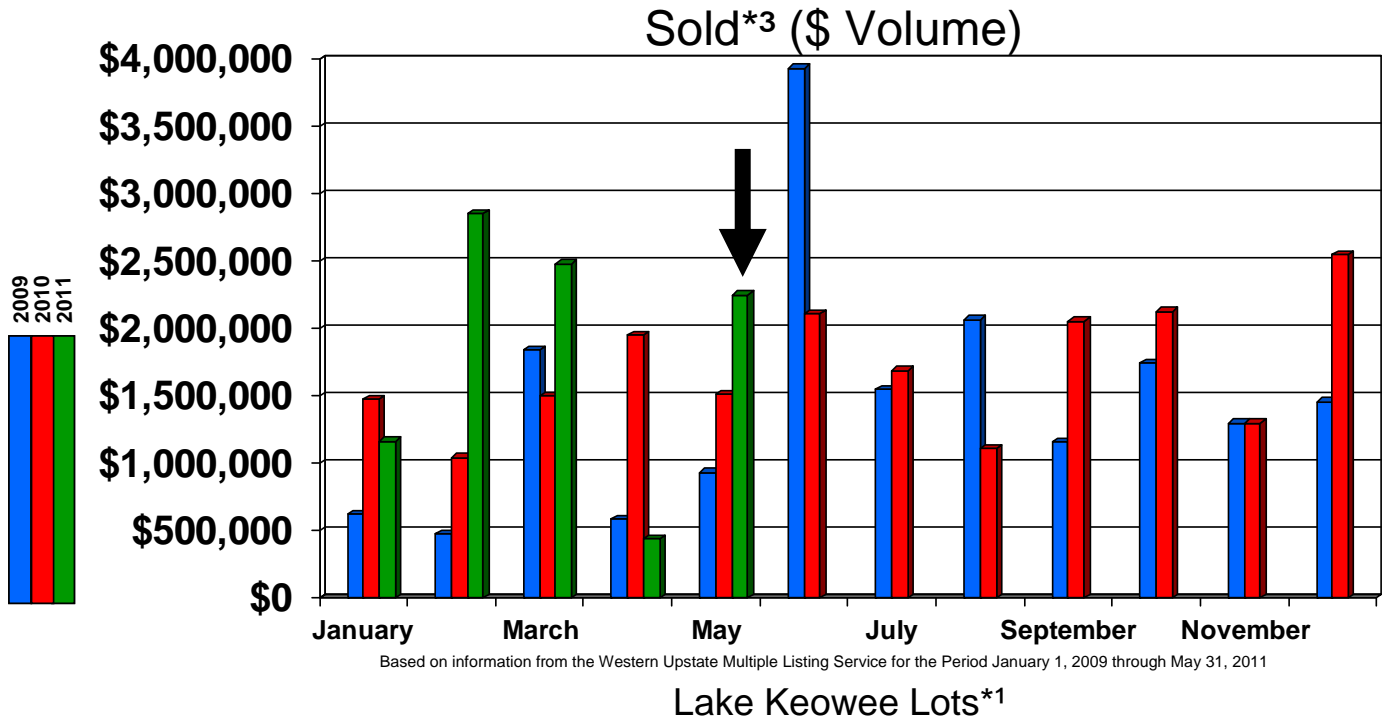


TRACKING BACK



We were right to throw out April's figures as lot sales recovered somewhat in May from their setback in the previous month.

