

February Construction Outlays up 0.8%

WASHINGTON (MarketWatch) -- Boosted by home building, outlays for U.S. construction projects increased 0.8% in February, the Commerce Department said Monday. Meanwhile, January's outlays were revised to show a 0.4% gain compared with the 0.2% increase originally estimated.

Construction outlays are up 7.4% since last February at a seasonally adjusted annual rate of \$1.19 trillion.

In February, outlays were led by home construction, which increased 1.3%. Residential outlays are up 7.1% since February 2005 to stand at \$665.7 billion.

Private-sector outlays rose 1.2% to \$931 billion, while public-sector construction fell 0.5% to \$254.4 billion.

In the private sector, spending on non-residential projects rose 0.8% to reach the highest level since October 2001.

Spending on business structures has recovered very slowly from the 2001 recession, but it's now up 9.6% on a year-on-year basis.

In February, spending on offices rose 1.5%, spending on commercial space fell 2.1% and spending on manufacturing facilities dropped 3.3%.

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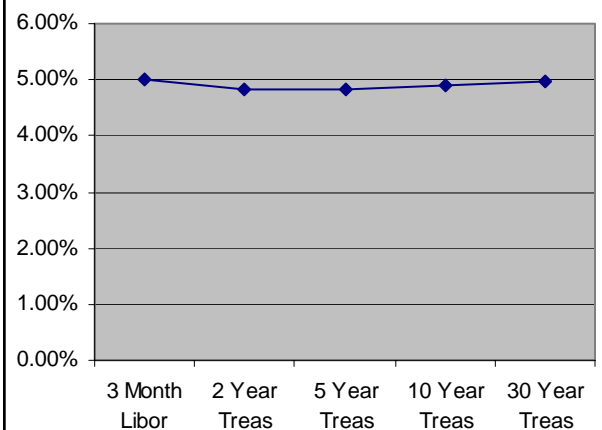
Market Indices

	4/6/06
Prime	7.75%
3 Month LIBOR	5.02%
5 Year Treasury	4.84%
10 Year Treasury	4.90%

Representative Spreads *

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

April 6, 2006



Paragon Shepherds Loan Closing within 25 Days of Application

Paragon Prime Funding was successful in arranging a \$600,000 land loan on a 29 lot unapproved subdivision in Saratoga, NY.

The borrower came to Paragon because the municipal approval process had been delayed and the seller had called for time-of-the-essence.

Without municipal approvals, or any builder contracts in place, the borrower

needed to close on the site within 28 days.

Paragon was able to secure a commitment within 10 days. Paragon also worked with all third party vendors including the appraiser, environmental engineer, and attorneys which resulted in a loan closing of 25 days from original application.

Terms of the deal included loan proceeds at 75% of

value at a floating rate of interest. An interest reserve was established to cover interest payments over the 18 month term of the loan.

Paragon also structured an earnout provision in which the borrower could go back to the lender for infrastructure and development proceeds once municipal approvals are in place.

* 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.