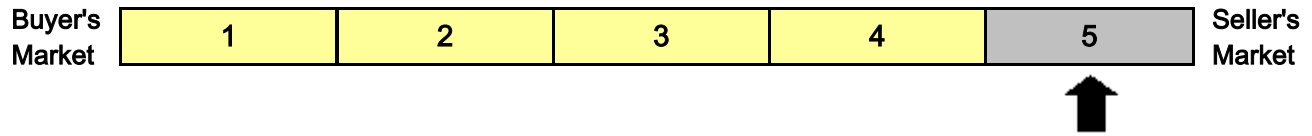


FREDERICK COUNTY, VA



Labor Market :

Employment increased by 148 jobs in Frederick County during July and August. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 2.5% for the second quarter to 2.7% in the first two months of the third quarter. The solid job growth may provide strong home sales, while low mortgage rates should continue to spur sales.

Housing Market :

| | Q2' 04 | Q3' 04 | Q4' 04 (Forecast) |
|--------------------------------|-----------|-----------|----------------------|
| Average Price | \$246,000 | \$260,600 | |
| # Homes on the Market * | 501 | 557 | |
| # Homes Sold ** | 508 | 533 | |
| # New Homes Built *** | 204 | 240 | |
| Avg # of Days on Market | 45 | 40 | |

* Available as of Sep. 30, 2004.

** May not add to total of zip codes

*** During the first two months of 3rd quarter.

Data by Zip Codes

| Zip Code | Average Price | Price Change (1 Year) | Total # Homes Sold (Quarter) | % Change in # Homes Sold (1 Year) | Average Days on Market | % of Asking Price (Sold/List Price) |
|----------|---------------|--------------------------|------------------------------------|---|---------------------------|---|
| 22602 | \$276,400 | 21.65% | 227 | 20.74% | 46 | 99.9% |
| 22603 | \$278,800 | 41.59% | 52 | 33.33% | 38 | 98.6% |
| 22624 | \$298,600 | 31.72% | 14 | 0.00% | 40 | 102.3% |
| 22625 | \$243,500 | 21.87% | 41 | 57.69% | 53 | 98.2% |
| 22637 | \$269,000 | 47.07% | 7 | -22.22% | 73 | 99.2% |
| 22645 | \$215,700 | 14.31% | 11 | 0.00% | 66 | 99.8% |
| 22654 | \$277,000 | -4.15% | 2 | 100.00% | 32 | 100.0% |
| 22655 | \$242,500 | 22.60% | 156 | 24.80% | 31 | 99.7% |
| 22656 | \$256,800 | 18.07% | 5 | -37.50% | 26 | 99.4% |
| OTHER | \$198,000 | 22.91% | 18 | -30.77% | 11 | 99.3% |