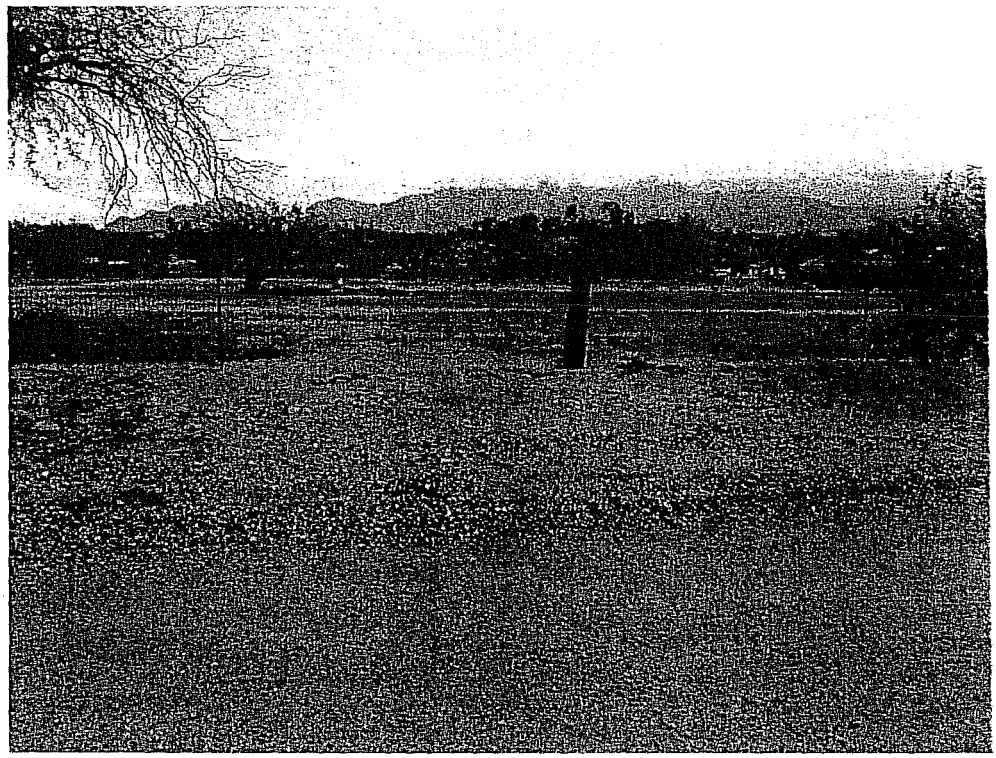
River Road, looking west, subject property to the left.



River Road, looking east, subject property to the right.

SUBJECT PHOTOGRAPHS

View of south boundary of the subject land, looking north from Roger Road.



Roger Road, looking east, subject to the left.

HIGHEST AND BEST USE

According to *The Appraisal of Real Estate, 14th Edition*, published by the *Appraisal Institute*, highest and best use is defined as:

> The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. (Page 333)

The highest and best use of the property as vacant and as improved 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.

Legally Permissible:

The legally permissible use of a site considers the existing zoning, other government regulations and deed restrictions, if any. The subject is zoned SR, Suburban Ranch, Pima County. This low-density residential zone allows a minimum lot size of 3.3 acres. The large minimum lot size requirement insures a considerable reservation of open space. Also permitted are public and quasi-public uses such as churches, parks, and schools.

Comprehensive Plan: The subject is also encumbered by underlying land use intensities of LIU-1.2, Low Intensity Urban, and RT, Resource Transition, per *Pima County Comprehensive Plan*. Approximately the north 1/3 of the subject is labeled LIU-1.2 and the remaining 2/3 is labeled RT. Any possible rezoning of the subject property woulod likely comply with the permitted density indicated in the comprehensive plan. The LIU-1.2 portion would allow possible rezoning to one residence per 36,000 square feet or 0.83 acre. However, the RT category encompasses land with environmentally sensitive characteristics such as wildlife corridors, natural washes, floodplains, and buffers to public

preserves. The maximum allowed density currently allowed by the SR zoning for residential development is 0.3 residences per acre or one residence per 3.3 acres.

Given the existing SR zoning and low density underlying Comprehensive Plan, coupled with flood prone issues, the appraisers contacted Pima County Planning and Zoning Department to get an indication of a probability of any re-zoning. According to Mr. Artemio Hoyos, planner (724-9000), the compatibility of surrounding properties affects the probability of rezoning. Given the subject's existing low-density area, and underlying Comprehensive Plan, the probability of any potential rezoning to a higher intensity use is low. Mr. Hoyos also indicated that Pima County Flood Control would also weigh into the decision-making process due to the subject's flood prone status.

The appraisers also contacted Mr. Mike Grassinger, CEO of The Planning Center (623-6146), who has extensive experience with planning and zoning issues. Mr. Grassinger indicated that the existing SR zoning has precedence over the Comprehensive plan. However, should a rezoning be pursued, the Comprehensive Plan would have to be amended in order to allow a higher density than the current LIU-1.2 and RT uses would allow for. In particular, the RT underlying use is difficult to have amended. If the plan could be amended, this process could take from ½ to one year and cost $50,000 or more to plan and engineer the proposed change. Further, neighbors along this stretch of the River Road corridor are diligent and opposed to higher density development. Annexation of the subject into the City of Tucson would also be difficult. Mr. Grassinger agrees that the probability of any potential rezoning to a higher intensity use is low.

We believe that a buyer would not consider a possible change in the comprehensive plan and a possible rezoning worthy of a premium in pricing.

Of the potential uses, development for residential uses would be unlikely as under the current SR zoning, only two residences would be permitted. Given the subject's 8.07 acre site, there would not be enough land area to develop a third site under the 3.3-acre minimum site size as8.07 acres minus 6.6 acres leaves only 1.47 acres remaining. The existing home which is in poor condition, does not fully utilize the 8.07 acre site, and would be best demolished. Of the remaining uses, only a church or other civic use would fully utilize the site. According to Mr. Mike Grassinger, any zoning type will accommodate a church.

The legally permissible use for the subject is for agricultural, residential, civic, church, or public uses that conform to the zoning regulations.

Physically Possible:

The subject is comprised of 8.07 acres. The site has level topography. The subject is located almost entirely within a Zone A Flood Hazard area, with sheet flooding depths of 2 to 2.5 feet in a 100-year flood. All utilities are available to the subject site. The subject has good access along River Road, and has secondary access along its south boundary at Roger Road.

Based on the foregoing, the physically possible use for the subject for residential use, or a civic, church, or public use.

Financially Feasible:

The subject is located on the south side of River Road. River Road receives a relatively high volume of vehicular traffic. The subject is located in north-central Tucson. There is a 1,747 square foot house in below average condition. It was built in 1958 and does not represent the highest and best use of the subject property. As such, this home would likely be demolished and removed from the site.

The subject is located almost entirely within a Zone A Flood Hazard area, with sheet flooding depths of 2 to 2.5 feet. Due to these flood depths, any new improvements would have to be raised 3 to 3.5 feet above the base elevation with earth fill for construction. Retention basins would also have to be engineered to mitigate the water flow displaced by raising any pads for improvements. Only a fractional portion in the extreme northwest portion of the subject adjacent to River Road is located in Zone X which is not a flood prone area and would not require this type of engineering. According to a report prepared by JE Fuller Hydrology & Geomorphology, Inc. dated May 28, 2014, the subject property receives a discharge runoff across the subject property of 1,400 cubic feet of water per second during sufficient rainfall events. This discharge flow is from the Finger Rock Wash, upstream north of the subject site and flows through the subject to the Rillito River to the southwest.

Given the existing SR zoning and low density underlying Comprehensive Plan, coupled with flood prone issues, the appraisers contacted Pima County Planning and Zoning Department to get an indication of a probability of any re-zoning. According to Mr. Artemio Hoyos, planner (724-9000), the compatibility of surrounding properties affects the probability of rezoning. Given the subject's existing low-density area, and

underlying Comprehensive Plan, the probability of any potential rezoning to a higher intensity use is low. Mr. Hoyos also indicated that Pima County Flood Control would also weigh into the decision-making process due to the subject's flood prone status.

The appraisers also contacted Mr. Mike Grassinger, CEO of The Planning Center (623-6146), who has extensive experience with planning and zoning issues. Mr. Grassinger indicated that the existing SR zoning has precedence over the Comprehensive plan. However, should a rezoning be pursued, the Comprehensive Plan would have to be amended in order to allow a higher density than the current LIU-1.2 and RT uses would allow for. In particular, the RT underlying use is difficult to have amended. If the plan could be amended, this process could take from ½ to one year and cost $50,000 or more to plan and engineer the proposed change. Further, neighbors along this stretch of the River Road corridor are diligent and opposed to higher density development. Annexation of the subject into the City of Tucson would also be difficult. Mr. Grassinger agrees that the probability of any potential rezoning to a higher intensity use is low.

Of the potential uses, development for residential uses would be unlikely as under the current SR zoning, only two residences would be permitted. Given the subject's 8.07 acre site, there would not be enough land area to develop a third site under the 3.3-acre minimum site size as 8.07 acres minus 6.6 acres leaves only 1.47 acres remaining. Of the remaining uses, only a church or other civic use would fully utilize the site. According to Mr. Mike Grassinger, the SR zoning will accommodate a church.

Given the weak economic recovery, flood prone designation, zoning and the low density comprehensive plan, coupled with the central location of the subject, the financially feasible use of the subject is to develop as a church property.

Maximally Productive:

The maximally productive use for the subject property is the use that is legally permissible, physically possible and financially feasible. The maximally productive use of the subject is to develop as a church property.

Conclusion:

Based on the foregoing analysis, the highest and best use of the subject is for use as a church property, or other compatible civic use.

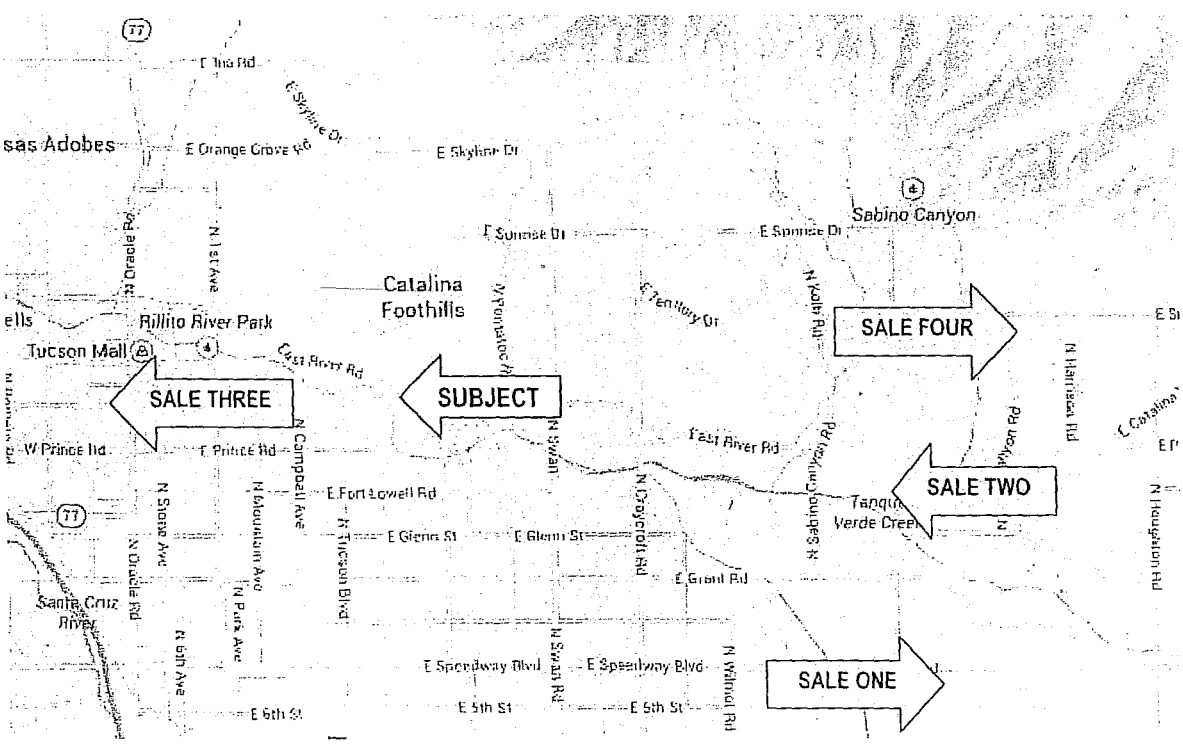
SALES COMPARISON APPROACH

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

Adjustments to the comparable sales are made for each of the following elements of comparison: real property rights conveyed, financing terms, conditions of sale, market conditions, location and physical characteristics. The most appropriate unit of comparison for this type of property is the sale price per acre. This unit of comparison is calculated by dividing the sale price by the total acreage of the comparable sale.

Here follows a map showing the location of each sale relative to the subject property, land sale data sheets, and photos. The adjustment matrix that summarizes the adjustments as they apply to the comparable sales precedes the conclusion of the analysis.

COMPARABLE LAND SALES MAP



COMPARABLE LAND SALE

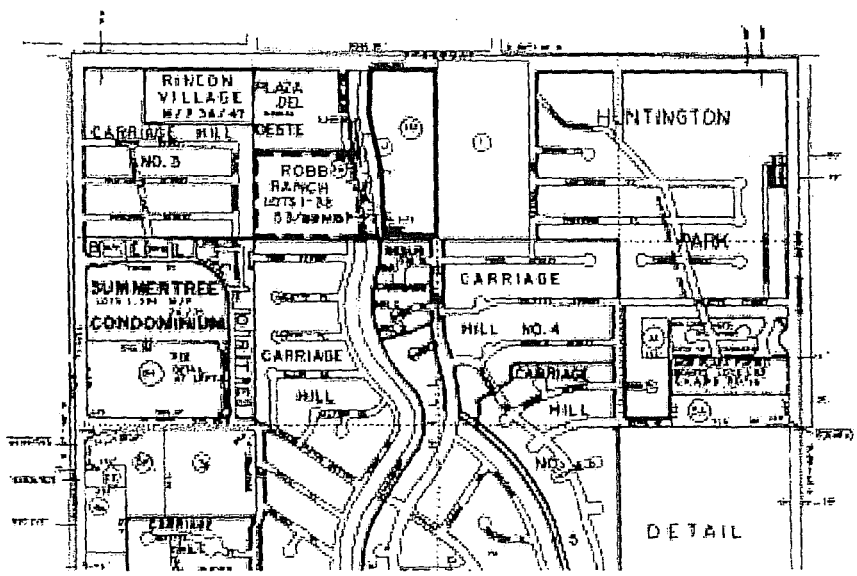
COMPARABLE:	SALE 1
LOCATION:	8200 E. Speedway Boulevard Tucson, Arizona
LEGAL DESCRIPTION:	Easterly Portion of the NE4 NW4 12.5 Acres, Section 9, T14S, R15E, G&SRB&M, Pima County, Arizona
TAX CODE NUMBER:	133-24-001G
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	August 23, 2013
Affidavit of Fee No:	20132350284
SELLER:	The Jane Robb Trust, Wells Fargo bank, NA
BUYER:	East Speedway Development LLC
SALE PRICE:	$820,000
INTEREST CONVEYED:	Fee Simple
TERMS:	$220,000 down; remainder institutional financed
CONDITIONS OF SALE:	Direct Sale
SITE SIZE IN ACRES	12.50
SALE PRICE PER ACRE:	$65,600
PHYSICAL DESCRIPTION	
General Location:	Average
Access/Visibility:	Good / Good
Topography / Shape:	Level/Irregular
Flood Zone:	Zone X
UTILITIES:	All Available

ON-SITE IMPROVEMENTS:	2,686 sq.ft. house built in 1942
ZONING:	RX-1, City of Tucson
INTENDED USE:	Hold for Investment
THREE YEAR HISTORY:	No prior sales within 3 years prior to the sale date.
MARKETING TIME:	Direct Sale; No broker involved.
CONFIRMED WITH:	CoStar Comps, Public Records
DATE CONFIRMED:	8/1/2014

COMMENTS:
This represents the sale of low density residential land with an existing home in poor condition.

14-156-L.1

SECTION 9, TOWNSHIP 14 SOUTH, RANGE 15 EAS



COMPARABLE LAND SALE

COMPARABLE:	SALE 2
LOCATION:	3131 N. Pantano Road Tucson, Arizona
LEGAL DESCRIPTION:	Central Portion of the N2 NE4 10.89 Acres in Section 32, T13S, R15E, G&SRB&M, Pima County
TAX CODE NUMBER:	114-46-006E
RECORDS:	
Instrument:	Warrant Deed
Date Recorded/Contract Date:	9/23/2013
Affidavit of Fee No:	2013 2490570
SELLER:	Harris Bank
BUYER:	Donald Brooks & Shirley Anne Leavitt Living Trust
SALE PRICE:	$575,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash
CONDITIONS OF SALE:	Market
SITE SIZE IN ACRES:	10.89
SALE PRICE PER ACRE:	$52,801
PHYSICAL DESCRIPTION	
General Location:	Average
Access / Visibility:	Average / Below Average
Topography / Shape:	Level, Irregular
Flood Zone:	Zone X

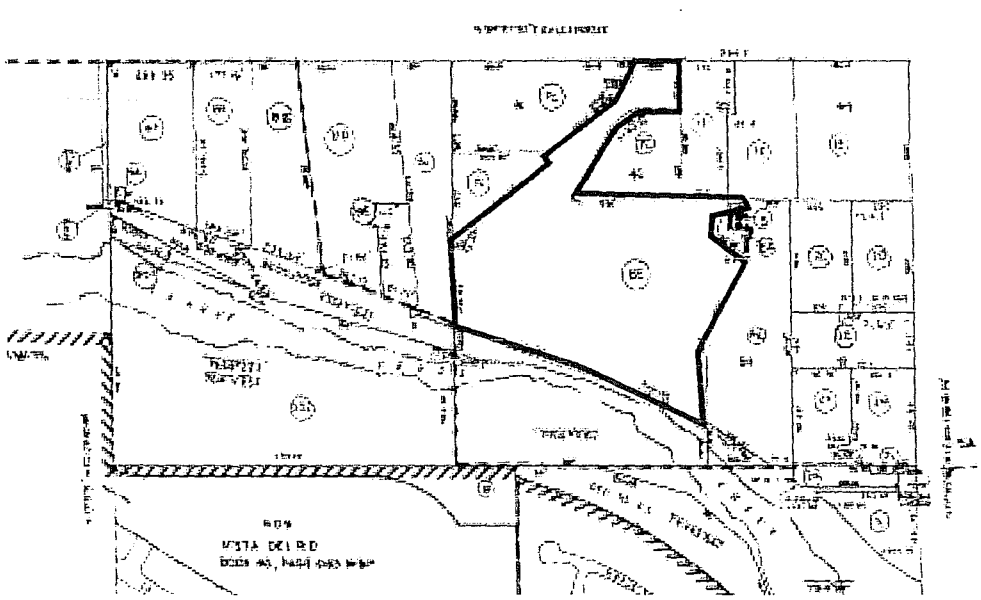
UTILITIES:	All Available
ON-SITE-IMPROVEMENTS:	An 813 sq.ft. home built in 1964, 11 animal shelters and one stable
ZONING:	SR, Pima County
INTENDED USE:	Redevelopment with a new 4,492 square foot residence
MARKETING TIME:	161 DOM
CONFIRMED WITH:	Tucson Multiple Listing Service, Public Records
DATE CONFIRMED:	8/1/2014

COMMENTS:

This sale represents the purchase of an equestrian boarding facility, which has since been redeveloped.

I.D. : 14-156-L.2

SECTION 32, TOWNSHIP 13 SOUTH, RANGE 15 EAST
DETAIL 2 NE 1/4



COMPARABLE LAND SALE

COMPARABLE:	SALE 3
LOCATION:	732 W. Roger Road Tucson, Arizona
LEGAL DESCRIPTION:	Portion S529.99' W523.58' E2 SW4 SE4 LYG N & ADJ Roger Road 6.32 Acres Section 23, T13S, R13E, G&SRB&M, Pima County
TAX CODE NUMBER:	104-09-131C
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	August 12, 2012
Affidavit of Fee No:	2014
SELLER:	Scott Brandy
BUYER:	Schoolhouse Tucson LLC
SALE PRICE:	$500,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash
CONDITIONS OF SALE:	Market
SITE SIZE IN ACRES:	6.36
SALE PRICE PER ACRE:	$78,616
PHYSICAL DESCRIPTION	
General Location:	Average
Access / Visibility:	Good / Good
Topography / Shape:	Level/Rectangular
Flood Risk:	Zone X
UTILITIES:	All Available

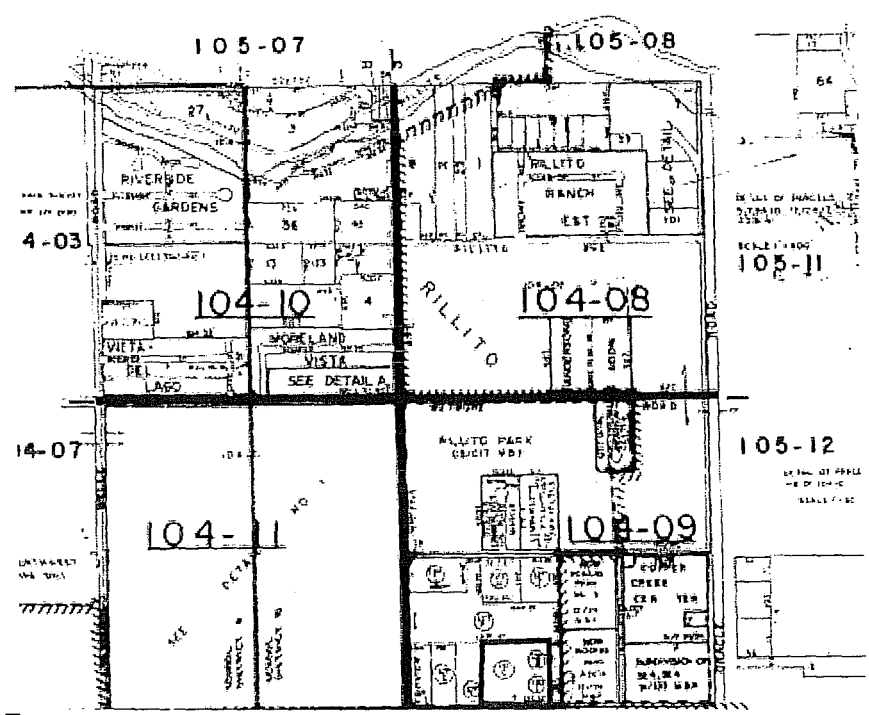
ON-SITE IMPROVEMENTS:	2,500 sq.ft. house, demolished after the sale
ZONING:	MU, Pima County
INTENDED USE:	Charter School
THREE YEAR HISTORY:	No prior sales within 3 years prior to the sale date.
MARKETING TIME:	237 days
CONFIRMED WITH:	Pat Welchert with Cushman & Wakefield/PICOR, selling broker
DATE CONFIRMED:	8/1/2014

COMMENTS:
A 35,225 square foot charter school that accommodates 500 pupils has since been built on this site.

I.D. : 14-156-L.3

ASSESSOR'S RECORD MAP

104-09-(SE 1/4) SECTION 23, TOWNSHIP 13 SOUTH, RANGE 13 E.



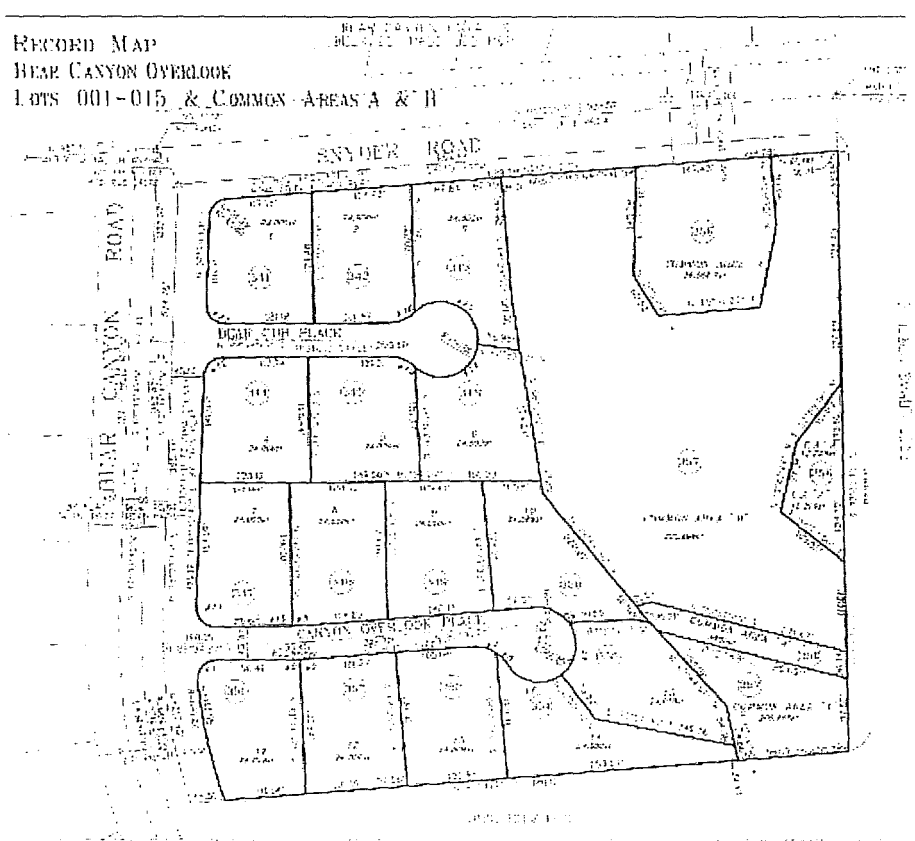
COMPARABLE LAND SALE

COMPARABLE:	SALE 4
LOCATION:	9000 E. Canyon Overlook Place Tucson, Arizona
LEGAL DESCRIPTION:	Bear Canyon Overlook ,Lots 1-15 and Common Areas A & B, 62/98
TAX CODE NUMBER:	114-19-3410 plus 16 additional
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	May 12, 2014
Docket / Page:	20141320682
SELLER:	First American Title Trust 9250
BUYER:	Scotia Joint Venture LLP, AF Sterling Homes
SALE PRICE:	$1,055,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash
CONDITIONS OF SALE:	Market
SITE SIZE IN ACRES.	14.27
SALE PRICE PER ACRE:	$73,931
PHYSICAL DESCRIPTION	
General Location:	Good
Access / Visibility:	Average / Average
Topography / Shape:	Level / Irregular
Flood Risk:	Zone X, Zone A (42%)
UTILITIES:	All Available

ON-SITE IMPROVEMENTS:	Raw Land, platted as a 15-lot subdivision site
ZONING:	CR-1, Pima County
INTENDED USE:	Develop as a residential subdivision
MARKETING TIME:	Not actively marketed
CONFIRMED WITH:	Randy Agron, with AF Sterling Homes
DATE CONFIRMED:	August. 2014

COMMENTS:
This represents the sale of a platted 15-lot residential subdivision site. Lots are clustered into approximately 24,000 square foot lots with the flood prone remainder retained as open space. This subdivision was rezoned from SR to CR-1 as part of the Agua Caliente Plan and added 15% to the land value of this transaction.

I.D. : 14-156-L.4



SALES COMPARISON ANALYSIS

Four closed land sales are included in the analysis to support a value opinion for the subject through the Sales Comparison Approach. Research for data focused on sales of land that have existing improvements such as old homes that were demolished/removed after the sale. The sales occurred between August 2013 and May 2014. Overall, the sales were the best available and they provide an adequate basis of comparison for the subject. Adjustments are considered for differences in property rights conveyed, financing terms, conditions of sale, market conditions, location, and physical characteristics.

Property Rights Conveyed:

The interest being appraised for the subject property is the fee simple interest. All of the sales involved the transfer of the fee simple interest. Adjustments are unnecessary.

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.

The transactions for Sales One through Four were cash to their respective sellers. No adjustments are made.

Conditions of Sale:

An adjustment for conditions of sale is made when the transaction was influenced by outside factors such as financial duress, lack of a sales commission, or related-party transaction. The sales were typical arms-length transactions between knowledgeable buyers and sellers. Except for Sale One, no extraordinary conditions of sale were reported. Adjustments are unnecessary for Sales Two, Three and Four. Sale One was a direct sale between the buyer and seller with no commission paid. An upward adjustment of 6%, representing a typical broker's commission is made.

Market Conditions:

An adjustment for market conditions is necessary when a net change in property value has occurred from the date of the oldest sale to the effective date of valuation of the subject property. The sales occurred between August 2013 and May 2014. The date of value for this appraisal is August 19, 2014. Market conditions have generally flattened with little or no change in land prices over the last 2 years. Thus, no adjustments are made for market conditions.

Location/Visibility/Access:

The subject has a good location along River Road, which has an average daily traffic count of 28,600 vehicles in this location. This area is also more affluent as evidenced by the higher median home values in this area. Visibility is also good due to the subject's direct frontage along River Road.

Sale One is located along Speedway Boulevard and has a daily traffic count of 27,146 vehicles. However, this area is less affluent as the median home values are lower than that of the subject location due to most of the housing here being homes in tract subdivisions. The general location is considered average and inferior to the subject's good general location. An upward adjustment is made to general location. Visibility is good due to direct frontage along Speedway Boulevard. No adjustment is made for access and visibility.

Sale Two is an interior parcel located at the end of a gravel road from Pantano Road, which does not have significant traffic. This area is also less affluent as the median home values are lower than that of the subject location due to most of the housing here being homes in tract subdivisions. The general location is considered average and inferior to the subject's good general location. An upward adjustment is made to general location. Visibility is poor as is the gravel road access to this property. An upward adjustment is made for location, inferior access, and visibility.

Sale Three is located along Roger Road and has a daily traffic count of approximately 15,000 vehicles. This area is less affluent as the median home values are lower than that of the subject location due to most of the housing here being homes in tract subdivisions. The general location is considered average and inferior to the subject's good general location. An upward adjustment is made to general location. Visibility is average due to significantly lower traffic count along Roger Road. An upward adjustment is made for location and inferior visibility.

Sale Four is located along an interior residential street with no traffic count. However, this area is similar in affluence. Median home values are similar to those of the subject location. Housing here is primarily custom homes on acre lots. The general location is considered good and similar to the subject's good general location. No adjustment is made to general location. Visibility is poor due to being located on a residential collector street. An upward adjustment is made for access and visibility.

Physical Characteristics:

Site Size:

The subject is 8.07 acres and the comparable sales range from 6.36 to 14.27 acres. The market frequently recognizes that a smaller parcel of land tends to sell at a higher price per acre. Conversely, a larger parcel of land tends to sell at a lower price per acre. No paired sale data was discovered to support adjustments for size. All of the comparables have similar sized parcels in terms of use and economies of scale. No adjustments are necessary.

Soil/Topography/Shape:

The subject is flat and has an irregular shape. However, the shape is not so irregular that it would constrain development. Comparable sales One, Three and Four are similar. No adjustments are made to these comparables. Remaining Comparable Two has very irregular shape with a portion of its site forming a narrow access strip which would not be developed with improvements. This comparable is adjusted upward for irregular shape.

Utilities:

All utilities are available to the subject. The comparable sales have similar availability of utilities. No adjustments are made.

On-Site Improvements:

The subject has a 1,747 square foot home situated on its site. All utilities are available to the subject. This is an older home in poor condition, built in 1958, and does not represent the highest and best use of the subject property. As such this home would most likely be demolished and removed from the site. Comparables One, Two and Three also sold with similar improvements that will be demolished and removed. No adjustments are made. Remaining Comparable Four sold as vacant land with no improvements. Using an estimated demolition cost of about $8,800, or $5 per square foot, to remove the subject's house, a downward adjustment is applied to Sale Four.

Floodplain Status:

According to the FIRM Map, the subject is located almost entirely in Zone A, within a floodplain. Except for Sale Four, the comparable sales are outside of the flood plain. These sites would not require additional engineering or raised pads to support improvements. Downward adjustments are made to each of these sales. Remaining Comparable Four has 42% of its site within a floodplain, with this portion retained as open

space as part of a subdivision plat. A lesser downward adjustment is made for the portion of this site that is not flood prone and shall be improved with finished lots.

Zoning/Intended Use:

The subject is zoned SR, Suburban Ranch which allows one home per 144,000 square feet. It is also encumbered by the underlying Comprehensive Plan which would limit any potential to rezone to a higher density. Comparable Two is also zoned SR and is not adjusted for zoning. Comparable One is zoned RX-1 which allows individual site sizes of 36,000 square feet which is a superior zoning. It is adjusted downward. Comparable Three is zoned MU, Multiple Use which also allows higher density, depending on use. A downward adjustment is warranted. Comparable Four was rezoned from SR to CR-1 under the Agua Caliente plan and platted into a 15-lot subdivision site. Due to the superior rezoning and plat, this comparable is adjusted downward.

The zoning, density, and permitted uses can greatly affect a land parcel's price per acre. Less than one mile to the west of the subject at 2720 East River Road, is a 7.91-acre parcel that sold for $2,623,000 or $331,606 per acre on October 3, 2012. This parcel was zoned TR, Transitional, which allows high density residential, office, and some commercial uses. This property was also located outside of a flood zone. A 6.33-acre portion was used to develop an assisted living facility and a 1.77-acre portion was sold for $650,000 for development of a medical office building. This sale was not utilized as a Comparable due to the significantly higher sale price resulting from different zoning, developability, and intended use.

The adjustments that are applied to the comparable sales are summarized on the following matrix.

LAND SALES ADJUSTMENT MATRIX

	SALE 1		SALE 2		SALE 3		SALE 4	
	8200 E. Speedway	Price / Acre Adjustments	3131 N. Pantano Road	Price / Acre Adjustments	732 W. Roger Road	Price / Acre Adjustments	9000 E. Canyon Overlook Pl	Price / Acre Adjustments
	$820,000	$65,600	$575,000	$52,801	$500,000	$78,616	$1,055,000	$73,931
	Fee Simple 0%	$0	Fee Simple 0%	$0	Fee Simple 0%	$0	Fee Simple 0%	$0
		$65,600		$52,801		$78,616		$73,931
er	Cash to seller 0%	$0	Cash 0%	$0	Cash 0%	$0	Cash 0%	$0
		$65,600		$52,801		$78,616		$73,931
	Direct Sale 6%	$3,936	Market 0%	$0	Market 0%	$0	Market 0%	$0
		$69,536		$52,801		$78,616		$73,931
	August 23, 2013 0%	$0	September 23, 2013 0%	$0	March 26, 2014 0%	$0	May 12, 2014 0%	$0
		$69,536		$52,801		$78,616		$73,931
	Average 25%	$17,384	Average 25%	$13,200	Average 25%	$19,654	Good 0%	$0
	Good/Good 0%	$0	Average/Below Average 20%	$10,560	Good / Good 5%	$3,931	Average / Average 20%	$14,786
	12.50 0%	$0	10.89 0%	$0	6.36 0%	$0	14.27 0%	$0
ır	Level/Irregular 0%	$0	Level, Irregular 10%	$5,280	Level/Rectangular 0%	$0	Level / Irregular 0%	$0
:	All Available 0%	$0	All Available 0%	$0	All Available 0%	$0	All Available 0%	$0
use	2,686 sq.ft. house 0%	$0	813 sq.ft. house + bldgs 0%	$0	2,500 sq.ft. house 0%	$0	Raw Land -1.4%	-$1,035
d	Zone X, Minimal Risk -10%	-$6,954	Zone X, Minimal Risk -10%	-$5,280	Zone X, Minimal Risk -10%	-$7,862	Zone X, Zone A (42%) -5%	-$3,697
nty	RX-1, City of Tucson Investment -15%	-$10,430	SR, Pima County Redevelop 0%	$0	MU, Pima County Redevelop/ charter school -10%	-$7,862	SR to CR-1, Pima County Platted Subdivision -15%	-$11,090
CE / ACRE		$69,536		$76,561		$86,478		$72,896

Summary and Conclusion:

Prior to adjustments, the comparable land sales provide value indicators in the range of $52,801 to $78,616 per acre. After adjustments for the appropriate elements of comparison, the estimated value range for the subject property is from $69,536 to $82,547 per acre. Based on the foregoing, it is our opinion that the market value for the subject, as of August 19, 2014, is $80,000 per acre, calculated as follows:

$80,000/ACRE X 8.07 ACRES = $645,600

Rounded to: $650,000

"AS IS" MARKET VALUE OPINION FOR
THE 8.07 ACRES THAT COMPRISE THE SUBJECT.....$650,000

EXPOSURE TIME

Exposure time is defined as: "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive market."[5]

The reported marketing times from the comparable sales and other market data are analyzed to support the estimated exposure time for the subject property. There was no marketing time for Sale One as it was a direct sale with no broker involved. The marketing time for Sale Two was reported to be about 5.4 months. The marketing times for Sale Three was undisclosed. Sale Four was not actively marketed although there was broker involvement. Based on the data and interviews with local participants, the exposure time for the subject property is estimated to be 12 months or less.

[5] *The Dictionary of Real Estate Appraisal, 5th Ed.*, Appraisal Institute, 2010, p 73

CERTIFICATION

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

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

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

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

I have performed no other services as an appraiser or in any other capacity regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

My 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 t the intended use of the appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared in accordance with the standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and any governmental authorities referenced within the appraisal report, including but not limited to the FDIC, OCC, FHLBB, and RTC.

I have not made a personal inspection of the property that is the subject of this report.

No one provided significant professional assistance to the person(s) signing this certification, except as stated in the report.

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

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

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute. The use of this report is subject to the requirements relating to review by its duly authorized representatives.

I hereby certify that I am competent to complete the appraisal assignment. The reader is referred to appraisers Statement of Qualifications.

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

The "Opinion of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

As of the date of this report, Steven R. Cole has completed the continuing education program of the Appraisal Institute.

Date: September 4, 2014

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

QUALIFICATIONS OF STEVEN R. COLE, MAI, SRA

FORMAL EDUCATION:

Bachelor of Arts Degree with high honors, University of California, Santa Barbara, 1971

Masters Degree in Business Administration, University of California, Los Angeles, 1973. 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"

Attendance at Numerous Educational Seminars:

"2003 Real Estate Update/Forecast - March, 2003
"Fair Housing in America - The Basics, February, 2002
"Conservation Easements, June, 2001
"2001, A Tucson Odyssey, February, 2001
"State of the Valuation Profession", February, 2001
"Residential Econometrics", May, 2000
"Attacking & Defending an Appraisal in Litigation", January, 2000
"Partial Interest Valuation - Undivided", March, 2000

PROFESSIONAL MEMBERSHIPS:

Member, Appraisal Institute (MAI), Certification Number 6080. The institute conducts a voluntary program of continuing education for its designated members. MAIs and RMs 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, 2017.

Senior Residential Appraiser (SRA), of the Appraisal Institute

Qualifications of Steven R. Cole, MAI, SRA.....

Arizona Certified General Real Estate Appraiser Number 30130. Currently certified through August 31, 2014

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, leased fee 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, Pima Community College for "Real Estate Appraisal Principals" and "Basic Valuation Procedures", 2000-2004

Instructor for Tucson Board of Realtors, American Bar Association, Brodsky School of Real Estate, and Hogan School of Real Estate

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 1989-2002.

APPROVED APPRAISER:

With most major commercial banks and mortgage companies in Arizona.

STATE OF ARIZONA

BOARD OF APPRAISAL

BE IT KNOWN THAT

STEVEN R. COLE

HAS MET ALL THE REQUIREMENTS AS A

Certified General Real Estate Appraiser

In accordance with Arizona Revised Statutes and on authority of the Board of Appraisal, State of Arizona.

This certificate shall remain evidence thereof unless or until the same is suspended, revoked or expires in accordance with the provisions of law.

CERTIFICATE NUMBER
30130

EXPIRATION DATE
August 31, 2014

STATE OF ARIZONA
DITAT DEUS
BOARD OF APPRAISAL

In witness whereof the Arizona Board of Appraisal caused to be signed by the Chair of the Board and the Executive Director

Chair, Board of Appraisal — Vice Chairperson — 7/24/12 Date

SHALL REMAIN PROPERTY OF ARIZONA BOARD OF APPRAISAL

CERTIFICATION

THE APPRAISER CERTIFIES THAT:

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

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions.

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

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within a three-year period immediately following preceding acceptance of this assignment.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event. I have performed this appraisal without instructions or pressure from anyone who desires a specific value conclusion or value conclusions within a given range.

My analyses, opinions, and conclusions were developed, and this report has been prepared in accordance with the standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and any governmental authorities referenced within the appraisal report.

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

The "Opinion of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute. The use of this report is subject to the requirements relating to review by its duly authorized representatives.

I hereby certify that I am competent to complete the appraisal assignment. The reader is referred to appraiser's Statement of Qualifications.

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

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

Date: September 4, 2014

Thomas W. Kral, MAI, SRA
Certified General Real
Estate Appraiser #30960

QUALIFICATIONS OF THOMAS W. KRAL, MAI, SRA

State of Arizona Certified General Real Estate Appraiser, Certificate #30960 (9/30/2014)

PROFESSIONAL EXPERIENCE

2014 - Present	Southwest Appraisal Associates, Inc., as a Real Estate Appraiser and Valuation Analyst, Tucson, Arizona
2002 - 2014	AXIA Real Estate Appraisers, as Commercial Real Estate Appraiser and Valuation Analyst, Tucson, Arizona
2000 - 2002	Baker, Peterson, Baker, & Associates, as Staff Appraiser in Commercial and Residential valuation, Tucson, Arizona
1993 - 1999	Mahoney & Associates, as Staff Appraiser in Commercial and Residential Valuation, Tucson, Arizona
1997	Central Arizona Realty Educators, as Real Estate Instructor teaching broker and pre-licensing courses in real estate appraisal principles, new construction, and environmental issues, Tucson, Arizona.
1993 - 1997	ERA Gem Realty, as Real Estate Salesperson and in-house instructor, Tucson, Arizona.

PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS

Member #399162 of the Appraisal Institute MAI and SRA. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's and SRA's who meet the minimum standards of this program are awarded periodic educational certification. Mr. Kral received his designations in 2012.

Registered Real Estate Instructor, State of Arizona.

FORMAL EDUCATION

Bachelor of Science Degree, Business Administration with a major in Real Estate with an accounting background, University of Arizona, Tucson, 1993

Bachelor of Science Degree, Business Administration with a major in Finance, University of Arizona, Tucson, 1991

PROFESSIONAL EDUCATION

"Real Estate Principles", University of Arizona
"Federal Tax Accounting", University of Arizona
"Real Estate Finance", University of Arizona
"Corporate Finance", University of Arizona
"Corporate Financial Investments", University of Arizona
"Financial Banking Investments", University of Arizona

Qualifications of Thomas W. Kral, MAI, SRA (Continued)

"Real Estate Appraisals", University of Arizona
"Urban Growth and Development", University of Arizona
"Real Estate Law", University of Arizona
"Location Analysis", University of Arizona

APPRAISAL INSTITUTE (courses and examinations)

All required classes to obtain both MAI and SRA Designations and in conformance with the Appraisal Institute's requirements for continuing education.

