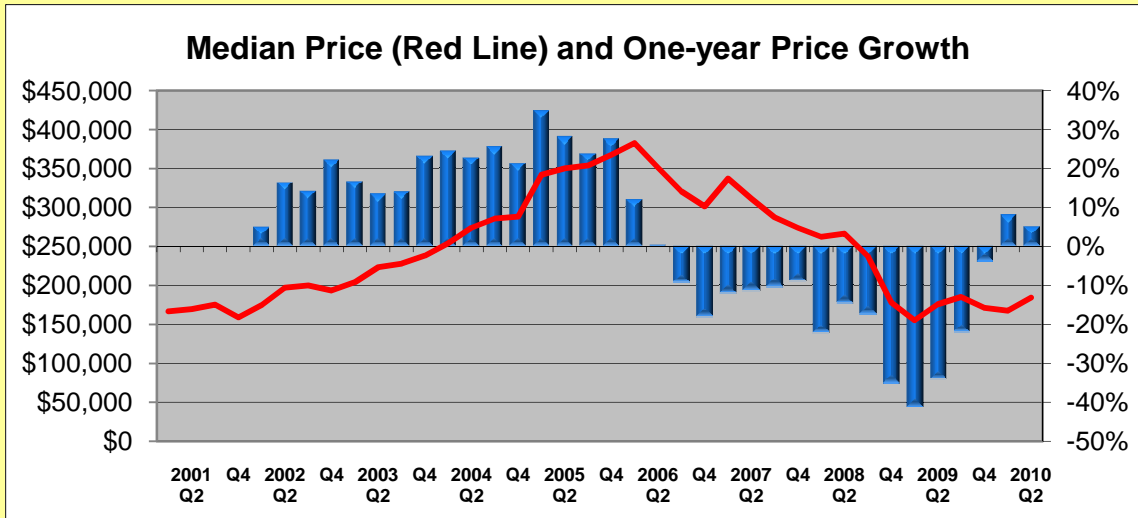


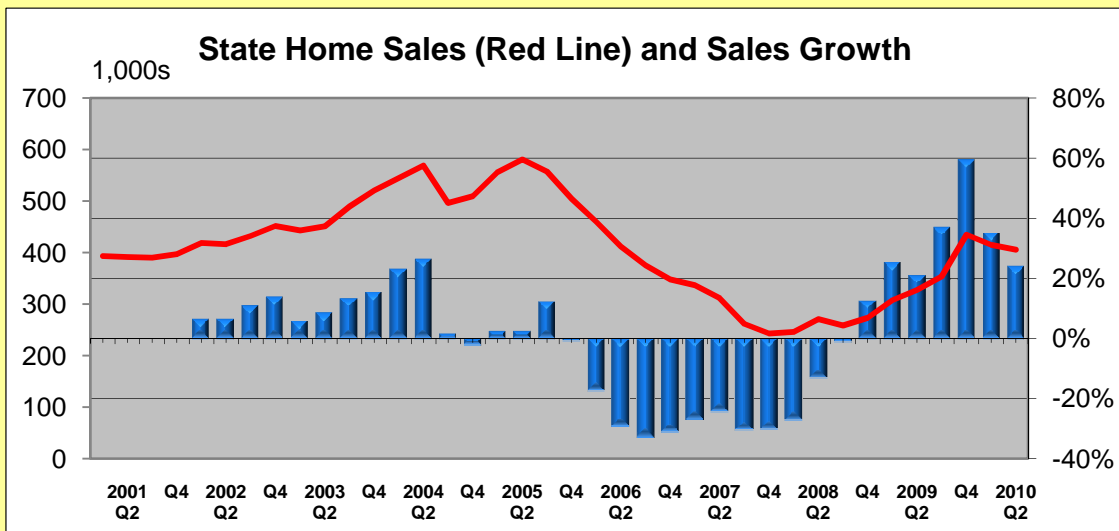
Sarasota-Bradenton-Venice Area Local Market Report, Second Quarter 2010



Today's Market...



