

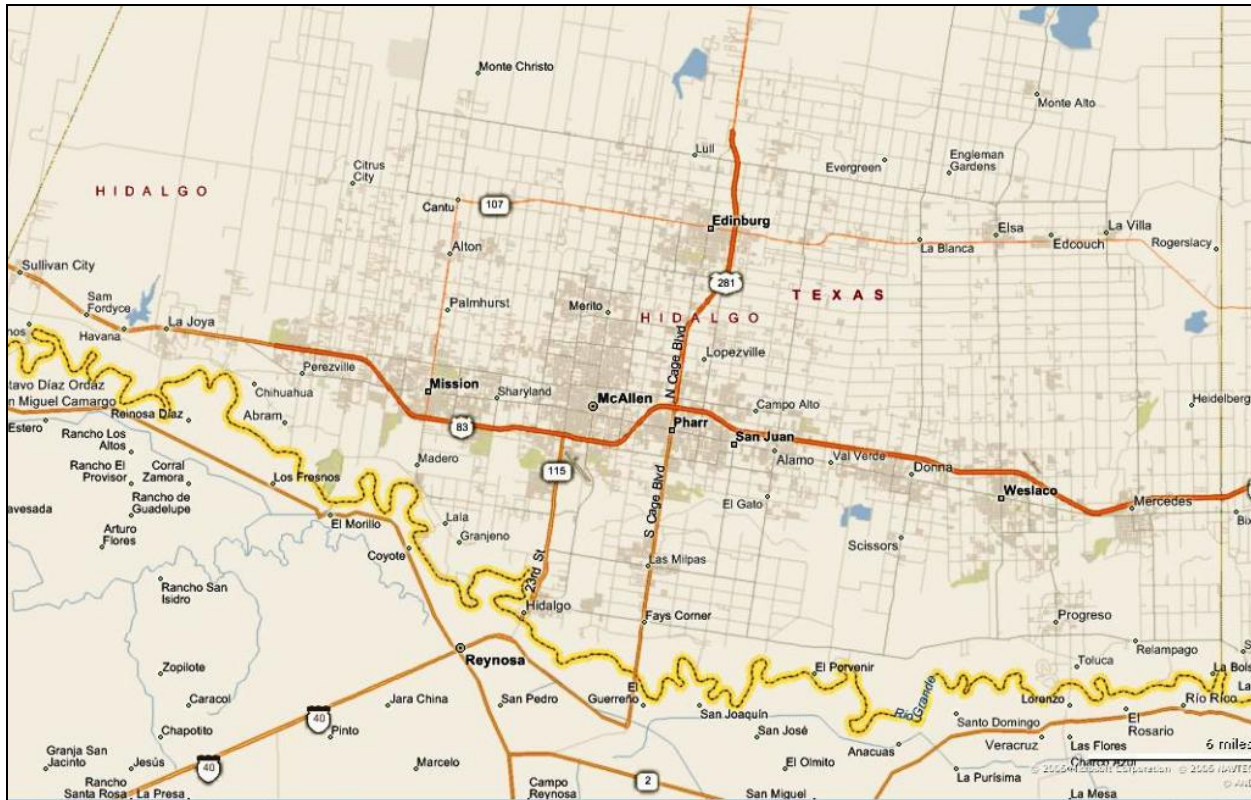
Real Estate Market Overview 2007

McAllen - Edinburg - Mission

The City of McAllen is in Hidalgo County at the intersection of U.S. Highways 83 and 281. Incorporated in 1911, it is the largest city in Hidalgo County. San Antonio is approximately 230 miles north, Laredo is approximately 110 miles northwest and Corpus Christi is approximately 150 miles northeast. According to the U.S. Census Bureau, the McAllen-Edinburg-Mission Metropolitan Statistical Area (MSA) was the fourth fastest growing area in the nation during the 1990s. Much of the McAllen-Edinburg-Mission MSA's success derives from its geographical and cultural link with Mexico. Thirty miles south of McAllen is Reynosa, Mexico, with a population of more than 750,000. The North American Free Trade Agreement (NAFTA) and the international bridge between McAllen and Reynosa make the two cities' economies dependent on each other for growth.

Quick Facts	
Land Area	1,569.75 square miles
2006 Population Density	446.3 people per square mile
Counties	Hidalgo
Area Cities and Towns	
Alamo, Alton, Donna, Edcouch, Edinburg, Elsa, Hargill, Hidalgo, La Joya, LaVilla, Linn, Los Ebanos, McAllen, McCook, Mercedes, Mission, Monte Alto, Palmhurst, Palmview, Penitas, Pharr, Progreso, San Juan, San Manuel, Sullivan City, Weslaco	

Source: U.S. Census Bureau and Real Estate Center at Texas A&M University



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Metropolitan Statistical Areas (MSAs)



- | | |
|--------------------------------|------------------------------|
| 1. Abilene | 14. Lubbock |
| 2. Amarillo | 15. McAllen-Edinburg-Mission |
| 3. Austin-Round Rock | 16. Midland |
| 4. Beaumont-Port Arthur | 17. Odessa |
| 5. Brownsville-Harlingen | 18. San Angelo |
| 6. College Station-Bryan | 19. San Antonio |
| 7. Corpus Christi | 20. Sherman-Denison |
| 8. Dallas-Fort Worth-Arlington | 21. Texarkana |
| 9. El Paso | 22. Tyler |
| 10. Houston-Sugar Land-Baytown | 23. Victoria |
| 11. Killeen-Temple-Fort Hood | 24. Waco |
| 12. Laredo | 25. Wichita Falls |
| 13. Longview | |

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McAllen-Edinburg-Mission Market Overview 2007 Demographics

McAllen-Edinburg-Mission MSA Population*

Year	Population	Percent Change
1996	503,411	-
1997	519,903	3.3
1998	537,929	3.5
1999	555,875	3.3
2000	569,463	2.4
2001	591,189	3.8
2002	612,758	3.6
2003	635,373	3.7
2004	657,310	3.5
2005	678,275	3.2
2006	700,634	3.3

* July 1 population estimates

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	1990 Population	2000 Population	Growth 1990 - 2000 (in percent)
Alamo	8,210	14,760	79.8
Donna	12,652	14,768	16.7
Edinburg	29,885	48,465	62.2
McAllen	84,021	106,414	26.7
Mercedes	12,694	13,649	7.5
Mission	28,653	45,408	58.5
Pharr	32,921	46,660	41.7
San Juan	10,815	26,229	142.5
Weslaco	21,877	26,935	23.1

Source: U.S. Census Bureau

Texas Metropolitan Area Population* Change

Metropolitan Area	1996	2006	Percent Change
Austin-Round Rock	1,073,037	1,513,565	41.1
McAllen-Edinburg-Mission	503,411	700,634	39.2
Laredo	171,583	231,470	34.9
Dallas-Fort Worth-Arlington	4,627,649	6,003,967	29.7
Houston-Sugar Land-Baytown	4,334,020	5,539,949	27.8
Brownsville-Harlingen	312,086	387,717	24.2
San Antonio	1,599,427	1,942,217	21.4
Texas	19,340,342	22,859,968	18.2
Tyler	166,087	194,635	17.2
Sherman-Denison	102,993	118,478	15.0
El Paso	656,482	736,310	12.2
College Station-Bryan	172,341	192,152	11.5
Amarillo	217,579	241,515	11.0
Killeen-Temple-Fort Hood	318,613	351,322	10.3
Waco	205,894	226,189	9.9
Midland	114,412	124,380	8.7
Longview	190,556	203,367	6.7
Lubbock	247,099	261,411	5.8
Texarkana	127,694	134,510	5.3
Victoria	108,636	114,088	5.0
Odessa	121,519	127,462	4.9
Corpus Christi	398,529	415,810	4.3
San Angelo	104,574	105,752	1.1
Abilene	156,351	158,063	1.1
Beaumont-Port Arthur	380,417	379,640	-0.2
Wichita Falls	151,170	145,528	-3.7

* July 1 population estimates

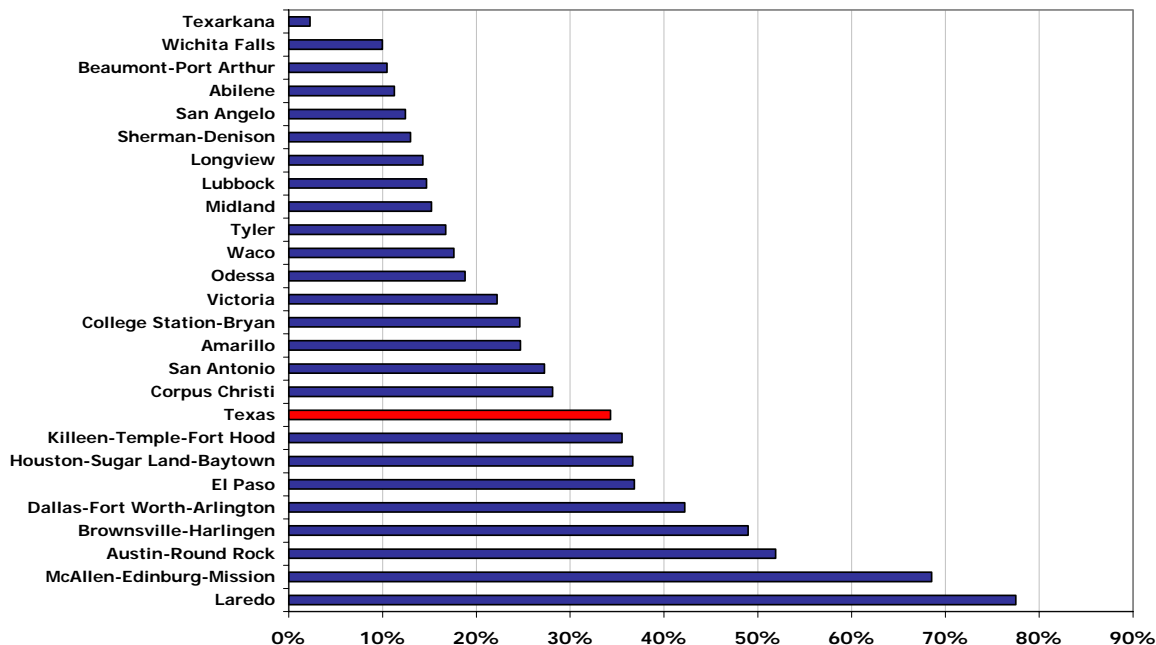
Source: U.S. Census Bureau

McAllen-Edinburg-Mission MSA Projected Population

Year	Texas State Data Center	Texas Water
	(Scenario 0.5)	Development Board
2000	569,463	569,463
2005	658,093	-
2010	752,909	744,258
2015	854,936	-
2020	959,669	948,488
2025	1,071,012	-
2030	1,189,296	1,177,243
2035	1,312,859	-
2040	1,439,472	1,424,767

