

STATE LAND DEPARTMENT OF THE STATE OF ARIZONA  
BEFORE THE STATE LAND COMMISSIONER

IN THE MATTER OF PROTEST OF PUBLIC  
AUCTION NO. 53-122457 FOR THE STATE  
TRUST LAND DESCRIBED THEREIN.

ORDER NO. 173-2025/2026

DECISION AND ORDER  
REJECTING PROTEST

PROTESTOR: SAVE THE SCENIC SANTA  
RITAS ASSOCIATION

The records of the Arizona State Land Department ("Department") reflect:

**FINDINGS OF FACT**

**I. Auction Notice and Parcel**

1. On February 13, 2026, the Department advertised Auction Notice No. 53-122457 (the "Auction Notice"), noticing for auction the sale of 160.08 acres, more or less, of State Trust Land (the "Auction") in Pima County in section 11 of Range 15 East, Township 18 South, as described specifically in the Auction Notice (the "Parcel").

2. Rosemont Copper Company, predecessor of Copper World, Inc. (the "Applicant"), applied to the Department to purchase the Parcel in July 2021. The Department understands that if the Applicant is the successful bidder at the Auction, the Applicant intends to develop the Parcel as part of a tailings storage facility in support of its mining operation.

3. The Applicant currently owns the adjacent land immediately to the north and west of the Parcel. The United States Bureau of Land Management owns the adjacent land immediately to the south of the Parcel and the adjacent land immediately to the east of the Parcel is the Coronado National Forest.

4. In preparing the Parcel to be auctioned, the Department followed its standard Appraisal process, detailed in paragraphs 18-25 below, which established a fair market value of \$993,000 for the Parcel as of the valuation date of August 14, 2025. (See Appraisal Report dated August 28, 2025 (the "Appraisal") (attached hereto as Exhibit A)).

5. On September 11, 2025, pursuant to Ariz. Rev. Stat. ("A.R.S.") § 37-132(A)(7), the Arizona Land Board of Appeals (the "Board") considered and approved by unanimous vote the appraised value of the Parcel as \$993,000. Pursuant to A.R.S. § 37-102(G), the Board of Appeals' approval of the appraised value is effective for 240 days.

6. Following the Board's approval of the appraised value, the Department and the State Land Commissioner ("Commissioner") determined that sale of the Parcel is in the best interest of the trust and ordered auction of the Parcel at no less than the appraised value.

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2 7. The Auction is legally advertised and scheduled for April 29, 2026.

3 8. The initial bid required at Auction as provided in the Auction Notice is the  
4 appraised value of \$993,000.

5 **II. Protest**

6 9. On March 6, 2026, Protestor submitted “a protest pursuant to A.R.S. § 37-301  
7 opposing the Auction” (the “Protest”), attached hereto as Exhibit B.

8 10. On March 31, 2026, the Applicant submitted a “Response to SSSR’s Protest  
9 of Public Auction Sale No. 53-122457,” attached hereto as Exhibit C.

10 A.R.S. § 37-331.03

11 11. The Protest asserts that the “Auction is invalid because ASLD is in violation  
12 of A.R.S. § 37-331.03.” (Protest, p. 2.) Specifically, the Protest asserts that the Auction is  
13 invalid because ASLD failed to create a five-year disposition plan pursuant to A.R.S. § 37-  
14 331.03. (Protest, p. 2.)

15 12. Section 37-331.03 provides in relevant part:

16 ...

17 D. The commissioner shall create five year disposition plans for all state  
18 trust land in this state, based at a minimum on market demand,  
19 anticipated transportation and infrastructure availability. The  
20 commissioner shall:

- 18 1. Review and update each plan each year as may be necessary.
- 19 2. Consult with the city, town or county in which the land is located  
20 and with any regional planning organization.
- 21 3. Submit each plan and revision to the urban land planning  
22 oversight committee to ensure conformity with the conceptual plan  
23 under subsection A.

24 E. For the purposes of this section:

25 ...

- 26 2. “Five year disposition plan” means a plan that identifies the land  
27 projected to be sold, leased, reclassified for conservation purposes,  
28 master planned or zoned during the next five years.

29 13. The Protest argues that the “sale of the land is not motivated by or consistent  
30 with long-range goals for the land or the best interests of the trust beneficiaries.” (Protest, pp.  
31 3.) The Protest asserts, without providing factual support, that the sale is instead driven only  
32 by the Applicant’s interests, that only the Applicant is likely to bid, and that the Applicant has

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2 no immediate use for the Parcel based on the Applicant's 2023 Pre-Feasibility Study. (Protest,  
pp. 2-5.)

3                   Appraisal

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5           14.     The Protest asserts that the "Appraisal is invalid because it fails to account for  
6 the impact of Copper World's proposed use on other State Trust Land and also grossly  
undervalues the Sale Parcel." (Protest, p. 5.) The Protest continues by asserting that "the  
Appraisal failed to take into account the actual use of the Sale Parcel." (Protest, p.5.)

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8           15.     The Protest asserts that the Appraisal "did not consider any of the negative  
9 impacts to nearby State Trust Land that will occur from the development of the Copper World  
mining complex and the expansion of its waste dumps that the sale facilitates," particularly  
the "substantial groundwater depletion." (Protest, pp. 5-6.)

10           16.     The Protest asserts that the Department "has previously (and recently)  
11 addressed the negative impact that large-scale mining operations can have on the value of the  
12 State Land Trust" and cites as an example the Department's comments on the Draft  
13 Environmental Impact Statement and objection to the final approval documents for the  
Resolution Copper project. (Protest, pp. 5-6.)

14           17.     The Protest asserts, without reference to authority or appraisal standards, that  
15 the appraised value "must be based on its worth to" the Applicant. (Protest, p. 6.)

16           **III.     Department's Appraisal Process**

17           18.     The Department followed its standard purchase application practice and  
18 contracted with an independent Arizona Certified General Appraiser, Thomas A. Baker, to  
appraise the value of the Parcel. Mr. Baker inspected and valued the Parcel as of August 14,  
2025, and issued an Appraisal Report dated August 28, 2025. (Appraisal, p. i.)

19           19.     Mr. Baker determined that the highest and best use of the Parcel is the  
20 Applicant's intended use—"investment and/or development as part of Copper World, Inc.,  
21 with the subject property being utilized for aboveground storage of mine tailings and to meet  
open space requirements"—and appraised the land based on that use. (Appraisal, p. 24.)

22           20.     Mr. Baker appraised the Parcel at its highest and best use, even though he notes  
23 that the Parcel is currently zoned "Rural Homestead." (Appraisal, pp. 22, 24.) Mr. Baker  
24 concluded that the appraised value of the Parcel at its highest and best use as of August 14,  
2025, is \$993,000, which is \$6,200 per acre. (Appraisal, pp. i-ii.) Mr. Baker certified that the  
25 valuation and the Report were prepared "in conformity with the Uniform Standards of  
Professional Appraisal Practice (USPAP)." (Appraisal, p. 56.)

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21. Mr. Baker relied on the "Sales Comparison" approach to determine "Market Value," researching comparable sales "considered a reliable indicator of the value of the subject property." (Appraisal, p. 5.) "Market value" is defined by USPAP 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 at the time of the appraisal.

(Appraisal, p. 3.)

22. Mr. Baker evaluated five comparable sales (Appraisal, pp. 25-50), including the Applicant's purchase of 487.33 acres of land immediately adjacent to the north of the Parcel for \$4,168 per acre in 2021 (Appraisal, p. 35).

23. Further following its standard purchase application practice, the Department assigned an Arizona Certified General Appraiser on the Department's staff, Steve W. Beaudoin, to review Mr. Baker's Appraisal for compliance with USPAP and Department appraisal policies. Mr. Beaudoin reviewed Mr. Baker's Report and issued an ASLD Appraisal Review dated August 29, 2025 (attached hereto as Exhibit C), in which Mr. Beaudoin approved the methodology used and the value submitted by Mr. Baker.

24. On September 11, 2025, pursuant to Ariz. Rev. Stat. ("A.R.S.") § 37-132(A)(7), the Arizona Land Board of Appeals (the "Board") considered and approved by a unanimous vote the sale auction of the Parcel at the appraised value of \$993,000.

25. The Board is an independent board whose members are not employees of the Department. Pursuant to A.R.S. § 37-213, the Governor appoints all five members who must be from different areas of the State and from different political parties. Board members must be "experienced in the classification and appraisal of all types of real estate."

26. The Department's comments and objections involving the Resolution Copper project did not relate to appraisal of lands to be sold. (*See* Protest, Exs. B & C.) Nor did ASLD submit an objection to the Resolution Copper project in federal court (*see* Protest, p.6); plaintiffs in that action submitted the Department's 2025 letter to the court. The Department's letters were attempts to mitigate the impacts of the Resolution Copper mine on State Trust Land. Those efforts are distinct from the appraisal methodology necessary to comply with the Constitutional requirement that the lands be sold at no less than their appraised true value.

**CONCLUSIONS OF LAW**

A. Under Ariz. Rev. Stat. § 37-301(A), the Legislature has provided for protests only to “the terms of a proposed auction”:

Any person who desires to protest any of the terms of a proposed auction for the sale of state land, the lease of state land, or the sale of natural products of state land shall file a written protest with the department within thirty days after the first day of publication of the terms of the proposed auction. All protests shall state specifically the term or terms of the auction to which objection is made and state specifically the reasons for each objection. An objection not specifically stated or timely made is deemed to be waived.

B. Pursuant to Ariz. Rev. Stat. § 37-301(A), any protests to the Auction not filed, or reasons for objections to the terms of the Auction not specifically stated, on or before March 16, 2026, are deemed waived.

C. Ariz. Rev. Stat. § 37-301(B) states that Commissioner (emphasis added):

At [her] discretion, the commissioner, on ten days’ notice, may order a hearing on any protest. Whether or not a hearing is held, the commissioner, not less than seven days before the auction date, shall enter a final order determining the validity of the protests. If the commissioner determines that a protest is correct, the pending auction shall be cancelled. If the commissioner determines that the grounds of protest are incorrect, the auction shall proceed at the time and place for which it was noticed.

D. Pursuant to Ariz. Rev. Stat. § 37-301(B), the Commissioner has complete discretion to determine whether a hearing on the protests shall be held. *Northeast Phoenix Holdings v. Winkleman*, 219 Ariz. 82, 88 (App. 2008). The Commissioner has determined that a hearing shall not be held and that the Commissioner shall enter this final Order determining the validity of the Protest based on the content of the written submission to the Department.

A.R.S. § 37-331.03

E. The Protest is correct that ASLD did not prepare a five-year disposition plan.

F. Preparation and compliance with a five-year disposition plan is not a “term of the auction,” but is instead a protest to whether an auction should proceed at all. Therefore, the protest based on A.R.S. § 37-331.03 is rejected because the Legislature permitted protests only to the terms of an auction under A.R.S. § 37-301.

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G. In any event, inclusion of a parcel on a five-year disposition plan is not a prerequisite to sale of the parcel (*see* A.R.S. §§ 37-236(A); 37-331.03), and the Protest is also rejected on that basis. As the definition states, a “five-year disposition plan” identifies only the State Trust Land “projected to be sold.” A.R.S. § 37-331.03(E)(2).

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H. The argument that the Auction is not in the best interest of the trust is also not a protest to the term of an auction, but is instead a protest to whether an auction should proceed at all, and that argument is rejected as an inappropriate basis for protest under A.R.S. § 37-301.

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I. In any event, the State Land Commissioner has a fiduciary obligation to the Trust and is granted great deference in determining whether, when, and upon what terms to sell interests in State Trust Land. The Commissioner’s exercise of that discretion is not to be overturned except in cases of illegal action or abuse of discretion. *Forest Guardians v. Wells*, 201 Ariz. 255, 260 (2001); *Foster v. Anable*, 199 Ariz. 489, 492 (App. 2001).

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J. Pursuant to the Arizona Enabling Act, the Arizona Constitution, and Arizona statute, State Trust Land may be sold at the Commissioner’s discretion when in the best interest of the Trust, so long as certain transactional requirements are met including sale by auction at no less than the appraised true value. Ariz. Const. art. X, §§ 3-4.

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K. The Protest did not provide evidence that the impact on State Trust Land from the Applicant’s mining operations will not occur if the Auction does not take place. (*See* Protest, pp. 5-6.) The Protest does not provide support for its assertion that the State Land Trust would benefit by holding this Parcel that may be surrounded by mining operations or explain why the Department would expect to attract more bidders in the future, particularly if mining operations begin. (*See* Protest, pp. 2-4.) There is a reasonable basis to support the Commissioner’s determination that the State Land Trust will benefit by disposing of the Parcel, which may soon be surrounded by mining operations, and depositing the proceeds into the Permanent School Fund for the use of the beneficiary.

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Appraisal

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L. The protest challenging the appraised value is rejected. The appraisal process was proper under Arizona law and the professional standards for appraisal.

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M. Pursuant to the Arizona Enabling Act, the Arizona Constitution, and Arizona statute, State Trust Land may be sold at auction at no less than the appraised true value. Ariz. Const. art. X, §§ 3-4.

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N. The appraised value was established by an Arizona Certified General Appraiser in conformity with the Uniform Standards of Professional Appraisal Practice. The appraised value was then reviewed and approved by an Arizona Certified General Appraiser in conformity with the Uniform Standards of Professional Appraisal Practice and Department

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practice. Finally, the appraised value was approved by the independent Land Board of Appeals.

O. The Protest provided no evidence relevant to the appraised value that the Appraisal did not consider and address in accordance with professional appraisal standards. The Appraisal concluded that the appraised value is roughly fifty percent higher per acre than the per acre value at which the Applicant purchased a neighboring parcel five years earlier. (See Appraisal, pp. 35-36, 48.)

P. The Protest's assertion that the appraised value must consider the impact of groundwater depletion caused by the anticipated mine is contrary to the USPAP definition of "market value" (see ¶ 21, above) and thus not applicable to the constitutional and statutory requirement to auction the Parcel at no less than appraised true value. Moreover, the Protest presents no evidence that the mining operations and the asserted impact on groundwater depletion will not take place if the Parcel is not sold. Sale of the Parcel does not authorize mining.

Q. Case law provides that Commissioner's setting the value in this manner "is a reasonable rather than random determination" and therefore meets the Constitutional appraisal requirement. *Northeast Phoenix Holdings v. Winkleman*, 219 Ariz. 82, 84-88 (App. 2008) (citing, e.g., *Campana v. Arizona State Land Dep't*, 176 Ariz. 288 (App. 1993)).

**ORDER**

Upon consideration of the facts and applicable law, IT IS ORDERED that all grounds of all protests to Auction No. 53-122457 are either insufficient to constitute a valid protest or incorrect and therefore rejected. Auction No. 53-122457 shall proceed at the time and place for which it is noticed.

This Order is effective immediately unless appealed through special action in accordance with A.R.S. § 37-301(C).

GIVEN under my hand and the official seal of the Arizona State Land Department this 21<sup>st</sup> day of April, 2026.



ROBYN SAHID  
State Land Commissioner

by: Robyn Sahid

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Copy of the foregoing mailed/  
delivered this 21<sup>st</sup> day of  
April, 2026 to:

Certified No. 9489 0090 0027 6709 4831 57

Copper World, Inc.  
5285 E. Williams Circle, Suite 2010  
Tucson, AZ 85711

Certified No. 9489 0090 0027 6709 4831 64

Adriane Hofmeyr  
Hofmeyr Law, PLLC  
3849 E. Broadway Boulevard, #323  
Tucson, AZ 85716

Copy of the foregoing sent by electronic mail  
this 21<sup>st</sup> day of April, 2026 to:

Adriane Hofmeyr  
Hofmeyr Law, PLLC  
Attorney for Protestors

adriane@hofmeyrlaw.com

Copy to: Attorney General's Office, Natural Resources Section/Attn: David Jacobs  
Deputy Commissioner Jim Perry  
Real Estate Div./Assistant Director/Attn: Ruben Ojeda  
Real Estate Div./Sales & Commercial Leasing Section Mgr./Attn: Bruce Burger  
Real Estate Div./Sales & Commercial Leasing Section/Attn: Bryan Sparks  
File No. 53-122457

Trinity Paulberg

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Exhibit A  
Appraisal Report dated August 28, 2025  
89 Pages

**AN APPRAISAL REPORT**

**OF**

**VACANT LAND TOTALING 160.08 ACRES**

**LOCATED ON**

**WEST SIDE OF THE CORONADO NATIONAL FOREST, EAST OF  
THE SANTA RITA EXPERIMENTAL RANGE, NORTH OF THE  
SANTA RITA ROAD ALIGNMENT,  
PIMA COUNTY, ARIZONA**

**FOR**

**MR. R. SCOTT SHERWOOD, APPRAISAL SECTION MANAGER  
ARIZONA STATE LAND DEPARTMENT  
1110 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007**

**APPLICATION NO.: 53-122457-00-100 (COPPER WORLD INC.)**

**OWNERSHIP: STATE OF ARIZONA  
TAX PARCEL NUMBER: 305-53-0160  
SECTION 11, TOWNSHIP 18 SOUTH, RANGE 15 EAST,  
PIMA COUNTY, ARIZONA**

**EFFECTIVE DATE OF APPRAISAL  
AUGUST 14, 2025**

**DATE OF REPORT  
AUGUST 28, 2025**

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

BAKER, PETERSON, BAKER & ASSOCIATES, INC.

REAL ESTATE APPRAISERS - CONSULTANTS  
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August 28, 2025

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

RE: An appraisal report of vacant land totaling 160.08 acres, located on the west side of the Coronado National Forest, east of the Santa Rita Experimental Range, north of the Santa Rita Road alignment, Pima County, Arizona

**Application Nos.:** **Copper World Inc.**  
**KE #53-122457-00-100 (Copper World Inc.)**  
**Tax Parcel Nos.:** 305-53-0160  
**Ownership:** State of Arizona  
**Effective Date of Appraisal:** August 14, 2025  
**Date of Report:** August 28, 2025

Dear Mr. Sherwood:

In response to your authorization, I have conducted the required inspection, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the market value of the fee simple interest in the above-named property. This report is intended for use only by the client/intended user, the Arizona State Land Department and Board of Appeals. Use of this report by others is not intended by the appraiser. This report is intended only for use in estimating the market value of the subject property for assisting the State Land Department in its disposition and/or leasing decisions. The appraisal will assist in the establishment of the minimum bid price for a State Trust land auction. It is not intended for any other use.

I have formed the opinion that, as of the effective date of the appraisal, August 14, 2025, based on a 6 to 12 month market period, and subject to the assumptions and limiting conditions set forth in the report, the subject property has a market value of:

NINE HUNDRED NINETY-THREE THOUSAND DOLLARS  
(\$993,000)

Mr. R. Scott Sherwood  
Arizona State Land Department  
Page ii

I have formed the opinion that, as of the effective date of the appraisal, August 14, 2025, the subject property's market value on a per acre basis equals \$6,200 per acre.

***Extraordinary Assumptions*** - This appraisal is based upon the following extraordinary assumptions: 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; and 4. Legal access exists. Per USPAP, the use of these extraordinary assumptions might have affected the assignment results.

This is an appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal practice for an Appraisal Report (USPAP) and the Arizona State Land Department Appraisal Guidelines (Revised February 2020). As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraiser is not responsible for unauthorized use of this report.

Respectfully submitted,



Thomas A. Baker, MAI, SRA  
Certified General Real Estate Appraiser  
Certificate Number 30139  
Designated Supervisory Appraiser  
Registration Number DS0007

C258688B

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## **EXECUTIVE SUMMARY/APPRAISAL ABSTRACT - PART I**

### **CLIENT/INTENDED USER**

Arizona State Land Department and Board of Appeals

### **APPRAISER**

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

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

### **SUBJECT PROPERTY**

located on the west side of the Coronado National Forest, east of the Santa Rita Experimental Range, north of the Santa Rita Road alignment, Pima County, Arizona.

### **LAND AREA**

160.08 (per information provided by the client)

### **ZONING**

RH – Pima County

### **LEGAL DESCRIPTION**

The Northwest quarter of Section 11, Township 18 South, Range 15 East, G&SRB&M, Pima County, Arizona. (for a full legal description, please see the title report provided by the client in the exhibit section of this report).

### **OWNERSHIP**

According to public records of the Pima County Assessor, title to the subject property is in the name of the State of Arizona. However, there is no recording information available.

### **SALES/LISTING HISTORY**

No known sales of the subject property have occurred within the last five years. No current listings, options, or agreements of sale of the subject property were discovered in the course of this analysis.

### **TAX PARCEL NUMBER**

305-53-0160

**FULL CASH VALUE**

2025: \$358,000

2026: \$314,000

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

**LIMITED CASH VALUE**

2025: \$225,136

2026: \$236,393

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

**REAL ESTATE TAXES**

Not applicable – owned by a tax exempt governmental agency

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

**DELINQUENT TAXES**

Not applicable

**SPECIAL ASSESSMENTS**

None

**LIMITING CONDITIONS**

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

**EXTRAORDINARY ASSUMPTIONS**

This appraisal is based upon the following extraordinary assumptions: 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; and 4. Legal access exists. Per USPAP, the use of these extraordinary assumptions might have affected the assignment results.

**PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to provide the appraiser’s estimate of the market value of the fee simple interest in the subject real property as of the effective date of the appraisal, August 14, 2025.

**MARKET VALUE DEFINITION**

*Market value*, as utilized in this appraisal, and as defined in Uniform Appraisal Standards for Federal Land Acquisitions, Sixth Edition, published by the Appraisal Foundation, is”

“Market value is 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 at the time of the appraisal.”

**INTENDED USE AND USER OF REPORT**

This report is intended for use only by the client/intended user, the Arizona State Land Department and Board of Appeals. Use of this report by others is not intended by the appraiser. This report is intended only for use in estimating the market value of the subject property for assisting the State Land Department in its disposition and/or leasing decisions. The appraisal will assist in the establishment of the minimum bid price for a State Trust land auction. It is not intended for any other use.

**INTEREST VALUED**

Fee simple interest in the total property. *Fee Simple Interest*, as defined in The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, page 73, is “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

**EFFECTIVE DATE OF APPRAISAL**

August 14, 2025

**DATE OF INSPECTION**

August 14, 2025

## SCOPE OF THE APPRAISAL - PART II

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

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

This appraisal assignment has been completed in response to authorization by Mr. R. Scott Sherwood, for the Arizona State Land Department, in a contract executed by Thomas A. Baker, MAI, SRA for Baker, Peterson, Baker and Associates, Inc. The assignment includes appraisal of the property herein described, and the preparation of a report which describes the property being appraised, analyzes appropriate data, and offers an opinion of the market value of the property as of the effective date specified in the report. The appraisal is prepared and reported according to the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute, and to those specifications provided by the Arizona State Land Department, including compliance with the Arizona State Land Department Appraisal Guidelines (Revised February 2020).

This report is intended for use only by the client/intended user, the Arizona State Land Department and Board of Appeals. Use of this report by others is not intended by the appraiser. This report is intended only for use in estimating the market value of the subject property for assisting the State Land Department in its disposition and/or leasing decisions. The appraisal will assist in the establishment of the minimum bid price for a State Trust land auction. It is not intended for any other use.

The purpose of the appraisal is to provide the appraiser's opinion of the market value in fee simple interest of a specific property which has been previously identified in this report, and is referred to as the subject property, the subject, or the property.

