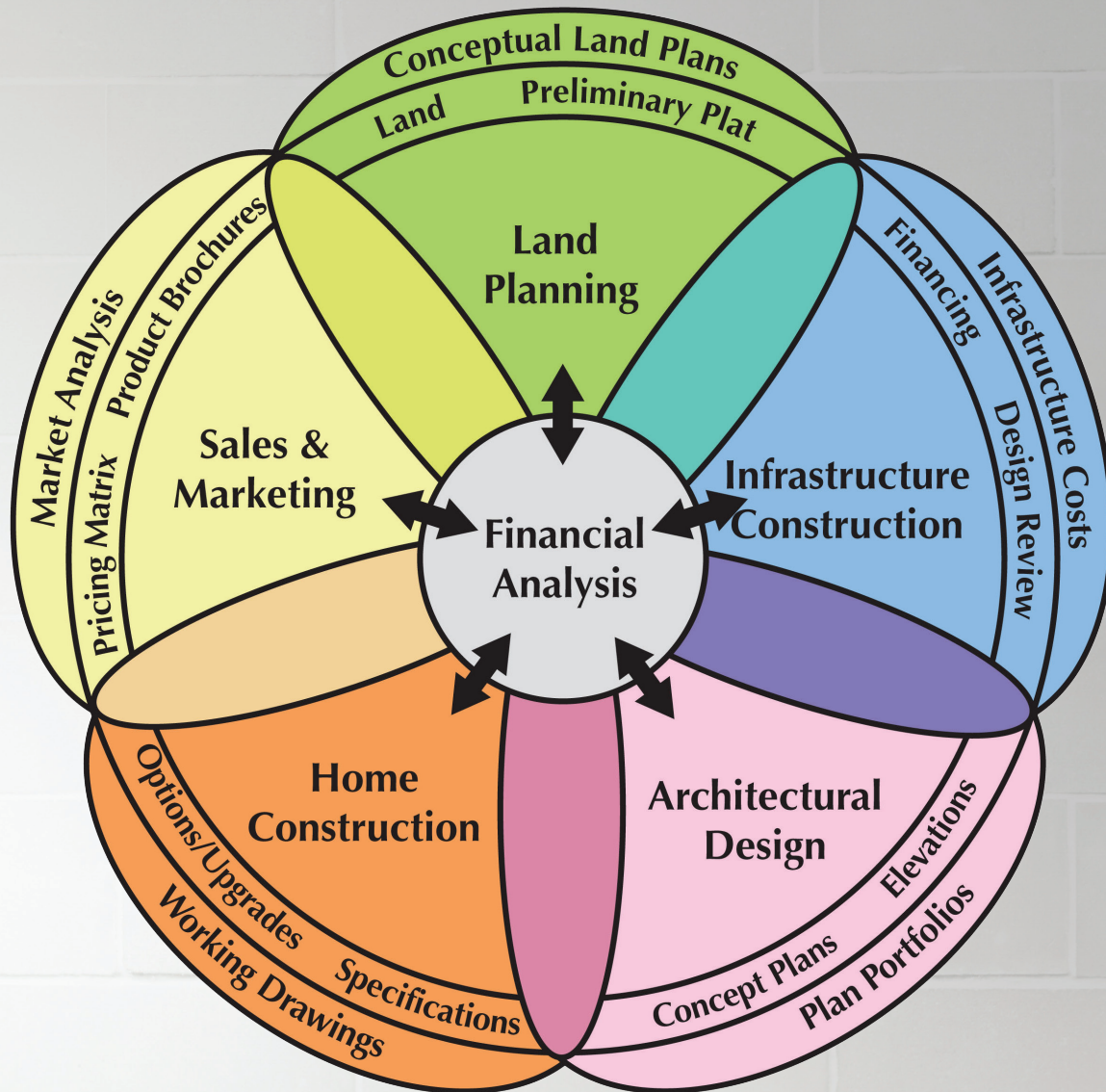


TOTALLY INTEGRATED NEIGHBORHOOD SOLUTIONS



Home Builders Network

Making a difference in the housing industry!

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INTRODUCTION

Due to the complexity of integrating all aspects of developing a successful new residential project, a Totally Integrated Neighborhood Solutions approach is required. There are five major components of the process – Land Planning, Infrastructure Construction, Architectural Design, Home Construction, and Sales and Marketing. Detailed planning and analysis of each component is necessary. This is coupled with the understanding that decisions and results from each individual component affect all other components. The process is iterative in nature. The instrument that integrates the components is Financial Analysis. Profitability of the entire project is the metric that drives decisions within each individual component. Home Builders Network (HBN) has extensive experience working with builders in all component parts of developing successful neighborhoods.

