

On Line Go Zone Tour

"Can You Really Benefit From The Go Zone?"



Very Busy Night ---- Grab A Cup Of Coffee

- Karla Dennis - *Cohesive* - Go Zone Tax Introduction
- Dr. Chris Anderson - *GoZoneOnline.com* - What's Happening In The Mississippi Gulf Coast Go Zone
- Michael Zari - *Investor Properties, LLC* - McHenry Hills - A Very Unique Opportunity



Did You Know?

More than 50% of VERY SMART, SUCESSFUL people cannot determine if Go Zone applies to them. Most people, and their tax professionals, assume wrong.

Investing In the Go Zone Recovery

The screenshot shows the GoZoneonline.com website. At the top, there is a navigation bar with buttons for Home, Resources, Projects, About, and Contact. On the right side of the navigation bar, the phone number (866) 508-ZONE is displayed. Below the navigation bar, the main content area is divided into several sections. On the left, there is a sidebar with a list of links under the heading 'Go Zone Properties', including Alabama Go Zone, Mississippi Go Zone, Louisiana Go Zone, Florida Go Zone, Go Zone Counties, Go Zone Maps, Gulf Opportunity Zone, and Bonus Depreciation. Below this list are links for 'Builders & Developers' and 'Site Map'. The main content area features four blue-bordered boxes: 'Go Zone Frequently Asked Questions' with a photo of a man, 'About Go Zone Investing' with a cartoon character, 'Nov. 14 Online Property Event' with a megaphone, and 'Go Zone Properties' with a photo of a house. To the right of these boxes is a 'What's Happening in the Go Zone' section with a 'news' header and 'current news' sub-header. It lists three news items: 'No-GO Zone - New Orleans CityBusiness' (posted on November 12, 2007), 'Mason's \$50000 present - Daily Telegraph' (posted on November 14, 2007), and '9 BR projects get GO Zone - 2TheAdvocate' (posted on October 25, 2007). At the bottom of the main content area, there is a link for 'Free Report & Audio'. The GoZoneonline.com logo is visible in the bottom left corner of the website screenshot.

Home Resources Projects About Contact (866) 508-ZONE

Go Zone Properties

- Alabama Go Zone
- Mississippi Go Zone
- Louisiana Go Zone
- Florida Go Zone
- Go Zone Counties
- Go Zone Maps
- Gulf Opportunity Zone
- Bonus Depreciation

Builders & Developers

Site Map

Go Zone
Frequently Asked Questions

About
Go Zone Investing

Nov. 14
Online Property Event

Go Zone Properties

Free Report & Audio

What's Happening in the Go Zone

news

current news

No-GO Zone - New Orleans CityBusiness
posted on November 12, 2007 02:47:28 am

Mason's \$50000 present - Daily Telegraph
posted on November 14, 2007 06:04:38 am

9 BR projects get GO Zone - 2TheAdvocate
posted on October 25, 2007 10:17:40 pm

GoZoneonline.com



"Should You Go to the Go Zone?"

Karla Dennis, *Enrolled Agent*

1-800-878-4051

Info@cohesivetax.com • www.cohesivetax.com



COHESIVE
we know the code

*“All our dreams
can come true -
if we have the
courage to
pursue them.”*

Walt Disney

Purpose of GOZA

- **Immediate Relief**
- **Tax Incentives**
 - **Extension of Deadline Dates**
 - **Greater Deductibility**
 - **Employers**
 - **Single Larges Tax Deduction**



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Bonus Depreciation

*“Tell a person
they are brave
and you
help them
become so.”*

Thomas Carlyle

- **One-time Write-off of 50%**



COHESIVE
we know the code

Additional Tax Relief for Businesses

- **Special Depreciation Allowance**
 - Additional Deduction 50%
 - No AMT Adjustment Required

*“The minute you
settle for less
than you
deserve, you get
even less than
you settled for.”*

Maureen Dowd



COHESIVE
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*“Imagination
is more
important than
knowledge.
Knowledge is
limited.
Imagination
encircles the
world.”*
Albert Einstein

