ABRAMS INDUSTRIES INC
Form 10-K
July 23, 2002

Table of Contents

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the fiscal year ended April 30, 2002

Commission file number 0-10146

ABRAMS INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Georgia (State or other jurisdiction of incorporation or organization)	58-0522129 (I.R.S. Employer Identification No.)
1945 The Exchange, Suite 300, Atlanta, GA (Address of principal executive offices) 30339-2029 (Zip Code)	

Registrant s telephone number, including area code: (770) 953-0304

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class:	Name of each exchange on which registered:
None None	

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

Common Stock, $1.00 Par Value Per Share
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of the Registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of June 14, 2002, was $7,250,362. See Part III. The number of shares of Common Stock of the registrant outstanding as of June 14, 2002, was 2,909,079.

DOCUMENTS INCORPORATED BY REFERENCE

The information called for by Part III (Items 10, 11, 12, and 13) is incorporated herein by reference to the registrant s definitive proxy statement for the 2002 Annual Meeting of Shareholders which is to be filed pursuant to Regulation 14A.

TABLE OF CONTENTS

Table of Contents

PART I

ITEM 1 **BUSINESS**

Abrams Industries, Inc. engages in (i) construction of retail and commercial projects; (ii) investment in income-producing properties, including acquisition, development, re-development and sale; and (iii) energy management. As used herein, the term Company refers to Abrams Industries, Inc. and its subsidiaries and predecessors, unless the context indicates otherwise, and the term Parent or Parent Company refers solely to Abrams Industries, Inc. Prior to fiscal year 2001, the Company engaged in the asset and property management of properties in which it had an ownership or leasehold interest.

In May 2001, the Company created a third operating segment by acquiring the operating assets of another company. Abrams Power, Inc., through its subsidiary, Servidyne Systems, LLC, offers its U.S. and international institutional customers an array of state-of-the-art strategies to reduce energy consumption, labor, equipment maintenance, and capital costs in commercial buildings, using a comprehensive approach that combines its suite of specialized services, sophisticated energy efficiency products and engineering services.

The Company was organized under Delaware law in 1960 to succeed to the business of A. R. Abrams, Inc., which was founded in 1925 by Alfred R. Abrams as a sole proprietorship. In 1984, the Company changed its state of incorporation from Delaware to Georgia.

Financial information for the operating segments is set forth in Note 14 to the Consolidated Financial Statements of the Company.

CONSTRUCTION SEGMENT

The Company, through its wholly owned subsidiary, Abrams Construction, Inc., has engaged in the construction business since 1925. Although the Company does work throughout much of the United States, it concentrates its activities principally in the southern and midwestern states. Construction activities consist primarily of new construction, expansion, and remodeling of retail store buildings, banks, shopping centers, warehouses, distribution centers, and other commercial buildings.

Construction contracts are obtained by competitive bid and by negotiation. Generally, the Company purchases materials and services for its construction operations on a project-by-project basis.

REAL ESTATE SEGMENT

The Company, through its wholly owned subsidiary, Abrams Properties, Inc., has engaged in real estate activities since 1960. Historically, these activities involved the acquisition, development, redevelopment, leasing, management, ownership, and sale of shopping centers, industrial facilities, and office buildings in the Southeast and Midwest. During fiscal 2001, the Company outsourced to third parties the asset and property management functions related to its real estate portfolio.

The Company currently owns six shopping centers, four that the Company developed and two that it acquired. In June 2002, the Company sold its shopping center located in Englewood, Florida. This center was classified as Property held for sale as of April 30, 2002. See Notes 5 and 19 to the Consolidated Financial Statements of the Company. The remaining centers are held as long-term investments. See ITEM 2. PROPERTIES Owned Shopping Centers. The Company is also currently lessee and sublessor of seven Company-developed shopping centers that were sold, leased back by the Company, and subleased to Kmart. See ITEM 2. PROPERTIES Leaseback Shopping Centers. During fiscal 2002, pursuant to its filing for protection under Chapter 11 of the U.S. Bankruptcy Code, Kmart terminated its subleases for another two of the Company s leasebacks. The Company subsequently terminated its leasehold interests in these two properties. See ITEM 2. PROPERTIES. The Company also owns a vacant former metal manufacturing facility located in Atlanta, Georgia, and two office properties. See ITEM 2. PROPERTIES Office Buildings.

