

SECURITIES AND EXCHANGE COMMISSION

FORM S-3/A

Registration statement for specified transactions by certain issuers [amend]

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FILER

LANDSING PACIFIC FUND INC

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As filed with the Securities and Exchange Commission on February 10, 1994.

File No. 33-67460.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

AMENDMENT NO. 4 TO
FORM S- 3

REGISTRATION STATEMENT
UNDER
THE SECURITIES EXCHANGE ACT OF 1933

Landsing Pacific Fund, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland 94-306659

(State or Other Jurisdiction of Incorporation) (IRS Employer Identification No.)

155 Bovet Road, Suite 101, San Mateo, California 94402

(Address, Including Zip Code, of Registrant's Principal Executive Offices)

Dean Banks
155 Bovet Road, Suite 101
San Mateo, California 94402
(415) 513-5252

(Name, address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

Copy to:
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The approximate date of commencement of proposed sale to the public is February 19, 1994

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CALCULATION OF REGISTRATION FEE				
Title of Shares to be Registered	Amount to be Registered	Maximum Aggregate Price Per Unit(1)	Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Rights	1,488,284	None	None	None
Common Stock	1,488,284	\$3.25	\$4,836,923	\$1,513.96

- (1) Estimated solely for the purpose of calculating the registration fee.
- (2) The Registration Fee was paid on August 16, 1993, the original filing date of this Registration Statement.

CROSS-REFERENCE SHEET

Location in

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PROSPECTUS

THE INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF

LANDSING PACIFIC FUND, INC.

Landsing Pacific Fund, Inc., a Maryland corporation (the "Fund"), is issuing to holders of record of its Common Stock, par value, \$0.001 per share (the "Common Stock"), as of February 19, 1994 (the "Record Date"), non-transferable subscription rights (the "Rights") to subscribe for and purchase shares of Common Stock (the "Underlying Shares") for a price of \$2.50 per share (the "Subscription Price"). Each stockholder will receive one Right for each four shares of Common Stock held by such stockholder as of the close of business on the Record Date. Each Right will entitle the registered holder thereof (the "Holder") to subscribe for one share of Common Stock at the Subscription Price (the "Basic Subscription Privilege"). Each Right also carries the right to subscribe (the "Oversubscription Privilege") at the Subscription Price for one share of Common Stock from the Underlying Shares not otherwise purchased pursuant to the exercise of the Basic Subscription Privilege, subject to proration. The Oversubscription Privilege is not transferable and is subject to the condition that the Holder exercise fully such Holder's Basic Subscription Privilege. The term "Rights Offering" includes the distribution of the Rights and the issuance of the shares of Common Stock upon the exercise of the Rights. See "The Rights Offering - Subscription Privileges." An aggregate of 1,488,284 Rights will be distributed to stockholders in the Rights Offering.

THE RIGHTS OFFERING WILL EXPIRE AT 5:00 P.M., EASTERN STANDARD TIME, ON MARCH 22, 1994, UNLESS EXTENDED (THE "EXPIRATION DATE"). THE FUND AT ITS SOLE DISCRETION MAY EXTEND THE RIGHTS OFFERING UNTIL 5:00 P.M., EASTERN STANDARD TIME, ON APRIL 6, 1994. HOLDERS OF RIGHTS ARE ENCOURAGED TO CONSIDER CAREFULLY THE EXERCISE OF THE RIGHTS PRIOR TO THE EXPIRATION DATE. ANY RIGHTS NOT DULY EXERCISED WITH RESPECT TO THE BASIC SUBSCRIPTION PRIVILEGE OR EXERCISED WITH RESPECT TO THE OVERSUBSCRIPTION PRIVILEGE PRIOR TO THE EXPIRATION DATE WILL EXPIRE.

THE PURCHASE OF COMMON STOCK IN THE RIGHTS OFFERING INVOLVES CERTAIN RISKS (SEE "RISK FACTORS"):

- * THE FUND HAS REPORTED NET LOSSES IN EACH OF THE LAST THREE FISCAL YEARS AND THE NINE MONTHS ENDED SEPTEMBER 30, 1993.
- * AS A RESULT OF ITS DECISION TO EXPLORE THE DISPOSITION OF CERTAIN PROPERTIES, THE FUND WILL RECOGNIZE A \$19.1 MILLION PROVISION FOR LOSS AS OF DECEMBER 31, 1993.
- * NO MINIMUM AMOUNT OF PROCEEDS MUST BE RECEIVED IN THE RIGHTS OFFERING; THEREFORE, THERE IS NO ASSURANCE THAT SUFFICIENT FUNDS WILL BE RECEIVED TO SATISFY THE STATED USE OF PROCEEDS.
- * THE FUND HAS A SUBSTANTIAL AMOUNT OF DEBT MATURING IN THE NEXT THREE YEARS; IF THE FUND CANNOT NEGOTIATE REFINANCING OR EXTENSIONS OF SUCH DEBT, IT MAY NOT BE ABLE TO PAY THE AMOUNT DUE UPON MATURITY.
- * THE FUND HAS EXPERIENCED LEASE TERMINATIONS AND RENTAL CONCESSIONS AS WELL AS A DECLINE IN RENTAL RATES.
- * THE MULTNOMAH BUILDING CURRENTLY PRODUCES NO REVENUE AND IS EXPECTED TO BE REDEVELOPED INTO A MIDDLE-INCOME APARTMENT BUILDING; THERE IS NO ASSURANCE THAT THE REDEVELOPMENT WILL BE SUCCESSFUL OR THE NECESSARY FINANCING CAN BE OBTAINED. AS A RESULT OF CHANGES IN THE DEVELOPMENT PROSPECTS FOR THE BUILDING, THE FUND WILL RECOGNIZE A \$4.0 MILLION PROVISION FOR LOSS AS OF DECEMBER 31, 1993.
- * THERE IS NO ASSURANCE THAT THE MARKET PRICE OF THE COMMON STOCK WILL NOT DECLINE AFTER THE RIGHTS OFFERING, OR THAT SUBSCRIBING STOCKHOLDERS WILL BE ABLE TO SELL SHARES PURCHASED IN THE RIGHTS OFFERING AT A PRICE EQUAL TO OR GREATER THAN THE SUBSCRIPTION PRICE.
- * THE FUND SUSPENDED QUARTERLY DISTRIBUTIONS TO STOCKHOLDERS IN 1992; THERE CAN BE NO ASSURANCE THAT THE FUTURE OPERATING RESULTS OR FINANCIAL CONDITION OF THE FUND WILL ALLOW DISTRIBUTIONS TO RESUME.

On February 11, 1994, the last trading day prior to the date of this Prospectus, the closing sale price of the Common Stock as reported on the

AMEX was \$ _____ per share.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AUTHORITY, NOR HAS THE COMMISSION OR ANY STATE SECURITIES AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Subscription Price	Underwriter's Fees and Commissions	Proceeds to the Fund(2)
Per Share . . .	\$2.50	N/A	\$ 3,720,710
Total Price to the Public (1) . .	.\$2.50	N/A	\$ 3,720,710

(1) The Total Price to the Public and Proceeds to the Fund have been based on a Subscription Price per share of \$2.50, and assume the purchase of 1,488,284 shares of Common Stock pursuant to the exercise of Rights.

(2) Before deduction of expenses of the Rights Offering payable by the Fund estimated at \$285,000.

TO THE EXTENT THAT A STOCKHOLDER DOES NOT EXERCISE SUCH STOCKHOLDER'S RIGHTS, SUCH STOCKHOLDER'S PERCENTAGE INTEREST IN THE FUND WILL BE DILUTED.

The date of this Prospectus is February 14, 1994

AVAILABLE INFORMATION

The Fund is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith the Fund files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 1034, 450 Fifth Street, N.W., Washington, D.C. 20549, and the Regional Offices of the Commission at Suite 1400, Northwest Atrium Center, 500 West Madison Street, Chicago, Illinois 60661; and Room 1228, 75 Park Place, New York, New York 10007. Copies of such material can also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates.

Reports, proxy statements and other information concerning the Fund can also be inspected at the office of the American Stock Exchange, Inc., 86 Trinity Place, New York, New York 10006, the exchange on which the Common Stock is listed.

ADDITIONAL INFORMATION

In connection with the Rights Offering, the Fund has filed with the Commission in Washington, D.C., a Registration Statement on Form S-3 (File No. 33-67460) under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Rights and the Common Stock of the Fund to be issued in the Rights Offering. This Prospectus does not contain all the information set forth in the Registration Statement, certain portions of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is made to the Registration Statement and the exhibits filed therewith. The omitted information may be obtained from the Commission's principal office in Washington, D.C., upon payment of the fees prescribed by the Commission. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission. Each such statement is qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed with the Commission pursuant to the Exchange Act are incorporated herein by reference:

1. The Fund's Annual Report on Form 10-K for the year ended December 31, 1992, as amended.
2. The Fund's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1993, June 30, 1993 and September 30, 1993.
3. Reports on Form 8-K filed July 23, 1993, October 15, 1993 and February 9, 1994.
4. All other reports filed by the Fund pursuant to Section 13(a) or 15(d) of the Exchange Act since December 31, 1992.
5. All other documents filed by the Fund pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the Rights Offering.
6. The description of the Fund's Common Stock contained in its Registration Statement on Form 8-B filed with the Commission on November 1, 1993 and amended on January 17, 1994, and the Proxy Statement for the 1993 Annual Meeting of Stockholders which is attached as an exhibit to Form 8-B.

The Fund will provide without charge to any person to whom this Prospectus is delivered, on the written or oral request of any such person, a copy of any or all documents incorporated herein by reference. Such requests, in writing or by telephone, should be directed to Dean Banks, Chief Financial Officer and Secretary, Landsing Pacific Fund, 155 Bovet Road, Suite 101, San Mateo, CA 94402 (Tel: (415) 513-5252).

NO PERSON OR DEALER, SALESPERSON OR OTHER INDIVIDUAL IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS ABOUT THE FUND, THE RIGHTS, THE OFFERING MADE HEREBY OR ANY OTHER MATTER AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES OFFERED HEREBY TO ANY PERSON OR BY ANYONE IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE OF THE SECURITIES OFFERED HEREBY SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

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PROSPECTUS SUMMARY

The following summary is provided for convenience only and is not intended to be complete. It is qualified in its entirety by reference to the detailed information appearing elsewhere herein, including financial statements and the notes thereto. Holders of Common Stock are urged to review this Prospectus carefully in its entirety.

THE FUND

The Fund is a real estate investment trust engaged in the business of acquiring, operating, developing and financing income-producing real estate investments. The Fund's portfolio consists of fee title ownership of 26 properties and 2 participating mortgage interests. The Fund owns multi-tenant light industrial properties, distribution centers, business parks, office buildings and shopping centers located in 9 metropolitan areas, principally in the western United States. The Fund is a Maryland corporation formed on September 30, 1993, when the Fund's state of incorporation was changed from Delaware to Maryland. The Fund's predecessor, Landsing Pacific Fund, a Delaware corporation, was formed on November 28, 1988.

USE OF PROCEEDS

The Fund intends to use the proceeds of the Rights Offering to increase cash reserves in order to assist the Fund in negotiating refinancing or extension terms of coming loan maturities and, to the extent there are proceeds remaining thereafter, for working capital, which may include acquisition of properties and/or repayment of debt. Increased cash reserves will improve the Fund's financial position, which management of the Fund believes will cause lenders to consider the Fund's refinancing and extension requests more favorably than they would given the Fund's current financial position. To the extent that the proceeds of the Rights Offering is deemed by the Fund's Board of Directors (the "Board") to exceed the amount necessary for the refinancing or extension of current borrowings, the Fund intends to use the proceeds for working capital, including acquisition of properties and/or repayment of debt. If the Fund raises substantially less than the maximum proceeds, it may be necessary to sell properties to repay the amounts due.

RISK FACTORS

The purchase of Common Stock in the Rights Offering involves certain risks which are summarized below. Rights holders are urged to read and consider carefully the information set forth under the heading "Risk Factors" which follows this Summary.

Operating Losses and Reduction in Stockholders' Equity. As a result of the decline in rental rates, the total vacancy of the Multnomah Building and economic difficulties suffered by the Fund's tenants, the Fund has reported net losses for each of the last three fiscal years and for the nine months ended September 30, 1993. There has been a corresponding reduction in stockholders' equity. Unless conditions improve, there will be further losses and further reduction in stockholders' equity.

Disposition of Certain Assets and Provision for Loss. The Fund is exploring the disposition of certain of its real estate investments outside Northern California, Colorado and the Northwest. As such properties are no longer considered to be held on a long-term basis, a \$19.1 million provision for loss will be recognized as of December 31, 1993 to reduce the carrying value of the properties to their estimated net realizable values. The provision includes \$2.2 million for the possible loss on the sale of the BancFirst Building and \$4.9 million for the 101 Park Avenue Building. As a result of negotiations between the Fund and the lender on 101 Park, it is likely that the Fund will transfer title to 101 Park to the lender in full satisfaction of the debt secured by the property. In addition, a \$4.0 million provision for loss will be made as of December 31, 1993 to reduce the carrying value of the Multnomah Building as a result of revisions in its development prospects. See the discussion of the Fund's decision to explore the disposition of certain of its real estate investments under "Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations" and "Investment in Real Estate and Policies with Respect to Certain Activities - Investment in Real Estate."

No Minimum Proceeds. The issuance of Common Stock and the Rights Offering is not contingent upon the receipt of subscriptions for any minimum number of shares and therefore there are no minimum proceeds that must be raised before the use of such funds. There can be no assurance that

sufficient funds will be raised to enable the Fund to successfully obtain extensions or refinancing of coming loan maturities or to meet working capital needs beyond 1993.

Failure to Refinance Indebtedness. The approximate principal amount of the Fund's debt that will mature in the next three years is \$28,300,000 in 1994, \$9,250,000 in 1995 and \$11,200,000 in 1996. Management of the Fund expects to negotiate refinancing or obtain extensions of such debt. However, if such efforts are unsuccessful, the Fund may not be able to pay the amount due upon maturity, possibly resulting in foreclosure on the properties securing such debt.

Adverse Market Conditions Affecting Real Estate Values. The decline in demand for commercial rental space in the past few years has resulted in a decline in rental rates for the Fund's vacant and renewing space. In addition, economic difficulties encountered by the Fund's tenants has resulted in lease terminations in some cases and rental concessions in others. If there is a further decline in the demand for rental space or the Fund's tenants experience further economic difficulties as a result of a downturn in the general economic climate, the Fund could experience further decreases in rental revenues, possibly resulting in greater net losses.

Possible Failure to Complete Redevelopment of the Multnomah Building. The Multnomah Building currently produces no revenue and is expected to be redeveloped into a middle or mixed middle and low income apartment building. No assurance can be given that the development will be successful or that the financing necessary for the redevelopment can be obtained. The Fund proposes to contribute the Multnomah Building to a joint venture consisting of a development partnership and an equity partner. The joint venture would develop the property provided a HUD loan guaranty and not less than \$4 million of equity can be obtained. Although the development partnership was formed, certain performance conditions were not met by the developer, resulting in a termination of the partnership. Negotiations are currently taking place, however, for a modified extension of time to meet those conditions. The Fund may consider other potential candidates as a replacement for the existing developer. The Fund also is exploring other alternatives, including the sale of the property. Additionally, negotiations have taken place with a potential equity partner and will continue when either the extension referred to above is agreed upon or a replacement for the developer is found.

The application for the HUD loan guaranty was accepted for processing by HUD on January 15, 1993. The final step in the HUD processing is a final mortgage credit review, which is currently proceeding. Since the time of the acceptance by HUD of the application, architectural, environmental and economic reviews have been completed, as well as the construction cost analysis and project appraisal.

No significant development work has commenced on the Multnomah Building. However, a building permit was issued by the City of Portland on December 29, 1993. The Fund has invested approximately \$1,000,000 in predevelopment expenditures for this project. If construction commences in the first quarter of 1994, the project is expected to be placed into service by early 1995 and substantially leased by 1996. There is no assurance that this schedule can be met. If the development does not proceed, the Fund may not recover its predevelopment expenditures.

As of December 31, 1993, the Fund will reduce the carrying value of the Multnomah Building by making a \$4.0 million provision for loss in order to reflect revisions in the development prospects for the building. See "Investment in Real Estate" and "Potential Factors Affecting Future Operating Results". In this regard, the Fund also is exploring other development opportunities, including the sale of the property.

No Assurance that Dividends will be Resumed. The Fund suspended quarterly distributions in 1992. There is no assurance that the future operating results or financial condition of the Fund will be adequate to allow the resumption of distributions to stockholders.

Possible Decline in Market Price of Common Stock. There is no assurance that the market price of the Common Stock will not decline after the Rights Offering, or that subscribing stockholders will be able to sell shares purchased in the Rights Offering at a price greater than or equal to the Subscription Price.

Limit on Ownership of Common Stock. The Fund's organizational documents and status as a real estate investment trust (a "REIT") limit the amount of Common Stock that may be owned by a single stockholder, making the takeover of the Fund by a single stockholder more difficult.

Failure to Qualify as a REIT. If the Fund were to fail to qualify as a REIT, it might be subject to taxation as a corporation.

Potential Environmental Liability. The Fund could be required to remove hazardous substances from its properties, whether or not previously discovered or known to be hazardous, possibly resulting in lost revenues, lower lease rates, decreased occupancy or difficulty selling affected property.

Potential Liability under Americans with Disabilities Act. If it is determined that any of the Fund's properties do not comply with the Americans with Disabilities Act, the Fund could be required to remove access barriers or pay fines or damages.

The Rights Offering

Rights Each record holder of Common Stock as of the close of business on February 19, 1994, the Record Date, will receive one non-transferable Right for each four shares of Common Stock owned by such stockholder. No fractional Rights or cash in lieu thereof will be issued or paid. The aggregate number of Rights issued by the Fund to each stockholder will be rounded down to the nearest whole number. An aggregate of up to 1,488,284 Rights will be so distributed. See "The Rights Offering-The Rights."

Basic Subscription Privilege Registered holders of Rights ("Holders") will be entitled to purchase from the Fund for the Subscription Price one share of Common Stock (each, an "Underlying Share") for each Right held (the "Basic Subscription Privilege"). The Basic Subscription Privilege is not transferable. The election of a Holder to exercise Rights in the Rights Offering will be irrevocable. See "The Rights Offering-Subscription Privileges-Basic Subscription Privilege."

Oversubscription Privilege . Each record holder of Common Stock at the close of business on the Record Date may also subscribe (the "Oversubscription Privilege") at the Subscription Price for one of the unsubscribed Underlying Shares available after satisfaction of all subscriptions pursuant to the Basic Subscription Privilege (the "Excess Shares") for each Right held, subject to proration as described below. The "Underlying Shares" and the "Excess Shares" are collectively, "Shares". The Oversubscription Privilege may not be exercised unless a holder of Common Stock exercises all of such holder's Rights pursuant to the Basic Subscription Privilege. The maximum number of Excess Shares for which a Holder may subscribe pursuant to the Oversubscription Privilege is the number which equals the number of Underlying Shares such Holder subscribed for pursuant to the Basic Subscription Privilege.

The Oversubscription Privilege is not transferable. If insufficient Excess Shares are available to satisfy fully all elections to exercise the Oversubscription Privilege, then the Excess Shares will be prorated, in proportion, not to the number of Shares subscribed pursuant to the Oversubscription Privilege, but to the number of Underlying Shares each beneficial owner of Rights exercising the Oversubscription Privilege has purchased pursuant to the Basic Subscription Privilege. See "The Rights Offering-Subscription Privileges-Oversubscription Privilege."

Subscription Price The Subscription Price for each Share is \$2.50. The Subscription Price is not subject to adjustment.

Shares of Common Stock A total of 7,441,421 shares of Outstanding after Rights Common Stock will be outstanding Offering immediately after completion of the Rights Offering, based on the number of shares outstanding on February 11, 1994, assuming subscriptions have been received for all available Shares.

Non-Transferability of Rights The Rights are not transferable.

Record Date February 19, 1994.

Expiration Date 5:00 p.m., Eastern Standard Time, on March 22, 1994, or such later time to which the Rights Offering may have been extended by the Fund at its option. The Fund, in its sole discretion, may extend the Rights Offering until 5:00 p.m., Eastern Standard Time, April 6, 1994.

Dilution To the extent a stockholder does not exercise such stockholder's Rights, such stockholder's percentage interest in the Fund will be diluted upon completion of the Rights Offering, including dilution of book value, earnings per share and voting power. See "Dilution."

Procedure for Exercising The Basic Subscription Privilege and the Oversubscription Rights Privilege may be exercised by the following two methods ("Payment Method 1" and "Payment Method 2," respectively):

Payment Method 1 By delivery to the Subscription Agent by the Expiration Date of a properly completed Subscription Certificate evidencing the

Rights, together with payment of the full Subscription Price for each Share subscribed pursuant to the Basic Subscription Privilege and the Oversubscription Privilege.

Payment Method 2 . By delivery to the Subscription Agent by 5:00 p.m., Eastern Standard Time on the Expiration Date, of the full Subscription Price for each Share subscribed for pursuant to the Basic Subscription Privilege and the Oversubscription Privilege and a Letter of Guaranty by facsimile (teletype) or otherwise from a member of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc. (the "NASD"), or bank or trust company having an office or correspondent in the U.S., guaranteeing delivery of a completed and duly executed Subscription Certificate by 5:00 p.m. Eastern Standard Time within five business days following the Expiration Date.

Once a Holder has exercised the Basic Subscription Privilege and, if applicable, the Oversubscription Privilege, such exercise may not be revoked. See "The Rights Offering-Exercise of Rights." Any Rights not duly exercised prior to the Expiration Date will expire.

If the aggregate Subscription Price paid by an exercising Holder is insufficient to purchase the number of Shares for which such Holder indicates a desire to subscribe, then such Holder will be deemed to have subscribed for the maximum number of Shares which such Holder has paid, first pursuant to the Basic Subscription Privilege and second, pursuant to the Oversubscription Privilege. Likewise, if an exercising Holder does not specify the number of Shares to be purchased, then such Holder will be deemed to have exercised, first, the Basic Subscription Privilege and, second, the Oversubscription Privilege, to the lesser of the full extent of the payment tendered or the full extent to which such Holder is entitled to exercise the Oversubscription Privilege.

Persons Holding Common Stock, or Wishing to Exercise Rights, Through Others

Persons holding shares of Common Stock and receiving the Rights distributable with respect thereto through a broker, dealer, commercial bank, trust company or other nominee, as well as persons holding certificates for Common Stock personally who would prefer to have such institutions exercise the Rights on their behalf, should contact the

appropriate institution or nominee and request it to effect such transactions on their behalf. See "The Rights Offering-Exercise of Rights."

Certain Federal Income Tax Consequences For federal income tax purposes, Fund stockholders will not recognize taxable income upon the receipt of the Rights, and will not recognize gain or loss upon exercise or expiration of the Rights. See "Income Tax Considerations."

Conditions The Fund reserves the right at any time prior to the Expiration Date to terminate the Rights Offering for any reason. If the Rights Offering is terminated, all payments received by the Subscription Agent from Holders who have exercised their Rights will be returned to such Holders as soon as is practicable after the date of termination without interest or deduction.

Issuance of Certificates or Confirmations Stockholders whose Common Stock is held in certificate form will receive certificates representing the Shares for which they subscribe pursuant to the Basic Subscription Privilege and the Oversubscription Privilege. Generally, stockholders whose Common Stock is represented by an entry on the records of the Company and its transfer agent will receive a confirmation stating the shares of Common Stock added to their account pursuant to their exercise of the Basic Subscription Privilege and the Oversubscription Privilege. Such Certificates or confirmations will be delivered to subscribers in a single delivery as soon as practicable after the Confirmation Date and after all payments for the shares of Common Stock subscribed have cleared. See "The Rights Offering-Subscription Privileges."

Subscription Agent Registrar and Transfer Company

AMEX Symbol for the Common LPF Stock

RISK FACTORS

Investment in the Fund is subject to various risks, including the following:

OPERATING LOSSES AND REDUCTION IN STOCKHOLDERS' EQUITY

As a result of the decline in rental rates, the total vacancy of the Fund's Multnomah Building in Portland, Oregon and the economic difficulties suffered by the Fund's tenants, the Fund has experienced net losses for financial reporting purposes in each of the last three fiscal years ended December 31, 1990, 1991 and 1992 as well as for the nine months ending September 30, 1993. The net loss in 1990, 1991 and 1992 was \$12,696,000, \$2,845,000 and \$11,857,000 respectively, and was \$3,204,000 in the nine months ended September 30, 1993. There has been a reduction in stockholders' equity corresponding to such losses. Unless conditions improve, there will be further losses and further reduction in stockholders' equity.

DISPOSITION OF CERTAIN ASSETS AND PROVISION FOR LOSS

On January 27, 1994, the Fund announced its decision to explore the disposition of its real estate investments in St. Paul, Minnesota; Oklahoma City, Oklahoma; Houston, Texas; and Boise, Idaho, since the Fund intends to concentrate its holdings in Northern California, Colorado and the Northwest. As the Fund's real estate investments in those markets are no longer considered to be held on a long-term basis, a \$19.1 million provision for loss will be recognized as of December 31, 1993, in order to reduce the carrying value of the properties to their estimated net realizable values. The provision includes \$2.2 million for the possible loss on the sale of the BancFirst Building. In addition, a \$4.0 million provision for loss will be made as of December 31, 1993 to reduce the carrying value of the Multnomah Building, as a result of revisions in the development prospects for that property. The Fund has been engaged in negotiations with the lender on the 101 Park Avenue Office Building in Oklahoma City, pursuant to which it is likely that the Fund will transfer title to the property to the lender in full satisfaction of the debt secured by the property. If such transfer takes place, the Fund will incur a loss of approximately \$4.9 million, which amount is included in the \$19.1 million provision for loss discussed above. See the discussion of the Fund's decision to explore the disposition of certain of its real estate investments under "Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations" and "Investment in Real Estate and Policies with Respect to Certain Activities - Investment in Real Estate."

NO MINIMUM PROCEEDS

The issuance of Common Stock in the Rights Offering is not contingent upon the receipt of subscriptions for any minimum number of shares of Common Stock and therefore there are no minimum proceeds that must be raised before the use of such funds. In addition, there is no standby arrangement with an underwriter or other purchaser to purchase shares not subscribed for in the Rights Offering. There can, therefore, be no assurance as to the amount of proceeds that will be received by the Fund in connection with the Rights Offering and no guarantee that sufficient funds will be raised to enable the Fund to successfully obtain extensions or refinancing of coming loan maturities. Should the Fund be unsuccessful in raising sufficient funds, it may be necessary to sell properties to repay the amounts due.

FAILURE TO REFINANCE INDEBTEDNESS

The approximate principal amount of the Fund's debt that will mature in the next three years is as follows: 1994 - \$28,300,000; 1995 - \$9,250,000; and 1996 - \$11,200,000. Management of the Fund intends to negotiate refinancing or obtain extensions of such debt. However, if such efforts are unsuccessful, the Fund may not be able to pay the amount due upon maturity, possibly resulting in foreclosure on the properties securing such debt. Repayment of maturing debt is expected to be made from cash provided by operating activities, extension of loan maturities, refinancing of existing indebtedness or sale of properties. The Fund has no present intention to sell properties except for immediate cash requirements, portfolio management or other market considerations. See, "Description of Properties", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Investment in Real Estate and Policies with Respect to Certain Activities". No current negotiation of an extension of a loan maturity is contingent upon any minimum proceeds from the rights offering. See "Use of Proceeds."

ADVERSE MARKET CONDITIONS AFFECTING REAL ESTATE VALUES

Investment in real estate is subject to varying degrees of risk. Real estate values are affected by changes in the general economic climate, local conditions such as an oversupply of space or a reduction in demand for real estate in the area, the attractiveness of the properties to tenants, competition from other available space, the ability of the owner to provide adequate maintenance, and increased operating costs. Real estate values are also affected by such factors as government regulations and changes in real estate zoning or tax laws, interest rate levels, the availability of financing, and potential liability under environmental or other laws. The decline in demand for commercial rental space in the past few years has resulted in a decline in rental rates for the Fund's vacant and renewing space, particularly in the Houston, Oklahoma City, Southern California and Portland markets in which the Fund has properties. In addition, economic difficulties encountered by the Fund's tenants has resulted in lease terminations in some cases and rental concessions in others. If there is a further decline in the demand for rental space or the Fund's tenants experience further economic difficulties as a result of a downturn in the general economic climate, the Fund could experience further decreases in

rental revenues, possibly resulting in greater net losses to the Fund.

POSSIBLE FAILURE TO COMPLETE REDEVELOPMENT OF THE MULTNOMAH BUILDING

The Multnomah Building currently produces no revenue, having been vacated by the previous tenant at the expiration of its lease term in November 1991. Approximately 18% of total revenue for the Fund in 1991 was derived from the Multnomah Building. The Multnomah Building is expected to be redeveloped into a middle or mixed middle and low apartment building. While the Fund's management expects the real estate to become an earning asset within the next 36 to 48 months, no assurance can be given that the redevelopment will be successful. Although financing efforts have proceeded into the late stages, nonetheless that financing is not assured. The Fund could be negatively affected if (1) it is unable to finalize financing, (2) the project should suffer unforeseen cost overruns, (3) the rental market for apartments in Portland, Oregon suffers a decline, or (4) the Fund is required to cover certain indemnities relating to possible environmental, tax and other matters in connection with any co-investor who may provide the necessary equity capital for the project.

The Fund proposes to contribute the Multnomah Building to a joint venture consisting of a development partnership and an equity partner that would develop the property, provided that a HUD loan guarantee and approximately \$4 million of equity capital can be obtained for financing of the project. The development partnership was formed between the Fund and Dunson Cornerstone, Inc., an affiliate of a Seattle-based development company. However, certain performance conditions were not met by the developer, resulting in a termination of the partnership. Negotiations are currently taking place for a modified extension of time to meet such conditions. The Fund also is considering other potential candidates as a replacement for the existing developer. Although no equity partner has agreed to fund the \$4 million of equity capital on terms that are satisfactory, negotiations have taken place with a potential equity partner to complete the joint venture. Such negotiations will continue when either the extension referred to above is agreed upon or a replacement for the developer is found.

The application for the HUD loan guarantee was accepted by HUD on January 15, 1993. Since that time, architectural, environmental and economic reviews have been completed as well as a construction cost analysis and project appraisal. The final step in the HUD processing is the final mortgage credit review which is proceeding at the same time as negotiations with the potential equity partner in the joint venture. Exclusive of the Fund's contribution of the real property and the cost of renovation of the adjacent Imperial Garage, the total development cost for the 283-apartment project is estimated to be \$18 million, to be funded by the HUD guaranteed loan and the equity capital to be provided by an equity partner. The renovation of the Imperial Garage is essential to the redevelopment of the Multnomah Building. The development partnership is pursuing financing for the renovation of the Imperial Garage and expects to obtain such financing at such time as to enable the partnership to complete such renovation concurrently with the completion of the redevelopment of the Multnomah building. However, no assurance can be given that such financing will be obtained.

No significant development work has commenced on the Multnomah Building. However, a building permit based upon a full set of approved plans was issued by the City of Portland on December 29, 1993.

The Fund has invested approximately \$1,000,000 in predevelopment expenditures for this project. The bulk of the expenditures has been for architecture and engineering costs. If construction commences in the first quarter of 1994, the project is expected to be placed into service in early 1995 and substantially leased by 1996. There is no assurance that this schedule can be met. If the development does not proceed, the Fund may not recover its predevelopment expenditures.

As of December 31, 1993, the Fund will reduce the carrying value of the Multnomah Building by making a \$4.0 million provision for loss in order to reflect revisions in the development prospects for the building. See "Investment in Real Estate" and "Potential Factors Affecting Future Operating Results". In this regard, the Fund is also exploring other development opportunities for the property, including the sale of the property. The Fund is unable to predict the outcome of these discussions.

NO ASSURANCE THAT DIVIDENDS WILL BE RESUMED

The Fund suspended quarterly distributions in 1992. The resumption of dividends will depend on many factors including improvement in operating results, future liquidity, and available cash resources of the Fund. Improvement in operating results will depend substantially on revenue from the Fund's properties, including distributions from the development joint venture which is proposed for the Multnomah Building. There can be no assurance that the future operating results or the financial condition of the Fund will be adequate to allow the resumption of distributions to stockholders.

POSSIBLE DECLINE IN MARKET PRICE OF COMMON STOCK

There can be no assurance that the market price of the Common Stock will not decline following the closing of the Rights Offering, or that any subscribing stockholder will be able to sell shares purchased in the Rights Offering at a price equal to or greater than the Subscription Price.

