

Omaha Omaha

Retail Market Summary Year End 2006


PETCO
Supplies & Fish

The Lerner Company

BROKERAGE DEVELOPMENT MANAGEMENT



Omaha

Retail Market Summary

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Welcome to the year-end 2006 Retail Market Summary prepared by The Lerner Company. In last year's Summary, we indicated that "dark clouds may be looming on the horizon". This year's Summary bears evidence of that. A total of 260 retail properties containing over 25.3 million square feet of retail space were evaluated. Based on our research, there are nearly 2.7 million square feet of vacant retail space available in the market. While we still consider the Omaha retail market to be healthy compared to many other metro markets, the increase in the vacancy rate to 10.8% from 8.5% last year represents a significant 25% increase in the market's overall vacancy rate. Today, there is an additional 700,000 square feet of retail space available over last year. We expect that vacancies will continue to climb in 2007.

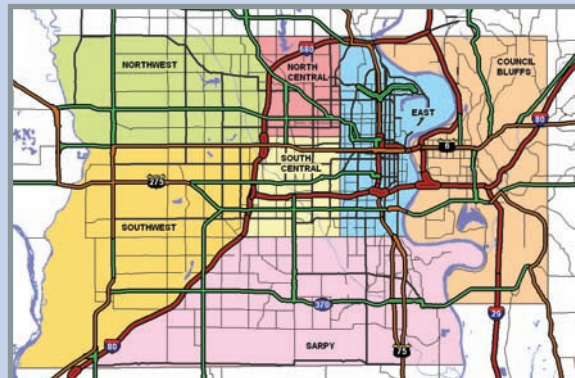
The survey takes into consideration two types of properties, (1) multi-tenant shopping centers in excess of 15,000 square feet, and (2) large freestanding stores operated by major chain store retailers serving the Omaha market. There are numerous retail properties throughout the metropolitan area that are smaller than 15,000 square feet. We estimate there to be 1.6 million square feet of these unsurveyed properties, and they should be considered when evaluating the Omaha retail market. Furthermore, the survey has been divided into seven submarkets and five size categories within each submarket. As the actual results in a small area of a submarket may differ from the retail vitality of the entire submarket, detailed analysis of each submarket is suggested.

Please note that the graphs in this year's Summary have changed to compare historical data. Additionally, new graphs have been added to reflect market absorption. That is the change in occupied square footage compared to the previous year. Omaha's retail market has seen several consecutive years of rapid expansion, largely due to the development of large multi-tenant projects, and we see this scale of expansion to continue at least

through 2008. Two large projects were opened for business during 2006. Sorenson Park Plaza, a 566,000 square foot power center opened in the North Central submarket, and the Sarpy submarket experience the opening of 450,000 square feet at Market Pointe. During 2007-2008, we expect as many as six large projects to add a minimum of 2.5 million square feet of retail space, or an increase of 9.9% over current totals. Following 2008, we anticipate much slower growth as the local markets seek a period of needed adjustment.

Anchor tenant mix for most of the new projects planned for 2007-2008 has largely been determined. RED Development, in a joint venture with The Lerner Company, has developed Shadow Lake Towne Center, an 875,000 square foot super regional hybrid center located at the intersection of 72nd Street and Highway 370 in Sarpy County. Shadow Lake will have their grand opening in May 2007 and by this November, will include a dozen anchor tenants and the economic energy of a traditional enclosed regional mall. Both Kimco and Magnum Development Corp. have optioned large sites in Council Bluffs, and at this point we expect

both centers combined to produce as much as 600,000 square feet of new retail space by the end of 2008. It would appear that these two new developments in Council Bluffs may have a very large impact upon General Growth's Mall of the Bluffs, as it is rumored that both Target and JC Penney may eventually announce that they plan to relocate from the mall. A joint venture of Magnum and Cormac Company has commenced site work for a 465,000 square foot power center to open in 2008 at 120th and L Streets. Expected anchors include Best Buy, Michaels, Office Max and Super Target. Cormac is also expected to finish their development of Greyhawk at 147th and West Maple Road in 2008 with a final phase of 175,000 square feet. Lastly, Ryan Companies has commenced construction of Whispering Ridge, a 245,000 square foot center anchored by Super Target located at the southwest corner of 168th and West Maple Road. First tenants will open in November 2007.



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Last year's report noted the significant pace of expansion by both Wal-Mart and Target and it is apparent that neither of these behemoths is finished with their expansion in Omaha. Target surprised us with the announcement of a second superstore on West Maple Road, a mere three miles west of their very successful Super Target at 132nd and West Maple Road. While such a thought would have been inconceivable to us just a few years ago, it now appears that Wal-Mart could be operating 10 superstores in Metro Omaha by the end of 2009. Wal-Mart Supercenter at 72nd and Hickory Streets will commence construction this year. Traditional supermarket operators will inevitably continue to lose market share to Target and especially Wal-Mart and we expect more grocery store closures to continue in 2007. That being said, Hy Vee's 80,000 square foot store, opening in April at Shadow Lake Towne Center, will be it's first store to open in Sarpy County.

We sense that the recent trend of the proliferation of unanchored small shops may be coming to a close, although new unanchored projects are still not uncommon in West Omaha, especially in the West Maple Road corridor. The rapid expansion by the discount general merchandise stores and other power retailers is undoubtedly having an effect upon the performance of small shop retailers, and the demand for small shops has weakened considerably during the past two years. The vacancy rate in properties under 100,000 square feet is a very high 16.1%. At first glance, small shop rents have changed little during the past year. Most new and redeveloped projects have rents of \$15-\$25 per square foot and older anchored centers typically garner \$9-\$13 per square foot east of 72nd Street and \$11-\$18 per square foot in those centers west of 72nd Street. However, while quoted rents have generally remained flat many projects, both new and old, are offering substantial incentives for five year leases with credit-worthy tenants. We believe that we have already entered into a period of increasing small shop vacancy and that real small shop rents (net of incentives) will fall in all but the strongest projects as the markets adjust. In the future, we anticipate more small shop space being occupied by service providers rather than pure retail tenants.

The pace of expansion in the restaurant market slowed considerably during 2006, although several new chains of note entered the market for the first time including Cheesecake Factory, California Pizza Kitchen and Granite City. In both the fast casual and casual dining categories, most trade areas in the Omaha market are considered "over-stored" at present, with the possible exception of Sarpy County. Approximately a dozen chain restaurants have closed in Omaha during the past year and we would not be surprised to see additional closures during 2007.

In the enclosed mall category, both Westroads and Oakview remain very healthy. As mentioned above, Mall of the Bluffs faces a substantial threat from two new power centers. While its owner, General Growth, is exceedingly strong, the mall is landlocked by both the interstate right of way and the surrounding topography and it appears there is little they can do to satisfy the additional space requirements of Target or JC Penney. The opening of Target at Crossroads Mall has done little to reverse the fortunes of this once proud property and we do not believe that Crossroads has a sustainable future as an enclosed regional mall.

Despite the torrid pace of new retail construction, not a single new big box or junior box retailer entered the Omaha Market during 2006. However, many existing Omaha retailers either opened new stores in 2006 or committed to add new stores in 2007-2008 including Marshall's, TJ Maxx, Best Buy, Bed Bath & Beyond, Linen's & Things, Hobby Lobby, Borders, Gordman's, PetSmart, Petco, Dick's, Cost Plus, Kohl's, JC Penney, Old Navy and Office Max.

In the home improvement category, following the recent opening of the Lowe's at 72nd Street and Giles Road, both Home Depot and Lowe's seem content for the time being with their existing store counts in Omaha. Menards, however, has announced plans for a new 240,000 square foot store at 204th and West Dodge Road that is expected to open during 2008.

There has been no real change in the drug store segment as Walgreens, at the present time, is the only national drug store chain operating in Omaha and continues to add stores and expand their incredible footprint within the market. As during the past year, continual rumors abound concerning the entrance of CVS Pharmacy to the market.

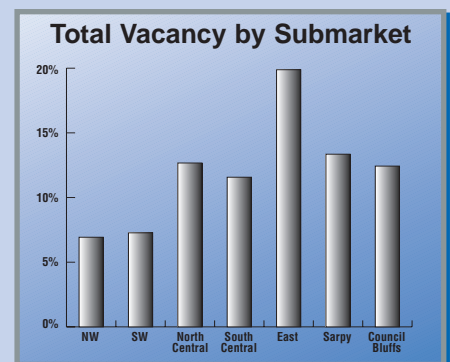
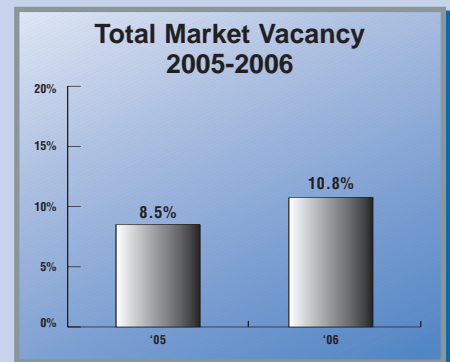
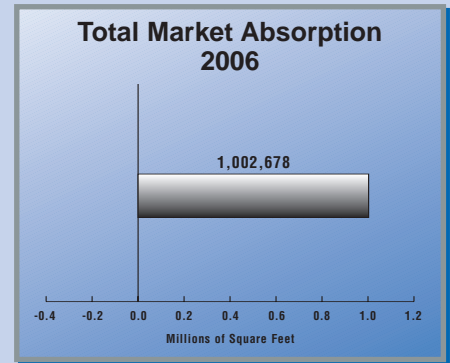
In summary, retail conditions in the Omaha market are in a state of flux. While existing vacancy rates would not alarm many national observers, vacancy rates in Omaha are at their highest levels in a decade and are likely to increase next year. Virtually all retail segments are stressed with the

exception of the drug store category. Despite the difficult conditions, a number of new projects have been announced that will add a significant amount of new first class space to the Omaha market during the next two years. New properties continue to develop at the expense of older existing centers. It appears inevitable that we are entering a period of consolidation for both weak retailers and the owners of outdated or otherwise compromised retail real estate.

For the purposes of this survey, we have assigned five size categories to the retail properties we have evaluated.

- Cat. 1** Super regional properties containing in excess of 800,000 square feet.
- Cat. 2** Regional properties containing from 250,000 to 800,000 square feet.
- Cat. 3** Community properties containing from 100,000 to 250,000 square feet.
- Cat. 4** Neighborhood properties containing from 30,000 to 100,000 square feet.
- Cat. 5** Properties smaller than 30,000 square feet.

You will be able to see how each of these categories is performing within their respective submarkets.



Oma Northwest Submarket

Year End Review 2006

This submarket includes an area bounded by the Washington/Douglas County line on the north, West Dodge Road on the south, Interstate 680 and Highway 133 on the east, and the Platte River on the west. The combination of high income and growth in this submarket is attracting an increasing number of both big box and specialty store retailers.

The Lerner Company surveyed 44 retail properties totaling in excess of 3.7 million square feet. The vacancy rate of 6.9% represents 258,400 square feet. The vacancy appeared to improve dramatically during the past year, declining from a rate of 9.9% at Year End 2005. However, this is largely due to the purchase and conversion of the former Wal-Mart at 102nd and Fort Street for a non-retail use. After netting out the effect of the former Wal-Mart, the vacancy actually increased during the past year, though ever so slightly, from 6.8% to 6.9%. Rents for existing small shops have generally remained flat during the past year, at \$15-\$22 per square foot, though two new projects are garnering \$25 per square foot. This submarket has a population of 78,920 with an annual growth rate of 2.8%, the highest in the market. The median household income is well over the market average at \$70,560.



Village Pointe, RED Development's 572,000 square foot lifestyle center that opened in May 2004, remains the most significant retail project within the submarket, although it suffered a temporary setback when Wild Oats closed eight U.S. stores in mid-December, including the Wild Oats at Village Pointe. Nonetheless, RED continued to upscale its Village Pointe lineup during the past year with the addition of the first Nebraska stores for J Crew, Coach and Apple.

We see a continuing proliferation of unanchored small shops in this submarket especially in the West Maple corridor. While absorption has been able to keep pace with the new supply during the last few years, we have found that new tenants with good credit are often receiving substantial incentives in return for five year leases as developers are required to fill their new buildings to obtain permanent financing.