SCOPE OF PRACTICE

Experience in appraisal of all types of real estate, including right-of-way condemnation, residential, residential income, commercial, industrial, acreage, subdivision, planned communities and special purpose properties. Appraisal assignments have been completed in Pima, Cochise, Santa Cruz, Pinal, Graham, Greenlee, Maricopa, Navajo, Coconino, Yavapai, and Yuma Counties within the State of Arizona.

QUALIFIED APPRAISER FOR

1ST Bank Yuma
AEA Federal Credit Union
ALC Financial Corporation
Alliance Bank
Bank of America
Bank of Tucson
Business Development Finance Corp.
Canyon Community Bank
Commerce Bank of Arizona
Compass Bank
Conseco Finance
Cottonwood Properties
Diamond Ventures
GMAC Mortgage
John Wesley Miller Company
JPMorgan Chase
KeyBank National Association
M&I Bank
National Bank of Arizona
National Church Residences
Northern Trust Bank of Arizona
Property Reserve, Inc.
Sharpe & Associates
Southern Arizona Community Bank
Sunstate Bank
Washington Federal Savings
Wells Fargo Bank

STATE OF ARIZONA

BOARD OF APPRAISAL

BE IT KNOWN THAT

THOMAS W. KRAL

HAS MET ALL THE REQUIREMENTS AS A

Certified General Real Estate Appraiser

In accordance with Arizona Revised Statutes and on authority of the Board of Appraisal, State of Arizona.

This registration shall remain evidence thereof unless or until the same is suspended, revoked or expires in accordance with provisions of law.

CERTIFICATE NUMBER

30960

EXPIRATION DATE

September 30, 2014

In witness whereof the Arizona Board of Appraisal caused to be signed by the Chair of the Board

Chair, Board of Appraisal

8/29/12

Date

SHALL REMAIN PROPERTY OF ARIZONA BOARD OF APPRAISAL

STATE OF ARIZONA BOARD OF APPRAISAL

ADDENDA

Hydrology Report
Archaeological Survey

Hydrology Report

Existing Conditions Floodplain Modeling Report for Pima County Parcels 108-26-015D, 108-26-016A & 108-26-015B

Submitted:
May 2014

Location:
The site is located within a portion of the southwest
quarter of Section 21, Township 13 South, Range 14 East
Gila and Salt River Meridian,
Pima County, Arizona

Prepared For:
Saint Demetrios Greek Orthodox Church Inc
Attn: Dr. Angela Zerdavis
1145 E Fort Lowell Rd.
Tucson AZ 85719-2116

Prepare By:
JE Fuller Hydrology & Geomorphology Inc.
40 East Helen Street
Tucson, Arizona 85705
520-623-3112
http://www.jefuller.com
Contact: Ian P. Sharp, P.E., CFM
ian@jefuller.com

Registered Professional Engineer (Civil)
CERTIFICATE NO.
43845
IAN PATRICK
SHARP
DATE SIGNED 05/28/2014
ARIZONA U.S.A.
Expires 3/31/2015

JE FULLER
HYDROLOGY & GEOMORPHOLOGY, INC.

DEFINE | COMMUNICATE | SOLVE

TEMPE
Jon Fuller, PE, RG, PH, CFM, DWRE
Jeff Despain, PE, CFM
Annette Griffin, AAS
Brian Iseman, PE, CFM
Mike Kellogg, RG, CFM
Ted Lehman, PE
Robert Lyons, PE, CFM
W. Scott Ogden, PE, CFM
Patricia Quinn, PE, RLS, AVS
Tyler Azeltine, BA
Ethan Rode
Peter Acton, EIT

TUCSON
John Wallace, PE, CFM
Cyrus Miller, PE, CFM
Chris Rod, PE
Ian Sharp, PE, CFM
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May 28, 2014

Saint Demetrios Greek Orthodox Church Inc
Attn: Dr. Angela Zerdavis
1145 E Fort Lowell Rd.
Tucson AZ 85719-2116

RE: Project Summary Report for Task 1

Dr. Zerdavis:

JE Fuller/Hydrology & Geomorphology, Inc., (JEF) has prepared this report to document floodplain modeling for your properties along River Road. We discussed the preliminary findings with representatives from Saint Demetrios in a meeting on May 22nd. This letter memorializes our findings and the methods used to determine the extent of flooding on your property.

The work we performed included modeling the 100-year, regulatory flood across the property with flooding coming primarily from the Finger Rock Wash and secondarily from several smaller watercourses from the north of the wash. This model defined the flow depths and velocities across the property as well as the discharge, or rate of flow across the property. We have used the model results to prepare the maps included within the report to show the extent of flooding within the area and the subject property.

The regulatory discharge for the Finger Rock Wash is 5,590 cfs at Alvernon Way, upstream of the site. This flow disperses as it flows west and south towards the Rillito Creek. With the addition of some inflow from the north, the discharge across your property is reported by the model to be 1,400 cubic feet per second (cfs). For reference, this is equivalent to about 630,000 gallons per minute, or over 400 fully open residential fire hydrants. The depths reported by the model vary across the site but are around 2 feet deep on average, up to 2.5 feet in the middle of the site.

This letter concludes our effort under Task 1 of our current agreement. We will not proceed with Task 2 unless otherwise directed by your organization.

Sincerely,
JE Fuller/Hydrology & Geomorphology, Inc.

Ian P. Sharp

Ian P. Sharp, P.E., CFM
Project Engineer

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FIGURES

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APPENDICES

Appendix 1. Exhibits
Appendix 2. Field Photos

1 INTRODUCTION

1.1 Project Overview

Saint Demetrios Greek Orthodox Church currently owns a mostly vacant but previously disturbed property within the Finger Rock Wash floodplain, between River Road and the Rillito Creek. Due to the complexity of the floodplain, JE Fuller/Hydrology & Geomorphology, Inc., (JEF) was retained to prepare a two-dimensional flood routing model to determine the extent and magnitude of flooding within the subject property.

The project site, shown on Figure 1, is composed of 3 contiguous properties that are within a FEMA Zone A floodplain, see Figure 2. JEF prepared a FLO-2D model for the Finger Rock Wash using an inflow hydrograph obtained from the Finger Rock Wash Letter of Map Revision (LOMR). Additional direct rainfall runoff was modeled for the tributaries entering the Finger Rock Wash complex from the north, between Alvernon Way and the Rillito Creek. This report summarizes the results of the analysis.

1.2 Project Location

The project site is located along the south side of River Road, just east of the Rillito Creek. The project includes Parcels 108-26-015D, 108-26-016A & 108-26-015B. These parcels are located within Section 21, Township 13 South, Range 14 East of the Gila and Salt River Meridian, and within unincorporated Pima County, Arizona.

1.3 Objectives

The objectives of this task were to model the flow depths and velocities at the project site due to flooding from the Finger Rock Wash.

1.4 Model

One model has been prepared for this project to model the 100-year, 3-hour storm for the Finger Rock Wash through the project site. A copy of this model has been retained by JEF and can be provided to the client if requested.

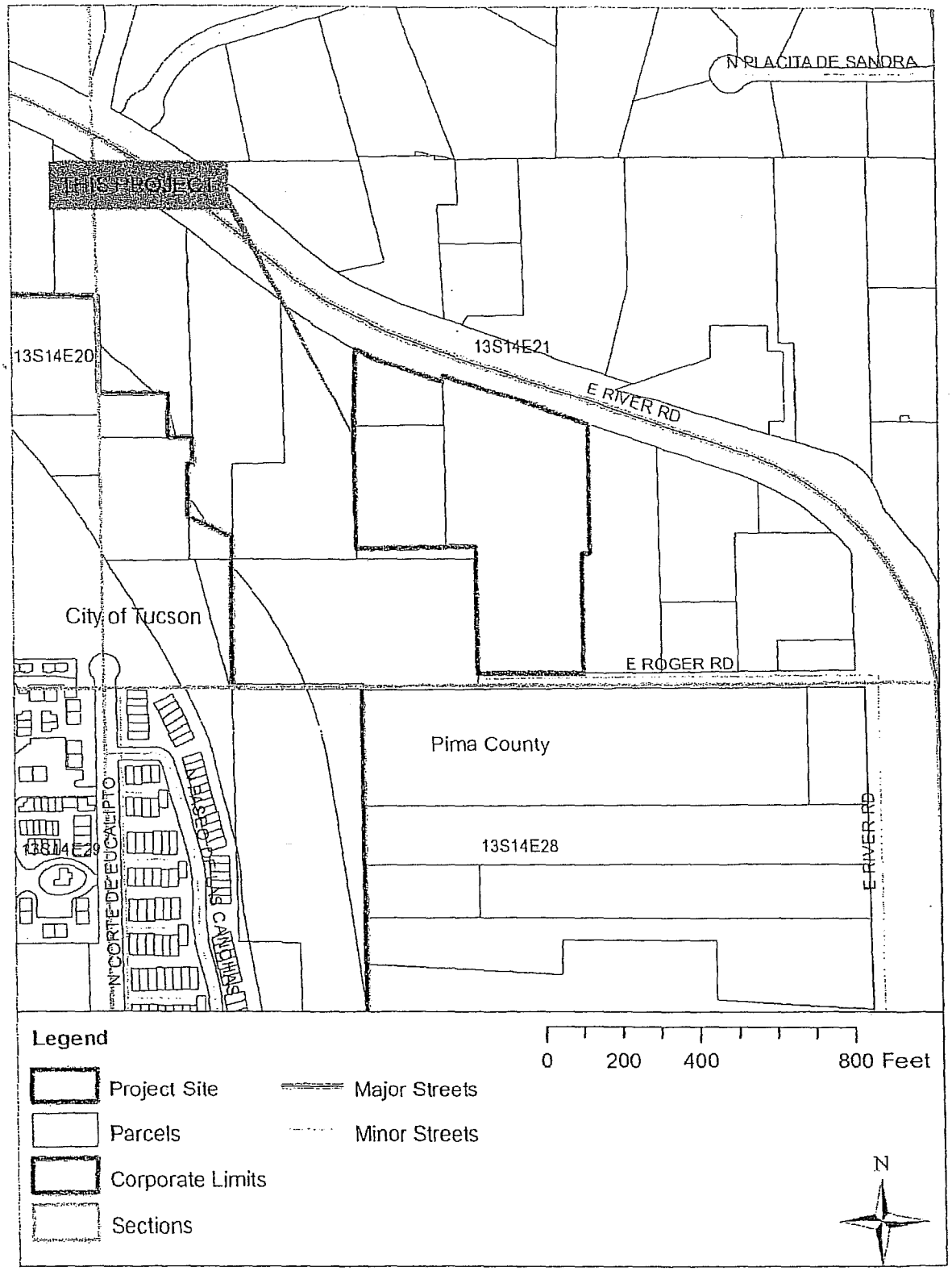


Figure 1. Project location map.

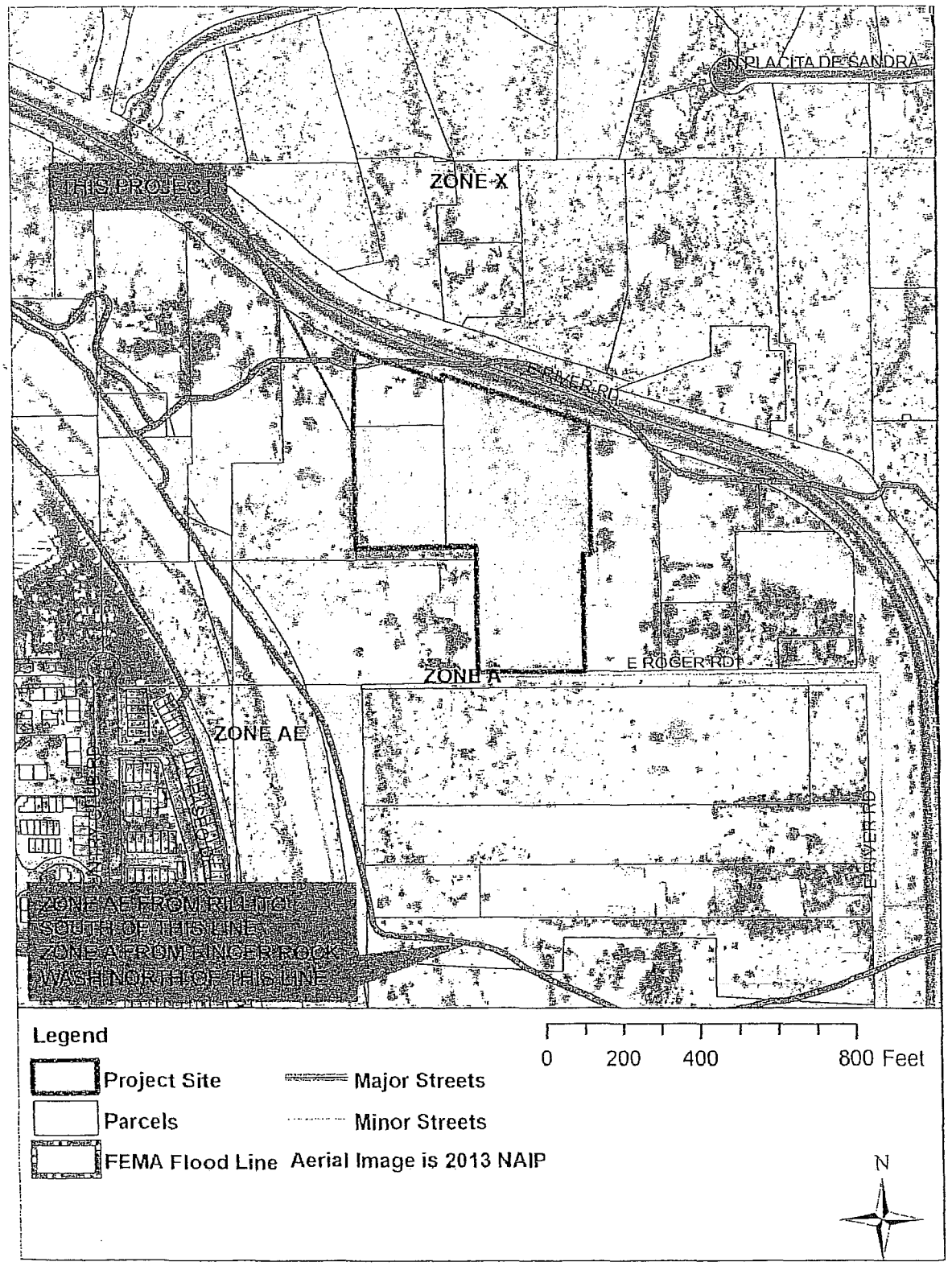


Figure 2. FEMA flood zones and aerial overlay.

2 Reconnaissance and Data Gathering

A field visit was performed on May 14, 2014 to document conditions around the site. Some of the photographs from that visit are included within Appendix 2. In addition to conducting a field visit, the following information has been gathered for this project.

- Flood Insurance Rate Map (FIRM) panels were obtained from the Pima County Regional Flood Control District (District). These panels show that the site is within a Zone A floodplain which designates it as an area determined by approximate methods (no detailed model) to be subject to inundation (flooding) by the 1-percent-annual-chance (100-year) flood.
- The as-built plans for River Road were obtained from Pima County. These show the drainage structures that have an impact upon the site, and these structures have been included in the model prepared for this project.
- The Letter of Map Revision (LOMR) for the Finger Rock Wash and its hydrology model were obtained from the District.
- Rainfall data was obtained from the National Oceanic and Atmospheric Administration (NOAA).
- Elevation data was obtained in digital format from the Pima Association of Governments (PAG).

3 Floodplain Model

A flood routing model was prepared using the FLO-2D Flood Routing Model. This program is a numeric model which models a flood wave across a floodplain, in this case the hydrograph of the Finger Rock Wash from Alvernon Road to the Rillito Creek. In addition, the FLO-2D model can simulate direct runoff, or the runoff that occurs within a given watershed. For this project, direct runoff was modeled for several tributary watersheds that enter into the Finger Rock Wash floodplain downstream of Alvernon Road and which impact the subject property.

3.1 Model Methodology

A FLO-2D model was prepared using the following steps.

1. The model domain was determined by inspection of the watershed on aerial and topographic maps and from identification of the location of the Finger Rock Wash hydrograph in the Finger Rock Wash LOMR. The model domain is roughly bounded on the east by the Alvernon Way alignment, on the west and south by the Rillito, and on the north by the watershed limit.
2. Digital Elevation Data (DEM) was obtained from the Pima Association of Governments (PAG). The 2008 DEM was used in conjunction with 2008 and 2011 PAG aerial maps and 2013 NAIP aerial mapping.
3. A FLO-2D grid was developed with a 20 foot grid spacing and a total of 102,076 grid elements modeling an area of 937 acres.
4. The Finger Rock Wash LOMR HEC-1 model was obtained from the District in digital format. This model has a concentration point labeled CO-1 related to the limit of sub-basin FR-1. This is the most downstream point in the model and combines all flow in the watershed at Alvernon Way. The 100-year, 3-hour storm produces a discharge of 5,590 cfs with a peak at 1.33 hours. This hydrograph was extracted from the HEC-1 model and imported into the FLO-2D model.
5. Direct rainfall runoff was modeled for the entire FLO-2D model to determine inflow from the northern tributary watersheds. The 100-year, 3-hour rainfall depth was obtained from NOAA (Atlas 14, Volume 1, Version 5) for the upper bound of the 90% confidence interval. The depth at the watershed centroid is 3.22 inches for the 100-year, 3-hour storm event. No other return intervals were modeled because the Finger Rock Wash LOMR used only the 100-year, 3-hour interval.
6. Infiltration parameters were obtained and/or developed to compute the SCS curve number for each grid element. The soils data was obtained from Pima County while the impervious area and land use data were developed for this project using normal parameters.
7. Significant buildings located within the valley were identified and included in the model as obstructions. In addition, the existing wall along the River Road frontage, south of Roger Road, was modeled using an assume width reduction (blockage to flow) of 95%.
8. The as-builts for River Road were used to model the culverts along River Road within the model domain. In addition, the elevations for the hydraulically important channels and basins were modified in the model to reflect as-built conditions.
9. Models were run with the FLO-2D Pro Model, Build 14.03.07.

3.2 Overview of Finger Rock Wash and Tributary Watersheds

The flooding of the Finger Rock Wash was modeled from Alvernon Way to the Rillito Creek. The model shows that the Finger Rock Wash floodplain is contained within a narrow valley east of Alvernon Way. At this location, the 5,590 cfs regulatory discharge quickly disperses into a broad, distributary floodplain that drains into the Rillito Creek at various locations. The LOMR for the Finger Rock Wash limited modeling of hydrology to upstream of Alvernon Way, therefore rainfall runoff for the area downstream of Alvernon Way was modeled within the FLO-2D model. This additional watershed area extends over 3 miles north of Roger Road and includes approximately 500 acres of drainage area from a handful of sub-watersheds. These sub-watersheds drain into the Finger Rock Wash Floodplain near the River Road and Roger Road alignments and impact the flow into the subject property.

3.3 Overview of Flooding Near the Site

While the peak discharge associated with the entire Finger Rock Wash floodplain is 5,590 cfs, attenuation and distribution of flow yields a discharge of about 1,600 cfs within the main thread of the Finger Rock Wash (the Roger Road alignment). This flow crosses partly under River Road but mostly over the road as shallow flooding and enters the basins (the depressed area) between River Road and the River Road frontage. The basins discharge a small portion of the total flow, roughly 40 cfs, through a storm drain to the Rillito. The remaining flow exits the basins as sheet flow and continues onto the Rillito.

3.4 Flooding on the Project Site

Flow directions on the property are generally to the west and northwest. Approximately 1,000 cfs enters the property from the east. Additional flow leaves the Roger Road alignment and enters the southern portion of the site, draining northwest. The total flow exiting the site at the west boundary is 1,400 cfs. This discharge represents a combination of flood flow from the Finger Rock Wash, the tributaries north of the Finger Rock Wash, and direct runoff from the project area. Flow patterns and discharges are shown on Figure 3.

3.4.1 Flood Depths

Flood depths on the site are shown on Exhibit 2 and Figure 4. The depths range from 0.5 feet along River Road to 2 feet within most of the property. There is a small area with a depth of 2.5 feet within the west side of the property.

3.4.2 Flood Directions and Velocities

Flow velocities are relatively low due to the flat terrain. Velocities, shown on Figure 5, are less than 2 feet per second for most of the property; however the southwest corner exhibits velocities over 3 feet per second as a result of flow moving around existing structures nearby. Velocities less than 3 feet per second are generally considered to be non-erosive.

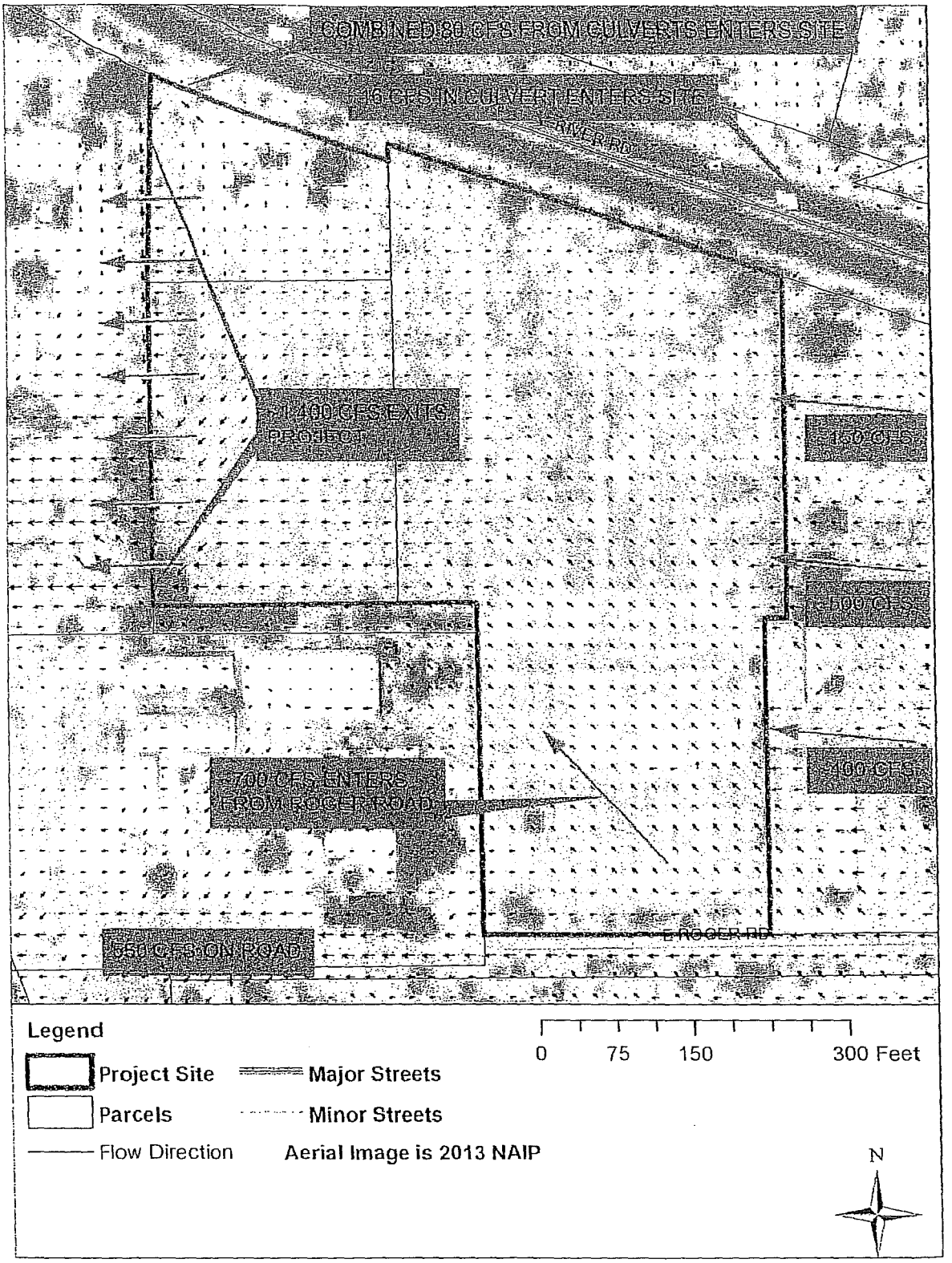


Figure 3. Flow directions and discharges at the project.

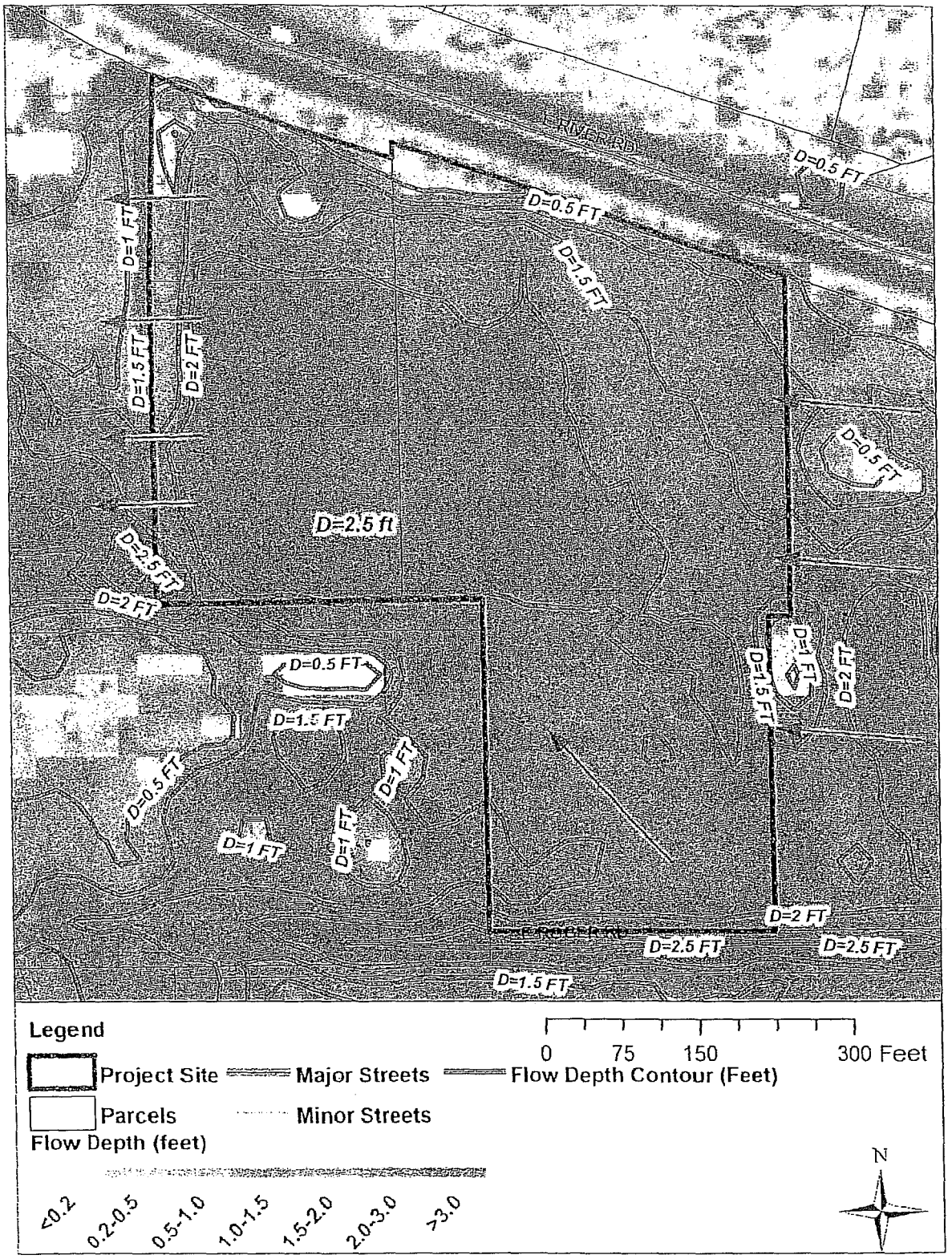


Figure 4. Flow depths at the project.

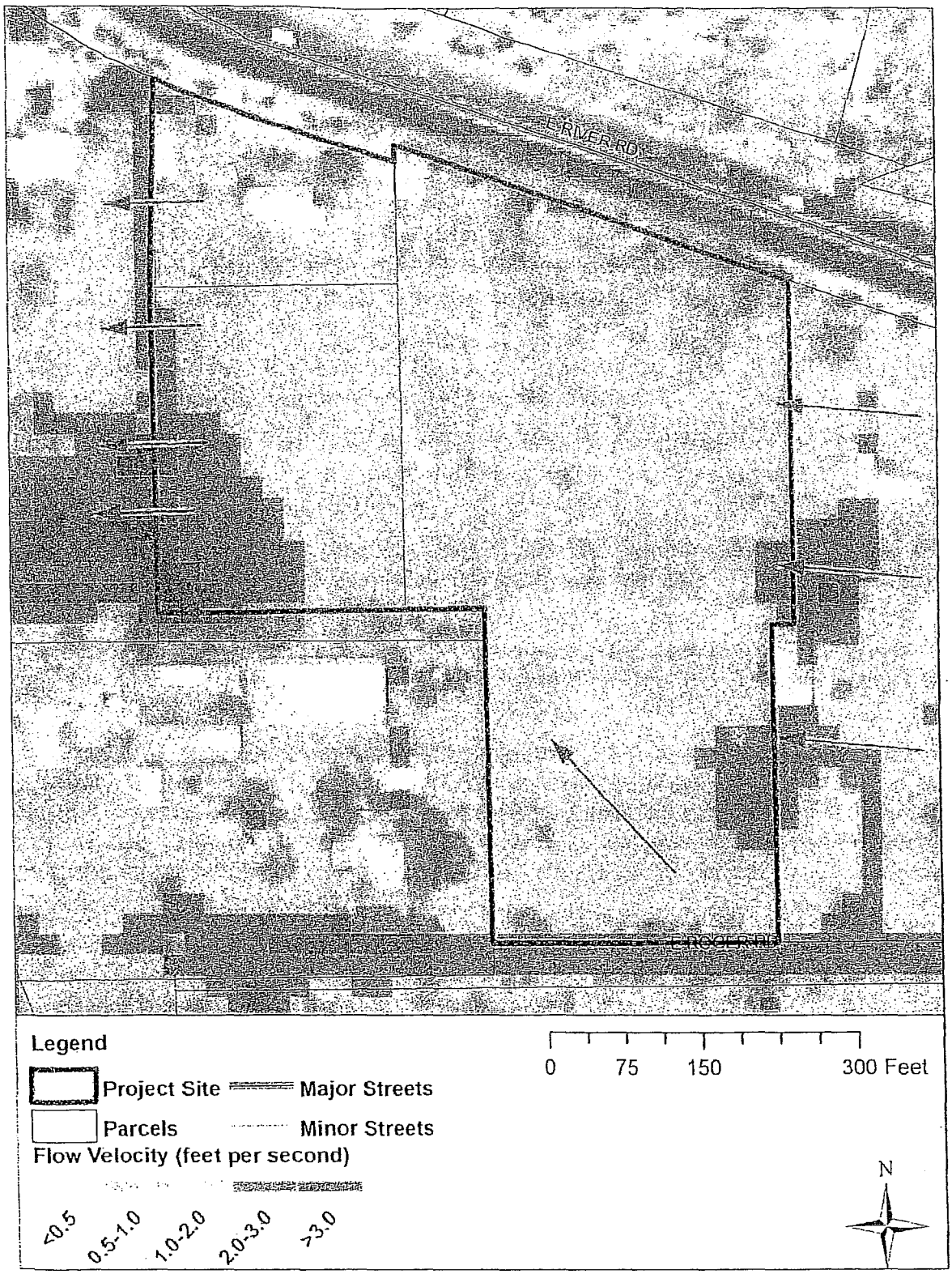


Figure 5. Flow velocities at the project.

4 Conclusions and Recommendations

The project site is situated within an area prone to flooding from the Finger Rock Wash and to a smaller extent from smaller drainage areas north of the site. FEMA has delineated a regulatory Zone A flood zone which encompasses the property but gives little detail about actual flood risks. A FLO-2D model was prepared to better define the flood risks on the site. This model gives the following information:

Discharges: The 100-year, regulatory discharge exiting the site is 1,400 cfs. Shallow, broad, flood flow enters the site from the east and from along Roger Road. Additional but less significant concentrated flow impacts the site at culvert outlets located at both the northwest and northeast corners of the project.

Flood Depths: The 100-year flood depths are generally between 1.5 and 2 feet, but depths greater than 2 feet exist near the west side of the site.

Flood Velocities: Flow velocities are relatively slow at around 2 feet per second for most of the site. It is probable that the flow will drop sediment at this location resulting in the need for sediment removal following a flood.

Pima County regulates any discharge above 100 cfs, therefore this property is subject to requirements set forth in the Pima County Floodplain Ordinance. The rules set forth in this ordinance impact this site as follows:

Elevation: Habitable structures must be elevated 1.0 feet above the regulatory flood. Any structure on this site would therefore have a finished floor elevation of around 3.0 feet above the natural grade.

Adverse Impacts: Development on this site encroaches into the floodplain and must not adversely impact adjacent properties. Like an object displaces water in a tub of water, an elevated structure will force flow onto adjacent lots. Pima County requires that development not increase the depth of flooding by more than 0.1 feet (1.2 inches) at the property line. Furthermore, velocities cannot be increased by more than 10 percent or 1.0 feet per second (whichever is more stringent).

The task performed by JEF excluded analysis of proposed conditions. The following comments are included based upon previous experience, however they are not conclusive and may be superseded by more detailed analysis of design alternatives.

- Complying with the encroachment standards set forth by Pima County generally requires construction of drainage improvements to compensate for the loss of flow conveyance caused by the development. For example, a channel may need to be constructed to capture flow at the property line, convey it through the site, and release it at the project limit, or possible some point downstream.
- Development within a broad, shallow flow system such as this is quite often limited to a fraction of the total site.
- Considering the discharges present on the site, any fill and any channelization would require slope protection such as rock rip-rap which extends at least 3 feet below grade.

5 References

Federal Emergency Management Agency, *Flood Insurance Rate Map Panels 04019C1693L and 1695L*, 2011

FLO-2D Software, Inc., *FLO-2D Pro Model Build No. 13.07.05*, 2013.

NOAA ATLAS 14 Precipitation-Frequency Atlas Volume 1 Version 5.0: Semiarid Southwest,, 2011, <http://hdsc.nws.noaa.gov/hdsc/pfds/index.html>

Pima county Regional Flood Control District, *Finger Rock Wash Letter of Map Revision, Technical Data Notebook*, Prepared by CMG Drainage Engineering, Inc., 2010

Pima County Department of Transportation, As Built Plans: River Road, Campbell Avenue to Alvernon Way, 2011 (as-built).

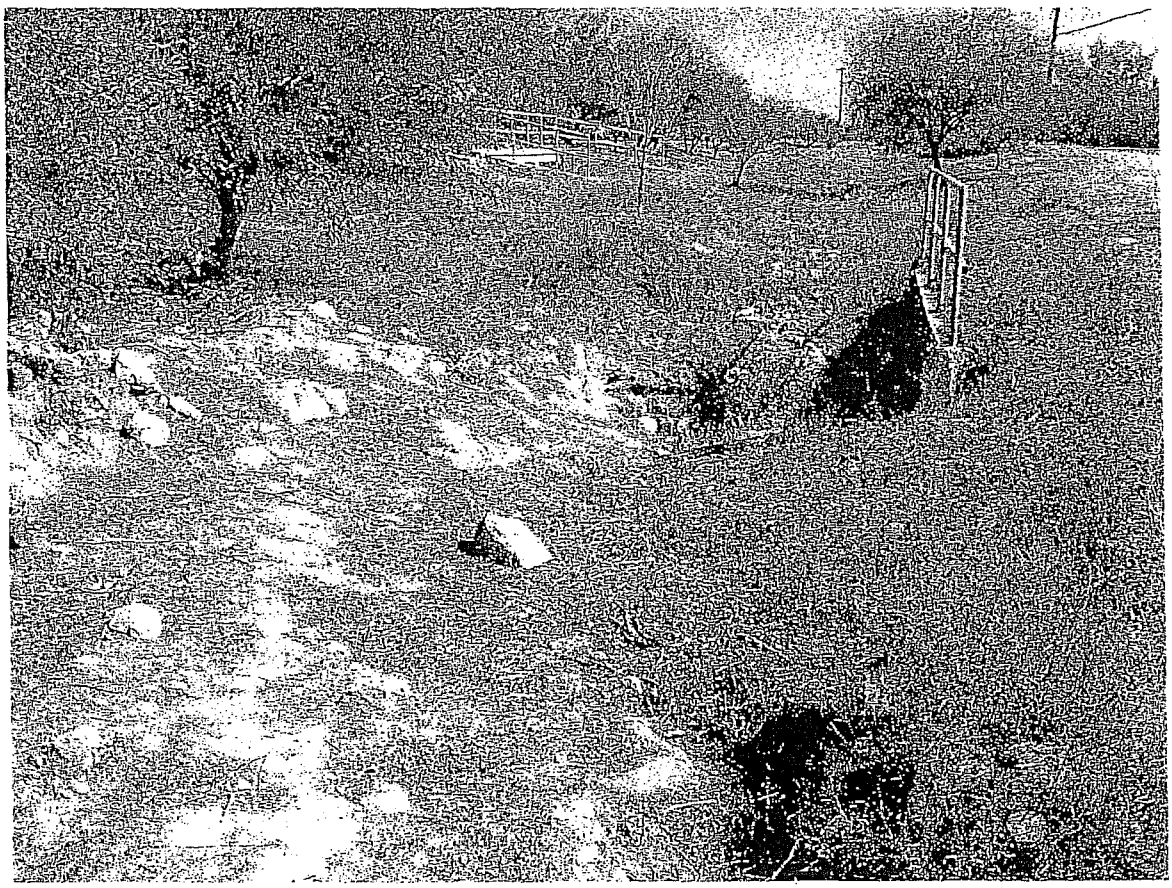
Appendix 1. Exhibits

Two exhibits are submitted with this report.

- Exhibit 1 shows the total area included in the floodplain model (left view frame) along with the velocities developed during the 100-year event, thus showing overall drainage patterns.
- Exhibit 1 also shows flood depths and flood discharges in the vicinity of the project site (right view frame). Because direct rainfall runoff is modeled, nearly all of the modeled area is flooded or wet to some extent, therefore depths below 0.2 feet are excluded from the reported flood depth symbology.
- Exhibit 2 displays flood depth contours and flow directions within the subject property.

Appendix 2. Field Photos

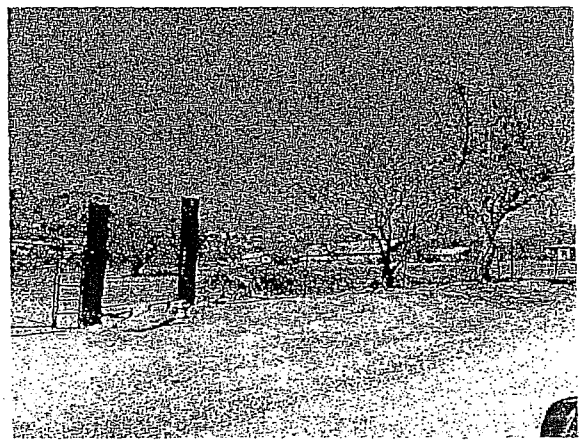
Some of the field photographs which influenced the modeling effort are shown below.



Facing south within the River Road Basins. Inlet to the Roger Road storm drain is in the middle right and the outlet of the main Finger Rock Wash culverts is in the top center.

The photos above show walls along the west side of the River Road frontage. These walls were included in the model.

Photo faces west, upstream of River Road. This is the channel that drains the Finger Rock Wash towards River Road along Roger Road.



Photos show the site from Roger Road.

Archaeological Report

AN 8.02-ACRE ARCHAEOLOGICAL SURVEY OF ST. DEMETRIOS GREEK ORTHODOX CHURCH PROPERTY AT 3232 EAST RIVER ROAD, TUCSON, PIMA COUNTY, ARIZONA

Prepared for

St. Demetrios Greek Orthodox Church
1145 East Fort Lowell Road
Tucson, Arizona 85719
Attn: Father Earl Cantos, Priest
Ken Murch, Parish President
Angela Zerdavis, Chair Planning Design and Strategy Committee
Phil Lamantia, Co-chair Planning Design and Strategy Committee

Prepared by
Paul M. Rawson

Principal Investigator
S. Jerome Hesse

SWCA Environmental Consultants
343 West Franklin Street
Tucson, Arizona 85701
(520) 325-9194
www.swca.com

SWCA Project No. 28665

SWCA Cultural Resources Report No. 14-110

March 2014

PROJECT ABSTRACT

Report Title. An 8.02-Acre Archaeological Survey of St. Demetrios Greek Orthodox Church Property at 3232 East River Road, Tucson, Pima County, Arizona

Report Date. March 2014

Agencies. Pima County

Project Description. St. Demetrios Greek Orthodox Church (the Church) proposes development of 8.02 acres of Church property located south of River Road, in unincorporated Pima County. The property currently comprises three parcels of private land with Pima County Assessor's Numbers 108-26-015B, 108-26-015D, and 108-26-016A, and the street address 3232 East River Road, Tucson. In order to develop the property, these three parcels would be combined. The property is located within the boundaries of the National Register of Historic Places (NRHP)–listed Binghampton Rural Historic Landscape, and the development plans will be subject to review by the Pima County Office of Sustainability and Conservation, Cultural Resources and Historic Preservation Division; and the State Historic Preservation Office. The Church contracted SWCA Environmental Consultants (SWCA) to conduct a Class I records search and Class III archaeological survey of the project area in order to evaluate the known cultural resources within the project area, identify any previously unrecorded cultural resources within the project area, and to assist them in meeting Pima County cultural resources review requirements.

Land Status. Private

Project Location. The project area is located in the SW ¼ of the SW ¼ of Section 21, Township 13 South, Range 14 East, Pima County, Arizona, Gila and Salt River Baseline and Meridian, U.S. Geological Survey Tucson North, Arizona, 7.5-minute quadrangle

Number of Acres Surveyed. 8.02 acres of private land

Dates of Field Survey. March 4, 2014

Number of Cultural Resources. Two

NRHP-Listed Properties. Binghampton Rural Historic Landscape

NRHP-Eligible Properties. One: AZ BB:9:238(ASM)—Binghampton site

NRHP-Ineligible Properties. None

Recommendations. The project area is within the NRHP-listed Binghampton Rural Historic Landscape and the NRHP-eligible Binghampton archaeological site AZ BB:9:238(ASM). These two historic properties are essentially the same entity; however the Binghampton Rural Historic Landscape has a specific period of significance (A.D. 1898–1953), while the archaeological site AZ BB:9:238(ASM) includes prehistoric artifacts—and specifically a Hohokam Classic Period component—which are not identified as contributing to the NRHP-listed property.

