



Fourth Quarter 2011

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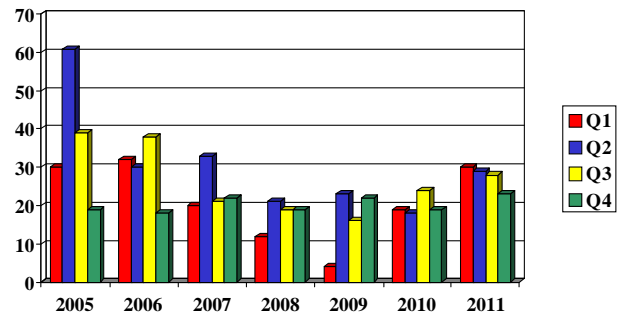


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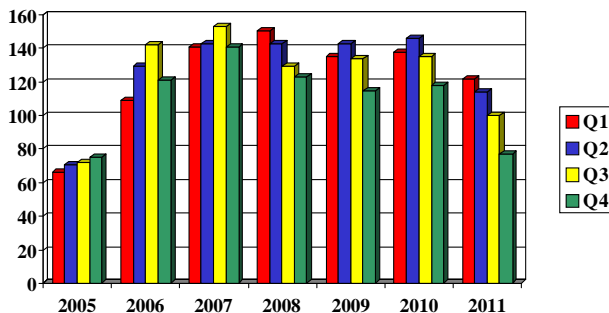
Southeast Jacksonville Market Trends 2005 - 2011

During the fourth quarter last year 23 single-family homes were sold in the Southeast Jacksonville gated golf communities (i.e. Jacksonville Golf & Country Club, Glen Kernan Golf & Country Club, Deerwood Country Club and Deercreek Country Club). An additional 17 properties are now pending (under contract but not yet closed). During the same period a year earlier, 19 houses were sold in these communities.

Number of Sales



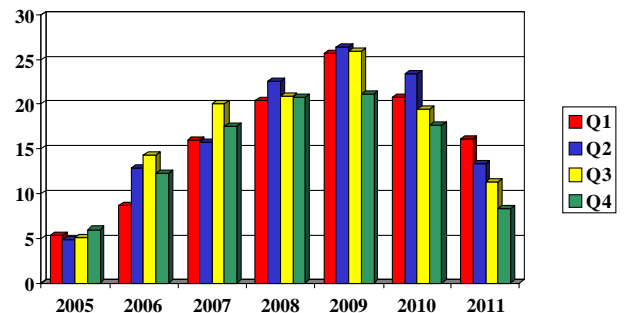
Homes on the Market



The number of properties on the market continues to trend downward. The inventory of single-family homes peaked four years ago when 153 properties in the four communities were on the market at the end of the third quarter in 2007. The current inventory of 77 houses is half that amount and significantly less than the 118 homes on the market at this time last year.

By comparing the number of homes currently on the market with the sales rate of the most recent four quarters, we can estimate the time it will take to sell available properties. At the end of the fourth quarter the projected time to sell existing inventory fell to just over 8.4 months as a result of the reduced inventory and the continued improvement in the pace of sales activity.

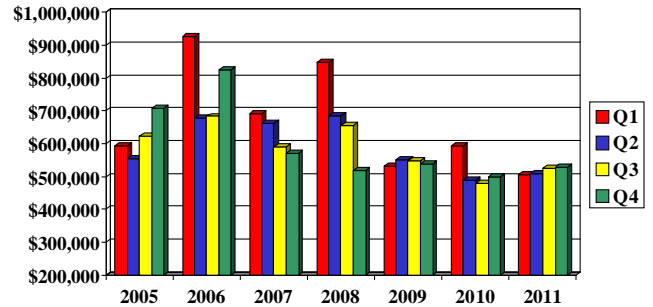
Months of Inventory



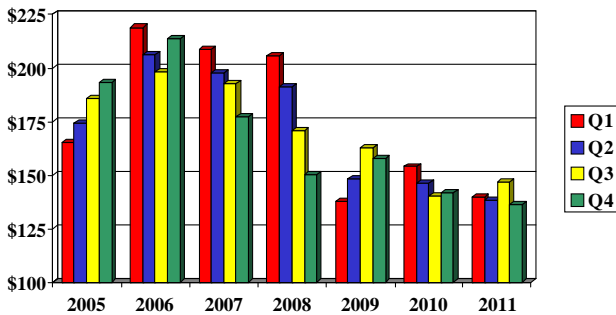
Southeast Jacksonville Market Trends 2005 - 2011

The average sales price of single-family homes in Southeast Jacksonville increased during the fourth quarter this year. Average selling prices have now increased for six consecutive quarters. This is very good news indeed in conjunction with the increased pace of sales and the reduced inventory.

