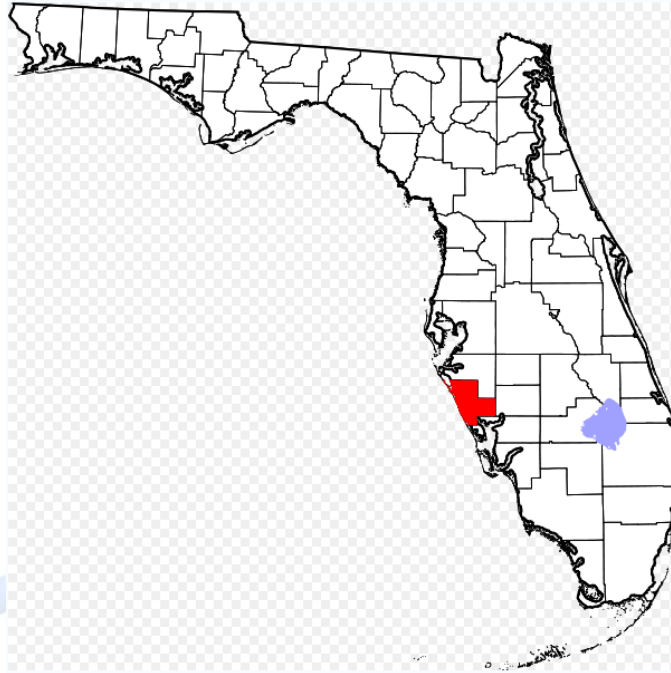


SARASOTA COUNTY AREA ANALYSIS



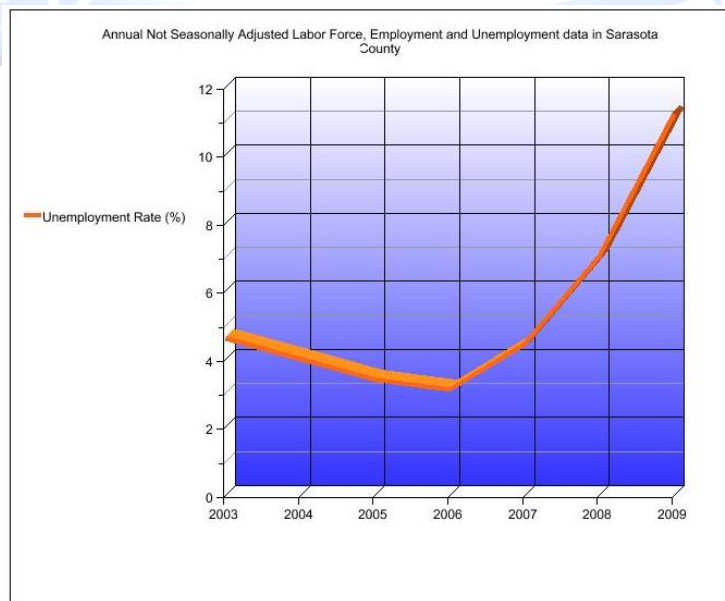
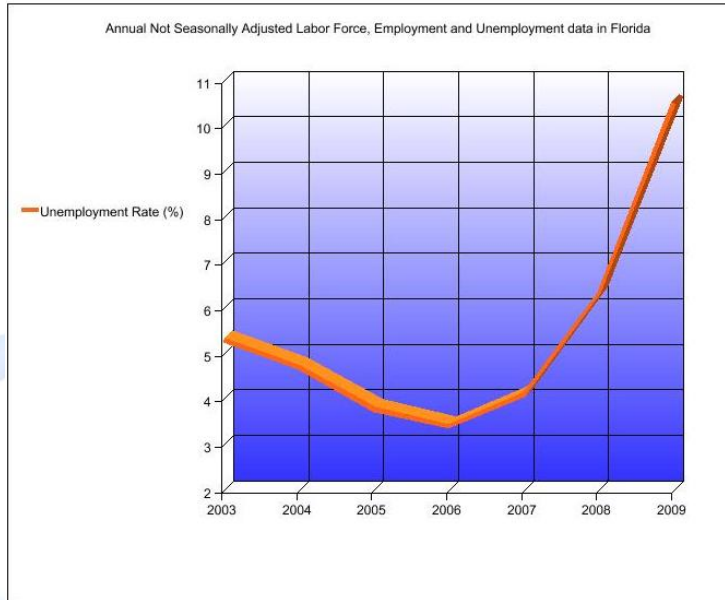
Sarasota County is located on the west central coast of Florida, is part of the Sarasota-Bradenton-Venice MSA, and is bordered to the north by Manatee County, to the south by Charlotte County, to the east by Desoto Counties and to the west by the Gulf of Mexico. Sarasota County encompasses a land area of approximately 725 square miles and an inland water area of 154 square miles. Municipalities located in Manatee County include: Sarasota, Venice, North Port, and Longboat Key. Unincorporated communities include but are not limited to Englewood, Fruitville, Nokomis, Osprey, and Plantation.

