

# Meritage, LLC

## Summary

Located in the Greeley, Colorado area, this project included an 80 acre acquisition along with 60 shares of the Lupton Meadows Ditch Company. The purpose of the investment is to sell the water rights and hold the raw land for investment to be sold at a future date. The water was sold in June of 2007 for \$510,000. The purchase price was \$540,000. The total projected land sale proceeds (net of sale costs) are \$500,000 to be sold in 2008.

## Financial Summary

### Project P&L

The value-add from SWIG's identification and purchase of the property is expected to generate an overall profit of \$500,000. SWIG was effectively able to sell the water assets in 2007 and will sell the 80 acres in 2008 for an estimated \$500,000.

<b>Acquisition and Entitlement</b>	<b>Sales and Profit</b>
\$ 540,000 Land acquisition cost	\$ 510,000 Sale 6/21/2007 - 60 water shares
973 Closing costs	(39,663) Closing Costs
540,973 Total cost	(250,046) Less debt balance and interest
(2,795) Credits	\$ (180,139) Less Equity
(365,000) Debt from third party	\$ 40,152 Sale Proceeds for Distribution
\$ 173,179 Capital invested	500,000 6/1/09 assumed sale of 80 acres
	- Less Cumulative Equity Balance
	\$ 500,000

### Cash Flows and Returns

The project resulted in a total IRR of 41.5% IRR to external investors. The cash flows of the project are summarized below. The project was funded with \$175,000 in equity capital by SWIG and external investors.

	<b>Capital contrib</b>	<b>Loans from members</b>	<b>Other (dist, interest, etc.)</b>	<b>Net (provided) received</b>	<b>Cumulative</b>
8/26/2004	(175,678.55)	-	-	(175,678.55)	(175,678.55)
	(175,678.55)	-	-		(175,678.55)
12/22/2004	(1,910.72)	-	-	(1,910.72)	(177,589.27)
6/1/2007	(2,550.00)	-	-	(2,550.00)	(180,139.27)
6/21/2007	-	-	220,291.14	220,291.14	-
6/1/2009	-	-	500,000.00	500,000.00	500,000.00
	-	-	720,291.14		720,291.14
			<b>IRR</b>	<b>41.50%</b>	