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SPECIFIC LIMITING CONDITIONS

1. This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice as of January 1, 2008. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' files. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraisers are not responsible for unauthorized use of this report.
2. No significant adverse easement, conditions, or encroachment were noted during a review of the data provided for the appraisal. For the purpose of the report, the property was appraised free and clear of all liens and encumbrances.
3. No opinion is expressed with regard to potential seismic impact and it was assumed that the subject's potential risk are similar shared by most properties in the subject's immediate area. The appraisers make no warranty as to the seismic stability of the subject land. The assumption is made that the subject improvements are constructed in accordance with all appropriate regulations and ordinances regarding grading, fill, and applicable building codes.
4. Maps and exhibits found in this report are provided for the reader's reference purpose only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
5. The square footage/acreage used in this report for analyses was based on the Pinal County Records, information supplied by the client, and a personal inspection of the property.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. The legal description obtained by Public Records is assumed to be correct. No responsibility was assumed for the legal description provided or for matters including legal or title considerations.
2. The title to the property was assumed to be marketable, free and clear of all liens, including tax liens, improvement district assessments and mortgages.
3. Responsible ownership and competent property management were assumed for the property.
4. The information furnished by others as reported herein was believed to be reliable. However, no warranty (expressed or implied) is given for its accuracy.
5. The plot plan and any other illustrative material in this report were included only to assist the reader in visualizing the property. All exhibits such as sketches, maps and photographs were provided in the appraisal report for illustration purposes only.
6. It was assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures (if any) that render it more or less valuable, unless reported. No responsibility was assumed for such conditions or for arranging engineering studies that may be required for their discovery.
7. It was assumed that there is full compliance with all applicable national and local environmental regulations and laws unless a noncompliance is stated, defined, and considered in the appraisal report.
8. It was assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It was assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It was assumed that the utilization of the land and improvements, if any, was within the boundaries or property lines of the property described and that there was no encroachment or trespass unless noted in the report.
11. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
12. The use (function) of this report was to estimate the market value of the subject property. Possession of this report, or a copy thereof, does not carry with it the right of publication. The report may not be used for any purpose, by any person, other than **Bryan Cave LLP** without the express written consent of the appraisers.
13. The appraisers, by reason of this appraisal, are not required to give further consultation, testimony, or be in attendance in court with reference to the property unless arrangements have been previously made.

14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm to which he is employed nor any reference to the Appraisal Institute or the MAI designation) shall be conveyed to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
15. Compensation for appraisal services rendered was dependent only upon the delivery of this report and not contingent upon the values estimated.
16. It was assumed that information furnished by the property owner, agent and/or management was accurate.
17. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment.

The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report.

No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.

18. Subsurface rights (minerals and oil) and their potential impact upon value were not considered in this appraisal.
19. Statement of Policy. The following statements represent official policy of the Appraisal Institute with respect to neighborhood analysis and the appraisal of residential real estate:
 - a. It is improper to base a conclusion or opinion of value upon the premise that the racial, ethnic, or religious homogeneity of the inhabitants of an area or of a property is necessary for maximum value.
 - b. Racial, religious, and ethnic factors are deemed unreliable predictors of value trends or price variance.
 - c. It is improper to base a conclusion or opinion of value, or a conclusion with respect to neighborhood trends, upon stereotyped or biased presumptions relating to race, color, religion, sex, or national origin, or upon unsupported presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.
20. The estimated marketing period, or amount of time necessary to expose the subject property to the open market, was estimated to be 12 months or less based upon current market conditions. The estimated marketing period assumed the property would be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties.

21. The value opinions expressed herein are as of the stated date of value. In some cases, facts or opinions are expressed in the present tense; however, unless specifically noted, all opinions are as of the stated dates of valuation.
22. Any proposed improvements were assumed to have been completed unless otherwise stipulated; any construction was assumed to conform with the building plans referenced. The appraiser assumed that the reader or user has been provided with copies of available building plans and all amendments, if any, encumbering the property.
23. No environmental or impact studies, special market study or feasibility analysis were requested or made unless otherwise specified in an agreement for service or in the report.
24. Acceptance of, and/or use of this report constitutes acceptance of the above conditions.

