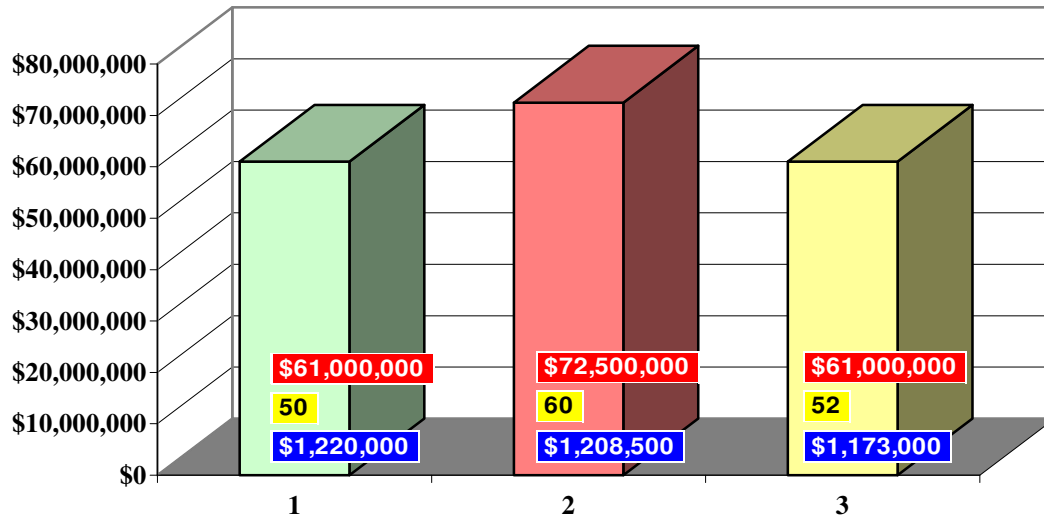


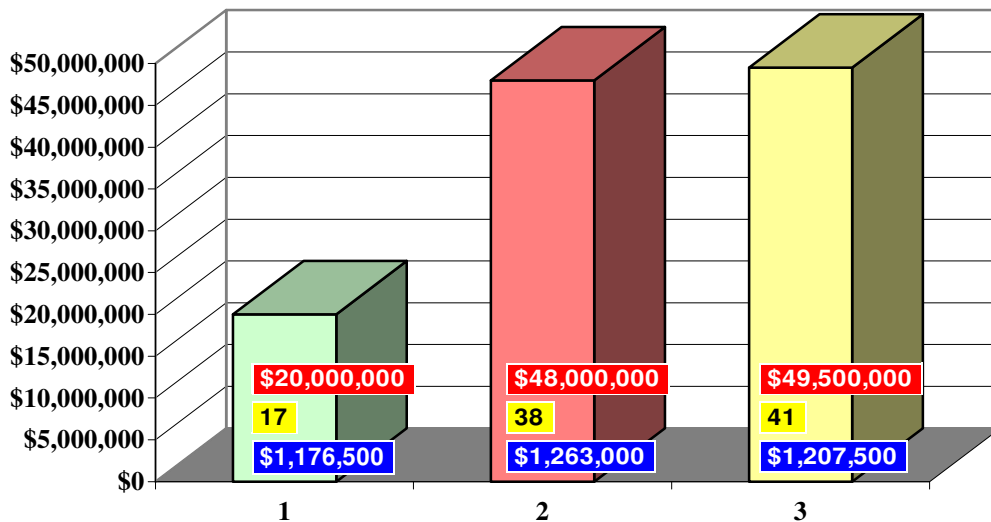


**OVERALL MARKET - 2012  
1ST, 2ND & 3RD QUARTERS**

**AVALON**



**STONE HARBOR**



█ TOTAL SALES VOLUME     
 █ TOTAL NUMBER OF SALES     
 █ AVG SALE PRICE

TRENDS 2012 (vs) 2011  
(THIRD QUARTER 2012)

**SALES**

**Avalon**

- > 21% increase in number of transactions.
- > 6% increase in total sales volume.
- > 12.5% decrease in average sale price.
- > 5% decrease in the average % sale prices were discounted from listed prices.
- > Many buyers remain very interested in purchasing a second home at the shore.

**Stone Harbor**

- > 228% increase in number of transactions.
- > 202% increase in total sales volume.
- > 11.5% decrease in average sale price.
- > 4% decrease in the average % sale prices were discounted from listed prices.
- > Many buyers remain very interested in purchasing a second home at the shore.

