

CREATIVE FINANCE & INVESTMENTS, LLC

1821 South Ave., W., Suite 407

Missoula, MT 59801

406-721-1444

LOAN SUMMARY

██ - Loan

INVESTMENT: \$200,000

ANNUAL YIELD: 11%

DETAILS:

The investor will be making a direct loan to ██████████, Managing Member of ██████████, secured by an entrance home at Lot 1 Shyrock Motorcoach Community, in Superior MT. The investor will be in first and only lien position, with no junior liens. Current market value is approximately \$389,000.

LOAN INFORMATION:

Loan Date	February 13, 2024
Loan Amount	\$200,000
Annual interest rate charged to Borrower	12%
Net yield to investor	11%
Monthly (interest-only) payment	\$2,000
Net approximate monthly payment to investor	\$1,833
Final Payment (due in 3 years)	\$202,000
Loan Term	36 months
Payment due date	1 st due 30 days after closing

Note will be escrowed at Insured Titles of Missoula. Of the 12% paid by borrower, the investor captures interest at the rate of 11% and CFI captures interest at the rate of 1%. CFI Contract Maintenance tracks the monthly payments, taxes & insurance, and may obtain an annual drive-by price opinion, as well as communicates with the borrower regarding any issues.

CASH FLOW (estimated):

35 monthly payments of approximately \$1,833.33	\$ 64,166
Estimated final payment	<u>201,834</u>
ESTIMATED TOTAL RETURN (rounded)	<u>\$266,000</u>

SECURITY INFORMATION:

The property securing this loan is a one-half acre parcel and home and garage - LOT 1, Shyrock Motorcoach Community (4279 Mullan Rd., E., Superior MT).

LOT 1 is at the entrance to the Motorcoach Community. This was built in 2019 with a 3-car garage as well as a small gazebo. We requested an opinion of value from Tammy Marquart of Regent Realty, an experienced and recommended broker. She stated it is hard to obtain a good comparable, as this type of property is hard to comp – part of the attraction to this property and this community is it offers many services as well as community living for “snow birds” who park their high-end motor homes there for 6 months or so and purchase their lots. Ms. Marquart suggested a value of \$389,000 to \$399,000. Given a \$200,000 loan level, the investor can be comfortable with a 51% loan-to-value. We do think that may be a bit optimistic, but even at a very low value of \$325,000, the investor would have a good 62% loan-to-value. In addition, this particular lot is vital to the management of the development. The 27 of the 29 lots (all between ¼ to ½ acre each) in Phase 1 of the Development have been sold. This Lot 1 will not be for sale. There are another 33 similar lots in Phase 2 that have been pre-sold – waiting for a few more requirements to be completed. Shyrock Motorcoach Community has a nice website (possibly a little dated) – click on “About” and there is a good explanation as well as other links to view lots. <https://www.shyrockmt.com/lots1>

BORROWER’S INFORMATION:

The Borrower is [REDACTED]. The purpose of the loan is to provide additional funds to complete requirements for Phase 2. They will also be making more improvements to the Community. Chris Lane and Shyrock are based out of Lake Havasu, Arizona and have a few other projects in Arizona as well as Nevada. This business model is considered very strong. The lots have a waiting list for interested buyers who don’t usually require any bank financing.

COMMENTS:

We feel this is an excellent real estate loan investment. Given the close location to Missoula, very marketable property, and strong borrows, we feel the investor can be assured a good performing interest-income note. Of course, CFI will track the performance of this loan as well as communicate with the borrowers regarding any possible issues.

NOTE: PLEASE READ CAREFULLY

This summary may be presented to a number of interested investors and is subject to change, prior sale, or withdrawal. **The first bona fide commitment to purchase received by Creative Finance & Investments from a qualified investor will conclude the availability of this investment.**

Any yield as stated in this summary is the yield the investor will receive if payments are made as scheduled. Any variation from the schedule will affect the yield positively or negatively.

Notes and contracts being serviced by an escrow agent may be subject to the escrow agent's service charges outside the control of Creative Finance and may affect the yield positively or negatively.

All information was obtained from sources believed to be reliable and is available upon request. Statements made are from an analysis of this data. CFI cannot guarantee property value or the performance of the Payor. **We encourage review by competent legal and professional counsel. This investment is in no way guaranteed by Creative Finance & Investments.** Past experience with Creative Finance should not influence your evaluation of this investment. It should stand on its own merit.

Prior to investing in a note or contract, carefully consider your personal investment objectives and the risks inherent in private money lending. These risks include but are not limited to: illiquidity due to the unique nature of a note, general downward market stresses, slower return of capital due to a borrower's subsequent bankruptcy.

INVESTOR ACKNOWLEDGMENT AND AGREEMENT TO PURCHASE:

DATED THIS ____ DAY OF FEBRUARY, 2024.
