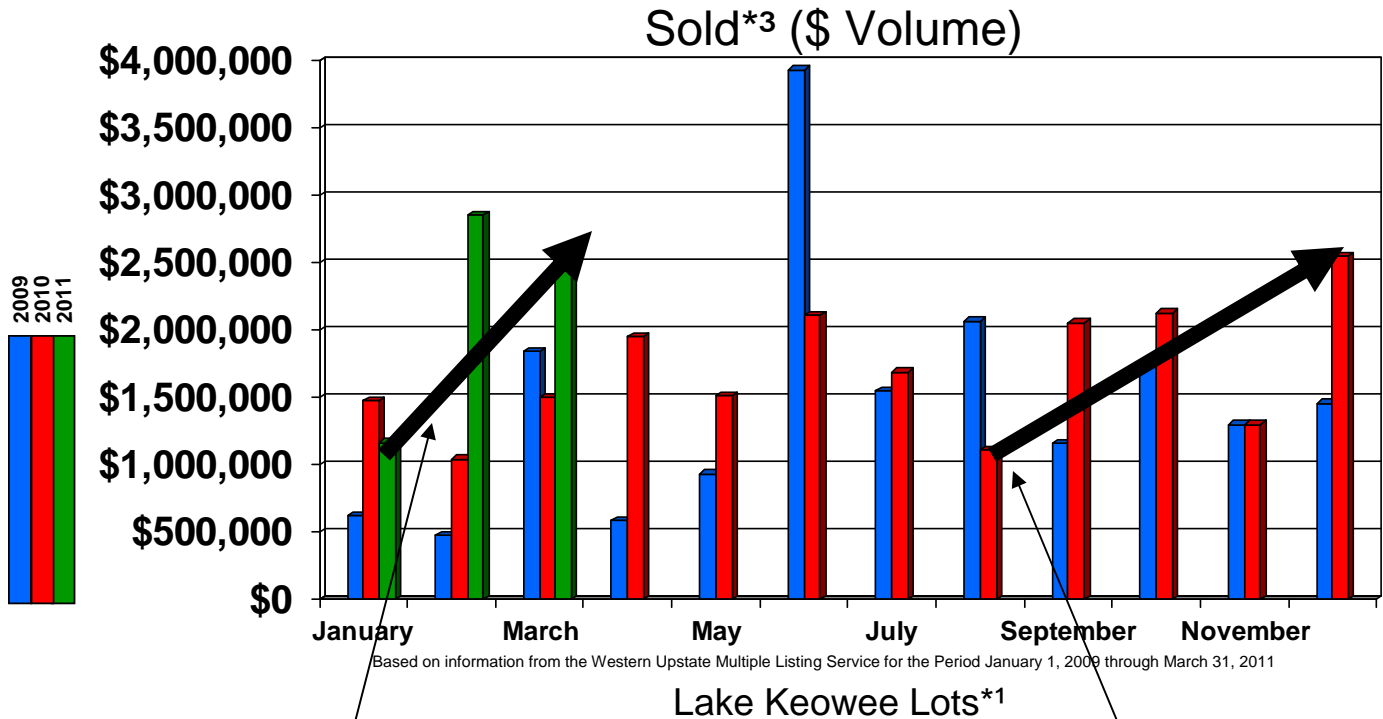


LOTS SEEM TO BE REBOUNDED



The chart shows Lake Keowee Lot sales from January 1, 2009 through March, 2011 as reported by the Western Upstate Multiple Listing Service. The chart includes only waterfront lots on Lake Keowee (*"The Market"*). Sales of these lots amounted to about \$2,480,000 in March, 2011. Eight lots were sold at an average sales price of about \$310,000. One was bank-owned. Another was a Short Sale.

The March lot sales were about 65% greater than March of a year ago. Overall, the sales volume in the first quarter of 2011 was up about 61% over that experienced in the first quarter of the prior year. The upward trend in the first quarter result continues the trend that began in August, 2010.

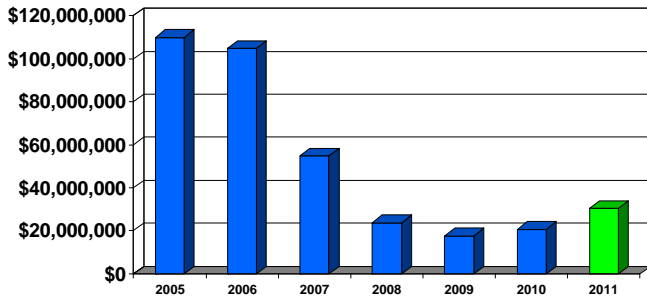
Lot sales appear to be rebounding. But, remember, that this upward trend is measured against a seriously eroded base. There remain several factors that weigh heavily on the market. Inventory is growing and there is still little financing (other than owner financing) available for lot sales. Then, too, the prices commanded by bank-owned or short sale properties are low.

