

Formed in 1998 by Bill and Jeff Davis, DPI is a comparatively young company. Taking advantage of a booming commercial market at DPI's inception, the Principals established their company philosophy: getting back-to-basics. Principled business practices, competent budget-wise solutions, communicative management style and a strong focus on customer service, mark the cornerstone of DPI's existence as a leader in the commercial development and property management arena. Berntson Porter is an important partner in that formula, assisting DPI in tax planning, progressive construction cost segregation and depreciation schedules, as well as financial reporting. "We value Berntson Porter & Co. as an important member of our development team. With Berntson Porter's counsel through the negotiation of development agreements and purchase & sale agreements, DPI structures these transactions to minimize potential tax liability, to the extent available."

DPI has been ranked as one of the fifty fastest growing companies in Washington State for three consecutive years. Since 1998, DPI has successfully managed the acquisition of land and buildings worth \$19,430,000, the development of \$24,100,000 worth of buildings, and negotiated leases worth \$19,716,000. In early 2002, as the industrial market stagnated in a stalled economy, DPI continued to seek out development and acquisition opportunities from Portland, Oregon, north through the Kent Valley and into South Seattle. DPI successfully 1) Negotiated the acquisition of Fisher Properties, Inc.'s premiere industrial property, Davis Commerce Center, out of their liquidated portfolio in 2002, 2) Constructed a three tenant, pre-leased 40,000 SF building in Lacey, WA and 3) Recorded the 23rd largest real estate deal in Pierce County in 2003.

Currently DPI touts a 99.45% occupancy in their 530,000 SF portfolio:

Davis Commerce Center, Kent, WA

Formerly part of the Fisher Properties, Inc. portfolio and DPI headquarters, consists of 171,386 SF and five buildings on 10.21 acres.

Meridian Campus, Commerce Business Center, Lacey, WA
72,607 SF of industrial, flex and office space in three buildings designed specifically for small distribution and office users, located on Meridian Campus's main thoroughfare.

Meridian Campus, Commerce Business Center Lot 7, Lacey, WA

71,734 SF of flex, service center and distribution space in three buildings designed specifically for small distribution and office users, located on Meridian Campus's main thoroughfare. Currently, two buildings totaling 27,734 SF are under construction.

Valley Distribution Center, Sumner, WA

A 60-acre master planned industrial park with five buildings totaling 600,000 SF of light industrial and office space. Currently, DPI is marketing VDC Bldgs A & D, of 150,000 SF and 37,500 SF respectively, on a build-to-suit basis.

East Park, Auburn, WA

Nearly 100,000 SF with flexible zoning suitable for manufacturing, light industrial, and distribution tenants.

The following properties are under development and available for sale or build-to-suit:

WMR, LLC, Portland, OR

DPI has been retained to create and execute a development plan for approximately 15± acres of industrial land on N. Columbia Blvd. and N. Burgard Blvd. available for sale or build-to-suit.

Container Properties, LLC, Tukwila, WA

DPI has been retained to create and execute a development plan for approximately 18± acres of industrial land between E. Marginal Way S. and the Duwamish River, located due east of Boeing Field, and available for sale or build-to-suit.

DPI applies a time tested strategy for delivering successful projects. While collaborating with the most progressive architects, engineers and construction contractors, DPI has

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Meridian Campus-Commerce Business Center Lot 7 Building 1: DPI's latest and greatest. 9,467 SF and 18,267 office/retail/flexible buildings.



SPOTLIGHT ON SUCCESS

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created a well rounded, full-service development team. With combined skills in land use, development, construction, finance and property management, DPI is able to provide unequalled service to tenants, from design throughout construction, and well after occupancy in a property management capacity. "Every member of our development team from accountant, to attorney, to insurance brokers, to real estate brokers, to design team, to contractor, are vitally important in at least one aspect of a successful project. It's our job to eliminate variables in a project; this can only be accomplished with a strong supporting cast," stated Jeff Davis, Principal, DPI.

Davis Property & Investment has raised the bar in the creation and implementation of cutting edge real estate construction, design, and management disciplines with an emphasis on accommodating the most demanding requirements. In short, DPI offers their clients virtually every commercial real estate service available. Jeff Davis comments, "We signed up for the long-term. To be successful you have to be accommodating, creative and flexible, while keeping the bottom line in view. That's what we expect from our partners, so we can provide our customers nothing less."

HOW TO LOSE YOUR CREDIT RELATIONSHIPS AND CONFUSE INVESTORS (PART 3)

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After determining that an entity is a VIE, you need to determine if the reporting entity has a variable interest in it and whether or not it is the primary beneficiary. In general, by defining the VIE, you have created a variable interest in it. A primary beneficiary is the entity that receives the most benefit from the VIE and is required to consolidate the VIE.

The consolidation provisions under FIN 46 were effective immediately for all newly created entities after January 31, 2003. Existing entities were not subject to consolidation until the fiscal period beginning after June 15, 2003. FIN 46R extends the immediate consolidation provisions to entities created after December 31, 2003 and for entities in existence at December 31, 2003, the consolidation date is extended until the fiscal periods beginning after December 15, 2004.

While the amendments to both FAS 150 and FIN 46R have provided additional time to implement and respond to these standards, business owners will still need to be prepared for the impact these statements will have on their businesses. The impact of these pronouncements will affect financial reporting, banking relationships, operating results, and bonding. Please keep in mind that we have provided only a summary of the changes and the related standards as currently amended. If you are concerned that your business may be impacted by these changes please give us a call.

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