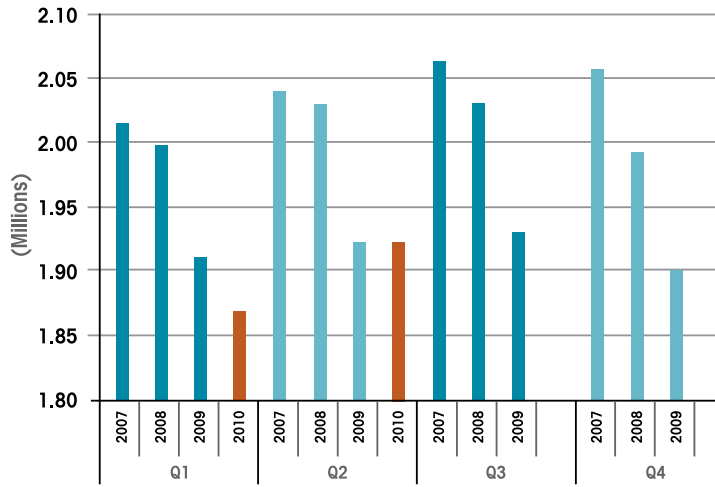


Q2 2010 ASSESSMENT | Cleveland Plus Region Showing Signs of Economic Improvement: In the 2nd quarter of 2010, the Cleveland Plus economy showed signs of improvement, with declines in the unemployment rate, increases in total employment by more than 55,000 jobs, a decline in unemployment claims and projected GRP growth of 3.1% in 2010. In addition, the **Cleveland Plus Region is performing more similar to the U.S.:** Likely due to economic diversification and industry transformation, the Cleveland Plus region is performing more similar to the U.S. during the current recession than previous economic declines, with regard to both economic output (GRP) and employment. **The Region is Experiencing Employment Growth in Services and Manufacturing:** Since January 2010, Cleveland Plus has seen employment growth in its two largest sectors. Manufacturing employment grew by approximately 8,000 jobs between January and June of 2010, while service sector employment grew by nearly 48,000 jobs.

NEO Total Employment (Not seasonally adjusted)



Source: Ohio Labor Market Information (LMI)

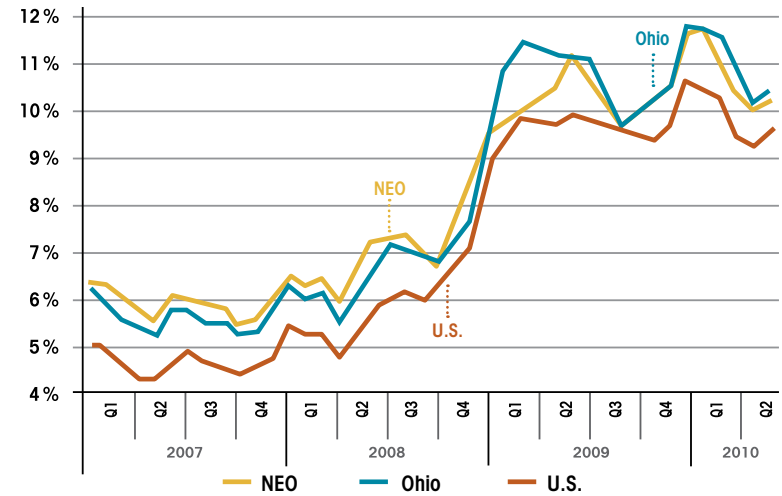
NEO EMPLOYMENT INCREASES IN Q2

Year over year employment in Q2 2010 increased by approximately 1,000 jobs. This increase follows two years of job decreases. Jobs increased seasonally from Q1 by 3%.

