

Denver Market  
2020-2021

	Single Family House two of these	Duplex two of these	Holly Street Townhomes	Monaco Street Townhomes	Total	% of Revenue
Revenue	\$ 6,000,000	\$ 6,600,000	\$ 8,100,000	\$ 16,740,000	\$ 37,440,000	100%
Cost	\$ 5,017,160	\$ 5,511,460	\$ 6,811,625	\$ 14,234,140	\$ 31,574,385	84.33%
Profit before Interest	\$ 982,840	\$ 1,088,540	\$ 1,288,375	\$ 2,505,860	\$ 5,865,615	15.67%
Interest	\$ 235,000	\$ 430,079	\$ 520,116	\$ 1,056,182	\$ 2,241,376	5.99%
Net to the Co-Own Company	\$ 747,840	\$ 658,462	\$ 768,259	\$ 1,449,679	\$ 3,624,239	9.68%

						% of Costs
Cost:						
Pre-Development	\$ 190,000	\$ 190,000	\$ 225,000	\$ 215,000	\$ 820,000	2.60%
Fees	\$ 165,000	\$ 165,000	\$ 221,500	\$ 221,500	\$ 773,000	2.45%
Marketing and Sales	\$ 156,000	\$ 177,000	\$ 216,000	\$ 442,800	\$ 991,800	3.14%
Land	\$ 1,212,000	\$ 1,616,000	\$ 2,222,000	\$ 2,020,000	\$ 7,070,000	22.39%
Permits	\$ 110,000	\$ 110,000	\$ 125,000	\$ 275,000	\$ 620,000	1.96%
Building	\$ 2,822,000	\$ 2,891,300	\$ 3,349,425	\$ 10,287,100	\$ 19,349,825	61.28%
Financing	\$ 218,160	\$ 218,160	\$ 272,700	\$ 391,140	\$ 1,100,160	3.48%
Working Capital Reserves	\$ 144,000	\$ 144,000	\$ 180,000	\$ 381,600	\$ 849,600	2.69%
Sub Total of Costs	\$ 5,017,160	\$ 5,511,460	\$ 6,811,625	\$ 14,234,140	\$ 31,574,385	100%

						% of Costs
Equity	\$ 1,417,160	\$ 1,911,460	\$ 2,311,625	\$ 4,694,140	\$ 10,334,385	32.73%
Debt	\$ 3,600,000	\$ 3,600,000	\$ 4,500,000	\$ 9,540,000	\$ 21,240,000	67.27%
	\$ 5,017,160	\$ 5,511,460	\$ 6,811,625	\$ 14,234,140	\$ 31,574,385	100.00%

						% Return
Cost of Equity (15 months)	\$ 235,000	\$ 430,079	\$ 520,116	\$ 1,056,182	\$ 2,241,376	21.69%
Cost of Debt (including fees) (1 year)	\$ 218,160	\$ 218,160	\$ 272,700	\$ 391,140	\$ 1,100,160	5.18%

Sources and Uses

Sources of Cash	Grand House x2	Duplex x2	Holly	Monaco	Total	% of Costs
Borrower Equity	\$ 1,417,160	\$ 1,911,460	\$ 2,311,625	\$ 4,694,140	\$ 10,334,385	32.73%
FHA 213 Insured Mortgage	\$ 3,600,000	\$ 3,600,000	\$ 4,500,000	\$ 9,540,000	\$ 21,240,000	67.27%
	\$ 5,017,160	\$ 5,511,460	\$ 6,811,625	\$ 14,234,140	\$ 31,574,385	100.00%

Uses of Cash

Total Development Cost	\$ 4,873,160	\$ 5,511,460	\$ 6,631,625	\$ 13,852,540	\$ 30,868,785
Working Capital Reserves	\$ 144,000	\$ 144,000	\$ 180,000	\$ 381,600	\$ 849,600
	\$ 5,017,160	\$ 5,655,460	\$ 6,811,625	\$ 14,234,140	\$ 31,718,385



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**Timeline for Denver 2020-2021**

