

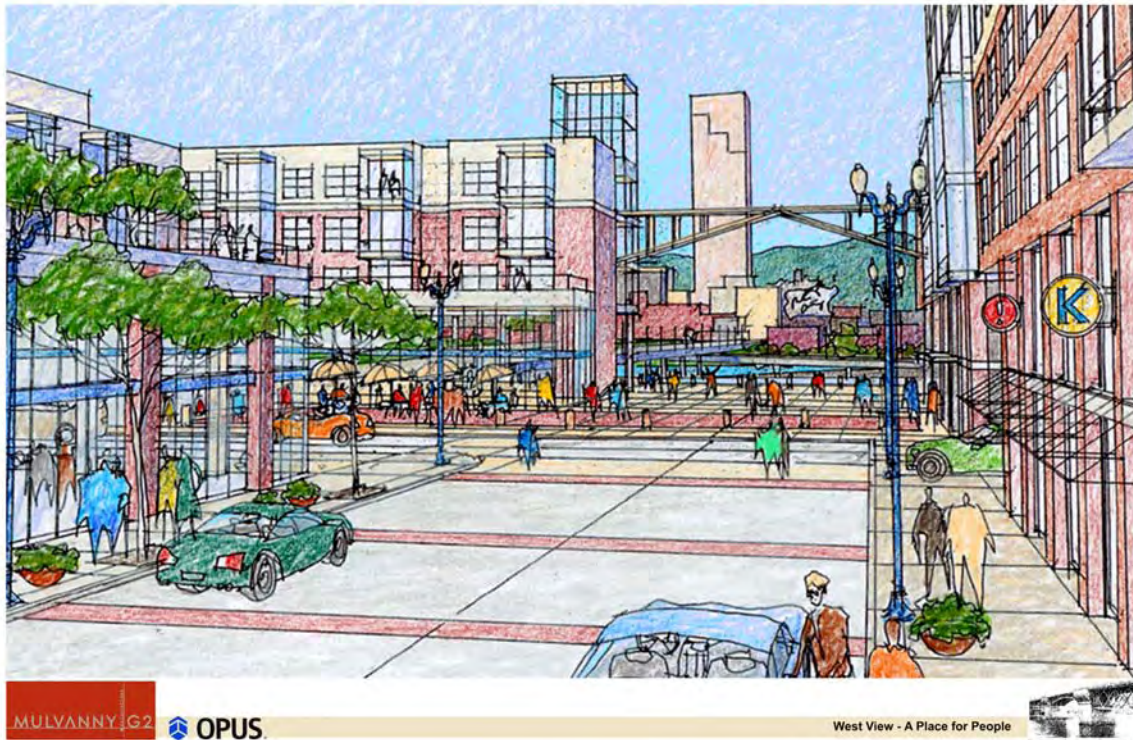
MARKET ASSESSMENT

BURNSIDE BRIDGEHEAD PROJECT

A MIXED-USE DEVELOPMENT SITE
IN PORTLAND, OREGON

PREPARED FOR:
THE PORTLAND DEVELOPMENT COMMISSION

DECEMBER 2007



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TABLE OF CONTENTS

I. KEY CONCLUSIONS1
Rental Apartments 1
Office Space 1
Retail Space 2
General 2

II. SITE ANALYSIS3
Access 4
Surrounding Uses 4

III. ECONOMIC TRENDS5

IV. RENTAL APARTMENTS8
A. RENTAL MARKET TRENDS 8
B. DEMOGRAPHICS 9
C. MARKET AREA DEMAND CHARACTERISTICS 13
D. PEER GROUP ANALYSIS 17

V. OFFICE MARKET22
A. OVERVIEW OF MARKET TRENDS 22
B. DEMAND FORECASTS 24
C. PEER GROUP ANALYSIS 27

VI. RETAIL MARKET29



I. KEY CONCLUSIONS

The Burnside Bridgehead project represents a highly complicated development on a key site for Portland's Close-In Eastside. The site is difficult physically, with significant grade differentials and transportation requirements. In addition, the final configuration of the Burnside/Couch couplet as well as construction timing will substantively impact the project. The site is located physically between much more established locations for residential and commercial development, and achievable pricing and market depth at the site are unusually uncertain as a result.

The local real estate market is in flux, with Portland's Central City dealing with a rapid softening of the condominium market. While the rental apartment market is strong with good prospects, rents on the eastside are currently below what is necessary to justify urban densities in most instances. The office market is also strong, but there is a significant amount of new supply in the pipeline in arguably better locations. The retail market has been solid in the area, and the site is well located to appeal to a large and affluent market in the Central City and Close-in Eastside. The following is a brief summary of current market conditions by prospective use types at the Burnside Bridgehead site.

Rental Apartments

The fundamentals of the rental apartment market are outstanding, with strong demand expected and current rent levels largely below replacement cost. We are expecting that achievable rents will be rising on the order of 20% overall within the Portland metropolitan area and in the Central City. The relationship between rent levels and ownership housing prices is at a historic low in the Portland metropolitan area, indicating a strong environment for rent growth.

The primary target market for quality, upscale rental product in a central location is young professional singles and couples with no children. This target market tends to be similar to the young professionals that are potential condominium buyers, except they tend to be either, younger and lower income, or are new to the area and looking for temporary housing as they begin searching for ownership properties. As income levels rise, the likelihood of a quick turnover also increases. Our recommendation with respect to unit mix would include a relatively high proportion of medium to larger one and two bedroom units, consistent with the anticipated young professional market.

We expect that current achievable pricing at the Bridgehead site would be in the range of \$1.50 to \$1.55 per square foot. If market introduction is assumed in 2009, achievable lease rates could be in the \$1.75 per square foot range. Establishing achievable lease rates on this site is problematic, as there are no direct comparables available. Despite solid fundamentals, a number of projects are either under construction or planned in the Close-In Eastside or Central City that will seriously test the depth of the market. Many of these projects are anticipated to command rents well in excess of \$2.20 per square foot, but any weakness in the market west of the Willamette could impact pricing on the eastside.

Office Space

The speculative office market in Portland metropolitan area is also enjoying strong fundamentals, with continuing employment growth fueling a corresponding demand for office space. The subject site is located between the Lloyd District and traditional CBD, in an area with only limited space and no Class A space to-date. The Lloyd District is probably the most relevant market for establishing achievable pricing at the subject site. As of November 2007, the district had an estimated 2.5 million square feet of Class A and Class B office space, with an estimated vacancy rate of only 4.9%. The average lease rate in the area was \$20.11 per square foot full service.



Based on the comparables surveyed, we would expect achievable lease rates to be in the range of \$25 to \$28 per square foot full service, with triple net rents in the \$20 to \$24 range. Depending upon the final development scheme, the site may offer outstanding visibility and exposure. A key for this project will be obtaining a significant pre-lease commitment, as it is not adjacent to an established office concentration and is unlikely to be seen as a strong site for speculative development.

Based on recent trends and employment forecasts, the office component of the development should face favorable market conditions upon entry. It should be noted that the local employment picture is less positive than it was last year, and any reduction in employment growth will be reflected in reduced office demand. There are four office developments committed in Portland's CBD, which will likely address pent up demand from the current expansion cycle. As a result, significant office space development will likely require attracting a major tenant.

While somewhat isolated, the site enjoys excellent visibility and scale for a downtown location. These attributes have the potential to appeal to a major campus type development for a firm looking for a substantial amount of space and high local visibility.

Retail Space

The retail component of this project is seen as requiring a regional or at least a community draw, necessitating a certain scale of development. We would expect the project to require at least one retail tenant with the ability to draw regionally. As the development will likely utilize structured parking, the ability to sustain a significant "dwell time", or length of stay, will be key. Structured parking is seen as having a greater cost in terms of time expenditure, and the associated activity needs to be adequate in draw and amenity to justify this increased cost. On-street parking will be required for some tenants requiring convenience trips.

Our analysis indicates that prospective tenant types would include general merchandise stores and building supplies/home improvement, health care products and electronic supplies. While the area has several areas of indicated retail opportunity, the site is challenged vis-à-vis alternative locations in the trade area. Lloyd Center represents the major regional retail concentration in the area. Access to the site is good for a broad trade area, but the site suffers somewhat with respect to regional access. The site is located at the western edge of a Close-in Eastside trade area, and the Willamette River serves as a major barrier to the attractive demographic west of the River.

The retail mix in the project can serve to bolster the viability of other land use types, particularly residential or office uses. Retail tenant types that provide an amenity for these other uses would be desirable, and probably necessary.

General

The success of this project will depend upon a complementary relationship between the range of uses on the site. As this area is somewhat isolated, the development as a whole will need to establish a marketable mix of uses that is perceived to change the nature of the area. The overall scale of the development will provide a substantial level of free marketing support. Parking management will be a key issue with respect to the success of the project. The residential components of the project will require secure parking with direct access. Maintaining adequate access to and availability of parking for the retail component of the project will be critical throughout the day and week. Peak demand will also be a challenge based on the limited access points to the parking, particularly at the end of the business day. Event parking can provide a significant revenue stream, but care must be taken to maintain adequate parking for all uses throughout the operational period.



II. SITE ANALYSIS

The Burnside Bridgehead project encompasses four blocks at the northwest corner of the intersection of East Burnside and NE Martin Luther King Jr. Boulevard. The site has a significant grade differential from east to west, dropping significantly to NE 2nd Avenue. The property will serve at the western terminus of the Burnside/Couch couplet on the eastside, offering excellent exposure from the Burnside/Couch and MLK/Grand corridors. The site is also visible from Interstate 5. The site offers largely unobstructed panoramic views of the city skyline and West Hills to the West, along with Mount Hood and Mount St. Helens views to the north and east.

FIGURE 1.1: LOCATION OF THE SUBJECT SITE





Access

The site has strong arterial access, as well as easy access to I-84 eastbound and I-5 northbound. Regional access is not exceptional, as access to I-5 southbound is difficult from the site. Transit service to the site is via four bus lines, three running along Burnside and a fourth running along the MLK/Grand couplet. The MAX light rail stop is approximately nine blocks to the North, while the proposed extension of the City's streetcar system will provide for regular service along the MLK/Grand couplet. While the streetcar extension would provide an amenity to the development, the timing is uncertain. The site is very well located for alternative transportation means, with bike and pedestrian access to major employment centers.



At a more development specific level, the site offers some interesting challenges. Truck traffic is potentially possible via 2nd Street, which runs along the western edge of the site and already carries a considerable amount of similar traffic. The details of the couplet as it joins together at Burnside will also impact access, as the functional movement requirements will likely significantly impact potential access points.

Surrounding Uses

The site is between a number of thriving and emerging districts, but the immediate area has seen little activity in recent years. The following is a brief overview of adjacent uses:

- *West: Warehouse activities are located immediately west of the site.*
- *South: A skateboard park is located under the Burnside overpass, with East Burnside elevated at grade and then elevated along the southern edge of the site.*
- *North: An automotive repair shop is located north of Davis. In addition, ramps linking I-5 and I-84 run to the northwest of the site.*
- *East: East of MLK Blvd, there are a number of dated commercial developments, with a low intensity mix of tenants with negligible amenity value to the project.*

At a broader level, the site is located at the western terminus of the emerging East Burnside district, which is increasingly becoming a regional destination for restaurant and entertainment uses. The Lloyd District, north of the site and separated by I-84, has a number of announced developments in addition to a significant amount of existing retail and office uses. The Central Eastside Industrial District, largely south of the site, has transitioned into a mix of industrial and commercial uses.

While centrally located, the site is also isolated from surrounding districts by real and perceptual barriers. The emerging East Burnside commercial district is separated from the site by the broad profiles of NE Martin Luther King Jr. Boulevard and NE Grand Avenue. The Convention Center/Rose Garden and Lloyd District areas are separated from the site by I-84. The Willamette River, which would provide an amenity, is difficult to access due to I-5.

The site does offer outstanding views in all directions, which are largely protected by the adjacent land use patterns. These would provide the greatest value to residential and office tenants.



III. ECONOMIC TRENDS

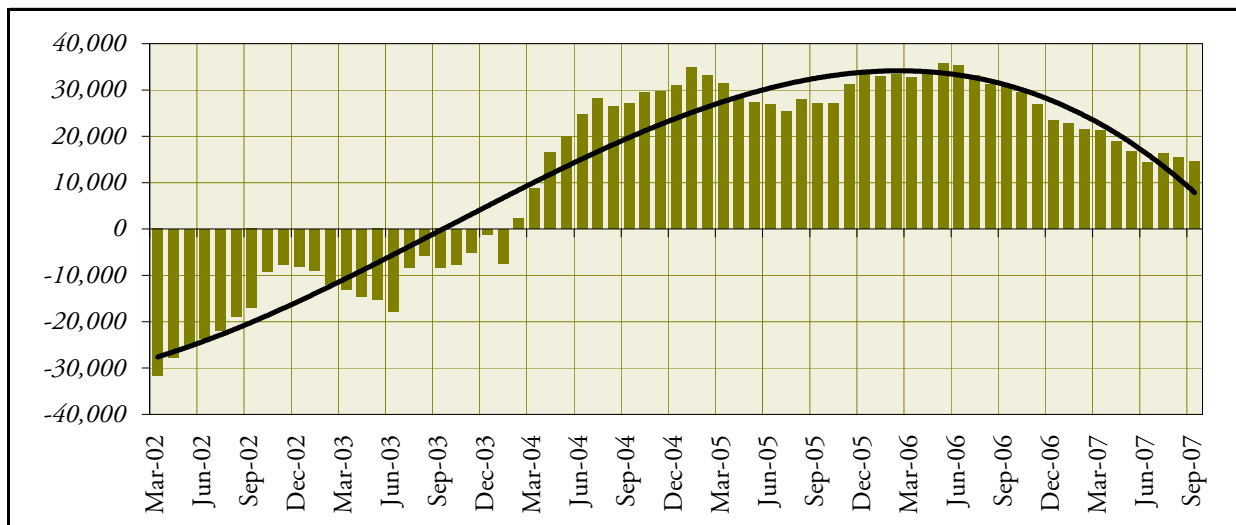
National Economic Trends

Economic growth has been robust at the national level through the third quarter of 2007, with Gross Domestic Product (GDP) expanding at an annualized rate of 4.9%. While the current expansion has been impressive, it is also in its seventh year and quite old. We are in the second year of a housing contraction, with credit market disruptions and tightening credit standards. The national economy has been providing a strong growth environment over the last several years, but this trend appears less reliable in the next few years.

Portland-Vancouver Metropolitan Area

The Portland –Vancouver metropolitan area started its current expansion cycle almost two years later than the nation, and that expansion slows considerably during the third quarter of 2007.

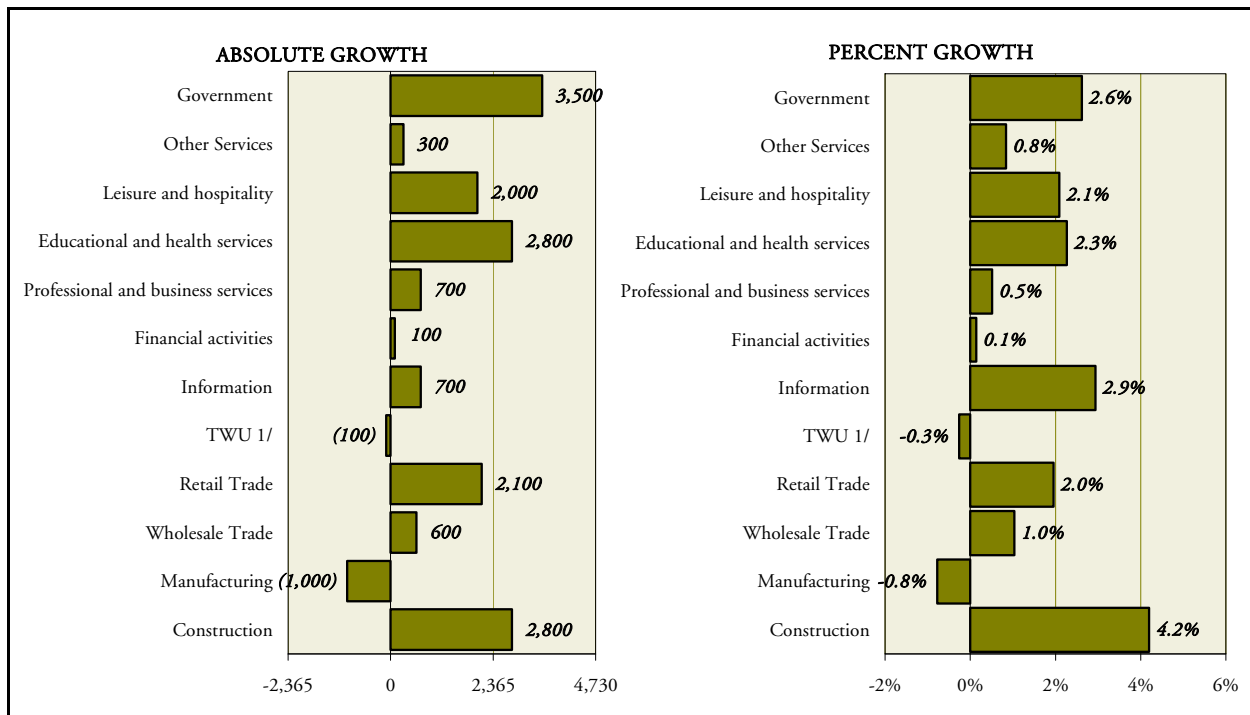
FIGURE 3: LOCAL EMPLOYMENT GROWTH: YEAR OVER YEAR CHANGE



With the exception of Transportation, warehousing, and utilities (TWU) and Manufacturing, year-over employment gains from September 2006 through September 2007 were broadly based, with all other major industrial sectors reporting growth. In terms of the magnitude of growth, Government (3,500), Educational and health services (2,800), construction (2,800) Retail Trade (2,100), and Leisure and hospitality (2,000) led the way. In terms of rate of growth, Construction (4.2%), Information (2.9%), Government (2.6%), and Educational and health services (2.3%) grew the fastest. The primary sectors of growth over the last year reflect sectors that respond to population growth as opposed to the basic sectors that contribute to sustained economic growth.



FIGURE 4: LOCAL SECTOR EMPLOYMENT GROWTH: 3RD QUARTER 2007



1/ Transportation, warehousing and utilities.

Population & Residential Permitting

While population growth was maintained during the Portland metropolitan area's recession earlier in the decade, the continued employment growth is a welcome sign that that level of growth can be maintained. Population growth has ranged from 1.3% to 2.4% for the last decade; averaging 1.7%, a pace we expect to continue. Employment growth is expected to remain around 2.0% to 2.5% through 2008, slowing to below 2.0% in the years following. The local unemployment rate has dropped significantly, and is now hovering just 0.1% above the national average.

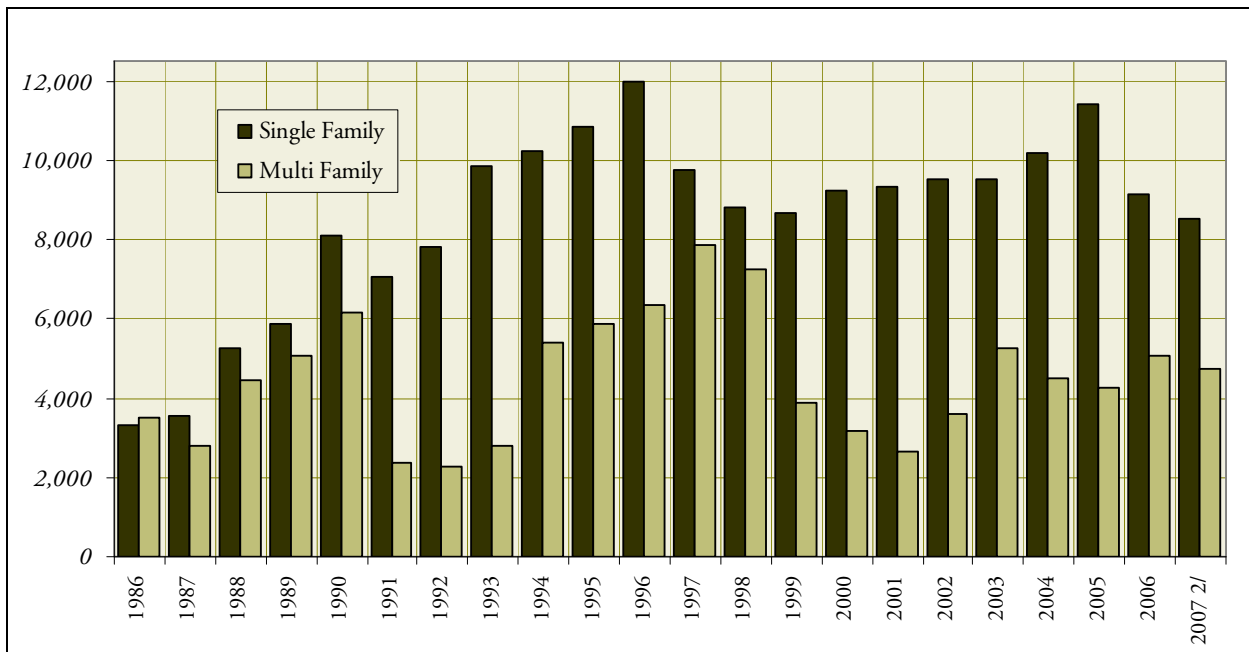


FIGURE 5: LOCAL UNEMPLOYMENT RATE TRENDS



Both single-family and multifamily residential construction is down from 2006 levels, with rising inventories of unsold residential product indicating that further reductions are likely in 2008.

FIGURE 6: RESIDENTIAL PERMIT TRENDS – PORTLAND-VANCOUVER METRO AREA





IV. RENTAL APARTMENTS

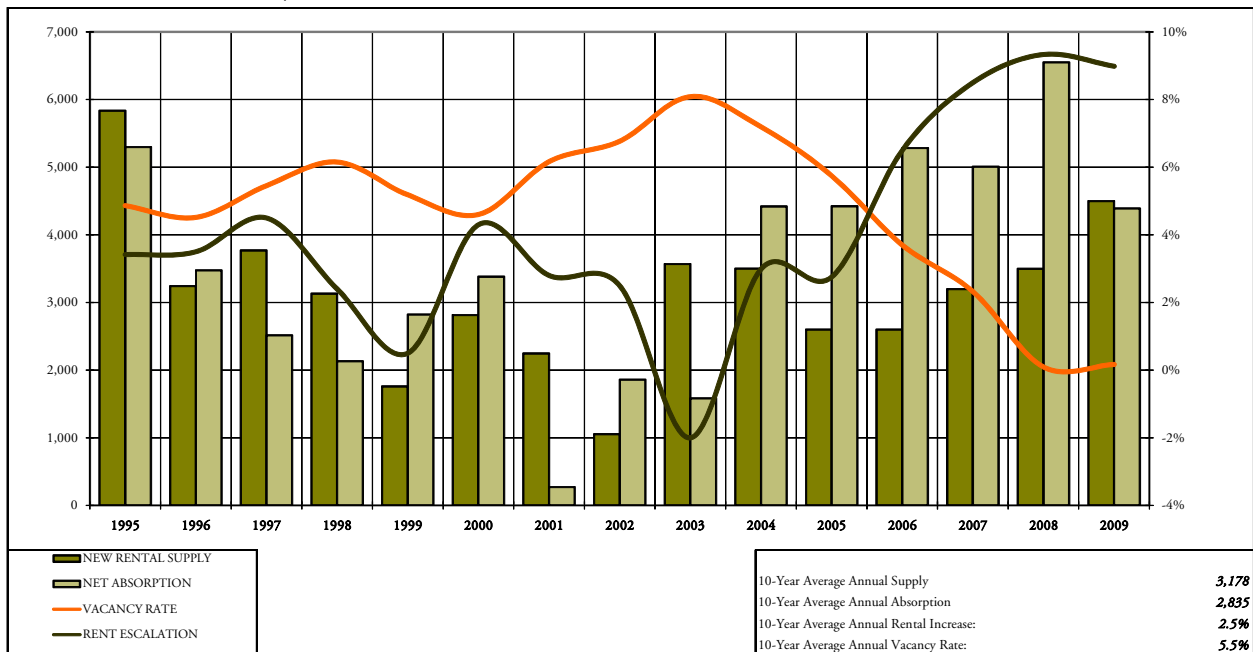
A. RENTAL MARKET TRENDS

Portland-Vancouver PMSA

This section summarizes trends in the Portland-Vancouver metropolitan area's rental apartment market, as well as our forecast of demand for the next twelve months. The focus of this report is on market-rate developments, and the inventory reflects a comprehensive inventory of market-rate rental apartment projects of 15 or more units.

The Portland metropolitan area's rental apartment market tightened slightly during the third quarter, with overall occupancy rising to 97.25% from 97.0% in the second quarter of 2007. The high cost of residential property, along with increasing population and employment levels and overall lack of new rental product has pushed occupancy levels up dramatically from a recent low of 91.9% in 2003. In addition, the ongoing conversion of rental apartment units to condominiums, particularly in Downtown Portland continues to constrict supply. These conditions have allowed for rapid rent escalation in many markets, as well as a near elimination in concessions.

FIGURE 7: PORTLAND-VANCOUVER RENTAL APARTMENT MARKET TRENDS



SOURCE: Johnson Gardner



FIGURE 8: VACANCY CHANGES

Norris Beggs and Simpson’s rental apartment survey indicates that current occupancy rates range between 94.45% and 98.06% at the submarket level, with the highest occupancy levels in SE Portland and the lowest in N & NE Portland. After a few years of softness, the Central City market is also enjoying 97.1% occupancy levels and substantial pricing power, with projects having reported significant rent escalations in 2006 and the first half of 2007. In N & NE Portland, rental prices were about 3.5% more than the third quarter 2006 level.

	AVERAGE VACANCY	
	3Q06	3Q07
Overall		
Downtown	1.31%	2.83%
SE Portland	2.62%	1.94%
N & NE Portland	1.83%	5.55%
SW Portland	3.90%	2.26%
Gresham & Troutdale	1.96%	2.41%
Lake Oswego & West Linn	4.87%	4.26%
Willsonville	3.18%	3.27%
Tigard & Tualatin	2.40%	3.13%
Beaverton & Aloha	2.99%	3.21%
Hillsboro	1.92%	2.72%
Clackamas, Or City, Milwaukie	3.54%	2.91%
Vancouver	2.90%	2.65%
Overall	2.45%	2.75%

The recent collapse of the sub-prime mortgage market should significantly assist the fundamentals of the rental apartment market. As noted in previous reports, rising homeownership rates have bolstered the ownership residential market at the expense of rental apartments. Many of these buyers were over-extended as a result of ample sub-prime debt availability, and will likely be re-entering the rental apartment market. Without the underlying loss to ownership housing, the recent growth rates in the Portland metropolitan area should support considerable demand for new rental housing. With current rent levels still largely below replacement cost, this should allow for tightening markets and increased pricing power.

Projections

Over the next year, we forecast that demand will continue to exceed new supply. The overall occupancy rate is projected to climb to 99.2% by the end of the third quarter of 2008, with Hillsboro/Tanasbourne, Close-In Westside and Clark County each having over 99% occupancy. Furthermore, no submarket is expected to see a decline in occupancy at this time. The following table summarizes current and projected market conditions by major subregion in the metropolitan area:

B. DEMOGRAPHICS

Primary Market Area

The Primary Market Area (PMA) is comprised of the Close-In Eastside of Portland. The market area is bordered to the north by Fremont Street, the west by the Willamette River, the south by Powell Boulevard, and the east by 50th Avenue. The map to the right shows the physical location of the subject site and the PMA in which we expect the subject apartments to compete most directly.

FIGURE 9: PRIMARY MARKET AREA



Any rental apartment development in the area would also be expected to compete on a less direct basis with projects located west of the Willamette River, including the Pearl District, Midtown, Northwest Portland and South Waterfront. Each of these areas have major urban rental apartment projects under construction or in active



planning, and the market performance of these projects will influence the viability of rental apartment development at the subject site.

Population & Demographics within the PMA

Based on data from Claritas, a marketing research firm, the market area’s population is estimated at 66,606 for 2007; down 0.6% annually from the 69,513 residents at the 2000 Census. Population in the market area is expected to decrease to 65,546, a reduction of 0.3% annually, by 2012.

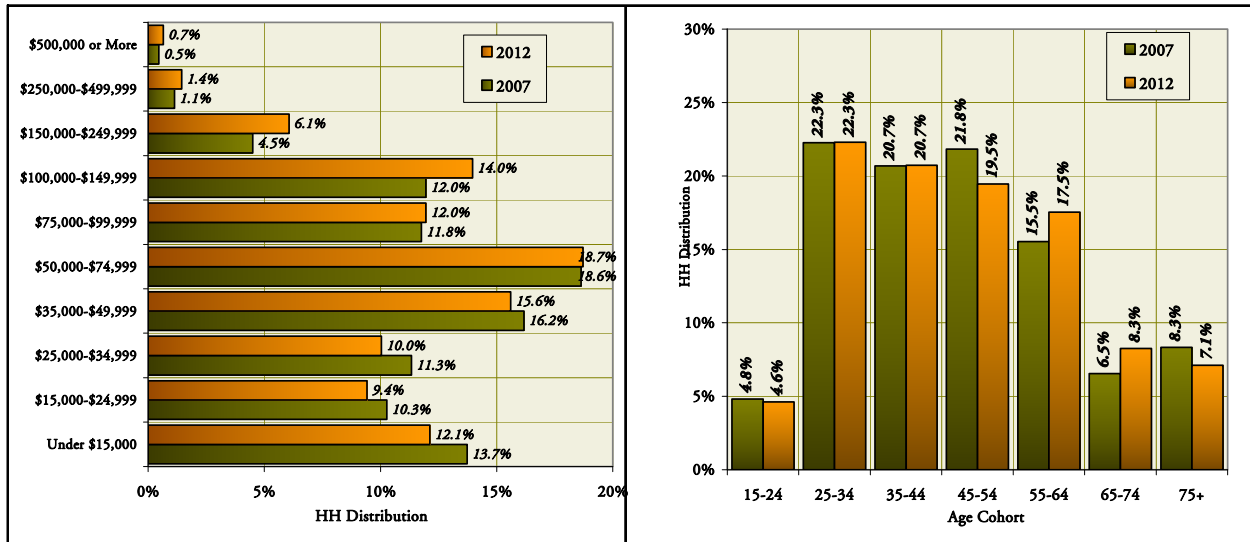
FIGURE 10: DEMOGRAPHIC TREND OF THE PRIMARY MARKET AREA

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	2007 (Est.)	Growth Rate 00-07	2012 (Proj.)	Growth Rate 07-12
Population	69,513	66,606	-0.6%	71,984	1.6%
Households	33,249	32,676	-0.2%	35,880	1.9%
Families	13,788	13,553	-0.2%	14,886	1.9%
Housing Units	34,897	34,373	-0.2%	37,727	1.9%
<i>Household Size</i>	<i>2.04</i>	<i>1.99</i>	<i>-0.4%</i>	<i>1.96</i>	<i>-0.3%</i>
PER CAPITA AND AVERAGE HOUSEHOLD INCOME					
	2000 (Census)	2007 (Est.)	Growth Rate 00-07	2012 (Proj.)	Growth Rate 07-12
Per Capita (\$)	\$25,760	\$32,217	3.2%	\$36,436	2.5%
Average HH (\$)	\$52,942	\$64,802	2.9%	\$72,216	2.2%

While population has been on the decline historically, per capita income has risen at a rapid pace over the past seven years. At the 2000 census, the market area had a per capita income of \$25,760, but by 2007, that number had reached \$32,217, an increase of 3.2% annually. By 2012, per capita income is expected to climb to \$36,436, an additional increase of 2.5% annually. Average household income has also seen a similar increase, rising from \$52,942 to \$64,802 between 2000 and 2007. This 2.9% annual increase is anticipated to moderate over the next five years with average household income continuing to rise to \$72,216, a rate of 2.2% per year. These numbers are based on prior data from the U.S. Census Bureau and historical trends.



FIGURE 11: DEMOGRAPHIC TREND OF THE PRIMARY MARKET AREA



SOURCE: Claritas Inc. U.S. Census Bureau, and JOHNSON GARDNER

The forecast numbers reflect adjustments made to the underlying Claritas forecasts to reflect the current attractiveness of the area to younger households. The recent increase in the area’s desirability, as well as planned projects that can capitalize on that interest, is expected to result in an influx of younger households.

Psychographic Cluster Analysis

A PRIZM analysis was also obtained for the PMA from Claritas Inc. This analysis identifies different population segments in a given region based on income, age, profession, education level, housing preference and other characteristics. Highlighted categories in the chart on the following page indicate population segments in which the PMA has a large concentration relative to the national average.



