

POSADA DEL SOL HEALTH CARE CENTER

Marcus & Millichap
Real Estate Investment Services

TUCSON, AZ



OFFERING MEMORANDUM

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POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

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POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Investment Overview

POSADA DEL SOL HEALTH CARE CENTER

Property Gross Square Footage Breakdown

Ground Floor:	95,702
Second Floor:	28,985
<u>Basement:</u>	<u>11,250</u>
Total	135,937



Posada del Sol is owned by Pima County and operated by Pima Health System and provides specialty care services to elderly and behavioral residents. In 1971, the Board of Supervisors purchased an existing 196 bed facility (the former Four Seasons Nursing Home) on Tucson's east side across from the Tucson Medical Center and renamed it Posada del Sol.

Posada del Sol's original building, built in 1969, is a two-story structure fronting Craycroft and contains approximately 58,000 square feet. Major one-story additions were constructed in 1978, adding approximately 78,000 square feet. The total square footage of the facility is approximately 136,000 square feet, and the facility is situated on about 5.71 acres. The property is easily accessible from Craycroft Road on the west, Edison Street to the north and Hampton Street to the south.

In 1988, Posada's established its overall mission to provide care to residents who were difficult to place in other facilities. Today, the facility caters to residents with care classifications that include Huntington's Disease (HD), Vents, Wound Care, and Behavioral. Also in 1988, the county reduced the overall licensed beds to 156. Currently, the facility operates with 149 state licensed dually certified Medicaid and Medicare beds. The census mix is almost entirely Medicaid and Managed Care, with only a handful of Medicare residents. Given the size of the facility, it is possible to increase the bed capacity of the facility, and/or to implement a larger presence in specialty fields such as Alzheimer's care, Outpatient Adult Day Care, Rehabilitation (hip and knee replacements, strokes), and Medical Offices. The entire second floor of the original building is no longer used for patient care. While it may require substantial renovations in order to satisfy current codes, it certainly provides additional opportunities for a new Operator.

Investment Overview

Employee and facility restrictions to be included in all bids:

1. Agree to continue operating the first floor of the facility as a licensed Skilled Nursing Facility (SNF) for as long as there continues to be a need for those services or appropriate and acceptable alternate placement is available.
2. Agree to continue existing respiratory/ventilator and behavioral health services for as long as there continues to be a need for those services or appropriate and acceptable alternate placement is available.
3. Purchaser must submit a proposal regarding the current Posada del Sol employees that, at a minimum, provides: 1) guaranteed offers of employment to those employees who file an application and pass a basic background check; 2) a benefit package substantially similar to the current benefit package provided by the County; and 3) credit for years of continuous County service determined by the current date of hire with Pima County, as though employed by purchaser.

Union Matters:

1. Arizona is a right to work state.
2. There is no collective bargaining agreement.
3. There is no right to strike.
4. There is a Meet and Confer Agreement between the County and the Union. The agreement is on the Posada disclosure website. The Meet and Confer Agreement will not be transferred to or assumed by the purchaser of Posada.

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Property Summary

THE OFFERING

Property	Posada Del Sol Health Care Center
Property Address	2250 N. Craycroft Road Tucson, AZ 85712
Assessor's Parcel Number	
Zoning	
Type of Care	Skilled Nursing Facility

SITE DESCRIPTION

Year Built/Renovated	Originally built in 1969. Major one story addition to the east, assumed completed in 1978 per earlier reports (architects design drawings sealed November 1976)
Unit Breakdown	10 (Priv), 68 (SP), 1 (3 Bed Ward)
Number of Beds	149
Total Square Feet	135,937
Number of Buildings	One
Number of Stories	One & Two
Lot Size	5.71 Acres
Type of Ownership	Fee Simple
Parking	147 Total Spaces
Handicapped Parking	Yes
Property Improvement	Buildings, Asphalt Paved Parking Lot, Landscaping, Signage, Lighting, Paved Walkways

CONSTRUCTION/MECHANICAL

Foundation	Footing & floor slabs poured in place concrete with steel reinforcement
Framing	Steel
Exterior	Brick, concrete masonry and stone accenting
Exterior Condition	Good
Parking Surface	Surface Lots, Asphalt Paved
Roof	Built-up bituminous roof & low slope roof that was replaced in 2002
Plumbing	One 500 gallon hot water tank, one 100 gallon water heater, two 65 gallon hot water tanks
Elevator	Two
HVAC	Heat is provided by natural gas & electric, A/C is five 35 ton units, two 50 ton units & 25 ton
Utilities	Two story section had 20 condensing units serving 10 air handlers (sizes varied). Patient Services (dining etc.) center one story has 2 MZ (multi-zone units) 35 tons each. Plus 1 AC unit Kitchen 1 - 35 ton unit. Patient Wing 600 - 1 MZ 50 ton (replaced original 35 ton). Patient Wing 700 - 1 MZ 50 ton (replaced original 35 ton). Basement - 1 MZ 35 ton
Ceilings	Suspended with fluorescent lighting
Floors	Floor Tile, Linoleum and Carpeting

SYSTEMS

Fire Protection	Entire complex is protected by fire sprinkler system, smoke detectors & 2 fire alarm panels
Electrical	480 v 3 Phase
Emergency Generator	Two Generators - Tested Monthly
Call Devices	N/A

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Offering Summary



Type of Care	Skilled Nursing Facility
Unit Breakdown	10 (Priv), 68 (SP), 1 (3 Bed
Total Beds	149
Total Square Feet	135,937
Occupancy - Current	86.00%
Number of Buildings	One
Number of Floors	One & Two
Year Built/Renovated	1969 / 1978
Lot Size	5.71 Acres

VITAL DATA

Net Operating Income - Current	\$1,728,556
Net Operating Income - Pro Forma	\$1,330,450

POSADA DEL SOL HEALTH CARE CENTER

COMMENTS

Reported Expenses reduced to reflect corporate overhead allocations found on page 25 of the 6/30/10 MC Cost Rept. (\$932,700 deducted from G&A and \$232,915 from R&M). Pro Forma has est'd R.E. Taxes, reduced Employee Benefits and Nursing Salaries to reflect anticipated savings by New Owner; reducing Dietary to market; and holding other Expenses constant (inflationary increases will likely be offset by cost savings implemented by New Owner).

