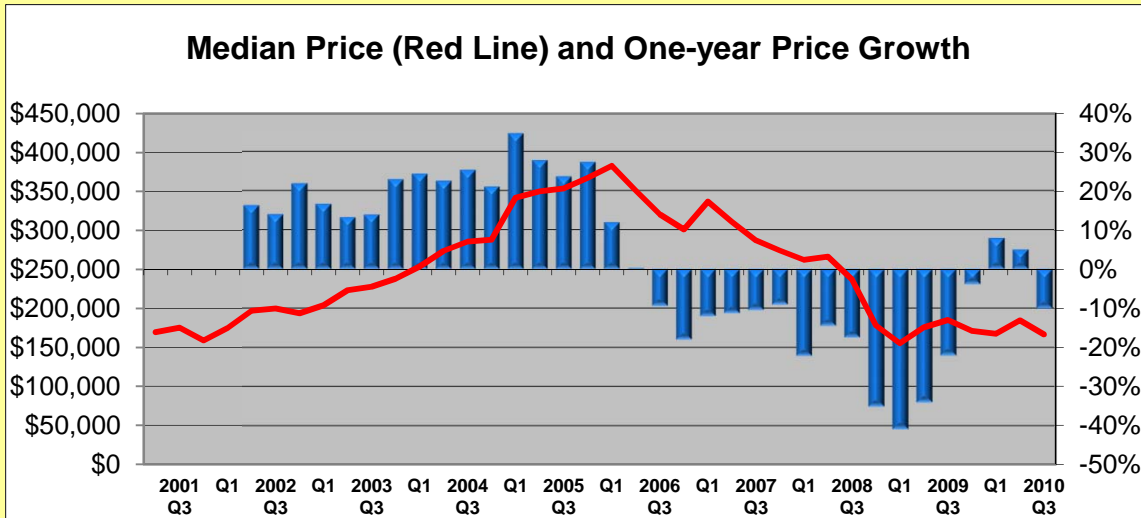


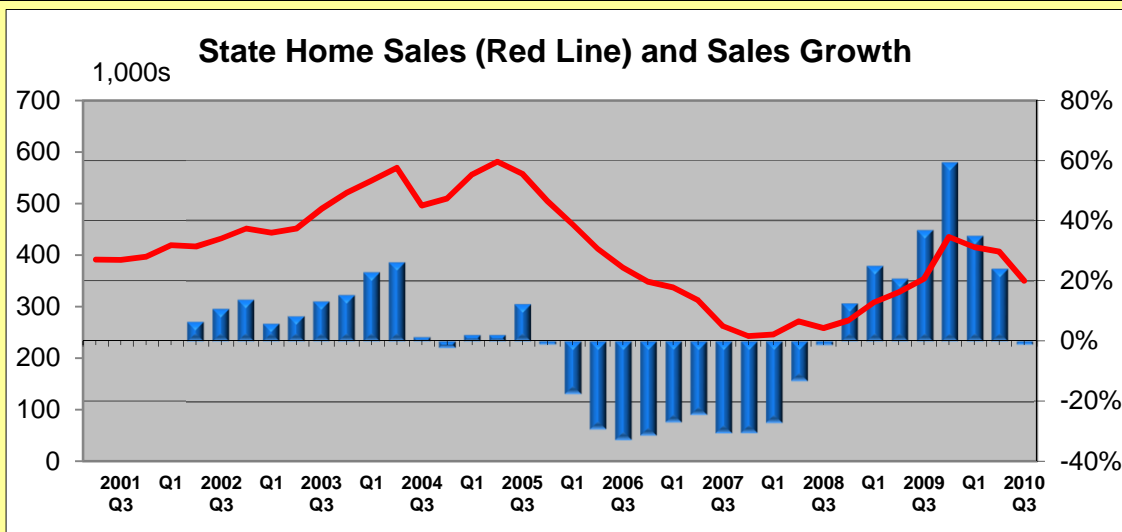
Sarasota-Bradenton-Venice Area Local Market Report, Third Quarter 2010



Today's Market...



