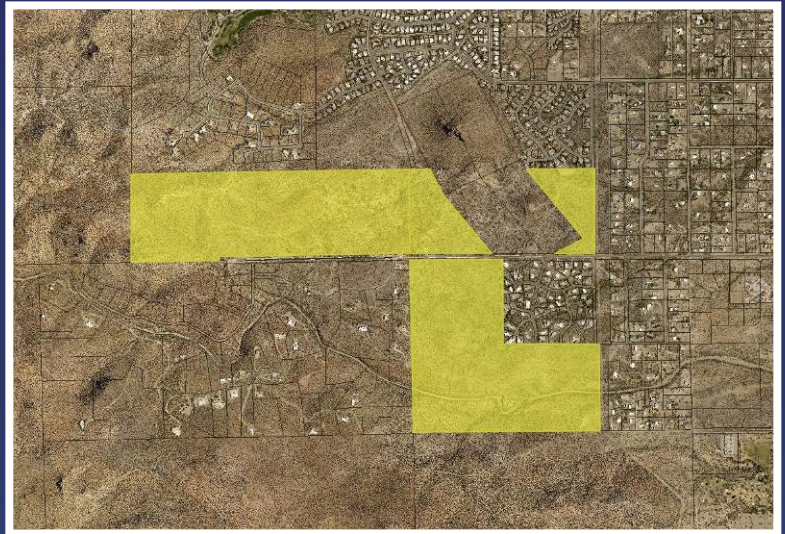




Valbridge
PROPERTY ADVISORS

Appraisal Report

**Frick Property (276 Acres Vacant Land)
North and south sides of 36th Street, West of Greasewood Road Alignment
Tucson, Pima County, Arizona 85713**



**Ownership: William B. Frick and Christine F. Glass
APNs: 118-02-004, 118-03-3340, 118-03-3390 and 119-28-1510
Sections 20, 21 and 28, Township 14S, Range 13E**

FOR
Pima County Real Property Services
Mr. Jeffrey Teplitsky
201 N Stone Avenue, Floor 6
Tucson, AZ 85701

**Valbridge Property Advisors |
MJN Enterprises, Inc.**
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Tucson, AZ 85712
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Valbridge Job No.:
AZ01-16-L-003



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January 28, 2016

Mr. Jeffrey Teplitsky
Pima County Real Property Services
201 N Stone Avenue, Floor 6
Tucson, AZ 85701

RE: Appraisal Report
Frick Property (276 Acres Vacant Land)
North and south sides of 36th Street, West of Greasewood Road Alignment
Tucson, Pima County, Arizona 85713
Valbridge | MJN Job # AZ01-16-L-003

Dear Mr. Teplitsky:

At your request, I have appraised the above-referenced property under the two requested valuation scenarios: 1) single (bulk) "as is" market value for the entire property; and 2) single (bulk) "as is" market value of the two parcels located along the north side of 36th Street. This appraisal report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The subject property is comprised of three non-contiguous parcels of vacant land that are identified by four tax parcel numbers: 118-02-0040, 118-03-3340, 118-03-3390 and 119-28-1510. The combined site area is approximately 276 acres. This includes 158 acres within two parcels located on the north side of 36th Street and 118 acres within a single parcel located on the south side of 36th Street. To my knowledge, the property is not currently pending sale; however, it is reportedly being offered for sale at \$15,000 per acre. Pima County is considering the purchase of the property for open space use.

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the appraisal requirements of Pima County Real Property Services.

Pima County Real Property Services is the client in this assignment. The appraisal is intended for use in possible negotiation of a sale price for the property. The intended users of the report are Pima County Real Property Services and other parties with an interest in the potential sale of the subject property. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The following extraordinary assumptions apply in this report:

- None

The following hypothetical conditions apply in this report:

- None

Based on my investigation and the analyses summarized in the attached appraisal report, I concluded the following:

**BULK "AS IS" MARKET VALUE – ENTIRE PROPERTY
AS OF JANUARY 11, 2016 \$1,600,000**

**BULK "AS IS" MARKET VALUE – PROPERTY ON NORTH SIDE 36TH STREET
AS OF JANUARY 11, 2016 \$800,000**

This letter of transmittal is not valid if separated from this report and must be accompanied by all of its sections.

Respectfully submitted,
Valbridge Property Advisors |
MJN Enterprises, Inc.