Population

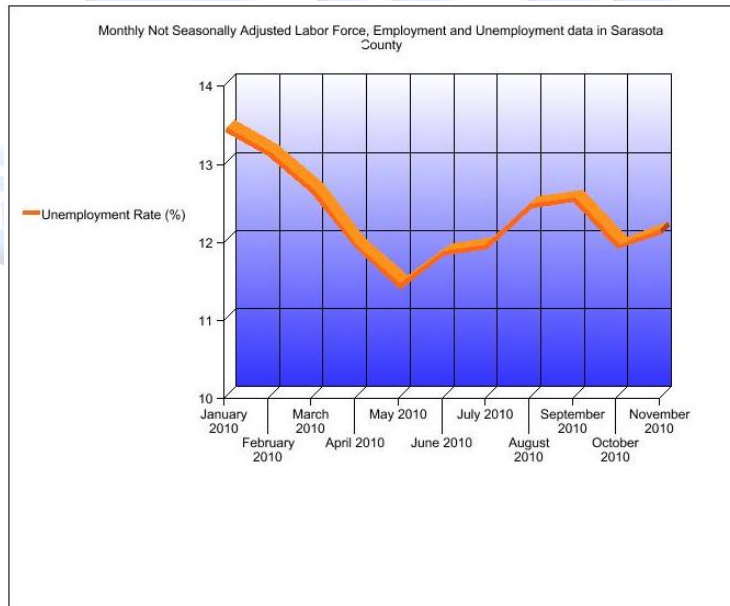
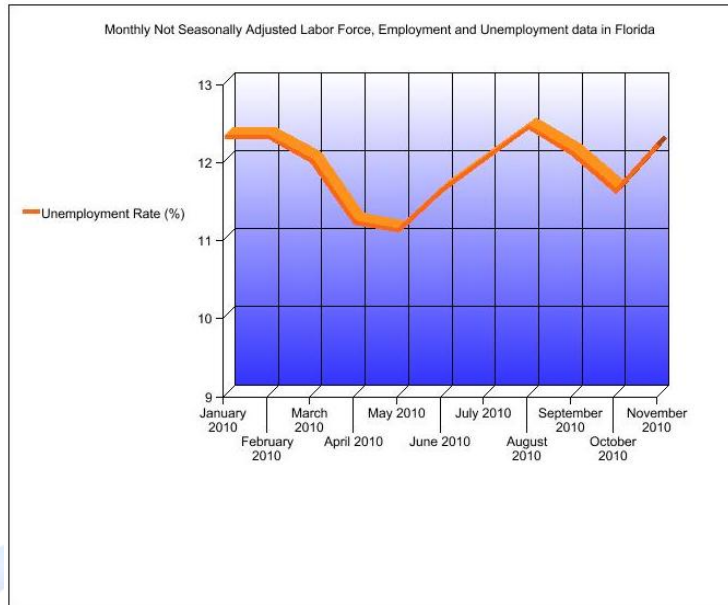
As of December 2010, Sarasota County was the 14th most populous county in the state with a population of 388,268, which was up 19.1% from 2000. This reflects a 1.91% increase annually, which is slightly above Florida's population growth as a whole, which was 1.74% from 2000 to 2010. According to the Site to Do Business (stbonline.com) the median age was 50.5 in 2000 and increased to 52.9 in 2010. The projected median age for 2015 is 54.6. For the State of Florida, the median age was 38.7 in 2000 and increased to 41.4 in 2010. The projected median age for 2015 is 41.8. The State of Florida and Sarasota County are anticipated to experience continued growth, however at lower rates than those experienced in the past.

