

ACQUISITIONS & WHOLESALING BOOTCAMP



BOOTCAMP
SUMMIT



FortuneBuilders

Acquisitions & Wholesaling Bootcamp



This Weekend's Agenda

DAY 1

Investment
Strategy

Off Market
Wholesaling

On Market
Wholesaling

Marketing
Systems

DAY 2

Acquisition
System
STEP 1

Acquisition
System
STEP 2

Acquisition
System
STEP 3

Creating
Passive
Income

DAY 3

Funding
Your Deals

Evaluating
Commercial
Properties

Leveraging
Artificial
Intelligence

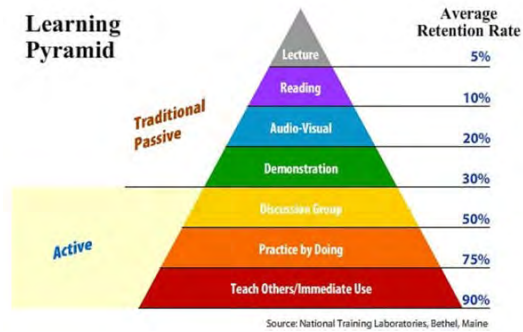
Marketing &
Closing Your
Deals

Code of Honor

1. Reduce Distractions
2. Think **BIG** Picture!
3. Leverage our Virtual Booths
4. Question Sessions (systems)
5. Have Fun & PARTICIPATE!



Cone of Learning



Get the Most out of Today

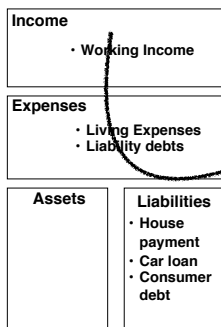


Interact with the Speaker

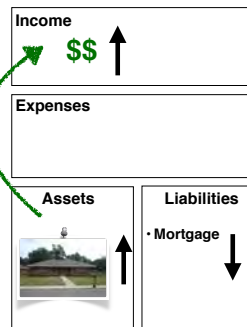


Have fun with the exercises

Working for Money



Money Working for You



This Weekend's Agenda

DAY 1

Investment
Strategy

Excitement

Off Market
Wholesaling

On Market
Wholesaling

Marketing
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STEP 1

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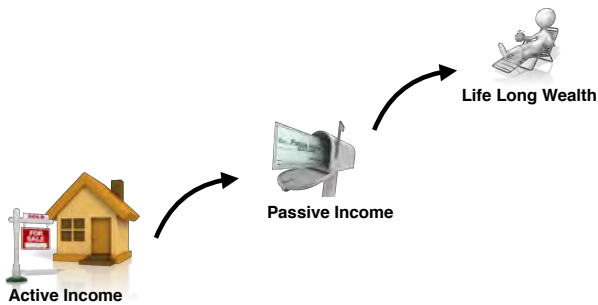
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Properties

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Intelligence

Marketing &
Closing Your
Deals

**WHERE DOES WHOLESALING
FIT INTO YOUR
INVESTING STRATEGY?**

Progression of a RE Investor



Minimal Time



Little Capital Needed



Fast Transactions



Re-Invest Profits in Long Term Deals



Exercise: ROI from your Current Job

Annual Earnings	Per Hour
\$50,000	\$24
\$100,000	\$48
\$200,000	\$96
\$300,000	\$144

Avoiding Grey Areas



Lack of Intent



Agents Buyers Lenders

Lack of Transparency



Circumventing
RE Agency Laws

Intent & Capacity to Perform

- What is your long term intention in the business
- You don't have to have the money in your bank account.
But we take steps towards closing
- Document your intent to purchase
- It's recommended that wholesaling is only part of your business model
- When can you cancel a contract?

Transparency in Communication



Buyers



Sellers

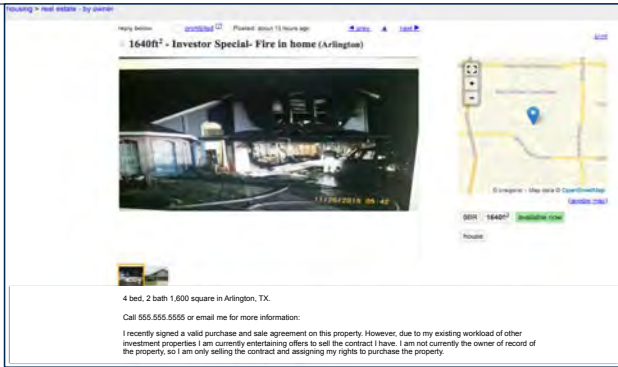


Agents

Transparency in Marketing



Transparency in Marketing



Assignment of Contract



Disclaimer: I signed a valid purchase and sale agreement with the seller of the property which allows me to assign my rights to purchase the property. I am not currently the owner of record, so I am only selling the contract and my right to purchase the property.

Double Close

Disclaimer: I am not currently the owner of the property, however I have signed a valid purchase and sale agreement and will be closing escrow in the near future. Due to time constraints I am considering reselling the property after I take ownership.