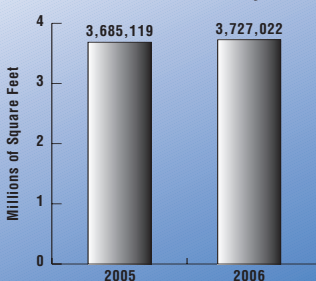
Forecast for 2007

In the foreseeable future, we expect most new retail development within the submarket to occur on West Maple Road and along the West Dodge corridor in the vicinity of highly successful Village Pointe. We have determined that over 588,000 square feet of retail space is under development in this submarket at present, a dramatic increase over last year's total of 38,000 square feet.

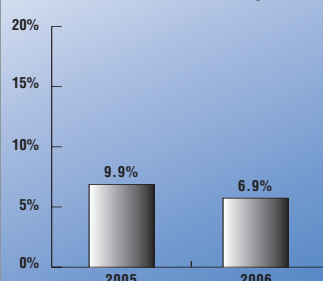
The Ryan Companies has commenced construction of Whispering Ridge at the southwest corner of 168th and West Maple Road, a 245,000 square foot project to be anchored by Super Target. This will be Target's second superstore on the West Maple corridor and only three miles west of its very successful store at 132nd and West Maple Road. Additionally, Menards is expected to commence construction this summer on its 47-acre retail development at the northwest corner of 204th and West Dodge Road. This new development will be anchored by a 240,000 square foot Menards Superstore.

We estimate that in excess of 130,000 square feet of new small shops will be completed in this submarket during 2007 and predict a substantial increase in the small shop vacancy rate.

Historical Inventory



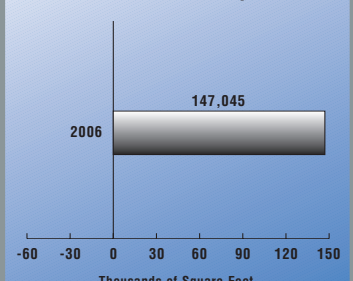
Historical Vacancy



Northwest Submarket by Size

Size	Centers	GLA	Vacant
Cat. 1	0	0	0
Cat. 2	3	1,256,659	58,427
Cat. 3	9	1,353,796	47,257
Cat. 4	15	772,793	79,951
Cat. 5	17	343,774	72,765

Submarket Absorption



CENTER NAME & ADDRESS	SIZE	BUILT/UPDATED	LEASING CO. & AGENT	GLA	VACANCY	% VACANT	RATE 1	RATE 2	ANCHOR
352 Plaza 352 N. 114th Street	4	1984	Lund Company Adam Marek	31,142	15,400	49.45%	\$8.95	N/A	Mid City Bank
American Interstate Plaza SWC 156th & Maple Rd.	3	2005	Lockwood Development Chip James/Bob Begley	128,461	6,000	4.67%	\$17.00	\$24.00	Hy-Vee
Blondo 120 SWC 120th & Blondo St.	4	1980	Coldwell Banker World Group Bob Pollard	34,934	0	0.00%	\$13.50	N/A	Phoenix Food & Spirit
Candlewood Centre NWC 120th & Franklin St.	4	1986	Diversified Property Resources Zach Daub	33,000	0	0.00%	\$9.75	\$10.50	Bank of Bennington
Chicago Square NEC 114th & Davenport St.	5	1983	CB Richard Ellis/Mega Paul LaFave	16,232	0	0.00%	\$10.00	\$16.00	Centris Federal Credit Union
Cross County NEC 132nd & Maple Rd.	3	1994	Marathon Realty Cindy Makinster	216,261	0	0.00%	N/A	N/A	Super Target
Davenport Square SEC 114th & Davenport St.	5	1985	7 Oaks Investments Paul Waggener	22,316	0	0.00%	\$13.50	N/A	Liquid Lounge
Davenport Plaza NWC 114th & Davenport St.	5	1985	Coldwell Banker World Group Trenton Magid	22,800	1,920	8.42%	\$12.50	N/A	Bruegger's Bagels, Martinizing
Davenport Square NWC 114th & Davenport St.	4	1970	Grubb & Ellis/Pacific Realty Terry Root	31,766	4,100	12.91%	\$14.50	\$18.00	Green Onion, Elegant Nails, Pioneer Paint, Nebraska Dance
Douglas Theaters 20 Grand NEC 144th & Maple Rd.	4	1996	Douglas Theater Co.	69,780	0	0.00%	N/A	N/A	20 Grand Theaters
Eagle Run Plaza SEC 132nd & Maple Rd.	4	1996	Bear Properties Michael Doria	50,000	3,000	6.00%	\$15.00	N/A	Borders
Eagle Run NWC 132nd & Maple Rd.	2	1993	The Lerner Company Rick Quinlevan	349,634	10,826	3.10%	\$16.50	N/A	Baker's, Kmart, Office Depot, Kohl's, Petco
Eagle Run Square SEC 129th & Maple Rd.	4	1997	Grubb & Ellis/Pacific Realty Bill Balak	40,290	3,755	9.32%	\$11.00	\$14.00	Summer Kitchen Café
Elkhorn Plaza 20303 W. Blondo Rd.	5	2006	Coldwell Banker World Group John Luce/Nancy Klauschie	20,354	20,354	100.00%	\$14.95	\$15.50	
Grayhawk Pointe NWC 144th & Eagle Run Dr.	4	2001	Bear Properties Terry Hogan	70,000	3,393	4.85%	\$16.00	N/A	Bike Rack, Blue Sushi Sake & Grill
Greenfield Plaza SWC 156th & W. Dodge Rd.	4	2000	CB Richard Ellis/Mega Nancy Johnson	49,000	3,870	7.90%	\$13.50	N/A	Subway
Hacienda Heights SWC 108th & Maple Rd.	5	1982	Lund Company Tom Webster/Adam Marek	22,500	10,600	47.11%	\$10.00	N/A	Goodwill
Hillrise Shopping Center SEC 204 & Douglas St.	4	1977	CB Richard Ellis/Mega Scott Moore/Dave Barton	30,165	3,900	12.93%	\$9.25	N/A	Dick's Hillrise Market
Hillsborough Plaza NWC 138th & Maple Rd.	5	1998	Bear Properties Michael Doria	25,000	0	0.00%	\$15.00	N/A	Garbo's Salons
Hillsborough West Plaza NWC 144th & Maple Rd.	3	2004	The Lerner Company Boh Kurylo	137,252	3,000	2.19%	\$18.00	N/A	Home Depot
Linden Market NEC 132nd & W. Dodge Rd.	3	1989	Investors Realty Tim Kerrigan/Brian Kuehl	115,836	17,932	15.48%	\$10.00	\$14.00	Hy-Vee
Maple 108 SEC 108th & Maple Rd.	3	1984	Grubb & Ellis/Pacific Realty Sue Hronek	105,325	3,825	3.63%	\$14.50	N/A	Bag 'n Save
Maple Heights NWC 108th & Maple Rd.	5	1960	Investors Realty Jerry Huber	28,125	1,100	3.91%	\$6.00	N/A	O'Reilly's
Miracle Hills NEC 120th & Webster St.	5	1989	Lund Company Jason Ruegg	21,795	0	0.00%	\$14.00	N/A	Jensen Tire & Auto
Miracle Hills Park NNWC 114th & W. Dodge Rd.	3	1988	Perkins Properties Erin Pogge/Rick Quinlevan	139,000	9,234	6.64%	\$13.00	\$14.00	Bag 'n Save
Miracle Hills Square NNEC 114th & W. Dodge Rd.	4	1979	Coldwell Banker World Group John Luce/Nancy Klauschie	87,200	3,650	4.19%	\$12.50	\$14.50	Clancy's, Wells Fargo, Jack & Mary's
North Park Commons Blds A,C,D, E NEC 120th & Blondo St.	4	1986	Investors Realty Tim Kerrigan/Brian Farrell	65,496	7,786	11.89%	\$14.50	\$17.00	Coldstone Creamery, PepperJax Grill, Qdoba

(Continued)

Oma Northwest Submarket



Center Name & Address	Size	Built/Updated	Leasing Co. & Agent	GLA	Vacancy	% Vacant	Rate 1	Rate 2	Anchor
Old Mill Centre NWC 108th & W. Dodge Rd.	4	1974	CB Richard Ellis/Mega Lee Pedersen/Dean Hokanson/Matt Ruma	69,750	10,555	15.13%	\$12.00	N/A	New York Burrito
Pepperwood Village NEC 156th & W. Dodge Rd.	3	2000	The Lerner Company Rick Quinlevan	125,746	7,266	5.78%	\$16.50	\$17.50	Baker's
Richland Park Plaza ENE 120th & W. Dodge Rd.	5	1976	CB Richard Ellis/Mega Heidi Rush/Tracy Earnest	16,800	7,200	42.86%	\$13.50	N/A	Jerico's Restaurant
Skateland Building 9635 Ida St.	5	1971	Coldwell Banker World Group Bob Pollard	22,600	22,600	100.00%	\$7.95	N/A	
Stone Creek Plaza 156th & Fort	5	2004	CB Richard Ellis/Mega Nancy Johnson	16,050	7,011	43.68%	\$15.50	N/A	Childrens Dental Specialists
The Shoppes at Grayhawk SWC 144th & Maple Rd.	2	2002/2006	Lund Company Coldwell Banker World Group Scott Scheiderman & Adam Marek/Ryan Callihan	334,743	28,776	8.60%	\$18.00	\$21.00	Lowe's, Michaels
Thomsen Mile NWC 168th & Maple Rd.	3	2005	Coldwell Banker World Group Trenton Magid	221,991	0	0.00%	\$22.50	\$23.50	Wal-Mart Supercenter
Torrey Pines Plaza 153rd & Maple Rd.	5	1998	Grubb & Ellis/Pacific Realty Cindi Cisar	18,270	0	0.00%	\$16.00	N/A	The Manhattan Club
Tranquility Place SEC 124th & Maple Rd.	5	1997	Investors Realty Tim Kerrigan/JP Rennor	22,772	0	0.00%	\$12.50	N/A	Bene Pizza
Village Pointe SWC 168th & W. Dodge Rd.	2	2004	RED Development Wendy Chapman	572,282	18,825	3.29%	\$25.00	\$45.00	Scheels, Best Buy, Bed Bath & Beyond, DSW, Wild Oats Market, World Market, Village Pointe Cinemas
Village Pointe East SEC 168th & W. Dodge Rd.	4	2004	Quantum Real Estate Scott Brown	30,028	0	0.00%	\$20.00	\$22.00	The Reel Martini Bar
Walgreens 10725 Fort St.	5	2000	BDRE - Fort LLC	14,998	0	0.00%	N/A	N/A	Walgreens
Walgreens 3701 N. 132nd St.	5	1994	Marathon Realty Cindy Makinster	13,428	0	0.00%	N/A	N/A	Walgreens
Walgreens 15525 Spaulding Plaza	5	2003	Village Development Maple S T R	15,270	0	0.00%	N/A	N/A	Walgreens
West Maple Square NWC 156th & Maple Rd.	5	1999	Investment Property Resources Dan Malone	24,464	1,980	8.09%	\$14.75	N/A	Bank of Bennington
West Point Building B, C, D NEC 156th & Maple Rd.	4	1993	Investors Realty Tim Kerrigan/Brian Farrell	80,242	20,542	25.60%	\$14.50	\$17.50	Walgreens, Goodwill
Western Crossing NWC 120th & W. Dodge Rd.	3	2003	Menards	163,924	0	0.00%	N/A	N/A	Menards
Northwest Totals				3,727,022	258,400	6.93%			
Lots 6 & 7 SWC 165th & Maple	5	2007	CB Richard Ellis/Mega Mark Obermeyer/Carrie Duffy	19,000			\$18.50	N/A	TBD
Lots 3 & 4 SEC 168th & Maple	5	2007	CB Richard Ellis/Mega Mark Obermeyer/Carrie Duffy	19,000			\$18.50	N/A	TBD
Menards Plaza NWC 204th & W. Dodge Rd.	3	2007	Menards	240,000			N/A	N/A	Menards
Shoppes at Standing Bear NEC 144th & Fort	4	2007	Lund Company Steve Gettman/Scott Schneiderman	40,547			\$18.00	N/A	TBD
Village Pointe South Phase I SWC 168th & Burke	5	2007	Quantum Real Estate Rob Luellen	25,000			\$22.00	\$25.00	Wine Styles
Whispering Ridge 168th & W. Maple Rd.	3	2007	The Lerner Company Rick Quinlevan/Boh Kurylo/Erin Pogge	245,000			\$15.00	\$25.00	Super Target
Northwest Construction Totals				588,547					

Omaha Southwest Submarket

Year End Review 2006

This submarket includes an area bounded by West Dodge Road on the north, Platteview Road extension on the south, Interstate 680 and Interstate 80 on the east and the Platte River on the west. There are two major retail areas in this submarket – the Oak View Mall area at 144th Street and West Center Road and the West Center Road corridor between 168th and 180th Streets.

