

Retail Market Summary Year End 2007

Omaha



The Lerner Company
BROKERAGE DEVELOPMENT MANAGEMENT



Omaha

Retail Market Summary Year End 2007

Welcome to the year-end 2007 Retail Market Summary prepared by The Lerner Company. During last year's Summary, we alluded to the increasing vacancy in the Omaha retail market to levels not seen for many years. Despite the relatively strong consumer economy through most of 2007, and the overall market absorption of just over 1.2 million square feet of space, vacancy continues at historically significant levels, as documented in this year's Summary. The Lerner Company surveyed a total of 266 retail properties containing over 26.6 million square feet of retail space and determined that the current vacancy rate is 10.8%, representing 2.9 million square feet. As the economy appears headed for a rough patch, we expect the vacancy rate to increase by a large measure in 2008 to levels not seen in Omaha for a generation or more.

This Summary takes into account two types of properties, (1) multi-tenant shopping centers in excess of 15,000 square feet, and (2) larger freestanding stores operated by the major chain store retailers serving the Omaha market. There are numerous retail properties in the market smaller than 15,000 square feet. We would conservatively estimate there to be 1.7 million square feet collectively in these unsurveyed properties. Many contain vacancy and they should not be ignored when evaluating our retail market. In keeping with past practice, our survey results have been segregated into seven geographic submarkets and five size categories within each submarket.

During 2007, we witnessed a continuation of the recent pattern of the development of new shopping center space far in excess of the growth in the local population base. It is worth noting that 3.1 million square feet of retail space was added to the market during 2006-2007 alone, more than 13% growth over the total space existing at the end of 2005. Most of the new space has been due to the development of very large retail projects on the perimeter of the market, as exhibited by the opening in 2007 of Shadow Lake Towne Center in Sarpy County, an 875,000 square foot regional center with a dozen anchor tenants. During 2008 – 2009, we expect the development of large multi-tenant centers to continue with 6 new projects adding a minimum of 1.6 million square feet. However, it is noteworthy that virtually no large new projects have been announced for initial delivery in 2010.

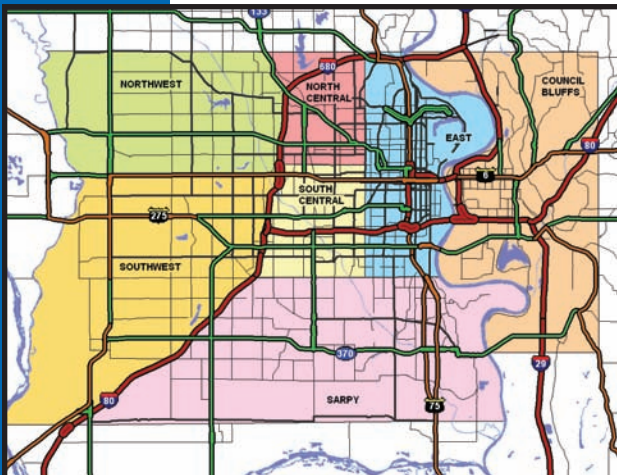
The anchor tenants have largely been determined for the new shopping centers planned for 2008 – 2009. Two large new power centers are under construction in Council Bluffs. Metro Crossing, a Kimco development at the intersection of I-29 & Hwy 92/275 will accommodate 500,000 square feet and will be anchored by Target, Bed Bath & Beyond, Kohl's, Hobby Lobby & PetSmart. Magnum Development Corp. is developing 24th Street Marketplace at 24th & I-80 and early commitments have been secured from JC Penney, Shopko and Petco. Cormac Company is well under way with construction of L Street Marketplace at 120th & L. The announced anchors include SuperTarget, Best Buy, The Sports Authority, Michael's, Office Max, Books-A-Million and Ulta. Ryan Companies and Torczon Development will continue the expansion of their respective portions of Whispering Ridge at 168th & West Maple Road where we expect The Sports Authority, PetSmart, Hobby Lobby and Staples to join the recently opened SuperTarget.

Two new large mixed use projects with significant institutional and civic backing have garnered a great deal of publicity and excitement. Mutual of Omaha and ECI Investment Advisors have started construction of Midtown Crossing, a 1 million square foot urban redevelopment adjacent and east of Mutual's corporate headquarters. Midtown Crossing will consist of 565 residential units and 225,000 square feet of retail space to be completed in a single phase by the fall of 2009. The retail component will include a 31,000 square foot Prairie Life health club and a 1,000 seat 5-screen Douglas Theater. A second mixed use project, the 70-acre Aksarben Village, will be located on the south half of the land which was formerly Aksarben Racetrack & Coliseum. The master plan for Aksarben Village calls for 750,000 square feet of office, 500 residential units and 250,000 square feet of retail space. The majority of the retail space at Aksarben Village is expected to be operational by the end of 2009. Anchor announcements are pending, but a multi-screen theater and executive fitness center are known to be part of the mix.

Wal-Mart is under construction with their 8th metro area Supercenter at 72nd & Hickory in Omaha. However, in keeping with their publicly announced plan to curtail new store openings in the U.S., they have delayed development of a site previously acquired in Gretna and walked away from two additional metro area sites that were in the early planning stage. Following the October opening at Whispering Ridge, Target now is operating four Super Target's with additional superstores under development at 126th & L in Omaha and at Metro Crossing in Council Bluffs. By the end of 2009, Target will be operating a total of nine Metro Omaha stores (six super and three without the grocery component). We have been somewhat surprised by the slow pace of consolidation in the traditional supermarket business as Target and

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Wal-Mart are obviously gaining a considerable footprint. While only one traditional supermarket closed during 2007, we expect at least several closings during 2008. At this point, Hy-Vee is the only traditional operator that has demonstrated the ability to thrive in the current competitive environment.

As is the case throughout much of the country, the restaurant market is under duress in Metro Omaha, with many chains experiencing negative store for store sales growth during 2007. We are aware of a large number of well known restaurants, while still in operation, that are quietly being marketed by either the owner or the respective landlord. If the economy does actually slide into recession during the coming year, conditions could be ripe for a much needed correction, especially in the fast casual and casual dining segments. Despite the challenging environment, both Sullivan's Steakhouse and Bonefish entered the Omaha market for the first time.

On the surface of the small shop market, very little appears to have changed during the past year in terms of vacancy or prevailing rates. However, the demand for small shop space is very low and qualified prospects are quietly receiving generous incentives either in free rent or cash allowances as Landlord's stretch to complete every potential transaction. While new construction of small shops has

slowed (especially the unanchored variety), face value rents for new and redeveloped projects generally remain between \$15 - \$25 per square foot and older anchored centers still garner \$9 - \$13 per square foot east of 72nd Street and \$11 - \$18 west of 72nd Street. As the demand for space has slowed, prudent Landlord's are concentrating very hard on renewing the leases of existing tenants.

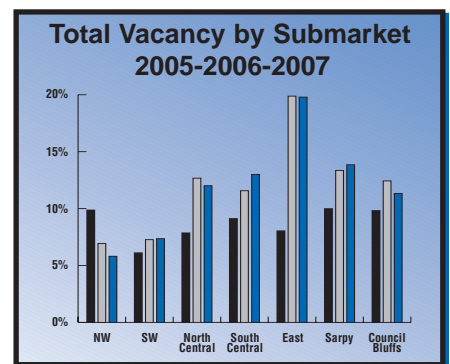
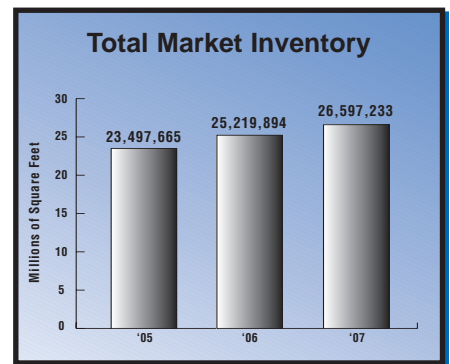
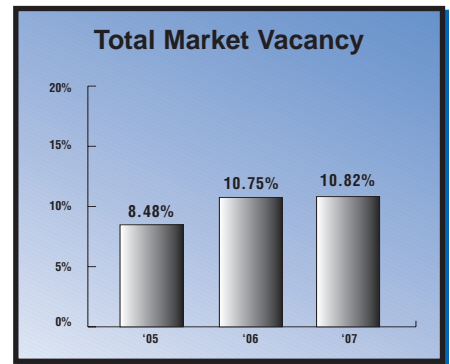
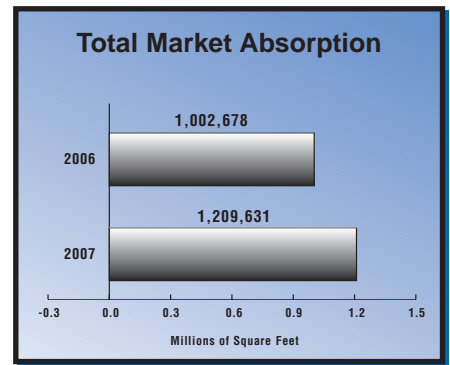
In the enclosed mall segment of the market, both Westroads and Oakview continue to thrive while Crossroads and Mall of the Bluffs

face very serious challenges. In the case of Crossroads, the interior of the mall is no longer a viable choice for serious merchants. While the limited land area and multiple ownership complicate any redevelopment strategy, redevelopment is likely to happen sooner than later at this significant geographic location. As mentioned above, General Growth is working hard to replace Target and JC Penney, which both have announced plans to relocate from Mall of the Bluffs. Given the prevalence of co-tenancy clauses in today's leasing environment, General Growth must move quickly to prevent the loss of other key tenants, especially Barnes & Noble.

While many had predicted a challenging future for Menards when Home Depot and Lowe's first entered the market, quite the opposite has turned out to be the case. Menard's has continued to add new and even larger stores as evidenced by the 2007 opening at 204th and West Dodge Road and the planned opening for 2008 at 72nd and L. Given the declining traffic at their stores, Home Depot and Lowe's may be forced to consider closing a store or two.

One very positive bit of news is that CVS is preparing to enter the market to challenge Walgreens' stranglehold on the drugstore segment. While CVS has not made a formal announcement, it is well known that a CVS developer is working to assemble future store locations on their behalf. Meanwhile, Walgreens continues to expand very aggressively.

In summary, retail conditions are increasingly difficult in the Omaha market. After an extended period, during which the addition of retail space has been outstripping the growth in the population base, the current cycle is nearing an end. While a substantial amount of new space will be added to the market during 2008 and 2009, we foresee a precipitous decline in new construction beginning in 2010. With vacancy rates currently hovering around 11% and many retailers already stressed, the Omaha market is particularly vulnerable if the consumer economy contracts in 2008, as many economists are predicting.



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.

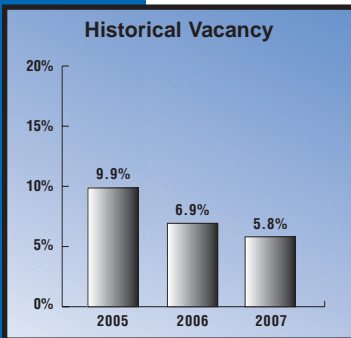
You will be able to see how each of these categories is performing within their respective submarkets.