GENERAL INFORMATION

| | |
|---------------------------|---|
| Approaches Utilized: | Sales Comparison Approach |
| Type of Report: | Summary Report |
| Client: | Mr. Jacob Maskovich, Esq. Bryan Cave LLP Two North Central Avenue, Suite 2200 Phoenix, Arizona 85004-4406 |
| Appraisers: | Larry C. Meadows Bradley G. Wardrop, MAI WARDROP REAL ESTATE GROUP, INC. 2939 S. Power Road Mesa, Arizona 85212 |
| Purpose of the Appraisal: | <p>The purpose of this appraisal was to estimate the market value of the fee simple interest (based on an all cash basis U.S.) of the subject property. The market value estimate reflects the "As Is" market value for the subject property as of April 11, 2008. "As Is" value and "Market Value" are defined as follows:</p> <p>As Is value is defined as the value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.¹</p> <p>Market Value means 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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:</p> <ol style="list-style-type: none">1. Buyer and seller are typically motivated;2. Both parties are well informed or well advised, and acting in what they consider to be their 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 arrangement comparable thereto;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 sale² |

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th Edition (Chicago, 2002), P. 306

² Office of the Comptroller of the currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions (f).

Intended use and Function
of the Appraisal:

This appraisal is intended to assist the client, **Bryan Cave LLP** in establishing the market value of the Fee Simple Interest of the subject property for purposes of court proceedings.

Property Rights:

Fee simple Interest

Fee simple interest is defined as follows:

Absolute ownership unencumbered by any other interest of estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

Personal Property:

The subject property consists of a 160 acre parcel located at the northeast corner of Peters & Corrales Roads, Pinal County, AZ. No personal property was considered in this appraisal.

Ownership:

According to Pinal County Records, the subject property is owned by the following: Private Capital LLC an undivided 1,000/4,200,000ths interest; Harold Huntington an undivided 25,000/4,200,000ths interest. Clarence E. Williams Revocable Living Trust an undivided 50,000/4,200,000ths interest. Ed Reiger and Jacqueline Rees, JTWROS an undivided 30,000/4,200,000ths; and Corrales 160 LLC the remaining 4,094,000/4,200,000ths interest.

APN:

Assessor's Parcel Number 503-50-005

Property History:

According to Pinal County Records, the subject property was purchased on 05/05/08 by Private Capital LLC an undivided 1,000/4,200,000ths interest; Harold Huntington an undivided 25,000/4,200,000ths interest. Clarence E. Williams Revocable Living Trust an undivided 50,000/4,200,000ths interest. Ed Reiger and Jacqueline Rees, JTWROS an undivided 30,000/4,200,000ths; and Corrales 160 LLC the remaining 4,094,000/4,200,000ths interest through a Trustees Deed of Sale for \$4,200,000, Pinal County Records Docket #08-042611. On 02/03/06 the property was purchased by D&M Development Services LC for \$5,600,000 from Bianco 160 LLC, Pinal County Records Docket #06-017618. There has been no other recorded arm's length transactions involving this parcel in the past three years.

³ Appraisal Institute, The Dictionary of Real Estate Appraisal, 4th Edition (Chicago, 2002), p. 113

Effective Date of Value: April 11, 2008

Date of the Report: March 26, 2009

Marketing and Exposure Time: Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.⁴

This estimate should not be construed as an estimate of a sale date, but rather an estimate of the amount of time it would take to appropriately market a property such as the subject. It is also unreasonable to assume that the estimate of market value within this report would necessarily go unchanged over this time period.

Based upon a market study retained in our files, it was our opinion that the subject property would have a marketing period ranging between 6-12 months for the estimated value in this report. Additionally, the exposure period is estimated to range between 6-12 months.

⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th Edition (Chicago, 2002), p. 175.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

We intend this report to be an "appraisal assignment" as defined in the Standards of Professional Practice of the Appraisal Institute; i.e., we intend to perform the appraisal service so that the results of the analyses, opinions, or conclusions be those of a disinterested third party. We further intend to collect, confirm, and report all data necessary to complete this assignment in conformity with the Standards of Professional Practice and the Code of Professional Ethics of the Appraisal Institute. To develop this opinion of value, we utilized the Sales Comparison Approach. The Cost and Income Approaches were considered unreliable for this appraisal assignment. This Summary Appraisal Report is a brief recapitulation of my findings, data, analyses, and conclusions. The scope of this report is further outlined as follows:

1. Collection and interpretation of regional and area data including general economic data, growth and population trend, demographic data, environmental and physical factors affecting the subject property.
2. Collection and interpretation of factual data for the subject including land use designations, legal considerations, utilities, environmental data, ownership and title information, any existing improvements, and other similar data.
3. Analysis of the data obtained and correlation of the findings into a final value estimated as earlier described, and the preparation of a Summary report.

The Sales Comparison Approach to value was employed in the valuation of the subject property. Data pertaining to the subject property was obtained through the Pinal County Public Records Office, information supplied by the client, brokers in the area, and an on-site inspection of the property. The data collected and confirmed have been reported to an extent sufficient for this particular appraisal problem.

DESCRIPTION OF THE REAL ESTATE APPRAISED

REGIONAL DESCRIPTION OF PHOENIX METROPOLITAN AREA

The subject property is located at the northeast corner of Peters & Corrales Roads, Pinal County, Arizona. The subject property is located southeast of the greater Metropolitan Phoenix Area 2 miles west of the City of Casa Grande. The Greater Metropolitan Phoenix is located within the central portion of the state of Arizona. A description of Pinal County, the Greater Metropolitan Phoenix area, and the City of Casa Grande are described below.

Growth of demand for most types of real estate is strongly influenced by growth population. **Metropolitan Phoenix** has sustained substantial growth over the past several decades. From a national perspective, this has been the result of several factors. Rapid growth of information processing and service employment, and a parallel growth of leisure time has changed the functions of several cities located in the sunbelt, including Phoenix. Phoenix offers linkages to natural and man-made recreational amenities such as abundant sunshine, lakes, mountains, and resorts. These amenities attract service employment. Furthermore, a growing segment of the population doesn't depend on a place of employment (e.g. retirees), so it is free to settle where the climate is sunny and recreational opportunities are abundant. Therefore, while population growth is slowing or declining in sections of the northeast, population growth in Phoenix is expected to continue.

Recent estimates put the total population of the Metroplex at approximately 3,994,609 persons.⁵ Population more than doubled every decade from 1940 to 1960, and by the early 1970s, Metropolitan Phoenix emerged as the fastest growing major urban area in the country. Population growth in Phoenix will positively influence local real property values both directly and indirectly. Since people generate the market for real property through its direct use (e.g. homes, and places of employment such as offices, and warehouses), demand for property increases with population. Furthermore, increases in population generally increases the demand for goods and services in general, ultimately often leading to economic expansion and increased employment, thus indirectly increasing demand for real estate.

Most employment opportunities in an urban area such as Phoenix require the use of real property: office workers require office space, manufacturers require industrial buildings, etc. Furthermore, employment opportunities attract population and provide personal income. Historically, Phoenix has had relatively low unemployment rates. The Metropolitan Phoenix Blue Chip Economic Forecast for 2009 projects an unemployment rate 6.5%. Metropolitan Phoenix possesses a relatively diversified economic base. Due largely to its geographic location, it has developed into a regional distribution center for the southwest. Additionally, given the favorable climate, tourism is a significant portion of the local economy.

