

KEYHOLE CONNECT | MANUFACTURED HOUSING FINANCE

The Investor's Quick Guide to Keyhole Connect's Park-Centric Program

Keyhole Connect gives manufactured housing community owners a revolving line of credit — essentially a pool of capital they can draw from to grow their community in two very specific ways.

What Is It?

Keyhole Connect gives manufactured housing community owners a revolving line of credit — essentially a pool of capital they can draw from to grow their community in two very specific ways.

- ❏ It is important to understand from the start: **Keyhole Connect lends money to the park, not to the end user resident.** If a resident requires financing, the park provides the loan in accordance with Keyhole Connect's pricing guidelines and program terms. We set the framework. The park executes it.

Ways Parks Can Use the Money

1

In-Fill: Bringing Homes Into the Park

This is for parks that have vacant lots and want to fill them with new or pre-owned manufactured homes that they purchase and bring into the community. The park draws from their Keyhole Connect line of credit to purchase and place units on empty sites — turning dead inventory into occupied, income-producing lots.

The goal with in-fill is **speed**. A home sitting on a lot that isn't generating lot rent is capital that isn't working. Parks that use the in-fill program need to move homes quickly — getting them placed, occupied, and generating monthly lot rent as fast as possible so the line can replenish and the next placement can begin.

In-fill directly increases occupancy, strengthens monthly cash flow, and improves the overall valuation of the community — making it worth more on paper and more attractive to lenders if the park ever wants to refinance or sell.

2

Resident Purchase Financing

This is for situations where an existing or incoming resident wants to purchase a home already within the community — either a home the park owns or a unit being sold by another resident. Rather than losing that resident to a competitor or watching the deal fall apart because traditional financing isn't available, the park draws from their Keyhole Connect line of credit and lends directly to the resident.

The park follows Keyhole Connect's pricing guidelines and loan terms — interest rate, loan amount, repayment schedule — and becomes the lender of record for that resident. Keyhole Connect does not interact with the resident at any stage. **The park owns the relationship, controls the process, and collects the payments** while their community stays occupied and stable.

How the Numbers Work

The park is approved for a **\$300,000 line of credit** and draws **\$150,000** to purchase 5 used manufactured homes at \$30,000 each for in-fill.

1

Phase 1 The Placement Phase (Day 1 to Day 60)

The park has 60 days to set up the units, prepare them for occupancy, and begin marketing them for sale. During this period Keyhole Connect charges the park our cost of capital plus 1%.

If our cost of capital is 9%, the park is paying **10%** during this phase. This is intentionally designed to give the park breathing room — time to get units ready and in front of prospects without being penalized for the setup period.

2

If Units Are Not Sold by Day 60 (Day 61 to Day 90)

The rate increases to the cost of capital plus 2% — so if the cost of capital is 9%, the park will now pay **11%**. This escalation is intentional. It creates urgency. The park is motivated to sell or place residents into these units as quickly as possible because every day beyond 60 is costing the park more.

If units still aren't moving, parks typically shift strategy and rent the units out — which is faster and easier than finding a cash buyer. Once a unit is either sold or rented, that home moves out of the Placement Phase and into the Stabilized Phase.

3

Phase 2 The Stabilized Phase

This is where the program shifts into long-term income mode. Once a home is occupied — whether by a resident buyer or a resident renter — the park follows Keyhole Connect's guidelines as outlined in their signed agreement. In this phase the park is charging the resident between **14% and 17% interest**, depending on the resident's financial profile and the terms established in the agreement.

As long as the resident is paying, the park does not need to make any payments to Keyhole Connect.

□ A Note on Ongoing Rate Structure: Under the Keyhole Connect program, the park is subject to a standard ongoing rate of cost of capital plus 2%. This permanent rate remains in effect for the duration of the facility's life once the homes are installed and stabilized. The Phase 1 rate of cost of capital plus 1% during the first 60 days is a short-term incentive designed to give the park breathing room during the setup and marketing period. It is not the standard rate — it is a temporary reduction intended to help the park get units ready and in front of prospects before the full program rate takes effect.

