



A Tradition of Stewardship
A Commitment to Service

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Industrial Absorption Napa County

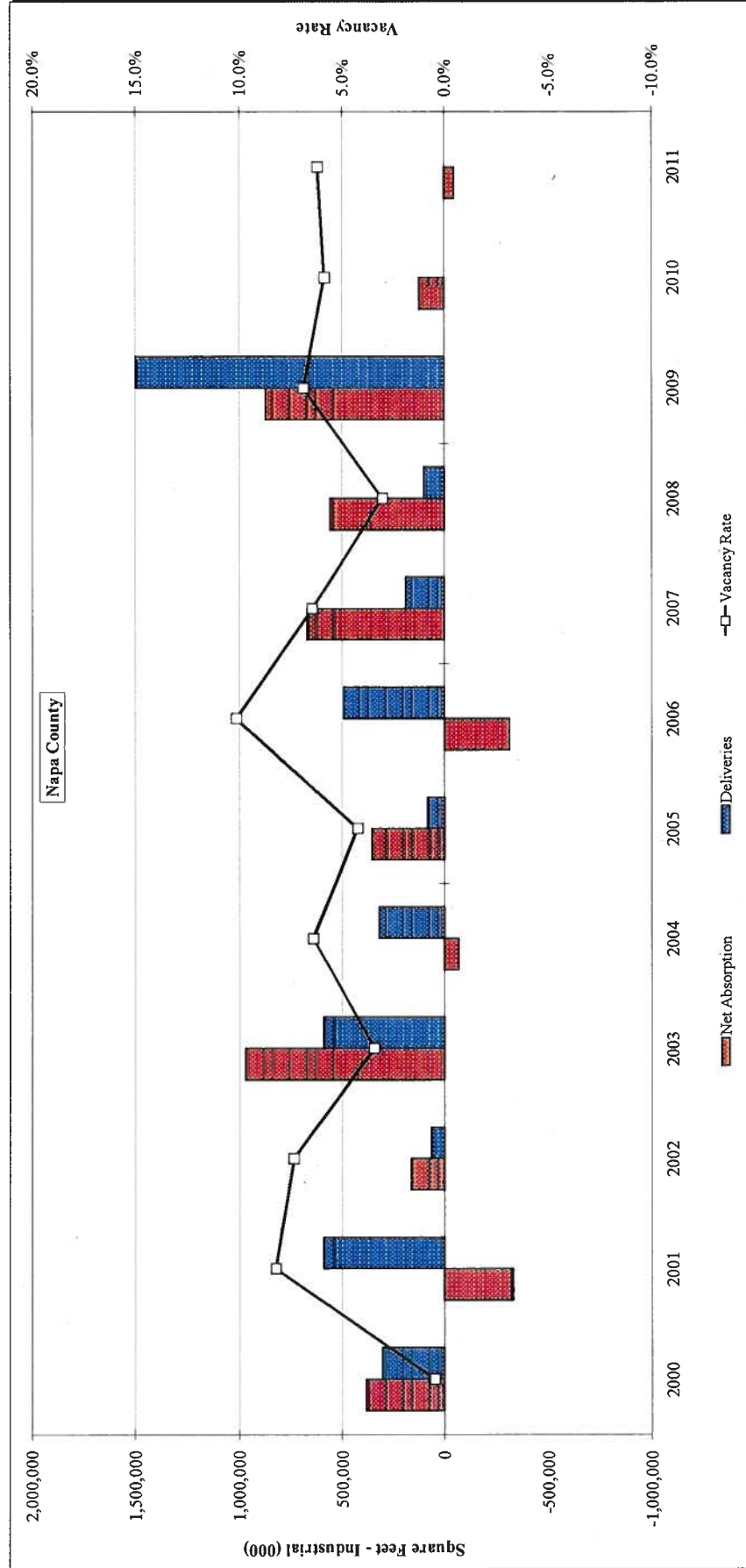
The attached analysis shows the absorption of industrial space in Napa County for the last 10 years.

- Currently, there is roughly 15,000,000 square feet of industrial space in Napa County.
- Over the last ten years, about 328,000 sq. ft. of industrial space has been absorbed on an annual basis.
- On average, approximately 330,000 sq. ft. of new construction has been delivered to the market on an annual basis over the last 10 years.
- The total acres of land in Napa County available for industrial development is approximately 1,455 (including the 154 acre Napa Pipe property)
- Assuming a .35 Floor Area Ratio (FAR), the amount of industrial building area is 22,182,930 sq. ft.
- Based on 328,000 sq. ft. of industrial space absorbed each year, the County has approximately 68 years worth of developable land remaining.
- The current vacancy rate for industrial space throughout the county is currently at 6.2%. For the last ten years, the vacancy rate has averaged 6%.

