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March 18, 2009

Matt Englhard
Regional Development Officer
First Industrial Realty Trust, Inc.
114 Pacifica, Suite 220
Irvine, CA 92618

Re: Economic Viability of Agriculture in the East Inland Empire

Dear Mr. Englhard:

Per your request CBRE Consulting has examined the economic and market trends affecting agriculture operations throughout California, with particular attention to the specific challenges relative to the communities of Perris and Sun City in eastern Riverside County area of the Inland Empire.

Founded in 1978 as Sedway Group, CBRE Consulting is a nationally recognized full-service real estate and urban economics consulting firm with offices in Los Angeles and San Francisco. CBRE brings a multi-disciplined approach to property evaluation of all major land use types. CBRE specializes in real estate market analysis, economic development studies for residential, commercial and industrial projects throughout California and the western United States.

BACKGROUND

The Inland Empire once held the largest concentration of dairies and supporting agriculture (e.g., alfalfa farming) in the world. This region is now facing tremendous urbanization and development pressures. The agricultural land is continually declining in the Inland Empire. According to the State of California, Department of Conservation, Riverside County lost 50,000 acres of farmland from 1990 through 2002. San Bernardino County lost 47,000 acres in prime farmland over the same period.

For this analysis, CBRE performed an extensive internet/literature search relative to the economics of agricultural and dairy farming to understand the economic and other challenges to continued agriculture uses in the Inland Empire. CBRE also gathered relevant demographic, real estate and other economic data to illustrate historic and projected land use trends near Perris and the eastern Inland Empire.

There are many factors which demonstrate the infeasibility of agriculture production in Eastern Inland Empire, resulting in many dairy operators and supporting agricultural operations moving to Kern County.

- Urbanization in the Inland Empire, resulting in dramatically increasing land prices,
- Higher water and labor costs;
- Environmental regulation (insects, odors, ground water contamination and solid waste removal) and,
- Competition from Kern County and the Central Valley with lower land costs and reduced regulations

1. Increasing Land Values

Due to competing land uses, land prices have increased dramatically in the area in excess of $250,000 per acre. It has become more profitable for farmers to sell their land for a premium and relocate to a different area. The adoption of various General Plans in the Inland Empire emphasizing significant residential and commercial development have also encouraged the farmers to sell their land and relocate.

2. Conflicts between Urban Neighbors and Dairy Farms

The proximity of agriculture and urban development in the Inland Empire region bring with it many conflicts. There is an increase in the land use incompatibility with nuisance complaints from the urban neighbors regarding flies, farm odors, early morning noise, and also water and air pollution. The farmers also face pressures due to increased water and land-use restrictions.

3. Increasingly Stringent Environmental Regulations

The Region 8 Water Board, which encompasses Perris, was among the first to develop environmental regulations to control dairy operations, with increasing restrictions imposed in 1994, 1999 and 2004, as the proximity of urban neighborhoods, contamination of ground water and air pollution started raised more concerns.

4. Competition from Central Valley

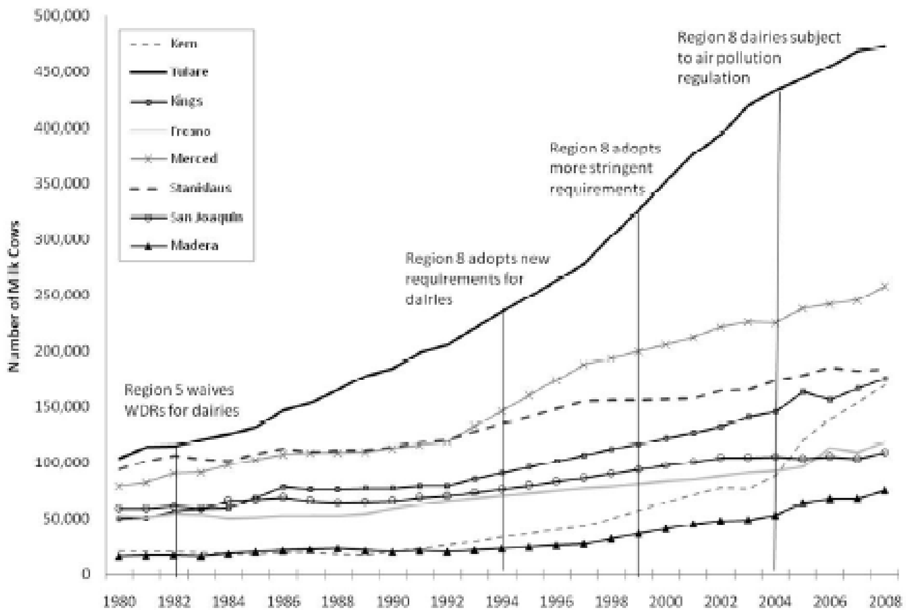
The dairy farmers in the Inland Empire face stiff competition from the farmers in the Central Valley because of high operating costs, including high feed costs and the cost of manure disposal.