Craig Johnson, MAI
Certified General Real Estate Appraiser
State of Arizona Certificate No. 30236
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Summary of Salient Facts

Property Name:	Frick Property (276 Acres Vacant Land)
Address:	North and south sides of 36th Street, West of Greasewood Road Alignment, Tucson, Pima County, Arizona 85713
Assessor's Parcel Number:	118-02-0040, 118-03-3340, 118-03-3390 and 119-28-1510
Property Rights Appraised:	Fee Simple
Property Type:	Land, Residential, Investment
Site Size:	275.64 gross acres per Assessor records
Zoning	MH-1 (Mobile Home) and SR (Suburban Ranch)
Current Status:	The subject property is comprised of three non-contiguous parcels of vacant land that are identified by four tax parcel numbers. The combined site area is about 276 acres. This includes 158 acres within two parcels located on the north side of 36 th Street (APNs 118-02-004, 118-03-3340, 118-03-3390) and 118 acres within a single parcel located on the south side of 36 th Street (APN 119-28-1510). To my knowledge, the property is not currently pending sale; however, it is reportedly being offered for sale at \$15,000 per acre. Pima County is considering the purchase of the property for open space use.
Important Issues:	For this assignment, I have been asked to determine the market value under two scenarios: 1) single (bulk) "as is" market value for the entire property; and 2) single (bulk) "as is" market value of the two parcels located along the north side of 36 th Street. No significant valuation issues noted other than limited quantity of relevant sales data.
Extraordinary Assumptions:	None
Hypothetical Conditions:	None
Highest and Best Use	Speculative investment, future low density residential
Date of Inspection:	January 11, 2016
Date of Report:	January 28, 2016

APPRAISAL CONCLUSIONS**BULK "AS IS" MARKET VALUE – ENTIRE PROPERTY****AS OF JANUARY 11, 2016 \$1,600,000****BULK "AS IS" MARKET VALUE – PROPERTY ON NORTH SIDE 36TH STREET****AS OF JANUARY 11, 2016 \$800,000**

Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Pima County Real Property Services. The intended users of this report are Pima County Real Property Services and other parties with an interest in the potential sale of the subject property.

Intended Use of the Appraisal

The appraisal is intended for use in possible negotiation of a sale price for the property.

Real Estate Identification

The subject property is comprised of three vacant land parcels located at the north and south sides of 36th Street, west of the Greasewood Road Alignment, Tucson, Arizona, 85713. The combined property is referred to as the "Frick Property" by the Client.

The Pima County Assessor identifies the subject property as Assessor Parcel Numbers (APNs) 118-02-004, 118-03-3340, 118-03-3390 and 119-28-1510.

Legal Description

The legal descriptions from the survey provided by the owner are copied below. The survey identifies three parcels. Parcel 1 is APN 118-02-0040. Parcel 2 is APNs 118-03-3340 and 118-03-3390. Parcel 3 is APN 229-28-1510.

*EXCEPTIONS PER TITLE SECURITY AGENCY, LLC'S COMMITMENT FOR TITLE
INSURANCE ORDER NO.: 87-5652092, DATED OCTOBER 14, 2014 AT 7:30
A.M.*

PARCEL NO. 1:

*THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTH HALF OF
THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 14 SOUTH, RANGE 13 EAST, OF
THE GILA AND SALT RIVER BASE AND MERIDIAN, PIMA COUNTY, ARIZONA*

PARCEL NO. 2:

*LOTS 5 AND 6 OF SECTION 21, TOWNSHIP 14 SOUTH, RANGE 13 EAST, OF THE GILA
AND SALT RIVER BASE AND MERIDIAN, PIMA COUNTY, ARIZONA.*

PARCEL NO. 3:

*LOT 2 AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 28,
TOWNSHIP 14 SOUTH, RANGE 13 EAST, OF THE GILA AND SALT RIVER BASE AND
MERIDIAN, PIMA COUNTY, ARIZONA.*

Real Property Interest Appraised

The appraisal has addressed the fee simple interest.

Personal Property Identification

No personal property (FF&E) has been included in the concluded opinion of value.

Definition of Market Value

Market value, as utilized in this appraisal, and as defined in The Appraisal of Real Estate, 14th Edition, published by the Appraisal Institute, 2013, page 59, is:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

For the current appraisal assignment, I have assumed cash or cash equivalent terms.

Effective Dates of Value

The effective dates of value are as follows:

Valuation Scenarios	Effective Date of Value
Market Value As Is, Fee Simple, Entire Property	January 11, 2016
Market Value As Is, Fee Simple, Property North of 36th Street	January 11, 2016

The date of inspection was January 11, 2016.

Date of Report

The date of this report is January 28, 2016, the date of the letter of transmittal.

Scope of Work

Real estate appraisal involves the following steps:

- Identify the property
- Inspect the property
- Research subject and comparable data
- Analyze data
- Report conclusions

The subject was legally identified by the legal descriptions set forth on the survey prepared by Engineering and Environmental Consultants, Inc. (EEC) dated December 19, 2014.

The subject was physically identified via review of the recorded plat maps, the EEC survey, aerial photographs, topographic, flood, and other available maps, and by my inspection of the property.

I completed a typical appraisal field inspection. I have relied on the site areas set forth in the EEC survey. I am not an engineer or a zoning inspector. An appraisal inspection is not a technical inspection for development suitability or conformity with applicable codes.

