

MARKET/HIGHEST AND BEST USE ANALYSIS (continued)

DETACHED LOT/HOME SUPPLY SUMMARY					
Existing, Developing & Proposed Supply- Subject Market Area, 2-Mile Radius					
No.	Subdivision Name/Location	Status	No. Lots	Lots/Homes Available	Avg. Lot Size (SF)
Existing Lot/Home Supply					
1	Canyon Ridge NE 131 st St/NE 39 th Ave	Selling Homes	14	14	6,500
2	Horizon View NW 113 th St/NW 12 th Avenue	Selling Homes	21	11	8,600
3	Kramer South NE 92 nd St/NE 43 rd Ave	Selling Homes	15	15	5,500
4	LaLonde Parkside NE 102 nd St/NE 44 th Ct	Selling Homes	28	28	6,002
5	Pleasant Meadow NE 131 st St/NE 42 nd Ave	Selling Homes	26	14	7,500
6	Sherwood Hollow West NE 104 th St/NE 21 st Ave	Selling Homes	41	41	6,393
7	Triangle Estates NE 109 th St/NE 50 th Ave	Selling Homes	12	8	6,500
Totals→			157	131	
Developing Supply (Lots Under Construction)					
1	110 th St Infill NE 110 th St/NE 22 nd Ave	Under Construction	7	7	4,600
2	Harju Estates NE 39 th Ave/NE 107 th St	Under Construction	16	16	6,543
3	Maitland Heights NE 109 th St/NE Maitland Rd	Under Construction	14	14	7,570
4	Stonegate NE 89 th St/NE 34 th Avenue	Under Construction	17	17	6,100
5	The Vision NE 106 th St/NE St Johns	Under Construction	12	12	5,800
6	Violet Place Infill NE 95 th St/NE 25 th Ave	Under Construction	8	8	4,500
Totals→			74	74	
Proposed Lot Supply					
1	Sub: Forest Creek NE 104 th St/NE 28 th Ave	Pending Engineering	17	17	
2	Blue Jay's Glen NE 102 nd St/NE 25 th Ave	Prelim Approvals	10	10	4,500
3	Cole Heights NE 117 th St/NE 8 th Ave	Prelim Approvals	35	35	6,125
4	Emerald Crest NE 88 th St/NE 19 th Ave	Prelim Approvals	13	13	6,000
5	LaLonde Creek Place NE 99 th St/NE 48 Ave	Prelim Approvals	10	10	6,000
6	Michaelson Infill NW 114 th St/NW 3 rd Ave	Prelim Approvals	14	14	6,600
7	Parkview Heights NE 88 th St/NE 19 th Ave	Prelim Approvals	58	58	6,500
8	Sherwood Place NE 102 nd St/NE 44 th Ct	Prelim Approvals	12	12	5,900
Totals→			169	169	

The existing supply of new home product and lots within a 2-mile radius of the subject is substantial, with 131 total homes remaining out of an original 157 homes. The lots will not compete with the subject lots as they are all held by builders and are not available for

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sale. Canyon Ridge, LaLonde Parkside, Pleasant Meadow, and Sherwood Hollow West are the 4 plats located in closest proximity to the subject. These 4 plats were originally platted for 109 lots, with approximately 97 homes remaining. It is important to note that the existing supply may be less than is indicated, as many new home sales have not yet recorded to County records. This is especially true for those plats in the beginning stages of new home sales. Given the subject's anticipated timeline for development, the existing supply of homes will offer some competition to the subject. However, the majority of the existing supply will likely be sold out by the time the subject comes online. The subject's immediate location is also superior to many of these plats.

The developing supply of lots under construction within a two-mile radius of the subject includes 6 plats with a total of 74 future lots. None of the lots are listed for sale as they are all held by builders for the upcoming summer building season, and will not compete with the subject lots. Of these 4 plats, new homes on the 110th Street Infill, Harju Estates, Maitland Heights, and The Vision are located in closest proximity to the subject and will offer the most competition to the future homes on the subject lots. However, given that these plats are currently under construction, many of the 53 homes on these 4 plats will be sold by the time the subject comes online. While not presented, Royal Ridge is a larger plat located approximately 5 blocks south of the subject. This plat includes primarily smaller lots, however, it does include a few larger lots. The lots are not for sale and will not compete with the subject lots. In addition, the homes will likely be sold by the time the subject comes online and will not compete. Developing supply appears favorable for the subject plat.

The proposed supply of lots and homes in the subject's market area includes 8 plats, including the subject, in the approvals process that could potentially compete with the subject. These plats include 169 proposed lots. Those plats in closest proximity to the subject include Blue Jay's Glen, Cole Heights, and Sherwood Place. These 3 plats include a total of 57 proposed lots in the immediate area. These plats will offer the most competition to the future subject lots and future homes on the subject lots. The subject plat will be very marketable and will hold a competitive advantage to the majority of the proposed plats due to its good location, site and plat amenities, including an open space/greenbelt amenity for 5 of the lots, and supported new homes prices in the moderate to lower upscale price range. It is also important to note that the majority of the developing and proposed lots have been purchased or are under contract and will not compete with the subject lots. Overall, the supply of existing, developing, and proposed supply of lots/homes in the subject's immediate and competing and surrounding market areas appears favorable.

DEMAND

Demand for lots has been exceptionally strong over the past year, and continues to be strong in 2006 despite some recent slowdowns in new home sales. Most similar plats are being purchased in bulk prior to being formerly marketed for sale by agents. Lot sales for the first quarter of 2006 are up 7%, with the average lot price (averages for all lots in the overall Clark County Market Area) up 21% to \$115,380. Half of the lots sold for more than \$110,000, which is up 34%. The average lot represents 34% of the average new