In net, it remains a buyer's market, but the chances of selling are slowly improving. Cash is king!



Annual Market Trending

Annual Market
(Total Market by Year)

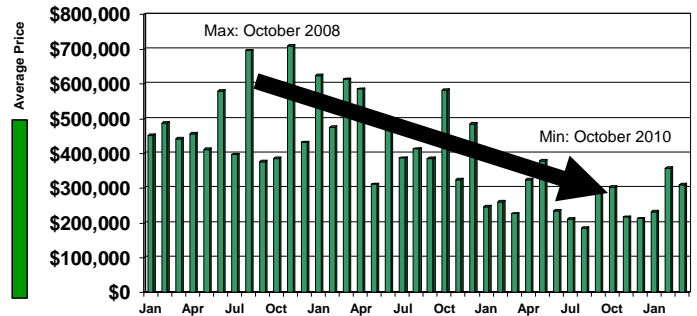


Lake Keowee Lots*1

This chart shows trends in *The Market* since 2005. Sales volume peaked in 2005 at just about \$110,000,000. It's clear that the market "bottomed out" in 2009. We now expect 2011 (estimated in green) sales to be about \$30,000,000, almost 50% increase over 2010. But that doesn't mean prices are going up.

Average Price of Lot Sold

(January, 2008 through March, 2011)



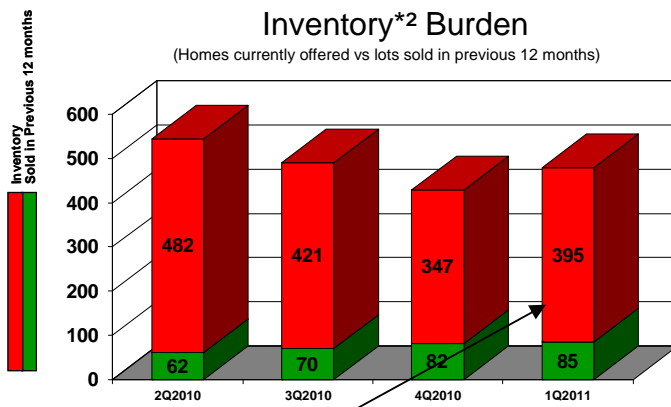
Lake Keowee Lots*1

The average price of a lot sold peaked in October, 2008. Since then this market measure has dropped rapidly. Because sales volume diminished rapidly as well, the sale (or lack of sale) of very high-end lots greatly influenced these averages. What is clear is that high-end lots that were selling in 2008 are not selling now.

Inventory*2 Dynamics

Inventory*2 Burden

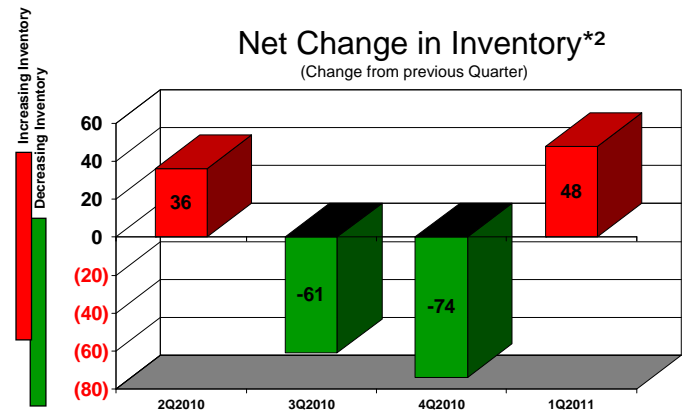
(Homes currently offered vs lots sold in previous 12 months)



Lake Keowee Lots*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 lots being offered (red). In the twelve months that ended on March 31, 2011 (the "1Q2011" stack on the left hand chart above) 85 lots valued at \$23,000,000 sold. As of April 8, 2011 there was a total of 395 such lots being offered asking an aggregate of \$162,000,000. The inventory is cyclic. It builds in the first and second quarter of each year as new properties are brought to market. When most of these properties remain unsold, they are withdrawn over the third and fourth quarters; only to return in the following year. By dollar volume, the current unsold inventory represents about seven years sales. By lot count, the inventory is about five years. Although we expect that the volume of lot sales will increase, incoming inventory will keep prices depressed.



