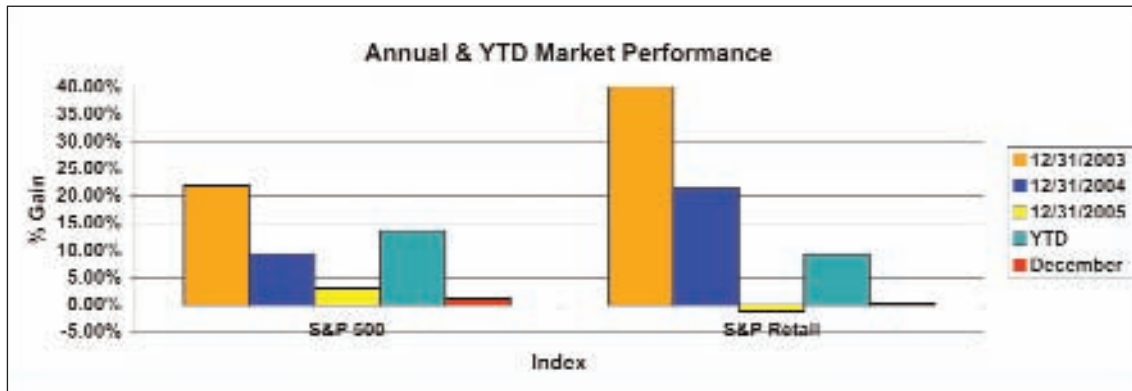


CAPITAL MARKETS REVIEW

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.

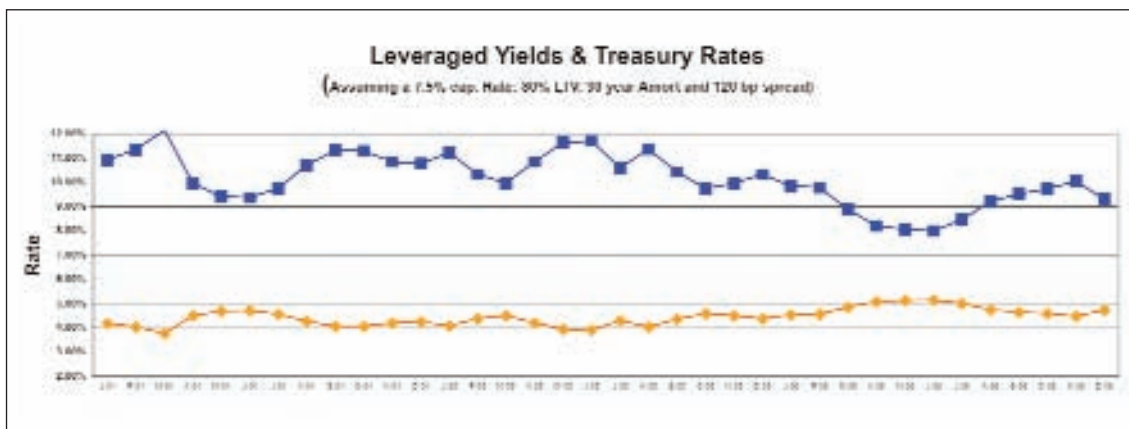
Debt & Equity Securities Market

The S&P Retail Index outperformed the S&P 500 Index in 2003 and 2004, underperformed it in 2005 and 2006 (426 basis points).



Economic Drivers & Treasury Rates

For the month of December 2006, the 10-year Treasury bond rate ended the year at its highest level in 5 years: 4.70% (a 33-based point increase from year-end 2005). After reaching a low of 4.41% December, rates increased 30 basis points the last 2 weeks of December.



