

Natural & Cultural Resources

of the Buckelew Farm Lands





Board of Supervisors Memorandum

September 17, 2002

Buckelew Land Acquisition

Background

Pima County in partnership with the Arizona Open Land Trust has the opportunity to purchase 500 acres of land in fee simple from the Buckelews at a per acre price of \$1,800, for a total of \$900,000 plus closing costs.

Contribution to Protecting Biological Resources of the Sonoran Desert Conservation Plan

Pima County and the United States Fish and Wildlife Service have discussed the potential to incorporate on-going acquisition and conservation of lands identified as having biological resources into the Section 10 permit that we will finalize over the course of the next months as part of the Sonoran Desert Conservation Plan. We have the opportunity to acquire the land located within the Conservation Lands System toward the top of Altar Valley known as the Buckelew farm. Maps are attached which reflect the priority conservation and recovery areas, special elements, and the habitat potential for a number of species for the private and surrounding lands. Dr. Linwood Smith has visited the site and with regard to Priority Conservation Areas, indicated that Rufous-winged Sparrow is probably present, and pygmy-owl presence is possible. The Buckelew land is within Recovery Area 1 and is located between the Altar Valley Special Management Area, and the occupied area to the west. We intend to manage and enhance the land consistent with maintaining it as a corridor and as potential dispersal and occupied territory for the pygmy-owl.

Pima County is pursuing a regional permit that achieves the goals of the Science Technical Advisory Team. We will begin with a permit that establishes the foundations of the regional plan and incorporates milestones that once achieved, would contribute to accomplishment of the regional plan. The Buckelew property, because of its location in the region and its role in facilitating pygmy-owl recovery, will contribute as a building block of the regional reserve. The Fish and Wildlife Service has given preliminary concurrence in this assessment, and in the understanding that we might be able to utilize the land for mitigation banking pending more detailed surveys on a species specific level, and negotiation of mitigation ratios with the Service. If the Buckelew lands, which are currently zoned at RH, LIR and RC, were set aside in perpetuity for purposes of conservation, this area could contribute to the recovery of the following endangered species or species with federal status:

- Cactus Ferruginous Pygmy-owl (Listed as Endangered, has Draft Recovery Plan);
- Lesser Long Nosed Bat (Listed as Endangered, has published Recovery Plan);
- Acuna Cactus (Candidate List);
- Pima Pineapple Cactus (Listed as Endangered, Recovery Plan in progress).

The land could also contribute to the conservation and perhaps prevent the listing of species identified as Priority Vulnerable Species by the science community and adopted as part of the Conservation Lands System Guidelines incorporated into the Sonoran Desert Conservation and Comprehensive Land Use Plan, including but not limited to:

- California Leaf-Nosed Bat
- Pale Townsend's Big-Eared Bat
- Western Red Bat
- Western Yellow Bat
- Desert Box Turtle
- Rufous-winged Sparrow
- Burrowing Owl
- Swainson's Hawk
- Abert's Towhee
- Tucson Shovelnose Snake
- Bell's Vireo
- Tumamoc globeberry
- Groundsnake
- Merriam's Mouse
- Arizona Shrew

Contribution to Protecting Cultural Resources of the Sonoran Desert Conservation Plan

The Altar Valley has been investigated sporadically for cultural resources since the 1920s. Systematic investigations began in the 1970s and 1980s and were conducted for both research purposes and in compliance with environmental laws. Several large-scale surveys were conducted in 1980s, the most notable of which are the Coyote Mountains Project and the Gunsight Mountain survey located to the southwest and southeast of the Buckelew Ranch property respectively. Both resulted in the discovery of large numbers of archaeological sites representing human settlement in the Altar Valley over many thousands of years.

Additional archaeological sites have been found along Sasabe Road to the south, and to the north of the Buckelew Ranch along the Alter Wash. The evidence suggests that in prehistoric times the northern Altar Valley was most intensively occupied by the Hohokam people between A.D. 800 and A.D. 1150.

In 1882, Bernabé Robles and his brother Jesús established two homesteads where the road to Altar branched off from the road to Quijotoa, and built a stage station and ranch. This stage station, ranching complex and the settlement that grew up around it soon became known Robles Junction. By 1885, Robles began building an extensive cattle operation that at its height comprised more than one million acres between Florence and the Mexican border. All that is left of this empire is the ranch headquarters, which Pima County recently restored as the Robles Community Center. The former ranch buildings, identified as a priority cultural resource, are located to the northeast of the Buckelew Ranch property.

The 1888 Government Land Office records show portions of the original stage routes to Quijotoa and Sasabe crossing the Buckelew Ranch property in T16S, R10E, Sections 5, 6, 7, and 8. Also shown in the southwest corner of Section 5 is a house and corral occupied by a J. Boniley. It may be that the remains of this historic homestead are also on the Buckelew Ranch land.

While the Buckelew property has not been surveyed for cultural resources and no archaeological or historical resources are known on the property, map data suggests the presence of historic stage routes and a historic homestead. Two archaeological sites are located just to the north of the property along State Road 86. As mentioned, the former Robles Ranch headquarters is located nearby. Because of the presence of the Altar Wash passing through the property, the Buckelew ranch is characterized as having a high archaeological sensitivity, meaning that it is very likely that archaeological sites are located on the land. The use of the land for over a century for ranching and agricultural purposes suggests that further evidence of these activities will be found on the Buckelew Ranch property as well.

While no specific sites of traditional cultural significance to the Tohono O'odham are known to be located on the property, the tribe does view the area as part of its traditional use lands and has expressed opposition in the past to development in proximity to its reservation boundaries.

Letters of Support for the Acquisition Proposal

The Arizona Game and Fish Department, the Altar Valley Conservation Alliance, and the Sonoran Institute have all submitted letters in support of Pima County's acquisition of the 500 acres at the top of Altar Valley.

Arizona Game and Fish cites the conservation and recreation benefits of the area.

The Altar Valley Conservation Alliance supports the sale of land from the Buckelew family to Pima County, finding that it will strengthen the ranch community's ability to find funding to restore the Altar/Brawley wash.

Concurring with this, the Sonoran Institute also promotes the conservation value of the land.

Cost Considerations

Two independent appraisals of the 500 acres range from a low of \$876,000 by Fowler Appraisal to a high of \$975,000 by Greenberg Inc. The appraisal by Fowler Appraisal of \$876,000 has been reviewed and approved by County staff. The full appraisal is attached. The land would be acquired in fee simple. The Arizona Open Land Trust, as part of the attached documents, would assign its option to purchase to Pima County; total cost to the County would be \$900,000 plus closing costs.

Recommendation

It is recommended that the Board acquire of 500 acres from the Buckelews by approving the Assignment of the Option to Purchase Agreement held by the Arizona Open Land Trust for the price of \$900,000 plus closing costs.

Respectfully Submitted,



C.H. Huckelberry
County Administrator

Attachments

1. Assignment of Option to Purchase Agreement; Legal Description; Option to Purchase Agreement and Addenda; and Agreement to Assignment of Option
2. Letters of Support
3. CLS, Land Cover, Recovery Areas and Important Riparian Maps
4. Special Element Maps
5. Priority Conservation Area Maps
6. Species Habitat Model Maps
7. Appraisal

ASSIGNMENT OF OPTION TO PURCHASE AGREEMENT

This Assignment is made by and between the Arizona Open Land Trust, Inc., an Arizona non-profit corporation ("Assignor") and Pima County, a political subdivision of the State of Arizona ("Assignee").

RECITALS

Assignor entered into an Option to Purchase Agreement dated April 3, 2002 between Assignor as Buyer and L. Nick Buckelew and Laurie S. Buckelew, Owner, (owners of tax parcels 30119005H and 30119005E comprising 500 acres) attached as Exhibit 1 ("Option to Purchase Agreement").

The Option to Purchase Agreement was amended by three Addenda dated June 7, 2002, July 19, 2002, August 27, 2002, copies of which are attached as Exhibits 2, 3 and 4.

Assignor, acting under the terms of Paragraph 3 of the Option to Purchase Agreement, desires to assign all of its rights and liabilities under that Agreement as amended to Assignee.

The conditions set forth in Paragraph 3 of the Agreement having been satisfied as to Pima County, Assignee desires to accept the assignment of Assignor's rights and liabilities under that Agreement as amended.

NOW THEREFORE, in consideration of the promises contained herein, the Parties to this Assignment agree as follows:

1. Assignor hereby assigns to Assignee all of Assignor's right, title and interest and all liabilities, if any, it may have under the Option to Purchase Agreement as amended so that Assignee may be substituted as the Buyer under the Option to Purchase Agreement as amended.
2. By its execution of this Assignment, Assignee accepts the assignment from Assignor and is substituted in its place for all purposes as the Buyer under the Option Agreement as amended.

IN WITNESS WHEREOF, the parties have executed this Assignment.

Dated this 12 day of September, 2002.

Arizona Open Land Trust, Inc.

By: [Signature]
Its President

ACCEPTED AND AGREED TO:

Attest:

Pima County

Clerk of the Board of Supervisors

By: _____
Chairman, Board of Supervisors

Approved as to Form:

Deputy County Attorney

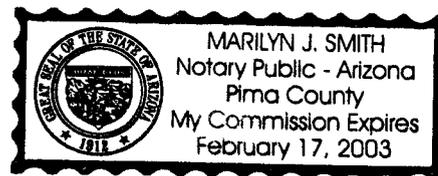
State of Arizona)
) ss
County of Pima)

This instrument was acknowledged before me this 12th day of September, 2002 by Jeff Hampton as Authorized Representative of the Arizona Open Land Trust, an Arizona nonprofit Corporation.

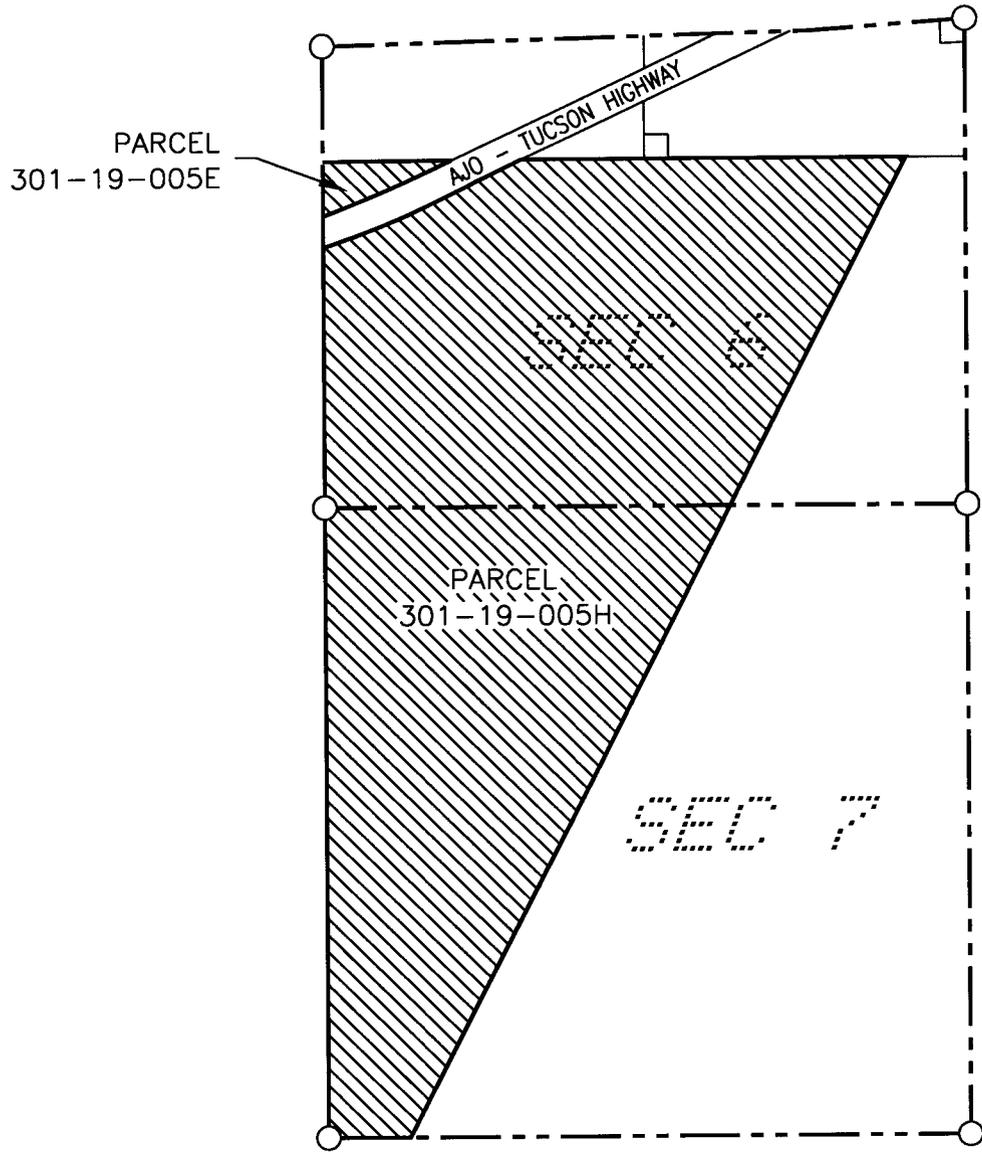
[Signature]

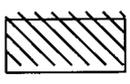
Notary Public

My Commission Expires:
2/17/03



SECTION 6 AND 7
TOWNSHIP 16 SOUTH
RANGE 10 EAST



 FLOODPRONE LAND ACQUISITION PROGRAM-BUCKALEW



PIMA COUNTY DEPARTMENT OF TRANSPORTATION
TECHNICAL SERVICES DIVISION

EXHIBIT "A"
DESCRIPTION OF 500.00 ACRE PARCEL

That portion of Section 6, Township 16 South, Range 10 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows;

BEGINNING at the northwest corner of Lot 5 of said Section 6;

THENCE N 89 degrees 47' 40" E along the north line of said Lot 5 a distance of 1,148.28 feet to a point on the northwesterly right-of-way line of ARIZONA ROUTE 86, said point being on the arc of a nontangent curve concave to the northwest a radial line of said curve, through said point having a bearing of S 28 degrees 19' 42" E;

THENCE southwesterly along the arc of said curve, along said right-of-way line, having a radius of 5,679.58 feet and a central angle of 12 degrees 23' 10" for an arc distance of 1,227.80 feet to a point on the nontangent west line of said Lot 5;

THENCE N 01 degree 38' 56" W along said west line distance of 457.80 feet to the POINT OF BEGINNING;

TOGETHER WITH;

That portion of Section 6 and 7, Township 16 South, Range 10 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows;

BEGINNING at the southwest corner of said Section 6;

THENCE N 01 degree 38' 56" W along the west line of said Section 6 a distance of 2,010.80 feet to a point on the southeasterly right-of-way line of said ARIZONA ROUTE 86, said point being on an arc of a nontangent curve concave to the northwest a radial line of said curve through said point having a bearing of S 15 degrees 41' 23" E;

THENCE northeasterly along the arc of said curve, along said right-of-way line, to the left, having a radius of 5,779.58 feet and a central angle of 13 degrees 40' 21" for an arch length of 1,379.17 feet to a point of tangency;

~~7918 - 337~~

3159 0190

THENCE N 63 degrees 38' 16" E along said southeasterly
 right-of-way line a distance of 73.43 feet to a point on
 the east-west half section line of said Section 6;
 north-south
 THENCE N 89 degrees 47' 40" E along said east-west half
 section line a distance of 3,540.52 feet;
 north-south
 THENCE S 26 degrees 56' 23" W 8,870.67 feet to the south line
 of said Section 7;
 THENCE S 89 degrees 58' 52" W along said south line a
 distance of 660.00 feet to the southwest corner of said
 section 7;
 THENCE N 61 degree 32' 25" W along the west line of said
 Section 7 a distance of 5,321.96 feet to the POINT OF
 BEGINNING;

Both parcels together containing exactly 500.00 acres.

STATE OF ARIZONA

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I hereby certify that the within
 instrument was filed for record
 in Pima County, State of Arizona
 on this 25th day of NOVEMBER 1986
 at 8:00 AM
 by RICHARD J. KENNEDY
 County Recorder

[Signature]
 Deputy

166561
 No. ~~7918~~ ~~935-938~~
 Book ~~7918~~ ~~938~~
 Date NOV 25 1986 8AM
 Request of: LAWYERS TITLE OF ARIZONA
 Fee: 10⁰⁰
~~7918~~ ~~938~~

8159 0191

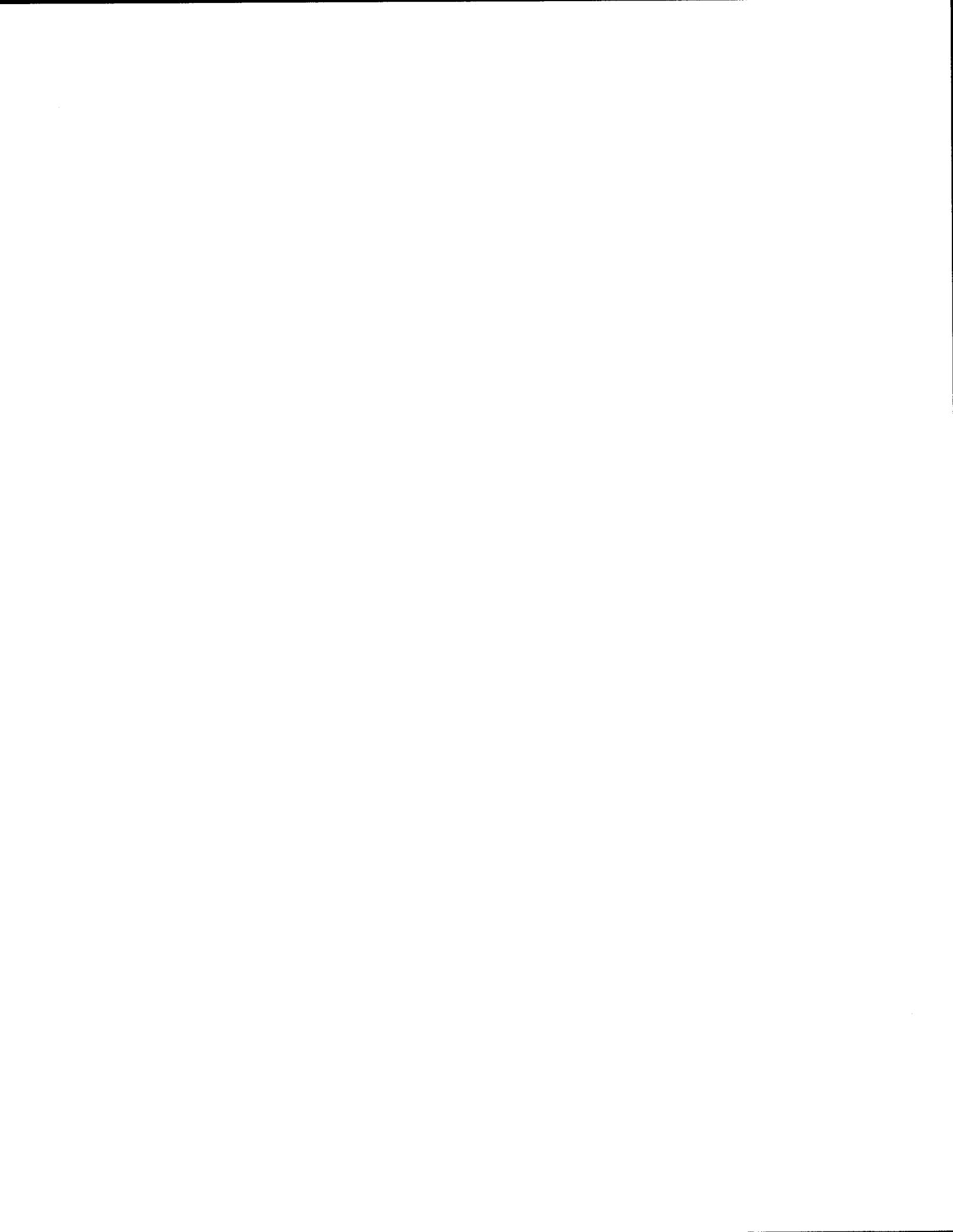


EXHIBIT I

OPTION TO PURCHASE AGREEMENT

This Agreement ("The Agreement") is made by and between the foregoing parties on 3rd day of April 2002 ("Agreement Date"):

L. Nick Buckelew and Laurie S. Buckelew as nominees for Buckelew Family Land Venture, L.L.C. (the "Owners"), and,

Arizona Open Land Trust, Inc., an Arizona non-profit corporation (the "Buyer").

1. **Property Description and Acquisition Amount.** The Owners own the property described as Pima County Assessor's Parcel Numbers 30119005H and 30119005E and further described on the attached Exhibit A, consisting of 500.00 acres of land and including all improvements located thereon (the "Property"). The Owners agree to sell to the Buyer, and the Buyer agrees to acquire the Property, for Nine Hundred Thousand Dollars and no cents (\$900,000.00) ("the Acquisition Amount"), subject to the terms and conditions set forth below.
2. **Terms.** Cash at the end of closing.
3. **Obligation to Close and Assignment.** The Parties understand that (i) Buyer is unable, without the assistance of another party, to consummate the Purchase and that, to accomplish the Purchase, Buyer intends to assign all of its rights, privileges, benefits and interests in and under this Agreement to a non-profit or governmental entity (Conservation Buyer). The amount of time and money to be expended by Buyer in its inspections of the Property and negotiations for conveyances of all Buyer's interests and claims under this Agreement to a Conservation Buyer shall be in the sole discretion of the Buyer. Execution of this agreement by the President or other authorized signatory for Buyer is contingent upon prior approval by Buyer's Board of Directors. Buyer's right to purchase under this Agreement is an option to purchase upon the terms and conditions set forth in this Agreement. Any exercise of that option within and upon the terms and conditions of this Agreement by Buyer is contingent upon approval by Buyer's Board of Directors.
4. **No Personal Property.** The parties acknowledge that no personal property is being acquired under this Agreement and that no personal property is located on the Property being transferred.
5. **Special Warranty Deeds.** The Owner shall deposit into escrow on the closing date a special warranty deed conveying to Buyer title to the Property, free and clear of all liens and encumbrances.

6. **Escrow and Prorations.** The escrow agent and title company shall be identified by the Owners. The proration of taxes, assessments, etc. shall be the date of escrow.
7. **Inspection, Possession and Closing.** Inspection shall be given to the Buyer at the date of the Right-of-Entry, and possession shall be given to Buyer on date of closing. Closing shall be 75 days from the Agreement Date. After the opening of escrow, the Buyer shall have the right to enter upon the Property in order to conduct such inspections and engage in such test and studies of the Property as the Buyer shall desire in its sole discretion; provided that the Buyer hereby agrees to indemnify and hold harmless the Owners from and against and with respect to any and all claims, damages, expenses and lawsuits arising from or related to any such entry, inspections, test or studies.
8. **Water Rights.** The Owners agree to assign and hereby transfers, effective upon closing, to the Buyer any water rights certificated or claimed appurtenant to the Property owned by Owners. Owners shall execute documents reasonably necessary to effect such transfer.
9. **Environmental Representations.** The Owner hereby represents and warrants that, to the best of Owner's actual and specific knowledge; no pollutants, contaminants, toxic or hazardous substances, wastes or materials have been stored, used or are located on the Property, that no underground tanks have been located on the Property, that the Property is in compliance with all Federal, state and local environmental laws, regulations and ordinances; and that no environmental legal action of any kind has been commenced or threatened with respect to the Property.
10. **Environmental Liability.** The Buyer and the Seller agree that neither party is assuming any obligation of the other party relating to any potential liability, if any, arising from the environmental condition of the Property, each party remaining responsible for its obligations as set forth by law.
11. **No Leases.** Owner warrants that there are no oral or written leases on all or any portion of the Property.
12. **Broker's Commission.** The Buyer represents and warrants to the Owners that it has not engaged or used any broker, real estate agent or finder with respect to this transaction, and no such person is entitled to any brokerage, sales commission or finder's fees related to this transaction by virtue of the Buyer's actions or agreements.
13. **Closing Costs.** Expenses incidental to the transfer of title, including title reports, recording fees, escrow fees, releases and Owner's Title Insurance Policy, shall be paid fifty percent (50%) by Owners.

- 14. **No Encumbrances.** Owners shall not encumber the property before closing, and Owners shall be entitle to sell or exchange all or portions of the property before closing subject to this Agreement.

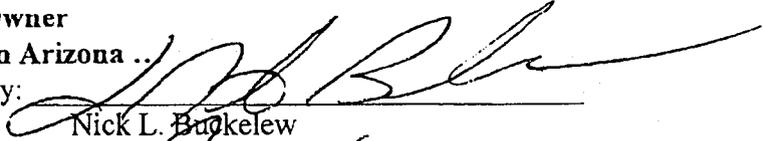
- 15. **Entire Agreement.** This signed document shall constitute the entire Agreement between the parties and no modification or amendments to this Agreement shall be binding unless in writing and signed by both parties. The performance of this Agreement constitutes the entire consideration by Buyer, including all just compensation and severance damages to the remainder property and shall relieve the Buyer of all further obligation or claims relating to Property.

- 16. **Default and Remedies.** In the event that either party shall default under this Agreement, the other party shall be entitled to pursue all rights and remedies available at law or in equity. Notwithstanding the foregoing, the obligation of the Buyer to purchase the Property shall be contingent upon a Conservation Buyer to execute and accept an assignment of all of the Buyer's right, title and interest under this Agreement on or before June 18, 2002. If such a Conservation Buyer has not accepted assignment of all of Buyer's right, title and interest by that date, either party shall have the right to terminate this Agreement by giving written notice to the other and to the escrow agent. In that event, the Buyer shall be responsible to pay for all escrow cancellation charges, if any, incurred as a result of such terminations. If Conservation Buyer has accepted assignment by that date, the Buyer shall assign its right, title and interest under this Agreement to Conservation Buyer, and Conservation Buyer shall be substituted as the Buyer hereunder by written assignment agreement to be prepared by the Buyer (but subject to the prior written approval of the Owners) and executed by the Buyer and Conservation Buyer and delivered to the escrow agent and the Owners on or before June 25, 2002. In that event, Conservation Buyer shall be deemed to have assumed all rights and obligations of the Buyer hereunder and Conservation Buyer shall be deemed to have confirmed that, in the event that a default shall occur the Seller or its assignees or transferees shall obtain fee title to any portion of the Property.

**Title Company
as Trustee under Trust**

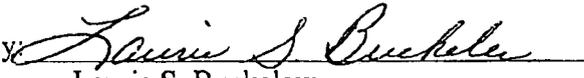
By: _____
 Title: Maria B. Arellano, Branch Manager
 Date: April 4, 2002
 Tax ID# or SS#: _____

Owner
an Arizona ..

By: 
Nick L. Buckelew

Title: Partner/Owner

Tax ID# or SSN#: _____

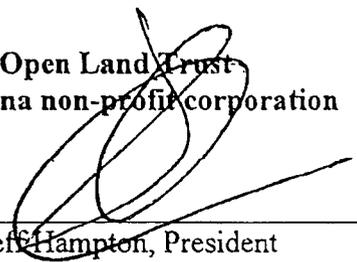
By: 
Laurie S. Buckelew

Title: Partner/Owner

Tax ID# or SSN#: _____

Date: 4-3-02

Arizona Open Land Trust
an Arizona non-profit corporation

By: 
Jeff Hampton, President

**ADDENDUM TO ACQUISITION AGREEMENT
DATED APRIL 3, 2002**

BETWEEN L. NICK BUCKELEW AND LAURIE S. BUCKELEW
AS SELLER,

AND

ARIZONA OPEN LAND TRUST, INC., AN ARIZON ANON-PROFIT CORPORATION,
AS BUYER

Regarding the option to purchase property described as Pima County Assessor's Parcel
Numbers 301-19-005E and 301-19-005H, consisting of 500.00 acres.

This Addendum is dated June 7, 2001 and is made by and between the foregoing
parties.

- 1. The parties agree that Paragraph 7 of the original agreement shall be replaced
with the following new paragraph:

7. Inspection, Possession and Closing. Inspection shall be given to the Buyer
at the date of the Right-of-Entry, and possession shall be given to Buyer on date
of closing. Closing shall be one hundred and two (102 days) from the
Agreement date (July 15, 2002).

Dated as of the Agreement Date.

**Arizona Open Land Trust, Inc. (Buyer)
an Arizona non-profit corporation**

By: 
Diana Freshwater (Buyer)
Its Authorized Representative

By: 
L. Nick Buckelew (Seller)

By: 
Laurie S. Buckelew (Seller)

**ADDENDUM TO ACQUISITION AGREEMENT
DATED JULY 19, 2002**

BETWEEN L. NICK BUCKELEW AND LAURIE S. BUCKELEW
AS SELLER,

AND

ARIZONA OPEN LAND TRUST, INC., AN ARIZONA NON-PROFIT CORPORATION,
AS BUYER

Regarding the option to purchase property described as Pima County Assessor's Parcel
Numbers 301-19-005E and 301-19-005H, consisting of 500.00 acres.

This Addendum is dated July 19, 2002 and is made by and between the foregoing
parties.

1. The parties agree that Paragraph 7 of the original agreement shall be replaced
with the following new paragraph:

7. Inspection, Possession and Closing. Inspection shall be given to the Buyer
at the date of the Right-of-Entry, and possession shall be given to Buyer on date
of closing. Closing shall be one hundred and sixty (160 days) from the
Agreement date (April 3, 2002).

Dated as of the Agreement Date.

**Arizona Open Land Trust, Inc. (Buyer)
an Arizona non-profit corporation**

By: *Diana Freshwater*
Diana Freshwater (Buyer)
Its Authorized Representative

By: *L. Nick Buckelew*
L. Nick Buckelew (Seller)

By: *Laurie S. Buckelew*
Laurie S. Buckelew (Seller)

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ma01px

520-577 8574

P. 1

EXHIBIT 4

**ADDENDUM TO ACQUISITION AGREEMENT
DATED APRIL 3, 2002**

BETWEEN L. NICK BUCKELEW AND LAURIE S. BUCKELEW
AS SELLER,

AND

ARIZONA OPEN LAND TRUST, INC., AN ARIZONA NON-PROFIT CORPORATION,
AS BUYER

Regarding the option to purchase property described as Pima County Assessor's Parcel
Numbers 301-19-005E and 301-19-005H, consisting of 500.00 acres.

This Addendum is dated August 27, 2002 and is made by and between the foregoing
parties.

1. The parties agree that Paragraph 7 of the original agreement shall be replaced
with the following new paragraph:

7. Inspection, Possession and Closing. Inspection shall be given to the Buyer
at the date of the Right-of-Entry, and possession shall be given to Buyer on date
of closing. Closing shall be one hundred and sixty (167 days) from the
Agreement date or September 20, 2002.

Dated as of the Agreement Date.

Arizona Open Land Trust, Inc. (Buyer)
an Arizona non-profit corporation

By:



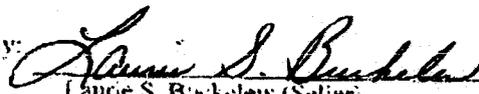
Diana Freshwater (Buyer)
Its Authorized Representative

By:

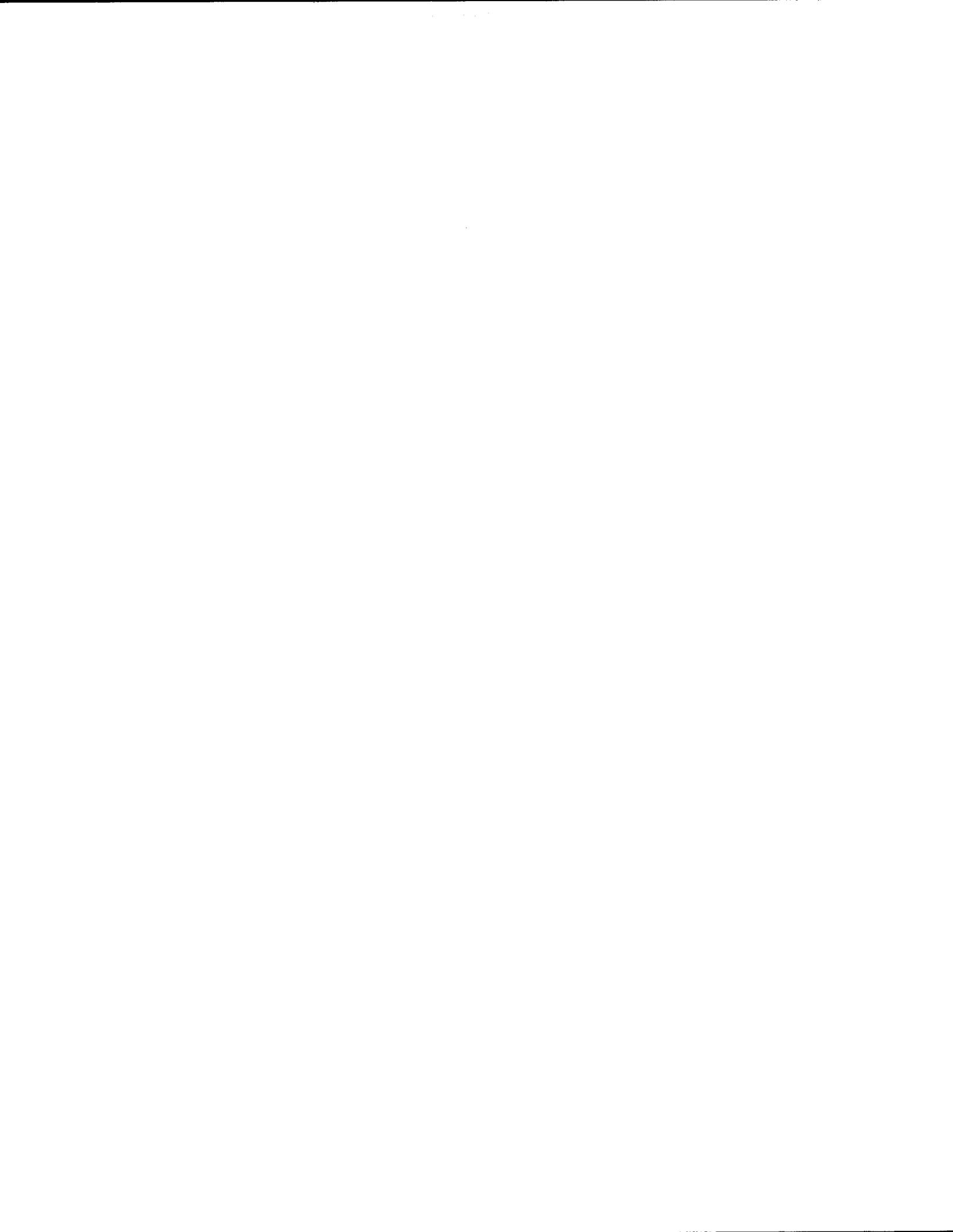


L. Nick Buckelew (Seller)

By:



Laurie S. Buckelew (Seller)



AGREEMENT TO ASSIGNMENT
OF OPTION TO PURCHASE AGREEMENT

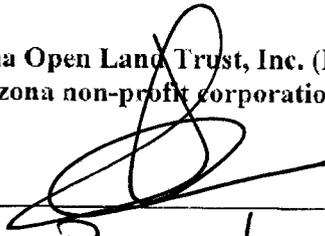
This Agreement is made by and between Arizona Open Land Trust, Inc., an Arizona nonprofit corporation, AOLT, ("Buyer"), and L. Nick Buckelew and Laurie S. Buckelew (Owners).

