

**ARIZONA STATE LAND DEPARTMENT
BOARD OF APPEALS
AGENDA OF SPECIAL MEETING TO CONSIDER RATIFICATION
AND POSSIBLE EXECUTIVE SESSION**

Tuesday October 8, 2024

**Location: Arizona State Land Department
1110 W. Washington, 5th Floor
Room 321
Phoenix, AZ 85007**

Pursuant to Arizona Revised Statutes (A.R.S.) § 38-431.02 02 and A.R.S. § 38-431.05, notice is hereby given to the members of the Arizona State Land Department Board of Appeals (“Board”) and to the public that the Board will hold a Special Meeting open to the public on Tuesday October 8, 2024, at 2:30 p.m. at the Arizona State Land Department, 1110 West Washington Street, 5th Floor, Room 321, Phoenix, AZ 85007.

The meeting will also be held in virtual and telephonic formats. Members of the public may participate virtually and telephonically. Board Members and members of the public can access the meeting telephonically by dialing 1-423-516-0689 followed by the meeting pin- 800 112 021# or virtually, by video conferencing by typing in the following link: <https://meet.google.com/akn-qtgk-kek>. After the start of the meeting, the Board Chairperson and/or staff will request that members of the public place their phones/devices on mute. Members of the public, attending in person, may enter the meeting room at 2:15 p.m., on the day of the meeting.

The agenda for this meeting follows. Any amendments or additions to the agenda will be made available at least seventy-two (72) hours prior to the meeting. The Board may discuss, deliberate, or vote on any item listed on the agenda. Pursuant to A.R.S. § 38-431.03(A)(3), the Board may vote to hold an executive session for consultation with its attorney for legal advice concerning any item on the agenda. Executive sessions are not open to the public. Except for matters listed for a specific time, the Board may take any item on the agenda out of order. Members of the Board may appear by telephone or virtually.

Pursuant to Title II of the Americans with Disabilities Act (ADA), the Board will not discriminate on the basis of disability in admission to and observation of its public meetings. Persons with a disability may request reasonable accommodation such as a sign language interpreter, by contacting the ADA Coordinator at (602) 542-2629 to make their needs known. Requests should be made as early as possible to allow time to arrange the accommodation.

I. CALL TO ORDER

Roll call

II. LITIGATION

Update, discussion, and potential action regarding *Farmers Investment Co.; Save the Scenic Santa Ritas Association v. Arizona State Land Department Board of Appeals*, CV2024-001259, including consideration of legal options in light of the Court’s September 9, 2024 decision.

- A. The Board will discuss and may vote to ratify its December 8, 2022 approval of the Rosemont Copper right-of-way valuation, Application #14-123251, pursuant to A.R.S. § 38-431.05(B).

A detailed written description and other information about the action that may be ratified is attached to this agenda.

Although not required by law, the Board may allow one person per organization to provide brief comments to the Board of no more than three (3) minutes. The Board reserves the right to limit public comments further if they are duplicative or if necessary for the efficient administration of the meeting.

B. The Board may discuss and take action on other matters raised in the litigation.

Upon a vote of the majority of a quorum, the Board may go into Executive Session, which will not be open to the public, for discussion or consultation for legal advice with the Board's attorney(s) pursuant to A.R.S. § 38-431.03(A)(3) or for discussion or consultation with the Board's attorney(s) to consider its position and instruct its attorney(s) regarding pending or contemplated litigation pursuant to A.R.S. § 38-431.03(A)(4).

III. BOARD ADJOURNS

STATE LAND DEPARTMENT
BOARD OF APPEALS



Nina Monahan, Clerk to the Board
1110 West Washington Street, Suite #160
Phoenix, AZ 85007
Telephone: 602-542-2674
October 1, 2024

**ARIZONA STATE LAND DEPARTMENT
BOARD OF APPEALS**

**WRITTEN DESCRIPTION AND OTHER INFORMATION OF ACTION THAT MAY
BE RATIFIED AT THE OCTOBER 8, 2024 PUBLIC MEETING**

1. On December 8, 2022, the Board voted to approve the Consent Agenda, including the valuation of the Rosemont Copper¹ right of way, Application #14-123251. See Exhibit A, December 8, 2022 Meeting Agenda.
2. That vote was memorialized in minutes approved by the Board on January 12, 2023. See Exhibit B, December 8, 2022 Meeting Minutes.
3. After litigation, a Court found that the agenda and minutes for the December 8, 2022 meeting did not comply with the Open Meetings Law because the description of the Rosemont right of way application did not state that a tailings pipeline was a possible use of the right of way and the number of pipelines was understated. See Exhibit C, Findings of Fact and Conclusions of Law dated September 9, 2024.
4. A complete copy of the Rosemont Copper right of way application is attached hereto as Exhibit D.
5. A complete copy of the appraisal for the Rosemont Copper right-of-way, comprised of the external appraisal and the internal review by the Land Department, is attached hereto as Exhibit E.
6. With this additional information, the Board will consider whether or not to ratify its prior approval of the Rosemont Copper right-of-way valuation.

¹ Rosemont Copper is now known as Copper World, Inc.

EXHIBIT A

**ARIZONA STATE LAND DEPARTMENT
BOARD OF APPEALS AGENDA
FINAL**

Thursday, December 8, 2022

**Location: Arizona State Land Department
1110 W. Washington, Room 215
Phoenix, AZ 85007**

Pursuant to Arizona Revised Statutes (A.R.S.) § 38-431.02, notice is hereby given to the members of the Arizona State Land Department Board of Appeals and to the public that the Board will hold a meeting open to the public on Thursday, December 8, 2022, at 9:00 a.m. at the Arizona State Land Department, 1110 West Washington Street, Room 215, Phoenix, AZ 85007.

PURSUANT TO RECOMMENDATIONS FOR CURRENT COVID-19 GUIDELINES, IT IS ENCOURAGED THAT ANY PERSON WHO WISHES TO ATTEND THE MEETING DO SO BY PARTICIPATING VIA TELECONFERENCE CALL. A PERSON WISHING TO PARTICIPATE VIA TELECONFERENCE CALL MAY DO SO BY CALLING 1-928-793-9377 AND ENTERING PIN: 705 161 851#

The agenda for this meeting follows. Any amendments or additions to the agenda will be made available at least twenty-four (24) hours prior to the meeting. The Board may discuss, deliberate, or vote on any item listed on the agenda. Pursuant to A.R.S. § 38-431.03(A)(3), the Board may vote to hold an executive session for consultation with its attorney for legal advice concerning any item on the agenda. Executive sessions are not open to the public. Except for matters listed for a specific time, the Board may take any item on the agenda out of order. Members of the Board may appear by telephone.

Pursuant to Title II of the Americans with Disabilities Act (ADA), the Board will not discriminate on the basis of disability in admission to and observation of its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the ADA Coordinator at (602) 542-2629 to make their needs known. Requests should be made as early as possible to allow time to arrange the accommodation.

I. CALL TO ORDER

Roll call

II. MINUTES

Approval of November 10, 2022, Minutes

III. REPORT BY LAND DEPARTMENT STAFF

- A. Report by Land Department staff and discussion by the Board regarding recent and future land auctions (See attached list) *
- B. Future Board Agenda Items

IV. REAL ESTATE AND RIGHTS OF WAY

Review, discussion, & possible legal action regarding the following:

- A. Rights of Way & Commercial Leases-Short Term (for periods 10 years or less) on Consent Agenda (See attached) *
- B. Commercial Leases-Long Term-for periods longer than 10 years (See attached) *
- C. Land Sales (See attached) *

* Please note: The attachment with a detailed listing of agenda items I, II, and III will be available in the Board Clerk's office after November 28, 2022, or at least twenty-four (24) hours prior to the scheduled meeting.

V. BOARD APPEALS

None

VI. OTHER BUSINESS

- A. Arrangements for Future Meetings:

<u>Date</u>	<u>Location</u>
January 12, 2023	Pending
February 9, 2023	Pending
March 9, 2023	Pending

- B. Schedule of Pending Appeals:

A.B. 1240- Shea Homes Limited Partnership
Sales Application No. 53-122449-00
Valuation of Appraisal

A.B. 1241- Shea Homes Limited Partnership
Sales Application No. 53-122450-00
Valuation of Appraisal

Written statement for withdrawal received from Appellant

A.B. 1243 – Serrano Solar, LLC
ROW Application No. 14-121861-00
Valuation of Appraisal

Hearing dates to be determined

VII. EXECUTIVE SESSION

The Board may vote to go into Executive Session on any of the above agenda items for legal advice from its attorney, pursuant to A.R.S. § 38-431.03(A)(3)

VIII. BOARD ADJOURNS

STATE LAND DEPARTMENT
BOARD OF APPEALS

A handwritten signature in black ink, appearing to be 'Trinity Perlberg', written in a cursive style.

for Trinity Perlberg, Clerk to the Board
1616 West Adams Street, Room 152
Phoenix, AZ 85007
Telephone: 602-542-2505

BOARD OF APPEALS - REVISED

IV. AGENDA

Thursday, December 8th, 2022

A. CONSENT AGENDA

RIGHTS OF WAY - REAL ESTATE DIVISION

	<u>Application #</u>	<u>Applicant and County</u>	<u>Purpose</u>
1.	14-123077 Myles Stevens	City of Prescott (Yavapai County)	Underground 6" sewer distribution pipeline
2.	14-123251 Michael Romero	Rosemont Copper Company (Pima County)	Access Road; OH 138kV electric transmission line; one 24-count fiber optic communication line; two aboveground 24" water transmission lines
3.	16-103534 Steve Kunzweiler	City of Scottsdale (Maricopa County)	Road – Public with underground utilities

B. COMMERCIAL LEASES – REAL ESTATE DIVISION – Long Term (for periods longer than 10 years)

Urban Planning Projects

	<u>Application #</u>	<u>Applicant and County</u>	<u>Purpose</u>
	NONE		

Other

	<u>Application #</u>	<u>Applicant and County</u>	<u>Purpose</u>
4.	03-120951 Ray Moore	Candela Renewables, LLC (Yavapai County)	I-17, three miles north of SR 69 exit at Cordes Junction

C. LAND SALES – REAL ESTATE DIVISION

Urban Planning Projects

	<u>Application #</u>	<u>Applicant and County</u>	<u>Purpose</u>
	NONE		

Other

	<u>Application #</u>	<u>Applicant and County</u>	<u>Purpose</u>
5.	53-121744 Van Robinson	City of Buckeye (Maricopa County)	E of NE corner of McDowell Rd and 307 th Ave, Buckeye AZ
6.	53-121916 Joe Charles	Per Commissioners Initiative (Pinal County)	Ironwood Rd & Germann Rd, San Tan

BOARD

Thursday, December 8, 2022

Page 2 of 2

7.	53-122041 Joe Charles	Reserve 100 LLC (Maricopa County)	Northwest of Hawes & Warner Rd
----	--------------------------	--------------------------------------	--------------------------------

03-COMMERCIAL-LONG TERM LEASE
 14-RIGHT-OF-WAY (LONG TERM)
 16-RIGHT-OF-WAY (PERPETUAL)

04-MINERAL
 21-WATER
 53-LAND

RESULTS / ARCHIVE PAGE
NOVEMBER 2022

APP. NO.	AUCTION DATE	LOCATION, COUNTY & ACREAGE +/-	APPRAISED VALUE	BENEFICIARY	TOTAL SELLING PRICE	SUCCESSFUL BIDDER & # OF BIDS	TERMS
53-122655	11/01/2022	T4N, R4E, SEC. 20	\$44,100,000.00	PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)	\$44,100,000.00	GARDEN DEER VALLEY LLC & 1	25% DOWN BALANCE DUE IN 30 DAYS
53-122574	11/2/2022	T21N, R7E, SEC. 19	\$1,420,000.00	UNIVERSITY OF ARIZONA	\$1,420,000.00	WANDERLAND FLAGSTAFF LLC	25% DOWN BALANCE DUE IN 30 DAYS
53-122084	11/3/2022	T19S, R26E, SEC. 5	\$64,544.00	ARIZONA STATE HOSPITAL	\$64,544.00	CORONADO FARMS LLP dba RIVERVIEW LLP	25% DOWN BALANCE DUE IN 30 DAYS
53-122597	11/16/2022	T4N, R4E, SECS. 25 & 26	\$56,950,000.00	PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)	\$84,000,000.00	HONORHEALTH	25% DOWN BALANCE DUE IN 30 DAYS
16-122762	11/17/2022	T15S, R15E, SECS. 14, 15, 16 & 23	\$1,645,881.00	PERMANENT COMMON SCHOOLS, PERMANENT COMMON SCHOOLS (INDEMNITY	\$1,645,881.00	CITY OF TUCSON	

PUBLIC AUCTIONS BEING ADVERTISED

03-COMMERCIAL-LONG TERM LEASE
 14-RIGHT-OF-WAY (LONG TERM)
 16-RIGHT-OF-WAY (PERPETUAL)

04-MINERAL
 21-WATER
 53-LAND

**AUCTION CALENDAR
 DECEMBER 2022**

APP. NO.	AUCTION DATE & TIME	LOCATION, COUNTY & ACREAGE +/-	APPRAISED VALUE	BENEFICIARY
16-121689 CITY OF SCOTTSDALE	12/01/2022 1:00 P.M.	T4N, R4E, SEC. 2 MARICOPA 21.29	\$641,010.00	PERMANENT COMMON SCHOOLS
53-122097 VESTAR DRUM- OPCO, LLC	12/21/2022 11:00 A.M.	T4N, R4E, SEC. 20 MARICOPA 115.78	\$29,400,000.00	PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)
53-123292 CHEVELLE PROPERTIES, LLC	12/27/2022 11:00 A.M.	T4N, R4E, SEC. 30 MARICOPA 35.290	\$29,425,000.00	PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)

PUBLIC AUCTIONS BEING ADVERTISED

03-COMMERCIAL-LONG TERM LEASE
 14-RIGHT-OF-WAY (LONG TERM)
 16-RIGHT-OF-WAY (PERPETUAL)

04-MINERAL
 21-WATER
 53-LAND

**AUCTION CALENDAR
 JANUARY 2023**

APP. NO.	AUCTION DATE & TIME	LOCATION, COUNTY & ACREAGE +/-	APPRAISED VALUE	BENEFICIARY
53-122276 J&R HOLDINGS XII, LLC	01/10/2023 & 11:00 AM	T4N, R2E, SEC. 3	\$11,000,000.00	PERMANENT COMMON SCHOOLS

EXHIBIT B

ARIZONA STATE LAND DEPARTMENT
BOARD OF APPEALS
MINUTES – December 8, 2022

The regular meeting of the Arizona State Land Department Board of Appeals (the “Board”) was held on Thursday, December 8, 2022, at the Arizona State Land Department (the “Department”), 1110 W. Washington Street, Conference Room 215 on the 5th floor, Phoenix, Arizona. The meeting convened at 9:05 a.m.

I. CALL TO ORDER

The following Board Members were present:

Travis Bard – Chairperson (appeared telephonically)
Bruce Francis – Vice Chairperson (appeared telephonically)
Richard Cole – Member (appeared telephonically)
Keri Silvyn – Member (appeared telephonically)
Norman Chappell – Member (appeared telephonically)

Deanie Reh, Assistant Attorney General, Public Law Section of the Office of the Attorney General, advised the Board telephonically.

David Jacobs, Section Chief Counsel, Natural Resources Section of the Office of the Attorney General, advised the State Land Department telephonically.

II. APPROVAL OF MINUTES

Chairman Bard asked the Board if there were any changes to the Minutes. There were no changes indicated, Chairman Bard entertained a motion to approve the December 8, 2022, minutes. Mr. Cole made a motion to approve the Minutes and Vice Chairman Francis seconded the motion. Chairman Bard, Ms. Silvyn, Mr. Chappell, and Mr. Cole all voted to approve the December 8, 2022, Minutes. The motion passed unanimously.

III. REPORT BY LAND DEPARTMENT STAFF

Report by Land Department Deputy Commissioner Jim Perry regarding recent and future land auctions. Deputy Commissioner Perry also advised the Board we received the letter stating Shea Homes is withdrawing their appeal.

IV. REAL ESTATE DIVISION AGENDA

The Board approved the following, except where noted otherwise:

Right of Ways – 3
Commercial Leases – New – None

Commercial Leases – Renewals – None
Commercial Leases – Amendments – None
Commercial Leases – Urban – None
Commercial Leases – Others – 1
Land Sales – Urban – None
Land Sales – Other – 3

A. CONSENT AGENDA

Ms. Silvyn made a motion to approve the Consent Agenda and Mr. Cole seconded the motion. The Motion passed unanimously.

RIGHTS OF WAY

Detailed information for the following items may be found in the Addenda section of the Minutes:

Item No. 1: 14-123077 City of Prescott
Item No. 2: 14-123251 Rosemont Copper Company
Item No. 3: 16-103534 City of Scottsdale

COMMERCIAL LEASING SECTION- SHORT TERM

COMMERCIAL LEASES - SHORT TERM- NEW

None

COMMERCIAL LEASES - SHORT TERM- RENEWAL

None

COMMERCIAL LEASES-SHORT TERM – AMENDMENTS

None

B. COMMERCIAL LEASES - LONG TERM

COMMERCIAL LEASES - LONG TERM-URBAN PLANNING PROJECTS

None

COMMERCIAL LEASES - LONG TERM – OTHER

Item No.4: 03-120951 – Candela Renewables, LLC (Yavapai County)

Ray Moor, Project Leader II – Real Estate Division, presented Lease Application No.

03-120951 – Candela Renewables, LLC

Mr. Chappell made a motion to approve, and Vice Chairman Francis seconded the motion.

The motion passed with all members present voting to approve.

C. LAND SALES

LAND SALES – URBAN PLANNING PROJECTS

None

LAND SALES SECTION – OTHER

Detailed information for the following item may be found in the Addenda section of the Minutes:

Item No. 5: 53-121744 – City of Buckeye (Maricopa County)

Van Robinson, Land Department, Project Leader II - Real Estate Division, presented Sales Application No. 53-121747 – City of Buckeye.

Mr. Cole made a motion to approve, and Mr. Chappell seconded the motion. The motion passed unanimously.

Item No. 6: 53-121916 – Per Commissioners Initiative (Pinal County)

Joe Charles, Land Department, Administrator - Real Estate Division presented Sales Application 53-121916 – Per Commissioners Initiative.

Ms. Silvyn made a motion to approve, and Vice Chairman Francis seconded the motion. The motion passed unanimously.

Audio communication with participants participating telephonically was lost for approximately 20 seconds.

Item No 7: 53-122041 – Reserve 100 LLC (Maricopa County)

Joe Charles, Land Department, Administrator - Real Estate Division presented Sales Application 53-122041- Reserve 100 LLC

Audio communication with those participating telephonically was lost for approximately 30 seconds and Chairman Bard was asked to re-do the vote for this item. Ms. Silvyn made a motion to approve, and Mr. Chappell seconded the motion. The motion passed unanimously.

V. BOARD APPEALS

None

VI. OTHER BUSINESS**A. Arrangements for Future Meetings:**

Department staff proposed the following future meeting dates and location to which no Board members objected.

<u>Date</u>	<u>Location</u>
January 12, 2023	Pending
February 9, 2023	Pending
March 9, 2023	Pending

B. Schedule of Pending Appeals:

A.B. 1240
Shea Homes Limited Partnership
Sales #53-122449-00
Valuation of Appraisal

A.B. 1241
Shea Homes Limited Partnership
Sales #53-122450-00
Valuation of Appraisal

Mr. Perry reiterated the Department received the written notice of withdrawal.

A.B. 1243 – Serrano Solar, LLC
ROW Application No. 14-121861-00
Valuation of Appraisal
Hearing dates to be determined

Mr. Perry stated he would have further information at a future time.

VII. EXECUTIVE SESSION

None

VIII. BOARD ADJOURNS

Meeting was adjourned at 9:21 a.m.

Respectfully submitted,



Helena Monahan
for Trinity Perlberg, Clerk
Land Board of Appeals

Approved on this 12th day of January, 2023
ARIZONA STATE LAND DEPARTMENT
BOARD OF APPEALS



TRAVIS R. BARD, CHAIRPERSON

ADDENDA

Includes the following:

1. Recommendation Sheet(s) of Rights of Way(s) approved
2. Recommendation Sheet(s) of Commercial Lease(s) approved
3. Recommendation Sheet(s) of Land Sale(s) approved
4. Presentation slides for listed Commercial and Sales Applications

ARIZONA STATE LAND DEPARTMENT
RIGHT OF WAY SECTION RECOMMENDATION

APPLICATION NO.: 14-123077-00-100 APPLICANT: City of Prescott

NEW: X RENEWAL: _____ AMEND: _____

COUNTY: Yavapai TWP: 14 North RNG: 2 West SEC: 08

LOCATION: Within Pioneer Parkway, east of Williamson Valley Rd., in northern Prescott.

APPRAISER: Richard Rothwell Jr. DATE: August 1, 2022

Purpose No. 1: Underground 6" sewer distribution pipeline

Legal Description: M&B THRU N2S2 SENE

Value Per Acre: \$ 9,500.00

Total Acreage: x 2.950

Intensity of Use Factor (including damages, if any): x 10%

Term: 49 years w/ single pay thru 10/14/2071 Term Factor: x 0.99063

Cost of Right of Way – Purpose No. 1: = \$ 2,776.24

Purpose No. 2: n/a

Legal Description: _____

Value Per Acre: \$ _____

Total Acreage: x _____

Intensity of Use Factor (including damages, if any): x _____ %

Term: _____ Term Factor: x _____

Cost of Right of Way – Purpose No. 2: = \$ _____

Total Cost of Right of Way = \$ **2,776.00** (r)

Beneficiaries: (049) University

Additional Comments: The subject ROW is co-located within public road ROW, 16-089572 and therefore a 10% IOU is applied. Serves the Stringfield Ranch subdivision in Sec. 07, T14N, R2W. The subject ROW is set to co-terminate with City of Prescott ROW 14-122246 and therefore a 49-year term is offered.

Recommendation: Approval of this Right of Way of the subject property under the terms and conditions herein/or attached.

Myles Stevens 11/04/2022
Myles Stevens, Administrator Date

Rubén Ojeda 11/17/2022
Ruben Ojeda, Manager – ROW Section Date

James W. Perry 11/17/22
James W. Perry Date
Director, Real Estate
for State Land Commissioner

BOARD OF APPEALS APPROVAL:

By: P. J. H.
Chairperson, Board of Appeals

Date:  **DEC 08 2022**

ARIZONA STATE LAND DEPARTMENT
RIGHT OF WAY SECTION RECOMMENDATION

APPLICATION NO.: 14-123251-00-100 APPLICANT: Rosemont Copper Company

NEW: X RENEWAL: _____ AMEND: _____

COUNTY: Pima TWP: 18S RNG: 15E SEC: 16,21

LOCATION: East of Interstate 19 , north of Box Canyon Road, within Santa Rita Experimental Range

APPRAISER: Thomas Raynak, MAI; Steve Porter, MAI DATE: October 1, 2022

Purpose No. 1: Access Road; OH 138kV electric transmission line; one 24-count fiber optic communication line; two aboveground 24" water transmission lines

Legal Description: Sec. 16:M&B THRU E2E2E2SESE (3.444 ac) ; Sec. 21:M&B THRU E2E2E2NE (7.646 ac)

Value Per Acre: \$ 9,500.00

Total Acreage: x 11.090

Intensity of Use Factor (including damages, if any): x 99%

Term: 30 yr term w/ 10 yr pays Term Factor: X 0.61446

Value of Right of Way – Purpose No. 1: = \$ 64,089.07

Purpose No. 2: _____

Legal Description: _____

Value Per Acre: \$ _____

Total Acreage: x _____

Intensity of Use Factor (including damages, if any): x _____ %

Term: _____ Term Factor: x _____

Cost of Right of Way – Purpose No. 2: = \$ _____

Purpose No. 3: N/A

Legal Description: _____

Value Per Acre: \$ _____

Total Acreage: x _____

Intensity of Use Factor (including damages, if any): x _____ %

Term: _____ Term Factor: x _____

Cost of Right of Way – Purpose No. 3: = \$ _____

Total Cost of Right of Way = \$ **64,089.00** (r)

Beneficiaries: (021) Normal School

Additional Comments: Access to ROW via Pima Co. Road 72-023967. This ROW is infrastructure to support a mining operation on private property.

Recommendation: Approval of this Right of Way of the subject property under the terms and conditions herein/or attached.

Michael D. Romero 11.21.2022

Michael D. Romero, Administrator Date

Ruben Ojeda 11/23/2022

Ruben Ojeda, Manager – ROW Section Date

James W. Perry NOV 23 2022

James W. Perry Date

Director, Real Estate
for State Land Commissioner

BOARD OF APPEALS APPROVAL:

By: P. J. L.

Chairperson, Board of Appeals

Date: DEC 08 2022

**ARIZONA STATE LAND DEPARTMENT
RIGHT OF WAY SECTION RECOMMENDATION**

APPLICATION NO.: 16-103534-00-101 **APPLICANT:** City of Scottsdale

NEW: _____ **RENEWAL:** _____ **AMEND:** X

COUNTY: Maricopa **TWP:** 4N **RNG:** 5E **SEC:** 31

LOCATION: Pima Road at Trailside View, Scottsdale, AZ

APPRAISER: Memo **DATE:** October 18, 2022

Purpose No. 1: Road - Public with Underground Utilities

Legal Description: M&B IN TRTS 21 AND 22 OF STATE PLAT 16 BK 324 PG 50

Value Per Acre: \$ 1,079,792.00

Total Acreage: x 0.055

Intensity of Use Factor (including damages, if any): x 99%

Term: Perpetual Term Factor: x 1

Cost of Right of Way – Purpose No. 1: = \$ 58,794.67

Purpose No. 2: N/A

Legal Description: _____

Value Per Acre: \$ _____

Total Acreage: x _____

Intensity of Use Factor (including damages, if any): x _____ %

Term: _____ Term Factor: x _____

Cost of Right of Way – Purpose No. 2: = \$ _____

Total Cost of Right of Way = \$ **58,794.00** (r)

Beneficiaries: (031) Permanent Common Schools (Indemnity Selections)

Additional Comments: Necessary for the installation of a traffic signal in the NW corner of Pima RD and Trailside View. The new total ROW area equates to 24.087ac.

Recommendation: Approval of this Right of Way of the subject property under the terms and conditions herein/or attached.

 _____ 11.17.2022
Steve Kunzweiler, Administrator Date

 _____ 11/17/2022
Ruben Ojeda, Manager – ROW Section Date

 _____ 11/17/22
James W. Perry Date
Director, Real Estate
for State Land Commissioner

BOARD OF APPEALS APPROVAL:

By:  _____
Chairperson, Board of Appeals

Date:  _____ **DEC 08 2022**

**REAL ESTATE DIVISION
SALES AND COMMERCIAL LEASING SECTION
LONG-TERM LEASE RECOMMENDATION**

APPLICATION NO.: 03-120951-99

APPLICANT: Candela Renewables, LLC

ACRES: 4,268.32

COUNTY: Yavapai	TWP: 11N	RNG: 2E	SEC: 1
	11N	3E	6
	12N	2E	24,25,26,35,36
	12N	3E	19,30,31

LOCATION: I-17, Three miles north of SR 69 Exit at Cordes Junction

PURPOSE: Solar Energy Project

PURPOSE CODE: 1330

VALUE PER ACRE: \$6,500.00

VALUE OF IMPROVEMENTS: \$137,000.00

TOTAL APPRAISED VALUE: \$27,740,000.00

MINIMUM BID: \$27,740,000.00

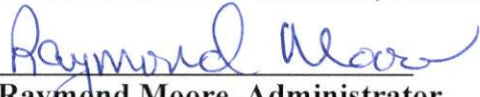
BENEFICIARIES: Normal Schools, Common Schools, Indemnity Selection, County Bond Fund.