A study published in Agriculture and Resource Economics Review in 2008 demonstrated the effect of environmental regulations over time and the growth in dairy industries, attributed to the cheap land and relatively weak regulations in the Central Valley.

According to CDFA, milk production has declined by approximately 45 percent in Riverside County between 2002 and 2007, while production increased by 88 percent in Kern County.

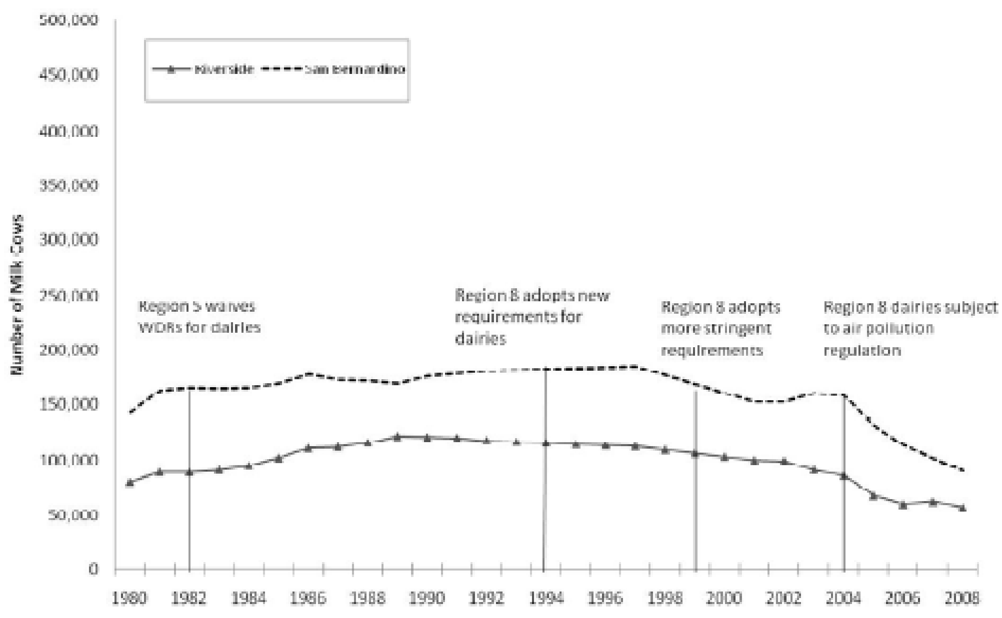
Figures 1 and 2 on the following page show trends in the number of milk cows in the Central Valley (Region 5) as compared to the loss in Region 8 from 1980 to 2008.

Figure: 1
Milk Cows in Counties of Region 5 Central Valley



Source: Steeringer and Hogle, 2008

Figure: 2
Milk Cows in Region 8 – Inland Empire



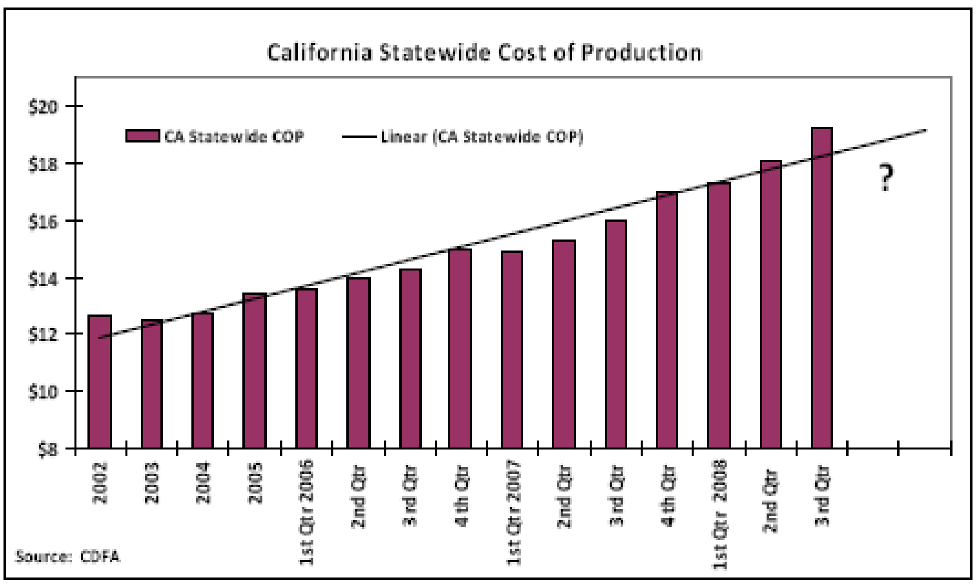
Source: Steeringer and Hogle, 2008

The Central Valley farmers also face few development pressures as compared to the Inland Empire and they benefit from diverse farm economy. For example, the farmers use dairy waste to fertilize their own crops or of the neighbors. They also use agricultural waste from neighboring farms as feed. This reduces their waste disposal and feed costs.

