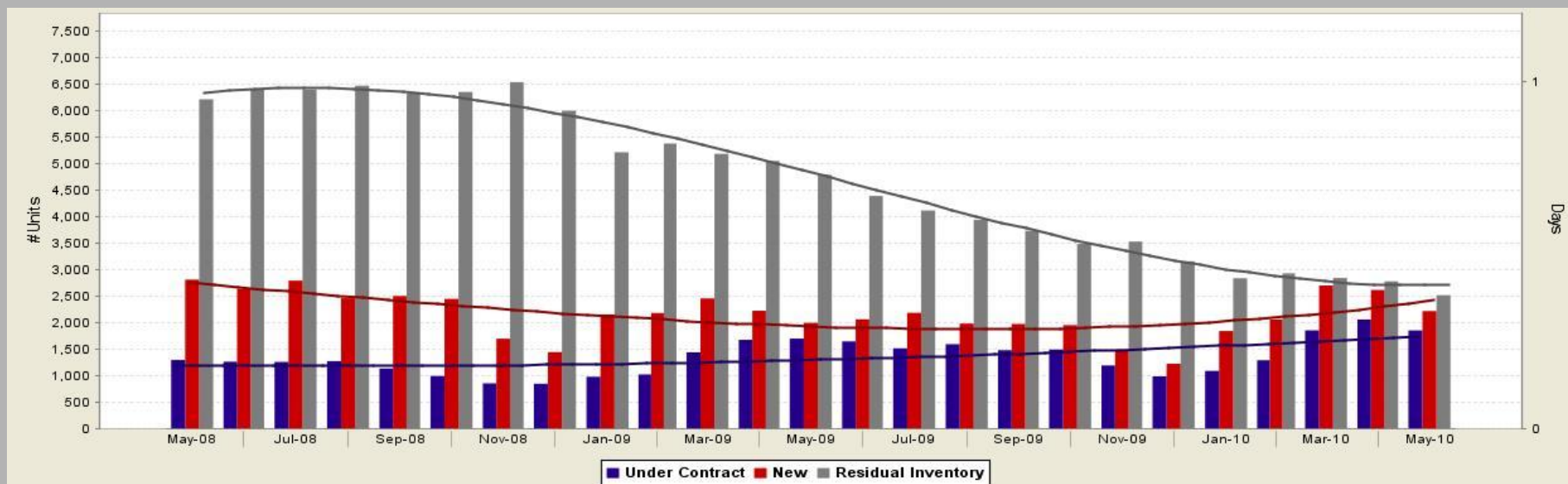


Market Dynamics

Basic Absorption

2 Years (Monthly) 05/01/08 - 05/31/10



KEY INFORMATION

| | May-08 | May-10 | Change | Percent Change |
|--------------------|--------|--------|--------|----------------|
| Under Contract | 1,298 | 1,855 | 557 | 42.9 |
| New | 2,815 | 2,221 | -594 | -21.1 |
| Residual Inventory | 6,224 | 2,521 | -3,703 | -59.5 |



| | | | | | | |
|-----------------|---|------------|------------------------|---------------|----------------|---------------|
| MLS: MLSStngs | Period: 2 Years (Monthly) | Price: All | Construction Type: All | Bedrooms: All | Bathrooms: All | Lot Size: All |
| Property Types: | Residential Property: (Detached Single, Attached Single, Other), Common Interest: (Condo, Townhouse, Other) | | | | | Sq Ft: All |
| Counties: | Santa Clara | | | | | |

