SILO BEND INDUSTRIAL PARK

TAMPA, FLORIDA

Potomac Realty Advisors
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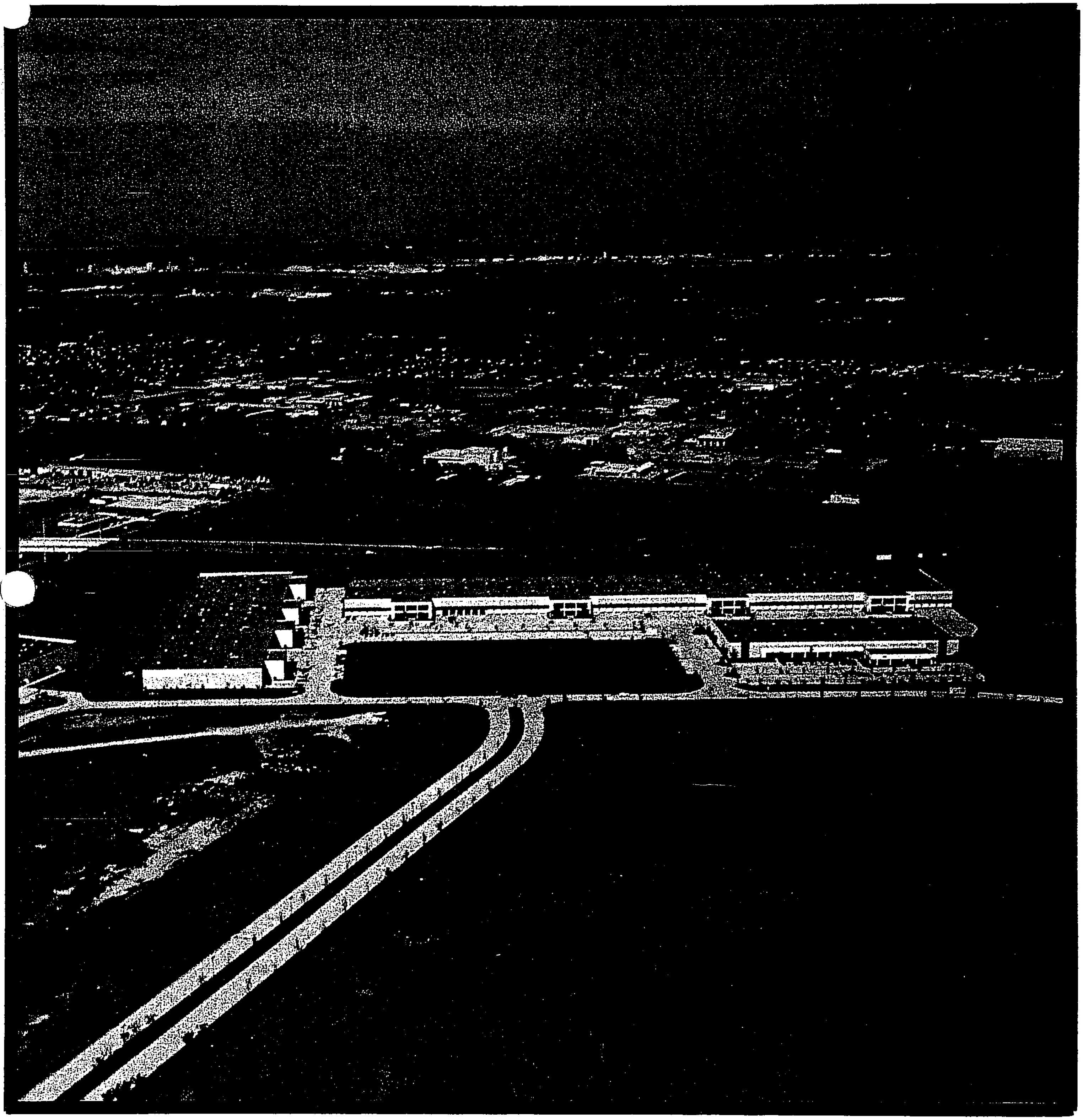

Silo Bend Industrial Park
Phase I
Tampa, Florida

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I. INTRODUCTION

POTOMAC REALTY ADVISORS
1010 NORTH GLEBE ROAD
SUITE 800
ARLINGTON, VIRGINIA 22201
703-522-6200

September 12, 1988

Real Estate Investment Committee Members
United States Fidelity & Guaranty Company
100 Light Street
Baltimore, Maryland 21202

Re: Silo Bend Industrial Park
Tampa, Florida

Dear Sirs:

Enclosed for your review is an Investment Report on Silo Bend Industrial Park, a partially built-out 146-acre industrial park developed by Trammell Crow Company in Hillsborough County, Florida. The proposed transaction includes a $14,800,000 participating mortgage on three existing buildings and an $11,390,000 land equity joint venture on the remaining 98.2 acres of land. Exhibit I-1 is the application which summarizes the proposed investment.

The Property -- The subject property consists of a partially built-out 146-acre industrial park on the southwest corner of S.R. 60 and U.S. 301 in Hillsborough County, Florida. The project has an excellent location with immediate access to all five of the area's major highways -- I-75, S.R. 60, U.S. 301, I-4 and the Crosstown Expressway. Security for the participating mortgage includes three multi-tenant bulk warehouses totaling 430,100 square feet that are 48% leased on 33 acres of land. Building I contains 69,800 square feet with an 18-foot clear ceiling height, a 180-foot bay depth, and 40-foot bay widths with 10 dock-high rear loading doors. Building II contains 223,500 square feet with a 22-foot clear ceiling height, 200-foot bay depth and 40-foot bay widths with 56 dock-high front loading doors. Building III contains 136,800 square feet with 22-foot clear ceiling height, 160-foot bay depths and 40-foot bay widths with 29 dock-high front loading doors. The three buildings are constructed of tilt-up concrete with an aggregate finish. There are 349 parking spaces and both the parking and infrastructure construction are heavy duty concrete.

The purpose of the land joint venture is to develop the remaining 98.2 acres of land with the Trammell Crow Company over the next four or five years as the market permits. The land is zoned and approved for 1,193,882 square feet of building development which will consist of 620,882 square feet of bulk warehouse, 343,000 square feet of build-to-suit space, 200,000 square feet of service center, and 30,000 square feet of retail space. Due to the current softness in the service center market, we have analyzed the development exclusive of the service center space.

The majority of the land development budget of $11,390,000 is in the land acquisition cost of $8,425,000 or $2.00 per square foot of land. The remainder of the budget consists of development costs of $2,605,000, real estate tax costs of $120,000 and financing fees of $240,000.

The Market -- The Tampa-St. Petersburg-Clearwater area has been developing rapidly over the last four years as a distribution and service center market. Hillsborough County is the largest of the sub-markets supplying 16.5 million square feet or 51.9% of the total inventory. Approximately 7 million square feet (42%) has been developed since 1984. Annual absorption has averaged 1.4 million square feet for the same period of time. The industrial space inventory includes both high cube bulk warehouse and service center space.

I-75, the major north/south interstate that runs from Atlanta to Miami, was completed one and one-half years ago and has focused the market on the desirability of the I-75 corridor for distribution/warehouse use. There is a total of 2,853,258 square feet of high cube distribution warehouse space in the East of I-275 submarket with a total of 791,038 square feet of vacant space (28.0%). The vacancy includes 223,762 square feet at Silo Bend and 200,000 square feet vacated by General Electric's dissolved division. While the market is currently overbuilt, it is expected that strong absorption and lack of new construction should tighten the market substantially over the next 18 months. Net absorption has been 217,326 square feet for the first half of 1988 which equates to an annualized absorption of 434,652 square feet.

It is unlikely that new bulk/warehouse product will be built in the next two years as a result of escalation of land prices, lack of county sewer and water capacity and time required to satisfy environmental requirements. Currently there is no bulk warehouse under construction nor any immediate construction planned for the next quarter.

Silo Bend has been well-received in the market and enjoys the benefits of being an attractive product, in a well-designed industrial park that is well-located with excellent access and visibility. Silo Bend has absorbed 206,338 square feet in 12 months at an average of $3.60 per square foot with a 10% discount on rents.

The Borrower/Partner -- The Borrower/Partner will be a limited partnership entity, the general partner of which will be TCC Tampa Industrial #2, Inc., a Florida corporation with limited partners Gary Harrod, Don Williams, and Joel Peterson. The limited partners, who have a combined net worth in excess of $247 million, will personally master lease the project for a maximum period of 24 months.

Trammell Crow Company is the largest real estate firm in the United States. They own and/or manage a diversified portfolio of commercial, residential and specialized real estate projects including 200 million square feet of commercial space. Crow is privately held by its 200 partners and employs more than 5,000 people. Its gross assets exceed $13 billion. Crow opened its Tampa office in 1980 and has developed over 3 million square feet of industrial space, over 750,000 square feet of office space and over 473,000 square feet of retail space since that time.

The Risk and Return -- The proposed investment structure includes a participating mortgage with an economic earnout and a master lease. The economic earnout will be realized by the developer if the rental rate on the unleased space exceeds $3.75 per square foot at 95% occupancy. The full economic earnout ($1,100,000) will be earned if the average rental rate is $4.25 per square foot at 95% occupancy. Rental rates typically correspond to the percentage of office use. The developer is personally master leasing the project for a maximum period of 24 months in an amount sufficient to cover operating expenses and base debt service. This structure is designed to cover the Lender's major risk in this investment which is the possibility of near term over-supply of industrial product. The developer has the incentive to aggressively market the property in anticipation of a robust market while the Lender has the comfort that the participating mortgage is justified even if the market remains flat or deteriorates slightly.

The proposed participating mortgage has a 9.5% interest rate, and the annual cash flows and sale proceeds are split 50/50 with the Borrower. The expected yield assuming 5% inflation is 12% (7% real). A yield maintenance formula provides that the additional interest from sale proceeds will be sufficient to produce at least a 12% yield for the Lender.

In the proposed land joint venture, USF&G will be a 25% limited partner and will have a maximum financial exposure of $11,390,000 ($2.66 per square foot of land). All invested capital receives a 10% cumulative preferred return. In the event the unimproved property is sold to a third party, USF&G first receives the sum of its total invested capital and the accumulated and unpaid priority returns (referred to as the Development Release Price), then the sales proceeds are split 50/50 with the developer. If Crow develops the industrial buildings as expected, USF&G first receives the Development Release Price from the construction loan then 25% of the project's annual cash flow and cash proceeds from the eventual sale of the property. In addition, any permanent mortgage "overborrow" will be split 75/25 between Crow and USF&G.

The proposed land joint venture format provides the following safeguards that reduce USF&G's risk in the proposed joint venture: USF&G will always be a limited partner, the required capital contributions each have maximum dollar amounts, no liens are allowed on the land, USF&G has no liability exposure on either the construction loan or the permanent mortgage and all equity capital and priority returns must be repaid within seven years. The market risk is the most significant risk of this project since the major profitability determinant is the date of construction commencement, which is also when USF&G will receive its Development Release Price. However, the market risks are minimized because new development is within an already successful existing industrial park, the track record and experience of the development team, and the fact that land prices have escalated to the point where construction of new bulk product is unfeasible at today's market rental rates. The most probable yield, which assumes construction will begin in 1989 and the buildings will be completed and leased by 1992, is estimated to be 16.8% assuming 5% inflation. This is sufficient return for the risks associated with this joint venture.

Overall, this is a Class A property with an excellent location in an expanding and maturing industrial/office market. The Developer has extensive experience and substantial net worth. The projected yield on the proposed participating mortgage is 12% assuming 5% inflation and the joint venture yield is estimated to be 16.8% under 5% inflation. These yields are attractive in today's financial market and provide an adequate return for the risks involved.

In conclusion, we feel that the risks in this investment are acceptable and that the expected returns are attractive. Therefore, Potomac Realty Advisors recommends that the Real Estate Investment Committee approve the commitment of $14,800,000 and $11,390,000 for the participating mortgage and land equity joint venture respectively under the terms and conditions outlined in Exhibit I-1.

Sincerely,

Daniel B. Kohlhepp

Daniel B. Kohlhepp
President

Exhibit I-1

APPLICATION LETTER

POTOMAC REALTY ADVISORS
1010 NORTH GLEBE ROAD
SUITE 800
ARLINGTON, VIRGINIA 22201

703-522-6200

July 18, 1988

Mr. Gary W. Harrod
Regional Partner
Trammell Crow Company
100 South Ashley Drive
Suite 700
Tampa, Florida 33602

Re: Silo Bend Industrial Park
Tampa, Florida

Dear Gary:

This letter summarizes the terms on which Potomac Realty Advisors is prepared to recommend to its client's Investment Committee that it authorize the issuance of a Commitment for a participating first mortgage loan on the Property described below:

Property: **Silo Bend Industrial Park**, consisting of Silo Bend I, II, and III.

Location: The southwest corner of S.R. 60 and U.S. 301 in Hillsborough County (Tampa), Florida.

Real Property:

* Land Area: 33 Acres zoned UL-2 (Urban Land 2).

* Parking: 344 surface parking space or .8 per 1,000 rentable square feet.

* 3 buildings containing 430,100 net rentable square feet generally described in Exhibit A and as follows:

Silo Bend I -- a 69,800 square foot warehouse/distribution building with an 18-foot clear ceiling height, a 180-foot bay depth, and 40-foot bay widths with dock-high loading doors. The building has 11 dock doors and two personnel entrances.

Silo Bend II -- A 223,500 square foot warehouse/distribution building with a 22-foot clear ceiling height, a 200-foot bay depth and 40-foot bay widths with 56 dock-high loading doors. There are eight front entrances to the building.

Silo Bend III — A 136,800 square foot warehouse/distribution building with a 22-foot clear ceiling height, 160-foot bay depths and 40-foot bay widths with 39 dock-high rear loading doors.

Personal Property:	All personal property owned by Borrower and used in connection with the improvements.
Borrower:	TCC Silo Bend II, Limited Partnership. The general partner will be TCC Tampa Industrial #2, Inc., a Texas corporation and the limited partners will be J. Donald Williams, Joel C. Peterson, and Gary W. Harrod.
Lender:	United States Fidelity & Guaranty Corporation.
Loan Amount:	$14,800,000 (see Exhibit F).
Interest Rate:	9.5%
Amortization:	Not applicable, interest only.
Term:	20 years
Call Option:	Lender may call the loan anytime after the 10th anniversary of initial funding upon 12 months written notice.
Prepayment:	* No prepayment before the 5th anniversary of initial funding. * Prepayment fee of 5% of the outstanding loan balance in year 6, declining 1% per year to 1% in year 10 and thereafter. * No prepayment fee if Lender exercises its call option, or the loan matures, or if prepayment occurs due to a total taking or total condemnation of the Property. * No prepayment fee if Lender approves sale.
Recourse:	With the exception of the Master Lease, the Loan will be non-recourse to the Borrower and its Partners.

Additional Interest:

A. Operations:

Borrower shall pay Lender 50% of the annual net cash flow from the Property. The term "Net Cash Flow" shall mean the excess of (a) collected gross revenue over (b) the sum of (i) actual and approved capital and operating expenses for the Property and (ii) interest on the Outstanding Loan Balance. Additional interest payments are payable quarterly.

B. Sale, Refinancing or Maturity:

If Borrower sells the Property in a bona fide sale, Borrower shall pay Lender 50% of the difference between (a) the net sales price for the Property (i.e. the gross sales price less sales expenses not to exceed 3% of the gross sales price) over (b) the Outstanding Loan Balance (less any accrued and unpaid interest).

Commitment Fee:

$296,000; $148,000 in cash which is earned upon acceptance of the Commitment, and $148,000 in an unconditional irrevocable letter of credit in a form acceptable to Lender. The $148,000 in an unconditional irrevocable letter of credit constitutes a standby fee which will be refunded to Borrower at permanent loan closing, and no additional commitment fee will be due from Borrower at closing.

Initial Funding:

$12,600,000. Initial funding will occur within 30 days after (a) receipt of the certificate of occupancy for all buildings, and (b) tenants listed in Exhibit B are in occupancy. Initial funding must occur within 60 days of the acceptance of the commitment.

Holdbacks:

A. Holdback for 1st Generation Tenant Improvements and Leasing Commissions:

$856,000; the tenant improvements and leasing commissions holdback will be disbursed on a lease-by-lease basis as tenant improvements are completed for approved leases and as leasing commissions are paid pursuant to such leases.

The maximum funding will be $3.73 per square foot up to 95% occupancy. At 95% occupancy any additional earned but unfunded holdback will be disbursed to the Borrower.

B. Interest, Real Estate Taxes, Insurance & Approved Operating Expenses:

$244,000 will be placed into an interest bearing escrow account and will be disbursed monthly to cover the shortfall between income generated by the property and debt service at the agreed interest rate. The escrow will be completely disbursed when the annualized collected income from approved leases exceeds the sum of annualized approved operating expenses and annual interest payments for three consecutive months ("Breakeven").

Interest in the account will accrue to the Borrower and will be disbursed at breakeven or upon depletion of the account.

C. Economic Holdback:

$1,100,000; this holdback will be disbursed at a rate of $9.99 per $1.00 of annualized effective gross income in excess of $1,538,203. Disbursements of the economic holdback shall be made quarterly or more frequently for sums exceeding $25,000.

The economic holdback will be disbursed on the basis of effective rents. Lender will exempt a 10% discount (e.g. 3.6 months on a three-year lease, or six months on a five-year lease) from the calculation of effective rents. If the Borrower grants concessions in excess of 10%, Lender shall make an effective reduction in the annualized effective gross income used in the computation for disbursements made pursuant to the economic holdback.

Discounts which occur before initial funding will be exempt from the 10% allowance. Exhibit C to this letter contains examples of effective rent calculations and the calculation of annualized effective gross income.

Borrower shall have 24 months after initial funding to earn out the Holdbacks. Disbursement of the economic holdback may occur after the 24-month earnout period if the leases were executed during the 24 months following initial funding. For purposes of determining the total disbursement, a final calculation will be made at the end of the 24-month earnout period.

Additional Loan Provisions:

A. Leases: Lender shall have the right to review and approve all leases of the Property which differ from agreed-upon leasing standards.

B. Secondary Financing: Secondary financing is not permitted without Lender's prior written approval.

C. Right of First Offer: If Borrower intends to sell or transfer any of the Buildings other than to the existing user at market value, it shall first offer such Building to Lender under the terms and conditions for which Borrower is willing to sell such Building. Such offer shall provide for payment in full in cash at closing only in United States dollars. The Lender shall have the option to purchase such Building from Borrower under such terms and conditions by giving Borrower notice of Lender's election within thirty (30) business days after receipt of Borrower's offer. If Lender does not elect to purchase such Building within the thirty-business day period, then Borrower may sell such Building to a third party. Borrower shall not, however, sell such building at a lower price or on terms materially more favorable than those offered to Lender without first providing Lender the opportunity to purchase such Building at such lower price or more favorable terms. Lender shall have the option to purchase such Building at such lower price or more favorable terms by giving Borrower notice of such election within fifteen (15) business days following receipt of Borrower's offer of such lower price or more favorable terms. Lender shall be deemed to have elected not to exercise such option to purchase at such lower price or more favorable terms if Lender fails to respond within the fifteen-business day period. If Lender elects not to purchase such Building, then Borrower shall have the right to accept the offer of such third party and sell or transfer such Building in accordance with such offer. The net sales proceeds (i.e. the gross sales price less sales expenses not to exceed 3% of the gross sales price) from a partial sale shall be used first to reduce the Outstanding Loan Balance (including accrued and unpaid interest), and second to be split 50/50 between Crow and USF&G.

D. Budget Approval: During the term of the Loan, Borrower shall submit to Lender annual operating and capital budgets for the Property for Lender's review and approval.

E. Master Lease: Don Williams, Joel Peterson, and Gary Harrod will personally master lease the project for a minimum period of 24 months or Breakeven, whichever occurs first. The Master Lease shall exclude all personal assets and 15% of all business assets of the above-named individuals. The rental rate for the master lease must be sufficient to cover operating expenses and base debt service. As third party leases are signed and tenants are in occupancy and paying rent, the master lease will be reduced correspondingly.

F. Due of Sale: Neither the Property nor any interest in Borrower may be sold or otherwise transferred without Lender's prior written consent (except in accordance with Lender's Right of First Offer clause).

G. Management: A management company satisfactory to Lender shall be designated by Borrower as the Property Manager. The Property Manager shall be entitled to earn current market management fees.

Contingencies:

A. Engineering: Crow will engage an engineer approved by USF&G to perform an inspection of the mechanical, electrical and structural components of the Property. USF&G reserves the right to review and approve the scope and substance of the inspection and USF&G must be satisfied with the results of the inspection. All costs associated with the engineering study, including without limitation, any deficiency items found during the inspection, will be paid by Crow.

B. Environmental Report: Receipt of an environmental study of the Property by a reputable engineer or environmental firm acceptable to Lender which demonstrates to the Lender's reasonable satisfaction that there are no environmental hazards or hazardous or toxic materials existing upon or affecting the Property. The analysis will involve a physical inspection of the Property and a historic review of the previous uses of the land. In the event that the historic review indicates that toxic materials may exist in the soil, soil borings will be conducted at the Borrower's expense and the results will be analyzed by a laboratory. All costs associated with the environmental study will be paid by Crow.

C. Leases: USF&G reserves the right to review and approve all existing leases of the Property and to approve all future leases subject to agreed-upon leasing standards attached as Exhibit D. Any leases not conforming to agreed-upon leasing standards will require the written approval of Potomac Realty Advisors or such other party as may be designated by USF&G. Issuance of a commitment by USF&G is contingent upon the leases listed in Exhibit B being in full force and effect as of the initial disbursement date ("Initial Funding").

D. Land Joint Venture: Crow's acceptance of USF&G's Partnership Agreement and other documents relating to the equity joint venture, the terms of which are outlined in Exhibit A.

E. Committee Approval:	This Recommendation Letter must be approved by USF&G's Real Estate Investment Committee.
F. Due Diligence:	The commitment will be contingent upon Potomac Realty Advisors being satisfied with the results of its due diligence with respect to the Property.
G. Market Value Appraisal:	USF&G will receive a market value appraisal of the Property from an MAI-designated appraiser approved by USF&G stating that the market value of the Property assuming stabilized occupancy is at least $16,450,000, the cost of which will be paid by Crow.
H. Title and Survey:	USF&G reserves the right to review and approve the condition of the title, title insurance and the Property survey. All costs associated with the title, title insurance and survey will be paid by Crow.
I. Management and Leasing:	Execution of a Management and Leasing Agreement satisfactory to USF&G and Crow.
J. Closing Costs:	All costs associated with the closing of the Property (and the land with respect to the equity joint venture), including USF&G's attorneys fees, will be paid by Crow.
K. Other Contingencies:	Such other contingencies as Lender may reasonably require and which are consistent to prudent lending practices of institutional investors.

Mr. Gary W. Harrod
July 25, 1988
Page Nine

If the terms outlined in this recommendation letter are acceptable, please sign below and return this letter with an application fee in the amount of $50,000 by July 22, 1988. The application fee should be wired to a custodial account. Please call me for wiring instructions. The application fee will be returned if USF&G does not issue a commitment according to the terms outlined in this letter. The application fee will be earned by USF&G upon issuance of a commitment according to the terms outlined in this letter and the Commitment Fee will be reduced by $50,000.

