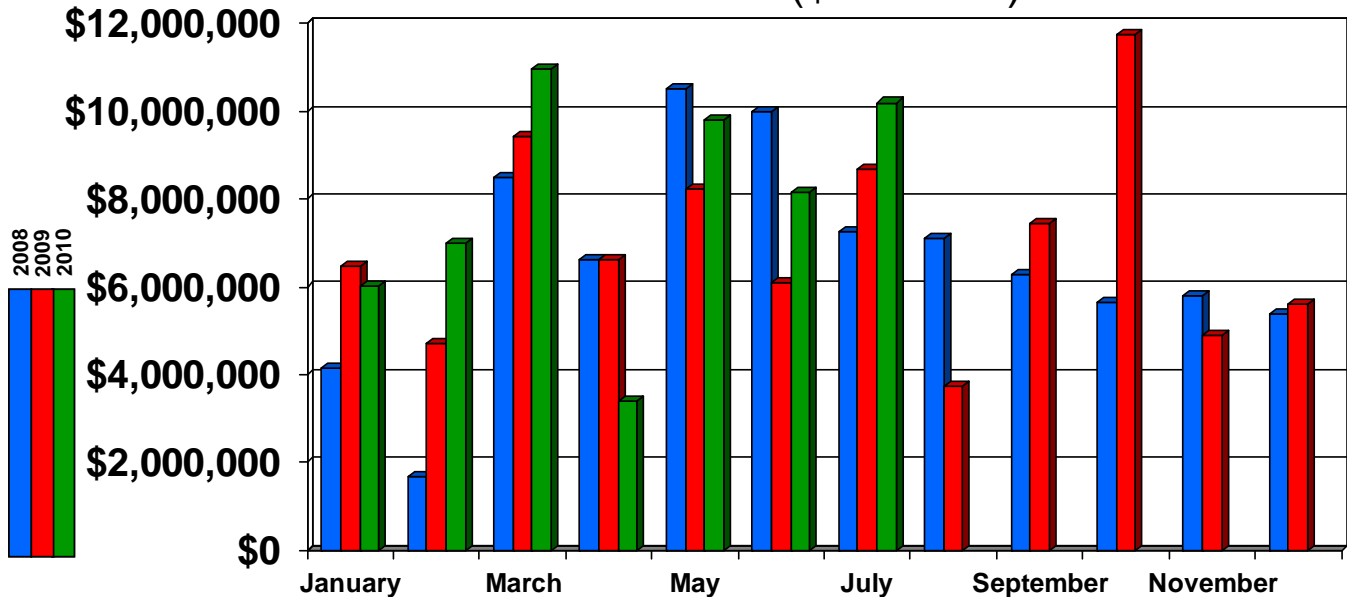


Integrity Market Report Lake Keowee Homes*¹

July 2010

SALES VOLUME UP (But discounts are deep)

Sold*³ (\$ Volume)



Based on information from the Western Upstate Multiple Listing Service for the Period January 1, 2008 through July 31, 2010

Lake Keowee Homes*¹

This chart shows Lake Keowee Home sales from January 1, 2008 through July 31, 2010 as reported by the Western Upstate Multiple Listing Service. The chart includes both waterfront homes on Lake Keowee and interior homes in Lake Keowee waterfront subdivisions (*"The Market"*). Sales of these homes for the months of May, June and July were about \$28,100,000 up about 22% over the comparable period of 2009..

During the three month period 23% (8 of 47) of the homes sold at prices of \$1,000,000 or more. (There was one sale of 7,300 sq. ft. in the Cliffs at Keowee Vineyard for \$3,000,000.) These eight homes generated 40% (\$11,345,000) of sales dollar volume. This pushed the "average" home (3.7 bedrooms, 3.0 full baths, 0.70 half bath, 2.2 car garage all in about 3,400 sq. ft.) to \$598,305. If a home had been initially brought to market asking under \$1,000,000, its average selling price was \$410,100.