Market Dynamics
Basic Absorption
2 Years (Monthly) 05/01/08 - 05/31/10

| Time Period | # Properties Under Contract | # New Properties Listed | # Residual Inventory Properties | Under Contract / New % | Under Contract / Residual Inventory % |
|--------------------|------------------------------------|--------------------------------|--|-------------------------------|--|
| May-10 | 1,855 | 2,221 | 2,521 | 83.52 | 73.58 |
| Apr-10 | 2,061 | 2,620 | 2,783 | 78.66 | 74.06 |
| Mar-10 | 1,856 | 2,704 | 2,846 | 68.64 | 65.21 |
| Feb-10 | 1,292 | 2,062 | 2,934 | 62.66 | 44.04 |
| Jan-10 | 1,090 | 1,844 | 2,841 | 59.11 | 38.37 |
| Dec-09 | 987 | 1,225 | 3,162 | 80.57 | 31.21 |
| Nov-09 | 1,193 | 1,495 | 3,534 | 79.80 | 33.76 |
| Oct-09 | 1,493 | 1,955 | 3,492 | 76.37 | 42.75 |
| Sep-09 | 1,481 | 1,977 | 3,738 | 74.91 | 39.62 |
| Aug-09 | 1,595 | 1,985 | 3,946 | 80.35 | 40.42 |
| Jul-09 | 1,517 | 2,188 | 4,122 | 69.33 | 36.80 |
| Jun-09 | 1,648 | 2,065 | 4,396 | 79.81 | 37.49 |
| May-09 | 1,700 | 1,998 | 4,794 | 85.09 | 35.46 |
| Apr-09 | 1,679 | 2,227 | 5,058 | 75.39 | 33.19 |
| Mar-09 | 1,440 | 2,460 | 5,193 | 58.54 | 27.73 |
| Feb-09 | 1,023 | 2,185 | 5,388 | 46.82 | 18.99 |
| Jan-09 | 979 | 2,155 | 5,222 | 45.43 | 18.75 |
| Dec-08 | 848 | 1,445 | 6,007 | 58.69 | 14.12 |
| Nov-08 | 855 | 1,699 | 6,548 | 50.32 | 13.06 |
| Oct-08 | 994 | 2,451 | 6,362 | 40.55 | 15.62 |
| Sep-08 | 1,135 | 2,506 | 6,342 | 45.29 | 17.90 |
| Aug-08 | 1,274 | 2,464 | 6,480 | 51.70 | 19.66 |
| Jul-08 | 1,260 | 2,796 | 6,408 | 45.06 | 19.66 |
| Jun-08 | 1,264 | 2,633 | 6,416 | 48.01 | 19.70 |
| May-08 | 1,298 | 2,815 | 6,224 | 46.11 | 20.85 |

Market Dynamics

Median Price (Sold)

2 Years (Monthly) 05/01/08 - 05/31/10



KEY INFORMATION

| | May-08 | May-10 | Median Price Change | Percent Change |
|------|---------|---------|---------------------|----------------|
| Sold | 670,000 | 555,000 | -115,000 | -17.2 |

| | | | | | | |
|-----------------|---|------------|------------------------|---------------|----------------|---------------|
| MLS: MLSStngs | Period: 2 Years (Monthly) | Price: All | Construction Type: All | Bedrooms: All | Bathrooms: All | Lot Size: All |
| Property Types: | Residential Property: (Detached Single, Attached Single, Other), Common Interest: (Condo, Townhouse, Other) | | | | | Sq Ft: All |
| Counties: | Santa Clara | | | | | |