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Disclaimer Notice to Pima County Financial Statement

POSADA DEL SOL HEALTH CARE CENTER

The care provided to most of the residents at Posada del Sol Health Care Center ("Posada") is paid for by the Arizona Healthcare Cost Containment System ("AHCCCS"), Arizona's Medicaid Agency, because they are enrolled members of AHCCCS. The Arizona Long Term Care System ("ALTCS") is the AHCCCS program which provides medical assistance for individuals with chronic health conditions requiring extended treatment. The ALTCS program is intended for individuals who are age 65 or older, blind or have a disability (at any age) and need ongoing services.

Pima County, through Pima Health System ("PHS") which is a department and enterprise fund of Pima County, has, prior to October 1, 2011, contracted with AHCCCS as the sole ALTCS provider for Pima and Santa Cruz Counties. This means that PHS has been the sole AHCCCS contractor that provides funding for members of AHCCCS in Pima and Santa Cruz County who require long term care services provided by ALTCS. After October 1, 2011, PHS will no longer have a contract with AHCCCS.

As the AHCCCS contractor, PHS has been paid a monthly per capita fee by AHCCCS to provide health services to AHCCCS members. PHS contracts with providers and facilities in Pima and Santa Cruz Counties to provide medical assistance to AHCCCS members. One of the facilities that provide medical assistance in Pima County is Posada, which is owned by Pima County. PHS uses the monthly fee it receives from AHCCCS to pay for medical assistance to AHCCCS members, including long term care services provided by Posada and other providers. The fee is not adjusted based upon the services needed or utilized; rather, PHS pays for any medical services utilized by its members, and its overhead, entirely from the fixed per capita fee it receives from AHCCCS.

PHS has contracted with nursing homes and other providers of medical care. The rates with third party providers are subject to negotiation. There were no negotiated rates with Posada, however, because Pima County owns Posada and PHS. Negotiated rates are set on a case-by-case basis for the limited number of Posada residents not enrolled with PHS.

Pima County is required to file audited financials with AHCCCS that requires a separate accounting for Posada, and, additionally, separate financials for Posada with the State of Arizona (Uniform Accounting Report) and Medicare (Medicare Cost Report). To establish an income level for Posada, a "rate" was set by PHS for the residents of Posada. As stated above, this was not a negotiated rate. Instead, Pima County estimated the cost of care for residents. At the end of each month, a month-end adjustment was done. Pima County determined the actual operating costs for Posada, and for accounting purposes, PHS "contributed" sufficient additional funds so that the income for Posada equaled the expenses for Posada.

No Pima County general fund money was used to operate Posada. All of the expenses of Posada were covered by PHS from the money received from AHCCCS.

In determining the expenses for Posada at month end, a portion of Pima County administrative expenses were allocated to Posada. These costs include salaries of management personnel located in Pima County administration, legal fees allocated to Posada, and other administrative expenses. These are costs that a buyer might not incur.

The financial materials provided are for reference only and are not intended to represent performance expectations for the skilled nursing facility once it is purchased by a buyer. Potential buyers should carefully evaluate the operating cost elements to identify corporate fees and general overhead costs as well as costs such as insurance which are part of the Posada cost structure unique to Pima County. In addition, potential buyers should examine the rates of reimbursement from all possible payers including the AHCCCS ALTCS plan which is the current dominant funding stream as PHS has utilized Posada almost exclusively for its ALTCS health plan members.

New rates will need to be negotiated with the new AHCCCS contractor to be effective October 1, 2011.

POSADA DEL SOL HEALTH CARE CENTER

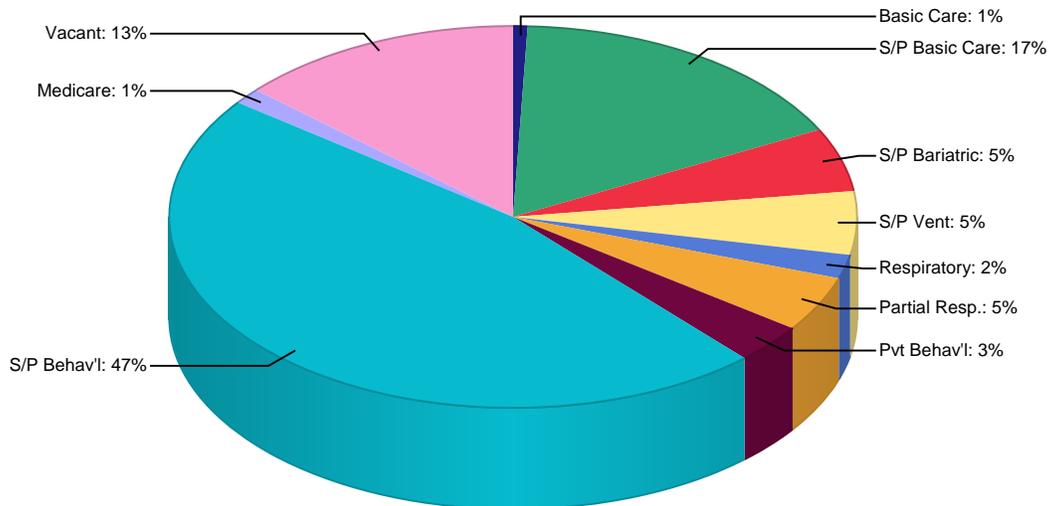
TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Unit Mix

Type of Care	No. of Units	No. of Beds	Unit Type	Approx. Square Feet	April 2011 Rate	Current Daily Income	Pro Forma Rents	Pro Forma Daily Income
SNF		1	Basic Care		\$198		\$188	
SNF		25	S/P Basic Care		\$198		\$188	
SNF		8	S/P Bariatric		\$474		\$450	
SNF		8	S/P Vent		\$579		\$550	
SNF		3	Respiratory		\$357		\$339	
SNF		7	Partial Resp.		\$496		\$471	
SNF		5	Pvt Behav'l		\$436		\$414	
SNF		70	S/P Behav'l		\$436		\$414	
SNF		2	Medicare		\$590		\$590	
SNF		20	Vacant		\$0			
ALTCS						\$68,117.93		\$64,712.04
		149	TOTAL	135,937		\$68,118		\$64,712

UNIT MIX



COMMENTS

All MD rates are the rates PHS as ALTCS plan operator is currently paying. Evercare Select will control MD rates effective 10/1/11. MC Rate is estimated based on RUGS with 1 patient at \$329 PPD and the other at \$859 PPD. Current & Pro Forma Census from 4/2011. Pro Forma AHCCCS (Medicaid) rates reflect 5% reduction for transfer to non-County New Owner.

