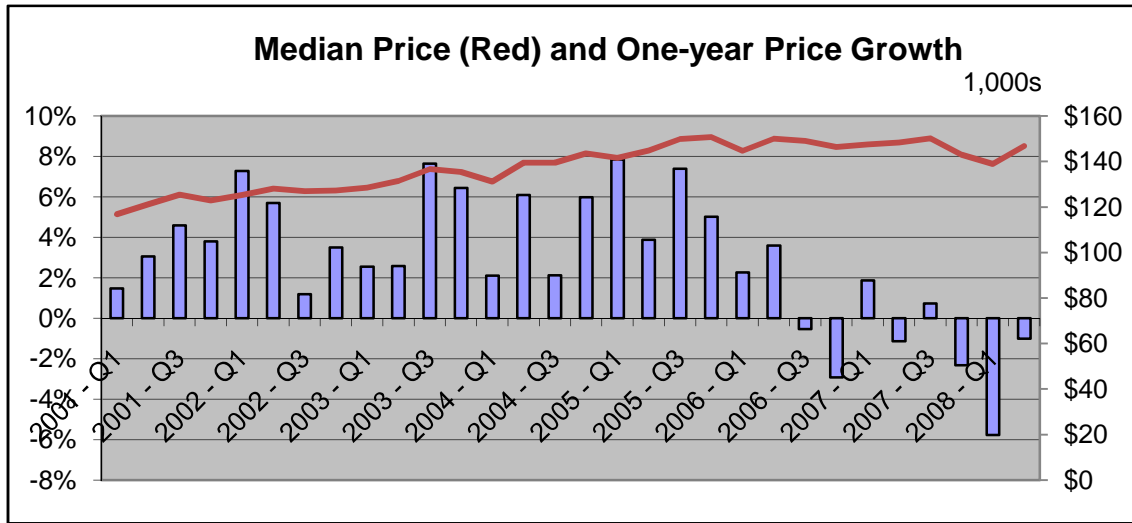
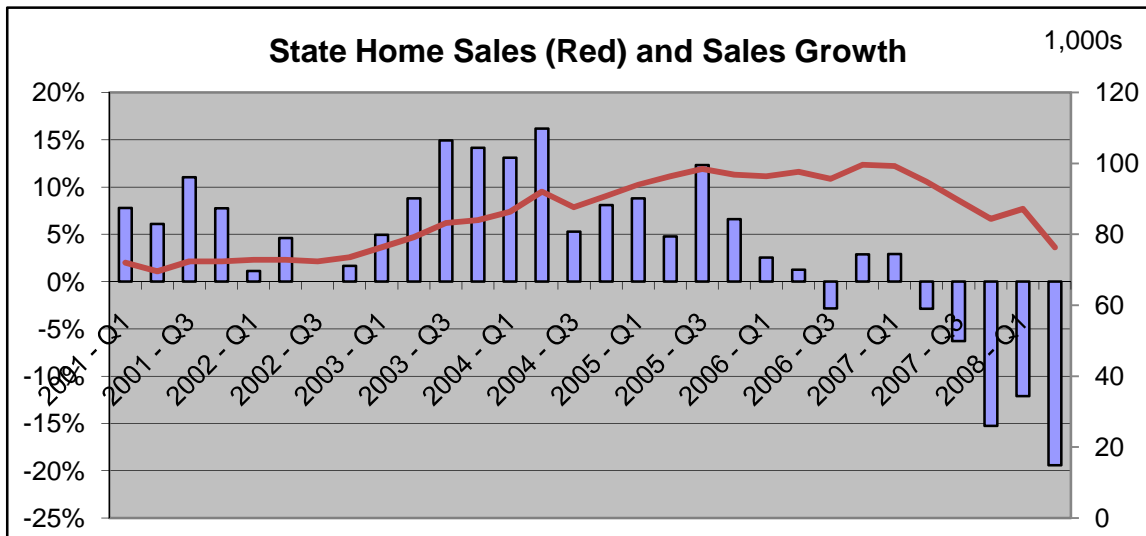




Lexington-Fayette Area Metro Market Report



	Lexington	U.S.	Local Trend
Price Activity			
1-year Appreciation (2008 Q2)	-1.0%	-7.1%	Weak for this metro area
3-year Appreciation (2008 Q2)	1.4%	-5.6%	Respectable for this market
3-year Housing Equity Gain	\$2,000	-\$12,333	
7-year Housing Equity Gain	\$25,600	\$56,500	
9-year Housing Equity Gain	\$33,600	\$67,900	