The Lerner Company surveyed 58 retail properties totaling just under 6.2 million square feet. The vacancy rate of 7.3% represents 449,152 square feet, which is an increase from the 6.1% vacancy rate last year. The increase in vacancy has pushed small shop rents down which now are averaging \$14-\$23 per square foot. The submarket population of 118,000 continues to experience a strong annual growth rate of 2.2%, with the median household income climbing to \$80,623, which still remains the highest in the metro area.

The new shopping center growth on West Center Road has slowed down, with only some free standing users such as Taco Bueno, Fridays and Lazlo's opening, and a 125,000 square foot Lifetime Fitness scheduled to open in 2007 near 168th and West Center Road. We saw the closing of numerous restaurants including Ted's, Noodles & Co., Cheeburger Cheeburger, Roly Poly and Greek Island, all which were open

less than a year. These closings were caused by an over saturation of new restaurants in an area that was still green. Sales will remain very weak due to an over stored condition in this area, with the forecast for more local and franchise retailers closing.



Oak View Mall continues to be the strongest enclosed mall in the metropolitan area with an increase of sales to \$430 per square foot. The mall includes 859,302 square feet of retail surrounded by a ring road that includes AMC-24, Barnes & Noble, Kohl's, Linens 'n Things and Toys R Us. There was, however, the closing of Buca di Peppo along the ring road, which had struggled since opening. The intersection of 144th and West Center Road provides over 1.4 million square feet of retail space, with vacancies remaining low.

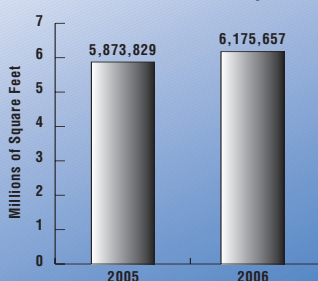
New small strip centers continue to pop up on Q Street, Harrison Street, and in the Gretna area, though lease-up has been very slow.

Forecast for 2007

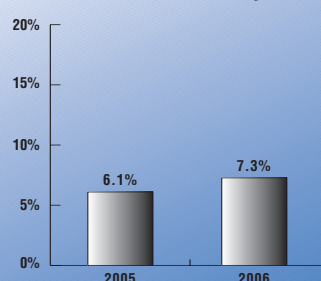
New development will be very cautious for next year, with the only major project being the new Super Target anchored power center at the northwest corner of 120th and L Streets with a proposed Best Buy as a co-tenant. This will probably create a Target vacancy at 129th and West Center Road. There is also a major mixed-use development at 204th and West Center Road, breaking ground in 2007, which will initially include a new corporate headquarter site and a new high school. No specific tenants have been announced at the present time.

Real rents have actually dropped in a lot of centers as Landlords try to fill space, and the offer of free rent is readily available as an incentive for a new deal. Housing growth though continues to remain strong, and with the high-income levels, this submarket will absorb vacancies over time.

Historical Inventory



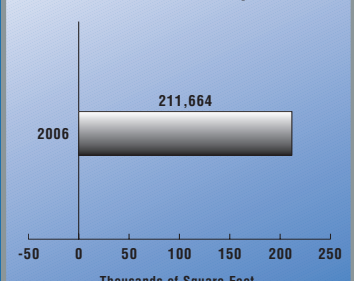
Historical Vacancy



Southwest Submarket by Size

Size	Centers	GLA	Vacant
Cat. 1	1	859,302	50,000
Cat. 2	6	2,236,986	27,745
Cat. 3	10	1,514,926	162,240
Cat. 4	19	1,126,986	120,450
Cat. 5	22	437,457	88,717

Submarket Absorption



CENTER NAME & ADDRESS	SIZE	BUILT/UPDATED	LEASING CO. & AGENT	GLA	VACANCY	% VACANT	RATE 1	RATE 2	ANCHOR
180th Plaza (Phase 1 & 2) SWC 180th & Q St.	4	2004	Investors Realty Brian Kuehl/Brian Farrel	35,015	19,696	56.25%	\$14.00	\$16.00	Walgreens, Goodwill, Sherwin Williams
Armbrust Village SEC 168th & W. Center Rd.	4	1998	CB Richard Ellis/Mega Mark Obermeyer/Tracy Earnest	31,052	0	0.00%	N/A	N/A	Clancy's Pub
Bakers Square SWC 132nd & W. Center Rd.	3	1971	The Lerner Company Rick Quinlevan	156,852	5,160	3.29%	\$16.00	\$16.50	Baker's, Petco, Steinmart
Bel Air Plaza NWC 120th & W. Center Rd.	3	1964	Madeline Jacobson Properties Dale Slunicko	137,000	8,000	5.84%	\$9.00	\$10.50	Nobbies, Omaha State Bank
Bel Drive Plaza NWC 120th & Arbor	5	1981	Vacanti Paul Vacanti	18,000	0	0.00%	\$12.00	N/A	Déjà Vu
Big Kmart NWC 144th & Y St.	4	1981	Kmart Corporation	97,863	0	0.00%	N/A	N/A	Big Kmart
Boardwalk SWC 120th & Pacific St.	5	1970	CB Richard Ellis/Mega Matt Ruma	23,000	1,960	8.52%	\$9.50	N/A	Creative Hair Design
Boardwalk Square SEC 120th & Pacific St.	4	1975	Grubb & Ellis/Pacific Realty Bill Balak/Cindi Cisar	77,538	5,478	7.06%	\$9.50	N/A	Nancy Bounds Modeling
Cattail Creek NEC 192nd & Q St.	5	2005	Investors Realty Brian Kuehl/Brian Farrel	22,886	16,238	70.95%	\$15.50	\$16.50	Imagine & Explore Preschool
Cornerstone Hwy. 6 & Schram Rd.	5	2006	Investors Realty Brian Kuehl	21,600	11,540	53.43%	\$11.00	\$12.00	
Deerfield Place SWC 136th & Q St.	3	1987	Grubb & Ellis/Pacific Realty Frank Barber/Terry Root/Ben Meier	129,914	30,003	23.09%	\$7.50	\$12.00	Baker's
Discovery Plaza 136th & Discovery Dr.	4	1991	Coldwell Banker World Group Bob Pollard	50,000	1,250	2.50%	\$7.95	N/A	
Galleria Collection SWC 146th & W. Center Rd.	4	1986	Lund Company Adam Marek	53,194	3,103	5.83%	\$15.50	\$16.50	ShopKo, Old Country Buffet
Georgetown Place NWC 140th & W. Center Rd.	5	1980	Coldwell Banker World Group Bob Pollard	16,719	0	0.00%	\$14.75	N/A	Stereo West
Harrison Village SWC 168th & Harrison St.	4	2004	First Management Inc. Eric Wieseler	49,618	4,165	8.39%	\$15.00	N/A	Archie's Pizzeria, Garbo's Salons
Harvey Oaks NWC 144th & W. Center Rd.	3	1982	Grubb & Ellis/Pacific Realty Terry Root/Ben Meier	141,778	17,600	12.41%	\$19.00	N/A	Bag 'n Save
Hawthorne Court NEC 180th & Q St.	3	2005	Coldwell Banker World Group John Luce	120,000	6,700	5.58%	\$15.00	N/A	Hy-Vee
Hawthorne Court Buildings 180th & Q St.	5	2006	Coldwell Banker World Group John Luce/Nancy Klauschie	24,558	5,265	21.44%	\$15.00	N/A	Hy-Vee, Premier Fitness
Home Depot Shopping Center NEC 132nd & L St.	2	2003	Home Depot	467,386	0	0.00%	N/A	N/A	Home Depot, Wal-Mart Supercenter, Sam's Club
Lakeside Plaza NEC 175th & W. Center Rd.	2	2000	CB Richard Ellis/Mega Dennis Hoth/Dean Hokanson, Sr.	356,410	6,462	1.81%	\$16.50	\$18.50	Baker's, Gordmans
Legacy Court 17520-17602 Wright St.	4	2004	CB Richard Ellis/Mega Tracy Earnest	37,267	5,135	13.78%	\$17.00	N/A	Fox and Hound, Colton's Woodfired Grill
Legacy West SEC 177th & W St.	4	2004	NP Dodge Commercial Real Estate Jeremy Fink	35,200	12,636	35.90%	\$20.00	N/A	Chipotle Mexican Grill, LePeep, HuHot, Caribou Coffee
Millard Plaza I Millard Ave. & Q St.	4	1978	Lund Company Kurt Weeder/Jason Ruegg	91,500	1,200	1.31%	\$15.00	N/A	Amazing Pizza Machine
Millard Plaza II SEC Millard Ave. & Q St.	4	1983	Lund Company Kurt Weeder/Jason Ruegg	73,522	13,451	18.30%	\$9.50	N/A	Thrift World, Pet World
Mission Pines Plaza 168th & Harrison St.	4	2006	Coldwell Banker World Group Nancy Klauschie	64,883	12,686	19.55%	\$15.50	N/A	Jimmy John's, Skybox Sports Bar
Mission Village SWC 168th & Q St.	5	1995	BHI Investment Co.	15,000	0	0.00%	\$14.00	N/A	Omaha State Bank
Montclair SWC 129th & W. Center Rd.	2	1971	Seldin Company Deb Graeve/Dan Dutton	250,000	900	0.36%	\$18.00	N/A	Michaels, Sports Authority, Marshalls, Hancock Fabrics
Nebraska Crossing Factory Stores NEC I-80 & Hwy. 6	3	1991	Horizon Andrew Pelmoter	191,500	28,725	15.00%	\$12.00	\$14.00	Factory Brand Shoes
Oak Hills Shopping Plaza 12701-59 Q St.	5	1967	Lund Company Jason Ruegg	29,069	0	0.00%	\$9.00	N/A	Kohl's Pharmacy
Oakview Mall SWC 144th & W. Center Rd.	1	1991	General Growth Properties Suzanne Crane/Jeff Taylor	859,302	50,000	5.82%	\$10.00	\$80.00	Younkers, Dillards, JC Penney, Sears
Oakview Plaza SEC 144th & Oakview Dr.	3	1998	Investors Realty Brian Kuehl	167,303	0	0.00%	\$16.50	N/A	Petsmart, Old Navy, Dick's Sporting Goods, Kohl's, Linens 'n Things, Hy-Vee, Barnes & Noble, AMC Theaters

(Continued)

