MARKET REPORT

"...with two major deliveries, the Buckhead/Lenox submarket has displaced Midtown as the fifth largest submarket in square footage."
- Richard Bowers, SIOR

Our first quarter 2010 office market data suggests a bottoming-out of the office market, as we projected, with close to a break-even 3,784 square feet of positive absorption. In the first quarter, 1,640,626 square feet delivered in three urban office towers: Phipps Tower and 3630 Peachtree in Buckhead, and 12th & Midtown. All at under 20 percent pre-leased, the two new office towers in Buckhead delivered at zero percent occupied, while 12th & Midtown delivered at only 5 percent occupied. As a result, the overall vacancy rate increased from 18.41 percent at year-end 2009 to 19.38 percent at the end of 2010's first quarter—the highest vacancy rate since the late 1980s.

Fortunately, these three buildings are the last major projects under development, and in fact, we don't expect any new office developments commencing construction until 2015 or possibly even later, unless it is a major pre-lease, which will also be difficult to finance. The major reason for this lack of new development is the fact that more than 26,000,000 square feet of space is available, excluding subleases. The five major submarkets in space availability are Buckhead/Lenox at 4,437,181 square feet; I-285/GA-400 at 3,670,663 square feet; I-75/I-285 at 3,362,104 square feet; Midtown at 3,291,430 square feet; and Downtown at 3,007,976 square feet.

As noted above, all the top five submarkets in space availability have in excess of 3,000,000 square feet of space. Because Buckhead/Lenox delivered 915,626 square feet of space, it is now the leading submarket in available space, jumping over the I-285/GA-400 and I-75/I-285 submarkets. Along with the 1,058,051 square feet of delivered space in third quarter of 2009, Buckhead has brought nearly two million square feet of new space into the market. This marks the most four-quarter cumulative deliveries in the submarket's extensive history. In addition, Buckhead has fallen victim to negative absorption of 428,066 over the last four quarters, the largest negative absorption since 2003. With negative absorption and the burst of deliveries, the vacancy rate has nearly doubled since first quarter 2009 at 15.31 percent to 29.06 percent. Landlords can expect to eat up expenses as they optimistically await for the market to absorb all of this extra space.

Overall, despite deliveries totaling 1,640,626 square feet, average rental rates remain stable at $21.45 per square foot, reflecting the landlords' strategy of offering more favorable pricing to prospective tenants and favorable tenant market conditions. With the new deliveries, as well as the fact that Buckhead/Lenox was the leading submarket in negative absorption at close to 200,000 square feet, this submarket's occupancy rate is hovering just over 70 percent—the lowest of any of the sixteen submarkets. Despite this fact, Buckhead/Lenox still posted the highest average rental rate of all submarkets at $26.32 per square foot.

Nine of the sixteen Atlanta submarkets posted positive absorption in the first quarter of 2010 as opposed to only six submarkets in the fourth quarter of 2009. The leading submarkets are NE Expressway – North with 111,881 square feet, GA-400 North with 87,612 square feet, Airport South with 38,939 square feet, Midtown with 22,609 square feet, and I-75N/Marietta/Johnson Ferry with 20,641 square feet.

The urban corridor significantly outperformed the suburbs during the first quarter of 2010. In fact the urban markets' 204,237 square feet of negative absorption (most of which was attributable to the Buckhead/Lenox submarket) was the largest negative absorption in the last five years.

The current space availability of 26,227,192 square feet for the first quarter of 2010 is the highest ever recorded for metropolitan Atlanta. On a positive note, due to Atlanta's position as the most cost-effective major city in the country, both real estate-wise and economically, activity, according to economic development representatives, is quite brisk. With no new construction, a bottoming-out of the economy and office market, we hope this record-setting vacancy will soon be eliminated or reduced with significant positive absorption, particularly with the favorable economic terms currently available.