- A. AOLT is a party to an Option to Purchase Agreement (the "Agreement") that was entered into by and between Buyer and Owners respecting the purchase of 500 acres of vacant land described as Pima County Assessor's Parcel Numbers 30119005H and 30119005E and including all improvements located thereon (the "Property").
- B. Pursuant to Paragraph 16 in the Agreement, Buyer may assign any and all of its rights, privileges, benefits and interests in and under the Agreement to a non-profit or governmental entity dedicated to hold and maintain that Ranch Property on a long term basis as a conservation area (the "Conservation Buyer") with the consent of Owners.
- C. Buyer intends to assign all of Buyer's interest in the Agreement to Pima County, a political subdivision of the State of Arizona ("Conservation Buyer") in exchange for the Conservation Buyer assuming all of Buyer's rights, obligations and duties set forth in the Agreement, and acknowledging and agreeing that Buyer has no further obligations to the Conservation Buyer or Owners with respect to the Agreement.
- D. Owners hereby agree to the Assignment, in a form as attached hereto, and agree to indemnify, defend and hold Buyer harmless from all further liabilities under the Agreement.

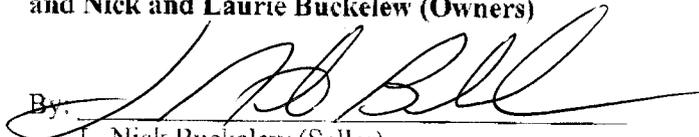
IN WITNESS WHEREOF, the parties have executed this Agreement.

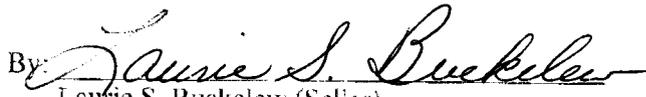
Dated this 11TH day of SEPTEMBER, 2002.

Arizona Open Land Trust, Inc. (Buyer)
an Arizona non-profit corporation

By: 
Its: Passionat

and Nick and Laurie Buckelew (Owners)

By: 
L. Nick Buckelew (Seller)

By: 
Laurie S. Buckelew (Seller)



United States Department of the Interior

**U.S. Fish and Wildlife Service
Arizona Ecological Services Field Office
2321 West Royal Palm Road, Suite 103
Phoenix, Arizona 85021-4951
Telephone: (602) 242-0210 Fax: (602) 242-2513**



In Reply Refer to:

AESO/SE
02-21-02-T-0474

September 12, 2002

Mr. C.H. Huckelberry
Pima County Administrator
130 West Congress
Tucson, Arizona 85701-1317

Dear Mr. Huckelberry:

Thank you for your letter dated September 10, 2002, regarding the Buckalew Farm property in the upper portion of Altar Valley. Pima County intends to pursue an incidental take permit, pursuant to section 10(a)(1)(B) of the Endangered Species Act for listed and vulnerable species and their habitats. Based on a preliminary investigation by Dr. Linwood Smith, the property appears to have suitable habitat for the rufous-winged sparrow. It also appears to provide dispersal habitat for the endangered cactus ferruginous pygmy-owl.

Based on the information provided and our knowledge of the area, this area provides a building block for a regional conservation plan, as it is strategically located as a corridor connecting the Altar Valley to the south and the Avra Valley to the north. Should you determine that it would be most appropriately used as a mitigation bank, we will work with you to determine the number and type of credits based on more detailed species surveys.

Thank you for your continuing efforts in the conservation of endangered species. We commend you for your proactive efforts in acquiring land that will benefit a regional conservation plan. For further assistance on this issue, please contact Sherry Barrett in our Tucson Suboffice at (520) 670-4617.

Sincerely,

Thomas A. Gatz
Acting Field Supervisor

cc: Assistant Regional Director, Ecological Services, Albuquerque NM (Attn: Leslie Dierauf)
Director, Arizona Game and Fish Department, Phoenix, AZ
Regional Supervisor, Arizona Game and Fish Department, Tucson, AZ



THE STATE OF ARIZONA
GAME AND FISH DEPARTMENT

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Tucson Office, 555 N. Greasewood Rd., Tucson, AZ 85745

August 26, 2002

Ms. Sharon Bronson
Pima County Board of Supervisors
130 W. Congress, 11th Floor
Tucson, Arizona 85701-1317

Re: Buckelew Ranch

Dear Ms. Bronson:

The Arizona Game and Fish Department (Department) supports Pima County's acquisition of the Buckelew Ranch's base property. While acquisition of these privately owned parcels as a Biological Mitigation Property will likely contribute to the conservation of important biological resources, especially those associated with the Sonoran Desert Conservation Plan, other recreation-based opportunities should also reap a tangible benefit.

As you are aware, the Department owns the Three Points Shooting Range which is located immediately north of the Buckelew Ranch. With the closure of the Sabino Canyon Target Range, the opportunity to participate in recreational target shooting at a designated facility in Pima County is severely constrained. Retaining the operational viability of the Three Points Shooting Range, as well as other similar facilities across the State, is a high profile issue for both the Department and the Arizona Game and Fish Commission. With conservation of the natural resources on the Buckelew Ranch for mitigation purposes, the threat of intense urban development will be significantly reduced. Forestalling development from encroaching on the boundary of a shooting range is probably the single most important step in maintaining the operational viability of the Three Points Shooting Range. Therefore, the Department supports Pima County's acquisition of the Buckelew Ranch for both resource-based and recreation-based reasons. The Department would like to establish a dialogue with Pima County upon such time as the acquisition is complete in order to mutually assure that biological and recreational shooting resources are perpetuated for the enjoyment of future generations.

Ms. Bronson
August 26, 2002
2

Sincerely,



Gerald L. Perry
Regional Supervisor

GLP:sr

cc: Joe Carter, Arizona Game & Fish Commission
Duane Shroufe, Director, Arizona Game & Fish Dept.
Nick Buckelew

Altar Valley Conservation Alliance

HCR 1 Box 97E Tucson Arizona 85736 (520) 822-1065

August 19, 2002

Ms Sharon Bronson
130 West Congress
Tucson, Arizona 85701

Dear Ms Bronson:

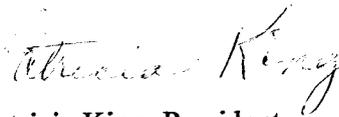
The Altar Valley Conservation Alliance supports the sale of land from the Buckelew family to Pima County.

Our mission statement states our concern for open space essential for wildlife, recreation and livestock grazing. We also strongly support property rights and firmly believe in each land owner's ability to do with his land what best fits his needs.

The Alliance, with the support of the Pima Natural Resource Conservation District, the Natural Resource Conservation Service and the Coronado Resource Conservation and Development Service, has been researching ways to restore the Altar/Brawley wash and floodplain with a plan for a sediment retention structure. It was determined the best location for the structure is near these 500 acres, south of State Highway 86. Our concern is the possibility that these lands would flood, for a time, as the structure holds back flood waters while the wash is running. If Pima County would purchase this land, it will strengthen our ability to find funding, build the structure and restore a vital piece of this 750,000 acre watershed.

Thank you for the opportunity to voice our support.

Sincerely,



Patricia King, President
Altar Valley Conservation Alliance
HCR 1 Box 97E
Tucson, Arizona 85736



healthy landscapes • vibrant economies • livable communities

August 26, 2002

Sharon Bronson
Pima County Board of Supervisors
130 West Congress Street
11th floor
Tucson, AZ 85701

Dear Supervisor Bronson:

I am writing to express my enthusiastic support for Pima County's acquisition of land in the Altar Valley from the Buckelew family, whom I understand is interested in selling to the county.

The Sonoran Institute is currently working closely with the Altar Valley Conservation Alliance in their efforts to preserve and restore open spaces essential for wildlife, recreation, and livestock grazing in the Altar Valley. Our work with the Alliance is in step with the Sonoran Institute's mission to collaboratively work with communities to achieve local conservation goals through tools that promote healthy landscapes, vibrant economies, and livable communities.

The Buckelew property is a key parcel for conservation in the Altar Valley, especially in light of its close proximity to the Altar/Brawley Wash. A high priority project for the Alliance, the Wash is a central corridor in maintaining natural connectivity throughout the Valley. In cooperation with the Pima Natural Resource Conservation District, the Natural Resource Conservation Service, and the Coronado Resource Conservation and Development Service, the Alliance has been developing a plan to restore the Wash and floodplain with a sediment retention structure.

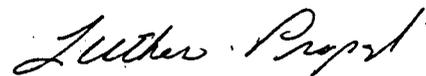
Based on in-depth research conducted in the past decade, it has been determined that the best location for this structure would be near the 500 acre Buckelew property. Purchase of this property by Pima County would significantly aid the Alliance in their

Sharon Bronson
August 26, 2002
Page 2 of 2

efforts to seek funding, complete the restoration project, and rehabilitate a key piece of connective land in the Altar Valley.

Thank you for your time and effort in considering this vital purchase.

Sincerely,



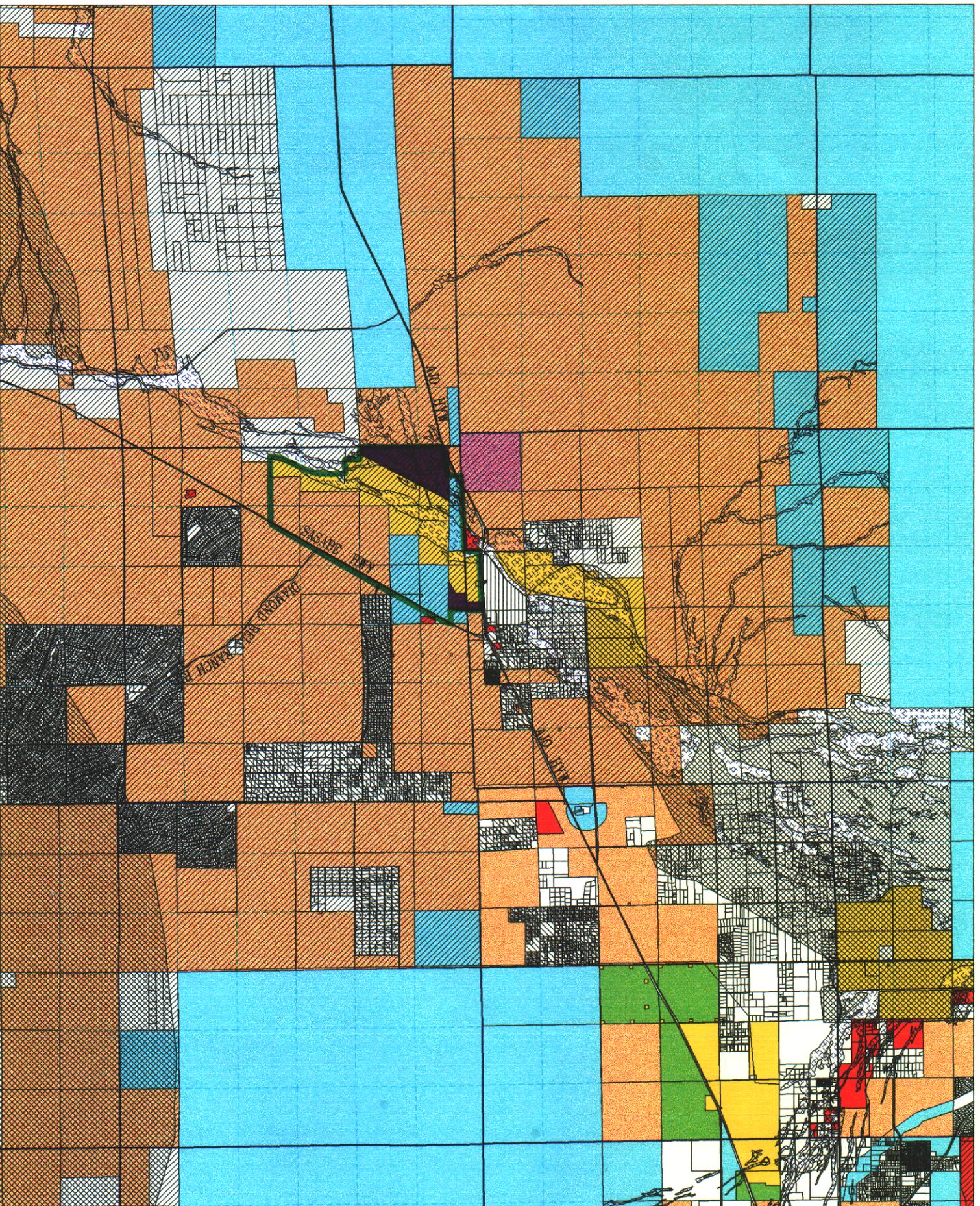
Luther Propst

Cc: Pima County Board of Supervisors
Nick Buckelew
Diana Freshwater, Arizona Open Land Trust
✓ Chuck Huckelberry, Pima County Administrator
Pat King, President, Altar Valley Conservation Alliance

R9E

R10E

R11E



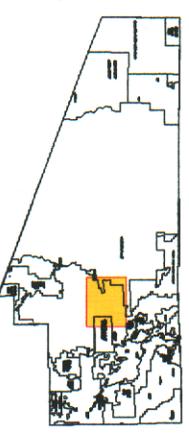
T21S

T20S

Conservation Land System for the Bucklew Ranch Area

- State Of Arizona
- Az Game And Fish
- United States
- City Of Tucson
- Pima County
- Board Of Regents
- Bucklew Ranch
- Biological Core Management Area
- Scientific Research Management Area
- Multiple Use Management Area/ Recovery Management Area
- Agriculture Within Recovery Management Areas
- Existing Development Within Cons. Land System
- Important Riparian Areas
- Outside Reserve
- Ranch Boundary
- Section Lines
- Township Lines
- Roads
- Parcel Lines

Pinna County Index Map



Index Map Scale 1:10,000

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Scale 1: 30,000

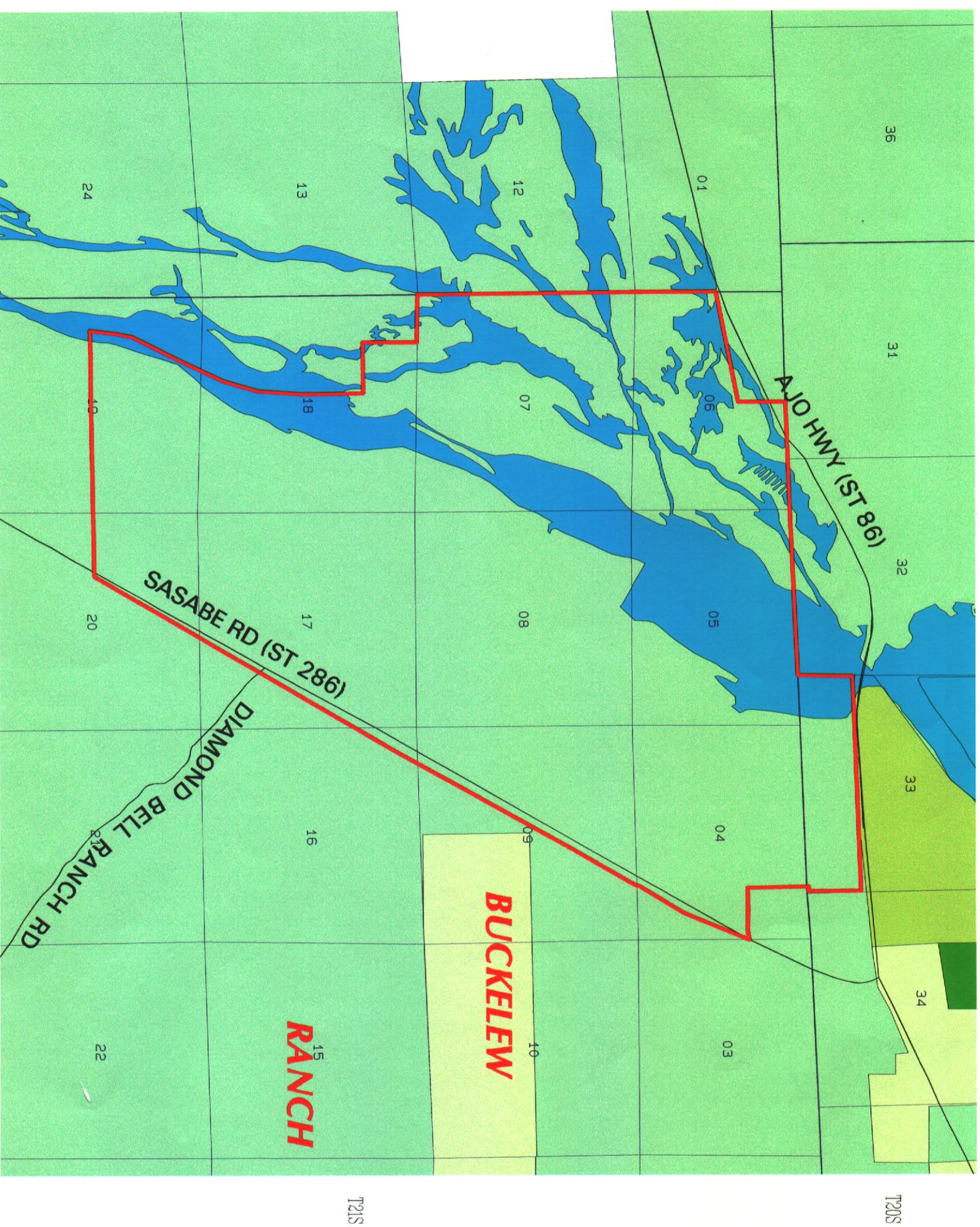


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http://www.pima.gov



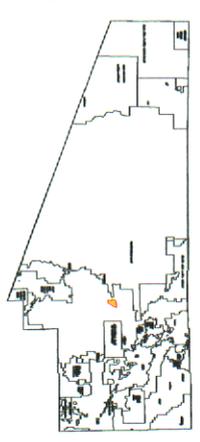
Conservation Lands System and Buckelew Ranch

R10E



- Major Streets
- Section Lines
- Township and Range
- Buckelew Ranch
- Important Riparian Areas
- Biological Core Management Areas
- Scientific Research Management Areas
- Multiple Use Or Recovery Management Areas
- Agriculture Within Recovery Management Areas
- Existing Development Within Conservation Lands System

Pinna County Index Map



Index Map Scale 1:10,000

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Scale 1: 10,500

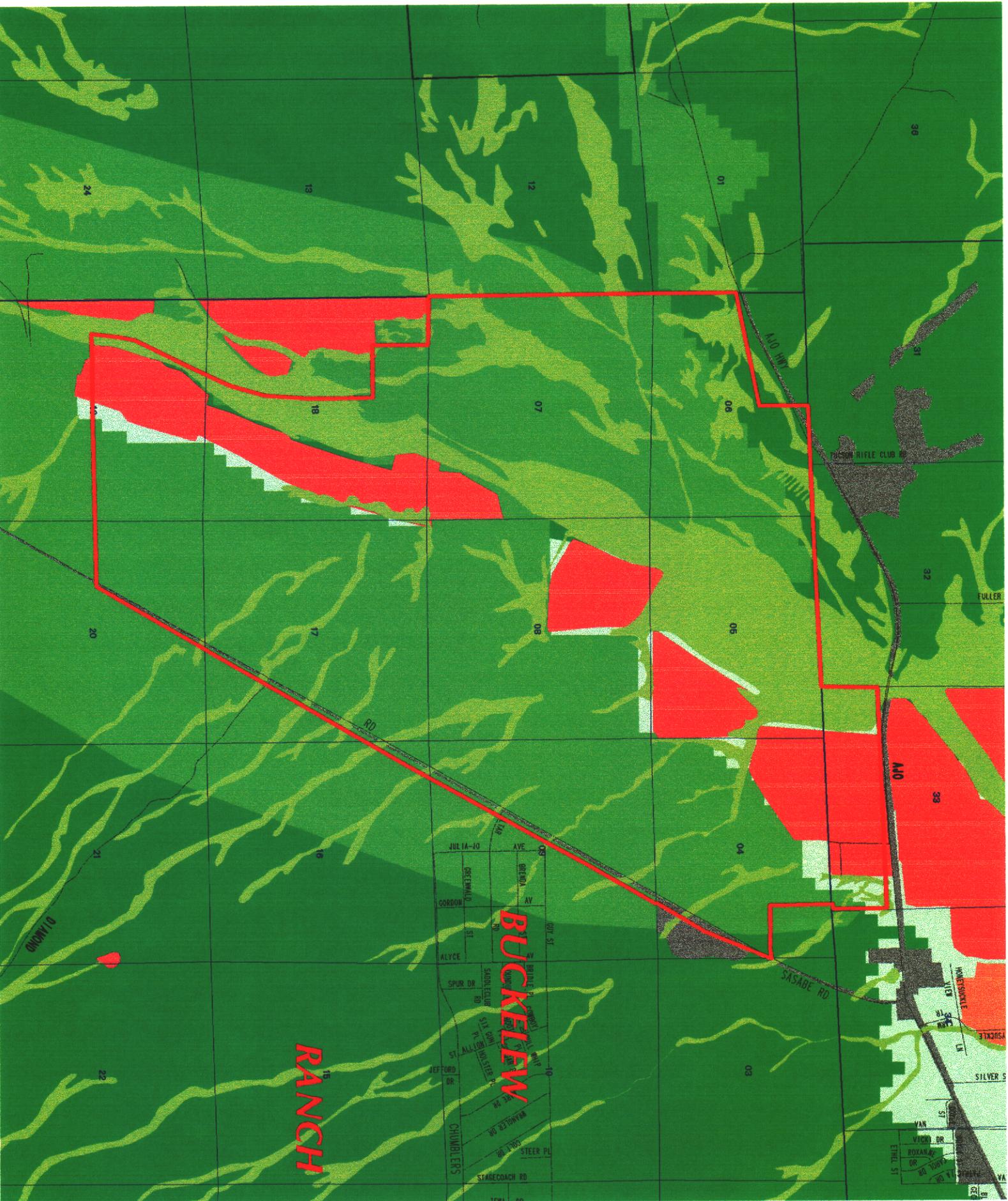


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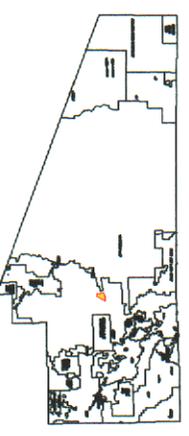
Land Cover Of Buckelew Ranch

RIOE



- Administrative Boundaries
- Township and Range
- Section Lines
- Street Network
- Buckelew Ranch
- Scrub Grassland
- Xero-Riparian Desert Scrub
- Creosote-Bursage
- Palovende-Mixed Cacti
- Active Agriculture
- Abandoned Agriculture
- Existing Development

Pinna County Index Map



Index Map Scale: 1:100,000

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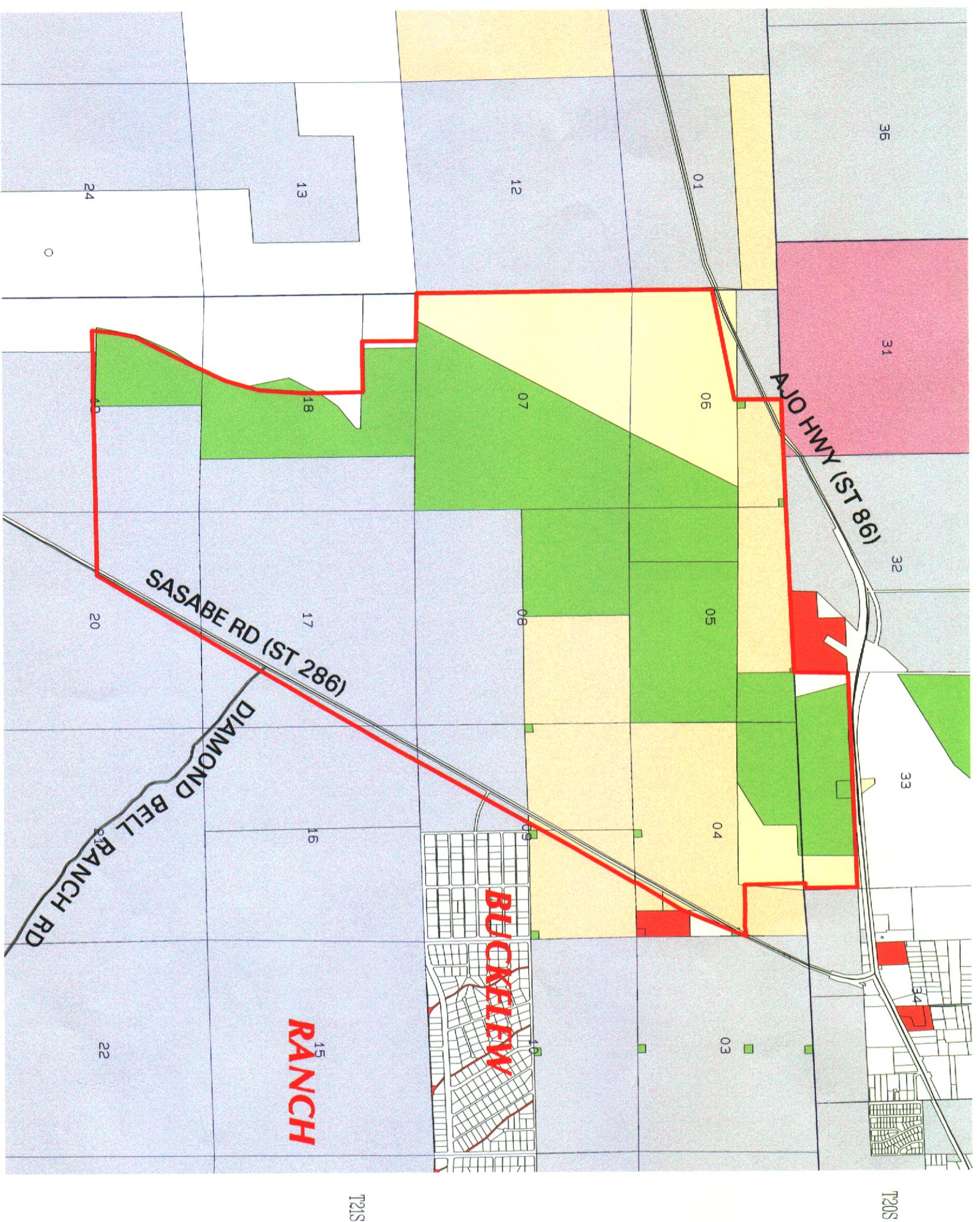
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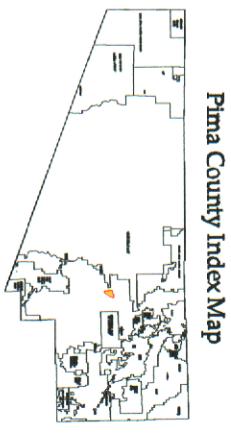


R10E



Land Ownership And Bucklejew Ranch

- Major Streets
- Section Lines
- Township and Range
- Bucklejew Ranch
- State Of Arizona
- Arizona Game And Fish
- United States
- City Of Tucson
- Pima County
- Bucklejew Ranch



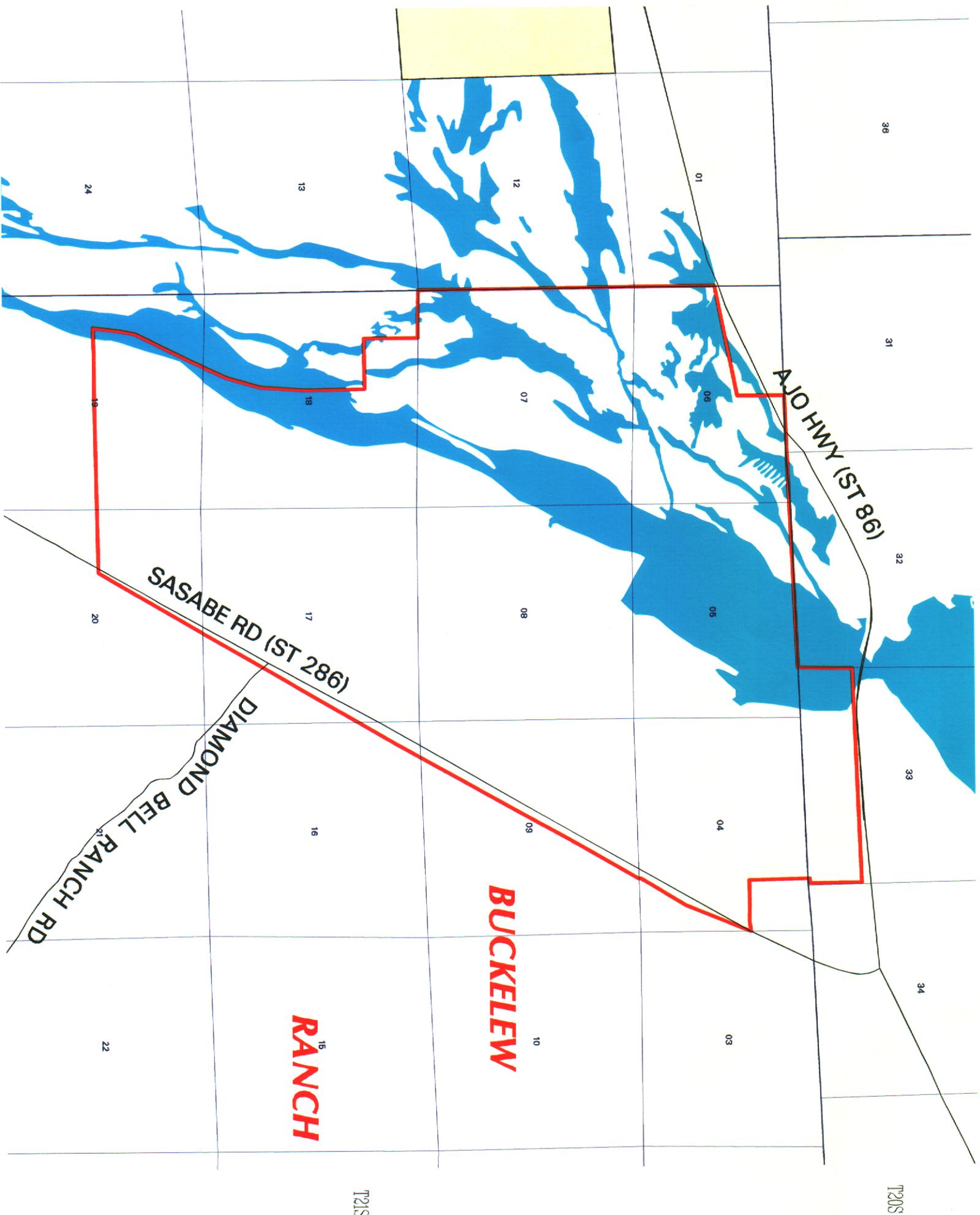
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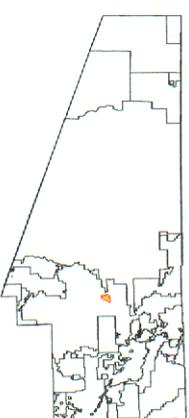


R10E



Buckelew Ranch With Important Riparian Areas

- Major Streets
- Section Lines
- Township and Range
- Administrative Boundaries
- Buckelew Ranch
- Tribal Nation
- Important Riparian Areas



Pima County Index Map

Index Map Scale 1:1,500,000

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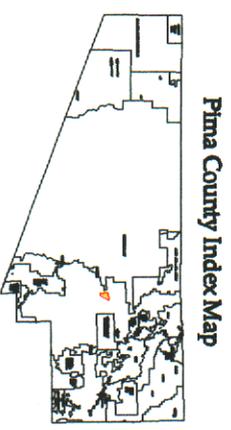
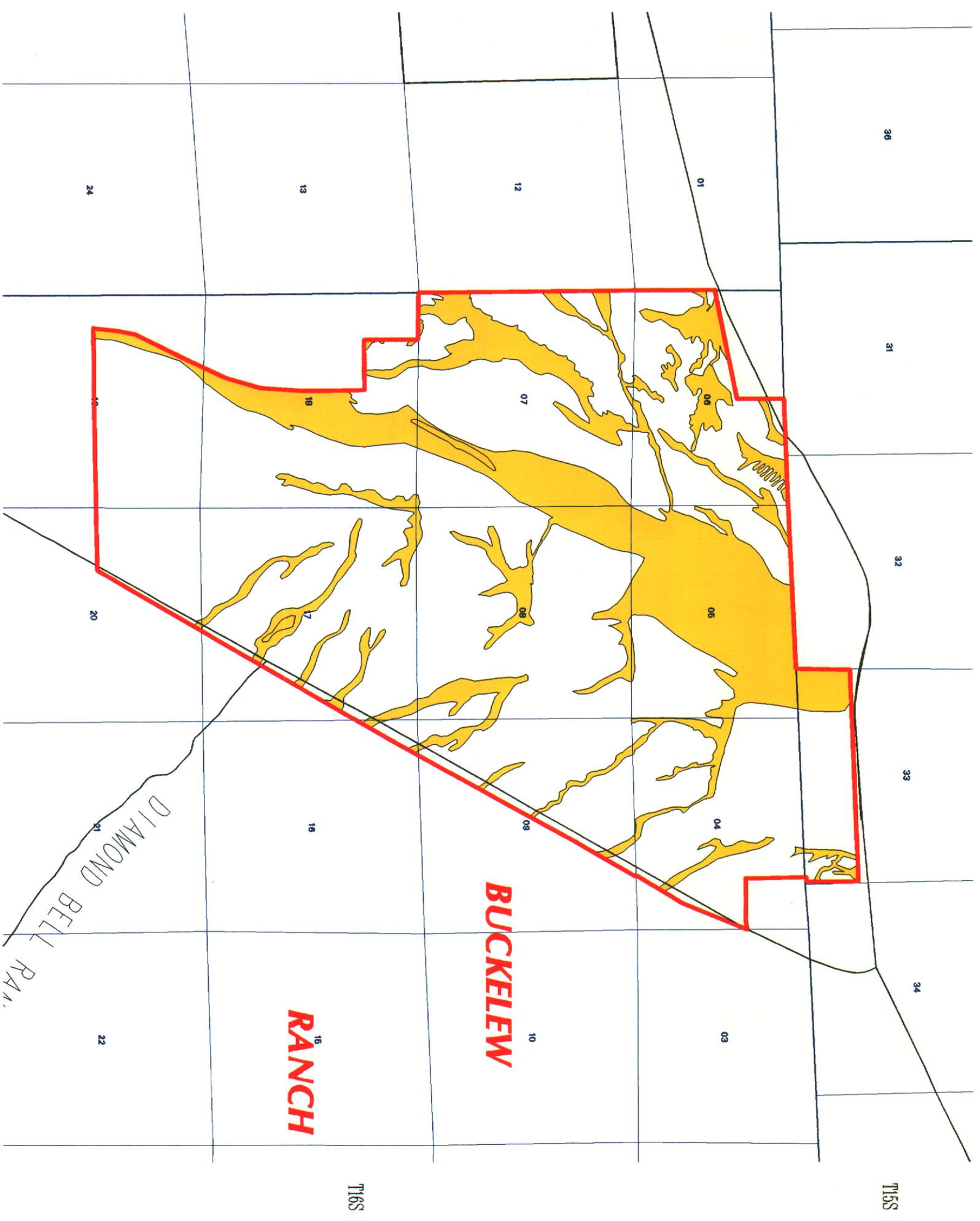