Omaaha Southwest Submarket



Center Name & Address	Size	Built/Updated	Leasing Co. & Agent	GLA	Vacancy	% Vacant	Rate 1	Rate 2	Anchor
Old Orchard West NWC 133rd & W. Center Rd.	3	1983	Gordman Properties Deborah Smith	110,579	20,000	18.09%	\$10.00	N/A	Big Lots, Aldi's, Dave & Busters
Orchard Plaza NNEC 132nd & W. Center Rd.	3	1977	Slosburg Kirk Hanson	230,000	41,026	17.84%	\$10.00	\$15.50	Target, Valentino's, Julio's
Pacific Crest WSWC 120th & Pacific St.	5	1976	CB Richard Ellis/Mega Matt Ruma	22,714	0	0.00%	N/A	N/A	Creative Hair Design
Pacific West SEC 144th & Pacific St.	5	1974	TREK Properties Bob Cox	18,962	968	5.10%	\$10.00	N/A	Flowerama
Q Street Plaza SEC 144th & Q St.	5	2005	CB Richard Ellis/Mega Tracy Earnest	18,000	14,000	77.78%	\$14.50	N/A	Caribou Coffe
Ridgeview SWC 180th & W. Center Rd.	2	2004	Investors Realty J.Heinrichs/John Heine	413,190	0	0.00%	\$17.50	N/A	Wal-Mart, Lowe's
Shoppes at Lakeside 16909 Lakeside Hills Plaza	4	2004	CB Richard Ellis/Mega Nancy Johnson	35,495	4,978	14.02%	\$19.50	N/A	Camille's
Skylark ESEC 120th & Pacific St.	5	1963	P J Morgan Real Estate Ryan Ellis	20,000	3,000	15.00%	\$8.50	\$12.00	Big Fred's Pizza
Sports Plaza NEC 120th & I St.	4	1986	Investors Realty Steve Farrell/Brian Kuehl	91,000	6,240	6.86%	\$10.00	N/A	Finnigan's, Guns Unlimited
Spring Ridge Plaza SEC 180th & Pacific St.	4	2004	NAI NP Dodge Bryan Hartmann/Chad Hansen	64,373	11,632	18.07%	\$14.00	\$20.00	M. Constantino Salon
Summit Square NEC 144th & W. Center Rd.	5	1999	Lund Company Adam Marek	29,557	1,850	6.26%	\$13.25	N/A	Old Chicago
Sunridge Shopping Center SWC 180th & Harrison St.	5	2006	Investors Realty Brian Farrell/Brian Kuehl	15,928	12,728	79.91%	\$15.00	\$16.00	
Super Saver NWC 144th & Y St.	4	2000	B & R Foods	83,941	0	0.00%	N/A	N/A	Super Saver
The Shops of Legacy SWC 168th & W. Center Rd.	4	2004	Bear Properties Michael Doria	74,000	1,600	2.16%	\$19.00	N/A	Roja Mexican Grill, Fuddruckers
Tivoli 175th & W. Center Rd.	4	2006	Lund Company Adam Marek	50,000	16,000	32.00%	\$23.00	\$25.00	Cheeburger Cheeburger, Beauty First
Tradition Pacific Crossing SWC 156th & Pacific St.	4	2001/2006	Grubb & Ellis/Pacific Realty Cindi Cisar	31,525	1,200	3.81%	\$18.00	N/A	Hector's Mexican Restaurant, Mama's Pizza
U Street Plaza 14223 "U" St.	5	1985	Grubb & Ellis/Pacific Realty Bill Balak	22,150	4,440	20.05%	\$6.00	N/A	Meineke
Walgreens NEC 171st & W. Center Rd.	5	2000	Village Development	15,048	0	0.00%	N/A	N/A	Walgreens
Walgreens 13155 W. Center Rd.	5	2003	Montclair Investment Co.	14,946	0	0.00%	N/A	N/A	Walgreens
Walgreens 5244 S. 136th St.	5	1987	PDM Inc.	11,120	0	0.00%	N/A	N/A	Walgreens
Walgreens 5062 S. 155th St.	5	1999	Village Develop Q St. LLC	15,008	0	0.00%	N/A	N/A	Walgreens
Walgreens 18040 R Plaza	5	2004	Walgreens Co	14,544	0	0.00%	N/A	N/A	Walgreens
Walnut Grove Plaza NEC 156th & Q St.	3	2000	West Bay Properties, Inc. Andy Ash	130,000	5,026	3.87%	\$15.00	N/A	Bag 'n Save
Western Springs NWC 177th & W. Center Rd.	2	2000	CB Richard Ellis/Mega Sree Nair	250,000	0	0.00%	N/A	N/A	Super Target
Westport Financial 14505 F St.	5	2005	CB Richard Ellis/Mega Dale Scott/Nancy Johnson/Rick Scott	21,000	15,000	71.43%	\$16.50	N/A	Metro Credit Union
Westwood Plaza SWC 120th & W. Center Rd.	2	1964	Seldin Company Deb Graeve/Dan Dutton	500,000	20,383	4.08%	\$11.00	\$16.00	Baker's, TJ Maxx, Westwood Cinema, Burlington Coat Factory, Office Depot
Woodhaven Center ENEC 160th & W. Center Rd.	5	1975	Investment Property Resources Dan Malone	27,648	1,728	6.25%	\$9.00	N/A	Don Carmelo's, Nest Lounge
Southwest Totals				6,175,657	449,152	7.27%			
Harrison Center 156th & Harrison St.	4	2007	CB Richard Ellis/Mega Tracy Earnest/Steve Sheppard	30,000			\$14.50	\$16.00	TBD
L Street Marketplace 120th & "L" St.	2	2008	Magnum Realty	500,000			\$27.00	N/A	Super Target
Southport Center Giles Rd. & Eastport Pkwy.	4	2007	Coldwell Banker World Group Ryan Callihan/Trenton Magid	43,357			\$19.00	\$22.00	TBD
Southwest Construction Totals				573,357					

Omaha North Central Submarket

Year End Review 2006

This submarket includes an area bounded by the Washington/Douglas County line on the north, Western Avenue on the south, 52nd Street on the east and Interstate 680 and Highway 133 to the west. North 90th Street once was the traditional retail corridor in this submarket; however, the street has become tired, with no real room for expansion nor any remodeling going on. The new growth continues to move in two directions, inbound to 72nd Street between Ames and Sorenson Parkway and west to Interstate 680 and Blair Highway.

The Lerner Company surveyed 22 retail properties totaling in excess of 2.2 million square feet. The vacancy rate of 12.7% represents 281,039 square feet compared to 7.9% vacancy in the prior year. This large increase has forced small shop rents down which now vary from \$6 per square foot for older space to \$19 per square foot for new space. The submarket is mainly blue collar to the east becoming older middle class to the west, and has remained flat from a growth standpoint with a population of 61,000 and a median household income of \$48,900.

The 90th Street corridor is contributing to the bulk of the vacancy with over 105,000 square feet of older space available in this submarket. The only new activity in this area was the opening of Walgreens at 90th and Fort Street. There is also a block of new space available at Sorenson Park Plaza and around the new Wal-Mart Supercenter.

The opening of Sorenson Parkway has created a major east/west connector, which has fueled new residential growth and the opening of Sorenson Park Plaza, a 567,000 square foot power center anchored by Target, Great Escape Theaters, PetSmart and Linens 'n Things. Initial sales have been soft but everyone is hoping for improvement, as additional tenants and restaurants are added.

South of this project at 72nd Street and Ames Avenue, Seldin Company, owners of Benson Park Plaza, anchored by Baker's Supermarket and Home Depot, have a Hancock Fabrics building under construction, and discussion with another large retail tenant.



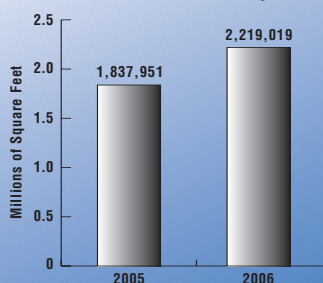
Forecast for 2007

Occupancy will improve very slowly in those centers which are anchored, however there will continue to be rental rate deterioration as Landlords try to fill all the existing new and old shop space, on North 90th Street, North 72nd Street, and Blair Highway.

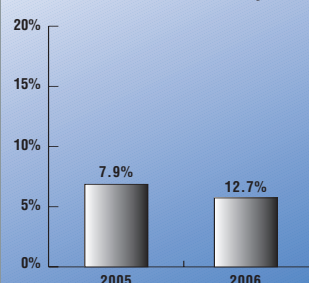
From a new construction standpoint, Walgreens is still looking at North 72nd Street and Crown Pointe. Benson Park Plaza and Sorenson Park Plaza may both add one anchor tenant. The proposed Lowe's development next to the Wal-Mart Supercenter on Blair Highway has been put on hold.



Historical Inventory



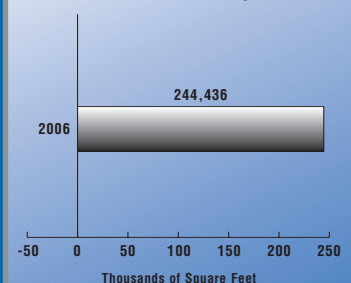
Historical Vacancy



North Central Submarket by Size

Size	Centers	GLA	Vacant
Cat. 1	0	0	0
Cat. 2	1	566,580	68,641
Cat. 3	7	1,162,891	96,903
Cat. 4	7	355,393	79,620
Cat. 5	7	134,155	35,875

Submarket Absorption



CENTER NAME & ADDRESS	SIZE	BUILT/UPDATED	LEASING CO. & AGENT	GLA	VACANCY	% VACANT	RATE 1	RATE 2	ANCHOR
93rd Plaza 93rd & Maple	5	1971	Investors Realty John Dickerson/JP Raynor	26,860	16,222	60.39%	\$5.00	N/A	
Benson Park Plaza NEC 72nd & Military Ave.	3	2001	Seldin Company Deb Graeve/Dan Dutton	240,000	-	0.00%	\$18.00	N/A	Baker's, Home Depot, Hancock Fabrics
Cactus Creek SWC 72nd & Blondo St.	4	1963	Commercial Realty Dave Abboud	30,000	10,000	33.33%	\$5.00	\$8.50	Dollar General
Cherry Hills Village SWC I-680 & Hwy. 133	4	2004	Cherry Hills Village & Business Park Cindy Marx	48,000	14,925	31.09%	\$16.50	N/A	Sam & Louie's New York Pizzeria, Legends Patio Grill & Bar
Former Baker's Supermarket SEC 72nd & Blondo St.	4	1962	The Lerner Company Rick Quinlevan	31,596	31,596	100.00%	N/A	N/A	Former Baker's
Fort Plaza NWC 90th & Fort St.	3	1990	The Lerner Company Boh Kurylo	134,044	4,200	3.13%	\$12.50	N/A	ShopKo, Dollar General
Gordmans NWC 90th & Military Ave.	4	1989	The Lerner Company Boh Kurylo	77,660	-	0.00%	N/A	N/A	Gordmans
Harolds Square SEC 81st & Blondo St.	3	1985	Grubb & Ellis/Pacific Realty Bill Gilmore	107,165	1,200	1.12%	\$8.00	N/A	No Frills Supermarket
Keystone Center SWC 78th & Military Ave.	4	1950	Grubb & Ellis/Pacific Realty Candy Bruns	31,050	-	0.00%	\$6.00	\$7.00	Belvedere Club
Keystone Landing SEC 90th & Boyd	5	2001	Investors Realty Jerry Huber	23,600	19,653	83.28%	\$10.75	\$10.95	Edward Jones
Maple Village NEC 102nd & Maple Rd.	4	2000	Slosburg Kirk Hanson	39,100	5,400	13.81%	\$12.00	\$14.00	Hy-Vee Wine & Spirits, Valentino's, Scooters
Maple Wood A SWC 90th & Maple Rd.	3	1964	Maplewood Square LLC	120,564	2,800	2.32%	\$11.00	N/A	Bag 'n Save Plus
Maple Wood B SWC 90th & Maple Rd.	5	1964	Newman Trust	28,341	-	0.00%	N/A	N/A	Westlake Ace Hardware
Plaza 90 NEC 90th & Grant	4	1980	Lund Company Jason Ruegg	97,987	17,699	18.06%	\$9.00	\$12.00	Hobby Lobby
Plaza North NWC 90th & Fort St.	3	1987	Grubb & Ellis/Pacific Realty Frank Barber/Terry Root/Ben Meier	203,070	24,859	12.24%	\$10.00	\$14.50	Baker's
Sorensen Park Plaza 72nd & Sorensen Prkwy.	2	2006	Grubb & Ellis/Pacific Realty Sue Hronek/Frank Barber/Cindi Cisar/Terry Root	566,580	68,641	12.11%	\$19.00	\$25.00	Target, Linens 'N Things, Marshalls, PetsMart, Great Escape Movie Theater
Starwood Shopping Center SEC I-680 & Hwy. 133	3	2004	First Management Inc. Randall Wieseler	228,379	10,287	4.50%	\$18.00	N/A	Wal-Mart Supercenter
Village Shopping Center NWC 90th & Maple Rd.	3	1980	Central Realty Greg Patterson	129,669	53,557	41.30%	\$6.00	\$8.00	Hancock Fabrics, Dollar Tree
Walgreens 6101 N.W. Radial Hwy.	5	1992	Haehner Properties Nebraska LLC	12,544	-	0.00%	N/A	N/A	Walgreens
Walgreens SWC 72nd & Cass St.	5	2000	Minnetoka Capital	15,048	-	0.00%	N/A	N/A	Walgreens
Walgreens 9001 Blondo St.	5	1995	S & L Investments LLC	13,388	-	0.00%	N/A	N/A	Walgreens
Walgreens 90th & Fort	5	2006	Waltrust Properties Inc.	14,374	-	0.00%	N/A	N/A	Walgreens
North Central Totals				2,219,019	281,039	12.67%			

Omaha South Central Submarket

Year End Review 2006

This submarket includes an area bounded by Western Avenue on the north, Harrison Street on the south, 52nd Street on the east, and Interstate 680 on the west. The submarket contains two enclosed regional malls, Crossroads Mall and Westroads Mall that collectively account for nearly 35% of the space within the submarket.