What's the Difference?	
Bird Dogging <ul style="list-style-type: none"> ● No purchase & sale agreement ● Acting as an agent when you get paid a finders fee from another investor 	Wholesaling <ul style="list-style-type: none"> ● Purchase & sale executed ● Sell the contract or purchase the property and resell it

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Wholesaling Compliance & Best Practices	
	

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Wholesaling

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Education

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Evaluating
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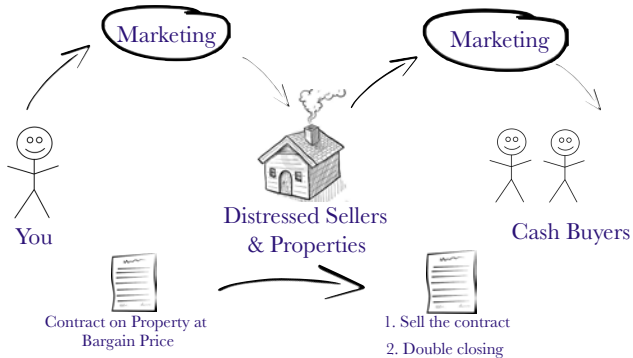
Leveraging
Artificial
Intelligence

Marketing &
Closing Your
Deals

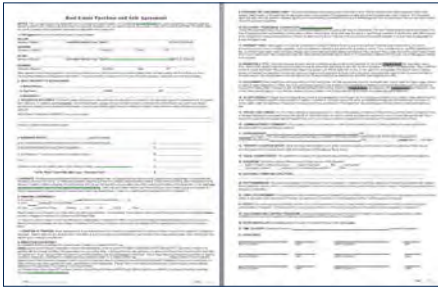
On Market vs Off Market



Wholesaling Overview



Assignment of Contract



What We Need to Know About Contracts

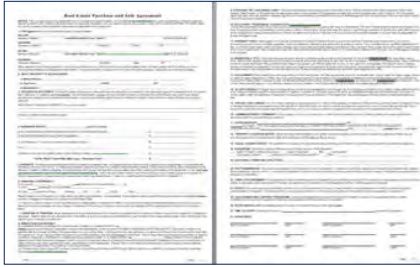
- All contracts are assignable unless there is a clause that limits you from assigning the contract
- You can use any contract you want
- State Contracts are all different
- Some states have multiple contracts that different Boards of Realtors use

Importance of your Deposit Amount

- \$500 is a good rule of thumb and go from there
- Start with a two to four week inspection period to protect your deposit
- If we lose a deposit, we write it off as the cost of doing business

Assignment of Contract

Purchase & Sale Agreement



Between You & The Seller

Assignment Agreement



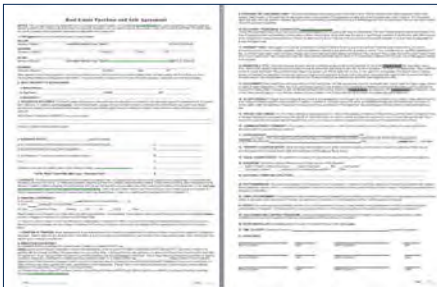
Between You & The New Buyer

+

Assignment of Contract



Purchase and Sale Agreement



Between You & The Seller

Assignment of Purchase and Sale Agreement



Between You & The Buyer

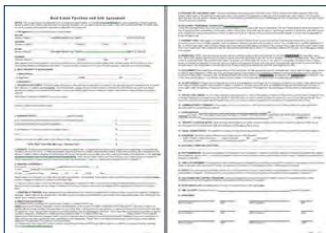
Double Closing



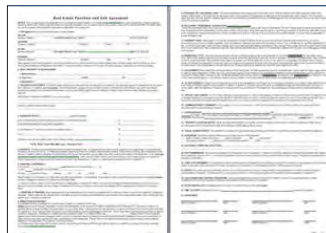
Double Close

Purchase & Sale Agreement #1

Purchase & Sale Agreement #2

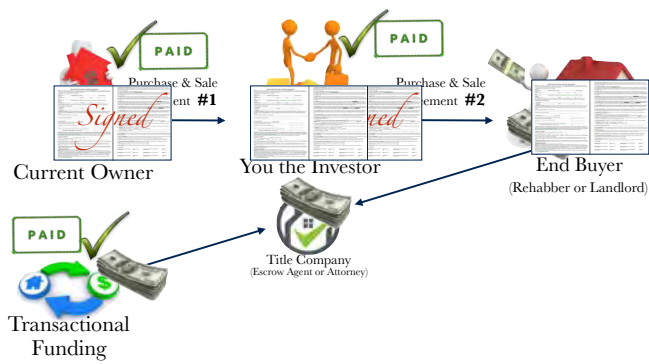


Between the Seller & You
As the Buyer



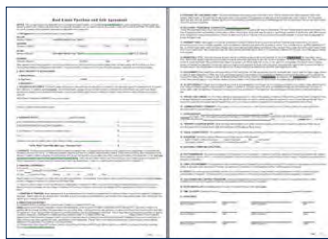
Between the Buyer & You
As the Seller

Double Closing



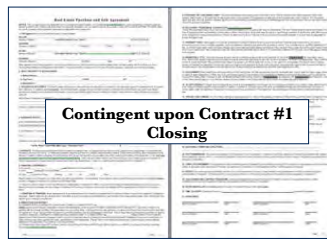
Double Closing

Purchase & Sale Agreement #1



Between the Seller & You
As the Buyer

Purchase & Sale Agreement #2



Between the Buyer & You
As the Seller

Tools of Wealth



Retirement Tools

- Traditional IRA
- Roth IRA
- SEP IRA
- Solo 401(k)
- Defined Benefit Plan

Wholesaling

Trust Tools

- Living Trusts
- Land Trusts
- International Wealth Management Trusts

Entity Tools

- Limited Partnerships
- S Corps, C Corps & LLC's

Insurance Tools

- Life Insurance
- Captive Insurance

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On Market vs Off Market



On Market Properties

1. We will be working with Real Estate Agents
2. Larger deposits could be required
3. Proof of Funds will be required
4. We will be using our Board of Realtors contracts

Proof of Funds

- Connect with local hard money lender
- www.BestTransactionFunding.com
- www.EpicFundingSolutions.com
- www.iFinanceTeam.com
- www.CogoCapital.com

Case Studies of Different State Contracts

- Florida
- California

Florida - Residential Contract for Sale & Purchase

7. **ASSIGNABILITY: (CHECK ONE):** Buyer ☐ may assign and thereby be released from any further liability under this Contract; ☐ may assign but not be released from liability under this Contract; or ☐ may not assign this Contract.