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http://www.dot.co.pima.az.us



Buckelew Ranch Sonoran Riparian Scrub Special Element

-  Administrative Boundaries
-  Major Streets
-  Township and Range
-  Section Lines
-  Buckelew Ranch
-  Sonoran Riparian Scrub Special Element



Index Map Date: 11/26/2008

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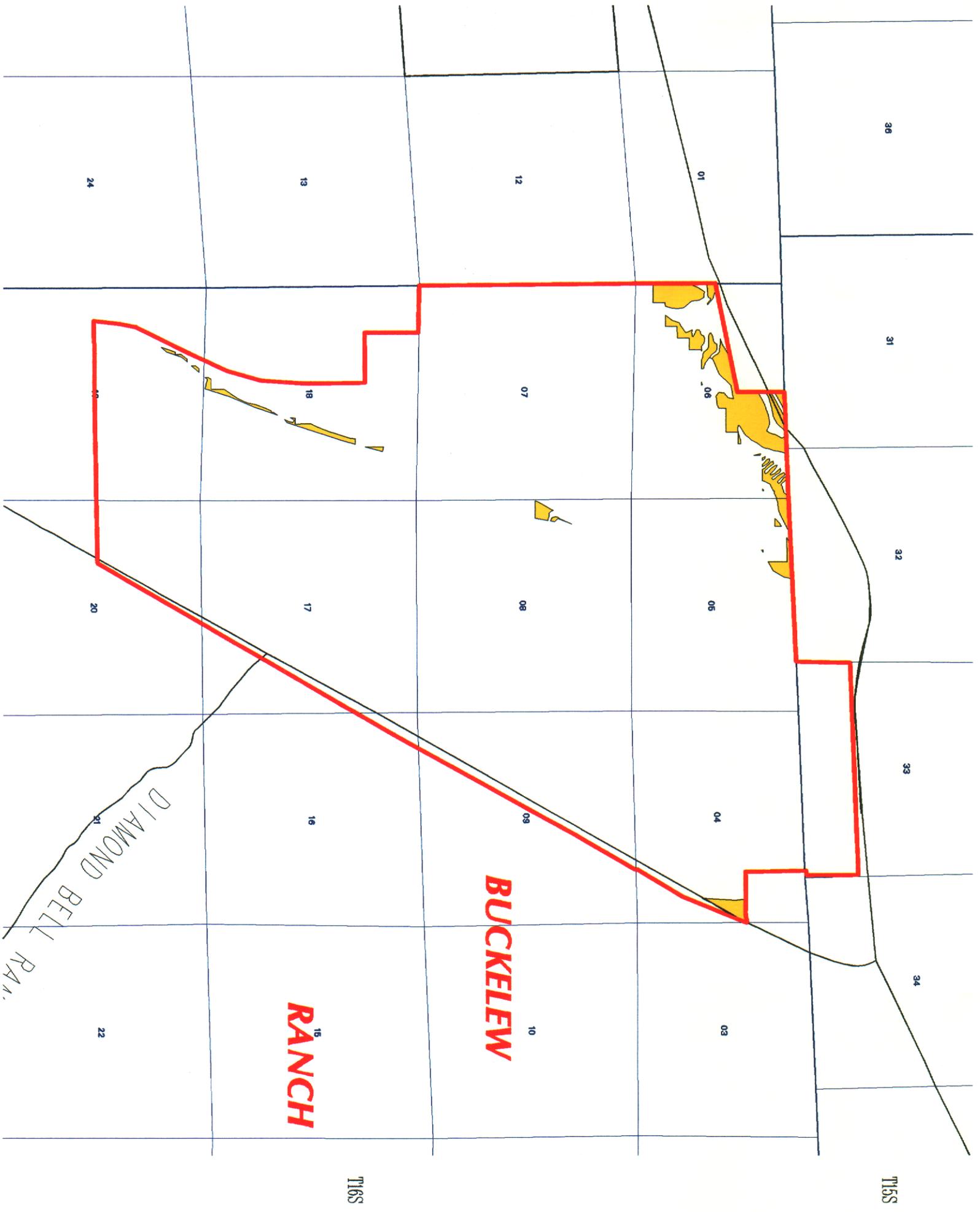


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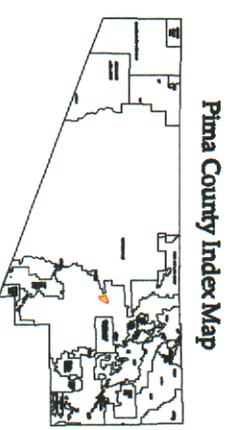


Buckelew Ranch Palo Verde Mixed Cacti Special Element

-  Administrative Boundaries
-  Major Streets
-  Township and Range
-  Section Lines
-  Buckelew Ranch
-  Palo Verde Mixed Cacti Special Element



DIAMOND BELL RAIL



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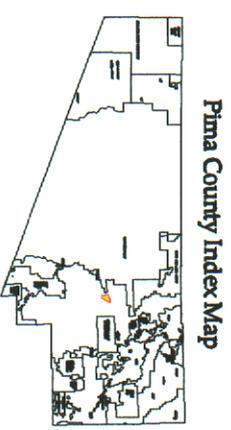
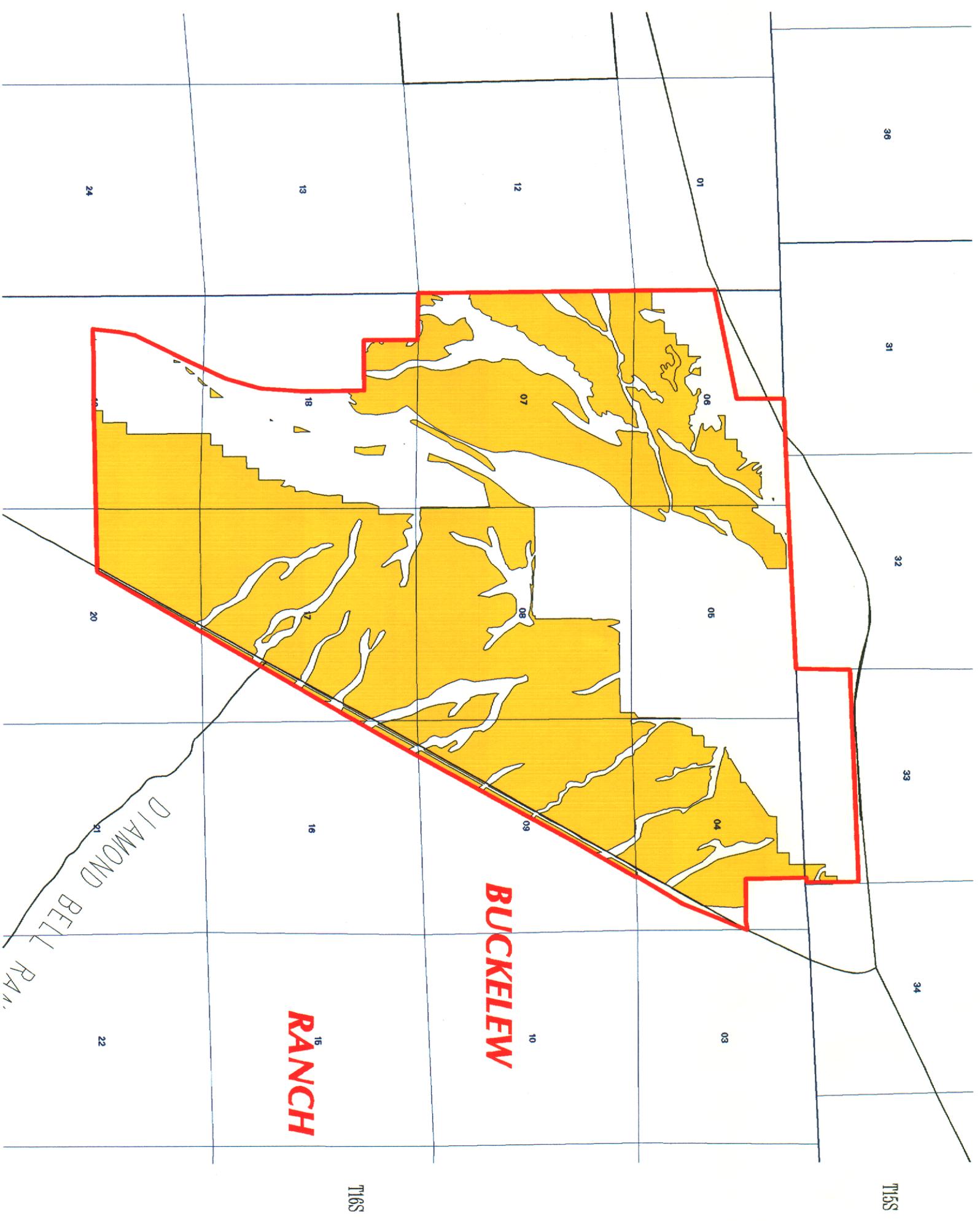
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Buckelew Ranch Creosote-Bursage Special Element

-  Administrative Boundaries
-  Major Streets
-  Township and Range
-  Section Lines
-  Buckelew Ranch
-  Creosote-Bursage Special Element



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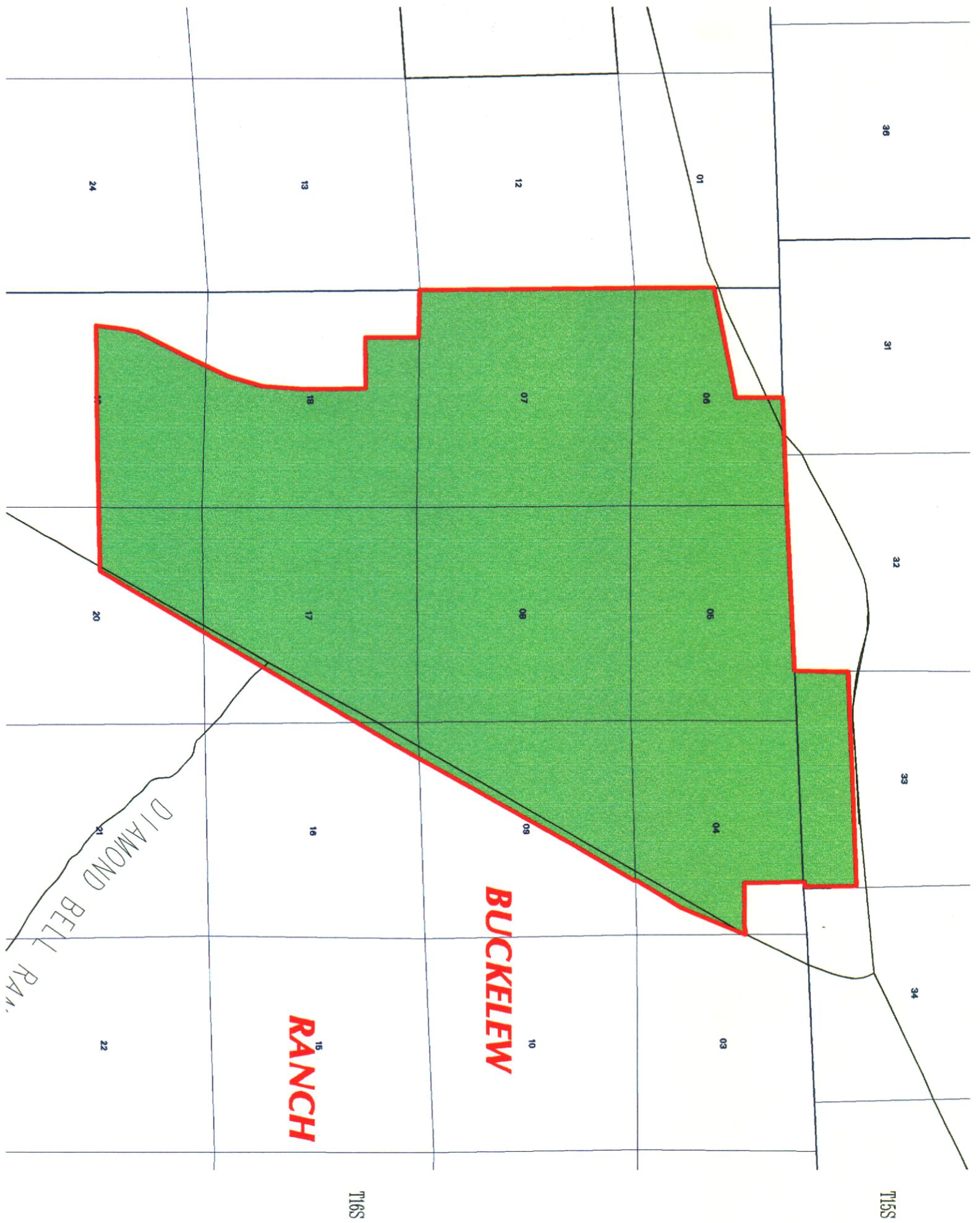
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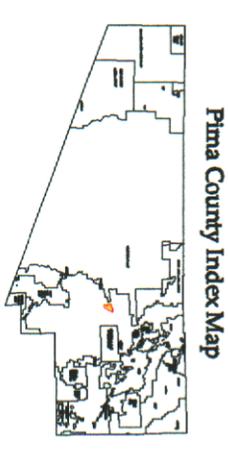


RIOE



Buckelew Ranch Cactus Ferruginous Pygmy Owl Priority Conservation Area

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch
- Cactus Ferruginous Pygmy Owl Priority Conservation Area



Pima County Index Map

Scale Map Scale: 1:1,000,000

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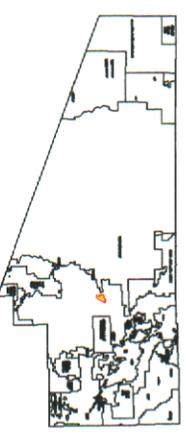
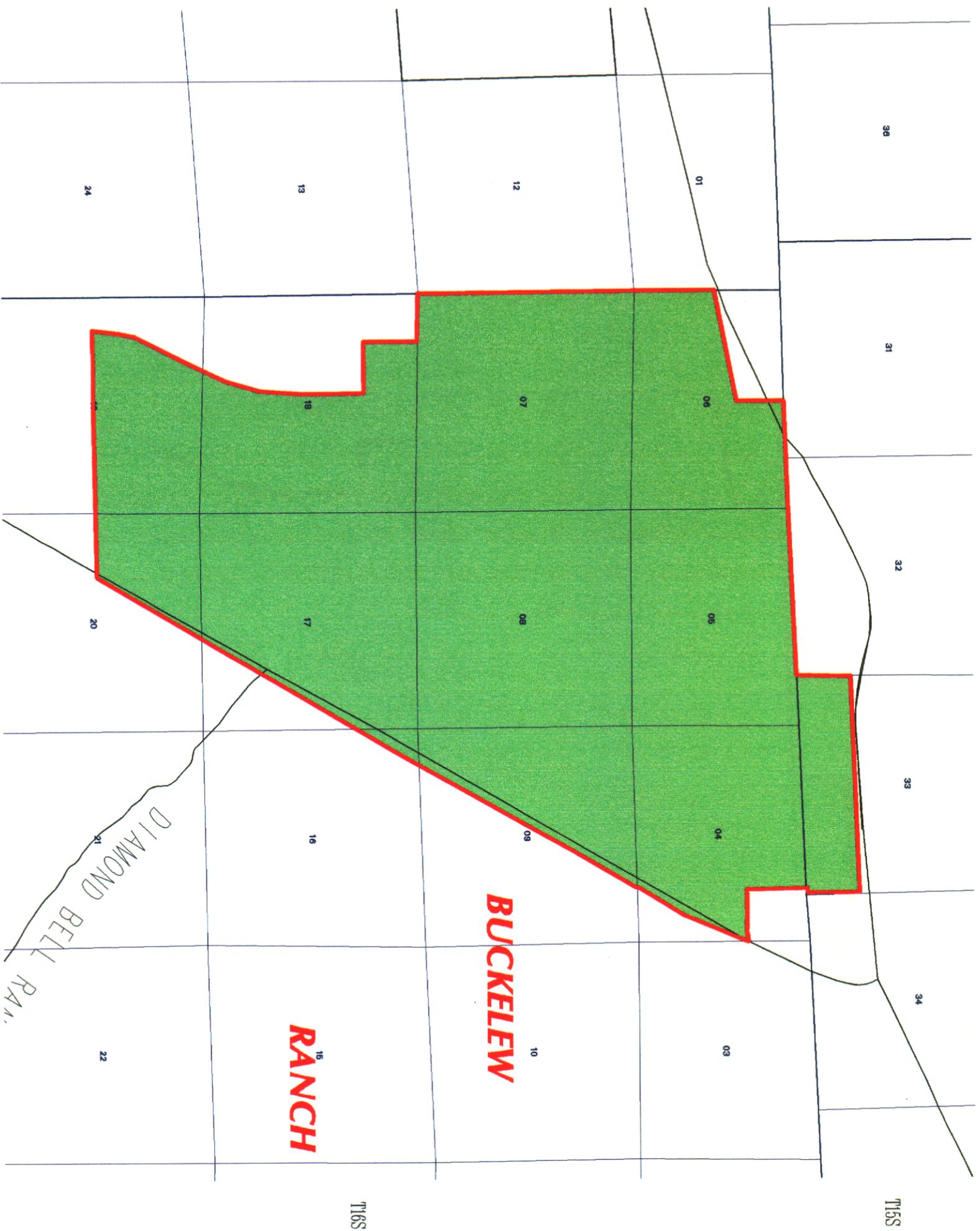


Buckelew Ranch

Lowland Leopard Frog

Priority Conservation Area

-  Administrative Boundaries
-  Major Streets
-  Township and Range
-  Section Lines
-  Buckelew Ranch
-  Lowland Leopard Frog Priority Conservation Area



Index Map Scale: 1:1,000,000

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R10E



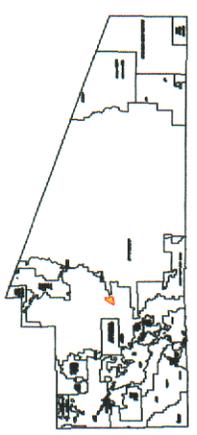
Buckelew Ranch

Rufous-Winged Sparrow

Priority Conservation Area

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch
- Rufous-Winged Sparrow Priority Conservation Area

Pluma County Index Map



Index Map Scale: 1:1,000,000

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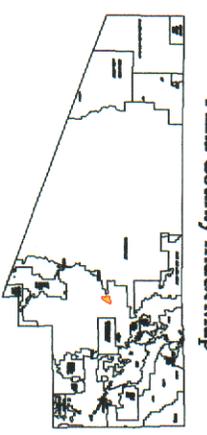
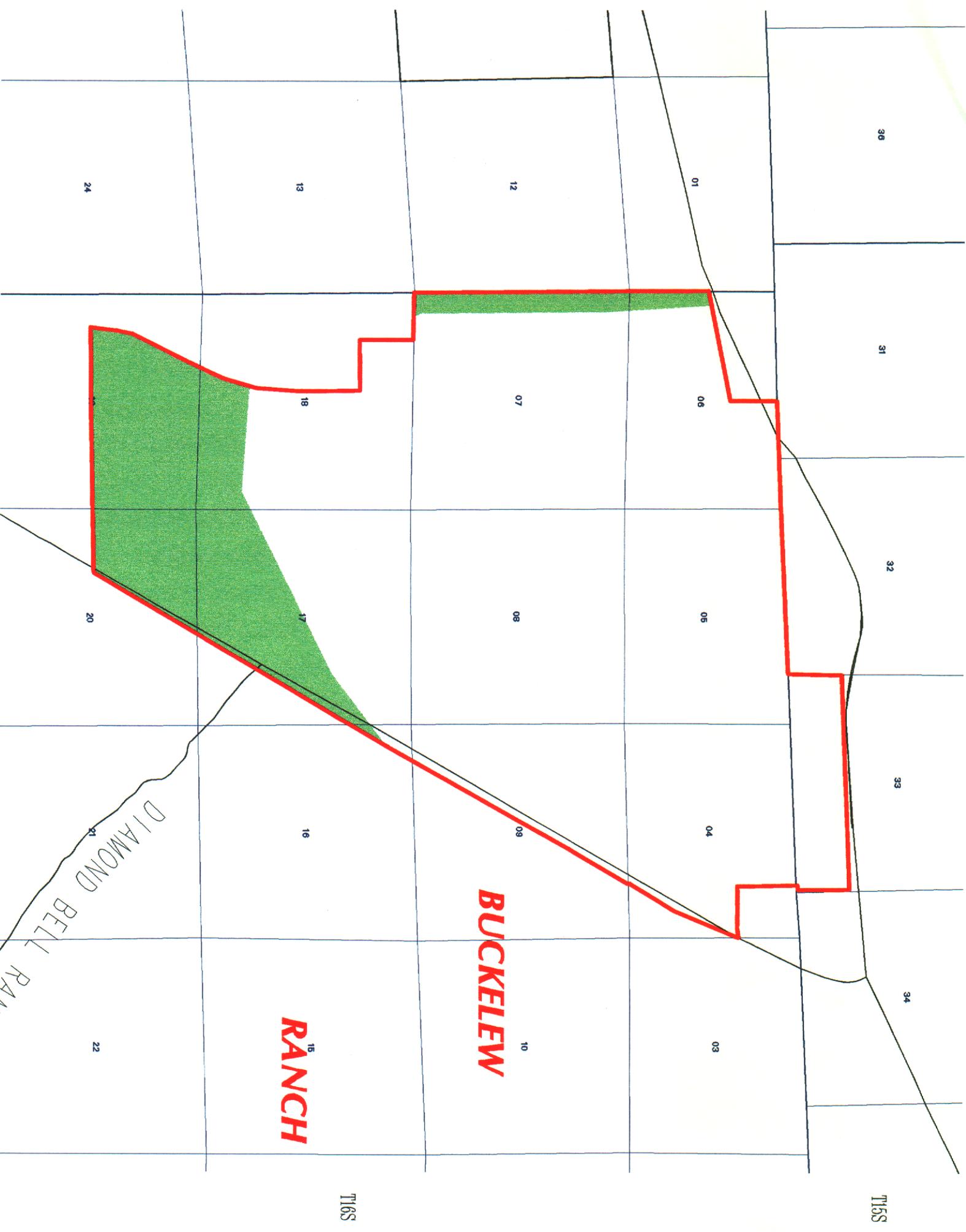


Buckelew Ranch

Lesser Long-Nosed Bat

Priority Conservation Area

-  Administrative Boundaries
-  Major Streets
-  Township and Range
-  Section Lines
-  Buckelew Ranch
-  Lesser Long-Nosed Bat Priority Conservation Area



Index Map Scale: 1:1,000,000

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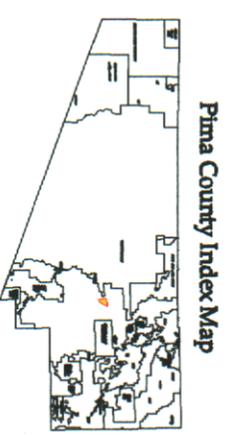
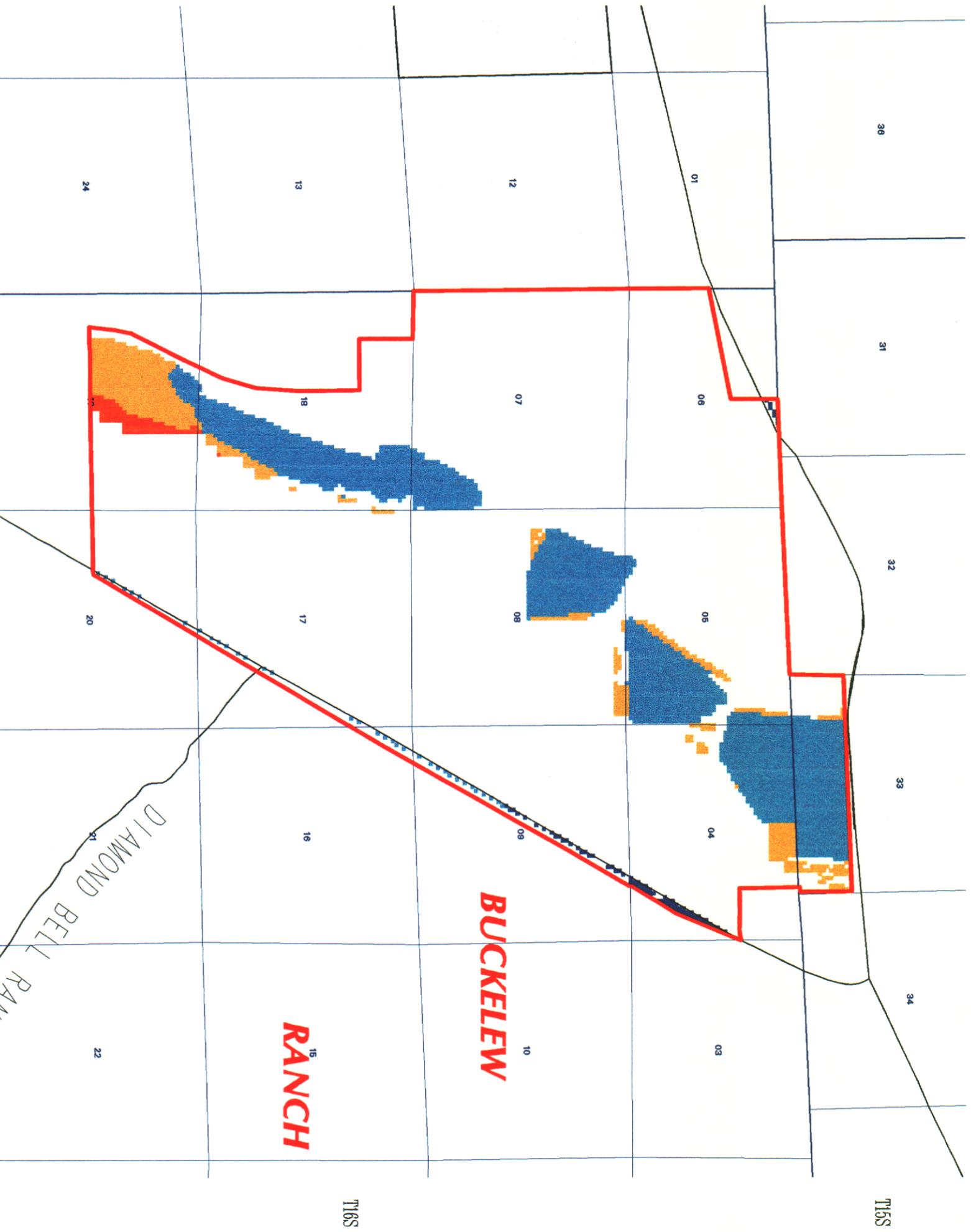
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 Web: www.pima.gov



Bucklelew Ranch Desert Box Turtle Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Bucklelew Ranch

- Habitat Potential:**
- 1
 - 2
 - 3
 - 4



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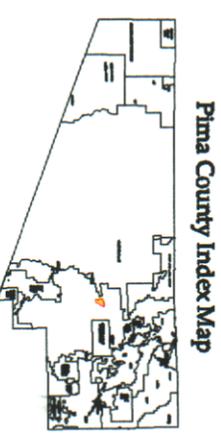
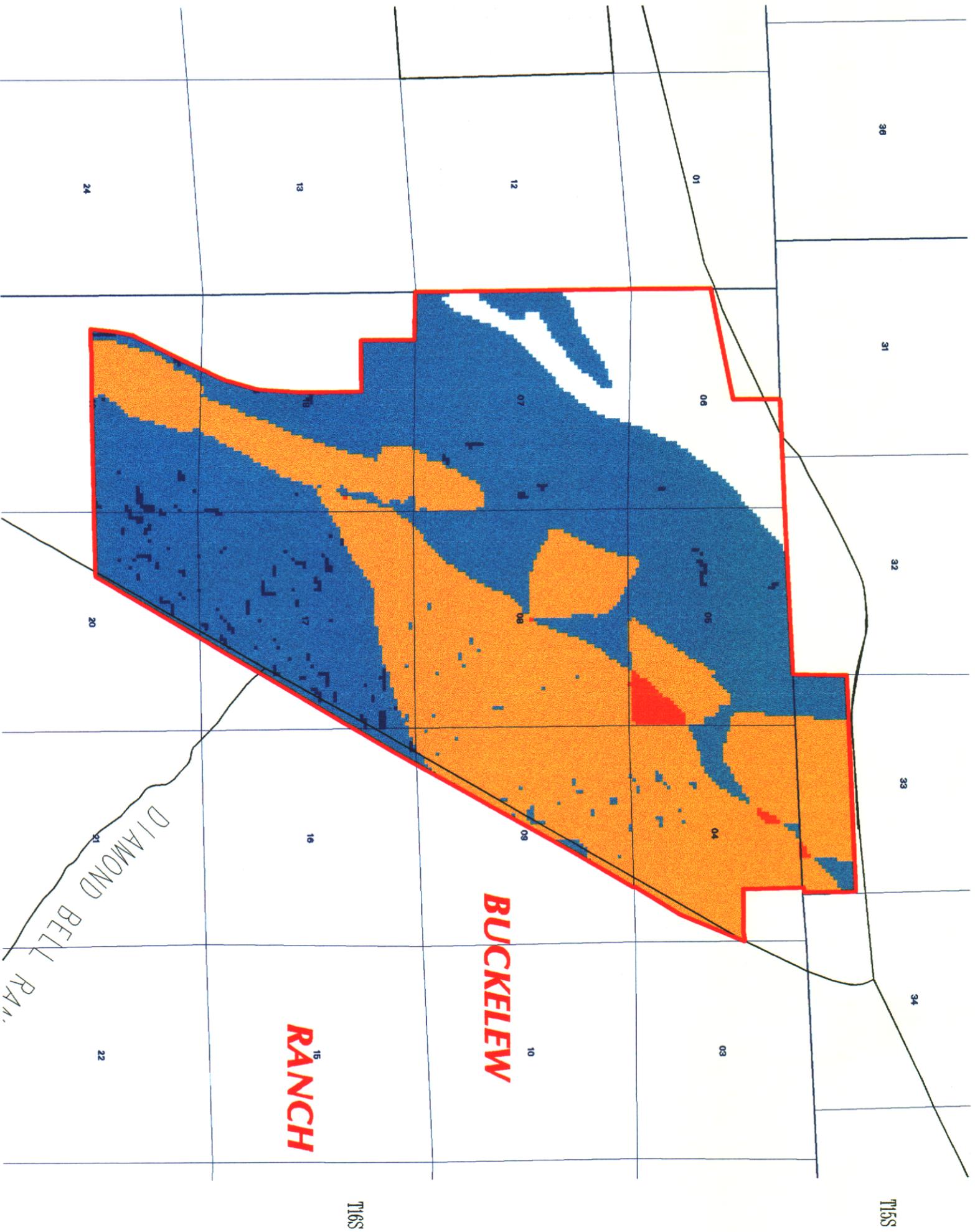
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Plotter: 09/04/02

Buckelew Ranch Western Burrowing Owl Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

- Habitat Potential:**
- 2-3
 - 5-6
 - 8-9
 - 11



Index Map Scale: 1:1,000,000

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Buckelew Ranch

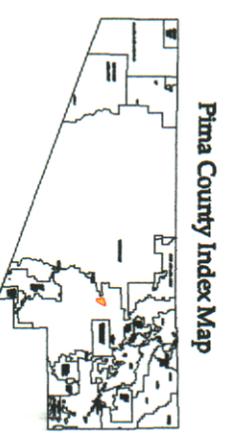
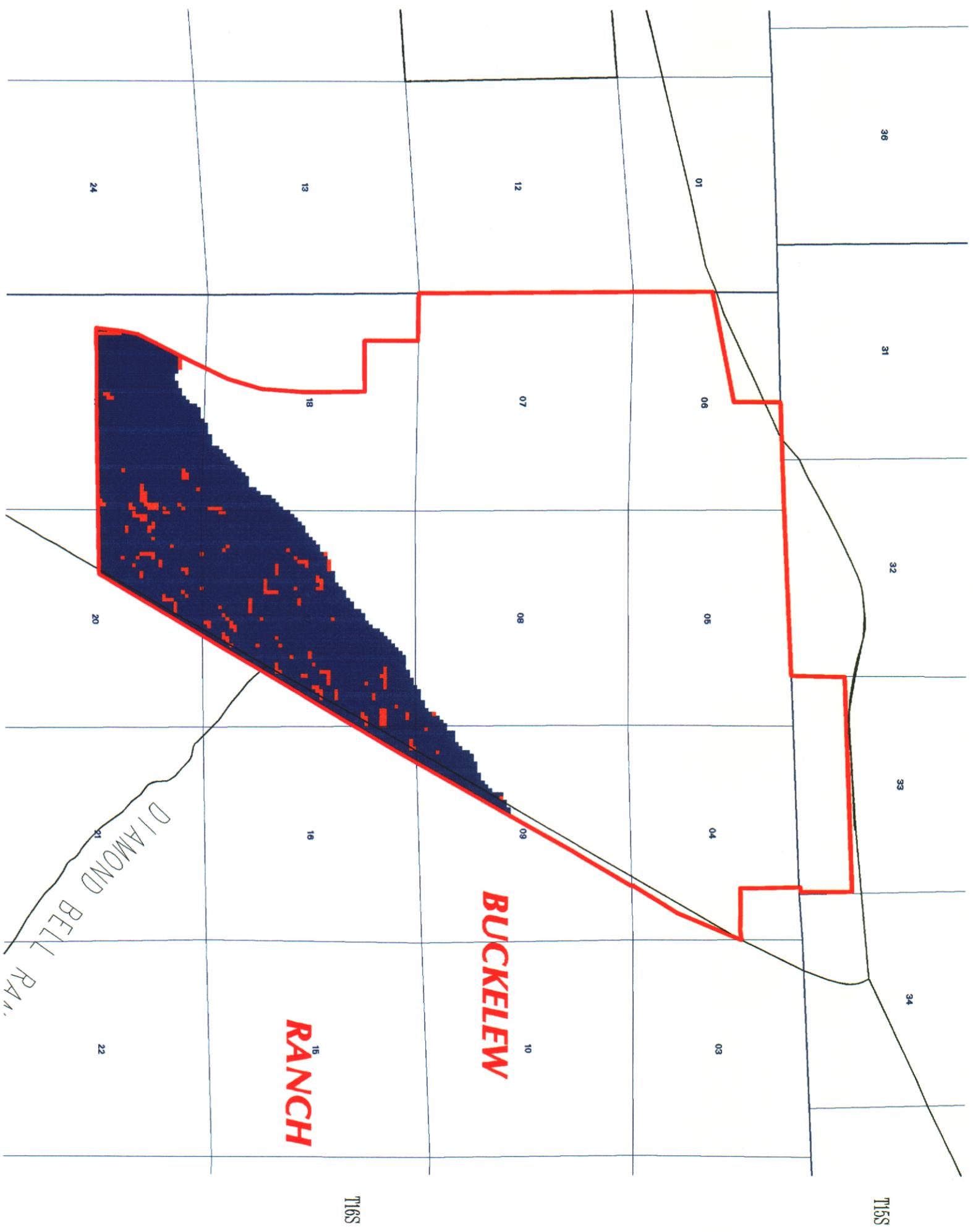
Allen's Big-Eared Bat

Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

Habitat Potential:

- 2
- 4



Index Map Scale 1:1,000,000

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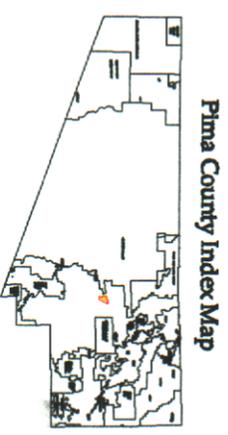
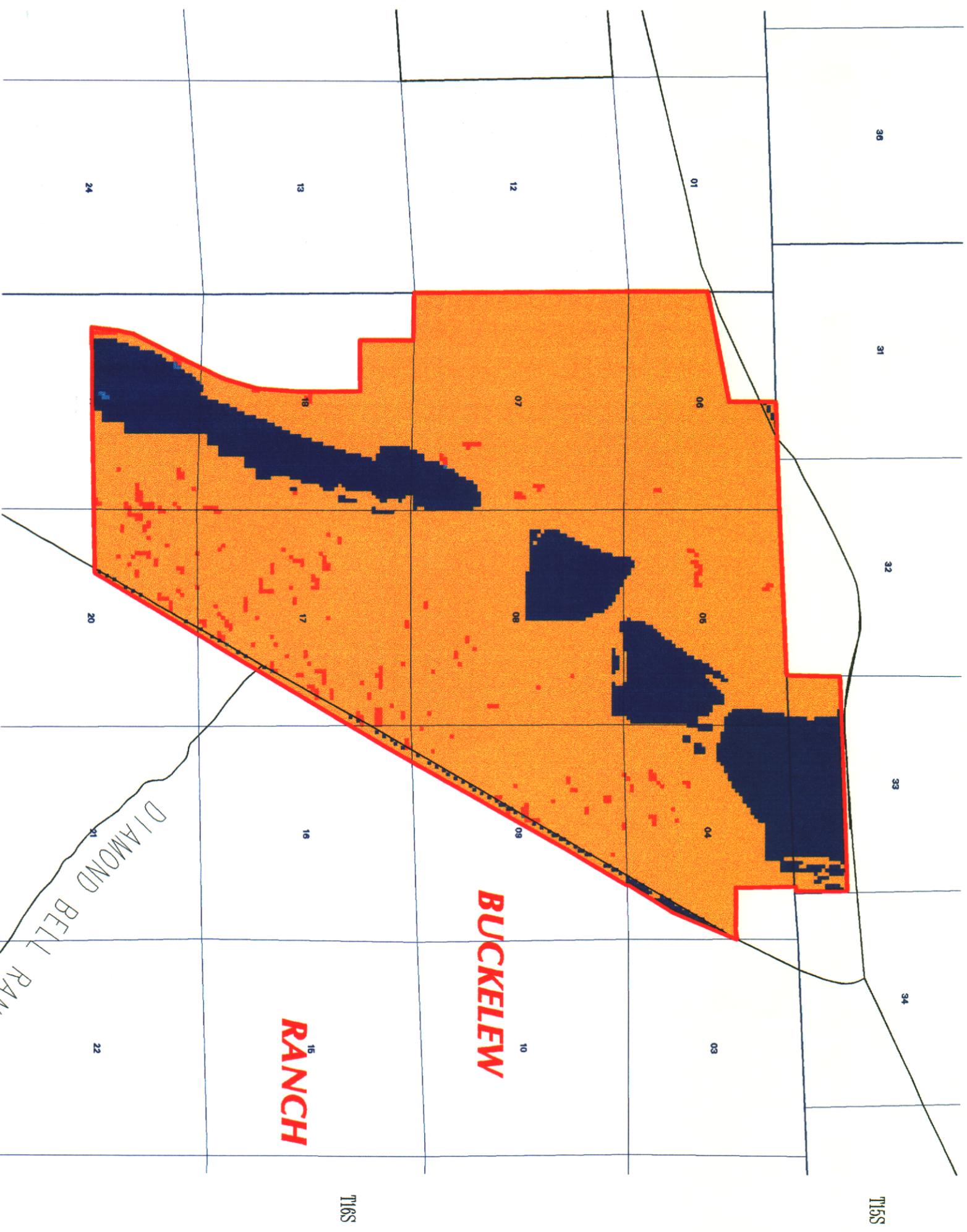
Bucklelew Ranch

Acuna Cactus

Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Bucklelew Ranch

- Habitat Potential:**
- 2
 - 4
 - 5
 - 7



Index Map Scale: 1:1,000,000

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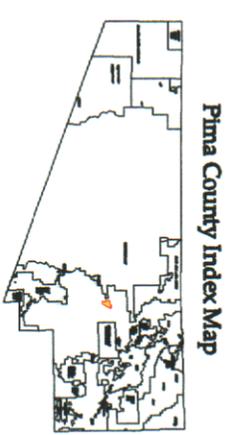
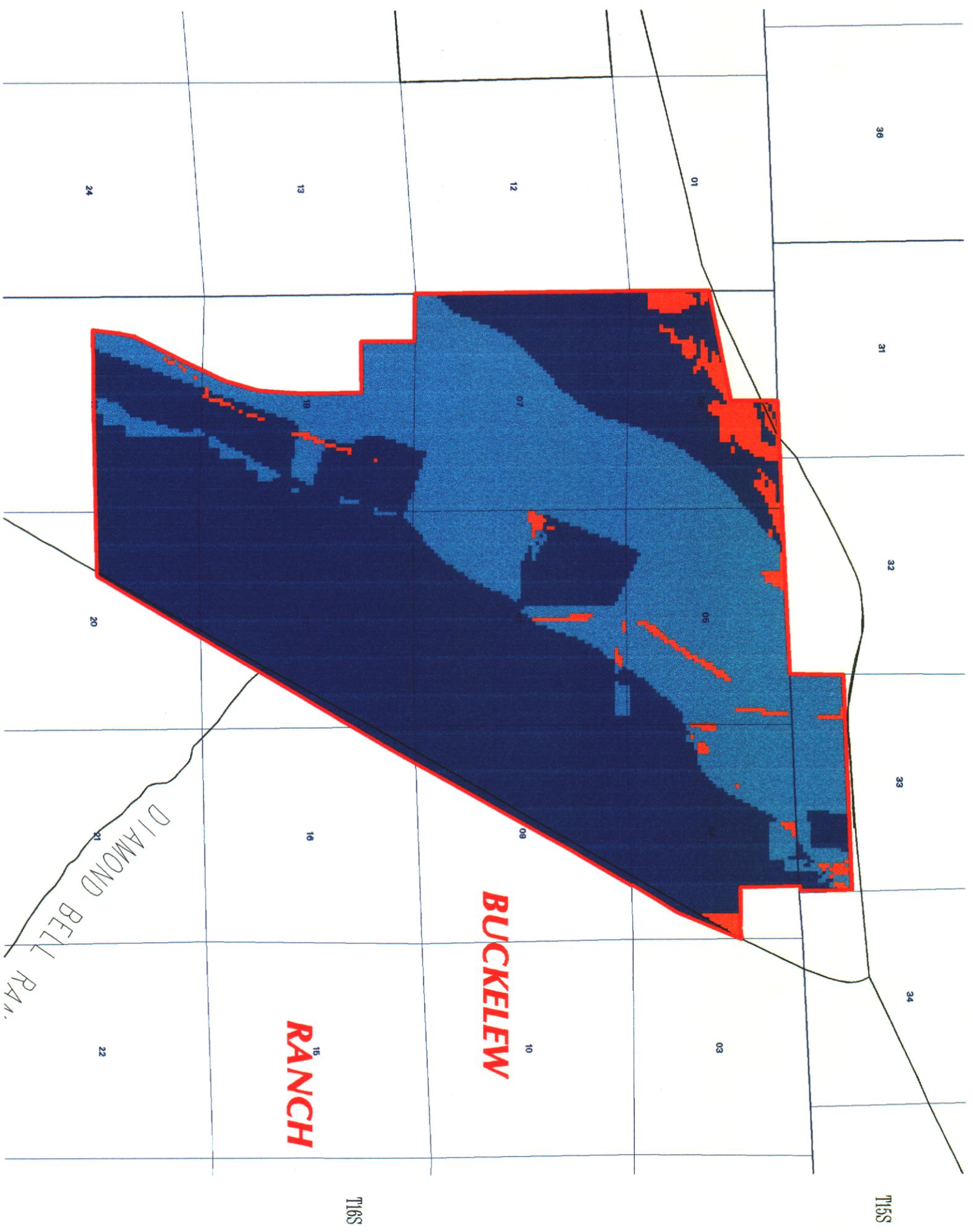


Buckelew Ranch

Cactus Ferruginous Pygmy Owl

Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch



Index Map Scale: 1:1,000,000

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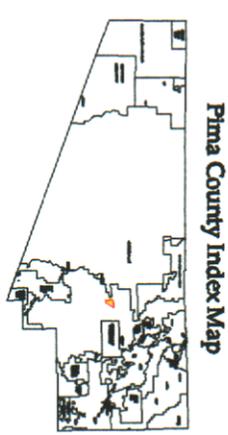
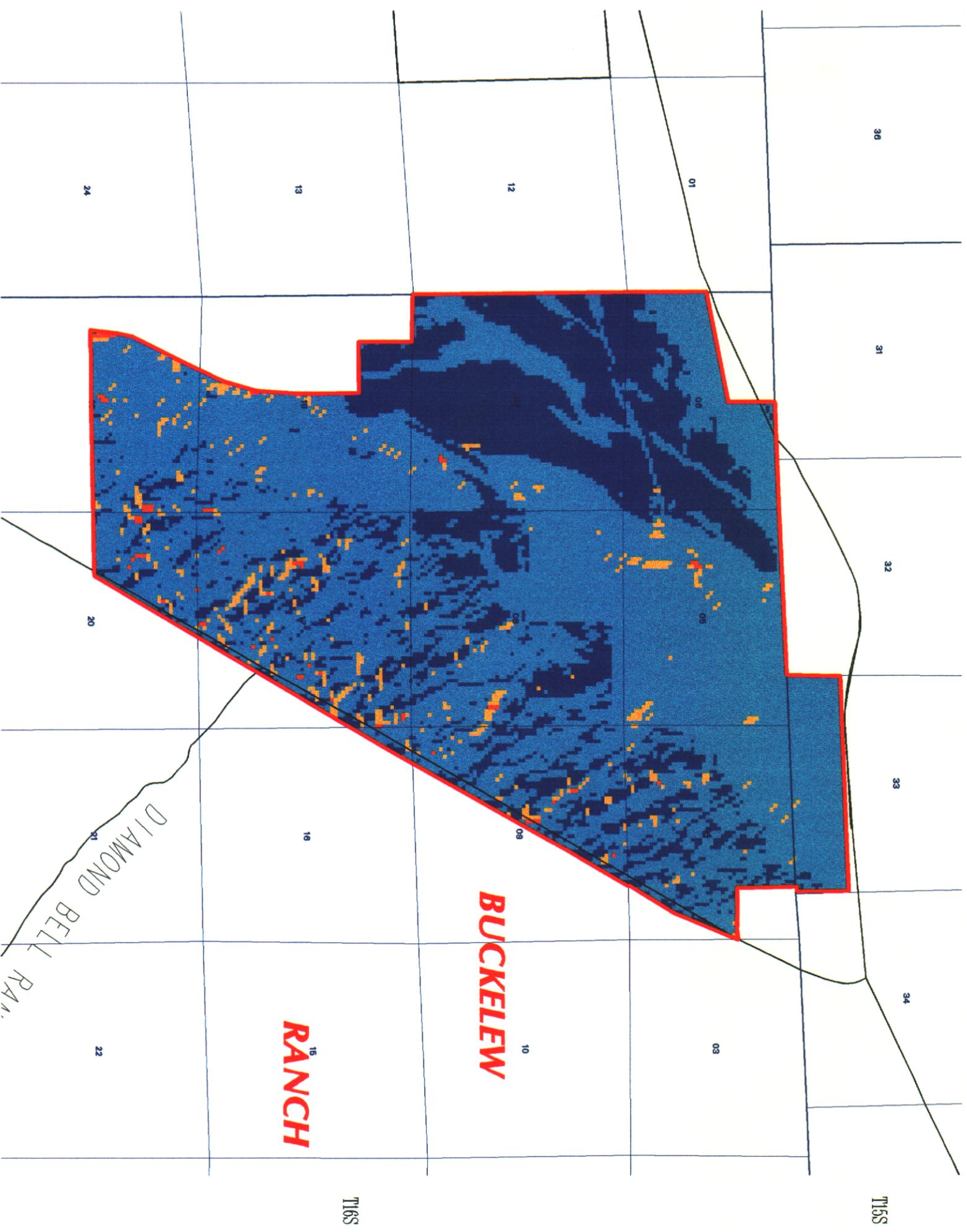


Bucklelew Ranch

Pale Townsend's Big-Eared Bat

Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Bucklelew Ranch



The information depicted on this diagram is the result of digital analysis performed on a variety of datasets for use in the habitat model. The accuracy of the information is dependent on the accuracy of the data used in the analysis. The information is not intended to be used for any purpose other than the one for which it was prepared. This product is subject to the Department of Transportation Technical Services Division's User Restriction Agreement.

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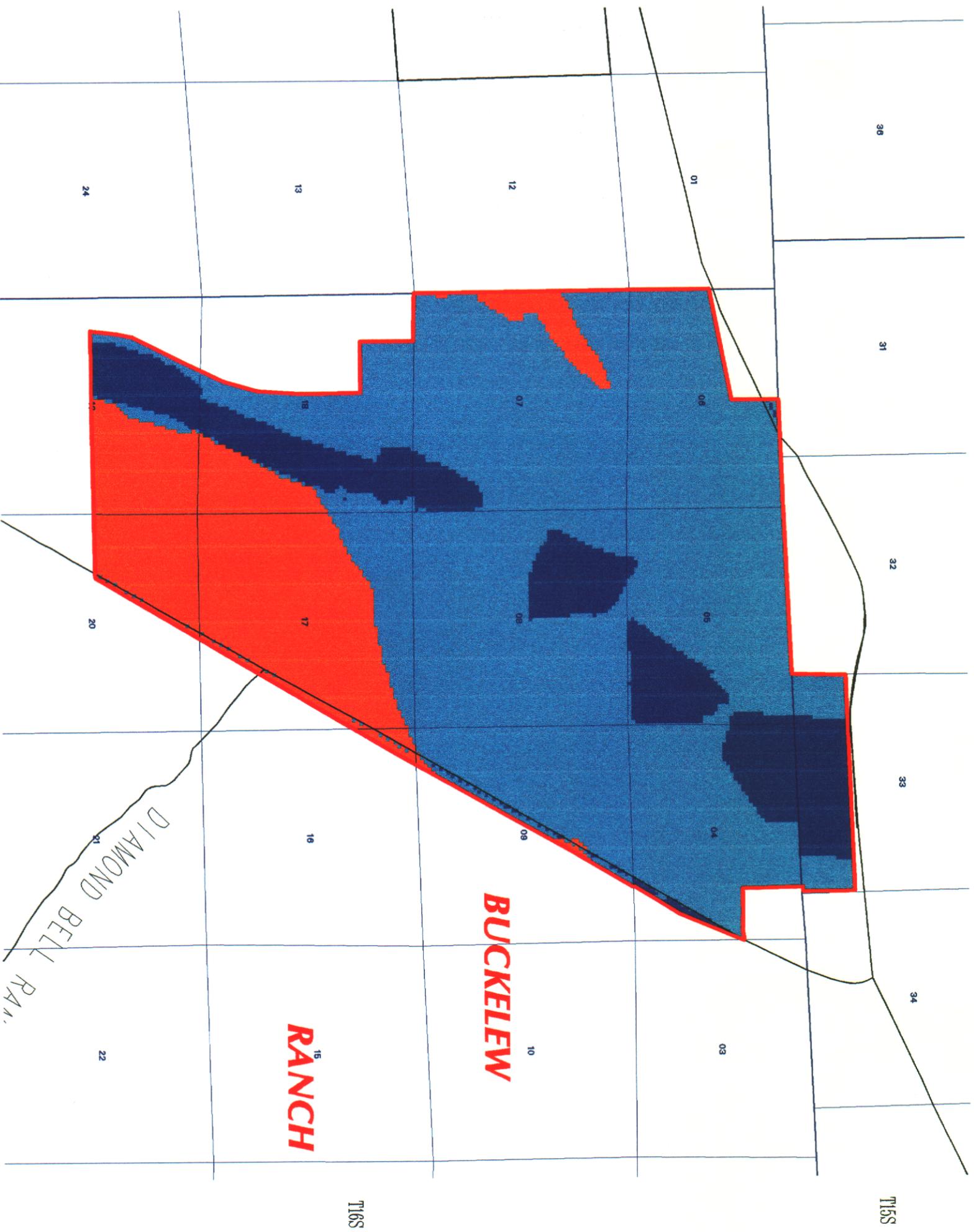
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 Email: pima@pima.gov

Buckelew Ranch Pima Pineapple Cactus Species Habitat Model

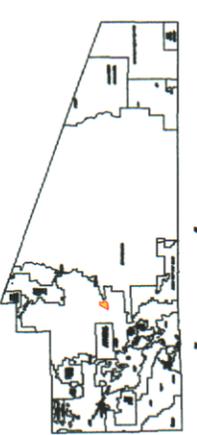
RIOE



- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

Habitat Potential:

- 5
- 7 - 8
- 9 - 10



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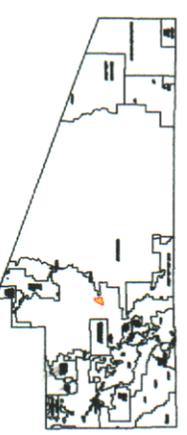
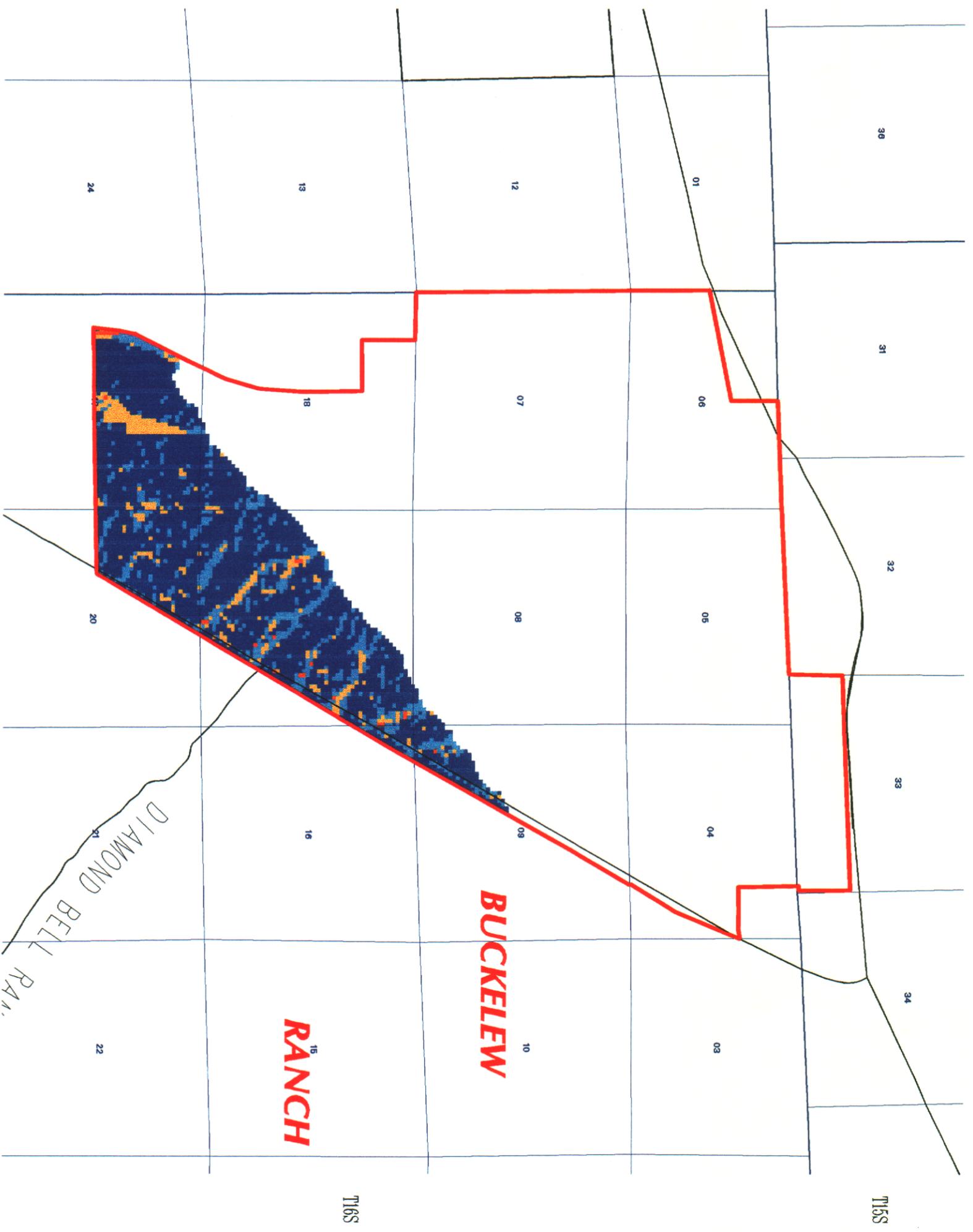


Bucklelew Ranch

Mexican Long-Tongued Bat Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Bucklelew Ranch

- Habitat Potential:**
- 2-3
 - 4-5
 - 6-7
 - 8-9



Index Map Scale: 1:1,000,000

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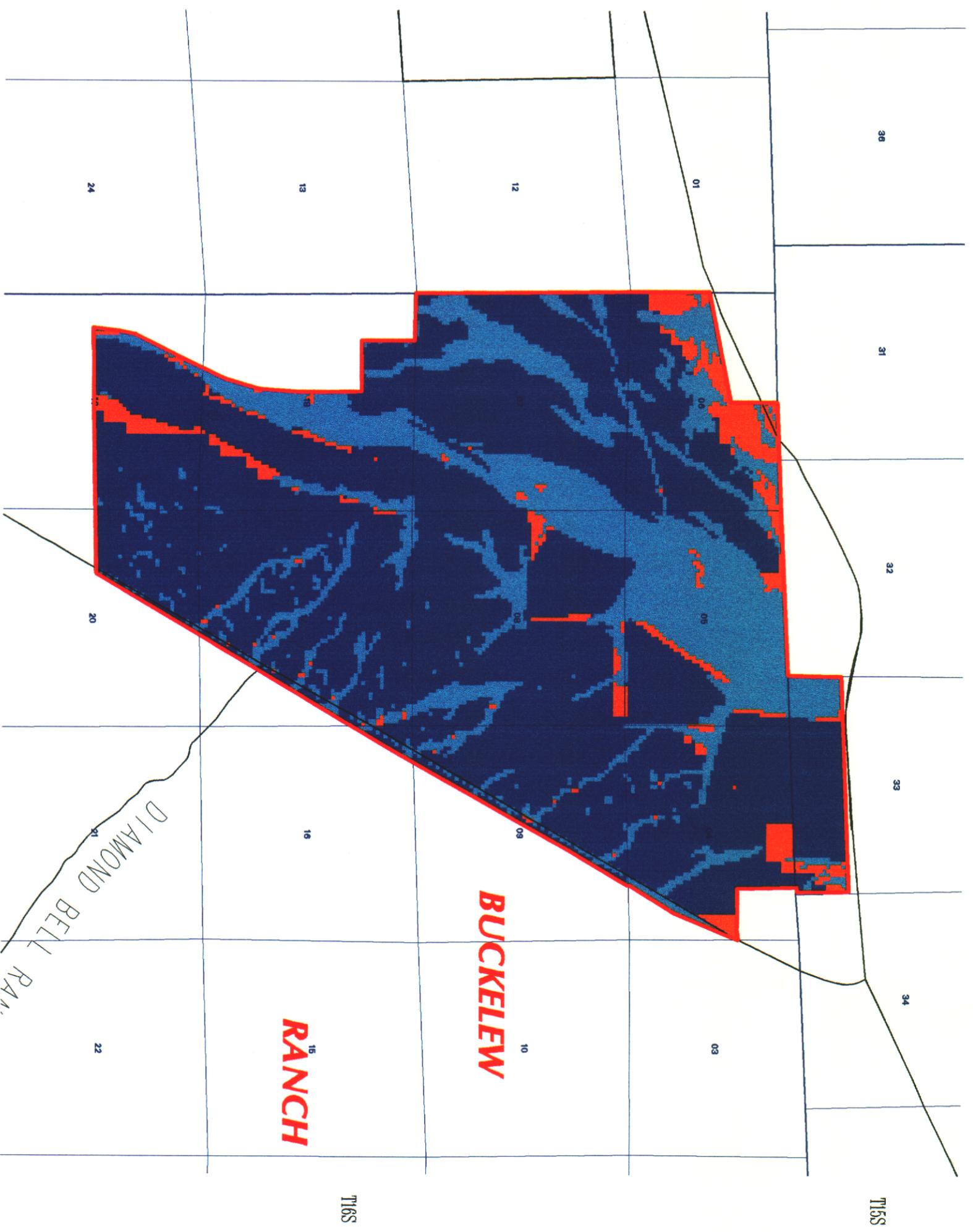
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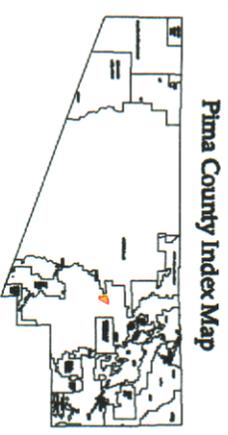
Buckelew Ranch Lesser Long-Nosed Bat Species Habitat Model



- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

Habitat Potential:

- 4
- 5 - 6
- 7 - 8



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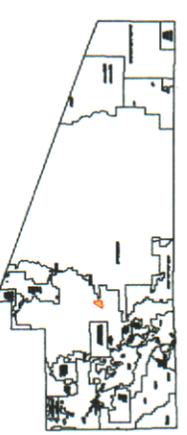
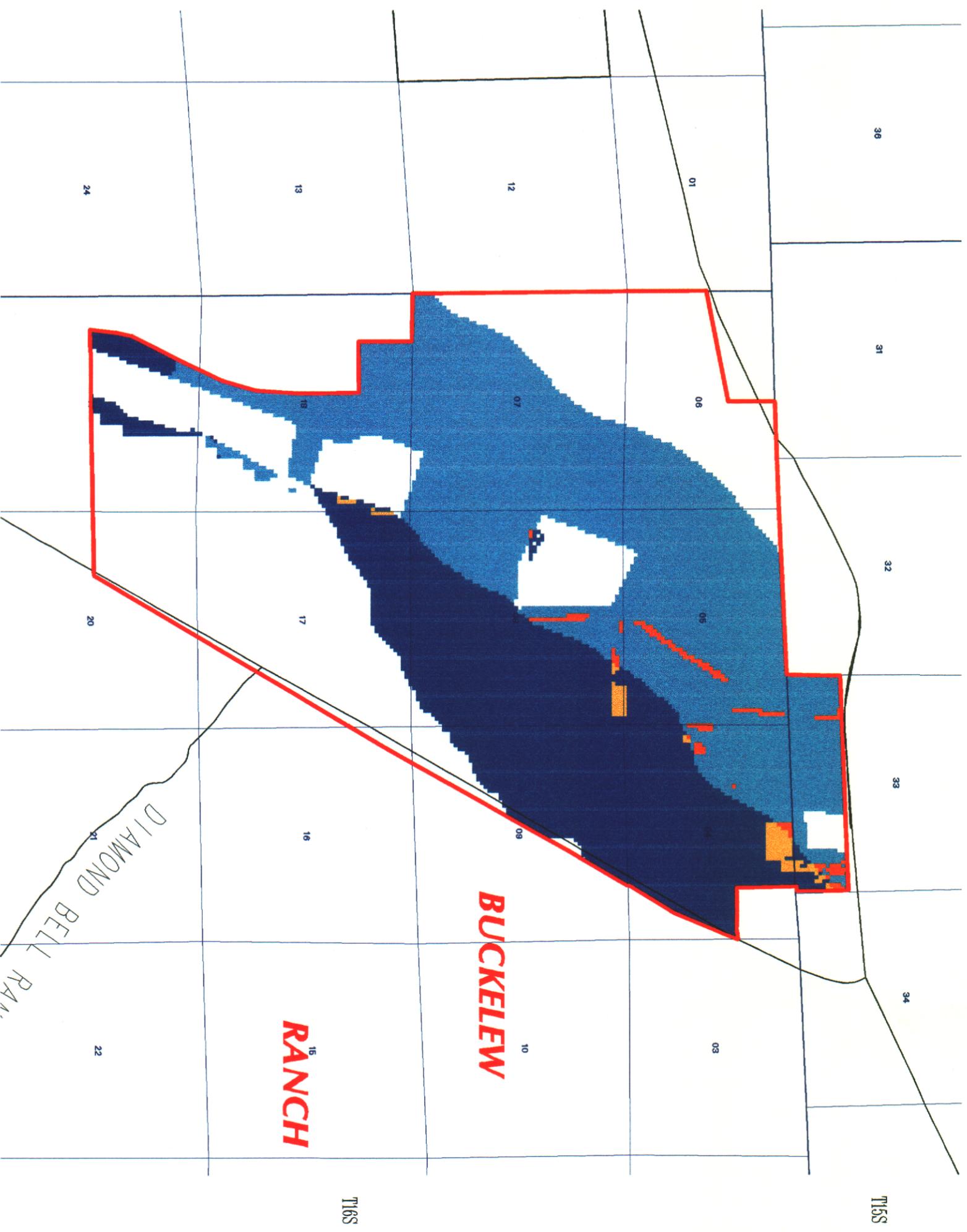
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Buckelew Ranch Ground Snake Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

- Habitat Potential:**
- 1
 - 2
 - 3
 - 4



Index Map Scale 1:10,000

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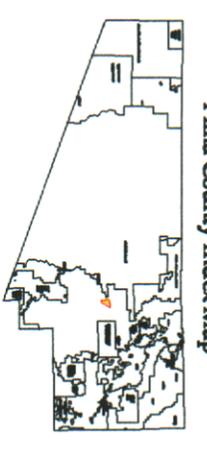
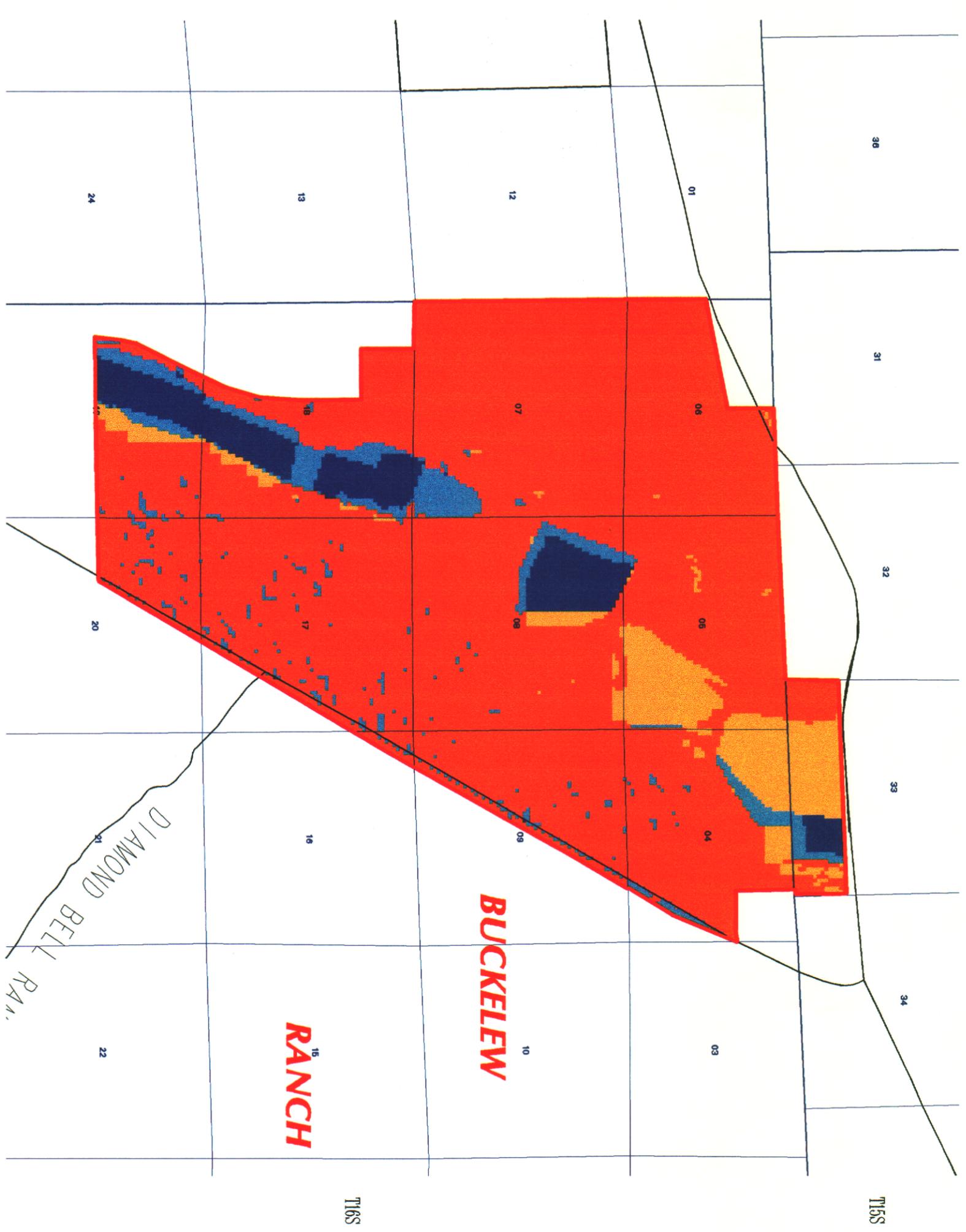
Buckelew Ranch