FIGURE 12: PMA DEMOGRAPHIC PROFILE—2007

LIFESTAGE GROUP Demographic Segment	Area Totals HH's	%	U.S. Index	Median Income	Typical Age Range	Typical HH Status	Prefered Housing Type	Typical Education Level	Occupation Type	Typical Racial Composition
YOUNGER YEARS										
Young Achievers	14,962	45.0%	4.52							
4 Young Digerati	3,785	11.4%	9.26	\$80,782	25-44 years	Singles/Couples	Renter / Hi-Rise Multi	College Grad.+	Exec, Prof, WC	White, Asian, Hispanic
16 Bohemian Mix	2,753	8.3%	4.63	\$51,588	< 55 years	Mostly Singles	Renter / Hi-Rise Multi	College	Prof, WC	White, Black, Asian, Hispanic
31 Urban Achievers	8,424	25.3%	16.67	\$34,365	< 45 years	Mostly Singles	Renter / Hi-Rise Multi	College	Prof, WC, Service	White, Black, Asian, Hispanic
FAMILY LIFE										
Young Accumulators	3,366	10.1%	1.25							
29 American Dreams	3,366	10.1%	4.65	\$52,863	35-54 years	Mix, w/Kids	Mix / SFDU, Lo-Rise Multi	Some College	WC, Service	White, Black, Asian, Hispanic
Mainstream Families	2,677	8.1%	0.67							
54 Multi-Culti Mosiac	2,677	8.1%	4.71	\$34,070	35-54 years	Mix, w/Kids	Mix / SFDU, Lo-Rise Multi	Elem. School, H.S.	WC, Service, BC	Black, Hispanic
Sustaining Families	669	2.0%	0.33							
65 Big City Blues	441	1.3%	1.18	\$29,946	< 45 years	Mix, w/Kids	Renter / Hi-Rise Multi	Elem. School, H.S.	WC, Service, BC	Black, Asian, Hispanic
66 Low-Rise Living	228	0.7%	0.48	\$22,821	< 45 years	Mix, w/Kids	Renter / Hi-Rise Multi	Elem. School, H.S.	Service, BC	Black, Hispanic
MATURE YEARS										
Affluent Empty Nesters	5,925	17.8%	2.56							
7 Money and Brains	5,925	17.8%	8.83	\$84,506	45-64 years	Married Couples	Owner / SFDU	College Grad.+	Exec, Prof, WC	White, Asian
Conservative Classics	1,303	3.9%	0.43							
26 The Cosmopolitans	1,303	3.9%	3.35	\$54,229	> 55 years	Singles/Couples	Owner / SFDU, Hi-Rise Multi	Some College	WC	White, Black, Asian, Hispanic
Cautious Couples	1,196	3.6%	0.35							
40 Close-In Couples	1,196	3.6%	3.05	\$39,220	> 55 years	Singles/Couples	Mix / SFDU, Hi-Rise Multi	H.S. Graduate	WC, Service	White, Black, Hispanic
Sustaining Seniors	3,139	9.4%	0.94							
59 Urban Elders	1,764	5.3%	4.02	\$23,301	> 55 years	Mostly Singles	Renter / Hi-Rise Multi	Elem. School, H.S.	WC, Service	Black, Asian, Hispanic
61 City Roots	1,375	4.1%	3.60	\$26,943	> 65 years	Mostly Singles	Mix / SFDU, Hi-Rise Multi	Elem. School, H.S.	WC, Service, BC	Black, Hispanic
TOTAL, ALL HH's	33,237									



Of the segments in which the PMA has a substantial population, four stand out as the most common residents in the Close-In Eastside. These include Young Digerati, Urban Elders, American Dreams, and Money & Brains market segments. Combined, these segments constitute nearly 65% of the population in the PMA. Each segment is college educated with professional/white collar jobs and are in a higher segment of the income distribution. A large portion of the population consists of singles or couples from the ages of 25 to 54. Descriptions of these segments are provided below, with a more detailed and complete listing of all market segments within the PMA included in the Appendix.

YOUNG DIGERTATI



Young Digerati are the nation's tech-savvy singles and couples living in fashionable neighborhoods on the urban fringe. Affluent, highly educated and ethnically mixed, Young Digerati communities are typically filled with trendy apartments and condos, fitness clubs and clothing boutiques, casual restaurants and all types of bars--from juice to coffee to microbrew.

URBAN ACHIEVERS



Concentrated in the nation's port cities, Urban Achievers is often the first stop for up-and-coming immigrants from Asia, South America and Europe. These young singles and couples are typically college educated and ethnically diverse: about a third are foreign-born, and even more speak a language other than English.

AMERICAN DREAMS



American Dreams is a living example of how ethnically diverse the nation has become: more than half the residents are Hispanic, Asian or African-American. In these multilingual neighborhoods--one in ten speaks a language other than English--middle-aged immigrants and their children live in middle-class comfort.

MONEY & BRAINS



The residents of Money & Brains seem to have it all: high incomes, advanced degrees and sophisticated tastes to match their credentials. Many of these city dwellers--predominantly white with a high concentration of Asian Americans--are married couples with few children who live in fashionable homes on small, manicured lots.

C. MARKET AREA DEMAND CHARACTERISTICS

Demand for multifamily apartment product in the designated Primary Market Area will be driven primarily by the following two sources:

- *Structural Demand: Annual, net new demand resulting from the addition of new households moving to the area due to standard economic growth or retirement market growth. Structural demand will encompass households entering the area due to gradual expansions in regional employment and subsequently population, as well as lifestyle choices.*
- *Turnover Demand: Annual change in residence as a result of the normal turnover of existing households either relocating or up/downsizing from a previously held rental unit.*



JOHNSON GARDNER's short-term demand analysis is based on both recent market trends as well as the current and projected demographic characteristics of households in the study area. Existing projects are stratified by age and income cohort, which are the best predictors of tenure split. The net change in households by cohort group is converted to structural demand for ownership housing units using a matrix of propensities to own or rent by cohort. Structural demand forecasts are then generated, which reflect the net change in households on the basis of tenure, age and income range.

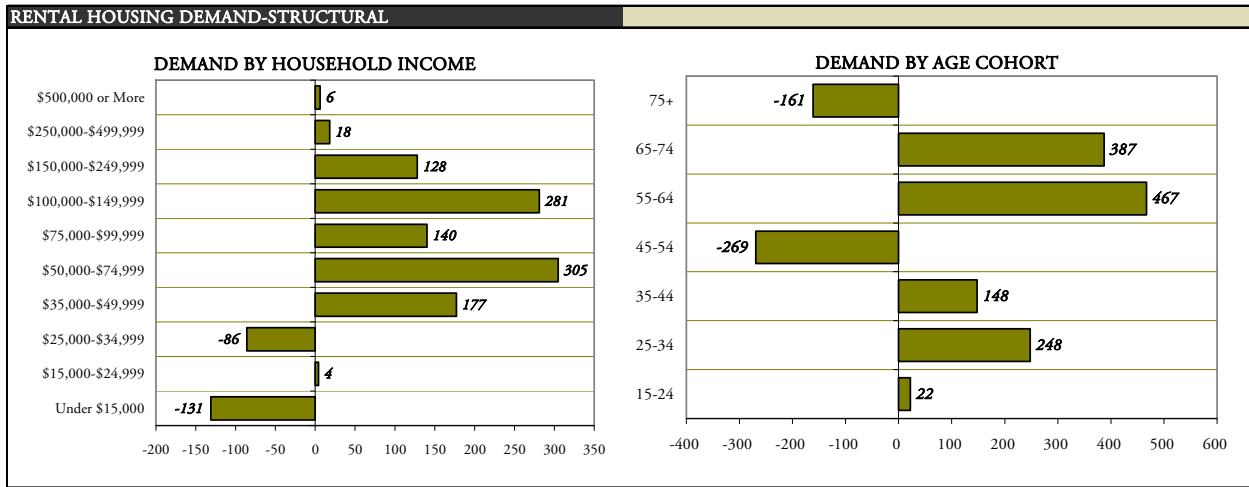
The demand model was run for the project's primary market area described earlier in this document, comprising Inner Northeast Portland, to determine current and future market depth for apartment units over the next five years. Specific five year market depth estimates by income and age cohorts are presented in the following discussion.

Five-Year Structural Demand (In-Migration)

- Over the next five years, new population growth and shifting income demographics are expected to add 842 prospective rental households in the PMA. This is a result of a projected increase in the number of younger households moving into the area over the next five years coupled with an increase of more affluent older households who typically own, rather than rent, their residence.
- Households between the ages of 55 and 64 are the single-largest age demographic of new renter residents to the area. The market area can expect 467 new empty nester/pre-retiree households over the next five years seeking rental housing. They are followed by the 65 to 74 age group which is expected to add 387 households. While an interesting market segment, we don't envision this demographic fully valuing the locational attributes of the subject site, and more likely to locate in a more established residential location.
- The 25 to 34 age cohort is anticipated to increase through 2012 by a total of 248 households. This forecast reflects a reversal of trends over the last decade and a half, in which there was a net reduction in younger households in this area. We believe this reflects a lack of new supply targeting this demographic as opposed to a weakness in demand, and that new developments will be able to attract younger households back into this area.
- See Figure 20 following and Exhibits 3.07/3.08 in the Appendix for more detail of projected structural housing demand over the next five years in the Primary Market Area.



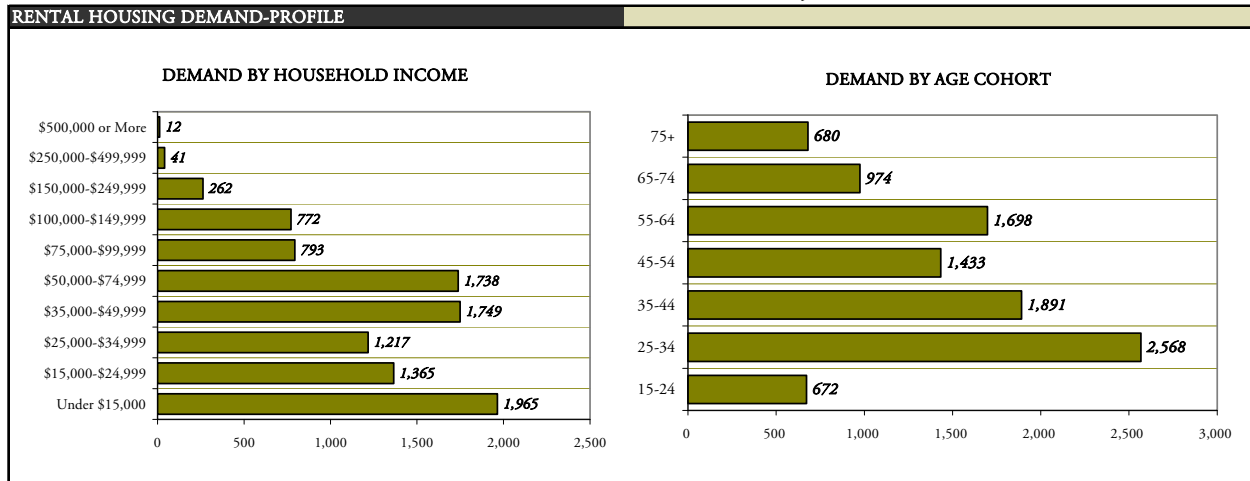
FIGURE 13: PMA STRUCTURAL DEMAND, 2007-2012



Total Demand Profile

When turnover demand is considered – those households already residing in the market area but seeking to relocate – total potential apartment demand is significantly greater. It is this largest group that best represents characteristics of total possible absorption over the next five years. The Total Demand Profile figure is summarized below.

FIGURE 14: PMA DEMAND PROFILE, 2007-2012



- Over the next five years, new population growth combined with turnover demand will generate transaction volume for 9,916 rental units in the market area. The equivalent total annual demand profile is roughly 1,883 units.
- When turnover demand is included, the largest market depth in the Primary Market area changes to the Under \$15,000 annual income group (1,965 households). The \$35,000-\$74,999 demographic, which we see as the prime cohort for our project, accounts for 3,487 units, or 35% of total demand.
- The 25-34 and 35-44 age cohorts are the largest demand segments for the market area when turnover demand is considered, constituting 2,568 and 1,891 households, respectively.



Demographically-Driven Demand Conclusions

Based on the above demographic details of households seeking rental housing tenure in the market area through 2012, Johnson Gardner draws the following recommendations:

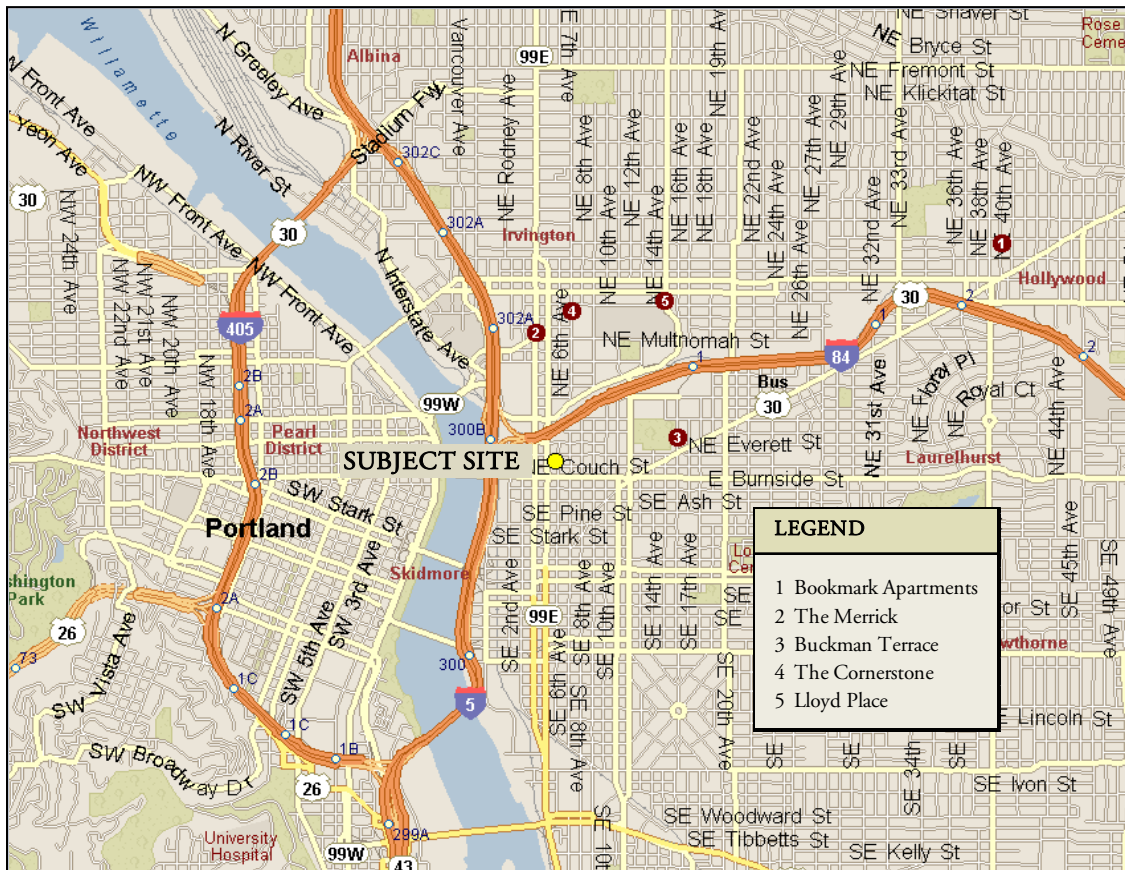
- The primary target market for the project should be a mixture of both local and newly in-migrating young professional singles and couples as well as pre-retirees/retirees desiring a lower maintenance single-level apartment unit.
- 1,849 households (52%) of rental housing demand for households earning above \$35,000 per year come from households aged 25 to 45 with incomes ranging from \$35,000 to \$75,000. This will likely be the primary rental profile at the subject site.
- Single family and condo residential price escalation has pushed many young professionals looking for condo living opportunities that were on the cusp of affordability back to the rental market. Also with condo price escalation slowing, renting rather than buying will continue to be an attractive alternative. Pre-retiree / retiree households that show an interest in the project may be looking to free up capital and find renting relatively inexpensive compared to condo ownership.



D. PEER GROUP ANALYSIS

Given substantial differences in design and location amongst PMA apartment projects, we selected five comparables apartment projects from within and around the PMA most representative of high-end rental housing trends in Portland's Close-In Eastside. The five apartment developments included in our analysis are displayed in the map following.

FIGURE 15: MAP OF COMPARABLE PROPERTIES



Bookmark Apartments:

The Bookmark apartments are a unique project to this study in the sense that it is the only location in the survey to also include affordable housing units. The project, constructed in 2000, is the smallest in our study at only 47 units, with 28 being market rate. The location of the Bookmark Apartments does not allow for significant visibility potential, as it is located off any main line but access is good to Sandy Boulevard, Interstate 5, the Hollywood MAX station and Hollywood's neighborhood amenities. The Bookmark is the only significant recently constructed apartment project with market rate units in the Hollywood District.





- Interestingly, the project was constructed along with a public community library. However, this, along with a 2nd-floor courtyard, is the only community amenities of the property. While some units are rather utilitarian, others are quite nice with hardwood floors, nine-foot ceilings, patios or balconies, and large windows. Each market-rate unit has a washer/dryer and access to high-speed Internet.
- Parking at The Bookmark is free; however, it comes in the form of an open lot where the number of units exceeds the number available parking spaces, though neighborhood parking is more abundant than in the competing Lloyd District. The project is enjoying relative success, as it has been reporting 100% occupancy over the past year, though rent escalations have been modest at 7%. Market-rate rents vary by unit type, ranging from \$1.30 to \$1.41 per square foot, and units have increased in price by approximately \$50 per month from the previous year. The property is not currently offering any concessions.

The Merrick:

The Merrick is one of the newest additions to the Portland Metropolitan area's luxury apartment market. Located on the eastside of town on Martin Luther King Jr. Blvd., The Merrick is just two blocks away from the Portland Convention Center and MAX light rail transit stop. This 185-unit structure, completed in 2004, was designed with a progressive architectural style and has good curb appeal. The ground floor retail was not well conceived on this project, and has had difficulty leasing. Current tenants include a Subway and a Realtor's office.



- The site offers convenient regional access as it is nested just off the I-5/I-84 interchange. Visibility and access is strong, but the site lacks a residential edge. The project offers outstanding skyline views, as well as views to the east and north.
- The facility is the only project surveyed in the Primary Market Area to offer a spa or hot tub amenity. In addition, the facility's oversized windows accentuate striking city and river views achievable from the site. A full fitness center is also present on location.
- Unit Amenities at the Merrick are comprehensive. Every unit contains a full size washer and dryer, access to high speed Internet, and a private balcony. Oversized windows and 9' ceilings add to The Merrick's appeal.
- The Merrick, which had struggled during its initial lease up in lieu of a weak regional market, is currently reporting 95% occupancy. At present they are not offering any rent concessions. The Merrick commands the highest rents among the surveyed projects in the Primary Market Area, with rents by unit type at the property averaging between \$1.44 and \$1.87 per square foot and averaging \$1.64 per square foot. Rents at The Merrick have increased significantly since the project reported 98% occupancy last year. Parking at the property is \$85 for a single space. Additional storage space is also available for \$25, \$35, and \$70 for closets ranging from 3 ft. x 5 ft., 5 ft. x 7 ft., and 7 ft., x 14 ft., respectively.



Buckman Terrace:

Buckman Terrace, located less than two-thirds of a mile northeast of the subject site, has among the best views of any project evaluated in the Primary Market Area. Located next to namesake Buckman Field, many units enjoy quality park views. Other units enjoy striking view of Mt. Hood and the Portland skyline. Buckman Terrace also benefits from its proximity to Lloyd Center Mall. In addition, the project is within walking distance of the MAX light rail station at NE 11th Avenue and Holladay Street.



- Buckman Terrace is a 122-unit project that was completed in 2000. The community amenities include an onsite fitness center, proximity to city parks and transportation, a community center, and a large dog friendly environment. The neighborhood is relatively isolated, and the nearby commercial on NE Sandy exhibits signs of deferred maintenance. Unit amenities include private balconies, modern furnishings including colorful accent walls, and gourmet kitchens.
- Buckman Terrace is currently offering no concessions and is reportedly 98% occupied. Ninety-six percent of the rooms at this project have one bedroom and one bath, ranging from 553 to 860 square feet. Average pricing by unit type ranges from \$0.96 to \$1.35 per foot, with the average of \$1.06 per foot being the lowest in the survey. On a per-unit basis, rents at Buckman Terrace have increased from \$70 to \$110 over the last year, with the largest increases going to the smaller one-bedroom units.
- Parking at Buckman Terrace is located in an underground garage for a price of \$50 per month. Additional storage consisting of a 5 ft. x 3 ft. closet is also offered for \$25 per month.

The Cornerstone:

This 114-unit development was built in 1999. The Cornerstone is located just west of Lloyd Center shopping mall on 7th Ave. just south of Halsey Street. This location also puts its tenants within walking distance of the MAX light rail line.



- The project's primary community amenity is its well-landscaped courtyard with sitting areas and a large centrally-located fountain. However, the site's more residential feel comes at the expense of visibility, as it is well hidden and located off the main arterials.
- Unit amenities at the location include a washer and dryer in unit, cable/satellite TV, private balconies, and high speed Internet access.
- At the time of this survey, The Cornerstone was reportedly 99% occupied with only one unit vacant. Average rent per square foot range from \$1.32 to \$1.54, depending on unit type. The project is currently offering no concessions, as rents have increase, on average, about 21% over the last year. Parking at the cornerstone is \$85 for a single space and \$110 for a tandem.



Lloyd Place:

Lloyd Place, constructed in 1996, is a 202 unit mixed-use project located one mile south of the proposed site. The project is strategically located adjacent to the Lloyd Center shopping mall just off of Wielder Street. It benefits from a large array of retail shopping within walking distance. The project was one of the first completed in the close-in eastside, and construction quality and curb appeal is relatively low.



- Unit amenities include private balconies, high-speed Internet access, washer and dryer in unit, and bay windows in select units. The community amenities consist of a 24-hour fitness center, a clubhouse complete with activities and concierge service, and a fully equipped conference facility.

- Rent levels at Lloyd Place currently average roughly \$1.30 per square foot and no concessions are being offered. Rents on a per-unit basis have increased by about 10% overall since 2006, with management reporting that the larger two-bedroom, two-bath units have seen rent increases by as much as \$238 per month. At this time the project is reportedly 98% occupied. Underground parking at Lloyd place has also seen price increases over the last year. Currently, single and tandem spaces can be purchased for \$90 and \$110, respectively, up \$15 since 2006. Additional storage is also available for \$75 per month.

Figure _ below summarizes our rental apartment survey. Pricing among the rental developments in our survey average \$1.37 per square foot.

FIGURE 16: RENTAL COMPARABLE SUMMARY

Location/ Project	Address	Year Built	Number of Units	Occupancy	Average Unit Size (Sq. Ft.)	Average Effective Rent	Price Per Sq. Ft.
<i>Luxury Apartments</i>							
The Bookmark Apartments	2034 NE 40th Ave.	2002	28	100%	763	\$1,044	\$1.37
The Merrick	1231 NE MLK Jr. Blvd.	2004	185	95%	721	\$1,178	\$1.63
Buckman Terrace	303 NE 16th Avenue	2000	122	98%	742	\$790	\$1.06
Cornerstone	1425 NE 7th Avenue	1999	114	99%	727	\$1,020	\$1.40
Lloyd Place	1500 NE 15th Avenue	1996	202	98%	852	\$1,107	\$1.30
<i>Average/Total</i>			651	98%	769	\$1,050	\$1.37



Pipeline Projections

New rental apartment construction of market rate apartments has been near nonexistent within the Primary Market Area over the past few years. Hence, JOHNSON GARDNER did not identify any new market rate rental developments within the Primary Market Area. On the whole, current planned new construction in the Primary Market Area consists of townhome or condominium developments. We are aware of a number of prospective rental apartment projects under consideration in the area, but cannot discuss these projects at this time due to confidentiality restrictions.

There are a number of towers currently under construction west of the Willamette River, each of which is expected to command average rent levels in excess of \$2.20 per square foot. The following is a list of many of these projects.

FIGURE 17: RENTAL APARTMENT PIPELINE

Name/Location Developer	Planned Units	Est. Pricing		Status	Comments
		Min.	Max.		
Market-Rate Developments					
The Alexan 730 NW 14th Ave. <i>Trammell Crow</i>	32	N/A		Proposed	This apartment tower, designed by Ankrom Moisan architects, has potentially been put on hold.
The Alexan South Waterfront <i>Trammell Crow</i>	291	\$1,000 - \$3,500		Under Construction	Rent levels reportedly scheduled to average \$2.40 per square foot by introduction in 2009.
Federal Reserve Tower SW 10th and Stark St. <i>Harsch Properties</i>	N/A	N/A		Proposed	Developer stated he would need rent levels at a minimum of \$2.40 per square foot. Plans call for 25 floors of rental apartments.
ZGF Headquarters SW 12th and Washington St. <i>Gerding Edlen</i>	274	N/A		Proposed	The joint venture by Gerding/Edlen Development, the Goodman family, and ZGF will include retail, office, and rental apartments on 22 levels.
Ladd Tower SW Park & Jefferson St. <i>Opus NW</i>	340	\$1,100 - \$4,500		Proposed	23-story, mixed-use luxury apartment tower in the Cultural District. Floor plan options range in size from 600 square foot studios to 2,000 square foot two-bedroom units.
The Wyatt 1205 NW 12th Ave. <i>Bob Ball</i>	245	N/A		Under Construction	The Bob Ball development recently announced that it would convert from residential condominiums due to slower than anticipated sales.
The Lovejoy NW 12th & Lovejoy St. <i>Unico Properties</i>	220-230	N/A		Under Construction	16-story apartment complex with ground-floor retail. Safeway grocery store will be located on adjacent block to the west.

In addition, Simpson Housing is planning on initiating construction of 273 units in 2008 in the South Waterfront area. While the market for rental apartments is seen as being unusually healthy, the preceding projects will test the high end of the market in the next few years. While we expect any rental development at the subject site would need to be priced well below these projects, softness in this adjacent market could impact the primary market area.

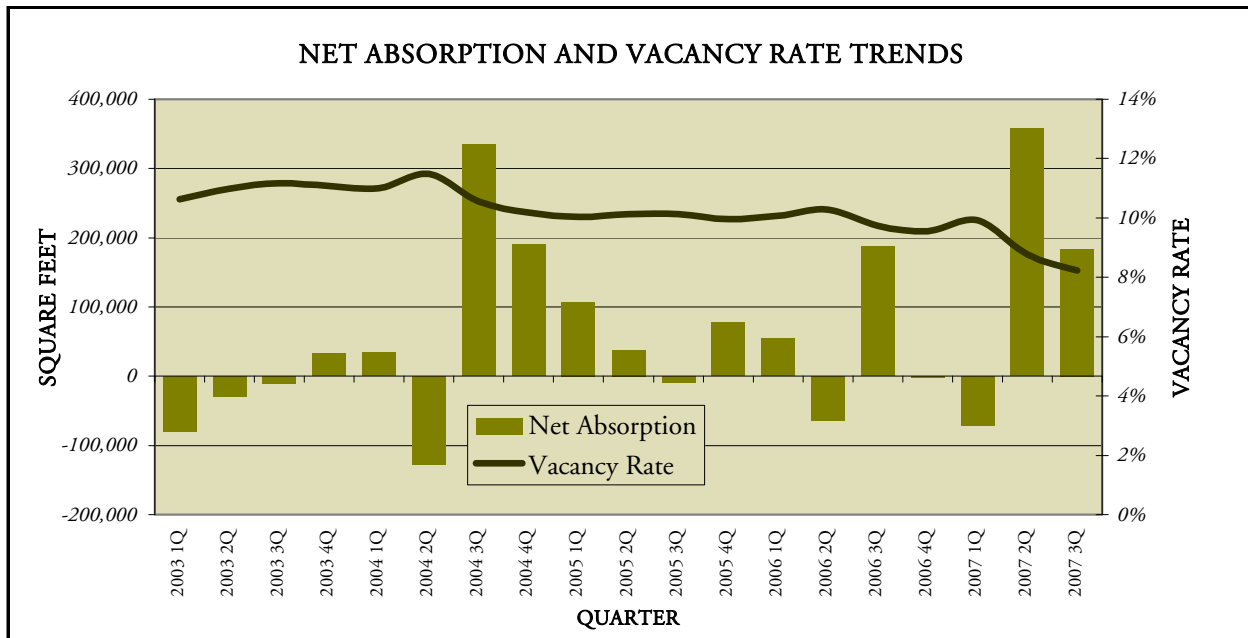


V. OFFICE MARKET

A. OVERVIEW OF MARKET TRENDS

The fundamentals in the Portland metropolitan area's office market have been steadily improving over the last decade. Since the downturn in 2001 and 2002, employment growth has driven a recovery in the market, with overall vacancy rates now below an assumed stabilized level of 10%. The Central City subregion, defined as including the CBD and surrounding neighborhoods such as the Lloyd District, has seen a tightening market. The current overall vacancy rate is estimated at 7.9% in the area, and 5.0% for Class A space.¹

FIGURE 18: CENTRAL CITY OFFICE MARKET TRENDS



The Lloyd District has generally outperformed the broader Central City subregion, with an overall vacancy rate estimated at 5.0%. The area has been able to carve out a distinct niche from the broader subregion, with localized trends not directly tied to what is occurring in the CBD. Primary advantages of the Lloyd District as an office location include excellent regional access, via auto as well as transit. Projects typically are better parked, with lower parking charges.