Average Selling Price



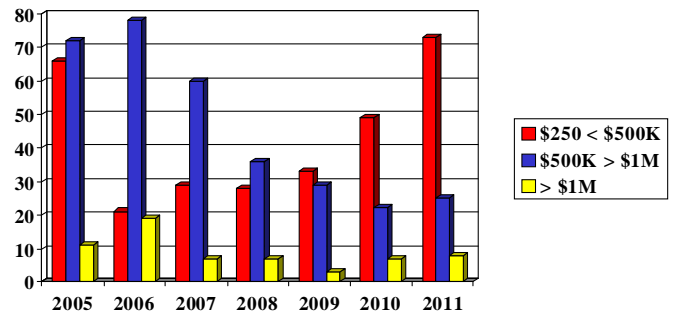
Average Cost Per Square Foot



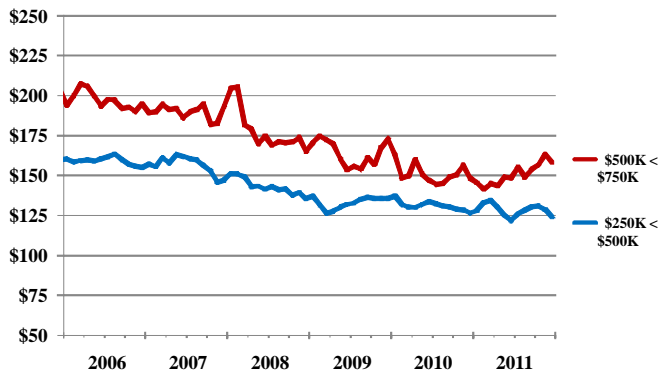
The average cost per square foot slipped a bit in the fourth quarter to \$136. While the cost per square foot of the four distressed sales in the golf communities averaged \$118 per square foot, the cost per square foot of the nineteen non-distressed sales was \$140.

The pace of sales continues to improve across all market segments. Year-over-year sales are up 38%. Importantly we are continuing to see improved strength in the upper market segments where sales are less likely to be distressed or viewed as investment opportunities.

Sales by Market Segment



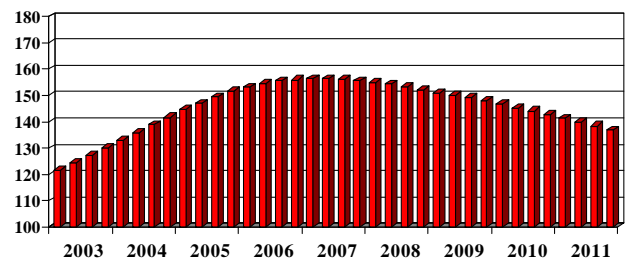
Sold Price Per Square Foot



The cost per square foot of Southeast Jacksonville homes sold below \$500K continues to be pushed downward by the higher percentage of distressed sales in this market segment. Conversely, over the past year we have seen the cost per square foot of homes selling between \$500K and \$750K trending upward.

The appreciation rate of homes sold each calendar quarter is calculated by examining multiple sales of the same property over time. The average appreciation experienced by sellers during the fourth quarter was -4.7% on an annualized basis during their ownership. Ouch!

Appreciation Index



Note: 2000 home values normalized to 100

Palencia Residences

Fourth Quarter 2011 Sales Activity

Listed below are those homes currently on the market as well as those in a pending status (under contract but not yet closed). Also listed are those homes that have closed or sold during the past three months. The cost per square foot is based on the list price unless the actual sales price is available. In that case, the cost per square foot is based on the sales price shown.