Qualified Go Zone Property

- **MACRS**
- **Water Utility Property**
- **Computer Software**
- **Qualified Leasehold**
- **Nonresidential Real Property**
- **Residential Rental Property**



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*“Other people’s
opinion of you
does not have
to become
your reality.”*

John Ruskin

Take Full Advantage

- **Purchase After August 27th, 2005**
- **Placed in Service Before 2008 or 2010***
- **All Use of Property in Go Zone**
- **50% Real Property Trades**
- **750 Hours**



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*“When you get
into a tight place
and everything
goes against you,
never give up
then, for that is
just the time that
the tide
will turn.”*

Harriet Beecher Stowe

Not Included

- **ADS**
- **Section 103**
- **Commercial Revitalization**
- **Property Associated with:**
 - **Golf Course**
 - **Country Club**
 - **Massage Parlor**
 - **Hot Tub Facility**



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“Life is like riding a bike. It is impossible to maintain your balance while standing still.”

Linda Brakeall

Not Included (Cont.)

- **Suntan Facility**
- **Any Store Selling Alcoholic Beverages for Consumption off Premises**
- **Gambling or Racing Property**
 - Equipment
 - Furniture
 - software
- **Property Elected Not to Claim Go Zone**



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Recapture Allowance

- **Property Ceases to be Qualified**

*“The future
belongs to those
who see
possibilities
before they
become
obvious.”*

John Sculley



Questions?

Karla Dennis, *Enrolled Agent*

6701 Katella Ave. Suite 110

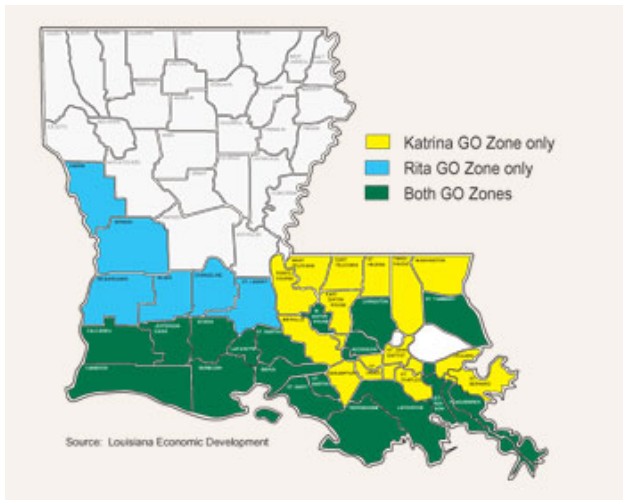
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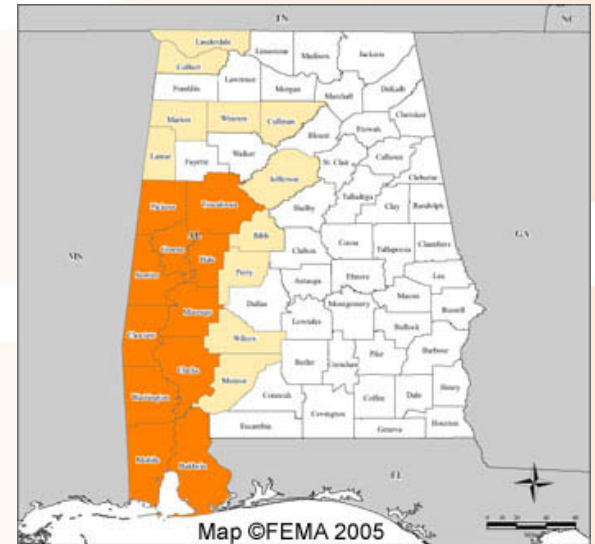
Introduction: Where Is The Go Zone



Louisiana



Mississippi



Alabama



Timelines - There Is A True Sense Of Urgency

- In Service By 2008 For Non-Coastal
- In Service By 2010 For Coastal



The “Oh By The Way Factor” Our Opinion

The Go Zone Is A Tremendous Opportunity That Hopefully Only Exits Once In Our Investing Lifetime..... However, Don't Forget Fundamentals

Our View

- Property Has Excellent Potential
- Property/Owner Can Take Bonus Depreciation
- Other Local Incentives If Applicable

An Upside Down View?