Sources: Texas State Data Center (2006 projection) and Texas Water Development Board (2006 projection)

**Texas Metropolitan Area
 Population Growth Forecast, 2000 - 2020**



Source: Texas State Data Center – Scenario 0.5 (2006 projection)

Household Composition

	McAllen-Edinburg- Mission MSA	Texas
Average household size (2000)	3.60	2.74
Population younger than 18 (2000, in percent)	35.3	28.2
Population 65 and older (2000, in percent)	9.7	9.9

Source: U.S. Census Bureau (1999 definition)

Distribution by Race and Hispanic or Latino Origin, 2000 (in percent)

	McAllen-Edinburg- Mission MSA	Texas
White	77.7	71.0
Black	0.5	11.5
Asian	0.6	2.7
American Indian	0.4	0.6
Other	18.6	11.7
Two or more races	2.1	2.5
Hispanic (of any race)	88.3	32.0

Source: U.S. Census Bureau (1999 definition)

McAllen-Edinburg-Mission Market Overview 2007 Education

Educational Attainment, Persons Age 25 and Older, 2000
 (in percent)

County	High school graduate	Some college, no degree	Associate's degree	Bachelor's degree	Master's degree	Doctorate degree
Hidalgo	20.2	14.5	2.9	8.4	2.9	0.4
Texas	24.8	22.4	5.2	15.6	5.2	0.8

Source: U.S. Census Bureau

Educational Level, Persons Age 25 and Older
 2000 (in percent)

Level of Education	McAllen-Edinburg- Mission MSA	Texas
High School Graduate or Higher	50.5	79.2
Bachelor's Degree or Higher	12.9	23.9

Source: U.S. Census Bureau (1999 definition)

Local College and University Enrollment, Fall Semester

School	2002	2003	2004	2005	2006
South Texas Community College	13,691	15,228	17,035	16,233	18,460
University of Texas - Pan American	14,392	15,915	17,030	17,048	17,337

Source: Texas Higher Education Coordinating Board

McAllen-Edinburg-Mission Market Overview 2007 Employment

McAllen Top Ten Employers

Employer	Sector	Employees
McAllen Independent School District	Education	3,451
City of McAllen	Government	1,801
McAllen Medical Center	Health care	1,700
South Texas Community College	Education	1,664
Rio Grande Regional Hospital	Health care	1,020
Wal-Mart	Retail	500
International Bank of Commerce	Banking services	425
Texas State Bank	Banking services	400
Dillard's	Retail	354
J.C. Penney Company	Retail	350

Source: McAllen Chamber of Commerce Aug-2006

Edinburg Top Ten Employers

Employer	Sector	Employees
Edinburg Consolidated I.S.D.	Education	3,600
Edinburg Regional Medical Center	Medical care	3,000
University of Texas Pan American	Education	2,850
Hidalgo County	County government	2,211
US Customs & Border Patrol	Government	1,609
City of Edinburg	Government	505
Wal-Mart Discount Store	Retail	480
Wal-Mart Discount Store (Trenton & McColl)	Retail	370
TelePerformance	Call center	355
Lopez Unit	State prison	350

Source: Edinburg Economic Development April-2007

Mission Top Ten Employers

Employer	Sector	Employees
Mission CISD	Education	2,140
Sharyland ISD	Education	1,045
Mission Regional Medical Center	Health care	910
T-Mobile	Communications	893
City of Mission	Government	521
Wal-Mart SuperCenter	Retail	410
H-E-B Grocery	Grocery	334
VF Intimates	Apparel	315
Target	Retail	240
Frito-Lay, Inc.	Food	220

Source: Mission Economic Development Authority Jan-2007

Employment Growth by Industry

	McAllen - Edinburg - Mission MSA		Texas
Employment Growth 2006 (Percent Change)	4.0		3.3
Unemployment Rate 2006 (Percent Change)	7.4		4.9
Net Job Change in 2006	7,700		318,300
<u>2006 Employment Growth by Sector (Percent Change)</u>			
Natural Resources and Mining and Construction	2.8		7.5
Manufacturing	-3.6		3.2
Trade, Transportation, and Utilities	4.9		2.5
Information	3.4		-0.4
Financial Activities	3.7		2.6
Professional and Business Services	4.7		6.0
Educational and Health Services	4.7		2.8
Leisure and Hospitality	3.6		3.9
Government	4.0		1.7

Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Texas Metropolitan Area Nonfarm Employment Change

Metropolitan Area	1996	2006	Percent Change
McAllen-Edinburg-Mission	126,900	202,600	59.7
Midland	126,900	202,600	59.7
Laredo	56,500	84,200	49.0
Austin-Round Rock	540,900	720,000	33.1
Brownsville-Harlingen	94,000	121,300	29.0
College Station-Bryan	71,400	90,200	26.3
Tyler	73,700	91,700	24.4
Killeen-Temple-Fort Hood	97,600	118,100	21.0
Dallas-Fort Worth-Arlington	2,331,600	2,860,800	22.7
San Antonio	658,300	811,300	23.2
Longview	76,100	91,600	20.4
Houston-Sugar Land-Baytown	1,981,700	2,446,000	23.4
Texas	8,257,900	10,053,300	21.7
Lubbock	111,300	128,400	15.4
Waco	92,600	106,000	14.5
Corpus Christi	155,100	173,800	12.1
Odessa	48,100	57,400	19.3
Amarillo	96,900	110,100	13.6
Victoria	45,200	50,000	10.6
El Paso	236,700	264,800	11.9
Texarkana	50,300	55,700	10.7
Sherman-Denison	42,000	44,500	6.0
Abilene	60,600	65,300	7.8
San Angelo	42,500	44,700	5.2
Wichita Falls	59,600	62,500	4.9
Beaumont-Port Arthur	151,200	160,500	6.2

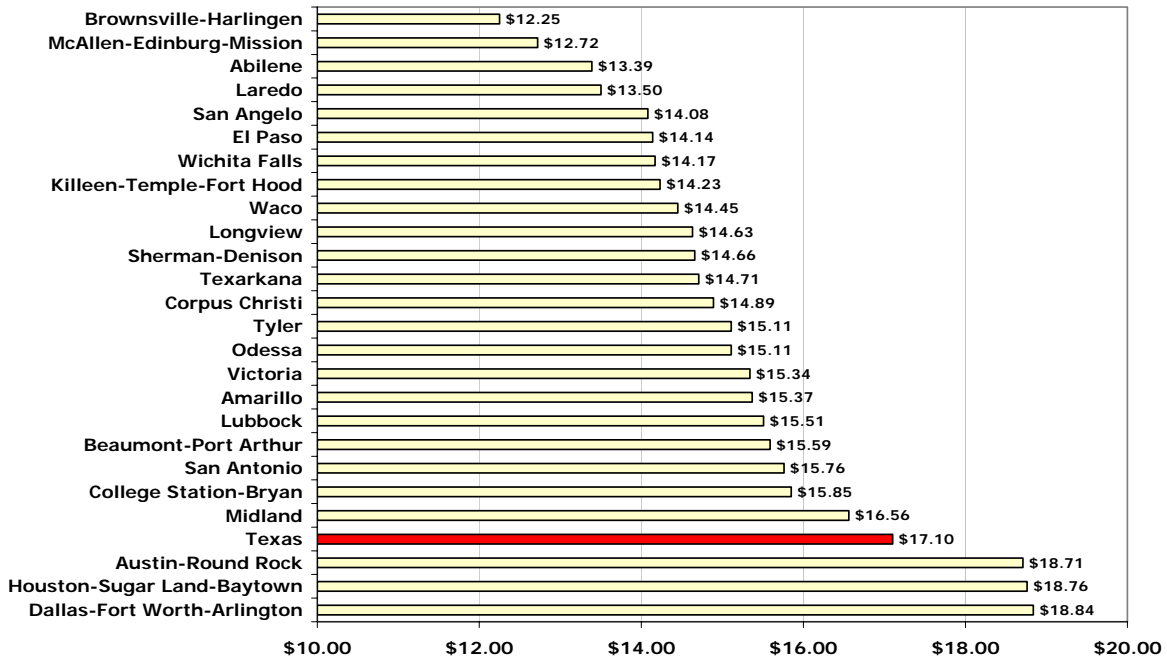
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

**Metropolitan Area Nonfarm Employment Change
 1996-2006**



Source: Texas Workforce Commission and Real Estate Center

**Average Hourly Wage
 2005**



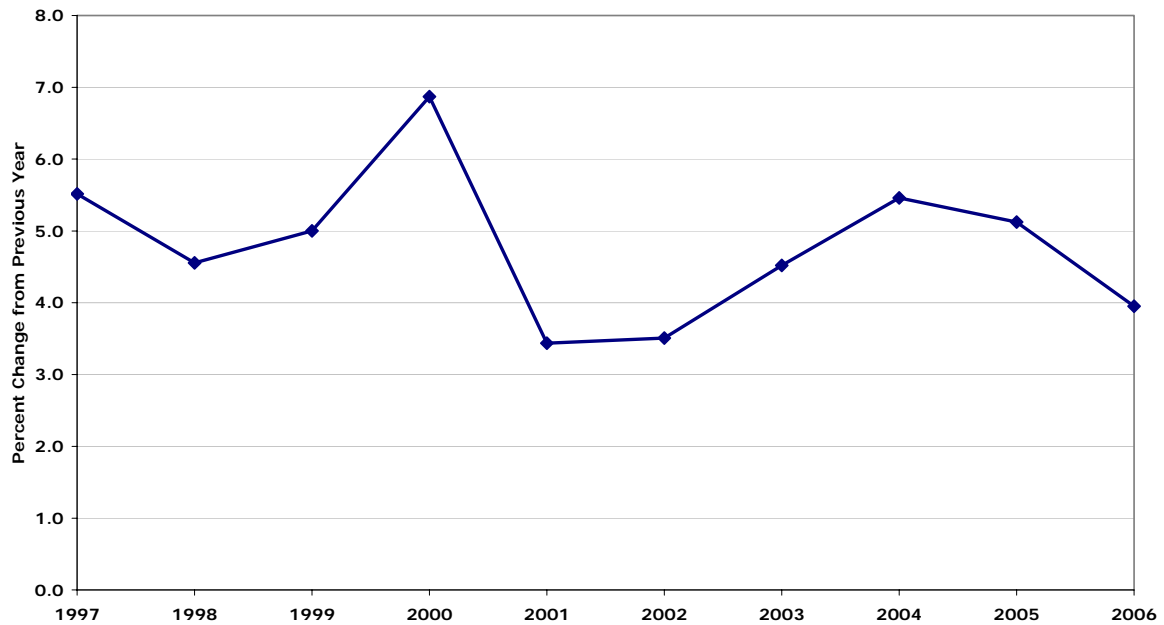
Source: Texas Workforce Commission

**McAllen-Edinburg-Mission MSA
 Nonfarm Employment**

Year	Employment	Percent Change
1996	126,900	-
1997	133,900	5.5
1998	140,000	4.6
1999	147,000	5.0
2000	157,100	6.9
2001	162,500	3.4
2002	168,200	3.5
2003	175,800	4.5
2004	185,400	5.5
2005	194,900	5.1
2006	202,600	4.0