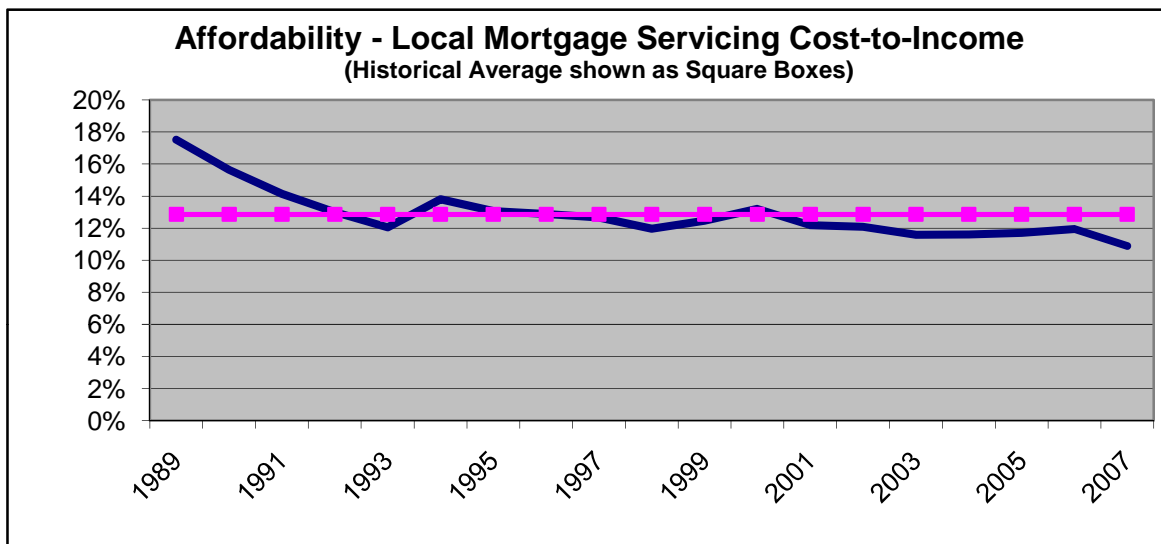
	Lexington	U.S.	
Home Sales and Construction Growth			
*State Existing Home Sales(2008 Q2)	-19.4%	-16.3%	Weak compared to local average
** Single-Family Housing Permits (2008 July)	-39.3%	-38.2%	Important to reduce supply

*versus same quarter, year-ago

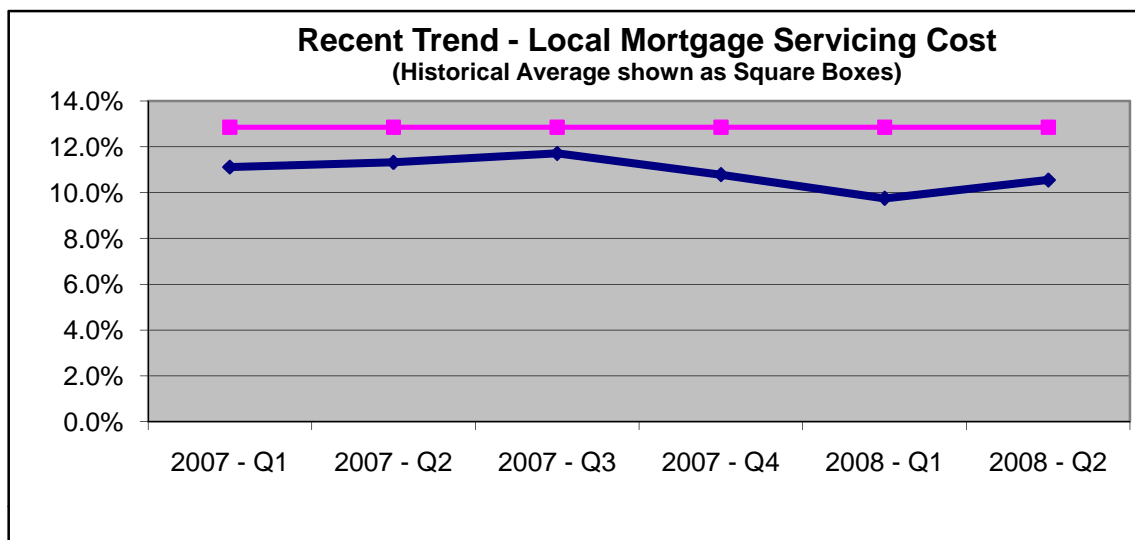
**Rolling 12-month sum vs. a year ago

Local Economic Outlook	Lexington	U.S.	
1-year Job Additions (2008 July)	1,700	Not Comparable	Soft for this market
3-year Job Additions (2008 July)	8,200	Not Comparable	Weaker than local average
State Economic Activity Index	Kentucky	U.S.	
12-month change (2008 July)	-1.0%	1.0%	Weak compared with nation
36-month change (2008 July)	4.9%	7.4%	Respectable relative to the nation