- Property/Owner Can Take Bonus Depreciation
- Other Local Incentives If Applicable
- Property Has Excellent Potential

Our View



Would This Go Zone Investment Make Sense?



- Previous Rents: \$1,100
- Price: \$119,000
- Forgivable Loan \$40K**
- Go Zone Qualified

** Buyer has no obligation if does not get approval.



But Does It Make Sense To You If.....



The Area Had Known Flooding Issues As Was Not Well Thought Of By Many



This Was Your Neighbor

.... And Rents WERE \$1,100

.... And You May Get APPROVED For Forgivable Loan But Funding?



A Simple Approach To Follow

Our View

Property Has Excellent Potential

Well Built, Good Value
Good Area Of Growth
Will It Rent, When, How Much
Will Rents Collapse?
Will A Retail Buyer Live There?
If Mostly Rental, What Does It Look
Like In A Few Years
Would You Live There?

Property/Owner Can Take Bonus Depreciation

Talk To Us, Your Advisor, & Cohesive

Other Local Incentives If Applicable

Learn The Rules
What If Approved But Slow/No Fund
Ok With Tenant Type?
If Everybody's Ends At Same Time,
For Sale Sign Flowers?

....But Investor Properties, LLC Only Has Such A Limited Supply...



So Let Me Get This Straight.....

You Want.....

- Great Property In High Demand
- Discounts To Value
- Low Money Down Investor Loan
- Great Rentals With Awesome Service
- Easy To Sell In The Future With Profit
- Cash Flow Neutral
- 50% Bonus Depreciation First Year
- \$30K - \$40K Forgivable Loans
- Unlimited Supply
- Decide To Purchase When Ever Ready

Shoot for
the moon.
Even if you
miss, you'll land
among the stars..

(Unknown)

That Request Is Unique..... Should Be Easy To Find Right?



Huge Take Away.... You Will Not Get A Perfect Property In The Go Zone.

*Create Your Own View And Then Decide For Yourself
If Certain Trade Offs Are Ok With YOU!*

Our View

Property Has Excellent Potential

Property/Owner Can Take Bonus Depreciation

Other Local Incentives If Applicable

My Offer To You: Email me your phone number if you have found the "perfect" deal and I will tell you what I know about it.

