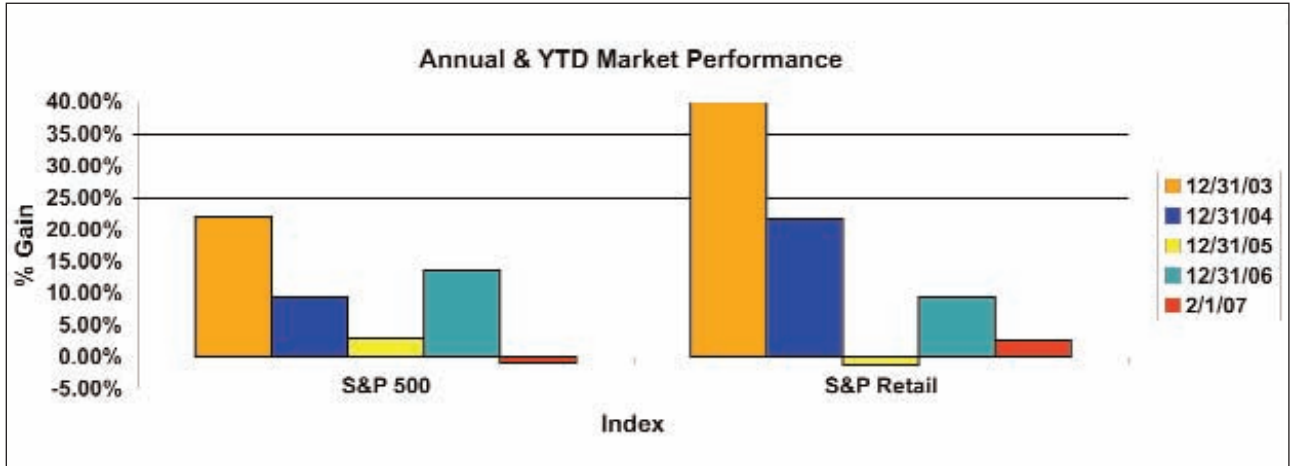


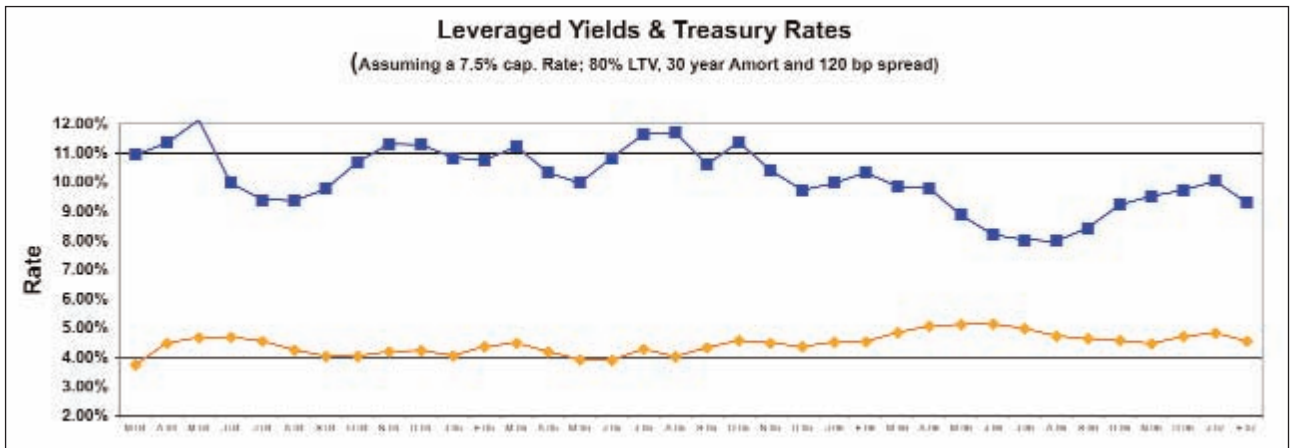
# CAPITAL MARKETS REVIEW

*Shopping Center Business* presents Capital Markets Review compiled by Gary Saykaly and Van Barron. Based in Atlanta, Saykaly and Barron are managing partners of BridgePointe Advisors (a merger between NewBridge Retail Advisors and CREFunding). BridgePointe is an entity that creates wealth for its clients' real estate portfolios through innovative capital and investment solutions, including debt, equity, joint ventures and investment sales.

