

Frederica Real Estate Report

We have seen tremendous growth in our community and Club in the past 5 plus years. There have been 120 transactions in the community between home sites and homes sales with 101 home sites and 19 homes. Frederica Realty has been involved in 89% of all of these transactions.

The process of selling home sites in a newer community is predicated on our purchasers building relationships with our owners and understanding the building process. Many of these purchasers are new to the area and are starting from the beginning when planning the next chapter of their life. Our owners continue to be a strong part of this process of welcoming new neighbors as do the local builders and architects who help guide them through design and building on the Island.

Frederica is the premier private club community in the Southeast. The testimony of our purchaser's belief in our Island and in Frederica has resulted in 46 of our new purchasers having previously owned elsewhere on St. Simons and Sea Island.

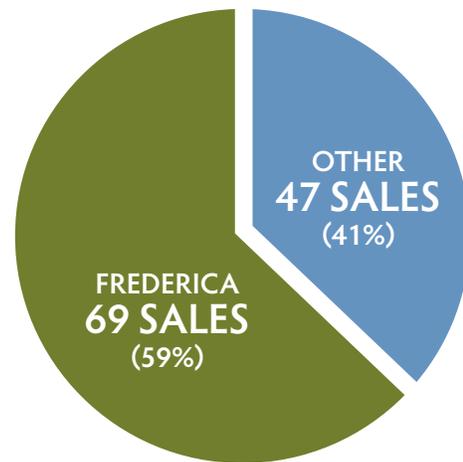
Our market continues to expand with owners coming from 21 states (see map) and the UK and Bermuda. We have welcomed 30 new full-time families, seven that are planning

certainly seeing more buyers from Texas, Maryland, Florida and Connecticut. Most have a history of vacationing on St. Simons or Sea Island or a family connection with the area. Our two newest owners are from Oregon and California with a draw to family on the east coast.

The average age of our buyer is 52, many retiring early and empty nesters. We now have our 11th family with young children under construction with most of them being full time residents.

There were 116 residential home site sales between \$300,000 and \$700,000 on St. Simons and Sea Island since January 2011. Frederica accounted for 69 of those sales (see chart below) with 59% of the market of new home site sales. Our average selling price is \$434,000 for a home site in this range.

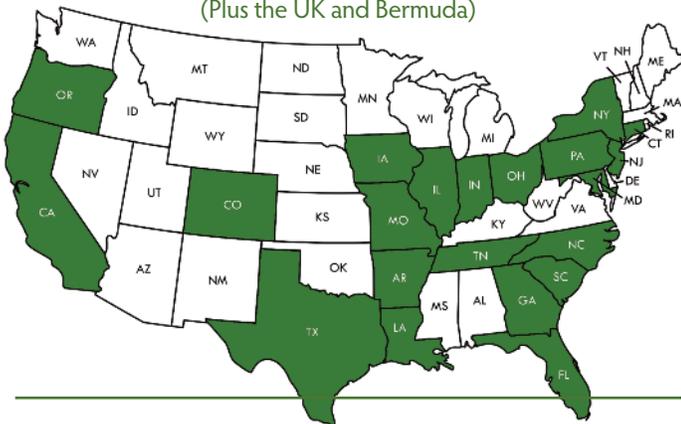
**Home Site Sales on
St. Simons Island and Sea Island
Between \$300,000 and \$700,000
(January 2011-October 2016)**



The growth on the Island and trends towards new construction is strong with 171 new building permits on the Island from January 2015 to date. Frederica's new construction accounted for 22 of these permits.

Frederica's sense of community and unparalleled private Club lifestyle allows us to attract like-minded owners who have a long-term stake in our community. Our Invitational Membership still remains a strong source for our market of buyers. 36% of our original Invitational Membership have purchased property.

**Frederica Purchasers Have
Come from 21 States
(Plus the UK and Bermuda)**



to be full-time within a few years and many of our remaining second property purchasers are designing their homes with the plan of Frederica eventually being their full-time residence. While Georgia continues to be our strongest market, we are

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