TO: CORP. AUDIT TEAM 3.14.96

From Tom Overturf

ATTACHED COST, RENT, AND MARKET DATA; ITS PRETTY MUCH IN LINE WITH MY EARLIER MEMO.

1. NOTE ON PAGE 3 THE DROP IN COST AS AREA INCREASES.

2. NOTE ON PAGE 9 THE LAND VALUE @ $7.50 VS OUR $10 (MIN.)

3. NOTE ON MARKET SUMMARY THAT ASKING PRICES AND RENTAL LEASE RATES ARE CONSIDERABLY BELOW THE COST OF NEW CONST. WITH 11½% R.O.E.
   a. TYPICALLY LOWER CEILING HEIGHTS
   b. LOW SPRINKLER CAPACITY
   c. POOR SLAB QUALITY - NOT LEVEL / STRUCTURALLY SUFFICIENT.

TO

10/5/95

ALLAN MACKENZIE

Oltmans

CONSTRUCTION CO.

CONSTRUCTION COSTS

FOR

TYPICAL CONCRETE TILT-UP INDUSTRIAL BUILDINGS

ASSUMING COMMENCEMENT OF

CONSTRUCTION - JUNE 1, 1995

NOTES:

1. The costs given assume continuation of the current (June 1995) competitive condition in the industry. Assuming that this condition continues, allow for minor inflation for start dates later than June 1, 1995 at say 1/3% per month.

2. The costs, design, and construction times that are given are for guidance purposes only. Actual costs and times may vary substantially due to design factors, site conditions, effects of the economy on sub-contract and material prices, etc.

Oltmans

CONSTRUCTION CO.

John Gormly
Vice President

10005 Mission Mill Road
Whittier, California 90608-0985
310-948-4242
FAX 310-695-5299
License No 86393

SCOPE OF WORK COVERED AND DESCRIPTION OF IMPROVEMENTS

DESIGN WORK:

- Architects and other construction consultants fees. (Excludes environmental investigation, toxic study, traffic study and other "development" oriented studies).
- Topographic and property line survey.
- Soil investigation.
- Permit and plan check fees. (Assumed @ 2% of construction costs.)

BUILDING:

- No offices.
- At grade floor slab, sealed.
- Panelized roof system: Steel carrying girders, steel trusses and 2" x 4" sub-purlins with plywood decking.
- 48' x 48' bay spacing.
- Minimum clear height to underside of roof beams - as stated.
- 3 ply built-up roofing.
- Single layered foil insulation.
- Smoke vent skylights @ 2 % ratio (skylights only @ 10,000 s.f. building).
- Draft curtains. 6' deep/8,000 s.f. areas. (None at 10,000 s.f. building).
- Truck doors - as stated.
- Legal exit and fire department access doors.
- Painted exterior of building. (No interior painting).
- Storefront and windows at office area. (Not extensive).
- Architectural treatment of front elevation. (Not excessive).
- Sewer and water stubbed into building.
- Electrical service - size as stated.
- Lighting: Metal Halide spaced to accommodate 18 f.c..
- Fire sprinkler system for rack storage of Class IV non-encapsulated commodities, densities as stated (no sprinkler system at 10,000 s.f. building). Excludes in rack sprinklers.
- No screen walls

YARD: (Assumes building/land ratio of 48%)

- Rough grading (no unusual conditions).
- Asphalt paving.
- Parking striping and wheel stops.
- Gutters and planter curbs.
- Drive approaches.
- Truckwell.
- Landscaping and irrigation sprinklers.
- Yard lighting (from the building).
- On-site fire hydrants - as stated.

ASSUMPTIONS:

- Clear site.
- Good soil conditions.
- No storm drainage problems.
- All utilities and sewer available at the site and of adequate size and capacity.
- All off-site improvements either existing or to be paid for by others (street work, city sidewalks, off-site fire hydrants, street light, etc.)
- All assessment type charges, exaction fees, education tax ($.27 / s.f.) and utility companies serving charges, to be paid by others.

TYPICAL COSTS OF BUILDING SHELLS INCLUDING YARD IMPROVEMENTS

1. Costs assume start of construction June 1, 1995. Allow for inflation. See Page 1.
2. WARNING: Costs reflect current competitive condition in the industry. Costs will increase rapidly when depressed condition of industry is reversed.
3. See "Scope of Work" description, page 2.
4. For each 1% reduction in building/land ratio below 48%, add $.10/s.f. to building price.

BUILDING SIZE	10,000 s.f.	20,000 s.f.	40,000 s.f.	60,000 s.f.	100,000 s.f.	200,000 s.f.
Price per s.f. of building:						
Single building	$32.70	$27.90	$22.20	$19.10	$16.45	$15.25
Several buildings	$29.00	$26.00	$21.05	$18.35	$15.95	$14.95
Minimum clear height	16'	20'	24'	24'	24'	24'
Truck doors	2	3	5	7	11	22
Electric service	200 A	200 A	400 A	600 A	800 A	1,000 A
Fire sprinkler density	-	.33/3,000	.45/3,000	.45/3,000	.45/3,000	.45/3,000
On-site fire hydrants	-	-	1	2	3	4
Land area - s.f.	21,000	42,000	84,000	126,000	210,000	420,000

Alternates: (Added costs per s.f. of building)

1.	If dock high						
	a. Balanced cut and fill	$ 3.00	$ 1.85	$ 1.05	$ .80	$ .55	$ .45
	b. All fill imported	3.90	2.50	1.80	1.50	1.20	1.10
2.	Additional 2' clear height. Add:	.65	.51	.29	.23	.17	.13
3.	30' clear height Add:				1.00	.80	.65
4.	36' clear height Add:				2.50	1.95	1.55
5.	Increase fire sprinkler densities:						
	a. To .45/3,000 - Add:	-	.10	-	-	-	-
	b. To .60/3,000 (needs excellent water supply) Add:					.30	.30
	c. E.S.F.R. Add:					.35	.35

Note: In most instances, E.S.F.R. will require a pump and pump house: Add $ 105,000.00

ALTERNATE ITEMS

Note: Prices are for new work. For alternation work to existing building, add 20% to 50% (or more) depending on scope of work.

