

Figure 8

Town of xxxxx IPA - LCHIP Grant Award (Easement Acquisition)

| <b>Property Details and Terms:</b>   |                |
|--------------------------------------|----------------|
| Acres                                | 100            |
| Appraised Fair Market Value          | \$1,000,000.00 |
| Appraised Fair Market Value Per Acre | \$10,000.00    |
| Appraised Easement Value             | \$600,000.00   |
| Appraised Easement Value Per Acre    | \$6,000.00     |
| Appraised Easement Value/FMV Ratio   | 60.00%         |
| Discounted IPA Value                 | \$400,000.00   |
| Discounted IPA Value Per Acre        | \$4,000.00     |
| Discounted IPA Value/FMV Ratio       | 40.00%         |
| Interest Rate                        | 5.00%          |
| Term in Years                        | 15             |

| <b>LCHIP Worksheet:</b>            |              |
|------------------------------------|--------------|
| Grant Award (50% of Appraised FMV) | \$300,000.00 |

| <b>Town Worksheet:</b>                      |              |
|---|--------------|
| Zeros Price                                 | 50.000%      |
| Initial IPA Cost (Principal)                | \$200,000.00 |
| Initial IPA Cost Per Acre                   | \$2,000.00   |
| Initial IPA Cost/FMV Ratio                  | 20.00%       |
| Interest Cost (50% Match to LCHIP)          | \$300,000.00 |
| Final IPA Cost (Principal+Interest)         | \$500,000.00 |
| Final IPA Cost Per Acre                     | \$5,000.00   |
| Final IPA Cost/FMV Ratio                    | 50.00%       |
| LCHIP Grant Less Zeros Cost                 | \$100,000.00 |
| Excess Funds Available for Next Acquisition | \$100,000.00 |

| <b>Landowner Worksheet:</b> |              |
|-----------------------------|--------------|
| IPA Principal Payment       | \$400,000.00 |
| IPA Interest Payments       | \$300,000.00 |
| IPA Total Payments          | \$700,000.00 |
| Income Tax Deduction*       | \$200,000.00 |
| Final IPA Value             | \$900,000.00 |
| Final IPA Value Per Acre    | \$9,000.00   |
| Final IPA/FMV Ratio         | 90.00%       |

\*Assuming full-time farmer taking 100% deduction