

Riverbirch 16x76 3/2, 1801 (destination PPI EV It 38)
(approximate home costs & lease-option structure)

Cost of Home	
Home-only Cost	
Base Price	\$23,545
Options, surcharge, dues, fees, misc.	\$3,405
Freight (Atlanta area estimate)	\$1,824
Total Home-only Cost (delivered)	\$28,774
On-Site Costs	
Setup - permit, block, level, tie-down, remove hitch	\$1,950
Electrical hookup - permit, wire, labor	\$850
Water hookup - permit, material, labor	\$400
Sewer hookup - material, labor	\$300
Decks - front & back, material, labor	
Front - 8x10	\$950
Rear deck - 4x6	\$500
A/C	\$1,850
Skirting	\$1,000
Landscaping	\$500
Miscellaneous, contingencies (5% of total)	\$1,854
Subtotal - On-Site costs	\$10,154
Overhead Costs	
Carrying cost to sell (interest, tax, & insurance, 6 mos.)	\$1,962
Sales commission	\$1,000
Subtotal - Overhead Costs	\$2,962
Total Cost of Home, Options, On-site Costs, & Overhead	\$41,890



Acquisition Financing	
Loan-to-Value (LTV)	75.0%
Portion of Cost Paid by Pentagon Properties, Inc.	\$10,473
Portion of Cost Financed by American Commerce Bank	
Amount	\$31,418
Cost of funds (fixed for 3-5 yrs.)	7.0% /yr.
Term	12.0 yrs.
Total Monthly Payment	\$323



Selling the Home	
Sales Price of Home	
Gross profit	\$0
Sales Price	\$41,890
Lease-Option Terms of Sale	
Option Payment (downpayment)	\$3,500
Amount "financed"	\$38,390
Default allowance	3.0% /yr.
Term	13 yrs.
Lease period	12 yrs.
Monthly L-O pmt. (est. cost of funds + 3.0%) + sales tax	\$441
When Option Is Exercised to Buy Home (after 12 yr. lease)	
Option Price (approx. FMV, includes Option Payment)	\$8,300
Financing term (year)	1 yr.
Interest rate	0.0% /yr.
Monthly payment	\$400



For information about this transaction:

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