One of the major reasons for the rapid growth of metropolitan Phoenix is its climate. The area enjoys a dry subtropical climate, with an average yearly precipitation of 7.11 inches, an average maximum temperature of 85.1 degrees and an average minimum temperature of 57.3 degrees. The normal maximum temperature ranges from 65.2 degrees in January to 105.0 degrees in July, while the normal minimum temperature ranges from 39.4 degrees in January to 79.5 degrees in July. Average annual percent possible sunshine is 85%, ranging from 77% in December to 94% in June. Average relative humidity at 5:00 p.m. is 23%, varying from 11% in June to 33% in December. The climate alone is believed to attract thousands of people to the state annually. In fact, the second highest income producer for metropolitan Phoenix is tourism.

⁵ Arizona State University, Blue Chip Economic Forecast, March 2006, pg.2.

Given the level topography of the metropolitan Phoenix area in general, street patterns have taken on a north/south, east/west "grid-like" orientation. At almost every one mile major intersection is a major arterial road traversing the metropolitan area. This major arterial grid system carries the bulk of everyday traffic. Other transportation needs within the metropolitan area, are met by numerous trucking companies, inter-city and intrastate bus systems, two railroads and an international airport. Sky Harbor International Airport is located between 24th and 40th Streets in the central portion of the metropolitan area. This airport accommodates every size of private and commercial aircraft. Additionally, the airport handles both public commuter needs as well as transport of goods and materials. In addition to Sky Harbor, there are seven other airports in the metropolitan area, which serve general aviation.

Over the long term, the future of metropolitan Phoenix appears very positive. The same general factors, which brought growth in the past, will likely continue to provide for above average growth in the future. Both population and employment gains are expected to surpass the nation. The real estate market in the Phoenix metropolitan area is currently in decline with most property types seeing little to no appreciation in value. In this regard, long-term real estate investment in the area should be profitable as value's trend upward over time.

Pinal County/Casa Grande is located in south-central Arizona, just southeast of Maricopa County and Metropolitan Phoenix. In 2005 & 2006, the growth which occurred in the Phoenix Metropolitan area had a major impact on Pinal County and the City of Casa Grande. Beginning in 2007, the value of most property types located in Pinal County saw significant decreases in price. The subject is located 2 miles west of the City of Casa Grande in Pinal County in an area dominated by vacant land.

Pinal County encompasses 5,371 square miles. It has two distinct regions in both economy and geography. The eastern portion is characterized by mountains with elevations up to 6,000 feet, as well as copper mining. The western area is primarily low desert valleys and irrigated agriculture.

The communities of Mammoth, Oracle, San Manuel, and Kearny have traditionally been active in copper mining, smelting, milling and refining. Arizona City, Eloy, Maricopa, Picacho, Red Rock, and Stanfield have agriculture based-economies. Apache Junction, Arizona City, Coolidge, Eloy, and Particularly Casa Grande have diversified their economic base to include manufacturing, trade and services. This expansion and diversification has been facilitated by their location in the major growth corridor between Phoenix and Tucson near the junction of I-10 and I-8, except for Apache Junction, which is to the east of the burgeoning Mesa. All of Pinal County is considered to be an Enterprise Zone. Per the most recent census statistics, Pinal County employment is broken down as follows:

| County Employment | 2007 |
|------------------------------------|-------------|
| Government | 18,875 |
| Trade, Transportation, Utilities | 8,900 |
| Leisure and Hospitality | 4,725 |
| Educational and Health Services | 4,175 |
| Mining and Construction | 4,125 |
| Manufacturing | 3,900 |
| Financial Activities | 3,550 |
| Professional and Business Services | 3,550 |
| Other Services | 1,625 |
| Information | 1,500 |

The county seat for Pinal County is located in Town of Florence. The Town of Florence is located 30 miles east of the subject property. The population of Pinal County as of 2002 was 192,395.