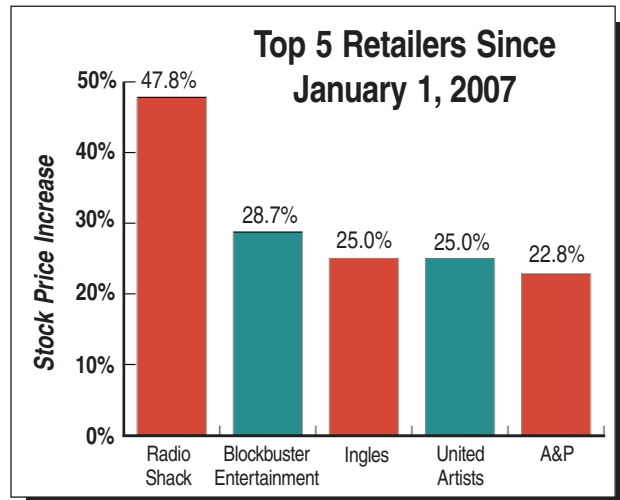
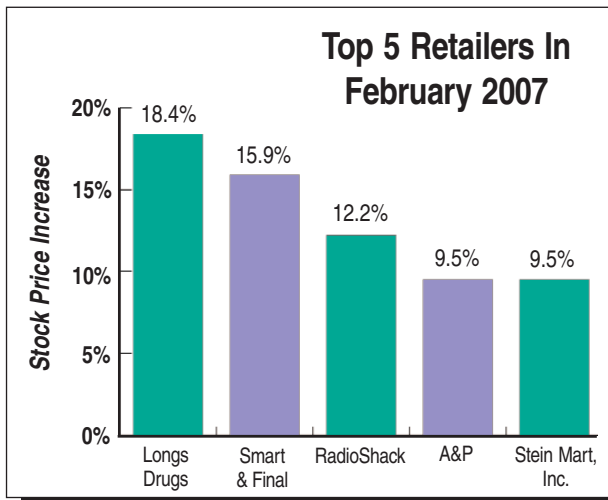
## Debt & Equity Securities Market



## Economic Drivers & Treasury Rates



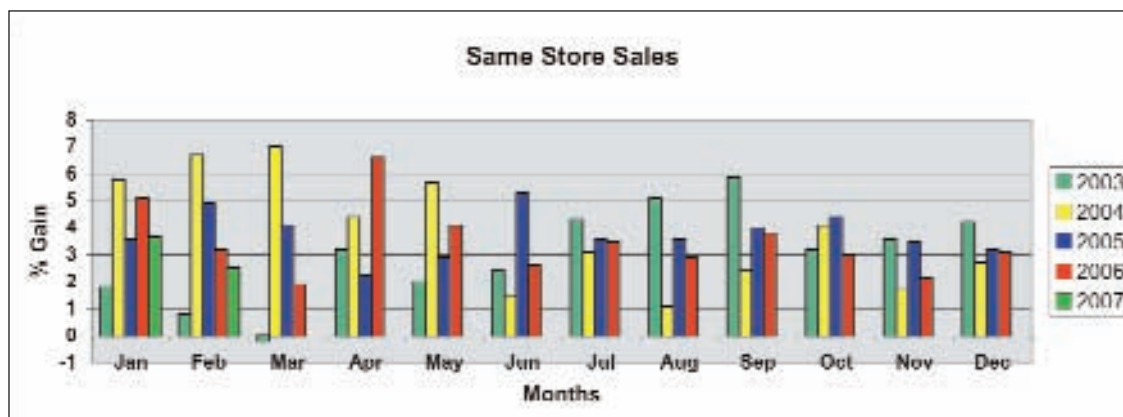
## Retailer Update



# CAPITAL MARKETS REVIEW

This information was compiled by Gary T. Saykaly of BridgePointe Advisors.