5. Operating Costs

According to the CDFA, production costs in dairy industry have risen by 50 percent since 2002 in California, putting more pressure on dairy farmers to cut other costs. Figure 3 below shows the growth in cost of production per CWT from 2002 to 3rd quarter 2008.

Figure 3
Cost of Production in the California Dairy Industry



Source: California Department of Food and Agriculture, 2008

Labor Costs

There is a shortage of labor in the dairy industry. Many agricultural workers are looking for higher paying jobs in non-agricultural industries according to the CDFA, which makes it difficult for the dairy farmers to compete for labor and leads to increased labor costs.

The issue of immigration and compliance also leads to labor problems. As shown in Figure 4 there is significant difference in labor costs in the different milk-producing regions of California. In the chart, South Valley represents the counties of the Central Valley composed of Fresno, Kings, Tulare and Kern County. Overall labor costs are 25 percent higher in the Southern California region as compared to the statewide average.

Figure 4 – Labor Costs, 2007

Labor Costs	North Coast	North Valley	South Valley	Southern California	2007 State Average
Per Hired Milker					
Hourly Cash Wage	$8.77	$10.29	$9.82	$12.38	$10.02
Hourly Perquisites (1)	1.84	2.24	0.95	1.49	1.40
Hourly Wage (2)	12.53	14.60	12.67	16.52	13.40
Per Hired Labor					
Hourly Cash Wage	8.87	10.88	11.36	13.79	11.18
Hourly Perquisites (1)	1.58	2.49	1.44	1.52	1.86
Hourly Wage (2)	12.40	15.56	14.94	18.18	15.21
Per All Hired					
Hourly Cash Wage	8.81	10.55	10.37	12.89	10.47
Hourly Wage (2)	12.48	15.03	13.48	17.12	14.10

(1) Includes Fair Market Value For Housing Supplied By Employer, Health Insurance, Meat, Etc.
(2) Includes Cash Wages, Perquisites, and Employment Taxes Paid by Employer

Source: *Cost of production, 2007, California Department of Food and Agriculture (CDFA)*

Water and Feed Costs
Increasing cost of water is another reason for the conversion of agricultural land into other uses. Dairying itself does not need as much water, but increasing cost and lower supply of water affects the feed supply for dairy. Dairy producers rely on alfalfa produced in the state as the source for their feed supply. If production of alfalfa is curtailed, the dairy farmers will incur high costs in getting the feed from outside the area.

Waste Disposal Costs
The livestock at dairy farms produce significant tonnage of manure every year. With nearby farmland, encroached by urbanization, the cost of waste disposal increases, as distances to where the waste can be disposed increases, as well as the frequency of disposal that is required. As a result many farmers need to hire professional corral cleaners, which increases costs by up to $50,000 a year.

Commercial/Industrial and Residential Development Trends

With historic growth in commercial/industrial/residential demand throughout southern California over the past 50 years, there has been a consistent growth in residential and commercial/industrial development activity on former agricultural lands throughout Orange County, Los Angeles County and more recently into Riverside and San Bernardino County. Since 1990, the Inland Empire has seen population growth of over 1.5 million people, and it is projected to add another 75,000 people each year over the coming decade. In the City of Perris, there have been almost 4,500 new housing units built since 2000, with median housing prices more than tripling by 2007, and still nearly doubling after the dramatic 2008 market declines.

Industrial development in the East Inland Empire region has seen similar growth with inventory increasing by 60 percent, or 92 million square feet since 2000. In Perris the growth has been nearly 100 percent, with 5 million square feet built in past eight years.

As a result of these trends, average land prices in the Inland Empire have increased to over $250,000 per acre, which compares to Kern County land values of less than $50,000 per acre

See Appendix Exhibits A-1 through A-6 for detailed trends in Perris/Inland Empire population, employment, residential building permits, home prices, industrial markets and land prices. Exhibit A-7 illustrates land sales in Kern County over the past three years.

Conclusion

Agriculture is being been significantly impacted by numerous economic, political and regulatory factors. As a result over 100,000 acres of farmland has been taken out of service since 1990 and is being redeveloped for residential, commercial and industrial uses. With lower land costs and less regulation, dairy operators and supporting agricultural uses such as dry farming and alfalfa production have been steadily moving out of the Inland Empire towards Central Valley, Barstow and Kern County.

