

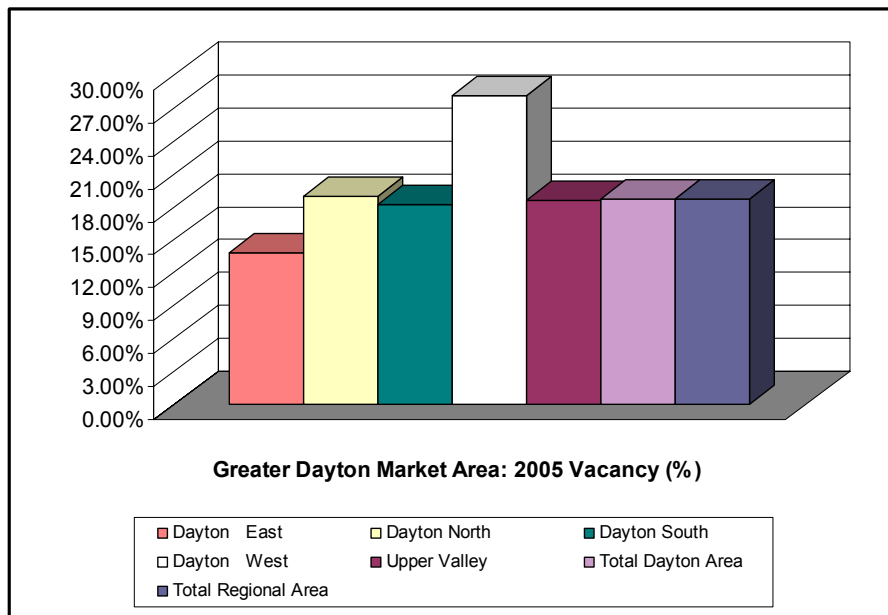


2005 Industrial Market Survey

The Gem Real Estate Group, Inc.'s 2005 Industrial Market Survey is a comprehensive survey intended to capture the current conditions and developing trends regarding Industrial space within the greater Dayton area. The facilities included in this study represent those, which are most reflective of the area's Industrial market.

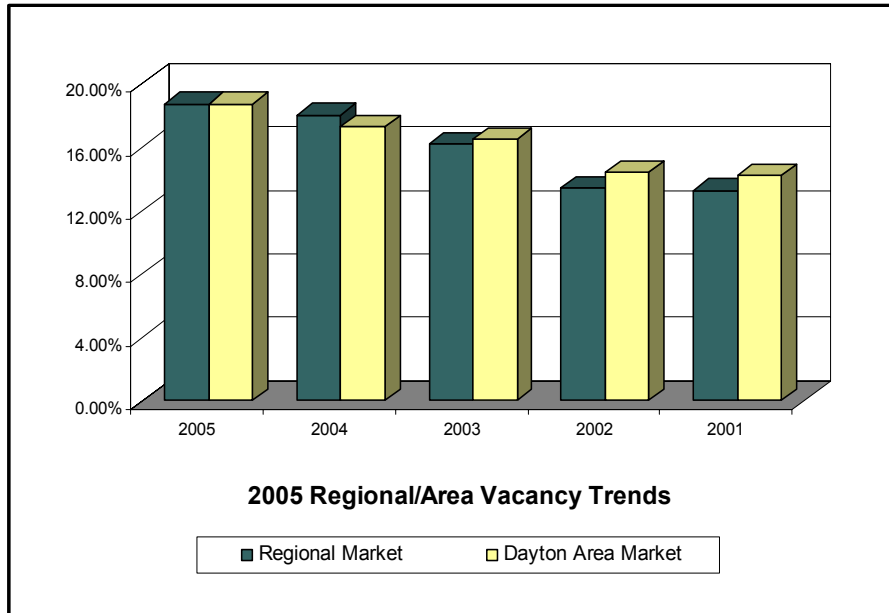
In the 2005 survey, we have sampled 291 Industrial Buildings which have been segmented into five (5) distinct markets identified as Dayton East, Dayton North, Dayton West, Dayton South, and the Upper Valley Market. A total of 18,539,997 square feet of industrial/warehouse space was surveyed within these five (5) markets, of which 3,470,879 square feet, or 18.72% was reported to be vacant. This vacancy rate is up from the 2004 figure of 18.05%. The 2005 results are summarized in the following grid and chart.

