

THE KALIKOW GROUP IS PLEASED TO PROVIDE A YEAR END UPDATE ON ITS DEVELOPMENT PROJECTS

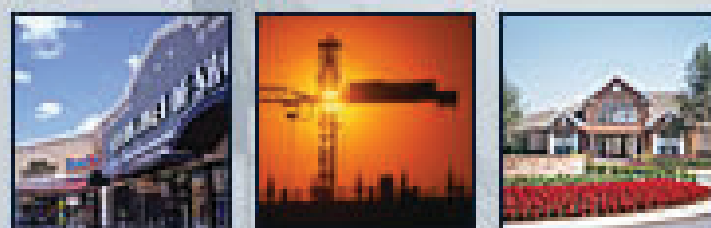
The Kalikow Group™ is a family-owned real estate development, investment and management company. Serving the community since the late 1920's, we offer the highest standards in the industry.

Our Services Include:

- Residential & Retail Development
- Equity & Joint Venture Financing
- Full-Service Real Estate Management Services

WHEN IT COMES TO
**EQUITY FINANCING
LAND BANKING
JOINT VENTURE**

WE PAINT A
**DIFFERENT
PICTURE**



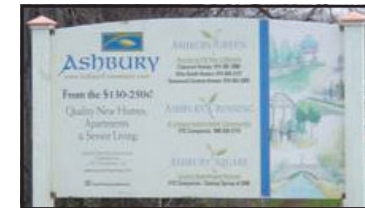
**THE
KALIKOW
GROUP**

**K&S Maple Village Apartments, LLC - Project Started 9/2004
Joint Venture with EYC Companies
Colonial Bank \$8,550,000 (Acquisition & Development Loan)**

This project is located on 12 acres in Pell City, Alabama. Completed since August 2006, the project is comprised of 160 unit rental garden style apartments. Maple Village is currently under contract to be sold for a purchase price of \$12,800,000. The property is currently 85% occupied and 96% pre-leased. The Closing is scheduled for the first quarter of 2007.



The following Projects – K&S Mebane Residential (260 single family



homes), Mebane Apartments (192 units) and Mebane Senior Housing (128 units of senior housing comprised of a 48 unit residential condominium and 80 attached townhouse units) are part of a master planned community – Ashbury Subdivision.

**K&S Mebane Residential, LLC - Project Started 5/2005
Joint Venture with Spang Development
RBC Centura Bank - \$5,650,000 (Acquisition Loan)**

This project is located on 83 acres in Mebane, North Carolina. 260 residential building lots are to be constructed and sold to the following Builders: Cimarron Homes, Olde South Homes, & Stonewall Homes.



To date, we have closed on the sale of 62 lots to the builders. Of the 62 lots: 24 homes have been constructed and closed upon, 17 homes are under contract and being built, 13 homes are being constructed on speculation, and the remaining 8 purchased lots remain in builder inventory.

**K&S Mebane Apartments, LLC – Project Started 6/2005
Joint Venture with EYC Companies
Regions Bank \$11,400,000**

This property is located on 17 acres in Mebane, North Carolina, where K&S along with EYC are constructing a 192 unit rental garden style apartment complex. We are nearing completion of all four apartment buildings with the first of the four buildings (48 units) delivered. Of the 48 delivered units, 60 of the units have been leased. We are actively marketing the remaining units, planning to sell the Project upon reaching stabilization in 2007.



**K&S Mebane Senior Housing, LLC - Project Started 6/2005
Joint Venture with EYC Companies
Paragon Commercial Bank \$5,112,500**



This project is located on 24 acres in Mebane, North Carolina. 128 units of senior housing comprised of a 48 unit residential condominium and 80 attached townhouse units are being constructed.

Pre-development and site work has been completed for the first section of the project and we are in the process of completing 12 duplex units. Of the 12 units, 4 are model units and we currently have 6 contracts on the other 8 units. The Developer has advised that local demand for this senior product is strong.