The Lerner Company surveyed 56 retail properties, totaling just over 5.7 million square feet. The vacancy rate of 11.6% represents 663,890 square feet, making this submarket the largest in terms of the gross amount of vacant square footage. The increase in the vacancy rate from 6.1% to 11.6% was in large part due to the closing of two big stores, Rod Kush's Furniture at 72nd and "L" Streets and Baker's Supermarket at 84th and Frederick Streets. Other than a few notable exceptions near 72nd and Dodge Streets, small shop rents continued to average \$15-\$18 per square foot. The submarket population is 77,656 with an annual growth rate of 0.2%. The household median income of \$57,660 per year is only slightly above market average. However, daytime employment of over 101,000 employees within a relatively small geographic area still makes this area highly desirable to many retailers and restaurateurs.

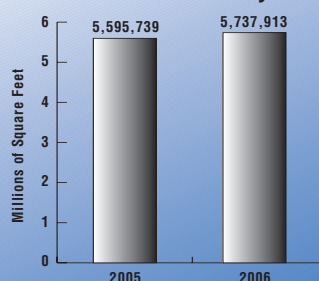


The two enclosed malls continue to face very different circumstances and future prospects. General Growth Properties, which owns Westroads Mall, is still seeking to remerchandise the large anchor space made available by the departure of Jones Store in 2003. However, Westroads has relatively few vacant mall shops and is considered Omaha's second best performing enclosed mall in term of sales at \$380 per square foot. Additionally, we expect an announcement soon about new construction in the area of the vacant anchor at Westroads to accommodate a new wing for a large multi-screen theater and additional shops and restaurants.

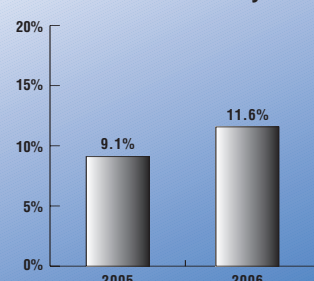
Crossroads Mall remains in a period of decline despite the recent opening of a new Target Store in a two-story format in the location vacated by Younkers in 2004. Many of the small shops within the mall are now vacant and a number of the remaining chain store tenants are known to have low "percentage only" lease terms. Mall sales, estimated at \$200 per square foot, continue to decline. As Target's recent opening has had little positive effect upon the performance of the mall shops, it may be that the interior of Crossroads is irretrievably broken. The mall's owner, Simon Property Group is most likely facing a decision to either turn over the interior shops to non-retail uses or work with the existing anchors on a plan to redevelop Crossroads into a completely new center with an open-air format.

The street retail environment in the South Central submarket remains very vibrant. The area continues to be highly desired by both large format and junior box retailers, but land is scarce and expensive. Wal-Mart recently successfully completed a lengthy zoning battle to allow the development of a Wal-Mart Supercenter at 72nd and Hickory. This will be Wal-Mart's seventh supercenter in Metro Omaha and it is expected to open for business in the spring of 2008. Buyers Realty of Des Moines is working on a redevelopment of the existing building occupied by Best Buy at 76th and Dodge Streets. We expect Michael's and one other national retailer to join Best Buy following the completion of remodeling in 2008.

Historical Inventory



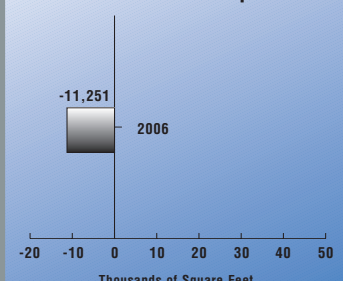
Historical Vacancy



South Central Submarket by Size

Size	Centers	GLA	Vacant
Cat. 1	2	1,973,275	224,819
Cat. 2	1	414,206	0
Cat. 3	11	1,634,355	250,349
Cat. 4	23	1,305,555	133,161
Cat. 5	19	410,522	55,561

Submarket Absorption



CENTER NAME & ADDRESS	SIZE	BUILT/UPDATED	LEASING CO. & AGENT	GLA	VACANCY	% VACANT	RATE 1	RATE 2	ANCHOR
7010 Dodge Building ENEC 72nd & W. Dodge Rd.	5	1994	Grubb & Ellis/Pacific Realty Frank Barber/Ben Meier/Cindi Cisar	15,252	4,254	27.89%	\$28.00	\$33.00	Jason's Deli, EB Games
72nd Crossing SEC 72nd & Jones St.	4	1989	The Lerner Company Boh Kurylo	96,657	-	0.00%	\$15.00	N/A	Office Depot, PetsMart
74 Dodge Plaza SEC 76th & W. Dodge Rd.	5	1985	Grubb & Ellis/Pacific Realty Cindi Cisar/Frank Barber/Ben Meier	27,000	12,474	46.20%	\$25.00	N/A	Indigo Joe's, Moe's Southwest Grill
74 Plaza NEC 75th & Pacific St.	5	1972	CB Richard Ellis/Mega Matt Ruma/Brock Emery	27,000	4,500	16.67%	\$9.90	N/A	Mid City Bank, Pepperjax Grill
7510 Dodge Plaza ENEC 76th & W. Dodge Rd.	4	1967	Buyers Realty Abe Wolf	90,000	45,000	50.00%	\$18.00	N/A	Best Buy
76 Cass Court SEC 77th & Cass St.	4	1975	Investors Realty Brian Kuehl	36,206	1,578	4.36%	\$10.50	\$11.50	New York Pizzeria
84th & F 4087 S. 84th St.	5	2002	CB Richard Ellis/Mega Dale Scott/Tracy Earnest	25,650	1,600	6.24%	\$12.00	N/A	UPS Store
Applewood Centre SWC 96th & Q St.	3	1989	Philips Edison & Co. Vasilis Lyhnakis	101,130	-	0.00%	\$15.00	\$20.00	Hy-Vee
Applewood Plaza ESEC 96th & Q St.	5	1985	NP Dodge Commercial Real Estate Aaron Adams/Julia Roberts	23,232	3,416	14.70%	\$10.00	N/A	Subway, Maggie McCall, China Buffet
Beverly Hills Plaza NWC 78th & W. Dodge Rd.	4	1955	First Management Inc. Randall Wieseler	48,843	-	0.00%	\$16.00	N/A	John Ryan's, Jam's, Beauty First
Beverly Plaza SWC 78th & W. Dodge Rd.	4	1999	7 Oaks Investments Paul Waggener	30,779	-	0.00%	\$20.00	\$22.00	Wild Oats Market, Beauty Brands, Panera Bread
Borders SWC 72nd & W. Dodge Rd.	5	1996	Agree REIT	28,176	-	0.00%	N/A	N/A	Borders
Canfield Plaza SWC 84th & W. Center Rd.	3	1970	Investors Realty Brian Kuehl	185,000	2,200	1.19%	\$10.50	N/A	Jo Ann Fabrics and Crafts
Cedarnole Shopping Plaza 72nd & Jones	4	1971	Lund Company Mark Covert	33,955	5,328	15.69%	\$8.50	N/A	Dollar General, Austad's
Circuit City Sublease NEC 72nd & Rose Blumkin Dr.	4	1997	Lund Company Eric Renner	42,685	42,685	100.00%	\$12.00	N/A	N/A
Clocktower Village SWC 98th & Nicholas St.	4	1983	Lund Company Martin Patzner/Steve Johnston	43,816	5,529	12.62%	\$16.50	N/A	America's Best, Salon Tino
Countryside Village NEC 87th & Pacific St.	4	1953	Countryside Village Inc. Larry Myers	30,000	-	0.00%	N/A	N/A	Starbucks, Broadmoor Market
Crossroads Mall NWC 72nd & W. Dodge Rd.	1	1960	Simon Property Group Paul Katz	763,119	79,600	10.43%	\$8.00	\$50.00	Dillards, Barnes & Noble, Sears, Old Navy, Target
Crossroads Plaza NWC 76th & W. Dodge Rd.	4	1984	NP Dodge Commercial Real Estate Jan Kratky	86,647	-	0.00%	\$17.00	N/A	Bag 'n Save, Hollywood Video
Empire Park NWC 108th & Q St.	3	1979	Grubb & Ellis/Pacific Realty Ben Meier	105,650	6,220	5.89%	\$14.50	\$19.00	Bag 'n Save
Ethan Allen 10820 Pacific St.	5	1979	Georgetown Inc. John J. Moritz	26,902	-	0.00%	N/A	N/A	Ethan Allen
Exec West Retail SWC 96th & L St.	4	1989	Wiesman Development Mark Wiesman	30,000	4,000	13.33%	\$9.50	N/A	UMB Bank, Concentra Fast Signs
Frederick Square SEC 84th & Frederick	3	1973	Coldwell Banker World Group John Luce/Trenton Magid	189,988	56,778	29.89%	\$7.00	\$11.00	Baker's, ShopKo
Galleria Plaza SWC 108th & O St.	4	1984	Grubb & Ellis/Pacific Realty Terry Root	31,224	2,800	8.97%	\$12.00	N/A	Valentino's Pizza
Heritage Plaza NEC 76th & W. Dodge Rd.	3	1982	Grubb & Ellis/Pacific Realty Cindi Cisar	103,275	5,331	5.16%	\$11.00	\$13.00	Toys "R" Us
Hilltop Plaza 108th & W. Center Rd.	5	1988	Grubb & Ellis/Pacific Realty Terry Root	18,255	1,005	5.51%	\$14.00	N/A	Stars Dance Academy
Hy-Vee SWC 90th & W. Center Rd.	4	1999	Hy-Vee, Inc.	72,218	-	0.00%	N/A	N/A	Hy-Vee
Kohl's SEC 72nd & Rose Blumkin Dr.	4	1997	The Lerner Company Rick Quinlevan	82,798	-	0.00%	N/A	N/A	Kohl's
Kush's Plaza 72nd & L St.	3	1961/2001	Coldwell Banker World Group John Luce	245,000	163,000	66.53%	\$3.75	\$7.95	
Loveland Center NEC 90th & W. Center Rd.	4	1962	Slosburg Company Kirk Hanson	50,000	14,161	28.32%	\$12.00	\$14.00	Kelly's Carpet Omaha
Lowe's SEC 76th & W. Dodge Rd.	3	2001	Lowe's Home Center	138,789	-	0.00%	N/A	N/A	Lowe's
(Continued)									

Oma South Central Submarket



The recently renovated One Pacific Place continues to compete for lifestyle tenants and shoppers with both Regency Court and Village Pointe. Abercrombie is expected to relocate from One Pacific Place to Westroads during the coming year due to their parent company's preference for the enclosed mall format. It will be an interesting test of One Pac's remaining clout to see how successful they are in remerchandising the high profile 8,000 square foot Abercrombie space.

Whole Foods recently announced the pending acquisition of Wild Oats Market Place. While Whole Foods has intimated that it plans to continue operating many of the smaller Wild Oats stores under the Wild Oats trade name, we suspect that the Wild Oats at 78th and Dodge Streets may close to give a boost to the much larger and underperforming Whole Foods at Regency Parkway and West Dodge Road.