| | Sarasota | U.S. | Local Trend |
|---|------------|----------------|--|
| Price Activity | | | |
| Current Median Home Price (2010 Q3) | \$166,700 | \$177,100 | Year-over-year prices swung negative this quarter after growing last quarter |
| 1-year (4-quarter) Appreciation (2010 Q3) | -10.0% | -0.6% | |
| 3-year (12-quarter) Appreciation (2010 Q3) | -42.0% | -19.9% | |
| 3-year (12-quarter) Housing Equity Gain* | -\$120,700 | -\$44,000 | The local housing price correction eliminated all of the equity gained during the housing boom |
| 7-year (28 quarters) Housing Equity Gain* | -\$61,300 | -\$6,000 | |
| 9-year (36 quarters) Housing Equity Gain* | -\$8,700 | \$21,500 | |
| *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 | 38% | not comparable | |
| **Note: the 2009 loan limits for FHA and the GSEs were extended through 2010. | | | |

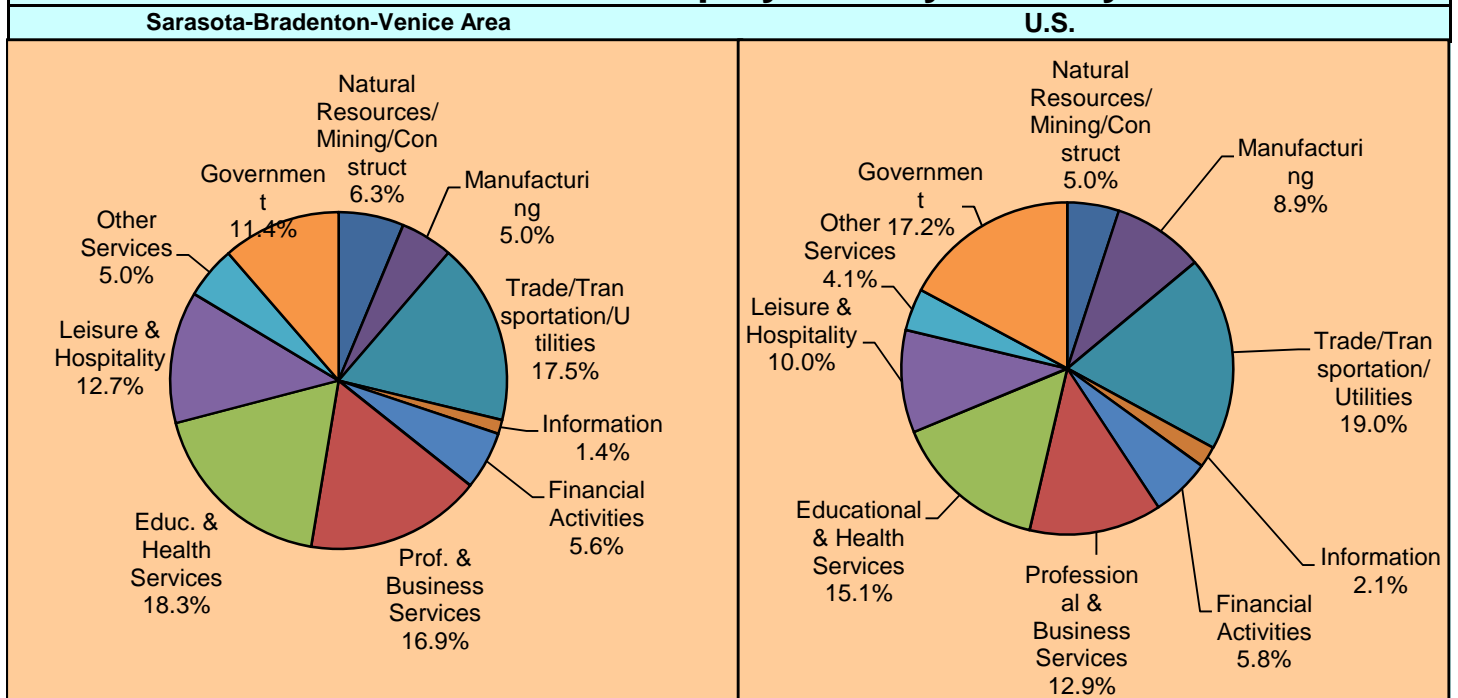


| Home Sales | Florida | U.S. | |
|--|---------|--------|---|
| State Existing Home Sales (2010 Q3 vs 2009 Q3) | -1.0% | -21.2% | Sales growth slipped during the third quarter |

Drivers of Local Supply and Demand...