The discount from Original Price to Sold Price of 23% experienced over the most recent three months indicates that we continue to work through distressed properties which were originally brought to market too highly priced. The discounts become substantial at the high end. Those eight homes that sold for \$1,000,000 or more in the last three months were brought to market at an average initial asking price of \$1,850,000. Discounted by an average of 23%, they sold at an average selling price of \$1,420,000. Clearly the market is being driven by bargain hunters and they are getting bargains! Particularly at the high end.

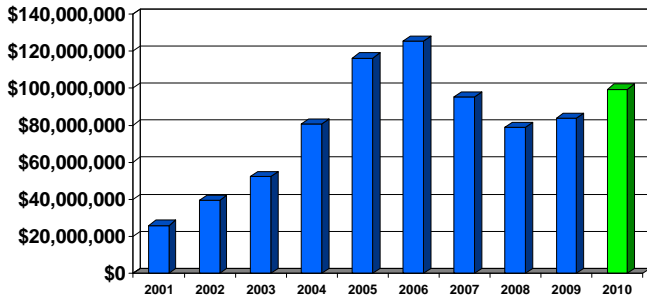


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Annual Market Trending

Annual Market
(Total Market by Year)

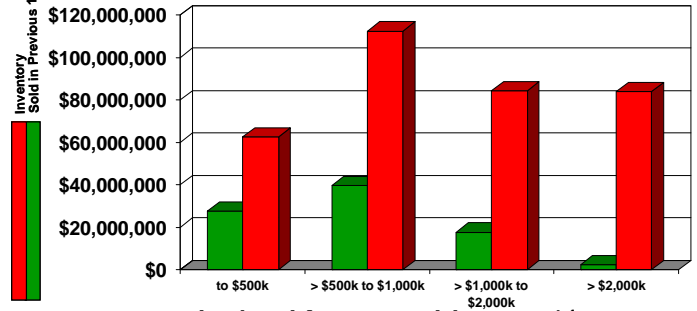


Lake Keowee Homes*1

This chart shows trends in *The Market* since 2001. Sales peaked in 2006 at just over \$120,000,000. It's clear that the market "bottomed out" in 2008. We expect 2010 (estimated in green) sales to be about \$99,400,000, an 18% increase over 2009. But that doesn't mean prices are going up.

Inventory by Price Segment

Sales vs Inventory*2
(Market Segmented by Price Range)



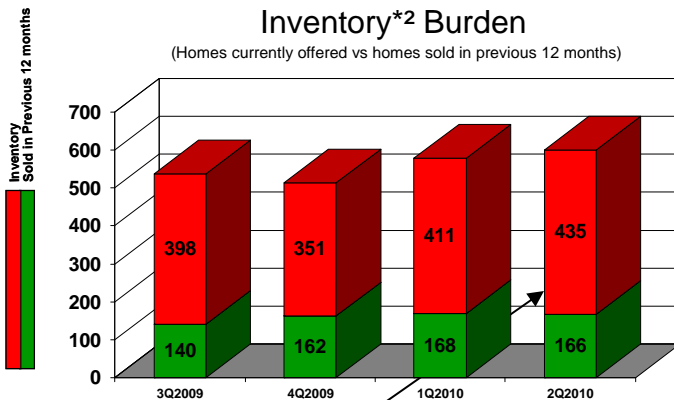
Lake Keowee Homes*1

This chart compares the total sales in a given price range (green) over the past twelve months versus the current inventory (red) of homes in that price range offered as of mid July 2010. Inventory is in better balance below \$500,000. At \$2,000,000 and above there slightly over \$80,000,000 of homes currently offered. There was one sales reported in that range in over the past twelve months,

