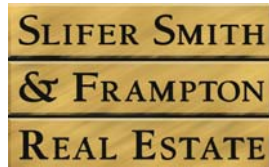


SLIFER SMITH & FRAMPTON
REAL ESTATE

SMART BUYERS REPORT

{ Winter 2009/10 }



VailRealEstate.com

INTRODUCTION

At least once in everyone's lifetime, a real estate opportunity comes along that they will always remember. Some will see what a smart move they made. Others will regret the smart move they could have made. Today, the Vail Valley of Colorado is one of those "smart" opportunities.

Four decades ago, Rod Slifer was explaining why it was an excellent time to buy in Vail. And it was. Beaver Creek in the mid-80's presented another similar occasion. Today, smart buyers are finding excellent values in homes throughout the Vail Valley with a broad selection of inventory, favorable interest rates and a resilient local market.

Nationally, according to the Pew Research Center's March 2009 report, 75% of respondents said that it was a good or very good time to buy a home.

Once again, the window of opportunity has opened. Buyers are realizing there are a number of reasons to take advantage of current market conditions and purchase their mountain homes. There is no better time than the present to create a legacy of memories with your family.

In the following report, we will outline the key factors.

1) History

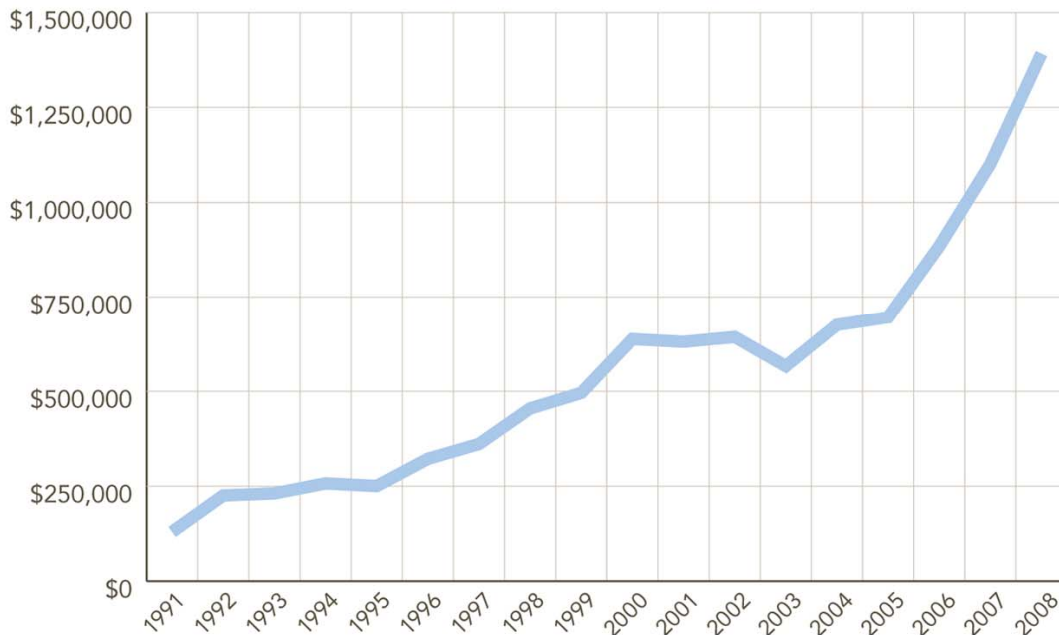
Historically, the Vail Valley has been a strong market with a general, positive trend of average sales price (see chart below). Today, these fundamentals remain strong. A limited amount of land left to build on continues to keep supply low. In fact, over 80% of the land in Eagle County is National Forest, Bureau of Land Management land and Colorado public open space (per Eagle County).

Slifer Smith & Frampton Real Estate has been here for over four decades. We have seen these cycles before:

- The upheaval of the oil patch and recession of the early 1980's
- The Savings and Loan scandal that affected the market from 1989 to 1991
- The recessions of the early and late 1990's
- The "dotcom" meltdown of 2000
- September 11, 2001

