

COMPLETE APPRAISAL – SELF-CONTAINED REPORT

MARKET VALUE APPRAISAL OF THE
VACANT 7.7463 ACRES OF
UNDEVELOPED LAND ON THE
SOUTHEAST SIDE OF HISTORIC ROUTE
66 – ONE MILE SOUTHWEST OF
MOHAVE AIRPORT DRIVE NEAR THE
KINGMAN AIRPORT,
MOHAVE COUNTY, NEAR KINGMAN,
ARIZONA

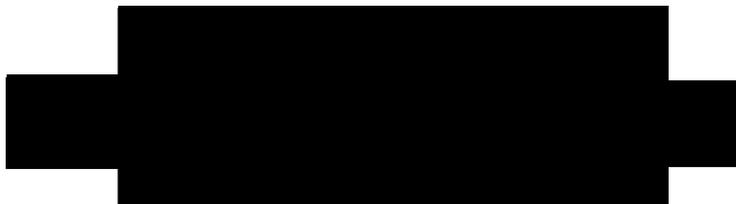
PREPARED FOR
ARIZONA DEPARTMENT OF TRANSPORTATION,
RIGHT OF WAY OPERATIONS,
CONSULTANT CONTRACTS
205 SOUTH 17TH AVENUE, RM. 309, MD 612E
PHOENIX, ARIZONA 85007

ATTN: MR. STEVE TROXEL
CONTRACT OFFICER
PROJECT: 999-SW-000/HO89301R,
HIGHWAY: STATEWIDE EXCESS LAND/ KINGMAN-ASHFORK
SECTION: KINGMAN – AIRPORT SECTION
EXCESS LAND PARCEL #L-K-025
CONTRACT: SCC05000338 #TO-08-023
PURCHASE ORDER PG UF5200

EFFECTIVE DATE: DECEMBER 4, 2008

MFVS FILE NO. 08319

PREPARED BY





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December 9, 2008

OPERATIONS SECTION
RIGHT OF WAY GROUP

Arizona Department of Transportation,
Right of Way Operations,
Consultant Contracts
205 South 17th Avenue, Rm. 309, MD 612E
Phoenix, Arizona 85007

Attn: Mr. Steve Troxel

RE: PROJECT: 999-SW-000/HO89301R,
HIGHWAY: STATEWIDE EXCESS LAND/ KINGMAN-ASHFORK
SECTION: Kingman – Airport Section
EXCESS LAND PARCEL #L-K-025
CONTRACT: 
PURCHASE ORDER PG UF5200

At your request and for the purpose of estimating its market value, we have made relevant investigations and have inspected the above-referenced property. We previously appraised this property for ADOT with an effective date of June 13, 2007.

The property is legally and otherwise described in the attached report containing data and discussions from which, together with our experience as appraisers, the value estimate was formed. This report has been prepared in accordance with the appraisal reporting guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) as established by the Appraisal Foundation, and the Standards of Professional Practice as defined by the Appraisal Institute. It is also intended to comply with the appraisal guidelines of the Arizona Department of Transportation.

After considering all of the facts available to us, subject to the underlying assumptions and limiting conditions contained herein, it is our opinion that the fee simple estate in the subject parcel had a market value, as of December 4, 2008, of

\$472,000

Sincerely,

EXECUTIVE SUMMARY

Location: The southeast side of Historic Route 66 – one mile southwest of Mohave Airport Drive near the Kingman Airport, Mohave County, near Kingman, Arizona

Assessor's Parcel No.: A part of book 310 map 21 without a specific parcel number

Effective Date: December 4, 2008

Interest Valued: The fee simple estate

Parcel Size-
Frontage on Historic Route 66 – 600.00 feet
Depth – 562.38 feet
Northeast to southwest along railroad – 600.00 feet
Total net area – about 337,427 square feet, or **7.7463** acres

Dimensions and areas are from exhibits provided to us by the Arizona Department of Transportation, Right of Way Operations.

Zoning: The site is not zoned but is designated for Light Industrial use on the General Plan. Light Industrial zoning is the most probable zoning for subject. The property is being used by an adjacent property owner for a material storage yard.

Improvements: The property is unimproved.

Total "As Is" Value Conclusion: \$472,000

Exposure Time: Estimated at one year

Marketing Time: Estimated at one year

TABLE OF CONTENTS

PREFACE

LETTER OF TRANSMITTAL	
EXECUTIVE SUMMARY	
TABLE OF CONTENTS	

INTRODUCTION.....	1
General Description of the Property	1
Legal Description	1
Purpose of the Appraisal	1
Intended User and Use of the Appraisal	1
<i>Parcel Photograph</i>	2
Scope of the Appraisal	3
Property Rights Appraised	3
Definitions.....	4
Property Ownership and Recent History	5
Competency	5
STATE OF ARIZONA	6
<i>Arizona Map</i>	10
CITY OF KINGMAN AND MOHAVE COUNTY OVERVIEW	11
<i>Aerial Photograph</i>	14
NEIGHBORHOOD DATA	15
Kingman Airport and Industrial Park.....	15
<i>Aerial Photograph</i>	16
<i>Kingman Airport Map</i>	19
<i>Kingman Airfield and Industrial Park Map</i>	20
PROPERTY DESCRIPTION	21
Site Data and Description	21
<i>ADOT Vicinity Plan</i>	22
<i>Mohave County Land Use Map</i>	24
<i>Flood Map</i>	25
Property Taxes and Assessor's Values	27
HIGHEST AND BEST USE	28
As If Vacant	29
VALUATION PROCESS.....	30
LAND SALES COMPARISON APPROACH	31
<i>Land Comparison Summary</i>	37
<i>Land Comparison Map</i>	37
Land Value Discussion	38
VALUE CONCLUSION	45
Marketing Period.....	45
CERTIFICATION.....	46

TABLE OF CONTENTS – CONTINUED

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS47

ADDENDA

LEGAL DESCRIPTION
SUBJECT PHOTOGRAPHS
CONTRACT LETTER
QUALIFICATIONS

INTRODUCTION

General Description of the Property

The subject is a 7.7463-acre (337,427-square-foot) parcel on the southeast side of Historic Route 66 – one mile southwest of Mohave Airport Drive near the Kingman Airport in Mohave County, near Kingman, Arizona. The property is vacant ADOT excess land.

Legal Description

A copy of the legal description is included in the addenda. It is in the southwest quarter of Section 27 Township 22 North, Range 16 West of the Gila and Salt River Base and Meridian, Mohave County, Arizona.

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value, as of December 4, 2008, of the fee simple estate in the above referenced property. We previously appraised this property for ADOT with an effective date of June 13, 2007.

Intended User and Use of the Appraisal

This report is intended for use only by the Arizona Department of Transportation in making asset disposition decisions. Use of this report by others, or for any other use, is not intended by the appraisers.

Scope of the Appraisal

The scope of the appraisal required investigating sufficient data, relative to the subject, to derive an opinion of value. The depth of the analysis was intended to be appropriate in relation to the significance of the appraisal problem. We have had discussions with Thomas Carter, Director, Economic Development, Kingman Airport Authority, Inc. who is marketing land in the Kingman Airport Industrial Subdivision. We made a physical visit to the property on December 4, 2008 and have also gathered information on the neighborhood to determine its physical features and recent development patterns. A search of public records was completed to ascertain the current and historical assessment and ownership data regarding the property and other similar properties in the area. We have researched for recent unimproved potential industrial land and commercial land sales in the subject market area. The sources used in research for this report include, but are not limited to, the following:

- Planning and Zoning Department of Mohave County, near Kingman
- Mohave County Assessor's, Treasurer's and Recorder's websites
- Real Quest, a First American Real Estate Solution service
- LoopNet
- Wardex multiple listing service

The subject's current physical and legal condition, its background and history were researched with all due diligence expected of professional real estate appraisers in the course of performing appraisal services. The appraisers have attempted to analyze the property as seen through the eyes of the hypothetical "most probable" buyer. The market area was examined to determine existing and proposed inventory, demand, and the marketability of properties comparable to the subject.

The scope of this appraisal is not limited in either research requirements or reporting standards. This appraisal has been prepared to comply with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 et seq.); the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Foundation; and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It is also intended to comply with the appraisal guidelines of Arizona Department of Transportation

Property Rights Appraised

The fee simple estate is under study.

Definitions

Market Value, as specified by the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation (FDIC) in compliance with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989, is as follows:

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

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

Fee simple estate is defined as:

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

Market value "As Is" is defined as:

An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions or qualifications as of the date of inspection.

¹ *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, (Chicago, Illinois: 2002), p. 113.

Property Ownership and Recent History

The owner of record is

Arizona Department of Transportation

The current owner has owned the property since 1933 when it was acquired from the railroad developer. The property is currently listed for \$810,000, or the equivalent of \$2.40 per square foot.

Competency

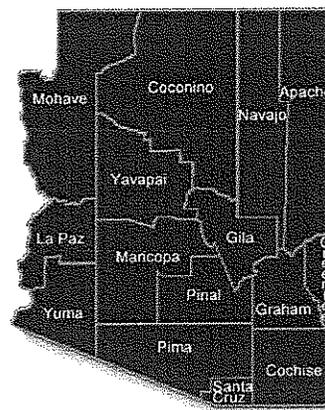
[REDACTED] has appraised unimproved potential industrial land and commercial land in the subject market area and throughout Arizona on many occasions. A copy of his qualifications is included in the addenda.

STATE OF ARIZONA

This section is intended to provide general information on the state of Arizona as well as information on environmental, governmental and socio-economic factors that influence growth.

Geography and Physical Characteristics

Arizona is in the southwestern portion of the United States and borders Utah to the north; New Mexico to the east; Sonora, Mexico to the south; California to the west; and Nevada to the northwest. It consists of more than 113,400 square miles of land area and is the sixth largest state in the nation.



Arizona has a variety of topographies and climates. The northeast portion of Arizona primarily is high plateaus and is cold and dry. Mountain ranges extend from the northwest to the southeast of the state. Deserts and low mountain ranges cover the southern half of Arizona and are warm and dry. The deserts and low mountain ranges contain most of Arizona's population due to their climate and developable land.

Population Characteristics

Among the fastest growing states in the nation are **Arizona** and Nevada. Growth typically is due to the following factors: availability of employment; availability and location of resources; competitive cost of doing business; relatively low cost of living; economic and governmental incentives; access to other cities and regions; climate and lifestyle amenities; quality of public education and strength of universities; and quality of public leadership.

According to the Arizona Department of Economic Security (ADES), Arizona had the following population:

<u>Population</u>	<u>Year</u>	<u>Average Annual Rate of Increase</u>
2,716,546	1980	
3,665,228	1990	3.0%
4,764,025	1998	3.3%
4,924,350	1999	3.4%
5,130,632	2000	4.2%
5,472,750	2002	3.3%
5,629,870	2003	2.9%
5,832,150	2004	3.6%
5,939,292	2005	1.8%
6,305,210	2006	6.2%
6,500,194	2007	3.1%

The Phoenix and Tucson metropolitan areas contain most of Arizona's population. By 2055, Arizona population is expected to reach 13,340,646, a 260% increase over 2000.

Economic Characteristics

Manufacturing in Arizona is heavily concentrated in just a few of the 20 major sectors. The three largest sectors are all high technology operations. The largest of these sectors was electronic, the second largest sector was transportation equipment; printing and publishing employed the third largest number of workers.

The top ten companies in the *Arizona Republic* 100 list for 2006 of the largest employers reported 140,662 workers this year. That's an 8.5% increase over the worker number reported by the top 10 companies a year ago.

Rank	Company	Products/business	FTE employees in Arizona
1	Wal-Mart Store Inc.	Discount Stores	25,969
2	Banner Health	Health Care	19,662
3	Honeywell International Inc.	Aerospace Manufacturing	12,500
4	Wells Fargo & Co.	Financial Services	11,800
5	Intel Corp.	Semiconductor Manufacturing	10,900
6	Raytheon Co.	Missile Manufacturing	10,641
7	Bashas' Supermarkets	Grocery Stores	9,966
8	Home Depot Inc.	Home Improvement	9,600
9	Kroger Co.	Grocery Stores	9,340
10	JP Morgan Chase & Co.	Financial Services	9,263

Cities

Large cities within Arizona include Flagstaff in the north; Prescott, Phoenix, Scottsdale, Tempe and Mesa in central Arizona; Tucson and Nogales in the south; Sierra Vista and Douglas in the southeast portions; and Yuma in the southwest. Phoenix is the capitol of Arizona. As noted earlier, the Phoenix and Tucson metropolitan areas contain most of the population.

Highways

Interstate 8 travels east and west from Interstate 10 at Casa Grande between Phoenix and Tucson and on through Yuma to San Diego, California. Interstate 10 extends east and west through Tucson and Phoenix to Florida on the east and Los Angeles, California on the west. Interstate 17 extends north and south to Flagstaff from Phoenix, while Interstate 19 extends north and south between Tucson and Nogales. Interstate 40 travels east and west through Flagstaff on to New Mexico and California. Interstate 10 is the only interstate route that is snow free and open from the east to the west coast year round.

