

YUKON PROPERTY CONSULTANTS, LLC

ECONOMIC BENEFITS ANALYSIS:

April 00, 2009

XYZ, LLC D/B/A XYZ DEVELOPMENT,
CHEROKEE COUNTY, GEORGIA

The XYZ Development is 500 acres of property in Cherokee County, Georgia zoned for 602 single family residential lots and 40 acres of commercially zoned real estate.

The developer owes a community bank \$10,000,000 and the loan is non-performing. An existing MAI conservation appraisal values the developed property rights at \$22,500,000.

Yukon Property Consultants, LLC proposes:

1. Set aside 50 acres for future development;
2. Execute a process to commit the balance of the real estate to conservation purposes in exchange for the tax benefits available.

TAX BENEFIT CALCULATION:

Total Project acreage:	500 acre tract
(Estimated/verified by process)	\$50,000 Conservation value per acre
(Estimated/verified by process)	\$25,000,000 Federal income tax deduction
Federal Tax rate assumed:	35%
Georgia income tax rate assumed:	6%
Combined rate:	<u>41%</u>
Estimated Tax Deductions	<u>\$10,250,000</u>
(verified by process)	+
Georgia State Tax Credits	<u>\$1,000,000</u>
<u>Fee Simple/Discount Sale</u>	<u>\$3,500,000</u>
(1 year process)	<u>\$14,750,000</u>
Economic Benefits to Client	<u>\$14,750,000</u>
(estimate/verified by process)	

3. Client/Investor buys an interest in the LLC that include these benefits and pays down the principal and accrued interest.

4. Future development plans to evolve: I.E. of the 50 Acre surplus land 25 platinum lots at \$200,000 per lot, for gross profit of \$5,000,000.