APPRAISED RENT: Lease Years 1 through 30: 4% of appraised value or highest bid at auction, with the rate escalating 5% in Lease Year 6 and every 5 years thereafter. Additionally, a capacity fee of \$2,200.00 per megawatt will be introduced at 20% upon commercial sale of electricity and shall increase 20% annually until after 5 years, the capacity fee will be 100% of \$2,200.00 per megawatt annually.

TERM: 30 Years, Commencing the Date of Auction and Terminating 30 years thereafter.


COMMENTS: Richard Rothwell Jr., State of Arizona Certified General Real Estate Appraiser, valued the property at \$27,740,000.00. The improvements are valued at \$137,000.00 The appraisal has been reviewed and meets Department standards.

RECOMMENDATION: Approval of this lease of the subject property under the terms and conditions included herein/or attached, including rental structure.



Raymond Moore, Administrator

11/28/2022
Date

BOARD OF APPEALS APPROVAL

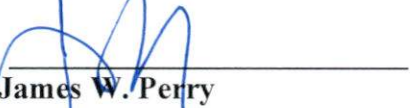

Ronald C. Moore, Section Manager
Sales & Commercial Leasing

11/28/22
Date

By: 
Chairperson, Board of Appeals
for the Land Board of Appeals

 DEC 08 2022
Date

COMMISSIONER'S APPROVAL:


James W. Perry
Director, Real Estate Division
For State Land Commissioner

11/28/22
Date

**REAL ESTATE DIVISION
SALES AND COMMERCIAL LEASING SECTION
PURCHASE RECOMMENDATION**

APPLICATION NO: 53-121744-00-100

APPLICANT: City of Buckeye

ACRES: 25.330

COUNTY: Maricopa

TWP: 2N

RNG: 4W

SEC: 31

LOCATION: E of the NE corner of McDowell Rd and 307th Ave, Buckeye AZ

TOTAL APPRAISED VALUE: \$530,000.00

MINIMUM BID: \$530,000.00

BENEFICIARIES: Fund 31—Permanent Common Schools, Indemnity Section (S)

COMMENTS: Property will be used to develop a municipal water campus.

Dennis Lopez MAI, State of Arizona Certified General Real Estate Appraiser, valued the property at \$530,000.00. The appraisal has been reviewed and it meets Department standards.


RECOMMENDATION: Approval of this sale of the subject property under the terms and conditions included herein/or attached.




Van Robinson, Administrator

11/14/22
Date

BOARD OF APPEALS APPROVAL:

By: 

Chairman, Board of Appeals
for the Land Board of Appeals



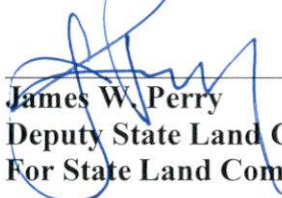
Ronald C. Moore, Section Manager
Sales & Commercial Leasing

11-15-22
Date

 DEC 08 2022

Date

COMMISSIONER'S APPROVAL:



James W. Perry
Deputy State Land Commissioner
For State Land Commissioner

11/14/22
Date

**REAL ESTATE DIVISION
SALES AND COMMERCIAL LEASING SECTION
PURCHASE RECOMMENDATION**

APPLICATION NO: 53-121916-00-100

APPLICANT: PCI

SIZE: 912.92 acres (859.91 net)

COUNTY: Pinal **TWP:** 1S **RNG:** 8E **SEC:** 31
 TWP: 2S **RNG:** 8E **SEC:** 6

LOCATION: San Tan, Ironwood Rd & Germann Road

VALUE PER ACRE: \$133,363 per acre (gross), \$141,734 (net)

VALUE OF IMPROVEMENTS: N/A

TOTAL APPRAISED VALUE: \$121,750,000

MINIMUM BID: \$121,750,000

BENEFICIARIES: Permanent Common Schools

COMMENTS: Karl Baltutat, MAI, State of Arizona Certified General Real Estate Appraiser, valued the property at \$3.25 per square foot (net), for a total of \$121,750,000. The appraisal has been reviewed by ASLD and recommends approval.

RECOMMENDATION: Approval of this sale of the subject property under the terms and conditions included herein/or attached.



Joe Charles, Administrator

12/1/22
Date

BOARD OF APPEALS APPROVAL:

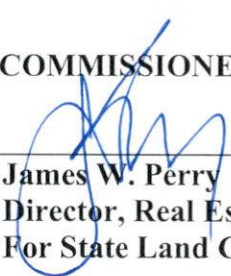
By: 

Chairman, Board of Appeals
for the Land Board of Appeals



Date

COMMISSIONER'S APPROVAL:



James W. Perry
Director, Real Estate Division
For State Land Commissioner

12/1/22
Date

**REAL ESTATE DIVISION
SALES AND COMMERCIAL LEASING SECTION
PURCHASE RECOMMENDATION**

APPLICATION NO: 53-122041

APPLICANT: Reserve 100, LLC

SIZE: 114.70 acres

COUNTY: Maricopa **TWP:** 1S **RNG:** 7E **SEC:** 17

LOCATION: Northwest of Hawes and Warner Road

VALUE PER ACRE: \$330,000.00

VALUE OF IMPROVEMENTS: N/A

TOTAL APPRAISED VALUE: \$37,853,000.00

MINIMUM BID: \$37,853,000.00

BENEFICIARIES: Permanent Common Schools

COMMENTS: Tim Haskins, MAI, State of Arizona Certified General Real Estate Appraiser, valued the property at \$330,000.00 per acre for a total of \$37,853,000.00 The appraisal has been reviewed and it meets Department standards

RECOMMENDATION: Approval of this sale of the subject property under the terms and conditions included herein/or attached.

Ray Moore for Joe Charles
Joe Charles, Administrator

11/23/22
Date

BOARD OF APPEALS APPROVAL:

By: PITZ
Chairman, Board of Appeals
for the Land Board of Appeals

DEC 08 2022

Date

Ron Moore
Ron Moore, Section Manager
Sales & Commercial Leasing

11-23-22
Date

COMMISSIONER'S APPROVAL:

James W. Perry
James W. Perry
Director, Real Estate Division
For State Land Commissioner

11-23-22
Date

ATTACHMENTS:



Arizona State Land Department

03-120951

Candela Renewables, LLC
I-17, Three miles north of SR 69
Exit at Cordes Junction

4,268.32 Acres +/-

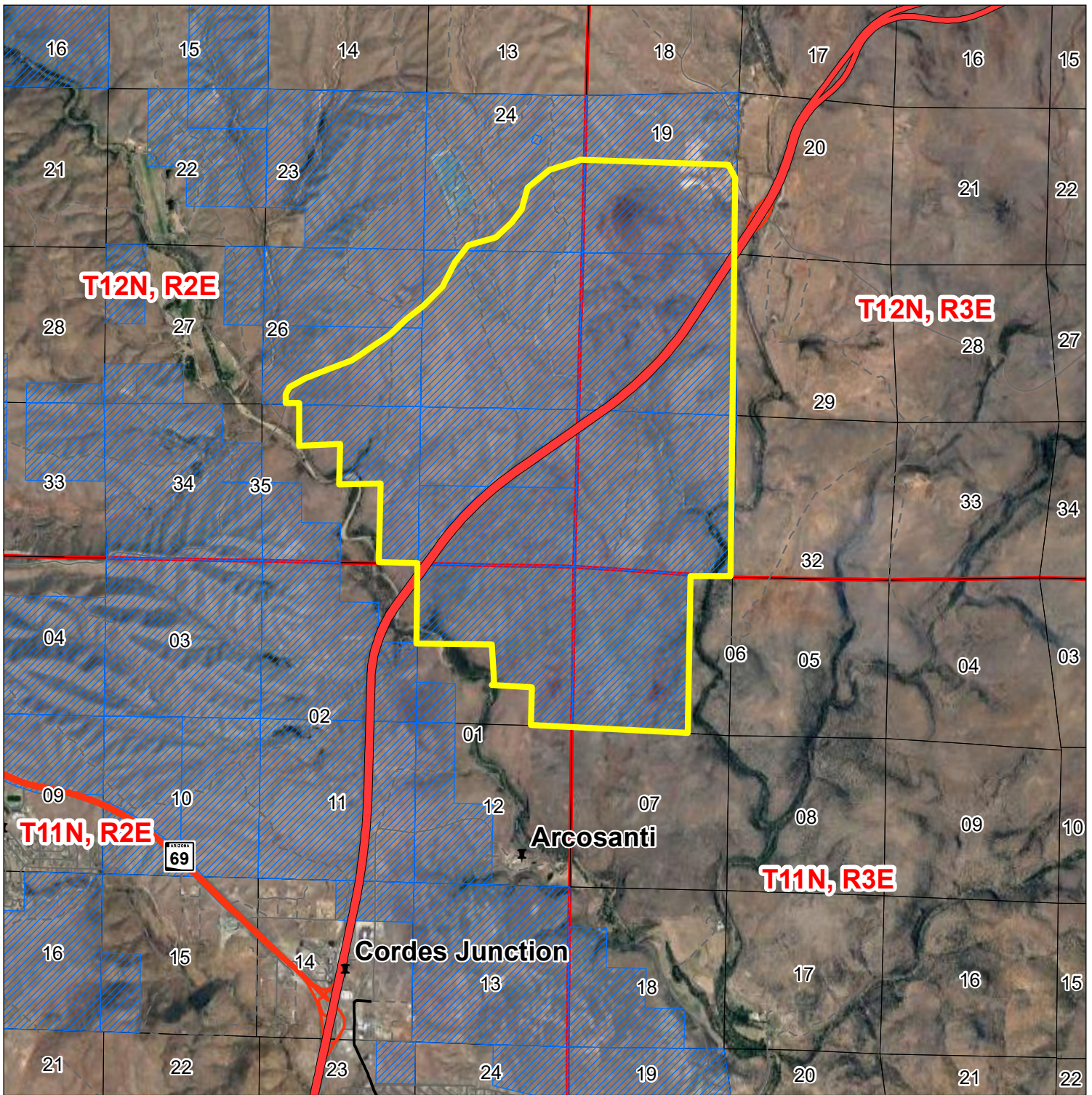
\$27,740,000.00




Arizona State
Land Department

Candela Renewables, LLC

03-120951

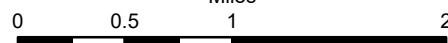


Legend

 Surface Parcels



Miles



**Arizona State
Land Department**
1616 W Adams Street Phoenix, AZ 85007

The Arizona State Land Department makes no warranties, implied or expressed, with respect to the information shown on this map.

Map produced by the Arizona State Land Department | Nov. 29, 2022

O:\moore\Dugs Solar.mxd
Ray Moore





**REAL ESTATE DIVISION
SALES AND COMMERCIAL LEASING SECTION
LONG-TERM LEASE RECOMMENDATION**

APPLICATION NO.: 03-120951-99

APPLICANT: Candela Renewables, LLC

ACRES: 4,268.32

COUNTY: Yavapai	TWP: 11N	RNG: 2E	SEC: 1
	11N	3E	6
	12N	2E	24,25,26,35,36
	12N	3E	19,30,31

LOCATION: I-17, Three miles north of SR 69 Exit at Cordes Junction

PURPOSE: Solar Energy Project

PURPOSE CODE: 1330

VALUE PER ACRE: \$6,500.00

VALUE OF IMPROVEMENTS: \$137,000.00

TOTAL APPRAISED VALUE: \$27,740,000.00

MINIMUM BID: \$27,740,000.00


BENEFICIARIES: Normal Schools, Common Schools, Indemnity Selection, County Bond Fund.

APPRAISED RENT: Lease Years 1 through 30: 4% of appraised value or highest bid at auction, with the rate escalating 5% in Lease Year 6 and every 5 years thereafter. Additionally, a capacity fee of \$2,200.00 per megawatt will be introduced at 20% upon commercial sale of electricity and shall increase 20% annually until after 5 years, the capacity fee will be 100% of \$2,200.00 per megawatt annually.

TERM: 30 Years, Commencing the Date of Auction and Terminating 30 years thereafter.

COMMENTS: Richard Rothwell Jr., State of Arizona Certified General Real Estate Appraiser, valued the property at \$27,740,000.00. The improvements are valued at \$137,000.00 The appraisal has been reviewed and meets Department standards.


RECOMMENDATION: Approval of this lease of the subject property under the terms and conditions included herein/or attached, including rental structure.



Raymond Moore, Administrator

11/28/2022
Date

BOARD OF APPEALS APPROVAL

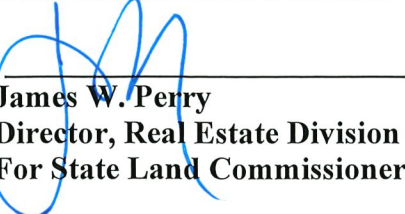


Ronald C. Moore, Section Manager
Sales & Commercial Leasing

11/28/22
Date

By: _____
Chairperson, Board of Appeals
for the Land Board of Appeals

COMMISSIONER'S APPROVAL:



James W. Perry
Director, Real Estate Division
For State Land Commissioner

11/28/22
Date

Date



Arizona State Land Department

53-121744

City of Buckeye

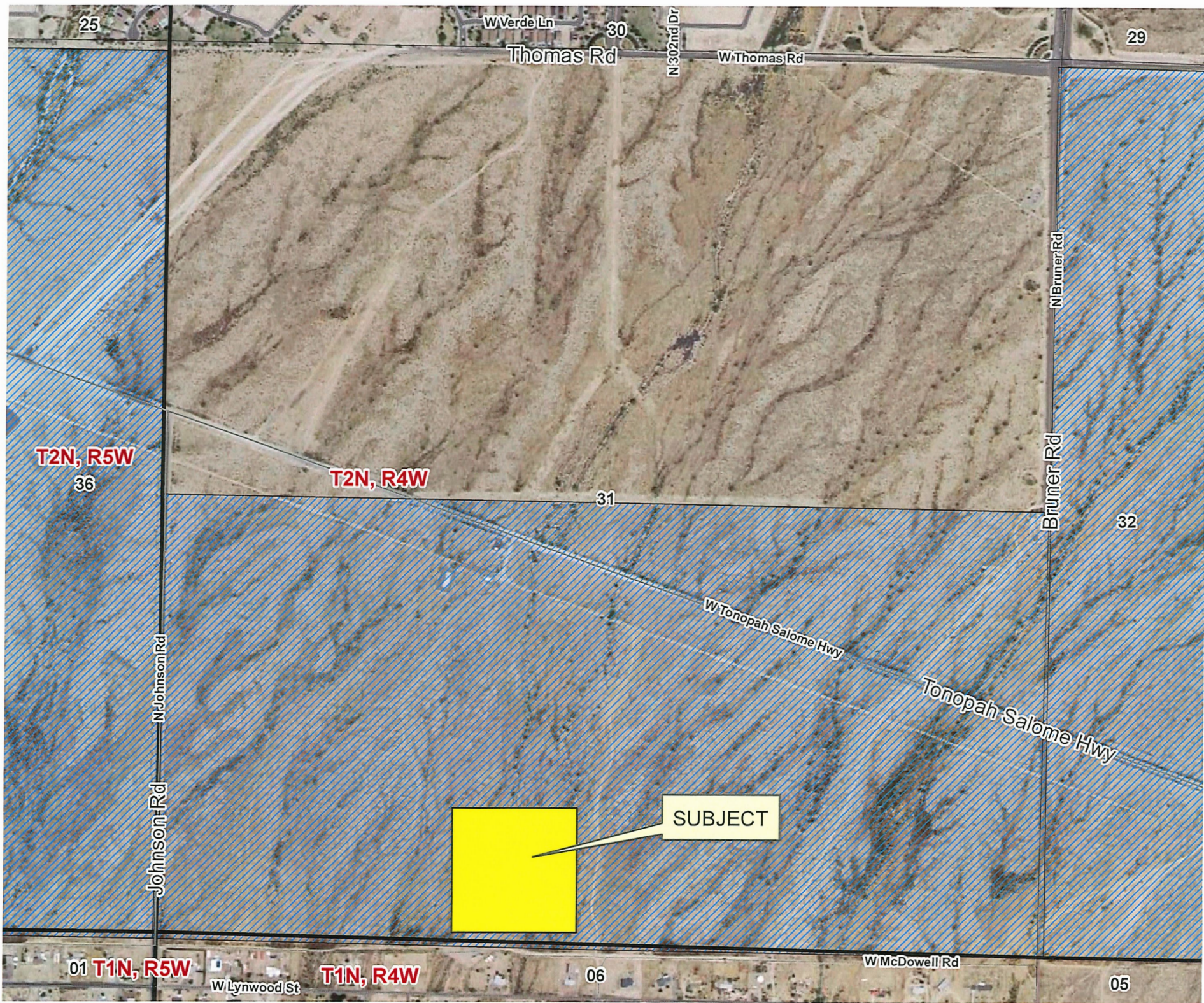
E of NE corner of McDowell Rd &
307th Ave

25.330 Acres +/-

\$530,000.00



Arizona State
Land Department



25

W Verde Ln

30

29

Thomas Rd

N 302nd Dr

W Thomas Rd

T2N, R5W

36

T2N, R4W

31

N Bruner Rd

Bruner Rd

32

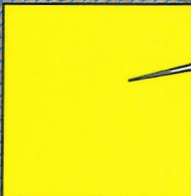
N Johnson Rd

Johnson Rd

W Tonopah Salome Hwy

Tonopah Salome Hwy

SUBJECT



01 T1N, R5W

W Lynwood St

T1N, R4W

06

W McDowell Rd

05

A photograph of a desert landscape under a blue sky with wispy clouds. In the center, a wooden signpost stands in the sand, holding a white sign with black text. The sign reads 'FOR SALE' with a small yellow house icon to the left, the phone number '623-977-4900', and a website address 'KATHY@KATHY.COM' in smaller letters at the bottom. The signpost is supported by a wooden tripod base. The ground is sandy and dotted with small, green, scrubby bushes. In the far distance, some buildings and hills are visible on the horizon.

FOR SALE
623-977-4900
KATHY@KATHY.COM



**REAL ESTATE DIVISION
SALES AND COMMERCIAL LEASING SECTION
PURCHASE RECOMMENDATION**

APPLICATION NO: 53-121744-00-100

APPLICANT: City of Buckeye

ACRES: 25.330

COUNTY: Maricopa **TWP:** 2N **RNG:** 4W **SEC:** 31

LOCATION: E of the NE corner of McDowell Rd and 307th Ave, Buckeye AZ

TOTAL APPRAISED VALUE: \$530,000.00

MINIMUM BID: \$530,000.00

BENEFICIARIES: Fund 31—Permanent Common Schools, Indemnity Section (S)

COMMENTS: Property will be used to develop a municipal water campus.

Dennis Lopez MAI, State of Arizona Certified General Real Estate Appraiser, valued the property at \$530,000.00. The appraisal has been reviewed and it meets Department standards.

RECOMMENDATION: Approval of this sale of the subject property under the terms and conditions included herein/ox attached.




Van Robinson, Administrator

11/14/22

Date

BOARD OF APPEALS APPROVAL:

By:  _____
Chairman, Board of Appeals
for the Land Board of Appeals



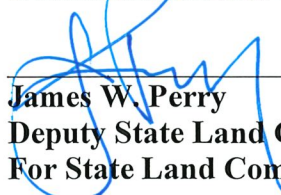
Ronald C. Moore, Section Manager
Sales & Commercial Leasing

11-15-22

Date

Date

COMMISSIONER'S APPROVAL:



James W. Perry
Deputy State Land Commissioner
For State Land Commissioner

11/14/22

Date

End of Our Presentation



Arizona State
Land Department



Arizona State Land Department

53-122041

Reserve 100, LLC

NW of Hawes & Warner Rd

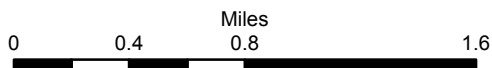
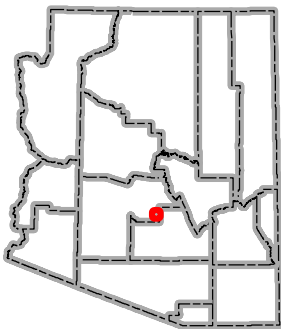
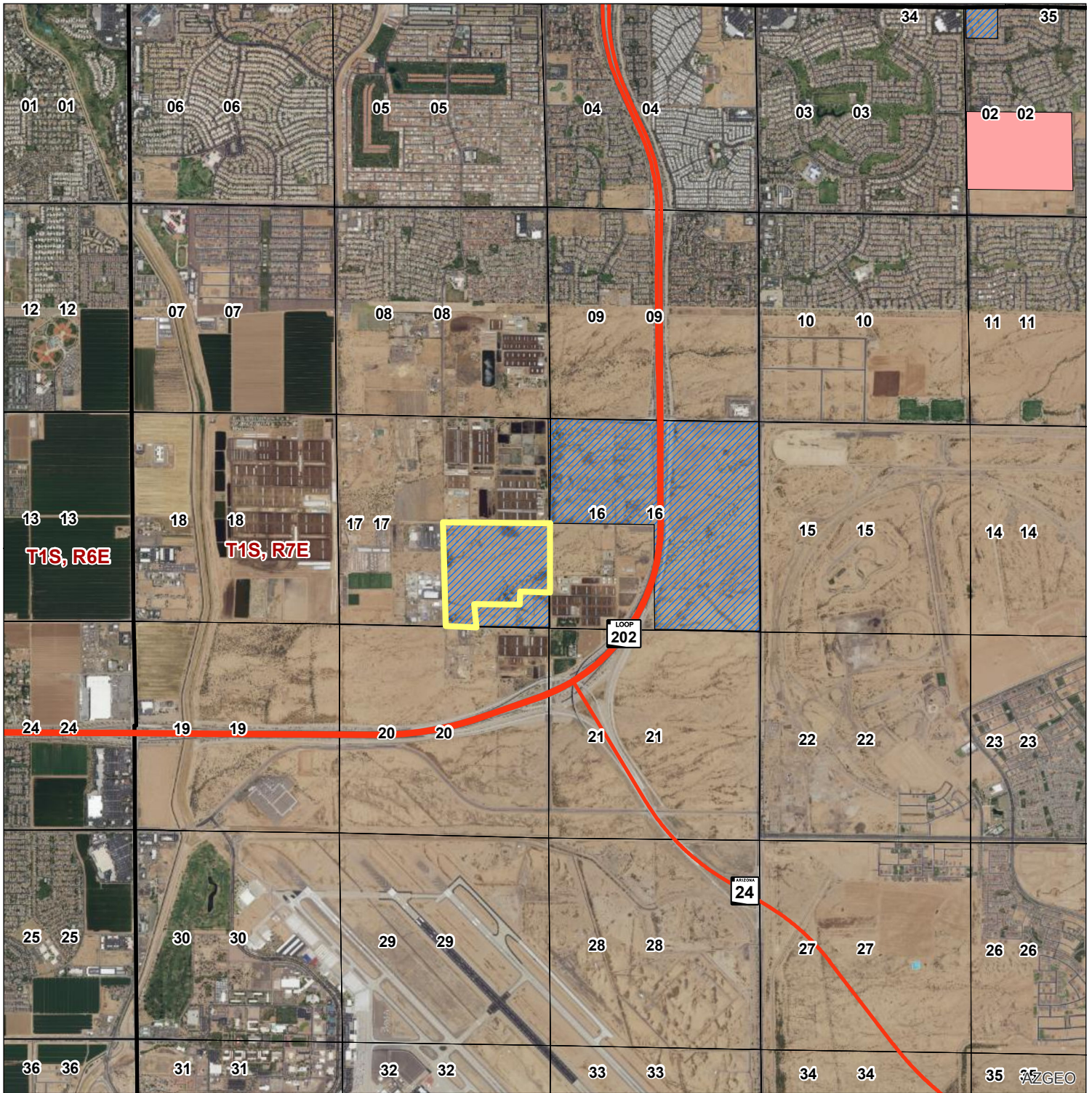
114.70 Acres +/-

\$37,853,000.00



Arizona State
Land Department

53-122041



**Arizona State
Land Department**
1616 W Adams Street Phoenix, AZ 85007

The Arizona State Land Department makes no warranties, implied or expressed, with respect to the information shown on this map.
Map produced by the Arizona State Land Department | Apr. 22, 2021

\\slid18\users\jcharles\Desktop\template 2.mxd
Joe Charles





End of Our Presentation



Arizona State
Land Department



Arizona State Land Department

53-121916

Per Commissioners Initiative (PCI)