The **City of Casa Grande** was founded in 1879 and has become the largest city in western Pinal County since its incorporation in 1915. The City of Casa Grande is located half way between the City of Phoenix and the City of Tucson. It is strategically located in an area known as Arizona's Golden Corridor at the intersection of I-10 and I-8. According to the Arizona Department of Commerce, the City of Casa Grande has a land area of 48.2 miles and a population, as of 2007, of 42,422.⁶ The 2007 population for Pinal County and the City of Casa Grande is as follows:

Population

| | 1990 | 2000 | 2007 |
|--------------|-----------|-----------|-----------|
| Casa Grande | 19,076 | 25,224 | 42,422 |
| Pinal County | 116,397 | 179,727 | 327,670 |
| Arizona | 3,665,228 | 5,130,632 | 6,500,194 |

Casa Grande has a mild climate for most of the year and offers numerous events and activities for winter visitors and tourists. These events include: Arizona State Open Chili Championship, Fiddlers' Bluegrass Jamboree, Historic Downtown Street Fair and Car/Bike show, Wuertz Farm Gourd Festival and many others. The climate for the City of Casa Grande is as follows:

| Weather | Avg. Low (°F) | Avg. High (°F) | Precip. (in.) |
|----------------|---------------|----------------|---------------|
| January | 35.4 | 66.9 | 0.7 |
| February | 39.0 | 71.3 | 0.8 |
| March | 43.5 | 77.4 | 0.8 |
| April | 49.4 | 86.3 | 0.3 |
| May | 57.4 | 95.3 | 0.1 |
| June | 66.3 | 104.5 | 0.2 |
| July | 75.6 | 106.6 | 1.0 |
| August | 74.2 | 104.0 | 1.5 |
| September | 67.2 | 100.0 | 0.8 |
| October | 53.8 | 89.3 | 0.5 |
| November | 41.7 | 76.3 | 0.7 |
| December | 35.7 | 67.5 | 1.0 |
| Yearly Average | 53.3 | 87.1 | 8.4 |

Casa Grande offers a variety of community facilities including a senior center, two museums, a library, fitness center, one public pool, one movie theatre, and 18 parks.

Conclusion

During 2005 Pinal County and the City of Casa Grande experienced a substantial increase in the development of single-family homes. Even though the subject property is located in Casa Grande, the increased development in Maricopa County that occurred during this period had a great impact on this area. The availability of affordable land resulted in the development of subdivisions featuring single-family homes from \$160,000 to \$400,000. Some of these developments went from farm land to master-planned communities which featured golf courses, schools, shopping centers, and proposed recreational facilities. Starting in 2006, the real estate market began to experience a decline in value when compared to 2005. The residential real estate market in the Casa Grande area is currently in decline with most property types seeing little to no appreciation.

Over the long term, the real estate market in Pinal County, like the Metropolitan Phoenix area, will begin to recover and experience growth when the demand for affordable housing in the area resumes.

⁶ Arizona Department of Commerce, *Profile of Casa Grande, 2003*

NEIGHBORHOOD DESCRIPTION

Neighborhood - Social, economic, governmental, and environmental forces influence property values in the vicinity of subject property which, in turn, directly affects the value of the subject property itself. Neighborhood or district analysis helps the appraiser determine the stability of an area and may indicate the future land uses and value trends.

The subject property is located in Pinal County 60 miles southeast of the greater Metropolitan Phoenix area and 2 miles west of the City of Casa Grande. The Assessor's Parcel Number is 503-50-005. The subject property has a total of 160 acres which is currently zoned GR, General Rural by Pinal County.

The subject property is surrounded by vacant land to the north, south, and east. West of the subject property is a single family subdivision consisting of modular homes. State Highway 84 is located approximately ½ mile north of the property and I-10 (Pearl Harbor Memorial Highway) is located 9 miles east of the subject property.

The subject location is approximately 55 miles southeast of Sky Harbor Airport located in the Phoenix Metropolitan area. The subject parcel is bordered by Highway 84 to the north, Peters Road to the south, Corrales Road to the west, and Bianco Road to the east. After reviewing the existing land uses, natural boundaries, etc., the neighborhood for the subject can best be described by using the following boundaries.

| Boundaries | |
|------------|----------------|
| North | Miller Road |
| South | Shedd Road |
| East | Ethington Road |
| West | Stanfield Road |

Transportation and access to the neighborhood was considered average. The subject neighborhood has access to State Highway 84 which is located approximately ½ mile north of the subject property. State Highway 84 intersects with I-10 approximately 9 miles east of the subject property. I-10 links this area to the City of Phoenix, Tucson, and various destinations in Southern California.