LIMIT ON OWNERSHIP OF COMMON STOCK AND ANTI-TAKEOVER EFFECT THEREOF

In order to maintain its qualification as a REIT, not more than 50% in value of the outstanding shares of the Fund may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities). Ownership of more than 10% of the Common Stock by any single stockholder has been restricted for the purpose of maintaining the Fund's qualification as a REIT. No Stockholder may transfer such Stockholder's Common Stock to another person if as a result of such transfer, the transferee would beneficially hold 10% or more of the outstanding voting securities of the Fund unless the Board (i) consents to such transfer (although such consent may be conditioned upon designating all or a portion of such Common Stock as non-voting), (ii) agrees to purchase such shares from the transferor for cash at the fair market value thereof or (iii) arranges for a third party to purchase such shares for cash at the fair market value thereof. If a person nonetheless becomes the holder of 10% or more of the voting power of the Fund without the Board's consent, such person may vote only the number of shares that is one less than the number that equals 10% of such outstanding voting power. Such 10% limit on ownership of the Fund's Common Stock could make tender offers more difficult and could prevent the assumption of control of a large block of stock by a single stockholder. See "Description of Securities" and "Income Tax Considerations".

FAILURE TO QUALIFY AS A REIT

Although the Fund intends to operate so as to qualify as a real estate investment trust ("REIT") under the Internal Revenue Code, if the Fund should fail to qualify as a REIT, it might be subject to taxation as a corporation. As a result, distributions to the stockholders would be subject to double taxation to the extent of current and accumulated earnings and profits of the Fund. Additionally, the Fund would not be able to requalify as a REIT for a minimum of five years. Loss of REIT status should not have a materially adverse tax effect on stockholders because the Fund has net operating loss carryforwards of approximately \$25 million, which should be sufficient to offset taxable income for such five year period. If the Fund has an "ownership change," however, the Fund's net operating loss carryforwards would be limited by Section 382 of the Internal Revenue Code. Section 382 generally provides that, if there is an ownership change, the amount of the net operating loss carryforward which may be used in any one taxable year would be equal to the product of the long-term tax exempt bond rate and the value of the Fund immediately prior to such change. An ownership change would occur if there is a more than 50% change in the stockholders of the Fund. The purchase of Common Stock in the Rights Offering will not cause an ownership change.

POTENTIAL ENVIRONMENTAL LIABILITY

The Fund has completed Phase I and, in several cases, Phase II environmental surveys of its properties concerning the presence of hazardous substances. Such inspection reports, however, do not necessarily reveal all hazardous substances or sources thereof, and substances not considered hazardous when a survey is conducted or when property is acquired may subsequently be classified as such by amendments to state and federal laws and regulations. The Fund could be required to remove such substances or sources, whether or not previously known. The Fund could also experience lost revenues during any such cleanup, or lower lease rates, decreased occupancy or difficulty selling the affected property either prior to or following any such cleanup. With the exception of the Multnomah Building, only minor amounts of any such materials have been located. Those materials representing a potential hazard, either now or in the future, have been or are being removed. Materials which do not represent such a hazard, i.e., floor tile, have not been removed but rather an abatement program has been implemented. The Multnomah Building has been found to contain asbestos. The clean-up for this project is estimated at between \$250,000 and \$750,000 which will be completed as part of the redevelopment of the property.

POTENTIAL LIABILITY UNDER AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act (the "ADA") generally requires that buildings be made accessible to people with disabilities. If certain uses by tenants of a building constitute a "public accommodation," the ADA imposes liability for non-compliance on both the tenant and the owner/operator of the building. The Fund is preparing to conduct inspections of each of its properties to determine whether the exterior and common area of such properties are in compliance with the ADA. If it is determined that one or more of the Fund's properties does not comply with the ADA, the Fund could be required to remove access barriers or to pay fines or damages related to such non-compliance. The Fund's leases generally provide that tenants are responsible for compliance with applicable laws relating to their use and occupancy of the leased premises, which might include responsibility for compliance with the ADA. If a lease had this type of provision and the tenant's failure to comply with the ADA resulted in liability to the Fund, the Fund might have the right to seek damages from the tenant.

USE OF PROCEEDS

The maximum net cash proceeds from this Offering, assuming the issuance and sale of 1,488,284 shares after deducting estimated expenses of \$285,000 would be approximately \$3,435,710. There is, however, no minimum number of shares to be sold in the Offering and therefore no minimum proceeds that must be raised before the use of such funds. The Fund intends to use the net proceeds of the Rights Offering first, to increase the cash reserves of the Fund in order to assist the Fund in negotiating refinancing or extension of terms of coming loan maturities. Increased cash reserves will improve the Fund's financial position, which management of the Fund believes will cause lenders to consider the Fund's refinancing and extension requests more favorably than they would given the Fund's current financial position. To the extent that the proceeds of the Rights Offering are deemed by the Board to exceed the amount necessary for the refinancing or extension of current borrowings, the Fund intends to use the proceeds for working capital, including acquisition of properties and/or repayment of debt. If the Fund raises substantially less than the maximum proceeds, it may be necessary to sell properties to repay the amounts due.

DETERMINATION OF SUBSCRIPTION PRICE

The Subscription Price was determined to meet the Fund's objective of maximizing the net proceeds of, and participation of stockholders in, the Rights Offering with the minimum dilution to nonparticipating stockholders. The Board has retained a financial advisor with whom matters relating to the Rights Offering have been reviewed. However, all decisions regarding the terms of the Rights Offering have been made exclusively by the Board.

DILUTION

To the extent a stockholder does not exercise such stockholder's Rights, such stockholder's percentage interest in the Fund's book value, earnings per share and voting power will be diluted. Additionally, current holders of Common Stock will suffer a dilution in the per share book value of the shares of Common Stock currently held by them as a result of the sale of shares of Common Stock at less than book value in the Rights Offering.

THE RIGHTS OFFERING

THE RIGHTS

The Fund is issuing to each holder of record of Common Stock on the Record Date one non-transferable Right for each four shares of Common Stock held by each such holder on such date. No fractional Rights or cash in lieu thereof will be issued or paid. The aggregate number of Rights issued by the Fund to each stockholder will be rounded down to the nearest whole number. The Rights will be evidenced by a Subscription Certificate. An aggregate of up to 1,488,284 Rights will be so distributed.

EXPIRATION DATE

The Rights will expire at 5:00 p.m., Eastern Standard Time, on March 22, 1994, subject to extension at the discretion of the Board (the "Expiration Date"). The Fund will not extend the Rights Offering beyond

5:00 p.m., Eastern Standard Time, on April 6, 1994. After the Expiration Date, unexercised Rights will be null and void. The Fund will not be obligated to honor any purported exercise of Rights received by the Subscription Agent after the Expiration Date, regardless of when the documents relating to that exercise were sent.

SUBSCRIPTION PRIVILEGES

Basic Subscription Privilege

Each Right will entitle the registered holder thereof (the "Holder") to purchase at the Subscription Price one share of Common Stock (each, an "Underlying Share"). Certificates or confirmations representing Underlying Shares purchased pursuant to the Basic Subscription Privilege will be delivered to subscribers as soon as practicable after receipt of all required documents and all payments for the subscribed Shares have been cleared. See "Delivery of Stock Certificates or Confirmations".

Oversubscription Privilege

Subject to the allocation described below, each Right also carries the right to subscribe, at the Subscription Price, for one share from the unsubscribed Underlying Shares (the "Excess Shares"). The "Underlying Shares" and "Excess Shares" are collectively, "Shares". Only Holders who exercise all their Rights pursuant to the Basic Subscription Privilege will be entitled to exercise the Oversubscription Privilege. The maximum number of Excess Shares for which a Holder may subscribe pursuant to the Oversubscription Privilege is the number which equals the number of Underlying Shares such Holder subscribed for pursuant to the Basic Subscription Privilege.

Excess Shares will be available for purchase pursuant to the Oversubscription Privilege only to the extent that subscriptions have not been received for all Underlying Shares through the Basic Subscription Privilege. If the Excess Shares are not sufficient to satisfy all subscriptions pursuant to the Oversubscription Privilege, the Excess Shares will be allocated pro rata (subject to the elimination of fractional shares) among Holders exercising the Oversubscription Privilege, in proportion, not to the number of Excess Shares subscribed for pursuant to the Oversubscription Privilege, but to the number of Underlying Shares each beneficial owner of Rights exercising the Oversubscription Privilege has purchased pursuant to the Basic Subscription Privilege; provided, however, that if such pro rata allocation results in any Holder being allocated a greater number of Excess Shares than those for which such Holder subscribed pursuant to the Oversubscription Privilege, then such Holder will be allocated only that number of Excess Shares for which such Holder oversubscribed. Certificates or confirmations representing Excess Shares purchased pursuant to the Oversubscription Privilege will be delivered to subscribers as soon as practicable after receipt of all required documents and all payments for the Subscribed Shares have cleared. See "Delivery of Stock Certificates or Confirmations".

As an illustration of the proration procedure, assume that there are 1000 Shares available for subscription, and that stockholders W, X, Y and Z have each exercised their Basic Subscription Privileges to purchase 180, 180, 210 and 30 shares of Common Stock, respectively; and stockholders A and B have not exercised their Basic Subscription Privilege to purchase any Underlying Shares, leaving a total of 400 Excess Shares. Assume further that only stockholders W, X and Y exercise their Oversubscription Privileges to purchase 180, 165 and 120 additional shares, respectively. The exercise of the Oversubscription Privilege by stockholders W, X and Y will be prorated because there are only 400 Excess Shares available for purchase pursuant to the Oversubscription Privilege and stockholders W, X and Y have exercised their Oversubscription Privileges to purchase 465 Excess Shares. Stockholders W and X initially will each receive 30% of the Excess Shares (120 shares) because they each exercised the Basic Subscription Privilege with respect to 180 Underlying Shares representing 30% of the aggregate Underlying Shares so purchased by all the stockholders exercising the Oversubscription Privilege (600 shares). Applying the same analysis, stockholder Y would initially be entitled to receive 35% of the Excess Shares (140 shares). Stockholder Y, however, will be entitled to receive only 120 Excess Shares, because stockholder Y has subscribed for only 120 Excess Shares pursuant to the Oversubscription Privilege. The remaining 40 Excess Shares will then be allocated to stockholders W and X. Each will receive 20 Excess Shares, which represents 50% of the unallocated Excess Shares, because each exercised the Basic Subscription Privilege to purchase 180 Excess Shares representing 50% of the aggregate shares so purchased by stockholders W and X. As a result, stockholder W would receive 140 of the 180 Excess Shares W requested pursuant to Oversubscription Privilege, stockholder X would receive 140 of the 165 Excess Shares X requested, and stockholder Y would receive all 120 of the

Excess Shares Y requested.

Banks, brokers and other nominee Holders who exercise the Basic Subscription Privilege and subscribe pursuant to the Oversubscription Privilege on behalf of beneficial owners of Rights will be required to certify to the Subscription Agent and the Fund, in connection with the subscription pursuant to the Oversubscription Privilege, as to the aggregate number of Rights that have been exercised and the number of Underlying Shares that are being subscribed pursuant to the Oversubscription Privilege by each beneficial owner of Rights on whose behalf such nominee Holder is acting.

SUBSCRIPTION PRICE

The Subscription Price is \$2.50 per Share. The Subscription Price is payable in cash by check, money order or wire transfer of funds, all as more completely set forth under "The Rights Offering-Payment for Shares."

EXERCISE OF RIGHTS

Each Holder may exercise such Holder's Rights by delivering to Registrar and Transfer Company, the Subscription Agent, on or prior to the Expiration Date, either (1) a properly completed and executed Subscription Certificate, together with payment for the Shares for which such Holder is subscribing pursuant to the Basic Subscription Privilege and the Oversubscription Privilege as described under "Payment for Shares," or (2) a properly completed and duly executed Letter of Guaranty and full payment of the Subscription Price for the Shares subscribed as described under "Payment for Shares", followed within five business days by a properly completed and executed Subscription Certificate.

PAYMENT FOR SHARES

Holders who exercise the Basic Subscription Privilege or the Oversubscription Privilege may choose between the following methods of payment ("Payment Method 1" and "Payment Method 2," respectively):

Payment Method 1. A stockholder can send the Subscription Certificate together with payment of the full Subscription Price for the Shares subscribed for by such stockholder pursuant to the Basic Subscription Privilege and the Oversubscription Privilege to the Subscription Agent. To be accepted, such payment, together with the executed Subscription Certificate, must be received by the Subscription Agent prior to 5:00 p.m., Eastern Standard Time, on the Expiration Date. The Subscription Agent will deposit all checks received by it prior to the final due date into a segregated interest bearing account (which interest will accrue to the benefit of the Fund).

Payment Method 2. Alternatively, a subscription will be accepted by the Subscription Agent if, prior to 5:00 p.m., Eastern Standard Time, on the Expiration Date, the Subscription Agent has received payment of the full Subscription Price for the Shares subscribed pursuant to the Basic Subscription Privilege and the Oversubscription Privilege and a Letter of Guaranty by facsimile (telecopy) or otherwise from a member of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc. (the "NASD"), a bank or a trust company with an office or a correspondent in the United States guaranteeing delivery of (i) a properly completed and duly executed Subscription Certificate within five business days after the Expiration Date and (ii) payment of the full Subscription Price for the Underlying Shares subscribed pursuant to the Basic Subscription Privilege and any Excess Shares subscribed pursuant to the Oversubscription Privilege by 5:00 p.m., Eastern Standard Time, by the tenth business day after the Confirmation Date. The Subscription Agent will not honor a Letter of Guaranty if a properly completed and executed Subscription Certificate is not received by the Subscription Agent by 5:00 p.m., Eastern Standard Time, by the fifth business day following the Expiration Date and full payment for Shares is not received by the Subscription Agent by 5:00 p.m., Eastern Standard Time, on the Expiration Date.

Payment for Shares subscribed may only be made (a) by personal or cashier's check or money order, payable to Registrar and Transfer Company, as Subscription Agent or (b) by wire transfer of funds to the account maintained by the Subscription Agent for the purpose of accepting subscriptions at National Westminster Bank, NJ, ABA No. 021200339, Account No. 8117021999. If payment is sent by wire transfer of funds, the wire instructions should reference the "Landsing Rights Offering" and should state the number of Shares subscribed. Payment will be deemed to have been received by the Subscription Agent only upon (i) clearance of any uncertified check, (ii) receipt by the Subscription Agent of any certified check or cashier's check or of any postal, telegraphic or express money order or (iii) receipt of collected funds in the Subscription Agent's account designated above. If paying by uncertified personal check, please note that the funds paid thereby may take at least five (5) business days to clear. Accordingly, Holders who wish to pay the Subscription Price by means of uncertified personal check are urged to make payment sufficiently in advance of the date such payment is due to ensure that such payment is received and clears by such time and are urged to consider in the alternative payment by means of certified or cashier's check, money order or wire transfer of funds. All funds received in payment of the Subscription Price shall be held by the Subscription Agent and invested at the direction of the Fund in short-term certificates of deposit, short-term obligations of the United States, any state or agency thereof, or money market mutual funds investing in the foregoing instruments. Earnings on such funds will be retained by the Fund whether or not the Rights Offering is consummated.

If a Holder exercises such Holder's Rights using and the aggregate Subscription Price paid by such Holder is insufficient to purchase the number of Shares for which such Holder has indicated a desire to subscribe, such Holder will be deemed to have subscribed for the maximum number of Shares for which such Holder has paid, first, pursuant to the Basic Subscription Privilege and second, pursuant to the Oversubscription Privilege. If an exercising Holder does not specify the number of Shares to be purchased, then the Holder will be deemed to have exercised, first, the Basic Subscription Privilege and, second, the Oversubscription Privilege to the full extent of the Payment tendered. If the aggregate Subscription Price paid by an exercising Holder exceeds the amount necessary to purchase the number of Shares for which the Holder has indicated an intention to subscribe, then the Holder will be deemed to have exercised first, the Basic Subscription Privilege (if not already fully exercised) and second, the Oversubscription Privilege to the lesser of the full extent of the excess payment tendered or the full extent to which such Holder is entitled to exercise the Oversubscription Privilege. Such excess payment will be held in a segregated account pending issuance of the Excess Shares for which such Holder is deemed to have subscribed. Any portion of such excess payment that exceeds the Subscription Price of the maximum number of Shares for which such Holder is entitled to subscribe will promptly be returned to such Holder.

DELIVERY OF STOCK CERTIFICATES OR CONFIRMATIONS

Holders whose shares of Common Stock are held of record by DTC or by any other depository or nominee on their behalf or their broker-dealers' behalf will have their Shares acquired pursuant to the Basic Subscription Privilege and pursuant to the Oversubscription Privilege credited to the account of DTC or such other depository or nominee. All Holders whose Common Stock is currently held in certificate form will receive certificates for all Shares acquired pursuant to the Basic Subscription Privilege and pursuant to the Oversubscription Privilege. All Holders whose Common Stock is currently represented by an entry on the records of the Company and its transfer agent, will receive a confirmation stating the number of Shares credited to their accounts pursuant to their exercise of the Basic Subscription Privilege and the Oversubscription Privilege. Such certificates or confirmations will be mailed as soon as practicable after receipt of all required documents and all payments for the subscribed Shares have cleared. Shares purchased by each participant in the Fund's Dividend Reinvestment Plan (the "Plan") upon the exercise of the Rights accruing to the Common Stock held in the Plan by such participant will be credited to his or her Plan account unless the participant requests that certificates for such Shares be sent directly to him or her as provided in the Instructions for Completion of Subscription Certificate accompanying this Prospectus. See "Dividend Reinvestment Plan".

Record holders of Common Stock such as brokers, trustees or depositaries for securities, who hold shares for the account of others, should

contact the respective beneficial owners of such shares as soon as possible to ascertain the beneficial owners' intentions and to obtain instructions with respect to the Rights. If a beneficial owner so instructs, the record owner of Common Stock should complete a Subscription Certificate for the beneficial owner and submit it to the Subscription Agent with the proper payment. Additionally, beneficial owners of Common Stock or Rights held through such a nominee Holder should contact the nominee Holder and request the nominee Holder to effect transactions in accordance with the beneficial owner's instructions.

The Instructions accompanying the Subscription Certificate should be read carefully and followed in detail. THE SUBSCRIPTION CERTIFICATE SHOULD BE SENT WITH PAYMENT TO THE SUBSCRIPTION AGENT. DO NOT SEND THE SUBSCRIPTION CERTIFICATE TO THE FUND.

THE METHOD OF DELIVERY OF THE SUBSCRIPTION CERTIFICATE AND PAYMENT OF THE SUBSCRIPTION PRICE TO THE SUBSCRIPTION AGENT WILL BE AT THE ELECTION AND RISK OF HOLDERS. IF SENT BY MAIL, HOLDERS ARE URGED TO ALLOW A SUFFICIENT NUMBER OF DAYS TO ENSURE DELIVERY TO THE SUBSCRIPTION AGENT AND CLEARANCE OF PAYMENT PRIOR TO THE EXPIRATION DATE. BECAUSE UNCERTIFIED PERSONAL CHECKS MAY TAKE AT LEAST FIVE BUSINESS DAYS TO CLEAR, HOLDERS ARE STRONGLY URGED TO PAY, OR ARRANGE FOR PAYMENT, BY MEANS OF CERTIFIED OR CASHIER'S CHECK, MONEY ORDER OR WIRE TRANSFER OF FUNDS.

All questions concerning the timeliness, validity, form and eligibility of any exercise of Rights will be determined by the Fund, whose determinations will be final and binding. The Fund, in its sole discretion, may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such time as it may determine, or reject the purported exercise of any Right. The Subscription Certificate will not be deemed to have been received or accepted until all irregularities have been waived or cured within such time as the Fund determines in its sole discretion. Neither the Fund nor the Subscription Agent will be under any duty to give notification of any defect or irregularity in connection with the submission of the Subscription Certificate or incur any liability for failure to give such notification.

Any questions or requests for assistance concerning the method of exercising Rights or requests for additional copies of this Prospectus, the Instructions or a Letter of Guaranty, should be directed to Dean Banks, Chief Financial Officer and Secretary, Landsing Pacific Fund, 155 Bovet Road, Suite 101, San Mateo, California 94402, (415) 513-5252.

DIVIDEND REINVESTMENT PLAN

For the purpose of the Rights Offering, the Board has suspended operation of its Dividend Reinvestment Plan (the "Plan"). Therefore, each participant in the Plan will receive directly from the Subscription Agent one Right for each four shares of Common Stock held by Registrar and Transfer Company for the account of such participant--the same ratio as for the Rights Offering in general. Such participant will also be subject to the same terms and conditions with respect to the Oversubscription Privilege as are applicable to other holders of Rights generally. Participants in the Plan will also exercise their Rights in the same manner as all other stockholders and as described under the caption "The Rights Offering -- Exercise of Rights". Shares purchased upon the exercise of Rights by each participant in the Dividend Reinvestment Plan will be credited to such participant's Dividend Reinvestment Plan account unless such participant requests that the certificate for such Shares be sent directly to him or her as provided in the Instructions for Completion of Subscription Certificate accompanying this Prospectus. See "Delivery of Stock Certificates or Confirmations".

FOREIGN STOCKHOLDERS

Due to the requirements and restrictions of securities laws of foreign countries, a Subscription Certificate will not be mailed to record owners of Common Stock whose addresses are outside of the United States, or who have an APO or FPO address, but will be held by the Subscription Agent for such holders' account until the Subscription Agent receives instructions to exercise the Rights and funds sufficient for such exercise or a Letter of Guaranty in the manner described under the caption "The Rights Offering -- Payment for Shares". With respect to any foreign Holder, if no such instructions are received at or prior to 5:00 p.m. Eastern Standard time, on the Expiration Date, such Holder's rights will expire.

NO REVOCATION

ONCE A HOLDER HAS PROPERLY EXERCISED THE BASIC SUBSCRIPTION PRIVILEGE AND/OR THE OVERSUBSCRIPTION PRIVILEGE, SUCH EXERCISE MAY NOT BE

REVOKED.

SUBSCRIPTION AGENT

The Fund has appointed Registrar and Transfer Company as Subscription Agent for the Rights Offering. The Subscription Agent's address, which is the address to which the Subscription Certificate and payment of the Subscription Price should be delivered, as well as the address to which a Letter of Guaranty must be delivered, is:

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

If payment of the Subscription Price is to be made by wire transfer it should be sent pursuant to the instructions below. The wire instructions should also reference the "Landsing Rights Offering" and should state the number of Shares subscribed.

Bank: National Westminster Bank NJ

For the account of: Registrar and Transfer Company

Bank Account No.: 8117021999

ABA Account No.: 021200339

The Subscription Agent's telephone number is 908-272-8511.

The Fund will pay the fees and expenses of the Subscription Agent, and has also agreed to indemnify the Subscription Agent from certain liabilities which it may incur in connection with the Rights Offering.

INFORMATION

Any questions or requests for additional copies of this Prospectus, the Instructions, or the Letter of Guaranty may be directed to Dean Banks, Chief Financial Officer and Secretary, Landsing Pacific Fund, Inc. at the address and telephone number below:

155 Bovet Road, Suite 101
San Mateo, California 94402
(415) 513-5252

NO BOARD RECOMMENDATION

Each stockholder must make his or her own decision as to whether to participate in the Rights Offering. Accordingly, the Board does not make any recommendation to stockholders of the Fund regarding exercise of their Rights. However, the directors of the Fund, all of whom are stockholders, have indicated their intent to subscribe for Common Stock pursuant to the Basic Subscription Privilege. The total number of shares of Common Stock for which directors have indicated they will exercise the Basic Subscription Privilege is 48,975. However, none of the directors has determined whether he will exercise the Oversubscription Privilege.

PLAN OF DISTRIBUTION

The Rights and Shares offered hereby are being offered by the Fund directly to holders of Common Stock. The Fund has not employed any brokers, dealers, or underwriters in connection with the solicitation of stockholders to exercise Rights in the Rights Offering and no underwriting commissions, fees or discounts will be paid in connection with the Rights Offering. Certain employees of the Fund may respond to requests for information about the Rights Offering from the Fund stockholders and from Rights holders, but such employees will not receive any commissions or compensation for such services other than their normal employment compensation. No directors or employees of the Fund will solicit sales of the Shares or the Rights.

The Fund will pay the fees and expenses of Registrar and Transfer Company, as Subscription Agent, and has agreed to indemnify the Subscription Agent from certain liabilities which it may incur in connection with the Rights Offering.

SELECTED FINANCIAL DATA

The following table sets forth selected financial and operating information on both a pro forma and historical basis for the Fund. The following information should be read in conjunction with the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein and the historical and pro forma financial statements and notes thereto included herein.

The unaudited selected pro forma operating results for the year ended December 31, 1992, and the nine months ended September 30, 1993, are presented as if a \$23,100,000 reduction in the carrying value of certain assets, which will be made as of December 31, 1993, had occurred as of January 1, 1992 and January 1, 1993, respectively. The unaudited selected pro forma balance sheet as of September 30, 1993, is presented as if the \$23,100,000 reduction in carrying values had occurred at September 30, 1993.

	Nine Months								
	Years Ended December 31,						Ended September 30,		
	Historical			Pro Forma			Historical		Pro Forma
	1988	1989	1990	1991	1992	1992	1992	1993	1993
(Amounts in thousands, except per share amounts)									
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	\$15,551	\$15,662	\$16,406	\$16,910	\$13,565	\$13,565	\$10,179	\$10,854	\$10,854
Income (loss) before gain or loss on sale of real estate	\$(1,334)	\$86	\$(12,545)	\$(2,845)	\$(12,249)	\$(35,349)	\$(7,066)	\$(3,204)	\$(26,304)
Gain (loss) on sale of real estate	(834)	--	(151)	--	392	392	385	--	--
Net income (loss)	\$(2,168)	\$86	\$(12,696)	\$(2,845)	\$(11,857)	\$(34,957)	\$(6,681)	\$(3,204)	\$(26,304)
Per share:									
Net income (loss)	\$(.35)	\$.01	\$(2.08)	\$(.46)	\$(1.89)	\$(5.58)	\$(1.06)	\$(.53)	\$(4.38)
Distributions declared	\$.77	\$.80	\$.80	\$.64	\$.24	\$.24	\$.24	\$ -	\$ -
Other Data									
Funds from operations ¹	\$2,213	\$4,540	\$1,724	\$2,381	\$(376)	\$(376)	\$(669)	\$1,649	\$1,649

</TABLE>

<TABLE>
Balance Sheet Data
<CAPTION>

	Years Ended December 31,						Nine Months Ended September 30,		
	Historical			Pro Forma			Historical		Pro Forma
	1988	1989	1990	1991	1992	1992	1992	1993	1993
	-----	-----	-----	-----	-----	-----	-----	-----	-----
(Amounts in thousands, except per share amounts)									
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Total Assets	\$142,405	\$141,470	\$134,532	\$136,998	\$124,455	\$129,223	\$125,400	\$102,300	\$102,300
Notes payable	\$ 27,824	\$ 33,427	\$ 43,162	\$ 53,309	\$ 53,757	\$ 52,939	\$ 58,168	\$ 58,168	\$ 58,168
Shareholders' equity	\$111,922	\$106,081	\$ 89,119	\$ 81,336	\$ 68,103	\$ 73,280	\$ 64,918	\$ 41,818	\$ 41,818

<FN>

1 Funds from operations means net income (loss), excluding gain (loss) on the sale of real estate and provisions for losses, plus depreciation and amortization. Funds from operations should not be considered an alternative to net income as an indicator of the Fund's operating performance or to cash flows as a measure of liquidity. However, the

Fund believes that analysts of real estate investment trusts consider funds from operations to be useful in comparing results in the industry.

</TABLE>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

In June 1992, the Fund suspended its distributions to shareholders primarily due to decreasing revenue from certain properties and the removal of the Multnomah Building as a fully earning asset because of the expiration of the lease for substantially all of the building in November 1991. Improvement in operating results will depend in large part on improvement in the rental revenue at the Fund's properties, which will require future capital expenditures for tenant and building improvements.

The Fund proposes to contribute the Multnomah Building to a joint venture that would develop the property, provided that a HUD loan guarantee and \$4 million of equity capital can be obtained from an equity partner for financing of the project. Exclusive of the Fund's contribution of the real property and the cost of renovation of the adjacent Imperial Garage, the total development cost for the 283-unit apartment project is estimated to be \$18 million, to be funded by the HUD guaranteed loan and the equity capital which is being sought from such partner. The development would include removal of asbestos in the building at an estimated cost of between \$250,000 and \$750,000. If construction commences in the first quarter of 1994, the project is expected to be placed into service in early 1995 and substantially leased by 1996. If the development does not proceed, the Fund will reevaluate the use of the property, including potential sale, although the Fund reserves the right to review sales proposals it may receive at any time.

During the nine months ended September 30, 1993, the Fund drew down approximately \$4,000,000 remaining under its lines of credit in order to fund capital expenditures and deferred expenses incurred in connection with leasing activities and to increase cash reserves. In addition, the Fund received the proceeds of a \$1,229,000 loan on the 6900 Place property in Oklahoma City, Oklahoma. At September 30, 1993, the Fund's unrestricted cash and cash equivalents were approximately \$2,700,000. In addition, up to \$1,031,000 was available under a construction loan to fund certain improvements at Country Hills Towne Center. Current projections are that capital expenditures for tenant and building improvements as well as additional development costs will be approximately \$1,100,000 during the last three months of 1993. The principal sources of liquidity for these requirements are current cash reserves, proceeds from construction financing, and the refinancing of existing indebtedness.

At September 30, 1993, the Fund had borrowings of \$11,154,000 that had maturity dates prior to December 31, 1993. Included is a line of credit for \$10,000,000, the maturity date of which has been extended from November 30, 1993 to February 28, 1994. The line bears interest at the lender's prime rate plus 1.25%, is used for working capital. The full amount of such line is currently outstanding. Since May 31, 1993, the line has been extended for successive three month periods. In addition, the maturity of a \$1,154,000 term loan was extended to May 27, 1994. As of September 30, 1993, the principal amount of the Fund's debt that was scheduled to mature in the next three years is as follows: 1994 - \$17,000,000; 1995 - \$9,250,000; 1996 - \$11,200,000. After the extension of the line of credit and the term loan, the principal amount of the Fund's debt at September 30, 1993 that is scheduled to mature in 1994 was \$28,100,000.

Discussions have been held with lenders, from which the Fund is not a borrower, regarding a potential new loan on certain of the Fund's properties located in South San Francisco, California. The proceeds of the new loan would be used to retire a significant portion of the Fund's borrowings under its \$10 million line of credit and a significant portion of a four-year term loan that was converted from a line of credit during 1992. As presently contemplated, the new loan, if obtained, would be for a term between 5 and 10 years with monthly payments of interest and principal amortizing over 20 to 25 years and with a fixed or variable interest rate.

Repayment of maturing debt and long-term liquidity is expected to be provided by cash from operating activities, extension of loan maturities, and refinancing of existing indebtedness. In addition, the Fund could elect to sell one or more properties or seek to sell common shares as a potential means of meeting cash requirements. It is anticipated that the Fund will utilize increased borrowings as a source of cash provided by financing activities in the near-term. Because the Fund already has a significant amount of debt, increased borrowings will be a limited source of additional liquidity in the long-term. In addition, the Fund's recent net losses and suspension of

distributions currently limits its ability to access traditional sources of equity capital. If the Fund is unable to obtain extension of the loan maturities and the refinancing of existing indebtedness discussed above, it may be necessary to liquidate a significant portion of its portfolio to repay indebtedness.

On June 1, 1993, the Fund converted its \$2,000,000 line of credit to a three-year term loan which is collateralized by the BancFirst Building in Oklahoma City, Oklahoma. The loan requires monthly interest and principal payments of \$16,112, bears interest at the prime rate plus 1.50%, and matures on July 1, 1996.

ANALYSIS OF CASH FLOWS

During 1992, the Fund generated \$1,453,000 in Net Cash Provided by Operating Activities as presented in the accompanying Statements of Cash Flows. However, this amount included the return of certain loan and other deposits of approximately \$1 million as well as an increase in accounts payable of approximately \$500,000, which are elements of cash provided by operating activities that are not expected to be an ongoing source of liquidity. Partially as a result of distributions of \$1,347,000 to shareholders, Cash Flows from Financing Activities, as presented in the accompanying Statements of Cash Flows, were reduced in 1992. Such distributions were suspended as a means to improve liquidity.

As a result of increased leasing activity during 1992 and in the first nine months of 1993, it is expected that increased rental income will have a favorable affect on the Fund's 1993 and 1994 Net Cash Provided by Operating Activities. The Fund's operating properties were 91% leased at September 30, 1993, and 89% leased at December 31, 1992, as compared with 83% leased at December 31, 1991.

Also as a result of increased leasing activity, significant cash was invested in 1992 and the first nine months of 1993 in tenant and building improvements. In 1992, capital expenditures and construction costs were \$4,973,000 compared to \$3,410,000 in 1991. Such increase was the result of increased leasing activity and predevelopment expenditures at the Multnomah Building and development costs at Country Hills Towne Center. Capital expenditures are expected to continue to be significant, since the Fund is committed to meet the competition it faces in leasing rentable space. However, the level of expenditures as compared with 1992 and 1993 is expected to decrease in years after 1994, since the annual rate of lease expirations is projected to decrease. The amount of funds required for development projects is expected to decline in years after 1993, since the Fund's two development projects, the Multnomah Building and Country Hills Towne Center, will either be substantially completed or no longer require capital expenditures. Future capital expenditures for tenant and building improvements are expected to be funded by Cash Provided by Operating Activities.