OFFICE AREA

1. Offices including office toilets:

1,000 s.f.	$35.00 s.f. to $ 45.00 s.f.
10,000 s.f.	$25.00 s.f. to $ 30.00 s.f.

2a. Unfinished mezzanine over offices $10.00 s.f. to $ 15.00 s.f.
2 b. Stairs to mezzanine (2 flights required if over 1,000 s.f.) $ 8,000 minimum per flight.

Note: If offices go on mezzanine, also add for windows and additional architectural treatment of the building exterior. Elevators my be required by A.D.A. requirements. Add: $ 40,000.00.

WAREHOUSE IMPROVEMENTS

3.	6" thick floor instead of 5"		$ .17 s.f.
4.	To provide a FF 100 superflat floor (7" concrete with #6 reinforcing at 12" each way)		1.50 s.f.
5.	Shop toilet room:	2 fixtures	5,000.00
	(adjacent to offices)	3 fixtures	6,500.00
6.	Truckwell:	24' x 50'	10,000.00
		72' x 60'	16,000.00
7.	Forklift ramp		9,000.00
8a.	Truck door:	20' x 10'	1,400.00
		12' x 14'	1,100.00
8b.	Cut opening for truck door in existing tilt-up wall		1,700.00
9.	Dock leveler, 20,000#, including pit		3,500.00
10.	Skylight - 4' x 8'		350.00
11.	Combination smoke vent/ skylight		450.00
12.	Burglar bars at skylight or smoke vent		150.00
13.	Space heater, 250,000 BTU, including gas piping and electrical hook-up (excluding Title 24 insulation)		3,000.00
14.	Air condition factory space, including electrical and plumbing hook-up, roof platforms, Title 24 insulation at roof and some walls (excluding roof screens)		4.70 s.f.
15.	50 foot candle factory lights, instead of 18 footcandle warehouse lighting		.60 s.f.
16.	Painted drywall partition:		
	a. 22' high (@ 20' high buildings)		75.00 l.f.
	b. 28' high (@ 24' high buildings)		95.00 l.f.

YARD IMPROVEMENTS

17.	Overall yard improvements; grading, paving, curb and gutter, landscaping, etc.		$ 2.50 s.f.
18.	Asphalt paving:	3" a.c. on 4" base	.90 s.f.
		4" a.c. on 6" base	1.10 s.f.
19.	5" concrete paving		1.70 s.f.
20.	Chain link fencing:		
	a. 6' high plus 3 strands barbed wire		11.00 l.f.
	b. 8' high plus 3 strands barbed wire		14.00 l.f.
21.	On-site fire hydrant.		8,000.00 ea.
22.	Concrete screen wall and footing (11' high).		110.00 l.f.
23.	Rail spur -	S.P. & S.F.	55.00 l.f.
		U.P.	60.00 l.f.
24.	Rail switch - S.P., U.P. & S.F.		30,000 to 40,000 each

OFF-SITE IMPROVEMENTS

24. 48" wide street complete, including design, permits, grading, paving, curb and gutter, water main, street fire hydrants, sewer, storm drain, work for Edison Co. and phone company, gas company, street lights

a. 1,500' street	400.00 l.f.
b. 500' cul-de-sac	550.00 l.f.

TYPICAL COSTS OF BUILDING SHELLS INCLUDING YARD IMPROVEMENTS

EXAMPLES	QUANTITY	UNIT COST	TOTAL
1. 40,000 s.f. warehouse at grade	40,000 s.f.	$ 22.20	$ 888,000.
26' to beams - add 2'	40,000 s.f.	.27	11,600.
5% offices	2,000 s.f.	34.00	68,000.
Shop toilet, 2 fixtures			5,000.
TOTAL	40,000 s.f.	$ 24.32	$ 972,600.
2. 65,000 s.f. warehouse	65,000 s.f.	$ 18.77	$ 1,220,050.
Dock high - part of building fill imported	65,000 s.f.	.90	58,500.
10% offices, half on G.F. half on mezzanine =			
G.F. offices	3,250 s.f.	27.00	87,750.
Mezzanine offices	3,250 s.f.	27.00	87,750.
Mezzanine deck	3,250 s.f.	14.00	45,500.
Stairs	2 flights	8,000.00	16,000.
Additional windows	480 s.f.	16.00	7,680.
Shop toilets, 4 fixtures			8,000.
10% of warehouse at 50% f.c. lighting	6,175 s.f.	.60	3,705.
Sprinkler system .60/3,000	65,000 s.f.	.30	19,500.
Rail spur (S.P.) with 3 spots:			
Spur (3 x 60) + 160	340 s.f.	55.00	18,700.
Rail doors 10 x 10	3 each	700.00	2,100.
Rail switch - N.I.C.	-	-	-
TOTAL	68,250 s.f.	$ 23.08	$ 1,575,235.

SCHEDULING DESIGN TIMES *(Subject to great variations)*

ASSUMPTIONS

1. Single building.
2. Existing, adequate off-site improvements.
3. No re-zoning involved.
4. City provides negative E.I.R.
5. Conditional use permit not required. If C.U.P. with public notification is required, add 3 weeks to planning approval time. If City Council approval is also required, add another 3 weeks. (These are minimum times and can be much longer if first time approvals are not obtained).

PLANNING APPROVAL

Preliminary discussions with client	1 week
Prepare precise plan and client approval	2 weeks
Planning Department review and commission approval (see assumption #5 above)	6 weeks
Re-work, Planning Department review and Planning Commission approval	6 weeks
	15 weeks = 3-1/2 months

BUILDING PERMIT

Prepare design concepts and obtain owner approval	2 weeks
Prepare working drawings	6 weeks
Building Department initial plan check	6 weeks
Make corrections, plan check review and obtain permit	3 weeks
	17 weeks = 4 months

OVERALL TIMES FOR PLANNING APPROVAL AND BUILDING PERMIT

1. 7-1/2 months, if the building permit process is subsequent to planning approval.
2. 6 months, if both processes can be partially concurrent.