There are two previously recorded contributing properties of the NRHP-listed Binghampton Rural Historic Landscape within the project area, identified on the NRHP Nomination Form as Parcel 12—the Spessard Pecan Orchard and Torsell Well; and Parcel 13—3232 East River Road. These properties currently exhibit qualities which contribute to the eligibility of the Landscape. Development of the parcel

Binghampton Rural Historic Landscape Properties

The project area is located in the northwest corner of the Binghampton Rural Historic Landscape. The NRHP nomination inventory completed in 2003 (Parkhurst 2003) identifies two parcels which jointly constitute the project area (Figure 5). These are Parcel 12, characterized as a Landscape Unit/field; and Parcel 13 characterized as a Field plus residence. NRHP Parcel 12 comprises the Pima County Assessor's parcels 108-26-015B and 108-26-015D. NRHP Parcel 13 is the Pima County Assessor's parcel 108-26-016A (see Figure 3).

NRHP Parcel 12—Spessard Pecan Orchard; Torsell Well

The NRHP nomination form describes Parcel 12 as follows (Parkhurst 2003:7.11):

> This shaded, 7.8-acre property along the south side of River Road is known for its horticulture, a pecan orchard set out by the Spessard family in 1936. On pastures to the east and south of the grove, the current owners also graze horses. The orchard contains several varieties of pecan trees, some original, and is flood-irrigated in rows of trenches from a well. A historic well in concrete casing, drilled in 1950 when the Torsell family owned the orchard, has an old pump, tank and pipes and is located near River Road on the upper northwest corner of the property.

The previously described features are all present, although not all in good condition. The parcel is divided into several fields by recently built fences composed on metal T-posts, rail road ties, and metal pipe. The pecan grove has been cleared; no trees remain, although the stumps are in situ (Figure 6). Regressing the historical imagery available on Google Earth suggests the pecans were felled 2007-2008. As a result of this, the parcel is no longer shaded. The abandoned irrigation system is also in poor condition, although it is possible to trace partially filled segments of the ditches. The best-preserved segments are along the north edge of the parcel south of Parcel 13 (see Figure 5; Figure 7), and along the eastern edge of the pasture in the south of Parcel 12 (see Figure 5; Figure 8). Concrete and metal pipe control gates from the irrigation system are visible throughout the parcel. The Torsell Well can also be found, but is currently visible as a metal well-cap marked SNOW MFG CO LA CAL / 11/8B / PAT NO 1287127 / IDEAL ALFALFA VALVE (Figure 9). Any associated tanks, pumps, or pipes have been removed.

NRHP Parcel 13—3232 East River Road

The NRHP nomination form describes Parcel 13 as follows (Parkhurst 2003:7.15):

> This 1.15 acre parcel includes a Contemporary style, burnt adobe house built in 1953 and probably designed by owner/architect, Torsell (first name unknown). The house features both flat and gabled roofed sections. The parcel lies in the flat, floodplain area south of River Road and is the residential zone for the pecan orchard next door, under the same ownership. The current owner engages in horse culture as well as the seasonal sale of pecans. Included on this site are an early frame tack room, a recent pecan processing shed, horse shelters and corrals with pipe fencing. The designed landscape is green and lush, including a lawn, mature trees and other plantings. Natural vegetation with mesquites can be seen along River Road.

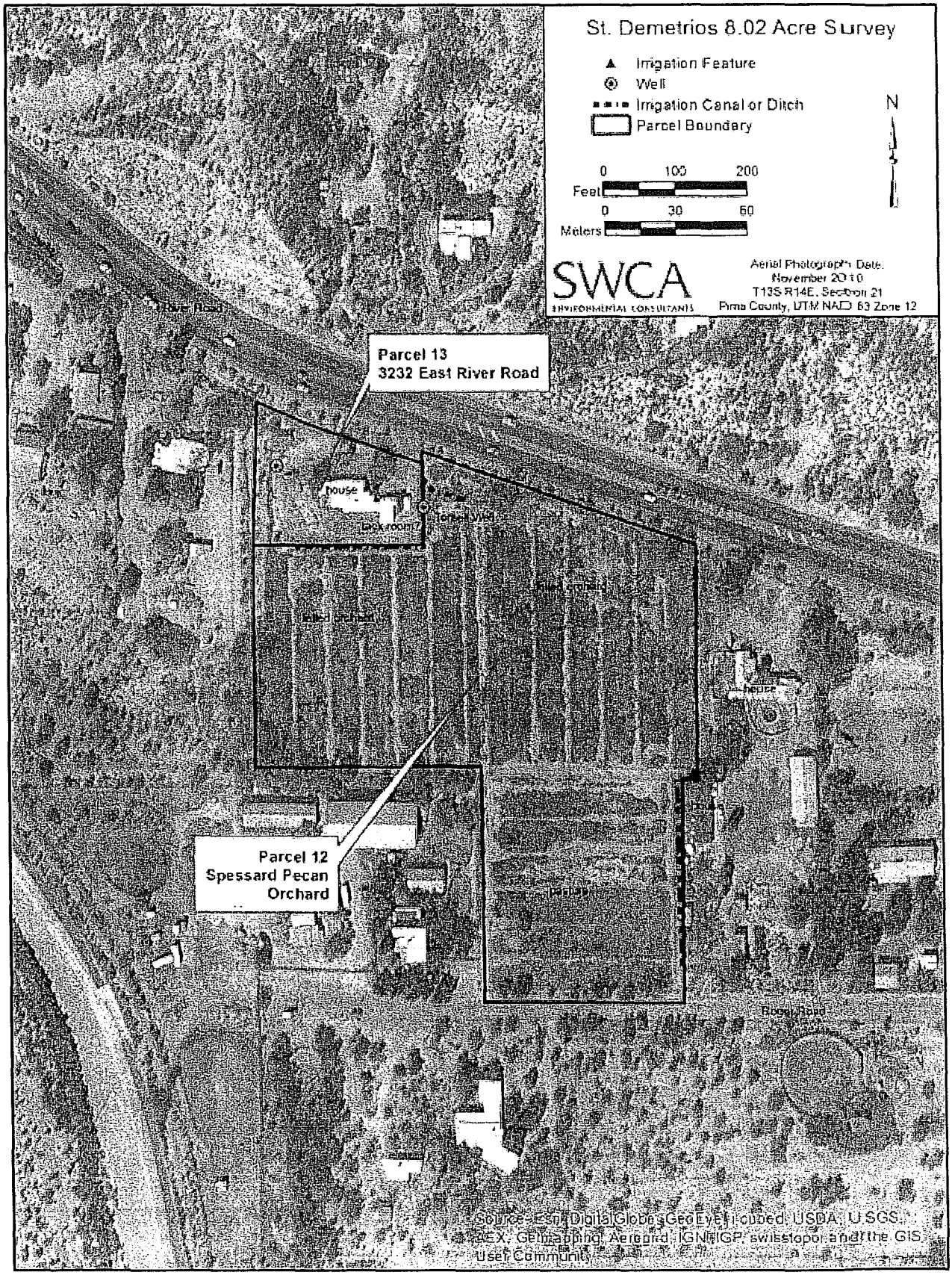


Figure 5. Project results.

Evaluation of Survey Results

The survey results conformed to pre-survey expectations. The cultural resources recorded were previously inventoried as contributing properties of the Binghampton Rural Historic Landscape. Some of these features are in poor condition—the pecan grove has been cleared and the irrigation system is in disrepair. However the surveyed parcels do generally retain the "rural" feeling which characterizes the Historic Landscape.

SUMMARY AND RECOMMENDATIONS

The project area is within the NRHP-listed Binghampton Rural Historic Landscape and the NRHP-eligible Binghampton archaeological site AZ BB:9:238(ASM). These two historic properties are essentially the same entity; however the Binghampton Rural Historic Landscape has a specific period of significance (A.D. 1898–1953), while the archaeological site AZ BB:9:238(ASM) includes prehistoric artifacts—and specifically a Hohokam Classic Period component—which are not identified as contributing to the NRHP-listed property.

There are two previously recorded contributing properties of the NRHP-listed Binghampton Rural Historic Landscape within the project area, identified on the NRHP Nomination Form as Parcel 12—the Spessard Pecan Orchard and Torsell Well; and Parcel 13—3232 East River Road. These properties currently exhibit qualities which contribute to the eligibility of the Landscape. Development of the parcel has the potential to adversely affect these properties. No additional resources were discovered during the archaeological survey, and there is no evidence of prehistoric archaeological material within the project area. SWCA recommends that development plans include measures such as landscaping, preservation, or re-use of existing properties consistent with the qualities of the Binghampton Rural Historic Landscape.

In the event that human remains and/or ceremonial objects and funerary objects are found during development of this property, ground-disturbing activities must cease in the immediate vicinity of the discovery. Arizona Revised Statutes §41-865 applies to the discovery of human remains and associated funerary objects on private land. The law requires that the Arizona State Museum be notified of the discovery so that cultural groups who claim cultural or religious affinity to them can make appropriate arrangements for the repatriation and reburial of the remains.

ATTACHMENT 3

Pima County Technical Appraisal Review Summary

T / R / Sec	13S/14E/21
Owner: St. Demetrios Greek Orthodox Church	Date: 8-21-14
LMS #: 1073-589	

Project: FLAP	Project #: 1400018750	Date of Value: Aug 21, 2014 Transmittal Date: Sept. 5, 2014
Owner: St. Demetrios Greek Orthodox Church	Occupant: vacant	Appraiser: Tom Baker, MAI,SRA
Location: South side of River Road bend, west of Dodge		Acquisition Agent: Rick Kieser
Tax Code #: 108-26-015B, 015D, 016A	Zoning and Comprehensive Plan: SR zoning. Comp Plan – 1.2 RAC northern portion, RT southern portion	
Current Use: Interim residential improvement		Highest and Best Use: Church or private school site
Parcel Size: 8.09 acres	Size(s) of Parcel(s) to be Acquired: Whole acquisition considered	
Year Built: 1958	Improvements/Size: 3 BR, 2 Ba, 1,743 sf adobe and brick home	

Paving: Y	Sewer: Yes, in Roger Road	Water - In River Road plus property has a well	Gas: Yes	Electric: Yes

Intended Use of Appraisal: Basis for offer price	Appraisal Report Type: Summary	Interest(s) Appraised: Fee
Purpose of Review: To assure a reliable report in conformance with professional and agency standards.	Reviewer's Client: Pima County	Intended Users of Review: Pima County and its designees
Intended Use of Review: For agency to reference in developing offer price, as assurance of a reliable and accurate report.		Extent/Scope of Review Process: Reviewed for spelling, math, accuracy, reasoning, comps and conclusion. Property not inspected by the reviewer. Consideration in review made for effect of floodprone characteristics.

Is the Reviewer Developing Own Opinion of Value? No

Appraisal Techniques Used: Direct Sales Comparison Approach

Comparable Sales Price Range, Unadjusted and Adjusted:

Unadjusted: $74,055 to $217,766/acre
Adjusted: $83,245 to $115,200/acre

Fee Appraiser's Conclusion: $105,000/acre x 8.09 ac. = $849,450, rounded to $850,000

Are the assumptions, techniques, data, adjustments, and methods adequate, relevant, appropriate and reasonable, in conformance with USPAP, and is the report complete according to the scope of the assignment? Yes

Are there developable reasons for disagreement with the appraisal? No

Report Recommended by Review? Yes	Value and Date: $850,000 as of 8-21-14

Reviewed by: Douglas M Laney

Douglas M Laney, MAI
Arizona Certified General Real Estate Appraiser: 30162
Real Property Appraiser Supervisor
Pima County Public Works, Real Property Services

Date of Review: 9-23-14

CERTIFICATION

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

I have not completed appraisal services regarding the subject property described in this report within the past three years as an appraiser.

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

The analysis, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

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

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.

No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person who signs this certification.

I have not made a personal inspection of the subject property of the work under review.

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

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

As of the date of this report, I, Douglas M. Laney, MAI, have completed the continuing education program of the Appraisal Institute.

Signed: Douglas M Laney

Date of Review: 9-23-14

Douglas M. Laney, MAI
Arizona Certified General Real Estate Appraiser: 30162
Real Property Appraiser Supervisor
Pima County Public Works, Real Property Services

LIMITING CONDITIONS

Possession of this review does not carry with it the right of publication.

This review is intended for the use of Pima County, the client, and its designees. This review shall not be disseminated through advertising, public relations, news, sales, or other media. However, the contents of the review can be acquired by a member of the public in accordance with open records statutes and policies.

This report is an appraisal review report, not an appraisal. It is not intended as the reviewer developing his own opinion of value.

The analyses, opinions, and conclusions in this review report are based solely on the data, analyses, and conclusions contained in the appraisal report under review. It is assumed that these data are representative of existing market data. No attempt, unless otherwise stated, has been made to obtain additional market data for this review.

Unless otherwise stated in this report, hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, or other environmental or cultural resources conditions, which may or may not be present on the property, were not called to the attention of the reviewer, nor did the reviewer become aware of such during the review. The reviewer is not qualified to test or research such substances, conditions or resources. The presence of such substances as asbestos, urea-formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, as might archaeological or cultural resources. The value estimate is predicated on the assumption that there is no such condition on or in the property, or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or knowledge required to discover them.

American with Disabilities Act (ADA) of 1990: The ADA became effective on January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of its requirements. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA.

All analyses and conclusions expressed by the reviewer are limited by the scope of the review process as defined herein.

SUMMARY

Binghampton Rural Historic Landscape is a geographically distinct, 427-acre, residential/agricultural enclave in Pima County, Arizona, just north of the central Tucson city limits. Comprising numerous individually-owned parcels, the district is located in the south half of Section 21 and the north half of the north half of the south half of Section 28, and the northwest quarter of Section 27 of Township 13S, Range 14E depicted on the Tucson North USGS Quadrangle of the Gila and Salt River Baseline and Meridian. On its east and west, Binghampton Rural Historic Landscape lies roughly between the alignments of N. Alvernon Way and N. Country Club Road. On its north and south, the district is located between the Santa Catalina Mountain foothills and the Rillito River at the point where the "reverse-S" of the watercourse has lent the site its well-known name "River Bend Area." Most of the district, including the south and central portions, lies in the flat, active floodplain of the bank-protected Rillito River, which curves to form much of the south and west boundaries, and Finger Rock Wash, which penetrates into the heart from the east. Rich soil has accumulated here from the watershed alluvia, creating what the district's first Mormon settlers called "the fertile valley between the river and the foothills." The northern portions of the district incorporate hilly, natural desert terrain on the first alluvial terrace below the Catalina Mountain foothills. River Road, a scenic, historic east-west route along the north side of the Rillito River, is the major roadway passing through the district. It bisects the area by its well-known dual-bend pattern, undoubtedly determined by the early land ordering system in this area.

Through continuing rural use, since its founding as a Mormon agrarian settlement in 1898, through its post-Mormon era of small ranches and farms, until today, the district has maintained a unique sense of place. Once a lush, natural riparian habitat of cottonwood, alder, sycamore, willow and walnut, the area was greatly modified after 1898 by its Mormon settlers. Divided into large, twenty- and forty-acre rectilinear tracts, divisions of the township, range and section land ordering system, and watered by an extensive ditch irrigation system, the zone was first transformed into a patchwork of cultivated crop, orchard and pasture fields. After the Mormon era, wells supplied irrigation water and land sales before the early 1950s set the largely rectilinear pattern evident today; that of smaller parcels ten acres or less in size. (The exception is the forty-acre Latter Day Saints Cemetery on the northeast corner of the district.) Irrigation-

intensive agricultural practices commonly gave way to less water intensive uses such as horse culture or simply letting fields go fallow (see following for land uses).

Tucsonans frequently view Binghampton Rural Historic Landscape by automobile from River Road, currently being widened and realigned in places by Pima County; or as pedestrians, equestrians or cyclists along the Rillito River walk. They recognize the rural district's distinctiveness by features which date from or are reminiscent of earlier times. Some features include pecan orchards, horse pastures, open fields, secluded, tree-shaded residences, stone retaining walls, post and rail fences and tree-lined drives. On foot, visitors may hear roosters crowing, horses neighing, goats bleating or the call of wild hawks nesting in the decades-old trees. Binghampton Rural Historic Landscape is geographically distinct and contrasts greatly with adjacent, low-density, upscale residential foothills development to the north and higher density urban development to the south.

Binghampton Rural Historic Landscape is being nominated under two criteria of significance. Under Criterion A, the district has two historic contexts (1) as Tucson's first Mormon agrarian settlement (1898 to the 1920s) on twenty- to forty-acre parcels and (2) as a distinct enclave of 1920s/1930s through early 1950s modest-scale, owner-occupied ranches, farms and residences on smaller parcels configured largely from earlier field patterns. Today's rural character most strongly reflects the second, post-Mormon context. Under Criterion C, the district is being nominated for the architectural quality of a number of its houses and buildings constructed between 1898 through 1953; the period of significance. Although some are architect-designed, most are contractor or owner-built structures which range widely in architectural style and vernacular type, reflecting the era when they were built.

Mormon Era Features: Few features remain today from Binghampton's Mormon era. Five buildings, both contributing and non-contributing, include the Jacob Bingham House (#33), Davidson Place (#86A & B) (which may predate the Mormon era), the J. Alma Young House (#91), the Bingham/Castro House (#55) (now a Montessori School building) and the original Mormon schoolhouse (#55). Several historic archaeological features have been found which relate to the Mormon era (see following). Also included is the contributing Latter Day Saints Cemetery (#20), in continuous use since its founding in 1899. Mormon ownership of the cemetery was formalized after a land dispute in 1927 (see Section 8).

ATTACHMENT 4

PUBLIC WORKS
pima county

MEMORANDUM

PUBLIC WORKS ADMINISTRATION

December 8, 2015

To: Neil Konigsberg
Real Property Services Manager

From: Jeffrey Teplitsky
Appraisal Supervisor
Real Property Services

Subject: Review and comments pertaining to two original vacant land appraisals completed by Southwest Appraisal Associates and Baker, Peterson, Baker and Associates and one updated vacant land appraisal completed by Baker, Peterson, Baker and Associates for the property located at 3232 East River Road, Tucson, Pima County, Arizona

Property Owner: St. Demetrios Greek Orthodox Church

At your request I have completed appraisal reviews and comments for two original appraisal reports and one updated appraisal report for the above referenced property. The original appraisal reports were completed by Southwest Appraisal Associates (SAA), dated August 19, 2014, and Baker, Peterson, Baker and Associates (BPB), dated August 21, 2014. The updated appraisal report was completed by Baker, Peterson, Baker and Associates, dated December 7, 2015 at the request of Pima County Real Property Services, as an update to the original report completed as of August 21, 2014.

Southwest Appraisal Associates Report – August 19, 2014

Appraisal Summary. The SAA appraisal report, dated August 19, 2014 valued 8.07 acres of land, as if vacant. The report was prepared for Mr. Vince Gingras for the St. Demetrios Parrish Council. The purpose of the appraisal was to provide a market value opinion of the subject property as of August 19, 2014. The report was signed by Steven R. Cole, MAI and Thomas W. Kral, MAI, SRA.

The appraisers' adequately outlined the scope of work to be completed and the appraisal report adequately addressed all issues related to the scope described. The appraisers' adequately described the subject property (neighborhood, site, improvements). While there is a 1,747 square foot residence located on the property the appraisal does not indicate any value attributable to the improvements. The appraisers' concluded that the highest and best use of the property was for the development of a church property or other compatible civic uses.

The subject property is identified within the appraisal report as being impacted by flood issues designated by FEMA as "Zone A Flood Hazard Area with sheet flooding depths of 2.0 to 2.5 feet". An independent

hydrology study (JE Fuller Hydrology) and archeological study (SWCA Environmental Consultants) was included as part of the appraisal report.

The appraisers' utilized four (4) comparable land sales to support a value conclusion for the subject property. The comparable sales used in the report included three (3) residential land sales purchased for residential development that indicated unadjusted prices of $65,600, $52,801, and $73,931 per acre. The fourth comparable land sales used in the appraisal was purchased for the development of a charter school and indicated an unadjusted price of $78,616 per acre. The appraisers' adjusted the comparable sales for differences as compared to the subject property and an adjusted range of price from $69,536 per acre to $86,478 per acre was concluded. The final value is concluded at $80,000 per acre which falls slightly above the unadjusted range of the comparable sales and within the adjusted range presented in the report.

Review Comments. The appraisers' relied on four (4) comparable sales to estimate the market value of the subject property. Based on the highest and best use conclusion in the report that is for development of a church or a compatible civic use the appraisers' utilized only one sale that reflects this use (Comparable Sale 3). An inherent weakness of the appraisal report supporting a value conclusion for the subject property at $80,000 per acre is the reliance by the appraisers' on comparable sales that do not have the same highest and best use. This undermines the consistent use theory of appraising in that comparable sales that reflect the same or similar highest and best use should be used, if available. Comparable Sales One, Two and Four were purchased for residential development or land investment with future residential development. It is clear from the appraisal report that these three sales reflected a lower price per acre as compared to Comparable Sale 3 which was purchased for the development of a charter school (considered a quasi-civic use and similar to a church use). Comparable Sale 3 indicated an unadjusted price of $78,616 per acre and an adjusted price of $86,478 per acre which is the highest prices reflected by the comparable sales used in the report. The appraisers' included a hydrology study in the report that indicates flood depths of .5 feet to 2.5 feet over the entirety of the subject property. This is considered to be a major impact to the value of the subject property as the flood issues add to the future development costs. The appraisal recognized the impact and adjusted each of the comparable sales downward for superior (less impacted) flood conditions. It is difficult to quantify this adjustment as the actual cost to raise and prepare the site for development had not been established as of the date of the appraisal.

In the opinion of the reviewer the reliability of the concluded value for the subject property at $80,000 per acre, or a total of $650,000, is hindered by the appraisers' choice of comparable sales. As of the date the appraisal report was completed there were comparable sales (closed and recorded) that were purchased for the development of church uses or compatible civic uses. These sales (known to the reviewer and the broader market participants) reflected unadjusted prices that ranged from $74,055 per acre to $219,539 per acre. Additionally, the subject property had previously sold as of February, 2008 at a price of $1,250,000, or $154,512 per acre. While the date of the sale might be considered older than desired for use in an appraisal report, the quantity of recent market data was minimal as of the date of the report and the previous sale of the subject could potentially have been analyzed for support of the final value conclusion.

Review Conclusion. In conclusion the appraisal report is considered to be lacking in reasonable support for the final conclusion of value of $650,000 ($80,000 per acre). The comparable sales selected and adjusted by the appraisers' demonstrated a value that is at the lower end of the value range as the market evidence indicated that churches, charter schools, and other quasi-public/civic uses tend to pay a premium for land purchases. The premium paid is a function of these types of uses typically seeking high visibility land in developed areas, and, that these uses are not limited by zoning and can be developed under any zoning code.

Baker, Peterson, Baker and Associates Report – August 21, 2014

Appraisal Summary. The BPB appraisal report, dated August 21, 2014 valued 8.09 acres of land, as if vacant. The report was prepared for Pima County Real Property Division. The purpose of the appraisal was to provide a market value opinion of the subject property for potential acquisition as of August 21, 2014. The report was signed by Thomas. A. Baker, MAI, SRA.

The appraiser adequately outlined the scope of work to be completed and the appraisal report adequately addressed all issues related to the scope described. The appraiser adequately described the subject property (neighborhood, site, improvements). While there is a 1,743 square foot residence located on the property the appraisal does not indicate any value attributable to the improvements. The appraiser concluded that the highest and best use of the property was to retain the existing improvements as an interim use and the eventual development of a religious facility or a private school. The subject property is identified within the appraisal report as being impacted by flood issues designated by FEMA as "Zone A Flood Hazard Area with sheet flooding depths of .5 to 2.0 feet".

The appraiser utilized six (6) comparable land sales to support a value conclusion for the subject property. The comparable sales used in the report included five (5) land sales purchased for the development of religious facilities (including the prior sale of the subject property) that indicated unadjusted prices of $154,512, $217,766, $160,000, $89,943, and $74,055 per acre. The sixth comparable land sales used in the appraisal was purchased for the development of a fire station and indicated an unadjusted price of $105,708 per acre. The appraiser adjusted the comparable sales for differences as compared to the subject property and an adjusted range of price from $83,245 to $105,834 per acre was concluded. The final value is concluded at $105,000 per acre which falls within the unadjusted and adjusted range presented in the report.

Review Comments. The BPB appraisal report was reviewed by ***Mr. Doug Laney, MAI***, in his capacity as Appraisal Supervisor for Pima County Real Property Services, dated September 23, 2104. It is Mr. Laney's conclusion that the opinion of value stated in the BPB appraisal report of $850,000, or $105,000 per acre is reasonable and supportable.

It is noted in these comments that the BPB appraisal report relied on comparable sales that reflect the same or similar highest and best use as the subject's highest and best use. The appraiser recognized the impact of the flood issues on the subject property and adjusted five of the six comparable sales downward for superior flood conditions. It is difficult to quantify this adjustment as the actual cost to raise and prepare the site for development had not been established as of the date of the appraisal. The appraisal was considered to have adequately addressed the flood issues as of the previous review process.

In the opinion of the current reviewer the reliability of the concluded value for the subject property at $105,000 per acre, or a total of $850,000, is supported by the appraiser's choice of comparable sales. As of the date the appraisal report was completed there were comparable sales (closed and recorded) that were purchased for the development of church uses or compatible civic uses. These sales reflected a similar highest and best use as compared to the subject property. Additionally, the appraiser included the sale of the subject property which had previously sold as of February, 2008 at a price of $1,250,000, or $154,512 per acre. While the date of the sale is considered dated for use in an appraisal report with a date of September, 2014, the quantity of recent market data was minimal as of the date of the report and the previous sale of the subject property is considered to provide reasonable support for the final value conclusion.

Review Conclusion. In conclusion, the appraisal report is considered to be reasonable and well supported for the final conclusion of value of $850,000 ($105,000 per acre). The comparable sales selected are

considered to be reflective of the market evidence that indicates that churches, charter schools/quasi-public/civic uses tend to pay a premium for land purchases. This is a function of these uses typically seeking high visibility land in developed areas and that these uses are not limited by zoning and can be developed under any zoning code. As stated previously the report was previously reviewed and accepted by Pima County Real Property and the report was the basis for the offer to purchase the property as of the date of the value conclusion, August 21, 2014.

Baker, Peterson, Baker and Associates Report – December 3, 2015

Pima County Real Property Services requested that Mr. Thomas A. Baker, MAI, SRA prepare an updated appraisal report. The updated appraisal report, dated December 3, 2015, values 8.09 acres of land, as if vacant. The report has been prepared for Pima County Real Property Division and designees, the intended user. The purpose of the appraisal is to provide an updated market value opinion of the subject property for support for the potential acquisition of the subject property by Pima County. The report is signed by Thomas. A. Baker, MAI, SRA.

The appraiser has adequately outlined the scope of work to be completed and the appraisal report adequately addressed all issues related to the scope described. The appraiser has adequately described the subject property (neighborhood, site, improvements). While there is a 1,743 square foot residence located on the property the appraisal does not indicate any value attributable to the improvements. The appraiser concludes that the highest and best use of the property is to retain the existing improvements as an interim use and the eventual development of a religious facility or a private school. The subject property is identified within the appraisal report as being impacted by flood issues designated by FEMA as "Zone A Flood Hazard Area with sheet flooding depths of .5 to 2.0 feet". The source of the floodplain information is from a hydrology report provided to the appraiser that was completed by JE Fuller Hydrology & Geomorphology, Inc., dated May 28, 2014. Section 3.4.1 indicates flood depths ranging from .5 feet along River Road to 2.0 feet across the majority of the property, with a minor amount of area having a depth of 2.5 feet.

The appraiser utilizes six (6) comparable land sales to support a value conclusion for the subject property. The comparable sales used in the report included four (4) land sales purchased for the development of religious facilities (including the prior sale of the subject property) that indicated unadjusted prices of $154,512, $219,539, $160,000, and $74,055 per acre. The other two comparable sales were purchased for the development of a charter school and a wholesale growing area for an adjacent retail plant nursery. These two comparable sales indicate unadjusted prices of $200,000 and $125,428 per acre. The appraiser adjusted the comparable sales for differences as compared to the subject property and an adjusted range of price from $87,718 to $112,885 per acre is concluded. The final value is concluded at $110,000 per acre which falls within the unadjusted and adjusted range presented in the report.

Review Comments. The BPB appraisal report has been reviewed and it is the conclusion of the reviewer that the opinion of value stated in the BPB appraisal report of $890,000, or $110,000 per acre is reasonable and supportable.

It is noted in these comments that the BPB appraisal report relied on five (5) comparable sales that reflect the same or similar highest and best use as the subject's highest and best use. The sixth comparable sale included in the appraisal report is an adjacent property that is considered to be reflective of land values in the area of the subject property, after adjustments. The appraiser recognized the impact of the flood issues on the subject property and adjusted four of the six comparable sales downward for superior flood conditions. It is difficult to quantify this adjustment as the actual cost to raise and prepare the site for development had not been established as of the date of the appraisal. The appraisal was considered to have adequately addressed the flood issues as of the previous review process.

In the opinion of the current reviewer the reliability of the concluded value for the subject property at $110,000 per acre, or a total of $890,000, is supported by the appraiser's choice of comparable sales. As of the current date the appraisal report (December 3, 2015) there were comparable sales (closed and recorded) that were purchased for the development of church uses or compatible civic uses. The appraiser has utilized these sales in the appraisal report. These sales reflect a similar highest and best use as compared to the subject property. Additionally, the appraiser included the sale of the subject property which had previously sold as of February, 2008 at a price of $1,250,000, or $154,512 per acre. While the date of the sale is considered dated for use in an appraisal report with a date of September, 2014, the quantity of recent market data was minimal as of the date of the report and the previous sale of the subject property is considered to provide reasonable support for the final value conclusion. Finally, the appraiser included the sale of an adjacent property located on River Road, east of the subject. After fully confirming this transaction the appraiser uses this sale as support for the current market value of the subject property.

Review Conclusion. In conclusion, the current appraisal report is considered to be reasonable and well supported for the final conclusion of value of $890,000 ($110,000 per acre). The comparable sales selected and adjusted bracketed the concluded value and is considered to be reflective of the market evidence that indicates that churches, charter schools/quasi-public/civic uses tend to pay a premium for land purchases. This is a function of these uses typically seeking high visibility land in developed areas and that these uses are not limited by zoning and can be developed under any zoning code.

Jeffrey Teplitsky
Arizona Certified General Real Estate Appraiser
Certificate No. 30151
Real Property Appraiser Supervisor
Pima County Public Works – Real Property Services

ATTACHMENT 5

ΕΛΛΗΝΙΚΗ ΟΡΘΟΔΟΞΟΣ ΕΚΚΛΗΣΙΑ ΑΓΙΟΥ ΔΗΜΗΤΡΙΟΥ – Metropolis of San Francisco
SERVING THE LORD AND THE COMMUNITY OF SOUTHERN ARIZONA SINCE MARCH 9, 1948

ST. DEMETRIOS
Greek Orthodox Church

St. Demetrios Greek Orthodox Church
1145 East Fort Lowell Road, Tucson, Arizona 85719
Tel: (520) 888-0505 FAX: (520) 888-3089
www.StDemTucson.org office@StDemTucson.org

PARISH PRIEST
Father Earl Cantos
Economos Stavroforos

PARISH COUNCIL
Officers
Ken Murch
President
Jim Zaferis
Vice President
Elizabeth Brollini
Treasurer
Anastasios Tsatsakis
Secretary

Members
Nectarios Gockel
George Makris
Chris Sarantides
Gary Spangler
Donna Stevens
Constance Walker
Jim Zaferis

December 7, 2015
✠ Ambrose, Bishop of Milan

Chuck Huckelberry
Pima County Administrator
130 West Congress Street, 10th Floor
Tucson, Arizona 85701

Re: Church Appraisal of 3232 East River Road, Tucson Arizona 86718

Dear Mr. Huckelberry,

We are writing today to clarify the questions that arose at the Pima County Board of Supervisors Meeting held on December 1, 2015.

- In 2008, St Demetrios Greek Orthodox Church purchased land located at 3232 East River Road, Tucson Arizona as a future Church site. This property was purchased for $1,250,000 from a private party.
- In January of 2014, after a visit and blessing by our Hierarch, His Eminence Metropolitan Gerasimos of San Francisco, our Church Parish Council authorized a new series of due diligence reports in preparation of breaking ground.
- During the first part of 2014, after engaging hydrologists, engineering companies and other professionals, it became obvious to our building committee (the Planning, Design and Strategy Committee) and our Parish Council that the potential flooding issues were greater than were initially thought in 2007 and 2008.
- Because of these findings, the Church submitted an application to the Floodprone Land Acquisition Program (FLAP) of Pima County in mid-2014. This program utilizes federal monies under FEMA to buy lands that are subject to potentially severe 100 year flood issues.
- As we waited to hear from Pima County FLAP, the leadership of the Church was not certain if the County would be making an offer, so we commissioned Mr. Steven Cole and Mr. Thomas Kral to conduct a real estate appraisal for us (Church Appraisal). At that time, we were looking at all options of both retaining the property and building on the site as well as putting the property on the market. The Church Appraisal was seen as a tool to help us decide what to do.
- Approximately one month after receiving our Church Appraisal, we received the County Appraisal and offer. In our subsequent negotiations, we relied on the Pima County Appraisal.
- At this point, we established a DropBox to hold the appraisals as well as other documents. This DropBox was available only to our parishioners. As such, the DropBox address was not given out to any other individuals or organizations.

- During the process of negotiations between the Church and Pima County we had several community votes and also several meetings with County staff. The following are a synopsis of the community votes:
  - **November 23, 2014:** The Church community had its first vote concerning the River Road property considering the County Offer of $900,000 payable over two fiscal years. However, this vote was postponed without decision until January 11th.
  - **January 11, 2015:** Our postponed community vote did not accept the sale to Pima County as stated above since community opinion was that more money for the land could be obtained in a private sale. The community felt they would be losing $350,000 from the original sale price of $1,250,000.
  - **August 30, 2015:** A revised offer from Pima County in the amount of $925,000 payable in one installment at the close of escrow (plus $6,000 in closing costs for a total of $931,000) was considered. This offer was also defeated by a very slim margin.
  - **October 11, 2015:** With His Grace Bishop Apostolos Koufallakis in attendance, the sale of the property was approved by over a two-thirds majority of the parishioners present and voting. The final vote was 94 to 40 approving the sale. In approving the sale of the property to Pima County, the Church is still losing approximately $325,000 from the original purchase price they paid.
- Since that time, the Real Estate Committee and the Legal Committee of the Greek Orthodox Metropolis of San Francisco reviewed the proposed sale and recommended accepting the sale.
- On November 6, 2015, His Eminence Metropolitan Gerasimos of San Francisco gave His ecclesiastical blessing to move forward and sell the River Road land to Pima County.
- At the December 1st hearing, Supervisor Ally Miller stated that 'someone' brought the Church Appraisal to her office on November 30th and she stated that she immediately distributed the Church appraisal to the staff and the other Supervisors. On Supervisor Ally Miller's Facebook page dated December 1, 2015 and time-stamped 11:57am she wrote "...An individual Parishioner from St. Demetrious*(sp)* Church sent a copy of this appraisal to me which I then forwarded to the clerk of the board for distribution." Since the Church did not distribute our appraisal to any County staff member nor to any Supervisor, I can only surmise that a parishioner who was against the sale of River Road to the County made our appraisal public. As I stated earlier, at one time, all parishioner's had access to our Church DropBox.
- On December 1, 2015, the land sale came to Pima County Board of Supervisors and was passed by a 4 to 1 vote. This letter hopefully addresses and explains the concerns raised by one of the Board Members

Yours in Christ,

Father Earl Cantos
Parish Priest

Ken Murch
Parish Council President

CC: Suzanne Shields, P.E., Director, Pima County Flood Control
John Bernal, Deputy County Administrator for Public Works
Neil Konigsberg, Manager – Real Property Services
Bill Satterly, Real Property Services Supervisor
Eric Shepp, P.E. Deputy Director – Regional Flood Control District

ATTACHMENT 6

AN APPRAISAL REPORT

OF

8.09 ACRES OF LAND WITH AN INTERIM USE SINGLE-FAMILY RESIDENCE

LOCATED
ON THE SOUTH SIDE OF RIVER ROAD,
EAST OF HACIENDA DEL SOL
PIMA COUNTY, ARIZONA

FOR

PIMA COUNTY PUBLIC WORKS,
REAL PROPERTY SERVICES

MR. JEFFREY TEPLITSKY

OWNERSHIP: ST DEMETRIOS GREEK ORTHODOX CHURCH INC.
TAX PARCEL NUMBER: 108-26-015B, 015D, 016A
SECTION 21, TOWNSHIP 13 SOUTH, RANGE 14 EAST

EFFECTIVE DATE OF APPRAISAL

DECEMBER 3, 2015

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

BAKER, PETERSON, BAKER & ASSOCIATES, INC.
REAL ESTATE APPRAISERS - CONSULTANTS
4547 E. FT. LOWELL ROAD • SUITE 401 • TUCSON, AZ 85712
520.881.1700 • 1.800.204.1700
FAX 520.325.3108
admin@bakerpeterson.com

• *Over 40 Years of Service* •

December 4, 2015

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

RE: An appraisal report of 8.09 acres of land with an interim use single-family residence located on the south side of River Road, east of Hacienda Del Sol, in Pima County, Arizona
Effective Date of Appraisal: December 3, 2015
Date of Report: December 7, 2015

Dear Mr. Teplitsky:

In response to your authorization, I have conducted the required inspection, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the market value of the fee simple interest in the above-named property. This report is intended for use only by the client and intended user, Pima County Real Property Division and its designees. Use of this report by others is not intended by the appraiser. This report is intended only for use in estimating the market value of the subject property for potential acquisition of the subject property. It is not intended for any other use.

I have formed the opinion that, as of the effective date of the appraisal, December 3, 2015, in its "as is" condition, based on a six to twelve month market period, and subject to the assumptions and limiting conditions set forth in the report, the subject property has a market value of:

EIGHT HUNDRED NINETY THOUSAND DOLLARS
($890,000)

Mr. Jeffrey Teplitsky
Pima County Public Works
Real Property Services

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

Respectfully submitted,

Thomas A. Baker, MAI, SRA
Certified General Real Estate Appraiser
Certificate Number 30139
Designated Supervisory Appraiser
Registration Number DS0007

C157192

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APPRAISAL ABSTRACT - PART I

CLIENT:
Pima County Public Works, Real Property Services

APPRAISER:
Thomas A. Baker, MAI, SRA

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

SUBJECT PROPERTY:
8.09 acres of land with an interim use single-family residence located on the south side of River Road, east of Hacienda Del Sol, in Pima County, Arizona

LAND AREA:
8.09 Acres - Per Pima County Assessor

ZONING:
SR (Pima County)

TITLE REPORT INFORMATION:
The appraisers have reviewed information contained in a title report of the subject property as provided by the client. The appraisers do not consider there to be any impact on the market value of the subject property by items reviewed in the title report. There are several drainage and slope easements located on the subject property that were obtained as part of previous drainage and roadway improvements on or in the vicinity of the subject property. These easements were determined to have no negative impact on the market value of the subject property.

LEGAL DESCRIPTION:
A portion of Section 21, Township 13 South, Range 14 East, G&SRB&M, Pima County, Arizona (See exhibits for full legal description).

OWNERSHIP:
According to public records of the Pima County Assessor, title to the subject property is in the name of St. Demetrios Greek Orthodox Church, according to Docket 13237, at Page 2670, dated February 6, 2008. See sale 1 in the Sales Comparison Approach section of this report for a discussion of this sale.

SALES/LISTING HISTORY:
There have been no sales of the subject property within the last five years. The current owner purchased the subject property on February 6, 2008 for $1,250,000. There was a subsequent transaction recorded on April 9, 2014, however this was an internal transfer of ownership and not a market transaction.

The subject property was listed for sale through MLS on October 14, 2015. According to the listing agent, there has been interest in the property, however no offers to purchase were made.

There is currently an agreement between Pima County and the property owner for purchase of the subject property at a reported price of $925,000. The purchase of this property at a purchase price of $925,000 was approved by the Board of Supervisors on December 1, 2015. This purchase price was negotiated between Pima County and the property owner, after Pima County obtained an appraisal on the property in August, 2014.

TAX PARCEL NUMBER:
108-26-015B, 108-26-015D, 108-26-016A

FULL CASH VALUE:

Parcel 108-26-015B	
$84,502 (2015)	$84,502 (2016) - Vacant Land
Parcel 108-26-015D	
$273,005 (2015)	$273,005 (2016) - Vacant Land
Parcel 108-26-016A	
$140,210 (2015)	$166,551 (2016) - Land and Improvements
Total	
$497,717 (2015)	$524,058 (2016) - Land and Improvements

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

LIMITED CASH VALUE:

Parcel 108-26-015B	
$84,502 (2015)	$84,502 (2016) - Vacant Land
Parcel 108-26-015D	
$273,005 (2015)	$273,005 (2016) - Vacant Land
Parcel 108-26-016A	
$132,165 (2015)	$138,773 (2016) - Land and Improvements
Total	
$489,672 (2015)	$496,280 (2016) - Land and Improvements

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

REAL ESTATE TAXES:
Parcel 108-26-015B
$2,078.01 (2015)
Parcel 108-26-015D
$6,713.75 (2015)
Parcel 108-26-016A
$2,031.48 (2015)

Total
$10,823.24 (2015)

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

DELINQUENT TAXES:
None

SPECIAL ASSESSMENTS:
None

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

PURPOSE OF THE APPRAISAL:
The purpose of this appraisal is to provide the appraisers' opinion of the market value of the subject real property as of the effective date of the appraisal, December 3, 2015.

MARKET VALUE DEFINITION:
Market value, as utilized in this appraisal, and as defined in The Appraisal of Real Estate, 14th Edition, published by the Appraisal Institute, 2013, page 59, is:

> The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting

prudently, knowledgeably, and for self interest, and assuming that neither is under undue duress.

INTENDED USE AND USER OF REPORT:
This report is intended for use only by the intended user, Pima County Real Property Services and its designees. Use of this report by others is not intended by the appraiser. This report is intended only to provide the opinion of the market value of the subject site for potential acquisition of the subject property. It is not intended for any other use.

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

EFFECTIVE DATE OF APPRAISAL:
December 3, 2015

DATE OF INSPECTION:
August 21, 2014 and December 3, 2015. The appraiser met a representative of the property owner at the property for inspection of the subject property on August 21, 2014. The appraiser reinspected the subject property on December 3, 2015 without the property owner present.

SCOPE OF THE APPRAISAL - PART II

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

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

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

This report is intended for use only by the intended user, Pima County Real Property Services and its designees. Use of this report by others is not intended by the appraiser. This report is intended only to provide the opinion of the market value of the subject site for potential acquisition of the subject property. It is not intended for any other use. The purpose of the appraisal is to provide the appraiser's opinion of the market value in fee simple interest of a specific property which has been previously identified in this report, and is referred to as the subject property, the subject, or the property.