SWC Ironwood Rd & SR 24 Freeway,
Queen Creek

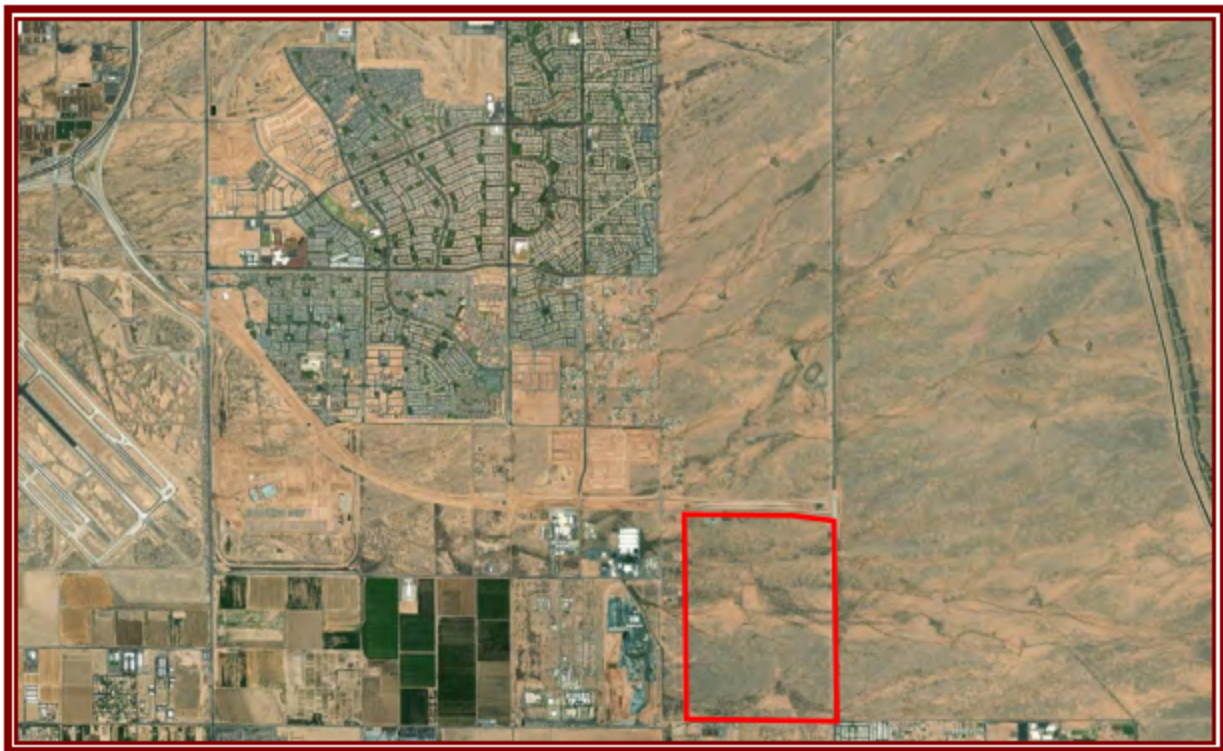
912.92 Acres +/-

\$121,750,000.00

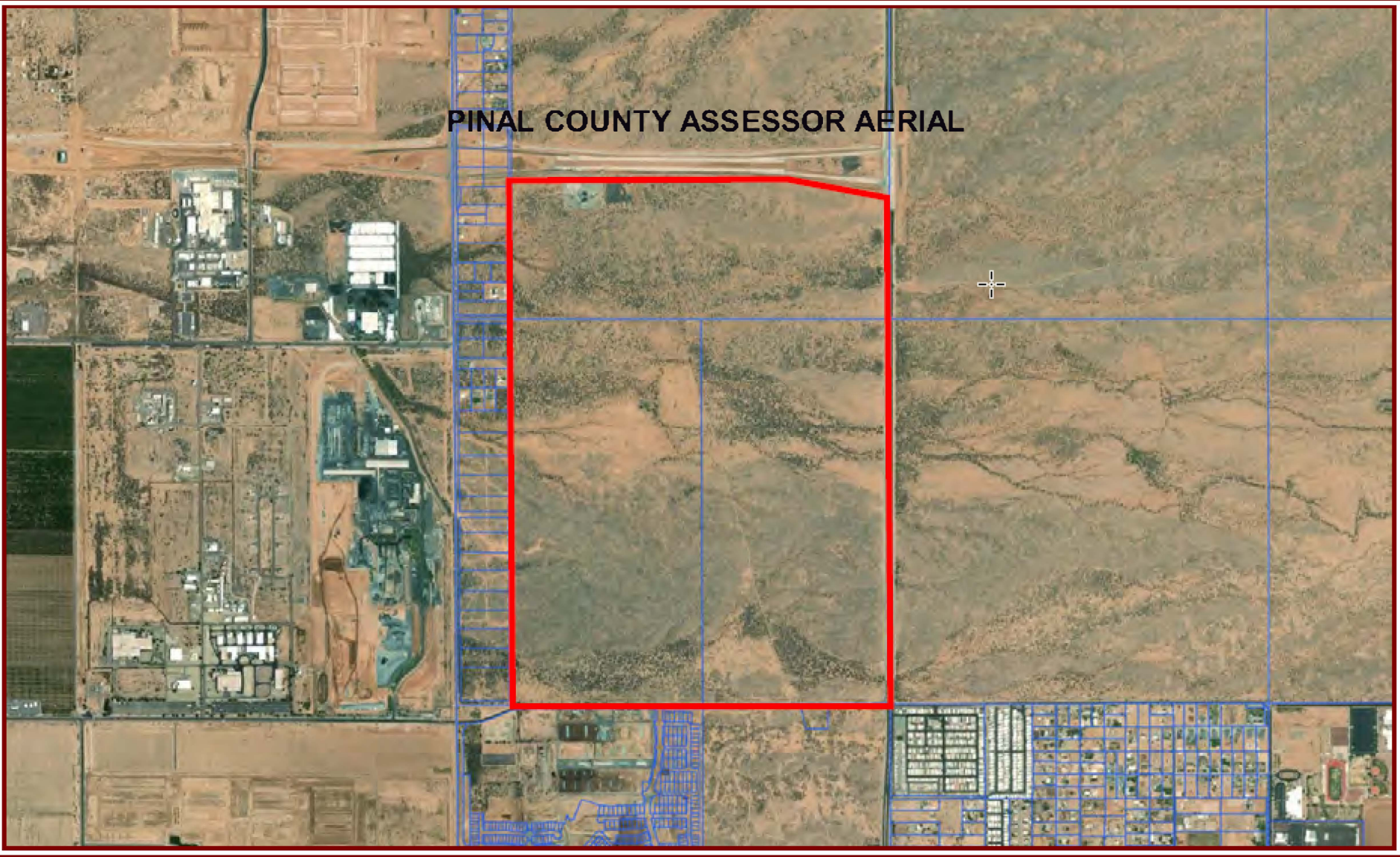


Arizona State
Land Department

ESRI AERIAL PHOTOGRAPH - ZOOMED OUT VIEW



PINAL COUNTY ASSESSOR AERIAL





**Northwest View Of Subject Looking Across
Intersection Of Ironwood Road And Germann Road**



**Southwest View Across Subject Property Looking Across
Intersection Of Ironwood Road And SR-24 Freeway**

**REAL ESTATE DIVISION
SALES AND COMMERCIAL LEASING SECTION
PURCHASE RECOMMENDATION**

APPLICATION NO: 53-121916-00-100

APPLICANT: PCI

SIZE: 912.92 acres (859.91 net)

COUNTY: Pinal **TWP:** 1S **RNG:** 8E **SEC:** 31
 TWP: 2S **RNG:** 8E **SEC:** 6

LOCATION: San Tan, Ironwood Rd & Germann Road

VALUE PER ACRE: \$133,363 per acre (gross), \$141,734 (net)

VALUE OF IMPROVEMENTS: N/A

TOTAL APPRAISED VALUE: \$121,750,000

MINIMUM BID: \$121,750,000

BENEFICIARIES: Permanent Common Schools

COMMENTS: Karl Baltutat, MAI, State of Arizona Certified General Real Estate Appraiser, valued the property at \$3.25 per square foot (net), for a total of \$121,750,000. The appraisal has been reviewed by ASLD and recommends approval.

RECOMMENDATION: Approval of this sale of the subject property under the terms and conditions included herein/or attached.



Joe Charles, Administrator

12/1/22
Date

BOARD OF APPEALS APPROVAL:

By: _____

COPY
Chairman, Board of Appeals
for the Land Board of Appeals

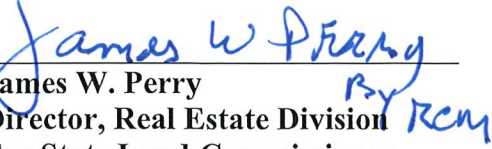


Ron Moore, Section Manager
Sales & Commercial Leasing

12.1.22
Date

Date

COMMISSIONER'S APPROVAL:



James W. Perry
Director, Real Estate Division
For State Land Commissioner

12.1.22
Date

End of Our Presentation



Arizona State
Land Department

EXHIBIT C

SEP 09 2024 10:44AM

P. McKinley, Deputy

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARIZONA SUPERIOR COURT

MARICOPA COUNTY

FARMERS INVESTMENT CO., and
SAVE THE SCENIC SANTA RITAS
ASSOC.,

Plaintiffs,

vs.

ARIZONA STATE LAND
DEPARTMENT BOARD OF APPEALS,

Defendant,

and

COPPER WORLD, INC., an Arizona
corporation,

Intervenor-Defendant.

NO. CV2024-001259

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW**

Assigned to the Hon. Scott A. Blaney

Pursuant to the Court's Minute Order dated June 13, 2024, Plaintiffs Farmers Investment Co. and Save the Scenic Santa Ritas respectfully submit the following proposed findings of fact and conclusions of law:

1 **FINDINGS OF FACT**

2 1. This special action pursuant to the Arizona Open Meetings Law, A.R.S. §
3 38-431 *et seq.*, involves a right-of-way over Arizona state trust land that is part of the Santa
4 Rita Experimental Range (the "Range"), which is managed for ecological and rangeland
5 research purposes by the University of Arizona.

6 2. The intended use of the right-of-way is for infrastructure serving a proposed
7 open-pit copper mine on privately owned land in the Santa Rita Mountains being developed
8 by a subsidiary of Hudbay Minerals, Inc., a Canadian mining company. The agenda and
9 minutes for the meeting at which the right-of-way's valuation was discussed and approved
10 failed to disclose to Plaintiffs and the public that one of the intended uses of the right-of-
11 way was a mine tailings, or waste, pipeline.

12 3. Plaintiff Farmers Investment Co. ("FICO"), an Arizona corporation located
13 in Sahuarita, Arizona, is one of the world's largest growers and processors of pecans. FICO
14 is a prominent opponent of the proposed copper mine, which is near the company's pecan
15 farms.

16 4. Plaintiff Save the Scenic Santa Ritas Assoc. ("SSSR") is an Arizona non-
17 profit organization whose volunteers aim to protect the scenic, aesthetic, recreational,
18 environmental and wildlife values of the Santa Rita Mountains and surrounding areas.
19 SSSR also is a prominent opponent of the proposed copper mine.

20 5. Defendant Arizona State Land Department Board of Appeals (the "Board")
21 consists of five members, each appointed by the Governor and confirmed by the Arizona
22 State Senate for six-year terms. A.R.S. § 37-213. Board members must be "experienced
23 in the classification and appraisal of all types of real estate." *Id.* § 37-213(B). The Board
24 ordinarily holds its meetings in Maricopa County, Arizona.

25 6. At the time of the events relevant to this special action, Rosemont Copper
26 Company was the Arizona subsidiary of Hudbay Minerals developing the proposed mine
27 ("Rosemont Copper"). Rosemont Copper has since changed its name to Copper World,
28

1 Inc. For ease of reference, the Court refers to the company as “Rosemont Copper.”

2 7. This Court granted Rosemont Copper’s unopposed motion to intervene as a
3 defendant in this action in a minute entry filed on February 7, 2024.

4 8. Arizona state trust lands consist of more than 9 million acres of state-owned
5 land held in trust to benefit public schools and universities. *See Our Agency & Mission*,
6 Ariz. St. Land Dep’t, <https://land.az.gov/our-agency-mission>. With certain exceptions, the
7 Arizona State Land Department (the “Department”) is the state agency charged with
8 controlling all lands owned by, belonging to and under the control of the state, including
9 state trust land. *See* A.R.S. § 37-102. The Arizona State Land Commissioner (the
10 “Commissioner”) is head of the Department and is appointed by the governor and
11 confirmed by the state senate. A.R.S. § 37-131.

12 9. On April 14, 2022, Rosemont Copper applied to the Department for a right-
13 of-way across a portion of the Range adjacent to its property (the “Rosemont Copper
14 ROW”). Rosemont Copper stated in the application that it would use the right-of-way for
15 an access road, a fresh water pipeline, a tailings pipeline, a process water return pipeline,
16 an electric transmission line and a telecommunications line.

17 10. Mine tailings are a waste product of ore processing and consist of finely
18 ground rock, water and other byproducts of the copper extraction process. Copper mine
19 tailings often contain arsenic, lead and other heavy metals.

20 11. The Department may grant rights-of-way over state trust land without an
21 auction for not more than 50 years, subject to terms and conditions it imposes. A.R.S. §
22 37-461.

23 12. The Commissioner’s statutory duties include appraising all state lands for
24 grants of rights-of-way, among other purposes. A.R.S. § 37-132(A)(5). Pursuant to her
25 statutory and fiduciary duties to the trust, the Commissioner must ensure that the rental
26 amount charged to the grantee of a right-of-way is no less than the true, appraised value of
27 the interest granted. Ariz. Const. art. 10, § 4; A.A.C. R12-5-801(D)(2).

28

1 13. To fulfill those duties, the Commissioner has requested that the Board review
2 and approve the assessed valuations of rights-of-way. *See, e.g.,* Ariz. St. Land Dept. Bd.
3 of Appeals' Mot. to Dismiss Special Action Compl. at 5 (citing Commissioner's authority
4 pursuant to A.R.S. § 37-132(A)(5)).

5 14. On November 21, 2022, the Department's Rights of Way Project Leader
6 Michael Romero signed a Department Right of Way Section Recommendation form
7 regarding the Rosemont Copper ROW. The form listed the appraised value of the right-of-
8 way as \$64,089 and its purpose as "Access Road; OH 138kV electric transmission line;
9 one 24-count fiber optic communication line; [and] two aboveground 24" water
10 transmission lines." The form did *not* mention or reference a waste tailings pipeline.

11 15. The pre-printed portion of the form included a space for a signature of the
12 Board's chairperson under the heading, "BOARD OF APPEALS APPROVAL."

13 16. According to public records that are incorporated into the record in this
14 special action, on November 28, 2022, Rosemont Copper Land Manager Robin Barnes sent
15 an email to Romero expressing concern that the right-of-way recommendation form did
16 not refer to the tailings pipeline Rosemont Copper planned to install. Barnes wrote:

17 "The description does not match the current projected use of the right of way.
18 Our application provides for 3 above-ground pipelines and we expect to have
19 3 above-ground pipelines for tailings, sand, reclaimed water and other uses.
 Do these need to be included in the recommendation to the Board?"

20 17. Romero replied a few minutes later: "No, the Board only reviews the value.
21 I can change the description in our system."

22 18. On December 6, 2022, Romero emailed Barnes that he would "correct the
23 water line numbers in our system," but "[s]ince the number of water lines does not affect
24 the value, we're ok," because the Board's only purpose "is to approve the valuation."

25 19. In response, Barnes admitted that "[t]he current no. of pipelines is 6."

26 20. The Board issued a notice and agenda for its December 8, 2022 meeting on
27 or about December 6, 2022, in compliance with the Open Meetings Law. *See* A.R.S. §
28

1 389-431.02(C). The agenda stated that the meeting would include “[r]eview, discussion
2 and possible legal action regarding” the Rosemont Copper ROW and two other rights-of-
3 way on the consent agenda. The consent agenda described the Rosemont Copper ROW’s
4 purpose as “Access Road; OH 138kV electric transmission line; one 24-count fiber optic
5 communication line; [and] two aboveground 24” water transmission lines.” There was no
6 mention of or reference to the waste tailings pipeline.

7 21. The Board unanimously approved the consent agenda, including the
8 valuation of the Rosemont Copper ROW, at its December 8, 2022 meeting.

9 22. The minutes of that meeting include as an addendum a copy of the
10 recommendation form for the Rosemont Copper ROW signed by the Board’s chairperson.
11 That form contained the same description of the right-of-way as the one signed by Romero
12 on November 21, 2022: “Access Road; OH 138kV electric transmission line; one 24-count
13 fiber optic communication line; [and] two aboveground 24” water transmission lines.”
14 Once again, there was no mention of or reference to the waste tailings pipeline.

15 23. There is no evidence in the record that any member of the Board was aware
16 of the inaccuracies in the descriptions of the Rosemont Copper ROW in the agenda and
17 minutes.

18 24. On January 24, 2023, Department Deputy Commissioner Jim Perry asked
19 Romero for an update on the status of the Rosemont Copper ROW.

20 25. Romero informed Perry that Rosemont Copper had requested changes to the
21 right-of-way, and that Paul Peterson, the Department’s Administrative Counsel, had
22 approved those changes.

23 26. On or about January 24, 2023, Department staff materially changed the
24 recommendation form approved by the Board and signed by its chairperson at the
25 December 8, 2022 meeting. Handwritten notations marked with the initials “RO” changed
26 the description of the purpose of the right-of-way to increase the number of pipelines from
27 two to six and delete the word “water” from the phrase, “water transmission lines.” See
28

1 Pls.' Resp. in Opp. to Intervenor-Def. Copper World, Inc.'s Mot. to Dismiss Special Action
2 Compl. Ex. 1.

3 27. On January 30, 2023, the Department granted the revised Rosemont Copper
4 ROW, with the document executed by Bradley LeVasseur as "Commissioner for the Land
5 Department." However, LeVasseur's title, as listed on his email signature, is "Contract
6 Management Specialist III."

7 28. The Rosemont Copper ROW crosses a portion of the Santa Rita
8 Experimental Range and abuts federal land managed by the U.S. Bureau of Land
9 Management.

10 29. Plaintiffs reside, own real property and engage in outdoor recreational
11 activities in and around the area of Rosemont Copper's proposed mine. Plaintiffs'
12 opposition to the mine arises from their concerns that the mine would scar the scenic
13 landscape, deplete and potentially contaminate groundwater in the area, lower their
14 property values, harm their business, interfere with the University of Arizona's ongoing
15 research, and otherwise severely degrade the quality of life for themselves and others who
16 live, work and recreate in and around the Santa Rita Mountains. Compl. ¶ 36; Declaration
17 of Thomas Nelson ("Nelson Decl.") ¶¶ 2-4; Declaration of Nan S. Walden ("Walden
18 Decl.") ¶¶ 2-4, 7-8.

19 30. Plaintiffs regularly monitor the Department's activities, including by
20 reviewing the Board's agendas for upcoming public meetings, and have voiced concerns
21 about other legal actions contemplated by the Department that Plaintiffs view as potentially
22 detrimental to the environment and public health. Compl. ¶ 37; Nelson Decl. ¶ 5; Walden
23 Decl. ¶ 5.

24 31. For example, in the spring of 2023, Plaintiffs saw an item on a Board meeting
25 agenda involving the proposed sale of two parcels of state trust land to Rosemont Copper
26 for use as tailings dumps. SSSR sent a letter to the Department objecting to the proposed
27 sale, arguing that the mine project would decrease the value of nearby state land, deplete
28

1 groundwater in the area and harm the environment. The sale of those parcels was
2 subsequently removed from the agenda. Compl. ¶¶ 39-42; Nelson Decl. ¶¶ 7-9 & Ex. B.

3 32. If Plaintiffs had been reasonably and accurately informed about the purpose
4 of the Rosemont Copper ROW, they would have had the opportunity to communicate their
5 concerns to other stakeholders, the Board and the Department, as they have done in other
6 instances.

7 CONCLUSIONS OF LAW

8 33. The Arizona Open Meetings Law provides that “[a]ll meetings of any public
9 body shall be public meetings,” and “[a]ll legal action of public bodies shall occur during
10 a public meeting.” A.R.S. § 38-431.01(A). The Open Meetings Law is designed “to open
11 the conduct of the business of government to the scrutiny of the public and to ban decision-
12 making in secret.” *Welch v. Cochise Cty. Bd. of Supervisors*, 251 Ariz. 519, 526 ¶ 25
13 (2021) (citation omitted).

14 34. Arizona law mandates that in this special action, the Court “shall construe
15 [the Open Meetings Law] in favor of open and public meetings.” A.R.S. § 38-431.09(A).
16 The enforcement provisions of the Open Meetings Law must be read “broadly to effectuate
17 the legislature’s purpose in enacting them.” *Welch*, 251 Ariz. at 526 ¶ 24 (citation omitted).

18 35. Plaintiffs have standing to bring this special action based on their interests in
19 government accountability and transparency. *Id.* at 522 ¶ 1; *see also* Compl. ¶¶ 1-2. They
20 have standing as persons “affected by” the Board’s alleged violations of the Open Meetings
21 Law. A.R.S. § 38-431.07(A).

22 36. The Board acknowledges that it is a “public body” as defined by A.R.S. § 38-
23 431(6), and therefore is subject to the Open Meetings Law.

24 37. The Commissioner has the statutory and fiduciary duty to determine the
25 reasonable value of uses of state land such as rights-of-way. *See* A.R.S. §§ 37-132(A)(5),
26 37-461(A). Because no statutory or constitutional provision specifies a method of
27 appraisal, the Commissioner may use any “reasonable rather than random determination”
28

1 to calculate such values. *Northeast Phoenix Holdings v. Winkleman*, 219 Ariz. 82, 86, ¶
2 17 (App. 2008).

3 38. The Arizona Administrative Code provisions governing rights-of-way
4 permit the Department to employ any policy or procedure that does not otherwise conflict
5 with the Code, which is silent regarding any procedure for appraisals of rights-of-way. *See*
6 A.A.C. § R12-5-801(B)(2).

7 39. The Commissioner thus has discretion to seek the Board's assessment
8 expertise in approving the Department's valuation recommendations. By relying on the
9 Board's approval authority, the Commissioner exercises her statutory and fiduciary duties
10 to appraise the value of rights-of-way across state lands.

11 40. "Legal action" for purposes of the Open Meetings Law is "a collective
12 decision, commitment or promise made by a public body pursuant to the constitution, the
13 public body's charter, bylaws or specified scope of appointment and the laws of this state."
14 A.R.S. § 38-431(3). Further, "deliberations by a majority of a public body in respect to a
15 matter that foreseeably could come to a vote by that body constitute[] 'legal action' for
16 purposes of the" Open Meetings Law. *Valencia v. Cota*, 126 Ariz. 555, 556-57 (App.
17 1980) (emphasis added); *see also Prescott v. Chino Valley*, 166 Ariz. 480, 484 n.3 (1990)
18 (noting the Court of Appeals' approval of this definition of "legal action"); A.R.S. § 38-
19 431(4) (defining "meeting" to include the gathering of a quorum of a public body at which
20 "deliberations" with respect to legal action occur).

21 41. When acting at the Commissioner's request to review and approve valuations
22 of rights-of-way, the Board discusses and decides on a matter within the scope of its lawful
23 authority, and therefore takes "legal action" pursuant to the Open Meetings Law. *See*
24 A.R.S. ¶ 38-431(3).

25 42. The Open Meetings Law mandates that public bodies must give notice of
26 public meetings, including an agenda of the "specific matters to be discussed, considered
27 or decided at the meeting," at least 24 hours before the meeting. A.R.S. § 38-431.02(A)(1),
28

1 (G)-(H). The notice and agenda must “contain such information as is reasonably necessary
2 to inform the public of the matters to be discussed or decided.” *Id.* § 38-431.09(A).

3 43. Although the notice and agenda for a public meeting need not provide “every
4 detail of the recommended decision on which a vote is about to occur,” the public body
5 must convey sufficient information for the public to “discover and investigate further the
6 background or specific facts of the decision.” *Karol v. Bd. of Educ. Trs.*, 122 Ariz. 95, 98
7 (1979). The notice and agenda must be accurate because any “misleading element inherent
8 in the notice given” for a public meeting violates the Open Meetings Law. *Thurston v. City*
9 *of Phoenix*, 157 Ariz. 343, 345 (App. 1988); *Carefree Improvement Ass’n v. Scottsdale*,
10 133 Ariz. 106, 112 (App. 1982).

11 44. Here, interpreting the Open Meeting Law’s requirements broadly in favor of
12 open meetings leads to the conclusion that the notice and agenda for the December 8, 2022
13 meeting were materially inaccurate and misleading and therefore violated the Open
14 Meetings Law.

15 45. Well before the December 8, 2022 meeting, Rosemont Copper had notified
16 Michael Romero, the Department official responsible for the ROW application, that the
17 description of the proposed use being provided to the Board was inaccurate. The company
18 told Romero that to be accurate, the description needed to list three pipelines, not two, used
19 “for tailings, sand, reclaimed water and other uses,” not just water. Two days before the
20 meeting, before the 24-hour window to issue an accurate notice and agenda, Rosemont
21 Copper notified Romero that its plans actually called for six pipelines, not the two listed in
22 the inaccurate description.

23 46. Romero told Rosemont Copper that he would adjust the description of the
24 purpose of the right-of-way in the Department’s systems but chose not to correct the
25 information provided to the Board and the public.

26 47. Using a right-of-way for three or six pipelines rather than two is a substantial
27 and material difference. Whether or not they can be properly termed “toxic,” mine tailings
28

1 are substantially and materially different from water, as they contain waste products from
2 ore processing. A tailings pipeline, therefore, is substantially and materially different from
3 a water line.

4 48. Neither the Board nor the public could accurately evaluate whether \$64,089
5 was a reasonable valuation for the Rosemont Copper ROW without knowing that its uses
6 would include up to six pipelines, not two, that would carry mine tailings and other
7 substances, not only water. Even if the Board agreed that the additional pipelines and
8 inclusion of mine tailings did not affect the assessed valuation, the public could not
9 evaluate the decision without that material information. Moreover, Plaintiffs have shown
10 that they are specifically concerned about mine tailings, and therefore the omission of any
11 mention of tailings from the agenda was material to their understanding of the ROW's
12 valuation.

13 49. The agenda thus violated the Open Meetings Law by withholding
14 information reasonably necessary to inform the public about the issue to be discussed and
15 decided, A.R.S. § 38-431.09(A), and by including an inherently misleading element,
16 *Thurston*, 157 Ariz. at 345, specifically, an inaccurate number and description of the
17 proposed pipelines.

18 50. The minutes of the December 8, 2022 meeting also were materially
19 inaccurate and misleading in violation of the Open Meetings Law.

20 51. Public bodies are required to record minutes of public meetings that include
21 “[a]n accurate description of all legal actions proposed, discussed or taken” at each
22 meeting. A.R.S. § 38-431.01(C)(4). The Board’s minutes violated this statutory
23 requirement by inaccurately describing the scope and purpose of the Rosemont Copper
24 ROW, as set forth above.

25 52. Because of these two violations, the Board’s approval of the valuation of the
26 Rosemont Copper ROW is null and void by operation of law. A.R.S. § 38-431.05(A);
27 *Welch*, 251 Ariz. at 529 ¶ 34.

28

1 53. The Board and Rosemont Copper urge this Court to hold that because the
2 agenda and minutes accurately reflected the information the Department provided and the
3 Board considered, there was no Open Meetings Law violation. However, the Board’s lack
4 of knowledge of these material inaccuracies, and the Department staff’s responsibility for
5 them, are irrelevant to the legal consequences of the Board’s actions. The Open Meetings
6 Law lacks a state-of-mind requirement, and this Court cannot read into the statute a
7 provision that is not there. *Roberts v. State*, 253 Ariz. 259, 266 ¶ 20 (2022).

8 54. To the contrary, the statute sets forth a separate mechanism to remedy
9 knowing violations that is available only to the Arizona Attorney General, not the general
10 public. A.R.S. § 38-431.07(A) (providing that the Attorney General may file suit in
11 Superior Court “against an individual member of a public body for a knowing violation”
12 of the Open Meetings Law, “and in such a suit the court may impose a civil penalty against
13 each person who knowingly violates this article or knowingly aids, agrees to aid or attempts
14 to aid in violating this article”).

15 55. Regardless of who was responsible, the fact remains that the purposes of the
16 right-of-way described in the Board’s materials were materially different from those
17 described in the Department’s systems and in its communications with Rosemont Copper.
18 In other words, the right-of-way whose valuation the Board approved at the December 8,
19 2022 meeting was not the actual right-of-way that would be issued by the Department.

20 56. The Board and Rosemont Copper also argue that Plaintiffs are not entitled to
21 any relief because any violation was technical and Plaintiffs were not harmed because they
22 could not have made comments at the December 8, 2022 meeting in any event. Those
23 arguments are unavailing.

24 57. The violations at issue here were not merely technical. As discussed above,
25 they involved materially misleading information provided to the public.

26 58. Moreover, the fact that Plaintiffs could not speak at the meeting does not
27 mean they were not harmed. Representatives of the Plaintiffs avowed in their declarations
28

1 that the violations denied them the opportunity to voice their concerns about the tailings
2 pipeline in the Rosemont Copper ROW to the Board, Department, other government
3 officials, their neighbors, local nonprofits and American Indian tribal governments.

4 59. The violations also injured Plaintiffs' interests in government accountability
5 and transparency. *See Welch*, 251 Ariz. at 530 ¶ 41 (public's interests in transparency and
6 accountability of public bodies "exist independently of one's active involvement in or
7 attendance of government meetings, and they are affected even when there is nobody there
8 to witness the violation").

9 60. For the foregoing reasons, the Court finds that Plaintiffs have met their
10 burden to show that the Board's notice and agenda for and minutes of the December 8,
11 2022 meeting were materially inaccurate and misleading in violation of the Open Meetings
12 Law. Consequently, all legal action transacted by the Board during its December 8, 2022
13 meeting held in violation of the Open Meetings Law's notice and agenda requirements is
14 "null and void." A.R.S. § 38-431.05(A).

15 61. Nevertheless, now that the Board is on judicial notice of these violations,
16 the Open Meetings Law provides a remedy, should the Board elect to exercise it, by which
17 its prior actions in violation of the law may be ratified. *See* A.R.S. § 38-431.05(B). This
18 Order does not address whether the Board should ratify such null and void actions, but
19 merely recognizes that the law provides a mechanism by which the Board may ratify such
20 actions within 30 days of the issuance of this ruling.

21 The Court therefore **GRANTS** Plaintiffs' Application for an Order to Show Cause
22 and **DENIES** the Motions to Dismiss of Defendant Arizona State Land Department Board
23 of Appeals and Intervenor-Defendant Copper World, Inc.