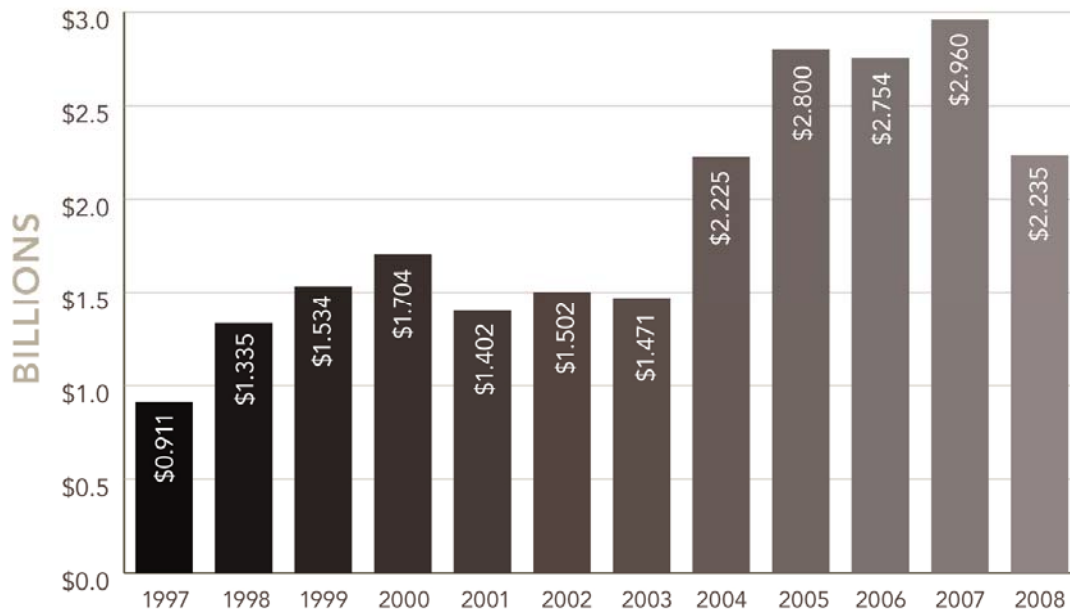
In every case the Vail Valley went into the downturn later and emerged earlier than the rest of the country. Today, the United States has been in a housing downturn for approximately three years. We began to experience the effects in the Vail Valley just over a year ago. Sophisticated buyers and sellers keep our market strong as property values have remained stable throughout the years, even through these past cycles.

EAGLE COUNTY REAL ESTATE SALES AVERAGE PRICE



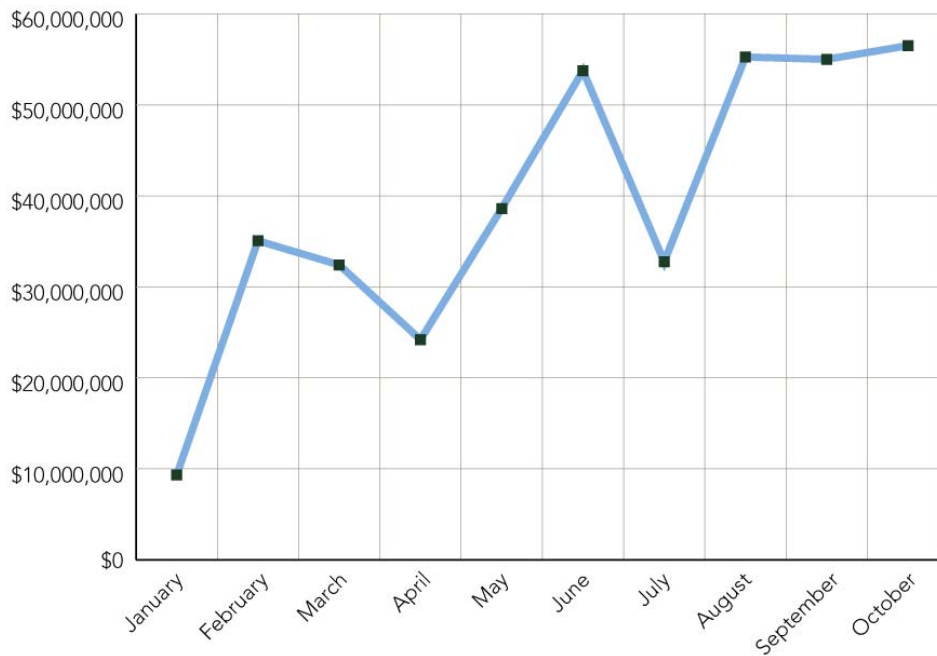
Does not include timeshares. Data provided by Land Title Guarantee and was compiled from Eagle County Records, information is deemed reliable but not guaranteed. Consult your Slifer Smith & Frampton Broker for more information.

EAGLE COUNTY SALES VOLUME COMPARISON



Data provided by Land Title Guarantee and was compiled from Eagle County Records, information is deemed reliable but not guaranteed. Consult your Slifer Smith & Frampton Broker for more information. ©2009 Slifer Smith & Frampton Real Estate

**Eagle County closed sales dollar volume
2009 YTD**



Data provided by Land Title Guarantee Company. Information deemed reliable but not guaranteed.

2) Build Out is Near

Due to the limited amount of land as noted above, the availability of land left to develop is close to build-out, especially in key locations. New product in the resort areas of Vail, Beaver Creek, Bachelor Gulch and Arrowhead will be limited. Beaver Creek and Bachelor Gulch are fully developed except for a few single family homesites. Outside of one large site, now a skier parking lot that could accommodate a new building, Arrowhead is completely developed. Many of the prime, ski-in/ski-out resort locations have been taken. Additionally, the cost of developing new properties in many cases exceeds the cost of existing properties. This means that inventory from new developments will be limited except for those already on the market.