ENERGY MANAGEMENT SEGMENT

In fiscal 2002, the Company began operations of a new segment, Energy Management, through its wholly owned subsidiary, Abrams Power, Inc. On May 9, 2001, the Company purchased substantially all of the assets of Servidyne Systems, Inc., an energy engineering and energy management company.

The primary focus for the business is the continental United States, although the Company does perform services for some international customers. The Company assists its customers in reducing energy consumption and operating costs of commercial buildings by providing: (1) engineering services; (2) equipment maintenance and labor productivity management; and (3) utility cost management. Energy engineering contracts are primarily obtained through negotiations, but may also be obtained through competitive bids on larger proposals.

EMPLOYEES AND EMPLOYEE RELATIONS

At April 30, 2002, the Company employed 89 salaried employees and 3 hourly employees. On its construction jobs, the Company utilizes local labor whenever practicable, paying the prevailing wage scale. The Company believes that its relations with its employees are good.

SEASONAL NATURE OF BUSINESS

The Company s business historically has been somewhat seasonal, with the Construction Segment affected by weather conditions and its retail customers store opening schedules. The Company s exposure to weather conditions is limited to some extent by operating in several regions of the country, with substantial operations in the southern United States where favorable weather conditions prevail for most of the year. Generally, fewer retailers open stores in the winter months, and new store construction usually is scheduled to be completed prior to the winter season. The businesses of the Real Estate and Energy Management Segments are generally less seasonal.

COMPETITION

The businesses of the Company are highly competitive. In the Construction Segment, the Company competes with a large number of national and local construction companies, many of which have greater financial resources than the Company or proprietary customer relationships. The Real Estate Segment also operates in a competitive environment, with numerous parties competing for available financing, properties, tenants and investors. The Energy Management Segment s competition is widespread and ranges from multinational to local small businesses.

Table of Contents

PRINCIPAL CUSTOMERS

During fiscal 2002, the Company derived approximately 56% ($65,821,944) of its Consolidated revenues from continuing operations from direct transactions with The Home Depot, Inc. and approximately 18% ($21,461,660) from direct transactions with Academy Sports & Outdoors. These revenues resulted principally from construction activities. See Note 14 to the Consolidated Financial Statements of the Company. No other single customer accounted for 10% or more of the Company s consolidated revenues during the year.

Kmart is an anchor tenant in three of the Company s six owned shopping centers and in seven leaseback locations. Of the approximately $13.2 million in rental revenues earned by the Real Estate Segment in fiscal 2002, approximately $4.9 million was attributable to Kmart Corporation, including approximately $523,000 from the Kmart store located in the Company s shopping center in Englewood, Florida, which was sold in June 2002, and approximately $466,000 from the two leaseback locations that were terminated during 2002. See Note 18 to the Consolidated Financial Statements of the Company.

BACKLOG

The following table indicates the backlog of contracts, expected rentals and real estate sales for the next twelve months by industry segment:

	April 30, 2002	April 30, 2001
Construction-contracts (1)	**$15,178,000**	$55,565,000
Real Estate-rental income (2)	**9,331,000**	11,346,000
Real Estate-sales (2)	**14,000,000**	195,000
Energy Management- contracts (3)	**519,000**	
Total Backlog	**$39,028,000**	$67,106,000

(1) See Note 1 to Chart A under ITEM 7. RESULTS OF OPERATIONS concerning the decrease in backlog of Construction contracts.

(2) Included in the backlog of Real Estate-rental income at April 30, 2001, is rent of approximately $1,715,000 from the shopping center

in Englewood, Florida, which was sold in June 2002, and approximately $552,000 related to the two Kmart leaseback subleases that were terminated during fiscal 2002. See ITEM 2. PROPERTIES. The backlog of Real Estate-sales for 2002 represents the contract to sell the Englewood shopping center. The sale closed in June 2002.(3) Any Energy Management contracts that can be cancelled with less than one year s notice are not included in backlog. As of April 30, 2002, such contracts total $1,136,000 in potential revenue over the next twelve months, assuming cancellation provisions are not invoked.