NEO UNEMPLOYMENT RATE FOLLOWING NATIONAL TRENDS

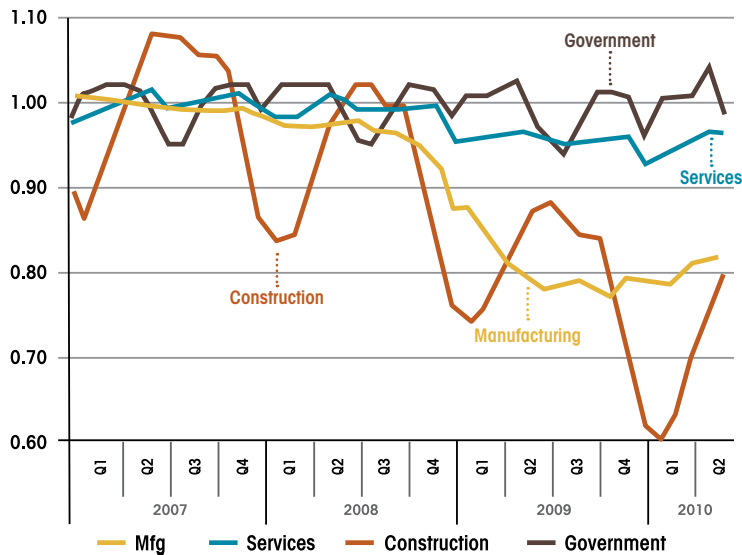
In Q2 of 2010, the average unemployment rate in Northeast Ohio was 10.2%, while for the state of Ohio it was 10.4% and for the U.S. it was 9.5%. Northeast Ohio's unemployment rate of 10.2% in Q2 2010 was 1.4 percentage points lower than the unemployment rate in Q1 2010 (11.6%).

Unemployment Rates (Through June 2010)



Source: Ohio Labor Market Information (LMI)

Change in Employment by Sector (1.00 = 2007 Avg.)



Source: Bureau of Labor Statistics (BLS)

MANUFACTURING AND CONSTRUCTION JOBS GROW

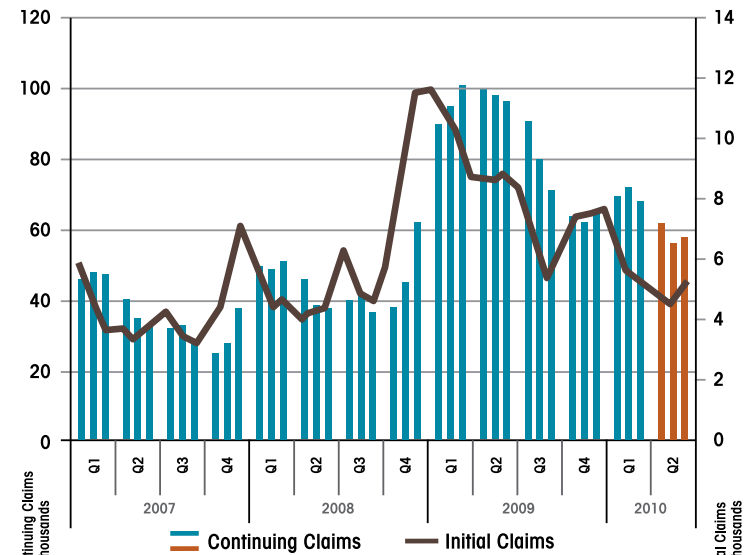
Combined, these four sectors comprise total employment in Northeast Ohio. Throughout the recession, employment in services and government has been fairly steady, while manufacturing employment has declined and construction employment has fluctuated. Last quarter, both manufacturing & construction saw increases in employment, at 1% and 8% respectively.

UNEMPLOYMENT CLAIMS SIMILAR TO PRE-RECESSION LEVELS

Initial unemployment claims in Northeast Ohio have fallen to pre-recession levels, and continued claims remain among their lowest point in a year and a half.

