

CREATIVE FINANCE & INVESTMENTS, LLC

1821 South Ave., W., Suite 407

Missoula, MT 59801

406-721-1444

██████████ (Victor MT) - Loan

INVESTMENT: \$205,000

ANNUAL YIELD: 11%

DETAILS:

The investor will be making a direct loan to ██, secured by their residential investment property soon to be under construction in Victor, Montana. The investor will be in first position, with no junior liens showing at this time. Current as-is market value is approximately \$275,000.

LOAN INFORMATION:

Loan Date	when available
Loan Amount	\$205,000
Annual interest rate charged to Borrower	12%
Annual interest rate to Lender	11%
Monthly interest-only payment	\$2,050
Net approximate Monthly payment to investor	\$1,879
Final Payment (due in 3 years)	\$207,050
Loan Term	24 months
Payment due date	1 st due 3 months after closing

Note will be escrowed at Insured Titles of Missoula. Of the 12% paid by borrower, the investor will capture interest at the rate of 11% and CFI captures interest at the rate of 1%. The investor is assured a minimum of four months of interest. CFI Contract Maintenance tracks the monthly payments, taxes & insurance, and may obtain an annual drive-by inspection, as well as communicates with the borrower.

CASH FLOW (estimated):

23 Monthly payments of approximate \$1,879.17	\$ 43,221
Estimated final payment	<u>206,879</u>
ESTIMATED TOTAL RETURN (rounded)	<u>\$250,100</u>

SECURITY INFORMATION:

The property securing this loan is a buildable 5-acre parcel at 1671 Jordan Way, Victor, MT (Ravalli County), a few miles west of Victor just off of Bear Creek Road. This is adjacent to their other parcel at 1655 Jordan Way, Victor, which is

a home under construction and will soon be listed for sale. When that home sells (approximately \$900,000), they will commence their construction on the subject parcel with their sale proceeds. Improvements on the secured property are septic for a 4-bedroom home, foundation excavation, waterline to house side, electric to house side and road improvement. They purchased this lot for \$250,000 before those improvements in March 2022. We requested an opinion of value from Craig Siphers of Exit Realty Bitterroot Valley. Craig has provided prior valuations for us – and was very familiar with these parcels. He suggested a value of \$275,000.00, which was a little lower than expected, but we feel that is very reasonable. Craig stated the prices of properties are at or a little above last year's market. Although we rarely go to 75% Loan-to-Value, we feel the investor is very well secured and can assume an increase in value when they commence construction on this parcel. Further, we have had very good history with these borrowers (see below). The Borrowers are emphatic that they could sell this parcel, as is, at \$300,000 or above. This is not a construction loan, but their building plans are very similar to another prior project at 569 Timber Trail, Stevensville.

BORROWER'S INFORMATION:

The Borrowers are [REDACTED] of Stevensville, Montana and previously of Cut Bank, Montana. The purpose of this loan is to pay off their land note. The original purchase price was \$250,000 and they paid \$50,000 cash down. They have family in the area and have been involved in a few ventures, including remodel and construction. [REDACTED] is an experienced contractor and we have found him to be a thoughtful and honest businessperson with clear plans. This office has arranged for two prior loans with the Borrowers, and each have been paid as agreed, and paid in full when those properties sold.

COMMENTS:

We feel this is an excellent real estate loan investment. The market in the Bitterroot continues to be very strong. Given the strength of the borrowers and prior projects, and CFI's continued tracking of the note performance, we feel the investor is well secured.

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 guaranty 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 MARCH, 2024.

[REDACTED] (Victor Mt)-loan.sum - 3/2024