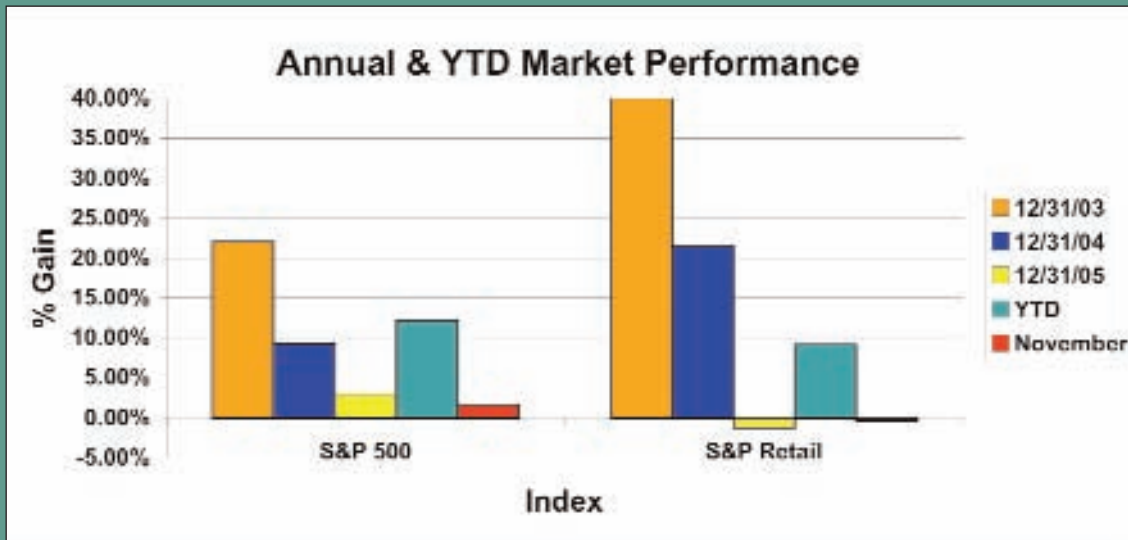
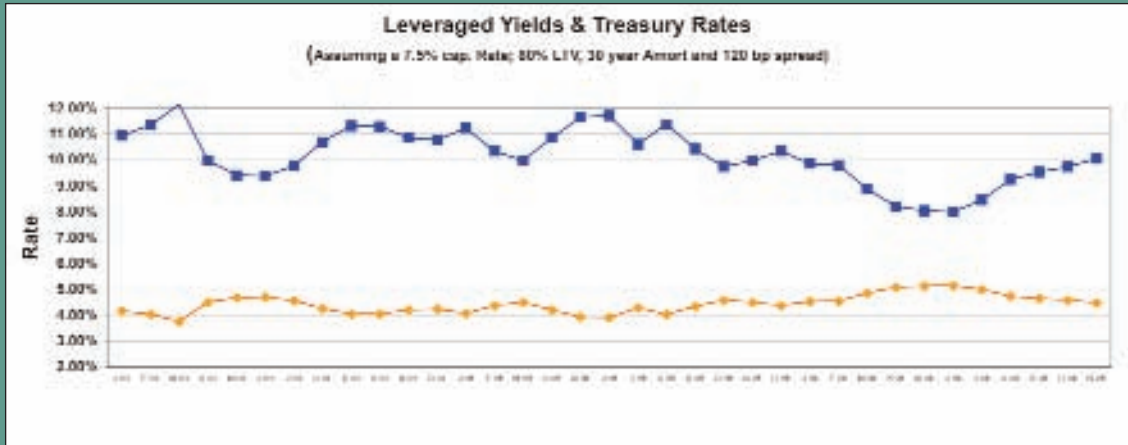