YEAR END REVIEW 2007

This submarket includes an area bounded by the Washington/Douglas County line on the north, West Dodge Road on the south, Interstate 680 and Hwy 133 on the east and the Platte River on the west. The prevalence of household formation and high income in this submarket continues to attract additional big box, junior box and specialty store retailers.

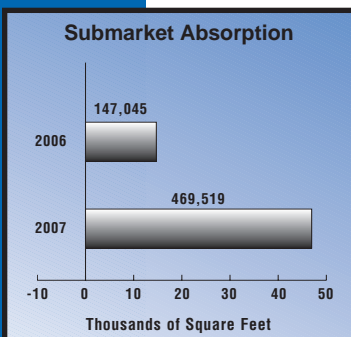
The Lerner Company surveyed 41 retail properties within the Northwest Submarket totaling in excess of 4.1 million square feet. The vacancy rate of 5.8% percent represents 243,015 square feet and compares very favorably to the prior year rate of 6.9%. However, the decrease in the overall vacancy was influenced heavily by the addition of 570,764 square feet of new and fully occupied

big box space during the past year. Without the influence of these additions, the vacancy decreased slightly in the balance of the submarket from 6.9% to 6.7%. When all was said and done, the Northwest submarket managed to absorb a staggering total of nearly 470,000 square feet. The prevailing rate for small shops continues to generally range from \$15 - \$22 per square foot. Demographics are considered very attractive with a strong annual growth rate of 4.0% per year and the median household income of \$76,545 is well above the Omaha market average of \$61,005.



Northwest Submarket by Size

Size	Centers	GLA	Vacant
Cat. 1	0	0	0
Cat. 2	3	1,256,659	43,883
Cat. 3	12	1,924,560	83,188
Cat. 4	14	743,809	76,002
Cat. 5	12	256,128	39,942



The new retail node at 168th & West Maple Road continued to grow stronger with the recent addition of a 174,000 square foot Super Target at Whispering Ridge. Menard's further solidified their local dominance over Lowe's and Home Depot with the opening of a new 240,000 square foot superstore at 204th & West Dodge Road.

FORECAST FOR 2008

Thankfully, there has been some abatement in the recent pace of development of unanchored small shops in the submarket, although several of such are under construction between 160th & 168th and West Maple Road. Due to the general softness in the small shop market, we expect relatively large improvement allowances will be necessary to get these new shops leased on a timely basis.

Sports Authority and Hobby Lobby have committed to 2008 openings at Whispering Ridge and we expect additional junior box announcements for more new stores at the 168th & West Maple Road intersection during the coming year.

Village Pointe, RED Development's lifestyle center at 168th & West Dodge will continue to mature and upscale during the coming year with the addition of Sephora and specialty foods retailer Harry & David. We are also aware of a pending commitment from Barnes & Noble to take the prominent position vacated by Wild Oats.

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 Mark Covert	31,142	0	0.00%	\$8.95	N/A	Mid City Bank
711 N. 120th NEC 120th & Webster St	5	1989	NAI/NP Dodge Chad Hansen/Ryan Nelson	21,795	3,602	16.53%	\$15.00	N/A	Jensen Tire & Auto
American Interstate Plaza SWC 156th & Maple Rd	3	2005	Lockwood Development Emily Thompson/Bob Begley	128,461	6,000	4.67%	\$20.00	N/A	Hy-Vee
Blondo 120 SWC 120th & Blondo St	4	1980	Coldwell Banker World Group Bob Pollard	34,934	2,320	6.64%	\$13.50	\$14.00	Phoenix Food & Spirit
Candlewood Centre NWC 120th & Franklin St	4	1985	CB Richard Ellis I MEGA Tracy Earnest	33,000	2,500	7.58%	\$13.75	N/A	Bank of Bennington
Costco 124th & West Dodge Rd	3	2007	Noddle Development Co. Bob Slechta	156,764	0	0.00%	N/A	N/A	Costco
Cross County NEC 132nd & Maple Rd	3	1994	Marathon Realty Cindy Makinster	216,261	0	0.00%	N/A	N/A	Super Target, Walgreens
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 NWC 132nd & Maple Rd	2	1993	The Lerner Company Erin Pogge/Rick Quinlevan	349,634	10,826	3.10%	\$16.50	N/A	Baker's, Kmart, Office Depot, Kohl's, Petco
Eagle Run Plaza SEC 132nd & Maple Rd	4	1996	Bear Properties Michael Doria	35,000	2,666	7.62%	\$15.00	N/A	Borders
Eagle Run Square SEC 129th & Maple Rd	4	1997	Grubb & Ellis/Pacific Re Bill Balak/Cindi Cisar	40,290	7,426	18.43%	\$14.75	N/A	Summer Kitchen Café
Elkridge Plaza 20303 W Blondo Rd	5	2006	Grubb & Ellis/Pacific Re Cindi Cisar/Kristina McCallum	20,354	20,354	100.00%	\$10.00	N/A	New York Burrito
Grayhawk Pointe NWC 144th & Eagle Run Dr	4	2001	Bear Properties Terry Hogan	70,000	3,393	4.85%	\$15.00	N/A	Bike Rack, Blue Sushi Sake & Grill
Greenfield Plaza SWC 156th & W. Dodge Rd	4	2000	CB Richard Ellis I MEGA Nancy K Johnson	49,000	2,350	4.80%	\$13.50	N/A	Subway
Hacienda Heights SWC 108th & Maple Rd	5	1982	Lund Company Tom Webster/Adam Marek	22,500	4,700	20.89%	\$10.00	N/A	Goodwill
Hillrise Shopping Center SEC 204 & Douglas St	4	1977	CB Richard Ellis I MEGA Scott Moore/Tracy Earnest	30,165	12,000	39.78%	\$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/Dennis Thaemert	137,252	3,000	2.19%	\$18.00	N/A	Home Depot
Linden Market NEC 132nd & W Dodge Rd	3	1989	The Lerner Company Boh Kurylo/Dennis Thaemert	115,836	9,311	.04%	\$12.00	\$15.00	Hy-Vee
Maple 108 SEC 108th & Maple Rd	3	1984	Grubb & Ellis/Pacific Re Sue Hronek	105,325	1,050	1.00%	\$14.50	N/A	Bag 'n Save
Maple Heights NWC 108th & Maple Rd	5	1960	Investors Realty Jerry Huber / John Dickerson	28,125	1,975	7.02%	\$12.00	\$14.00	O'Reilly's
Menards Plaza NWC 204th & W Dodge Rd	3	2007	Menards	240,000	0	0.00%	N/A	N/A	Menards
Miracle Hills Park NNWC 114th & W Dodge Rd	3	1988	Perkins Properties Erin Pogge/Rick Quinlevan	39,000	8,481	13.30%	\$13.00	\$14.00	Bag 'n Save
Miracle Hills Square NNEC 114th & W Dodge Rd	4	979	Coldwell Banker World Gr John Luce/Nancy Klauschie	87,200	3,650	4.19%	\$11.00	\$14.50	Clancy's, Wells Fargo, Jack & Mary's
North Park Commons (Bldgs A, C, D, E) NEC 120th & Blondo St	4	1986	Investors Realty Brian Farrell/ Brian Kuehl	65,496	9,564	4.60%	\$14.50	\$16.50	Coldstone Creamery, PepperJax Grill, Qdoba
Old Mill Centre NWC 108th & W. Dodge Rd	4	1974	CB Richard Ellis I MEGA Lee Pedersen/Dean Hokanson Sr	69,750	1,000	1.43%	\$15.00	N/A	New York Burrito
Pepperwood Village NEC 156th & W Dodge Rd	3	2000	The Lerner Company Erin Pogge/Rick Quinlevan	125,746	9,346	7.43%	\$16.50	\$17.50	Baker's

(Continued)

Omaha



CENTER NAME & ADDRESS	SIZE	BUILT/UPDATED	LEASING CO. & AGENT	GLA	VACANCY	% VACANT	RATE 1	RATE 2	ANCHOR
Richland Park Plaza ENEC 120th & W. Dodge Rd	5	1976	CB Richard Ellis I MEGA Tracy Earnest/Heidi Rush	16,800	3,600	21.43%	\$11.00	N/A	Jerico's Restaurant
Stone Creek Plaza 156th & Fort	5	2004	CB Richard Ellis I MEGA Nancy K Johnson	6,050	5,711	35.58%	\$15.50	\$16.50	Childrens Dental Specialists
The Shoppes at Grayhawk SWC 144th & Maple Rd	2	2002-06	Lund Company Coldwell Banker World Group Scott Scheiderman/Adam Marek	334,743	14,057	4.20%	\$19.00	N/A	Lowe's, Michaels
Thomsen Mile NWC 168th & Maple Rd	3	2005	Coldwell Banker World Group Trenton Magid	221,991	36,000	16.22%	\$18.00	N/A	Wal-Mart Supercenter
Torrey Pines Plaza 153rd & Maple Rd	5	1998	Grubb & Ellis/Pacific Realty Cindi Cisar/Michael Mellen	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 Raynor	22,772	0	0.00%	\$13.50	N/A	Bene Pizza
Village Pointe SWC 168th & W Dodge Rd	2	2004	RED Development Wendy Chapman	572,282	19,000	3.32%	\$25.00	\$45.00	Scheels, Best Buy, Bed Bath & Beyond, DSW, 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
Village Pointe South Phase I SWC 168th & Burke St	5	2007	Quantum Real Estate Rob Luellen	25,000	0	0.00%	\$22.00	\$25.00	Wine Styles
Walgreens 10725 Fort St	5	2000	BDRE - Fort LLC	14,998	0	0.00%	N/A	N/A	Walgreens
West Maple Square NWC 156th & Maple Rd	5	1999	Investment Property Reso Dan Malone	24,464	0	0.00%	\$15.00	N/A	Bank of Bennington
West Point (Bldgs A,B, C, D) NEC 156th & Maple Rd	4	1993	Investors Realty Brian Farrell/ Brian Kuehl	98,024	29,133	29.72%	\$14.50	\$17.50	Walgreen's, Tanner's
Western Crossing NWC 120th & W Dodge Rd	3	2003	Menards	163,924	0	0.00%	N/A	N/A	Menards
Whispering Ridge - Phase I SWC 168th & West Maple Road	3	2007	The Lerner Company Rick Quinlevan/Boh Kurylo/Erin Pogge	174,000	0	0.00%	N/A	N/A	Super Target

NORTHWEST TOTALS				4,181,15	243,015	5.81%			
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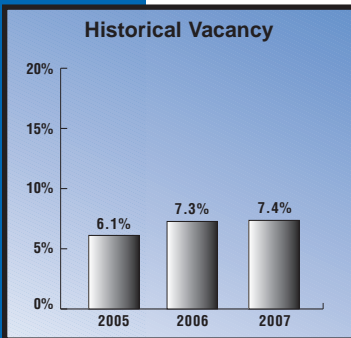
American Interstate Plaza 16016 Evans	5	2008	Lockwood Development Emily Thompson/Bob Begley	15,502			\$20.00	\$23.00	Hy-Vee
Shoppes at Elk Creek 3811-3831 N 167th Ct	5	2008	Lund Company Jason Ruegg/Kurt Weeder	20,116			\$20.00		
Standing Bear Pointe NEC 144th & Fort	4	2008	Lund Company Joel McNeil	40,547			\$16.00	N/A	TBD
Village Pointe South Phase I SWC 168th & Burke St	5	2008	Quantum Real Estate Rob Luellen	27,000			\$22.00	\$25.00	
Walgreens SEC 180th & Burke Street	5	2008	Village Development	14,924			N/A		
Whispering Ridge - Phase II SWC 168th & W Maple Rd	3	2008	The Lerner Company Rick Quinlevan/Boh Kurylo/Erin Pogge	80,800			\$15.00	\$25.00	Sports Authority

NORTHWEST CONSTRUCTION TOTALS				198,889					
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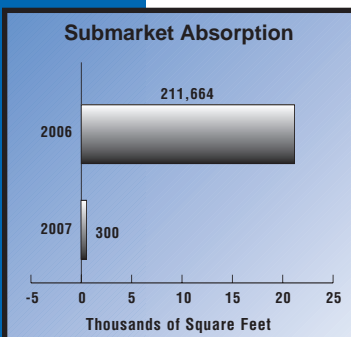
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This submarket includes an area bounded by Interstate 680 & Interstate 80 on the east, the Platte River on the west, Platteview Road extension on the south and West Dodge Road on the north. The primary retail growth has been focused on West Center Road, with some in-fill development along the Q Street & Harrison Street corridors.