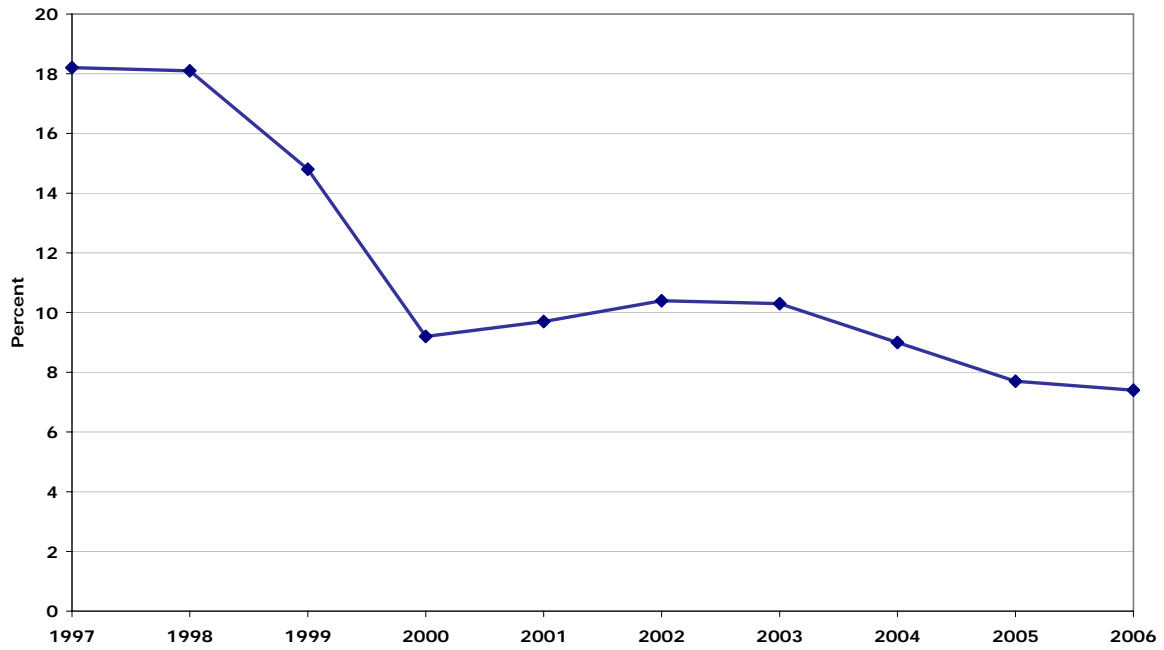
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

**Nonfarm Employment Growth
 McAllen-Edinburg-Mission MSA**



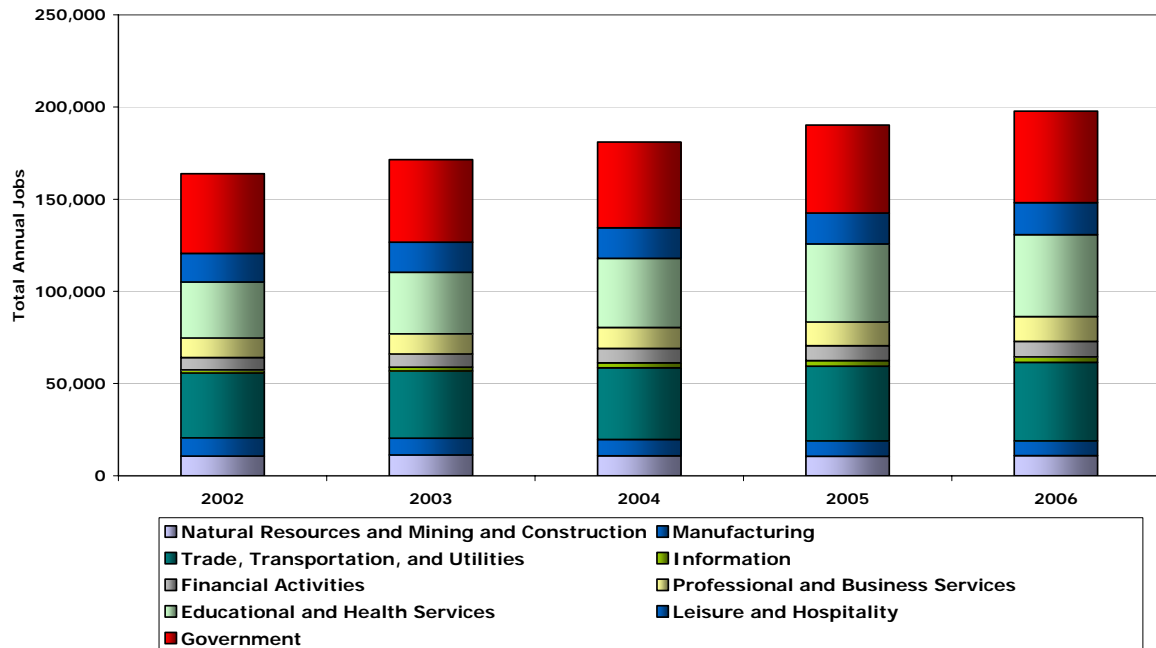
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

**McAllen-Edinburg-Mission MSA
 Unemployment Rate**



Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

**Distribution of Employment in Major Categories
 McAllen-Edinburg-Mission MSA**



Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

McAllen-Edinburg-Mission Market Overview 2007 Economy

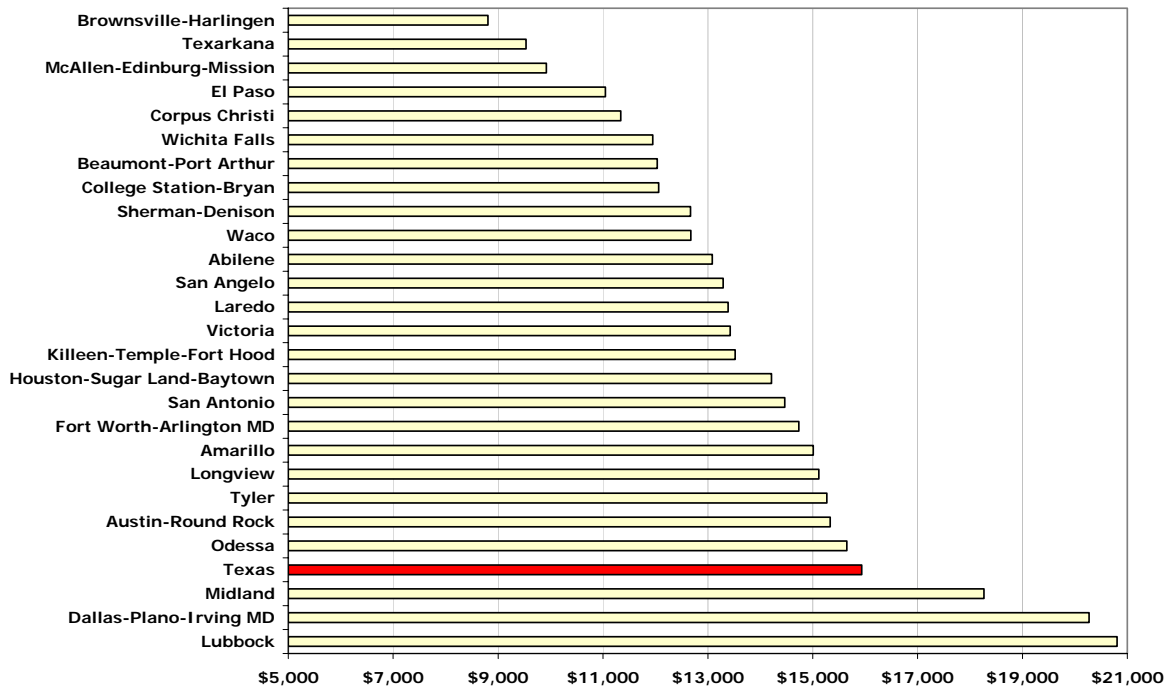
**McAllen-Edinburg-Mission MSA
 Gross Retail Sales**

Year	Total Sales	Sales per Capita
1995	\$3,155,659,635	#N/A
1996	\$3,446,623,401	\$6,847
1997	\$3,595,914,796	\$6,917
1998	\$3,848,590,916	\$7,154
1999	\$4,445,761,386	\$7,998
2000	\$4,961,009,854	\$8,712
2001	\$5,310,783,628	\$8,983
2002	\$5,748,413,597	\$9,381
2003	\$5,958,780,640	\$9,378
2004	\$6,387,195,755	\$9,717
2005	\$6,728,458,697	\$9,920
State Average 2005:		\$15,935

* 2006 data not available as of April 15, 2007.