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

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

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

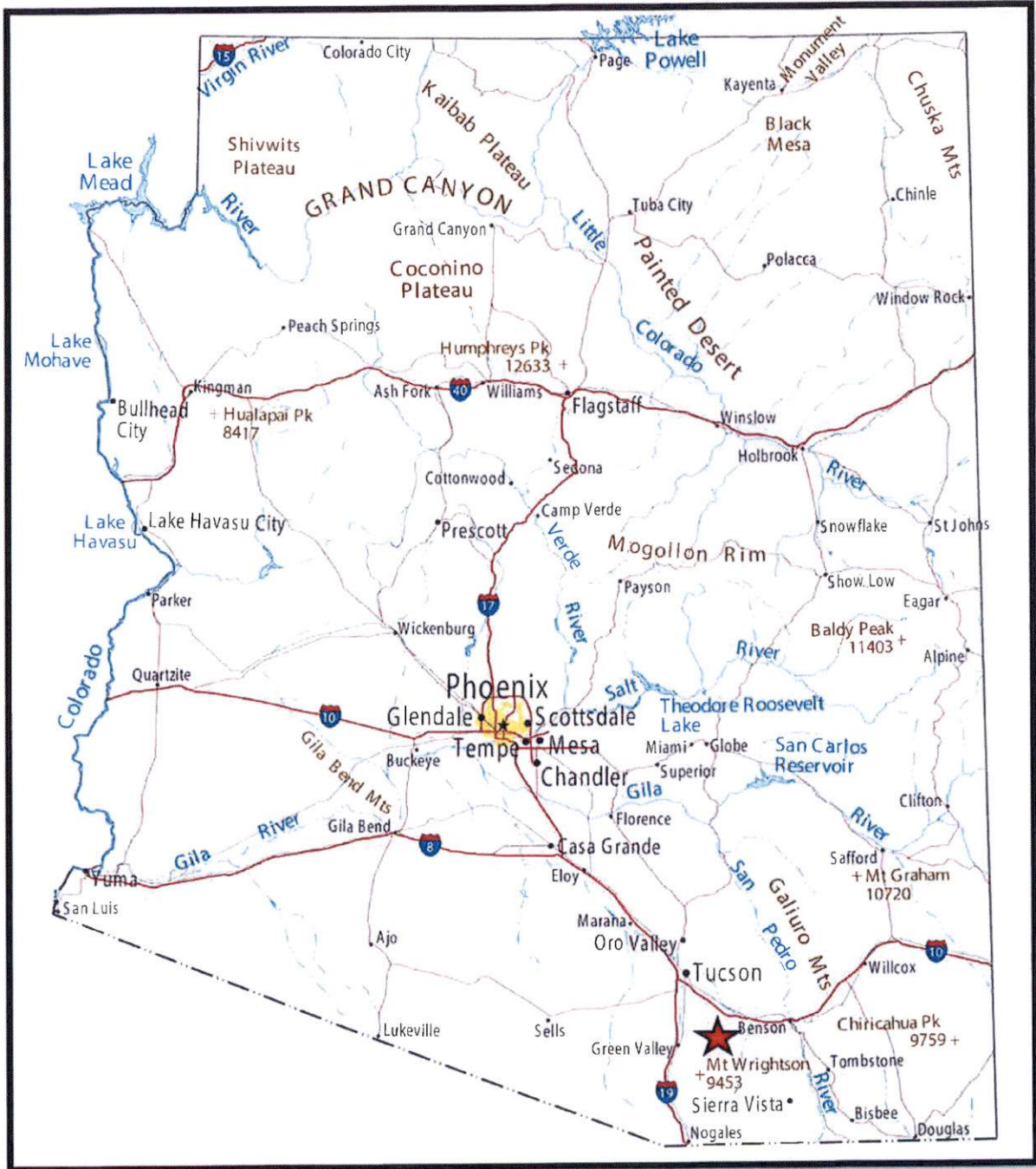
The cost approach is not applicable in this analysis as the subject property is vacant land. The income approach reflects the subject's income producing capabilities. The subject is vacant land. Vacant land similar to the subject is typically purchased by owner-users and not leased; therefore, the income approach is not applicable in valuing the subject property.

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

***Extraordinary Assumptions*** - This appraisal is based upon the following extraordinary assumptions: 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; and 4. Legal access exists. Per USPAP, the use of these extraordinary assumptions might have affected the assignment results.

# DESCRIPTION OF REAL ESTATE APPRAISED - PART III

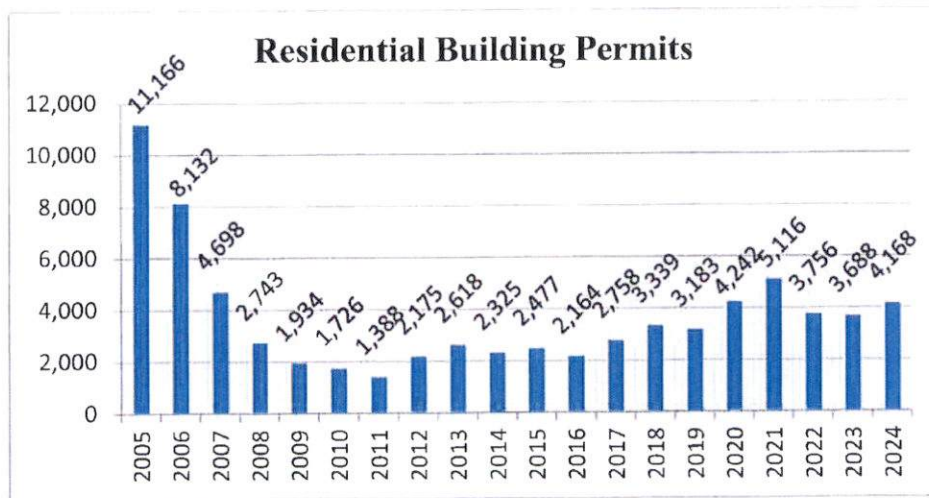
## SUBJECT LOCATION MAP



**TUCSON OVERVIEW:**

Tucson is Arizona’s second largest city and the “hub” of commerce in southeastern Arizona. According to the MAP AZ dashboard, in 2020, the estimated population of the Tucson metropolitan area was 1,044,675 persons, while the 2020 US Census indicated the population of the City of Tucson was 542,629.

Starting in 2006, fewer single-family residential permits were issued due to the oversupply of lots and residential homes on the market at that time. According to the United States Census Bureau, Building Permits Survey, the Building permit activity declined steadily in the Tucson Metropolitan area declined from a peak in 2005 of 11,166 to a low of 1,388 in 2011 for all new single-family residential construction residential building permits. The number of permits remained mostly stable starting in 2013, and increased slightly in 2017 and again in 2018. The number of permits was mostly stable in 2019 but increased somewhat in 2020 and 2021 due to strong demand. During this time there was strong demand for residential properties due to low inventory; however, as interest rates rose during 2022, the number of permits declined in 2022 and again slightly in 2023. Due to higher interest rates, increase construction costs, and low inventory, residential demand has slowed compared to mid-2020 through mid-2022, with fewer sales and more limited construction. Construction remained more limited in 2023 and increased slightly in 2024.



**Office Market**

Overall, the Tucson *office market* experienced net negative absorption of 57,084 square feet in the Fourth Quarter 2024, according to *CoStar*. This compares to net positive absorption of 3,625 square feet in the Fourth Quarter 2024, net positive absorption of 40,542 square feet in the Third Quarter 2024, net negative absorption of 84,877 square feet in the Second Quarter 2024, net negative absorption of 362,946 square feet in the First Quarter 2024, net positive absorption of 12,878 square feet in the Fourth Quarter 2023, net positive absorption of 95,917 square feet in the Third Quarter 2023, net positive absorption of 251,756 square feet in the Second Quarter 2023, net negative absorption of 56,514 square feet in the First Quarter 2023, net negative absorption of 193,604 square feet in the Fourth Quarter 2022, net positive absorption of 149,080 square feet in the Third Quarter 2022, net negative absorption of 208,214 square feet in the Second Quarter 2022, net positive absorption of 155,957 square

feet in the First Quarter 2022, net positive absorption of 101,299 square feet in the Fourth Quarter 2021, net positive absorption of 50,194 square feet in the Third Quarter 2021, net negative absorption of 115,636 square feet in the Second Quarter 2021, and net positive absorption of 39,476 square feet in the First Quarter 2021.

The following figure shows trends in the vacancy rates for office properties in Pima County through the First Quarter 2025. The vacancy rate peaked in late 2013 and then declined through 2017. The vacancy rate remained mostly stable in 2018 and 2019 before increasing from early 2020 through mid-2021. The vacancy rate has fluctuated slightly since that time and most recently has remained mostly stable in 2024, and increased slightly to 10.6% in the first quarter of 2025.

**Office Vacancy Rate**



No new buildings were completed in First Quarter 2025 or Fourth Quarter 2024. This compares to one new building containing 10,000 square feet in the Third Quarter 2024, one new building containing 4,000 square feet in the Second Quarter 2024, no new buildings in the First Quarter 2024 and Fourth Quarter 2023, four new buildings containing 42,138 square feet in Third Quarter 2023, no new buildings in Second Quarter 2023, two new buildings containing 22,000 square feet in First Quarter 2023, two new buildings containing 27,988 square feet in Fourth Quarter 2022, one new building containing 18,500 square feet in Third Quarter 2022, two new buildings containing 50,695 square feet in the Second Quarter 2022, two new buildings containing 145,228 in the First Quarter 2022, no new buildings in the Third and Fourth Quarters 2021, three new buildings containing 64,037 square feet in the Second Quarter 2021, and three new buildings containing 120,000 square feet in the First Quarter 2021.

Market conditions for office properties stabilized around 2013 and remained slow but stable through 2019. Market conditions for office properties had started to slowly improve, primarily for office properties in high demand areas, smaller suites or buildings in many areas of Tucson, and newer office buildings in good condition. Demand remains limited for older and obsolete office buildings in particular. Covid-19 impacted work from home trends with changes in office demand with some offices returning to office in 2024 and early 2025, while others continue to work from home. It is not yet known to what extent recent work from home trends will permanently impact office demand.

### **Retail Market**

Retail space had maintained more constant levels of growth and absorption, with decreasing vacancy rates observed prior to mid-2007. In general, the market turned down starting at the end of 2007, and later remained stable and then slowly improved. In recent years, demand had increased for many types of retail properties and remained stable for less desirable retail uses. In March 2020, the Covid-19 pandemic impacted the world. After pausing in the immediate emergence of Covid-19, demand again increased for many retail property types and remained more stable for other property types. More recently demand remained stronger for some property types and more stable for others due to factors such as higher inflation and interest rates.

The following shows trends in the vacancy rate for retail properties in the Tucson market through the First Quarter 2025, according to *Costar*.



This chart shows that the vacancy rate for retail properties increased through mid-2012. The retail vacancy rate declined from that time through 2018. The retail vacancy rate increased slightly from late 2018 through mid-2021 and then declined slightly in late 2022. The vacancy rate has remained generally stable and was 5.7% in the first quarter of 2025.

There was net negative absorption of 64,288 square feet in the Fourth Quarter 2024, according to CoStar. This compares to net positive absorption of 172,086 square feet in the Fourth Quarter 2024, net positive absorption of 5,029 square feet in the Third Quarter 2024, net positive absorption of 55,481 square feet in the Second Quarter 2024, net negative absorption of 26,839 square feet in the First Quarter 2024, net negative absorption of 197,191 square feet in the Fourth Quarter 2023, net positive absorption of 68,887 square feet in the Third Quarter 2023, net positive absorption of 123,740 square feet in the Second Quarter 2023, net positive absorption of 161,994 square feet in the First Quarter 2023, net negative absorption of 103,140 square feet in the Fourth Quarter 2022, net positive absorption of 33,497 in the Third Quarter 2022, net positive absorption of 192,357 in the Second Quarter 2022, net positive absorption of 132,992 in the First Quarter 2022, net positive absorption of

16,529 square feet in the Fourth Quarter 2021, net positive absorption of 16,061 square feet in the Third Quarter 2021, net negative absorption of 113,376 in the Second Quarter 2021, and net positive absorption of 138,567 square feet in the First Quarter 2021.

In the First Quarter 2025, two new retail buildings containing 6,396 square feet were completed. This compares to two new buildings containing 124,035 square feet in the Fourth Quarter 2024, two new buildings containing 4,056 square feet in the Third Quarter 2024, six new buildings containing 19,511 square feet in the Second Quarter 2024, seven new buildings containing 68,060 square feet in the First Quarter 2024, four new buildings containing 13,410 square feet in the Fourth Quarter 2023, nine new buildings containing 36,063 square feet in Third Quarter 2023, ten new buildings containing 61,885 square feet in Second Quarter 2023, 17 new buildings containing 110,839 square feet in the First Quarter 2023, eight new buildings containing 31,788 square feet in Fourth Quarter 2022, 12 new buildings containing 85,737 square feet in Third Quarter 2022, five new buildings containing 20,933 square feet in Second Quarter 2022, 12 new buildings containing 42,569 square feet in the First Quarter 2022, six new buildings containing 31,734 square feet in the Fourth Quarter 2021, six new buildings containing 25,861 square feet in the Third Quarter of 2021, six new buildings containing 21,331 square feet in the Second Quarter of 2021, and 14 new buildings containing 91,768 square feet in the First Quarter 2021.

Prices and rents are stable or increasing in high demand areas or for high demand property types, although there remains limited demand for older retail properties in low demand areas. Since mid-2022, market conditions have remained increased slightly or remained generally stable for many properties as interest rates have risen and inflation increased.

### ***Industrial Market***

Tucson experienced rapid industrial growth from the late 70's to the mid-80s. Since then, there has been more limited new industrial development with a recent increase in mid-2020 through mid-2024. Most recently in Tucson, no new industrial buildings were completed in the First Quarter 2025, according to CoStar. This compares to one new building containing 50,000 square feet in the Fourth Quarter 2024, no new buildings in the Third Quarter 2024, one new building containing 12,500 square feet in the Second Quarter 2024, four new buildings containing 40,000 square feet in the First Quarter 2024, one new building containing 244,889 square feet in the Fourth Quarter 2023, six new buildings containing 1,548,481 square feet in Third Quarter 2023, two new buildings containing 36,324 square feet in Second Quarter 2023, one new building containing 4,200 square feet in First Quarter 2023, three new buildings containing 329,539 square feet in the Fourth Quarter 2022, two new buildings containing 305,545 square feet in Third Quarter 2022, one new building containing 60,437 square feet in Second Quarter 2022, one new building containing 50,000 square feet in the First Quarter 2022, one new building containing 240,000 square feet in the Fourth Quarter 2021, two new buildings containing 377,702 square feet in the Third Quarter 2021, one new building containing 40,777 square feet completed in Second Quarter 2021, and one new building containing 12,237 square feet completed in the First Quarter 2021. Many of the buildings constructed in recent years are larger buildings.

The following chart shows trends in the industrial vacancy rate in Tucson through First Quarter 2025, according to CoStar. The vacancy rate increased starting in mid-2023 but has remained generally stable since that time, and was 5.5% in the first quarter of 2025.

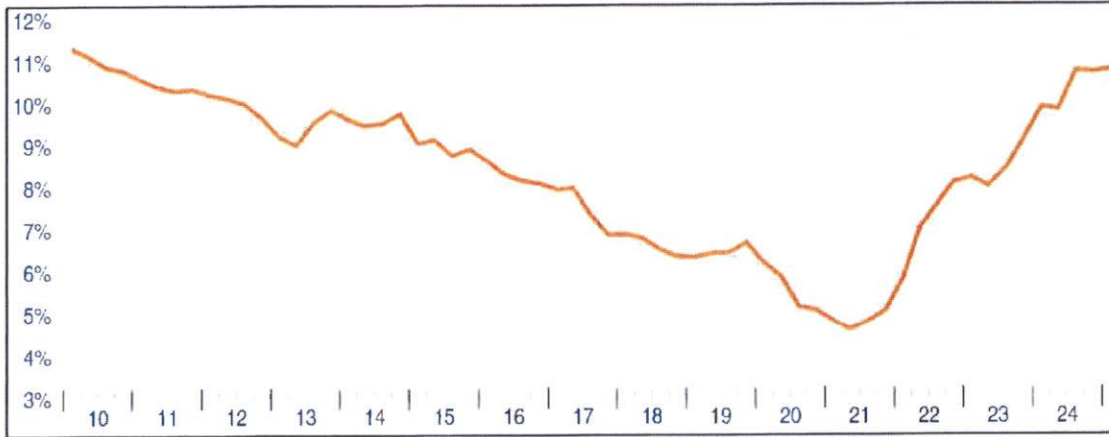


There was net positive absorption of 6,717 square feet in the First Quarter 2025. This compares to net positive absorption of 272,554 square feet in the Fourth Quarter 2024, net positive absorption of 81,126 square feet in the Third Quarter 2024, net positive absorption of 17,740 square feet in the Second Quarter 2024, net negative absorption of 191,497 square feet in the First Quarter 2024, net positive absorption of 301,143 square feet in the Fourth Quarter 2023, net positive absorption of 126,956 square feet in Third Quarter 2023, net negative absorption of 233,928 square feet in Second Quarter 2023, net positive absorption of 390,561 square feet in the First Quarter 2023, net positive absorption of 521,004 square feet in the Fourth Quarter 2022, net positive absorption of 146,991 square feet square feet in the Third Quarter 2022, net positive absorption of 377,523 square feet in the Second Quarter 2022, net negative absorption of 284,298 square feet in the First Quarter 2022, net positive absorption of 501,223 square feet in the Fourth Quarter 2021, net positive absorption of 810,226 square feet in the Third Quarter 2021, net positive absorption of 215,462 square feet in the Second Quarter 2021, and net positive absorption of 137,193 square feet in the First Quarter 2021, according to *CoStar*.

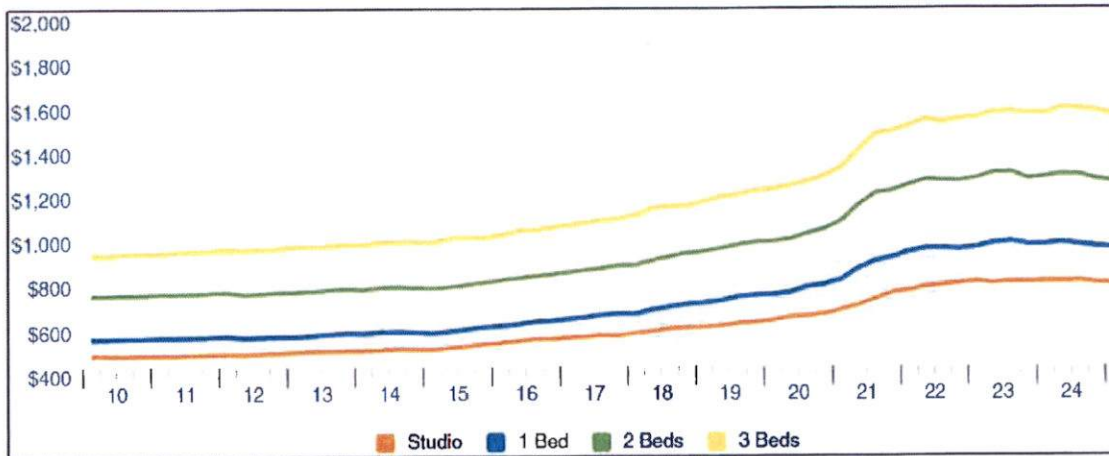
Overall, the industrial vacancy rate increased through mid-2012. The vacancy rate declined from late 2012 through the first part of 2019 before increasing somewhat through mid-2020 before declining again through late 2021 with a general decline though 2022. In March 2020, the Covid-19 pandemic led to a shutdown of many businesses; however, the industrial market experienced strong demand during that time with changes in supply chains leading to increased demand for industrial properties. From mid-2020 through mid-2022 there were rising prices and rental rates, with limited available supply of modern space, and new construction started during that time. Demand has recent slowed somewhat due to rising interest rates and construction costs, as well as the overall uncertainty in the market.

**Multi-Family Market**

The following is the overall vacancy rate for apartments in Tucson through the Fourth Quarter 2024. Vacancy rates for apartment properties in the Tucson Metropolitan area gradually declined through 2019 and then declined more quickly in 2020. The vacancy rate has increased since late 2021 and have been stable since mid-2024, and was 5.5% in first quarter 2025.

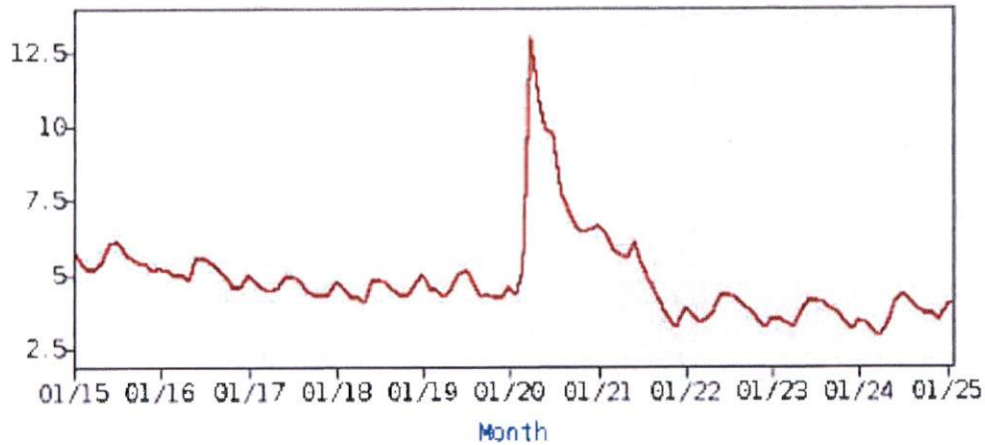


The following is the average effective rental rate per unit type for apartment properties through the Fourth Quarter 2024 in the Tucson market, according to CoStar. There was a significant increase in rents for all unit types in the first three quarters of 2021 followed by a general stabilization. The average rent was generally stable with minimal fluctuations in 2023 and 2024.



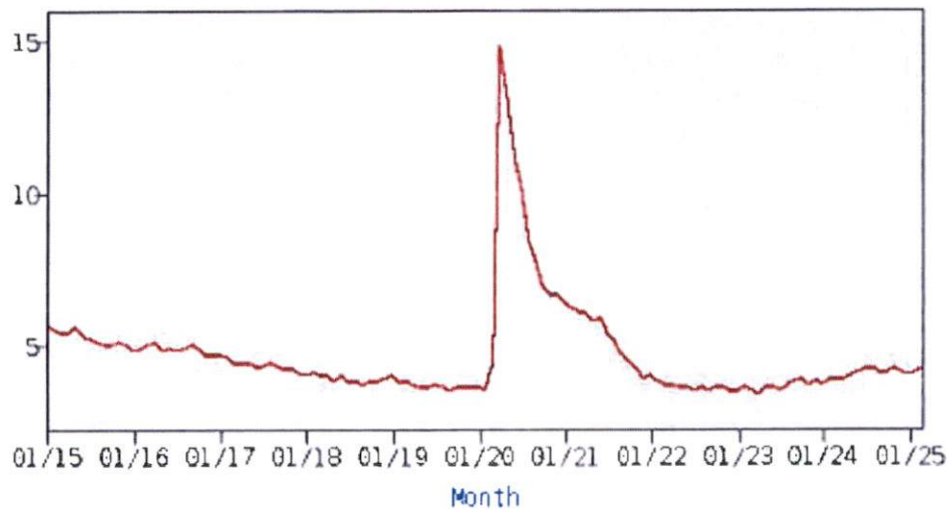
Market conditions for multi-family properties has increased significantly since mid-2020, with rapidly increasing rents, decreasing vacancy rates, and increased sales prices, with new construction and renovations during that time due to strong demand for apartments. Demand has slowed since mid-2022 recently due to increased interest rates as well as stabilization of rents and increasing vacancy rates.

According to the Bureau of Labor Statistics, the (not seasonally adjusted) unemployment rate for metropolitan Tucson was as follows:



This data shows that the unemployment rate in the Tucson metropolitan area had slowly been declining since early 2011. There was a slow steady decline in the unemployment rate over several years. However, the unemployment rate (not seasonally adjusted) was stable in 2019 with an increase early in the year. Due to the shutdown of many businesses due to Covid-19, unemployment began to increase significantly in mid-March 2020. The unadjusted unemployment rate was 4.3% in February 2020 and 5.2% in March 2020. This increased to a peak of 13% in April 2020, then declined slightly to 10.9% in May 2020 and 9.6% in July 2020. The unemployment rate declined to 7.7% in August 2020 and 6.6% in October 2020. The unemployment rate declined to 5.4% in July 2021, 3.2% in December 2021, and 3.2% in March 2022. The unemployment rate was 4.2% in August 2022, 3.3% in January 2023, 4.0% in August 2023, 3.3% in February 2024, 3.7% in October 2024, and 3.9% in January 2025.

According to the United States Department of Labor, Bureau of Labor Statistics, the national seasonally adjusted unemployment rate also increased through late 2009. The unemployment rate remained high and started to decline slowly in late 2010. The unemployment rate has declined and is below 2007 levels. The seasonally adjusted unemployment rate was 3.5% in February 2020 and 4.4% in March 2020. This increased to a peak of 14.8% in April 2020, then declined slightly to 13.2% in May 2020 and 10.2% in July 2020. The unemployment rate declined to 8.4% in August 2020 and 6.9% in October 2020. The unemployment rate declined to 6.4% in January 2021, 3.9% in December 2021, and 3.7% in March 2022. The unemployment rate was 3.6% in August 2022, 3.5% in December 2022, 3.7% in August 2023, 3.9% in February 2024, 4.1% in December 2024, and 4.2% in March 2025.



Overall, the commercial real estate markets reveal that in early to mid-2020, most investors held a cautionary outlook due to the uncertainty of the government conditions and Covid-19. Market conditions have improved for many property types since that time, starting as early as mid-2020. Market conditions were uncertain for some commercial property types, while demand remained for many other property types that are less impacted by Covid-19. Market conditions for single-family and multi-family properties has increased significantly in that time frame, while demand for many commercial uses, particularly those most impacted by Covid-19, were uncertain and stable for longer but increased for many other commercial uses. As interest rates increased starting in mid-2022, demand slowed and market conditions became more uncertain for most property types, with slower or more stable demand through 2024. There remains limited supply on the market for most property types. The long-term result should be a more balanced level of supply and demand - more conducive to steady long-term development. Factors such as climate, health and educational facilities, and the availability of housing are positive influences which will result in long-term economic growth for metropolitan Tucson.