[illegible]

 University of Cambridge Department of Engineering Sciences		Questionnaire for participant information (to be completed by the participant and returned to the Research Assistant)	
Participant's name: _____ Participant's address: _____ Participant's telephone: _____		Participant's e-mail: _____ Participant's fax: _____	
Date: _____ Time: _____ Participant's age: _____ Participant's sex: _____ Participant's height: _____ Participant's weight: _____ Participant's occupation: _____ Participant's education: _____ Participant's marital status: _____ Participant's number of children: _____ Participant's number of siblings: _____ Participant's number of pets: _____ Participant's number of cars: _____ Participant's number of bicycles: _____ Participant's number of motorcycles: _____ Participant's number of boats: _____ Participant's number of planes: _____ Participant's number of trains: _____ Participant's number of buses: _____ Participant's number of taxis: _____ Participant's number of cars: _____ Participant's number of bicycles: _____ Participant's number of motorcycles: _____ Participant's number of boats: _____ Participant's number of planes: _____ Participant's number of trains: _____ Participant's number of buses: _____ Participant's number of taxis: _____		Participant's number of cars: _____ Participant's number of bicycles: _____ Participant's number of motorcycles: _____ Participant's number of boats: _____ Participant's number of planes: _____ Participant's number of trains: _____ Participant's number of buses: _____ Participant's number of taxis: _____ Participant's number of cars: _____ Participant's number of bicycles: _____ Participant's number of motorcycles: _____ Participant's number of boats: _____ Participant's number of planes: _____ Participant's number of trains: _____ Participant's number of buses: _____ Participant's number of taxis: _____	

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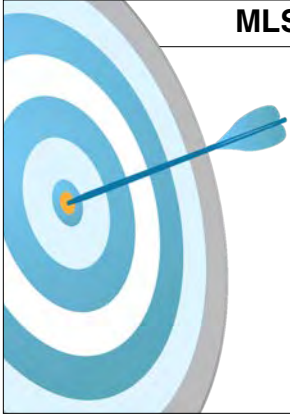
Between You & The New Buyer

Marketing & Closing Your Deals

Wholesaling Properties On the MLS

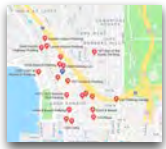


MLS Offer System



- ◆ Access leads immediately
- ◆ Implement a consistent system
- ◆ Build agent relationships

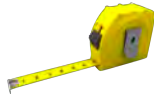
Target Criteria



- Desirable location
- Transitional area
- Low days on market



- Median price range



- Construction cost less than \$75k



- Distressed

Wholesaling Properties On the MLS



Wholesaling on the MLS



Short Sales & REO'S

You cannot list the property with or sell the property to anyone that you are related to or with whom you have a close personal or business relationship. In legal language, it must be an "arm's length transaction." If you have a real estate license, you cannot earn a commission by listing your own property. You may not have any agreements to receive a portion of the commission or the sales price after closing. Any buyer of your property must agree to there is not intent to re-sell the Mortgaged Premises in 90 days or for the State of Colorado within 14 calendar days of the date the sale without having substantially refurbished or added value to the Mortgaged Premises, or otherwise indicates bad faith, collusion or fraud on the part of the parties. You may not have any expectation that you will be able to buy or rent your house back after the closing. Any knowing violation of the arm's length transaction prohibition may be a violation of federal law.

SIGN HERE Seller & Co-Seller's Signature _____
Date _____

SIGN HERE Buyer & Co-Buyer's Signature _____
Date _____

Short Sales & REO'S

3. Another buyer cannot be substituted without prior written approval from SPS.
4. The following closing costs that have been negotiated and agreed upon are:
 - a. Maximum Real Estate commission/fees paid: \$10,140.00
 - b. Maximum cash allowed to Seller (if pre-approved by SPS): \$3,000.00
5. Minimum Net proceeds to SPS can be no less than \$150,377.79 and must be remitted via certified funds so that our office is in receipt on or before December 16, 2013. Remittance instructions are attached.
6. The property is being sold in "AS-IS" condition.
7. The Buyer and Seller represent that the transaction is an "arm's length" transaction and neither party is related by family, marriage or commercial enterprise.
8. The Buyer agrees that the property will not be sold within 30 days of the closing and will not be sold within 31 to 90 days of the closing for a gross sales price greater than 120% of the gross sales price of this transaction.
9. Prior to releasing any funds to subordinate lien holders/mortgages, the closing agent must obtain written commitment from the subordinate lien holder certifying that it will release the Seller (Borrower) from any and all deficiency rights while agreeing to do so without the requirement of a promissory note and/or seller cash contribution at the point in which the agreed upon payoff amount is received by their office.
10. A final HUD-1 must be executed by both the Buyer(s) and Seller(s) represented in the transaction and returned to SPS within one (1) business day of the closing.