	2020 Pre Development	Jan-21 Month	Feb-21 Month	Mar-21 Month	Apr-21 Month	May-21 Month	Jun-21 Month	Jul-21 Month	Aug-21 Month	Sep-21 Month	Oct-21 Month	Nov-21 Month	Dec-21 Month	Dec-21 Finished / Closings
<b>Revenue</b>														\$ 16,200,000
<b>Cost</b>														
<b>Profit before Interest</b>														\$ 5,865,615
<b>Interest on Equity</b>														\$ 2,241,376
<b>Net to the Co-Own Company</b>														\$ 3,624,239
<b>Pre-Development</b>	\$ 820,000													
<b>Fees</b>	\$ 773,000													
<b>Marketing and Sales</b>	\$ 374,400	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 243,000
<b>Land</b>	\$ 7,070,000													
<b>Permits</b>	\$ 100,000	\$ 520,000												
<b>Building</b>	\$ 80,000	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	\$ 1,605,819	
<b>Financing</b>	\$ 1,100,160													
<b>Working Capital Reserves</b>														\$ 849,600
<b>Monthly costs</b>	\$ 10,317,560	\$ 2,157,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 6,715,215
<b>Cumulative</b>	\$ 10,317,560	\$ 12,474,579	\$ 14,111,598	\$ 15,748,616	\$ 17,385,635	\$ 19,022,654	\$ 20,659,673	\$ 22,296,691	\$ 23,933,710	\$ 25,570,729	\$ 27,207,748	\$ 28,844,766	\$ 30,481,785	\$ 37,440,000
<b>Equity in</b>	\$ 10,334,385													
<b>Debt in</b>		\$ 2,140,194	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,637,019	\$ 1,092,600
<b>Debt total</b>		\$ 2,140,194	\$ 3,777,213	\$ 5,414,231	\$ 7,051,250	\$ 8,688,269	\$ 10,325,288	\$ 11,962,306	\$ 13,599,325	\$ 15,236,344	\$ 16,873,363	\$ 18,510,381	\$ 20,147,400	\$ 21,240,000

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**Single Family House**

Single family house development, 4 2 bed/1 bath suites, 2 1 bed/1 bath suites  
\$.6M site, 50' x 125' site with alley

