

LX Financial LLC

Investment Summary

Our file #	9788428
Date of issue:	27-Sep-18

Investment type:	Mortgage loan with profit share bonus.
Purpose:	Purchase, rehab, and resale of a 3-family property Location: NJ 07017
Return on investment:	1% per month, plus 5% bonus paid at exit.
Developers/Investors	4th project, second funded by us.
Security:	First mortgage and note.
Additional security:	Deed In Lieu Of Foreclosure, allowing immediate transfer of the deed in case of default
Investment:	\$192,000
Partial investment	Possible. Take all, or part in pari-passu.
Funding:	65% of Appraised Resale Value
Est. project time	6-12 months
Major risk factor	Execution risks, unknown risks. Project could take longer than expected.
Exit:	Resale. (See "Profitability & Exit Options" below)
Note:	The developers believe the resale price will be \$320-340K.

PROJECT DETAILS	
Type of property	3-fam
Purchase price/current value	110,000
Project cost (excl. interest and profit shares)	106,171
Contingency (10%)	9,000
Budget	225,171
Investment	192,000
Appraised Resale Value	295,000
Funding as % of Budget	85%
Funding as % of Appraised Resale Value	65%
Estimated project time (months)	9
Rent collected (months)	4
Cash flow (Net rental income covers our payments)	
Monthly rental value	4,100
Tax, insurance, maintenance	-1,241
Net monthly rental income	2,859

PROFITABILITY & EXIT OPTIONS		
	Resale	Refinance
Price/value	295,000	295,000
Rental income, est.	16,400	16,400
Sales cost	-17,700	
Mortgage payouts	-232,320	-232,320
Dev. Investment	-33,171	-33,171
Refinance cost		-5,808
Developer return	28,209	40,101
Investor returns	34,560	34,560
Rental Income		4,100
Tax, insurance, exp.		-1,241
Net rental income		2,859
Est. mtg pmt		-1,258
Monthly cash flow		1,600

INVESTMENT STRUCTURE AND PROJECTED RETURN				
		Months	Return \$	Return %
		0	9,600	
Investment as a % of Budget	85%	1	11,520	72.0%
Investment as a % of Appraised Resale Value	65%	2	13,440	42.0%
Profit share bonus paid at exit, %	5.00%	3	15,360	32.0%
Monthly interest, %	1.00%	4	17,280	27.0%
		5	19,200	24.0%
Total Investment	192,000	6	21,120	22.0%
Profit share bonus paid at exit	9,600	7	23,040	20.6%
First 6 monthly payments paid at exit	8,640	8	24,960	19.5%
Monthly payments, months 7-12	8,640	9	26,880	18.7%
		10	28,800	18.0%
		11	30,720	17.5%
		12	32,640	17.0%

Timing is important. Please let me know right away if you are interested. The information file will be ready shortly. Thanks, PL

Paul Luykx
 paul@lxfinancial.com
 www.lxfinancial.com