CAPITAL MARKETS REVIEW

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



CAPITAL MARKETS REVIEW

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

Retailer Update

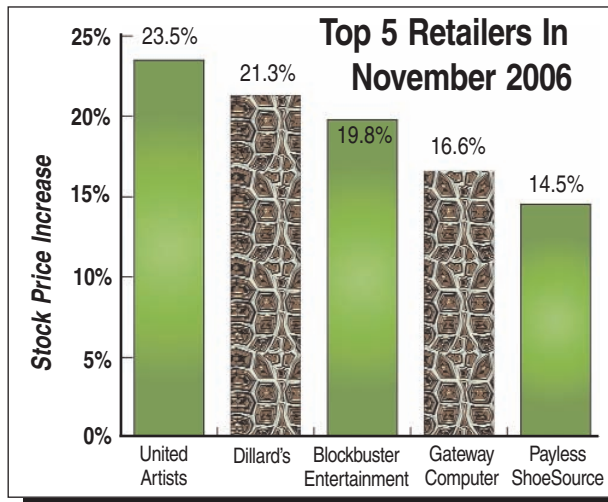
RETAILER NEWS

Steve & Barry's	TA Associates announced that it is completing a deal that will give the company a minority share of Steve & Barry's University Sportswear.
Albertsons	Albertsons is closing four more non-performing stores in the Dallas-Fort Worth area: in Oak Cliff, The Colony, Mansfield and North Richland Hills, Texas.
Claire's Stores	Claire's Stores retained Goldman, Sachs & Co. as a financial advisor to explore the possible sale of the company.
TJX	TJX plans to close 34 of its 162 A.J. Wright stores this month.
The Pantry	The Pantry is planning to buy 16 Angler's Mini-Mart convenience stores in the Charleston, S.C., area, along with two other stores in Sanford, N.C., and Columbiana, Ala. Pantry has bought or agreed to purchase 33 stores in fiscal 2007.
Pep Boys	Pep Boys is receiving interest from hedge funds looking for acquisitions in the retail sector. In an amended filing, Barington Capital disclosed that it holds an 8.1 percent — or 4.4 million shares — interest in the company. Hedge fund Pirate has increased its stake in Pep Boys from 9.4 percent to 11.7 percent. Standard & Poor's Services revised its outlook for Pep Boys to "stable" from "negative."
Save Mart Supermarkets	Save Mart Supermarkets has signed a definitive agreement to acquire Albertsons LLC Northern California division (132 Albertsons stores in Northern California and Northern Nevada, two distribution centers and a division office). Save Mart currently operates 124 stores under the Save Mart Supermarkets, Food Maax and S-MART foods banners.
Winn-Dixie Stores	Winn-Dixie Stores Inc. emerged from bankruptcy 21 months after the grocery chain filed for Chapter 11 protection due. The new Winn-Dixie is much smaller than the pre-bankruptcy company — it has 522 stores (versus 920) in five states. Wachovia Corp provided \$725 million in exit financing.
Linens 'n Things	Standard & Poor's Ratings Services has placed its ratings on Linens 'n Things Inc., including its 'B' corporate credit rating, on CreditWatch with negative implications based on weaker-than-expected third-quarter earnings and its questionable ability to meet S&P's credit measures.
Limited Brands	Limited Brands plans to acquire Canadian lingerie retailer La Senza Corp. for \$628 million.
Pier 1 Imports	Pier 1 Imports is rumored to be the takeover target of Danish retail investors Jakup a Dul Jacobsen. Jacobsen currently owns a minority interest in the company and acquired the company's London subsidiary in March 2006 for \$15 million.
Dick's Sporting Goods	Dick's Sporting Goods will spend approximately \$225 million to acquire Golf Galaxy, a 61-store chain based in Eden Prairie, Minn.
Wild Oats Markets	Wild Oats Markets will close eight underperforming stores — all five Henry's Farmers Market stores in Arizona and three Wild Oats in other markets (Omaha, Neb.; Fort Collins, Colo.; and West Jordan, Utah).
Eddie Bauer Holdings	Eddie Bauer Holdings has accepted a \$286 million cash takeover bid from two private-equity firms (Sun Capital Partners, Inc. and Golden Gate Capital) and has assumed \$328 million in debt. Eddie Bauer had put itself up for sale in May 2006.
Ahold	Dutch supermarket group Ahold is no longer considering a merger with Delhaize, its Belgian counterpart. Also, Ahold stated it was selling its U.S. Foodservice business to refocus on its core supermarket operations.