## **MARKET AREA**

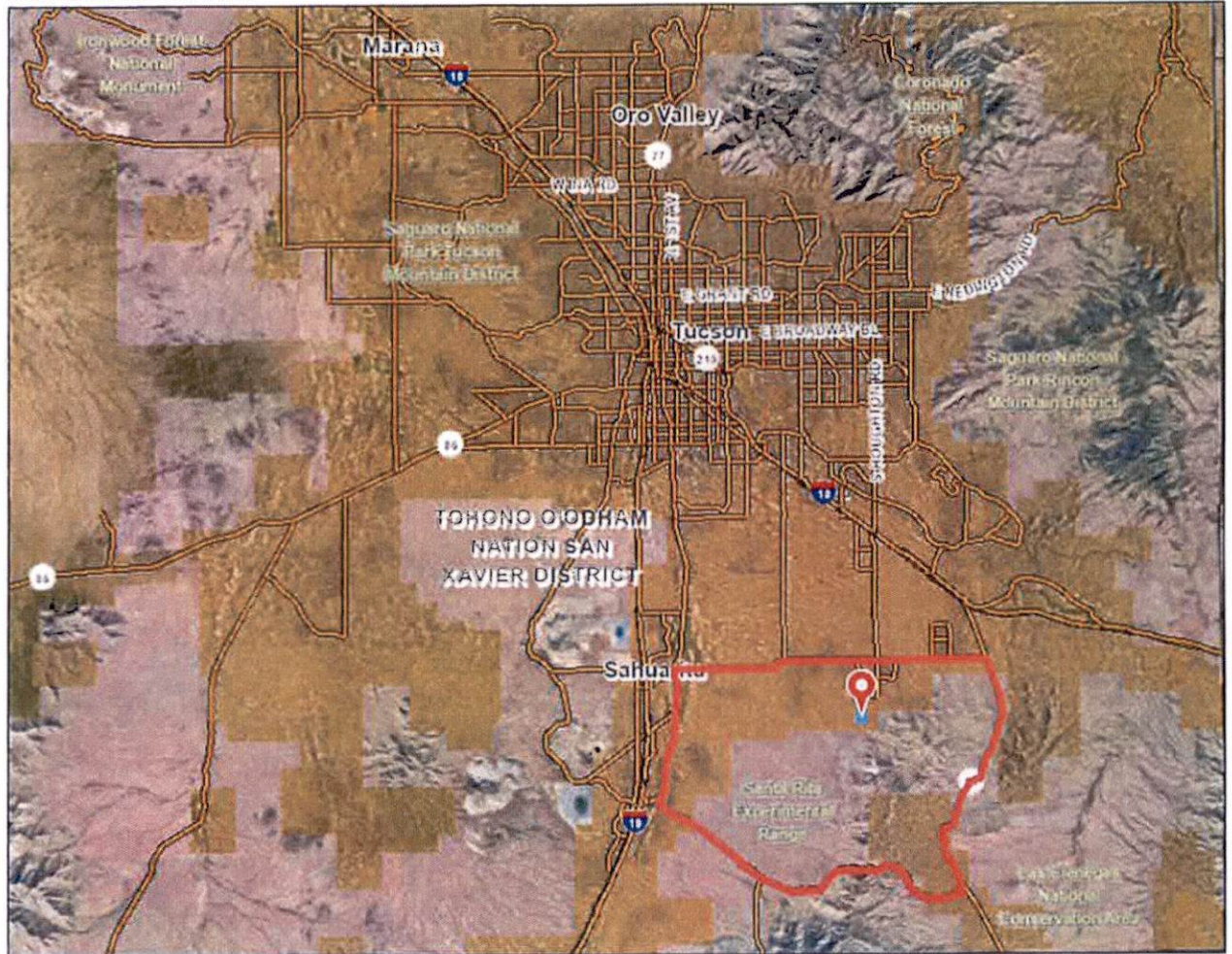
The subject market area is located southeast of the City of Tucson, within Pima County. The subject market area is bounded by Old Nogales Highway to the west, Sahuarita Road to the north, Sonoita Highway to the east, and Box Canyon Road (Highway 62) and Coronado National Forest to the south. The northern portion of the market area consists primarily single family residences on lots ranging from 7,000 square feet to over an acre. Residential subdivision development is close to Sahuarita Road and Old Nogales Highway, with portions of the Town of Sahuarita and Green Valley within the western portion of the market area and Corona De Tucson located within the northern portion of the market area along Sahuarita Road. The Santa Rita Experimental Range Wildlife Area is located in the south western portion of the market area. The northeast and east portions of the market area consists of mostly vacant land with few homes on large acreage. Additionally, the southern portion of the market area is located in the Coronado National Forest.

There is limited commercial development in the market area, with small supporting commercial development at the corner of Sahuarita Road and Houghton Road. The majority of the Town of Sahuarita is just west of the subject market area and provides commercial services, including major shopping centers, schools, and medical services for residents of the market area. Additionally, the majority of Green Valley is west and southwest of the market area and provides commercial services, including major shopping centers. Schools, and medical services. Access to the subject market area is considered average with Sahuarita providing east-west travel along the northern boundary, and Nogales Highway, Sonoita Highway and Old Nogales Highway providing north-south travel along the eastern and western border. Access through the market area is provided by various minor roadways. Interstate 10 is to the north of the market area and Interstate 19 is to the south of the market area.

A significant planned development in the market area is the plan by Hubday Mineral (Rosemont Copper) to operate a copper mine in the Santa Rita Mountains in the southern portion of the subject market area. Rosemont Copper owns land on the east and west slopes of the Santa Rita mountains and had planned to open a mine on the east slope of the Santa Rita Mountains; however this planned mine has been held up by regulatory issues and lawsuits. Rosemont Copper's latest plan is to open the Copper World Complex on the west slope of the Santa Rita mountains. This mine would include operation on private land and patented mining claims. Rosemont Cooper has assembled significant acreage on the west slope of the Santa Rita mountains for this mining operation.

Overall, there is average demand for residential development in the subject market area. Most of the market area lacks infrastructure for major development to occur. The strongest demand is in the northern and western portions of the market area where infrastructure necessary for development exists.

## MARKET AREA MAP



### SITE DESCRIPTION

**Extraordinary Assumptions** - This appraisal is based upon the following extraordinary assumptions: 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; and 4. Legal access exists. Per USPAP, the use of these extraordinary assumptions might have affected the assignment results.

The subject property contains 160.08 acres, per information provided by the client, and is located on the west side of the Coronado National Forest, east of the Santa Rita Experimental Range, north of the Santa Rita Road alignment, Pima County, Arizona. Physical access to the parcel is generally by roughly graded ranch roads, which includes a rough graded ranch road that runs in a north-south direction across land area owned by Copper World Inc.

The site is a rectangular shaped interior property with about 2,640 feet along the southern and northern property boundaries. The site also has a length of about 2,640 feet along the eastern and western property boundaries. Physical access is over ranch roads which connect to Helvetia Road/Santa Rita Road which is located to the west and south of the site. Helvetia

Road/Santa Rita Road is a county maintained two-lane roughly graded dirt road for a portion of the roadway. The roadway also crosses U.S. Bureau of Land Management (BLM) land and private land to access the subject property. There is a steep rough dirt trail that begins in the middle of the western property line and generally traverses east through the middle of the site area and ends at the base of a ridge in the eastern portion of the site.

The topography is rolling to steep and hilly, mostly sloping in a northwesterly direction. There is a more level area on the northern portion of the parcel which rises to a very steep hilly peak area near the southeasterly portion of the site. There are no known protected peaks or ridges on the subject property, however, there are areas on the property which will require development to occur within the hillside development standards for any land area with an average cross slope of 15% or greater. The site has average mountain views for the area and is covered in natural desert vegetation. Soil conditions appear to be typical of the area. The site is located within the Buffer Overlay zone for the adjacent National Park/Forest land areas. All of the site is located in the Conservation Lands System Category designated as Biological Core Management Areas. Properties bordering the parcel include Coronado National Forest park land to the east, vacant land owned by Copper World Inc. to the west and north, and vacant land owned by the U.S. BLM and Copper World Inc. to the south. The Santa Rita Experimental Range is located to the northwest and west of the south parcel.

Utilities available in the area of the parcel include electric (Trico Electric) and telephone (CenturyLink). There is no public water or sewer available in the vicinity of the subject and the parcel is not in a public water company obligated service area. Water would have to be provided by development of a shared well or individual wells. Waste removal would be by private septic systems. This is typical for properties in this vicinity due to the remoteness of the area. Any development of the site would require an engineering study to determine the availability and adequacy of utilities.

According to FEMA Flood Insurance Rate Map 04019C3500L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain (see Exhibits). There is a medium sized unnamed wash which traverses the northern portion of the site, mostly in an east-west direction. This wash has a 50 foot Erosion Hazard Setback from the bank of the wash. There are several small arms of this wash that branch off to the north and south of the main channel of the wash. There is a smaller unnamed wash which traverses the western portion of the site, mostly in a north-south direction. This wash has a 25 foot Erosion Hazard Setback from the bank of the wash. A total of about 10% of the parcel identified as being in the Erosion Hazard Setback areas. The areas surrounding these washes (totaling about 8%) are identified as a riparian habitat area, with a designation of Xeroriparian C. The site is in a seismic zone which is considered to have a low probability of seismic activity. There are no known easements or encumbrances that adversely affect the subject property.

#### **ZONING**

The subject property is zoned Rural Homestead (RH), according to the Pima County Zoning Code (see Exhibits). The purpose of this zone is to “preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in

areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area.” The principal uses allowed by this zoning designation are low density residential, limited commercial use, agriculture use, and governmental uses. Specific allowable uses include single family residences, manufactured or mobile homes and trailers, and some commercial agriculture uses. The general development standards include a minimum site area of 180,000 square feet, with minimum front/rear yard setbacks of 50 feet and a minimum side yard setback of 25 feet. The maximum building height is 34 feet.

The designation of the site as RH zoning is consistent with current surrounding uses.

**PIMA COUNTY COMPREHENSIVE PLAN**

The subject parcel is located in an area identified as Low Intensity Rural (LIR) according to the Pima County Comprehensive Plan. The purpose of this designation is to “designate areas for residential uses at densities consistent with rural and resource-based characteristics.” The maximum residential gross density is 0.3 residences per acre (RAC). Allowable zonings under the LIR designation are RH, SR, SR-2, GR-1, and MR.

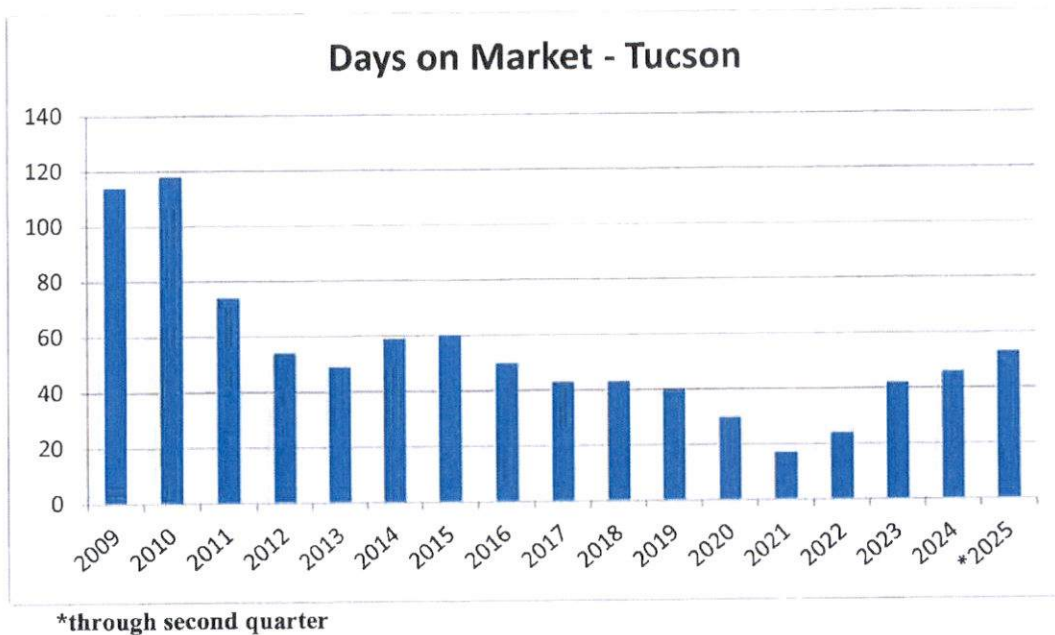
In the LIR designation, a minimum of 30 percent of natural open space is required within areas zoned MR (Major Resort Zone).

The existing RH zoning is consistent with the Low Intensity Rural guidelines of the Pima County Comprehensive Plan.

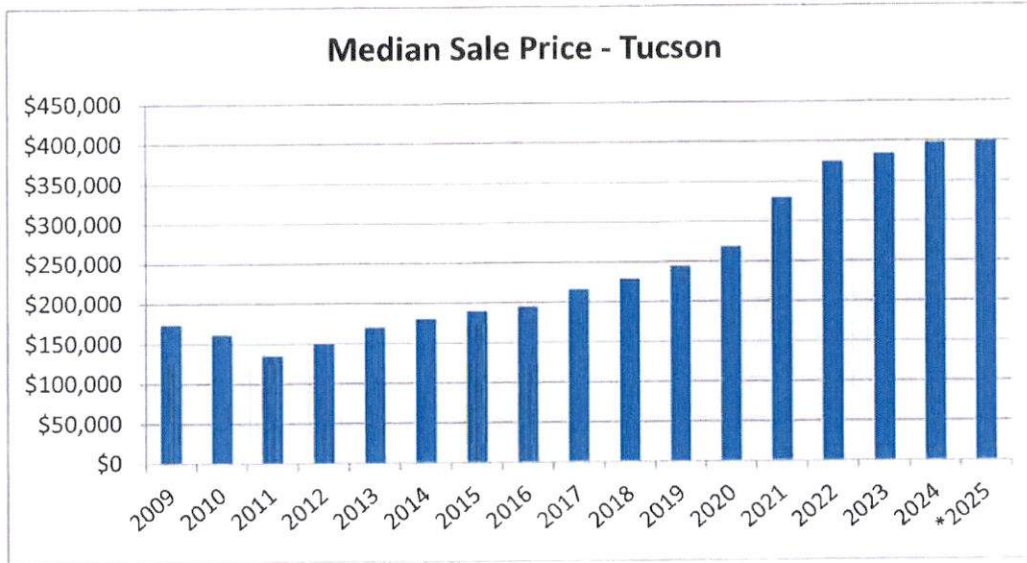
**MARKET PROFILE – RESIDENTIAL**

Starting in mid-2006, the market began to slow, and this trend continued into 2007, with a further slowdown in 2008 through 2010. Prices for residential properties leveled off and then decreased in all market areas. The demand for homes began to decline and fewer homes were purchased. The median price for homes also declined during this time. From 2011, there has been a steady recovery in the residential housing market, in all market areas. Market conditions for single-family residences increased significantly starting in mid-2020 due to largely in part to low interest rates and extremely limited inventory.

The following are the average number of days on the market for sold single-family residences in the Tucson Market from 2009 through the second quarter of 2025, according to Multiple Listing Service (MLS). This data indicates that the average days on the market for single-family residences increased from 2009 and peaked in 2010. Beginning in 2011, the number of days on market dropped significantly and was mostly stable from 2012 through 2019. The number of days on market decreased in 2020 and 2021, with a substantial reduction in 2021. The days on market have generally been trending slightly upwards from 2022 through the second quarter of 2025. While inventory of homes is still low, the effect of interest rate increases has led to an increase in marketing time from the prior years when interest rates were at historically low levels.

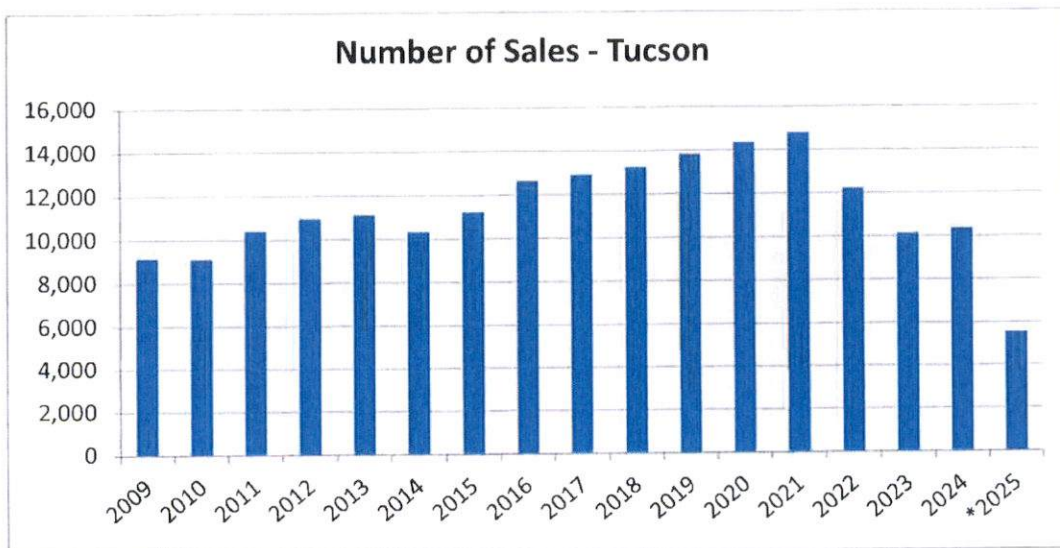


The following is the median sale price for single-family residences for the Tucson market from 2009 through the second quarter of 2025, according to MLS. Beginning in 2012, the median sales price for single family residences in the Tucson market gradually increased on a year over year basis, continuing through the year end of 2023, with the rate of increase slowing from 2022 to 2023 compared to the previous years. Median sale prices from 2024 through the second quarter of 2025 have remained relatively stable.



\*through second quarter

The following is the number of sales of single-family residences in the Tucson Market from 2009 through the second quarter of 2025, according to MLS. The number of sales overall trended upwards from 2010 through 2021. Sales dropped in 2022 and 2023, with sales remaining generally stable in 2024. The 2025 data is for the first half of the year and is generally consistent with the prior year.



\*through second quarter

Prices for some types of homes, specifically in homes priced below \$300,000 had increased slowly starting in 2013. Starting in mid-2020, there was increased demand for residential uses due to low interest rates, the increase in available “remote” occupations, and a generally low amount of inventory for homes priced below \$300,000 placing upward pressure on home prices. Prices had increased significantly, and at a rapid pace, from mid-2020 through mid-2022. However, interest rates have increased, which has slowed some of the housing activity as potential market participants wait to see how the market reacts before listing or purchasing a home. There are indications of slightly longer marketing period. Prices appear to have become more stable with the previous rapid increase in prices having slowed dramatically. The long-term result should be a more balanced level of supply and demand - more conducive to steady long-term development.

#### **EXPOSURE/MARKETING TIME**

*Marketing time* in this appraisal, is defined as: “An opinion of the amount of time it might take to sell a property interest at the concluded market value level or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.”<sup>1</sup>

The reasonable *exposure time* is the period a property is on the market until a sale is consummated and as utilized in this appraisal, is defined as: “The time a property remains on the market; An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.”<sup>2</sup>

The reasonable exposure and marketing time is estimated to be 6 to 12 months based on the sales used in this report and based on conversations with brokers familiar with properties similar to the subject property.

#### **HIGHEST AND BEST USE**

The Seventh edition of The Dictionary of Real Estate Appraisal (Appraisal Institute; 2022, p. 88), defines highest and best use as:

“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.” An analysis of market data supports the conclusion of highest and best use.

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

- 
1. The Dictionary of Real Estate Appraisal (Appraisal Institute, Seventh Edition, 2022), p. 116
  2. Ibid, p. 67

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

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

The site is zoned Rural Homestead (RH), according to the Pima County Zoning Code. The purpose of this zone is to “preserve the character and encourage the orderly growth of rural areas in the county. It is intended to encourage rural development in areas lacking facilities for urban development and to provide for commercial and industrial development only where appropriate and necessary to serve the needs of the rural area.” The principal uses allowed by this zoning designation are low density residential, limited commercial use, agriculture use, and governmental uses. Specific allowable uses include single family residences, manufactured or mobile homes and trailers, and some commercial agriculture uses.

The general development standards include a minimum site area of 180,000 square feet, with minimum front/rear yard setbacks of 50 feet and a minimum side yard setback of 25 feet. The maximum building height is 34 feet.

The designation of the site as RH zoning is consistent with current surrounding uses.

The subject property is located in an area identified as Low Intensity Rural (LIR) according to the Pima County Comprehensive Plan. The purpose of this designation is to “designate areas for residential uses at densities consistent with rural and resource-based characteristics.” The maximum residential gross density is 0.3 residences per acre (RAC). Allowable zonings under the LIR designation are RH, SR, SR-2, GR-1, and MR. In the LIR designation, a minimum of 30 percent of natural open space is required within areas zoned MR (Major Resort Zone).

The existing RH zoning is consistent with the Low Intensity Rural guidelines of the Pima County Comprehensive Plan.

Therefore, the property could be developed with any use allowed under the existing RH zoning.

#### ***Physical Considerations***

***Extraordinary Assumptions*** - This appraisal is based upon the following extraordinary assumptions: 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; and 4. Legal access exists. Per USPAP, the use of these extraordinary assumptions might have affected the assignment results.

The subject property contains 160.08 acres, per information provided by the client, and is located on the west side of the Coronado National Forest, east of the Santa Rita Experimental Range, north of the Santa Rita Road alignment, Pima County, Arizona Physical access to the parcel is generally by roughly graded ranch roads, which includes a rough graded ranch road that runs in a north-south direction across land area owned by Copper World Inc.

The site is a rectangular shaped interior property with about 2,640 feet along the southern and northern property boundaries. The site also has a length of about 2,640 feet along the eastern and western property boundaries. Physical access is over ranch roads which connect to Helvetia Road/Santa Rita Road which is located to the west and south of the site. Helvetia Road/Santa Rita Road is a county maintained two-lane roughly graded dirt road for a portion of the roadway. The roadway also crosses U.S. Bureau of Land Management (BLM) land and private land to access the subject property. There is a steep rough dirt trail that begins in the middle of the western property line and generally traverses east through the middle of the site area and ends at the base of a ridge in the eastern portion of the site.

The topography is rolling to steep and hilly, mostly sloping in a northwesterly direction. There is a more level area on the northern portion of the parcel which rises to a very steep hilly peak area near the southeasterly portion of the site. There are no known protected peaks or ridges on the subject property, however, there are areas on the property which will require development to occur within the hillside development standards for any land area with an average cross slope of 15% or greater. The site has average mountain views for the area and is covered in natural desert vegetation. Soil conditions appear to be typical of the area. The site is located within the Buffer Overlay zone for the adjacent National Park/Forest land areas. All of the site is located in the Conservation Lands System Category designated as Biological Core Management Areas. Properties bordering the parcel include Coronado National Forest park land to the east, vacant land owned by Copper World Inc. to the west and north, and vacant land owned by the U.S. BLM and Copper World Inc. to the south. The Santa Rita Experimental Range is located to the northwest and west of the south parcel.

Utilities available in the area of the parcel include electric (Trico Electric) and telephone (CenturyLink). There is no public water or sewer available in the vicinity of the subject and the parcel is not in a public water company obligated service area. Water would have to be provided by development of a shared well or individual wells. Waste removal would be by private septic systems. This is typical for properties in this vicinity due to the remoteness of the area. Any development of the site would require an engineering study to determine the availability and adequacy of utilities.

According to FEMA Flood Insurance Rate Map 04019C3500L, dated June 16, 2011, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain (see Exhibits). There is a medium sized unnamed wash which traverses the northern portion of the site, mostly in an east-west direction. This wash has a 50 foot Erosion Hazard Setback from the bank of the wash. There are several small arms of this wash that branch off to the north and south of the main channel of the wash. There is a smaller unnamed wash which traverses the western portion of the site, mostly in a north-south direction. This wash has a 25 foot Erosion Hazard Setback from the bank of the wash. A total of about 10% of the parcel identified as being in the Erosion Hazard Setback areas. The areas surrounding these washes (totaling about 8%) are identified as a riparian habitat area, with a designation of Xeroriparian C. The site is in a seismic zone which is considered to have a low probability of seismic activity. There are no known easements or encumbrances that adversely affect the subject property.

The physical characteristics of the subject property would allow for development of a limited number of single family residential lots. The steep and rolling topography of the site would limit the potential homesites.