Continued agricultural operations are not financially feasible in the Perris/eastern Riverside County region. Agricultural operations of all types will continue to decline as a result of the economic forces at work impacting land owners. Agricultural operator's business decisions to cease production will continue to occur regardless of land use decisions made by local agencies. In other words, land designated for agricultural use has little impact on the continued declining agricultural trends in Perris/eastern Riverside County.

Respectfully submitted,

Thomas R. Jirovsky
Senior Managing Director

Attachment

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Exhibit A-1:

POPULATION, HOUSEHOLD & EMPLOYMENT TRENDS

City of Perris and Inland Empire Region, 1990 - 2029

	1990	2000	2009	2014	2019	2024	2029	
City of Perris								
Population	22,202	36,189	54,592	62,440	69,956	77,175	83,601	
Households	6,848	9,652	14,160	16,300	18,032	19,808	21,616	
Employment (1)	--	11,715	17,332	19,042	20,108	22,194	24,810	
Inland Empire								
Population	2,588,793	3,254,821	4,170,780	4,505,315	4,950,365	5,373,155	5,774,903	
Households	866,804	1,034,812	1,297,214	1,445,415	1,626,549	1,807,342	1,988,035	
Employment (1)	--	1,121,464	1,450,397	1,665,604	1,881,342	2,099,942	2,321,648	
Growth - #		**1990-00**	**2000-09**	**2009-14**	**2014-19**	**2019-24**	**2024-29**	**2009-29 Total**
City of Perris								
Population		13,987	18,403	7,848	7,516	7,219	6,426	29,009
Households		2,804	4,508	2,140	1,732	1,776	1,808	7,456
Employment (1)		--	5,617	1,710	1,066	2,086	2,616	7,478
Inland Empire								
Population		666,028	915,959	334,535	445,050	422,791	401,748	1,604,123
Households		168,008	262,402	148,201	181,134	180,793	180,693	690,821
Employment (1)		--	328,933	215,207	215,738	218,600	221,706	871,251
Growth - % CAGR		**1990-00**	**2000-09**	**2009-14**	**2014-19**	**2019-24**	**2024-29**	**2009-29**
City of Perris								
Population		5.0%	4.7%	2.7%	2.3%	2.0%	1.6%	2.2%
Households		3.5%	4.4%	2.9%	2.0%	1.9%	1.8%	2.1%
Employment (1)		--	4.4%	1.9%	1.1%	2.0%	2.3%	1.8%
Inland Empire								
Population		2.3%	2.8%	1.6%	1.9%	1.7%	1.5%	1.6%
Households		1.8%	2.5%	2.2%	2.4%	2.1%	1.9%	2.2%
Employment (1)		--	2.9%	2.8%	2.5%	2.2%	2.0%	2.4%

Sources: Southern California Association of Governments (SCAG); Claritas; and CBRE Consulting

(1) Daytime employment data available from the year 2000.

(2) Projections based on forecast growth rates in population, households and employment according to SCAG.

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Exhibit A-2:
RESIDENT EMPLOYMENT TRENDS BY INDUSTRY & OCCUPATION
US Census, 1990 and 2000

	City of Perris, California					Inland Empire Region, CA				
	1990		2000		Change	1990		2000		Change
	#	%	#	%	('90-'00)	#	%	#	%	('90-'00)
RESIDENT EMPLOYMENT BY INDUSTRY										
Agriculture, forestry, and fisheries	**389**	***5.0%***	**97**	***0.8%***	**-75.1%**	**36,314**	***3.4%***	**18,997**	***1.5%***	**-47.7%**
Construction	965	*12.4%*	1,352	*11.3%*	40.1%	109,894	*10.2%*	105,268	*8.3%*	-4.2%
Manufacturing	1,668	*21.4%*	2,233	*18.7%*	33.9%	161,282	*14.9%*	157,003	*12.4%*	-2.7%
Transportation, Communication & Utilities	484	*6.2%*	634	*5.3%*	31.0%	79,357	*7.4%*	78,459	*6.2%*	-1.1%
Wholesale trade	242	*3.1%*	474	*4.0%*	95.9%	44,018	*4.1%*	48,574	*3.8%*	10.4%
Retail trade	1,274	*16.3%*	1,563	*13.1%*	22.7%	191,714	*17.8%*	160,926	*12.7%*	-16.1%
Finance, insurance, and real estate	400	*5.1%*	408	*3.4%*	2.0%	68,174	*6.3%*	71,208	*5.6%*	4.5%
Services	2,019	*25.9%*	4,653	*39.0%*	130.5%	333,481	*30.9%*	557,909	*44.1%*	67.3%
Public administration	357	*4.6%*	520	*4.4%*	45.7%	55,394	*5.1%*	65,784	*5.2%*	18.8%
RESIDENT EMPLOYMENT BY OCCUPATION										
Managerial & professional specialty	1,357	*17.4%*	2,110	*17.7%*	55.5%	253,002	*23.4%*	353,835	*28.0%*	39.9%
Technical, sales, & administrative support	2,042	*26.2%*	2,967	*24.9%*	45.3%	338,842	*31.4%*	343,542	*27.2%*	1.4%
Service occupations, excl. Farming	2,327	*29.8%*	2,071	*17.4%*	-11.0%	297,318	*27.5%*	210,174	*16.6%*	-29.3%
Farming, forestry, & fishing	**345**	***4.4%***	**52**	***0.4%***	**-84.9%**	**31,593**	***2.9%***	**12,539**	***1.0%***	**-60.3%**
Operators, fabricators, & laborers	1,727	*22.1%*	4,734	*39.7%*	174.1%	158,873	*14.7%*	344,038	*27.2%*	116.5%