Inventory*2 Dynamics

Inventory*2 Burden

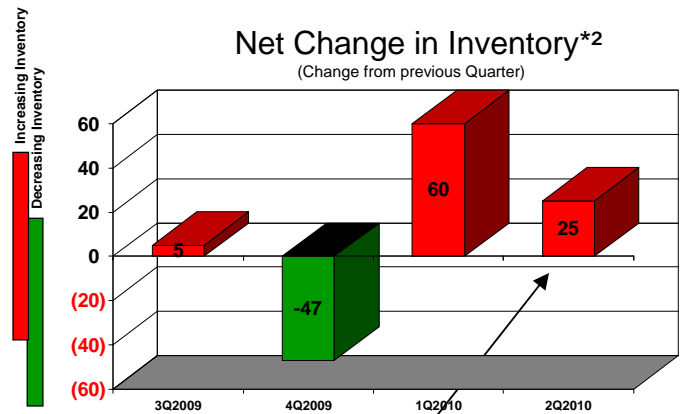
(Homes currently offered vs homes sold in previous 12 months)



Lake Keowee Homes*1

Net Change in Inventory*2

(Change from previous Quarter)



To put *The Market* into perspective, you need to look at how a years worth of sales (green) stacks up to the current inventory of homes being offered (red). In the twelve months that ended on June 30, 2010 (the "1Q2010" stack on the left hand chart above) 166 homes valued at \$87,30,000 sold. As of July 17, 2010 there was a total of 435 such home being offered asking an aggregate of \$343,000,000. That's like having about four years of inventory on hand. The weight of the red block is still crushing the green one.

Although 40 homes sold for \$21,300,000 in 2Q2010, there was a net 25 home, \$9,200,000, increase in total inventory across all pricing segments. Homes continue to be brought to market faster than they are being sold.



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Lake Keowee Homes*1 - Sold*3 May through July, 2010

