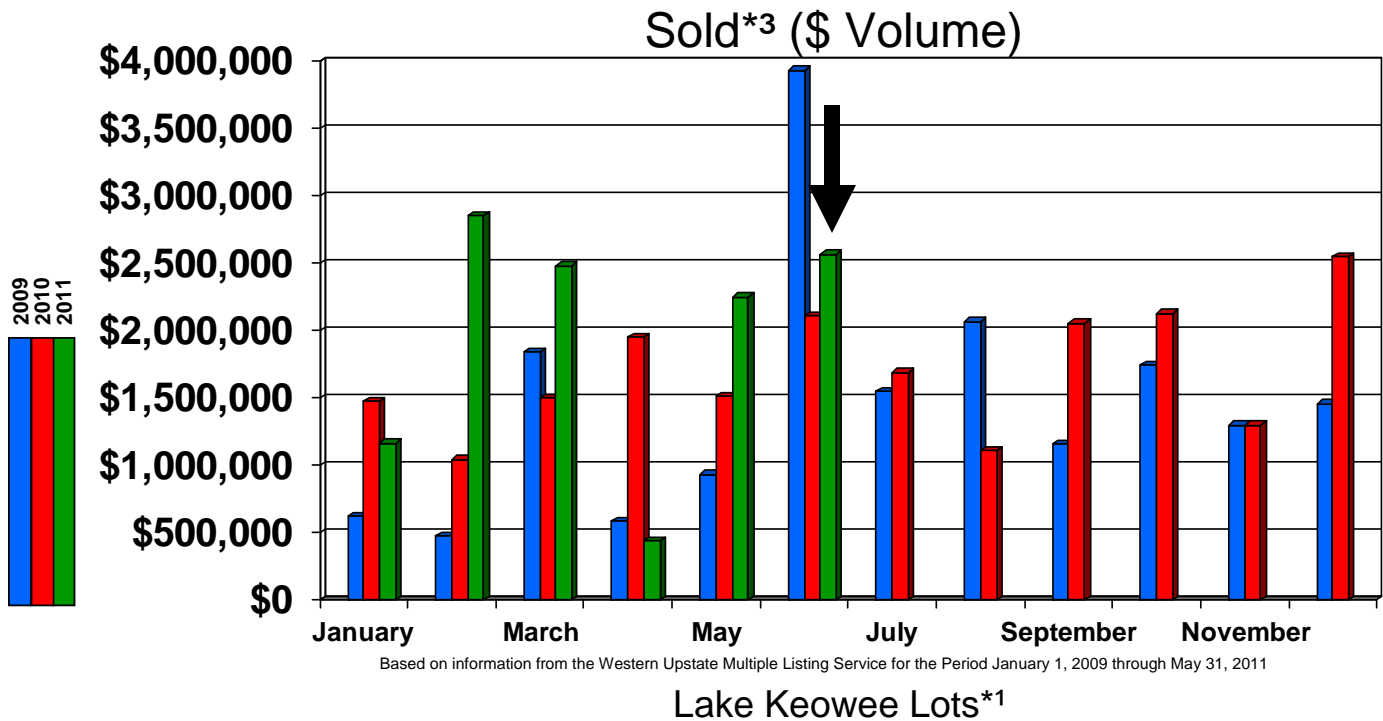


CONTINUING IMPROVEMENT



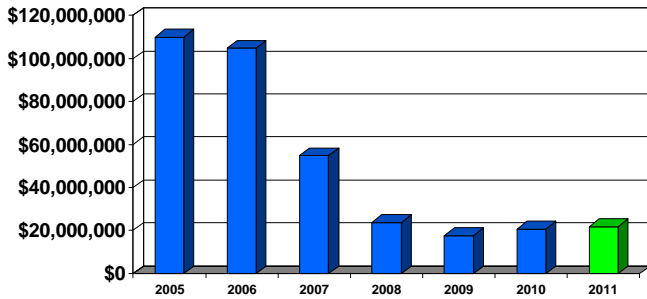
The chart shows Lake Keowee Lot sales from January 1, 2009 through June, 2011 as reported by the Western Upstate Multiple Listing Service. The chart includes only waterfront lots on Lake Keowee (*"The Market"*). Things seem to be improving. June sales of eight lots generated about \$2,600,000; an increase of about 10% over prior month of May's sales and an increase of 21% over sales experience in June of 2010. However, because the performance in April of this year was so poor and that of April 2010 was saliently better, the results for the entire second quarter of this year of about \$5,300,000 were down about 6% as compared to the same quarter from 2010.