RESULTS OF OPERATIONS

OPERATING TRENDS

Substantially all of the Fund's investments are in rental properties. The Fund has investments in three specific property types: industrial - representing 61% of rentable square footage of the portfolio, retail - representing 24% of rentable square footage of the portfolio, and office - representing 15% of rentable square footage of the portfolio. The table below presents occupancy rates at the end of each of the past three years and at September 30, 1993, for each of the three specific property types in which the Fund has investments:

Date -----	Occupancy Rate -----		
	Industrial -----	Retail -----	Office -----
December 31, 1990	91%	86%	87%
December 31, 1991	84%	76%	76%
December 31, 1992	91%	87%	82%
September 30, 1993	94%	86%	85%

The primary reasons for the occupancy trends were the same for each property type. During 1991, the impact of the economic recession was reflected in a significant increase in tenant failures. Aggressive leasing activity since 1991 has resulted in improved occupancy. The percentage of industrial and retail space leased at September 30, 1993 is equal to or greater than the percentage of space leased at the end of 1990. The overall trend in the past three years for each of the Fund's property types is as follows:

Industrial - Demand for the Fund's industrial space has been relatively constant with generally stable occupancy rates over the past three years. However, rental rates have declined as leases have expired and releasing has been at lower rates reflecting the competition for space.

Retail - The demand for retail space has declined with the slowdown

in economic growth. This has the effect of reducing rental rates in order to maintain an occupancy rates over the past three years.

Office - The decline in the occupancy rate since 1990 for the Fund's office properties reflects the inclusion of the Multnomah Building at 100% in the 1990 occupancy rate. At the end of 1991, the Building was vacant and in the initial stages of redevelopment as an apartment building. The occupancy rate at the end of 1990 for office buildings excluding the Multnomah Building was 76%.

Management believes that the geographic market in which a property is located has been a critical factor in determining operating results. The trend in the Fund's occupancy has been favorable in Northern California, and both occupancy and rental rates have been favorable in Colorado and Idaho, reflecting the relative strength of those economies. In Minnesota, the market has been stable with occupancy rates of 90%, but at highly competitive rental rates due to weak demand. The competition for rental space is intense in Oklahoma and Southern California resulting in occupancy and rental rates below the portfolio average and reflecting the weakness in the economies in those markets. In the Houston and Portland markets, an oversupply of retail and industrial properties, respectively, has resulted in intense price competition in order to maintain occupancy levels.

NINE MONTHS ENDED SEPTEMBER 30, 1993 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1992

Rental revenues increased 8% in 1993 as compared with 1992, primarily due to higher average occupancy rates. The Fund's occupancy rate increased from 86% at September 30, 1992, to 91% at September 30, 1993. In addition, the Fund recognized increased revenue from acceleration of rental payments by certain tenants in connection with early termination of their leases. However, the Fund has been forced to reduce rental rates in many cases in order to maintain occupancy rates. Therefore, continued high occupancy rates may not necessarily result in increased revenue in the future. The 1992 revenues included approximately \$350,000 from Lakeridge Business Park which was sold in June of that year.

Other income decreased 52% in 1993 due to the non-accrual of interest income on the mortgage loan collateralized by land in Sonoma, California, beginning April 1, 1992.

Other expenses in the nine months ended September 30, 1993 and 1992 consisted primarily of litigation costs associated with legal proceedings in which the Fund was engaged or had agreed to settle. The \$1.5 million decrease in these costs in 1993 resulted from a reduction in the number of matters in dispute. Management does not expect the Fund to incur any significant litigation costs in 1993 or 1994.

During the nine months ended September 30, 1993, the borrower for the mortgage loan collateralized by the land in Sonoma, California filed for bankruptcy protection, causing a delay in realizing the expected value of the collateral. Principally as a result of the delay, the Fund made a provision for additional loss of \$554,000. During 1992, the Fund made a provision of \$2,330,000 for loss on the second mortgage loan secured by a shopping center in Alameda, California, because of the foreclosure actions taken by the first mortgage holder.

Subsequent to September 30, 1993, the Fund entered into a contract to sell the Twin Oaks Executive Center in Beaverton, Oregon. On September 30, 1993, the Fund recorded a \$400,000 provision for loss and reduced the carrying value of the property to the estimated net proceeds of the proposed sale.

On June 29, 1992, the Fund sold Lakeridge Business Park and recognized a gain of \$385,000 in the nine months ended September 30, 1992. There were no sales of real estate in the first nine months of 1993.

YEAR ENDED DECEMBER 31, 1992 COMPARED TO YEAR ENDED DECEMBER 31, 1991

Total revenue decreased by 20% in 1992 as compared with 1991. Such decrease was primarily due to a 17% decrease in rental income resulting from the expiration of the lease on the Multnomah Building in November 1991. In 1991, the Fund recorded approximately \$3.0 million of revenue from the property, or approximately 18% of rental income for that fiscal year. During 1992, the property generated no revenue as it was in the initial stage of redevelopment.

Interest from participating mortgage loans decreased by 84% in 1992 due to the non-accrual of interest income on the Fund's first participating mortgage loan collateralized by land in Sonoma, California.

Other revenue decreased by 69% in 1992 primarily because of a decrease in interest income recorded on notes receivable from officers. Such notes were given by officers of the Fund in exchange for shares of common stock issued to them. Two of such notes in the principal amount of

approximately \$1.7 million were cancelled and 225,000 shares of Common Stock acquired in 1990 and 1991 were returned to the Fund arising from the termination of the Fund's former chief executive officer. See "Certain Relationships and Related Transactions."

Total expenses increased by 15% in 1992, largely because of a \$3.3 million provision for participating loan losses and a \$3 million provision for loss in value of investments in real estate. The provision for loan losses resulted from financial problems encountered in 1992 by borrowers from the Fund on its two participating mortgage loans and the foreclosure action taken by the first mortgage lender on one of the loans. The provision for loss was \$106,000 and \$243,000 in 1991 and 1990, respectively.

Based on an evaluation of the amount which can potentially be realized by the Fund from the development of the Multnomah Building, the carrying value of that investment was reduced by a \$3.0 million provision for loss as of December 31, 1992. No provision for loss in value was recorded in 1991.

Operating expense decreased 12% in 1992 primarily because the Multnomah Building was removed from service. The property's operating expenses in 1991 were approximately \$1.1 million.

Most of the 6% increase in depreciation and amortization expense in 1992 was due to the previous completion of additional rentable square footage at the Country Hills Towne Center development and the commencement of depreciation on those improvements in 1992.

Interest expense decreased by 9% in 1992, primarily as a result of a reduction in the average interest rate on borrowings from 9.1% to 8.4% and the capitalization of interest resulting from the Multnomah Building development. The decrease was offset in part by interest on approximately \$6.9 million of increased weighted average borrowings in 1992.

General and administrative expense increased 16% in 1992, primarily due to increased franchise taxes, directors and officers' insurance, and consulting fees.

Other expense in 1992 was comprised primarily of costs associated with litigation in which the Fund is engaged or has agreed to settlement. The increase in 1992 costs resulted from management's initiative to accelerate the completion of litigation and reduce the number of matters in dispute.

On June 29, 1992, the Fund sold the Lakeridge Business Park property in Redmond, Washington, and realized a gain on the sale of \$392,000. One property was sold in 1991 which resulted in no gain or loss to the Fund.

The factors described above caused the Fund's net loss to increase from \$2.8 million in 1991 to \$11.8 million in 1992.

YEAR ENDED DECEMBER 31, 1991 COMPARED TO YEAR ENDED DECEMBER 31, 1990

Rental revenue increased 3% in 1991 as compared with 1990, primarily due to increases in gross rent at the Country Hills Towne Center, following the leasing of new rentable space, and at the Multnomah Building, where the major tenant's lease was extended for one year to November 1991 at a higher rental rate.

In 1991, interest from participating mortgage loans decreased 40% due to the non-accrual of interest income on the Fund's participating mortgage loan secured by Neptune Plaza shopping center in Alameda, California, beginning October 1, 1990. Such loan has been in default since September 1990.

Other income increased 47% in 1991 primarily because of an increase in interest income on notes receivable from officers. In 1991, notes receivable in the approximate principal amount of \$1.5 million were recorded in payment for 225,000 shares of common stock acquired by officers of the Fund.

Operating expenses increased 6% in 1991. One component of the increase was that the cost of utilities went up 17%. A significant part of this increase was attributable to the 101 Park and BancFirst Buildings in Oklahoma City. Property taxes increased 7% largely because of property tax increases at Country Hills Towne Center due to the added value resulting from construction and property tax reassessments. These increases were offset by a 9% reduction in maintenance and repairs expense.

Interest expense increased 7% in 1991 primarily because of additional amounts borrowed on the Fund's lines of credit and increases in new financings for acquisitions and capital improvements. These increases were partially offset by a reduction in the average interest rate to 9.1% in 1991 from 11% in 1990.

General and administrative expenses decreased 12% in 1991, primarily because of the termination of the investment management services that were provided under the Fund's advisory agreement with its former investment manager prior to March 1, 1990 and the Fund's becoming self-administered after that date.

Depreciation and amortization expense increased 4% in 1991 due to capital improvements at 101 Park Avenue and 6900 Place completed in 1990, as well as normal tenant improvements and additions to the Fund's computer system.

Other expense decreased by \$656,000 in 1991. These costs were comprised of the environmental cleanup at Auburn Court caused by a defaulting tenant, the cancelled acquisition of three public partnerships and legal expenses. The net cost to the Fund of the environmental clean-up was \$270,000. The cost to the Fund for pursuing the acquisition of the public partnerships was \$390,000.

In 1991 there was no provision for loss in value of investments in real estate, while a \$9.3 million provision was made in 1990 for the Multnomah Building and the 101 Park and BancFirst Building in Oklahoma City.

As a result of the factors discussed above, the Fund reduced its net loss from \$12.7 million in 1990 to \$2.8 million in 1991.

POTENTIAL FACTORS AFFECTING FUTURE OPERATING RESULTS

The Fund has recorded net losses in each of the last three years. Despite the increase in operating results from improved leasing and lower nonrecurring costs, it is unlikely that the Fund will record net income within the next three years. However, the Fund expects increasing levels of cash provided by operating activities and Funds from Operations (see definition on page 17).

The primary factor which will affect the Fund's operating results in the near-term are the demand for rental space in the markets in which its properties are located and the financial condition of the Fund's tenants. The decline in demand for commercial rental space in the past few years has resulted in a decline in rental rates for vacant and renewing space. In addition, economic difficulties encountered by tenants has resulted in lease terminations in some cases and rental concessions in others.

One measure of the Fund's commitment to meet the intense competition to lease space is the overall physical occupancy rate. As discussed above, the weighted average occupancy rate has increased from 83% at December 31, 1991 to 89% at December 31, 1992 and 91% at September 30, 1993.

The ability of the Fund to obtain financing for capital improvements and working capital at reasonable interest rates will also affect future performance. It is management's intention, when possible, to convert lines of credit and other variable rate debt to intermediate term financing with fixed rates.

In the longer term, the completion of development of the remaining outparcels at Country Hills Towne Center and the potential completion of redevelopment of the Multnomah Building could have a favorable impact on rental operating results.

The Fund will continue to evaluate each of its real estate investments and each of the markets in which those investments are located in order to determine if they meet the long-range objectives of the Fund. If the Fund determines to no longer hold an investment on a long-term basis and the current market value of that investment is less than its net book value, a loss would be recognized at the time such a determination is made. In this regard, in October 1993, the Fund entered into a contract for sale of the Twin Oaks Executive Center, which was completed on January 24, 1994. A provision for the loss of approximately \$400,000 on the sale of the property was recognized as of September 30, 1993. Furthermore, as a result of an unsolicited offer, the Fund has entered into a contract that may result in the sale of the BancFirst Building in Oklahoma City. The sale, if completed under the terms of the current contract, would result in a loss of approximately \$ 2.2 million. No assurance can be given that such sale will occur. Moreover, on January 27, 1994, the Fund announced its decision to explore the disposition of its real estate investments in St. Paul, Minnesota; Oklahoma City, Oklahoma; Houston, Texas; and Boise, Idaho, since the fund intends to concentrate its holdings in Northern California, Colorado and the Northwest. As the Fund's real estate investments in those markets are no longer considered to be held on a long-term basis, a \$ 19.1 million provision for loss will be recognized as of December 31, 1993, in order to reduce the carrying value of the properties to their estimated net realizable values. The provision includes \$ 2.2 million for the possible loss on the sale of the BancFirst Building. In addition, a \$4.0 million provision for loss will be made as of December 31, 1993 to reduce the carrying value of the Multnomah

Building, as a result of revisions in the development prospects for that property.

The Fund has been engaged in negotiations with the lender on the 101 Park Avenue Office Building in Oklahoma City, pursuant to which it is likely that the Fund will transfer title to the property to the lender in full satisfaction of the debt secured by the property. If such transfer takes place, the Fund will incur a loss of approximately \$4.9 million, which amount is included in the \$19.1 million provision for loss discussed above.

INFLATION

The Fund's rental revenues in certain overbuilt real estate markets, including Oklahoma City, Houston, Southern California and Portland, have not followed the overall inflationary trends of the economy. In the future, management believes that changes in market rate rents in those areas may more closely follow the rate of inflation. Operating costs for properties in most of the Fund's markets have continued to follow inflationary trends. Because of the nature of leases in place, the majority of these operating expenses are the responsibility of the tenants and, therefore, the increase does not significantly affect the Fund's financial results, provided that the tenant has the financial capability to meet its lease obligations. The Fund's ability to borrow at fixed interest rates is also affected by both current inflationary forces and anticipated inflation.

INVESTMENT IN REAL ESTATE AND POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

The following are the Fund's policies with respect to investing in real estate, borrowing and lending money, investing in securities, engaging in transactions with affiliates and purchasing and selling investments. Except where otherwise noted, the Fund's policies may be changed by the Board without the approval of the stockholders.

INVESTMENT IN REAL ESTATE

The Fund's investment in real estate consists of fee title ownership of 26 properties and 2 participating mortgage interests. The Fund owns multi-tenant light industrial properties, distribution centers, business parks, office buildings and shopping centers, substantially all of which are rental properties. The Fund's properties are located in nine metropolitan areas principally in the western United States. On January 27, 1994, however, the Fund announced its decision to explore the disposition of its real estate investments outside of its core markets in Northern California, Colorado and the Northwest. If the disposition program is implemented, the Fund would withdraw from the market areas of St. Paul, Minnesota; Oklahoma City, Oklahoma; Boise, Idaho; and Houston, Texas. If the Fund acquires any real estate, it may acquire equity interests in real estate through several alternate means, including the purchase of fee title, purchase-leaseback arrangements, or investment in leasehold interests. The Fund may acquire those interests alone or as a joint venturer with another entity. There is no limit on the percentage of the Fund's assets which may be invested in one property; however, none of the Fund's properties comprise more than 10% of its total assets, except for Country Hills Towne Center, which comprises 15.5% of total assets at book value. The Fund's current policy is that all investments in real property will be made only with the prior approval of a majority of the directors.

MANAGEMENT OF REAL ESTATE

The Fund is self-administered. However, the Fund has entered into agreements with various management companies, none of which are affiliated with the Fund, for the management of its properties. The Fund manages its investments primarily with a view to capital appreciation in the long term while maximizing cash flow. As a matter of policy, the Fund holds properties on a long-term basis and it is, therefore, unusual for an investment to be sold. However, the Fund continually evaluates its properties to determine if future operating results, capital expenditures, investment strategy and market factors justify continued ownership. This process periodically results in sales of properties. See the discussion of the Fund's decision to explore the disposition of certain of its real estate investments above. In addition, property sales are a potential source of liquidity should a deficiency arise. The Fund does not have a policy as to whether its acquisitions of real estate are made primarily for possible capital gain or primarily for income, but does not intend to have more than 15% of the Fund's total assets in non-income-producing property. Furthermore, although the Fund is permitted to invest in undeveloped land, the Fund has no plans, nor is it seeking proposals, for

acquisition of non-income producing or development property. However, if an investment opportunity exists in which development or construction or disposition will commence within a reasonable time after acquisition and the Board views the property as a suitable acquisition for the Fund, the Fund may acquire the property.

PURCHASE AND SALE OF INVESTMENTS

Although the Fund does not as a matter of policy hold its properties for sale, the Fund has the authority to purchase and sell its properties without the consent or approval of its stockholders for cash, securities, or other consideration, except that under Maryland law it may not sell all or substantially all of its assets without the affirmative vote of a majority of the outstanding shares entitled to vote on such transaction. Properties acquired during the last three years are Nohr Plaza in San Leandro, acquired at a cost of \$2,508,000 and the St. Paul Distribution Center in Maplewood, Minnesota, acquired from a borrower at a cost of \$2,440,000. Properties sold include the Cummins Building in Renton, Washington which was sold in April of 1991 for a price of \$2,810,000, the Lakewood Business Park in Seattle which was sold in June 1992 for a price of \$5,770,000 and the Twin Oaks Executive Center which was sold on January 24, 1994 for a price of \$712,000. As a result of receiving unsolicited offers for such properties, the Fund has entered into a contract for the sale of the BancFirst Building in Oklahoma City. There can be no assurance that the sale will occur. See "Description of Properties." The Fund has not issued any securities in exchange for properties and has no current plans to do so in the future.

The Fund has been engaged in negotiations with the lender on the 101 Park Avenue Office Building in Oklahoma City, pursuant to which it is likely that the Fund will transfer title to the property to the lender in full satisfaction of the debt secured by the property. If such transfer takes place, the Fund will incur a loss of approximately \$4.9 million, which amount is included in the \$19.1 million provision for loss discussed above.

BORROWING AND LENDING

The Fund may borrow money for its day-to-day operations and for purposes of acquiring additional assets for refinancing existing ones. The Fund may make borrowings on a short-term or long-term basis, secured or unsecured, and may obtain borrowings from banks or other institutional investors and from other public or private sources of capital. Market financing terms available at the time of any borrowings will place a practical limit on the nature and extent of those borrowings. Furthermore, the Fund intends to keep its total indebtedness, both secured and unsecured, to no more than 75% of the asset value of the Fund's portfolio (measured at the time such indebtedness is incurred) but this policy may be changed by the Board. Because the Fund already has a significant amount of debt, increased borrowings in the future may be limited. The Fund expects that most future indebtedness, if any, will consist of long-term borrowings secured by first and junior mortgages on individual properties owned by the Fund. There is no limit in the amount of any property which may be mortgaged or the number of mortgages which may be placed on any one property.

Borrowings by the Fund in the last three years include a \$4,000,000 loan obtained in April 1991 and secured by the Academy Place Shopping Center in Colorado Springs, a \$3,300,000 loan obtained in February 1992 and secured by the Bryant Street Quad and Annex properties in Denver, a \$4,000,000 loan obtained in September 1992 and secured by the Twin Oaks Business Park and Twin Oaks Technology Center in Beaverton, Oregon and a \$1,229,000 loan obtained in June 1993 secured by the 6900 Place property in Oklahoma City. On June 25, 1993 the Fund also obtained a commitment for a construction loan of \$1,500,000 to fund certain improvements at Country Hills Towne Center, of which \$469,000 has been drawn and used for such purpose and \$1,031,000 is still available. In addition, the Fund has a line of credit in the amount of \$10,000,000 which is secured by four of the Fund's properties in South San Francisco and one in Fremont, California. The outstanding balance under such line of credit is \$10,000,000. The fund also had a line of credit in the amount of \$7,250,000 which was converted to a four year term loan on June 19, 1992 and a \$2,000,000 line of credit which was converted to a three year term loan on June 1, 1993. The \$7,500,000 term loan is secured by four properties in California and the \$2,000,000 term loan is secured by the BancFirst Building in Oklahoma City.

The Fund also has the authority to make loans and has made two participating mortgage loans as described in the table set forth in "Description of Property". The Fund has no current plans to make any further loans.

TRANSACTIONS WITH AFFILIATES

The Funds' articles and bylaws do not have a provision, and the Fund

does not have a policy, regarding whether directors, officers, stockholders or affiliates of the Fund may have any direct or indirect pecuniary interest in any of the Funds' investments or in any transaction to which it is a party, or whether such persons may engage for their own account in business activities of the type conducted by the Fund. Under Maryland law, directors are required to perform their duties in good faith, which would require a director to make full disclosure to the Fund if such director had a pecuniary interest in any investment proposed to be acquired or disposed of by the Fund and would require a director to make full disclosure to the Fund if such director were engaging in business activities of the type conducted or to be conducted by the Fund. Currently, no director or officer of the Fund has any pecuniary interest in its investments or is engaged in a business competitive with that of the Fund.

REPURCHASE OF SECURITIES

The Board generally has the authority to cause the Fund to repurchase or otherwise reacquire shares of its capital stock without the consent of stockholders, except that Maryland law prohibits such repurchase unless thereafter the Fund would be able to pay its debts in the usual course and its total assets would not be less than the sum of its total liabilities. In addition, the Fund's articles of incorporation provide that if at any time the Board determines in good faith that direct or indirect ownership of any equity securities of the Fund have been or may become concentrated in one or more individuals to an extent which would cause the Fund to no longer qualify as a real estate investment trust under the Internal Revenue Code, the Board has the power to call for redemption a sufficient number of such securities which in the Board's opinion would bring the direct or indirect ownership of such securities into conformity with the requirements of the Internal Revenue Code. Such redemption may be made by lottery or other means deemed equitable by the Board. The Board has not exercised this power and does not expect that ownership of the Fund's common stock will become sufficiently concentrated in any one or more individuals that such exercise will be required. The Fund has repurchased shares of Common Stock owned by certain of its executive officers. See "Certain Relationships and Related Transactions." The Fund has also reacquired 374,302 shares of its common stock at an aggregate cost of \$2,889,000 for distribution pursuant to the Fund's Dividend Reinvestment Plan. See "Market Price of and Dividends on Common Stock and Related Stockholder Matters."

REPORTS TO STOCKHOLDERS

Since its formation, the Fund has made annual and quarterly reports to shareholders including information on business developments and, in the case of the annual report, financial statements certified by independent public accountants. The Fund intends to continue to make such reports.

RECENT BOARD ACTION

At a meeting of the Board held on December 10, 1993, the Board determined to investigate and consider possible courses of action that could increase or maximize the value of the Fund's shares, including the possible sale or liquidation of the Fund or some or all of its assets, or effecting a merger or other business combination. Except for the Board's decision to concentrate its real estate holdings in Northern California, Colorado and the Northwest, no specific courses of action are currently under consideration, and there is no assurance that the Fund will identify any such courses of action or that, if identified, any such courses of action would be pursued and satisfactorily achieved. As a result of its decision to concentrate its real estate holdings, the Fund is exploring the disposition of its properties in St. Paul, Houston, Oklahoma City and Boise, Idaho. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Potential Factors Affecting Future Operating Results" and "Investment in Real Estate and Policies with Respect to Certain Activities" for a discussion of the provision for losses the Fund will recognize as of December 31, 1993 as a result of such decision.

<TABLE>
DESCRIPTION OF PROPERTIES

A description of the Fund's real estate investments and participating mortgage loans is as follows:

<CAPTION>

Real Estate Investments

(Amounts in thousands, except square footage amounts)

Name and Location	Area (Sq. Ft)	Percent Occupied 12/31/92	Net	Mortgage
			Book Value 12/31/92 (1)	Loan Balance 12/31/92

<S>		<C>	<C>	<C>	<C>
PACIFIC WEST COAST REGION					
Pacific International Business Center					
301 East Grand Building	South San Francisco, CA	57,800	70%	\$ 3,156	\$ -
342 Allerton Building	South San Francisco, CA	69,300	100%	3,246	-
400 Grandview Building	South San Francisco, CA	107,000	100%	6,187	44
410 Allerton Building	South San Francisco, CA	46,100	100%	1,352	-
417 Eccles Building	South San Francisco, CA	24,600	100%	1,265	-
466 Forbes Building	South San Francisco, CA	65,600	100%	3,358	-
Auburn Court Industrial Park	Fremont, CA	68,000	76%	5,599	-
Country Hills Towne Center	Diamond Bar, CA	156,200	89%	17,981	14,307
Franklin Business Park	Boise, ID	87,400	94%	2,796	1,116
Nohr Plaza	San Leandro, CA	12,100	89%	2,451	1,490
Imperial Garage	Portland, OR	70,000	97%	926	(2)
Twin Oaks Business Park	Beaverton, OR	65,200	93%	3,918	3,982
Twin Oaks Executive Center	Beaverton, OR	12,500	100%	1,114	-
Twin Oaks Technology Center	Beaverton, OR	94,200	64%	5,546	(3)
Westinghouse Building	Fremont, CA	24,000	100%	1,895	-
		960,000	90%	60,790	20,939
ROCKY MOUNTAIN/MIDWEST REGION					
Academy Place Shopping Center	Colorado Springs, CO	84,400	97%	6,357	3,937
Bryant Street Annex	Denver, CO	55,000	100%	1,291	(4)
Bryant Street Quad	Denver, CO	155,500	91%	4,662	3,257
St. Paul Business Center West	Maplewood, MN	108,800	91%	5,284	2,983
St. Paul Distribution Center	Maplewood, MN	77,000	96%	2,648	1,865
		480,700	94%	20,242	12,042
SOUTHWEST REGION					
101 Park Avenue Office Building	Oklahoma City, OK	189,100	86%	9,447	4,392
BancFirst Building	Oklahoma City, OK	105,800	75%	4,636	-
Camden Park Shopping Center	Houston, TX	83,000	90%	6,833	90
Inwood Central Shopping Center	Houston, TX	83,100	73%	5,237	-
6900 Place	Oklahoma City, OK	49,400	84%	3,964	-
		510,400	82%	30,117	4,482
Portfolio Operations				749(5)	14,798(6)
TOTAL		1,951,100	89%	111,898	52,261
Real estate under development					
Country Hills Towne Center(8)	Diamond Bar, CA		-	370	-
Imperial Garage(9)	Portland, OR		-	45	-
Multnomah Apartment Building	Portland, OR 282 Units		-	6,090	1,496
TOTAL				\$118,403	\$53,757
					\$ 6,990

<FN>

FOOTNOTES:

- (1) Net book value represents total acquisition cost plus cost capitalized subsequent to acquisition less provision for loss in value and accumulated depreciation.
- (2) Imperial Garage is additional collateral on the loan on the Multnomah Building.
- (3) Twin Oaks Technology Center is additional collateral on the Twin Oaks Business Park loan.
- (4) Bryant Street Annex is additional collateral on the Bryant Street Quad loan.
- (5) Purchase price for trailing equity interest in properties, net of amortization.
- (6) Debt includes two lines of credit and one term loan for which \$14,798,000 is outstanding in the aggregate and which are collateralized by the 301 East Grand, 342 Allerton, 400 Grandview, 410 Allerton, 417 Eccles, 466 Forbes, Auburn Court, BancFirst and Westinghouse properties.
- (7) Outparcels of land are being developed to add rentable space at Country Hills Towne Center.

- (8) Reflects costs incurred at Imperial Garage which are part of the Multnomah Apartment Building development.

The Fund holds fee simple title in all the properties described above.

</TABLE>

PARTICIPATING MORTGAGE LOANS

<TABLE>

<CAPTION>

	Type of Loan	Security		Principal Outstanding 12/31/92	Maturity Date	Stated Interest Rate
		Land	Improvements			
<S>	<C>	<C>	<C>	<C>	<C>	<C>
MacArthur Estates . . . Sonoma, CA	1st Mortgage	7 Acres	Single Family home lots under development	\$2,255,000 (1)	(1)	Prime + 2%(1)
Neptune Plaza . . . Alameda, CA	2nd Mortgage	2.3 Acres	Shopping Center (24,811 sq.ft.)	\$1,966,000 (2)	(2)	Prime + 2%(2)

<FN>

(1) The loan matured on November 30, 1992, and during the nine months ended September 30, 1993, the borrower filed a petition under Chapter 11 of the Federal Bankruptcy Code. The loan has been in a non-earning status since April 1, 1992, and from that date to December 31, 1992, \$123,000 of interest income has not been recognized. At December 31, 1992, the Fund accounted for the loan by writing down the investment to the \$1,171,000 estimated value of the collateral which the Fund would expect to receive if an actual foreclosure occurred. During 1993, as a result of the borrower's bankruptcy action, the Fund provided an additional loss reserve of \$554,000.

(2) The loan matured on December 31, 1992. In July 1992, the first mortgage lender instituted a foreclosure action on the security for the loan and the Fund has provided an allowance for loan loss for the full amount of the loan. The loan has been in a non-earning status since October 1, 1990, and from that date to December 31, 1992, \$870,000 of interest income has not been recognized.

</TABLE>

Other than as described below, there are no plans for the improvement or development of the properties except for building improvements to maintain the competitive position of the real estate and tenant improvements in connection with new or renewed leases. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations" for a more specific discussion of capital expenditures for rental properties. Each of the properties will continue to be used in the same manner as presently used. Properties that are used as shopping centers and office buildings are identified as such in the table above. All other properties, other than properties under development, are used as light-industrial buildings. The Fund believes that each property is suitable and adequate for its current use and that each property is adequately covered by insurance. Other than leases under which tenants rent space, the properties are not subject to any lease, option or contract to purchase or sell the properties.

In response to an unsolicited offer to purchase the Twin Oaks Executive Center in Beaverton, Oregon, the Fund has entered in to a contract for the sale of the property. The sale of the Twin Oaks Executive Center, if completed under the terms of the current contract, would result in a loss of approximately \$400,000. Also, as a result of an unsolicited offer, the Fund is engaged in negotiations that may result in the sale of the BancFirst Building in Oklahoma City. The sale, if completed under the terms of the current offer dated November 23, 1993, would result in a loss of approximately \$2,100,000. If the Fund decides to sell the property, the loss would be recognized at the time of the determination to no longer hold the BancFirst Building on a long-term basis. There can be no assurance that either sale will occur.

The Fund competes for tenants with other owners of comparable types of properties in the local geographic areas in which the Fund's properties are located. The principal methods of competition include rental rate charged, terms of lease, free rent concessions, and tenant improvement allowances. In recent years, the combination of overbuilding and the impact of economic recession has significantly increased the level of competition. This intense competition has resulted in decreasing rental rates, particularly in the Houston, Oklahoma City, Southern California and Portland markets in which the Fund has properties. See "Management's Discussion and Analysis of Financial

Condition and Results of Operations" for a more specific discussion of the impact of the foregoing factors on the Fund's financial condition, operations and liquidity.

COUNTRY HILLS TOWNE CENTER

This Property has the highest book value of the Fund's properties at \$18,351,000, including outparcels being developed, and makes up 15.5% of the Fund's portfolio.

Description. The property is located at the northwest corner of Diamond Bar Boulevard and Cold Springs Lane in Diamond Bar, California. The street addresses of the property are 21321-21385 Cold Springs Lane and 2711-2843 Diamond Bar Boulevard and the property is considered to be located in the Greater Los Angeles Area. The property's land area is approximately 17.7 acres.

The Center is a shopping center originally constructed in 1960 and expanded and remodeled during 1989 and 1990, with the addition of approximately 60,000 square feet of new retail space, including an eight-plex movie theater. This expansion nearly doubled the size of the original property resulting in a center totalling 156,000 square feet. During 1992 and 1993, a major grocery store, which occupies 25,600 square feet, was expanded and remodeled. During 1993, the Fund paid \$700,000 of the cost of the improvements and intends to pay an additional \$500,000 by March 31, 1994, at which time the rent on the store will increase from \$150,000 per year to \$228,000 per year.

The fee simple title to Country Hills Towne Center is currently vested in Landsing Pacific Fund, Inc. The Fund was previously a joint venture partner in the project and took active control of the property on February 27, 1990. Prior to that time, the Fund was the major equity investor in the project.

Mortgage Debt. Country Hills Towne Center is collateral for a first mortgage loan which had an outstanding principal balance at September 30, 1993 of \$14,176,000. The loan bears interest equal to the Eurodollar rate for a one-year period plus 2-1/2 percent. For the period from March 21, 1993 to March 21, 1994, interest is fixed at 6.25%. Monthly payments of interest and principal are \$90,000 until the maturity of the loan on March 21, 1994, at which time the remaining principal balance will be \$14,078,000. The loan may be prepaid in whole or in part upon payment of a 3% prepayment fee.

The property is also collateral for a second mortgage construction loan for up to \$1,500,000. At September 30, 1993, \$469,000 had been advanced on the loan, which provides for monthly payments of interest only at the lender's prime rate plus 1.25 percent (7.25 percent at September 30, 1993). The loan matures on March 31, 1994.

Development Plan. At the present time, three pads remain to be developed which, in the aggregate, could support between 9,000 and 14,000 square feet of additional space. Negotiations are continuing with prospective users for two of the pad parcels. The Fund expects that development of the three pads could cost between \$1.2 million and \$1.8 million, depending on the use of each pad. The Fund does not intend to develop any of the pads prior to executing a lease for its occupancy and use. At September 30, 1993, the Fund had available up to approximately \$1 million from a total construction loan of \$1.5 million for use in the development of these pads, with the balance of the development costs to be provided from the Fund's cash reserves.

