

LA BASIN* SNAPSHOT AT MID-YEAR 2010

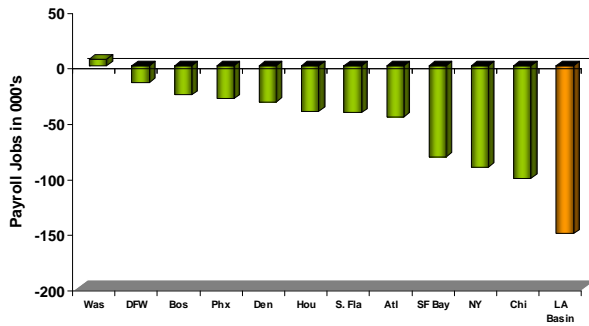
LA Basin Economy: Recovery Continues

- 12-Month Job Losses through April 2010: 151,200; month-to-month job growth resumes.
- Unemployment Rate: 11.9% in April; up from 10.5% a year ago.
- Employment Outlook: Steady month-to-month growth; 12-month losses to ease.

LA Office Market: Stabilizing; OC Office Market: Still Sliding

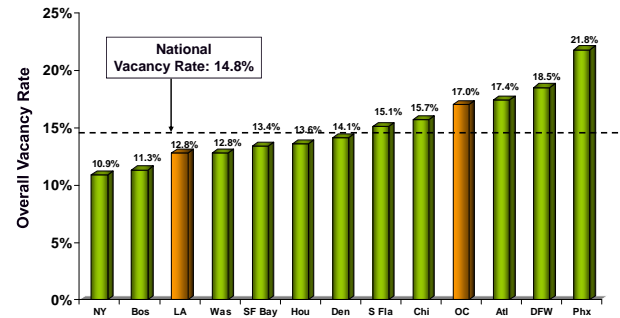
- Net Absorption: Negative 739,000 SF in Q2; negative 3.6 million SF YTD.
- Overall Vacancy Rate: 13.9% at mid-year 2010, up from 13.7% in Q1 and 12.2% a year ago.
- Asking Rents: Ticked down slightly in LA County in Q2; rate of decline slowing in Orange County.

Payroll Job Growth
Large Metro Areas
12 Months Ending April 2010



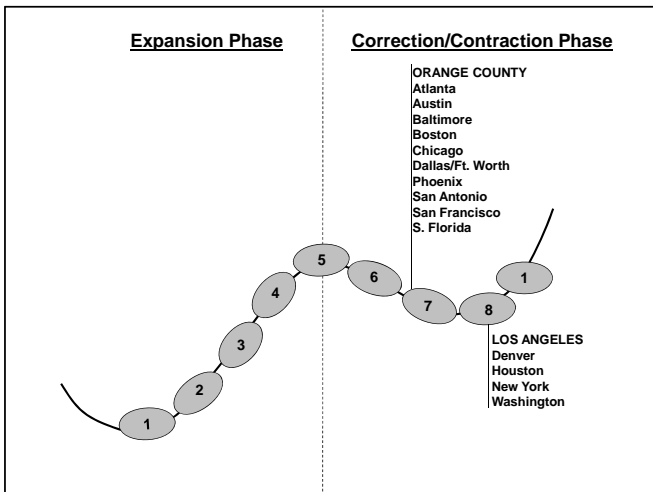
Source: Bureau of Labor Statistics, Delta Associates, June 2010.

Office Vacancy Rates
Selected Metro Areas
Mid-Year 2010



Source: CoStar, Delta Associates, June 2010.

Office Market Cycle Position Mid-Year 2010



Source: Delta Associates, June 2010.

Weak office market conditions – although nearing stability in LA – suggest the following strategies:

	Los Angeles	Orange County
Tenants	Accelerate plans for new leases to take advantage of tenant market conditions.	Take advantage of tenants' market. Seek upgraded space; negotiate favorable terms.
Owners	Continue to be aggressive. Investors should pursue quality buildings at bargain prices.	Be mindful of changing conditions. Developers should research sites for next cycle. Investors should selectively enter the market at bargain prices with an eye to long-term growth.

*Note: Economic information for LA Basin includes LA, Orange Co. and Inland Empire; real estate information covers LA and Orange Counties.