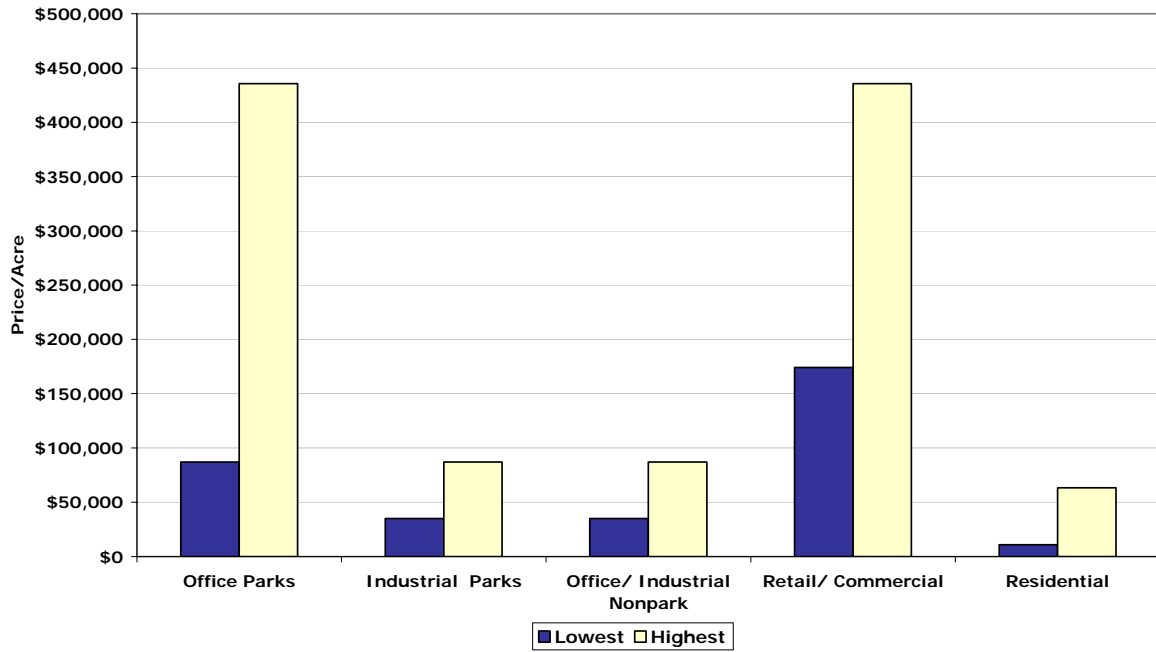
Source: Texas Comptroller's Office

**Gross Retail Sales per Capita
 2005**



Source: Texas Comptroller's Office

**Development Land
McAllen/Mission, Year-End 2006**



Source: NAI Rio Grande Valley

McAllen-Edinburg-Mission Market Overview 2007 Infrastructure

McAllen Airline Activity

McAllen International Airport (MFE)	2002	2003	2004	2005	2006
Enplaned passengers	278,697	284,567	317,806	368,492	407,143

Source: McAllen-Miller International Airport

Border Crossings*, **

	2002	2003	2004	2005	2006
Vehicle Crossings***					
Northbound	9,700,601	8,716,430	8,782,304	8,495,437	6,236,408
Southbound	9,340,846	8,400,718	8,347,306	8,161,998	8,044,622
Total	19,041,447	17,117,148	17,129,610	16,657,435	14,281,030
Pedestrian Crossings					
Northbound	2,931,510	2,944,263	2,868,457	2,915,271	2,362,536
Southbound	2,547,111	2,575,248	2,658,716	2,625,526	2,849,979
Total	5,478,621	5,519,511	5,527,173	5,540,797	5,212,515
Truck Crossings****					
Northbound	414,168	425,635	477,415	507,696	489,358
Southbound	328,193	354,031	416,190	435,954	444,652
Total	742,361	779,666	893,605	943,650	934,010

* Includes McAllen, Pharr and Progreso bridges where applicable

** Due to the different data gathering procedures that each bridge system follows, 2006 year-to-end data may not reflect all twelve months and may be subject to change till the following year.

*** Does not include 2 to 6 axle commercial trucks

**** Includes only 2 to 6 axle loaded and unloaded commercial vehicles.

Source: Texas A&M International University, Texas Center for Border Economic and Enterprise Development April-2007

McAllen-Edinburg-Mission Market Overview 2007

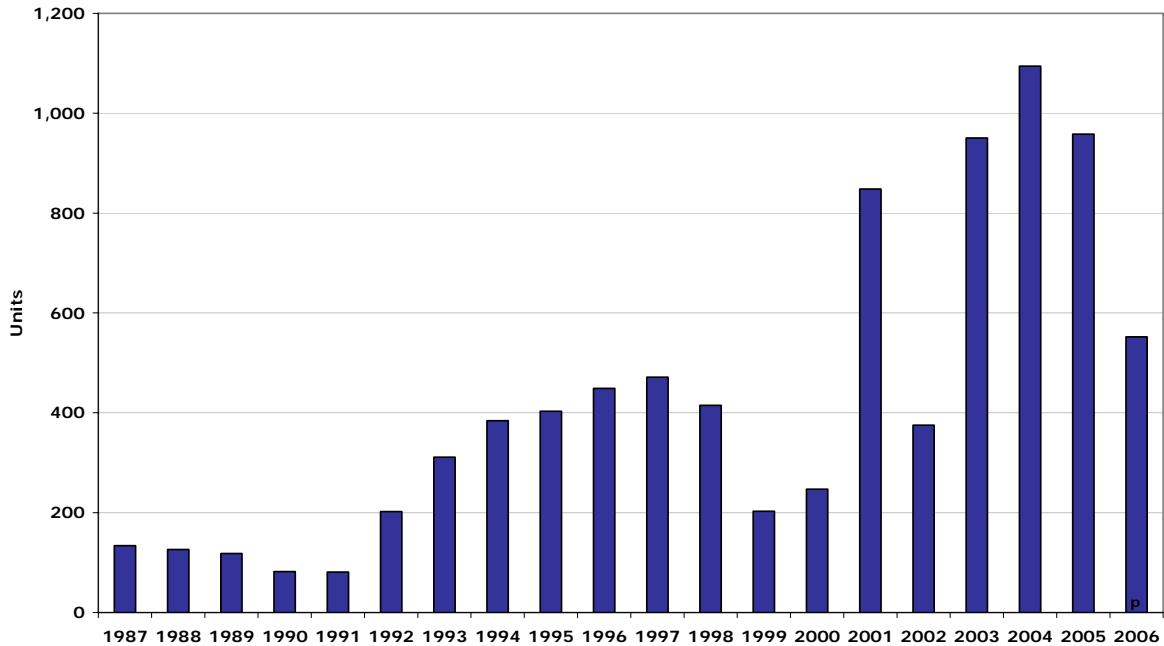
Multifamily

Rio Grande Valley Apartment Statistics 2006

	Rio Grande Valley	Texas Metro Average
Average rent per square foot	\$0.60	\$0.77
Average rent for units built since 2000	\$0.61	\$0.86
Average occupancy	93.9%	92.8%
Average occupancy for units built since 2000	95.4%	94.1%

Source: Apartment MarketData Research

**McAllen-Edinburg-Mission MSA
 Multifamily Building Permits
 5+ Multifamily Building Permits**



Source: U.S. Bureau of Census and Real Estate Center at Texas A&M University

2006 figure is a preliminary number.

McAllen-Edinburg-Mission Market Overview 2007 Housing

2006 Housing Affordability Index

MLS	2006 Median- Priced Home	Required Income to Qualify	Median Family Income	HAI*	HAI for First- Time Homebuyers**
McAllen	\$110,600	\$27,886	\$30,800	1.10	0.75
State	\$143,000	\$35,179	\$54,300	1.54	1.05
US	\$221,900	\$54,139	\$59,600	1.10	0.62

* The HAI is the ratio of the median family income to the income required to buy the median-priced house using standard mortgage financing at the current interest rate. Standard financing is a fixed-rate, 30-year loan covering 80 percent of the cost of the home. A HAI of 1.00 indicates that the median family income is exactly equal to the required income to qualify for the standard loan to purchase the median-priced house.

** First-time home buyer is assumed to purchase a home equal to the first quartile home price using a 90% home loan at an interest rate 0.5 percent greater than the standard current rate.

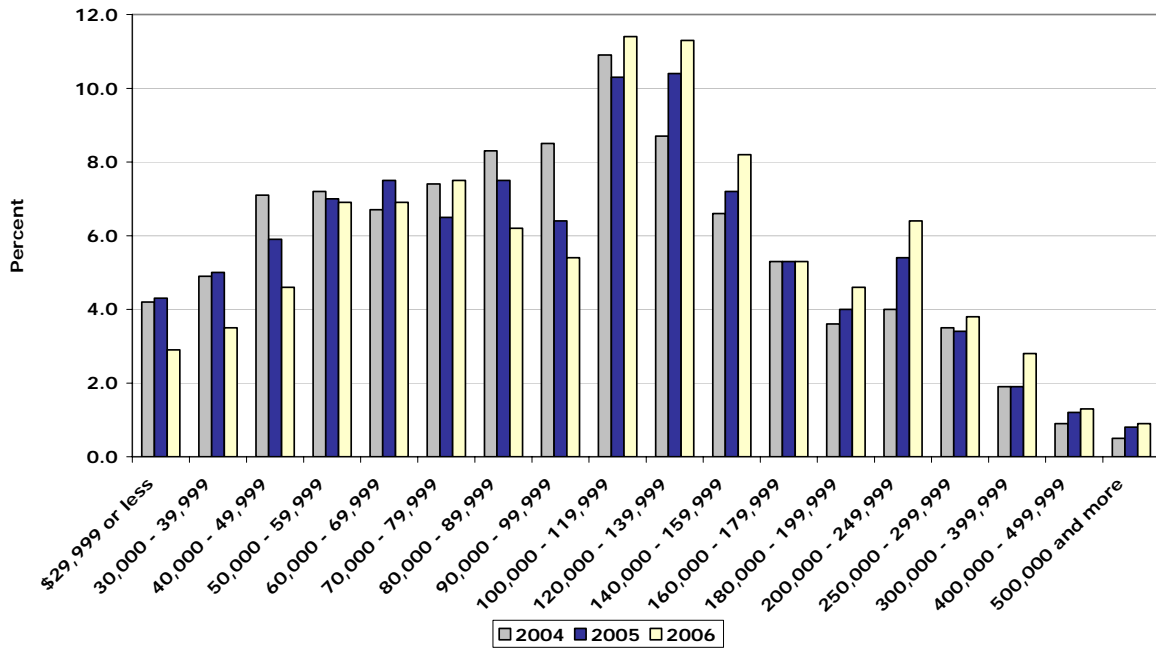
Source: Real Estate Center at Texas A&M University