ADDENDUM 1

MACRO MARKET PERFORMANCE - INDUSTRIAL INDUSTRIAL MARKET AREA 2000 THROUGH 2011

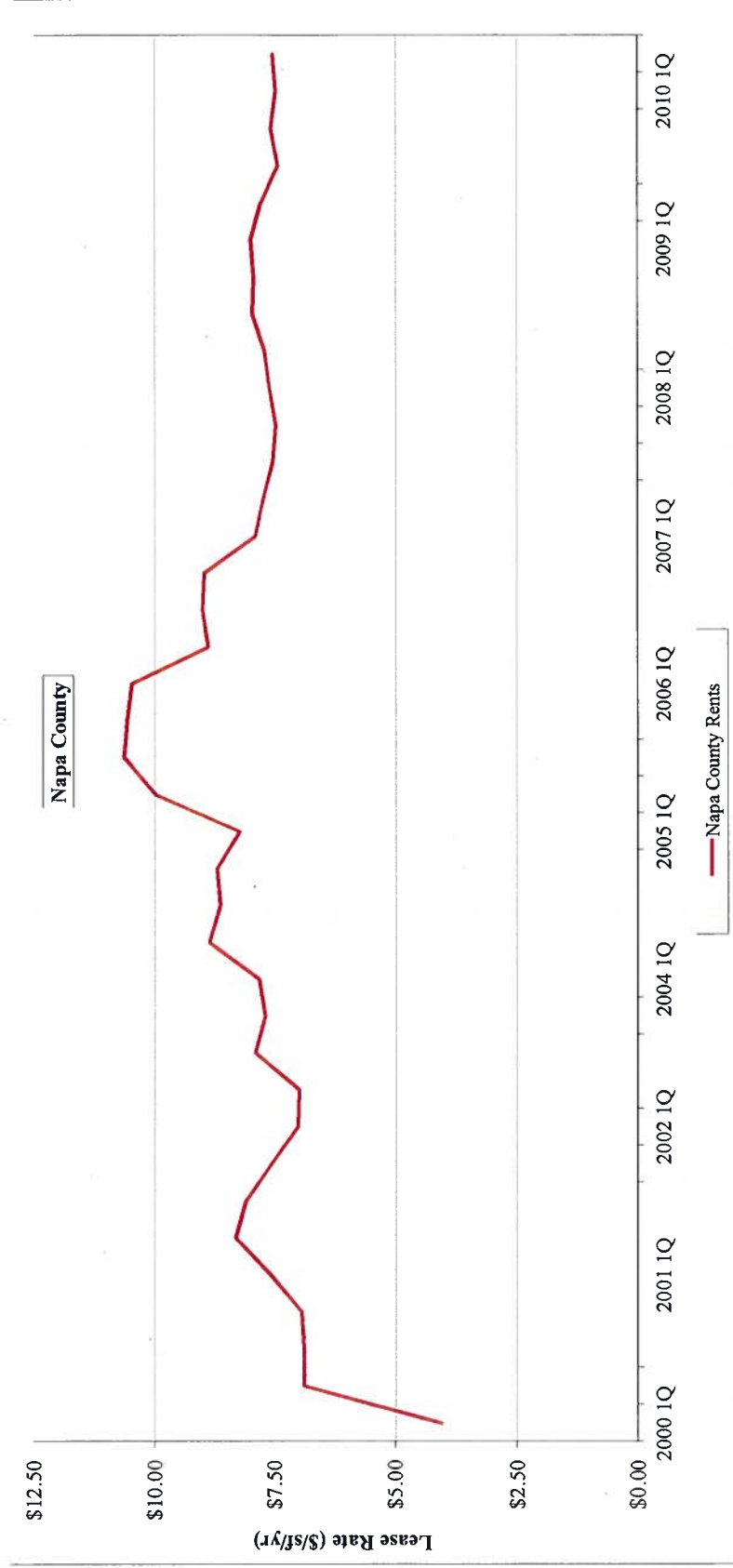
Market Factor	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	10-Year Average
<i>Napa County</i>													
RBA (000 s.f.)	11,242,666	11,832,927	11,896,209	12,420,709	12,741,626	12,823,906	13,318,442	13,507,617	13,608,437	15,108,831	15,075,819	15,075,819	13,557,742
Net Absorption	382,671	-331,575	163,486	971,191	-68,187	354,406	-313,535	669,766	560,481	873,194	121,519	-48,338	328,398
Deliveries	303,707	590,261	63,282	589,500	320,917	82,280	494,536	189,175	100,820	1,500,394	0	0	334,090
Total Vacancy Rate	0.5%	8.2%	7.3%	3.4%	6.4%	4.2%	10.1%	6.4%	3.0%	6.9%	5.9%	6.2%	6.0%
Vacant SF	50,976	972,812	872,608	425,917	815,021	542,895	1,350,966	870,375	410,714	1,037,914	883,383	931,721	814,151



ADDENDUM 1

MACRO MARKET PERFORMANCE - INDUSTRIAL REGIONAL AND INDUSTRIAL MARKET AREAS 2000 THROUGH 2011

Market Factor	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Napa County</i>												
Rental Rate (1)	\$6.93	\$7.55	\$7.68	\$7.12	\$8.68	\$10.56	\$8.95	\$7.47	\$7.92	\$7.56	\$7.46	\$7.54
YY % Change	75%	9%	2%	-7%	22%	22%	-15%	-17%	6%	-5%	-1%	1%
Vacancy Rate	0.5%	8.2%	7.3%	3.4%	6.4%	4.2%	10.1%	6.4%	3.0%	6.9%	5.9%	6.2%



(1) Represents a Triple Net lease type - direct lease rate
Source: CoStar