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

An opinion of the "highest and best use" of the property was formed, utilizing resources to identify such factors as land use, supply and demand, governmental requirements,

environmental concerns, and economic elements, present and anticipated, which may impact upon the marketability of the property.

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

The existing single family residence on the subject property has significant physical depreciation due to the age of the improvements. Due to the significant depreciation due to all causes, the cost approach is not applicable in this analysis. In addition, the single family residence would only be utilized on an interim basis until the property was redeveloped based upon the highest and best use outlined in this report. Purchasers of properties similar to the subject do not utilize a cost analysis in their purchase decision, therefore although considered, this approach is not applicable in valuation of the subject property.

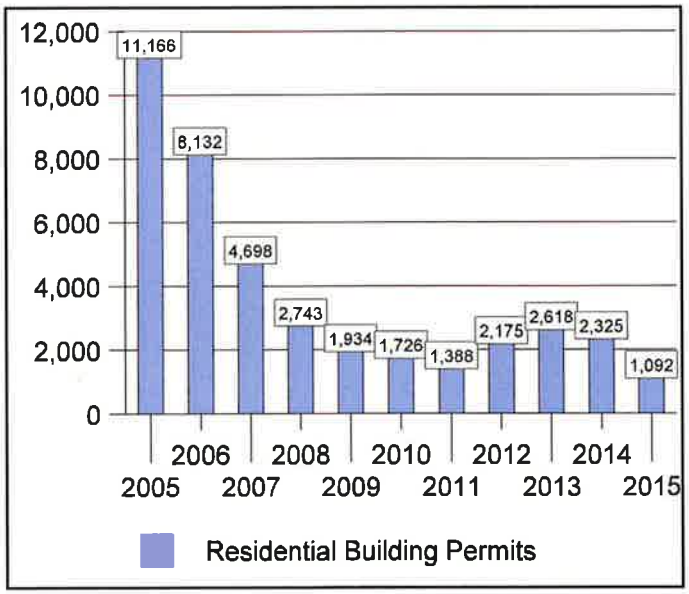
Properties similar to the subject are purchased by owner users who would develop the property for their own use. Therefore, the income approach is not applicable in this analysis.

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

DESCRIPTION OF REAL ESTATE APPRAISED - PART III

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

Starting in 2006, fewer single-family residential permits were issued due to the current oversupply of lots and residential homes on the market. According to the United States Census Bureau, Building Permits Survey, the number of single-family residential permits declined through 2011. There was limited new single-family construction since 2008, with the decline continuing through 2011, with a small increase in 2012 and remaining relatively stable through the first half of 2015.



* 2015 results for the First half of the year

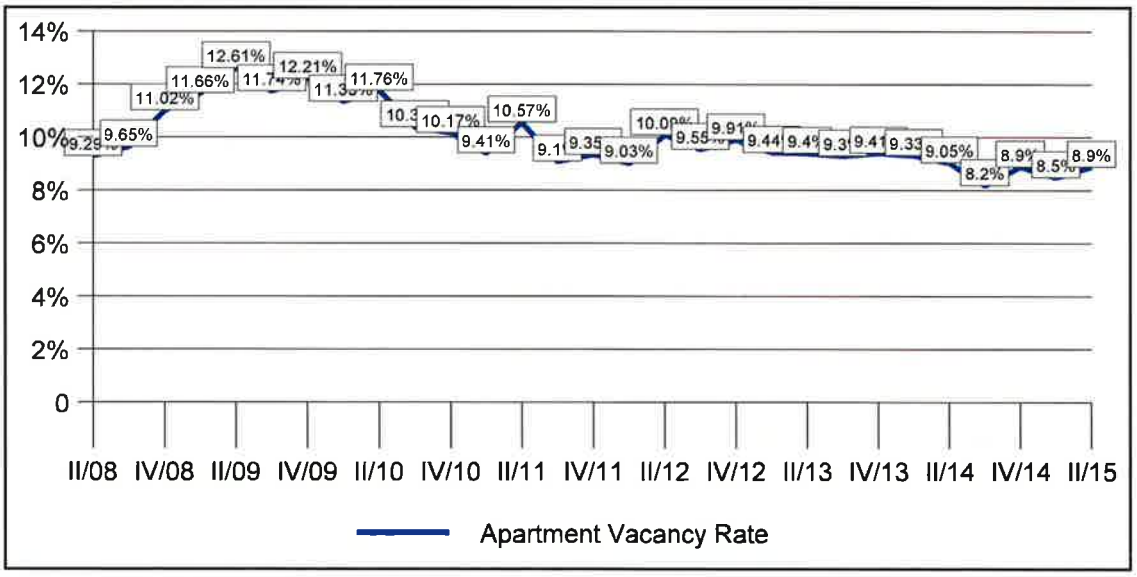
Overall, housing permits and sales had been increasing and a period of substantial growth occurred during 2004 and 2005 with unprecedented price increases having been experienced for most areas of Tucson. Building permit activity declined steadily in the Tucson Metropolitan area from a peak in 2005 of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

Metropolitan area. There has been a 56 percent increase in residential permits in 2012 from the bottom in 2011. This is an indication that the new home residential market is beginning to recover. The number of permits for 2013 shows a continued improvement in the market, with indications of a slight decline in 2014. New home sales are still well below peak or stabilized levels seen in the past.

Multi-Family Market

Vacancy rates for apartment properties in the Tucson Metropolitan area continued to remain high into 2011. Figure 2 shows vacancy rates in metropolitan Tucson between Second Quarter 2008 and First Quarter 2015, according to Apartment Insights' *Statistics/Trends Summary*.

The vacancy rate peaked in the Second Quarter 2009 and generally declined through early 2012, with another slight decline in mid 2014. However, vacancy rates for apartment properties typically increase in the second quarter of each year due to seasonal changes in population. The vacancy rate has remained mostly stable with slight fluctuations since early 2013. The current rent levels for multi-family properties have remained generally stable. There is limited demand for new construction, with the exception of student housing projects and some larger high-end Class A apartment complexes with many amenities.

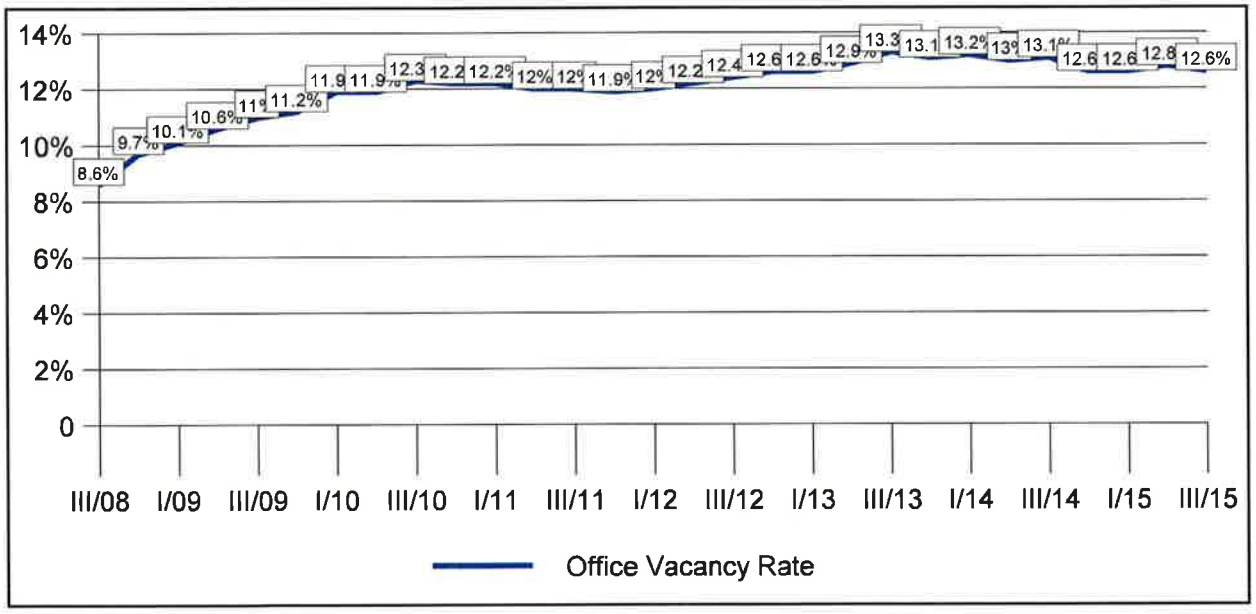


Office Market

Overall, the leasable *office market* experienced net positive absorption of 33,293 square feet in the Third Quarter of 2015, according to *The CoStar Office Report, Tucson Office Market, Third Quarter 2015.* This compares to net negative absorption of 20,254 square feet in the Second Quarter 2015, net positive absorption of 25,236 square feet in the First Quarter 2015, net positive absorption of 210,677 square feet in the Fourth Quarter 2014, and net positive absorption of 41,875 square feet in the Third Quarter 2014.

No new office buildings were completed in Third Quarter 2015. One new office buildings containing 19,761 square feet was completed in Second Quarter 2015, three new buildings containing 37,179 square feet were completed in First Quarter 2015, and two new office buildings containing 107,525 square feet were completed in Fourth Quarter 2014.

Figure 3 shows trends in the vacancy rates for office properties in Tucson between Third Quarter 2008 and Third Quarter 2015. The vacancy rate increased until late 2010 and then remained mostly stable with a slight decline through mid 2012. The vacancy rate increased from late 2012 through late 2013 and has remained mostly stable since late 2013.



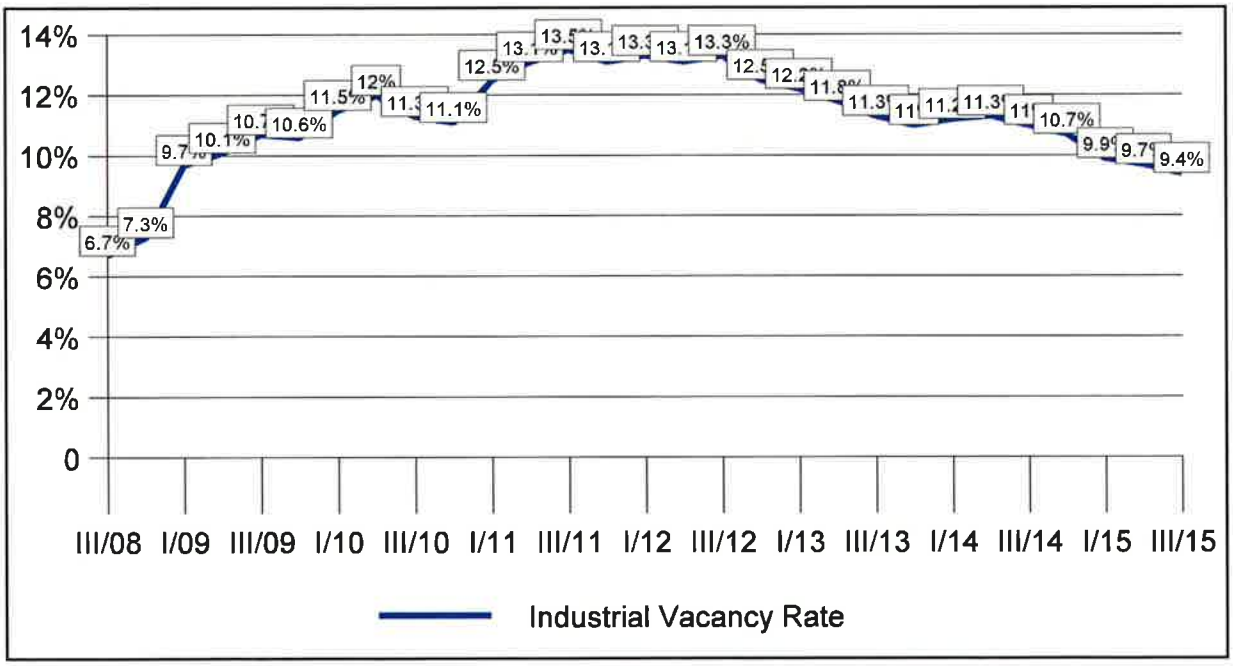
The stable but increased overall annual vacancy rate indicates an office market which is coupled to the overall stable but slow real estate market. There has been a decline in demand for owner/user office buildings which had made up a majority of office sales in 2006 and 2007. Market conditions stabilized in 2013. Market conditions for office properties are expected to remain stable in the near term and will improve slowly.

Industrial Market

Tucson experienced rapid *industrial* growth from the late 70's to the mid-80's. There has been limited new industrial space constructed recently in Tucson, with two buildings containing 270,000 square feet completed in Third Quarter 2015, no new buildings completed in Second Quarter 2015 or First Quarter 2015, one new building containing 49,751 square feet completed in Fourth Quarter 2014, one new building containing 10,000 square feet completed in Third Quarter 2014, and no new buildings completed in Second Quarter 2014, First Quarter 2014, and Fourth Quarter 2013, according to *The CoStar Industrial Report, Tucson Industrial Market, Third Quarter 2015.*

There was net positive absorption of 401,770 square feet of industrial space in the Third Quarter 2015. This compares to net positive absorption of 73,146 square feet of industrial space in the Second Quarter 2015, net positive absorption of 309,037 square feet of industrial space in the First Quarter 2015, net positive absorption of 166,034 square feet in the Fourth Quarter 2014, and net positive absorption of 133,050 square feet of industrial space in the Third Quarter 2014.

Figure 4 shows trends in the industrial vacancy rate in Tucson between Third Quarter 2008 and the Third Quarter 2015, according to *The CoStar Industrial Report, Tucson Industrial Market, Third Quarter 2015.*



Overall, the industrial vacancy rate increased through 2011, peaking in the Third Quarter 2011 and Third Quarter 2012. The vacancy rate declined from late 2012 through late 2013. The vacancy rate for industrial properties has increased slightly in early 2014 but then

declined again. The industrial market has stabilized but there are not yet signs of increased prices. There continues to be a large supply of fully zoned and improved industrial lots available in the Tucson market with limited demand in the current market. The overall decline in the economy is affecting many potential industrial users and there remains a slow demand for industrial zoned land.

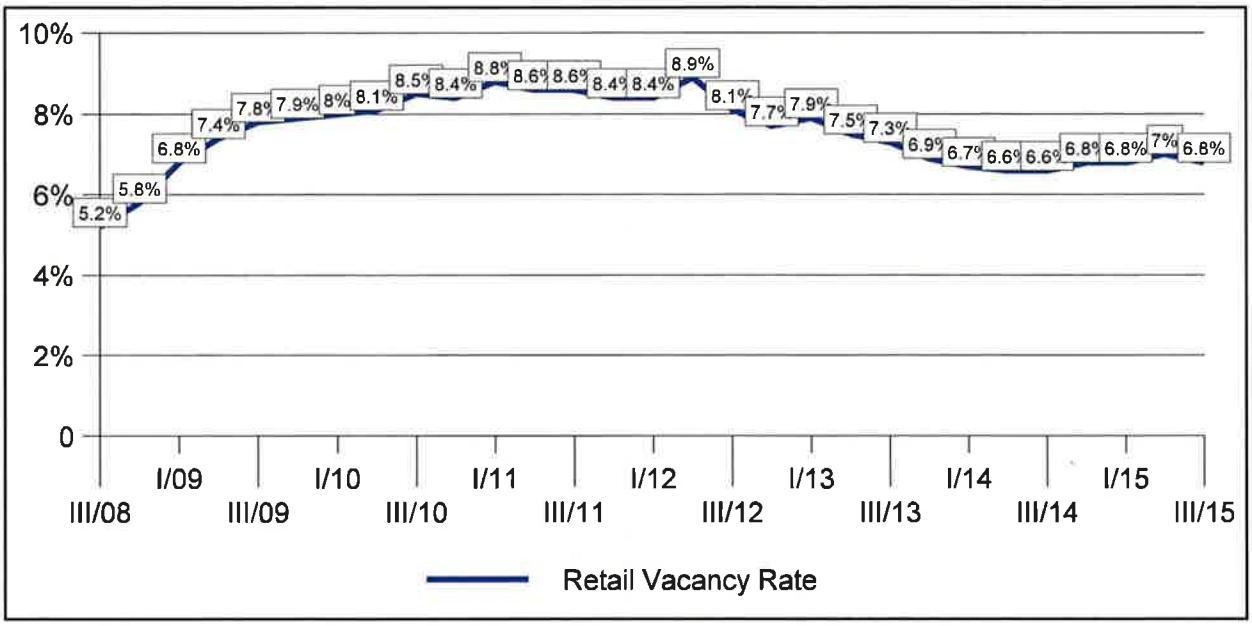
Retail Market

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

There was net positive absorption of 480,820 square feet in the Third Quarter 2015, according to *The CoStar Retail Report, Tucson Retail Market, Third Quarter 2015.* This compares to net negative absorption of 88,670 square feet in the Second Quarter 2015, net negative absorption of 19,267 square feet in the First Quarter 2015, net negative absorption of 59,630 square feet in the Fourth Quarter 2014, net positive absorption of 64,715 square feet in the Third Quarter 2014, and net positive absorption of 112,474 square feet in the Second Quarter 2014.

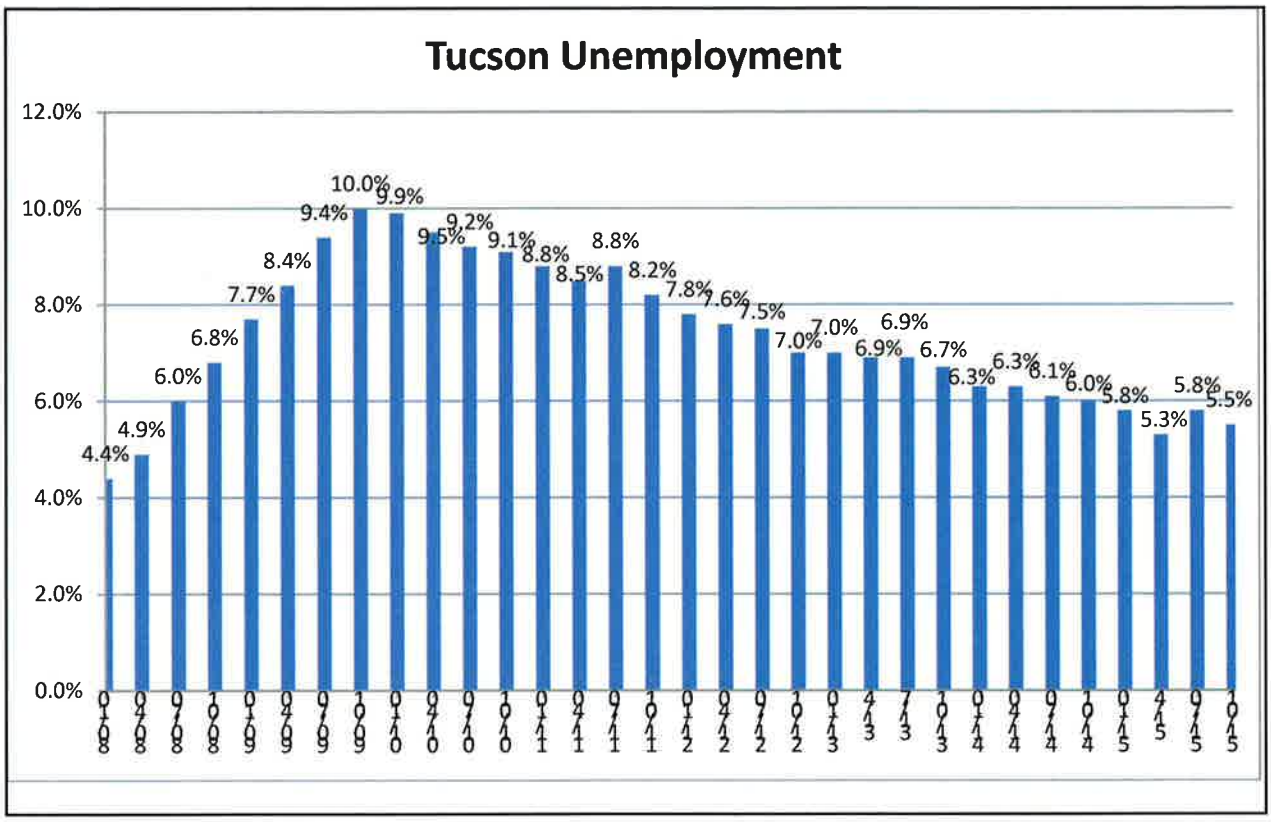
In the Third Quarter 2015, seven new buildings containing 414,841 square feet were completed. This compares to three new buildings containing 30,757 square feet in Second Quarter 2015, three new buildings containing 18,764 square feet in First Quarter 2015, six new buildings containing 71,962 square feet in Fourth Quarter 2014, and seven new buildings totaling 70,942 square feet in Third Quarter 2014.

Figure 5 shows trends in the vacancy rate for retail properties in the Tucson market between Third Quarter 2008 and Third Quarter 2015, according to *The CoStar Retail Report, Tucson Retail Market, Third Quarter 2015.*



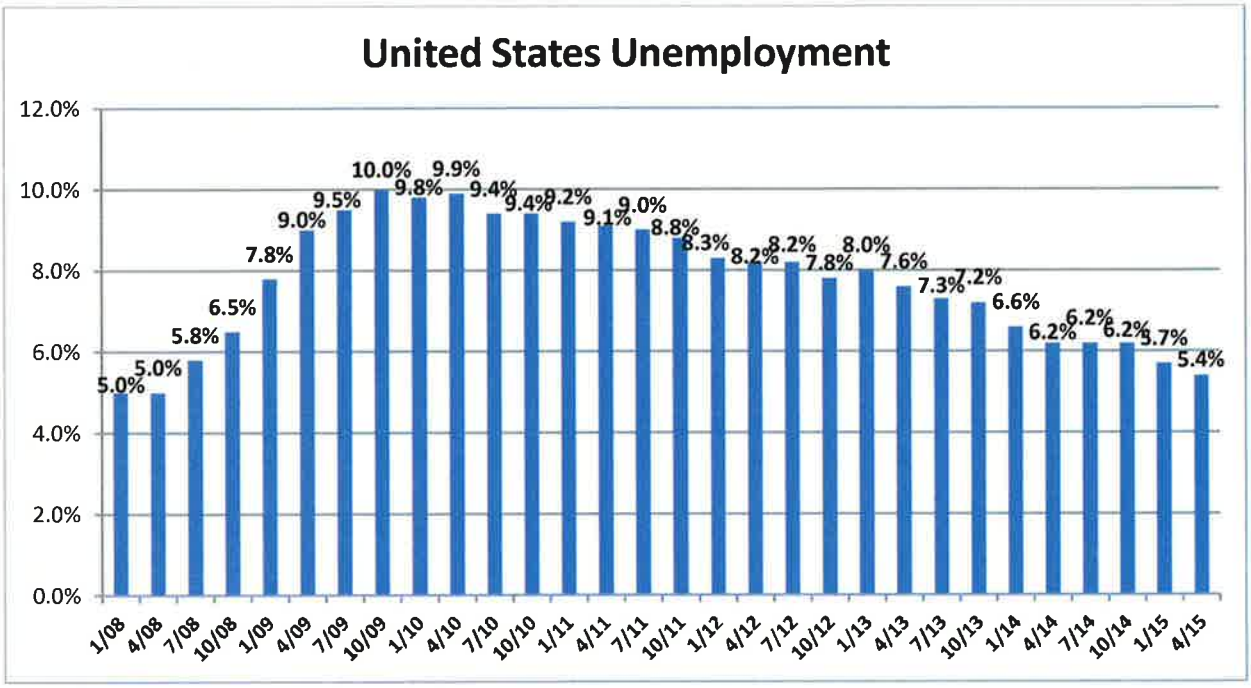
The vacancy rate for retail properties increased through early 2011. The retail vacancy rate remained mostly stable in 2011 but peaked in the Second Quarter 2012. The retail vacancy rate declined since that time, with the decline continuing through mid 2014. The retail market has stabilized and is starting to improve slightly in high demand areas, although there remains for little demand for older retail properties in low demand areas.

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



The previous data shows that the unemployment rate in the Tucson metropolitan area increased and peaked in early 2010. The unemployment rate has slowly been declining since early 2010 and remained mostly stable from mid 2012 through 2013. There has been a small decline in 2014.

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



Overall, the commercial real estate markets reveal that most investors hold a cautionary outlook for 2015 and early 2016 due to the tight credit that adversely affects tenants, owners and investors and the continuing uncertainty of the government conditions. The stabilizing supply and demand fundamentals will result in stable to slowly improving values. In the short term, limited growth is projected for Tucson over the next one to two years, with market conditions expected to remain stable and slowly start to improve during this time. The long term result should be a more balanced level of supply and demand - more conducive to steady long-term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.

NEIGHBORHOOD DESCRIPTION:
The subject neighborhood is that area bordered by Rillito River/Tanque Verde Wash, on the south, Catalina Mountains to the North, Sabino Canyon Road on the East, Campbell Avenue on the west.

The neighborhood consists mainly of single family residential properties on one acre or larger sites, townhouse complexes, and neighborhood commercial development at major arterial intersections. There is a neighborhood shopping center at the northeast corner of Craycroft and River Roads. This center includes a Walgreens, Whole Foods supermarket, as well as several restaurants and other service businesses and a branch of the Pima County Public Library. A large apartment complex and an elder care facility are located to the east of the shopping center. There are also major commercial centers located at the intersections of Swan and Sunrise Drive. Additional commercial development is located at the intersection of River and Campbell and Sunrise and Kolb. A commercial development, including a large shopping center, is located at the intersection of Sunrise and Campbell.

The lower area in this neighborhood has homes and other uses on larger parcels of land along the Rillito River, with much of this land having some floodplain issues. There is a mix of horse properties, houses on larger lots, private schools, and religious facilities in this lower part of the neighborhood. There has been a good demand in this area for school and religious use facilities due to the location at the base of the foothills.

The neighborhood is situated in the Tucson Unified and Catalina Foothills School Districts. The Skyline Country Club and golf course are located on Swan near Ina and the La Paloma Country Club and golf course are located on Sunrise between Campbell and Swan. Homes in the neighborhood range upwards from $250,000 to well over one million dollars and range in age from new to fifty-plus years.

SITE DESCRIPTION:
The subject property is located on the south side of River Road, and the north side of Roger Road, east of Hacienda Del Sol. The site is irregular in shape. The subject property has approximately 645 feet of frontage on River Road along the northern border and approximately 280 feet of frontage on Roger Road along the southern border. The site has a maximum depth of approximately 730 feet near the center of the site from River Road on the northern border and Roger Road on the southern border (see Exhibits). It contains a total gross area of 8.09 acres according to the Pima County Assessor. River Road is a four-lane, asphalt-paved roadway with center median and no concrete curbs, sidewalks, or streetlights in the vicinity of the subject. River Road has a 2010 traffic count of 15,000 vehicles per day near this site according to the Pima Association of Governments, Transportation Division. Roger Road is a two-lane dirt roadway, with no concrete curbs, sidewalks, or streetlights in the vicinity of the subject. There is no traffic count available for Roger Road in the area of the subject. The site has direct physical access from River Road along the northern border and Roger Road along the southern border. The site is below road grade of River road and at grade of Roger Road. The topography mostly level, sloping slightly in a southwesterly

direction. Properties bordering the subject property include a residential uses to the north, south, east, and west.

Utilities available to the subject property include electric (Tucson Electric Power Company), natural gas (Southwest Gas Corporation), and telephone (CenturyLink), and public sewer are available to the site in sufficient quantity and quality. While the subject site is not located within the Tucson Water Obligated Service Area, there is a public water line located within the southern right of way on River Road which could provide water to the subject property. In order to obtain public water from Tucson Water, the subject property would have to be annexed into the city. Currently there is one adjacent parcel to the west of the subject property, which is also not within the Tucson Water service area, separating the subject property from the City of Tucson city limits. In order for the subject property to receive public water, the adjacent property and the subject property would have to be annexed into the City of Tucson. There is a potential that the subject property owner could sign a pre-annexation agreement, stating that they would agree to be annexed into the city once the immediate area is ready to be annexed, which has been done on other properties in the past, in order to secure access to Tucson Water without the need for the adjacent parcel to also agree to be annexed immediately. Currently, there is one domestic well registered on the subject property. This well is dug to a depth of 250 feet with water level located at 170 feet. The casing diameter for the well is 9 inches and the well has a pump capacity of 25 gallons per minute. There is also an irrigation well that is located on the property which has been capped and the pump and tank removed. The appraiser was not able to locate any registration for this irrigation well. It is assumed that the well could be put back into service if needed.

According to FEMA Flood Insurance Rate Maps 04019C1695L and 04019C1695L, dated June 16, 2011, almost the entire subject property is identified as being located in Special Flood Hazard Area Zone A, with no base flood elevations determined. A very small portion of the subject property, located at the far northern border, is located outside the Special Flood Hazard area (see addenda). The Finger Rock Wash alignment is located on Roger Road along the southern border of the subject property. The property is not in a seismic zone.

According to a memorandum from Mr. Eric Shepp, Pima County Floodplain Administrator, the subject property is located within a Special Flood Hazard Area associated with the distributary flow area at the mouth of the Finger Rock Wash, where it enters the geologic floodplain of the Rillito River. Although the Zone A floodplains are considered approximate A zones, the Flood Control District had completed a study of the Finger Rock Wash in the area of the subject property and concluded that flood depths on the subject property are between 0.5 feet and 2 feet during the base flood of the Finger Rock Wash. In addition, numerous tributaries discharge onto the subject property from the lower foothills just to the north, increase the frequency of flooding on the subject property (See exhibits).

The subject property owner had a hydrology study completed to specifically address the floodprone nature of the subject property, with a report dated May 28, 2014 (See exhibits). According to Section 3.4.1 on page 6 of the hydrology report; flood depths range from 0.5 feet along River Road to 2 feet within most of the property. There is a small area with a

depth of 2.5 feet within the west side of the property. The depths of flow are approximately 0.5-1.0 feet in the northern portion of the site and approximately 1.5 feet on the eastern portion of the site. Because this hydrology report was completed specifically for the subject property, the appraiser is utilizing this information for the analysis of value of the subject property. Any development on the site would require any potential buildings to be built up 1 foot above base flood elevations.

There are several drainage and slope easements located on the subject property that were obtained as part of previous drainage and roadway improvements on or in the vicinity of the subject property. These easements were determined to have no negative impact on the market value of the subject property.

As addressed in the highest and best use section of this report, the subject property could be developed with a religious facility or school use, but will have higher development costs associated with raising building pads above base flood elevations and having to develop on site retention areas to control the flow from being moved to adjacent properties. While costly, this has been completed on other properties and has been considered in the valuation of the subject property.

ZONING:
The subject site is zoned SR (Suburban Ranch), according to the Pima County Zoning Code. This classification is a low density single-family residential zone. A wide range of conditional agricultural and ranch uses are permitted.

There is no minimum lot width. The minimum distance between buildings is 20 feet. The maximum lot coverage by structures is 30 percent. Additional development standards under this classification include the following:

SR ZONING REQUIREMENTS

Min. Lot Area (SF)	Min. Area per Unit (SF)	Minimum Yards (feet)			Bldg. Height
		Front	Side	Rear	
144,000	144,000	50	10	50	34 feet

The subject property appears to satisfy these requirements.

COMPREHENSIVE PLAN:
The north portion of the subject property adjacent to River Road, having a depth of approximately 290 feet on the western border, narrowing to a depth of approximately 60 feet on the eastern border, with an area of approximately 2 acres, has a Land Use Intensity of LIU 1.2 according to the Pima County Comprehensive Plan. The purpose of this designation is to "designate areas for low density residential and other compatible uses; to provide incentives for clustering residential development and providing natural open space; and to provide opportunities for a mix of housing types throughout the region." Only land area zoned and planned for residential use, or natural or cluster open space areas, shall be included in gross

density calculations. The maximum residential gross density is 1.2 residences per acre (RAC) or 2.5 to 4.0 residences per acre with 30 percent cluster open space. Allowable zonings under the LIU 1.2 designation are GC, SR, SR-2, SH, CR-1, CR-2, CR-3, CR-4, CR-5, CMH-1 and MR.

The remainder of the subject property, approximately 6.09 acres, is designated as Resource Transition (RT) according to the Pima County Comprehensive Plan. The purpose of this designation is to protect private land with environmentally sensitive characteristics that include wildlife corridors, natural washes, floodplains, peaks and ridges, buffers to public preserves, and other environmentally sensitive areas. Development of such land shall emphasize design that blends with the natural landscape and supports environmentally sensitive linkages in developing areas. Only land area zoned and planned for residential use, or natural or cluster open space areas shall be included in gross density calculations. Natural and cluster open space shall be defined as set forth in Section 18.09.040B, except that cluster open space shall not include land developed under the GC Golf Course Zone. There is no minimum gross density. The maximum residential gross density is 0.3 residences per acre (RAC). Allowable zonings under the RT designation are RH, SR, and MR.

IMPROVEMENTS DESCRIPTION:

Improvement Overview. The subject property contains an existing single-story single family residence constructed in 1958. It is of average design and contains 1,743 square feet of living area (according to the Pima County Assessor) including three bedrooms, two bathrooms, a living room, family room, and kitchen. Basic construction is adobe and brick, steel casement windows, and rolled composition roof cover. It has gas forced warm air heat and air-condition cooling. There is non-attached two car carport. Overall condition of the residence is below average. As discussed later in this report, the existing single-family residence would be an interim use and would be demolished at the time the subject property is developed with its highest and best use.

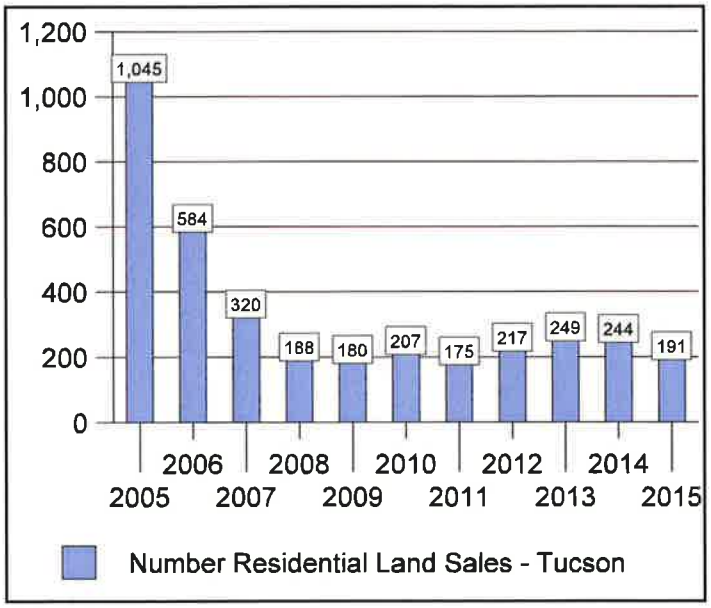
Interior Features. Interior finish of the include painted adobe exterior walls and a combination of adobe and wood panel lined interior walls. The floor coverings include concrete, carpet, and vinyl. The master bedroom contains concrete flooring, ceiling fan, closet, and acoustic ceiling tiles. The second bedroom contains carpet flooring, closet, and acoustic ceiling tiles. The third bedroom consists of carpet flooring, closet, ceiling fan, and acoustic ceiling tiles. The maser bath contains vinyl tile flooring, shower stall with tile wainscoting, wood cabinetry, tile counter, sink, and toilet. The second full bath contains vinyl tile flooring, tub with shower overhead and tile wainscoting, sink, and toilet. The living room contains concrete flooring, cork ceiling, and fireplace. The family room contains carpet flooring, ceiling fan, and fireplace. The kitchen contains vinyl flooring, blown acoustic ceiling, original wood cabinetry, stove/range, laminate counters, dishwasher, and sink.

Patio/Site Features. The subject property has ranch fencing around the boundaries of the property. The property also has one domestic well and an irrigation well that has been capped and the pump and tank removed. The landscaping consists mainly of land that previously contained a pecan farm, but the pecan trees have since been removed and the land area is barren.

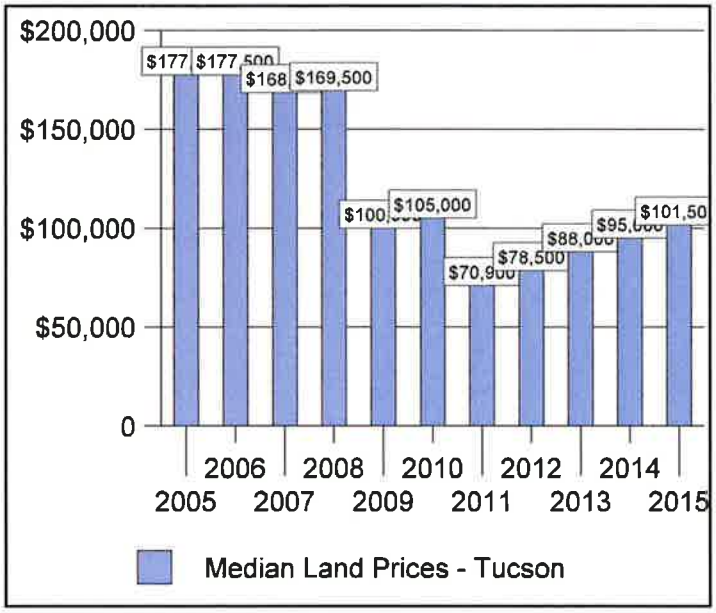
Summary. The subject property contains an existing single family residence. It is in below average condition. The house is in need of repairs and renovations. The condition and amenities in the home are below average. As discussed later in this report, the existing improvements would be an interim use and would be demolished at the time the subject property is developed with its highest and best use.

MARKET PROFILE - RESIDENTIAL LAND SALES

The following is the number of residential land sales between 1 and 20 acres in the Tucson market, according to MLS. The number of residential land sales, between 1 and 20 acres in size in the Tucson market declined between 2005 and 2011. The change in sales volume between 2005 and 2011 was a decline of approximately 83%. Beginning 2012, the number of residential land sales between 1 and 20 acres in the Tucson Market remained mostly stable, with a slight upward trend. The change in sales volume between 2011 and the third quarter of 2015 is an increase of approximately 9%.



The following is the median sales price residential land sales between 1 and 20 acres in the Tucson market, according to MLS. There was a significant decline in the median sales price for residential land, between 1 and 20 acres, between 2005 and 2011. The median sales price declined approximately 60% between 2005 and 2011. The median sales price for residential land between 1 and 20 acres in the Tucson market has gradually increased from 2011 and the third quarter of 2015. The median sales price increased approximately 43% from 2011 and the third quarter of 2015.



The above data accounts for all residential land sales in the Tucson market according to MLS. The purpose of this data is to show the general trend of the market. The subject property, as outlined in the highest and best use section of this report, is for a specialized use of developing a school or religious facility. This type of property can be developed on residential land area and typically requires frontage on a major roadway.

Land Market Data - Paired Sales

The following sale and resale of large undeveloped residential parcels demonstrate the decline in the residential real estate market conditions since the peak of the residential market in mid 2006.

1. A 37.34 acre parcel located near Colossal Cave Road was purchased as raw land in January 2006 for $1,725,000, or $46,197 per acre. The property owner platted the property with a 43-lot subdivision and obtained all necessary surveys, construction plans, etc. The property owner has approximately $1,850,000 invested in the property. This property has been listed since December 2007 and has not been purchased. The property was re-listed in September 2008 for $1,300,000 for the platted subdivision with all surveys, etc., and did not sell at this price. This property was re-listed again in 2009 at a price of $752,500. In September, 2009, the price was reduced to $688,000. Thereafter, the price was reduced to $538,350. This property

sold in December 2010 for $517,500. This represents a 72 percent decline from the investment in the property by the owner.

2. An SR zoned property containing 185 acres of land and located on Sweetwater Drive sold for $4,629,225 in April 2006. The buyers spent $100,000 to $150,000 on platting and engineering for the property, for a total investment of $4,750,000. The property has been platted as a 46-lot subdivision. This property sold for $1,600,000 in March 2011. This represents a decline of approximately 67 percent since the peak of the market.

3. An SR zoned property containing 16.5 acres was purchased as raw land in March of 2006 for $865,000. The buyer split the property into five lots and provided utilities and access to each of the lots at a cost of approximately $350,000 to $400,000. This buyer spent approximately $1,215,000 to $1,265,000 on the property. This property resold in September 2011 for $737,500. This indicates a decline of 40% to 42% between the two dates of value. However, market conditions improved between the date of the first sale in March 2006 to the peak of the market at the end of 2007, indicating that the decline in market conditions as indicated by this sale is likely greater than 40% to 42%.

4. A 516-acre parcel located on the south side of Ajo Highway, east side of Continental Road alignment near the intersection of Ajo Highway and Valencia Road sold in September, 2012, for $5,500 per acre. This property sold as part of a larger parcel (containing a total of 738 acres) at a reported price of $22,500 per acre in July, 2006. This was an auction with the University of Arizona as the seller and only one bidder. This indicates a decline of close to 76%.

Sales and resales of residential lots also show the decline in market conditions since the peak of the residential market in mid 2006.

A CR-1 zoned lot in Pima Canyon Estates, on Desert Garden Drive, contains 1.18 acres of land. This lot sold in May 2005 for $575,000. This lot resold in April 2011 for $295,000, indicating a decline of 49%.

Another CR-1 zoned lot, located on Quartz Hill Place in Rockcliff, sold in September 2008 for $600,000. This lot resold in November 2011 for $350,000, indicating a decline of 42%.

A residential lot contains 1.02 acres is located on Circulo Manzanillo in Ridge Estates. This lot sold in April 2007 for $368,000 and resold in January 2012 for $140,000. This indicates a decline of 62%.

A CR-1 zoned lot is located on Black Rock Drive in Sabino Mountain. This lot sold in May 2006 for $450,000 and resold in March 2012 for $192,000. This indicates a decline of 57%.

Another lot on Black Rock Drive in Sabino Mountain sold in March 2006 for $585,000. This lot resold in March 2012 for $233,000, indicating a decline of 60%.

A CR-1 zoned lot on Lindstrom Place in River Heights Estates sold in March 2007 for $259,900. This lot resold in August 2010 for $150,000, indicating a decline of 42% between the two dates of value.

A 4.82 acre lot on Tarvers Place in Saguaro Ranch sold in January 2007 for $1,640,000. This lot resold in March 2012 for $320,000, indicating a decline of 80%.

A 1.0 acre lot on Tortolita Mountain Circle in Stone Canyon II sold in April 2007 for $310,000. This lot resold in April 2011 for $135,000, indicating a decline of 56%.

There is a 1.94 acre lot on Nesting Quail Place in Canyon Pass IV at Dove Mountain. This lot sold in February 2007 for $429,000 and resold in July 2011 for $155,000. This indicates a decline of 64%.

There is a lot on Stone Canyon Drive, north of Sunrise and east of Kolb Road. This lot sold in May 2007 for $780,000. This lot went into escrow in February 2012 with a list price of $398,270. This indicates a decline of at least 50%.