3) The Bottom?

Timing the bottom in any market, not just real estate, is nearly impossible. By the time the bottom has been reached, prices have already started to increase and the smart buyers have plucked the prime properties and best values from the inventory. People purchasing real estate today compete with fewer buyers and enjoy “cherry-picking” the absolute best offerings in the market.

As the upward momentum begins to increase, the large pool of buyers who have remained on the sideline begin to enter into the market as prices have already risen and inventory of the most desirable homes begins to fall.

Waiting for the market to change may bring increased prices and more competition for fewer homes.

4) Favorable Interest Rates

Although many purchasers consummate transactions in the higher end of the Vail Valley real estate market with cash, low interest rates provide all buyers with enticing financing options. These historically low interest rates provide a key stimulus for middle and low end of the market buyers who rely on this financing. Overall, this provides a solid fundamental basis for the entire range of our real estate market.

5) Long Term Approach

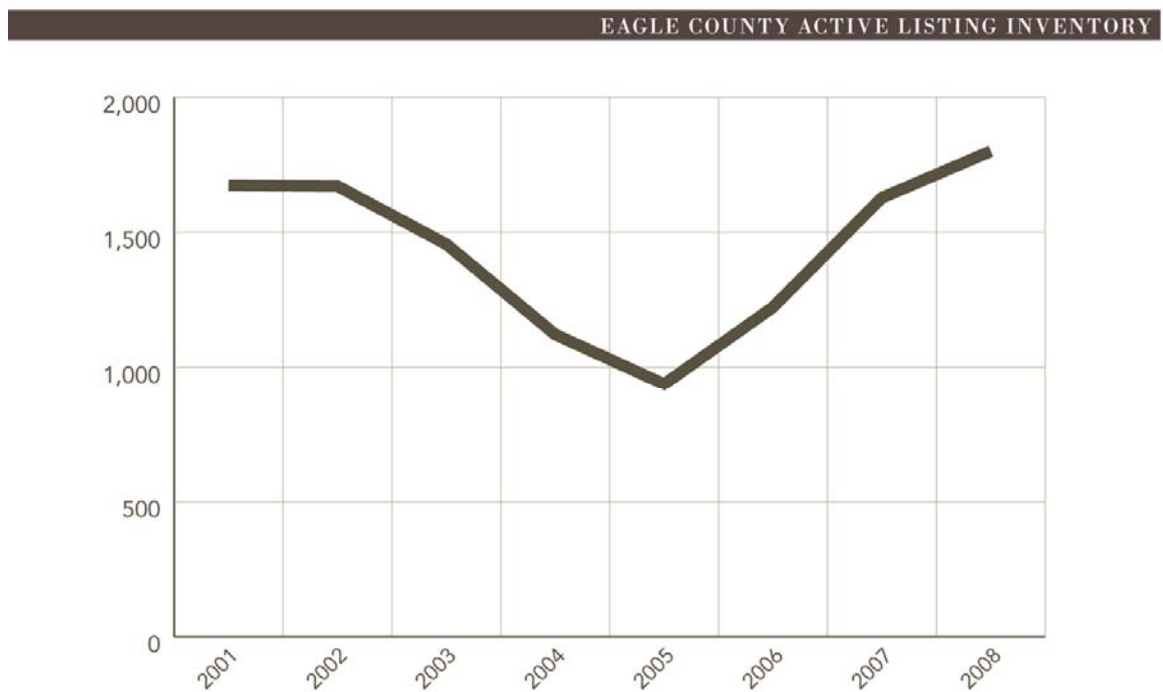
Property values have shown stability over time in this mature resort market. Taking a long term approach to owning indicates that over a three to five year period of time a

home will maintain its value. In addition, you, your family and friends can use the property and enjoy living the mountain lifestyle.

6) Inventory

Current market numbers indicate that inventory in the Vail Valley hit a high in August of 2009 and has decreased 4 consecutive months through December (see second chart below). We have not seen the mushrooming of inventory experienced by other markets around the country. Our foreclosure rate remains below 1% in Eagle County. As a result, most buyers today are finding a more extensive selection of homes to choose from as compared to prior years.