	Sarasota	U.S.	Local Trend
Price Activity			
Current Median Home Price (2010 Q2)	\$184,600	\$176,867	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2010 Q2)	5.0%	1.4%	
3-year (12-quarter) Appreciation (2010 Q2)	-40.7%	-21.0%	
3-year (12-quarter) Housing Equity Gain*	-\$126,800	-\$46,933	The local market price slump wiped out most of the equity gained during the housing boom
7-year (28 quarters) Housing Equity Gain*	-\$38,800	-\$167	
9-year (36 quarters) Housing Equity Gain*	\$15,100	\$25,300	
*Note: Equity gain reflects price appreciation only			
Conforming Loan Limit**	\$442,500	\$729,250	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$442,500	\$417,000	
Local Median to Conforming Limit Ratio	42%	not comparable	
**Note: the 2009 loan limits for FHA and the GSEs were extended through 2010.			

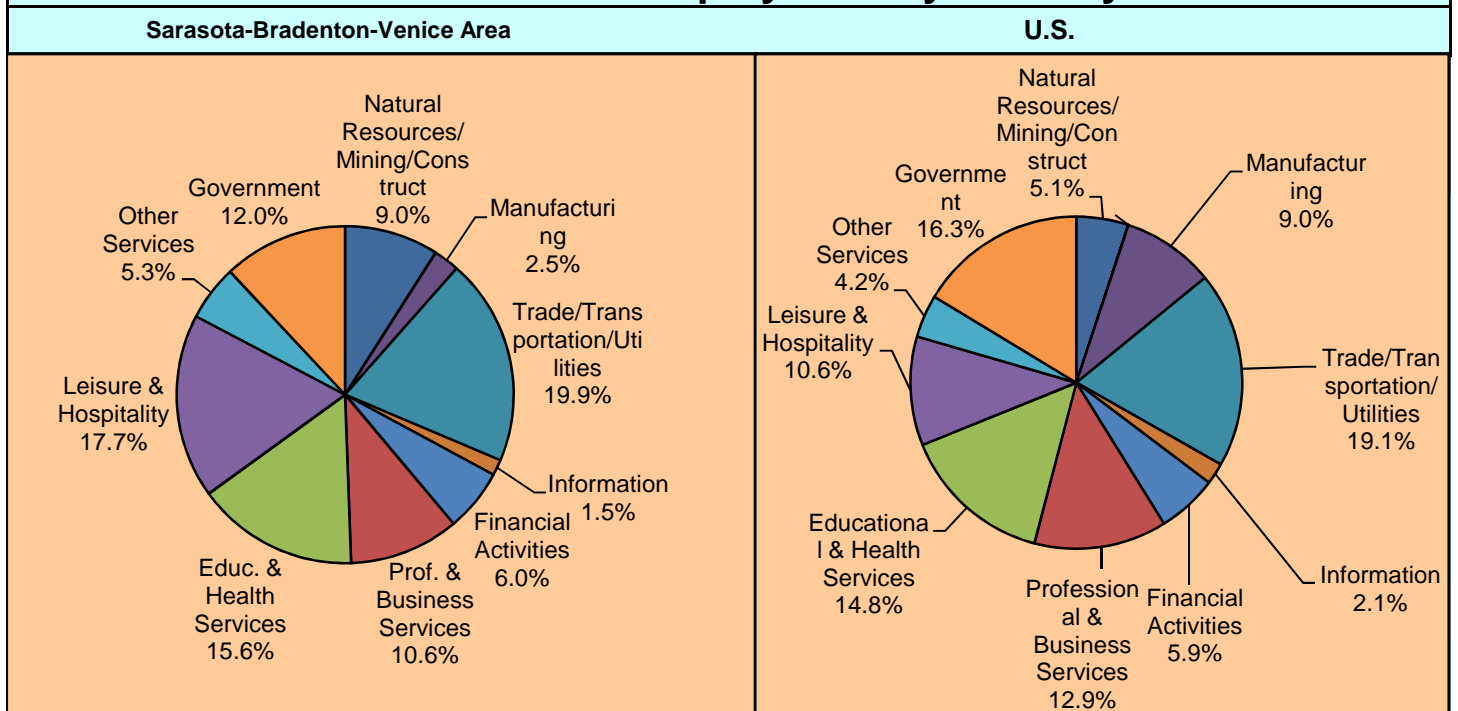


Home Sales	Florida	U.S.	
State Existing Home Sales (2010 Q2 vs 2009 Q2)	23.8%	17.3%	Sales are much stronger than a year ago, but growth is slowing

Drivers of Local Supply and Demand...