The Company estimates that most of the backlog at April 30, 2002, will be completed prior to April 30, 2003. No assurance can be given as to future backlog levels or whether the Company will realize earnings from revenues resulting from the backlog at April 30, 2002.

REGULATION

The Company is subject to the authority of various federal, state and local regulatory agencies concerned with its construction operations, including among others, the Occupational Health and Safety Administration and the Environmental Protection Agency. The Company is also subject to local zoning regulations and building codes in performing its construction and real estate activities. Management believes that it is in substantial compliance with all such governmental regulations. Management believes that compliance with federal, state and local provisions, which have been enacted or adopted for regulating the discharge of materials into the environment, does not have a material effect upon the capital expenditures, earnings and competitive position of the Company.

EXECUTIVE OFFICERS OF THE REGISTRANT

The Executive Officers of the Company as of April 30, 2002, were as follows:

Alan R. Abrams (47) *Officer since 1988*
Co-Chairman of the Board since 1998, and a Director of the Company since 1992, he has been Chief Executive Officer since 1999 and President since 2000. From 1998 to 1999, he was President and Chief Operating Officer. He served as Executive Vice President of the Company from 1997 to 1998. He also has served as President and Chief Executive Officer of Servidyne Systems, LLC since May 2002. From 1994 to 1998 he served as President, and from 1997 to 1998 as Chief Executive Officer of Abrams Properties, Inc.

Melinda S. Garrett (46) *Officer since 1990*
Director of the Company since 1999, she has been Chief Financial Officer since 1997. She also has served Abrams Properties, Inc. as President since 2001, Chief Financial Officer from 1998 to 2000, and Vice President from 1993 to 2000.

B. Michael Merritt (52) *Officer since 1986*
Director of the Company since 2000, he has served Abrams Construction, Inc. as Chief Executive Officer since 2001 and President since 1995.

J. Andrew Abrams (42) *Officer since 1988*
Co-Chairman of the Board since 1998, and a Director of the Company since 1992, he has been Vice President-Business Development since 2000, and served as President and Chief Operating Officer from 1999 to 2000. From 1997 to 1999, he was Executive Vice President. He also has served as Chief Executive Officer of Abrams Fixture Corporation since 1997.

Executive Officers of the Company are elected by the Board of Directors of the Company or the Board of Directors of the respective subsidiary to serve at the pleasure of the Board. Alan R. Abrams and J. Andrew Abrams are brothers, and are the sons of Edward M. Abrams, a member of the Board of Directors and Chairman of the Executive Committee of the Board of Directors. David L. Abrams, a member of the Board of Directors, is first cousin to Alan R. Abrams and J. Andrew Abrams, and nephew to Edward M. Abrams. There are no other family relationships between any Executive Officer or Director and any other Executive Officer or Director of the Company.

Table of Contents

ITEM 2 **PROPERTIES**

The Company, through its Real Estate Segment, owns its corporate headquarters building, which contains approximately 66,000 square feet of office space. The building is located in the North X Northwest Office Park, 1945 The Exchange, in suburban Atlanta, Georgia. The Parent Company, Real Estate Segment, and Construction Segment are located in this building. In addition to the 23,750 square feet of offices occupied by Abrams entities, another 37,863 square feet is leased to unrelated tenants, and 4,267 square feet is currently available for lease.

In fiscal 2000, the Company sold its shopping center located in Newnan, Georgia. The sale was structured as a tax-deferred, like-kind exchange pursuant to Internal Revenue Code Section 1031, which allows a deferral of the tax gain if the Company utilizes the proceeds of the sale to purchase other real estate. The Company subsequently acquired a shopping center in Jacksonville, Florida, as the replacement property. See ITEM 7. LIQUIDITY AND CAPITAL RESOURCES for discussion regarding the transactions.

The Company received notice in fiscal 2000 from the Georgia State Properties Commission that the Georgia World Congress Center Authority had made the determination to acquire the Company s former wood manufacturing facility in Atlanta, Georgia. A Special Master appointed by the court awarded the Company $4.5 million for the property, which amount was paid to the Company. Both the State and the Company appealed the award amount. At April 30, 2001, the deferred pre-tax gain of approximately $2.8 million related to the sale of the facility was included in Net liabilities of discontinued operations. In October 2001, a settlement was reached and the Company recognized Earnings from discontinued operations, net of taxes, of approximately $1.7 million on the transaction.