Tumamoc Globeberry Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

Habitat Potential:

- 3-6
- 7-9
- 10-11
- 12-13



Index Map Scale: 1:25,000

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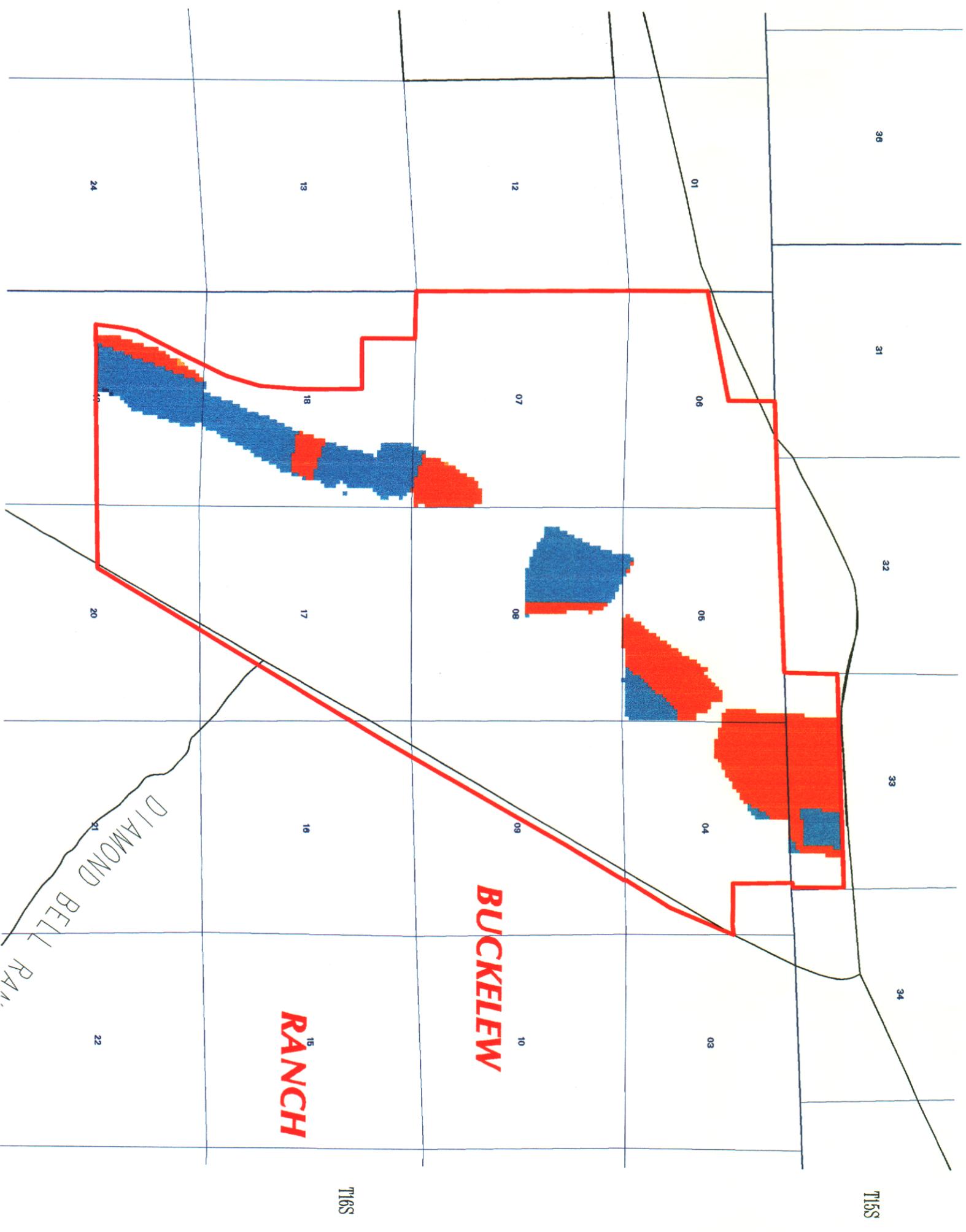
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Buckelew Ranch

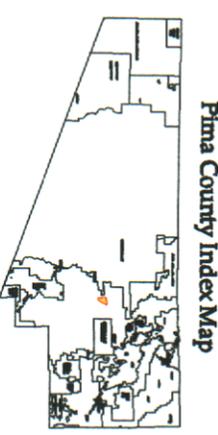
Western Yellow-Billed Cuckoo

Species Habitat Model



- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

- Habitat Potential:**
- 3
 - 4
 - 5
 - 6



Index Map Scale 1:1,000,000

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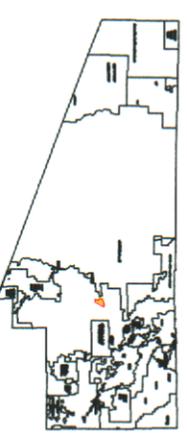
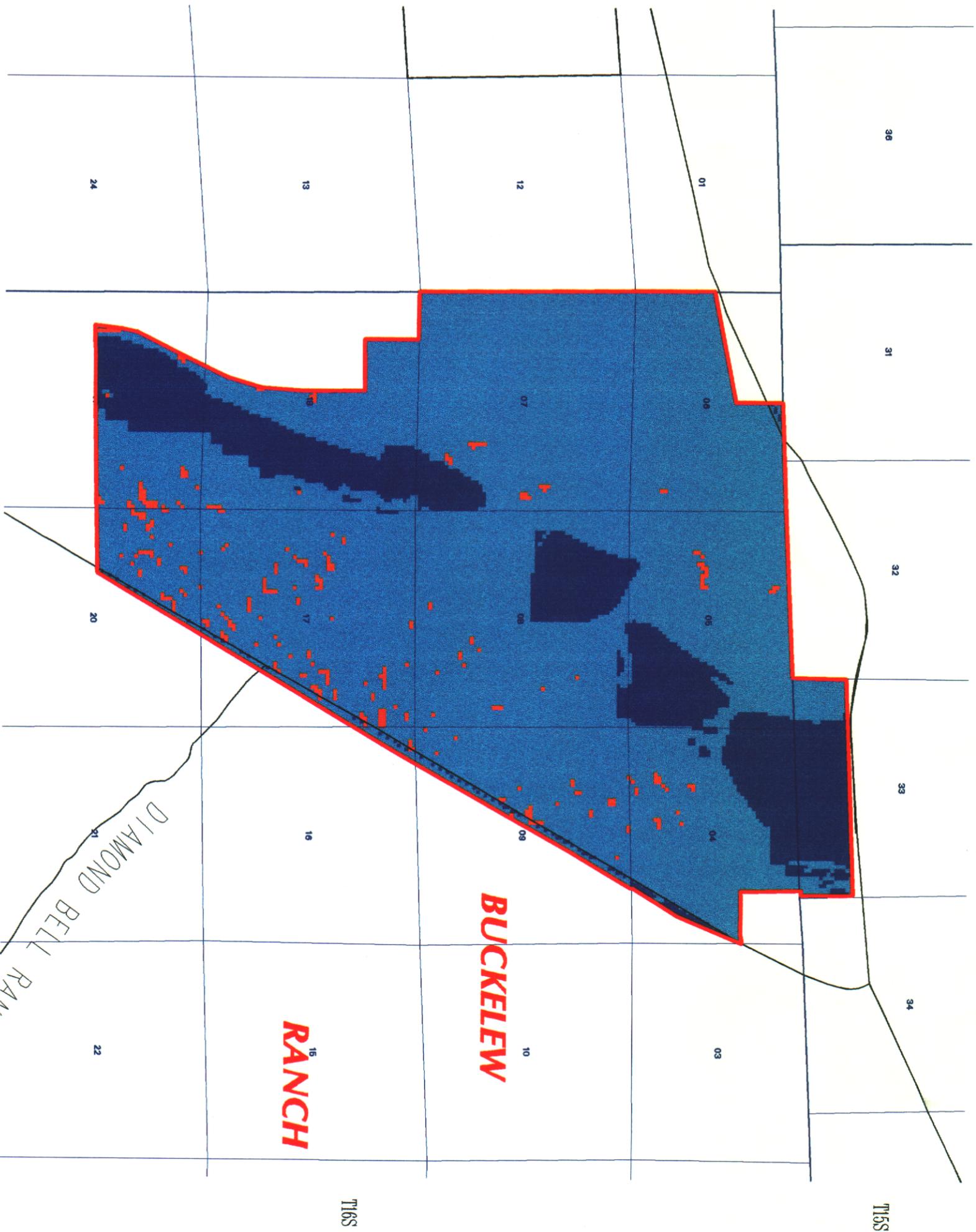


Bucklew Ranch California Leaf-Nosed Bat Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Bucklew Ranch

Habitat Potential:

- 2-3
- 4-5
- 6-7



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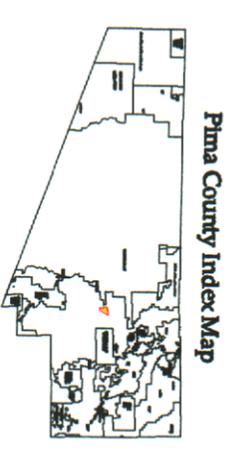
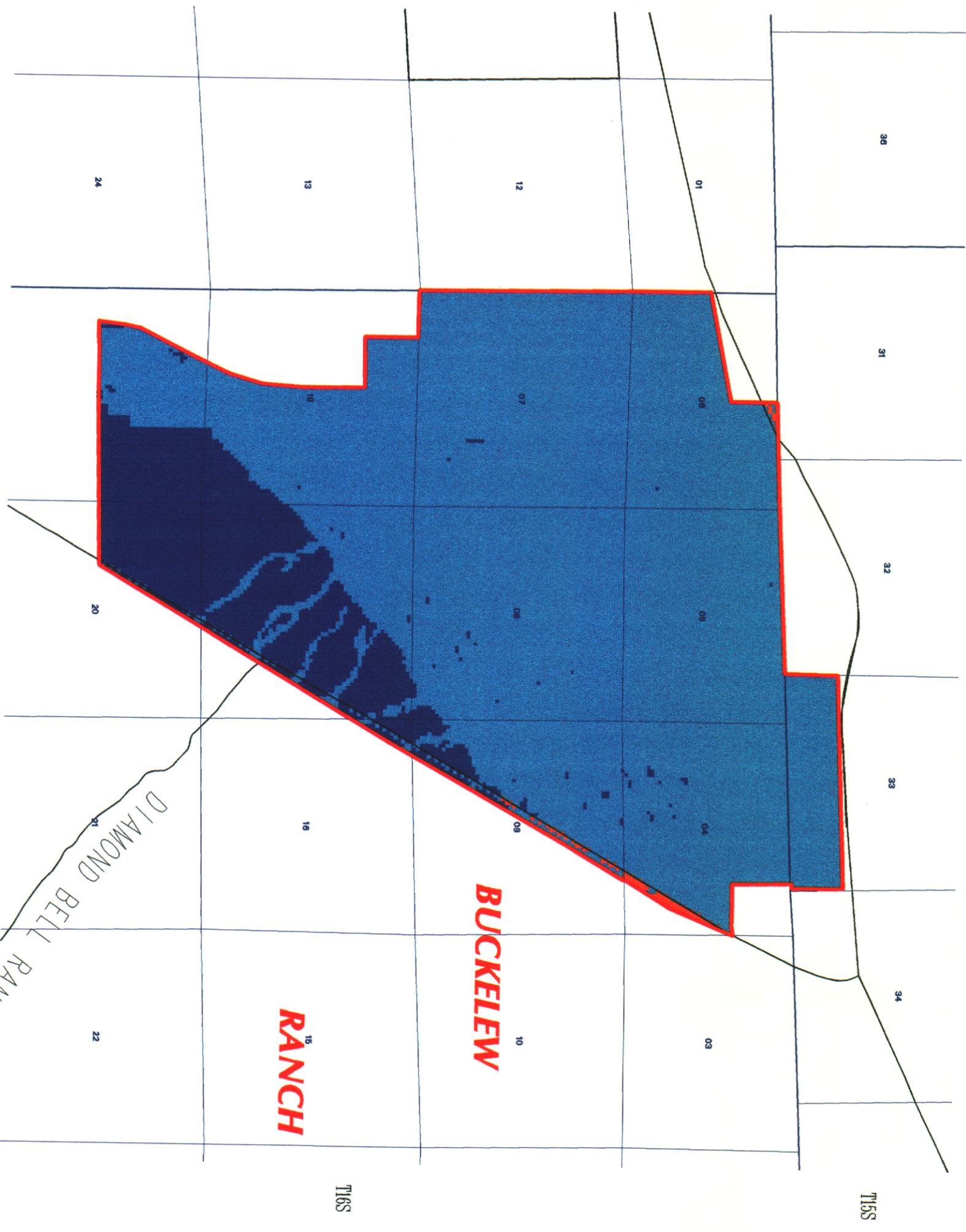


Bucklelew Ranch Western Yellow Bat Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

Habitat Potential:

- 3-4
- 5-6
- 7



Index Map Scale: 1:1,000,000

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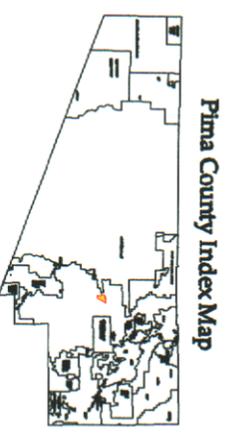
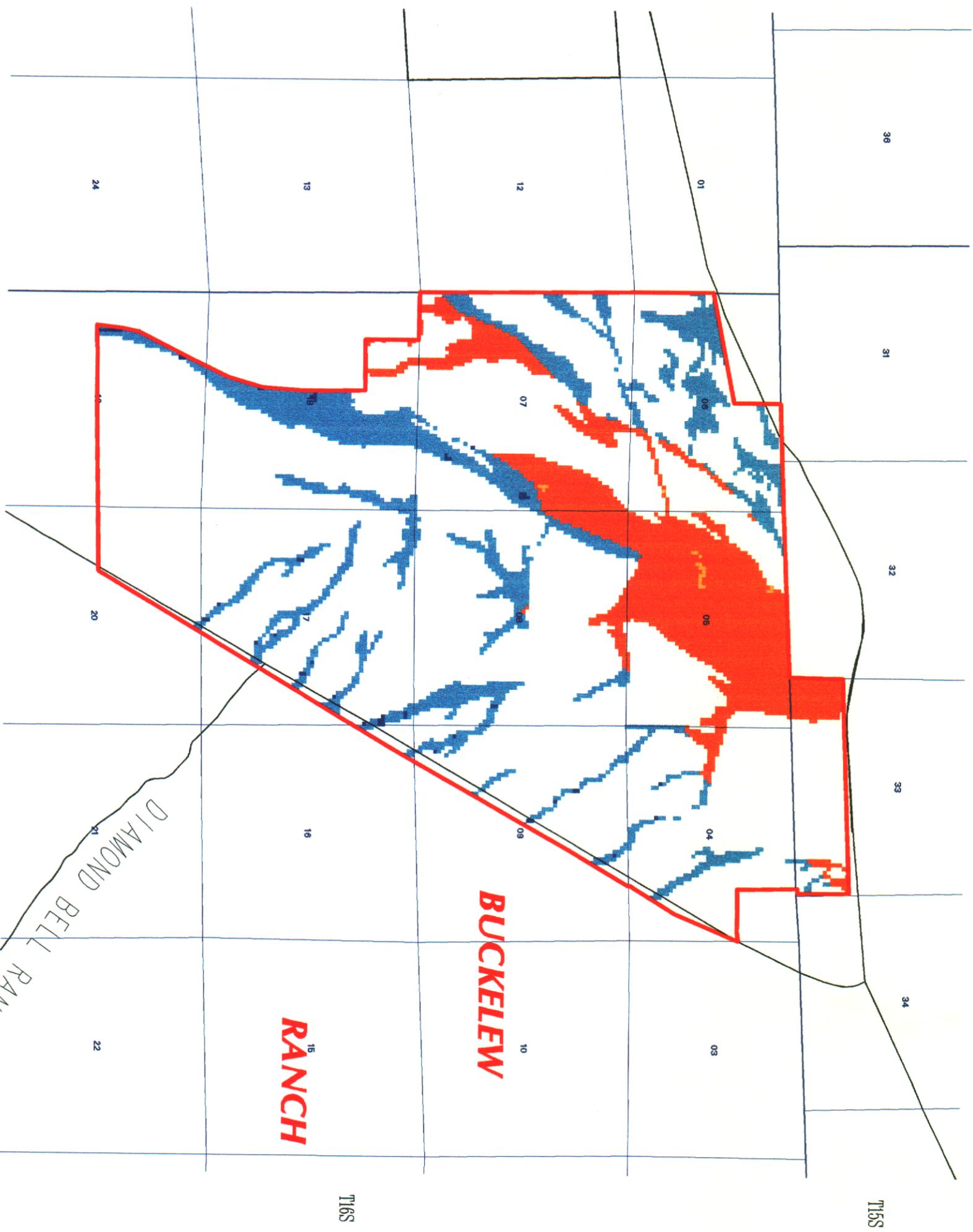


Bucklew Ranch

Bell's Vireo

Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Bucklew Ranch



Index Map Scale 1:1,000,000

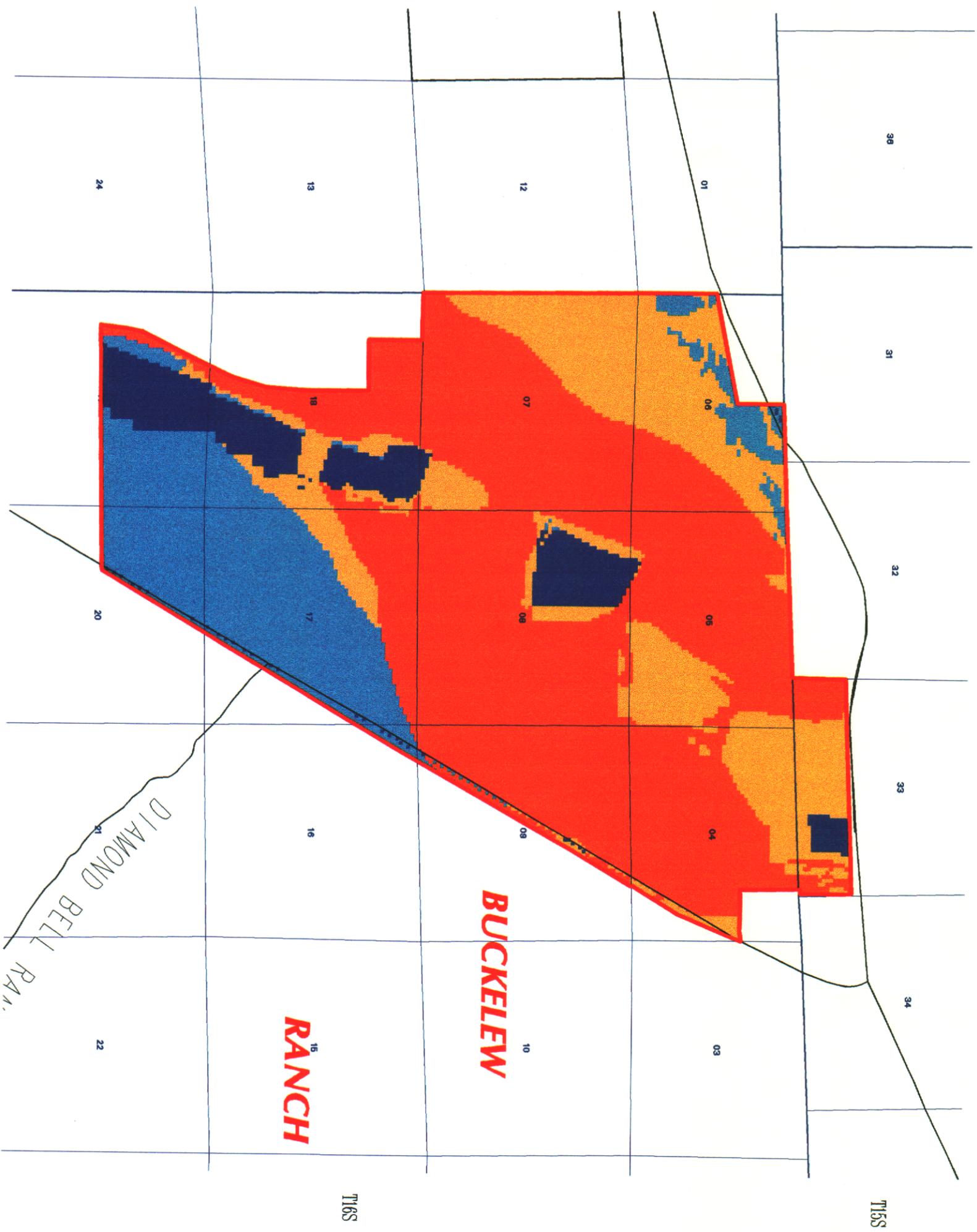
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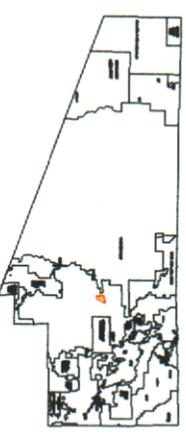


Buckelew Ranch Tucson Shovelnose Snake Species Habitat Model



- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

- Habitat Potential:**
- 1-2
 - 3-4
 - 5-6
 - 7-8



Pima County Index Map

Index Map Scale: 1:10,000

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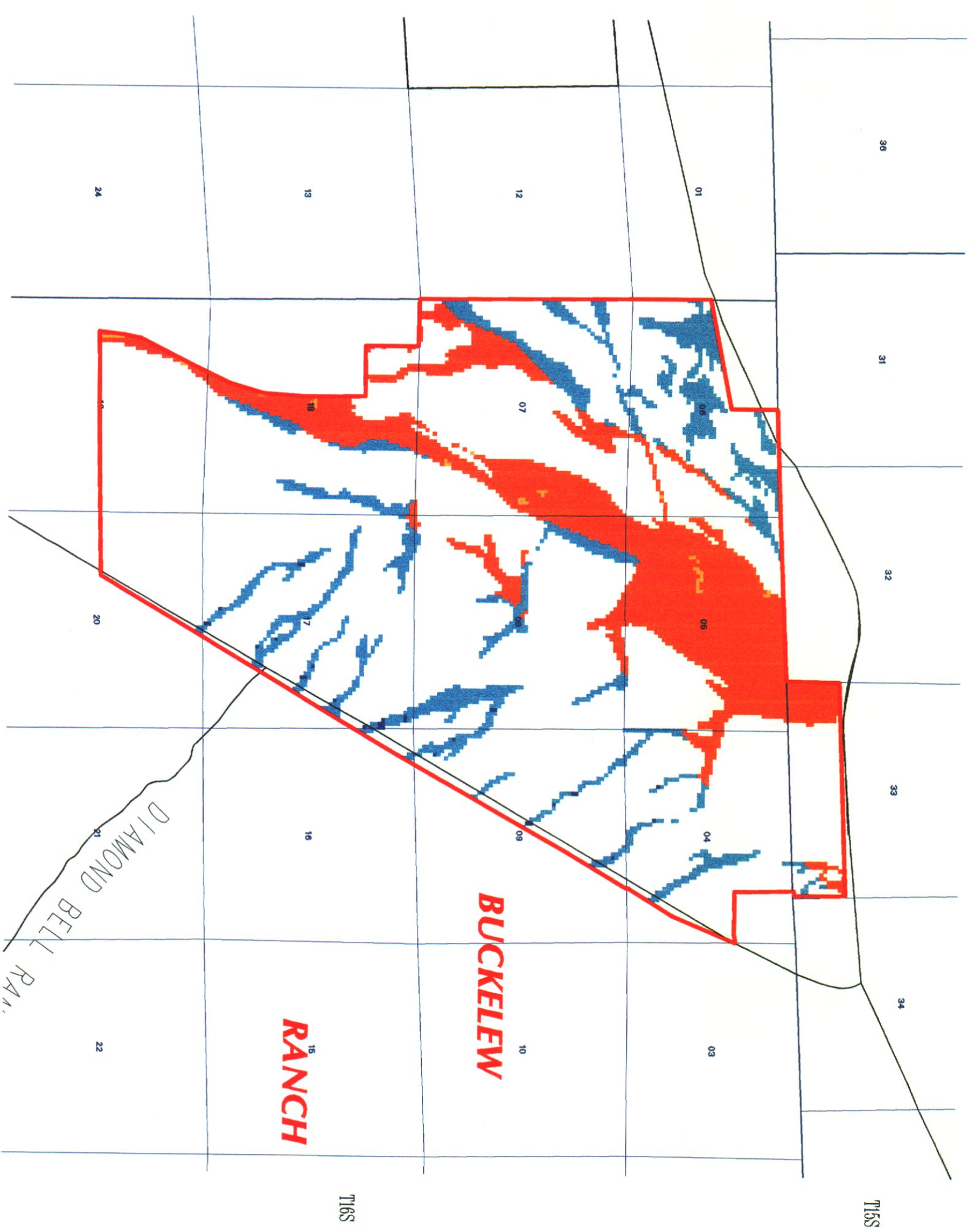


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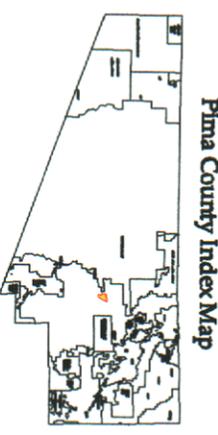
Bucklew Ranch Abert's Towhee Species Habitat Model

RIOE



- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Bucklew Ranch

- Habitat Potential:**
- 1
 - 3
 - 4
 - 5
 - 6



Index Map Scale 1:1,000,000

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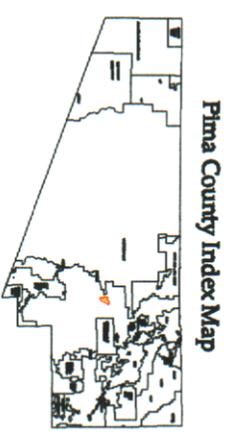
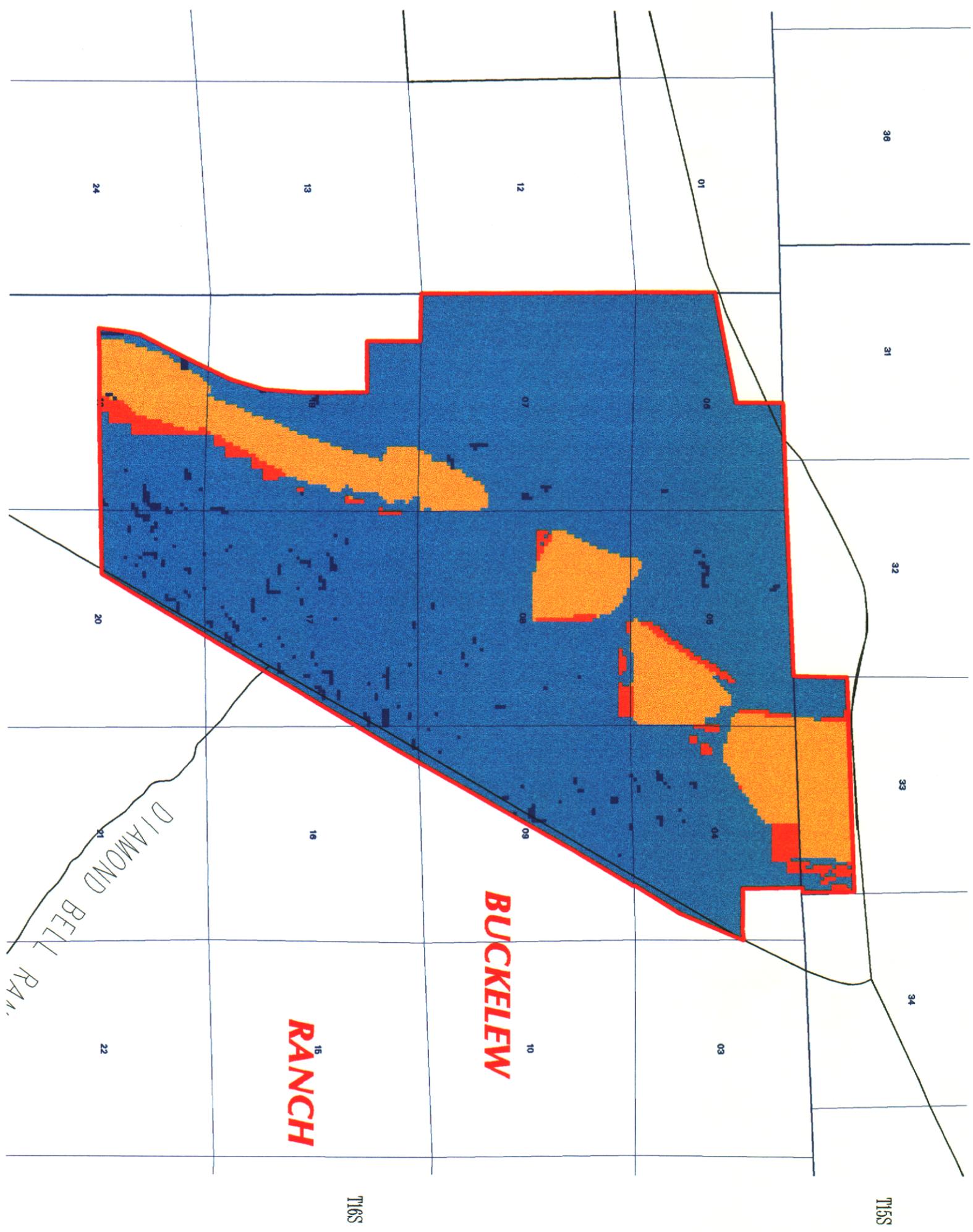
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Buckelew Ranch Swainson's Hawk Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

- Habitat Potential:**
- 1-2
 - 3
 - 4
 - 6



Index Map Scale 1:1,000,000

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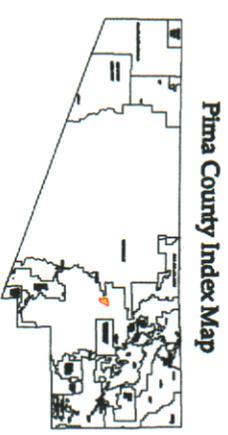
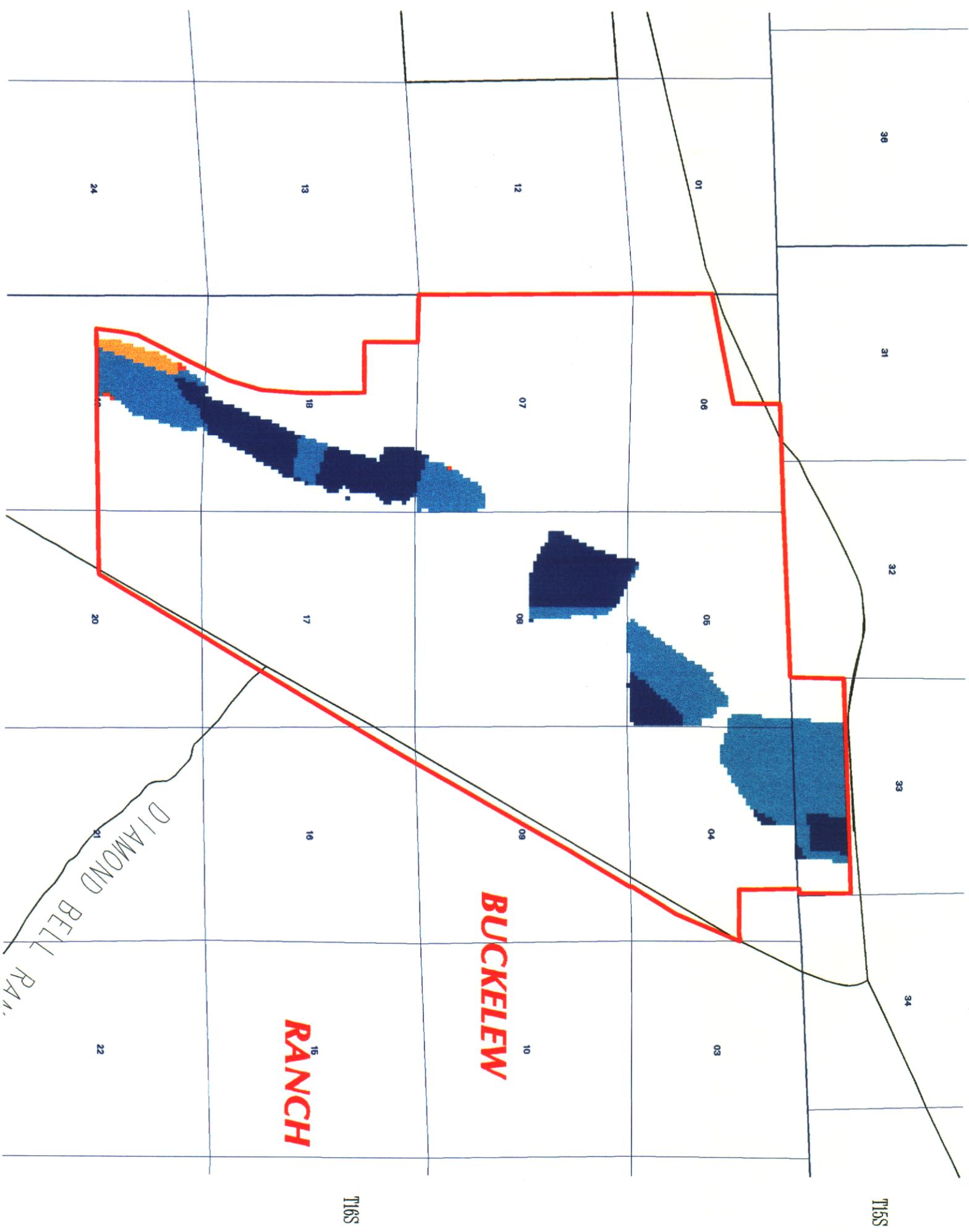
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Buckelew Ranch Giant Spotted Whiptail Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