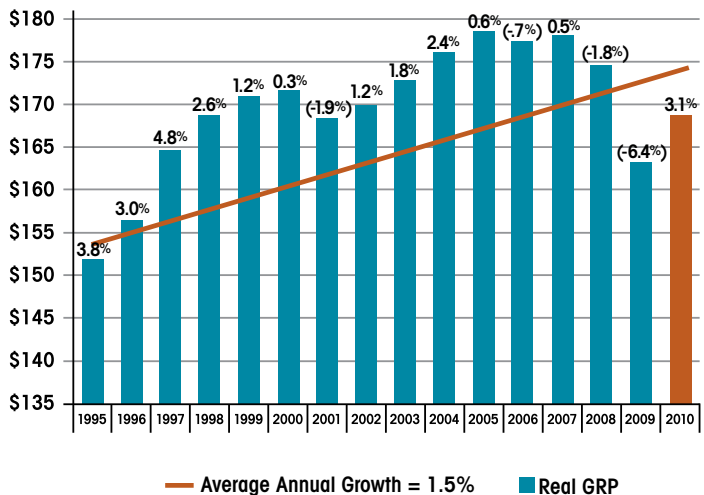
For information on data sources, please visit www.clevelandplusbusiness.com

Average Monthly Unemployment Claims (Jan 07 - Jun 10)



Source: Ohio Labor Market Information (LMI)

Northeast Ohio: Real GRP (in billions)



Source: Economy.com

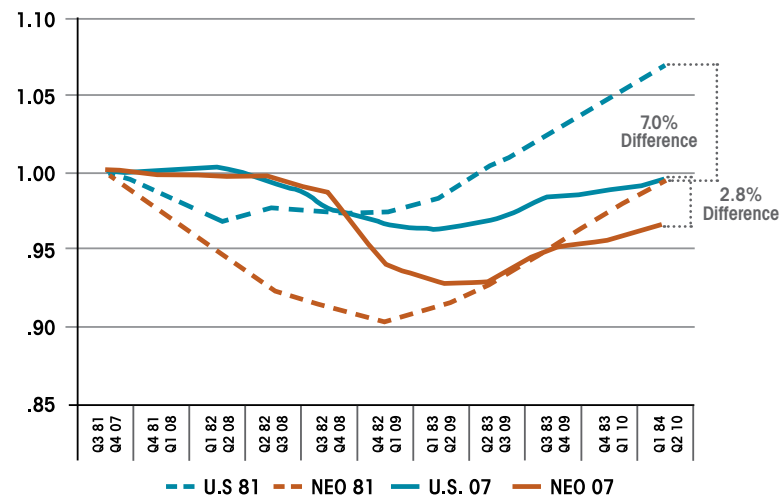
NEO GRP PROJECTED TO INCREASE

Northeast Ohio's Gross Regional Product (GRP) is projected to increase by 3.1% in 2010, according to Moody's economy.com. Since 1995, GRP has increased at an average annual rate of 1.5%.

GRP TRACKING CLOSER TO U.S.

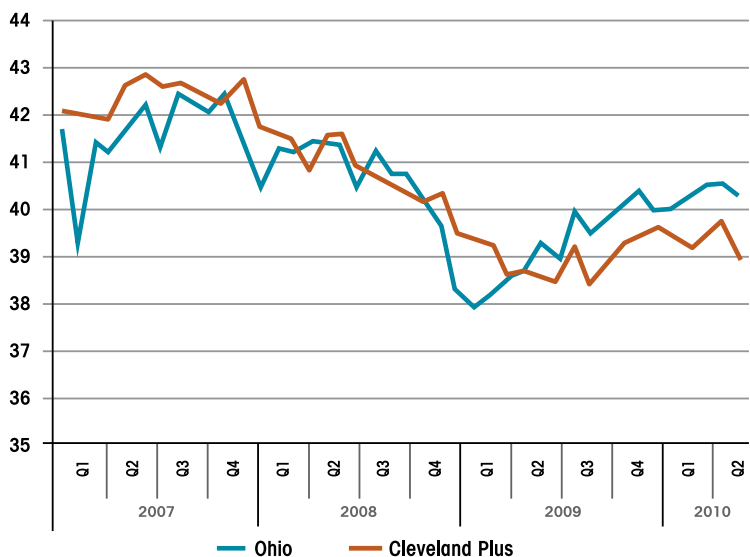
Through 11 quarters of the 1981 recession, NEO's GRP was 7.0% lower than the U.S.; 11 quarters into the 2007 recession, however, Cleveland Plus is only 2.8% lower compared to the national GRP. Northeast Ohio's more diversified economy, with growth sectors such as biomedical, aerospace-related products, and the cleantech supply chain is helping the region perform more like the U.S. as a whole.

