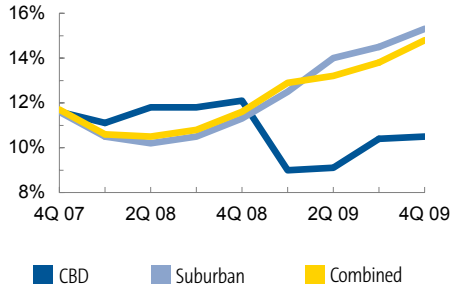


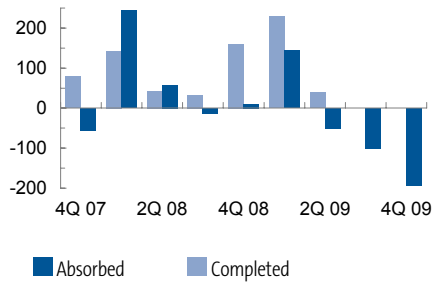
Vacancy Rate

Quarterly



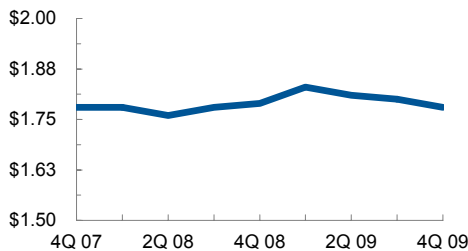
Completions vs. Absorption

Quarterly (in Thousands of SF)



Asking Rental Rates

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



Concessions and Rents Still the Key to Office Activity

The fourth quarter of 2009, as is true for the fourth quarter of any year in commercial office sales and leasing is not a very dependable measurement of the trend for the whole year, although, office building vacancies have stabilized and seem to not have increased any further throughout the Fresno market. The exception to this would be an increase in vacancy of 250 basis points in the Woodward Park office submarket solely due to the closure of the Gottschalks corporate office, which added approximately an additional 88,000 square feet of vacant office space.

Commercial real estate generally takes a break every year during the fall and winter months. The number of actual transactions completed are fewer than the preceding three quarters. The past year presented more challenges than seen in recent years. Opportunities were there for those willing to dig past the surface. Discount rental rates and concessions for first class products were there for tenants ready and able to make a move. As more sellers enter the market in 2010 with product for sale and capital frees up, and prices decline, office product may be more attractive to buyers with available cash.

FORECAST

- Vacancy absorption will most likely continue at a slow pace through 2010.
- New rent levels will be established throughout the Fresno market.
- As Lenders continue to take back distressed properties through foreclosures, lower prices will be established and will persuade buyers to get off of the sidelines.

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)/Price
■ Robert W. Mitchell*	Lola Jane Giffin Living Trust*	1021 E. Herndon Ave.	\$1,269,000
■ Undisclosed*	Jones Lang LaSalle	Woodward Centre ^R	54,600
■ Jones Helsey PC*	Lance-Kashian & Company*	Village Courtyard At River Park ^S	12,400

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

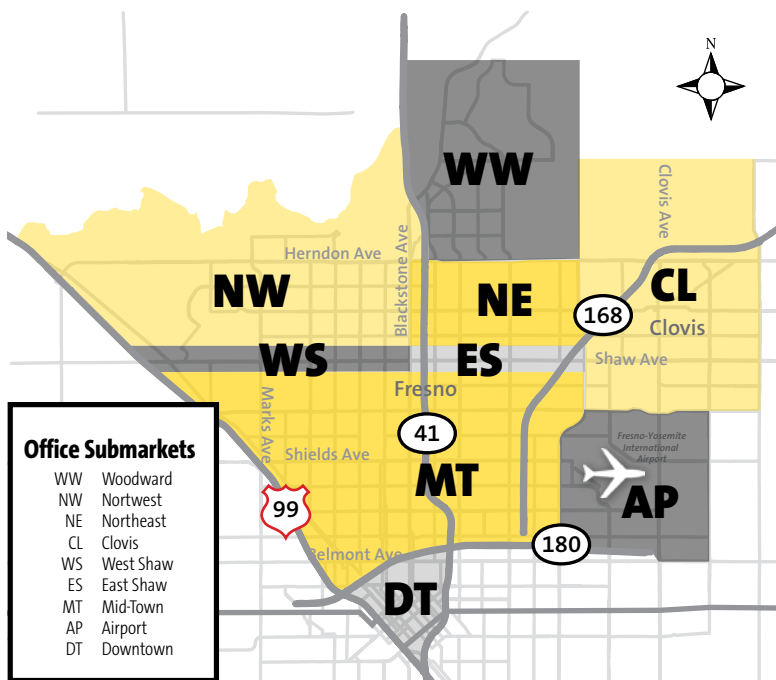
Office Trends Report—Fourth Quarter 2009

Fresno, CA



By Submarket	Total SF	Vacant SF	VACANCY %		NET ABSORPTION		Under Construction SF	ASKING RENT	
			Direct	Total	Current	Year To Date		Class A	Class B
Downtown	3,110,722	328,104	10.4%	10.5%	(5,076)	34,301	105,585	\$2.09	\$1.34
CBD Total	3,110,722	328,104	10.4%	10.5%	(5,076)	34,301	105,585	\$2.09	\$1.34
Airport	1,401,452	155,929	11.0%	11.1%	(21,012)	(20,032)	-	-	\$1.19
Clovis	718,920	166,430	22.7%	23.2%	1,633	28,219	-	\$1.72	\$1.83
East Shaw	1,331,607	255,211	18.8%	19.2%	(8,817)	(39,211)	-	-	\$1.56
Midtown	2,337,047	104,252	4.5%	4.5%	(37,419)	(36,827)	-	-	\$1.28
Northeast	1,362,624	179,308	10.5%	13.2%	2,408	(27,275)	-	\$2.17	\$1.84
Northwest	3,121,823	679,223	20.5%	21.8%	(45,106)	(108,611)	13,776	\$2.41	\$1.87
West Shaw	1,645,746	241,288	14.2%	14.7%	(2,516)	4,565	-	-	\$1.44
Woodward	3,277,440	601,709	17.9%	18.4%	(76,420)	(34,766)	-	\$2.39	\$1.93
Suburban Total	15,196,659	2,383,350	15.0%	15.7%	(187,249)	(233,938)	13,776	\$2.38	\$1.71
Totals	18,307,381	2,711,454	14.2%	14.8%	(192,325)	(199,637)	119,361	\$2.36	\$1.67

By Class	Total SF	Vacant SF	Direct	Total	Current	Year To Date	Under Construction SF	AVAILABLE FOR SUBLEASE	
								CBD	Suburban
Class A	3,479,210	721,040	19.1%	20.7%	(94,059)	(59,144)	89,585	4,745	94,757
Class B	10,528,956	1,660,306	15.3%	15.8%	(49,838)	(54,661)	29,776	-	64,954
Class C	4,299,215	330,108	7.6%	7.7%	(48,428)	(85,832)	-	-	1,269
Totals	18,307,381	2,711,454	14.2%	14.8%	(192,325)	(199,637)	119,361	4,745	160,980



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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.*