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Income & Expenses

	CURRENT	PER BED	PRO FORMA
RESIDENT SERVICE FEES			
ALTCS Revenue	\$24,863,044	\$166,866	\$23,619,895
Skilled Medicare Revenue	54,352	365	55,000
Private Revenue	136,385	915	135,000
Other Revenue	318,183	2,135	319,000
Contractual Allowances-All	(8,732,310)	(58,606)	(8,500,000)
GROSS POTENTIAL RENT	\$16,639,654	\$111,676	\$15,628,895
Other Revenue			
Ancillary Services Revenue	441,797	2,965	450,000
Other Revenues	387,600	2,601	390,000
TOTAL OTHER REVENUE	\$829,397	\$5,566	\$840,000
GROSS POTENTIAL INCOME	\$17,469,051	\$117,242	\$16,468,895
Total Expenses	\$15,740,495	\$105,641	\$15,138,445
PRD	\$344.04		\$329.10
NET OPERATING INCOME	\$1,728,556	\$11,601	\$1,330,450

POSADA DEL SOL HEALTH CARE CENTER

COMMENTS

Revenues are based on the final UAR for the Fiscal Year Ending 6-30-10

Reported Expenses reduced to reflect corporate overhead allocations found on page 25 of the 6/30/10 MC Cost Rept. (\$932,700 deducted from G&A and \$232,915 from R&M). Pro Forma has est'd R.E. Taxes, reduced Employee Benefits and Nursing Salaries to reflect anticipated savings by New Owner; reducing Dietary to market; and holding other Expenses constant (inflationary increases will likely be offset by cost savings implemented by New Owner).

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Expenses

	CURRENT	PRD	PER BED	PRO FORMA	PRD
R.E. Taxes (Est'd For-Profit)				\$150,000	\$3.26
Admin & General	1,718,985	37.57	11,537	1,500,000	32.61
Medical Director	24,000	0.52	161	25,000	0.54
Management (% of GPI)				823,445	17.90
Plant Operation & Maint	498,865	10.90	3,348	500,000	10.87
Laundry & Linen	235,542	5.15	1,581	250,000	5.43
Housekeeping	818,634	17.89	5,494	820,000	17.83
Dietary	1,303,682	28.49	8,750	750,000	16.30
Central Supply	308,533	6.74	2,071	310,000	6.74
Medical Records	437,180	9.56	2,934	440,000	9.57
Social Services & Rec	323,798	7.08	2,173	325,000	7.07
RN Salaries	1,994,419	43.59	13,385	1,750,000	38.04
LPN Salaries	2,022,930	44.22	13,577	1,800,000	39.13
Nurses Aide Salaries	5,118,480	111.87	34,352	4,750,000	103.26
Oxygen	547,468	11.97	3,674	550,000	11.96
PT, OT, ST	247,906	5.42	1,664	250,000	5.43
Medical Supplies Customized	109,145	2.39	733	110,000	2.39
Pharmacy	30,928	0.68	208	35,000	0.76
TOTAL EXPENSES	\$15,740,495	\$344.04	\$105,641	\$15,138,445	\$329.10
% of GPI	90%			92%	
NET OPERATING INCOME	\$1,728,556	\$37.78		\$1,330,450	\$28.92
% of GPI	10%			8%	

COMMENTS

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POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Financial Overview

Total Beds	149
Total SF	135,937
Occupancy - Current	86%
Year Built/Renovated	1969 / 1978
Lot Size	5.71 Acres
Type of Ownership	Fee Simple

LOCATION
2250 N. Craycroft Road
Tucson, AZ 85712

ANNUALIZED OPERATING DATA

INCOME	CURRENT	PRO FORMA
Gross Potential Rent	\$16,639,654	\$15,628,895
Total Other Revenue	829,397	840,000
Gross Potential Income	\$17,469,051	\$16,468,895
Less: Expenses	15,740,495	15,138,445
Net Operating Income	\$1,728,556	\$1,330,450

COMMENTS

Reported Expenses reduced to reflect corporate overhead allocations found on page 25 of the 6/30/10 MC Cost Rept. \$932,700 deducted from G&A and \$232,915 from R&M). Pro Forma has est'd R.E. Taxes, reduced Employee Benefits and Nursing Salaries to reflect anticipated savings by New Owner; reducing Dietary to market; and holding other Expenses constant inflationary increases will likely be offset by cost savings implemented by New Owner).

EXPENSES	CURRENT	PRO FORMA
R.E. Taxes (Est'd For-Profit)		\$150,000
Admin & General	1,718,985	1,500,000
Medical Director	24,000	25,000
Management (% of GPI)		823,445
Plant Operation & Maint	498,865	500,000
Laundry & Linen	235,542	250,000
Housekeeping	818,634	820,000
Dietary	1,303,682	750,000
Central Supply	308,533	310,000
Medical Records	437,180	440,000
Social Services & Rec	323,798	325,000
RN Salaries	1,994,419	1,750,000
LPN Salaries	2,022,930	1,800,000
Total Other Expenses	935,447	945,000
TOTAL EXPENSES	\$15,740,495	\$15,138,445
PRD	\$344.04	\$329.10
Expenses per Bed	\$105,641	

SCHEDULED INCOME

Type of Care	No. of Beds	Unit Type	Approx. Square Feet	April 2011 Rate	Current Daily Income	Pro Forma Rents	Pro Forma Daily Income
SNF	1	Basic Care		\$198		\$188	
SNF	25	S/P Basic Care		\$198		\$188	
SNF	8	S/P Bariatric		\$474		\$450	
SNF	8	S/P Vent		\$579		\$550	
SNF	3	Respiratory		\$357		\$339	
SNF	7	Partial Resp.		\$496		\$471	
	149	TOTAL	135,937		\$68,118		\$64,712