Sincerely,

Edward B. Moseley

Edward B. Moseley
Vice President

Accepted:

TCC Silo Bend #2, Limited Partnership
By: TCC Tampa Industrial #2, Inc.

By: [illegible] 7/26/88
Name Date

Partner
Title

Exhibit A

Silo Bend Industrial Park
Tampa, Florida

This exhibit summarizes the terms on which Potomac Realty Advisors is prepared to recommend to its client's Investment Committee that it enter into a partnership with your firm to develop portions of the above mentioned property, subject to the terms and conditions of this letter.

Property: Land Parcels II through VIII in Silo Bend Industrial Park shown on Exhibit E attached (Development Plan).

Location: Silo Bend Industrial Park on the southwest corner of S.R. 60 and U.S. 301 in Hillsborough County, Florida.

Land Area: Total Land Area: Approximately 98.2 acres, which is appropriately zoned and approved for 1,193,882 square feet of building development.

Development Plan: The above-described land is to be developed in accordance with the development plan attached as Exhibit E. It is currently envisioned that 1,193,882 square feet of bulk distribution, service center, and commercial space will be built over the next four years as the market permits.

Parties: An affiliate of the United States Fidelity & Guaranty Company (USF&G) and an affiliate of the Trammell Crow Company ("Crow"). The general partner will be TCC Tamps Industrial #2, Inc., a Florida corporation and the limited partners will be Gary W. Harrod, Don Williams and Joel Peterson.

Ownership Structure: A limited partnership in which Crow will be a general partner and USF&G will be a limited partner will take title to approximately 98.2 acres of land. The general partner will have a 75% ownership in the land partnership, and the limited partner will have a 25% ownership. Additional building partnerships will be formed with the same ownership percentages as each parcel of ground is developed.

Basic Responsibilities:

USF&G

USF&G will be a 25% limited partner in the land partnership and each building partnership, and will make an initial capital contribution of $25 to each partnership. USF&G will make the following "special capital contributions" to the land partnership (see Exhibit F):

1. Land acquisition costs not to exceed $8,425,000.

2. Development costs not to exceed $2,605,000. Development costs will be funded as costs are incurred in accordance with an approved development budget. Fundings shall occur quarterly, and for amounts greater than $25,000.

3. Annual real estate taxes on the undeveloped land which are not to exceed $120,000 in aggregate over the term of the partnership.

4. Reasonable closing costs for all transactions. At the closing of the partnership agreement, a $120,000 brokerage fee shall be paid to Northland Mortgage, and a $120,000 partnership fee shall be paid to USF&G.

USF&G will not be asked or required to make any special capital contributions to the building partnerships until the later of (a) 95% occupancy is achieved or (b) completion of construction. USF&G is under no obligation to make additional capital contributions after that time. If USF&G declines to make a capital contribution, then the building partnership may borrow the required funds.

Crow

1. Crow will be a 75% general partner in the land partnership and each building partnership, and will contribute $75 of initial capital to each partnership.

2. Crow is to receive a development fee of 3% of hard costs for the development of buildings.

3. Crow will manage the development and marketing of the remaining sites in a timely fashion in response to market opportunities.

4. Crow will earn a leasing commission of 4% for leases not involving an outside broker, and 2% for leases involving an outside broker.

5. Crow will receive a property management fee equal to the following percentages of collected rents: 3% for single-tenant buildings, and 4% for multi-tenant buildings.

6. Crow will make monthly reports to inform USF&G of the business activity of each partnership.

7. Crow will make at least quarterly distributions of all distributable proceeds.

8. Crow will provide cash flow reports monthly and full accounting reports annually.

Priority Returns: The limited partner will receive a priority return of 10% per annum on the outstanding special capital which will accrue on a 365-day year.

Development Release Price: Land parcels will be transferred from the land partnership to the building partnerships at the development release price which will be equal to (a) its acquisition cost ($2.00 per square foot of land area), (b) its proportionate share of development costs, (c) its proportionate share of the priority returns attributable to special capital and (d) its proportionate share of the outstanding real estate taxes.

Repayment of Special Capital:

1. Release prices paid by the building partnerships to the land partnership will be designated to reduce the outstanding special capital.

2. Proceeds from land sales to third parties received by the land partnership will be utilized first to repay the outstanding special capital and then split 50-50 between the partners.

3. Sales proceeds received from building sales by the building partnerships will be used first to repay the outstanding special capital in the land partnership and then split 75% to the general partner and 25% to the limited partner.

4. "Overborrow" from permanent mortgages on buildings in the building partnerships will first be used first to repay any outstanding special capital in the land partnership and then split 75% to the general partner and 25% to the limited partner.

5. The cash flow from operations generated by properties in the individual building partnerships will be distributed 75% to the general partner and 25% to the limited partner. If a participating mortgage loan is obtained or an equity joint venture is entered into, the limited partner's interest in the partnership will not be diluted below 15% without its consent.

Adjustment of Special Capital:

The partnership interests of the general partner and the limited partner in the building partnerships will be subject to adjustment if there is any outstanding special capital on the earlier of August 30, 1995 or the special capital on the earlier of August 30, 1995 or the termination of the partnership. If there is outstanding special capital at this time, the special capital must be repaid in any of the following, or a combination of the following methods:

1. The general partner can contribute capital to repay the outstanding special capital, or

2. The remaining land, if any, can be sold to repay the outstanding special capital, and any remaining proceeds, if any, shall be split 50/50 between the partners.

3. The equity ownership in the building partnerships based on the market values of the properties can be adjusted to repay the outstanding special capital.

Contingencies:

A. Plans and Specifications:

USF&G reserves the right to review and approve the plans and specifications for all improvements, and to approve all major changes, modifications, or corrections to the plans during the construction period. USF&G has 15 business days following receipt of the "Front End" report from an approved inspecting engineer to approve or disapprove the plans and specifications, and major changes, modifications, or corrections. Failure to respond within 15 business days shall be considered an approval.

B. Environmental Report:

Receipt of an environmental study of the Property by a reputable engineer or environmental firm acceptable to Lender which demonstrates to the USF&G's reasonable satisfaction that there are no environmental hazards or hazardous or toxic materials existing upon or affecting the Property. The analysis will involve a physical inspection of the Property and a historic review of the previous uses of the land. In the event that the historic review indicates that toxic materials may exist in the soil, soil borings will be conducted at the Borrower's expense and the results will be analyzed by a laboratory. All costs associated with the environmental study will be paid by Crow.

C. Participating Mortgage:

Crow's acceptance of USF&G's Participating Mortgage and other loan documents relating to the existing buildings.

D. Committee Approval:

This Recommendation Letter must be approved by USF&G's Real Estate Investment Committee.

E. Due Diligence:

The Commitment will be contingent upon Potomac Realty Advisors being satisfied with the results of its due diligence with respect to the Property.

F. Market Value Appraisal:

USF&G will receive a market value appraisal of the vacant land on an "as-is" basis from an MAI-designated appraiser approved by USF&G stating that the market value of the land is at least $10,500,000, the cost of which will be paid by Crow.

G. Title and Survey:

USF&G reserves the right to review and approve the condition of the title, title insurance and the Property survey. All costs associated with the title, title insurance and survey will be paid by Crow.

H. Closing Costs:

All costs associated with the closing of the land, including USF&G's reasonable attorney fees, will be paid by Crow.

I. Land Sales:

USF&G reserves the right to approve all land sales to third parties. Failure to respond within 15 business days after receipt of the sales contract shall be considered approval.

J. Permanent Financing: USF&G reserves the right to approve all permanent financing in the building partnerships. USF&G agrees to be reasonable and timely in their response. Failure to respond within 15 business days after receipt of the financing proposal shall be considered approval.

K. Leasing: USF&G reserves the right to approve all leases with terms and conditions outside the pre-approved leasing guidelines. Failure to respond within 15 business days after receipt of the proposed lease shall be considered approval. The leasing guidelines will be part of the joint venture agreement. Crow has the right to bind the partnership to leases that fall within the leasing guidelines.

L. Management and Leasing: USF&G and Crow shall enter into a mutually agreeable management and leasing agreement.

Exhibit B
RENT ROLL
SILO BEND INDUSTRIAL PARK

Tenant	Square Feet	Rental Rate PSF	Annual Rent	Annual Escalations	Lease Term (Mos.)	Expiration Date	Renewal Options
(1) Harte Hanks	55,000	$3.65	200,750	None	60	8/14/92	1-5 Year at Market
(2) Mid-Continent Cabinet	16,000	$2.50	40,000	CPI	12	2/28/89	None 40,000 SF Expansion Option
(3) Georgia Pacific	33,938	$3.64	120,141	Bump in 3rd $CPI	60	6/30/93	None
(4) Coast RV	61,200	$3.50	214,141	CPI	60	9/30/93	None
(5) Citicorp	22,500	$4.50	101,250	None	60	11/30/93	None

Exhibit C
EFFECTIVE RENT EXAMPLES

The allowable rent concession is 10% of the total lease payments without the rent concession. Effective rent is calculated for various types of leases as follows:

EXAMPLE ONE -- FLAT LEASE

Assumptions:

Contract Rent: $12.00 PSF/Year
Lease Term: 3 Years
Rent Concession: .5 Year of Free Rent

Calculations:

	Rent Concession (.5 Yr. X $12 PSF/Yr)	$ 6.00
divided by:	Total Rental Payments w/o Concession (3 Yrs. X $12 PSF/Yr)	36.00
equals:	Rent Concession Given	16.67%
less:	Allowable Concession	10.00%
equals:	Reduction in Contract Rent	6.67%
so that,		
	Contract Rent	$12.00/PSF/YR
less:	Reduction in Contract Rent 6.67% X $12.00	.80
		$11.20/PSF/YR

EXAMPLE TWO -- STEP UP LEASE

Assumptions:

Contract Rental Rate	Year One	$11.00 PSF
	Year Two	$12.00 PSF
	Year Three	$13.00 PSF
	Total Payments	$36.00 PSF
Lease Term:	3 Years	
Rent Concession:	.5 Year of Free Rent	

Calculations:

	Rent Concession (.5 X $11 PSF)	$ 5.50
divided by:	Total Rental Payments w/o Concession	36.00
equals:	Rental Concession Given	15.28%
less:	Allowable Concession	10.00%
equals:	Reduction in Contract Rent	5.28%
so that,		
	Average Contract Rent *(36/3 Yrs.)	$12.00 PSF
less:	Reduction in Contract Rents ($12 X 5.28%)	.63
equals:	Effective Rental Rate	$11.37 PSF

* Average Contract Rent is based on fixed rent increases over a maximum period of five years.

Exhibit D

LEASING STANDARDS

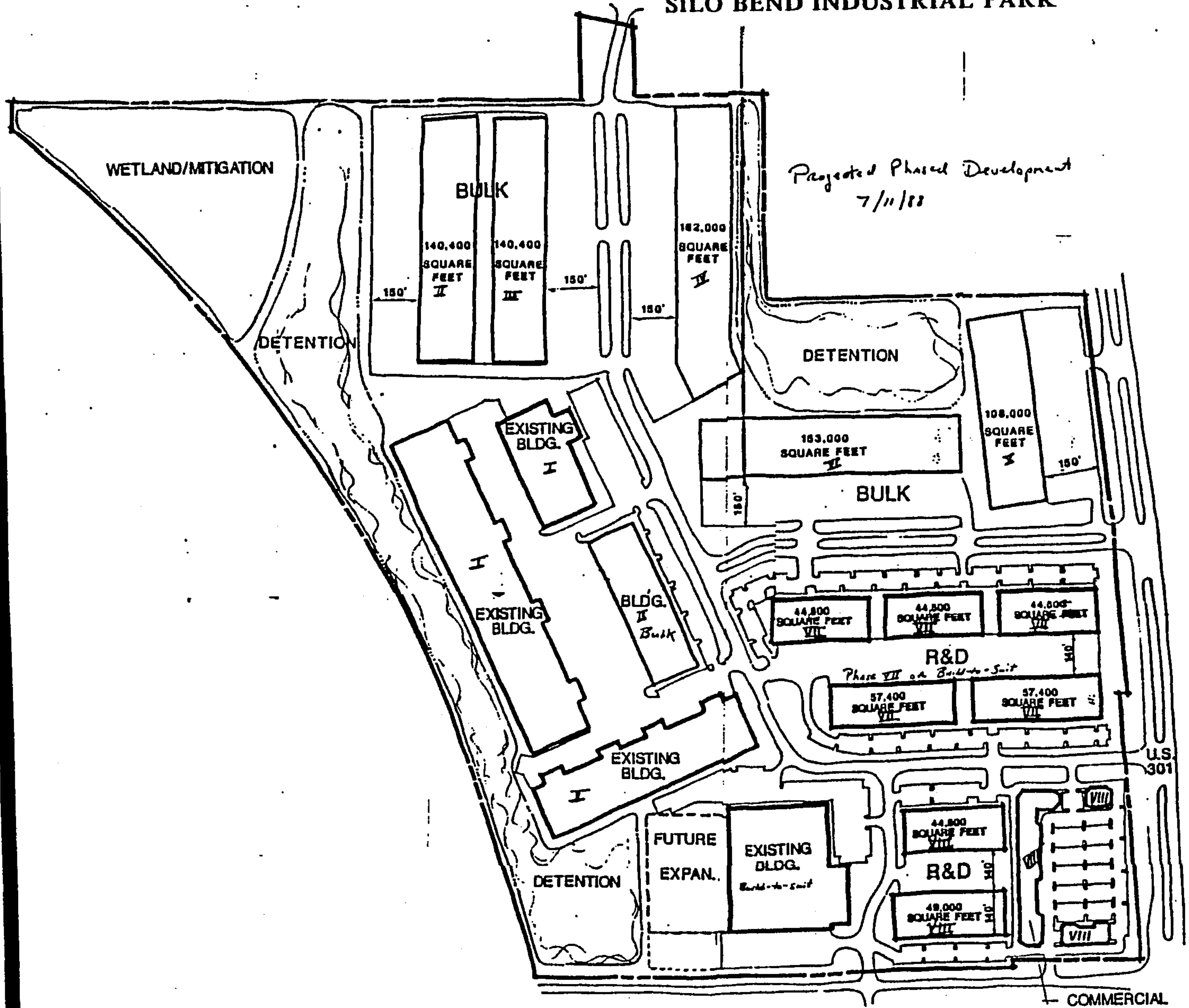
(To Be Provided)

Exhibit E
DEVELOPMENT PLAN
SILO BEND INDUSTRIAL PARK

SILO BEND

TRAMMELL CROW COMPANY

CONCEPT MASTER PLAN



LAND USE SCHEDULE

USE	SQUARE FEET
EXISTING	666,300
R&D	343,000
COMMERCIAL	52,800
BULK	703,800
TOTAL	1,765,900

Build-to-suit when anchor is located.
Integrate R&D into center development.

Exhibit F
SILO BEND INDUSTRIAL PARK
SOURCES AND USES OF FUNDS STATEMENT

Sources of Funds:

Participating Loan (USF&G)	$14,800,000
Land Joint Venture (USF&G)	11,390,000
Total Sources of Funds	$26,190,000

Uses of Funds:

Construction Loan Payment	$12,300,000
Tenant Improvement and Commission Holdback	856,000
Operating Expense Reserve	244,000
Economic Holdback	1,100,000
Future Principal and Interest	6,660,000
Future Development Costs	1,380,000
Vacant Land Real Estate Taxes	120,000
Transaction Closing Costs	536,000
Crow Equity Repayment	2,994,000
Total Uses of Funds:	$26,190,000

POTOMAC REALTY ADVISORS
1010 NORTH GLEBE ROAD
SUITE 800
ARLINGTON, VIRGINIA 22201

703-522-6200

August 26, 1988

Mr. Dutch Blauvelt
Trammell Crow Company
100 South Ashley Drive
Suite 700
Tampa, Florida 33602

Re: Silo Bend Industrial Park
Tampa, Florida

Dear Dutch:

As we discussed today, the Additional Interest at Sale, Refinancing, or Maturity provision in our Application Letter dated July 18, 1988 will be modified to read as follows:

Additional Interest:

B. Sale, Refinancing or Maturity: If Borrower sells the Property in a bona fide sale, Borrower shall pay Lender 50% of the difference between (a) the net sales price for the Property (i.e. the gross sales price less sales expenses not to exceed 3% of the gross sales price) over (b) the Outstanding Loan Balance (less any accrued and unpaid interest), provided however, that Lender's annual yield (IRR) is equal to or greater than 12%. If Lender's yield is less than 12%, the Additional Interest will be increased to an amount that provides Lender with a 12% annual yield.

Please indicate your agreement with this change by signing below and returning a signed copy of this letter to me.

Under separate cover I am sending you an exhibit which shows the calculation of the Minimum Additional Interest at Sale, Refinancing or Maturity. Please review and comment. I would like to include this exhibit in the codument if you agree it is correct.

Sincerely,

Daniel B Kohlhepp

Daniel B. Kohlhepp
President

Agreed:
TCC Silo Bend #2 Limited Partnership
By: TCC Tampa Industrial #2, Inc.

Dutch Blauvelt 8/30/88
Name Date

Partner
Title

Exhibit___

CALCULATION OF THE MINIMUM ADDITIONAL INTEREST AT SALE, REFINANCING OR MATURITY

The Minimum Additional Interest is that amount which must be paid to Lender at sale, refinancing or maturity so that Lender's annual yield (IRR) is equal to 12%. The Minimum Additional Interest is calculated as follows:

	Lender's Initial Funding
+	Present Value of Lender's Subsequent Fundings @ 12%
-	Present Value of Lender's Annual Base Interest Payment @ 12%
-	Present Value of Lender's Annual Additional Interest from Cash Flow @ 12%
-	Present Value of Any Loan Repayments @ 12%
-	Present Value of the Outstanding Loan Amount @ 12%
=	Present Value of Minimum Additional Interest
x	Compound of 1, 12%, to Date of Sale, Refinancing or Maturity
=	Minimum Additional Interest

If Minimum Additional Interest is greater than 50% of the difference between (a) the net sales price for the property (i.e. the gross sales price less sales expenses not to exceed 3% of the gross sales price) over (b) the Outstanding Loan Balance (less any accrual or unpaid interest), then the Additional Interest Due shall be the Minimum Additional Interest.

The calculation of the Minimum Additonal Interest is algebraically stated below where:

IF_0 = Initial Funding

SF_t = Subsequent Funding in Loan Year t

.12 = Discount Rate or Required Minimum Yield

n = Number of Years from Loan Closing to Sale, Refinancing, or Maturity

BI_t = Base Interest Collected in Loan Year t

AIt = Additional Interest Collected in Loan Year t

R_t = Loan Repayment (if any) in Loan Year t

OLB_n = Outstanding Loan Balance in Loan (date of sale, etc.) Year n

MAI_n = Minimum Additional Interest needed to provide a 12% yield (IRR) to Lender at Sale

(1) Present Value of the Loan Disbursed @ 12% = Present Value of the Cash Benefits Received @ 12%

(2) $$IF_0 + \sum_{t=1}^{n} \frac{SF_t}{(1+.12)^t} = \sum_{t=1}^{n} \frac{BI_t + AI_t + R_t}{(1+.12)^t} + \frac{OLB_n}{(1+.12)^n} + \frac{MAI_n}{(1+.12)^n}$$

Rearranging Terms,

(3) $$IF_0 + \sum_{t=1}^{n} \frac{SF_t}{(1+.12)^t} - \sum_{t=1}^{n} \frac{BI_t + AI_t + R_t}{(1+.12)^t} - \frac{OLB_n}{(1+.12)^n} = \frac{MAI_n}{(1+.12)^n}$$

So That,

(4) $$MAI_n = (1+.12)^n \left[IF_0 + \sum_{t=1}^{n} \frac{SF_t}{(1+.12)^t} - \sum_{t=1}^{n} \frac{BI_t + AI_t + R_t}{(1+.12)^n} - \frac{OLB_n}{(1+.12)^n} \right]$$

Numerical Example

Assumptions:

Initial Funding	=	$10,000
Subsequent Fundings	=	0
Base Interest Rate	=	9.5%
Base Interest Payments	=	950
Additional Interest From Cash Flow		
Year 1	=	0
Year 2	=	100
Year 3	=	100
Year 4	=	100
Year 5	=	100
Annual Loan Repayments	=	0
Net Sales Price in Year 5	=	15,000
Outstanding Loan Balance at Sale in Year 5	=	10,000

Calculation of Minimum Additional Interest

	Lender's Initial Funding	10,000
+	Present Value of Lender's Subsequent Fundings	0
-	Present Value of Base Interest Payments	
	Year 1: 950 x $1/(1.12)^1$	(848.21)
	Year 2: 950 x $1/(1.12)^2$	(757.33)
	Year 3: 950 x $1/(1.12)^3$	(676.19)
	Year 4: 950 x $1/(1.12)^4$	(603.74)
	Year 5: 950 x $1/(1.12)^5$	(539.06)
-	Present Value of Additional Interest from Cash Flow	
	Year 1: 0 x $1/(1.12)^1$	
	Year 2: 100 x $1/(1.12)^2$	(79.72)
	Year 3: 100 x $1/(1.12)^3$	(71.18)
	Year 4: 100 x $1/(1.12)^4$	(63.55)
	Year 5: 100 x $1/(1.12)^5$	(56.74)
-	Present Value of Annual Loan Repayments	(0)
-	Present Value of Outstanding Loan Balance at Sale Year 5, 10,000 x $1/(1.12)^5$	(5,674.27)
=	Present Value of Minimum Additional Interest at Sale	630.01
x	Compound Amount of 1, 12%, 5 Years: $(1.12)^5$	1.76234
	Minimum Additional Interest Due	1,110.29*

Calculation of Minimum Additional Interest (Continued)

Test: Is Minimum Additional Interest Due equal to or greater than 50% of cash proceeds?

Is MAI $\geq$ .50(15,000 - 10,000) ?

Is 1,100.29 $\geq$ 2,500? No

Therefore, Additional Due at Sale = 2,500.

* Note: To check the validity of this calculation, the Lender's yield (IRR) can be calculated separately as follows:

	Year	0	1	2	3	4	5
-	Initial Funding	(10,000)					
-	Subsequent Fundings		0	0	0	0	0
+	Base Interest		950	950	950	950	950
+	Additional Interest from Cash Flow			100	100	100	100
+	Loan Repayments		0	0	0	0	0
+	Outstanding Loan Balance						10,000
+	Minimum Additional Interest at Sale						1,110.29
	Lender's Cash Flow	(10,000)	950	1,050	1,050	1,050	12,160.29

Lender's Yield (IRR) = 12.0%

II. THE PROPERTY

II. THE PROPERTY

A. INTRODUCTION

The Silo Bend Industrial Park is a partially built-out 146-acre industrial park on the southwest corner of S.R. 60 and U.S. 301 in Hillsborough County, Florida, part of the Tampa Metropolitan Area. The existing buildings include three multi-tenant bulk warehouses totaling 430,100 square feet on 33 acres of land. Building I contains 69,800 square feet with an 18-foot clear ceiling height, a bay depth of 180 feet, a bay width of 40 feet and 10 dock-high rear loading truck doors. Building II contains 223,500 square feet with a 22-foot clear ceiling height, a bay depth of 200 feet, a bay width of 40 feet and 56 dock-high front loading truck doors. Building III contains 136,800 square feet with a 22-foot clear celing height, a bay depth of 160 feet, a bay width of 40 feet and 29 dock-high front loading truck doors. In addition, Crow developed a 142,000 square foot build-to-suit warehouse on 14.7 acres of land for McKesson Corporation which is not part of this investment.