Short Sales & REO'S

24. **Survival:** Delivery of the deed to the Property to the Purchaser by the Seller shall be deemed to be full performance and discharge of all of the Seller's obligations under this Agreement. Notwithstanding anything to the contrary in the Agreement, any provision which contemplates performance or observance subsequent to any termination or expiration of the Agreement, shall survive the closing and/or termination of the Agreement by any party and continue in full force and effect.
25. **Further Assurances:** The Purchaser agrees to execute and deliver to the Seller at closing, or otherwise as requested by the Seller, documents including Fannie Mae's NPDC Form 4 (Waiver and Release), NPDC Form 5 (Tax Proration Agreement) or documents that are substantially the same, and to take such other action as reasonably may be necessary to further the purpose of this Agreement. Copies of referenced documents are available from the Seller's listing agent upon request by the Purchaser.
26. **Severability:** The lack of enforceability of any provision of this Agreement shall not affect the enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.
27. **Assignment of Agreement:** The Purchaser shall not assign this Agreement without the express written consent of the Seller. The Seller may assign this Agreement at its sole discretion without prior notice to, or consent of, the Purchaser.
28. **EFFECT OF ADDENDUM:** THIS ADDENDUM AMENDS AND SUPPLEMENTS THE CONTRACT AND, IF APPLICABLE, ESCROW INSTRUCTIONS. IN THE EVENT THERE IS ANY CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT OR ESCROW INSTRUCTIONS OR NOTICE OR OTHER DOCUMENTS ATTACHED AND MADE A PART OF THE AGREEMENT, THE TERMS OF THIS ADDENDUM TAKE PRECEDENCE AND SHALL PREVAIL EXCEPT AS OTHERWISE PROVIDED BY LAW.

Short Sales & REO'S

Conditions of Sale

- A. All assessments, including improvement assessments which are available for payment without interest or penalty for advance payment, taxes, rent, and ground rent, if any, shall be prorated as of the closing date.
- B. **Seller makes no representations or warranties concerning the condition of the property, including but not limited to mechanical systems, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of this contract. Purchaser understands that regardless of whether the property is being financed with an FHA-insured mortgage, Seller does not guarantee or warrant that the property is free of visible or hidden structural defects, termite damage, lead-based paint, or any other condition that may render the property uninhabitable or otherwise unusable. Purchaser acknowledges responsibility for taking such action as it believes necessary to satisfy itself that the property is in a condition acceptable to it of local regulations and**
- F. If this property is being offered with FHA insured mortgage financing available, Seller's acceptance of this contract constitutes a commitment to insure, conditioned upon Purchaser being determined by Seller or Direct Endorsement Underwriter to be an acceptable borrower and further conditioned upon Seller's authority to insure the mortgage at the time the sale is closed.
- G. **Purchaser understands that Seller's listing price is Seller's estimate of current fair market value.**
- H. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.
- I. Purchaser and Seller agree that this contract shall be binding upon their respective heirs, executors, administrators, successors or assigns but is assignable only by written consent of the Seller.

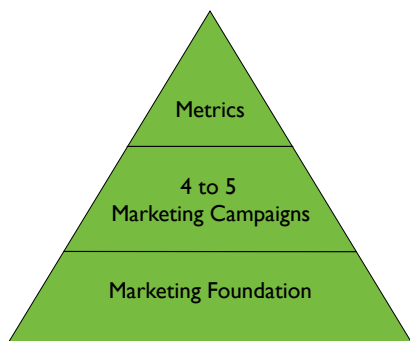
Is There a Solution?



This Weekend's Agenda

DAY 1	Investment Strategy	Off Market Wholesaling	On Market Wholesaling	Marketing Systems
				Advantage
DAY 2	Acquisition System STEP 1	Acquisition System STEP 2	Acquisition System STEP 3	Creating Passive Income
DAY 3	Funding Your Deals	Evaluating Commercial Properties	Leveraging Artificial Intelligence	Marketing & Closing Your Deals

Marketing Triangle



Marketing Foundation



Marketing Foundation



Business Name & Logo



Phone Number



Business Cards

Power of Systems

Amateurs



vs.

Professionals



The Essentials - Professional Tools



Credibility Packets



Core Real Estate Website



Social Media



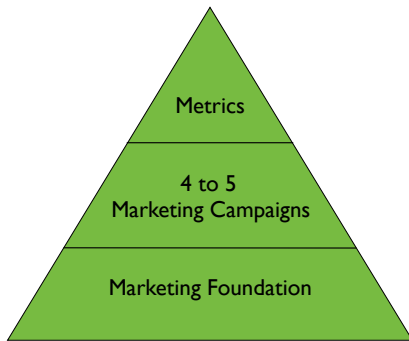
Marketing CRM



Lead Capture Websites



Marketing Triangle



Filling Your Funnel



Choosing the Your Marketing Campaigns

Start with Your Goals



Time to Execute



Investment



Quality of Leads

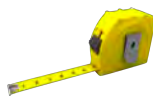
Target Criteria



- Desirable location
- Transitional area
- Low days on market



- Median price range



- Construction cost less than \$75k



- Distressed

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On Market Wholesaling

Marketing Systems

Advantage

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Acquisition System STEP 3

Creating Passive Income

DAY 3

Funding Your Deals

Evaluating Commercial Properties

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Marketing & Closing Your Deals

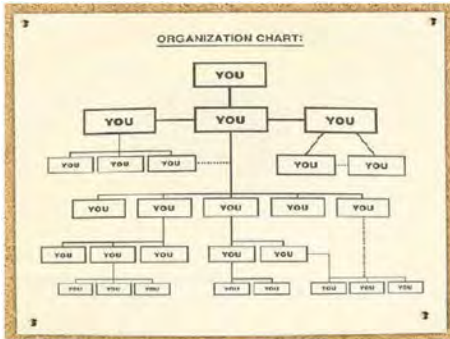
Marketing Systems



Objectives:

- Create a highly automated **Lead Generating Machine**
- **Dominate** with 3 Critical Steps
- Establish powerful **Credibility & Social Proof**
- Get more deals and profits faster

Internet Marketing & Automation = Freedom



Marketing Online for Wholesale Deals

WHAT HOLDS
MOST PEOPLE
BACK?



