

DISCOUNTED CASH FLOW ANALYSIS

Period	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Lots Sold	0	0	4	4	4	4
Aggregate Lots Sold	0	0	4	8	12	16
Gross Sales	\$0	\$0	\$1,648,000	\$1,698,000	\$1,749,000	\$1,801,000
Aggregate Gross Sales	\$0	\$0	\$1,648,000	\$3,346,000	\$5,095,000	\$6,896,000
Sales & Holding Costs						
Commissions	\$0	\$0	\$66,000	\$68,000	\$70,000	\$72,000
Transfer Tax	\$0	\$0	\$12,000	\$13,000	\$13,000	\$14,000
Real Estate Taxes			\$55,000	\$39,000	\$23,000	\$8,000
LUCT		\$320,000				
Overhead	\$0	\$0	\$16,000	\$17,000	\$17,000	\$18,000
Total S & H Costs	\$0	\$320,000	\$149,000	\$137,000	\$123,000	\$112,000
Projected Sale Proceeds	\$0	\$(320,000)	\$1,499,000	\$1,561,000	\$1,626,000	\$1,689,000
Development Costs						
Approvals	\$160,000	\$160,000				
Road & Utilities			\$1,004,000			
Entrepreneurial Profit	\$0	\$0	\$412,000	\$424,000	\$437,000	\$450,000
Total Development Costs	\$160,000	\$160,000	\$1,416,000	\$424,000	\$437,000	\$450,000
Projected Net Proceeds	(\$160,000)	(\$480,000)	\$83,000	\$1,137,000	\$1,189,000	\$1,239,000
NPV Factor (6.50% WACC)	.9685	.9094	.8539	.8018	.7529	.7069
Net Present Value	(\$154,960)	(\$436,512)	\$70,874	\$911,647	\$895,198	\$875,849

Aggregate Net Present Value \$2,162,096 (\$135,131/Potential Lot)