The remaining 98.2 acres of land is zoned and approved for a total of 1,193,882 square feet of building development. The Trammell Crow Company plans to develop 620,882 square feet of bulk warehouse, 343,000 square feet of build-to-suit, 200,000 square feet of service center, and 30,000 square feet of retail space over the next four years as the market permits.

The existing three buildings are 48% leased to six tenants at an average rental rate of $3.60 per square foot. The average lease term is approximately 48 months, and the average lease expiration date is August 1992. Absorption for the three speculative warehouses has averaged 17,000 square feet per month.

B. LOCATION

Silo Bend is located within the recently completed booming I-75 designated growth corridor. The I-75 corridor, which is projected to have a 200% population increase by the year 2020, is a 36-mile span of interstate highway that runs from north of Atlanta to Miami. Planning for this corridor was done through the combined efforts of the public and private sectors. The corridor is to be a 21st century "linear city" with more than 95 million square feet of planned commercial development including business parks, research centers, hotels, retail and industrial developments, as well as more than 25,000 new multi and single family residential units. The key feature of the corridor is its planned transportation infrastructure which includes a fully developed grid sytem of support roads in an effort to keep short-trip traffic off the interstate, avoiding the traffic problems and subsequent deterioration now experienced by I-275. In addition, plans call for development of light and heavy rail systems as well as the enlarging of Vandenberg Airport (the local corporate/private airport). The other driving force of the corridor is its proximity to the University of South Florida which has 30,000 students and is located in the Northwestern area of the I-75 corridor and is one of the largest and fastest growing urban universities in the Southeast.

Silo Bend enjoys both excellent location and access within the corridor. The project is strategically located with immediate access to all five of the area's major highways -- I-75, S.R. 60, U.S. 301, I-4, and the Crosstown Expressway. This ease of access greatly enhances Silo Bend's competitive position in the market. Specifically, the project is at the southwest corner of S.R. 60 and U.S. 301. S.R. 60 is the major truck route into Tampa from the east. The project has excellent visibility from both U.S. 301 and the Crosstown Expressway. S.R. 60 intersects I-75 with a full cloverleaf interchange approximately one mile east of Silo Bend. Exhibits II-1 through II-4A show access and location.

C. ADJACENT LAND USES

Exhibits II-4A and II-4B are aerial photographs of Silo Bend Industrial Park and the surrounding area. The property is bounded on the east by U.S. 301 and on the south and west by the Crosstown Expressway. To the south are farms and small single family homes, and to the west are owner/user industrial buildings and service center space. Directly north of the subject are older industrial bulk warehouses. Directly east of the subject across U.S. 301 is a 40-acre tract of land that is zoned for 400,000 square feet of industrial space.

D. THE SITE

The entire site for Silo Bend has a gross land area of 145.9 acres. Allocation of the land is is 33 acres to the existing spec warehouse buildings, 14.7 acres to the McKesson Corporation building (which is not part of this transaction), and 98.2 acres to be developed with 1,193,800 square feet of additional space (see Exhibit II-5).

The site is basically rectangular is shape and has two wetland areas. The wetland areas are in the northwest corner of the site and total 9.5 acres. The wetland areas have been addressed with the construction of an attractive combination of detention ponds on the western boundary and northeastern corner of the site. The site is zoned properly for its current and proposed uses and has met with all environmental requirements. The site has sewer and water available from the City of Tampa. The combination of environmental clearance and sewer/water availability gives this project an edge over some of the existing competitive sites and all future competition. Environmental requirements are time consuming and often difficult to obtain. Hillsborough County currently has a sewer moratorium for development east of I-75 which forces developers to use on-site sewage treatment systems.

The subject site has four points of access: one from S.R. 60, two from U.S. 301, and one from Palm River Road (a two-lane rural road). These four access points put Silo Bend at a competitive advantage, allowing distribution trucks greater manuverability and easier access to the park. Plans call for parking ratios of .8 spaces per 1,000 square feet of warehouse and 5 spaces per 1,000 square feet of retail space.

E. THE IMPROVEMENTS

The three speculative warehouse buildings contain a total of 430,100 square feet. Silo Bend I contains 69,800 square feet with an 18-foot clear ceiling height, a bay depth of 180 feet, a bay width of 40 feet, and 10 dock-high rear loading truck doors. Silo Bend II contains 223,500 square feet with a 22-foot clear ceiling height, a bay depth of 200 feet, a bay width of 40 feet and 56 dock-high front loading truck doors. Silo Bend III contains 136,800 square feet with a 22-foot clear ceiling height, a bay depth of 160 feet, a bay width of 40 feet and 39 dock-high front loading truck doors. Exhibits II-6A, II-6B, II-7A, II-7B, II-8A and II-8B are renderings and floor plans of the buildings.

All three buildings are constructed of tilt-up concrete panels 7-1/2 inches thick with an aggregate finish. Each building is color coded with accent bands on the tilt wall. The roof system is three-ply built-up aluminum emulsion. Silo Bend I has R-10 roof insulation while Buildings II and III have no insulation.

The typical footing size is 12 inches deep and 32 inches wide. The typical floor slab is 5 inches thick with a 125 psi live load. The window size varies although it is typically 4 feet wide by 6 or 9 feet high and 1/4 inch thick. Column spacings in Silo Bend I and II are 40 feet wide by 40 feet deep. In Silo Bend III they are 40 feet wide by 36 feet deep. The buildings all have roof mounted package HVAC units which are installed individually for the tenants. Silo Bend II and III have rear exhaust fans. All three buildings are protected by sprinkler systems.

The parking lot's typical pavement thickness is 12-inch compacted subgrade with 5-inch non-reinforced 3,000 psi concrete. The concrete material used in the parking lots and roads is superior to the asphalt material typically used in the competitive projects. It is specifically designed to endure the weight and traffic load requirements of distribution warehouse useage. There are currently a total of 349 parking spaces (.8 spaces/1,000 square feet) on the site. Building pictures and floor plans are detailed in Exhibits II-4B through II-8B.

The current development plan, as reflected in Exhibit II-5, calls for the development of five bulk warehouse buildings totaling 620,882 square feet in the northern and western portions of the site adjacent to the three existing buildings. The five service center buildings will be constructed in the southeastern portion of the site. The build-to-suit buildings can be either bulk warehouse or service center. The retail will be constructed in the southeastern corner of the site where it will benefit from visibility and access directly from U.S. 301. The development plan calls for the construction of these facilities in approximately equal amounts over the four years 1989-1992, with the retail space projected for development in 1990. Design and construction quality of the new buildings will be similar to that of the existing buildings.

F. SOURCES AND USES OF FUNDS

A sources and uses of funds statement is presented in Exhibit II-9. USF&G will provide the capital sources of $26,290,000 which will be broken down between a participating mortgage of $14,800,000 on the three existing bulk buildings, and an equity land joint venture on the remaining land of $11,390,000. The participating loan includes a yield maintenance provision, and the land equity joint venture includes a cumulative preferred return feature.

The individual uses of funds are shown in Exhibit II-9. The major categories on a per building square foot basis for the participating mortgage include: $6.71 per building square foot for land acquisition, $7.16 per building square foot for infrastructure and site preparation, $9.88 per building square foot for building shells, $2.79 per building square foot for tenant finish and leasing commissions, and $5.87 per building square foot for soft costs. Major categories for the land development include: $7.06 per building square foot for land acquisition, $2.18 per building square foot for existing infrastructure and future land development costs, and $.30 per building square foot for real estate taxes and closing costs.

G. CONCLUSION

Silo Bend is a partially built-out, 48% leased Class A industrial park. The property is well positioned to compete due to its excellent location, accessability, visibility and superior design. The buildings stand out from the competition due to their quality of construction and their location within a well-designed park setting. Rising land prices due to the recently completed construction of I-75 offers Silo Bend protection against construction of future bulk warehouse space.

Exhibit II-1
REGIONAL LOCATION MAP

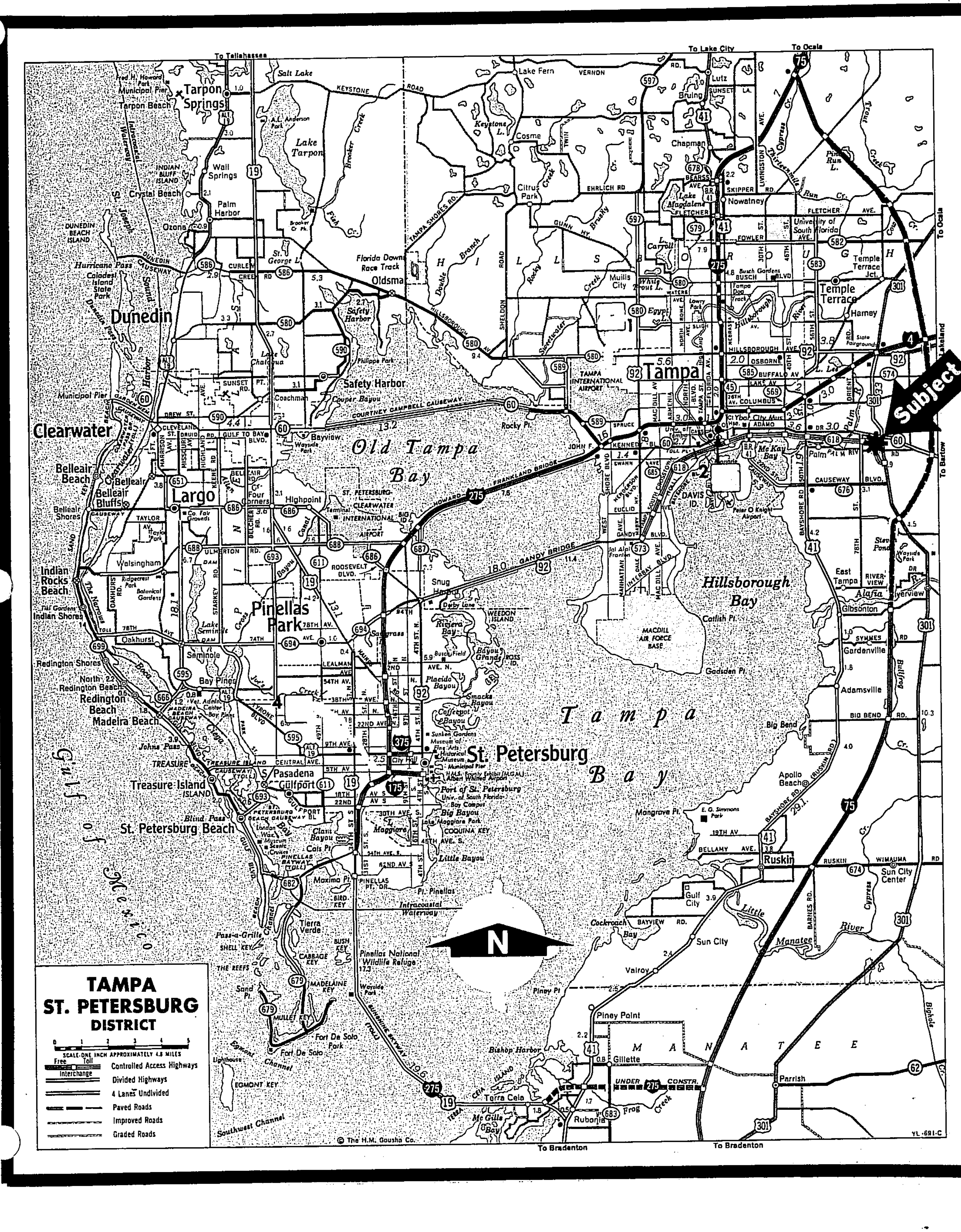
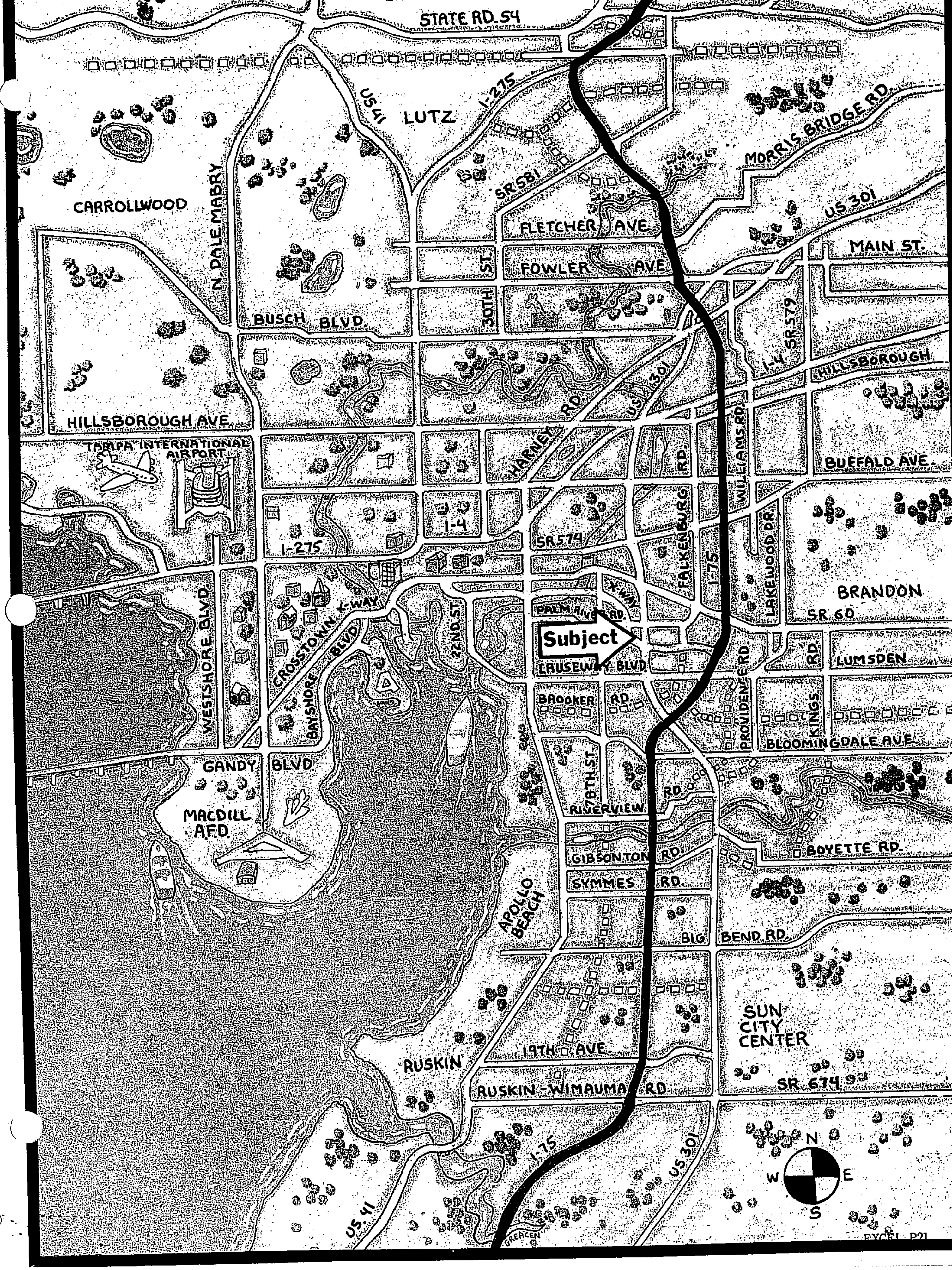


Exhibit II-2
SITE VICINITY MAP



EXCEL P21

Exhibit II-4
AERIAL PHOTOGRAPH
SILO BEND INDUSTRIAL PARK

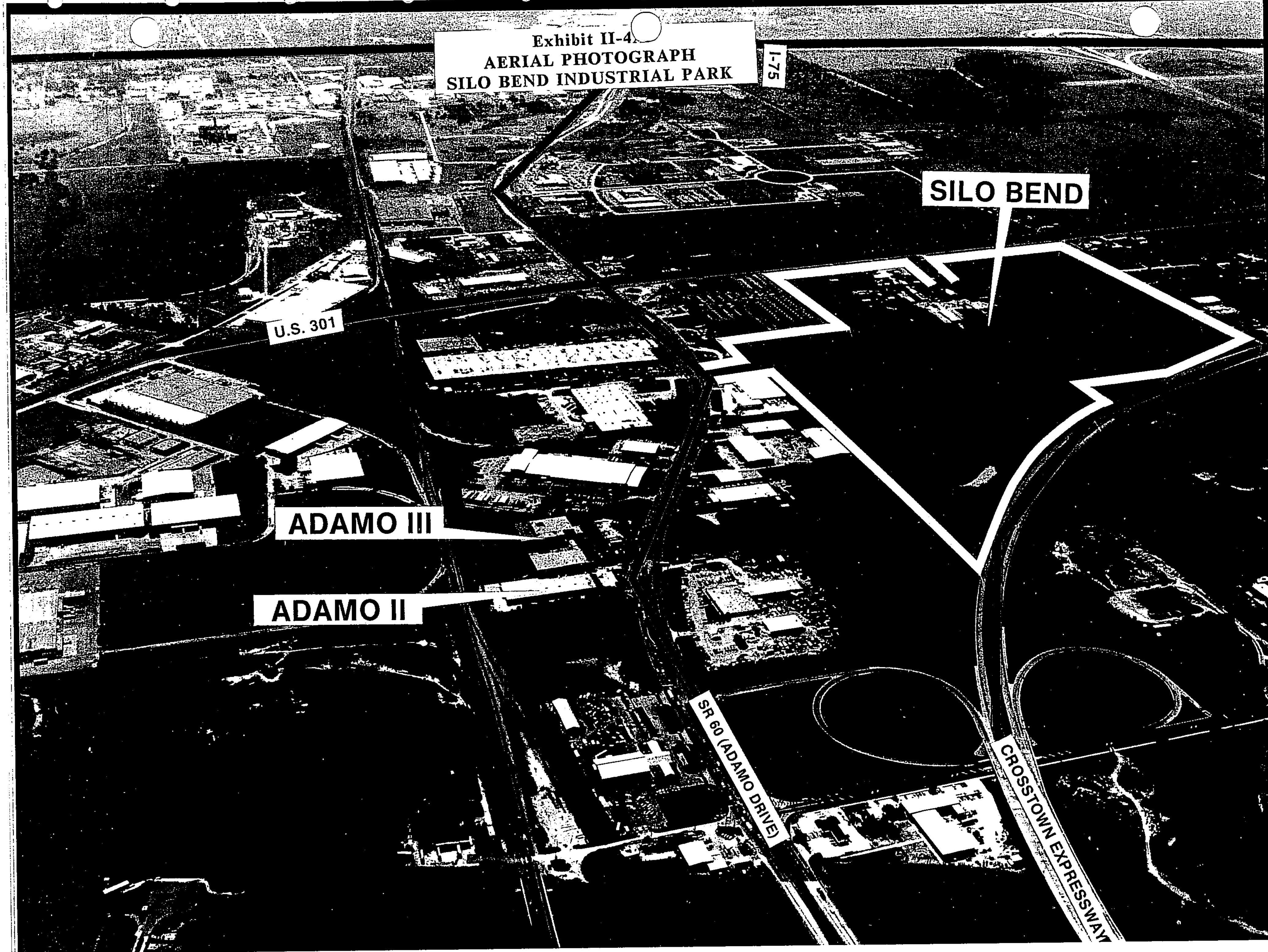
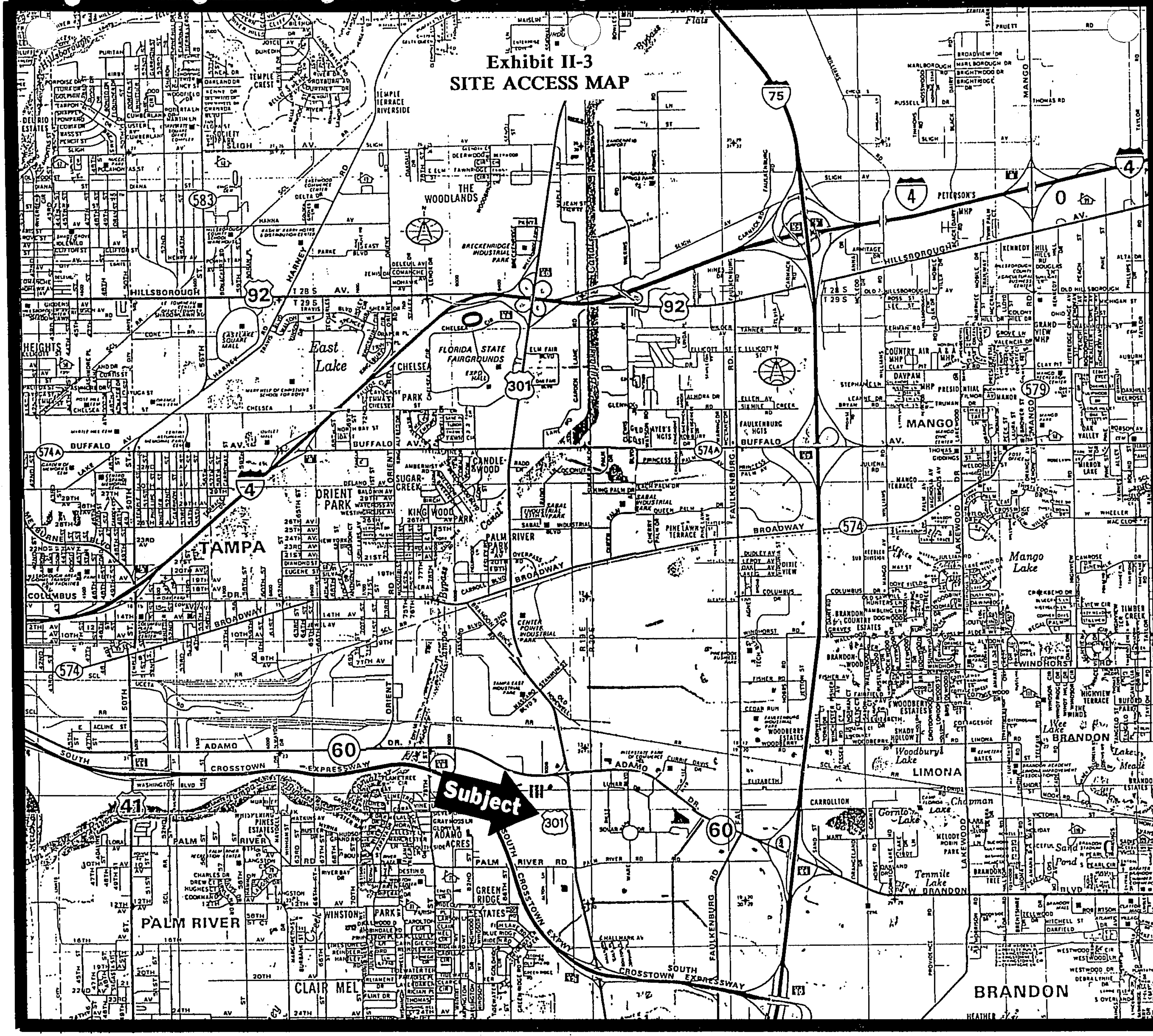