How the Payment Flow Works

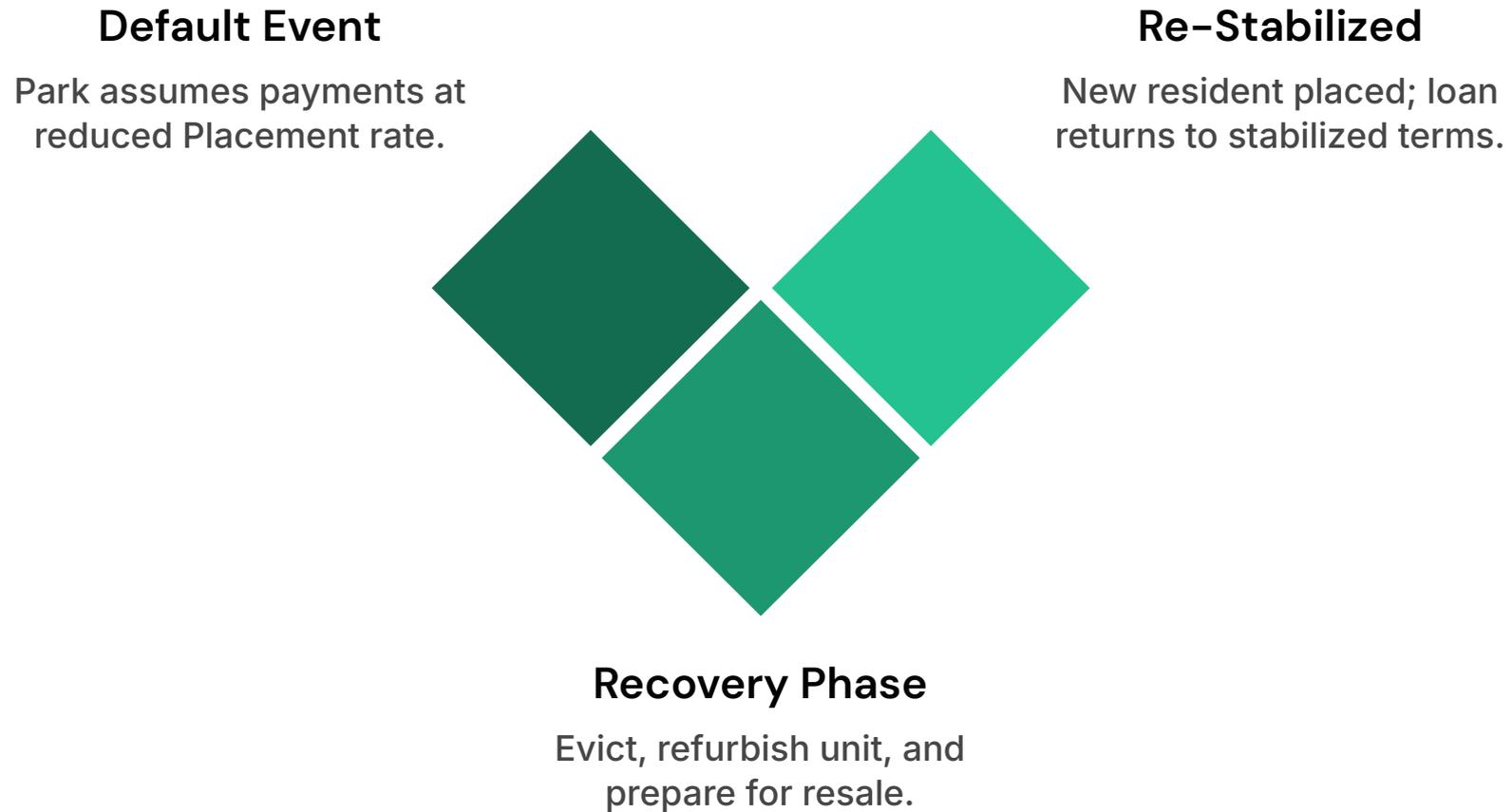
Below is a detailed breakdown of how capital flows between the resident, the park, the loan servicer, and Keyhole Connect.

Item	Detail
Home value	\$30,000
Park's rate to Keyhole Connect	11% (cost of capital + 2%)
Park's monthly obligation to Keyhole	\$413/month
Resident's rate to the park	15%
Resident's monthly payment to loan servicer	\$484/month
Loan servicer pays Keyhole Connect	\$484/month
Park's net position	\$0 out of pocket as long as resident is paying

Keyhole Connect's True Cost of Capital Spread	
Keyhole's cost to their lender	\$380/month
Keyhole receives from loan servicer	\$484/month
Keyhole's full monthly spread	\$104 per loan

The spread between what the park pays Keyhole Connect and what the resident pays is entirely Keyhole Connect's profit. The park's income is generated through lot rent on every unit it sells or rents — which is exactly what makes this partnership so symbiotic. The park gets the capital it needs to grow its community, and Keyhole Connect earns yield on every dollar deployed. **Both working in tandem, both winning together.**

What Happens if a Resident Defaults



If a resident stops paying, the park becomes responsible for continuing the monthly payments to Keyhole Connect. However, **the rate drops back down to the Placement Phase rate (cost of capital plus 2%)** while the park works through the process of eviction, refurbishment, and resale of the home.

Once the home is re-occupied and a new resident is in place, the loan transitions back into the Stabilized Phase at the applicable rate — and the payment flow returns to normal.

This structure keeps the park protected during a default event while ensuring Keyhole Connect continues to receive payments throughout, and gives the park a clear, manageable path to recovering and redeploying the asset.

Our Exit Strategy

Resident loans are structured to optimize three things simultaneously: affordability for the resident, performance stability for the park, and capital turnover for Keyhole Connect.