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Property Photos

POSADA DEL SOL HEALTH CARE CENTER



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Property Photos

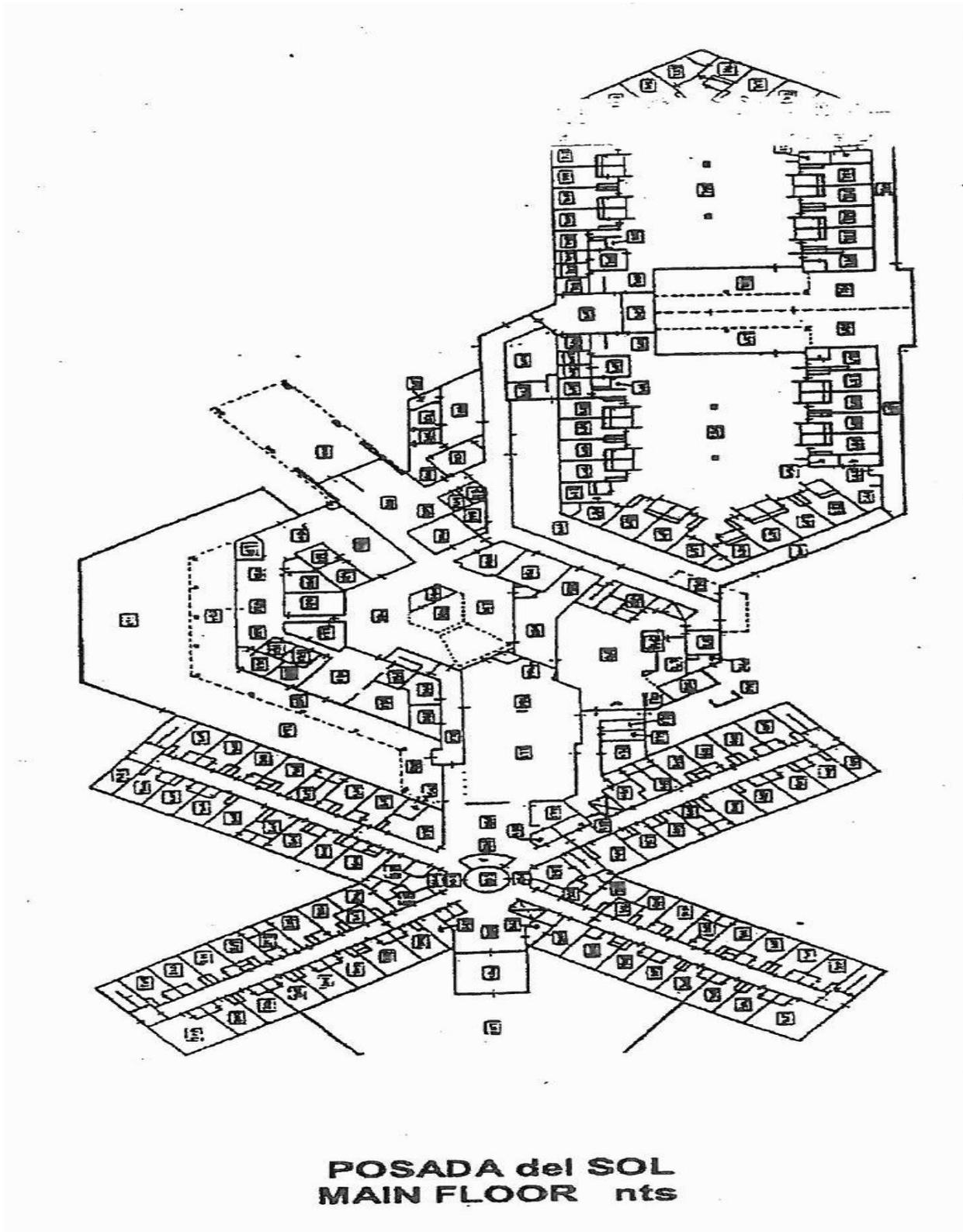


POSADA DEL SOL HEALTH CARE CENTER

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TUCSON, AZ

Floor Plans - 1st Floor

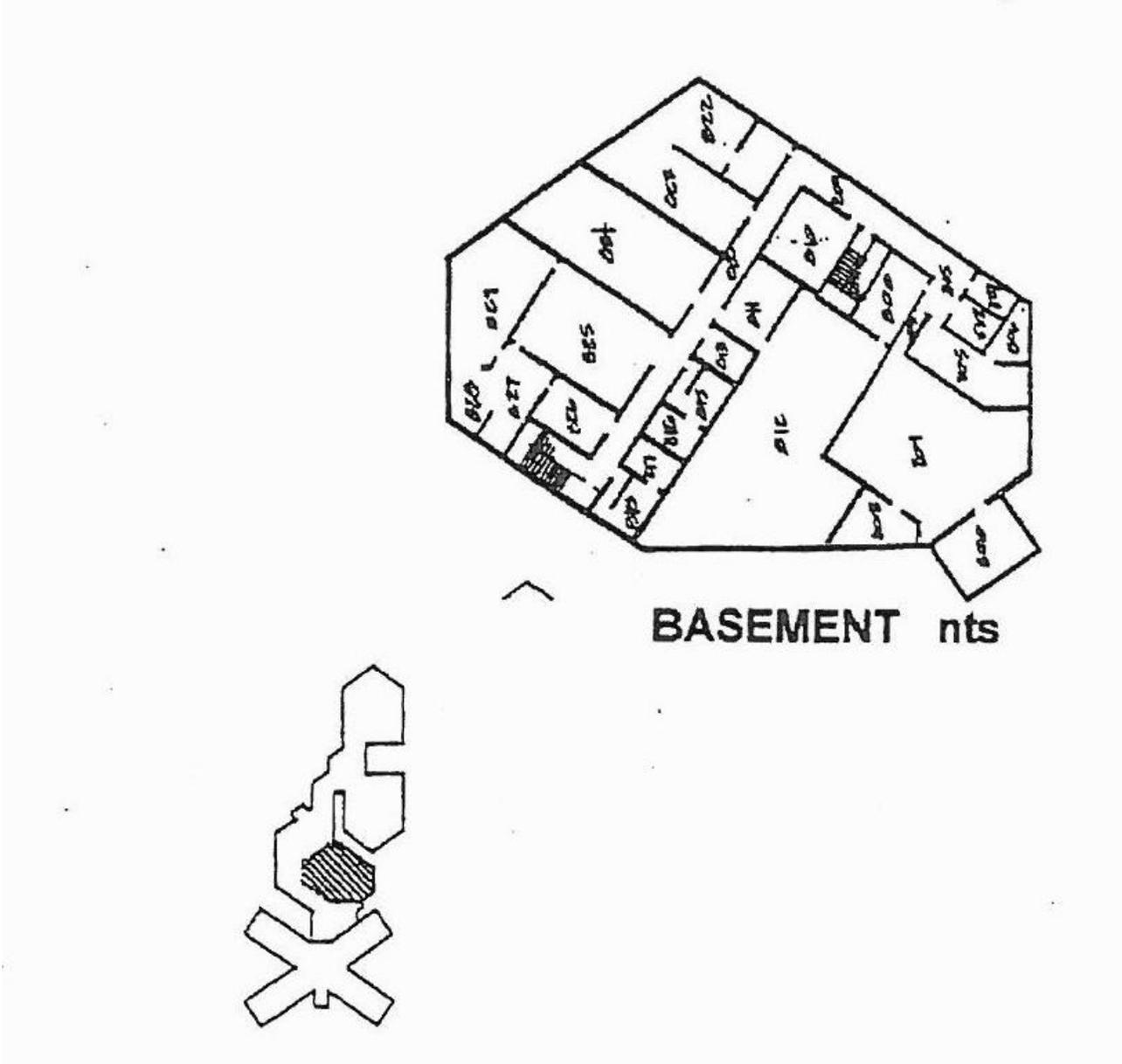


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Floor Plans - Basement

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POSADA DEL SOL HEALTH CARE CENTER

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Aerial Photo



POSADA DEL SOL HEALTH CARE CENTER

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Real Estate Investment Services

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Rent Comparables



SUBJECT PROPERTY

POSADA DEL SOL HEALTH CARE CENTER

2250 N. Craycroft Road
Tucson, AZ 85712

Total Units:		Date Surveyed:	April 2011
Unit Breakdown:	10 (Priv), 68 (SP), 1 (3 Bed Ward)	Occupancy:	86%
Total Beds:	149	Type of Care:	SNF
Square Feet:	135,937	No. of Floors:	One & Two
Year Built/Renovated:	1969 / 1978	Management:	Pima Health System

Type of Care	No. of Beds	Unit Type	April 2011 Rate
SNF	1	Basic Care	\$198
SNF	25	S/P Basic Care	\$198
SNF	8	S/P Bariatric	\$474
SNF	8	S/P Vent	\$579
SNF	3	Respiratory	\$357
SNF	7	Partial Resp.	\$496
SNF	5	Pvt Behav'l	\$436
SNF	70	S/P Behav'l	\$436
SNF	2	Medicare	\$590
	149	TOTAL	

1



PUEBLO SPRINGS REHABILITATION

5545 East Lee Street
Tucson, AZ 85712

Total Units:		Date Surveyed:	April 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	98%
Total Beds:	143	Type of Care:	SNF
Square Feet:	28,751	No. of Floors:	One
Year Built:	1965	Management:	

Type of Care	Unit Type	Private Pay Daily Rates	Avg. Rent
SNF	Private	\$249	\$249
SNF	Semi-Private	\$196	\$196
	TOTAL		\$222

POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Rent Comparables