Local Economic Outlook	Sarasota	U.S.	
12-month Job Change (Jun)	-2,400	Not Comparable	Job losses are a problem and will weigh on demand, but layoffs are declining, a trend that could help buyer confidence
12-month Job Change (May)	-3,000	Not Comparable	
36-month Job Change (Jun)	-22,300	Not Comparable	Sarasota's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Jun)	11.8%	9.5%	
Year-ago Unemployment Rate	11.4%	9.5%	Local employment growth is weak, but better than most markets
1-year (12 month) Job Growth Rate	-2.2%	-3.0%	

Share of Total Employment by Industry



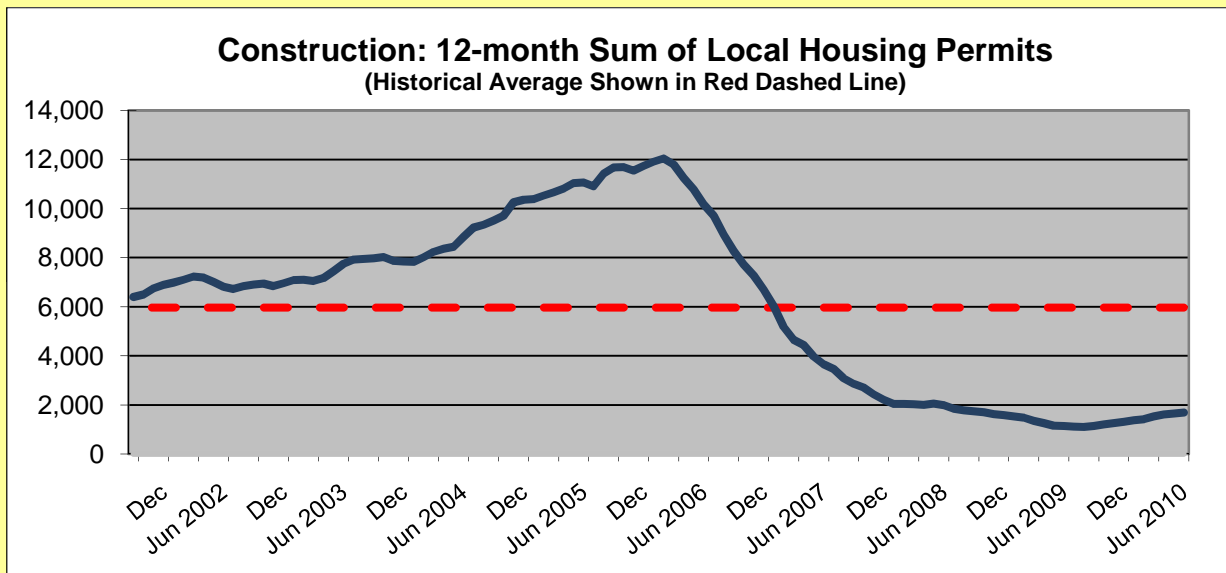
12-month Employment Change by Industry in the Sarasota-Bradenton-Venice Area

Natural Resources/Mining/Construction	-1,100	Financial Activities	-200
Natural Resources and Mining	NA	Prof. & Business Services	-300
Construction	NA	Educ. & Health Services	200
Manufacturing	0	Leisure & Hospitality	-1,100
Trade/Transportation/Utilities	300	Other Services	-100
Information	0	Government	-100