Higher Education

The higher education picture in Arizona has been markedly altered with the advent of Michael Crow, who was hired away from Columbia University in 2003 and installed as President of Arizona State University. Dr. Crow's vision anticipates a positive, non-competitive relationship between the three state universities with shared strategies in order to educate the state's burgeoning population. In September 2005 Dr. Crow introduced a three-prong approach for ASU in the Valley, dispensing with a main campus and instituting four campuses with differing strengths and student populations:

- ASU at the West campus, *Creative Excellence*, will grow from today's 7,400 students to 15,000 with a balance between a traditional liberal arts education and responsiveness to the needs of the workforce including teaching and trans-disciplinary research;
- ASU at the Downtown Phoenix campus opened in August 2006 and additional construction is underway. The campus was built to encourage economic development and develop partnerships with downtown business, the city and its neighborhoods, revitalizing the historic urban core of Phoenix;
- ASU at the Tempe campus, *Empowering Global Competitiveness*, will continue to serve close to 50,000 students and be a trans-disciplinary academic community including the natural and social sciences, engineering and professional schools as well as maintaining its regional venues for cultural and athletic events;
- ASU at the Polytechnic campus, *Building Competitiveness for the Region*, focuses on integrating applied science and technology and serving up to 15,000 students on its 600-acre campus, former site of Williams Field Air Force Base. Dr. Crow envisions this campus offering state-of-the-art facilities in the fast growing East Valley, preparing Polytechnic campus graduates to enter the workforce directly, as well as promoting collaboration between business, industry and education.¹



The bonds which were passed in the spring of 2006 ensured the necessary funding for these projects to move forward.

In addition to Arizona's public universities, it is home to Thunderbird, the Garvin School for International Management, now named for Sam Garvin who donated \$50 million to the graduate school in 2003. Thunderbird is the only post-graduate school in the United States devoted exclusively to training men and women for international management careers and is consistently ranked by *U.S. News & World Report* as the number one school in the nation for international management. The school is similarly heralded world-wide by foreign, notable publications.

¹ Excerpts from Arizona State University Executive Summary, September 2005

In the private, for-profit sector, the Valley is headquarters of the hugely successful and acclaimed Apollo Group, Inc. which runs national universities under the name University of Phoenix. The founder, John Sperling, recognized 20 years ago that adults would be clamoring for updated and new skills while working, needing evening classes honed to their age, experience and talents. Previously, colleges for adults were simply undergraduate courses taught at night. The streamlined courses taught by real-world, carefully screened and educated business people have made a major contribution to the ability of the American workforce to transition to new technology and skills while continuing to earn a living.

Attractions

Arizona has the Colorado River, the Grand Canyon, ghost and old western towns, the newly opened Karchner Caverns near Bisbee, enumerable golf courses, Lake Powell, Indian reservations, Indian ruins, national monuments and parks, many of the highest ranked and most desirable resorts and spas in the country, and two major southwestern cities.

Summary

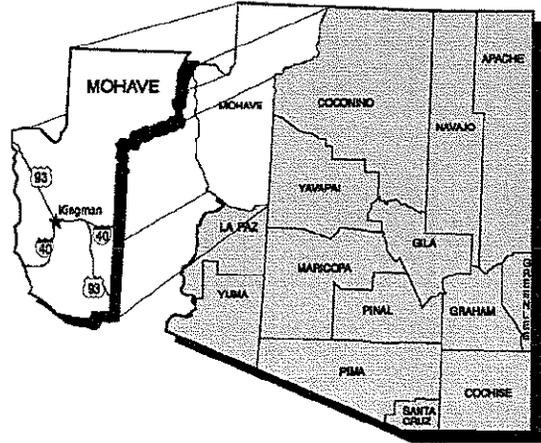
Arizona has been a top performer in job growth for many years and is expected to continue this level of performance for the foreseeable future.



CITY OF KINGMAN AND MOHAVE COUNTY OVERVIEW

Geography and Physical Characteristics

Mohave County is located in the northwest corner of the state. The city of Kingman is the County Seat. Mohave County is 13,479 square miles in area, of which 186 square miles are water, with approximately 1,000 miles of shoreline along the Colorado River. Both the City and County experienced steady growth through the 1980's and 1990's. Growth in the 90's was about 65.8 percent in the county and 57.8 percent in the city. As of the 2000 census, Mohave County had a population of 155,032 and Kingman, 20,069. As of July 2007, the Department of Economic Security reports a population 204,122 and 28,635, respectively. The City of Lake Havasu City is the largest community in Mohave County, with a July 2007 population of 55,263. Other communities include Bullhead City, New Kingman/Butler CDP, and Colorado City. The Colorado River runs westward across the northern portion of Mohave County, then forms the western border of Mohave County as it runs southward toward the Gulf of California in Mexico. The county is the second largest in the state, with its neighbor to the east, Coconino County as the largest.



Mohave County was established as a county in 1864 by the 1st Territorial Assembly, and includes areas that were once a part of Nevada and a now demised county named Pah-Lite. A lot of the early historic sites in Mohave County are now drowned in the waters of Lake Mead. Settlers began arriving in what is now Mohave County shortly after it became part of the United States by the Treaty of Guadalupe Hidalgo in 1848. In the 1860's gold was discovered bringing an influx of miners and support persons, as well as Mormons sent from Utah by their church. Mining led to a succession of county seats for Mohave County as the communities of Mohave City, Hardyville, Cerbat, and Mineral Park were established, and then died out as the mining ores were exhausted. Kingman was founded in 1880 when the railroad came through Mohave County, and was made the county seat in 1887.

The principal economic activities in Mohave County are Trade and Services, Government, Manufacturing, and Construction. The county has medical centers in Kingman, Lake Havasu City, and Bullhead City. Continued education is available in these cities as well as Colorado City. Interstate 40, U.S. Highway 93 State Highways 68, 95 and 389, and a sizeable portion of the remaining roadway of historic Route 66 serve Mohave County. Greyhound Bus service is available and four flights daily (less on weekends) to Phoenix from Kingman Airport, and more flights to other places from Lake Havasu City Airport and Laughlin Bullhead International Airport. Amtrak service is also available in Kingman.

Interstate 40 is a four-lane divided freeway that runs from Barstow, California to Winston-Salem, North Carolina. U.S. Highway 93 is primarily a two-lane highway running from Phoenix and northward to the Canadian border in Northern Montana. It runs northwest from the Yavapai County line to Hoover Dam across the Colorado River in the northwest corner of Mohave County. The portion of U.S. Highway 93 from Kingman to the Lake Mead National Recreation Area is a four-lane, divided highway. State Highway 68, also a two-lane highway, runs westward from Golden Valley northwest of Kingman to the California line at Bullhead City. State Highway 95 a two-lane highway, runs northward from San Luis on the Mexican border south of Yuma through Lake Havasu City and ends in Bullhead City. State Highway 389 a two-lane highway, runs east from the Utah line at Colorado City to U S Highway 89 at Fredonia just across the line of Coconino County. Historic Route 66 was once part of the major east-west corridor that is now Interstate 40. The portion in Mohave County runs east from Topock on the Colorado River to the Yavapai County line east of Peach Springs.

The City of Kingman is located in the southern central portion of Mohave County about 30 miles east of the Colorado River, 68 miles west of the Yavapai County line, 75 miles north of the La Paz County line and 130 miles south of the Utah line at Colorado City. Kingman is on the eastern side of the Hualapai Mountains that runs northwesterly to southeasterly through the western portion of Mohave County. From the City of Kingman, the Hualapai Mountains in the west rise to an altitude of 8,417 feet on Hualapai Peak. To the east are the Music Mountains, the Peacock Mountains Cottonwood Cliffs, and the Aquarius Mountains. At an altitude of about 3,334 feet, Kingman offers a milder but windier climate than Phoenix 186 miles to the southeast, or Tucson, 297 miles southeast.

The average daytime temperature in Kingman is approximately 62 degrees in the winter, and in the summer about 87 degrees. The climate is arid, characterized by warm to hot summers and mild to cool winters. Annual average rainfall is 9.79 inches. This relatively moderate climate makes Kingman a prime locale for summer and winter vacations and tourism, which also contribute to the local services real estate and construction sectors.

The police and fire departments for Kingman are well equipped and have expanded to meet the growth of the city. The Mohave County Sheriff's Department is equipped to patrol the county and fire protection is provided to the populated places in the county. The Arizona Department of Public Service, Mohave County Sheriff's Department, and the Kingman Police Department patrol the highways and enforce the laws.

Mohave Community College and Northern Arizona University-Mohave have educational opportunities in the Kingman area, as well as the other cities in Mohave County, and are offering a quality education in many technical and general professions.

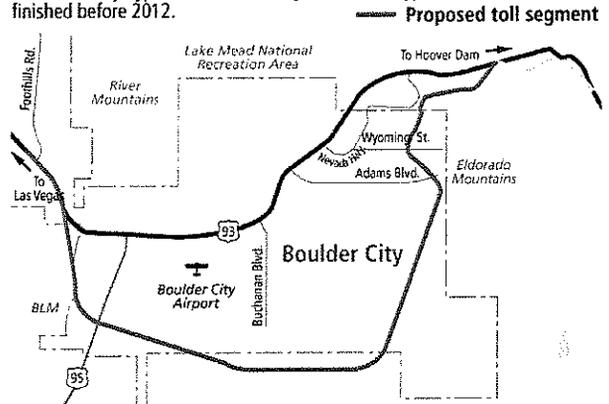
The economy of Kingman is relatively stable due to a wide variety of employers. Companies such as American Woodmark, General Cable, North Star Steel and Guardian Industries provide manufacturing jobs. Kingman Regional Medical Center, Citizens Utilities, and Tru*Serv Distributors are other private sector employers. In November 2007, Chrysler took over Ford's proving grounds approximately 25 miles southwest of Kingman. Around 2,000 vehicles will be tested each year with 75 to 100 people expected to be employed. The facility started operating for limited testing in May 2008. Mohave County and the school districts offer the majority of the public sector jobs. In addition, Wal-Mart has an 800,000-square-foot distribution center planned approximately 10 miles south of Kingman off of Interstate 40. Mohave County is the single largest employer.

MedCath Corp., which has an ownership interest in Arizona Heart Hospital in Phoenix, broke ground in January 2008 on a new 106-bed hospital that will open with 70 private rooms and shell space for 36 more rooms later. The project, known as Hualapai Mountain Medical Center, is located on Santa Rosa Drive between Interstate 40 and Airway Avenue and is scheduled to open in the Fall of 2009 at a cost of \$68.5 million. The hospital will have a 24/7 emergency department with 22 beds, heart services, inpatient and outpatient surgery, intensive care, imaging, laboratory and pharmacy.

A significant construction project that is impacting the perception of Kingman's convenience to the Las Vegas area is the \$234 million dam bypass bridge that is on track for completion by mid 2010. The security and winding road issues of the old access has been a primary obstacle for anyone attempting to commute from the Kingman area to Las Vegas. Delaying the efficient use of the bridge is the lack of a simultaneous opening of the Boulder City highway bypass, a \$350 million project yet to be designed or funded. Some believe a dam bypass without the city bypass will simply move the traffic choke point from the dam to Boulder City, gridlocking locals, and voiding the potential advantage of the bridge. It reportedly takes up to eight years to design and construct such roads, though an expedited project could be done more quickly.

