

LA BASIN* SNAPSHOT AT YEAR-END 2009

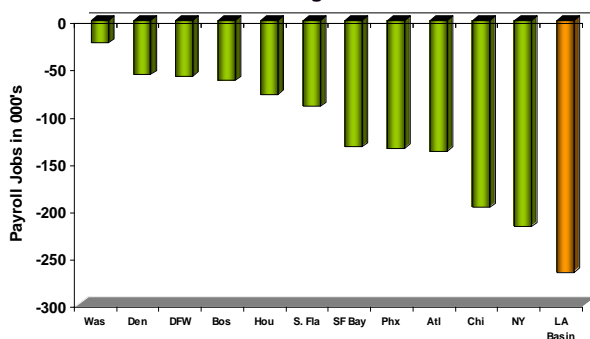
LA Basin Economy: Beginning to Stabilize

- 12-Month Job Losses through October 2009: 266,300; losses are beginning to slow.
- Unemployment Rate: 12.5% in October 2009, up from 7.8% a year ago.
- Employment Outlook: Weak in first half of 2010; strengthening thereafter.

LA/OC Office Market: Contraction Slows

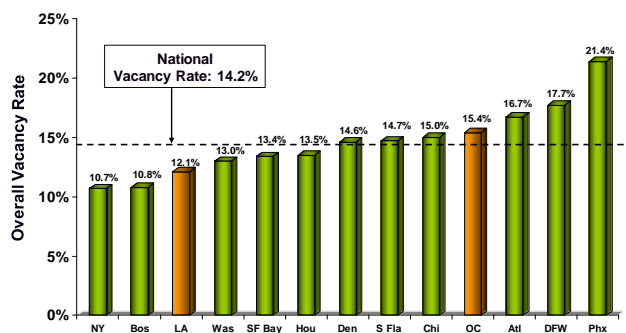
- Net Absorption: Positive 102,000 SF in the 4th quarter; negative 8.6 million SF in 2009.
- Overall Vacancy Rate: 13.0% at year-end 2009, up from 12.7% in Q3 and 10.6% a year ago.
- Rents: Down 7.8% in LA County and 10.7% in Orange County in 2009.

**Payroll Job Growth
Large Metro Areas
12 Months Ending October 2009**



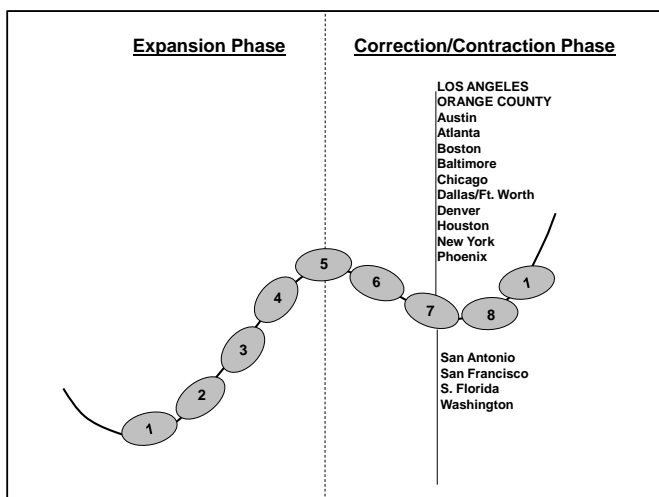
Source: Bureau of Labor Statistics, Delta Associates; December 2009.

**Office Vacancy Rates
Selected Metro Areas
Year-End 2009**



Source: CoStar, Delta Associates; December 2009.

Office Market Cycle Position Year-End 2009



Source: Delta Associates, December 2009.

Weak office market conditions 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	Prune and tune until market calms down. 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, and Inland Empire areas; real estate information covers LA and Orange counties.