LAND PLANNING

Land Planning consists of land analysis, conceptual land plans, and preliminary plat approval. During the land analysis stage, Home Builders Network reviews zoning and subdivision ordinances and assists in preparing letters of intent and land contracts. The first step in preparing a conceptual land plan is a determination of target land uses and densities. HBN has developed an analytical tool to quickly compare alternate scenarios. Concept plans are shaped by buildable area, open space configurations, lot size requirements, street patterns, and creation of neighborhoods and phasing. HBN works with your local engineer during the preparation and approval of the preliminary plat. During the Land Planning process, a detailed financial analysis is prepared. This is based on the engineer's estimate of costs, land costs, financing alternatives, phasing, and revenue.



INFRASTRUCTURE CONSTRUCTION

During the Infrastructure Construction phase, Home Builders Network works with your engineer to review and comment on the construction drawings. HBN also helps you evaluate competitive bids and negotiate contracts with infrastructure contractors. Obtaining acquisition and development financing is always a challenge. HBN assists in developing supporting documentation for lenders and structuring a financial package which may include outside investors, partnership with the land owner, or a profit sharing scenario.



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ARCHITECTURAL DESIGN

The objective of Architectural Design is to develop a series of plan portfolios that integrate seamlessly with the approved preliminary land plan. Plan portfolios begin as individual home concept plans. Home Builders Network has produced over 500 concept plans, plus the Values That Matter (VTM) collection (70 plans), and maintains a partnership with Royal Oaks Design for over 60 additional plans. Initially, the desired number of plans is determined by product type, square footage, pricing progression, and market analysis. Final portfolios include a blend of HBN plans, existing builder plans, VTM and Royal Oaks plans, and if required, individually created plans designed to fill any voids in the proposed line-up. Multiple elevations, guided by specific architectural styles, complete the portfolio.



HOME CONSTRUCTION

Delivering a fully completed home to a satisfied buyer on-time, on-budget, and with a zero item punch list is the culmination of a successful Totally Integrated Neighborhood Solution. All of Home Builders Networks' clients are exceptional builders. HBN works with them to fine tune their procedures including reviewing working drawings, helping to manage the options/upgrades/selections process, and ensuring that specifications meet market expectations.

SALES AND MARKETING

Sales and Marketing plays a vital interactive role in the integrated solutions approach. Market analysis of competing projects and housing demand guides the Land Planning process and sets parameters for Architectural Design. Sales and pricing strategies, including market based pricing, lot premiums and option/upgrades pricing, drive revenue and profitability.

The market determines the allowable budget for Home and Infrastructure Construction after overhead, soft costs, and profits are accounted for. Home Builders Network assists with the traditional sales functions of realtor sales, model homes and marketing materials, and also coordinates the integration of sales and marketing throughout the entire process.



FINANCIAL ANALYSIS

Financial Analysis is at the core of the Totally Integrated Neighborhood Solutions approach. Financial information from each of the five components must be combined to determine the feasibility and profitability of the entire project. Different levels of analysis are conducted throughout the course of the project, resulting in either an affirmation to continue, or a decision to stop the process. HBN provides the expertise to assist you in making these critical decisions.

ABOUT HOME BUILDERS NETWORK

Home Builders Network provides consulting services to residential building companies across North America. The principals, Al Trellis and Bill Watkins, work directly with building company owners providing a full spectrum of services tailored to the needs of each individual company. HBN's current group of over 50 companies built approximately 3500 homes in 2024, with a total sales revenue of over \$1.9 Billion.

TESTIMONIALS

"Home Builders Network provided a wide range of services for a 304 unit subdivision with five different product types. HBN's financial modeling allowed us to analyze different land use alternatives and make critical go/no go decisions during the due diligence period. Their review of the Wilton, NY subdivision ordinance uncovered an opportunity for us to negotiate a 10% density increase, resulting in \$3 Million of expected additional revenue." - Peter Belmonte, Belmonte Builders, Clifton Park, NY

"Working with Bill and Al has been incredibly productive and profitable. Bill's understanding of land planning and engineering has made interactions with our engineers significantly easier, and resulted in increased density and lower costs. We worked with Al to develop a sophisticated financial model for our most recent project which allowed us to make good financial decisions as we acquired additional parcels for the subdivision." - Matt Moritz, Eddy Homes, Pittsburgh, PA

HBN has also provided Totally Integrated Neighborhood Solutions for:

- Bob Meyer, Bob Meyer Communities, Medford, NJ
- Kevin McNulty, Lifestyle Home Builders, Midlothian, VA
- Mark Wahl, Cobblestone Homes, Freeland, MI
- Stephen Rolston, Land Ark Homes, Westport Ontario