				WEFUNDER "GO TO MARKET" \$1M RAISE first \$200,000	WEFUNDER "GO TO MARKET" \$1M RAISE remaining \$800,000
<b>Pre-Development</b>				<b>\$ 200,000</b>	<b>\$ 800,000</b>
Civil Engineer			\$ 25,000		
Architectural Fees			\$ 15,000 x2		
Interior Design Fee			\$ 10,000		
Geotech Engineer			\$ 10,000		
Environmental Phase I/Phase II			\$ 5,000		
Mechanical Engineer			\$ 10,000 x2		
Structural Engineer			\$ 10,000 x2		
Landscape Architect			\$ 5,000		
Code Expeditor			\$ 5,000		
			<b>\$ 95,000</b>	<b>\$ 95,000</b>	<b>\$ -</b>
<b>Fees</b>					
Appraisal / Market Study			\$ 5,000	\$ 5,000	\$ -
Insurance			\$ 20,000	\$ -	\$ 20,000
Property Taxes			\$ 2,500	\$ 2,500	\$ -
Legal			\$ 10,000	\$ 10,000	\$ -
Organizational			\$ 25,000	\$ 20,000	\$ 5,000
Title, Recording and Survey			\$ 15,000	\$ -	\$ -
Cost Certification Fees			\$ 5,000	\$ -	\$ -
			<b>\$ 82,500</b>	<b>\$ 37,500</b>	<b>\$ 25,000</b>
<b>Marketing and Sales</b>					
Advertising / Displays (1% of revenue)		1.00%	\$ 30,000		
Sales Staff (1% of revenue)		1.00%	\$ 30,000		
Broker co-op fees (3% of share price)	50% of sales	3.00%	\$ 18,000		
			<b>\$ 78,000</b>	<b>\$ 28,100</b>	<b>\$ 820</b>
<b>Land</b>					
Land			\$ 600,000		
Land closing			\$ 6,000		
			<b>\$ 606,000</b>	<b>\$ 10,000</b>	<b>\$ 596,000</b>
<b>Permits</b>					
Tap Fees			\$ 50,000		
Building Permits			\$ 5,000		
			<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ 55,000</b>
<b>Building</b>					
Building Cost	8000	\$ 150	\$ 1,200,000		
GC Fee	10%		\$ 120,000		
Contingency	5%		\$ 66,000		
FF and E			\$ 25,000		
			<b>\$ 1,411,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Financing - Construction and Blanket Loan</b>					
Construction / Blanket Loan Amount	\$ 1,800,000				
Loan to Value / Replacement Cost	60%				
FHA Mortgage Insurance Premium		1.40%	\$ 25,200		\$ 25,200
FHA Exam Fee (Application Fee 0.3%)		0.30%	\$ 5,400	\$ 5,400	\$ -
FHA Inspection Fee (0.5%)		0.50%	\$ 9,000	\$ 9,000	\$ -
Financing + Processing Fees		1.11%	\$ 19,980		\$ 19,980
Placement Fees		1.00%	\$ 18,000		\$ 18,000
Construction Loan Interest		3.50%	\$ 31,500		
			<b>\$ 109,080</b>	<b>\$ 14,400</b>	<b>\$ 63,180</b>
<b>Working Capital Reserves</b>	4% of blanket loan	4%	<b>\$ 72,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Sub Total of Costs</b>			<b>\$ 2,508,580</b>		
<b>Share Sales</b>					
	\$ 600,000	4	<b>\$ 2,400,000</b>		
	\$ 300,000	2	<b>\$ 600,000</b>		
			<b>\$ 3,000,000</b>	\$ 375	
Blanket Loan			<b>\$ 1,800,000</b>		
Share Loans			<b>\$ 1,200,000</b>		
Shares	10				
2 Bedroom Units	4		<b>\$ 240,000</b>	each	
1 Bedroom Units	2		<b>\$ 120,000</b>	each	
<b>Profit before Interest on Investor Equity</b>			<b>\$ 491,420</b>		
<b>Interest</b>					
		annual interest:			
Wefunder "Go To Market" Raise	\$ 1,000,000	8%	\$ 80,000		
Wefunder Fee		7.5%	\$ 75,000	\$ 15,000	\$ 60,000
			<b>\$ 155,000</b>		
<b>Net to the Co-Own Company</b>			<b>\$ 336,420</b>	11.21% \$ 200,000	<b>\$ 800,000</b>

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**Single Family House Shares Sample 5 Year Hold**

Single family house development, 4 2 bed/1 bath suites, 2 1 bed/1 bath suites  
 \$.6M site, 50' x 125' site with alley

Per Share	2 Bedroom		Monthly		1 Bedroom		Monthly	
Blanket Loan	\$	1,800,000						
Blanket Loan 3.5% + 0.7%, 40 year amortization	\$	4,3046	per thousand					
4.20%	\$	7,748	10	\$	1,550		\$	775
Share Loan	\$	240,000			\$	120,000		
Downpayment	\$	24,000	10%	plus closing costs	\$	12,000	10%	plus closing costs
Share Loan 3.25%, 30 year amortization	\$	216,000	\$	4.3521	\$	108,000	\$	4.3521
				\$	940		\$	470
<b>Carrying Charge</b>								
Co-Op Coordination Fee	\$	5,000						
Other Administration	\$	2,000						
Lighting and Power	\$	1,000						
Water and Sewer	\$	5,000						
Payroll	\$	5,000						
Repairs	\$	5,000						
Insurance	\$	2,500						
Real Estate Taxes	\$	10,000						
Other Expenses	\$	2,000						
Replacement Reserves	\$	2,500						
General Operating Reserves	\$	4,000						
	\$	<b>44,000</b>		\$	733		\$	367
				\$	3,223		\$	1,612
<b>After 5 years</b>								
Blanket Loan Balance		\$	1,701,703					
Paid Down		\$	98,297					
Paid Down per Share		\$	9,830					
2 Bedroom - 2 Shares		\$	19,659			1 Bedroom - 1 Share	\$	9,830
<b>Appreciation</b>								
FHFA House Price Index for Zip Code xxxxx		Average since 2000	4.5%					
Original Share		\$	240,000		\$	120,000		
Projected 5 Year value		\$	299,084		\$	149,542		
Share Loan Balance		\$	192,485		\$	96,242		
Gain		\$	106,599		\$	53,300		
Projected Share Price (Gain+Paid Down)		\$	318,743		\$	159,372		
Gain		\$	106,599		\$	53,300		
Paid Down		\$	19,659		\$	9,830		
Original Downpayment		\$	(24,000)		\$	(12,000)		
		\$	102,258		\$	51,130		
Projected Costs of Living 60 months	\$	3,223	\$	193,383	\$	1,612	\$	96,691
Less Projected Gain at Sale After 5 years			\$	(102,258)			\$	(51,130)
			\$	91,125			\$	45,562
Net Projected Cost per Month			\$	<b>1,519</b>			\$	<b>759</b>