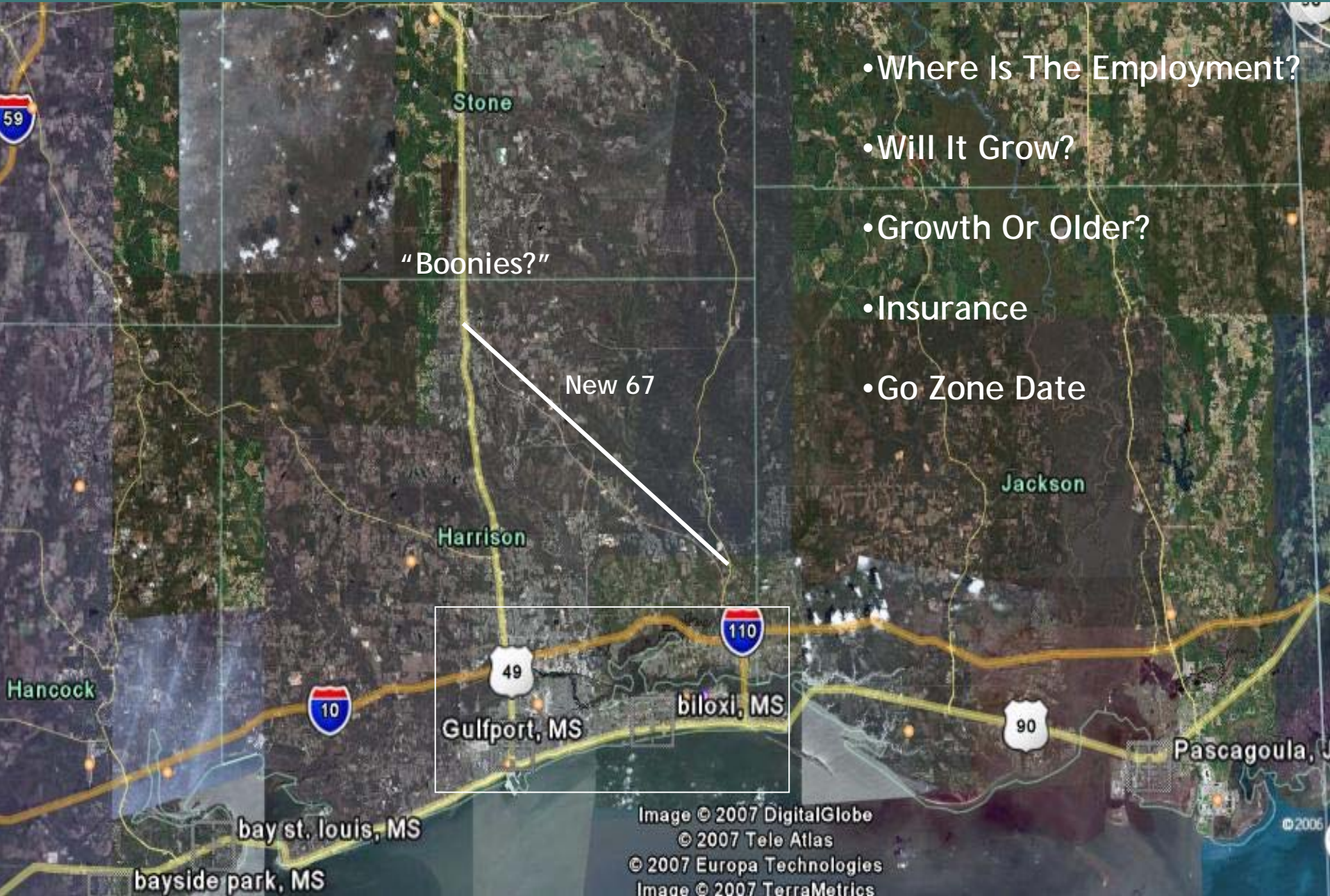
Well Built, Good Value
Good Area Of Growth
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Ok With Tenant Type?
If Everybody's Ends At Same Time,
For Sale Sign Flowers?



The Mississippi Gulf Coast



- Where Is The Employment?
- Will It Grow?
- Growth Or Older?
- Insurance
- Go Zone Date

What Residential Do You Put In Service? - Work Backwards

**** Notes:**

1. *Insurance is less in non-coastal counties*
2. *Each property will vary... just approximate target values*

10% Down



Rent Amount	\$ 800	\$ 900	\$ 1,000	\$ 1,100	\$ 1,200
After Manage	\$ 732	\$ 824	\$ 915	\$ 1,007	\$ 1,098
Insurance	\$ 152	\$ 171	\$ 190	\$ 209	\$ 228
Taxes	\$ 62	\$ 70	\$ 78	\$ 86	\$ 94
Mortgage Ins	\$ 62	\$ 70	\$ 78	\$ 85	\$ 93
	\$ 456	\$ 513	\$ 570	\$ 626	\$ 683
Assumed Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Break Even Amt Financed	\$ 84,111	\$ 94,625	\$ 105,138	\$ 115,652	\$ 126,166
Purchase Price (10% Down)	\$ 93,456	\$ 105,138	\$ 116,821	\$ 128,503	\$ 140,185

20% Down



Rent Amount	\$ 800	\$ 900	\$ 1,000	\$ 1,100	\$ 1,200
After Manage	\$ 732	\$ 824	\$ 915	\$ 1,007	\$ 1,098
Insurance	\$ 152	\$ 171	\$ 190	\$ 209	\$ 228
Taxes	\$ 62	\$ 70	\$ 78	\$ 86	\$ 94
Mortgage Ins	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 518	\$ 582	\$ 647	\$ 712	\$ 776
Assumed Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Break Even Amt Financed	\$ 95,557	\$ 107,502	\$ 119,446	\$ 131,391	\$ 143,335
Purchase Price (20% Down)	\$ 119,446	\$ 134,377	\$ 149,308	\$ 164,238	\$ 179,169



What Residential Products Make Sense?