24 The Court **DECLARES** that the Board's December 8, 2022 meeting was held in
25 violation of the Open Meetings Law because the notice and agenda for the meeting and the
26 minutes of the meeting were materially inaccurate and misleading.

27
28

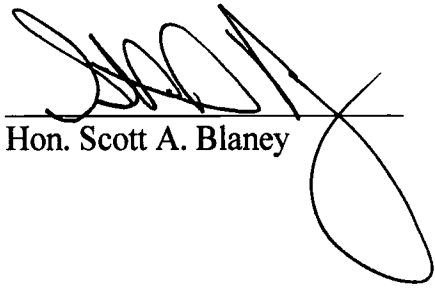
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

The Court further **DECLARES** that the Board's approval of the valuation of the Rosemont Copper ROW is null and void. Should the Board wish to ratify the legal action taken at the December 8, 2022 meeting, it shall follow the procedures set forth in A.R.S. § 38-431.05.

The Court **CLARIFIES** that it was not asked to determine – and specifically does not determine herein – whether any of the proposed pipelines will carry toxic substances. The Court did not receive sufficient facts or evidence to make such a determination.

The Court further **ORDERS** that Plaintiffs shall submit an application for an award of their reasonable attorneys' fees and costs pursuant to A.R.S. § 38-431.07(A) within 30 days of the date of this Order.

DATED this 9th day of September, 2024.



Hon. Scott A. Blaney

EXHIBIT D

Right Of Way Application - Community 2.0 Prod Final

Page 1 of 7

[Account Id](#)

001t000000OgCbSAAV

[Lease ID](#)

No answer given

[Contact Id](#)

003t000000mL2tTAAS

Instructions The State Land Department encourages you to contact the Department's Right of Way Section at (602) 542-1133 prior to submittal of your application. The Right of Way Section may be able to address questions or concerns regarding the land you wish to lease prior to your expenditure of the non-refundable filing fee. Completion of this application does not in any way obligate the Arizona State Land Department to approve the application. NON-REFUNDABLE FILING FEE must be submitted with your application.

A RIGHT OF WAY CAN ONLY BE USED FOR THE PURPOSE FOR WHICH IT IS ISSUED

Type of Right of Way	Term	Example of Use
Temporary / Short-Term Use Only (KE-17)	1 Year	Construction easement, haul road, etc.
Mid-Term Access / Utilities (KE-18)	10 Years	Access road, service road, utilities (e.g., electric, telecommunication, gas, water, sewer, etc.).
Long-Term Private Access / Utilities (KE-14)	30 / 50 Years	Major utilities (e.g., electric, substation, gas, water, sewer, drainage/flowage, utility-scale wind energy, etc.)
Long-Term Public Access / Utilities (KE-16)	Perpetual	Public roadway and / or underground utilities

Rights of Way exceeding 50 years will be offered at public auction. Advertising and administrative fees will be pre-paid for by the applicant.

TYPES OF ACCESS/ROADWAYS

PUBLIC ROADWAY	ACCESS ROAD	SERVICE ROAD
A public roadway is an easement acquired by federal, state, or local governmental agencies. The public roadway must be built to city/county/federal standards.	An access road is a limited use easement (10-year maximum) for non-exclusive individual use, to gain access to State Land under lease, Federal mining leases, and communication sites. The term could be up to a 30-year maximum only for private land landlocked within State Lands, where no other reasonable access is available. The roadway must be built to city / county / federal standards.	A service road is an easement acquired by a utility company for the purpose of installation, service, and repair of utility lines. This type of easement is not a public access road.

MAP REQUIREMENTS Applicants must submit maps with their application that meet the following standards:

- Aerial-view maps containing the proposed Right of Way alignment (including width and approximate length of Right of Way crossing State Trust land) Must contain township(s), range(s), and section line(s) / designations
- Must identify land ownership (e.g., State Trust, BLM, Private, etc.)
- Proposed alignment should be shown separately at the State, regional, and section by section level.

NOTE: Map uploads are required. Maps that do not meet all criteria indicated above will cause the application to be considered incomplete and the application may be returned.

Application Review Applications will be reviewed internally and each will be scored on a 1 – 5 scale based on complexity and potential impact to the Trust. Following review, applicants will be notified if their application has received a score and what that score is, if the application requires revisions or additional justification, or if the application is to be denied. Processing time is dependent on the score of an application.

RIGHT OF WAY FINAL DESCRIPTION & SURVEY DATA The final description for an approved alignment shall consist of a written description and map in accordance with the State Land Department's "Standards for Final Right of Way Descriptions".

NOTE: If the description is irregular enough to require a survey, it must be certified by an Arizona Registered Land Surveyor.

APPRAISAL The rental and purchase prices will be based on the appraised fair market value of the land as approved by the Department.

SURVEYS MAY BE REQUIRED Additional surveys may be required depending upon complexity of the application. Initial contact for the surveys will be handled by the Land Department. All costs for surveys shall be borne by the applicant.

Archaeological Native Plants 404/Waters of the USE Environmental Assessment

I have read and understand the instructions for this application.

[Show Applicant](#)

No answer given

[Application Record Type Id](#)

No answer given

[Renewal Field](#)

0

[Show Contact Information](#)

No answer given

[Step 1](#)

No answer given

Step2

No answer given

Step 3

No answer given

Business Account Type

No answer given

Person Account Type

No answer given

Application Type

No answer given

Page 2 of 7

Application Details

APPLICATION DETAILS

Pending Application No

No answer given

Existing Lease No

No answer given

Case Lease No

No answer given

Controlling Field for Type of Application

Right of Way Lease Application Types

Type of Application:

New

KeVal

0

LeasseVal

0

SubcodeVal

0

ROW Table

Type of Right of Way Term Example of Use Temporary / Short-Term Use Only (KE-17) 1 Year Construction easement, haul road, etc. Mid-Term Access / Utilities (KE-18) 10 Years Access road, service road, utilities (e.g., electric, telecommunication, gas, water, sewer, etc.). Long-Term Private Access / Utilities (KE-14) 30 / 50 Years Major utilities (e.g., electric, substation, gas, water, sewer, drainage/flowage, utility-scale wind energy, etc.). Long-Term Public Access / Utilities (KE-16) Perpetual Public roadway and / or underground utilities

What is the proposed term?

30 or 50 Years

Purpose of use for a 30- or 50-year Right of Way:

Access road(s), Electric transmission, Water transmission, Other

Describe in detail the 'Other' purpose of use:

Fiber Optics line, Tailings pipeline, Process Water Return pipeline

Please describe in detail the proposed use of this application:

3,320' X 150' ROW for an access road, fresh water pipeline, tailings pipeline, process water return pipeline, electrical services and telecommunications line to connect Applicant's property in S22 T18S R15E to its property in S15 T18S R15E.

Project Information

List any other names, titles, identification numbers, or tracking numbers associated with this project below:

N/A

Location Information

LOCATION INFORMATION

What is the Assessor Parcel Numbers (APN), if applicable?

305-53-0250/305-53-0200

Have you been working with a Right of Way Project Leader?

Yes

What is the Project Leader's name?

Ruben Ojeda

What is the political jurisdiction?

Pima County, Arizona

Adjacent Land Uses:

North:

Agricultural / Grazing

East:

Other

Please specify East land use:

Grazing and Residential

South:

Agricultural / Grazing

West:

Agricultural / Grazing

Is the purpose of this Right of Way for an access road to serve a specific property (i.e., Dominant Estate)?

Yes

Dominant Estate

DOMINANT ESTATE

OWNERSHIP & USE INFORMATION

Who is the title held by?

Rosemont Copper Company

What is the APN number?

305-56-001B

When was the title acquired?

01/11/2010

EXISTING INFRASTRUCTURE

Please select the infrastructure(s) available to the dominant estate:
Electric

Who is the electric provider?
TRICO

Variable field "error message"
Please uncheck other option(s) if "None" is selected.

Edit this text
No answer given

EstateMeasurement
0:0

Please select the infrastructure(s) available to the State Trust land:
None

Variable field "error message"
Please uncheck other option(s) if "None" is selected.

Edit this text
No answer given

StateTrustMeasurement
0:0

Is the proposed Right of Way associated with an existing lease, permit or sale application (E.g., access to a cell tower or haul road for a mineral operation)?
Yes

Existing Application/Lease

53
122457
00

ExistingROWNo
053-122457-00

Are there any pending projects associated with this application or additional rights needed for the proposed use of the Trust land?
No

Does your proposed use require crossing other private, State, or Federal land ownership(s)?
No

Does the proposed use include construction?
Yes

Construction Schedule

Construction Schedule

When is the proposed construction anticipated to begin?
01/01/2024

Will the proposed use require a temporary construction easement outside the project area?
No

Does access exist to the Trust land from nearest public road?
No

Existing Improvements

Are there any existing improvements that would be disturbed if this application is approved?

Yes

Please list any improvements that may be impacted:

Grazing fences; and powerline associated with TRICO Right of Way 18-121041

If approved, will the construction and the maintenance of this Right of Way interfere with or intrude upon the existing leases?

Yes

Please describe this impact in detail:

Fencing and appropriate gates may need to be relocated to maintain integrity of the grazing allotments.

Have you contacted the Lessee, Permittee, or Grantee to discuss this application?

No

Page 3 of 7

Jurisdictional Washes

Are there any waterways or washes along or within the project area?

Yes

[Click here to name this section](#)

What are the approximate dimensions (width and depth) of waterways or washes?

3 washes with widths of 1 to 5' and depths of 0 to 1'.

2 washes with widths of 35' to 45' and depths of 1 to 3'.

Please attach a map identifying waterways or washes location(s):

ASLD ROW Application Map.pdf

Is there any issue(s) to upstream or downstream lands generated by the proposed use?

No

Constraints

Are there any drainage and/or floodplain constraints for the project area?

Yes

Please describe these constraints:

May require a Pima County floodplain permit

Will these constraints impact the proposed use?

No

What is your opinion of the estimated land value of the parcel or adjacent land you wish to acquire the rights to?

land value per acre

Estimated land value per acre:

2,000.00

Identify source of estimated land value: (i.e., county assessor, realtor.com, zillow)

Arizona State Land Department Appraisal Review Report for TRICO ROW 18-121041-00-100 dated November 20, 2019 (attached separately)

Funding

FUNDING

How will the proposed acquisition & construction be funded?

Private

Are there any additional funding consideration(s)?

None

Variable field "error message"

Please uncheck other option(s) if "None" is selected.

[Edit this text](#)

No answer given

Page 4 of 7

Has the project been presented and/or vetted through the local, State, or Federal jurisdiction?

No

Have alternate routes, alignments or sites been considered or studied on other land?

No

Are there any extraordinary issue(s) affecting the project, such as the existence of endangered species, cultural resources, or topographic constraints, etc.?

No

If applicable, please provide additional information regarding the project:

No answer given

Page 5 of 7

RW-R ROADWAY

ROADWAY

ROADWAY IMPROVEMENTS

Type of improvement:

New road

Proposed road

What is the proposed road surface?

Dirt

What is the width of the proposed dirt surface?

40

Please select all proposed improvement(s):

No proposed improvements

Variable field "error message"

Please uncheck other option(s) if "No proposed improvements" is selected.

[Edit this text](#)

No answer given

MAINTENANCE & OPERATION

Who will maintain and operate the roadway?

Rosemont Copper Company

Will the easement be assigned?

No

ACCESS TO STATE TRUST LANDS

Are there adjacent State Trust lands that are landlocked?

No

RW-U UTILITIES

UTILITIES

TYPE OF UTILITIES

What type of utilities are proposed?

Water Line

WATER FACILITIES

Who is the water line provider?

Rosemont Copper Company

What is the number of the proposed water lines?

2

What is the size of the proposed lines?

24

Are the water lines sized properly to accommodate adjacent State Trust Lands?

No

Will the utility owner provide a "Will Serve Letter"?

No

Please explain why not:

Applicant is not a utility and the proposed water lines will be utilized for future mining operations

What is the type of water?

Well

MAINTENANCE & OPERATION

Who will maintain and operate the easement?

Rosemont Copper Company

Will the easement be assigned?

No

PERMITS

Have all of the required permits been obtained?

No

List all permits that have been obtained:

N/A

List all permits that still must be obtained:

N/A

RW-UE ELECTRIC UTILITIES

ELECTRIC UTILITIES

Will the proposed use be for electric lines?

Yes

Will the proposed electric lines be:

Overhead and/or Underhanging on Pole(s)

Above Ground RW-UE

What are the structures?

New Towers or Poles

What is the distance between the poles?

600

What is the height of the poles?

135

What is the material of the structures?

Metal Monopoles

Will the towers or poles disturb avian flight paths?

No

Circuits:

What is the voltage of the overhead electric line(s)?

69kV

Circuits:

What is the voltage of the overhead electric line(s)?

69kV

Will any appurtenances be placed on the land (e.g., aboveground electric cabinet(s))?

No

Will the proposed line(s) cross other utility lines?

Yes

How will the proposed lines cross the existing lines?

Over

Will State Trust lands be severed by the proposed lines?

No

Will the lines accommodate future density planned on adjacent State Trust lands under the current general or comprehensive land use plan or zoning entitlements?

No

Will the proposed use be for a substation?

No

Page 6 of 7

Environmental Disclosure Questionnaire

If you have questions regarding this questionnaire, please contact the State Land Department, Environmental Section at (602) 542-2119. Please indicate below the type(s) of potential environmental impacts from your current or proposed use:

Is there a collection of waste tires?

No

Are there any sales and disposals of lead acid batteries?

No

Are there any issues generating a discharge that may potentially impact groundwater?

No

Is there any use of pesticide?

No

Are there any dry wells?

No

Are there any potable water (drinking water) systems?

No

Are there any wastewater collection and/or treatment systems?

No

Are there any air contaminants/air pollution controls (air contaminant emissions)?

No

Is there any solid waste generation, transportation, treatment, recycling, storage, or disposal?

No

Is there any medical waste generation, transportation, treatment, recycling, storage, or disposal?

No

Is there any solid waste (septic tank waste), sewage sludge/septage generation, transportation, treatment, storage, use, or disposal?

No

Is there any used oil generation, transportation, storage, recycling, use, disposal, marketing, or burning?

No

Are there any recycling activities?

No

Is there any special waste (asbestos, motor vehicle shredding waste) generation, transportation, treatment, recycling, storage, or disposal?

No

Are there any hazardous waste generators?

No

Is there any hazardous waste treatment, storage, or disposal?

No

Is there any hazardous waste transportation?

No

Are there any underground storage tank(s)?

No

Are there any above-ground storage tank(s)?

No

Are there any hazardous substances?

No

Is there any other currently unclassified waste?

No

Is the State Trust land located in a National Priority List (NPL), Federal or State Superfund area or in a Water Quality Assurance Revolving Fund (WQARF)?

No

If land disturbance will occur, will it be on previously undisturbed land?

Yes

Please explain:

Proposed right of way is on lands currently used for grazing purposes.

Are there any open and/or abandoned water wells on the property?

No

To the best of your knowledge, are adjacent lands subject to any of the above-referenced environmental impacts?

No

To the best of your knowledge, has an on-site inspection and/or an environmental site assessment been performed at this location?

No

To the best of your knowledge, has any environmental impact been reported previously to ADEQ?

No

Additional Comments:

No answer given

Page 7 of 7

I/We HEREBY CERTIFY, UNDER PENALTY OF PERJURY, THAT THE INFORMATION AND STATEMENTS CONTAINED HEREIN, TOGETHER WITH ALL EXHIBITS AND ATTACHMENTS ARE TRUE, CORRECT AND COMPLETE AND THAT I/WE HAVE AUTHORITY TO E-SIGN THIS APPLICATION/DOCUMENT. If you proceed, you are agreeing to complete the application process electronically. By typing your name(s) below and clicking on "I/We Agree" below, you acknowledge and agree to all of the following: I/We ACKNOWLEDGE AND AGREE that the individual/corporation/business entity completing this application for use of State Trust land is the individual/corporation/business entity in whose name this application is being filed and the person whose electronic signature appears below is authorized to execute and file this application on behalf of the named applicant. I/We ACKNOWLEDGE AND AGREE that in the event that any person known to me (whether it be a family member, member of my household, partner, or otherwise) knowingly affixes signature(s) fraudulently, the Arizona State Land Department shall not be liable to the person or business entity in whose name this application has been filed for any lack of authority to execute this application on behalf of the named applicant. I/We ACKNOWLEDGE AND AGREE that my electronic signature is the equivalent of a manual signature and that the Arizona State Land Department may rely on it as such in connection with any and all agreements I/We may enter into with the Arizona State Land Department, and any documents I/We electronically sign for the Arizona State Land Department. I/We ACKNOWLEDGE AND AGREE that the Arizona State Land Department will rely upon my/our electronic signature(s) to the same extent as if I/We had signed this document in ink. Your responses to all questions throughout the electronic process will be recorded and made part of your electronically signed application.

I Agree

I Agree

Do not click back button after clicking submit

Signature



Robin E Barnes

Name

2022-04-14 21:23:38 (UTC)

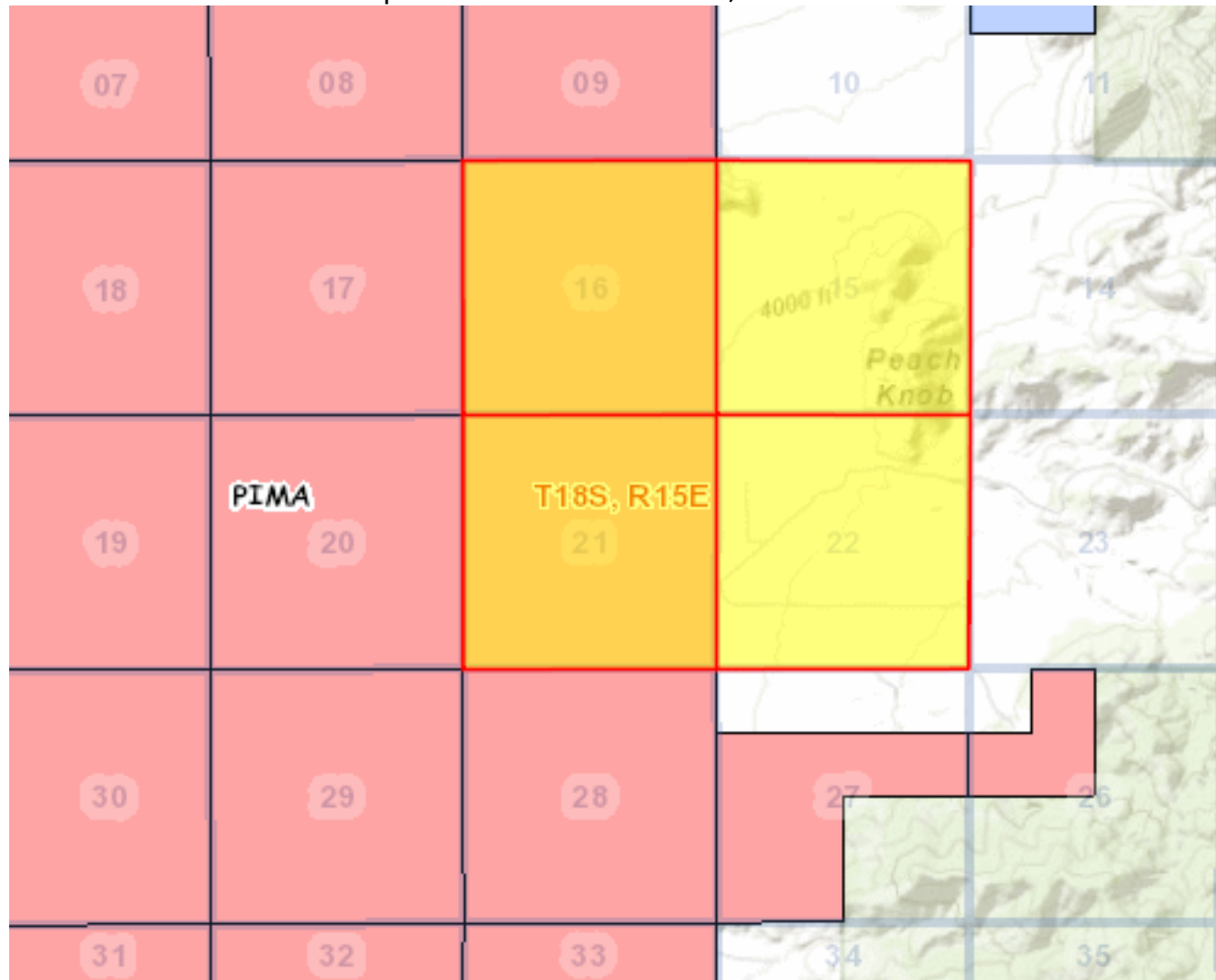
Date

Attached Files

ASLD ROW Application Map.pdf <https://azland.tfaforms.net/uploads/get/e4b6c7da7445d9b173d6d64b963bc350->

ASLD Application Number : a0Z8y0000016qaPEAQ

Report created on 4/14/2022, 2:34:19 PM



Township Range Section	Acres	Legal Description
18 S 15 E 15	0	This is not state land
18 S 15 E 16	3.44	East 150' of South 1,000' of S2SE4
18 S 15 E 21	7.99	East 150' of N2NE4 & East 150' of North 1000' of S2NE4
18 S 15 E 22	0	This is not state land

Legend

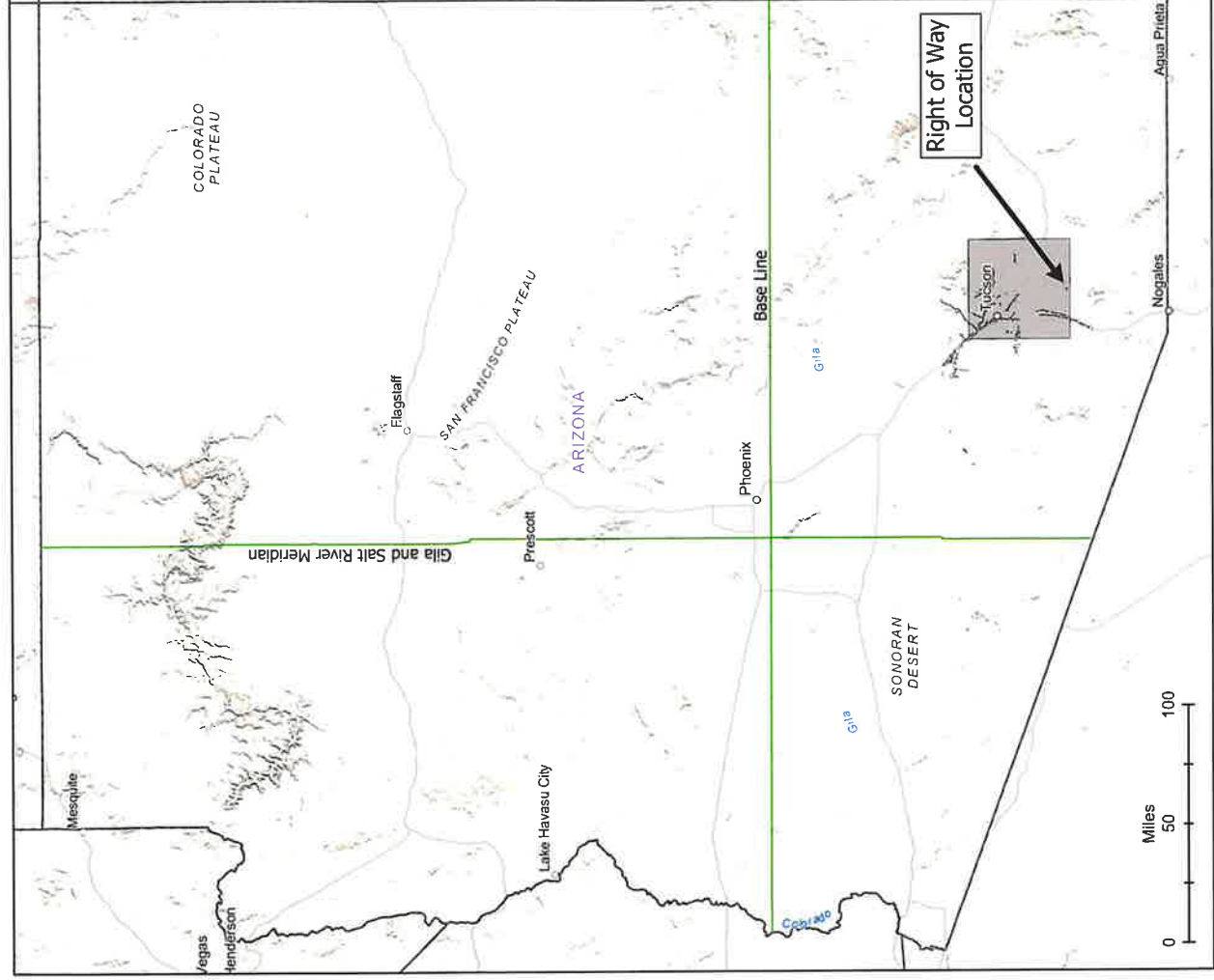
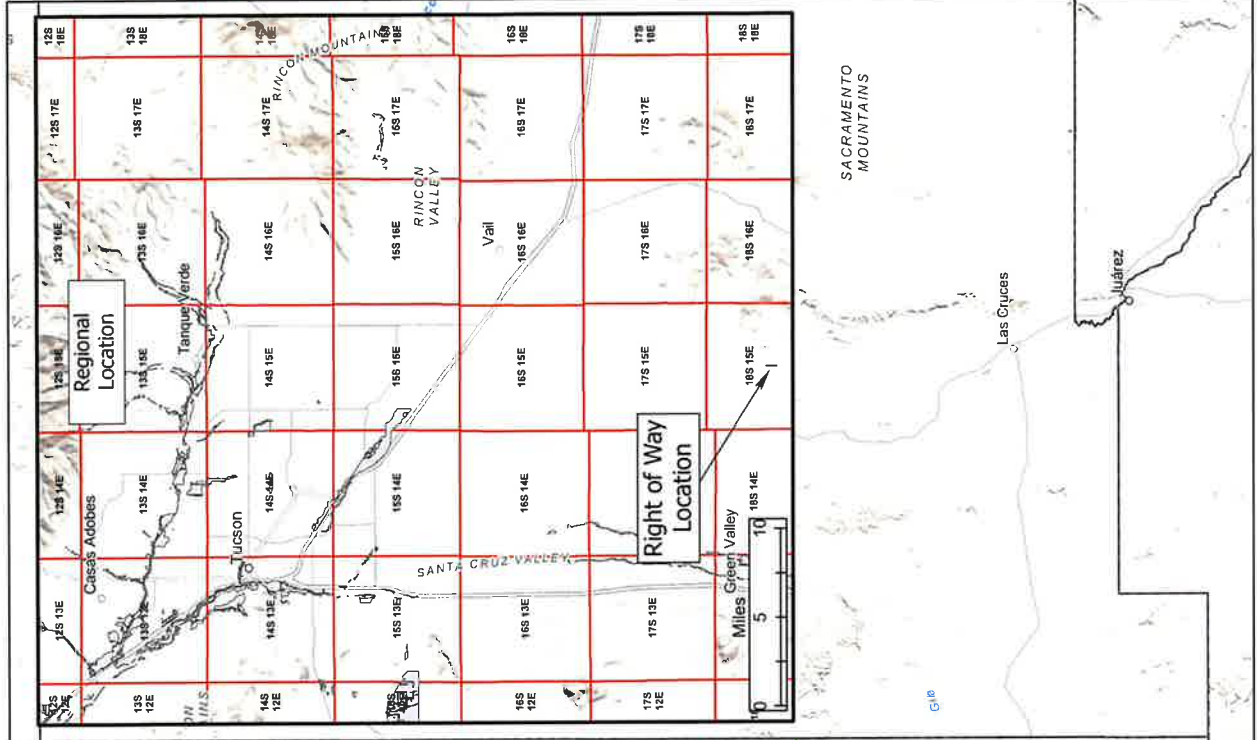
- Arizona Meridian & Baseline
- Regional Map
- Right of Way
- FEMA Zone
- State Boundaries
- PLSS Township

Right of Way Location within Gila and Salt River Meridian along the East line of Sections 16 and 21, T18S R19E as follows:

Section 16 - East 150' of the South 1000' of S1/2 SE1/4; and Section 21 - East 150' of the N1/2 NE1/4 and North 1000' of the S1/2 NE1/4

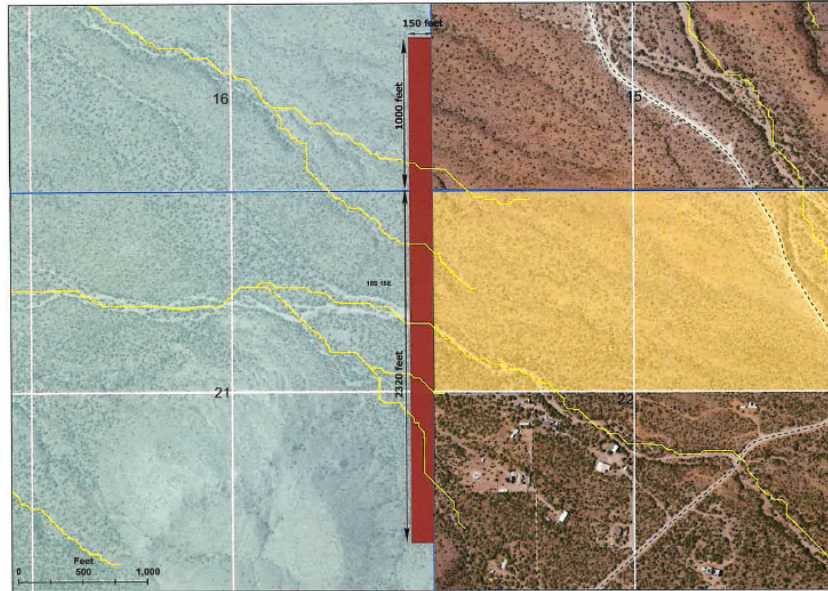


Project		Rosemont Copper Company	
Service	ACGIS Map Service Server	Client	ARIZONA
Map	ARIZONA STATE LAND DEPARTMENT	Date	03/27/2012
Figure 1. Arizona State Land Department Right of Way			
HUBBAY			



Robin E Barnes

EXHIBIT E



RESTRICTED APPRAISAL REPORT

ROW EASEMENT ARIZONA TRUST LAND - ROSEMONT COPPER
COMPANY

EAST OF INTERSTATE 19 AND NORTH OF BOX CANYON ROAD
WITHIN SANTA RITA EXPERIMENTAL RANGE
PIMA COUNTY, ARIZONA 85745

CBRE, INC. FILE NO. CB22US100754-1
CLIENT REFERENCE NO. 14-123251-00-100

ARIZONA STATE LAND DEPARTMENT

November 3, 2022

Mr. R. Scott Sherwood, Appraisal Section Manager
Arizona State Land Department
1110 West Washington Street, Phoenix, Arizona 85007

The following pages set forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value.