Economic characteristics of the subject property were identified via data provided by client, owner, or owner's representative; interviews with brokers, buyers, sellers and governmental agencies; and secondary sources, such as STDBOnline, CoStar COMPS and Property Professional, and data published by governmental entities such as the Arizona Department of Economic Security and the U.S. Census Department.

I researched and analyzed: 1) market area data, 2) property-specific data, 3) zoning and land-use data, and 4) current data on comparable sales and listings in the competitive market area.

Based on the subject inspection and data research, I concluded a highest and best use and valued the subject based on this conclusion. The three approaches to value, cost approach, sales comparison approach and the income capitalization approach, were considered as they relate to the valuation of the subject property. I applied the sales comparison approach since it provided the most reliable results of the three approaches. The exclusion of the cost and income approaches did not reduce the overall reliability of the appraisal.

Use of Real Estate as of the Effective Date of Value

As of the date of value, the subject property was vacant land.

Ownership and Sales History

Title to the property is currently vested in William B. Frick and Christine F. Glass. There have been no "arms-length" sales of the property over the past three years. The Frick Family has reportedly owned the property for over 30 years

In October of 2014, national homebuilder DR Horton executed a contract of sale for the entire subject property. The contract purchase price was \$4,140,000, which was based on \$15,000 per acre times 276 acres. This transaction was ultimately terminated during the due diligence period. The reason for the termination is not absolutely known but was reportedly due at least in part to high expected development costs. Broker Thrac Paulette reported that there had been a change in local administration at DR Horton soon after escrow opened and this could have also been a factor in the termination of the escrow. No other offers to purchase the property were reported.

The subject property is currently co-listed for sale through Jim Marian, CCIM, with Chapman Lindsey Commercial Real Estate and Christine F. Glass, one of the owners. The listing identifies four parcels (the four APNs) and sets the list prices for all of the parcels at \$15,000 per acre.

		<u>List Price</u>
Parcel 1	121.27 acres	\$1,819,050 (\$15,000ac)
Parcel 2	118.84 acres	\$1,782,600 (\$15,000ac)
Parcel 3	21.89 acres	\$328,350 (\$15,000ac)
Parcel 4	16.35 acres	\$245,250 (\$15,000ac)
Parcels 1,2,3,4 sold together	278.35 acres	\$4,175,250 (\$15,000 ac)

Pima County is reportedly investigating the purchase of the property but it is not presently under contract. I have not been provided with any information related to the possible sale price and it is my understanding that this appraisal is to be utilized by Pima County in establishing an appropriate price.