Typical Resident Loan Structure

Loan Size	\$25,000 – \$100,000
Amortization	15-year schedule
Contractual Maturity	5-year balloon payment

The longer 15-year amortization keeps monthly payments manageable for the resident, supporting consistent payment performance throughout the life of the loan. The 5-year contractual maturity with a balloon payment creates a defined refinance checkpoint — a structured moment where capital is recovered, recycled, and redeployed into new placements.

❏ **A Note on the Balloon Payment:** In practice, we anticipate that the vast majority of resident loans will never reach the five-year balloon payment. The bundling and sale strategy is designed to retire most loans well before maturity — typically at the 3-to-4-year mark — through the FHA broker sale event. The balloon payment is therefore more of a structural safeguard than an expected outcome.

However, should a resident loan reach the five-year maturity without being refinanced or sold, the park will refinance the remaining balance and balloon payment into a new 15-year amortization schedule with a fresh 5-year balloon payment. This resets the clock, keeps the resident in their home, maintains the park's occupancy, and ensures Keyhole Connect's position remains intact and performing. The cycle then continues until the loan is ultimately retired through a sale event or full payoff.

Keyhole Connect's Exit Strategy

Keyhole Connect's primary exit strategy is to hold performing resident loans for 3-to-4 years and then bundle them together and sell the portfolio to an FHA broker or aftermarket buyer. The FHA origination typically carries a **25-year term at approximately 9% interest** — a significantly lower rate and longer amortization than the resident's current loan.

This creates a win for every party in the transaction:

The Resident Wins

Their monthly payment drops considerably under the FHA terms, making homeownership more sustainable and affordable over the long term.

Keyhole Connect Wins

Payoff fees are added onto each loan originated by the FHA broker at the time of sale, generating a meaningful fee income event on top of the interest already collected during the hold period. The capital recovered is immediately available to redeploy into new park placements.

The Park Wins

Each loan that is refinanced and sold satisfies that obligation under the commercial Line of Credit, releasing that borrowing capacity back to the park so it can be used for new home placements and continued community growth.

If refinance is not achieved prior to maturity, the park remains fully obligated under the terms of the commercial Line of Credit agreement — ensuring Keyhole Connect's position is protected regardless of the refinance outcome.

The Resident's Incentive — The Carrot

When a park introduces a resident buyer to the financing program, they make a simple and powerful promise: **become a responsible payer and we will reward you.**

Specifically, the park tells the incoming resident that if they demonstrate consistent, on-time payments over the first 3-to-4 years, they will be eligible to transition into a better program — one with a significantly lower monthly payment, better long-term terms, and a path to more stable homeownership.

This is not just a goodwill gesture. It is a **deliberate performance incentive** built into the structure of the program. By putting this carrot in front of the resident from day one, the park creates a powerful motivation for the resident to pay on time, avoid defaults, and stay engaged with their loan.

The result is a cleaner performing portfolio, fewer missed payments, fewer defaults, and a smoother path to the bundling and sale event that benefits everyone. A resident who knows a better deal is waiting for them on the other side of 3 to 4 years of good payment history is a resident who is far less likely to miss a payment.

How Keyhole Connect Is Protected

The structure is built around the park, not the individual resident. That means:

Park-Level Obligation

If a resident defaults, the park remains responsible for the loan. The risk stays tied to the operating business that controls the community, not to a single resident who could walk away.

Park Owner Guarantee

Every home placed carries a park owner guarantee, giving Keyhole Connect a secured position tied directly to a tangible asset inside the community.

Title Protection

On every loan originated by the park, a new title is created with the Department of Motor Vehicles. The new owner on the title is the resident, and the recorded lienholders are both the park and Keyhole Connect — ensuring Keyhole Connect's secured position is legally established on every single home financed under the program.

Credit Insurance

Credit insurance is placed on the park in the event of a park-level default, subject to underwriting and policy terms. The credit insurance covers up to **90% of the default**.

Defined Loan Terms

Loan terms are set by Keyhole Connect and outlined in the park's signed agreement — so there are no surprises, no moving targets, and no ambiguity about what either party is responsible for.

How Everyone Makes Money

The Park

Every occupied lot generates new monthly lot rent — recurring income not previously collected. Higher occupancy improves the park's cap rate and valuation, making it worth more at refinance or sale. The park gets the capital it needs to grow, and the lot rent is the return on that growth.

Keyhole Connect

Income earned in three ways:

1. Origination and setup fees at the beginning and end of each loan
2. Interest income from deployed capital — the full spread between lending rate and cost of funds
3. Payoff fees when loans are repaid or refinanced — capital redeployed into new placements

The Resident

Access to financing likely unavailable elsewhere — with straightforward terms, a path to stable homeownership, and the ability to stay in a community they already chose.

 **Disclaimer:** This document is for reference purposes only. All figures, interest rates, loan terms, program structures, and examples contained herein are illustrative and subject to change at any time without notice. Final terms are governed solely by the executed park agreement between the park owner and Keyhole Connect.