Forecast for 2007

The year 2007 may bring some clarity to the next phase of the ongoing redevelopment of Aksarben. Noddle Companies and Magnum Development Corp. are actively seeking key retailers to kick off the retail component of Aksarben Village—a 70-acre mixed-use project to be located on the south half of the land which was formerly Aksarben Racetrack & Coliseum. We expect this project to be phased with some anchor announcements and the commencement of construction of the initial phase during 2007.

A second mixed-use project planned for the corner of 80th and Dodge Streets, was recently announced by BKS Development. The first phase of 80 Dodge would be a 12-story mixed use building to include 19,000 square feet of ground floor retail, 79,000 square feet of office space and 65 condominium units. At the same time, the adjacent Beverly Hills Plaza would be substantially remodeled with complementary materials to give the two adjacent projects a seamless look.

Despite the large amount of vacancy, we have determined that nearly 500,000 square feet of new space will be under construction during the coming year, although most will not be operational until 2008. It seems inevitable to us that the vacancy rate in this submarket will continue to rise for the next several years.



Center Name & Address	Size	Built/Updated	Leasing Co. & Agent	GLA	Vacancy	% Vacant	Rate 1	Rate 2	Anchor
Main Street Plaza 5413 S. 72nd St.	5	2006	Coldwell Banker World Group Terry Shanahan/Trenton Magid	24,588	13,912	56.58%	\$15.50	N/A	Route 66, Winners Lounge
Nebraska Furniture Mart NWC 72nd & Rose Blumkin Dr.	2	1965	Nebraska Furniture Mart	414,206	-	0.00%	N/A	N/A	Nebraska Furniture Mart, Mrs. B's, Mega Mart
Oak Plaza NEC 84th & Spring Plaza	4	1977	Magnum Realty Dan Fishburn	42,000	5,400	12.86%	\$11.00	N/A	Goodwill
One Pacific Place SWC 103th & Pacific St.	4	1987	CB Richard Ellis/Mega Nancy Johnson	92,000	4,088	4.44%	\$35.00	N/A	Ruby Tuesday
Pacific Village SEC 78th & Pacific St.	5	1966	Marcon Enterprises LLC	27,000	1,500	5.56%	\$16.00	N/A	Vincenzo's Ristorante
Peel's Park Drive 8430 Park Drive	4	1970	Bill Peel	97,000	-	0.00%	\$8.50	N/A	Dollar General
Peony Park NWC 78th & Cass St.	4	1996	Dial Properties Matt McCombs	83,816	-	0.00%	N/A	N/A	Hy-Vee, Blockbuster
Petco, Fedex Kinko's NEC 72nd & W. Dodge Rd.	5	1978	Five Fifty Two Corp.	29,748	-	0.00%	N/A	N/A	Petco, Fedex Kinko's
Place 96 SEC 96th & L St.	5	1974	Lund Company Mark Covert/Jason Ruegg	24,231	1,200	4.95%	\$10.50	N/A	Wells Fargo Bank
Plaza 72 NWC 72nd & Jones St.	5	1979	Lund Company Jon Kerkhoff	15,232	1,320	8.67%	\$16.00	N/A	H&R Block
Regency Court Regency Pkwy. & Regency Cir.	3	1975/2003	RED Development & Lund Company Wendy Chapman & John Lund	171,552	12,620	7.36%	\$35.00	N/A	Pottery Barn, Borsheims, Williams & Sonoma
Rockbrook Village SWC 108th & W. Center Rd.	3	1960/2006	Grubb & Ellis/Pacific Realty Cindi Cisar	187,148	4,200	2.24%	\$11.75	N/A	Great Harvest Bread, Pasta Amore, Body Basics
Roxbury Plaza NWC 108th & Q St.	4	1977	Investors Realty John Dickerson	36,008	2,592	7.20%	\$7.50	\$8.50	Club Roxbury
Shaker Place NEC 107th & Pacific St.	4	1970	Investors Realty John Dickerson	36,035	-	0.00%	\$15.75	N/A	Naughty's Lounge
Shoppes at Aksarben Village SEC 72nd & Pacific St.	4	2005	Grubb & Ellis/Pacific Realty Sue Hronek/Ben Meier	58,000	-	0.00%	\$25.00	N/A	Bed Bath & Beyond
Skateland Plaza NEC 84th & G St.	5	1986	NP Dodge Commercial Real Estate Jack Degan	16,240	2,030	12.50%	\$9.00	N/A	Signs by Tomorrow
Spirit World Building SWC 75th & Pacific St.	5	1986	Grubb & Ellis/Pacific Realty Ben Meier/Frank Barber	26,000	8,350	32.12%	\$12.00	N/A	Spirit World, Godfather's Pizza
Tower Plaza NEC 78th & W. Dodge Rd.	3	1998	First Management Inc. Eric Wieseler	102,823	-	0.00%	\$15.00	N/A	Comp USA
Walgreens SWC 72nd & Cass St.	5	2000	Walgreen Co.	15,048	-	0.00%	N/A	N/A	Walgreens
Walgreens 8989 W. Dodge Rd.	5	2002	Village Development	14,462	-	0.00%	N/A	N/A	Walgreens
Walgreens 9001 W. Center Rd.	5	1998	Center 90 LLC	13,698	-	0.00%	N/A	N/A	Walgreens
Walgreens 8380 Harrison St.	5	1999	Walgreen Co.	12,808	-	0.00%	N/A	N/A	Walgreens
Westgate Plaza NEC 84th & Grover	3	1960	Roger's Construction Walt Slobotski	104,000	-	0.00%	\$8.50	\$15.00	Mangelsen's/Farmhouse, Hancock Fabrics
Westroads Mall NEC 102nd & W. Dodge Rd.	1	1968	General Growth Properties Suzanne Crane/Jeff Taylor	1,210,156	145,219	12.00%	\$10.00	\$60.00	Von Maur, Younkers, JC Penney, Dick's Sporting Goods
Whole Foods Market 10020 Regency Cir.	4	1979/2005	Beekman Street Partners c/o Slosburg Co.	54,868	-	0.00%	N/A	N/A	Whole Foods Market
South Central Totals				5,737,913	663,890	11.57%			
Aksarben Place SWC 63rd & Center	4	2007	Magnum Realty	30,522			\$14.00	\$25.00	Starbucks
Aksarben Village NWC 63rd & Center	3	2008	Magnum Realty	210,000			\$22.00	\$25.00	TBD
Sutherland's Plaza NEC Dahlman Ave. & L St.	4	2007	Murante Real Estate Bob Pelshaw	62,000			N/A	N/A	Aldi Foods, Dollar Tree
Wal-Mart Supercenter NWC 72nd & Hickory	3	2007	Wal-Mart Stores, Inc.	176,000			N/A	N/A	Wal-Mart Supercenter
South Central Construction Totals				478,522					

Omaha East Submarket

Year End Review 2006

This submarket includes an area bounded by the Washington/Douglas County line on the north, Harrison Street on the south, the Missouri River on the east and 52nd Street on the west. The downtown area has seen significant redevelopment since the addition of the Qwest Arena and Convention Center, the Holland Performing Arts Center and Gallup University.

The Lerner Company surveyed 27 retail properties totaling just under 1.6 million square feet. The vacancy rate dramatically increased doubling to 19.9%, which represents 309,122 square feet. Contributing to this number is the closed Target on Saddle Creek, which is 125,000 square feet. Rents continue to remain stable in the \$10-\$14 per square foot range for small shop space. This submarket consists of an older blue-collar area with very dense demographics although the population continues to decrease slightly. The median household income of \$34,338 remains the lowest of any of the submarkets.

The retail activity for this submarket has focused on the ground floor of hotels, condominiums and office buildings in the downtown area. The condominium market was very strong in 2006 with 630 new units started and 433 conversions begun. We witnessed the opening of the Paxton Chop House and the start of construction for Sullivan's Steak House and Starbucks at the Central Park Towers. Other restaurants are taking a hard look at this downtown market due to the increase in downtown condominium housing and the redevelopment of the NODO (North of Downtown Omaha) District. La Cuadra, a new retail center opening in south Omaha, is part of a new redevelopment plan for this submarket.

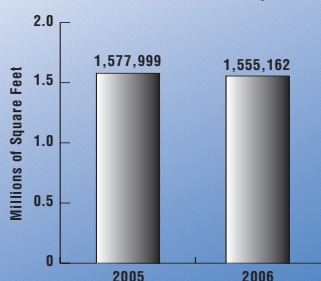
Mutual of Omaha and ECI announced the start of construction of Midtown Crossing at Turner Park. This is an approximate 1 million square foot mixed use urban redevelopment fronting on Dodge Street between 33rd Street and Turner Boulevard. It will consist of approximately 600 residential units and 200,000 square feet of retail space. The retail component looks to include an urban grocery store, a theater, a fitness facility, numerous restaurants and service retail.



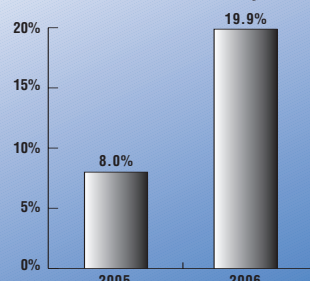
Forecast for 2007

Retail activity will again focus in the downtown corridor with the main focus being the NODO district. Four hotels are under construction along Cuming Street, Holiday Inn, Homewood Suites, Fairfield Inn and Hampton Inn with a Marriott Residence Inn planned in the downtown area along Jackson Street. Saddle Creek Records will open a major entertainment venue and Urban Outfitters is rumored to be looking in this area. Vacancy will probably remain flat, with the largest question being how the closed Target on Saddle Creek will be redeveloped. A new Hy-Vee Drug Store is proposed on North 30th Street in Florence, which should help in the redevelopment of that area. Condominium construction will slow down due to the large amount of inventory. The next major condominium project, Wall Street Towers, will begin construction in 2007 and be available in 2008.

Historical Inventory



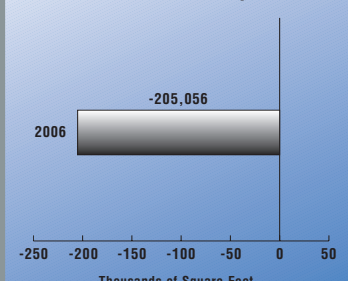
Historical Vacancy



East Submarket
by Size

Size	Centers	GLA	Vacant
Cat. 1	0	0	0
Cat. 2	0	0	0
Cat. 3	7	883,262	227,186
Cat. 4	9	502,692	69,920
Cat. 5	11	169,208	12,016