The chart shows Lake Keowee Lot sales from January 1, 2009 through May, 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 \$2,252,000 in May, 2011, up sharply from about \$442,000 experienced in April

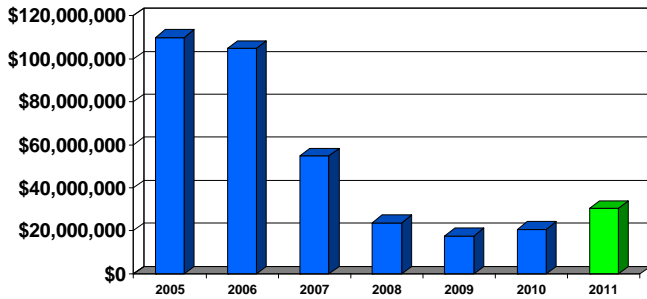
A robust ten lots sold. But, note that the average selling price remains just above \$225,000; quite a repositioning from those heady days when the average Lake Keowee Waterfront lot sold for about twice that much.

Our three month rolling average that compares 2011's March, April and May to those months of a year ago shows growth. Sales in those three months of this year of about \$5,180,000 are about 4% better than the sales experienced during the same period of 2010. We think that lots are inching their way up.



Annual Market Trending

Annual Market
(Total Market by Year)

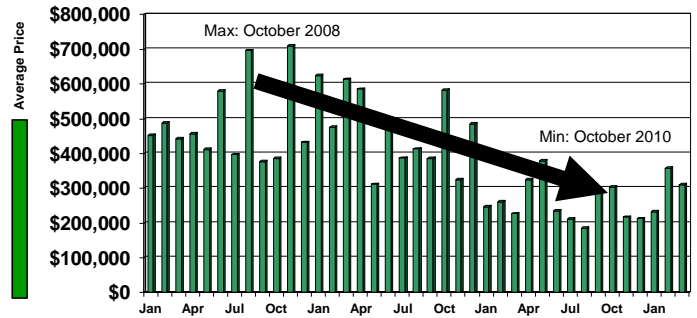


Lake Keowee Lots*1

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)



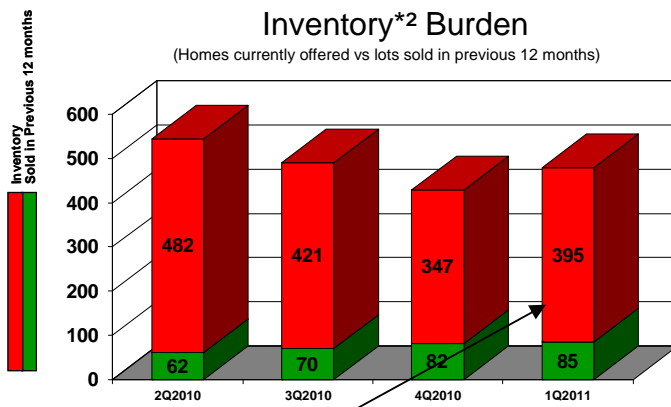
Lake Keowee Lots*1

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

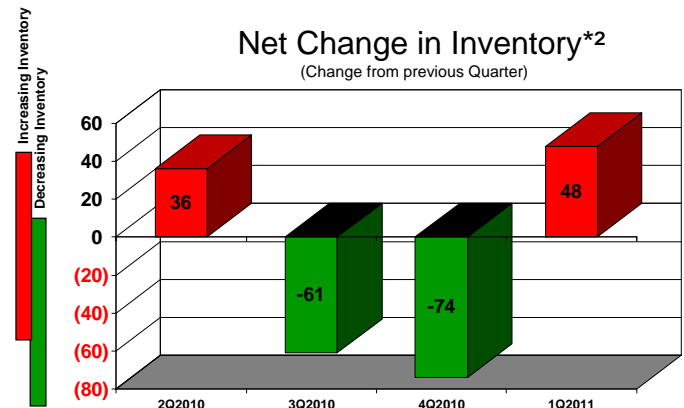
(Homes currently offered vs lots sold in previous 12 months)



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 March, 2011 through May, 2011