CONSTRUCTION TIMES

GRADING

On larger buildings (say 40,000 s.f. up), grading permit is usually obtained early and grading work is done prior to issuance of building permit. Normal grading times: 1-1/2 weeks to 3-1/2 weeks.

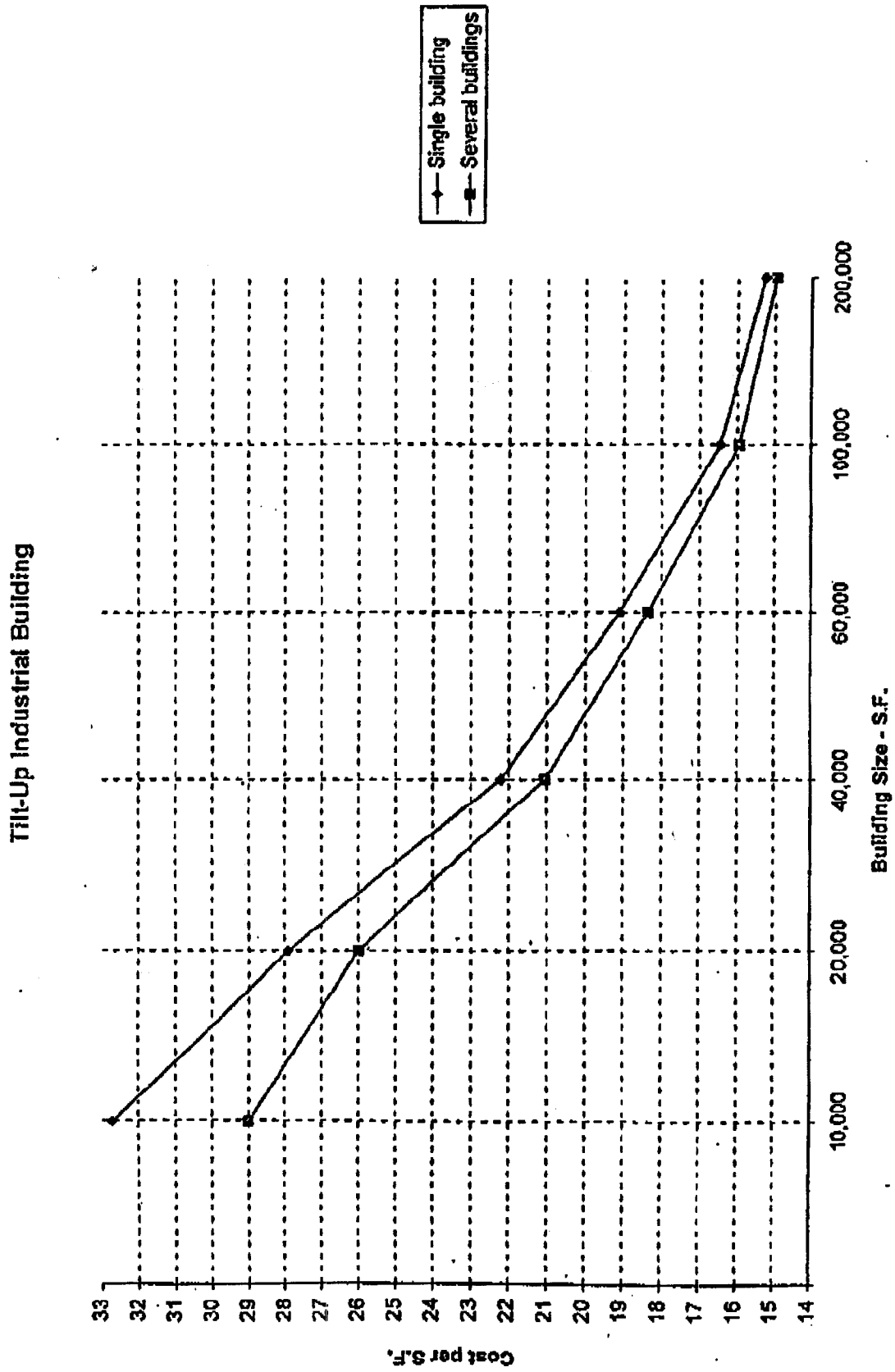
CONSTRUCTION TIMES FOR BUILDING SHELLS AND YARDS

10,000 s.f.	(including grading)	4 months
40,000 s.f.	(excluding grading)	4 months
200,000 s.f.	(excluding grading)	5 months

If normal office improvements are to be constructed, add 1 to 2 months.
Winter rains or high wind conditions may add 2 weeks to 2 months to above times.

BOTTOM LINE

Overall "Design and Construction" time may approach 1 year, including some rain/wind time. However, good conditions through design and construction may reasonably result in overall time of ten (10) months.


Tilt-Up Industrial Building
Single building
Several buildings
Cost per S.F.
33
32
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16
15
14
10,000
20,000
40,000
60,000
100,000
200,000
Building Size - S.F.

PROPOSED WAREHOUSE DEVELOPMENT

10/24/95

ITEM	AMOUNT		TOTAL
Land	40 acres @	$7.50	$13,100,670
Shell Construction	960,716 sq.ft.@	$16.75	$16,091,990
Office	4% @	$30.00	$1,152,859
Fees	10% of cost		$1,724,485
Permits	960,716 @	$2.00	$1,921,432
Taxes			$315,235
Leasing			$0
Insurance			$51,735
Financing			$948,297
Miscellaneous			$1,921,432
Total			$37,228,134
Interest			$1,861,407
TOTAL			$39,089,540
REQUIRED RENT FOR 11.5% RETURN:			$0.41
YEARS FREE RENT TO OFFSET LAND:			4.43

THE Seeley COMPANY

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Summary of Industrial Lease Comparables
SOUTH BAY
December 26, 1995

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Prepared by: THE SEELEY COMPANY