Community	Type	Address	City	Beds	Bath	Half	Garage	SqFt	Closed	Sold	Initial	Discount	%	DOM			
WATERFORD POINTE - OCONEE	Waterfront	228 Winding Oaks	Seneca	4	3	0	2	4200	5/3/2010	\$605,500	\$675,000	\$69,500	10%	258			
WATERSIDECROSSI	Waterfront	413 E Waterside Dr	Seneca	4	3	1	2	4000	5/3/2010	\$1,040,000	\$1,190,000	\$150,000	13%	249			
CLIFFS AT KEOWEE	Waterfront	116 Cornsilk Way	Sunset	4	3	0	2	2890	5/5/2010	\$555,000	\$689,900	\$134,900	20%	436			
CLIFFS @ VINYRD		105 B Portside Court	Sunset	3	3	1	0	2600	5/5/2010	\$700,000	\$799,000	\$99,000	12%	848			
THE WOODS ATKEOWEE	Waterfront	210 Long Bay Drive	West Union	4	4	0	3	2750	5/7/2010	\$430,000	\$599,000	\$169,000	28%	423			
CLIFFS AT KEOWEE		108 Falcons Ridge	Salem	3	3	1	2	4038	5/11/2010	\$454,910	\$454,900	(\$10)	0%	33			
KEOWEE KEY		4 Ebb Tide Court	Salem	4	3	1	2	3266	5/12/2010	\$355,000	\$379,000	\$24,000	6%	314			
KEOWEE KEY		9 Lash Up Lane	Salem	3	2	1	2	2500	5/14/2010	\$299,000	\$379,900	\$80,900	21%	540			
THE RESERVE AT LAKE KEOWEE		108 Golden Bear	Sunset	5	5	2	2	5410	5/14/2010	\$690,000	\$974,000	\$284,000	29%	731			
CLIFFS @ VINYRD		102 Teaberry Lane	Sunset	3	2	1	3	3180	5/17/2010	\$600,000	\$995,000	\$395,000	40%	376			
KEOWEE HARBOURS		126 Beacon Ridge Cir	Salem	3	3	0	2	2500	5/19/2010	\$199,900	\$199,000	(\$900)	0%	41			
KEOWEE KEY		25 Calm Sea	Salem	4	3	1	2	3100	5/24/2010	\$251,250	\$299,000	\$47,750	16%	222			
WATERFORD POINTE - OCONEE		501 Birchbark Court	Seneca	4	3	1	3	3042	5/25/2010	\$420,000	\$509,900	\$89,900	18%	284			
WATERFORD POINTE - OCONEE	Waterfront	401 S Lynhurst Court	Seneca	4	4	0	3	5244	5/27/2010	\$1,000,000	\$1,595,000	\$595,000	37%	364			
NORTH HARBOUR	Waterfront	303 Oak Haven Crt	Seneca	4	3	1	2	2377	5/28/2010	\$447,000	\$469,500	\$22,500	5%	37			
CLIFFS @ VINYRD	Waterfront	405 Wind Flower Drive	Sunset	5	4	1	1	4000	5/28/2010	\$1,375,000	\$2,295,000	\$920,000	40%	709			
KEOWEE KEY		37 Blowing Fresh Drive	Salem	3	2	1	2	3000	5/31/2010	\$370,000	\$379,900	\$9,900	3%	29			
EASTSHORES	Waterfront	216 Wynmere Way	Seneca	6	4	1	3	5800	6/2/2010	\$1,700,000	\$2,100,000	\$400,000	19%	40			
KEOWEE KEY	Waterfront	10 Skipper Lane	Salem	4	3	1	2	3370	6/7/2010	\$530,000	\$729,000	\$199,000	27%	333			
KEOWEE KEY	Waterfront	614 N Flagship	Salem	3	3	1	2	3973	6/11/2010	\$732,777	\$875,000	\$142,223	16%	220			
RIVERSTONE	Waterfront	604 Riverglenn Court	Salem	3	2	1	2	3547	6/11/2010	\$800,000	\$1,149,000	\$349,000	30%	393			
KEOWEE KEY		8 Sextant	Salem	4	4	0	2	3250	6/15/2010	\$344,500	\$459,000	\$114,500	25%	473			
MCDONALD POINTE	Waterfront	23072 McDonald Point	Seneca	3	3	0	2	2972	6/23/2010	\$475,000	\$580,000	\$105,000	18%	266			
ELEVEN OAKS		308 Devon Way	Seneca	3	2	0	2	2324	6/25/2010	\$278,500	\$289,900	\$11,400	4%	25			
WATERS EDGE	Waterfront	180 W Waters Edge	West Union	4	3	0	2	1912	6/28/2010	\$290,000	\$317,900	\$27,900	9%	53			
WATERFORD SUB		133 E Waterford Drive	Seneca	4	3	1	2	4500	6/28/2010	\$387,000	\$650,000	\$263,000	40%	726			
SUNSET SHORES	Waterfront	206 Shoreline Drive	Seneca	4	3	1	3	4002	6/28/2010	\$525,000	\$589,000	\$64,000	11%				
KEOWEE KEY	Waterfront	24 Mizzen Lane	Salem	4	3	0	2	3800	6/28/2010	\$532,000	\$775,000	\$243,000	31%	460			
KEOWEE KEY		1 Day Beacon Court	Salem	3	2	1	2	2894	6/29/2010	\$327,000	\$339,900	\$12,900	4%	434			
KEOWEE KEY		23 Lighthouse Way Drive	Salem	4	3	1	4	3500	6/29/2010	\$416,111	\$410,000	(\$6,111)	-1%	118			
CLIFFS @ VINYRD	Waterfront	507 Merganser Way	Salem	3	4	1	2	5554	6/30/2010	\$800,000	\$1,199,000	\$399,000	33%	293			
KEOWEE KEY		3 Narrows Court	Salem	3	3	0	2	2800	7/1/2010	\$140,000	\$229,000	\$89,000	39%	165			
CLIFFS @ VINYRD	Waterfront	122 Sun Drop Court	Sunset	4	5	1	3	7300	7/7/2010	\$3,000,000	\$3,395,000	\$395,000	12%	70			
KEOWEE KEY		10 Lead Line	Salem	4	3	1	2	2400	7/8/2010	\$272,900	\$359,000	\$86,100	24%	496			
SOUTH PORT VILL		413 Arbor Way	Seneca	3	2	0	2	2100	7/12/2010	\$262,000	\$262,000	\$0	0%	184			
KNOTTS LANDING	Waterfront	129 Knots Lane	Six Mile	3	3	1	0	1981	7/13/2010	\$409,000	\$489,000	\$80,000	16%	144			
WINDSWEPT	Waterfront	203 Fourwinds Trail	Seneca	3	2	1	1	2082	7/15/2010	\$400,000	\$475,000	\$75,000	16%	162			
CANE CREEK HARB	Waterfront	119 Cane Creek Harbor Road	Seneca	4	4	1	3	3697	7/19/2010	\$580,000	\$699,900	\$119,900	17%	124			
INDIAN OAKS		209 Indian Trail	Seneca	3	2	0	2	1360	7/22/2010	\$125,000	\$169,000	\$44,000	26%	224			
LORAN POINTE		1707 Merrimac Circle	Seneca	4	2	1	2	2405	7/22/2010	\$299,000	\$326,900	\$27,900	9%	127			
LAKESHORE EAST	Waterfront	108 W Sunset Court	Seneca	4	2	1	3	2865	7/22/2010	\$535,000	\$599,900	\$64,900	11%	99			
KEOWEE HARBOURS	Waterfront	12 Beacon Ridge Circle	Salem	3	3	1	3	4200	7/22/2010	\$1,180,000	\$1,475,000	\$295,000	20%	139			
NORMANDY SHORES		615 Northampton Road	Seneca	4	3	0	2	3100	7/23/2010	\$130,000	\$122,900	(\$7,100)	-6%	108			
KEOWEE KEY		15 Spy Glass Lane	Salem	3	3	0	2	3000	7/23/2010	\$190,000	\$439,000	\$249,000	57%	1110			
WATERFORD POINTE - OCONEE	Waterfront	206 Hillview Dr	Seneca	3	3	1	2	4768	7/30/2010	\$617,000	\$725,000	\$108,000	15%	83			
WATERSIDECROSSI	Waterfront	159 Northshores Drive	Seneca	4	4	0	3	3600	7/30/2010	\$1,249,000	\$1,249,000	\$249,000	20%	51			
CLIFFS @ VINYRD		316 Eastatock Pkwy	Sunset	4	3	1	2	3999	7/30/2010	\$1,050,000	\$1,489,500	\$439,500	30%	276			
Count: 47									Totals: \$28,120,348						\$35,850,800	\$7,730,452	
Average: 3.66 3.02 0.68									2.15	3,429	\$598,305	\$762,783	\$164,478	22%	289		