Boulder City toll proposal

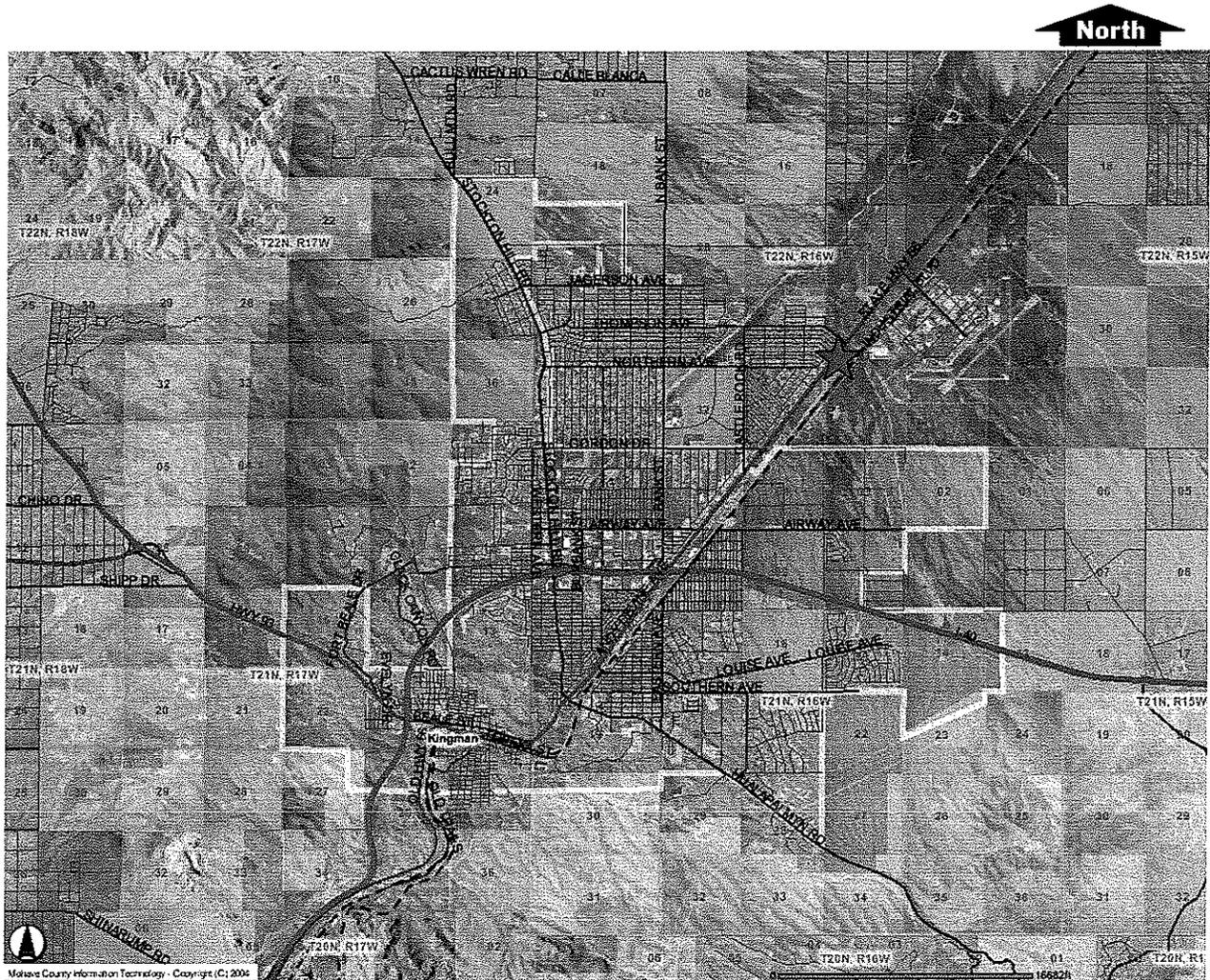
Assemblyman Joe Hardy, R-Boulder City, is proposing legislation that would allow the state to enter into a public-private partnership to construct a Boulder City bypass toll road. Hardy doubts the bypass could be finished before 2012.



SOURCE: Nevada Department of Transportation

MIKE JOHNSON/REVIEW-JOURNAL

Aerial Photograph



In summary, Kingman and Mohave County are a desirable location in the state of Arizona. The climate, area attractions, and Interstate, rail and air access to the southwestern United States, especially California and Nevada, make it an important manufacturing center for the state and the west. The area also benefits from the tourism and hospitality sectors. Kingman's economy has followed the economic expansion that occurred in the state's urban centers. The city is addressing the problem of balancing of economic growth needed by the citizens with the desire to retain a good quality of life for the area. The City of Kingman's future will continue to benefit from the growth occurring in the Phoenix metropolitan area, and its neighbor to the northwest, the Las Vegas metropolitan area. It will also remain sluggish until these areas recover from their economic slump.



NEIGHBORHOOD DATA

Kingman Airport and Industrial Park

The subject property is located adjacent to the Kingman Airport Industrial Park and the Kingman Airport. Properties in this 4,000-acre area provide the largest concentration of existing industrial facilities, employment and potential for continued growth in the Kingman area.

Kingman Airport:

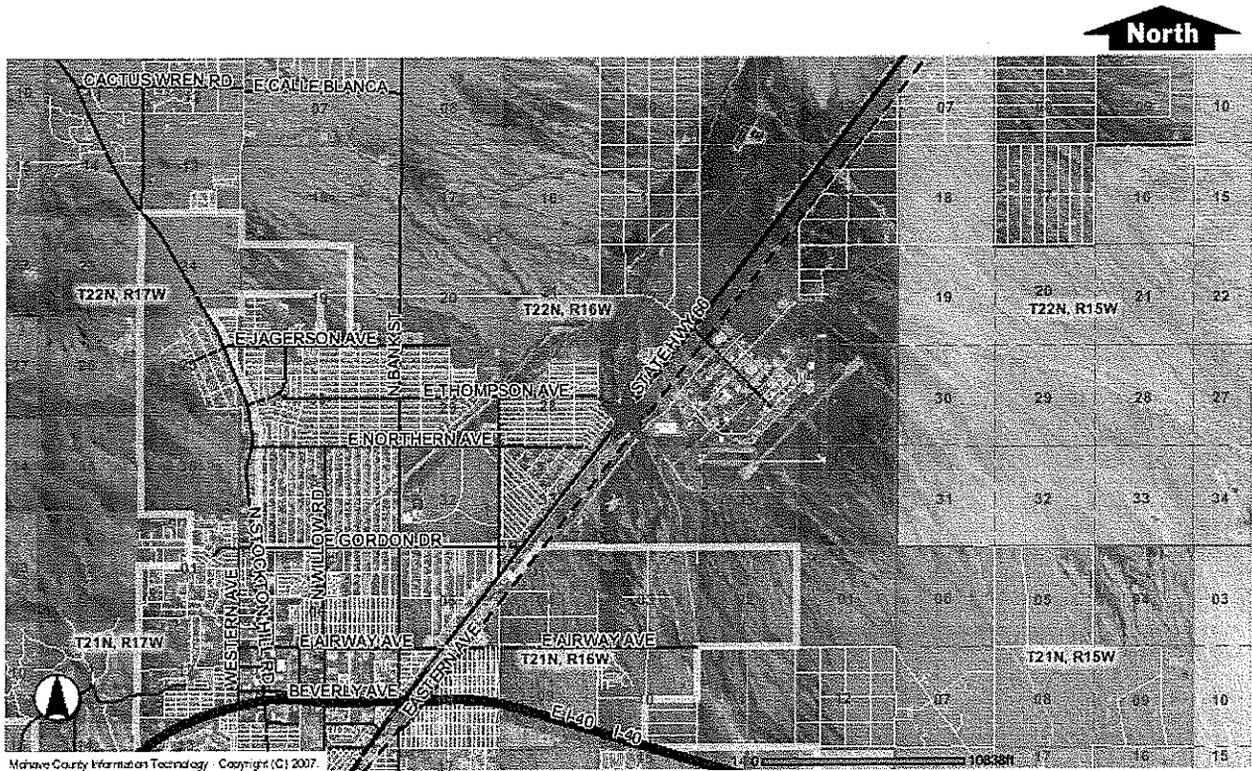
The airport is owned by the City of Kingman, and is located northeast of the city approximately 8 miles from downtown Kingman.

Kingman Airport was established as an Army Air Base in 1941 as a bomber training facility for the Second World War. Its site was chosen due to its location in a sparsely populated area with a great deal of available federal land for bomb targeting practice and gunnery accuracy training. After the war the base was used as a storage and disposition facility for thousands of aircraft no longer needed by the military. Due to the dry weather in Arizona, aircraft storage has become a common occurrence at various sites. That has led to the current use of Kingman Airport as an aircraft storage facility. In 1946, the airport was transferred to Mohave County, then to the City of Kingman in 1992, for a dollar.

The Airport airfield facility is comprised of 1,000 acres. There is another 1,900 acres of vacant land that is designated as part of the airfield by the FAA that could eventually be released and used to expand the industrial park when demand warrants. The two paved runways are 3/21, 6,831 feet in length, and 17/35, 6,723 feet in length. Lighting, communications and nav aids are available 24 hours a day. There is a terminal facility built in the 1940's, which is 2,730 square feet where passenger service is offered by Mesa Airlines dba Air Midwest. Rental cars are available at the terminal and there is a full service restaurant in the terminal. There is ample public parking near the terminal building. The airport has two FBO's offering aircraft maintenance, service and flight training.

Accessibility to the airport is judged as good. A two-lane asphalt-paved street, Mohave Airport Drive, which runs through the industrial park to the terminal facility from State Highway 66, services the airport. This intersection is traffic signal controlled. A copy of a northwest Kingman, Mohave County GIS aerial photograph is included on the next page.

Aerial Photograph



Capital improvement projects at the airport and industrial park are ongoing and a current project includes the planned opening of additional acreage in the industrial park and possible extensions of railroad lead lines. Annual aircraft operations are about 61,000. Enplanements are about 2,000 per year. Currently there is about 273 aircrafts based on the field. However, an air cargo facility is planned as part of the future airport expansion. About 90 general aviation aircraft are based at the subject airport.

Kingman Airport Industrial Park:

The Kingman Airport Industrial Park was originally part of the Kingman Airport. The property was removed from the Airport Layout Plan in 1980 and developed as an industrial park. Since the industrial park was originally Federal airport land, the FAA requires that all profits from the sale of land at the park be used by the Kingman Airport Authority for airport improvement projects. Purchasers at the subject industrial park are required to construct their building within one year. Also, the purchaser typically agrees to hire a certain number of employees.

The Kingman Airport Industrial Park has evolved into a major industrial site providing employment to many residents of Mohave County. Phase 1 of the industrial park comprises about 1,020 acres with various sizes of sites available, with many of the streets paved. A Phase 2 is planned for another 1,200 acres. Currently all of the rail-served properties in Phase 1 have been sold however there are plans for developing more sites with rail access.

The Kingman Airport Industrial Park is home to about 85 businesses in over 4 million square feet of building with a total of about 2,400 employees. Occupancy as of December 2008 is reported to be about 95%. Major employers include manufacturers, distributors of goods, energy and materials; and service firms. Some familiar and some large user names include Tru*Serv, Fed Ex, UPS, Laidlaw Corporation, Guardian Fiberglass, Allied Signal/Honeywell, Pepsi Cola and Goodyear. The Kingman Airport Industrial Park is the largest concentrations for employment and economic activity in Mohave County. Over 500 acres of land has been sold or leased at the park and this area has evolved into the major industrial hub for the Kingman area.

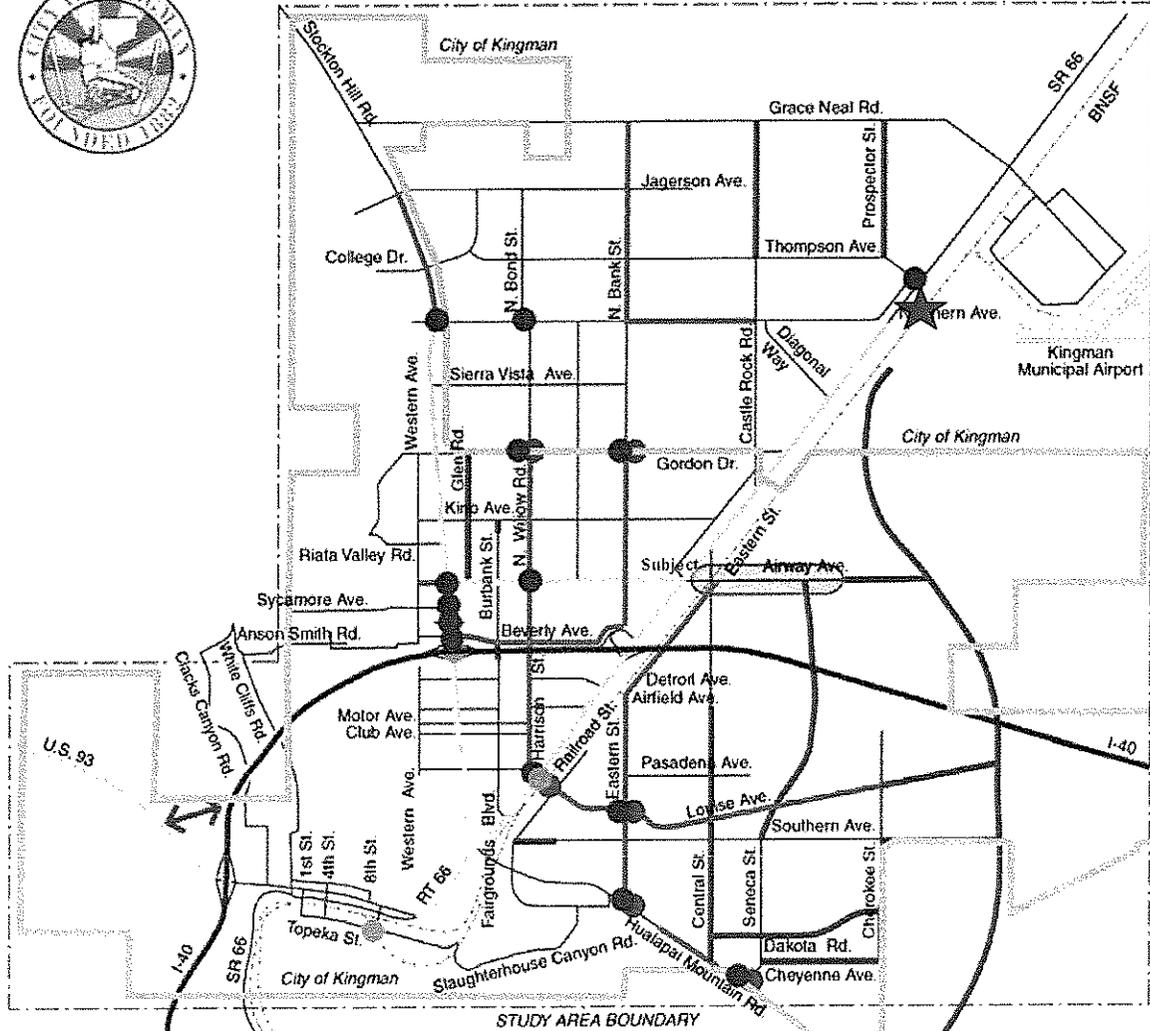
Access to the Kingman Airport Industrial Park from Interstate 40 is about 5 miles east along Route 66. Planned improvements include an interchange and road from the Rattlesnake Wash area directly to the west side of the airport from Interstate 40. This roadway would extend north to a point just south of the subject ADOT parcel but south of the railroad tracks. No crossing of the tracks is anticipated at this time. Another freeway interchange is planned farther west at the Kingman Crossings. This interchange will likely be privately funded versus the public funding anticipated for the Rattlesnake Wash interchange. We are not aware of construction timing for either of these developments.

