



RENOVO BLUEPRINT

CAPITAL LLC

This Renovo Blueprint is intended to help evaluate the profitability of projects with the different loan option from Renovo Capital, LLC is willing to offer. The figures, with the exception of the loan terms, are estimates and the accuracy is neither warranted nor guaranteed; we encourage you to conduct your own economic analysis.

Borrower: Rashad Kennedy
Project Address: 1807 7th Street E, St. Paul, MN 55119

Terms for Renovo Loan Options

Desired Loan Option			<u>RK</u> RK
Loan to ARV at Origination	55%	60%	65%
Origination Fee	2.0%	2.0%	2.0%
Interest Rate	9.00%	10.00%	12.00%
Sale Price/ ARV	260,000	260,000	260,000
Loan to ARV at Origination	55%	60%	65%
Total Loan	166,000	179,000	192,000
<i>Improvement Loan</i> ¹	<i>Advance: 111,967</i>	<i>Advance: 111,967</i>	<i>Advance: 111,967</i>
<i>Purchase Loan</i>	<i>54,000</i>	<i>67,000</i>	<i>80,000</i>
Purchase Price	81,000	81,000	81,000
Origination Fee ⁶	3,320	3,580	3,840
Closing Costs	2,548	2,618	2,688
Purchase Loan	(54,000)	(67,000)	(80,000)
Cash To Close	32,868	20,198	7,528
Sale Price/ ARV	260,000	260,000	260,000
Selling Costs ²	(17,416)	(17,416)	(17,416)
Purchase+Improvement Costs	(191,000)	(191,000)	(191,000)
Holding and Purchase Costs	(5,715)	(5,785)	(5,855)
Renovo Financing Costs ³	(11,404)	(13,436)	(16,715)
Estimated Profit	34,466	32,363	29,013
<i>Margin as % of Sale Price</i>	<i>13%</i>	<i>12%</i>	<i>11%</i>

Project Assumptions

Beds: 3	Purchase Price	\$	81,000
Baths: 1	Purchase Costs	\$	2,688
Garage: 2	Improvements ⁴	\$	110,000
Finished Sq. Ft.: 1,196	Holding Costs, Taxes, Insurance ⁵	\$	3,167
Project/Loan Term: 8 months	Total Project Costs	\$	196,855

¹ Includes \$100,000 for improvements, \$10,000 for contingency, \$1,213 for insurance, and \$754 for property taxes

² Selling Costs include 6.0% realtor commissions, \$318 contribution to buyer's closing costs, and \$1,498 for closing costs

³ This is an estimate; your actual costs will differ based on the timing of draws and the payoff

⁴ Costs will vary with loan amount as MRT and lender's title insurance are based on loan amount

⁵ Holding costs include \$1,200 for utilities and yard care, plus non-improvement costs noted in #1 above

Other Terms

Thank you for applying with Renovo Capital, LLC. We have given your financing request careful consideration and are willing to extend credit under the above scenarios based on the information provided. This document is intended as an outline only and does not summarize all provisions contained in our loan documents; in the event of a conflict the loan documents will govern.

We do not make loans on owner-occupied residences nor do we guarantee the lowest rates or the best terms available from Renovo Capital, LLC or otherwise available. These are short-term loans and must be repaid by the Due Date. We are proceeding based on your assurance that you can sell this property, have the ability to obtain take-out financing, or pay off the loan by other means prior to the Due Date.

Guarantee:	We require a guarantee from the principal share holders, members, and general managers.						
Collateral:	First Mortgage on 1807 7th Street E, St. Paul, Minnesota 55119. Junior Lien on 287 Avon St N, Saint Paul, MN 55104. Junior Lien on 607 Beaumont St, Saint Paul, MN 55130. The Junior Liens aforementioned on Avon and Beaumont will be released after a payment of \$23,000 plus accrued interest and fees to the date of release is made. Encumbrances other than those not approved by Renovo Capital, LLC in writing will create an event of default.						
Construction/ Payoff Schedule:	Based on the proposed project, the following timeframes will be in the Construction Loan Agreement: <table><tr><td>Pulled Permit Deadline:</td><td>28 days from Closing</td></tr><tr><td>Scheduled Completion Date:</td><td>168 days from Closing</td></tr><tr><td>Executed Sale Agreement:</td><td>210 days from Closing</td></tr></table>	Pulled Permit Deadline:	28 days from Closing	Scheduled Completion Date:	168 days from Closing	Executed Sale Agreement:	210 days from Closing
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Scheduled Completion Date:	168 days from Closing						
Executed Sale Agreement:	210 days from Closing						
Improvement Draws:	If the cash to close for your loan option is greater than \$35,000, funds will be advanced as requested provided percentages of completion align with the percentage of funds disbursed. If the cash to close is less than \$35,000 for the loan option you select, draws will be reimbursement or payments after work included in each draw request is completed. Your sworn construction statement and inspections will be the basis for these calculations.						
Down Payment:	1. The down payment will be financed with a subordinate mortgage recorded against the Property, or; 2. The down payment will be your money and no subordinate financing will be recorded against the Property.						
Extensions:	Up to two extensions of 3 months each will be granted for a payment of 1.0% of the total loan amount. In addition, monthly interest-only payments will be required after the original due date.						
Other:	1. Work cannot start on the Property prior to the mortgage being recorded and receiving confirmation of such from your closer. 2. All pending and levied special assessments must be paid, or escrowed for, at closing. 3. Renovo reserves the right to inspect the Property during normal business hours without notice. 4. You attest the property will not be occupied at the time this loan is originated and will notify us in writing if anyone intends to occupy the property during the term of the loan.						

Please indicate the loan option you intend to pursue by selecting your desired loan option on the prior page and signing below.

These Terms shall be effective until the end of business on July 7, 2022

Rahad Kennedy
Rahad Kennedy (May 23, 2022 10:31 AM)

Its: _____

We look forward to a mutually beneficial working relationship and appreciate this opportunity to be of service.


Sincerely,
Renovo Capital, LLC



NMLS# 1003959

Notice

The FEDERAL EQUAL CREDIT OPPORTUNITY ACT prohibits creditors from discriminating against credit applicants on the basis of Race, Color, Religion, National Origin, Sex, Marital Status, Age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency which administers compliance with this law concerning this creditor is the Federal Trade Commission, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580



RENOVO CAPITAL, LLC IS NOT ACTING AS YOUR AGENT IN CONNECTION WITH OBTAINING A RESIDENTIAL MORTGAGE LOAN. WHILE WE SEEK TO ASSIST YOU IN MEETING YOUR FINANCIAL NEEDS, WE CANNOT GUARANTEE THE LOWEST OR BEST TERMS AVAILABLE IN THE MARKET.