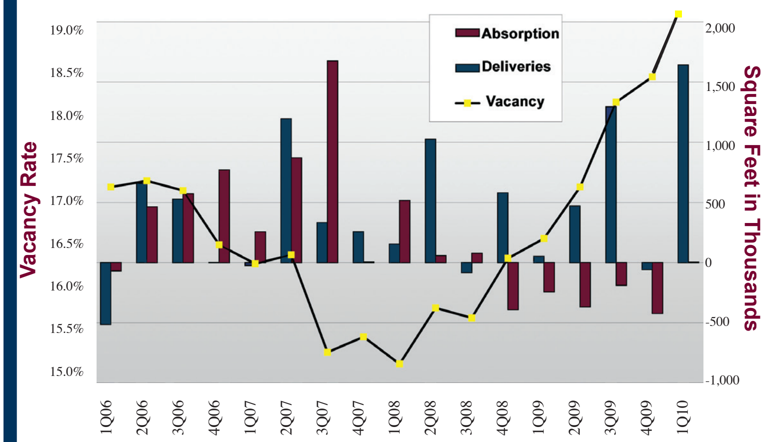
An example of relocations which are bolstering Atlanta's job growth and absorption is the Northeast Expressway/North's positive absorption of

OFFICE MARKET SNAPSHOT

Total Square Feet:	135,332,072
Vacant Square Feet:	26,227,192
Percent Occupied:	80.62%
Absorption for Quarter:	3,784
Average Rental Rates:	$21.45
Space Delivered YTD*:	1,640,626
Class "A" Avg. Rental Rate:	$24.03

* Excludes Net Losses

METRO ATLANTA OFFICE MARKET SUMMARY 1ST QUARTER 2010



ATLANTA'S TOP FIVE RANKING SUBMARKETS

Net Absorption 1st Quarter 2010:

NE Expressway - North	111,881
GA-400 North	87,612
Airport South	38,939
Midtown	22,609
I-75N/Marietta/JF	20,641

Total Available Square Feet:

Buckhead/Lenox	4,437,181
I-285/GA-400	3,670,663
I-75/I-285	3,362,104
Midtown	3,291,430
Downtown	3,007,976

Total Existing Square Feet:

I-285/GA-400	22,321,440
I-75/I-285	18,857,310
Downtown	16,794,417
GA-400 North	15,806,617
Buckhead/Lenox	15,268,768

Submarket Occupancy Rate:

I-75 Corridor	96.05%
NE Expressway-South	88.59%
Decatur	85.98%
I-285/I-85/Northlake	85.65%
GA-400 North	84.26%

Average Quoted Rental Rate:

Buckhead/Lenox	$26.32
Midtown	$25.94
I-285/GA-400	$22.13
I-75 Corridor	$22.00
Downtown	$21.78

3rd Quarter 2009 SF Deliveries:

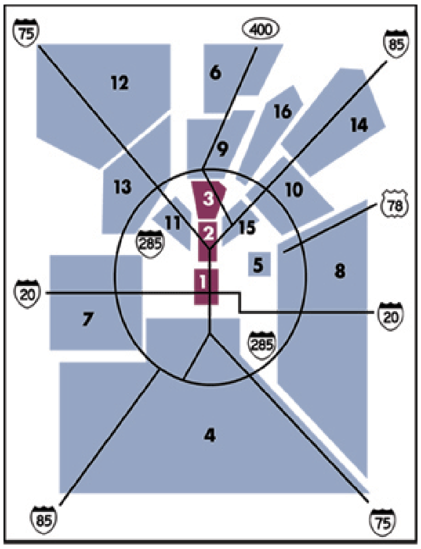
Buckhead/Lenox	915,626
Midtown	725,000

111,881 square feet, the leading submarket in this regard, primarily due to NCR's headquarter relocation to Satellite Place in Duluth. Plenty of other opportunities exist for large users as well. A total of 33 buildings in the Atlanta office market have over 100,000 square feet of contiguous space available, with 21 of these opportunities offered within the urban corridor.

