

**SUMMARY APPRAISAL OF
A PARTIAL TAKING OF 2 STRIPS
FROM THE EXISTING JACK-IN-THE-BOX SITE**



LOCATED AT

**1402 EAST ASH STREET
GLOBE, ARIZONA 85501**

PREPARED FOR

**Mr. Steve Stratton
Director, Gila County Public Works Division
1400 East Ash Street
Globe, Arizona 85501**

AS OF JUNE 23, 2010

PREPARED BY

**Kurt Peer, Appraiser
PO Box 3227
Sierra Vista, Arizona 85636
File No: 3074**

KURT PEER APPRAISER

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June 28, 2010

Mr. Steve Stratton
Director, Gila County Public Works Division
1400 East Ash Street
Globe, Arizona 85501

Re: Commercial Appraisal in Summary Format of
A Partial Taking of Two Strips
From the Existing Jack-in-the Box Site
Located at 1402 East Ash Street
Globe, Arizona 85501
Appraiser's File No. 3074

Dear Mr. Stratton:

Pursuant to your request, I have prepared herewith a Summary Appraisal whose purpose is to estimate the As Is Market Value of the fee simple interest in the above-noted subject property. The Market Value estimate is the "Before Acquisition" value of the entire Jack-in-the-Box site. Secondly, from this stated Market Value estimate, the purpose is to then derive the Estimated Total Compensation Due to the Owner of the Subject, which is the "Acquisition Valuation." The function or intended use of this appraisal is for acquisition purposes (a partial taking) on the part of the client. The date of inspection is June 23, 2010, which is the effective date of value.

As a result of my investigation and analysis, considering all of the pertinent data affecting the valuation, I have estimated the Total Compensation Due to the Owner of the Subject, as of the effective date of valuation, to be as follows:

EIGHTEEN THOUSAND DOLLARS
(\$18,000)

The purpose of the appraisal is to estimate the subject's Market Value in fee simple interest. The intended use of this report is to assist the client, Gila County, in a business decision regarding an acquisition.

This appraisal has been prepared in accordance with the current edition of:

- Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 et seq.); and

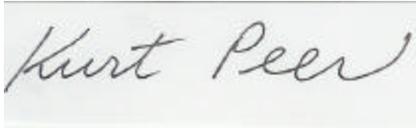
- the regulations adopted by the Office of the Comptroller of the Currency pursuant to Title XI, including, without limitation, the current version of the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Foundation.

In addition, this valuation is based on the attached appraisal report and all the assumptions and limiting conditions contained therein.

I hereby certify that I have made a personal inspection of the subject property; that my fee was not contingent on the value contained herein, including a minimum valuation, a specific valuation, or the approval of a loan; that I have no interest, present or prospective, in the subject property; and that I have the current licensing and the necessary experience and competency to perform this assignment. Furthermore, I hereby certify that, to the best of my knowledge and belief, all statements and opinions contained in this report are correct, subject to the General Assumptions and Limiting Conditions, as well as any Extraordinary Assumptions and Limiting Conditions, and the Certification which are made a part of this report.

I appreciate the opportunity to be of service. If you should have any questions, please don't hesitate to call.

Best Regards,

A rectangular box containing a handwritten signature in cursive script that reads "Kurt Peer".

Kurt Peer
Certified General Real Estate Appraiser

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SUMMARY OF THE APPRAISAL

PROPERTY TYPE:	Vacant Land – Partial Taking
ADDRESS:	1402 East Ash Street, Globe, Arizona 85501
ASSESSOR’S PARCEL NUMBERS:	See Site Analysis section of the report
TOTAL SIZE OF SITE:	44,313 SF, or 1.02 acres
SIZE OF TAKING	4,052 SF, or 0.093 acres
ZONING:	C-2, Intermediate Commercial, City of Globe
PURPOSE OF APPRAISAL:	Estimate Market Value and Acquisition Value
FUNCTION OF APPRAISAL:	Acquisition (Partial Taking)
PROPERTY RIGHTS APPRAISED:	Fee Simple
DATE OF VALUE:	June 23, 2010
DATE OF REPORT:	July 28, 2010
HIGHEST AND BEST USE:	
As if Vacant:	Speculation and/or Development
As Is:	Continued Existing Use
SITE VALUATION (BEFORE):	\$199,000
SITE VALUATION (AFTER/REMAINDER):	\$181,000
ACQUISITION VALUE:	\$ 18,000
DAMAGES, COST TO CURE:	None
SEVERANCE DAMAGES:	None
SPECIAL BENEFITS:	None

INTRODUCTION TO THE APPRAISAL

EXECUTIVE SUMMARY AND PROPERTY IDENTIFICATION:

Herewith is a Narrative Commercial Appraisal Report, in Summary Format, of a partial taking of 2 non-contiguous strips, from the existing Jack-in-the-Box site, located at 1402 East Ash Street, in Globe, Arizona, described in further detail in the body of the report. Appraiser is Certified General Real Estate Appraiser with current License in the State of Arizona, and has the experience and qualifications necessary to appraise the subject property. Appraisal has been prepared in conformance with the current requirements of the Uniform Standards of Professional Appraisal Practice, and sets forth the description, analysis, and valuation estimates of the subject property. Subject property was inspected by the appraiser on June 23, 2010, which is the effective date of value herein.

PURPOSE AND FUNCTION OF THE APPRAISAL:

The purpose of the appraisal is to provide an estimate of the as is Market Value of the subject property (the Before Acquisition Value of the entire site), and, from this Market Value estimate, the purpose is to then derive the Estimated Total Compensation Due to the Owner of the Subject, or the Acquisition Value. The value opinions are predicated on the forthcoming definitions of value and property rights as utilized in this appraisal. The function or intended use of this appraisal is for acquisition purposes (a partial taking) on the part of the client. The intended user of the report is the prior-noted client. This report may not be utilized for any other purpose, nor for any other client, than the purpose and client noted in the report, and is considered invalid if done.

The Jack-in-the-Box site is located adjacent west of the Gila County Courthouse facilities, in Globe. The Courthouse and Jack-in-the-Box sites are located on the south side of Ash Street (aka Highway 60). In addition to fronting Ash Street, the Courthouse site is also accessed from the rear, via Monroe Street. Monroe Street essentially runs along the south or rear side of the Jack-in-the-Box site, and provides access to the southwest or rear portion of the Courthouse site. As shown in photos, access along Monroe Street is somewhat complicated due to the topography and layout of the terrain and street. Moreover, Monroe Street, which is narrow and paved for two opposing lanes of traffic, without center stripe, crests behind the Jack-in-the-Box site, and presents a visibility hazard, due to the narrowness of the road and the fact that on-coming cars have difficulty seeing one another at the crest, especially near sun-up or sun-down when the sun is at a sharp angle in the sky. Gila County wishes to create better access here by way of reconfiguring and lowering Monroe Street, and in order to do this the County needs to take a portion of the Jack-in-the-Box site. The portion of the Jack-in-the-Box site they need is actually 2 non-contiguous portions or strips from the Jack-in-the-Box site, referenced herein as Strip A and Strip B. Strip A, located at the southwest corner of the Jack-in-the-Box site, contains Jack-in-the-Box's sewer lines, while Strip B, at the southeast corner of the site, isn't used by Jack-in-the-Box at all but instead contains an access drive behind the Jack-in-the-Box parking lot that the county uses and that connects Monroe Street with the county's parking lot. Neither of the strips include any of the site improvements of the Jack-in-the-Box site, such as parking, pavement, landscaping, or the like. The sewer lines go from the rear of the Jack-in-the-Box site down to Monroe Street, by way of Strip A.

Jack-in-the-Box and the County have been in negotiations with this for a period and Jack-in-the-Box is reportedly willing to sell these portions of their site to the County. Such is the purpose of

this appraisal. In addition, the County has agreed to fully compensate and “make good” Jack-in-the-Box for all of this (in addition to paying them the value for the Strips), to the extent that the County will at the County’s cost re-do the sewer lines. As such, being that the county will be covering these costs (however they would end up taking shape), there will be no damages suffered by Jack-in-the-Box that the appraiser would need to consider. The value estimated herein is for the Strips only.

DEFINITION OF MARKET VALUE:

“Market Value” is defined by Federal Financial Institutions Regulatory Agencies, including the Office of the Controller of the Currency, as: “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 the seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) 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.”

PROPERTY RIGHTS APPRAISED:

The property rights being appraised herewith are those associated with the fee simple estate. According to the Dictionary of Real Estate Appraisal, “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.”

LEGAL DESCRIPTION:

According to the Gila County Assessor’s Office, the subject property is legally described as indicated in the Addenda. There are 2 legal descriptions, broken down as to the subject’s two Strips, herein again noted as Strips A and B. The legal descriptions were provided to the appraiser from the client, based on the Surveys of the two Strips performed at the behest of the client. As noted earlier, the subject represents 2 non-contiguous Strips which are a part of the overall Jack-in-the-Box site. The overall Jack-in-the-Box site itself consists of 6 separate delineated Assessor’s Parcels: 205-14-028B, -035C, -035E, -036A, and -036B, and 208-05-389B. The portion of the overall Jack-in-the-Box site which contains the 2 Strips are as follows:

Strip A) Parcel 205-14-035E in its entirety. This parcel is described in the legal description in the Addenda under the label “Strip A.”

This strip contains a total of 0.068 acres, or 2,945 SF, as per the legal description and the boundaries of the property. Its measurements are 37.42’, 87.83’, 35.02’, and 82.17’. This Strip protrudes from the southwest portion of the overall Jack-in-the-Box site, and as noted contains the sewer lines for the site.

Strip B) A portion of Parcel 205-14-035C. This parcel is described in the legal description in the Addenda under the label “Strip B.”

According to the Survey provided the appraiser (see Exhibit) and legal description, this Strip is triangular in shape, with its sides being 50.22', 70.00', and 44.29' in length. This Strip is 1,107 SF, or 0.025 acres, in size. This strip is located at the southeast corner of the overall Jack-in-the-Box site.

OWNERSHIP HISTORY:

A guideline of the Appraisal Institute calls for the reporting and analysis of any conveyances of the subject property over the 3 year period prior to the effective date of value, in addition to the reporting of any current listing or escrow of the subject property.

According to the Gila County Assessor's records, the current legal owner of the site which is the subject in this assignment is Jack in the Box, Inc. In addition, there have been no conveyances involving the subject property over the prior 3 year period.

SCOPE OF THE APPRAISAL:

The scope of the appraisal considers several factors, including the type of report (Summary Report vs. Self-Contained Report), the valuation approaches pertinent to and utilized in the assignment (Cost Approach, Sales Comparison Approach, Income Approach), and the general procedure the appraiser followed in preparing the report, including the inspection of the subject property and the data collection, analysis, and presentation.

