

CREATIVE FINANCE & INVESTMENTS, LLC

1821 South Ave., W., Suite 407

Missoula, MT 59801

406-721-1444

LOAN SUMMARY

XXXXXXXXXX - Loan

INVESTMENT: \$650,000

ANNUAL YIELD: 11%

DETAILS:

The investor will be making a direct loan to **XXXXXXXXXXXXXXXXXXXX**, secured by his Airbnb home in West Glacier MT. The investor will be in first and only lien position, with no junior liens showing at this time. Current market value is approximately \$1,000,000.

LOAN INFORMATION:

Loan Date	when available
Loan Amount	\$650,000
Annual interest rate charged to Borrower	12%
Net yield to investor	11%
Monthly (interest-only) payment	\$6,500
Net approximate monthly payment to investor	\$5,958
Final Payment (due in 2 years)	\$656,500
Loan Term	24 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 will obtain an annual drive-by inspection, as well as communicates with the borrower regarding any issues.

CASH FLOW (estimated):

23 monthly payments of approximate \$5,958.33	\$ 137,042
Estimated final payment	<u>655,958</u>
ESTIMATED TOTAL RETURN (rounded)	<u>\$793,000</u>

SECURITY INFORMATION:

The property securing this loan is a home located at 120 Breezy Bay Dr., West Glacier MT (in the Lake Five area) on 7 acres. The home is 4 bedrooms, 3 full baths, 1,152 sq foot first floor, 1,152 full finished basement. This has a couple of

large sheds and a deck and a carport. The property is in good condition, with new furnace and carpet – it could use some cosmetic upgrade. We received an older appraisal from Dan Conklin of Rocky Mountain Appraisals in Whitefish. That sales approach market value came in at \$1,125,000. We then had Dave Fetveit of PureWest Realty review that appraisal and give us his knowledgeable opinion. He suggested the market has softened a bit, but still a good demand. There is very low inventory in the West Glacier area. He suggested a value between \$950,000 to \$1,050,000. He also stated that when the market improves, this type of property will “lead the charge.” We feel a \$1,000,000 valuation is very realistic, giving the investor a comfortable 65% loan-to-value. The borrower does plan on building two small rental cabins on the property in the future and increase the Airbnb income.

BORROWER’S INFORMATION:

The Borrower is [REDACTED] of Alaska and Montana. [REDACTED] is Captain on large fishing boats in the Alaska / Seattle areas. The purpose of the loan is to pay off existing debt. He had a business conflict with a family member a few years back concerning other real estate which resulted in a threat of suit. He was advised to file a Ch 7 bankruptcy, which was unnecessary and as he stated, a poor strategy. After a couple of years, he is finally resolving these issues. He converted to a Ch 13 (reorganization) All debt in the Ch 13 as well as an existing conventional loan will be paid in full. The investor will be in first and only lien. [REDACTED] has an annual income in the \$100,000 range and had good credit.

COMMENTS:

We feel this is an excellent real estate loan investment. Given the very marketability of the property, accessibility to Glacier National Park, and CFI’s continued monitoring of the loan performance, we feel the investor can be assured a good interest income loan.

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 DECEMBER 2023.