| Local Economic Outlook | Sarasota | U.S. | |
|-----------------------------------|----------|----------------|---|
| 12-month Job Change (Sep) | 100 | Not Comparable | Employment has held up and is on an upward trend |
| 12-month Job Change (Aug) | -300 | Not Comparable | |
| 36-month Job Change (Sep) | -33,100 | Not Comparable | Sarasota's unemployment situation is worse than the national average and weighs on confidence |
| Current Unemployment Rate (Sep) | 12.6% | 9.6% | |
| Year-ago Unemployment Rate | 12.4% | 9.8% | Local employment growth is respectable compared to other markets |
| 1-year (12 month) Job Growth Rate | 0.0% | -1.7% | |

Share of Total Employment by Industry



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

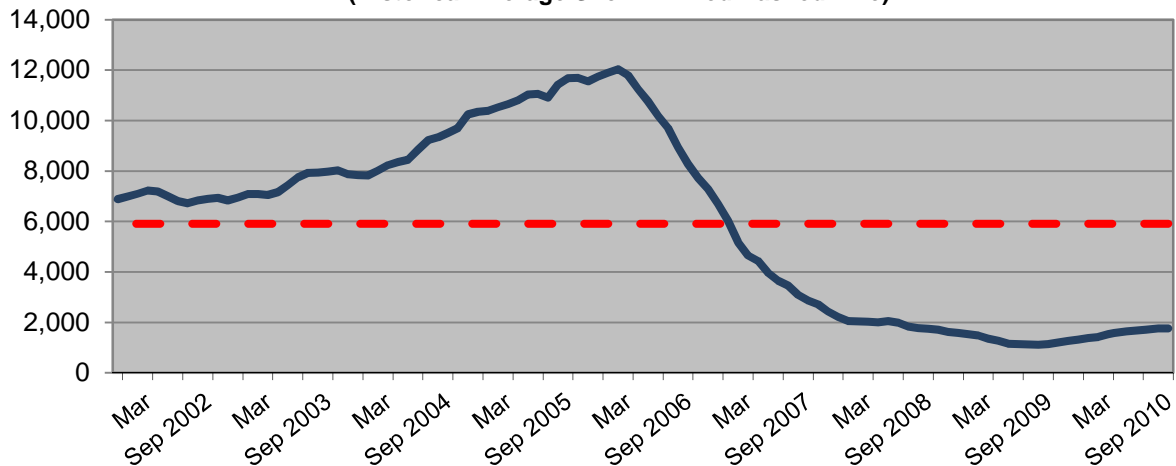
| | | | |
|--|------|---------------------------|-------|
| Goods Producing | NA | Information | 0 |
| Natural Resources/Mining/Construction | -600 | Financial Activities | -300 |
| Natural Resources and Mining | NA | Prof. & Business Services | -200 |
| Construction | NA | Educ. & Health Services | 1,900 |
| Manufacturing | -500 | Leisure & Hospitality | 200 |
| Service Providing Excluding Government | NA | Other Services | 400 |
| Trade/Transportation/Utilities | -400 | Government | -400 |

| State Economic Activity Index | Florida | U.S. | |
|-------------------------------|---------|-------|--|
| 12-month change (2010 - Sep) | 0.7% | 1.6% | The economy of Florida is growing more slowly than the rest of the nation, but improved modestly from last month's 0.4% change |
| 36-month change (2010 - Sep) | -11.2% | -4.6% | |

New Housing Construction

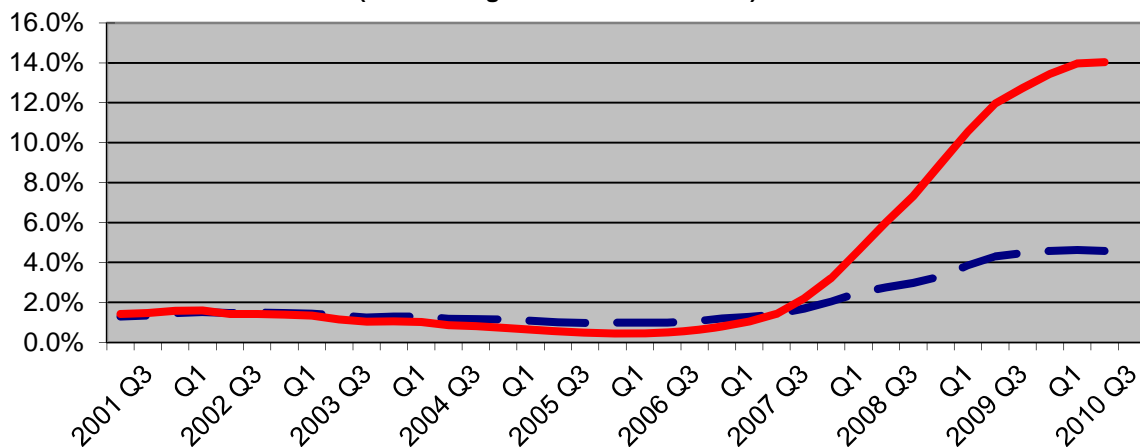
| Local Fundamentals | Sarasota | U.S. | |
|--|----------|----------------|---|
| 12-month Sum of 1-unit Building Permits through Sep 2010 | 1,758 | not comparable | The current level of construction is 70.2% below the long-term average |
| 8-year average for 12-month Sum of 1-Unit Building Permits | 5,903 | 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 (Sep 2010) 12-month sum vs. a year ago | 54.2% | 8.8% | Construction is on the rise relative to last year, suggesting that the local inventory has stabilized |

Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)



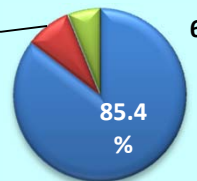
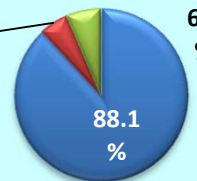
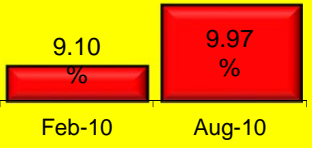
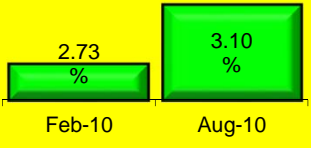
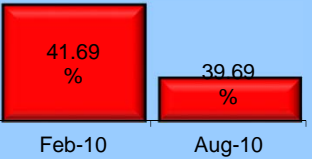
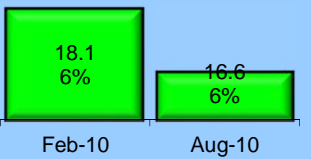
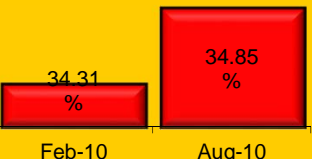
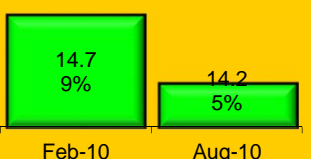
While new construction is the traditional driver of supply in real estate, foreclosures now have a strong impact on inventories, particularly at the local level. Rising inventories, through construction or foreclosure, place downward pressure on the median home prices.

State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)



Source: Mortgage Bankers' Association

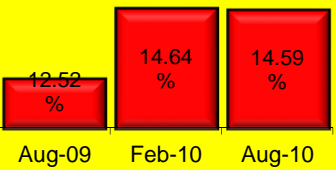
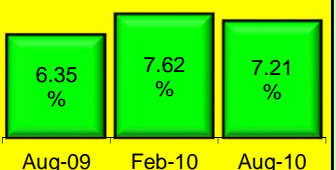
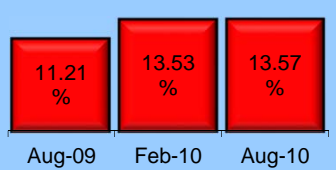
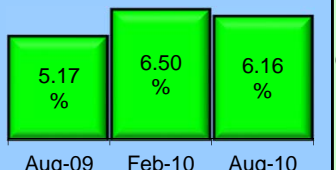
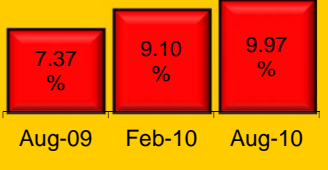
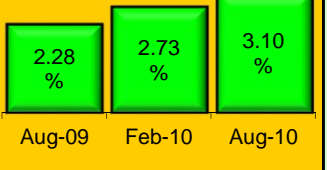
Foreclosures by Type

| Monthly Market Data - August 2010 | Sarasota | U.S. | |
|---|--|---|---|
| Market Share: Prime (blue), Alt-A (green), and Subprime (red) |  |  | Suprime 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 small local increase relative to February of this year The current local prime rate is high compared with the current U.S. average |
| SUBPRIME: Foreclosure + REO Rate |  |  | The local subprime rate eased modestly relative to February of this year The current local rate is high given the U.S. average |
| ALT-A: Foreclosure + REO Rate |  |  | The alt-A foreclosure rate rose slightly over the most recent 6 months The current rate for Sarasota is high compared with the U.S. average |

