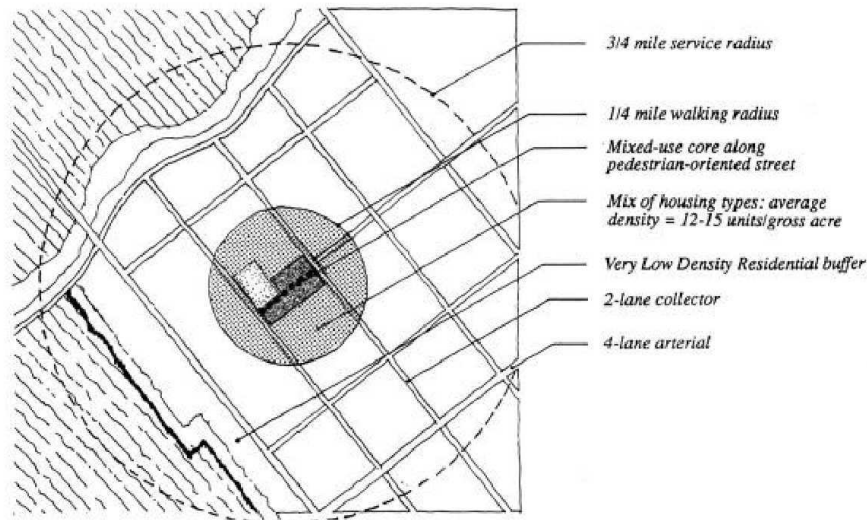


MIXED-USE NEIGHBORHOOD CENTERS

Current General Plan includes 11 mixed-use neighborhood center sites that are not yet developed.



Traditionally, supermarkets have served as anchor tenants for neighborhood shopping centers.

Without a strong anchor tenant, neighborhood shopping centers struggle to attract quality tenants.

As average size of supermarkets has increased from around 25,000 square feet to about 55,000 square feet for new grocery stores, the number of grocery anchored shopping centers that a community can support is cut in half.

Under the current General Plan, projected community growth may support 1 or 2 more supermarkets than currently exist.

Proposed Wal-Mart supercenters alone would likely absorb any new grocery demand from growth of Chico area under the current general plan

This leaves most mixed-use neighborhood center locations without prospects for a traditional grocery anchor tenant.

Emerging small format grocery stores like Tesco fresh & easy market may create some new opportunities.