

Westhighlands Amenity Financing Scenarios

| | | |
|-----------------------------------|-------------|--------------|
| # of Sales Per Month | 4 | 4 |
| Total Initiation Fee | \$ 1,250.00 | \$ 1,250.00 |
| Amenity Portion of Initiation Fee | \$ 1,250.00 | \$ 575.00 ** |
| General Expenses Annual Inflation | 3% | 10% |

General Information

| | | |
|---------------------------------|-------------------|-------------------|
| Start Date | 12/1/2016 | 12/1/2016 |
| End Date | 12/1/2027 | 12/1/2027 |
| Max Bank Debt | \$ (1,400,000.00) | \$ (1,400,000.00) |
| Maximum Bank Interest (monthly) | \$ (8,166.67) | \$ (8,166.67) |
| Total Interest Paid | \$ 258,283.08 | \$ 274,713.25 |
| Loan Origination Date | 10/1/2017 | 10/1/2017 |
| Debt Free Date | 8/1/2022 | 10/1/2022 |
| Amenity Phase 1 Completion | 7/1/2018 | 7/1/2018 |
| Amenity Phase 2 Completion | 12/1/2025 | 12/1/2025 |
| Min. Cash on Hand (monthly) | \$ 96,714.41 | \$ 76,764.21 |
| | | |
| HOA Accounts on 12/1/2027 | \$ 1,997,717.34 | \$ 889,449.28 |
| General Account on 12/1/2027 | \$ 675,172.81 | \$ 253,280.81 |
| Reserves on 12/1/2027 | \$ 1,322,544.53 | \$ 636,168.47 |
| | | |
| Min. Reserves | \$ 60,000.00 | \$ 60,000.00 |

Time Line

Feb-2017 Special Assesment of \$400.00 per home for Amenity equity invetsment (down payment)

Mar-2017 HOA will apply for loan with Brock as guarantor.

Brock advancement and New Home Sales will Contribute 356,250 for equity Investment

HOA will contribute 243,750 for equity investment. (\$400 Assessment and Increase in Annual dues)

Total of 600K Equity Investment

Oct-2017 Once 600K has been spent, bank will fund the 1.4M loan and first draw will be made

The Monthly loan interest is added to our general operating expenses

All monies received from the closing table and the Amenity portion of annual HOA dues will be used to pay the note. The amount paid to the note will be drawn to payback BB for the equity investment he advanced.

Nov-2018 If expenses go up by 3% BB will be paid in full

Feb-2019 If expenses go up by 10% BB will be paid in full

After BB is fully reimbursed, proceeds allocated for the Amenity will be used to pay principal

Jun-2025 Last new home sold and HOA control turned over to homeowners.

We are hoping to have the 2nd Amenity package fully funded by 2025.

NOTES:

Cost per month per house for amenity Package - \$48.00

The total initiation fee of \$1,250.00 per home will be attributed to the Amenity package.

**Once Brock is made whole, this can be reduced if needed for General Operations

Brock will contribute \$708,750 for the amenity package. \$1,750 X 405 homes.

The projected budget for the pool is \$1.7M with a 300K Contingency. Grand Total \$2M.

WE WILL NOT SPEND A PENNY MORE.

Once the neighborhood agrees to move forward, we can scale back to bring costs down if desired.

This is our only opportunity to accept the \$5M land grant from AHA. This land includes not only the areas for the proposed pool/clubhouse amenity, but also easement areas that can in the future include ball fields, a dog park and community garden as well as park areas such as Hemen E. Perry park. Owning these lands will allow us to better secure the common areas in the community that are currently owned by AHA.