CHALLENGE #1

"NOT ENOUGH MOTIVATED
SELLERS & PRIVATE LENDERS
OUT THERE."

CHALLENGE #2

"SIMPLE SYSTEMS
WHICH BRING THEM TO ME"

Internet Marketing & Automation System



1. Credibility
2. Lead Generation
3. Increased Profits

The Essentials - Professional Tools



Core Real Estate Website



Lead Capture Websites



Social Media



All Connected to a Marketing CRM

The Essentials - Professional Tools



Core Real Estate Website

LEAD GENERATING MACHINE

- ☒ Blogs/Wordpress
- ☒ Professionally written web pages & photos
- ☒ Mobile Responsive
- ☒ Social Proof via Testimonials/Reviews



built by experts in the real estate investing niche

Internet Marketing & Automation System



The Essentials - Professional Tools

① Core Website



The Essentials - Professional Tools

Study by N.A.R and Google

Study Objective:

To better understand the evolving role of digital media in the consumer home search process.

Google and NAR collaborated to uncover trends and insights around digital media usage among home shoppers, whether they were looking for an existing home, a newly constructed home, or an apartment. Together, Google and NAR's individual research results tell a cohesive story about today's ultra-connected home shopper.



- Real estate related searches on Google.com have grown 253% over the past 4 years²
- Buyers use specific online tools during different phases of the home search process
- How important "local" search terms and websites are for buyers

The Essentials - Professional Tools

① Core Website



Site looks good no matter what size!

The Essentials - Professional Tools

Survey by Consumer Review

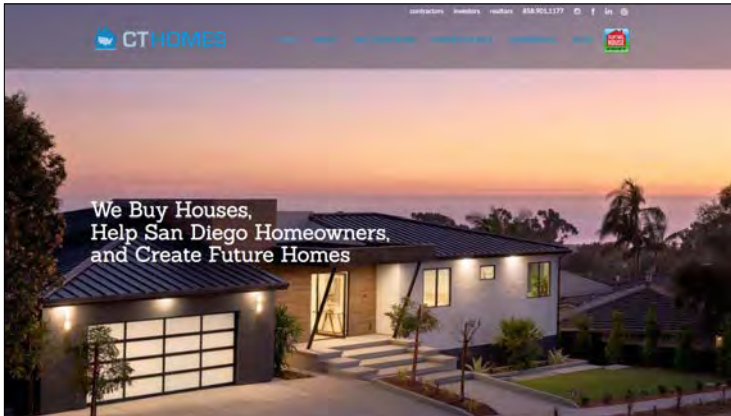


Reviews are an increasingly critical element of the search, select and buying process. Now more than ever online reviews are used by consumers searching for a local business or service provider. The evidence was overwhelming in our Most Local Consumer Review Survey.


- 91% of consumers read online reviews for businesses
- 84% of people trust online reviews as much as a personal recommendation
- 74% of consumers say that positive reviews make them trust a local business more



Power of Reviews



Contractors



Submit Your Info

How to Apply


Submit your information online by filling out our [Contractor Application](#) below and we will follow up with you shortly!

How we help you:

- We provide a detailed scope of work on each job to make bidding fast and easy
- We can help you create new business
- We are part of a national network of investors
- We love to pay our contractors


1

Submit Your Info




2

We'll Call You




3

You'll Bid a Property




4

When approved you will start work



[illegible]

The Essentials - Professional Tools



Lead Capture Websites

Target a Specific Lead Type

Lead Capture Websites

② Squeeze Pages

- Wholesalers
- Buyers
- Real Estate Agents
- Contractors



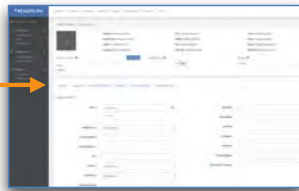
Lead Capture Websites

② Squeeze Pages

Squeeze Page



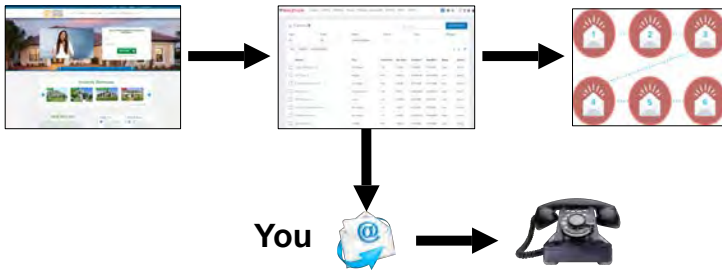
Realeflow
Seller Database



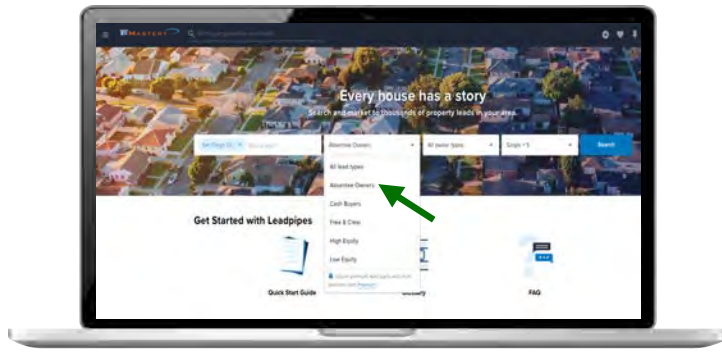
Single Mom in Foreclosure Gets your Letter



