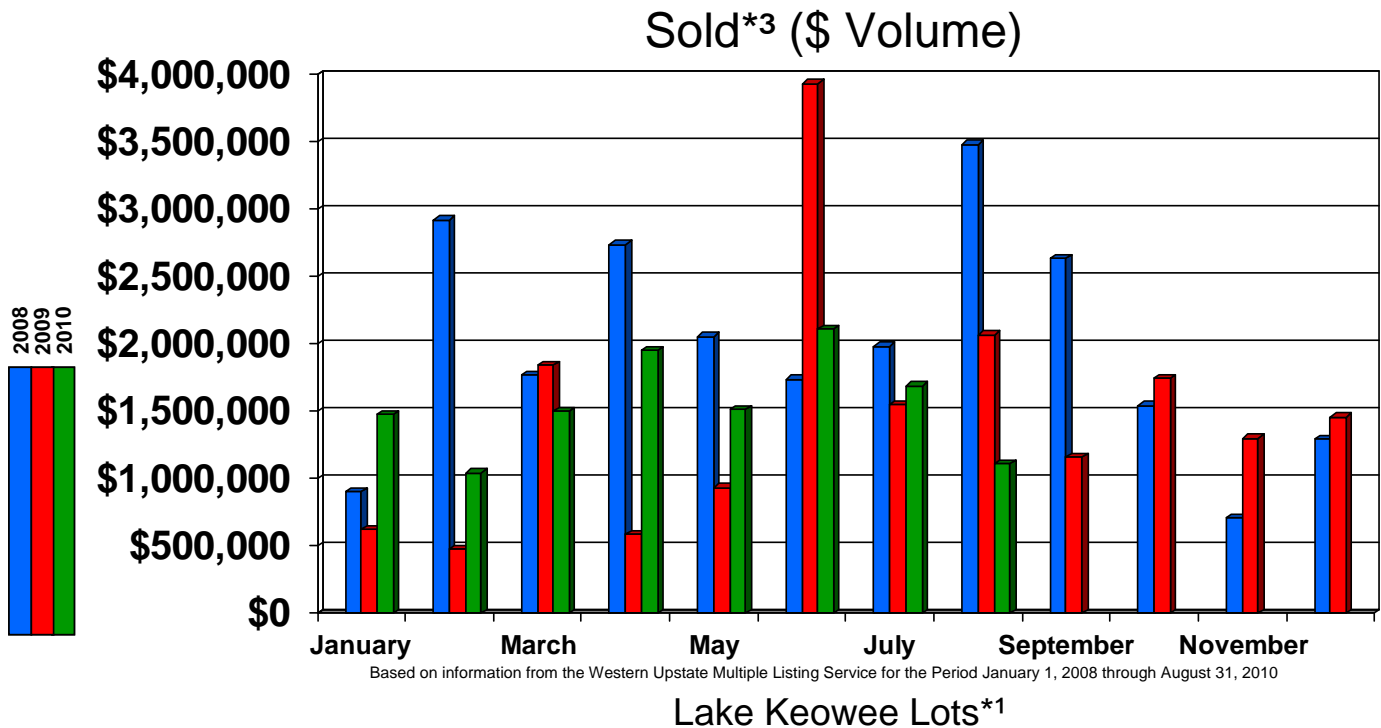


## SALES DECLINE



The chart above shows Lake Keowee Lot sales from January 1, 2008 through August 31, 2010 as reported by the Western Upstate Multiple Listing Service. The chart includes only waterfront lots on Lake Keowee (*"The Market"*). A total of twenty-three such lots sold during the months of June, July and August. These sales totaled about \$4,912,600 down about 35% from \$7,545,125 experienced in the comparable period of 2009. Although there was cause for optimism earlier this year, clearly the market has been deteriorating lately.

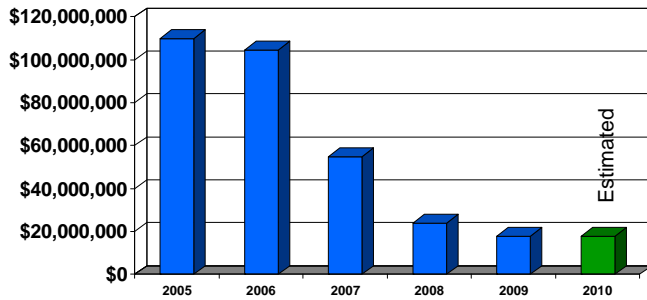
As total sales volume continues to decline, so does the average selling price. The average selling price for a Lake Keowee waterfront lot during the three month period was \$213,600. (In August, taken alone, the average selling price was \$185,400.) And these lots continue to be sold at an average discount of about 27% from their initial asking prices. Of course, these sales aren't the "premium" lots. Those continue to be priced asking above \$500,000, but they sell very slowly. Maybe one sells every three months.

There just isn't any financing available for lot sales. Oh, you could probably finance a lot as part of a convertible construction loan for a new home, but nobody seems to be doing that. The new home construction around the lake is primarily on lots that have been held for sometime.