Exhibit II-3
SITE ACCESS MAP



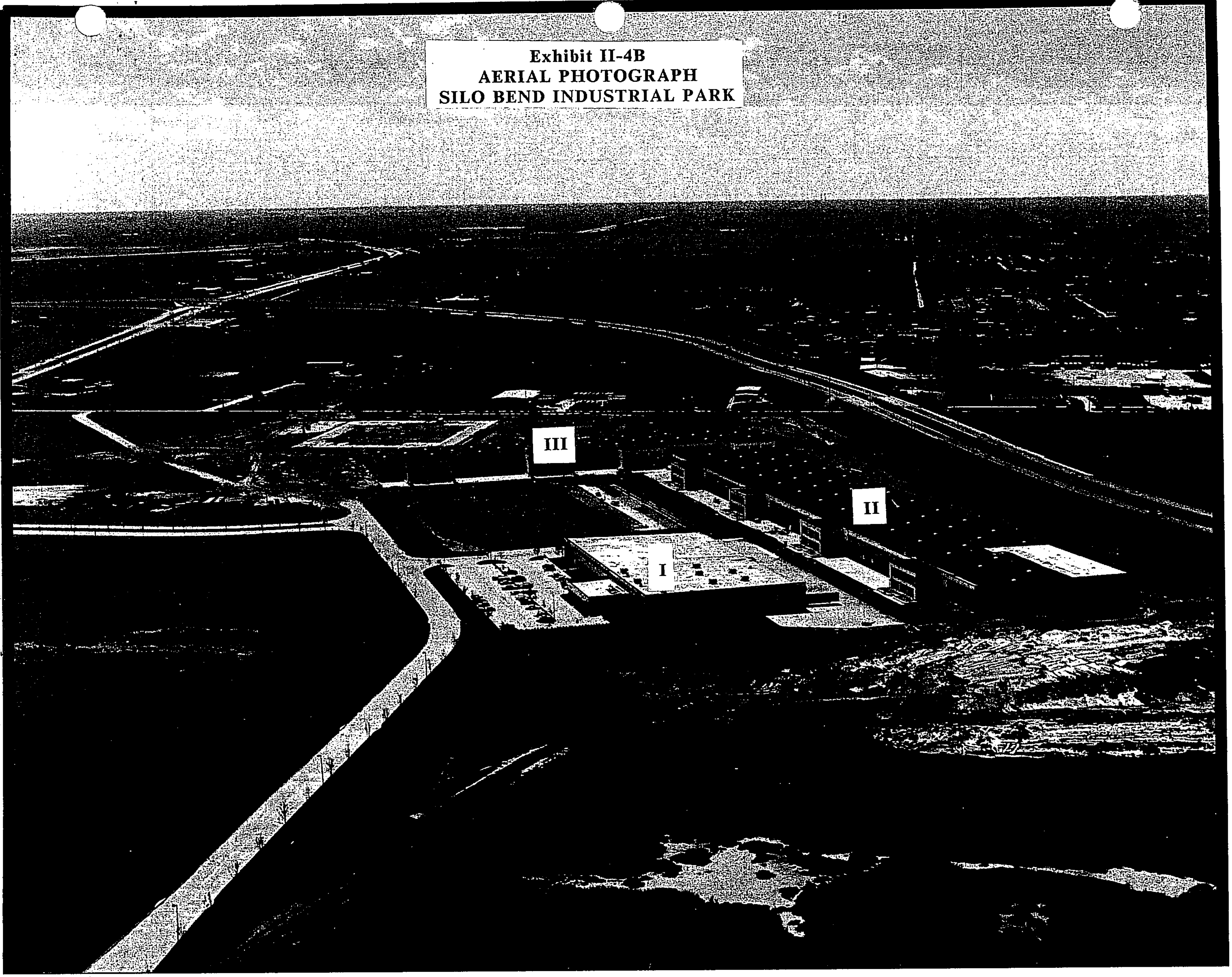
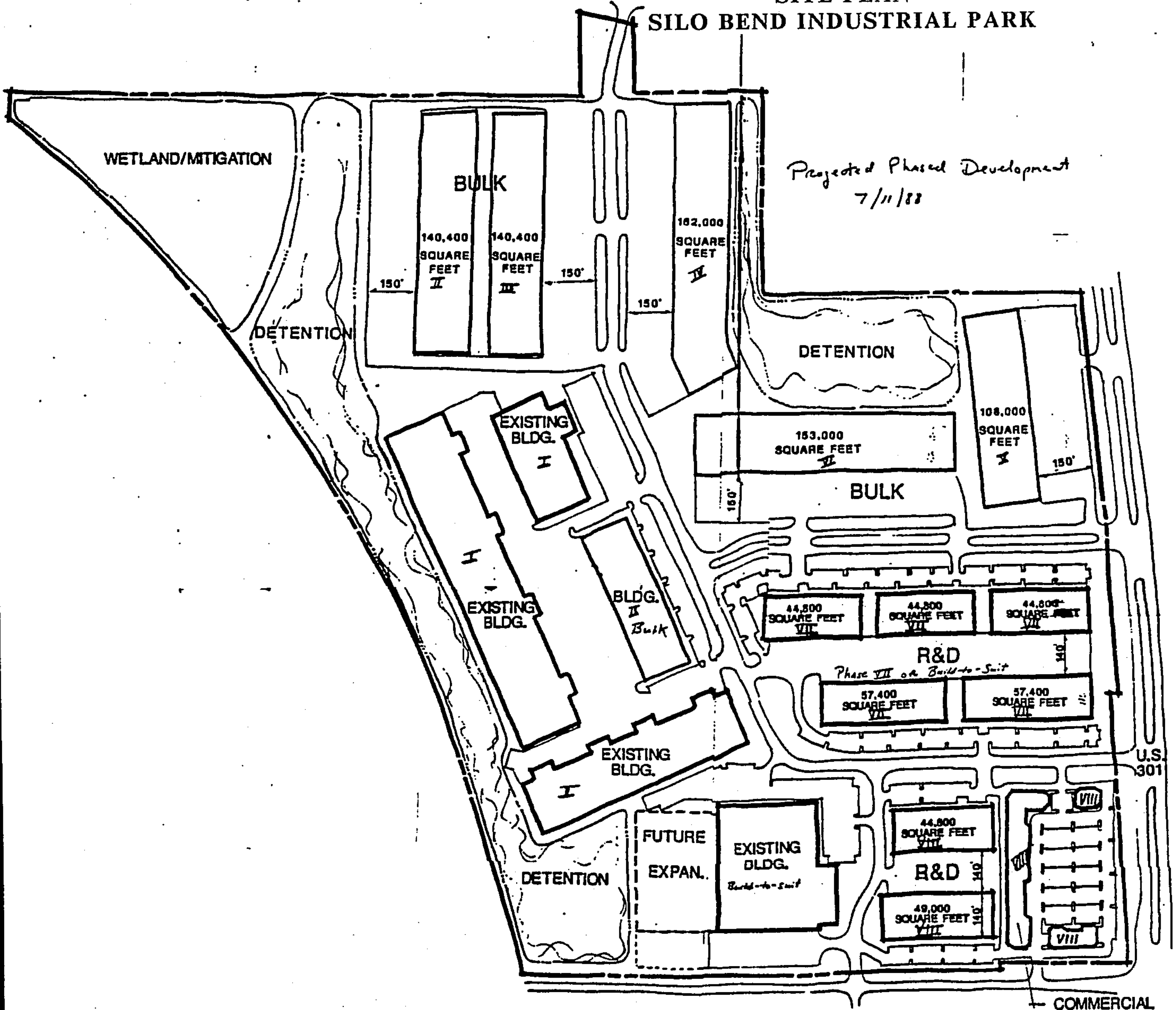


Exhibit II-4B
AERIAL PHOTOGRAPH
SILO BEND INDUSTRIAL PARK

SILO BEND

Exhibit II-5
SITE PLAN
SILO BEND INDUSTRIAL PARK



TRAMMELL CROW COMPANY

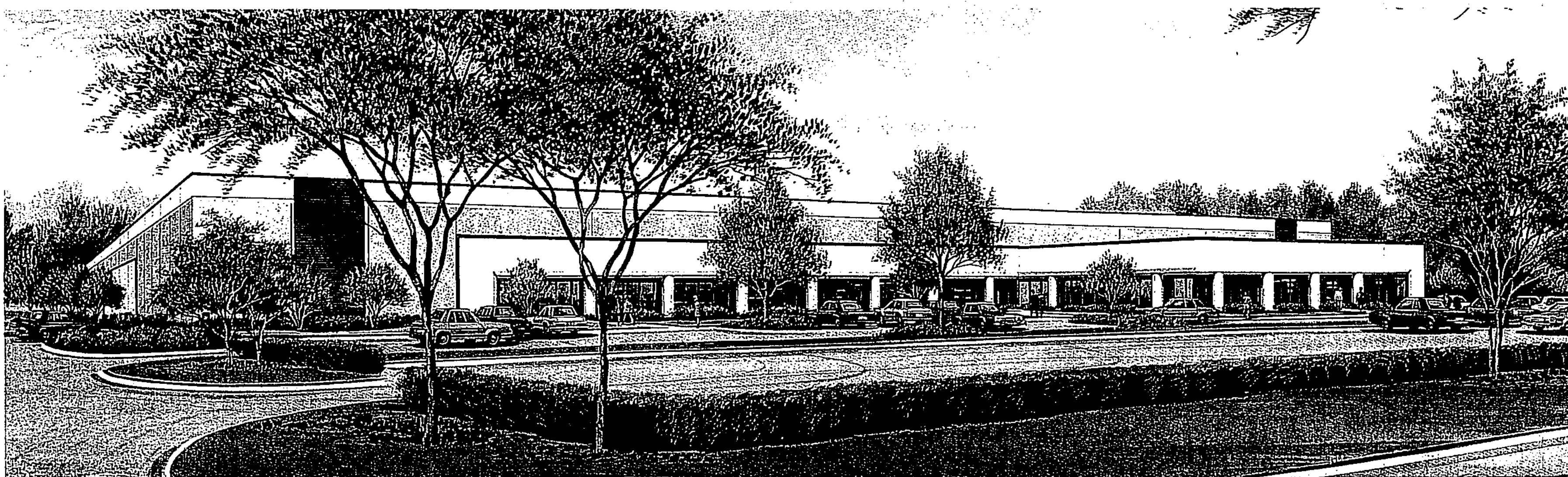
CONCEPT MASTER PLAN

LAND USE SCHEDULE

USE	SQUARE FEET
EXISTING	666,300
R&D	343,000
COMMERCIAL	52,800
BULK	703,800
TOTAL	1,765,900

Build-to-suit when anchor is located.
Integrate R&D into center development.

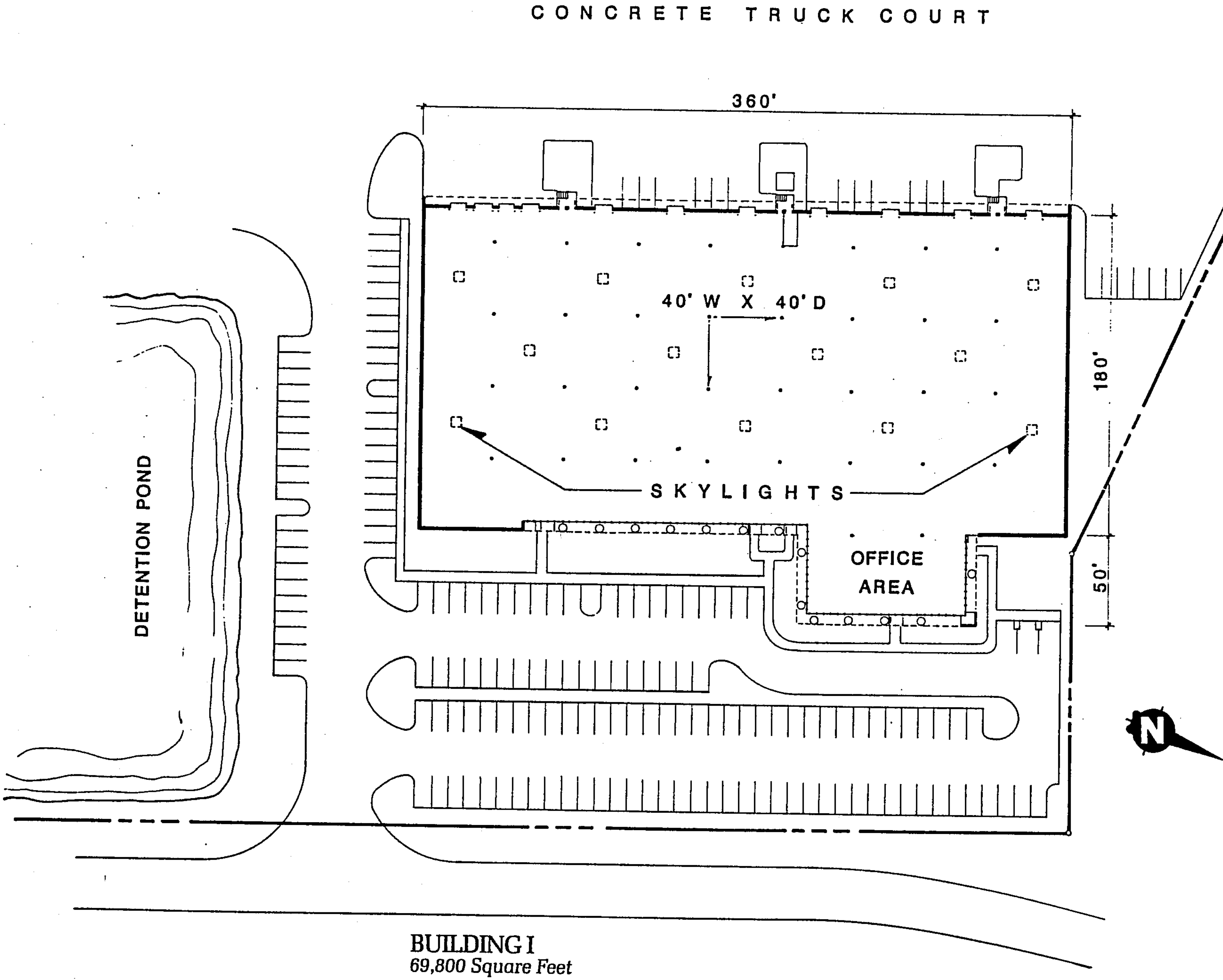
Exhibit II-6A
RENDERING - BUILDING I



BUILDING I

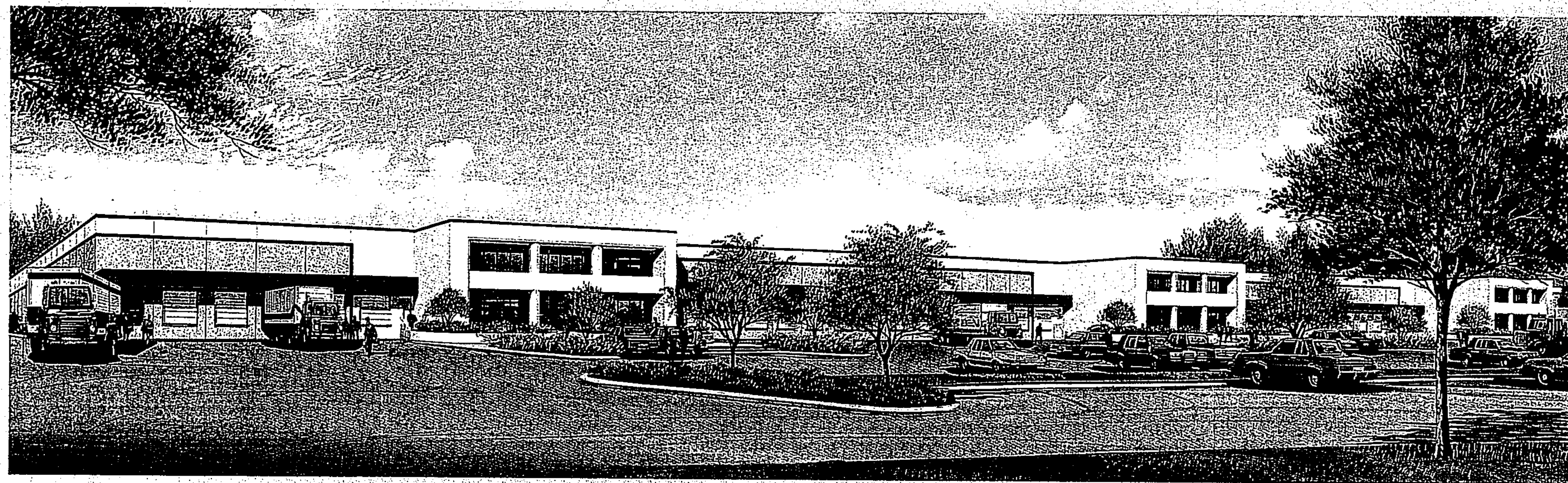
S I L O B E N D

Exhibit II-6B
FLOOR PLAN - BUILDING I



BUILDING I
69,800 Square Feet

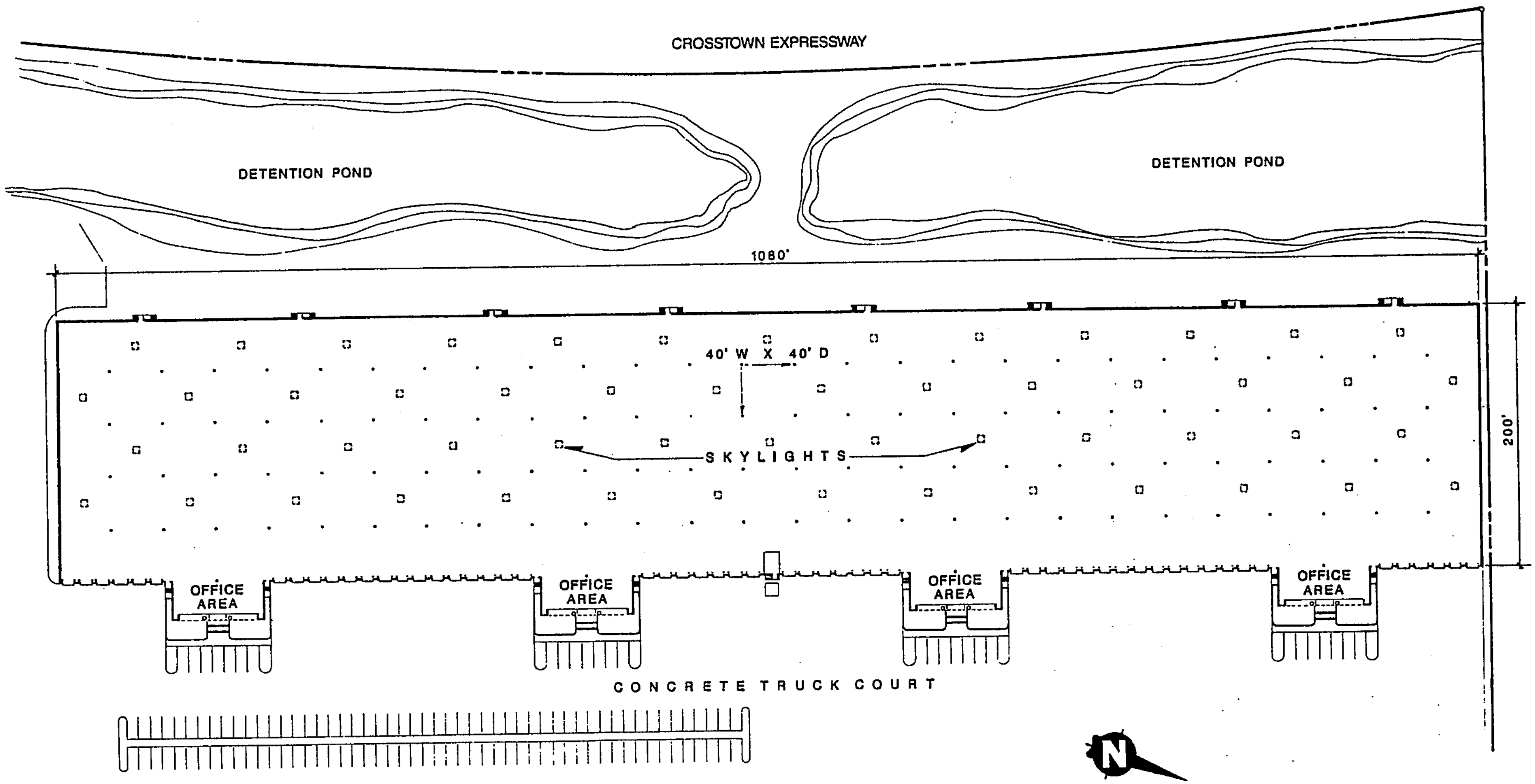
Exhibit II-7A
RENDERING OF BUILDING II



BUILDING II

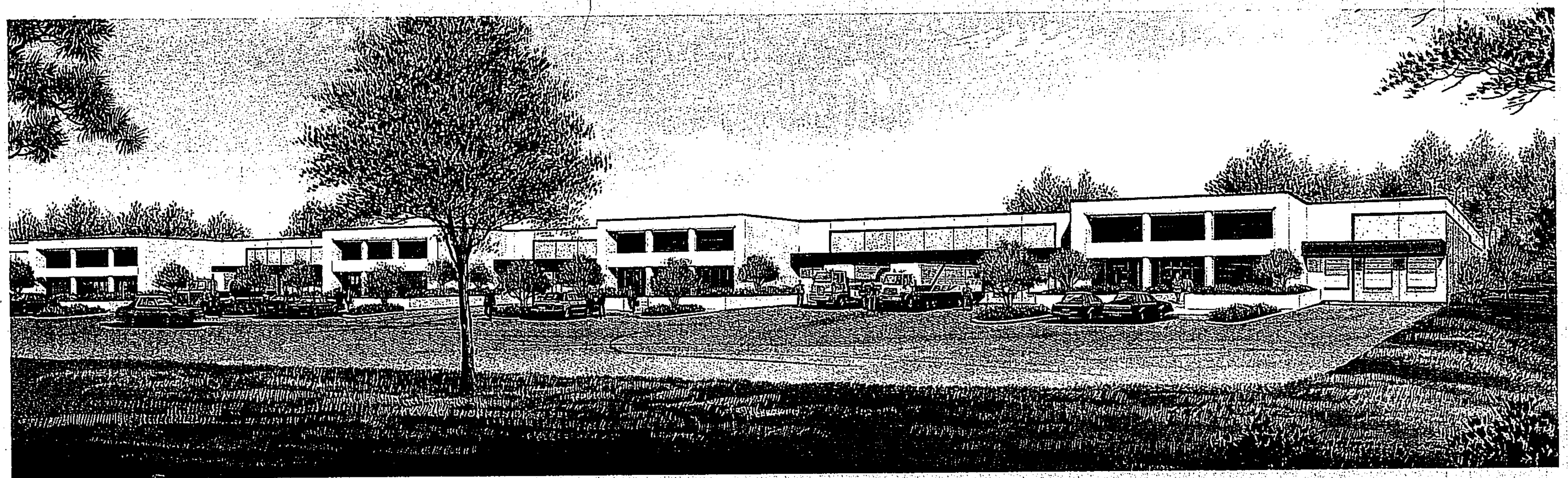
SILO BEND

Exhibit II-7B
FLOOR PLAN - BUILDING II



BUILDING II
223,500 Square Feet

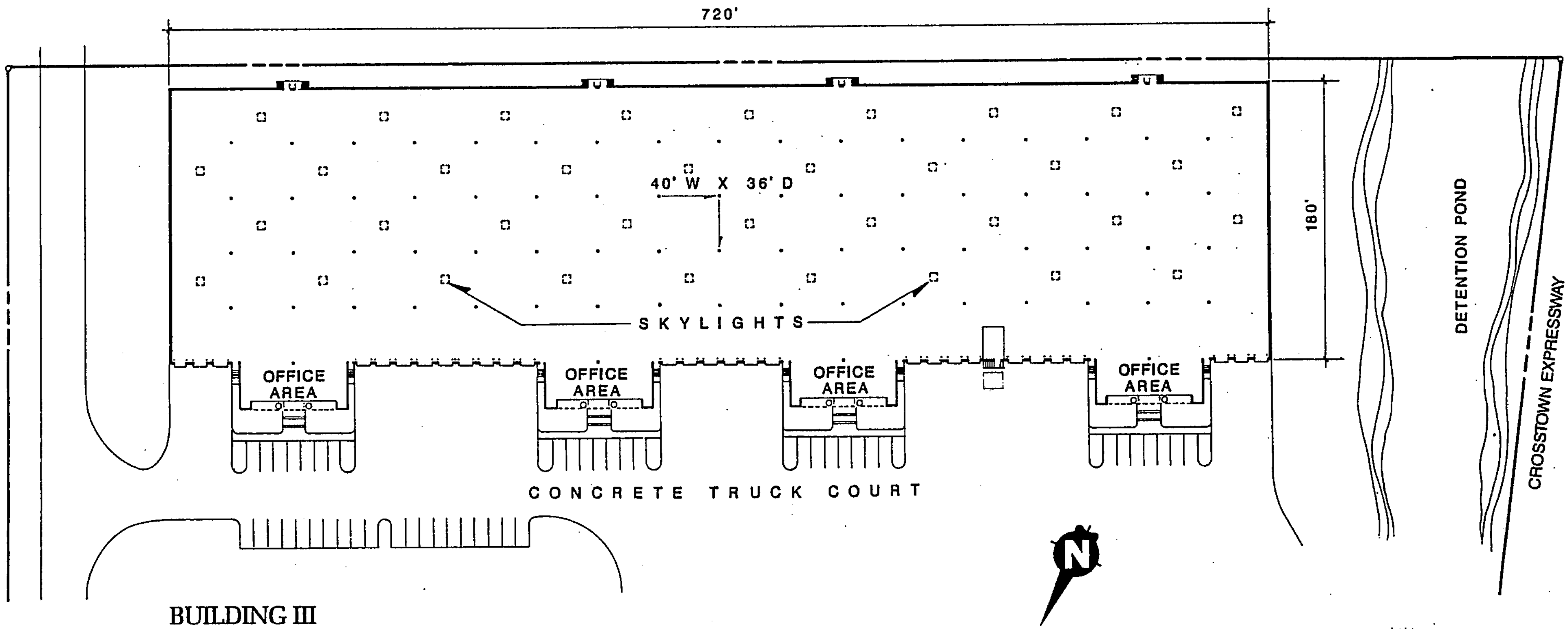
Exhibit II-8A
RENDERING - BUILDING III



BUILDING III

SILO BEND

Exhibit II-8B
FLOOR PLAN - BUILDING III



BUILDING III
136,800 Square Feet

Exhibit II-9
SOURCES AND USES OF FUNDS

Participating Mortgage - Buildings 1,2, and 3
(33 Acres, 430,100 Square Feet of Existing Building)