The Lerner Company surveyed 59 retail properties totaling just less than 6.2 million square feet. The vacancy rate of 7.4% represents 454,939 square feet, which is a small increase from the 7.3% vacancy rate of last year and net absorption was a push with no real change. Small shop rents remained stable averaging \$13 to \$25 per square foot, although rental concessions are becoming common at both anchored and unanchored centers. The strong housing growth rate in this submarket, which has averaged 3.0% a year since 2000, has created a population of 127,000 people with the highest median household income in the Metro at \$88,401.



Size	Centers	GLA	Vacant
Cat. 1	1	859,302	65,000
Cat. 2	6	2,236,986	44,320
Cat. 3	10	1,537,568	154,839
Cat. 4	19	1,093,869	143,497
Cat. 5	23	454,019	47,283



Located at 144th & West Center, Oak View Mall, at 859,302 square feet, is the dominant regional mall in Eastern Nebraska, with mall sales increasing during the year to \$450 per square foot. The old became new on West Center Road as Montclair Plaza at 132nd & West Center was totally remodeled, as well as Harvey Oaks at 144th & West Center. Westwood Plaza, at 120th & West Center, has begun major renovations as well. While new center development was limited in this submarket during 2007, we saw the opening of a 125,000 square foot, Life Time Fitness Center at Legacy, as well as the opening of Amazing Pizza Machine, Fuddruckers, and numerous C-Stores. However, there was a continuation of restaurant closings from the previous year with Taco Bueno, Caribou Coffee, Sheridan's Custard, and Champs all shutting their doors. Sales continue to remain weak in this over stored area and we expect more retailers and restaurants to close during the coming year.

The far southwest corridors of Q Street, Harrison Street, and Gretna continue to see some small non-anchored strip center construction with lease-up improving, though only through strong rental concessions.

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"L" Street Marketplace (approximately 450,000 square feet) located at 120th & L Street will probably be the last major new retail project in this submarket during the next several years. This new development, scheduled to open in 2008, will cause quite a shift in the submarket, with Target, Sports Authority, and Michaels all relocating from 132nd & West Center. These relocations, plus the recently announced closing of Baker's Supermarket, will create 230,000 square feet of vacancy at the once dominant corner of 132nd & West Center during 2008. With the retail market considered saturated in the Southwest submarket, rental rates will start dropping as landlords scramble to fill space and retain existing tenants, making 2008 a challenging year.

Significant amounts of land have been platted for future retail development along the 204th Street corridor between Dodge and Harrison Streets, although we see little immediate demand from anchor retailers and do not expect significant retail development in this corridor until the next decade.



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	Investor Realty Brian Kuehl/ Brian Farrell	35,015	14,741	42.10%	\$14.00	\$15.50	Walgreens, Goodwill, Sherwin Williams
Armbrust Village SEC 168th & W. Center Rd	4	1998	CB Richard Ellis I MEGA Mark Obermeyer/Tracy Earnest	31,052	1,623	5.23%	\$16.00	N/A	Clancy's Pub
Bakers Square SWC 132nd & W Center Rd	3	1971	The Lerner Company Rick Quinlevan	156,852	9,804	6.25%	\$16.00	\$16.50	Petco, Steinmart
Bel Air Plaza NWC 120th & W Center Rd	3	1964	Madeline Jacobson Properties Dale Slunicko	137,000	12,000	8.76%	\$9.00	\$12.00	Nobbies, Omaha State Bank
Bel Drive Plaza NWC 120th & Arbor	5	1981	Vacanti Paul Vacanti	18,000	4,720	26.22%	\$11.00	\$12.00	Nickleby's
Big Kmart NWC 144th & Y St	4	1981	Kmart Corporation	97,863	0	0.00%	N/A	N/A	Big Kmart
Boardwalk Square SEC 120th & Pacific St	4	1975	Grubb & Ellis/Pacific Realty Bill Balak/Cindi Cisar	77,538	2,266	2.92%	\$9.50	N/A	Nancy Bounds Modeling
Cattail Creek NEC 192nd & Q St	5	2005	Investor Realty Brian Kuehl/ Brian Farrell	22,886	15,038	65.71%	\$15.50	\$16.50	Imagine & Explore Preschool
Chicago Square NEC 114th & Davenport St.	5	1983	CB Richard Ellis I MEGA	16,232	0	0.00%	\$10.00	\$16.00	Centris Federal Credit Union
Davenport Plaza NWC 114th & Davenport St	5	1976	CB Richard Ellis I MEGA Seth Campell/Heidi Rush	22,770	2,455	10.78%	\$13.00	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%	\$18.00	N/A	Green Onion, Elegant Nails, Pioneer Paint, Nebraska Dance
Davenport Square SEC 114th & Davenport St	5	1985	7 Oaks Investments Paul Waggener	22,419	0	0.00%	\$13.50	N/A	Liquid Lounge
Deerfield Place SWC 136th & Q St	3	1987	Lund Company Jason Levy/Scott Schneiderman/ Kurt Weeder	129,914	26,543	20.43%	\$12.00	N/A	Baker's
Discovery Plaza 136th & Discovery Dr	4	1991	Coldwell Banker World Group Bob Pollard/Mark Scholz	50,000	7,990	15.98%	\$7.95	N/A	
Galleria Collection SWC 146th & W Center Rd	4	1986	Lund Company Tim Lanning/ Rob Long	53,194	3,736	7.02%	\$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%	\$13.80	N/A	Stereo West
Harrison Village SWC 168th & Harrison St	4	2004	First Management Inc. Eric Wieseler	49,618	4,375	8.82%	\$12.00	\$15.00	Archie's Pizzeria, Garbo's Salons
Harvey Oaks NWC 144th & W Center Rd	3	1983	Lund Company Scott Scheiderman; Eric Renner; Rob Long	141,778	7,950	5.61%	\$12.00	\$20.00	Bag 'n Save
Hawthorne Court NEC 180th & Q St	3	2005	Coldwell Banker World Group John Luce/Nancy Klauschie	144,558	10,881	7.53%	\$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 Mark Obermeyer/Heidi Rush	356,410	11,149	3.13%	\$16.50	\$20.00	Baker's, Gordmans
Legacy Court 17520-17602 Wright St	4	2004	Lockwood Dvlpmt/Coldwell Banker Jim Vokal/Mark Scholz	37,267	11,155	29.93%	\$15.50	\$18.50	Fox and Hound, Colton's Woodfired Grill
Legacy West SEC 177th & W St	4	2004	NP Dodge Commercial Real Jeremy Fink	35,200	17,779	50.51%	\$20.00	N/A	Chipotle Mexican Grill, LePeep, HuHot, Caribou Coffee
Millard Plaza I Millard Ave & Q St	4	1978	Lund Company	91,500	3,200	3.50%	\$15.00	N/A	Amazing Pizza Machine
Millard Plaza II SEC Millard Ave & Q St	4	1983	Lund Company	73,522	2,560	3.48%	\$8.00	\$9.50	Thrift World, Pet World
Mission Village SWC 168th & Q St	5	1995	BHI Investment Co.	15,000	0	0.00%	\$14.00	N/A	Omaha State Bank, Ashley Lynn Tanning
Montclair SWC 129th & W Center Rd	2	1971	Seldin Company Deb Graeve/Dan Dutton	250,000	1,344	0.54%	\$14.00	\$25.00	Michaels, Sports Authority, Marshalls, Hancock Fabrics
Nebraska Crossing Factory Stores NEC I-80 & Hwy 6	3	991	First Management Inc. Eric Wieseler	191,500	50,000	26.11%	%	\$6.00	Factory Brand Shoes
Oak Hills Shopping Plaza 12701-59 Q St	5	1967	Lund Company	29,069	0	0.00%	\$9.00	N/A	Kohl's Pharmacy
Oakview Mall SWC 144th & W Center Rd	1	1991	General Growth Properties Ted Harris/Jennifer McDonald	859,302	65,000	7.56%	\$10.00	\$80.00	Younkers, Dillards, JC Penney, Sears
Oakview Plaza SEC 144th & Oakview Dr	3	1998	General Growth Properties Ted Harris/Jennifer McDonald	167,303	1,200	0.72%	\$14.00	\$14.50	Petsmart, Old Navy, Dick's Sporting Goods, Kohl's, Linens 'n Things,
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 Company TJ Twit	230,000	7,500	3.26%	\$13.50	\$15.50	Target, Valentino's, Julio's
Pacific Crest WSWC 120th & Pacific St	5	1976	CB Richard Ellis I MEGA Matt Ruma	22,714	6,014	26.48%	\$9.50	N/A	Creative Hair Design
Pacific West SEC 142nd & Pacific St	5	1974	NAI NP Dodge Chad Hansen	18,962	1,163	6.13%	\$12.00	N/A	Flowerama

(Continued)