Employment

According to the Bureau of Labor Statistics (labormarketinfo.com) employment trends for both Sarasota County and the State of Florida have followed a similar pattern since 2003, and from 2003 through 2006 this pattern was very positive as the unemployment rate steadily decreased. However, the unemployment rate began to increase in 2007 and experienced a sharp increase during 2009, as shown in the charts below.



For the first eleven months of 2010, Sarasota County and the State of Florida have continued to follow a somewhat similar pattern.



Florida's unemployment rate for November 2010 was 12.2%. As comparison, the unemployment rate for the state in November 2009 was 11.5%, November 2008 was 7.4% and November 2007 was 4.4%. From November 2007 to November 2010 the state lost a total of approximately 720,000 jobs. In Sarasota County the November 2010 unemployment rate was 12.1%, down from 12.9% in November 2009, up from 8.5% in November 2008 and 4.5% in November 2007. The county lost approximately 12,700 jobs since November 2007.

The varied composition of the region's and state's employment base and an examination of its major employers indicate a diversified economy that is not dependent upon any particular sector. However, Florida was one of the three states most adversely affected by the recent real estate market bust. Events of the past twelve months have shown that Sarasota County and the State of Florida are susceptible to patterns in real estate and the overall direction of the nation's economy. The county's major private employers are identified in the following chart.



Major Private Employers - 2009/10

Based on number of full-time employees only

Company	Full-Time	Primary Product/Service
1 Publix	1,602	Grocery Store Chain
2 PGT Industries	913	Window And Door Manufacturer
3 Venice Regional Medical Center	830	Hospital
4 SunTrust Bank	819	Commercial Bank
5 Sun Hydraulics Corporation	640	Manufacturer - Hydraulic Cartridge Valves
6 Comcast Cablevision	595	Cable Service Provider
7 Sunset Automotive Group	500	Automobile Retailer
8 The Ritz-Carlton of Sarasota	473	Hotel And Resort
9 Goodwill Industries	473	Not-for-Profit Retailer
10 Longboat Key Club & Resort	417	Hotel And Resort
11 Doctors Hospital of Sarasota	400	Hospital
12 FCCI Insurance Group	382	Insurance
13 Englewood Community Hospital	333	Hospital
14 Sarasota Herald-Tribune	281	Newspaper Publisher
15 Village on the Isle	280	Retirement Center
16 The Zenith Insurance Company	255	Insurance
17 First Physicians Group	252	Healthcare Providers
18 Coastal Behavioral Healthcare, Inc.	251	Mental Health and Treatment Center
19 Tervis Tumbler	249	Insulated Plastic Tumbler Manufacturer
20 Wilde Automotive	247	Automobile Retailer
21 Ringling College of Art and Design	245	Art School
22 ArtisTree Landscape Maintenance & Design	225	Landscape Contractors
23 L-3 Communications/L-3 Aviation Recorders	210	Manufacturer of Aviation Recorders
24 Vengroff Williams & Associates	204	Financial Services - Receivables Management
25 Sarasota Family YMCA	192	Health, Fitness, and Family Services Provider