There is a new industrial development in Mohave County about 12 miles southwest of Kingman just west of I-40. This project opened about eight years ago. There is no sewer service. Rail service is only available from a nearby common docking station. Due to its outlying location without airport proximity, this development is not believed to be competitive with the Airport Industrial Park. However, Wal-Mart has planned to build a regional distribution facility at this location since 2006 and the role of this area as an industrial location could change. However, as of December 2008 no construction has started although rumors persist and construction may start in 2009. The economic contribution that the airport and industrial park represent is an important factor in the economic health of Kingman and Mohave County.

In summary, the adjacent airport and industrial park make up a growing commercial and general aviation and industrial facility, which benefits from its easy access to major transportation systems and potential employees. Future airport development is planned and growing utilization of the airport and industrial park is forecast.



STUDY AREA BOUNDARY



- = Planned City Project-Airway Grade Separation
- = Direct Connection I-40 to US 93
- = Grade Separations (Rail)/Interchange Improvements
- = Intersection Improvements
- = Widen to four lanes
- = Widen to six lanes
- = Roadway Extensions/New Roadway
- = Signal Warrant Study



2023 Recommended Plan

FIGURE 4

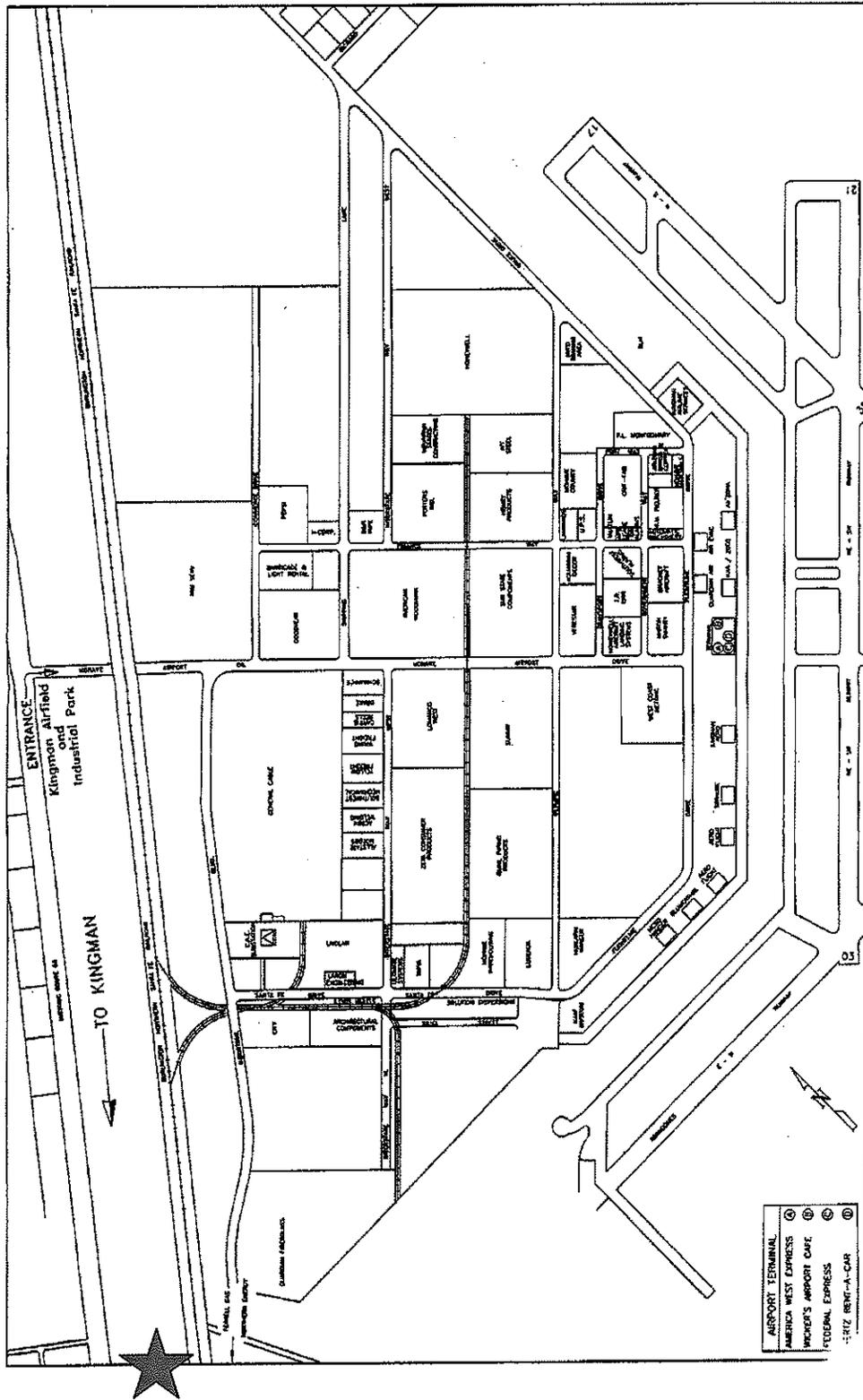
The following aerial photograph was taken in the Spring of 2005. A map showing the location of the airpark users relative to the subject is included on the page following the aerial. Land to the northeast of the subject is Rattlesnake Wash. Land to the southwest is a storage materials yard owned by ADOT and leased by Desert Construction followed by land improved with several office and outlying industrial buildings occupied by Desert Construction. Highway frontage land to the northwest, across the highway is vacant or underdeveloped except for a new Station 66 convenience store with QSR and gas station, then next northwest is a residential subdivision.

The newest subdivision in the area is the Ranch at Long Mountain, developed by a local retired doctor. Due to a 2006 slow-down in sales they reportedly have not built any new homes since November of 2006.

Kingman Airport Map



Kingman Airfield and Industrial Park Map



PROPERTY DESCRIPTION

Site Data and Description

Address/Location: The southeast side of Historic Route 66 – one mile southwest of Mohave Airport Drive near the Kingman Airport, Mohave County, near Kingman, Arizona

Assessor's Parcel No.: A part of book 310 map 21 without a specific parcel number

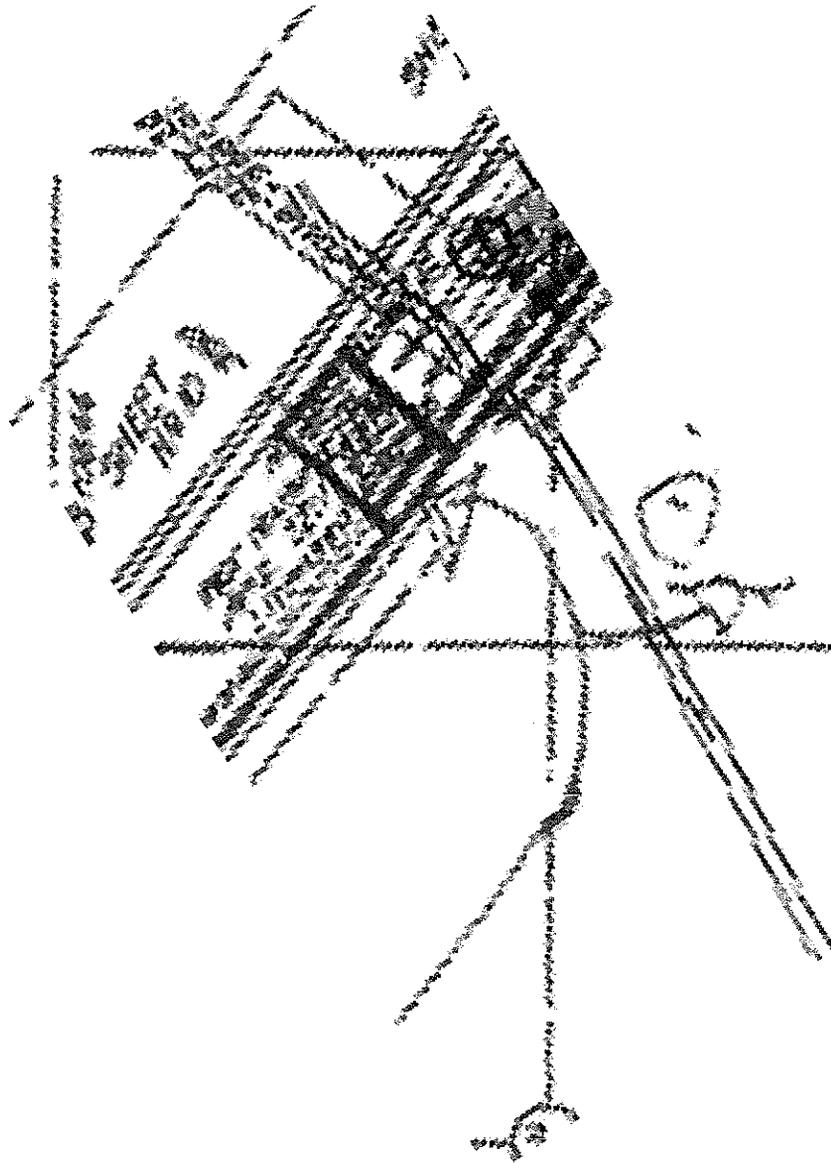
Site Area: We have been provided with a survey of the property to be appraised. A reduced copy was included earlier in this report. On the following page we have included an ADOT provided Vicinity Plan.

The parcel is a square with the following dimensions and area as provided by the ADOT survey.

Frontage on Historic Route 66 – 600.00 feet
Northeast to southwest along railroad – 600.00 feet
Maximum Depth – 562.38 feet,
Total net area – about 337,427 square feet,
or **7.7463** acres



ADOT Vicinity Plan



Zoning:

The property is not zoned. The Desert Construction property 1,030 feet southwest is zoned MX 14A. This is a Heavy Manufacturing zoning requiring a 14 acre minimum lot size. The parcel is designated Light Industrial on the Mohave County General Plan. Light Industrial includes low intensity manufacturing and warehousing with limited outdoor activity. The allowed uses are likely to be similar to but with slightly less intensity to those uses allowed within the Airport Industrial area. A copy of the Mohave County General Plan, Detailed Land Use Diagram – Kingman Area, is included on the following page.

Easements:

We have been furnished with a title report and a survey. These data and our inspection did not reveal any apparent easements.

