

Mountain Skies Equestrian Retreat Center Cost Assumptions

Number	Item	Units/Notes	Value
1	Build Cost Habitation/sq ft.		\$98.00
2	Build Cost Barn/Sheds/sq ft		\$28.00
3	Build Cost Food Service/sq ft		\$98.00
4	Build Cost Porch Area		\$20.00
5	Fencing/lin ft		\$8.00
6	Fence Panels		\$350.00
7	Well Dig/per foot		\$35.00
8	Uncovered Arena sq ft		\$0.50
9	Coverall Arena sq ft		\$4.50
10	Horses ea		\$5,000.00
11	Tack ea		\$1,600.00
12	Average Foal Sale Price		\$2,000.00
13	Total Loan Amount		\$3,500,000.00
14	Interest		20.00%
15	Number of Periods		360.00
16	Riding Lesson Group	per person	\$25.00
17	Riding Lesson Time	hours	2.00
18	Riding Lesson Group Size		10
19	Riding Lesson Private	per hour	\$35.00
20	Riding Lesson Refreshment Cost	per session	\$25.00
21	Trail Rides	per person 4 hours	\$100.00
22	Trail Ride Time	hours	4.00
23	Trail Ride Refreshment Cost	per person	5.00
24	Hay Rides	per person	\$50.00
25	Hay Ride Average		10.00
26	Hay Ride Staff Cost		\$15.00
27	Hay Ride Staff Number	cook,server,entertainer	3
28	Hay Ride Time	hours	4.00
29	Hay Ride Meal Cost		\$10.00
30	Equine Training Staff Cost	per hour	\$25.00
31	General Employee Cost	per hour	\$12.00
32	Ranch hand Time Per Horse	per hour/per horse/per day	0.25
33	Boarding	per horse/per month	\$450.00
34	Feed Cost per Horse	per week	\$40.00
35	Vet. Cost per Horse	per week	\$15.00
36	Ferrier Cost per Horse	per week	\$10.00
37	Training Cost per Horse	per week	\$50.00
38	Corp. Center	per day	\$300.00
39	Refreshment Cost per Session		\$50.00
40	Set Up/Clean Up Time	hours	2.00
41	Corp. Center Staff Cost	per hour	\$15.00
42	Facilitation	per day	\$750.00
43	Facilitator Pay per Day		\$100.00

**Mountain Skies Equestrian Retreat Center
Cost Assumptions**

44	Lodging	per person/per day	\$110.00
45	Lodging Cleanup per Room		\$5.00
46	Arena Rental		\$2,000.00
47	Annual Membership Price		\$150.00
48	Dining Charge	per meal	\$10.00
49	Dining Cost		\$4.00
50	Restaurant Help per Meal	2 people	\$4.00
51	Land Cost per Acre		\$21,000.00
52	Land Total Cost		\$2,100,000.00
53	Number of Acres		100
54	Down Payment		\$0.00
55	Number of Periods		360
56	Cost per 4-acre Improvement		\$15,000.00
57	First Year Sale Price Per Lot		\$265,000.00
58	Second Year Sale Price Per Lot		\$295,000.00
59	Third Year Sale Price Per Lot		\$315,000.00
60	Unimproved Land Value per Acre		\$5,250.00
61	4 Acre Parcel Value Unimproved		\$84,000.00

Mountain Skies Equestrian Retreat Center Property Value Analysis

Market Value Increases	Very Low	Low	Average	High
Equity Increase at Completion	10.00%	20.00%	30.00%	40.00%
Annual Valuation Increase	5.00%	10.00%	15.00%	20.00%

Build + Land Value **2,961,800.00**

Appreciated Value				
At Completion	3,257,980.00	3,554,160.00	3,850,340.00	4,146,520.00
Year 1	3,477,427.00	3,969,608.00	4,491,943.00	5,044,432.00
Year 2	3,680,732.85	4,397,816.80	5,199,074.95	6,089,030.40
Year 3	4,041,692.99	5,025,422.48	6,179,337.69	7,521,492.48

Value Over Build				
At Completion	296,180.00	592,360.00	888,540.00	1,184,720.00
Year 1	515,627.00	1,007,808.00	1,530,143.00	2,082,632.00
Year 2	718,932.85	1,436,016.80	2,237,274.95	3,127,230.40
Year 3	1,079,892.99	2,063,622.48	3,217,537.69	4,559,692.48

Value Over Original Loan				
At Completion	(242,020.00)	54,160.00	350,340.00	646,520.00
Year 1	(22,573.00)	469,608.00	991,943.00	1,544,432.00
Year 2	180,732.85	897,816.80	1,699,074.95	2,589,030.40
Year 3	541,692.99	1,525,422.48	2,679,337.69	4,021,492.48