## Retailer Update



## RETAILER CREDIT RATINGS

Sector	INVESTMENT GRADE						
	AA	A+	A	A-	BBB+	BBB	BBB-
Apparel			TJX			The Limited	
Automotive					Autozone		
Consumer Electronics						Best Buy Federated	
Department Stores			Nordstrom		Kohls		
Discount/Variety							Dollar General
Drug Stores		Walgreen			CVS		
Home Furnishings				Elhan Allen		Bed, Bath & Beyond	
Home Improvement		Lowes, Home Depot					
Major Discounters	Wal-Mart	Target	Costco, TJX			Ross Stores	Big Lots
Miscellaneous / Speciality							
Office Supplies					Staples Darden		Office Depot
Restaurants			McDonald's				
Supermarkets			7-11	Wegman's Food Market			Whole Foods, Safeway, Kroger
SUB-INVESTMENT GRADE							
	BB+	BB	BB-	B+	B	B-	CCC+ & <
Apparel	Foot Locker, Gap	Brown Shoes	Ann Taylor, Payless, Charming Stores, Guess, J Crew		Burlington, Mothers Work		
Automotive	Advance Auto	Group 1 Automotive		CSK Auto		Pep Boys	
Consumer Electronics		Radio Shack		Game Stop			
Department Stores	Sears	Dillard's		Bon Ton, Saks, Neiman Marcus			
Discount/Variety				Rite-Aid			
Drug Stores					Linens N Things	Pier One	Duane Reed
Home Furnishings							
Home Improvement							
Major Discounters					Loehmann's		
Miscellaneous / Speciality		Petsmart, Rent-a-center	Regal Entertainment	Vitamin Shoppe Office Max	Brookstone, GNC, Petco, Sports Authority, 24 Hour Fitness	Blockbuster, Dave & Busters, Jo-Ann Stores, Movie Gallery, Toys R Us	Bally Fitness
Office Supplies							
Restaurants	Wendy's		O'Charley's, Jack in the Box, CKE Restaurants, Domino's, Landry's Rest., Burger King	Arby's Restaurant, Denny's Corp, AFC Enterprises	El Pollo Loco	Dunkin Brands, Friendly Ice Cream, Real Max Restaurants, Restaurant Co, Sbarro, Vicorp Restaurants Great Atlantic & Pacific, Marsh Supermarkets, Pathmark	Uno Restaurant Holdings, Mrs Fields
Supermarkets	Delhaize		Ingles, Super Value, The Pantry	Nash Finch, Roundy's	Bi-I o		

# CAPITAL MARKETS REVIEW

The information contained in this section was accurate as of March 14, 2007.