**Price Distribution of MLS Homes Sold, McAllen Area
 (in percent)**

Price Range	2000	2001	2002	2003	2004	2005	2006
\$29,999 or less	6.8	5.8	5.4	5.1	4.2	4.3	2.9
30,000 - 39,999	5.8	6.0	4.9	6.0	4.9	5.0	3.5
40,000 - 49,999	6.5	7.1	5.9	5.9	7.1	5.9	4.6
50,000 - 59,999	8.1	7.2	7.7	8.2	7.2	7.0	6.9
60,000 - 69,999	9.9	9.1	8.2	8.0	6.7	7.5	6.9
70,000 - 79,999	13.0	10.0	8.4	6.9	7.4	6.5	7.5
80,000 - 89,999	11.9	11.8	12.4	9.4	8.3	7.5	6.2
90,000 - 99,999	6.8	7.2	6.8	7.7	8.5	6.4	5.4
100,000 - 119,999	7.1	8.7	9.7	9.7	10.9	10.3	11.4
120,000 - 139,999	6.5	8.2	9.9	9.5	8.7	10.4	11.3
140,000 - 159,999	4.1	4.0	5.0	5.6	6.6	7.2	8.2
160,000 - 179,999	4.0	3.0	3.3	4.5	5.3	5.3	5.3
180,000 - 199,999	2.4	3.0	3.1	3.7	3.6	4.0	4.6
200,000 - 249,999	3.6	5.0	4.0	3.9	4.0	5.4	6.4
250,000 - 299,999	1.6	2.2	2.8	2.7	3.5	3.4	3.8
300,000 - 399,999	0.9	0.5	1.2	1.8	1.9	1.9	2.8
400,000 - 499,999	0.3	0.7	1.0	0.9	0.9	1.2	1.3
500,000 and more	0.8	0.3	0.4	0.5	0.5	0.8	0.9

Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold
 McAllen Area



Source: Real Estate Center at Texas A&M University

Property Tax Rates, 2006
County, Major City, Major School District

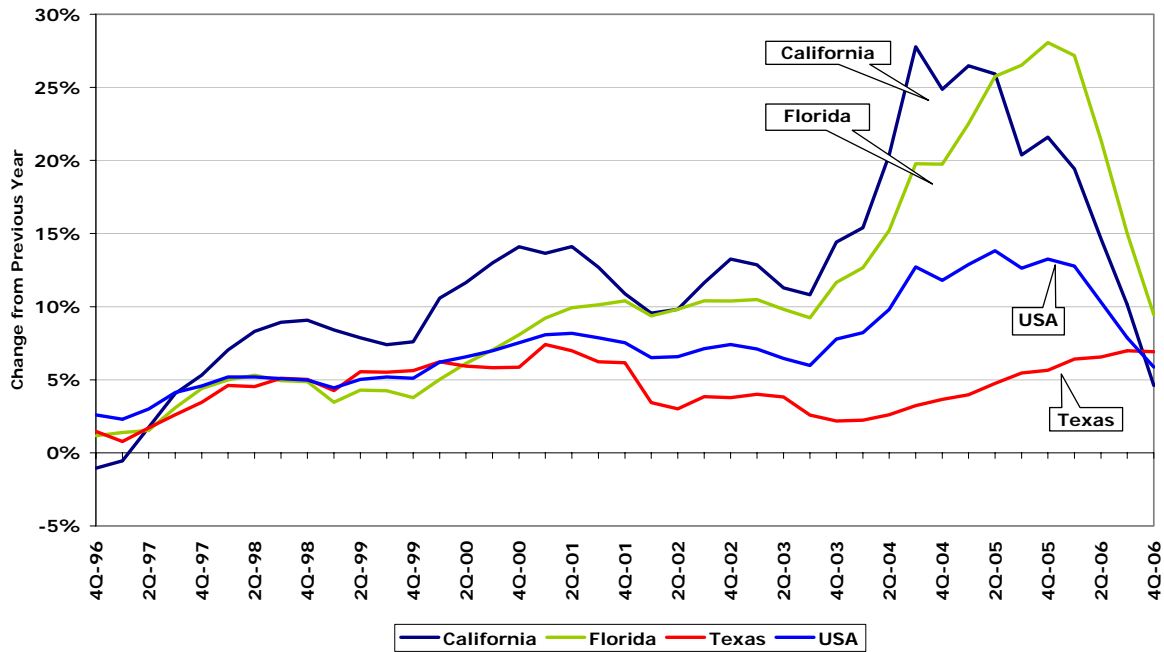
McAllen	
Taxing Entity*	Tax Rate per \$100 Valuation
Hidalgo County	0.5900
City of McAllen	0.4213
McAllen ISD	1.4780
Total	\$2.49
Edinburg	
Taxing Entity*	Tax Rate per \$100 Valuation
Hidalgo County	0.5900
City of Edinburg	0.6350
Edinburg ISD	1.4452
Total	\$2.67
Mission	
Taxing Entity*	Tax Rate per \$100 Valuation
Hidalgo County	0.5900
City of Mission	0.5566
Mission ISD	1.4574
Total	\$2.60
Pharr	
Taxing Entity*	Tax Rate per \$100 Valuation
Hidalgo County	0.5900
City of Pharr	0.6831
Pharr ISD	1.5194
Total	\$2.79

* Only the typical taxing entities are listed. However, there are numerous numbers of taxing entities that need to be taken into account for an actual tax rate calculation. See following link for a more complete list:
<http://www.hidalgoad.org/Hidalgo/rates.html>

Source: Hidalgo County Appraisal District

National Home Price Appreciation

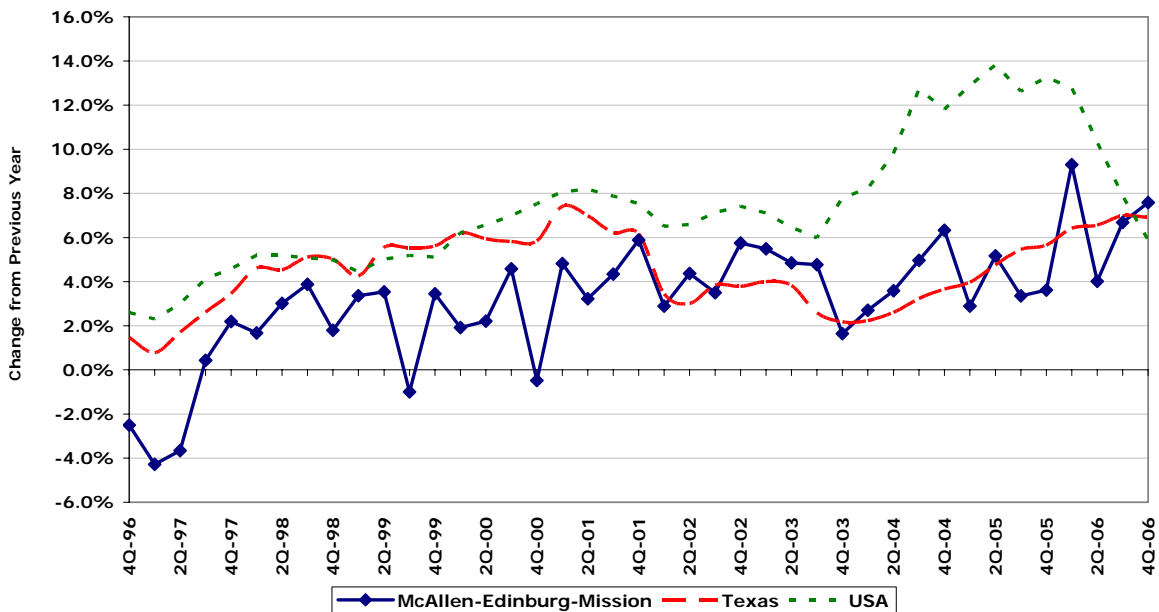
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae.



Source: Office of Federal Housing Enterprise Oversight

Home Price Appreciation McAllen-Edinburg-Mission MSA

The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae.



Source: Office of Federal Housing Enterprise Oversight

Real Estate Center Market Overview 2007
McAllen-Edinburg-Mission, TX

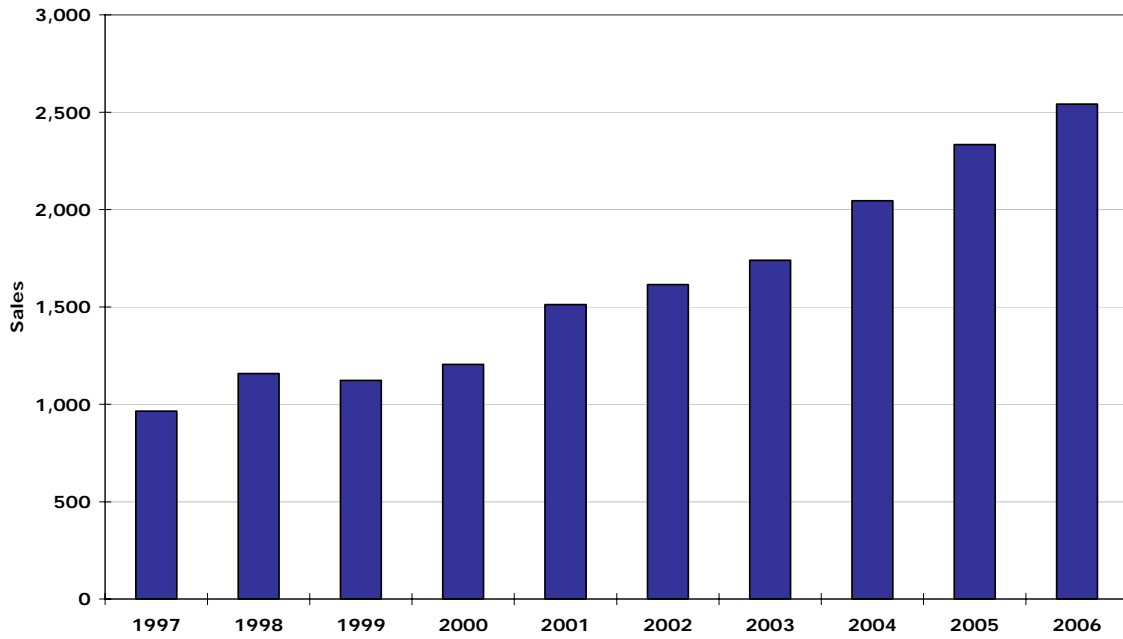
2005 Occupied Housing Unit Characteristics