Type of Appraisal

First, this is a Summary Appraisal, as requested by the client and deemed appropriate for the assignment at hand. Briefly, in a Summary Appraisal, the appraiser fully and diligently performs the appraisal assignment, including the research, investigation, and analysis, but in the written report itself the data and analysis is presented in a summarized format. Supporting documentation concerning the subject property itself and the research and analysis used in its valuation is retained in the appraiser's file.

More specifically, the Uniform Standards of Professional Appraisal Practice, under Standards Rule 2-2 (b), sets forth the following rules governing Summary Appraisal reports:

1. State the identity of the client and any intended users, by name or type;
2. State the intended use of the appraisal;
3. Summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the transaction;
4. State the real property interest appraised;
5. State the type and definition of value and cite the source of the definition;
6. State the effective date of the appraisal and the date of the report;
7. Summarize the scope of work used to develop the appraisal;
8. Summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;
9. State the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion;
10. Clearly and conspicuously state all extraordinary assumptions and hypothetical conditions; and state that their use might have affected the assignment results;

11. Include a signed certification in accordance with Standards Rule 2-3.

The above accurately sets forth the parameters the appraiser has utilized in this Summary Report. The other type of report, the most detailed type of appraisal, is the Self-Contained Report. In the Self-Contained Report, the level of research, investigation, and analysis is similar to that of a Summary Report but the written report is presented with a greater level of detail, support, and analysis.

In sum, concerning the two different types of reports, the content items and level of research and analysis are the same between them, but they are presented differently. Again, in the case of the subject property, a Summary Report has been utilized.

The Three Approaches to Value

Concerning the approaches utilized, all three approaches to value were considered in the case of the subject property, including the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. Each approach has its strengths and weaknesses depending on the nature of the assignment and the subject property. The approaches which are deemed appropriate for the assignment are then utilized, each resulting in its own value indication. The value indications from the approaches utilized are then reconciled into a final value estimate for the subject property in the Reconciliation section of the report.

In this assignment, the Sales Comparison Approach only was utilized. The subject is a vacant site and the Sales Comparison Approach is the only applicable approach in this instance. The Sales Comparison Approach is germane, as buyers and sellers look to market data, in the form of recent sales of similar properties to the one under appraisal, and current listings of similar properties as well, in helping them determine a property's value. Moreover, the market data was supportable in terms of recent sales of similar properties to the subject, which gives strength and credence to the use of this approach. The Income Approach was omitted in that the subject as a vacant site is not income-producing, and the Cost Approach was omitted in that there are no improvements to be valued. Therefore, only the Sales Comparison Approach was employed. In the Sales Comparison Approach, recent sales of similar vacant sites to the subject site were considered as comparable sales and produced a reliable market value estimate. Moreover, in the Reconciliation section of the report, since only the one approach was utilized, its value indication becomes the final reconciled value of the subject property.

Appraiser Work Methodology

Concerning the procedure the appraiser followed in the course of the assignment, the appraiser first communicated with the client to identify and ascertain the subject property to be appraised, the intended use of the appraisal, and the client's expectations concerning the assignment.

As for the subject property itself, a physical inspection was performed on June 23, 2010, during which the appraiser took extensive photographs and notes about all aspects of the property, including the site size, topography, frontage, vegetation, other site characteristics, surrounding uses, etc. Information such as zoning, utilities, flood zone status, and taxes and assessments were obtained from the appropriate governmental sources.

Concerning the data utilized, all of the comparables in the assignment were physically inspected by the appraiser. In addition, where appropriate, the appraiser spoke with parties knowledgeable about the comparables to confirm their details, and the appraiser in addition confirmed details

about the comparables through such sources as county records, MLS records, etc. All comparables were sought and selected based on their comparability to the subject property and appropriateness, and the search for them went back in time far enough to acquire the necessary data.

The appraiser also researched the characteristics of the immediate and larger neighborhood and region in which the subject property is located, and especially the characteristics of the market such as supply and demand levels, vacancy and rental levels, potential new supply and development coming on line, etc, gaining such information from published sources, the internet, governmental agencies, and appropriate knowledgeable parties.

Summary of Scope

In summary, the scope of this narrative appraisal report includes the gathering and analysis of pertinent market information in order to apply the most applicable valuation methodology in accordance with the guidelines and standards of the Uniform Standards of Professional Appraisal Practice.

REGIONAL AND NEIGHBORHOOD OVERVIEW

The description portion of the appraisal report begins with a discussion and analysis of the subject's location within the larger region, city, and neighborhood. This is then followed by the more specific descriptive sections including those of the subject site and subject improvements. The regional and neighborhood discussion begins herewith.

The subject property is located in central Arizona in Gila County. The county covers some 4,750 square miles and is a source of great mineral wealth. Silver was the area's first attraction, in the late 1800's, with copper mining soon becoming important, and continuing to be so. Gila County's land ownership is broken down by ownership as follows:

<i>Owning Entity</i>	<i>% of Total</i>
U.S. Forest Service	55%
State Government	4%
Privately Owned	4%
Apache Indian Reservation	37%
Total	100%

As noted, a considerable portion of the county belongs to the Apache Indian Tribe, with the San Carlos Apache Indian Reservation being located just to the east of Globe. Also of note, only about 4% of the land is privately owned in Gila County, meaning only 4% of the land is available as a tax base and consequently, the property tax burden on the public tends to be somewhat higher than normal.

Globe is the county seat. The majority of the eastern part of the county belongs to the Indian Reservation, while most of the balance of the county (central, northern, and southern) belongs to the U.S. Forest Service, the Tonto National Forest, etc. The county is located just east of the Phoenix metropolitan area and benefits from this proximity.

There are 3 main highways traversing the county, but no freeways. The main highway is State Highway 87 (the Beeline Highway) which travels north/south and providing access from the Phoenix metro area on the south, through Payson, and then north to Winslow on Interstate-40 north of the county. This highway has recently been improved to a four lane divided highway on the Phoenix to Payson run. Additional highways are State Highway 60/77 (in the eastern part of the county, connecting Globe to the White Mountains), Highway 188 (connecting Globe to Payson), and Highway 260 (connecting Payson to Show Low). Highway 260 has recently undergone improvement to four lanes in some portions, as the White Mountains and Show Low area has recently seen a boom in construction, which has increased traffic flow from Phoenix to Show Low, through Payson.

The leading municipalities in Gila County by population are Globe-Miami and Payson. The balance of the municipalities are very small, as shown on the attached map. Many are small unincorporated former mining and/or ranching towns, or tourist or second home destinations, such as Pine and Strawberry. The recent population figures are shown on the following table:

Municipality – Population	1990	2000	2008
Globe-Miami	8,080	9,422	9,923
Payson	8,377	13,620	16,965
Gila County	40,216	51,335	57,361

The subject property is located in Globe. Globe was founded in 1876 and incorporated in 1907 (Miami was incorporated in 1918). The nearest major metropolitan areas are Phoenix, about 85 miles to the west, and Tucson, about 100 miles to the south. Phoenix is the state capital and has been one of the fastest growing metropolitan areas in the country. Principal economic activities in Globe are mining, ranching, manufacturing, government, and tourism.

Globe and Miami are adjacent to each other, being connected by Highway 60. Highway 60 is the main and in fact only east/west thoroughfare in the metropolitan area, and nearly all of the main commercial facilities are located thereon. In the east portion of Globe, Highway 60 goes north to Show Low at its intersection with Highway 70. Highway 70 connects Globe with Safford.

The Globe/Miami area experienced noted growth in the early 1990's, after decreasing in growth slightly during the decade of the 1980's. Notable commercial development took place in the 1990's, along Highway 60, with some dozen or so commercial sites being developed with a variety of newer, mainly chain uses (hotels, restaurants, grocery stores, service stations, etc.).

Basically, concerning commercial development in the area, the new commercial development is concentrated in two locations. One location is in the western portion of the area, mostly Miami, and includes a Wal-Mart/Safeway retail center, a newer Smith's food store, a handful of auto dealerships, and various additional commercial uses. The other area of new commercial development is located in the eastern portion of Globe, and stretches basically from the Gila County Building, east about 2 miles. This area houses a handful of newer hotels (Days Inn, Comfort Inn), service stations, restaurants, a newer Dollar General store, etc. Between these areas is an older portion of Globe, housing many older commercial uses and some residential uses, mobile home parks, as well as historic downtown Globe.

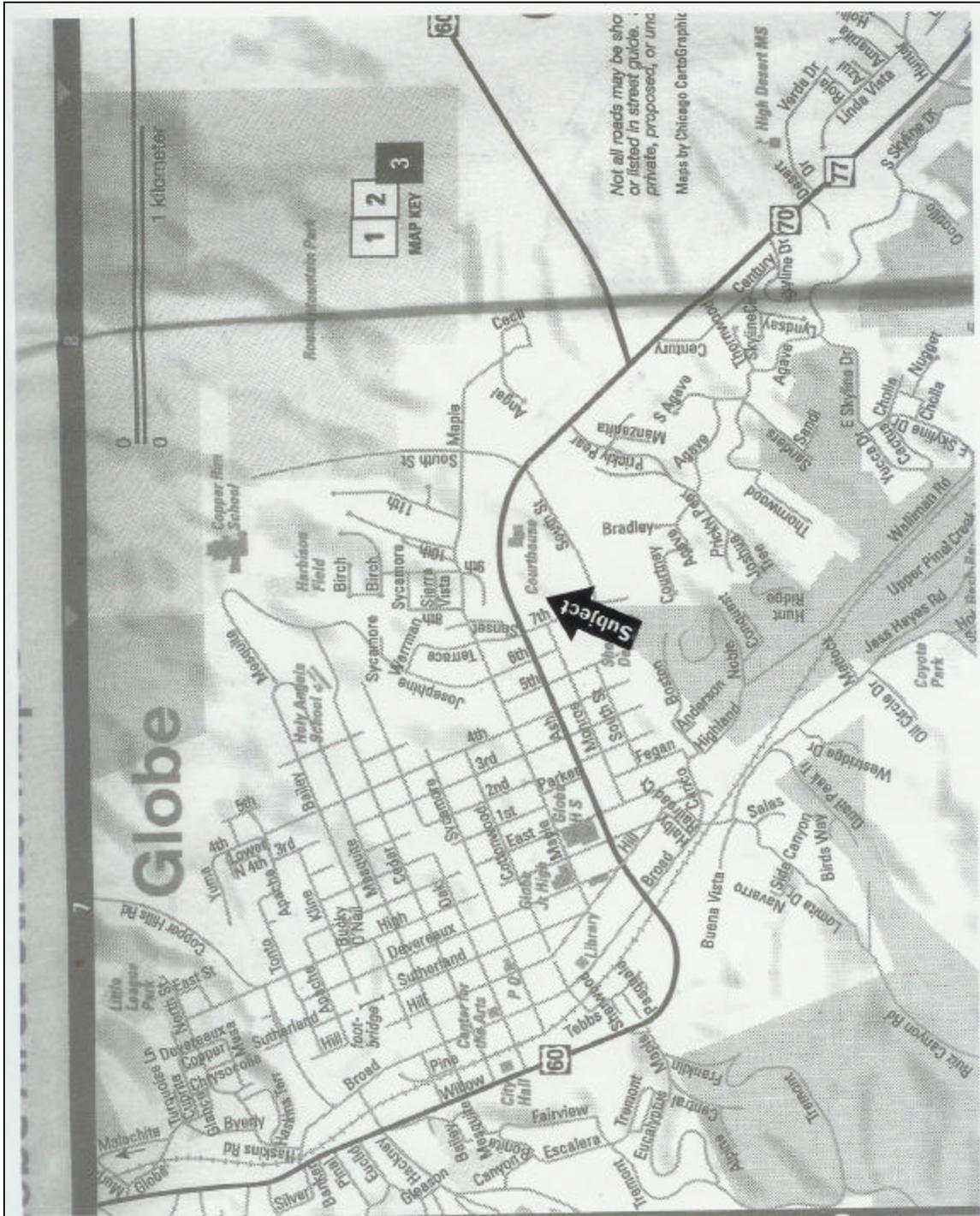
Globe and Miami are located in a steep canyon in the Pinal Mountains and scenic views are afforded in all directions. The elevation is about 3,500 feet, meaning the area has a milder climate than Phoenix, which is at about 1000 feet in elevation. Downtown Globe retains its historic flavor, with many restored historic buildings found. Educational facilities are adequate, including public and private schools and a community college, and the Cobre Valley Community Hospital also serves the area. The Globe/San Carlos Regional Airport has a lighted 4,750 foot runway.

