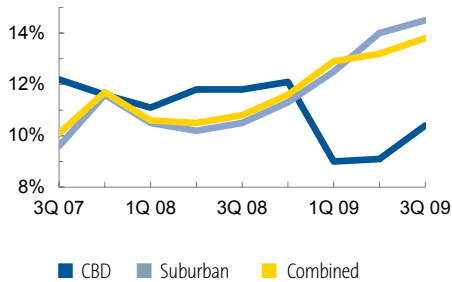


Vacancy Rate

Quarterly



Activity Sparks as Vacancy Continues to Rise

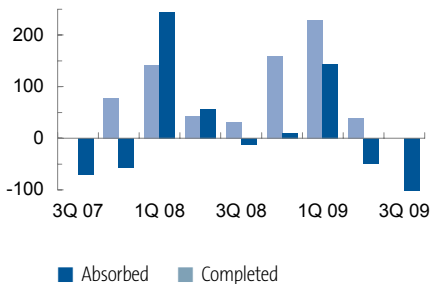
Although prognosticators continue to predict that the worst is yet to come for commercial real estate, there has been an uptick in activity in the Fresno office market over the past quarter. This was not reflected in vacancy rates which increased slightly, but activity in the leasing market has increased with tenants beginning to acclimate to the tough economic conditions. It continues to be a tenant dominated market. However, the market is experiencing an easing of concessions required by landlords to complete transactions.

The overbuilt office market coupled with approximately 160,000 square feet of sublease space will continue to be problematic until this excess space is absorbed. With this in mind, vacancy rates are predicted to begin a slow decline over the next quarter, but no meaningful reductions until late 2010.

In the sales arena, a weak U. S. dollar makes properties more attractive to foreign investors. A little inflation, as long as it is kept in check, could benefit the market, which would allow commercial real estate to once again take its place as an inflation hedge. Over the past several months, capitalization rates have increased in the 2 to 3 point range which has lowered values for investment real estate substantially. For the foreseeable future, there will continue to be a disconnect between buyers and sellers as to real estate values.

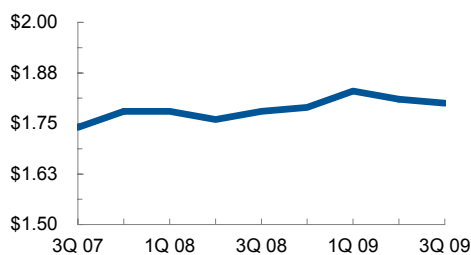
Completion vs. Absorption

Quarterly (in Thousands of SF)



Asking Rental Rates

Quarterly (\$/SF/Mo. Full Service)



FORECAST

- Market activity in the office sector should increase as the economy stabilizes and tenants adjust to difficult market conditions.
- Concessions should ease as excess product gets absorbed.
- The investment climate for office buildings will remain difficult until the value gap between investors and sellers narrows.

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)
Demetrio Sta. Ana, Jr., LLC	John Allen	The Grove at Fig Garden*	4,654
The Well	North American Title Company	7676 North Palm Avenue ^S	10,048
Fresno County	Cecor L.P.	Channing Court*	5,997

■ Leasing ■ Sales (R) = Renewal (S) = Sublease *Indicates Transactions Represented by Grubb & Ellis