## RETAIL REIT UPDATE

REIT	Stock Symbol	Dividend Yield	Current Price as of 3/14/07	Stock Price % Change From Previous Periods	
				2/9/07	1/3/07
<b>SHOPPING CENTER</b>					
Agree Realty Corp.	ADC	5.90%	\$33.20	-5.44%	-3.68%
Acadia Realty	AKR	3.10%	\$26.43	-3.75%	5.72%
AmREIT	AMY	5.90%	\$8.46	-1.63%	0.48%
Cedar Shopping Centers	CDR	5.60%	\$15.99	-5.22%	0.50%
Developers Diversified Realty	DDR	4.20%	\$62.50	-11.40%	-1.19%
Equity One, Inc.	EQY	4.60%	\$25.67	-9.55%	-1.57%
Federal Realty Investment Trust	FRT	2.60%	\$89.35	-5.92%	6.47%
Inland Real Estate Corp.	IRC	5.30%	\$18.09	-13.15%	-3.73%
Kimco Realty Corp.	KIM	3.00%	\$48.13	-7.23%	6.69%
Kite Realty Group	KRG	3.90%	\$20.06	-3.42%	6.99%
New Plan Excel	NXL	3.80%	\$33.25	9.77%	20.78%
Ramco-Gershenson	RPT	5.40%	\$34.61	-8.39%	-8.83%
Regency Centers	REG	3.20%	\$82.25	-9.35%	5.35%
Saul Centers	BFS	2.90%	\$56.90	-2.74%	1.81%
Urstadt-Biddle Properties	UBA	5.00%	\$18.48	-3.75%	-1.60%
Weingarten Realty	WRI	4.30%	\$46.73	-9.98%	1.56%
<b>ENCLOSED MALL</b>					
CBL & Associates	CBL	4.50%	\$44.95	-6.84%	4.73%
Feldman Mall Properties, Inc.	FMP	7.80%	\$11.80	-1.09%	-7.01%
General Growth Properties	GGP	2.90%	\$63.72	2.48%	23.30%
Glimcher Realty Trust	GRT	7.10%	\$27.14	-5.30%	1.19%
The Macerich Company	MAC	3.10%	\$91.16	-8.93%	5.51%
The Mills Corporation	MLS	N/A	\$25.06	-4.35%	23.45%
PREIT	PEI	5.20%	\$43.85	-0.63%	13.98%
Simon Property Group	SPG	3.10%	\$109.65	-7.25%	8.59%
Taubman Centers	TCO	2.60%	\$57.81	-7.19%	13.26%
<b>FACTORY OUTLET</b>					
Tanger Factory	SKT	3.50%	\$39.04	-8.98%	0.05%
<b>OTHER RETAIL REITS</b>					
Colonial Properties Trust	CLP	6.20%	\$44.01	-10.09%	-5.54%
Cousins Properties	CUZ	4.40%	\$34.11	-9.81%	-1.87%
Entertainment Properties Trust	EPR	4.90%	\$60.52	-9.67%	3.36%
National Retail Properties	NNN	5.70%	\$23.88	-4.06%	5.29%
<b>PUBLICLY HELD COMPANIES</b>					
CB Richard Ellis	CBG	N/A	\$32.21	-12.14%	-4.28%
Forest City Enterprises	FCEA	N/A	\$61.89	-0.34%	7.32%
Jones Lang LaSalle	JLL	0.70%	\$100.16	-3.75%	8.87%

# CAPITAL MARKETS REVIEW

This information was compiled by W. Van Barron of BridgePointe Advisors.

## RETAILER STOCK AND CREDIT SUMMARY

Tenant	Stock Symbol	Moody's Credit Rating as of 8/11/06	Current Price as of 2/28/07	Stock Price % Change From Previous Periods	
				1/31/07	1/1/07
<b>DISCOUNTERS</b>					
BJ's Wholesale Club	BJ	NR	\$32.08	5.04%	3.12%
Big Lots, Inc.	BIG	NR	\$25.93	5.04%	39.97%
Costco	COST	A2	\$56.00	-0.28%	5.92%
T.J. Maxx	TJX	A3	\$27.52	-6.93%	-3.51%
Target	TGT	A2	\$60.90	-0.75%	6.75%
Wal-Mart	WMT	Aa2	\$47.89	0.42%	3.70%
<b>SPECIALTY STORES</b>					
AutoZone	AZO	Baa2	\$124.80	-0.66%	8.00%
Barnes & Noble	BKS	WR	\$40.80	4.80%	2.74%
Bed Bath & Beyond	BBBY	NR	\$39.76	-5.76%	4.36%
Best Buy	BBY	Baa2**	\$46.79	-7.16%	-4.88%
Books-A-Million	BAMME	NR	\$15.91	-16.70%	-29.85%
Borders Books	BGP	NR	\$21.31	1.57%	-4.65%
Circuit City	CC	NR	\$18.31	-10.29%	-3.53%
Dollar General	DG	Ba1	\$16.41	-3.13%	2.50%
Family Dollar	FDO	NR	\$29.03	-10.40%	-1.02%
Foot Locker	FL	NR	\$22.69	1.11%	3.47%
Gateway Computer	GTW	WR	\$2.13	3.90%	5.97%
Gap, Inc.	GPS	Baa3+	\$19.03	-0.73%	-2.41%
Hancock Fabrics	HKF	NR	\$3.11	-22.25%	-9.59%
Hibbett Sporting Goods	HIBB	NR	\$31.19	-2.87%	2.16%
The Home Depot	HD	Aa3	\$39.45	-3.17%	-1.77%
Limited	LTD	Baa2	\$26.92	-3.65%	-6.98%
Lowe's***	LOW	A2	\$32.21	-4.45%	3.40%
Mothers Work, Inc.	MWRK	NR	\$33.32	-0.39%	-15.41%
Office Depot	ODP	Baa3**	\$33.35	-10.81%	-12.63%
Office Max	OMX	Ba2	\$51.21	6.05%	3.14%
Payless Shoe Source	PSS	B2	\$31.05	-8.54%	-5.39%
Pep Boys	PBY	B1+	\$15.06	-1.63%	1.83%
PetSmart	PETM	Ba2+	\$29.70	-2.75%	2.91%
Pier 1 Imports	PIR	B1	\$6.76	-0.15%	13.61%
RadioShack	RSH	Baa2**	\$24.80	12.22%	47.79%
Regis Corporation	RGS	NR	\$41.84	0.12%	5.82%
Ross Dress For Less	ROST	NR	\$32.63	0.74%	11.37%
Sherwin-Williams	SHW	A3	\$65.49	-5.22%	3.00%
Staples	SPLS	Baa2	\$25.35	-1.44%	-5.06%
Starbucks	SBUX	0	\$30.39	-13.02%	-14.20%
West Marine	WMAR	NR	\$17.08	-1.95%	-1.10%