Community	Type	Address	City	Closed	Sold	Initial	Discount	% DOM
WATERSIDECROSSI	Waterfront	Lot 25 Waterside Crossing	Seneca	3/1/2011	\$150,000	\$259,000	\$109,000	42%
THE RESERVE AT LAKE KEOWEE	Waterfront	234 Long Ridge Road	Sunset	3/3/2011	\$550,000	\$695,000	\$145,000	21%
WATERSIDECROSSI	Waterfront	18 Waterside Crossing	Seneca	3/4/2011	\$425,000	\$450,000	\$25,000	6%
LAUREL RIDGE	Waterfront	29 Laurel Ridge	Seneca	3/15/2011	\$215,000	\$310,000	\$95,000	31%
WATERSIDECROSSI	Waterfront	Lot 134 Waterside Crossing	Seneca	3/15/2011	\$250,000	\$449,000	\$199,000	44%
HARBOR OAKS	Waterfront	14 Harbor Oaks	Seneca	3/24/2011	\$242,500	\$375,000	\$132,500	35%
WATERFORD POINTE - OCONEE	Waterfront	Lot 18 Waterford Pointe	Seneca	3/25/2011	\$325,000	\$350,000	\$25,000	7%
MOUNTAIN VIEW POINTE	Waterfront	Lot 13 Mountain View Pointe	Seneca	3/31/2011	\$325,000	\$545,000	\$220,000	40%
Count:	8				Totals: \$2,482,500	\$3,433,000	\$950,500	
Results for March					Average: \$310,313	\$429,125	\$118,813	28%
	Waterfront	Lot 9 Meares Road	Seneca	4/11/2011	\$141,500	\$150,000	\$8,500	6%
NORTHLAKE ESTAT	Waterfront	Lot 30	Seneca	4/15/2011	\$150,000	\$199,000	\$49,000	25%
MOONLIGHT BAY ON KEOWEE	Waterfront	Lot 31 Stardust Lane	Seneca	4/29/2011	\$150,000	\$175,000	\$25,000	14%
Count:	3				Totals: \$441,500	\$524,000	\$82,500	
Results for April					Average: \$147,167	\$174,667	\$27,500	16%
WATERSIDECROSSI	Waterfront	Lot 185	Seneca	5/4/2011	\$203,000	\$224,000	\$21,000	9%
THE RESERVE AT LAKE KEOWEE	Waterfront	309 E Fort George Way	Sunset	5/6/2011	\$450,000	\$500,000	\$50,000	10%
THE RESERVE AT LAKE KEOWEE	Waterfront	425 Augusta Way	Sunset	5/11/2011	\$130,000	\$149,900	\$19,900	13%
KEOWEE BAY	Waterfront	Lot 37 Keowee Bay Circle	Salem	5/11/2011	\$71,000	\$79,900	\$8,900	11%
BEACON SHORES	Waterfront	77 Clifton Ct.	Seneca	5/19/2011	\$290,000	\$385,000	\$95,000	25%
WILDERNESS COVE	Waterfront	Lot 21	West Union	5/20/2011	\$50,350	\$85,900	\$35,550	41%
RIVERSTONE	Waterfront	Lot 14 Rocky Springs Drive	Salem	5/23/2011	\$274,500	\$499,000	\$224,500	45%
POINTE HARBOR	Waterfront	Lot 1	Seneca	5/23/2011	\$220,000	\$239,000	\$19,000	8%
LAUREL POINTE	Waterfront	Lot 7	Seneca	5/26/2011	\$65,500	\$130,000	\$64,500	50%
THE RESERVE AT LAKE KEOWEE	Waterfront	Lot E 163	Sunset	5/31/2011	\$497,000	\$599,000	\$102,000	17%
Count:	10				Totals: \$2,251,350	\$2,891,700	\$640,350	
Results for May					Average: \$225,135	\$289,170	\$64,035	22%
Count:	21				Totals: \$5,175,350	\$6,848,700	\$1,673,350	
Results for Three Months					Average: \$246,445	\$326,129	\$79,683	24%

**Bank Owned Property
Short Sale**

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

We Understand how to deal in this market. It takes three things to sell a lot. 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.

