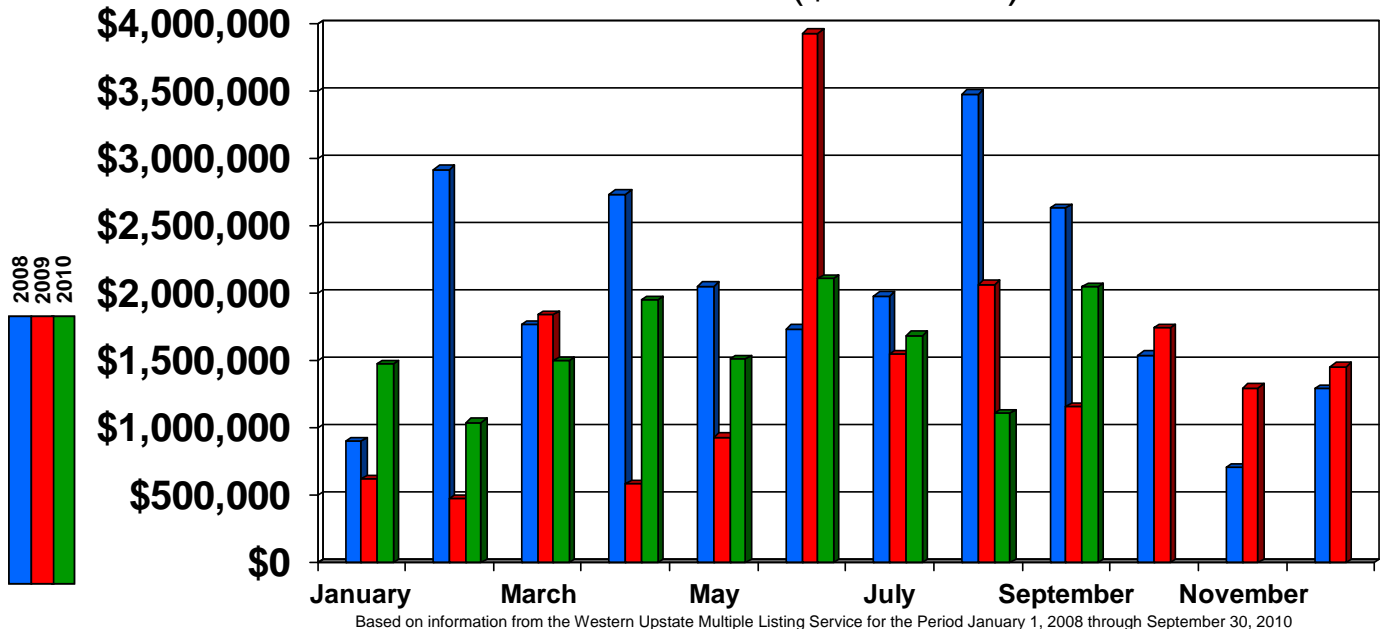


SALES UP A LITTLE, BUT NEED A CLOSER LOOK

Sold*³ (\$ Volume)



Lake Keowee Lots*¹

The chart above shows Lake Keowee Lot sales from January 1, 2008 through September 30, 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 such lots sold during the months of July, August and September. These sales totaled about \$4,900,000 up about 2% from \$4,800,000 experienced in the comparable period of 2009. A closer look reveals that September sales figures were substantially boosted by a transaction in The Reserve, where a bank-owned lot sold for \$650,000; a 51% discount from its Initial Price.

About 40% of the sales by dollar volume during the third quarter were bank-owned or properties sold short. However, lots are seldom sold short as their owner often can’t demonstrate a financial hardship; that is, they have other assets which, if liquidated, would pay for the lot. Distressed lots (those worth less in the current market than what is owed on them) more often reappear as bank-owned, either through foreclosure or when an owner surrenders a deed in lieu of foreclosure. In a volatile market, it is difficult to ascertain trends. But inventory, which was building over the past year, was reduced as lots were withdrawn from market during the third quarter. Whether these lots constitute a “shadow inventory” remains to be seen.

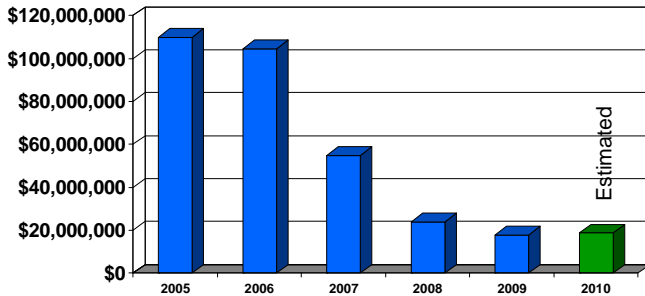
Overall, 2010 is shaping up to be marginally better than 2009. And that could mean we’re seeing the bottom of the lot market.