Market Dynamics
Median Price (Sold)
2 Years (Monthly) 05/01/08 - 05/31/10

Sereno Group

| Time Period | FOR SALE | | UNDER CONTRACT | | SOLD | | EXPIRED | | NEW LISTINGS | |
|-------------|-----------|--------------|----------------|--------------|-----------|--------------|-----------|--------------|--------------|--------------|
| | Median \$ | # Properties | Median \$ | # Properties | Median \$ | # Properties | Median \$ | # Properties | Median \$ | # Properties |
| May-10 | 550,000 | 6,695 | 499,000 | 1,855 | 555,000 | 1,695 | 546,500 | 796 | 575,000 | 2,221 |
| Apr-10 | 529,500 | 7,247 | 499,000 | 2,061 | 535,000 | 1,352 | 527,000 | 712 | 562,500 | 2,620 |
| Mar-10 | 499,900 | 7,125 | 499,000 | 1,856 | 520,000 | 1,323 | 499,900 | 642 | 522,444 | 2,704 |
| Feb-10 | 499,000 | 6,227 | 488,000 | 1,292 | 495,000 | 881 | 509,444 | 514 | 535,000 | 2,062 |
| Jan-10 | 480,419 | 5,840 | 479,000 | 1,090 | 476,500 | 867 | 499,950 | 585 | 499,000 | 1,844 |
| Dec-09 | 489,000 | 5,780 | 450,000 | 987 | 500,000 | 1,422 | 618,888 | 797 | 449,000 | 1,225 |
| Nov-09 | 499,950 | 6,331 | 499,000 | 1,193 | 525,000 | 1,280 | 649,000 | 583 | 479,999 | 1,495 |
| Oct-09 | 525,625 | 7,041 | 519,950 | 1,493 | 512,000 | 1,515 | 599,919 | 712 | 499,999 | 1,955 |
| Sep-09 | 534,880 | 7,281 | 499,000 | 1,481 | 488,125 | 1,525 | 655,500 | 714 | 528,000 | 1,977 |
| Aug-09 | 539,900 | 7,627 | 499,950 | 1,595 | 502,000 | 1,399 | 639,250 | 728 | 519,000 | 1,985 |
| Jul-09 | 549,000 | 8,045 | 475,000 | 1,517 | 510,000 | 1,712 | 684,444 | 886 | 532,277 | 2,188 |
| Jun-09 | 549,900 | 8,309 | 499,694 | 1,648 | 490,000 | 1,670 | 668,000 | 804 | 549,900 | 2,065 |
| May-09 | 549,000 | 8,795 | 495,475 | 1,700 | 442,000 | 1,383 | 649,999 | 851 | 549,975 | 1,998 |
| Apr-09 | 525,000 | 9,416 | 448,500 | 1,679 | 430,000 | 1,268 | 599,924 | 940 | 549,950 | 2,227 |
| Mar-09 | 499,900 | 9,703 | 424,950 | 1,440 | 415,000 | 1,028 | 559,450 | 1,074 | 539,950 | 2,460 |
| Feb-09 | 495,000 | 9,259 | 418,500 | 1,023 | 421,000 | 818 | 549,000 | 993 | 535,000 | 2,185 |
| Jan-09 | 485,000 | 9,386 | 410,000 | 979 | 417,000 | 774 | 585,000 | 1,333 | 499,915 | 2,155 |
| Dec-08 | 489,999 | 9,487 | 429,000 | 848 | 459,900 | 968 | 599,888 | 1,408 | 429,900 | 1,445 |
| Nov-08 | 499,950 | 10,135 | 459,900 | 855 | 460,000 | 861 | 610,000 | 1,238 | 485,900 | 1,699 |
| Oct-08 | 519,950 | 10,902 | 457,450 | 994 | 500,000 | 1,172 | 616,944 | 1,472 | 524,900 | 2,451 |
| Sep-08 | 529,000 | 11,003 | 525,000 | 1,135 | 528,000 | 1,252 | 599,000 | 1,417 | 569,000 | 2,506 |
| Aug-08 | 530,000 | 11,200 | 539,975 | 1,274 | 570,000 | 1,251 | 601,999 | 1,429 | 545,000 | 2,464 |
| Jul-08 | 549,000 | 11,415 | 579,644 | 1,260 | 630,000 | 1,268 | 615,000 | 1,419 | 588,888 | 2,796 |
| Jun-08 | 550,000 | 11,181 | 644,500 | 1,264 | 656,250 | 1,248 | 616,500 | 1,298 | 594,999 | 2,633 |
| May-08 | 569,925 | 11,120 | 668,944 | 1,298 | 670,000 | 1,175 | 629,975 | 1,274 | 625,000 | 2,815 |

Market Dynamics

Months Supply of Inventory (BrokerMetrics® vs. NAR Calculations) 2 Years (Monthly) 05/01/08 - 05/31/10



KEY INFORMATION

| | May-08 | May-10 | Change | Percent Change |
|---------|--------|--------|--------|----------------|
| MSI | 7 | 2 | -4 | -66.9 |
| NAR MSI | 7 | 2 | -5 | -67.2 |



MLS: MLSStngs Period: 2 Years (Monthly) Price: All Construction Type: All Bedrooms: All Bathrooms: All Lot Size: All
 Property Types: Residential Property: (Detached Single, Attached Single, Other), Common Interest: (Condo, Townhouse, Other) Sq Ft: All
 Counties: Santa Clara

