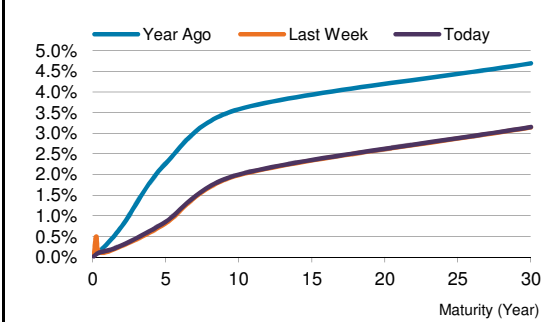


Current (vs. One Week Ago): 1-Month Libor: 0.2455% (▲ no change) 10-Year Treasury: 2.00% (▲ 2 bps)

TREASURY YIELD CURVE DATA



US TREASURY

	2-Year	5-Year	10-Year
UST Yield	0.29%	0.86%	2.00%
Swap Spread	0.31%	0.27%	0.07%
Swap Rate	0.60%	1.13%	2.07%
6 Mos. Prior	0.48%	1.18%	2.20%
Change (bps)	12	(5)	(13)

SHORT TERM RATES

	Current Rate	6 Months Ago	Change (bps)
Target US Fed Funds	0.25%	0.25%	0
Mex 28 Day TIE	4.78%	4.81%	(3)
6 Month Euribor	1.33%	1.73%	(40)

CURRENCIES

	Current Rate	6 Months Ago	Change
EUR/USD	1.3224	1.4398	(0.1174)
GBP/USD	1.5787	1.6465	(0.0678)
USD/MXN	12.7280	12.3002	0.4278
USD/CAD	0.9959	0.9902	0.0057

INTERNATIONAL BONDS

	2-Year	5-Year
United Kingdom	0.44%	1.08%
Australia	3.69%	3.75%
Mexico	1.66%	2.25%
Japan	0.11%	0.31%
Germany	0.25%	0.91%

TRENDS AND PERSPECTIVES

The Barbell Real Estate Market

At the recent Real Estate Capital Markets Conference in New York sponsored by Goodwin Proctor LLC and Columbia University Business School, the overarching sentiment was that the global economy would just “muddle through” 2012. For real estate, this would mean that economic forces may not materially improve real estate trends this year, i.e., with job growth low, consumer spending restrained, business and personal travel only stable, and most housing markets still depressed, not much of a general upswing is foreseen for the office, retail, hospitality, and single-family housing markets.

However, there was solid agreement that demographic forces are creating opportunities for real estate, driven by age groups at two ends of the spectrum. Multifamily residential is benefitting from the increasing number of college-age kids and young adults moving from home or dorm to apartments as they enroll in graduate school or get new jobs. At the other extreme, the large pool of aging baby boomers is driving demand for medical office space and senior housing. This “barbell” effect helps explain why multifamily housing and medical office buildings are the two “hot” property types right now.

The conference participants did offer some positive views for 2012: job growth, while not great, is positive and getting better; there are low levels of new supply among all property types, allowing demand to catch up; and debt and equity are returning to the market. In the “backhanded compliment” vein, one participant noted that by the end of 2012 we will be one year closer to a potential housing boom. There was also some support for the notion that mortgage rates have more room to drop.

What were the participants most worried about? The consensus was that Europe is the biggest current risk to the US economy, and that housing is the biggest drag on the economy. Congress also needs to take bold action soon on the US debt, or the long-term consequences could be dire. Potential near-term disruptions that could jeopardize the fragile gains that the economy is making: unexpected major events; a liquidity crisis; a worsening situation in Europe; and either a Congressional impasse at getting anything done, or an overreaction by Congress that leads to too much austerity and/or overregulation.

This week's piece was contributed by Michael Henderson of Rockwood's Research Department. For additional insight contact Mhenderson@rockwoodrea.com.