Competitive Conditions. The Greater Los Angeles area has been adversely affected by the current recession and various other factors including major cutbacks in defense spending and military base closures. In the local market, viable retail tenants are currently in a position to negotiate aggressively for the lower rental rates and greater concessions. In addition, the general economic conditions in the Greater Los Angeles area have made it more difficult for marginal and average retail tenants to prosper. This has resulted in a growth in tenant failures and a decline in the number of retail tenants seeking additional locations. The combination of these factors are likely to keep effective rental rates from rising as quoted rental rates in the immediate area have declined over the past year.

Operating Data. The percentage of space leased and the average effective annual rental rate per square foot for each of the last five years are as set forth below:

Year	Occupancy Rate	Rental Rate(1)
1988	92%	3.67(2)
1989	82%	5.02(2)
1990	91%	7.67
1991	89%	12.02
1992	89%	11.89
1993	89%(3)	11.97(4)

- (1) Expressed as dollars per square foot.
- (2) Represents rents in place prior to the Center's expansion and redevelopment which was substantially completed in 1990.
- (3) As of September 30, 1993.
- (4) First eight months of 1993 annualized.

Tenants that occupy 10% or more of the property are as set forth below:

Principal Business	Lease Expiration	Square Feet	Renewal Options
(Amounts in thousands, except per share amounts)			
Food Sales	8/31/2011	25,600	Three 5-year options
Drug & Sundry Sales	5/31/2009	21,440	One 10-year option
Movie Theater	10/3/2009	23,428	Three successive options for 15 years, 10 years, and 5 years, respectively

Principal Business	Rent per Annum
Food Sales	\$120,000, increasing to \$150,000 on 10/1/93, and to \$228,000 on 3/31/94
Drug & Sundry Sales	\$81,686, increasing to \$97,766 on 6/1/99
Movie Theater	\$356,477 increasing to \$393,590 on 10/4/94, plus adjustment for percentage change in Consumer Price Index in 2000 and 2005, or \$91,369, whichever is less

The principal business of the property's other tenants is the sale of retail goods and services, and includes a bank, florist, photo developing, restaurants, pet store, dry cleaner, clothes store, and jeweler, among others.

<TABLE>
The following presents the schedule of lease expirations for each of the next ten years:

<CAPTION>

Year	Number of Tenants	Square Feet	Annual Rental	Percentage of Gross Annual Rental
1993	1	1,600	\$ 44,000	2.0%
1994	2	2,400	67,000	3.1%
1995	11	14,568	391,000	17.7%
1996	5	6,922	175,000	7.9%
1997	1	2,760	58,000	2.7%
1998	4	6,720	132,000	6.0%
1999	3	13,050	191,000	8.7%
2000	1	1,200	37,000	1.7%
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-

</TABLE>

Depreciation for tax purposes is calculated using the straight-line method based on the following:

Property Component	Federal Tax	
	Cost Basis	Life
-----	-----	-----
Building and Building Improvements	\$16,231,000	31.5 years
Land Improvements	812,000	15 years
Furniture and Equipment	22,000	7 years
	<u>\$17,065,000</u>	
	=====	

The property tax rate, including direct assessments, is 1.32 percent of assessed value and annual property taxes for the fiscal year ended June 30, 1993 were \$327,000. Estimated taxes on the improvements intended to be made at the property are approximately \$35,000 per year. The property is adequately covered by insurance.

INCOME TAX CONSIDERATIONS

The following discussion provides a summary of federal income tax considerations material to the ownership of Common Shares of the Fund. It also summarizes the material federal income tax consequences applicable to the Fund stockholders upon the issuance of the Rights, and to Holders upon the exercise of the Rights. The following summary, which sets forth the opinions of the Fund's counsel, Greene, Radovsky, Maloney & Share, is based upon such counsel's interpretation of the Code, the Treasury Regulations promulgated thereunder, published rulings of the Internal Revenue Service (the "Service"), and court decisions. No assurance can be given that the conclusions set forth below would be sustained by a court, or that legislative or administrative changes or court decisions may not be forthcoming which would significantly modify the statements expressed herein. This discussion does not purport to deal with all aspects of taxation that may be relevant to each separate stockholder in light of its particular circumstances, particularly if such stockholder is a tax-exempt organization, a foreign entity, or a person who is not a citizen or resident of the United States.

Stockholders should not view the following analysis as a substitute for careful tax planning. Hence, each prospective stockholder is encouraged to consult his or her own personal tax advisor. The Fund satisfies the requirements for qualification as a real estate investment trust (a "REIT"), and its method of operation as herein described should enable it to continue to meet the requirements for qualification and taxation as a REIT under the Code. It must be emphasized that this opinion is based on various assumptions and is conditioned upon certain representations made by the Fund as to factual matters. Further, this opinion is based upon the factual representations of the Fund concerning its business and properties as set forth in this Prospectus. Moreover, such qualification and taxation as a REIT depends upon the Fund's ability to meet, through actual annual operating results, distribution levels and diversity of stock ownership, and the various qualification tests imposed under the Code discussed below. These results will not be reviewed by Greene, Radovsky, Maloney & Share, and it will express no opinion with respect to them. Accordingly, no assurance can be given that the actual results of the Fund's operation for any single taxable year will satisfy such requirements. No ruling has been requested from the Service as to the qualification of the Fund as a REIT.

If the Fund continues to qualify for taxation as a REIT, it generally will not be subject to federal corporate income taxes on net income, if any, is distributed to its stockholders. This treatment substantially eliminates the "double taxation" (at the corporate and stockholder levels) which generally results from an investment in a corporation. Nevertheless, the Fund will be subject to Federal income tax as follows: First, the Fund will be taxed at regular corporate rates on any undistributed REIT taxable income, including undistributed net capital gains. Second, under certain circumstances, the Fund may be subject to the "alternative minimum tax" on its items of tax preference. Third, if the Fund has (i) net income from the sale or other disposition of "foreclosure property" which is held primarily for sale to customers in the ordinary course of business or (ii) other nonqualifying income from foreclosure property, it will be subject to tax at the highest corporate rate on such income. Fourth, if the Fund has net income from prohibited transactions (which are, in general, certain sales or other dispositions of property held primarily for sale to customers in the ordinary course of business other than foreclosure property), such income will be subject to a 100% tax. Fifth, if the Fund should fail to satisfy the 75% gross income test or the 95% gross income test (as discussed below), and nonetheless has maintained its qualification as a REIT because certain other requirements have been met, it will be subject to a 100% tax on the net income attributable to the greater of the amount by which the Fund fails the 75% or 95% test, multiplied by a fraction intended to reflect the Fund's profitability. Sixth, if the Fund should fail to distribute during each calendar year at least the sum of (i) 85% of its REIT ordinary income for such

year, (ii) 95% of its REIT capital gain net income for such year, and (iii) any undistributed taxable income from prior periods, the Fund would be subject to a 4% excise tax on the excess of such required distribution over the amounts actually distributed. Finally, if the Fund acquires any asset from a C corporation (i.e., generally a corporation subject to full corporate-level tax) in a transaction in which the basis of the asset in the Fund's hands is determined by reference to the basis of the asset (or any other property) in the hands of the C corporation, and the Fund recognizes gain on the disposition of such asset during the ten year period beginning on the date on which such asset was acquired by the Fund, then, to the extent of the excess of the fair market value of such asset over its tax basis, such gain will be subject to tax at the highest regular corporate rate pursuant to regulations of the Internal Revenue Service that have not yet been promulgated.

SUBSCRIPTION RIGHTS

Issuance of the Rights. The Fund stockholders will not recognize taxable income upon receipt of the Rights.

Basis and Holding Period of the Rights. Except as provided in the following sentence, a stockholder's basis in the Rights received pursuant to the Rights Offering will be zero. If (1) the fair market value of the Rights on the date of Issuance is 15% or more of the fair market value of the Common Stock (on that date) with respect to which the Rights are received, or (2) the stockholder elects, by virtue of a statement attached to his/her federal income tax return for the taxable year in which he or she receives the Rights, to allocate part of his/her basis in such Common Stock to the Rights, then, upon exercise of the Rights, the stockholder's basis in such Common Stock will be allocated between the Common Stock and the Rights in proportion to their relative fair market values on the date of Issuance.

Exercise of the Rights: Basis and Holding Period of Underlying Shares. Rights holders will not recognize gain or loss upon the exercise of their Rights. The basis of the Common Stock so acquired will be equal to the sum of the Subscription Price paid for the Common Stock and the basis (if any) of the Rights exercised. The holding period for Common Stock acquired through exercise of the Rights will begin on the date the Rights are exercised.

Expiration of the Rights. The Fund stockholders who allow the Rights received by them to expire unexercised will not recognize gain or loss.

REQUIREMENTS FOR QUALIFICATION AS A REIT

The Code defines a REIT as a corporation, trust or association (1) which is managed by one or more trustees or directors; (2) the beneficial ownership of which is evidenced by transferable shares or certificates; (3) which (but for Sections 856 through 859 of the Code) would be taxable as a domestic corporation; (4) which is neither a financial institution nor an insurance company subject to certain provisions of the Code; (5) the beneficial ownership of which is held by 100 or more persons; (6) not more than 50% in value of the outstanding stock of which is owned, during the last half of each year, directly or indirectly, by five or fewer individuals; and (7) which meets three other tests described below.

Since the Fund is a corporation organized under the laws of the state of Maryland, and is neither a financial institution nor an insurance company, it satisfies the first four requirements described above. Further, based on required filings to be made by stockholders under the Securities Exchange Act of 1934, the beneficial ownership of the Fund is held by more than 100 persons, and not more than 50% of the Fund's stock is owned by five or fewer individuals. Finally, as discussed below, counsel believes the Fund should satisfy the remaining tests to qualify as a REIT.

Income Tests. The Fund must satisfy three annual gross income requirements to maintain its qualification as a REIT. First, at least 75% of the Fund's gross income (excluding gross income from prohibited transactions) for each taxable year must be derived directly or indirectly from investments relating to real property or mortgages on real property. Second, at least 95% of the Fund's gross income (excluding gross income from prohibited transactions) for each taxable year must be derived from such real property investments, and from dividends, interest and gain from the sale or disposition of stock or securities or from any combination of the foregoing. Third, short-term gain from the sale or other disposition of stock or securities, gain from prohibited transactions and gain on the sale or other disposition of real property held for less than four years (apart from involuntary conversions and sales of foreclosure property) must represent less than 30% of the Fund's gross income (including gross income from prohibited transactions) for each taxable year. If the Fund fails to meet either the 75%

or 95% test described above, but nevertheless maintains its qualification as a REIT (i.e., because the failure was due to reasonable cause and not willful neglect), a 100% tax will be imposed on the greater of the amount by which it fails either test, multiplied by a fraction intended to reflect the Fund's profitability.

Rents received by the Fund will qualify for the 75% of income test ("rents from real property") only if several conditions are met. First, the amount of rent must not be based in whole or in part on the income or profits of any person. Nonetheless, an amount received or accrued generally will not be excluded from the term "rents from real property" solely by reason of being based on a fixed percentage or percentages of gross revenue. Second, the Code provides that rents received from a tenant will not qualify as "rents from real property" in satisfying the gross income tests if the REIT directly or constructively owns 10% or more of such tenant. Third, if rent attributable to personal property, leased in connection with a lease of real property, is greater than 15% of the total rent received under the lease, then the portion of rent attributable to such personal property will not qualify as "rents from real property." Finally, for rents received to qualify as "rents from real property," the REIT generally must not operate or manage the property or furnish or render services to the tenants of such property, other than through an independent contractor from whom the REIT derives no revenue. The Fund, however, may directly perform certain services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered rendered to the occupant of the property.

"Interest" on mortgages secured by real estate which qualifies for the 75% of income test generally does not include any amount received or accrued (directly or indirectly) if the determination of such amount depends in whole or in part on the income or profits of any person. Nonetheless, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales.

Asset Test. The Fund, at the close of each quarter of its taxable year, must satisfy four tests relating to the nature of its assets. First, at least 75% of the value of the Fund's total assets must consist of real estate assets, cash, certain cash items and government securities. Second, not more than 25% of the Fund's total assets may be represented by securities other than those under the 75% test. Third, not more than 5% of the value of its total assets may consist of securities of a single issuer (if such securities are not includible under the 75% test). Finally, the Fund may not own more than 10% of any single issuer's outstanding voting securities (if such securities are not includible under the 75% test), unless the issuer is a qualified REIT subsidiary.

Annual Distribution Requirements. To qualify as a REIT, the Fund must generally distribute to its stockholders an amount equal to 95% of the Fund's "REIT taxable income" and 95% of the after-tax income from foreclosure property. This amount, which is computed without regard to the dividends paid deduction and the Fund's net capital gain, must be paid in the taxable year to which it relates or in the following taxable year if declared before the Fund timely files its tax return for such year and paid on or before the date of the first regular dividend distribution after that declaration. To the extent the Fund does not distribute all of its net capital gain or distributes at least 95%, but less than 100%, of its "REIT taxable income," it is subject to tax at regular ordinary and capital gains corporate tax rates. Furthermore, if the Fund should fail to distribute during each calendar year at least the sum of (i) 85% of its REIT ordinary income for such year, (ii) 95% of its REIT capital gain income for such year, and (iii) any undistributed taxable income from prior periods which was not subject to corporate income tax, the Fund would be subject to a 4% excise tax on the excess of such required distribution over the amounts actually distributed.

FAILURE TO QUALIFY AS A REIT

If the Fund fails to qualify for taxation as a REIT in any taxable year, and certain relief provisions do not apply, the Fund would be subject to tax (including any applicable alternative minimum tax) on its taxable income at regular corporate rates. Distributions to stockholders in any year in which the Fund fails to qualify would not be deductible by the Fund nor would the Fund be required to make any distributions. In such event, to the extent of current and accumulated earnings and profits, all distributions to stockholders would be taxable as ordinary income and, subject to certain limitations of the Code, corporate distributees may be eligible for the dividends received deduction. Unless entitled to relief under specific statutory provisions, the Fund also would be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether in all circumstances the Fund would be entitled to such statutory relief.

TAXATION OF TAXABLE DOMESTIC STOCKHOLDERS

As long as the Fund continues to qualify as a REIT, distributions made to the Fund's taxable domestic stockholders out of current or accumulated earnings and profits (and not designated as capital gain dividends) will be treated as ordinary income. Moreover, corporate stockholders will not be entitled to a dividends received deduction. Capital gain dividends will be taxed as long-term capital gains (to the extent they do not exceed the Fund's actual net capital gain for the taxable year) regardless of whether the stockholder held the stock for the requisite long-term holding period. Corporate stockholders, however, may be required to treat up to 20% of certain capital gain dividends as ordinary income. To the extent the Fund's distributions to its stockholders exceeds current and accumulated earnings and profits, the distributions are considered a return of capital. Such distributions simply reduce the adjusted basis of the stockholders' aggregate basis in their stock and are not taxable to that extent. To the extent that such distributions cumulatively exceed a stockholder's adjusted basis, such distributions are taxable as capital gain, assuming the stock is a capital asset in the stockholder's hands. Such gain will be long-term or short-term capital gain depending on the stockholder's holding period for his or her stock. Stockholders may not include in their individual income tax returns any net operating losses or capital losses of the Fund.

If the Fund makes capital gain dividends, stockholders will treat those dividends as long-term capital gain. Stockholders who sell their shares at a loss after owning them for six months or less will be required to treat that loss as a long-term capital loss to the extent of any prior capital gains distributions they received with respect to such shares.

BACKUP WITHHOLDING

The Fund will report to its stockholders and the Service the amount of any dividends paid during each calendar year and the amount of tax withheld. Under the backup withholding rules, a stockholder may be subject to backup withholding at the rate of 20% with respect to dividends paid unless such stockholder (a) is a corporation or comes within certain other exempt categories or (b) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A stockholder who does not provide the Fund with his correct taxpayer identification number may also be subject to penalties imposed by the Service. Any amount paid as backup withholding will be creditable against the stockholder's income tax liability.

TAXATION OF TAX-EXEMPT STOCKHOLDERS

In Revenue Ruling 66-106, the Service ruled that amounts distributed by a REIT to a tax-exempt employees' pension trust did not constitute "unrelated business taxable income" ("UBTI"). Revenue rulings are interpretive in nature and subject to revocation or modification by the Service. Based upon Revenue Ruling 66-106 and the analysis therein, counsel believes that distributions by the Fund to a stockholder that is a tax-exempt entity generally will not constitute UBTI provided the tax-exempt entity has not financed the acquisition of its shares with "acquisition indebtedness" within the meaning of the Code and the shares are not otherwise used in an unrelated trade or business of the tax-exempt entity. Certain tax-exempt entities, however, are subject to income taxation on their investment income independently of the UBTI rules. Dividends from the Fund would be taxable income to such taxpayers. Stockholders with questions concerning the taxability of dividends they may receive should consult their own tax advisors.

As noted above, the Code generally requires that more than 50% of the value of voting power of a REIT be owned by five or fewer individuals. For this purpose, certain organizations are treated as individuals, including a pension or profit sharing trust described in 401(a) of the Code (a "Qualified Trust"). The Revenue Reconciliation Act of 1993, among other things, amended Section 856(h) of the Code by adding paragraph (3) thereto to provide that, under certain circumstances, in determining whether the stock ownership test has been met, any stock held by a Qualified Trust will be treated as held directly by its beneficiaries in proportion to their actuarial interest in such Trust. Nonetheless, if such "lookthrough" is necessary in order to avoid failing the stock ownership test, a portion of the income of the Fund may be treated as unrelated business taxable income in the hands of stockholders who otherwise would be exempt from federal income tax. The Fund does not anticipate being subject to the special requirements and, in fact, has included restrictions in its organizational documents intended to avoid the violation of the ownership test without the necessity of looking through to the beneficial owners of a Qualified Trust.

TAXATION OF FOREIGN STOCKHOLDERS

Any dividends paid to foreign stockholders attributable to the Fund's operating income and dispositions of real estate investments generally will be subject to United States income tax and withholding by the Fund at a 30% rate, subject to reduction by applicable treaties. (The applicable

withholding rate on dividends classified as capital gain distributions is 34%.) Potential foreign stockholders are strongly urged to consult their personal tax advisors regarding the United States tax consequences of an investment in the Fund.

STATE AND LOCAL TAXES

The Fund and its stockholders may be subject to state or local taxation in various state and local jurisdictions, including those in which it or they transact business or reside. The state and local tax treatment of the Fund and its stockholders may not conform to the federal income tax treatment described above. Thus, Fund stockholders should consult their own tax advisors concerning the state and local tax treatment of an investment in the Fund.

MARKET PRICE OF AND DIVIDENDS ON
COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The Fund's Common Stock was listed on the American Stock Exchange effective December 5, 1988. The high and low sales price for each quarterly period during 1991, 1992 and 1993 is as follows:

	1991		1992		1993	
	High	Low	High	Low	High	Low
1st Quarter	\$7.625	\$6.125	\$5.250	\$4.750	\$3.825	\$3.000
2nd Quarter	7.625	6.375	5.250	4.500	3.375	3.000
3rd Quarter	7.500	6.500	4.825	3.375	3.375	3.125
4th Quarter	6.825	4.625	3.625	3.000	4.125	3.25

As of February 11, 1994, the closing sale price of a share of the Common Stock was \$_____.

There were approximately 8,800 holders of record of the Fund's shares of common stock as of December 31, 1993. However, the Fund estimates the number of stockholders to be approximately 15,000 since certain shares of record are held by nominees.

<TABLE>

The following table sets forth distributions to holders of record during 1990, 1991 and 1992. Of the distributions paid during these three years, 100% were non-taxable return of capital.

<CAPTION>

Date Paid	Amount Per Share	Date Paid	Amount Per Share	Date Paid	Amount Per Share
<S>	<C>	<C>	<C>	<C>	<C>
03/15/90	\$0.20	03/15/91	\$0.20	03/23/92	\$0.12
06/15/90	0.20	06/15/91	0.20	06/15/92	0.12
09/15/90	0.20	09/15/91	0.20		
12/15/90	0.20	12/15/91	0.12		

</TABLE>

At a Board meeting held August 7, 1992, the Board voted to suspend payment of a distribution for the remainder of calendar year 1992. The Board reviewed the policy at a meeting held January 21, 1993, and while the Board will regularly review the policy, the Fund is not expected to pay a distribution during calendar year 1993. See Management's Discussion and Analysis of Financial Condition and Results of Operations, for a more specific discussion of the Fund's liquidity and the availability of funds for distribution.

The Fund has a Dividend Reinvestment Plan designed to enable stockholders to have distributions, when they are paid by the Fund, automatically invested in additional shares of the Fund. Registrar and Transfer Company, which is unaffiliated with the Fund, acts as agent for those stockholders who wish to participate in the Plan. The shares required to fulfill the requirements of the Plan will be purchased on the open market or at the direction of the Board, directly from the Fund at a 5% discount from

the open market price. The Fund registered 400,000 Common shares in December 1991 for possible issuance under the Plan.

In the fourth quarter of 1989, the Board approved a stock repurchase program under which the Fund may repurchase shares from time to time on the open market. Since the inception of the program, 374,302 shares have been acquired at an aggregate cost of \$2,889,000.

CAPITAL STOCK

The summary of the terms of the capital stock of the Fund set forth below does not purport to be complete and is subject to and qualified in its entirety by reference to the charter and bylaws of the Fund.

GENERAL.

The Fund's authorized capital stock consists of 20,000,000 shares of Common Stock, par value \$.001, and 5,000,000 shares of preferred stock, par value \$.01. The Fund may issue the preferred stock in classes or series and with any rights, privileges and preferences the Board may determine, without any action or consent by the Fund's stockholders. The Fund is authorized to issue shares of preferred stock in as many series as the Board may determine. The Board may classify or reclassify any unissued shares of preferred stock by setting or changing the preferences, conversion, or other rights, voting powers, restrictions, limitations as to dividends or other distributions, and qualifications or terms of redemption of such preferred stock. Upon completion of the Rights Offering, assuming subscriptions are received for all available shares, the Fund will have 7,441,421 shares of Common Stock and no preferred stock outstanding.

While the Board has not issued any preferred stock or other senior securities and has no present intention of doing so, it may issue preferred stock or senior debt securities at any time in the future without the consent of the stockholders. A future issuance may dilute materially the voting power of the stockholders of Common Stock and limit future dividends and distributions otherwise payable to the stockholders. However, under the rules of the American Stock Exchange on which the Common Stock is listed, stockholder approval is required as a prerequisite for listing additional shares issued in connection with the sale or issuance by the Fund of Common Stock, or securities convertible into Common Stock, at a price less than the greater of book or market value of such stock if such sale or issuance, or such sale and issuance together with sales by officers, directors or principal stockholders, equals 20% or more of the then outstanding Common Stock. Therefore, as a practical matter, if the Board were to propose to issue preferred stock or other senior securities convertible into common stock in an amount equalling or exceeding 20% of the outstanding common stock at a price that was less than the greater of book or market value, stockholder approval would be required.

The Fund's articles of incorporation (the "Articles") provide for a classified board of directors. There are three classes of directors, and each class is elected every three years.

COMMON STOCK.

The holders of the Fund's Common Stock have the right to one vote for each share of Common Stock held on all matters submitted to the vote of the stockholders. The stockholders of record may cast votes at stockholder meetings either in person or by proxy. The stockholders do not have the right to cumulate their votes for the election of directors. The holders of the Common Stock have the right to receive ratably any dividends the Board may declare from time to time from funds legally available for the payment of dividends; provided that, dividends may be paid only if after such payment the Fund would be able to pay its debts in the usual course and its assets would not be less than the sum of its total liabilities plus the amount needed to satisfy senior preferential rights on dissolution. In the event of a liquidation, dissolution or winding up of the Fund, the holders of Common Stock have the right to share ratably in all assets remaining after the payment of creditors of the Fund and the liquidation preference accorded to the holders of any preferred stock then outstanding. The holders of Common Stock have no right to convert or exchange any of their shares into shares of any other classes of stock issued by the Fund in the future. The holders of Common Stock do not have any preemptive rights regarding the subscription to any future issuances of stock by the Fund.

Under the Articles, no holder of Common Stock is permitted to transfer Common Stock to another person if such second person, as a result of such transfer, would beneficially hold securities of the Fund equal to or greater than ten percent of the total voting power of the Fund issued and outstanding on the date of such attempted transfer. If a holder of securities of the Fund is prevented from registering a transfer of any such securities as

a result of such restrictions, then the Fund may: (a) consent in writing to such transfer (although such consent may be conditioned upon designating all or a portion of such shares as non-voting shares in the hands of the proposed transferee); or (b) agree to purchase all of such securities from the holder for cash at the fair market value thereof; or (c) arrange for a third party or parties to agree to purchase all of such securities from the holder for cash at the fair market value thereof; or (d) any combination of (a), (b) or (c). If any person shall nonetheless become the beneficial owner of ten percent (10%) or more of the total voting power of the Fund without having received the prior written consent of the Fund that all such shares shall have full voting powers, such person shall be permitted to vote only that number of shares as shall equal one less than the number that equals ten percent (10%) of such outstanding voting power. Such person shall, however, retain all other incidents of ownership of such securities.

If the Board at any time and in good faith is of the opinion that direct or indirect ownership of any equity securities of the Fund has been or may become concentrated in one or more individuals to an extent which is contrary to the requirements of the REIT provisions of the Internal Revenue Code, as then in effect, the Board has the power to: (i) by law or other means deemed equitable by the Board, call for redemption a number of such shares sufficient in the opinion of the Board to maintain or bring the direct or indirect ownership of such shares of the Fund into conformity with the requirements of the REIT provisions, and (ii) refuse to register the transfer of shares to any person whose acquisition of the shares in question would, in the opinion of the Board, result in a violation of the REIT provisions. The redemption price is equal to the fair market value of such shares as reflected in the average price quotations for the common stock for the last thirty days prior to the Board's call for redemption, or, if no quotations for the shares are available, as determined in good faith by the Board. From and after the date fixed for redemption the holder of any shares so-called for redemption shall cease to be entitled to dividends, voting rights and other benefits with respect to such shares, excepting only the right to payment of the redemption price fixed as aforesaid.

The Fund has entered into a Rights Agreement with a rights agent designed to ensure that all Fund stockholders receive fair and equal treatment in the event of any proposed takeover of the Fund and to guard against partial tender offers, open market accumulations and other abusive tactics to gain control of the Fund without paying all stockholders a control premium. The Rights Agreement provides that if any stockholder becomes the beneficial holder of 25% or more of the Common Stock, the Fund will distribute to its stockholders rights to purchase Common Stock entitling the holder of each right to purchase a number of shares of the Fund's Common Stock having a market value at that time twice the rights' exercise price. Rights held by the 25% holder would become void and would not be exercisable to purchase shares at the bargain purchase price.

CERTAIN PROVISIONS OF MARYLAND LAW

Section 3-602 of the Maryland General Corporation Law ("MGCL") prevents a Maryland corporation from engaging in any "Business Combination" (defined to include mergers, consolidations or share exchanges) with an "Interested Stockholder" (generally defined as a beneficial owner of 10% or more of a corporation's voting power) for five years following the date such person became an Interested Stockholder unless, among other exceptions, (i) before such person becomes an Interested Stockholder, the board of directors of the corporation approved the transaction pursuant to which such person became an Interested Stockholder; or (ii) the Interested Stockholder became an Interested Stockholder at any time in the prior five years solely through inadvertence, and the Interested Stockholder divests itself of a sufficient amount of the corporation's voting stock so that it no longer is the beneficial owner of 10% or more of the corporation's voting stock.

Unless exempted by the statute, in addition to any vote otherwise required, a Business Combination with an Interested Stockholder that is not prohibited by the provisions of Section 3-602 must be recommended by the board of directors and approved by the affirmative vote of at least 80% of the voting stock of the corporation, and must also be approved by two-thirds of the voting stock, excluding voting stock held by the Interested Stockholder who will be a party to the Business Combination or by an affiliate or associate thereof.

A corporation may elect not to be governed by Section 3-602. The Board has by resolution elected not to be governed by Section 3-602; however, it has the power to repeal this resolution, in whole or in part, at any time.

LIMITATION OF LIABILITY AND INDEMNIFICATION

The Articles provide that the personal liability of a director for

monetary damages are eliminated to the fullest extent permissible under law. Under Maryland law, the personal liability of a director for monetary damages in an action brought by or in the right of a corporation or its stockholders may be eliminated, except for the liability of a director resulting from (i) acts or omissions involving active and deliberate dishonesty or bad faith, (ii) any transaction from which a director derived an improper personal benefit or (iii) in the case of any criminal proceeding, the indemnified party had reasonable cause to believe that the act or omission was unlawful. The Articles and the Fund's bylaws contain provisions which require the Fund to indemnify its officers, directors and employees to the extent permitted by Maryland law.

INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Company's directors, officers and controlling persons of the Fund pursuant to the foregoing provisions or otherwise, the Fund has been advised that, in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In addition, indemnification may be limited by state securities laws.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

There are currently outstanding 5,953,137 common shares, 200,000 warrants to purchase common and 75,000 options to purchase common shares. There is no cumulative voting. Each common share entitles the holder to one vote on all matters.

The following table sets forth information with respect to the ownership of common shares by any person who is known by the Fund to be the beneficial owner of more than 5% of the outstanding common stock of the Fund. Pursuant to the Rights Offering, each stockholder will receive the Basic Subscription Privilege and the Oversubscription Privilege. Until the expiration of the Rights Offering, it is impossible to predict how many of the stockholders will subscribe to the Rights Offering. As a result, it is impossible to predict the ownership after the Rights Offering of those stockholders listed below.

Name and Address	Beneficially Owned	Outstanding Shares
Tweedy, Browne Company L.P. and TBK Partners, L.P. 52 Vanderbilt Avenue New York, New York 10017	311,285 (1)	5.2%
David S. Gottesman, Arthur Zankel and Daniel Rosenbloom (collectively)	452,100 (2)	7.6%
Gary K. Barr	324,060 (3)	5.4%

- (1) According to a Schedule 13D, dated November 23, 1992, Tweedy Browne Company L.P. ("TBC") reported that it may be deemed to beneficially own 278,985 shares of the Fund which are held in various TBC customers' accounts with respect to which TBC has investment discretion. In the Schedule 13D, TBK Partners, L.P. ("TBK") reported that TBK owns directly 32,300 shares of the Fund. TBC and TBK reported that they may be deemed to be members of a group which may be deemed to be the beneficial owner in the aggregate of 311,285 shares of common stock.
- (2) As reported on Schedule 13D filed on May 22, 1992, Mr. Gottesman, Mr. Arthur Zankel and Mr. Rosenbloom reported that such filing was made as a group for informational purposes only, but disclaimed that they were a group. Arthur Zankel is the brother of Martin Zankel, the Fund's Chief Executive Officer and Chairman of the Board.
- (3) Included in this amount are 124,060 shares held directly, and 200,000 warrants to purchase common shares at \$9.50 per share, which are owned by The Landsing Corporation. The warrants expire March 31, 1995. Mr. Barr formerly served as the Fund's Chief Executive Officer.

<TABLE>

The following table sets forth the holdings of common stock of each Director and Executive Officer of the Fund as of December 31, 1993, and all Directors and Officers as a group. Each of the Directors and the Officer owning shares has indicated that he will exercise his respective Basic Subscription Privilege but none of such persons has determined whether he will exercise his Oversubscription Privileges. Furthermore, it will not be possible to determine until after the Expiration Date the number of Shares any such person would be entitled to purchase pursuant to the Oversubscription Privilege if exercised. As a result, it is not possible to determine the percentage ownership of such persons following the Rights Offering individually, and as a group; however, the percentage ownership of none of such persons will be lower than prior to the Rights Offering.

<CAPTION>

Name	Position	Number of Shares Beneficially Owned	Percentage of Outstanding Shares
<S>	<C>	<C>	<C>
J. Arthur deBoer	Director	1,000(2)	*
Robert K. McAfee	Director	4,000(2)	*
Frank A. Morrow	Director	2,500(2)	*
Frederick P. Rehmus	Director	29,700(2)	*
Norman H. Scheidt	Director	72,900(2)	1.2%
Martin I. Zankel	President, Chief Executive Officer and Director	85,800(1)	1.4%
Joseph M. Mock	Executive Vice President and Chief Operating Officer	-	-
Dean Banks	Chief Financial Officer	-	-
All Executive Officers and Directors as a Group		195,900	3.3%

* Less than 1%.

<FN>

(1) In addition, on May 14, 1993, Mr. Zankel was granted options to purchase 50,000 common shares under the Employee Stock Incentive Plan at \$3.25 per share.

(2) In addition, on May 14, 1993 each director other than Mr. Zankel was granted options to purchase 5,000 common shares under the 1993 Directors Stock Option Plan at \$3.25 per share. See "Executive Compensation -- Director Compensation".