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**Duplex**

Duplex house development, 1 2 bed/2 bath, 4 2 bed/1 bath suites, 1 1 bed/1 bath suite  
 \$.8M site, 50' x 125' site with alley

**Pre-Development**

Civil Engineer		\$	25,000	
Architectural Fees		\$	15,000	x2
Interior Design Fee		\$	10,000	
Geotech Engineer		\$	10,000	
Environmental Phase I/Phase II		\$	5,000	
Mechanical Engineer		\$	10,000	x2
Structural Engineer		\$	10,000	x2
Landscape Architect		\$	5,000	
Code Expeditor		\$	5,000	
		<b>\$</b>	<b>95,000</b>	

**Fees**

Appraisal / Market Study		\$	5,000	
Insurance		\$	20,000	
Property Taxes		\$	2,500	
Legal		\$	10,000	
Organizational		\$	25,000	
Title, Recording and Survey		\$	15,000	
Cost Certification Fees		\$	5,000	
		<b>\$</b>	<b>82,500</b>	

**Marketing and Sales**

Advertising / Displays (1% of revenue)		1.00%	\$	33,000	
Sales Staff (1% of revenue)		1.00%	\$	33,000	
Broker co-op fees (3% of share price)	50% of sales	3.00%	\$	22,500	
			<b>\$</b>	<b>88,500</b>	

**Land**

Land		\$	800,000	
Land closing		\$	8,000	
		<b>\$</b>	<b>808,000</b>	

**Permits**

Tap Fees		\$	50,000	
Building Permits		\$	5,000	
		<b>\$</b>	<b>55,000</b>	

**Building**

Building Cost	8200	\$	150	\$	1,230,000	
GC Fee	10%			\$	123,000	
Contingency	5%			\$	67,650	
FF and E				\$	25,000	
				<b>\$</b>	<b>1,445,650</b>	

**Financing - Construction and Blanket Loan**

Construction / Blanket Loan Amount	\$	1,800,000				
Loan to Value / Replacement Cost		55%				
FHA Mortgage Insurance Premium			1.40%	\$	25,200	
FHA Exam Fee (Application Fee 0.3%)			0.30%	\$	5,400	
FHA Inspection Fee (0.5%)			0.50%	\$	9,000	
Financing + Processing Fees			1.11%	\$	19,980	
Placement Fees			1.00%	\$	18,000	
Construction Loan Interest			3.50%	\$	31,500	
				<b>\$</b>	<b>109,080</b>	

**Working Capital Reserves**

	4% of blanket loan		4%	<b>\$</b>	<b>72,000</b>	
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**Sub Total of Costs**

				<b>\$</b>	<b>2,755,730</b>	
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**Share Sales**

	\$	550,000	6	<b>\$</b>	<b>3,300,000</b>	
				<b>\$</b>	<b>3,300,000</b>	\$ 402

## Blanket Loan

Blanket Loan **\$ 1,800,000**

Share Loans **\$ 1,500,000**

Shares 6 **\$ 250,000** each

**Profit before Interest on Investor Equity**

**\$ 544,270**

**Equity Required and Interest on Equity (15 months)**

**\$ 955,730** annual interest: **18%** **\$ 215,039**  
 Percent of Total of Costs 34.68%

**Net to the Co-Own Company**

**\$ 329,231** 9.98%

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**Duplex Shares Sample 5 Year Hold**