CAPITAL MARKETS REVIEW

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

Retailer Update



Retail REIT News

REIT NEWS	
Developers Diversified Realty	TIAA-CREF and Developers Diversified have created a joint venture to purchase a portfolio of 67 community retail centers for approximately \$3 billion of total asset value. These properties represent a portion of the assets that will be acquired by Developers Diversified upon the completion its merger with Inland Retail Real Estate Trust.
Federal Realty Investment Trust	Federal Realty Investment Trust sold \$135 million in 7-year notes via Citigroup Global Markets Inc. and Wachovia Securities LLC.
Weingarten Realty Investors	Weingarten Realty Investors and AEW Capital Management have formed a new joint venture, which has acquired a portfolio of four grocery-anchored retail shopping centers and two power centers totaling 523,000 square feet. Four of the properties are located in the Seattle/Tacoma, Wash., area and two are in Portland, Ore. The centers are leased to a diverse mix of strong national retailers (big box and grocers).
Gazit-Globe	Tel Aviv, Israel-based Gazit-Globe, a real estate investment company, has increased the per-share price of its recapitalization proposal for The Mills Corporation to \$25.50. Gazit wants Mills to recapitalize versus pursuing the sale avenue.
The Mills Corporation	Mills has completed a restructured transaction with Colony Capital Acquisitions LLC and KanAm USA Management XXII LP regarding the Meadowlands Xanadu project in New Jersey. The transaction eliminates future financial obligations of Mills and releases the company from any obligations to contractors.
Colonial Properties Trust	Colonial Properties Trust is speeding up its plan to focus on multifamily business, exiting its office and retail businesses. Over the next 6 to 12 months, the company plans to sell the majority of its wholly owned office and retail assets into a series of joint ventures that it will manage while the remainder of the assets will be sold outright. Colonial Properties Trust has finalized the sale transactions of Colonial Pinnacle Tutwiler Farm and Colonial Promenade Tutwiler Farm, both located in Birmingham, Ala., to a joint venture comprised of The GPT Group (GPT) and Babcock & Brown for a gross sales price of \$90 million. Colonial Promenade Tutwiler Farm is a 514,000-square-foot power center anchored by SuperTarget, The Home Depot and six other mid-size anchors. Colonial Pinnacle Tutwiler Farm, a 447,000-square-foot lifestyle shopping center, is anchored by Belk, JC Penney, Best Buy and Parisian.

CAPITAL MARKETS REVIEW

The information contained in this section was accurate as of December 5, 2006.

RETAIL REIT UPDATE

REIT	Stock Symbol	Dividend Yield	Current Price as of 12/5/06	Stock Price % Change From Previous Periods	
				11/3/06	1/3/06
SHOPPING CENTER					
Agree Realty Corp.	ADC	5.70%	\$34.38	0.53%	14.75%
Acadia Realty	AKR	2.80%	\$25.72	2.14%	26.39%
AmREIT	AMY	6.00%	\$8.22	7.45%	19.13%
Cedar Shopping Centers	CDR	5.00%	\$17.89	7.51%	29.08%
Developers Diversified Realty	DDR	3.60%	\$64.90	7.63%	34.87%
Equity One, Inc.	EQY	4.30%	\$28.14	14.16%	19.54%
Federal Realty Investment Trust	FRT	2.60%	\$86.58	10.52%	41.56%
Inland Real Estate Corp.	IRC	4.90%	\$19.59	8.83%	32.45%
Kimco Realty Corp.	KIM	3.10%	\$46.48	8.24%	42.01%
Kite Realty Group	KRG	4.00%	\$19.25	7.24%	26.98%
New Plan Excel	NXL	4.40%	\$28.21	2.25%	20.56%
Ramco-Gershenson	RPT	4.70%	\$37.79	11.34%	38.78%
Regency Centers	REG	2.90%	\$80.56	14.51%	34.51%
Saul Centers	BFS	2.90%	\$56.48	20.35%	50.69%
Urstadt-Biddle Properties	UBA	4.80%	\$18.95	5.28%	17.05%
Weingarten Realty	WRI	3.90%	\$47.11	4.16%	23.29%
ENCLOSED MALL					
CBL & Associates	CBL	4.60%	\$43.71	5.53%	7.34%
Feldman Mall Properties, Inc.	FMP	8.30%	\$10.90	0.00%	-10.80%
General Growth Properties	GGP	3.20%	\$55.31	12.51%	15.49%
Glimcher Realty Trust	GRT	7.00%	\$27.27	10.40%	9.25%
The Macerich Company	MAC	3.30%	\$86.05	10.80%	26.04%
The Mills Corporation	MLS	N/A	\$22.09	19.28%	-46.77%
PREIT	PEI	5.70%	\$40.10	0.68%	6.73%
Simon Property Group	SPG	2.90%	\$102.62	9.04%	32.07%
Taubman Centers	TCO	2.40%	\$50.44	10.61%	40.97%
FACTORY OUTLET					
Tanger Factory	SKT	3.40%	\$39.86	11.78%	36.60%
OTHER RETAIL REITS					
Colonial Properties Trust	CLP	5.60%	\$48.61	1.27%	14.13%
Cousins Properties	CUZ	4.00%	\$36.35	9.36%	25.43%
Entertainment Properties Trust	EPR	4.50%	\$61.12	11.74%	50.54%
National Retail Properties	NNN	5.60%	\$23.83	8.81%	15.34%
PUBLICLY HELD COMPANIES					
CB Richard Ellis ¹	CBG	N/A	\$33.58	18.28%	67.06%
Forest City Enterprises	FCEA	N/A	\$58.72	9.55%	57.26%
Jones Lang LaSalle	JLL	0.80%	\$93.05	8.88%	76.40%