LAND PLANNING FINANCIAL ANALYSIS	Phase 1	Phase 2	Phase 3	Phase 4	Total
	100	87	85	32	304
	7230	3800	6275	5004	22309
Revenue (from Revenue Tab)	\$9,615,000	\$9,795,000	\$10,385,000	\$5,220,000	\$35,015,000
Costs					
Seller Land	\$3,500,000			\$0	\$3,500,000
Owners Land	\$0	\$0	\$1,000,000	\$1,300,000	\$2,300,000
Approvals	\$230,000	\$0	\$0	\$0	\$230,000
Engineering	\$0	\$100,000	\$175,000	\$0	\$275,000
Parks/Recreation Fee @1000 per lot	\$100,000	\$87,000	\$85,000	\$32,000	\$304,000
Stormwater Management 10 Basins	\$8,224	\$7,155	\$6,990	\$2,632	\$25,000
Road Inspection Fee @ \$3/LF	\$21,690	\$11,400	\$18,825	\$15,012	\$66,927
Traffic Mitigation @ \$524 per lot	\$52,400	\$45,588	\$44,540	\$16,768	\$159,296
Traffic Contribution	\$0	\$200,000	\$200,000	\$200,000	\$600,000
WWSA - Sewer @ \$1770/lot	\$177,000	\$153,990	\$150,450	\$56,640	\$538,080
WWSA - Water @ \$3270/lot	\$327,000	\$284,490	\$277,950	\$104,640	\$994,080
Clubhouse & Pool	\$0	\$1,250,000	\$0	\$0	\$1,250,000
Entrance Feature	\$100,000				\$100,000
Offsite - Water/Sewer (Under I-87)	\$334,000	\$290,580	\$283,900	\$106,880	\$1,015,360
Offsite - Water Jones Road	\$0	\$0	\$0	\$0	\$0
Offsite - Sewer Jones Road	\$0	\$0	\$0	\$0	\$0
National Grid Gas	\$876,000				\$876,000
National Grid Electric	\$190,000	\$0	\$0	\$0	\$190,000
General Conditions	\$59,674	\$24,571	\$19,428	\$13,143	\$116,816
Site Clearing	\$322,060	\$234,427	\$185,361	\$125,391	\$867,239
Dewatering	\$149,793	\$0	\$0	\$0	\$149,793
Erosion Control	\$224,022	\$104,144	\$82,347	\$55,705	\$466,218
Earthwork	\$1,329,973	\$515,230	\$407,391	\$275,588	\$2,528,182
Active Pond and Fence	\$532,508	\$0	\$0	\$0	\$532,508
Sanitary	\$435,043	\$320,654	\$253,540	\$171,512	\$1,180,749
Pump Station, Electric, Offsite Forcemain	\$428,035	\$0	\$0	\$0	\$428,035
Water	\$382,493	\$316,440	\$250,208	\$169,258	\$1,118,399
Stormwater, Fence Around Storm Ponds	\$393,812	\$155,004	\$122,562	\$82,909	\$754,287
Site Curb, Paving, Sidewalk, Access Roads	\$1,308,350	\$527,518	\$417,108	\$282,161	\$2,535,137
Top Final Paving		\$0	\$0	\$0	\$0
Pathway	\$95,419	\$106,289	\$84,042	\$56,852	\$342,602
Topsoil, Seeding, Landscaping	\$279,660	\$41,597	\$32,891	\$22,250	\$376,397
Site Lighting	\$64,304	\$10,543	\$8,336	\$5,639	\$88,823
Site Lighting Fixtures		\$0	\$0	\$0	\$0
Mailbox	\$16,533	\$14,201	\$11,229	\$7,596	\$49,559
National Grid	\$153,655	\$133,230	\$105,345	\$71,263	\$463,492
Jones Road Traffic Circle	\$529,497				\$529,497
Miscellaneous	\$200,000	\$100,000	\$100,000	\$100,000	\$500,000
Taxes (from Interest and Taxes tab)	\$247,000	\$198,500	\$143,000	\$63,000	\$651,500
Subtotal Costs	\$13,068,145	\$5,232,550	\$4,465,442	\$3,336,839	\$26,102,976
Our Equity	\$1,000,000	-\$3,617,007	-\$2,293,757	\$1,014,566	\$0
Investor Equity	\$0	\$0	\$0	\$0	\$0
Total Equity	\$1,000,000	-\$3,617,007	-\$2,293,757	\$1,014,566	\$0
Loan Amount	\$12,068,145	\$8,849,558	\$6,759,199	\$2,322,273	\$29,999,175
Loan to Value Ratio	80.34%	68.63%	48.69%	44.49%	
Interest (from Interest & Taxes tab)	\$1,163,863	\$739,199	\$611,235	\$95,794	\$2,610,091
Total Costs (includes Interest & Taxes)	\$14,232,007	\$5,971,750	\$5,076,676	\$3,432,633	\$28,713,066
Available for Distribution	-\$4,617,007	\$3,823,250	\$5,308,324	\$1,787,367	\$6,301,934
Distribute to Investors	\$0	\$0	\$0	\$0	\$0
Distribute to Us	\$0	\$2,500,000	\$2,000,000	\$2,801,934	\$7,301,934
Add to Equity	-\$4,617,007	\$1,323,250	\$3,308,324		-\$1,000,000
Profit					\$6,301,934

For more information about how Home Builders Network can make a difference in the success and profitability of your residential development projects call Al Trellis or Bill Watkins at 301.829.6549