Value Over/Under Payoff					
At Completion	3,500,000.00	(242,020.00)	54,160.00	350,340.00	646,520.00
Year 1 Payoff	3,497,994.93	(20,567.93)	471,613.07	993,948.07	1,546,437.07
Year 2 Payoff	3,495,549.97	185,182.88	902,266.83	1,703,524.98	2,593,480.43
Year 3 Payoff	3,492,568.60	549,124.39	1,532,853.88	2,686,769.09	4,028,923.88

Value Over/Under Hard Money 65%					
At Completion	3,500,000.00	(1,382,313.00)	(1,189,796.00)	(997,279.00)	(804,762.00)
Year 1 Payoff	3,497,994.93	(1,237,667.38)	(917,749.73)	(578,231.98)	(219,114.13)
Year 2 Payoff	3,495,549.97	(1,103,073.62)	(636,969.05)	(116,151.25)	462,319.79
Year 3 Payoff	3,492,568.60	(865,468.16)	(226,043.99)	524,000.90	1,396,401.51

Value Over/Under Commercial 80%					
At Completion	3,500,000.00	(893,616.00)	(656,672.00)	(419,728.00)	(182,784.00)
Year 1 Payoff	3,497,994.93	(716,053.33)	(322,308.53)	95,559.47	537,550.67
Year 2 Payoff	3,495,549.97	(550,963.69)	22,703.47	663,709.99	1,375,674.35
Year 3 Payoff	3,492,568.60	(259,214.21)	527,769.38	1,450,901.55	2,524,625.38

Mountain Skies Equestrian Retreat Center ROI Analysis

Investment overview	
Project name:	Mountain Skies Development Project
Project sponsor:	TBD
Date of request:	1/1/08

Cash flow and ROI statement				
BENEFIT DRIVERS	YEAR			
	0	1	2	3
Interest Payments		\$699,823	\$699,383	\$698,846
Balloon Payment				\$3,492,569
1st Year Interest Payment				700,000
Total annual benefits		\$699,823	\$699,383	\$4,891,415

Costs	Year 0	Year 1	Year 2	Year 3
Total	\$3,500,000	\$0	\$0	\$0

Benefits	Year 0	Year 1	Year 2	Year 3
Annual benefit flow	(\$3,500,000)	\$699,823	\$699,383	\$4,891,415
Cumulative benefit flow	(3,500,000)	(2,800,177)	(2,100,794)	2,790,621

Initial investment	Year 0	Year 1	Year 2	Year 3
Initial investment	\$3,500,000	\$0	\$0	\$0
Implementation costs	0	0	0	0
Ongoing support costs	0	0	0	0
Training costs	0	0	0	0
Other costs	0	0	0	0
Total costs	\$3,500,000	\$0	\$0	\$0

ROI measures				
Net present value	\$2,790,621			
Return on investment		20%	40%	180%