		PSF Bldg.
Sources		
Participating Mortgage (USF&G)	$14,800,000	$34.41
Uses		
Land Acquisition	2,887,847	6.71
Allocated Infrastructure	936,560	2.18
Site-Specific Infrastructure	591,491	1.38
Site Work	1,548,349	3.60
Building Shells	4,249,450	9.88
Construction Interest	862,503	2.01
Tenant Finish Allowance	1,200,000	2.79
Interest Reserve	1,300,000	3.02
Architect and Engineering	480,452	1.12
Legal, Administrative, and Fees	440,010	1.02
Landscape and Marketing	303,338	.71
Total	$14,800,000	$34.41

Land Joint Venture
(98.2 Acres, 1,193,882 Square Feet of Proposed Building)

		PSF Land	PSF Bldg.
Sources			
Joint Venture Equity (USF&G)	$11,390,000	$2.66	$9.54
Uses			
Land Acquisition	8,425,000	1.97	7.06
Infrastructure (In Place)	1,105,000	.26	.93
Future Development Cost			
Extend Kelsey Rd. to US 301	336,000	.08	.28
Access Road off Kelsey	144,000	.03	.12
Kelsey to Polar River Road	120,000	.03	.10
Master Detention Pond and Environmental Mitigation	550,000	.13	.46
Associated Piping, Underdrains, Plantings, Sod, Irrigation, Storm Control Structures	350,000	.08	.29
Annual Real Estate Taxes	120,000	.03	.10
Closing Costs	240,000	.06	.20
Total	$11,390,000	$2.66	$9.54

III. THE MARKET OVERVIEW

III. THE MARKET OVERVIEW

A. INTRODUCTION

The Tampa Bay Region consists of six counties including Hillsborough, Pinellas, Manatee, Sarasota, Pasco, and Polk. The area is first in Florida and second in the Southeast (next to Atlanta) in terms of population and is projected to become the nation's 19th most populous market area with more than 2 million residents by 1989.

As a resort area with a large retiree population, the economy of the Tampa Bay area was historically dominated by the service and trade sectors. In an effort to strengthen and diversify the economy, the counties have been actively recruiting new industry to the area. Employment is especially strong in the fields of high technology, finance, medicine, and hotel and restaurant management employment. In addition, Tampa Bay was one of only 13 U.S. metro markets to add more than 10,000 wholesale trade employees between 1980 and 1986.

Currently, Florida's high-tech industry is growing at a faster rate than it is in any other state in the nation. Florida ranks seventh in the United States and first in the Southeast in both the number of high-tech companies and high-tech employees. It is projected to rank third or fourth by the year 2000. Exhibits III-2A and III-2B show historical vacancy rates for bulk warehouse product nationally and in the Tampa Bay area.

B. THE TAMPA BAY INDUSTRIAL MARKET

Hillsborough and Pinellas Counties are currently third in the state in terms of high-tech employment and are gaining new firms at the rate of 16% per year. Major high-tech employers include: IBM, Honeywell, GTE, Reflectone, Inc., and Interconics. In 1987 corporate firms from outside the area relocating and expanding in the market accounted for more than one-third of the leasing volume. Corporate activity in Hillsborough County in general and in the I-75 corridor in particular has been very strong recently. Between 1970 and 1984 the number of industrial firms increased 91%. Currently occupations utilitizing industrial and warehouse distribution space account for approximately 17% of the county's total employment. If this share of industrial employment remains constant, then 3,330 to 4,200 new jobs will be created annually between 1988-1995, which should create a demand for an additional 2.3 to 2.9 million square feet of industrial and warehouse distribution space. Exhibit III-2 shows historical construction and absorption figures for business parks in Hillsborough County.

As shown in Exhbit III-1, Hillsborough County has a total inventory of 16.6 million square feet of Business Park space. Business Park space includes both service center/R&D and distribution/warehouse space. The county is divided into two sub-markets which are defined as "West of I-275" and "East of I-275" respectively.

The West of I-275 submarket contains 5,500,000 square feet of business park space of which 593,800 square feet is vacant (10.8%). There is 77,000 square feet under construction of which none is pre-leased. Absorption for the first quarter of 1988 was 139,400 square feet, excluding pre-leased space, or 557,600 square feet on an annualized basis. This submarket is the older of the two and has very little land left for new development.

Silo Bend is located in the East of I-275 submarket. This submarket is the larger of the two, and consists of 11,100,000 square feet of existing business park space of which 2,400,000 million square feet is vacant (22%). There is 800,000 square feet under construction of which 67% is pre-leased. Absorption for the first half of 1988 was 600,000 square feet, excluding pre-leased space, or 1.2 million square feet on an annualized basis.

C. COMPETITIVE PROPERTY SURVEY

As shown in Exhibits III-3 and III-4, approximately 2,853,258 square feet of bulk warehouse space (including Silo Bend) located in the East of I-275 submarket is competitive with the subject property. There is 791,038 square feet currently available indicating a 28% vacancy rate (including Silo Bend). Completion of 43% of the product has taken place since 1985 and Silo Bend represents 15% of the total supply and 35% of the supply completed since 1985.

Overall, absorption has been strongest in the bulk distribution/warehouse product. Net absorption for the first six months of 1988 among the competitive properties was 217,326 square feet or 434,652 square feet on an annualized basis. The sbsorption figure for the first half of 1988 would have been 417,326 square feet or 834,652 on an annualized basis, however, 200,000 square feet of space had to be netted out of the total due to General Electric vacating 200,000 square feet of space due to a plant shut down. Silo Bend has leased 206,000 square feet in the last 12 months reflecting a lease-up pace of 17,000 square feet per month. Silo Bend captured approximately 20% of the market share in the past twelve months.

The field of competitive bulk industrial developers has narrowed greatly over the last year. The competitive projects listed in Exhibit III-3 were, for the most part developed by Corporex, Vantage, Turner and Crow. Corporex, motivated by internal economic problems, is trying to sell its exitsting product. Vantage is no longer building new product, and constricting due to national economic problems, and the Turner Company is in the process of being sold. Crow remains as the only significant developer with a consistent and dominant market presence.

There is no new product currently under construction nor any projected to be constructed in the near future. While construction of bulk warehouse takes only six months, escalating land prices are making bulk warehouse construction economically infeasible. The closest site zoned for development of bulk space is located across U.S. 301 directly to the east of the subject. The New Jersey-based developer has been very secretive about his development plans, but Coldwell Banker's leasing agents have indicated that he will employ Coldwell Banker personnel to develop and lease service center product. No commencement date for development is known. The other site is a 900-acre parcel located approximately five miles south of Silo Bend at the southwest corner of the intersection of I-75 and the Crosstown Expressway. This is owned by Robert Wooley, who is still formulating his development plan and is likely to be delayed as a result of environmental issues.

The strength of the bulk warehouse market is expected to increase as construction of new space becomes infeasible due to the increase in land prices that is occuring as a result of the completion of I-75. If absorption remains constant and no new space is constructed, then the existing vacant space will be absorbed over the next 22 months.

Rental rates are typically quoted on a split basis between office and warehouse. Higher rental rates typically equate to higher office uses. Average blended rates for the competitive properties range from a low of $3.15 (NNN) per square foot to a high of $4.41 (NNN) per square foot. Rental concessions typically found in the market offer free rent equal to one month per year of lease term.

D. LAND PRICES

The biggest deterrent to new construction of bulk space is escalating land costs. Large acreages of raw land sell for $2.00 to $4.00 per square foot raw, and smaller improved building sites sell from $3.00 to $6.00 per square foot. There have not been a large number of completed land sales recently due to anticipation in the market created by the completion of the I-75 corridor and the increase in land value projected to occur with it. Higher land prices drive developers to build service center or office space, however market softness for those product types creates a certain near-term reluctance to close land sale transactions. Silo Bend's raw land cost of $2.00 per square foot and finish cost of $2.69 per suqare foot compares favorably to land prices in the market, particularly with its competitive advantages of location, access and visibility.

E. CONCLUSION

Although the overall business park market is currently oversupplied, the bulk warehouse market is much more solid. Absorption is projected to remain strong while supply is expected to diminish with escalating land costs. Silo Bend should benefit greatly from its location within the rapidly growing I-75 corridor. It is located in a well established business park that has already proven its ability to capture more than its market share of tenants. Construction of future phases of Silo Bend should benefit from its comparatively low land basis.

Exhibit III-1
TAMPA BAY BUSINESS PARK MARKET

	Existing Space (Square Feet)	Existing Vacant Space (Square Feet)	% Vacant	Space Under Construction	% Under Construction Pre-Leased	Net Quarterly Absorption**
HILLSBOROUGH						
West of I-275	5,500,000	593,800	10.8%	77,000	0.0%	139,400
East of I-275	11,100,000	2,400,000	21.6%	613,000	67.0%	186,300
Total	16,600,000	2,993,800	18.0%	690,000	59.5%	325,700
PINELLAS	9,900,000	1,700,000	17.2%	534,500	51.0%	164,700
+ Gateway Only	5,400,000	836,000	15.5%	234,100	36.0%	79,600
MANATEE	1,100,000	206,600	18.8%	89,000	57.0%	81,000
SARASOTA	1,400,000	145,000	10.4%	77,000	100.0%	79,200
PASCO	311,500	39,000	12.5%	6,800	100.0%	20,000
POLK	2,700,000	338,500	12.5%	503,000	35.0%	223,400
	37,411,500	5,422,900	14.5%	1,900,300		

** Net quarterly absorption includes signed leases at existing buildings within business parks only. It does not include pre-leasing at buildings under construction.

+ Gateway includes business parks east of U.S. 19, roughly between Roosevelt and Gandy Boulevards.

Source: The Maddux Report

Exhibit III-2

BUSINESS PARK ABSORPTION FOR HILLSBOROUGH COUNTY
1984-1988

Year	Hillsborough Total (S.F.)	East of I-275	West of I-275
1984	1,100,000		
1985	1,500,000		
1986	1,430,000	800,000	630,000
1987	1,260,000	700,000	560,000
1988 (6 Mos.)	810,000	600,000	210,000

BUSINESS PARK CONSTRUCTION FOR HILLSBOROUGH COUNTY
1984-1988

Year	Hillsborough Total (S.F.)	East of I-275	West of I-275
1984 Inventory	11,100,000		
1985	900,000	7,700,000	4,300,000
1986	2,100,000	1,500,000	600,000
1987	1,500,000	1,000,000	500,000
1988 (6 Mos.)	900,000	800,000	100,000

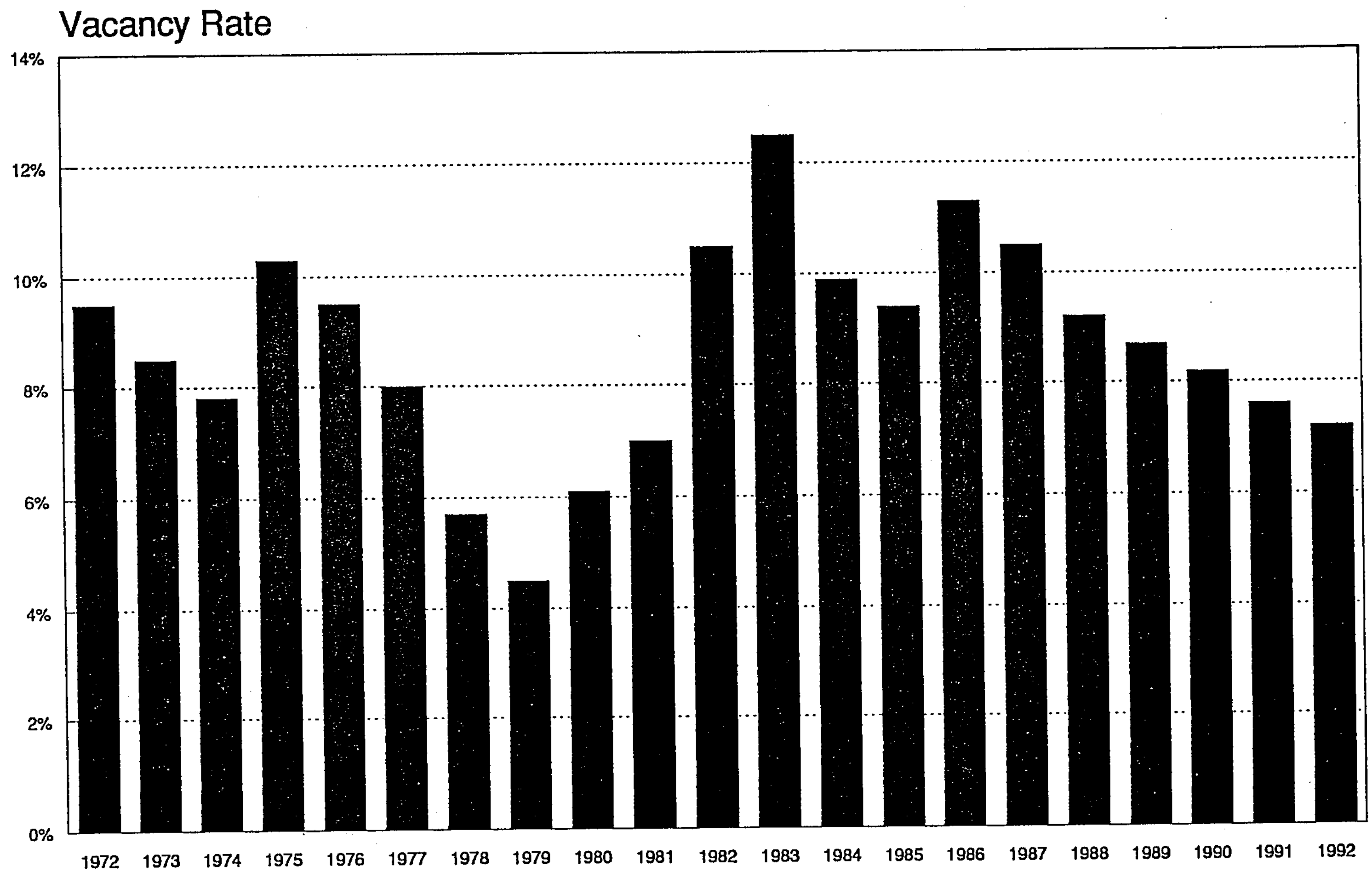
BUSINESS PARK VACANCY FOR HILLSBOROUGH COUNTY
1984-1988

Year	Hillsborough Total (%)	East of I-275	West of I-275
1984	23%		
1985	17%	16%	18%
1986	19%	21%	16%
1987	19%	22%	13%
1988 (6 Mos.)	18%	22%	11%

* Figures are for Hillsborough County in total and for the two submarkets East and West of I-275.

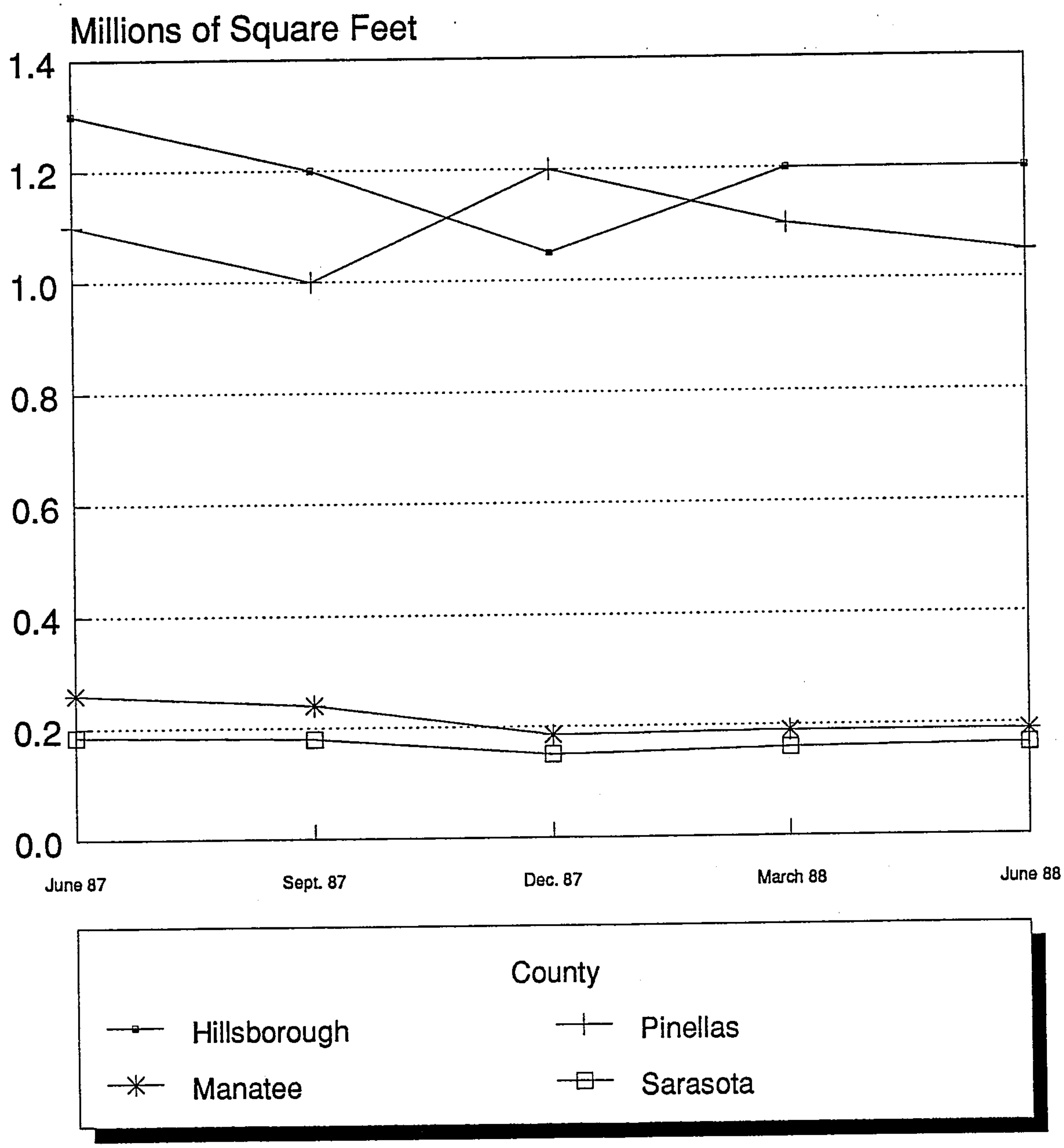
Source: The Maddux Report
Potomac Realty Advisors

EXHIBIT III-2A
VACANCY IN WAREHOUSE/DISTRIBUTION SPACE
U.S. ANNUAL AVERAGE



Source: Grubb & Ellis; Potomac Realty Advisors

EXHIBIT III-2B
ANNUAL BUSINESS PARK ABSORPTION RATE
TAMPA BAY AREA



Source: Maddux Report; Potomac Realty Advisors

Exhibit III-3
COMPETITIVE PROPERTY SURVEY

Map #	Property Name and Address	Year Completed	Developer	Size S.F.	Available (S.F.)	Vacancy Rate	Rental Rates: Warehouse	Rental Rates: Office	Rental Rates: Blended	Comments
1	Sabal I 3502 Riga Boulevard	1981	Trammell Crow	24,200	5,040	20%			$4.41 (a)	Located 2-1/2 miles northeast of subject Textured paint tilt-up; front load; older product; inferior location and quality; not part of an integrated office park.
1	Sabal II 9203 King Palm Drive	1981	Trammell Crow	93,842	14,000	15%			$3.15 (a)	Same comments as above. Land for sale in Sabal is at the $5-8 psf (including infrastructure) necessitating office rather than industrial use.
1	Sabal III 9201 King Palm Drive	1986	Trammell Crow	139,316	32,936	24%			$3.37 (a)	Aggregate tilt up product. Otherwise same comments as above.
2	Adamo I 5120 East Adamo Drive	1985	Trammell Crow	132,800	24,800	18%			$3.28 (a)	Tilt-up aggregate; inferior location poor access, traffic problem; front load buildings.
2	Adamo III 8020 East Adamo Drive	1986	Trammell Crow	92,800	0	0%			$3.44 (a)	Aggregate tilt-up; 3-5% office build out; pre-leased in 1985.
3	Parke East Hillsborough Ave. & Harney Rd.	1985	Corporex	80,000	44,000	55%	$3.25 (q)	$9.25 (q)	$3.56 (q)	Located 5-6 miles north of subject. Office 5% of total space; poorly and ugly; bad access and turn radius.
4	East Gate Buffalo Ave. & I-4	1983	Corporex	83,000	28,000	33%	$3.50 (q)	$10.00 (q)		Located 1/2 mile east of subject. Stucco tilt-up; rear load; fewer truck doors than Silo Bend; high C.A.M. costs; Mid-Continent tenant left this project and moved to Silo Bend.