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 11/30/06	Stock Price	
				% Change From 11/01/06	Previous Periods 1/1/06
DISCOUNTERS					
BJ's Wholesale Club	BJ	NR	\$32.30	14.42%	9.27%
Big Lots, Inc.	BIG	NR	\$22.31	8.25%	85.76%
Costco	COST	A2	\$52.33	-1.22%	5.77%
T.J. Maxx	TJX	A3	\$27.42	-3.21%	18.04%
Target	TGT	A2	\$58.09	1.98%	5.68%
Wal-Mart	WMT	Aa2	\$46.10	-4.61%	-1.50%
SPECIALTY STORES					
AutoZone	AZO	Baa2	\$113.61	3.29%	23.83%
Barnes & Noble	BKS	WR	\$40.02	-2.01%	-6.21%
Bed Bath & Beyond	BBBY	NR	\$38.97	0.36%	7.80%
Best Buy	BBY	Baa2**	\$54.97	3.80%	26.43%
Books-A-Million	BAMME	NR	\$20.97	7.54%	116.41%
Borders Books	BGP	NR	\$22.90	11.60%	5.68%
Circuit City	CC	NR	\$24.96	-4.37%	10.49%
Dollar General	DG	Ba1	\$15.54	12.28%	-18.51%
Family Dollar	FDO	NR	\$27.89	0.22%	12.51%
Foot Locker	FL	NR	\$22.90	-0.82%	-2.92%
Gateway Computer	GTW	WR	\$1.90	16.56%	-24.30%
Gap, Inc.	GPS	Baa3+	\$18.72	-4.25%	6.12%
Hancock Fabrics	HKF	NR	\$3.19	8.14%	-21.62%
Hibbett Sporting Goods	HIBB	NR	\$31.60	10.64%	10.96%
The Home Depot	HD	Aa3	\$37.97	2.43%	-6.20%
Limited	LTD	Baa2	\$31.69	6.63%	41.79%
Lowe's***	LOW	A2	\$30.16	2.38%	-9.51%
Mothers Work, Inc.	MWRK	NR	\$40.85	-12.45%	219.64%
Office Depot	ODP	Baa3**	\$37.86	-8.37%	20.57%
Office Max	OMX	Ba2	\$47.07	-1.73%	85.61%
Payless Shoe Source	PSS	B2	\$31.19	14.46%	24.26%
Pep Boys	PBY	B1+	\$13.50	-2.03%	-9.34%
PetSmart	PETM	Ba2+	\$29.69	5.02%	15.71%
Pier 1 Imports	PIR	B1	\$6.65	7.78%	-23.83%
RadioShack	RSH	Baa2**	\$17.53	-0.28%	-16.64%
Regis Corporation	RGS	NR	\$38.31	2.13%	-0.67%
Ross Dress For Less	ROST	NR	\$30.99	2.51%	7.23%
Sherwin-Williams	SHW	A3	\$62.55	6.90%	37.71%
Staples	SPLS	Baa2	\$25.41	-0.70%	11.89%
West Marine	WMAR	NR	\$17.31	7.25%	23.82%