Utilities:

A 16” city of Kingman water line runs along the southeast line of subject. There are no sewers in the immediate area. Electricity and phone service are in the immediate area. Utility services in the area are provided by:

Water	City of Kingman
Electricity	Citizens Utilities
Natural Gas	Citizens Utilities
Telephone	Citizens Communications

Flood Zone:

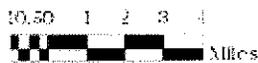
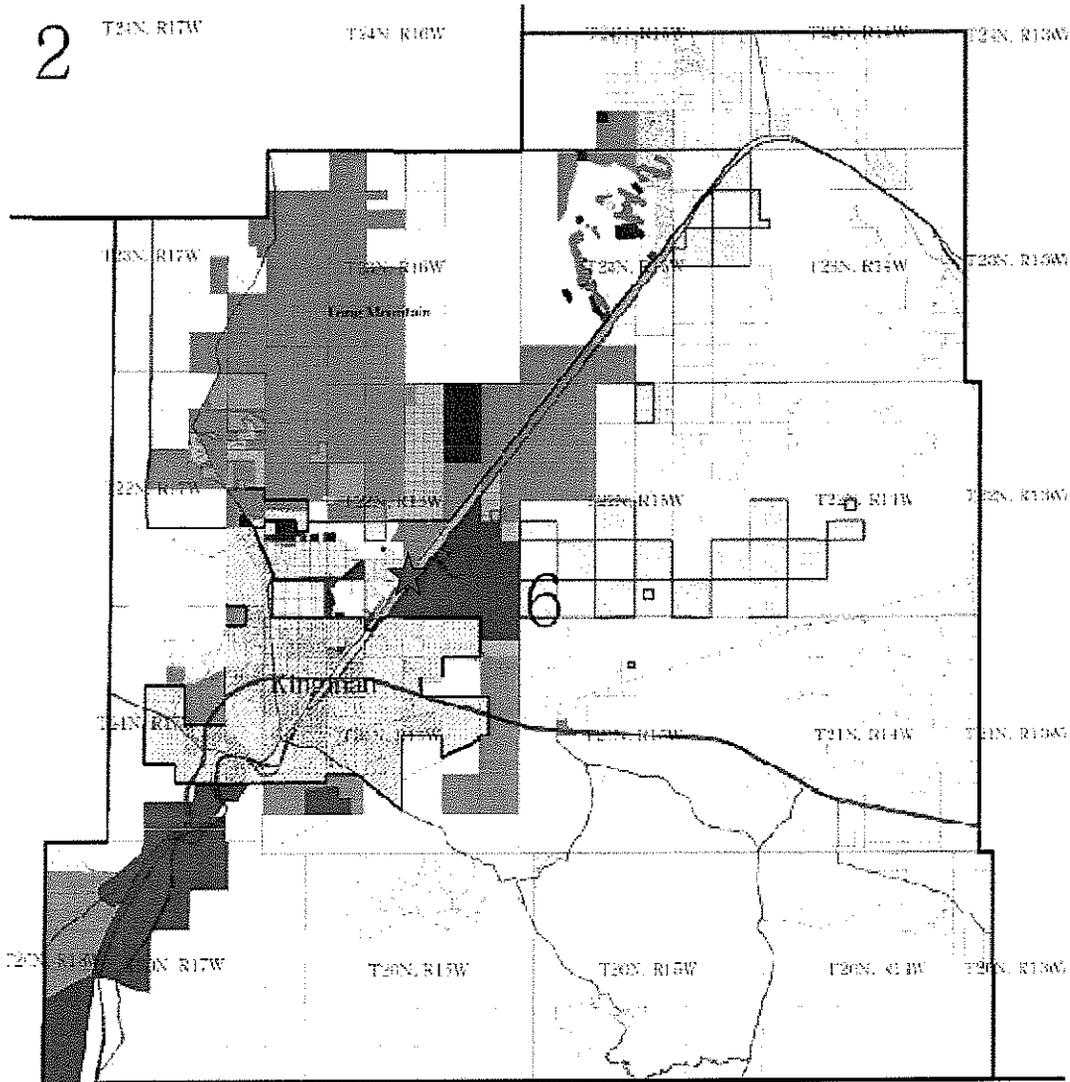
The FEMA flood hazards map No. 0400582165C, effective March 15, 1983, indicates that most of subject is within Zone C. Zone C is defined as:

Areas of minimal flooding. (no shading)

This is not a special flood hazard area and flood insurance is not required. A flood map illustrating the relative location of the flood prone areas is included on the page following next.

Mohave County Land Use Map

2



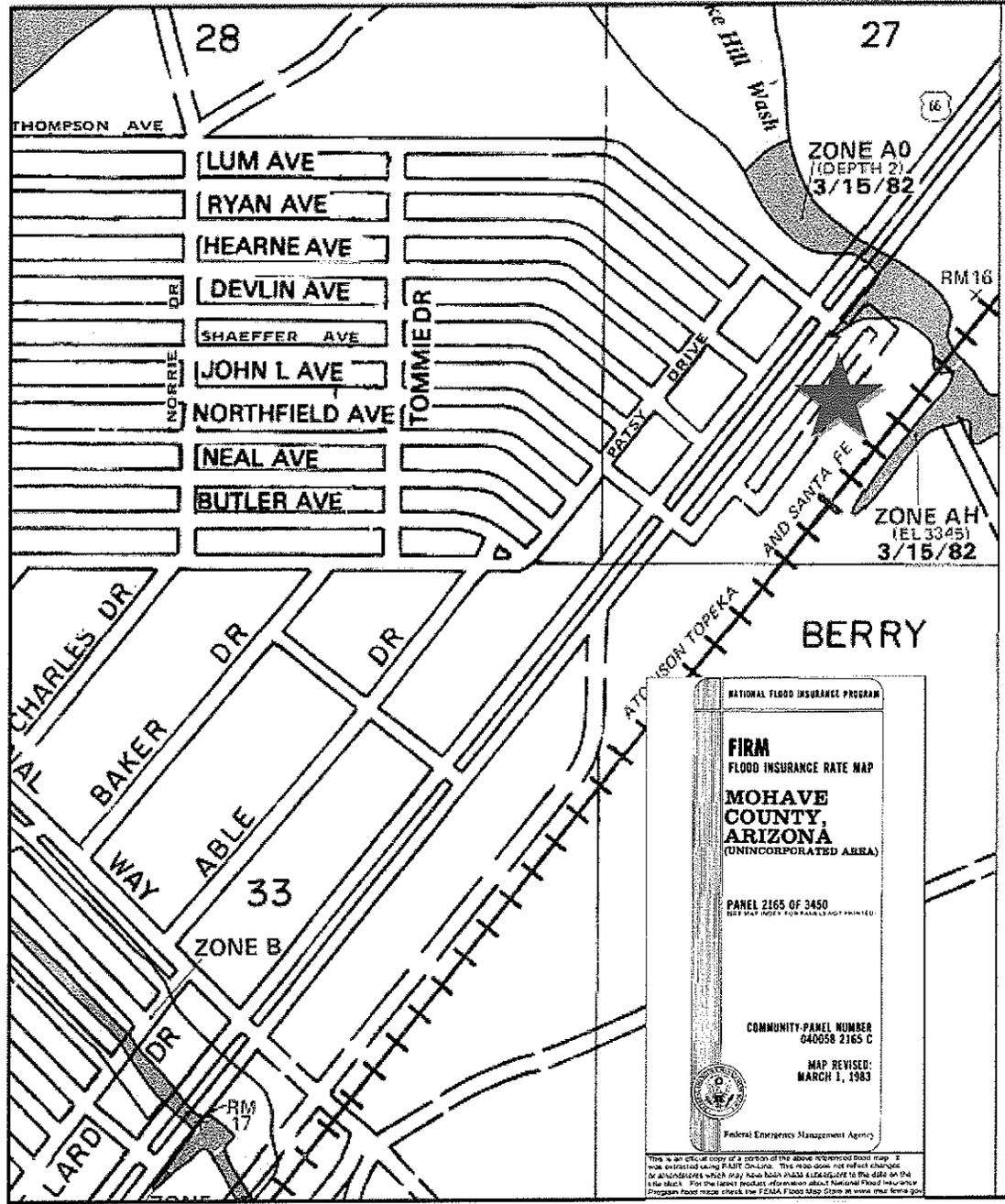
T14N, R17W	T19N, R17W	T19N, R18W	T24N, R18W	T19N, R19W	T19N, R19W
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Legend

GP_Diagram	Light Industrial	Public Parks
Land_Use	Light Industrial/PUD	Rural Development Area
Public Facilities	Low Density Residential	Rural Development Area 10
Church	Medium Density Residential/PUD	Rural Industrial
Commercial Recreation	Medium Density Residential	Suburban Development Area
EMIS	Mixed Use	Suburban Estates
General Commercial	Neighborhood Commercial	Suburban Residential
Heavy Industrial	Public Facilities	Urban
High Density Residential	Public Lands	Water Element

T19N, R19W

Flood Map



Topography and Drainage:

The property is level and at grade with the surrounding properties and roadways. No drainage problems were noted.

Soil Conditions:

No adverse soil conditions were noted; however we have not had the benefit of a soil study and we are not qualified to inspect for unusual conditions. We have assumed no significant problems exist and reserve the right to amend this report if and when a soil report is made available.

Accessibility:

Historical Route 66 at subject is a wide-median divided two lanes in each direction major highway. There are several median crossings in the subject area, one is about a quarter mile southwest of subject and another is available northeast of subject in line with Thompson Avenue. This crossing is useful for southwest bound Route 66 traffic exiting subject that would first go northeast and then make a U-Turn. Likewise, southwest bound traffic would pass subject and make a U-Turn to go northeast back to subject.

Access from Historical Route 66 will be controlled by the "District" by the permit process. Our opinions of value are predicated on there being reasonable access but recognize there would not be access from Historical Route 66 to subject's frontage.

Rail Access:

Subject is adjacent to the mainline of the Burlington Northern Santa Fe Railway. Therefore rail access may be available to subject. However the access is speculative and the cost for the switch, lead line and spurs needed would be expensive and perhaps not cost beneficial. We do not believe the potential for rail access is a measurable valuation attribute.

Visibility:

The site has good visibility from Historical Route 66.

Environmental Observations:

The appraisers were provided with an Environmental Determination prepared by ADOT Environmental Planning Group, which gave the site environmental clearance. We have predicated our value based on a site that is not contaminated.

Seismic Data: The property, to the best of our knowledge, is not in a recognized earthquake zone. Generally, the landscape of Arizona reflects relative tectonic stability.

Special Assessments: There are no bonds or special assessments encumbering the property.

Noise Compatibility: Subject is outside of the noise contour for the Kingman Airport.

Miscellaneous: The site is not in an agricultural preserve and we are not aware of any wetland areas on the subject property.

Improvements: The site is not improved.

Property Taxes and Assessor's Values

The Subject is part of book 310 map 21 without a specific parcel number. Because of its Arizona State Department of Transportation ownership the property is not currently assessed or taxed.



HIGHEST AND BEST USE

In the most recent edition of *The Appraisal of Real Estate*, the Appraisal Institute, defines highest and best use as:

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

To estimate highest and best use, four elements are considered:

1. Legally Permissible – Of the possible uses, which uses are permitted by zoning and deed restrictions?
2. Physically Possible – What uses are physically possible?
3. Financially Feasible – Which possible and permissible uses will produce a net return to the owner of the site?
10. Maximally Productive – Among the feasible uses, which use will produce the highest net return or the highest present value?

The highest and best use must be legal and probable, not speculative or conjectural. A demand for the use must exist and it must yield the highest net return to the land for the longest period.

The highest and best use of the land as if vacant and available for use may be different from the highest and best use of the improved property. This may be true when the improvement is not an appropriate use, but it makes a contribution to the total property value in excess of the value of the site. Therefore, to arrive at an estimate of highest and best use, the subject was analyzed 1) as though the site were vacant and available for development, and 2) as presently improved.

As If Vacant

Legally Permissible

The site is un-zoned but designated for light industrial uses on Mohave County's General Plan.

Physically Possible

The subject site has 600.00 feet of frontage on Historic Route 66 and contains 337,427 square feet, or 7.7463 acres. All necessary utilities are available in the area although sewers are not immediately available. Rail access may be available but is not assured and if available it would be at substantial cost to the subject owner. Virtually any urban improvement is physically possible on the site, limited only by size and sewer availability.

Financially Feasible

The subject's highway frontage, airport and industrial park proximity make subject suitable for industrial use. Its Historic Route 66 frontage provide the potential for commercial use, however subject is relatively remote from the heart of Kingman and although the area is growing, the growth has recently slowed significantly and there is extensive competing vacant land in the immediate area. When the airport grows up there will likely be need for some lodging use, but that use is premature at this time.

Maximally Productive

In light of the preceding, it is our opinion that light industrial use zoning which is consistent with the Mohave County General Plan would accommodate subject's highest and best use. The site would need sewers for intensive development which are currently not available. While the ultimate use of the subject is for industrial, the near term highest and best use is for speculative holding until market conditions improve.

VALUATION PROCESS

The estimation of a real property's market value involves a systematic process in which the problem is defined; the work necessary to solve the problem is planned; and the data required is acquired, classified, analyzed and interpreted into an estimate of value. In this process, three basic approaches, when applicable, are used by the appraisers: the Cost, Sales Comparison and Income Approaches. When one or more of these approaches is not applicable in the appraisal process, justification is presented. A brief explanation of each approach follows:

- 1) In the Cost Approach, the appraiser must first estimate the value of the subject site by comparing it to recent sales or offerings of similar sites. The reproduction/replacement cost new of the improvements, as determined by comparison to similarly constructed properties, is then estimated. Depreciation from all sources is determined and subtracted from the reproduction/replacement cost new of the improvements, to arrive at their present value. The present value of all improvements is added to the estimated site value. The result is the value indicated by the Cost Approach.