It has been a busy year for Kalikow as they continue to work on their ongoing projects.

Edward Kalikow along with Vice President Aaron Siegel are actively looking for prospective new ventures to expand on the groups portfolio.

For more information on the Kalikow Group please visit their website at www.thekalikowgroup.com.

**K&S Mesa Verde, LLC – Project Started 8/2005
Joint Venture with Noteware Developments
Compass Bank - \$11,644,000 (Acquisition Loan)**

Development of 2 - 5 acre parcels for 356 mid-rise luxury condominium units, located off the South Strip in Las Vegas, Nevada. The Developer and professionals continue pre-construction functions. We have received county approvals to commence construction and we are in the process of marketing the project to achieve the pre-sales that will be required to commence vertical construction.

Our direct competition at our affordable price point is limited. The strength of the Vegas market and employment picture remains strong. For more information please visit the website for this project www.brickwaterlasvegas.com



**K&S West Ashley Residential I, LLC – Project Started 7/2005
Joint Venture with EYC Companies
US Bank National Association \$20,000,000 (Construction Loan)**

We are constructing 246 luxury condo units in 12 buildings as well as a clubhouse and pool on 11 acres in Charleston, South Carolina.

All pre-development and site work has been completed and construction of the first building (24 units) and clubhouse is expected to be completed by March 1, 2007. The project is very well-positioned at an affordable price point. There are 26 sales to date. Grand Opening is set for March 1, 2007.



**K&S Sterling Lakes Iowa, LP – Project Started 10/005
Joint Venture with Land Tejas
Regions Bank \$17,040,000 (Acquisition & Development Loan)**

Acquisition and development of a 274 +/- acre parcel of vacant land into 716 improved building lots to be sold to National and Local home builders. The property represents the initial phases of a 1,164 acre +/-, 3,100 lot +/- Master Development Plan, located in the Iowa Colony area of Houston, Texas.

Development and construction of the infrastructure for Phase I has commenced. Initial lots will be available for takedown in the first quarter of 2007. The Developer now has over 664 lots out of the available 714 under contract.

**K&S Morton Cypress I, LP – Project Started 4/2006
Joint Venture with Perry Properties
Wachovia Bank \$2,891,000 (Morton Ranch, Acquisition & Development Loan)**

Investment into two separate residential lot development projects in Houston, Texas, Spring Cypress Investments, LP and Morton & Mason Partners, LP: Spring Cypress involves developing a 108 acre parcel into 352 improved building lots pre-sold to Legacy Homes and Newmark Homes. Morton & Mason involves developing 23 acres into 103 improved building lots to be sold to Royce Builders. On the Morton & Mason tract, Royce Builders purchased their initial 15 lots on September 7, 2006, and took down an additional 12 lots on December 22, 2006. Royce is required to purchase an additional 12 lots every subsequent quarter until all of the lots have been purchased. The Developer is anticipating delivering lots by the end of the second quarter, 2007. Builders in the project, are Meritage and Newmark Homes.

**K&S Magnolia Springs I, LP – Project Started 4/2006
Joint Venture with Kerby Development
First Texas Continental Investment \$5,944,000**

Acquisition and development of a 142 acres in New Braunfels, Texas into 542 improved building lots pre-sold to Highland Homes and Newmark Homes. The property will be developed in six phases with the first phase expected to be completed by first quarter of 2007.

**K&S Sevilla, LLC – Project Started 5/1/2006
Joint Venture with Noteware Developments
Key Bank \$17,520,000 (Acquisition, Development & Construction Loan)**

Acquisition and development of a 5 acres zoned for 66 mid-rise luxury condominium units, located within the Moon Valley community of Phoenix, Arizona.

The Developer and professionals continue pre-construction functions. We have received approval of our condominium documents with the State of Arizona and we are in the process of converting 15 reservations into contracts. Site work is scheduled to commence in February 2007.