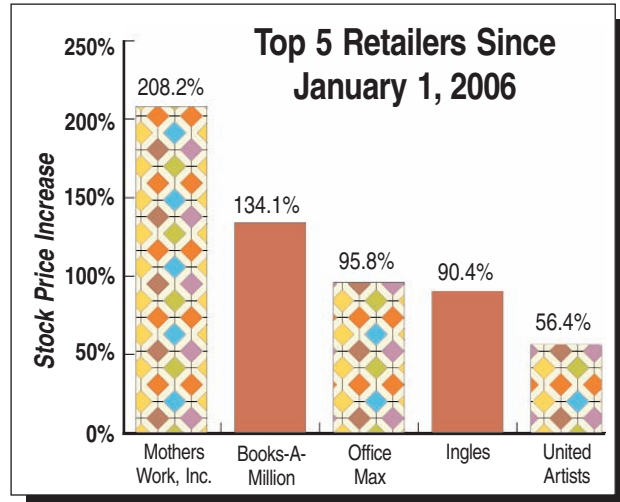
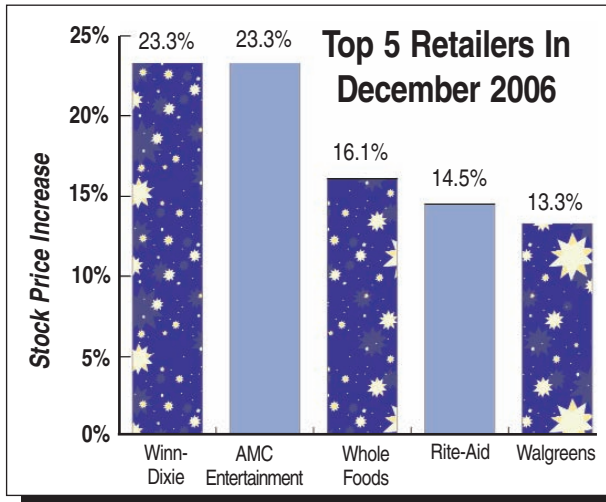
Retailer Update



CAPITAL MARKETS REVIEW

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

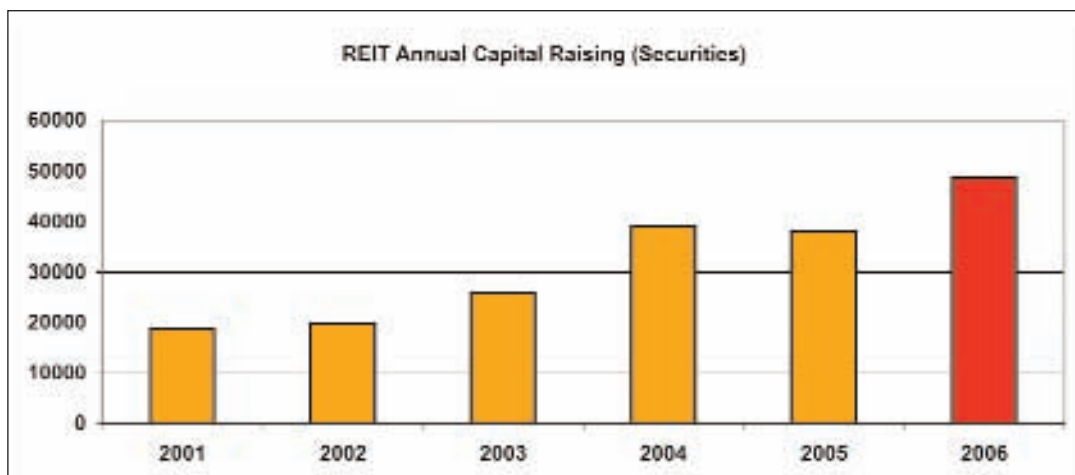
Retailer Update



Retail REIT News

After leading the other REIT sub-sectors in 2001-2004, retail REITs started to be outpaced by other REIT sub-sectors, according to NAREIT. Total returns in 2006 (appreciation and income) were very strong: 29.01%. While the regional mall sub-sector outperformed the other retail REIT sectors in 2005, the shopping center REIT sub-sector lead the retail REIT sectors in 2006.