GRP Comparison Recession



Source: Economy.com

Average Monthly Manufacturing Hours Worked (NEO vs. Ohio)



Source: Bureau of Labor Statistics (BLS)

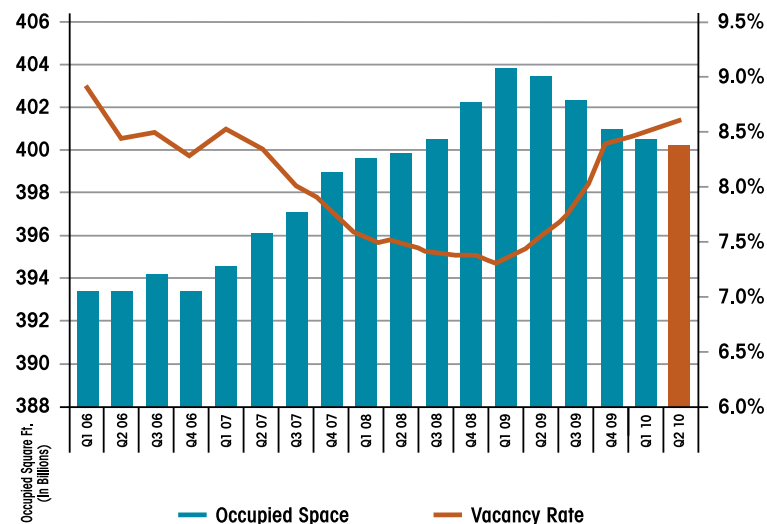
MANUFACTURING HOURS WORKED NORMALIZING

In Q2 2010, manufacturing hours worked averaged 39.4 hours for Northeast Ohio, which showed no overall change from the Northeast Ohio total for Q1 2010 (also 39.4 hours). The state of Ohio averaged 40.4 hours worked in Q2 2010.

INDUSTRIAL SPACE REMAINS RELATIVELY STABLE

For the third consecutive quarter, occupied industrial space was slightly lower and the industrial vacancy rate was marginally higher in Cleveland Plus, with more than 400 million square feet of space still occupied, and vacancy rates at 8.6%.

Northeast Ohio Occupied Industrial Space (Jan 07 - May 10)



Source: CoStar

For information on data sources, please visit www.clevelandplusbusiness.com

DATA SOURCES:

Team Northeast Ohio uses a number of data sources for the Regional Economic Review. One of the primary sources is the Moody's Economy.com (www.economy.com) Northeast Ohio modeling system.

Moody's Economy.com county level output, employment and payroll historical data are estimated from several publicly available sources and are summarized into the Team NEO regional footprint. It is important to understand data provided by Economy.com are estimates of economic activity.

Team NEO also uses data from federal and state sources as part of the report. We rely heavily on data from the U.S. Bureau of Labor Statistics (www.bls.gov) and Ohio's Labor Market Information (www.lmi.state.oh.us) for information on wages, unemployment and both general and industry-specific employment.

Industrial real estate data for this edition was derived from the CoStar Group. Due to market limits within the CoStar database, historic trend data for the Team NEO region is defined as 10 of the 16 counties forming the regional footprint. These counties include Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, Richland, Stark and Summit.

Cleveland Plus 16-County Region

