

CREATIVE FINANCE & INVESTMENTS, LLC

1821 South Ave., W., Suite 407

Missoula, MT 59801

406-721-1444

██████████ - Loan

INVESTMENT: \$635,000

ANNUAL YIELD: 8%

DETAILS:

The investor will be making a direct loan to ██████████ and ██████████ secured by their rentals in Billings, Montana. The investor will be in first lien position. Current market value is approximately \$1,000,000.

LOAN INFORMATION:

Loan Date	when available
Loan Amount	\$635,000
Annual interest rate charged to Borrower	9%
Monthly interest-only payment paid by Borrower	\$4,762
Net approximate monthly payment to investor	\$4,233
Final Payment (due in 3 years)	\$639,762
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 9% paid by borrower, the investor will capture interest at the rate of 8% and CFI captures interest at the rate of 1%. CFI Contract Maintenance will control one-half of net proceeds as a construction draw escrow, as well as tracks the monthly payments, taxes & insurance, and obtains an annual drive-by price opinion, as well as communicates with the borrower regarding any issues. Investor assured a minimum of four months interest.

CASH FLOW (estimated):

35 monthly payments of approximate \$4,233.33	\$ 148,167
Estimated final payment	<u>639,233</u>

ESTIMATED TOTAL RETURN (rounded) \$787,400

SECURITY INFORMATION:

The properties securing this loan are located at 202 – 210 North 18th St., Billings. There is a small corner market with attached apartment; a 4-plex (1 bedroom, 1bath each), a small alley house with alley parking and finally a studio house. They are also finishing up a coin-op laundry area. The borrower had purchased these last year in very poor condition. They have done excellent work, inside and out. The Borrower suggests an income-approach value of \$1.2M. We feel a

conservative market value when complete is certainly \$1,000,000, giving the investor a comfortable 64% loan-to-value. The demand for decent rentals in Billings is very strong and supply is low. The small commercial/apartment property is on one legal parcel and the remaining 4-plex, studio house plus alley house are all on another adjacent parcel. Either parcel could be sold separately.

Rents are as follows:

202 & 204 N. 18th - corner store with apartment is occupied at \$1,800/month
206 N. 18th - 4-plex. Apartment #1 rents at \$895/month. #2 still under remodel,
#3 rents at \$925/month and #4 is still under remodel.

208 N. 18th small studio house rents at \$595/month

210 N. 18th small alley house rents at \$850/month

Coin Op Laundry still under completion and waiting for equipment delivery (paid)

BORROWER'S INFORMATION:

The Borrowers are [REDACTED], managing Member, of Billings, Montana and his wife, [REDACTED] are licensed real estate agents with eXp Real Estate in Billings. They have been in the business of buying properties, fixing up and either holding or selling for a few decades. Three years ago, this office had arranged for a good loan-to-value fixer upper loan on Terry Avenue in Billings. That was paid as agreed and they did nice work. That loan went about 6 months longer than anticipated – which our investor was glad for. [REDACTED] runs her own on-line web business and has done so for a few decades also. We have found them (as well as their adult son who works with [REDACTED]) to be very professional. [REDACTED] credit score is about 800, which is excellent.

COMMENTS:

We feel this is an excellent real estate loan investment. The investor can be assured CFI will communicate with the borrowers regarding any possible issues and track the remaining progress over the next few months.

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, 2022.