In conclusion, Globe/Miami appears to be in a stability stage of growth, with slight increases in population and development. The area has not witnessed a high amount of growth such as was seen in several communities in Arizona over the early part of the 2000's, such as the White Mountains or Safford, for instance. Rather, growth has been very low, but overall, there no overly detrimental or adverse factors regarding the subject or the immediate vicinity that would negatively impact marketability or value.

STATE MAP



NEIGHBORHOOD MAP



SITE ANALYSIS

Address/Location: The address of the Jack-in-the-Box site is 1402 East Ash Street, in Globe, Arizona. This places the site on the south side of Ash Street (aka Highway 60), adjacent west of the Gila County facilities, in the eastern portion of Globe.

Assessor's Parcel Numbers/ Site Size (Entire Site):	<u>APN</u>	<u>SF*</u>	<u>Ac</u>	<u>Notes</u>
	205-14-028B	20,909	0.48	Main, Improved J-B parcel
	205-14-035C	7,405	0.17	Taking (Portion) + Pkg Lot
	205-14-035E	3,049	0.07	Taking (Entire)
	205-14-036A	2,614	0.06	Parking Lot
	205-14-036B	4,792	0.11	Parking Lot
	208-05-389B	<u>5,544</u>	<u>0.13</u>	Parking Lot
		44,313	1.02	

* per Assessor

Site Size (Acquisition):	<u>Strip</u>	<u>APN</u>	<u>SF</u>	<u>Acres</u>
	A	205-14-035E (entirety)	2,945	0.068
	B	205-14-035C (portion)	<u>1,107</u>	<u>0.025</u>
			4,052	0.093

See Introductory section of the appraisal for additional information and discussion about the two Strips.

Access, Frontage, Arterials: Strips are located at the rear of the Jack-in-the-Box site. The overall Jack-in-the-Box site fronts and has about 300 feet of frontage on Ash Street, which is asphaltic paved for four opposing lanes of traffic, plus a two-way center turn lane, at this location. The arterial is also improved with concrete curbs, gutters, and sidewalks, as well as street lights, at this location.

Monroe Street: As noted, Monroe Street is asphaltic paved and conducts two opposing lanes of traffic, without striping. Monroe Street crests behind the Jack-in-the-Box site, creating a hazard. As shown in the Exhibits, Parcel 205-14-035E (Strip A) actually juts out into the right-of-way of Monroe Street, but Monroe Street's right-of-way is wider than the pavement itself; the pavement itself in effect ends along the southern border of Parcel 205-14-035E.

Utilities: All utilities are available to the site (the overall Jack-in-the-Box site), including municipal water and sewer from the City of Globe, electric ity from Arizona Public Service, natural gas from Southwest Gas, and telephone from Qwest.

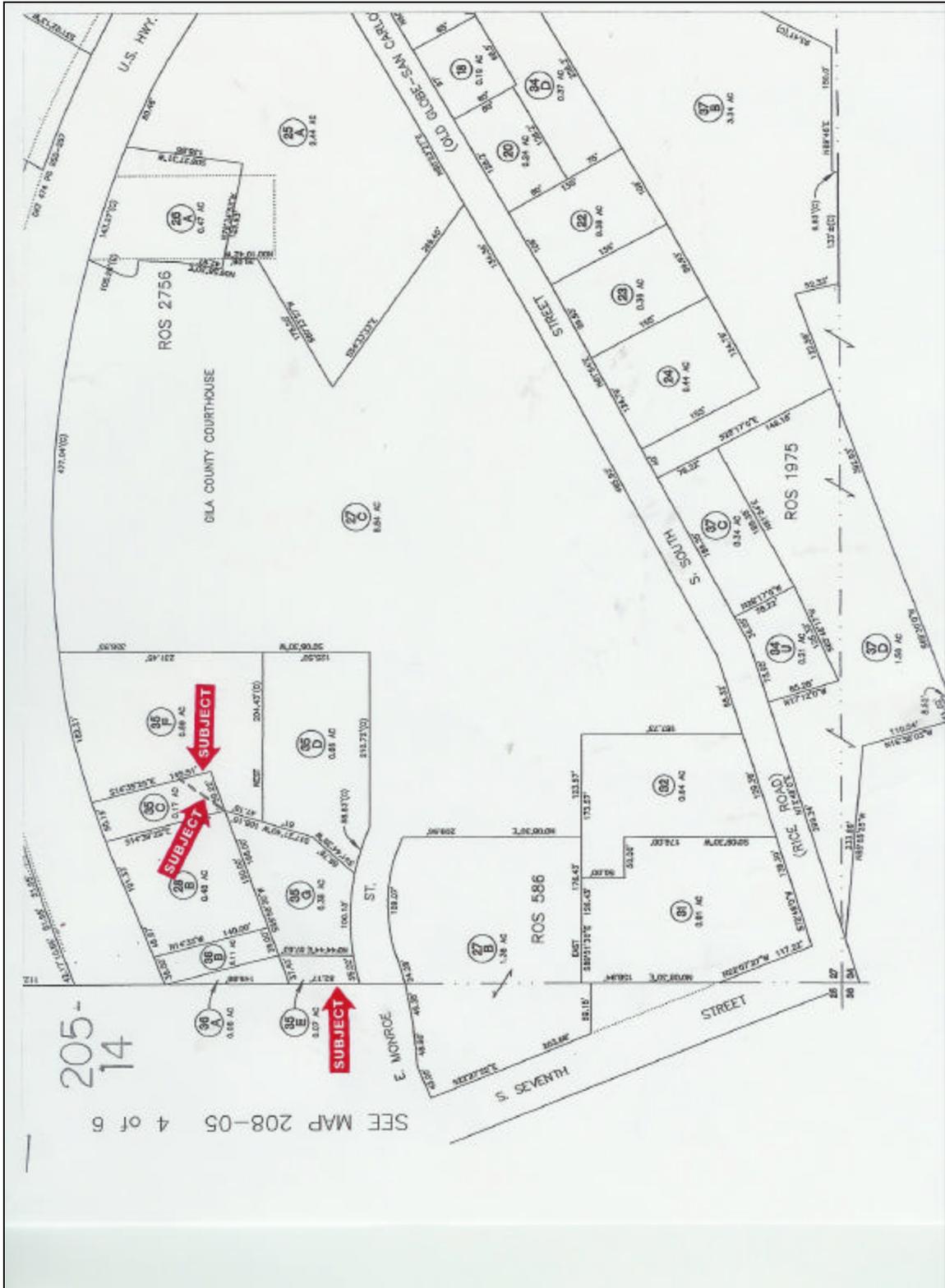
Zoning:	The site is zoned C-2, Intermediate Commercial, by the City of Globe. The purpose of this district is “to permit most types of commercial activities oriented to a larger segment of population than the average neighborhood and includes the sale of commodities or performance of services. The district is designed for application on highways and major streets to serve that traffic, but should NOT be applied along the continuous length of a highway or major street. Development should be contiguous, grouped or clustered to prevent undesirable “strip” commercial development.” A large variety of uses are permitted in the zone, including office, retail, and health services, with uses including food services, hotels, auto sales, and the like conditionally approved. This zone is found along Highway 60 (Ash Street) in this portion of town, and for all practical purposes, when analyzing the value of the subject site as vacant, this commercial zoning designation is considered similar to the other commercial zoning districts found in Globe/Miami, including Globe’s C-3, Central Commercial, zoning district, which covers other portions of Highway 60 as well as downtown Globe.
Topography:	Generally level and at grade, dipping at the rear (where Strip A is) down to Monroe Street.
Flood Hazard:	According to Flood Insurance Rate Map 040007C2119D, dated December 4, 2007, the subject is located within Flood Zone X, which is not a designated flood hazard area.
Soils and Drainage:	No soils analysis was provided the appraiser, and in the absence of such and lacking information to the contrary and based on the appraiser’s inspection, it is assumed that the soils are adequate to support the site’s highest and best use, and that drainage is adequate. However, appraiser is not an engineer and assumes no liability for such issues.
Easements:	From inspection and lacking information to the contrary, no restrictive and only typical easements such as utility easements are assumed in place on the site.
Environmental Concerns:	During physical inspection of the site, no hazardous materials were evident. The appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions, however, the appraiser is not an expert in this field and assumes no liability for such matters. See Underlying Assumptions and Contingent Conditions for additional discussion.
Site Improvements:	As noted, no site improvements for the Jack-in-the-Box site are found on the subject Strips. Site improvements for the Jack-in-the-Box site include asphalt paved parking, three curb cuts onto Ash Street, a drive-through lane, curbing, and landscaping. Please see photos for details.