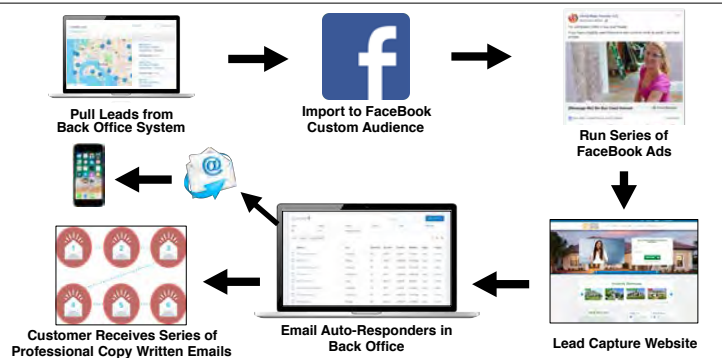
Internet Marketing & Automation



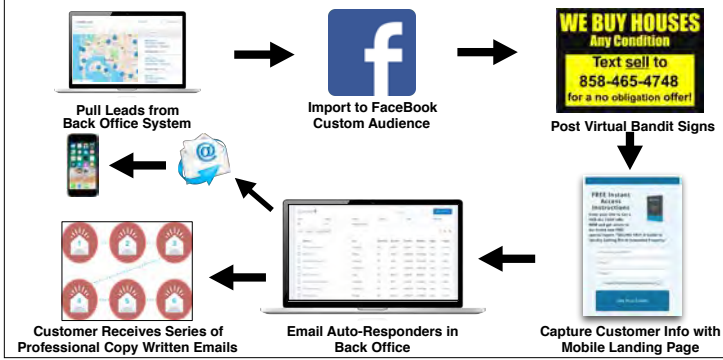
Pulling a List & Driving Traffic



FaceBook Custom Audience System



Virtual Bandit Sign System



Not Just for Sellers

Lead Generating Machine



offline
"amateur"



online
"professional"

Not Just for Sellers

Yard Sign 3D Render

Another Redevelopment From CSP Associates
AVAILABLE NOW

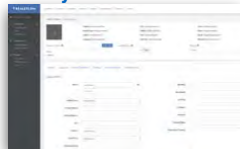


Go to www.ThirdBeachRoad.com

Buyer Page



Buyer Lead into RF



The Essentials - Professional Tools



Social Media

Social Media



Ten years ago, just 7% of the U.S. population used at least one social media channel. Now, that number is up to **79% and increasing**.

Social Media

③ Social Media



- 2nd most searched site online
- Video converts > type of content
- Emails with videos have a higher open rate
- Google favors YouTube in search engine results
- “How to” videos are the #1 searched content on YouTube

Social Media



The screenshot shows the CT Homes website. At the top is the CT Homes logo and navigation links: HOME, ABOUT, SELL YOUR HOME, HOMES FOR SALE, COMMERCIAL, BLOG. Below the navigation is a banner with the text "Selling Your San Diego Home Fast & For Cash". A red arrow points to this banner. Below the banner is a video player showing a man in a blue shirt speaking, with the caption "JD Esparan - President of CT Homes". To the right of the video is a form titled "Get a Quote No Obligation Offer!" with fields for "Full Name", "Email", and "Phone", and a green button labeled "GET AN OFFER NOW".

Social Media

③ Social Media



"To question the power of social media in society is to question the importance of sunlight on earth. It's no longer a want, but a need..."
-Forbes Magazine

How Social Media Can Move Your Business Forward

What is the single most important investment you will ever make?



"An investment in knowledge always pays the best interest. Because nobody can take that away from you." - Ben Franklin

Most People Trade Time for Money



Wealthy People Let Their Assets do the Work to Produce Money



Student Success



Chris & Amanda - Fairfield, CT

"We just found a 4 unit property utilizing the Social Media Marketing we learned through the Internet Quickstart Program. This is our first passive income property and we're so excited."



*Any examples depicting income, earnings, or results are not to be interpreted as common, typical, expected, or normal for the average person. The average person should only expect to receive a real estate education. The students depicted invested in FortuneBuilder advanced coaching services.

Student Success



Casey & Lindsey - Gill, CO

"During the training class my wife and I turned 80 leads into several offers and one got accepted! All while still sitting in the class! This was my wife's first time making offers which ultimately lead to this wholesale deal."



*Any examples depicting income, earnings, or results are not to be interpreted as common, typical, expected, or normal for the average person. The average person should only expect to receive a real estate education. The students depicted invested in FortuneBuilder advanced coaching services.



FortuneBuilders

Acquisitions & Wholesaling Bootcamp



This Weekend's Agenda

DAY 1

Investment
Strategy

Off Market
Wholesaling

On Market
Wholesaling

Marketing
Systems

Advantage

DAY 2

Acquisition
System
STEP 1

Acquisition
System
STEP 2

Acquisition
System
STEP 3

Creating
Passive
Income

DAY 3

Funding
Your Deals

Evaluating
Commercial
Properties

Leveraging
Artificial
Intelligence

Marketing &
Closing Your
Deals

3 Step Deal Evaluation Process

1. Gathering Property Information
2. Desktop Appraisal
3. Field Appraisal

[illegible]

Investment Strategy	Off Market Wholesaling	On Market Wholesaling	Marketing Systems
Acquisition System STEP 1	Acquisition System STEP 2	Acquisition System STEP 3	Creating Passive Income
Funding Your Deals	Evaluating Commercial Properties	Leveraging Artificial Intelligence	Marketing & Closing Your Deals