Market Dynamics

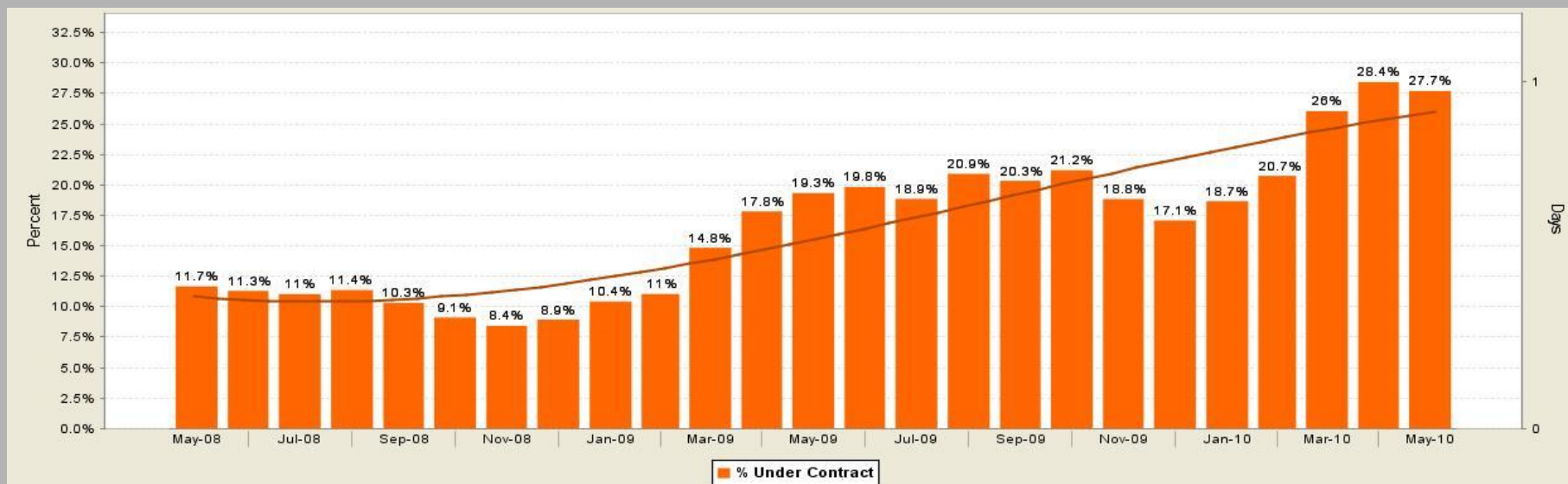
Months Supply of Inventory (BrokerMetrics® vs. NAR Calculations) 2 Years (Monthly) 05/01/08 - 05/31/10

| Time Period | MSI | NAR MSI | # For Sale Last Day of Month | # Under Contract | # Sold |
|-------------|-----|---------|------------------------------|------------------|--------|
| May-10 | 2.2 | 2.4 | 4,044 | 1,855 | 1,695 |
| Apr-10 | 2.2 | 3.3 | 4,474 | 2,061 | 1,352 |
| Mar-10 | 2.5 | 3.5 | 4,627 | 1,856 | 1,323 |
| Feb-10 | 3.4 | 5.0 | 4,421 | 1,292 | 881 |
| Jan-10 | 3.8 | 4.8 | 4,165 | 1,090 | 867 |
| Dec-09 | 4.0 | 2.8 | 3,996 | 987 | 1,422 |
| Nov-09 | 3.8 | 3.6 | 4,555 | 1,193 | 1,280 |
| Oct-09 | 3.2 | 3.2 | 4,836 | 1,493 | 1,515 |
| Sep-09 | 3.4 | 3.3 | 5,086 | 1,481 | 1,525 |
| Aug-09 | 3.3 | 3.8 | 5,304 | 1,595 | 1,399 |
| Jul-09 | 3.7 | 3.3 | 5,642 | 1,517 | 1,712 |
| Jun-09 | 3.6 | 3.5 | 5,857 | 1,648 | 1,670 |
| May-09 | 3.7 | 4.5 | 6,244 | 1,700 | 1,383 |
| Apr-09 | 4.0 | 5.4 | 6,797 | 1,679 | 1,268 |
| Mar-09 | 5.0 | 7.0 | 7,189 | 1,440 | 1,028 |
| Feb-09 | 7.1 | 8.9 | 7,243 | 1,023 | 818 |
| Jan-09 | 7.2 | 9.1 | 7,074 | 979 | 774 |
| Dec-08 | 8.5 | 7.5 | 7,231 | 848 | 968 |
| Nov-08 | 9.4 | 9.3 | 8,042 | 855 | 861 |
| Oct-08 | 8.5 | 7.2 | 8,436 | 994 | 1,172 |
| Sep-08 | 7.4 | 6.8 | 8,451 | 1,135 | 1,252 |
| Aug-08 | 6.7 | 6.8 | 8,497 | 1,274 | 1,251 |
| Jul-08 | 6.9 | 6.9 | 8,736 | 1,260 | 1,268 |
| Jun-08 | 6.8 | 6.9 | 8,619 | 1,264 | 1,248 |
| May-08 | 6.6 | 7.3 | 8,548 | 1,298 | 1,175 |

