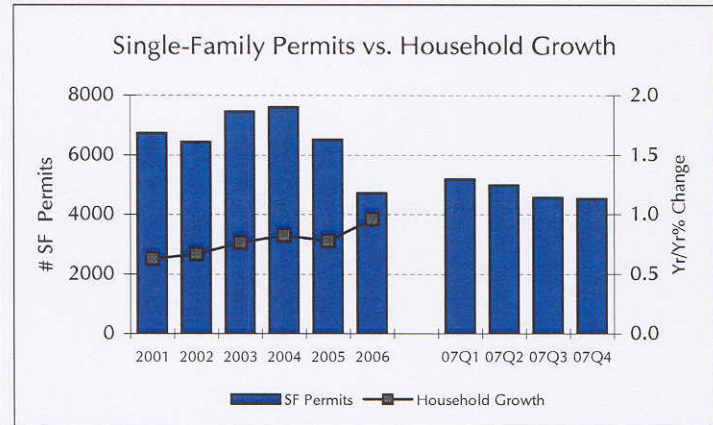
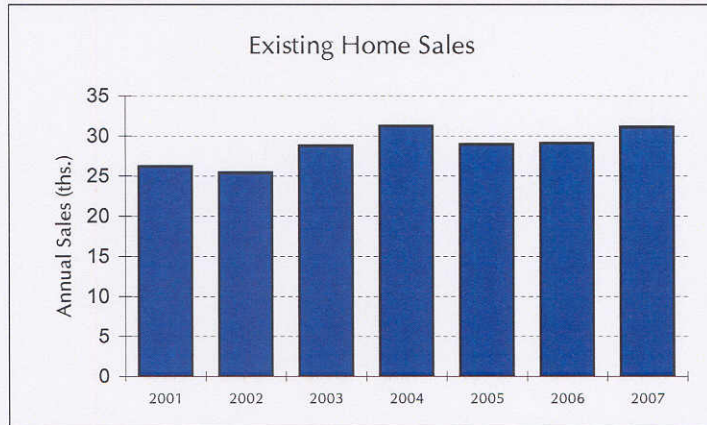
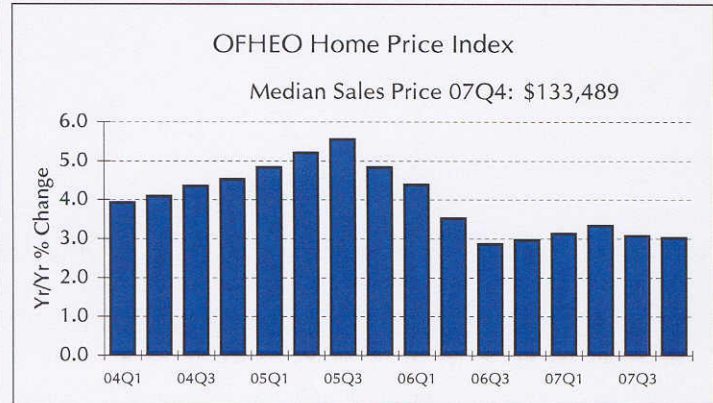
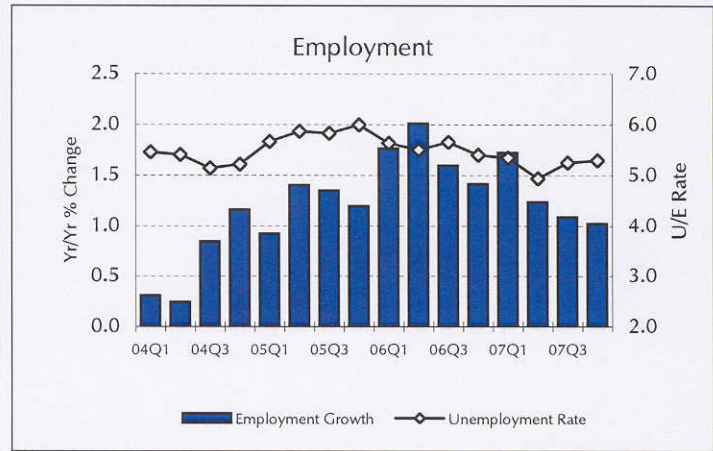
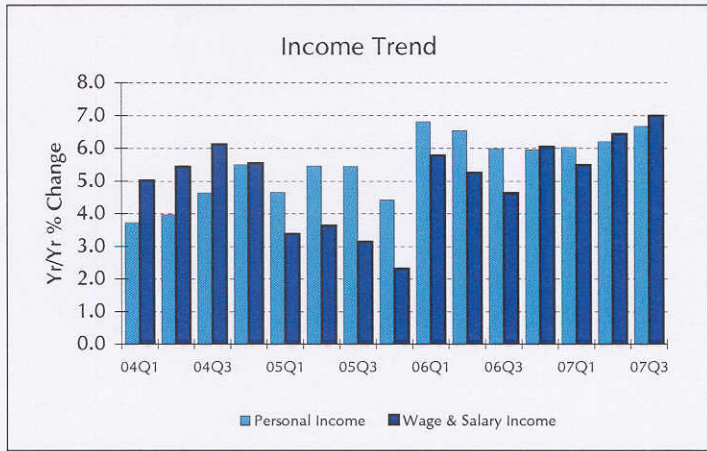


Economic & Housing Indicators



Housing Market Condition:

Current:
STABLE

Short-Term Projection:
NO CHANGE

Observations: Louisville's economy remained relatively stable. Year-over-year employment increased 1% as job losses in construction and retail trade were offset by gains in wholesale trade and service industries. The unemployment rate held steady at just over 5%. UPS will continue to add some stability to the economy due to stronger global growth. Questions surrounding the automobile industry remain a concern. Louisville's housing market is stable as home prices appreciated 3%. Contrary to most markets, existing home sales were up in 2007 and there was a decline in foreclosure activity. Single-family permit activity is only slightly below last year's total.