All ratings are senior unsecured unless otherwise noted.  
 + Senior Implied    1 On review for possible upgrade  
 Rating decreased ▼    Rating increased ▲

NR No rated issues  
 2 Rating lowered

WR Withdrawn  
 3 On review for possible downgrade

\* Senior Subordinate

\*\* Issuer Rating  
 4 Bank credit facility

\*\*\* Lowe's Home Improvement Centers underwent a 2:1 stock split.

# CAPITAL MARKETS REVIEW

This information was compiled by W. Van Barron of BridgePointe Advisors.

## RETAILER STOCK AND CREDIT SUMMARY

Tenant	Stock Symbol	Moody's Credit Rating as of 8/11/06	Current Price as of 2/28/07	Stock Price % Change From Previous Periods	
				1/31/07	1/1/07
<b>DEPARTMENT STORES</b>					
JC Penney Federated***	JCP	Baa3	\$79.95	-1.59%	3.35%
Kohl's Corp.	FD	Baa1	\$44.29	6.75%	16.16%
Dillard's	KSS	A3	\$67.53	-4.77%	-1.32%
Nordstrom	DDS	B2	\$33.14	-3.49%	-5.23%
Saks Inc.	JWN	Baa1	\$53.63	-3.73%	8.69%
Stein Mart, Inc.	SKS	B2	\$19.12	1.92%	7.30%
	SMRT	NR	\$14.79	9.47%	11.54%
<b>DRUG STORES</b>					
CVS	CVS	Baa2	\$31.34	-6.86%	1.39%
Longs Drugs	LDG	NR	\$50.93	18.44%	20.17%
Rite-Aid	RAD	Caa1	\$5.98	-2.92%	9.93%
Walgreens	WAG	Aa3**	\$44.63	-1.48%	-2.75%
<b>GROCERY STORES</b>					
A&P	GAP	Caa1	\$31.62	9.53%	22.84%
Bi-Lo	AHO	NR	\$9.82	-2.77%	-7.18%
Food Lion	DEG	NR	\$83.73	0.48%	0.54%
Ingles	IMKTE	B3*	\$37.25	1.72%	25.04%
Kroger	KR	Baa2	\$25.53	-0.27%	10.66%
Pathmark	PTMK	Caa2*	\$11.30	3.10%	1.35%
Safeway	SWY	Baa2**	\$34.63	-3.89%	0.20%
Smart & Final	SMF	NR	\$21.49	15.91%	13.70%
Supervalu	SVU	B2	\$36.96	-2.69%	3.38%
Weis Markets	WMK	NR	\$43.55	0.62%	8.58%
Whole Foods	WFMI	Ba1	\$46.95	8.71%	0.04%
<b>LEISURE &amp; RECREATION</b>					
Bally Total Fitness	BFT	Caa1	\$2.00	1.01%	-18.37%
Blockbuster Entertainment	BBI	Caa3*	\$6.81	4.93%	28.73%
Regal Entertainment Group	RGC	B3	\$21.33	-5.20%	0.05%
United Artists	MGM	WR	\$71.68	2.44%	24.99%