	2001	2002	2003	2004	2005	2006
REIT Sectors						
Equity REIT Index	13.93	-3.82	37.13	31.58	12.16	35.06
Industrial/Office	7.09	0.87	33.26	25.24	12.85	39.39
Apartments	8.66	-6.15	25.49	34.71	14.65	39.95
Hotel	-8.63	-1.49	31.69	32.7	9.76	28.17
Retail	30.42	21.07	46.77	40.23	11.8	29.01
Retail REIT Sub Sectors						
Shopping Centers	29.89	17.72	43.12	36.25	9.27	34.97
Regional Malls	31.88	24.56	52.24	45.01	16.54	23.83
Freestanding	23.95	21.76	35.91	32.87	-0.49	30.74



CAPITAL MARKETS REVIEW

The information contained in this section was accurate as of January 11, 2007.

RETAIL REIT UPDATE

REIT	Stock Symbol	Dividend Yield	Current Price as of 1/11/07	Stock Price % Change From Previous Periods	
				12/5/06	1/3/06
SHOPPING CENTER					
Agree Realty Corp.	ADC	5.90%	\$33.82	-1.63%	12.88%
Acadia Realty	AKR	3.30%	\$24.86	-3.34%	22.16%
AmREIT	AMY	6.10%	\$8.25	0.36%	19.57%
Cedar Shopping Centers	CDR	5.60%	\$15.91	-11.07%	14.79%
Developers Diversified Realty	DDR	3.70%	\$64.35	-0.19%	34.62%
Equity One, Inc.	EQY	4.50%	\$26.91	-4.37%	14.32%
Federal Realty Investment Trust	FRT	2.70%	\$85.65	-1.07%	40.04%
Inland Real Estate Corp.	IRC	4.90%	\$19.48	-0.56%	31.71%
Kimco Realty Corp.	KIM	3.10%	\$46.78	0.65%	42.93%
Kite Realty Group	KRG	4.10%	\$18.93	-1.66%	24.87%
New Plan Excel	NXL	4.50%	\$27.82	-1.38%	18.89%
Ramco-Gershenson	RPT	4.80%	\$37.47	-0.85%	37.61%
Regency Centers	REG	3.00%	\$79.56	-1.24%	32.84%
Saul Centers	BFS	3.10%	\$55.02	-2.58%	46.80%
Urstadt-Biddle Properties	UBA	5.00%	\$18.30	-3.43%	13.03%
Weingarten Realty	WRI	3.90%	\$47.85	1.57%	25.23%
ENCLOSED MALL					
CBL & Associates	CBL	4.60%	\$44.46	1.72%	9.18%
Feldman Mall Properties, Inc.	FMP	7.40%	\$12.15	11.47%	-0.57%
General Growth Properties	GGP	3.30%	\$55.40	0.16%	15.68%
Glimcher Realty Trust	GRT	7.20%	\$26.63	-2.35%	6.69%
The Macerich Company	MAC	3.20%	\$90.85	5.58%	33.07%
The Mills Corporation	MLS	N/A	\$15.23	-31.05%	-63.30%
PREIT	PEI	5.70%	\$40.65	1.37%	8.20%
Simon Property Group	SPG	2.90%	\$105.66	2.96%	35.98%
Taubman Centers	TCO	2.90%	\$53.41	5.89%	49.27%
FACTORY OUTLET					
Tanger Factory	SKT	3.50%	\$38.82	-2.61%	33.04%
OTHER RETAIL REITS					
Colonial Properties Trust	CLP	5.80%	\$47.35	-2.59%	11.18%
Cousins Properties	CUZ	4.20%	\$36.24	-0.30%	25.05%
Entertainment Properties Trust	EPR	4.60%	\$60.65	-0.77%	49.38%
National Retail Properties	NNN	5.80%	\$23.12	-2.98%	11.91%
PUBLICLY HELD COMPANIES					
CB Richard Ellis ¹	CBG	N/A	\$34.94	4.05%	73.83%
Forest City Enterprises	FCEA	N/A	\$57.34	-2.35%	53.56%
Jones Lang LaSalle	JLL	0.80%	\$93.27	0.24%	76.82%

¹ Price adjusted due to 3:1 stock split on June 2, 2006.