- Habitat Potential:**
- 1
 - 2
 - 3
 - 4-5



Index Map Scale 1:1,000,000

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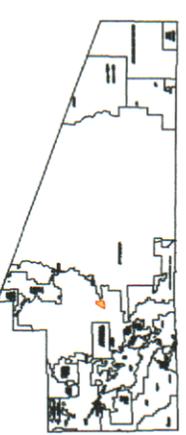
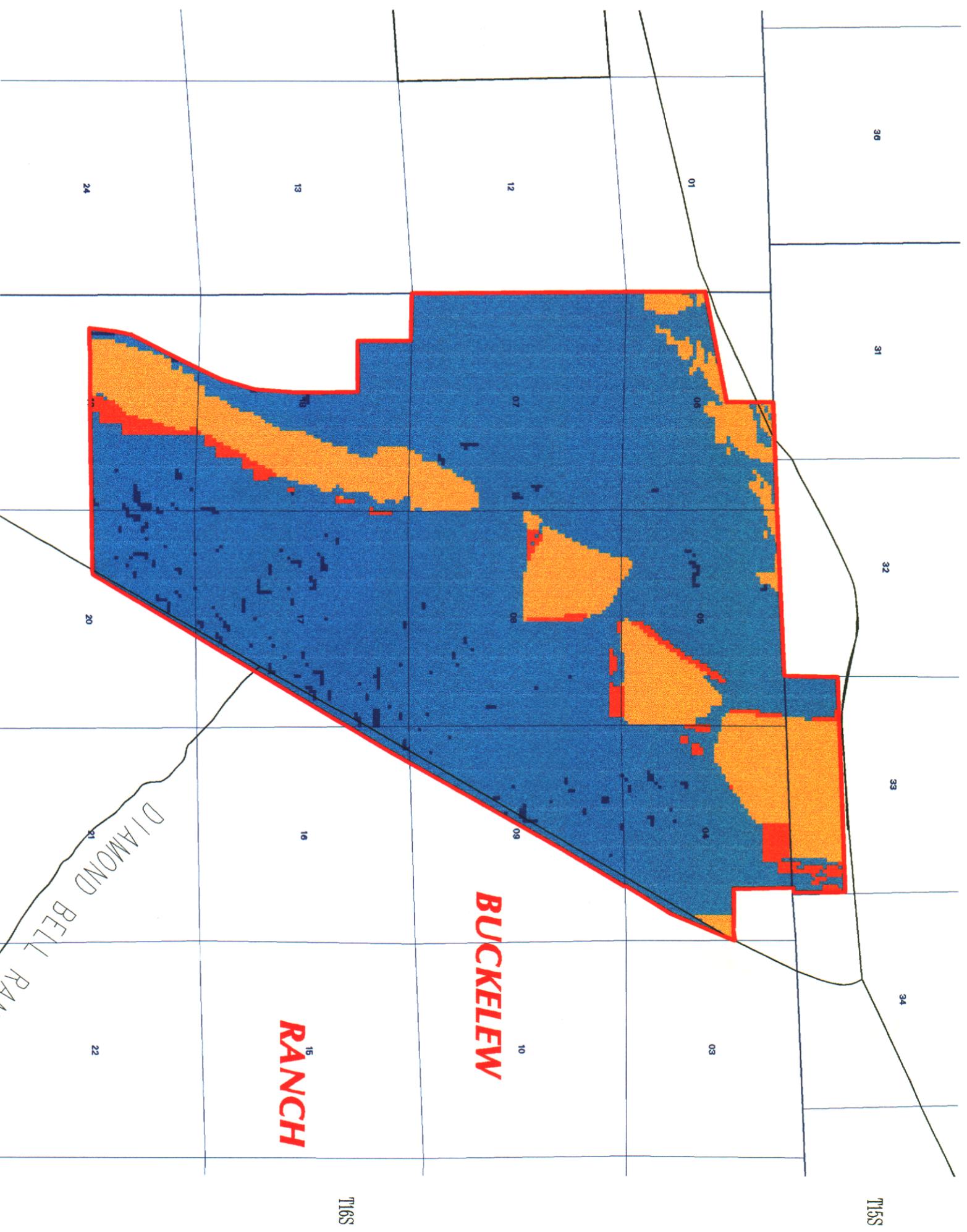
Buckelew Ranch

Rufous-Winged Sparrow

Species Habitat Model

- Administrative Boundaries
- Major Streets
- Township and Range
- Section Lines
- Buckelew Ranch

- Habitat Potential:**
- 1
 - 2
 - 3
 - 4-5



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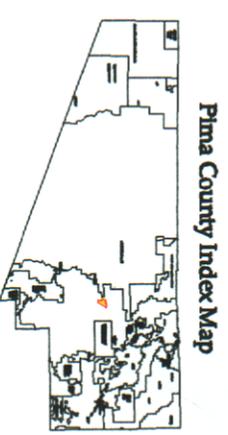
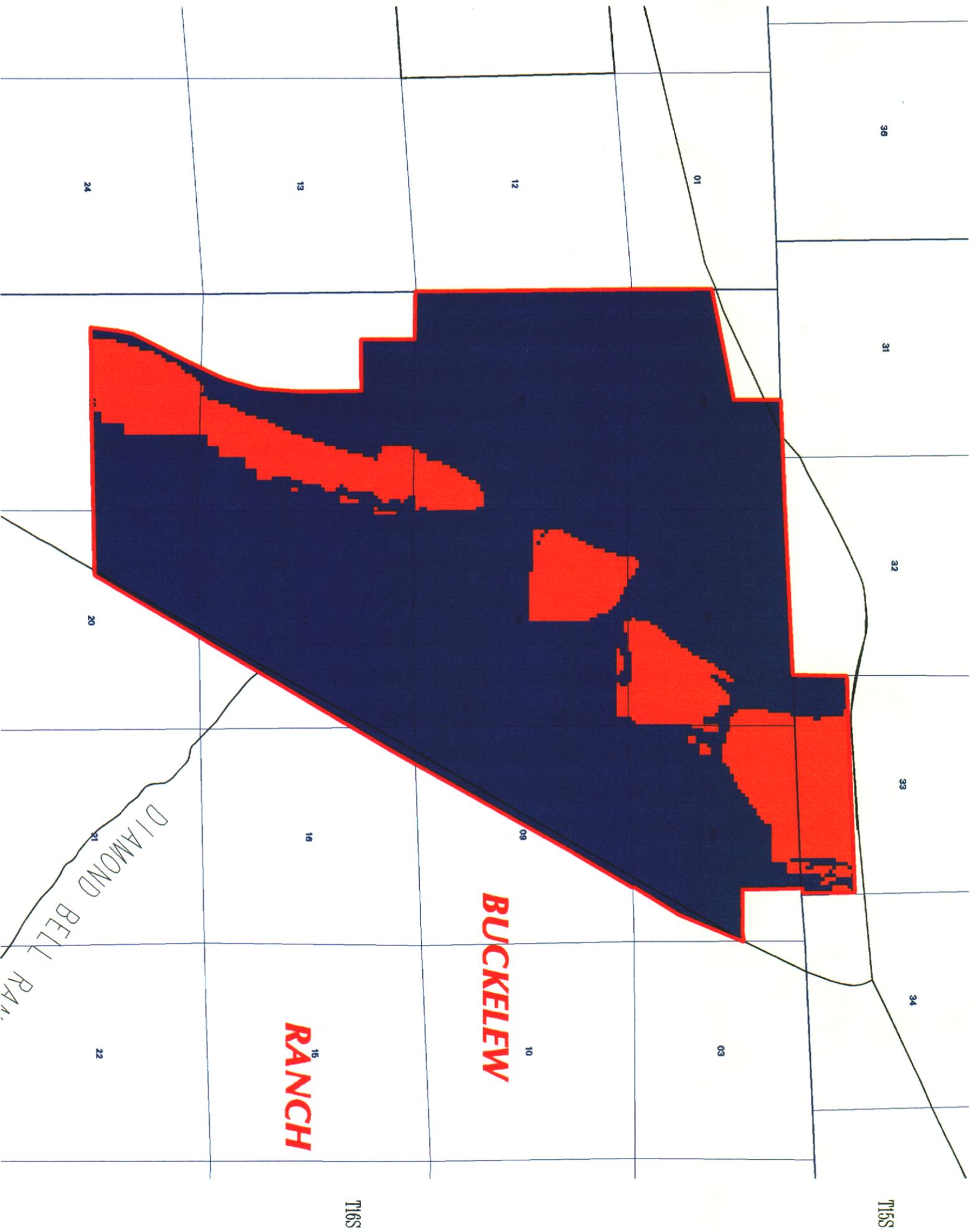


Buckelew Ranch Western Red Bat Species Habitat Model

-  Administrative Boundaries
-  Major Streets
-  Township and Range
-  Section Lines
-  Buckelew Ranch

Habitat Potential:

-  4
-  5



Index Map Scale: 1:10,000

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Fowler Appraisal

September 11, 2002

Diana Barnes Freshwater
Arizona Open Land Trust
1915 East Camino Miraval
Tucson, AZ 85718

Re: Buckelew Appraisal - 500 acres located southwest of Three Points, Pima County, Arizona

Dear Ms. Freshwater:

In my June 26, 2002 appraisal of the Buckelew property, I noted that the Type 1 non-irrigation water rights had been transferred to the City of Tucson. These rights had been irrigation rights that were converted to non-irrigation rights. Pima County staff has questioned whether the removal of these water rights was considered in my opinion of value and how this water rights transfer affects the market value of the property.

The highest and best use of the subject property is for single family residential uses conforming with the Rural Homestead (RH) zoning on the property. The subject property is within the Tucson Active Management Area, and the Arizona Groundwater Management Code allows an owner to drill a domestic well to serve a residence. No Type 1 water right is required for a domestic, or exempt well. An exempt well is

...a well that has a maximum pump capacity of 35 gallons per minute and is used to withdraw groundwater only for non-irrigation purposes, including watering less than two acres of grass or garden.... A person wishing to have an exempt well drilled must file a Notice of Intent with the Department of Water Resources and receive approval before drilling. Exempt well owners are not required to measure groundwater pumpage, file annual water use reports, or pay withdrawal fees. ("Groundwater Rights In Arizona," Arizona Department of Water Resources, p. 4.)

The market value estimate and the low density residential highest and best use consider that an owner would install an exempt well. Therefore, given the highest and best use of the subject property, the removal of the Type 1 water rights from the subject property does not have a negative affect on market value.

Sincerely,



Lynn Fowler, MAI

Arizona Certified General Real Estate Appraiser #30141

**Real Estate Appraisal
The Buckelew Property
500 acres Located Southwest of Three Points
in Pima County, Arizona**

Prepared for:

**Diana Barnes Freshwater
Arizona Open Land Trust**

**Date of Value: June 19, 2002
Date of Report: June 26, 2002**

Fowler Appraisal

**2309 East Third Street
Tucson, AZ 85719
(520)795-0598**

Fowler Appraisal

June 26, 2002

Diana Barnes Freshwater
Arizona Open Land Trust
1915 E. Camino Miraval
Tucson, AZ 85718

Dear Ms. Freshwater:

I have appraised the 500 acre Buckelew property located southwest of Three Points, in Pima County, Arizona, and the appraisal is contained in the report that follows this letter. The purpose of the appraisal is to estimate the market value of the property. The intended use of this appraisal is to assist the Arizona Open Land Trust and Pima County, who are the intended users of the appraisal, in their acquisition of the property. The date of value is June 19, 2002, the date of my inspection of the property. This is a complete appraisal in a self-contained appraisal format as defined by the Uniform Standards of Professional Appraisal Practice (USPAP).

The property is divided into two tracts by Highway 86. A survey obtained by the owner from MacVittie and Associates shows the northern tract is 6.64 acres, which conflicts with the Pima County Assessor's measurement of 2.41 acres. I have relied on the survey in this appraisal. If the size of this tract as shown in the survey is not correct, the value estimate could change.

Based upon my investigation and the application of the appropriate appraisal approaches, I estimate the market value of the subject property, as of June 19, 2002, to be:

Estimated Market Value of the Subject Property: \$876,000

Thank you for this opportunity to be of service.

Respectfully submitted,



Lynn Fowler, MAI
Certified General Real Estate Appraiser
Arizona #30141

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SUMMARY OF FACTS AND CONCLUSIONS

Date of Report	June 26, 2002
Date of Valuation and Inspection	June 19, 2002
Owners of Record	L. Nick and Laurie S. Buckelew
Assessor's Parcel Numbers	301-19-005E and 301-19-005H
Property Location	Approximately three miles west and south of Three Points, Arizona. Most of the property is south of Highway 86 except for a 6.64 acre parcel on the north side of the highway.
Interest Appraised	Fee simple interest in the surface estate
Size	Approximately 500 acres total, with 6.64 acres located north of Ajo Road, and 493.36 acres located south of Ajo Road.
Improvements	None
Highest and Best Use	Single family residential development or investment
Market Value as of June 19, 2002	\$876,000

Purpose

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property. Market value is

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

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Intended Use and Intended Users of the Appraisal

The function of this appraisal report is to assist the Arizona Open Land Trust and Pima County, who are the intended users of the appraisal, in the proposed acquisition of the property.

Date of Valuation and Inspection

The effective date of value is June 19, 2002, the date of my inspection of the subject property. I was accompanied on the inspection by Nick Buckelew, an owner of the property.

Property Rights Appraised

The interest to be appraised is the interest arising from the fee simple interest in the surface estate subject to the effects of the reservations and exceptions of record. Fee

¹ *Uniform Standards of Professional Appraisal Practice, 2002*. The Appraisal Foundation (Washington, D.C.: U.S. Government Printing Office).

simple interest is defined as "absolute ownership unencumbered by any other interest or estate subject only to the limitations of the four powers of government." The mineral estate was reserved in the patent.

Property Identification

The following legal description of the subject property was taken from an exception in a 1986 deed transferring title from Richland Development Corporation to the City of Tucson:

That portion of Sections 6 and 7, Township 16 South, Range 10 East, Gila and Salt River Meridian, Pima County, Arizona, being a parcel of land containing exactly 500 acres, described as follows:

All of Lots 5 and 6 of Section 6, except that portion lying within the right of way of the Tucson Ajo Highway as it now exists;
Together with the East half of the Southwest Quarter of Section 6;
Together with that portion of the southeast Quarter of Section 6 and that portion of Section 7 bounded on the east by the following described line:

Commencing at the southwest corner of Section 7;
Thence easterly along the south line of Section 7 a distance of 660 feet to the Point of Beginning of said line;
Thence northeasterly in a straight line to the termination of said line on the north line of the southeast quarter of Section 6.

Ownership

Title to the property is in the name of L. Nick and Laurie S. Buckelew. The property was acquired in 1987 from the City of Tucson by a deed recorded in Docket 8159 at page 188, and recorded November 10, 1987. The Buckelews had an agriculture lease on this property and on land adjoining the subject property to the east. The lessor was Richland Development Corporation. Richland sold the property to the City of Tucson, along with the irrigation water rights associated with the property, because the City had a program to augment municipal water supplies. The Buckelews, as lessees, were bought out of their interest in the lease and subsequently acquired the desert portion of the land, which is the 500 acre subject tract.

According to the property owner and Bill Davis, broker with Long Realty, there was an offer to purchase the subject property for \$1.2million. The sale was contingent upon an amendment to the Comprehensive Plan that would allow higher densities on the

property. The application to amend the Comprehensive Plan was denied by Pima County in December 2000, thereby nullifying the offer to purchase.

The property is not currently listed for sale, but there is an Option to Purchase Agreement. The buyer is Arizona Open Land Trust, who intends to assign the property to a conservation buyer (Pima County) at close of escrow, and their acceptance is a contingency of the option agreement. The option price is \$900,000, or \$1,800 per acre for 500 acres, all cash. The agreement is dated April 3, 2002, and the closing date is 75 days from the Agreement Date.

Scope of the Appraisal

This is a complete appraisal in a self-contained format as defined by the Uniform Standards of Professional Appraisal Practice. This appraisal includes a complete application of the appropriate appraisal approaches, including the supporting data and a description of the analysis that lead to the conclusions of the appraiser.

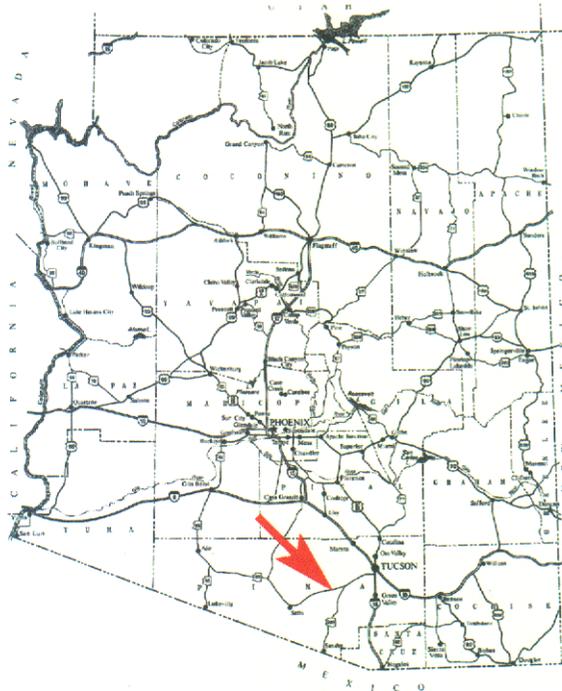
I inspected the subject property on June 19, 2002 with the property owner, Nick Buckelew. All of the comparable sales were inspected and photographed. Primary sources of data included the buyers and sellers of real estate and those active in the management of real estate. I confirmed the comparable sales data with an agent or party to the sale, who are named on the comparable sales sheets found in the valuation section of the appraisal report. Public sources of data included employees of the Pima County Assessor's and Treasurer's Offices, the Department of Planning and Zoning and the Flood Control District. The Arizona Department of Water Resources supplied well information. Diana Freshwater of the Arizona Open Land Trust provided title documents and a copy of the current option agreement.

Information regarding the subject property was supplied by the property owner. I consulted with Bill Davis of Long Realty, who had the property listed for sale two years ago. I inspected the subject property and all of the comparable sales. I confirmed the comparable sales data with an agent or party to the sale, who are named on the comparable sales sheets found in the valuation section of the appraisal report.

Area Description

The subject property is located in the Altar Valley in south-central Pima County. The region is bordered on the south by the international border with Mexico; on the west by the Tohono O'odham Reservation and the Baboquivari Mountains; on the north and east by the Avra Valley and the Tucson urbanized area; and on the east by the Santa Cruz River Valley.

Physical Characteristics. The region is characterized by desert basins with sparse highly adapted vegetation divided by mountain ranges. Rainfall is usually light and quickly soaked up by the desert. Many of the mountain ranges are skirted by alluvial fans - aprons of sand and gravel deposited by mountain streams which flow only after seasonal torrential rains. The region's mountain ranges vary in elevation from 5,000 feet to over 9,000 feet at the top of Mt. Wrightson and are characterized by desert scrub giving way to chaparral, oak woodland and sub-alpine vegetation at the highest elevations. The desert basins range from 2,500 feet to around 4,000 feet elevation. Sonoran desert vegetation predominates.



Population. Pima County has been one of the fastest growing regions in the United States over the last three decades, encouraged by the combination of climate and economic growth:

	Pima County	Annual % Increase	Arizona	Pima County as a Percent of State
2000	843,746	2.38%	5,130,632	16.4%
1990	666,880	2.30%	3,665,228	18.2
1980	531,443	4.22%	2,718,425	19.6

Employment and the Economy. Tucson, in Pima County, and Nogales, in Santa Cruz County, are the closest major cities to the subject property. Both cities have strong economies. Employers are attracted to Tucson because of the climate and because the University of Arizona contributes a work force and academic support, particularly in high technology. Nogales is an important border crossing into Mexico, and is the center of maquiladora activity and has a strong retail-based economy.

Transportation. Interstate 10 passes through Tucson, and northerly access to Flagstaff and beyond is via I-17, which joins I-10 at Phoenix. Access to San Diego is via I-8, which joins I-10 near Casa Grande, about 40 miles northwest of Marana. Interstate 19 runs between Tucson and Nogales, Arizona. The primary access to the subject property is via Highway 286 which runs south from Three Points, approximately twenty miles southwest of downtown Tucson.

The Altar Valley

The Altar Valley is located southwest of Tucson, and is bounded by mountain ranges on the east and west, and continues into Mexico beyond the international border. The long narrow Baboquivari Range on the west flank of the Altar Valley marks the edge of the Tohono O'odham Indian Reservation, whose 2,773,377 acres covers most of the western portion of Pima County. Baboquivari Peak is 7,730 feet, and its massive granite dome is both a visual landmark and a feature with spiritual significance to the Tohono O'odham as the birthplace of one of their creators. The Kitt Peak National Astronomical Observatory is located in the north end of this range, in the Quinlan Mountains. Kitt Peak was built in 1958 and contains the largest concentration of facilities in the world for stellar and solar research.

Land Tenure. Much of the land in the Altar Valley is Arizona State Trust land, but there are also scattered BLM lands. There is little private land: public land predominates and the Buenos Aires National Wildlife Refuge in the central southern section of the Altar Valley has over 115,000 acres. Its purpose is to preserve habitat for the reintroduction of the Masked Bobwhite Quail, dependent on the Sonoran grassland savannah. The San Xavier Indian Reservation is located southeast of Three Points and the Tohono O'odham Reservation runs along the western side of the Altar Valley. The Altar Valley historically consisted of large ranches, and today is sparsely settled. It is anchored by two small towns, Three Points, also called Robles Junction, on the north, and Sasabe on the southern border of the United States and Mexico. The unincorporated community of Arivaca, northeast of Sasabe, is a residential and retirement area.

Vegetation and Climate. The biotic community of the area is Semiarid or Desert Grasslands: grasses and shrubs and small trees predominate. The climate is characterized by low rainfall and extreme heat. Summer precipitation accounts for about 60-70% of the total annual rainfall. Summer rains, of tropical origin, are primarily in July through early September. A complex series of events usually bring thunderstorms to the area from Gulf of Mexico tropical air. Scattered storms are often brief and intense, occurring between noon and midnight, usually in mid to late afternoon. Thunderstorms can result in severe flooding and erosion. Winter showers usually occur between November and March.

Geology. The mountains in the area trend generally from southeast to northwest, and are within the Basin and Range Province. The slopes are 20 to 45 degrees, and eroded material from the mountains is deposited in the valleys, and are carried downstream by water. Over time, stream beds are often entrenched, leaving terraces marking the floodplains of former periods of valley development. The Brawley Wash, the Altar Wash, and Arivaca Creek show numerous terraces along their reaches.

Access. Highway 86 is the route from Tucson to the town of Ajo, Arizona, 131 miles to the west across the Tohono O'odham Reservation. Highway 286 intersects Highway 86 at Three Points, and is a two-lane paved roadway that is the primary access through the Altar Valley, running south to Sasabe at the International border, and continuing

south into Mexico. Three Points has limited commercial services for the surrounding residents and is a stopping point between Ajo, Arizona and Tucson.

Housing. The southwest area of Tucson south of Ajo Way and west of the Santa Cruz River has experienced an increase in single family building permits in the past three years, and an increase in valuation of residential permits. The number of permits increased from 178 in the first quarter 2000, to 285 a year later, then to 326 in the first quarter of 2002. This is due in part to the lack of available large tracts for development, causing new housing projects to continue to press into the more rural areas outside of Tucson. While most new planned subdivisions are located closer to Tucson than the subject property, the Three Points area has experience a rapid increase in population due to the prevalence of unregulated or "wildcat" subdivision development. Although the subdivision regulations limit the number of lots that an owner can create without submitting to the subdivision process, in fact many lands are divided by subsequent owners who purchase and split; a large tract can be divided by multiple new owners into small tracts in a short period of time.

Three Points. This small community, once known as Robles Junction, provides the nearest services to the subject property. Three Points is a crossroads community, with groceries, gasoline, and several restaurants. The minimal commercial services are surrounded by low density residential development, largely mobile homes on tracts from one-quarter to five acres. Three Points has experienced unregulated subdivision development, and grew by 142 percent between 1990 and 2000. The 2000 population was 5,273.

As Tucson has continued to grow, land in the Altar Valley and in Avra Valley to the north have become locations for future subdivision development, and purchases of large tracts that had long been ranches, are being made. The south and southwest portions of Tucson are now a major housing market, with new subdivisions under construction.

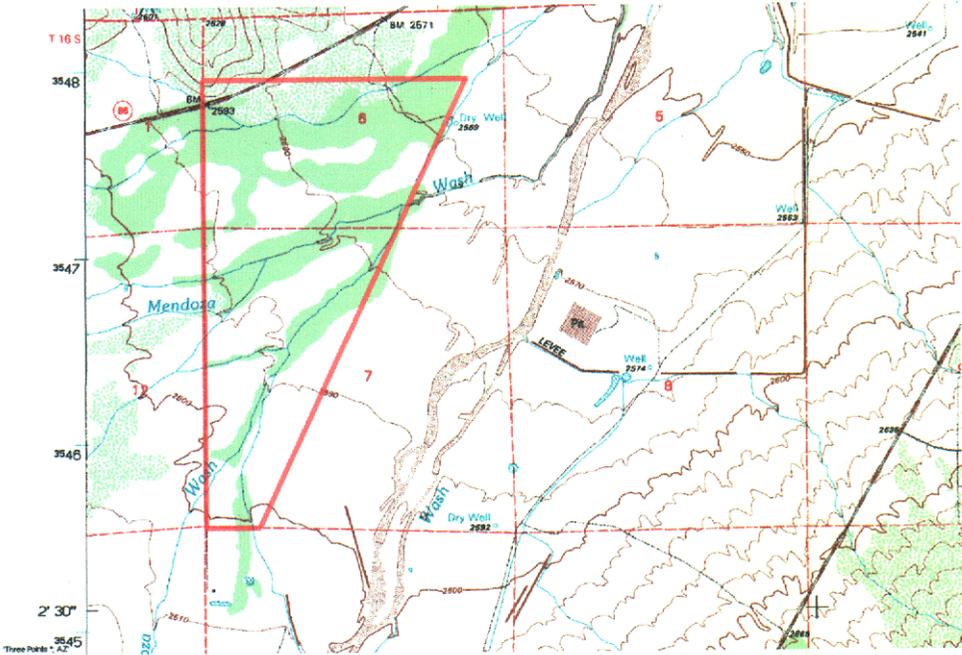
Site Description

Location

The subject property is located approximately three miles south and west of Three Points, and 25 miles southwest of Tucson. Highway 86, also known as Ajo Road, bisects the property at its northwest corner, leaving a small triangular parcel north of the highway, and a large parcel south of the highway. Ajo Road is the route between Tucson and the town of Ajo, Arizona to the west.

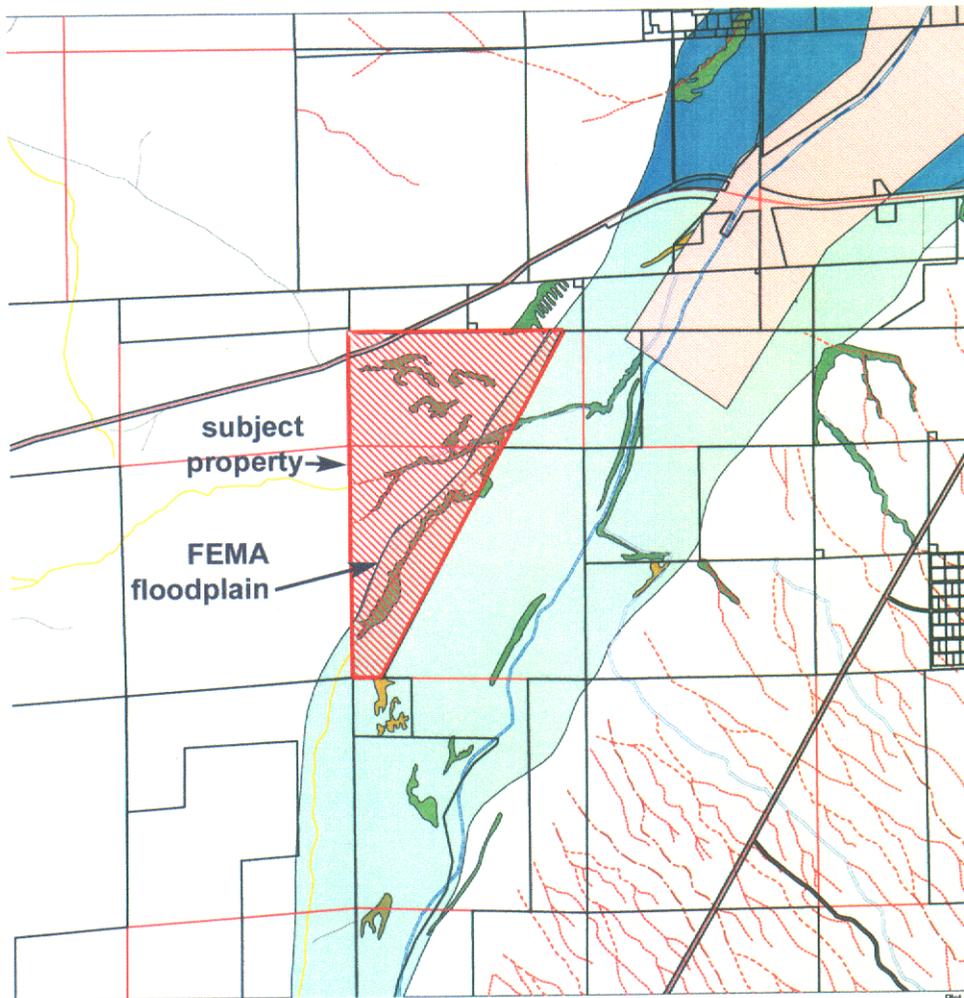
Physical Characteristics

Size/Shape: The subject property is 500 acres, and is two non-contiguous parcels. The configuration is irregular but generally triangular. The Pima County Assessor shows the portion of the property lying north of Highway 86 as 2.41 acres. The property owner has a survey of the property prepared by Lance McVittie that shows this area as 6.64 acres, and the entire property as 500 acres. I have assumed that the survey is correct, and the larger tract south of Highway 86 is 493.36 acres. The 6.64 acre tract is referred to in this appraisal as Tract A, and the larger 493.36 acre tract is referred to as Tract B.



Terrain: The topography of most of the parcel is level, sloping downward from north to south. The grade also tends downward toward the Brawley Wash which is near the eastern boundary of the parcel. There is a rise at the southern end of the tract, with elevations range from 2,570 feet to 2,700 feet. Tract A north of Highway 86 is higher in elevation, sloping upward from the roadway.

Tract B is crossed by a number of drainages, the largest is the Mendoza Wash which crosses the property in a southwest – northeast direction, and is abraded in the west half of the parcel. Roughly 25%, or 125 acres are inside the Federal Emergency Management Agency's regulatory flood plain of the Brawley Wash, which is just outside and runs parallel to the east property line. Tract A is outside the floodplain.



Vegetation: The vegetation includes native Sonoran Desert vegetation and grasses, mesquite, and ironwood, with some saguaros.

Access

Physical access to the subject property is via Highway 86 (Ajo Road), and the property has approximately 2,000 feet of frontage on both sides of the highway. Within the southern portion of the property, access is by a dirt road that runs south from Highway 86 along the west property boundary. This road also serves as access for a privately owned parcel to the south of the subject property. Within the property, there are other dirt ranch roads.

Environmental Hazards

No evidence of environmental hazards or contamination were observed during my inspection of the property, however, it is not within the scope of this report to analyze potential for contamination, and an environmental study should be obtained.

Mineral Rights

According to a 1986 deed, the mineral rights were reserved to the United States.

Utilities / Water

There is electricity and telephone to the subject property. Power lines are along Highway 86. There is a well on the property near the northeast corner that was used for stock watering in the past. According to the Arizona Department of Water Resources, it is an exempt well, with a depth of 186 feet, a diameter of 6 feet, and the water level is 176 feet. There are no irrigation water rights associated with the property.

Improvements

There is fencing along all but the east property boundary. Other than the well and a tank, there are no improvements on the subject property.

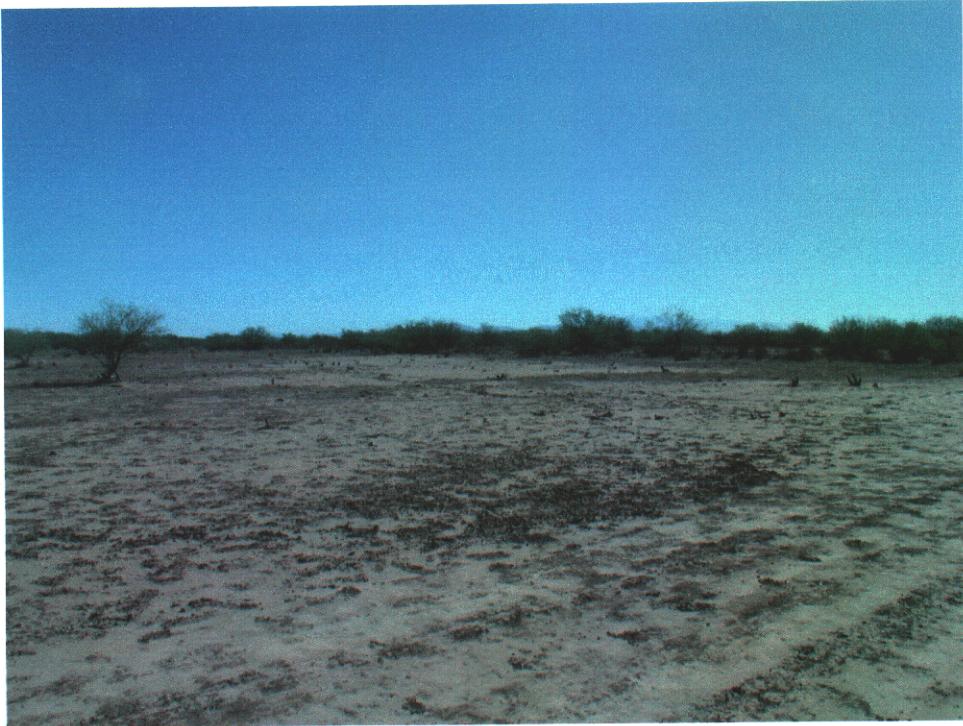
Photographs of the property are on the following pages.



Tract B, Looking southeast from the northwest corner



Tract B, Looking southwest from near the northeast corner



Tract B, Looking northeast from the south property line



Looking north at Tract A north of Highway 86

Assessed Value and Property Taxes

The subject property is identified as Pima County Assessor's parcels 301-19-005E and 301-19-005H. The Assessor shows an assessment ratio of 16% of full cash value, which is the ratio assigned by state law to vacant land. Tract B south of the highway (301-19-005H) carries Ranch status, resulting in a full cash value of \$7.00 per acre. Tract A north of Highway 86 is classed as vacant rural land, and until the 2003 assessment had a full cash value of \$1,928, or \$800 per acre. This full cash value increased substantially for 2003, to \$26,510, or \$11,000 per acre. (The Assessor lists Tract A at 2.41 acres.)

Parcel	2000 Full Cash Value	2000 Taxes	2001 Full Cash Value	2001 Taxes
301-19-005E	\$ 1,928	\$ 44.14	\$ 1,928	\$ 43.34
301-19-005H	\$ 3,483	\$ 79.80	\$ 3,483	\$ 78.34
Totals	\$ 5,411	\$ 123.94	\$ 5,411	\$ 121.68

	2002 Full Cash Value	2002 Taxes	2003 Full Cash Value	2003 Taxes
301-19-005E	\$ 1,928	N/A	\$ 26,510	N/A
301-19-005H	\$ 3,483	N/A	\$ 3,483	N/A
Totals	\$ 5,411	N/A	\$ 29,993	N/A

The taxes on the property are current according to the Pima County Treasurer.