In April 2000, the Company s former manufacturing plant located in Lithia Springs, Georgia, which was developed and owned by the Real Estate Segment, was sold at a gain. The Company continues to own a vacant former metal manufacturing facility located in Atlanta, Georgia.

In May 2001, the Company, through its Energy Management Segment, assumed a lease for 7,418 square feet of office space located at 1350 Spring Street, NW, in midtown Atlanta, Georgia, as part of its acquisition of the assets of Servidyne Systems, Inc.

In January 2002, Kmart Corporation filed for protection under Chapter 11 of the U.S. Bankruptcy Code. At that time, four of the Company s seven owned retail properties contained stores leased to Kmart, two of which were freestanding stores. In June 2002, the Company sold at a gain its Englewood shopping center, which is co-anchored by Kmart. See Note 19 to the Consolidated Financial Statements. The remaining three Kmart locations owned by the Company are currently open and operating. Seven freestanding Kmart stores that the Company developed, sold, leased back, and then subleased to Kmart, are currently open and operating. Kmart, pursuant to its rights under Chapter 11, terminated its subleases of the Company s two former leaseback properties in Louisville, Kentucky, and West St. Paul, Minnesota, and the Company subsequently terminated its leasehold interests for both properties.

In March 2002, Kmart published a list of stores that it would close. None of the open stores leased or subleased to Kmart by the Company was on the list. The Bankruptcy Court has not provided the Company any further information as to whether any additional Kmart stores might be closed or which leases will be rejected or affirmed. Prior to publishing its store-closing list, Kmart contacted the Company to request a reduction in rent for one leaseback location. The Company denied the request, Kmart has continued to pay full rent, and the store remains open. This location generated approximately $46,000 in pre-tax earnings in fiscal 2002, and the Company has no capitalized costs related to this location. In April 2002, Kmart exercised a five-year option to extend its sublease on another one of the Company s leaseback locations. This location produced approximately $26,000 in pre- tax earnings in fiscal 2002.

The Company owns, or has an interest in, the following properties:

OWNED SHOPPING CENTERS

As of April 30, 2002, the Company s Real Estate Segment owned five shopping centers that it developed and two that it acquired. The following chart provides relevant information relating to the owned shopping centers:

Table of Contents

Location	Acres	Leasable Square Feet in Building(s)	Calendar Year(s) Placed in Service by Company	Rental Income 2002	Cash Flow 2002 (1)	Debt Service Payments 2002 (2)	Principal Amount of Debt Outstanding as of April 30, 2002 (3)
1100 W. Argyle Street Jackson, MI	10.5	110,046	1972, 1996	$ 547,600	$ 408,310	$ 397,010	$ 2,904,984
1075 W. Jackson Street Morton, IL (4)	7.3	92,120	1980, 1992	603,173	474,418	405,883	2,686,604
2500 Airport Thruway Columbus, GA (4)(5)	8.0	87,543	1980, 1988	439,620	398,104	391,565	1,929,425
1500 Placida Road Englewood, FL (6)	28.7	213,739	1990	1,959,747	1,448,871	1,352,168	12,206,700
15201 N. Cleveland North Ft. Myers, FL	72.3	293,801	1993, 1996	2,853,752	1,983,792	1,558,106	12,319,969
5700 Harrison Avenue Cincinnati, OH (7)	10.8	86,396	1998	485,527	301,478		
8106 Blanding Blvd Jacksonville, FL (8)	18.8	174,220	1999	1,515,555	1,375,380	1,280,156	8,864,793

(1) Cash flow is defined as net operating income before the following: depreciation, amortization of loan and lease costs, interest and principal payments on mortgage notes or other debt.

(2) Includes principal and interest.(3) Exculpatory provisions limit the Company s liability for repayment to the respective mortgaged properties, except for the loan in North Ft. Myers, Florida, which has been guaranteed by Abrams Properties, Inc. See Notes 8 and 9 to the Consolidated Financial Statements of the Company.(4) Land is leased, not owned.(5) The center in Columbus,

Georgia, is owned by Abrams-Columbus Limited Partnership, in which Abrams Properties, Inc. serves as general partner and owns an 80% interest.(6) Property was sold in June 2002 at a gain.(7) Originally completed by others in 1982.(8) Originally completed by others in 1985.