</TABLE>

<TABLE>

<CAPTION>

Name	Age	Position	Director/Officer Since	Term Expires
<S>	<C>	<C>	<C>	<C>
Martin I. Zankel	59	Chairman of the Board, President and Chief Executive Officer	1991(1)	1995
J. Arthur deBoer	68	Director	1989	1996
Robert K. McAfee	63	Director	1988	1995
Frank A. Morrow	54	Director	1988	1994
Frederick P. Rehmus	59	Director	1989	1996
Norman H. Scheidt	59	Director	1993	1994
Joseph M. Mock	54	Executive Vice President and Chief Operating Officer	1993	
Dean Banks	52	Chief Financial Officer, Treasurer & Secretary	1992	

<FN>

(1) Mr. Zankel was elected in 1991, but began serving in January of 1992.

</TABLE>

Martin I. Zankel. Mr. Zankel has served as Chairman of the Board since May 22, 1992, Chief Executive Officer since July 17, 1992, and President since September 13, 1993. He has been a Senior Partner in the law firm of Zankel & McGrane or its predecessor since 1974. Mr. Zankel has been active in real estate investment and development as a principal for 30 years. He also serves as a director of Bedford Property Investors, Inc. (formerly ICM Property Investors Incorporated).

J. Arthur deBoer. Mr. deBoer has served as consultant to financial

institutions since 1986. Mr. deBoer has been Senior Vice President and Manager of the Special Asset Department of The Pacific Bank since November 1992. He served as Senior Vice President at Westamerica Bank from 1987 to 1991 where he managed the Special Asset Department and then served as the credit administrator for real estate construction loans.

Robert K. McAfee. Mr. McAfee has been Principal of Robert McAfee & Associates, Penn Valley, California, a firm specializing in finance and investment consultation since 1983. Mr. McAfee is a Director of XIOX Corporation, a software development company.

Frank A. Morrow. Mr. Morrow has been a Principal of Frank Morrow & Associates, San Francisco, California, a real estate development firm since 1984. From 1980 through 1984, he served as director of real estate for Stanford University, with responsibility for managing the real estate investments of the University's endowment fund as well as management, acquisition, leasing and sale of the real property owned directly by the University.

Frederick P. Rehmus. Mr. Rehmus is President of Brownson, Rehmus & Foxworth, a national financial advisory and investment counseling firm where he has served as President since 1978.

Norman H. Scheidt. Mr. Scheidt is President of Independent Holdings, a real estate management and development firm in San Francisco, California. He is also a general partner of McDonald-Halliday Enterprises, a partnership which owns and operates commercial real estate.

Joseph M. Mock. Mr. Mock joined the Fund in October 1993 as Executive Vice President and Chief Operating Officer. Most recently Mr. Mock was a principal of Byron Partners, Inc., a real estate management firm in Kentfield, California, where he acted as consultant to major banks and corporations in the reorganization and management of properties throughout California. He has also held the position of Vice President of Portfolio Management for Eastdil Realty, Inc. of San Francisco, providing asset management for their pension fund clients. Mr. Mock spent 17 years with Grubb & Ellis Company, during the last 8 of which he directed its asset management division.

Dean Banks. Mr. Banks joined the Fund in September 1992 as Chief Financial Officer, Treasurer and Secretary. He served as Chief Financial Officer for Grubb & Ellis Realty Income Trust and Grubb & Ellis Realty Advisors, Inc. from 1985 to 1992. Mr. Banks has 20 years of experience in financial management for real estate investment trusts.

EXECUTIVE COMPENSATION

The following table sets forth information regarding executive compensation as of December 31, 1992, the end of the Fund's most recent fiscal year:

<TABLE>

<CAPTION>

Name and Principal Position	Annual Compensation			Long-Term(1) Compensation Awards Options	All Other Comp.(2)
	Year	Salary	Bonus		
<S>	<C>	<C>	<C>	<C>	<C>
Martin Zankel, Chief Executive Officer	1992	\$ 72,000(3)	-	-	
Mark Wyman, Chief Operating Officer(6)	1992	\$149,000	\$30,000		\$10,000
	1991	140,000	40,000		6,000
	1990	137,000	42,000	\$100,000(5)	7,000
Dean Banks, Chief Financial Officer	1992	\$ 26,000(4)	-	-	

<FN>

(1) No awards or pay-outs pursuant to long-term incentive plans were made during the fiscal years shown. Mr. Wyman purchased restricted stock from the Fund at Market price pursuant to his former employment agreement, which transaction is discussed in "Certain Relationships and Related Transactions."

(2) Includes a \$6,000 per year automobile allowance and matching funds contributed by the Fund under the Fund's 401(k) Plan, a defined contribution plan pursuant to which eligible employees may contribute through payroll deductions. The Fund makes contributions to the Plan equal to 50% of up to the first 6% of each employee's contribution (subject to certain limitations).

(3) Includes Mr. Zankel's 1992 compensation as a director prior to

November 1992. Mr. Zankel currently receives an annual salary of \$150,000 and receives no separate compensation as director. Mr. Zankel has served as Chief Executive Officer since July 17, 1992.

(4) Mr. Banks joined the Fund on September 28, 1992, and receives annual compensation of \$100,000.

(5) See "Certain Relationships and Related Transactions."

(6) As of September 30, 1993, Mr. Wyman was no longer an employee of the Fund.

</TABLE>

None of the executive officers of the Fund has a written employment contract or any other plan or arrangement regarding employment or compensation.

DIRECTOR COMPENSATION

The annual director compensation of the Fund is \$10,000 per year and the regular meeting fee is \$1,500 per meeting. Each director also receives \$600 for each special meeting he attends in person and \$300 for each telephone conference meeting in which he participates. Members of the Compensation and Audit Committees receive \$600 for each committee meeting, unless the meeting is held on the same day as another type of meeting. When two or more types of meetings are held on the same day, directors will be paid for one meeting at the highest meeting rate. The Fund reimburses each director for his travel expenses. A majority of the Board may change the compensation arrangement at any time. In addition to the foregoing, on May 14, 1993, the Board approved the 1993 Director's Stock Option Plan pursuant to which each director who was not also an employee of the Fund received options to purchase 5,000 common shares, and pursuant to which at the beginning of each year, each Director who is not also an employee of the Fund will receive options to purchase a number of common shares equal to the annual base director compensation divided by the market price of one common share on the date before the date of grant. Such options will vest over a four year period.

Directors who are salaried employees of the Fund do not receive any compensation for board or committee service.

Directors providing consulting services to the Fund may also receive up to \$150 per hour, subject to a limit of \$1,000 per day. Since July 1992, the Fund has had an unwritten arrangement with Mr. Frank A. Morrow pursuant to which he is providing consulting services with respect to the redevelopment of the Multnomah Building. Mr. Morrow monitors the performance of the predevelopment project manager, represents the Fund relative to prospective sources of equity and debt financing, coordinates with regulatory agencies and provides consultation on other activities related to the redevelopment of the property. Under his arrangement with the Fund, Mr. Morrow receives compensation for his services at the rate the Fund regularly pays directors for consulting services up to a maximum of \$4,000 per month. In 1992, Mr. Morrow was paid a total of \$20,000 for consulting services. It is anticipated that this arrangement will terminate in December 1993.

In order to attract and retain qualified members of the Board and to provide additional incentive by offering them an opportunity to obtain a proprietary interest in the Fund, the Board adopted, and on August 6, 1993, the stockholders approved, the 1993 Directors' Stock Option Plan (the "Directors' Plan") pursuant to which options to purchase Common Stock may be granted to directors who are not employees of the Fund. There are five directors eligible to participate in the Director's Plan and 75,000 shares of Common Stock have been reserved for issuance upon exercise of options granted under the Directors' Plan.

On May 14, 1993 each director, other than Martin Zankel, who is an employee of the Fund, was granted an option to purchase 5,000 shares of Common Stock under the Directors' Plan. Thereafter, on January 1 of each year, each director then in office will be granted an option to purchase a number of shares of Common Stock which is equal to the amount of the annual directors' fee payable to such director during such year divided by the fair market value for one share of Common Stock on such date. For the purposes of the Directors' Plan, the fair market value of the Common Stock will be the last reported sale price on the American Stock Exchange on the trading day before the date that any options are granted thereunder. Each option granted under the Directors' Plan will have an exercise price equal to the fair market value of the Common Stock on the date of grant.

During the first year after an option is granted under the Directors' Plan, no portion of such option will be vested. Thereafter, on each succeeding anniversary of the grant date, such option will vest with respect to 25% of the shares subject to the option, such that after the fourth anniversary of grant, each option will be fully vested. Each option or portion thereof will be exercisable for ten years after such option is

granted.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Fund's Compensation Committee are Frederick P. Rehmus and J. Arthur deBoer, neither of whom are current or former employees or officers of the Fund or have a financial interest in any transaction with the Fund. There are no compensation committee interlocks between the Fund and any other entity involving any executive officer or director of the Fund who serves as executive officer of any such entity.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Effective March 1, 1990, the Fund became self-administered upon the termination of an advisory agreement with the predecessor to Pacific Coast Capital ("PCC"). In connection with the termination, the Fund acquired certain preferred stock of PCC which gives the Fund a preference on dividends paid by PCC. Gary K. Barr, who is the Chief Executive Officer and a significant stockholder of PCC, served as a director of the Fund and its Chief Executive Officer until mid-July 1992.

On October 15, 1992, in an agreement with Mr. Barr, the Fund canceled certain contingent promissory notes which had been issued to Mr. Barr and related parties in conjunction with the Fund's self-administration. The Fund also canceled a note receivable from an affiliate of PCC, for which the Fund had previously provided an allowance for the full amount of the note. The agreement also terminated various services provided by PCC for legal and transactional support related to property acquisition, disposition, financing, construction management and certain office support. Amounts paid to PCC and its predecessor for such services and for investment management were:

	1990	1991	1992
Legal and transactional fees	\$415,000	\$424,000	\$543,000
General and administrative support	187,000	127,000	153,000
Investment management	124,000	-	-
Total fees paid	\$726,000	\$551,000	\$696,000

The Fund's relationship with PCC was terminated in all substantial respects in 1992, as a result of which there has been a substantial reduction in fees paid by the Fund to PCC in 1993.

The Fund and RavelUnited Property Services, Inc. ("United") have agreements under which United provides property management and leasing services to the Fund. An officer and stockholder of United served as a director of the Fund from inception of the Fund until October 28, 1992. Amounts paid to United for its services were:

	1990	1991	1992
Property management	\$346,000	\$352,000	\$180,000
Leasing commissions	162,000	193,000	91,000
Total fees paid	\$508,000	\$545,000	\$271,000

The Fund will have no further agreements with United after December 31, 1993.

The Chairman of the Board and Chief Executive Officer of the Fund since July 17, 1992, is a member of a law firm which provided legal services to the Fund during 1992. Payments to the firm for these services were \$213,000.

Under the terms of an employment agreement with the Fund, Mr. Wyman purchased 40,000 unregistered shares of Common Stock in June 1990. He was also granted an option to purchase 100,000 unregistered shares of Common Stock by the Board in December 1990, which option was exercised in March 1991. In each case, the price per share of the shares purchased was the closing price of a share of Common Stock on the American Stock Exchange on the date of issuance and the date of the grant of the option, respectively.

On June 18, 1993, the Fund and Mr. Wyman entered into an agreement related to Mr. Wyman's purchase of the 140,000 shares of Common Stock. Under the terms of the agreement, on June 18, 1993, the Fund reduced the principal amount of notes receivable used to finance acquisition of the Common Stock from \$1,010,000 to \$455,000 and subsequently, on June 24, 1993, Mr. Wyman returned the Common Stock. The Fund recorded the return of 100,000 shares to the treasury and cancelled 40,000 shares and the notes receivable.

Mr. Wyman resigned his position with the Fund as of September 30, 1993. He now serves as a consultant to the Fund and as the interim asset

manager of the Country Hills Towne Center.

LANDSING PACIFIC FUND, INC.

PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma financial information set forth below reflects the reduction in the carrying value of certain real estate investments which will occur as of December 31, 1993.

The Fund has identified core markets in which it intends to make long-term investments. The Fund's properties that are not in these core markets are no longer considered to be held for long-term investment and the Fund has reduced their carrying values to their estimated net realizable value by a \$19,100,000 provision for loss. In addition, based on a revised analysis of the development prospects for the Multnomah Building, the carrying value of that investment will be reduced by a \$4,000,000 provision for loss.

<TABLE>

LANDSING PACIFIC FUND, INC.

PRO FORMA BALANCE SHEET

SEPTEMBER 30, 1993
(UNAUDITED)

(Amounts in thousands)

<CAPTION>

	Historical September 30, 1993	Adjustment Note 1	Pro Forma September 30, 1993
	-----	-----	-----
<S>	<C>	<C>	<C>
INVESTMENTS IN REAL ESTATE:			
Rental properties	\$131,400	\$ (19,100)	\$ 112,300
Accumulated depreciation	(22,186)	-	(22,186)
	-----	-----	-----
Rental properties - net	109,214	(19,100)	90,114
Real estate under development	8,079	(4,000)	4,079
Real estate held for sale - net	695	-	695
Non-performing participating mortgage loans	-	-	-
Collateral for non-performing participating mortgage loan, net	675	-	675
	-----	-----	-----
Total investments in real es	118,663	(23,100)	95,563
	-----	-----	-----
CASH AND CASH EQUIVALENTS	2,726	-	2,726
	-----	-----	-----
OTHER ASSETS:			
Accounts and interest receivable, net	1,339	-	1,339
Prepaid expenses, deposits and other assets	232	-	232
Deferred leasing commissions, loan costs, and other assets, net	2,440	-	2,440
	-----	-----	-----
Total other assets	4,011	-	4,011
	-----	-----	-----
TOTAL ASSETS	\$ 125,400	\$ (23,100)	\$102,300
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES:			
Notes payable	\$ 58,168	\$ -	\$ 58,168
Accounts payable	292	-	292
Other liabilities	2,022	-	2,022
	-----	-----	-----
Total liabilities	60,482	-	60,482
	-----	-----	-----
STOCKHOLDERS' EQUITY:			
Shares of common stock	6	-	6
Capital in excess of par value	131,389	-	131,389
Retained deficit and accumulated distributions	(66,477)	(23,100)	(89,577)

Total stockholders' equity	64,918	(23,100)	41,818
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$125,400	\$ (23,100)	\$102,300

</TABLE>

<TABLE>

LANDSING PACIFIC FUND, INC.

PRO FORMA STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1992
AND THE NINE MONTHS ENDED SEPTEMBER 30, 1993
(UNAUDITED)

(Amounts in thousands, except per share amounts)

<CAPTION>

	Year Ended December 31, 1992			Nine Months Ended September 30, 1993		
	Historical	Adjustment Note 1	Pro Forma	Historical	Adjustment Note 1	Pro Forma
<S>	<C>	<C>	<C>	<C>	<C>	<C>
REVENUES:						
Rental income	\$13,389	\$ -	\$13,389	\$10,794	\$ -	\$10,794
Interest on participating mortgage loans	41	-	41	-	-	-
Other income	135	-	135	60	-	60
Total revenues	13,565	-	13,565	10,854	-	10,854
EXPENSES:						
Operating	6,399	-	6,399	4,251	-	4,251
Depreciation and amortization	5,526	-	5,526	3,899	-	3,899
Interest	4,052	-	4,052	3,035	-	3,035
General and administrative	1,738	-	1,738	1,808	-	1,808
Other expense	1,752	-	1,752	111	-	111
Provision for participating loan losses	3,336	-	3,336	554	-	554
Provision for loss in value of investments in real estate	3,011	23,100	26,111	400	23,100	23,500
Total expenses	25,814	23,100	48,914	14,058	23,100	37,158
Loss before gain (loss) on sale of real estate	(12,249)	(23,100)	(35,349)	(3,204)	(23,100)	(26,304)
Gain (loss) on sale of real estate	392	-	392	-	-	-
Net loss	\$ (11,857)	\$ (23,100)	\$ (34,957)	\$ (3,204)	\$ (23,100)	\$ (26,304)
NET LOSS PER SHARE	\$ (1.89)	\$ (3.69)	\$ (5.58)	\$ (.53)	\$ (3.84)	\$ (4.38)
Weighted average shares outstanding	6,260	-	6,260	6,011	-	6,011

/TABLE

LANDSING PACIFIC FUND, INC.

NOTES TO PRO FORMA FINANCIAL STATEMENTS
(UNAUDITED)

1. ADJUSTMENT TO CARRYING VALUES.

On January 27, 1994, the Fund announced its decision to explore the disposition of its real estate investments in St. Paul, Minnesota; Oklahoma City, Oklahoma; Houston, Texas; and Boise, Idaho in order to determine whether such dispositions can be made on a satisfactory basis. Since the Fund's real estate investments in those markets are no longer considered to be held on a long-term basis, a \$19,100,000 provision for loss will be recognized as of December 31, 1993, to reduce the carrying value of the properties to their estimated net realizable value. As a result of revisions in the development prospects for the Multnomah Building, the carrying value of that investment will be reduced by a \$4,000,000 provision for loss. The pro forma adjustment to the balance sheet at September 30, 1993 reflects the effect of the reduction in carrying values as if it had occurred at September 30, 1993. The pro forma adjustments to the operating statements for the year ended December 31, 1992, and the nine months ended September 30, 1993, reflect the effect of the

reduction in carrying values as if it had occurred as of January 1, 1992 and January 1, 1993, respectively.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Directors and Shareholders of
Landsing Pacific Fund

We have audited the accompanying balance sheets of Landsing Pacific Fund as of December 31, 1992 and 1991, and the related statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1992 and the schedule of Real Estate and Accumulated Depreciation at December 31, 1992. These financial statements and financial statement schedule are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Landsing Pacific Fund as of December 31, 1992, and 1991, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1992, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule, referred to above, when considered in relation to the basic financial statements taken as a whole presents fairly, in all material respects, the information required to be included therein.

/s/ Cooper's & Lybrand
COOPERS & LYBRAND

San Jose, California
March 25, 1993

REPORT OF INDEPENDENT ACCOUNTANTS

To the Directors and Shareholders of
Landsing Pacific Fund

In connection with our audits of the financial statements of Landsing Pacific Fund as of December 31, 1992 and 1991, and for each of the three years in the period ended December 31, 1992, which financial statements are included in the Prospectus, we have also audited the financial statement schedules listed in item 35 herein.

In our opinion, the financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

/s/ Coopers & Lybrand
COOPERS & LYBRAND

San Jose, California
March 25, 1993

<TABLE>

FINANCIAL STATEMENTS

LANDSING PACIFIC FUND, INC.

BALANCE SHEETS

DECEMBER 31, 1991 and 1992 AND SEPTEMBER 30, 1993 (UNAUDITED)

(Amounts in thousands, except share amounts)

ASSETS

<CAPTION>

	December 31,		September 30,
	1991	1992	1993
	-----	-----	-----
<S>	<C>	<C>	(unaudited) <C>
INVESTMENTS IN REAL ESTATE:			
Rental properties	\$140,325	\$131,069	\$131,400
Accumulated depreciation	(17,142)	(19,171)	(22,186)
	-----	-----	-----
Rental properties - net	123,183	111,898	109,214
Real estate under development	2,064	6,505	8,079
Real estate held for sale - net			695
Non-performing participating mortgage loans (net of allowance for loan losses of \$111 in 1991, \$1,966 in 1992 and \$1,981 in 1993)	4,360		-
Collateral for non-performing participating mortgage loan (net of allowance for loss of \$539 in 1993)	-	1,171	675
	-----	-----	-----
Total investments in real estate	129,607	119,574	118,663
CASH AND CASH EQUIVALENTS (\$264 is restricted in 1991, and \$252 in 1992)	1,377	706	2,726
	-----	-----	-----
OTHER ASSETS:			
Accounts and interest receivable (net of allowance for doubtful accounts of \$1,017 in 1991, \$449 in 1992 and \$762 in 1993)	1,931	1,499	1,339
Prepaid expenses, deposits and other assets	1,525	286	232
Deferred leasing commissions, loan costs, and other assets (net of accumulated amortization of \$2,394 in 1991, \$2,826 in 1992 and \$2,837 in 1993)	2,558	2,390	2,440
	-----	-----	-----
Total other assets	6,014	4,175	4,011
	-----	-----	-----
TOTAL ASSETS	\$ 136,998	\$ 124,455	\$ 125,400
	=====	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES:			
Notes payable	\$ 53,309	\$ 53,757	\$ 58,168
Accounts payable	367	873	292
Other liabilities	1,986	1,722	2,022
	-----	-----	-----
Total liabilities	55,662	56,352	60,482
	-----	-----	-----

COMMITMENTS: (Note 12)

STOCKHOLDERS' EQUITY:			
Shares of preferred stock, par value of \$.01; shares authorized: 5,000,000; shares issued and outstanding: none			
Shares of common stock, par value of \$.001; shares authorized: 20,000,000; shares issued and outstanding: 6,284,792 in 1991, 6,093,137 in 1992 and 5,953,137 in 1993	6	6	6
Capital in excess of par value	135,300	134,190	131,389
Treasury stock at cost: 147,902 shares in 1991, and 280,707 in 1992	(1,300)	(1,795)	-
Notes receivable	(2,782)	(1,025)	-
Retained deficit and accumulated distributions	(49,888)	(63,273)	(66,477)
	-----	-----	-----
Total stockholders' equity	81,336	68,103	64,918
	-----	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$136,998	\$124,455	\$125,400
	=====	=====	=====

The accompanying notes are an integral part of the financial statements.

</TABLE>

<TABLE>

LANDSING PACIFIC FUND, INC.

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 1990, 1991 AND 1992
AND THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1993 (UNAUDITED)
(Amounts in thousands, except share amounts)

<CAPTION>

	Year Ended December 31,			Nine Months Ended September 30,	
	1990	1991	1992	1992	1993
	-----	-----	-----	-----	-----
	(unaudited)			(unaudited)	(unaudited)
<S>	<C>	<C>	<C>	<C>	<C>
REVENUES:					
Rental income	\$15,671	\$16,210	\$13,389	\$10,013	\$10,794
Interest on participating mortgage loans	439	264	41	41	-
Other income	296	436	135	125	60
	-----	-----	-----	-----	-----
Total revenues	16,406	16,910	13,565	10,179	10,854
	-----	-----	-----	-----	-----
EXPENSES:					
Operating	6,902	7,312	6,399	4,420	4,251
Depreciation and amortization	5,019	5,226	5,526	4,067	3,899
Interest	4,171	4,464	4,052	3,000	3,035
General and administrative	1,696	1,496	1,738	1,748	1,808
Other expense	1,913	1,257	1,752	1,680	111
Provision for participating loan losses	-	-	3,336	2,330	554
Provision for loss in value of investments in real estate	9,250	-	3,011	-	400
	-----	-----	-----	-----	-----
Total expenses	28,951	19,755	25,814	17,245	14,058
	-----	-----	-----	-----	-----
Loss before gain (loss) on sale of real estate	(12,545)	(2,845)	(12,249)	(7,066)	(3,204)
Gain (loss) on sale of real estate	(151)	-	392	385	-
	-----	-----	-----	-----	-----
Net loss	\$ (12,696)	\$ (2,845)	\$ (11,857)	\$ (6,681)	\$ (3,204)
	=====	=====	=====	=====	=====
NET LOSS PER SHARE	\$ (2.08)	\$ (.46)	\$ (1.89)	\$ (1.06)	\$ (.53)
	=====	=====	=====	=====	=====
Weighted average shares outstanding	6,117	6,203	6,260	6,302	6,011
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of financial statements.

</TABLE>

<TABLE>

LANDSING PACIFIC FUND, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 1990, 1991, and 1992
and the Nine Months Ended September 30, 1993 (unaudited)
(Amounts in thousands, except share amounts)

<CAPTION>

	Shares of Common Stock		Capital in Excess of par Value		Treasury Stock	Notes Receivable	Retained Deficit and Accumulated Distributions	Total Share- holders Equity
	Shares	Par Value	Value	Value				
	-----	-----	-----	-----	-----	-----	-----	-----
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE, DECEMBER 31, 1989	6,121,334	\$ 6	\$132,891	\$ (814)	\$ (1,620)	\$ (24,382)	\$ (106,081)	
Treasury stock acquired	(236,802)	-	-	(1,923)	-	-	(1,923)	
Shares issued:								
Self-administration	100,000	-	976	-	-	976	-	
Note receivable	140,000	-	1,260	-	(1,317)	-	(57)	
Net loss	-	-	-	-	-	(12,696)	(12,696)	
Allowance for note receivable - affiliate	-	-	-	-	1,620	-	1,620	
Distributions	-	-	-	-	-	(4,882)	(4,882)	
	-----	-----	-----	-----	-----	-----	-----	

BALANCE, DECEMBER 31, 1990	6,124,532	6	135,127	(2,737)	(1,317)	(41,960)	89,119
Treasury stock acquired	(100,300)	-	-	(632)	-	-	(632)
Treasury stock issued	225,000	-	-	2,069	(1,479)	(590)	-
Shares issued:							
Dividend reinvestment program	35,560	-	173	-	-	-	173
Net loss	-	-	-	-	-	(2,845)	(2,845)
Interest receivable	-	-	-	-	14	-	14
Distributions	-	-	-	-	-	(4,493)	(4,493)
	-----	---	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1991	6,284,792	6	135,300	(1,300)	(2,782)	(49,888)	81,336
Treasury stock acquired	(7,805)	-	-	(57)	-	-	(57)
Treasury stock reacquired	(125,000)	-	(391)	(438)	-	-	(829)
Shares/notes receivable cancelled	(100,000)	-	(900)	-	1,729	-	829
Shares issued:							
Dividend reinvestment program	41,150	-	181	-	-	-	181
Net loss	-	-	-	-	-	(11,857)	(11,857)
Interest receivable	-	-	-	-	28	-	28
Distributions	-	-	-	-	-	(1,528)	(1,528)
	-----	---	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1992	6,093,137	6	134,190	(1,795)	(1,025)	(63,273)	68,103
Oddlot shares refund	-	-	4	-	-	-	4
Treasury stock reacquired	(100,000)	-	(325)	(325)	650	-	-
Shares/notes receivable cancelled	(40,000)	-	(360)	-	360	-	-
Treasury stock eliminated by reincorporation	-	-	(2,117)	2,117	-	-	-
Net loss	-	-	-	-	-	(3,204)	(3,204)
Interest receivable	-	-	-	-	15	-	15
	-----	---	-----	-----	-----	-----	-----
BALANCE, SEPTEMBER 30, 1993	5,953,137	\$ 6	\$131,388	\$ -	\$ -	\$ (66,477)	\$64,918
	=====	===	=====	=====	=====	=====	=====

The accompanying notes are an integral part of the financial statements.

</TABLE>

<TABLE>

LANDSING PACIFIC FUND, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1990, 1991 AND 1992
AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1993 (UNAUDITED)
(Amounts in thousands)

<CAPTION>

	Year Ended December 31,			Nine Months Ended September 30,	
	1990	1991	1992	1992	1993
	----	----	----	----	----
<S>	<C>	<C>	<C>	(unaudited) <C>	(unaudited) <C>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net loss	\$ (12,696)	\$ (2,845)	\$ (11,857)	\$ (6,681)	\$ (3,204)
Adjustments to reconcile net loss to net cash provided by operating activities:					
Gain or loss on sale of real estate and provision for loss in value	9,401	-	2,619	(385)	400
Depreciation and amortization	5,066	5,226	5,526	4,067	3,899
Provision for doubtful accounts	327	1,214	352	199	616
Provision for note receivable - affiliate	1,620	-	-	-	-
Provision for participating loan losses	243	106	3,336	2,330	554
Changes in operating assets and liabilities:					
Decrease (increase) in accounts and interest receivable	(600)	(919)	9	277	(456)
Increase in accrued interest on participating mortgage loans	(682)	(918)	(41)	(41)	-
Increase (decrease) in other liabilities	10	206	(264)	575	300
Decrease (increase) in deposits	79	(1,059)	989	-	-
Decrease (increase) in prepaid expenses and other assets	(282)	(113)	250	813	69
Increase (decrease) in accounts payable	301	(104)	506	76	(581)
Decrease in accrued interest receivable - affiliate	-	14	28	-	-
	-----	-----	-----	-----	-----
Net cash provided by operating activities	2,787	808	1,453	1,230	1,597
	-----	-----	-----	-----	-----

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of partnership interests and certain

assets in conjunction with self-administration	(1,698)	-	-	-	-
Proceeds from sale of rental property	-	2,810	5,303	3,840	-
Acquisitions, capital expenditures, and construction	(2,447)	(8,358)	(4,973)	(2,566)	(3,126)
Increase in deferred expenses	(1,442)	(1,115)	(1,463)	(1,169)	(808)
Receipt on participating mortgage loan	-	750	2	-	-
Disbursement of participating mortgage loans	(360)	(141)	(37)	(25)	(58)
	-----	-----	-----	-----	-----
Net cash used in investing activities	(5,947)	(6,054)	(1,168)	80	(3,992)
	-----	-----	-----	-----	-----

CASH FLOWS FROM FINANCING ACTIVITIES:

Distributions to stockholders	(4,882)	(4,320)	(1,347)	(1,346)	-
Acquisition of treasury stock	(1,923)	(632)	(57)	(57)	-
Proceeds from notes payable	12,967	18,817	13,602	12,503	5,627
Payments on notes payable	(3,134)	(8,670)	(13,154)	(12,873)	(1,212)
	-----	-----	-----	-----	-----
Net cash provided by (used) in financing activities	3,028	5,195	(956)	(1,773)	4,415
	-----	-----	-----	-----	-----
Increase (decrease) in cash and cash equivalents	(132)	(51)	(671)	(463)	2,020
Cash and cash equivalents at beginning of year	1,560	1,428	1,377	1,377	706
	-----	-----	-----	-----	-----
Cash and cash equivalents at end of period	\$1,428	\$ 1,377	\$ 706	\$ 914	\$ 2,726
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of the financial statement.

</TABLE>

<TABLE>

LANDSING PACIFIC FUND, INC.
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 1990, 1991 AND 1992
AND FOR NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1993 (UNAUDITED)
(Amounts in thousands)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

<CAPTION>

	Year Ended December 31,			Nine Months Ended September 30,	
	1990	1991	1992	1992	1993
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
Cash paid during the period for interest net of \$121,000 capitalized in 1990, \$164,000 in 1991, and \$671,000 in 1992 and \$599,000 capitalized in the first nine months of 1992 and \$407,000 in the same period in 1993	\$ 4,166	\$ 4,513	\$ 3,983	\$ 3,043	\$ 3,005
	=====	=====	=====	=====	=====

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

Gain (loss) on sale of rental properties	\$ (151)	\$ -	\$ 392	\$ 385	\$ -
Cost of rental properties sold (net of accumulated depreciation)	1,560	2,671	4,906	4,913	-
Notes payable retired or forgiven	(1,561)	-	-	(1,463)	-
Other liabilities retired or forgiven	152	139	5	5	-
	-----	-----	-----	-----	-----
Net proceeds from sale of rental properties	\$ -	\$ 2,810	\$ 5,303	\$ 3,840	\$ -
	=====	=====	=====	=====	=====
Pay off line of credit	\$ -	\$ -	\$ (7,250)	\$ (7,250)	\$ (2,000)
Refinance line of credit to term loan	-	-	7,250	7,250	2,000
	-----	-----	-----	-----	-----
	\$ -	\$ -	\$ -	\$ -	\$ -
	=====	=====	=====	=====	=====
Note receivable cancelled in exchange for shares:					
Treasury stock	\$ -	\$ -	\$ (438)	\$ (438)	\$ (325)
Note receivable	-	-	1,729	1,729	1,010
Capital in excess of par	-	-	(1,291)	(1,291)	(685)
	-----	-----	-----	-----	-----
	\$ -	\$ -	\$ -	\$ -	\$ -
	=====	=====	=====	=====	=====
Transfer to real estate held for sale	\$ -	\$ -	\$ -	\$ -	\$ 695

Transfer from rental properties	-	-	-	-	(695)
	\$ -	\$ -	\$ -	\$ -	\$ -
Payment of stock dividends:					
Dividend reinvestment shares	\$ -	\$ 173	\$ 181	\$ 181	\$ -
Dividend distributions	-	(173)	(181)	(181)	-
	\$ -	\$ -	\$ -	\$ -	\$ -
Real estate under development	\$ -	\$ 2,064	\$ 6,505	\$ -	\$ -
Rental properties - net	-	(2,064)	(6,505)	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -
Collateral for participating mortgage loan	\$ -	\$ -	\$ 1,171	\$ -	\$ -
Participating mortgage loans	-	-	(1,171)	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of shares in exchange for notes receivable:					
Treasury stock	\$ -	\$ 2,069	\$ -	\$ -	\$ -
Shares issued	1,260	-	-	-	-
Notes receivable	(1,317)	(1,479)	-	-	-
Cost in excess of notes receivable	-	(590)	-	-	-
	\$ (57)	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

</TABLE>

<TABLE>
<CAPTION>

	Year Ended December 31,			Nine Months Ended September 30,	
	1990	1991	1992	1992	1993
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Acquisition of partners' interest in Country Hills Towne Center	(850)	-	-	-	-
Loan proceeds	600	-	-	-	-
Cash used for acquisition of partners' interest	\$ (250)	\$ -	\$ -	\$ -	\$ -
Acquisition of certain assets in conjunction with self-administration	(2,424)	-	-	-	-
Common shares issued	976	-	-	-	-
Cash used in the acquisition of the Fund's advisor	\$ (1,448)	\$ -	\$ -	\$ -	\$ -
Capital expenditures and construction:					
Master lease from former partner	620	-	-	-	-
Capital expenditures and construction	(3,813)	-	-	-	-
Proceeds from construction loan	746	-	-	-	-
Net cash used for capital expenditures and construction	\$ (2,447)	\$ -	\$ -	\$ -	\$ -

</TABLE>

LANDSING PACIFIC FUND, INC.