It must be noted that the largest government employers in the county are as follows:

Major Government Employers

Based on number of full-time employees only

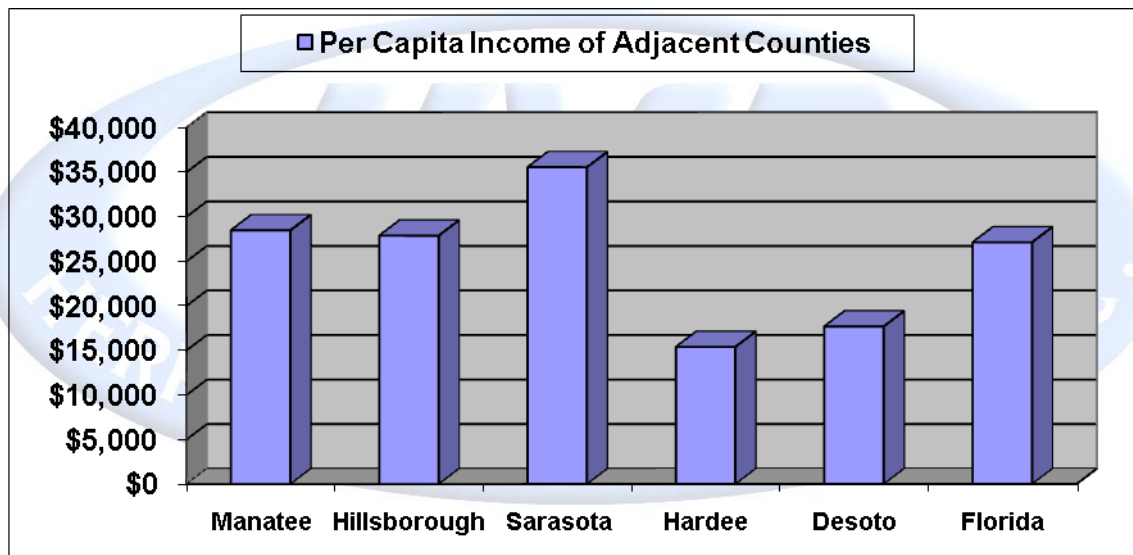
Company	Full-Time	Primary Product/Service
1 School Board of Sarasota County	5,297	Public Education
2 Sarasota Memorial Health Care System	3,092	Health Care
7 Sarasota County	2,033	Municipality
3 City of Sarasota	740	Municipality
4 City of North Port	549	Municipality
8 New College of Florida COH204	285	Public Education
6 City of Venice	281	Municipality
10 USF Sarasota/Manatee	155	Public Education
9 John and Mable Ringling Museum	118	Museum
5 Town of Longboat Key	100	Municipality

Income

Personal income is also a significant factor in determining the real estimated demand in a given market. Sarasota County's per capita income has historically achieved a growth rate slightly higher to that of the State of Florida.

According to information from Site to do Business, from 2000 to 2010, Sarasota County has achieved per capita income growth at an average annual compound rate of 1.78%. For the same time period, the average annual compound rate of growth for Florida was 1.95%.