SOUTHWEST SUBMARKET

Omaha



CENTER NAME & ADDRESS	SIZE	BUILT/UPDATED	LEASING CO. & AGENT	GLA	VACANCY	% VACANT	RATE 1	RATE 2	ANCHOR
Plaza II NEC 120th & Arbor	5	1981	Vacanti Paul Vacanti	24,299	2,700	11.11%	\$10.00	\$12.00	First National Title
Q Street Plaza SEC 144th & Q St	5	2005	CB Richard Ellis I MEGA Tracy Earnest	18,000	1,966	14.50%	10.92%	\$16.50	N/A
Ridgeview SWC 180th & W Center Rd	2	2004	World Group John Luce	413,190	8,969	2.17%	\$17.00	\$19.50	Wal-Mart, Lowe's
Shoppes at Lakeside 16909 Lakeside Hills Plaza	4	2004	CB Richard Ellis I MEGA Mark Obermeyer	35,495	3,090	8.71%	\$17.00	N/A	Camille's
Skylark ESEC 120th & Pacific St	5	1963	P J Morgan Real Estate Ryan Ellis	20,000	0	0.00%	\$10.00	\$11.00	Big Fred's Pizza
Sports Plaza NEC 120th & I St	4	1986	Investors Realty Brian Kuehl/ Brian Farrell	91,000	9,400	10.33%	\$12.00	\$12.00	Finnigan's, Guns Unlimited, Echo Lighting
Spring Ridge Plaza SEC 180th & Pacific St	4	2004	CB Richard Ellis I MEGA Tracy Earnest	64,373	12,044	18.71%	\$10.00	\$18.00	M. Constantino Salon
Summit Square NEC 144th & W Center Rd	5	1999	Lund Company Tim Lanning/Rob Long	29,557	1,491	5.04%	\$17.50	N/A	Old Chicago
Sunridge Shopping Center SWC 180th & Harrison St	5	2006	Investors Realty Brian Kuehl/ Brian Farrell	15,928	5,568	34.96%	\$15.00	\$16.00	Sam Mai Martial Arts, Just Like Home Daycare
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 Terry Hogan	74,000	1,600	2.16%	\$19.00	N/A	Roja Mexican Grill, Fuddrucker's Michael Doria
Tivoli 175th & W Center Rd	4	2006	Lund Company Kurt Weeder/Tim Lanning	50,000	38,745	77.49%	\$19.50	\$20.00	Runza, Beauty First
Tradition Pacific Crossing SWC 156th & Pacific St	4	2001/2006	Lund Company Scott Scheiderman	31,525	5,093	16.16%	\$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 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 NEC 171st & W Center Rd	5	2000	Village Development	15,048	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	CB Richard Ellis Dennis Hoth/Mark Obermeyer/Heidi Rush	128,084	8,961	7.00%	\$13.75	\$15.75	Bag 'n Save
Western Spring NWC 177th & W. Center Rd	2	2000	CB Richard Ellis I MEGA Tracy Earnest	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 K Johnson	21,000	0	0.00%	N/A	N/A	Metro Credit Union
Westwood Plaza SWC 120th & W Center Rd	2	1964	Seldin Company Deb Graeve/Dan Dutton	500,000	22,858	4.57%	\$15.00	\$18.00	Baker's, TJ Maxx, Office Depot, Westwood Cinema, Burlington Coat Factory
Woodhaven Center ENEC 160th & W Center Rd	5	1975	Investment Property Resources Dan Malone	27,648	1,728	6.25%	N/A	\$9.25	Don Carmelo's, Nest Lounge
SOUTHWEST TOTALS				6,181,744	454,939	7.36%			

Harrison Center 156th & Harrison St.	4	2008	CB Richard Ellis I MEGA	30,000					TBD
L Street Marketplace 120th & "L" St	2	2008	Magnum Realty	450,000			\$27.00	N/A	Super Target, Sports Authority
Phase II - The Shops of Legacy SWC 168th & W Center Rd	4	2008	Bear Properties Terry Hogan	33,000			\$18.00		
Shoppes at Standing Stone Hwy 6 & Schram Rd	5	2008	Investors Realty Brian Kuehl	14,400			\$12.00	\$13.00	
Southport Center Giles Rd & Eastport Pkwy	4	2008	Coldwell Banker World Group Ryan Callihan/Trenton Magid	43,357			\$19.00	\$22.00	TBD
Sugar Creek SEC 192nd & Harrison	4	2008	CB Richard Ellis I MEGA Tracy Earnest	33,000			\$12.50	\$15.00	TBD
Westport Village 14440 F St	5	2007	CB Richard Ellis I MEGA Steve Sheppard	18,850			\$19.50		24 Hour Fitness

SOUTHWEST CONSTRUCTION TOTALS				622,607					
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YEAR END REVIEW 2007

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. As described in last years report, the North 90th Street corridor has seen increased vacancy while tenants have migrated east to North 72nd Street between Ames and Sorensen Parkway. The west edge of the submarket near I-680 and Blair Highway has been weak, as many chain retailers consider it to be a 'tweener' location relative to their market expansion strategies.

The Lerner Company surveyed 26 retail properties totaling in excess of 2.3 million square feet. The vacancy rate of 12.0% represents 277,227 square feet, which is a slight improvement over the 12.7% vacancy in the prior year. This improvement may be attributed to a few

larger deals being completed such as Hancock Fabrics at Ames Plaza and Walgreens at 72nd & Crown Point; along with some small shop deals being completed in the 72nd Street corridor north of Ames. On the positive side, while vacancy remains relatively high, a total of 92,973 square feet was absorbed in this submarket during 2007.

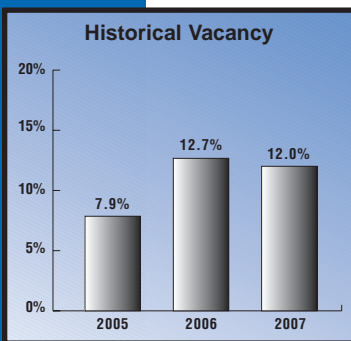
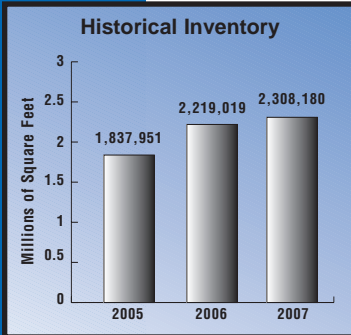
The submarket's population has been growing at a meager 1.06% per year bringing it to 59,891, with most of that growth attributed primarily to the northwest part of the submarket. The submarket is predominately blue collar to the east and aging middle class to the west. The area is unique in that the average household income of \$51,934 is actually less than median household income of \$52,562, suggesting that the upper income bracket is very narrow.

Sorensen Park Plaza, the 567,000 square foot Kimco development on North 72nd Street, has seen a few additions to the pad sites and small shops, but no additional anchors have been added. Benson Park Plaza added Hancock Fabrics to their development, moving them from the 90th & Maple corridor. Most of the new and anchored centers experienced some action within their development, while unanchored centers were the primary bearers of increased vacancy.

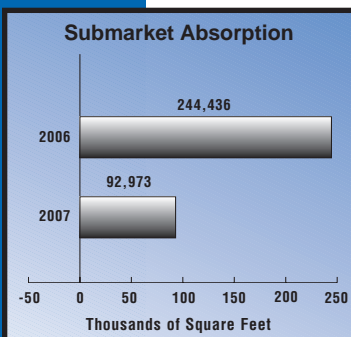
FORECAST FOR 2008

We expect that during the coming year, anchored centers will generally fare better than the unanchored strips, with a continuation of moderate rent deterioration across all center types due to the overhanging vacancy. Landlords will need to work hard to maintain existing rents on the renewal of their existing leases, while initial term concessions will be needed to get new deals done on vacant spaces. We also may experience a fall-out of existing small shop tenants in the area as local consumers begin to feel the squeeze of the deteriorating economy.

The only substantial new construction is likely to be limited to the 70,000 square foot Steve & Barry's at Benson Park Plaza. The proposed Lowe's development next to the Wal-Mart Supercenter on Blair Highway has been on-again/off-again for several years, and with a cautious consumer outlook in 2008, the development might well be postponed again.



Size	Centers	GLA	Vacant
Cat. 1	0	0	0
Cat. 2	1	566,580	34,000
Cat. 3	7	1,156,690	131,189
Cat. 4	8	389,945	73,320
Cat. 5	10	194,965	38,718



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	13,618	50.70%	\$5.00	\$5.00	
Aksarben Plaza 3021-3035 N 93rd St	5	1965	Grubb & Ellis/Pacific Realty Terry Root	17,712	1,558	8.80%	\$8.50	N/A	
Benson Park Plaza NEC 72nd & Military Ave	3	2001	Seldin Company Deb Graeve/Dan Dutton	240,000	7,983	3.33%	\$18.00	\$20.00	Baker's, Home Depot, Hancock Fabrics
Blondo Plaza 73rd & Blondo St	5	1961	Investors Realty Lee Ehlers/Clint Seemann	20,000	20,000	100.00%	\$6.50	\$7.50	
Bloomfield Plaza 90th & Blondo	5	2006	NP Dodge Chad Hansen	23,680	1,140	4.81%	\$14.50	N/A	Kwik Shop
Cactus Creek SWC 72nd & Blondo St	4	1963	Commercial Realty Dave Abboud	30,000	10,000	33.33%	\$5.00	\$8.50	Health & Human Service
Cherry Hills Village SWC I-680 & Hwy 133	4	2004	Coldwell Banker Commercial Ryan Callinan/Andrew Krieger	48,000	13,425	27.97%	\$16.50	\$19.80	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/Dennis Thaemert	134,044	10,024	7.48%	\$12.50	N/A	ShopKo, Dollar General
Gordmans NWC 90th & Military Ave	4	1989	The Lerner Company Boh Kurylo/Dennis Thaemert	77,660	0	0.00%	N/A	N/A	Gordmans
Harolds Square SEC 81st & Blondo St	3	1985	Grubb & Ellis/Pacific Realty Bill Gilmore	107,165	5,100	4.76%	\$7.00	N/A	No Frills Supermarket
Keystone Center SWC 78th & Military Ave	4	1950	Grubb & Ellis/Pacific Realty Terry Root/Candy Bruns	31,050	0	0.00%	\$6.00	\$7.00	Belvedere Club
Keystone Landing SEC 90th & Boyd	5	2001	Investors Realty JP Raynor/ Brian Farrell	23,600	2,402	10.18%	\$8.95	\$10.75	Edward Jones
Maple Village NEC 102nd & Maple Rd	4	2000	Slosburg Company TJ Twit	39,100	5,400	13.81%	\$15.00	\$16.00	Hy-Vee Wine & Spirits, Valentino's, Scooters
Maple Wood A SWC 90th & Maple Rd	3	1964	Maplewood Square LLC	120,564	0	0.00%	N/A	N/A	Bag 'n Save Plus
Maple Wood B SWC 90th & Maple Rd	5	1964	Newman Trust	28,341	0	0.00%	N/A	N/A	Westlake Ace Hardware
Plaza 90 NEC 90th & Grant	4	1980	Lund Company Jason Ruegg/Kurt Weeder	97,987	11,699	11.94%	\$3.50	\$9.00	Hobby Lobby
Plaza North NWC 90th & Fort St	3	1974	Lund Company Kurt Weeder/Jason Levy/Scott Schneiderman	195,870	25,759	13.15%	\$10.00	N/A	Baker's
Sorensen Park Plaza 72nd & Sorensen Prkwy	2	2006	Grubb & Ellis/Pacific Realty Cindi Cisar/Sue Hronek	566,580	34,000	6.00%	\$18.00	\$25.00	Target, Linens 'N Things, Marshalls, PetsMart, Great Escape Movie Theater
Starwood Shopping Center SEC I-680 & Hwy 133	3	2004	The Lerner Company Ben Meier	229,378	12,366	5.39%	\$14.00		Wal-Mart Supercenter
Village Shopping Center NWC 90th & Maple Rd	3	1980	Central Realty	129,669	69,957	53.95%	\$4.00	\$8.00	Dollar Tree
Walgreens 6101 NW Radial Hwy	5	1992	Haehner Properties Nebraska LLC	12,544	0	0.00%	N/A	N/A	Walgreens
Walgreens NEC 72nd & Crown Point	5	2007	Waltrust Properties Inc.	14,466	0	0.00%	N/A	N/A	Walgreens
Walgreens 9001 Blondo St	5	1995	S & L Investments LLC	13,388	0	0.00%	N/A	N/A	Walgreens
Walgreens 90th & Fort	5	2006	Waltrust Properties Inc.	14,374	0	0.00%	N/A	N/A	Walgreens
West Benson Plaza NWC 72nd & Grant	4	1976	PJ Morgan Ryan Ellis/Don Boldizar	34,552	1,200	3.47%	\$10.50	N/A	Ace Rent to Own