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

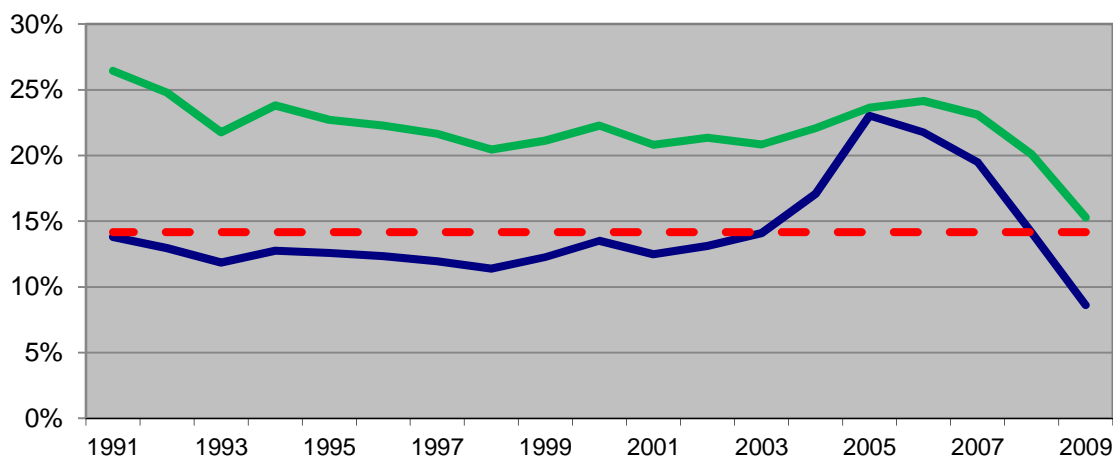
| Monthly Market Data - August 2010 | Sarasota | U.S. | |
|--------------------------------------|---|--|---|
| Prime: 60-day Delinquent |  |  | The local 60-day delinquency rate fell over the 6-month period ending in August suggesting that 90-day delinquencies will decline in the near future |
| Prime: 90-day Delinquent |  |  | 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 |
| Prime: Foreclosure + REO Rate |  |  | The increase in the 90-day delinquency rate over the most recent 6-month period suggests a near term increase in the foreclosure rate, which should then shrink as the decline in 60-day delinquencies moves its way through the system |