Ref ID	Building Name / Address / Zip Code/T.B. Map #	SF Leased	Date Leased / Time on Mkt	Office SF / Land Size / Year Built	Amps / Volts / Phase	DH / GL / RR	Clear / Sprnklr / Parking	Asking Lease Rate	Actual Lease Rate	Lse Term / Sublease / Free Rent	Comments
1 1834	425 Carob St W Compton, CA 90220 734/J7	100,000	06/94 29 mos	2,200 190,850 1971	600 480 3	12 1 P	22.0 YES 110	$0.190 Net	$0.194 Net	38 mos. NO 2 mos.	Leased to Jam Industries. Rate $.19 1st year, $.21 2nd year, and $.24 3rd year. T.I.'s $30,000.00. $.1942 NNN effective. Class A building.
2 1910	375 Manville St W Compton, CA 90220 765/A1	100,000	07/94	6,571 202,434 1979	800 480 3	12 1 Y	21.0 YES 197	$0.350 Net	$0.235 Net	3 yrs. NO None	Leased to NKI Logistics. 3 year lease renewal - $.23 1st year; $.235, 2nd year; $.24, 3rd year. $.235 NNN effective. Class A building.
3 1993	Los Angeles Industrial C 601 Walnut St W Compton, CA 90220 734/G7	100,000	10/94 18 mos	10,000 POL 1971	600 277/480 3	10 1 Y	22.0 YES 120	$0.250 Net	$0.320 Gross	90 mos. NO 3 mos.	Leased to CDK, dba Acme Auto Parts for warehousing use. Fixed yearly rental increases. $100,000 TI's. Prentiss cancelled lease on CDK's existing building, which was immediately released. Class A building.
4 2270	350 Apra St W Compton, CA 90220 764/H1	100,015	08/95 8 mos	10,000 200,000 1985	800 277/480 3	14 3 N	24.0 YES 21	$0.340 Net	$0.284 Net	38 mos. YES 2 mos.	Leased to Performance Team for garment manufacturing & warhousing use. Fixed rental at $.30 NNN. $.2842 NNN effective. No T.I.'s. Leased "As-Is". Class A building.
5 2234	18615 Ferris Pl E Rancho Dominguez, CA 90220 764/J4	102,240	06/95 0 mos	3,700 226,512 1988	1200 480 2	12	24.0 YES 213		$0.330 Net	24 mos. NO None	Lease renewal to NEC America, Inc. Fixed rental at $.33 NNN. Leased "As-Is". Class A building. NOT FOR ABSORPTION.

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6 2243	20212 Rancho Way Rancho Dominguez, CA 90220 764/J4	103,170	08/95 8 mos	2,450 229,561 1970	800 277/480 3	20 3 Y	27.0 YES Ample	$0.340 Net	$0.330 Net	3 yrs. NO None	Leased to Ryder Logistics for warehousing use. Fixed rental at $.33 NNN. $.33 NNN effective rate. $40,000 in T.I.'s for dock plates. Class A building. Two - 3 year options at fair market with CPI increases mid-term, no min; no max.
7 2080	2000 Carson St E Carson, CA 90746 764/H6	103,187	12/94 29 mos	660 POL 1970	225 277/480 3	25 1 N	30.0 YES 100	$0.280 Gross	$0.246 Gross	38 mos. YES 2 mos.	SubLeased to Keihin America Corporation for warehousing use for $.26 - flat for term. No T.I.'s. $.2463 Gross effective. Class A building.
8 2298	22527 Wilmington S Carson, CA 90745 764/G7	104,400	10/95 6 mos	3,500 POL 1970	800 277/480 3	11 Y	26.0 YES 150	$0.290 Net		NO	To be determined.
9 2030	19801 Santa Fe Av S Rancho Dominguez, CA 90221 765/A2	105,000	12/94 18 mos	20,000 804,988 1992	0	18 1 P	18.0 YES code	$0.300 Net		NO	Leased to NDS who occupy the other portion of the property. Class B building.
10 2168	1113 230th St E Carson, CA 90745 794/D1	105,960	08/95 32 mos	9,010 196,891 1972	600 277/480	10 Y	20.0 YES 182	$0.310 Net	$0.310 Net	61 mos. NO None	Leased to Vidco for warehousing use. Rent starts at $.30 Net with COLA in 30 mos; 3% Min.; 7% Max. $.311 Net Effective. $92,000 in T.I.'s for eight load levelers, added to base rent. Leased "As-Is". Tenant has two, one year options to extend term.

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11 930	550 Artesia Bl W Compton, CA 90224 734/H7	109,690	06/94 17 mos	1,800 175,000 1978	1200 270/480 3	2 1 N	22.0 YES 200	$0.275 Gross	$0.240 Net	18 mos. NO	Murray Smith has indicated the rate to be $.23-.25/s.f.NNN? Due to ownership no pricing will be given. 29,114 s.f. is now available for 18 mos. + extra land. Class A building.
12 1846	20250 Alameda St S Rancho Dominguez, CA 90221 765/A4	113,183	06/94 28 mos	2,673 270,772 1970	800 480 3	30 1 Y	22.0 YES 239	$0.360 Net	$0.290 Net	10 yrs. NO 4 mos.	Leased to Aiflex. CPI rent escalation at 31st mo; 61st mo; & 91st mo, min. -4%, max. -7% per year cumulative. $260,000 in T.I.'s. Class A building.
13 2012	1130 Wetsoncenter Rd S Carson, CA 90745 734/F7	113,332	11/94 2 mos	2,640 229,996 1976	800 277/480	15 1 Y	22.0 YES 229	$0.340 Net	$0.349 Net	110 mos. NO None	Leased to Kintetsu International for warehousing use for $.30 NNN. CPI rental escalations every 30 months bumps at full CPI. $40,000 added load levelers in T.I.'s. Class A building.
14 2177	3104 Ana St E Rancho Dominguez, CA 90220 765/B2	115,114	05/95 9 mos	7,512 202,018 1972	6000 277/480 3	17 1 Y	21.0 YES 150	$0.340 Net	$0.332 Net	144 mos. YES 3 mos.	Leased to Pro Wash for garment laundry/Dye House. Stepped rental as follows: $.29 NNN mos. 1-36; $.31 mos. 37-48; CPI at 24 mos. intervals there after, min 3%/max 6% per year. $.332 NNN effective. Leased "As-Is". Class B building.
15 1949	Rancho Pacifica 2301 Pacifica Pl E Rancho Dominguez, CA 90220 764/J4	116,600	10/94 16 mos	20,424 POL 1987	1200 277/480 3	13 1 P	30.0 YES 144	$0.350 Net	$0.283 Net	6 yrs. NO 7 mos.	Leased to Teddi of California for manufacturing use for $.295 NNN. CPI rent escalations at 37th month, 3% min - 7% max. $60,000 in T.I.'s. Class A building.