NORTH CENTRAL TOTALS				2,308,180	277,227	12.01%			
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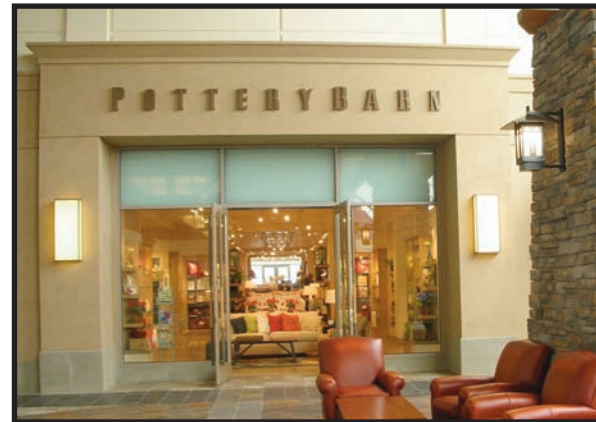
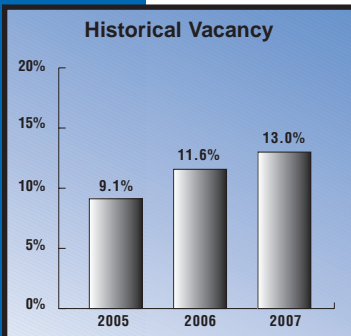
Benson Park Plaza - Phase II NEC 72nd & Military Ave	4	2008	Seldin Company Deb Graeve/Dan Dutton	70,000					Steve & Barry's
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NORTH CENTRAL CONSTRUCTION TOTALS				70,000					
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YEAR END REVIEW 2007

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 33% of the space within the submarket.

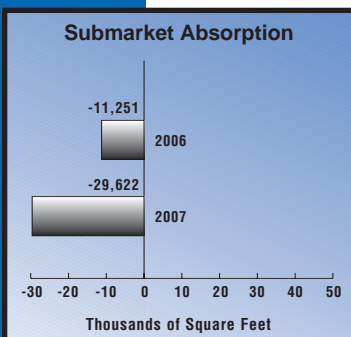
The Lerner Company surveyed 60 retail properties, totaling just under 5.8 million square feet. The vacancy rate in this submarket rose by 1.4%, nearly 1.43% over the previous year to 13% which represents 753,704 square feet, making this submarket the largest in terms of the gross amount of vacant square footage. Several big box stores continued to sit vacant during 2007, including the former Baker's Supermarket at 84th and Frederick Streets, the former Bag 'N Save at 7510 Dodge Plaza, and the Circuit City at 72nd & Rose Blumkin Drive. Other than a few notable high rent exceptions near 72nd and Dodge Streets, One Pacific Place, Regency, and Westroads Mall, small shop rents average approximately \$14.50 per square foot. The submarket population is 76,303 with projected annual growth rate of 0.3%. The household median income of \$61,888 per year is only slightly above market average. However, daytime employment of over 101,613 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. Westroads has relatively few vacant mall shops and is considered Omaha's second best performing enclosed mall in term of sales at \$390 per square foot. General Growth Properties, which owns Westroads Mall, announced that it will redevelop a portion of the large anchor space made available with the departure of Jones Store in 2003, to accommodate a 14-screen Rave Motion Pictures. The redevelopment will also permit the addition of 30,000 square feet of shop space, which will be the new home of Abercrombie & Fitch, Abercrombie Kids, Delia's, Forever 21, Limited Too and Hot Topic.

Size	Centers	GLA	Vacant
Cat. 1	2	1,973,275	265,500
Cat. 2	1	414,206	0
Cat. 3	11	1,577,355	237,085
Cat. 4	24	1,353,070	180,216
Cat. 5	22	480,199	70,903

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. Although the immediate area surrounding Crossroads Mall continues to be strong, many of the mall shops are now vacant and a number of the remaining chain store tenants are known to have low "percentage only" lease terms. We estimate that up to 29,000 square feet of the remaining open mall shops may be occupied by temporary tenants. Furthermore, Dillard's announced in December that it will be converting its Crossroads store into a Dillard's Clearance Center. It plans to consolidate all three levels onto the main floor, leaving approximately 100,000 square feet unoccupied. As mall sales continue to decline, it appears that the interior of Crossroads is irretrievably broken. The entire upper level of the north wing is 100% vacant with just two restaurants open in the food court. We can only speculate that the lower level will soon experience the same fate as GAP plans to relocate into a new store in nearby Westroads Mall. Crossroads' owner, Simon Property Group, is internally strategizing on the best use of the center moving forward. They are 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 saw a slight slowdown in 2007. The area continues to be highly desired by both large format and junior box retailers, but land is scarce and expensive. Wal-Mart began construction on its new supercenter at 72nd and

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 Cindi Cisar/Kristina McCallum	15,252	0	0.00%	\$28.00	\$33.00	Jason's Deli, EB Games
72nd Crossing SEC 72nd & Jones St	4	1989	The Lerner Company Boh Kurylo/Dennis Thaemert	96,657	0	0.00%	\$16.00	N/A	Office Depot, PetsMart
74 Dodge Plaza SEC 76th & W Dodge Rd	5	1985	The Lerner Company Ben Meier/Frank Barber	27,000	9,642	35.71%	\$23.00	\$20.00	Indigo Joe's, Moe's Southwest Grill
74 Place NEC 74th & Pacific St	5	1972	CB Richard Ellis I MEGA Matt Ruma/Brock Emery	26,400	4,500	17.05%	\$10.00	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%			Best Buy
76 Cass Court SEC 77th & Cass St	4	1975	Investors Realty Brian Kuehl/ Brian Farrell	36,206	3,460	9.56%	\$12.00	\$12.00	New York Pizzeria, Tuesday Morning
84th & F Plaza 4087 S 84th St	5	2002	CB Richard Ellis I MEGA Dale Scott/Tracy Earnest	25,650	1,600	6.24%	\$12.00	N/A	UPS Store, Hilti
Aksarben Place I & II SWC 63rd & Center	4	2007	Magnum Realty	27,515	9,500	34.53%	\$22.00	N/A	Starbucks
Applewood Centre SWC 96th & Q St	3	1989	Philips Edison & Co. Chris Corbin	101,130	7,125	7.05%	\$15.00	\$20.00	Hy-Vee
Applewood Plaza SEC 96th & Q St	5	1985	CB Richard Ellis I MEGA Seth Campbell / Gerard Daly	23,232	3,300	14.20%	\$9.50	\$12.00	Subway, Maggie McCall, China Buffet
Beverly Hills Plaza NWC 78th & W Dodge Rd	4	1955	First Management Inc. Randall Wieseler	48,843	0	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	0.00%	\$20.00	\$22.00	Beauty Brands
Borders SWC 72nd & W Dodge Rd	5	1996	Agree REIT	28,176	0	0.00%	N/A	N/A	Borders
Canfield Plaza SWC 84th & W Center Rd	3	1970	Investors Realty Brian Kuehl	185,000	32,953	17.81%	\$6.00	\$7.50	Jo Ann Fabrics & Crafts, Westlake Ace Hardware
Cedarnole Shopping Plaza 72nd & Jones	4	1971	Investors Realty John Heine / Brian Farrell	33,955	6,767	19.93%	\$8.50	N/A	Dollar General, Austad's
Circuit City Sublease NEC 72nd & Rose Blumkin Dr	4	1997	The Lerner Company Rick Quinlevan / Boh Kurylo	42,685	42,685	100.00%	\$12.00	N/A	N/A
Clocktower Village SWC 98th & Nicholas St	4	1983	Lund Company Kurt Weeder	43,816	7,854	17.92%	\$16.50	N/A	America's Best, Salon Tino
Countryside Village NEC 87th & Pacific St	4	1953	Grubb & Ellis/Pacific Realty Cindi Cisar	60,000	2,000	3.33%	\$24.50	N/A	Starbucks
Crossroads Mall* NWC 72nd & W Dodge Rd	1	1960	Simon Property Group Mark Dreflak	763,119	210,500	27.58%	\$8.00	\$50.00	Dillard's, Barnes & Noble, Old Navy, Target, *Vacancy based on Lerner estimate
Crossroads Plaza NWC 76th & W Dodge Rd	4	1984	NP Dodge Commercial Real Estate Jan Kratky	86,647	7,457	8.61%	\$14.95	\$17.50	Bag 'n Save
Empire Park NWC 108th & Q St	3	1979	Grubb & Ellis/Pacific Realty Terry Root	105,650	16,245	15.38%	\$12.50	\$16.00	Bag 'n Save
Ethan Allen 10820 Pacific St	5	1979	Georgetown Inc. John J. Moritz	26,902	0	0.00%	N/A	N/A	Ethan Allen
Exec West Retail SWC 96th & L St	4	1989	Wiesman Development Mark Wiesman	20,000	4,000	20.00%	\$9.50	N/A	UMB Bank, Concentra Fast Signs
Frederick Plaza 8505 Frederick St	5	1976	Coldwell Banker World Group John Luce/Trenton Magid	22,556	4,560	20.22%	\$11.50	N/A	Vic's Corn Popper, Wild Bird Junction
Frederick Square SEC 84th & Frederick	3	1973	Coldwell Banker World Group Mark Scholz/Trenton Magid	189,988	63,640	33.50%	\$7.00	\$11.00	ShopKo
Galleria Plaza SWC 108th & O St	4	1984	Grubb & Ellis/Pacific Realty Terry Root	31,224	6,100	19.54%	\$12.00	N/A	Valentino's Pizza
Heritage Plaza NEC 76th & W Dodge Rd	3	1982	Grubb & Ellis/Pacific Realty Cindi Cisar/Pam Beardslee	103,275	20,066	19.43%	\$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, Bridal Traditions
Hy-Vee SWC 90th & W Center Rd	4	1999	Hy-Vee, Inc.	72,218	0	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	0.00%	N/A	N/A	Kohl's
Kush's Plaza 72nd & L St	3	1961/2001	Coldwell Banker World Group John Luce	188,000	65,000	34.57%	\$2.75	\$8.50	
Loveland Center NEC 90th & W Center Rd	4	1962	Slosburg Company TJ Twit	50,000	17,406	34.81%	\$12.00	\$13.00	Kelly's Carpet Omaha
Lowe's SEC 76th & W Dodge Rd	3	2001	Lowe's Home Center	138,789	0	0.00%	N/A	N/A	Lowe's
Main Street Plaza 5405 S 72nd St	5	2006	NAI NP Dodge Chad Hansen / Jeremy Fink	24,588	14,685	59.72%	\$15.50	N/A	Route 66, Winners Lounge

(Continued)

Hickory and is on track for a spring 2008 opening. 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 will join Best Buy following the completion of a remodel in 2008, leaving just 10,000 square feet unoccupied.