2



MANORCARE HEALTH SERVICES

3705 North Swan Road
Tucson, AZ 85718

Total Units:		Date Surveyed:	April 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	85%
Total Beds:	118	Type of Care:	SNF
Square Feet:	113,987	No. of Floors:	Three
Year Built:	1988	Management:	HCR Manorcare

Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$238	\$238
SNF	Semi-Private	\$201	\$201
TOTAL			\$219

3



SANTA ROSA CARE CENTER

1650 North Santa Rosa Avenue
Tucson, AZ 85712

Total Units:		Date Surveyed:	April 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	94%
Total Beds:	144	Type of Care:	SNF
Square Feet:	39,685	No. of Floors:	One
Year Built:	1966	Management:	

Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$220	\$220
SNF	Semi-Private	\$180	\$180
TOTAL			\$200

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Rent Comparables Map



POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Recent Sales



POSADA DEL SOL HEALTH CARE CENTER

2250 N. Craycroft Road
Tucson, AZ 85712

Offering Price:		Total Units:	
Year	1969 / 1978	Unit Breakdown:	10 (Priv),
Type of Care:	SNF	Total Beds:	149
	CURRENT	Total SF:	135,937
Occupancy:	86%		

SUBJECT PROPERTY

1



SUNVIEW CARE CENTER

12207 N. 113th Avenue
Younstown, AZ 85363

Close of Escrow:	December 2009	Total Units:	
Sale Price:	\$5,745,000	Unit Breakdown:	
Year Built:	1986	Total Beds:	127
Type of Care:	SNF - Skilled	Total SF:	57,008
	CURRENT		
Occupancy:	63%		
CAP Rate:			
EGIM:			
Price/Unit:			
Price/Bed:	\$45,236		
Price/SF:	\$100.78		

2



CHULA VISTA

60 S. 58th Street
Mesa, AZ 85206

Close of Escrow:	January 2011	Total Units:	
Sale Price:	\$5,800,000	Unit Breakdown:	
Year Built:	1978	Total Beds:	127
Type of Care:	SNF - Skilled	Total SF:	32,487
	CURRENT		
Occupancy:	90%		
CAP Rate:	7.25%		
EGIM:			
Price/Unit:	\$120,833		
Price/Bed:	\$45,669		
Price/SF:	\$178.53		

