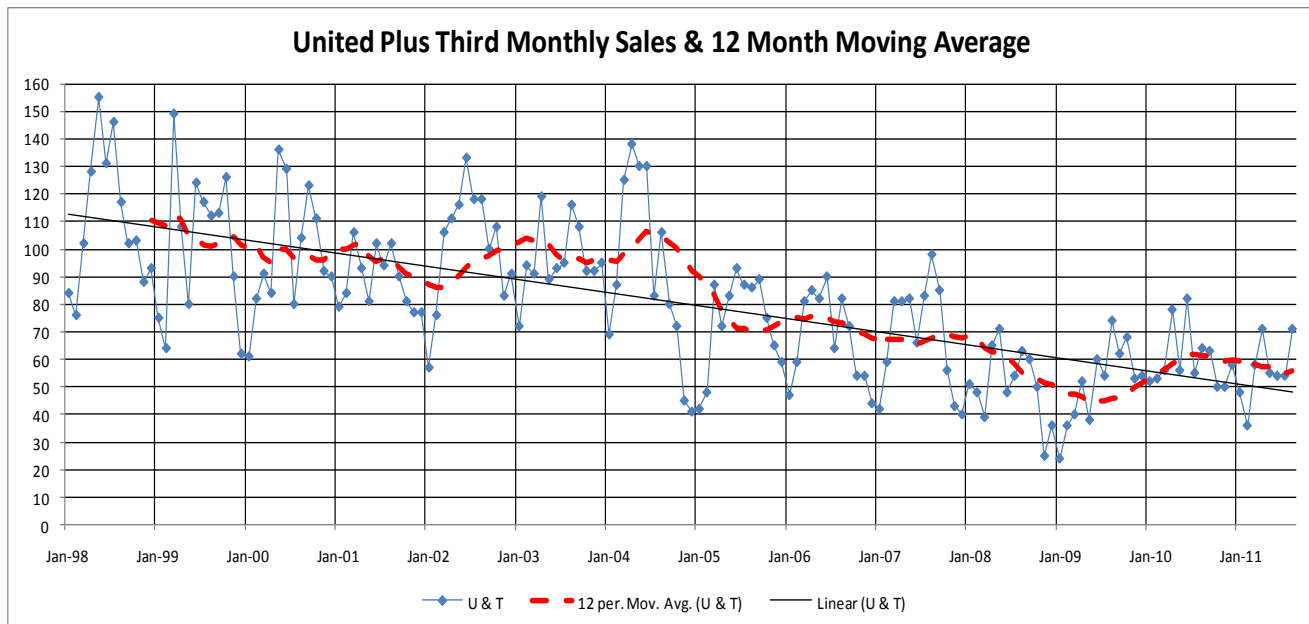


# Opinion

## Our Current Economy



***The above chart is a history of United and Third Manor sales from January 1998 through August 2011. The dark solid line is a monthly value and the Dashed Line is a 12 month average. When planning on using the fee it is essential to project manor sales in the future and as you can see, it is very difficult to project into 2012-2013.***

***If one is conservative, this is not the time to commit to a large development plan. There is too much fluctuation and no one has a good feeling on where our sales will be. On a national scale (California single family sales) we find that their trends are identical to our local area trends.***

***When using the above chart, there are monthly fluctuations that must be considered. For example; January is historically a***

***very slow month so if you look at 2010 vs 2011 we have to include only the months for which we have data (Jan-Aug) and compare that with the same months in 2010. That is the purpose of the dashed line which is a moving average of the prior 12 months.***

***By using this chart to project future income, it is evident that any plans that we make will be very fluid and certainly not what most of us would like as insurance for our future "Transfer Fee" estimates.***

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