List of Items Requested but Not Provided

- **None**

Extraordinary Assumptions

- **None**

Hypothetical Conditions

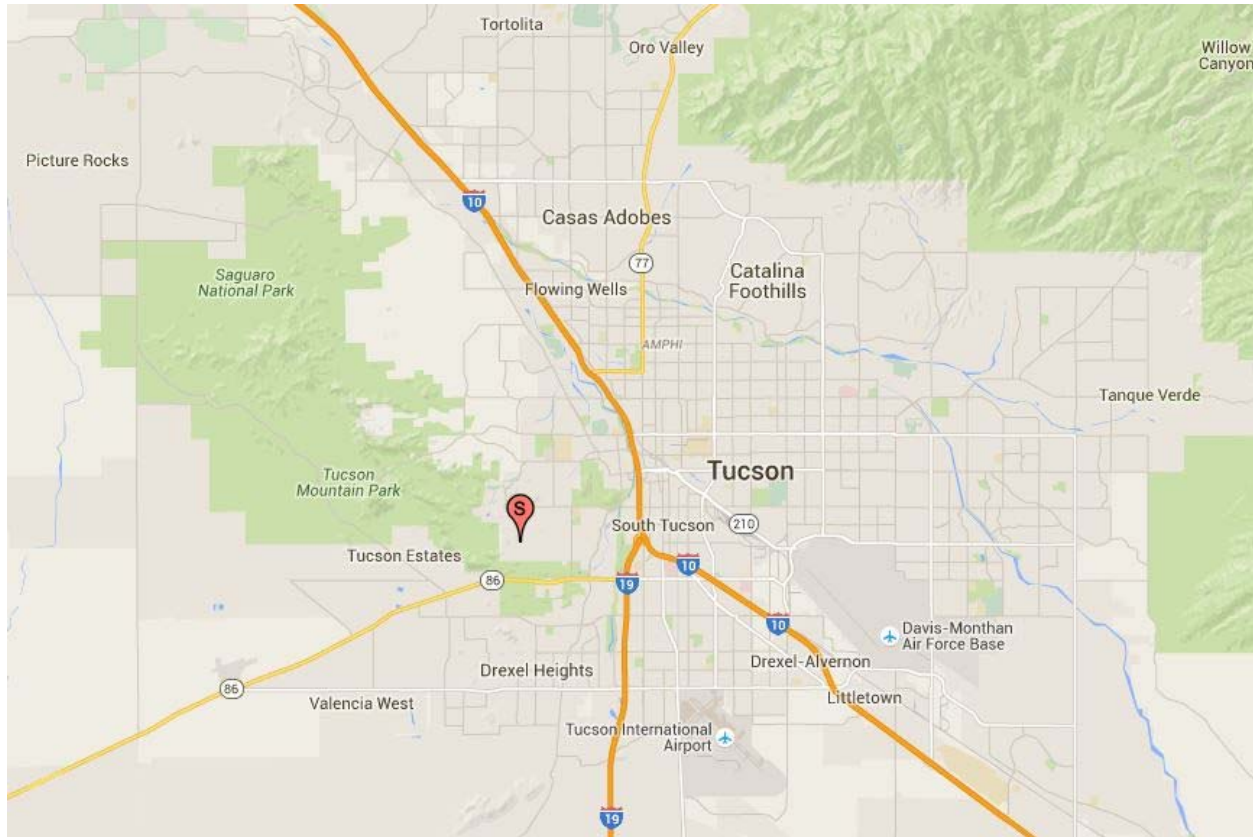
- **None**

Prior Appraisal

I have not appraised the subject property within the past three years.

Market Area Data

REGIONAL MAP



Overview

Tucson is in south-central Arizona, about 100 miles southeast of Phoenix and 60 miles north of the Mexican border. Tucson is the second largest metropolitan area in Arizona. The metropolitan area includes the incorporated communities of South Tucson, Oro Valley, Marana, and Sahuarita, plus the surrounding unincorporated areas of Pima County.

Population

Mid-year 2016 population in metro Tucson is projected at 1,014,900, which reflects a 0.5% increase over the prior year. Slightly higher growth is projected for 2017, with increased growth rates in 2018 and 2019. Population forecasts have been significantly downgraded compared to those made earlier in 2015, when the 2016 growth rate was projected at 1.0%.

Metropolitan Tucson Population Forecasts

	2014	2015	2016	2017	2018	2019
Population (000s, mid-year)	1,007.2	1,009.4	1,014.9	1,024.4	1,037.2	1,051.2
Change (000s)	11.2	2.2	5.5	9.5	12.8	14.0
% Change	1.1%	0.2%	0.5%	0.9%	1.2%	1.3%

Source: Arizona's Economy December 2015, Eller College of Management, The University of Arizona

Employment

The regional economy is primarily driven by tax-supported entities, including military bases, the University of Arizona, state and local governments, and the school districts. Most of these sectors have posted moderate levels of growth over the past decade. The military, which includes the U.S. Army Intelligence Center at Fort Huachuca in Sierra Vista (80 miles southeast of Tucson) and Davis Monthan Air Force Base in Tucson, employs nearly 15,000 in Southern Arizona. Raytheon Missile Systems, a defense contractor, is the largest private employer in the area and has maintained relatively stable employment over the past 20+ years. The government budget cuts for defense spending may affect employment in the military and defense related industries over the near term. Employment by industry for the MSA is as follows.

Top 10 Southern Arizona Employers

Name	Full Time Jobs	Change Past Year	Industry
University of Arizona	11,235	118	Education
Ratheon Missile Systems	9,600	-333	Manufacturing
State of Arizona	8,524	-915	Government
Davis-Monthan Air Force Base	8,335	54	Military
Tucson Unified School District	7,134	609	Education
Pima County	7,023	-305	Government
Banner-University Medical Center	6,542	213	Health Care
U.S. Customs and Boarder Protection	6,470	N/A	Government
Freeport-McMoRan, Inc.	5,800	200	Mining
Walmart	5,400	200	Retail

Source: Arizona Daily Star 4/26/2015

Davis Monthan Air Force Base's economic impact in 2014 was \$974 million. The total payroll was \$542 million. Local retiree pay was \$513.5 million. Employment was 9,934, including all contractors with 4,216 indirect jobs created according to statistics from Davis Monthan Air Force Base.

Metropolitan Tucson Nonfarm Employment

Year Ending	2011		2012		2013		2014		2015	
Sector	Empl.*	%Total	Empl.*	%Total	Empl.*	%Total	Empl.*	%Total	Empl.*	%Total
Natural Resources & Mining	2.0	0.6%	2.1	0.6%	2.2	0.6%	2.4	0.7%	2.2	0.6%
Construction	14.0	3.9%	15.0	4.2%	14.0	3.9%	15.5	4.3%	14.6	4.1%
Manufacturing	23.4	6.5%	23.2	6.4%	23.1	6.4%	22.9	6.4%	23.2	6.4%
Trade, Transp. & Utilities	60.3	16.8%	59.7	16.6%	61.4	17.1%	61.5	17.1%	63.7	17.7%
Information	4.3	1.2%	4.3	1.2%	4.0	1.1%	4.3	1.2%	4.3	1.2%
Financial Activities	18.9	5.3%	19.2	5.3%	20.0	5.6%	17.7	4.9%	18.4	5.1%
Professional & Business Svcs	49.0	13.6%	48.8	13.6%	48.4	13.4%	50.7	14.1%	53.1	14.8%
Education & Health Services	61.1	17.0%	61.3	17.0%	61.5	17.1%	67.0	18.6%	65.6	18.2%
Leisure & Hospitality	39.6	11.0%	41.7	11.6%	42.1	11.7%	42.1	11.7%	43.1	12.0%
Other Services	12.5	3.5%	12.4	3.4%	12.2	3.4%	12.5	3.5%	12.7	3.5%
Government	78.3	21.8%	81.7	22.7%	80.9	22.5%	79.0	22.0%	81.2	22.6%
TOTAL NONFARM	363.4	100%	369.4	100%	369.8	100%	375.6	100%	382.1	100%