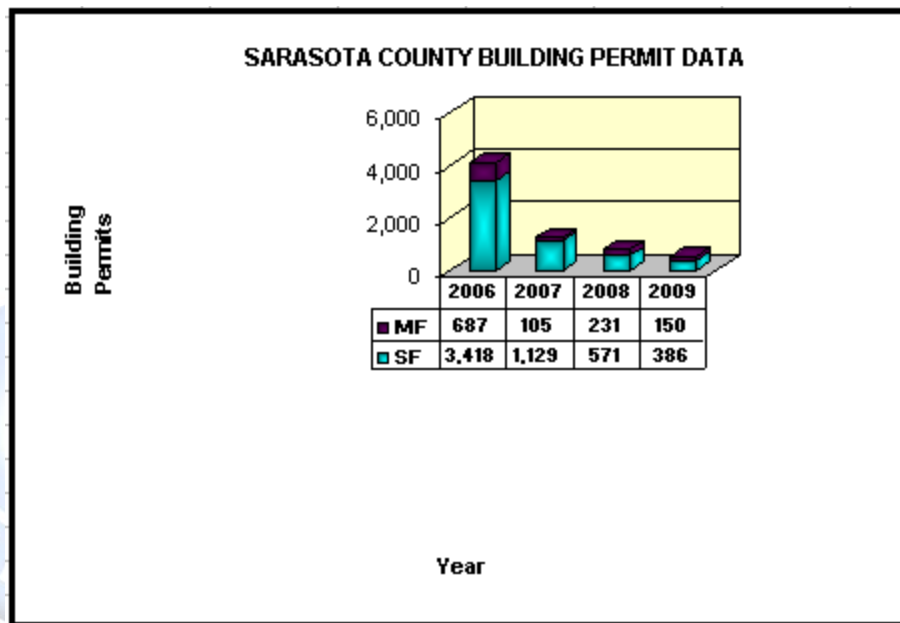
Per Capita Income (2009): The following chart compares the per capita income of Sarasota County with adjacent counties including Hillsborough, Manatee, Hardee, and Desoto counties and the state of Florida average. *(Site to do Business)*



Housing

From 2006 to 2009, there were 6,677 single family and multifamily permits issued in Sarasota County. From 2001 to 2005, the trend indicated a steady increase in housing starts. At the end of 2005 the residential market began to slow down, and this trend has continued into 2010. The permits issued in 2007 reflect a 70% decrease from 2006 to 2007 with an even further decrease in 2008 and 2009. For 2009, 536 permits were issued including 386 single family permits and 150 multifamily permits. While there was an increase in multi-family permit activity in 2008 due to the increased demand for apartments, single family permits are expected to continue to remain stagnant in the short term (1 – 2 years), as there is currently an abundance of inventory on the market.

Year-to-date Building Permit Activity in Florida											
Reporting Place	October 2010				October 2009				Difference from 2009		
	Months Reported	Total value residential (\$1,000)	Number of housekeeping units		Months Reported	Total value residential (\$1,000)	Number of housekeeping units		Total value residential (\$1,000)	Number of housekeeping units	
			One-family houses	In multi-family buildings			One-family houses	In multi-family buildings			
Sarasota County		170,685	486	148		109,980	324	42	60,705	162	106
Longboat Key	10	0	0	0	10	2,033	2	0	-2,033	-2	0
North Port	10	12,500	51	0	9	9,736	38	0	2,764	13	0
Sarasota	10	24,371	25	68	10	13,429	14	18	10,942	11	50
Venice	10	5,213	20	0	10	1,218	4	0	3,995	16	0
Unincorporated Area	10	128,601	390	80	10	83,564	266	24	45,036	124	56



Governmental and Political Characteristics

According to the City of Sarasota website, "The City of Sarasota is governed by a "Commission - Manager" form of government. There are five City Commissioners, two are elected at-large and three are elected from single-member districts. All elections are nonpartisan. On the Friday following the second Tuesday in April of each year, the Commissioners select a Mayor and Vice Mayor. The City Commission appoints a City Manager, a City Auditor and Clerk and a City Attorney, who are known as "Charter Officials".

The state of Florida and its municipalities do not levy personal income taxes; however a major source of county and state revenue is from property taxes. Residential property owners receive a homestead exemption on their primary residences. The homestead exemption is a constitutional benefit of a \$25,000 exemption from the property's assessed value. It is granted to those applicants with legal or beneficial title in equity to real property as recorded in official records who are bona fide Florida residents living in a dwelling and making it their permanent

home on January 1 of the taxable year. The exemption results in approximately a \$500 savings to Florida residents on their property tax.