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16 946	2060 Via Arado E Rancho Dominguez, CA 90220 764/J4	120,000	06/94 16 mos	9,000 216,057 1973	1600 480 3	10 2 Y	22.0 YES 248	$0.290 Net	$0.225 Net	66 mos. NO 4 mos.	Leased to Pacific Continental Textiles. T.I.'s $120,000 not included in rent nor amortized in. CPI rent escalation at 31st month 3%-6% per year, cumulative. Class A building.
17 1717	801 Artesia Bl W Compton, CA 90220 764/H1	120,000	02/94 5 mos	1,390 POL 1980	400 208 3	3 N	24.0 YES 29	$0.290 Net	$0.280 Gross	3 yrs. NO 0 mo.	Leased to International Freight Systems, who handles Texas Instruments. 64,000 Sf. initially, and the balance of the building on May 15th 1994. T.I.'s $25,000. Class A building.
18 1424	1245 Watsoncenter Rd Carson, CA 90745 794/F1	125,253	03/94 15 mos	22,000 65,340 1969		24 1 Y	24.0 YES 120	$0.315 Net	$0.295 Net	10 yrs. NO 0 mo.	Leased to KV Mart Co., dba Top Valu Markets. Leased 89,850 Sf originally offered for lease + 35,403 Sf occupied by owner. Complex rent structure w/CPI's for 3 bldg sections = $.2951 NNN eff. Rent escalations 10% every 30 months. Class A building.
19 2176	The Santa Fe Business Ce 20801 Santa Fe Av Carson, CA 90745 765/B5	133,240	05/95 12 mos	3,000 266,420 1988	400 480/277 3	19 2 Y	24.0 YES 158	$0.340 Net	$0.340 Net	5 yrs. NO 1 mo.	Leased to Starkist for warehousing use. Rent starts at $.33 NNN with COLA in 30 months; 3% min.; 8% max. $.34 NNN effective rent. $40,000 in TI's for office refurbishment. Class A building. Lease guaranteed by H.J. Heinz.
20 1906	1600 Anderson Av S Compton, CA 90220 734/G7	146,362	09/94 12 mos	15,000 309,711	800 480/277 3	38 2	22.0 YES 252	$0.270 Net	$0.320 Gross	10 yrs. NO	Leased to Freeman Cosmetics. Lease rate estimated. Prentiss not disclosing information. Class B building.

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21 1836	2910 Pacific Commerce Dr Rancho Dominguez, CA 90221 765/B3	150,000	05/94 12 mos	4,843 334,105	2800 277/480 3	23 1	24.0 YES	$0.280 Net	$0.238 Net	3 yrs. NO 2 mos.	Leased to R.O. West. 3 year Option to Extend at 95% of market value, 4 mos. at 1/2 rent. T.I.'s $95,000.00 for warehouse lights and toilets. $200,000.00 + sec dep, parent company not on lease. Class A building.
22 1689	1071 233rd St E Carson, CA 90745 794/F1	174,119	03/94 5 mos	1,746 316,245 1986	1200 277/480	10 1 N	30.0 YES 198	$0.320 Net	$0.310 Net	5 yrs. NO 1 mo.	Leased to Nippondenso. Lessor provided additional offices, expanded truck loading. T.I.'s $150,000 by Lessor. $.31 NNN effective according to leasing agent. Class A building.
23 1895	23011 Wilmington Av S Carson, CA 90745 794/F3	178,304	07/94 24 mos	25,385 424,710 1972	3000 480/277 3	20 2 Y	24.0 YES 377	$0.400 Gross	$0.351 Gross	30 mos. NO None	Leased to United Warehouse in creative deal where United's lease terms on building #124 -113,332 Sf were treansferred to subject Bldg #146. 20,696 Sf office area not included in deal. Option to extend on entire bldg @ FMV. Class A building.
24 1964	525 Manville W Rancho Dominguez, CA 90220 764/J1	183,000	11/94 0 mos	2,222 353,707 1979	800 277/480 3	16 1 P	21.5		$0.264 Net	5 yrs. NO 5 mos.	Leased to Intercontinental Art for manufacturing use for $.31 NNN. COLA rental escalations in 36th month. $420,000 in TI's for 14,000 Sf. new offices. 5 year option at 95% FMV. Never on market for lease. Class A building.

The information contained herein has been obtained from sources we deem reliable. While we have no reason to doubt its accuracy, we do not guarantee it.

THE Seeley COMPANY

COMMERCIAL REAL ESTATE SINCE 1906

Summary of Industrial Lease Comparables
SOUTH BAY
December 26, 1995

Prepared for: MIKE CONDON
Prepared by: THE SEELEY COMPANY

Ref ID	Building Name / Address / Zip Code/T.B. Map #	SF Leased	Date Leased / Time on Mkt	Office SF / Land Size / Year Built	Amps / Volts / Phase	DH / GL / RR	Clear / Sprnklr / Parking	Asking Lease Rate	Actual Lease Rate	Lse Term / Sublease / Free Rent	Comments
25 1683	2626 Vista Industrie W Rancho Dominguez, CA 90221 765/A3	200,266	02/94 17 mos	20,628 369,824	1600 277/480 3	19 1 Y	21.0 YES	$0.280 Net	$0.254 Net	6 yrs. NO 12 mos.	Leased to Western Sunset. Stepped rental equals $.254 NNN effective including 12 mos. of 1/2 rent. Owner to spend $100,000 to improve building in 2nd year if tenant pays rent on time. Class B building.
26 2064	22351 Wilmington Ave S Carson, CA 90745 764/G7	202,556	01/95 2 mos	To Suit POL 1970	20 1 3	12 48 Y	24.0 YES 120	$0.270 Net	$0.285 Gross	5 yrs. NO 1 mo.	Leased to DSL for warehousing use for $.28 Gross. Yearly fixed rental escalations. No T.I.'s. Class A building. Have right of first notice on remaining 104,400 Sf. Southerly building section. Did not lease 42,544 Sf. corporate office section.