Housing Unit Characteristics	McAllen - Edinburg - Mission MSA			Texas		
	Owner-occupied housing units	Renter-occupied housing units	Total occupied housing units	Owner-occupied housing units	Renter-occupied housing units	Total occupied housing units
Occupied housing units	136,672	58,451	195,123	5,162,604	2,815,491	7,978,095
Household Size						
1-person household	12.3%	17.4%	13.8%	19.1%	35.0%	24.7%
2-person household	25.7%	18.0%	23.4%	34.2%	25.8%	31.2%
3-person household	16.9%	17.8%	17.2%	17.2%	16.0%	16.8%
4-or-more-person household	45.1%	46.8%	45.6%	29.5%	23.2%	27.3%
Race and Hispanic or Latino Origin of Householder						
One Race						
White	71.7%	63.9%	69.4%	79.0%	66.2%	74.5%
Black or African American	0.2%	0.9%	0.4%	8.2%	17.9%	11.6%
American Indian and Alaska Native	0.4%	1.1%	0.6%	0.5%	0.6%	0.6%
Asian	0.7%	0.6%	0.7%	2.9%	3.1%	3.0%
Native Hawaiian and Other Pacific Islander	-	-	0.0%	0.0%	0.1%	0.0%
Some other race	26.5%	32.9%	28.4%	8.3%	10.8%	9.2%
Two or more races	0.4%	0.7%	0.5%	1.0%	1.4%	1.2%
Age of Householder						
Under 35 years	17.1%	48.0%	26.4%	14.4%	46.3%	25.6%
35 to 44 years	22.2%	22.0%	22.2%	21.9%	21.4%	21.7%
45 to 54 years	21.9%	10.2%	18.4%	24.1%	15.4%	21.0%
55 to 64 years	16.0%	6.9%	13.3%	18.1%	8.3%	14.7%
65 to 74 years	10.6%	7.4%	9.7%	11.9%	4.2%	9.2%
75 to 84 years	8.7%	4.4%	7.4%	7.6%	3.1%	6.1%
85 years and over	3.4%	1.0%	2.7%	2.0%	1.3%	1.8%
Units in Structure						
1, detached	82.0%	42.9%	70.3%	87.5%	28.3%	66.6%
1, attached	1.9%	2.6%	2.1%	2.3%	3.6%	2.8%
2 apartments	0.2%	10.4%	3.2%	0.3%	4.9%	1.9%
3 or 4 apartments	0.3%	10.8%	3.5%	0.4%	8.8%	3.3%
5 to 9 apartments	0.4%	10.7%	3.5%	0.3%	13.8%	5.1%
10 or more apartments	0.6%	12.8%	4.2%	0.7%	35.1%	12.9%
Mobile home or other type of housing	14.5%	9.9%	13.1%	8.5%	5.6%	7.5%
Year Structure Built						
2000 or later	18.1%	15.9%	17.5%	13.7%	10.9%	12.7%
1990 to 1999	28.7%	27.8%	28.4%	18.6%	14.8%	17.2%
1980 to 1989	24.1%	18.7%	22.5%	18.7%	22.5%	20.1%
1960 to 1979	21.1%	27.9%	23.1%	28.7%	35.0%	30.9%
1940 to 1959	6.5%	7.0%	6.7%	15.4%	12.4%	14.3%
1939 or earlier	1.4%	2.7%	1.8%	4.9%	4.5%	4.8%
Bedrooms						
No bedroom	0.4%	1.4%	0.7%	0.2%	1.5%	0.6%
1 bedroom	5.7%	20.6%	10.2%	2.1%	32.6%	12.9%
2 or 3 bedrooms	74.7%	70.0%	73.3%	70.8%	61.7%	67.6%
4 or more bedrooms	19.1%	8.0%	15.8%	26.8%	4.2%	18.9%
Annual Household Income and Housing Costs*						
Median household income (dollars)	\$29,491	\$16,310	\$24,501	\$54,610	\$26,782	\$42,139
Annual Median Housing Costs (dollars)	\$5,748	\$6,372	\$6,036	\$10,536	\$8,052	\$9,108
Housing Costs as a percentage of household income	19.5%	39.1%	24.6%	19.3%	30.1%	21.6%

* in 2005 inflation-adjusted dollars

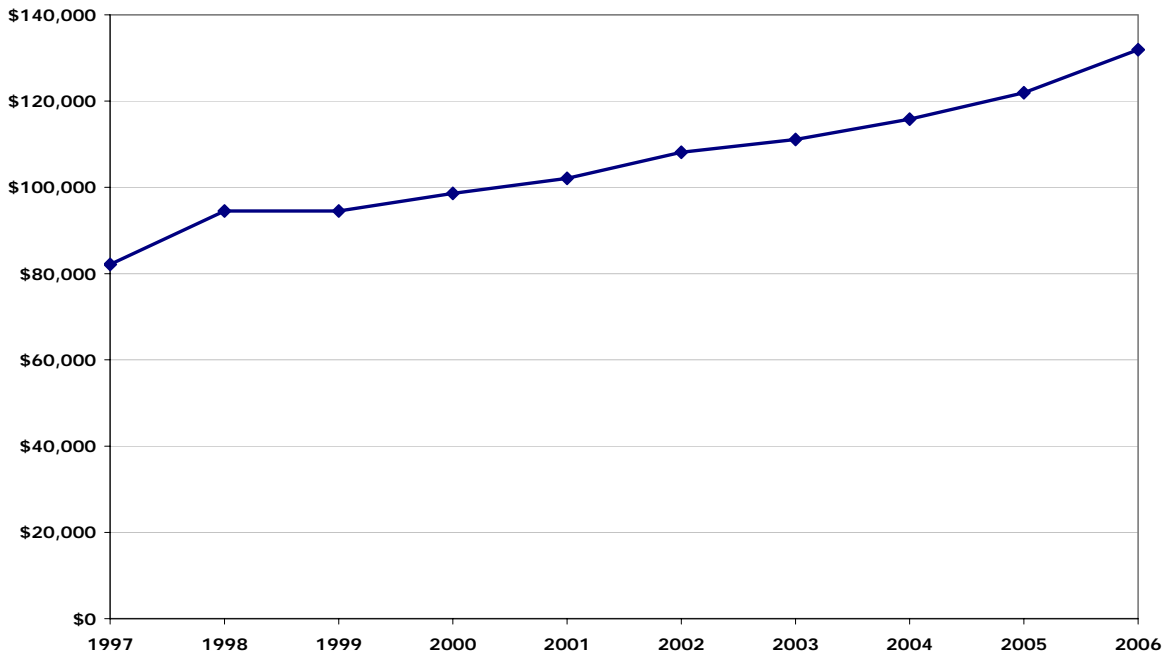
Source: U.S. Census Bureau 2005 and Real Estate Center at Texas A&M University

Yearly Homes Sales
McAllen-Edinburg-Mission MLS



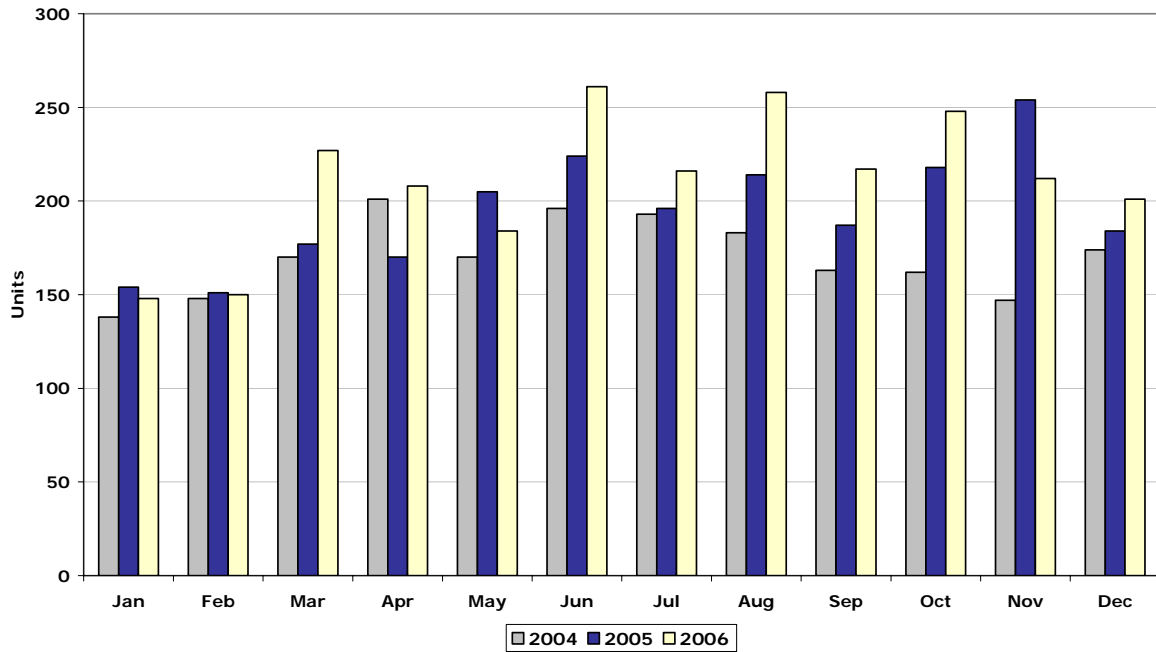
Source: Real Estate Center at Texas A&M University

