

Champion 28x52 3/2, Trinity RH4523C (destination PPI EV It 11)

(approximate home costs & lease-option structure)

Cost of Home

Home-only Cost

Base Price	\$33,934
Options, surcharge, dues, fees, misc.	\$6,521
Freight (Atlanta area estimate)	\$3,910

Total Home-only Cost (delivered) \$44,365

On-Site Costs

Setup - permit, block, level, tie-down, remove hitch	\$3,450
Electrical hookup - permit, wire, labor	\$850
Water hookup - permit, material, labor	\$400
Sewer hookup - material, labor	\$300
Decks - front & back, material, labor	
Front (steps only)	\$200
Rear deck - 4x6	\$500
A/C	\$1,850
Skirting	\$1,000
Landscaping	\$500
Miscellaneous, contingencies (5% of total)	\$2,671

Subtotal - On-Site costs \$11,721

Overhead Costs

Carrying cost to sell (interest, tax, & insurance, 6 mos.)	\$2,563
Sales commission	\$1,000

Subtotal - Overhead Costs \$3,563

Total Cost of Home, Options, On-site Costs, & Overhead \$59,649



Acquisition Financing

Loan-to-Value (LTV)	75.0%
Portion of Cost Paid by Pentagon Properties, Inc.	\$14,912
Portion of Cost Financed by American Commerce Bank	
Amount	\$44,737
Cost of funds (fixed for 3-5 yrs.)	7.0% /yr.
Term	13.0 yrs.

Total Monthly Payment \$438



Selling the Home

Sales Price of Home

Gross profit	\$0
Sales Price	\$59,649

Lease-Option Terms of Sale

Option Payment (downpayment)	\$4,000
Amount "financed"	\$55,649
Default allowance	3.0% /yr.
Term	14 yrs.

Lease period 13 yrs.

Monthly L-O pmt. (est. cost of funds + 3.0%) + sales tax \$617

When Option Is Exercised to Buy Home (after 13 yr. lease)

Option Price (approx. FMV, includes Option Payment)	\$10,600
Financing term (year)	1 yr.
Interest rate	0.0% /yr.
Monthly payment	\$550



For information about this transaction:

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