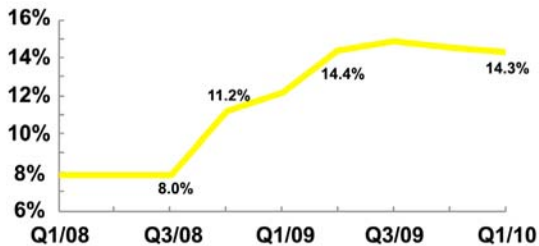


Vacancy Rate
Quarterly



El Paso Texas Industrial Market Trends Report

The industrial real estate market continues to struggle, as the first quarter 2010 results show no gain in occupancy in El Paso. The significant amount of sublease space available in the market will dramatically change this in the near future. Two notable spaces that might impact vacancy are the Jones Apparel space in Socorro and the EWD space in Vista del Sol.

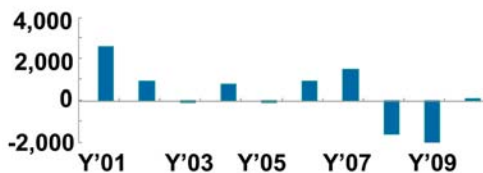
Landlord anxiety over stubborn vacancy and the availability of sublease space has led landlords to offer leasing incentives such as reduced lease terms and rental rates. The following table illustrates asking lease rates for various square foot ranges:

• 10,000 to 25,000 square feet	\$3.75 to \$4.25 per square foot per year
• 25,000 to 50,000 square feet	\$3.50 to \$3.75 per square foot per year
• 50,000 to 100,000 square feet	\$3.25 to \$3.50 per square foot per year
• 100,000 square feet and up	\$3.00 to \$3.50 per square foot per year

Santa Teresa and Northwest Corporate Center have remained stable through the first quarter of 2010 while other sub-markets have experienced an increase in vacancy. Below is a breakdown of the most active submarkets and their respective vacancies:

- Butterfield Trail	29.7% of 7,076,000 square feet
- Railroad Drive	19.0% of 2,485,000 square feet
- Pan American Center for Industry	18.6% of 3,399,000 square feet
- Vista del Sol	16.2% of 17,828,000 square feet

Net Absorption
YTD (in Thousands of SF)



Property sales are still down and are expected to remain low until the capital markets begin to recover. The majority of the sales that have closed are seller financing or assumable financing transactions. Vulture funds have looked at the El Paso Industrial market but have not found prices to be soft enough to suit their taste.

Development of new industrial space has been virtually non-existent. Construction costs have soared due to the volume of construction activity taking place in El Paso and rents have dropped. The small dock high tenant will see rents steadily increasing, as this segment of the market is the most underserved in El Paso.

Industrial Trends Report—First Quarter 2010

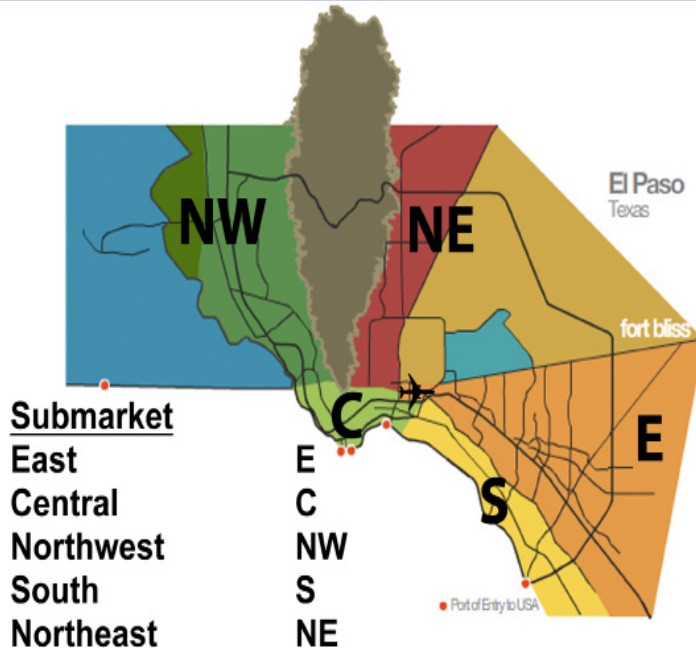
El Paso, Texas



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From Insight to Results

By Submarket	Total SF	Vacant SF	VACANCY %	NET ABSORPTION		Under Construction SF	ASKING RENT WH/Dist
			Total	Current	YTD		
East	26,703,457	3,992,169	15.0%	369,749	369,749	-	\$3.40
Central	14,058,314	2,916,964	20.7%	13,900	13,900	-	\$3.25
Northwest	7,987,134	365,488	4.6%	31,542	31,542	-	\$3.40
South	6,159,398	483,789	7.9%	(172,850)	(172,850)	-	\$2.75
Northeast	2,477,370	472,086	19.1%	(130,000)	(130,000)	-	\$2.85
Total	57,385,673	8,230,496	14.3%	112,341	112,341	-	

Product Type	Total SF	Vacant SF	VACANCY %	Current	YTD	Under Construction SF	ASKING RENT WH/Dist
Warehouse/District	52,282,927	8,018,886	15.3%	118,851	118,851	-	\$3.35
General Industrial	5,102,746	211,610	4.1%	(6,510)	(6,510)	-	\$3.00
Total	57,385,673	8,230,496	14.3%	112,341	112,341	-	



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Park	Total SF	Available SF	Available %	Vacant SF	Vacant %
Vista Del Sol	13,439,929	2,597,570	19.3%	2,399,650	17.9%
Butterfield Trail	6,917,551	2,172,745	31.4%	2,006,245	29.0%
Northwest Corp.	4,363,408	239,776	5.5%	111,776	2.6%
Pan American	2,886,421	482,045	16.7%	448,045	15.5%
Santa Teresa	2,621,907	290,222	11.1%	194,222	7.4%
Socorro	2,329,506	860,506	36.9%	0	0%
Pendale	618,184	226,333	36.6%	198,100	32.0%
Total	33,176,906	6,869,197	20.7%	5,358,038	16.1%

CLASS A & B SNAPSHOT