Product Type	Typical Rent Ranges	Pro's	Con's	Via Investor Properties Available 07?	Via Investor Properties Available 08?
Single Family	1100 - 1400	Demand At Exit Desirable To Rent Highest Appreciation?	Most Too Expensive For Cashflow Very Limited Supply Not Likely For Small Rental Assistance (SRAP)	NO	YES
Moduler	1000-1150	Good Price Points Fast Construction Good Appreciation If Quality	Stigma Limited Availability In Good Areas Quality Units Require Good Rents For Cash Flow Limited Availability	~ 4 units	YES
Attached (Duplex)	800 -1050	Good Availability Readily Cash Flow Possible For SRAP	Resell To Investor Or Retail? Will There Be Mass Exodus? Community Look/Stigma in 3-5 years?	~ 8 units	YES

**** Note: In our opinion, good single family that cash flows is the rarest category right now hence tonight, we will introduce the single family project**

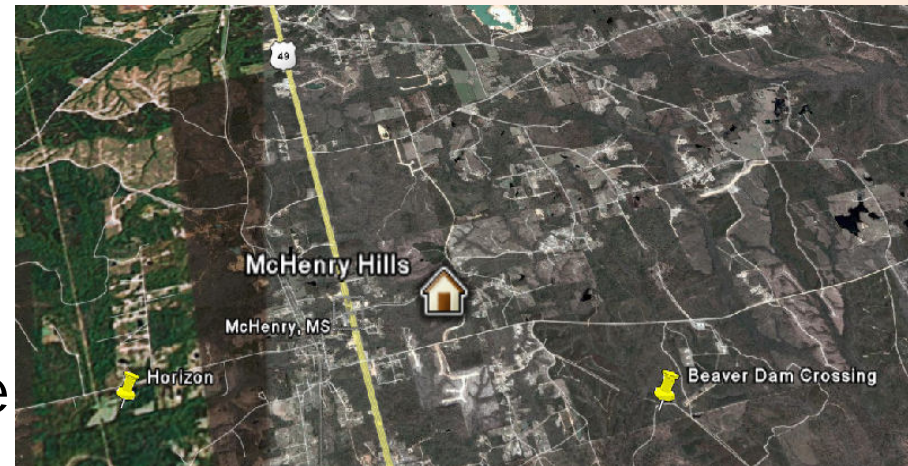


McHenry Hills - A New Single Family Subdivision



Why Do We Like McHenry Hills? - Location, Location, Location!

- <3 miles from new Highway 67 Interchange
- New Master Planned Communities
- Lower Insurance Available



Why Do We Like McHenry Hills? - Strong Rents***

**** Forward Looking Statement*****

Future rents can never be determined with certainty. In any income producing property, you can evaluate other similar rents in the area and make educated deductions. However, rental markets can, and do, change.

- Experience Of Our Modular Community At \$1100/month
- Only 8 Minutes Extra Drive But.....
 - Brick
 - 2 car garage
 - Wood/Ceramic Floors
- Test ad (August) resulted in ~ 2 calls/day when advertising \$1200/month rents
- Conservatively starting only 3 rentals/month



Why Do We Like McHenry Hills? - Outstanding Construction



- TLW Quality Exterior Finishes
- Brick on all 4 sides
- Double Car Garages
- Quality Wood Laminate Flooring
- Rent Ready