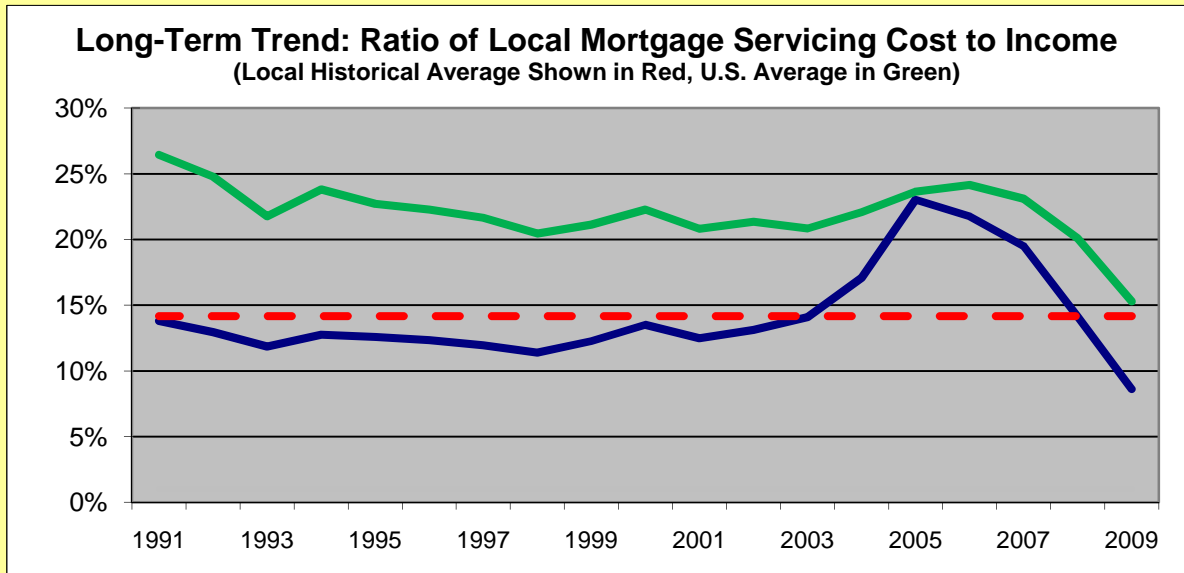
State Economic Activity Index	Florida	U.S.	
12-month change (2010 - Jun)	0.1%	1.0%	The economy of Florida is weaker than the rest of the nation, but improved modestly from last month
36-month change (2010 - Jun)	-10.9%	-3.9%	

Construction

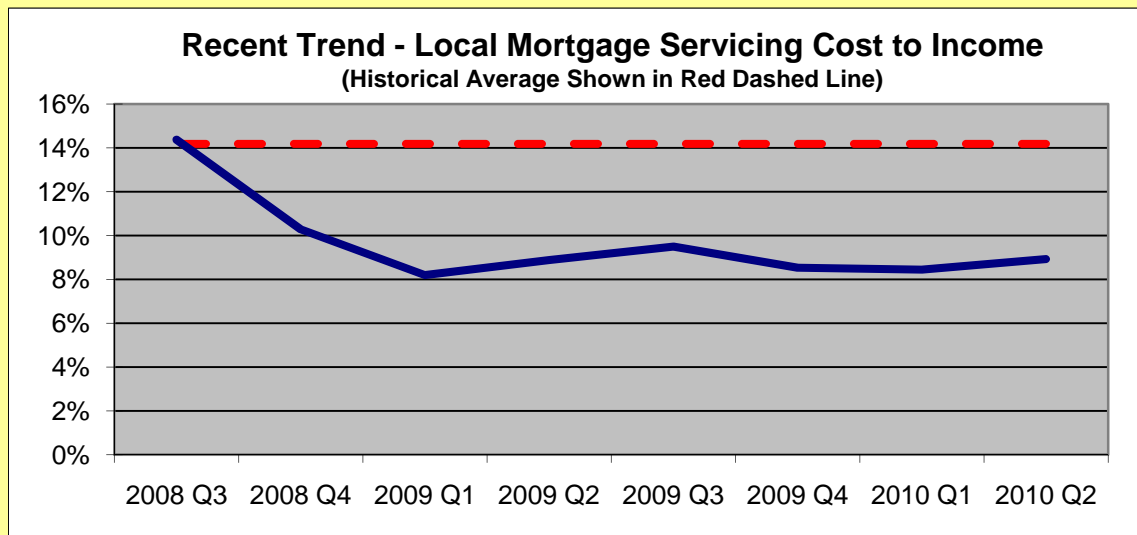
Local Fundamentals	Sarasota	U.S.	
12-month Sum of 1-unit Building Permits through Jun 2010	1,683	not comparable	The current level of construction is 71.8% below the long-term average
Long-term average for 12-month Sum of 1-Unit Building Permits	5,971	not comparable	Excess supply reduction could result in price escalation over the longer-term if, in the future, there is a rapid and robust increase in demand
Single-Family Housing Permits (Jun 2010) 12-month sum vs. a year ago	48.2%	8.3%	Construction is on the rise, suggesting that inventories have stabilized



