

Rio Rico  
Resort Terrace  
Financing

Innovative Homes Inc. (developer) will be financing the construction phase of the Villas. This will save you paying interest to your lender during this period and will allow you to inspect your finished Villa before close of escrow.

At the time the Developer receives his public report from The Arizona Department of Real Estate (ADRE) Subdivision Department you will be required to convert your lot reservation to a purchase contract. The purchase contract will require 5% of the full purchase price to be placed in escrow as earnest money. Your \$5,000.00 lot reservation fee can be used as part of the earnest money.

We expect approval of the public report within 45 days from this letter.

Prior to going to contract you will need to contact Valerie Berlemann, Assistant Vice President and Home Loan Officer at State National Bank whose information is included with this packet. She will provide you with the necessary pre-qualification status that will be required for your contract and for your loan. Please do this immediately so as not to delay contract completion.

If you are proposing to pay cash for your Villa you will need to provide proof of funds and to place 5% of the gross purchase price into Escrow at time of contract.

All funds will be held in Escrow by Southern Arizona Title Insurance Agency (or another Title Company of your Choice).

Prior to going to contract, you will need to get pre-approval from a lender. You are not required to choose any specific lender, just please do this immediately so there will be no delays in completing the contract.