EXECUTIVE SUMMARY

Property Name	ROW Easement Arizona Trust Land - Rosemont Copper Company
Location	East of Interstate 19 and North of Box Canyon Road within Santa Rita Experimental Range, Pima County, Pima County, AZ 85745
Client	Arizona State Land Department
Client Reference - Application Number	14-123251-00-100
Highest and Best Use	
As Vacant	Rural Residential
Property Rights Appraised	Fee Simple Estate
Date of Report	November 3, 2022
Date of Inspection	Not Inspected (Desk Top Appraisal)
Effective Date of Value	October 1, 2022
Estimated Exposure Time	6 - 12 Months
Estimated Marketing Time	6 - 12 Months
Larger Parcel	15.00 AC 653,400 SF
ROW Land Area	11.43 AC 498,021 SF
Zoning	RH, Rural Homestead, Pima County
Buyer Profile	Owner-User or Land Speculator

MARKET VALUE CONCLUSION

CONCLUDED MARKET VALUE		
Larger Parcel (Land Only)	\$142,500	
Part(s) Being Acquired - Land Only		\$108,600
Remainder Before Consideration of Damages	\$33,900	
Remainder After Consideration of Damages	\$33,900	
Net Damages or Benefits		\$0
Net Cost to Cure		\$0
Temporary Easements		\$0
Total Compensation		\$108,600
Rounded		\$108,600
Compiled by CBRE		

Introduction

PROJECT NAME

ROW Easement Arizona Trust Land - Rosemont Copper Company.

SUBJECT PROPERTY IDENTIFICATION

The subject consists of 11.43 acres of State Trust land to be used as a right of way easement for an access road, three pipelines and an overhead electric sub-transmission line. The subject lies within a portion of Sections 16 and 21, Township 18 South, Range 15 East, G&SRB&M, Pima County, AZ. More specifically, the subject is located east of Interstate 19 and north of Box Canyon Road within Santa Rita Experimental Range in unincorporated Pima County, Arizona.

APPRAISAL FORMAT

At your request and authorization, CBRE, Inc. has prepared a **Restricted Appraisal Report** stating the market value of the referenced property. The analyses, opinions, and conclusions were developed based on the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal (USPAP Standard Rule 2-2), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and Arizona State Land Department guidelines. As this is a restricted appraisal report, the reader is hereby advised that the report does not contain all the supporting rationale for the opinions and conclusions set forth in the report.

GUIDANCE

This is a Restricted Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it presents limited discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses has been retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The reader is hereby advised that the report may not contain all the supporting rationale for the opinions and conclusions set forth in the report.

INTENDED USER

The intended user of this appraisal is the Arizona State Land Department and the Board of Appeals; use by any other user is strictly prohibited. All unintended users should be forewarned that this report is written using a restricted use format that specifically meets the needs of the Arizona State Land Department. Thus, an unintended user may find the information within the appraisal insufficient for a full understanding of the final value conclusion.

INTENDED USE

The intended use of this Restricted Appraisal Report is to assist the State Land Department in its disposition and/or leasing decisions.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to provide an opinion of the fee simple interest in the "as is" market value of the subject property. The value opinion should be in accordance with ASLD Appraisal Guidelines (Revised March 2018) as well as the most recent edition of USPAP.

SCOPE OF WORK

This Restricted Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP for a Restricted Appraisal Report. As such, it presents limited discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses has been retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The reader is hereby advised that the report may not contain all the supporting rationale for the opinions and conclusions set forth in the report.

At the request of the client, we have completed a "desk" appraisal and have not inspected the subject property. The appraisers are familiar with the market area and neighborhood and was able to obtain a general understanding of the subject's locational characteristics and physical qualities via aerial and/or topographical maps.

The subject was observed using readily available techniques that do not require special testing or equipment.

A review was conducted of a survey provided by the client that we have relied upon for the shape and size of the subject right-of-way. The shape and size of the right-of-way is based upon the survey provided. If additional data is later provided which contradicts the information provided, the conclusions in this report may not be valid.

Investigation of the subject and market area includes sources such as deed records, tax records, county records and geographic information systems, local use statutes, demographic data, and other sources as appropriate. Transaction data was gathered from market participants, MLS records and other private data services, and our own internal database. Resources other than what are commonly available such as environmental studies or engineering studies fall outside the scope of this analysis unless provided by a party to this assignment.

The appraiser performed a highest and best use analysis of the whole property, part to be acquired, and remainder after the acquisition.

The sales comparison approach for land was utilized to develop an opinion of land value because market participants rely on this method. The cost approach was not developed as the land is appraised as vacant (excluding any improvements). The income approach was not developed as there is limited data relative to land leases for consideration. The exclusions of the latter approaches do not reduce the credibility of the assignment results.

The before-and-after method for valuation of a partial acquisition is utilized. Total compensation is estimated as the value of the larger parcel immediately before and immediately after the acquisition, as if the project were complete. In the before-and-after method, special benefits may offset part or all compensation.

INTEREST APPRAISED

The interest appraised is the fee simple estate.

Fee Simple Estate is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹

¹ *The Dictionary of Real Estate Appraisal*, 6th Edition, Appraisal Institute, 2015, p. 90.

MARKET VALUE DEFINITION

Market value is defined as:

The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property.²

LEGAL DESCRIPTION

AN EASEMENT SITUATED IN THE SOUTHEAST QUARTER OF SECTION 16, AND THE NORTHEAST QUARTER OF SECTION 21, BOTH OF TOWNSHIP 18 SOUTH, RANGE 15 EAST, WITHIN THE COUNTY OF PIMA, STATE OF ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A STONE FOUND AT THE SOUTHEAST CORNER OF SAID SECTION 16, FROM WHICH AN ALUMINUM CAPPED PIN STAMPED LS 13178 FOUND AT THE EAST QUARTER CORNER OF SAID SECTION 16 BEARS NORTH 00 DEGREES 10 MINUTES 18 SECONDS WEST, 2640.63 FEET DISTANT;

THENCE, ALONG THE EAST LINE OF SECTION 16, NORTH 00 DEGREES 10 MINUTES 18 SECONDS WEST, 1000.00 FEET;

THENCE, DEPARTING SAID EAST LINE OF SECTION 16, SOUTH 89 DEGREES 49 MINUTES 42 SECONDS WEST, 150.00 FEET;

THENCE, PARALLEL WITH THE EAST LINE OF SAID SECTION 16, SOUTH 00 DEGREES 10 MINUTES 18 SECONDS EAST, 1000.05 FEET, TO THE SOUTH LINE OF SAID SECTION 16;

THENCE, PARALLEL TO THE EAST LINE OF SAID SECTION 21, SOUTH 00 DEGREES 12 MINUTES 33 SECONDS EAST, 2320.05 FEET;

THENCE, NORTH 89 DEGREES 47 MINUTES 27 SECONDS EAST, 150.00 FEET, TO A POINT ON THE EAST LINE OF SAID SECTION 21;

THENCE, ALONG THE EAST LINE OF SAID SECTION 21, NORTH 00 DEGREES 12 MINUTES 33 SECONDS WEST, 2320.00 FEET, TO THE **POINT OF BEGINNING**.

CONTAINING 498,007 SQUARE FEET, OR 11.433 ACRES, MORE OR LESS.

² Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisition, 6th ed. (The Appraisal Foundation, 2016) p. 10.

EXHIBIT "A"

FND ALUM CAPPED
IRON ROD LS 13178



2640.63
N0° 10' 18"W
BASIS OF
BEARINGS

S89° 49' 42"W
150.00'

S0° 10' 18"E
1000.05'
N0° 10' 18"W
1000.00'



POB
FND STONE



(IN FEET)
1 inch = 500 ft.


SUBJECT PARCEL

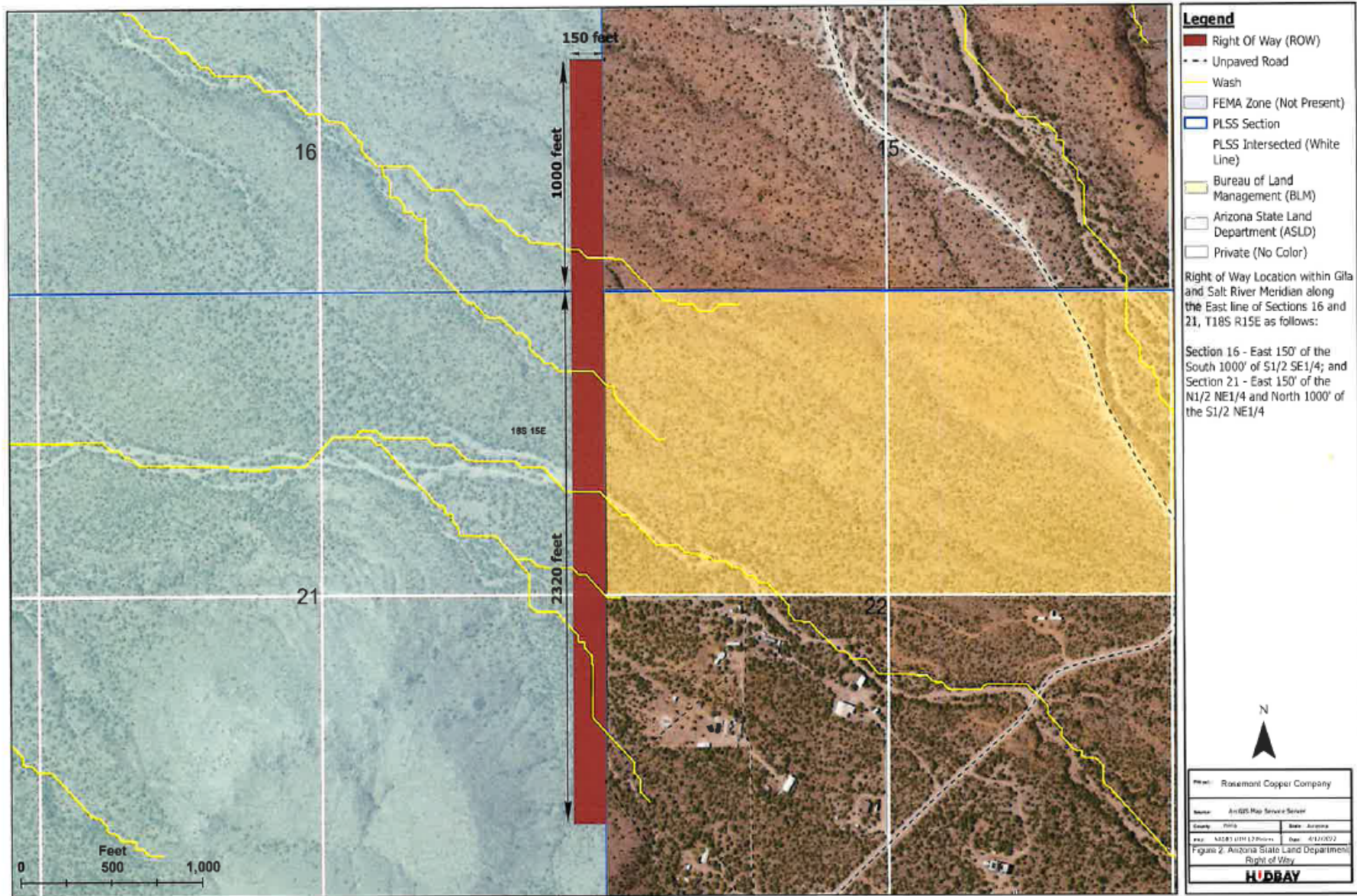
S0° 12' 33"E
2320.05'
N0° 12' 33"W
2320.00'

N89° 47' 27"E
150.00'



Page 2 of 2

PREPARED FOR: ROSEMONT COPPER	 8040 S. RITA ROAD SUITE 2300 TUCSON, AZ 85747 (520)-298-2725 (O) (520)-298-2767 (F) www.darlingtd.com	
	TITLE: EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION	DRAWING No. JOB# RCC-SU21-044 DATE: JULY 2022



SITE IMPROVEMENTS

The appraiser has valued the subject as if there were no improvements. No additional site improvements are noted.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”³

- 1) There is no archaeological significance on the subject site.
- 2) There is no geological significance on the subject site.
- 3) There are no environmental risks or hazardous conditions found on the subject site.
- 4) Legal access exists.

The use of these extraordinary assumptions may have affected the assignment results.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.”⁴

- 1) The property is being appraised as if unencumbered by any leases.
- 2) The property is being appraised as if unencumbered by any existing rights-of-way.

The use of these hypothetical conditions may have affected the assignment results.

CURRENT OWNERSHIP AND SALES HISTORY

The subject is held in ownership by the State of Arizona. To the best of our knowledge, there has been no ownership transfer of the property during the previous 10 years. The parcels appear to have been raw desert land adjacent to subdivided rural residential parcels to the west and east of the subject’s larger parcel. The subject property is being appraised as if unencumbered by any leases or rights of way. *The use of this hypothetical condition may have affected the assignment results.*

³ The Appraisal Foundation, *USPAP, 2022-2023*

⁴ The Appraisal Foundation, *USPAP, 2022-2023*

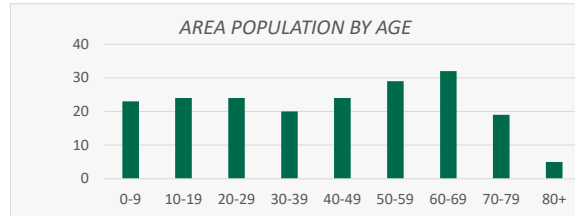
Neighborhood Analysis

The subject is located in Pima County, Arizona. More specifically, the subject is located east of the Interstate 19 and south of Tucson in unincorporated Pima County, Arizona. The area is also influenced by its proximity to the larger community of Tucson, AZ, located approximately 18 miles north.

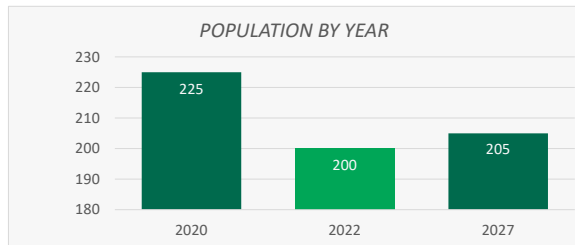
The subject is located in rural community near east Sahuarita, AZ. Key information about the area (5-mile radius) is provided in the following tables.

POPULATION

The area has a population of 200 and a median age of 44, with the largest population group in the 60-69 age range and the smallest population in the 80+ age range.



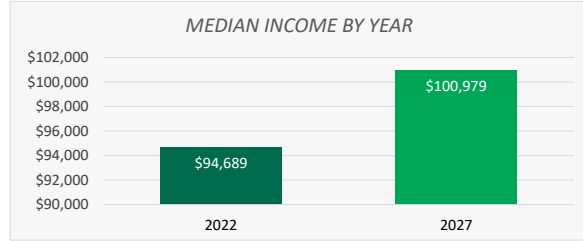
Population has decreased by -25 since 2020, reflecting an decrease of -2.3%. Population is projected to increase by an additional 05 by 2027, reflecting 0.5% population growth.



Compiled by CBRE; Source: Esri

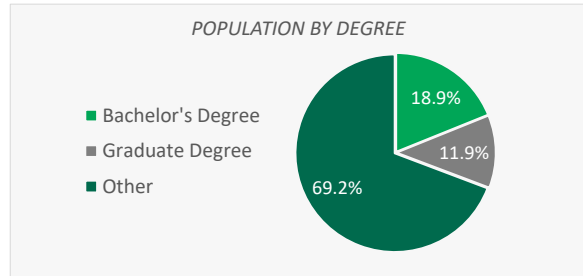
INCOME

The area features an average household income of \$115,078 and a median household income of \$94,689. Over the next five years, median household income is expected to increase by 6.6%, or \$1,258 per annum.

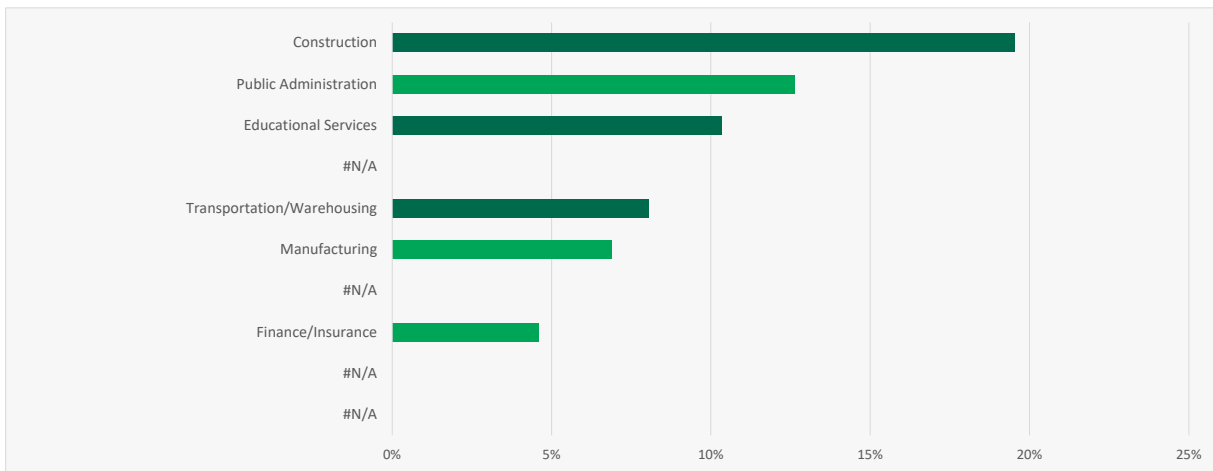


EDUCATION

A total of 30.8% of individuals over the age of 24 have a college degree, with 18.9% holding a bachelor's degree and 11.9% holding a graduate degree.



EMPLOYMENT



The area includes a total of 87 employees and has a 2.2% unemployment rate. The top three industries within the area are Construction, Public Administration and Educational Services, which represent a combined total of 43% of the population.

Compiled by CBRE; Source: Esri

NEIGHBORHOOD CHARACTERISTICS	
Location	Rural
Built-Up	Under 25%
Growth Rate	Stable
Change in Present Land Use	Not Likely
Land Use Trend Toward	Rural Residential
Property Values	Increasing
Demand & Supply	In Balance
Nearest Major City	Tucson, AZ
Historical Uses	Rural residential and open space
Surrounding Land Uses	Surrounding land uses include agricultural uses, vacant desert land, residential homes, and recreational uses

Compiled: CBRE, Inc.

Based on the foregoing, values are expected to be increasing in the near future. In keeping with the principle of conformity, we expect neighborhood land uses to continue to be rural, similar to the present use. A generally positive growth rate is expected in the near future. This is a positive indicator for real estate demand.

Description of the Subject

The subject consists of 11.433 acres of State Trust land to be used as a right of way easement for an access road, three pipelines and an overhead electric sub-transmission line. The subject lies within a portion of Sections 16 and 21, Township 18 South, Range 15 East, G&SRB&M, Pima County, AZ. More specifically, the subject is located east of Interstate 19 and north of Box Canyon Road within the Santa Rita Experimental Range in unincorporated Pima County, Arizona.

Commencing within the southeast corner of Section 16, the right-of-way is 150' in width and generally follows the east boundary of Section 16 and Section 21 of Township 18 South, Range 15 East southerly 3,320 feet. The right-of-way easement totals 11.433 acres.

SITE SUMMARY AND ANALYSIS

Physical Description

Right-of-Way Area	11.433 Acres	498,021 Sq. Ft.
Larger Parcels (each)	15.000 Acres	653,400 Sq. Ft.
Road Frontage		
Larger Parcel Configuration		
Larger Parcel 1 (approx.)	1000' (Width) x 653" (Depth)	
Parcel Shape	Generally Rectangular	
Topography	Rolling - Gradual Slope to west	
Zoning District	Rural Homestead (RH)	
Flood Map Panel No. & Date	04019C2276L	16-Jun-11
Flood Zone	Zone X (Unshaded)	
Flood Notes	Area of minimal flood hazard	
Earthquake Zone	N/A	
Soil Type	Unknown	
Ingress/Egress Points	Assumed along Scenic Drive	

Comparative Analysis

	Rating
Access	Average
Visibility	Average
Functional Utility	Average
Traffic Volume	Average
Adequacy of Utilities	Below Average
Landscaping	N/A
Drainage	Average

Utilities

	Provider	Availability
Water	N/A	Underground Well Required (Available via application to ADWR)
Sewer	N/A	Commercial Septic Required
Natural Gas	N/A	No
Electricity	Tucson Electric Power	Yes
Telephone	Century Link	Yes
Mass Transit	N/A	No

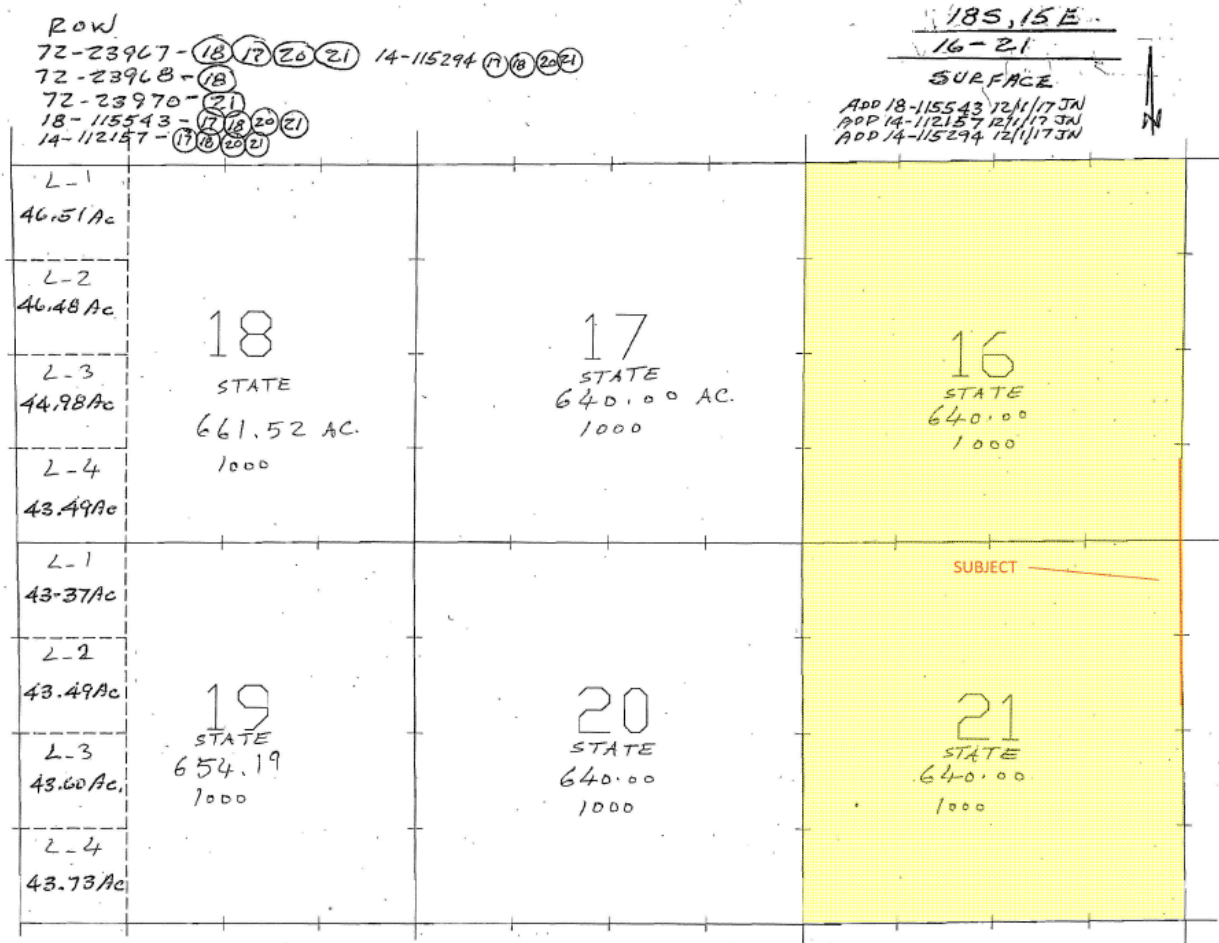
Other

	Yes	No	Unknown
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X

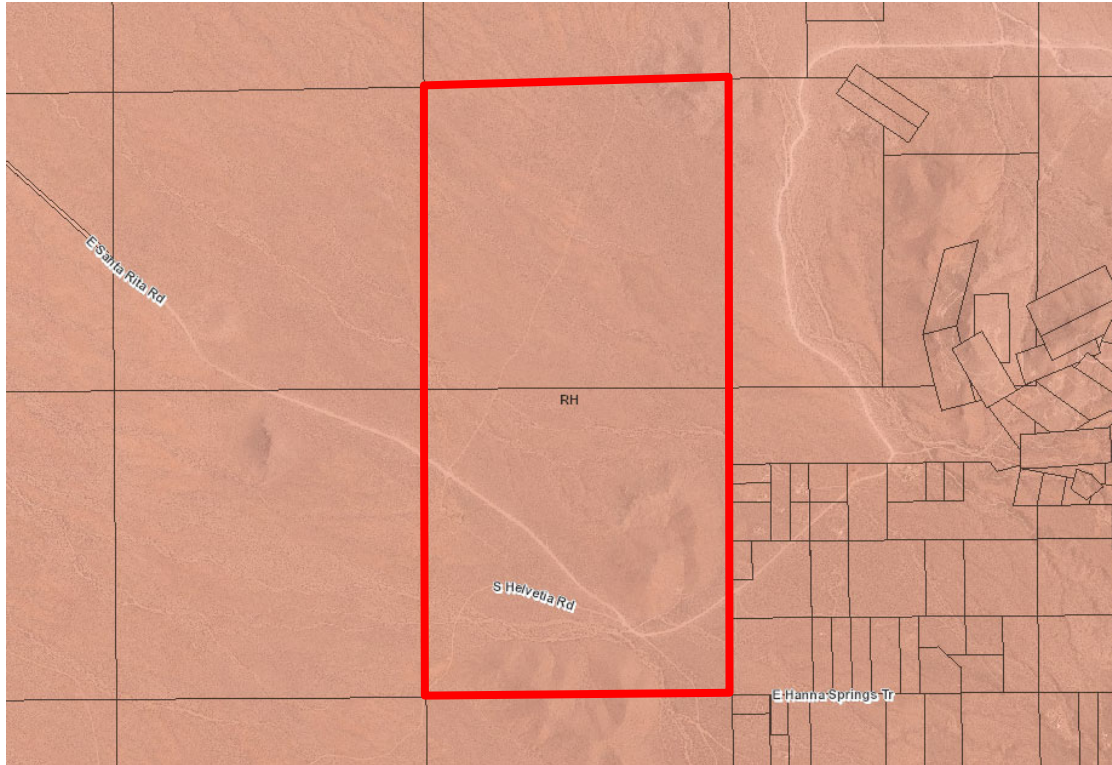
Source: Various sources compiled by CBRE

PARCEL MAP

The subject right-of-way easement is a portion of two Pima County Assessor parcels identified below.