Market Dynamics

Percent Under Contract (UC)

2 Years (Monthly) 05/01/08 - 05/31/10



KEY INFORMATION

| | May-08 | May-10 | # Units Change | Percent Change |
|------------------|--------|--------|----------------|----------------|
| For Sale | 11,120 | 6,695 | -4,425 | -39.8 |
| Under Contract | 1,298 | 1,855 | 557 | 42.9 |
| % Under Contract | 11.7 | 27.7 | 16.0 | 137.4 |

FS
-40%

UC
+43%

% UC
+137%

| | | | | | | |
|-----------------|---|------------|------------------------|---------------|----------------|---------------|
| MLS: MLSStngs | Period: 2 Years (Monthly) | Price: All | Construction Type: All | Bedrooms: All | Bathrooms: All | Lot Size: All |
| Property Types: | Residential Property: (Detached Single, Attached Single, Other), Common Interest: (Condo, Townhouse, Other) | | | | | Sq Ft: All |
| Counties: | Santa Clara | | | | | |

Market Dynamics
Percent Under Contract (UC)
2 Years (Monthly) 05/01/08 - 05/31/10

| Time Period | # Properties For Sale | # Properties Under Contract | % of Properties Under Contract |
|--------------------|------------------------------|------------------------------------|---------------------------------------|
| May-10 | 6,695 | 1,855 | 27.7 |
| Apr-10 | 7,247 | 2,061 | 28.4 |
| Mar-10 | 7,125 | 1,856 | 26.0 |
| Feb-10 | 6,227 | 1,292 | 20.8 |
| Jan-10 | 5,840 | 1,090 | 18.7 |
| Dec-09 | 5,780 | 987 | 17.1 |
| Nov-09 | 6,331 | 1,193 | 18.8 |
| Oct-09 | 7,041 | 1,493 | 21.2 |
| Sep-09 | 7,281 | 1,481 | 20.3 |
| Aug-09 | 7,627 | 1,595 | 20.9 |
| Jul-09 | 8,045 | 1,517 | 18.9 |
| Jun-09 | 8,309 | 1,648 | 19.8 |
| May-09 | 8,795 | 1,700 | 19.3 |
| Apr-09 | 9,416 | 1,679 | 17.8 |
| Mar-09 | 9,703 | 1,440 | 14.8 |
| Feb-09 | 9,259 | 1,023 | 11.0 |
| Jan-09 | 9,386 | 979 | 10.4 |
| Dec-08 | 9,487 | 848 | 8.9 |
| Nov-08 | 10,135 | 855 | 8.4 |
| Oct-08 | 10,902 | 994 | 9.1 |
| Sep-08 | 11,003 | 1,135 | 10.3 |
| Aug-08 | 11,200 | 1,274 | 11.4 |
| Jul-08 | 11,415 | 1,260 | 11.0 |
| Jun-08 | 11,181 | 1,264 | 11.3 |
| May-08 | 11,120 | 1,298 | 11.7 |

Market Dynamics

Supply & Demand - # Units (FS, UC, Sold)

2 Years (Monthly) 05/01/08 - 05/31/10



KEY INFORMATION

| | May-08 | May-10 | # Units Change | Percent Change |
|----------------|--------|--------|----------------|----------------|
| For Sale | 11,120 | 6,695 | -4,425 | -39.8 |
| Under Contract | 1,298 | 1,855 | 557 | 42.9 |
| Sold | 1,175 | 1,695 | 520 | 44.3 |