Assessment and Taxes:

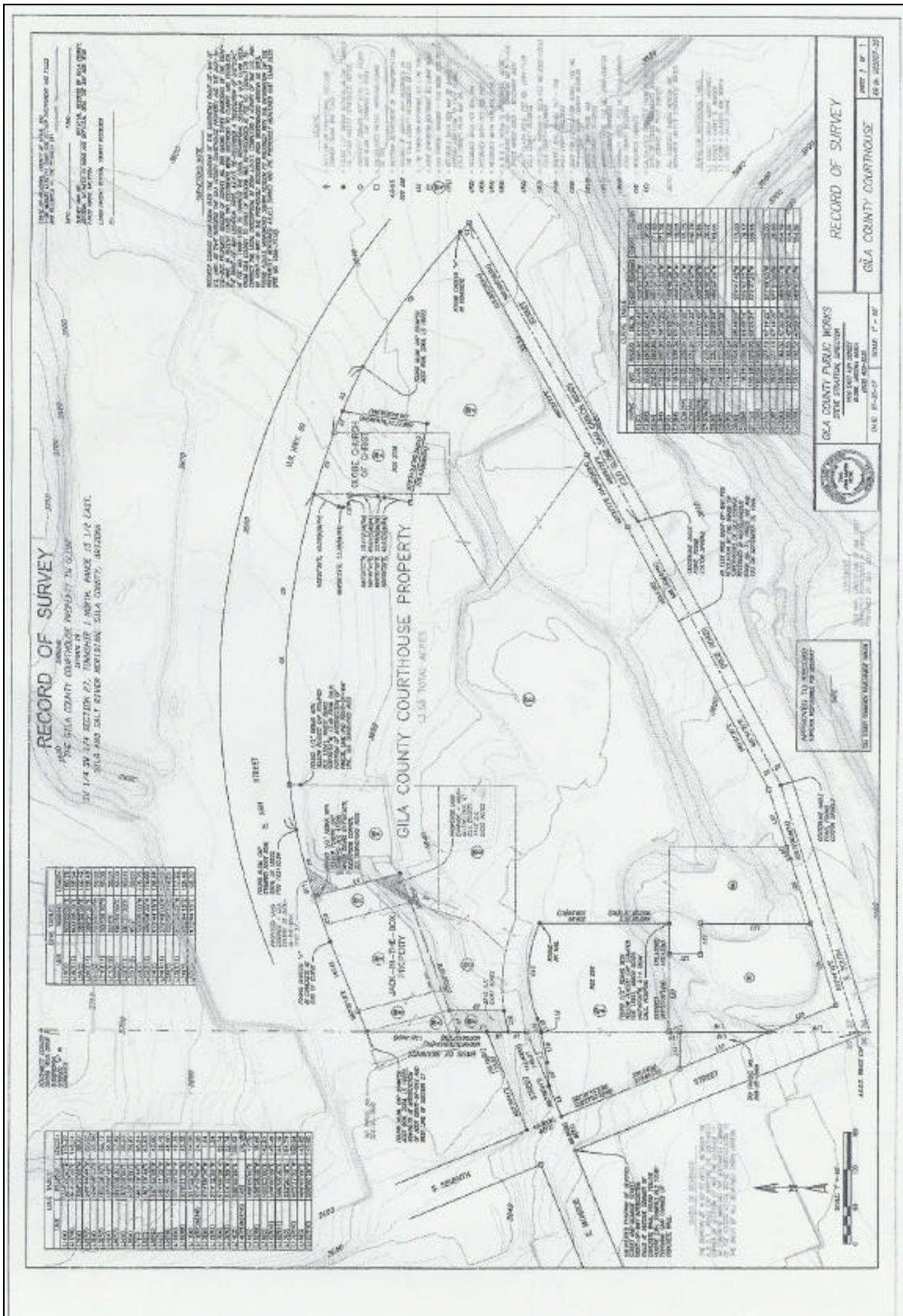
The current/most recent assessment and real estate taxes for the subject (entire Jack-in-the-Box site) are as shown on the table below. It should be noted that once the acquisition goes through, the subject parcels would become government-owned, and tax-exempt. However, for the purposes of this appraisal, the current taxes and assessment on the subject parcels (all comprising the Jack-in-the-Box site) as they now exist are as shown on the table below. It should also be noted that according to the Gila County Treasurer's Office, there are no overdue taxes owing on any of the said parcels.

APN	'11 Land FCV	'11 Impr FCV	'11 Total FCV	'09 Taxes
205-14-028B	\$63,288	\$217,196	\$280,484	\$6,013.26
205-14-035C	\$21,825	\$14,671	\$36,496	\$782.54
205-14-035E	\$1,146	\$0	\$1,146	\$17.84
205-14-036A	\$6,000	\$6,150	\$12,150	\$260.48
205-14-036B	\$15,082	\$11,418	\$26,500	\$568.14
208-05-389B	\$23,189	\$11,499	\$34,688	\$743.74
Totals	\$130,530	\$260,934	\$391,464	\$8,386.00

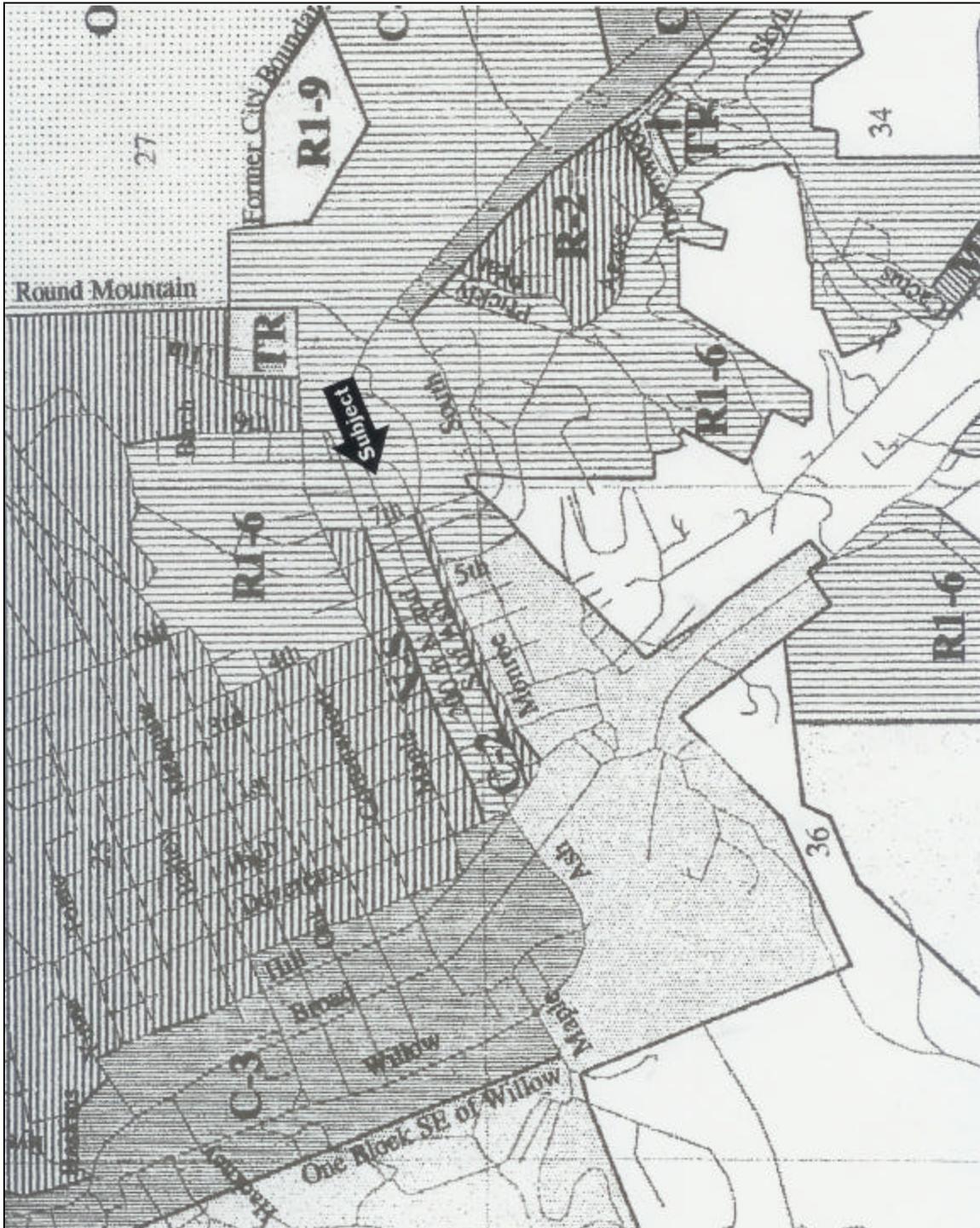
PLAT MAP



SURVEY



ZONING MAP



FLOOD ZONE MAP



Prepared for:
Kurt Peer
1400 E Ash St
Globe, AZ 85501-1483



FLOODSCAPE
Flood Hazards
Map Number
04007C2119D
Effective Date
December 4, 2007

For more information
flood zones and flood
insurance, contact:

Powered by FloodSc
877.77.FLOOD
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SUBJECT PHOTOGRAPHS



View looking W on Ash St, Jack-in-the-Box site to L



View looking E on Ash St from point near Subj

SUBJECT PHOTOGRAPHS



View looking E on Monroe Street at County Buildings; Subj site to L



View looking E from rear of Jack-in-the-Box site, showing Subj Strip B (to R of trees) and County Buildings behind

SUBJECT PHOTOGRAPHS



View of J-B site, looking NE



View of J-B site, looking E



View looking W from County parking lot at J-B site



View of Strip B, from Monroe St.



View of Strip A, looking W towards J-B



View of Strip A, looking E to Monroe St.

HIGHEST AND BEST USE ANALYSIS

The concept of Highest and Best Use is central to the appraisal problem. It is defined in the Dictionary of Real Estate Appraisal 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. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximal productivity.”

The Highest and Best Use section of the appraisal is the apex which links the first or descriptive section of the report with the second or valuation section. The first section builds up to the highest and best use analysis, which determines the valuation methodology to be used. Implied within the definition of highest and best use is the recognition of that specific use to the community development goals in addition to wealth maximization of the individual property owner. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

For an improved property, highest and best use is considered from two points of view, first, from the point of view of the site as if it were vacant. Second, highest and best use is considered from the point of view of the property as it is currently improved. For a vacant site or property, such as the subject property, highest and best use is analyzed from only one point of view, that being considering the property as vacant. Based on the preceding, the following is set forth.

Highest and Best Use, As Is/Vacant:

Considering the subject site’s locational and physical characteristics as discussed in the report, as well as zoning and market conditions, the current highest and best use of the subject property (the entire site), as if vacant, is for speculation and or development purposes consistent with underlying zoning, that is, for commercial development purposes.

THE APPRAISAL PROCESS

The appraisal process is the systematic procedure utilized to provide an answer to the client concerning the market value of the real property appraised. In it, the process is planned as to the collection, analysis, and presentation of the necessary data in order to arrive at an estimated value. Three approaches are involved and considered for use in an assignment, and all, one, or two are utilized depending on the assignment. The approaches are the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. Each approach has its strengths and weaknesses depending on the nature of the assignment and the subject property. The approaches which are deemed appropriate for the assignment are then utilized, each resulting in its own value indication. The value indications from the approaches utilized are then reconciled into a final value estimate for the subject property in the Reconciliation section of the report. Each of the approaches is considered and discussed as follows.

