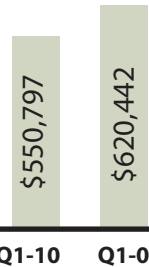


TAHOE-TRUCKEE REGION

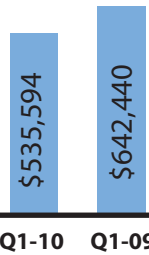
A market overview of single-family detached home sales

Q1
2010

TAHOE MEDIAN PRICE**



TRUCKEE MEDIAN PRICE**



Homes Sales Improve Year Over Year Despite Tighter Inventory, Continued Price Instability

The Tahoe-Truckee region continued to show sharp gains in sales of existing, single-family detached homes on an annualized basis during the first quarter of 2010, despite continued price instability and a dramatic decline in the inventory of homes available for purchase, according to a report by the research division of Prudential California Realty based on an analysis of MLS data.

In the Lake Tahoe area, home sales climbed 108 percent, increasing from 26 in the first quarter of 2009 to 54 in this year's first quarter. Even so, sales were down sharply from the fourth quarter, when 95 homes were sold. The number of closed sales more than doubled in Squaw Valley, Tahoe City, North Shore and Alpine Meadows and improved by 70 percent on an annualized basis in the West Shore community.

Truckee-area home sales jumped 34 percent from the year-ago period thanks to sharp year-over-year sales increases in the Glenshire Area and Northstar (both +133%), Truckee (+62%) and Donner Lake (+50%). For the quarter, 122 homes were sold in the Truckee area, down from 212 in the fourth quarter but up from 91 a year ago.

Across the region, the inventory of available homes for sale declined as banks placed fewer REO properties on the market (favoring short sales instead) and vacation home and equity sellers remained on the sidelines waiting

for a sign that prices have hit bottom.

In the Lake Tahoe area, the median price of a home sold in the first quarter increased by 9 percent to \$550,797, up from \$503,379 in the fourth quarter of 2009 but down 11 percent from the year-ago period. Localized results continued to be mixed, with Tahoe City the only market to experience both quarter-over-quarter and year-over-year increases.

In the Truckee area, the first quarter median price declined 6 percent from the fourth quarter, falling to \$535,594, which was 17 percent lower than in the first quarter of 2009. Local results also were mixed, with five of six markets showing a lower median price on a quarter-over-quarter basis but three of the six showing marked improved compared with a year ago. Particularly notable were annualized median price increases in Donner Lake (+44%) and the Glenshire Area (+13%).

For the foreseeable future, sellers across the region could continue to see sales numbers decline as banks transition away from REO properties to more time-consuming short sales. With the expiration of federal tax incentives on April 30, summer-season buyers who plan to occupy a home after purchase will be bolstered by the HUD/FHA 203k loan that offers a low down payment bundled with a home renovation allowance.

M A R K E T C O M P A R I S O N

Area	Homes Sold Q1/10	Homes Sold Q1/09	% Change	Avg DOM* Q1/10	Avg DOM* Q1/09	Change '10/'09 (days)	Median Price Q1/10	Median Price Q1/09	% Change
Tahoe Area									
Alpine Meadows	4	2	100	194	182	12	\$851,250	\$545,750	56
North Shore	26	12	117	141	103	38	\$487,425	\$512,500	-5
Squaw Valley	4	1	300	298	195	103	\$812,500	\$1,700,000	-52
Tahoe City Area	3	1	200	121	4	117	\$950,000	\$585,000	62
West Shore	17	10	70	197	101	96	\$445,000	\$660,500	-33
Truckee Area									
Donner Lake	3	2	50	114	44	70	\$625,000	\$435,000	44
Glenshire Area+	14	6	133	95	202	-107	\$328,500	\$290,500	13
Golf Course Communities++	18	20	-10	152	155	-3	\$856,000	\$847,500	1
Northstar	7	3	133	160	232	-72	\$800,000	\$1,565,000	-49
Tahoe Donner®	38	34	12	106	130	-24	\$502,000	\$557,500	-10
Truckee	42	26	62	109	126	-17	\$447,250	\$586,500	-24

* Days on market is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings.

**The median home price for the entire county is the mean of median home prices of areas within the Tahoe and Truckee areas.

+ Glenshire Area includes communities of Glenshire, Cambridge Estates, Devonshire Estates and Rolling Hills Ranchos.

++ Some listings in Golf Course Communities overlap with Tahoe Donner® and Truckee.

Data are sourced from multiple listing services and are deemed reliable but not guaranteed. All percentages rounded to nearest whole number. Produced by the Prudential California Realty Research Division.