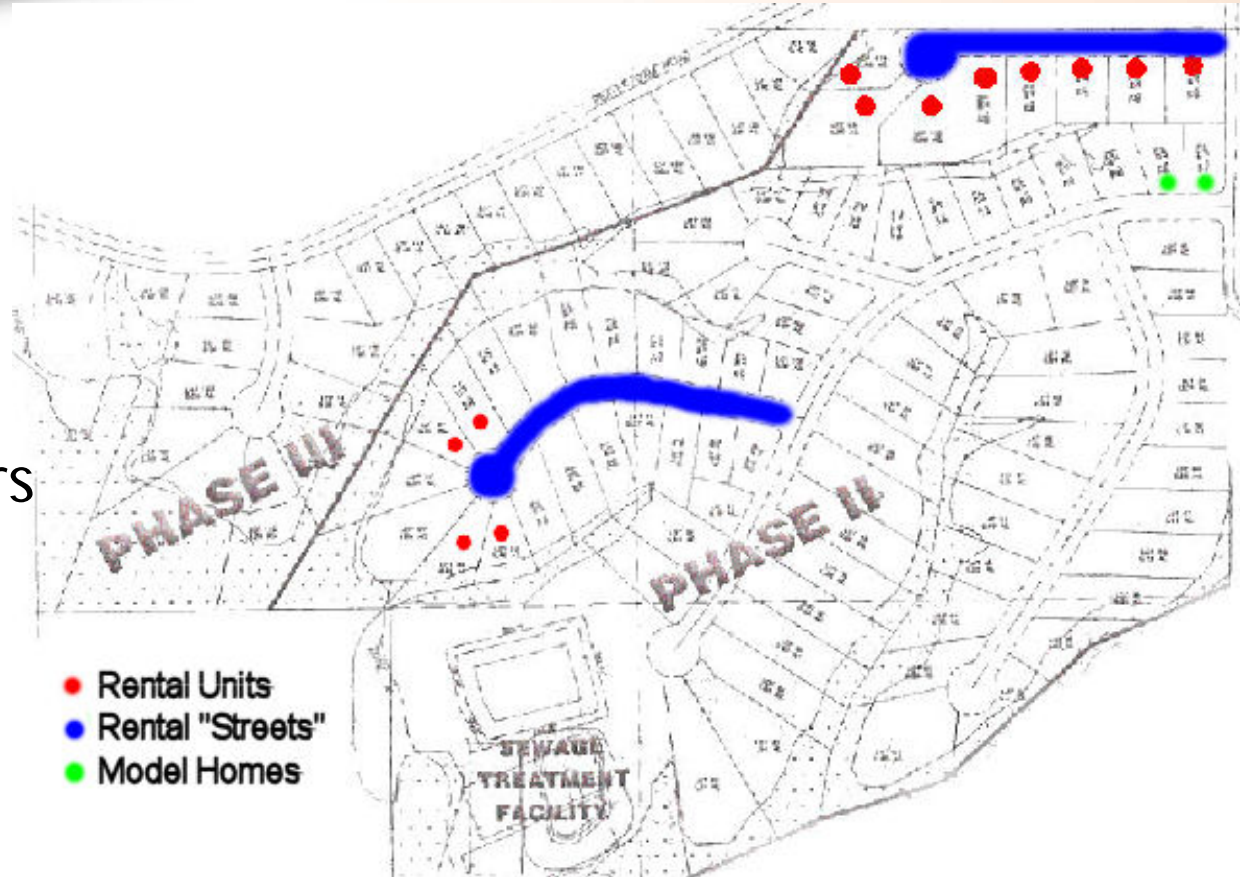
GoZoneonline.com



Why Do We Like McHenry Hills?