A CR-1 zoned lot is located on the south side of Manzanita Avenue, west of Campbell Avenue. This lot sold in March 2008 for $525,000. This lot resold in August 2011 for $342,600, indicating a decline of 35%.

Another CR-1 zoned lot, located on Avenida de Castilla, west of Hacienda del Sol, north of River Road, sold in April 2007 for $484,000. This lot resold in July 2011 for $210,000, indicating a decline of 56%.

A residential lot is located in the Estates at Honey Bee Ridge on Silver Cloud Drive and contains 1.39 acres of land. This lot sold in May 2007 for $349,900 and resold in July 2011 for $150,000. This indicates a decline of 57%.

A residential lot containing 0.84 acres of land is located in Rio Verde Vista 3 on Red Cardinal, East of Craycroft Road, North of River Road. This lot sold in July 2005 for $270,000. This lot resold in March 2011 for $175,000, indicating a decline of 35% since mid 2005. Market conditions would have increased from July 2005 to the peak of the market, indicating a decline of greater than 35% from the peak of the market.

A 1.23 acre residential lot, located on Playa de Coronado, east of Alvernon, north of Skyline, is located in Summit at Finger Rock. This lot sold in October 2007 for $612,500. The lot resold in October 2011 for $356,000, indicating a decline of 42%.

A residential lot containing 0.83 acres is located on Vistoso View Place in Vistoso Point. This lot sold in May 2007 for $309,000. This lot resold in June 2011 for $130,000, indicating a 58% decline.

These sales indicate that for lots containing approximately one acre of land, prices have declined 50 percent or more since the peak of the market in mid 2006.

An SR zoned lot containing 8.6 acres is located on the north side of Redington Road in La Cebadilla. This lot cannot be split into more than one lot. This lot sold in January 2005 for $398,500. This lot was a bank owned property and sold in January 2010 for $237,500.

A residential lot is located on Placita Borboa, north of Snyder Road in the Snyder Creek Canyon subdivision. This lot sold in January 2008 for $373,000. A more recent sale in this subdivision closed in March, 2012 at $135,000. These two lots are located adjacent to one another in the same subdivision and are considered similar.

There are some early indications that the decline in residential market conditions is starting to stabilize and even increase in some market areas. Over the past year there has been the beginning of a market recovery for single-family residences, specifically in homes priced below $250,000. Homes in this price range are in higher demand and there is currently limited inventory of this type of home, causing homes in this price range to rise faster than more expensive single-family residences. There is an oversupply of single-family residences that exceed $250,000, causing values for this type of product to rise more slowly than the less expensive homes. Market participants recognize that the residential home and residential vacant land market will remain stable with some increases for a time before starting to substantially improve, and that this will be a slow, long-term recovery. The same market participants indicated that purchases of large vacant rural properties are few and this trend will continue for the near future as the market regains balance and value begin to stabilize and increase.

EXPOSURE/MARKETING TIME:
Marketing Time, as utilized in this appraisal, is defined as:

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

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

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

The reasonable exposure and marketing time is estimated to be six to eighteen months based on the sales used in this report and based on conversations with brokers familiar with properties similar to the subject property. This is consistent with the location of the property, the surrounding uses, the zoning, the lack of utilities, and the overall market conditions.

HIGHEST AND BEST USE:
The 5th edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2010), defines highest and best use as follows:

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

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

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1. *The Dictionary of Real Estate Appraisal* (Chicago: Appraisal Institute, Fifth Edition, 2010), p. 121

2. Ibid, p. 73

Highest and Best Use as Vacant

Legal Considerations

The subject site is zoned SR (Suburban Ranch), according to the Pima County Zoning Code. This classification is a low density single-family residential zone. A wide range of conditional agricultural and ranch uses are permitted. The minimum lot area is 144,000 square feet and the minimum area per unit is 144,000 square feet. There is no minimum lot width. The minimum distance between buildings is 20 feet. The maximum lot coverage by structures is 30 percent.

The north portion of the subject property adjacent to River Road, having a depth of approximately 290 feet on the western border, narrowing to a depth of approximately 60 feet on the eastern border, with an area of approximately 2 acres, has a Land Use Intensity of LIU 1.2 according to the Pima County Comprehensive Plan. The purpose of this designation is to "designate areas for low density residential and other compatible uses; to provide incentives for clustering residential development and providing natural open space; and to provide opportunities for a mix of housing types throughout the region." Only land area zoned and planned for residential use, or natural or cluster open space areas, shall be included in gross density calculations. The maximum residential gross density is 1.2 residences per acre (RAC) or 2.5 to 4.0 residences per acre with 30 percent cluster open space. Allowable zonings under the LIU 1.2 designation are GC, SR, SR-2, SH, CR-1, CR-2, CR-3, CR-4, CR-5, CMH-1 and MR.

The remainder of the subject property, approximately 6.09 acres, is designated as Resource Transition (RT) according to the Pima County Comprehensive Plan. The purpose of this designation is to protect private land with environmentally sensitive characteristics that include wildlife corridors, natural washes, floodplains, peaks and ridges, buffers to public preserves, and other environmentally sensitive areas. Development of such land shall emphasize design that blends with the natural landscape and supports environmentally sensitive linkages in developing areas. Only land area zoned and planned for residential use, or natural or cluster open space areas shall be included in gross density calculations. Natural and cluster open space shall be defined as set forth in Section 18.09.040B, except that cluster open space shall not include land developed under the GC Golf Course Zone. There is no minimum gross density. The maximum residential gross density is 0.3 residences per acre (RAC). Allowable zonings under the RT designation are RH, SR, and MR.

According to FEMA Flood Insurance Rate Maps 04019C1695L and 04019C1695L, dated June 16, 2011, almost the entire subject property is identified as being located in Special Flood Hazard Area Zone A, with no base flood elevations determined. A very small portion of the subject property, located at the far northern border, is located outside the Special Flood Hazard area (see addenda). The Finger Rock Wash alignment is located on Roger Road along the southern border of the subject property. The property is not in a seismic zone.

According to a memorandum from Mr. Eric Shepp, Pima County Floodplain Administrator, the subject property is located within a Special Flood Hazard Area associated with the distributary flow area at the mouth of the Finger Rock Wash, where it enters the geologic

floodplain of the Rillito River. Although the Zone A floodplains are considered approximate A zones, the Flood Control District had completed a study of the Finger Rock Wash in the area of the subject property and concluded that flood depths on the subject property are between 0.5 feet and 2 feet during the base flood of the Finger Rock Wash. In addition, numerous tributaries discharge onto the subject property from the lower foothills just to the north, increase the frequency of flooding on the subject property (See exhibits).

The subject property owner had a hydrology study completed to specifically address the floodprone nature of the subject property, with a report dated May 28, 2014 (See exhibits). According to Section 3.4.1 on page 6 of the hydrology report; flood depths range from 0.5 feet along River Road to 2 feet within most of the property. There is a small area with a depth of 2.5 feet within the west side of the property. The depths of flow are approximately 0.5-1.0 feet in the northern portion of the site and approximately 1.5 feet on the eastern portion of the site. Because this hydrology report was completed specifically for the subject property, the appraiser is utilizing this information for the analysis of value of the subject property. Any development on the site would require any potential buildings to be built up 1 foot above base flood elevations.

The legal characteristics of the subject property would allow for up to two-single family residences on two lots to be constructed under the current SR zoning. If the area located on the north portion of the subject property, located within the area designated as LIU 1.2 under the Pima County Comprehensive Plan were to be re-zoned to CR-1, then the subject property could be developed with up to three single-family residences located on three lots with 1 single-family residence on a one-acre lot in the re-zoned portion of the property and 2 single-family residence located on two additional lots on the remainder of the land with each lot at least 144,000 square feet required under the existing SR zoning. Or, the subject property could be developed with a religious facility or a private school based on the existing zoning.

Physical Considerations

The subject property is located on the south side of River Road, and the north side of Roger Road, east of Hacienda Del Sol. The site is irregular shape. The subject property has approximately 645 feet of frontage on River Road along the northern border and approximately 280 feet of frontage on Roger Road along the southern border. The site has a maximum depth of approximately 730 feet near the center of the site from River Road on the northern border and Roger Road on the southern border (see Exhibits). It contains a total gross area of 8.09 acres according to the Pima County Assessor. River Road is a four-lane, asphalt-paved roadway with center median and no concrete curbs, sidewalks, or streetlights in the vicinity of the subject. River Road has a 2010 traffic count of 15,000 vehicles per day near this site according to the Pima Association of Governments, Transportation Division. Roger Road is a two-lane dirt roadway, with no concrete curbs, sidewalks, or streetlights in the vicinity of the subject. There is no traffic count available for Roger Road in the area of the subject. The site has direct physical access from River Road along the northern border and Roger Road along the southern border. The site is below road grade of River road and at grade of Roger Road. The topography mostly level, sloping slightly in a southwesterly direction. Properties bordering the subject property include a residential uses to the north, south, east, and west.

The physical characteristics of the subject property would allow for for up to two-single family residences on two lots to be constructed under the current SR zoning. If the area located on the north portion of the subject property, located within the area designated as LIU 1.2 under the Pima County Comprehensive Plan were to be re-zoned to CR-1, then the subject property could be developed with up to three single-family residences located on three lots with 1 single-family residence on a one-acre lot in the re-zoned portion of the property and 2 single-family residence located on two additional lots on the remainder of the land with each lot at least 144,000 square feet required under the existing SR zoning. Or, the subject property could be developed with an institutional use such as a religious facility or a private school based on the existing zoning. Since the year 2000, there has been interest by private schools and religious groups on developing facilities in this area. Some of this development has occurred where existing facilities are incorporated into a development if these existing improvements are large enough in size and the quality of construction and condition of the improvements is good. The issue to overcome for users in this area for private schools and religious facilities is the floodplain nature of most of the land in the area. Any development of a private school or religious facility on the subject site would require any building improvements to be built up 1 foot above the base flood elevation and the development of retention areas to avoid increasing the depth of flow off the subject site onto adjacent parcels when raising building pads and putting in parking lots. Due to the floodprone nature of the subject land, development costs will be higher. This higher development cost of the subject property has been reflected in the valuation of the subject property.

Financial Feasibility

The subject property could be developed with a religious facility or a private school based on the existing zoning and demand for these types of uses in the area of the subject property. This is supported by the numerous private schools and religious facilities located in the area of the subject property. Due to the floodprone nature of the site, cost to re-zone a portion of the subject property, and lower price paid for residential uses on larger lots in the immediate area of the subject property, the subject property would not be developed with residential uses. Religious facility and private schools seek sites that have visibility and access from a major roadway. These users pay a higher price for their land purchases than typical residential users, with the religious facility and private school uses able to locate on residential zoned land.

Maximally Productive

Therefore, the maximally productive highest and best use of the subject site would be for development of a religious facility or a private school.

Highest and Best Use as Improved

The highest and best use as improved compares the ideal improvements for the property to the existing improvements. This is used to determine if the existing improvements should be retained or modified. A modified property can be converted, removed, or renovated. The subject property as vacant would be developed with a religious facility or a private school. The property currently contains a single-family residence, domestic well, and fencing. This single-family residence was constructed in 1958. It contains 1,743 square feet. The single-family residence is in below average condition.

Legal Considerations

The subject property as improved meets all requirements under the existing SR zoning. Therefore, the existing improvements could be retained under the existing zoning. There are no legal restrictions to converting, renovating, or demolishing the improvements.

Physical Considerations

The subject improvements are in below average condition and average quality of construction and would not be utilized in the potential development of the subject property to its highest and best use as a religious facility or a private school. The existing improvements are not in sufficient size, quality of construction, or in adequate condition to support incorporating these improvements in the development of a private school or religious facility on the subject site. There are no physical restrictions to renovating, or demolishing the existing improvements.

Financial Feasibility

The subject property improvements are in below average condition, average quality, and smaller size, and would not be utilized in the potential development of the subject property to its highest and best use as a religious facility or a private school. Due to the floodprone nature of the site, cost to re-zone a portion of the subject property, and lower price paid for residential uses on larger lots in the immediate area of the subject property, the subject property would not be developed with residential uses. The existing improvements would be utilized as an interim use to be rented until the subject property is ready for eventual development of its highest and best use as a religious facility or a private school. At that time, the existing improvements would be demolished. The income generated from renting the existing improvements would offset the demolition costs of existing improvements

Because the existing improvements would be used as an interim basis and income generated from the interim use would offset the demolition costs of the existing improvements, the existing improvements neither add or detract from the value of the subject property as vacant. Therefore, the exiting improvements would be utilized as an interim use to be rented until the subject property is ready for eventual development of its highest and best use as a religious facility or a private school. At that time, the existing single-family residence would be demolished.

Maximally Productive

The maximally productive highest and best use of the property as improved is to retain the existing improvements as an interim use to be rented until the subject property is ready for eventual development of its highest and best use as a religious facility or a private school. At that time, the existing single-family residence would be demolished.

SUMMARY OF ANALYSIS AND VALUATION - PART IV

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

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

Table of Comparable Land Sales

Sale No.	Sale Date	Property Location	Sale Price	Site Size (Acre)	Price/ Acre	Zoning
1.	02/08	South side of River Road, West of Alvernon Way	$1,250,000	8.09	$154,512	SR
2.	12/10	West side of Skyline Drive, North side of Ina Road	$1,618,000	7.37	$219,539	SR
3.	02/11	Between Starlight View Lane and Desert Gem Lane, South of Sahuarita Road	$1,200,000	7.50	$160,000	SP
4.	01/13	North side of Valencia Road, east of Nexus Road	$725,000	9.79	$74,055	SR
5.	06/15	Southwest corner of Pima Street and Alamo Street	$600,000	3.00	$200,000	R-1/R-2
6.	07/15	Northwest corner of River Road and Allen Road	$1,100,000	8.77	$125,428	SR
		Subject Property		8.09		SR

COMPARABLE LAND SALE ADJUSTMENT GRID

	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Sale Date		02/2008	12/2010	02/2011	01/2013	06/2015	07/2015
Site Size (Acres)	8.09	8.09	7.37	7.50	9.79	3.00	8.77
Zoning	SR	SR	SR	SP	SR	R-1/R-2	SR
Utility	Fair	Similar	Superior	Superior	Superior	Superior	Superior
Sale Price		$1,250,000	$1,618,000	$1,200,000	$725,000	$600,000	$1,100,000
Price per Acre		$154,512	$219,539	$160,000	$74,055	$200,000	$125,428
Summary of Adjustments							
Unadjusted Price / Acre		$154,512	$219,539	$160,000	$74,055	$200,000	$125,428
Property Rights		0%	0%	0%	0%	0%	0%
Adjusted Price		$154,512	$219,539	$160,000	$74,055	$200,000	$125,428
Financing		0%	0%	0%	0%	-15%	-10%
Adjusted Price		$154,512	$219,539	$160,000	$74,055	$170,000	$112,885
Conditions of Sale		0%	-10%	0%	0%	-10%	0%
Adjusted Price		$154,512	$197,585	$160,000	$74,055	$153,000	$112,885
Date/Market Conditions		-30%	-7%	-7%	3%	0%	0%
Adjusted Price		$108,158	$183,754	$148,800	$76,277	$153,000	$112,885
Physical Adjustments (%)							
Location		0	-15	25	30	20	0
Zoning		0	-5	-20	-5	-5	0
Site Size		0	0	0	5	-15	0
Utility		0	-20	-30	-15	-30	0
Net Adjustment		0%	-40%	-25%	15%	-30%	0%
Indicated Value / Acre		**$108,158**	**$110,252**	**$111,600**	**$87,718**	**$107,100**	**$112,885**

This analysis compares six sales of similar vacant land parcels to the subject property on a price per acre basis. This is the sale price divided by the acreage of the site. Sales prices range from $74,055 to $219,539 per acre before adjustment. The adjustment grid on the previous page reflects the adjustments. An upward adjustment indicates that the comparable is inferior to the subject; a downward adjustment indicates that the comparable is superior to the subject; and no adjustment (0) indicates the comparable is similar or equal to the subject.

Comparable Sale One requires a downward adjustment for date and market conditions as market data indicates that prices have decreased since the date of this sale and the date of value. This is supported by the median sales price change in the market and the paired sales analysis discussed in the market profile section of this report indicating a decrease between the date of sale and the date of value.

There are no physical adjustments required as this is a prior sale of the subject property. Overall, this sale on a price per acre basis indicates a downward adjustment in comparison to the subject property.

Comparable Sale Two requires a downward adjustment for conditions of sale as the buyer paid above market value for the property because this property met their specific requirements. A downward adjustment is required for date and market conditions as market data indicates that prices have decreased since the date of this sale and the date of value. This is supported by the median sales price change in the market and the paired sales analysis discussed in the market profile section of this report indicating a decrease between the date of sale and the date of value.

Physical adjustments include a downward adjustment for location as this property is located in an area with greater demand than the subject property. This is partially offset as this property has visibility, but no access from a major roadway, compared to the subject property. A downward adjustment is warranted for zoning as this property has the ability to be rezoned to a superior zoning as compared to the subject property. A downward adjustment is required for site utility as this property is less floodprone than the subject property and therefore has lower development costs compared to the subject property. This is partially offset as this property requires extra grading costs and has more unusable land area due to the steep topography compared to the subject property. Overall, this sale on a price per acre basis indicates a downward adjustment in comparison to the subject property.

Comparable Sale Three requires a downward adjustment for date and market conditions as market data indicates that prices have decreased since the date of this sale and the date of value. This is supported by the median sales price change in the market and the paired sales analysis discussed in the market profile section of this report indicating a decrease between the date of sale and the date of value.

Physical adjustments include an upward adjustment for location as this property is located in an area with not as great of demand as the subject property and is a backage pad with less visibility from a major roadway compared to the subject property. A downward adjustment is warranted for zoning as this property has superior zoning as compared to the subject property.

A downward adjustment is required for site utility as this property is less floodprone compared to the subject property and therefore has lower development costs compared to the subject property. Overall, this sale on a price per acre basis indicates a downward adjustment in comparison to the subject property.

Comparable Sale Four requires an upward adjustment for date and market conditions as market data indicates that prices have increased slightly since the date of this sale and the date of value. This is supported by the median sales price change in the market discussed in the market profile section of this report indicating a slight increase between the date of sale and the date of value.

Physical adjustments include an upward adjustment for location as this property is located in an area with not as great of demand as the subject property. While this property has the potential for re-zoning to a superior zoning as compared to the subject property, this is partially offset as there is little demand for the development of commercial uses in the area of this sale which are allowed under the potential zoning of this property and had little impact on the sales price. An upward adjustment is required for site size as this property is larger than the subject property. Larger properties tend to sell for less on a per acre basis than smaller properties, all else being equal. A downward adjustment is required for site utility as this property is less floodprone than the subject property and therefore has lower development costs compared to the subject property. However, this is partially offset by this property having some extra development costs including retention areas and wash crossings over portions of this property. Additionally, this property has more unusable land area compared to the subject property, due to a wash that flows through the property. Overall, this sale on a price per acre basis indicates an upward adjustment in comparison to the subject property.

Comparable Sale Five requires a downward adjustment for financing as this property was a seller financed transaction with favorable terms that impacted the sales price of the property. A downward adjustment for conditions of sale is required as this property had two existing houses and other site improvements which contributed value to the property. This sale does not require an adjustment for date and market conditions as market conditions did not change between the date of the sale and the date of value.

Physical adjustments include an upward adjustment for location as this property is located in an area with not as great of demand as the subject property. A downward adjustment is warranted for zoning as this property has superior zoning compared to the subject property. A downward adjustment is required for site size as this property is smaller than the subject property. Smaller properties tend to sell for more on a per acre basis than larger properties, all else being equal. A downward adjustment is required for site utility as this property is less floodprone compared to the subject property and therefore has lower development costs compared to the subject property. Overall, this sale on a price per acre basis indicates a downward adjustment in comparison to the subject property.

Comparable Sale Six requires a downward adjustment for financing as this property was a seller financed transaction with favorable terms that impacted the sales price of the property. There are offsetting adjustments for conditions of sale. This property had an existing house

and other site improvements which contributed value to the property and this property was sold to an adjacent property owner. This is offset by no commission paid in the transaction, the reported distressed nature of the sale as the property was vacant at the time of sale and the seller was motivated to divest from the property, as well as this sale included additional terms and considerations which the buyer would not disclose due to a confidentiality agreement, which had an impact on the sales price of this property. This sale does not require an adjustment for date and market conditions as market conditions did not change between the date of the sale and the date of value.

Physical adjustments include offsetting adjustment for site utility as this property is less floodprone compared to the subject property, however this property has inferior access compared to the subject property. While this property is also located within a 100-year FEMA floodplain, according to Mr. Terry Hendricks with the Pima County Flood Control District, this property has a lower flow depth than the subject area and would therefore have some lower development costs compared to the subject property. Overall, this sale on a price per acre basis indicates a downward adjustment in comparison to the subject property.

Sales Comparison Approach Summary.

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Adjusted Sale Price/Acre	$108,158	$110,252	$111,600	$87,718	$107,100	112,885

These six comparable sales indicate a price range of $87,718 to $112,885 per acre after adjustment. Comparable Sales One, Five, and Six warrant the greatest weight as Comparable Sale One is a prior sale of the subject property and Comparable Sales Five and Six are the most recent sales. Secondary weight is given to the remaining comparable sales. As outlined in the highest and best use section of this report, religious facilities and private schools seek sites that have visibility and access from a major roadway. These users pay a higher price for their land purchases than typical residential users, with the religious facility and private school uses able to locate on residential zoned land. Therefore, this supports a value in the upper end of the range. After analyzing the comparable sales, the conclusion of market value of the subject property by the sales comparison approach, as of December 3, 2015, is $110,000 per acre, times 8.09 acres, equaling $889,900 rounded to $890,000.

Market Value Conclusion. Therefore, based on the above analysis and subject to the assumptions and limiting conditions contained in this report, the opinion of market value of the subject property, "as is", as of the effective date of the appraisal, December 3, 2015, is $890,000.

OPINION OF MARKET VALUE OF SUBJECT PROPERTY,
"AS IS", AS OF DECEMBER 3, 2015:

EIGHT HUNDRED NINETY THOUSAND DOLLARS ($890,000)

ASSUMPTIONS AND LIMITING CONDITIONS - PART V

1. ***Definitions***. "Appraisal," as herein defined, is the process of completing a service; namely, a valuation assignment. "Subject property" refers to the property which is the subject of the assignment. "Appraisers" are those persons, whether one or more, who have accepted the assignment and who have participated in the analyses, opinions, and conclusions formed in the appraisal. "Company" refers to Baker, Peterson, Baker & Associates, Inc. "Report" refers to this written document containing the analyses, opinions, and conclusions which constitute the appraisal.

2. ***Liability***. The liability of Baker, Peterson, Baker & Associates, Inc., including any or all of its employees, and including the appraisers responsible for this report, is limited to the Client only, and to the fee actually received by the Company. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of any person other than the Client, the Client is responsible for making such party aware of all assumptions and limiting conditions related thereto. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the subject property, whether physical, financial, or legal.

3. ***Title***. No opinion as to title is rendered. Data related to ownership and legal description was provided by the Client or was obtained from available public records and is considered reliable. Unless acknowledged in this report, no title policy or preliminary title report were provided. Title is assumed to be marketable and free and clear of all liens, encumbrances, and restrictions except those specifically discussed in the report. The property is appraised assuming responsible ownership, competent management and ready availability for its highest and best use.

4. ***Survey or Engineering***. No survey or engineering analysis of the subject property has been made by the appraisers. It is assumed that the existing boundaries are correct and that no encroachments exist. The appraisers assume no responsibility for any condition not readily observable from customary investigation and inspection of the premises which might affect the value thereof, excepting those items which are specifically mentioned in the report.

5. ***Data Sources***. The report is based, in part, upon information assembled from a wide range of sources and, therefore, the incorporated data cannot be guaranteed. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the Client consider independent verification within these categories prior to any transaction involving a sale, lease, or other significant commitment of the subject property, and that such verification be performed by appropriate recognized specialists.

6. ***Subsequent Events***. The date of valuation to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. The appraisers

assume no responsibility for economic or physical factors occurring after the date of valuation which may affect the opinions in this report. Further, in any prospective valuation assignment, the appraisers cannot be held responsible for unforeseeable events that alter market conditions prior to the date of valuation. Such prospective value estimates are intended to reflect the expectations and perceptions of market participants along with available factual data, and should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized.

7. ***Adjustments***. The appraisers reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available subsequent to issuance of the report.

8. ***Special Rights***. No opinion is expressed as to the value of any subsurface (oil, gas, mineral) or aerial rights or whether the property is subject to surface entry for the exploration or removal of materials except where expressly stated in the report.

9. ***Value Distribution***. The distribution of total value in this report between land and improvements applies only under the specified highest and best use of the subject property as herein described. The allocations of value among the land and improvements do not apply to any other property other than the property which is the subject of this report.

10. ***Legal or Special Opinions***. No opinion is intended to be expressed for matters which require legal expertise, specialized investigation, or a level of professional or technical knowledge beyond that customarily employed by real estate appraisers.

11. ***Personal Property***. Unless expressly stated within this report, no consideration has been given as to the value of any personal property located on the premises, or to the cost of moving or relocating such personal property. Only the real property has been considered.

12. ***Soil Conditions***. Unless expressly stated within this report, no detailed soil studies covering the subject property were available to the appraisers. Therefore, it is assumed that existing soil conditions are capable of supporting development of the subject property in a manner consistent with its highest and best use without extraordinary foundation or soil remedial expense. Further, it is assumed that there are no hidden or unapparent matters (hazardous materials, toxic substances, etc.) related to the soil or subsoil which would render the subject more or less valuable by knowledge thereof.

13. ***Court Testimony***. Testimony or attendance in court or at any other hearing (including depositions) is not required by reason of rendering this appraisal or issuing this report, unless such arrangements have previously been made and are part of a contract for services.

14. ***Exhibits***. Maps, floor plans, photographs, and any other exhibits contained in this report are for illustration only, and are provided as an aid in visualizing matters discussed within the report. They should not be considered as surveys or scale renderings, or relied upon for any other purpose.

15. ***Statute, Regulation, and License***. Unless otherwise stated within the report, the subject property is assumed to be in full and complete compliance with all applicable federal, state, and local laws related to zoning, building codes, fire, safety, permits, and environmental regulations. Further, it is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authorizations have been, or can be, readily obtained or renewed as related to any use of the subject property on which the value estimate contained herein is based.

16. ***Hidden or Unapparent Conditions***. It is assumed that there are no hidden or unapparent conditions which, if known, would affect the analyses, opinions or conclusions contained in this report. This includes, but is not limited to, electrical, mechanical, plumbing, and structural components.

17. ***Hazardous/Toxic Substances***. In this appraisal assignment, no observation was made of the existence of potentially hazardous material used in the construction and/or maintenance of the improvements, or from any other source, whether borne by land or air, including, but not limited to, asbestos, lead, toxic waste, radon, and urea formaldehyde. While not observed, and while no information was provided to confirm or deny the existence of such substances (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such substances. Unless otherwise stated, no consideration has been given to the presence of, nature of, or extent of such conditions, nor to the cost to "cure" such conditions or to remove any toxic or hazardous substances which could potentially affect the value or marketability of the property. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. This value estimate assumes that there is no such material on or in the property.

18. ***Americans with Disabilities Act of 1990***. The ADA became effective on January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

19. ***Disclosure***. Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, including the value estimate, the identity of the appraisers or their professional

designations, or the company with which the appraisers are associated, shall be used for any purpose by anyone other than the Client as herein stated, without the prior written consent of the appraisers. Nor shall it be conveyed, in whole or in part, in the public through advertising, news, sales, listings, or any other media without such prior written consent. Possession of this report does not carry with it any right of public distribution.

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

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

22. ***Acceptance of Report***. Acceptance and/or use of this report by the Client or any third party constitutes acceptance of all of the above conditions.

CERTIFICATION - PART VI

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

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

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

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

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Foundation, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute, and any other specifications submitted by the Client, including Title XI, FIRREA.

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

9. In accord with the Uniform Standards of Professional Appraisal Practice, I have the experience and knowledge to complete this assignment in a credible and competent manner.

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

11. The effective date of this appraisal is December 3, 2015.

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

13. Our firm has appraised the subject property within three years prior to this assignment.

14. It is noted that Dan F. Orlowski assisted significantly with this report by performing the following tasks under the direction of the appraiser: Researched the subject and comparable sale information, assisted in comparable sale selection, inspected the subject property, developed the report, and provided analysis and value conclusion input. The final analysis and value conclusion is that of Thomas A. Baker, MAI, SRA.

15. I am a Certified General Real Estate Appraiser in the State of Arizona.

Thomas A. Baker, MAI, SRA
Certified General Real Estate Appraiser
Certificate Number 30139
Designated Supervisory Appraiser
Registration Number DS0007

EXHIBITS - PART VII

Exhibit A	Title Report
Exhibit B	Subject Map
Exhibit C	Zoning Map
Exhibit D	Aerial Photograph
Exhibit E	Flood Plain Map
Exhibit F	Flood Plain Management Memorandum
Exhibit G	Base Flood Elevation Map
Exhibit H	Hydrology Report for Subject Property
Exhibit I	Subject Photographs
Exhibit J	Comparable Land Sales Location Map
Exhibit K	Comparable Land Sales and Aerial Photos
Exhibit L	Qualifications

EXHIBIT A - TITLE REPORT

ALTA Commitment (8/1/08)

ALTA Commitment Form

COMMITMENT FOR TITLE INSURANCE

Issued by

Sanctity of Contract®

STEWART TITLE®
GUARANTY COMPANY

STEWART TITLE GUARANTY COMPANY, a Texas Corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This Commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

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

Countersigned by:

Authorized Countersignature
Stewart Title & Trust of Tucson
Company Name
Tucson, AZ 85710
City, State

stewart
title guaranty company

Matt Morris
President and CEO

Dorise Ceneus
Secretary

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.

2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.

3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and the Conditions and Stipulations, and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

As to ALTA 2006 Policy forms:

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

STEWART TITLE®
GUARANTY COMPANY

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252.

SCHEDULE A

Order Number: 14420112 Escrow Officer: Kim Moss

Effective Date: June 27, 2014 at 5:00 p.m. Title Officer: Gail Franklin

1. Policy or Policies to be issued: Amount of Insurance

   (a) Owner's: LTAA Standard Coverage Owner's Policy $ 0.00

   Proposed Insured:

   Pima County, Arizona, a body politic

   (b) Lender's: None $ 0.00

   Proposed Insured:

   (c) Lender's: None $ 0.00

   Proposed Insured:

2. The estate or interest in the land described or referred to in this Commitment and covered herein is:

   FEE

3. Title to said estate or interest in said land is at the effective date hereof vested in:

   St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation

4. The land referred to in this Commitment is described as follows:

   See Exhibit A attached hereto and made a part hereof.

5. The Deed of Trust to be insured and the assignments thereof, if any are described as follows:

   n/a

Order Number: 14420112

Exhibit A

PARCEL 1:

All that part of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 14 East, Gila and Salt Meridian, Pima County, Arizona, described as follows:

Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter ;

Run thence Northerly along the West line thereof, a distance of 30 feet;

Thence Easterly parallel with the South line thereof, a distance of 266.2 feet;

Thence North 0 degrees 05 minutes East, a distance of 307.97 feet measured (338.5 feet record);

Thence South 89 degrees 58 minutes East, a distance of 21.6 feet;

Thence North 0 degrees 05 minutes East, a distance of 368 feet to a point in the Southerly line of River Road, according to the map thereof of record in Book 5 of Road Maps at page 31;

Thence North 74 degrees 30 minutes West along said Southerly line to the Northeasterly corner of that property conveyed to L. Richard Masek, Jr., by deed recorded in Docket 1173 at page 423;

Thence South 0 degrees 06 minutes East along the Easterly line of said Masek property, a distance of 148 feet to the Southeast corner thereof;

Thence North 89 degrees 57 minutes West along the Southerly line of said Masek property, a distance of 238 feet to the Southwest corner thereof;

Thence South 0 degrees 06 minutes West, a distance of 308.7 feet;

Thence South 88 degrees 28 minutes East, a distance of 316 feet;

Thence South 0 degrees 05.5 minutes West, a distance of 341.5 feet along a line parallel with and 16 feet Westerly from the East line of the Southwest Quarter of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter to a point in the South line thereof;

Thence Easterly along said South line, a distance of 16 feet to the Point of Beginning .

EXCEPT that portion conveyed in Deed recorded in Docket 3608 at page 56.

Jv arb: portion of 66

Order Number: 14420112

PARCEL 2:

All that part of the following described property lying Easterly of the Southerly extension of the Easterly line of that property conveyed to L. Richard Masek, Jr., by Deed recorded in Docket 1173 at page 423;

All that part of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 14 East, Gila and Salt Meridian, Pima County, Arizona, described as follows:

Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter;

Run thence Northerly along the West line thereof, a distance of 30 feet;

Thence Easterly parallel with the South line thereof, a distance of 266.2 feet;

Thence North 0 degrees 05 minutes East, a distance of 307.97 feet measured (338.5 feet record);

Thence South 89 degrees 58 minutes East, a distance of 21.6 feet;

Thence North 0 degrees 05 minutes East, a distance of 368 feet to a point in the Southerly line of River Road, according to the map thereof of record in Book 5 of Road Maps at page 31;

Thence North 74 degrees 30 minutes West along said Southerly line to the Northeasterly corner of that property conveyed to L. Richard Masek, Jr., by deed recorded in Docket 1173 at page 423;

Thence South 0 degrees 06 minutes East along the Easterly line of said Masek property, a distance of 148 feet to the Southeast corner thereof;

Thence North 89 degrees 57 minutes West along the Southerly line of said Masek property, a distance of 238 feet to the Southwest corner thereof;

Thence South 0 degrees 06 minutes West, a distance of 308.7 feet;

Thence South 88 degrees 28 minutes East, a distance of 316 feet;

Thence South 0 degrees 05.5 minutes West, a distance of 341.5 feet along a line parallel with and 16 feet Westerly from the East line of the Southwest Quarter of the Southeast Quarter of the Southwest Quarter of the Southwest Quarter to a point in the South line thereof;

Thence Easterly along said South line, a distance of 16 feet to the Point of Beginning .

EXCEPT that portion conveyed to Pima County, a political subdivision of the State of Arizona, by Warranty Deed recorded in Docket 12498 at page 8861.

Order Number: 14420112

PARCEL 3:

All that part of the West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 14 East, Gila and Salt Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at the point of intersection of the West line of the said West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, with the South line of River Road as said road is shown in the office of the County Recorder of Pima County, Arizona in Book 5 of Road Maps at page 31;

Run thence Southerly along said West line of the West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, a distance of 233 feet to a point;

Run thence Eastward along a line at right angles to the said West line of the West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, a distance of 238 feet to a point;

Run thence Northward along a line parallel to the said West line of the West half of the East half of the Southwest Quarter of the Southwest Quarter of Section 21, to a point on the South line of River Road;

Run thence Northwesterly along the South line of said River Road to the Point of Beginning .

EXCEPT that portion conveyed to Pima County, a political subdivision of the State of Arizona, by Warranty Deed recorded in Docket 12534 at page 1832.

SCHEDULE B

Order Number: 14420112

Showing matters which will be excepted in the Policy unless the same are disposed of to the satisfaction of the Company.

i. Defects, liens, encumbrances, adverse claims or other matters, if any, created first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

ii. Subject to the usual printed exclusions and exceptions contained in the regular form of policy, reprinted for reference on the Addendum attached hereto.

The following matters will be excepted in Schedule B of the policy to be issued:

1. Taxes and assessments collectible by the County Treasurer, not yet due and payable for the year 2014.

2. Any action by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.

3. Water rights, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.

   This exception is not limited by reason of the disclosure of any matter relating to Water Rights as may be set forth elsewhere in Schedule B.

4. Reservations, exceptions, easements or rights in Patents or in Acts authorizing the issuance thereof.

5. Matters as set forth in Certificate of Water rights recorded in Book 3 of Land Claims, page 421.

6. Terms and conditions of Water Agreement recorded in Docket 491, page 276 and corrected in Docket 515, page 226.

7. Terms and conditions of Sewer Connection Agreement recorded in Docket 1270, page 32 and Docket 1420, page 65.

8. Certificate of Grandfathered Groundwater Right recorded in Docket 7124, page 571.

9. Provisions within Resolution No. 1991-FC15 re: Pima County Flood Control District authorized to condemn real property recorded in Docket 9664, page 500.

10. Terms and conditions of Drainage Easement, and rights incident thereto, as set forth in instrument recorded in Docket 12484, page 3762.

SCHEDULE B (Continued)

Order Number: 14420112

11. Terms and conditions of Drainage Easement, and rights incident thereto, as set forth in instrument recorded in Docket 12498, page 8869.

12. Terms and conditions of Drainage Easement, and rights incident thereto, as set forth in instrument recorded in Docket 12534, page 1828.

13. Terms and conditions of Slope Easement, and rights incident thereto, as set forth in instrument recorded in Docket 13108, page 2722.

14. Terms and conditions of Slope Easement, and rights incident thereto, as set forth in instrument recorded in Docket 13108, page 2728.

15. Matters shown on survey recorded in Book 12 of Maps, page 5; in Book 59 of Record of Surveys at page 99; in Book 66 of Record of Surveys at page 2 and in Book 2013 of Record of Surveys at page 0880270.

16. Any adverse claim to any portion of said land which has been created by artificial means or which is accretion, alluvion, dereliction or avulsion with particular reference to that portion of the subject property lying within any wash or arroyo and its tributaries.

17. Any easements or rights of way not disclosed by those public records which impart constructive notice and which are not visible and apparent from an inspection of the surface of said land.

REQUIREMENTS

Order Number: 14420112

The County Recorder may not accept documents for recording which do not comply with Arizona Revised Statutes 11-480 which, among other things, requires the following:

a) Print must be ten-point type (pica) or larger.

b) Margins of at least one-half inch along the left and right sides, one-half inch across the bottom, and on the first page at least two inches on top for recording and return address information. (NOTE: Nothing must be contained in the margin areas, including initials.)

c) Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

Due to changes in Arizona Revised Statutes the County Recorder <u>may not accept for recording</u> any documents containing any more than five numbers that are reasonably identifiable as being part of an individual's Social Security Number, Credit Card, Charge Card or Debit Card Numbers, Retirement Account Numbers, Savings, Checking or Securities Entitlement Account Numbers.

THIS COMMITMENT IS NOT AN ABSTRACT, EXAMINATION, REPORT, OR REPRESENTATION OF FACT OR TITLE AND DOES NOT CREATE AND SHALL NOT BE THE BASIS OF ANY CLAIM FOR NEGLIGENCE, NEGLIGENT MISREPRESENTATION OR OTHER TORT CLAIM OR ACTION. THE SOLE LIABILITY OF COMPANY AND ITS TITLE INSURANCE AGENT SHALL ARISE UNDER AND BE GOVERNED BY THE CONDITIONS OF THE COMMITMENT.

The following requirements must be met and completed to the satisfaction of the Company before its policy of title insurance will be issued:

1. PROVIDE a legal description and map by a Registered Land Surveyor of the property to be insured herein. Further requirements and/or additional matters may be deemed necessary upon review of said documentation.

2. RECORD PARTIAL RELEASE AND RECONVEYANCE of Deed of Trust in the original amount of $1,210,000.00, and any other amounts payable under the terms thereof, dated February 5, 2008, recorded February 6, 2008 in Docket 13237, page 2676, St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation, as Trustor, Commerce Bank of Arizona, as Trustee, and Commerce Bank of Arizona, as Beneficiary.

   Modification of Deed of Trust recorded February 21, 2008 in Docket 13247, page 5367.

3. FURNISH a copy of the Cancellation Instruction ("Revolving Line of Credit Letter"), signed by the borrower and sent to the lender, for the Deed of Trust shown in Requirement No. 2.

   NOTE: This cannot be a "to come" item.

REQUIREMENTS (Continued)

Order Number: 14420112

4. FURNISH currently certified copy of a Resolution of the Board of Directors of St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation, authorizing the execution and delivery by the proper officers of all instruments required to consummate this transaction. Said certification must be by an officer other than the officer(s) authorized to sign and must state that the Resolution has not been revoked.

5. RECORD Deed from **St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation** to **Pima County, Arizona, a body politic.**

NOTE: The Company hereby informs the parties that it has not made a determination of whether or not this transaction is subject to the provisions of A.R.S. 33-422 entitled "Land divisions; disclosure affidavit; recording" and A.R.S. 11-480 entitled "Review of land divisions; definitions". It will be the responsibility of the parties to make this determination; therefore, the Company assumes no liability with respect to these matters.

TAX STATUS NOTE:

Year: 2013
Parcel No.: 108-26-016A (Parcel 3)
Total Amount: $1,762.89
First half: $PAID
Second half: $PAID

Year: 2013
Parcel No.: 108-26-015B (Parcel 1)
Total Amount: $5,068.46
First half: $PAID
Second half: $PAID

Year: 2013
Parcel No.: 108-26-015D (Parcel 2)
Total Amount: $16,375.00
First half: $PAID
Second half: $PAID

(Property tax notices are mailed on or about September 1st for the tax year due. First half taxes are due October 1st of the tax year shown and delinquent November 1st of that same year. Second half taxes are due March 1st of the following year and delinquent May 1st of the following year.)

REQUIREMENTS (Continued)

Order Number: 14420112

Escrow personnel MUST verify any delinquent taxes information with the Pima County Treasurer's office at (520) 724-8341.

STREET ADDRESS NOTE:

According to the Pima County Assessor's Office, the purported street address of the subject property is disclosed as follows:

3232 E. River Road (as to tax parcel: 108-26-015D)
Tucson, AZ
No address shown (as to tax parcels: 108-26-016A and 108-26-015B)

This information is provided as a courtesy, and no liability is assumed as to its accuracy. If no address is shown, it means the Assessor does not disclose one.

CHAIN OF TITLE (30 YEAR)/VESTING NOTE:

PARCEL 1:

1) Deed from Leonard Daily and Susan Daily, husband and wife to Zona Investment Club, An Arizona corporation recorded April 17, 1959 in Docket 1415, page 90;

2) Deed from Zona Investment club, an Arizona corporation to Helen S. Ramsover, wife of Paul A. Ramsover recorded September 20, 1961 in Docket 1832, page 458;

3) Disclaimer Deed from Paul A. Ramsover to Helen S. Ramsover, spouse recorded September 20, 1961 in Docket 1832, page 460;

4) Deed from Helen S. Ramsover, wife of Paul A. Ramsover to L. Richard Masek, Jr. and Helen A. Masek, husband and wife recorded June 11, 1969 in Docket 3514, page 94;

5) Affidavit of Succession to Real Property in the matter of the Estate of Helen A. Masek, deceased; property to W. Roger MacVittie and Suzanne Masek, as Trustee of the Helen A. Masek Revocable Trust under Agreement dated November 10, 2003, recorded February 6, 2008 in Docket 13237, page 2658;

6) Affidavit of Succession to Real Property in the matter of the Estate of Louis Richard Masek, deceased ; property to George Masek, Trustee of the Richard Masek Revocable Trust under Agreement dated August 10, 2000, recorded February 6, 2008 in Docket 13237, page 2662;

7) Affidavit of One in the Same re: L. Richard Masek, Jr. is one in the same as Louis Richard Masek, Jr. recorded February 6, 2008 in Docket 13237, page 2666;

REQUIREMENTS (Continued)

Order Number: 14420112

8) Warranty Deed from George A. Masek, as Trustee of the George A. Masek Revocable Trust, created by Agreement dated September 27, 1999, as to Parcel 1; and George A. Masek, Successor Trustee of the Richard Masek Revocable Trust, created by Agreement dated August 10, 2000, as to Parcels 1, 2 and 3, to St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation recorded February 6, 2008 in Docket 13237, page 2670;

9) Warranty Deed from W. Roger MacVittie and Suzanne Masek, as Co-Trustees of the Helen A. Masek Revocable Trust under Agreement dated November 10, 2003 to St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation recorded April 9, 2009 in Docket 13533, page 1823.

