

Overall M&A activity within the Real Estate sector increased 5% over the last twelve months (LTM) ending December 31, 2005 with 122 deals reported compared with 116 deals for the same period last year and with median valuation multiples at 10.2 x Revenue, 15.5 x EBITDA, 20.2 x EBIT and 2.5 x Book Value.

M&A TRANSACTIONS BY SUBSECTOR

For the Last Twelve Months Ended December 31,

	01		02		03		04		05	
Real Estate Operators & Lessors	19	28%	23	37%	28	36%	50	43%	61	50%
Real Estate Management Services	27	40%	18	29%	31	40%	43	37%	35	29%
Title & Other Services	7	10%	6	10%	7	9%	13	11%	15	12%
REITs	15	22%	16	25%	11	14%	10	9%	11	9%
Total	68	100%	63	100%	77	100%	116	100%	122	100%

Based upon Mosaic Capital research and subject to qualifications found on our website. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity, due to a lack of a public market.

Large national and international strategic buyers lead the demand for U.S.-based businesses in this sector. In addition, private equity groups own or control over 96 portfolio companies and also are fueling demand. Buyers objectives include:

- ▶ Obtain economies of scale and scope
- ▶ Obtain property management efficiencies via technology and resource infrastructure leverage
- ▶ Provide for greater returns and shareholder value

About Mosaic Capital

Mosaic Capital LLC is a leading national investment banking firm specializing in merger and acquisition and related corporate finance transactions, as well as business valuations for middle-market companies. The private placement of debt and equity securities is provided through affiliate Mosaic Capital Securities LLC - member NASD/SIPC. Mosaic Capital is a member of International Merger & Acquisition Partners (www.imap.com), an exclusive global partnership of leading M&A advisory firms with 98 offices in 24 countries, the partners of which have completed 1,000 middle market transactions exceeding \$18 billion in value since 2000.

Mosaic Capital seeks introductions to owners and management teams in the following lines of business:

Real Estate Operators & Lessors, including:

- Stadium and Arena Owners
- Railroad Property Operators and Lessors
- Shopping Mall Operators and Lessors
- Factory outlet Center Operators and Lessors
- Office Building Operators and Lessors
- Apartment Building Operators and Lessors
- Residential Mobile Home Site Operators

Real Estate Investment Trusts (REITs)

Real Estate Management Services, including:

- Real Estate Agents and Brokers
- Residential & Nonresidential Property Managers
- Condominium Associations
- Real Estate Appraisers

Title & Other Services, including:

- Land Sub Dividers and Developers
- Title Services