The Cost Approach is based on the principal of substitution, which states that no prudent person would pay more for a property than the amount it would cost to obtain a property of similar desirability, by way of purchasing a vacant site and constructing a building thereon. In the Cost Approach, a subject's land value is first determined, through a Sales Comparison analysis using as comparables recent sales of similar vacant sites to the subject site. To the estimated site value is then added the estimated replacement cost new of the improvements, through such published sources as the Marshall Valuation Service Cost manuals. When applicable, actual construction costs for a subject property are also considered, along with construction costs of similar buildings from builders and developers in the area. From the estimated replacement cost new of the building is then deducted accrued depreciation caused by physical, functional, and exterior or adverse economic sources. This results in the estimated depreciated cost new of the building, to which is then added the estimated land value, determined earlier, for the final value estimate via this approach to value.

In the Sales Comparison Approach, the appraiser estimates the value of a subject property by comparing it with similar properties which have recently been sold, or are currently available for sale. The subject and comparables are broken down into similar units of comparison, in this case the price per square foot of site area. The fundamental basis for valuation in this approach involves differences between the subject and comparables in their various specific characteristics. There are two levels of adjustment, the first involving characteristics of the market and the actual transaction, such as property rights conveyed, changed market conditions since the date of sale, financing, and conditions of sale (such as atypically motivated parties to the transactions). The second level of adjustment considers the characteristics of the site itself, such as site size, location, utilities, zoning, surrounding uses, and the like. Adjustments are applied to these characteristics, based on the appraiser's judgment. Downward adjustments are applied when a comparable's characteristic is superior to the subject's, and upward for when inferior. If the characteristic is basically similar, no adjustment is applied. The adjustments are then tallied and result in the adjusted sale price per square foot of a comparable. This then renders the range in adjusted price per square foot, and from the range the appraiser makes a determination as to the best value indication for the subject. This figure is then multiplied by the number of square feet of the subject, resulting in the final value estimate via this approach to value.

The Income Capitalization Approach reflects a subject's income-producing capabilities, and is based on the assumption that value is created by the expectation of benefits to be derived in the future. It reflects the amount an investor would be willing to pay in anticipation of these benefits, which can be a single year's income (direct capitalization, for stabilized properties) or an income

stream over several years plus a reversion at the end of that period (estimated via a Discounted Cash Flow Analysis, when a property is either not stabilized, is proposed, or is expected to have a varying income stream over a period of time, and the like).

For direct capitalization, the potential gross income (PGI) is first estimated, based on market rents or actual subject rents, from which is then deducted vacancy (again based on the market or subject property), resulting in the estimated effective gross income (EGI). Expenses are then deducted (market/subject), resulting in the estimate of net operating income (NOI), which is then capitalized into a value estimate. The estimated NOI is divided by the appropriate capitalization rate, determined by the appraiser through market analysis.

For yield capitalization or the DCF, the estimation process is similar in that each year over the holding period results in an estimated NOI. However, there are more factors involved as the income stream varies due to lease up, capital expenses, tenant improvements, etc. In addition, a selling price or reversion is estimated at the end of the holding period. The cash flows from each year of the holding period, and the estimated reversion, are discounted to a present value estimate via this method.

In the Reconciliation section of the appraisal, the various approaches are then summarized and a final reconciled value estimate derived, again based on the appraiser's judgment and considering the various strengths and weaknesses of the approaches utilized.

Approaches Utilized

In the case of the valuation of the subject property, as noted earlier in the appraisal, with the subject property being a vacant site, the only approach utilized in its valuation was the Sales Comparison Approach, and the value indication from this approach is the final reconciled value of the subject property.

SALES COMPARISON APPROACH

In the Sales Comparison Approach, the appraiser estimates the value of the subject property by comparing it with similar vacant properties which have recently been sold, or are currently available for sale. The subject and comparables are broken down into similar units of comparison, in this case the price per square foot of land area. The fundamental basis for valuation in this approach involves differences between the subject and comparables in their various specific characteristics.

There are two levels of adjustment, the first involving characteristics of the market and the actual transaction, such as property rights conveyed, changed market conditions since the date of sale, financing, and conditions of sale (such as atypical motivated parties to the transactions). The second level of adjustment considers the characteristics of the subject property itself, such as site size, location, frontage, topography, utilities, zoning, and the like. Adjustments are applied to these characteristics, based on the appraiser's judgment. Downward adjustments are applied when a comparable's characteristic is superior to the subject's, and upward for when inferior. If the characteristic is basically similar, no adjustment is applied. The adjustments are then tallied and result in the adjusted unit price of a comparable. This then renders the range in adjusted prices of the comparables, and from the range the appraiser makes a determination as to the best unit price indication for the subject. This figure is then multiplied by the number of square feet of the subject, resulting in the final value estimate via this approach to value.

The comparables selected for use in this approach were the most appropriate and representative sales for comparison purposes to the subject property. Sale dates shown are closing dates. Additional closed sales and current listings were considered by the appraiser and are supportive of those comparables utilized.

VACANT LAND COMPARABLE NO 1.

Property Type: Vacant Commercial
Location: 520 South Hill Street
City: Globe
Assessor's Parcel No.: 208-03-100A
Sale Date: March, 2003
Sale Price: \$70,000
Price Per SF: \$2.11/SF
Instrument: Warranty Deed (2003-005399)
Grantor: Rhonda Hertz
Grantee: Hawkins Companies LLC
Terms of Sale: Cash to Seller
Site Area (SF): 33,100 SF
Site Area (Acres): 0.76 acres
Zoning: C-2, Commercial, Globe
Topography: Slightly rolling; needed site work
Confirmation: Public Records, Realtor
Comments: Site located at the southeast corner of Highway 60 and Hill Street; signalized intersection. Needed some site work to build up the site sufficiently to construct the Movie Gallery store on the site, which was subsequently sold in March of 2004.

VACANT LAND COMPARABLE NO. 2

Property Type: Vacant Commercial
Location: 1940 East Ash Street
City: Globe
Assessor's Parcel No.: 205-21-024, 025, 026
Sale Date: June, 2004
Sale Price: \$185,000
Price Per SF: \$4.38/SF
Instrument: Special Warranty Deed (04-010383)
Grantor: Win Oil Company, Inc.
Grantee: Globe DG, LLC
Terms of Sale: Cash to Seller
Site Area (SF): 42,252 SF
Site Area (Acres): 0.97 acres
Zoning: C-3, Commercial, Globe
Topography: Generally level
Confirmation: Public Records, Realtor
Comments: Generally level site with 150 feet of frontage on Highway 60/77, in east part of Globe. Improved with Dollar General store, which was subsequently sold, in October of 2004.

VACANT LAND COMPARABLE NO. 3

Property Type: Vacant Commercial
Location: Elling the Northeast Corner of Highway 60 and Chaparral Drive
City: Globe
Assessor's Parcel No.: 207-02-012M, 012U
Sale Date: November, 2006
Sale Price: \$385,000
Price Per SF: \$1.51/SF
Instrument: Warranty Deed (06-020139)
Grantor: Floyd Lee Krank Trust
Grantee: Globe Family Associates
Terms of Sale: Cash to Seller
Site Area (SF): 255,696 SF
Site Area (Acres): 5.87 acres
Zoning: C-3, Commercial, Globe
Topography: Generally level, sits below the level of Highway 60 and Chaparral Drive
Confirmation: Public Records, Realtor
Comments: Site with access off Chaparral Drive, generally level but low-lying, was subsequently improved with multi-family apartment complex. Shell/Wendy's facility is located at the corner, which this site ell around.

VACANT LAND COMPARABLE NO. 4

Property Type:	Vacant Commercial
Location:	3585 East Highway 60
City:	Miami
Assessor's Parcel No.:	206-03-053E
Sale Date:	August, 2007
Sale Price:	\$165,000
Price Per SF:	\$6.00/SF
Instrument:	Special Warranty Deed (07-015988)
Grantor:	O'Leary Family Trust
Grantee:	R.E. Monks Construction, Inc.
Terms of Sale:	Cash to Seller
Site Area (SF):	27,500 SF
Site Area (Acres):	0.63 acres
Zoning:	Commercial, Miami
Topography:	Generally level and at grade
Confirmation:	Public Records, Realtor
Comments:	Site located at corner of Highway 60 and Marion Street (aka Calle De Loma), in Miami, between downtown Miami and the Wal-Mart Center. Site has 275 feet of frontage on Highway 60. Site is backed by railroad tracks. Old improvements of no value have been demolished; buyer built a modular building for use in his construction business, tied to the mining industry.

VACANT LAND COMPARABLE NO. 5

Property Type: Vacant Commercial
Location: 2117 West Highway 60
City: Globe
Assessor's Parcel No.: 207-01-015A
Sale Date: June, 2001
Sale Price: \$190,000
Price Per SF: \$4.79/SF
Instrument: Warranty Deed (01-010085)
Grantor: Cohen, Rife & Jutzi, P.C.
Grantee: Stephen Kleppe et ux
Terms of Sale: Cash to Seller
Site Area (SF): 39,640 SF
Site Area (Acres): 0.91 acres
Zoning: C-2, Commercial, Globe
Topography: Generally level
Confirmation: Public Records, Realtor
Comments: Site is a pad site adjacent west of the Fry's Center in Globe, subsequently improved with a Sonic Restaurant.

VACANT LAND COMPARABLE NO. 6

Property Type:	Vacant Commercial
Location:	2100 West Highway 60
City:	Globe
Assessor's Parcel No.:	207-04-153A, 154
Sale Date:	February, 2005
Sale Price:	\$240,000
Price Per SF:	\$4.55/SF
Instrument:	Warranty Deed (05-005501)
Grantor:	Lawrence L. Healy et ux
Grantee:	Wall Osman Properties, LLC
Terms of Sale:	Cash to Seller
Site Area (SF):	52,710 SF
Site Area (Acres):	1.21 acres
Zoning:	C-2, Commercial, Globe
Topography:	Generally level
Confirmation:	Public Records, Realtor
Comments:	Commercial site, across from Fry's Center, with about 250 feet of frontage on Highway 60. Reportedly was improved with an old commercial structure (restaurant building) of nominal value, which was razed to make way for the construction of a Dollar Tree store, which itself was subsequently sold.