NOTES TO BALANCE SHEETS DATED
DECEMBER 31, 1991 AND 1992 AND FOR
STATEMENTS OF OPERATIONS,

CHANGES IN STOCKHOLDERS' EQUITY,
CASH FLOWS AND SUPPLEMENTAL
DISCLOSURE OF CASH FLOW INFORMATION FOR THE YEARS
ENDED DECEMBER 31, 1990, 1991 AND 1992

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Landsing Pacific Fund (the "Fund") is a Delaware corporation formed for the purpose of merging the assets and liabilities of Landsing Institutional Properties Trust-V, Landsing Institutional Properties Trust-VI and Landsing Institutional Properties Trust-VII. The merger was completed on November 28, 1988.

Rental and Development Properties - In connection with financings and other needs, the Fund obtained third-party appraisals for certain of the Fund's properties. In some cases, the appraisals indicated that the Fund's properties had current market values below their book values. The Fund, as a matter of policy, holds properties on a long-term basis and believes the book value of the Fund's properties will be fully recovered over the Fund's long-term holding period. This determination is based on an analysis of the undiscounted value of the property's future cash flows as compared with the carrying value of the property. This analysis is made annually, unless events or changes in circumstances suggest a need for more frequent review. If an impairment exists, an estimate of the deficiency is recorded as an increase in the provision for loss in value and a reduction in the property's carrying value. Accordingly, the accompanying financial statements do not include any adjustments, except as noted in Footnote 5, relating to the excess of property costs over current market value. Minimum rental income from leases is recognized on a straight-line basis over the term of occupancy in accordance with the provisions of the leases. Additionally, leases provide for reimbursement of certain operating expenses which are recognized as income when earned and when the amounts can be reasonably estimated. Depreciation is computed by the straight-line method over estimated useful lives ranging from four to forty years. Construction interest and property tax costs are capitalized as a cost of rental properties during the development and construction phase and are expensed as incurred after the construction is completed and the property is placed in service. Tenant improvements are being amortized over the lives of the related leases. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any gain or loss on disposal is included in the results of operations.

Accounting for Participating Mortgage Loans - Interest from participating mortgage loans is accrued and recognized for financial reporting purposes to the extent such interest is recoverable. The Fund follows a practice of establishing an allowance for losses on participating mortgage loans based on a regular management evaluation of the investment. If the collateral for a participating mortgage loan is considered to be in substance foreclosed, the carrying value of the investment is reduced to the estimated fair value of the collateral. An allowance for possible loan loss has been established against the loan balances and as of December 31, 1992 was \$1,966,000.

Deferred Leasing Commissions and Loan Costs - Leasing commissions are amortized over the lives of the tenant leases. Amounts paid to obtain loans are deferred and amortized over the lives of the related notes payable.

Cash and Cash Equivalents - The Fund considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. As of December 31, 1992, approximately \$470,000 of the Fund's cash was held in money market accounts at two U.S. commercial banks. At times, such investments may exceed federally insured limits.

Income Taxes - The Fund has elected to be treated as a real estate investment trust under the provisions of the Internal Revenue Code. Under these provisions, the Fund will not be subject to any federal income tax if 100% of its real estate investment trust taxable income is distributed to stockholders. Since the Fund has distributed amounts in excess of its taxable income, no provision for federal income taxes has been made in the accompanying financial statements.

Net Loss Per Share - Net loss per share is computed by dividing net loss by the weighted average number of shares outstanding of

6,117,114 in 1990, 6,203,084 in 1991, and 6,260,079 in 1992. The effect of the outstanding warrants on the calculation of net loss per share was anti-dilutive.

Reclassifications - Certain amounts in the 1990 and 1991 financial statements have been reclassified to conform to the 1992 presentation.

2. RENTAL PROPERTIES AND REAL ESTATE UNDER DEVELOPMENT

Rental properties consist of the following:

	December 31,	
	----- 1991 -----	1992 -----
Land	\$ 33,038,000	\$ 28,439,000
Building and improvements	107,131,000	102,240,000
Construction in progress	156,000	390,000
	-----	-----
Total rental properties	\$140,325,000	\$131,069,000
	=====	=====

The Fund is developing additional retail space at Country Hills Towne Center in Diamond Bar, California and is renovating a portion of the existing shopping center. Interest capitalized as part of the construction cost was \$121,000 in 1990, \$164,000 in 1991, and \$10,000 in 1992. In January 1990, the Fund completed the purchase of the portion of the property which it did not already own. As part of this purchase, the Fund entered into a master lease agreement with the seller under which the seller paid \$620,000 to compensate the Fund for vacant space. The 1990 master lease payments were applied to reduce the Fund's basis in Country Hills Towne Center.

During 1992, the Fund initiated the redevelopment of the Multnomah Building in Portland, Oregon into a 283-unit apartment building. Interest capitalized as part of the redevelopment was \$661,000.

Real estate under development consists of the following:

	December 31,	
	----- 1991 -----	1992 -----
Country Hills Towne Center	\$1,936,000	\$ 370,000
Imperial Garage	-	45,000
Multnomah Apartment Building	128,000	6,090,000
	-----	-----
	\$2,064,000	\$6,505,000
	=====	=====

3. PARTICIPATING MORTGAGE LOANS AND RELATED COLLATERAL

As of December 31, 1992, the Fund had investments in two participating mortgage loans.

The first of the loans is collateralized by a first mortgage on land in Sonoma, California with an outstanding balance of \$2,255,000 at December 31, 1992. This loan bears interest at the rate of prime plus 2% (8.0% on December 31, 1992). Substantially all of the principal balance of the loan matured on November 30, 1992, and the Fund is considering the borrower's request for an extension of the maturity. The loan has been in a non-interest bearing status since April 1, 1992 and from that date to December 31, 1992, \$123,000 of interest income has not been recognized.

Based on an evaluation of the current fair value of the collateral for the loan and the financial condition of the borrower, the Fund has accounted for the loan by making a \$1,084,000 provision for loss and writing down the investment to the estimated value of the collateral which the Fund would expect to receive if an actual foreclosure occurred. The collateral consists primarily of land under development as single family home lots.

The second of the loans is collateralized by a second mortgage on a retail shopping center in Alameda, California and has an outstanding balance of \$1,966,000. This loan bears interest at a prime plus 2% (8.0% on December 31, 1992), includes a provision for minimum interest of 10.5%, and was due on December 31, 1992. The first mortgage lender has instituted a foreclosure action and, as a result, the Fund has provided an allowance for loan loss for the full amount of the loan. The Fund has accounted for this note as a non-earning asset since October 1, 1990, and from that date to December 31, 1992, \$870,000 of interest income has not

been recognized.

4. NOTES PAYABLE

Most of the Fund's rental properties are pledged as collateral for notes payable. The notes bear interest at rates ranging from 6% to 11.5% per annum and are payable through 2012 with principal payments required in future years as follows:

1993	\$10,866,000
1994	20,653,000
1995	9,212,000
1996	9,174,000
1997	3,080,000
1998 and thereafter	772,000

Total	\$53,757,000
	=====

The Fund has two lines of credit for \$10,000,000 and \$2,000,000, respectively. These lines of credit are used for working capital and such amounts are included in the above analysis of debt maturities.

The \$10,000,000 line of credit is collateralized by four of the Fund's properties located in South San Francisco, California, and one property in Fremont, California. The line bears interest at the lender's prime rate plus 1.25% (7.25% as of December 31, 1992), matures on November 30, 1993, and had outstanding balances at December 31, 1992 and 1991 of \$6,027,000 and \$10,000,000, respectively.

The \$2,000,000 line of credit is collateralized by the BancFirst Building in Oklahoma City, Oklahoma. The line of credit bears interest at the lender's prime rate plus 1.5% (7.5% as of December 31, 1992), matures on July 1, 1993 and had an outstanding balance of \$2,000,000 at December 31, 1992 and 1991.

On June 19, 1992, a \$7,250,000 line of credit was converted to a four-year term loan with an interest rate of 8.5% per annum, increasing annually, and maturing on June 19, 1996. The loan is secured by two of the Fund's properties located in South San Francisco, California, and one property in Fremont, California. Under the provisions of the loan agreement, the Fund has various affirmative covenants, including a minimum ratio of operating income to interest expense, minimum income from property operations, and a minimum ratio of debt to the carrying value of real estate. As of December 31, 1992, there was no breach of any of the covenants.

The aggregate outstanding balances for the lines of credit at December 31, 1990, 1991 and 1992 were \$13,797,000, \$18,347,000, and \$8,027,000, respectively. The maximum balances outstanding under lines of credit during the years ended December 31, 1990, 1991 and 1992 were \$13,797,000, \$20,747,000 and \$19,250,000, respectively. The average monthly balances outstanding were \$8,270,000, \$17,307,000 and \$13,389,000 for the years ended December 31, 1990, 1991 and 1992, respectively. The weighted average interest rates on those balances were 11.12% for 1990, 8.06% for 1991 and 8.3% for 1992.

On September 25, 1992, the Fund received the proceeds of a \$4,000,000 first mortgage loan collateralized by Twin Oaks Business Park and Twin Oaks Technology Center in Beaverton, Oregon. The loan bears interest at the prime rate plus 2.875% (8.875% at December 31, 1992), matures on September 25, 1996 and requires monthly interest and principal payments of \$35,000.

5. OTHER EXPENSE

The following presents certain charges included in other expense incurred in each of the three years ended December 31, 1992:

	1990	1991	1992
	-----	-----	-----
Write-down of non-real estate assets	\$1,620,000	\$	\$246,000
Terminated partnership acquisitions	-	390,000	-
Environmental cleanup costs	-	271,000	-
Settlement of litigation	-	355,000	1,374,000
Other	293,000	167,000	132,000
	-----	-----	-----
	\$1,913,000	\$1,257,000	\$1,752,000
	=====	=====	=====

6. GAIN (LOSS) FROM SALE OF INVESTMENTS IN REAL ESTATE AND PROVISION FOR LOSS IN VALUE

On June 30, 1992, the Fund sold the Lakeridge Business Park in Redmond, Washington, in a transaction which resulted in a gain of \$392,000.

As of December 31, 1992, the Fund reduced the carrying value of the Multnomah Building in Portland, Oregon, by recording a \$3,011,000 provision for loss. During 1990, the Fund reduced the carrying values of the Multnomah Building and the 101 Park and BancFirst Office Buildings in Oklahoma City, Oklahoma, by recording a \$9,250,000 provision for loss.

7. RELATED PARTY TRANSACTIONS

Effective March 1, 1990, the Fund became self-administered upon the termination of an advisory agreement with the predecessor to Pacific Coast Capital ("PCC"). In connection with the termination, the Fund acquired certain preferred stock of PCC which gives the Fund a preference on dividends paid by PCC. Gary K. Barr, who is the Chief Executive Officer and a significant shareholder of PCC, served as a director of the Fund and its Chief Executive Officer until mid-July, 1992.

On October 15, 1992, in an agreement reflecting the termination of Mr. Barr's employment, the Fund cancelled certain contingent promissory notes which had been issued to Mr. Barr and related parties in conjunction with the Fund's self-administration. The Fund also cancelled a note receivable from an affiliate of PCC, for which the Fund had previously provided an allowance for the full amount of the note. The agreement also terminated various services provided by PCC for legal and transactional support related to property acquisition, disposition, financing, construction management and certain office support. Amounts paid to PCC and its predecessor for such services and for investment management were:

	1990	1991	1992
	----	----	----
Legal and transaction fees	\$415,000	\$424,000	\$543,000
General and administrative support	187,000	127,000	153,000
Investment management	124,000	-	-
	-----	-----	-----
Total fees paid	\$726,000	\$551,000	\$696,000
	=====	=====	=====

The Fund and RavelUnited Property Services, Inc. ("United") have agreements under which United provides property management and leasing services to the Fund. An officer and shareholder of United served as a director of the Fund from inception of the Fund until October 28, 1992. Amounts paid to United for its services were:

	1990	1991	1992
	----	----	----
Property management	\$346,000	\$352,000	\$180,000
Leasing commissions	162,000	193,000	91,000
	-----	-----	-----
Total fees paid	\$508,000	\$545,000	\$271,000
	=====	=====	=====

The Chairman of the Board and Chief Executive Officer of the Fund is a member of a law firm which provided legal services to the Fund during 1992. Payments for these services were \$213,000.

8. DISTRIBUTIONS TO SHAREHOLDERS

The Fund paid per-share distributions of \$.80 in 1990, \$.72 in 1991 and \$.24 in 1992. The distributions were treated as a return of capital for federal income tax purposes.

9. RENTAL PROPERTIES UNDER OPERATING LEASES

Minimum future revenues from rental properties under operating leases having initial or remaining non-cancellable lease terms in excess of one year at December 31, 1992 are as follows:

1993	\$10,131,000
1994	7,674,000
1995	5,285,000
1996	4,311,000
1997	3,526,000
1998 and thereafter	15,701,000

Total	\$46,628,000
	=====

10. CAPITAL STOCK AND NOTES RECEIVABLE

On October 15, 1992, the Fund executed an Agreement reflecting the termination of Mr. Gary Barr's employment as Chief Executive Officer under the terms of which the Fund received 225,000 shares of common stock held by Mr. Barr, the cancellation of a substantial portion of contingent notes which the Fund had issued to Mr. Barr and related parties, and transfer to the Fund of certain other assets and other considerations. In return, the Fund paid \$200,000 and certain other cash advances to Mr. Barr or related entities, and cancelled Mr. Barr's receivable notes which he had executed in connection with his original acquisition of the 225,000 shares of common stock. The Fund recorded the return of 125,000 shares to the treasury, cancellation of 100,000 shares and cancellation of \$1,729,000 of notes receivable.

The Fund's authorized capital stock consists of 20,000,000 shares of common stock, having a par value of \$.001 and 5,000,000 shares of preferred stock, having a par value of \$.01. The Fund may issue the preferred stock in classes or series and with any rights, privileges and preferences the Fund's Board of Directors may determine without any action or consent by the Fund's shareholders of common stock or preferred stock.

Warrants to purchase 200,000 common shares at \$9.50 per share were outstanding as of December 31, 1992. The warrants are fully exercisable and expire on March 31, 1995.

11. COMMON STOCK PURCHASE RIGHTS

On July 26, 1990, the Fund declared a distribution to shareholders of record on August 27, 1990, of one common stock purchase right for each outstanding share of common stock. Each right entitles the holder to purchase one share of common stock at an exercise price of \$25.00. The rights become exercisable if a person acquires 15% or more of the Fund's common stock or announces a tender offer for 30% or more of the Fund's common stock. The rights may be redeemed by the Fund at a price of \$.01 per right at any time prior to the tenth day after a 15% position has been acquired.

If the Fund is acquired in a merger or other business combination, each right will entitle its holder to purchase common shares of the acquiring company having a market value of twice the exercise price of each right, i.e., at a 50% discount. Each right will also entitle its holder to purchase the Fund's common stock at a similar 50% discount in the event an acquirer merges into the Fund and leaves the Fund's stock unchanged.

12. COMMITMENTS

In November 1990, the Fund signed a five-year lease for office space. Under the terms of this lease, the Fund is also responsible for its proportionate share of property taxes, utilities and other operating expenses.

Future minimum rental payments under the lease and the future sublease receipts are as follows:

	Rental Payments	Sublease Receipts
	-----	-----
1993	\$127,300	\$12,500
1994	147,000	-
1995	147,000	-
	-----	-----
Total	\$421,300	\$12,500
	=====	=====

Rent expense was \$74,000 and \$60,000 in 1991 and 1992, respectively, net of sublease income of \$55,000 in 1991 and \$51,000 in 1992.

<TABLE>

13. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following presents a summary of the unaudited quarterly financial information for the years ended December 31, 1991 and 1992 (amounts in thousands, except per share amounts):

<CAPTION>

	1991				1992			
	-----	-----	-----	-----	-----	-----	-----	-----
	First	Second	Third	Fourth	First	Second	Third	Fourth

	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Total revenues	\$ 4,513	\$ 4,330	\$ 4,219	\$ 3,848	\$ 3,437	\$ 3,380	\$ 3,362	\$ 3,386
Income (loss) before gain (loss) on sale of real estate	29	(580)	(223)	(2,071)	(1,246)	(4,328)	(1,492)	(5,183)
Gain (loss) on sale of real estate	-	-	-	-	-	417	(32)	7
Net income (loss)	\$ 29	\$ (580)	\$ (223)	\$ (2,071)	\$ (1,246)	\$ (3,911)	\$ (1,524)	\$ (5,176)
Per share:								
Net income (loss)	-	\$ (.09)	\$ (.04)	\$ (.33)	\$ (.20)	\$ (.62)	\$ (.24)	\$ (.83)
Distributions declared	\$.20	\$.20	\$.12	\$.12	\$.12	\$.12	\$ -	\$ -

LANDSING PACIFIC FUND, INC.

NOTES TO UNAUDITED BALANCE SHEET DATED
SEPTEMBER 30, 1993 AND UNAUDITED STATEMENTS OF OPERATIONS,
CHANGES IN STOCKHOLDERS' EQUITY, CASH FLOWS AND
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION
FOR NINE MONTHS ENDED SEPTEMBER 30, 1992 AND 1993

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements should be read in conjunction with the Fund's 1992 Annual Report on Form 10-K. Except for the balance sheet at December 31, 1992, the financial statements are unaudited, and certain disclosures which would normally be included with audited statements have been condensed or omitted. However, in the opinion of the Fund's management, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation have been included.

Net loss per share is computed by dividing net loss by the weighted average number of shares outstanding during the period.

Certain amounts in the 1992 financial statements have been reclassified to conform to the 1993 presentation.

2. ORGANIZATION

On September 30, 1993, Landsing Pacific Fund, a Delaware corporation, merged into Landsing Pacific Fund, Inc., a newly-formed Maryland corporation. The reincorporation had been approved at the Annual Shareholders Meeting on August 6, 1993. As a result of the merger, the former shareholders of Landsing Pacific Fund became stockholders of the Fund and the Delaware corporation ceased to exist.

3. REAL ESTATE HELD FOR SALE

On October 25, 1993, the Fund entered into a contract that may result in the sale of the Twin Oaks Executive Center in Beaverton, Oregon. If the sale is completed under the terms of the current contract, the Fund would realize a loss of approximately \$400,000. As of September 30, 1993, the carrying value of the property was reduced to the estimated net proceeds of the proposed sale by recording a \$400,000 provision for loss.

4. COLLATERAL FOR PARTICIPATING MORTGAGE LOAN

The Fund has outstanding a participating mortgage loan which is collateralized by a first mortgage on land in Sonoma, California. In 1992, based on an evaluation of current fair value of the collateral for the loan and the financial condition of the borrower, the Fund recorded a provision for loss and wrote down the investment to the estimated value of the collateral which the Fund would expect to receive if an actual foreclosure occurred.

During the nine months ended September 30, 1993, the borrower filed a petition under Chapter 11 of the Federal Bankruptcy Code. As a result, the Fund will be delayed in its ability to realize the value

of its collateral and has provided a valuation allowance of \$539,000 for additional estimated losses.

5. NOTES PAYABLE

At September 30, 1993, the Fund had one line of credit for \$10,000,000. During the nine months ended September 30, 1993, the Fund drew down approximately \$4,000,000 under the line of credit to bring the outstanding balance to \$10,000,000. Since May 31, 1993, the maturity of the line of credit has been extended for successive three-month periods and now matures on February 28, 1994.

On June 1, 1993, the Fund converted a \$2,000,000 line of credit to a three-year term loan which is collateralized by the BancFirst Building in Oklahoma City, Oklahoma. The loan requires monthly interest and principal payments of \$16,112, bears interest at the prime rate plus 1.50% (7.50% on September 30, 1993), and matures on July 1, 1996.

On June 21, 1993, the Fund received the proceeds of a \$1,229,000 loan which is collateralized by the 6900 Place property in Oklahoma City, Oklahoma. The loan requires monthly interest and principal payments of \$10,692, bears interest at the prime rate plus 2.50% (8.50% on September 30, 1993), and matures on July 1, 1998.

On June 25, 1993, the Fund closed a second mortgage loan commitment, collateralized by Country Hills Towne Center in Diamond Bar, California, under which the Fund may borrow up to \$1,500,000 of the cost of improvements at the property. The loan bears interest at the lender's prime rate plus 1.25% (7.25% at September 30, 1993) and matures on March 31, 1994. The outstanding balance at September 30, 1993, was \$469,000.

6. CAPITAL STOCK AND NOTES RECEIVABLE

On June 18, 1993, the Fund and R. Mark Wyman entered into an agreement related to Mr. Wyman's purchase in prior years of 140,000 Fund shares (the "Shares"). Under the terms of the agreement, on June 18, 1993, the Fund reduced the principal amount of notes receivable used to finance acquisition of the Shares from \$1,010,000 to \$455,000 and subsequently, on June 24, 1993, Mr. Wyman returned the Shares. The Fund recorded the return of 100,000 shares to the treasury and canceled 40,000 shares and the notes receivable.

7. STOCK OPTION PLANS

Employee Stock Incentive Plan - On August 6, 1993, the Fund's shareholders approved the Employee Stock Incentive Plan (the "Plan") under which key employees may be granted options to acquire shares of common stock. The Plan provides for a maximum of 500,000 shares which would be available for issuance upon the exercise of options.

On May 14, 1993 incentive stock options to acquire 50,000 shares were granted to the Fund's Chief Executive Officer, at an exercise price of \$3.25, which was the fair market value of the optioned shares on the date of grant. Options to acquire 25,000 shares will become exercisable on May 14, 1994 and options to acquire the remaining 25,000 shares will become exercisable on May 14, 1995.

1993 Directors' Stock Option Plan - On August 6, 1993, the Fund's shareholders approved the 1993 Directors' Stock Option Plan (the "Directors' Plan"). The Directors' Plan provides for a maximum of 75,000 shares which would be available for issuance upon the exercise of options.

On May 14, 1993, options to acquire 5,000 shares were granted to each of the five directors who are not employees of the Fund. The options are exercisable at a price of \$3.25 per share, which was the fair market value on the date of grant. The options vest such that 25% of the 25,000 aggregate shares subject to option will become exercisable on May 14th of each succeeding year.

SCHEDULE XI

LANDSING PACIFIC FUND, INC.
REAL ESTATE AND ACCUMULATED DEPRECIATION AT
December 31, 1992
(Amounts in thousands)

Initial Costs

Buildings
and

Description	Encumbrances	Land	Improvements	Total(1)
101 Park Avenue Office Building Oklahoma City, Oklahoma	\$ 4,392	\$ 816	\$ 12,706	\$ 13,522
301 East Grand Building South San Francisco, California		1,634	1,392	3,026
342 Allerton Building South San Francisco, California		1,075	2,152	3,227
400 Grandview Building South San Francisco, California	44	1,725	4,750	6,475
410 Allerton Building South San Francisco, California		655	796	1,451
417 Eccles Building South San Francisco, California		422	940	1,362
466 Forbes Building South San Francisco, California		1,436	1,587	3,023
Academy Place Shopping Center Colorado Springs, Colorado	3,937	1,551	5,499	7,050
Auburn Court Industrial Park Fremont, California		1,587	4,762	6,349
BancFirst Building Oklahoma City, Oklahoma		986	6,060	7,046
Bryant Street Annex Denver, Colorado	3,257	381	1,030	1,411
Bryant Street Quad Denver, Colorado		1,324	3,405	4,729
Camden Park Shopping Center Houston, Texas	90	2,359	4,579	6,938
Camden Shopping Center II Houston, Texas		968	0	968
Country Hills Towne Center Diamond Bar, California	14,307	4,089	3,802	7,891
Franklin Business Park Boise, Idaho	1,116	577	2,045	2,622
Imperial Garage Portland, Oregon		813	100	913
Inwood Central Shopping Center Houston, Texas		1,163	5,293	6,456
6900 Place Oklahoma City, Oklahoma		536	3,590	4,126
Nohr Plaza San Leandro, California	1,490	677	1,831	2,508
St. Paul Business Center West Maplewood, Minnesota	2,983	891	5,147	6,038
St. Paul Distribution Center Maplewood, Minnesota	1,865	367	2,073	2,440
Twin Oaks Business Park Beaverton, Oregon	3,982	841	3,364	4,205
Twin Oaks Executive Center Beaverton, Oregon		243	971	1,214
Twin Oaks Technology Center Portland, Oregon		1,293	5,173	6,466
Westinghouse Building Fremont, California		544	1,461	2,005
Landsing Pacific Fund	14,789 (A)		1,728	1,728 (
	<u>52,261</u>	<u>28,953</u>	<u>86,236</u>	<u>115,189</u>

Real estate under development:

Country Hills Towne Center				
Imperial Garage				
Multnomah Apartment Building	1,496	2,585	8,107	10,692
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$ 53,757	\$ 31,538	\$94,434	\$125,881
	=====	=====	=====	=====

Description	Cost Capitalized Subsequent to Acquisition(3)	Total(3) (4)	Accumulated Depreci- ation(2) (5)	Date Acquired
-----	-----	-----	-----	-----
101 Park Avenue Office Building Oklahoma City, Oklahoma	\$ (1,694)	\$ 11,828	\$ 2,381	07/01/87
301 East Grand Building South San Francisco, California	549	3,575	419	07/01/87
342 Allerton Building South San Francisco, California	478	3,705	459	12/19/86
400 Grandview Building South San Francisco, California	827	7,302	1,115	07/31/85
410 Allerton Building South San Francisco, California	71	1,522	170	07/31/85
417 Eccles Building South San Francisco, California	122	1,484	219	07/01/87
466 Forbes Building South San Francisco, California	605	3,628	270	12/19/86
Academy Place Shopping Center Colorado Springs, Colorado	147	7,197	840	07/01/87
Auburn Court Industrial Park Fremont, California	81	6,430	831	04/09/86
BancFirst Building Oklahoma City, Oklahoma	(1,499)	5,547	911	07/01/87
Bryant Street Annex Denver, Colorado	264	1,675	384	07/01/87
Bryant Street Quad Denver, Colorado	547	5,276	614	07/01/87
Camden Park Shopping Center Houston, Texas	(30)	6,908	1,046	04/17/84
Camden Shopping Center II Houston, Texas	3	971	0	12/31/84
Country Hills Towne Center Diamond Bar, California	11,882	19,773	1,792	12/23/86
Franklin Business Park Boise, Idaho	831	3,453	657	07/01/87
Imperial Garage Portland, Oregon	42	955	29	07/01/87
Inwood Central Shopping Center Houston, Texas	120	6,576	1,339	06/29/84
6900 Place Oklahoma City, Oklahoma	483	4,609	645	07/01/87
Nohr Plaza San Leandro, California	4	2,512	61	09/26/91
St. Paul Business Center West Maplewood, Minnesota	492	6,530	1,246	10/31/85
St. Paul Distribution Center Maplewood, Minnesota	266	2,706	58	12/23/91
Twin Oaks Business Park				

Beaverton, Oregon	744	4,949	1,031	03/30/84
Twin Oaks Executive Center Beaverton, Oregon	41	1,255	141	07/01/87
Twin Oaks Technology Center Portland, Oregon	355	6,821	1,275	12/20/84
Westinghouse Building Fremont, California	149	2,154	259	12/27/85
Landsing Pacific Fund	-	1,728	979	03/01/90
	---	-----	----	
	15,880	131,069	19,171	

Real estate under development:

Country Hills Towne Center	370	370		
Imperial Garage	45	45		
Multnomah Apartment Building	(4,602)	6,090	-	07/01/87
	-----	-----	-----	
	\$ 11,693	\$137,574	\$ 19,171	
	=====	=====	=====	

<FN>

(A) Principal outstanding on bank lines of credit secured by 301 East Grand, 342 Allerton, 400 Grandview, 410 Allerton, 417 Eccles, 466 Forbes, Auburn Court, BancFirst and Westinghouse.

(B) Cost allocated to trailing equity interest in the self-administration transaction.

SCHEDULE XI

LANDSING PACIFIC FUND, INC.

REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1992
(Amounts in thousands)

NOTES:

(1) The Fund's general policy is to purchase completed and development projects. Costs incurred subsequent to purchase are included in costs capitalized subsequent to acquisition.

(2) Depreciation is computed by the straight-line method over the lives of the related assets which range from four to forty years. Landsing Pacific Fund's assets include the trailing equity interest in the Fund's assets acquired in the self-administration transaction which is being amortized over five years.

(3) Real estate:

BALANCE, DECEMBER 31, 1989	\$ 142,876
Cost of properties sold	(1,647)
Improvements capitalized subsequent to acquisition	5,137
Provision for loss in property value	(9,250)

BALANCE, DECEMBER 31, 1990	137,116
Cost of properties sold	(2,810)
Improvements capitalized subsequent to acquisition	8,083

BALANCE, DECEMBER 31, 1991	142,389
Cost of properties sold	(5,853)
Improvements capitalized subsequent to acquisition	4,968
Provision for loss in property value of Multnomah Building(3,011)	
Adjust basis of Multnomah Building	(919)

BALANCE, DECEMBER 31, 1992	\$ 137,574
	=====

(4) The aggregate cost at December 31, 1992 for Federal income tax purposes \$ 149,067

(5) Accumulated depreciation

BALANCE, DECEMBER 31, 1989	\$ 9,715
----------------------------	----------

Additions charged to expense	3,699
Depreciation on property sold	(143)

BALANCE, DECEMBER 31, 1990	13,271
Additions charged to expense	4,146
Depreciation on property sold	(275)

BALANCE, DECEMBER 31, 1991	17,142
Additions charged to expense	3,895
Depreciation on property sold	(947)
Adjust basis of Multnomah Building	(919)

BALANCE, DECEMBER 31, 1992	\$ 19,171
	=====

LEGAL MATTERS

The validity of shares of Common Stock offered hereby and certain other matters relating to the Rights Offering will be passed upon for the Fund by the law firm of Greene, Radovsky, Maloney & Share, San Francisco, California.

EXPERTS

The balance sheets as of December 31, 1992 and 1991 and the statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1992, included in this prospectus, have been included herein in reliance on the report of Coopers & Lybrand, independent accountants, given on the authority of that firm as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 30. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, in connection with the sale of Common Stock being registered. All amounts are estimated except the registration fee.

SEC registration fee	\$ 1,514
Financial advisor fee	25,000
Financial advisor legal fees	4,000
Legal fees	100,000
Accounting fees	40,000
Printing	15,000
Mailing	30,000
Subscription Agent Fees	50,000
Amex listing fee	13,000
Blue Sky fee and expenses	6,000
Other	486

TOTAL	\$285,000
	=====

ITEM 32. RECENT SALES OF UNREGISTERED SECURITIES

On March 3, 1991 the Fund issued to Gary Barr, who was then the Chief Executive Officer of the Fund, 125,000 shares of Common Stock in exchange for a note receivable from Mr. Barr in the principal amount of \$828,750. On March 20, 1991 the Fund issued to R. Mark Wyman, who was then Chief Operating Officer, 100,000 shares of Common Stock in exchange for a note receivable from Mr. Wyman in the principal amount of \$650,000. Such transactions were exempt from registration under the Securities Act of 1933 pursuant to Regulation D promulgated thereunder.

ITEM 33. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Fund's articles of incorporation and bylaws obligate the Fund to indemnify directors, officers, employees and agents (a) against expenses of successfully defending a proceeding against them in their respective

capacities, and (b) against judgments, penalties, settlements and reasonable expenses unless it is established that: (i) such individual's act or omission was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) the individual actually received improper personal benefit in money, property or services; or (iii) in the case of any criminal proceeding, the individual had reasonable cause to believe that the act or omission was unlawful. However, the Fund may not indemnify an individual who has been found liable to the Fund in a proceeding brought by or in the right of the Fund or on the basis that personal benefit was improperly received (except for expenses pursuant to court order). The Fund's bylaws provide that no subsequent repeal or modification of charter provisions shall limit or eliminate benefits provided to directors and officers up to any prior act or omission.

ITEM 35. FINANCIAL STATEMENTS AND EXHIBITS

The following exhibits are filed as part of this Registration Statement.