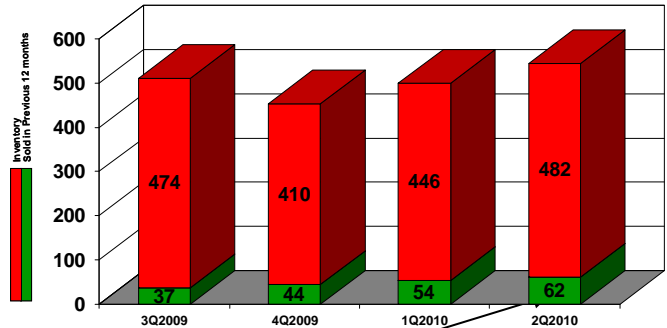
## Annual Market Market Dynamics

(Total Market by Year)



## Inventory\*2 Burden

(Lots currently offered vs sold in previous 12 months)



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 lots being offered (red). In the twelve months that ended on June 30, 2010, 62 lots valued at \$18,900,000 sold. As of July 15, 2010 there was a total of 482 such lots being offered asking an aggregate of \$212,000,000. That's like having about eleven and a quarter years of inventory on hand; a heavy burden on pricing. The weight of the red block is crushing the green one.

## Lake Keowee Lots\*1 - Sold\*3 June through August 2010

Community	Type	Address	City	Closed	Sold	Initial	Discount	%	DOM
HIGHLND LK KEOW	Waterfront	104 Belle Oaks Ct	Six Mile	6/10/2010	\$190,000	\$275,000	\$85,000	31%	657
KEOWEE BAY	Waterfront	620 Keowee Bay Circle	Salem	6/11/2010	\$275,000	\$335,000	\$60,000	18%	237
CLEAR WATER	Waterfront	Lot 23	Seneca	6/17/2010	\$190,000	\$279,900	\$89,900	32%	285
THE PENINSULA	Waterfront	Lot 9 104 Greer Drive	Six Mile	6/17/2010	\$399,000	\$479,000	\$80,000	17%	406
WATERFORD RIDGE	Waterfront	Lot 16	Seneca	6/18/2010	\$105,000	\$249,000	\$144,000	58%	756
WATERFORD POINTE - OCONEE	Waterfront	Lot 18	Seneca	6/18/2010	\$275,000	\$439,000	\$164,000	37%	237
SOUTHWIND BAY	Waterfront	Lot 33	Seneca	6/25/2010	\$208,000	\$208,000	\$0	0%	
FOUR POINTS NORTH	Waterfront	Lot 43	Salem	6/28/2010	\$219,900	\$219,900	\$0	0%	35
HIGHLND LK KEOW	Waterfront	Lot 49	Six Mile	6/29/2010	\$250,000	\$299,000	\$49,000	16%	131
FOUR POINTS NORTH	Waterfront	Lot 38	Salem	7/2/2010	\$199,900	\$199,900	\$0	0%	39
FOUR POINTS NORTH	Waterfront	Lot 44	Salem	7/12/2010	\$219,900	\$219,900	\$0	0%	49
CLIFFS AT KEOWEE FALLS SOUTH	Waterfront	HR 50/51	Salem	7/14/2010	\$500,000	\$799,000	\$299,000	37%	145
THE RESERVE AT LAKE KEOWEE	Waterfront	217 Featherstone Drive K-043	Sunset	7/23/2010	\$292,500	\$338,000	\$45,500	13%	344
LANDING AT BAREFOOT COVE	Waterfront	Lot 9 Barefoot Cove Drive	West Union	7/28/2010	\$219,000	\$466,500	\$247,500	53%	478
KOKOMO	Waterfront	Lot 22 Kokomo Way	Seneca	7/29/2010	\$45,000	\$65,000	\$20,000	31%	204
HIDDEN FALLS	Waterfront	Lot 27 Echo Ridge Point	West Union	7/30/2010	\$102,000	\$169,500	\$67,500	40%	338
HIDDEN FALLS	Waterfront	Lot 28 Echo Ridge Point	West Union	7/30/2010	\$110,000	\$169,500	\$59,500	35%	338
PETTY COVE	Waterfront	Lot 3 Petty Cove	Seneca	8/3/2010	\$255,000	\$385,900	\$130,900	34%	587
KEOWEE BAY	Waterfront	318 Fernwood Drive	Salem	8/4/2010	\$91,500	\$95,000	\$3,500	4%	400
LOW COUNTRY COVE	Waterfront	Lot 7 Waterfall Road	Seneca	8/13/2010	\$180,000	\$295,000	\$115,000	39%	308
KEOWEE SHORES	Waterfront	Lot 11	Seneca	8/25/2010	\$245,000	\$295,000	\$50,000	17%	228
FOUR POINTS NORTH	Waterfront	Lot 3	Salem	8/26/2010	\$150,900	\$145,900	(\$5,000)	-3%	95
RIVERSTONE	Waterfront	Lot 58	Salem	8/30/2010	\$190,000	\$299,000	\$109,000	36%	270
<b>Count:</b>	<b>23</b>				<b>Totals: \$4,912,600</b>	<b>\$6,726,900</b>	<b>\$1,814,300</b>		
					<b>Average: \$213,591</b>	<b>\$292,474</b>	<b>\$78,883</b>	<b>27%</b>	<b>299</b>

**Bank Owned Property** Range: Lake Keowee Subdivision Lots

**Short Sale** Closed: Based on information from the Western Upstate Multiple Listing Service for the period June 1, 2010 through August 31, 2010

### Footnotes:

Lake Keowee Lots\*1 means waterfront on Lake Keowee.

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

Sold\*3 means aggregate value (in units or dollars) of Lake Keowee Lots 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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