The price of the average lot sold in June was about \$321,000; a nice improvement from earlier this year. Notwithstanding the April anomaly, increasing sales volume, increasing price of the average lot sold and a reduction in the overall inventory of lots offered encourages us to believe that the market is beginning to stabilize since started to become "unglued" in the 2006-2008 timeframe. There is a lot of ground to be recovered, however. The lack of lot purchase financing remains a serious problem.



Annual Market Trending

Annual Market
(Total Market by Year)

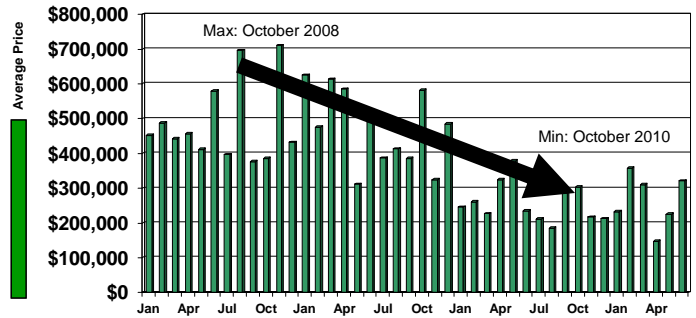


Lake Keowee Lots*1

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 \$22,000,000, about 7% greater than 2010.

Average Price of Lot Sold

(January, 2008 through March, 2011)



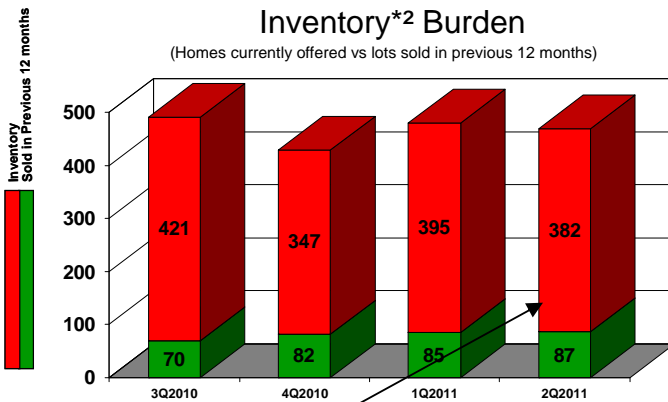
Lake Keowee Lots*1

The average price of a lot sold peaked in October, 2008. Since then this market measure had dropped rapidly but now seems to be leveling off. Because sales volume has diminished, the sale (or lack of sale) of very high-end lots greatly influenced these averages.

Inventory*2 Dynamics

Inventory*2 Burden

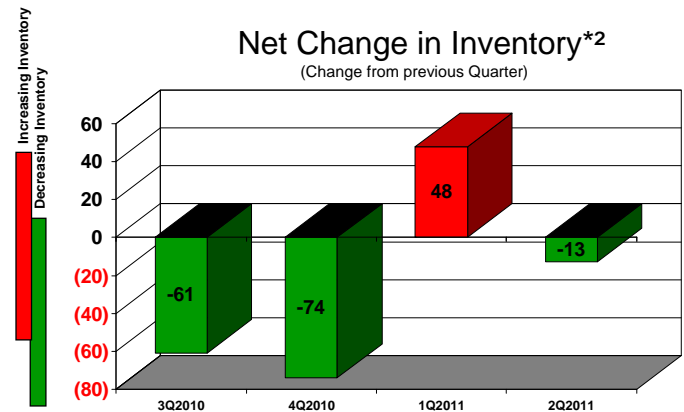
(Homes currently offered vs lots sold in previous 12 months)



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 June 30, 2011 (the "2Q2011" stack on the left hand chart above) 87 lots valued at \$23,000,000 sold. As of July 20, 2011 there was a total of 382 such lots being offered asking an aggregate of \$154,000,000. The inventory is generally cyclic. It typically 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. This year, however, inventory dropped unexpectedly in the second quarter. By dollar volume, the current unsold inventory represents about seven years sales. By lot count, the inventory is a little over four years. Although we expect that the volume of lot sales will increase, the depth of inventory will keep pressure on pricing.



Integrity Realty, Inc.

"Deal with Integrity and Save."