Mountain Skies Equestrian Retreat Center Amortization Schedule

Operations Funding Amortization

Amount Financed	\$1,400,000.00				A.P.R.	20.00%
Periods per Year	12				Residual	
No. of Periods	360				Payment	\$23,394.26
Mo. #	Mo.Pmt	Int. Pd.	Prin/Pd	Prin/Bal.	Prin. Paid	Int. Paid
				\$1,400,000.00		
1	\$23,394.26	\$23,333.33	\$60.93	\$1,399,939.07	\$60.93	\$23,333.33
2	\$23,394.26	\$23,332.32	\$61.94	\$1,399,877.13	\$122.87	\$46,665.65
3	\$23,394.26	\$23,331.29	\$62.98	\$1,399,814.15	\$185.85	\$69,996.94
4	\$23,394.26	\$23,330.24	\$64.03	\$1,399,750.13	\$249.87	\$93,327.17
5	\$23,394.26	\$23,329.17	\$65.09	\$1,399,685.03	\$314.97	\$116,656.34
6	\$23,394.26	\$23,328.08	\$66.18	\$1,399,618.86	\$381.14	\$139,984.43
7	\$23,394.26	\$23,326.98	\$67.28	\$1,399,551.57	\$448.43	\$163,311.41
8	\$23,394.26	\$23,325.86	\$68.40	\$1,399,483.17	\$516.83	\$186,637.27
9	\$23,394.26	\$23,324.72	\$69.54	\$1,399,413.63	\$586.37	\$209,961.99
10	\$23,394.26	\$23,323.56	\$70.70	\$1,399,342.93	\$657.07	\$233,285.55
11	\$23,394.26	\$23,322.38	\$71.88	\$1,399,271.05	\$728.95	\$256,607.93
12	\$23,394.26	\$23,321.18	\$73.08	\$1,399,197.97	\$802.03	\$279,929.11
13	\$23,394.26	\$23,319.97	\$74.30	\$1,399,123.68	\$876.32	\$303,249.08
14	\$23,394.26	\$23,318.73	\$75.53	\$1,399,048.14	\$951.86	\$326,567.81
15	\$23,394.26	\$23,317.47	\$76.79	\$1,398,971.35	\$1,028.65	\$349,885.28
16	\$23,394.26	\$23,316.19	\$78.07	\$1,398,893.28	\$1,106.72	\$373,201.46
17	\$23,394.26	\$23,314.89	\$79.37	\$1,398,813.91	\$1,186.09	\$396,516.35
18	\$23,394.26	\$23,313.57	\$80.70	\$1,398,733.21	\$1,266.79	\$419,829.92
19	\$23,394.26	\$23,312.22	\$82.04	\$1,398,651.17	\$1,348.83	\$443,142.14
20	\$23,394.26	\$23,310.85	\$83.41	\$1,398,567.76	\$1,432.24	\$466,452.99
21	\$23,394.26	\$23,309.46	\$84.80	\$1,398,482.96	\$1,517.04	\$489,762.45
22	\$23,394.26	\$23,308.05	\$86.21	\$1,398,396.75	\$1,603.25	\$513,070.50
23	\$23,394.26	\$23,306.61	\$87.65	\$1,398,309.10	\$1,690.90	\$536,377.11
24	\$23,394.26	\$23,305.15	\$89.11	\$1,398,219.99	\$1,780.01	\$559,682.27
25	\$23,394.26	\$23,303.67	\$90.60	\$1,398,129.39	\$1,870.61	\$582,985.93
26	\$23,394.26	\$23,302.16	\$92.11	\$1,398,037.29	\$1,962.71	\$606,288.09
27	\$23,394.26	\$23,300.62	\$93.64	\$1,397,943.65	\$2,056.35	\$629,588.71
28	\$23,394.26	\$23,299.06	\$95.20	\$1,397,848.45	\$2,151.55	\$652,887.77
29	\$23,394.26	\$23,297.47	\$96.79	\$1,397,751.66	\$2,248.34	\$676,185.25
30	\$23,394.26	\$23,295.86	\$98.40	\$1,397,653.26	\$2,346.74	\$699,481.11
31	\$23,394.26	\$23,294.22	\$100.04	\$1,397,553.22	\$2,446.78	\$722,775.33
32	\$23,394.26	\$23,292.55	\$101.71	\$1,397,451.51	\$2,548.49	\$746,067.88
33	\$23,394.26	\$23,290.86	\$103.40	\$1,397,348.11	\$2,651.89	\$769,358.74
34	\$23,394.26	\$23,289.14	\$105.13	\$1,397,242.98	\$2,757.02	\$792,647.88
35	\$23,394.26	\$23,287.38	\$106.88	\$1,397,136.10	\$2,863.90	\$815,935.26
36	\$23,394.26	\$23,285.60	\$108.66	\$1,397,027.44	\$2,972.56	\$839,220.86