**SALE LISTINGS**

**Avalon**

- > 24.5% decrease in current listings.
- > 30.5% increase in new listings.
- > There was a (1.48 to 1) ratio of new listings (77) to sale transactions (52) (vs) (1.37 to 1) - (59 to 43) ratio.

**Stone Harbor**

- > 16.5% decrease in current listings.
- > 21% increase in new listings.
- > There was a (1.12 to 1) ratio of new listings (46) to sale transactions (41) (vs) (2.11 to 1) - (38 to 18) ratio.

**SUMMARY**

There was a 34.5% increase in the Total Sales Volume (\$110,500,000 (vs) \$82,000,000) and a 52% increase in the number of transactions (93 (vs) 61) for the Third Quarter of 2012 (vs) 2011 in the overall marketplace for Seven Mile Beach Island. The figures indicate the marketplace activity is increasing.

We anticipate a continued increase in Buyer activity during the remainder of 2012. The Buyers realize the personal benefits of having their families enjoy a second home at the Shore. They also understand that interest rates will not always remain at the current low levels. Lastly, the properties being sold are those where the owners are willing to negotiate the listed sale price.

**OVERALL MARKET SEGMENT  
(THIRD QUARTER 2012)**

**THIRD QUARTER—2012**

**THIRD QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	52	41	43	18
Total Sales Volume	\$61,000,000	\$49,500,000	\$57,500,000	\$24,500,000
Price Range	\$165,900 To \$3,100,000	\$365,000 To \$5,325,000	\$67,000 To \$12,417,380	\$350,000 To \$3,395,000
Average Sale Price	\$1,173,000	\$1,207,500	\$1,337,000	\$1,361,000
Average % Sale Prices Discounted From Listed Prices	8%	8%	8.5%	12%
<b>SALE LISTINGS</b>				
Current	241	184	319	220
New	77	46	59	38
<b>TOTAL</b>	318	230	378	258

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	162	96
Total Sales Volume	\$194,500,000	\$117,500,000
Price Range	\$165,900 To \$4,150,000	\$349,000 To \$5,325,000
Average Sale Price	\$1,200,000	\$1,224,000
Average % Sale Prices Discounted From Listed Prices	7.5%	10%
<b>SALE LISTINGS</b>		
Current (*)	241	184
New (Cumulative)	243	153

(\*) Total for current quarter

**OCEANFRONT HOMES MARKET SEGMENT  
(THIRD QUARTER 2012)**

	<b>THIRD QUARTER—2012</b>		<b>THIRD QUARTER—2011</b>	
<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	0	3	1	0
Total Sales Volume	\$0	\$13,000,000	\$12,417,380	\$0
Price Range	\$0	\$3,255,000 To \$5,325,000	\$12,417,380	\$0
Average Sale Price	\$0	\$4,333,500	\$12,417,380	\$)
Average % Sale Prices Discounted From Listed Prices	0%	6.5%	11.5%	0%
<b>SALE LISTINGS</b>				
Current	17	3	17	4
New	2	2	2	1
<b>TOTAL</b>	19	5	19	5

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	2	6
Total Sales Volume	\$6,225,000	\$28,000,000
Price Range	\$2,250,000 To \$3,975,000	\$3,255,000 To \$6,600,000
Average Sale Price	\$2,075,000	\$4,666,500
Average % Sale Prices Discounted From Listed Prices	6.5%	12%
<b>SALE LISTINGS</b>		
Current (*)	17	3
New (Cumulative)	7	5

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

There are many buyers interested in purchasing an Oceanfront home at the shore. The sale prices have limited activity. However, the overall marketplace is moving in a positive direction and we expect this to continue for the remainder of the year.