¹ CoStar



FIGURE 19: LLOYD DISTRICT OFFICE MARKET TRENDS

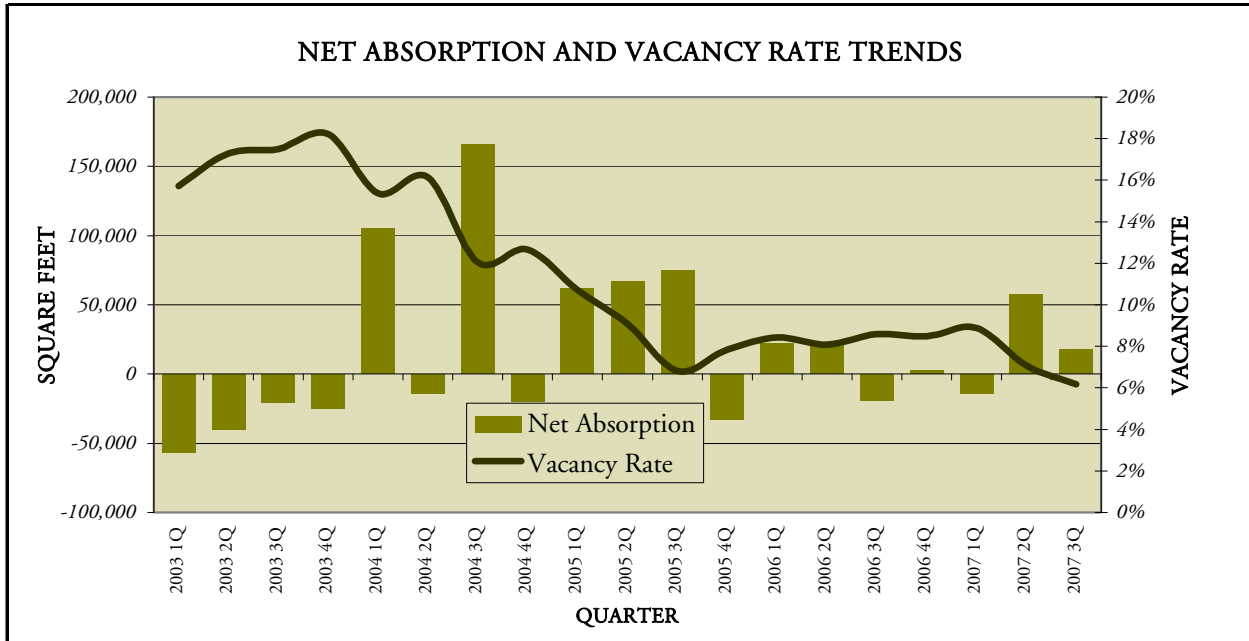
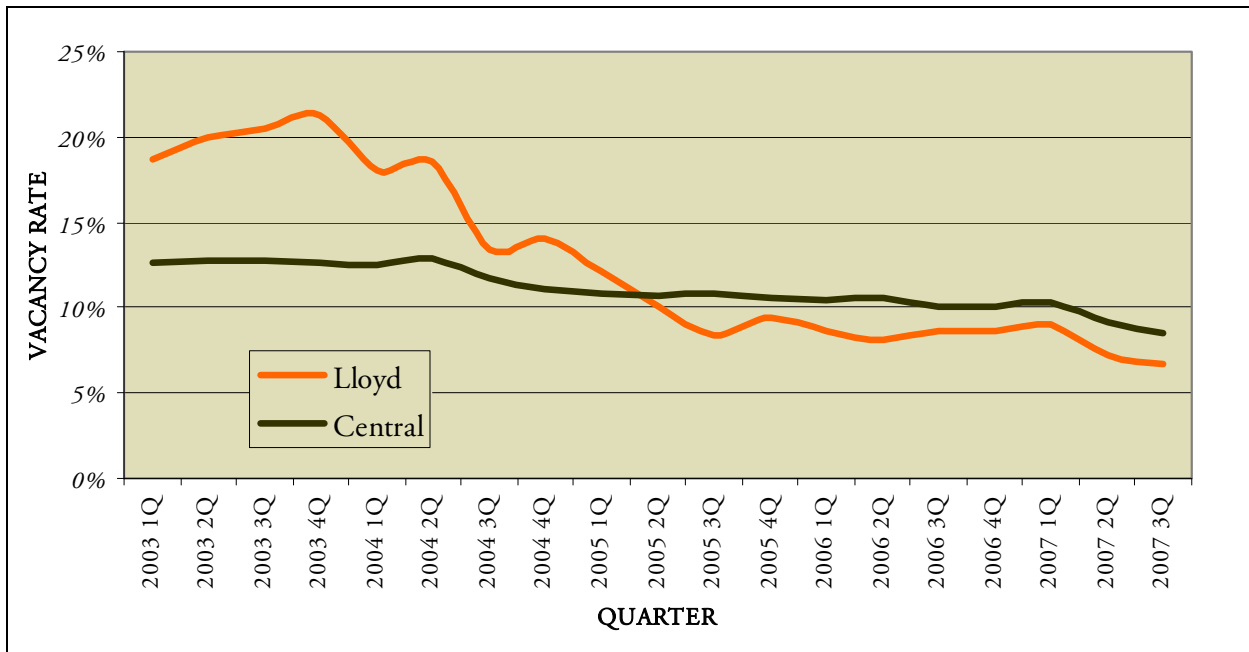


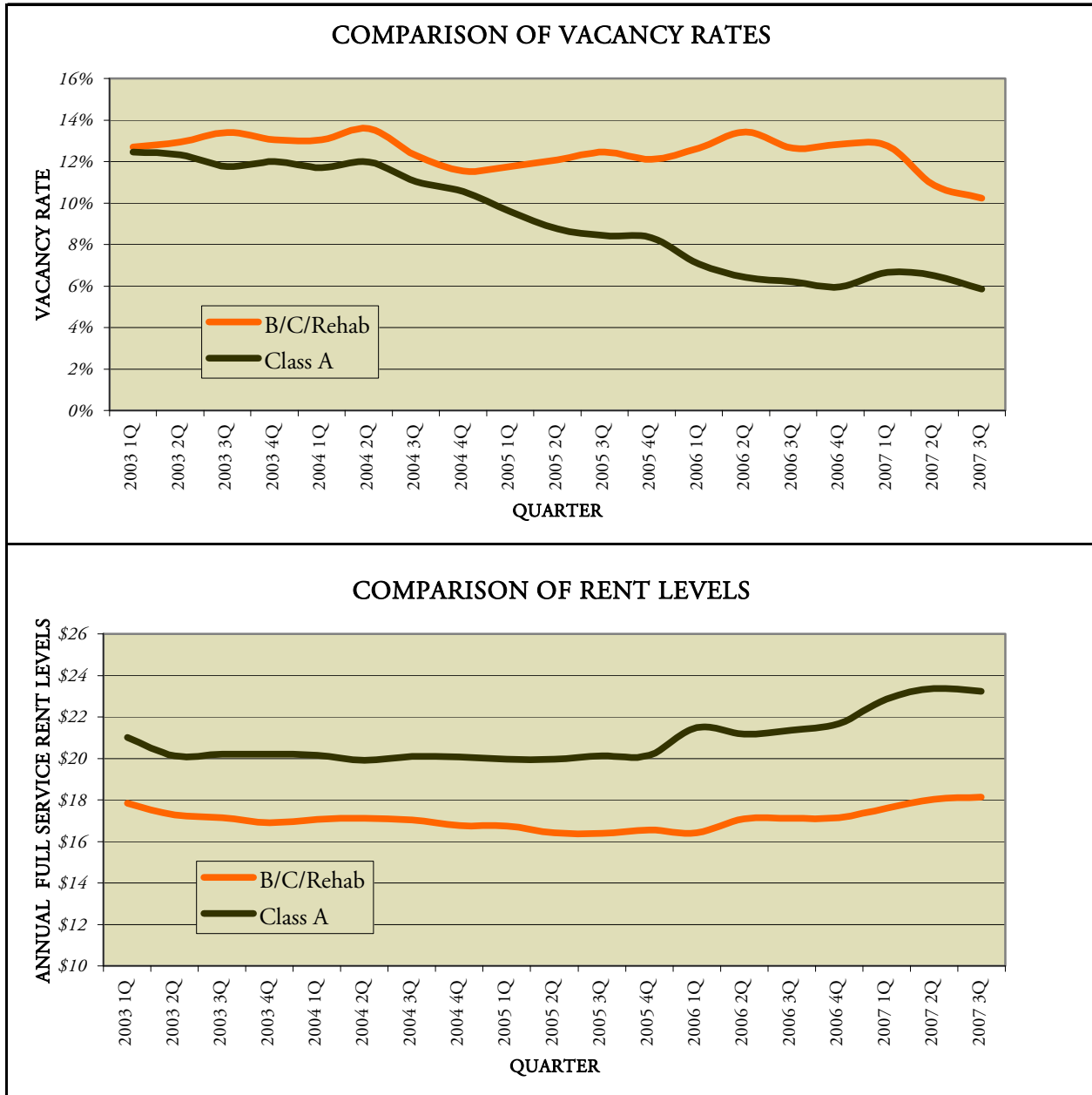
FIGURE 20: COMPARISON OF VACANCY RATE TRENDS



The Class A market in the Central City has seen sharply lower vacancy rates and better rent levels vis-à-vis the Class B, Class C and Rehab space. Average Class A rent levels are just clearing \$23 per square foot full service, but newer projects in the area have seen triple net lease rates reaching \$22 per square foot.



FIGURE 21: COMPARISON OF TRENDS/CLASS A AND REMAINDER OF MARKET



While overall conditions in the Central City market are very positive, there are a number of projects either under construction or proposed.

B. DEMAND FORECASTS

Our demand forecasts are based on the baseline sectoral employment forecasts produced by the State of Oregon Employment Department. These forecasts are from 2004 through 2014, and data outside of the range of the forecast was extrapolated based on average growth rates in that forecast.



Regional Employment Growth Forecast

Over the next decade, Portland metro area employment is projected to grow at an average rate of 1.5%, adding over 131,000 jobs. In our model, we refer to these projections as the Medium Growth Scenario, the most likely projections for the region. We also forecast growth at a 10% faster rate and a 10% slower rate, to demonstrate how employment and associated land demand differs in varied economic conditions. Here these forecasts are called the High Growth and Low Growth Scenarios.

Under the Medium Growth Scenario, Professional & Business Services, Education & Health Services, and Leisure & Hospitality comprise the majority of local employment in 2016. Industries that largely utilize office space, primarily including those sectors described earlier in this document, are expected to add almost 65,000 jobs through 2016, comprising roughly 50% of metro area growth.

**FIGURE 22: HISTORIC & PROJECTED EMPLOYMENT:
PORTLAND METROPOLITAN AREA (2004-2016)**

Medium Growth Scenario Employment Sector	Projected 1/					2006-2016	
	2004	2005	2006	2011	2016	New Jobs	Rate
Construction	40,820	41,497	42,186	45,807	49,744	7,558	17.9%
Manufacturing	98,500	98,967	99,437	101,818	104,257	4,820	4.8%
Wholesale Trade	49,650	50,194	50,745	53,590	56,596	5,851	11.5%
Retail Trade	82,750	83,923	85,113	91,325	97,995	12,882	15.1%
Transportation, Warehousing & Utilities	31,930	32,492	33,064	36,079	39,369	6,305	19.1%
Information	19,390	19,674	19,962	21,468	23,086	3,124	15.7%
Financial Activities	57,940	58,692	59,453	63,412	67,635	8,182	13.8%
Professional & Business Services	105,650	108,369	111,157	126,217	143,320	32,162	28.9%
Education & Health Services	94,150	96,036	97,960	108,176	119,465	21,506	22.0%
Leisure & Hospitality	71,600	72,805	74,029	80,470	87,472	13,442	18.2%
Other Services	29,040	29,430	29,825	31,881	34,079	4,254	14.3%
Government	102,260	103,305	104,361	109,808	115,544	11,182	10.7%
Total	783,680	795,384	807,293	870,050	938,561	131,268	16.3%

1/ Based on Oregon Employment Department employment projections for 2004-2014.

Assuming 10% faster growth rates, the metro area can expect to add 145,000 jobs over the coming decade. Alternately, a 10% slower growth rate translates to only 118,000 new jobs in the region.

The preceding employment forecasts were translated into forecasts for Washington and Clackamas counties based on their share of overall employment by sector (2005 covered employment data). The employment levels were then grown at a rate consistent with the metropolitan area average by sector, and the forecast extended out to 2026 using these same rates of growth.

The projected employment by sector was converted to office sector employment forecasts by applying standard office space capture factors.



**FIGURE 23: EMPLOYMENT UTILIZING OFFICE SPACE:
TWENTY-YEAR FORECAST (2006-2026)**

Medium Growth Scenario		Total Employment 1/				Office	Office Space-Utilizing Employment				
Employment Sector	2006	2011	2016	2026	Share 2/	2006	2011	2016	2026	'06-'26	
Construction	42,186	45,807	49,744	58,655	2%	844	916	995	1,173	329	
Manufacturing	99,437	101,818	104,257	109,311	5%	4,972	5,091	5,213	5,466	494	
Wholesale Trade	50,745	53,590	56,596	63,121	5%	2,537	2,679	2,830	3,156	619	
Retail Trade	85,113	91,325	97,995	112,826	5%	4,256	4,566	4,900	5,641	1,386	
Transportation, Warehousing & Utilities	33,064	36,079	39,369	46,876	30%	9,919	10,824	11,811	14,063	4,144	
Information	19,962	21,468	23,086	26,700	90%	17,966	19,321	20,778	24,030	6,064	
Financial Activities	59,453	63,412	67,635	76,943	90%	53,508	57,071	60,872	69,248	15,740	
Professional & Business Services	111,157	126,217	143,320	184,788	90%	100,042	113,595	128,988	166,309	66,267	
Education & Health Services	97,960	108,176	119,465	145,692	40%	39,184	43,270	47,786	58,277	19,093	
Leisure & Hospitality	74,029	80,470	87,472	103,355	40%	29,612	32,188	34,989	41,342	11,730	
Other Services	29,825	31,881	34,079	38,940	40%	11,930	12,752	13,632	15,576	3,646	
Government	104,361	109,808	115,544	127,924	35%	36,526	38,433	40,440	44,773	8,247	
Total	807,293	870,050	938,561	1,095,132	40%	311,295	340,707	373,232	449,054	137,759	

High Growth Scenario		Total Employment 1/				Office	Office Space-Utilizing Employment				
Employment Sector	2006	2011	2016	2026	Share 2/	2006	2011	2016	2026	'06-'16	
Total	807,293	878,442	954,299	1,129,836	40%	312,297	344,612	380,660	465,886	153,589	

Low Growth Scenario		Total Employment 1/				Office	Office Space-Utilizing Employment				
Employment Sector	2006	2011	2016	2026	Share 2/	2006	2011	2016	2026	'06-'16	
Total	807,293	861,594	922,795	1,060,947	40%	310,267	336,766	365,796	432,525	122,258	

Assuming various metro area industries continue to utilize office space in reasonably consistent patterns, actual jobs utilizing office space is projected to grow by 138,000 in total through 2026. Under the High Growth Scenario this translates to 154,000 office-utilizing jobs, under the Low Growth Scenario this equates to 122,000 jobs.

Office job forecasts are then translated into estimates of demand for office space utilizing standard employee-per-square-foot assumptions. Current projections indicate that the three counties can expect an average of between 9,000 and 9,800 new office-utilizing jobs annually through 2026.

Demand for office space in the market is estimated to exceed 13.0 million square feet over the next twenty years. The majority of need will be driven by Professional & Business Services, Education & Health Services and Financial Activities.



**FIGURE 24: EMPLOYMENT UTILIZING OFFICE SPACE AND OFFICE NEED:
TWENTY-YEAR FORECAST (2006-2026), MULTNOMAH/WASHINGTON/CLACKAMAS COUNTIES**

Medium Growth Scenario		Projected Office Space Need				
Employment Sector	2006	2011	2016	2026	'06-'26	
Construction	189,836	206,131	223,846	263,949	74,113	
Manufacturing	1,118,662	1,145,452	1,172,890	1,229,747	111,084	
Wholesale Trade	570,879	602,884	636,703	710,116	139,237	
Retail	957,527	1,027,407	1,102,445	1,269,296	311,770	
Transportation, Warehousing & Utilities	2,231,819	2,435,314	2,657,412	3,164,164	932,345	
Information	4,042,337	4,347,172	4,674,997	5,406,673	1,364,336	
Financial Activities	12,039,321	12,841,003	13,696,105	15,580,886	3,541,565	
Professional & Business Services	22,509,384	25,558,929	29,022,227	37,419,489	14,910,106	
Education & Health Services	8,816,357	9,735,840	10,751,880	13,112,324	4,295,968	
Leisure & Hospitality	6,662,652	7,242,319	7,872,457	9,301,940	2,639,288	
Other Services	2,684,237	2,869,297	3,067,115	3,504,606	820,368	
Government	8,218,447	8,647,386	9,099,055	10,074,020	1,855,573	
Total	70,041,457	76,659,133	83,977,132	101,037,210	30,995,753	

High Growth Scenario		Projected Office Space Need				
Employment Sector	2006	2011	2016	2026	'06-'26	
Total	70,041,457	77,537,703	85,648,523	104,824,400	34,782,943	

Low Growth Scenario		Projected Office Space Need				
Employment Sector	2006	2011	2016	2026	'06-'26	
Total	70,041,457	75,772,314	82,304,054	97,318,171	27,276,714	

The employment driven forecast anticipates approximately 31 million square feet of additional office space demand over the next twenty years, translating into an average annual demand for just over 1.5 million square feet in the Oregon portion of the metropolitan area.

C. PEER GROUP ANALYSIS

The following section summarizes rents, parking, and amenities for the most comparable Class A office product in the Lloyd District Subregion of the Central Business District market area, as well as selected projects in the CBD. It also provides information about planned and proposed projects in the region and their likely timeline for completion. While we feel that the subject site will compete primarily with the other Class A office buildings in the Lloyd District, its location is neither in the Lloyd District or the CBD.

For the purpose of this analysis, five comparable projects in Lloyd District and four projects in the CBD were surveyed. In addition, six office projects either under construction or planned are summarized. The projects surveyed reported an average vacancy rate of 4.7% in the Lloyd District and 5.6% in the CBD, with quoted gross rental rates ranging from \$18.50 to \$28.00 per square foot. The newest development in the survey was the 1201 Lloyd Building, completed in 2002. A total of six projects were identified in the pipeline, representing 905,000 square feet of rentable area. These projects are actively seeking leasing commitments, with asking rents quoted at \$26.00 to \$29.00 NNN or \$28.00 to \$31.50 gross.



FIGURE 25: SUMMARY OF SELECTED COMPARABLE OFFICE BUILDINGS

Project Name/ Address	Office Class	Year Built/ Renovated	# of Stories	R.B.A	Vacant Sq. Ft.	Typical Floor Size	Max Contig	Smallest Space	Vacancy Rate	Asking Rent
LLOYD DISTRICT										
Liberty Centre 650 NE Holladay Street Portland, OR 97232	Class A	1997	17	270,000	3,990	15,500	3,990	3,990	1.5%	\$27.00
The 1201 Lloyd Building 1201 Lloyd Boulevard Portland, OR 97232	Class A	2002	11	226,410	6,909	20,582	2,358	1,124	3.1%	\$28.00
Kaiser Permanente Building 500 NE Multnomah Street Portland, OR 97232	Class A	1974/1989	16	236,796	0	24,625			0.0%	N/A
Lloyd 700 Building 700 NE Multnomah Street Portland, OR 97232	Class A	1970/1992	16	241,248	25,725	15,662	13,220	984	10.7%	\$0.00
Lloyd Center Tower 825 NE Multnomah Street Portland, OR 97232	Class A	1981	20	428,325	29,285	21,000	22,105	1,009	6.8%	\$24.50
CENTRAL BUSINESS DISTRICT										
ODS Tower 601 SW 2nd Avenue Portland, OR 97204	Class A	1999	24	398,412	0	16,969	0	N/A	0.0%	N/A
US Bancorp Tower & Plaza 111 SW 5th Avenue Portland, OR 97204	Class A	1983	43	1,098,843	97,739	25,554	23,058	846	8.9%	\$0.00
Pioneer Tower 888 SW 5th Avenue Portland, OR 97204	Class A	1990	16	283,000	15,688	263,422	7,341	665	5.5%	\$0.00
Fox Tower 805-855 SW Broadway Portland, OR 97205	Class A	2000	27	438,446	10,219	19,273	7,687	2,532	2.3%	\$0.00
PLANNED AND PROPOSED										
White Stag Block 70 NW Couch Street Portland, OR 97209	Class A	Under Const. (Jan. 2008)	4	117,000	8,850	25,910	7,200	1,650	7.6%	\$0.00
Clay Street Corporate Center 1709 SE 3rd Avenue Portland, OR 97214	Class A	Proposed	4	65,000	65,000	16,250	65,000	16,250	100.0%	Negotiable
The Lovejoy NW Lovejoy & NW 14th Portland, OR 97210	Class A	Under Const. (Jan. 2008)	3	82,843	82,843	27,614	82,843	27,601	100.0%	Negotiable
First & Main Building 100 SW Main St. Portland, OR 97205	Class A	Under Const. (2010)	16	366,500	351,649	22,906	346,440	5,209	95.9%	Negotiable
Grand Central SE Morrison Street Portland, OR 97214	Class A	Proposed	6	160,750	160,750	26,791	130,000	10,250	100.0%	Negotiable
Machine Works 1455 NW Northrup Portland, OR 97209	Class A	Under Const. (Oct. 2008)	9	113,000	66,000	12,555	66,000	12,000	58.4%	\$26.50
SUMMARY										
Lloyd District				1,402,779	65,909	19,568	22,105	984	4.7%	\$19.88
Central Business District				2,218,701	123,646	53,112	23,058	665	5.6%	\$0.00
Planned & Proposed				905,093	735,092	22,645	346,440	1,650	81.2%	\$13.25
Overall/Weighted Average				4,526,573	924,647	36,625	346,440	665	20.4%	\$8.81



VI. RETAIL MARKET

Assessing the retail potential at the subject site is problematic. The site has outstanding demographics using either a ring or isochron methodology, but the site also has some unique difficulties from a retail perspective. The trade area is split by the Willamette River, which represents a significant perceptual as well as functional barrier for the trade area west of the River. Most of the key demographics concentrations for this project are seen as being east of the River, with this site located on the western periphery of this trade area.

The project will also have to deal with the very significant financial cost of structured parking for retail space, particularly if retail is developed at any scale. Typical retail requirements would anticipate parking of 3 to 4 spaces per thousand, with no revenue associated with the parking for retail uses. The incremental cost of structured parking will need to be subsidized, or necessitate sharply higher achievable lease rates for commercial space on the site.

A demographically-driven analysis was generated for a one, three and five mile radius from the subject site. As noted previously, this type of analysis is not particularly appropriate for a site adjacent to a major natural feature such as the Willamette River, but it is a methodology often used for initial assessments. The analysis outlines projected spending from both resident and daytime populations, and matches that against recorded retail sales based on the Census of Retail Trade. The resulting calculation of gap/surplus addresses the estimated percentage of “leakage” associated with individual retail sectors.



**FIGURE 26:
SUMMARY OF RETAIL MARKET POTENTIAL
BURNSIDE BRIDGEHEAD SITE - BY MAJOR RETAIL CATEGORY**

	One Mile Radius		Three Mile Radius		Five Mile Radius	
	Gap/Surplus	%	Gap/Surplus	%	Gap/Surplus	%
<i>Furniture and Home Furnishings Stores-442</i>	\$7,939,270	79%	-\$28,133,132	-42%	-\$112,084,402	-63%
<i>Electronics and Appliance Stores-443</i>	\$8,740,888	91%	\$22,767,207	34%	-\$90,643,553	-52%
<i>Building Material, Garden Equip Stores -444</i>	\$26,696,706	63%	\$31,099,244	11%	\$109,817,948	16%
<i>Food and Beverage Stores-445</i>	\$15,329,184	35%	-\$104,660,677	-33%	-\$250,107,865	-31%
<i>Health and Personal Care Stores-446</i>	\$10,923,745	64%	\$41,607,387	35%	-\$18,185,534	-6%
<i>Gasoline Stations-447</i>	\$24,104,172	65%	\$149,138,592	55%	\$329,769,957	48%
<i>Clothing and Clothing Accessories Stores-448</i>	\$16,288,108	95%	\$71,511,273	61%	-\$247,231,328	-80%
<i>Sporting Goods, Hobby, Book, Music Stores-451</i>	\$4,986,052	61%	-\$29,288,844	-54%	-\$176,114,428	-123%
<i>General Merchandise Stores-452</i>	\$25,398,910	57%	\$210,918,977	68%	\$337,321,698	42%
<i>Miscellaneous Store Retailers-453</i>	\$8,568,301	82%	-\$5,588,322	-8%	-\$84,250,361	-45%
<i>Non-Store Retailers-454</i>	\$13,316,263	58%	-\$25,606,428	-16%	-\$162,812,760	-40%
<i>Foodservice and Drinking Places-722</i>	\$10,034,228	27%	-\$107,720,758	-41%	-\$656,663,114	-97%
<i>GAFO *</i>	\$67,187,519	72%	\$255,871,467	40%	-\$306,121,658	-18%

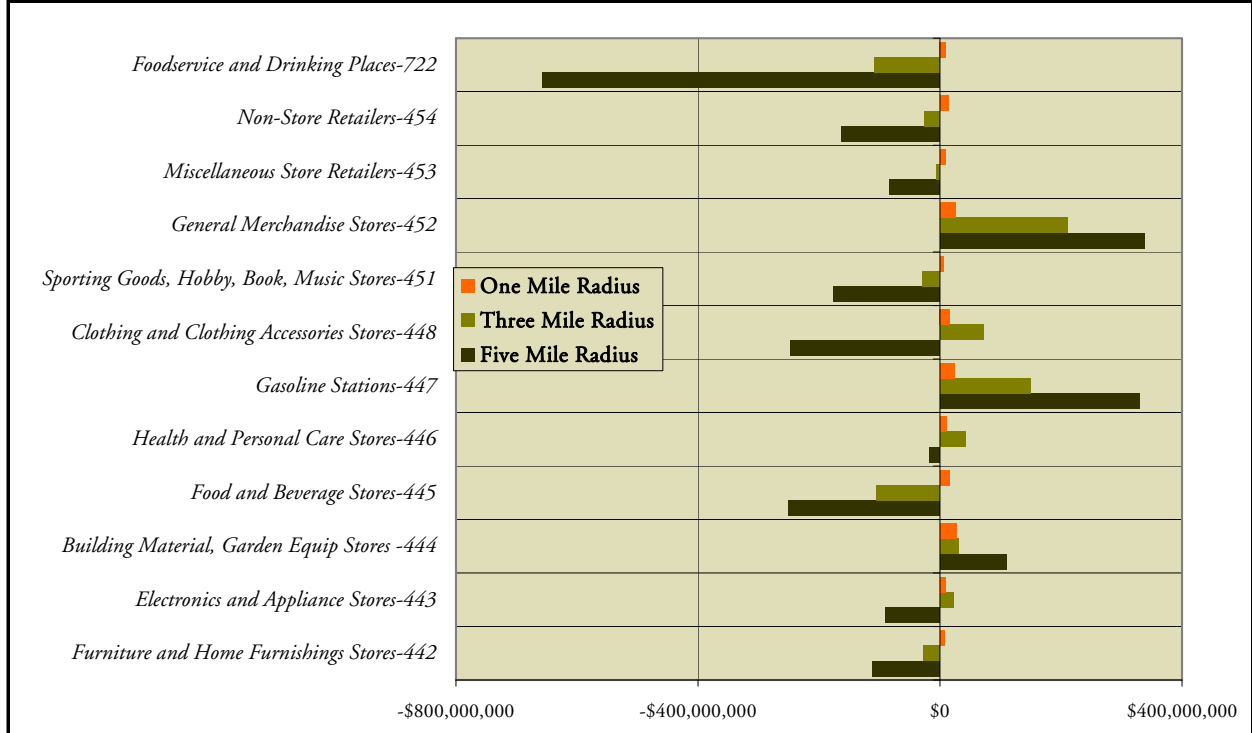




FIGURE 27: SUMMARY OF SELECTED RETAIL DEVELOPMENTS

Project Name/ Address	Building Type	Year Built/ Renovated	# of Stories	R.B.A	Vacant Sq. Ft.	Land Acerage	Max Contig	Smallest Space	Vacancy Rate	Asking Rent
SE Close-In Submarket										
Unknown Name 1943 SE 6th Avenue Portland, OR 97214	Retail	1994	N/A	595,000	0	1.00	N/A	N/A	0%	N/A
Lions Eye Bank of Oregon 2201 SE 11th Avenue Portland, OR 97214	Retail	2007	1	11,500	0	0.23	0	N/A	0%	N/A
SE 16th Ave @ Bybee SE 16th Ave & Bybee Blvd Portland, OR 97232	Retail	Under Const. (Dec. 2007)	N/A	4,100	817	N/A	817	817	20%	\$35.00
Grand Central Market 837-841 SE Belmont Street Portland, OR 97214	Retail	Under Renov. (Dec. 2007)	2	33,088	16,234	1.07	3,294	1,239	49%	Negotiable
Belmont Dairy 3301-3333 SE Belmont Street Portland, OR 97214	Retail	1994	1	27,000	0	N/A	0	N/A	0%	N/A
New Seasons Market 1954 SE Division Street Portland, OR 97202	Supermarket	1965/2004	1	36,650	0	1.29	0	N/A	0%	N/A
Morrison Place 1401 SE Morrison Street Portland, OR 97030	Strip Center	1955/2004	1	15,400	2,765	0.92	2,765	2,765	18%	\$25.00
Lloyd District Submarket										
Irvington Place NE 12th Ave & NE Broadway Portland OR, 97232	Strip Center	1998	1	16,000	0	1.00	0	N/A	0%	N/A
Lloyd Place Apartments 1500 NE 15th Avenue Portland, OR 97232	Retail/ Residential	1996	5	289,181	0	1.75	0	N/A	0%	N/A
Holladay's Market 1200 NE Broadway Street Portland, OR 97232	Shopping Center	1959/1991	1	26,000	4,400	N/A	4,400	4,400	17%	\$35.00
Unknown Name 2448 E Burnside Street Portland, OR 97214	Retail	Under Renov. (Oct. 2007)	1	8,856	1,800	0.32	1,800	900	20%	\$22.00
Lloyd Center 2201 Lloyd Center Portland, OR 97232	Shopping Center	1960/1991	3	1,392,056	8,000	50.00	2,950	1,200	1%	Negotiable
The Merrick 1231 NE MLK Boulevard Portland, OR 97232	Retail/ Residential	2004	1	14,382	4,588	0.99	2,950	1,638	32%	\$0.00
Irvington Market 1403 NE Weidler Street Portland, OR 97232	Retail	1992	1	9,392	1,665	0.44	1,665	1,665	18%	\$30.00
Lloyd Place 1500-1542 NE Weidler Street Portland, OR 97232	Retail/ Residential	1997	1	20,000	0	N/A	0	N/A	0%	N/A
NE Close-In Submarket										
Irvington Corner 2526 NE 15th Avenue Portland, OR 97212	Retail/Office	1958/2005	1	6,678	0	N/A	0	N/A	0%	N/A
				TOTAL/AVERAGE:	2,505,283	40,269			1.6%	\$22.40

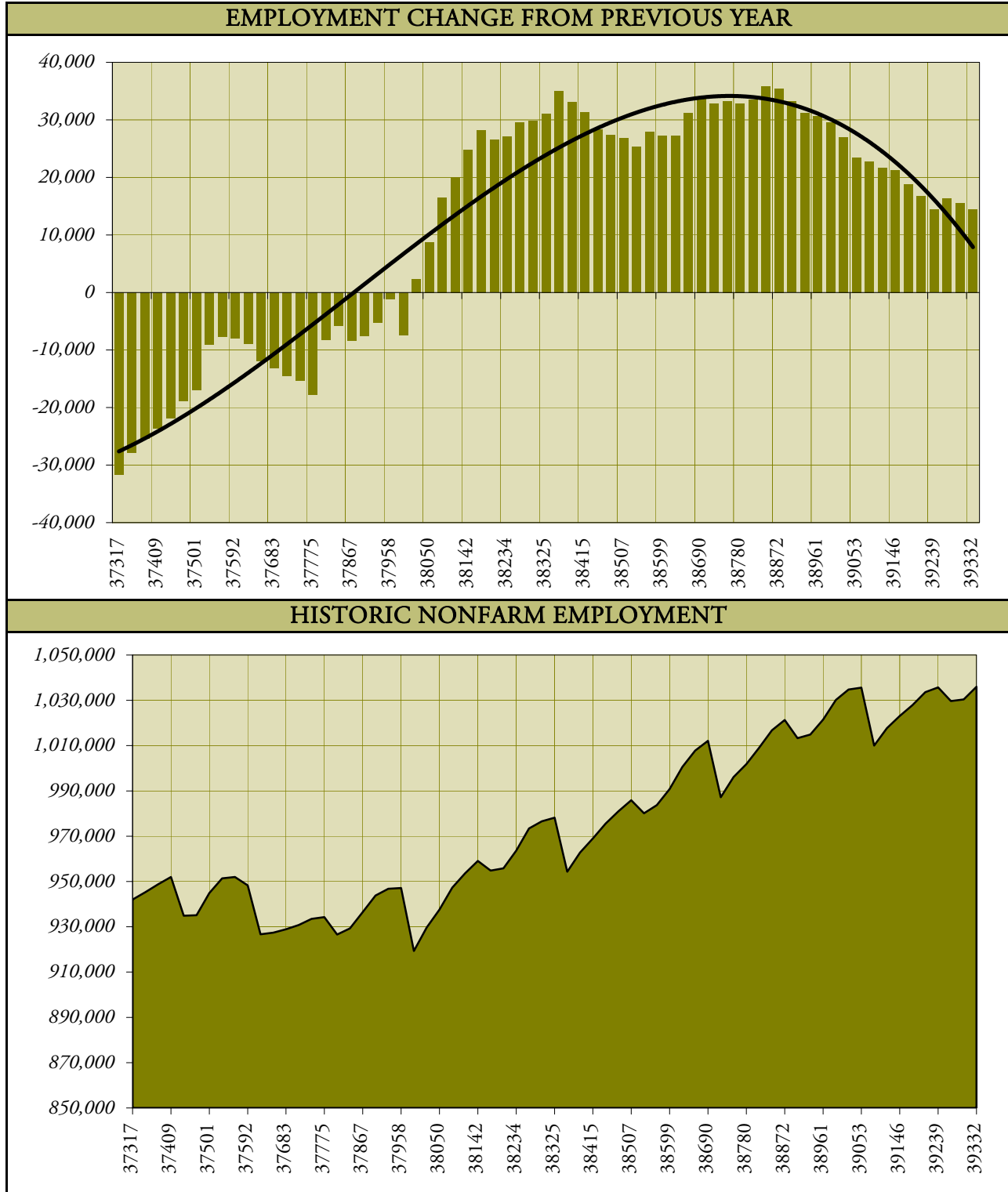


**ECONOMIC
EXHIBITS**



EXHIBIT 1.01

WAGE AND SALARY EMPLOYMENT TRENDS
PORTLAND METROPOLITAN AREA



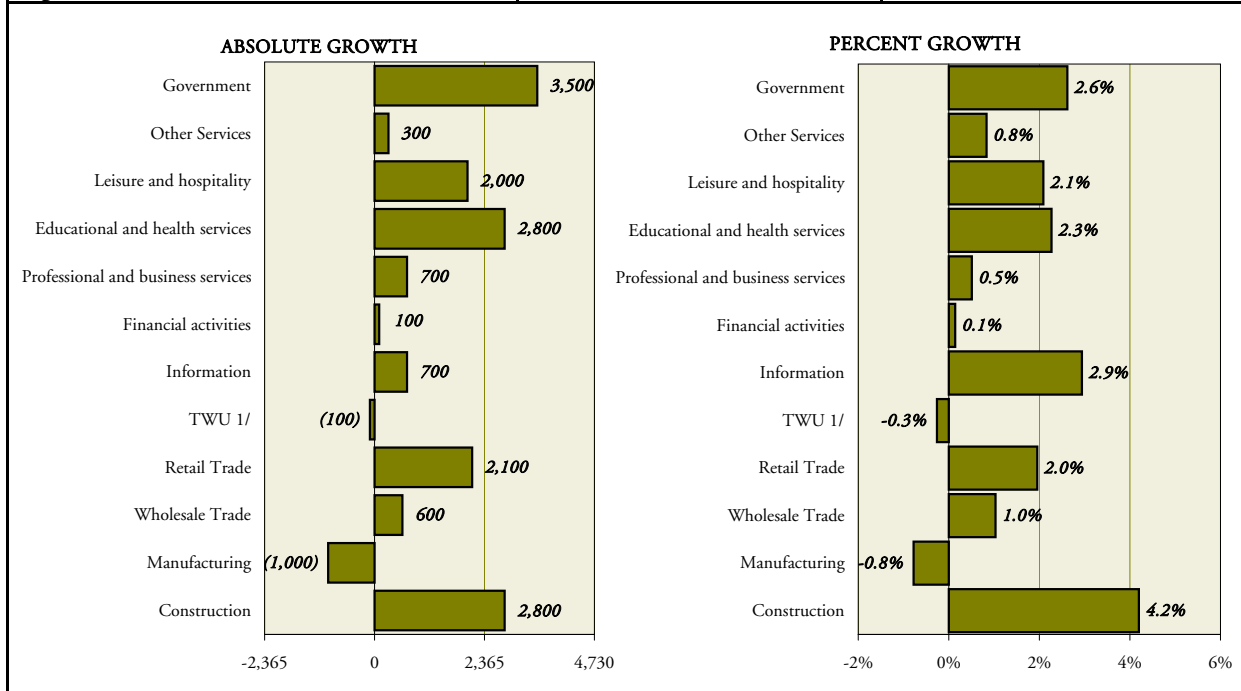
SOURCE: Bureau of Labor Statistics & Johnson Gardner



EXHIBIT 1.02

EMPLOYMENT BY INDUSTRY
PORTLAND-VANCOUVER MSA

INDUSTRY	Sep-06		Sep-07	
	Employment	% Growth	Employment	% Growth
TOTAL NONFARM EMPLOYMENT	1,021,500	--	1,036,000	1.4%
Construction	66,700	--	69,500	4.2%
Manufacturing	128,800	--	127,800	-0.8%
Wholesale Trade	58,100	--	58,700	1.0%
Retail Trade	107,500	--	109,600	2.0%
TWU 1/	38,100	--	38,000	-0.3%
Information	23,800	--	24,500	2.9%
Financial activities	70,800	--	70,900	0.1%
Professional and business services	137,200	--	137,900	0.5%
Educational and health services	123,500	--	126,300	2.3%
Leisure and hospitality	95,700	--	97,700	2.1%
Other Services	35,900	--	36,200	0.8%
Government	133,600	--	137,100	2.6%
High Tech	51,800	--	51,000	-1.5%



1/ Transportation, warehousing and utilities.