The two centers located in Morton, Illinois, and Columbus, Georgia, are leased exclusively to Kmart. The Kmart lease in Columbus, Georgia, expires in 2008 and has ten five-year renewal options, and the Kmart lease in Morton, Illinois, expires in 2016 and has eight five-year renewal options. Anchor lease terms for other centers are shown in the following table:

Location	Anchor Tenant (1)	Square Footage	Lease Expiration Date	Options to Renew
Jackson, MI	Big Lots	26,022	2007	2 for 5 years each
	Kroger	63,024	2021	6 for 5 years each
North Ft. Myers, FL	AMC	54,805	2016	4 for 5 years each
	Beall's	35,600	2009	9 for 5 years each
	Kash n' Karry	33,000	2013	4 for 5 years each
	Jo-Ann Fabrics	16,000	2004	3 for 5 years each
	Kmart	107,806	2018	10 For 5 years each
Cincinnati, OH	Kroger (2)	42,456	2005	3 For 5 years each
	Harbor Freight Tools	12,000	2009	2 For 5 years each
Jacksonville, FL	Publix (2)	85,560	2010	6 For 5 years each
	Office Depot	22,692	2003	3 For 5 years each

(1) A tenant is considered to be an Anchor Tenant if it leases 12,000 square feet or more of space, and has an initial lease term in excess of five years.

(2) Tenant has vacated the premises, but remains responsible for lease payments until the expiration date.

Table of Contents

With the exception of the Kmart lease in Columbus, Georgia, and the Harbor Freight Tools lease in Cincinnati, Ohio, all of the anchor tenant and many of the small shop leases provide for contingent rentals if sales exceed specified amounts. In fiscal 2002, the Company received $78,808 in contingent rentals, net of offsets, which amounts are included in the aggregate rentals set forth above. The Company also is owed $61,140 in additional contingent rent in relation to the Kmart in Morton, Illinois. Kmart is treating this amount as a pre-bankruptcy petition amount and has therefore not made payment. The Company is making a claim for payment to the Bankruptcy Court, and has set up a reserve for the entire disputed amount as of April 30, 2002.

Typically, tenants are responsible for their pro rata share of ad valorem taxes, insurance and common area maintenance (subject to the right of offset mentioned above). Kmart has total maintenance responsibility for the centers in Morton, Illinois, and Columbus, Georgia.

LEASEBACK SHOPPING CENTERS

The Company, through its Real Estate Segment, has a leasehold interest in seven shopping centers that it developed, sold, and leased back under leases expiring from years 2003 to 2014. The centers are subleased by the Company to Kmart Corporation, and the Company has the ability to lease the properties for periods corresponding with the Kmart subleases. (See previous discussion regarding Kmart in this ITEM 2. above.) The Kmart subleases provide for contingent rentals if sales exceed specified amounts, and contain ten five-year renewal options, except Jacksonville, Florida, which has eight five-year renewal options and Davenport, Iowa, which has nine five-year renewal options remaining after Kmart exercised one five-year option in fiscal 2002. The Company s leases with the fee owners contain renewal options coextensive with Kmart s renewal options.

Kmart is responsible for insurance and ad valorem taxes, but has the right to offset against contingent rentals any such taxes paid in excess of specified amounts. In fiscal 2002, the Company received $95,495 in contingent rentals, net of offsets, which amounts are included in the aggregate annual rentals set forth below. The Company has responsibility for structural and roof maintenance of the buildings. The Company also has responsibility for parking lots and driveways, except routine upkeep, which is the responsibility of the subtenant, Kmart. The Company s leases contain exculpatory provisions, which limit the Company s liability for payment to its interest in the respective leases.