Source: Arizona Office of Employment and Population Statistics * (000s) Year-end figures, non-seasonally adjusted

Unemployment

The unemployment rate increased dramatically over 2008 and 2009 as a result of overall economic conditions, but has declined since 2011. Unemployment rates in Tucson have historically been below the national and state averages, as dependence on governmental and tax-supported employment has historically insulated the region from national recessionary trends.

Average Unemployment Rate

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
National	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	5.6%	5.0%
Arizona	4.7%	4.1%	3.7%	6.0%	9.8%	10.4%	9.4%	8.3%	8.0%	6.7%	6.0%
Metro Tucson	4.5%	3.9%	3.6%	5.7%	9.0%	9.4%	8.3%	7.4%	7.0%	5.9%	5.5%

Source: Arizona Office of Employment and Population Statistics & Bureau of Labor Statistics

Notes: Not seasonally adjusted.

Forecasts

The projections suggest improvement in economic growth over 2016 followed by a trend of modest yet increasing growth from 2017 through 2019. The forecast suggest that number of jobs lost in the Great Recession will be recaptured some time in 2018. However, employment growth over the next four years is still not projected to reach 2.0% per year and will be well below the growth experienced in prior recoveries.

Metropolitan Tucson Economic Forecasts

Category	2014	2015	2016	2017	2018	2019
Personal Income (\$mill)	\$ 38,272.0	\$ 39,646.0	\$ 41,193.0	\$ 43,127.0	\$ 45,205.0	\$ 47,436.0
% Change	3.6%	3.6%	3.9%	4.7%	4.8%	4.9%
Retail Sales (\$mill)	\$ 12,591.0	\$ 13,273.0	\$ 13,810.0	\$ 14,342.0	\$ 14,958.0	\$ 15,489.0
% Change	1.7%	5.4%	4.0%	3.9%	4.3%	3.5%
Employment (non-farm,000s)	364.9	366.0	369.7	375.4	381.6	388.0
Change (000s)	1.8	1.1	3.7	5.7	6.2	6.4
% Change	0.5%	0.3%	1.0%	1.5%	1.7%	1.7%
Residential Permits	3,250.0	3,901.0	4,039.0	4,502.0	4,786.0	4,915.0
% Change	-6.9%	20.0%	3.5%	11.5%	6.3%	2.7%

Source: Arizona's Economy December 2015, Eller College of Management, The University of Arizona

Commercial Real Estate

Commercial real estate in Tucson has struggled in most sectors over the past few years. The retail and industrial sectors are now in moderate recoveries, while the office sector remains in a persistent recession. Some retail development has emerged at prime locations, but there is minimal investor demand for new industrial construction, while the office sector appears overbuilt for at least several years.

Metro Tucson Commercial Sectors - 2015

Sector	No. Buildings	Total Sq. Ft.	YTD Deliveries	Under Construction	Vacancy	YTD Absorption	Quoted Rent
Industrial	2,053	31,306,890	270,000	805,200	9%	226,832	\$6.05/NNN
Office	2,482	25,072,928	228,263	69,785	12%	391,473	\$18.51/base rent
Retail	5,287	51,168,075	130,584	153,319	8%	457,122	\$14.61/NNN

Source: CoStar: 4th Quarter 2015 data

Residential Real Estate

The Tucson MSA continues a real estate correction which began in 2006 and was exacerbated by the sub-prime mortgage fall-out in mid-2007. Housing permits decreased substantially and inventory levels rose to record highs as foreclosures became a significant part of the market from 2008 to 2011. While experts disagree on the magnitude of price declines, most believe that housing prices had declined by at least 30% to 40% from 2006 through 2011. Average sale prices have trended upward since 2011, increasing by about 7% to 10% in 2012, 2013 and 2014. The increase in average sale price over 2015 has been more limited, averaging about 2.8% overall but decreasing by about 3.0% on a per square foot basis. The recent trends are summarized below.