EXHIBIT 1.03

HISTORIC UNEMPLOYMENT RATE TRENDS PORTLAND-VANCOUVER MSA

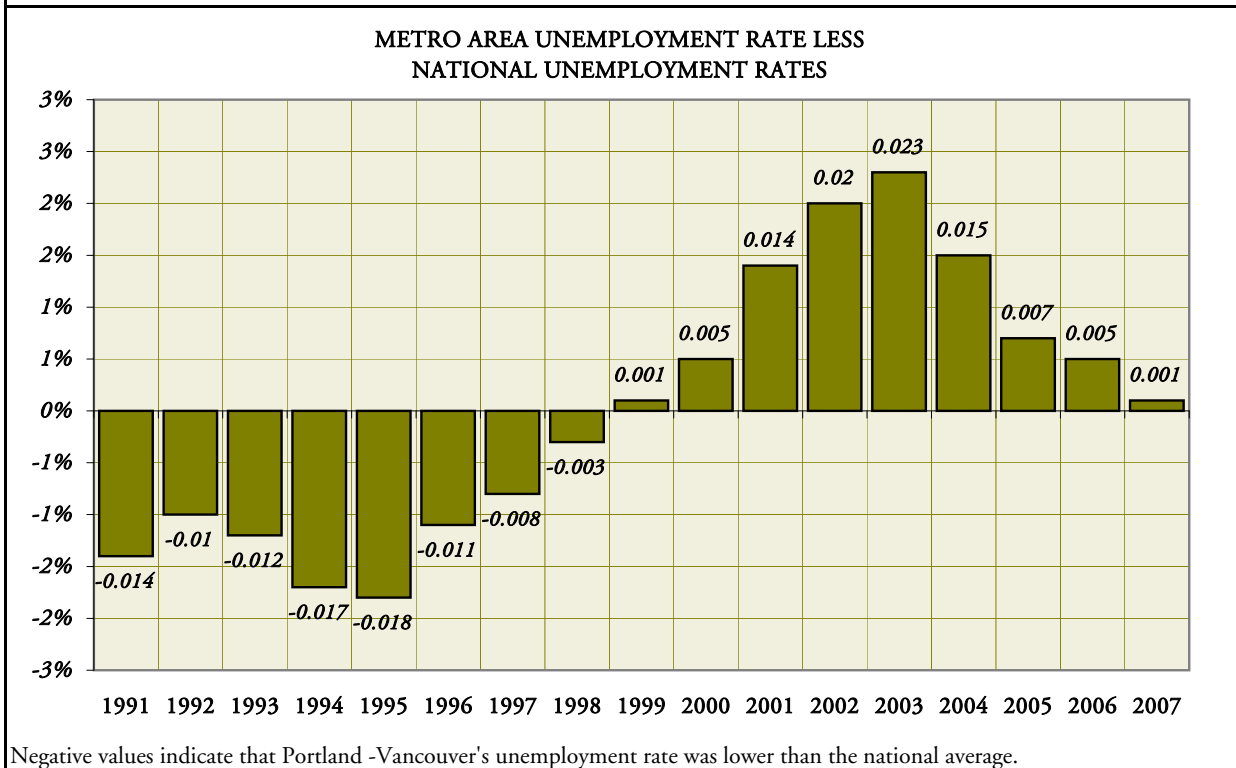
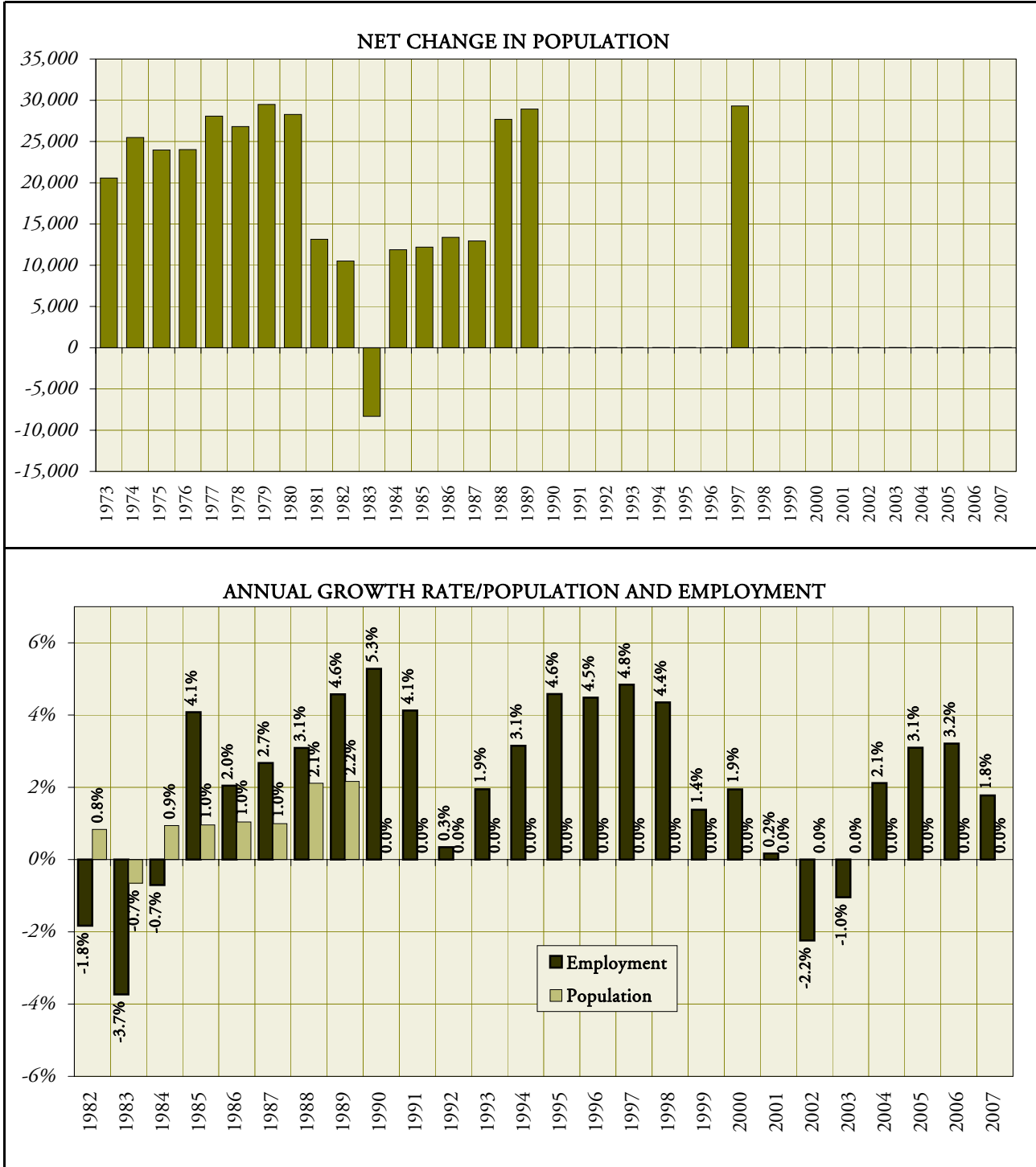




EXHIBIT 1.04

HISTORICAL POPULATION GROWTH PORTLAND METROPOLITAN AREA



*Reflects 2000 Census; updated historical data not yet available.

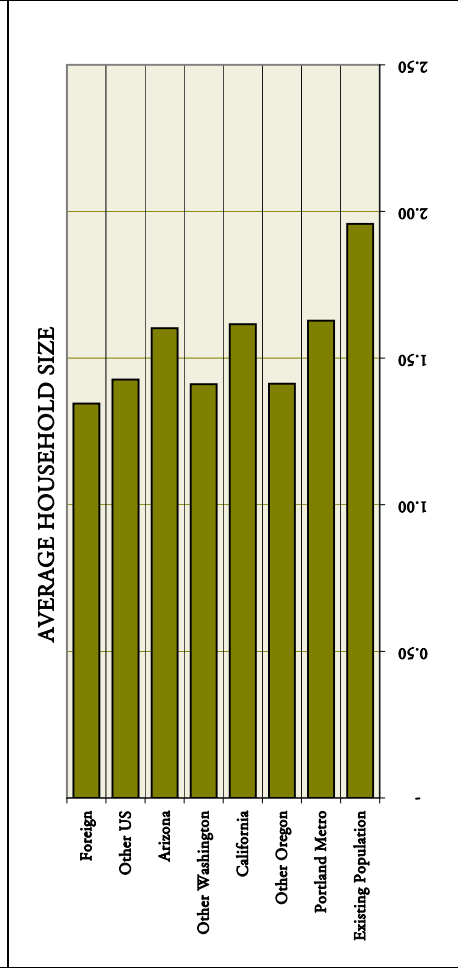
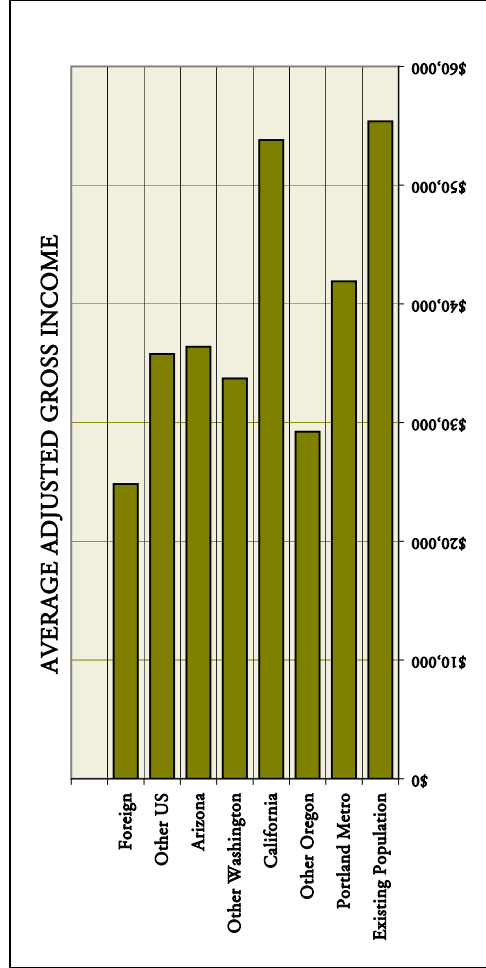
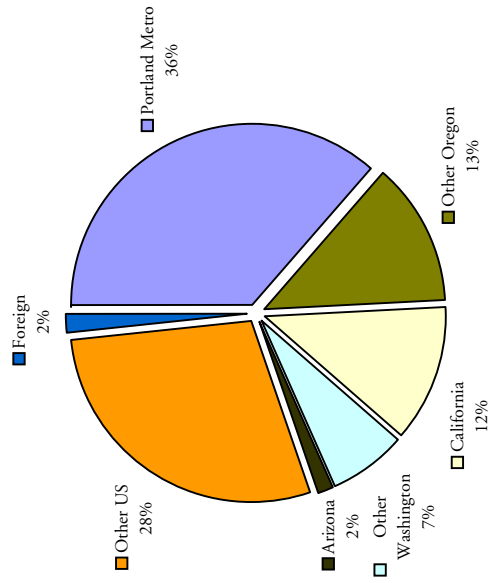
SOURCE: Center for Population Research and Census, State of Washington Office of Finance, and Johnson Gardner

EXHIBIT 1.05

CHARACTERISTICS OF IN MIGRATION
2006 IRS DATA ON NEW RESIDENTS
MULTNOMAH COUNTY

	Number of Returns	# of Exemptions	Aggregate AGI	Average AGI	Avg. HH Size
Existing Population	230,100	450,480	\$12,741,360	\$55,373	1.96
Portland Metro	9,001	14,652	\$377,090	\$41,894	1.63
Other Oregon	3,179	4,490	\$92,949	\$29,238	1.41
California	3,072	4,963	\$165,279	\$53,802	1.62
Other Washington	1,674	2,362	\$56,446	\$33,719	1.41
Arizona	392	628	\$14,264	\$36,388	1.60
Other US	7,063	10,078	\$252,724	\$35,781	1.43
Foreign	423	569	\$10,502	\$24,827	1.35

DISTRIBUTION OF IN MIGRATION BY ORIGIN



SOURCE: Internal Revenue Service and Johnson Gardner LLC



EXHIBIT 1.06

IRS MIGRATION DATA FOR 2006
PORTLAND METROPOLITAN AREA

CLACKAMAS COUNTY	# of Returns		Net Returns	#
	Inbound	Outbound		
Portland Metro	6,863	6,382	481	
Other Oregon	1,686	1,923	-237	
California	1,134	475	659	
Other Washington	434	530	-96	
Arizona	139	230	-91	
Other US	1,977	1,927	50	
Foreign	99	90	9	
TOTAL	12,332	11,557	775	

MULTNOMAH COUNTY	# of Returns		Net Returns
	Inbound	Outbound	
Portland Metro	9,001	10,785	-1,784
Other Oregon	3,179	2,700	479
California	3,072	1,506	1,566
Other Washington	1,674	1,404	270
Arizona	392	453	-61
Other US	7,063	4,682	2,381
Foreign	423	253	170
TOTAL	24,804	21,783	3,021

WASHINGTON COUNTY	# of Returns		Net Returns
	Inbound	Outbound	
Portland Metro	6,877	6,902	-25
Other Oregon	2,509	2,269	240
California	2,324	984	1,340
Other Washington	1,061	1,001	60
Arizona	388	519	-131
Other US	4,485	3,271	1,214
Foreign	260	142	118
TOTAL	17,904	15,088	2,816

CLARK COUNTY	# of Returns		Net Returns
	Inbound	Outbound	
Portland Metro	3,344	2,389	955
Other Oregon	713	614	99
California	1,325	539	786
Other Washington	2,153	2,547	-394
Arizona	207	319	-112
Other US	2,638	2,519	119
Foreign	99	87	12
TOTAL	10,479	9,014	1,465

FOUR COUNTY AREA	# of Returns		Net Returns
	Inbound	Outbound	
Portland Metro	26,085	26,458	-373
Other Oregon	8,087	7,506	581
California	7,855	3,504	4,351
Other Washington	5,322	5,482	-160
Arizona	1,126	1,521	-395
Other US	16,163	12,399	3,764
Foreign	881	572	309
TOTAL	65,519	57,442	8,077

SOURC: IRS and Johnson Gardner LLC

EXHIBIT 1.07
RESIDENTIAL PERMITS ISSUED BY YEAR
PORTLAND-VANCOUVER MSA
1998 - 2007

COUNTY/ JURISDICTION	2002		2003		2004		2005		2006		2007 1/	
	S.F.	M.F.	S.F.	M.F.	S.F.	M.F.	S.F.	M.F.	S.F.	M.F.	S.F.	M.F.
CLACKAMAS												
Canby	143	92	97	58	110	2	112	121	24	145	199	74
Estacada	2	2	2	-	9	-	9	12	-	12	7	35
Gladstone	25	2	-	-	-	-	-	-	-	-	-	-
Happy Valley	184	-	224	-	216	-	216	566	163	551	192	217
Lake Oswego	82	-	76	-	94	-	94	131	96	131	192	64
Milwaukie	13	-	17	-	41	-	41	42	64	106	11	13
Molalla	42	-	70	-	148	-	148	99	82	99	45	45
Oregon City	250	-	259	24	208	12	220	213	19	213	286	200
Sandy	162	18	180	4	127	35	128	162	2	164	193	134
Unincorporated	387	60	447	30	902	20	922	910	16	918	779	700
West Linn	183	-	85	-	47	-	47	76	-	76	63	71
Wilsonville	46	140	76	-	103	160	263	96	274	420	146	21
Clackamas Total	1,519	312	1,559	116	1,971	229	2,200	2,428	228	2,656	2,783	1,629
CLATSOP												
Camas	394	12	269	6	197	20	217	311	4	315	160	102
Ridgefield	9	2	15	-	204	-	204	313	-	313	189	59
Unincorporated	2,242	87	2,329	66	2,403	129	2,380	2,174	18	2,192	1,496	863
Vancouver	345	552	897	693	1,145	426	814	454	248	702	945	378
Washougal	121	-	225	4	236	4	240	243	-	243	200	207
Clatsop Total	3,111	653	3,298	769	3,276	579	3,855	3,495	270	3,765	2,990	1,562
MULTNOMAH												
Fairview	121	-	57	264	59	15	74	65	-	65	53	16
Gresham	461	314	401	468	373	329	702	350	131	481	323	245
Portland	1,088	1,246	1,093	2,473	956	1,926	2,882	981	2,755	3,736	3,551	1,037
Troutdale	23	4	20	82	122	5	127	216	28	244	122	27
Unincorporated	24	-	11	-	15	-	15	18	-	18	22	6
Wood Village	1	-	0	2	42	-	42	29	-	29	63	-
Multnomah Total	1,718	1,564	1,582	3,289	1,567	2,275	3,842	1,659	2,914	4,573	4,134	1,331
WASHINGTON												
Banks	13	-	-	-	-	-	-	-	-	-	-	-
Beaverton	391	175	257	50	392	1,001	1,393	289	284	573	609	166
Cornelius	78	14	43	-	75	53	128	108	8	116	52	25
Durham	1	-	1	-	1	-	1	1	-	1	3	-
Forest Grove	113	10	91	10	115	10	125	91	26	117	65	29
Hillsboro	661	306	726	852	688	128	816	838	230	1,068	1,575	498
King City	-	-	51	-	29	-	29	68	-	68	113	49
North Plains	11	-	-	-	-	-	-	-	-	-	-	-
Sherwood	193	-	227	-	248	28	276	537	54	591	87	41
Tigard	340	-	380	-	276	108	384	344	6	350	301	160
Tualatin	184	264	140	-	174	-	174	93	-	93	101	40
Unincorporated	1,165	318	1,176	180	1,388	64	1,452	1,437	244	1,681	879	284
Washington Total	3,150	1,087	3,092	1,092	3,386	1,392	4,778	3,806	852	4,658	4,283	1,864
METRO TOTAL	9,498	3,616	9,591	5,266	10,200	4,475	14,675	11,388	4,264	15,652	14,190	6,386
Washington Total	3,150	1,087	3,092	1,092	3,386	1,392	4,778	3,806	852	4,658	4,283	1,864
Metro Total	6,348	2,529	6,499	4,174	6,814	3,083	9,897	7,582	3,172	10,994	9,907	4,522

1/ Permit data through September 2007

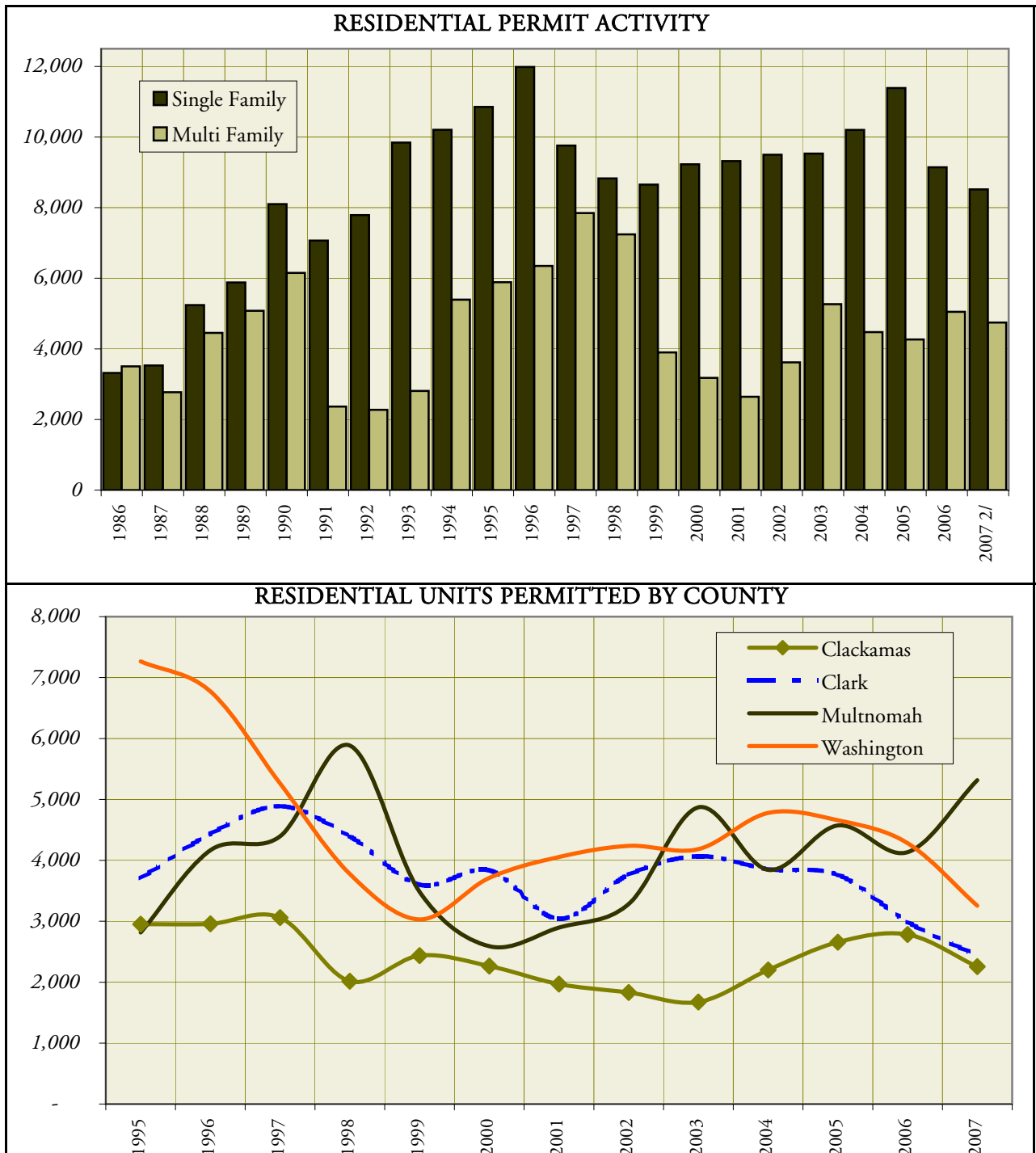
1/ Through November 2002

SOURCE: US Census Bureau & Johnson Gardner



EXHIBIT 1.08

HISTORIC RESIDENTIAL PERMIT TRENDS CLACKAMAS, CLARK, MULTNOMAH, & WASHINGTON COUNTIES



1/ Permit data through September, 2007

2/ Permit data annualized

SOURCE: Bureau of the Census and Johnson Gardner



EXHIBIT 2.01
AERIAL IMAGE OF SUBJECT SITE





EXHIBIT 2.02
PRIMARY MARKET AREA

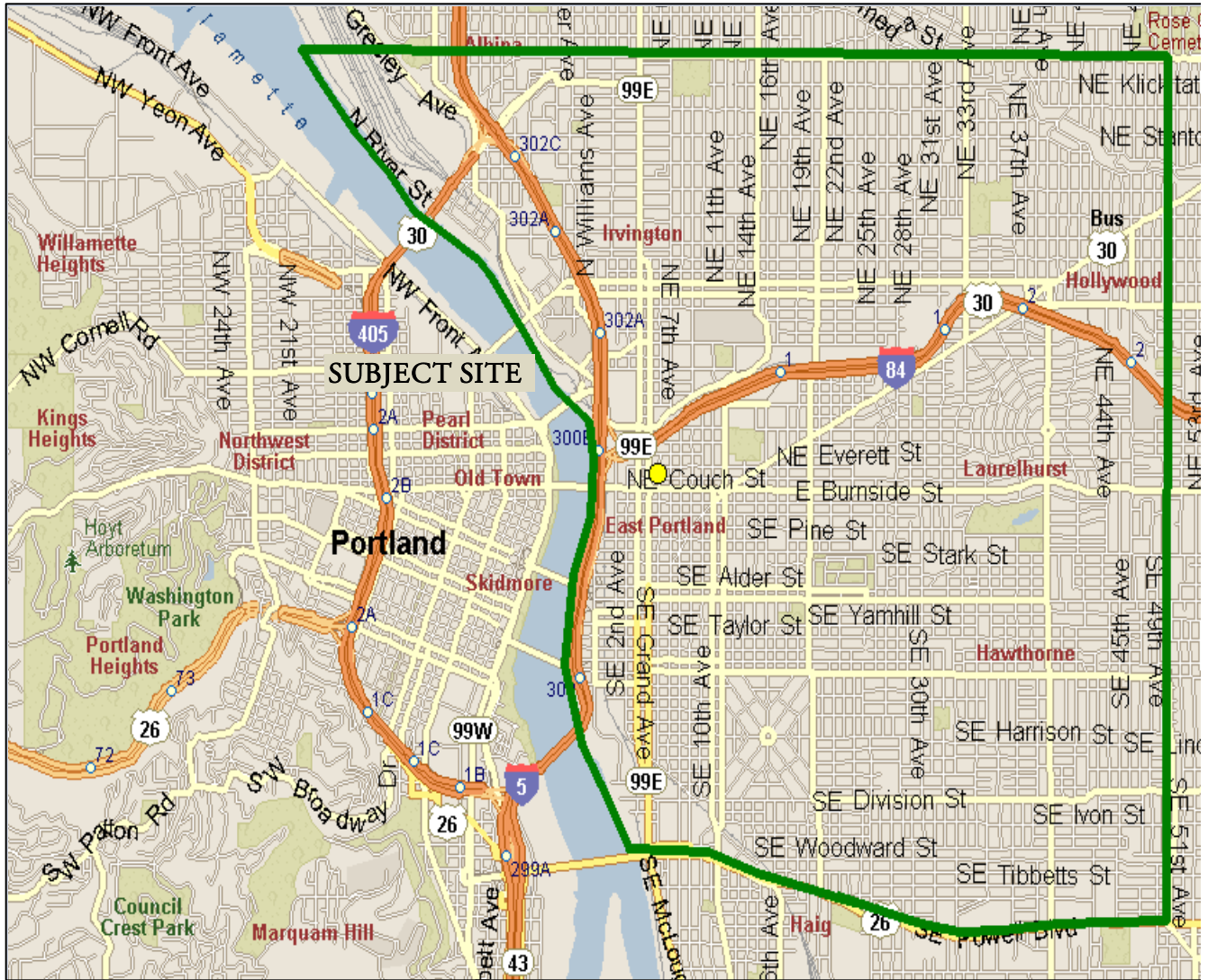
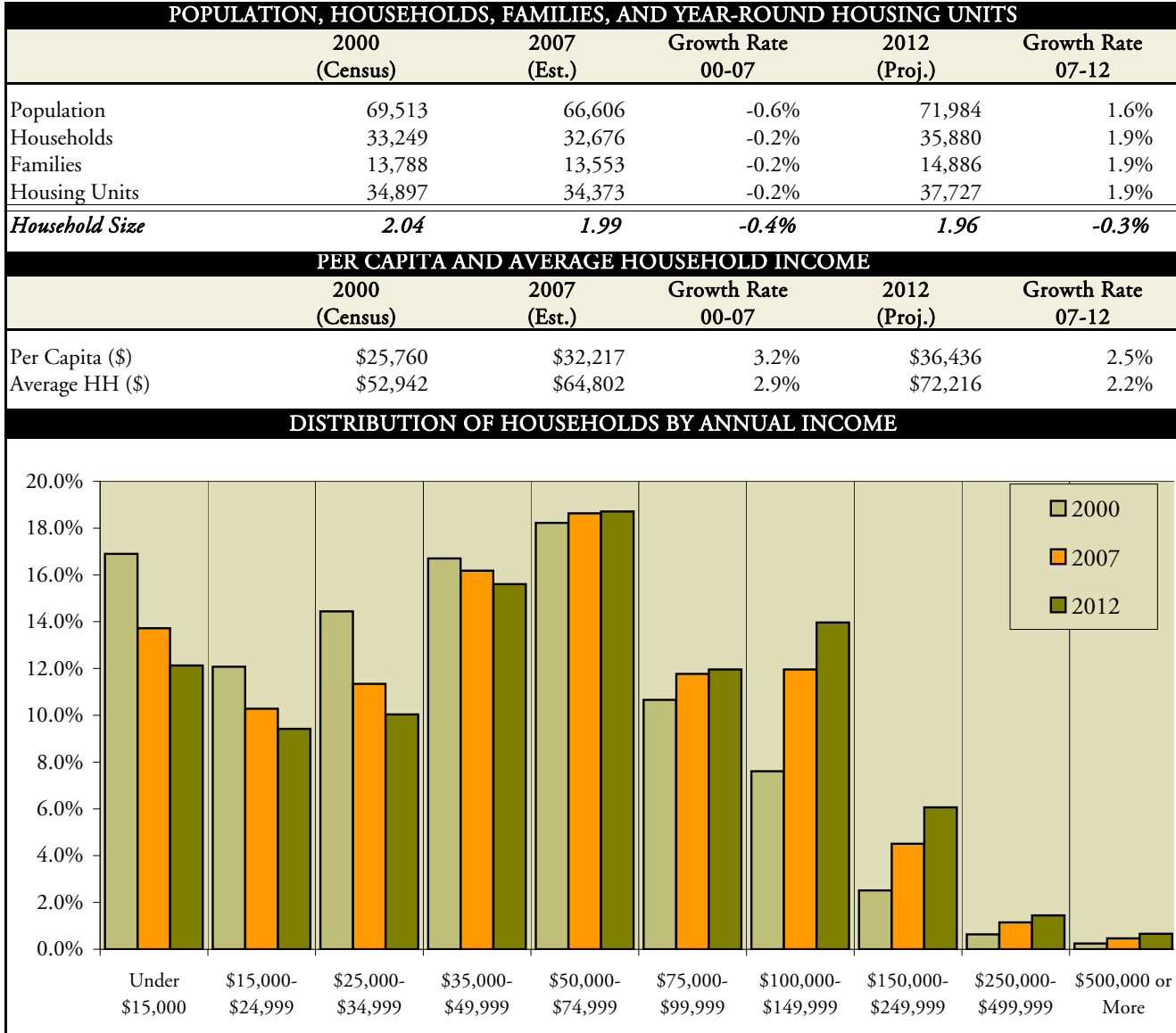
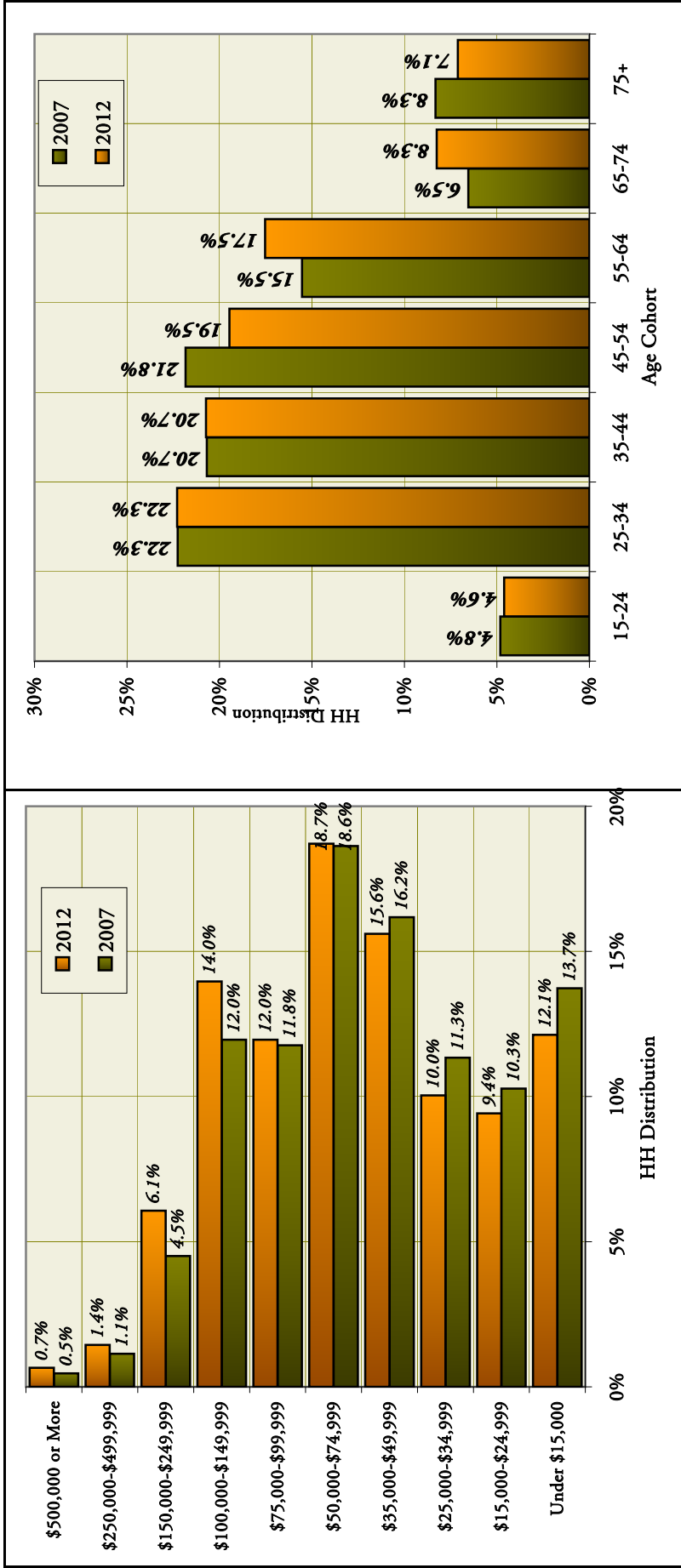