Duplex house development, 1 2 bed/2 bath, 4 2 bed/1 bath suites, 1 1 bed/1 bath suite  
 \$.8M site, 50' x 125' site with alley

<b>Per Share</b>	<b>2 Bedroom</b>		<b>Monthly</b>
Blanket Loan	\$	1,800,000	
Blanket Loan 3.5% + 0.7%, 40 year amortization	\$	4.3046 per thousand	
4.20%	\$	7,748      6	\$ 1,291
Share Loan	\$	250,000	
Downpayment	\$	25,000      10%	plus closing costs
Share Loan 3.25%, 30 year amortization	\$	225,000      \$ 4.3521	\$ 979
<b>Carrying Charge</b>			
Co-Op Coordination Fee	\$	5,000	
Other Administration	\$	2,000	
Lighting and Power	\$	1,000	
Water and Sewer	\$	5,000	
Payroll	\$	5,000	
Repairs	\$	5,000	
Insurance	\$	2,500	
Real Estate Taxes	\$	10,000	
Other Expenses	\$	2,000	
Replacement Reserves	\$	2,500	
General Operating Reserves	\$	4,000	
	<b>\$</b>	<b>44,000</b>	<b>\$ 1,222</b>
			<b>\$ 3,493</b>
<b>After 5 years</b>			
Blanket Loan Balance		\$ 1,630,170	
Paid Down		\$ 169,830	
Paid Down per Share		\$ 28,305	
Appreciation			
FHFA House Price Index for Zip Code xxxxx	Average since 2000	4.5%	
Original Share		\$ 250,000	
Projected 5 Year value		\$ 311,545	
Share Loan Balance		\$ 200,505	
Gain		\$ 111,040	
Projected Share Price (Gain+Paid Down)		\$ 339,850	
Gain		\$ 111,040	
Paid Down		\$ 28,305	
Original Downpayment		\$ (25,000)	
		<u>\$ 114,345</u>	
Projected Costs of Living 60 months	\$	3,493	\$ 209,569
Less Projected Gain at Sale After 5 years			<u>\$ (114,345)</u>
			<u>\$ 95,224</u>
Net Projected Cost per Month			<b>\$ 1,587</b>

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**Holly**

6 townhouses, each 4 bd/4 bth, 24 bed/bath suites total  
 \$2.2M site, 100' x 125' with alley

<b>Pre-Development</b>			
Civil Engineer			\$ 25,000
Architectural Fees			\$ 100,000
Interior Design Fee			\$ 10,000
Geotech Engineer			\$ 10,000
Environmental Phase I/Phase II			\$ 10,000
Mechanical Engineer			\$ 30,000
Structural Engineer			\$ 25,000
Landscape Architect			\$ 5,000
Code Expeditor			\$ 10,000
			<b>\$ 225,000</b>
<b>Fees</b>			
Appraisal / Market Study			\$ 10,000
Insurance			\$ 40,000
Property Taxes			\$ 15,000
Legal			\$ 25,000
Organizational			\$ 97,500
Title, Recording and Survey			\$ 24,000
Cost Certification Fee			\$ 10,000
			<b>\$ 221,500</b>
<b>Marketing and Sales</b>			
Advertising / Displays (1% of revenue)		1.00%	\$ 81,000
Sales Staff (1% of revenue)		1.00%	\$ 81,000
Broker co-op fees (3% of share price)	50% of sales	3.00%	\$ 54,000
			<b>\$ 216,000</b>
<b>Land</b>			
Land			\$ 2,200,000
Land closing			\$ 22,000
			<b>\$ 2,222,000</b>
<b>Permits</b>			
Tap Fees			\$ 100,000
Building Permits			\$ 25,000
			<b>\$ 125,000</b>
<b>Building</b>			
Building Cost	16200	\$ 175	\$ 2,835,000
GC Fee	10%		\$ 283,500
Contingency	5%		\$ 155,925
FF and E			\$ 75,000
			<b>\$ 3,349,425</b>
<b>Financing - Construction and Blanket Loan</b>			
Construction / Blanket Loan Amount	\$ 4,500,000		
Loan to Value / Replacement Cost	56%		
FHA Mortgage Insurance Premium		1.40%	\$ 63,000
FHA Exam Fee (Application Fee 0.3%)		0.30%	\$ 13,500
FHA Inspection Fee (0.5%)		0.50%	\$ 22,500
Financing + Processing Fees		1.11%	\$ 49,950
Placement Fees		1.00%	\$ 45,000
Construction Loan Interest		3.50%	\$ 78,750
			<b>\$ 272,700</b>
<b>Working Capital Reserves</b>	4% of blanket loan	4%	<b>\$ 180,000</b>
<b>Sub Total of Costs</b>			<b>\$ 6,811,625</b>
<b>Share Sales</b>			
Per Townhouse	\$ 1,350,000	6	<b>\$ 8,100,000</b> \$ 500
Blanket Loan	\$ 4,500,000		
Shares Total	\$ 3,600,000		
Shares	24		
Per Share	\$ 150,000		
<b>Profit before Interest on Investor Equity</b>			<b>\$ 1,288,375</b>
<b>Equity Required and Interest on Equity (15 months)</b>	\$ 2,311,625	annual interest: 18%	<b>\$ 520,116</b>
Percent of Total of Costs	33.94%		
<b>Net to the Co-Own Company</b>			<b>\$ 768,259 9.48%</b>