Exhibit No. -----	Description -----	Sequentially Numbered Page -----
2	Agreement and Plan of Merger. Incorporated by reference to the Proxy Statement for the Fund's Annual Meeting of Stockholders held on August 6, 1993, which Proxy Statement is filed as an exhibit to the Fund's registration statement on Form 8-B filed with the Commission November 1, 1993.	
4.1	Articles of Incorporation. Incorporated by reference to the Proxy Statement for the Fund's Annual Meeting of Stockholders held on August 6, 1993, which Proxy Statement is filed as an exhibit to the Fund's registration statement on Form 8-B filed with the Commission November 1, 1993.	
4.2	Bylaws. Incorporated by reference to the Proxy Statement for the Fund's Annual Meeting of Stockholders held on August 6, 1993, which Proxy Statement is filed as an exhibit to the Fund's registration statement on Form 8-B filed with the Commission November 1, 1993.	
4.3	Form of Subscription Certificate	
4.4	Form of transmittal letter from the Fund to its stockholders for use in connection with the Rights Offering	
4.5	Form of Instructions for exercising Rights	
4.6	Form of Letter of Guaranty	
5	Opinion of Greene, Radovsky, Maloney & Share as to legality of the Rights and the Common Stock.	
8	Opinion of Greene, Radovsky, Maloney & Share as to tax matters	
10.1	Rights Agreement dated as of July 26, 1990 between Landsing Pacific Fund and Gemysis, Inc. as Rights Agent. Incorporated by reference to Quarterly Report or Form 10-Q for the quarter ended June 30, 1990.	
10.2	Amendment to Rights Agreement dated July 8, 1993 between Landsing Pacific Fund and Registrar and Transfer Company.	
10.3	Settlement Agreement and Release of Claims, dated October 15, 1992, between Landsing Pacific Fund, Pacific Coast Capital, The Landsing Corporation, and Gary K. Barr (without exhibits). Incorporated by reference to Exhibit 10.2 to Annual Report on Form 10-K for the fiscal year ended December 31, 1992.	

- 10.4 Agreement dated June 18, 1993. Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended June 30, 1993.
- 10.5 Landsing Pacific Fund Management Incentive Plan dated May 17, 1993. Incorporated by reference to Quarterly Report on Form 10-Q for the quarter ended June 30, 1993.
- 10.6 Employee Stock Incentive Plan
- 10.7 1993 Directors Stock Option Plan
- 21 List of Subsidiaries of the Fund
- 23 Consent of Coopers & Lybrand.
- 24 Powers of Attorney.

The following financial statements and schedules are included in the prospectus:

- (a) Balance sheets dated December 31, 1991 and 1992, and September 30, 1993 (unaudited).
- (b) Statements of operations for the fiscal years ended December 31, 1990, 1991 and 1992, and the nine months ended September 30, 1992 and 1993 (unaudited).
- (c) Statements of changes in stockholders' equity for the years ended December 31, 1990, 1991 and 1992, and the nine months ended September 30, 1993 (unaudited).
- (d) Statements of cash flow for the years ended December 31, 1990, 1991 and 1992, and the nine months ended September 30, 1992 and 1993 (unaudited).
- (e) Supplemental disclosure of cash flow information for years ended December 31, 1990, 1991 and 1992, and the nine months ended September 30, 1992 and 1993 (unaudited).
- (f) Schedule XI, Real Estate and Accumulated Depreciation at December 31, 1992.

The following schedules are included in this registration statement but not in the prospectus:

- (a) Schedule II, Amounts Receivable from Employees and Related Parties.
- (b) Schedule VIII, Valuation and Qualifying Accounts.
- (c) Schedule X, Supplementary Statement of Operations Information.

ITEM 36. UNDERTAKINGS

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as

expressed in the Act and is, therefore, unenforceable. In the event that a claim for expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Mateo, State of California on February 9, 1994.

LANDSING PACIFIC FUND, INC.

By: /s/Martin I. Zankel

Martin I. Zankel
Chief Executive Officer
and Chairman of the Board

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

/s/Dean Banks

Dean Banks
Chief Financial Officer
Date: February 9, 1994

/s/Joseph M. Mock

Joseph M. Mock
Chief Operating Officer
Date: February 9, 1994

/s/J. Arthur deBoer

J. Arthur deBoer
Director
Date: February 9, 1994

/s/Frank A. Morrow

Frank A. Morrow
Director
Date: February 9, 1994

/s/Frederick P. Rehmus

Frederick P. Rehmus
Director
Date: February 9, 1994

/s/Norman H. Scheidt

Norman H. Scheidt
Director
Date: February 9, 1994

/s/ Robert K. McAfee

SCHEDULE II

LANDSING PACIFIC FUND, INC.

AMOUNTS RECEIVABLE FROM EMPLOYEES AND RELATED PARTIES
 (Amounts in thousands)

Name of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Balance at End of Period
R. Mark Wyman				
Year ended 12/31,				
1990	\$ -	\$ 360(1)	\$ -	\$ 360
1991	360	650(2)	-	1,010
1992	1,010	-	-	1,010
Gary K. Barr				
Year ended 12/31,				
1990	\$ -	\$ 900(3)	\$ -	\$ 900
1991	900	829(4)	-	1,729
1992	1,729	-	1,729(5)	-

- (1) Includes \$360,000 note with interest at 9.0% per annum and the principal balance due on December 31, 1995. The note is collateralized by 40,000 shares of common stock.
- (2) Includes \$650,000 note with interest at 10% per annum and the principal balance due on March 20, 1996. The note is collateralized by 100,000 shares of common stock.
- (3) Includes \$900,000 note with interest at 9.0% per annum and the principal balance due on December 31, 1995. The note is collateralized by 100,000 shares of common stock.
- (4) Includes \$829,000 note with interest at 10% per annum and the principal balance due on March 15, 1996. The note is collateralized by 125,000 shares of common stock.
- (5) On October 15, 1992, the Fund cancelled the \$1,729,000 balance of notes receivable from Mr. Barr in exchange for the 225,000 shares of common stock which were collateral for the notes.

SCHEDULE VIII

LANDSING PACIFIC FUND, INC.

VALUATION AND QUALIFYING ACCOUNTS
 For the Years Ended December 31, 1990, 1991 and 1992
 (Amounts in thousands)

	Allowance for Doubtful Accounts	Allowance for Participating Loan Losses	Provision for Note Receivable- Affiliate
BALANCE, DECEMBER 31, 1989	\$ 445	\$ -	\$ -
Additions charged to income	327	243	1,620
Write-off of uncollectible accounts, net	(473)	-	-
BALANCE, DECEMBER 31, 1990	299	243	1,620
Additions charged to income	824	106	-
Additions charged to nonrecurring expense	390	-	-

Write-off of uncollectible accounts, net	(496)	(238)	-
	-----	-----	-----
BALANCE, DECEMBER 31, 1991	1,017	111	1,620
Additions charged to income	352	3,336	
Write-off of uncollectible accounts, net	(920)	(1,481)	(1,620)
	-----	-----	-----
BALANCE, DECEMBER 31, 1992	\$ 449	\$1,966	\$ -
	=====	=====	=====

SCHEDULE X

LANDSING PACIFIC FUND, INC.

SUPPLEMENTARY STATEMENT OF OPERATIONS INFORMATION
For the Years Ended December 31, 1990, 1991 and 1992
(Amount in thousands)

Column A	Column B		
	Charged to Costs and Expenses		
Item	-----		
----	1990	1991	1992
	----	----	----
1. Maintenance and repairs	\$1,452	\$1,479	\$1,239
2a. Depreciation	3,699	4,146	3,895
2b. Amortization of Deferred Costs	1,320	1,080	1,631
3. Property taxes	1,810	1,939	1,811

As to items omitted, amounts did not exceed one percent of total revenue.

</TABLE>

Form of Subscription Certificate

THE RIGHTS EXPIRE AT 5:00 P.M.
EASTERN STANDARD TIME ON MARCH 22,
1994 UNLESS SUCH DATE IS EXTENDED
AS PROVIDED IN THE PROSPECTUS

ONE RIGHT AND THE SUBSCRIPTION
PRICE SHOWN HEREON ARE REQUIRED
TO SUBSCRIBE FOR EACH SHARE OF
COMMON STOCK

Certificate Number: _____

Rights Represented by
Certificate: _____

LANDSING PACIFIC FUND, INC.
Subscription Certificate For Shares of
Common Stock

THIS CERTIFIES THAT

the Registered Owner of this Certificate named above is entitled to the number of Rights shown hereon to subscribe for shares of Common Stock, par value \$.001 per share, of Landsing Pacific Fund, Inc. (the "Fund") at \$2.50 per share upon the terms and conditions specified in the Prospectus dated February 14, 1994. Terms capitalized in this certificate have the same meanings as in the Prospectus. The Rights represented by this Subscription Certificate, in whole or in part, may be exercised by completing the Forms that are a part hereof.

This certificate is not valid unless countersigned and registered by the Subscription Agent.

IN WITNESS WHEREOF, the Fund has caused this Certificate to be signed by its duly authorized officers and its seal to be hereunto affixed.

LANDSING PACIFIC FUND, INC.

Countersigned and
Registered:

[facsimile signature]

REGISTRAR AND TRANSFER
COMPANY

I do not wish that the Shares I subscribe for pursuant to the exercise of the Rights accruing to the Common Stock held in my Dividend Reinvestment Plan account be credited to such account. I wish to have the certificate for such Shares sent to me directly.

IMPORTANT:
RIGHTS HOLDERS SIGN HERE

(Signature(s) of registered holder(s))

Dated: _____, 1994

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on this Subscription Certificate. If signature is by broker(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, please provide the following information. See Instructions).

Name(s)

(Please Print)

Capacity (Full Title)

Address

(Including Zip Code)

Area Code and
Telephone Number

(Home)

(Business)

Taxpayer Identification or
Social Security Number

EXHIBIT 4.4
[LANDSING PACIFIC FUND, INC. LETTERHEAD]

Dear Fellow Stockholder:

Landsing Pacific Fund, Inc. (the "Fund") has begun a Rights Offering to stockholders who owned shares of the Fund's Common Stock as of February 19, 1994 (the "Record Date"). Stockholders are being issued one non-transferable Right for each four shares of Common Stock held by them as of the close of business on the Record Date. Each Right will entitle the stockholder to purchase one share of Common Stock at the subscription price of \$2.50 per share (the "Basic Subscription Privilege").

Each right also carries with it the right to subscribe (the "Oversubscription Privilege") at the subscription price for one share of Common Stock from the underlying shares that are not otherwise purchased pursuant to the exercise of the Basic Subscription Privilege. You must exercise all of your rights pursuant to the Basic Subscription Privilege before you may subscribe for shares pursuant to the Oversubscription Privilege. The maximum number of shares for which you may subscribe pursuant to the Oversubscription Privilege is the number equal to the number of shares you subscribed for pursuant to the Basic Subscription Privilege.

Enclosed for your review is a Prospectus, a Subscription Certificate, and related documents concerning the Rights Offering. The Rights Offering will expire at 5:00 p.m., Eastern Standard Time, on March 22, 1994, unless extended by the Fund. We urge your immediate attention to the enclosed materials. Any Rights not exercised by the expiration date will expire. Any questions or requests for assistance should be directed to

Dean Banks, our Chief Financial Officer at (415) 513-5259
or our Investor Relations Representative at (415)
513-5253, or your financial adviser.

The Fund is raising capital through the Rights Offering to
improve its capital position while providing stockholders
with the opportunity to maintain their percentage interest
in the Fund.

The Rights Offering is being made only pursuant to the
Prospectus. Please read the Prospectus and other enclosed
materials carefully and act promptly.

Very truly yours,

Martin I. Zankel
Chief Executive Officer

EXHIBIT 4.5

LANDSING PACIFIC FUND, INC.

INSTRUCTIONS FOR COMPLETION OF SUBSCRIPTION CERTIFICATE

PLEASE READ THE PROSPECTUS BEFORE
COMPLETING YOUR SUBSCRIPTION CERTIFICATE

IF YOU ARE A PARTICIPANT IN THE DIVIDEND REINVESTMENT PLAN,
PLEASE SEE SECTION 8 OF THESE INSTRUCTIONS.

1. General

Terms capitalized but not defined herein have the same meaning as in the Prospectus dated February 14, 1994 (the "Prospectus"). The number of Rights you have been granted is printed on the face of your Subscription Certificate. It is also recorded in a register maintained by Registrar and Transfer Company (the "Subscription Agent").

One Right and \$2.50 per share (the "Subscription Price") are required to purchase one full share of Common Stock, \$.001 par value per share (each, a "Share"), of Landsing Pacific Fund, Inc., a Maryland corporation (the "Fund"). You may not purchase fractional Shares. Holders of Rights may (1) subscribe for and purchase all or some of the full Shares corresponding to their Rights, and (2) if all Shares corresponding to their Rights are subscribed, oversubscribe for and purchase Shares out of the Shares not initially subscribed pursuant to the exercise of Rights ("Excess Shares") up to a maximum number of Shares which equals the total number of full Shares for which they are entitled to subscribe pursuant to their Rights (subject to allocation on a pro rata basis), as more fully described in the Prospectus, a copy of which is enclosed herewith, by completing and signing the appropriate form on the Subscription Certificate. If the demand for Excess Shares pursuant to the Oversubscription Privilege exceeds the number of Excess Shares available, Holders shall participate in the Oversubscription Privilege (up to, but not exceeding, the number of Excess Shares for which each such Holder has oversubscribed) pro rata based upon the number of Rights exercised by each

such Holder pursuant to the Basic Subscription Privilege (without regard to Shares subscribed for by each such Holder under the Oversubscription Privilege), with fractional Shares being eliminated. The Rights Offering is being made upon all of the terms and subject to all the conditions set forth in the Prospectus.

If there are joint owners of Rights, each joint owner must sign. All signatures should be in exactly the same form as the names of the registered owners printed on the Subscription Certificate. If any such signature is not in such form, the Subscription Certificate must be accompanied by evidence satisfactory to the Fund to establish the authority of the signing person. All other information requested should be printed or typed.

To exercise the Rights, the completed and signed Subscription Certificate and the full Subscription Price for all Shares for which you have subscribed and oversubscribed should be submitted to the Subscription Agent as set forth in these Instructions to the following address:

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016

If payment of the Subscription Price is to be made by wire transfer, it should be sent pursuant to the instructions below. Wire instructions should reference the "Landsing Rights Offering" and should state the number of Shares subscribed.

Bank: National Westminster Bank NJ
For the account of: Registrar and Transfer Company
Bank Account No.: 8117021999
ABA Account No.: 02120339
The Subscription Agent's telephone
number is: (908) 272-8511

The method you use to deliver the completed Subscription Certificate and payment of the Subscription Price is at your election and risk, and delivery will be deemed effected only when actually received by the Subscription Agent.

RIGHTS NOT EXERCISED PRIOR TO 5:00 P.M., EASTERN STANDARD TIME, ON MARCH 22, 1994 OR ANY LATER DATE DETERMINED BY THE FUND AS PROVIDED IN THE PROSPECTUS (THE "EXPIRATION DATE") WILL BE VALUELESS. RIGHTS ARE ONLY DEEMED TO BE COMPLETELY EXERCISED UPON THE RECEIPT BY THE SUBSCRIPTION AGENT OF (1) A DULY COMPLETED SUBSCRIPTION CERTIFICATE AND (2) PAYMENT OF THE APPLICABLE SUBSCRIPTION PRICE.

2. To Subscribe and Oversubscribe for Shares

You may subscribe and oversubscribe for the number of Shares to which your Rights entitle you by selecting Payment Method 1 or Payment Method 2 described in the Prospectus and completing the subscription form on the reverse side of the Subscription Certificate in the following manner:

Payment Method 1:

1. If you wish to exercise all or some of your Rights, on Form A.1 state the number of full Shares for which you wish to subscribe. One Right is required in order to subscribe for each Share. Please be sure that you own a sufficient number of Rights to subscribe for the Shares you want to purchase. On the line provided, state the cost of the Shares for which you wish to subscribe pursuant to the Basic Subscription Privilege. To calculate the cost, multiply the number of Shares for which you wish to subscribe by \$2.50, the Subscription Price.
2. If you exercise all of your Rights and wish to oversubscribe for Excess Shares, on Form B.1 state the number of Excess Shares for which you wish to oversubscribe. You may not oversubscribe for a greater number of Shares than the number which equals the number of Shares you subscribed for pursuant to the exercise of the Basic Subscription Privilege.
3. On Form C.1 state the total cost of the Shares subscribed pursuant to the Basic Subscription Privilege and the Oversubscription Privilege (i.e., the sum of the payment amounts on Forms A.1 and B.1).
4. Enclose the payment amount stated on Form C.1. Payment must be made in United States dollars, by personal or cashier's check, bank draft, money order or wire transfer of funds payable to the order of "Registrar and Transfer Company, as Agent for Landsing Pacific Fund, Inc." If payment is sent by wire transfer of funds, please follow the instructions regarding wire transfers in Section 1 of these Instructions.

Payment Method 2:

1. If you wish to use Payment Method 2, a completed and duly executed Letter of Guaranty, the form of which is attached to the letter accompanying these Instructions stating the number of Shares for which you wish to subscribe and the number of Shares for which you wish to oversubscribe, and payment of the full Subscription Price for the Shares for which you have subscribed or oversubscribed must be delivered to the Subscription Agent by 5:00 p.m. Eastern Standard Time on the Expiration Date, stating the number of Shares for which you wish to subscribe and the number of Shares for which you wish to oversubscribe. Such Letter of Guaranty may be delivered by hand or sent by telegram, facsimile transmission or mail.
2. By 5:00 p.m., Eastern Standard Time, on the fifth business day after the Expiration Date, a completed and duly executed Subscription Certificate must be delivered to the Subscription Agent.
3. If you wish to exercise all or some of your Rights, on Form A.2 state the number of full Shares for which you wish to subscribe. One Right is required in order to subscribe for each Share. Please be sure that you own a sufficient number of Rights to subscribe for the Shares you want to purchase. On the line provided, state the cost of the Shares for which you wish to subscribe pursuant to the Basic Subscription Privilege. To calculate the cost, multiply the number of Shares for which you wish to subscribe by \$2.50, the Subscription Price.
4. If you exercise all of your Rights and wish to oversubscribe for additional Shares, on Form B.2, state the number of Shares for which you wish to oversubscribe. You may not oversubscribe for a greater number of Shares than the number which equals the number of Shares you subscribed for pursuant to the exercise of the Basic Subscription Privilege.
5. On Form C.2, state the total cost of the Shares subscribed pursuant to the Basic Subscription Privilege and the Oversubscription Privilege (i.e., the sum of payment amounts on Forms A.2 and B.2).

6. Enclose the payment amount stated on Form C.2. Payment must be made in United States dollars, by personal or cashier's check, money order or wire transfer of funds payable to the order of "Registrar and Transfer Company, as Agent for Landsing Pacific Fund, Inc.". If payment is sent by wire transfer of funds, please follow the instructions regarding wire transfers in Section 1 of these instructions.

3. Signatures

(a) Signature by Registered Holder. The signature on the Subscription Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Subscription Certificate without any alteration of change whatsoever. Persons who sign the Subscription Certificate in a representative or fiduciary capacity must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority so to act.

(b) Execution by Person Other than Registered Holder. If the Subscription Certificate is signed by a person other than the holder named on the face of the Subscription Certificate, proper evidence of authority of the person signing the Subscription Certificate must accompany the name unless, for good cause, the Subscription Agent dispenses with proof of authority.

4. Special Provisions relating to the Delivery of Rights through The Depository Trust Company.

In the case of Rights that are held of record through the Depository Trust Company ("DTC"), exercises of the Basic Subscription Privilege (but not the Oversubscription Privilege) may be effected by instructing DTC to transfer Rights (such Rights being "DTC Exercised Rights") from the DTC account of such holder to the DTC account of the Subscription Agent, together with making payment of the Subscription Price for each Underlying Share subscribed for pursuant to the Basic Subscription Privilege. THE OVERSUBSCRIPTION PRIVILEGE WITH RESPECT TO THE DTC EXERCISED RIGHTS MAY NOT BE EXERCISED THROUGH DTC. The holder of DTC Exercised Rights may exercise the Oversubscription Privilege in respect of such DTC Exercised Rights by properly executing and delivering to the Subscription Agent at or prior to 5:00 p.m. Eastern Standard Time, on March 22, 1994, or any later date determined by the Fund as provided in the Prospectus, a DTC Participant Oversubscription Exercise Form, together with payment of the

appropriate Subscription Price for the number of Shares for which the Oversubscription Privilege is to be exercised.

If a Letter of Guaranty relates to Rights with respect to which exercise of the Basic Subscription Privilege will be made through DTC and such Letter of Guaranty also relates to the exercise of the Oversubscription Privilege, a DTC Participant Oversubscription Exercise Form must also be received by the Subscription Agent in respect of such exercise of the Oversubscription Privilege on or prior to the Expiration Date.

5. Validity of Subscription

All questions with respect to the validity and form of any Rights or the Oversubscription Privilege (including time of receipt and eligibility to participate in the Rights Offering) will be determined solely by the Fund, which determinations shall be final and binding. Once made, subscriptions are irrevocable, and no alternative, conditional or contingent subscriptions will be accepted. The Fund reserves the absolute right to reject any subscriptions not properly submitted or the acceptance of which, in the opinion of the Fund's counsel, would be unlawful. Any irregularities in connection with subscriptions must be cured prior to the Expiration Date unless waived by the Fund in its sole discretion. Neither the Fund nor the Subscription Agent shall be under any duty to give any notification of defects in such subscriptions or incur any liability for failure to give such notification.

Subscriptions will be deemed to have been accepted (subject to the Fund's right to withdraw or terminate the Rights Offering) only when duly completed subscription documents and good funds with respect to such subscription have been received by the Subscription Agent. The Fund's interpretations of the terms and conditions of the Rights Offering (including these Instructions) shall be final and binding.

6. Delivery of Share Certificates and Confirmations

If your Shares are currently held in certificate form, certificates for Shares purchased pursuant to the exercise of Rights will be mailed as soon as practicable following the Confirmation Date and the receipt of all required documents and after all payments for subscribed Shares have cleared. If your Shares are in the form of an entry on the records of the Fund and its transfer agent, you will receive a confirmation stating the number of Shares credited to your account as a result of the exercise of your rights. Shares purchased by each participant in the Fund's Dividend Reinvestment Plan (the "Plan") upon the exercise of the Rights (including the Oversubscription Privilege) accruing to the Common Stock held for such participant's account in the Plan will be credited to his or her account

unless such participant requests that the certificates for such subscribed Shares be sent to him or her by completing the appropriate Form on the Subscription Certificate. Share certificates or confirmations for Shares issued pursuant to the exercise of Rights will be sent to the address set forth on the subscription form on the Subscription Certificate.

7. Information

If you have any questions regarding completion, delivery or exercise of your Rights or Subscription Certificate, you may contact the Subscription Agent at (800) 368-5948.

8. Special Instructions for Dividend Reinvestment Plan Participants

For the purpose of the Rights Offering, the Fund's Board of Directors has suspended operation of the Fund's Dividend Reinvestment Plan (the "Plan"). Therefore, if you are a participant in the Plan, the Subscription Certificate for the shares of Common Stock held in your Plan account has been sent to you directly and you should exercise your Rights in the same manner as all other stockholders as described in the prospectus and these Instructions. The Shares you purchase pursuant to the exercise of Rights accruing to the shares held in your Plan account will be credited to such account unless you request that the certificates for such Shares be sent to you directly by completing the appropriate Form on your Subscription Certificate. Please note that if some of the shares of the Fund's Common Stock you own are held in the Plan and some are held by you directly, you will receive two Subscription Certificates of different colors, one for the Shares held in the Plan and one for the shares you hold directly. If you wish to exercise your Rights with respect to all such shares, you will need to complete both Subscription Certificates. You will receive a share certificate or confirmation for the Shares you purchase pursuant to the exercise of the Rights accruing to shares of Common Stock held by you directly as provided in Section 6.

EXHIBIT 4.6
LETTER OF GUARANTY

As set forth in the Prospectus (the "Prospectus") dated February 14, 1993, of Landsing Pacific Fund, Inc. (the "Fund"), this form or one substantially equivalent hereto must be used to exercise a Holder's Rights (including the Oversubscription Privilege) if such Holder wishes to pay for the Shares purchased pursuant to the exercise of such Rights by Payment Method 2 (as defined in the Prospectus). All terms capitalized but not defined herein have the same meaning as in the Prospectus. Such form may be delivered by hand or sent by telegram, facsimile transmission or mail to the Subscription Agent as follows:

REGISTRAR AND TRANSFER COMPANY

10 Commerce Drive
Cranford, NJ 07016
Telephone: (800) 368-5948
Facsimile: (908) 272-1006

Delivery of this instrument to an address other than as set forth above does not constitute a valid delivery.

Ladies and Gentlemen:

The undersigned, upon the terms and subject to the conditions set forth in the Prospectus, receipt of which is hereby acknowledged, irrevocably subscribes and oversubscribes for the number of Shares set forth below. If oversubscribing, the undersigned certifies that all Rights held beneficially by the undersigned have been exercised.

1. Shares Subscribed for: _____ Shares
2. Shares Oversubscribed for: _____ Shares

The properly completed and duly executed Subscription Certificate, Certificate No. _____ will be received by the Subscription Agent within five business days after the Expiration Date.

Signature (first signer)

Signature (second signer if any)

Please print name of first signer here

Please print name of second signer here
(if any)

Please print address of first signer
here

Please print address of second signer
here (if any)

Area Code and Telephone Number of
first signer

Area Code and Telephone Number of
second signer

Dated: _____, 1994

GUARANTEE OF OWNERSHIP AND DELIVERY
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a member of a registered national securities exchange or of the National Association of Securities Dealers, Inc., or a commercial bank or trust company, having an office or correspondent in the United States, guarantees (a) that the above-named person(s) own(s) the Rights exercised hereby and (b) delivery to the Subscription Agent of a properly completed and duly executed Subscription Certificate, Serial No. _____ and payment in full of the Subscription Price for the Shares subscribed and oversubscribed within five business days after the Expiration Date.

Firm

Authorized Signature

Print Name of Signer of Firm

Title of Signer for Firm

Address

Telephone Number (including area code)

Dated: _____, 1994

February 9, 1994

Board of Directors
Landsing Pacific Fund, Inc.
155 Bovet Road, Suite 101
San Mateo, CA 94402

Re: Landsing Pacific Fund, Inc.
Registration Statement on Form S-3

Gentlemen:

You (the "Fund") have requested our opinion with respect to certain matters described below relating to 1,488,284 subscription rights (the "Rights") to purchase the Fund's common stock (the "Common Shares") to be distributed to the Fund's stockholders and a maximum of 1,488,284 shares of Common Stock to be issued upon the exercise thereof, pursuant to a Registration Statement on Form S-3 (the "Registration Statement").

In connection with our opinion, we have reviewed and relied upon the Registration Statement, as filed with the Securities and Exchange Commission on this date; the Prospectus in the form thereof included in the Registration Statement; the Articles of Incorporation and the Bylaws of the Fund; copies of resolutions of the board of directors of the Fund authorizing the issuance of the Rights and the Common Shares and the filing of, and the transactions described in, the Registration Statement; and such other records, documents, instruments and certificates of public officials and of the Fund as we have deemed necessary for the purpose of rendering the opinions herein set forth. In making such examination, we have assumed the genuineness of all signatures and the authenticity of all items submitted to us as

originals and the conformity with originals of all items submitted to us as copies.

Based upon and subject to the foregoing, and subject to the qualifications set forth herein, we are of the opinion that:

The Rights and the Common Shares to be issued upon exercise thereof pursuant to the Registration Statement are duly authorized and when issued will be validly issued, and the Common Shares when issued will be fully paid and nonassessable, provided the full purchase price for each of the Common Shares is paid to and received by the Company.

We are members of the State Bar of California and, accordingly, we do not purport to be qualified to, nor do we, express any opinion herein concerning any law other than the laws of the State of California and the federal government of the United States.

We know that we are referred to in the prospectus under the headings "Income Tax Considerations" and "Legal Matters" and we hereby consent to such use of our name. We also know that our opinion of even date herewith as to certain federal income tax matters is included as Exhibit 8 to the Registration Statement, and we hereby consent to such use of that opinion and to the use of this opinion for filing with the Registration Statement as Exhibit 5 thereto.

Very truly yours,

/s/ Greene, Radovsky, Maloney & Share

GREENE, RADOVSKY, MALONEY & SHARE

February 9, 1994

Board of Directors
Landsing Pacific Fund, Inc.
155 Bovet Road, Suite 101
San Mateo, CA 94402

Re: Landsing Pacific Fund, Inc.
Registration Statement on Form S-3

Gentlemen:

You (the "Fund") have requested our opinion with respect to the federal income tax matters described below relating to 1,488,284 subscription rights (the "Rights") to purchase the Fund's common stock (the "Common Shares") to be distributed to the Fund's stockholders and 1,488,284 Common Shares of to be issued upon the exercise thereof, pursuant to a Registration Statement on Form S-3 (the "Registration Statement").

In rendering our opinion, we have reviewed and relied upon the Registration Statement, as filed with the Securities and Exchange Commission on this date and the Prospectus in the form thereof included in the Registration Statement (the "Prospectus"), the Fund's Articles of Incorporation and Bylaws, and certain representations made by you. In connection with such representations, we have reviewed certain of your books and records and certain other matters and, based upon such review, we believe that we may reasonably rely upon such representations.

We hereby confirm to you our opinions expressed in the Prospectus under the caption entitled "Income Tax Considerations," subject to the assumptions, representations, qualifications and uncertainties discussed therein.

Very truly yours,

/s/ Greene, Radovsky, Maloney & Share

GREENE, RADOVSKY, MALONEY & SHARE

EXHIBIT 10.2

FIRST AMENDMENT TO RIGHTS AGREEMENT

This First Amendment to Rights Agreement is entered into as of this 8th day of July, 1993, by and between Landsing Pacific Fund, a Delaware corporation and Registrar and Company, a New Jersey corporation (the "Successor").

Reference is hereby made to that certain Rights Agreement (the "Rights Agreement") dated as of July 26, 1990 between the Company and Gemisys Inc., as rights agent.

WHEREAS, the Company desires to appoint the Successor as successor Rights Agent and to amend the Rights Agreement as set forth herein,

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein the parties hereby agree as follows:

1. Section 1(a) of the Rights Agreement is hereby amended to read in its entirety as follows:

"(a) 'Acquiring Person' shall mean any Person (as such term is hereinafter defined) who or which, together with all Affiliates and Associates (as such terms are hereinafter defined) of such Person, shall be the Beneficial Owner (as such term is hereinafter defined) of twenty-five percent (25%) or more of the Common Shares of the Company then outstanding but shall not include the Company, any Subsidiary of the Company, or any employee benefit plan of the Company or of any Subsidiary of the Company or any entity holding shares of capital stock of the Company for or pursuant to the terms of any such plan, in its capacity as an agent or trustee for any such plan."

2. Pursuant to Section 21 of the Rights Agreement the Company hereby appoints the Successor as successor Rights Agent. As of the date hereof, the Successor shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent, and as used in the Rights Agreement, the term Rights Agent shall mean Registrar and

Transfer Company. The Rights Agreement and each Exhibit thereto is hereby amended to replace the name "Gemysis, Inc." with the name "Registrar and Transfer Company", in each place where such name appears.

3. The legend set forth in Section 3(c) of the Rights Agreement is hereby amended such that with respect to any certificates for Common Shares which become outstanding (whether upon issuance out of authorized but unissued Common Shares, issuance out of treasury or transfer or exchange of outstanding Common Shares) after the date hereof but prior to the earliest of the Distribution Date, the Redemption Date or the Final Expiration Date, the legend appearing on such certificates pursuant to Section 3(c) shall read in its entirety as follows:

"This certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Rights Agreement dated July 26, 1990 between Landsing Pacific Fund and Registrar and Transfer Company, as amended (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of Landsing Pacific Fund. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. Landsing Pacific Fund will mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. As described in the Rights Agreement, Rights which are held by or have been held by Acquiring Persons or Associates or Affiliates thereof (as defined in the Rights Agreement) shall become null and void."

4. Section 5 of the Rights Agreement is hereby amended such that the first sentence of the second paragraph thereof shall read as follows:

"Following the Distribution Date, the Rights Agent will keep or cause to be kept, at its address set forth in Section 25 hereof, books for registration and transfer of the Right Certificates issued hereunder."

5. Section 21 of the Rights Agreement is hereby amended to delete the following language:

"Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States or of the State of California (or any other state of the United States so long as such cor-

poration is authorized to do business as a banking institution in the State of California) in good standing, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by federal or state authority and which has at the time of appointment as Rights Agent a combined capital surplus of at least \$50 million."

6. Section 25 of the Rights Agreement shall be amended such that the address of Landsing Pacific Fund shall read as follows:

Landsing Pacific Fund
1055 Bovet Road, Suite 101
San Mateo, California 94402
Attn: Chief Financial Officer

and the address of the Rights Agent shall read as follows:

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016.