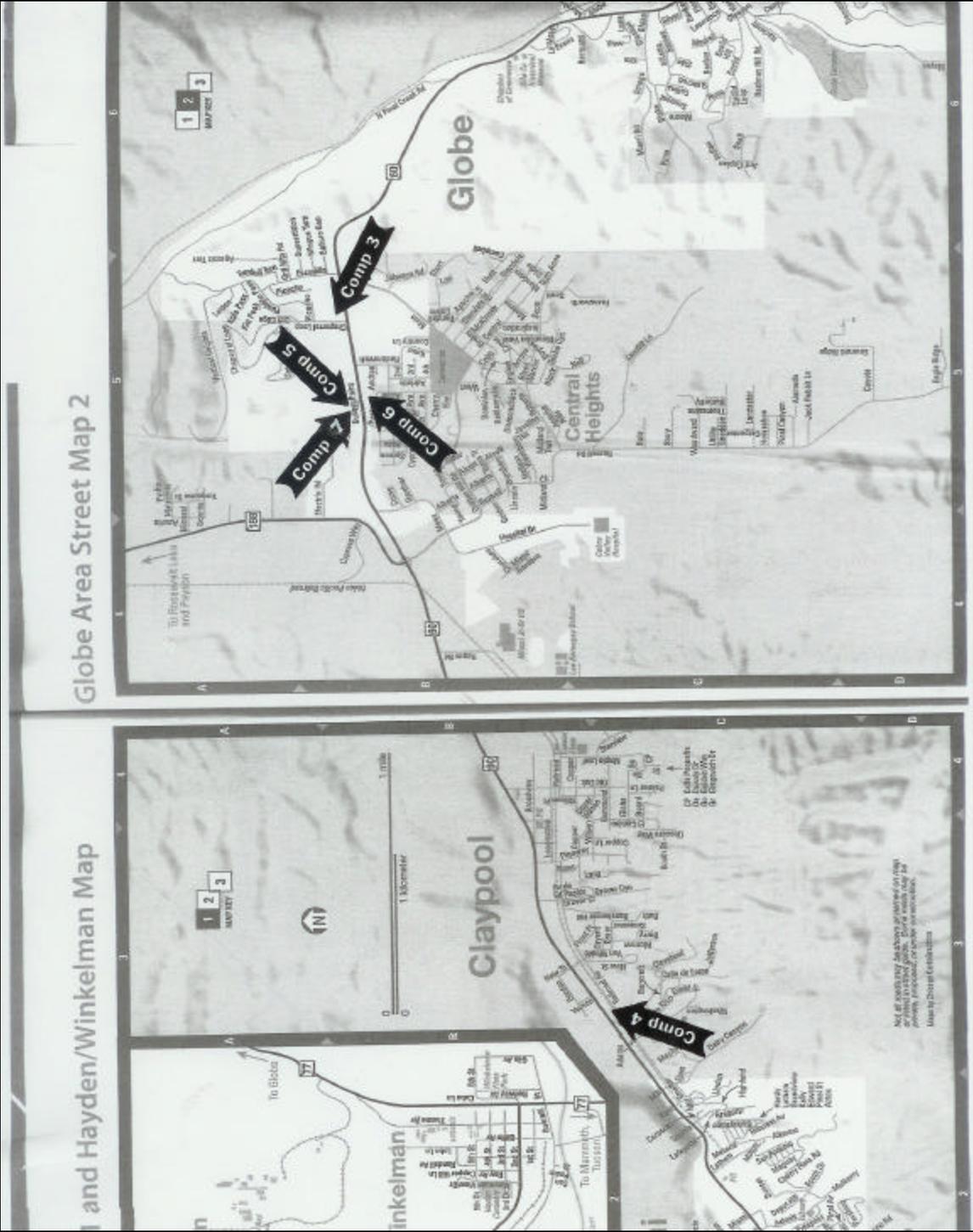
VACANT LAND COMPARABLE NO. 7

Property Type:	Vacant Commercial
Location:	Adj NW of 2117 West Highway 60
City:	Globe
Assessor's Parcel No.:	207-01-015D
Sale Date:	December, 2007
Sale Price:	\$265,000
Price Per SF:	\$1.73/SF
Instrument:	Special Warranty Deed (07-020433)
Grantor:	The Globe Land Trust
Grantee:	Copper Crest Development, LLC
Terms of Sale:	Cash to Seller
Site Area (SF):	153,331 SF
Site Area (Acres):	3.52 acres
Zoning:	C-2, Commercial, Globe
Topography:	Generally level
Confirmation:	Public Records, Realtor
Comments:	Site is a pad adjacent west of the Fry's Center in Globe, and cate-corner behind and to the northeast of the Sonic restaurant (Sale 5), also behind the Travelodge Motel. Site includes an access easement between the motel and Sonic properties. Though a commercial site, it was bought by developer for future construction as a condominium/retirement center; however, site remains vacant what with the subsequent real estate slowdown. Also, visibility is limited to the site as the site is behind the Travelodge Motel, and utilities are to the motel and Sonic sites (thus nearby), but not to this site per the broker. Site also to require some site work prior to development.

VACANT LAND COMPARABLE NO. 8

Property Type:	Vacant Commercial
Location:	1770 East Ash Street
City:	Globe
Assessor's Parcel No.:	205-17-007
Sale Date:	February, 2010
Sale Price:	\$150,000
Price Per SF:	\$2.69/SF
Instrument:	Warranty Deed (10-001479)
Grantor:	Nowlin
Grantee:	Picacho Valley Group LLC
Terms of Sale:	Cash to Seller
Site Area (SF):	55,757 SF
Site Area (Acres):	1.28 acres
Zoning:	C-2, Commercial, Globe
Topography:	Generally level
Confirmation:	Public Records, Realtor
Comments:	Sale of a 1.28 acre site in east part of Globe, just east of the intersection of Highways 60 and 70. Site was improved with an older building of limited utility, added onto, and not in use, and per the broker the site was purchased for land value. Site is back on the market for \$300,000. Seller was a new widow and was motivated per broker.

MAP OF COMPARABLES



SUMMARY OF VACANT COMPARABLES

Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7	Comp 8
1402 E. Ash St. Globe Vac Comm.	520 S. Hill St. Globe Vac Comm.	1940 E. Ash St. Globe Vac Comm.	Ells NEC Hwy 60 & Chaparral Globe Vac Comm.	3585 E. Hwy 60 Miami Vac Comm.	2117 W Hwy 60 Globe Vac Comm.	2100 W. Hwy 60 Globe Vac Comm.	Adj NW of 2117 W. Hwy 60 Globe Vac Comm.	1770 E. Ash St. Globe Vac Comm.
\$ 70,000 \$2.11	\$ 185,000 \$4.38	\$ 385,000 \$1.51	\$ 165,000 \$6.00	\$ 190,000 \$4.79	\$ 240,000 \$4.55	\$ 265,000 \$1.73	\$ 150,000 \$2.69	
Ppty Rights.: Sale Terms: Sale Cond.: Sale Date:	Fee Simple Cash Typical Mar-03	Fee Simple Cash Typical Jun-04	Fee Simple Cash Typical Nov-06	Fee Simple Cash Typical Aug-07	Fee Simple Cash Typical Jun-01	Fee Simple Cash Typical Feb-05	Fee Simple Cash Typical Dec-07	Fee Simple Cash Motiv. Seller Feb-10
Site Size (SF): Site Size (Ac.): Zoning: Topography: Utilities: Use:	44,313 1.02 C-2 Gen Level All Avail Prtl Taking	42,252 0.97 C-3 Gen Level All Avail Build Dollar Gen.	255,696 5.87 C-3 Gen Level All Avail Build Apts	27,500 0.63 Comm Level/Bldg Rzd All Avail Build Shop	39,640 0.91 C-2 Gen Level All Avail Build Sonic Rest.	52,710 1.21 C-2 Level/Bldg Rzd All Avail Build Dollar Tree	153,331 3.52 C-2 Level All Avail Hold for Development	55,757 1.28 C-2 Level All Avail Investment

DISCUSSION AND ANALYSIS OF COMPARABLE SALES

The prior noted comparables have been utilized in this valuation of the subject property, representing recent sales of similar properties in the subject's market area. The comparables have been summarized, photographed, and mapped for the reader's reference. The comparables were confirmed with parties to them when possible, and represent the best, most recent, and most appropriate data in the form of comparable sales for use in the analysis. Additional closed sales and current listings were considered by the appraiser, which are supportive of those sales used, and data on them is retained in the appraiser's files.

Adjustments – First Level

The comparables are then adjusted to the subject property. The first level of adjustments is for property rights conveyed, financing terms, conditions of sale, and market conditions. Property rights conveyed were fee simple in all cases, and no adjustments were required for this.

Concerning financing terms, all of the sales were cash to the seller or were for terms undisclosed or considered equivalent to cash, and as such no adjustments for financing were warranted.

The conditions of sale adjustment accounts for atypical conditions or motivations on the part of the parties to the transactions, and in the case of the comparables, based on the appraiser's conversations with the confirming parties and research, no adjustments are required at this level to any of the sales but No. 8, which is adjusted upward as shown for this factor and based on the discussion in that comparable's write-up.

The final level of adjustment in the first set of adjustments is for changed market conditions over the period from when the sales took place to the date of valuation of the subject. Sales used included the commercial land sales in Globe/Miami over the past 8 year period, due to the limited amount of data available. The commercial real estate market, including the commercial land market, reached its peak in about 2007 as it did elsewhere throughout the state of Arizona, with the commercial real estate market generally peaking after the residential market, which reached its high in 2005/2006. Since late 2007 the market has slowed considerably and values have dropped sharply. The market had risen from 2002-2007, though not in as pronounced a fashion as in some of the larger cities in Arizona, and values have declined in some instances back to the levels they were at in 2002-2004. There has been very limited data and even in 2006-2007 though activity was greater in Globe the activity has still been generally small. Value declines also picked up in late 2008/early 2009, and in some cases values have dropped 50% or more depending on the property type and location and other factors. The sales used were the best and most appropriate available, and in conversations with local brokers there are no current escrows to consider. There are some indications that the market may be stabilizing or hitting bottom but it's anybody's guess as to how far this all might go. Due to the preceding, the appraiser has imputed the noted adjustments for changed market conditions to the comparables, where appropriate, as shown on the attached adjustment grid.

Adjustments – Second Level

The second level of adjustments concern the physical and locational features of the comparables as they compare to the subject property.

Concerning location, this adjustment takes into account such locational features as the overall character and desirability of the area, surrounding uses to the subject, amount of buildout in the area, demographics, and general access and visibility characteristics. Based on these differences between the subject and comparables, the indicated adjustments have been made. Comparable No. 4 is adjusted upward to the subject for its location in an inferior commercial area, in Miami. The other comparables are adjusted, when warranted, to the subject for their varying locational characteristics. Comparable Nos. 3, 5, and 6 are from the main commercial area in Globe and adjusted downward, while Nos. 1, 2, and 8 are from similar areas as the subject and not adjusted. Comparable No. 7 is located near Nos. 3, 5, and 6, but suffers from its location behind the Travelodge Motel, and is adjusted upward.

Size adjustments relate to economies of scale, with smaller properties tending to sell for more on a price per unit basis. The comparables as such have been adjusted to the subject when appropriate for this factor, as shown on the adjustment grid.

Adjustments are also considered for zoning, but as all of the comparables are zoned commercial like the subject, even though the commercial zoning designations vary, in the opinion of the appraiser no adjustments are warranted for this factor.