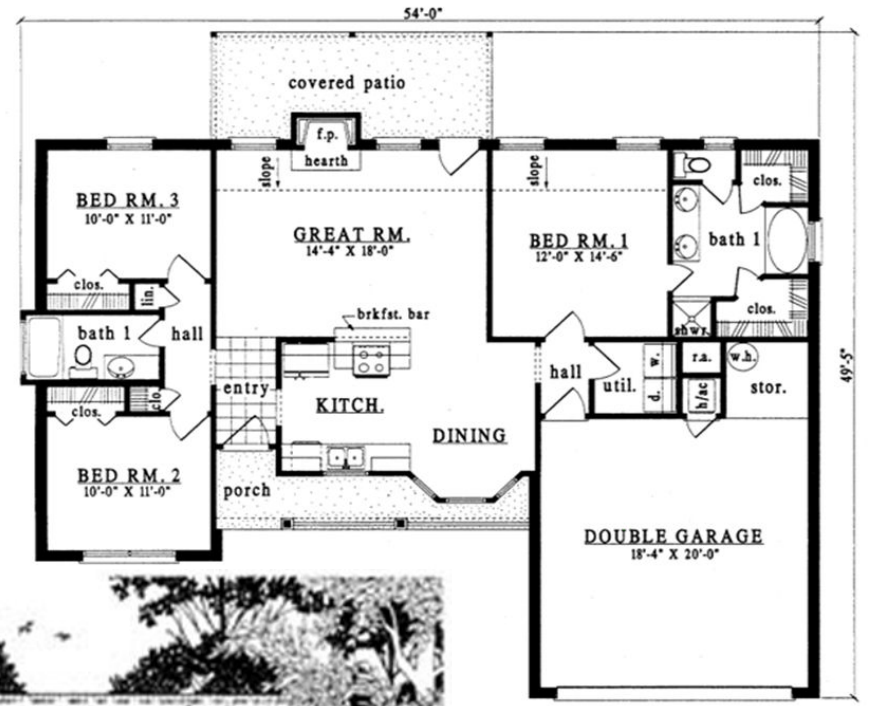
- Easy Resell In The Future?

- 80 lots total in development
- Mostly Retail Buyers Planned
- Diverse Rental Exteriors



Why Do We Like McHenry Hills? - The Actual "Rental" Product Itself

- 1271 Sq. Ft.
- 3 Bedrooms/2 Baths
- 2-Car Garage
- Multiple Elevations and Exteriors (i.e. Brick Colors)
- Little Competition



Why Do We Like McHenry Hills?

- Cash Flow Analysis

*** **DISCLAIMER*****

THE BELOW CALCULATIONS ARE BASED ON EXPENSES that we have been provided. WE ARE NOT MAKING PROJECTIONS OR RERESENTATIONS OF FUTURE CASHFLOW SINCE NO ONE CAN FORETELL THE FUTURE.

- Assumptions:
 - 6.5% financing, interest only + \$93 PMI
 - 8.5% management fee
 - 30% Tax Bracket
 - \$35,000 land value
 - \$139,900 Purchase

Cashflow			
Purchase	\$ 139,900	\$ 139,900	\$ 139,900
% Down	10%	10%	10% Minimum 10%
Financed Amount	\$ 125,910	\$ 125,910	\$ 125,910
Gross Income	\$ 1,150	\$ 1,200	\$ 1,250
Less Management	\$ 1,052	\$ 1,098	\$ 1,144
Expenses			
PMI	\$ 93	\$ 93	\$ 93
Insurance	\$ 109	\$ 109	\$ 109
Taxes	\$ 168	\$ 168	\$ 168
Mortgage	\$ 682	\$ 682	\$ 682
	\$ 1,052	\$ 1,052	\$ 1,052
Net Cash Flow	\$ 0	\$ 46	\$ 92
Before Bonus Depreciation			



Why Do We Like McHenry Hills?

- Interesting Financing Option

- Our External Appraisal Is Coming In At \$153,000 (note this will vary per unit).
- Lending at 90% Of Appraised. Example: $\$153,000 \times .9 = \$137,700$.
- At \$139,900 (first 12 only), then above example would be
 - \$2,200 down + Closing Costs + Interim Interest Carry



McHenry - More Than You Ever Wanted To Know



http://www.gozoneonline.com/McHenry_MMG.pdf



Help..... I Need Somebody

- I Am Interested In McHenry --- What Next: mchenry@gozoneonline.com
- I Want To Talk To Someone About The Other Properties: properties@gozoneonline.com
- I'm Confused If I Qualify, Please Help Me Get Started helpme@gozoneonline.com



Questions and Answers

At this time, we will open
up the phone lines for operator assisted Q&A