EXHIBIT 2.03
GENERAL DEMOGRAPHIC PROFILE
RENTAL HOUSING
PRIMARY MARKET AREA



Source: Claritas and Johnson Gardner

EXHIBIT 2.04
DISTRIBUTION OF HOUSEHOLDS BY AGE & INCOME
PRIMARY MARKET AREA



SOURCE: Claritas Inc. U.S. Census Bureau, and JOHNSON GARDNER



EXHIBIT 2.06

DETAILED PRIZM PROFILES




YOUNG DIGERTATI	
	Young Digerati are the nation's tech-savvy singles and couples living in fashionable neighborhoods on the urban fringe. Affluent, highly educated and ethnically mixed, Young Digerati communities are typically filled with trendy apartments and condos, fitness clubs and clothing boutiques, casual restaurants and all types of bars--from juice to coffee to microbrew.
Percent of U.S. Households: 1.23% Percent of Local Households: 11.39% Median Household Income: \$80,782	<p style="text-align: center;"><i>Typical Demographic Traits:</i></p> <p><i>Urbanicity:</i> Urban Dwellers</p> <p><i>Typical Ethnic Diversity:</i> White, Asian, Hispanic</p> <p><i>Presence of Children:</i> Family Mix</p> <p><i>Typical Age Range:</i> 25-44 years</p> <p><i>Education Level:</i> Graduate Degree or hihger</p> <p><i>Occupation Type:</i> Professional</p> <p><i>Homeownership:</i> Mix of owners and renters</p>
<p><i>Principal Lifestyle Traits & Preferences:</i></p> <ul style="list-style-type: none"> • Shops at stores similar to Banana Republic • Orders clothing online from J Crew • Recieves "Elle Décor" magazine • Watches independent films • Drives a Range Rover or similar SUV 	
MONEY & BRAINS	
	The residents of Money & Brains seem to have it all: high incomes, advanced degrees and sophisticated tastes to match their credentials. Many of these city dwellers--predominantly white with a high concentration of Asian Americans--are married couples with few children who live in fashionable homes on small, manicured lots.
Percent of U.S. Households: 2.02% Percent of Local Households: 17.83% Median Household Income: \$84,506	<p style="text-align: center;"><i>Typical Demographic Traits:</i></p> <p><i>Urbanicity:</i> Urban Dweller</p> <p><i>Typical Ethnic Diversity:</i> White, Asian, Hispanic</p> <p><i>Presence of Children:</i> Family Mix</p> <p><i>Typical Age Range:</i> 45-64 years</p> <p><i>Education Level:</i> Graduate Degree or higher</p> <p><i>Occupation Type:</i> Professional</p> <p><i>Homeownership:</i> Mostly Owners</p>
<p><i>Principal Lifestyle Traits & Preferences:</i></p> <ul style="list-style-type: none"> • Shops at stores similar to Nordstrom • Eats at California Pizza Kitchen • Reads the Sunday newspaper • Watches the Wall Street Week TV • Drives a Mercedes Benz E-Class or similar 	
BOHEMIAN MIX	
	A collection of young, mobile urbanites, Bohemian Mix represents the nation's most liberal lifestyles. Its residents are a progressive mix of young singles and couples, students and professionals, Hispanics, Asians, African-Americans and whites. In their funky rowhouses and apartments, Bohemian Mixers are the early adopters who are quick to check out the latest movie, nightclub, laptop and microbrew.
Percent of U.S. Households: 1.79% Percent of Local Households: 8.28% Median Household Income: \$51,588	<p style="text-align: center;"><i>Typical Demographic Traits:</i></p> <p><i>Urbanicity:</i> Urban Dwellers</p> <p><i>Typical Ethnic Diversity:</i> White, Black, Asian, Hispanic</p> <p><i>Presence of Children:</i> Family Mix</p> <p><i>Typical Age Range:</i> Less than 55 years</p> <p><i>Education Level:</i> College Graduate</p> <p><i>Occupation Type:</i> White Collar</p> <p><i>Homeownership:</i> Likely Renters</p>
<p><i>Principal Lifestyle Traits & Preferences:</i></p> <ul style="list-style-type: none"> • Eats at restaurants similar to Bertucci's • Buys Spanish/Latin music • Recieves "New York" magazine • Watches the Style Channel • Drives a Mini Cooper or similar 	



EXHIBIT 2.06

DETAILED PRIZM PROFILES




THE COSMOPOLITANS		
	Educated, midscale and multi-ethnic, The Cosmopolitans are urbane couples in America's fast-growing cities. Concentrated in a handful of metros--such as Las Vegas, Miami and Albuquerque--these households feature older home-owners, empty-nesters and college graduates. A vibrant social scene surrounds their older homes and apartments, and residents love the nightlife and enjoy leisure-intensive lifestyles.	
Percent of U.S. Households:	1.17%	Typical Demographic Traits:
Percent of Local Households:	3.92%	
Median Household Income:	\$54,229	
Principal Lifestyle Traits & Preferences:	<ul style="list-style-type: none"> • Shop's at Macy's • Travels to Central/South America • Recieves "Harper's Bazaar" magazine • Watches ABC world News • Drives an Infiniti I35 or similar 	<ul style="list-style-type: none"> <i>Urbanicity:</i> Urban <i>Typical Ethnic Diversity:</i> White, Black, Asian <i>Presence of Children:</i> Mostly without kids <i>Typical Age Range:</i> Greater than 55 years <i>Education Level:</i> Some College <i>Occupation Type:</i> White Collar <i>Homeownership:</i> Howeowners
AMERICAN DREAMS		
	American Dreams is a living example of how ethnically diverse the nation has become: more than half the residents are Hispanic, Asian or African-American. In these multilingual neighborhoods--one in ten speaks a language other than English--middle-aged immigrants and their children live in middle-class comfort.	
Percent of U.S. Households:	2.18%	Typical Demographic Traits:
Percent of Local Households:	10.13%	
Median Household Income:	\$52,863	
Principal Lifestyle Traits & Preferences:	<ul style="list-style-type: none"> • Likes to go ice-skating • Likes to go sailing • Reads the Sunday newspaper • Recieves "Ebony" magazine • Drives a Lexus IS300 or similar 	<ul style="list-style-type: none"> <i>Urbanicity:</i> Urban Dwellers <i>Typical Ethnic Diversity:</i> White, Black, Asian, Hispanic <i>Presence of Children:</i> Mostly with kids <i>Typical Age Range:</i> 35-54 years <i>Education Level:</i> Some College <i>Occupation Type:</i> White Collar and Service <i>Homeownership:</i> Homeowners
URBAN ACHIEVERS		
	Concentrated in the nation's port cities, Urban Achievers is often the first stop for up-and-coming immigrants from Asia, South America and Europe. These young singles and couples are typically college-educated and ethnically diverse: about a third are foreign-born, and even more speak a language other than English.	
Percent of U.S. Households:	1.52%	Typical Demographic Traits:
Percent of Local Households:	25.34%	
Median Household Income:	\$34,365	
Principal Lifestyle Traits & Preferences:	<ul style="list-style-type: none"> • Reads "American Photo" • Reads "The Source" • Recieves "Spin" magazine • Watches Jerry Springer • Drives a Volkswagon GTI or similar 	<ul style="list-style-type: none"> <i>Urbanicity:</i> Urban <i>Typical Ethnic Diversity:</i> White, Black, Asian <i>Presence of Children:</i> Family <i>Typical Age Range:</i> Less than 45 years <i>Education Level:</i> Some College <i>Occupation Type:</i> White Collar, Service <i>Homeownership:</i> Renters



EXHIBIT 2.06

DETAILED PRIZM PROFILES







CLOSE-IN COUPLES		
	Close-In Couples is a group of predominantly older, African-American couples living in older homes in the urban neighborhoods of mid-sized metros. High school educated and empty nesting, these 55-year-old-plus residents typically live in older city neighborhoods, enjoying secure and comfortable retirements.	
Percent of U.S. Households:	1.18%	Typical Demographic Traits:
Percent of Local Households:	3.60%	
Median Household Income:	\$39,220	
Principal Lifestyle Traits & Preferences:	<ul style="list-style-type: none"> • Shops at Macy's • Eats at restaurants like Denny's • Reads the Sunday newspaper • Watches the People's Court • Drives a Suzuki Grand Vitara SUV or similar 	<ul style="list-style-type: none"> <i>Urbanicity:</i> Urban Dwellers <i>Typical Ethnic Diversity:</i> White, Black, Asian, Hispanic <i>Presence of Children:</i> Mostly without kids <i>Typical Age Range:</i> Greater than 55 years <i>Education Level:</i> Some College <i>Occupation Type:</i> Mostly Retired <i>Homeownership:</i> Homeowners
MULTI-CULTI MOSAIC		
	An immigrant gateway community, Multi-Culti Mosaic is the urban home for a mixed populace of younger Hispanic, Asian and African-American singles and families. With nearly a quarter of the residents foreign born, this segment is a mecca for first-generation Americans who are striving to improve their lower-middle-class status.	
Percent of U.S. Households:	1.71%	Typical Demographic Traits:
Percent of Local Households:	8.05%	
Median Household Income:	\$34,070	
Principal Lifestyle Traits & Preferences:	<ul style="list-style-type: none"> • Likes to go to professional basketball games • Buys Spanish/Latin music • Reads "Jet" magazine • Watches Jerry Springer • Drives a Nissan Sentra or similar 	<ul style="list-style-type: none"> <i>Urbanicity:</i> Urban Dwellers <i>Typical Ethnic Diversity:</i> White, Black, Asian, Hispanic <i>Presence of Children:</i> Mostly with kids <i>Typical Age Range:</i> 35-54 years <i>Education Level:</i> Some College <i>Occupation Type:</i> White Collar, Service <i>Homeownership:</i> Homeowners
URBAN ELDERS		
	For Urban Elders--a segment located in the downtown neighborhoods of such metros as New York, Chicago, Las Vegas and Miami--life is often an economic struggle. These communities have high concentrations of Hispanics and African-Americans, and tend to be downscale, with singles living in older apartment rentals.	
Percent of U.S. Households:	1.32%	Typical Demographic Traits:
Percent of Local Households:	5.31%	
Median Household Income:	\$23,301	
Principal Lifestyle Traits & Preferences:	<ul style="list-style-type: none"> • Eats at Fast Food Restaurants • Buys gospel music • Watches ABC World News • Watches daytime TV • Drives a Toyota Corolla or similar 	<ul style="list-style-type: none"> <i>Urbanicity:</i> Urban Dwellers <i>Typical Ethnic Diversity:</i> White, Black, Asian, Hispanic <i>Presence of Children:</i> Mostly without kids <i>Typical Age Range:</i> Greater than 55 years <i>Education Level:</i> Some High School <i>Occupation Type:</i> Mostly Retired <i>Homeownership:</i> Renters



EXHIBIT 2.06

DETAILED PRIZM PROFILES

CITY ROOTS		
	Found in urban neighborhoods, City Roots is a segment of lower-income retirees, typically living in older homes and duplexes they've owned for years. In these ethnically diverse neighborhoods--more than a third are African-American and Hispanic--residents are often widows and widowers living on fixed incomes and maintaining low-key lifestyles.	
Percent of U.S. Households:	1.15%	Typical Demographic Traits:
Percent of Local Households:	4.14%	
Median Household Income:	\$26,943	
Principal Lifestyle Traits & Preferences:	<ul style="list-style-type: none"> • Watches Daytime TV • Travels to Central/South America • Receives Essence Magazine • Watches CBS Face the Nation • Drives a Hyundai Accent or similar 	<ul style="list-style-type: none"> <i>Urbanicity:</i> Urban Dwellers <i>Typical Ethnic Diversity:</i> White, Black, Hispanic <i>Presence of Children:</i> Mostly without kids <i>Typical Age Range:</i> Greater than 65 years <i>Education Level:</i> Some High School <i>Occupation Type:</i> Mostly Retired <i>Homeownership:</i> Homeowners
BIG CITY BLUES		
	With a population that's 50 percent Latino, Big City Blues has the highest concentration of Hispanic Americans in the nation. But it's also the multi-ethnic address for downscale Asian and African-American households occupying older inner-city apartments. Concentrated in a handful of major metros, these young singles and single-parent families face enormous challenges: low incomes, uncertain jobs and modest educations. More than 40 percent haven't finished high school.	
Percent of U.S. Households:	1.12%	Typical Demographic Traits:
Percent of Local Households:	1.33%	
Median Household Income:	\$29,946	
Principal Lifestyle Traits & Preferences:	<ul style="list-style-type: none"> • Buys Spanish/Latin music • Eats at Sizzler or similar restaurant • Receives "Jet" magazine • Watches the "Maury" Show • Drives a Nissan Sentra or similar 	<ul style="list-style-type: none"> <i>Urbanicity:</i> Urban Dwellers <i>Typical Ethnic Diversity:</i> White, Black, Asian, Hispanic <i>Presence of Children:</i> Family <i>Typical Age Range:</i> Less than 45 years <i>Education Level:</i> Some High School <i>Occupation Type:</i> White Collar, Service <i>Homeownership:</i> Renters
LOW-RISE LIVING		
	The most economically challenged urban segment, Low-Rise Living is known as a transient world for young, ethnically diverse singles and single parents. Home values are low--about half the national average--and even then less than a quarter of residents can afford to own real estate. Typically, the commercial base of Mom-and-Pop stores is struggling and in need of a renaissance.	
Percent of U.S. Households:	1.43%	Typical Demographic Traits:
Percent of Local Households:	0.69%	
Median Household Income:	\$22,821	
Principal Lifestyle Traits & Preferences:	<ul style="list-style-type: none"> • Watches syndicated TV • Eats at Fast Food restaurants • Reads Ebony Magazine • Watches the BET Network • Drives a Hyundai Accent or similar 	<ul style="list-style-type: none"> <i>Urbanicity:</i> Urban <i>Typical Ethnic Diversity:</i> White, Black, Hispanic <i>Presence of Children:</i> Mostly Households with kids <i>Typical Age Range:</i> Less than 45 years <i>Education Level:</i> Some High School <i>Occupation Type:</i> White Collar, Service <i>Homeownership:</i> Renters

SOURCE: Claritas

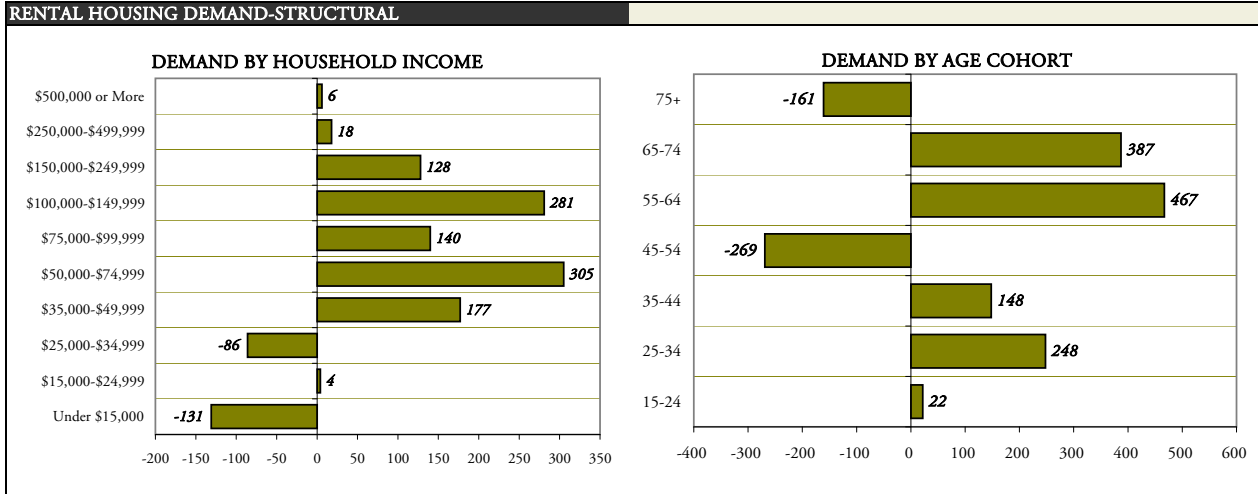
EXHIBIT 2.07

RENTAL DEMAND
BY AGE AND INCOME COHORT
PRIMARY MARKET AREA
2007-2012

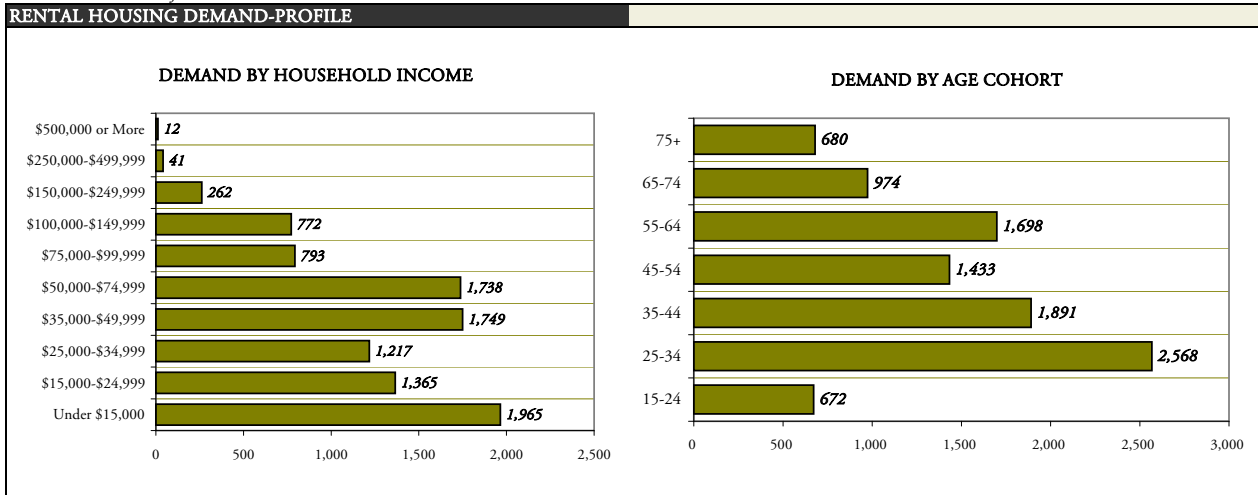
Household Income Range 1/	Total	Age of Householder						
		15-24	25-34	35-44	45-54	55-64	65-74	75+
RENTER PROPENSITY								
Under \$15,000	93.3%	98.28%	96.8%	94.1%	92.6%	91.1%	90.7%	91.7%
\$15,000-\$24,999	80.6%	92.2%	88.4%	81.5%	77.8%	74.0%	73.1%	75.5%
\$25,000-\$34,999	70.0%	85.0%	79.8%	70.6%	65.7%	60.6%	59.5%	62.6%
\$35,000-\$49,999	59.3%	75.9%	70.1%	60.3%	54.9%	49.5%	48.3%	51.7%
\$50,000-\$74,999	47.2%	62.3%	56.8%	48.3%	43.7%	39.0%	37.9%	40.8%
\$75,000-\$99,999	33.7%	44.7%	40.3%	34.7%	31.7%	28.6%	27.9%	29.8%
\$100,000-\$149,999	25.2%	33.5%	30.2%	26.0%	23.8%	21.5%	20.9%	22.4%
\$150,000-\$249,999	18.2%	24.6%	22.1%	19.0%	17.4%	15.7%	15.3%	16.3%
\$250,000-\$499,999	12.5%	17.4%	15.6%	13.4%	12.1%	10.9%	10.6%	11.4%
\$500,000 or More	8.1%	11.6%	10.3%	8.6%	7.8%	6.9%	6.6%	7.2%
Overall	55.4%	82.6%	63.8%	51.6%	47.7%	48.5%	54.9%	61.9%
RENTAL DEMAND / 07-12								
Under \$15,000	-131	-19	-37	-24	-115	80	92	-108
\$15,000-\$24,999	4	-34	-23	2	-17	70	59	-53
\$25,000-\$34,999	-86	9	-61	-47	-49	33	45	-16
\$35,000-\$49,999	177	8	118	-13	-114	90	84	4
\$50,000-\$74,999	305	45	97	92	-39	58	45	7
\$75,000-\$99,999	140	1	38	24	-15	52	38	2
\$100,000-\$149,999	281	9	83	75	47	51	17	-1
\$150,000-\$249,999	128	2	29	29	30	27	6	5
\$250,000-\$499,999	18	1	3	8	1	5	1	-1
\$500,000 or More	6	0	1	2	2	1	0	0
Overall	842	22	248	148	-269	467	387	-161
RENTER DEMAND PROFILE								
Under \$15,000	1,965	181	308	297	277	437	283	184
\$15,000-\$24,999	1,365	140	313	199	165	244	155	149
\$25,000-\$34,999	1,217	118	362	180	120	192	133	112
\$35,000-\$49,999	1,749	102	601	315	176	272	176	109
\$50,000-\$74,999	1,738	93	508	426	279	228	127	77
\$75,000-\$99,999	793	18	214	183	163	136	56	23
\$100,000-\$149,999	772	16	201	201	173	132	32	17
\$150,000-\$249,999	262	3	54	71	68	47	11	8
\$250,000-\$499,999	41	1	5	14	8	10	1	1
\$500,000 or More	12	0	1	5	4	1	0	0
Overall	9,916	672	2,568	1,891	1,433	1,698	974	680

SOURCE: Claritas & Johnson Gardner

EXHIBIT 2.08
PROJECTED STRUCTURAL HOUSING DEMAND
PRIMARY MARKET AREA
2007-2012



SOURCE: Claritas & Johnson Gardner



SOURCE: Claritas & Johnson Gardner

EXHIBIT 2.09

MAP OF COMPARABLE DEVELOPMENTS

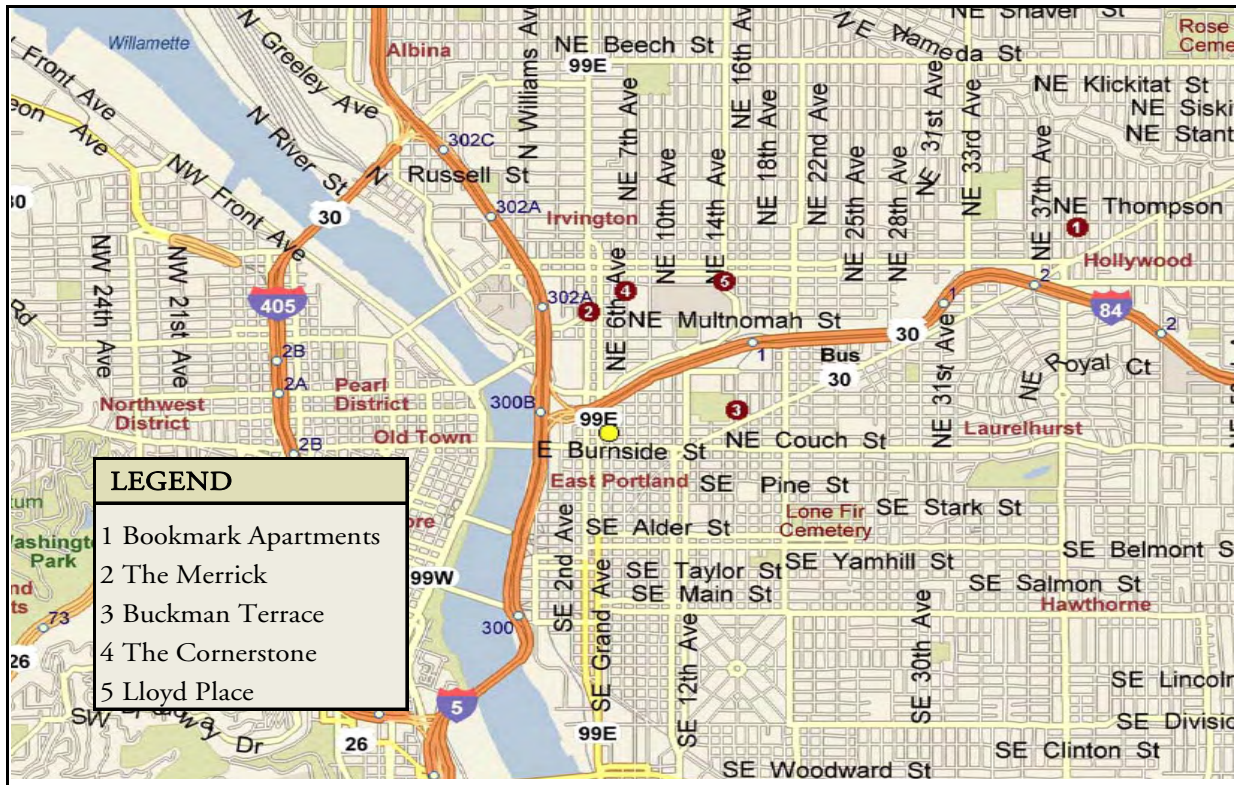


EXHIBIT 2.10

SUMMARY OF SELECTED RENTAL UNITS
CLOSE-IN EASTSIDE
PORTLAND, OREGON

Project Name/ Location	Unit Characteristics				Rent Characteristics				Comments/Trends			
	Year Built	Total	Type	Sq. Ft.	Unit Mix	Units Available	Occupancy Rate (%)	Gross Rent		Rent Concessions	Effective Rent	Price Per Sq. Ft.
The Bookmark Apartments 2034 NE 40th Avenue Portland, OR 97212 503-335-8400	2002	2	Loft/1b	832	7%	0	100%	\$1,150	\$0	\$1,150	\$1.38	Rents have increased by an average of \$50 per unit and occupancy among market-rate units has remained at 100%. Two affordable units will be available at \$709 per month.
		15	1B/1b	637	54%	0	100%	\$900	\$0	\$900	\$1.41	
		2	1B/1b	817	7%	0	100%	\$1,088	\$0	\$1,088	\$1.33	
		4	2B/1b	960	14%	0	100%	\$1,250	\$0	\$1,250	\$1.30	
		5	2B/2b	933	18%	0	100%	\$1,250	\$0	\$1,250	\$1.34	
		28	Total	763		0	100%	\$1,044	\$0	\$1,044	\$1.37	
The Merrick 1231 NE MLK Jr. Blvd. Portland, OR 97232 503-231-0716	2004	14	Studio/1b	509	8%	0	100%	\$860	\$0	\$860	\$1.69	Overall, rents have escalated by 5% over the last year and the project has still maintained 95% occupancy during 2006-2007.
		15	Studio/1b	522	8%	0	100%	\$886	\$0	\$886	\$1.70	
		61	1B/1b	645	33%	0	100%	\$930	\$0	\$930	\$1.44	
		61	1B/1b	706	33%	1	98%	\$1,320	\$0	\$1,320	\$1.87	
		17	2B/2b	930	9%	3	82%	\$1,500	\$0	\$1,500	\$1.61	
		17	2B/2b	1,184	9%	6	65%	\$1,760	\$0	\$1,760	\$1.49	
		185	Total	721		10	95%	\$1,178	\$0	\$1,178	\$1.64	
Buckman Terrace 303 NE 16th Avenue Portland, OR 97232 503-230-9000	2000	4	Studio/1b	540	3%	0	100%	\$730	\$0	\$730	\$1.35	Rents have increased from \$70 to \$110 over the last year, with the larger increases going to the smaller one-bedrooms and studios. Occupancy was 100% in 2006 and has been around 98% for 2007.
		7	1B/1b	553	6%	0	100%	\$730	\$0	\$730	\$1.32	
		55	1B/1b	660	45%	1	98%	\$760	\$0	\$760	\$1.15	
		55	1B/1b	860	45%	1	98%	\$825	\$0	\$825	\$0.96	
		1	2B/2b	895	1%	0	100%	\$1,150	\$0	\$1,150	\$1.28	
		122	Total	742		2	98%	\$790	\$0	\$790	\$1.06	
The Cornerstone 1425 NE 7th Avenue Portland, OR 97232 503-235-2869	1999	7	Studio/1b	680	6%	0	100%	\$925	\$0	\$925	\$1.36	Rents have increased on average about 21% from 2006 to 2007. The larger studio units had a rent increase of \$280 over the last year.
		8	Studio/1b	745	7%	0	100%	\$1,075	\$0	\$1,075	\$1.44	
		67	1B/1b	648	59%	0	100%	\$925	\$0	\$925	\$1.43	
		8	1B/1b	700	7%	0	100%	\$1,075	\$0	\$1,075	\$1.54	
		24	2B/1b	964	21%	1	96%	\$1,275	\$0	\$1,275	\$1.32	
		114	Total	727		1	99%	\$1,020	\$0	\$1,020	\$1.40	
Lloyd Place 1500 NE 15th Avenue Portland, OR 97232 503-331-1234	1996	16	1B/1b	651	8%	0	100%	\$945	\$0	\$945	\$1.45	Since 2006 rents have increased by about 10% overall.
		76	1B/1b	704	38%	0	100%	\$900	\$0	\$900	\$1.28	
		2	1B/1b	790	1%	0	100%	\$1,020	\$0	\$1,020	\$1.29	
		4	1B/1b	858	2%	0	100%	\$1,175	\$0	\$1,175	\$1.37	
		19	2B/2b	932	9%	2	89%	\$1,175	\$0	\$1,175	\$1.26	
		71	2B/2b	985	35%	1	99%	\$1,275	\$0	\$1,275	\$1.29	
		8	2B/2b	1,090	4%	1	88%	\$1,400	\$0	\$1,400	\$1.28	
		6	2B/2b	1,144	3%	0	100%	\$1,550	\$0	\$1,550	\$1.35	
		202	Total	852		4	98%	\$1,107	\$0	\$1,107	\$1.30	
All Surveyed Units												
Studio/1b		48	-	599	7%	0	100%	\$895	\$0	\$895	\$1.49	
Loft/1b		2	-	832	0%	0	100%	\$1,150	\$0	\$1,150	\$1.38	
1B/1b		429	-	710	66%	3	99%	\$969	\$0	\$969	\$1.36	
2B/1b		28	-	962	4%	1	96%	\$1,263	\$0	\$1,263	\$1.31	
2B/2b		144	-	1,012	22%	13	91%	\$1,383	\$0	\$1,383	\$1.37	
Total/Average		651		780		17	97%	\$1,068	\$0	\$1,068	\$1.37	

SOURCE: Johnson Gardner

EXHIBIT 2.11

AMENITIES OF SELECTED RENTAL UNITS
CLOSE-IN EASTSIDE

Project Name/ Location	Parking Type/ Monthly Charge	Laundry Amenities	Kitchen Amenities	Paid Utilities	Pets Allowed	Patios/ Balconies	Pool	Other Amenities
The Bookmark Apartments 2034 NE 40th Avenue Portland, OR 97212 503-335-8400	Onsite Parking	Washer/Dryer In Unit Laundry Facilities	Refrigerator Stove Dishwasher Garbage Disposal	Garbage Water Sewer	Breed Restrictions \$300 Deposit \$300 Fee Per Pet	Select Units	No	Controlled Access 9' Ceilings Walk-In Closets Picnic/BBQ Area Atop Library
The Merrick 1231 NE MLK Jr. Blvd. Portland, OR 97232 503-231-0716	Underground Parking \$85 per Month	Washer/Dryer In Unit	Refrigerator Stove Dishwasher Garbage Disposal Microwave	None	Cats & Dogs Under 20 Lbs. \$100 Deposit \$250-\$350 Fee	Yes	No Pool Spa	Air Conditioning 9' Ceilings Onsite Dry Cleaning Rooftop Terrace Fitness Center
Buckman Terrace 303 NE 16th Avenue Portland, OR 97232 503-230-9000	Underground Parking \$50 per Month Onstreet Parking	Facilities On Each Floor	Refrigerator Stove Dishwasher Garbage Disposal	Garbage	Yes Under 65 Lbs \$150 Fee \$200 Deposit	Select Units	No	Controlled Access Fitness Center Sun Terraces Walk-In Closets Adjacent to Park
The Cornerstone 1425 NE 7th Avenue Portland, OR 97232 503-235-2869	Underground Parking \$85 Single \$110 Tandem	Washer/Dryer In Unit	Refrigerator Stove Dishwasher Garbage Disposal Microwave	None	Yes \$300 Deposit	Select Units	No	Controlled Access Fitness Center Air Conditioning Walk-In Closets
Lloyd Place 1500 NE 15th Avenue Portland, OR 97232 503-331-1234	Underground Parking \$90 Single \$110 Tandem	Washer/Dryer In Unit	Refrigerator Stove Dishwasher Garbage Disposal Microwave	Garbage Recycling	Cats Only \$200 Fee	Select Units	No	Controlled Access Fitness Center Walk-In Closets



EXHIBIT 2.12

RENTAL SUMMARY BY PROPERTY
 SELECTED COMPARABLE PROPERTIES
 CLOSE-IN EASTSIDE

Location/ Project	Address	Year Built	Number of Units	Occupancy	Average Unit Size (Sq. Ft.)	Average Effective Rent	Price Per Sq. Ft.
<i>Luxury Apartments</i>							
The Bookmark Apartments	2034 NE 40th Ave.	2002	28	100%	763	\$1,044	\$1.37
The Merrick	1231 NE MLK Jr. Blvd.	2004	185	95%	721	\$1,178	\$1.63
Buckman Terrace	303 NE 16th Avenue	2000	122	98%	742	\$790	\$1.06
Cornerstone	1425 NE 7th Avenue	1999	114	99%	727	\$1,020	\$1.40
Lloyd Place	1500 NE 15th Avenue	1996	202	98%	852	\$1,107	\$1.30
<i>Average/Total</i>			651	98%	769	\$1,050	\$1.37



EXHIBIT 2.13
HYPOTHETICAL UNIT PRICING
MARKET RATE RENTAL APARTMENTS

Unit Type	Unit Mix	Average Unit Size	Effective Rent			Price Per Foot		
			Min	Max	Average	Min	Max	Average
<i>Subject Recommended Pricing</i>								
1B/1b	20%	625	\$950 - \$1,040	\$995	\$1.52 - \$1.66	\$1.59		
1B/1b	30%	675	\$1,010 - \$1,110	\$1,060	\$1.50 - \$1.64	\$1.57		
2B/1b	25%	900	\$1,270 - \$1,410	\$1,340	\$1.41 - \$1.57	\$1.49		
2B/2b	25%	995	\$1,380 - \$1,520	\$1,450	\$1.39 - \$1.53	\$1.46		
<i>Average/Total</i>	<i>100%</i>	<i>801</i>	<i>\$950 - \$1,520</i>	<i>\$1,215</i>	<i>\$1.39 - \$1.66</i>	<i>\$1.52</i>		





The Merrick

Built in 2004

Address/Location

1231 NE MLK Jr. Boulevard
Portland, OR 97232
0.5 Miles North of Subject

Project Description

A mixed-use development featuring 185 luxury rental units with ground-floor retail in the Lloyd District of NE Portland.