The recently renovated One Pacific Place continues to compete for lifestyle tenants and shoppers with Regency Court, Westroads Mall, and Village Pointe. Abercrombie plans to relocate from One Pacific Place to Westroads in early 2008 due to their reaffirmed preference for the enclosed mall format. It will be an interesting test of One Pacific Place's remaining clout to see how successful they are in remerchandising the high profile 8,000 square foot Abercrombie space.

Whole Foods acquired Wild Oats Market Place in 2007. As suspected, Wild Oats at 78th and Dodge Streets closed to give a boost to the much larger and underperforming Whole Foods at Regency Parkway and West Dodge Road.

FORECAST FOR 2008

The year 2008 should 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. The project will include more than 350 apartments, 89 row houses, 134-room Marriott Courtyard hotel, a five-acre park, 750,000 square feet of office, and 250,000 square feet of retail space. Aksarben Village will be built out in phases over the next six to eight years, although the majority of the retail space should be operational by 2010.



Magnum Development Corp has unveiled their vision for the retail entertainment component of Aksarben Village known as Zone 5, or "The V". It is expected to serve as the community drawing power for the urban project, appealing to families during the day with more adult-oriented activities after 9:00 PM. On the upper level of The V, will be a state of the art 12-screen all-digital movie theater, which will also serve as a professional meeting place for teleconferences and presentations earlier in the day. The Noddle Companies will initially concentrate their efforts on Zone 3. Wohlner's Grocery and Paradise Bakery will anchor the retail portion of Zone 3, which lines the east side of 67th Street. Security National Bank will open a retail banking location at the corner of 64th

and Center. The remaining tenant mix throughout Zone 3 will include additional restaurants and soft goods retailers with an initial opening planned for late summer of 2008.

A second mixed-use project within the South Central submarket is planned by local developer BKS for the north-east corner of 80th and Dodge Streets. The first phase of 80 Dodge calls for 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 is expected to be substantially remodeled with complementary materials to give the two adjacent projects a seamless look.

Despite the large amount of existing vacancy, we have determined that more than 430,000 square feet of new retail space will be under construction within this submarket during the coming year. While we expect some of the big box vacancy will be filled over the next year, it seems inevitable that the vacancy rate for small shop space 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
Mid City Plaza NEC 84th & G St	5	1986	NP Dodge Commercial Real Estate Jack Degan	16,240	0	0.00%	\$9.00		Signs by Tomorrow
Nebraska Furniture Mart NWC 72nd & Rose Blumkin Dr	2	1965	Nebraska Furniture Mart Mega Mart	414,206	0	0.00%	N/A	N/A	Nebraska Furniture Mart, Mrs. B's,
Oak Plaza NEC 84th & Spring Plaza	4	1977		42,000	5,400	12.86%	\$10.00	N/A	Goodwill, Hector's
One Pacific Place SWC 103th & Pacific St	4	1987	CB Richard Ellis MEGA Nancy K Johnson	92,000	17,987	19.55%	\$35.00	N/A	Banana Republic, Chico's, California Pizza Kitchen
Pacific Village SEC 78th & Pacific St	5	1966	Marcon Enterprises LLC Bernie Conway	27,000	1,500	5.56%	\$14.00	N/A	Vincenzo's Ristorante
Peel's Park Drive 8430 Park Drive	4	1970	Seldin Craig Forman	97,000	1,600	1.65%	\$22.00	N/A	Dollar General
Peony Park NWC 78th & Cass St	4	1996	Dial Properties Matt McCombs	83,816	0	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	0.00%	N/A	N/A	Petco, Fedex Kinko's
Place 72 NWC 72nd & Harrison	5	1986	Lund Company Eric Renner	27,550	3,000	10.89%	\$11.50	N/A	2010 Café
Place 96 SEC 96th & L St	5	1974	Lund Company	24,231	0	0.00%	\$10.50	N/A	Wells Fargo Bank
Plaza 72 NWC 72nd & Jones St	5	1979	Lund Company	15,232	1,320	8.67%	\$16.00	N/A	H&R Block, Trek
Regency Court Regency Pkwy & Regency Cir	3	1974	RED Development/Lund Co. Wendy Chapman/John Lund	171,552	11,800	6.88%	\$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	8,200	4.38%	\$13.75	\$15.75	Great Harvest Bread, Pasta Amore, Body Basics
Roxbury Plaza NWC 108th & Q St	4	1977	Investors Realty John Dickerson	36,008	0	0.00%	\$8.50	\$8.50	Club Roxbury
Shaker Place NEC 107th & Pacific St	4	1970	Investors Realty John Dickerson	36,035	3,000	8.33%	\$16.00	\$16.00	Naughty's Lounge
Shoppes at Aksarben Village SEC 72nd & Pacific St	4	2005	Grubb & Ellis/Pacific Realty Sue Hronek	58,000	0	0.00%	\$25.00	N/A	Bed Bath & Beyond
Spirit World Building SWC 75th & Pacific St	5	1986	The Lerner Company Ben Meier/Frank Barber	26,000	5,620	21.62%	\$16.00	N/A	Spirit World, Godfather's Pizza
Tower Plaza NEC 78th & W Dodge Rd	3	1998	First Management Inc. Eric Wieseler	102,823	12,056	11.73%	\$14.50	N/A	Comp USA
Walgreens 9001 W Center Rd	5	1998	Center 90 LLC	13,698	0	0.00%	N/A	N/A	Walgreens
Walgreens 8989 W Dodge Rd	5	2002	Village Development	14,462	0	0.00%	N/A	N/A	Walgreens
Walgreens SWC 72nd & Cass St	5	2000	Walgreen Co.	15,048	0	0.00%	N/A	N/A	Walgreens
Walgreens 8380 Harrison St	5	1999	Walgreen Co.	12,808	0	0.00%	N/A	N/A	Walgreens
Westgate Plaza NEC 84th & Grover	3	1960	Roger's Construction Walt Slobotski	104,000	0	0.00%	\$8.50	\$12.00	Mangelsen's/Farmhouse, Hancock Fabrics
Westroads Mall NEC 102nd & W Dodge Rd	1	1968	General Growth Properties Jim Sadler/Suzanne Crane	1,210,156	55,000	4.54%	\$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	0.00%	N/A	N/A	Whole Foods Market
Wild Oats Marketplace Sub-lease SWC 78th & W Dodge Rd	5	2000	Lund Company Jason Ruegg/Scott Schneiderman	20,171	20,171	100.00%	\$20.00	N/A	

SOUTH CENTRAL TOTALS

5,798,105 755,704 13.00%

Aksarben Village NWC 63rd & Center	3	2008	Magnum Realty Joe Kutelik	170,000			\$22.00	\$25.00	TBD
Aksarben Village NWC 63rd & Center	4	2008	Grubb & Ellis/Pacific Realty Kyle Peterson/Barry Zoob/Eric Wagner	65,000			\$24.00	N/A	
Wal-Mart Supercenter 72nd & Hickory	3	2008	Wal-Mart Stores, Inc.	176,000					Wal-Mart Supercenter
80 Dodge 225 N 80th St	5	2008	Cornerstone Commercial Real Estate Mike Kucera	19,500			\$25.00	N/A	

SOUTH CENTRAL CONSTRUCTION TOTALS

430,500

YEAR END REVIEW 2007

The East 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 north downtown (NODO) portion of the market has seen a significant amount of commercial development during the past year, especially in the hotel segment. However, new retail development has been limited and will largely remain so until residential densities increase significantly in the immediate downtown area. That being said, Saddle Creek Records opened a major entertainment venue and Urban Outfitters opened next door in a joint effort to forge a new retail frontier in the NODO area.

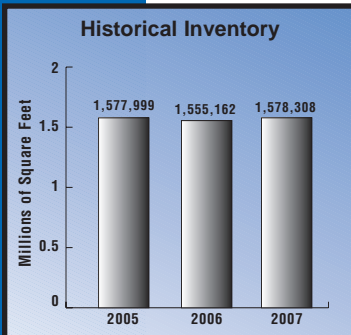
The Lerner Company surveyed 27 retail properties totaling just under 1.6 million square feet of gross leaseable space. The current vacancy rate of 19.8% has not changed significantly during the past year and represents 312,289 square feet. While new leasing activity was sparse, there was very little turnover with existing tenants and the submarket managed to absorb 19,979 square feet of space. While the submarket total population of 162,000 is substantial, and densities just to the west and south of downtown are particularly high, many of the submarket's neighborhoods have below average incomes as illustrated by the very low median household income for the submarket of \$36,578.

Due to the maturity of the area, the limited amount of new retail development and the inventory of available space being predominantly second generation, the prevailing rental rates tend to be quite moderate.

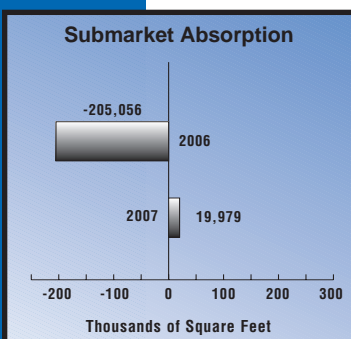
With very little new retail development being undertaken in this submarket, the obvious exception is Mutual of Omaha's Midtown Crossing, which is scheduled for a Fall 2009 opening. The Midtown Crossing project is a \$300 million, 1 million square foot mixed-use urban development that will be comprised of approximately 225,000 square feet of retail space, 600 residential units, all served with approximately 3,000 parking stalls. Anchor tenants that have been announced include a 31,000 square foot Prairie Life fitness center and a 1,000 seat 5-screen Douglass Theater.

FORECAST FOR 2008

There will be pockets of minor retail activity associated with existing properties in the East submarket. Much of the activity will be a result of speculative acquisition of space, properties and land based upon initiatives under way to redevelop or make over the Saddle Creek, Midtown, Florence, South Omaha and the NODO areas with economic stimulus proposals such as the recently announced \$140 million baseball stadium near the Qwest Center & Arena. As these redevelopment projects go from drawing board to reality, look for an infusion of both public and private money to fuel retail development in 2008 and beyond.