Exhibit III-3
COMPETITIVE PROPERTY SURVEY (Continued)

							Rental Rates			
Map #	Property Name and Address	Year Completed	Developer	Size S.F.	Available (S.F.)	Vacancy Rate	Warehouse	Office	Blended	Comments
5	Corporex Park Adamo Road East of US 301	1984-1988	Corporex	192,000	0	0%	$3.25 (q)	$9.50 (q)	$3.56 (q)	110-acre park; smaller bay depths (160 feet); 28% credit tenants; currently for sale at 8.5% cap rate by Sonnenblick Goldman.
6	Crossroads Business Park Adamo Road East of US 301	1987	Turner Development	135,000	0	0%			$3.50 (a)	Located 1/2 mile east of subject. Stucco tilt-up with wood canpies; poor quality project;little tenant buildout; poor visibility and access.
7	Thompson Center Adamo Road	1988	Thompson-Rubin	129,600	78,600	61%	$3.50	$9.00		Stucco-tilt-up; rear load building; inferior quality product in less desirable part of town; surrounding uses have outside storage; bad traffic; asphalt pavers.
8	Centerpoint US 301 North of Adamo Road	1984-1985	Vantage	170,000	0	0%			$3.15 (a)	Located one mile north of subject. Aggregate font load tilt-up; concrete strips rather than pavers make for less maneuverability.
9	Vantage 39th Street 39th Street		Vantage	154,900	43,000	28%				Older product, poorly located in rougher part of town.
10	Vantage 50th Street 50th Street		Vantage	855,000	240,000	28%	$2.65-3.25 gross			
11	Jansen Sabal Park		Jansen	140,000	57,000	41%				Lowest end of tilt wall. Located in Sabal Park, B+ product.

(a) Actual Rates
(q) Quoted Rates

Source: Potomac Realty Advisors

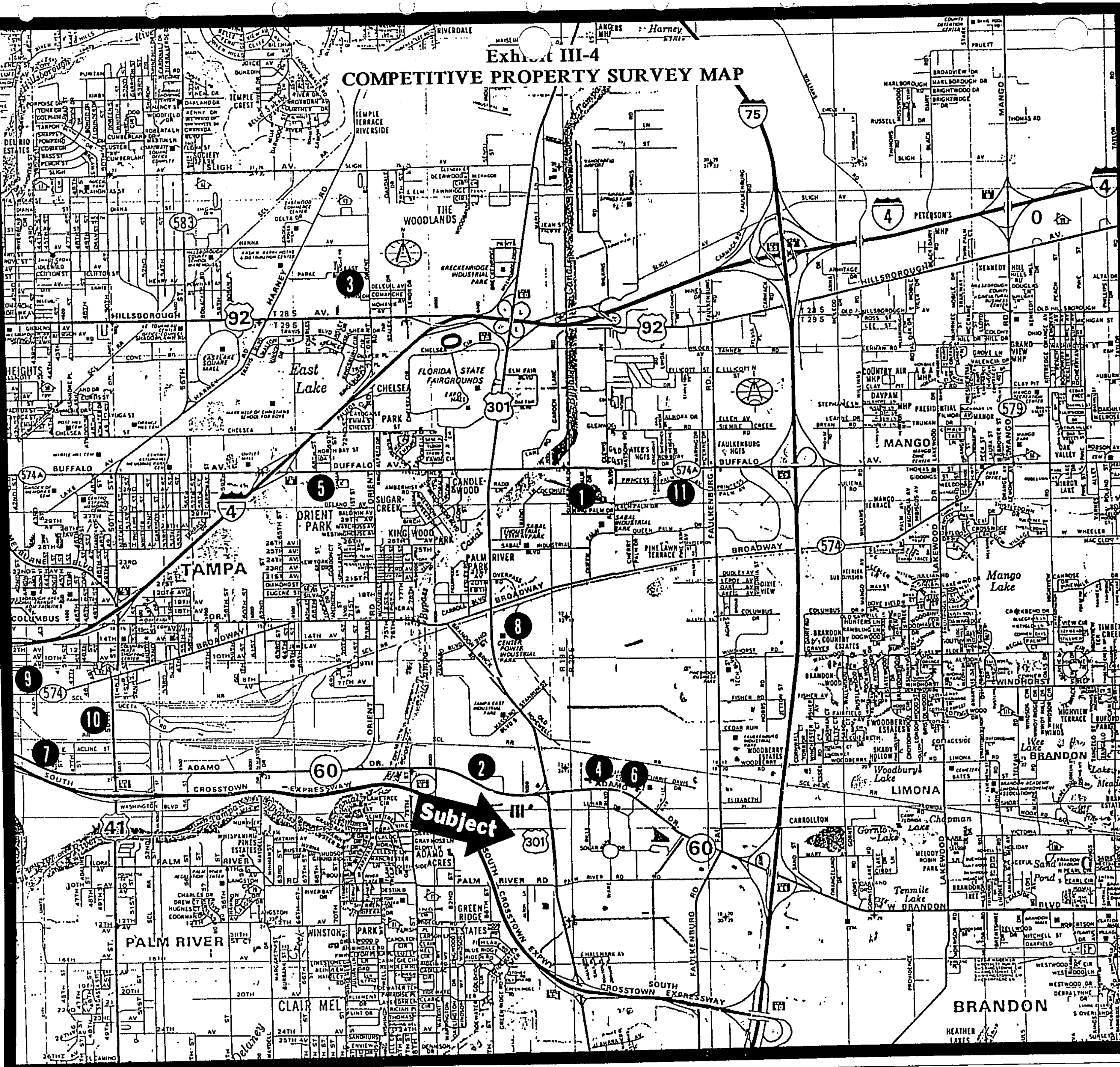


Exhibit III-4
COMPETITIVE PROPERTY SURVEY MAP
Subject
1
2
3
4
5
6
7
8
9
10
11
TAMPA
MANGO
LIMONA
BRANDON
PALM RIVER
CLAIR MEL
ORIENT PARK
East Lake
Mango Lake
FLORIDA STATE FAIRGROUNDS
THE WOODLANDS
HILLSBOROUGH AV.
BUFFALO AV.
BROADWAY
ADAMO DR.
SOUTH CROSSTOWN EXPRESSWAY
FALKENBURG RD.
75
4
92
301
60
574
574A
579
583
41

IV. THE JOINT VENTURE PARTNER/BORROWER

IV. THE JOINT VENTURE PARTNER/BORROWER

A. INTRODUCTION

The Trammell Crow Company is a Dallas-based private real estate development firm which develops, leases, and manages commercial, residential and other real estate projects nationwide. Trammell Crow-Commercial was formed in 1949 and has developed properties costing in excess of $9 billion, predominantly warehouses, service centers, business parks, low and high-rise office buildings, shopping centers, and mixed-use projects. Crow currently owns, leases, and manages over 37 million square feet of office space, 142 million square feet of industrial facilities, and over 12 million square feet of retail space. The properties are controlled throughout 57 national and four international offices.

B. THE PARTNER

The Borrower/Partner in this transaction will be a limited partnership entity, the general partner of which will be TCC Industrial #2, Inc., a Florida corporation with limited partners Gary W. Harrod, J. McDonald (Don) Williams, and Joel C. Peterson.

C. THE TRAMMELL CROW COMPANY - TAMPA

Trammell Crow opened its Tampa office in 1980 and has developed over 3,000,000 square feet of industrial space, 750,000 square feet of office space and 473,000 square feet of retail space (see Exhibits IV-1 and IV-2). The Tampa commercial office employs approximately 200 persons including leasing staff, management, engineers, and support staff. The Area Partner in the Tampa office is Gary W. Harrod who is also one of the Limited Partners in the Crow Partnership. Mr. Harrod joined Crow in 1973 and has been in the Tampa office since 1980. The Local Partner responsible for day to day activities for Silo Bend is Dutch Blauvelt who joined Crow in 1983 (see Exhibit IV-3). The project team also includes Dale Wilkensen as Property Manager and Mike Heise as Leasing Agent.

D. CONCLUSIONS

The Trammell Crow Company is one of the nation's premier management, leasing and development firms. Trammell Crow's track record in Tampa and throughout the country is a strong indication of their ability to lease and manage the subject property in an efficient and effective manner. Potomac Realty Advisors has had extensive conversations with the Crow partners who are involved with this project and concludes that they are capable of managing and leasing the property throughout the investment holding period.

Exhibit IV-1

TRAMMELL CROW DEVELOPMENTS IN TAMPA BAY AREA

Tampa Industrial Division

Project Name	Total Square Feet	Available Square Feet	Percent Occupied	Year Built
Adamo I	132,800	0	100%	1985
Adamo II	37,000	0	100%	1986
Adamo III	92,800	8,800	94%	1986
Bay Vista I	18,300	11,690	63%	1986
Bay Vista II	60,000	51,549	14%	1988
Bay Vista III	62,700	60,912	3%	1988
Bay Vista VI	25,000	0	100%	1988
Bay Vista Day Care	8,360	0	100%	1988
Breckenridge 1 & 2	104,102	7,387	93%	1987
Breckenridge 3	74,280	13,371	82%	1982
Breckenridge 4	57,639	9,250	84%	1983
Breckenridge 5	37,908	0	100%	1984
Breckenridge 6	28,800	0	100%	1985
Breckenridge 7	42,900	0	100%	1985
Breckenridge 8	58,294	46,099	21%	1986
Breckenridge 9	63,484	3,176	95%	1986
Concept, Inc.	116,600	0	100%	1988
McKesson	141,918	0	100%	1987
Silo Bend	430,100	219,351	51%	1987
Sabal 1 & 2	119,042	9,603	92%	1981
Sabal 3	139,316	0	100%	1986
Star Distribution	600,000	0	100%	1986
Travenol	100,000	0	100%	1986
Turtle Creek 1	52,150	15,550	70%	1984
Turtle Creek 2 & 3	92,000	24,002	74%	1984
Northport 1 & 2	98,058	2,100	98%	1985
Northport 3	32,400	0	100%	1985
Westbrook II	41,112	7,166	83%	1986
Westbrook III	46,116	0	100%	1986
Timeplex	75,000	0	100%	1988
Intervascular	25,000	0	100%	1988

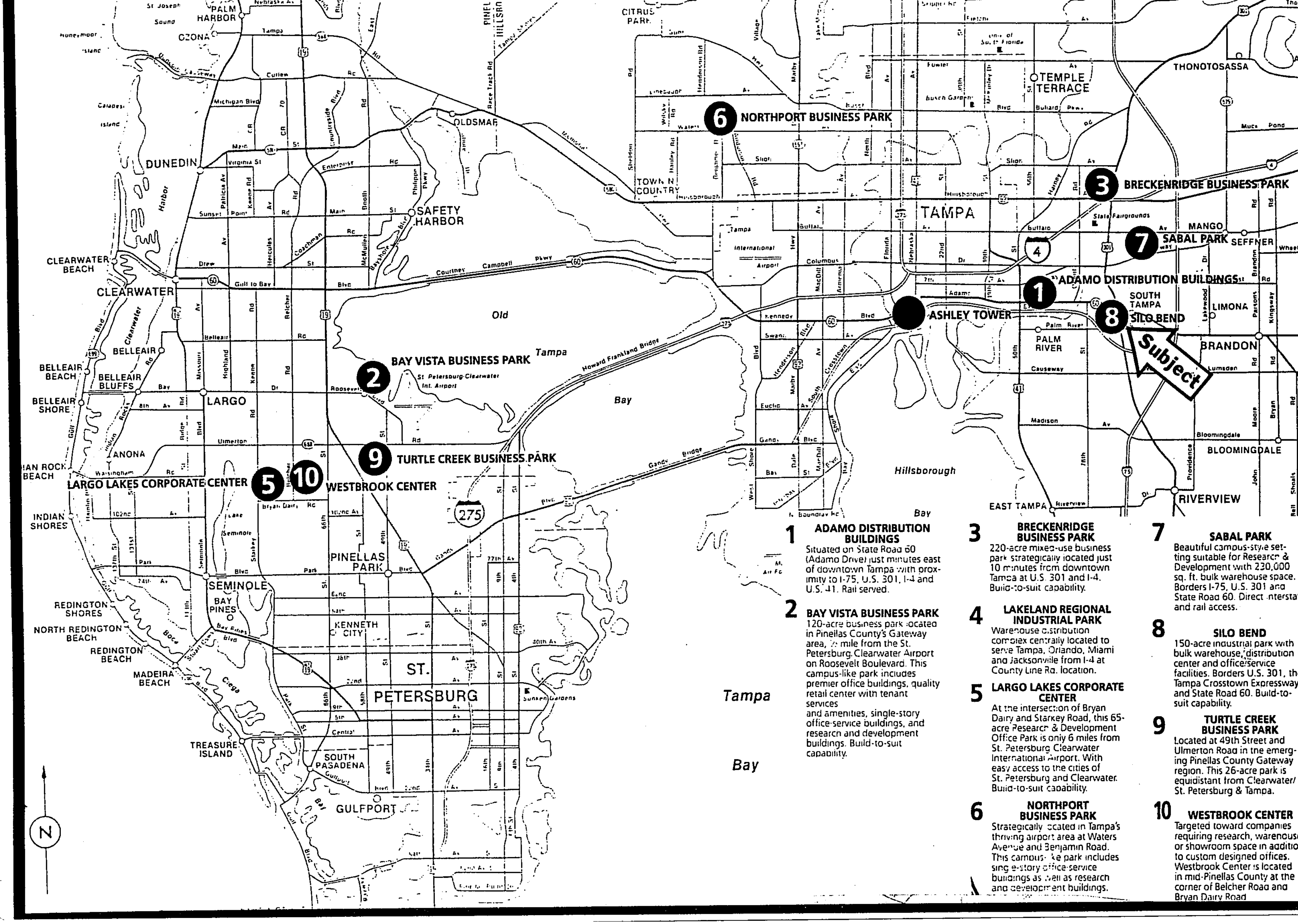
Tampa Office

Project Name	Total Square Feet	Available Square Feet	Percent Occupied	Year Built
Buschwood I	84,317	20,337	76%	1985
Buschwood II	87,389	13,725	84%	1988
Ashley Tower	384,000	73,762	81%	1985
One Harbour Place	199,120	11,090	95%	1985

Tampa Retail

Project Name	Total Square Feet	Available Square Feet	Percent Occupied	Year Built
Largo Mall Phase I	212,900	43,411	79%	1987
Univ. Collection I	146,000	22,275	79%	1985
Univ. Collection II	43,000	3,574	92%	1985
Palm Harbour Coll.	43,000	25,345	41%	1985
Terrace Collection	29,000	7,837	73%	1985

Exhibit IV-2
MAP OF TRAMMELL CROW DEVELOPMENTS IN TAMPA BAY AREA



1 ADAMO DISTRIBUTION BUILDINGS
Situated on State Road 60 (Adamo Drive) just minutes east of downtown Tampa with proximity to I-75, U.S. 301, I-4 and U.S. 41. Rail served.

2 BAY VISTA BUSINESS PARK
120-acre business park located in Pinellas County's Gateway area, ½ mile from the St. Petersburg-Clearwater Airport on Roosevelt Boulevard. This campus-like park includes premier office buildings, quality retail center with tenant services and amenities, single-story office-service buildings, and research and development buildings. Build-to-suit capability.

3 BRECKENRIDGE BUSINESS PARK
220-acre mixed-use business park strategically located just 10 minutes from downtown Tampa at U.S. 301 and I-4. Build-to-suit capability.

4 LAKELAND REGIONAL INDUSTRIAL PARK
Warehouse distribution complex centrally located to serve Tampa, Orlando, Miami and Jacksonville from I-4 at County Line Rd. location.

5 LARGO LAKES CORPORATE CENTER
At the intersection of Bryan Dairy and Starkey Road, this 65-acre Research & Development Office Park is only 6 miles from St. Petersburg Clearwater International Airport. With easy access to the cities of St. Petersburg and Clearwater. Build-to-suit capability.

6 NORTHPORT BUSINESS PARK
Strategically located in Tampa's thriving airport area at Waters Avenue and Benjamin Road. This campus-like park includes single-story office-service buildings as well as research and development buildings.

7 SABAL PARK
Beautiful campus-style setting suitable for Research & Development with 230,000 sq. ft. bulk warehouse space. Borders I-75, U.S. 301 and State Road 60. Direct interstate and rail access.

8 SILO BEND
150-acre industrial park with bulk warehouse, distribution center and office/service facilities. Borders U.S. 301, the Tampa Crosstown Expressway and State Road 60. Build-to-suit capability.

9 TURTLE CREEK BUSINESS PARK
Located at 49th Street and Ulmerton Road in the emerging Pinellas County Gateway region. This 26-acre park is equidistant from Clearwater/St. Petersburg & Tampa.

10 WESTBROOK CENTER
Targeted toward companies requiring research, warehouse or showroom space in addition to custom designed offices. Westbrook Center is located in mid-Pinellas County at the corner of Belcher Road and Bryan Dairy Road

Exhibit IV-3

BIOGRAPHICAL INFORMATION ON LIMITED PARTNERS

Gary W. Harrod --		**Partner** **Trammell Crow Company**
Academic:		B.A. in Finance with Honors Texas Tech University, 1971.
Business:	1976-Present	Partner, Trammell Crow Company
	1976-1978	Director of Sales, Advertising & Cargo Southern Airways
	1971-1976	Sales Manager, Proctor & Gamble Distributing Company
Personal:		Born May 7, 1949 - Lubbock, Texas Married Four Children

J. McDonald (Don) Williams --		**Managing Partner** **Trammell Crow Company**
Academic:		L.L.B., George Washington University Law School, 1966; B.S., Abilene Christian University, 1963.
Business:	1977-Present	Managing Partner, Trammell Crow Company Dallas, Texas
	1973-1977	Partner, Overseas Projects Trammell Crow Company Dallas, Texas
	1968-1973	Partner, Stalcup, Johnson & Williams Law Firm Dallas, Texas
	1966-1968	Associate Geary, Brice & Lewis Law Firm Dallas, Texas
Personal:		Born July 22, 1941 - Roswell, New Mexico Married Five Children

Exhibit IV-3
BIOGRAPHICAL INFORMATION (Continued)

Joel C. Peterson --	**Managing Partner** **Trammell Crow Company**
Academic:	M.B.A. Harvard Business School, 1971-73; B.S., magna cum laude, Valedictorian, Brigham Young University, 1969-71; Michigan State University, 1965-66.
Business: 1986-Present	Managing Partner Trammell Crow Company
1987-1988	Regional Partner - Northwest Region Trammell Crow Company
1975-1985	Senior Partner, Chief Financial Officer Trammell Crow Company
1973-1975	Developer, Warehouse and Office Projects Trammell Crow Company Paris and Lyon, France
Personal:	Born May 20, 1947 - Ames, Iowa Married Six Children

V. THE RISK AND RETURN

V. THE RISK AND RETURN

A. INTRODUCTION

The proposed investment is structured as two separate financing transactions: a participating mortgage on the existing buildings and an equity joint venture on the remaining land. The participating first mortgage will be in the amount of $14,800,000 of which $12,600,000 will be funded at closing. The remaining $2,200,000 will be retained for tenant improvements, leasing commissions and an economic holdback. USF&G will receive a 9.5% basic interest rate, 50% of annual cash flows and 50% of net sales proceeds. The participating mortgage includes a yield maintenance formula which provides that the additional interest from sales proceeds will be sufficient to produce at least a 12% yield for USF&G.

In the proposed land joint venture, USF&G will be a 25% limited partner and will have a maximum financial exposure of $11,390,000 ($2.66 per square foot of land). All invested capital receives a 10% cumulative preferred return. In the event the unimproved property is sold to a third party, USF&G first receives all of its invested capital and priority returns and receives 50% of any remaining cash proceeds. If a land parcel is developed by Crow, USF&G first receives its pro rata capital investment and priority returns from the construction loan then 25% of the project's annual cash flow and cash proceeds from the eventual sale of the property. In addition, any permanent mortgage "overborrow" will be split 75/25 between Crow and USF&G.

B. VALUATION

1. Proforma Income and Expenses

The proforma income and expenses for the existing buildings in Silo Bend is based on the existing rent roll presented in Exhibit V-1 and from leasing vacant space at rental rates ranging from $3.75 (NNN) per square foot to $4.25 (NNN) per square foot. This investment was structured with an economic earnout and a master lease. The economic earnout will be realized by the developer if the rental rate on the unleased space exceeds $3.75 per square foot at 95% occupancy with no more than 10% discount for free rent. The full economic earnout ($1,100,000) will be earned if the average rental rate achieved for vacant space is $4.25 per square foot at 95% occupancy with no more than a 10% discount for free rent. The developer is personally master leasing the project for a maximum period of 24 months in an amount sufficient to cover operating expenses and base debt service. The annual cash flow projections are based on the assumptions described in Exhibit V-3A-C. The economic projections assume a 5% vacancy allowance from year 3 on, and a 24-month period to reach 95% occupancy and elimination of rent concessions. The Debt Coverage Ratio in all cases is 1.12 at the end of 24 months.

2. Preliminary Value Estimate

Potomac Realty Advisors has preliminarily estimated the market value of the existing phase of Silo Bend to range from $16,200,000 to $17,400,000 using conservative and optimistic proforma assumptions. The earnout structure ensures that the loan to value ratio, in all cases, remains at 86%. The valuation calculations and comparables are presented in Exhibits V-4A and V-4D.

Potomac Realty Advisors has preliminarily estimated the value of the 98.2 acres of land to be $10,500,000 or $107,000 per acre. The valuation calculations and comparables are presented in Exhibits V-4B and V-4C.

The Application Letter (Exhibit I-1) has an appraisal contingency which requires a minimum market value appraisal of the existing buidlings of $16,400,000. This safeguard insures that the ratio of maximum loan to value is no more than 90%. A market value appraisal of the remaining raw land showing a minimum value of $10,500,000 is also required.

C. RETURN

The returns for the participating mortgage and land joint venture are calculated over a ten-year holding period. The mortgage provides for a five-year lock-in period and gives USF&G a "Right of First Offer" in the event that Crow elects to sell any of the buildings. The land joint venture provides for "Adjustment of Special Capital" at the end of the seventh year of the venture. This adjustment requires that if any of USF&G's equity dollars are still outstanding, then USF&G's equity is returned either: a) by Crow directly, b) through sale of the remaining land to a third party, c) through adjustment of USF&G's and Crow's equity ownership percentages in the existing buildings of the second phase. In this manner USF&G can control the duration of both the mortgage and equity investment.