	Street Address	Year Built	Beds	Full Baths	Half Baths	List Price	Sold Price	SqFt	Cost Per SqFt ¹
Pending	405 La Travesia Flora 101	2005	3	2		\$56,500		1,383	\$40.85
Pending	440 La Travesia Flora 102	2005	2	2		\$58,000		1,278	\$45.38
Sold	135 Calle El Jardin 204	2005	3	2		\$69,000	\$70,000	1,400	\$50.00
	145 Calle El Jardin 204	2005	3	2		\$72,000		1,383	\$52.06
	400 La Travesia Flora 104	2005	3	2		\$79,000		1,383	\$57.12
Sold	125 Calle El Jardin 104	2005	3	2		\$82,000	\$80,500	1,383	\$58.21
Pending	210 Paseo Terraza 404	2006	2	2		\$86,000		1,550	\$55.48
Sold	210 Paseo Terraza 205	2006	2	2		\$87,000	\$90,000	1,550	\$58.06
	405 La Travesia Flora 201	2005	3	2		\$89,900		1,383	\$65.00
	210 Paseo Terraza 203	2006	2	2		\$99,000		1,550	\$63.87
	220 Paseo Terraza 304	2006	2	2		\$101,500		1,450	\$70.00
	210 Paseo Terraza 403	2006	2	2		\$101,500		1,450	\$70.00
	220 Paseo Terraza 305	2006	2	2		\$108,500		1,550	\$70.00
	210 Paseo Terraza 305	2006	2	2		\$108,500		1,550	\$70.00
Pending	220 Paseo Terraza 202	2006	3	2		\$115,500		1,650	\$70.00
	220 Paseo Terraza 306	2006	3	2		\$115,500		1,650	\$70.00
Sold	200 Paseo Terraza 401	2006	3	3		\$149,900	\$138,000	2,123	\$65.00
	836 North End Street	2005	3	2		\$180,000		1,822	\$98.79
Sold	176 Oak Common Avenue	2002	4	2		\$189,900	\$192,000	2,164	\$88.72
Pending	521 Westside Row	2005	3	2	1	\$199,900		2,209	\$90.49
Sold	169 West Village Drive	2006	3	2		\$204,900	\$198,700	2,017	\$98.51
Sold	141 West Village Drive	2006	3	3	1	\$205,000	\$200,000	1,790	\$111.73
Pending	574 Market Street	2007	3	3	1	\$223,500		3,916	\$57.07
Pending	154 South End Street	2004	4	3	1	\$226,600		2,755	\$82.25
Pending	208 Carmine Lane	2006	4	3	1	\$229,000		2,759	\$83.00
	143 South End Street	2003	3	2		\$229,000		1,906	\$120.15
Pending	146 South End Street	2003	3	3		\$234,900		2,453	\$95.76
Sold	172 Oak Common Avenue	2003	4	4		\$250,000	\$250,000	2,851	\$87.69
	584 Market Street	2007	3	3	1	\$255,000		3,750	\$68.00
	575 Market Street	2007	3	3	1	\$280,000		3,750	\$74.67
	1922 North Loop Parkway	2012	3	2	1	\$283,600		2,404	\$117.97
	1926 North Loop Parkway	2012	3	2	1	\$318,900		2,603	\$122.51

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Information regarding the listing or sale of property within The Palencia Community was obtained from the Northeast Florida Association of Realtors Multiple Listing Service as of January 28, 2012 at 7:50am. The information is deemed reliable but not guaranteed. Not all of these properties are listed with the broker supplying this information.