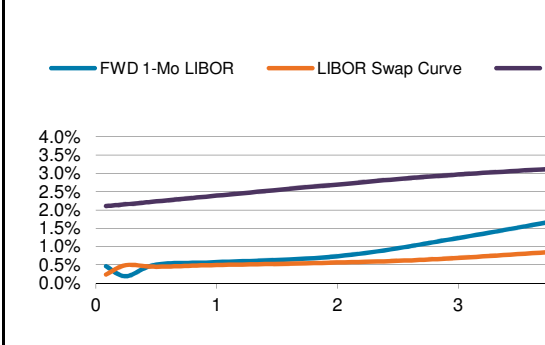
DEAL MARKETING:

Miami Center - Downtown Miami CBD, Florida

Rockwood Real Estate Advisors (“Rockwood”) has been retained on an exclusive basis to arrange a sale of a joint venture interest, or 100% sale, in Miami Center (the “Property”), an iconic, instantly recognizable, 786,267 square foot, Downtown Miami office tower. Miami Center offers investors an excellent tenant mix, credit, stability, and predictability of cash flow that is expected of a Trophy Office Tower. Miami Center is a high quality, office building with exceptional surrounding amenities that are attractive to both national and regional tenants — with the proven ability, and continued opportunity, to out-perform the market. The Property is situated on Biscayne Blvd. in the core of the Downtown CBD. Miami Center's diverse tenant base, and well structured lease expirations provide a new investor compelling re-occurring income with additional upside through new leasing and improving market fundamentals. For more information, please contact John Bell 305-961-7723.



LIBOR / LIBOR SWAP / FORWARD 10-YR UST



LIBOR

	1-Month	3-Month	6-Month	12-Month
Current Yield	0.25%	0.49%	0.75%	1.07%
6 Months Ago	0.22%	0.30%	0.47%	0.78%
Change (bps)	3	19	28	28

LIBOR SWAP

	1-Year	2-Year	3-Year	5-Year
Current Yield	0.50%	0.57%	0.69%	1.14%
1 Month Ago	0.53%	0.58%	0.70%	1.20%
Change (bps)	(3)	(1)	(1)	(7)

FORWARD MARKET

	1-Month	3-Month	6-Month	12-Month
1-Mo Libor	0.46%	0.19%	0.51%	0.57%
10-Yr US Treasury	2.10%	2.15%	2.23%	0.00%

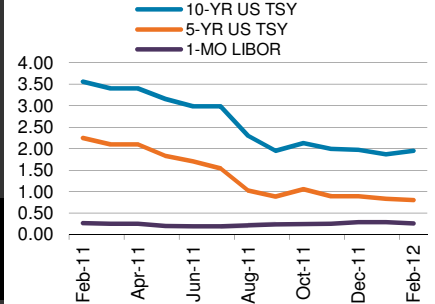
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Capital Markets Update

	10-YR US TREASURY			5-YR US TREASURY			1-MO LIBOR		
	High	Avg.	Low	High	Avg.	Low	High	Avg.	Low
Feb-11	3.74	3.56	3.41	2.40	2.25	2.01	0.27	0.26	0.26
Mar-11	3.56	3.40	3.17	2.28	2.10	1.84	0.26	0.25	0.24
Apr-11	3.56	3.40	3.17	2.28	2.10	1.84	0.26	0.25	0.24
May-11	3.28	3.16	3.06	1.97	1.83	1.72	0.21	0.20	0.19
Jun-11	3.16	2.99	2.86	4.65	1.70	1.37	0.19	0.19	0.19
Jul-11	3.18	2.98	2.80	1.78	1.54	1.36	0.19	0.19	0.19
Aug-11	2.74	2.30	2.06	1.32	1.03	0.88	0.22	0.21	0.19
Sep-11	2.08	1.95	1.72	1.00	0.88	0.78	0.24	0.23	0.22
Oct-11	2.40	2.13	1.76	1.20	1.06	0.85	0.25	0.24	0.24
Nov-11	2.08	2.00	1.88	0.93	0.89	0.86	0.26	0.25	0.25
Dec-11	2.09	1.97	1.81	0.98	0.89	0.80	0.30	0.28	0.27
Jan-12	2.06	1.87	1.09	0.91	0.83	0.75	0.30	0.28	0.27
Feb-12	2.04	1.95	1.82	0.86	0.80	0.71	0.26	0.25	0.25