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 12/29/06	Stock Price	
				% Change From Previous Periods 11/30/06	1/1/06
DISCOUNTERS					
BJ's Wholesale Club	BJ	NR	\$31.11	-3.68%	5.24%
Big Lots, Inc.	BIG	NR	\$22.92	2.73%	90.84%
Costco	COST	A2	\$52.87	1.04%	6.87%
T.J. Maxx	TJX	A3	\$28.52	4.01%	22.77%
Target	TGT	A2	\$57.05	-1.79%	3.78%
Wal-Mart	WMT	Aa2	\$46.18	0.17%	-1.32%
SPECIALTY STORES					
AutoZone	AZO	Baa2	\$115.56	1.72%	25.95%
Barnes & Noble	BKS	WR	\$39.71	-0.77%	-6.94%
Bed Bath & Beyond	BBBY	NR	\$38.10	-2.23%	5.39%
Best Buy	BBY	Baa2**	\$49.19	-10.51%	13.13%
Books-A-Million	BAMME	NR	\$22.68	8.15%	134.06%
Borders Books	BGP	NR	\$22.35	-2.40%	3.14%
Circuit City	CC	NR	\$18.98	-23.96%	-15.98%
Dollar General	DG	Ba1	\$16.01	3.02%	-16.05%
Family Dollar	FDO	NR	\$29.33	5.16%	18.31%
Foot Locker	FL	NR	\$21.93	-4.24%	-7.04%
Gateway Computer	GTW	WR	\$2.01	5.79%	-19.92%
Gap, Inc.	GPS	Baa3+	\$19.50	4.17%	10.54%
Hancock Fabrics	HKF	NR	\$3.44	7.84%	-15.48%
Hibbett Sporting Goods	HIBB	NR	\$30.53	-3.39%	7.20%
The Home Depot	HD	Aa3	\$40.16	5.77%	-0.79%
Limited	LTD	Baa2	\$28.94	-8.68%	29.49%
Lowe's***	LOW	A2	\$31.15	3.28%	-6.54%
Mothers Work, Inc.	MWRK	NR	\$39.39	-3.57%	208.22%
Office Depot	ODP	Baa3**	\$38.17	0.82%	21.56%
Office Max	OMX	Ba2	\$49.65	5.48%	95.78%
Payless Shoe Source	PSS	B2	\$32.82	5.23%	30.76%
Pep Boys	PBY	B1+	\$14.79	9.56%	-0.67%
PetSmart	PETM	Ba2+	\$28.86	-2.80%	12.47%
Pier 1 Imports	PIR	B1	\$5.95	-10.53%	-31.84%
RadioShack	RSH	Baa2**	\$16.78	-4.28%	-20.21%
Regis Corporation	RGS	NR	\$39.54	3.21%	2.51%
Ross Dress For Less	ROST	NR	\$29.30	-5.45%	1.38%
Sherwin-Williams	SHW	A3	\$63.58	1.65%	39.98%
Staples	SPLS	Baa2	\$26.70	5.08%	17.57%
West Marine	WMAR	NR	\$17.27	-0.23%	23.53%