Average Sales Price
McAllen-Edinburg-Mission MLS



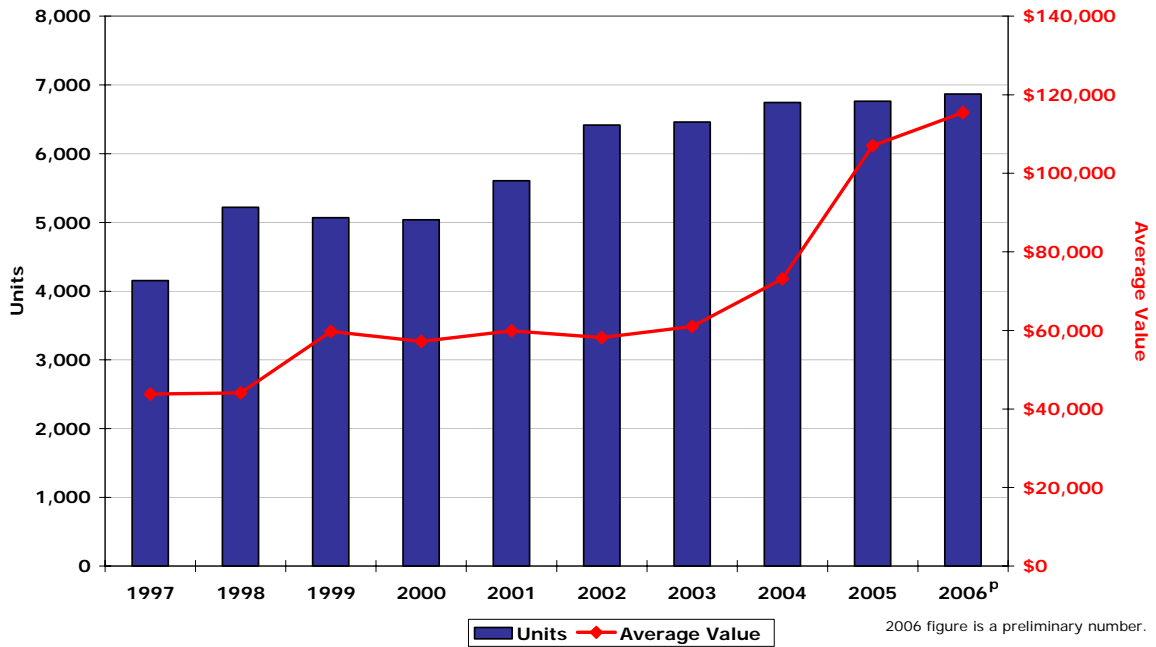
Source: Real Estate Center at Texas A&M University

**Single-Family Homes Sales Volume
 McAllen MLS**



Source: Real Estate Center at Texas A&M University

**Single-Family Building Permits and Average Value
 McAllen-Edinburg-Mission MSA**



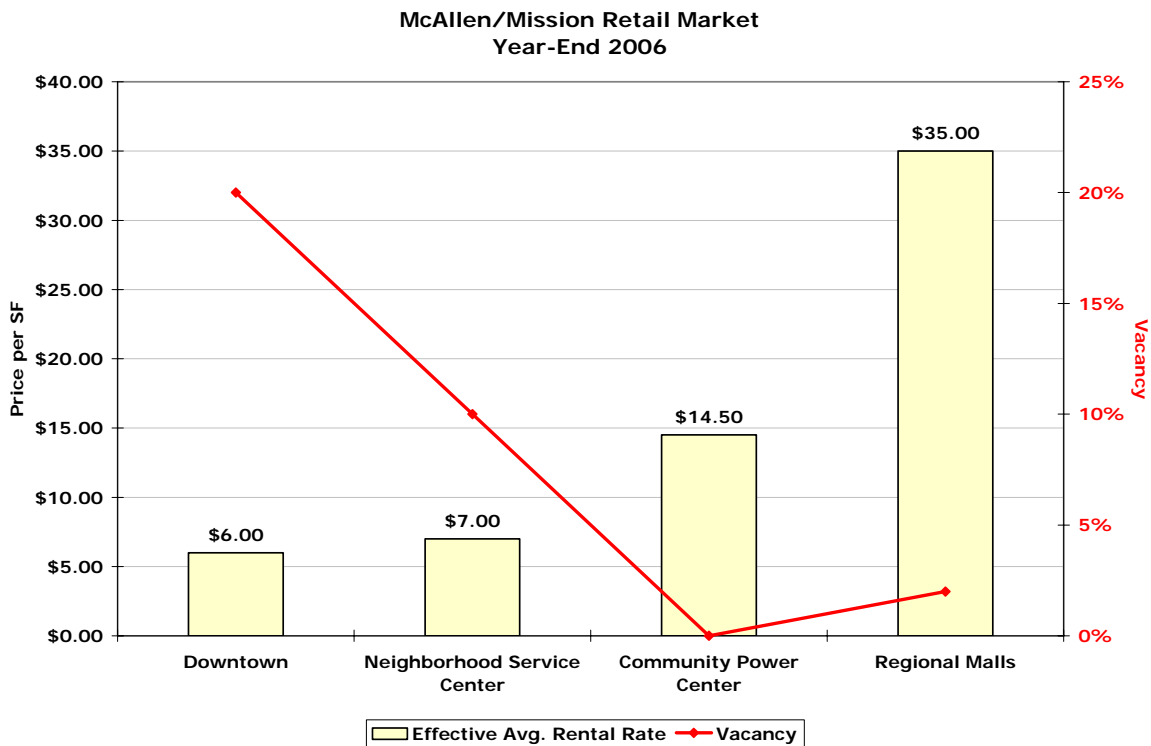
Source: U.S. Bureau of Census and Real Estate Center at Texas A&M University

McAllen-Edinburg-Mission Market Overview 2007 Retail

Summary of Retail Market Indicators (McAllen/Edinburg/Mission) - Year-End 2006
 (Rent/Square foot/Year)

Retail	Low	High	Effective Avg.	Vacancy
Downtown	\$6.00	\$12.00	\$6.00	20%
Neighborhood Service Center	5.00	18.00	7.00	10%
Community Power Center	7.50	18.00	14.50	0%
Regional Malls	25.00	50.00	35.00	2%

Source: NAI Rio Grande Valley



Source: NAI Rio Grande Valley

McAllen-Edinburg-Mission Market Overview 2007 Hotel

Hotel* Occupancy and Rental Rates

	2005		2006	
	McAllen - Edinburg - Mission	Texas	McAllen - Edinburg - Mission	Texas
# Rooms 000's	6.1	333.6	6.3	341
Average daily rate	\$62.28	\$74.38	\$66.38	\$80.82
Occupancy rate (in percent)	56.3	59.9	57.7	61.1

*Only properties exceeding \$18,000 in the current quarter are included; those units below \$18,000 only result in 1.5% of the total state revenues, and have been excluded from this database.

Source: Office of the Governor Economic Development and Tourism and Source Strategies, Inc. of San Antonio

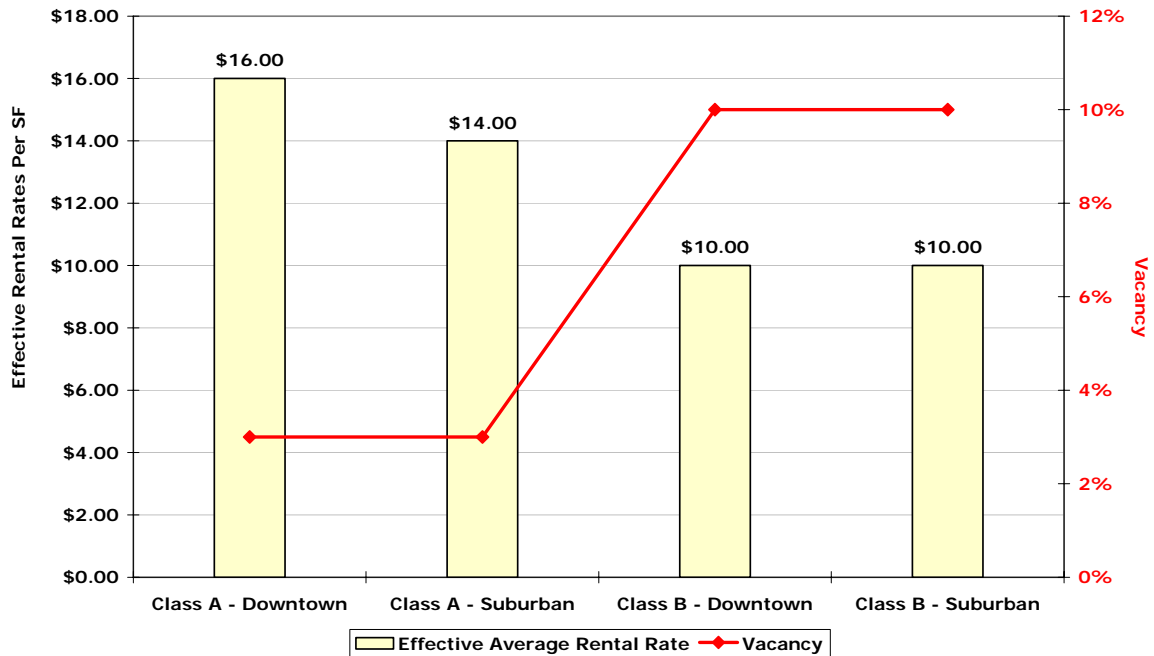
McAllen-Edinburg-Mission Market Overview 2007 Office

**Summary of Office Market Indicators (McAllen/Mission) - Year-End 2006
 (Rent/Square Foot/Year)**

Office Market	Low	High	Effective Avg.	Vacancy
<i>Downtown Office</i>				
New Construction	N/A	N/A	N/A	N/A
Class A	\$14.00	\$20.00	\$16.00	3%
Class B	\$9.60	\$12.00	\$10.00	10%
<i>Suburban Office</i>				
New Construction	\$15.00	\$20.00	\$16.00	10%
Class A	\$12.00	\$15.00	\$14.00	3%
Class B	\$9.60	\$12.00	\$10.00	10%

Source: NAI Rio Grande Valley

**McAllen/Mission Office Market
Year-End 2006**



Source: NAI Rio Grande Valley

McAllen-Edinburg-Mission Market Overview 2007 Industrial

Summary of Industrial Market Indicators (McAllen/Mission) - Year-End 2006
 (Rent/Square foot/Year)

Industrial	Low	High	Effective Avg.	Vacancy (approximately)
Bulk Warehouse	\$3.25	\$5.25	\$4.00	5%
Manufacturing	4.50	6.00	5.00	3%
Flex	4.50	12.00	6.00	5%