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 11/30/06	Stock Price % Change From Previous Periods	
				11/01/06	1/1/06
DEPARTMENT STORES					
JC Penney Federated***	JCP	Baa3	\$77.34	0.27%	39.10%
Kohl's Corp.	FD	Baa1	\$42.09	1.69%	26.91%
Dillard's	KSS	A3	\$69.60	-1.11%	43.21%
Nordstrom	DDS	B2	\$35.57	21.28%	43.31%
Saks Inc.	JWN	Baa1	\$49.02	4.88%	31.07%
Stein Mart, Inc.	SKS	B2	\$20.52	5.23%	21.71%
	SMRT	NR	\$15.75	-2.90%	-13.22%
DRUG STORES					
CVS	CVS	Baa2	\$28.77	-0.24%	8.89%
Longs Drugs	LDG	NR	\$41.09	-3.34%	12.92%
Rite-Aid	RAD	Caa1	\$4.75	1.93%	36.49%
Walgreens	WAG	Aa3**	\$40.49	-4.32%	-8.52%
GROCERY STORES					
A&P	GAP	Caa1	\$26.30	-2.74%	-17.24%
Bi-Lo	AHO	NR	\$10.02	-4.84%	33.07%
Food Lion	DEG	NR	\$79.72	-1.28%	21.77%
Ingles	IMKTE	B3*	\$29.94	7.97%	91.31%
Kroger	KR	Baa2	\$21.46	-1.31%	13.67%
Pathmark	PTMK	Caa2*	\$11.29	12.90%	13.01%
Safeway	SWY	Baa2**	\$30.81	7.13%	30.22%
Smart & Final	SMF	NR	\$18.06	-0.28%	40.22%
Supervalu	SVU	B2	\$34.26	1.60%	5.48%
Weis Markets	WMK	NR	\$40.42	2.56%	-6.09%
Whole Foods	WFMI	Ba1	\$48.73	1.60%	5.48%
LEISURE & RECREATION					
Bally Total Fitness	BFT	Caa1	\$2.36	-8.53%	-62.42%
Blockbuster Entertainment	BBI	Caa3*	\$5.26	19.82%	40.27%
Regal Entertainment Group	RGC	B3	\$20.81	2.26%	9.41%
United Artists	MGM	WR	\$53.77	23.50%	46.63%

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

JANUARY
2007

FROM BRIDGEPOINTE ADVISORS

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

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 (4.43%) on December 4, 2006.

PROPERTY TYPE	LEVERAGE	DSCR	SPREAD	INDICATED RATE
Grocery Anchored Retail	85% LTV	1.10X	105	5.48%
Strong Anchored Retail	80% LTV	1.10X	95	5.38%
Weak Anchored Retail	75% LIV	1.20X	115	5.58%
Unanchored Retail	75% LTV	1.20X	125	5.68%
Single Tenant Retail—A+ credit (1)	90% LTV	1.01X	95	5.38%
Single Tenant Retail—A+ credit	80% LTV	1.01X	95	5.38%
Single Tenant Retail—A credit drug	80% LTV	1.01X	110	5.53%
Single Tenant Retail—BBB- credit drug	75% LTV	1.15X	125	5.68%
Single Tenant Retail—Non-investment	75% LTV	1.30X	150	5.93%
High End Specialty Retail	80% LTV	1.15X	105	5.48%
High End Urban Retail	80% LTV	1.15X	105	5.48%
Mixed Use Urban Office / Retail	80% LTV	1.20X	115	5.58%

CAPITAL SOLUTION — THE BEST TIME TO FINANCE?

The year 2006 was a record year in the lending world with what looked to be over \$200 billion in conduit volume at press time.

With this heavy volume, the goals and expectations will be high for 2007. With the uncertainty of future rate adjustments and the reaction of the subsequent pricing in the bond market, institutions will be trying to get money out early to meet their lofty targets for the year. This will mean aggressive un-

derwriting and innovative product menus. Borrowers should expect to continue to see the trend toward the “bells and whistles” including long interest-only periods, earn-outs, cheap rate locks, fixed prepayment and unconventional underwriting. Borrowers should also expect to see a growing number of seamless mezzanine and B-notes being offered by the senior lenders.

To defease or not to defease? With many loans scheduled to mature in 2008 (the biggest single year maturity in CMBS history), many borrowers will be struggling to decide whether to wait it out and take rate risk at maturation, or to eat the defeasance penalty and finance early. The answer to this all depends on the current performance of the asset and borrower's tolerance for risk. One thing's for sure, it is shaping up to be an exciting 2007.