Market Dynamics

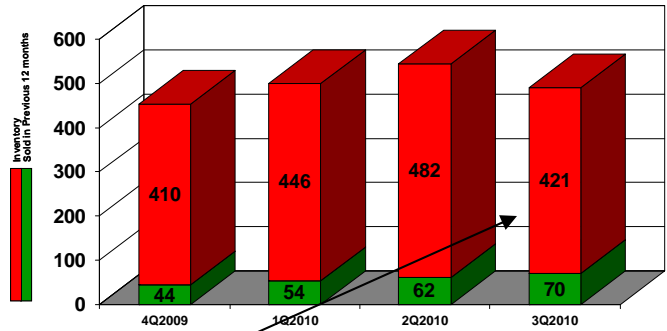
Annual Market

(Total Market by Year)



Inventory*2 Burden

(Lots currently offered vs lots 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 September 30, 2010, 70 lots valued at \$18,950,000 sold. As of October 10, 2010 there was a total of 471 such lots being offered asking an aggregate of \$180,000,000. That's like having about nine and a half 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 July through September 2010

Community	Type	Address	City	Closed	Sold	Initial	Discount	% DOM	
FOUR POINTS NORTH	Waterfront	Lot 38	Salem	7/2/2010	\$199,900	\$199,900	\$0	0%	
FOUR POINTS NORTH	Waterfront	Lot 44	Salem	7/12/2010	\$219,900	\$219,900	\$0	0%	
CLIFFS AT KEOWEE FALLS SOUTH	Waterfront	HR 50/51	Salem	7/14/2010	\$500,000	\$799,000	\$299,000	37%	
THE RESERVE AT LAKE KEOWEE	Waterfront	217 Featherstone Drive K-043	Sunset	7/23/2010	\$292,500	\$338,000	\$45,500	13%	
LANDING AT BAREFOOT COVE	Waterfront	Lot 9 Barefoot Cove Drive	West Union	7/28/2010	\$219,000	\$466,500	\$247,500	53%	
KOKOMO	Waterfront	Lot 22 Kokomo Way	Seneca	7/29/2010	\$45,000	\$65,000	\$20,000	31%	
HIDDEN FALLS	Waterfront	Lot 27 Echo Ridge Point	West Union	7/30/2010	\$102,000	\$169,500	\$67,500	40%	
HIDDEN FALLS	Waterfront	Lot 28 Echo Ridge Point	West Union	7/30/2010	\$110,000	\$169,500	\$59,500	35%	
PETTY COVE	Waterfront	Lot 3 Petty Cove	Seneca	8/3/2010	\$255,000	\$385,900	\$130,900	34%	
KEOWEE BAY	Waterfront	318 Fernwood Drive	Salem	8/4/2010	\$91,500	\$95,000	\$3,500	4%	
LOW COUNTRY COVE	Waterfront	Lot 7 Waterfall Road	Seneca	8/13/2010	\$180,000	\$295,000	\$115,000	39%	
KEOWEE SHORES	Waterfront	Lot 11	Seneca	8/25/2010	\$245,000	\$295,000	\$50,000	17%	
FOUR POINTS NORTH	Waterfront	Lot 3	Salem	8/26/2010	\$150,900	\$145,900	(\$5,000)	-3%	
RIVERSTONE	Waterfront	Lot 58	Salem	8/30/2010	\$190,000	\$299,000	\$109,000	36%	
RIVERSTONE	Waterfront	Lot 82	Salem	9/3/2010	\$210,000	\$399,000	\$189,000	47%	
WATERSIDECROSSI	Waterfront	306 Ashford Court	Seneca	9/3/2010	\$330,000	\$749,000	\$419,000	56%	
LANDING AT BAREFOOT COVE	Waterfront	Lot 10 Barefoot Cove Drive	West Union	9/10/2010	\$245,000	\$466,500	\$221,500	47%	
OAK STONE SHORE	Waterfront	Lot 27	West Union	9/27/2010	\$130,000	\$185,000	\$55,000	30%	
THE RESERVE AT LAKE KEOWEE	Waterfront	Lot F-50	Sunset	9/28/2010	\$487,500	\$499,000	\$11,500	2%	
THE RESERVE AT LAKE KEOWEE	Waterfront	318 East Fort Goerge Way	Sunset	9/30/2010	\$650,000	\$1,335,000	\$685,000	51%	
Count:					20				
					Totals:	\$4,853,200	\$7,576,600	\$2,723,400	
					Average:	\$242,660	\$378,830	\$136,170	36%

Bank Owned Property

Range: Lake Keowee Subdivision Lots

Short Sale

Closed: Based on information from the Western Upstate Multiple Listing Service for the period July 1, 2010 through September 30, 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.



Integrity Realty, Inc.

"Deal with Integrity and Save."

(864) 886-1040 Seneca, SC Local
(877) 836-1040 National Toll Free
www.upstateintegrityrealty.com