(864) 886-9410 Seneca, SC Local
(877) 836-1040 National Toll Free
www.upstateintegrityrealty.com

Lake Keowee Lots*¹ - Sold*³ April, 2011 through June, 2011

Community	Type	Address	City	Closed	Sold	Initial	Discount	%	DOM	
	Waterfront	Lot 9 Meares Road	Seneca	4/11/2011	\$141,500	\$150,000	\$8,500	6%	586	
NORTHLAKE ESTAT	Waterfront	Lot 30	Seneca	4/15/2011	\$150,000	\$199,000	\$49,000	25%	590	
MOONLIGHT BAY ON KEOWEE	Waterfront	Lot 31 Stardust Lane	Seneca	4/29/2011	\$150,000	\$175,000	\$25,000	14%	604	
Count:		3			Totals:	\$441,500	\$524,000	\$82,500		
Results for April					Average:	\$147,167	\$174,667	\$27,500	16%	593
WATERSIDECROSSI	Waterfront	Lot 185	Seneca	5/4/2011	\$203,000	\$224,000	\$21,000	9%	91	
THE RESERVE AT LAKE KEOWEE	Waterfront	309 E Fort George Way	Sunset	5/6/2011	\$450,000	\$500,000	\$50,000	10%	2	
THE RESERVE AT LAKE KEOWEE	Waterfront	425 Augusta Way	Sunset	5/11/2011	\$130,000	\$149,900	\$19,900	13%	48	
KEOWEE BAY	Waterfront	Lot 37 Keowee Bay Circle	Salem	5/11/2011	\$71,000	\$79,900	\$8,900	11%	111	
BEACON SHORES	Waterfront	77 Clifton Ct.	Seneca	5/19/2011	\$290,000	\$385,000	\$95,000	25%	183	
WILDERNESS COVE	Waterfront	Lot 21	West Union	5/20/2011	\$50,350	\$85,900	\$35,550	41%	258	
RIVERSTONE	Waterfront	Lot 14 Rocky Springs Drive	Salem	5/23/2011	\$274,500	\$499,000	\$224,500	45%	857	
POINTE HARBOR	Waterfront	Lot 1	Seneca	5/23/2011	\$220,000	\$239,000	\$19,000	8%	71	
LAUREL POINTE	Waterfront	Lot 7	Seneca	5/26/2011	\$65,500	\$130,000	\$64,500	50%	259	
THE RESERVE AT LAKE KEOWEE	Waterfront	Lot E 163	Sunset	5/31/2011	\$497,000	\$599,000	\$102,000	17%	320	
Count:		10			Totals:	\$2,251,350	\$2,891,700	\$640,350		
Results for May					Average:	\$225,135	\$289,170	\$64,035	22%	220
THE RESERVE AT LAKE KEOWEE	Waterfront	835 Top Ridge Drive	Sunset	6/1/2011	\$625,000	\$699,950	\$74,950	11%	45	
WATERSIDECROSSI	Waterfront	Lot 78	Seneca	6/10/2011	\$280,000	\$299,900	\$19,900	7%	66	
SOUTHWIND BAY	Waterfront	Lot 36	Seneca	6/13/2011	\$185,000	\$249,900	\$64,900	26%	300	
CLEAR WATER	Waterfront	Lot 28	Seneca	6/24/2011	\$90,000	\$159,900	\$69,900	44%	381	
CRESTVIEW SUBD.	Waterfront	Lot 22 Crest Pointe Drive	Seneca	6/27/2011	\$600,000	\$699,000	\$99,000	14%	60	
WATERSIDECROSSI	Waterfront	183 Sunset Court	Seneca	6/29/2011	\$485,000	\$495,000	\$10,000	2%	8	
THE RESERVE AT LAKE KEOWEE	Waterfront	306 Cool Water Way	Sunset	6/29/2011	\$209,900	\$249,000	\$39,100	16%	97	
RIVERSTONE	Waterfront	Lot 20	Salem	6/30/2011	\$90,000	\$224,900	\$134,900	60%	856	
Count:		8			Totals:	\$2,564,900	\$3,077,550	\$512,650		
Results for June					Average:	\$320,613	\$384,694	\$64,081	17%	227
Count:		21			Totals:	\$5,257,750	\$6,493,250	\$1,235,500		
Results for Three Months					Average:	\$250,369	\$309,202	\$58,833	19%	276

Bank Owned Property
Short Sale

Range: Lake Keowee Subdivision Lots
Closed: Based on information from the Western Upstate Multiple Listing Service for the period April 1, 2011 through June 30, 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.





"Launch and departure" ©Copyright 2011 Integrity Realty, Inc.

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.