**BEACHBLOCK HOMES MARKET SEGMENT  
(THIRD QUARTER 2012)**

**THIRD QUARTER—2012**

**THIRD QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	4	3	5	4
Total Sales Volume	\$7,900,000	\$5,500,000	\$9,400,000	\$11,275,000
Price Range	\$1,825,000 To \$2,225,000	\$1,425,000 To \$2,600,000	\$1,575,000 To \$2,650,000	\$1,775,000 To \$3,395,000
Average Sale Price	\$1,975,000	\$1,833,500	\$1,800,000	\$2,819,000
Average % Sale Prices Discounted From Listed Prices	6.5%	14%	7.5%	13%
<b>SALE LISTINGS</b>				
Current	22	25	31	27
New	6	2	4	3
<b>TOTAL</b>	28	27	35	30

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	16	7
Total Sales Volume	\$30,000,000	\$13,000,000
Price Range	\$1,230,000 To \$2,340,000	\$1,150,000 To \$2,600,000
Average Sale Price	\$1,875,000	\$1,857,000
Average % Sale Prices Discounted From Listed Prices	7%	15%
<b>SALE LISTINGS</b>		
Current (*)	22	25
New (Cumulative)	22	12

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

Activity in this market segment continues to increase. There are many buyers interested in purchasing a second home at the shore and the mortgage rates remain low with many excellent mortgage programs available. The over-all marketplace is moving in a positive direction and we expect this to continue for the remainder of the year.

**BAYFRONT HOMES MARKET SEGMENT  
(THIRD QUARTER 2012)**

**THIRD QUARTER—2012**

**THIRD QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	4	3	3	2
Total Sales Volume	\$11,100,000	\$5,200,000	\$7,400,000	\$3,385,000
Price Range	\$2,500,000 To \$3,100,000	\$1,250,000 To \$2,700,000	\$2,200,000 To \$2,750,000	\$1,500,000 To \$1,885,000
Average Sale Price	\$2,775,000	\$1,733,500	\$2,466,500	\$1,692,500
Average % Sale Prices Discounted From Listed Prices	15.5%	13%	9.5%	12.5%
<b>SALE LISTINGS</b>				
Current	36	13	34	16
New	10	4	8	3
<b>TOTAL</b>	46	17	42	19

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	14	11
Total Sales Volume	\$36,000,000	\$18,000,000
Price Range	\$1,150,000 To \$4,150,000	\$999,000 To \$3,025,000
Average Sale Price	\$2,571,500	\$1,636,500
Average % Sale Prices Discounted From Listed Prices	12%	16%
<b>SALE LISTINGS</b>		
Current (*)	36	13
New (Cumulative)	27	12

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

Activity in this marketplace continues to increase. There are many buyers interested in purchasing a second home at the shore and the mortgage rates remain low with many excellent mortgage programs available. The overall marketplace is moving in a positive direction and we expect this to continue for the remainder of the year.

**MID-ISLAND HOMES MARKET SEGMENT  
(THIRD QUARTER 2012)**

**THIRD QUARTER—2012**

**THIRD QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	16	18	17	7
Total Sales Volume	\$20,300,000	\$17,700,000	\$14,500,000	\$7,200,000
Price Range	\$525,000 To \$2,575,000	\$436,000 To \$1,725,000	\$495,000 To \$1,645,000	\$370,000 To \$1,850,000
Average Sale Price	\$1,269,000	\$983,500	\$853,000	\$1,028,500
Average % Sale Prices Discounted From Listed Prices	6.5%	7.5%	8.5%	14%
<b>SALE LISTINGS</b>				
Current	68	57	99	72
New	30	12	17	9
<b>TOTAL</b>	<b>98</b>	<b>69</b>	<b>116</b>	<b>81</b>

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	59	32
Total Sales Volume	\$71,000,000	\$34,500,000
Price Range	\$525,000 To \$2,600,000	\$436,000 To \$2,747,000
Average Sale Price	\$1,203,500	\$1,078,000
Average % Sale Prices Discounted From Listed Prices	6%	8.5%
<b>SALE LISTINGS</b>		
Current (*)	68	57
New (Cumulative)	77	51

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

Activity in this marketplace continues to increase. There are many buyers interested in purchasing a second home at the shore and the mortgage rates remain low with many excellent mortgage programs available. The overall marketplace is moving in a positive direction and we expect this to continue for the remainder of the year.