2005 Dayton Industrial Market Survey				
	#	GFA	Vac. s.f.	Vac. %
Dayton East Market	34	1,958,777	271,540	13.86%
Dayton North Market	92	5,095,248	968,109	19.00%
Dayton South Market	123	8,107,605	1,484,602	18.31%
Dayton West Market	9	1,214,810	342,320	28.18%
Upper Valley Market	33	2,163,557	404,308	18.69%
Regional Market	291	18,539,997	3,470,879	18.72%
Dayton Area Market	258	16,376,440	3,066,571	18.73%

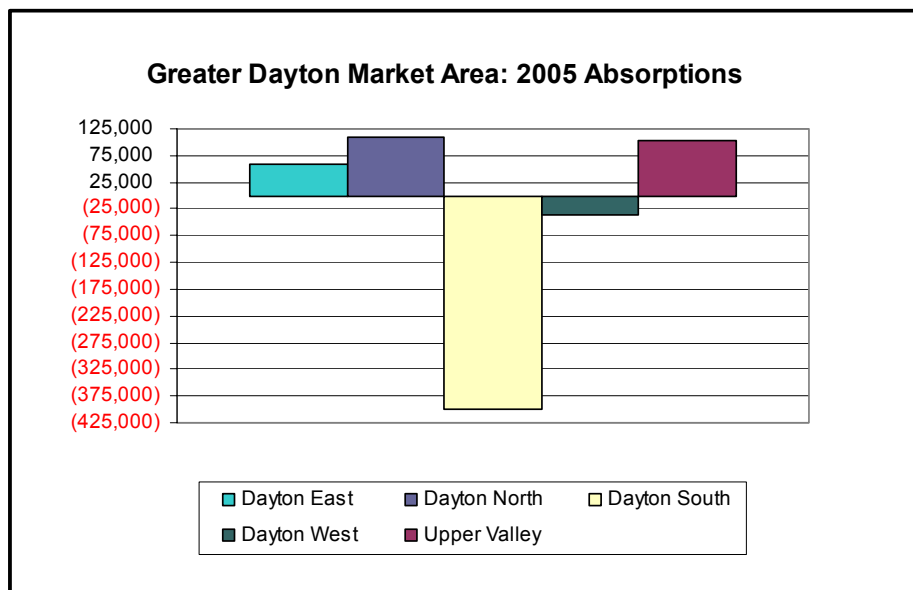




A comparison of the Dayton Area and Regional Vacancy rates is illustrated on the following chart.



Within the regional market, a negative absorption of (164,263) square feet of space occurred in 2004-2005 survey period. The Dayton Area market, experienced a negative absorption of (267,563) square feet during the 2004-2005 survey period. Illustrated on the following chart, is the 2004-2005 absorption by sub-market.





The grid below illustrates a summary of the 2005, 2004, 2003, 2002 and 2001 vacancy rates and absorption results for the surveyed markets:

2005 Dayton Industrial Market Survey Vacancy Rates and Absorption Results															
Market Area	2005			2004			2003			2002			2001		
	GFA	Vac. %	2004-05 Absorb.	GFA	Vac. %	2002-03 Absorb.	GFA	Vac. %	2001-02 Absorb.	GFA	Vac. %	2000-01 Absorb.	GFA	Vac. %	1990-00 Absorb.
Dayton East	1,958,777	13.86%	58,900	1,957,777	16.88%	(25,683)	2,312,511	13.18%	(34,826)	2,322,111	11.62%	52,326	2,339,111	12.90%	45,840
Dayton North	5,095,248	19.00%	108,575	5,090,967	21.15%	(161,733)	5,130,520	17.83%	35,470	5,274,040	18.02%	(207,528)	5,274,122	13.62%	(895)
Dayton South	8,107,605	18.31%	(400,038)	7,895,642	13.74%	112,472)	8,094,197	14.79%	(226,335)	8,197,975	11.84%	81,299	8,324,569	15.84%	202,324
Dayton West	1,214,810	28.18%	(35,000)	1,214,810	25.30%	44,000	1,214,810	28.92%	(38,000)	1,560,810	20.11%	(179,328)	1,581,543	9.78%	90,654
Upper Valley	2,163,557	18.69%	103,300	2,163,557	23.46%	(210,808)	2,163,557	13.72%	(181,568)	2,132,589	5.40%	6,768	2,159,589	5.65%	243,400
Regional	18,539,997	18.72%	(164,263)	18,322,753	18.05%	(241,752)	18,915,595	16.20%	(445,259)	19,487,525	13.44%	(246,463)	19,678,934	13.29%	581,323
Dayton Area	16,376,440	18.73%	(267,563)	16,159,196	17.32%	(30,944)	16,752,038	16.52%	(263,691)	17,354,936	14.43%	(253,231)	17,519,345	14.23%	337,923