The land could also be utilized by the adjacent planned copper mine (Copper World Complex). There are no minerals that are located on the subject land for mining. The subject property could be utilized for above ground storage of mine tailings for support of mining operations by Copper World and can also be utilized to meet open space requirements.

#### *Financial Feasibility*

The physical characteristics of the subject property would allow for development of a limited number of single family residential lots due to the steep and rolling topography of the site would limit the potential homesites. There is available vacant land in the general market area that has better access to utilities, and are within areas of more active residential development, that would be developed first before the subject property. It is not probable that development would occur on the subject in the near future. The land could be held for investment or could be developed as part of the Copper World Complex planned by Copper World Inc. (aka Rosemont Copper Company). Copper World Inc. plans to develop a mining operation on private land and patented mining claims. Given the proximity of the subject land to the planned copper mine, the subject land could be incorporated in development of the mine. This would be the most financially feasible use of the subject land area.

#### *Maximally Productive*

Therefore, based on the location, site size, remoteness, development issues, and surrounding development in the subject market area, the maximally productive highest and best use of the subject land is for either investment or for development as part of Copper World Inc., with the subject property being utilized for aboveground storage of mine tailings and to meet open space requirements.

## SUMMARY OF ANALYSIS AND VALUATION - PART IV

### SALES COMPARISON APPROACH

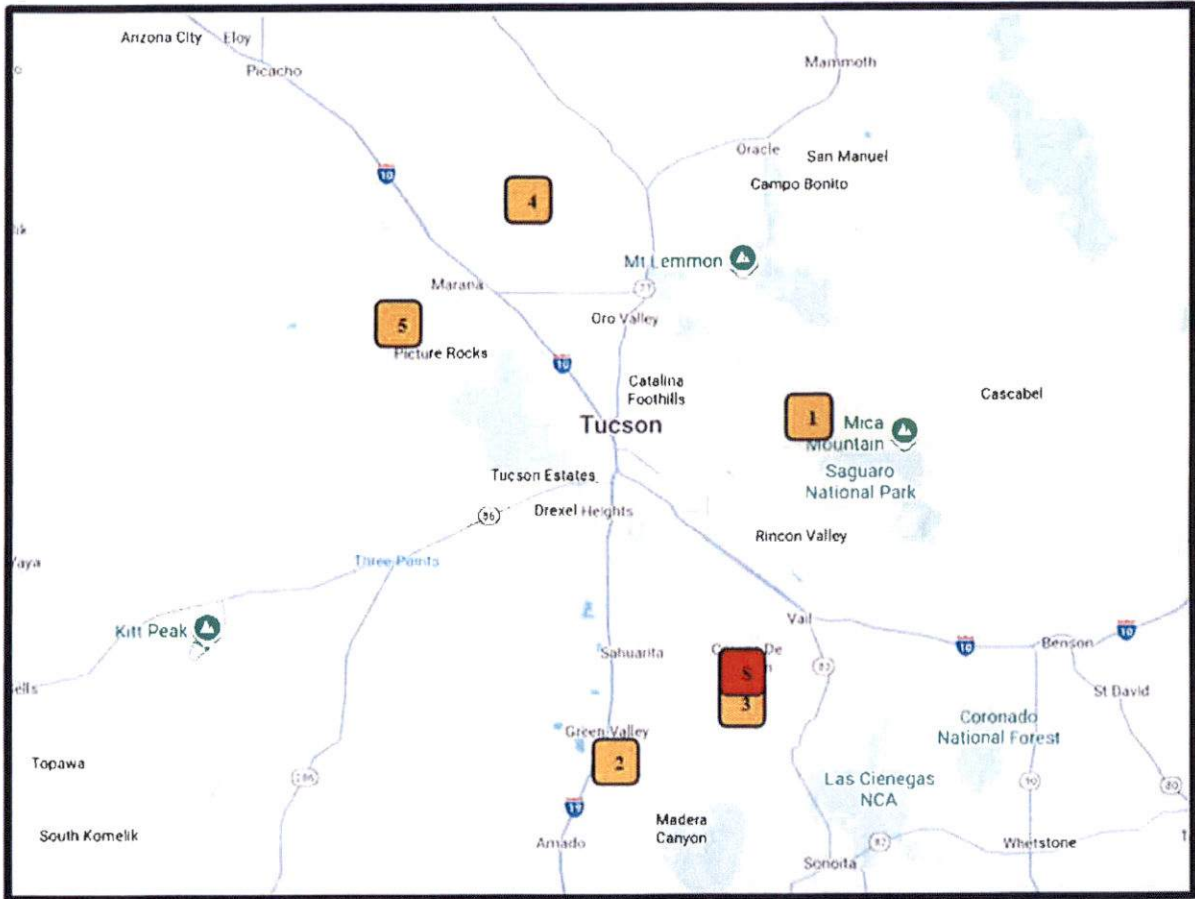
The sales comparison approach to value considers what a typical well-informed purchaser would pay for a property, based on an analysis of similar properties. This approach reflects the application of the principle of substitution, which affirms that when a property can be replaced, its value tends to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

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

**Table of Comparable Land Sales**

Sale No.	Sale Date	Property Location	Sale Price	Site Size (Acres)	Price/Acre	Zoning
1.	05/21	North of Redington Road, east of El Camino Rinconado	\$975,000	141.36	\$6,897	SR
2.	08/21	East and west side of Camino De La Canoa, and the north side of Camino De Rondo	\$852,250	136.36	\$6,250	RH
3.	10/21	South of Ocotillo Rim Place, west of the Houghton Road alignment	\$2,031,000	487.33	\$4,168	RH
4.	02/23	East end of Carpenter Ranch Road, north of Westridge Road	\$2,300,000	434.00	\$5,300	GR
5.	06/23	Southwest and southeast corners of Avra Valley Road and Trico Road	\$570,000	86.93	\$6,557	RH
<b>Subject Property</b>				<b>160.08</b>		<b>RH</b>

## COMPARABLE LAND SALES LOCATION MAP



**Subject:** West side of the Coronado National Forest, east of the Santa Rita Experimental Range, north of the Santa Rita Road alignment

Sale 1: North of Redington Road, east of El Camino Rinconado

Sale 2: East and West side of Camino De La Canoa, and the north side of Camino De Rondo

Sale 3: South of Ocotillo Rim Place, west of Houghton Road alignment

Sale 4: East end of Carpenter Ranch Road, north of Westridge Road

Sale 5: Southwest and southeast corners of Avra Valley Road and Trico Road

## COMPARABLE LAND SALES

### LAND COMPARABLE NUMBER ONE (SALE)

ID: SR 0791 8195

LOCATION: North of Redington Road, east of El Camino Rinconado

LEGAL DESCRIPTION: Lots 1-42 and Common Areas A and B, Estates at El Sereno, Pima County, Arizona

STATE TAX PARCEL: 205-39-0380 through -0810

RECORD DATA: Fee number 20211480478

DATE OF SALE: May 28, 2021

SELLER: Title Security Agency, LLC

BUYER: Pima County Flood Control District

CONFIRMED BY: Jeff Teplitsky, Pima County (520-724-6306)  
TAB; June, 2022

LAND DESCRIPTION: The site is an irregular shaped property consisting of 42 platted lots with two common areas. The property contains a total land area of 141.363 acres, according to the subdivision plat. The subdivision has access from Camino Cascabel, which provides access from Redington Road to the south to the southwest corner of the subdivision. Camino Cascabel is a private/public street near Redington Road and then becomes a private ingress/egress/utility easement roadway. Camino Cascabel is paved south of the site but has a width of only 20 feet, narrowing to 15 feet. This pavement will need to be widened in this area in order to meet subdivision street requirements. The last approximately 1,600 linear feet of Camino Cascabel up to the property line is a dirt roadway. This roadway will need to be paved to provide paved access to the subdivision. The subdivision plat includes a subdivision street that has not yet been developed but would need to be constructed to provide access to each of the lots. The individual lots range in size from approximately one acre to approximately 100,000 square feet or 2.30 acres. The topography is generally sloping in a southerly direction. The topography of the subdivision varies, with some areas more level. There are more elevated

areas with more sloping topography. Because of this, some lots are lower in elevation. The easternmost lots are lower in elevation, with an elevated area to the west of this area. Views vary depending on location and elevation, with some lots being lower and having some mountain views, with other lots more elevated and having both mountain views and valley views as well.

Electric and telephone are available near the property line, with various utility easements. Public water is located to the south at Redington Road. It is proposed that a water line be brought approximately 4,200 feet from Redington Road to the property adjacent to the Camino Cascabel Road. Due to the elevation of the lots above the land to the south, a pump station would have to be constructed to the south, with this pump station adjacent to Camino Cascabel. This pump station would be need to be maintained by the homeowner's association in the future. Public sewer is not available to the area, and the lots would be developed with private septic systems.

According to FEMA Flood Insurance Rate Map 04019C1740ML, dated September 28, 2012, the land is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. The Old Grandad Wash crosses the western portion of the property. There is an unnamed wash along the eastern property line and another unnamed wash in the central-east portion of the subdivision. These washes all cross multiple lots. Development of 18 of the lots requires regional flood control district review and approval, per the subdivision plat. Some local floodplain and erosion hazard setback area is located within the common area.

NUMBER OF LOTS:	42 lots
LAND AREA:	141.363 acres (42 lots and 2 common areas)
ZONING:	SR - Pima County (see comments)
REPORTED SALE PRICE:	\$975,000
PRICE PER LOT:	\$23,214

PRICE PER ACRE: \$6,897

MARKETING TIME: About 1 year

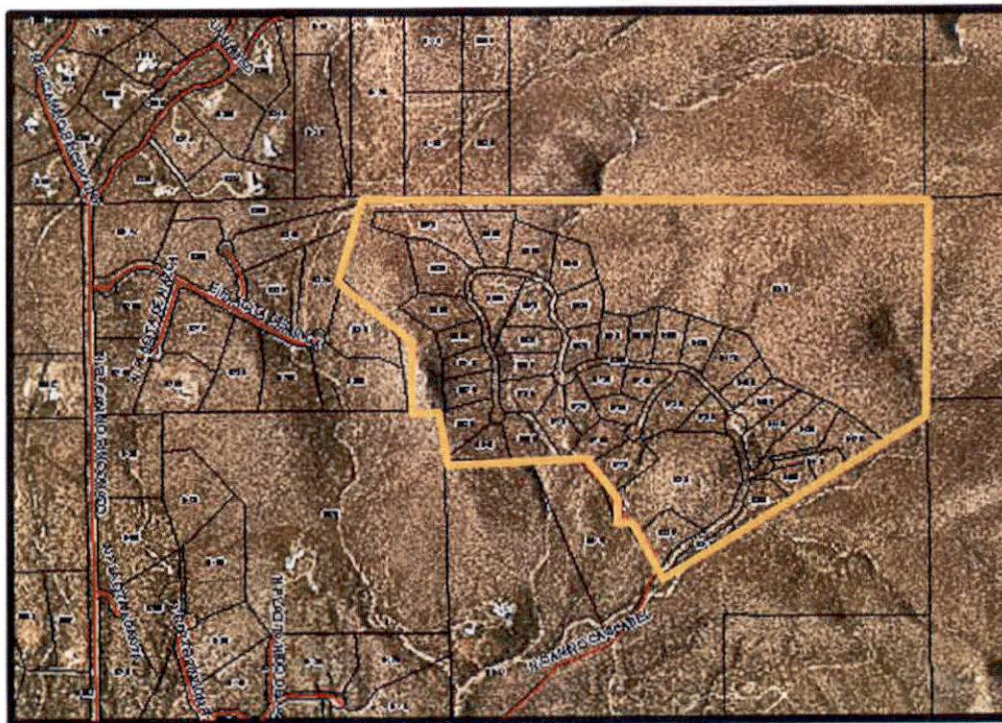
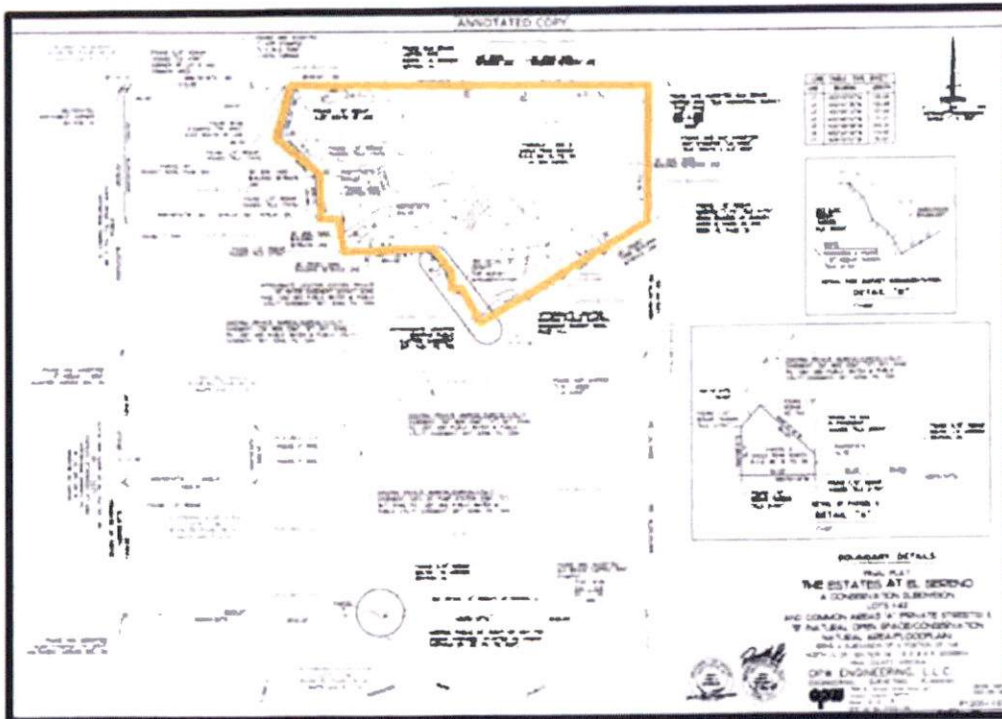
TERMS OF SALE: Trade with Pima County obtaining this property and the seller obtaining a property owned by Pima County having a similar value.

PRIOR SALE: This property sold at a below market price. The property had been in escrow at \$1,300,000 until that deal fell through. It went into another escrow in early 2020 at \$1,075,000 but then subsequently fell out of escrow again. The seller decided after this escrow fell through to sell off the property at a quick sale price in order to complete a quick sale of the parcel. The property sold below market at a price of \$600,000 on July 15, 2020.

CONDITIONS OF SALE: This sale is reported to have occurred under normal market conditions involving a trade after appraisals completed on the two properties involved in the trade.

INTENDED USE: Open Space

COMMENTS: According to the subdivision plat, the subdivision is subject to the Hillside Development Overlay Zone. The property is a platted residential subdivision. This has been developed with the conservation subdivision development option that allows for development at the density allowed under the existing zoning, with the lots clustered into smaller lots than would typically be allowed under the zoning and the remaining land conserved as open space areas. Based upon high off site and on-site development costs, it was not economically feasible to develop this property as a subdivision. The only potential development of this property would be to abandon the subdivision plat and develop under the existing SR zoning. Due to the sloping topography, the property would probably not be developed with more than 15 large homesites. This transaction involved a trade where this property was appraised at \$975,000 by Pima County and a parcel of land owned by Pima County was appraised at \$950,000. Based upon similar values, a trade for the 2 properties was completed.



LAND COMPARABLE NUMBER TWO (SALE)

ID: RH 0453 8031

LOCATION: East and West side of Camino De La Canoa, and the north side of Camino De Rondo

LEGAL DESCRIPTION: Lots 1, 4, and 5, Continental Farm-G, Pima County, Arizona

STATE TAX PARCEL: 304-18-9550; -9560; -9570

RECORD DATA: 20212160519

DATE OF SALE: August 4, 2021

SELLER: DD GV 136 LLC (50%) & APBP GV 136 LLC (50%)

BUYER: Pima County Flood Control District

CONFIRMED BY: Jeff Teplitsky, Pima County (520-724-6306)  
TFH; August, 2021

LAND DESCRIPTION: The site is a mostly rectangular shaped interior property with a total length of 3,637.87 feet along the southern property line, a width of about 1,300 feet along the western property line, and a maximum width of 1,967.61 feet along the eastern property line, according to Pima County Assessor's map and GIS information (see Exhibits). It contains a total area of 136.36 acres, per Pima County Assessor's records. It is located on the east and west sides of Camino De La Canoa and the north side of Camino De Rondo. Camino De La Canoa bisects the property in a north-south direction and then turns to the east along the southern property line, becoming Camino De Rondo. Both Camino De La Canoa and Camino De Rondo are rough graded dirt roads at the subject property. Camino De La Canoa is a two-lane, asphalt paved street to the north of the subject with the pavement ending north of Silver Sky Place, approximately 800 feet to the north of the subject property's northern property line. Any subdivision that would be developed on the property would require the developer to pave Camino De La Canoa from the end of the existing pavement to the subject property.

The topography of the property ranges from level, rolling to steeply sloping, with the highest point at the southeast corner. The mostly level areas are at the westerly portion of the site. Any residential lots developed on the property would require extra development costs due to this topography. The property slopes down from this ridgetop to the northwest. Soil conditions appear to be typical of the area. Properties bordering the subject property include vacant land to the south and east, Union Pacific Railroad tracks followed by a pecan farm to the west, and low density single family residences followed by vacant land with a planned subdivision to the north.

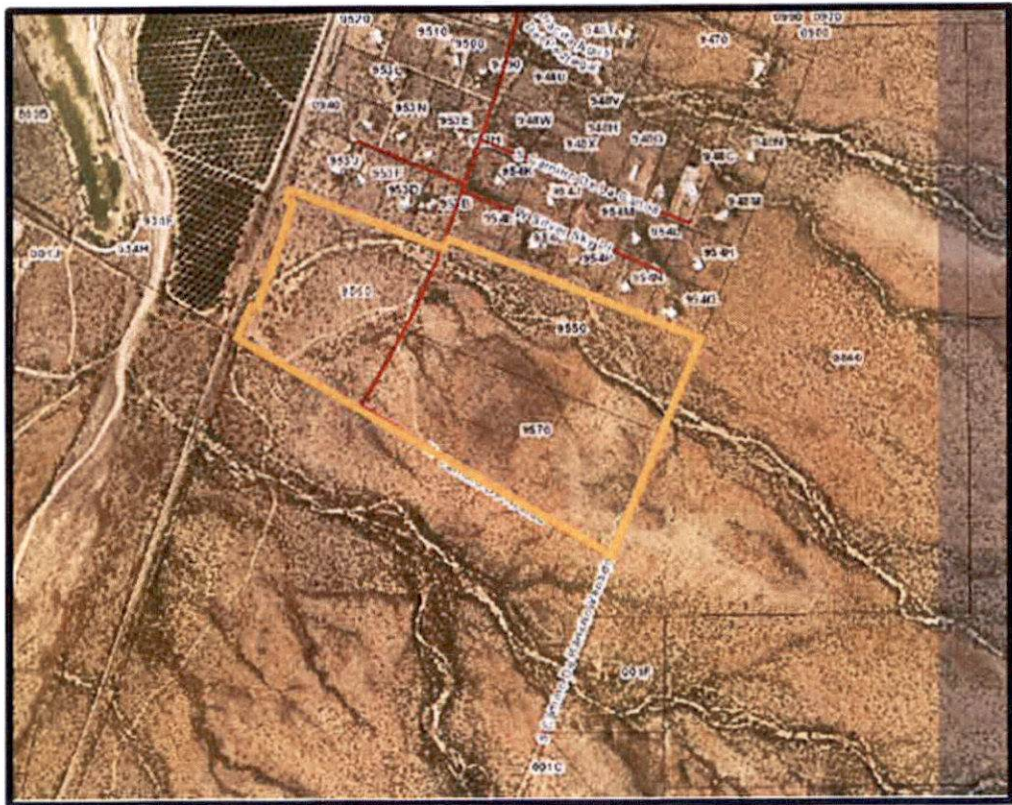
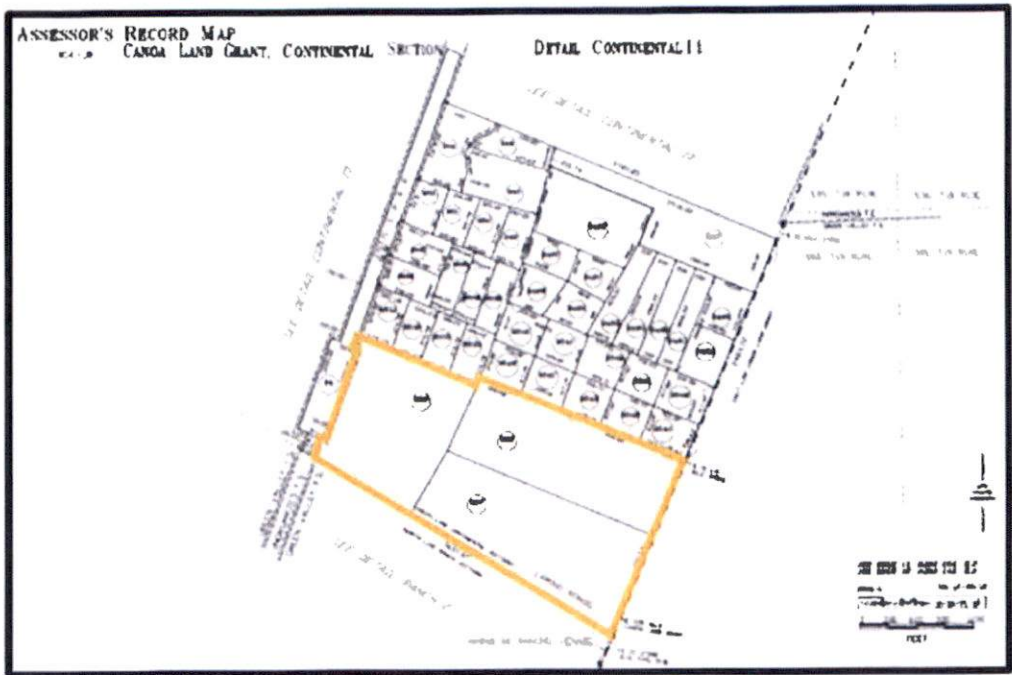
Utilities available in the area include electric (Tucson Electric Power Company) and telephone (CenturyLink) and are located about 500 feet to the north of the subject's northern property line. The property is not currently served by the Pima County Wastewater Department. The property is located within the obligated service district for Farmers Water Company. The nearest water lines to the subject consist of a 6 inch diameter water line location along Camino De La Canoa, approximately 500 feet from the subject's northern property line. There are no public sewer system services in the vicinity of the subject property. The property would be developed with private septic systems.

According to FEMA Flood Insurance Rate Map 04019C3965L, dated June 16, 2011, the subject property is identified as being located in Special Flood Hazard Area Zone X which are areas determined to be outside the 0.2 percent annual chance floodplain (see Exhibits). There is an unnamed wash that transverses the subject land in the northern portion of the site that mostly goes in an east-westerly direction that has a 50 foot erosion hazard setback. This portion of the subject that this wash transverses is also located in a Flood Control Resource Area. There are also two smaller washes with 25 foot erosion hazard setbacks; one is located in the southwest portion of the site and the other is to the north of the larger wash and runs in a parallel direction. The area of the larger wash is located in a riparian area identified as Xeroriparian C which matches the area designated as a Flood Control

Resource Area. The property is in a seismic zone which is considered to have a low probability of seismic activity.

A biological survey by Pima County indicates the property falls under two categories of the Pima County Conservation Land System (CLS) for environmentally-sensitive lands. The majority of the subject property (84%, or 114.44 acres) is within a Biological Core Management Area which are areas designated for their potential to support high value habitat for 5 or more priority vulnerable species. A portion of the site (16%, or 21.69 acres) is within a Multiple Use Land Management Area which are areas designated for their potential to support high value habitat for three to four priority vulnerable species.

LAND SIZE:	136.36 acres
ZONING:	RH (Pima County)
REPORTED SALE PRICE:	\$852,250
PRICE PER ACRE:	\$6,250
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.
INTENDED USE:	Open Space
COMMENTS:	The majority of this property was part of a biological core management area, which is a category under conservation land systems.