PARCEL 2:

1) Deed from Leonard Daily and Susan Daily, husband and wife to Zona Investment Club, An Arizona corporation recorded April 17, 1959 in Docket 1415, page 90;

2) Deed from Zona Investment club, an Arizona corporation to Helen S. Ramsover, wife of Paul A. Ramsover recorded September 20, 1961 in Docket 1832, page 458;

3) Disclaimer Deed from Paul A. Ramsover to Helen S. Ramsover, spouse recorded September 20, 1961 in Docket 1832, page 460;

4) Deed from Helen S. Ramsover, wife of Paul A. Ramsover to L. Richard Masek, Jr. and Helen A. Masek, husband and wife recorded June 11, 1969 in Docket 3514, page 94;

5) Deed from L. Richard Masek, Jr. and Helen A. Masek, husband and wife to George A. Masek and Nina Masek, husband and wife recorded October 24, 1969 in Docket 3608, page 56; (undivided 65.08% interest)

6) Quit Claim Deed from Nina Masek to George A. Masek, spouse, recorded September 15, 1997 in Docket 10630, page 1639;

7) Special Warranty Deed from George A. Masek, a married man as his sole and separate property to George A. Masek, as Trustee of the George A. Masek Revocable Trust created by Agreement dated September 27, 1999, recorded September 12, 2000 in Docket 11382, page 1603; (undivided 65.08% interest)

8) Special Warranty Deed from L. Richard Masek, Jr. and Helen A. Masek, husband and wife to Louis Richard Masek, as Trustee of the Richard Masek Revocable Trust created by Agreement dated August 10, 2000, as to an undivided 17.46% interest; AND to Helen A. Masek, wife of L. Richard Masek, as her sole and separate property, as to an undivided 17.46% interest; recorded September 18, 2000 in Docket 11385, page 3112;

9) Beneficiary Deed executed by Helen A. Masek, a married woman to Louis Richard Masek, Jr. ass to an undivided 17.46% interest recorded December 3, 2003 in Docket 12188, page 5545;

REQUIREMENTS (Continued)

Order Number: 14420112

10) Notice of Grantor's Death under Beneficiary Deed disclosing the death of Helen A. Masek-property conveyed to Louis Richard Masek Jr. as to an undivided 17.46% interest; recorded April 19, 2007 in Docket 13037, page 4425;

11) Special Warranty Deed from Louis Richard Masek, Jr. to Louis Richard Masek, Trustee of the Richard Masek Revocable Trust created by Agreement dated August 10, 2000 and recorded May 17, 2007 in Docket 13057, page 4586; (undivided 17.46% interest)

12) Affidavit of One and Same evidencing L. Richard Masek Jr is the same person as Louis Richard Masek Jr. recorded February 6, 2008 in Docket 13237, page 2666.

13) Warranty Deed from George A. Masek, as Trustee of the George A. Masek Revocable Trust, created by Agreement dated September 27, 1999, as to Parcel 1; and George A. Masek, Successor Trustee of the Richard Masek Revocable Trust, created by Agreement dated August 10, 2000, as to Parcels 1, 2 and 3, to St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation recorded February 6, 2008 in Docket 13237, page 2670;

PARCEL 3:

1) Deed from Clarence W. Torsell and Hazel Torsell, husband and wife to L. Richard Masek, Jr., an unmarried man recorded September 9, 1957 in Docket 1173, page 423;

2) Disclaimer Deed from Helen A. Masek, now spouse to L. Richard Masek, Jr. recorded September 18, 2000 in Docket 11385, page 3106;

3) Special Warranty Deed from L. Richard Masek, Jr., to Louise Richard Masek, Trustee of the Richard Masek Revocable Trust created by Agreement dated August 10, 2000, recorded September 18, 2000 in Docket 11385, page 3109;

4) Warranty Deed from George A. Masek, as Trustee of the George A. Masek Revocable Trust, created by Agreement dated September 27, 1999, as to Parcel 1; and George A. Masek, Successor Trustee of the Richard Masek Revocable Trust, created by Agreement dated August 10, 2000, as to Parcels 1, 2 and 3, to St. Demetrios Greek Orthodox Church, Inc., an Arizona non-profit corporation recorded February 6, 2008 in Docket 13237, page 2670.

NOTE: This transactiondoes not qualify for a short term Re-Issue Rate.

POLICY NOTE:

Unless specified otherwise on Schedule A, ALTA 2006 coverage policy(s) will be issued in connection with this transaction.

REQUIREMENTS (Continued)

Order Number: 14420112

WIRING NOTE:

Arizona Revised Statutes Section 6-483 regulates the disbursement of funds by escrow agents. Funds received by Stewart Title & Trust of Tucson via wire transfer may be disbursed upon receipt. Other types of payments may delay closing of your transaction. You should contact your escrow officer directly to obtain wiring instructions.

SEARCH NOTE:

All searches required pursuant to issuance of this commitment for title insurance were performed through a dedicated title plant, including a search of the geographically posted indices affecting the subject real property and any matters disclosed in the general index relating to the parties being insured herein. Accordingly those matters, if any, are shown herein.

LENDER NOTE (Only applies to Purchase Money Loans):

The name(s) of the proposed buyers in this transaction has (have) not been searched in the public records and this commitment does not reflect matters such as liens, proceedings or decrees, which do not specifically describe the land which is referred to in this commitment. If any do exist, they may affect the title or impose liens or encumbrances upon the land herein described.

Any loan policy issued pursuant to the terms hereof that insures the loan securing a purchase money obligation on residential property will insure that such matters, if any, are subordinate to the lien being insured herein.

ADDENDUM TO COMMITMENT FOR TITLE INSURANCE

The policy or policies to be issued will contain exceptions to or exclusions from coverage as to the following matters unless the same are disposed of to the satisfaction of or by agreement with the Company.

EXCEPTIONS TO STANDARD POLICIES AND ALTA OWNER'S POLICIES

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interest or claims which are not shown by the Public Records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.

3. Easements, liens or encumbrances, or claims thereof, which are not shown by the Public Records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.

5. (a) Unpatented mining claims;
   (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
   (c) water rights, claims or title to water.

6. Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule A, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.

7. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

EXCLUSIONS FROM STANDARD POLICIES, ALTA OWNER'S POLICIES AND ALTA LOAN POLICIES (EXCEPT 2006 POLICY FORMS)

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of the violation of any of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy.

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

4. Any claim, which arises out of the transaction (vesting in the insured the estate or interest)(creating the interest of the mortgagee) insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:

   (a) the transaction creating the (estate or interest insured by this policy)(interest of the insured mortgagee) being deemed a fraudulent conveyance or fraudulent transfer, or

   (b) the subordination of the insured mortgage (if applicable) as a result of the application of the doctrine of equitable subordination; or

   (c) the transaction creating the (estate or interest insured by this policy)(interest of the insured mortgagee) being deemed a preferential transfer except where the preferential transfer results from the failure:

(i) to timely record the instrument of transfer, or
(ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

In addition, as to an ALTA Loan Policy only:

5. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.

6. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

7. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.

NOTE: Exceptions numbered 1 through 7 above will be eliminated from an ALTA (Extended Coverage) Owner's or Loan Policy. Exclusions 1 through 7 are exclusions from coverage in the regular form of the policy and said items cannot be eliminated.

EXCLUSIONS FROM ALTA 2006 OWNER'S POLICY:

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

(a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is

(a) a fraudulent conveyance or fraudulent transfer, or

(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attached between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

NOTE: Exceptions numbered 1 through 7 above will be eliminated from an ALTA (Extended Coverage) Owner's or Loan Policy. Exclusions 1 through 5 are exclusions from coverage in the regular form of the policy and said items cannot be eliminated.

EXCLUSIONS FROM ALTA 2006 LOAN POLICY:

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

(i) the occupancy, use, or enjoyment of the Land;
(ii) the character, dimensions, or location of any improvement erected on the Land;
(iii) the subdivision of land; or
(iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

(a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or crated subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is

(a) a fraudulent conveyance or fraudulent transfer, or

(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

NOTE: Exceptions numbered 1 through 7 above will be eliminated from an ALTA (Extended Coverage) Owner's or Loan Policy. Exclusions 1 through 7 are exclusions from coverage in the regular form of the policy and said items cannot be eliminated.

(All references to ALTA policies shall mean those as revised 10/17/92, unless otherwise noted)

EXCLUSIONS FROM 10/22/03 ALTA HOMEOWNER'S POLICIES

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:

a. building
b. zoning
c. land use
d. improvements on the land
e. land division
f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.

3. The right to take the Land by condemning it, unless:
   a. a notice of exercising the right appears in the Public Records at the Policy Date; or
   b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.

4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records,
   b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date.
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8d, 22, 23, 24 or 25.

5. Failure to pay value for Your Title.

6. Lack of a right:
   a. to any land outside the area specifically described and referred to in Paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

EXCLUSIONS FROM 01/01/08 ALTA HOMEOWNER'S POLICIES

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation concerning:
   a. building
   b. zoning
   c. land use
   d. improvements on the land
   e. land division
   f. environmental protection

This Exclusion does not limit the coverage described in Covered Risk 8a, 14, 15, 16, 17, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8e, 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:
   a. to any land outside the area specifically described and referred to in Paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

Title Department

STG Privacy Notice 1 (Rev 01/26/09) Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the **Stewart Title Guaranty Company** and its affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes—to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes – to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes—information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and nonfinancial companies. *Our affiliates may include companies with a Stewart name: financial companies, such as Stewart Title Company.*	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness.	No	We don't share
For our affiliates to market to you	Yes	No
For nonaffiliates to market to you. Nonaffiliates are companies not related by common ownership or control. They can be financial and nonfinancial companies.	No	We don't share

We may disclose your personal information to our affiliates or to nonaffiliates as permitted by law. If you request a transaction with a nonaffiliate, such as a third party insurance company, we will disclose your personal information to that nonaffiliate. (We do not control their subsequent use of information, and suggest you refer to their privacy notices.)

Sharing practices	
How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction
How often do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.
How often do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you • request insurance-related services • provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact Us	If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056

EXHIBIT B - SUBJECT PLAT MAP

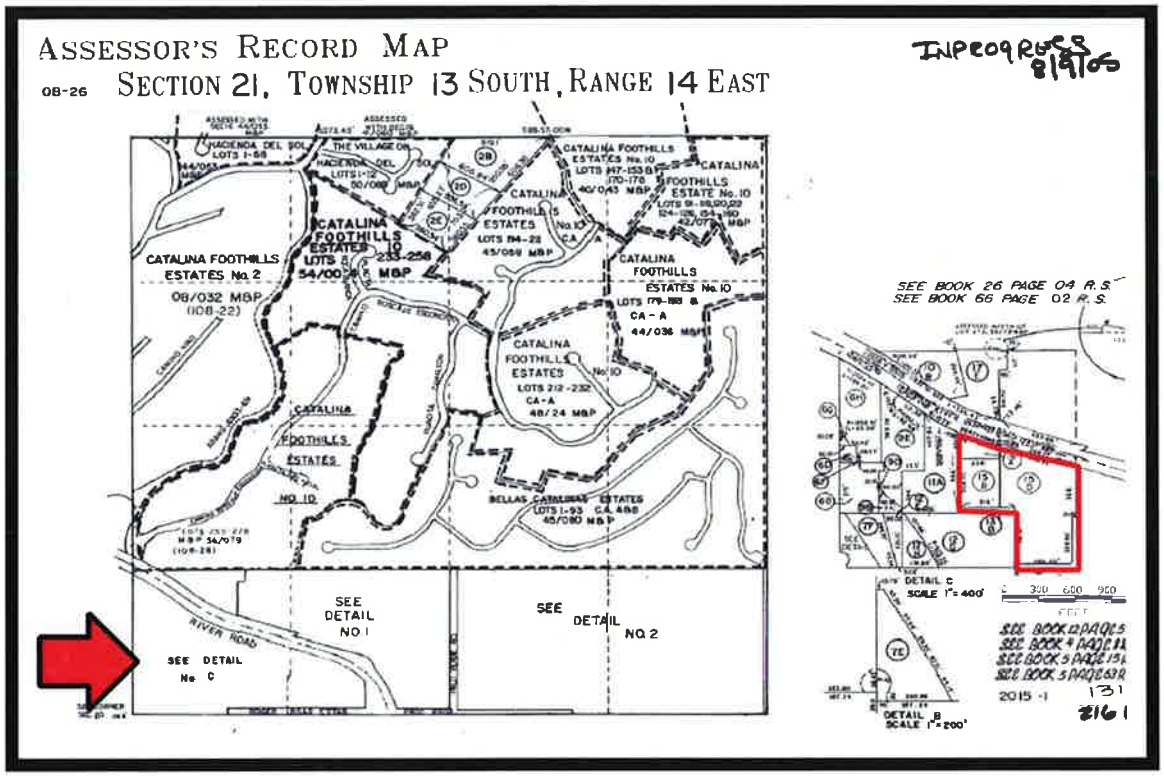
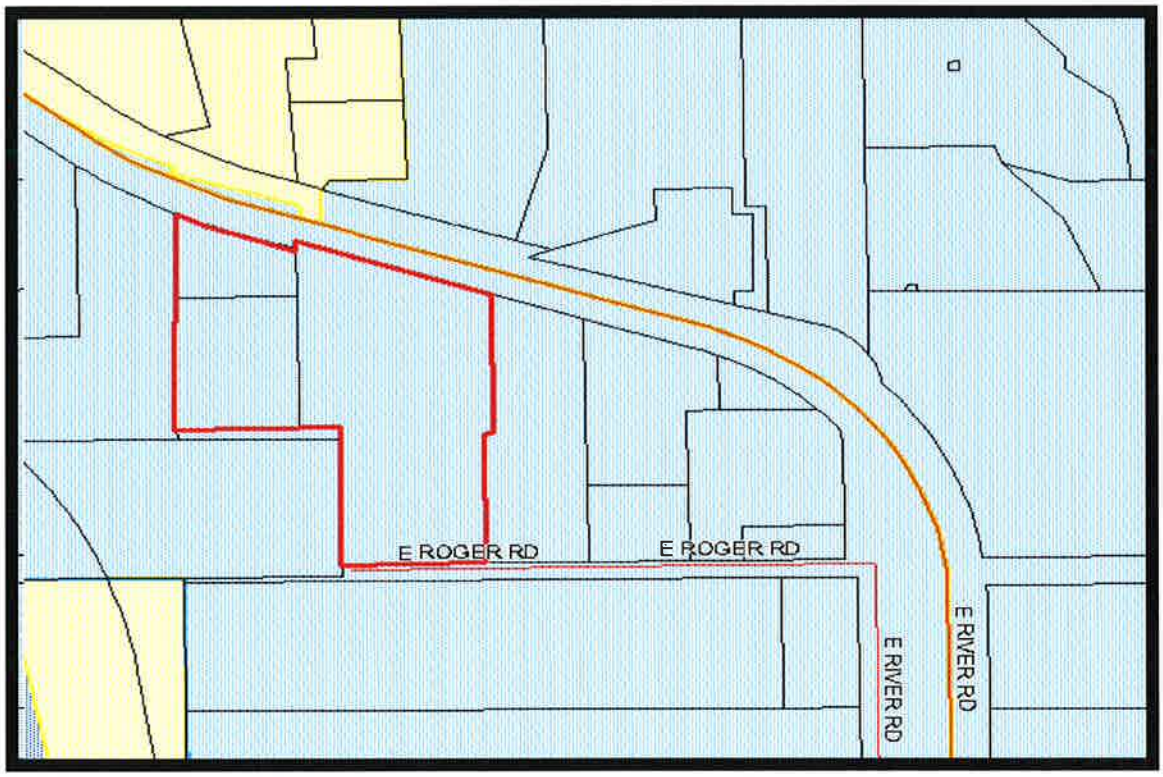


EXHIBIT C - ZONING MAP



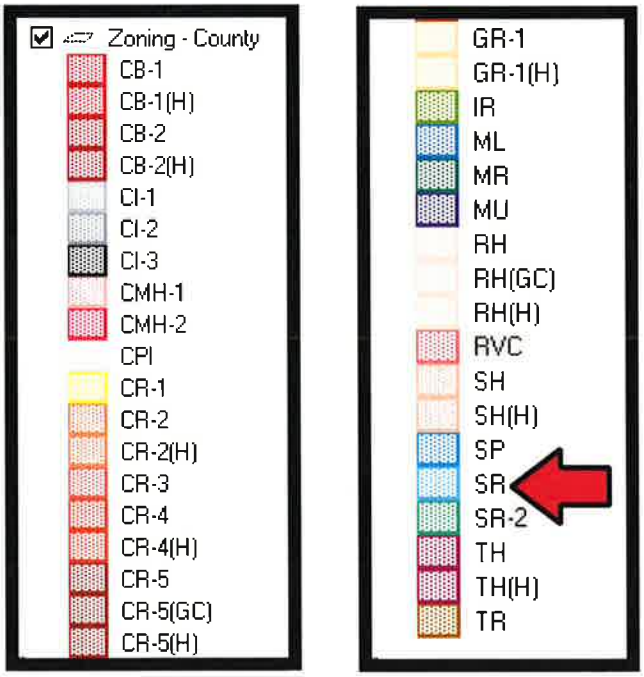


EXHIBIT D - AERIAL PHOTOGRAPH

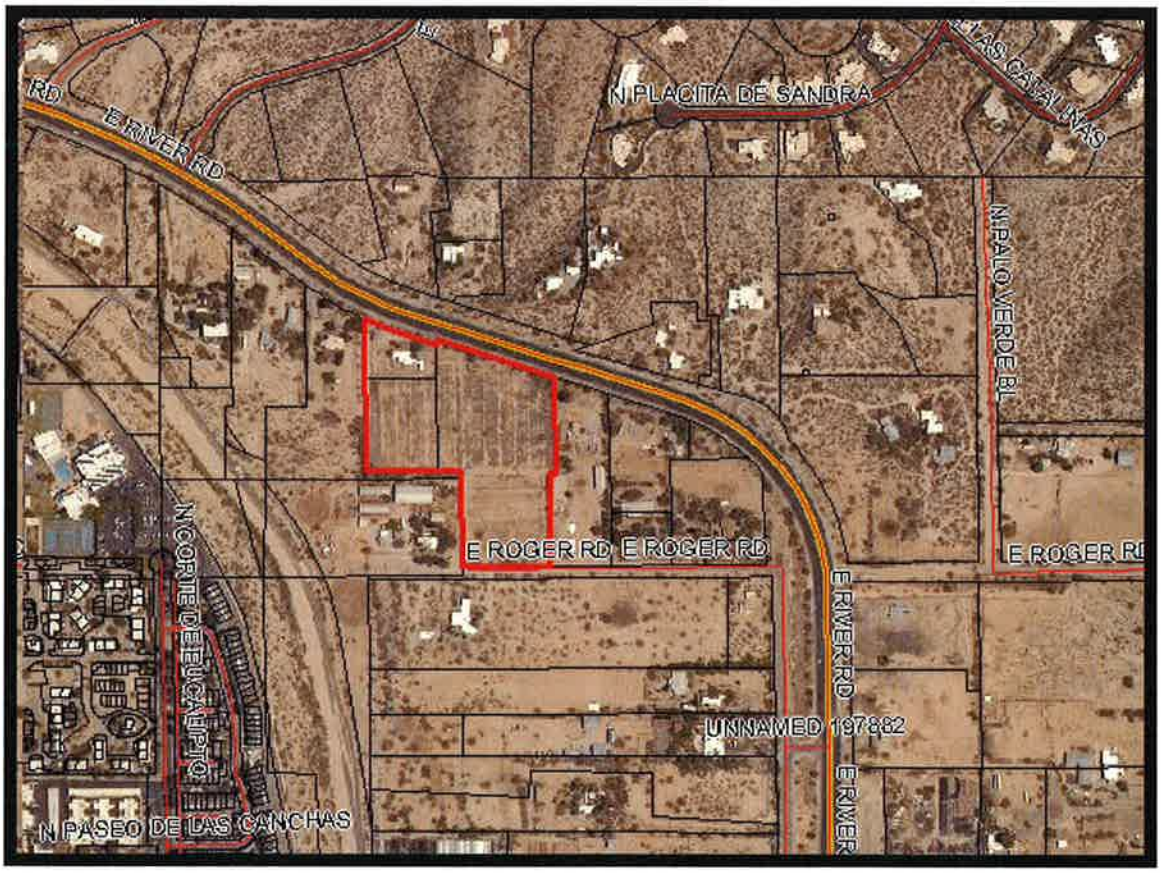
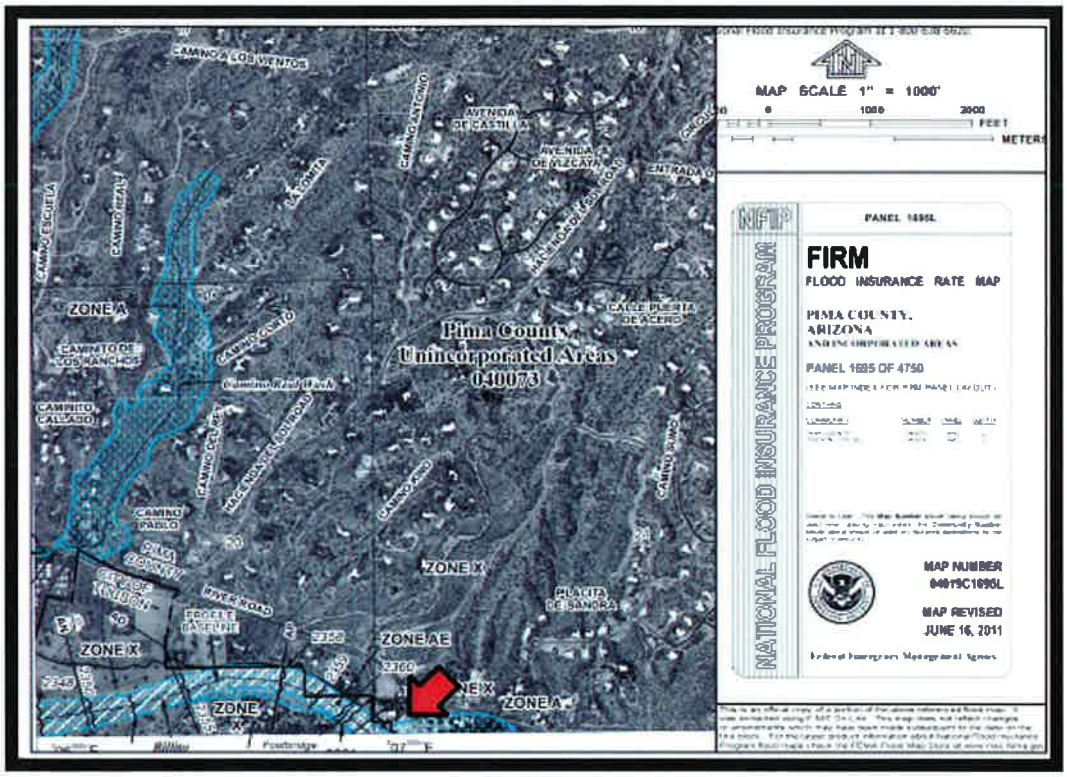


EXHIBIT E - FLOODPLAIN MAP



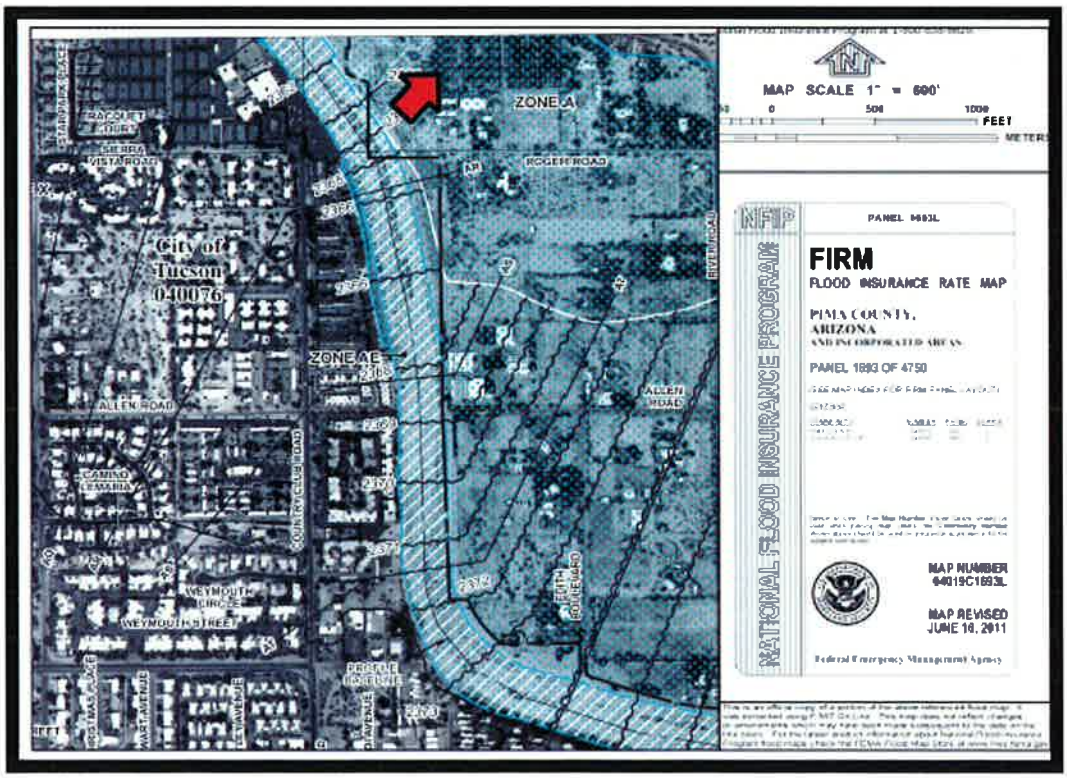


EXHIBIT F - FLOOD PLAIN MANAGEMENT MEMORANDUM

Pima County Regional FLOOD CONTROL DISTRICT

MEMORANDUM

Floodplain Management
Regional Flood Control District

THE SEAL OF PIMA COUNTY ARIZONA

DATE: June 3, 2014

TO: Tammy Jorde
Office of the Director and Chief Engineer

FROM: Eric Shepp
Floodplain Administrator

SUBJECT: St Demetrios parcels – Tax ID Nos. 108-26-016A and 108-26-015B and D

Thanks for the opportunity to review these parcels for potential FLAP acquisition.

The St Demetrios parcels total approximately 7.9 acres.

From a Floodplain Management perspective, these parcels are good FLAP candidates. They are in a severe and chronic flood hazard area, are close to other County and District lands, and provide a riparian restoration opportunity. These factors are described more thoroughly below:

1) FEMA Zone A – These parcels are located within a FEMA Zone A Special Flood Hazard Area associated with the distributary flow area at the mouth of the Finder Rock Wash, where it enters the geologic floodplain of the Rillito River. Although the Zone A floodplains are considered approximate A zones. The Flood Control District has completed a study of the Finger Rock Wash. The results of the study conclude that flood depths on this property are between 0.5 and 2 feet during the base flood of the Finger Rock Wash. In addition, numerous tributaries discharge onto these properties from the lower foothills just to the north, increasing the frequency that flooding occurs.

2) Adjacency to other County District lands – Although not immediately adjacent to any District or County parcels, these parcels are with areas of acquisition associated with the Rillito River Bank protection, the Loop linear park, the Binghamton Historic Landscape and Brandi Fenton Park. These parcels are with the historic landscape and within close proximity to the linear park and if the goal is to expand and connect this floodprone area into a contiguous set of District parcels, these parcels would be appropriate for acquisition.

3) Riparian Habitat – Although regulated riparian habitat does not exist on this property, its location along the overbank of the Rillito River, in an area where there is frequent flows from tributaries, and within the rural historic landscape suggests great riparian restoration potential.

For the reasons stated above, I would recommend the acquisition of this parcel.

Please let me know if you have any questions.

EXHIBIT G - BASE FLOOD ELEVATION MAP

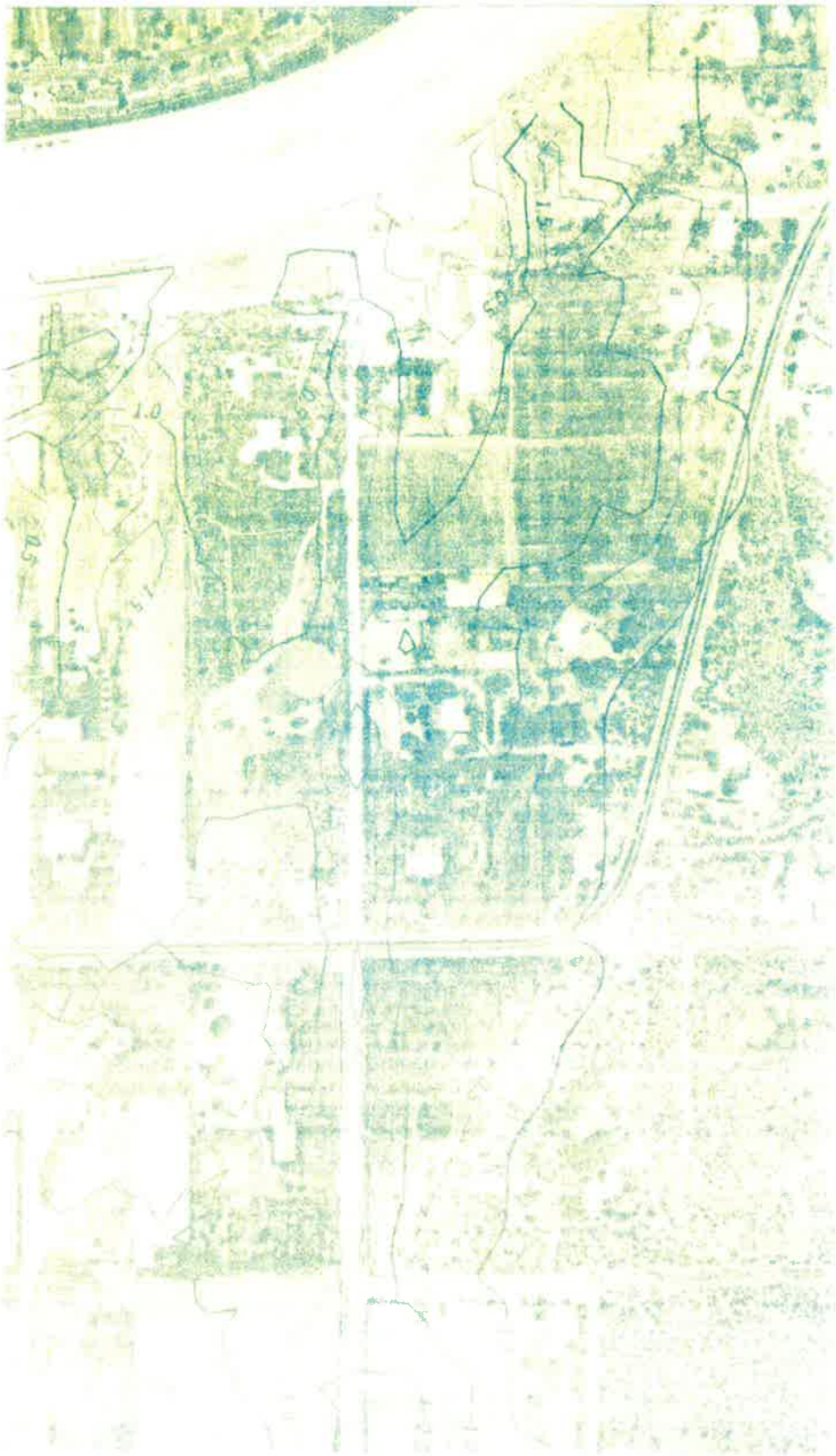


EXHIBIT H - HYDROLOGY REPORT FOR SUBJECT PROPERTY

Existing Conditions Floodplain Modeling Report for
Pima County Parcels 108-26-015D, 108-26-016A & 108-26-015B

Submitted:
May 2014

Location:
The site is located within a portion of the southwest
quarter of Section 21, Township 13 South, Range 14 East
Gila and Salt River Meridian,
Pima County, Arizona

Prepared For:
Saint Demetrios Greek Orthodox Church Inc
Attn: Dr. Angela Zerdavis
1145 E Fort Lowell Rd.
Tucson AZ 85719-2116

Prepare By:
JE Fuller Hydrology & Geomorphology Inc.
40 East Helen Street
Tucson, Arizona 85705
520-623-3112
http://www.jefuller.com
Contact: Ian P. Sharp, P.E., CFM
ian@jefuller.com

JE FULLER
HYDROLOGY & GEOMORPHOLOGY, INC.

DEFINE | COMMUNICATE | SOLVE

TEMPE
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Jeff Despain, PE, CFM
Annette Griffin, AAS
Brian Iseman, PE, CFM
Mike Kellogg, RG, CFM
Ted Lehman, PE
Robert Lyons, PE, CFM
W. Scott Ogden, PE, CFM
Patricia Quinn, PE, RLS, AVS
Tyler Azelline, BA
Ethan Rode
Peter Acton, EIT

TUCSON
John Wallace, PE, CFM
Cyrus Miller, PE, CFM
Chris Rod, PE
Ian Sharp, PE, CFM
Robert Shand, PE

FLAGSTAFF
Cory Helton, PE, MS

PHOENIX
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Jon Ahern, PE, CFM
Nathan Logan, PE, CFM

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Nate Vaughan, PE

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480.752.2124

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Tucson, Arizona 85705
520.623.3112

500 N Beaver Street
Flagstaff, Arizona 86001
928.214.0887

1 W Deer Valley Road, Ste 101
Phoenix, Arizona 85027
623.889.0166

1042 Willow Creek Rd – A101
#415
Prescott, Arizona, 86301
928.640.0778

www.jefuller.com

May 28, 2014

Saint Demetrios Greek Orthodox Church Inc
Attn: Dr. Angela Zerdavis
1145 E Fort Lowell Rd.
Tucson AZ 85719-2116

RE: Project Summary Report for Task 1

Dr. Zerdavis:

JE Fuller/Hydrology & Geomorphology, Inc., (JEF) has prepared this report to document floodplain modeling for your properties along River Road. We discussed the preliminary findings with representatives from Saint Demetrios in a meeting on May 22nd. This letter memorializes our findings and the methods used to determine the extent of flooding on your property.

The work we performed included modeling the 100-year, regulatory flood across the property with flooding coming primarily from the Finger Rock Wash and secondarily from several smaller watercourses from the north of the wash. This model defined the flow depths and velocities across the property as well as the discharge, or rate of flow across the property. We have used the model results to prepare the maps included within the report to show the extent of flooding within the area and the subject property.

The regulatory discharge for the Finger Rock Wash is 5,590 cfs at Alvernon Way, upstream of the site. This flow disperses as it flows west and south towards the Rillito Creek. With the addition of some inflow from the north, the discharge across your property is reported by the model to be 1,400 cubic feet per second (cfs). For reference, this is equivalent to about 630,000 gallons per minute, or over 400 fully open residential fire hydrants. The depths reported by the model vary across the site but are around 2 feet deep on average, up to 2.5 feet in the middle of the site.

This letter concludes our effort under Task 1 of our current agreement. We will not proceed with Task 2 unless otherwise directed by your organization.

Sincerely,
JE Fuller/Hydrology & Geomorphology, Inc.

Ian P. Sharp

Ian P. Sharp, P.E., CFM
Project Engineer

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Appendix 1. Exhibits
Appendix 2. Field Photos

1 INTRODUCTION

1.1 Project Overview

Saint Demetrios Greek Orthodox Church currently owns a mostly vacant but previously disturbed property within the Finger Rock Wash floodplain, between River Road and the Rillito Creek. Due to the complexity of the floodplain, JE Fuller/Hydrology & Geomorphology, Inc., (JEF) was retained to prepare a two-dimensional flood routing model to determine the extent and magnitude of flooding within the subject property.

The project site, shown on Figure 1, is composed of 3 contiguous properties that are within a FEMA Zone A floodplain, see Figure 2. JEF prepared a FLO-2D model for the Finger Rock Wash using an inflow hydrograph obtained from the Finger Rock Wash Letter of Map Revision (LOMR). Additional direct rainfall runoff was modeled for the tributaries entering the Finger Rock Wash complex from the north, between Alvernon Way and the Rillito Creek. This report summarizes the results of the analysis.

1.2 Project Location

The project site is located along the south side of River Road, just east of the Rillito Creek. The project includes Parcels 108-26-015D, 108-26-016A & 108-26-015B. These parcels are located within Section 21, Township 13 South, Range 14 East of the Gila and Salt River Meridian, and within unincorporated Pima County, Arizona.

1.3 Objectives

The objectives of this task were to model the flow depths and velocities at the project site due to flooding from the Finger Rock Wash.

1.4 Model

One model has been prepared for this project to model the 100-year, 3-hour storm for the Finger Rock Wash through the project site. A copy of this model has been retained by JEF and can be provided to the client if requested.

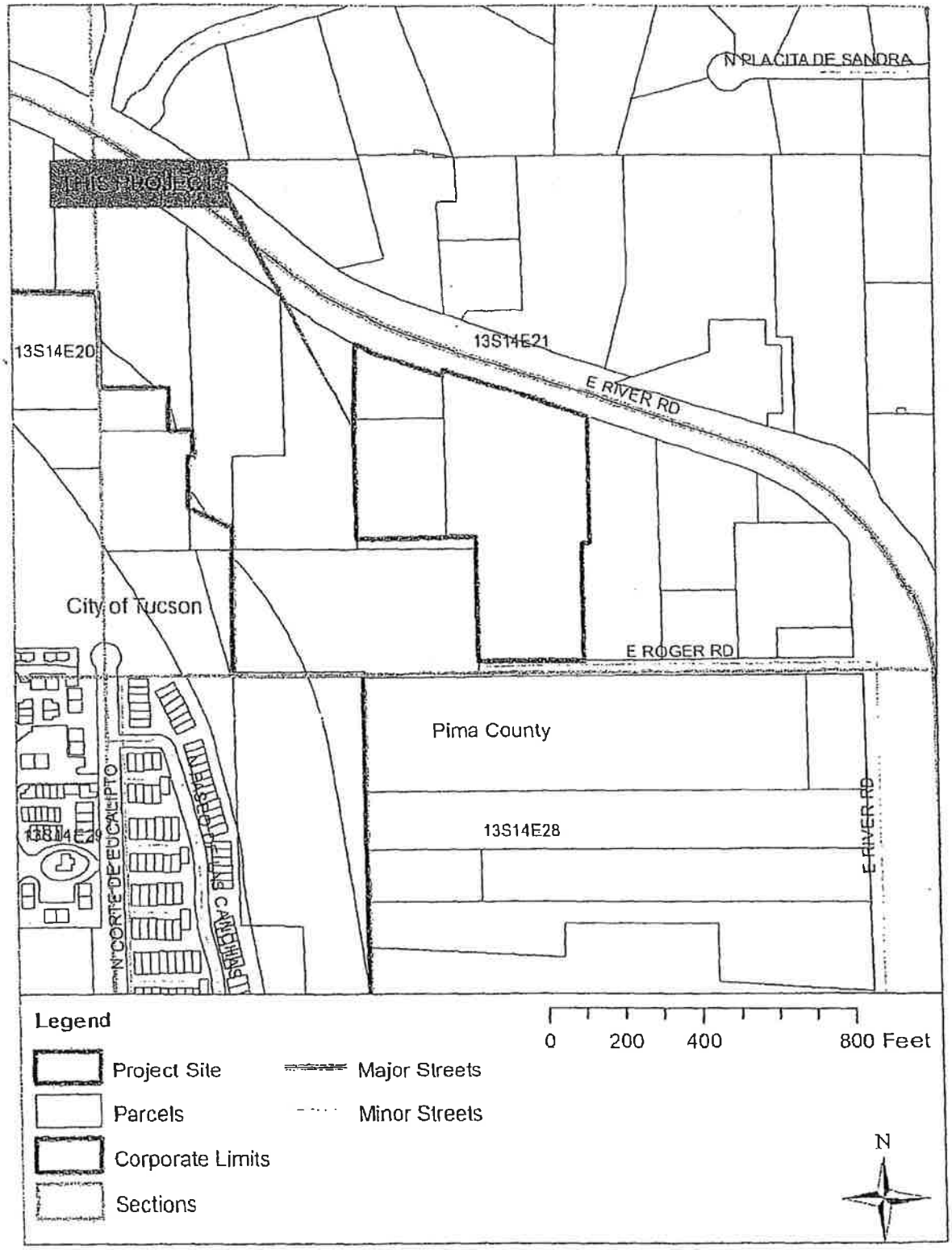


Figure 1. Project location map.