Unit Breakdown

#	Type	Sq. Ft.	Price	Price/Ft.	Occupancy
14	Studio/1b	509	\$860	\$1.69	100%
15	Studio/1b	522	\$886	\$1.70	100%
61	1B/1b	645	\$930	\$1.44	100%
61	1B/1b	706	\$1,320	\$1.87	98%
17	2B/2b	930	\$1,500	\$1.61	82%
17	2B/2b	1,184	\$1,760	\$1.49	65%
185	Total	721	\$1,178	\$1.64	95%

Access

The site is nested just off the I-5/I-84 interchange along a major arterial.

Visibility

Visibility is strong with its prominent siting along Martin Luther King Jr. Blvd.

Recent Trends

After struggling in 2004 during its initial lease up, occupancy rose to 98% in 2006. Since then, there have been some rent escalations. Lower occupancy levels on the larger two-bedroom units suggest price sensitivity in the Close-In Eastside market.

Building/Site Configuration

Has five floors of apartments in a U-shape around a landscaped courtyard above retail. Site allows for good city views.

Project Amenities/Details:

- Air Conditioning
- Built-In Microwaves
- Controlled Access
- Fitness Center
- In-Unit Washer/Dryers
- Landscaped Courtyard
- Nine-Foot Ceilings
- Onsite Dry Cleaning Service
- Oversized Windows
- Patios/Balconies
- Pets Under 20 lbs with \$100 Deposit/\$250-\$350 Fee
- Rooftop Terrace with BBQ
- Spa

Surrounding Uses:

The subject site, Rose Garden, a MAX stop, condominiums, and a substantial amount of retail along MLK Jr. Blvd.

Comments:

The Merrick commands the highest rents in the PMA, averaging between \$1.37 and \$1.79 per square foot. Parking at the property is \$85 for a single space. Retail space is currently occupied by a Subway and a Realtor office.



Bookmark Apartments

Built in 2002

Address/Location

2034 NE 40th Avenue
Portland, OR 97212
2 Miles East of Subject

Project Description

The Bookmark Apartments are a mixed-use, mixed-income project with 28 market-rate and 19 affordable units in the Hollywood neighborhood of NE Portland.



Unit Breakdown

#	Type	Sq. Ft.	Price	Price/Ft.	Occupancy
2	Loft/1b	832	\$1,150	\$1.38	100%
15	1B/1b	637	\$900	\$1.41	100%
2	1B/1b	817	\$1,088	\$1.33	100%
4	2B/1b	960	\$1,250	\$1.30	100%
5	2B/2b	933	\$1,250	\$1.34	100%
28	Total	763	\$1,044	\$1.37	100%

Access

Access is good with its Hollywood location near an I-84 interchange and MAX stop.

Visibility

Visibility is average with its location tucked away from Broadway and Sandy Blvd.

Recent Trends

Rents have increased by an average of \$50 per unit and occupancy among market-rate units has remained at 100%. Two of the affordable units will be coming available for \$709 per month.

Building/Site Configuration

Three levels of apartments and a courtyard built over a Multnomah County Library branch with surface parking in the rear.

Project Amenities/Details:

- Above Library
- Breed Restrictions
- Controlled Access
- Dishwashers
- Garbage Disposals
- Hardwoods in Select Units
- Laundry Facilities
- Limited Onsite Parking
- Nine-Foot Ceilings
- Oversized Windows
- Patios/Balconies in Select units
- Pets Allowed with \$300 Deposit and \$150 Fee
- Picnic/BBQ Area
- Walk-In Closets
- Washer/Dryers in Most Units

Surrounding Uses:

Single-family residential, a new condominium project, Hollywood's good selection of commercial amenities.

Comments:

The Bookmark Apartments achieve average rents for their market-rate units, ranging from \$1.30 to \$1.41 per foot, despite the projects quality of construction and appealing location. The perceived value of the project has resulted in consistently high occupancy levels.



The Cornerstone

Built in 1999

Address/Location

1425 NE 7th Avenue.
Portland, OR 97232
0.7 Miles North of Subject



Project Description

A newer market rate apartment complex featuring 114 rental units in the Lloyd District of NE Portland.

Unit Breakdown

#	Type	Sq. Ft.	Price	Price/Ft.	Occupancy
7	Studio/1b	680	\$925	\$1.36	100%
8	Studio/1b	745	\$1,075	\$1.44	100%
67	1B/1b	648	\$925	\$1.43	100%
8	1B/1b	700	\$1,075	\$1.54	100%
24	2B/1b	964	\$1,275	\$1.32	96%
114	Total	727	\$1,020	\$1.40	99%

Access

The location on 7th Ave. just south of Halsey Street, is within walking distance of MAX and the Lloyd Center.

Visibility

Visibility is average due to its more residential setting and lower-profile construction.

Recent Trends

Rents have increased on average about 21% from 2006 to 2007. The larger studio units had a rent increase of \$280 over the last year.

Building/Site Configuration

The 4-story U-shaped building wraps around a courtyard and covers the entire block on the SEC of 7th and Halsey.

Project Amenities/Details:

- Air Conditioning
- Built-In Microwaves
- Controlled Access
- Dishwashers
- Fitness Center
- Fountain
- In-Unit Washer/Dryers
- Landscaped Courtyard
- Patios/Balconies
- Pets Allowed with \$300 Deposit
- Walk-In Closets

Surrounding Uses:

The Lloyd Center, a MAX stop, condominiums, a surface parking lot, and retail along Halsey Street.

Comments:

The Cornerstone commands the lowest rents of the three newer projects observed in the Lloyd District, ranging between \$1.32 and \$1.54 per square foot. This is partially due to the lack of a second bathroom in the two-bedroom units. Parking at the property is \$85 for a singles pace and \$110 for a tandem.



Lloyd Place

Built in 1996

Address/Location

1500 NE 15th Avenue
Portland, OR 97232
1 Mile Northeast of the Subject



Project Description

Lloyd Place, the oldest project surveyed, consists of 202 market-rate rental units and retail in the Lloyd District of NE Portland.

Unit Breakdown

#	Type	Sq. Ft.	Price	Price/Ft.	Occupancy
16	1B/1b	651	\$945	\$1.45	100%
76	1B/1b	704	\$900	\$1.28	100%
2	1B/1b	790	\$1,020	\$1.29	100%
4	1B/1b	858	\$1,175	\$1.37	100%
19	2B/2b	932	\$1,175	\$1.26	89%
71	2B/2b	985	\$1,275	\$1.29	99%
8	2B/2b	1090	\$1,400	\$1.28	88%
6	2B/2b	1,144	\$1,550	\$1.35	100%
202	Total	852	\$1,107	\$1.30	98%

Access

Access is good with its location just south of Weidler Street, east of I-5.

Visibility

Visibility is good due to its large presence along a major arterial at a signaled intersection.

Building/Site Configuration

The 5-story U-shaped buildings wrap around courtyards and have ground-floor retail.

Surrounding Uses:

The 1620 Broadway Condominiums, surface parking lots, and the Lloyd Center.

Comments:

Lloyd Place commands slightly higher rents than the Cornerstone but substantially lower than The Merrick. Rents ranged from \$1.26 to \$1.45 per square foot. As the first project of its time in the neighborhood, it used lower quality materials and has less attractive curb appeal.

Recent Trends

Since 2006 rents have increased by about 10% overall.
Parking rates have increased over the last year to \$90 for a single space and \$110 for tandem.

Project Amenities/Details:

- 24-Hour Fitness Center
- Bay Windows in Select Units
- Built-In Microwaves
- Clubhouse
- Concierge Service
- Conference Facility
- Dishwashers
- In-Unit Washer/Dryers
- Patios/Balconies in Select Units
- Up to Two Cats Allowed with \$200 Fee
- Extra storage available for \$75 per month



Buckman Terrace

Built in 2000

Address/Location

303 NE 16th Avenue
Portland, OR 97232
0.5 Miles East of the Subject



Project Description

Buckman Terrace, just south of the Lloyd District, consists of 122 market-rate rental units in the Buckman neighborhood of NE Portland.

Unit Breakdown

#	Type	Sq. Ft.	Price	Price/Ft.	Occupancy
4	Studio/1b	540	\$730	\$1.35	100%
7	1B/1b	553	\$730	\$1.32	100%
55	1B/1b	660	\$760	\$1.15	98%
55	1B/1b	860	\$825	\$0.96	98%
1	2B/2b	895	\$1,150	\$1.28	100%
122	Total	742	\$790	\$1.06	98%

Access

The project has good access with its location immediately north of Sandy Blvd.

Visibility

There is some frontage along Sandy Blvd. but the project faces a lightly-trafficked 16th Avenue.

Recent Trends

Rents have increased from \$70 to \$110 over the last year, with the larger increases going to the smaller one-bedrooms and studios. Occupancy was 100% in 2006 and has been around 98% for 2007.

Building/Site Configuration

The 5-story linearly-shaped building fills a narrow strip of land between 16th Avenue and Buckman Field.

Project Amenities/Details:

- Adjacent to Park
- Controlled Access
- Dishwashers/Garbage Disposals
- Fitness Center
- Garages Available
- Laundry Facilities on Each Floor
- Patios/Balconies in Select Units
- Pets Under 65 lbs. with \$200 Deposit and \$150 Fee
- Sun Terraces
- Walk-In Closets
- Extra 5 ft. x 3 ft. storage for \$25 per month

Surrounding Uses:

Buckman Field, Benson Tech High School, and depreciated commercial applications along Sandy Blvd.

Comments:

Buckman Terrace commands the lowest rents of all of the projects observed, ranging between \$0.96 and \$1.35 per foot. While the park setting and views are nice, the project lacks in-unit washer/dryers and a close proximity to urban amenities found in the other projects' immediate neighborhoods.

**SUMMARY OF SELECTED RENTAL UNITS
MARKET RATE APARTMENTS
CENTRAL CITY MARKET AREA, PORTLAND, OREGON**

Project Name	Location/Year Built/ Contact Information	Unit Characteristics				Rent Characteristics				Comments		
		Total	Type	Average S.F.	Mix	Units Available	Occupancy Rate (%)	Gross Rent	Concessions		Effective Rent	Rent Per Sq. Ft.
Built Prior to 1990												
Southpark Square	1525 SW Park Ave. Portland, OR 97201 Built in 1988 503-243-1109 Doug	6 8 6 39 39 16 7 30 33 4 1 2 191	Studio/1b Studio/1b Studio/1b 1B/1b 1B/1b 1B/Den/1b 2B/1b 2B/2b 2B/2b 2B/Den/2b 2B/2.1b TH 3B/2.1b Total	369 440 554 595 755 805 805 990 1,206 1,113 1,306 1,386 829	3% 4% 3% 20% 20% 8% 4% 16% 17% 2% 1% 1% 100%	0 0 0 1 0 0 0 1 1 0 0 0 3	100% 100% 100% 97% 100% 100% 100% 97% 97% 100% 100% 100% 98%	\$830 \$915 \$1,040 \$1,250 \$1,600 \$1,500 \$1,525 \$1,720 \$2,300 \$2,080 \$2,250 \$2,650 \$1,611	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$830 \$915 \$1,040 \$1,250 \$1,600 \$1,500 \$1,525 \$1,720 \$2,300 \$2,080 \$2,250 \$2,650 \$1,611	\$2.25 \$2.08 \$1.88 \$2.10 \$2.12 \$1.86 \$1.89 \$1.74 \$1.91 \$1.87 \$1.72 \$1.91 \$1.94	Rent levels are assessed each year in July with rents reportedly increasing by roughly 3% from the previous year.
King Tower	901 SW King Avenue Portland, OR 97205 Built in 1951 503-223-1458 Herb	68 101 1 7 8 185	Studio/1b 1B/1b 2B/1b 2B/1.1b 2B/2b Total	385 555 857 1,000 1,122 536	37% 55% 1% 4% 4% 100%	0 7 1 0 1 9	100% 93% 0% 100% 88% 95%	\$675 \$825 \$1,200 \$1,500 \$1,600 \$831	\$0 \$0 \$0 \$0 \$0 \$0	\$675 \$825 \$1,200 \$1,500 \$1,600 \$831	\$1.75 \$1.49 \$1.40 \$1.50 \$1.43 \$1.55	Unit mix and average rents are based on management estimates. Rents have increased over the past six months though occupancy is down a bit from 97%.
Honeyman Hardware Lofts	514 NW 9th Avenue Portland, OR 97209 Built in 1900 503-517-2775 Sandy	29 19 11 9 5 16 89	Studio/1b Studio/1b Studio/1b 1B/1b Loft 2 Level/1b 2 Level/1b Total	787.5 954 1,035 850 1,042 1,451 993	33% 21% 12% 10% 6% 18% 100%	0 0 0 0 1 1 1	100% 100% 100% 100% 94% 99%	\$910 \$1,133 \$1,450 \$1,158 \$1,408 \$1,980 \$1,270	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$910 \$1,133 \$1,450 \$1,158 \$1,408 \$1,980 \$1,270	\$1.16 \$1.19 \$1.40 \$1.36 \$1.35 \$1.36 \$1.28	Unit mix is averaged as there are seventy different floorplans in this warehouse conversion. Rents have been raised three times this year with an average increase of \$35 in January, \$8 in August, and \$20 in October per unit.



**SUMMARY OF SELECTED RENTAL UNITS
MARKET RATE APARTMENTS
CENTRAL CITY MARKET AREA, PORTLAND, OREGON**

Unit Type/ Year Built	Year Built	Unit Characteristics					Rent Characteristics				
		Total	Type	Sq. Ft.	Unit Mix	Units Available	Occupancy Rate 1/	Gross Rent	Rent Concessions	Effective Rent	Rent Per Sq. Ft.
<u>Built in 1990 or Later</u>											
Studio	2003	48	Studio/1b	539	13%	0	100%	\$1,154	\$0	\$1,154	\$2.14
One Bed/1 Bath	2003	170	1B/1b	714	47%	6	96%	\$1,338	\$0	\$1,338	\$1.87
One Bed/1.1 Bath	2003	14	1B/1.1b	1,169	4%	0	100%	\$1,193	\$0	\$1,193	\$1.02
Two Bed/1.1 Bath	2003	14	2B/1.1b	1,146	4%	0	100%	\$1,250	\$0	\$1,250	\$1.09
Two Bed/2 Bath	2002	119	2B/2b	1,013	33%	5	96%	\$2,023	\$0	\$2,023	\$2.00
Total	2002	365	Total	822	100%	11	97%	\$1,528	\$0	\$1,528	\$1.86
<u>Built Prior to 1990</u>											
Studio	1936	147	Studio/1b	596	32%	0	100%	\$873	\$0	\$873	\$1.47
Loft	1900	30	Loft	1,203	6%	1	97%	\$1,638	\$0	\$1,638	\$1.36
One Bed/1 Bath	1969	195	1B/1b	624	42%	8	96%	\$1,120	\$0	\$1,120	\$1.80
Two Bed/1 Bath	1983	8	2B/1b	812	2%	1	88%	\$1,484	\$0	\$1,484	\$1.83
Two Bed/1.1+ Bath	1981	83	2B/2.1b	1,099	18%	3	96%	\$1,944	\$0	\$1,944	\$1.77
Three Bed/2.1 Bath	1988	2	3B/2.1b	1,386	0%	0	100%	\$2,650	\$0	\$2,650	\$1.91
Total	1956	465	Total	744	100%	13	97%	\$1,235	\$0	\$1,235	\$1.66
<u>All Units</u>											
Studio	1952	195	Studio/1b	582	23%	0	100%	\$942	\$0	\$942	\$1.62
Loft	1900	30	Loft	1,203	4%	1	97%	\$1,638	\$0	\$1,638	\$1.36
One Bedroom	1985	379	One Bedroom	684	46%	14	96%	\$1,221	\$0	\$1,221	\$1.78
Two Bedroom	1994	224	Two Bedroom	1,046	27%	9	96%	\$1,926	\$0	\$1,926	\$1.84
Three Bedroom	1988	2	Three Bedroom	1,386	0%	0	100%	\$2,650	\$0	\$2,650	\$1.91
Total/All Units	1977	830	Total	778	100%	24	97%	\$1,364	\$0	\$1,364	\$1.75

SOURCE: Johnson Gardner



**AMENITIES OF SELECTED RENTAL UNITS
MARKET RATE APARTMENTS
CENTRAL CITY MARKET AREA, PORTLAND, OREGON**

Project Name/ Location	Parking Type/ Monthly Charge	Laundry Amenities	Kitchen Amenities	Paid Utilities	Pets Allowed	Patios/ Balconies	Pool	Other Amenities
Built in 1990 or Later								
Kearney Plaza 931 NW 11th Avenue Portland, OR 97209 503-227-5624	Underground Parking \$105 per Month	Washer/Dryer In Unit Laundry Facilities	Refrigerator Stove Dishwasher Garbage Disposal Microwave	None	Cats Only \$250 Fee \$250 Deposit	Yes	No	Air Conditioning Courtyard Rooftop Terrace Floor-to-Ceiling Windows
10th @ Hoyt 925 NW Hoyt Street Portland, OR 97209 503-222-6841	Underground Parking \$135 per Month	Washer/Dryer In Unit	Refrigerator Stove Dishwasher Garbage Disposal Microwave	None Noted	Yes Under 50 Lbs \$300 Fee \$300 Deposit	Yes	No Pool Spa	Air Conditioning Some Hardwoods Granite Countertops Rooftop Terrace Fitness Center
The Yards at Union Station								
815 NW Naito Parkway Portland, OR 97209 503-478-1695	Garage Parking \$95 per Month	W/D Available Select Units Laundry Facilities	Refrigerator Stove Dishwasher Garbage Disposal	Water Sewer Garbage	Cats Only \$200 Deposit	Yes	No	Controlled Access Clubhouse Four Courtyards Fitness Center Rooftop Terraces
Built Prior to 1990								
Southpark Square								
1525 SW Park Avenue Portland, OR 97201 503-243-2954	Covered \$100/Month	Washer/Dryer Hook-Ups Laundry Facility	Refrigerator Stove Dishwasher Garbage Disposal	Water Garbage Pest Control	Cats Only \$300 Fee	Yes	Spa Sauna Pool	Controlled Access Fitness center
King Towers								
901 SW King Avenue Portland, OR 97205 503-233-1458	Outdoor \$85/month Covered \$95/month	W/D Available Select Units Laundry Facilities	Refrigerator Stove Dishwasher Garbage Disposal Microwave	Water Sewer Garbage Electric Gas	Cats Only \$250 Deposit	Yes	No	Controlled Access Sun Deck Fitness Center Concierge Service
Honeyman Hardware Lofts								
514 NW 9th Avenue Portland, OR 97209 503-517-2775	Underground Parking \$130 per Month	Onsite Facility W/D in Select Units	Refrigerator Stove Dishwasher Garbage Disposal	Water Sewer Garbage	Yes \$100 Deposit \$350 Cat Fee \$450 Dog Fee	Select Units	No	Large Roof-Top Deck Air Conditioning Exposed Beams and Pipes Downtown Views

SOURCE: Johnson Gardner



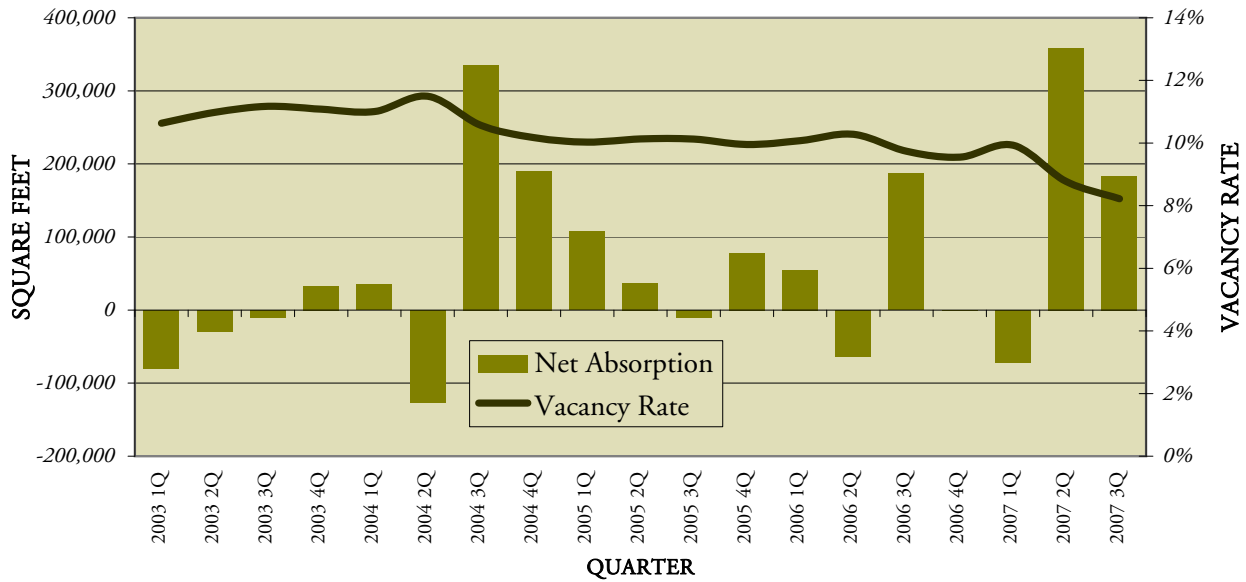
**OFFICE
EXHIBITS**

EXHIBIT 4.01

OVERVIEW OF SUBMARKET TRENDS CENTRAL CITY/LLOYD DISTRICT SUBREGION

	Rentable Area	Absorption		Vacancy		Vacancy	
		Gross	Net	Direct	Sublease	Direct	Total
QUARTERLY TRENDS							
2003 1Q	29,440,931	795,636	(79,830)	3,130,612	578,153	10.63%	12.60%
2003 2Q	29,440,931	644,652	(29,033)	3,232,993	504,805	10.98%	12.70%
2003 3Q	29,440,931	475,343	(9,833)	3,289,798	457,833	11.17%	12.73%
2003 4Q	29,440,931	519,315	33,143	3,262,390	452,098	11.08%	12.62%
2004 1Q	29,440,931	490,866	34,796	3,240,918	438,774	11.01%	12.50%
2004 2Q	29,440,931	329,733	(127,141)	3,384,301	422,532	11.50%	12.93%
2004 3Q	29,440,931	684,093	335,714	3,110,192	360,927	10.56%	11.79%
2004 4Q	29,440,931	584,656	190,016	2,995,651	285,452	10.18%	11.14%
2005 1Q	29,474,291	567,378	107,537	2,956,533	250,393	10.03%	10.88%
2005 2Q	29,474,291	602,691	37,426	2,986,395	183,105	10.13%	10.75%
2005 3Q	29,495,486	673,713	(9,429)	2,987,375	212,749	10.13%	10.85%
2005 4Q	29,495,486	541,448	78,008	2,935,587	186,529	9.95%	10.59%
2006 1Q	29,495,486	563,806	54,698	2,971,398	96,020	10.07%	10.40%
2006 2Q	29,498,786	475,284	(63,570)	3,032,940	101,348	10.28%	10.63%
2006 3Q	29,525,913	611,711	187,089	2,875,258	99,068	9.74%	10.07%
2006 4Q	29,525,913	395,666	(1,042)	2,819,697	155,671	9.55%	10.08%
2007 1Q	29,525,913	476,151	(71,273)	2,932,544	114,097	9.93%	10.32%
2007 2Q	29,525,913	674,484	358,731	2,590,067	97,843	8.77%	9.10%
2007 3Q	29,525,913	569,322	183,526	2,427,923	76,461	8.22%	8.48%

NET ABSORPTION AND VACANCY RATE TRENDS



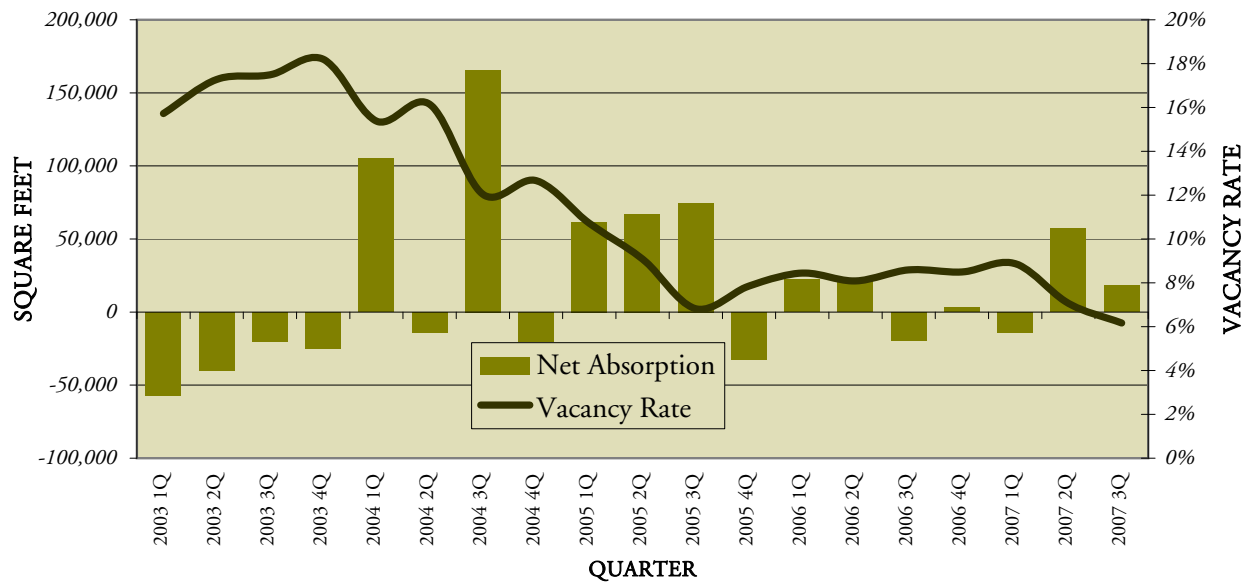
SOURCE: CoStar and Johnson Gardner

EXHIBIT 4.02

OVERVIEW OF SUBMARKET TRENDS LLOYD DISTRICT SUBMARKET

	Rentable Area	Absorption		Vacancy		Vacancy	
		Gross	Net	Direct	Sublease	Direct	Total
QUARTERLY TRENDS							
2003 1Q	3,241,616	18,041	(56,712)	509,623	96,110	15.72%	18.69%
2003 2Q	3,241,616	30,603	(40,152)	560,045	85,840	17.28%	19.92%
2003 3Q	3,241,616	62,294	(20,247)	566,978	99,154	17.49%	20.55%
2003 4Q	3,241,616	23,964	(24,988)	590,171	100,949	18.21%	21.32%
2004 1Q	3,241,616	139,926	104,957	498,587	87,576	15.38%	18.08%
2004 2Q	3,241,616	45,394	(14,057)	523,295	76,925	16.14%	18.52%
2004 3Q	3,241,616	191,091	165,727	390,346	44,147	12.04%	13.40%
2004 4Q	3,241,616	11,682	(19,850)	410,521	43,822	12.66%	14.02%
2005 1Q	3,241,616	104,098	61,451	347,418	45,474	10.72%	12.12%
2005 2Q	3,241,616	84,420	66,991	294,318	31,583	9.08%	10.05%
2005 3Q	3,262,811	126,476	74,652	222,535	49,909	6.82%	8.35%
2005 4Q	3,262,811	54,413	(32,728)	256,208	48,964	7.85%	9.35%
2006 1Q	3,262,811	93,512	22,194	275,482	7,496	8.44%	8.67%
2006 2Q	3,266,111	42,896	22,199	264,079	0	8.09%	8.09%
2006 3Q	3,266,111	41,475	(19,182)	280,604	2,657	8.59%	8.67%
2006 4Q	3,266,111	44,652	3,099	277,505	2,657	8.50%	8.58%
2007 1Q	3,266,111	66,013	(14,226)	289,785	4,603	8.87%	9.01%
2007 2Q	3,266,111	82,930	57,219	230,849	6,320	7.07%	7.26%
2007 3Q	3,266,111	43,040	18,192	201,435	17,542	6.17%	6.70%

NET ABSORPTION AND VACANCY RATE TRENDS



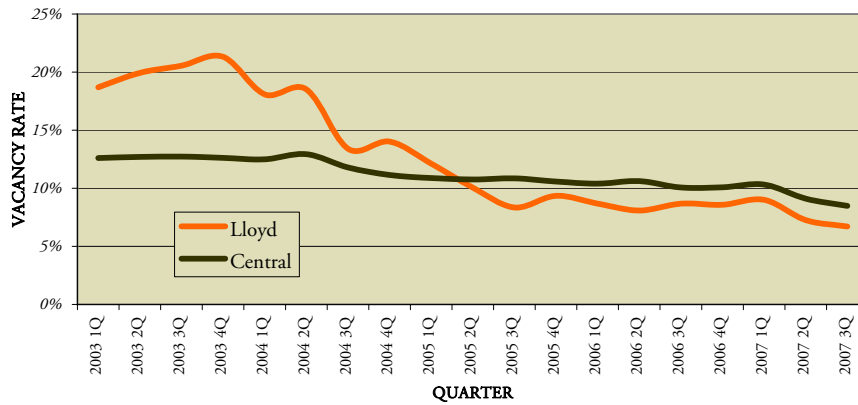
SOURCE: CoStar and Johnson Gardner

EXHIBIT 4.03

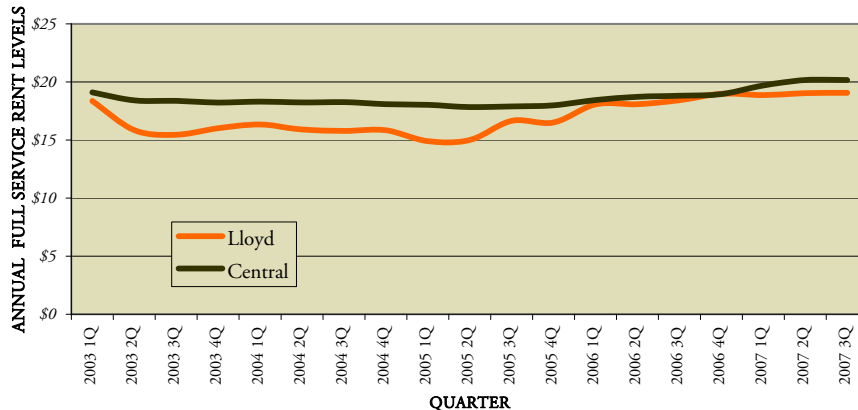
COMPARISON OF SUBMARKET TRENDS
CENTRAL CITY AND LLOYD DISTRICT SUBMARKET

	Vacancy Rate		Gross Absorption		Rent Levels (Full Service)	
	Central	Lloyd	Central	Lloyd	Central	Lloyd
QUARTERLY TRENDS						
2003 1Q	12.6%	18.7%	795,636	18,041	\$19.11	\$18.36
2003 2Q	12.7%	19.9%	644,652	30,603	\$18.41	\$15.86
2003 3Q	12.7%	20.5%	475,343	62,294	\$18.37	\$15.46
2003 4Q	12.6%	21.3%	519,315	23,964	\$18.23	\$16.02
2004 1Q	12.5%	18.1%	490,866	139,926	\$18.30	\$16.33
2004 2Q	12.9%	18.5%	329,733	45,394	\$18.24	\$15.91
2004 3Q	11.8%	13.4%	684,093	191,091	\$18.26	\$15.78
2004 4Q	11.1%	14.0%	584,656	11,682	\$18.09	\$15.84
2005 1Q	10.9%	12.1%	567,378	104,098	\$18.03	\$14.90
2005 2Q	10.8%	10.1%	602,691	84,420	\$17.84	\$15.00
2005 3Q	10.8%	8.3%	673,713	126,476	\$17.89	\$16.65
2005 4Q	10.6%	9.4%	541,448	54,413	\$17.99	\$16.51
2006 1Q	10.4%	8.7%	563,806	93,512	\$18.45	\$18.07
2006 2Q	10.6%	8.1%	475,284	42,896	\$18.72	\$18.09
2006 3Q	10.1%	8.7%	611,711	41,475	\$18.82	\$18.43
2006 4Q	10.1%	8.6%	395,666	44,652	\$18.96	\$18.98
2007 1Q	10.3%	9.0%	476,151	66,013	\$19.70	\$18.87
2007 2Q	9.1%	7.3%	674,484	82,930	\$20.16	\$19.04
2007 3Q	8.5%	6.7%	569,322	43,040	\$20.17	\$19.07