TREASURY RATES & 1-MO LIBOR



SENIOR MORTGAGE SPREADS

Property Type	3-5 Year Floating Rate Mortgages*		5-10 Year Fixed Rate Mortgages*	
	Index: 1-Mo LIBOR		Index: Equivalent Maturity Treasuries	
Residential	Apartments	LIBOR +300-500 bps, 1-2% Floor	350-450 bps Over Treasury, 30-Yr Amort. (I/O is possible)	
Retail	Anchored Strip Centers	LIBOR +350-550 bps, 1-2% Floor	400-550 bps Over Treasury, 30-Yr Amort.	
Industrial	R&D / Flex Dist. / Warehouse	LIBOR +350-550 bps, 1-2% Floor	400-550 bps Over Treasury, 30-Yr Amort.	
Office	CBD Suburban	LIBOR +350-550 bps, 1-2% Floor	400-550 bps Over Treasury, 30-Yr Amort.	
Hotel	Full-Service Limited-Service	LIBOR +450-700 bps, 1-2% Floor	600-700 bps Over Treasury, 30-Yr Amort.	

* The 5-10 year fixed rates above reflect anecdotal quotes from a variety of bank, life company, agency and non-bank lenders and represent the minimum spreads lenders would accept with a 1.25-1.30x minimum DSCR based on 6.5%-8.5% constants and 70% to 75% LTV in major MSAs. Lenders are also incorporating debt yields of approximately 9-11 percent. The chart has been updated to reflect the current lending environment which has shifted away from CMBS almost entirely to more competitive balance sheet offerings. CMBS spreads for fixed rate 5-10 year debt for traditional property types are now quoted starting at approximately 400 basis points over the corresponding Treasury. To finance properties in non-core markets, call Rockwood Real Estate Advisors for pricing.
Note: For non-stable properties, incremental spread increase of approximately 300 bps.

ROCKWOOD REAL ESTATE ADVISORS OVERVIEW

Rockwood Real Estate Advisors arranges debt and equity transactions that exceed client expectations by creating innovative solutions and achieving optimal terms with the lowest overall cost of capital. Our transactional capabilities include investment and portfolio sales, whole loan, individual and portfolio note sales, as well as debt and equity finance. Rockwood professionals also provide advisory services, including debt and equity restructuring, partnership and joint venture restructuring, pre- and post-petition consulting, construction advisory, and pre-disposition asset management. Rockwood is a full-service, real estate investment banking firm headquartered in New York with offices in Dallas, Miami, Orlando, Atlanta, Cincinnati and Bethesda.

MEZZANINE DEBT*

Capital Provider	Rate	Term	LTV Range	Lender Fee
Opportunity Funds	18%+	1 to 3 Years	65-75%	1 - 2%
Investment Banks	15-20%	1 to 3 Years	60-70%	1 - 2%
Insurance Companies	12-16%	3 to 5 Years	50-65%	1 - 2%
Private Sources	12-25%	6 Months to 3 Years	60-80%	1 - 3%

*Note: many senior lenders forbid subordinated debt behind their position.

Sources:
Bloomberg,
Banco de
Mexico,
Rockwood

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PUBLIC EQUITY / REITS

PUBLIC DEBT / CMBS

Asset Type	Current Dvd Yield			CMBS Tranche	Current Yield	Current Spread to UST	1 Week Spread Change	1 Week Ago Spread	12 Mo Ago Spread
	Dvd Yield	Dvd Yield 6 mo Ago	Dvd Yield 12 mo Ago						
Office	3.48%	3.65%	3.07%	AAA - 5yr	3.93%	309	2	307	260
Retail	3.21%	3.49%	3.17%	AAA - 10yr	3.89%	190	1	189	183
Industrial	2.71%	3.50%	3.13%	AA - 10yr*	26.58%	2,483	25	2,458	2,360
Apartments	2.94%	2.92%	3.04%	A - 10yr*	37.58%	3,558	0	3,558	3,410
Hotel	2.16%	2.88%	1.22%	BBB - 10yr*	58.58%	5,708	50	5,658	5,510

*AAA current values refer to 2/10 and 1 Week Ago refers to 2/03

*AA,A&BBB current values refer to 5/6 and 1 Week Ago refers to 4/29, the latest figures available

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