1. Annual Returns

The estimated annual cash returns to USF&G from the participating loan are presented for the conservative, most likely and optimistic scenarios in Exhibits V-3A through V-3C resepctively. Cash returns for the land joint venture are presented for the conservative and most likely cases in Exhibits V-4B1 through V-6A1.

For the mortgage, cash flows which contribute to the loan's yield are base debt service, additional interest from operations and additional interest due at sale or refinancing which includes a yield maintenance formula to preserve a 12% minimum yield to USF&G.

2. Base Debt Service

The base debt service is 9-1/2% of the outstanding loan balance. Consequently, the following base debt payments are appropriate:

Case	Loan Amount	Base Debt Service
Conservative	$13,700,000	$1,301,500
Most Likely	$14,250,000	$1,353,750
Optimistic	$14,800,000	$1,406,000

3. Additional Interest From Operations

The additional interest from operations, due quarterly, is 50% of the annual net cash flow, and it is expected to fluctuate up and down over the term of the loan according to required re-fit costs. The additional interest for years 0 and 10 for each economic scenario is shown below:

Case	Year 3	Year 10
Conservative	$68,453	$178,370
Most Likely	$69,091	$201,951
Optimistic	$69,730	$217,043

The additional interest projected in year three is justified by the fact that year three is the first fully stabilized year after the loan is fully funded and proforma income and expenses are achieved.

By participating in the net cash flow, the additional interest is paid as soon as the property achieves breakeven cash flow. However, by participating in that cash flow the Lender bears some of the management and operational risk of the property. The Lender will review and approve annual operating budgets which will provide for expected operating expenses as well as adequate reserves for capital expenditures and tenant improvements and leasing commissions for second and subsequent generation tenants.

4. Additional Interest from Sale or Refinancing

This portion of the return assumes that the property will be sold or refinanced after a 10-year holding period and that the property's value at that time will be based on a 9% capitalization rate. USF&G Will receive 50% of the net sales or refinancing proceeds. However, in the event that USF&G's yield is less than 12%, USF&G will receive net sales proceeds in an amount sufficient to provide a 12% yield. Consequently, this participation is projected to be $4,671,058 for the conservative case, $4,672,000 for the most likely case, and $4,723,491 for the optimistic case.

5. Yield Analysis

The expected nominal yield (internal rate of return) on the participating mortgage assuming 5% inflation is 12% under all three scenarios. This represents a 7% real or inflation-adjusted return. The estimated nominal yield on total capital is derived by taking USF&G's total investment and USF&G's total annual cash flow and sales proceeds (including yield maintenace formula) and capital repayments over the ten-year holding period (see Exhibits V-3A through V-3C). The sensitivity of USF&G's yield to changes in inflation and terminal capitalization rates is demonstrated in Exhibit V-4 for the participating mortgage and in Exhibit V-6C for the land joint venture. The nominal yield on total capital remains 12% under all but conditions of 7% inflation where the yield rises to a high of 13% with an 8.5% capitalization rate. All three cash flow projections were done with the conservative assumption that new leases are signed at escalated effective rents, rather than escalated nominal rents.

6. Land Equity Joint Venture

In the proposed land joint venture, USF&G will be a 25% limited partner and will have a maximum financial exposure of $11,390,000 ($2.66 per square foot of land). All invested capital receives a 10% cumulative preferred return. In the event that the unimproved property is sold to a third party, USF&G first receives the sum of the total invested capital and the accumulated and unpaid priority returns (referred to as the Development Release Price) then the sales proceeds are split 50/50 with the developer. If Crow develops the industrial buildings as expected, USF&G first receives its pro rata capital investment and priority returns from the construction loan then 25% of the project's annual cash flow and cash proceeds from the eventual sale of the property. In addition, any permanent mortgage "overborrow" will be split 75/25 between Crow and USF&G. At the end of the seventh year, if any of USF&G's equity capital is still outstanding, that capital shall be returned to USF&G either: a) by Crow directly, b) through sale of the remaining land to a third party, c) through adjustment of USF&G's and Crow's equity ownership percentages in existing buildings of Phase II.

For the land equity joint venture the cash flows are presented in Exhibits V-6A2 and V-6B2 for most likely and conservative scenarios. In both cases the following assumptions were made:

* 1989 rental rates of $3.75 per square foot triple net
* 5 year leases; free rent of one month per lease year
* 5% growth rate for income and expenses

The most likely projection assumes that the 1,193,800 square feet are built out in even amounts over the next four years. The conservative projection assumes a five-year build out. USF&G would receive a 16.8% yield in the most likely scenario and a 16% yield in the conservative scenario.

This venture provides USF&G the opportunity to participate in the land development for subsequent phases of an already successful project on a wholesale basis while limiting the risks to USF&G since a) USF&G remains a limited partner, b) the required capital contributions each have maximum dollar amounts, c) no liens are allowed on the land, d) USF&G has no liability exposure on either the construction loan or the permanent mortgage and, e) all equity capital and priority returns must be repaid within seven years.

D. RISK

The risk exposure from this investment can be divided into four categories: market, operations, financial, and partnership.

1. Market Risk

The current oversupply of business park space in the Tampa Bay area makes the market risk the most important risk to consider. The slow down in bulk warehouse construction resulting from higher land prices, coupled with the area's strong industrial growth and its high absorption level should improve the overall market over the next 24 months. Even within the existing market conditions, Silo Bend has managed to lease over 200,000 square feet in 12 months and capture more than its market share of tenants. The economic projections have been made on a conservative basis by assuming that future lease rollovers are signed at effective rents which are 10% below nominal rents. The estimated returns assume a 24-month lease-up period (including free rent periods) for the remaining vacant space which should be adequate given the existing leases in place and the current leasing activity.

Finally, the investment structure, which includes both a master lease and an economic earnout provision, is designed to cover the market risk. The developer has the incentive the aggresively market the property in anticipation of a robust market while the Lender has the comfort that the participating mortgage is justified even if the market remains flat or deteriorates slightly.

The market risk is also the most significant risk in the land joint venture since the major profitability determinant is the pace of construction, which effects how quickly USF&G equity capital and priority returns are paid. However the market risks are mitigated by increasing land value, an experienced development team, and the fact that the new buildings will be subsequent phases in an already existing, successful industrial park.

2. Operational Risk

The operational risk in this investment is considered minimal. Management and leasing will be provided by The Trammell Crow Company who has successfully developed, leased, and managed over 3 million square feet of industrial product in the Tampa area. As a further safeguard, USF&G will approve and monitor all operating budget and capital expenditures. In the unlikely event that Crow should not perform well, the management and leasing contract can be quickly terminated.

3. Financial Risk

The financial risks in this investment are accetable because USF&G will invest in the property at low initial cost bases ($31.85 per square foot for the loan and $2.00 per square foot for the raw land in the venture). USF&G's investment in the buildings will increase to a maximum of $34.41 per square foot only if the project leases at better than the conservative case proforma rents of $3.75 per square foot. Even at full funding, the total cost represents 85% of the estimated market value. The risk of default is addressed by a personal master lease for 24 months by three principals of The Trammell Crow Company and collateralization of the loan by a well-located, well-designed property in a high growth market. Finally, Crow's 50% interest in sales proceeds is fully suordinated to USF&G's achieving a minimum internal rate of return of 12% on its participating mortgage. The land venture also has good security with the 10% cumulative preferred return feature, the seven-year minimum capital exposure for USF&G, and the spread between land basis and value.

E. CONCLUSIONS AND RECOMMENDATIONS

The proposed Silo Bend Industrial Park represents an excellent investment opportunity. The project is 48% leased, has a superior location with excellent accessibility from the area's five major roads, enjoys high visibility and high quality design and construction. The East of I-275 industrial market, while somewhat soft overall, is strongest for bulk warehouse, and is expcted to tighten even further with the increase in land costs accompanying the recently completed I-75. The investment is structured to protect USF&G against the risks involved and the expected returns for this investment provide attractive yields in today's financial market. Therefore, Potomac Realty Advisors recommends that the Real Estate Investment Committee for the United States Fidelity & Guaranty Company approve the commitment of $14,800,000 and $11,370,000 for the participating mortgage and land equity joint venture respectively under the terms and conditions outlined in Exhibit I-1.

Exhibit V-1
RENT ROLL
SILO BEND INDUSTRIAL PARK

Tenant	Square Feet	Rental Rate PSF	Annual Rent	Annual Escalations	Lease Term (Mos.)	Expiration Date	Renewal Options
(1) Harte Hanks	55,000	$3.65	200,750	None	60	8/14/92	1-5 Year at Market
(2) Mid-Continent Cabinet	16,000	$2.50	40,000	CPI	12	2/28/89	None 40,000 SF Expansion Option
(3) Georgia Pacific	33,938	$3.64	120,141	Bump in 3rd $CPI	60	6/30/93	None
(4) Coast RV	61,200	$3.50	214,141	CPI	60	9/30/93	None
(5) Citicorp	22,500	$4.50	101,250	None	60	11/30/93	None
(6) Cauffman Tires	17,700	$3.80	67,260	None	48	11/30/91	2-3 yr options @$3.80 @$4.00

Exhibit V-2
PRO FORMA INCOME AND EXPENSES

	Conservative	Most Likely	Optimistic
Gross Income			
Leases In Place			
Harte Hanks	200,750	200,750	200,750
Mid-Continent Cabinet	60,000	64,000	68,000
Georgia Pacific	120,141	120,141	120,141
Coast R.V.	224,910	224,910	224,910
Citicorp	101,250	101,250	101,250
Cauffman Tires	67,260	67,260	67,260
Vacant Space (1)	839,108	895,048	950,989
Total	1,613,419	1,673,359	1,733,300
Less: Vacancy @ 5%	80,671	83,668	86,665
Effective Gross Income	1,532,748	1,589,691	1,646,635
Less: Operating Expenses			
Vacant Space Only @ $.55 PSF	11,828	11,828	11,828
Structural Reserves @ 2% of EGI	30,055	30,122	32,349
Management Fees @ 4%	61,310	63,588	65,865
Net Operating Income	1,429,555	1,484,153	1,536,593
Less: Debt Payment (2)	1,301,500	1,353,750	1,406,000
Cash Flow to Split	128,055	130,403	130,593
Indicated Debt Coverage Ratio	1.10	1.10	1.10
Estimated Loan to Value Ratio (3)	86%	86%	86%

Assumptions:

(1) Vacant Rental Rate	3.75	4.00	4.25
(2) Estimated Loan Amount	13,700,000	14,250,000	14,800,000
(3) Overall Cap Rate	9%	9%	9%

Note *: Pro Forma at the end of 24 months.

Exhibit V-3A
SILO BEND INDUSTRIAL PARK -- BUILDINGS 1, 2, AND 3
SUMMARY OF CASH FLOWS
CONSERVATIVE CASE

ASSUMPTIONS :

Loan Amount	13,700,000
Rental Rate	$3.75
Re - Fit Expense	$2.00
Re - Lease Expense	5.00%
Structural Reserves	2.00%
Vacancy Allowance	5.00%
Growth Rate	5.00%
Total Square Feet	430,100

CALCULATIONS :

YEAR	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Gross Potential Income	924,160	1,403,641	1,624,664	1,636,471	1,690,344	1,770,003	1,870,828	1,890,295	1,904,827	1,996,533
less : Vacancy	0	0	(81,233)	(81,824)	(84,517)	(88,500)	(93,541)	(94,515)	(95,241)	(99,827)
equals: Effective Gross Income	924,160	1,403,641	1,543,430	1,554,648	1,605,827	1,681,503	1,777,287	1,795,780	1,809,585	1,896,706
less : Operating Expenses	(61,535)	(11,828)	(12,419)	(13,040)	(13,692)	(14,377)	(15,096)	(15,850)	(16,643)	(17,475)
less : Management Fees	(36,966)	(56,146)	(61,737)	(62,186)	(64,233)	(67,260)	(71,091)	(71,831)	(72,383)	(75,868)
less : Structural Reserves	0	0	(30,869)	(31,093)	(32,117)	(33,630)	(35,546)	(35,916)	(36,192)	(37,934)
equals: Net Operating Income	825,659	1,335,668	1,438,405	1,448,329	1,495,785	1,566,236	1,655,554	1,672,183	1,684,368	1,765,429
less : Re-Fit & Re-Lease Exp.	(18,102)	0	0	(9,250)	(83,986)	(501,517)	(10,708)	(11,244)	0	(107,190)
equals: Cash Flow for Debt Ser	807,557	1,335,668	1,438,405	1,439,079	1,411,799	1,064,719	1,644,846	1,660,939	1,684,368	1,658,239
less : Debt Service @ 9.5 %	(1,197,000)	(1,301,500)	(1,301,500)	(1,301,500)	(1,301,500)	(1,301,500)	(1,301,500)	(1,301,500)	(1,301,500)	(1,301,500)
equals: Cash Flow to Split (2)	(389,443)	34,168	136,905	137,579	110,299	(236,781)	343,346	359,439	382,868	356,739

REVERSION CALCULATION

Sales Price @ 9.0% Capitalization Rate on 11th year NOI	22,084,515
less : Selling Expenses @ 3.0%	662,535
equals : Net Sales Proceeds	21,421,980
less : Unpaid Mortgage Balance	13,700,000
less : Refit/Release Expenes in year 11	640,077
equals : Sales Proceeds to Split	7,081,903
less : Additional Interest to USF&G	4,671,058
equals : Cash Proceeds to Crow	2,410,845

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
USF&G Contributions(12,600,000)	(550,000)	(550,000)	0	0	0	0	0	0	0	0
Cash Flow to USF&G (12,600,000)	647,000	768,584	1,369,953	1,370,289	1,356,650	1,183,110	1,473,173	1,481,220	1,492,934	19,850,928

Estimated Yield(IRR) = 12.0%

(1) Assumes 25% paid occupancy in Year 1, 75% paid occupancy in Year 2. Consequently no vacancy factor is taken in Years 1 and 2.
(2) Crow covers negative cash flows for 24 months , therefore , the negatives in year 1 do not reduce USF&G's cash flow .

Exhibit V-3B
SILO BEND INDUSTRIAL PARK -- BUILDINGS 1, 2, AND 3
SUMMARY OF CASH FLOWS
MOST LIKELY CASE

ASSUMPTIONS :

Loan Amount	14,250,000
Rental Rate	$4.00
Re - Fit Expense	$2.00
Re - Lease Expense	5.00%
Structural Reserves	2.00%
Vacancy Allowance	5.00%
Growth Rate	5.00%
Total Square Feet	430,100

CALCULATIONS :

YEAR	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Gross Potential Income	939,479	1,449,597	1,684,604	1,696,412	1,765,327	1,873,109	1,980,187	2,000,384	2,015,454	2,114,396
less : Vacancy	0	0	(84,230)	(84,821)	(88,266)	(93,655)	(99,009)	(100,019)	(100,773)	(105,720)
equals: Effective Gross Income	939,479	1,449,597	1,600,374	1,611,591	1,677,060	1,779,454	1,881,178	1,900,365	1,914,682	2,008,676
less : Operating Expenses	(61,535)	(11,828)	(12,419)	(13,040)	(13,692)	(14,377)	(15,096)	(15,850)	(16,643)	(17,475)
less : Management Fees	(37,579)	(57,984)	(64,015)	(64,464)	(67,082)	(71,178)	(75,247)	(76,015)	(76,587)	(80,347)
less : Structural Reserves	0	0	(32,007)	(32,232)	(33,541)	(35,589)	(37,624)	(38,007)	(38,294)	(40,174)
equals: Net Operating Income	840,365	1,379,785	1,491,932	1,501,856	1,562,744	1,658,310	1,753,211	1,770,493	1,783,158	1,870,680
less : Re-Fit & Re-Lease Exp.	(19,096)	0	0	(9,754)	(88,560)	(528,833)	(11,291)	(11,856)	0	(113,028)
equals: Cash Flow for Debt Ser	821,268	1,379,785	1,491,932	1,492,102	1,474,184	1,129,477	1,741,920	1,758,637	1,783,158	1,757,652
less : Debt Service @ 9.5 %	(1,197,000)	(1,353,750)	(1,353,750)	(1,353,750)	(1,353,750)	(1,353,750)	(1,353,750)	(1,353,750)	(1,353,750)	(1,353,750)
equals: Cash Flow to Split (2)	(375,732)	26,035	138,182	138,352	120,434	(224,273)	388,170	404,887	429,408	403,902

REVERSION CALCULATION

Sales Price @ 9.0% Capitalization Rate on 11th year NOI	23,438,584
less : Selling Expenses @ 3.0%	703,158
equals : Net Sales Proceeds	22,735,427
less : Unpaid Mortgagé Balance	14,250,000
less : Refit/Release Expenes in year 11	674,939
equals : Sales Proceeds to Split	7,810,487
less : Additional Interest to USF&G	4,672,003
equals : Cash Proceeds to Crow	3,138,485

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
USF&G Contributions (12,600,000)	(825,000)	(825,000)	0	0	0	0	0	0	0	0
Cash Flow to USF&G (12,600,000)	372,000	541,767	1,422,841	1,422,926	1,413,967	1,241,614	1,547,835	1,556,193	1,568,454	20,477,704

Estimated Yield(IRR) = 12.0%

(1) Assumes 25% paid occupancy in Year 1, 75% paid occupancy in Year 2. Consequently no vacancy factor is taken in Years 1 and 2.

(2) Crow covers negative cash flows for 24 months , therefore , the negatives in year 1 do not reduce USF&G's cash flow .

Exhibit V-3C
SILO BEND INDUSTRIAL PARK -- BUILDINGS 1, 2, AND 3
SUMMARY OF CASH FLOWS
OPTIMISTIC CASE

ASSUMPTIONS :

Loan Amount	14,800,000
Rental Rate	$4.25
Re - Fit Expense	$2.00
Re - Lease Expense	5.00%
Structural Reserves	2.00%
Vacancy Allowance	5.00%
Growth Rate	5.00%
Total Square Feet	430,100

CALCULATIONS :

YEAR		1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Gross Potential Income		954,797	1,495,552	1,744,545	1,756,352	1,840,309	1,959,306	2,072,147	2,092,562	2,107,633	2,213,244
less : Vacancy		0	0	(87,227)	(87,818)	(92,015)	(97,965)	(103,607)	(104,628)	(105,382)	(110,662)
equals: Effective Gross Income		954,797	1,495,552	1,657,317	1,668,535	1,748,293	1,861,340	1,968,540	1,987,934	2,002,251	2,102,581
less : Operating Expenses		(61,535)	(11,828)	(12,419)	(13,040)	(13,692)	(14,377)	(15,096)	(15,850)	(16,643)	(17,475)
less : Management Fees		(38,192)	(59,822)	(66,293)	(66,741)	(69,932)	(74,454)	(78,742)	(79,517)	(80,090)	(84,103)
less : Structural Reserves		0	0	(33,146)	(33,371)	(34,966)	(37,227)	(39,371)	(39,759)	(40,045)	(42,052)
equals: Net Operating Income		855,071	1,423,902	1,545,459	1,555,383	1,629,704	1,735,283	1,835,332	1,852,808	1,865,473	1,958,952
less : Re-Fit & Re-Lease Exp.		(20,091)	0	0	(10,258)	(93,135)	(556,148)	(11,875)	(12,468)	0	(118,866)
equals: Cash Flow for Debt Ser		834,980	1,423,902	1,545,459	1,545,125	1,536,569	1,179,135	1,823,457	1,840,340	1,865,473	1,840,085
less : Debt Service @ 9.5 %		(1,197,000)	(1,406,000)	(1,406,000)	(1,406,000)	(1,406,000)	(1,406,000)	(1,406,000)	(1,406,000)	(1,406,000)	(1,406,000)
equals: Cash Flow to Split (2)		(362,020)	17,902	139,459	139,125	130,569	(226,865)	417,457	434,340	459,473	434,085
REVERSION CALCULATION											
Sales Price @ 9.0% Capitalization Rate on 11th year NOI											24,578,507
less : Selling Expenses @ 3.0%											737,355
equals : Net Sales Proceeds											23,841,152
less : Unpaid Mortgage Balance											14,800,000
less : Refit/Release Expenes in year 11											709,802
equals : Sales Proceeds to Split											8,331,350
less : Additional Interest to USF&G											4,723,491
equals : Cash Proceeds to Crow											3,607,859
USF&G Contributions	(12,600,000)	(1,100,000)	(1,100,000)	0	0	0	0	0	0	0	0
Cash Flow to USF&G	(12,600,000)	97,000	314,951	1,475,730	1,475,562	1,471,284	1,292,567	1,614,729	1,623,170	1,635,737	21,146,533

Estimated Yield(IRR) = 12.0%

(1) Assumes 25% paid occupancy in Year 1, 75% paid occupancy in Year 2. Consequently no vacancy factor is taken in Years 1 and 2.

(2) Crow covers negative cash flows for 24 months , therefore , the negatives in year 1 do not reduce USF&G's cash flow .

Exhibit V-4
SENSITIVITY ANALYSIS

CASE A
Conservative

Rental Rate = $3.75

Overall Cap Rate	Inflation Rate 3.0%	5.0%	7.0%
9.5%	12.0%	12.0%	12.3%
9.0%	12.0%	12.0%	12.5%
8.5%	12.0%	12.0%	12.8%

CASE B
Most Likely

Rental Rate = $4.00

Overall Cap Rate	Inflation Rate 3.0%	5.0%	7.0%
9.5%	12.0%	12.0%	12.4%
9.0%	12.0%	12.0%	12.7%
8.5%	12.0%	12.0%	13.0%

CASE C
Optimistic

Rental Rate = $4.25

Overall Cap Rate	Inflation Rate 3.0%	5.0%	7.0%
9.5%	12.0%	12.0%	12.5%
9.0%	12.0%	12.0%	12.8%
8.5%	12.0%	12.1%	13.1%

Exhibit V-4A
BUILDING SALES COMPARABLES

The best building sale comparables in the area is a group of three one-story masonry office/warehouse facilities with dock high loading and 14" to 22" ceiling heights comprising a total of 262,600 square feet, known as Adamo 1,2 and 3. These buildings were developed by Trammell Crow Company in 1984, 1985 and 1986 respectively, and sold to Aldrich, Eastman and Waltch in November, 1986 for $10,250,000, all cash. The overall capitalization rate on the project was 8.99%, and the price per square foot of net rentable area was $39.03. The project has 10% office buildout and was 100% leased at the time of sale.

The other building sale comparable is a 229,605 square foot dock-high distribution warehouse that was built in 1984 and is located in Sabal Business Park. The building was 100% leased to Time, Inc. at a rental rate of $3.18 per square foot. The project was purchased for $8,300,000 all cash in October, 1987 by LePercq Capital Partners. The overall capitaliation rate on the building was 8.8% and the price per square foot of net rentable area was $36.15.

Potomac Realty Advisors feels that the best unit of comparison for sales comparables to Silo Bend is the overall capitalization rate rather than the price per square foot. The capitalization rate represents the acceptable return to an investor in this market place. Overall Capitalization Rate for Silo Bend is 9.0%.

Exhibit V-4B
LAND SALE COMPARABLES

Land comparables for raw land located in the immediate vicinity of Silo Bend have been difficult to obtain, since the market is in flux with respect to land prices due to the recent completion of construction of I-75. Some land owners are trying to rezone land to higher uses and some land owners are offering land at extremely high land prices to test the market. Another factor that makes land comparables for raw land difficult is the lack of information available on the condition of the land that is sold, i.e. useable vs. gross area, environmental concerns, sewer availability. Finally, land at Silo Bend is in a condition that is somewhere in between raw and finished. The land is in a partially built out successful business park and benefits from some of the infra-structure already in place. Therefore, four comparable sales located in the northwest portion of Hillsborough County have been included. These sales were transacted two to three years ago before this area became virtually built out. The industrial market has been moving east driven by the combination of traffic congestion and lack of available land.