LAND COMPARABLE NUMBER THREE (SALE)

ID: RH 0563 8258

LOCATION: South of Ocotillo Rim Place, west of Houghton Road alignment

LEGAL DESCRIPTION: Portion of the Section 2, Township 17 South, Range 15 East G&SRB&M, Pima County, Arizona; and Lots 1, 2, 5, 8, and a portion of Lot 7, Section 35, Township 17 South, Range 15 East, G&SRB&M, Pima County, Arizona

STATE TAX PARCELS: 305-38-0160, 305-530-01C, and 305-38-001B

RECORD DATA: Fee number 2021-2950871 and 2021-2950872

DATE OF SALE: October 22, 2021

SELLER: Tusk Holdings and ANAM (Sellers are related companies)

BUYER: Rosemont Copper Company

CONFIRMED BY: Robin Barnes, buyer's representative (520-589-1143), DFO; December, 2022

LAND DESCRIPTION: This site is an irregular shaped property with a length of approximately 7,850 feet on the eastern property line, about 9,330 feet on the western property boundary, approximately 5,100 feet on the northern property boundary and about 2,690 feet on the southern property boundary. Access to the property is by a dirt-packed access roadway from Ocotillo Rim Place to the north. Ocotillo Rim Place is a two-lane, dirt-graded roadway. The property is sloping in southwesterly and westerly direction, with the eastern and southern portions of the becoming very steeply sloping as these portions of the property are located further up into the foothills of the Santa Rita Mountains. The northern portion of the site has more rolling topography with more level areas that would be less costly for development. The property has one domestic well on the property for water and a septic system in place for waste removal. There is electric and telephone public utilities to the property. According to FEMA Flood Insurance Rate Map 04019C3500L, dated June 16, 2011, the land is identified as being located in Zone X (unshaded) which are areas determined to be

outside the 0.2 percent annual chance floodplain. The Sycamore Wash with erosion hazard setback area of 100 feet traverses a portion of the property along with several smaller unnamed washes with erosion hazard setback areas of 25 feet and 50 feet. The areas around the washes are located within important riparian areas designated as Xeroriparian D as well as Hydromesoriparian or Mesoriparian H.

LAND SIZE: 487.33 acres

ZONING: RH, Pima County

REPORTED SALE PRICE: \$2,031,000

PRICE PER ACRE: \$4,168

MARKETING TIME: N/A

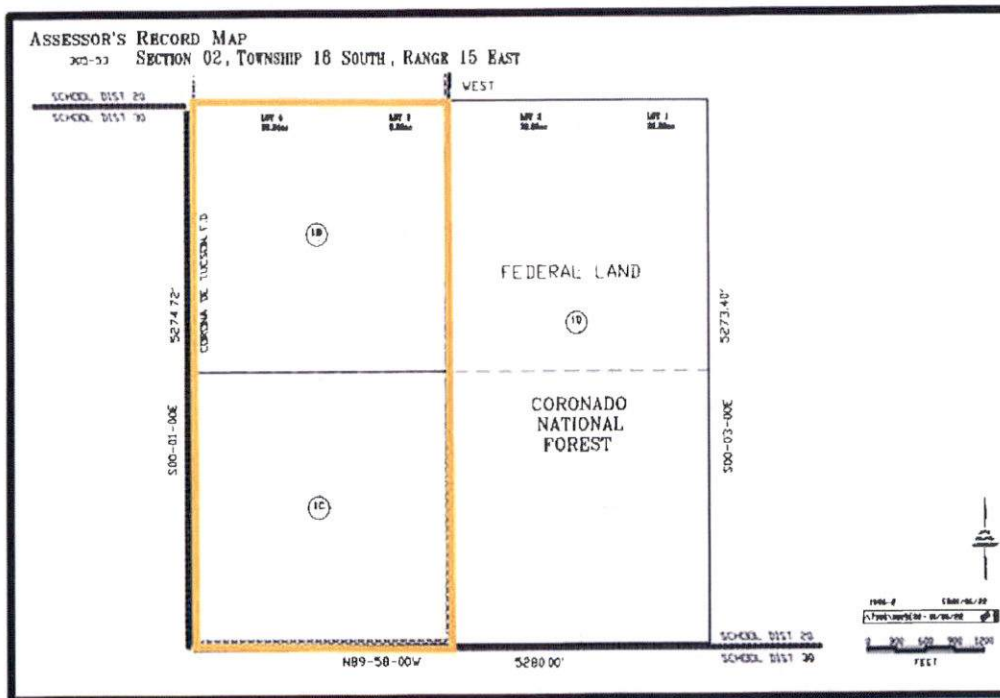
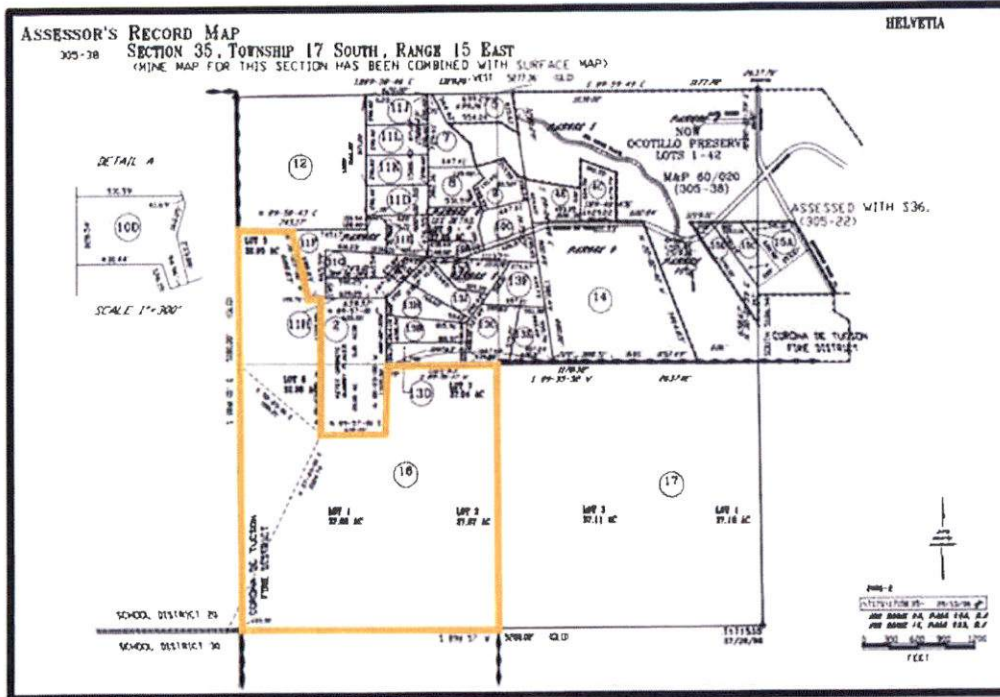
TERMS OF SALE: This was an all cash to the seller transaction.

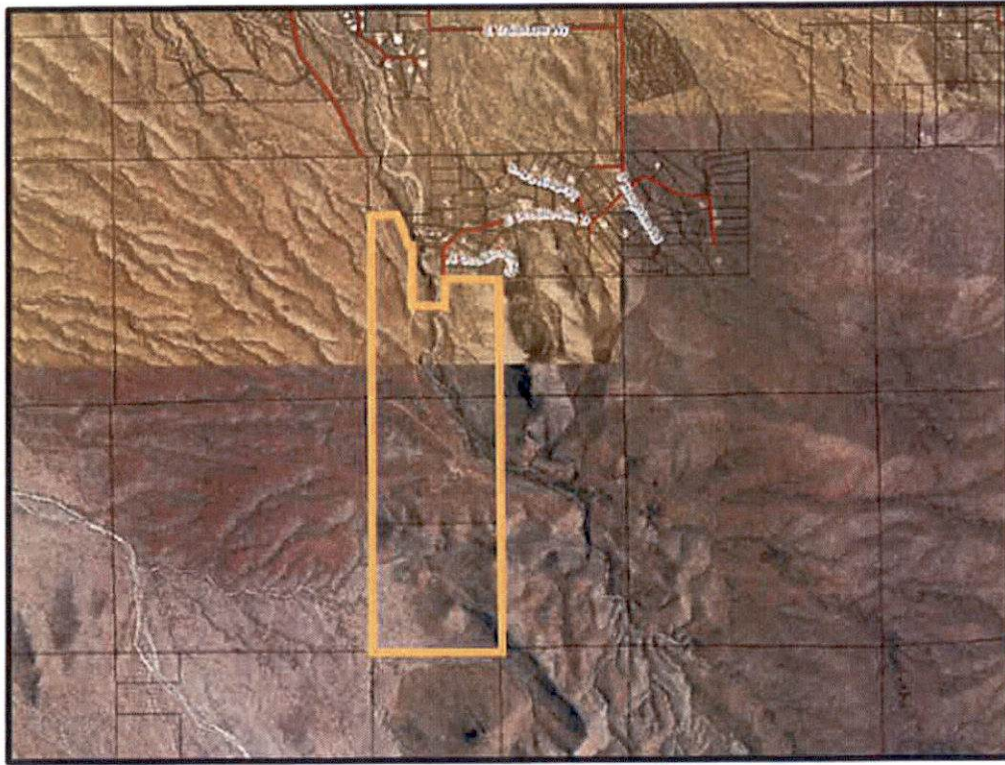
PRIOR SALE: Records of the Pima County Assessor indicate that no market transaction has occurred within three years of the date of valuation.

CONDITIONS OF SALE: The buyer indicated that they paid an above market price for the property as they are assembling land for a potential mining site in the area of this property.

INTENDED USE: Investment land while plans for a proposed copper mine are under review. The land will be used for mine tailings and buffer space if the proposed mine is approved. The buyer will continue to operate the existing cattle ranch with livestock grazing as an interim use.

COMMENTS: There is an existing cattle ranch located on the property which includes a small single-family residence and related ranching improvements located on the central portion of the site. The buyer indicated that the existing improvements did have some contributory value to the purchase price as an interim use.





LAND COMPARABLE NUMBER FOUR (SALE)

ID: PIL 0247 GR 8316

LOCATION: East end of Carpenter Ranch Road, north of Westridge Road

LEGAL DESCRIPTION: Portions of Section 27 and Section 28, Township 10 South, Range 12 East of the G&SRB&M, Pinal County, Arizona

STATE TAX PARCEL: 304-05-035B; -037B; -037C; -0380

RECORD DATA: Fee number 2023010909

DATE OF SALE: February 15, 2023

SELLER: Cottonwood Canyon LLC

BUYER: Kevin Conklin

CONFIRMED BY: John Payne, listing broker (602-315-4104)  
VM; April, 2023

LAND DESCRIPTION: This site is a mostly rectangular shaped backage property with a length of about 2,660 feet on the eastern and western property boundaries, and a length of about 8,000 feet on the northern and southern property boundaries. Access to the westernmost portion of the property is by Carpenter Ranch Road. There are no access roadways to the middle and the eastern portions of the property. Carpenter Ranch Road is a two-lane, dirt-graded roadway with no concrete curbs, sidewalks, or streetlights in the vicinity of the property. The topography of the westernmost portion of the property is rolling with some level areas and some steep topography. The middle and the eastern portions of the property are rocky with steep hills and ridges. The site is generally sloping in a westerly direction. Electricity at the western lot line is the only utility available to the property. The property has three wells that are capped and not functional. Future site development would require a well to be drilled and a septic system to be installed. According to FEMA Flood Insurance Rate Map 04021C2450E, dated December 4, 2007, the land is identified as being located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain.

LAND SIZE: 434 acres

ZONING: GR - Pinal County

REPORTED SALE PRICE: \$2,300,000

PRICE PER ACRE.: \$5,300

MARKETING TIME: According to the listing broker, the buyer had made an offer prior to the official auction date

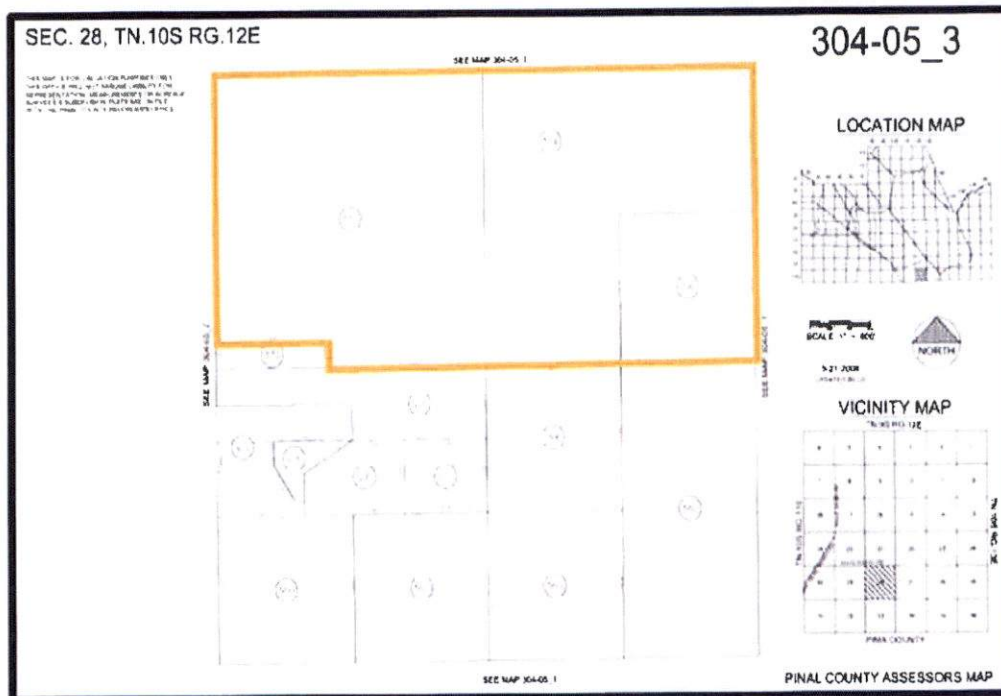
TERMS OF SALE: The terms of sale included a down payment in the amount of \$690,000 (30%), with the seller carrying a note for the remaining balance. This financing is considered to be at market terms.

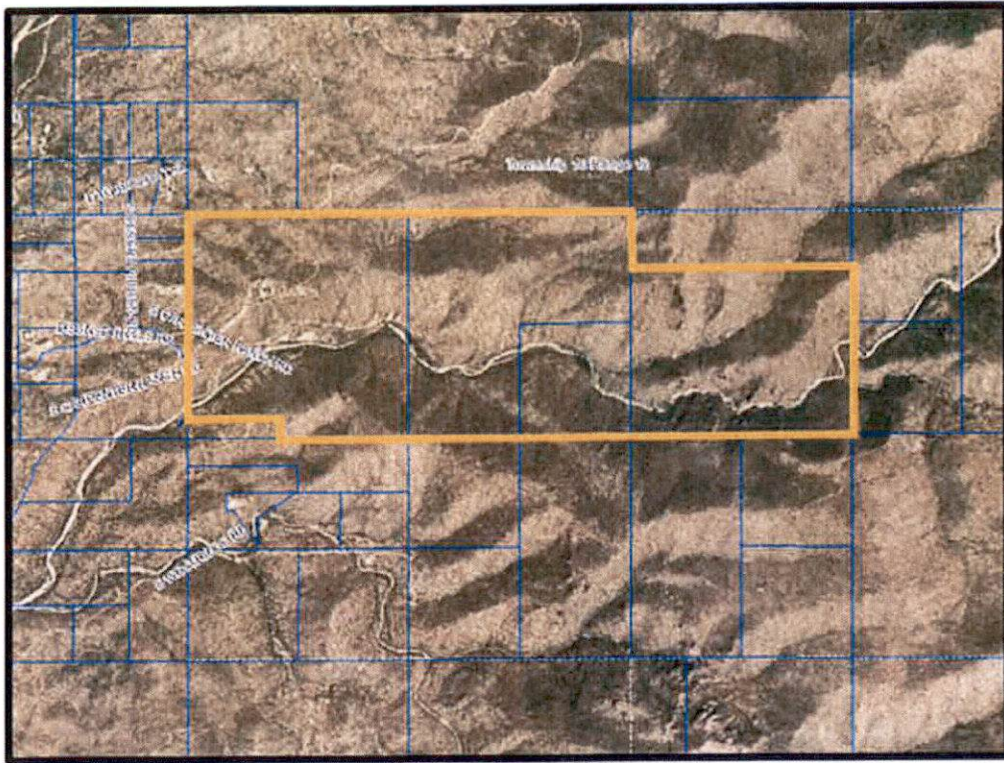
PRIOR SALE: Records of the Pinal County Assessor indicate that no market transaction has occurred within three years of the date of valuation.

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

INTENDED USE: Land conservation with potential to build a lodge on the property

COMMENTS: The listing agent indicated that the property had an old structure in a very poor condition, which did not contribute any additional value.





LAND COMPARABLE NUMBER FIVE (SALE)

ID: RH 0585 ^

LOCATION: Southwest and southeast corners of Avra Valley Road and Trico Road

LEGAL DESCRIPTION: A portion of the North half of the Northwest quarter of Section 14, Township 12 South, Range 10 East; and a portion of the Northeast quarter of the Northeast quarter of Section 15, G&SRB&M, Pima County, Arizona

STATE TAX PARCEL: 208-29-0030; -008F; and 0090

RECORD DATA: Fee number 20231630431

DATE OF SALE: June 12, 2023

SELLER: Fidelity National Title Agency, Trust No. 10849, The Robert T. Cote Trust, and BC2 LLC

BUYER: A. Tsakiris Family Partnership

CONFIRMED BY: Don Vallee, listing agent (520-730-1478)  
TAB; February 24, 2024

LAND DESCRIPTION: This site consists of three non-contiguous parcels that are separated by Avra Valley Road and Trico Road. The largest parcel is a slightly irregular shaped corner property with about 2,700 feet of frontage on Avra Valley Road along the northern parcel boundary and about 750 feet of frontage on Trico Road along the western parcel boundary. The eastern boundary of this parcel has a length of about 1,250 feet. The second largest parcel is an irregular shaped corner property with about 900 feet of frontage on Avra Valley Road along the southern parcel boundary and about 475 feet of frontage on Trico Road along the eastern parcel boundary. The western boundary of this parcel has a length of about 1,100 feet. The smallest parcel is a triangular shaped corner property with about 950 feet of frontage on Avra Valley Road along the northern parcel boundary and about 750 feet of frontage on Trico Road along the eastern parcel boundary. The southern boundary of this parcel has a length of about 600 feet. The intersection of Avra Valley Road and Trico Road is not signalized. Avra Valley Road and Trico Road are two-lane, asphalt-paved roadways with no concrete

curbs, sidewalks or streetlights in the vicinity of this property. Avra Valley Road has a 2022 traffic count of 6,233 vehicles per day in the vicinity of this site, according to the Pima Association of Governments. The topography is mostly level, sloping in a southerly direction, and is at the street grades. The only public utility available in the area of the site is electric which is along Avra Valley Road. Water would be by a well.

According to FEMA Flood Insurance Rate Map 04019C1020L, dated June 16, 2011, a majority of the site is located in Zone X (unshaded) which are areas determined to be outside the 0.2 percent annual chance floodplain. The eastern half of the site is located in Zone AE which is a Special Flood Hazard Area subject to inundation by the 1% annual chance flood with Base Flood Elevations determined. There is a narrow portion in the middle of the site that is located in Zone X (shaded) which are areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood. There are two washes (one being the West Branch Brawley Wash) on eastern portion of the site transversing the parcel in a north-south direction with erosion hazard setbacks ranging from 100 to 250 feet.

LAND SIZE:	86.93 acres
ZONING:	RH (Pima County)
REPORTED SALE PRICE:	\$570,000
PRICE PER ACRE:	\$6,557
MARKETING TIME:	7 days
TERMS OF SALE:	This was an all cash to the seller transaction.
PRIOR SALE:	Records of the Pima County Assessor indicate that no transaction has occurred within three years of the date of valuation.
CONDITIONS OF SALE:	This sale is reported to have occurred under normal market conditions.

INTENDED USE:

Purchased for investment

COMMENTS:

The buyer was aware that portions of the site were located within washes and the flood plain, but this was not an issue for the buyer. The buyer is a long term investor.





## COMPARABLE SALES ADJUSTMENT GRID

	<b>Subject</b>	<b>Comp 1</b>	<b>Comp 2</b>	<b>Comp 3</b>	<b>Comp 4</b>	<b>Comp 5</b>
<b>Sale Date</b>		05/2021	08/2021	10/2021	02/2023	06/2023
<b>Site Size (Acres)</b>	160.08	141.36	136.36	487.33	434.00	86.93
<b>Zoning</b>	RH	SR	RH	RH	GR	RH
<b>Site Utility/Access</b>	Average	Similar	Similar	Similar	Similar	Similar
<b>Sale Price</b>		\$975,000	\$852,250	\$2,031,000	\$2,300,000	\$570,000
<b>Price per Acre</b>		\$6,897	\$6,250	\$4,168	\$5,300	\$6,557

### *Summary of Adjustments*

<b>Unadjusted Price / Acre</b>		\$6,897	\$6,250	\$4,168	\$5,300	\$6,557
<b>Property Rights</b>		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price		\$6,897	\$6,250	\$4,168	\$5,300	\$6,557
<b>Financing</b>		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price		\$6,897	\$6,250	\$4,168	\$5,300	\$6,557
<b>Conditions of Sale</b>		<u>0%</u>	<u>0%</u>	<u>-5%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price		\$6,897	\$6,250	\$3,960	\$5,301	\$6,558
<b>Date/Market Conditions</b>		<u>10%</u>	<u>8%</u>	<u>7%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price		\$7,587	\$6,750	\$4,237	\$5,301	\$6,558
<b>Physical Adjustments (%)</b>						
Location/Views		-15	0	0	10	5
Zoning		0	0	0	0	0
Site Size		0	0	20	15	-10
Utilities		0	-10	0	0	0
Site Utility/Access		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Adjustment		-15%	-10%	20%	25%	-5%
<b>Indicated Value / Acre</b>		\$6,449	\$6,075	\$5,085	\$6,626	\$6,230

This analysis compares five sales of similar residential zoned vacant land parcels to the subject property on a price per acre basis. This is the sale price divided by the acreage of the site. Sales prices range from \$4,168 to \$6,897 per acre before adjustment. The adjustment grid on the previous page reflects the adjustments. An upward adjustment indicates that the comparable is inferior to the subject; a downward adjustment indicates that the comparable is superior to the subject; and no adjustment (0) indicates the comparable is similar or equal to the subject.

*Comparable Sale One* requires an upward adjustment for date and market conditions as market conditions for this type of property improved between the date of this sale and the date of value.

Physical adjustments include a downward adjustment for location as this sale is located in an area with greater demand compared to the subject property. Overall, this sale price per acre indicates a downward adjustment in comparison to the subject property.

*Comparable Sale Two* requires an upward adjustment for date and market conditions as market conditions for this type of property improved between the date of this sale and the date of value.

Physical adjustments include a downward adjustment for utilities as this sale has better access to utilities compared to the subject property. Overall, this sale price per acre indicates a downward adjustment in comparison to the subject property.

*Comparable Sale Three* requires a downward adjustment for conditions of sale as this property had site improvements consisting of a ranch house on a portion of the site which contributed value and increased the sale price of this property, compared to the subject property which is vacant land. There is an upward adjustment for date and market conditions as market conditions for this type of property improved between the date of this sale and the date of value.

Physical adjustments include an upward adjustment for site size as this sale is larger than the subject property. Larger properties tend to sell for less than smaller properties on a price per acre basis, all else being equal. Overall, this sale price per acre indicates an upward adjustment in comparison to the subject property.

*Comparable Sale Four* does not require an adjustment for date/market conditions, as market conditions for this type of property did not change between the date of this sale and the date of value.

Physical adjustments include an upward adjustment for location as this sale is located in an area with less demand compared to the subject property. There is an upward adjustment for site size as this sale is larger than the subject property. Larger properties tend to sell for less than smaller properties on a price per acre basis, all else being equal. Overall, this sale price per acre indicates an upward adjustment in comparison to the subject property.

*Comparable Sale Five* does not require an adjustment for date/market conditions, as market conditions for this type of property did not change between the date of this sale and the date of value.

Physical adjustments include an upward adjustment for location/views as this sale is located in an area with slightly less demand compared to the subject property. There is a downward adjustment for site size as the property is smaller than the subject property. Smaller properties tend to sell for more than larger properties on price per acre basis, all else being equal. Overall, this sale price per acre indicates a downward adjustment in comparison to the subject property.

*Sales Comparison Approach Summary*

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Adjusted Sale Price / Acre	\$6,449	\$6,075	\$5,085	\$6,626	\$6,230

These five comparable sales indicate a price range of \$5,085 to \$6,626 per acre after adjustment. Comparable Sales Five is given the most weight as this sale is the most recent sale and required the least magnitude of adjustments. Comparable Sale Two is given secondary weight as this sale required the least amount of physical adjustments. All of the comparable sales are similar to the subject property and provide a reliable indicator of the range of value for the subject property. After analyzing the comparable sales, the conclusion of market value of the subject property by the sales comparison approach, as of August 14, 2025, is \$6,200 per acre, times 160.08 acres, equaling \$992,496, rounded to \$993,000.

Therefore, as of the effective date of the appraisal, August 14, 2025, the subject property's market value on a per acre basis equals \$6,200 per acre.