Source: First American CoreLogic, LoanPerformance data

Affordability

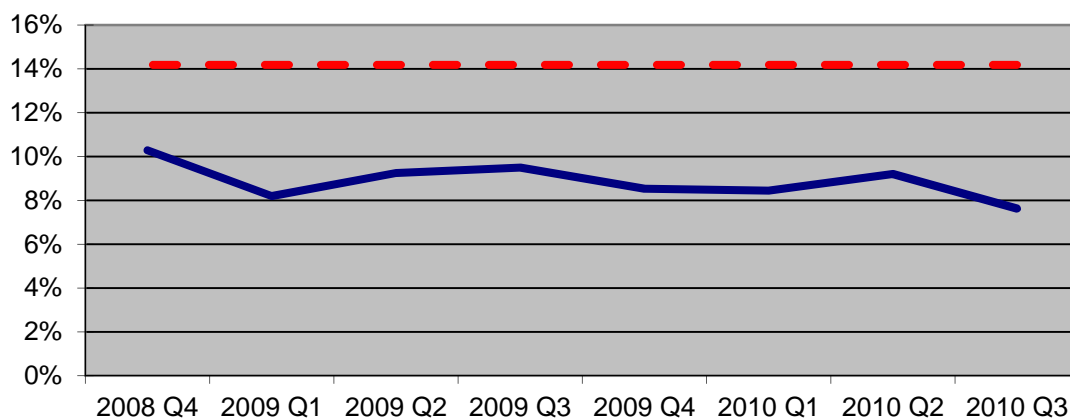


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

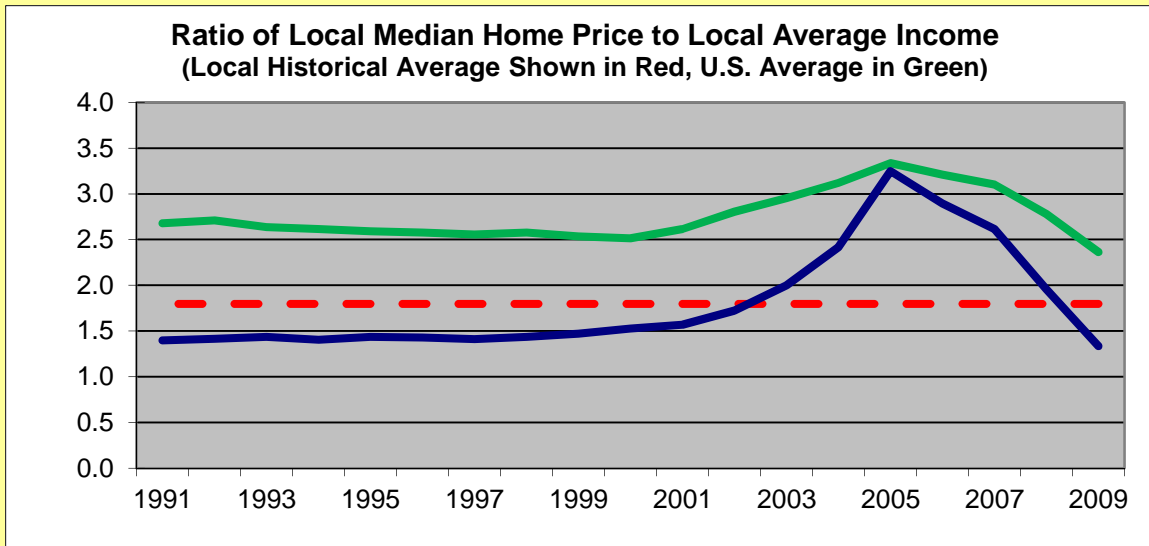


| Monthly Mortgage Payment to Income | Sarasota | U.S. | |
|------------------------------------|----------|-------|--|
| Ratio for 2008 | 8.6% | 15.3% | Historically strong and an improvement over the second quarter of 2010 |
| Ratio for 2010 Q3 | 7.6% | 14.3% | |
| Historical Average | 14.2% | 22.6% | More affordable than most markets |

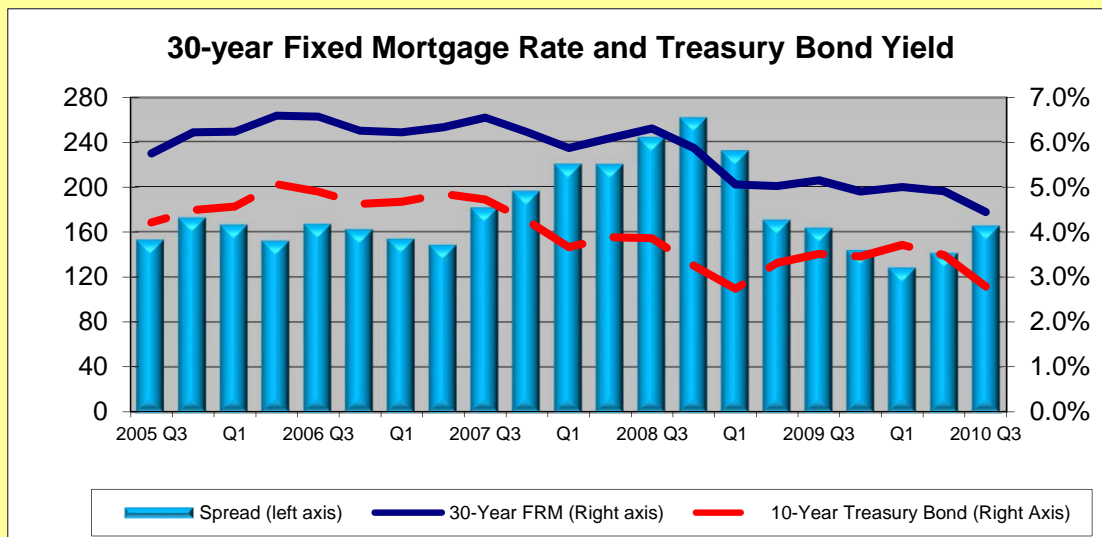
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



| Median Home Price to Income | Sarasota | U.S. | |
|-----------------------------|----------|------|--|
| Ratio for 2009 | 1.3 | 2.4 | The price-to-income ratio has fallen and is below the historical average |
| Ratio for 2010 Q3 | 1.3 | 2.4 | |
| Historical Average | 1.8 | 2.7 | Affordable compared to most markets |

