

Acquisition in the Current Economy

Current Situation

- Current financial turmoil being experienced by speculative home buyers and lenders due to price appreciation in properties from 2003 – 2007.

How Did This Happen?

- Supply and Demand.
- Demand caused values in land to skyrocket from 2003-2005
- Over zealous lenders created financing with price appreciation of over 100% annually in certain sectors
- Supply is currently in abundance
- Values have retreated back to early 2000
- Bankruptcy, foreclosure, auctions
- Buyers cannot get financing

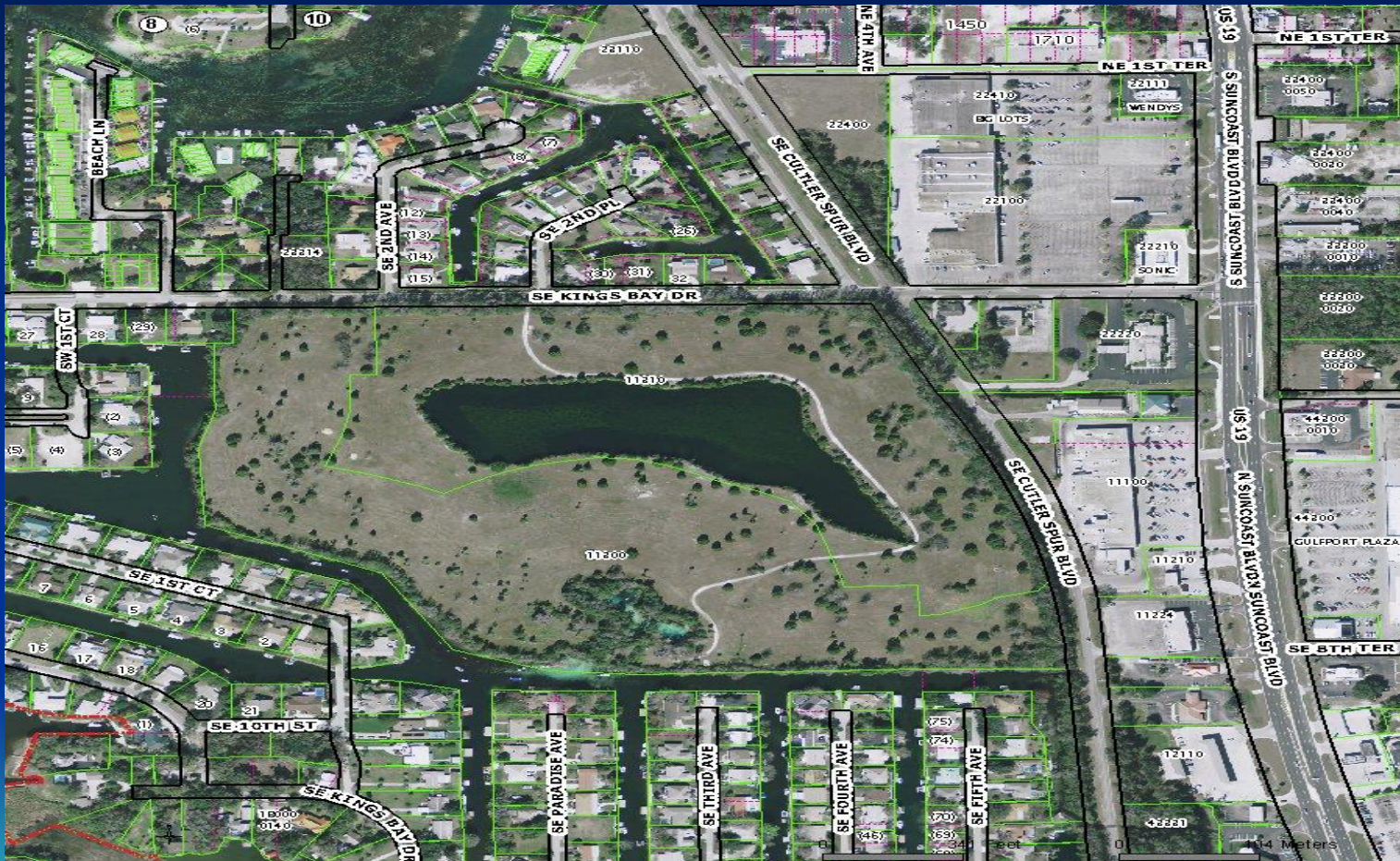
Examples of Difficult Public Acquisitions

- Rainbow River in Dunnellon
- Three Sisters

Rainbow River



Three Sisters



Summary

- Values are down to early 2000 levels
- No one has any money
- Development has significant inventory
- More willing sellers than in the past