Land Sales 1 through 4 are west of I-275, and Sales 5 through 8 are east of I-275.

Map #:	1	
Address:	Linebaugh Ave., one mile east of Henderson	
Grantor:	John Terzino	
Grantee:	Ewell Industries, Inc.	
Date:	January 2, 1986	
Area:	2.1 acres	
Zoning:	M1 (industrial)	
Improvements:	The property was purchased for development of a concrete plant.	
Price:	Total: Per Acre: Per Square Foot:	$235,000 $110,843 $2.54

Map #:	2
Address:	Benjamin Rd., North of John's Rd.
Grantor:	Antonio M De Dios, Jr.
Grantee:	Thompson-Rubin Associates
Date:	January 23, 1986
Area:	4.8 acres
Zoning:	M-AP (Airport District)
Improvements:	The property was purchased for development of a good quality office/warehouse facility.
Price:	Total: $480,000 Per Acre: $100,000 Per Square Foot: $2.30

Map #:	3
Address:	Benjamin Rd., at Crenshaw
Grantor:	Waldorf Properties
Grantee:	Benjamin Partners
Date:	March 6, 1985
Area:	.96 acres
Zoning:	M-1A (Restricted Industrial District)
Improvements:	The site has been subsequently improved with a good quality office/warehouse building.
Price:	Total: $102,200 Per Acre: $106,458 Per Square Foot: $2.46

Map #:	4
Address:	Southeast Corner of Benjamin and Waters Ave.
Grantor:	Phil Alessi
Grantee:	Ted C. Hager
Date:	December 31, 1986
Area:	2.39 acres
Zoning:	M-1A
Improvements:	Currently being improved with concrete block and metal buildings.
Price:	Total: $425,000 Per Acre: $177,824 Per Square Foot: $4.07

Map #:	5
Address:	U.S. 301 and Crosstown Expressway
Grantor:	Stone/Rich Property
Grantee:	Joe Muscarelle, Inc.
Date:	February 4, 1987
Area:	37.40 Acres
Zoning:	N/A
Comments:	Directly across from Silo Bend's front entrance. Developer: Muscarelle, Inc.
Price:	Total: $2,494,000 Per Acre: $68,684 Per Square Foot: $1.53

Map #:	6
Address:	U.S. 301 (2 miles north of Silo Bend on U.S. 301)
Grantor:	E.I., Inc.
Grantee:	Shannon Properties, Inc.
Date:	December 10, 1984
Area:	29.75 Acres
Zoning:	N/A
Comments:	Developer: Shannon Properties, Inc. Service Center - 1/3 built out
Price:	Total: $2,938,888 Per Acre: $98,786 Per Square Foot: $2.26

Map #:	7
Address:	Southwest Corner of I-75 and Buffalo Avenue
Grantor:	Sabal Corp.
Grantee:	Sabal Hotel, LTD.
Date:	December 1985
Area:	9.024 Acres
Zoning:	C-U
Comments:	Sabal Industrial Park
Price:	Total: $1,963,622 Per Acre: $217,600 Per Square Foot: $5.00

Map #:	8	
Address:	King Palm Drive east of Sugar Palm Drive.	
Grantor:	Camco Associates 1	
Grantee:	Fortune Equity Corp.	
Date:	January 1986	
Area:	1.503 MOL	
Zoning:	County C-3	
Comments:	Vacant	
Price:	Total:	$609,100
	Per Acre:	$405,256
	Per Square Foot:	$9.30

Map #:	9	
Address:	Buffalo Avenue north of Princess Palm Avenue	
Grantor:	Sabal Corp.	
Grantee:	State Farm Insurance	
Date:	April 1986	
Zoning:	Industrial	
Comments:	Vacant	
Price:	Total:	$429,937
	Per Acre:	$304,919
	Per Square Foot:	$7.00

Exhibit V-4C
LAND SALE MAP

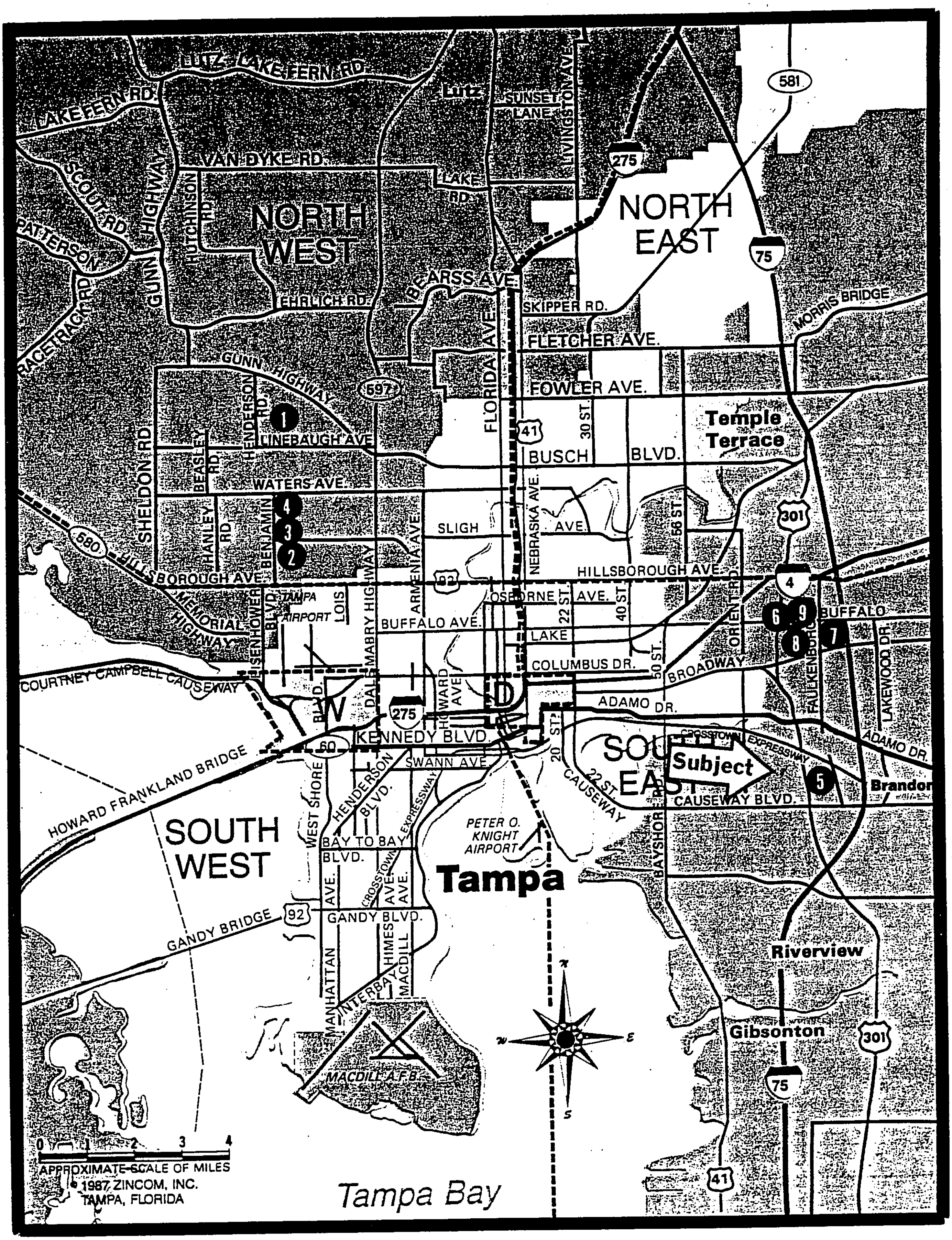


Exhibit V-4D
VALUATION ANALYSIS

Cost Approach

Land Value @ $2.66 PSF	$ 3,823,696
+ Cost to Reproduce (Exhibit II-9)	+ 11,912,153
+ Developer's Profit @ 10%	+ 1,573,584
= Estimated Value -- As is	$17,309,434
Rounded to	$17,300,000

Direct Sales Comparison Approach

Unit Sales Price Method 430,100 S.F. @ $39.00 (Exhibit V-4A)	$16,773,900

Direct Conversion Method

Stabilized Most Likely Net Operating Income (Exhibit V-3B) V-2	$ 1,484,153
÷ Overall Capitalization Rate (Exhibit V-4A)	.09
= Estimated Value -- As Is	$16,490,589
Rounded to	$16,500,000

Capitalization Income Approach

Present Value of Most Likely Net Operating Income @ 11.5% (Exhibit V-3B)	$ 8,540,063
+ Present Value of Sales Proceeds @ 11.5%	7,655,163
Income Approach	$16,195,226
Rounded to	$16,200,000

The three approaches to value indicate a range of values from $16,000,000 to $17,300,000. In the correlation of value estimates little weight is given to the cost approach because it reflects primarily historic costs. The capitalized income or discounted cash flow approach is often used as the best indication of value becuse it reflects a reasonable estimate of the property's earning power on an annual cash basis over the next 10 years. In this case however, it is not the best indicator of value since Potomac Realty Advisors took the conservative approach of using effective rents, which are discounted 10% from nominal rents, to determine income from future lease rollovers. The best approach to determine value for Silo Bend is the Direct Sales Comparison Approach. This approach most accurately reflects current market activity in terms of unit sales prices and direct conversion ratios. Therefore, the value of the subject property when it is built and leased at the most likely rental rates is estimated to be:

$16,500,000

Indicated Loan to Value Ratio: 86%

Ex[illegible]t V-6A1

SILO BEND LAND JOINT VENTURE
PROJECTED LAND DEVELOPMENT SCHEDULE (4-YEAR)

BUILDING TITLE	AREA (SF)	TOTAL PROJECT COST (1) (BUILDING + LAND)	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
			CONSTRUCTIO	LEASE-UP									
1989 BULK W'HOUSE	150,000	5,661,759	0	0	590,625	620,156	651,164	683,722	717,908	753,804	791,494	831,069	872,622
			CONSTRUCTIO	LEASE-UP									
1989 B-T-S	50,000	2,299,753	0	0	262,500	275,000	287,500	300,000	312,500	325,000	337,500	350,000	362,500
			CONSTRUCTIO	LEASE-UP									
1989 ADDITIONAL BULK W'HOUSE	50,000	1,887,253	0	0	199,500	209,475	219,949	230,946	242,493	254,618	267,349	280,717	294,752
				CONSTRUCTIO	LEASE-UP								
1990 BULK W'HOUSE	150,000	6,023,560	0	0	0	620,156	651,164	683,722	717,908	753,804	791,494	831,069	872,622
				CONSTRUCTIO	LEASE-UP								
1990 B-T-S	100,000	4,881,956	0	0	0	550,000	575,000	600,000	625,000	650,000	675,000	700,000	725,000
				CONSTRUCTIO	LEASE-UP								
1990 ADDITIONAL BULK W'HOUSE	50,000	2,007,853	0	0	0	209,475	219,949	230,946	242,493	254,618	267,349	280,717	294,752
				CONSTRUCTIO	LEASE-UP								
1990 RETAIL	30,000	2,236,337	0	0	0	314,213	329,923	346,419	363,740	381,927	401,024	421,075	442,129
					CONSTRUCTIO	LEASE-UP							
1991 BULK W'HOUSE	150,000	6,411,322	0	0	0	0	651,164	683,722	717,908	753,804	791,494	831,069	872,622
					CONSTRUCTIO	LEASE-UP							
1991 B-T-S	50,000	2,591,889	0	0	0	0	287,500	300,000	312,500	325,000	337,500	350,000	362,500
					CONSTRUCTIO	LEASE-UP							
1991 ADDITIONAL BULK W'HOUSE	50,000	2,137,107	0	0	0	0	219,949	230,946	242,493	254,618	267,349	280,717	294,752
						CONSTRUCTIO	LEASE-UP						
1992 BULK W'HOUSE	170,800	7,773,826	0	0	0	0	0	778,532	817,458	858,331	901,248	946,310	993,626
						CONSTRUCTIO	LEASE-UP						
1992 B-T-S	143,000	7,874,239	0	0	0	0	0	858,000	893,750	929,500	965,250	1,001,000	1,036,750
						CONSTRUCTIO	LEASE-UP						
1992 ADDITIONAL BULK W'HOUSE	50,000	2,275,710	0	0	0	0	0	230,946	242,493	254,618	267,349	280,717	294,752
POTENTIAL INCOME	1,193,800	54,062,563	0	0	1,052,625	2,798,475	4,093,262	6,157,903	6,448,648	6,749,643	7,061,400	7,384,457	7,719,380
LESS VACANCY @ 5%			0	0	52,631	139,924	204,663	307,895	322,432	337,482	353,070	369,223	385,969
NET OPERATING INCOME			0	0	999,994	2,658,551	3,888,598	5,850,007	6,126,215	6,412,160	6,708,330	7,015,234	7,333,411

Exhibit V-6A2
SILO BEND LAND JOINT VENTURE
PROJECTED CASH FLOWS TO USF&G (4-YEAR)

NET OPERATING INCOME			0	0	999,994	2,658,551	3,888,598	5,850,007	6,126,215	6,412,160	6,708,330	7,015,234	7,333,411
DEBT SERVICE (3)			0	0	984,876	2,499,847	3,613,879	5,406,256	5,406,256	5,406,256	5,406,256	5,406,256	5,406,256
CASH FLOW FROM OPERATION			0	0	15,117	158,704	274,720	443,751	719,959	1,005,904	1,302,073	1,608,978	1,927,155
CASH FLOW DISTRIBUTION													
LAND DEVELOPER	75%		0	0	11,338	119,028	206,040	332,813	539,969	754,428	976,555	1,206,734	1,445,366
LAND PARTNER-(USF&G)	25%		0	0	3,779	39,676	68,680	110,938	179,990	251,476	325,518	402,245	481,789
LAND BUDGET (FUNDED BY LAND PARTNER)-(USF&G)													
LAND ACQUISITION & INFRASTRUCTURE		11,030,000											
REAL ESTATE TAXES		120,000											
FINANCING FEES		240,000											
LAND PARTNER CASH OUTFLOW		(11,390,000)											
LAND PARTNER CASH REPAID-(USF&G)													
LAND PROCEEDS [INCL. 10% PREFERED RETURN]			$2,623,765	$3,809,706	$3,174,755	$5,081,894							
LAND PARTNER CASH FLOW			$0	$0	$3,779	$39,676	$68,680	$110,938	$179,990	$251,476	$325,518	$402,245	$481,789
LESS REAL ESTATE TAXES ON VACANT LAND (2)			($50,000)	($39,529)	($20,234)	($10,237)							
LAND PARTNER CASH FLOW & LAND PROCEEDS-(USF&G)		0	$2,573,765	$3,770,177	$3,158,300	$5,111,333	$68,680	$110,938	$179,990	$251,476	$325,518	$402,245	$481,789
SALE													
1998 SALE PRICE USING 1999 NOI CAPPED @			9.0%									81,482,345	
LESS TRANSACTION COSTS OF			3.0%									2,444,470	
LESS REPAYMENT OF DEBT												54,062,563	
NET SALE PROCEEDS												24,975,311	
LESS VACANCY @ 5%	LAND JOINT VENTURE PROJECTED CASH FLOW TO USF&G		0	0	52,631	139,924	204,663	307,895	322,432	337,482	353,070	369,223	385,969
LAND PARTNER SHARE OF SALE PROCEEDS-(USF&G)												6,243,828	
SUM OF ALL LAND PARTNER CASH FLOWS-(USF&G)		(11,390,000)	2,573,765	3,770,177	3,158,300	5,111,333	68,680	110,938	179,990	251,476	325,518	6,646,072	
IRR		16.8%											

ibit V-6B1
SILO BEND LAND JOINT VENTURE
PROJECTED LAND DEVELOPMENT SCHEDULE (5-YEAR)

BUILDING TITLE	AREA (SF)	TOTAL PROJECT COST (1) (BUILDING + LAND)	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1989 BULK W'HOUSE	120,000	4,529,407	CONSTRUCTIO 0	LEASE-UP 0	472,500	496,125	520,931	546,978	574,327	603,043	633,195	664,855	698,098
1989 B-T-S	40,000	1,839,802	CONSTRUCTIO 0	LEASE-UP 0	210,000	220,000	230,000	240,000	250,000	260,000	270,000	280,000	290,000
1989 ADDITIONAL BULK W'HOUSE	40,000	1,509,802	CONSTRUCTIO 0	LEASE-UP 0	157,500	165,375	173,644	182,326	191,442	201,014	211,065	221,618	232,699
1990 BULK W'HOUSE	120,000	4,818,848	0	CONSTRUCTIO 0	LEASE-UP 0	496,125	520,931	546,978	574,327	603,043	633,195	664,855	698,098
1990 B-T-S	80,000	3,905,565	0	CONSTRUCTIO 0	LEASE-UP 0	440,000	460,000	480,000	500,000	520,000	540,000	560,000	580,000
1990 ADDITIONAL BULK W'HOUSE	70,520	2,831,876	0	CONSTRUCTIO 0	LEASE-UP 0	291,556	306,134	321,441	337,513	354,388	372,108	390,713	410,249
1990 RETAIL	30,000	2,236,337	0	CONSTRUCTIO 0	LEASE-UP 0	314,213	329,923	346,419	363,740	381,927	401,024	421,075	442,129
1991 BULK W'HOUSE	120,000	5,129,057	0	0	CONSTRUCTIO 0	LEASE-UP 0	520,931	546,978	574,327	603,043	633,195	664,855	698,098
1991 B-T-S	40,000	2,073,511	0	0	CONSTRUCTIO 0	LEASE-UP 0	230,000	240,000	250,000	260,000	270,000	280,000	290,000
1991 ADDITIONAL BULK W'HOUSE	40,000	1,709,686	0	0	CONSTRUCTIO 0	LEASE-UP 0	173,644	182,326	191,442	201,014	211,065	221,618	232,699
1992 BULK W'HOUSE	118,400	5,388,882	0	0	0	CONSTRUCTIO 0	LEASE-UP 0	539,685	566,669	595,002	624,753	655,990	688,790
1992 B-T-S	114,400	6,694,263	0	0	0	CONSTRUCTIO 0	LEASE-UP 0	686,400	715,000	743,600	772,200	800,800	829,400
1992 ADDITIONAL BULK W'HOUSE	40,000	1,939,534	0	0	0	CONSTRUCTIO 0	LEASE-UP 0	182,326	191,442	201,014	211,065	221,618	232,699
1993 B-T-S	68,600	3,122,274		0	0	0	0	0	428,750	445,900	463,050	480,200	497,350
1993 ADDITIONAL BULK W'HOUSE	151,880	6,912,697		0	0	0	0	0	726,906	763,251	801,414	841,485	883,559
POTENTIAL INCOME	1,193,800	54,641,541	0	0	840,000	2,423,394	3,466,138	5,041,856	6,435,885	6,736,242	7,047,329	7,369,683	7,703,867
LESS VACANCY @ 5%			0	0	42,000	121,170	173,307	252,093	321,794	336,812	352,366	368,484	385,193
NET OPERATING INCOME			0	0	798,000	2,302,224	3,292,831	4,789,763	6,114,091	6,399,430	6,694,962	7,001,199	7,318,673

Exh... V-6B2
SILO BEND LAND JOINT VENTURE
PROJECTED CASH FLOWS TO USF&G (5-YEAR)

NET OPERATING INCOME			0	0	798,000	2,302,224	3,292,831	4,789,763	6,114,091	6,399,430	6,694,962	7,001,199	7,318,673
DEBT SERVICE (3)			0	0	787,901	2,167,164	3,058,389	4,460,657	5,464,154	5,464,154	5,464,154	5,464,154	5,464,154
CASH FLOW FROM OPERATION			0	0	10,099	135,060	234,442	329,106	649,937	935,275	1,230,808	1,537,044	1,854,519
CASH FLOW DISTRIBUTION													
LAND DEVELOPER-(USF&G)	75%		0	0	7,574	101,295	175,832	246,830	487,452	701,457	923,106	1,152,783	1,390,890
LAND PARTNER	25%		0	0	2,525	33,765	58,611	82,277	162,484	233,819	307,702	384,261	463,630
LAND BUDGET (FUNDED BY LAND PARTNER-USF&G)													
LAND ACQUISITION & INFRASTRUCTURE		11,030,000											
Real Estate Taxes		119,999											
Finance Fees		240,000											
LAND PARTNER CASH OUTFLOW		(11,389,999)											
LAND PARTNER CASH REPAID-(USF&G)													
LAND PROCEEDS [INCL. 10% PREFERED RETURN]			2,099,011	3,469,372	2,539,804	3,810,722	3,387,855						
LAND PARTNER CASH FLOW			0	0	2,525	33,765	58,611	82,277	162,484	233,819	307,702	384,261	463,630
LESS REAL ESTATE TAXES ON VACANT LAND (2)			(50,000)	(41,623)	(15,482)	(9,660)	(3,234)						
LAND PARTNER CASH FLOW & LAND PROCEEDS-(USF&G)		0	2,049,011	3,427,749	2,526,847	3,834,827	3,443,231	82,277	162,484	233,819	307,702	384,261	463,630
SALE													
1998 SALE PRICE USING 1999 NOI CAPPED @			9.0%									81,318,594	
LESS TRANSACTION COSTS OF			3.0%									2,439,558	
LESS REPAYMENT OF DEBT												54,641,541	
NET SALE PROCEEDS												24,237,495	
LAND PARTNER SHARE OF SALE PROCEEDS-(USF&G)												6,059,374	
SUM OF ALL LAND PARTNER CASH FLOWS-(USF&G)		(11,389,999)	2,049,011	3,427,749	2,526,847	3,834,827	3,443,231	82,277	162,484	233,819	307,702	6,443,635	
IRR		16.0%											

Exhibit V-6C

SENSITIVITY ANALYSIS
LAND JOINT VENTURE - 5 YEAR SCHEDULE

Overall Cap Rate	Rental Escalation 3.0%	5.0%	7.0%
9.5%	15.8%	15.4%	15.0%
9.0%	16.4%	16.0%	15.6%
8.5%	17.0%	16.7%	16.3%

SENSITIVITY ANALYSIS
LAND JOINT VENTURE - 4 YEAR SCHEDULE

Overall Cap Rate	Rental Escalation 3.0%	5.0%	7.0%
9.5%	14.0%	16.2%	18.1%
9.0%	14.8%	16.8%	18.7%
8.5%	15.5%	17.5%	19.3%

Note: (1) The project cost is calculated as the sum of the building cost and the land cost. Building cost is calculated as the building square feet times the per square foot cost of construction in the year the building is to be constructed. Land cost is calculated as the project's pro rata share of the total land cost (on a square foot of building basis) inflated at 10% per year.

(2) We assume that real estate taxes on the vacant land are $50,000 in the first year. They are then reduced each year on a pro-rata basis. For simplicity, the real estate taxes are expensed rather than capitalized into the land cost. The capital partner only is assumed to cover the real estate tax expense in the first years before any cash flow exists.

(3) Debt service is calculated as 10.0% interest only on the total cost of buildings completed in the specified year.