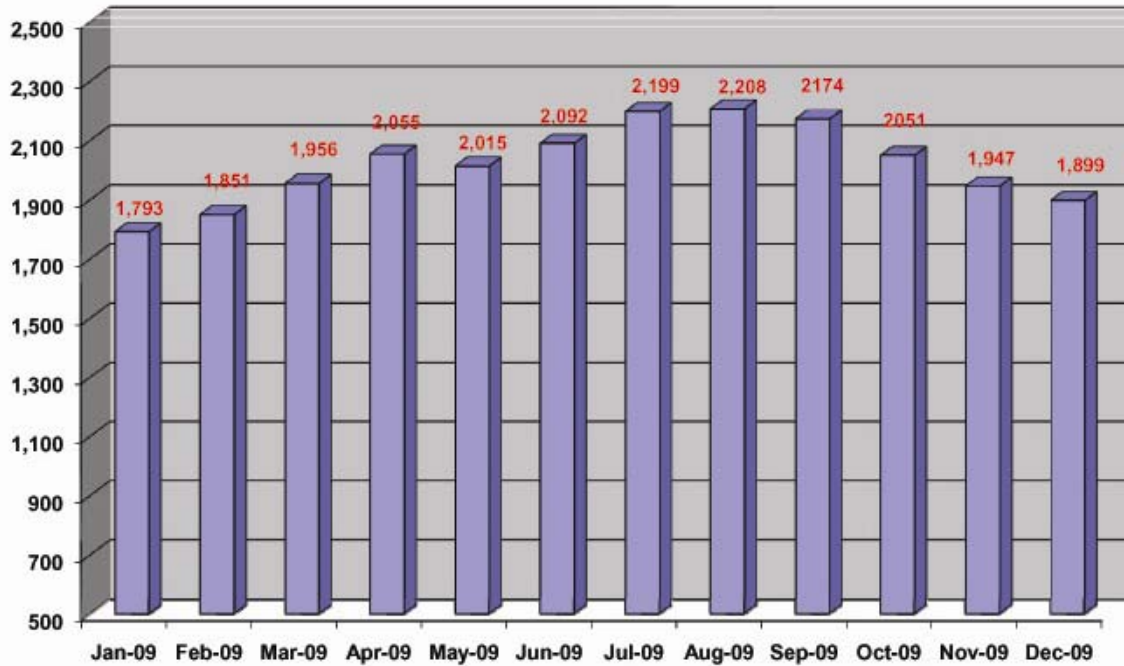
Unlike the sellers market in recent years, when demand exceeded supply, the lower number of potential buyers actively pursuing properties right now has significantly shifted the market in the favor of buyers. Smart buyers in this market are finding sellers more willing to negotiate in order to put together an acceptable transaction.



Data contained in this report is the Vail Board of Realtors, Multiple Listing Service. Information is deemed reliable but not guaranteed. Consult your Slifer Smith & Frampton Broker for more information. ©2009 Slifer Smith & Frampton Real Estate

Eagle County Active Inventory 12- Month Trend

*Includes Land and Residential Active Listings active the third day of each month listed.



7) Lifestyle

The Vail Valley community offers unmatched sports, recreation and cultural activities, in addition to endless opportunities for wellness and spiritual rejuvenation. The ski resorts of Vail and Beaver Creek rival the best in the world, as do the breadth of services available to our guests, ranging from public transportation to world-class medical facilities. All of this completes an environment of convenience, personal growth and security, exactly what we all seek in a vacation destination or year-round home.

8) Demographics

Owners and visitors to the Vail Valley are extremely sophisticated people. They come from all over the world to enjoy world-class skiing, fine cultural events and spiritual rejuvenation. While other resort markets can boast the same diverse patronage, the Vail Valley also capitalizes on the massive feeder market of the Front Range which consists of the cities of Denver, Colorado Springs, Fort Collins and Boulder. This active population helps to create year-round visitors and potential real estate owners.

Barbara Corcoran, a real estate expert and founder of the Corcoran Group, recently picked Denver as the best housing market in the country. In June, Moody's Economy.com and MSNBC.com named Colorado as one of the first states to come out of the recession. They stated, "If you want to be in the right place when the recovery starts, that place may be in Colorado, Idaho, Oregon, Texas or Washington."

Colorado typically does break out of recessions ahead of most states. With nearly a third of our real estate buyers coming from Colorado, we believe the Vail Valley market will begin to improve ahead of most other resort areas in the country.

9) Time

Although it is hard to quantify time, we all have come to understand that life is short. We value quality time shared in the comfort and companionship of family and friends. We know that the moments spent with them are precious. Memories are made, legacies are created. There is no better time than now to share these moments. Time and again we hear from our clients that the experiences shared here in the Vail Valley are some of the best memories they have. They talk of gathering families for vacations and hope that their homes and memories will pass on to future generations.

Time is irreplaceable. How long do you want to wait?

10) Ownership

The only way to purchase in this buyers' market is to make an offer. Today, smart buyers are narrowing their search and are starting the negotiation process with sellers. Contact your broker at Slifer Smith & Frampton Real Estate and let them show you where the best priced properties are located. Smart buyers are picking the deals quickly, so it is to your advantage to be ready when they hit the market.

As Warren Buffet stated, "If you wait for the robins, spring will be over."