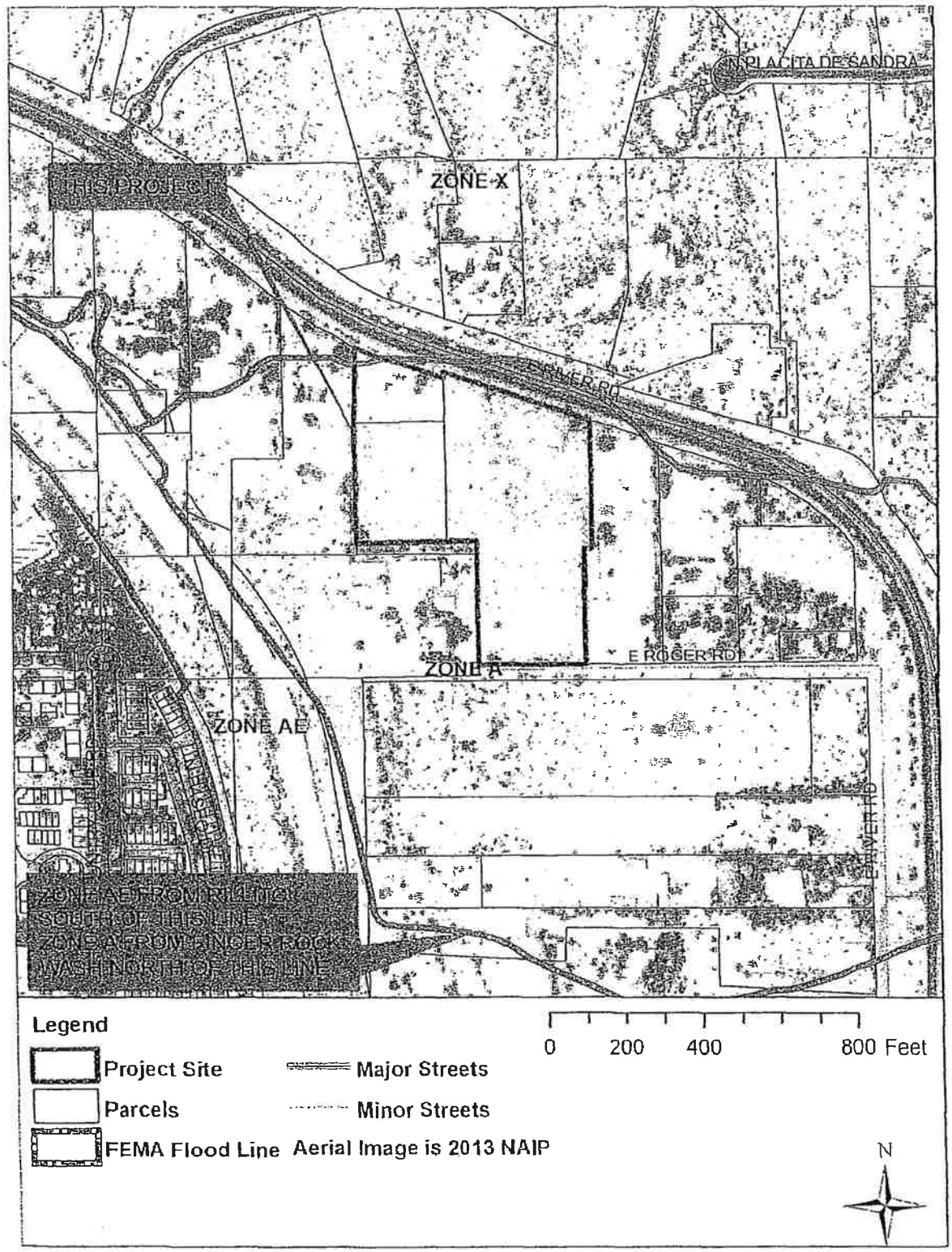


Figure 2. FEMA flood zones and aerial overlay.

2 Reconnaissance and Data Gathering

A field visit was performed on May 14, 2014 to document conditions around the site. Some of the photographs from that visit are included within Appendix 2. In addition to conducting a field visit, the following information has been gathered for this project.

- Flood Insurance Rate Map (FIRM) panels were obtained from the Pima County Regional Flood Control District (District). These panels show that the site is within a Zone A floodplain which designates it as an area determined by approximate methods (no detailed model) to be subject to inundation (flooding) by the 1-percent-annual-chance (100-year) flood.
- The as-built plans for River Road were obtained from Pima County. These show the drainage structures that have an impact upon the site, and these structures have been included in the model prepared for this project.
- The Letter of Map Revision (LOMR) for the Finger Rock Wash and its hydrology model were obtained from the District.
- Rainfall data was obtained from the National Oceanic and Atmospheric Administration (NOAA).
- Elevation data was obtained in digital format from the Pima Association of Governments (PAG).

3 Floodplain Model

A flood routing model was prepared using the FLO-2D Flood Routing Model. This program is a numeric model which models a flood wave across a floodplain, in this case the hydrograph of the Finger Rock Wash from Alvernon Road to the Rillito Creek. In addition, the FLO-2D model can simulate direct runoff, or the runoff that occurs within a given watershed. For this project, direct runoff was modeled for several tributary watersheds that enter into the Finger Rock Wash floodplain downstream of Alvernon Road and which impact the subject property.

3.1 Model Methodology

A FLO-2D model was prepared using the following steps.

1. The model domain was determined by inspection of the watershed on aerial and topographic maps and from identification of the location of the Finger Rock Wash hydrograph in the Finger Rock Wash LOMR. The model domain is roughly bounded on the east by the Alvernon Way alignment, on the west and south by the Rillito, and on the north by the watershed limit.
2. Digital Elevation Data (DEM) was obtained from the Pima Association of Governments (PAG). The 2008 DEM was used in conjunction with 2008 and 2011 PAG aerial maps and 2013 NAIP aerial mapping.
3. A FLO-2D grid was developed with a 20 foot grid spacing and a total of 102,076 grid elements modeling an area of 937 acres.
4. The Finger Rock Wash LOMR HEC-1 model was obtained from the District in digital format. This model has a concentration point labeled CO-1 related to the limit of sub-basin FR-1. This is the most downstream point in the model and combines all flow in the watershed at Alvernon Way. The 100-year, 3-hour storm produces a discharge of 5,590 cfs with a peak at 1.33 hours. This hydrograph was extracted from the HEC-1 model and imported into the FLO-2D model.
5. Direct rainfall runoff was modeled for the entire FLO-2D model to determine inflow from the northern tributary watersheds. The 100-year, 3-hour rainfall depth was obtained from NOAA (Atlas 14, Volume 1, Version 5) for the upper bound of the 90% confidence interval. The depth at the watershed centroid is 3.22 inches for the 100-year, 3-hour storm event. No other return intervals were modeled because the Finger Rock Wash LOMR used only the 100-year, 3-hour interval.
6. Infiltration parameters were obtained and/or developed to compute the SCS curve number for each grid element. The soils data was obtained from Pima County while the impervious area and land use data were developed for this project using normal parameters.
7. Significant buildings located within the valley were identified and included in the model as obstructions. In addition, the existing wall along the River Road frontage, south of Roger Road, was modeled using an assume width reduction (blockage to flow) of 95%.
8. The as-builts for River Road were used to model the culverts along River Road within the model domain. In addition, the elevations for the hydraulically important channels and basins were modified in the model to reflect as-built conditions.
9. Models were run with the FLO-2D Pro Model, Build 14.03.07.

3.2 Overview of Finger Rock Wash and Tributary Watersheds

The flooding of the Finger Rock Wash was modeled from Alvernon Way to the Rillito Creek. The model shows that the Finger Rock Wash floodplain is contained within a narrow valley east of Alvernon Way. At this location, the 5,590 cfs regulatory discharge quickly disperses into a broad, distributary floodplain that drains into the Rillito Creek at various locations. The LOMR for the Finger Rock Wash limited modeling of hydrology to upstream of Alvernon Way, therefore rainfall runoff for the area downstream of Alvernon Way was modeled within the FLO-2D model. This additional watershed area extends over 3 miles north of Roger Road and includes approximately 500 acres of drainage area from a handful of sub-watersheds. These sub-watersheds drain into the Finger Rock Wash Floodplain near the River Road and Roger Road alignments and impact the flow into the subject property.

3.3 Overview of Flooding Near the Site

While the peak discharge associated with the entire Finger Rock Wash floodplain is 5,590 cfs, attenuation and distribution of flow yields a discharge of about 1,600 cfs within the main thread of the Finger Rock Wash (the Roger Road alignment). This flow crosses partly under River Road but mostly over the road as shallow flooding and enters the basins (the depressed area) between River Road and the River Road frontage. The basins discharge a small portion of the total flow, roughly 40 cfs, through a storm drain to the Rillito. The remaining flow exits the basins as sheet flow and continues onto the Rillito.

3.4 Flooding on the Project Site

Flow directions on the property are generally to the west and northwest. Approximately 1,000 cfs enters the property from the east. Additional flow leaves the Roger Road alignment and enters the southern portion of the site, draining northwest. The total flow exiting the site at the west boundary is 1,400 cfs. This discharge represents a combination of flood flow from the Finger Rock Wash, the tributaries north of the Finger Rock Wash, and direct runoff from the project area. Flow patterns and discharges are shown on Figure 3.

3.4.1 Flood Depths

Flood depths on the site are shown on Exhibit 2 and Figure 4. The depths range from 0.5 feet along River Road to 2 feet within most of the property. There is a small area with a depth of 2.5 feet within the west side of the property.

3.4.2 Flood Directions and Velocities

Flow velocities are relatively low due to the flat terrain. Velocities, shown on Figure 5, are less than 2 feet per second for most of the property; however the southwest corner exhibits velocities over 3 feet per second as a result of flow moving around existing structures nearby. Velocities less than 3 feet per second are generally considered to be non-erosive.

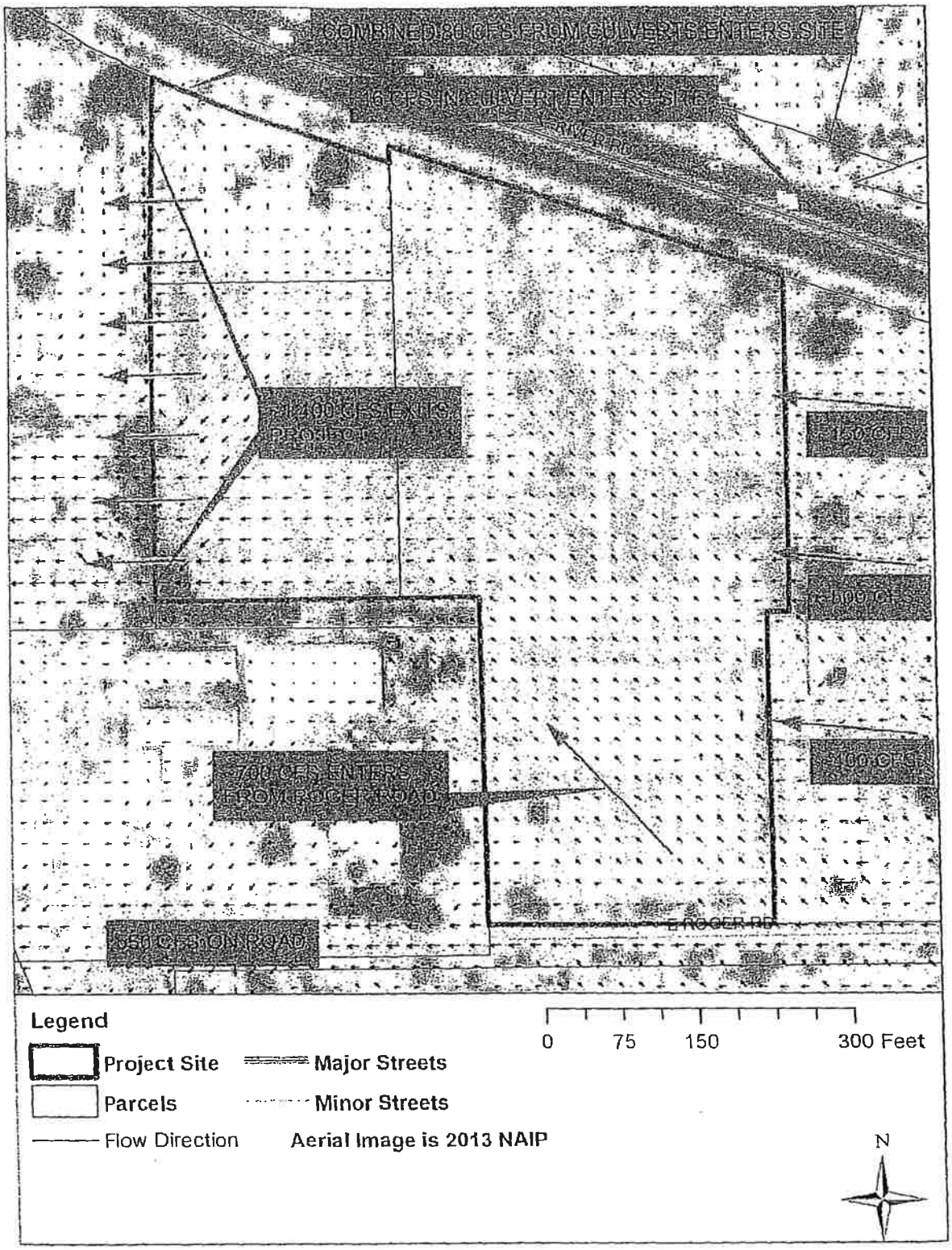


Figure 3. Flow directions and discharges at the project.

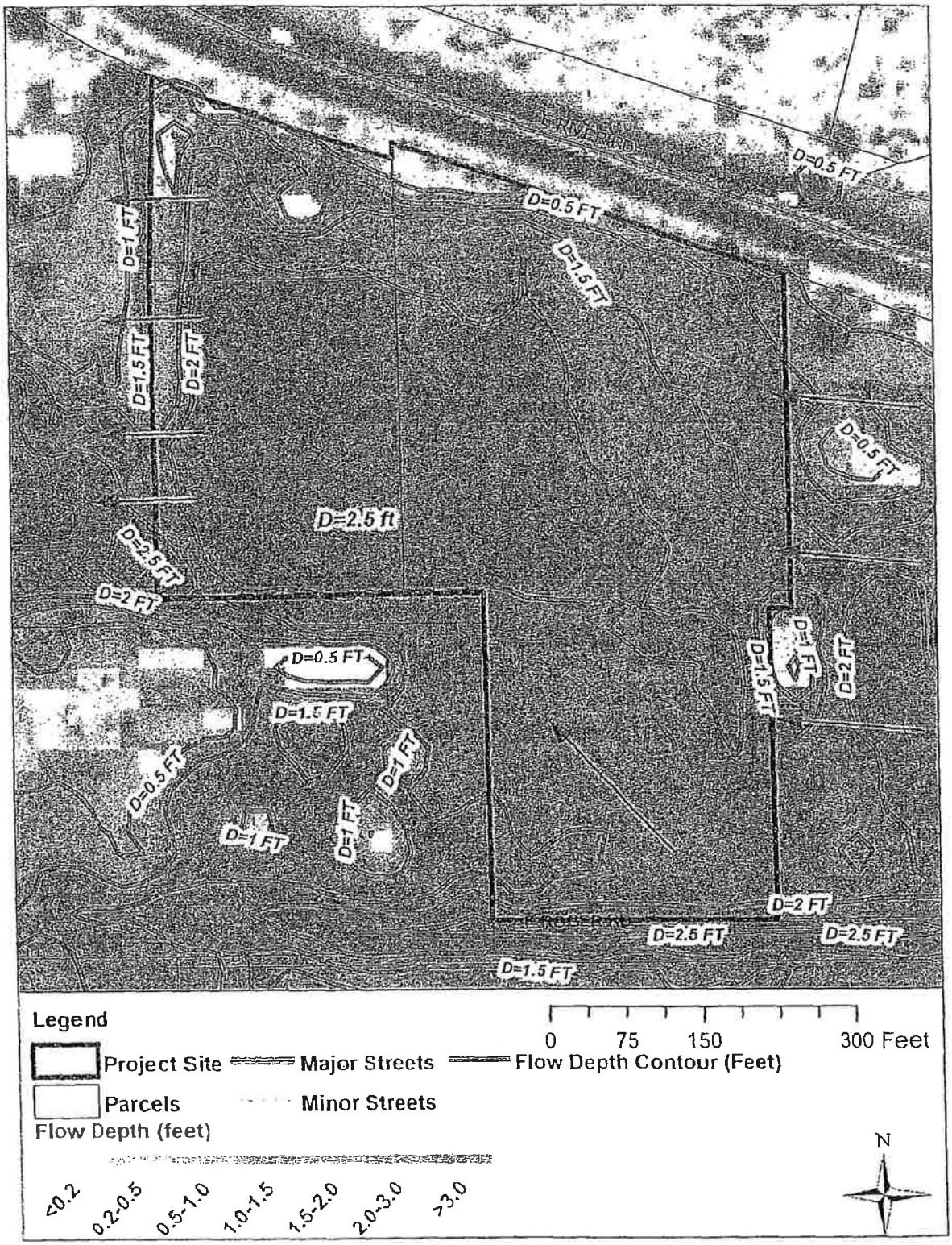


Figure 4. Flow depths at the project.

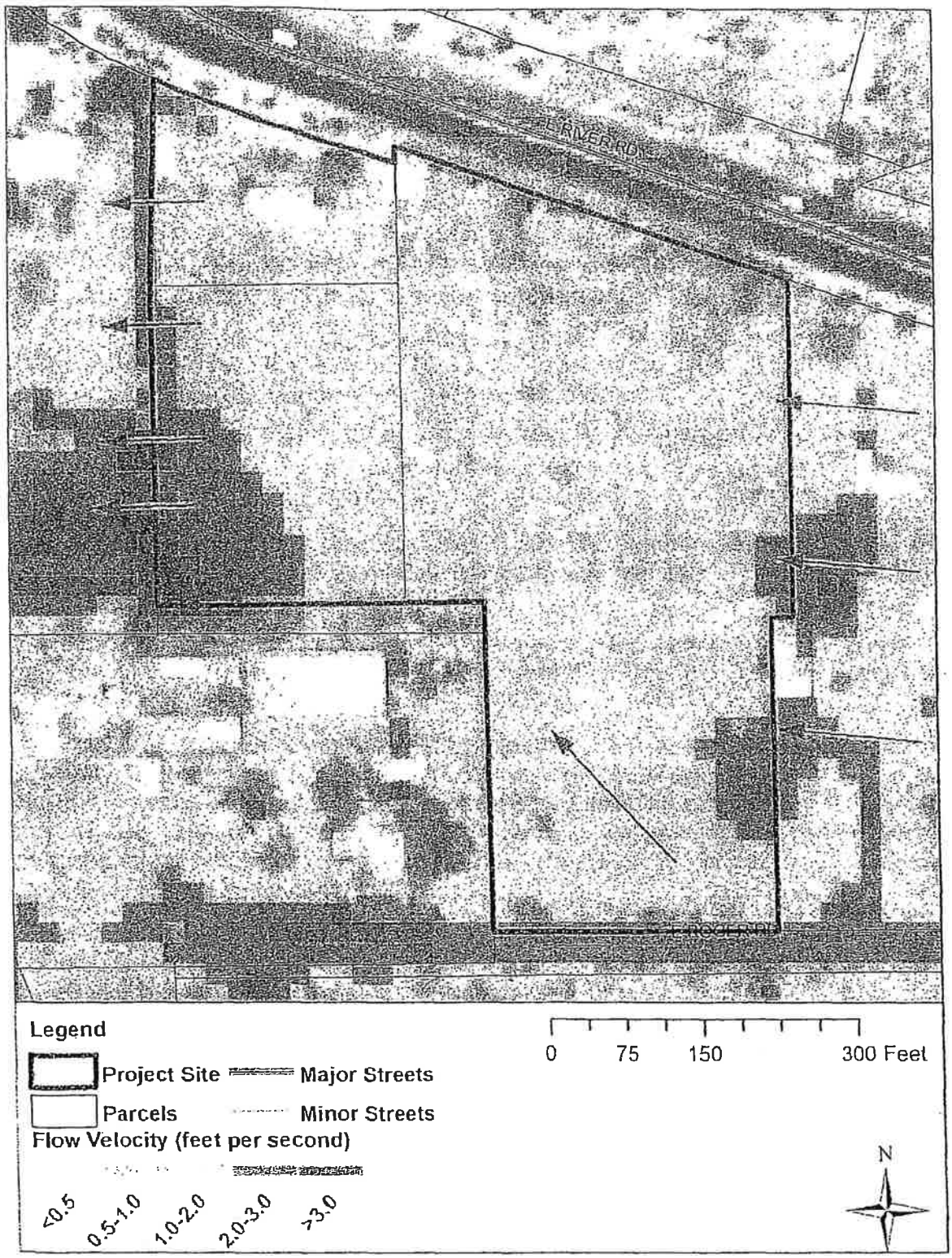


Figure 5. Flow velocities at the project.

4 Conclusions and Recommendations

The project site is situated within an area prone to flooding from the Finger Rock Wash and to a smaller extent from smaller drainage areas north of the site. FEMA has delineated a regulatory Zone A flood zone which encompasses the property but gives little detail about actual flood risks. A FLO-2D model was prepared to better define the flood risks on the site. This model gives the following information:

Discharges: The 100-year, regulatory discharge exiting the site is 1,400 cfs. Shallow, broad, flood flow enters the site from the east and from along Roger Road. Additional but less significant concentrated flow impacts the site at culvert outlets located at both the northwest and northeast corners of the project.

Flood Depths: The 100-year flood depths are generally between 1.5 and 2 feet, but depths greater than 2 feet exist near the west side of the site.

Flood Velocities: Flow velocities are relatively slow at around 2 feet per second for most of the site. It is probable that the flow will drop sediment at this location resulting in the need for sediment removal following a flood.

Pima County regulates any discharge above 100 cfs, therefore this property is subject to requirements set forth in the Pima County Floodplain Ordinance. The rules set forth in this ordinance impact this site as follows:

Elevation: Habitable structures must be elevated 1.0 feet above the regulatory flood. Any structure on this site would therefore have a finished floor elevation of around 3.0 feet above the natural grade.

Adverse Impacts: Development on this site encroaches into the floodplain and must not adversely impact adjacent properties. Like an object displaces water in a tub of water, an elevated structure will force flow onto adjacent lots. Pima County requires that development not increase the depth of flooding by more than 0.1 feet (1.2 inches) at the property line. Furthermore, velocities cannot be increased by more than 10 percent or 1.0 feet per second (whichever is more stringent).

The task performed by JEF excluded analysis of proposed conditions. The following comments are included based upon previous experience, however they are not conclusive and may be superseded by more detailed analysis of design alternatives.

- Complying with the encroachment standards set forth by Pima County generally requires construction of drainage improvements to compensate for the loss of flow conveyance caused by the development. For example, a channel may need to be constructed to capture flow at the property line, convey it through the site, and release it at the project limit, or possible some point downstream.
- Development within a broad, shallow flow system such as this is quite often limited to a fraction of the total site.
- Considering the discharges present on the site, any fill and any channelization would require slope protection such as rock rip-rap which extends at least 3 feet below grade.

5 References

Federal Emergency Management Agency, *Flood Insurance Rate Map Panels 04019C1693L and 1695L*, 2011

FLO-2D Software, Inc., *FLO-2D Pro Model Build No. 13.07.05*, 2013.

NOAA ATLAS 14 Precipitation-Frequency Atlas Volume 1 Version 5.0: Semiarid Southwest,, 2011, <http://hdsc.nws.noaa.gov/hdsc/pfds/index.html>

Pima county Regional Flood Control District, *Finger Rock Wash Letter of Map Revision, Technical Data Notebook*, Prepared by CMG Drainage Engineering, Inc., 2010

Pima County Department of Transportation, As Built Plans: River Road, Campbell Avenue to Alvernon Way, 2011 (as-built).

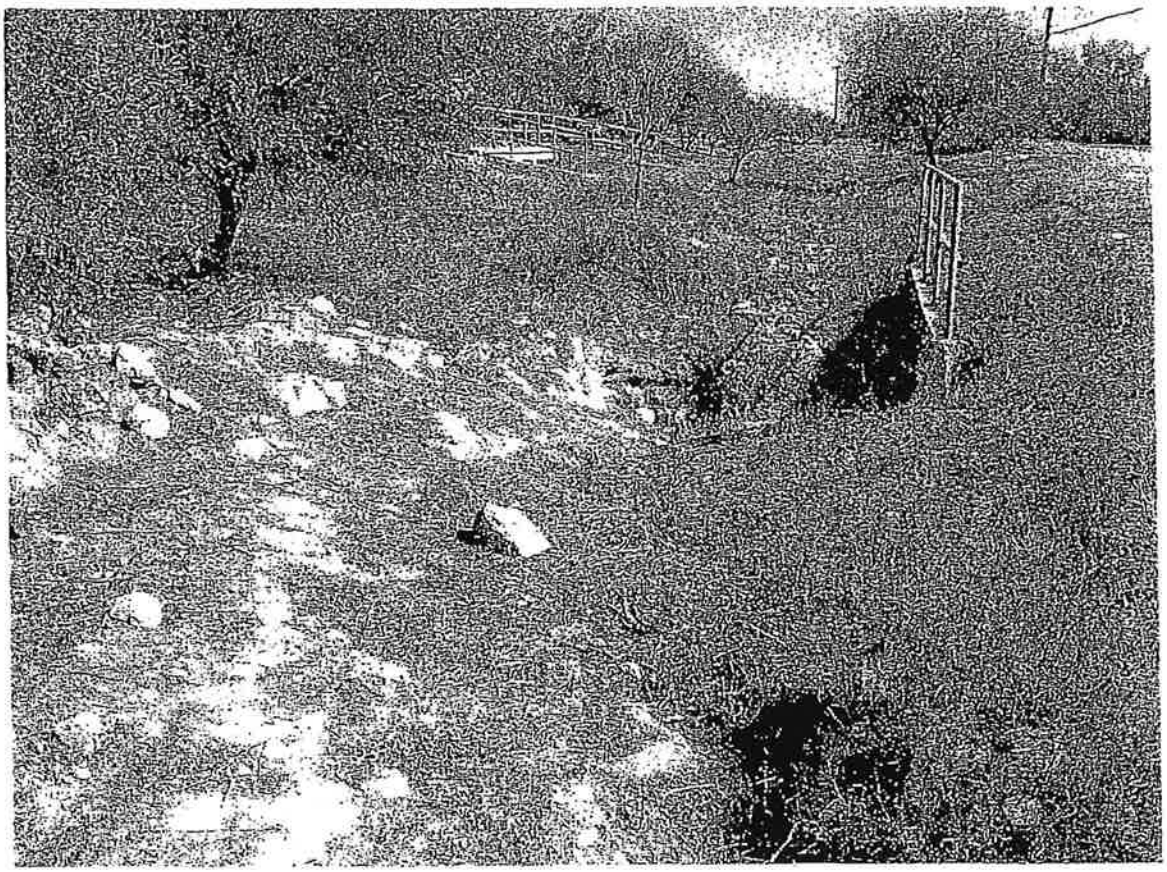
Appendix 1. Exhibits

Two exhibits are submitted with this report.

- Exhibit 1 shows the total area included in the floodplain model (left view frame) along with the velocities developed during the 100-year event, thus showing overall drainage patterns.
- Exhibit 1 also shows flood depths and flood discharges in the vicinity of the project site (right view frame). Because direct rainfall runoff is modeled, nearly all of the modeled area is flooded or wet to some extent, therefore depths below 0.2 feet are excluded from the reported flood depth symbology.
- Exhibit 2 displays flood depth contours and flow directions within the subject property.

Appendix 2. Field Photos

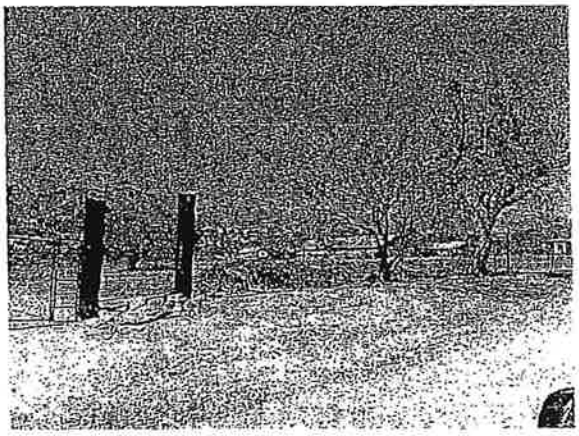
Some of the field photographs which influenced the modeling effort are shown below.



Facing south within the River Road Basins. Inlet to the Roger Road storm drain is in the middle right and the outlet of the main Finger Rock Wash culverts is in the top center.

The photos above show walls along the west side of the River Road frontage. These walls were included in the model.

Photo faces west, upstream of River Road. This is the channel that drains the Finger Rock Wash towards River Road along Roger Road.



Photos show the site from Roger Road.

Archaeological Report

AN 8.02-ACRE ARCHAEOLOGICAL SURVEY OF ST. DEMETRIOS GREEK ORTHODOX CHURCH PROPERTY AT 3232 EAST RIVER ROAD, TUCSON, PIMA COUNTY, ARIZONA

Prepared for

St. Demetrios Greek Orthodox Church
1145 East Fort Lowell Road
Tucson, Arizona 85719
Attn: Father Earl Cantos, Priest
Ken Murch, Parish President
Angela Zerdavis, Chair Planning Design and Strategy Committee
Phil Lamantia, Co-chair Planning Design and Strategy Committee

Prepared by
Paul M. Rawson

Principal Investigator
S. Jerome Hesse

SWCA Environmental Consultants
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Tucson, Arizona 85701
(520) 325-9194
www.swca.com

SWCA Project No. 28665

SWCA Cultural Resources Report No. 14-110

March 2014

PROJECT ABSTRACT

Report Title. An 8.02-Acre Archaeological Survey of St. Demetrios Greek Orthodox Church Property at 3232 East River Road, Tucson, Pima County, Arizona

Report Date. March 2014

Agencies. Pima County

Project Description. St. Demetrios Greek Orthodox Church (the Church) proposes development of 8.02 acres of Church property located south of River Road, in unincorporated Pima County. The property currently comprises three parcels of private land with Pima County Assessor's Numbers 108-26-015B, 108-26-015D, and 108-26-016A, and the street address 3232 East River Road, Tucson. In order to develop the property, these three parcels would be combined. The property is located within the boundaries of the National Register of Historic Places (NRHP)–listed Binghampton Rural Historic Landscape, and the development plans will be subject to review by the Pima County Office of Sustainability and Conservation, Cultural Resources and Historic Preservation Division; and the State Historic Preservation Office. The Church contracted SWCA Environmental Consultants (SWCA) to conduct a Class I records search and Class III archaeological survey of the project area in order to evaluate the known cultural resources within the project area, identify any previously unrecorded cultural resources within the project area, and to assist them in meeting Pima County cultural resources review requirements.

Land Status. Private

Project Location. The project area is located in the SW ¼ of the SW ¼ of Section 21, Township 13 South, Range 14 East, Pima County, Arizona, Gila and Salt River Baseline and Meridian, U.S. Geological Survey Tucson North, Arizona, 7.5-minute quadrangle

Number of Acres Surveyed. 8.02 acres of private land

Dates of Field Survey. March 4, 2014

Number of Cultural Resources. Two

NRHP-Listed Properties. Binghampton Rural Historic Landscape

NRHP-Eligible Properties. One: AZ BB:9:238(ASM)—Binghampton site

NRHP-Ineligible Properties. None

Recommendations. The project area is within the NRHP-listed Binghampton Rural Historic Landscape and the NRHP-eligible Binghampton archaeological site AZ BB:9:238(ASM). These two historic properties are essentially the same entity; however the Binghampton Rural Historic Landscape has a specific period of significance (A.D. 1898–1953), while the archaeological site AZ BB:9:238(ASM) includes prehistoric artifacts—and specifically a Hohokam Classic Period component—which are not identified as contributing to the NRHP-listed property.

There are two previously recorded contributing properties of the NRHP-listed Binghampton Rural Historic Landscape within the project area, identified on the NRHP Nomination Form as Parcel 12—the Spessard Pecan Orchard and Torsell Well; and Parcel 13—3232 East River Road. These properties currently exhibit qualities which contribute to the eligibility of the Landscape. Development of the parcel

Binghampton Rural Historic Landscape Properties

The project area is located in the northwest corner of the Binghampton Rural Historic Landscape. The NRHP nomination inventory completed in 2003 (Parkhurst 2003) identifies two parcels which jointly constitute the project area (Figure 5). These are Parcel 12, characterized as a Landscape Unit/field; and Parcel 13 characterized as a Field plus residence. NRHP Parcel 12 comprises the Pima County Assessor's parcels 108-26-015B and 108-26-015D. NRHP Parcel 13 is the Pima County Assessor's parcel 108-26-016A (see Figure 3).

NRHP Parcel 12—Spessard Pecan Orchard; Torsell Well

The NRHP nomination form describes Parcel 12 as follows (Parkhurst 2003:7.11):

> This shaded, 7.8-acre property along the south side of River Road is known for its horticulture, a pecan orchard set out by the Spessard family in 1936. On pastures to the east and south of the grove, the current owners also graze horses. The orchard contains several varieties of pecan trees, some original, and is flood-irrigated in rows of trenches from a well. A historic well in concrete casing, drilled in 1950 when the Torsell family owned the orchard, has an old pump, tank and pipes and is located near River Road on the upper northwest corner of the property.

The previously described features are all present, although not all in good condition. The parcel is divided into several fields by recently built fences composed on metal T-posts, rail road ties, and metal pipe. The pecan grove has been cleared; no trees remain, although the stumps are in situ (Figure 6). Regressing the historical imagery available on Google Earth suggests the pecans were felled 2007-2008. As a result of this, the parcel is no longer shaded. The abandoned irrigation system is also in poor condition, although it is possible to trace partially filled segments of the ditches. The best-preserved segments are along the north edge of the parcel south of Parcel 13 (see Figure 5; Figure 7), and along the eastern edge of the pasture in the south of Parcel 12 (see Figure 5; Figure 8). Concrete and metal pipe control gates from the irrigation system are visible throughout the parcel. The Torsell Well can also be found, but is currently visible as a metal well-cap marked SNOW MFG CO LA CAL / 11/8B / PAT NO 1287127 / IDEAL ALFALFA VALVE (Figure 9). Any associated tanks, pumps, or pipes have been removed.

NRHP Parcel 13—3232 East River Road

The NRHP nomination form describes Parcel 13 as follows (Parkhurst 2003:7.15):

> This 1.15 acre parcel includes a Contemporary style, burnt adobe house built in 1953 and probably designed by owner/architect, Torsell (first name unknown). The house features both flat and gabled roofed sections. The parcel lies in the flat, floodplain area south of River Road and is the residential zone for the pecan orchard next door, under the same ownership. The current owner engages in horse culture as well as the seasonal sale of pecans. Included on this site are an early frame tack room, a recent pecan processing shed, horse shelters and corrals with pipe fencing. The designed landscape is green and lush, including a lawn, mature trees and other plantings. Natural vegetation with mesquites can be seen along River Road.

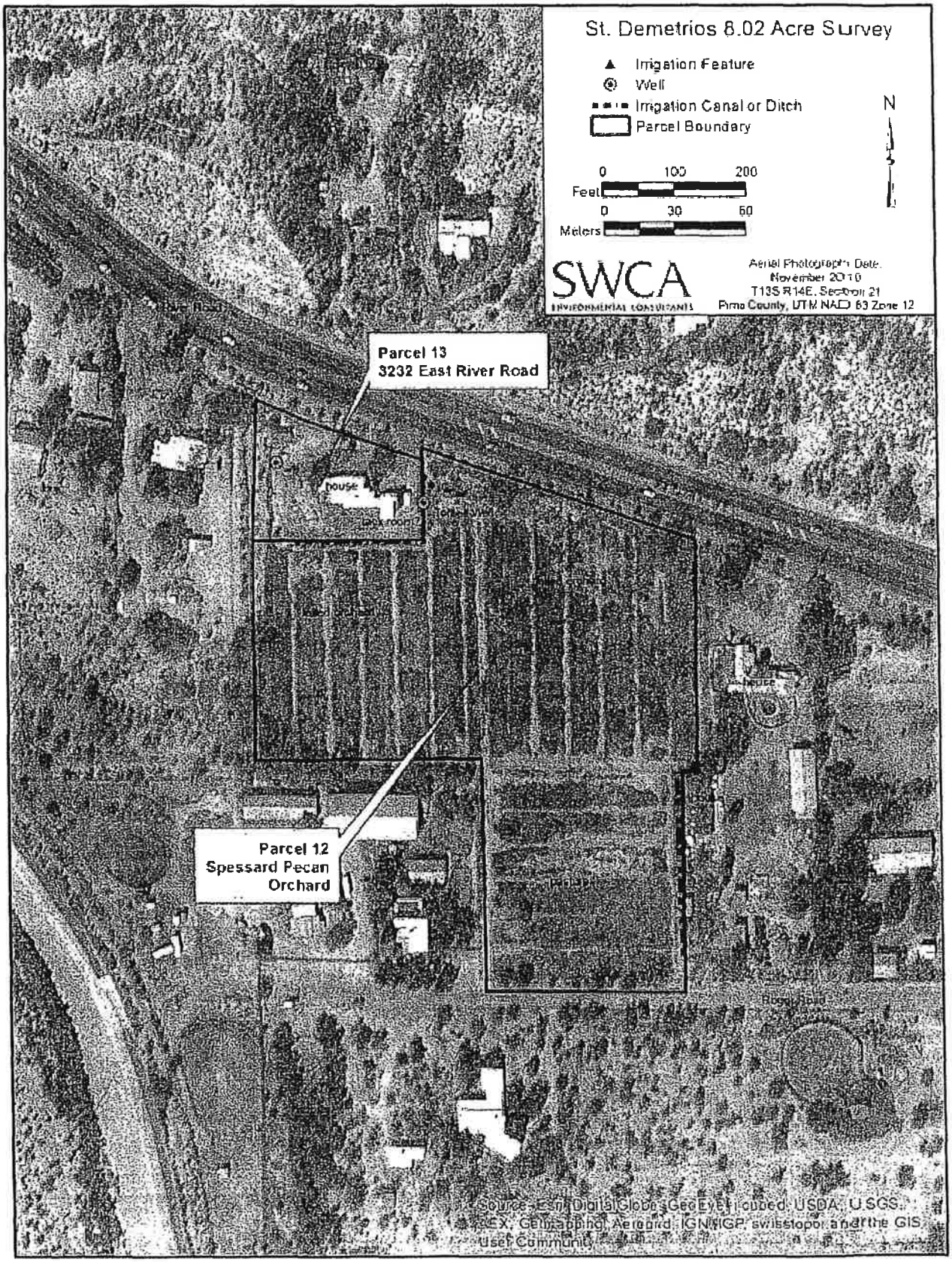


Figure 5. Project results.

Evaluation of Survey Results

The survey results conformed to pre-survey expectations. The cultural resources recorded were previously inventoried as contributing properties of the Binghampton Rural Historic Landscape. Some of these features are in poor condition—the pecan grove has been cleared and the irrigation system is in disrepair. However the surveyed parcels do generally retain the "rural" feeling which characterizes the Historic Landscape.

SUMMARY AND RECOMMENDATIONS

The project area is within the NRHP-listed Binghampton Rural Historic Landscape and the NRHP-eligible Binghampton archaeological site AZ BB:9:238(ASM). These two historic properties are essentially the same entity; however the Binghampton Rural Historic Landscape has a specific period of significance (A.D. 1898–1953), while the archaeological site AZ BB:9:238(ASM) includes prehistoric artifacts—and specifically a Hohokam Classic Period component—which are not identified as contributing to the NRHP-listed property.

There are two previously recorded contributing properties of the NRHP-listed Binghampton Rural Historic Landscape within the project area, identified on the NRHP Nomination Form as Parcel 12—the Spessard Pecan Orchard and Torsell Well; and Parcel 13—3232 East River Road. These properties currently exhibit qualities which contribute to the eligibility of the Landscape. Development of the parcel has the potential to adversely affect these properties. No additional resources were discovered during the archaeological survey, and there is no evidence of prehistoric archaeological material within the project area. SWCA recommends that development plans include measures such as landscaping, preservation, or re-use of existing properties consistent with the qualities of the Binghampton Rural Historic Landscape.

In the event that human remains and/or ceremonial objects and funerary objects are found during development of this property, ground-disturbing activities must cease in the immediate vicinity of the discovery. Arizona Revised Statutes §41-865 applies to the discovery of human remains and associated funerary objects on private land. The law requires that the Arizona State Museum be notified of the discovery so that cultural groups who claim cultural or religious affinity to them can make appropriate arrangements for the repatriation and reburial of the remains.