Next, adjustments are considered for utilities (water/sewer/electric/gas), however, in that the subject and all comparables but No. 7 are similar with respect to such, no adjustments are warranted for this factor to those comparables; only No. 7 is adjusted for this factor, as discussed in that comparable's write-up, and as shown.

The next adjustment considered is for topography and site characteristics. As noted, some of the comparables required site work in order to bring the sites to developability, and other comparables included buildings which were of no or nominal value and which were razed or to be razed to make way for development. Such comparables are adjusted upward, when warranted, for this factor.

The comparables are also adjusted for use, or the uses to which the sites were put subsequent to purchase. Comparable No. 3, which was developed with apartments, and No. 7, which was projected for similar development, are adjusted upward to the subject for this factor, while none of the balance of the comparables are adjusted.

Finally, the comparables are adjusted, if appropriate, for other or miscellaneous characteristics not covered in the additional categories, such as amenities, site improvements, and the like.

After adjustments to each of the comparables, their adjusted sale prices are derived, and displayed on the adjustment grid. The adjusted unit value is then reconciled into a final value indication for the subject property via this approach. The reader's attention is directed to the adjustment grid forthcoming.

Final Estimate of Value Via Sales Comparison Approach

As noted, the comparables provided a pre-adjusted price range of from \$1.51 to \$6.00/SF. After the noted adjustments were made, the adjusted range in prices was from \$1.92 to \$5.27/SF. The average adjusted price was \$3.82/SF. When considering the subject's locational and physical characteristics, as well as the strength of the data and market conditions, the appraiser has estimated the value of the subject entire site, via the Sales Comparison Approach, to be as shown below. In addition to the sales utilized, with most weight given to Sale Nos. 2, 6, and 8, as they

were considered the most similar sales to the subject and were also more recent, the appraiser also considered current listings and broker interviews conducted in the course of the investigation. In light of the preceding, the appraiser has estimated the value of the subject entire or overall site to be as follows:

$$44,313 \text{ SF} \times \$4.50/\text{SF} = \$199,409; \text{ rd. } \$199,000$$

(ONE HUNDRED NINETY-NINE THOUSAND DOLLARS)

VACANT COMPARABLE ADJUSTMENT GRID

Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7	Comp 8
Sale Price	\$70,000	\$185,000	\$385,000	\$165,000	\$190,000	\$240,000	\$265,000	\$150,000
\$/SF (UNADJ.)	\$2.11	\$4.38	\$1.51	\$6.00	\$4.79	\$4.55	\$1.73	\$2.69
Ppty Rights Conv	0%	0%	0%	0%	0%	0%	0%	0%
Adjusted Price	\$2.11	\$4.38	\$1.51	\$6.00	\$4.79	\$4.55	\$1.73	\$2.69
Terms of Sale	0%	0%	0%	0%	0%	0%	0%	0%
Adjusted Price	\$2.11	\$4.38	\$1.51	\$6.00	\$4.79	\$4.55	\$1.73	\$2.69
Conditions of Sale	0%	0%	0%	0%	0%	0%	0%	40%
Adjusted Price	\$2.11	\$4.38	\$1.51	\$6.00	\$4.79	\$4.55	\$1.73	\$3.77
Market Conditions	0%	-10%	-25%	-35%	0%	-15%	-40%	0%
ADJ PRICE - 1ST LEVEL	\$2.11	\$3.94	\$1.13	\$3.90	\$4.79	\$3.87	\$1.04	\$3.77
Location Adj.	0.0%	0.0%	-5.0%	35.0%	-5.0%	-5.0%	25.0%	0.0%
Size Adj.	0.0%	0.0%	50.0%	-5.0%	0.0%	5.0%	35.0%	0.0%
Zoning Adj.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities Adj.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.0%	0.0%
Topog/Site Char Adj.	50.0%	0.0%	0.0%	5.0%	0.0%	5.0%	5.0%	5.0%
Use Adj.	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	25.0%	0.0%
Other Adj.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Adjustment	50.0%	0.0%	70.0%	35.0%	-5.0%	5.0%	105.0%	5.0%
Gross Adjustment	50.0%	0.0%	80.0%	45.0%	5.0%	15.0%	105.0%	5.0%
ADJ. \$/SF	\$3.17	\$3.94	\$1.92	\$5.27	\$4.55	\$4.06	\$2.13	\$3.95
Avg Adj \$/SF	\$3.82							

THE ACQUISITION

The proposed acquisition area, as noted earlier in the report, consists of two Strips, Strips A and B, which contain a total of 4,052 SF between them. Whereas, the entire site contains 44,313 SF and is improved with the Jack-in-the-Box restaurant. The proposed acquisition will not impact the Jack-in-the-Box concern, for as noted the County will at their cost be reconfiguring the sewer lines under Strip A, and as such only the Taking's site area of 4,052 SF needs to be addressed herewith.

Value of the Acquisition, as Part of the Whole

As previously discussed, it has been concluded that the value of the Whole, Before the Acquisition, is estimated at \$4.50/SF of site area. Recognizing that the area (Strips A and B) to be acquired has no unique or special characteristics, said area is considered to have the same unit value as the balance of the property. Therefore, the Acquisition area is also concluded to have a unit value of \$4.50/SF of site area. The value of the Acquisition is thus calculated as follows:

$$4,052 \text{ SF} \times \$4.50/\text{SF} = \$18,234; \text{ rd. } \$18,000$$

Value of the Remainder, as Part of the Whole

Value Before Acquisition:	\$199,000
Value of the Part Taken, as Part of the Whole:	<u>\$ 18,000</u>
Value of the Remainder, as Part of the Whole:	\$181,000

Effects of the Acquisition

The acquisition of this 4,052 SF will reduce the total land area of the subject site by that amount. The two strips are located at rear portions of the site. Equivalent to 9% of the original parcel size, this reduction in overall land area is not considered significant, nor will it materially alter the shape, access, or utility of the remainder. Moreover, the County will at their own costs be reconfiguring the Jack-in-the-Box site's sewer set-up, so there are no damages to consider.

Because the subject site will not be significantly altered nor will it materially suffer, after considering all aspects of the acquisition, the overall affects are relatively minor and are not believed to have any negative impact on the remainder.

Highest and Best Use, Remaining Property

In the After situation, the subject site will only be changed in size, and slightly at that. Its overall shape, access, visibility, and general utility will remain essentially the same. Therefore, after analyzing the effects of the acquisition upon the remaining site, it is my opinion that the subject site will retain its same highest and best use as in its Before state.

Site Valuation, Remaining Land After the Acquisition

Other than a change in size, there is no difference in the subject site in the Before and After states. Therefore, as a result of the preceding analysis and investigation, it is my opinion that a comparison of the subject Remaining Land to those sales utilized in the Before valuation would result in a similar indication of value. Thus, there is no need for a meaningless repetition by sale

comparison with the subject Remainder property. It is therefore my conclusion that the larger parcel's remaining site area would have the same value, on a per square foot basis, as found in the Before condition.

In the After condition, the subject site will contain a total land area of 40,261 SF. As such, the value of the larger parcel's Remaining Land area may be calculated as follows:

$$40,261 \text{ SF} \times \$4.50/\text{SF} = \$181,175; \text{ rd. } \$181,000$$

Moreover, there will be no damages suffered by the subject site's owner, the Jack-in-the-Box concern.

Severance Damages (Cost to Cure)

Severance damages are defined as the loss in value to the Remaining property caused by the Acquisition or construction of the proposed public improvements, in this case, the better configured Monroe Avenue which is accessing the Gila County site. These damages are generally measured by subtracting the value of the Remainder property, after the Acquisition, from the value of the same property, Before the Acquisition. In the case of the subject property, however, no loss in value is found. Therefore, there is no finding of severance damages in this appraisal report.

Special Benefits

Special Benefits are defined as those which accrue to the subject and are not shared with other sites in the same general area. Recognizing that this Acquisition is for a better configured Monroe Avenue as it accesses the County facilities, which all properties in the area should benefit from, any such benefit and value change to the subject property itself as a result of this is not believed to be measurable in this assignment.

RECONCILIATION AND FINAL VALUE ESTIMATE

In the Reconciliation section of the appraisal, the value indications from the approaches utilized are summarized, and from them the final reconciled value estimate for the subject property is then derived. In the case of the subject, which is a vacant site, only the Sales Comparison Approach was utilized, as discussed earlier in the report. The Income Capitalization and Cost Approaches were dismissed for the reasons discussed.

This appraisal assignment involved a partial taking on the part of the client, as noted. In this report, after analyzing the effects of the proposed partial taking, the appraiser has estimated the value of the subject site, both Before and After the Acquisition, via the Sales Comparison Approach to Value. The appraiser further estimated the value of the Acquisition, including all relative components. Finally, the appraiser also considered the possibility of severance damages and special benefits, but found that these were either not present or measurable.

Based on the preceding investigation and analysis and considering all the various factors involved, plus recognizing the economics and market acceptance prevalent as of the effective date of the appraisal, the appraiser estimates the following:

<u>Component</u>	<u>Value</u>
Value, Before:	\$199,000
Value, After:	\$181,000
Value of the Part Taken:	\$ 18,000
Severance Damages/Cost to Cure:	None
Special Benefits:	None
Total Estimated Compensation:	\$ 18,000

TOTAL ESTIMATED COMPENSATION DUE TO THE OWNER OF THE SUBJECT

(\$18,000)

EIGHTEEN TOUSAND DOLLARS

SPECIAL NOTE:

The scenario for the partial taking of the subject has been discussed, consisting of the two separate Strips. However, according to the client, an alternative scenario or taking situation exists. The alternative scenario, herewith referred to as Scenario 2 (with Scenario 1 being as discussed), is whereby the County would still take Strip A, but instead of also taking Strip B outright, it would take Strip B but would give (trade) to Jack-in-the-Box a third Strip, herein referred to as Strip C. That is, the County would get Strip B from Jack-in-the-Box and Jack-in-the-Box would get Strip C from the County. Strips B and C are identical in size. As shown on the prior Survey, Strip C is a triangular shaped property located at the northwest corner of Parcel 205-14-035F. This strip is referred to on the Survey as "Proposed Land Exchange – Gila County to Jack-in-the-Box." This strip fronts Ash Street and is currently part of the Gila County property and is landscaped and has no other use. In that Strips B and C are identical in size and similar in other ways, and neither currently being in use by Jack-in-the-Box, it is the opinion of the

appraiser that for valuation purposes the two strips are in essence considered “equals” and the would-be trade in essence a “wash.”

