

**Amid Retail Gloom, Outlet Malls a Rare Winner**

NEW YORK (MarketWatch) -- Major U.S. retailers from Wal-Mart Stores Inc. to J.C. Penney Co. are reining in their store expansion plans in the face of a slowing economy, but one retail channel is far from short on capital fuel: upscale outlets that carry popular brands from Gucci to Nike.

Among the 30 or so new shopping centers that have opened in the U.S. the past three years, one-third of them were outlet malls, the fastest-growing retail segment.

In contrast, traditional enclosed malls selling regular-priced merchandise made up only one-tenth of them, according to Customer Growth Partners, a consulting firm.

Traditionally seen as a place to clear out-of-season merchandise, outlets have been transformed into a deliberate selling strategy in which companies try to design or buy in-season products specifically for that channel in hopes of stoking the market.

These companies have put aside old fears about outlets diluting their brand image or stealing sales from regular stores. Many now believe they help companies attract a new set of customers who don't buy at their regular-priced locations. Even as a slowing economy has helped lure traffic to outlets, retailers say there's still little overlap between the two groups of shoppers.

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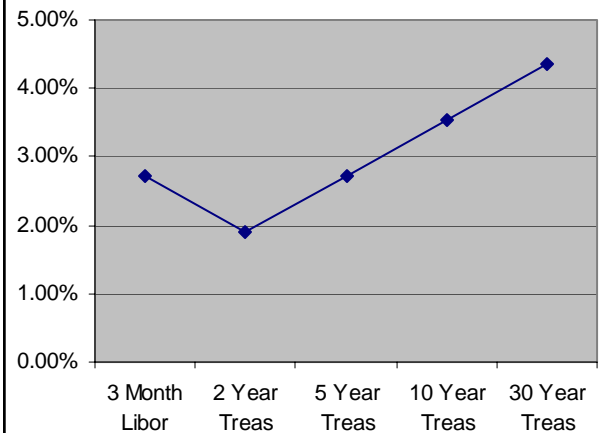
**Market Indices**

	4/7/08
Prime	5.25%
3 Month LIBOR	2.71%
5 Year Treasury	2.71%
10 Year Treasury	3.53%

**Representative Spreads \***

Project	Spread
Multi Family	180-225
Office	225-400
Industrial	225-400
Retail	225-400

April 7, 2008



**Paragon Arranges \$2,000,000 Construction to Permanent Loan**

Paragon Prime Funding recently arranged a \$2.0 million construction to permanent loan for Schenectady Christian School located on Sacandaga Road in Scotia, NY.

Schenectady Christian School (SCS) is an independent, nondenominational provider of faith-based education

for K-12. The school is funded through tuition, fundraising, gifts, and church support. The high level of community support allows the school to remain affordable while providing an excellent education and learning environment.

The school will utilize the loan proceeds for the renovation of strategic

areas of the school as well as the construction of a new gymnasium.

The financing featured 36 months of interest-only financing during construction and stabilization. The permanent loan features 10 years of principal and interest payments amortized over a 25 years.

\* 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.