Tucson Single-Family Market

Year	# Sales	Avg. SF	Avg. Sale Price	% Change	Avg. Price/SF	% Change	DOM
2006	13,172	1,623	\$260,736		\$160.65		66
2007	10,164	1,688	\$264,122	1.30%	\$156.47	-2.60%	101
2008	8,383	1,727	\$233,696	-11.52%	\$135.32	-13.52%	155
2009	9,286	1,724	\$192,314	-17.71%	\$111.55	-17.56%	148
2010	9,329	1,731	\$180,091	-6.36%	\$104.04	-6.73%	140
2011	10,702	1,723	\$156,611	-13.04%	\$90.89	-12.63%	103
2012	11,245	1,752	\$167,787	7.14%	\$95.77	5.36%	70
2013	11,502	1,750	\$184,523	9.97%	\$105.44	10.10%	63
2014	10,616	1,771	\$196,987	6.75%	\$111.23	5.49%	76
2015	11,468	1,776	\$202,568	2.83%	\$107.94	-2.96%	79

source: Tucson MLS

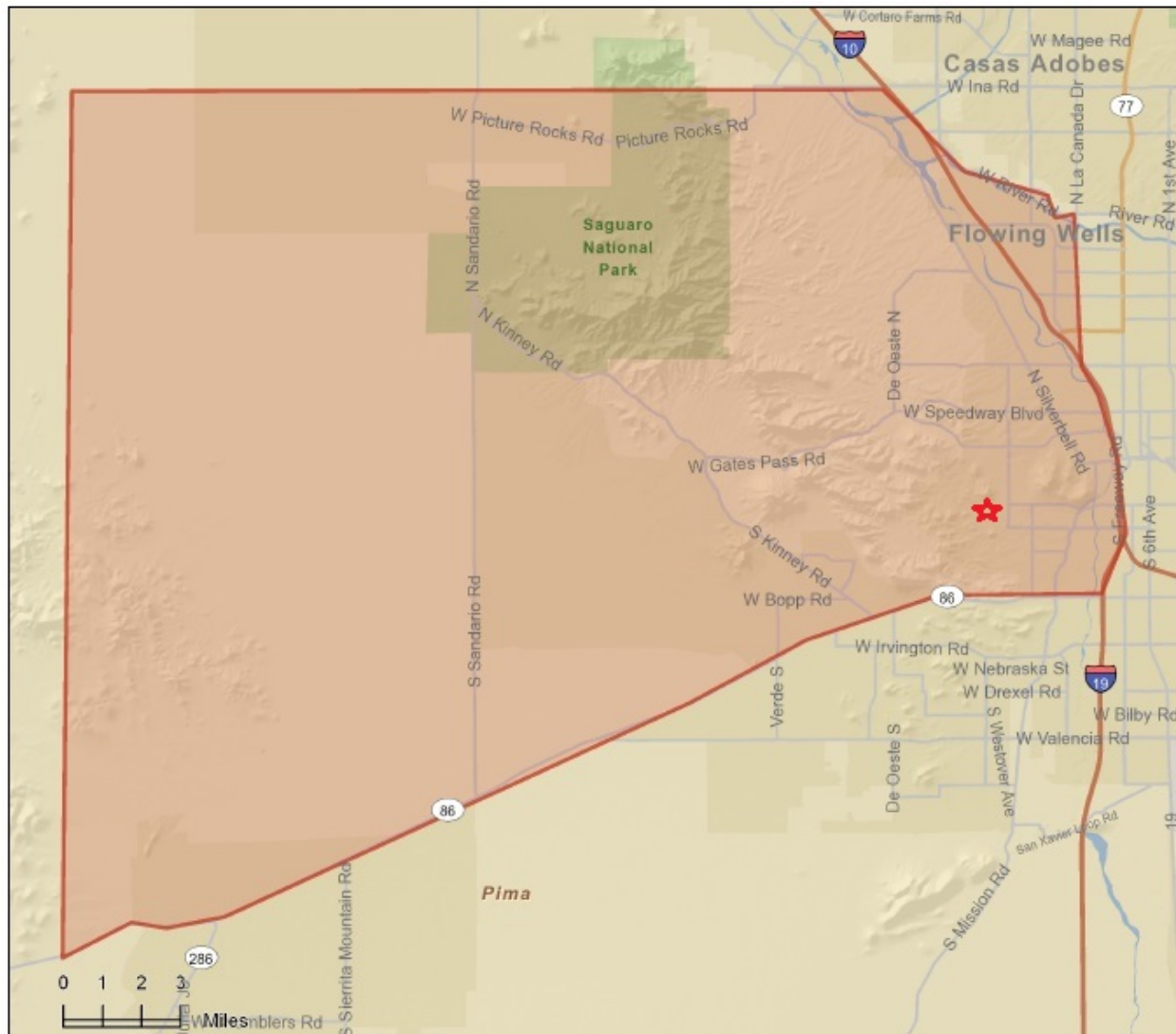
Tucson's multifamily sector has demonstrated stable performance over the past several years with larger 40-plus unit apartment projects averaging 92% occupancy. There was a limited amount of new multifamily construction from 2007 to 2010 but a new development cycle ramped up during 2011 and 2012, with a total of over 4,400 units constructed since 2010. Approximately 660 units were under construction at the end of 2015. The vast majority of new construction has been in the Class A luxury and student housing sectors. The Class A sector had been underserved for the past 20 or more years and new Class A projects have generally been experiencing strong market acceptance. Rental rates remain fairly modest, averaging less than \$0.90 per square foot overall and about \$1.15 per square foot for new projects currently in lease-up. The apartment market is in the middle of a recovery which should continue over the near future; however, Tucson recent limited economic growth has limited potential to increase rents.