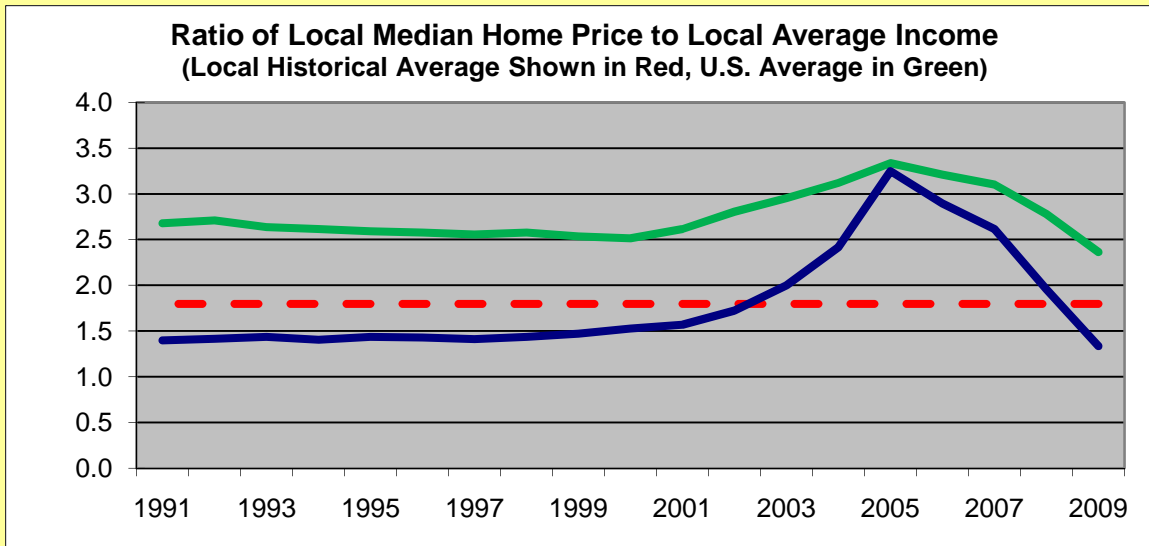
Affordability



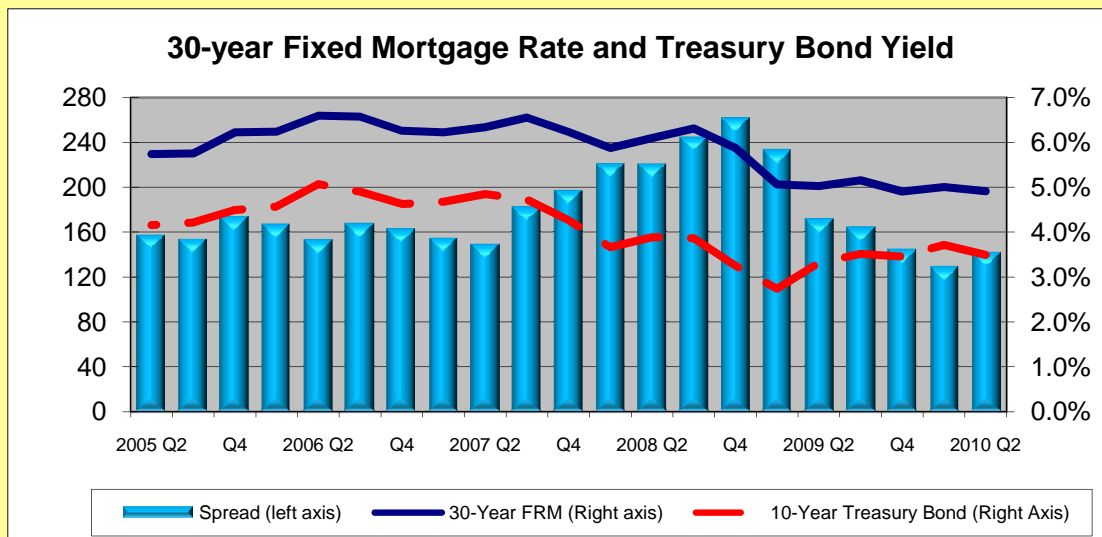
Monthly Mortgage Payment to Income	Sarasota	U.S.	
Ratio for 2008	8.6%	15.3%	Historically strong, but weaker than the first quarter of 2010
Ratio for 2010 Q2	8.9%	15.1%	
Historical Average	14.2%	22.6%	More affordable than most markets