Step 2

Desktop Appraisal

Sales Comparison Approach



Income Approach



276 units



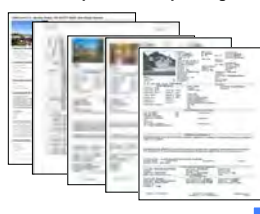
254 units

Overview of Business Process - Stage 2

Gather Property Information



Comps Run & Comp Package Created

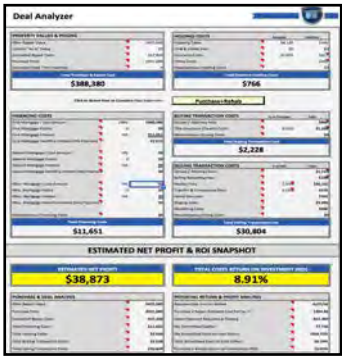


Equity Appointment Set
Short Sale Appointment Set

Verbal Offer to Test



Deal Analyzer - Residential Flips



Commercial Deal Analysis Software



Quick Overview of Comp Packages

Comp Packages

1. Seller lead sheet / MLS Listing sheet
2. Property card
3. Map with comparable properties - MLS
4. Printouts of comparable properties - MLS
5. Off the market comparable properties
6. Comp Evaluator
7. Repair Estimator
8. Deal Analyzer
9. Investment Summary

Desktop Appraisal – Case Study



Comparable Package
784 Granada Drive

Seller Lead Sheet

Property Address: <u>784 Granada Dr., 90083</u>	Date: <u>Jan 29, 2017</u> Lead Source: <u>Seller's Agent</u>
Contact Person: <u>Cindy Hughes (daughter)</u>	Home Phone: <u>[REDACTED]</u>
Owner(s) on Title: <u>Dave & Taja Hughes</u>	Cell Phone: <u>[REDACTED]</u>
Mortgage Holder: <u>[REDACTED]</u>	Work Phone: <u>[REDACTED]</u>
	Email: <u>[REDACTED]</u>

Do you currently live in the home? ☐ Yes ☒ No How Long: _____ Style of Home: Single Sq. Feet: 1,467

Garage: 2 Lot Size: 10,523 Year Built: 78 HOA/Condo Fees: _____

Repairs needed: Everything. House has been a rental for 30 years. Cracked slab

Has anything been recently upgraded? Roof a few years ago

Structural or mechanical issues: Foundation has crack. Water issues. Not aware.

Roof: good Plumbing: N/A Electrical: N/A HVAC: N/A

Pool: No Landscaping: N/A Terraces: YES Other: _____

Is the home listed? ☐ Yes ☒ No Price: _____ How Long: _____ Any Offers: _____ How Much: _____

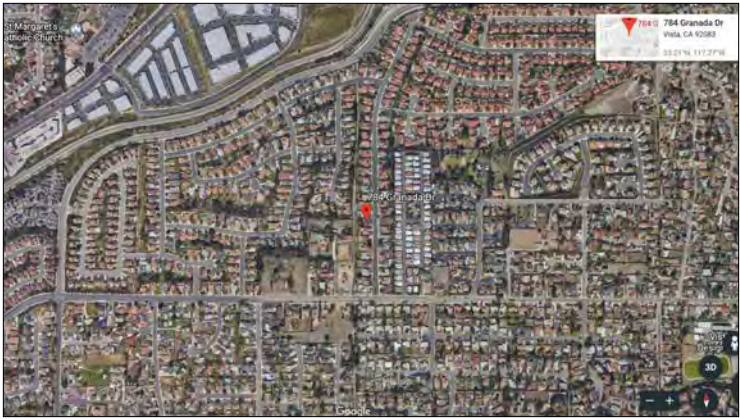
Reason: _____ Phone: _____ Listing Expires: _____

Motivation

What is the particular reason you are looking to sell at this time? Father passed, don't want to be landlord

How quickly are you looking to sell? 20 days or sooner

[illegible]





Pulling Comparables

Pulling Comps to Determine ARV

- Sold, Contingent, Pending, Active, Withdrawn
- Type of home (ex. Detached Single Family)
- Within ½ Mile Radius of subject property
- Sale Date within Last 3 (ideally) to 6 Months
- House Sq. Footage within 20%
- # of Bedrooms the same (or +1 and -1)

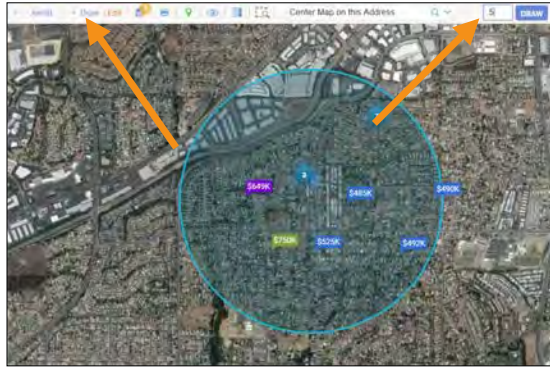
Selecting Your Comparable Criteria

The screenshot shows the 'Primary Criteria' search interface. It includes fields for Mapping, Residential Styles (set to DET), County (San Diego), Zip/Area, Market Area, Status (with tabs for ACT, BOM, CONT, PEND, SOLD), General Date, Listing Date, Off Market Date, and Close of Escrow Date. Two orange arrows point to the 'Status' section (specifically the 'CONT' tab) and the 'Date Range' section (specifically the '6 Months Back' dropdown).

Selecting Your Comparable Criteria

This screenshot shows the same 'Primary Criteria' search interface, but with additional fields at the bottom: Price (Low/High), Bedrooms (Min/Max), Bath Totals (Min/Max), and Estimated Square Feet (Min/Max). An orange arrow points to the 'Estimated Square Feet' field, which has a minimum value of 1150 and a maximum value of 1750.