Mountain Skies Equestrian Retreat Center Amortization Schedule

Land Amortization						
Amount Financed	2,100,000.00				A.P.R.	20.00%
Periods per Year	12				Residual	
No. of Periods	360				Payment	\$35,091.39
Mo.	Mo.Pmt	Int. Pd.	Prin/Pd	Prin/Bal.	Prin. Paid	Int. Paid
				\$2,100,000.00		
1	\$35,091.39	\$35,000.00	\$91.39	\$2,099,908.61	\$91.39	\$35,000.00
2	\$35,091.39	\$34,998.48	\$92.92	\$2,099,815.69	\$184.31	\$69,998.48
3	\$35,091.39	\$34,996.93	\$94.46	\$2,099,721.23	\$278.77	\$104,995.40
4	\$35,091.39	\$34,995.35	\$96.04	\$2,099,625.19	\$374.81	\$139,990.76
5	\$35,091.39	\$34,993.75	\$97.64	\$2,099,527.55	\$472.45	\$174,984.51
6	\$35,091.39	\$34,992.13	\$99.27	\$2,099,428.28	\$571.72	\$209,976.64
7	\$35,091.39	\$34,990.47	\$100.92	\$2,099,327.36	\$672.64	\$244,967.11
8	\$35,091.39	\$34,988.79	\$102.60	\$2,099,224.76	\$775.24	\$279,955.90
9	\$35,091.39	\$34,987.08	\$104.31	\$2,099,120.45	\$879.55	\$314,942.98
10	\$35,091.39	\$34,985.34	\$106.05	\$2,099,014.39	\$985.61	\$349,928.32
11	\$35,091.39	\$34,983.57	\$107.82	\$2,098,906.58	\$1,093.42	\$384,911.89
12	\$35,091.39	\$34,981.78	\$109.62	\$2,098,796.96	\$1,203.04	\$419,893.67
13	\$35,091.39	\$34,979.95	\$111.44	\$2,098,685.52	\$1,314.48	\$454,873.62
14	\$35,091.39	\$34,978.09	\$113.30	\$2,098,572.22	\$1,427.78	\$489,851.71
15	\$35,091.39	\$34,976.20	\$115.19	\$2,098,457.03	\$1,542.97	\$524,827.91
16	\$35,091.39	\$34,974.28	\$117.11	\$2,098,339.92	\$1,660.08	\$559,802.20
17	\$35,091.39	\$34,972.33	\$119.06	\$2,098,220.86	\$1,779.14	\$594,774.53
18	\$35,091.39	\$34,970.35	\$121.04	\$2,098,099.81	\$1,900.19	\$629,744.88
19	\$35,091.39	\$34,968.33	\$123.06	\$2,097,976.75	\$2,023.25	\$664,713.21
20	\$35,091.39	\$34,966.28	\$125.11	\$2,097,851.64	\$2,148.36	\$699,679.49
21	\$35,091.39	\$34,964.19	\$127.20	\$2,097,724.44	\$2,275.56	\$734,643.68
22	\$35,091.39	\$34,962.07	\$129.32	\$2,097,595.12	\$2,404.88	\$769,605.75
23	\$35,091.39	\$34,959.92	\$131.47	\$2,097,463.65	\$2,536.35	\$804,565.67
24	\$35,091.39	\$34,957.73	\$133.66	\$2,097,329.98	\$2,670.02	\$839,523.40
25	\$35,091.39	\$34,955.50	\$135.89	\$2,097,194.09	\$2,805.91	\$874,478.90
26	\$35,091.39	\$34,953.23	\$138.16	\$2,097,055.93	\$2,944.07	\$909,432.13
27	\$35,091.39	\$34,950.93	\$140.46	\$2,096,915.47	\$3,084.53	\$944,383.07
28	\$35,091.39	\$34,948.59	\$142.80	\$2,096,772.67	\$3,227.33	\$979,331.66
29	\$35,091.39	\$34,946.21	\$145.18	\$2,096,627.49	\$3,372.51	\$1,014,277.87
30	\$35,091.39	\$34,943.79	\$147.60	\$2,096,479.89	\$3,520.11	\$1,049,221.66
31	\$35,091.39	\$34,941.33	\$150.06	\$2,096,329.83	\$3,670.17	\$1,084,162.99
32	\$35,091.39	\$34,938.83	\$152.56	\$2,096,177.27	\$3,822.73	\$1,119,101.82
33	\$35,091.39	\$34,936.29	\$155.10	\$2,096,022.16	\$3,977.84	\$1,154,038.11
34	\$35,091.39	\$34,933.70	\$157.69	\$2,095,864.47	\$4,135.53	\$1,188,971.81
35	\$35,091.39	\$34,931.07	\$160.32	\$2,095,704.15	\$4,295.85	\$1,223,902.89
36	\$35,091.39	\$34,928.40	\$162.99	\$2,095,541.16	\$4,458.84	\$1,258,831.29