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**Holly Shares Sample 5 Year Hold**

6 townhouses, each 4 bd/4 bth, 24 bed/bath suites total  
 \$2.2M site, 100' x 125' with alley

**Per Share**

Blanket Loan	\$	4,500,000			
Blanket Loan 3.5% + 0.7%, 40 year amortization	\$	4.3046	per thousand		
4.20%	\$	19,371	24	\$	807
Share Loan	\$	150,000			
Downpayment	\$	15,000	10%	plus closing costs	
Share Loan 3.25%, 30 year amortization	\$	135,000	\$	4.3521	\$ 588

**Monthly****Carrying Charge**

Co-Op Coordination Fee	\$	12,000			
Other Administration	\$	12,000			
Lighting and Power	\$	2,000			
Water and Sewer	\$	10,000			
Payroll	\$	15,000			
Repairs	\$	15,000			
Insurance	\$	12,000			
Real Estate Taxes	\$	40,000			
Replacement Reserves	\$	21,600			
General Operating Reserves	\$	11,902			
Operating Expenses	\$	<b>151,502</b>		\$	526
				\$	1,921

**After 5 years**

Blanket Loan Balance	\$	4,254,258
Paid Down	\$	245,742
Paid Down per Share	\$	10,239

**Appreciation**

Federal Home Price Index for Zip Code 80246	Average since 2000	4.935%
Original Share	\$	150,000
Projected 5 Year value	\$	190,850
Share Loan Balance	\$	120,303
Gain	\$	70,547

Projected Share Price (Gain+Paid Down) \$ 201,090

Gain	\$	70,547
Paid Down	\$	10,239
Original Downpayment	\$	(15,000)
	\$	<u>65,787</u>

Projected Costs of Living 60 months	\$	1,921	\$	115,242
Less Projected Gain at Sale After 5 years			\$	<u>(65,787)</u>
			\$	49,455

**Net Projected Cost per Month \$ 824**

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**Monaco**

18 townhouses, 4 bed/4bth each, 72 bed/bath suites  
 \$2.0M site, 300' x 133' corner lot

**Pre-Development**

Civil Engineer		\$	25,000
Architectural Fees		\$	100,000
Interior Design Fee		\$	10,000
Geotech Engineer		\$	10,000
Environmental Phase I/Phase II		\$	10,000
Mechanical Engineer		\$	20,000
Structural Engineer		\$	20,000
Landscape Architect		\$	10,000
Code Expeditor		\$	10,000
		\$	<b>215,000</b>

**Fees**

Appraisal / Market Study		\$	10,000
Insurance		\$	40,000
Property Taxes		\$	15,000
Legal		\$	25,000
Organizational		\$	97,500
Title, Recording and Survey		\$	24,000
Cost Certification Fees		\$	10,000
		\$	<b>221,500</b>