Sources: US Census 1990 and 2000; and, CBRE Consulting

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Exhibit A-3:

RESIDENTIAL BUILDING PERMIT TRENDS

City of Perris and Inland Empire, 10-Year Trends

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
CITY OF PERRIS											
Number of Units											
Single Family	186	9	145	492	1,269	1,573	1,746	812	599	107	6,938
2-4 Units	4	8	0	0	0	0	0	0	0	0	12
Over 5 Units	76	62	0	186	0	0	0	0	96	0	420
Total	**266**	**79**	**145**	**678**	**1,269**	**1,573**	**1,746**	**812**	**695**	**107**	**7,370**
INLAND EMPIRE											
Number of Units											
Single Family	18,776	18,824	23,588	29,876	35,965	43,029	43,911	33,001	15,807	5,723	268,500
2-4 Units	154	169	335	323	719	1,085	971	943	717	218	5,634
Over 5 Units	1,730	2,198	3,486	2,103	5,568	7,206	3,887	3,609	3,346	2,667	35,800
Total	**20,660**	**21,191**	**27,409**	**32,302**	**42,252**	**51,320**	**48,769**	**37,553**	**19,870**	**8,608**	**309,934**

Source: US Census Bureau; and CBRE Consulting

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Exhibit A-4:

SINGLE FAMILY DETACHED AND CONDOMINIUM RESALES AND MEDIAN PRICES

1999 - 2008 YTD

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	CAGR (1) 1999-2008
CITY OF PERRIS											
Single Family Detached											
Number of Sales	1,042	970	919	976	1,069	1,166	1,657	1,466	638	1,670	5.4%
Median Price	$81,246	$94,597	$116,899	$133,884	$170,564	$241,973	$326,336	$372,010	$348,354	$183,635	9.5%
Median Price per Sq. Ft.	$62	$72	$87	$101	$126	$178	$224	$240	$207	$96	5.1%
Condominium											
Number of Sales	0	0	0	0	1	0	0	0	0	6	n.a.
Median Price	$0	$0	$0	$0	$140	$0	$0	$0	$0	$138	n.a.
INLAND EMPIRE (2)											
Single Family Detached											
Number of Sales	53,616	53,280	53,402	60,923	66,117	71,107	77,105	57,655	34,418	53,947	0.1%
Median Price	$114,093	$127,093	$147,072	$169,301	$209,463	$279,000	$351,000	$384,000	$371,000	$231,000	8.2%
Median Price per Sq. Ft.	$80	$89	$100	$114	$139	$183	$225	$243	$219	$125	5.0%
Condominium											
Number of Sales	7,907	8,241	7,523	9,135	9,556	10,125	9,208	6,234	4,526	4,095	-7.1%
Median Price	$110,654	$125,616	$134,856	$156,656	$185,689	$246,000	$305,000	$324,000	$309,000	$220,000	7.9%

Source: DataQuick; and CBRE Consulting

(1) CAGR is the Compounded annual growth rate.
(2) Counties of Riverside and San Bernardino.

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Exhibit A-5:

INDUSTRIAL MARKET TRENDS (Including Manufacturing, Warehouse/Distribution and Flex/R&D Space)