Median Home Price to Income	Sarasota	U.S.	
Ratio for 2009	1.3	2.4	Local affordability conditions have softened, but are better than the historic average
Ratio for 2010 Q2	1.4	2.4	
Historical Average	1.8	2.7	Affordable compared to most markets

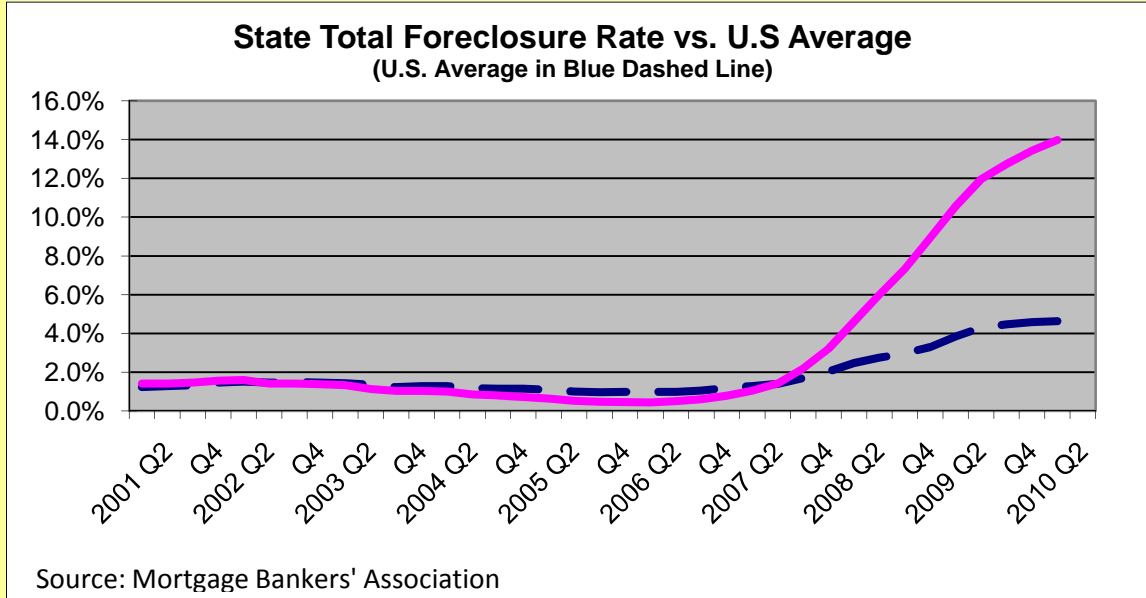


The Mortgage Market



Long-term rates were on the rise early in the spring until a series of negative news events lead long-term Treasury rates downward in the second quarter. The debt crisis in Greece and fear of a European contagion started the tumble as nervous investors sought a shelter. Sharply lower post-tax credit home sales, weak consumer demand, the BP spill, and a drop in oil prices pressed the Treasury lower. The 30-year fixed rate mortgage (FRM) followed suit, slipping under 5.0% for the second time in history and nearly setting a new record. However, the 30-year FRM's decline was not as strong as the Treasury's and the spread between the two increased. One explanation for the expansion of the spread is that mortgage investors have less incentive to buy mortgage securities as rates go below 5.0%. Most mortgages issued in recent years have yields in the mid-5.0% range. Mortgage rates significantly below 5.0% could trigger a wave of refinancing, thereby cannibalizing the portfolio holdings of MBS investors. Despite mixed domestic economic news, the European situation appears largely contained and oil prices climbed in July and August, which will press up on Treasury rates in the long term. Mortgage rates are expected to rise this fall, but not as much as Treasuries in the short-term as MBS investors increase purchases to take advantage of higher mortgage yields causing the rate spread to shrink.

Looking Deeper....