- 2) The Market or Sales Comparison Approach involves the comparison of similar properties that have recently sold or similar properties that are currently offered for sale, with the subject property. The notable differences in the comparable properties are adjusted from the subject property to indicate a value range for the property being appraised. This value range, as indicated by the adjusted comparable properties, is then correlated into a final indicated value for the subject property by this approach.

- 3) The Income Approach is the process in which the anticipated flow of future benefits (actual dollar income or amenities) is discounted to a present value figure through the capitalization process. The appraiser is primarily concerned with the future benefits resulting from net income. The steps in this approach include estimating potential gross income by comparison with competing properties and estimating expenses (derived from historical and/or market experience) to determine a projected net income stream. The income stream is then capitalized into an indication of value by using capitalization rates extracted from competitive properties in the market or by using other techniques when applicable.

The value estimates, as indicated by the direct approaches, are then reconciled into a final estimate of the property's value based on the appropriateness of each approach, the accuracy of the data and the quantity and the quality of the evidence. Because of its undeveloped status the most applicable approach for subject is the Land Sales Comparison Approach.

LAND SALES COMPARISON APPROACH

The Sales Comparison Approach utilizes a set of procedures by which an appraiser derives an indication of value by comparing the property being appraised to similar properties that have been sold recently. This is done by applying appropriate units of comparison and making adjustments to the sale prices of the comparables, based upon various possible elements of comparison.

Dollar, percentage or qualitative adjustments are then made to the sale price of each comparable property, after consideration of the real property interest involved. Adjustments are made to the sale prices of the comparables because the values of the comparables are known, while the value of the subject property is unknown. Through this comparative procedure, the appraiser estimates one or more kinds of value as of a specific date. The adjustments can be qualitative or quantitative. Because of the lack of market data concerning land with subject's combination of characteristics we have used a qualitative analysis in this appraisal.

Detailed write ups of the land comparables that have been considered in estimating the "as is" market value of the site on a direct comparison basis are included on the following pages. A summary of the comparisons and a sales map follow the detailed write-ups.

LAND SALE (1)

GRANTOR: Old Trails Delivery, Inc.
GRANTEE: Love Family, LLLP
DOCUMENT NO.: 6870-76
LOCATION: Southwest corner of Santa Fe Drive and Windrose Lane, Kingman

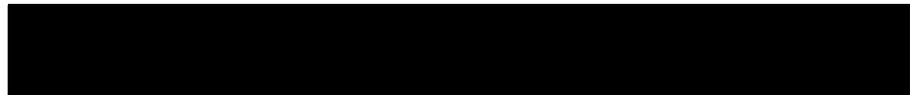


ASSESSOR'S
PARCEL NO.: 310-19-181
DATE: May 2007
LAND SIZE: Total Net Area – 152,896 square feet, or 3.51 acres
ZONING: A-D, Airport Development, Kingman
PURCHASE PRICE: \$300,000, cash
UNIT PRICE: \$1.96 per square foot

COMMENTS: This is a level vacant site with paved access, water, sewer and electricity in place. The previous owners had met all of the city development and employment requirements and this buyer is not bound by development criteria. Miscellaneous improvements on the site were either temporary structures not included in the sale used to accommodate storage on the site or had little or no contributing value.

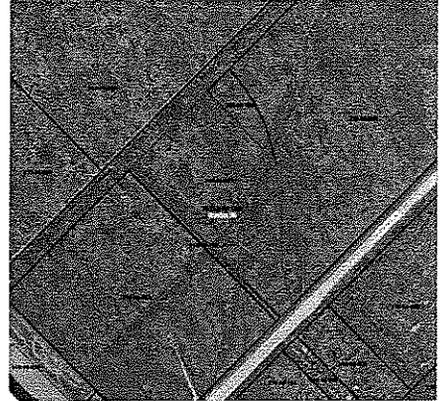
SALES HISTORY: The public records do not indicate a sale of this property within the three years prior to the sale date.

CONFIRMED BY:



LAND SALE (2)

GRANTOR: Kingman Airport Authority
GRANTEE: Realty, Inc.
DOCUMENT NO.: 6961/292
LOCATION: 9400 Commerce Drive,
Kingman



ASSESSOR'S
PARCEL NO.: 310-16-061

DATE: September 2007

LAND SIZE: Total Net Area – 182,516 square feet, or 4.19 acres

ZONING: A-D, Airport Development, by Mohave County

PURCHASE PRICE: \$273,775, cash

UNIT PRICE: \$65,340 per acre
\$1.50 per square foot

COMMENTS: This is a level vacant site with paved access, water, sewer and electricity in place or to be in place at the seller's expense prior to construction completion. This was a city sale that required a public auction and for the buyer to be a user with a specific number of employees and to construct facilities within a fixed period of time.

SALES HISTORY: The public records do not indicate a sale of this property within the three years prior to the sale date.

CONFIRMED BY:



LAND SALE (3)

GRANTOR: Kingman Airport Authority

GRANTEE: Small Brothers, LLC

DOCUMENT NO.: 7029/379

LOCATION: 4425 Windrose Lane, Kingman

ASSESSOR'S
PARCEL NO.: 310-21-068

DATE: November 2007

LAND SIZE: Total Net Area – 229,997 square feet, or 5.28 acres

ZONING: A-D- Airport Development, by Mohave County

PURCHASE PRICE: \$459,645, cash

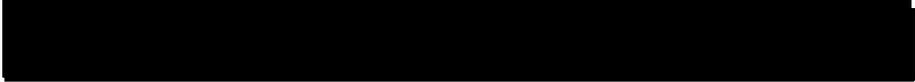
UNIT PRICE: \$87,054 per acre
\$2.00 per square foot

COMMENTS: This is a level vacant site with paved access, water, sewer and electricity in place or to be in place at the seller's expense prior to construction completion. The site also has rail access. This was a city sale that required a public auction and for the buyer to be a user with a specific number of employees and to construct facilities within a fixed period of time.

SALES HISTORY: The public records do not indicate a sale of this property within the three years prior to the sale date.

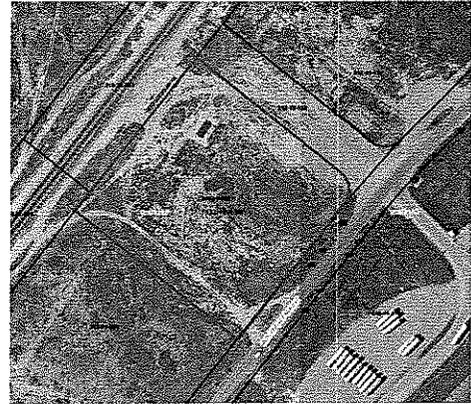


CONFIRMED BY:



LAND SALE (4)

GRANTOR: Kingman Airport Authority
GRANTEE: Van de Loo, LLC
DOCUMENT NO.: 7209/50
LOCATION: Northwest side of Industrial Boulevard, one-quarter mile southwest of Mohave Airport Drive, Kingman



ASSESSOR'S
PARCEL NO.: 310-21-070

DATE: May 2008

LAND SIZE: Total Net Area – 217,800 square feet, or 5.00 acres

ZONING: A-D- Airport Development, by Mohave County

PURCHASE PRICE: \$326,700, cash

UNIT PRICE: \$65,340 per acre
\$1.50 per square foot

COMMENTS: This is a level vacant site with paved access, water, sewer and electricity in place or to be in place at the seller's expense prior to construction completion. This was a city sale that required a public auction and for the buyer to be a user with a specific number of employees and to construct facilities within a fixed period of time.

SALES HISTORY: The public records do not indicate a sale of this property within the three years prior to the sale date.

CONFIRMED BY:



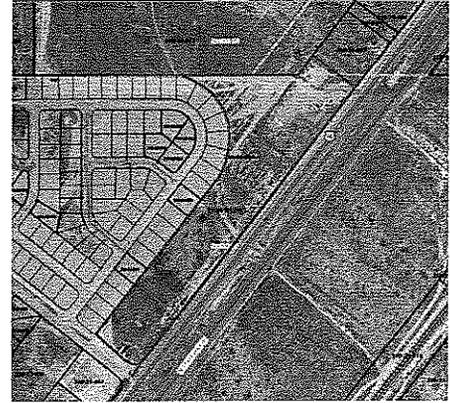
LAND SALE (5)

GRANTOR: First American Title-Trust
9053

GRANTEE: Lingenfelter Investments, LP

DOCUMENT NO.: 6977/483

LOCATION: Northwest corner of Long
Mountain Road and Historic
Route 66, Kingman



ASSESSOR'S
PARCEL NO.: 310-34-084

DATE: October 2007

LAND SIZE: Highway 66 Frontage – 1,650± feet
Typical Depth – 250 feet
Total Net Area – 11.33 acres

ZONING: Most likely commercial

PURCHASE PRICE: \$1,133,000, cash

UNIT PRICE: \$100,000 per acre
\$2.30 per square foot

COMMENTS: The site is level with utilities available. The buyer also had an interest in the selling partnership; however, the latter also had other partners that expected the price to be at market. Although the sale was somewhat forced in that the seller needed to pay off a debt, the purchase price was reportedly based on an appraisal.

SALES HISTORY: The public records do not indicate a sale of this property within the three years prior to the sale date.

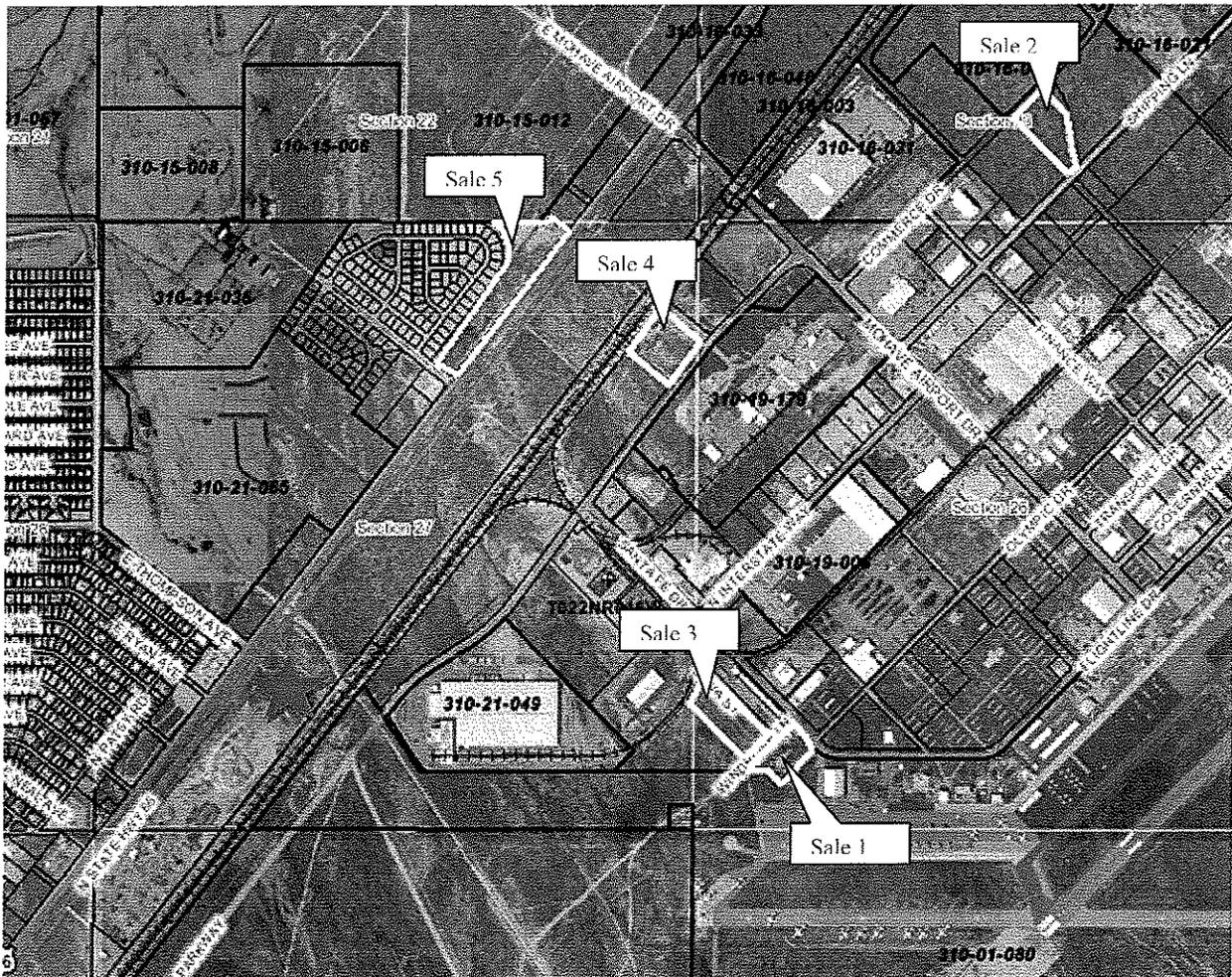
CONFIRMED BY: [REDACTED]

[REDACTED]

Land Comparison Summary

Sale	Date	Size (Acres)	Price/Sq. Ft.	Attributes
1	5/07	3.51	\$1.96	Secondary seller
2	9/07	4.19	\$1.50	Airport Authority seller
3	11/07	5.28	\$2.00	Airport Authority seller with rail access
4	5/08	5.00	\$1.50	Airport Authority seller
5	10/07	11.33	\$2.30	Across from airport

Land Comparison Map



Land Value Discussion

The unit of comparison used in this approach is the price-per-square-foot-of-land-area. The sales occurred over the last 18 months and the unit prices range from \$1.50 to \$2.00 per square foot. The sales have been compared to the subject property with respect to the following conditions and attributes. A grid illustrating the adjustments to the individual sales follows the discussion.