Conclusions

The national and local economies began to show signs of stabilization and modest growth in 2012 and this has continued through 2015. Modest growth is projected for Tucson over 2016 with more significant improvement projected from 2017 through 2019, with annual employment growth in the 1.5% to 1.7% range. This should positively impact the residential and commercial real estate sectors. Economists do not generally predict strong economic growth until at least 2017 or 2018 and a full recovery of lost jobs during the Great Recession is not expected until 2018.

Market Area Trends

Tucson West Market Area Map



Boundaries: West Ina Road and River Road (north), I-10, La Canada Drive (east), State Route 86 (south), Tohono O'odham Nation Reservation (west).

Market Area Trends

The market area is generally bounded by the Tucson Mountain County Park to the north, the Tohono O'Odham Indian Reservation to the west and south, and the Tucson Mountain Foothills and Interstate-10 to the east. The market area is largely rural in character, particularly in the north and western sectors. Industrial development and motels are interspersed along Interstate-10. The southern portion of the market area is primarily undeveloped and includes significant State land holdings. Over the past eight years, a number of newer residential projects have been planned for the southern portion of the market area, generally along Valencia Road and near the Ajo/Kinney

Road intersection, and homebuilding actively increased significantly in these two areas. Many of Tucson's major homebuilders have been active in the area and the path of growth is generally moving west along Valencia Road toward its intersection with the Ajo Highway. While traditional development in the area included custom homes or mobile homes on large one to ten-acre lots, the current development trend is for tract homes on lots of 6,000 to 8,000 square feet. Current pricing of new homes in the area generally ranges from the low to mid \$100,000s.

Ryan Airfield is located within the market area and will impact future development of sites located in proximity to its boundary and approach zone. Ryan Airfield is located along the north side of the Ajo Highway, at the intersection with Valencia Road. Ryan Airfield is a general aviation facility that is not planned to serve larger aircraft or to grow significantly beyond its current boundaries. It comprises about 1,750 acres and has three runways. It is owned and operated by the Tucson Airport Authority.

There are no significant commercial facilities located within the market area. Residents must generally travel at least 5 to 10 miles for access to all but convenience shopping. A Wal-Mart anchored center is planned at the northwest corner of Ajo Way and Kinney Road. However, offsite construction costs and infrastructure delays have delayed the planned completion time. A Fry's shopping center is being constructed at the corner of Valencia Road and Mark Road.

The eastern portion of the market area has fairly direct access to the central area of metro Tucson via east-west arterial roadways Ironwood Hills Drive/Grant Road, Speedway Boulevard, Anklam Road/St. Mary's Road and Congress Street, all of which are linked by north-south arterial Silverbell Road and Interstate-10, which forms the east boundary of the market area. Twenty Second Street, a major arterial through the metro Tucson area provides access to the southeast quadrant of the market area and becomes known as Starr Pass Boulevard to the west of Mission Road. The Tucson Mountains in the central area of the market area essentially limit access to the western portions of the market area to Speedway Boulevard, which becomes Gates Pass Road as it travels west through the mountains. Ajo Way/Highway provides east-west access along the southern boundary of the market area and also provides access to the western areas. Sandario Road and other minor roadways facilitate access in the western portion of the market area.

Utilities other than sewer reach the majority of the properties within the market area boundaries although parts of the eastern segment have sewer lines and these have been extended to support the newer subdivisions being developed in this area.