On January 29, 2008, Florida voters approved an additional \$25,000 homestead exemption to be applied to the value between \$50,000 and \$75,000. If a home is worth \$75,000 or more, the owner would receive the full exemption benefit. If the home is worth between \$50,000 and \$75,000, he or she would receive a pro-rated exemption amount. This exemption does not apply to school taxes. No additional application is required. Property taxes are anticipated to increase in future years to help fund infrastructure costs.

Education

The Sarasota County School Board District currently oversees 51 schools including 22 elementary, 6 middle/junior, 1 K-8, 5 senior high, 3 exceptional schools, 5 alternative programs and 9 charter schools with a total enrollment of 42,045. In addition, there are numerous private schools available. Sarasota County is designated as an "A" district by the Florida Department of Education, with 95% of elementary schools and 83% of all schools receiving "A" grades in 2008. Higher education is offered by the University of South Florida, Eckerd College, Manatee Community College, Keiser University, New College, and the Ringling School of Art & Design. The University of South Florida, whose main campus is located in Tampa, is the third largest in the state of Florida with a total enrollment of 44,891 for the 2007-2008 academic year and 40,433 for 2010.

Transportation

The Sarasota-Bradenton International Airport is located in the southwestern portion of Manatee County on the Manatee/Sarasota border. The airport is served by six major airlines, including American Trans Air, Continental and Delta, and two commuter airlines. Nonstop flights are available to New York/Newark, Detroit, Cincinnati, Cleveland, Indianapolis, Pittsburgh, Charlotte, Milwaukee, Fort Lauderdale, Minneapolis, Atlanta, Chicago, Ottawa and Toronto, although availability and frequency fluctuates according to the tourist season. Air France and Alitalia also service the airport through connecting flights.

Major roadways serving Sarasota County include Interstate 75, Interstate 275, U.S. Highway 41, U.S. Highway 301, and numerous State Highways. Interstate 275 is a limited access highway that extends off Interstate 75. I-275 begins in the northwestern portion of Manatee County and extends northward over Tampa Bay (Sunshine Skyway Bridge) through Pinellas County, across Tampa Bay (Howard Frankland Bridge) and through the City of Tampa. I-275 rejoins I-75 just north of Tampa. I-75 is the major north/south highway on Florida's west coast. This interstate connects Miami to the south (via Alligator Alley) to Sarasota County and extends northward through Tampa and eventually into the northern states.

Quality of Life

Medical facilities in Sarasota County include but are not limited to Venice Regional Medical Center, Doctors Hospital of Sarasota, Sarasota Memorial Hospital, Englewood Community Hospital. Additionally, several nursing and convalescent homes serve the area.

A wide variety of recreational activities are available year round due to the subtropical climate that the county enjoys. The county experiences temperatures ranging from 71 to 49 degrees Fahrenheit in January and 91 to 73 degrees Fahrenheit in July. The county also enjoys 258 average days a year without rain. Recreational activities are plentiful and include numerous county parks, golf courses, Marie Selby Botanical Gardens, Mote Marine Laboratory, Myakka River State Park, Sarasota Jungle Gardens, and 36 miles of coastline.

Organized activities within the county are also abundant. Recurring annual events include Oktoberfest, Downtown Sarasota Craft Festival, St. Armand's Art Festival, and the Sarasota Film Festival.

Summary and Conclusion

Despite negative factors regarding unemployment and the downturn in both the residential and real estate markets and the credit crisis, the overall long term economic outlook for Sarasota County and the State of Florida is still positive. Total population for both areas is projected to increase slightly. More importantly, both areas are projected to experience employment growth in the future. Based on this analysis, it is anticipated that the State of Florida and Sarasota County will continue to grow and prosper, albeit at a slower pace than at the height of the real estate market of a few years ago. In time, the expected growth should provide an economic base that supports demand for real estate in the subject neighborhood and for the subject property. These conditions should stimulate increases in general property values.