- 1) Property Rights Conveyed
- 2) Financing (Cash Equivalency)
- 3) Conditions of Sale
- 4) Expenditures made immediately after purchase
- 5) Market Conditions (Time)
- 6) Location
- 7) Physical Characteristics
- 8) Economic Characteristics
- 9) Use (Zoning)

Property Rights Conveyed

The interest being valued in this section of the report is that of the fee simple estate. None of the sales involve ground leases; therefore, no adjustments are necessary.

Financing

The sales were cash or cash equivalent transactions and do not require adjustment.

Conditions of Sale

Adjustments for conditions of sale are made when the buyer or seller had atypical motivations. All of the sold parcels are located in the Kingman Airport. The city run Airport Authority has historically used comparable data from airports in other cities and prices the land competitively in order to attract industry to Kingman and away from other communities. The Airport Authority also requires buyers to meet certain employee levels within a two year period. The employee requirement can be met with temporary facilities. For several of the last five years these conditions of sale have tended to depress land prices at the Airport and perhaps hold down the value or limit the marketability of nearby properties with otherwise similar potential.

We have been able to document the impact of this condition of sale with older sales and it is also evident by pairing Sales 2 and 4 with Sale 1, the latter being an airport parcel resale. This pairing suggests an upward adjustment of 30% was appropriate in July of 2007. This is a similar indication to that available from earlier pairings. We have applied this condition of sale adjustment to Sales 1 through 4. Although it can be argued that this adjustment does not apply in the current market due to the lack of users, we have elected to apply this adjustment. An offsetting adjustment is considered under market conditions.

Expenditures Made Immediately After Purchase

No adjustments are deemed necessary.

Market Conditions

Market conditions for land and for all property types in Kingman have deteriorated significantly over the past eighteen months, especially the last twelve months. We did not discover any sales during 2008 that demonstrate a decline in price; however, there was only one Airpark land sale in 2008. This is significantly down from the activity of prior years. In spite of the inactivity, the Airport Authority has decided to hold the price level they have created over the past two years rather than reduce prices to stimulate sales. This philosophy may change over time, but there are no assurances that lower unit prices will stimulate sales. The Kingman Airpark Authority only sells to users and lack of user inquiries have been the problem, not the land price. The history of all Airport Authority as seller land sales over the past four years is summarized in the following table.

Year	Sales	Acres	Average Acres Per Sale	Avg. Price Per Sq. Ft.
2005	6	59	9.8	\$1.06
2006	7	55	7.9	\$1.59
2007	9	34	3.8	\$1.58
2008	1	5	5.0	\$1.50

The data illustrates there has been good user demand for a parcel of subject's size in 2005 through 2007, although demand for the larger parcels diminished somewhat in 2007. Users in 2007 required notably smaller sites on average and current economic conditions are not conducive to user demand for any size parcel. Local market participants expect this condition to prevail at least into mid 2009 and probably throughout the next twelve months that we define as subject's normal market exposure and marketing period. Therefore we define the most probable buyer of subject as being a speculative investor as opposed to an user. A speculative investor can be expected to pay something less than an user.

As a result of the above observations and with guidelines based on our discussions with local real estate agents and market participants we have concluded that market conditions for subject have deteriorated from the above most recent levels established by user buyers in late 2007 and in 2008 to lower levels yet to be established by speculative buyers. We have applied downward adjustments to all of the sales to reflect this change in market conditions. The market conditions adjustment generally offsets the conditions of sale adjustment applied to three of the sales.

Location

Subject enjoys a superior location to all but Sale 5. Subject and Sale 5 enjoy Highway 66 frontage which provides future commercial potential not available to any of the other comparison sites. In our July 2007 appraisal we noted the differences in price paid for otherwise similar sites having trafficked locations versus those with an interior location and extracted and applied an upward adjustment for this difference. We believe a difference is applicable in today's market and have applied the upward adjustment to reflect same.

Physical Characteristics

The physical differences include configuration, site size and rail access. Each is briefly discussed below.

Configuration:

The property under study is nearly a rectangle. Sales 1 through 4 are judged to have similar usable configurations and no adjustment for configuration has been applied to these transactions. However, Sale 5 has a much greater frontage to average depth ratio – 5.5 to 1 versus 1 to 1 – which, for its commercial use potential, albeit speculative, can be a significant advantage. We have made a downward adjustment to Sale 5 for this difference.

Site Size:

Sales 1 through 4 range in size from 3.51 to 5.28 acres, all being somewhat smaller than subject. The Airport Authority does not make any adjustment in price for differences in size and this precedent has likely influenced past sales to a large degree since the market was primarily made up of users or near term developers. In markets with some depth of demand it is not unusual for larger industrial parcels to sell at similar unit prices to otherwise similar smaller sites. However in thinner demand markets and with the current buyer most probably being a speculative investor, size will likely be perceived to slow absorption and increase carrying cost making a downward size adjustment appropriate when comparing unit prices of sales of smaller parcels with those of larger parcels. We have adjusted Sales 1 through 4 down for subject's larger size. Sale 5 is somewhat larger suggesting an upward adjustment for size.

Rail Access:

Sale 3 has rail access. The subject site and the rest of the comparisons do not have rail access, at least not without incurring expensive infrastructure costs. In the last two plus years The Airport Authority has a history of commanding a \$.50 per square foot premium for rail service. At recent prices this is equivalent to a downward adjustment of 25% when comparing a rail served to a non rail served site. This adjustment has been applied to Sale 3.

Economic Characteristics

No adjustments are deemed necessary for economic characteristics.

Use (Zoning)

Subject and Sale 5 have superior use potential due to their highway frontage but this potential is highly speculative in the near term due to the sparse residential backup and lack of any anticipated near term residential growth. Subject's speculative commercial potential has been considered and adjusted for under location. No further adjustment is deemed necessary for use potential.



Land Sales Adjustment Grid

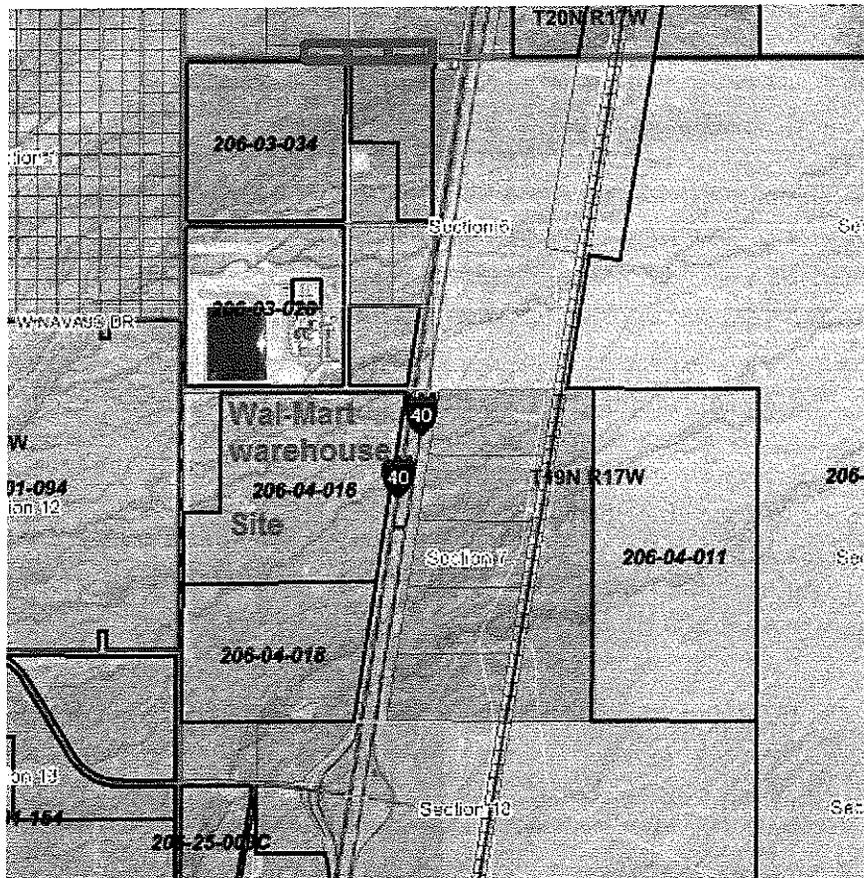
The adjustments for the above factors have been quantified, applied, and calculated next.

Sale	1	2	3	4	5
Date of Sale	Jul-07	Sep-07	Nov-07	May-08	Oct-07
Land Area (Acres)	3.51	4.19	5.28	5.00	11.33
Price per Sq. Ft. of Land Area	\$1.96	\$1.50	\$2.00	\$1.50	\$2.30
Property Rights	0%	0%	0%	0%	0%
Step Adjusted Price per Sq. Ft.	\$1.96	\$1.50	\$2.00	\$1.50	\$2.30
Financing	0%	0%	0%	0%	0%
Step Adjusted Price per Sq. Ft.	\$1.96	\$1.50	\$2.00	\$1.50	\$2.30
Conditions of Sale	0%	30%	30%	30%	0%
Step Adjusted Price per Sq. Ft.	\$1.96	\$1.95	\$2.60	\$1.95	\$2.30
Expenditures After Purchase	0%	0%	0%	0%	0%
Step Adjusted Price per Sq. Ft.	\$1.96	\$1.95	\$2.60	\$1.95	\$2.30
Market Conditions	-35%	-35%	-35%	-35%	-35%
Step Adjusted Price per Sq. Ft.	\$1.27	\$1.27	\$1.69	\$1.27	\$1.50
Location	20%	20%	20%	20%	0%
Physical Characteristics					
Configuration	0%	0%	0%	0%	-15%
Site Size	-10%	-10%	-10%	-10%	10%
Rail Access	0%	0%	-25%	0%	0%
Economic Characteristics	0%	0%	0%	0%	0%
Use Potential	0%	0%	0%	0%	0%
Net Adjustments	10%	10%	-15%	10%	-5%
Indicated Value per Sq. Ft.	\$1.40	\$1.39	\$1.44	\$1.39	\$1.42

Listings Considered

Before concluding to a value we also considered the availability of many non-rail industrial parcels in the Airpark at \$1.50 per square foot, albeit these sites are not available to a speculative purchaser.

We also considered a number of other Kingman area commercial/industrial parcel listings from local multiple listing data and through Loop Net, available through subscription to their services. Most of the offered sites were either much superior or much inferior to subject. The 9.16 acre site outlined in red in the aerial photograph consists of three contiguous platted lots located 10 miles south of downtown Kingman and one quarter mile west of Interstate 40 in the Griffith Industrial Park. The site has power, the Griffith water tank is several hundred feet east, streets are unimproved and there are no sewers currently available. The roadway adjacent south connects to an overpass of Interstate 10. The Griffith freeway interchange is 2.2 miles south of these comparison sites and 12 miles south of downtown Kingman.



VALUE CONCLUSION

After considering all of the facts available to us, subject to the underlying assumptions and limiting conditions contained herein, it is our opinion that the fee simple estate in the subject property had an “as is” market value, as of December 4, 2008, of

\$472,000

Marketing Period

The marketing period needed for unimproved potential industrial land properties in Kingman can be longer than in more urban locations. Our exposure period estimate for the property is one year. In our opinion, the subject could be sold within one year from the effective date of this report at a price consistent with our value estimate. In summary, our marketing time estimate is also one year. The most probable buyer within this marketing period is an investor speculator with an owner user being secondary at this time.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- [REDACTED] has made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- As of the date of this report, [REDACTED] has completed the continuing education program of the Appraisal Institute.