**MARKET VALUE CONCLUSION**

Therefore, based on the above analysis and subject to the assumptions and limiting conditions contained in this report, the opinion of market value of the subject property, as of the effective date of the appraisal, August 14, 2025, is \$993,000.

OPINION OF MARKET VALUE OF SUBJECT PROPERTY,  
AS OF AUGUST 14, 2025:

NINE HUNDRED NINETY-THREE THOUSAND DOLLARS  
(\$993,000)

## ASSUMPTIONS AND LIMITING CONDITIONS - PART V

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

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

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

or other entity with an interest in the subject property is urged to retain an expert if so desired. This value estimate assumes that there is no such material on or in the property.

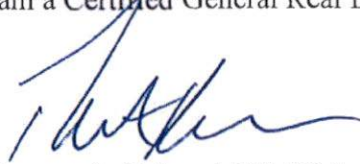
19. ***Americans with Disabilities Act of 1990.*** The ADA became effective on January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance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

## CERTIFICATION - PART VI

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Foundation, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute, and any other specifications submitted by the Client.
8. The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.
9. In accord with the Uniform Standards of Professional Appraisal Practice, I have the experience and knowledge to complete this assignment in a credible and competent manner.
10. As of the date of this report, I have completed requirements of the continuing education program of the Appraisal Institute.
11. The effective date (date of valuation) of this appraisal is August 14, 2025.
12. I have made a personal inspection of the property that is the subject of this report.

13. Our firm has appraised the subject property within three years prior to this assignment.
14. It is noted that Timothy Hale (Certificate 1023143) assisted significantly with this report by performing the following tasks under the direction of the appraiser: Inspected the subject property. Researched the subject and comparable sale information, provided analysis and value conclusion input based on research, and developed the report. The final analysis and value conclusion is that of Thomas A. Baker, MAI, SRA.
15. I am a ~~Certified~~ General Real Estate Appraiser in the State of Arizona.



Thomas A. Baker, MAI, SRA  
Certified General Real Estate Appraiser  
Certificate Number 30139  
Designated Supervisory Appraiser  
Registration Number DS0007

## **EXHIBITS - PART VII**

Exhibit A	Conditional Title Reports
Exhibit B	ALTA Surveys of Subject Parcels
Exhibit C	Subject Plat Maps
Exhibit D	Aerial Photograph
Exhibit E	Zoning Maps
Exhibit F	FEMA Flood Plain Map
Exhibit G	Topographical Map
Exhibit H	Client Engagement Letter
Exhibit I	Subject Photographs
Exhibit J	Company and Appraiser's Qualifications (Including State Certificate)

**EXHIBIT A -- CONDITIONAL TITLE REPORTS**

(see following pages)



**Fidelity National Title Insurance Company**

Title No.: **AZ-FCOP-IMP-N/A-1-22-51013877**

**CONDITION OF TITLE REPORT**

**Fidelity National Title Insurance Company, a Florida Corporation,**  
herein called the Company,

*SUBJECT TO THE TERMS, LIMITATIONS AND CONDITIONS OF THE APPLICATION FOR THIS CONDITION OF TITLE REPORT, WHICH APPLICATION, OR COPY THEREOF, IS ATTACHED HERETO AND MADE A PART HEREOF*

*REPORTS*

*To the party named in Schedule A, that as disclosed by the Title Instruments, the ownership of and the defects liens and encumbrances against the Interest in the Land are as shown in Schedule B.*

*Any claim or other notice to the Company shall be in writing and shall be addressed to the Company at the issuing office or to:*

*Fidelity National Title Insurance Company Claims Center  
PO Box 45023  
Jacksonville, Florida, 32232-5023  
Attn: Claims Administration*

*THIS REPORT IS NOT VALID AND THE COMPANY SHALL HAVE NO LIABILITY HEREUNDER UNLESS THE APPLICATION REFERRED TO ABOVE, OR COPY THEREOF, IS ATTACHED HERETO.*

Countersigned by:

*Natalie Bombardieri*

Authorized Signature



By: *Michael J. Nolan*  
Michael J. Nolan  
President

ATTEST: *Marjorie Nemzura*  
Marjorie Nemzura  
Secretary

**CONDITION OF TITLE REPORT**

**SCHEDULE A**

Fee: **\$0.00**

Date of Report: **March 8, 2022 at 7:45 a.m.**

1. Name of Party:

**Rosemont Copper Company**

2. The Interest referred to in the Application is:

**A FEE**

3. The Land referred to in the Application is described as follows:

**See Exhibit A attached hereto and made a part hereof.**

Issuing agent for **Fidelity National Title Insurance Company**

**EXHIBIT A**  
**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PIMA, STATE OF ARIZONA,  
AND IS DESCRIBED AS FOLLOWS:

**Northwest quarter of Section 11, Township 18 South, Range 15 East, Gila and Salt River Base and Meridian, Pima  
County, Arizona.**

APN: 305-53-0160

**CONDITION OF TITLE REPORT**  
**SCHEDULE B**

**Fidelity National Title Insurance Company** reports that Title Instruments, on the date hereof, disclose:

1. Ownership of the Interest is in the vested in:  
**State of Arizona**
  
  2. The following defects, liens and encumbrances (which are not necessarily shown in their order of priority) against the Interest:
    1. Taxes which may be assessed or levied subsequent to the effective date herein, and subsequent years.
    2. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:  

Purpose:	natural gas distribution line
Recording No:	<u>Docket 3641, Page 136, and</u>
Recording No:	<u>Docket 3755, Page 183</u>

Indefinite Right of Way No. 71-4659 dated 10-14-1969 to Tucson Gas and Electric Company for a natural gas distribution line; assigned to Southwest Gas Corporation on 3-20-1979.
    3. Intentionally deleted.
    4. Intentionally deleted.
    5. Indefinite Right of Way No. 71-4809 dated 6-19-1970 to Trico Electric Cooperative Inc. for an electrical distribution line.
    6. Indefinite Right of Way No. 71-4948 dated 2-23-1971 to The Mountain States Telephone and Telegraph Company for a communication line, assigned to QWEST Corporation on 12-15-2000.
    7. Intentionally deleted.
    8. A resolution in favor of Pima County  

For:	amending the Pima County Comprehensive Plan Land Use Map
Recording Date:	February 18, 2011
Recording No:	<u>2011-0490644</u>
    9. Grazing Lease No. 05-669 dated 4-21-2013 to Willow Springs Cattle Co., Inc., dated 4-20-2023; amended 11-26-2013; assigned to Rosemont Copper Company on 12-22-2021; to expire 4-20-2023.
    10. Application for Purchase No. 53-122457 dated 7-30-2021 by the Rosemont Copper Company for tailings storage facility.
    11. Lack of access to and from the land to a public road or highway.
- Tax Note:**
- |                |                    |
|----------------|--------------------|
| Year:          | 2021               |
| Tax Parcel No: | <u>305-53-0160</u> |
- (See Tax Sheets attached.)

**SCHEDULE B**  
**(Continued)**

3. The following matters are disclosed by name only and the Company, without additional information, is unable to determine whether any or all of these matters are defects, liens or encumbrances against the Interest:

None.

Note: This Condition of Title Report does not address General Index matters (such as proceedings, liens, or decrees), which do not specifically describe said Land.

**EXHIBIT B - ALTA SURVEYS OF SUBJECT PARCELS**

(see following pages)



# EXHIBIT C - SUBJECT PLAT MAP

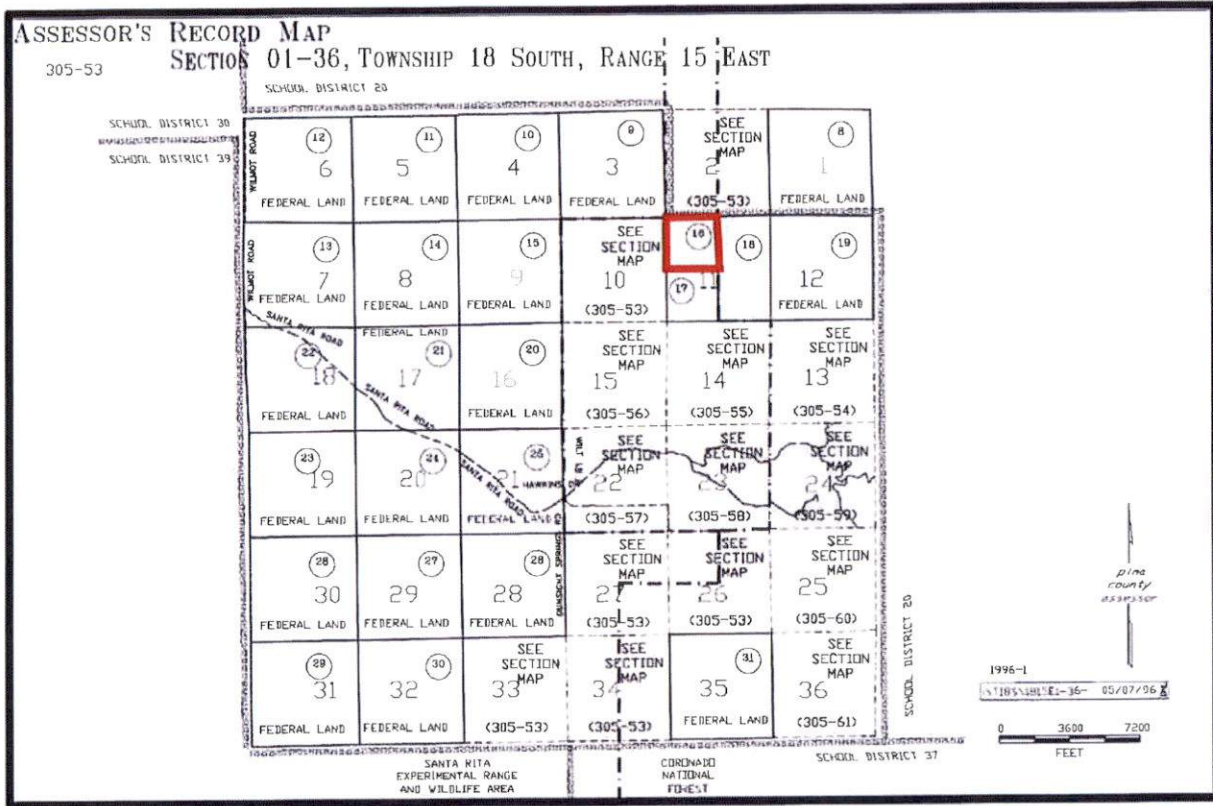
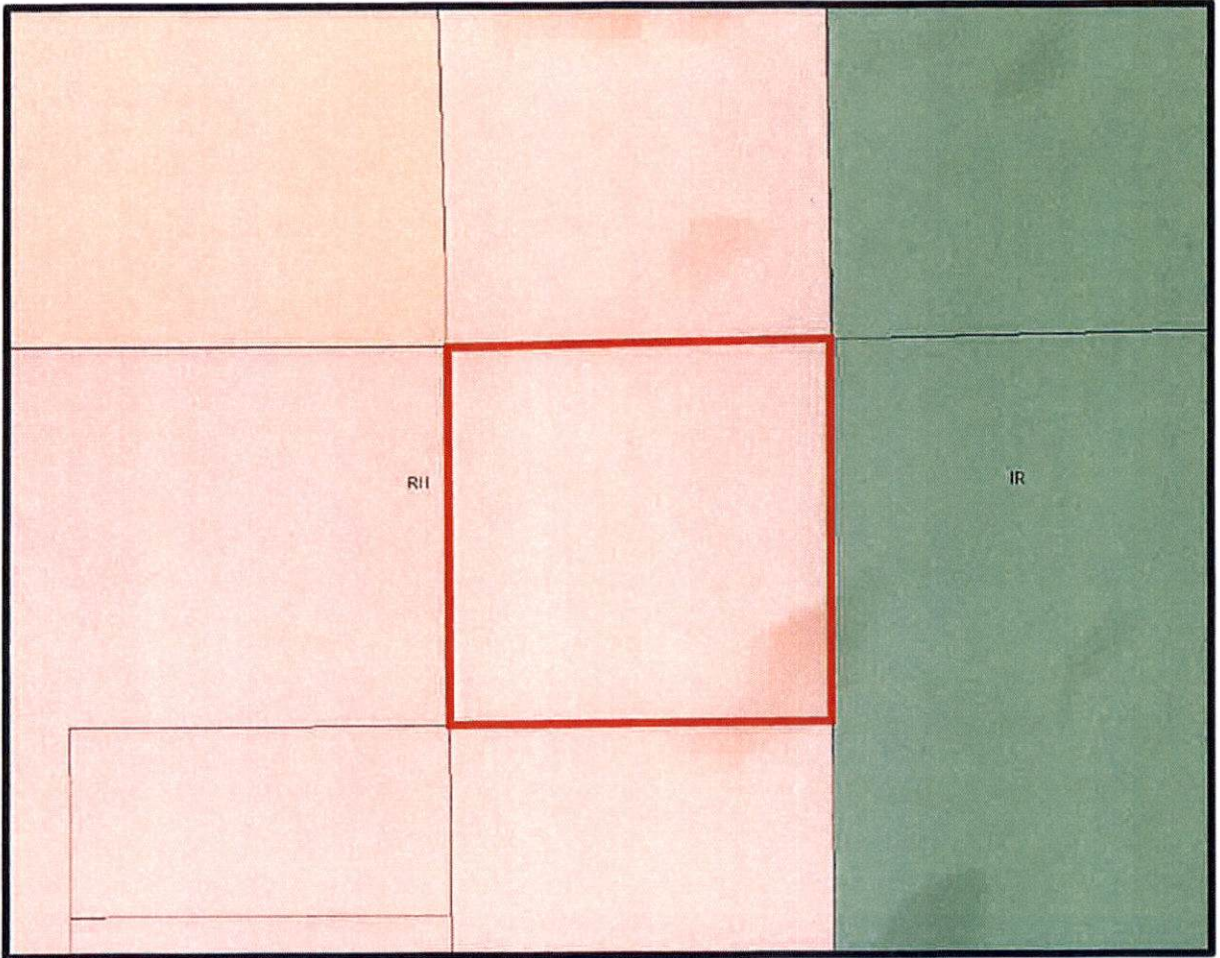


EXHIBIT D - AERIAL PHOTOGRAPH



**EXHIBIT E - ZONING MAP**  
(Pima County)



## EXHIBIT F - FEMA FLOOD PLAIN

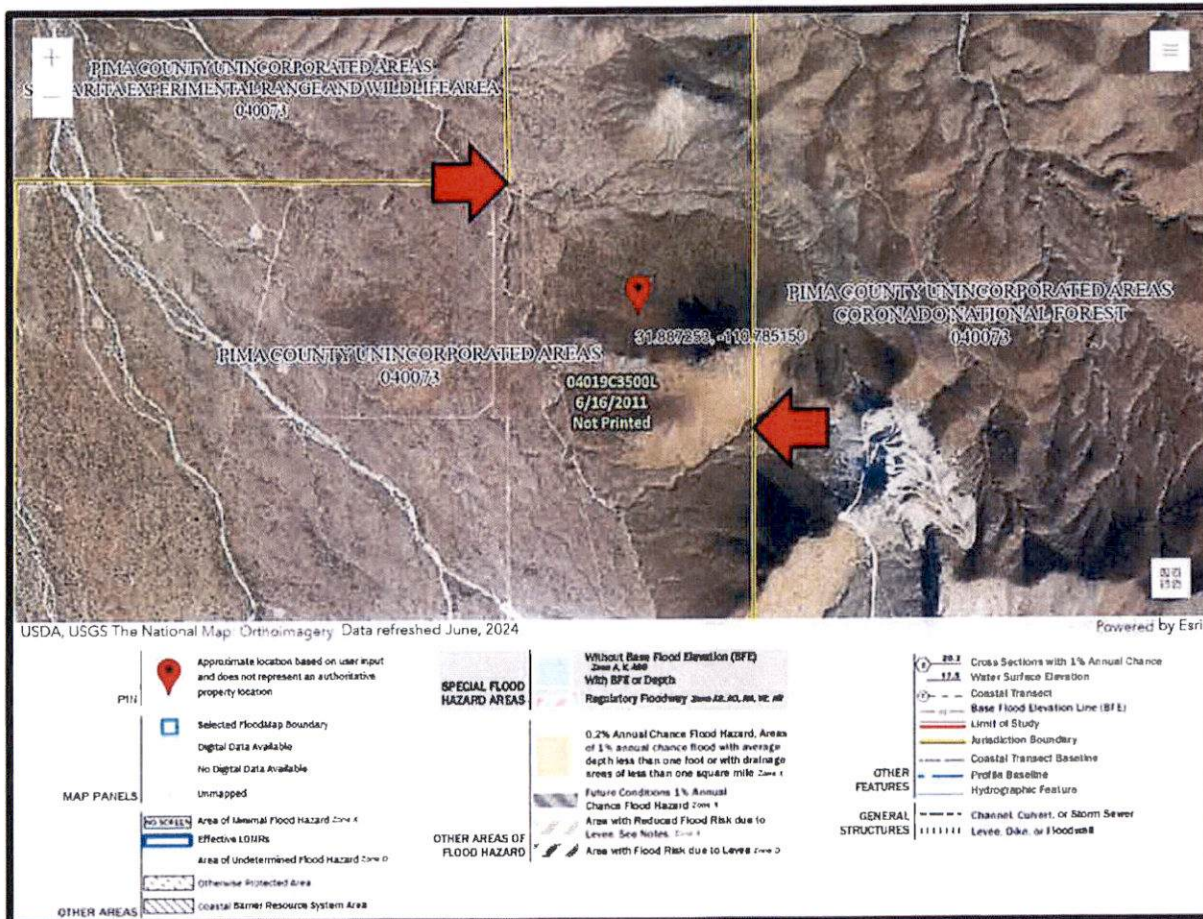
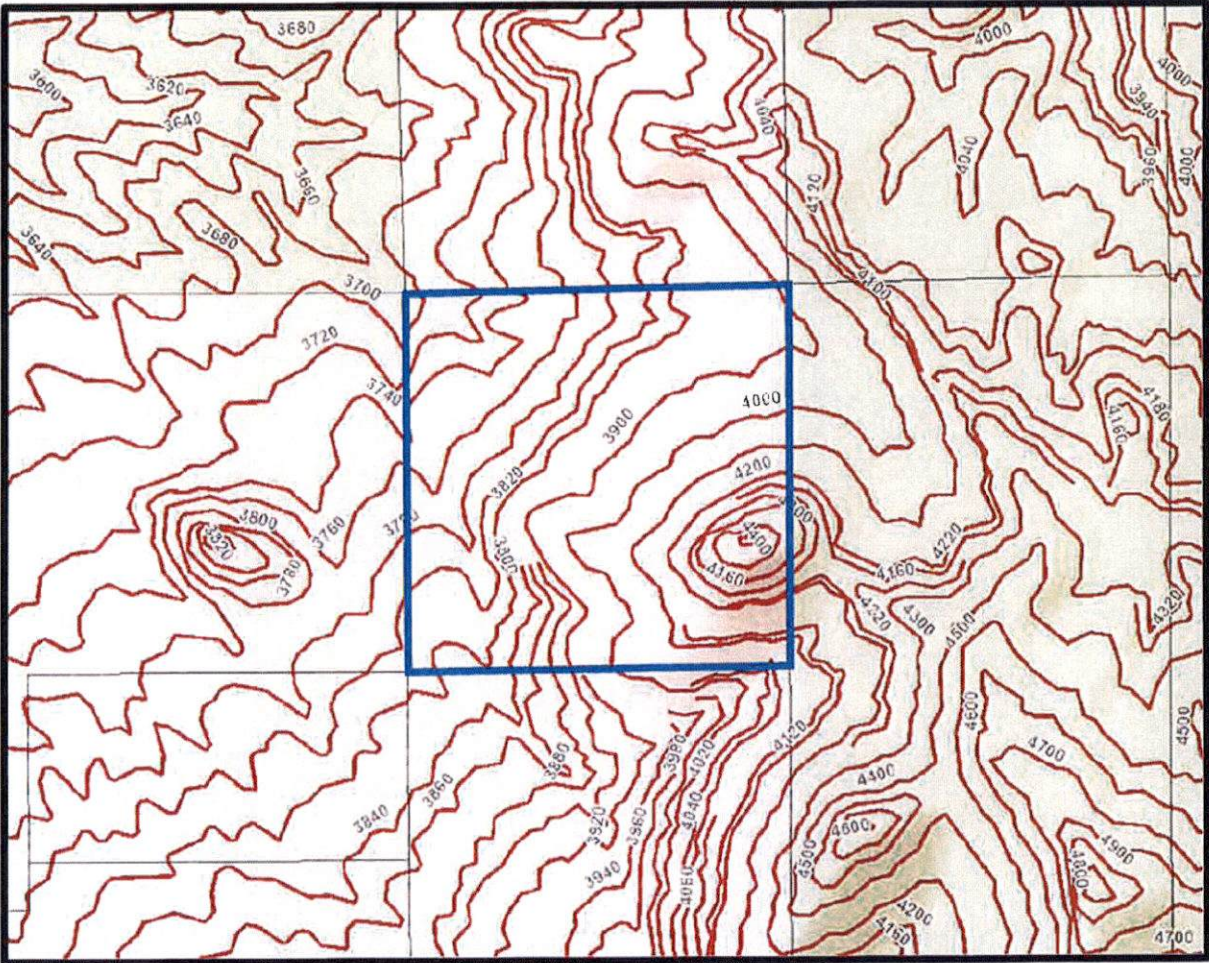


EXHIBIT G - TOPOGRAPHICAL MAP



**EXHIBIT H – LETTER OF ENGAGEMENT**

(see following pages)

Katie Hobbs  
Governor



Robyn Sahid  
Commissioner

August 7, 2025

Thomas Baker, MAI  
Baker Peterson Baker & Associates, Inc.  
4547 E. Ft. Lowell Road, Suite 401  
Tucson, AZ 85712

Re: **Engagement Letter – Application Nos. #53-122457-00-100 & 53-124338-00-100  
(Copper World, Inc.)**

Dear Mr. Baker:

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 two, non-contiguous parcels totaling ±199.61 acres (per ALTA Surveys) of State Trust Land: North Parcel - ±39.53 acres are situated in the NW ¼, NW ¼ of Section 35, Township 17 South, Range 15 E; and South parcel - ±160.08 acres are situated in the NW ¼ of Section 11, Township 18 South, Range 15 East. The property is about 11.5 miles southeast of Sahuarita, Pima County, AZ. Exhibits are attached which illustrate the subject property location. The applicant intends to develop the South Parcel as part of a tailings storage facility in support of the their mining operation located about 1.5 miles south and southeast of the property to be appraised and maintain the North Parcel as buffer and open space. The appraised value will be the minimum bid price at a future public auction.

**INTENDED USER**

The Arizona State Land Department and Board of Appeals

**INTENDED USE**

The intended use is to assist the State Land Department in its disposition and/or leasing decisions. The appraisal will assist in the establishment of the minimum bid price for a State Trust land auction.

**APPRAISAL FORMAT**

Two (2) Separate Appraisal Reports

**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. This assignment requires an all cash market value as defined in the ASLD appraisal policy. The value opinion should be in accordance with the appraisal policies and procedures of the ASLD (please reference ASLD Appraisal Guidelines, Revised February 2020 version) as well as the most recent edition of USPAP.

**APPRAISAL FEE**

**\$5,500** 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**

**August 29, 2025**

**NUMBER OF REPORT COPIES**

Initially, a PDF version of a *draft* appraisal should be provided for review. **This draft copy should have the word "draft" placed in a conspicuous place on each page of the report** (not needed for the Addenda pages). **Also, the draft appraisal should not include signatures (in the Letter of Transmittal nor Certification).** Once the appraisal has been approved by the Appraisal Section, you will be asked to provide a PDF (unlocked) version of the final appraisal with "draft" watermarks removed and signatures provided. **Hard copies are no longer required.**

**PLEASE ADDRESS  
REPORTS TO**

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

**REPORT DELIVERY**

The draft report PDF and associated invoice should be emailed to [APPR@azland.gov](mailto:APPR@azland.gov)

**SPECIAL REQUIREMENTS**

Within the Letter of Transmittal, include the per acre value along with the subject's lump sum value indication.

**Special Note:** Initially, the appraiser will be expected to complete a *draft* appraisal to be reviewed by an ASLD staff appraiser. The review process may reveal the need for changes to the *draft* appraisal. Once the changes (if any) are considered by the appraiser and the *revised draft* is

accepted by the Appraisal Section, the appraiser's invoice will be submitted for payment. The appraisal will then remain in *draft* form **for up to six months**; the appraiser being obligated to consider additional changes to the *draft* appraisal during this time by Administrators within the Sales & Leasing Section, the Land Commissioner, and/or Applicants. These change requests would first be vetted by the Appraisal Section for reasonableness and then communicated to the appraiser. The appraiser will be required to consider but not obligated to make the requested changes. Once the *final* appraisal is requested (the request being prior to the end of the six-month period), the appraiser would be expected to produce the *final* appraisal within five (5) business days. Finally, it is also possible that a *final* appraisal would not be requested during the six-month draft period, which would then mark the end of the appraiser's obligation for this assignment. If a new date of value is requested either during or after the six-month draft period, the appraiser may be asked to complete an updated or new *draft* appraisal for an additional fee (to be negotiated).