Land Use Regulations

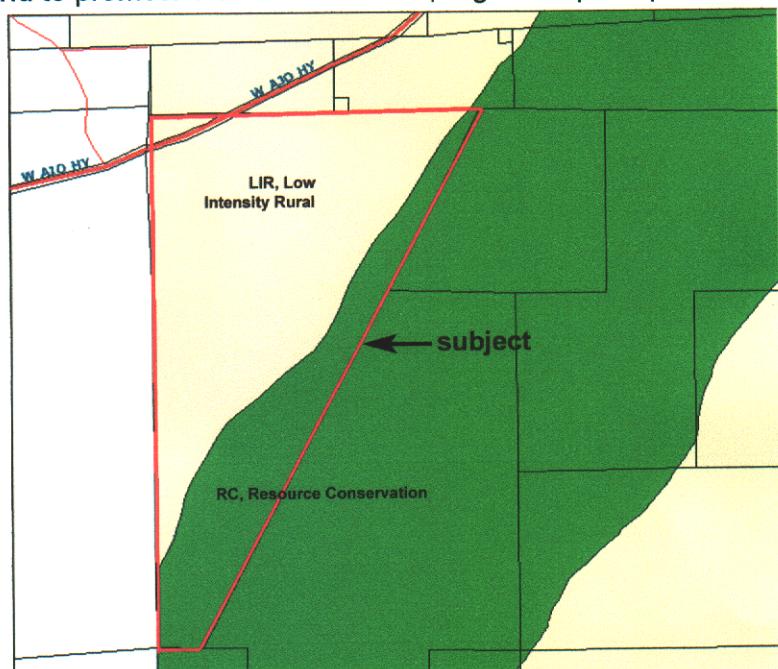
Zoning: The subject property is zoned RH, Rural Homestead, a Pima County rural zoning classification. The purpose of this zone is "to preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area."

Permitted uses within the zone include single-family detached dwellings, mobile homes, guest dwellings, and a full range of agricultural uses. Governmental and quasi-public uses are also allowed. Conditional uses are limited to agricultural processing facilities, commercial feedlots, and low intensity commercial occupancies serving the needs of rural area residents. The minimum site area within the RH zone is 180,000 square feet, or 4.13 acres. Use of the property is subject to Pima County subdivision regulations which apply to division of the land into five or more parcels unless the proposed parcels contain at least 36 acres.

Comprehensive Plan: In the Pima County Comprehensive Plan, the portion of the subject property that is in the FEMA floodplain, approximately 25%, is designated for Resource Conservation Uses (RC). This classification is intended to "recognize and protect existing, and provide for future, public open space land necessary to achieve policy objectives regarding environmental quality, public safety, open space and recreation and cultural heritage and to promote an interconnected, regional open space network, including parks, trails, desert belts, natural washes, flood-plains, and other open space areas." The portion outside of the floodplain is designated for LIR, or Low Intensity Rural uses.

In September 2000, the property owners applied for a Comprehensive Plan Amendment that would have changed the plan from Low

Intensity Rural and Resource Conservation to Medium Intensity Urban and Neighborhood Activity Center. The application was denied at each step of the process – Planning Staff at Pima County and the Planning Commission both recommended not approving the plan amendment, and December 13, 2000, the Board of Supervisors denied the amendment.



The subject property is not affected by the Buffer Overlay Zone Ordinance, which affects land within one mile of a public park that is 25 acres or larger.

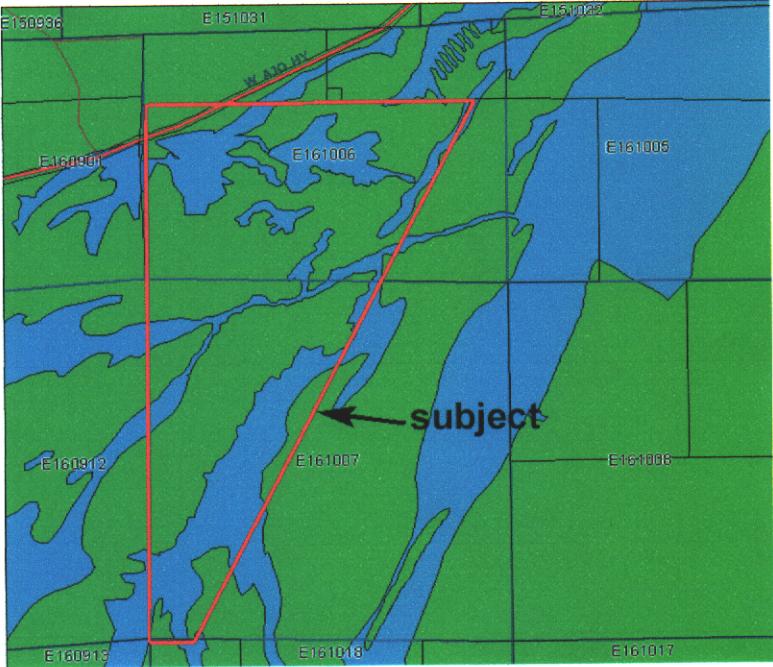
Endangered Species: The subject property may support two endangered species - populations of both the Cactus Ferruginous Pygmy Owl and Pima Pineapple Cactus are known to exist in the area. To my knowledge, the subject property has not been surveyed for either species, but US Fish and Wildlife Service state that there is strong probability that the subject property is habitat for both species.

The habitat of the Pygmy Owl includes palo verde cacti-mixed scrub associations. According to Kim Hartwig of the U.S. Fish & Wildlife Service, the critical habitat for owls has been remanded, but will be repropose as listed as endangered. The US Fish and Wildlife Service has issued a set of guidelines for development within the owl habitat. The subject property is within Zone 2 of Fish and Wildlife mapping. This zone is an area with a moderate potential for occupancy by pygmy owls. The Zone 2 designation is significant only if a minimal amount of development is to occur, and no federal involvement is necessary. Within Zone 2, if vegetation is to be removed or construction of new residences to commence, an owl survey is recommended. Before land clearing, three to five surveys over one calendar year are recommended. For residential developments, a two year survey is recommended prior to clearing land. Possible mitigation of damage to the habitat could be required.

For more than a single residence, where EPA Stormwater Discharge permits or Army Corps of Engineers permits are needed, the Zone 2 designation requirements cease to apply. Therefore, if the property were to be subdivided, surveys would have to be completed over a period of a minimum of two years. Again, mitigation of damage to the habitat could be required.

I also spoke with Mima Falk of the U.S. Fish and Wildlife Service regarding the Pima Pineapple Cactus. The requirements regarding development and surveys are the same as their regulations for pygmy owls.

Sonoran Desert Conservation Plan: The subject property is in the Altar Valley sub-planning area of the Sonoran Desert Conservation Plan, which is a long-term plan adopted by Pima County to balance growth in the Sonoran Desert with conservation planning. In the SDCP map below, the green area is designated as Multiple Use or Recovery Management Areas, and the blue portion designates Important Riparian Areas.



Highest and Best Use

Highest and best use may be defined as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value."

There are four criteria which must be met in a highest and best use analysis:

Legally permissible: What uses are permitted by zoning and deed restrictions?

Physically possible: What uses are physically possible?

Financially feasible: What possible and permissible uses will produce a positive return?

Maximally productive: Among the feasible uses, which use produces the highest present value?

Is the use legal and allowed under governmental or private restrictions? Pima County RH zoning permits a range of single family and agricultural occupancies on sites of at least 4.19 acres. The subject property is designated for Low Intensity Rural uses and Resource Conservation uses in the Pima County Comprehensive Plan. There are no known private restrictions affecting the use of the property. Residential development at higher density than RH would require a Comprehensive Plan amendment. The property owners attempted to amend the plan in 2000 and were denied. The property is likely to have populations of both Cactus Ferruginous Pygmy Owls and the Pima Pineapple Cactus, which are both listed as endangered species by the U.S Fish and Wildlife Service. This agency can exert regulations over development only when there is a "Federal nexus," or when permits from agencies such as the EPA or Corps of Engineers are needed. Since the property would not be able to support a subdivision, due to the denial by Pima County of a Comprehensive Plan Amendment, the endangered species on the property would have little or no effect upon the sale or development of the property. Based on the legal uses, a residential use consistent with the RH zoning is the most likely legal use.

Is the use physically possible? There are several physical factors which would affect development of the subject property. The topography is generally level, and would not present a development problem, however, the Brawley Wash is just east of Tract B,

and portions of the tract are crossed by the Mendoza Wash. Roughly 25% of the property is in the floodplain. The design of lots would have to conform to erosion hazard setback requirements of Pima County. Engineering costs would be an expense, to provide access to developable sites along the west side of the property. The property is served by utilities along Ajo Road.

Is the use a feasible use? The feasibility of a use is dependent upon demand: a use must meet the specific criteria of investors and participants in the market. Even though a use is physically and legally possible, demand must be such that the investment in the property will provide the expected return to an investor, or the use is not a feasible use.

The predominant land use in the immediate neighborhood is for low density residential use. As discussed in the Area Description, there is ongoing demand for residential land, both for development and for users. This area of Pima County is experiencing considerable growth due to relatively low land prices and the prevalence of unregulated subdivisions. An unsuccessful attempt to achieve higher density than is allowed under the existing RH zoning was made in 2001, and there would not be a reasonable expectation that a higher density could occur. The property could be divided up to five lots without subdivision approval. Since Tract A, which is 6.64 acres and is a non-contiguous parcel north of the highway would likely be one of the five potential lots, the remaining lots would be approximately 123 acres each. While it subverts the intention of local jurisdictions and subdivision regulations, the potential for an unregulated subdivision on the subject property would be high if it were sold.

Maximally Productive Use. The most likely purchaser would acquire the subject tract for single family residential uses, either for one residence or to divide into lots. There is demand in the area for residential lots that would support this use. Therefore, the highest and best use of the subject property is for residential development conforming to the RH zoning. An alternative use would be to hold the property as an investment until such time as development in the area increased.

VALUATION PROCESS

There are three approaches to the valuation of real property. These are the cost approach, the income approach, and the sales comparison approach. The applicability and importance of each approach varies with the property type and the specific valuation problem.

The cost approach is based upon the principles of substitution and contribution. With the cost approach, the current replacement cost of the improvements is estimated, accrued depreciation is deducted, and the land value is added to obtain the total property value. Since the subject property is not improved, the cost approach is not used.

The income approach is based on the principle of anticipation, which states that value is the present worth of expected future benefits of property ownership in the form of an income stream and reversion of the property at the end of the holding period. The highest and best use of the property is not for subdivision development, and I have considered but have not used a subdivision analysis in this appraisal.

When there are a sufficient number of comparable land sales, the sales comparison approach is the most reliable approach to estimating value. In the sales comparison approach, the market value of the subject property is estimated based on an analysis of recently sold, similarly improved properties. Sale prices are adjusted for differences in the legal, physical, location and economic characteristics of comparable properties when compared to the subject property. The sales comparison approach draws from the valuation principles of substitution, supply and demand, balance and externalities. The principle of substitution states that when a property can be replaced, its value tends to be set by the cost of acquisition of an equally desirable substitute property that can be acquired without undue or costly delay. The forces of supply and demand determine availability, and have a direct effect on the prices offered for properties.

Sales Comparison Approach

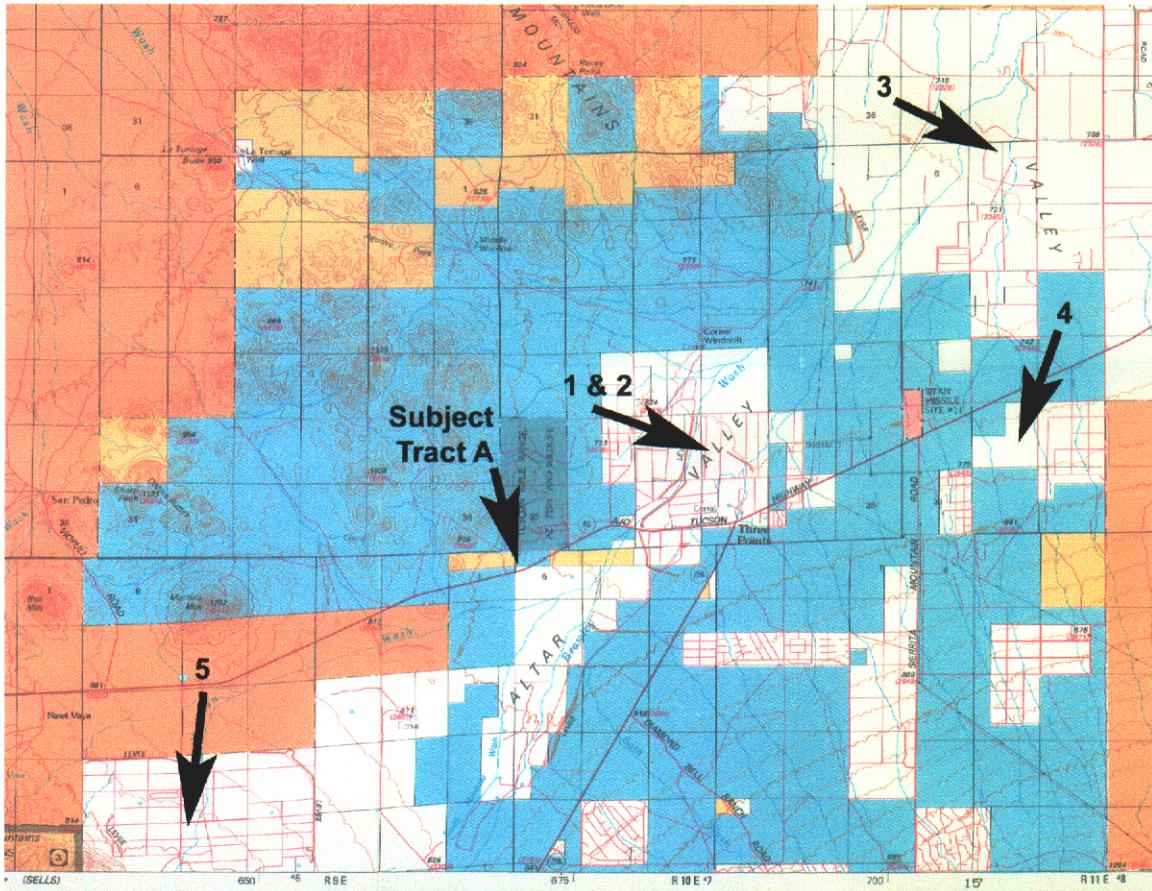
The subject Tracts A and B are not contiguous, and would most likely not sell as one tract. Even if a purchaser acquired the entire parcel, the highest and best use would be to sell Tract A as a separate tract. Due to the different sizes of Tract A and Tract B, different sets of comparable sales are needed to estimate value. Separate analyses are made.

Tract A

The Comparable Sales: The comparable sales that were analyzed to estimate the market value of the land are shown below. A map showing the location of the comparable sales is on the following page.

Sale	Date	Seller/Buyer Location	Size	Price	Price Per Acre
1	Nov-01	Hartwig/Flores Silver Star 208-62-002C	4.46	\$29,900	\$6,704
2	Nov-01	Hartwig/Oliver Silver Star 208-62-002D	4.51	\$29,900	\$6,630
3	Nov-01	TLH/Waltman Snyder Hill E of Avra Rd 209-06-022K	4.46	\$35,000	\$7,848
4	Feb-02	Fitzgerald/Ritter Marstellar Rd S of Hermans Rd 209-24-0190	4.50	\$38,000	\$8,444
5	Feb-02	Hart/Hurd Hayhook Ranch 301-73-048C	10.14	\$35,000	\$3,452
Subject	Jun-02	Buckelew 301-19-005E	6.64		

Comparable Sales Map



Sales 1 and 2 are 4.5 and 4.6 acre parcels that are located approximately one mile northwest of Three Points on Silver Star Road. These tracts were offered for sale for \$29,900 without development (phone and power to the lot line), or for \$35,900 with development (with the lines extended). There is a well that serves the lots. They sold in November 2001 with new financing. The offered sale prices did not include terms. The parcels are level, with minimal vegetation, and are typical for Three Points area RH lots.

Sale 3 is located approximately three miles north of Ajo Road and northeast of Three Points. The Snyder Hill Road area is more remote and private than Three Points, but the access is over dirt roads, at times problematic as much of this area is subject to sheet flooding. The sale price was \$35,000 and the parcel is 4.46 acres. All utilities are available.

Sale 4 is the sale of a 4.5 acre parcel located approximately one mile south of Ajo Road approximately five miles east of Three Points. It sold in February 2002 for \$38,000. This property is also somewhat remote, with access over unpaved roads and utilities to the lot. This area is a new development adjacent to a much older and established higher density residential area. It has better proximity to Tucson than the other sales.

Sale 5 is the sale of 10.14 acres located in Hayhook Ranch. This area is located south of Ajo Road and west of the subject property, and is largely ten to forty acre lots on unpaved roads. It is the only sale that is farther from Tucson than the subject property. Hayhook Ranch has had an erratic market. These lots were priced too high for the market in the 1970s when they were first offered, and in the 1990s the market bottomed out, due in part to concerns over access to this land through the Tohono O'odham Reservation. Since then the area has recovered, and sale prices are increasing again, although there is still resistance to the potential access problem that is not yet resolved. The sale closed in February 2002 for \$35,000. There were all utilities and a well on the property.

Adjustments

The primary unit of comparison in the analysis is the price per home site. I have also considered the price per acre, however, most purchasers in this market are acquiring one RH lot, which is a minimum of 4.13 acres, and base their purchase decision on the cost of a home site. The subject property is larger, at 6.64 acres, and while there will be an additional amount paid for extra acres over 4.13, they do not command the same price per acre.

The factors that were considered for adjustment include the property rights conveyed, financing, conditions of sale, such as special motivations of the buyer or seller, and changes in market conditions that may have occurred since the sale date. Location and physical features were also compared, including size, access, availability of utilities, proximity to Tucson, and physical appeal. Where differences exist, the amount of the adjustment is developed by comparing the sales and attempting to isolate the effect a

difference will have on a property's value. The characteristics that were compared are summarized below.

Property rights: All of the sales conveyed the fee simple interest in the property, requiring no adjustment.

Conditions of Sale: If a sale is influenced by atypical motivations on the part of the buyer or seller, the price may need to be adjusted. None of the sales were affected by unusual motivations.

Financing: The subject property is valued on the basis of cash or on terms which can be identified as cash equivalent. A cash equivalency adjustment is appropriate only when a seller would have discounted the price for receiving all cash rather than providing all or part of the financing. Often sellers prefer to structure the terms of a sale to suit their particular tax situation, and would not reduce the selling price for cash. Seller financing that is for a short term is often equivalent to an all cash sale as well.

Sales 1 and 2 were based on new financing, and Sale 4 was for all cash. With Sale 3, the seller carried for a short period with no down payment, and a downward adjustment is needed. Sale 5 also had seller financing, but the substantial down payment of \$25,000, over 70% of the sale price, made this sale cash equivalent. An adjustment is made to Sale 3 for financing, but the other sales are not adjusted.

Market Conditions

The sales are fairly current, having occurred since November 2001. Although there has been a steady price increase in the area, with this short time period between the date of sale and the date of value, no market conditions adjustment is made.

Physical Characteristics

Regional appeal, proximity to services and infrastructure, ease of access, privacy, and the appeal of certain physical characteristics such as views and rock formations, are attributes which can affect value. The comparable sales are all located southwest of Tucson and all have rural settings. There are differences in the views and terrain of the

properties, and in access. The physical differences are adjusted qualitatively, that is, by a plus / minus adjustment.

Proximity: The subject property is located approximately 45 minutes from Tucson, and prices generally trend lower as one travels west. Sales 1 and 2 are at Three Points, which is equivalent to the subject property. Sale 5 in Hayhook Ranch is adjusted upward. Sales 3 and 4 are closer to Tucson and are adjusted downward.

Appeal: The subject property has gradually sloping to some steep land, and has good views of the surrounding mountains and the Altar Valley to the south. It is superior to all of the comparable sales, which tend to be level, with poor to average views. All of the sales are adjusted upward for scenic appeal.

Access: The subject property has excellent access via Ajo Road, on which it fronts. All of the sales are adjusted upward for access, as all are on unpaved roads.

Utilities: There is power along Ajo Road at the subject property, but no telephone or water utility or well serve the property. Sales 1 and 2 were not developed, although utilities were nearby, and these sales are generally equivalent to the subject property. Sales 3, 4, and 5 were superior in that they had utilities and are adjusted downward.

Size: The sales used in the analysis are all close to 4.5 acres except for Sale 5, which is 10 acres. The typical purchaser is acquiring an RH lot, and additional acres over the minimum required by zoning do not contribute to the total value at the same rate as the minimal lot. In addition, when analyzing subdividable tracts like Sale 5, this approach is not applicable as the market recognizes a higher price per acre when an additional lot can be created. The size adjustment for Sales 1 through 4 is an upward adjustment, and Sale 5 is adjusted downward.

The adjustments discussed above are summarized below:

The Buckelew Property
Pima County, Arizona

	<u>Subject</u>	<u>SALE 1</u>	<u>SALE 2</u>	<u>SALE 3</u>	<u>SALE 4</u>	<u>SALE 5</u>
SELLER	Buckelew	Hartwig	Hartwig	TLH	Fitzgerald	Hart
BUYER		Flores	Oliver	Waltman	Ritter	Hurd
DATE OF SALE	Jun-02	Nov-01	Nov-01	Nov-01	Feb-02	Feb-02
LOCATION	3 Pts	3 Pts	3 Pts	Snyder Hill	Marstellar	Hayhook
TIME LAPSED SINCE SALE	-	0.6	0.6	0.6	0.4	0.3
NET SALE PRICE		\$29,900	\$29,900	\$35,000	\$38,000	\$35,000
SIZE IN ACRES	6.64	4.46	4.51	4.46	4.50	10.14
ADJUSTMENTS:						
FINANCING		0%	0%	-5%	0%	0%
		<u>\$0</u>	<u>\$0</u>	<u>(\$1,750)</u>	<u>\$0</u>	<u>\$0</u>
		\$29,900	\$29,900	\$33,250	\$38,000	\$35,000
PROXIMITY		=	=	-	-	+
APPEAL		+	+	+	+	+
ACCESS		+	+	+	+	+
UTILITIES		=	=	-	-	-
SIZE		+	+	+	+	-
Net Physical Adjustments		+	+	=/+	=/+	=/+
INDICATED VALUE OF THE SUBJECT		greater than \$29,900	greater than \$29,900	similar to \$33,250	similar to \$38,000	similar to \$35,000

Conclusion: The sales yield a range of indicated values after adjustment between \$33,250 and \$38,000. All of the sales are considered in the estimate of value, however, they are weighted according to their degree of comparability to the subject property. Sales 1, 2, and 5 are important because they are similarly located well away from Tucson, which is a factor in pricing for this market. None of the sales are as physically appealing as the subject property, nor do they have the same good access that the property has. These features are offset to a degree by the lack of utilities on the site. I have tended toward the high end of the indicated range, in large part because the subject property combines these features that are rare in this area – an interesting physical setting with good access. I have estimated that the market value of the subject property is \$37,000.

Estimated Market value of Tract A as of June 19, 2002: \$37,000

Sales Comparison Approach – Tract B

The Comparable Sales:

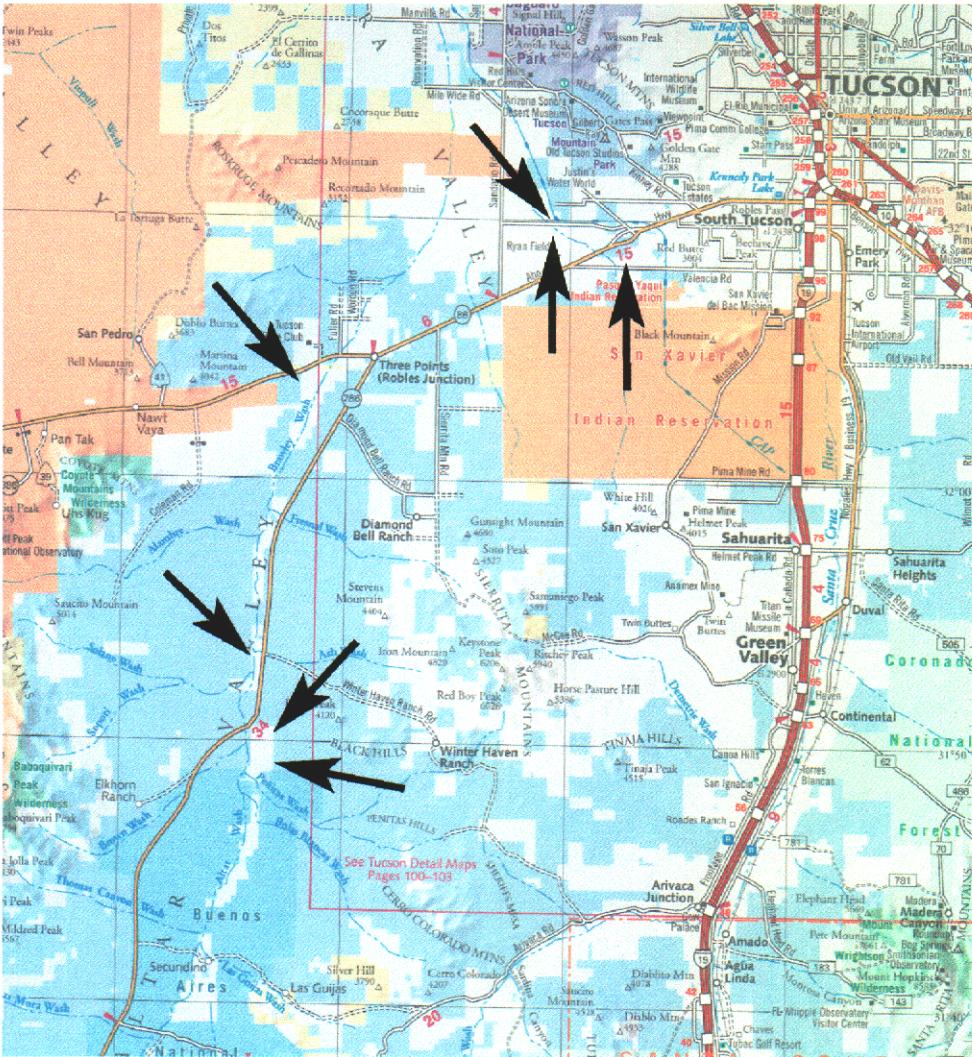
The comparable sales that were analyzed to estimate the market value of the land are shown below, followed by a map showing the location of the comparable sales.

Complete details are in the Addendum.

Sale	Date	Seller/Buyer Location	Size	Price	Price Per Acre
1	Dec-00	Palo Alto Ranch Snure/Brickyard Altar Valley	1,379.00	\$1,539,200 *	\$1,116
2	Dec-00	Baffert/Madera Highland Altar Valley	632.20	\$379,320	\$600
3	Jan-01	Baffert&King/Canada Hills Altar Valley	531.91	\$326,712	\$614
4	Jan-01	Falcon & Standard Chartered/TAA S of Snyder Hill, E of Airline Rd	110.00	\$243,263	\$2,211
5	Jan-01	Falcon & Standard Chartered/Ryan Snyder Hill, E of Airline Rd	851.90	\$705,000	\$828
6	Jun-01	Standard Chartered/Valencia Ranch SWC Drexel and Wade	159.08	\$235,000	\$1,477
Subject	Jun-02	Buckelew	493.36		

*Net to deeded land

Comparable Sales Map



There are few sales of land that are comparable to the subject property, for a number of reasons. The area is primarily publicly owned -- the immediate Three Points area consists of either commercially zoned land or small residential lots. In addition, much of the land in this area southwest of Tucson is in a sheet flood area, and is not buildable. The subject property differs from most land tracts that have sold – it is partially flood prone, but 75% of the total area is outside the flood plain. In addition, it fronts on Ajo Road. While there are a number of sales, most are only marginally comparable to the subject property.

Sale 1 is the sale of the Palo Alto Ranch. It is located in the Altar Valley approximately 15 miles south of Three Points on Highway 286. It included 1,379 deeded acres, and State grazing leases and water rights. The sale occurred in December 2000. The net price allocated to the deeded land was \$1,116 per acre. The property is fairly level, and is partially in the floodplain of the Altar Wash. This sale is much larger than the subject property, and is more remote, but I have included it because it one of few sales of large parcels in the area and is fairly current.

Sales 2 and 3 were adjacent parcels that sold in January 2001 for cactus mitigation purposes. One 532 acre tract was acquired by Canada Hills Land Development LLC, and the second, a 632 acre tract was purchased by Madera Highland LLC. The sellers were various members of the same family. The properties sold for \$618 per acre and \$600 per acre, on terms. The land had been listed for \$750 per acre, and sold at this discount because there were approximately ten members of the family who were owners, with varying levels of urgency in making a sale. These sales are of interest because they were in the floodplain of the Altar Wash and are similar in size to the subject property.

Sales 4 and 5 are adjacent tracts that are located north of Ryan Field. They were purchased by the same buyer from the same seller, but the sales were not contingent upon each other. Sale 4 was of 110 acres for \$2,211 per acre; Sale 5 was 851.9 acres for \$828 per acre. The price difference is due to the greater potential for development under the Comprehensive Plan for Sale 4. Both tracts are in the flood plain.

Sale 6 is located south of Ajo Road at Wade Road. It is 159 acres and sold for \$1,477 in August 2001. It is 100% flood prone. Roughly one-third of the property is designated for LIU, Low Intensity Urban uses, and the balance for RC, Resource Conservation, in the Comprehensive Plan. This property is level, with access over unpaved Drexel Road. There is power, telephone, and sewer along the eastern property line and City water is one-half miles to the east.

Other sales that were considered but were not analyzed are of some interest. These include

- the 1999 sale of La Tortuga Ranch to the Pascua Yaqui Tribe for \$3,000,000. This ranch is located at the north end of the Altar Valley, just north of Highway 86 and north of Three Points. After allocating a portion of the sale price to the grazing leases, the net to the deeded land is approximately \$400 per acre. Since this ranch has 6,800 deeded acres, it has a different highest and best use compared with the subject property.
- the March 2000 sale of 640 acre at the northwest corner of Sierrita Mountain Road and Valencia Road, also to the Pasqua Yaqui Tribe. This property sold for \$512,000 or \$800 per acre. It is in the floodplain of the Brawley Wash. Although the access problem was not a deterrent to the purchaser, this sale property was landlocked, located within the boundary of the Reservation.

Adjustments

The primary unit of comparison in the analysis is the price per acre. The factors that were considered for adjustment include the property rights conveyed, financing, conditions of sale, such as special motivations of the buyer or seller, and changes in market conditions that may have occurred since the sale date. Location and physical features were also compared, including access, and availability of utilities. Where differences exist, the amount of the adjustment is developed by comparing the sales and attempting to isolate the effect a difference will have on a property's value. The characteristics that were compared are summarized below.

Property rights: All of the sales conveyed the fee simple interest in the property, requiring no adjustment.

Conditions of Sale: If a sale is influenced by atypical motivations on the part of the buyer or seller, the price may need to be adjusted. Sales 2 and 3 were purchased by a developer for endangered species mitigation. The seller for both properties was a family, and there were at least ten family members involved who had varying motivations to sell. There was some discount due to this situation, and the sale price

was under market value, according to the broker. The degree of discount is difficult to measure in cases like this. Since these sales are not the most comparable to the subject property, and since there was some degree of motivation on the part of the sellers, these sales will not be weighted in the final conclusion.

Financing: The subject property is valued on the basis of cash or on terms which can be identified as cash equivalent. A cash equivalency adjustment is appropriate only when a seller would have discounted the price for receiving all cash rather than providing all or part of the financing. Often sellers prefer to structure the terms of a sale to suit their particular tax situation, and would not reduce the selling price for cash. Seller financing that is for a short term is often equivalent to an all cash sale as well.

The sales had the following terms:

- Sale 1: Cash
- Sale 2: Down payment of \$120,000 (32%) to seller's note carried at 8% interest for five years
- Sale 3: Down payment of \$96,000 (29%) to seller's note carried at 8% interest for five years
- Sale 4: Cash
- Sale 5: Cash
- Sale 6: Cash

Sales 2 and 3 had seller financing for a five year term. With the one-third down payments and short term of the notes, these sales are cash equivalent and do not need to be adjusted. The remaining sales were for cash, and none of the sales required a cash equivalency adjustment.

Market Conditions: The sales are fairly current, having occurred within the past two and one-half years. The housing market and increasing demand has led to increasing prices during the period of time covered by the sales. Because there is only a small amount of privately owned land in the Altar Valley, sales data in the area is very limited, and no large tract sales were found for comparison, however, there are several sales that can be considered to extract changes in the market. They are in Hayhook Ranch and the Sierrita Mountain Road area, which would be competing rural neighborhoods south and west of Three Points.

Hayhook Ranch

Miller to Vergara, Pcl 110	40.11	Dec-00	\$2,144	
Quigley to Jones, Pcl 22	40.74	<u>Aug-99</u>	<u>\$1,841</u>	
		1.33		12.0%

Jewell to Holcomb, Pcl 16	30.00	Feb-02	\$2,667	
Quigley to Jones, Pcl 22	40.74	<u>Aug-99</u>	<u>\$1,841</u>	
		2.45		16.2%

Sierrita Mountain

Richardson to Christianson	19.55	May-01	\$2,916	
Ballesteros to Flying Diam.	10.00	<u>Oct-98</u>	<u>\$2,500</u>	
		2.62		6.03%

My research did not turn up any sales and resales of the same parcel that could be compared to cover this time period. These sales show an upward movement in pricing, however, they are for tracts that are smaller than the subject property's 493 acres. A more conservative adjustment is appropriate for a larger tracts. An adjustment for changed market conditions is indicated, and I have used a 6% adjustment for market conditions.

Comprehensive Plan: Future rezonings and allowable densities are guided by the designated intentions within the Pima County Comprehensive Plan. To achieve a higher density than the land use intensities shown in the Comprehensive Plan for a particular parcel requires an application for a plan amendment through Pima County. Any amendment must be approved by the Board of Supervisors after being considered at staff and Planning Commission levels. Developers of residential and other potentially developable lands will consider the existing designation on a parcel in making a purchase decision. A case in point is the price difference between the adjacent Sales 4 and 5. Sale 5 was 100% Resource Conservation, which requires densities that are allowed by the underlying RH zoning of one home per 4.13 acres, and a small area of GR zoning. Sale 4 was also RC but partially designated for Urban Industrial, which the purchaser believed made the property more valuable:

	Size	Plan Use	Adj. \$/Ac.
Sale 4	110 acres	85% RC	\$2,400
Sale 5	852	100% RC	\$898

The level of adjustment for more intensive uses show in the Comprehensive Plan will vary, as the differences are affected by the underlying zoning, size, and other physical and location characteristics of the property. No adjustment is made to Sales 1, 2, and 3, that are shown as Low Intensity Rural, with underlying RH zoning. Sale 6 has an area that is not RC and is developable to more intensive uses, and is not adjusted. Sale 5, which is 100% RC, is adjusted upward. Sale 4, which has 15% Urban Industrial Uses, is adjusted downward.