Date: December 9, 2008

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

1. That title to the property is good and merchantable.
2. That no liability is assumed on account of inaccuracy or errors in any information furnished by others whom this appraiser contacted at the site or elsewhere and which has been used in making this appraisal.
3. That no responsibility is assumed for legal matters affecting the property, such as title defects, liens, overlapping boundaries, etc.
4. That no survey has been made of the property for purposes of this report.
5. That no right is given to publish this report or any part thereof without the written consent of the writer.
6. That the valuation estimates contained herein apply as of the date of this appraisal only.
7. That we do not authorize the out-of-context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraiser signing this appraisal report, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute, or the MAI designation.
8. That the distribution of value between land and building applies only under the present program of utilization and does not apply under any other premise.
9. That there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology, chemical contamination or structures, which would render it more or less valuable.
10. The appraiser has noted in the appraisal report any adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.



*LEGAL DESCRIPTION FOR
D-K-038 / L-K-025*

That portion of the Southwest quarter of Section 27, Township 22 North, Range 16 West, of the Gila and Salt River Meridian, Mohave County, Arizona, being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 27 (USGLO brass cap – 1911) from which the South quarter corner of said Section 27 (USGLO brass cap – 1911) bears South 89°59'42" East, 2637.11 feet;

thence South 89°59'42" East, 409.08 feet along the South line of said Section 27;

thence departing said South line, North 38°15'11" East, 1030.00 feet along a line 285.00 feet southeasterly and parallel to the northerly right of way of State Route 66 to the POINT OF BEGINNING;

thence continuing along said line, North 38°15'11" East, 600.00 feet;

thence departing said line, South 51°44'49" East, 563.29 feet to the common right of way of said State Route 66 and the Burlington Northern and Santa Fe Railroad;

thence South 38°25'34" West, 600.00 feet along said common right of way;

thence departing said common right of way North 51°44'49" West, 561.47 feet to the POINT OF BEGINNING.

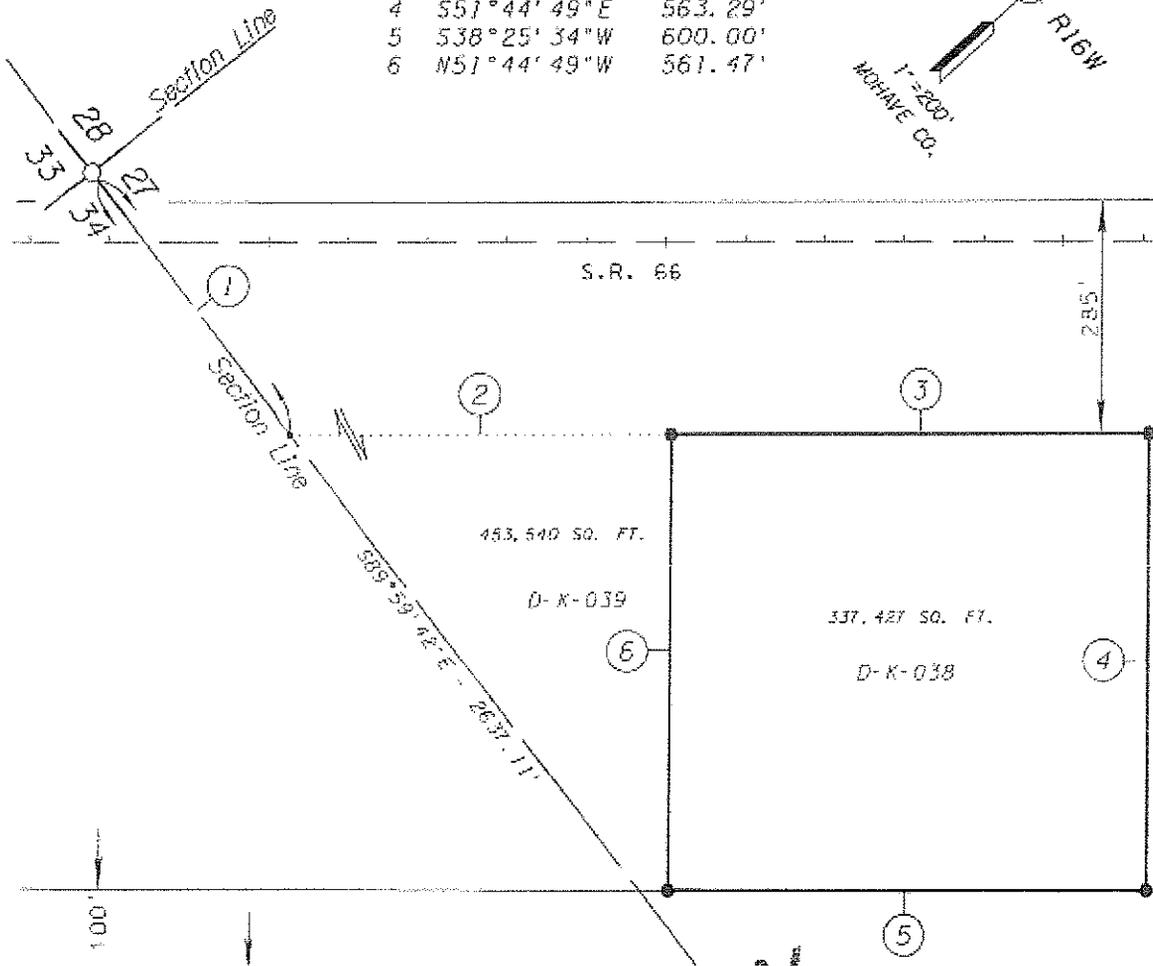
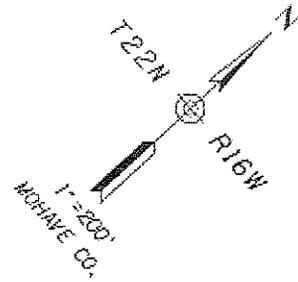
Said parcel contains 337,427 square feet or 7.7463 acres more or less.

EXHIBIT FOR D-K-038/ L-K-025

A PORTION OF THE SOUTHWEST QUARTER OF SECTION 27, T22N, R16W
G&SRM, MOHAVE COUNTY, ARIZONA

DATA TABLE

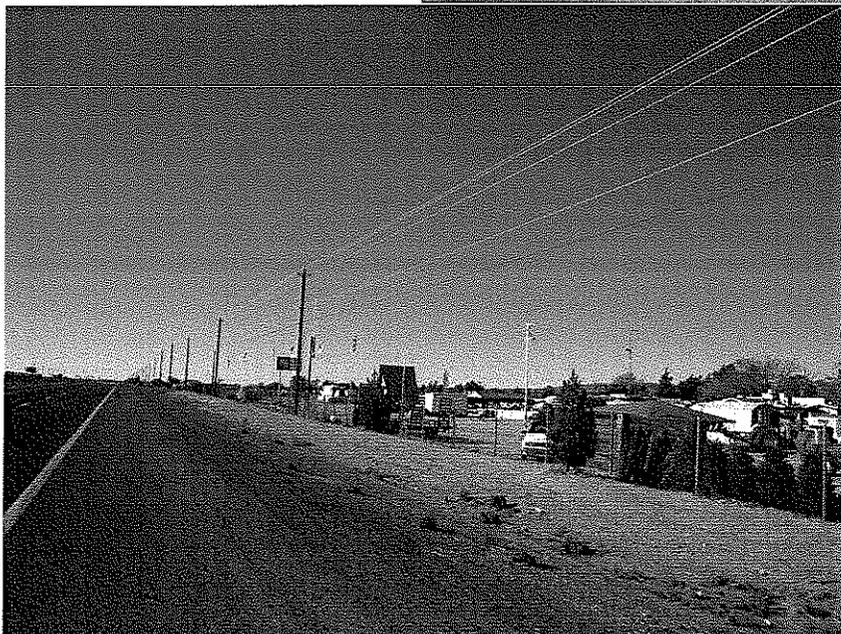
1	S89°59'42"E	409.08'
2	N38°15'11"E	1030.00'
3	N38°15'11"E	600.00'
4	S51°44'49"E	563.29'
5	S38°25'34"W	600.00'
6	N51°44'49"W	561.47'





EAST ACROSS SUBJECT
FROM HIGHWAY 66

NEW (APRIL 2008) GAS
STATION CONVENIENCE
MARKET ON OPPOSITE
SIDE OF HIGHWAY FROM
SUBJECT



NORTHWEST AT SOME
OF THE USES OPPOSITE
SUBJECT



**ARIZONA DEPARTMENT OF TRANSPORTATION
PROCUREMENT**

1739 W. Jackson, Mail Drop 100P
Phoenix, Arizona 85007-3276
(602) 712-7211
Fax No: (602) 712-8647

PURCHASE ORDER

SHOW THIS NUMBER ON ALL
PAPERS AND PACKAGING

PG UF5200

PAGE 1	CONTRACT NO.	VENDOR NO.	DATE
			11/04/2008

■ SUPPLIER



■ SHIP TO

ARIZONA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY OPERATIONS RM 331
205 S 17TH AVE MD 612E
PHOENIX, AZ 85007
CONTACT: PATRICK STONE
PHONE: (602) 712-4353

POLN	QUANTITY ORDERED	UNIT	COMMODITY CODE / DESCRIPTION	UNIT PRICE	EXTENDED PRICE
			<p>COMPLETE UPDATED APPRAISALS IN ACCORDANCE WITH THE SCOPE OF WORK PROVIDED IN THE BID REQUESTS DATED OCTOBER 29, 2008.</p> <p>PARCELS: #L-K-025 AND #L-K-026 PROJECT: 999-SW-000/ H089301R HIGHWAY: STATEWIDE EXCESS LAND/KINGMAN - ASHFORK SECTION: KINGMAN - AIRPORT SECTION</p> <p>TWO (2) COPIES OF EACH APPRAISAL MUST BE DELIVERED TO RIGHT-OF-WAY OPERATIONS CONTRACTS UNIT, 205 S. 17TH. AVENUE, ROOM 331, MD 612E, PHOENIX, AZ 85007 ON OR BEFORE 5:00 PM MST ON DECEMBER 5, 2008.</p> <p>PLEASE INDICATE PURCHASE ORDER NUMBER PG UF5200, ALSO THE PARCEL NUMBERS, PROJECT NUMBER, HIGHWAY AND SECTION ON YOUR INVOICE.</p> <p>PLEASE DIRECT YOUR QUESTIONS REGARDING THESE APPRAISALS TO TIM O'CONNELL, 602-712-7160.</p> <p>PLEASE SIGN THIS PURCHASE ORDER COPY ACCEPTING THIS ASSIGNMENT AND FAX TO THE CONTRACTS UNIT AT 602-712-3289 ON OR BEFORE NOVEMBER 12,</p>		

DELIVERY/COMPLETION DATE: 12/05/2008

PAYMENT TERMS: NET 30

FOB: DESTINATION

B
I
L
L
T
O

ADOT
RIGHT OF WAY OPERATIONS
205 S 17TH AVE RM 331 MD 612E
PHOENIX AZ 85007

SUBTOTAL
TAX
FREIGHT
TOTAL

POLN	REQ NO.	RQLN	FUND	ORG NO.	FUNC	APPR	OBJ	SUBOBJ	ACTV	PROJECT	AMOUNT
01			HWY	9375	9375	0620	6299	04	AR22	H089301R	5,000.00

STEVE TROXEL
RESPONSIBLE PERSON

712-7053
RESPONSIBLE PHONE

**TO INSURE PAYMENT
ADOT PO NUMBER
MUST APPEAR ON
ALL INVOICES**

612E
MAIL DROP

VENDOR COPY



**ARIZONA DEPARTMENT OF TRANSPORTATION
PROCUREMENT**

1739 W. Jackson, Mail Drop 100P
Phoenix, Arizona 85007-3276
(602) 712-7211
Fax No: (602) 712-8647

PURCHASE ORDER

SHOW THIS NUMBER ON ALL
PAPERS AND PACKAGING

PG UF5200

PAGE 2	CONTRACT NO.	VENDOR NO.	DATE
	[REDACTED]	[REDACTED]	11/04/2008

SUPPLIER

SHIP TO

ARIZONA DEPARTMENT OF TRANSPORTATION

POLN	QUANTITY ORDERED	UNIT	COMMODITY CODE / DESCRIPTION	UNIT PRICE	EXTENDED PRICE
001	5000.000	HR	<div style="background-color: black; width: 200px; height: 20px; margin-bottom: 5px;"></div> <p align="right">11-6-08 DATE</p> <p>EXCESS LAND PARCEL NUMBERS: #L-K-035 & #L-K-026 J410995007 CONSULTING, APPRAISAL, REAL/PERSONAL</p>	1.000000	5,000.00

DELIVERY/COMPLETION DATE:	B I L L T O	SUBTOTAL	5,000.00
PAYMENT TERMS:		TAX	
FOB:		FREIGHT	
		TOTAL	5,000.00

POLN	REQ NO.	ROLN	FUND	ORG NO.	FUNC	APPR	OBJ	SUBOBJ	ACTV	PROJECT	AMOUNT

RESPONSIBLE PERSON

**TO INSURE PAYMENT
ADOT PO NUMBER
MUST APPEAR ON
ALL INVOICES**

MAIL DROP

RESPONSIBLE PHONE

VENDOR COPY