Pinal County has coordinated the growth in this area by defined zoning ordinances, construction requirements, and environmental requirements. According to a representative from Pinal County, the subject is currently zoned GR, General Rural by Pinal County.

Governmental services, educational facilities, recreational facilities, religious and community services are believed to be built within a reasonable distance of the subject property. Public schools are also believed to be built within a reasonable distance from all points of the subject property. All municipal services, including police and fire protection, are currently provided by Pinal County.

Public utilities in the neighborhood will be provided by a number of different companies. Electrical service will be provided by APS. Water will be provided by the Arizona water Co., and sewer is assumed to be by the City of Casa Grande and by private septic. No significant difference in terms of the availability, adequacy, or cost of utilities exists between the subject neighborhood and other areas of Pinal County.

Income and Demographics for the area are as follows:

Executive Summary

| Site Type: Radius | 25680 W Peters Rd Casa Grande, AZ 85222 Radius: 1.0 mile | 25680 W Peters Rd Casa Grande, AZ 85222 Radius: 3.0 mile | 25680 W Peters Rd Casa Grande, AZ 85222 Radius: 5.0 mile |
|-------------------------------|--|--|--|
| 2008 Population | | | |
| Total Population | 1,107 | 1,872 | 4,323 |
| Male Population | 49.1% | 49.6% | 51.2% |
| Female Population | 50.9% | 50.4% | 48.8% |
| Median Age | 35.9 | 35.7 | 34.3 |
| 2008 Income | | | |
| Median HH Income | \$37,793 | \$38,999 | \$37,526 |
| Per Capita Income | \$15,517 | \$15,969 | \$16,910 |
| Average HH Income | \$47,815 | \$48,652 | \$49,164 |
| 2008 Households | | | |
| Total Households | 343 | 540 | 1,433 |
| Average Household Size | 3.22 | 3.09 | 3.01 |
| 1990-2000 Annual Rate | 4.77% | 4.33% | 1.83% |
| 2008 Housing | | | |
| Owner Occupied Housing Units | 67.1% | 65.2% | 62.7% |
| Renter Occupied Housing Units | 18.8% | 20.1% | 25.3% |
| Vacant Housing Units | 14.1% | 14.7% | 12.0% |
| Population | | | |
| 1990 Population | 511 | 856 | 2,963 |
| 2000 Population | 958 | 1,466 | 3,727 |
| 2008 Population | 1,107 | 1,872 | 4,323 |
| 2013 Population | 1,300 | 1,960 | 5,130 |
| 1990-2000 Annual Rate | 6.49% | 5.53% | 2.22% |
| 2000-2008 Annual Rate | 1.77% | 1.81% | 1.81% |
| 2008-2013 Annual Rate | 3.27% | 3.23% | 3.48% |

In the identified market area, the current year population is 4,323. In 2000, the Census count in the market area was 3,727. The rate of change since 2000 was 1.81 percent annually. The five-year projection for the population in the market area is 5,130, representing a change of 3.48 percent annually from 2008 to 2013. Currently, the population is 51.2 percent male and 48.8 percent female.

| | | | |
|-----------------------|-------|-------|-------|
| Households | | | |
| 1990 Households | 182 | 301 | 961 |
| 2000 Households | 290 | 460 | 1,152 |
| 2008 Households | 343 | 540 | 1,433 |
| 2013 Households | 404 | 635 | 1,719 |
| 1990-2000 Annual Rate | 4.77% | 4.33% | 1.83% |
| 2000-2008 Annual Rate | 2.06% | 1.96% | 2.68% |
| 2008-2013 Annual Rate | 3.33% | 3.29% | 3.71% |

The household count in this market area has changed from 1,152 in 2000 to 1,433 in the current year, a change of 2.68 percent annually. The five-year projection of households is 1,719, a change of 3.71 percent annually from the current year total. Average household size is currently 3.01, compared to 3.22 in the year 2000. The number of families in the current year is 1,063 in the market area.