COMPARISON OF VACANCY RATES



COMPARISON OF RENT LEVELS



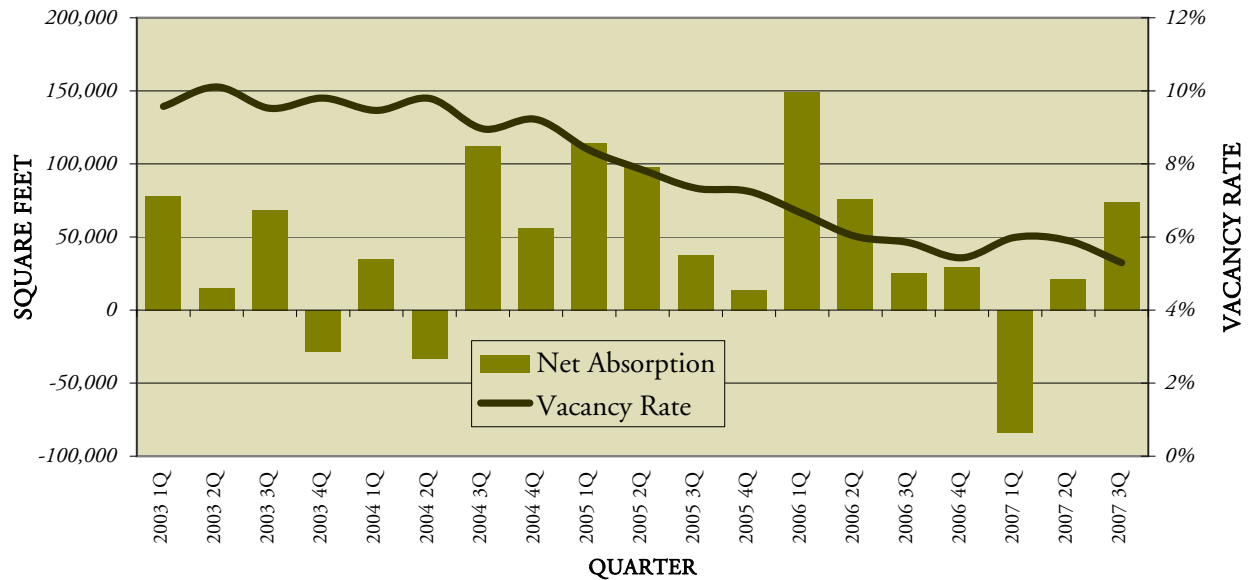
SOURCE: CoStar and Johnson Gardner

EXHIBIT 4.04

OVERVIEW OF SUBMARKET TRENDS CBD/LLOYD DISTRICT SUBREGION - CLASS A SPACE

	Rentable Area	Absorption		Vacancy		Vacancy	
		Gross	Net	Direct	Sublease	Direct	Total
QUARTERLY TRENDS							
2003 1Q	11,827,139	319,292	77,946	1,132,145	341,096	9.57%	12.46%
2003 2Q	11,827,139	155,038	14,992	1,195,377	262,872	10.11%	12.33%
2003 3Q	11,827,139	256,183	68,401	1,126,206	263,642	9.52%	11.75%
2003 4Q	11,827,139	183,269	(28,179)	1,159,331	258,696	9.80%	11.99%
2004 1Q	11,827,139	296,820	34,875	1,119,490	263,662	9.47%	11.69%
2004 2Q	11,827,139	134,621	(33,342)	1,158,094	258,400	9.79%	11.98%
2004 3Q	11,827,139	260,536	112,399	1,059,725	244,370	8.96%	11.03%
2004 4Q	11,827,139	261,308	56,092	1,090,259	157,744	9.22%	10.55%
2005 1Q	11,827,139	336,490	114,322	990,931	142,750	8.38%	9.59%
2005 2Q	11,827,139	263,813	97,497	926,827	109,357	7.84%	8.76%
2005 3Q	11,827,139	218,818	37,764	867,584	130,836	7.34%	8.44%
2005 4Q	11,827,139	194,230	13,872	857,018	127,530	7.25%	8.32%
2006 1Q	11,827,139	228,691	148,896	785,676	49,976	6.64%	7.07%
2006 2Q	11,827,139	148,168	75,562	711,864	48,226	6.02%	6.43%
2006 3Q	11,827,139	141,888	25,456	691,541	43,093	5.85%	6.21%
2006 4Q	11,827,139	108,206	29,445	642,426	62,763	5.43%	5.96%
2007 1Q	11,827,139	128,347	(83,693)	708,551	80,331	5.99%	6.67%
2007 2Q	11,827,139	132,327	21,365	697,905	69,612	5.90%	6.49%
2007 3Q	11,827,139	202,162	73,820	626,368	67,329	5.30%	5.87%

NET ABSORPTION AND VACANCY RATE TRENDS



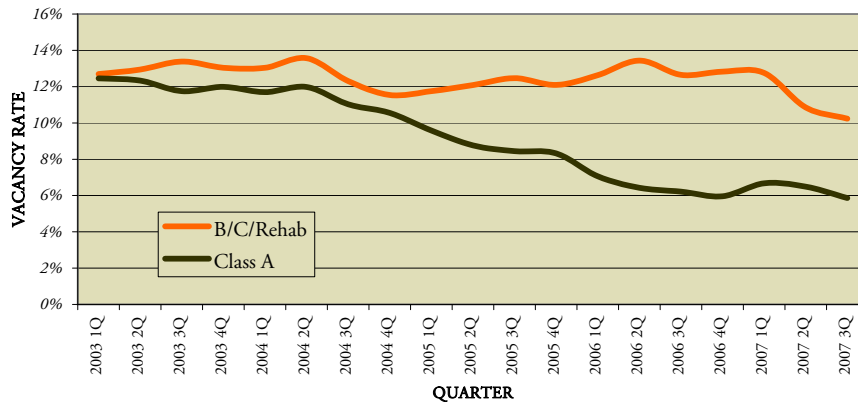
SOURCE: CoStar and Johnson Gardner

EXHIBIT 4.05

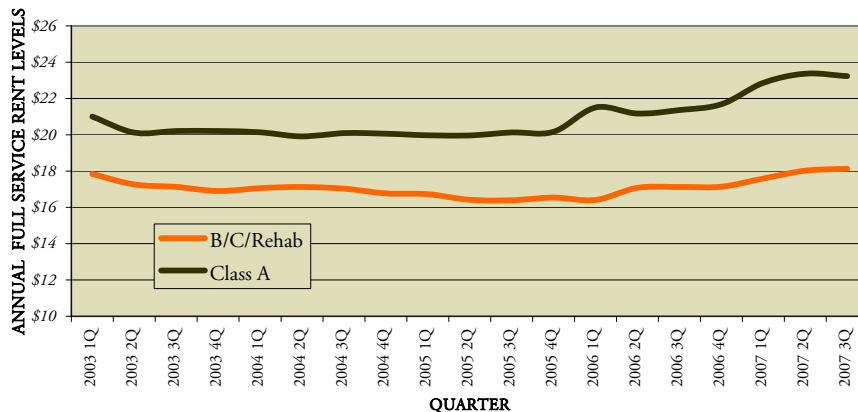
COMPARISON OF CLASS A VS. OTHER TRENDS CENTRAL CITY AND LLOYD DISTRICT SUBMARKET

	Vacancy Rate		Gross Absorption		Rent Levels (Full Service)	
	Class A	B/C/Rehab	Class A	B/C/Rehab	Class A	B/C/Rehab
QUARTERLY TRENDS						
2003 1Q	12.5%	12.7%	319,292	476,344	\$21.00	\$17.84
2003 2Q	12.3%	12.9%	155,038	489,614	\$20.12	\$17.26
2003 3Q	11.8%	13.4%	256,183	219,160	\$20.21	\$17.13
2003 4Q	12.0%	13.0%	183,269	336,046	\$20.21	\$16.90
2004 1Q	11.7%	13.0%	296,820	194,046	\$20.14	\$17.06
2004 2Q	12.0%	13.6%	134,621	195,112	\$19.91	\$17.12
2004 3Q	11.0%	12.3%	260,536	423,557	\$20.09	\$17.03
2004 4Q	10.6%	11.5%	261,308	323,348	\$20.06	\$16.77
2005 1Q	9.6%	11.7%	336,490	230,888	\$19.97	\$16.73
2005 2Q	8.8%	12.1%	263,813	338,878	\$19.96	\$16.42
2005 3Q	8.4%	12.5%	218,818	454,895	\$20.13	\$16.39
2005 4Q	8.3%	12.1%	194,230	347,218	\$20.16	\$16.54
2006 1Q	7.1%	12.6%	228,691	335,115	\$21.50	\$16.41
2006 2Q	6.4%	13.4%	148,168	327,116	\$21.17	\$17.08
2006 3Q	6.2%	12.7%	141,888	469,823	\$21.36	\$17.12
2006 4Q	6.0%	12.8%	108,206	287,460	\$21.68	\$17.14
2007 1Q	6.7%	12.8%	128,347	347,804	\$22.86	\$17.59
2007 2Q	6.5%	10.9%	132,327	542,157	\$23.36	\$18.02
2007 3Q	5.9%	10.2%	202,162	367,160	\$23.23	\$18.13

COMPARISON OF VACANCY RATES



COMPARISON OF RENT LEVELS



SOURCE: CoStar and Johnson Gardner

EXHIBIT 4.06

**RECENT & PROJECTED COVERED EMPLOYMENT
MULTNOMAH-WASHINGTON-CLACKAMAS COUNTIES
2004-2016**

Medium Growth Scenario		Projected 1/				2006-2016	
Employment Sector	2004	2005	2006	2011	2016	New Jobs	Rate
Construction	40,820	41,497	42,186	45,807	49,744	7,558	17.9%
Manufacturing	98,500	98,967	99,437	101,818	104,257	4,820	4.8%
Wholesale Trade	49,650	50,194	50,745	53,590	56,596	5,851	11.5%
Retail Trade	82,750	83,923	85,113	91,325	97,995	12,882	15.1%
Transportation, Warehousing & Utilities	31,930	32,492	33,064	36,079	39,369	6,305	19.1%
Information	19,390	19,674	19,962	21,468	23,086	3,124	15.7%
Financial Activities	57,940	58,692	59,453	63,412	67,635	8,182	13.8%
Professional & Business Services	105,650	108,369	111,157	126,217	143,320	32,162	28.9%
Education & Health Services	94,150	96,036	97,960	108,176	119,465	21,506	22.0%
Leisure & Hospitality	71,600	72,805	74,029	80,470	87,472	13,442	18.2%
Other Services	29,040	29,430	29,825	31,881	34,079	4,254	14.3%
Government	102,260	103,305	104,361	109,808	115,544	11,182	10.7%
Total	783,680	795,384	807,293	870,050	938,561	131,268	16.3%
High Growth Scenario		Projected 1/				2006-2016	
Industry	2004	2005	2006	2011	2016	New Jobs	Rate
Construction	40,820	41,560	42,313	46,294	50,650	8,337	19.7%
Manufacturing	98,500	99,012	99,527	102,145	104,832	5,305	5.3%
Wholesale Trade	49,650	50,245	50,848	53,975	57,295	6,447	12.7%
Retail Trade	82,750	84,033	85,336	92,165	99,541	14,205	16.6%
Transportation, Warehousing & Utilities	31,930	32,543	33,167	36,480	40,123	6,955	21.0%
Information	19,390	19,699	20,014	21,667	23,457	3,443	17.2%
Financial Activities	57,940	58,761	59,595	63,945	68,614	9,019	15.1%
Professional & Business Services	105,650	108,609	111,651	128,192	147,184	35,533	31.8%
Education & Health Services	94,150	96,208	98,311	109,539	122,050	23,739	24.1%
Leisure & Hospitality	71,600	72,915	74,254	81,331	89,083	14,829	20.0%
Other Services	29,040	29,465	29,897	32,156	34,586	4,689	15.7%
Government	102,260	103,405	104,562	110,552	116,885	12,322	11.8%
Total	783,680	796,456	809,475	878,442	954,299	144,824	17.9%
Low Growth Scenario		Projected 1/				2006-2016	
Industry	2004	2005	2006	2011	2016	New Jobs	Rate
Construction	40,820	41,434	42,057	45,320	48,836	6,779	16.1%
Manufacturing	98,500	98,921	99,343	101,486	103,675	4,332	4.4%
Wholesale Trade	49,650	50,142	50,638	53,200	55,891	5,253	10.4%
Retail Trade	82,750	83,812	84,889	90,485	96,449	11,561	13.6%
Transportation, Warehousing & Utilities	31,930	32,439	32,956	35,671	38,610	5,654	17.2%
Information	19,390	19,646	19,906	21,261	22,708	2,802	14.1%
Financial Activities	57,940	58,619	59,307	62,871	66,650	7,343	12.4%
Professional & Business Services	105,650	108,123	110,653	124,227	139,466	28,813	26.0%
Education & Health Services	94,150	95,862	97,605	106,812	116,888	19,283	19.8%
Leisure & Hospitality	71,600	72,691	73,799	79,600	85,857	12,058	16.3%
Other Services	29,040	29,392	29,748	31,599	33,565	3,817	12.8%
Government	102,260	103,205	104,158	109,064	114,201	10,042	9.6%
Total	783,680	794,285	805,058	861,594	922,795	117,737	14.6%

1/ Based on Oregon Employment Department employment projections for 2004-2014.

EXHIBIT 4.07

PROJECTIONS OF OFFICE SPACE-UTILIZING EMPLOYMENT BY INDUSTRY SECTOR
 MULTNOMAH-WASHINGTON-CLACKAMAS COUNTIES
 2006-2026

Medium Growth Scenario										
Employment Sector	Total Employment 1/				Office Share 2/	Office Space-Utilizing Employment				
	2006	2011	2016	2026		2006	2011	2016	2026	'06-'26
Construction	42,186	45,807	49,744	58,655	2%	844	916	995	1,173	329
Manufacturing	99,437	101,818	104,257	109,311	5%	4,972	5,091	5,213	5,466	494
Wholesale Trade	50,745	53,590	56,596	63,121	5%	2,537	2,679	2,830	3,156	619
Retail Trade	85,113	91,325	97,995	112,826	5%	4,256	4,566	4,900	5,641	1,386
Transportation, Warehousing & Utilities	33,064	36,079	39,369	46,876	30%	9,919	10,824	11,811	14,063	4,144
Information	19,962	21,468	23,086	26,700	90%	17,966	19,321	20,778	24,030	6,064
Financial Activities	59,453	63,412	67,635	76,943	90%	53,508	57,071	60,872	69,248	15,740
Professional & Business Services	111,157	126,217	143,320	184,788	90%	100,042	113,595	128,988	166,309	66,267
Education & Health Services	97,960	108,176	119,465	145,692	40%	39,184	43,270	47,786	58,277	19,093
Leisure & Hospitality	74,029	80,470	87,472	103,355	40%	29,612	32,188	34,989	41,342	11,730
Other Services	29,825	31,881	34,079	38,940	40%	11,930	12,752	13,632	15,576	3,646
Government	104,361	109,808	115,544	127,924	35%	36,526	38,433	40,440	44,773	8,247
Total	807,293	870,050	938,561	1,095,132	40%	311,295	340,707	373,232	449,054	137,759
High Growth Scenario										
Employment Sector	Total Employment 1/				Office Share 2/	Office Space-Utilizing Employment				
	2006	2011	2016	2026		2006	2011	2016	2026	'06-'16
Total	807,293	878,442	954,299	1,129,836	40%	312,297	344,612	380,660	465,886	153,589
Low Growth Scenario										
Employment Sector	Total Employment 1/				Office Share 2/	Office Space-Utilizing Employment				
	2006	2011	2016	2026		2006	2011	2016	2026	'06-'16
Total	807,293	861,594	922,795	1,060,947	40%	310,267	336,766	365,796	432,525	122,258

1/ From EXHIBIT 1

2/ Metropolitan Services District *Employment Density Study* converted to NAICS by Johnson Gardner

EXHIBIT 4.08

PROJECTIONS OF OFFICE SPACE-UTILIZING EMPLOYMENT BY INDUSTRY SECTOR
MULTNOMAH-WASHINGTON-CLACKAMAS COUNTIES
2006-2026

Medium Growth Scenario	Total Employment 1/				Space per	Projected Office Space Need				
Employment Sector	2006	2011	2016	2026	FTE 2/	2006	2011	2016	2026	'06-'26
Construction	844	916	995	1,173	225	189,836	206,131	223,846	263,949	74,113
Manufacturing	4,972	5,091	5,213	5,466	225	1,118,662	1,145,452	1,172,890	1,229,747	111,084
Wholesale Trade	2,537	2,679	2,830	3,156	225	570,879	602,884	636,703	710,116	139,237
Retail	4,256	4,566	4,900	5,641	225	957,527	1,027,407	1,102,445	1,269,296	311,770
Transportation, Warehousing & Utilities	9,919	10,824	11,811	14,063	225	2,231,819	2,435,314	2,657,412	3,164,164	932,345
Information	17,966	19,321	20,778	24,030	225	4,042,337	4,347,172	4,674,997	5,406,673	1,364,336
Financial Activities	53,508	57,071	60,872	69,248	225	12,039,321	12,841,003	13,696,105	15,580,886	3,541,565
Professional & Business Services	100,042	113,595	128,988	166,309	225	22,509,384	25,558,929	29,022,227	37,419,489	14,910,106
Education & Health Services	39,184	43,270	47,786	58,277	225	8,816,357	9,735,840	10,751,880	13,112,324	4,295,968
Leisure & Hospitality	29,612	32,188	34,989	41,342	225	6,662,652	7,242,319	7,872,457	9,301,940	2,639,288
Other Services	11,930	12,752	13,632	15,576	225	2,684,237	2,869,297	3,067,115	3,504,606	820,368
Government	36,526	38,433	40,440	44,773	225	8,218,447	8,647,386	9,099,055	10,074,020	1,855,573
Total	311,295	340,707	373,232	449,054	225	70,041,457	76,659,133	83,977,132	101,037,210	30,995,753
High Growth Scenario										
Employment Sector	2006	2011	2016	2026	Space per FTE 2/	2006	2011	2016	2026	'06-'26
Total	311,295	344,612	380,660	465,886	225	70,041,457	77,537,703	85,648,523	104,824,400	34,782,943
Low Growth Scenario										
Employment Sector	2006	2011	2016	2026	Space per FTE 2/	2006	2011	2016	2026	'06-'26
Total	311,295	336,766	365,796	432,525	225	70,041,457	75,772,314	82,304,054	97,318,171	27,276,714

1/ Based on 2005 Covered Employment Statistics.

2/ Metropolitan Services District *Employment Density Study* converted to NAICS by Johnson Gardner.

EXHIBIT 4.09
MAP OF SURVEYED OFFICE PROJECTS
OFFICE PRIMARY TRADE AREA

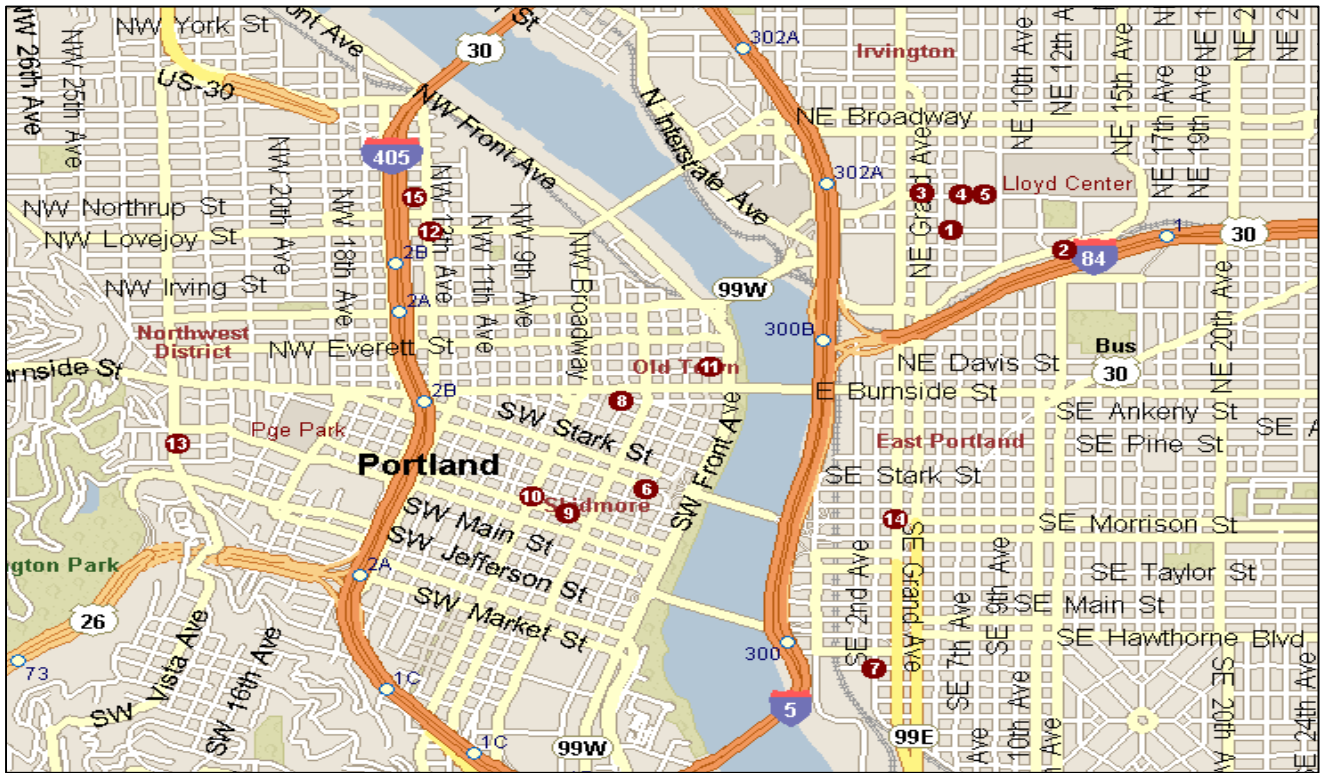


EXHIBIT 4.10

INVENTORY OF SELECTED OFFICE PROJECTS
PRIMARY OFFICE TRADE AREA

Project Name/ Address	Office Class	Year Built/ Renovated	# of Stories	R.B.A	Vacant Sq. Ft.	Typical Floor Size	Max Contig	Smallest Space	Vacancy Rate	Asking Rent
LLOYD DISTRICT										
Liberty Centre										
1 650 NE Holladay Street Portland, OR 97232	Class A	1997	17	270,000	3,990	15,500	3,990	3,990	1.5%	\$27.00
The 1201 Lloyd Building										
2 1201 Lloyd Boulevard Portland, OR 97232	Class A	2002	11	226,410	6,909	20,582	2,358	1,124	3.1%	\$28.00
Kaiser Permanente Building										
3 500 NE Multnomah Street Portland, OR 97232	Class A	1974/1989	16	236,796	0	24,625			0.0%	N/A
Lloyd 700 Building										
4 700 NE Multnomah Street Portland, OR 97232	Class A	1970/1992	16	241,248	25,725	15,662	13,220	984	10.7%	\$18.50
Lloyd Center Tower										
5 825 NE Multnomah Street Portland, OR 97232	Class A	1981	20	428,325	29,285	21,000	22,105	1,009	6.8%	\$24.50
CENTRAL BUSINESS DISTRICT										
ODS Tower										
6 601 SW 2nd Avenue Portland, OR 97204	Class A	1999	24	398,412	0	16,969	0	N/A	0.0%	N/A
US Bancorp Tower & Plaza										
8 111 SW 5th Avenue Portland, OR 97204	Class A	1983	43	1,098,843	97,739	25,554	23,058	846	8.9%	\$23.75
Pioneer Tower										
9 888 SW 5th Avenue Portland, OR 97204	Class A	1990	16	283,000	15,688	263,422	7,341	665	5.5%	\$24.50
Fox Tower										
10 805-855 SW Broadway Portland, OR 97205	Class A	2000	27	438,446	10,219	19,273	7,687	2,532	2.3%	\$21.88
PLANNED AND PROPOSED										
White Stag Block										
11 70 NW Couch Street Portland, OR 97209	Class A	Under Const. (Jan. 2008)	4	117,000	8,850	25,910	7,200	1,650	7.6%	\$26.50
Clay Street Corporate Center										
7 1709 SE 3rd Avenue Portland, OR 97214	Class A	Proposed	4	65,000	65,000	16,250	65,000	16,250	100.0%	Negotiable
The Lovejoy										
12 NW Lovejoy & NW 14th Portland, OR 97210	Class A	Under Const. (Jan. 2008)	3	82,843	82,843	27,614	82,843	27,601	100.0%	Negotiable
First & Main Building										
13 100 SW Main St. Portland, OR 97205	Class A	Under Const. (2010)	16	366,500	351,649	22,906	346,440	5,209	95.9%	Negotiable
Grand Central										
14 SE Morrison Street Portland, OR 97214	Class A	Proposed	6	160,750	160,750	26,791	130,000	10,250	100.0%	Negotiable
Machine Works										
15 1455 NW Northrup Portland, OR 97209	Class A	Under Const. (Oct. 2008)	9	113,000	66,000	12,555	66,000	12,000	58.4%	\$26.50
SUMMARY										
Lloyd District				1,402,779	65,909	19,568	22,105	984	4.7%	\$24.50
Central Business District				2,218,701	123,646	53,112	23,058	665	5.6%	\$23.38
Planned & Proposed				905,093	735,092	22,645	346,440	1,650	81.2%	\$26.50
Overall/Weighted Average				4,526,573	924,647	36,625	346,440	665	20.4%	\$24.35

SOURCE: CoStar



RETAIL MARKET



RMP Opportunity Gap - Retail Stores

Burnside Bridgehead

Radius 1: 0.00 - 1.00 Miles, Total

Retail Stores	Consumer Expenditures	Retail Sales	Opportunity Gap/Surplus	Percent Leakage
Total Retail Sales Incl Eating and Drinking Places	\$368,346,106	\$129,591,214	\$238,754,892	64.8%
Motor Vehicle and Parts Dealers-441	\$69,456,098	\$3,027,032	\$66,429,066	95.6%
Automotive Dealers-4411	\$59,709,163	\$1,295,861	\$58,413,302	97.8%
Other Motor Vehicle Dealers-4412	\$4,348,445	\$18,345	\$4,330,100	99.6%
Automotive Parts/Accsrs, Tire Stores-4413	\$5,398,489	\$1,712,827	\$3,685,662	68.3%
Furniture and Home Furnishings Stores-442	\$10,075,807	\$2,136,537	\$7,939,270	78.8%
Furniture Stores-4421	\$5,343,884	\$650,702	\$4,693,182	87.8%
Home Furnishing Stores-4422	\$4,731,923	\$1,485,835	\$3,246,088	68.6%
Electronics and Appliance Stores-443	\$9,575,255	\$834,367	\$8,740,888	91.3%
Appliances, TVs, Electronics Stores-44311	\$7,366,099	\$674,664	\$6,691,435	90.8%
Household Appliances Stores-443111	\$1,561,268	\$0	\$1,561,268	100.0%
Radio, Television, Electronics Stores-443112	\$5,804,831	\$674,664	\$5,130,167	88.4%
Computer and Software Stores-44312	\$1,863,106	\$159,703	\$1,703,403	91.4%
Camera and Photographic Equipment Stores-44313	\$346,049	\$0	\$346,049	100.0%
Building Material, Garden Equip Stores -444	\$42,107,608	\$15,410,902	\$26,696,706	63.4%
Building Material and Supply Dealers-4441	\$38,318,018	\$15,316,158	\$23,001,860	60.0%
Home Centers-44411	\$14,710,885	\$70,751	\$14,640,134	99.5%
Paint and Wallpaper Stores-44412	\$997,973	\$0	\$997,973	100.0%
Hardware Stores-44413	\$3,104,742	\$4,348,359	(\$1,243,617)	-40.1%
Other Building Materials Dealers-44419	\$19,504,419	\$10,897,048	\$8,607,371	44.1%
Building Materials, Lumberyards-444191	\$6,715,153	\$3,716,016	\$2,999,137	44.7%
Lawn, Garden Equipment, Supplies Stores-4442	\$3,789,590	\$94,744	\$3,694,846	97.5%
Outdoor Power Equipment Stores-44421	\$585,710	\$0	\$585,710	100.0%
Nursery and Garden Centers-44422	\$3,203,879	\$94,744	\$3,109,135	97.0%
Food and Beverage Stores-445	\$43,560,350	\$28,231,166	\$15,329,184	35.2%
Grocery Stores-4451	\$39,218,559	\$20,667,116	\$18,551,443	47.3%
Supermarkets, Grocery (Ex Conv) Stores-44511	\$37,253,291	\$15,650,442	\$21,602,849	58.0%
Convenience Stores-44512	\$1,965,268	\$5,016,674	(\$3,051,406)	-155.3%
Specialty Food Stores-4452	\$1,308,793	\$1,159,456	\$149,337	11.4%
Beer, Wine and Liquor Stores-4453	\$3,032,998	\$6,404,594	(\$3,371,596)	-111.2%
Health and Personal Care Stores-446	\$17,195,620	\$6,271,875	\$10,923,745	63.5%
Pharmacies and Drug Stores-44611	\$14,786,331	\$6,000,879	\$8,785,452	59.4%
Cosmetics, Beauty Supplies, Perfume Stores-44612	\$608,863	\$160,571	\$448,292	73.6%
Optical Goods Stores-44613	\$698,338	\$0	\$698,338	100.0%
Other Health and Personal Care Stores-44619	\$1,102,087	\$110,425	\$991,662	90.0%

SOURCE: Claritas and Johnson Gardner LLC



RMP Opportunity Gap - Retail Stores

Burnside Bridgehead

Radius 1: 0.00 - 1.00 Miles, Total

Retail Stores	Consumer Expenditures	Retail Sales	Opportunity Gap/Surplus	Percent Leakage
Gasoline Stations-447	\$37,008,872	\$12,904,700	\$24,104,172	65.1%
Gasoline Stations With Conv Stores-44711	\$27,946,727	\$5,769,396	\$22,177,331	79.4%
Other Gasoline Stations-44719	\$9,062,145	\$7,135,304	\$1,926,841	21.3%
Clothing and Clothing Accessories Stores-448	\$17,087,202	\$799,094	\$16,288,108	95.3%
Clothing Stores-4481	\$12,027,819	\$324,620	\$11,703,199	97.3%
Men's Clothing Stores-44811	\$777,721	\$4,632	\$773,089	99.4%
Women's Clothing Stores-44812	\$3,090,678	\$210,641	\$2,880,037	93.2%
Childrens, Infants Clothing Stores-44813	\$602,525	\$0	\$602,525	100.0%
Family Clothing Stores-44814	\$6,445,322	\$0	\$6,445,322	100.0%
Clothing Accessories Stores-44815	\$298,675	\$109,347	\$189,328	63.4%
Other Clothing Stores-44819	\$812,898	\$0	\$812,898	100.0%
Shoe Stores-4482	\$2,326,310	\$474,474	\$1,851,836	79.6%
Jewelry, Luggage, Leather Goods Stores-4483	\$2,733,073	\$0	\$2,733,073	100.0%
Jewelry Stores-44831	\$2,529,866	\$0	\$2,529,866	100.0%
Luggage and Leather Goods Stores-44832	\$203,207	\$0	\$203,207	100.0%
Sporting Goods, Hobby, Book, Music Stores-451	\$8,109,542	\$3,123,490	\$4,986,052	61.5%
Sportng Goods, Hobby, Musical Inst Stores-4511	\$5,328,985	\$2,490,852	\$2,838,133	53.3%
Sporting Goods Stores-45111	\$2,762,023	\$1,355,732	\$1,406,291	50.9%
Hobby, Toys and Games Stores-45112	\$1,599,065	\$722,616	\$876,449	54.8%
Sew/Needlework/Piece Goods Stores-45113	\$427,156	\$0	\$427,156	100.0%
Musical Instrument and Supplies Stores-45114	\$540,741	\$412,505	\$128,236	23.7%
Book, Periodical and Music Stores-4512	\$2,780,557	\$632,638	\$2,147,919	77.2%
Book Stores and News Dealers-45121	\$1,893,295	\$320,461	\$1,572,834	83.1%
Book Stores-451211	\$1,804,496	\$320,461	\$1,484,035	82.2%
News Dealers and Newsstands-451212	\$88,799	\$0	\$88,799	100.0%
Prerecorded Tapes, CDs, Record Stores-45122	\$887,262	\$312,177	\$575,085	64.8%
General Merchandise Stores-452	\$44,245,524	\$18,846,614	\$25,398,910	57.4%
Department Stores Excl Leased Depts-4521	\$20,658,771	\$18,225,569	\$2,433,202	11.8%
Other General Merchandise Stores-4529	\$23,586,753	\$621,045	\$22,965,708	97.4%
Warehouse Clubs and Super Stores-45291	\$20,172,036	\$0	\$20,172,036	100.0%
All Other General Merchandise Stores-45299	\$3,414,717	\$621,045	\$2,793,672	81.8%
Miscellaneous Store Retailers-453	\$10,443,702	\$1,875,401	\$8,568,301	82.0%
Florists-4531	\$744,595	\$783,349	(\$38,754)	-5.2%
Office Supplies, Stationery, Gift Stores-4532	\$4,295,946	\$461,655	\$3,834,291	89.3%
Office Supplies and Stationery Stores-45321	\$2,432,846	\$0	\$2,432,846	100.0%
Gift, Novelty and Souvenir Stores-45322	\$1,863,100	\$461,655	\$1,401,445	75.2%
Used Merchandise Stores-4533	\$894,794	\$57,698	\$837,096	93.6%
Other Miscellaneous Store Retailers-4539	\$4,508,367	\$572,698	\$3,935,669	87.3%