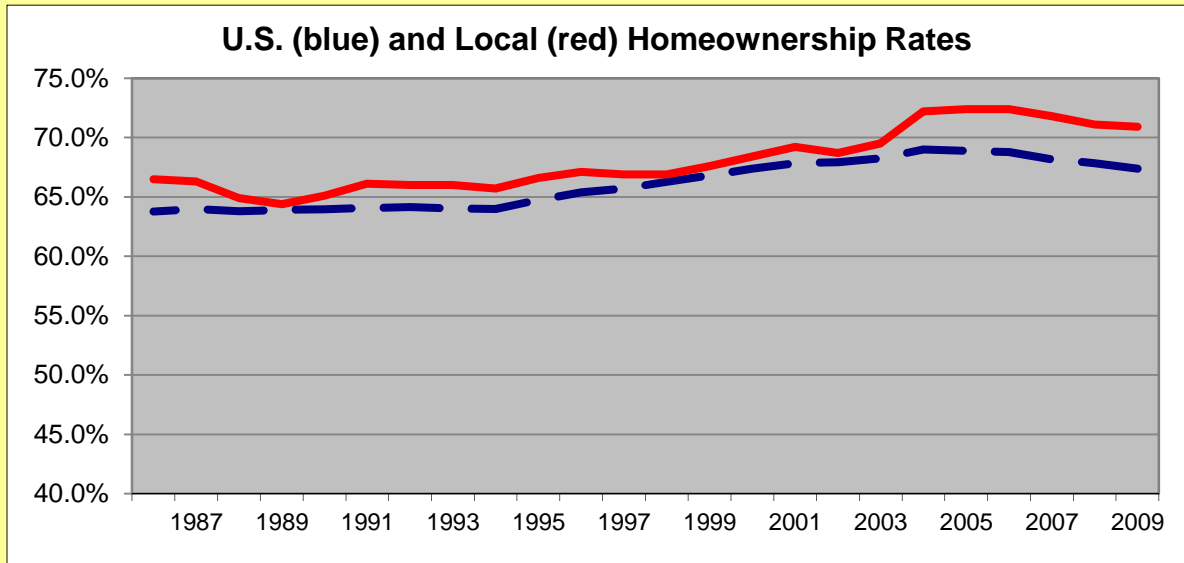


The Mortgage Market



After rising in the first half of the second quarter, the average 30-year fixed rate mortgage followed the 10-year Treasury bond downward in the third quarter. The sharp drop in home sales in July following the expiration of the Federal tax credit sent stock markets into a quandary. Soft economic indicators in July and August maintained this pattern, but by August, rates were falling for a different reason. Speculation that the Federal reserve would engage in a second round of mortgage and Treasury purchases to stimulate the economy by lowering the cost of borrowing, dubbed QE2 for the second round of such quantitative easing, sent the yield on the 10-year Treasury to record lows and the 30-year fixed rate mortgage followed suit. The average 30-year fixed rate mortgage, as measured by Freddie Mac, registered 4.32% in the first week of September, a record, and stayed under 4.4% the entire month. However, the spread between the 10-year Treasury and 30-year FRM rose 24 basis points in the third quarter to 166. The bulk of the Federal Reserve's quantitative easing was expected to be implemented through purchases of 2-year and 10-year Treasury notes. Consequently, demand for these instruments surged relative to long-term mortgage debt, which caused the spread to widen.

A Closer Look...At Homeownership



| Homeownership Rate | Florida | U.S. | |
|--------------------|---------|-------|--|
| Ratio for 2009 | 70.9% | 67.4% | Florida's homeownership rate fell in recent years, but was above the national average in 2009. |
| Ratio for 2010 Q3 | 68.3% | 66.9% | |
| Historical Average | 68.0% | 66.5% | |

Nationally, nearly 6.5 million homes went into foreclosure from 2005 through 2009. As a result, the homeownership rate fell from a high of 69.0% in 2004 to 67.4% in 2009. The share of homes owned by investors and banks has grown and this trend will weigh on the homeownership rate for years to come. Locally, there were 884,282 foreclosures in Florida over this same 5-year period. The result was a decline in the statewide homeownership rate from its recent peak of 72.4% in 2006 to 70.9% in 2009.

Geographic Coverage for this Report

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/inforeg_statpolicy/