

Shoal Creek Pointe



Imagine your family tucked away in your cabin listening to the peaceful, hypnotic sounds of Shoal Creek. Couple that with lots having approximately 200 feet of frontage on Shoal Creek, and you'll quickly realize the value in this community.



Shoal Creek*Pointe***COMPANY**

Burt & Teresa Walker Trust
Investments, LLC.
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INDUSTRY

Real Estate Development
Vacation/Retreat Homes

FOUNDERS

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DESCRIPTION

Small, intimate, vacation home community near Murphy (western) North Carolina. Approximately 2 hours from Atlanta, GA, Knoxville, TN, and Asheville, NC. Gated entrance, 19 lots, one on-site log cabin. Lots are between 1.2 and 6 acres. 13 creek-side lots and 6 dry lots. Creek is fast moving averaging 50 feet across. Most lots are heavily wooded with mature hardwoods and some pine.

VACATION HOME COMMUNITIES: A RAGING INDUSTRY SERVING YOUNG AND RETIRED

The real estate industry in the mountains of northern Georgia and western North Carolina is booming. These areas cater primarily to young families with children and active retirees, mostly those who are seeking second homes for vacation retreats. Buyers are seeking these properties because they offer a refuge from their busy lives in high-traffic areas such as Atlanta. They have additional incentives too because of the potential for their property to be lucrative investments. The way they see it, they can escape the hustle and bustle of their daily lives by taking a two hour drive into the mountains and foothills of the Appalachians.

WHAT MAKES IT A VACATION HOME?

There are two important characteristics of property that make vacation and retreat homes in this region valuable: Water and views. For water, lake homes are fine, but what people really want is the traditional "babbling brook." They want their dwelling as close to the stream as possible and they want to sit on their porches and hear it. For this, they pay healthy premiums. For views, they want panoramic vistas where they can look out from their windows and see pristine beauty and as much landscape as possible. Ideally, the homes are log cabins, placed in a wooded setting alongside a fast moving stream or high atop a mountain overlooking a valley of heavily forested land.

WHAT MAKES SHOAL CREEK POINTE SO SPECIAL?

Location, setting, solitude, and security are Shoal Creek Pointe's most important characteristics. Homeowners can escape the daily grind of traffic, noise, and fast paced lifestyle and they can do it for a weekend or for an entire vacation of a week or longer. It's hard to imagine, but a short, two hour drive from Atlanta will put them into their own little paradise. Beautiful mountain roads, heavy forest, mountain streams, and a wonderful, quaint, small town within minutes of the community.

Because vacation homes are often unoccupied for extended periods, homeowners want security. Shoal Creek Pointe has a gated entrance, immediately off of a paved road, just a few miles from Murphy, North Carolina. It's also only a 30 minute drive to Blue Ridge, Georgia, the 5th most popular travel destination in the U.S. The electronic gate is accessible via remote control, directly from your vehicle.

Upon entry, you are greeted with a well maintained, winding gravel road that leads to the homesites. There are two lots with over 400 feet of frontage on Shoal Creek. These are open lots with few trees, but with a stunning view of the surrounding valley. Nine of them have approximately 200 feet of frontage, and all of these are heavily wooded, to create a serene, private homesite. The woods include many hardwoods, including oak and huge hemlock trees.

Lots range from 1.3 to nearly 6 acres each. One of the lots has a model cabin that sits on 2.5 acres with 200 feet of frontage. The cabin is approximately 3,500 square feet with three bedrooms and two baths on the two main levels and a large, fully finished basement with a bathroom and storage area.

Shoal Creek is a fast moving stream of varying width from 40 to 60 feet. It has native trout with shining, blue, crystal clear pools and is lined with mountain laurel.

THE MARKET:

True waterfront lots in this area are extremely rare and are in high demand. There are very few other developments in this region, and none offer the quiet solitude and creek-side access offered by Shoal Creek Pointe. The real estate demand is high and steadily increasing. Buyers in this region are represented by two regions of the country: Atlanta Georgia and southern Florida. They are mid and high income families and active retirees. Prices for vacation home lots are higher than typical residential areas of other parts of the country. It is not uncommon to find waterfront lots costing more than \$150,000 (typically less than one acre) and "dry" lots in those communities going for \$50,000 or more.

COMPANY MANAGEMENT:

Burt and Teresa Walker Investments, LLC is a holding company owned by Burt and Teresa Walker of Vine Grove, Kentucky. The holding company was set up to operate various speculative investments by the owners. The Shoal Creek Pointe project is the first of those investments. The Shoal Creek Pointe project is being managed entirely by Burt Walker. Mr. Walker has solicited input from a local real estate expert in Blue Ridge Georgia, whose specialty is vacation home sales.

INVESTMENT:

The investment required for Shoal Creek Pointe includes the purchase of the property, approximately 30 acres, and the existing cabin. Additional investments will be required for the development, which includes the building of roads, installation of underground electricity, landscaping, construction of an entry gate and sign, etc. Upon completion of the purchase of property, the development process will commence immediately, which will require a surveyor to break down the lots as directed by management. The purchase price for the land and cabin is \$750,000. The projected development costs are \$190,000. Commissions for lot sales are projected to be \$122,000. The project will begin in February, 2004. All sales are expected to be complete by July 2006.

PRO FORMA FINANCIAL INFORMATION:

	2004	2005	2006	Total
Revenue	\$0	\$700,000	\$900,000	\$1,600,000
Property Purchase	\$750,000	\$0	\$0	\$750,000
Development Costs	\$98,000	\$24,000	\$0	\$122,000
Commissions	\$0	\$40,000	\$70,000	\$110,000
Gross Operating Margin	-\$848,000	\$636,000	\$830,000	\$618,000

Projected Annualized Return on Investment: 25%.
 ROI formula: (Gain - Cost)/Cost/2.5 Years

CONCLUSION

Given the current and projected real estate market in this area, this is a low risk investment. The value of the cabin and its property is estimated at \$375,000 and is considered to be a relatively easy sale. Assuming the remaining projected costs hold true, the break-even cost of the remaining lots would be under \$32,000 each. The list price on the creek-side lots will be \$100,000 and the dry lots at \$40,000. Should the real estate market encounter a substantial decline, there is a very high likelihood that the remaining lots could be liquidated at generous discounts to achieve a break-even status.

All information contained herein is confidential. This Executive Summary is intended to familiarize the reader with summary information regarding Burt and Teresa Walker Trust Investments, LLC and the community development of Shoal Creek Pointe. It does not attempt to enumerate risk factors and other investment considerations that may be relevant to any investment decision. This document is not intended to be an Offering Memorandum or Prospectus as those terms are used in the securities industry, and does not constitute an offer to sell securities or assets of Burt & Teresa Walker Trust Investments, LLC.