All ratings are senior unsecured unless otherwise noted.  
 + Senior Implied 1 On review for possible upgrade  
 Rating decreased ▼ Rating increased ▲

NR No rated issues WR Withdrawn \* Senior Subordinate \*\* Issuer Rating  
 2 Rating lowered 3 On review for possible downgrade 4 Bank credit facility

\*\*\* Federated Department Stores underwent a 2:1 stock split.

# CAPITAL MARKETS REVIEW

This information was compiled by Tim Radomski of BridgePointe Advisors.

## RATE WATCH

APRIL  
2007

FROM BRIDGEPOINTE ADVISORS

To receive a quote for your transaction, please visit  
[www.bridgepointeadvisors.com](http://www.bridgepointeadvisors.com) or call (404) 446-4900.

### MARKET PULSE

The information below is compiled on a monthly basis by BridgePointe Advisors (BPA) and represents actual quotes on properties represented by BPA, from lenders representing a cross-section of the lending community. BPA reaches hundreds of commercial lenders offering a very comprehensive sample of the finance landscape. All spreads are for 10-year fixed-rate loans using the 10-year Treasury Index unless otherwise designated. The indicated rate is based upon the 10-year Treasury Index (4.51%) on March 6, 2007.

PROPERTY TYPE	LEVERAGE	DSCR	SPREAD	INDICATED RATE
Grocery Anchored Retail	85% LTV	1.10X	105	5.56%
Strong Anchored Retail	80% LTV	1.10X	95	5.46%
Weak Anchored Retail	75% LTV	1.20X	115	5.66%
Unanchored Retail	75% LTV	1.20X	125	5.76%
Single Tenant Retail—A+ credit (1)	90% LTV	1.01X	95	5.46%
Single Tenant Retail—A+ credit	80% LTV	1.01X	95	5.46%
Single Tenant Retail—A credit drug	80% LTV	1.01X	110	5.61%
Single Tenant Retail—BBB- credit drug	75% LTV	1.15X	125	5.76%
Single Tenant Retail—Non investment	75% LTV	1.30X	150	6.01%
High End Specialty Retail	80% LTV	1.15X	105	5.56%
High End Urban Retail	80% LTV	1.15X	105	5.56%
Mixed Use Urban Office / Retail	80% LTV	1.20X	115	5.66%

### CAPITAL SOLUTION — 2007 RETAIL ECONOMIC OUTLOOK

The **retail sector**, which has been red hot the last few years, will face some opposition in 2007 as the economy and consumer spending slows and supply continues to grow. While retail has proven to be a stable property type over the last 5 to 6 years, vacancies are expected to edge up to 7.5% as developers add roughly 38.7 million feet of shopping centers (up from 33.3 million in 2006). Within this sector, malls are experiencing the highest vacancy rates of 8.3%.

Despite the expected weakness in retail, the retail development pipeline continues to grow with an estimated 195 million square feet of new space expected to be

added through 2010.

Against this backdrop, we believe landlords will have to increase concessions to attract retailers in 2007, but cap rates should remain in the 5.5% to 7.5% range for well located properties in states like California and Florida. Less well located retail properties are expected to see cap rates widen 50 bps or more in 2007.

The **single tenant net lease market** continued to be one of the hottest sectors in commercial real estate in 2006 and is expected to enjoy continued strong demand in 2007 in growth and supply as corporate profit growth slows and companies, particularly weaker ones, increase their use

of sale-leasebacks to generate capital.

Unlike traditional commercial real estate transactions where returns are generally based on assumptions of future rent increases and/or repositioning to generate returns, values and returns in the single tenant net lease market are largely determined by the spread between the purchase price and the cost of financing. Since net leases generally are long term (10 to 25 years), require that the tenant maintain the property, and define rent for the term of the lease, the financial strength (credit quality) of the tenant is a key determinant of risk and value in addition to property type and location.