Submarket Absorption



Center Name & Address	Size	Built/Updated	Leasing Co. & Agent	GLA	Vacancy	% Vacant	Rate 1	Rate 2	Anchor
48th Street Square SWC 48th & L St.	4	1999	Grubb & Ellis Pacific Realty Terry Root/Ben Meier	32,654	7,200	22.05%	\$14.50	N/A	Buffalo Wild Wings, H&R Block, Dollar General
Baker Place NWC 50th & Ames Ave.	3	1965/1987	The Lerner Company Rick Quinlevan	122,950	78,561	63.90%	\$5.00	\$13.00	Family Dollar
Baker's SWC Saddle Creek Rd. & Leavenworth	4	1989	Dillon Stores	63,632	-	0.00%	N/A	N/A	Baker's
Big Kmart Plaza NWC 50th & L St.	3	1967	Seldin Company Deb Graeve/Dan Dutton	121,977	-	0.00%	\$10.00	\$12.00	Kmart
Brandeis Building 16th & Douglas	4	1894/2006	Grubb & Ellis Pacific Realty Sue Hronek	50,000	50,000	100.00%	\$9.00	\$23.00	
Grover Plaza SWC 50th & Grover	4	1966	Albert Feldmen	57,440	-	0.00%	N/A	N/A	Bag 'n Save
Hy-Vee NEC 52nd & W. Center Rd.	4	2004	Hy-Vee, Inc.	65,732	-	0.00%	N/A	N/A	Hy-Vee
Jones Street Market 10th & Jones St.	5	1910/2000	Seldin Company Deb Graeve/Dan Dutton	25,000	4,516	18.06%	\$11.00	N/A	Nomad Lounge
Long School Marketplace 24th & Hamilton	4	2005	Omaha Economic Dev. Corp. Michael Maroney	23,000	10,000	43.48%	\$8.00	\$11.00	Family Dollar
Midtown Plaza NEC Saddle Creek Rd. & California	3	1991	First Management LLC Randall Wieseler	105,000	3,125	2.98%	\$14.00	N/A	No Frills Supermarket
No Frills Supermarket NEC 36th & Q St.	4	1981	The Lerner Company Rick Quinlevan	39,512	-	0.00%	N/A	N/A	No Frills Supermarket
Osco Store 4411 Center St.	5	1996	CB Richard Ellis/Mega Dale Scott/Rick Scott	16,854	7,500	44.50%	\$8.00	N/A	
Plaza Q 36 NEC 36th & Q St.	4	1971	Gordman Properties Deborah Smith	84,000	-	0.00%	N/A	N/A	Thrift World, Alps Foods
Spring Valley SWC 50th & F St.	3	1990	The Lerner Company Rick Quinlevan	115,166	11,500	9.99%	\$10.00	\$12.50	No Frills Supermarket
Stockyards Plaza SEC 36th & L St.	3	1990	Perkins Properties Erin Pogge/Rick Quinlevan	148,559	-	0.00%	N/A	N/A	Hy-Vee
Vinton Square NWC 24th & Vinton	4	1981	The Lerner Company Rick Quinlevan	86,722	2,720	3.14%	\$12.50	N/A	No Frills Supermarket
Walgreens NEC 50th & W. Center Rd.	5	1999	Walgreen Co.	15,601	-	0.00%	N/A	N/A	Walgreens
Walgreens 225 N. Saddle Creek Rd.	5	2003	Clayton Properties II LLC	13,578	-	0.00%	N/A	N/A	Walgreens
Walgreens 4310 Ames Ave.	5	2002	DAHO LLC	14,530	-	0.00%	N/A	N/A	Walgreens
Walgreens 3121 South 24th St.	5	2002	Twenty Three Hundred	14,530	-	0.00%	N/A	N/A	Walgreens
Walgreens 3005 Lake St.	5	1999	BDRE Lake LLC	13,776	-	0.00%	N/A	N/A	Walgreens
Walgreens 3001 Dodge St.	5	2002	WG Omaha Realty LLC	14,530	-	0.00%	N/A	N/A	Walgreens
Walgreens 7202 North 30th St.	5	1995	Marathon Properties LLC	13,404	-	0.00%	N/A	N/A	Walgreens
Walgreens 2323 L St.	5	1999	BDLE L Street LLC	13,905	-	0.00%	N/A	N/A	Walgreens
Walgreens 5038 W. Center St.	5	2004	Walgreen Co.	13,500	-	0.00%	N/A	N/A	Walgreens
Wallcreek Plaza SSWC Capitol Ave. & Saddle Creek Rd.	3	1968/2004	Grubb & Ellis Pacific Realty Mike Weise	149,330	125,000	83.71%	\$16.00	N/A	Target (vacant), Panera Bread, Westlake Ace Hardware
Weber Place SWC 30th & Forest Lawn Ave.	3	1988	The Lerner Company Boh Kurylo	120,280	9,000	7.48%	\$9.00	\$12.50	No Frills Supermarket, Dollar Tree
East Totals				1,555,162	309,122	19.88%			
La Cuadra 33rd & Q St.	4	2007	Lund Company Scott Schneiderman/Jeff Lies	37,000			\$17.00	\$20.00	TBD
East Construction Totals				37,000					

Omaha Sarpy Submarket

Year End Review 2006

This submarket includes an area bounded by Harrison Street on the north, Platteview Road on the south, the Missouri River on the east, and Interstate 80 on the west. While existing population densities are low, many retailers are attracted to this area due to the anticipated future growth in both population and income.

The Lerner Company surveyed 31 retail properties totaling just over 3 million square feet. The vacancy rate of 13.4% represents 411,232 square feet, which is an increase over the 10% vacancy rate last year. A large measure of the current vacancy is found in two vacant big box stores, the former Wal-Mart in LaVista and the former Gordman's in Bellevue. The former Gordman's has been available for five years and it is likely that this building will be converted to a non-retail use in the future. The rents for small shops in newer centers have been stable and range from \$15-\$28 per square foot. Such lofty rents were, until recently, considered unachievable in Sarpy County. A population of 114,977 is experiencing a strong annual growth rate of 2.3%. The median household income is \$61,935 per year.



There are two strong existing nodes of retail in Bellevue. The first area is anchored around the activity generated by a high volume Wal-Mart Supercenter at the Kennedy Freeway and Cornhusker. The other thriving area is at 36th Street & Highway 370 where the dominant project is Twin Creek, anchored by Target and Baker's Supermarket.

While retail expansion in the recent past had been concentrated in Bellevue, most of the current expansion within this submarket is occurring in Papillion. The most significant project to date is RH Johnson Company's recently completed Market Pointe at the southeast corner of 72nd Street and Giles Road. Market Pointe is a 452,000 square foot development anchored by Wal-Mart Supercenter, Kohl's and Lowe's. Small shops on the outparcel of Market Pointe have been garnering as much as \$28 per square foot.

Forecast for 2007

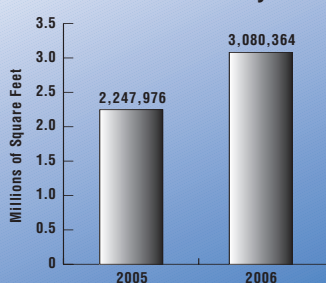
A joint venture of The Lerner Company and RED Development, the 875,000 square foot Shadow Lake Towne Center located at the southwest corner of 72nd Street and Highway 370, will have its grand opening during Memorial Day weekend of 2007. Shadow Lake will be a hybrid regional shopping center with approximately 14 anchor tenants including Borders, Bed Bath & Beyond, Best Buy, Hy-Vee, JC Penney, PetSmart, Old Navy, Gordman's and TJ Maxx. The lifestyle portion of Shadow Lake will feature Ann Taylor Loft, Coldwater Creek, Chico's, Jos. A. Bank Clothiers and Victoria's Secret.

The Lerner Company and RED Development plan a second Papillion joint venture, Settler's Creek, for the northeast corner of 72nd and Cornhusker. While anchor announcements are pending, the retail component of Settler's Creek is to be comprised of 175,000 square feet and is scheduled to open in the fall of 2008.

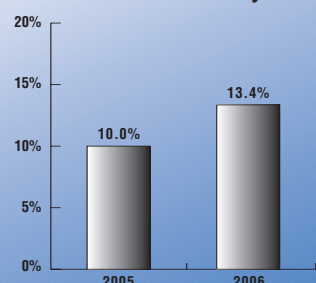
Horizon Retail Group has announced plans to develop 100,000 square feet of lifestyle retail at LaVista Crossing adjacent to the 126,000 square foot Cabela's that opened there in 2006. While this project may be viable for additional retail development, we feel this location has little potential for a lifestyle project, especially given the lifestyle component planned nearby at Shadow Lake Towne Center in Papillion.

While Sarpy County had long been considered underserved, upon completion of Shadow Lake Towne Center, the total inventory of retail space within the submarket will have nearly doubled within a 12-month period. While the new projects are large and very exciting, the rapid expansion is already beginning to show disruption within existing retail projects in the submarket.

Historical Inventory



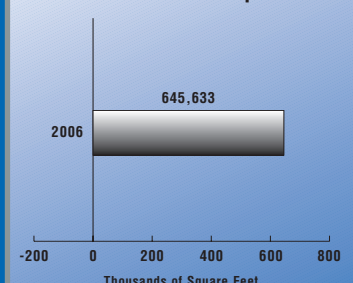
Historical Vacancy



Sarpy Submarket
by Size

Size	Centers	GLA	Vacant
Cat. 1	0	0	0
Cat. 2	2	768,113	6,000
Cat. 3	8	1,246,060	149,252
Cat. 4	11	858,290	196,365
Cat. 5	10	207,901	59,615

Submarket Absorption



Center Name & Address	Size	Built/Updated	Leasing Co. & Agent	GLA	Vacancy	% Vacant	Rate 1	Rate 2	Anchor
2200 Capehart Rd. SWC 22nd & Capehaart Rd.	5	2006	NP Dodge Commercial Tom Failla	18,312	18,312	100.00%	\$16.50	N/A	TBD
American Plaza NEC Galvin Rd. & Harvell Dr.	3	1986	The Lerner Company Boh Kurylo	164,017	17,363	10.59%	\$6.00	\$11.00	Baker's, ShopKo
Bag 'n Save SEC 51st & Harrison St.	4	1966	Bag 'n Save	44,490	-	0.00%	N/A	N/A	Bag 'n Save
Brentwood Crossing NEC 84th & Brentwood Dr.	3	1993	TKG Management, Inc. Jim Alabach	238,484	135,648	56.88%	\$13.00	\$15.00	Hobby Lobby
Brentwood Plaza NWC 84th & Brentwood Dr.	5	1980	Lund Company Eric Renner	17,317	4,939	28.52%	\$7.50	\$9.00	Just Hair
Brentwood Square NWC 84th & Giles Rd.	3	1980	First Management Inc. Randall Wieseler	224,187	5,250	2.34%	\$11.00	N/A	Baker's, Gordmans, Office Depot, Dollar Tree
Brentwood Village NEC 84th & Giles Rd.	4	1997	Grubb & Ellis/Pacific Realty Cindi Cisar/Michael Miller	40,705	6,805	16.72%	\$14.00	N/A	Boston Pizza, Beauty First
Cornhusker Centre SEC 21st & Cornhusker Rd.	3	2000	Dial Realty Corp Rick North	175,180	-	0.00%	\$15.00	\$16.00	Famous Dave's, Sylvan Learning Center
Cornhusker Plaza NEC 25th & Cornhusker Rd.	4	1988	West 25th Plaza Inc. Ed Gilbert	34,913	5,000	14.32%	\$10.00	N/A	Subway
The Shops at Daniell Crossing NEC 36th & Hwy. 370	4	2002	The Real Estate Brokerage Co., Investors Realty- Mark Lamb/John Heine	51,300	15,116	29.47%	\$14.00	\$14.50	Vidlak's Family Café
Emporium Plaza NEC Galvin Rd. & JF Kennedy Dr.	5	1975	Clatterbuck Development Charlie Clatterbuck	17,960	-	0.00%	\$7.75	\$9.75	Jammer's Pub, Beneficial Financial
Freeman Plaza SEC Galvin Rd. & Harvell Dr.	4	1973	Freeman Co. Jeannette Zeleny	42,000	2,924	6.96%	\$9.00	N/A	Westlake Ace Hardware, Wells Fargo Bank
Harrison Square SWC 39th & Harrison St.	5	1958	Grubb & Ellis/Pacific Realty Terry Root	26,500	-	0.00%	\$8.50	N/A	Bellevue Keno Casino
Harrison Square SEC 36th & Harrison St.	4	1972	Lund Company Kurt Weeder	76,015	17,040	22.42%	\$6.00	\$9.00	Dollar General, Walgreens
Hickory Hills Plaza WSWC 72nd & Giles Rd.	5	2004	The Lerner Company Boh Kurylo	24,484	-	0.00%	N/A	N/A	Fareway Foods
Home Depot SWC 6th & Washington St.	4	2002	Home Depot	97,649	-	0.00%	N/A	N/A	Home Depot
La Vista Crossing NWC 72nd & Giles Rd.	5	2005	Magnum Realty Dan Fishburn	16,100	5,250	32.61%	\$20.00	N/A	UPS Store
LaVista Pointe 126th & I-80	3	2007	CB Richard Ellis/Mega Nancy Johnson	128,000	-	0.00%	\$25.00	N/A	Cabela's
Market Pointe SEC 72nd & Giles	2	2006	RH Johnson Co. Chuck Zoog	452,500	6,000	1.33%	\$28.00	N/A	Wal-Mart Supercenter, Lowe's, Kohl's
No Frills Supermarket SWC 84th & Giles Rd.	4	1980	CB Richard Ellis/Mega Gerald Daly/Dennis Hoth	87,571	1,257	1.44%	\$12.00	N/A	No Frills Supermarket
No Frills Plaza NEC Wilshire Ln. & Hwy. 370	3	1972	Grubb & Ellis/Pacific Realty Sue Hronek/Ben Meier	146,178	19,834	13.57%	\$6.50	N/A	No Frills Supermarket
One Val Verde Place SWC 96th & Giles Rd.	4	1999	Clatterbuck Development Brent Clatterbuck	48,850	10,880	22.27%	\$12.00	\$15.00	J.B.'s Salon & Day Spa
Papio Pointe 741 Pinnacle Dr.	5	2004	Grubb & Ellis/Pacific Realty Zane Varvel	23,650	17,071	72.18%	\$13.50	N/A	Scooters
Place 72 72nd & Harrison St.	5	1986	Lund Company Eric Renner	27,550	4,700	17.06%	\$12.50	N/A	State Farm Insurance, Harrison Street Animal Hospital
Southroads Mall SEC Fort Crook & Childs Rd.	3	1984	Gordman Properties Deborah Smith	167,000	100,000	59.88%	\$6.00	N/A	No Frills Supermarket
Star Park NEC 36th & Chandler Rd.	5	2004	Coldwell Banker World Group Nancy Klauschie	19,500	9,343	47.91%	\$7.00	\$10.00	Cash Advance
Super Target NWC Washington & Hogan Dr.	3	1996	Target Stores	200,793	-	0.00%	N/A	N/A	Super Target
Tara Plaza NEC Washington St. & Hogan Dr.	4	1968/1987	Hogan Real Estate Company Michael J. Hogan	95,312	2,400	2.52%	\$9.95	N/A	24 Hour Fitness, Tuesday Morning, Dollar General
Twin Creek (Bld 1,2,4,6, & 7) NWC 36th & Hwy. 370	4	1998-2003	CB Richard Ellis/Mega Dean Hokanson Sr./Dennis Hoth	41,706	6,100	14.63%	\$13.00	\$14.50	Target, Baker's
Walgreens SWC Galvin Rd. & Hwy. 370	5	1995	Walgreen Co.	16,528	-	0.00%	N/A	N/A	Walgreens
Wolf Creek Plaza SEC 15th & Cornhusker Rd.	2	2004	Hogan Real Estate Company Michael J. Hogan	315,613	-	0.00%	\$19.00	N/A	Michaels, Gordmans, Wal-Mart Supercenter
Sarpy Totals				3,080,364	411,232	13.35%			
Shadow Lake Towne Center SWC 72nd & Hwy. 370	1	2007	The Lerner Company & RED Development - Rick Quinlevan & Wendy Chapman	875,000			\$28.00	\$38.00	Best Buy, PetsMart, TJ Maxx, Hy-Vee, Borders, JC Penney
Shoppes on Giles SWC 114th & Giles Rd	5	2007	Property Banc Ray Trimble	26,000					
Walnut Creek Village 96th & Hwy 370	4	2007	First Management Inc. Eric Wieseler	40,000			\$15.00	N/A	LaPetite Academy
Sarpy Construction Totals				941,000					