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Recent Sales

3



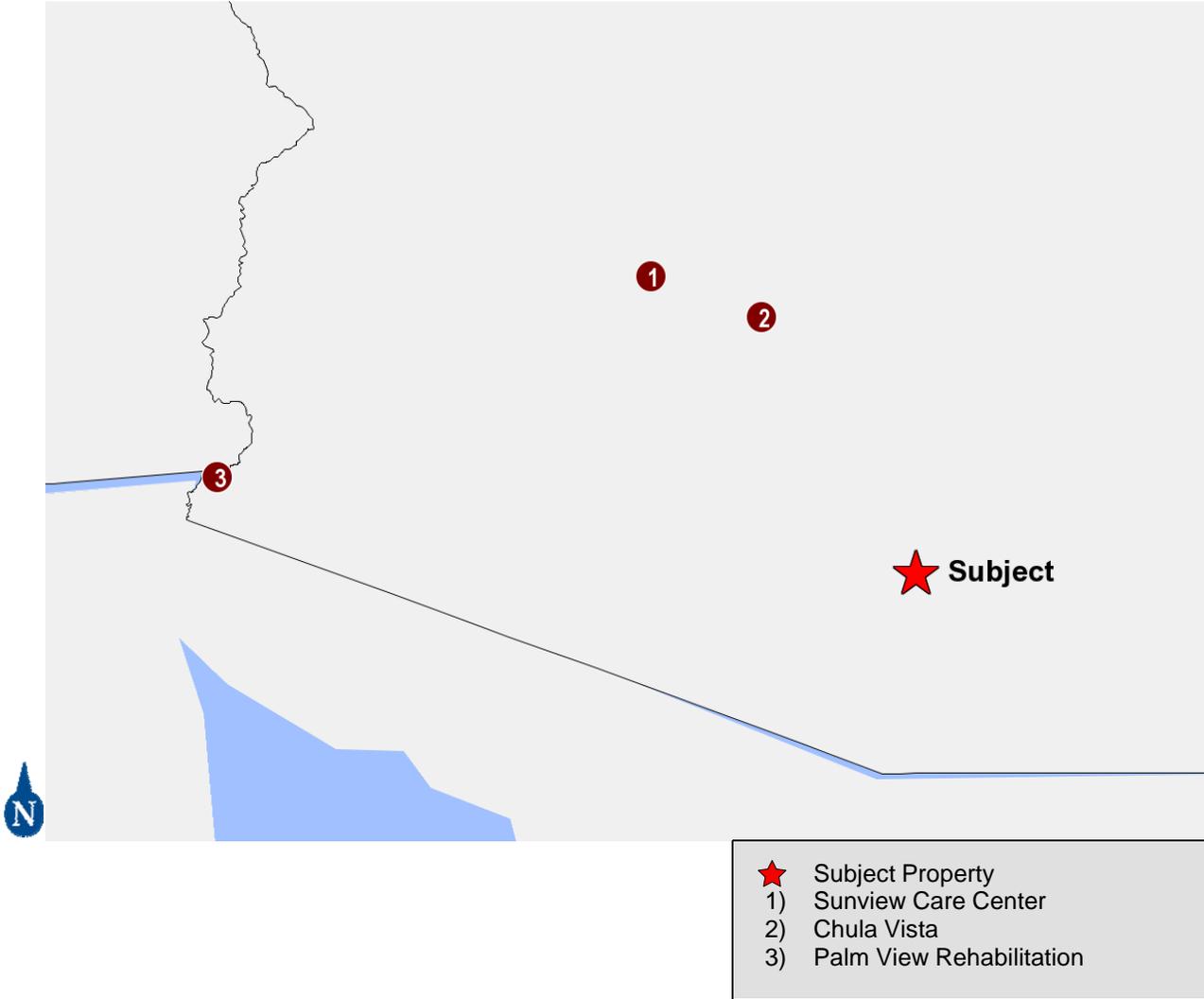
PALM VIEW REHABILITATION

2222 S. Avenue A
Yuma, AZ 85364

Close of Escrow:	April 2011	Total Units:	
Sale Price:	\$11,000,000	Unit Breakdown:	
Year Built:	1964	Total Beds:	143
Type of Care:	SNF - Skilled	Total SF:	40,528
	CURRENT		
Occupancy:			
CAP Rate:			
EGIM:			
Price/Unit:			
Price/Bed:	\$76,923		
Price/SF:	\$271.42		

POSADA DEL SOL HEALTH CARE CENTER

Recent Sales Map



POSADA DEL SOL HEALTH CARE CENTER

Pima County Demographics

Demographic Trend Summary Report

Population Demographics

				Percent Change	
	2000 Census	Spring 2010 Estimate	2015 Projection	1990 to 2000	2010 to 2015
Total Population	843,746	1,040,440	1,135,181	26.5%	9.1%
Total Households	332,350	383,296	406,946	27.0%	6.2%
Gender:					
Male	412,562 48.9%	509,646 49.0%	556,270 49.0%	26.4%	9.1%
Female	431,184 51.1%	530,794 51.0%	578,911 51.0%	26.6%	9.1%

Population by Race/Ethnicity

				Percent Change	
	2000 Census	Spring 2010 Estimate	2015 Projection	1990 to 2000	2010 to 2015
White	633,387 75.1%	714,151 68.6%	744,272 65.6%	20.7%	4.2%
Black	25,594 3.0%	32,080 3.1%	35,219 3.1%	23.1%	9.8%
American Indian or Alaska Native	27,178 3.2%	35,580 3.4%	39,719 3.5%	33.7%	11.6%
Asian or Pacific Islander	18,301 2.2%	28,459 2.7%	33,964 3.0%	53.2%	19.3%
Some Other Race	112,217 13.3%	179,695 17.3%	218,372 19.2%	26.3%	21.5%
Two or More Races	27,069 3.2%	50,475 4.9%	63,635 5.6%		26.1%
Hispanic Ethnicity	247,578 29.3%	346,270 33.3%	404,495 35.6%	51.6%	16.8%
Not Hispanic or Latino	596,168 70.7%	694,170 66.7%	730,686 64.4%	18.4%	5.3%

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POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Pima County Demographics