**Marketing and Sales**

Advertising / Displays (1% of revenue)		1.00%	\$	167,400
Sales Staff (1% of revenue)		1.00%	\$	167,400
Broker co-op fees (3% of share price)	50% of sales	3.00%	\$	108,000
			\$	<b>442,800</b>

**Land**

Land		\$	2,000,000
Land closing		\$	20,000
		\$	<b>2,020,000</b>

**Permits**

Tap Fees		\$	200,000
Building Permits		\$	75,000
		\$	<b>275,000</b>

**Building**

Building Cost	50400	\$	175	\$	8,820,000
GC Fee	10%			\$	882,000
Contingency	5%			\$	485,100
FF and E				\$	100,000
				\$	<b>10,287,100</b>

**Financing - Construction and Blanket Loan**

Construction / Blanket Loan Amount	\$	9,540,000		
Loan to Value / Replacement Cost		57%		
FHA Mortgage Insurance Premium		1.40%	\$	133,560
FHA Exam Fee (Application Fee 0.3%)		0.30%	\$	28,620
FHA Inspection Fee (0.5%)		0.50%	\$	47,700
Financing + Processing Fees		1.05%	\$	100,170
Placement Fees		1.00%	\$	47,700
Construction Loan Interest		3.50%	\$	166,950
			\$	<b>391,140</b>

**Working Capital Reserves**

	4% of blanket loan	4%	\$	<b>381,600</b>
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**Sub Total of Costs**

				<b>\$ 14,234,140</b>
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**Share Sales**

Per Townhouse	\$	930,000	18	<b>\$ 16,740,000</b>	\$	332
Blanket Loan	\$	9,540,000				
Share Loans	\$	7,200,000				
Shares		72				
Per Share	\$	100,000				

**Profit before Interest on Investor Equity**

				\$	<b>2,505,860</b>
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**Equity Required and Interest on Equity (15 months)**

	\$	<b>4,694,140</b>	annual interest:	<b>18%</b>	\$	<b>1,056,182</b>
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Percent of Total of Costs		33%				
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**Net to the Co-Own Company**

				\$	<b>1,449,679</b>	8.66%
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All of the financial projections contained here represent the best estimates of management. They are of course not guaranteed in any way whatsoever.

**Monaco Shares Sample 5 Year Hold**

18 townhouses, 4 bed/4bth each, 72 bed/bath suites

\$2.0M site, 300' x 133' corner lot

**Per Share**

				<b>Monthly</b>
Blanket Loan	\$	9,540,000		
Blanket Loan 3.5% + 0.7%, 40 year amortization	\$	4.3046	per thousand	
4.20%	\$	41,066	72	\$ 570
Share Loan	\$	100,000		
Downpayment	\$	10,000	10%	plus closing co
Share Loan 3.25%, 30 year amortization	\$	90,000	\$ 4.3521	\$ 392

**Carrying Charge**

Co-Op Coordination Fee	\$	30,000		
Other Administration	\$	15,000		
Lighting and Power	\$	5,000		
Water and Sewer	\$	30,000		
Payroll	\$	50,000		
Repairs	\$	50,000		
Insurance	\$	25,000		
Real Estate Taxes	\$	90,000		
Other Expenses	\$	2,000		
Replacement Reserves	\$	21,600		
General Operating Reserves	\$	25,855		
Operating Expenses	\$	<b>344,455</b>		\$ 399
				\$ 1,361

**After 5 years**

Blanket Loan Balance	\$	9,019,027	
Paid Down	\$	520,973	
Paid Down per Share	\$	7,236	

**Appreciation**

FHFA House Price Index for Zip Code 80224	Average since 2000	4.5%	
Original Share	\$	100,000	
Projected 5 Year value	\$	124,618	
Share Loan Balance	\$	80,202	
Gain	\$	44,416	

Projected Share Price (Gain+Paid Down)	\$	131,854	
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Gain	\$	44,416	
Paid Down	\$	7,236	
Original Downpayment	\$	(10,000)	
	\$	<u>41,652</u>	

Projected Costs of Living 60 months	\$	1,361	\$ 81,643
Less Projected Gain at Sale After 5 years			<u>\$ (41,652)</u>
			\$ 39,991
Net Projected Cost per Month			<b>\$ 667</b>

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