Housing

Currently, 62.7 percent of the 1,628 housing units in the market area are owner occupied; 25.3 percent, renter occupied; and 12.0 percent are vacant. In 2000, there were 1,273 housing units— 63.9 percent owner occupied, 24.3 percent renter occupied and 11.9 percent vacant. The rate of change in housing units since 2000 is 3.03 percent. Median home value in the market area is \$125,234, compared to a median home value of \$192,285 for the U.S. In five years, median home value is projected to change by -0.05 percent annually to \$124,931. From 2000 to the current year, median home value changed by 10.05 percent annually.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing, ESRI forecasts for 2008 and 2013. ESRI converted 1990 Census data into 2000 geography.

Executive Summary

| Site Type: Radius | 25680 W Peters Rd Casa Grande, AZ 85222 Radius: 1.0 mile | 25680 W Peters Rd Casa Grande, AZ 85222 Radius: 3.0 mile | 25680 W Peters Rd Casa Grande, AZ 85222 Radius: 5.0 mile |
|---------------------------------|--|--|--|
| Median Household Income | | | |
| 1990 Median HH Income | \$22,350 | \$26,111 | \$22,576 |
| 2000 Median HH Income | \$26,661 | \$27,704 | \$27,521 |
| 2008 Median HH Income | \$37,793 | \$38,999 | \$37,526 |
| 2013 Median HH Income | \$44,805 | \$46,357 | \$44,088 |
| 1990-2000 Annual Rate | 1.79% | 0.59% | 2% |
| 2000-2008 Annual Rate | 4.31% | 4.23% | 3.83% |
| 2008-2013 Annual Rate | 3.46% | 3.52% | 3.28% |
| Per Capita Income | | | |
| 1990 Per Capita Income | \$8,986 | \$9,415 | \$8,352 |
| 2000 Per Capita Income | \$11,327 | \$11,810 | \$11,980 |
| 2008 Per Capita Income | \$15,517 | \$15,969 | \$16,910 |
| 2013 Per Capita Income | \$17,475 | \$17,863 | \$19,013 |
| 1990-2000 Annual Rate | 2.34% | 2.29% | 3.67% |
| 2000-2008 Annual Rate | 3.89% | 3.72% | 4.27% |
| 2008-2013 Annual Rate | 2.41% | 2.27% | 2.37% |
| Average Household Income | | | |
| 1990 Average Household Income | \$26,484 | \$29,765 | \$27,019 |
| 2000 Average Household Income | \$34,253 | \$35,590 | \$36,226 |
| 2008 Average HH Income | \$47,815 | \$48,652 | \$49,164 |
| 2013 Average HH Income | \$53,391 | \$54,074 | \$54,519 |
| 1990-2000 Annual Rate | 2.61% | 1.8% | 2.98% |
| 2000-2008 Annual Rate | 4.13% | 3.66% | 3.77% |
| 2008-2013 Annual Rate | 2.23% | 2.14% | 2.09% |

Households by Income

Current median household income is \$37,526 in the market area, compared to \$53,154 for all U.S. households. Median household income is projected to be \$44,088 in five years. In 2000, median household income was \$27,521, compared to \$22,576 in 1990.

Current average household income is \$49,164 in this market area, compared to \$73,126 for all U.S. households. Average household income is projected to be \$54,519 in five years. In 2000, average household income was \$36,226, compared to \$27,019 in 1990.

Current per capita income is \$16,910 in the market area, compared to the U.S. per capita income of \$27,916. The per capita income is projected to be \$19,013 in five years. In 2000, the per capita income was \$11,980, compared to \$8,352 in 1990.