Range: Lake Keowee Subdivision Homes

Closed: Based on information from the Western Upstate Multiple Listing Service for the period May 1, 2010 through July 31, 2010

Bank Owned Property

Short Sale

We Understand how to deal in this market. There is still \$6,500,000 (on average) being spent every month in *The Market*. We know what it takes to get a home ready for sale, how to position it in *The Market* and how to get it sold. If you (or someone you know) is contemplating selling, please be sure that you (they) talk to us first.





"Dock at dawn" ©Copyright 2006 Bill Koepnick. Used with permission

Footnotes:

Lake Keowee Homes*¹ means waterfront and interior homes in subdivisions that share a boundary with Lake Keowee.

Inventory*² means current volume (in units or dollars) of Lake Keowee Homes offered for sale.

Sold*³ means aggregate value (in units or dollars) of Lake Keowee Homes contracts reported as closed during the period indicated.

Source: Western Upstate Multiple Listing Service for the periods indicated. Some transactions are not reported by the MLS. Examples include but are not limited to: sales by unrepresented sellers, sales by large developers not actively participating in the MLS (*Cliffs Communities Real Estate, Inc., The Reserve at Lake Keowee®*, etc.), sales resulting from foreclosure auctions and tax sales. "On Market" time may be longer and "Original Price" may have been higher. These statistics are only reported for the most recent listing. There may have been one or more earlier listings of a given property. The data is deemed reliable but is not guaranteed. This *Integrity Market Report* does not provide investment advice.



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