26 buildings printed 3,324,991 SF Leased

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THE Seeley COMPANY

COMMERCIAL REAL ESTATE SINCE 1908

Summary of Industrial Sales Comparables
SOUTH BAY
December 26, 1995

Prepared for: NIKE CONDON
Prepared by: THE SEELEY COMPANY

Ref ID	Building Name / Address / Zip Code/T.B. Map #	SF Sold	Date Sold / Time on Mkt	Office SF / Land Size / Year Built	Amps / Volts / Phase	DH / GL / RR	Clear / Sprnklr / Parking	Asking Sale Price (Price/SF)	Actual Sale Price (Price/SF)	Comments
1 1865	20212 Rancho Way Rancho Dominguez, CA 90220 764/J4	103,170	09/94 18 mos	2,450 229,561 1970	800 277/480 3	20 3 Y	27.0 YES Ample	$3,950,000 $38.29	$3,426,000 $33.21	Sold all cash to Carson Companies, now refurbishing, and marketing for lease. Class A building.
2 2282	2011 Carson St Carson, CA 90746 764/J2	120,928	08/95	17,412 543,193	4000 277/480 3	1	24.9 YES 112	$6,000,000 $49.62	$5,450,000 $45.06	Sold to Greg Owen, dba, TriModal Distribution for warehousing use. All Cash. Purchase included the leaseback of the office building and other miscellaneous buildings.
3 1832	966 Sandhill Ave E Carson, CA 90746 754/E7	123,177	04/94	17,072 244,624 1979	4000 480 3	7 2	24.0 YES 250		$4,200,000 $34.10	Sold to existing tenant Western Synthetic Real Estate Corp. Class A building.
4 2144	675 Manville St W Compton, CA 90220 764/H1	123,456	04/95	8,712 238,273 1978	800 480 3	16 1 P	21.0 YES 214		$4,401,206 $35.65	Sold to Kennedy and Associates as a leased investment for all cash. Class A building. NOT FOR ABSORPTION.
5 2184	19615 Susana Rd. S Compton, CA 90221 765/B3	133,942	02/95	5,500 259,182 1957	5000 3	N	26.0 YES		$5,000,000 $37.33	Sold to Willamette Industries, who was the tenant at the time of sale and will continue to occupy the property.
6 2103	201 Manville St W Compton, CA 90220 765/A1	150,000	02/95 20 mos	5,151 444,312 1956	3000 277/480 3	9 4 Y	20.0 YES 250	$4,300,000 $28.66	$3,500,000 $23.33	Sold to YS Leasing, parent company of Merit Abrasives, who occupies front half of building. Owner carried $250k 2nd for 5 years @ 8.5% I. Rear 63,720 Sf. to be available for sublease, 62,280 Sf. Net

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THE Seeley COMPANY

COMMERCIAL REAL ESTATE SINCE 1908

Summary of Industrial Sales Comparables
SOUTH BAY
December 26, 1995

Prepared for: MIKE CONDON
Prepared by: THE SEELEY COMPANY

Ref ID	Building Name / Address / Zip Code/T.B. Map #	SF Sold	Date Sold / Time on Mkt	Office SF / Land Size / Year Built	Amps / Volts / Phase	DH / GL / RR	Clear / Sprnklr / Parking	Asking Sale Price (Price/SF)	Actual Sale Price (Price/SF)	Comments
										absorption. Class B building.
7 2143	17145 Margay Av S Carson, CA 90745 734/E7	160,266	06/95 25 mos	17,551 253,000 1981	2000 480/277 3	9 3 N	24.0 YES 268		$4,325,000 $26.99	Sold to H & C Hardware, an existing South Bay Company. Class A building.
8 2019	401 Artesia Bl W Compton, CA 90220 734/J7	215,225	12/94 21 mos	39,200 395,090 1978	2000 480/277 3	19 1 N	24.0 YES 265	$6,500,000 $30.20	$5,000,000 $23.23	Sold all cash to American Dawn Inc. who will manufacture decorative pillows. Leased easterly approximate 74,880 sf. warehouse to Ezell Nursury Supply. Based on footprint of 200K. Seller carried $165,000 2nd TD-2 yrs w/no interest. Class A Bldg.
	8 buildings printed	1,130,164 SF Sold								

The information contained herein has been obtained from sources we deem reliable. While we have no reason to doubt its accuracy, we do not guarantee it.

SOUTH BAY INDUSTRIAL MARKET PROFILE

THIRD QUARTER 1995

THE Seeley COMPANY

COMMERCIAL REAL ESTATE SINCE 1908

SOUTH BAY OFFICE
2050 WEST 190TH STREET, SUITE 101
TORRANCE, CALIFORNIA 90504
(310)787-1000

SOUTH BAY INDUSTRIAL MARKET OVERVIEW

THIRD QUARTER ACTIVITY

VACANCY RATE STABLE AT 9.3%

The third quarter market activity demonstrates a continuation of stability in the market, particularly for Class A space, which represented 54.5% of total absorption but only 44.9% of available space. The vacancy rate of 9.3% indicates further stabilization in the supply of available properties. Lease rates and sales prices are continuing to slowly increase, as the supply of functionally superior properties continues to erode. There are limited alternatives in Class A space over 100,000 square feet suitable for distribution users.

MAJOR TRANSACTIONS:

During the third quarter, major transactions included the lease of 103,170 square feet in Rancho Dominguez to Ryder Logistics at 33¢ net effective, the lease of 128,000 square feet of highly improved R&D/manufacturing space to Younger Optics in Torrance, the sale of 120,928 square feet on 12.5 acres to Tri-Model Distribution for $45.06 per square foot and the leased investment sale of 154,172 square feet on 10.05 acres in Torrance for $35.67 per square foot.

