

Paragon Prime Funding Expands Small Loan Program

Paragon’s multifamily lending platform offers flexible and competitive financing from a reliable source of capital. Currently, the program features multifamily (5+ units) and mixed use property types (up to 35% of NRA). Acceptable property types also include housing with less than 20% student occupancy, and housing with less than 20% military occupancy.

The program grants loans ranging from \$750,000 to \$3,000,000, and up to \$5,000,000 in certain markets.

The program allows for a loan-to-value of up to a 80%, with a minimum debt service coverage of 1.20x. Rates will be fixed over comparable term U.S. Treasuries.

The borrower must be a Single Asset Entity (SAE) for non-recourse transactions, and there must be a U.S. citizen

guarantor (s) with a minimum average FICO score of 680. Funding will be completed 45-60 days after receipt of due diligence items and executed application.

Terms of the loan include a maximum amortization of 30 years, and loan terms between 5 and 30 years. Other loan characteristics include minimal interest only, and yield maintenance or declining prepay options.

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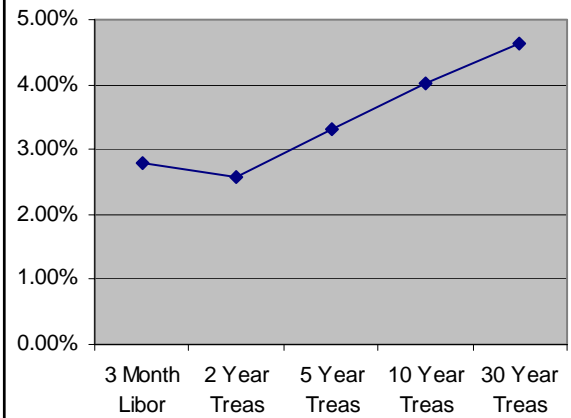
Market Indices

| | August 11, 2008 |
|------------------|-----------------|
| Prime | 5.00% |
| 3 Month Libor | 2.80% |
| 5 Year Treasury | 3.31% |
| 10 Year Treasury | 4.03% |

Representative Spreads *

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

August 11, 2008



Paragon Arranges Funding for the Town of East Greenbush

Paragon Prime Funding assisted the Rensselaer County Water and Sewer Authority (“Authority”) in East Greenbush, New York, in securing a \$14,560,000 water and sewer service revenue bond.

Existing infrastructure at the Water and Sewer Authority was over 40 years old and needed rehabilitation as the town began experiencing economic growth.

Renovations to the Water Facilities include an emergency bypass pump and generator at the Cross Street pumping station, up to two new 10 million gallon water storage tanks, and two new master meters. Renovations to the Sewer Facilities include the construction of a sewer by-pass line, upgrades to the Town wastewater sewers, and an inflow reduction plan.

As financial advisor, Paragon assisted with the preparation

of revenue forecasts, debt service sizing and cash flow modeling. Furthermore, Paragon coordinated the selection of a bond underwriter and negotiated financing expenses with all relevant parties.

Paragon also participated in the preparation, submission and presentation to the rating agency, ultimately securing a Standard & Poor’s investment rating of A– for the bond issue.

* 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.