Palencia Residences *(continued)*

Fourth Quarter 2011 Sales Activity

	Street Address	Year Built	Beds	Full Baths	Half Baths	List Price	Sold Price	SqFt	Cost Per SqFt ¹
Sold	108 Spanish Marsh Drive	2006	3	3		\$339,000	\$340,000	2,372	\$143.34
	148 Augustine Island Way	2006	3	3	1	\$349,900		3,214	\$108.87
	144 Augustine Island Way	2006	3	3	1	\$350,000		3,193	\$109.61
	128 Augustine Island Way	2006	3	3	1	\$355,250		3,193	\$111.26
	120 Augustine Island Way	2006	3	3	1	\$357,500		3,214	\$111.23
	662 Hannah Park Lane	2003	5	4		\$359,900		2,730	\$131.83
	42 Torcido Boulevard	2008	3	2	1	\$369,000		2,455	\$150.31
Sold	147 Parkside Drive	2002	5	4		\$369,900	\$355,000	2,935	\$120.95
	134 Augustine Island Way	2006	3	3	1	\$370,500		3,406	\$108.78
	161 Augustine Island Way	2006	3	3	1	\$372,500		3,406	\$109.37
	800 Riley Lane	2004	5	3		\$409,900		3,088	\$132.74
	212 Vale Drive	2012	3	3		\$414,600		2,900	\$142.97
Sold	613 McKenzie Oak Lane	2006	4	3		\$419,000	\$400,000	2,611	\$153.20
	1520 North Loop Parkway	2012	6	3	1	\$422,900		3,800	\$111.29
Sold	26 Torcido Boulevard	2008	4	3	1	\$425,000	\$425,000	2,930	\$145.05
	620 Palencia Club Drive 105	2006	3	3		\$425,000		2,675	\$158.88
	620 Palencia Club Drive 305	2006	3	3		\$425,000		2,675	\$158.88
	716 Kendall Brook Lane	2011	4	3	1	\$439,900		3,078	\$142.92
	137 Spanish Marsh Drive	2012	5	4	1	\$444,900		3,595	\$123.76
Pending	630 Hannah Park Lane	2004	4	4		\$449,000		3,317	\$135.36
	215 Parkside Drive	2003	4	3		\$449,000		2,949	\$152.26
Sold	100 Spanish Marsh Drive	2005	3	3	1	\$450,000	\$415,000	3,351	\$123.84
Sold	1737 North Loop Parkway	2005	4	4		\$459,000	\$425,000	3,617	\$117.50
	282 Oak Common Avenue	2006	4	3	2	\$460,000		3,875	\$118.71
	216 Vale Drive	2012	4	4		\$467,400		3,500	\$133.54
	568 Sebastian Square	2012	5	3	1	\$474,900		3,615	\$131.37
	204 Vale Drive	2012	4	4	1	\$476,400		3,871	\$123.07
Sold	208 Vale Drive	2008	5	4		\$489,500	\$450,000	4,385	\$102.62
Sold	472 Sebastian Square	2011	4	3		\$489,900	\$460,700	3,180	\$144.87
	80 Torcido Boulevard	2008	3	2	1	\$490,000		3,205	\$152.89
	277 Vale Drive	2012	4	4		\$498,900		4,002	\$124.66
	620 Palencia Club Drive 202	2006	3	3		\$499,000		2,300	\$216.96
	147 Calle Norte	2012	4	4		\$509,900			
	620 Palencia Club Drive 302	2006	3	3		\$529,000		2,300	\$230.00
	572 Sebastian Square	2009	4	4		\$529,000		3,724	\$142.05

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Palencia Residences *(continued)*

Fourth Quarter 2011 Sales Activity

	Street Address	Year Built	Beds	Full Baths	Half Baths	List Price	Sold Price	SqFt	Cost Per SqFt ¹
	77 Privado Court	2008	5	4	1	\$565,000		3,400	\$166.18
Sold	352 Sophia Terrace	2011	5	3	1	\$569,000	\$530,000	3,429	\$154.56
Sold	200 Vale Drive	2006	5	4	1	\$569,700	\$569,700	3,857	\$147.71
	132 La Mesa Drive	2005	4	4		\$609,000		3,989	\$152.67
	116 Corbata Lane	2011	5	5		\$625,000		4,362	\$143.28
	266 Sophia Terrace	2012	5	4	1	\$625,000		4,300	\$145.35
	364 Sophia Terrace	2003	4	4	1	\$649,900		3,593	\$180.88
	348 Sophia Terrace	2003	4	4	1	\$649,900		3,843	\$169.11
	488 Sebastian Square	2007	5	4		\$650,000		3,674	\$176.92
	143 Calle Norte	2006	4	4	1	\$689,000		4,356	\$158.17
	282 Vale Drive	2012	4	3	1	\$692,300		3,990	\$173.51
	1424 North Loop Parkway	2007	4	4	1	\$700,000		4,083	\$171.44
	380 Sophia Terrace	2005	4	5		\$775,000		4,299	\$180.27
Sold	748 Promenade Pointe Drive	2010	5	4	1	Auction	\$750,000	5,385	\$139.28
	736 Promenade Pointe Drive	2010	5	6	1	\$1,400,000		6,300	\$222.22
	126 Hickory Hill Drive	2004	5	6		\$2,000,000		6,900	\$289.86
	680 Promenade Pointe Drive	2007	5	6		\$2,200,000		6,508	\$338.05

¹Cost per square foot is an important metric when attempting to establish the value of a home. However, as with all data and statistics, it should not be used blindly. Homes with similar construction, amenities and location would be expected to have comparable costs per square foot. But adjustments are clearly necessary when comparing dissimilar properties.