Source: NAI Rio Grande Valley

McAllen/Mission Industrial Market

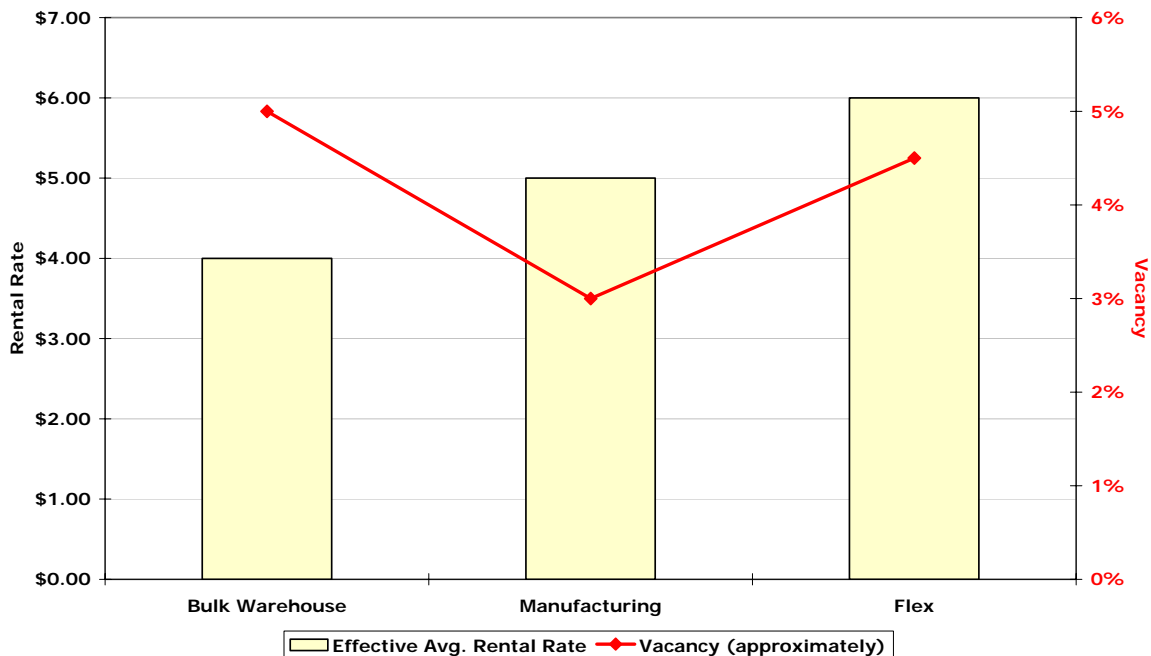
Industrial	2006
Vacancy Rate	3.8%
Absorbed*	408,000
Under Construction*	600,000
Rental Rate**	\$3.85

* Square feet; includes owner-occupied

** Weighted average asking rent/SF/year Triple Net

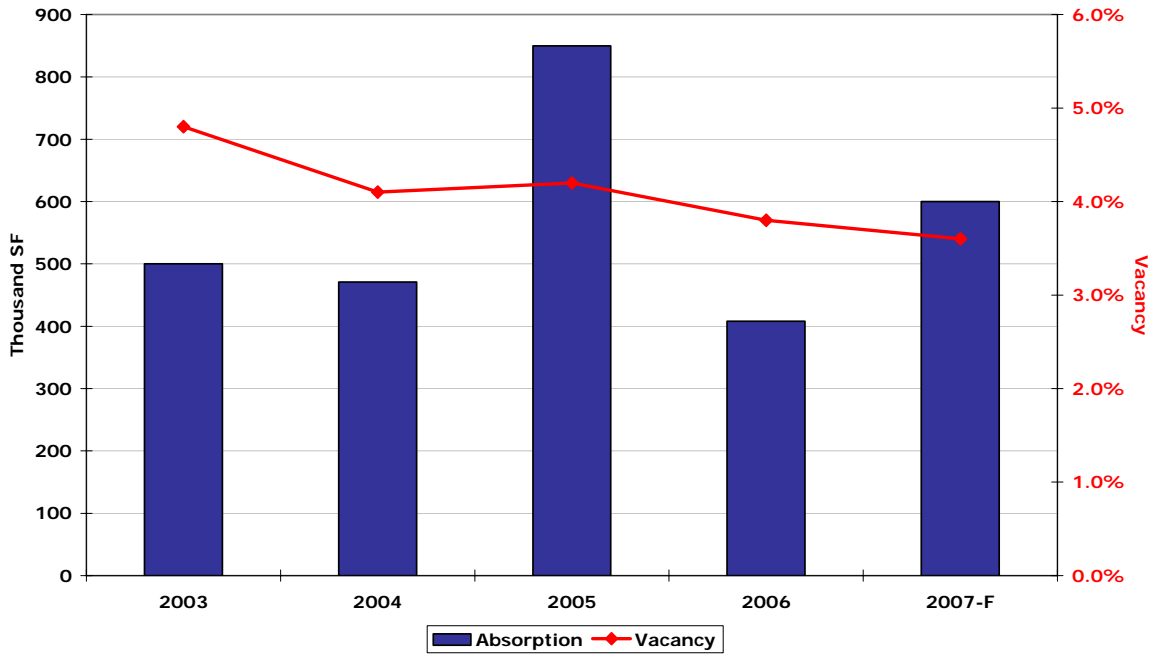
Source: Grubb & Ellis | Best/White, LLC

McAllen/Mission Industrial Market
 Year-End 2006



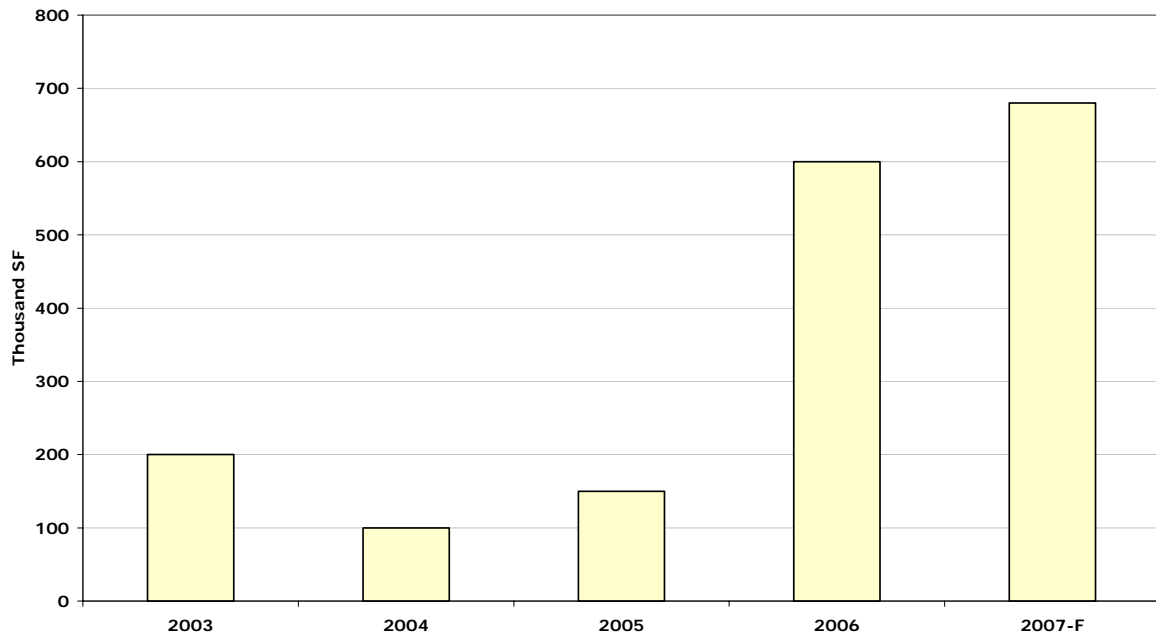
Source: NAI Rio Grande Valley

**McAllen/Mission Industrial Market
 Vacancy and Absorption Forecast**



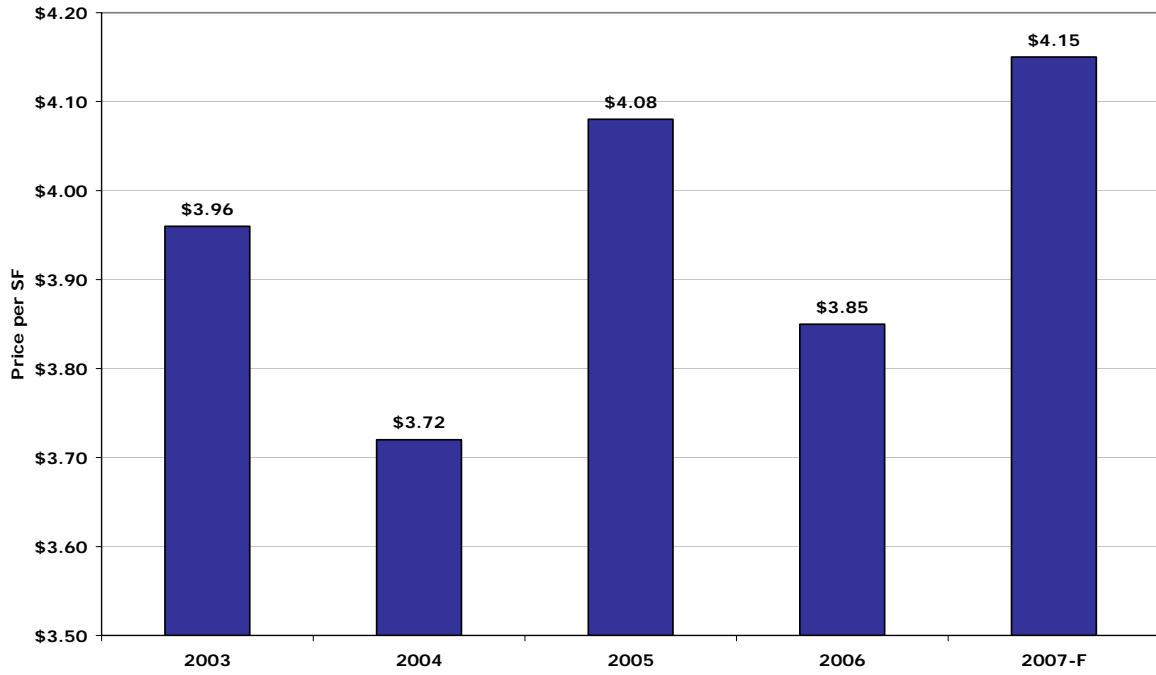
Source: Grubb & Ellis and Best/White, LLC

**McAllen/Mission Industrial Market
 SF Under Construction Forecast**



Source: Grubb & Ellis and Best/White, LLC

McAllen Industrial Market Overview
Asking Rental Rates* Forecast, \$/SF/Yr. NNN, Year End



Source: Grubb & Ellis and Best/White, LLC

* Warehouse Distribution Space



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