Construction of the Maynard H Jackson Jr. International Terminal which began construction in 2008 is scheduled for completion in spring of 2012. The new terminal will have a major positive impact upon Atlanta's economy, employing thousands of workers directly and indirectly upon it's completion. Another issue facing Atlanta is its debate over public transportation and commuter rail. Although we remain optimistic, there appears to be no solution in the near future as the funding issues have possibly postponed the project yet another year.

A stronger economy, created by greater liquidity and less government restraint for the private sector, would do wonders in restoring job opportunities for the 60,000-plus office workers who have lost their jobs in this economic downturn since 2007, and for an improved office market. As previously stated, our government officials, politicians, and regulators have done an extremely poor job, not only in creating this economic downturn, but also in correcting and improving our economy. Lacking adequate liquidity and capital, the private sector cannot expand, grow and prosper, while providing employment and necessary tax revenues for our country.

Metro Atlanta Submarkets



Urban Corridor Submarkets

1 Downtown
2 Midtown
3 Buckhead / Lenox

Suburban Submarkets

4 Airport / South
5 Decatur
6 GA-400 North
7 I-20W/Greenbriar
8 I-285 E / Stone Mountain
9 I-285 / GA-400
10 I-285 / I-85 / Northlake
11 I-75 Corridor
12 I-75N/Marietta/Johnson Ferry
13 I-75 / I-285
14 NE Expressway-North
15 NE Expressway-South
16 Peachtree Corners

Office Totals By Submarket

	Total Sq. Ft.	Vacant Sq. Ft.	Occupancy Rate	Absorption This Qtr.	Absorption Year to Date	Avg. Rent Rate
Urban						
Downtown	16,794,417	3,007,976	82.09%	(29,459)	(29,459)	$21.78
Midtown	14,981,031	3,291,430	78.03%	22,609	22,609	$25.94
Buckhead/Lenox	15,268,768	4,437,181	70.94%	(197,477)	(197,477)	$26.32
Urban Totals	47,044,216	10,736,587	77.18%	(204,327)	(204,327)	$24.58
Suburban						
Airport/South	3,239,696	915,836	71.73%	38,939	38,939	$16.86
Decatur	1,141,165	159,969	85.98%	(5,853)	(5,853)	$19.77
GA-400 North	15,806,617	2,487,512	84.26%	87,612	87,612	$19.45
I-20W/Greenbriar	321,053	85,377	73.41%	0	0	$13.70
I-285/GA-400	22,321,440	3,670,663	83.56%	19,468	19,468	$22.13
I-285/I-85/Northlake	4,480,184	642,921	85.65%	(26,926)	(26,926)	$17.38
I-285E/Stone Mtn	320,920	55,403	82.74%	(7,050)	(7,050)	$13.76
I-75 Corridor	1,127,333	44,586	96.05%	14,307	14,307	$22.00
I-75/I-285	18,857,310	3,362,104	82.17%	(42,261)	(42,261)	$20.58
I-75N/Marietta/Johnson F	3,169,873	648,446	79.54%	20,641	20,641	$18.77
NE Expressway-North	4,752,811	1,086,798	77.13%	111,881	111,881	$18.32
NE Expressway-South	4,663,151	532,071	88.59%	12,945	12,945	$18.46
Peachtree Corners	8,086,303	1,798,919	77.75%	(15,592)	(15,592)	$16.84
Suburban Totals	88,287,856	15,490,605	82.45%	208,111	208,111	$19.79
Total/Wgt. Averages	135,332,072	26,227,192	80.62%	3,784	3,784	$21.45

Richard Bowers & Co.
Real Estate

Visit us at - www.richardbowers.com

TCN WORLDWIDE

260 Peachtree Street • Suite 2400 • Atlanta, Georgia 30303 • Phone: 404-816-1600 • FAX: 404-880-0077