A larger percentage of the vacancy continues in the 2005 survey appears to be attributable to bulk industrial/warehouse facilities. The vacancy in these facilities tends to somewhat skew the overall market results.

Specifically, in the Dayton Area market, we have surveyed 258 Industrial Buildings, which included properties in the submarkets of East, North, South and West. Within these sampled markets, a grand total of 16,376,440 square feet of space was surveyed, of which 3,066,571 square feet, or 18.73%, was reported to be vacant.

Next, we will examine each of the five (5) distinct markets identified as *Dayton: East*, *Dayton: North*, *Dayton: West*, *Dayton: South*, and the *Upper Valley Region*.

Dayton East

In the *East Industrial* market, a total of (34) facilities were surveyed. This market accounts for a total of 1,958,777 square feet of space, of which 271,540 square feet, or 13.86%, was reported to be vacant. This market indicates a net positive absorption of 58,900 square feet. For the *East* market, quoted annual lease rates range from \$9.00/square foot to \$12.00/square foot for office space, from \$4.00/square foot to \$6.00/square foot for warehouse space and from \$2.50/square foot to \$7.00/square foot on a blended basis.

Dayton North

In the *North Industrial* market, a total of (92) facilities were surveyed. This market accounts for a total of 5,095,248 square feet of space, of which 968,109 square feet, or 19.00%, was reported to be vacant. This market reflected a net positive absorption of 108,575 square feet. For the *North* market, quoted annual lease rates range from \$7.00/square foot to \$10.00/square foot for office space, from \$3.00/square foot to \$5.25/square foot for warehouse space and from \$2.50/square foot to \$11.00/square foot on a blended basis.

Dayton South

In the *South Industrial* market, a total of (123) facilities were surveyed. This market accounts for a total of 8,107,605 square feet of space, of which 1,484,602 square feet, or 18.31%, was reported to be vacant. This indicates a net negative absorption for the *South* market of (400,038) square feet. A large percentage of the vacant space in the *South* market is within bulk industrial facilities. For the *South* market, quoted annual lease rates range from \$2.25/square foot to \$13.50/square foot for office space, from \$2.25/square foot to \$6.00/square foot for warehouse space and from \$2.25/square foot to \$10.00/square foot on a blended basis.



Dayton West

In the *West Industrial* market, a total of (9) facilities were surveyed. This market accounts for a total of 1,214,810 square feet of space, of which 342,320 square feet, or 28.18%, was reported to be vacant. This indicates a net negative absorption for the *West* market of (35,000) square feet. For the *West* market, quoted annual lease rates range from \$4.00/square foot to \$16.87/square foot for office space, from \$4.00/square foot to \$10.00/square foot for warehouse space and from \$2.25/square foot to \$3.84/square foot on a blended basis.

Upper Valley

In the *Upper Valley Industrial* market, a total of (33) facilities were surveyed. This market accounts for a total of 2,163,557 square feet of space, of which 404,308 square feet, or 18.69% was reported to be vacant. This indicates a net positive absorption for the *Upper Valley* market of 103,300 square feet. For the *Upper Valley* market, quoted annual lease rates range from \$2.50/square foot to \$10.00/square foot for office space, from \$2.00/square foot to \$4.40/square foot for warehouse space and from \$3.50/square foot to \$10.25/square foot on a blended basis.

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The information published in ***The Gem Real Estate Group, Inc.'s 2005 Industrial Market Study*** reflects market conditions during the Second quarter of 2005. All data contained herein are believed to be accurate and have been compiled from one or more of the following sources: property owners, property managers, leasing agents, and/or public records. All information furnished by others is believed to be reliable. ***The Gem Real Estate Group, Inc.*** makes no warranties regarding the accuracy of this information, which is subject to change without notice.

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