Therefore, should this alternative taking be agreed to by the two parties, the total compensation due Jack-in-the-Box would be less as it would be reflective of Strip A’s square footage only, rather than the combined square footage of Strips A and B. The preceding is summarized on the following table:

<u>Scenario</u>	<u>Scenario 1</u>	<u>Scenario 2</u>
Description:	Strip A & B to Gila Co	Strip A & B to Gila, Strip C to J-B
Site Before:	44,313 SF	44,313 SF
Value of Site Before:	\$199,000	\$199,000
Taking:	4,052 SF	2,945 SF
Value of Taking:	\$ 18,000	\$ 13,000
Site After:	40,261 SF	41,368 SF
Value of Site After:	\$181,000	\$186,000
<i>Summary:</i>		
Compensation Due:	\$ 18,000	\$ 13,000

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute and the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice by the Appraisal Foundation.

This appraiser is not responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; whether physical, financial, and/or legal. In the case of limited partnerships, or syndication offerings, or stock offerings in real estate, the client agrees that in case of a lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards or settlements of any type in such suit, regardless of the outcome, the client and all parties will completely hold harmless the appraiser.

The liability of the appraiser and the firm with which he is connected is limited to the client in this assignment only and to the fee collected for the assignment.

The validity of legal, engineering, or auditing opinions is assumed to be good, and no responsibility is assumed therefore.

Unless otherwise stated, the appraiser assumes and believes that information furnished by others is reliable, but assumes no responsibility for its accuracy.

Should this valuation opinion be ascribed in regard to proposed public or private improvements, then in that event, this appraisal is subject to the completion thereof in the manner proposed.

The appraiser reserves the right to alter statements, analyses, conclusions, or any value estimate in the appraisal if there becomes known to me facts pertinent to the appraisal process which were unknown when the report was finished. Appraisal report and value estimate are subject to change if physical or legal entity or financing is different than that envisioned in this report.

The title to the property being appraised is assumed to be marketable and competent management and/or ownership is assumed. Consideration has been given to the existing or potential financing associated with the subject and the impact of such financing on value.

All mechanical components are assumed to be in operable condition and status standard for properties of the subject age and type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.

The appraiser has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil, or hidden structural, mechanical, or other components, and the appraiser shall not be responsible for defects in the property related thereto. Appraiser assumes that there are no conditions that are not apparent, relating to the real estate, sub-soil conditions, or structures located on the real estate which would affect the analyses, opinions, or conclusions with respect to the real estate.

If the appraiser has not been supplied with a termite inspection, survey, or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or

for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

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 property or that he 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.

The Americans with Disabilities Act of 1990 (ADA) became effective in 1992. Appraiser has 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 the appraiser has no direct evidence relating to this issue, appraiser did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

Maps, drawings, or sketches have been made a part of the report to aid the reader in visualizing the property, neighborhood, and region. The appraiser has made no survey of the property and assumes no responsibility in connection with such matters.

The distribution of the total valuation between land and any improvements applies only under the program of utilization and any additional conditions stated in this report, and are invalidated under other programs of utilization, or conditions, if used in making a summation appraisal.

The appraiser is not required, because of this appraisal report, to appear or to testify at a public hearing, committee, or corporate meeting, deposition, or legal proceeding of any kind unless satisfactory arrangements have been made in advance for said appearance.

The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and, if it has been possible to make such determination from said sources, has noted in the appraisal report whether the subject site is located in an identified Flood Hazard Area. Because the appraiser is not a surveyor, the appraiser makes no guarantee, express or implied, regarding this determination. It is up to the client to make or confirm their own determination regarding the subject's flood zone status and to take responsibility therefore.

The appraiser must provide his written consent before the lender/client specified in the appraisal can distribute the appraisal report (including conclusions about the property value, the appraiser's identity or firm with which he is connected or any professional designations he may or may not have, and any references to any appraisal organizations with which he may or may not be associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institutional or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of

the report only to data collection or reporting services without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

Moreover, this report or any portion thereof is for the exclusive use of the client for the stated purpose and function and is not intended to be used, given, sold, transferred, or relied on by any person other than the client without the prior, express written permission of the author. Use of or reliance upon this report by third parties is specifically prohibited. The appraiser assumes no responsibility for potential claims arising from unauthorized use of this report, or any portion thereof. The client will forever indemnify and hold the appraiser harmless from any claims by third parties related in any way to the appraisal or study which is the subject thereof.

The appraisal report, including all addendums, is meant to be used only in its entirety; no part may be used without the full or entire report.

Unless otherwise stated, the present purchasing power of the dollar is the basis for the values ascribed.

The client authorizes disclosure of all or any portion of this appraisal report and the related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the bylaws and regulations of said Institute hereafter in effect.

Acceptance of, and/or use of, this appraisal report by the client constitutes acceptance of the above general underlying assumptions and limiting conditions, as well as any additional hypothetical or extraordinary assumptions included herewith.

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- 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.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.



Kurt Peer
Certified General Real Estate Appraiser

Date:
June 28, 2010

STATE OF ARIZONA
BOARD OF APPRAISAL

BE IT KNOWN THAT

KURT PEER

HAS MET ALL THE REQUIREMENTS AS A

Certified General Real Estate Appraiser

In accordance with Arizona Revised Statutes and on authority of the Board of Appraisal, State of Arizona.

This certificate shall remain evidence thereof unless or until the same is suspended, revoked or expires in accordance with the provisions of law.

CERTIFICATE NUMBER
30329
EXPIRATION DATE
AUGUST 31, 2010

In witness whereof the Arizona Board of Appraisal caused to be signed by the Chair of the Board and the Executive Director



Robert G. Pearson
Chair, Board of Appraisal
Date: 6/17/08
Robert G. Pearson
Executive Director of the Board of Appraisal
Date: 6/17/08

SMALL REMAIN PROPERTY OF ARIZONA BOARD OF APPRAISAL

205-14-035E

JACK-IN-THE-BOX
TO
GILA CO.

STRIP A

LEGAL DESCRIPTION

Gila County Public Works
Job No. GC-2007-25

STRIP A
Page 1 of 2
December 7, 2007

A parcel of land described in Fee No. 2001-15019, pages 8 and 9 as PARCEL NO. 3, being situate in the Southwest Quarter (SW 1/4) of the Southwest Quarter (SW 1/4) of Section 27, Township 1 North, Range 15-1/2 East, Gila and Salt River Meridian, Gila County, Arizona, having a boundary more particularly described as follows;

Commencing for a tie at the Southwest corner of said Section 27, said point being an Arizona Department of Transportation brass cap from which the chiseled cross in concrete marking the Southwest corner of Sierra Vista Drive Subdivision, as shown on Gila County Record of Survey No. 3392, bears N. 00° 05' 00" E., a distance of 1321.86 feet;

THENCE N. 00° 05' 00" E. (of record N. 00° 08' 30" E.) a distance of 562.57 feet (of record 562.47 feet) to a found 1/2" rebar with 2-1/2" Aluminum cap stamped Gila County Eng. Dept., E. D. Rick Bungler, RLS 14169 marking the Southwest corner of previously mentioned PARCEL NO. 3 and the POINT OF BEGINNING;

THENCE N. 00° 05' 00" E. (of record N. 00° 08' 30" E.) a distance of 83.28 feet (of record 82.17 feet) to a found 1/2" rebar with 2-1/2" Aluminum cap stamped Gila County Eng. Dept., John M. Beene, RLS 7593 marking the Northwest corner of PARCEL NO. 3;

THENCE N. 70° 00' 48" E. (of record N. 69° 58' 30" E.) a distance of 36.99 feet (of record 37.42 feet) to a found 1/2" rebar with 2-1/2" Aluminum cap stamped Gila County Eng. Dept., E. D. Rick Bungler, RLS 14169 marking the Northeast corner of PARCEL NO. 3;

A-1

Gila County Public Works
Job No. GC-2007-25

STRIP A
Page 2 of 2
December 7, 2007

THENCE S. 00° 26' 08" W. (of record S. 00° 44' 44" W.) a distance of 88.53 feet (of record 87.63 feet) to a found 1/2" rebar with 2-1/2" Aluminum cap stamped Gila County Eng. Dept., E. D. Rick Bungler, RLS 14169 marking the Southeast corner of PARCEL NO. 3 and the beginning of a curve concave to the Southeast;

THENCE 35.02 feet (of record 35.02 feet) along the arc of said curve to the left, having a radius of 277.16 feet (of record 277.16 feet), a central angle of 07° 14' 23" (of record 07° 14' 25"), and whose chord bears S. 77° 48' 05" W. (of record S. 77° 51' 20" W.), a distance of 35.00 feet (of record 35.00 feet) to the POINT OF BEGINNING, having an area of 2945.31 square feet, or 0.068 acres, more or less.

A-2

PORTION OF
205-14-035C
JACK-IN-THE-BOX
TO
GILA CO.

STRIP B

LEGAL DESCRIPTION

Gila County Public Works
Job No. GC-2007-25

STRIP B
Page 1 of 2
December 11, 2007

A parcel of land being a portion of that property described in Fee No. 94-642405, Page 5 as PARCEL NO. 4, being situate in the Southwest Quarter (SW 1/4) of the Southwest Quarter (SW 1/4) of Section 27, Township 1 North, Range 15-1/2 East, Gila and Salt River Meridian, Gila County, Arizona, having a boundary more particularly described as follows;

Commencing for a tie at the Southwest corner of said Section 27, said point being an Arizona Department of Transportation brass cap from which the chiseled cross in concrete marking the Southwest corner of Sierra Vista Drive Subdivision, as shown on Gila County Record of Survey No. 3392, bears N. 00° 05' 00" E., a distance of 1321.86 feet;

THENCE N. 00° 05' 00" E. (of record N. 00° 08' 30" E.) a distance of 792.65 feet (of record 791.52 feet) to the Southerly Right of Way line of Arizona State Highway 60;

THENCE N. 67° 39' 18" E. and along said Southerly Right of Way line, distance of 157.45 feet to the beginning of a tangent curve concave to the Southeast;

THENCE 79.14 feet along the arc of said curve to the right, having a radius of 1095.92 feet, a central angle of 04°08'14" and whose chord bears N. 69° 43' 25" E., 79.12 feet to a 1/2" rebar with 2-1/2" aluminum cap stamped Gila County Eng. Dept., John M. Beene, RLS 7593, as shown on Gila County Record of Survey No. 3392, marking the Northeast corner of said PARCEL NO. 4;

B-1

THENCE S. 14° 37' 08" E. (of record S. 14° 39' 25" E.) a distance of 145.39 feet (of record 145.51 feet) to the Southeast corner of said PARCEL NO. 4 and the POINT OF BEGINNING;

THENCE S. 70° 00' 48" W. (of record S. 69° 58' 30" W.) a distance of 50.22 feet (of record 50.22 feet) to the Southwest corner of said PARCEL NO. 4;

THENCE N. 30° 57' 58" E., a distance of 70.00 feet to the Easterly line of said PARCEL NO. 4;

THENCE S. 14° 37' 08" E., a distance of 44.29 feet to Southeast corner of said PARCEL NO. 4 and the POINT OF BEGINNING, having an area of 1107.27 square feet, or 0.025 acres, more or less.

B-2