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 12/29/06	Stock Price % Change From Previous Periods	
				11/30/06	1/1/06
DEPARTMENT STORES					
JC Penney Federated***	JCP	Baa3	\$77.36	0.03%	39.14%
Kohl's Corp.	FD	Baa1	\$38.13	-9.41%	14.97%
Dillard's	KSS	A3	\$68.43	-1.68%	40.80%
Nordstrom	DDS	B2	\$34.97	-1.69%	40.89%
Saks Inc.	JWN	Baa1	\$49.34	0.65%	31.93%
Stein Mart, Inc.	SKS	B2	\$17.82	-13.16%	5.69%
	SMRT	NR	\$13.26	-15.81%	-26.94%
DRUG STORES					
CVS	CVS	Baa2	\$30.91	7.44%	16.99%
Longs Drugs	LDG	NR	\$42.38	3.14%	16.46%
Rite-Aid	RAD	Caa1	\$5.44	14.53%	56.32%
Walgreens	WAG	Aa3**	\$45.89	13.34%	3.68%
GROCERY STORES					
A&P	GAP	Caa1	\$25.74	-2.13%	-19.01%
Bi-Lo	AHO	NR	\$10.58	5.59%	40.50%
Food Lion	DEG	NR	\$83.28	4.47%	27.20%
Ingles	IMKTE	B3*	\$29.79	-0.50%	90.35%
Kroger	KR	Baa2	\$23.07	7.50%	22.19%
Pathmark	PTMK	Caa2*	\$11.15	-1.24%	11.61%
Safeway	SWY	Baa2**	\$34.56	12.17%	46.07%
Smart & Final	SMF	NR	\$18.90	4.65%	46.74%
Supervalu	SVU	B2	\$35.75	4.35%	10.07%
Weis Markets	WMK	NR	\$40.11	-17.69%	-48.17%
Whole Foods	WFMI	Ba1	\$46.93	16.11%	9.04%
LEISURE & RECREATION					
Bally Total Fitness	BFT	Caa1	\$2.45	3.81%	-60.99%
Blockbuster Entertainment	BBI	Caa3*	\$5.29	0.57%	41.07%
Regal Entertainment Group	RGC	B3	\$21.32	2.45%	12.09%
United Artists	MGM	WR	\$57.35	6.66%	56.39%

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

FEBRUARY
2007

FROM BRIDGEPOINTE ADVISORS

MARKET PULSE

To receive a quote for your transaction, please visit
www.bridgepointeadvisors.com or call (404) 446-3623.

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 (4.61%) on January 4, 2007.

PROPERTY TYPE	LEVERAGE	DSCR	SPREAD	INDICATED RATE
Grocery Anchored Retail	85% LTV	1.10X	105	5.66%
Strong Anchored Retail	80% LTV	1.10X	95	5.56%
Weak Anchored Retail	75% LTV	1.20X	115	5.76%
Unanchored Retail	75% LTV	1.20X	125	5.86%
Single Tenant Retail—A+ credit (1)	90% LTV	1.01X	95	5.56%
Single Tenant Retail—A+ credit	80% LTV	1.01X	95	5.56%
Single Tenant Retail—A credit drug	80% LTV	1.01X	110	5.71%
Single Tenant Retail—BBB- credit drug	75% LTV	1.15X	125	5.86%
Single Tenant Retail Non investment	75% LTV	1.30X	150	6.11%
High End Specialty Retail	80% LTV	1.15X	105	5.66%
High End Urban Retail	80% LTV	1.15X	105	5.66%
Mixed Use Urban Office / Retail	80% LTV	1.20X	115	5.76%

CAPITAL SOLUTION — HIDDEN EQUITY?

One of the best ways to raise capital is to refinance a property with hidden equity.

If you have a value-added property that will appraise for more than you owe, you might want to consider a refinance. With low interest rates and no capital gains tax, you may have the available equity that you need.

To find out how much equity you have hidden in your property, contact a

reputable mortgage broker and they will give you some guidelines so that you can estimate your refinance loan amount. Here is a thumbnail overview to give you an idea. Have your property appraised or find out from a sales broker what cap rate your property is trading at to reach a value. Take 75% to 85% of that value to find your loan amount, but be sure that your NOI is large enough to cover your debt ser-

vice. Use the table above to find your interest rate and debt service coverage ratio.

If you still do not have enough equity, don't fret — owners of multiple properties have refinanced some or all of their portfolio to raise the capital they need.