Lake Keowee Lots*1 - Sold*3 January, 2011 through March, 2011

Community	Type	Address	City	Closed	Sold	Initial	Discount	%	DOM
BEACON SHORES	Waterfront	Lot 53 Beacon Shores Dr.	Seneca	1/6/2011	\$300,000	\$330,000	\$30,000	9%	86
HAMPTON SHORES	Waterfront	Lot 4	Seneca	1/7/2011	\$185,000	\$380,000	\$195,000	51%	1325
HIGHLANDS	Waterfront	Lot 31	Six Mile	1/14/2011	\$385,000	\$475,000	\$90,000	19%	142
HIDDEN FALLS	Waterfront	Lot 30	West Union	1/18/2011	\$88,900	\$145,000	\$56,100	39%	165
KNOX POINTE	Waterfront	00 Knox Campground Road	Seneca	1/28/2011	\$205,000	\$324,900	\$119,900	37%	493
Count: 5				Totals: \$1,163,900 \$1,654,900 \$491,000					
Results for January				Average: \$232,780 \$330,980 \$98,200 30% 442					
THE RESERVE AT LAKE KEOWEE	Waterfront	222 Long Ridge Road, E-222	Sunset	2/4/2011	\$720,000	\$799,900	\$79,900	10%	100
THE RESERVE AT LAKE KEOWEE	Waterfront	J-4	Sunset	2/14/2011	\$315,000	\$375,000	\$60,000	16%	300
THEWOODS@KEOWEE	Waterfront	Lot 39	West Union	2/14/2011	\$160,000	\$320,000	\$160,000	50%	695
POINTE HARBOR	Waterfront	Lot 11	Seneca	2/23/2011	\$325,000	\$399,000	\$74,000	19%	213
CLIFFS AT KEOWEE FALLS SOUTH	Waterfront	lot 92 Towne Landing	Salem	2/25/2011	\$235,000	\$375,000	\$140,000	37%	191
	Waterfront	Lot 2 McAlister Road	West Union	2/25/2011	\$175,000	\$399,000	\$224,000	56%	690
THE RESERVE AT LAKE KEOWEE	Waterfront	113 Burwood Court, F-7	Sunset	2/28/2011	\$625,000	\$675,000	\$50,000	7%	343
HARBOR OAKS	Waterfront	Lot 16	Seneca	2/28/2011	\$300,000	\$490,500	\$190,500	39%	398
Count: 8				Totals: \$2,855,000 \$3,833,400 \$978,400					
Results for February				Average: \$356,875 \$479,175 \$122,300 26% 366					
WATERSIDECROSSI	Waterfront	Lot 25 Waterside Crossing	Seneca	3/1/2011	\$150,000	\$259,000	\$109,000	42%	576
THE RESERVE AT LAKE KEOWEE	Waterfront	234 Long Ridge Road	Sunset	3/3/2011	\$550,000	\$695,000	\$145,000	21%	208
WATERSIDECROSSI	Waterfront	18 Waterside Crossing	Seneca	3/4/2011	\$425,000	\$450,000	\$25,000	6%	1
LAUREL RIDGE	Waterfront	29 Laurel Ridge	Seneca	3/15/2011	\$215,000	\$310,000	\$95,000	31%	410
WATERSIDECROSSI	Waterfront	Lot 134 Waterside Crossing	Seneca	3/15/2011	\$250,000	\$449,000	\$199,000	44%	671
HARBOR OAKS	Waterfront	14 Harbor Oaks	Seneca	3/24/2011	\$242,500	\$375,000	\$132,500	35%	422
WATERFORD POINTE - OCONEE	Waterfront	Lot 18 Waterford Pointe	Seneca	3/25/2011	\$325,000	\$350,000	\$25,000	7%	12
MOUNTAIN VIEW POINTE	Waterfront	Lot 13 Mountain View Pointe	Seneca	3/31/2011	\$325,000	\$545,000	\$220,000	40%	575
Count: 8				Totals: \$2,482,500 \$3,433,000 \$950,500					
Results for March				Average: \$310,313 \$429,125 \$118,813 28% 359					
Count: 21				Totals: \$6,501,400 \$8,921,300 \$2,419,900					
Results for Three Months				Average: \$309,590 \$424,824 \$115,233 27% 382					

Bank Owned Property
Short Sale

Range: Lake Keowee Subdivision Lots
Closed: Based on information from the Western Upstate Multiple Listing Service for the period
January 1, 2011 through March 31, 2011

We Understand how to deal in this market. It takes three things to sell a home. We call them the three Ps of real estate: **Preparation, Positioning and Promotion.** Give us a call and we'll tell you more. There's no obligation on your part.





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Footnotes:

Lake Keowee Lots^{*1} means waterfront lots.

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 Lot 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.