ZONING MAP



The subject is zoned Rural Homestead (RH). This land use category is intended to preserve the character and encourage the orderly growth of rural areas in the town. 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. This category includes such uses as single detached dwellings, manufactured or mobile home or trailer, guest dwelling, accessory structures, crop production/agricultural uses, raising and grazing of livestock, private, community and commercial stables, farm products stand, veterinary services, governmental uses, public parks, public schools, childcare center, group care home, religious use, clinic, and nature reserve.

HIGHEST AND BEST USE

HIGHEST AND BEST USE - SUBJECT LAND	
Current Use	Rural Vacant Land
Zoning	RH, Rural Homestead, Pima County
HBU	Speculative Rural Residential Use

Highest and Best Use, As Vacant:

We conclude that the highest and best use of the parcels of which the subject right-of-way is a part would be for rural residential development consistent with its current zoning. Development would require securing a well permit from the Arizona Department of Water Resources (ADWR) and development of an onsite septic system.

Most Probable Buyer:

An Owner-User or land speculator would be the most probable buyer.

Larger Parcel Analysis

“In governmental land acquisitions, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In Federal and some State cases, however, contiguity is sometimes subordinated to a unitary use.”⁵

The appraiser has employed the ‘Larger Parcel’ technique in this assignment. In determining the larger parcel, the appraiser has identified the parcels of State Trust lands that are directly impacted by the proposed easement of which the proposed easement is a part. The larger parcel selected by the appraiser displays the characteristics of unity of ownership, physical continuity, and unity of use, and meets the test of viability, with the following exception:

- The ultimate size of the larger parcel is bracketed by the size of the comparable sales.

Because the larger parcel is too small to fully incorporate the subject property, the use of a floating larger parcel was necessitated. Because the subject right-of-way easement is long, the appraiser has used a larger parcel consistent with the data set presented.

The larger parcel may be the parent tract from which an acquisition is made. If the proposed acquisition is linked to other lands by ownership, use, and contiguity, it may be necessary to consider the entire linked assemblage as a Larger Parcel, with the appraisal addressing the value of the Larger Parcel and its post-acquisition remainder in order to properly assess damages.

“Unity of use” means that the acquisition parcel and the Larger Parcel it comes from (if applicable) support a single, integrated use, or related uses such that one is diminished without the other. The object of Larger Parcel analysis isn’t just an academic exercise; the concept arose in eminent domain appraisal practice in order to ensure that both the condemnor and condemnee were treated fairly. It requires the appraiser to appraise the acquisition parcel according to its pro-rata contribution to the larger real estate enterprise, and not as an isolated parcel that must stand (or fall) on its own merits.

Unity of Highest & Best Use

We previously reported that the subject right-of-way easement is 11.433 acres and crosses two legally defined parcels and held under a unity of ownership by the State of Arizona. Multiple other parcels similar to other adjoining lands. These lands have Rural Homestead zoning by Pima County. While there is Rural Homestead zoning, development of these parcels is not imminent due to the need to secure water rights and sewer. Overall, the subject right-of-way property shares similar highest and best with the adjoining larger tracts. Based on unity of ownership and unity of highest and best use, the larger parcel should be something greater than the 11.433 subject right-of-way easement, or a parcel that would provide utility to a hypothetical buyer. The size of the parcel would be dictated by the demands of the market. Comparable sales considered in this appraisal range from 8.88 to 25.00 acres. A parcel of approximately 15.0 acres (larger parcel) would be consistent with the “demands” of the market providing utility to a hypothetical buyer.

⁵ The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, 2015., p. 127.

Contiguity of Use

The 11.433 acres is a portion of a larger tract comprised of two Pima County Assessor parcel numbers. Based on unity of ownership and unity of highest and best use, the larger parcel would be a parcel in size dictated by the demands of the market, or a parcel approximating 15.0 acres (larger parcel).

As the subject is being valued as vacant land without any development on the site, there is no contiguity of use between the larger 15.0 acres that would include the 11.433-acre right-of-way, and the larger acreage of which the 15.0 acres is a part. Therefore, the 15.0-acre floating larger parcel that includes the 11.433-acre right-of-way easement would be the Larger Parcel.

Conclusion of Larger Parcel Analysis

The land sale comparables found in the market area range in size from 8.88 to 25.00 acres. Based on our analysis of unity of ownership, unity of highest and best use, and contiguity of use, the Larger Parcel is a 15.0-acre tract held in ownership by the State of Arizona located east of Interstate 19 and north of Box Canyon Road within the Santa Rita Experimental Range in unincorporated Pima County, Arizona that includes the 11.433-acre right-of-way easement.

Site Description – Larger Parcel (Includes 11.433-Acre ROW Easement)

In choosing the larger parcel, care was taken to not create a larger parcel that is too narrow for functional development, is not bracketed by the size of the comparables, is not so irregular in shape that it would make eventual development difficult, would create severance damage issues within the larger parcel, or would place the right of way segment anywhere but at the edge of the larger parcel (i.e., it’s normally not good to have the right-of-way segment going through the center of the site or running diagonally through the site).

The map below shows the general outline of the Larger Parcel selected that includes the right-of-way easement along the east border of the property. The depiction of the floating Larger Parcel is not a survey but is an attempt to show the general location of a 15.0-acre Larger Parcel that floats along the proposed right-of-way providing limited impact on the site utility.

LARGER PARCEL IDENTIFICATION MAP



*The map above showing the larger parcel is not a survey but shows the general configuration of a floating 15.0-acre Larger Parcel along the subject right-of-way easement.

Each 15-acre floating larger parcel reflects similar property characteristics:

Size:	15.0 Acres
Zoning:	Rural Homestead (RH)
Frontage:	No frontage
Access:	No improved access – proximity to Santa Rita Road (dirt)
Shape:	Generally Rectangular
Site Utility:	Average – Typical
Visibility:	Adequate for Residential Use

Topography:	Rolling
Utilities:	Water – Onsite Well Required Sewer – Onsite Septic Required Power – Located generally to the east and southeast
Site Improvements:	Assumed None (See Extraordinary Assumption)
Encumbrances/Easements:	No known adverse encumbrances or easement
Flood Zone:	Not located in a flood zone
Adjacent Land Uses:	Vacant Land (Residential, Rural Development Area)
Highest & Best Use:	Future Rural Residential Use – Consistent with zoning

Tax Information

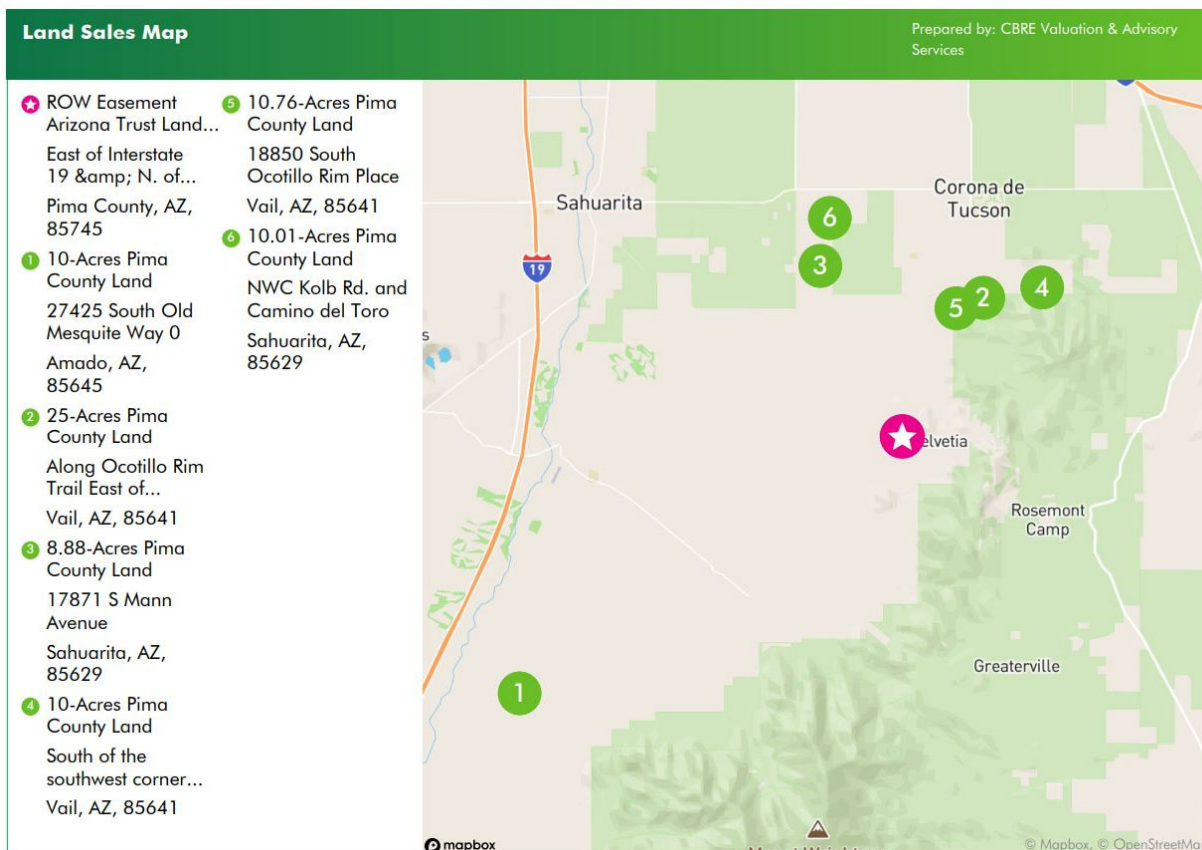
SUBJECT TAX INFORMATION		
	2022 Full Cash Value	2022 Assessed Limited Value
Land Assessment (640 Acres):	\$640,000	\$0
Land Assessment (480 Acres):	\$640,000	\$0
Total Assessment:	\$1,280,000	\$0
Per Acre	\$667	\$0
Assessment Ratio:		15%
Total Property Tax Amount:		\$0
Compiled by CBRE		

As shown above, the subject right-of-way easement is a portion of two parcels (APNs 305-53-0200 and 305-53-0250) totaling 1,280 acres. The property has a full cash value of \$1,280,000, or \$667 per acre, and an assessed value of \$0, or \$0 per acre. Because the subject is owned by the State of Arizona, there are no taxes assessed.

Land Value - Before

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable. The sales utilized represent the best data available for comparison with the subject and were selected from the subject’s primary market area. These sales were chosen based upon their date of sale, location, and physical characteristics. The sales utilized represent the best data available for comparison with the subject.

We also considered sales in the subject’s immediate area, more specifically in Section 22. Several transactions have occurred in the last 12 to 36 months by the same buyer (Rosemont Copper Company) with the most recent purchases reported at \$50,000 per acre. Attempts were made in contacting the parties involved; however, we were unable to make contact for verification. These transactions are clearly for assemblage and involves an atypical buyer willing to pay above market pricing. While they have proximity to the subject property, it is our opinion that these acquisitions do not reflect current market value, and therefore, these transactions are not considered in the following analysis.



SUMMARY OF COMPARABLE LAND SALES								
No.	Property Location	Transaction		Zoning	Actual Sale Price	Adjusted Sale Price ¹	Size (Acres)	Price Per Acre
		Type	Date					
1	27425 South Old Mesquite Way 0 Amado, AZ 85645	Sale	Apr-21	RH, Rural Homestead, Pima County	\$150,000	\$150,000	10.00	\$15,000
2	Along Ocotillo Rim Trail East of Houghton Road Vail, AZ 85641	Sale	Aug-21	RH, Rural Homestead, Pima County	\$212,000	\$212,000	25.00	\$8,480
3	17871 S Mann Avenue Sahuarita, AZ 85629	Sale	Feb-22	RH, Rural Homestead, Pima County	\$106,000	\$106,000	8.88	\$11,937
4	South of the southwest corner of Camino Aurelia and Camino Chuboso W2 E2 SE4 SE4 10.00 Ac SEC 30-17-16 aka Ptn Lot 13 1/25 Rs Vail, AZ 85641	Sale	Mar-22	CR-1, Single Residence, Pima County	\$165,000	\$165,000	10.00	\$16,500
5	18850 South Ocotillo Rim Place Vail, AZ 85641	Sale	Jun-22	RH, Rural Homestead, Pima County	\$195,000	\$195,000	10.76	\$18,123
6	NWC Kolb Rd. and Camino del Toro SE4 SE4 SE4 Sec 18-17-15 Sahuarita, AZ 85629	Sale	Sep-22	RH, Rural Homestead, Pima County	\$100,000	\$100,000	10.01	\$9,990
Subject	East of Interstate 19 & N. of Box Canyon Road within Santa Rita Experimental Range, Pima County, Arizona	---	---	RH, Rural Homestead, Pima County	---	---	15.00	---

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)
Compiled by CBRE

In cases where the comparable is inferior, the sale is adjusted upward. When superior, the sale is adjusted downward. Adjustments are intended to make the sale more comparable to the subject.

Conclusion and Reconciliation of Land Value – Before

LAND SALES ADJUSTMENT GRID - BEFORE							Subject
Comparable Number	1	2	3	4	5	6	---
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Apr-21	Aug-21	Feb-22	Mar-22	Jun-22	Sep-22	---
Zoning	RH, Rural	RH, Rural	RH, Rural	CR-1, Single	RH, Rural	RH, Rural	Homestead,
Actual Sale Price	\$150,000	\$212,000	\$106,000	\$165,000	\$195,000	\$100,000	---
Adjusted Sale Price ¹	\$150,000	\$212,000	\$106,000	\$165,000	\$195,000	\$100,000	---
Size (Acres)	10.00	25.00	8.88	10.00	10.76	10.01	15.00
Size (SF)	435,600	1,089,000	386,813	435,598	468,706	436,036	498,021
Price Per Acre	\$15,000	\$8,480	\$11,937	\$16,500	\$18,123	\$9,990	---
Price (\$ Per AC)	\$15,000	\$8,480	\$11,937	\$16,500	\$18,123	\$9,990	---
Property Rights Conveyed	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Financing Terms ¹	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Conditions of Sale	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Market Conditions (Time)	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Location	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Size	Slightly Superior	Slightly Inferior	Slightly Superior	Slightly Superior	Slightly Superior	Slightly Superior	
Frontage/Access	Slightly Superior	Slightly Superior	Slightly Superior	Slightly Superior	Slightly Superior	Comparable	
Topography	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Accessory Site Improvements	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Zoning/Entitlements	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Utilities	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Highest & Best Use	Comparable	Comparable	Comparable	Comparable	Comparable	Comparable	
Overall	Superior	Offset - Comparable	Superior	Superior	Superior	Slightly Superior	

¹ Adjusted sale price for contributory value of improvements, contributory value of mineral interests, expenditures made immediately after the sale, cash equivalency and/or development costs (where applicable). See Land Sale Data Sheets in the Addenda for details.

Compiled by CBRE

Most consideration was given to Sales Two and Six, which require offsetting adjustments or required nominal adjustments in the analysis.

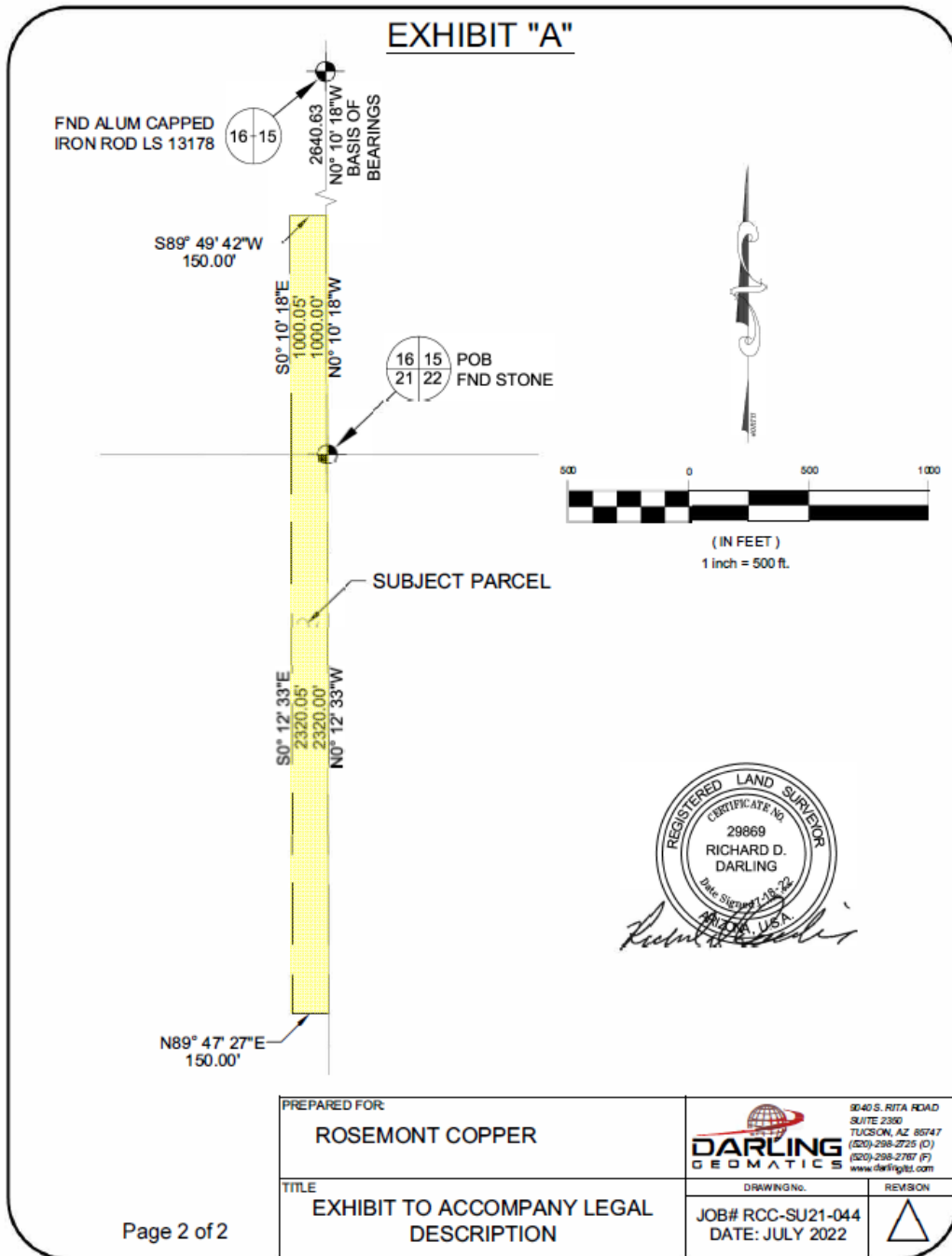
CONCLUDED LAND VALUE - TOTAL				
Larger Parcel No.	No. Acres	\$ Per Acre	Unrounded	Rounded
Parcel No. 1	15.00	x \$9,500	= \$142,500	= \$142,500

Compiled by CBRE

Part to be Acquired

PROJECT DESCRIPTION

The larger parcel consists of a floating 15.00 acre parcel along the proposed easement. The proposed project is identified as a 11.43-acre right-of-way easement. Commencing within the southeast corner of section 16, the right-of-way is 150' in width and generally follows the east boundary of section 16 and section 21 of township 18 south, range 15 east southerly 3,320 feet. The right-of-way easement totals 11.433 acres.



ACQUISITION VALUATION

The fee acquisition for the 11.43-acre right-of-way easement is to be valued.

Summary of Market Value Impact to Land

The value of the land is based upon its pro-rata contributory value to the whole property. Below is a summary of the market value impacts to the land in the proposed fee acquisition area to be acquired:

VALUATION OF PARTIAL ACQUISITION - LAND						
Partial Acquisition	No. Acres		\$ Per Acre	=	Unrounded	Rounded
Section 16	3.4435	x	\$9,500	=	\$32,713	\$32,700
Section 21	7.9890	x	\$9,500	=	\$75,895	\$75,900
Fee Acquisition	11.4325	x	\$9,500	=	\$108,609	= \$108,600
Total						
Compiled by CBRE						

VALUATION OF THE REMAINDER BEFORE THE ACQUISITION – LAND

The value of the remainder before the acquisition is a mathematical computation where the value of the acquisition is subtracted from the value of the whole property. The resultant value is the remainder immediately before the acquisition, as set forth in the following table. The before value is compared to the value of the remainder after the acquisition to determine potential damages or enhancements to the remainder.

REMAINDER BEFORE VALUATION SUMMARY				
Value of Whole Property		Value of Partial Acquisition	=	Value of Remainder Before the Acquisition
\$142,500	-	\$108,600	=	\$33,900
Total				
Compiled by CBRE				

Remainder – After Condition

The remainder after the acquisition involves a separate highest and best use analysis from the whole property. The value of the remainder after the acquisition takes into consideration the physical, legal, and economic characteristics of the site as though the project was complete as of the date of the appraisal.

The physical characteristics of the remainder are essentially the same as that of the larger parcels. The site retains access, shape, frontage, exposure, and topography and is of sufficient size, and noting that the proposed right-of-way located along the Scenic Boulevard alignment would not negatively impact the overall utility of the site.

Given the proposed location of the right-of-way, it will not have a material impact on the remainder. The proposed right-of-way would provide a suitably-sized remainder given highest and best use considerations.

Current zoning and land uses would remain consistent with the larger parcel in the before situation. The subject will be functional for industrial use and typical for the neighborhood after the acquisition and construction of the right-of-way is complete. Therefore, the highest and best use of the subject property after acquisition is the same as the highest and best use prior to acquisition.

REMAINDER AFTER ANALYSIS	
Remainder HBU	Same as whole property
Damages to Remainder	No damages are expected to the remainder
Impact Outside of Project Area	No significant impacts are expected outside the project area

Value of Remainder, After Acquisition, Before Benefits

REMAINDER VALUE						
Remainder Area	Area (Acres)	Per Acre Value	Interest			Value of Remainder After (Rounded)
Before	15.00					
Acquisition Area	11.43					
Remainder	3.57	x \$9,500	x 100%	=	\$33,891	\$33,900
Total Land Value - Remainder After						\$33,900
Compiled by CBRE						

CALCULATION OF DAMAGES

The difference between the value or the remainder before the acquisition and the remainder after the acquisition result in the indicated damages associated with the proposed acquisition. The noted damage is negligible and is primarily a rounding difference, i.e., no damages are concluded.

REMAINDER IMPACT/DAMAGE VALUATION SUMMARY			
Value of Remainder Before the Acquisition		Value of Remainder After the Acquisition	Market Impact/ Damage
\$33,900	-	\$33,900	= \$0
Total			
Compiled by CBRE			

Value of Remainder, After Acquisition, Including Benefits

The project will benefit the general area. The presence of the right-of-way in the after condition may be of benefit to the property's development potential providing electric power to the area. Given that no severance damages apply, no specific effort has been made to measure benefits. The value of the remainder after acquisition, including benefits is equivalent to the value of the remainder, after acquisition, before benefits. No benefits are concluded.

Summary of Compensation

In the final accounting, the estimate of total compensation includes the value of the acquisition, the difference between the appraisers' opinion before and after the acquisition, and any potential curative costs or temporary construction easements. These opinions are based upon market data available as of the effective date of the appraisal.

These estimates are totaled to arrive at the opinion of total compensation as follows.

CONCLUDED MARKET VALUE		
Larger Parcel (Land Only)	\$142,500	
Part(s) Being Acquired - Land Only		\$108,600
Remainder Before Consideration of Damages	\$33,900	
Remainder After Consideration of Damages	\$33,900	
Net Damages or Benefits		\$0
Net Cost to Cure		\$0
Temporary Easements		\$0
Total Compensation		\$108,600
Rounded		\$108,600
Compiled by CBRE		

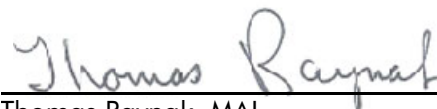
Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Arizona.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Steve Porter, MAI, Thomas Raynak, MAI and Jo Dance, MAI, CCIM have completed the continuing education program and the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
11. Steve Porter, MAI, Thomas Raynak, MAI and Jo Dance MAI, CCIM have not inspected the subject property.
12. Marc Gleason (Trainee #RTA-1041434) provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Steve Porter, MAI, Thomas Raynak, MAI and Jo Dance, MAI, CCIM have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



Steve Porter, MAI
AZ Cert. No. CGA-31677



Thomas Raynak, MAI
AZ Cert. No. CGA-30413



Jo Dance, MAI, CCIM
AZ Cert. No. CGA-30249

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has not inspected the subject property. We engaged an independent third party to complete a Commercial Observation report with photographs to assist in our analysis. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.

- (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full,

comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.

12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.
16. CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the land or improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have assumed there are no hazardous materials that would cause a loss in value to the subject.
17. A soils analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soils report, it is a specific assumption that the site has adequate soils to support the highest and best use.