Foreclosures by Type			
Monthly Market Data - May 2010	Sarasota	U.S.	Delinquencies by Type
Market Share: <u>Prime (blue), Alt-A (green), and Subprime (red)</u>			Supreme mortgages make up a larger than average share of the Sarasota market, but rising prime foreclosures are also becoming a problem
PRIME: Foreclosure + REO Rate			There was a substantial increase versus October of last year
SUBPRIME: Foreclosure + REO Rate			The current local rate is high compared with the current U.S. average
ALT-A: Foreclosure + REO Rate			There has been little change locally compared to October
			The current local rate is high given the U.S. average
			Relatively little local change versus October of last year
			The current rate for Sarasota is high compared with the up-to-date U.S.
The "foreclosure + REO rate" is the number of mortgages, by metro area, that are either in the foreclosure process or have completed the foreclosure process and are owned by banks divided by the total number of mortgages for that area.			
Source: First American CoreLogic, LoanPerformance data			

Prime Foreclosures and Delinquencies in Process

Monthly Market Data - May 2010	Sarasota	U.S.																	
Prime: 60-day Delinquent	<table border="1"> <tr><th>Month</th><th>Rate</th></tr> <tr><td>May-09</td><td>10.9%</td></tr> <tr><td>Oct-09</td><td>14.0%</td></tr> <tr><td>May-10</td><td>14.6%</td></tr> </table>	Month	Rate	May-09	10.9%	Oct-09	14.0%	May-10	14.6%	<table border="1"> <tr><th>Month</th><th>Rate</th></tr> <tr><td>May-09</td><td>5.46%</td></tr> <tr><td>Oct-09</td><td>7.30%</td></tr> <tr><td>May-10</td><td>7.33%</td></tr> </table>	Month	Rate	May-09	5.46%	Oct-09	7.30%	May-10	7.33%	The share of local 60-day delinquencies rose over the most recent 6 months suggesting that the 90-day delinquency rate is likely to rise in the near future
Month	Rate																		
May-09	10.9%																		
Oct-09	14.0%																		
May-10	14.6%																		
Month	Rate																		
May-09	5.46%																		
Oct-09	7.30%																		
May-10	7.33%																		
Prime: 90-day Delinquent	<table border="1"> <tr><th>Month</th><th>Rate</th></tr> <tr><td>May-09</td><td>9.75%</td></tr> <tr><td>Oct-09</td><td>12.75%</td></tr> <tr><td>May-10</td><td>13.71%</td></tr> </table>	Month	Rate	May-09	9.75%	Oct-09	12.75%	May-10	13.71%	<table border="1"> <tr><th>Month</th><th>Rate</th></tr> <tr><td>May-09</td><td>4.39%</td></tr> <tr><td>Oct-09</td><td>6.08%</td></tr> <tr><td>May-10</td><td>6.31%</td></tr> </table>	Month	Rate	May-09	4.39%	Oct-09	6.08%	May-10	6.31%	Sarasota's 90-day delinquency rate climbed faster than the national average over the most recent 6-month period suggesting a bulge of foreclosures in the future
Month	Rate																		
May-09	9.75%																		
Oct-09	12.75%																		
May-10	13.71%																		
Month	Rate																		
May-09	4.39%																		
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Prime: Foreclosure + REO Rate	<table border="1"> <tr><th>Month</th><th>Rate</th></tr> <tr><td>May-09</td><td>6.37%</td></tr> <tr><td>Oct-09</td><td>8.27%</td></tr> <tr><td>May-10</td><td>9.55%</td></tr> </table>	Month	Rate	May-09	6.37%	Oct-09	8.27%	May-10	9.55%	<table border="1"> <tr><th>Month</th><th>Rate</th></tr> <tr><td>May-09</td><td>2.05%</td></tr> <tr><td>Oct-09</td><td>2.58%</td></tr> <tr><td>May-10</td><td>2.83%</td></tr> </table>	Month	Rate	May-09	2.05%	Oct-09	2.58%	May-10	2.83%	The increase in the 60 and 90-day delinquency rates over the most recent 6-month period will press up on local prime foreclosure rate in the near future.
Month	Rate																		
May-09	6.37%																		
Oct-09	8.27%																		
May-10	9.55%																		
Month	Rate																		
May-09	2.05%																		
Oct-09	2.58%																		
May-10	2.83%																		

Source: First American CoreLogic, LoanPerformance data

Geographic Coverage

The Sarasota area referred to in this report covers the geographic area of the Sarasota-Bradenton-Venice metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Manatee County and Sarasota County

More information on the OMB's geographic definitions can be found at http://www.whitehouse.gov/omb/infereg_statpolicy/