

## Cinnamon Cove Land Purchase Proposal

Dear Cinnamon Cove Friends and Neighbors,

Cinnamon Cove is currently presented with another, and perhaps final, opportunity to purchase three pieces of property directly adjacent to our eastern boundary. Another interested party is in negotiations to purchase and develop this land which makes our expediting process crucial.

All of this property, 8.6 acres located on both sides of Cinnamon Cove Boulevard, is zoned commercial, meaning any type of commercial venture can be developed and/or built on it. In the middle of these three pieces of property is Cinnamon Cove Boulevard which is county owned but maintained by The Master Association. If these three parcels are developed by someone other than Cinnamon Cove, then Cinnamon Cove Boulevard would be used as access, greatly increasing traffic volume. Acquiring this property would ensure ingress/egress to our gate, keep down noise and possible visual clutter.

The possibilities are endless for Cinnamon Cove's future development. Current plans are for the property to remain as it is. That is a discussion for another time.

All public utilities are available, meaning no perc test in need for a septic system.

Please pay close attention to the asking price versus the negotiated price. The average price for similar commercial property in our area is \$7.65 per square foot.

**Final Negotiated Agreement** for 8.6 acres \$1,100,000 = \$2.94/sq ft

**Original Asking Price** for 8.6 acres \$1,829,522 = \$5/ sq ft

**Terms of sale** Contingent upon CC owners approval, financing, appraisal, documentation of drainage issue repair, copy of survey. Inspection period of 90 days after CC owner approval, closing within 30 days after inspections.

**Seller pay** for appraisal, title insurance, taxes prorated, doc stamps & commission to sellers broker.

**Lenders** contacted: **PNC** bank did not offer a good option.

**BB&T** offered 100% financing 10 years at 5.05%, not hold the land as collateral. They will collateralize our accounts receivable, and require we keep our bank account there (it is currently) No prepayment penalties. ¼% loan origination fee, and document prep fees and taxes. (These would total about \$5000 and can be added to financing)

### **Monthly Cost-The Bottom Line**

Loan of \$1,100,000 + \$5000 closing costs over 10 yrs at 5.05% interest

Monthly payment	\$11747.26	Pay one payment of \$1435.06 saving \$395
Tax estimate	1235.58	Mo increase in HOA fee \$1.61
Misc expense	<u>100.00</u>	Mo increase in HOA fee \$ .13
Estimated Total	\$13082.84:770 units =	<b>\$16.99/month if pay monthly</b>

**This monthly payment totals \$203.89 per year and \$2,038.88 over the 10 year term of the loan for each owner. An option for owners to pay a lump sum of \$1435 will be offered, only increasing our monthly fee \$1.74 to pay for ongoing taxes and misc expense.**