EXHIBIT I - SUBJECT PHOTOGRAPHS

PHOTO 1 - VIEW SOUTHEAST FROM RIVER

PHOTO 2 - VIEW FROM RIVER

PHOTO 3 - VIEW SOUTHWEST FROM RIVER

PHOTO 4 - VIEW SOUTH ALONG WEST PROPERTY LINE

PHOTO 5 - VIEW SOUTHEAST FROM NORTHWEST CORNER

PHOTO 6 - VIEW SOUTH ALONG EAST PROPERTY LINE

PHOTO 7 - VIEW NORTHWEST FROM ROGER

PHOTO 8 - VIEW NORTHEAST FROM ROGER

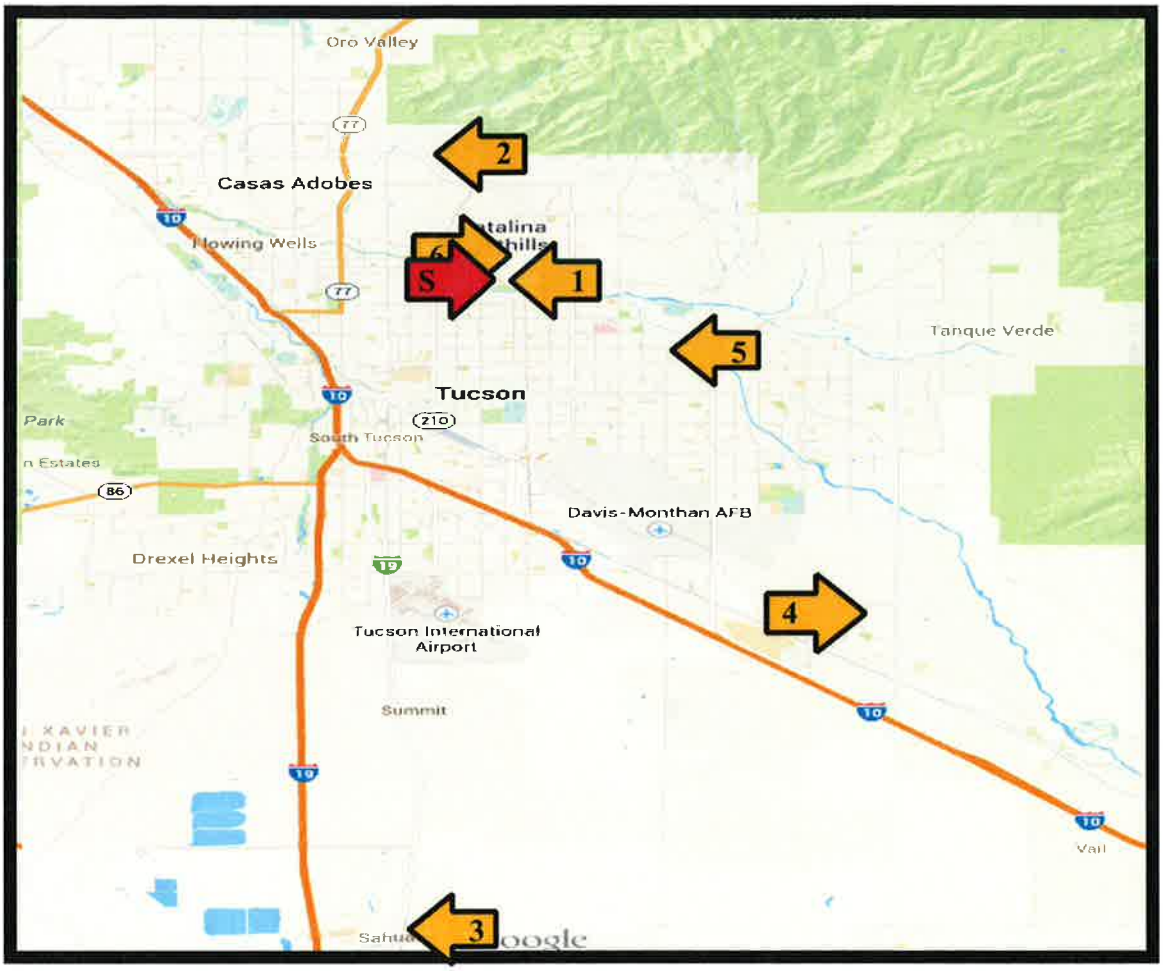
PHOTO 9 - VIEW EAST ALONG RIVER

PHOTO 10 - VIEW WEST ALONG RIVER

PHOTO 11 - VIEW WEST ALONG ROGER

PHOTO 12 - VIEW EAST FROM ROGER

EXHIBIT J - COMPARABLE LAND SALES LOCATION MAP



Subject:	**South side of River Road, east of Hacienda Del Sol**
Sale 1:	South side of River Road, west of Hacienda Del Sol
Sale 2:	West side of Skyline Drive, north side of Ina Road
Sale 3:	Between Starlight View Lane and Desert Gem Lane Alignment, south of Sahuarita Road
Sale 4:	North side of Valencia Road, east of Nexus Road
Sale 5:	Southwest corner of Pima Street and Alamo Avenue
Sale 6:	Northwest corner of River Road and Allen Road

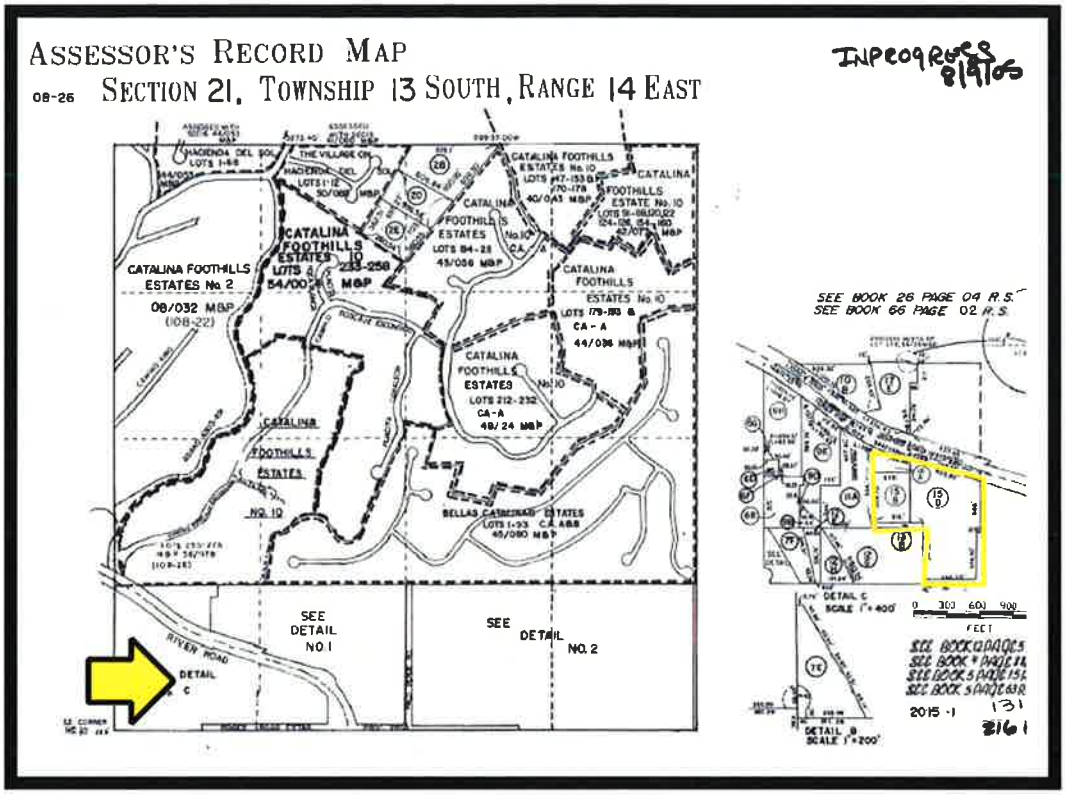
EXHIBIT K - COMPARABLE LAND SALES

LAND COMPARABLE NUMBER ONE (SALE) ID: SR 0511 5615

LOCATION:	South side of River Road, West of Hacienda Del Sol
LEGAL DESCRIPTION:	A portion of the Southwest Quarter of the Southwest Quarter of Section 21, Township 13 South, Range 14 East, G&SRB&M, Pima County, Arizona
STATE TAX PARCEL:	108-26-015B, 015D, and 016A
RECORD DATA:	Book 13237, at Page 2670
DATE OF SALE:	February 6, 2008
SELLER:	Richard Masek Trust, George Masek Trust, & Helen Masek
BUYER:	St. Demetrios Greek Orthodox Church
CONFIRMED BY:	Bill Anastopoulos, representative of buyer (520-722-2500) Peter Matiatos, representative of buyer (520-349-0144) TAB; September, 2007
LAND DESCRIPTION:	This site is an irregular shaped property consisting of three parcels with approximately 645 feet of frontage on River Road and approximately 280 feet of frontage on Roger Road. The site has a maximum depth of approximately 730 feet near the center of the site from River Road on the northern border and Roger Road on the southern border. River is a four-lane, asphalt-paved roadway with a center median, concrete curbs, sidewalks and streetlights in the vicinity of this property. Roger Road is a two-lane, asphalt-paved roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of the property. River Road has a 2004 traffic count of 31,500 vehicles per day west of this site and a 2006 traffic count of 13,800 vehicles per day east of this site. No traffic count is available for Roger Road in the vicinity of the property. The topography is mostly level, sloping slightly in a westerly direction and is below street grade. All utilities are available to the property. According to

	FEMA Flood Insurance Rate Maps 04019C1643K and 04019C1645K, with a LOMR dated April 22, 2004, the majority of the land is identified as being located in a Special Flood Hazard Area, with a designation of Zone AE and A. A small portion of the northwest corner may be located outside of a Special Flood Hazard Area.
LAND SIZE:	8.09 acres
ZONING:	SR
REPORTED SALE PRICE:	$1,250,000
PRICE PER ACRE:	$154,895
MARKETING TIME:	Not Available
TERMS OF SALE:	The sale included a down payment in the amount of $40,000 (3.2%) with the balance of $1,210,000 being carried by a new conventional loan.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions. The property contained an 1,800 square foot house. The buyer is likely to make use of the building on the property and some value was attributed to the improvements.
INTENDED USE:	Development of church facilities.
COMMENTS:	The buyer is a greek church. The buyer will initially construct 20,000 to 25,000 square feet of building area. The buyer hopes to build a school on the property in the future. A hydrology study is being conducted on the property. Due to flood issues, it is possible any building pad will need to be raised up to three feet.

COMPARABLE LAND SALE ONE - PLAT MAP AND AERIAL PHOTO

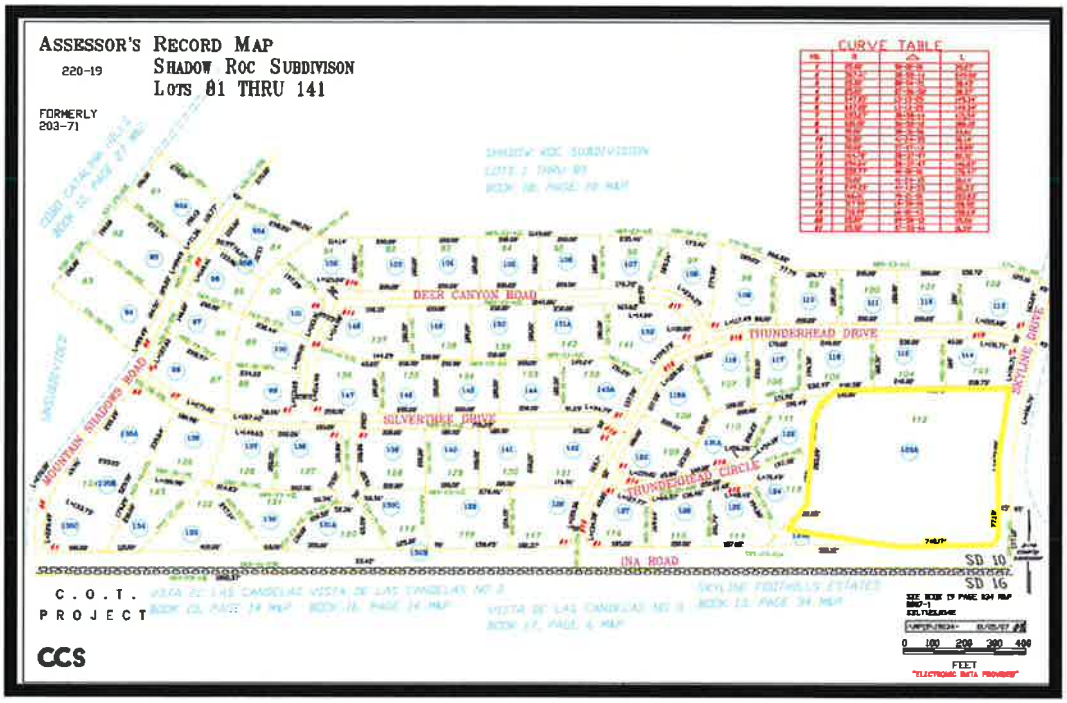


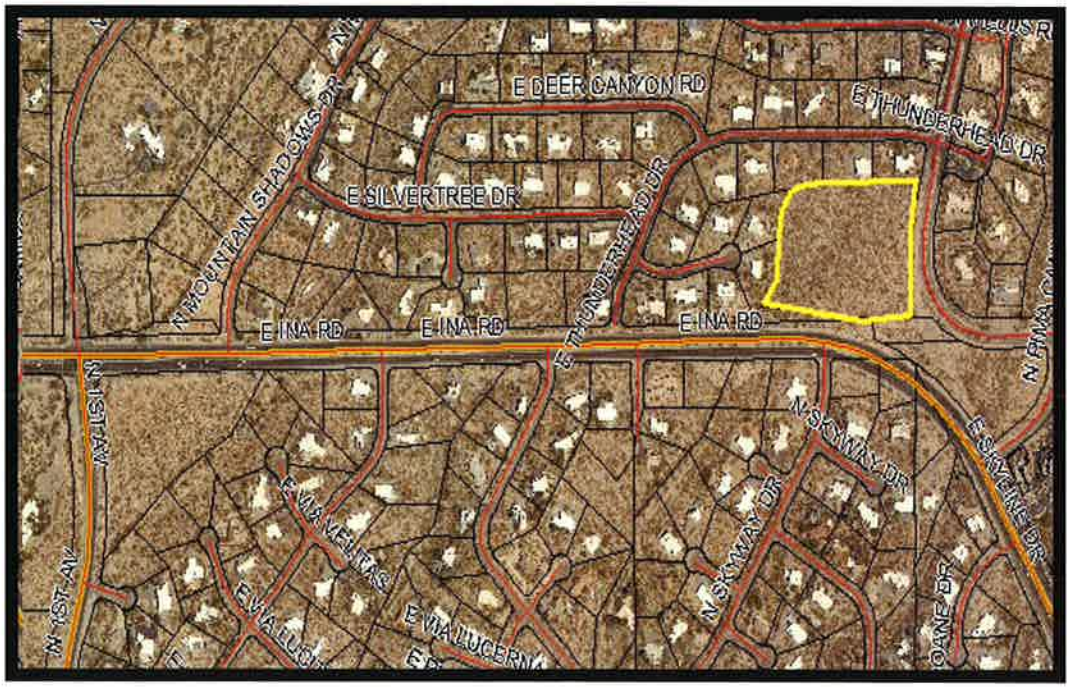
LAND COMPARABLE NUMBER TWO (SALE) ID: SR 0645 6611

LOCATION:	West side of Skyline Drive, north side of Ina Road
LEGAL DESCRIPTION:	Portion of Lot 112, Shadow Roc Subdivision
STATE TAX PARCEL:	220-19-123A
RECORD DATA:	Fee Number 2010-2491724
DATE OF SALE:	December 29, 2010
SELLER:	Foothills Pima Canyon Properties, LP
BUYER:	Corporation of the Presiding Bishop of the Church of Latter Day Saints
CONFIRMED BY:	Rob Tomlinson, seller's broker (520-546-2757) DFO; February, 2014
LAND DESCRIPTION:	This site is a mostly rectangular shaped property with 507 feet of frontage along Skyline Drive along the eastern border. The site has a depth of approximately 700 feet along the southern border. Skyline Drive is a two-lane asphalt paved roadway, with center median, but no sidewalks, concrete curbs, or streetlights in the vicinity of the subject. There is no traffic count available for Skyline Drive in the vicinity of the site. Ina road is a four-lane asphalt paved roadway with center median and concrete curbs, but no sidewalks or streetlights in the vicinity of the site. Ina Road has a 2010 traffic count of 31,000 vehicles per day in the area of this site. The site has direct access from Skyline Drive. The site has visibility, but no direct access from Ina Road. The topography slopes fairly steeply in a southwesterly direction. Utilities are available to the property line. The site is covered in natural desert vegetation. According to FEMA Flood Insurance Rate Map 04019C1680L, dated June 16, 2011, the site is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.
LAND SIZE:	7.37 acres (321,148 square feet) - per site plan

ZONING:	SR (Pima County)
REPORTED SALE PRICE:	$1,618,000
PRICE PER ACRE:	$219,539
MARKETING TIME:	204 Days
TERMS OF SALE:	This was an all cash transaction to the seller.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This was reported to be a normal market transaction.
INTENDED USE:	Development of a church
COMMENTS:	The seller's broker indicated the buyer paid slightly higher than market rate for this site. This parcel is in Pima County Comprehensive Plan for LIU 1.2 and could be rezoned to CR-1 for the entire parcel. The site required significant cut and fill due to the sloping topography. Additionally, per the site plan, approximately 1.61 acres (22% of the site) of the site are left as open space.

COMPARABLE LAND SALE TWO - PLAT MAP AND AERIAL PHOTO



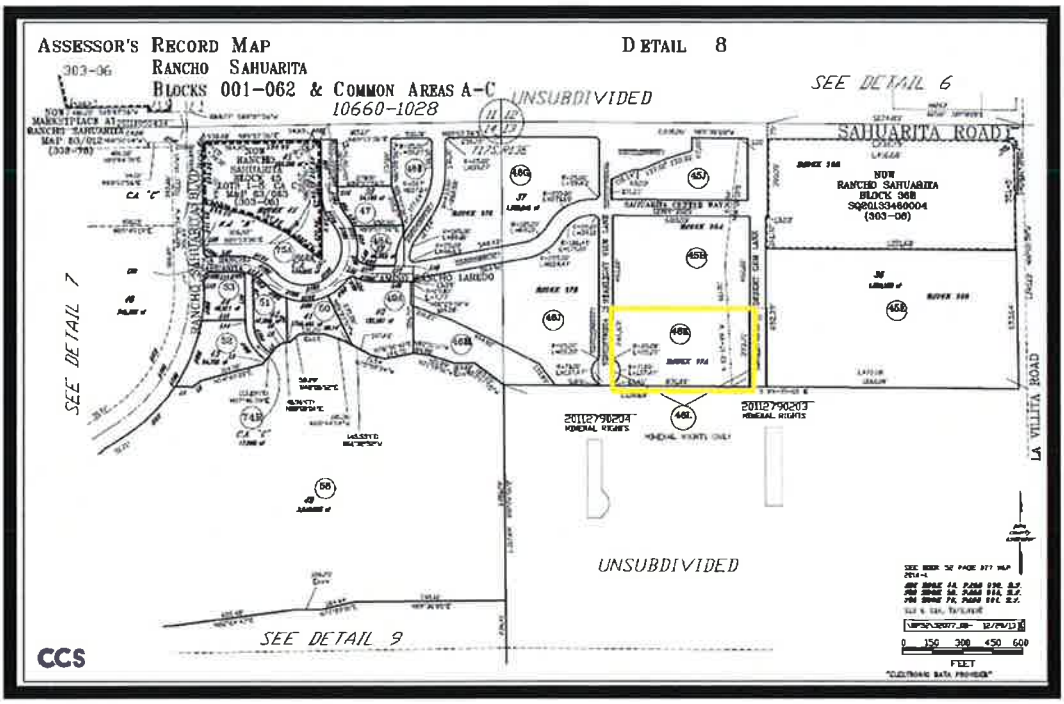


LAND COMPARABLE NUMBER THREE (SALE) ID: SP 0054 6922

LOCATION:	Between Starlight View Lane and Desert Gem Lane Alignment, South of Sahuarita Road
LEGAL DESCRIPTION:	A portion of Rancho Sahuarita Parcel 37A Blocks 36 & 37
STATE TAX PARCEL:	303-06-046D (now 303-06-046K)
RECORD DATA:	Fee Number 2014-0780444
DATE OF SALE:	February 1, 2011
SELLER:	RSMC III, LLC
BUYER:	Corporation of the Presiding Bishop of the Church of Latter Day Saints
CONFIRMED BY:	Fred Lewis, Seller Representative (520-299-8766) TAB; September, 2014 Mike Bowman, Seller Representative (520-299-8766) DFO; September, 2014
LAND DESCRIPTION:	This site is a mostly rectangular shaped backage property with 393.71 feet of frontage on Starlight View Lane along the western border and a depth of 831 feet. The subject property contains 7.50 acres (326,700 square feet) of land area. Starlight View Lane is a two-lane, asphalt-paved roadway with raised center median, concrete curbs, and sidewalks, but no streetlights in the vicinity of this property. Starlight View Lane terminates in a cul-de-sac at the southwestern corner of the property. There is no traffic count available for Starlight View Lane in the vicinity of this property. Desert Gem Lane is a two-lane, asphalt-paved roadway with concrete curbs and sidewalks, but no streetlights in the vicinity of this property. The paved portion of Desert Gem Lane terminates at the northeast portion of the property. The alignment for Desert Gem Lane runs adjacent to the eastern property line. There is no traffic count available for Desert Gem Lane in the vicinity of this property. Direct Access to the site is from 2 curb cuts on Starlight View Lane and 1 curb cut on Desert Gem Lane in the northeast corner of the site. The

	topography is somewhat level, sloping in an easterly direction. All utilities are available to the property. According to FEMA Flood Insurance Rate Maps 04019C2245L and 04019C3455L, both dated June 16, 2011, the land is identified as being located in Zone X which outside of the Special Flood Hazard Area.
LAND SIZE:	7.50 acres (326,700 square feet)
ZONING:	SP (Town of Sahuarita)
REPORTED SALE PRICE:	$1,200,000
PRICE PER ACRE:	$160,000
MARKETING TIME:	N/A
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	There were no prior sales of the subject property within three years of the date of sale. There were several transactions dated December 31, 2009, however these were internal transfers of ownership and not market transactions. Subsequent to the sale, there were two transactions dated October 6, 2011. These two transactions were dedication of land for right of ways for portions of Starlight View Lane and Desert Gem Lane from the subject property.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Development of a church facility
COMMENTS:	The property does not have visibility from Sahuarita Road, however, the subject property owner would be allowed to construct a sign on Sahuarita Road. The SP zoning allows for a wide variety of uses including commercial and residential.

COMPARABLE LAND SALE THREE - PLAT MAP AND AERIAL PHOTO

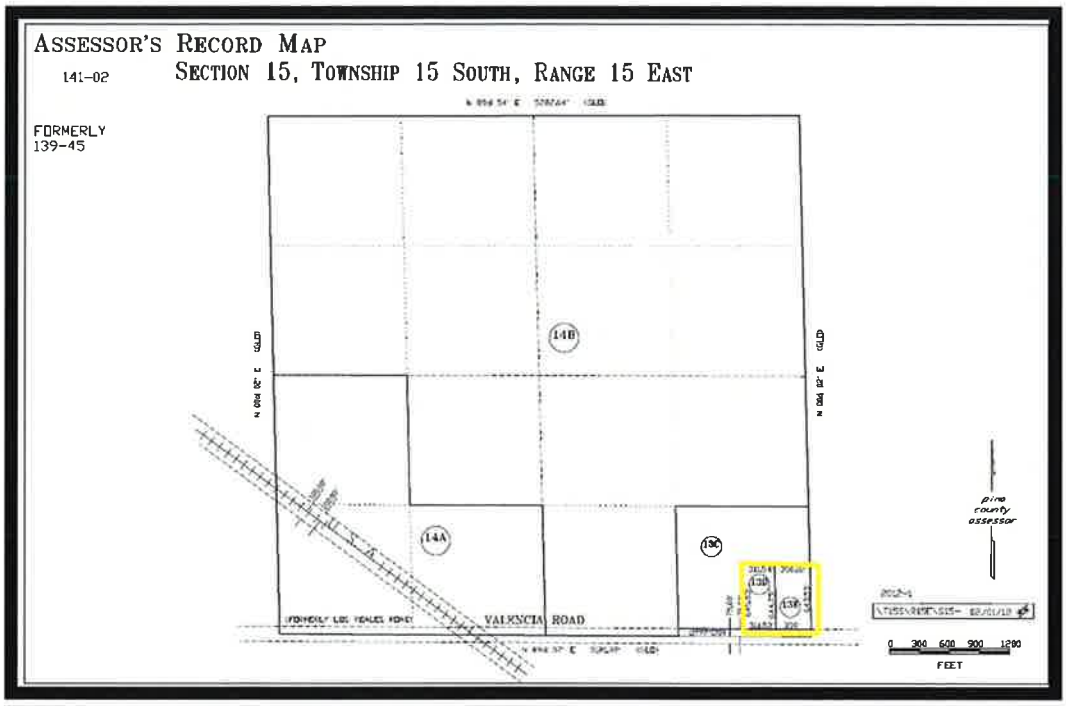


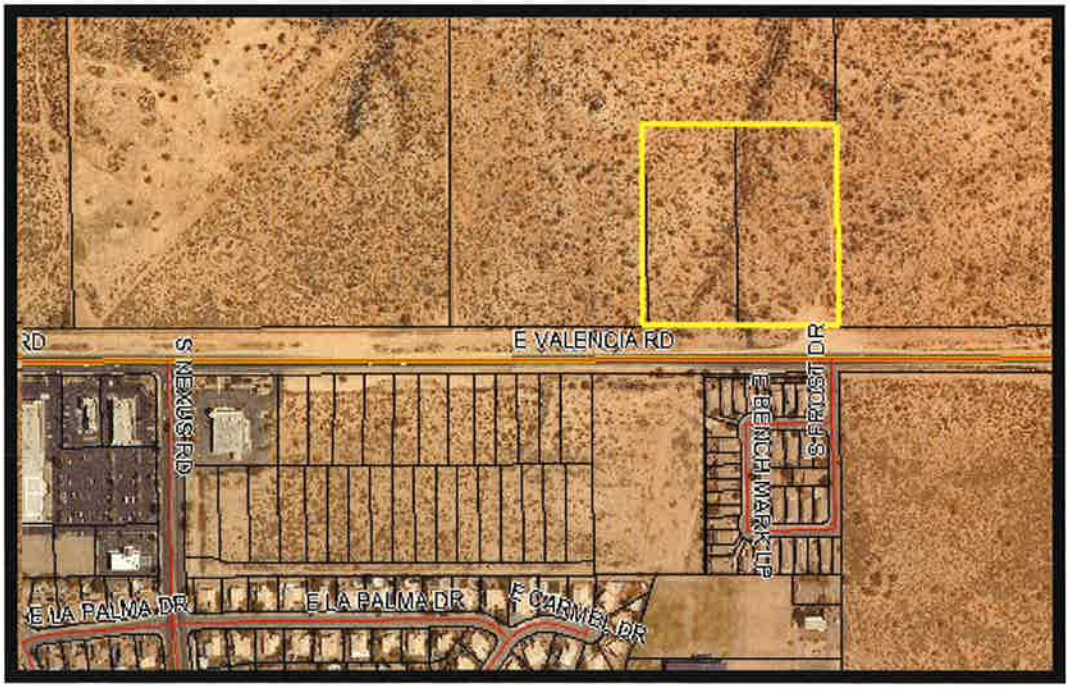
LAND COMPARABLE NUMBER FOUR (SALE) ID: SR 0640 6682

LOCATION:	North side of Valencia Road, east of Nexus Road
LEGAL DESCRIPTION:	A portion of Section 15, Township 15 South, Range 15 East, G&SRB&M, Pima County, Arizona
STATE TAX PARCEL:	141-02-013D, 013E (Now 141-02-013F)
RECORD DATA:	Fee Number 2013-0311067
DATE OF SALE:	January 31, 2013
SELLER:	Mission Investment Fund of the Evangelical Lutheran Church in America
BUYER:	Vail Christian Church
CONFIRMED BY:	Ben Pitney, buyer (520-722-1220) TH; July, 2013
LAND DESCRIPTION:	This site is a rectangular shaped property with 661.53 feet of frontage on Valencia Road and a depth of approximately 646 feet. Valencia is a two-lane, asphalt-paved roadway with a center left-turn lane onto Frost Drive (south of Valencia). Valencia has a 2010 traffic count of 8,000 vehicles per day in the vicinity of the site. The topography is mostly level. A wash transverses the site in a northeast to southwest direction. The area of the wash is located in a riparian habitat area identified as Xeroriparian C. The property is located within the Davis Monthan Air Force Base Vicinity Zone (ARS 28-5461). Utilities available to the property include water, sewer, electric, gas and telephone. According to FEMA Flood Insurance Rate Map 04019C2925L, dated June 16, 2011, the land is identified as being located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.
LAND SIZE:	426,496 square feet or 9.79 acres
ZONING:	SR (existing), with the potential to be rezoned for a commercial use (City of Tucson Zoning Code)

REPORTED SALE PRICE:	$725,000
PRICE PER ACRE:	$74,055
PRICE PER SQ. FT.:	$1.70
MARKETING TIME:	2,338 days
TERMS OF SALE:	The terms of sale included a down payment in the amount of $145,000 (20%), with the seller carrying the note at a market interest rate.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions. The buyer indicated the terms of sale gave the seller a slight advantage.
INTENDED USE:	Development of a church and related facilities containing 41,000 square feet per current concept plan
COMMENTS:	The property is currently zoned SR (City of Tucson) and had the potential to be rezoned for a commercial use at the time of sale. According to the buyer, development of the property will have to cross the local wash which will require the installation of two wash crossings. The development plans for the site indicate that 79,532 square feet (1.83 acres or approximately 18% of the site) is regulated with 1.28 acres (13% of the site) of protected riparian land area. The development plans for this property also indicate that onsite retention areas are to be constructed.

COMPARABLE LAND SALE FOUR - PLAT MAP AND AERIAL PHOTO



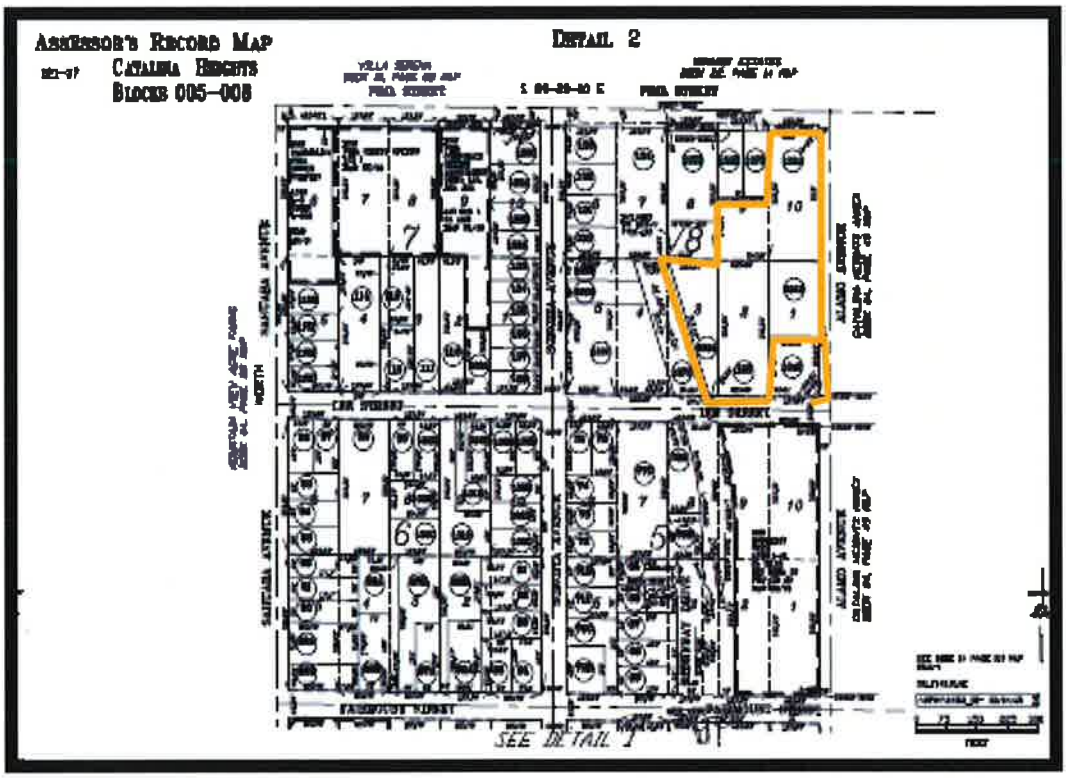


LAND COMPARABLE NUMBER FIVE (SALE) ID: R1 0178 7192

LOCATION:	Southwest corner of Pima Street and Alamo Avenue
LEGAL DESCRIPTION:	Lot 9 and a portion of Lot 10, Block 8, Catalina Heights, Tucson, Pima County, Arizona
STATE TAX PARCEL:	121-07-138A, 121-07-1250, 121-07-126A, and 121-07-124B
RECORD DATA:	Fee Number 2015-1590639
DATE OF SALE:	June 8, 2015
SELLER:	Pima Alamo Heights, LLC
BUYER:	Academy Adventures, Inc
CONFIRMED BY:	Gary Best, buyer's broker (520-623-000) TAB; December, 2015
LAND DESCRIPTION:	This site is an irregular shaped property with approximately 130 feet of frontage on Pima Street along the northern border, approximately 570 feet of frontage on Alamo Street along the eastern border, and approximately 145 feet of frontage on Lee Street along the southern border. The site has access from Pima Street, Alamo Street, and Lee Street. Pima Street is a four-lane, asphalt-paved roadway with concrete curbs, sidewalks, and streetlights in the vicinity of this property. Pima Street has a 2012 traffic count of 25,000 vehicles per day in the vicinity of this property. Alamo Street is two-lane asphalt paved roadway with concrete curbs, but no sidewalks or streetlights in the vicinity of this property. There is no traffic count for Alamo Street n the area of this property. Lee Street is two-lane asphalt paved roadway with concrete curbs, but no sidewalks or streetlights in the vicinity of this property. There is no traffic count for Lee Street n the area of this property. The topography is mostly level. All utilities are available to the lot. According to FEMA Flood Insurance Rate Map 04019C2301L, dated June 16, 2011 the land is identified as being outside the floodplain. The Alamo wash runs adjacent to the

	eastern border of the property and has a 100 foot erosion hazard setback.
LAND SIZE:	130,680 square feet or 3.0 acres
ZONING:	R-1 (northern portion) / R-2 (southern portion)
REPORTED SALE PRICE:	$600,000
PRICE PER ACRE:	$200,000
MARKETING TIME:	250 Days
TERMS OF SALE:	This was a seller financed sale. The buyer made a down payment of $10,000 (1.7%) with the seller financing the balance. The terms were not disclosed, but the buyer's broker indicated that the favorable financing increased the sales price of the property.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions. The property included two houses with approximately 10% of the sale price attributed to the improvements.
INTENDED USE:	Development of a charter school
COMMENTS:	The two houses on the property were planned on being utilized in the development of the school on the property. The houses were in fair condition needing a lot of work for deferred maintenance and contributed approximately 10% of the sales price. The site was a former nursery.

COMPARABLE LAND SALE FIVE - PLAT MAP AND AERIAL PHOTO



LAND COMPARABLE NUMBER SIX (SALE) ID: SR 0675 7192

LOCATION:	Northwest corner of River Frontage Road and Allen Road
LEGAL DESCRIPTION:	A portion of the Western Half of the Northwest Quarter of ths Northwest Quarter of the Northwest Quarter of Section 28, Township 13 South, Range 14 East, G&SRB&M, Pima County, Arizona.
STATE TAX PARCEL:	111-02-017B
RECORD DATA:	Fee Number 2015-2040122
DATE OF SALE:	July 23, 2015
SELLER:	3384 River Road, LLC
BUYER:	Green Things, Inc
CONFIRMED BY:	Jack Westenborg, buyer (520-329-9091) In Person TAB; December, 2015
LAND DESCRIPTION:	The site is a mostly rectangular shaped corner property with 448.44 feet of frontage on the River Road frontage road along the eastern border and 1,290 feet of frontage on Allen Road along the southern border. The site contains a total area of 8.77 acres according to Pima County Assessor's records. River Road is a four-lane, asphalt-paved roadway with a landscaped center median but no concrete curbs, sidewalks or streetlights in the vicinity of this property. River Road has a two-lane asphalt paved frontage road adjacent to the main roadway in this area providing access to the properties fronting on River Road, including this property. This property does not have direct access to River Road. River Road has a 2012 traffic count of 18,000 vehicles per day near this site. Allen Road is a two-lane asphalt paved roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of this property. There is no traffic count available for Allen Road in the area of this property. The topography is mostly level, sloping gently in a westerly direction towards the Rillito River. Soil conditions appear to be typical of the area. All utilities are available to the property.

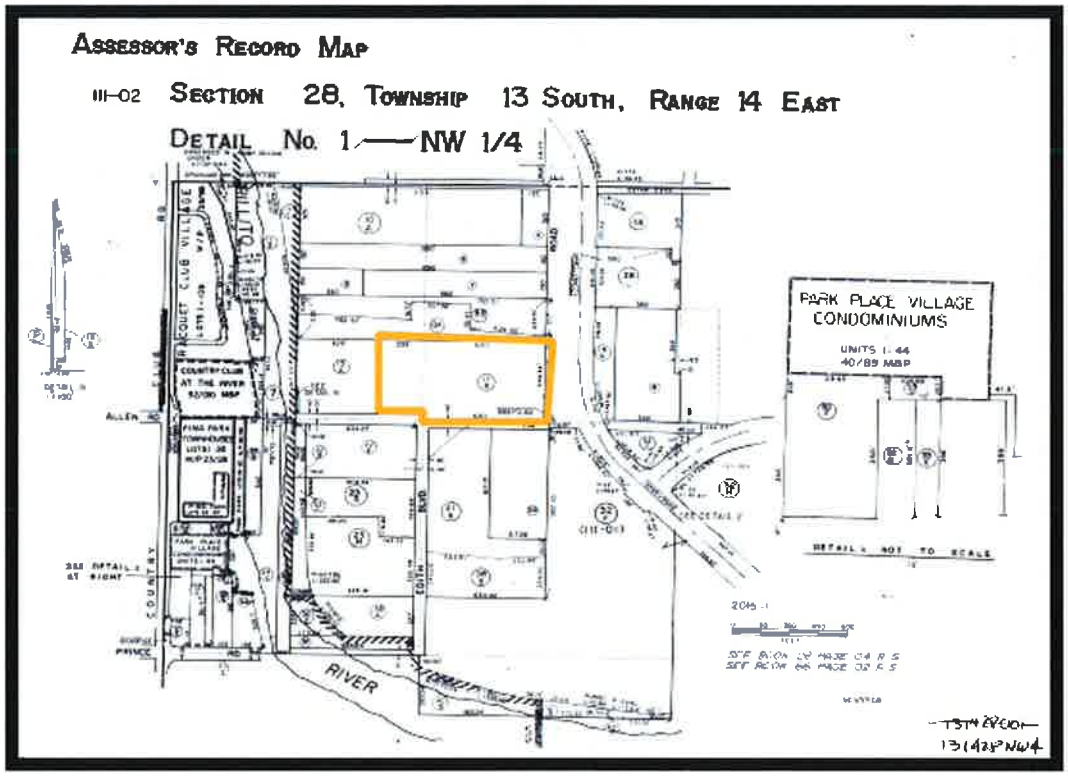
According to FEMA Flood Insurance Rate Map 04019C1693L, dated June 16, 2011, the property is identified as being almost entirely located in Zone AE (see exhibits) which is a Special Flood Hazard Area subject to innundation by the 1% annual chance flood with Base Flood Elevations determined with a significant portion located in the floodway. According to Mr. Terry Hendricks of the Pima County Flood Control District, this property has an average depth of flow of approximately 1 foot, based upon contour elevations, however a hydrology study would be required for any development and may show different floodplain results. The small area not within Zone AE is located in Zone A which is areas located within the 100-year floodplain with base flood elevations not determined.

LAND SIZE:	8.77 acres
ZONING:	SR
REPORTED SALE PRICE:	$1,100,000
PRICE PER ACRE:	$125,428
MARKETING TIME:	This property was not on the market.
TERMS OF SALE:	This was a seller financed transaction, with the buyer making a down payment of $100,000 (9%) and the seller financing the balance. The terms were not disclosed, but were determined to be favorable and would have impacted the sales price.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation. There was a transaction dated May 5, 2014, however this was an internal transfer of ownership and not a market transaction.
CONDITIONS OF SALE:	This sale did not involve any brokers and no commissions were paid. The property included a single-family residence which was reported to be in fair condition and contributed little value to the property. The buyer indicated that the sale included other considerations that impacted the price, but would not disclose the details of the other considerations due to a

confidentiality agreement. The property was vacant at the time of the sale and the seller just wanted to dispose of the property.

INTENDED USE: Wholesale nursery uses for adjacent retail nursery.

COMPARABLE LAND SALE SIX - PLAT MAP AND AERIAL PHOTO



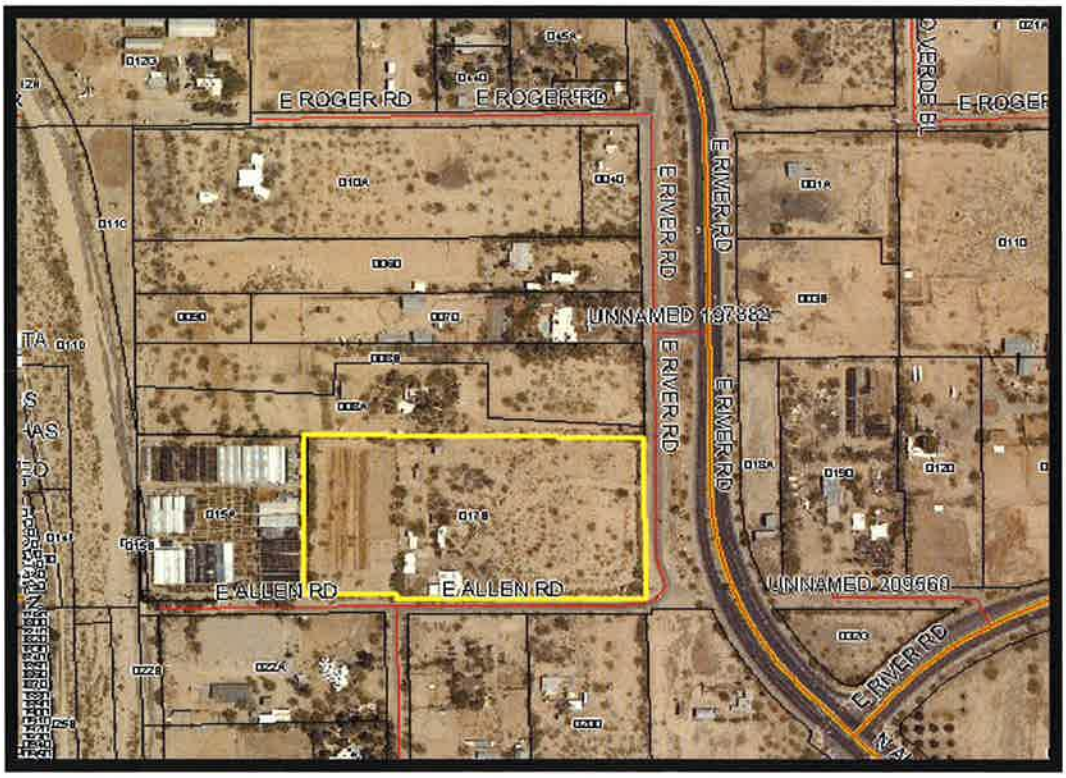


EXHIBIT L - QUALIFICATIONS

BAKER, PETERSON, BAKER & ASSOCIATES, INC. serves a wide variety of clients in Southeastern Arizona, providing real estate appraisal and consultation services relating both to residential and to commercial properties. These clients include governmental agencies, banks, savings and loan associations, credit unions, mortgage brokers, relocation services, developers, real estate brokers, corporate and legal professionals, and numerous individuals. More than fifty years of such services are represented by those presently associated with the firm, founded by Don M. Baker and William D. Peterson in 1974, with Thomas A. Baker becoming an owner in 1984.

WILLIAM D. PETERSON, MAI, is a principal of the Company, and specializes in valuation and consultation services related to commercial and income-producing properties. He is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 30216). He is a graduate of the University of Arizona in Business and Public Administration. He holds the MAI Designation of the Appraisal Institute. He is a licensed real estate broker in the State of Arizona and a Graduate of the Realtor Institute (GRI). He qualifies as an expert witness in the Superior Court of Pima and Cochise Counties. He is a past President of the Arizona Chapter of the American Institute of Real Estate Appraisers, and of the Tucson Chapter of the Society of Real Estate Appraisers.

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

SARA R. BAKER, MAI, SRA, is a staff appraiser in commercial valuation. She specializes in valuation and consultation services related to commercial, income-producing, and residential properties. She is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 31679). She holds the MAI and SRA Designations of the Appraisal Institute. Sara is on the 2013 Board of Directors of the Appraisal Institute, Southern Arizona Chapter and serves as the chapter Secretary and Chair of Continuing Education. She graduated from Washington University in St. Louis with a Bachelor's Degree in Comparative Literature and earned a Master's Degree at the University of California at Los Angeles.

DAN F. ORLOWSKI is a registered appraiser trainee in commercial valuation (Registration Number T0025). He graduated from San Diego State University with a Bachelor's Degree in Business Administration and also received a Master's Degree from the University of Phoenix in Accountancy. Dan has taken the following classes in working towards his Certified General certification: Basic Appraisal Principles; Basic Appraisal Procedures; Real Estate Finance, Statistics and Valuation Modeling; General Appraiser Market Analysis and Highest & Best Use; General Appraiser Sales Comparison Approach; General Appraiser Site

Valuation and Cost Approach; and General Appraiser Income Approach Part 1, and General Appraiser Income Approach Part 2.

JAMES MOSLEY is an appraiser trainee in commercial valuation. He graduated from the University of Arizona with a Bachelor of Arts degree.

ROBERT A. PARKER and **STEFANIE MICHELS** are production coordinators and support technicians.