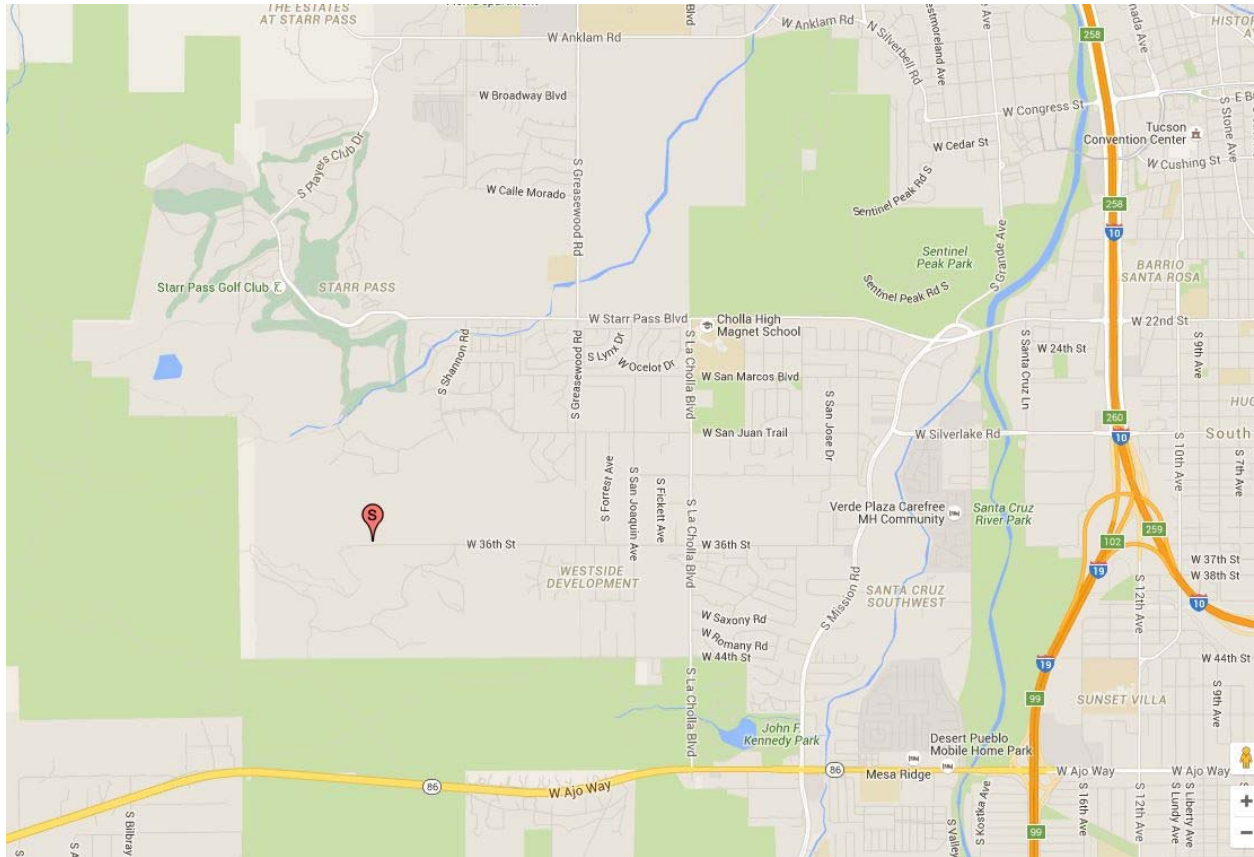
Demographics tabulated on the following page reflect an affordable area with above-average rates of homeownership. Lower growth rates should increase as permit growth returns to the Tucson metropolitan area.

Market area Demographic Profile

Population	Market Area	Tucson MSA
2010 Census	224,988	980,263
2015 Estimate	227,527	1,007,707
2020 Projection	230,118	1,033,814
Gross Population Change		
2010 - 2015	1.1%	2.8%
2015 - 2020	1.1%	2.6%
Average Annual Population Change		
2010 - 2015	0.2%	0.6%
2015 - 2020	0.2%	0.5%
Median Age (2015)	33.2	38.4
Households		
2015 Estimate	97,791	399,890
2020 Projection	99,150	410,750
Avg. New HH/Year 2015-2020	272	2,172
2015 - 2020 % Change	1.4%	2.7%
Avg. Annual Change 2015 - 2020	0.3%	0.5%
Average Household Size (2015)	2.21	2.46
Income (2015)		
Average HH Income	\$43,361	\$62,690
Median HH Income	\$30,054	\$45,786
Per Capita Income	\$19,502	\$25,315
Household Income		
\$0 - \$15,000	25.1%	15.2%
\$15,000 - \$24,999	16.4%	12.6%
\$25,000 - \$34,999	14.7%	11.7%
\$35,000 - \$49,999	14.1%	13.7%
\$50,000 - \$74,999	13.5%	17.7%
\$75,000 - \$99,999	7.6%	11.9%
\$100,000 - \$149,999	6.4%	11.3%
\$150,000 - \$199,999	1.3%	3.4%
\$200,000 +	0.9%	2.7%
Housing (2015)		
% Owner Occupied	31.9%	52.9%
% Renter Occupied	55.2%	34.9%
% Vacant	12.9%	12.1%
Median Home Value	\$148,750	\$174,094

Source: U.S. Bureau of the Census, 2010 Census of Population and Housing. ESRI forecasts for 2015 and 2020.

MAP OF IMMEDIATE AREA SURROUNDING SUBJECT PROPERTY



AERIAL PHOTO OF AREA SURROUNDING SUBJECT PROPERTY

