

Our firm was founded 8 years ago to be a resource for local accounting firms that wanted to partner in order to bring the cost segregation technique to their clients and prospects without having to make the investment in people and intellectual capital. Our staff of 7 professionals are valuation engineers with significant cost segregation and valuation experience. Each quarter we issue a brief newsletter regarding recently completed projects and developments. We also recently added a new website at www.wilmothassociates.com

In this period we had several engagements with large numbers of facilities and/or significant cost ranging from \$46,000,000 to \$253,000,000. As you can see below we have a handle on the assisted living and nursing home industry now.

I hope the below information helps you identify opportunities in order to generate significant benefits for your clients and prospects and additional fee revenue for your firm.

1. Acquisition of 23 assisted living and nursing home facilities in the Southeastern U.S. for a public company. We had 6 professionals in the field and provided conclusions within 6 weeks

- Depreciable basis of improvements \$253,000,000
- Identified 17.5% as 5 and 15 year property
- After-tax present value of tax deferral \$7,300,000
- First three years additional depreciation \$21,900,000
- Ratio of benefits/fees—91 times

2. Construction of a public company corporate headquarters facility

- Construction cost \$46,243,000
- Identified 16.4% as short lived property (5, 7, or 15 year)
- After-tax present value of tax deferral \$1,080,000
- First three years additional depreciation \$3,000,000
- Ratio of benefits/fees--55 times

3. Construction of a Chevrolet/Cadillac dealership in Missouri

- Tax basis in improvements \$4,559,000
- Identified 47.8% as short lived property (5, 7, or 15 year)
- After-tax present value of tax deferral \$295,000
- First three years additional depreciation \$818,000
- Ratio of benefits/fees--47 times

4. Construction of two strip shopping centers in Texas

- Construction cost \$10,283,000
- Identified 41.7% as short lived property (5, 7, or 15 year)
- After-tax present value of tax deferral \$469,000
- First three years additional depreciation \$950,000
- Ratio of benefits/fees--48 times

5. Construction of three fast food restaurants for one client (Steak N Shake, Taco Bueno, and Taco Cabana)

- Depreciable basis of improvements \$2,383,000
- Identified 44.1% as short lived property (5 or 15 year property)
- After-tax present value of tax deferral \$147,000
- First three years additional depreciation \$425,000
- Ratio of benefits/fees--17 times

6. Construction of a 51,000 square foot Medical Office Building in Tennessee

- Construction cost \$7,938,000
- Identified 22.8% as short lived property (5, 7, or 15 year)
- After-tax present value of tax deferral \$256,000
- First three years additional depreciation \$746,000
- Ratio of benefits/fees --35 times

7. Acquisition of a multi-tenant office building on Century Boulevard in Los Angeles (329,000 SF)

- Tax basis in improvements \$56,941,000
- Identified 10.4% as short lived property
- After-tax present value of tax deferral \$959,000
- First three years additional depreciation \$2,882,000
- Ratio of benefits/fees-- 76 times

We also have other projects in progress relating to a retail/marina facility, a beauty school and spa, 22 fast-food restaurants, a large assisted living facility, 6 banks, outpatient surgery center, three large apartment projects, a downtown Dallas office tower, and numerous automotive dealerships. I will update you on these projects in the near future.

To receive an estimate of potential benefits and a fee estimate, please send or call us the following property information:

Property size in square feet Property use (hotel, office, manufacturing, distribution, apartments, retail, etc)

If multi-tenant, how many tenants

Depreciable basis

Is the property new construction, an acquisition, or subject to an estate tax step-up?

We can also provide sample proposals and references on studies of similar projects for your use.

Please call if we might be of assistance to you with one of your clients or prospects.

John

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