

**Consumers Keeping Economy Buzzing**

WASHINGTON (MarketWatch) -- Consumers maintained a steady pace of spending through the end of the year, propping up economic growth despite the drag from the fizzling housing boom.

Retail sales likely rose by 0.7% in December after a 1% gain in November, economists surveyed by MarketWatch said. Excluding the healthy auto sales, retail sales probably rose 0.5% after a 1.1% gain in November. The Commerce Department will report on retail sales on Friday.

While some analysts were expecting consumer spending to falter in the final months of the year as gasoline prices rose and housing wealth drooped, it appears real consumer spending increased more than 4% annualized in the fourth quarter.

Higher gasoline prices also contributed to increased nominal sales. The chain stores reported mixed results, with "continued strength in electronics and luxury goods offset by pronounced weakness in cold-weather apparel and gear," said Patrick

Newport and Nigel Gault, economists for Global Insight, in a weekly report.

Consumption probably increased at a 4.5% annual rate during the fourth quarter, Jones said. That would be the fourth-best result during this 20-quarter expansion.

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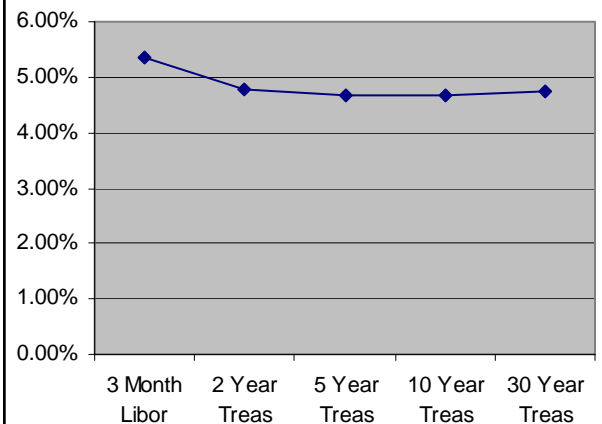
**Market Indices**

	<b>1/8/07</b>
Prime	8.25%
3 Month LIBOR	5.36%
5 Year Treasury	4.66%
10 Year Treasury	4.66%

**Representative Spreads \***

Project	Spread
Multi Family	95-150
Office	110-150
Industrial	110-150
Retail	100-130

January 8, 2007



**Paragon Prime Funding Originates \$150 Million in 2006**

Paragon Prime Funding ended 2006 having structured and closed 60 loans totaling \$150 million. The growth in loan volume once again places Paragon as one of the top commercial mortgage lenders in the Capital Region as ranked by the Capital District Business Review.

With a pipeline in excess of \$250 million, Paragon is poised for additional growth in 2007. Paragon Prime Funding established several new correspondent banking relationships in 2006 which has provided

investors and developers with more financing options than ever before.

Paul Nichols, Managing Partner of Paragon Prime Funding, noted that one of the most exciting products rolled out in 2006 was the construction-to-permanent loan program for substantially pre-leased office, retail, and warehouse projects.

The program allows developers to lock in their interest rate at the start of construction through the permanent loan, with no negative arbitrage; there is only

one closing and the loan automatically converts to a non-recourse facility upon conversion to the permanent loan.

The program further allows for (up to) 80% loan to value and (up to) a 30 year amortization schedule.

Since its inception in 1999, Paragon Prime Funding and its affiliate, Prime Companies, have become the market leader in commercial real estate marketing, finance, brokerage, and property management.

\* Representative spreads are indicative of class A properties with 75% loan to value on a 20 to 30 year amortization. Lower leveraged loans will result in a spread reduction.