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Palencia Rental Properties

Fourth Quarter 2011 Rental Activity

Listed below are those homes currently available for rent as well as those in a pending status (under contract but not yet rented). Also listed are those homes that have rented during the past three months. The cost per square foot is based on the list price unless the actual rental price is available. In that case, the cost per square foot is based on the rented price shown.

	Street Address	Year Built	Beds	Full Baths	Half Baths	List Price	Rented Price	SqFt	Cost Per SqFt ¹
	440 La Travesia Flora 203	2006	2	2		\$1,050		1,278	\$0.82
Rented	440 La Travesia Flora 102	2005	2	2		\$1,100	\$1,100	1,278	\$0.86
Rented	110 Calle El Jardin 101	2005	3	2		\$1,150	\$1,150	1,384	\$0.83
	455 La Travesia Flora 204	2005	3	2		\$1,150		1,383	\$0.83
Rented	300 Via Castilla 102	2006	2	2		\$1,395	\$1,300	1,278	\$1.02
	210 Paseo Terraza 201	2007	3	2		\$1,700		2,043	\$0.83
	200 Paseo Terraza 401	2006	3	3		\$1,745		2,123	\$0.82
Rented	210 Paseo Terraza 401	2006	3	3		\$1,750	\$1,750	1,850	\$0.95
Rented	121 West Village Drive	2006	3	2		\$1,900	\$1,750	2,107	\$0.83
Rented	412 Central Street	2005	4	2	1	\$1,995	\$1,995	2,312	\$0.86
	500 Trails Edge Court		4	3		\$2,000		2,300	\$0.87
Rented	816 North End Street	2005	3	2	1	\$2,100	\$2,300	2,612	\$0.88
	501 Sebastian Square	2006	4	3		\$2,350		2,826	\$0.83
Rented	791 Cypress Crossing Trail	2005	5	4		\$2,395	\$2,395	2,933	\$0.82
Rented	1737 North Loop Parkway	2005	5	4		\$3,500	\$3,200	3,617	\$0.88
Rented	116 North River Drive	2003	3	4		\$4,750	\$4,000	4,010	\$1.00
	752 Promenade Pointe Drive	2006	5	5	1	\$4,995		6,128	\$0.82

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Palencia Vacant Land Fourth Quarter 2011 Sales Activity

Listed below are those properties currently on the market as well as those in a pending status (under contract but not yet closed). Also listed are those lots that have closed or sold during the past three months.

	Street Address	List Price	Sold Price	Acres
	Spanish Marsh Drive	\$39,900		0.29
	1486 North Loop Parkway	\$59,000		0.50
Sold	168 Hickory Hill Drive	Auction	\$66,000	0.72
Sold	601 Santa Teresa Court	\$80,000	\$50,000	0.52
	600 Santa Teresa Court	\$80,000		0.36
	723 Promenade Pointe Drive	\$85,000		0.33
	113 Marshall Creek Drive	\$94,500		0.75
Pending	155 Hickory Hill Drive	\$99,000		0.82
Sold	252 Vale Drive	\$99,900	\$80,000	0.36
	317 Vale Drive	\$99,900		0.42
	309 Vale Drive	\$104,900		0.45
	159 Hickory Hill Drive	\$109,900		0.86
	154 North River Drive	\$110,000		1.32
	118 Arnau Court	\$112,000		0.59
	423 Sophia Terrace	\$133,000		0.38
	322 Sophia Terrace	\$134,900		0.43
	266 Sophia Terrace	\$155,000		0.75
	688 Promenade Pointe Drive	\$159,900		0.41
	684 Promenade Pointe Drive	\$159,900		0.48
	760 Promenade Pointe Drive	\$200,000		0.57
	424 Sophia Terrace	\$219,000		0.43
	150 North River Drive	\$219,900		0.98
	404 Sophia Terrace	\$239,000		0.73
	101 Marshall Creek Drive	\$259,000		0.85
	157 Costa Blanca Road	\$390,000		1.20
	732 Promenade Pointe Drive	\$449,000		0.37
	130 Hickory Hill Drive	\$650,000		0.96

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