All Industrial Space, 2000 - 2008

Annual Trend by Market Area	SUPPLY				DEMAND				LEASE RATE ($/SF/Yr.) (1,2)
	Inventory Bldgs.	Inventory GLA (SF)	Vacancy Rate % (1)	SF Delivered	Availability Rate % (1)	Total Deals	Total SF Leased	SF Net Absorption	
CITY OF PERRIS SUB-MARKET									
2000	141	5,373,641	0.6%	38,110	0.6%	1	1,272,500	51,860	$4.88
2001	146	7,076,631	1.7%	1,702,990	1.6%	1	20,350	1,606,362	5.64
2002	146	7,076,631	2.1%	0	1.4%	2	115,960	5,509	4.68
2003	147	7,125,503	2.2%	48,872	2.2%	2	65,303	28,429	5.11
2004	150	7,381,220	1.0%	255,717	0.7%	0	17,800	367,551	n.a.
2005	153	7,595,862	0.9%	214,642	0.9%	2	2,500	165,460	n.a.
2006	157	7,663,213	1.3%	67,351	1.3%	3	3,458	4,173	5.72
2007	175	9,666,032	8.8%	2,002,819	8.7%	5	1,760,642	1,768,468	7.08
2008	206	10,458,307	11.1%	792,275	11.1%	13	38,674	(339,813)	6.74
Total				**5,122,776**		29	3,297,187	3,657,999	
INLAND EMPIRE - EAST MARKET									
2000	5,002	150,133,588	3.9%	6,630,360	3.6%	312	10,892,596	7,668,578	$6.50
2001	5,076	157,202,306	3.9%	7,068,718	3.1%	355	7,684,689	6,501,787	4.68
2002	5,182	161,820,506	4.3%	4,582,653	3.8%	404	6,636,531	2,394,637	4.57
2003	5,269	167,822,636	5.0%	6,098,659	4.3%	387	9,055,454	5,240,209	4.59
2004	5,470	176,211,830	4.6%	8,389,194	3.1%	500	8,017,923	9,626,436	4.98
2005	5,725	188,313,075	4.6%	12,120,753	3.6%	470	7,611,452	8,938,859	5.01
2006	6,055	208,029,558	7.5%	19,691,663	5.7%	545	13,195,412	13,006,436	5.90
2007	6,291	226,876,355	8.4%	18,563,797	7.5%	624	17,026,809	16,405,909	6.28
2008	6,541	242,869,862	13.0%	15,234,949	12.0%	996	12,632,717	1,932,294	5.71
Total				**98,380,746**		4,593	92,753,583	71,715,145	

Sources: Costar Group Inc., 2008; and, CBRE Consulting

(1) The sub-market is defined as a 5-mile radius from the City Hall and includes the entire City of Perris.

(2) Inland Empire East market, which comprises the City of Perris per Costar definition, also includes the Coachella Valley, Corona, East San Bernardino, Riverside, South Riverside and Outlying San Bernardino sub-markets.

Exhibit A-6:

LAND SALES IN THE CITY OF PERRIS SUB-MARKET

5+ Acres' Land Sales, 2006 - 2009

#	Property Location		Property Characteristics					Sales Characteristics		
#	Address	Property Name	Land Improvements	Type	Zoning	Acres	Land SF	Sale Date	Sale Price	$/Acre
1	Lukens Ln			Commercial	M3	36.7	1,599,087	9/21/2007	$500,000	$13,620
2	Nuevo Rd @ I-215	Nuevo & A St.		Commercial		6.0	261,360	7/27/2007	1,833,000	305,500
3	Dawson Rd @ San Jacinto			Commercial	RR	14.4	628,570	6/13/2007	1,734,000	120,166
4	Ethanac Rd @ McPherson r	5.0 Acres		Commercial	Commercial Commuity	5.0	217,800	5/17/2007	1,250,000	250,000
5	Nuevo Rd @ I-215	Nuevo & A St.		Commercial		6.0	261,360	5/10/2007	653,400	108,900
6	Morgan St	Hold For Development Site	Raw land	Commercial	CC, Perris	6.2	268,329	2/7/2007	1,895,000	307,631
7	9.24 acres Nuevo Rd	Vacant Land	None	Commercial	LI	9.2	402,494	1/24/2007	1,600,000	173,160
8	Old Nuevo Rd @ Perris Blvd		None	Commercial	C1	7.8	341,510	1/2/2007	4,960,000	632,654
9	23040 Rider St			Commercial		7.3	318,423	12/7/2006	875,000	119,699
10	Palomar Rd @ McLaughlin Rd			Commercial		18.2	794,098	11/15/2006	1,700,000	93,253
11	23641 Placentia Ave	Zoned Acreage	Not Available	Commercial	RR	9.5	412,077	9/5/2006	900,000	95,138
12	Redlands Ave	Sp Zoned Acreage	Raw land	Commercial	SP, Perris	20.7	901,774	8/25/2006	3,500,000	169,067
13	Citrus Ave	CC Zoned Acreage	Raw land	Commercial	CC, Perris	38.4	1,670,765	6/29/2006	7,087,000	184,771
14	Cajalco Rd	Acreage	Raw land	Commercial	N/Av, Riverside Co.	13.3	580,219	6/14/2006	2,800,000	210,210
15	23772 Water St	Indacochea Sheep Farm	Not Available	Commercial	N/Av	9.7	420,354	6/6/2006	1,650,000	170,984
16	28067 State Highway 74	Rr Zoned Acreage	Raw land	Commercial	RR, Riverside Co.	5.2	227,383	5/23/2006	1,275,000	244,253
17	Markham St	Unknown Site	Raw land	Commercial	A102, Riverside	9.7	422,967	3/3/2006	1,150,000	118,435
								Commercial Average:		**$158,336**
								Commercial Median:		**$170,984**
18	Mountain Ave	Future Cemex Location		Industrial	GI	5.0	218,235	12/5/2008	1,819,837	363,242
19	355 W Markham St	22.25 acres		Industrial	RA	22.4	977,050	5/20/2008	5,446,960	242,843
20	24390 Nuevo Rd		None	Industrial	IP	6.0	261,360	11/8/2007	1,090,000	181,667
21	Rider St @ Redlands Ave	17.1 Acres		Industrial	M1, RA	17.1	744,876	6/26/2007	3,550,000	207,602
22	Webster Ave @ Morgan St	6.0-Acres Vacant Land		Industrial		6.0	261,360	3/9/2007	1,895,000	315,833
23	24345 Citrus Ave	First Park Nuevo Rd Phase I	None	Industrial	M-H	16.2	707,414	3/9/2007	6,366,730	392,040
24	23121 Cajalco Rd	6.91 ac		Industrial	MSC	6.9	300,999	11/20/2006	2,521,500	364,907
25	Mountain Ave	Finished Land Parcels		Industrial	GI	19.2	838,094	10/4/2006	4,350,000	226,092
26	Cajalco Expy @ 215 Freew	10.42 Acre Industrial Park Site		Industrial	M-SC, Riverside	10.4	453,895	9/13/2006	2,500,000	239,923
27	24475 Markham St	Planned Industrial Development Site	Previously developed lot	Industrial	LI, Perris	9.1	396,901	7/18/2006	2,778,000	304,886
28	Ramona Expy	Planned Industrial Development Site	Raw land	Industrial	LI, Perris	9.2	399,880	7/12/2006	1,999,500	217,811
29	Indian Ave	Planned Industrial Development Site	Raw land	Industrial	MSC, Perris	8.4	366,661	6/30/2006	2,099,500	249,424
30	Perry St	Planned Unit Development Site	Raw land	Industrial	LI, Perris	9.1	396,901	6/30/2006	1,954,000	214,452
31	4244 Perry St	Planned Industrial Development Site	Raw land	Industrial	LI, Perris	18.2	793,798	6/30/2006	5,562,000	305,217
32	24392 Nance St	Auto Salvage Yard Site	Raw land	Industrial	GI, Perris	9.1	395,960	6/14/2006	2,079,000	228,713
33	Perry St	Planned Unit Development Site	Raw land	Industrial	LI, Perris	8.8	384,634	6/9/2006	2,308,000	261,382
34	Markham St	Planned Unit Development Site	Raw land	Industrial	LI, Perris	9.1	396,901	5/31/2006	2,600,000	285,351
35	Harvill Ave	M-Sc Zoned Acreage	Raw land	Industrial	L1	20.8	903,870	5/9/2006	3,358,500	161,855
36	Mapes Rd	Gi Zoned Acreage	Raw land	Industrial	GI, Perris	5.9	258,746	5/8/2006	1,113,000	187,374
37	Rider St	Planned Industrial Development Site	Raw land	Industrial	LI, Perris	16.3	709,592	3/15/2006	3,550,000	217,925
								Industrial Average:		**$252,529**
								Industrial Median:		**241,383**

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Exhibit A-6: ….. Continued…..

LAND SALES IN THE CITY OF PERRIS SUB-MARKET

5+ Acres' Land Sales, 2006 - 2009

#	Property Location		Property Characteristics					Sales Characteristics		
#	Address	Property Name	Land Improvements	Type	Zoning	Acres	Land SF	Sale Date	Sale Price	$/Acre
38	Barnett Rd @ McLughlin Road			Residential	RR	42.3	1,842,587	11/14/2006	4,600,000	108,747
39	Evans Rd			Residential		12.8	558,874	9/27/2006	885,000	68,979
40	Evans Rd	R6000 Zoned Acreage	Raw land	Residential	R6000	12.8	558,874	8/25/2006	885,500	69,018
41	Nuevo Rd	A1 Zoned Acreage	Not Available	Residential	CC & R14	29.8	1,298,523	5/24/2006	2,700,000	90,574
42	Dockery Ln	Residential Zoned Acreage	Raw land	Residential	N/Av, Perris	6.0	259,617	4/19/2006	1,050,000	176,175
43	Dockery Ln	Residential Zoned Acreage	Raw land	Residential	N/Av, Perris	9.7	420,789	4/19/2006	1,750,000	181,160
								Residential Average:		**$104,687**
								Residential Median:		**99,660**
								All Land Sales Average:		**$186,228**
								All Land Sales Median:		**210,210**

Sources: Costar Group Inc., 2009; and, CBRE Consulting

(1) The sub-market is defined as a 5-mile radius from the City Hall and includes the entire City of Perris.