**CONDOMINIUMS/TOWNHOMES MARKET SEGMENT  
(THIRD QUARTER 2012)**

	<b>THIRD QUARTER—2012</b>		<b>THIRD QUARTER—2011</b>	
<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	22	13	13	5
Total Sales Volume	\$15,300,000	\$7,300,000	\$10,000,000	\$2,700,000
Price Range	\$165,900 To \$1,300,000	\$365,000 To \$870,000	\$310,000 To \$1,525,000	\$350,000 To \$725,000
Average Sale Price	\$695,500	\$561,500	\$769,000	\$540,000
Average % Sale Prices Discounted From Listed Prices	6%	6.5%	8%	8.5%
<b>SALE LISTINGS</b>				
Current	70	66	102	67
New	23	16	18	16
<b>TOTAL</b>	93	82	120	83

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	59	32
Total Sales Volume	\$39,000,000	\$18,500,000
Price Range	\$165,900 To \$1,300,000	\$349,000 To \$870,000
Average Sale Price	\$661,000	\$578,000
Average % Sale Prices Discounted From Listed Prices	5.5%	7.5%
<b>SALE LISTINGS</b>		
Current (*)	70	66
New (Cumulative)	80	55

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

Activity in this marketplace continues to increase. There are many buyers interested in purchasing a second home at the shore and the mortgage rates remain low with many excellent mortgage programs available. The overall marketplace is moving in a positive direction and we expect this to continue for the remainder of the year.



**MULTI-FAMILY MARKET SEGMENT  
(THIRD QUARTER 2012)**

**THIRD QUARTER—2012**

**THIRD QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	2	1	1	0
Total Sales Volume	\$1,565,000	\$735,000	\$1,150,000	\$0
Price Range	\$565,000 To \$999,999	\$735,000	\$1,150,000	\$0
Average Sale Price	\$782,500	\$735,000	\$1,150,000	\$0
Average % Sale Prices Discounted From Listed Prices	18.5%	16%	16.5%	0%
<b>SALE LISTINGS</b>				
Current	6	11	7	16
New	0	8	1	3
<b>TOTAL</b>	6	19	8	19

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	2	5
Total Sales Volume	\$1,565,000	\$3,500,000
Price Range	\$565,000 To \$999,999	\$650,000 To \$740,000
Average Sale Price	\$782,500	\$700,000
Average % Sale Prices Discounted From Listed Prices	18.5%	10.5%
<b>SALE LISTINGS</b>		
Current (*)	6	11
New (Cumulative)	3	12

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

There continues to be limited buyer activity in this market segment. However, the overall marketplace is moving in a positive direction and we expect this to continue for the remainder of the year.

**LOTS MARKET SEGMENT  
(THIRD QUARTER 2012)**

**THIRD QUARTER—2012**

**THIRD QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	4	0	2	0
Total Sales Volume	\$5,000,000	\$0	\$2,610,000	\$0
Price Range	\$775,000 To \$2,212,500	\$0	\$510,000 To \$2,100,000	\$0
Average Sale Price	\$1,250,000	\$0	\$1,305,000	\$0
Average % Sale Prices Discounted From Listed Prices	14.5%	0%	5.5%	0%
<b>SALE LISTINGS</b>				
Current	17	6	22	9
New	5	1	7	1
<b>TOTAL</b>	<b>22</b>	<b>7</b>	<b>29</b>	<b>10</b>

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	8	0
Total Sales Volume	\$8,100,000	\$0
Price Range	\$550,000 To \$885,000	\$0
Average Sale Price	\$1,012,500	\$0
Average % Sale Prices Discounted From Listed Prices	13.5%	0%
<b>SALE LISTINGS</b>		
Current (*)	17	6
New (Cumulative)	22	3

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

There continues to be limited buyer activity in this market segment. However, the overall marketplace is moving in a positive direction and we expect this to continue for the remainder of the year.

**COMMERCIAL MARKET SEGMENT  
(THIRD QUARTER 2012)**

**THIRD QUARTER—2012**

**THIRD QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	0	0	1	0
Total Sales Volume	\$0	\$0	\$67,000	\$0
Price Range	\$0	\$0	\$67,000	\$0
Average Sale Price	\$0	\$0	\$67,000	\$0
Average % Sale Prices Discounted From Listed Prices	0%	0%	16%	0%
<b>SALE LISTINGS</b>				
Current	5	3	7	9
New	1	1	2	2
<b>TOTAL</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>11</b>

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	2	3
Total Sales Volume	\$3,216,000	\$2,830,000
Price Range	\$1,150,000 To \$2,066,000	\$485,000 To \$1,800,000
Average Sale Price	\$1,608,000	\$943,500
Average % Sale Prices Discounted From Listed Prices	33%	9%
<b>SALE LISTINGS</b>		
Current (*)	5	3
New (Cumulative)	5	3

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

There continues to be limited Buyer activity in this market segment. However, the overall marketplace is moving in a positive direction and we expect this to continue for the remainder of the year.