Population by Age

	2000 Census		Spring 2010 Estimate		2015 Projection		Percent Change	
							1990 to 2000	2010 to 2015
0 to 4	55,829	6.6%	67,919	6.5%	67,831	6.0%	11.9%	-0.1%
5 to 14	117,852	14.0%	135,037	13.0%	147,712	13.0%	29.3%	9.4%
15 to 19	62,199	7.4%	69,257	6.7%	70,733	6.2%	28.8%	2.1%
20 to 24	63,785	7.6%	74,056	7.1%	74,982	6.6%	14.3%	1.3%
25 to 34	113,874	13.5%	141,288	13.6%	158,481	14.0%	-0.3%	12.2%
35 to 44	126,061	14.9%	129,997	12.5%	142,657	12.6%	28.5%	9.7%
45 to 54	110,563	13.1%	137,959	13.3%	141,976	12.5%	77.6%	2.9%
55 to 64	74,096	8.8%	122,229	11.7%	141,910	12.5%	33.0%	16.1%
65 to 74	62,916	7.5%	81,693	7.9%	103,266	9.1%	14.7%	26.4%
75 to 84	43,499	5.2%	54,642	5.3%	59,653	5.3%	50.6%	9.2%
85+	13,072	1.5%	26,538	2.6%	26,186	2.3%	68.4%	-1.3%

Median Age:

Total Population	35.7	37.5	38.3	9.1%	2.0%
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Households by Income

	2000 Census		Spring 2010 Estimate		2015 Projection		Percent Change	
							1990 to 2000	2010 to 2015
\$0 - \$15,000	58,034	17.5%	52,898	13.8%	52,676	12.9%	-23.1%	-0.4%
\$15,000 - \$24,999	51,157	15.4%	50,134	13.1%	50,473	12.4%	-3.8%	0.7%
\$25,000 - \$34,999	48,820	14.7%	47,279	12.3%	47,365	11.6%	12.2%	0.2%
\$35,000 - \$49,999	57,703	17.4%	59,841	15.6%	61,219	15.0%	36.6%	2.3%
\$50,000 - \$74,999	58,818	17.7%	70,441	18.4%	74,789	18.4%	92.6%	6.2%
\$75,000 - \$99,999	27,892	8.4%	43,562	11.4%	49,941	12.3%	214.8%	14.6%
\$100,000 - \$149,999	18,820	5.7%	38,017	9.9%	45,376	11.2%	267.9%	19.4%
\$150,000 +	11,106	3.3%	21,124	5.5%	25,107	6.2%	279.3%	18.9%
Average Hhld Income	\$49,415		\$63,300		\$69,772		48.6%	10.2%
Median Hhld Income	\$36,826		\$44,803		\$47,686		44.7%	6.4%
Per Capita Income	\$19,464		\$24,387		\$26,005		47.6%	6.6%

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TUCSON, AZ

Pima County Mature Market Demographics

Mature Market Summary Report

POSADA DEL SOL HEALTH CARE CENTER

Population By Age					
	Spring 2010	%	2015	%	% Change 2010 to 2015
Total Population	1,040,440		1,135,181		
Age 55 - 59	65,395	6.3%	73,620	6.5%	12.6%
Age 60 - 64	56,834	5.5%	68,290	6.0%	20.2%
Age 65 - 69	45,632	4.4%	58,068	5.1%	27.3%
Age 70 - 74	36,061	3.5%	45,198	4.0%	25.3%
Age 75 - 79	30,231	2.9%	33,813	3.0%	11.8%
Age 80 - 84	24,411	2.4%	25,840	2.3%	5.9%
Age 85+	26,538	2.6%	26,186	2.3%	-1.3%
Age 55 +	285,102	27.4%	331,015	29.2%	16.1%
Age 65 +	162,873	15.7%	189,105	16.7%	16.1%
Median Age Total Pop	37.5		38.3		2.0%
Median Age 55+	67.1		66.9		-0.3%
Male Population	509,646		556,270		2.0%
Age 55 - 59	31,040	6.1%	35,229	6.3%	13.5%
Age 60 - 64	26,821	5.3%	32,110	5.8%	19.7%
Age 65 - 69	21,186	4.2%	27,034	4.9%	27.6%
Age 70 - 74	16,435	3.2%	20,571	3.7%	25.2%
Age 75 - 79	13,449	2.6%	14,898	2.7%	10.8%
Age 80 - 84	10,218	2.0%	10,846	1.9%	6.1%
Age 85+	9,968	2.0%	9,308	1.7%	-6.6%
Age 55 +	129,117	25.3%	149,996	27.0%	16.2%
Age 65 +	71,256	14.0%	82,657	14.9%	16.0%
Median Age Males	36.0		35.5		-1.4%
Median Age Males 55+	66.5		66.3		-0.2%
Female Population	530,794		578,911		
Age 55 - 59	34,355	6.5%	38,391	6.6%	11.7%
Age 60 - 64	30,013	5.7%	36,180	6.2%	20.5%
Age 65 - 69	24,446	4.6%	31,034	5.4%	26.9%
Age 70 - 74	19,626	3.7%	24,627	4.3%	25.5%
Age 75 - 79	16,782	3.2%	18,915	3.3%	12.7%
Age 80 - 84	14,193	2.7%	14,994	2.6%	5.6%
Age 85+	16,570	3.1%	16,878	2.9%	1.9%
Age 55 +	155,985	29.4%	181,019	31.3%	16.0%
Age 65 +	91,617	17.3%	106,448	18.4%	16.2%
Median Age Females	39.1		35.9		-8.2%
Median Age Females 55+	67.7		67.5		-0.3%

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Pima County Mature Market Demographics

POSADA DEL SOL HEALTH CARE CENTER

Income by Age of Head of Household

Householder Age 55 - 64 Years

	Spring 2010 Estimate		2015 Projection		Percent Change
	Count	%	Count	%	2000 to 2010
\$ 0 - \$19,999	10,033	15.4%	10,399	14.3%	12.5%
\$ 20,000 - \$39,999	13,817	21.1%	14,356	19.8%	19.0%
\$ 40,000 - \$59,999	11,598	17.7%	12,306	17.0%	35.4%
\$ 60,000 - \$74,999	6,629	10.1%	7,342	10.1%	53.7%
\$ 75,000 - \$99,999	8,406	12.9%	9,975	13.7%	95.4%
\$100,000 - \$124,999	5,837	8.9%	7,043	9.7%	128.2%
\$125,000 - \$149,999	3,438	5.3%	4,326	6.0%	195.4%
\$150,000 +	5,599	8.6%	6,813	9.4%	133.0%
Median Income Age 55-64	\$54,911		\$58,626		