Absorption

- Healthy 2,088,692 square feet for the 3rd quarter '95
- Up from 2nd quarter '95 of 2,029,443 square feet
- Down from 3rd quarter '94 of 2,539,870 square feet
- Year to date absorption at 6,433,127 square feet vs. 7,161,948 square feet year to date '94

Market Activity

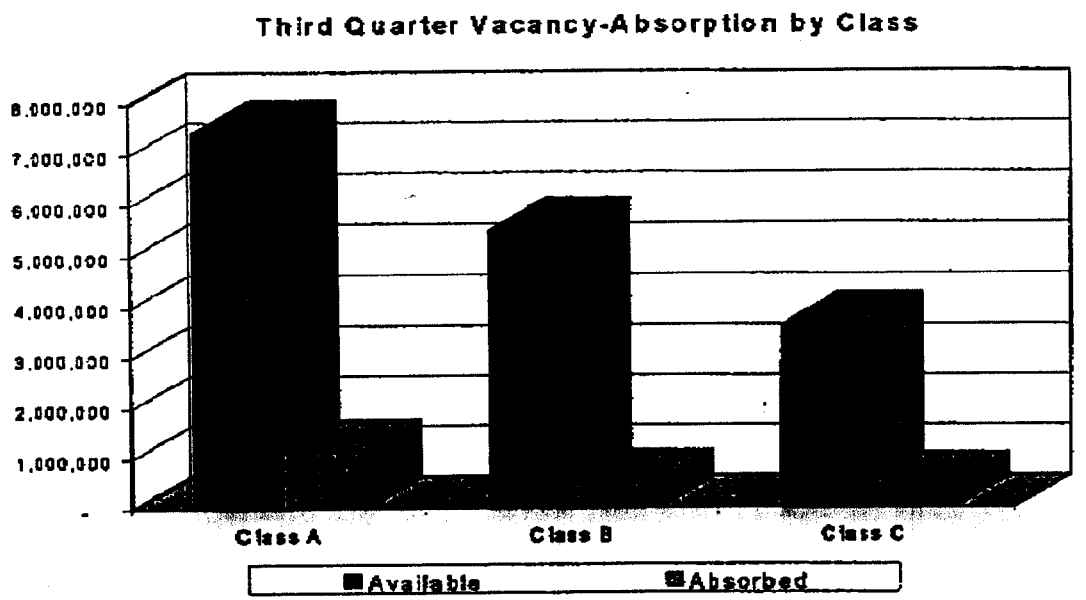
- 54.5% of all transactions in Class "A" space
- 77% of transactions were leases, 23% sales - comparable to 2nd quarter '95 - and equal to 3rd quarter '94.

SOUTH BAY INDUSTRIAL MARKET OVERVIEW

Vacancy

- Vacancy rate of 9.3% of 177,000,000 square feet of space over 20,000 square feet
- 16,517,446 square feet available vs. 16,462,532 square feet available 2nd quarter '95 and 19,864,301 in 3rd quarter in 1994
- Vacancy by class (square feet)

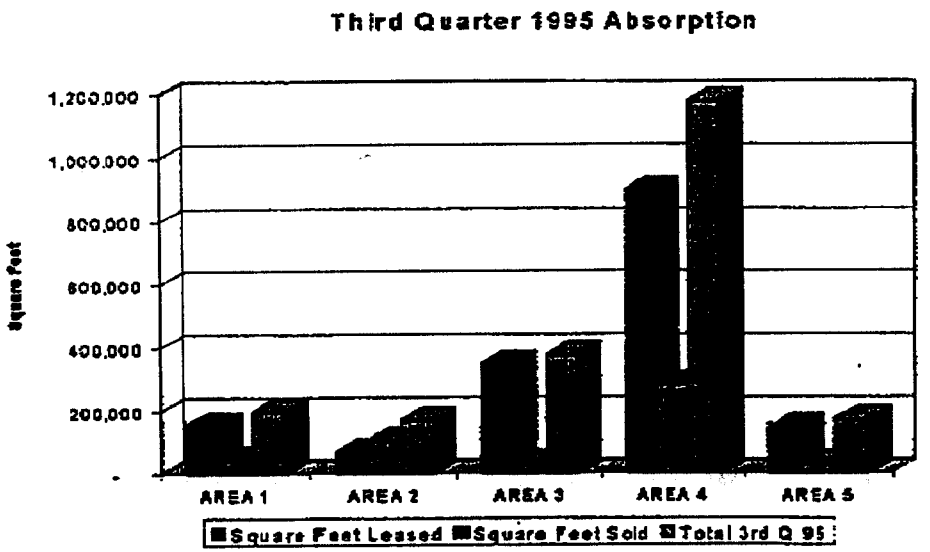
	Available	% Of Available	Absorbed	% Of Absorbed
Class A -	7,420,894	44.9	1,137,634	54.5
Class B -	5,492,780	33.3	507,271	24.3
Class C -	3,603,772	21.8	443,787	21.2
Total Square Feet	16,517,446		2,088,692	



SOUTH BAY INDUSTRIAL MARKET PROFILE

SUMMARY OF THIRD QUARTER AND YEAR TO DATE 1995 ABSORPTION

	Square Feet Leased	Square Feet Sold	Total 3rd Q 95	3rd Q 94	95 YTD
AREA 1	153,323	43,139	196,462	234,242	495,932
AREA 2	65,227	103,250	168,477	531,024	532,235
AREA 3	345,745	30,000	375,745	71,903	530,596
AREA 4	896,065	282,019	1,178,084	1,593,407	2,363,848
AREA 5	142,324	27,600	169,924	109,294	195,524
SOUTH BAY TOTALS	1,602,684	486,008	2,088,692	2,539,870	4,118,135
% of Absorption	76.7%	23.3%	100%		

