Salt Lake Area
Investment Market

Commercial real estate investment sales volume throughout Utah increased over 65% year over year, establishing a "new normal" pattern since the financial meltdown. This level of activity, just over $640 million, has been increasing each of the last three years but is still well off from pre-recession highs. Cap rates continue to stabilize for most property sectors, with a slight decrease in both multi-family and retail categories. Property values appear to be stabilizing along with the cap rates. Fourth quarter activity was poised to continue the increase but cooled late in the quarter to remain flat, in-line with last year's levels.

MARKET INDICATORS

Total Sales Volume	$641,952,916
Total SF and Units	4,838,749 SF / 2,466 Units
Total Number of Transactions	135

MARKET TRENDS

Values: Property values are showing signs of stabilizing. Segments of the marketplace regained buying and selling activity, establishing market prices through customary negotiations. The top-tier properties in all categories are still commanding the higher values and market activity, with Class B and C properties declining. Supply of quality investment properties is improving as owners choose to sell at current market prices. Buyers are still focusing on quality, displaying an aversion to risk and a willingness to compete for the most attractive assets. First-tier properties remain competitively priced, with demand exceeding the available supply. Traditional value-add investors are emerging and pursuing properties for development and repositioning in 2012.

Sellers: Sellers are becoming more realistic and are more accepting of the adjustment in values. The gap between the expectations of buyers and sellers appears to be closing, and quality and risk are being more accurately assessed.

Buyer Profile: As with 2010, locals remain the driving force in investment activity in Utah. Over 60% of investment sales in 2011 involved in-state buyers. This trend breaks with the historical norm of a near 50/50 split between local and out-of-state investors. It is noteworthy that the majority of the total transactions completed were on a cash basis again this year. The limited supply of available financing continues to strengthen the buyer's negotiation positioning for some properties.

Lenders: Banks and other lenders are continuing to hold off as much as possible from adding distressed commercial properties acquired through default, foreclosure and/or bankruptcy to their balance sheets. Lenders are exploring every option to avoid losses by pursuing a variety of workout scenarios. Many lenders sold notes secured by distressed properties to investment funds in order to avoid adding foreclosed inventory to their balance sheets. The result has been fewer properties added to the Other Real Estate Owned (OREO) category and workout departments. This practice of selling notes continued during the last quarter of the year.

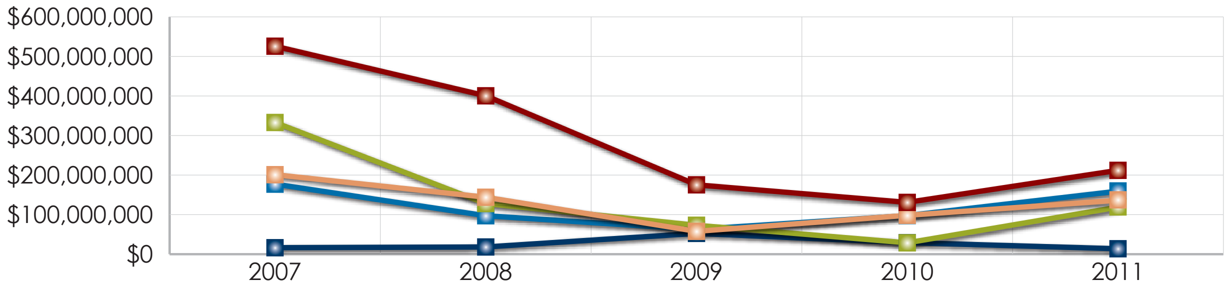
Multi-Family: The multi-family market is the strongest market segment and continues to attract interest from investors. Apartments dominated other categories in terms of sales activity in 2011 and multi-family properties were the most successful product type at retaining values. Multi-family projects are now deemed to be a top tier investment class attracting more investor demand with a limited supply. Approximately 2,400 units sold in 2011 compared to just over 1,700 in the prior year. Market fundamentals for multi-family projects remain good and lenders are targeting this sub-market.

INVESTMENT MARKET OVERVIEW – FOURTH QUARTER 2011

Category	Square Feet or Units Sold	Transactions	Average Sale Size	Cap Rate
Apartments	2,466 Units	36	$5,993,847	7.03%
Industrial	2,594,110 SF	21	$3,329,893	8.48%
Office	1,160,405 SF	26	$3,696,217	8.96%
Retail	1,084,234 SF	45	$3,339,789	8.27%
Other*	391/246/167	7	$1,971,714	10.11%
Total	**4,838,654 SF**	**135**		

* Other includes storage units, mobile homes, hotel and motel.

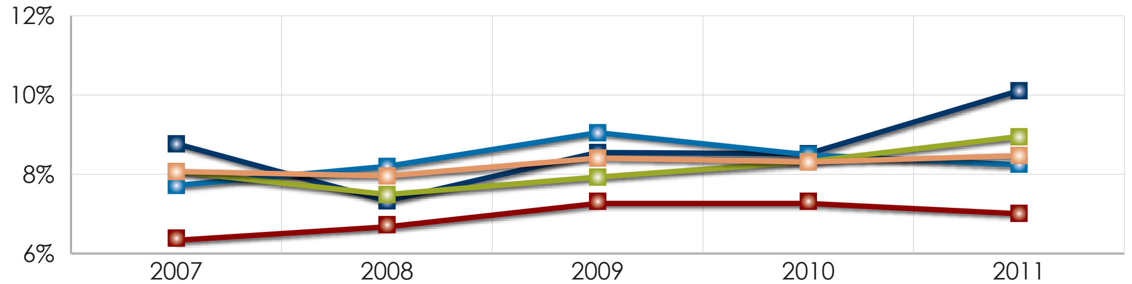
TOTAL INVESTMENT SALES VOLUME – FIVE YEAR HISTORY



	2007	2008	2009	2010	**2011**
Apartment	$525,835,214	$400,466,420	$175,409,280	$131,005,500	$211,988,651
Industrial	$201,051,682	$144,031,049	$57,795,837	$98,308,138	$137,467,962
Office	$333,016,392	$128,039,733	$73,201,953	$28,765,050	$118,881,593
Retail	$177,095,007	$97,275,003	$62,742,205	$97,645,750	$159,812,710
Others*	$16,431,200	$18,286,000	$52,637,000	$29,260,000	$13,802,000
Total	**$1,253,428,495**	**$788,098,205**	**$421,786,275**	**$384,984,438**	**$641,952,916**

* Other includes storage units, mobile homes, hotel and motel.