7. Except as specifically amended hereby, the Rights Agreement shall be and remain in full force and effect in all respects.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Rights Agreement as of the date first above written.

LANDSING PACIFIC FUND

By: /s/ Dean Banks
Title: Chief Financial Officer and
Secretary

REGISTRAR AND TRANSFER COMPANY

By: /s/ William P. Tatler
Title: Vice President

EXHIBIT 10.6

LANDSING PACIFIC FUND

EMPLOYEE STOCK INCENTIVE PLAN

ARTICLE I

General

1. Purpose of the Plan. The purpose of the Landsing Pacific Fund Employee Stock Incentive Plan (the "Plan") is to enable Landsing Pacific Fund (the "Company") to recognize and reward employees and officers whose performance, contributions and skills promote the achievement of the Company's long-term financial and business objectives, to afford them an opportunity to acquire a proprietary interest in the Company, and to enable the Company to enlist and retain in its employ the best available talent for the successful conduct of its business. It is intended that this purpose will be effected through the granting of stock options.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Board" means the Board of Directors of the Company.

(b) "Code" means the Internal Revenue Code of 1986, as amended.

(c) "Committee" means the Committee or Committees referred to in paragraph 5 of this Article I. If at any time no Committee member shall be in office, then the functions of the Committee specified in the Plan shall be exercised by the Board.

(d) "Common Stock" means the Common Stock, \$0.001 par value (as adjusted from time to time), of the Company.

(e) "Company" means Landsing Pacific Fund, a corporation organized under the laws of the state of Delaware, or any successor corporation.

(f) "Director" means a member of the Board.

(g) "Disability" means a disability as defined in Section 105(d)(4) of the Code.

(h) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(i) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) the last reported sale price of the Common Stock on the American Stock Exchange or, if no such reported sale takes place on any such day, the average of the closing bid and asked prices on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or

(ii) if the Common Stock is then quoted on the NASDAQ National Market System, the last reported sale price or, if no such reported sale takes place on any such day, the average of the closing bid and asked prices, or

(iii) if such Common Stock shall not be quoted on such National Market System nor listed or admitted to trading on a national securities exchange, then the average of the closing bid and asked prices, as reported by The Wall Street Journal for the over-the-counter market, or

(iv) if neither of the foregoing is applicable, then the Fair Market Value of a share of Common Stock shall be

determined by the Board of Directors of the Company in its discretion.

(j) "Incentive Stock Option" means an Option intended to be and designated as an "Incentive Stock Option" within the meaning of Section 422 of the Code.

(k) "Insider" means a Participant who is an officer or Director of the Company or other person whose transactions in Common Stock are subject to Section 16(b) of the Exchange Act.

(l) "Nonstatutory Stock Option" means any Option that is not an Incentive Stock Option.

(m) "Option" means any option to purchase shares of Common Stock granted pursuant to Article II below.

(n) "Outside Director" means a disinterested Director within the meaning of Rule 16b-3 of the Exchange Act.

(o) "Participant" means an individual selected by the Committee to receive an award under and pursuant to the terms of the Plan.

(p) "Plan" means the Landsing Pacific Fund Omnibus Incentive Plan, as hereinafter amended from time to time.

(q) "Subsidiary" means a corporation of which not less than 50% of the voting shares are held by the Company or by a Subsidiary, whether or not such corporation now exists or is hereafter organized or acquired by the Company or by a Subsidiary.

(r) "Tax Date" shall have the meaning set forth in

paragraph 1 of Article VI below.

3. Eligible Participants. Any officer or other employee of the Company or of a Subsidiary whom the Committee deems to have the potential to promote the achievement of the Company's long-term financial and business objectives shall be eligible to receive awards under the plan.

4. Stock Subject to the Plan. Subject to paragraphs (2) and (3) of Article III, the total number of shares of Common Stock reserved and available for distribution pursuant to the Plan shall be 500,000 shares. Subject to paragraphs (2) and (3) of Article III, if any shares of Common Stock that have been optioned under an Option cease to be subject to such Option, or if any shares that are subject to any Option granted hereunder are forfeited or repurchased or any such award otherwise terminates without a payment being made to the participant in the form of Common Stock, such shares shall again be available for distribution in connection with future awards or Option grants under the Plan.

5. Administration.

(a) Procedure. The Plan shall be administered by (i) the Board if the Board may administer the Plan in compliance with Rule 16b-3 promulgated under the Exchange Act, or any successor rule thereto ("Rule 16b-3"), with respect to a plan intended to comply with Rule 16b-3, or (ii) a Committee designated by the Board to administer the Plan, which Committee shall be constituted to permit the Plan to comply with Rule 16b-3. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time the Board may change the size of the Committee, appoint additional members thereof, remove members (with or without cause), appoint new members in substitution therefor, fill vacancies, however caused, and remove all members of the Committee and thereafter directly administer the Plan, all to the extent permitted by Rule 16b-3 with respect to a plan intended to qualify thereunder as a discretionary plan. As used herein, except in paragraphs 5 and 12 of Article VI, reference to the Board shall mean such Board or the committee, whichever is then acting with respect to the Plan.

(b) Authority. Subject to the general purposes, terms, and conditions of the Plan, and to the direction of the Board, the Committee, if there be one, shall have full power to implement and carry out the Plan including, but not limited to,

the following:

(i) to select the Participants to whom Options may from time to time be granted hereunder;

(ii) to determine whether and to what extent Options are granted hereunder;

(iii) to determine the number of shares of Common Stock to be covered by each such award granted hereunder;

(iv) to approve forms of agreement for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder, including, but not limited to, the share price and any restriction or limitation, or any vesting acceleration or waiver of forfeiture restrictions regarding any Option or other award and/or the shares of Common Stock relating thereto, based in each case on such factors as the committee shall determine, in its sole discretion;

(vi) to determine the form of payment that will be acceptable consideration for exercise of an Option granted under the Plan;

(vii) to determine whether, to what extent and under what circumstances Common Stock and other amounts payable with respect to an award under this Plan shall be deferred either automatically or at the election of the Participant (including providing for and determining the amount (if any) of any deemed earnings on any deferred amount during any deferral period);

(viii) to reduce the exercise price of any Option;

The Committee shall have the authority to construe and interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan, to correct any defect or

omission or reconcile any inconsistency in the Plan or any award granted hereunder, and to make all other determinations necessary or advisable for the administration of the Plan. It is the intent of this provision to give the Committee discretion in administering the Plan and carrying out its duties hereunder, including designating an administrator of the Plan for day to day operations (the "Plan Administrator"). A majority of the Committee shall constitute a quorum, and the acts of a majority of the quorum shall be sufficient for the taking of any action under the Plan. No member of the Committee shall be liable for any act done or determination made in good faith under the terms of the Plan.

6. Duration of the Plan. The Plan shall remain in effect until terminated by the Board under the terms of the Plan, provided that in no event may Incentive Stock Options be granted under the Plan later than May 14, 2003, ten years after the date the Plan was adopted by the Board.

ARTICLE II Options

1. Award of Stock Options. The Committee, in its discretion, may grant Options to Participants, and shall determine whether such Options shall be Incentive Stock Options or Nonstatutory Stock Options. Each Option shall be evidenced by a written Option agreement which shall expressly identify the Option as an Incentive Stock Option or as a Nonstatutory Stock Option, and shall be in such form and contain such provisions as the Committee shall from time to time deem appropriate. Without limiting the foregoing, the Committee may, at any time, or from time to time, authorize the Company, with the consent of the respective recipients, to issue new Options including Options in exchange for the surrender and cancellation of any or all

outstanding Options or Rights. All such Option agreements shall contain the terms and conditions discussed in the remainder of this Article.

2. Option Price; Number of Shares. The Option price, which shall be approved by the Committee, may be less than the Fair Market Value of the Common Stock at the time the Option is granted; provided, however, that in the case of an Incentive Stock Option, the price shall be no less than 100% of the Fair Market Value of the Common Stock on the date the Option is granted, subject to any additional conditions set out in paragraph 8 of this Article. The Option agreement shall specify the number of shares of Common Stock to which it pertains.

3. Waiting Period and Exercise Dates. At the time an Option is granted, the Committee will determine the terms and conditions to be satisfied before shares may be purchased, including the dates on which shares subject to the option may first be purchased. The Committee may specify that an Option may not be exercised until the completion of the waiting period specified at the time of grant, and any such period is referred to herein as the "Waiting Period." At the time an Option is granted, the Committee shall fix the period within which such Option may be exercised, which shall not be less than the Waiting Period, if any, nor, in the case of an Incentive Stock Option, more than 10 years from the date of grant.

4. Form of Payment. The consideration to be paid for the shares of Common Stock to be issued upon exercise of an Option, including the method of payment, shall be determined by the Committee (and, in the case of an Incentive Stock Option, shall be determined at the time of grant) and may consist entirely of any of the following: (i) cash, (ii) certified or cashier's check, (iii) promissory note, (iv) other shares of Common Stock which (x) have been owned by the optionee for more than six months on the date of surrender, and (y) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the shares as to which said Option shall be exercised, (v) delivery of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds required to pay the exercise price, (vi) delivery of an irrevocable subscription agreement for the shares which obligates the option holder to take and pay for the shares not more than 12 months after the date of delivery of the subscription agreement or (vii) any combination of the foregoing methods of payment.

5. Effect of Termination of Employment or Death of Employee Participants. In the event that an Optionee during his or her lifetime ceases to be an employee of the Company or of any Subsidiary due to retirement or disability, any Option, including any unexercised portion thereof, which was otherwise exercisable on the date of termination of employment shall expire within 24 months from such date, but if an Optionee ceases to be an employee of the Company or a Subsidiary for any other reason then such Option shall expire within 90 days from such date or for such other period as the Committee shall determine; provided, however, that in the case of an Incentive Stock Option the Option shall expire unless exercised within the period of 90 days after the date on which the Optionee ceased to be an employee, but in no event after the expiration of the term of such Option as set forth in the Option agreement. If in any case the Committee shall determine that an employee shall have been discharged for Just Cause (as defined below) such employee shall not thereafter have any rights under the Plan or any Option that shall have been granted to him or her under the Plan. For purposes of this Section, "Just Cause" means the termination of employment of an employee shall have taken place as a result of (i) willful breach or neglect of duty; (ii) failure or refusal to work or to comply with the Company's rules, policies, and practices; (iii) dishonesty; (iv) insubordination; (v) being under the influence of drugs (except to the extent medically prescribed) or alcohol while on duty or on Company premises; (vi) conduct endangering or likely to endanger, the health or safety or another employee; or (vii) conviction of a felony. In the event of the death of an Optionee, that portion of the Option which had become exercisable on the date of death or termination (as the case may be) shall be exercisable by his or her personal representatives, heirs or legatees within one year after the date of death or such time period as is determined by the Committee (but in the case of an Incentive Stock Option, in no event after the expiration of the term of such Option as set forth in the Option Agreement). In the event of the death of an optionee after termination of employment or service, that portion of the Option which had become exercisable on the date of death or termination (as the case may be) shall be exercisable by his or her personal representatives, heirs or legatees within one year after the date of death or such time period as is determined by the Committee (but in the case of an Incentive Stock Option, in no event after the expiration of the term of such Option as set forth in the Option Agreement). In the event that an optionee ceases to be an employee of the Company or of any Subsidiary for any reason, including death or retirement, prior to the lapse of the Waiting Period, if any, his or her Option shall terminate and be null and void.

6. Leave of Absence. The employment relationship shall

not be considered interrupted in the case of: (i) sick leave; (ii) military leave; (iii) any other leave of absence approved by the Board, provided that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing; or (iv) in the case of transfer between locations of the Company or between the Company, its Subsidiaries or its successor. In the case of any employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Option while on leave from the employ of the Company or a Subsidiary as it may deem appropriate, except that in no event shall an Option be exercised after the expiration of the term set forth in the Option Agreement.

7. Acceleration of Option Period. The Committee may accelerate the earliest date on which outstanding Options (or any installments thereof) are exercisable.

8. Special Incentive Stock Option Provisions. In addition to the foregoing, Options granted under the Plan which are intended to be Incentive Stock Options under Section 422A of the Code shall be subject to the following terms and conditions:

(i) Dollar Limitation. To the extent that the aggregate Fair Market Value of the shares of Common Stock with respect to which Options designated as Incentive Stock Options become exercisable for the first time by any individual during any calendar year (under all plans of the Company) exceeds \$100,000, such Options shall be treated as Nonstatutory Stock Options. For purposes of the preceding sentence, (i) Options shall be taken into account in the order in which they were granted and (ii) the Fair Market Value of the shares shall be determined as of the time the Option with respect to such shares is granted.

(ii) 10% Stockholder. If any person to whom an Incentive Stock Option is to be granted pursuant to the provisions of the Plan is, on the date of grant, the owner of Common Stock, as determined under Section 425(d) of the Code, possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any Subsidiary, then the following special provisions shall be applicable to the Option granted to such individual:

(A) The Option price per share of the Common Stock subject to such Incentive Stock Option shall not be less than 110% of the Fair Market Value of the Common Stock on the date of grant; and

(B) The Option shall not have a term in excess of five years from the date of grant.

Except as modified by the preceding provisions of this paragraph 8 and except as otherwise required by Section 422A of the Code, all of the provisions of the Plan shall be applicable to the Incentive Stock Options granted hereunder.

9. Other Provisions. Each Option granted under the Plan may contain such other terms, provisions, and conditions not inconsistent with the Plan as may be determined by the Committee.

10. Options to Consultants. Options granted to consultants shall not be subject to Paragraphs 3 and 5 of this Article, but shall have such terms and conditions pertaining to the Waiting Period (if any), exercise date, and effect of termination of the consulting relationship as the Board or Committee shall determine in each case.

11. Buyout Provisions. The Committee may at any time offer to buy out for a payment in cash or Common Stock (including Restricted Stock), an Option previously granted, based on such terms and conditions as the Committee shall establish and communicate to the optionee at the time that such offer is made.

12. Rule 16b-3. Options granted to person subject to Section 16(b) of the Exchange Act must comply with Rule 16b-3 and shall contain such additional conditions or restrictions as may be required thereunder.

ARTICLE III

Miscellaneous

1. Stock Withholding to Satisfy Withholding Tax

Obligations. When a Participant incurs tax liability in connection with the exercise or vesting of any Option, which tax liability is subject to tax withholding under applicable tax laws, and the Participant is obligated to pay the Company an amount required to be withheld under applicable tax laws, the Participant may satisfy the withholding tax obligation by electing to have the Company withhold from the shares to be issued that number of shares having a Fair Market Value equal to the amount required to be withheld determined on the date that the amount of tax to be withheld is to be determined (the "Tax Date"). All elections by Participant to have shares withheld for this purpose shall be made in writing in a form acceptable to the Committee and shall be subject to the following restrictions:

(a) the election must be made on or prior to the applicable Tax Date;

(b) once made, the election shall be irrevocable as to the particular shares as to which the election is made;

(c) all elections shall be subject to the consent or disapproval of the Committee;

(d) if the participant is an Insider, the election must be made either six months prior to the Tax Date (as determined in accordance with Section 83 of the Code) or in the 10-day period beginning on the third day following the release of the Company's quarterly or annual summary statement of sales or earnings.

2. Recapitalization. In the event that there is any change in the number of outstanding shares of Common Stock or of the capital structure of the Company by reason of a recapitalization, reclassification, reorganization, stock split, reverse stock split, combination of shares, stock dividend or similar transaction, the number of shares available under the plan shall be increased or decreased proportionately, as the case may be, and the number of shares of Common Stock deliverable in connection with any Option, Right or Long-Term Performance Award previously granted shall be increased or decreased proportionately, as the case may be, without change in the aggregate purchase price.

3. Reorganization. In case the Company is merged or consolidated with another corporation and the Company is not the surviving corporation, or in case the property or stock of the

Company is acquired by another corporation, or in case of separation, reorganization, or liquidation of the Company, the Board or the board of directors of any corporation assuming the obligations of the Company hereunder, shall, as to outstanding Options either (a) make appropriate provisions for the protection of any such outstanding Options by the assumption or substitution on an equitable basis of appropriate stock of the Company or of the merged, consolidated, or otherwise reorganized corporation which will be issuable in respect to the shares of Common Stock, provided that in the case of Incentive Stock Options, such assumption or substitution shall comply with Section 425(a) of the Code, or (b) upon written notice to the participant, provide that the Option must be exercised within 30 days of the date of such notice or it will be terminated. In any such case, the Committee may, in its discretion, advance the lapse of vesting periods, waiting periods, and exercise dates.

4. Employment Relationship. Nothing in the Plan or any award made thereunder shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate any Participant's employment or consulting relationship at any time, with or without cause, nor confer upon any Participant any right to continue in the employ or service of the Company or any Subsidiary.

5. General Restriction. Each award shall be subject to the requirement that, if, at any time, the Committee shall determine, in its discretion, that the listing, registration, or qualification of the shares subject to such award upon any securities exchange or under any state or federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, such award or the issue or purchase of shares thereunder, such award may not be exercised in whole or in part unless such listing registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Board.

6. Rights as a Stockholder. The holder of an Option shall have no rights as a stockholder with respect to any shares covered by the Option until the date of exercise. Once an Option is exercised by the holder thereof, the participant shall have the rights equivalent to those of a stockholder, and shall be a stockholder when his or her holding is entered upon the records of the duly authorized transfer agent of the Company. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued or the date

the issuance of such Common Stock is reflected in the records of the Company's transfer agent.

7. Nonassignability of Awards. No awards made hereunder shall be assignable or transferable by the Participant except by will or by the laws of descent and distribution and as otherwise consistent with the specific Plan provisions relating thereto. During the life of the recipient, an Option shall be exercisable only by him or her.

8. Withholding Taxes. Whenever, under the Plan, shares are to be issued in satisfaction of Options granted hereunder, the Company shall have the right to require the Participant to remit to the Company an amount sufficient to satisfy federal, state, and local withholding tax requirements prior to the delivery of any certificate or certificates for such shares. Whenever, under the Plan, payments are to be made in cash, such payment shall be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

9. Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board, the submission of the Plan to the stockholders of the Company for approval, nor any provision of the Plan shall be construed as creating any limitation on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

10. Amendment, Suspension or Termination of the Plan. The Board may at any time amend, alter, suspend, or discontinue the Plan, but no amendment, alteration, suspension, or discontinuation shall be made which would impair the rights of any grantee under any grant theretofore made, without his or her consent. In addition, to the extent necessary and desirable to comply with Rule 16b-3 under the Exchange Act or under Section 422 of the Code (or any other applicable law or regulation), the Company shall obtain stockholder approval of any Plan amendment in such a manner and to such a degree as required.

11. Effective Date of the Plan. The Plan shall become effective as of May 14, 1993; provided that, the Plan shall be approved prior to May 14, 1994 by the affirmative votes of the holders of a majority of the Common Shares present, in person or by proxy, and entitled to vote at a duly called and held meeting

of the stockholders in accordance with the Company's certificate of incorporation, bylaws and applicable state law, which votes shall be solicited in accordance with the rules and regulations in effect under Section 14(a) of the Exchange Act. Options may be granted and exercised under the Plan only if such grant and exercise is in compliance with all applicable federal and state securities laws.

EXHIBIT 10.7

LANDSING PACIFIC FUND
1993 DIRECTORS' STOCK OPTION PLAN

Landsing Pacific Fund (the "Company"), in order to attract and retain qualified members of its Board and to provide additional incentive by offering them an opportunity to obtain a proprietary interest in the Company, hereby authorizes non-qualified stock options to be granted to members of the Board to purchase shares of Common Stock upon the following terms and conditions. Subject to the provisions of Paragraph 11, this Plan shall be effective as of May 14, 1993 (the "Effective Date").

1. DEFINITIONS. As used herein, the following definitions shall apply:

"AMEX" means the American Stock Exchange.

"Annual Fee" with respect to any Director means the annual retainer fee payable to such Director for serving as such, but shall not include any additional fee payable for attending any meeting of the Board or any committee thereof or any consulting fee payable to such Director.

"Board" means the Board of Directors of the Company.

"Cause" means (i) willful breach or neglect of duty, (ii) actions taken in bad faith and not in the best interest of the Company, (iii) fraud or (iv) conviction of a felony.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" means the Common Stock of the Company.

"Company" means Landsing Pacific Fund.

"Director" means a member of the Board.

"Effective Date" means May 14, 1993.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) the last reported sale price of the Common Stock on the AMEX or any other national securities exchange on which the Common Stock may then be listed, or, if no such reported sale takes place on any such day, the average of the closing bid and asked prices, or

(ii) if such Common Stock is then listed on the NASDAQ National Market System, the last reported sale price or, if no such reported sale takes place on any such day, the average of the closing bid and asked prices, or

(iii) if such Common Stock is not quoted on such National Market System nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices, as reported by THE WALL STREET JOURNAL for the over-the-counter market, or

(iv) if none of the foregoing is applicable, then the Fair Market Value of a share of Common Stock shall be determined by the Board in its discretion.

"Option" means any option to purchase shares of Common Stock granted pursuant to this Plan.

"Optionee" means any Director or former Director granted an Option pursuant to this Plan.

"Plan" means this 1993 Directors Stock Option Plan, as amended from time to time.

"Retirement" means termination of Board service by a Director for any reason, except removal for Cause, after such Director has reached age 62 if such Director has served on the Board for at least seven years or after such Director has reached age 65 regardless of the amount of time such Director has served on the Board.

"Securities Act" means the Securities Act of 1933, as amended.

"Tax Date" shall have the meaning set forth in Section 12.

2. ADMINISTRATION. This Plan shall be administered by the Board.

3. NUMBER OF SHARES SUBJECT TO OPTION. The aggregate number of shares which may be issued under the Plan is 75,000 shares of Common Stock. If the Company shall effect one or more stock splits, stock dividends, stock combinations, or similar capital adjustments, the Board shall proportionately adjust the number of shares of Common Stock with respect to which Options may be granted under the Plan. If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the shares subject to such expired or terminated Option, or portion thereof, shall be available for future Options.

4. ELIGIBILITY. Options may only be granted to Directors who are not employees of the Company.

5. GRANT AND TERMS OF OPTIONS.

(i) On the Effective Date, each Director who is not an employee of the Company shall be granted an Option to purchase 5,000 shares of Common Stock. Thereafter, on January 1 of each year, each Director then in office who is eligible to participate in the Plan shall be granted an Option to purchase a number of shares of Common Stock which is equal to the amount of the Annual Fee payable to such Director during such year divided by the Fair Market Value for one share of Common Stock on such January 1. If in any year there remains an insufficient number of shares of Common Stock reserved for issuance under this Plan, each Director shall receive an Option to purchase a portion of such remaining shares which bears the same proportion to the total amount of such remaining shares as the Annual Fee payable to such Director bears to the sum of the Annual Fee payable to all Directors participating in the Plan.

(ii) No Option shall be transferable by the Optionee otherwise than by will or the laws of descent and distribution, and shall be exercisable during the Optionee's lifetime only by the Optionee.

(iii) Each Option or portion thereof shall be exercisable for ten years after such Option or portion thereof vests as set forth in Section 6, PROVIDED THAT, in the event that the service of the Director holding such Option on the Board terminates by reason of permanent disability (as defined in Section 105(d)(4) of the Code) or Retirement, all Options held by such Optionee shall be deemed to be immediately vested on the date of such termination, and PROVIDED, FURTHER, THAT all such Options shall expire unless exercised by the earlier of (a) 24 months after the date of such termination or (b) the tenth

anniversary of the vesting of such Option or portion thereof. If an Optionee resigns from the Board or such Optionee's Service on the Board terminates for any reason other than permanent disability, Retirement or removal for Cause, all Options held by such Optionee or portion or portions thereof which are not then vested shall expire. On the date that an Optionee is removed for Cause, all Options or any portion or portions thereof held by such Optionee whether or not then vested and exercisable shall lapse and expire.

(iv) Each Option shall have an exercise price equal to the Fair Market Value of the Common Stock on the date such Option is granted.

(v) The consideration to be paid for the shares of Common Stock to be issued upon exercise of an Option, including the method of payment, shall be determined by the Board at the time of grant, and may consist entirely of (i) cash, (ii) certified or cashier's check, or (iii) other shares of Common Stock which (x) either have been owned by the optionee for more than six months on the date of surrender or were not acquired, directly or indirectly, from the Company, and (y) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the shares as to which said Option shall be exercised, (iv) delivery of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds required to pay the exercise price, (v) delivery of an irrevocable subscription agreement for the shares which obligates the option holder to take and pay for the shares not more than 12 months after the date of delivery of the subscription agreement or (vi) any combination of the foregoing methods of payment.

6. VESTING. Each Option shall vest as follows:

(a) During the first year after the date such Option is granted, no portion of such Option shall be exercisable;

(b) As of the first anniversary of grant, each Option shall vest and become exercisable with respect to 25% of the shares of Common Stock subject thereto;

(c) As of the second anniversary of grant, each Option shall vest and become exercisable with respect to an additional 25% of the shares of Common Stock subject thereto;

(d) As of the third anniversary of grant, each Option shall vest and become exercisable with respect to an additional 25% of the shares of Common Stock subject thereto; and

(e) As of the fourth anniversary of grant, each Option shall vest and be exercisable with respect to all of the shares of Common Stock subject thereto.

7. STOCK OPTION AGREEMENT. Each Option granted hereunder shall be evidenced by a written agreement between the Company and the Optionee granted such Option, which agreement shall contain terms and conditions not inconsistent with this Plan and which shall incorporate this Plan by reference. Such agreement shall also include the date, name of Optionee, number of shares to which it relates, and Option exercise price per share.

8. DEATH OF OPTIONEE. If an Optionee dies, on the date of death all Options held by such Optionee, whether or not then otherwise vested pursuant to Section 6, shall be deemed to be immediately vested and may be exercised by the Optionee's personal representative, heirs or legatees, provided that such exercise occurs prior to the expiration of the Option and within one year after death.

9. AMENDMENT. This Plan may be amended at any time and from time to time by the Board, provided that no provision affecting the aggregate number of shares which may be issued under the Options granted pursuant to this Plan, the class of persons eligible to receive such Options, or the timing, amount or exercise price of the Option grants may be amended more frequently than one every six months, other than to comply with changes in the Code, or the Employee Retirement Income Security Act of 1975, as amended. No amendment (i) which under the requirements of applicable law must be approved by the stockholders of the Company, or (ii) which must be approved by the stockholders of the Company in order to maintain the continued qualification of the Plan under Rule 16b-3 of the Exchange Act, will be effective unless and until such stockholder approval has been obtained. No amendment shall alter or impair any of the rights until such stockholder approval has been obtained. No amendment shall alter or impair any of the rights or obligations or any person, without his or her consent, under any Option theretofore granted under this Plan.

10. TERMINATION. This Plan shall terminate upon the first of the following dates or events to occur:

(a) upon the adoption of a resolution of the Board terminating the Plan; or

(b) on May 14, 2003.

No termination of this Plan shall alter or impair any of the rights or obligations of any person, without his consent, under

any Option theretofore granted under the Plan.

11. STOCKHOLDER APPROVAL. The Plan shall be submitted to the stockholders of the Company for their approval prior to May 14, 1994. The stockholders shall be deemed to have approved this Plan only if it is approved by the affirmative votes of the holders of a majority of the outstanding shares of Common Stock present, in person or by proxy, and entitled to vote at a duly called and held meeting of the stockholders in accordance with the Company's certificate of incorporation, bylaws and applicable state law, which votes shall be solicited in accordance with the rules and regulations in effect under Section 14(a) of the Exchange Act.

12. STOCK WITHHOLDING TO SATISFY WITHHOLDING TAX OBLIGATIONS. When an Optionee incurs tax liability in connection with the exercise or vesting of any Option, which tax liability is subject to tax withholding under applicable tax laws, and the Optionee is obligated to pay the Company an amount required to be withheld under applicable tax laws, the Optionee may satisfy the withholding tax obligation by electing to have the Company withhold from the shares to be issued that number of shares having a Fair Market Value equal to the amount required to be withheld determined on the date that the amount of tax to be withheld is to be determined (the "Tax Date").

All elections by Optionees to have shares withheld for this purpose shall be made in writing in a form acceptable to the Board and shall be subject to the following restrictions:

(i) the election must be made on or prior to the applicable Tax Date;

(ii) once made, the election shall be irrevocable as to the particular shares as to which the election is made;

(iii) all elections shall be subject to the consent or disapproval of the Board;

(iv) the election may not be made within six months of the date of grant of the Option; provided, however, that this limitation shall not apply in the event that death or disability of the Optionee occurs prior to the expiration of the six-month period; and

(v) the election must be made either six months prior to the Tax Date (as determined in accordance with Section 83 of the Code) or in the 10-day period beginning on the third day following the release of the Company's quarterly or annual summary statement of sales or earnings.

13. RECAPITALIZATION. In the event that dividends are payable in Common Stock or in the event there are splits, subdivisions, or combinations or shares of Common stock, the number of shares available under the Plan shall be increased or decreased proportionately, as the case may be, and the number of shares of Common Stock deliverable in connection with any Option theretofore granted shall be increased or decreased proportionately, as the case may be, without change in the aggregate purchase price (where applicable).

14. REORGANIZATION. In case the Company is merged or consolidated with another corporation and the Company is not the surviving corporation, or in case the property or stock of the Company is acquired by another corporation or in case of separation, reorganization, or liquidation of the Company, the Board, or the board of directors of any corporation assuming the obligations of the Company hereunder, shall, as to outstanding Options either (a) make appropriate provision for the protection of any such outstanding Options by the assumption or substitution on an equitable basis of appropriate stock of the Company or of the merged, consolidated, or otherwise reorganized corporation which will be issuable in respect to the shares of Common Stock or (b) upon written notice to the Optionee, provided that all Options shall vest on the date of such notice and must be exercised within 30 days of the date of such notice or they will be terminated.

15. GENERAL RESTRICTION. Each award shall be subject to the requirement that, if, at any time, the Board shall determine, in its discretion, that the listing, registration, or qualification of the shares subject to such award upon any securities exchange or under any state or federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, such award or the issue or purchase or shares thereunder, such award may not be exercised in whole or in part unless such listing registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Board.

16. RIGHTS AS A STOCKHOLDER. The holder of an Option shall have no rights as a stockholder with respect to any shares cover by the Option until the date of exercise. Once an Option is exercised by the holder thereof, such holder shall have the rights equivalent to those of a stockholder, and shall be a stockholder when such holder's holding is entered upon the records of the duly authorized transfer agent of the Company. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

17. WITHHOLDING TAXES. Whenever, under the Plan, shares are to

be issued in satisfaction of Options granted hereunder, the Company shall have the right to require the recipient to remit to the Company an amount sufficient to satisfy federal, state, and local withholding tax requirements prior to the delivery of any certificate or certificates for such shares. Whenever, under the Plan, payments are to be made in cash, such payment shall be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

EXHIBIT 21

SUBSIDIARIES OF THE FUND

LPF REALTY SERVICES CORPORATION

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

To the Directors and Shareholders of
Landsing Pacific Fund

We consent to the inconclusion in this registration statement on Form S-3 (File No. 33-67460) of our report dated March 25, 1993, on our audits of the financial statements and financial statement schedules of Landsing Pacific Fund. We also consent to the reference to our firm under the caption "Experts".

/s/ Coopers & Lybrand
COOPERS & LYBRAND

San Jose, California
February 9, 1994

EXHIBIT 24

DIRECTOR AND OFFICER POWER OF ATTORNEY

LANDSING PACIFIC FUND, INC.

(FORM S-3)

KNOW ALL MEN BY THESE PRESENTS: That each person whose name is signed below has made, constituted and appointed, and by this instrument does make, constitute and appoint Martin I. Zankel and Dean Banks, and each of them his true and lawful attorney, with full power of substitution and resubstitution to affix for him and in his name, place and stead, as attorney-in-fact, his signature as a director of Landsing Pacific Fund, Inc., a Maryland corporation (the "Fund"), to Amendment Number 4 to the Fund's Registration Statement on Form S-3 under the Securities Act of 1933 (the "Registration Statement") with respect to shares of Common Stock issued by the Fund (the "Common Stock") and rights to subscribe for shares of Common Stock and to any and all exhibits to the Registration Statement, and to any and all applications and other documents pertaining thereto, giving and granting to each such attorney-in-fact full power and authority to do and perform every act and thing whatsoever necessary to be done, as fully as they might or could do if personally present, and hereby ratifying and confirming all that any such attorney-in-fact or any such substitute shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney has been signed at the place and as of the date indicated.

Signed at San Francisco, California on
February 4, 1994

/s/ J. Arthur deBoer

J. Arthur deBoer

Signed at San Francisco, California on
February 4, 1994

/s/ Frank A. Morrow

Frank A. Morrow

Signed at San Francisco, California on
February 4, 1994

/s/ Frederick P. Rehmus

Frederick P. Rehmus

Signed at San Francisco, California on
February 4, 1994

/s/ Norman H. Scheidt

Norman H. Scheidt

Signed at San Francisco, California on
February 4, 1994

/s/ Robert K. McAfee

Robert K. McAfee