Age Householder 65 - 74 Years

	Spring 2010 Estimate		2015 Projection		Percent Change
	Count	%	Count	%	2000 to 2010
\$ 0 - \$19,999	8,375	18.2%	9,586	17.2%	-14.5%
\$ 20,000 - \$39,999	12,041	26.2%	13,753	24.7%	-4.1%
\$ 40,000 - \$59,999	8,752	19.0%	10,255	18.4%	16.8%
\$ 60,000 - \$74,999	4,377	9.5%	5,375	9.7%	33.5%
\$ 75,000 - \$99,999	4,687	10.2%	6,138	11.0%	74.0%
\$100,000 - \$124,999	3,199	7.0%	4,284	7.7%	112.3%
\$125,000 - \$149,999	1,712	3.7%	2,392	4.3%	161.4%
\$150,000 +	2,821	6.1%	3,812	6.9%	115.2%
Median Income Age 65-74	\$45,285		\$48,320		

Householder Age 75 Plus Years

	Spring 2010 Estimate		2015 Projection		Percent Change
	Count	%	Count	%	2000 to Spring 2010
\$ 0 - \$19,999	12,362	26.3%	11,827	24.9%	-3.2%
\$ 20,000 - \$39,999	12,650	26.9%	12,086	25.4%	11.4%
\$ 40,000 - \$59,999	7,621	16.2%	7,551	15.9%	32.1%
\$ 60,000 - \$74,999	3,700	7.9%	3,862	8.1%	62.0%
\$ 75,000 - \$99,999	4,205	8.9%	4,693	9.9%	98.3%
\$100,000 - \$124,999	2,415	5.1%	2,764	5.8%	144.7%
\$125,000 - \$149,999	1,601	3.4%	1,907	4.0%	228.1%
\$150,000 +	2,530	5.4%	2,882	6.1%	145.4%
Median Income Age 75+	\$37,176		\$39,742		

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Demographic Report of Subject Location

	5 Miles:	10 Miles:	15 Miles:
1990 Population	244,174	512,276	605,828
2000 Population	268,079	583,658	741,272
2010 Population	289,666	659,916	859,770
2015 Population	296,259	704,352	916,685
1990 Households	105,889	206,516	238,062
2000 Households	117,855	237,360	291,911
2010 Households	119,915	252,258	318,181
2015 Households	119,603	261,903	330,726
2010 Average Household Size	2.33	2.55	2.64
2010 Daytime Population	163,052	341,915	388,390
1990 Median Housing Value	\$76,067	\$74,683	\$76,371
2000 Median Housing Value	\$108,498	\$105,830	\$109,867
2000 Owner Occupied Housing Units	47.0%	51.9%	56.2%
2000 Renter Occupied Housing Units	45.3%	39.8%	35.5%
2000 Vacant	7.77%	8.33%	8.34%
2010 Owner Occupied Housing Units	45.9%	50.6%	55.1%
2010 Renter Occupied Housing Units	44.0%	38.7%	34.1%
2010 Vacant	10.02%	10.72%	10.82%
2015 Owner Occupied Housing Units	46.1%	50.4%	54.7%
2015 Renter Occupied Housing Units	43.9%	38.9%	34.4%
2015 Vacant	9.98%	10.78%	10.89%
\$ 0 - \$ 14,999	15.6%	16.7%	14.6%
\$ 15,000 - \$24,999	14.8%	14.6%	13.3%
\$ 25,000 - \$34,999	13.5%	13.3%	12.5%
\$ 35,000 - \$49,999	15.2%	15.2%	15.4%
\$ 50,000 - \$74,999	16.7%	16.5%	18.0%
\$ 75,000 - \$99,999	9.7%	9.5%	10.9%
\$100,000 - \$124,999	5.6%	5.5%	6.3%
\$125,000 - \$149,999	3.2%	3.3%	3.5%
\$150,000 - \$200,000	3.1%	2.8%	3.0%
\$200,000 to \$249,999	0.9%	0.8%	0.8%
\$250,000 +	1.8%	1.8%	1.7%
Median Household Income	\$40,110	\$39,533	\$43,657
Per Capita Income	\$26,839	\$24,142	\$24,453
Average Household Income	\$61,148	\$60,195	\$62,754

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POSADA DEL SOL HEALTH CARE CENTER

Summary Report of Subject Location

Geography: 15 Miles

Population

In 2010, the population in your selected geography is 859,770. The population has changed by 15.99% since 2000. It is estimated that the population in your area will be 916,685 five years from now, which represents a change of 6.62% from the current year. The current population is 48.92% male and 51.08% female. The median age of the population in your area is 36.5, compare this to the US average which is 37.1. The population density in your area is 1,216.33 people per square mile.

Households

There are currently 318,181 households in your selected geography. The number of households has changed by 9.00% since 2000. It is estimated that the number of households in your area will be 330,726 five years from now, which represents a change of 3.94% from the current year. The average household size in your area is 2.64 persons.

Income

In 2010, the median household income for your selected geography is \$43,657, compare this to the US average which is currently \$51,517. The median household income for your area has changed by 20.09% since 2000. It is estimated that the median household income in your area will be \$46,077 five years from now, which represents a change of 5.54% from the current year.

The current year per capita income in your area is \$24,453, compare this to the US average, which is \$27,867. The current year average household income in your area is \$62,754, compare this to the US average which is \$72,148.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 67.69% White, 3.43% Black, 2.76% Native American and 2.79% Asian/Pacific Islander. Compare these to US% averages which are: 73.52% White, 12.42% Black, 0.76% Native American and 4.60% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 34.70% of the current year population in your selected area. Compare this to the US% average of 15.45%.

Housing

The median housing value in your area was \$109,867 in 2000, compare this to the \$US average of \$115,194 for the same year. In 2000, there were 178,831 owner occupied housing units in your area and there were 113,080 renter occupied housing units in your area. The median rent at the time was \$479.

Employment

In 2010, there are 388,390 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 62.9% of employees are employed in white-collar occupations in this geography, and 37.1% are employed in blue-collar occupations. In 2010, unemployment in this area is 7.36%. In 2000, the median time traveled to work was 21.2 minutes.

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OFFERING MEMORANDUM