Population by Employment

| | | | |
|------------------|----|-----|-------|
| Total Businesses | 0 | 22 | 150 |
| Total Employees | 75 | 490 | 1,567 |

Currently, 88.2 percent of the civilian labor force in the identified market area is employed and 11.8 percent are unemployed. In comparison, 93.4 percent of the U.S. civilian labor force is employed, and 6.6 percent are unemployed. In five years the rate of employment in the market area will be 89.3 percent of the civilian labor force, and unemployment will be 10.7 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 93.9 percent, and 6.1 percent will be unemployed. In 2000, 54.2 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.1 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 41.7 percent in white collar jobs (compared to 60.2 percent of U.S. employment)
- 21.4 percent in service jobs (compared to 16.5 percent of U.S. employment)
- 36.6 percent in blue collar jobs (compared to 23.3 percent of U.S. employment)

In 2000, 75.3 percent of the market area population drove alone to work, and 2.2 percent worked at home. The average travel time to work in 2000 was 18.5 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Population by Education

In 2008, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 36.7 percent had not earned a high school diploma (16.4 percent in the U.S.)
- 34.2 percent were high school graduates only (29.6 percent in the U.S.)
- 6.4 percent had completed an Associate degree (7.2 percent in the U.S.)
- 5.5 percent had a Bachelor's degree (17.0 percent in the U.S.)
- 0.8 percent had earned a Master's/Professional/Doctorate Degree (9.7 percent in the U.S.)

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013. ESRI converted 1990 Census data into 2000 geography.

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Conclusions and Trends

Overall, the subject neighborhood is dominated by vacant land. Employment opportunities are considered fair in the immediate neighborhood but increase as you enter into the City of Casa Grande. Vehicular access to and from the neighborhood is by way of Highway 84 which is currently a 2 lane paved road. Major arterial roads run in a north/south and east/west direction linking the neighborhood with State Highway 84 located ½ mile north of the subject property and I-10 (Pearl Harbor Memorial Freeway) located 9 miles east of the subject. The real estate market in the greater Metropolitan Phoenix area, the City of Casa Grande and Pinal County, is currently in decline with residential and commercial properties seeing little to no appreciation. In discussions with several brokers, owners, etc., it was discovered that there is still a modest amount of investor activity in the local market in terms of offers to acquire property but most of those offers are at a discount with foreclosed properties currently driving the market.

PROPERTY DESCRIPTION

| | | |
|----------------------------------|---|---------------------------------------|
| Identification of the property: | The subject property consists of a 160 acre parcel located at the northeast corner of Peters & Corrales Roads, Pinal County, AZ. The property is zoned GR, General Rural by Pinal County. The GR designation was considered to be a holding zone until a higher and better use can be determined. | |
| Property Type: | Raw land | |
| Assessor's Parcel Nos.: | 503-50-005 | |
| Title Policy: | During our due diligence, we did not uncover any atypical or unknown easements encumbering the site. We have assumed that information regarding ownership, easements, encumbrances or legal access to the property which have been obtained from public records, site inspection or from the client are correct. If any of this information is incorrect, the values reported in this appraisal could be materially affected. | |
| Easements/Encumbrances: | There are no recorded adverse easements or encumbrances associated with the parcel. | |
| Land Size, Shape and Topography: | According to Pinal County Records, the subject property is rectangular in shape with a total of 160 acres. The topography of the subject property is generally level with surrounding properties and is considered to be dry ground with desert vegetation. | |
| Soils: | A soils report for the subject area was not provided. It is assumed that the soil conditions are adequate to support future development. Inspection of the subject and surrounding neighborhood does not indicate any evidence of land movement or settling of the soils other than what can be typically expected from the natural aging and settling associated with most properties. | |
| Utilities: | Gas: | Southwest Gas |
| | Electric: | APS |
| | Water: | Arizona Water Co. |
| | Sewer: | Private septic or City of Casa Grande |
| | Telephone: | Qwest |
| Streets: | Access to the subject property is via Peters Road, which runs east/west and is located to the south of the subject property. Peters Road is currently a dirt road. | |
| Zoning: | The subject property is currently zoned GR, General Rural by Pinal County. | |