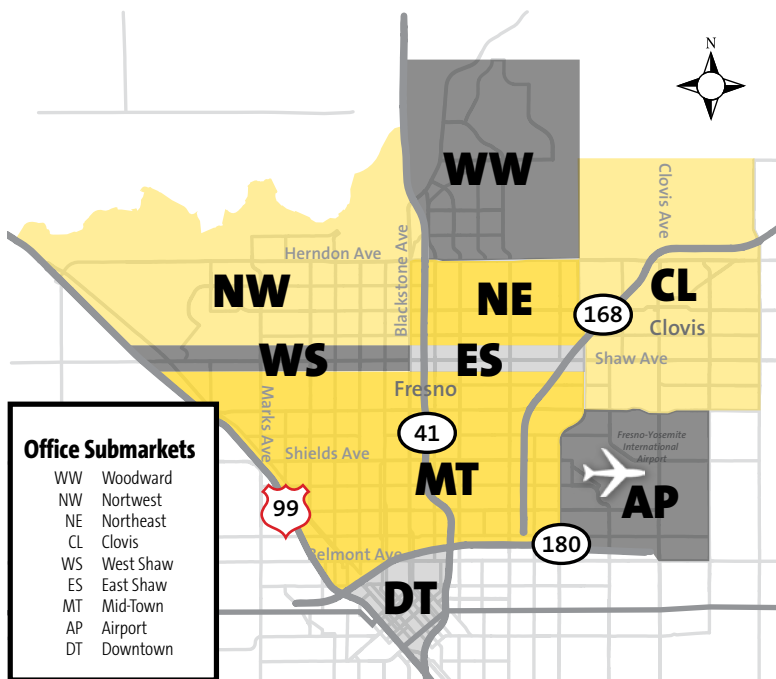
Office Trends Report—Third Quarter 2009

Fresno, CA



By Submarket	Total SF	Vacant SF	VACANCY %		NET ABSORPTION		Under	ASKING RENT	
			Direct	Total	Current	Year To Date	Construction SF	Class A	Class B
Downtown	3,110,722	323,028	10.2%	10.4%	(40,737)	39,377	105,585	\$2.09	\$1.35
CBD Total	3,110,722	323,028	10.2%	10.4%	(40,737)	39,377	105,585	\$2.09	\$1.35
Airport	1,401,452	134,917	9.6%	9.6%	2,502	980	-	-	\$1.22
Clovis	718,920	168,063	22.9%	23.4%	10,494	26,586	-	\$1.72	\$1.91
East Shaw	1,331,607	246,394	18.4%	18.5%	(43,528)	(30,394)	-	-	\$1.58
Midtown	2,337,047	66,833	2.9%	2.9%	(10,875)	592	-	-	\$1.28
Northeast	1,362,624	181,716	10.6%	13.3%	(9,917)	(29,683)	-	\$2.17	\$1.84
Northwest	3,121,823	634,117	19.0%	20.3%	(1,423)	(63,505)	13,776	\$2.41	\$1.88
West Shaw	1,645,746	238,772	14.0%	14.5%	(2,719)	7,081	-	-	\$1.45
Woodward	3,277,440	525,289	15.5%	16.0%	(5,308)	41,654	-	\$2.39	\$1.94
Suburban Total	15,196,659	2,196,101	13.7%	14.5%	(60,774)	(46,689)	13,776	\$2.38	\$1.73
Totals	18,307,381	2,519,129	13.1%	13.8%	(101,511)	(7,312)	119,361	\$2.36	\$1.69

By Class	Total SF	Vacant SF	Direct	Total	Current	Year To Date	Under	AVAILABLE FOR SUBLEASE	
								CBD	Suburban
Class A	3,479,210	626,981	16.4%	18.0%	(10,095)	34,915	89,585	4,745	93,578
Class B	10,528,956	1,610,468	14.8%	15.3%	(52,512)	(4,823)	29,776	-	66,900
Class C	4,299,215	281,680	6.4%	6.6%	(38,904)	(37,404)	-	-	1,269
Totals	18,307,381	2,519,129	13.1%	13.8%	(101,511)	(7,312)	119,361	4,745	161,747



Grubb & Ellis|Pearson Commercial Office Advisors

Thomas N. Robinson
Vice President
559.447.6246
trobinson@pearsonrealty.com
CA DRE# 00235983

Scott Christensen
Vice President
559.447.6230
schristensen@pearsonrealty.com
CA DRE# 01415793

Phil Souza
Senior Vice President
559.447.6283
psouza@pearsonrealty.com
CA DRE# 01422611

Jim Graham
Vice President
559.447.6260
jgraham@pearsonrealty.com
CA DRE# 01300389

Ramon Ventura
Senior Sales Associate
559.447.6293
rventura@pearsonrealty.com
CA DRE# 01405976

Dustin Ilic
Sales Associate
559.447.6292
dilic@pearsonrealty.com
CA DRE# 01772625

Brett Visintainer
Sales Associate
559.447.6265
bvisintainer@pearsonrealty.com
CA DRE# 01792092

Jeremy Reed
Senior Vice President
559.447.6282
jreed@pearsonrealty.com
CA DRE# 01203327

Jessica Young
Marketing Specialist
559.447.6281
jyoung@pearsonrealty.com
CA DRE# 01498704

OFFICE TERMS AND DEFINITIONS

Inventory: Office inventory includes all multi-tenant and single tenant buildings at least 5,000 square feet. Owner-occupied, government and medical buildings are not included.

Office Building Classifications: Grubb & Ellis adheres to the BOMA guidelines. Class A properties are the most prestigious buildings competing for premier office users with rents above average for the area. Class B properties compete for a wide range of users with rents in the average range for the area. Class C buildings compete for tenants requiring functional space at rents below the area average.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Direct Vacant: This is the vacancy rate in space offered on the market directly by the landlord in single and multi-tenant buildings. This excludes vacant space offered for sublease and vacant space that is not offered on the market, for whatever reason.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Office rents are reported full service where all costs of operation are paid for by the landlord up to a base year or expense stop. The asking rent for each building in the market is weighted by the amount of available space in the building.

** Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.*