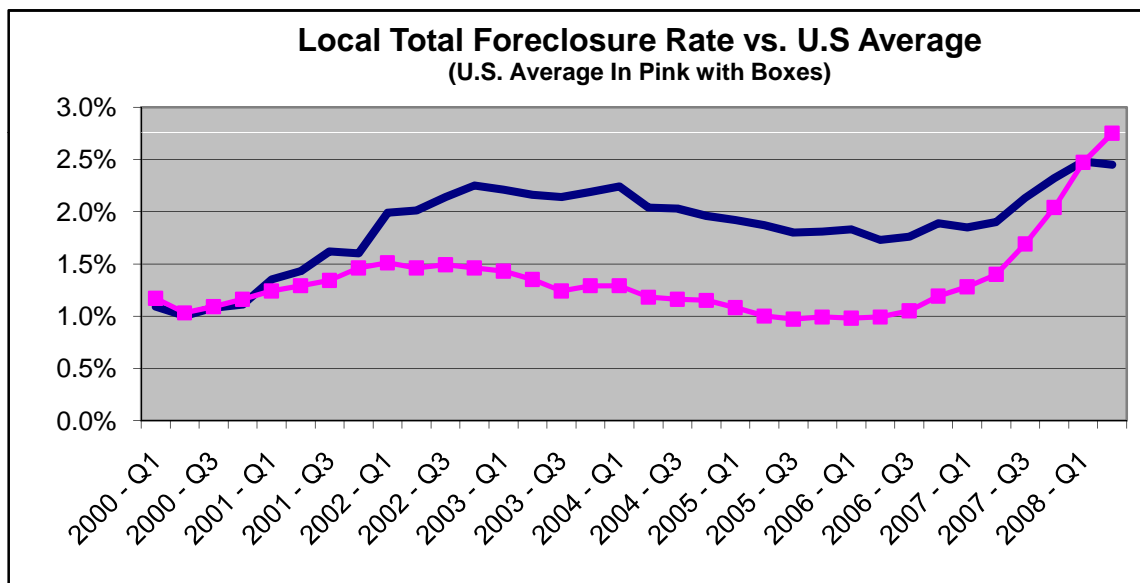
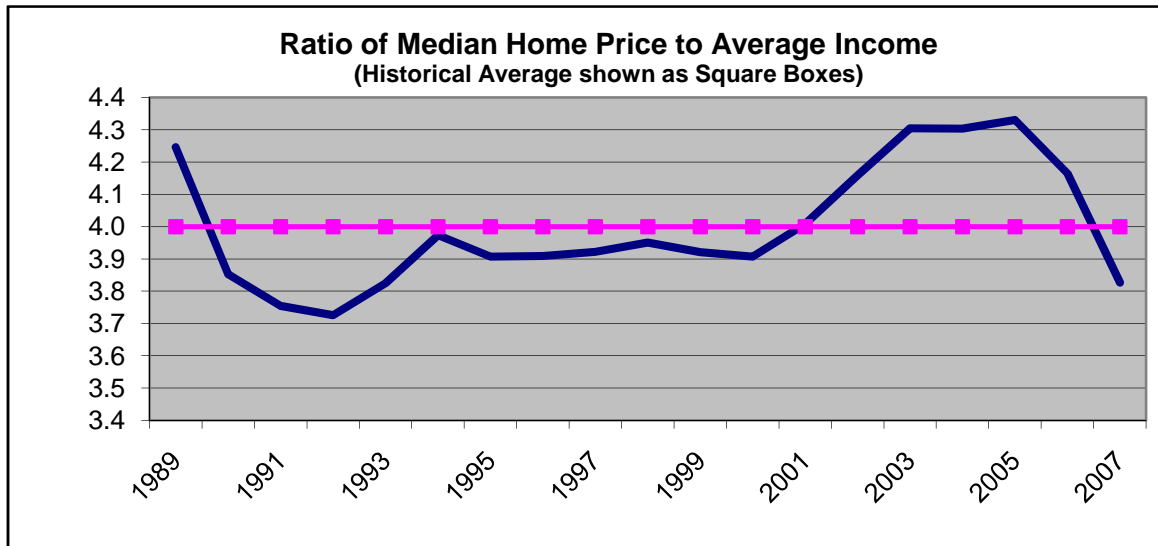
Local Demand Fundamentals	Lexington	U.S.	
1-year Job Growth Rate	0.7%	-0.1%	Respectable compared to other markets
3-year Job Growth Rate	3.3%	2.7%	Respectable relative to other areas
1-year Job Gain to New Single-Family Homes	0.7	-0.1	Good compared to the nation
3-year Job Gain to New Single-Family Homes	0.8	0.7	Good compared to the national average



Monthly Mortgage Payment to Income	Lexington	U.S.	
Ratio for all of 2007	10.9%	22.4%	Good local affordability
Ratio for Q2 2008	10.6%	20.8%	Improving and historically strong
Historical Local Average	12.9%	22.8%	Good relative to the nation



Median Home Price to Income	Lexington	U.S.	
Ratio for 2007	3.8	7.9	Good Relative to Local History
Historical Local Average	4.0	7.2	Good Compared to Nation Average



Monthly Market	Kentucky	U.S.	
State Foreclosure Rate (2008 Q2)	2.5%	2.8%	Worrisome Local Increase
State Foreclosure Rate (2007 Q2)	1.9%	1.4%	Worrisome
State: Total Foreclosure Volume	10,754	Not Comparable	
State: Total Mortgages Serviced	438,941	Not Comparable	
State Prime Foreclosure Rate (2008 Q2)	1.3%	1.4%	Low for this area
State Subprime Foreclosure Rate (2008 Q2)	18.8%	19.4%	Worrisome relative to local history

30-year Fixed Mortgage Rate