SOURCE: Claritas and Johnson Gardner LLC



RMP Opportunity Gap - Retail Stores

Burnside Bridgehead

Radius 1: 0.00 - 1.00 Miles, Total

Retail Stores	Consumer Expenditures	Retail Sales	Opportunity Gap/Surplus	Percent Leakage
Non-Store Retailers-454	\$22,916,543	\$9,600,280	\$13,316,263	58.1%
Electronic Shopping, Mail-Order Houses-4541	\$17,039,605	\$0	\$17,039,605	100.0%
Vending Machine Operators-4542	\$991,136	\$0	\$991,136	100.0%
Direct Selling Establishments-4543	\$4,885,802	\$9,600,280	(\$4,714,478)	-96.5%
Foodservice and Drinking Places-722	\$36,563,983	\$26,529,755	\$10,034,228	27.4%
Full-Service Restaurants-7221	\$16,710,219	\$17,389,695	(\$679,476)	-4.1%
Limited-Service Eating Places-7222	\$15,164,511	\$4,828,937	\$10,335,574	68.2%
Special Foodservices-7223	\$2,926,050	\$2,991,155	(\$65,105)	-2.2%
Drinking Places -Alcoholic Beverages-7224	\$1,763,203	\$1,319,968	\$443,235	25.1%
GAFO *	\$93,389,276	\$26,201,757	\$67,187,519	71.9%
General Merchandise Stores-452	\$44,245,524	\$18,846,614	\$25,398,910	57.4%
Clothing and Clothing Accessories Stores-448	\$17,087,202	\$799,094	\$16,288,108	95.3%
Furniture and Home Furnishings Stores-442	\$10,075,807	\$2,136,537	\$7,939,270	78.8%
Electronics and Appliance Stores-443	\$9,575,255	\$834,367	\$8,740,888	91.3%
Sporting Goods, Hobby, Book, Music Stores-451	\$8,109,542	\$3,123,490	\$4,986,052	61.5%
Office Supplies, Stationery, Gift Stores-4532	\$4,295,946	\$461,655	\$3,834,291	89.3%



RMP Opportunity Gap - Retail Stores

Burnside Bridgehead

Radius 2: 0.00 - 3.00 Miles, Total

Retail Stores	Consumer Expenditures	Retail Sales	Opportunity Gap/Surplus	Percent Leakage
Total Retail Sales Incl Eating and Drinking Places	\$2,597,983,892	\$2,036,871,297	\$561,112,595	21.6%
Motor Vehicle and Parts Dealers-441	\$507,100,198	\$172,032,123	\$335,068,075	66.1%
Automotive Dealers-4411	\$437,758,097	\$85,507,608	\$352,250,489	80.5%
Other Motor Vehicle Dealers-4412	\$30,499,987	\$43,847,928	(\$13,347,941)	-43.8%
Automotive Parts/Accsrs, Tire Stores-4413	\$38,842,114	\$42,676,587	(\$3,834,473)	-9.9%
Furniture and Home Furnishings Stores-442	\$66,633,104	\$94,766,236	(\$28,133,132)	-42.2%
Furniture Stores-4421	\$36,096,473	\$28,258,955	\$7,837,518	21.7%
Home Furnishing Stores-4422	\$30,536,631	\$66,507,281	(\$35,970,650)	-117.8%
Electronics and Appliance Stores-443	\$66,189,026	\$43,421,819	\$22,767,207	34.4%
Appliances, TVs, Electronics Stores-44311	\$51,296,405	\$23,674,451	\$27,621,954	53.8%
Household Appliances Stores-443111	\$10,732,948	\$4,077,278	\$6,655,670	62.0%
Radio, Television, Electronics Stores-443112	\$40,563,457	\$19,597,173	\$20,966,284	51.7%
Computer and Software Stores-44312	\$12,538,195	\$19,178,276	(\$6,640,081)	-53.0%
Camera and Photographic Equipment Stores-44313	\$2,354,426	\$569,092	\$1,785,334	75.8%
Building Material, Garden Equip Stores -444	\$271,756,417	\$240,657,173	\$31,099,244	11.4%
Building Material and Supply Dealers-4441	\$246,972,920	\$230,312,914	\$16,660,006	6.7%
Home Centers-44411	\$95,066,848	\$75,350,366	\$19,716,482	20.7%
Paint and Wallpaper Stores-44412	\$6,166,604	\$11,189,965	(\$5,023,361)	-81.5%
Hardware Stores-44413	\$20,705,460	\$26,269,470	(\$5,564,010)	-26.9%
Other Building Materials Dealers-44419	\$125,034,007	\$117,503,113	\$7,530,894	6.0%
Building Materials, Lumberyards-444191	\$42,681,393	\$40,069,866	\$2,611,527	6.1%
Lawn, Garden Equipment, Supplies Stores-4442	\$24,783,497	\$10,344,258	\$14,439,239	58.3%
Outdoor Power Equipment Stores-44421	\$3,795,692	\$2,653,354	\$1,142,338	30.1%
Nursery and Garden Centers-44422	\$20,987,804	\$7,690,905	\$13,296,899	63.4%
Food and Beverage Stores-445	\$318,421,718	\$423,082,395	(\$104,660,677)	-32.9%
Grocery Stores-4451	\$287,145,486	\$375,331,692	(\$88,186,206)	-30.7%
Supermarkets, Grocery (Ex Conv) Stores-44511	\$272,659,369	\$336,930,578	(\$64,271,209)	-23.6%
Convenience Stores-44512	\$14,486,117	\$38,401,114	(\$23,914,997)	-165.1%
Specialty Food Stores-4452	\$9,647,144	\$9,371,380	\$275,764	2.9%
Beer, Wine and Liquor Stores-4453	\$21,629,088	\$38,379,322	(\$16,750,234)	-77.4%
Health and Personal Care Stores-446	\$119,858,321	\$78,250,934	\$41,607,387	34.7%
Pharmancies and Drug Stores-44611	\$103,138,113	\$68,654,546	\$34,483,567	33.4%
Cosmetics, Beauty Supplies, Perfume Stores-44612	\$4,216,183	\$3,645,084	\$571,099	13.5%
Optical Goods Stores-44613	\$4,803,941	\$1,647,602	\$3,156,339	65.7%
Other Health and Personal Care Stores-44619	\$7,700,084	\$4,303,702	\$3,396,382	44.1%

SOURCE: Claritas and Johnson Gardner LLC



RMP Opportunity Gap - Retail Stores

Burnside Bridgehead

Radius 2: 0.00 - 3.00 Miles, Total

Retail Stores	Consumer Expenditures	Retail Sales	Opportunity Gap/Surplus	Percent Leakage
Gasoline Stations-447	\$273,259,466	\$124,120,874	\$149,138,592	54.6%
Gasoline Stations With Conv Stores-44711	\$206,551,762	\$77,398,014	\$129,153,748	62.5%
Other Gasoline Stations-44719	\$66,707,703	\$46,722,860	19,984,843	
Clothing and Clothing Accessories Stores-448	\$117,595,584	\$46,084,311	\$71,511,273	60.8%
Clothing Stores-4481	\$83,171,124	\$34,608,173	\$48,562,951	58.4%
Men's Clothing Stores-44811	\$5,443,491	\$1,323,645	4,119,846	
Women's Clothing Stores-44812	\$21,118,484	\$8,186,443	12,932,041	
Childrens, Infants Clothing Stores-44813	\$4,348,921	\$3,803,300	545,621	
Family Clothing Stores-44814	\$44,647,634	\$15,206,977	29,440,657	
Clothing Accessories Stores-44815	\$2,005,584	\$3,745,781	(1,740,197)	
Other Clothing Stores-44819	\$5,607,011	\$2,342,027	3,264,984	
Shoe Stores-4482	\$16,474,528	\$4,332,453	12,142,075	
Jewelry, Luggage, Leather Goods Stores-4483	\$17,949,932	\$7,143,685	10,806,247	
Jewelry Stores-44831	\$16,605,862	\$6,860,531	9,745,331	
Luggage and Leather Goods Stores-44832	\$1,344,069	\$283,154	1,060,915	
Sporting Goods, Hobby, Book, Music Stores-451	\$54,592,542	\$83,881,386	(\$29,288,844)	-53.6%
Sportng Goods, Hobby, Musical Inst Stores-4511	\$36,583,949	\$59,607,014	(23,023,065)	-62.9%
Sporting Goods Stores-45111	\$18,887,096	\$32,993,099	(14,106,003)	
Hobby, Toys and Games Stores-45112	\$10,976,218	\$10,590,723	385,495	
Sew/Needlework/Piece Goods Stores-45113	\$2,941,875	\$7,561,308	(4,619,433)	
Musical Instrument and Supplies Stores-45114	\$3,778,759	\$8,461,884	(4,683,125)	
Book, Periodical and Music Stores-4512	\$18,008,593	\$24,274,373	(6,265,780)	
Book Stores and News Dealers-45121	\$11,692,936	\$10,602,533	1,090,403	
Book Stores-451211	\$11,067,880	\$10,348,477	719,403	
News Dealers and Newsstands-451212	\$625,056	\$254,056	371,000	
Prerecorded Tapes, CDs, Record Stores-45122	\$6,315,657	\$13,671,840	(7,356,183)	
General Merchandise Stores-452	\$310,354,294	\$99,435,317	\$210,918,977	68.0%
Department Stores Excl Leased Depts-4521	\$142,767,732	\$84,389,748	\$58,377,984	40.9%
Other General Merchandise Stores-4529	\$167,586,562	\$15,045,569	152,540,993	
Warehouse Clubs and Super Stores-45291	\$144,067,626	\$0	144,067,626	
All Other General Merchandise Stores-45299	\$23,518,936	\$15,045,569	8,473,367	
Miscellaneous Store Retailers-453	\$72,650,934	\$78,239,256	(\$5,588,322)	-7.7%
Florists-4531	\$4,941,869	\$3,935,987	\$1,005,882	20.4%
Office Supplies, Stationery, Gift Stores-4532	\$29,712,731	\$21,616,745	8,095,986	
Office Supplies and Stationery Stores-45321	\$16,838,824	\$12,118,347	4,720,477	
Gift, Novelty and Souvenir Stores-45322	\$12,873,907	\$9,498,397	3,375,510	
Used Merchandise Stores-4533	\$6,103,281	\$22,520,299	(16,417,018)	
Other Miscellaneous Store Retailers-4539	\$31,893,052	\$30,166,225	1,726,827	

SOURCE: Claritas and Johnson Gardner LLC



RMP Opportunity Gap - Retail Stores

Burnside Bridgehead

Radius 2: 0.00 - 3.00 Miles, Total

Retail Stores	Consumer Expenditures	Retail Sales	Opportunity Gap/Surplus	Percent Leakage
Non-Store Retailers-454	\$156,995,867	\$182,602,295	(\$25,606,428)	-16.3%
Electronic Shopping, Mail-Order Houses-4541	\$116,239,317	\$116,687,334	(\$448,017)	-0.4%
Vending Machine Operators-4542	\$7,282,511	\$5,037,789	2,244,722	30.8%
Direct Selling Establishments-4543	\$33,474,040	\$60,877,171	(27,403,131)	-81.9%
Foodservice and Drinking Places-722	\$262,576,421	\$370,297,179	(\$107,720,758)	-41.0%
Full-Service Restaurants-7221	\$119,946,954	\$183,364,248	(\$63,417,294)	-52.9%
Limited-Service Eating Places-7222	\$109,046,121	\$119,004,266	(9,958,145)	-9.1%
Special Foodservices-7223	\$21,013,734	\$37,054,721	(16,040,987)	-76.3%
Drinking Places -Alcoholic Beverages-7224	\$12,569,613	\$30,873,943	(18,304,330)	-145.6%
GAFO *	\$645,077,281	\$389,205,814	\$255,871,467	39.7%
General Merchandise Stores-452	\$310,354,294	\$99,435,317	\$210,918,977	68.0%
Clothing and Clothing Accessories Stores-448	\$117,595,584	\$46,084,311	71,511,273	60.8%
Furniture and Home Furnishings Stores-442	\$66,633,104	\$94,766,236	(28,133,132)	-42.2%
Electronics and Appliance Stores-443	\$66,189,026	\$43,421,819	22,767,207	34.4%
Sporting Goods, Hobby, Book, Music Stores-451	\$54,592,542	\$83,881,386	(29,288,844)	-53.6%
Office Supplies, Stationery, Gift Stores-4532	\$29,712,731	\$21,616,745	8,095,986	27.2%



RMP Opportunity Gap - Retail Stores

Burnside Bridgehead

Radius 3: 0.00 - 5.00 Miles, Total

Retail Stores	Consumer Expenditures	Retail Sales	Opportunity Gap/Surplus	Percent Leakage
Total Retail Sales Incl Eating and Drinking Places	\$6,662,746,673	\$7,336,767,971	(\$674,021,298)	-10.1%
Motor Vehicle and Parts Dealers-441	\$1,287,227,089	\$940,064,646	\$347,162,443	27.0%
Automotive Dealers-4411	\$1,110,843,829	\$741,509,495	\$369,334,334	33.2%
Other Motor Vehicle Dealers-4412	\$79,288,831	\$78,740,424	548,407	0.7%
Automotive Parts/Accsrs, Tire Stores-4413	\$97,094,429	\$119,814,727	(22,720,298)	-23.4%
Furniture and Home Furnishings Stores-442	\$177,661,543	\$289,745,945	(\$112,084,402)	-63.1%
Furniture Stores-4421	\$96,212,470	\$111,997,788	(\$15,785,318)	-16.4%
Home Furnishing Stores-4422	\$81,449,073	\$177,748,157	(\$96,299,084)	-118.2%
Electronics and Appliance Stores-443	\$172,991,270	\$263,634,823	(\$90,643,553)	-52.4%
Appliances, TVs, Electronics Stores-44311	\$133,834,411	\$167,974,101	(\$34,139,690)	-25.5%
Household Appliances Stores-443111	\$27,738,285	\$46,844,904	(\$19,106,619)	-68.9%
Radio, Television, Electronics Stores-443112	\$106,096,126	\$121,129,197	(\$15,033,071)	-14.2%
Computer and Software Stores-44312	\$32,977,559	\$83,352,332	(\$50,374,773)	-152.8%
Camera and Photographic Equipment Stores-44313	\$6,179,300	\$12,308,390	(\$6,129,090)	-99.2%
Building Material, Garden Equip Stores -444	\$698,012,573	\$588,194,625	\$109,817,948	15.7%
Building Material and Supply Dealers-4441	\$634,070,152	\$562,313,693	\$71,756,459	11.3%
Home Centers-44411	\$244,183,767	\$158,042,707	\$86,141,060	35.3%
Paint and Wallpaper Stores-44412	\$16,263,831	\$40,925,844	(\$24,662,013)	-151.6%
Hardware Stores-44413	\$53,186,040	\$75,809,342	(\$22,623,302)	-42.5%
Other Building Materials Dealers-44419	\$320,436,514	\$287,535,800	\$32,900,714	10.3%
Building Materials, Lumberyards-444191	\$109,680,395	\$98,052,908	\$11,627,487	10.6%
Lawn, Garden Equipment, Supplies Stores-4442	\$63,942,421	\$25,880,933	\$38,061,488	59.5%
Outdoor Power Equipment Stores-44421	\$9,612,454	\$5,153,443	\$4,459,011	46.4%
Nursery and Garden Centers-44422	\$54,329,967	\$20,727,490	\$33,602,477	61.8%
Food and Beverage Stores-445	\$805,768,337	\$1,055,876,202	(\$250,107,865)	-31.0%
Grocery Stores-4451	\$725,604,466	\$938,776,962	(\$213,172,496)	-29.4%
Supermarkets, Grocery (Ex Conv) Stores-44511	\$689,204,899	\$857,070,486	(\$167,865,587)	-24.4%
Convenience Stores-44512	\$36,399,567	\$81,706,476	(\$45,306,909)	-124.5%
Specialty Food Stores-4452	\$24,341,788	\$23,218,070	\$1,123,718	4.6%
Beer, Wine and Liquor Stores-4453	\$55,822,083	\$93,881,170	(\$38,059,087)	-68.2%
Health and Personal Care Stores-446	\$308,853,951	\$327,039,485	(\$18,185,534)	-5.9%
Pharmancies and Drug Stores-44611	\$265,555,754	\$231,999,716	\$33,556,038	12.6%
Cosmetics, Beauty Supplies, Perfume Stores-44612	\$10,895,239	\$18,643,279	(\$7,748,040)	-71.1%
Optical Goods Stores-44613	\$12,588,813	\$25,265,418	(\$12,676,605)	-100.7%
Other Health and Personal Care Stores-44619	\$19,814,145	\$51,131,073	(\$31,316,928)	-158.1%

SOURCE: Claritas and Johnson Gardner LLC



RMP Opportunity Gap - Retail Stores

Burnside Bridgehead

Radius 3: 0.00 - 5.00 Miles, Total

Retail Stores	Consumer Expenditures	Retail Sales	Opportunity Gap/Surplus	Percent Leakage
Gasoline Stations-447	\$685,272,968	\$355,503,011	\$329,769,957	48.1%
Gasoline Stations With Conv Stores-44711	\$517,788,597	\$198,242,826	\$319,545,771	61.7%
Other Gasoline Stations-44719	\$167,484,371	\$157,260,185	\$10,224,186	6.1%
Clothing and Clothing Accessories Stores-448	\$308,705,043	\$555,936,371	(\$247,231,328)	-80.1%
Clothing Stores-4481	\$216,922,865	\$448,833,744	(\$231,910,879)	-106.9%
Men's Clothing Stores-44811	\$14,247,420	\$11,458,919	\$2,788,501	19.6%
Women's Clothing Stores-44812	\$55,205,104	\$95,250,071	(\$40,044,967)	-72.5%
Childrens, Infants Clothing Stores-44813	\$10,996,184	\$28,091,705	(\$17,095,521)	-155.5%
Family Clothing Stores-44814	\$116,460,863	\$293,931,255	(\$177,470,392)	-152.4%
Clothing Accessories Stores-44815	\$5,387,872	\$7,513,634	(\$2,125,762)	-39.5%
Other Clothing Stores-44819	\$14,625,422	\$12,588,161	\$2,037,261	13.9%
Shoe Stores-4482	\$42,179,903	\$45,368,541	(\$3,188,638)	-7.6%
Jewelry, Luggage, Leather Goods Stores-4483	\$49,602,275	\$61,734,085	(\$12,131,810)	-24.5%
Jewelry Stores-44831	\$45,966,407	\$57,699,149	(\$11,732,742)	-25.5%
Luggage and Leather Goods Stores-44832	\$3,635,869	\$4,034,936	(\$399,067)	-11.0%
Sporting Goods, Hobby, Book, Music Stores-451	\$143,668,159	\$319,782,587	(\$176,114,428)	-122.6%
Sportng Goods, Hobby, Musical Inst Stores-4511	\$95,696,216	\$216,706,619	(\$121,010,403)	-126.5%
Sporting Goods Stores-45111	\$49,907,725	\$127,515,980	(\$77,608,255)	-155.5%
Hobby, Toys and Games Stores-45112	\$28,336,340	\$46,416,996	(\$18,080,656)	-63.8%
Sew/Needlework/Piece Goods Stores-45113	\$7,569,161	\$23,300,694	(\$15,731,533)	-207.8%
Musical Instrument and Supplies Stores-45114	\$9,882,990	\$19,472,948	(\$9,589,958)	-97.0%
Book, Periodical and Music Stores-4512	\$47,971,943	\$103,075,968	(\$55,104,025)	-114.9%
Book Stores and News Dealers-45121	\$31,679,555	\$69,390,118	(\$37,710,563)	-119.0%
Book Stores-451211	\$30,058,919	\$67,522,614	(\$37,463,695)	-124.6%
News Dealers and Newsstands-451212	\$1,620,636	\$1,867,504	(\$246,868)	-15.2%
Prerecorded Tapes, CDs, Record Stores-45122	\$16,292,388	\$33,685,850	(\$17,393,462)	-106.8%
General Merchandise Stores-452	\$799,759,934	\$462,438,236	\$337,321,698	42.2%
Department Stores Excl Leased Depts-4521	\$371,121,175	\$375,958,638	(\$4,837,463)	-1.3%
Other General Merchandise Stores-4529	\$428,638,759	\$86,479,598	\$342,159,161	79.8%
Warehouse Clubs and Super Stores-45291	\$367,512,580	\$5,649,224	\$361,863,356	98.5%
All Other General Merchandise Stores-45299	\$61,126,179	\$80,830,374	(\$19,704,195)	-32.2%
Miscellaneous Store Retailers-453	\$187,936,631	\$272,186,992	(\$84,250,361)	-44.8%
Florists-4531	\$12,949,240	\$12,900,059	\$49,181	0.4%
Office Supplies, Stationery, Gift Stores-4532	\$77,248,539	\$94,618,186	(\$17,369,647)	-22.5%
Office Supplies and Stationery Stores-45321	\$43,741,719	\$52,878,729	(\$9,137,010)	-20.9%
Gift, Novelty and Souvenir Stores-45322	\$33,506,819	\$41,739,456	(\$8,232,637)	-24.6%
Used Merchandise Stores-4533	\$16,004,729	\$62,231,920	(\$46,227,191)	-288.8%
Other Miscellaneous Store Retailers-4539	\$81,734,124	\$102,436,827	(\$20,702,703)	-25.3%

SOURCE: Claritas and Johnson Gardner LLC



RMP Opportunity Gap - Retail Stores

Burnside Bridgehead

Radius 3: 0.00 - 5.00 Miles, Total

Retail Stores	Consumer Expenditures	Retail Sales	Opportunity Gap/Surplus	Percent Leakage
Non-Store Retailers-454	\$407,542,692	\$570,355,452	(\$162,812,760)	-39.9%
Electronic Shopping, Mail-Order Houses-4541	\$304,003,835	\$450,163,189	(\$146,159,354)	-48.1%
Vending Machine Operators-4542	\$18,422,314	\$7,852,868	\$10,569,446	57.4%
Direct Selling Establishments-4543	\$85,116,543	\$112,339,395	(\$27,222,852)	-32.0%
Foodservice and Drinking Places-722	\$679,346,483	\$1,336,009,597	(\$656,663,114)	-96.7%
Full-Service Restaurants-7221	\$310,563,041	\$682,228,363	(\$371,665,322)	-119.7%
Limited-Service Eating Places-7222	\$281,634,372	\$452,408,078	(\$170,773,706)	-60.6%
Special Foodservices-7223	\$54,292,332	\$96,181,880	(\$41,889,548)	-77.2%
Drinking Places -Alcoholic Beverages-7224	\$32,856,738	\$105,191,275	(\$72,334,537)	-220.2%
GAFO *	\$1,680,034,488	\$1,986,156,146	(\$306,121,658)	-18.2%
General Merchandise Stores-452	\$799,759,934	\$462,438,236	\$337,321,698	42.2%
Clothing and Clothing Accessories Stores-448	\$308,705,043	\$555,936,371	(\$247,231,328)	-80.1%
Furniture and Home Furnishings Stores-442	\$177,661,543	\$289,745,945	(\$112,084,402)	-63.1%
Electronics and Appliance Stores-443	\$172,991,270	\$263,634,823	(\$90,643,553)	-52.4%
Sporting Goods, Hobby, Book, Music Stores-451	\$143,668,159	\$319,782,587	(\$176,114,428)	-122.6%
Office Supplies, Stationery, Gift Stores-4532	\$77,248,539	\$94,618,186	(\$17,369,647)	-22.5%

* GAFO (General merchandise, Apparel, Furniture and Other) represents sales at stores that sell merchandise normally sold in department stores. This category is not included in Total Retail Sales Including Eating and Drinking Places.

Claritas' RMP data is derived from two major sources of information. The demand data is derived from the Consumer Expenditure Survey (CE Survey), which is fielded by the U.S. Bureau of Labor Statistics (BLS). The supply data is derived from the Census of Retail Trade (CRT), which is made available by the U.S. Census.

The difference between demand and supply represents the opportunity gap or surplus available for each retail outlet in the specified reporting geography. When the demand is greater than (less than) the supply, there is an opportunity gap (surplus) for that retail outlet. For example, a positive value signifies an opportunity gap, while a negative value signifies a surplus.

EXHIBIT
MAP OF SURVEYED RETAIL PROJECTS
RETAIL PRIMARY TRADE AREA

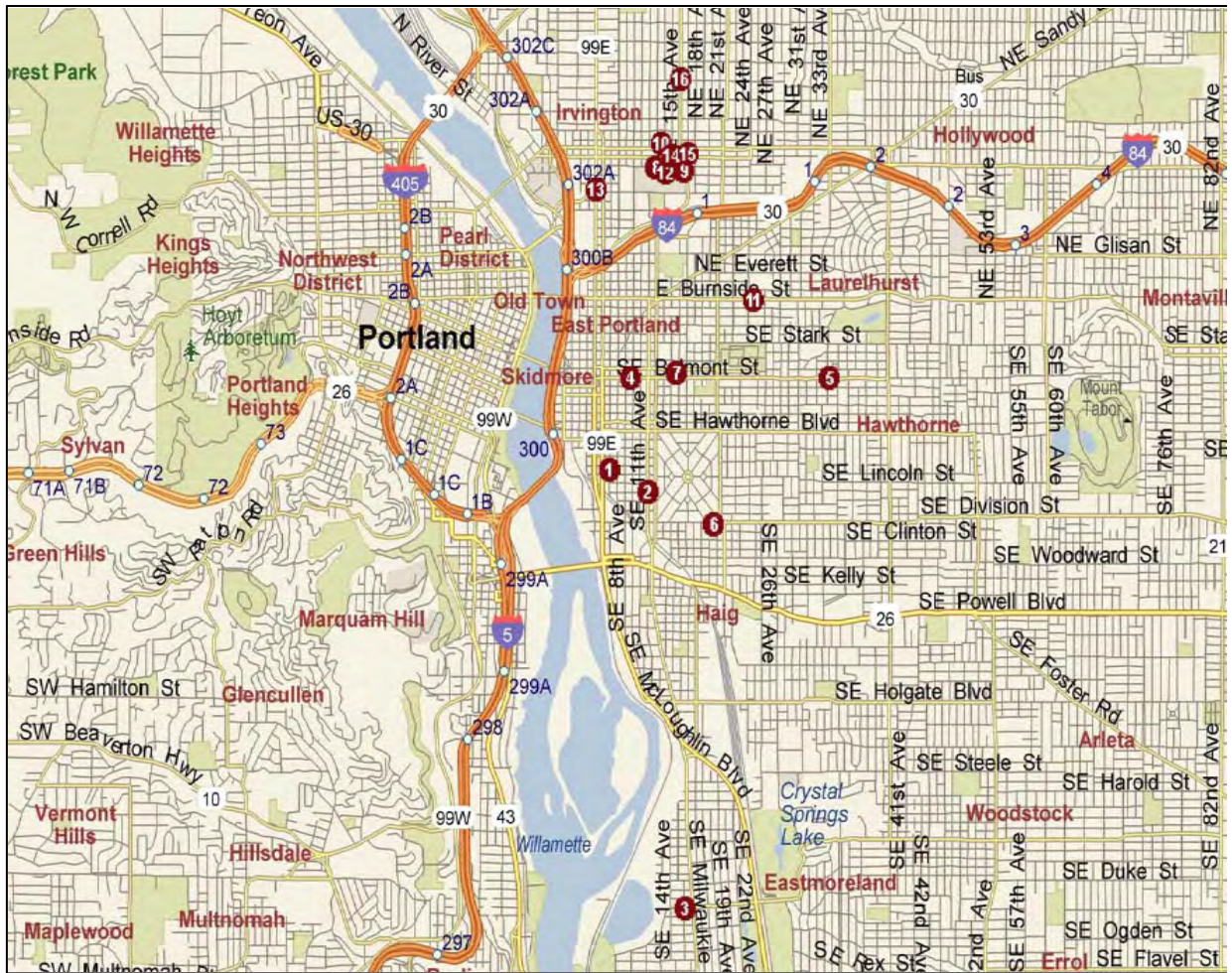


EXHIBIT
INVENTORY OF SURVEYED RETAIL PROJECTS
PRIMARY RETAIL TRADE AREA

Project Name/ Address	Building Type	Year Built/ Renovated	# of Stories	R.B.A	Vacant Sq. Ft.	Land Acerage	Max Contig	Smallest Space	Vacancy Rate	Asking Rent
SE Close-In Submarket										
Unknown Name										
1 1943 SE 6th Avenue Portland, OR 97214	Retail	1994	N/A	595,000	0	1.00	N/A	N/A	0%	N/A
Lions Eye Bank of Oregon										
2 2201 SE 11th Avenue Portland, OR 97214	Retail	2007	1	11,500	0	0.23	0	N/A	0%	N/A
SE 16th Ave @ Bybee										
3 SE 16th Ave & Bybee Blvd Portland, OR 97232	Retail	Under Const. (Dec. 2007)	N/A	4,100	817	N/A	817	817	20%	\$35.00
Grand Central Market										
4 837-841 SE Belmont Street Portland, OR 97214	Retail	Under Renov. (Dec. 2007)	2	33,088	16,234	1.07	3,294	1,239	49%	Negotiable
Belmont Dairy										
5 3301-3333 SE Belmont Street Portland, OR 97214	Retail	1994	1	27,000	0	N/A	0	N/A	0%	N/A
New Seasons Market										
6 1954 SE Division Street Portland, OR 97202	Supermarket	1965/2004	1	36,650	0	1.29	0	N/A	0%	N/A
Morrison Place										
7 1401 SE Morrison Street Portland, OR 97030	Strip Center	1955/2004	1	15,400	2,765	0.92	2,765	2,765	18%	\$25.00
Lloyd District Submarket										
Irvington Place										
8 NE 12th Ave & NE Broadway Portland OR, 97232	Strip Center	1998	1	16,000	0	1.00	0	N/A	0%	N/A
Lloyd Place Apartments										
9 1500 NE 15th Avenue Portland, OR 97232	Retail/ Residential	1996	5	289,181	0	1.75	0	N/A	0%	N/A
Holladay's Market										
10 1200 NE Broadway Street Portland, OR 97232	Shopping Center	1959/1991	1	26,000	4,400	N/A	4,400	4,400	17%	\$35.00
Unknown Name										
11 2448 E Burnside Street Portland, OR 97214	Retail	Under Renov. (Oct. 2007)	1	8,856	1,800	0.32	1,800	900	20%	\$22.00
Lloyd Center										
12 2201 Lloyd Center Portland, OR 97232	Shopping Center	1960/1991	3	1,392,056	8,000	50.00	2,950	1,200	1%	Negotiable
The Merrick										
13 1231 NE MLK Boulevard Portland, OR 97232	Retail/ Residential	2004	1	14,382	4,588	0.99	2,950	1,638	32%	\$27.50
Irvington Market										
14 1403 NE Weidler Street Portland, OR 97232	Retail	1992	1	9,392	1,665	0.44	1,665	1,665	18%	\$30.00
Lloyd Place										
15 1500-1542 NE Weidler Street Portland, OR 97232	Retail/ Residential	1997	1	20,000	0	N/A	0	N/A	0%	N/A
NE Close-In Submarket										
Irvington Corner										
16 2526 NE 15th Avenue Portland, OR 97212	Retail/Office	1958/2005	1	6,678	0	N/A	0	N/A	0%	N/A
TOTAL/AVERAGE:				2,505,283	40,269				1.6%	\$27.90

SOURC: CoStar