For Sale
-40%

UC
+43%

Sold
+44%

| | | | | | | |
|-----------------|---|------------|------------------------|---------------|----------------|---------------|
| MLS: MLSstngs | Period: 2 Years (Monthly) | Price: All | Construction Type: All | Bedrooms: All | Bathrooms: All | Lot Size: All |
| Property Types: | Residential Property: (Detached Single, Attached Single, Other), Common Interest: (Condo, Townhouse, Other) | | | Sq Ft: All | | |
| Counties: | Santa Clara | | | | | |

Market Dynamics

Supply & Demand - # Units (FS, UC, Sold)

2 Years (Monthly) 05/01/08 - 05/31/10

| Time Period | FOR SALE | | UNDER CONTRACT | | SOLD | | EXPIRED | | NEW LISTINGS |
|-------------|--------------|-------------|----------------|-------------|--------------|-------------|--------------|-------------|--------------|
| | # Properties | Average DOM | # Properties | Average DOM | # Properties | Average DOM | # Properties | Average DOM | # Properties |
| May-10 | 6,695 | 85 | 1,855 | 55 | 1,695 | 43 | 796 | 116 | 2,221 |
| Apr-10 | 7,247 | 99 | 2,061 | 48 | 1,352 | 50 | 712 | 130 | 2,620 |
| Mar-10 | 7,125 | 115 | 1,856 | 50 | 1,323 | 51 | 642 | 138 | 2,704 |
| Feb-10 | 6,227 | 138 | 1,292 | 51 | 881 | 51 | 514 | 153 | 2,062 |
| Jan-10 | 5,840 | 158 | 1,090 | 57 | 867 | 52 | 585 | 156 | 1,844 |
| Dec-09 | 5,780 | 175 | 987 | 53 | 1,422 | 54 | 797 | 175 | 1,225 |
| Nov-09 | 6,331 | 171 | 1,193 | 47 | 1,280 | 52 | 583 | 145 | 1,495 |
| Oct-09 | 7,041 | 168 | 1,493 | 52 | 1,515 | 54 | 712 | 157 | 1,955 |
| Sep-09 | 7,281 | 170 | 1,481 | 48 | 1,525 | 55 | 714 | 156 | 1,977 |
| Aug-09 | 7,627 | 173 | 1,595 | 57 | 1,399 | 57 | 728 | 152 | 1,985 |
| Jul-09 | 8,045 | 175 | 1,517 | 57 | 1,712 | 61 | 886 | 147 | 2,188 |
| Jun-09 | 8,309 | 177 | 1,648 | 60 | 1,670 | 66 | 804 | 145 | 2,065 |
| May-09 | 8,795 | 176 | 1,700 | 63 | 1,383 | 64 | 851 | 136 | 1,998 |
| Apr-09 | 9,416 | 174 | 1,679 | 68 | 1,268 | 65 | 940 | 140 | 2,227 |
| Mar-09 | 9,703 | 176 | 1,440 | 70 | 1,028 | 69 | 1,074 | 136 | 2,460 |
| Feb-09 | 9,259 | 184 | 1,023 | 67 | 818 | 66 | 993 | 142 | 2,185 |
| Jan-09 | 9,386 | 190 | 979 | 70 | 774 | 68 | 1,333 | 157 | 2,155 |
| Dec-08 | 9,487 | 194 | 848 | 68 | 968 | 59 | 1,408 | 142 | 1,445 |
| Nov-08 | 10,135 | 189 | 855 | 62 | 861 | 61 | 1,238 | 134 | 1,699 |
| Oct-08 | 10,902 | 183 | 994 | 56 | 1,172 | 55 | 1,472 | 133 | 2,451 |
| Sep-08 | 11,003 | 180 | 1,135 | 58 | 1,252 | 56 | 1,417 | 125 | 2,506 |
| Aug-08 | 11,200 | 177 | 1,274 | 53 | 1,251 | 53 | 1,429 | 131 | 2,464 |
| Jul-08 | 11,415 | 173 | 1,260 | 55 | 1,268 | 52 | 1,419 | 124 | 2,796 |
| Jun-08 | 11,181 | 171 | 1,264 | 52 | 1,248 | 51 | 1,298 | 122 | 2,633 |
| May-08 | 11,120 | 167 | 1,298 | 52 | 1,175 | 49 | 1,274 | 118 | 2,815 |