Omaha Council Bluffs Submarket

Year End Review 2006

This submarket includes the Iowa portion of the metropolitan area located east of the Missouri River. It seems like the Bluffs has always been considered the small, quiet, blue-collar sister of Omaha, though with the continued influx of casino money, we have seen a gradual increase in housing and retail expansion.



The Lerner Company surveyed 22 retail properties totaling just under 2.7 million square feet. The vacancy rate at 12.4% represents 338,590 square feet, an increase over last year's vacancy rate of 9.8%. This vacancy is high due to the vacant Gordman's store, plus a large amount of small shop space still available at the Plaza at Mid-America Center and at Mall of the Bluffs. The Mall could be impacted even more greatly in 2008, if either JC Penney or Target or both relocate out of the mall as rumored. Rental rates have continued flat in the \$10.00 - \$12.50 per square foot range, due to the high vacancy rate. The current population of 66,339 increased by .5% and the median household income of \$45,299 increased slightly over last year.

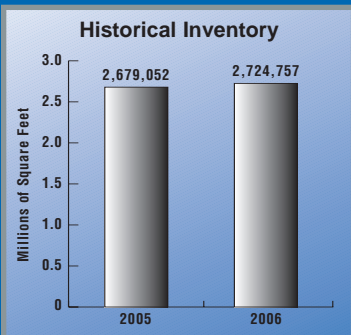
Though there has been a continued redevelopment of the West Broadway corridor where closed existing structures are being either remodeled or torn down to create new strips, the vacancy rate continues to climb due to existing space that can not be filled. The I-80 corridor is still the focus for new retail activity, with the major emphasis near the Mid-America Center. With the opening of the 120,000 square foot Bass Pro Shops and the 76,000 square foot Star Cinema last year, plus the expansion of the three casinos, we have new restaurants such as Ruby Tuesday and hotels such as Fairfield Inn line up next to the Mid-America Center.

Mall of the Bluffs, the fourth of the enclosed malls in the metro area, continues to try to improve, though with sales at \$280 per square foot it has been a struggle. With the relocation of one or two of the anchors possible, leasing has become difficult. The 804,000 square foot Manawa Power Center off of I-80 continues to enjoy great success, causing other major retailers to express interest in the submarket.

Forecast for 2007

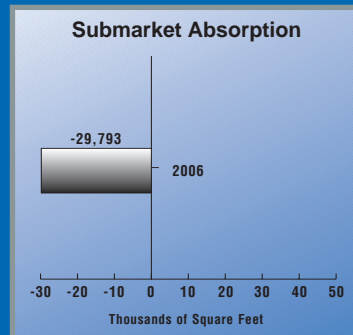
A major redevelopment project by the Seldin Co. is proposed for West Broadway between 23rd Street and 25th Street as a result of the tear down of the Omaha Standard Building. This project could result in the development of a grocery-anchored center.

The power center race from last year continues and has Metro Crossing, a proposed a 454,000 square foot center at the northwest corner of I-29 and Highway 275, in the lead with Kohl's set to open in the fall of 2007. Hobby Lobby, Office Depot, PetsMart, Famous Footwear, Bed, Bath & Beyond, and Target are proposed to open in 2008. The Marketplace Center, at the southeast corner of I-80 and 24th Street, a 365,000 square foot center, has a proposed JC Penney, Michaels, Staples and Petco so far, that hope to open in 2008. Only time will tell how each of these projects develop and the impact they will have on the entire submarket.



Council Bluffs Submarket by Size

Size	Centers	GLA	Vacant
Cat. 1	1	804,909	0
Cat. 2	1	730,000	58,400
Cat. 3	4	560,568	117,022
Cat. 4	11	547,841	156,388
Cat. 5	5	81,439	6,780



CENTER NAME & ADDRESS	SIZE	BUILT/UPDATED	LEASING CO. & AGENT	GLA	VACANCY	% VACANT	RATE 1	RATE 2	ANCHOR
2300 S. 32nd St.	4	1990	CB Richard EllisMike Nolan	40,556	40,556	100.00%	\$4.95	N/A	
3415 W. Broadway	4	1968	CB Richard EllisMega Lee Pedersen/Mark Obermeyer	47,000	17,420	37.06%	\$4.50	N/A	Family Dollar, Payless Shoes
AutoZone Plaza SEC 28th & W. Broadway	4	1955	P J Morgan Real Estate Don Boldizsar	43,677	28,412	65.05%	\$8.00	N/A	AutoZone
Bass Pro Shops 2911 27th Ave.	3	2005	Bass Pro Shops	120,000	-	0.00%	N/A	N/A	Bass Pro Shops
Bluffs Northway SWC Nash Blvd. & Hwy. 192	3	1978/2000	Gordman Properties Deborah Smith	186,418	115,422	61.92%	\$8.00	\$10.00	Dollar General, Hy-Vee
Bluffs Plaza NEC N. Broadway & Kanesville Blvd.	3	1970	TKG Management	104,640	-	0.00%	\$10.00	N/A	Supersaver, Hancock Fabrics
Broadway Plaza NWC 18th & W. Broadway	4	1991	Grubb & Ellis/Pacific Realty Bill Gilmore	35,000	-	0.00%	\$12.50	N/A	Family Dollar, Blockbuster
Mall of the Bluffs NEC Madison Ave. & Bennett Ave.	2	1986	General Growth Properties Jeff Taylor	730,000	58,400	8.00%	N/A	N/A	JC Penney, Target, Dillards, Barnes & Noble, Sears, Hy-Vee
Manawa Power Center SEC 30th Ave. & Dial Rd.	1	1995	Dial Properties Kirk Hanson	804,909	-	0.00%	N/A	N/A	OfficeMax, Home Depot, Best Buy, Toys "R" Us, Menards, Gordmans, Wal-Mart, Sam's Club
Manawa Power Center (Phase I & II)	5	2004	Coldwell Banker World Group John Luce	17,955	5,100	28.40%	\$12.50	N/A	
No Frills Supermarket NEC Vally View Ln. & Madison Ave.	4	1992	No Frills Supermarket	63,228	-	0.00%	N/A	N/A	No Frills Supermarket
No Frills Supermarket SWC 18th & W. Broadway	4	1976	No Frills Supermarket	48,836	-	0.00%	N/A	N/A	No Frills Supermarket
Ogden Place 201-295 W. Broadway	5	1977	Grubb & Ellis/Pacific Realty Karen Karm	19,675	1,680	8.54%	\$10.00	N/A	Union Pharmacy
Plaza at Mid-America Center WSWC 23rd Ave. & 24th St.	4	2004	Heartland Properties John Jerkovich	72,500	61,000	84.14%	\$14.00	\$18.00	Famous Dave's
Sherwood Plaza SEC Sherwood Dr. & Kanesville Blvd.	3	1980	Kathol Property Co. Cliff Kathol	149,510	1,600	1.07%	\$12.00	N/A	Big Kmart, Bomgaars
Shoppes of Madison Ave. SEC Madison Ave. & Rue St.	4	1978	Heartland Properties John Jerkovich	36,960	5,000	13.53%	\$10.50	\$13.50	Valentino's Pizza, Midstate Bank
Star Cinema 3220 23rd Ave.	4	2002	Star Iowa LLC	76,570	-	0.00%	N/A	N/A	Star Cinema
Sundel Plaza SWC 22nd & W. Broadway	4	1975	Sundel Co. Mina Anderson	35,000	4,000	11.43%	\$10.00	\$12.00	U.S. Cellular
Walgreens NWC 25th & W. Broadway	5	1997	Walgreen Co.	15,608	-	0.00%	N/A	N/A	Walgreens
Walgreens 535 E. Broadway	5	1997	Broadway East Properties LLC	13,833	-	0.00%	N/A	N/A	Walgreens
Walgreens 301 W. Bennet Ave.	5	2001	Starlight Motor Lodge LLC	14,368	-	0.00%	N/A	N/A	Walgreens
Westlake Hardware, Hy-Vee Drug SEC Kanesville Blvd. & 8th St.	4	1980	Hy-Vee, Inc.	48,514	-	0.00%	N/A	N/A	Westlake Ace Hardware, Hy-Vee Drug Town
Council Bluffs Totals				2,724,757	338,590	12.43%			
The Marketplace I-80/I-29 & 24th St.	2	2008	Magnum	390,000			\$20.00	N/A	JCPenney
Council Bluffs Construction Totals				390,000					
OMAHA MARKET TOTALS				25,219,894		2,711,425	10.75%		
Abbreviations used in data :			GLA - Gross Leasable Area			Rent 1 - Lowest Rental Rate			Rent 2 - Highest Rental Rate

Omaha Omaha Omaha

Retail Market Summary Year End 2006

At The Lerner Company we are dedicated to one goal - providing our clients with the best talent and resources available to satisfy their needs and achieve their goals. Our dedicated professionals have over 120 years of combined experience, either in retail or real estate.

We do not envision ourselves as Brokers. We see ourselves as Advisors, offering strategic advice and guidance, always placing our clients' needs before our own. Our team of qualified professionals is just that - a TEAM. Our team building and team approach to serving clients is not only encouraged, but also rewarded. Coming to work every day at The Lerner Company is a pleasure, not a contest.

We encourage you to take advantage of our team experience in development, financing, law, management, strategic planning, research, retailing or tenant representation. We pledge to be innovative and create value for your benefit and the benefit of our community.

We would further like to thank those of you who have built relationships with the Lerner Team over the years. We truly appreciate the trust and confidence you have bestowed upon us.



The Lerner Company

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