Size	Centers	GLA	Vacant
Cat. 1	0	0	0
Cat. 2	0	0	0
Cat. 3	7	883,262	225,251
Cat. 4	9	542,692	82,522
Cat. 5	11	152,354	4,516



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	The Lund Company Scott Schneiderman	32,654	0	0.00%	N/A	N/A	Buffalo Wild Wings, H&R Block, Dollar General
Auto Zone NEC 50th & W Center Rd	5	1999	Marathon Realty	15,601	0	0.00%	N/A	N/A	Auto Zone
Baker Place NWC 50th & Ames Ave	3	1965/1987	The Lerner Company Rick Quinlevan	122,950	79,821	64.92%	\$7.50	\$13.00	Family Dollar
Baker's SWC Saddle Creek Rd & Leavenworth	4	1989	Dillon Stores	63,632	0	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	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	\$22.00	
Grover Plaza SWC 50th & Grover	4	1966	Albert Feldmen	57,440	0	0.00%	N/A	N/A	Bag 'n Save
Hy-Vee NEC 52nd & W Center Rd	4	2004	Hy-Vee, Inc.	65,732	0	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		Nomad Lounge
Long School Marketplace 24th & Hamilton	4	2005	Omaha Economic Dev. Corp Michael Maroney	23,000	11,183	48.62%	\$8.00	\$11.00	Family Dollar
Midtown Plaza NEC Saddle Creek Rd & California	3	1991	First Management LLC Randall Wieseler	105,000	0	0.00%	N/A	N/A	No Frills Supermarket
No Frills Supermarket NEC 36th & Q St	4	1981	The Lerner Company Rick Quinlevan	39,512	0	0.00%	N/A	N/A	No Frills Supermarket
Plaza Q 36 NEC 36th & Q St	4	1971	Gordman Properties Deborah Smith	84,000	0	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	0.00%	N/A	N/A	Hy-Vee
Sutherlands Plaza NEC Dahlman Ave & L St	4	2007	Murante Real Estate Bob Pelshaw	40,000	18,619	46.55%	\$7.50	\$12.00	Aldi Foods, Dollar Tree
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 2323 L St	5	1999	BDRE L Street LLC	13,905	0	0.00%	N/A	N/A	Walgreens
Walgreens 3005 Lake St	5	1999	BDRE Lake LLC	13,776	0	0.00%	N/A	N/A	Walgreens
Walgreens 225 N Saddle Creek Rd	5	2003	Clayton Properties II LL	13,578	0	0.00%	N/A	N/A	Walgreens
Walgreens 4310 Ames Ave	5	2002	DAHO LLC	14,530	0	0.00%	N/A	N/A	Walgreens
Walgreens 7202 North 30th St	5	1995	Marathon Properties LLC	13,404	0	0.00%	N/A	N/A	Walgreens
Walgreens 3121 South 24th St	5	2002	Twenty Three Hundred	14,530	0	0.00%	N/A	N/A	Walgreens
Walgreens 5038 W Center St	5	2004	Walgreen Co.	13,500	0	0.00%	N/A	N/A	Walgreens
Walgreens 3001 Dodge St	5	2002	WG Omaha Realty LLC	14,530	0	0.00%	N/A	N/A	Walgreens
Wallcreek Plaza SSWC Capitol Ave & Saddle Creek	3	1968/2004	CB Richard Ellis I MEGA Nancy K Johnson	149,330	119,330	79.91%	\$12.00	N/A	Target (vacant), Panera Bread, Westlake Ace Hardware, Cici's
Weber Place SWC 30th & Forest Lawn Ave	3	1988	The Lerner Company Boh Kurylo/Dennis Thaemert	120,280	14,600	12.14%	\$8.50	\$12.50	No Frills Supermarket, Dollar Tree
EAST TOTALS				1,578,308	312,289	19.79%			
Midtown Crossing 33rd & Dodge	3	2009	CB Richard Ellis I MEGA Nancy K Johnson	225,000	142,772	63.45%	\$25.00	\$35.00	Prairie Life, Douglas Theatre
EAST CONSTRUCTION TOTALS				225,000					

YEAR END REVIEW 2007

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. Many retailers are attracted to this area due to the actual and anticipated strong growth in the submarket.

The Lerner Company surveyed 32 retail properties in the submarket totaling just under 3.8 million square feet. The vacancy rate of 13.85% represents 525,981 square feet, which is an increase from the previous years vacancy rate of 13.35%. However, more telling than the vacancy rate is the net absorption which was a positive 601,894 square feet. The positive net absorption is historical in magnitude and reinforces the strength of the Sarpy submarket. Further highlighting the strength of the submarket is the fact that a significant



portion of the existing vacancy rate is tied into two buildings, the former Gordmans building on Fort Crook Road and the former Wal Mart building on South 84th Street. Both Gordmans and Wal Mart previously relocated into newer facilities within the submarket. Given current vacancy levels, rental rates have in most instances leveled off or in some cases retreated. For new small shop, unanchored retail, the rental rate ranges from \$12.00 to \$15.50 per square foot. Anchored small shop retail is substantially higher with rental rates ranging from \$19.00 to \$38.00 per square foot. A population of 115,366 is experiencing a strong annual growth of 2.1%. The median household income is \$67,087 per year.

Until recently Bellevue has largely owned the retail spotlight in Sarpy County, but it appears that has changed during the past year. Shadow Lake Towne Center, an 875,000 square foot open-air, power/lifestyle hybrid located at 72nd and Highway 370 in Papillion, achieved instant success upon grand opening in 2007. The combination of big box retail and small shop boutiques has proven to be unbeatable. Big box retailers such as JCPenney, Best Buy, Dick's Sporting Goods, Gordmans, Bed Bath & Beyond, Borders Books, Office Max, Old Navy, TJ Maxx, and PetSmart have been exceptionally pleased with the customer response. Equally appreciative of the response is small shop retailers like Ann Taylor Loft, Coldwater Creek, Chico's, Jos. A. Bank, and Victoria's Secret. Rounding out the development are restaurants such as Old Chicago, Red Robin, and Wheatfield's combined with the convenience of a Hy-Vee grocery store. Initial and on-going reports from retailers suggest there is overwhelming support from the Sarpy Submarket community and surrounding areas. Other successful retail projects in the Sarpy Submarket include Market Pointe at 72nd & Giles, a 450,000 square foot, Super Wal Mart, Lowe's, and Kohl's anchored project, and the newly opened Cabela's at 126th & Interstate 80.

Although few retailers have followed Cabela's, there has been a strong showing from restaurants and hospitality.

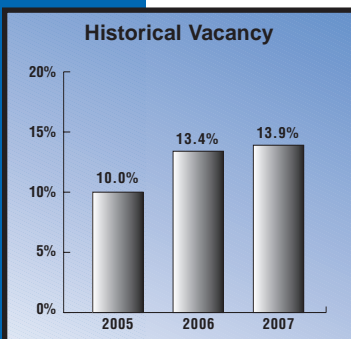
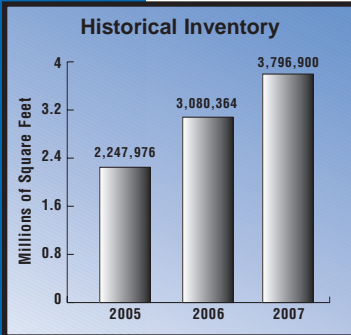
FORECAST FOR 2008

The largest retail "fireworks display" in the Omaha MSA was presented in the Sarpy Submarket with the opening of Shadow Lake Towne Center. The positive response has been so profoundly felt that the Sarpy Submarket should continue to perform well in 2008. However, in 2008, we anticipate a somewhat quieter year with most landlords

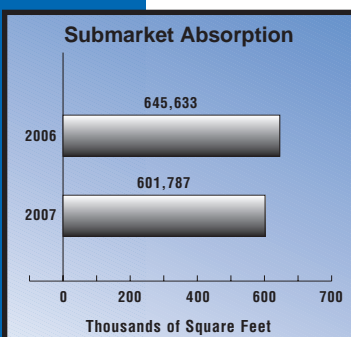


looking to conservatively improve upon the occupancy levels of their projects. As mentioned above, with vacancy rates having ticked up slightly during the past year, it appears rental rates have either leveled off or, in the case of unanchored retail strip centers, have begun to retreat.

The only large scale project slated for the Sarpy Submarket is Settler's Creek, which is a joint venture between The Lerner Company and RED Development. The 250,000 square foot project is located between Shadow Lake and Market Point on the northeast corner of 72nd Street and Cornhusker and will be comprised of box retailers and pad site users, similar in format and structure to Market Pointe, located 1/2 mile to the north.



Size	Centers	GLA	Vacant
Cat. 1	1	696,321	104,729
Cat. 2	2	768,113	6,000
Cat. 3	8	1,450,698	281,100
Cat. 4	12	698,351	76,535
Cat. 5	9	183,417	57,617