The following chart provides certain information relating to the leaseback shopping centers:

Location	Acres	Square Feet in Building(s)	Calendar Years Placed in Service by Company	Rental Income 2002	Rent Expense 2002
Bayonet Point, FL	10.8	109,340	1976, 1994	$ 384,400	$ 269,564
Orange Park, FL	9.4	84,180	1976	264,000	226,796
Davenport, IA	10.0	84,180	1977	268,179	205,645
Minneapolis, MN	7.1	84,180	1978	351,144	232,626
Ft. Smith, AR	9.2	106,141	1979, 1994	255,350	223,195
Jacksonville, FL	11.6	97,032	1979	303,419	258,858
Richfield, MN	5.7	74,217	1979	300,274	241,904

OFFICE BUILDINGS

The Company, through its Real Estate Segment, owns two office properties: the corporate headquarters building located at 1945 The Exchange, Atlanta, Georgia, and an office park in northwest suburban Atlanta, Georgia. The following chart provides pertinent information relating to the office buildings:

Table of Contents

Location	Acres	Leasable Square Feet in Building(s)	Calendar Year Placed in Service by Company	Rental Income 2002	Cash Flow 2002(1)	Debt Service Payments 2002(2)	Principal Amount of Debt Outstanding as of April 30, 2002
1945 The Exchange Atlanta, GA (3)	3.12	65,880	1997	$1,149,549	$ 707,787	$505,699	$4,596,683
1501-1523 Johnson Ferry Rd Marietta, GA (4)	8.82	121,476	1997	1,726,398	1,053,601	538,925	6,213,142

(1) Cash flow is defined as net operating income before the following: depreciation, amortization of loan and lease costs, interest and principal payments on mortgage notes and other debt.

(2) Includes principal and interest.(3) Corporate headquarters building of which the Parent Company, Real Estate Segment, and Construction Segment occupy approximately 23,750 square feet. Rental income and cash flow includes intercompany rent at market rates of $461,818 paid by the Parent Company and the Construction Segment. Abrams Properties, Inc. guaranteed the debt outstanding at April 30, 2002. See ITEM 7. LIQUIDITY AND CAPITAL RESOURCES for additional discussion

regarding new financing. Originally constructed by others in 1974 and acquired and re-developed by the Company in 1997.(4) The Company, through a subsidiary of its Real Estate Segment, is the lessee of 10,661 square feet of space under a master lease agreement to satisfy a condition required by the lender. Rental income and cash flow include intercompany rent at market rates of $233,833 paid by the Real Estate Segment. Originally completed by others in 1980 and 1985.

LAND LEASED OR HELD FOR FUTURE DEVELOPMENT OR SALE

The Company, through its Real Estate Segment, owns or has an interest in the following land leased or held for future development or sale:

Location	Acres	Calendar Year Development Completed	Intended Use (1)
W. Argyle Street Jackson, MI	0.9	1972,1996	One outlot or retail shops
Kimberly Road & Fairmont Street Davenport, IA	6.0	1977	Food store and/or retail shops and outlot
Dixie Highway Louisville, KY	4.7	1979	Food store and/or retail shops
West 15th Street Washington, NC (2)	1.4	1979	Two outlots

Mundy Mill Road Oakwood, GA	5.3	1987	Commercial development pad or up to four outlots
North Cleveland Avenue North Fort Myers, FL (3)	11.6	1993	Five outlots, anchor pads and retail shops

(1) Outlot as used herein refers to a small parcel of land reserved from the shopping center parcel and is generally sold for, leased for, or developed as a fast-food operation, bank or similar use.

(2) Leased under leases terminating in years 2005 and 2010 with a right to extend for three additional five-year periods. Both outlots are subleased for terms coextensive with the Company s lease.

(3) One outlot, not included above, was sold at a gain during fiscal 2002.

There is no debt on any of the above properties, except for the North Ft. Myers, Florida, anchor pad and retail shop land. See Note 9 to the Consolidated Financial Statements of the Company. The Company will either develop the properties described above or will continue to hold them for sale or lease to others.

ITEM 3 **LEGAL PROCEEDINGS**

The Company is not a party to, nor is any of its property the subject of, any pending legal proceedings which are likely, in the opinion of management, to have a material, adverse effect on the Company s operations or financial condition.

ITEM 4 **SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

Not applicable.

Table of Contents

PART II

ITEM 5 **MARKET FOR REGISTRANT S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS**

	CLOSING MARKET PRICES				DIVIDENDS PAID PER SHARE	
	FISCAL 2002		FISCAL 2001		**FISCAL 2002**	FISCAL 2001
	HIGH TRADE	**LOW TRADE**	HIGH TRADE	LOW TRADE		
First Quarter	**$4.240**	**$3.400**	$4.313	$3.125	**$.040**	