(2) The above is not an exhaustive list of sales. Only those sales greater than 5 and up to 50 acres in size with complete sale price information as reported by the Costar Group are presented.

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Exhibit A-7:

LAND SALES IN KERN COUNTY

Commercial, Industrial and Residential Land Sales, 2006 - 2008

	Property Location		Property Characteristics				Sales Characteristics		
#	Address in City of Chino	City	Property Name/Land Imp.	Zoning	Acres	Land SF	Sale Date	Sale Price	$/Acre
1	SE Elmo Hwy @ Elmo Hwy & Browning Rd	Mc Farland	Falcon Heights		135.0	5,880,600	11/15/2007	$2,142,000	$15,867
2	Pacheco Rd	Bakersfield	Vacant Land 67.57 Acres	M-3, Bakersfield	67.6	2,943,349	10/10/2008	2,500,000	36,999
3	1234 Willow Springs Rd	Mojave			40.0	1,742,400	12/19/2008	128,000	3,200
4	Scofield Rd	Wasco	Wasco Valley Rose - vacant land		40.0	1,742,400	9/29/2006	1,999,582	49,990
5	Mojave Tropical Rd	Rosamond			40.0	1,742,400	6/7/2007	335,000	8,375
6	NW Hanawalt Ave @ Hanawalt & Mast Ave	Mc Farland	Sierra Springs		38.2	1,665,655	11/15/2007	599,000	15,665
7	16701 Brimhall Rd	Bakersfield		E-1 RS, Bakersfield	35.0	1,524,164	12/7/2007	2,000,000	57,159
8	17174 Highway 14	Mojave		M-2	34.4	1,496,286	2/22/2008	550,000	16,012
9	4057-4061 Industrial Pky	Lebec	Tejon Industrial Complex - Bldg. U.C.		23.8	1,034,550	7/1/2008	2,500,000	105,263
10	College Heights Blvd @ Kendall Avenue	Ridgecrest	Villas at College Heights		22.7	988,812	3/22/2007	2,300,000	101,322
11	Stockdale Hwy @ Heath	Bakersfield		Commercial	20.0	871,200	5/1/2007	3,600,000	180,000
12	Archibald Ave	Maricopa	Parcel 4		20.0	871,200	4/20/2007	165,000	8,250
13	Johnson Rd @ Driver	Bakersfield		A-1	20.0	871,200	9/11/2007	1,000,000	50,000
14	Wheeler Ridge Rd @ Creekside Dr.	Arvin	Wheeler Ridge Site		19.5	847,242	11/17/2008	379,990	19,537
15	132 White Ln	Bakersfield	3 Buildings apx 2,555 SF	Light Industrial	15.5	673,002	11/28/2007	1,300,000	84,142
16	Avenue A & 120th W	Rosamond	no zoning restrictions		14.5	631,620	1/24/2007	125,000	8,621
17	Henry Rd	Taft		M-2	14.3	620,730	2/5/2008	505,000	35,439
18	NWC McCutchen & Gosford Rd	Bakersfield		C2	10.0	435,600	6/15/2007	2,275,000	227,500
19	Compagnoni St	Bakersfield			10.0	435,600	9/21/2007	650,000	65,000
20	Mercedes Blvd	California City	10 Acres	R2.5	10.0	435,600	5/4/2007	25,000	2,500
21	Redrock Randsburg Rd	North Edwards	Vacant Land-10 Acres		10.0	435,600	5/26/2006	20,000	2,000
22	Eucalyptus Dr (2 Properties)	Bakersfield	Multi-Property Sale		9.6	418,176	11/9/2007	980,000	102,083
23	5901 Mills Rd	Bakersfield	Mills Road Land		8.8	381,150	9/12/2007	820,000	93,714
24	S China Lake Blvd @ Bowmen Ave.	Ridgecrest	NEC of S. China Lake @ Bowman	GC, Ridgecrest	6.9	302,306	7/3/2008	1,500,000	216,139
25	1245 Kern St	Taft			6.4	279,655	8/31/2007	200,000	31,153
26	N Norma St @ West Ward Avenue	Ridgecrest		R-2	6.0	259,618	10/4/2006	420,000	70,470
27	W Day Ave @ Airport Drive	Bakersfield			5.8	250,470	10/4/2007	1,300,000	226,087
				Land Sales Avg.:					**$44,347**
				Land Sales Median:					**$49,990**

Sources: Costar Group Inc., 2008; and, CBRE Consulting

- The above is not an exhaustive list of sales. Only those sales greater than 5 acres in size with complete sale price information, as reported by the Costar Group, are presented.