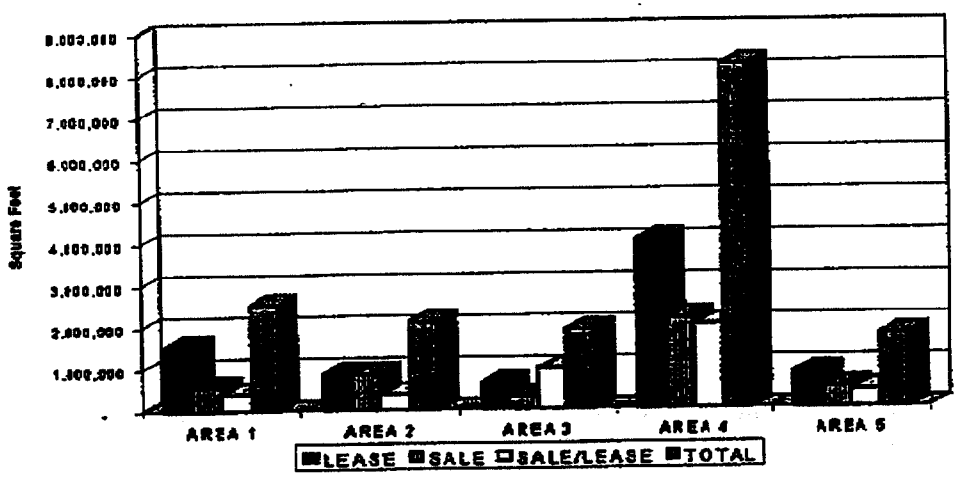


SOUTH BAY INDUSTRIAL MARKET PROFILE

SUMMARY OF THIRD QUARTER 1995 VACANCY

	LEASE	SALE	SALE/LEASE	TOTAL	%
AREA 1	1,545,783	574,499	414,613	2,534,895	15%
AREA 2	857,222	877,883	382,902	2,118,007	13%
AREA 3	622,687	311,999	964,785	1,899,471	11%
AREA 4	4,037,659	2,165,352	2,007,863	8,210,874	50%
AREA 5	833,743	503,297	417,159	1,754,199	11%
SOUTH BAY TOTALS	7,897,094	4,433,030	4,187,322	16,517,446	100%
% of Total	48%	27%	25%	100%	

Third Quarter 1995 Vacancy



SOUTH BAY INDUSTRIAL MARKET PROFILE

DEFINITIONS OF BUILDING CLASSIFICATIONS

CLASS "A" BUILDINGS:

- New or newer construction
- High cube (22' minimum)
- Calculated sprinkler system
- Approximately 2:1 land to building coverage ratio

CLASS "B" BUILDINGS:

- Similar to Class "A" construction
- Median era of useful life
- 18' - 21' minimum ceiling clearance
- Ordinary hazard sprinkler system
- Higher building coverage ratio

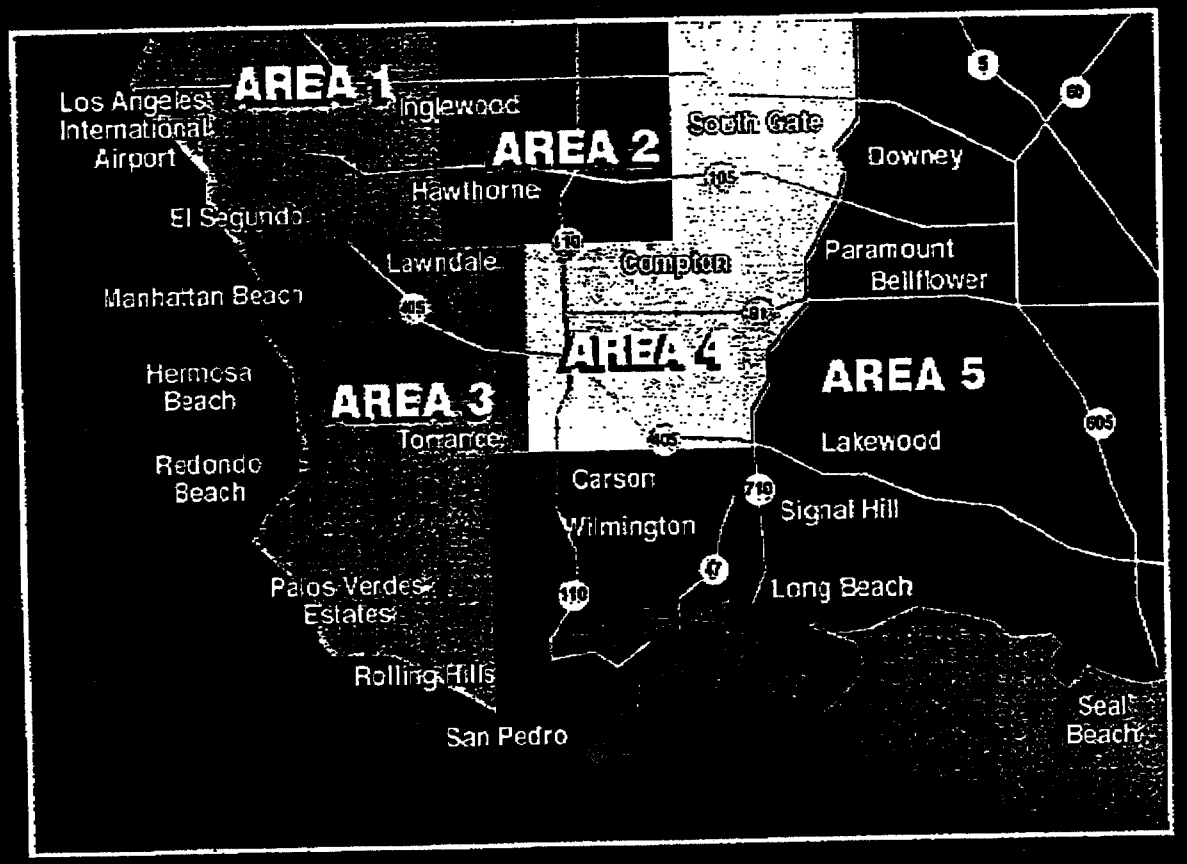
CLASS "C" BUILDINGS:

- Low ceiling clearance (10' - 18')
- Ordinary hazard sprinkler system or no sprinkler system
- Heavy building coverage ratio
- Problem facility - limited use or useful life
- Potential tear down or functionally obsolescent

South Bay Industrial Submarket

COLLIERS

Seeley



Area 1
LAX
El Segundo
Hawthorne

Area 2
Gardena
Harbor Fwy Corridor

Area 3
Torrance

Area 4
Carson
Compton
Rancho Dominguez

Area 5
Paramount
Long Beach
Harbor Cities