#### **GENERAL REQUIREMENTS**

A copy of this letter and any other written instructions from the Arizona State Land Department must be included in the appraisal. Your appraisal cover letter must reference your compliance with the Arizona State Land Department Appraisal Guidelines (Revised February 2020) 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.***

Should the scope of your work be more limited, the exceptions should be identified in the appraisal transmittal letter.

An Executive Summary is required to be included in the preface of the report.

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. None

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, this then 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, this then 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, this then becomes a hypothetical condition).
4. Legal access exists. (Note to the appraiser: if the appraiser is aware that no legal access exists, this then 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.***"

**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 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**

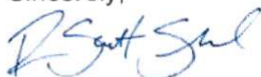
The State may terminate this contract in whole or part if the appraisal is not delivered within five (5) business days after the appraisal due date, assuming no other arrangements have been made between ASLD and the Contractor in writing. In that event, the Contractor will: 1) not receive payment of 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 before 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 602-364-2684 or by email at [ssherwood@azland.gov](mailto:ssherwood@azland.gov).

Sincerely,



R. Scott Sherwood  
Appraisal Section Manager

**EXHIBIT I - SUBJECT PHOTOGRAPHS**

PHOTO 1 – VIEW NORTH ALONG WEST PROPERTY BOUNDARY



PHOTO 2 – VIEW EAST FROM SOUTHWEST CORNER



PHOTO 3 – VIEW NORTHEAST FROM SOUTHWEST CORNER AREA OF PROPERTY



PHOTO 4 – VIEW NORTH ACROSS PARCEL



PHOTO 5 – VIEW NORTHWEST FROM PARCEL



PHOTO 6 – VIEW SOUTH ALONG WEST BOUNDARY



PHOTO 7 – VIEW SOUTH ACROSS PROPERTY

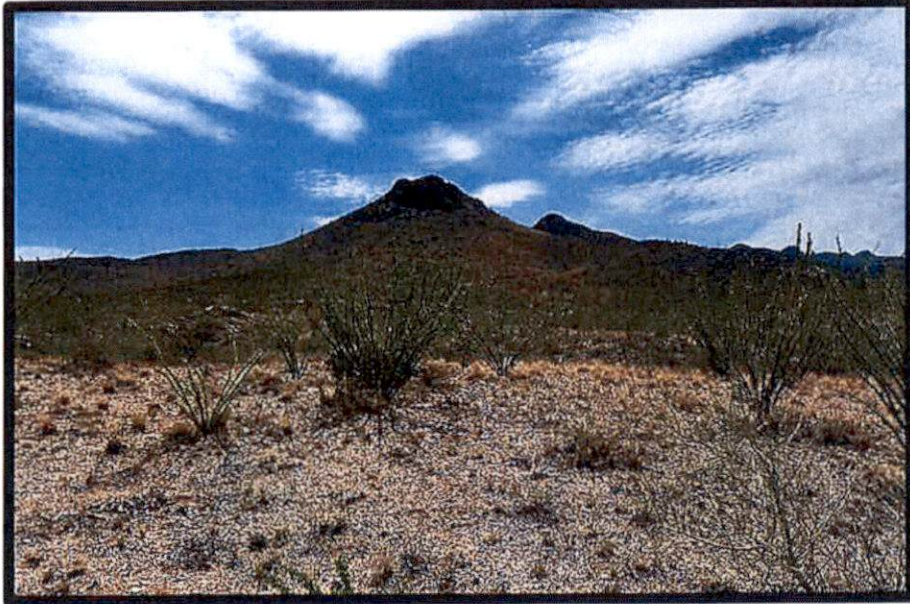


PHOTO 8 – VIEW SOUTHEAST FROM NORTH BOUNDARY



## **EXHIBIT J - COMPANY QUALIFICATIONS**

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

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

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

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

**TIM HALE** is a staff appraiser specializing in valuation and consultation services related to commercial and income-producing properties. He is a Certified General Real Estate Appraiser in the State of Arizona (Certificate 1023143). He graduated from Arizona State University with a Bachelor's Degree in Justice Studies.

**VALENTIN MINCHEV** is an appraiser trainee in commercial valuation. He graduated from the Berlin School of Economics and Law, Berlin, Germany with a Bachelor's Degree in International Business Management.

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

## QUALIFICATIONS OF THOMAS A. BAKER, MAI, SRA

### EDUCATION

Master's Degree in Business Administration  
University of Arizona, 1979

#### *American Institute of Real Estate Appraisers (courses and/or examinations)*

- Real Estate Appraisal Principals (1A; now 1A1/1A2) - Tucson, 1979
- Capitalization Theory & Techniques (1B; now 1BA/1BB) - Tucson, 1980
- Case Studies in Real Estate Valuation (2-1) - San Diego, CA, 1985
- Report Writing and Valuation Analysis (2-2) - Boulder, CO, 1987
- Standards of Professional Practice (SPP) - Tucson, 1991
- Standards of Professional Practice - Parts A & B (SPP), Tucson, 1994
- Standards of Professional Practice - Part C (SPP), Tucson, 1999
- Standards of Professional Practice, Tucson, 2004

#### *Society of Real Estate Appraisers (courses and/or examinations)*

- Residential Valuation (101) - Examination, Tucson, 1979
- Residential Report (R-2) - Examination, Tucson, 1980

#### *Seminars and Conferences<sup>3</sup>*

- "Appraiser As Expert Witness", AI, 1996
- "Litigation Skills for the Appraiser: An Overview", AI, 1997
- "Acquisitions and Appraisal of State Lands", AI, 1998
- "Criteria for Site Selection", AI, 1998
- "Partial Interest Valuation - Undivided", AI, 2000
- "Eminent Domain", CLE, 2001
- "Appraising Manufactured Housing", AI, 2004
- "Full Disclosure & How Stigmas Affect Value", 2006
- "Case Studies in Commercial Highest and Best Use", AI, 2007
- "Uniform Appraisal Standards for Federal Land Acquisitions", 2009
- "National USPAP Update Course, 2012 Version", 2012, 2014, 2016
- "Fundamentals of Separating Real, Personal Property, and Intangible Business Assets" 2012
- "Complex Litigation Appraisal Case Studies", 2013
- "Uniform Standards of Professional Appraisal Practice (USPAP)", 2016
- "Residential & Commercial Valuation of Solar", 2016
- "Housing and Land: Market Perspectives", 2016
- "Uniform Appraisal Standards for Federal Land Acquisitions", 2017
- "Business Practices and Ethics", 2020
- "Appraiser as Expert Witness Class", 2020
- "2022-2023 National USPAP Update", Dec. 2021
- "Inconsistency: It's Hiding in Plain Sight of Your (Commercial) Appraisal", AI, 2022

Also, attended numerous appraisal seminars from 1979 to present.

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1. AI refers to the Appraisal Institute.

## **PROFESSIONAL DESIGNATIONS**

MAI Awarded by the Appraisal Institute (formerly the American Institute of Real Estate Appraisers)

SRA Awarded by the Appraisal Institute (formerly the Society of Real Estate Appraisers)

## **LICENSURE**

Certified General Real Estate Appraiser, State of Arizona  
Certificate #30139  
Designated Supervisory Appraiser  
Registration Number DS0007

## **EXPERIENCE**

Appraisal Institute, Southern Arizona Chapter  
(President, Southern Arizona Chapter, 2005)

Appraisal Institute, Tucson Chapter  
(President, Tucson Chapter, 1986-88)

Expert Witness, Qualified in Superior Court of Pima County, Superior Court of Pinal County, Superior Court of Cochise County, Superior Court of Maricopa County, Superior Court of Santa Cruz County, Federal District Court, and Tucson Federal Bankruptcy Court.

Approved Appraiser for Resolution Trust Corporation (RTC), Federal Home Loan Bank Board, and Federal Deposit Insurance Corporation

Instructor, Real Estate Appraisal, Hogan School of Real Estate

Experience in appraisal of all types of real estate since 1978, including residential, residential income, commercial, industrial, acreage, and special-purpose properties.

# ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-30139

THOMAS A. BAKER

<u>CREDENTIAL TYPE</u>	<u>ISSUE DATE</u>	<u>EFFECTIVE DATE</u>	<u>EXPIRATION DATE</u>
Certified General Appraiser	August 15, 1991	September 01, 2024	August 31, 2026

This certificate was printed on September 17, 2024 and will remain in effect until a change request has been approved by the Department or the credential is surrendered, suspended, revoked or expired.

Arizona Department of Insurance and Financial Institutions  
dif.az.gov  
100 N 15th Ave, Suite 251  
Phoenix, AZ 85007-2630

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**Exhibit B**

**A Protest Pursuant to A.R.S. § 37-301 Opposing the  
Auction**

**16 Pages**

**HOFMEYR LAW, PLLC**

Adriane Hofmeyr, Esq. • Rui Wang, Esq.

3849 E. Broadway Blvd, #323

Tucson, Arizona 85716

Tel: 520 477-9035

adriane@hofmeyrlaw.com • rul@hofmeyrlaw.com

March 6, 2026

Commissioner Robin Sahid  
Arizona State Land Department  
1110 W. Washington Street  
Phoenix AZ 85007

re: Protest pursuant to A.R.S. § 37-301 of Public Auction Sale No. 53-122457

Dear Commissioner Sahid,

This firm represents Save the Scenic Santa Ritas Association (“SSSR”).

On Friday, February 13, 2026, the Arizona State Land Department (“ASLD”) published on its website a notice of Public Auction Sale No. 53-122457 (“Notice”).

According to the Notice, ASLD is scheduled to sell 160.08 acres of State Trust Land located in the northwestern Santa Rita Mountains in Pima County, Arizona (APN 305-53-0160), fully described in the Notice (“Sale Parcel”). A map showing the Sale Parcel is attached as Exhibit A.

The Notice states that the Sale Parcel has been appraised at \$993,000.00, and will be sold by public auction on Wednesday, April 29, 2026 at 11:00 a.m. to the “highest and best bidder” (“Auction”).

SSSR hereby submits a protest pursuant to A.R.S. § 37-301 opposing the Auction. The sale by public auction of the Sale Parcel is a violation of ASLD’s obligations under the Enabling Act, Arizona’s Constitution and A.R.S. § 37-101 *et seq.* Not only is the appraisal invalid but ASLD has failed to comply with its mandatory obligations to develop a disposition plan pursuant to A.R.S. § 37-331.03.

a. Copper World wants the Sale Parcel for its copper mine tailings storage facility

On or about July 30, 2021, Rosemont Copper Company (Copper World’s predecessor) filed with ASLD an Application to Purchase the Sale Parcel (No. 53-122457).

Copper World plans to use the Sale Parcel for a mine tailings storage facility to support its massive open-pit copper mine complex that would cover at least 4,500 acres

ARIZONA  
STATE LAND  
DEPARTMENT

2026 MAR 5 PM 2:55

of the Santa Rita Mountains. Copper World claims this mine will be “one of the largest producers of copper in the United States.” See [www.copperworldaz.com](http://www.copperworldaz.com).

On or about August 28, 2025, ASLD obtained an appraisal for the Sale Parcel opining that the property has a market value of \$993,000.00 (“Appraisal”).

On or about September 10, 2025, SSSR submitted objections to the appraisal of the Sale Parcel to ASLD and the Arizona State Land Department Board of Appeals (“Board”)

On or about September 11, 2025, the Board approved the sale of the Sale Parcel to Copper World.

On February 13, 2026, ASLD’s website gave notice that the Sale Parcel will be sold at auction on April 29, 2026.

b. The Auction is invalid because ASLD is in violation of A.R.S. § 37-331.03

As part of its responsibility to administer State Trust Land in the Trust’s best interest, the Department is required to develop long-range plans for the future use of State Trust Land, including 5-year disposition plans for all State Trust Land projected to be sold, leased, or otherwise disposed of in a 5-year period. A.R.S. §§ 37-331.03, 37-132(A)(3).

ASLD is in violation of A.R.S. § 37-331.03 because ASLD has “**failed to develop statutorily required 5-year disposition plans, risking difficulties demonstrating State trust land sales were transparent and in trust beneficiaries’ interest.**” See July 2025 Report submitted by the Arizona Auditor General, Lindsey A. Perry, CPA, CFE, (“Auditor General”) entitled *A Performance Audit and Sunset Review of the Arizona State Land Department*, Report 25-103 (“Report”), at 10 (all emphasis added unless otherwise noted).

The Auditor General effectively concluded that the deficiencies in ASLD’s compliance with its statutory obligations negatively affects ASLD’s ability to generate revenue for trust beneficiaries.

The Auditor General concluded that the legislation that established the Department’s statutory requirement to develop disposition plans (A.R.S. §§ 37-331.03), which the Department has failed to comply with, was intended to provide Department land use planning reforms **to further the best interests of the State’s citizens, protect natural heritage, and wisely manage the growth of the State’s communities.** See Laws 1998, Ch. 204, §1; Report at 14.

The Auditor General concluded that, “[b]y not creating long-range disposition plans for State trust land and instead making State trust land disposition decisions on a case-by-case basis, the Department increases the risk that it will have **difficulty**

**demonstrating that its decisions to sell State trust land were the highest and best use of the land and in the interest of the trust beneficiaries.”** Report at 13.

The Auditor General’s conclusion is based on recommended practices from the *Lincoln Institute of Land Policy* (in particular, Culp, P.W., et.al, (2015). *State Trust Lands in the West: Fiduciary duty in a changing landscape.*), which demonstrate that managers of State Trust Land can produce larger, more reliable revenues for trust beneficiaries and **improve decision making** by using land disposition plans and large-scale planning processes. Report at 13.

The Auditor General also concluded that, by not developing a disposition plan, ASLD **“lacks the transparency to demonstrate that its decisions to bring State Trust Land to auction are consistent with long-range goals for the land and are in the best interest of the trust beneficiaries.”** Report at 13. “[D]isposition plans **decrease the risk that projects are driven by external stakeholders** or that dispositions will not be **timed to yield the highest possible returns.”** *Id.*

Absent proactive planning for the disposition of State Trust Land, ASLD **“increases the risk that it will have difficulty demonstrating that its decisions to sell State trust land are in the interest of the trust beneficiaries and not only in the interest of external stakeholders, such as when a developer or other external party is the only bidder for the land.”** *Id.* 13-14. The Auditor General concluded that a sale **with only one bidder is not in the best interest of trust beneficiaries.** **“On average, auctions with more than 1 bidder had winning bids approximately 68% higher than the land’s appraised value, and auctions with 1 bidder, on average, only had winning bids approximately 0.04% higher than the land’s appraised value.”** Report at 13-14, Appendix B, pages b-1 to b-10.

The Auditor General also concluded that the Department’s lack of disposition plans for State Trust Land **increases the risk of disorderly growth and development** on State Trust Land. The Report found that this is **contrary to ASLD’s statutory responsibilities under A.R.S. §37-132(A)(4)** to promote the infill and orderly development of State Trust Land in areas beneficial to the trust and prevent urban sprawl or leapfrog development on State Trust Land. Agency driven actions that are **“reasonably transparent can provide local communities and other stakeholders with better information to make decisions, leading to better planning for growth and development.”**

Here, ASLD is set to sell the Sale Parcel at the Auction on an ad hoc basis, at the urging of an external stakeholder, Copper World. The sale of the land is not motivated by or consistent with long-range goals for the land or the best interests of the trust beneficiaries. Because there is no disposition plan (and has not been one since ASLD’s 2011 disposition plan expired in 2016), there are **no long-range goals for the land** or any determination of what would be in the best interest of trust beneficiaries. ASLD is driven **only by Copper World’s interests**, by Copper World’s needs, by Copper World’s timing, and by Copper World’s advantage in paying the minimum amount set

out in an appraisal. Copper World will (almost certainly) be the **only bidder** at the Auction, and thus the Sale Parcel will sell to Copper World at its **lowest price**, namely, the appraised value.

Moreover, because there is no “proactive planning” prior to the Auction, i.e., no disposition plan in place since 2016, as required by A.R.S. § 37-331.03, ASLD cannot demonstrate that its decision to sell the Sale Parcel to Copper World is in the best interest of the trust beneficiaries and not only in the best interest of Copper World. ASLD cannot demonstrate that this sale would be the highest and best use of the land. This sale would lack the transparency to demonstrate that ASLD’s decision to sell the Sale Parcel to Copper World is consistent with long-range goals for the land. If ASLD had a disposition plan in place, as it is **statutorily obliged to have**, ASLD could demonstrate that this project is not driven by an external stakeholder but that it is timed to yield the highest possible returns. Because there is no disposition plan in place, ASLD can do none of these things.

Sale of this land to Copper World in the absence of a statutorily-mandated disposition plan is a violation of ASLD’s statutory duties under A.R.S. §37-132 that require that the Commissioner administer State Trust Land in the best interest of trust beneficiaries. Under the Enabling Act, ¶ 28, “Congress required Arizona to hold the granted land in trust, and only allowed disposal of the trust land subject to very specific and restrictive conditions.” *Fain Land & Cattle Co. v. Hassell*, 163 Ariz. 587, 589 (1990). Any disposition of trust land not in substantial conformity with the Enabling Act is “null and void.” *Id.* “The rationale behind these strict requirements is that prior land grants to other states were improvidently managed, to put it mildly, and Congress wanted to ensure that the legislatures of Arizona and New Mexico would not dissipate the granted land.” *Id.* The disposition of State Trust Land is limited by “*both* the Enabling Act *and* the state constitution [Ariz. Const. art. 10, § 1].” *Id.*

“When Congress passed the Enabling Act, it intended to severely circumscribe the power of state government to deal with the assets of the trust,” and “all doubts must be resolved in favor of protecting and preserving trust purposes.” *Ne. Phoenix Holdings, LLC v. Winkleman*, 219 Ariz. 82, 85, 1¶ 13 (App. 2008).

ASLD may only “cause state lands to be sold if the sale of them is **not prohibited by law.**” A.R.S. § 37-233(A).

Here, ASLD is planning to dispose of the Sale Parcel not in strict conformity with its statutory and constitutional fiduciary duties, and such sale will be unlawful.

c. Copper World has no immediate need for the Sale Parcel

Delaying the auction of the Sale Parcel does not harm Copper World. Copper World is on record as claiming that it does not need the Sale Parcel for at least 15 years.

In its 2023 Preliminary Feasibility Study, Copper World states that it has sufficient space for mine tailings at two other waste dumps for 15 years before it may require the Sale Parcel. Copper World considers this third waste site on the Sale Parcel as “optional.” See Copper World Pre-Feasibility Study, July 1, 2023, Pg. 18-5.

Waiting until ASLD has completed its mandated disposition plans serves many purposes (see above), including that the Sale Parcel will increase in value as time passes. Copper World’s proclaimed need for the land will not go away. Copper World is likely to retain its interest in acquiring the land for its proclaimed purposes.

The state trust can only benefit from doing this sale properly, in compliance with law, properly appraised (see below), at the right time, to the highest bidder. That time is not now.

- d. The Appraisal is invalid because it fails to account for the impact of Copper World’s proposed use on other State Trust Land and also grossly undervalues the Sale Parcel

All State Trust Lands “before being offered, shall be appraised at their true value.” Enabling Act, § 28; *Ne. Phoenix Holdings, LLC v. Winkelman*, 219 Ariz. at ¶ 12.

Here, the Appraisal is invalid because it grossly undervalues the Sale Parcel.

The Appraisal notes that the “highest and best use” of the property “was formed, utilizing resources to identify such factors as land use, supply and demand, governmental requirements, environmental concerns, and economic elements, present and anticipated, which may impact upon the marketability of the property.” Appraisal at 5. But the Appraisal failed to take into account the actual use of the Sale Parcel and the impact of that use on surrounding State Trust Land and the community.

First, the Appraisal states that the Sale Parcel “could also be utilized by the adjacent planned copper mine,” for “the above ground storage of mine tailings for support of mining operations by Copper World.” Appraisal at 24, 36. The Appraisal concludes that “the maximally productive highest and best use of the subject land is for either investment or for development as part of Copper World Inc.” *Id.* The Appraisal, however, did not consider any of the negative impacts to nearby State Trust Land that will occur from the development of the Copper World mining complex and the expansion of its waste dumps that the sale facilitates. The Appraisal completely ignores the negative impact of groundwater depletion on thousands of acres of State Trust Land immediately east of Copper World’s primary well fields and on ASLD’s 52,000-acre Santa Rita Experimental Range immediately to the west of the Sale Parcel. The SRER is required by state statute to be operated for “ecological and rangeland research” purposes. Laws 1988, Ch. 76. Copper World will require at least 9,000 acre-feet of fresh water a year to operate. The company intends

to extract groundwater from wells it has drilled immediately east of the Santa Cruz River and west of the SRER. The company has estimated in corporate filings that the mining operations could last more than 44 years. ASLD has conducted no studies to determine how this groundwater depletion will impact the value of the SRER and other nearby State Trust Land.

ASLD has previously (and recently) addressed the negative impact that large-scale copper mining operations can have on the value of the State Land Trust. In a 2019 letter sent to the U.S. Forest Service in connection with the Draft Environmental Impact Statement for the proposed Resolution Mine near Superior, ASLD determined that the sale of State Trust Land to Resolution Copper for use as a tailings dump would result in **substantial groundwater depletion** that would negatively impact the value of nearby State Trust Land by **more than \$536 million**. See **Exhibit B** hereto. ASLD subsequently filed a formal objection to the Resolution Mine on August 4, 2025 in a federal court proceeding, citing concerns about groundwater depletion and subsidence that would negatively impact State Trust Land. See **Exhibit C** hereto.

ASLD is faced with an identical situation here, with the sale of the Sale Parcel to Copper World for use as a tailings dump. ASLD must conduct a similar analysis as it did with the Resolution Mine to determine the negative impacts on the value of State Trust Land from the sale of the Sale Parcel to Copper World. This information must be included in any subsequent appraisal.

Second, the Appraisal is based on a classification of the Sale Parcel as Rural Homestead (RH) under Pima County's Zoning Code. Appraisal at 17, 22. "The principal uses allowed by this zoning designation are low density residential, limited commercial use, agriculture use, and governmental uses." Appraisal at 18, 22. The Appraisal acknowledges that the Sale Parcel will not be used for any of these permitted uses and that the proposed use is industrial use (mine tailings). Appraisal at 24, 36. And yet the Appraisal failed to appraise the land's value based on this use; instead, the Appraisal looked only at residential values, and other vacant land values. Appraisal at 19-21, 25. Appraising the Sale Parcel as residential is not the "true value" of the Sale Parcel. The "true value" of the Sale Parcel must be based on its worth to Copper World, the applicant and likely only conceivable bidder, which admits it is going to use for a tailings storage facility. The ability to use the Sale Parcel as a tailings pile increases the profitability of Copper World's project. Its 2023 Pre-Feasibility Study states the company could process an additional 41 million tons of copper ore, worth hundreds of millions of dollars, if it could acquire this additional land for its mine tailings.

The Sale Parcel is worth many multiples more to Copper World than \$993,000.00 (the amount of the Appraisal based on residential use), and the Trust is entitled to that considerably higher "true value."

Moreover, ASLD has treated Copper World differently and beneficially, to the detriment of the Trust, by not taking into account factors that serve to increase the value of the land, as it has often done in the past, where ASLD has used its discretion to require "assumptions" that increase the value of Trust Land and has done so when Pima County was seeking to buy land but did not do so when Copper World requested the Sale Parcel.