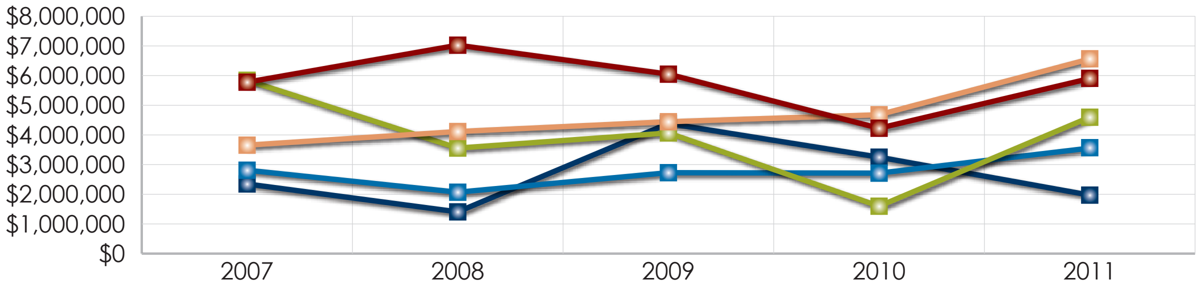
INVESTMENT AVERAGE CAP RATES – FIVE YEAR HISTORY



	2007	2008	2009	2010	**2011**
Apartment	6.39%	6.73%	7.32%	7.32%	7.03%
Industrial	8.07%	7.96%	8.41%	8.31%	8.48%
Office	8.07%	7.49%	7.93%	8.32%	8.96%
Retail	7.72%	8.20%	9.05%	8.49%	8.27%
Others*	8.77%	7.33%	8.55%	8.52%	10.11%

* Other includes storage units, mobile homes, hotel and motel.

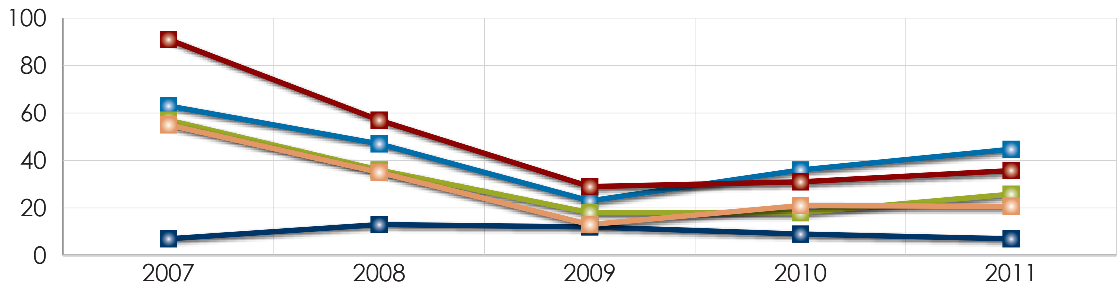
AVERAGE INVESTMENT SALES SIZE – FIVE YEAR HISTORY



	2007	2008	2009	2010	**2011**
Apartment	$5,778,409	$7,025,727	$6,048,596	$4,225,984	$5,888,574
Industrial	$3,655,467	$4,115,173	$4,445,834	$4,681,340	$6,546,093
Office	$5,842,393	$3,556,659	$4,066,775	$1,598,058	$4,572,369
Retail	$2,811,032	$2,069,681	$2,727,922	$2,712,382	$3,551,394
Others*	$2,347,314	$1,406,615	$4,386,417	$3,251,111	$1,971,714

* Other includes storage units, mobile homes, hotel and motel.

TOTAL INVESTMENT TRANSACTIONS – FIVE YEAR HISTORY



	2007	2008	2009	2010	**2011**
Apartment	91	57	29	31	36
Industrial	55	35	13	21	21
Office	57	36	18	18	26
Retail	63	47	23	36	45
Others*	7	13	12	9	7
Total	**273**	**188**	**95**	**115**	**135**

* Other includes storage units, mobile homes, hotel and motel.

MARKET FORECAST

Investors will exhibit more confidence in the market in 2012, with an increase in investment activity. Although economic indicators are making some positive strides, limited job growth, domestic political challenges and pending European financial woes will remain an impediment to full recovery. In spite of signs that investors are becoming more optimistic, it will continue to take an extended period of time for the market to return to full momentum.

Well-priced and well-located quality properties, both large and small, will be attractive to next year's investors. Class B and C properties will continue to have difficulty attracting buyers.

Inexpensive debt capital will continue to feed an increasing level of market activity. Underwriting standards will remain strict, yet more capital providers will return to the marketplace seeking yield based commercial real estate investment opportunities. Most market participants are going into 2012 believing interest rates will remain at historical lows for the near term, thus adding a stabilizing factor going forward.

The market will continue to lay a solid foundation, always searching for good news on job formation and continued low interest rates through the first quarter of 2012. As stability in the overall economy becomes a reality, investment activity for commercial real estate will pick up in the coming year with a strong performance in the multi-family and retail sectors and even a possible forward press for office properties.