ADDENDA

ADDENDUM A

Subject Exhibits

Row

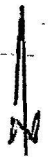
72-23967 - (18) (17) (20) (21) 14-115294 (17) (18) (20) (21)
 72-23968 - (18)
 72-23970 - (21)
 18-115543 - (17) (18) (20) (21)
 14-112157 - (17) (18) (20) (21)

185,15 E

16-21

SURFACE

ADD 18-115543 12/1/17 JN
 ADD 14-112157 12/1/17 JN
 ADD 14-115294 12/1/17 JN



L-1
46.51 Ac

L-2
46.48 Ac

L-3
44.98 Ac

L-4
43.49 Ac

L-1
43.37 Ac

L-2
43.49 Ac

L-3
43.60 Ac

L-4
43.73 Ac

18
STATE
661.52 AC.
1000

17
STATE
640.00 AC.
1000

16
STATE
640.00
1000

19
STATE
654.19
1000

20
STATE
640.00
1000

21
STATE
640.00
1000

SUBJECT

AN EASEMENT SITUATED IN THE SOUTHEAST QUARTER OF SECTION 16, AND THE NORTHEAST QUARTER OF SECTION 21, BOTH OF TOWNSHIP 18 SOUTH, RANGE 15 EAST, WITHIN THE COUNTY OF PIMA, STATE OF ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A STONE FOUND AT THE SOUTHEAST CORNER OF SAID SECTION 16, FROM WHICH AN ALUMINUM CAPPED PIN STAMPED LS 13178 FOUND AT THE EAST QUARTER CORNER OF SAID SECTION 16 BEARS NORTH 00 DEGREES 10 MINUTES 18 SECONDS WEST, 2640.63 FEET DISTANT;

THENCE, ALONG THE EAST LINE OF SECTION 16, NORTH 00 DEGREES 10 MINUTES 18 SECONDS WEST, 1000.00 FEET;

THENCE, DEPARTING SAID EAST LINE OF SECTION 16, SOUTH 89 DEGREES 49 MINUTES 42 SECONDS WEST, 150.00 FEET;

THENCE, PARALLEL WITH THE EAST LINE OF SAID SECTION 16, SOUTH 00 DEGREES 10 MINUTES 18 SECONDS EAST, 1000.05 FEET, TO THE SOUTH LINE OF SAID SECTION 16;

THENCE, PARALLEL TO THE EAST LINE OF SAID SECTION 21, SOUTH 00 DEGREES 12 MINUTES 33 SECONDS EAST, 2320.05 FEET;

THENCE, NORTH 89 DEGREES 47 MINUTES 27 SECONDS EAST, 150.00 FEET, TO A POINT ON THE EAST LINE OF SAID SECTION 21;

THENCE, ALONG THE EAST LINE OF SAID SECTION 21, NORTH 00 DEGREES 12 MINUTES 33 SECONDS WEST, 2320.00 FEET, TO THE **POINT OF BEGINNING**.

CONTAINING 498,007 SQUARE FEET, OR 11.433 ACRES, MORE OR LESS.

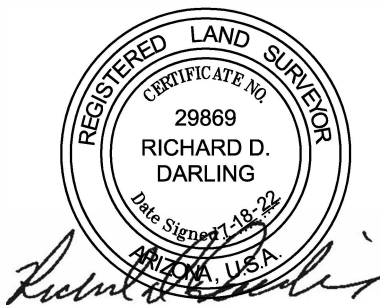


EXHIBIT "A"

FND ALUM CAPPED
IRON ROD LS 13178

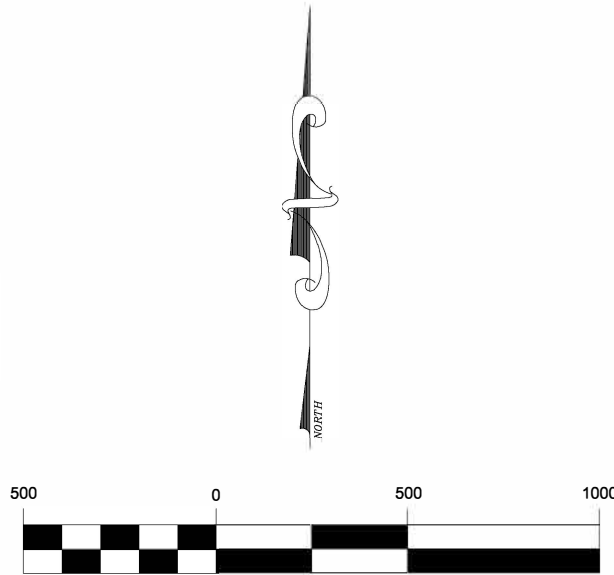


2640.63
N0° 10' 18"W
BASIS OF
BEARINGS

S89° 49' 42"W
150.00'

S0° 10' 18"E
1000.05'
1000.00'
N0° 10' 18"W

16 15
21 22 POB
FND STONE

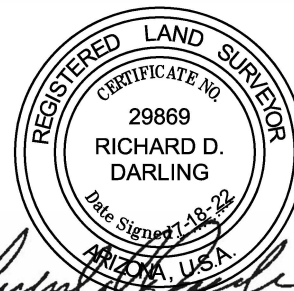


(IN FEET)
1 inch = 500 ft.

SUBJECT PARCEL

S0° 12' 33"E
2320.05'
2320.00'
N0° 12' 33"W

N89° 47' 27"E
150.00'



Richard D. Darling

PREPARED FOR:

ROSEMONT COPPER

TITLE

EXHIBIT TO ACCOMPANY LEGAL
DESCRIPTION



9040 S. RITA ROAD
SUITE 2350
TUCSON, AZ 85747
(520)-298-2725 (O)
(520)-298-2767 (F)
www.darlingtld.com

DRAWING No.

REVISION

JOB# RCC-SU21-044
DATE: JULY 2022



Legend

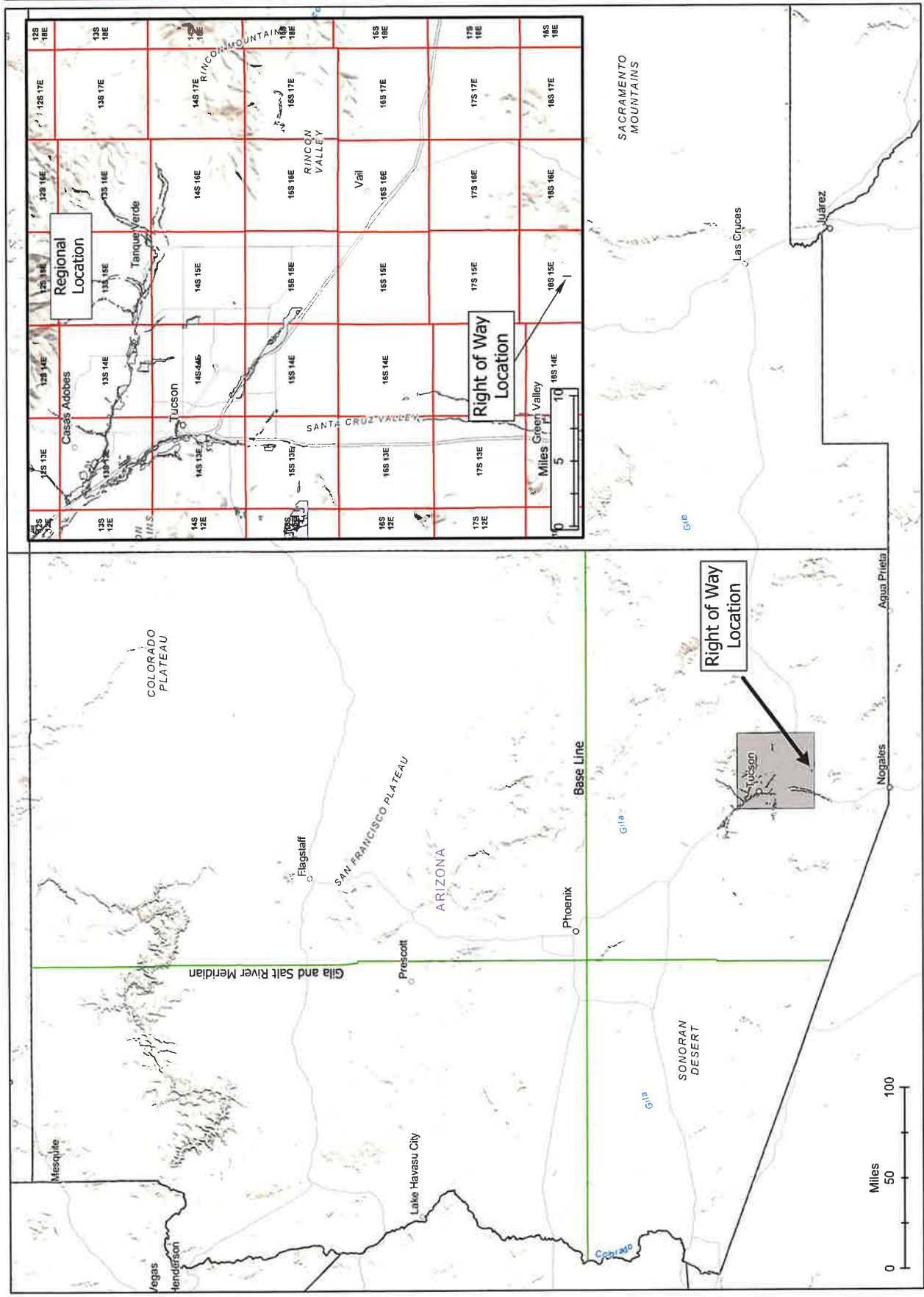
- Arizona Meridian & Baseline
- Regional Map
- Right of Way
- FEMA Zone
- State Boundaries
- PLSS Township

Right of Way Location within Gila and Salt River Meridian along the East line of Sections 16 and 21, T18S R15E as follows:

Section 16 - East 150' of the South 1000' of S1/2 SE1/4; and Section 21 - East 150' of the N1/2 NE1/4 and North 1000' of the S1/2 NE1/4



Project		Rosemont Copper Company	
Service	ARCIS Map Service Server	Client	ARCIS
Map	NAD83 UTM 12N	Date	11/27/2022
Figure 1. Arizona State Land Department Right of Way			
HUBBAY			



Legend

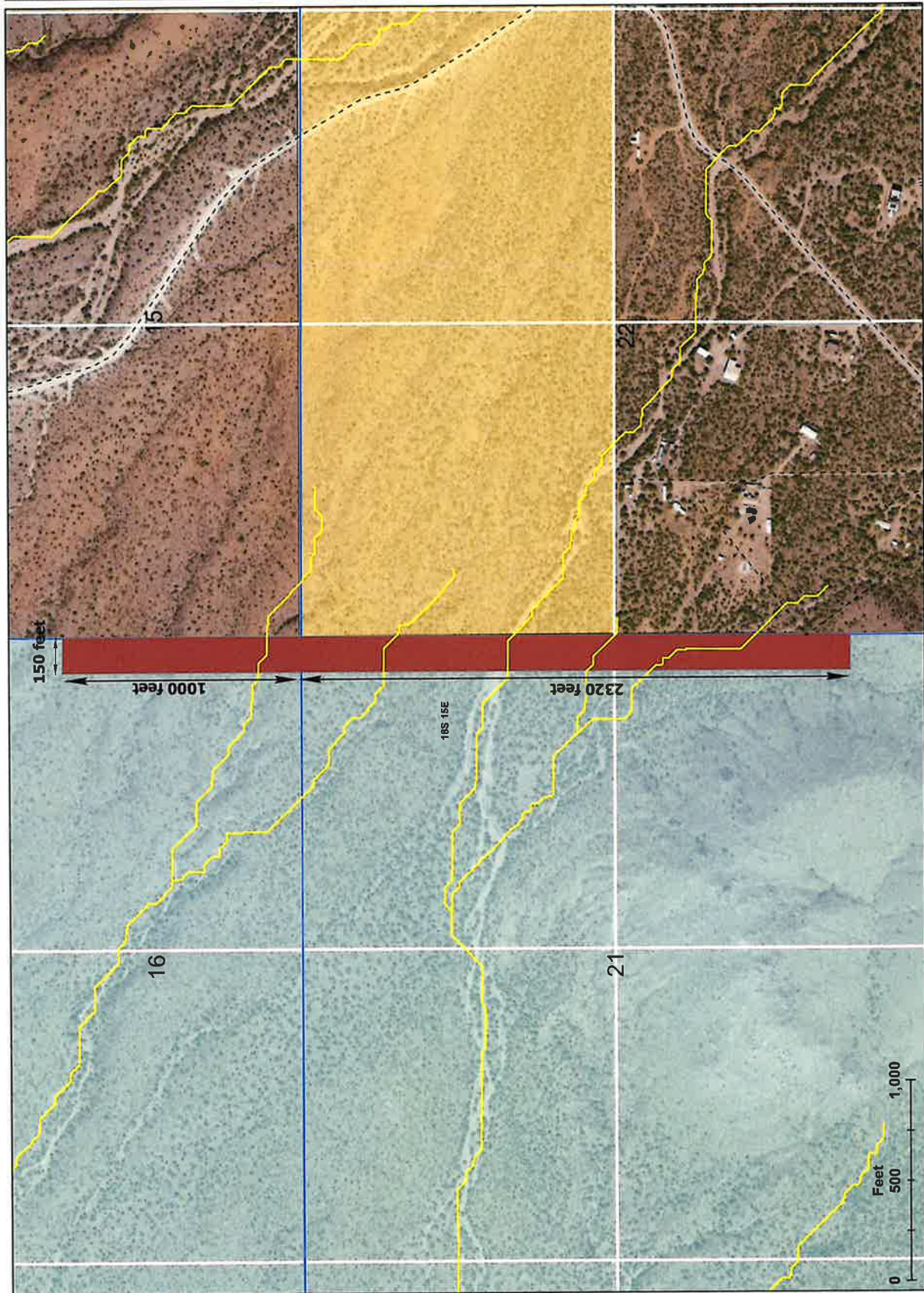
- Right Of Way (ROW)
- Unpaved Road
- Wash
- FEMA Zone (Not Present)
- PLSS Section
- Bureau of Land Management (BLM)
- Arizona State Land Department (ASLD)
- Private (No Color)

Right of Way Location within Gila and Salt River Meridian along the East line of Sections 16 and 21, T18S R15E as follows:

Section 16 - East 150' of the South 1000' of S1/2 SE1/4; and Section 21 - East 150' of the N1/2 NE1/4 and North 1000' of the S1/2 NE1/4

N

Project: Rosemont Copper Company			
Revised:	By:	Checked:	Date:
HUBBAY			



ADDENDUM B

Comparable Data Sheets

Sale

Land - Recreational

No. 1

Property Name 10-Acres Pima County Land
 Address 27425 South Old Mesquite Way 0
 Amado, AZ 85645
 United States

Government Tax Agency Pima
 Govt./Tax ID 304-33-033A

Site/Government Regulations

	Acres	Square feet
Land Area Net	10.000	435,600
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Rectangular
Topography	Generally Level
Utilities	Nearby

Maximum FAR N/A
 Min Land to Bldg Ratio N/A
 Maximum Density N/A

General Plan Rural Residential
 Specific Plan N/A
 Zoning RH, Rural Homestead, Pima County
 Entitlement Status N/A



Sale Summary

Recorded Buyer	Alison Smith	Marketing Time	2 Month(s)
True Buyer	Alison Smith	Buyer Type	End User
Recorded Seller	Robin Groner	Seller Type	Private Investor
True Seller	Robin Groner	Primary Verification	MLS, public records, Buyer Broker
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	4/30/2021
Proposed Use	Rural Residential	Sale Price	\$150,000
Listing Broker	Blaire Lometti (520) 906-0769 Realty One Group Integrity	Financing	Other(See Comments)
Selling Broker	Alison Smith (781) 859-831 HomeSmart Pros	Cash Equivalent	\$150,000
Doc #	2021-1231008	Capital Adjustment	\$0
		Adjusted Price	\$150,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
04/2021	Sale	Alison Smith	Robin Groner	\$150,000	\$15,000 / \$0.34

Units of Comparison

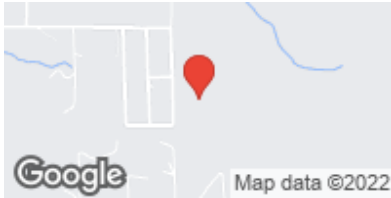
\$0.34 / sf
\$15,000.00 / ac

N/A / Unit
N/A / Allowable Bldg. Units
N/A / Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of an 10-acre parcel of vacant desert land located at 27425 South Old Mesquite Way 0, Amado, Arizona. The site is rectangularly shaped with utilities found nearby at other residential properties. Surrounding land uses include vacant desert land and low-density single-family homes. The property was listed in March 2021 for \$150,000 or \$15,000 per acre before closing escrow for the same price in May 2021 with a 50% down payment. The buyer broker noted that while the property was purchased using a seller carryback loan, the sales price was cash equivalent. The topography of the site is generally level desert land and is located outside of a flood zone with rural homestead zoning.

Sale

Land - Recreational

No. 2

Property Name 25-Acres Pima County Land
 Address Along Ocotillo Rim Trail East of Houghton Road
 Vail, AZ 85641
 United States

Government Tax Agency Pima
 Govt./Tax ID 305-22-020J

Site/Government Regulations

	Acres	Square feet
Land Area Net	25.000	1,089,000
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Irregular
Topography	Generally Level
Utilities	Power nearby

Maximum FAR N/A
 Min Land to Bldg Ratio N/A
 Maximum Density N/A

Frontage Distance/Street 330 ft Ocotillo Rim Trail

General Plan Rural Residential
 Specific Plan N/A
 Zoning RH, Rural Homestead, Pima County
 Entitlement Status N/A



Sale Summary

Recorded Buyer	Valueadded LLC	Marketing Time	17 Month(s)
True Buyer	Valueadded LLC	Buyer Type	Private Investor
Recorded Seller	Ron and Lois Altherr	Seller Type	Private Investor
True Seller	Ron and Lois Altherr	Primary Verification	Selling Broker (Remax Excalibur)
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	8/12/2021
Proposed Use	Rural Residential	Sale Price	\$212,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	Matt Bergstrom 520-312-4088	Cash Equivalent	\$212,000
Doc #	2021-2240241	Capital Adjustment	\$0
		Adjusted Price	\$212,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
08/2021	Sale	Valueadded LLC	Ron and Lois Altherr	\$212,000	\$8,480 / \$0.19

Units of Comparison

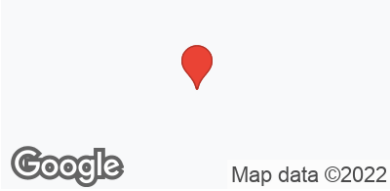
\$0.19 / sf
 \$8,480.00 / ac

N/A / Unit
 N/A / Allowable Bldg. Units
 N/A / Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of a 25-acre parcel of vacant desert land located in Vail, Arizona. The site is irregular in shape and surrounding land uses include vacant desert land and low-density single-family homes. Utilities including water, electric, telephone and gas can be found along Ocotillo Rim Trail adjacent to the property. Ingress/egress is available via dirt road from the west. The property was originally listed for \$720,000 or \$0.66 per square foot in October 2019, was reduced to \$399,900 or \$0.37 per square foot in December 2019, and eventually sold in August of 2021 for \$212,000 or \$8,480 per acre. The property was purchased by the buyer broker, Matt Bergstrom, who has since subdivided the parcel into seven lots. The buyer has since extended power 600 feet from the site and has just budgeted the cost to bring in natural gas and water to each of the parcels.

Property Name 8.88-Acres Pima County Land
 Address 17871 S Mann Avenue
 Sahuarita, AZ 85629
 United States

Government Tax Agency Pima
 Govt./Tax ID 305-22-123E

Site/Government Regulations

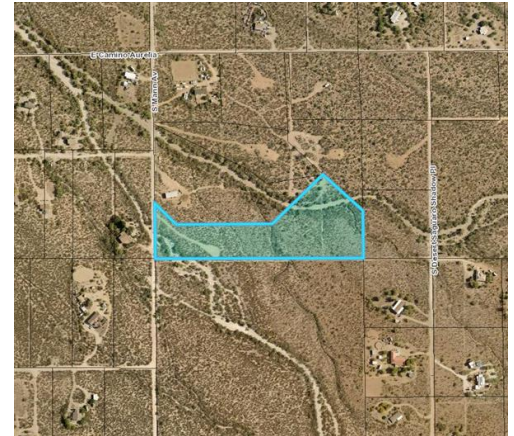
	Acres	Square feet
Land Area Net	8.880	386,813
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Irregular
Topography	Generally Level
Utilities	Electric, Phone, Water

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	355 ft Mann Avenue
--------------------------	--------------------

General Plan	Rural Residential
Specific Plan	N/A
Zoning	RH, Rural Homestead, Pima County
Entitlement Status	N/A



Sale Summary

Recorded Buyer	Robert Christian and Leticia Ramirez	Marketing Time	11 Month(s)
True Buyer	Robert Christian and Leticia Ramirez	Buyer Type	Private Investor
Recorded Seller	MAGY LLC	Seller Type	Private Investor
True Seller	MAGY LLC	Primary Verification	Listing Broker; Public Records
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	2/17/2022
Proposed Use	Rural Residential	Sale Price	\$106,000
Listing Broker	Matt Bergstrom (Remax Excalibur) 520-312-4088	Financing	All Cash
Selling Broker	N/A	Cash Equivalent	\$106,000
Doc #	2022-0480767	Capital Adjustment	\$0
		Adjusted Price	\$106,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
02/2022	Sale	Robert Christian and Leticia Ramirez	MAGY LLC	\$106,000	\$11,937 / \$0.27

Units of Comparison

\$0.27 / sf
\$11,936.94 / ac

N/A / Unit
N/A / Allowable Bldg. Units
N/A / Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of an 8.88-acre parcel of vacant desert land located at 17871 South Mann Avenue, Sahuarita, Arizona. The site is irregular and surrounding land uses include vacant desert land and low-density single-family homes accessible via dirt roads. Utilities include electric, phone, and water (2/9 shares of private well). The property has been on and off the market starting in 2019 and was most recently listed for approximately one month at a listing price of \$114,900 before selling in February 2022 for \$106,000 or \$11,940 per acre.

Sale

Land - Recreational

No. 4

Property Name 10-Acres Pima County Land
Address South of the southwest corner of Camino Aurelia and Camino Chuboso
 W2 E2 SE4 SE4 10.00 Ac SEC 30-17-16 aka Ptn Lot 13
 1/25 Rs
 Vail, AZ 85641
 United States
Government Tax Agency Pima
Govt./Tax ID 305-39-029C



Site/Government Regulations

	Acres	Square feet
Land Area Net	10.000	435,598
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Rectangular
Topography	Rolling
Utilities	Electric

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

General Plan	Rural Residential
Specific Plan	N/A
Zoning	CR-1, Single Residence, Pima County
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Brett and Kristina Dickens	Marketing Time	15 Month(s)
True Buyer	Brett and Kristina Dickens	Buyer Type	End User
Recorded Seller	Arthur Holland	Seller Type	Private Investor
True Seller	Arthur Holland	Primary Verification	MLS, public records
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	3/4/2022
Proposed Use	Rural Residential	Sale Price	\$165,000
Listing Broker	Amy Stonemetz (520) 975-1006 eXp realty	Financing	All Cash
Selling Broker	N/A	Cash Equivalent	\$165,000
Doc #	2022-0630656	Capital Adjustment	\$0
		Adjusted Price	\$165,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
03/2022	Sale	Brett and Kristina Dickens	Arthur Holland	\$165,000	\$16,500 / \$0.38

Units of Comparison

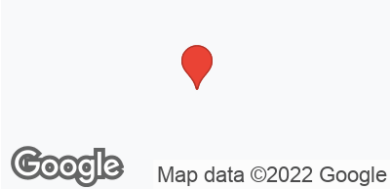
\$0.38 / sf
\$16,500.00 / ac

N/A / Unit
N/A / Allowable Bldg. Units
N/A / Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of an 10-acre parcel of vacant desert land located south of the southwest corner of Camino Aurelia and Camino Chuboso in Vail, Arizona. The site is rectangularly shaped and has electricity available within 100 feet. Surrounding land uses include vacant desert land and low-density single-family homes. The property was listed in November 2020 for \$294,000 before closing escrow in March 2022 for \$165,000 or \$16,500 per acre. The topography of the site is rolling desert land and is located outside of a flood zone with rural homestead zoning.

Sale

Land - Recreational

No. 5

Property Name 10.76-Acres Pima County Land
 Address 18850 South Ocotillo Rim Place
 Vail, AZ 85641
 United States

Government Tax Agency Maricopa
 Govt./Tax ID Multiple

Site/Government Regulations

	Acres	Square feet
Land Area Net	10.760	468,706
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Irregular
Topography	Rolling
Utilities	Nearby

Maximum FAR N/A
 Min Land to Bldg Ratio N/A
 Maximum Density N/A

General Plan Rural Residential
 Specific Plan N/A
 Zoning RH, Rural Homestead, Pima County
 Entitlement Status N/A



Sale Summary

Recorded Buyer	Panther Peak LLC	Marketing Time	2 Month(s)
True Buyer	Panther Peak LLC	Buyer Type	End User
Recorded Seller	Marion Hayes	Seller Type	Private Investor
True Seller	Marion Hayes	Primary Verification	MLS, public record
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	6/6/2022
Proposed Use	Rural Residential	Sale Price	\$195,000
Listing Broker	Thomas DeSollar (520) 400-2732 (Arizona First Properties)	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$195,000
Doc #	2022-1580492	Capital Adjustment	\$0
		Adjusted Price	\$195,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
06/2022	Sale	Panther Peak LLC	Marion Hayes	\$195,000	\$18,123 / \$0.42

Units of Comparison

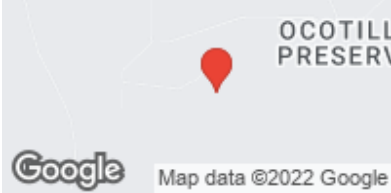
\$0.42 / sf
\$18,122.68 / ac

N/A / Unit
N/A / Allowable Bldg. Units
N/A / Building Area

Financial

No information recorded

Map & Comments



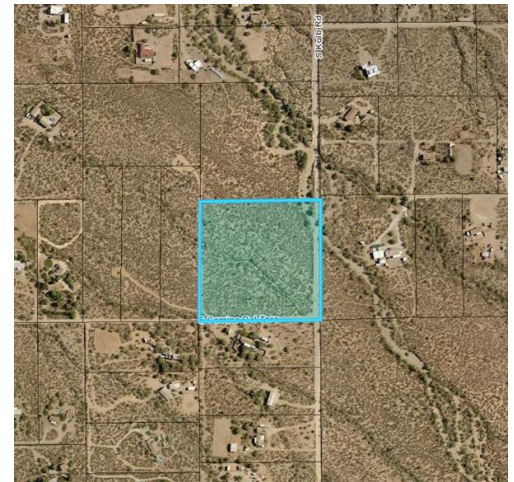
This comparable represents the sale of an 10.76-acre parcel of vacant desert land located at 18850 South Ocotillo Rim Place, Vail, Arizona. The site is irregularly shaped and has utilities available along a road nearby. Surrounding land uses include vacant desert land and low-density single-family homes. The property was listed in February 2022 for \$210,000 before closing escrow in June 2022 for \$195,000 or \$18,122.68 per acre. The topography of the site is rolling desert land and is located outside of a flood zone with rural homestead zoning.