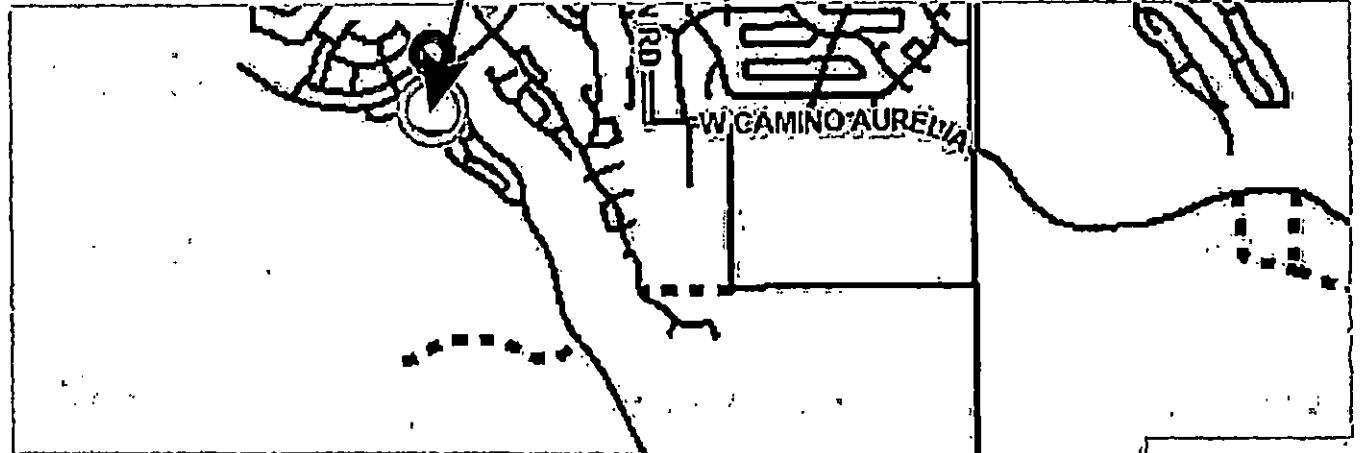
In sum, the Appraisal is arbitrary and capricious and invalid because it fails to include an analysis of the negative impacts on surrounding State Trust Land that will be caused by groundwater depletion resulting from Copper World's operations and use of the Sale Parcel, and fails to take into account the "true value" based on Copper World's proposed use for the land.

For all the above reasons, the Commissioner is respectfully requested to cancel the Auction.

Kind regards,  
/s/ Adriane Hofmeyr  
Adriane J. Hofmeyr

# EXHIBIT A

# Copper Ridge Elementary School



**Santa Rita  
Experimental Range**

**U.S. Forest Service**

**Copper World**

**Copper World**

**Bureau of Land  
Management**

**Parcel of land being discussed**



# EXHIBIT B

Appendix R

1 Douglas A. Derry  
 Director

1 Lisa K. Allen  
 Compliance Advisor

1 November 7, 2019

1 Mr. Neil Burrows,  
 1 District Supervisor,  
 1 Yuma National Forest,  
 1 PO Box 34488,  
 1 Phoenix, AZ 85067-4488

1 Re: Resolution Copper Draft Environmental Impact Statement Comments  
 1 Dear Supervisor Burrows,

1 As a cooperating agency, the Arizona State Land Department (ASLD) appreciates the opportunity to submit  
 1 comments for the record on the Resolution Copper Draft Environmental Impact Statement (DEIS).

1 The ASLD manages approximately 9.3 million acres located throughout  
 1 the State, including subsurface mineral estate. Our comments reflect ASLD's responsibility to ensure that  
 1 the land is best managed on behalf of the Trust's beneficiaries and, therefore, ASLD must evaluate the  
 1 potential risks and contributions for all projects on a land and resource within the Trust.

1 ASLD recognizes and appreciates the mineral development, financial, technological, and career  
 1 opportunities that Resolution Copper brings to the State, and ASLD supports the advancement of the  
 1 project. However, ASLD does have concerns regarding the proposed preferred alternative mining facility and  
 1 water at the Blank Camp Dripping Springs Valley. The location is predominantly State Trust land, and it is  
 1 likely that the facility will adversely impact the Trust.

1 This comment letter contains the ASLD's review of ASLD's land trust obligations for the following  
 1 locations: 1) preferred alternative (including the location of the preferred alternative tailing location at Blank  
 1 Camp); 2) DEIS comments from internal ASLD subject matter experts; and 3) secondary concerns.

1 **GENERAL COMMENTS:**  
 1 **BLANK CAMP TAILING FACILITY - PREFERRED ALTERNATIVE**

1 ASLD understands that the Blank Camp tailing facility location has been identified as the preferred  
 1 alternative in the DEIS prepared by the Yuma National Forest (YNF). ASLD prefers Silver King as the  
 1 location for the tailing site, as it is located on federally managed land and requires significantly less water  
 1 over the life-cycle (LFC). In contrast, the Blank Camp alternative location is comprised of over 45  
 1 percent State Trust land and requires much higher volumes of water to support the tailing slurry pipeline.

The project potential adverse impact to the Trust will be the water (usage of approximately 400,000 acre-  
 feet (AF) over the LFC) that will be extracted from the newly located Superstition Vista Phosphate  
 Area (SVPA). This level of water extraction is partially a result of the potential need to transport a  
 preferred 17 million tons of waste material to the Blank Camp location. Based upon the estimated  
 groundwater requirements based on the DEIS, the negative impact of the proposed water extraction  
 potential from the Superstition Vista Phosphate Area (SVPA) is outweighed by the estimated beneficial benefits  
 to the Trust resulting from other aspects of the project by a factor of 20.1 based on various growth  
 projections for the West County portion of the East Salt River Valley developed by the Maricopa  
 Association of Governments.

ASLD is also concerned that a potential sale of the Blank Trust land diversity as or near the Blank Camp  
 property would not adequately recognize the future value of the Blank Camp property and fail to consider  
 the inherent decrease in harvesting property values once the facility is established. As this area is  
 increasingly adjacent to the SVPA, it has future value as recreational, development, or open space property  
 that supports the beneficial growth to the SVPA. By establishing a large area with value taking storage,  
 the remaining Blank Trust land will be diminished to the detriment of the Trust.

The Blank Camp location would require a US Army Corps of Environmental Determination (UD) for the  
 Dripping Springs Wash. If this watershed were determined to be a hydrological watershed of the U.S., this  
 decision could greatly compromise ASLD's ability to realize the highest value for those State Trust lands  
 located downstream. As watershed determinations are pending, UD ID has the potential to restrict these  
 lands to additional Federal regulation that they would not have absent such a determination.

**WATER IMPACTS:**

Resolution's proposed withdrawal of water for mining operations from wells to be drilled along the  
 MARICOPA (Maricopa Aquifer Baseline) will require it to withdraw in some cases 1,000 AF to as  
 much as 600,000 AF over the LFC. Resolution has stored and is situated Long-Term Storage Credit  
 (LTS/C) for approximately 210,000 AF of Central Arizona Project (CAP) water, of which approximately  
 25,000 AF are located within the Phoenix Area Management Area (PAMA). However, the location along  
 the well corridor where Resolution's proposed withdrawal from the water to enable the area of hydrologic  
 (AOD) where the water source is located. Therefore, the location of the well in the SVPA  
 and not the area where the storage occurred, will be the greater impacted by Resolution's proposed  
 withdrawal. In terms of a 100-year Annual Water Supply (AWS), the water represents the equivalent of  
 its annual bedload demand of up to 4,000 AF per year (AFY).

Resolution could partially mitigate the impact by withdrawing to 250,000 AF of Phoenix Area  
 LFC from within the AOD of storage. This would have the effect of reducing the total area impacted in the central  
 SVPA to around 1,440 AFY. Even with this mitigation, at a density of three cents per acre, assuming three  
 persons per household, and using a water demand of one AFY per acre (Source: Arizona Department of  
 Water Resources), Fresh Management Plan needs for new single-family residential development,  
 Resolution's withdrawals if mitigated by recovering the LTS/C from within the AOD of storage, would 600  
 potentially result in the loss of the development of at least 1,440 acres of State Trust land. State Trust land  
 has recently been awarded for residential development in the area near the SVPA. For approximately  
 1,140,000 square feet, Resolution has with partial participation the loss of 1,440 acres of State Trust  
 land represents a minimum potential loss to the Trust of at least \$126,640,000 in revenue.

**SLURRY PIPELINE ON STATE TRUST LAND**

In order to maintain the amount of water necessary to supply the Blank Camp alternative location's slurry  
 pipeline, the water should be desalinated by the treatment to meet possible with the most current technology.  
 The untreated slurry water should then be recycled (in addition to any reclaimed groundwater pumped  
 out beneath the tailing facility) and reused within the system.

Blank Camp's proposed slurry pipeline would be constructed over eight miles of State Trust land in the  
 Dripping Springs Watershed. In order to minimize the potential environmental risk, ASLD requests that all  
 components of the pipeline be engineered and constructed pursuant to best management practices to reduce  
 the possibility of a breach or spill occurring on State Trust land. These design objectives may include using  
 both steel-reinforced or double-walled pipe materials lined with high-density polyethylene, installing a  
 comprehensive pipeline monitoring network, and preservation of the construction and design.

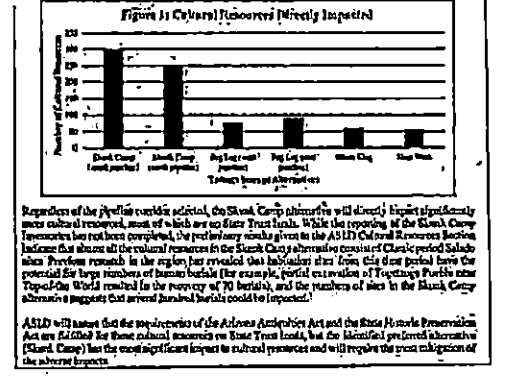
ASLD also requests that YNF provide written confirmation acknowledging approval of the pipeline corridor  
 that crosses land under its jurisdiction. Receipt of this document is necessary for ASLD to begin handling  
 Withdrawal Water for the selected pipeline alternative.

**CULTURAL RESOURCES OF SKINING CAMP**

The results of cultural resources investigations of all alternatives have not yet been fully reported or evaluated.  
 The DEIS provides some preliminary findings for the significant cultural resources that will be directly  
 impacted based on the different alternatives. There are no cultural resources that have been recommended  
 as eligible for listing on the Arizona and National Registers of Historic Places (ANRHP) and Sites that  
 have been identified on their register eligibility. Final determination of eligibility and effect have not  
 been completed, but the preliminary research indicates that the Blank Camp alternative will directly impact  
 significantly more cultural resources than any of the other alternatives (Table 1). Figure 1). Blank Camp  
 with the Slurry Pipeline alternative will impact 2.8 to 4.3 times more cultural resources than the other  
 alternatives, while the Slurry Pipeline alternative will impact 2.3 to 5.4 times more.

Table 1. Cultural resources directly impacted by the different alternatives

Tailing Storage Alternative	Cultural Resources Directly Impacted <sup>1</sup>
Blank Camp (Slurry Pipeline Alternative)	101*
Blank Camp (Slurry Pipeline Alternative)	233*
Pre-Log (West Pipeline Alternative)	75*
Pre-Log (East Pipeline Alternative)	90**
Silver King	60
Near West (both Alternatives 2 and 3)	56



**LESSER IMPACTS OF SKINING CAMP**

The Blank Camp tailing facility greatly impacts several large land ASLD grazing leases and participating  
 factors revenue generation for the Trust. A total of about 600 grazing leases are likely to be impacted with an  
 estimated minimum loss of 113 animal units. Over the approximately 40-year LFC, the Trust will  
 experience estimated grazing revenue loss of \$120,000 on the Blank Camp location.

Additional impacts to grazing leases downstream from the site may include the potential loss of surface  
 water for which claims have been filed in the General Stream Adjudication. Loss of surface water may  
 require leases downstream of the site to install wells to provide stock water long.

**CONCLUDING REMARKS:**

ASLD appreciates the time and efforts of the stakeholders to YNF and SWCA teams in protecting the public-  
 year DEIS project, and for ASLD's ability to participate as a cooperating agency on behalf of the State  
 Land Trust and its beneficiaries.



# EXHIBIT C

Katie Hobbs  
Governor

**ARIZONA**  
**STATE LAND DEPARTMENT**  
1110 West Washington Street | Phoenix, AZ 85007  
(602) 542-4631

Robyn Sahid  
Commissioner

August 4, 2025

Reviewing Official, Regional Forester  
333 Broadway Boulevard SE  
Albuquerque, New Mexico 87102

**RE: Arizona State Land Department's Objection to the Resolution Copper Project and Land Exchange and Project-Specific Forest Plan Amendment**  
Tonto National Forest  
Ericka Luna, Deputy Forest Supervisor

The Arizona State Land Department ("ASLD") is a cooperating agency that issued comments on the Draft Environmental Impact Statement ("Draft EIS") by letter dated November 7, 2019. A primary focus of those comments was the impact of the substantial withdrawal of groundwater from the aquifer beneath the Superstition Vistas Planning Area ("SVPA"), which contains 275 square miles of Arizona State Trust Land ("STL"). The proposed "Desert Wellfield" from which groundwater will be withdrawn extends roughly four miles and is surrounded by STL.

ASLD manages a perpetual land trust consisting of over 9 million acres of STL that the United States granted to Arizona upon statehood in the Arizona Enabling Act. The grant is a "solemn promise" by the United States to the State to support the beneficiary purposes set out in the Enabling Act, primarily public education. ASLD has a trust obligation derived from the Enabling Act and Arizona Constitution to manage all those lands for the benefit of the trust's beneficiaries.

The SVPA is a projected location of substantial future expansion of the Phoenix metropolitan area with hundreds of thousands of future residents. Development of the SVPA could bring billions of dollars of additional income to the beneficiaries of the State Land Trust.

**Specific Issue: Groundwater Decline and Subsidence in the SVPA**

ASLD has significant concerns with the withdrawal of an estimated 544,858 acre-feet of groundwater in the SVPA over the life of the mine, 6.7 percent of all the groundwater available in the entire East Salt River Valley, much of which is STL. Not only will the recent recovery of 60 to 85 feet of depth to groundwater in the area be halted, it will be significantly reversed near the Desert Wellfield, reaching a maximum drawdown of 199 feet at the end of mine operations.

*Subsidence.* The Draft EIS did not analyze the impact of this decline on ground subsidence other than to note the existing Hawk Rock area of subsidence that currently extends within four miles to the northwest of the Desert Wellfield. In response to public comments, the Final EIS includes new information that attempts to quantify the extent of subsidence that may result from groundwater withdrawal.

The Final EIS estimates that Alternative 6 would result in roughly 24 to 50 inches of subsidence within two miles of the Desert Wellfield, which encompasses approximately 20 square miles or 12,840 acres of STL. The Final EIS reasons that subsidence will occur where groundwater withdrawal causes the water table to drop below its historically recorded lows. The removal of this water will cause the compaction of the earth from which the water has been removed. The Final EIS estimates that Alternative 6 will cause the water table in the area of the Desert Wellfield to drop to 80 to 120 feet below historical levels. Moreover, as the Final EIS acknowledges, even though the Final EIS projects that the water table in the area will rebound following the life of the mine, subsidence is irreversible, the ground will not return to its prior level, and the ground will not be able to store as much water as it had previously.

Alternatively, or in addition, although not discussed in the Final EIS, expansion of the existing Hawk Rock subsidence area to the northwest, which also contains miles of STL, may accelerate.

While the impacts of subsidence are not predictable and may be minimal on land that is not yet developed, the ongoing process of subsidence and the potential formation of earth fissures in the subsidence area present a risk to the future development of the land and the value of STL in the area. As noted in the Final EIS, earth fissures can directly damage structures as well as infrastructure including roads, utility lines, wells, and canals. Mapped earth fissures have already been identified in areas not far from the Desert Wellfield.

*Groundwater available for development of the SVPA.* ASLD's 2019 Draft EIS comment concluded that Alternative 6 would essentially preclude the development of 3,440 acres of STL at a cost of a half-billion dollars to the State Land Trust. Since that comment, however, the hydrological and legal contexts of development in the Phoenix Active Management Area (AMA) have changed. In 2023, the Arizona Department of Water Resources completed its Phoenix AMA groundwater flow model and published an official 100-year Assured Water Supply projection. Due to regional projected groundwater declines and unmet demands, new Assured Water Supply determinations based solely on groundwater cannot meet the physical availability criteria necessary to comply with the Assured Water Supply rules and regulations. ASLD cannot rely on groundwater for future residential development in the area, so ASLD's 2019 calculations would not apply today.

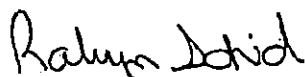
Nonetheless, the Project's groundwater withdrawals will have significant adverse impacts on the regional aquifer underlying 275 square miles of STL. The FEIS modeling of Alternative 6 shows a maximum drawdown of approximately 200 feet in the center of the wellfield below current water levels, with declines of approximately 100 – 130 feet at its edges. This pumping associated with Alternative 6 would decrease the likelihood that groundwater could be used for new development in the future as hydrological and legal contexts continue to evolve, adding

additional groundwater depletion to an already stressed groundwater sub-basin. Moreover, the extensive, concentrated withdrawal of groundwater may make existing, committed groundwater uses near STL more expensive and more complicated as water levels decline. The value of the as yet undeveloped STL would thus suffer from the potential additional water supply obstacles to already committed uses, which could delay or eliminate demand for STL.

*Proposed Remedies.* ASLD understands that withdrawal of groundwater from the Desert Wellfield is necessary for operation of the mine. This groundwater extraction and the potential for subsidence can significantly affect the SVPA, and Resolution Copper should undertake measures to alleviate the impact to the aquifer and surrounding STL. Some potential measures that may mitigate much of the anticipated impact of subsidence and groundwater depletion in the East Salt River Valley, the vast expanses of STL, and its thousands of anticipated future residents, may include utilization of hydrologically connected long-term storage credits prior to any unreplenished groundwater withdrawals, adoption of a method of filtered or dry tailings instead of slurry tailings, or other more advanced and less water-intensive tailings technology, or other measures such as increasing recharge or reducing existing groundwater withdrawals which may also serve to mitigate the proposed groundwater use of the mine. This is not an exhaustive list of potential remedies, and we remain open to discussing options that may have been overlooked.

Thank you for the opportunity to document these concerns as part of the objection review process and I ask that you, as the Objection Review Official, seek to facilitate discussions with Resolution Copper and the Responsible Official to address these concerns in a timely manner. I welcome the opportunity to continue discussions on potential measures that will reduce the amount of groundwater pulled from the Desert Wellfield. I can be reached in writing at the mailing address listed on the letterhead, via phone at (602) 542-4631 or via email at CO@azland.gov.

Respectfully,



Robyn Sahid  
Commissioner

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Exhibit C

Response to SSSR's Protest of Public  
Auction Sale No. 53-122457

4 Pages



March 31, 2026

Commissioner Robyn Sahid  
Arizona State Land Department  
1110 W. Washington Street  
Phoenix, AZ 85007

**RE: Response to SSSR's Protest of Public Auction Sale No. 53-122457**

Dear Commissioner Sahid,

Copper World LLC submits this rebuttal to the protest letter filed by Save the Scenic Santa Ritas (SSSR) on March 6, 2026 (the "Protest"). The arguments raised in the Protest are legally incorrect and generally irrelevant to the state's decision to sell the subject parcel at auction as scheduled. Their protest also includes significant factual errors.

One of the major problems with the Protest is it attempts to appeal the appraised value accepted by the Board of Appeals on September 11, 2025. Under A.R.S. § 37-215(A), any appeals "relating to classification or appraisal of lands" must first be made to the Board of Appeals. While an affected party has the right to appeal a decision by the Board of Appeals to Superior Court, the Board's decision becomes "final and conclusive" if no appeals are taken.<sup>1</sup> SSSR was clearly aware of the Board's decision on September 11, 2025 and did not seek judicial review. That appraisal is now "final and conclusive," even as to the State Land Department (ASLD) itself.<sup>2</sup>

The appraisal was conducted in full compliance with the Enabling Act's "true value" requirement, which Arizona courts equate with fair market value using normal appraisal methodologies rather than a subjective "special value" to a specific bidder.<sup>3</sup> The appraiser correctly analyzed the parcel under Pima County's zoning designation while recognizing its potential use as part of the Copper World Project. There is absolutely no basis for the appraisal to attempt to capture the project-specific value or incremental profitability of the mine.

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<sup>1</sup> A.R.S. § 37-215(G).

<sup>2</sup> *Beltwy v. Black Canyon Greyhound Park, Inc.*, 119 Ariz. 227 (App. 1978).

<sup>3</sup> *Deer Valley Unified School Dist. v. Superior Court*, 157 Ariz. 537 (1988).

Copper World LLC  
5295 East Williams Circle, Suite 2010  
Tucson, Arizona 85711  
United States  
hubbayminerals.com

A protest under A.R.S. § 37-301 is limited to challenging “the terms of [the] proposed auction.” As already explained, disagreements with an appraisal must be appealed pursuant to A.R.S. § 37-215. As further discussed below, even the non-appraisal arguments made in the Protest raise issues well beyond “the terms of [this] proposed auction.”

The principal argument in the Protest is that the sale “will be unlawful” because the Department did not comply with the long-range planning provisions of A.R.S. § 37-331.03. However, these provisions are part of the Urban Lands Act which clearly does not apply to this rural, landlocked parcel. Although Subsection (D) does include the phrase “all state trust land,” it is clear from the context that this entire section is intended to apply to urban land only. For example, the title of Article 5.1 is “Urban Land Development” and Subsection (D) subsequently requires that these 5-year disposition plans be reviewed by the “urban land planning oversight committee.”

Even if A.R.S. § 37-331.03 actually did require the Department to develop 5-year disposition plans for all 9,200,000+ acres of State Trust Land, there is nothing in the statute or Auditor General’s report indicating that failing to comply can invalidate a pending or completed auctions. And no court has ever invalidated a State Land auction for failing to comply with secondary planning directives or any other requirement found solely in state statutes. On the other hand, and contrary to Protestants’ arguments, the Enabling Act and Arizona’s Constitution include the same three safeguards that, if not met, automatically invalidate improper dispositions of State Trust Land: 1) appraisal at “true value;” 2) advertisement for ten weeks; and 3) public auction. Elevating a planning requirement to nullify an otherwise properly appraised and advertised public auction would allow generalized policy objections to override the constitutional framework that governs disposition of Trust Land.

The Commissioner of the State Land Trust has fiduciary duties comparable to those of a private trustee, including an obligation to dispose of trust lands on the most advantageous terms reasonably attainable to obtain the highest possible return for the beneficiaries. Proceeding to auction of this parcel will maximize revenue to the State Land Trust consistent with your fiduciary duties.

The potential number of bidders does not establish that this sale has been structured in a way that will stifle competition or that any unlawful term chills bidding. To the contrary, it is well established in Arizona case law that the possibility of a one-bidder auction does not violate the Enabling Act.<sup>4</sup> Because the parcel is adjacent to Copper World’s private land on two sides and otherwise lacks ready access, it is highly unlikely that any other party would ever want to purchase the land or have reason to attempt to use it. The public auction on April 29th represents the ultimate test of the parcel’s market value, precisely as envisioned by the Enabling Act.

The Protest’s argument that “Copper World has no immediate need for the Sale Parcel” is entirely irrelevant and inaccurate. Arizona courts recognize that decisions about when and how to dispose of Trust Land are entrusted to the Commissioner’s business judgment and discretion, not to third-party objectors. It was well within your discretion to decide to monetize this parcel now in light of current high market value and the concrete demand demonstrated by Copper World’s application.

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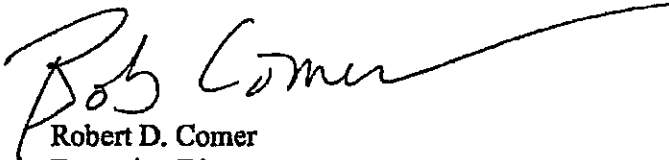
<sup>4</sup> *Martori v. Arizona State Land Department*, 176 Ariz. 420 (Ariz. Ct. App. 1993).

Finally, the Protest's reliance on past correspondence regarding the Resolution Copper project is entirely misplaced and misleading. The two situations are far from "identical." The Department's concerns related to the Resolution Copper project focus on the withdrawal of groundwater that could affect the Superstition Vistas Planning Area. In contrast, Copper World's use of the 160 acre auction parcel that is the subject of this auction for tailings management would not diminish the local aquifer.<sup>5</sup> Further, the well field for Copper World is located over eight miles to the west and Copper World has committed to mitigating its groundwater pumping by recharging water from the Central Arizona Project. There is absolutely no reason for the Department to believe that the sale of this parcel to Copper World – if Copper World is the successful bidder at auction – would affect the value of its other land by lowering groundwater levels. Consequently, there is no need for the Department to dedicate additional time and resources to conduct further analysis for this auction.

In summary, the Protest attempts to challenge a legally finalized appraisal, fails to identify any unlawful "auction terms," relies on inapplicable urban planning statutes, and misconstrues the Department's comments on the Resolution Copper Project. If any party truly believes the current appraisal fails to capture the parcel's "true value," the public auction represents the ultimate market-driven venture to determine that price in a transparent, competitive forum.

Respectfully, the Protest should be dismissed in its entirety, and the auction should proceed as scheduled.

Sincerely,



Robert D. Comer  
Executive Director  
Copper World LLC

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<sup>5</sup> SSSR and its counsel are well aware of this as they filed comments on the Aquifer Protection Permit Issued to Copper World by the Arizona Department of Environmental Quality.

ARIZONA  
STATE LAND  
DEPARTMENT

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