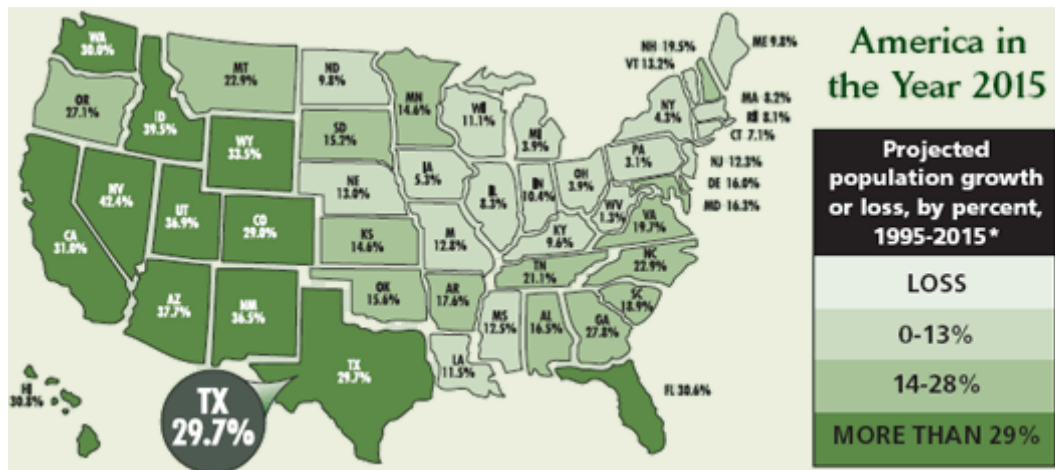


## GROWTH MARBLE FALLS

Horseshoe Bay is located in Central Texas, an area that has experienced rapid growth in recent years.



According to the US Census Bureau:

- The capital city of Austin, just 60 miles away is growing by leaps and bounds. They will add nearly 19,000 people a year between now and 2010.
- Horseshoe Bay itself has already experienced a population boom when it increased more than 116% between 1990 and 2000. It is still growing at phenomenal rates.
- Texas itself is projected to be the 2nd most populous state in the country by 2025 with 27.2 million people. That is a 7.1million increase over the next two decades. The time is now to start planning your future by owning Texas real estate.
- 19,000 new people move to Austin every year.

Marble Falls is the “shopping hub” and “service hub” for the Highland Lakes Hill Country Area. With a population in these areas of over 250,000 people, “Riverwalk Marble Falls” will help fill the existing need of a shopping village for the local residents as well as the thousands of tourist that come to Marble Falls each year. The nearest Major shopping village from Marble Falls is 35 miles, a distance of up to 60-70 miles for other residence to travel in this beautiful Hill Country Area just to shop. There is over 5,000/ acres of new residential development within the immediate area, not to mention the 1,000’s of acres of new development within other close proximity areas of Marble falls which all falls within the shopping area for Riverwalk.

Marble Falls and Highland Lakes Area are very affluent areas with a large population that includes College graduates, and residents of high earning levels.

The beauty of the area and the close proximity to Austin, San Antonio, Dallas and Waco, along with the many activities of unique villages, restaurants, water sports, Golf, Biking, hunting, wineries,

etc. are what is driving the economic growth of this area, making it within the top 2% of the highest growth areas in the U.S. It has been named in one publication as a Lover's Paradise, and several publications refer to it as one of the top cities in which to live.

Here are some other appealing details:

- A new planned mixed use commercial development called Riverwalk is slated for completion in 2007. It will include 300,000 sf of upscale retail including several restaurants and a hotel/conference center. Also included in the village is The "Waterford Inn and Resort", a luxurious, yet affordable, hotel. Along with the spacious rooms, the multi story Hotel will offer 4 luxurious penthouses and a select number of Suites which will bridge over to shops and state of the art convention center.
- The Marriot Hotel recently opened its Convention/Resort facility. They have over 100,000 rooms per year booked through 2007.
- Recent studies have shown that the Austin and the Marble Falls areas will be booming markets through the years to 2010.
- A recent Retail Trade Analysis obtained by the city of Marble Falls showed a current need for an additional 4400 new homes in the Marble Falls Area, and a substantial amount of retail leakage, due to the fact that there are not enough shops and restaurants to fulfill the needs for the area.

An important item regarding the shopping radius for this area is as follows:

Our research on Marble Falls and the surrounding areas supports the conclusion that residents and tourists from within a 30-60 mile radius will drive to Marble Falls to shop. The 2005 Demographics Estimate within the 30 Mile radius area is approximately 245,000 residents who would fully support the merchants that are greatly needed within this premier area of Texas' Hill Country.

Studies show that the affluent empty-nesters and retirees as well as young families have more than doubled their interest in the area over the last year, and consider the Texas Hill Country, and especially the Marble Falls area, a very desirable location. Since we began our search four years ago the need for the presence of the service industry has increasingly grown and the growth, as the studies have shown, will continue into the next decade.