CENTER NAME & ADDRESS	SIZE	BUILT/UPDATED	LEASING CO. & AGENT	GLA	VACANCY	% VACANT	RATE 1	RATE 2	ANCHOR
2200 Capehart Rd SWC 22nd & Capehart Rd	5	2006	NP Dodge Commercial Tom Failla	18,312	18,312	100.00%	\$15.50	\$16.50	TBD
American Plaza NEC Galvin Rd & Harvell Dr	3	1986	The Lerner Company Boh Kurylo/Dennis Thaumert	171,000	16,440	9.61%	\$6.00	\$11.00	Baker's, ShopKo
Bag 'n Save SEC 51st & Harrison St	4	1966	Bag'n Save	44,490	0	0.00%	N/A	N/A	Bag'n Save
Brentwood Crossing NEC 84th & Brentwood Dr	3	1993	TKG Management, Inc. Jim Alabach	238,484	140,991	59.12%	\$13.00	\$15.00	Hobby Lobby, Summer Kitchen
Brentwood Plaza NWC 84th & Brentwood Dr	5	1980	Lund Company Eric Renner/Steve Gettman	17,317	9,141	52.79%	\$9.00	N/A	Just Hair
Brentwood Square NWC 84th & Giles Rd	3	1980	First Management Inc. Randall Wieseler	224,187	3,835	1.71%	\$11.00	N/A	Baker's, Steve & Barry's, Office Depot, Dollar Tree
Brentwood Village NEC 84th & Giles Rd	4	1997	Grubb & Ellis/Pacific Realty Cindi Cisar	40,705	3,000	7.37%	\$14.00	N/A	Boston Pizza, Beauty First
Cabela's SWC126th & I-80	3	2006	CB Richard Ellis I MEGA Dean Hokanson Sr	127,876	0	0.00%	N/A	N/A	
Cornhusker Centre SEC 21st & Cornhusker Rd	3	2000	Dial Properties Spencer Lombardo / Jeannine DeVetter	175,180	0	0.00%	N/A	N/A	Famous Dave's, Sylvan Learning Center
Cornhusker Plaza SEC 25th & Cornhusker Rd	4	1988	West 25th Plaza Inc. Ed Gilbert	34,913	5,000	14.32%	\$10.00	N/A	Subway, DJ's Dugout
Emporium Plaza NEC Galvin Rd & JF Kennedy Dr	5	1975	James T Smith	17,960	0	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	2,800	6.67%	\$8.00	\$10.00	Westlake Ace Hardware, Wells Fargo Bank
Harrison Square SWC 39th & Harrison St	5	1958	Grubb & Ellis/Pacific Realty Terry Root	26,500	1,250	4.72%	\$8.50	N/A	Bellevue Keno Casino
Harrison Square SEC 36th & Harrison St	4	1972	Lund Company	76,015	17,040	22.42%	\$6.00	\$9.00	Dollar General, Walgreens
Home Depot SWC 6th & Washington St	4	2002	Home Depot	97,649	0	0.00%	N/A	N/A	Home Depot
La Vista Crossing NWC 72nd & Giles Rd	5	2005	Magnum Realty	16,100	5,250	32.61%	\$20.00	N/A	UPS Store
Market Pointe SEC 72nd & Giles	2	2006	RH Johnson Co. Chuck Zoog	452,500	4,800	1.06%	\$28.00	N/A	Wal-Mart Supercenter, Lowe's, Kohl's
No Frills Plaza NEC Wilshire Ln & Hwy 370	3	1972	Grubb & Ellis/Pacific Realty Bill Gilmore	146,178	19,834	13.57%	\$6.50	N/A	No Frills Supermarket
No Frills Supermarket SWC 84th & Giles Rd	4	1980	CB Richard Ellis I MEGA Gerard Daly/Dennis Hoth	87,571	0	0.00%	\$12.00	N/A	No Frills Supermarket
One Val Verde Place SWC 96th & Giles Rd	4	1999	Clatterbuck Development Brent Clatterbuck	48,850	12,000	24.56%	\$11.00	\$12.00	J.B.'s Salon & Day Spa
Papio Pointe 741 Pinnacle Dr	5	2004	Grubb & Ellis/Pacific Realty Zane Varvel/Ed Fleming	23,650	17,071	72.18%	\$13.50	N/A	Scooters
Place 72 72nd & Harrison St	5	1986	Lund Company Eric Renner	27,550	1,750	6.35%	\$12.50	N/A	State Farm Insurance, Harrison Street Animal Hospital
Shadow Lake Towne Center SWC 72nd & Hwy 370	1	2007	The Lerner Co/RED Development Rick Quinlevan/Wendy Chapman	696,321	104,729	15.04%	\$28.00	\$38.00	Best Buy, Borders, Hy-Vee, Dicks, Borders, JC Penney, Petsmart, Gordmans
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 Gr Nancy Klauschie	19,500	4,843	24.84%	\$8.00	\$10.00	Cash Advance
Super Target NWC Washington & Hogan Dr	3	1996	Target Stores	200,793	0	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
The Shops at Daniell Crossing NEC 36th & Hwy 370	4	2002	LS Realty Mark Lamb	49,140	15,795	32.14%	\$12.00	\$12.00	Vidlak's Family Caf�e, Varsity Roman Coin, Snap Fitness
Twin Creek (Bld 1,2,4,6, & 7) NWC 36th & Hwy 370	4	1998-2003	CB Richard Ellis/Mega Mark Obermeyer/Heidi Rush	41,706	6,500	15.59%	\$13.50	\$15.25	Target, Baker's
Walgreens SWC Galvin Rd & Hwy 370	5	1995	Walgreen Co.	16,528	0	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	1,200	0.38%	\$19.00	N/A	Michaels, Gordmans, Wal-Mart Supercenter, Petco
Walnut Creek Village 96th & Hwy 370	4	2007	First Management Inc. Eric Wieseler	40,000	12,000	30.00%	\$15.00	N/A	LaPetite Academy, Jensen Tire, Anytime Fitness, Pizza Hut
SARPY TOTALS				3,796,900	525,981	13.85%			
Ark at Shadowlake 75th & Olson Dr	5	2008	Investors Realty John Dickerson/Brian Farrell	24,487			\$19.00	\$20.00	
Shoppes at Hickory Hills SWC 72nd & Giles	5	2008	The Lerner Company Boh Kurylo/Dennis Thaumert	17,980			\$21.00	N/A	Fareway Foods
Shoppes on Gile SWC 114th & Giles Rd	5	2008	Property Banc Ray Trimble	26,000					
SARPY CONSTRUCTION TOTALS				68,467					

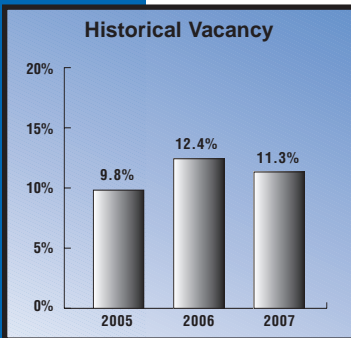
YEAR END REVIEW 2007

The Council Bluffs submarket is comprised of the western half of Pottawattamie County, Iowa. While the casino trade on balance has had a positive influence on Council Bluffs, population growth in this submarket remains relatively low at only 0.6% per year and the median household income of \$50,190 is well below the overall Omaha market average of \$61,005.

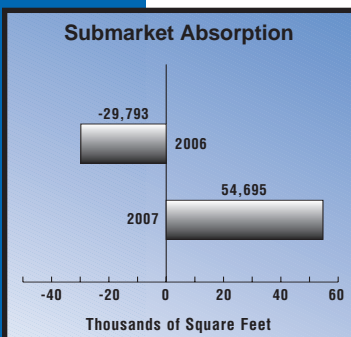
The retail market in Council Bluffs has long been considered subservient to the more dominant trade areas in Omaha that generally serve a more affluent population. Nevertheless, Council Bluffs is currently experiencing a boom of sorts as developers seek to fill out the last remaining underserved retail market in Metro Omaha.



The Lerner Company surveyed 22 retail properties, totaling in excess of 2.75 million square feet. The vacancy rate of 11.3% represents 311,978 square feet which is a decrease over last year's vacancy rate of 12.4%. Although this period of improvement is likely to be short lived as the 817,000 square feet of new retail space presently under construction is sure to put stress on many of the existing shopping centers as it comes on-line in 2008 and 2009. The Mall of the Bluffs looks to be particularly vulnerable as two of its anchor stores are set to relocate to open air centers distant from the mall. Prevailing rents in existing small shops have been flat and generally range from \$10 to \$12 per square foot. Total absorption in the submarket was limited to 54,695 square feet.



Size	Centers	GLA	Vacant
Cat. 1	1	804,909	0
Cat. 2	1	730,000	75,000
Cat. 3	4	560,568	117,022
Cat. 4	10	575,924	114,601
Cat. 5	5	81,439	5,355



FORECAST FOR 2008

Two long discussed power centers are finally coming to fruition along the I-80/I-29 corridor. Kimco is developing the larger of these two projects, Metro Crossing at the northwest corner of I-29 and Hwy. 92/275. Metro Crossing will be anchored by Target, Kohl's, Bed Bath & Beyond, Hobby Lobby and PetSmart and eventually contain as much as 500,000 square feet. Magnum Companies is the developer of the second power center which will be known as 24th



Street Marketplace and located at the southeast corner of 24th Street and I-80. The initial wave of anchors for 24th Street Marketplace will include JC Penney, Shopko and Petco.

General Growth is seeking to quickly replace their two dominant anchors, JC Penney and Target at Mall of the Bluffs and the most likely successors appear to be Burlington Coat and

Steve & Barry's. The future vitality of the mall is certainly on the line. From a tax base perspective it is questionable whether the City of Council Bluffs was wise to support the TIF districts that helped to enable the Target and JC Penney relocations.

CENTER NAME & ADDRESS	SIZE	BUILT/UPDATED	LEASING CO. & AGENT	GLA	VACANCY	% VACANT	RATE 1	RATE 2	ANCHOR
415 W. Broadway SEC 34th & Broadway	4	1968	Heartland Properties John Jerkovich	47,000	17,420	37.06%	\$4.95		Family Dollar, Payless Shoes
AutoZone Plaza SEC 28th & W Broadway	4	1955	P J Morgan Real Estate Don Boldizar	43,677	28,412	65.05%	For Sale	N/A	AutoZone
Bass Pro Shops 2911 27th Ave	3	2005	Bass Pro Shops	120,000	0	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 Jim Alabach	104,640	0	0.00%	N/A	N/A	Supersaver, Hancock Fabrics
Broadway Plaza NWC 18th & W Broadway	4	1991	Grubb & Ellis/Pacific Realty Mark Robinson	35,000	0	0.00%	\$12.50	N/A	Family Dollar, Blockbuster
Mall of the Bluffs NEC Madison Ave & Bennett Ave	2	1986	General Growth Properties Lyle Karr/Steve Brower	730,000	75,000	10.27%	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 Matt McCombs	804,909	0	0.00%	N/A	N/A	OfficeMax, Home Depot, Best Buy, Toys "R" Us, Menards, Gordmans, Wal-Mart, Sam's Club
Manawa Power Center (20/40 Power Drive) SEC 35th Ave & Power Drive	5	2004	Coldwell Banker World Group John Luce	17,955	5,355	29.82%	\$14.00	N/A	Rentway, Complete Nutrition
Metro Crossing I-29 & Hwy 92/275	2	2008/2009	The Lerner Company Boh Kurylo/Ben Meier	68,639	0	0.00%	N/A	N/A	Kohl's
No Frills Supermarket NEC Vally View Ln & Madison Ave	4	1992	No Frills Supermarket Steve Moskovits	63,228	0	0.00%	N/A	N/A	No Frills Supermarket
No Frills Supermarket SWC 18th & W Broadway	4	1976	No Frills Supermarket Steve Moskovits	48,836	0	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	0	0.00%	N/A	N/A	Union Pharmacy
Plaza at Mid-America Center WSWC 23rd Ave & 24th St	4	2004	NAI/NP Dodge Tom Failla/Chuck Devetter	72,500	59,000	81.38%	\$14.00	N/A	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	7,769	21.02%	\$10.50	\$13.50	Valentino's Pizza, Midstate Bank
Star Cinema 3220 23rd Ave	4	2002	Star Iowa LLC	76,570	0	0.00%	N/A	N/A	Star Cinema
Sundel Plaza SWC 22nd & W Broadway	4	1975	Sundel Co. Mina Anderson	35,000	2,000	5.71%	\$10.00	\$12.00	U.S. Cellular
Walgreens 535 E Broadway	5	1997	Broadway East Properties LLC	13,833	0	0.00%	N/A	N/A	Walgreens
Walgreens 301 W Bennet Ave	5	2001	Starlight Motor Lodge LLC	14,368	0	0.00%	N/A	N/A	Walgreens
Walgreens NWC 25th & W Broadway	5	1997	Walgreen Co.	15,608	0	0.00%	N/A	N/A	Walgreens
Westlake Hardware, Hy-Vee Drug SEC Kanesville Blvd & 8th St	4	1980	721 Broadway, LLC	48,514	0	0.00%	N/A	N/A	Westlake Ace Hardware, Hy-Vee Drug Town
COUNCIL BLUFFS TOTALS				2,752,840	311,978	11.33%			
The Marketplace at 24th Street I-80/I-29 & 24th St	2	2008	Investors Realty Rat Regan/Dan Fishburn	390,000		0.00%	\$20.00	N/A	JCPenney, Shopko, Petco
Metro Crossing I-29 & Hwy 92/275	2	2008/2009	The Lerner Company Boh Kurylo/Ben Meier	335,000		0.00%	\$20.00	\$25.00	Target, Hobby Lobby, Bed Bath & Beyond, PetSmart
HyVee Plaza SEC 25th & Broadway	4	2009	Seldin Companies Deb Graeve/Dan Dutton	92,000		0.00%	\$18.00	N/A	HyVee
COUNCIL BLUFFS CONSTRUCTION TOTALS				817,000					

Omaha



Retail Market Summary Year End 2007

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 objectives. 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

BROKERAGE DEVELOPMENT MANAGEMENT



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