Physical Characteristics

Size: The sales used in the analysis range in size from approximately 110 acres to 1,379 acres, while the subject property is 493 acres. Usually, as tract size increases, per acre prices decline for sales of parcels that are otherwise equivalent. With large tracts, the relative amount of adjustment will usually decrease as the size increases, for instance, the adjustment between twenty acres and forty acres will be greater than the adjustment between 100 and 300 acres. Sales 1 and 5 are adjusted upward for size. Sales 2 and 3 are not adjusted, while Sale 4, which is the smallest sale, is adjusted downward.

Location: Regional appeal, proximity to services and infrastructure, ease of access, privacy, and the appeal of certain physical characteristics such as views and riparian areas, are attributes which can affect value.

The comparable sales are all located in southwest of Tucson, but Sales 4, 5, and 6 are much closer to the city than Sales 1, 2, and 3, which are in the Altar Valley south of Three Points. Since the highest and best use of the subject and the comparables is for low density residential use, and since increased drive times tend to keep land prices lower at the far fringes of development, a downward adjustment is made to Sales 4, 5, and 6, and an upward adjustment is made to Sales 1, 2, and 3.

Utilities: The availability of utilities is roughly equivalent for all of the tracts and no adjustment is needed.

Access: This adjustment is based on the physical access to the property, largely whether there is paved road access. Sales 3, 5, and 6 are all on dirt roads, and development would require a substantial expense to improve access. This adjustment also considers the visibility from a major road. The subject property is superior to Sales 3, 5, and 6 due to its Ajo Road frontage.

Appeal: The subject property, with its more mountainous location, has excellent views of the Altar Valley. The predominance of public lands in this area means that the subject property is more protected from the encroachments of unregulated subdivisions that characterize neighborhoods closer to Tucson and Three Points. The subject property also has riparian areas along the Mendoza Wash. Sales 1, 2, and 3 in the Altar Valley are similar to the subject in physical appeal, and no adjustment is needed. Sales 4, 5, and 6 are all inferior. While there is desert vegetation on these parcels, they are level and lack the views and more pristine environment of the subject property, and are adjusted upward.

Floodplain: Many properties in this area are subject to sheet flooding. Some areas have not been mapped by FEMA, such as in the Altar Valley, and the amount of flood plain is estimated from County and USGS mapping. The subject property is approximately 25% in the FEMA floodplain. Sales 1, 2, and 3 have approximately 30% flood prone land, similar to the subject property, and are not adjusted. Sales 4, 5, and 6 are 100% flood prone and are adjusted upward.

Conclusion: The adjustments discussed above are applied to the sales in the adjustment grid below.

The Buckelew Property
Pima County, Arizona

	<u>Subject</u>	<u>SALE 1</u>	<u>SALE 2</u>	<u>SALE 3</u>	<u>SALE 4</u>	<u>SALE 5</u>	<u>SALE 6</u>
SELLER	Buckelew	Palo Alto	Baffert	Baffert	Falcon	Falcon	Falcon
BUYER		Brickyard	Madera	Canada	TAA	Ryan	Valencia
DATE OF SALE	Jun-02	Dec-00	Dec-00	Jan-01	Jan-01	Jan-01	Jun-01
LOCATION	W of 3 Points	Altar Vly	Altar Vly	Altar Vly	Snyder Hill	Snyder Hill	Drexel
TIME LAPSED SINCE SALE		1.5	1.5	1.5	1.4	1.4	1.0
NET SALE PRICE		\$1,539,200	\$379,320	\$326,712	\$243,263	\$705,000	\$235,000
SIZE IN ACRES	493.36	1,379.00	632.2	531.91	110.00	851.90	159.08
PRICE PER ACRE		\$1,116	\$600	\$614	\$2,211	\$828	\$1,477

ADJUSTMENTS

MARKET CONDITIONS

<i>Market Conditions @ 6%</i>		<u>\$102</u>	<u>\$55</u>	<u>\$56</u>	<u>\$189</u>	<u>\$70</u>	<u>\$89</u>
Adjusted Price		\$1,218	\$655	\$670	\$2,400	\$898	\$1,566

COMPREHENSIVE PLAN	25%RC, 75%LIR	100% LIR	100% LIR	100% LIR	85% RC, UI	100% RC	33% RC, LIU
Plan Adjustment		=	=	=	--	++	=

PHYSICAL FEATURES:

SIZE	493.36	larger	similar	similar	smaller	larger	smaller
Size Adjustment		++	=	=	-	+	-

LOCATION	W of 3 Points	Altar	Altar	Altar	Snyder Hill	Snyder Hill	Drexel Rd
Location Adjustment		+	+	+	-	-	-

ACCESS	paved	paved	paved	unpaved	paved	unpaved	unpaved
Access Adjustment		=	=	++	=	++	++

APPEAL	riparian, views	same	same	same	inferior	inferior	inferior
Appeal Adjustment		=	=	=	+	+	+

FLOODPLAIN	25%	30%	30%	30%	100%	100%	100%
Floodplain Adjustment		=	=	=	+	+	+

Overall, the Subject is:		superior	superior	superior	inferior	superior	superior
INDICATED VALUE		greater than	greater than	greater than	less than	greater than	greater than
FOR THE SUBJECT IS:		\$1,218	\$655	\$670	\$2,400	\$898	\$1,566

All of the sales are considered in the estimate of value, however, they are weighted according to their degree of comparability to the subject property. The adjusted sales show that the subject property market value is greater than \$1,566 and less than \$2,400 per acre. The sales can be divided into two types, offering information on the two aspects of the subject property that most influence its market value. Sales 1, 2, and 3 in the Altar Valley reflect the rural aspects of the property: its distance from town, its strong physical features, and its size. Sales 4, 5, and 6 are indicative of the subject property's frontage on a major roadway and potential for low density residential development.

As discussed in the description of the sales, I have not weighted Sales 2 and 3 due to conditions of sale. Since Sale 5 is 100% Resource Conservation under the Comprehensive Plan, it is also not weighted.

Of the remaining sales, I have tended toward the lower end of the range in my conclusion of market value for the subject property. Sale 4 sets the upper limit of value, at something less than \$2,400 per acre. The proximity to Ryan Airfield and the Urban Industrial potential of that sale puts it in a different use category than the subject property, which will be limited to low density residential development under RH zoning.

I have estimated that the market value of Tract B is \$1,700 per acre. When multiplied times the 493.36 acres of the property, the value is \$838,712, or \$839,000 rounded.

Estimated Market Value of Tract B, as of June 19, 2002: \$839,000

Value of the Whole Property

The market value of the whole property, both Tracts A and B, is not necessarily the sum of the parts by mathematical extension. The primary issue is whether or not there would be a discount if both Tracts A and B were offered for sale as of the effective date of value. As stated in the Uniform Standards of Professional Appraisal Practice:

An appraiser must analyze the effect on value, if any, of the assemblage of the various estates or component parts of a property and refrain from valuing the whole solely by adding together the individual values of the various estates or component parts.

Comment: Although the value of the whole may be equal to the sum of the separate estates or parts, it also may be greater than or less than the sum of such estates or parts. Therefore, the value of the whole must be tested by reference to appropriate data and supported by an appropriate analysis of such data.²

²The Appraisal Foundation, *The Uniform Standards of Professional Appraisal Practice 2002*, Standards Rule 1-3(e), Washington, D.C.

The demand for any product or land type is based upon a number of factors, including the needs, desires, purchasing power and preferences of the consumer. The level of demand for a particular type of land is a function of the most likely purchasers of the property. The most likely buyer of Tract A is an individual user, and there is a demand for this type of property. Tract B is likely to be acquired by an individual user or an investor. An investor might divide the property and resell it or hold for future appreciation. The second component of a supply and demand consideration is the competitive supply, which is dwindling, as the amount of private land that is suitable for residential uses decreases.

In summary, there is currently demand, a weakening supply, and able purchasers for the subject parcels. If both of the subject tracts were offered for sale at the same time there would not have to be a price adjustment, and the two tracts would not compete with each other for buyers. As such, no discount to the individual market values is needed, and the market value of the whole property is the sum of the two tracts' market values. When summed, the market value is \$875,712, or \$876,000 rounded.

Estimated Market Value of the Subject Property, as of June 19, 2002:

\$876,000

CERTIFICATION

I certify that, to my best 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, 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 compensation for completing this assignment is not contingent on 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.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice; and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.
- the use of this report is subject to the requirements of the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers relating to review by its duly authorized representatives.
- I made a personal inspection of the property that is the subject of this report and all comparable sales used in developing the estimate of value. The date of the inspection was June 19, 2002.
- no one provided significant professional assistance to the person signing this report.
- as of the date of this report, Lynn Fowler, MAI had completed the requirements of the continuing education program of the Appraisal Institute
- in my opinion, the market value of the subject property as of June 19, 2002 is:

\$876,000


Lynn Fowler, MAI
Arizona Certified General
Real Estate Appraiser #30141

Underlying Assumptions

I have assumed in this appraisal that that the subject property has legal access. The legal description is assumed to be correct.

I have assumed that the survey provided by the property owner, that shows the entire property is 500.0 acres, and the northern tract is 6.64 acres, is accurate.

I did not prepare a survey of the property nor am I qualified to do so. I take no responsibility for any survey of the property.

No responsibility is assumed for matters of a legal nature affecting the title of the property nor is an opinion of title rendered herein. The title to the property is assumed to be good and merchantable.

Information furnished by others is assumed to be true, correct, and reliable and a reasonable effort has been made to verify such information. However, I take no responsibility for the accuracy of the information provided by others nor is that information guaranteed.

All mortgages, liens, encumbrances, leases, and servitudes have been disregarded except the easement on the property. The property is valued assuming competent management and responsible ownership. This assumption may vary with the actual management of the property.

I assume there are no hidden or unapparent conditions impacting the property. Should a circumstance arise where a hidden or unapparent condition exists, I reserve the right to amend the appraisal accordingly.

I assume all applicable federal, state, and local regulations and laws have been complied with.

I assume all zoning and land use regulations and restrictions have been complied with. I assume the use of the land and improvements is within the property lines of the property described herein and there is no encroachment or trespass.

Only a visual surface inspection of the property appraised has been made by the appraiser. The appraiser assumes no liability for damages or losses sustained by the client, property owner, or other parties for latent or non-apparent defects existing on, below, or above the property which may not be readily ascertainable by a visual surface inspection.

The appraiser is not aware of hazardous material on or in the property that would cause a loss in value. The existence of hazardous material, which may or may not be present in the property, was not observed by the appraiser or acknowledged by the owner when asked. The appraiser has no knowledge of the existence of such materials on the property. The appraiser, however, is not qualified to detect such substances. The presence of hazardous material or substances may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering

knowledge required to discover them. The client is urged to retain an expert in this field if desired.

Limiting Conditions

The appraiser will not be required to give testimony or appear in court or any judicial hearing because of having made this appraisal or with reference to the property being appraised unless prior arrangements have been made.

Possession of this report or an authorized copy thereof does not carry with it the right of publication. This report may only be reproduced in its entirety and at that, only with the permission of the author. I take no responsibility for unauthorized or incomplete copies of this report nor should any right thinking person rely on an incomplete or unauthorized copy of this report in making a fiduciary decision.

Neither all nor any part of the contents of this report or an authorized copy thereof shall be conveyed to the public through advertising, prospectus, public relations, news, sales, or any other media without the written consent of the appraiser (except as allowed under the Freedom of Information Act (5 U.S.C. 552)).

Should there be any cross easements, covenants, conditions, or restrictions impacting the subject property that are not identified and considered in this report, I reserve the right to amend this report to reflect such restrictions. I have assumed the property is encumbered to the extent that it is identified in this report and should there be any hidden, unreported, or unapparent differences, the value conclusions are subject to amendment to reflect the differences.

ADDENDA

COMPARABLE SALE 1

LOCATION Palo Alto Ranch

ASSESSOR'S PARCEL 301-40-0010, 301-25-0080, -0090

LEGAL DESCRIPTION The NW¼ Section 26, and the SE¼ of Section 35, in T17S R9E, and Lots 4, 5, 6 and the SW¼ of Section 2, the W½ of Section 11, the NW¼ of Section 14, the N½ of Section 15, in T18S R9E

RECORDING INFORMATION Document type: Warranty Deed
Date recorded: December 5, 2000
Book and page: 11438/1682

SELLER Frances Whatley Snure and Palo Alto LP

BUYER Brickyard Investments, LLP

SALE PRICE / TERMS \$2,000,000 / Cash

SIZE 1,379 deeded acres

ALLOCATION

Deeded	1,379 acres @ \$1,116	\$1,539,200
State Lease	31,366 acres (349 AU) @ \$1,000	\$349,000
Improvements		\$450,000
Water Rights Irrigation	61.8 acre feet	\$61,800
Water Rights Non-Irrigation	5 acre feet	\$0

ZONING RH, Rural Homestead, Pima County

SITE CHARACTERISTICS *Topography/Floodplain:* Deeded lands are two rectangular blocks, both in the Altar Wash.

Access: Via Highway 286

Utilities: Power, water, septic systems

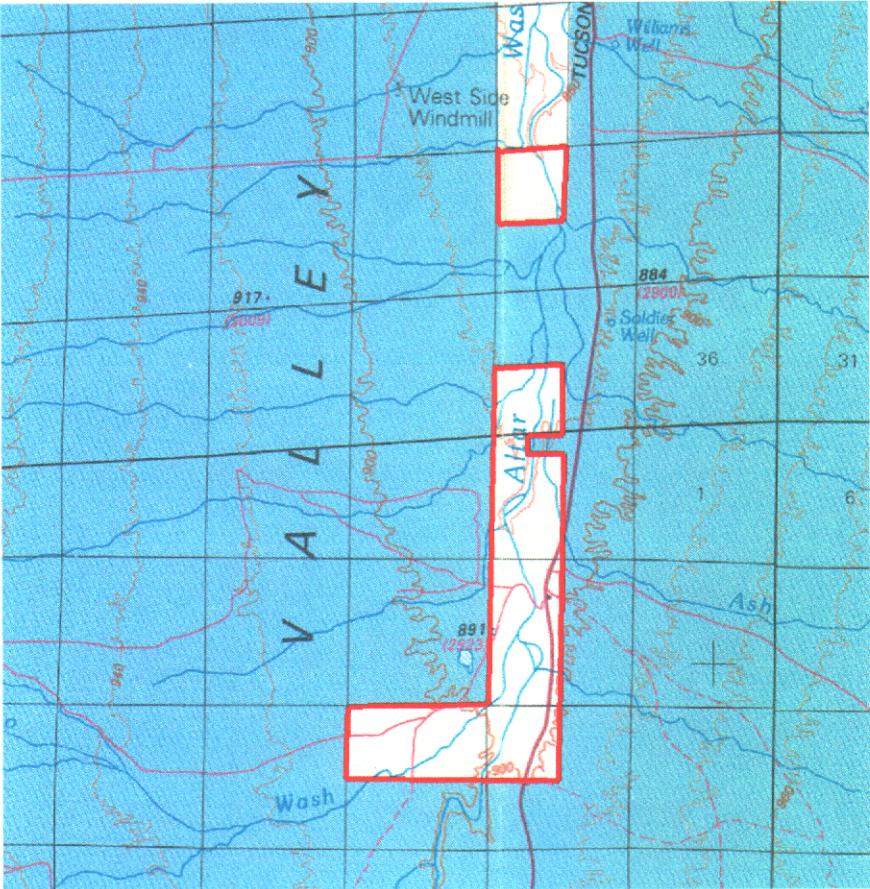
IMPROVEMENTS A 4,200 sf adobe house built in 1885, a barn, storage shed, mobile home and shipping corrals. There are five wells and seven dirt stock tanks.

HIGHEST AND BEST USE Ranching, investment

COMMENTS Comprehensive Plan designates property as LIR, Low Intensity Rural

CONFIRMATION Walter Lane, broker

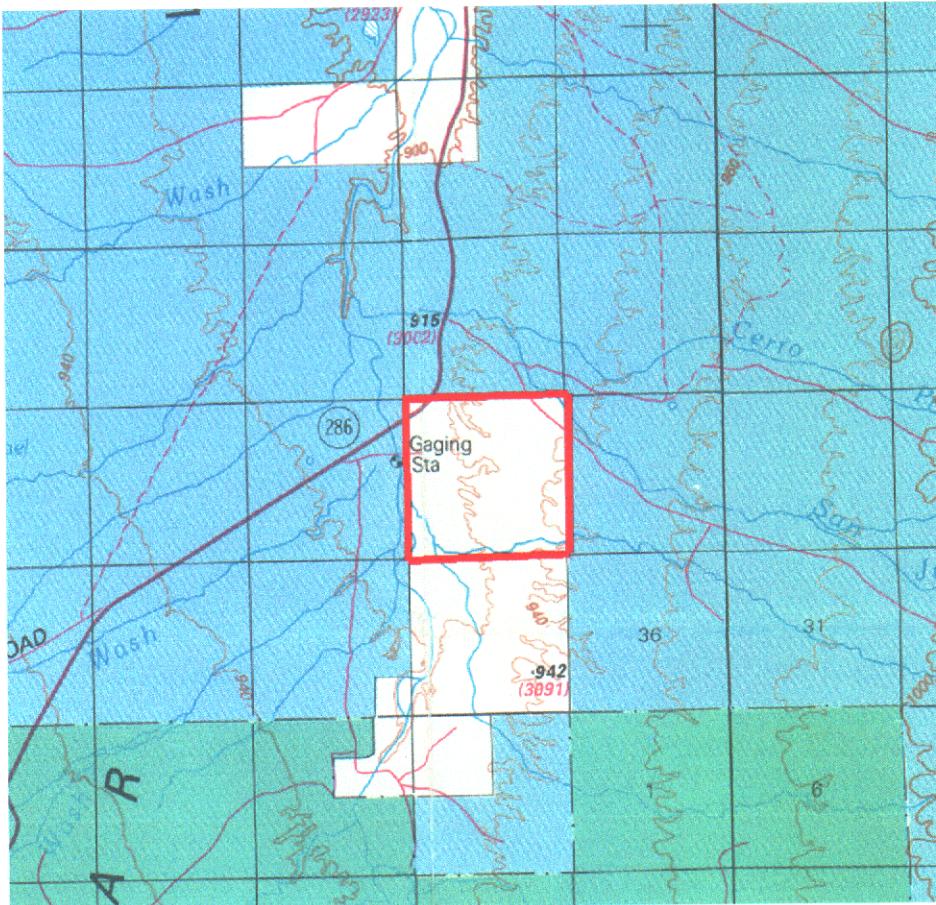
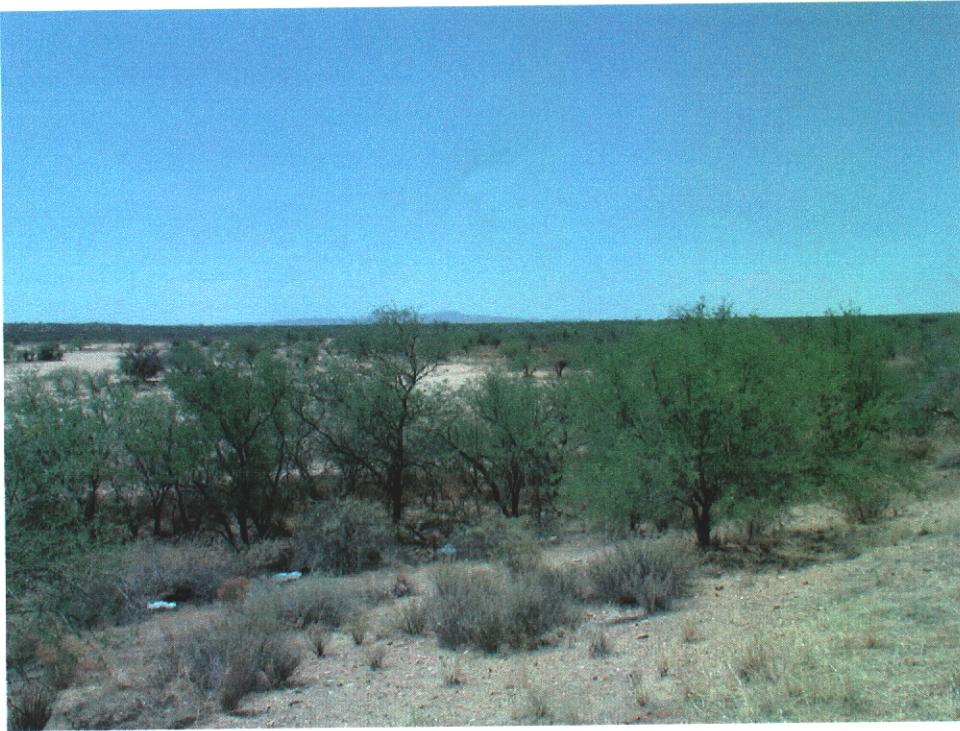
COMPARABLE SALE 1



COMPARABLE SALE 2

LOCATION	Within the Palo Alto Ranch, Altar Valley
ASSESSOR'S PARCEL	301-40-002A, -002B
LEGAL DESCRIPTION	All of Section 26, T18S R9E
RECORDING INFORMATION	Document type: Warranty Deed Date recorded: December 6, 2000 Book and page: 11439 / 2010
SELLER	Baffert et al
BUYER	Madera Highlands, LLC
SALE PRICE / TERMS	\$379,320 / Down payment of \$120,000 to seller's note carried at 8% for 5 years
SITE SIZE	632.2 acres
PRICE PER ACRE	\$600
ZONING	RH, Rural Homestead
SITE CHARACTERISTICS	<i>Topography/Floodplain:</i> Level to rolling terrain. The Altar Wash runs through the property and portions are in the floodplain. <i>Access:</i> Via Highway 286 approximately 14 miles south of Three Points <i>Vegetation:</i> Mesquite, grasses <i>Utilities:</i> On Highway 286
HIGHEST AND BEST USE	Ranch, residential, investment
COMMENTS	Was listed for \$750 per acre. Was acquired as remediation for endangered owls and cactus. The sellers included a number of family members, and there were some difficulties experienced in the negotiations and sale. As a result, the price was under market according to the broker.
CONFIRMATION	Walter Lane, broker

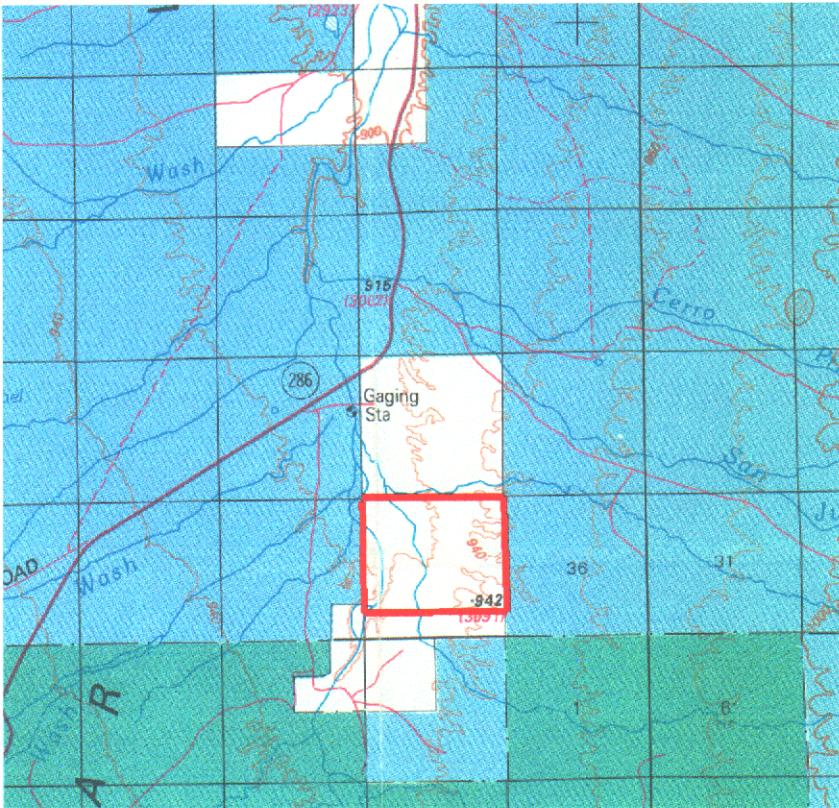
COMPARABLE SALE 2



COMPARABLE SALE 3

LOCATION	Within the Palo Alto Ranch, Altar Valley
ASSESSOR'S PARCEL	301-40-006A
LEGAL DESCRIPTION	All of Section 35 except the south 887.15', T18S R9E
RECORDING INFORMATION	Document type: Special Warranty Deed Date recorded: January 5, 2001 Book and page: 11459 / 2641
SELLER	Baffert et al
BUYER	Canada Hills Land Development LLC
SALE PRICE / TERMS	\$326,712 / Cash
SITE SIZE	531.91 acres
PRICE PER ACRE	\$614
ZONING	RH, Rural Homestead
SITE CHARACTERISTICS	<i>Topography/Floodplain:</i> Level to rolling terrain. The Altar Wash runs through the property and portions are in the floodplain. <i>Access:</i> Via Highway 286 approximately 14 miles south of Three Points <i>Vegetation:</i> Mesquite, grasses <i>Utilities:</i> To the headquarters on Highway 286
HIGHEST AND BEST USE	Ranch, residential, investment
COMMENTS	Was listed for \$750 per acre. It was acquired as remediation for endangered owls and cactus. The sellers included a number of family members, and there were some difficulties experienced in the negotiations and sale. As a result, the price was under market according to the broker.
CONFIRMATION	Walter Lane, broker

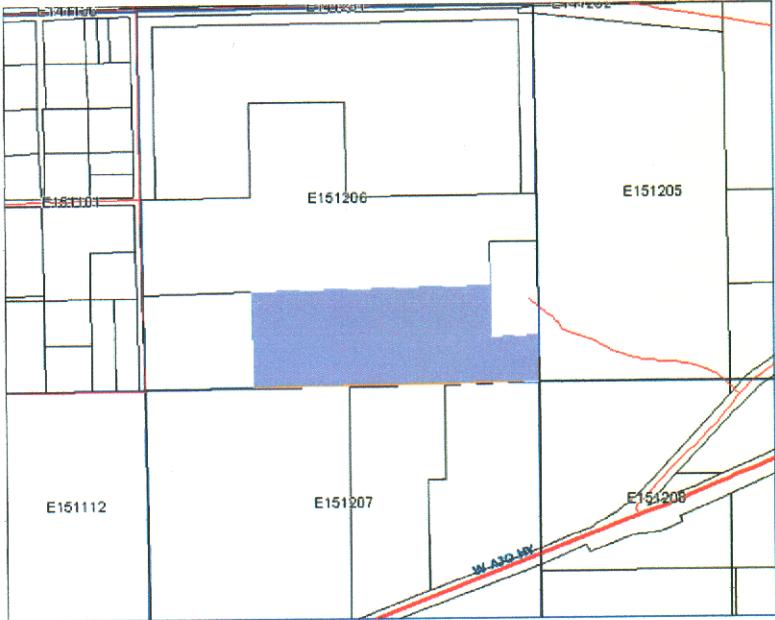
COMPARABLE SALE 3



COMPARABLE SALE 4

LOCATION	South of Snyder Hill Road, West of San Joaquin Road
ASSESSOR'S PARCEL	210-13-004B
LEGAL DESCRIPTION	SE $\frac{1}{4}$ SW $\frac{1}{4}$, the S $\frac{1}{2}$ SE except the NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 6, T15S R12E
RECORDING INFORMATION	Document type: Warranty Deed Date recorded: January 18, 2001 Book and page: 11467/592
SELLER	Falcon Automatic & Standard Chartered Bank
BUYER	Tucson Airport Authority
SALE PRICE / TERMS	\$243,263 / Cash
SITE SIZE	110 acres
PRICE PER ACRE	\$2,211
ZONING	RH, Rural Homestead
SITE CHARACTERISTICS	<i>Topography/Floodplain:</i> Level regular shape. <i>Access:</i> South of Snyder Hill Road <i>Utilities:</i> Power, water nearby
HIGHEST AND BEST USE	Was acquired for airport. Alternative uses include residential, investment
COMMENTS	The Comprehensive Plan shows RC, Resource Conservation over approximately 85% of the parcel, and the southwest area near Ryan Airfield is I, Urban Industrial
CONFIRMATION	Jim Garcia, Tucson Airport Authority

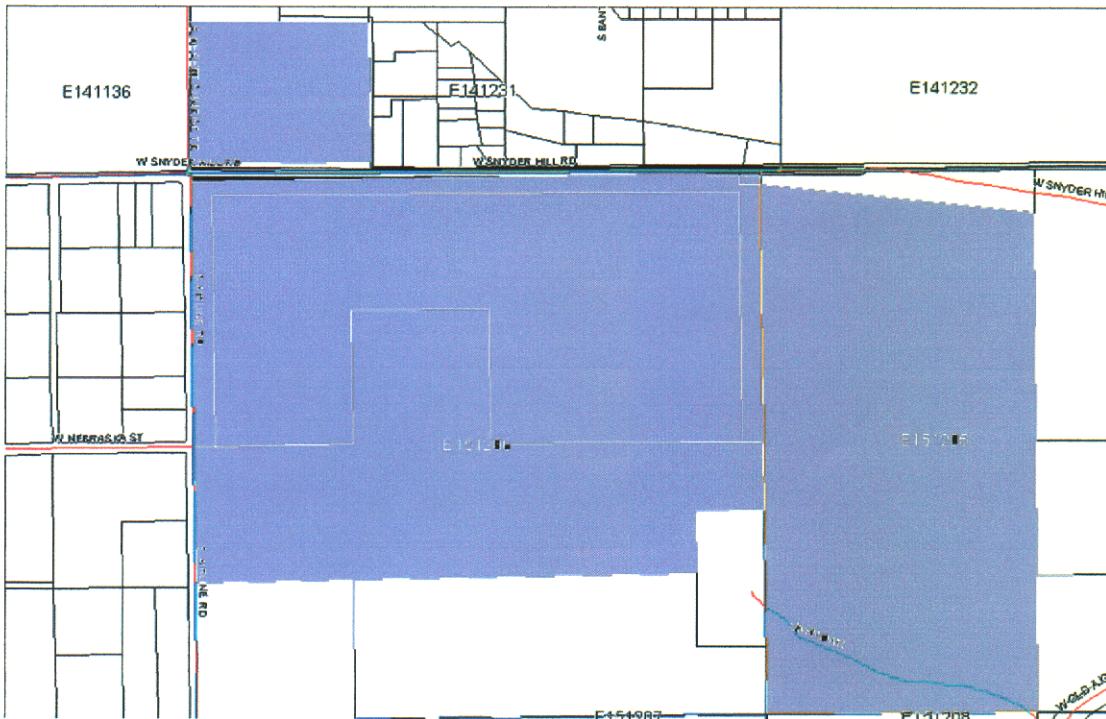
COMPARABLE SALE 4



COMPARABLE SALE 5

LOCATION	North and South of Snyder Hill Road, West of San Joaquin
ASSESSOR'S PARCEL	210-12-009A, 210-13-0010, -002A, -004A, 212-38-1950, -1960
LEGAL DESCRIPTION	Section 6, T15S R12E
RECORDING INFORMATION	Document type: Warranty Deed Date recorded: January 18, 2001 Book and page: 11467/592
SELLER	Falcon Automatic and Standard Chartered Bank
BUYER	Ryan Ranch, LLC
SALE PRICE / TERMS	\$705,000 / Cash
SITE SIZE	851.9 acres
PRICE PER ACRE	\$828
ZONING	RH, Rural Homestead
SITE CHARACTERISTICS	<i>Topography/Floodplain:</i> Level irregular shape. 100% in FEMA 100 year floodplain <i>Access:</i> Via Snyder Hill Road, which bisects the parcel. <i>Utilities:</i> Power, water, and sewer in Snyder Hill Road. City water one-half mile north.
HIGHEST AND BEST USE	Residential development, investment
COMMENTS	The Comprehensive Plan shows RC, Resource Conservation. This was a primary reason that the price was less for this sale compared with Sale 4, which was between the same buyer and seller.
CONFIRMATION	Gus Fotinos, purchaser

COMPARABLE SALE 5



COMPARABLE SALE 6

LOCATION	Southwest corner of Drexel and Wade Roads
ASSESSOR'S PARCEL	210-16-0100, -011A
LEGAL DESCRIPTION	NE¼, except the South 200' and the East 200' in Section 9, T15S R12E
RECORDING INFORMATION	Document type: Special Warranty Deed Date recorded: August 17, 2001 Book and page: 11615/237
SELLER	Standard Chartered Bank
BUYER	Valencia Ranch LLC
SALE PRICE / TERMS	\$235, 000 / Cash
SITE SIZE	159.08 acres
PRICE PER ACRE	\$1,477
ZONING	RH, Rural Homestead
SITE CHARACTERISTICS	<i>Topography/Floodplain:</i> Level terrain, regular shape. Within Zone AO, 100% in flood plain. <i>Access:</i> Via unpaved Drexel Road <i>Utilities:</i> Power, water and sewer lines are on the eastern boundary. The water main is one-half mile east on Camino Verde Road.
HIGHEST AND BEST USE	Residential development, investment
COMMENTS	The Comprehensive Plan designates the use for this area as two-thirds RC, Resource Conservation and one-third LIU, Low Intensity Urban.
CONFIRMATION	Gus Fotinos, Buyer

QUALIFICATIONS OF LYNN FOWLER, MAI

PROFESSIONAL EXPERIENCE	1999-present: Principal, Fowler Appraisal 1992-1999: Appraiser, Headquarters West, Ltd. 1987-1992: Appraiser, Sanders K. Solot and Associates 1985-1987: Chief Appraiser, Pima County Department of Transportation 1982-1985: Appraiser, Pima County Assessor's Office
PROFESSIONAL DESIGNATIONS AND AFFILIATIONS	Member, Appraisal Institute American Society of Farm Managers and Rural Appraisers
STATE CERTIFICATIONS	Certified General Real Estate Appraiser in Arizona, Colorado, New Mexico, and Utah
APPRAISAL INSTITUTE COURSES (PARTIAL LIST)	Real Estate Appraisal Principles Basic Valuation Procedures Capitalization Theory and Techniques Case Studies in Real Estate Valuation Valuation Analysis and Report Writing Standards of Professional Practice Litigation Valuation Computer Assisted Investment Analysis
AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS COURSES	Advanced Rural Appraisal Advanced Resource Appraisal Advance Appraisal Review
EDUCATION	Bachelor of Arts Degree in English Literature, Colorado State University, 1970 Graduate study at Arizona State University, 1971
QUALIFIED EXPERT WITNESS	U.S. Federal Court of Claims Pima County Superior Court Cochise County Superior Court