Sale

Land - Recreational

No. 6

Property Name 10.01-Acres Pima County Land
Address NWC Kolb Rd. and Camino del Toro
 SE4 SE4 SE4 Sec 18-17-15
 Sahuarita, AZ 85629
 United States
Government Tax Agency Pima
Govt./Tax ID 305-23-051D



Site/Government Regulations

	Acres	Square feet
Land Area Net	10.010	436,036
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Rectangular
Topography	Generally Level
Utilities	Nearby

Maximum FAR N/A
Min Land to Bldg Ratio N/A
Maximum Density N/A

Frontage Distance/Street	670 ft Kolb Road
Frontage Distance/Street	680 ft El Camino Del Toro

General Plan Rural Residential
Specific Plan N/A
Zoning RH, Rural Homestead, Pima County
Entitlement Status N/A

Sale Summary

Recorded Buyer	Jamie McClean	Marketing Time	3 Month(s)
True Buyer	Jamie McClean	Buyer Type	End User
Recorded Seller	Landon N Rosen International School of Writers for Harmony	Seller Type	Private Investor
True Seller	Richard F Rosen	Primary Verification	Listing Broker (Long Realty); Public Records
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	9/6/2022
Proposed Use	Rural Residential	Sale Price	\$100,000
Listing Broker	Jennifer Anderson (520) 271-899	Financing	Other(See Comments)
Selling Broker	N/A	Cash Equivalent	\$100,000
Doc #	2022-2490681	Capital Adjustment	\$0
		Adjusted Price	\$100,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
09/2022	Sale	Jamie McClean	Landon N Rosen International School of Writers for Harmony	\$100,000	\$9,990 / \$0.23

Units of Comparison

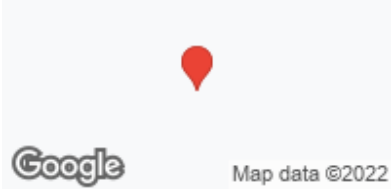
\$0.23 / sf
\$9,990.01 / ac

N/A / Unit
N/A / Allowable Bldg. Units
N/A / Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of a 10.01-acre parcel of vacant desert land located in Sahuarita, Arizona. The site is rectangular in shape and surrounding land uses include vacant desert land and low-density single-family homes. Utilities to the site only include electricity. The property was on the market for three months and was listed and sold for \$100,000 or \$9,990 per acre. While it was reported that the transaction involved seller financing, it was believed to be cash equivalent.

ADDENDUM C

Client Contract Information

Douglas A. Ducey
Governor



Lisa A. Atkins
Commissioner

Arizona State Land Department

1110 West Washington Street, Phoenix, AZ 85007
(602) 542-4631

August 29, 2022

Thomas Raynak, MAI
CBRE | Valuation and Advisory Services
2415 E. Camelback Road, Suite 900
Phoenix, AZ 85016

Re: **Engagement Letter – Application No.14-123251-00-100 (Rosemont Copper)**

Dear Mr. Raynak:

This letter will serve as your authority to appraise the below referenced real property. **Please use the above application number on all correspondence regarding this assignment.**

APPRAISAL ENGAGEMENT LETTER SPECIFIC REQUIREMENTS OF THE APPRAISAL ASSIGNMENT

SUBJECT PROPERTY

The subject consists of 11.433 acres of State Trust land located east of Interstate 19 and north of Box Canyon Road, within the Santa Rita Experimental Range, Pima County, Arizona. It may also be described as portions of Township 18 South, Range 15 East, Sections 16 & 21, G&SRB&M, Pima County. The land is to be used as a right of way for an access road, three pipelines, and 69kV electric & telecommunication lines. Several exhibits were sent to you previously which illustrate the subject property location.

INTENDED USER

The following verbiage should be used to describe the intended users of this appraisal: *“The Arizona State Land Department and the Board of Appeals; use by any other user is strictly prohibited. All unintended users should be forewarned that this report is written using a restricted use format that specifically meets the needs of the Arizona State Land Department. Thus, an unintended user may find the information within the appraisal insufficient for a full understanding of the final value conclusion.”*

INTENDED USE

The intended use is to assist the State Land Department in its disposition and/or leasing decisions.

Serving Arizona’s Schools and Public Institutions Since 1915

www.azland.gov

APPRAISAL FORMAT

RESTRICTED (Desk Appraisal)

INTEREST TO BE APPRAISED

Fee Simple

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to provide an opinion of the fee simple interest in the “as is” market value of the subject property. The value opinion should be in accordance with ASLD Appraisal Guidelines (Revised March 2018) as well as the most recent edition of USPAP.

APPRAISAL FEE

\$2,900 This fee is a gross fee, inclusive of all expenses. This fee does not include time spent defending the appraisal in front of the Board of Appeals (if applicable).

A penalty of \$100 per day may be assessed for every business day the appraisal is delivered beyond the agreed upon due date. Notably, if delays occur during the appraisal due to circumstances beyond the control of the appraiser, it is required that the appraiser contact the undersigned immediately to obtain an amended delivery date.

DUE DATE

October 28, 2022

NUMBER OF REPORT COPIES

Initially, a PDF version of a draft appraisal should be provided for review. The draft copy should have the word “draft” placed in a conspicuous place on each page of the report (not needed for the Addenda pages). Once the appraisal has been approved by the Appraisal Section, you will be asked to provide a PDF version of the final revised report. **Hard copies are no longer required.**

PLEASE ADDRESS REPORTS TO

R. Scott Sherwood
Appraisal Section Manager
Arizona State Land Department
1616 West Adams Street
Phoenix, Arizona 85007

SPECIAL REQUIREMENTS

Include the per acre or per square foot value with the value conclusion in the Letter of Transmittal.

Include a bolded statement within the Scope of the Appraisal section that: **“at the request of the client you have completed a “desk” appraisal and have not inspected the subject property.”** Also indicate that you were able to obtain a general understanding of the subject’s locational characteristics and physical qualities via aerial and/or topographical maps.

GENERAL REQUIREMENTS

A copy of this letter and any other written instructions from ASLD must be included in the appraisal. Your appraisal cover letter must reference your compliance with the Arizona State Land Department Appraisal Guidelines as well as the most recent edition of USPAP. ***The Contractor should value the subject as if it were vacant with no improvements.*** Notably, however, while not valued, if improvements do exist, they should be generally identified within the appraisal.

The Contractor accepting this assignment and holding the appropriate state license and certification must inspect the subject property and sign the appropriate certification of value. You and other appraisers signing the certification of value are required to include your state license/certification number(s) under your signature(s) in the appraisal report. You and other appraisers signing the certification are also required to include a copy of your State certificate and your qualifications in the Addenda. ***This assignment cannot be subcontracted to an outside individual or firm without our prior written consent.***

Do not discuss your valuation conclusions with anyone other than the Appraisal Section staff at the Arizona State Land Department.

REQUIRED HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

The appraisal should include the following ***hypothetical condition:***

1. The property is being appraised as if unencumbered by any leases or rights of way. (Note to the appraiser: if it is not known whether leases or rights of way exist then this becomes an extraordinary assumption).

The appraisal should also include the following ***extraordinary assumptions:***

1. There is no archaeological significance on the subject site. (Note to the appraiser: if the appraiser is aware that archeological significance exists, then this becomes a hypothetical condition).
2. There is no geological significance on the subject site. (Note to the appraiser: if the appraiser is aware that geological significance exists, then this becomes a hypothetical condition).
3. There are no environmental risks or hazardous conditions found on the subject site. (Note to the appraiser: if the appraiser is aware of environmental risks and hazardous conditions,

- then this becomes a hypothetical condition).
4. That legal access exists. (Note to the appraiser: if the appraiser is aware that legal access does not exist, then this becomes a hypothetical condition).
 5. And others the appraiser deems appropriate.

Please note that to remain in compliance with USPAP the appraiser must include the following statement along with the list of hypothetical conditions and extraordinary assumptions: ***“the use of these hypothetical conditions and extraordinary assumptions might have affected the assignment results.”***

LARGER PARCEL TECHNIQUE

The appraiser shall employ the ‘Larger Parcel’ technique in this assignment. In determining the larger parcel, the appraiser must identify a parcel of State Trust land that is directly impacted by the proposed easement and of which the proposed easement is a part. The larger parcel can be any size if it displays the characteristics of unity of ownership, physical continuity, and unity of use, and meets the test of viability, with the following exception: The ultimate size of the larger parcel should be bracketed by the size of the comparable sales. So, for instance, if valuing a right-of-way easement that is part of a 320-acre parcel and recent comparable sales in the 320-acre range are not available, then the size of the larger parcel should reflect the size of the recent and proximate comparables, even if significantly smaller than 320 acres. Thus, if nearby sales range in size from 10 acres to 80 acres, then the size of the larger parcel should be no less than 10 acres and no more than 80 acres. Of course, utilizing larger parcels which are too small to fully incorporate the subject property may necessitate the use of multiple larger parcels within the same analysis, which is appropriate. Occasionally, especially with very long subject segments (i.e., long hiking trail, etc.), the use of a “floating” larger parcel may be warranted.

Because of the importance of the appraiser’s determination of the larger parcel and its potential effect on value, the appraiser should exercise the same care in developing the larger parcel determination as is exercised in developing highest and best use conclusions and opinions of value. A complete description of the analysis of the larger parcel and the reasoning on which the appraiser’s conclusion is based should be included in the appraisal report (the Site Analysis section where the larger parcel is normally introduced).

**BEFORE & AFTER ANALYSIS
AND SEVERANCE**

The appraiser shall also complete a “before and after” analysis to determine if the issuance of this proposed right-of-way will result in a loss of value to the portion of the larger parcel remaining after the taking of the easements. Severance damages occur when the value of the remainder after the taking is less than the value of the remainder as a part of the whole prior to the taking.

A review of local maps did not reveal any potential areas of severance. However, should the appraiser determine that the issuance of this proposed right-of-way will create severance damages on any remaining State Trust land, the appraiser must report the evaluation criteria and the analytical process used in making the determination as well as the value of any such damages accruing to the State Trust land. (Benefits can accrue only as an offset to severance damages on the same parcel per ARS 12-1122.)

ACCURACY OF WORK

The Contractor shall be responsible for the accuracy of the work and shall promptly make all necessary revisions or corrections resulting from errors and omissions on the part of the Contractor without additional compensation. Acceptance of the work by the State will not relieve the Contractor of the responsibility for subsequent correction of any such errors and the clarification of any ambiguities.

**REVIEW OF CONTRACTOR'S
WORK**

Work shall be completed in a responsible and professional manner in accordance with the requirements incorporated in the appraisal assignment. Determination of the acceptability of work will be made by the State. Should the Contractor fail to successfully perform any of the required tasks, provide an insufficient level of information, commit errors of any nature, and/or omit necessary documentation concerning the work performed, the Contractor agrees to correct deficiencies and errors, as well as furnish the required documentation at no additional costs to the State within five (5) working days of the requested changes. Unless other arrangements have been made with the undersigned, a penalty of \$100 per day will be assessed for revisions that are completed beyond this time frame.

LIQUIDATED DAMAGES

The State may terminate this contract in whole or part if the appraisal is not delivered within five (5) business days after the appraisal due date, assuming no other arrangements have been made between ASLD and the Contractor in writing. In that event, the Contractor will: 1) not receive payment of the appraisal fee and 2) be liable for such liquidated damages accruing until the State may

reasonably obtain the performance of the assignment from a replacement contractor. The State's right to liquidated damages for delay shall be in addition to any other remedies available to the State arising from Contractor's breach.

**OTHER TERMS, CONDITIONS,
SPECIFICATIONS,
AMENDMENTS, ETC:**

The Contractor may be asked to make revisions as requested by the State resulting from changes in construction and/or right of way plans. Revisions may also include the addition or deletion of parcels. If substantial changes are made to the original assignment, the Contractor may be able to charge an additional fee that is mutually agreed upon by the Contractor, State, and Applicant (if applicable). The Contractor may be asked to defend his/her appraisal in front of the Board of Appeals. If this should occur, the Contractor will be compensated on an hourly basis for travel time, waiting time, and time spent testifying before the Board based on a mutually agreed upon hourly rate established prior to the Board meeting.

Should you have any questions, you may contact me by phone at 602-364-0271 or by email at fstrickler@azland.gov.

Sincerely,



Frank Strickler
Appraiser IV

ADDENDUM D

Qualifications

Thomas Raynak, MAI

Director, Phoenix, Arizona

CBRE



T + 602-735-1744
M + 602-516-8352
thomas.raynak@cbre.com

2575 East Camelback Road
Suite 500
Phoenix, Arizona 85016

Clients Represented

- Alliance Bank
- AZ State Land Dept.
- Bank of America
- Banner Bank
- BNC National Bank
- Central Bank
- Commencement Bank
- Comerica Bank
- CIBC World Markets
- Developers
- Homebuilders
- Farmers Merchant Bank
- First Bank
- GTIs Partners
- Metro Phoenix Bank
- National Bank Of AZ
- NY Community Bank
- Pacific Western Bank
- Parkway Bank & Trust
- Talmer Bank & Trust
- The Resmark Cos.
- Tricon Capital Group
- US Bank
- Unison Bank
-

Experience

Thomas Raynak, MAI, is a Director with CBRE's Valuation & Advisory Services. Thomas Raynak has experience with a broad spectrum of property types, but specializes in the valuation of vacant land, master planned communities, residential subdivisions (single-family, townhomes and condominiums), and apartments. He also provides review services to several lending institutions. He also has experience completing appraisals and consulting assignments on office and medical office buildings, retail properties, industrial properties, mobile home/RV parks, mini storage facilities, private/charter schools, restaurants, automotive facilities, and a variety of special use properties.

Thomas Raynak has completed over 2,500 assignments throughout the state of Arizona. Additionally, he has extensive experience as a qualified expert in Federal Bankruptcy Court. As a member of the Appraisal Institute, he held several positions including serving as a member of an experience review committee, a regional disciplinary panel, and as a mentor to candidates for membership. Thomas Raynak has been a partner in a private real estate development venture since 2007.

Thomas Raynak works in the Western Region which covers the western portion of the United States.

Professional Affiliations / Accreditations

- Appraisal Institute, Designated Member (MAI)
- Arizona Certified General Real Estate Appraiser, No 30413

Education

- Master of Arts Degree, Geography (Land Use Analysis)
 - Arizona State University, Tempe, Arizona 1985
- Bachelor of Science Degree, Geography (Urban Planning)
 - Pennsylvania State University, University Park, Pennsylvania 1981

Department of Insurance and Financial Institutions

State of Arizona

CGA - 30413

THOMAS A. RAYNAK

This document is evidence that:

has complied with the provisions of

Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

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

Certified General Real Estate Appraiser

THOMAS A. RAYNAK

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

Expiration Date : **September 30, 2024**

Steve E. Porter, MAI

Vice President, Phoenix

CBRE



T + 602 735 5116
M +480 259 9781
steve.porter2@cbre.com

2575 E. Camelback Rd.,
Suite 500
Phoenix, Arizona 85016

Clients Represented

- U.S. Dept. of Interior
- Trust for Public Lands
- Conservation Fund
- State of UT School Trust Lands
- State of Arizona
- Mutual of Omaha Bank
- California Bank & Trust
- Western Alliance Bank
- U.S. Bancorp
- National Bank of Arizona
- Zions First National Bank
- City of Henderson, NV
- Bank of Hope
- Academy Bank
- Celtic Bank
- Northern Arizona University
- First Horizon

This represents only a partial list of the clients served.

Experience

Steve Porter is a Vice President of the Valuation & Advisory Services within the Pacific Southwest Region in the Phoenix Office. Mr. Porter has over 25 years of real estate appraisal and consulting experience throughout the inter-mountain and southwest region, with primary experience in Arizona and Nevada. Mr. Porter is a designated member of the Appraisal Institute (MAI) and is licensed as a Certified General Real Estate Appraiser in the state of Arizona. He has also held licenses in the states of Nevada and Utah for over 20 years, along with temporary licenses in California, New Mexico and Colorado.

Prior to joining CBRE in January 2018, Mr. Porter was manager of the Phoenix Office for RCS Appraisal Inc. from 2014 to 2017 providing valuation services for multiple commercial property types, specializing in going concerns, hospitality, senior housing facilities, and federal land valuations under the guidelines of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA – Yellow Book). Mr. Porter has been an appointed Hearing Officer with the Washington County Board of Equalization in St. George, Utah, where he had served from 2003 to 2014. From 1994 to 2014, primary emphasis in appraisal services was in multiple family projects, subdivisions, master planned developments, and federal land acquisitions and exchanges. Current emphasis at CBRE has been the valuation of going concerns (fuel stations, car washes, restaurants, etc.), RV/mobile home parks, agribusiness, land and natural resource properties.

Representative Assignments

Last Stop Adventure Travel Center – White Hills, AZ
ARCO Am/Pm -Phoenix, AZ
TA Travel Center – White Hills, AZ
Chevron Chandler – Chandler, AZ
Kwik Corner Mobil – Phoenix, AZ
Chevron Food Mart & Dairy Queen – Overgaard, AZ
Terrible Herbst – Quartzsite, AZ

Shell Food Mart – Apache Jct., AZ
Road Trip Auto & Fuel – LHC, AZ
Dunlap Chevron – Phoenix, AZ
USA Gas – Parker, AZ
Biltmore Chevron, Phoenix, AZ
Shell Food Mart – Mesa, AZ
AZ Travel Plaza – Ehrenberg, AZ

Professional Affiliations / Accreditations

- Appraisal Institute – Designated Member (MAI), Certificate No. 494206
- Certified General Appraiser, State of Arizona, #31677

Education

- Brigham Young University, Provo, UT - Bachelors of Arts in Economics - 1994
- Utah State University, Logan, UT - Master of Business Administration - 1998

Department of Insurance and Financial Institutions

State of Arizona

CGA - 31677

This document is evidence that:

has complied with the provisions of

Steve E. Porter

Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

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

Certified General Real Estate Appraiser

Steve E. Porter

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

Expiration Date : **October 31, 2024**

Jo Dance, MAI, CCIM

Managing Director, Arizona

CBRE



+ 01 602-735-5686
M +01 602-361-6600
jo.dance@cbre.com

2575 East Camelback Road
Suite 500
Phoenix, AZ 85016

Clients Represented

- CBRE Capital Markets
- Western Alliance Bank
- Walker & Dunlop
- MidFirst Bank
- C-III Asset Management
- Opus Bank
- JLL
- HFF
- Bank of the West
- National Bank of AZ
- Bank of Oklahoma
- BBVA Compass
- PNC
- Citibank
- Washington Federal
- Blackstone
- StanCorp
- A10 Capital
- Starwood Capital
- VEREIT, Inc.
- CoBiz Bank
- First Bank
- East West Bank
- Bank OZK

Experience

Jo Dance serves as Managing Director of CBRE Valuation & Advisory Services, Pacific Southwest Division, where she leads a team of over 20 appraisal and consulting professionals in the Phoenix and Tucson offices. An accomplished 30-year real estate professional with extensive industry and management experience, she leads CBRE's efforts to provide exceptional outcomes for local, regional and global clients.

Working alongside a dedicated team of specialized experts, she works to elevate CBRE's best-in-class status by ensuring consistent, quality appraisal services. In her role as Managing Director, she coordinates all activities for Arizona, including overseeing new business development, client relations and appraisal quality control production.

She is licensed as a Certified General Appraiser in the states of Arizona, New Mexico and Nevada. Ms. Dance is a designated member of the Appraisal Institute (MAI and SRA) and holds a CCIM designation. Her appraisal experience spans a broad spectrum of real estate appraisals, rent analyses and market studies of commercial and multifamily residential properties. She has also provided litigation support and expert testimony in deposition and court in Arizona.

Professional Affiliations / Accreditations

- Appraisal Institute – Designated Member (MAI and SRA)
- CCIM Institute – CCIM designation
- Certified General Real Estate Appraiser, State of Arizona, No. 30249
- Certified General Real Estate Appraiser, State of New Mexico, No. 03242-G
- Certified General Real Estate Appraiser, State of Nevada, No. No. A.0206799-CG
- Licensed Real Estate Broker: State of Arizona (#BR505868000)

Education

- Arizona State University
 - Science in Business Administration, Production & Operations Management

Department of Insurance and Financial Institutions

State of Arizona

CGA - 30249

JOLENE U. DANCE

has complied with the provisions of

This document is evidence that:

Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

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

Certified General Real Estate Appraiser

JOLENE U. DANCE

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

Expiration Date : **August 31, 2024**

CBRE VALUATION & ADVISORY SERVICES

STEVE PORTER, MAI

Valuation & Advisory Services
(602) 735-5116
Steve.Porter2@cbre.com

THOMAS RAYNAK, MAI

Valuation & Advisory Services
(602) 735-5686
thomas.raynak@cbre.com

www.cbre.com



ARIZONA STATE LAND DEPARTMENT
Administrative Appraisal Review
Application No.: 14-12351-00-100

To: *Michael Romero, Right of Way Administrator*
From: *Frank Strickler, Appraiser IV*
Date: *November 8, 2022*
Subject: *Application No.: 14-123251-00-100 (ROSEMONT COPPER COMPANY)*

Applicant: Rosemont Copper Company

Date of Value: October 1, 2022

Date of Report: November 3, 2022

Description: The appraiser was asked to form an opinion of the “as is” market value of the fee simple interest in the subject property. The value is to serve as a basis for establishing a reasonable lease rate for a 11.43 acre right of way easement for an access road, three pipelines and overhead electric sub-transmission line. The project is in Sections 16 and 21, Township 18 South, Range 15 East G&SRB& M, Pima County, AZ.

Highest & Best Use: Rural Residential

Location of Parcel:	T18S, Range 15 East, Sections 16 and 21.
Appraiser(s):	Thomas Raynak, MAI; Steve Porter, MAI and Jo Dance, MAI
Review Appraiser:	Frank Strickler
Larger Parcel Area:	15.00 acre floating larger parcel
Right of Way Area:	11.433 acres
Base Value Estimate per Acre:	\$9,500 per acre
Value of the Larger Parcel(s):	\$142,500
Value of Subject Parcel:	Section 16: 3.444 acres @ \$9,500/acre = \$32,718
	Section 21: 7.989 acres @ \$9,500/acre = \$75,896
	11.433 acres @ \$9,500/acre = \$108,614
	Rounded To \$108,600
Reviewer Recommendation:	Accept the report as written

Reviewer Recommendation:

The intended purpose of this Appraisal Review is to assist the intended user, the Arizona State Land Department, in its asset management decisions concerning State Trust lands. In particular, the purpose of the appraisal review is to determine the reasonableness and appropriateness of the content, analysis, opinions, and/or conclusions of the appraisal report from a reading of selected pertinent sections of the report.

I certify that I have conducted an administrative appraisal review of the appraisal report prepared by Thomas Raynak, MAI; Steve Porter, MAI and Jo Dance, MAI of CBRE, INC. The appraisal report generally complies with recognized appraisal principles and practices, USPAP, and meets the Department's requirements.

Since the appraisal review procedures did not lead to the discovery of a basis for rejecting the appraisal under review and since the opinions, reasons, and conclusions pertaining to the valuation are considered credible given the scope of the appraisal and appraisal review, I **recommend** the use of the appraisal in connection with the referenced application.



Frank Strickler, Appraiser IV
Certified General Real Estate Appraiser
Arizona Certification No. 30121

Date: 11/08/2022

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal review is for no purpose other than property valuation, and the review appraiser is neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in the appraisal process. The acceptance of this review assignment and the completion of the appraisal review submitted herewith are contingent upon the following assumptions and limiting conditions.

The review appraiser assumes no responsibility for matters of a legal nature affecting either the property being appraised or the title thereto, nor does the review appraiser render any opinion as to the title. The review appraiser assumes that the title is good and marketable. The review appraiser assumes the title to the property to be a *Fee Simple Estate*.

The property was appraised on the basis of it being under responsible ownership, competent management, and adequate marketing typical for that type of property. The review appraiser assumes that all required licenses, certificates of occupancy, consents, legislative or administrative authority from any local, state, or federal government or private entity or organization have been or can be obtained or renewed for any use which the value estimate contained under this review is based.

In order to arrive at a supportable conclusion, it was necessary to utilize both documented / recorded data and third party information furnished to the Appraisal Section of the Arizona State Land Department by others. The information is believed to be reliable and correct and has been gathered according to generally accepted appraisal procedures. The review appraiser is not responsible for the accuracy of the opinions furnished by others and contained in this report, nor is the review appraiser responsible for the reliability of government data utilized in the report.

The review appraiser does not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If a fact(s) pertinent to the appraisal process unknown prior to the completion of the review appraisal is (are) discovered, the review appraiser reserves the right to alter statements, analyses, or conclusions contained in this review. In addition, the appraisal report itself and the value estimates set forth therein would be subject to change if either the physical or legal entity or the terms of financing are different from what is set forth in the report.

No survey of the property has been made by the review appraiser and no responsibility is assumed in connection with such matters. Any maps, plats or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by the review appraiser and cannot be guaranteed to be correct. A surveyor should be considered if there is any concern regarding boundaries, setbacks, encroachments, or other survey matters. It is assumed that the utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the appraisal report. The review appraiser assumes no responsibility for such a survey, or for encroachments or overlapping that might be revealed thereby. Any variation in the site plan, dimensions, or calculations based thereon may alter the estimates of value contained within the appraisal report.

The review appraiser cannot predict or evaluate the possible effects of future wage price control actions of the government upon rental income, or financing of the subject; hence, it is assumed that no control will apply which would nullify contractual agreements, thereby change property values.

This appraisal review is the property of the Arizona State Land Department (ASLD). Possession and/or use of this review or a copy of it by any individual or entity other than the Arizona State Land Department or its duly appointed representative(s) does so at their own risk. The review appraiser is not responsible for third party misuse or reliance upon this review report.

The review appraiser, herein by reason of this appraisal review, is not required to give testimony or attendance in court or at any governmental hearing with reference to the property in question, unless arrangements have been previously made therefore.

Unless otherwise stated in the appraisal report, the review appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, expressed or implied, regarding the condition of the property. The review appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property. Since no engineering or percolation tests were made, no liability is assumed for soil conditions. Sub-surface rights (mineral and oil) were not considered in the making of this appraisal.

This appraisal review assignment assumes that the subject property is in compliance with all Environmental Protection Agency Guidelines, Federal, State and Local environmental requirements, the 404 Clean Water Act, Clean Air Act, or any and all similar government regulations or laws pertaining to the environment. The review appraiser has no knowledge of any hazardous condition (whether it exists on the subject property or any site within the immediate vicinity of the property) affecting the subject value, such as the presence of hazardous wastes, asbestos containing materials (ACM's), urea formaldehyde foam insulation, radon, air pollution, etc. The review appraiser is not qualified to detect hazardous conditions that are not readily apparent. If a hazardous substance is present, the value of the property may be adversely affected.

Virtually all land in Arizona is affected by pending or potential litigation by various Indian tribes claiming superior water rights for their reservations. The amounts claimed and the effects on other water users are largely undetermined, but the claims could result in some curtailment of water usage or ground water pumping on private land. The Ground Water Management Act (as amended) may also restrict future ground water pumping in various parts of the state. Given this uncertainty, neither the reviewer nor any of his representatives can make warranties concerning rights to or adequacy of the water supply with respect to the premises, although the sale of the subject may include such water rights as are appurtenant thereto.

Due to the historic nature of the American Southwest, properties within Arizona may be impacted by the presence of archaeological features, such as Native American remains or artifacts (specifically the ancient Hohokam and Anasazi settlements). The presence of such features may require mitigation on the part of the property owner or developer and could involve significant cost or time delays. It is the assumption of this report that no such archeological issues impact the subject property, unless otherwise noted in the appraisal report. Should a competent archeologist specifically identify significant archeology and to quantify the cost of data recovery, the appraiser reserves the right to alter the valuation estimate contained in this report.

Review Appraiser's Certification

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

- The facts and data reported by the reviewer and used in the review process are true and correct,
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions,
- I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
- I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have performed other services (specify here) regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favor the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed, and this review report was prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and ASLD Appraisal Guidelines.
- I have made a personal inspection of the subject property of the work under review.
- I have not made a personal inspection of the subject of the work under review.
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The undersigned hereby acknowledges he has the appropriate education and experience to complete the assignment in a competent manner.



Frank Strickler

Review Appraiser (AZ Certified General Real Estate Appraiser No. #30121)

Effective Date of Review: 11/08/2022