Mountain Skies Equestrian Retreat Center Startup Costs

	Number	Unit	Total	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11
Property Improvement														
Land Acquisition	100	acres	\$2,100,000.00											
Land Prep			\$10,000.00			\$10,000.00								
Architectural/Engineering			\$10,000.00			\$5,000.00	\$5,000.00							
License, Permit, & Certs			\$10,000.00				\$10,000.00							
Well Dig - 1000'	700	ft	\$24,500.00					\$10,000.00						
Storage Tank	10000	gal	\$10,000.00					\$10,000.00						
Well House & Pumps	1		\$3,000.00					\$3,000.00						
Solar (if necessary)	1		\$0.00					\$0.00						
Barn Build	3700	sq ft	\$103,600.00			\$51,800.00	\$51,800.00							
Fence Panels Barn Paddocks	50	ea	\$17,500.00											
Fencing 3 Rail Vinyl	3000	lin ft	\$24,000.00			\$24,000.00								
Round Pen 60' Diameter	19	panels	\$6,650.00			\$6,650.00								
Sm. Arena 75x100	7500	sq ft	\$3,750.00					\$3,750.00						
Lg. Coverall Bldg	20000	sq ft	\$90,000.00											
Arena Coolers & Heaters			\$10,000.00											
Bunk House	4200	sq ft	\$411,600.00						\$123,480.00	\$123,480.00	\$123,480.00	\$41,160.00		
Porch Area	3000	sq ft	\$24,000.00						\$7,200.00	\$7,200.00	\$7,200.00	\$2,400.00		
Kitchen Office	3150	sq ft	\$88,200.00						\$26,460.00	\$26,460.00	\$26,460.00	\$8,820.00		
Septic System			\$15,000.00					\$15,000.00						
Horses														
Horses	5	ea	\$25,000.00				\$25,000.00							
Tack	5	sets	\$8,000.00				\$8,000.00							
Feed & Grain			\$6,880.00					860	860	860	860	860	860	860
Corp License & Incorporation			\$1,000.00	\$1,000.00										
Non-Profit License & Incorp.			\$800.00	\$800.00										
Insurance 1st year 250k lib/1 mil bldgs.			\$20,000.00	\$20,000.00										
Advertising			\$5,000.00					\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00		
Association Fees			\$2,000.00	\$2,000.00										
Ranch Equipment														
Backhoe			\$20,000.00	\$20,000.00										
Tractor			\$5,000.00	\$5,000.00										
Tools			\$1,000.00	\$1,000.00										
Wagon & Tack			\$4,000.00									\$4,000.00		
Horse Walker			\$3,800.00				\$3,800.00							
Horse Trailer(s)			\$10,000.00				\$10,000.00							
Bunk House														
Furniture			\$210,983.25									\$210,983.25		
Linens & knick knacks			\$2,000.00									\$2,000.00		
Cleaning Supplies			\$1,000.00											
Salary Project Manager			\$12,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Salary Trainer/Ranch Hand			\$12,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Parelli Certification			\$15,000.00				\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00			
Rest. Equipment														
Equipment			\$20,000.00									\$20,000.00		
Utensils, Dishes, etc.			\$4,000.00									\$4,000.00		
Corporate Center/Office														
Equipment			\$5,000.00									\$5,000.00		
Total			\$3,356,263.25	\$51,800.00	\$2,000.00	\$99,450.00	\$118,600.00	\$48,610.00	\$164,000.00	\$164,000.00	\$164,000.00	\$297,223.25	\$2,860.00	\$2,860.00
Loan Request			\$3,500,000.00											

Mountain Skies Equestrian Retreat Center Startup Costs

Operating Capital Remaining	\$143,736.75
Property Improvement Total	\$2,961,800.00

Item	Qty	Retail	Discount	Total
Twin Beds w/Matress	16	1999	25.00%	\$23,988.00
King Bed w/Matress	2	2999	25.00%	\$4,498.50
20 Room Chairs	20	1159	25.00%	\$17,385.00
20 Sm Dressers	20	1229	25.00%	\$18,435.00
12 Night Stands	12	799	25.00%	\$7,191.00
10 Room Lamps	10	289	25.00%	\$2,167.50
25 Chair Lamps	25	149	25.00%	\$2,793.75
1 Executive Desk	1	1499	25.00%	\$1,124.25
1 Secretarial Desk	1	1199	25.00%	\$899.25
2 Credenzas	2	799	25.00%	\$1,198.50
2 Computer Desks	2	499	25.00%	\$748.50
4 Desk Lamps	4	99	25.00%	\$297.00
4 Bookcases	4	399	25.00%	\$1,197.00
2 Desk Chairs	2	149	25.00%	\$223.50
10 Visitor Chairs	10	369	25.00%	\$2,767.50
3 Conference Tables	3	2029	25.00%	\$4,565.25
30 Conference Chairs	30	369	25.00%	\$8,302.50
30 Paintings	30	349	25.00%	\$7,852.50
10 Round Dining Tables	10	2029	25.00%	\$15,217.50
15 Square Dining Tables (able to mc	15	2029	25.00%	\$22,826.25
100 Dining Chairs	100	369	25.00%	\$27,675.00
10 Living Room Lamps	10	509	25.00%	\$3,817.50
30 Sitting Chairs	30	1159	25.00%	\$26,077.50
20 End Tables	20	649	25.00%	\$9,735.00
Total				\$210,983.25

Construction & Improvement	\$2,961,800
Horses	\$33,000
Equipment	\$72,800
Furnishings	\$213,983
Salaries & Certification	\$39,000
Operating Expenses	\$35,680
Operating Capital	<u>\$143,737</u>