Selecting Your Comparable Search Radius



Selecting Your Comparable Search Radius



Selecting The Best Comparables

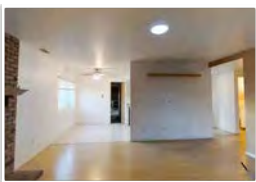
Selecting The Best Comparable's

Listing Pictures	Action Icons	MLS #	3) Sta	Style	Full Address	2) Zip +	Comm	MapCo	Beds	TotB	Parking	EstSP	YrBlt	3) ListPrice *
		180328175	SOLD	DET	1272 Wenchester Court	92083	VST		3	2	2	1,266	1987	\$485,000
		180322727	SOLD	DET	1280 Tylee St	92083	VST	1067E7	3	2	2	1,374	1961	\$485,000
		180328151	SOLD	DET	1116 Bluegrass Rd.	92083	VST		3	2	2	1,239	1960	\$499,900
		180329230	SOLD	DET	1247 Cinchona St	92083	VST	1067E7	3	2	2	1,211	1960	\$475,000 - \$500,000
		180325124	SOLD	DET	925 Highland Dr	92083	VST	1067F5	3	2	2	1,335	1963	\$519,000
		180327731	SOLD	DET	316 Nettleton Rd.	92083	VST	1107C1	3	2	2	1,458	1967	\$519,000
		180325511	SOLD	DET	313 Encho Drive	92083	VST	1067G3	3	2	2	1,700	1982	\$499,000 - \$539,000
		180324878	SOLD	DET	848 Granada Drive	92083	VST		4	2	3	1,650	1980	\$559,900

Eliminating Comparable Properties When Determining the After Repair Value

- Active properties
- Pending properties
- Extremely dated properties
- REO's & Short Sales
- Other distressed sales

Distressed Sales




After Repair Value Properties



Selecting The Best Comparable's

Listing Pictures	Action Icons	MLS #	1) Sta	Style	Full Address	2) Zip + Comm	Map/Co	Beds	Total	Parking	EstSP	YrBlt	3) ListPrice +	
		180028729	SOLD	DET	1116 Bluegrass Rd.	92083	VST	3	2	2	1,239	1960	\$499,900	
		180028727	SOLD	DET										
		180028541	SOLD	DET										
		180049230	SOLD	DET										
		180028156	SOLD	DET	925 Highland Dr	92083	VST	1087FS	3	2	2	1,335	1963	\$519,000
		180047731	SOLD	DET										
		180028511	SOLD	DET	313 Encino Drive	92083	VST	1087G3	3	2	2	1,700	1982	\$499,000 - \$539,000
		180004878	SOLD	DET	848 Granada Drive	92083	VST	4	2	3	1,650	1980	\$559,900	

313 Encino Drive



313 Encino Drive

MLS #: 180028511
APR: 159-280-12-00
Address: 313 Encino Drive
City/St: Vista, CA
Bedrooms: 3 Full Baths: 2
Optional BA: 0 Half Baths: 0
Est. SqFt: 1,700 Zip: 92083 Yr: 1982
Occupant: CLM Occupant Phone: 760-533-8326
Showing: Easy to show, call or text Listing Agent at 760-533-8326 for showing time and instructions.

Occupied: Call Listing Agent
Schedule a Showing

Short Sale: No Map: 1087G3 List: 6/29/2018 Modified: 7/31/2018 Cvt: No

Directions: from 76 go South on N Santa Fe take right on W Knappa St, right on Encino Drive

Sellers will entertain offers between \$499,000-\$539,000. Excellent SINGLE STORY home on a Cul De Sac with 3 bedrooms 2 baths and 1700 sqft. Enclosed 22x11 patio room may not be permitted. New appliances, new laminate floors in bedrooms, new paint. Custom tile in master bath shower. This home has panoramic views to the East and North of the mountains. Pool sized yard with RV parking potential. NO HOA or REIDOffice Fees.

Confirm All information deemed reliable but not guaranteed. Buyer and Buyer's agent to verify all info prior to removing contingencies. Enclosed patio room may not be permitted.

HOA Fees: 0.00 / Other Fees: 0.00 / HO Fee Includes:

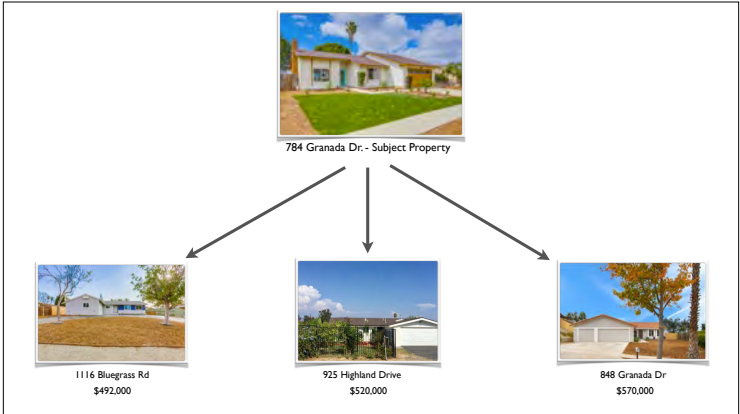
Why did we eliminate this comparable?



313 Encino Drive

- Dated Property
- Superior Views





Making Adjustments

Making Adjustments

Subject ?	Comparable #1 Sold \$250,000	Comparable #2 Sold \$257,000
		

Value of Garage = \$7,000

Making Adjustments

Subject Sale Price: ? 1900 sq. ft	Comparable #1 Sold \$250,000 2000 sq. ft	Comparable #2 Sold \$255,000 2100 sq. ft
		

Value of 100 sq. ft = \$5,000
\$5,000 / 100 = \$50.00 per ft.



784 Granada Dr. - Subject Property



1116 Bluegrass Rd
\$492,000



925 Highland Drive
\$520,000



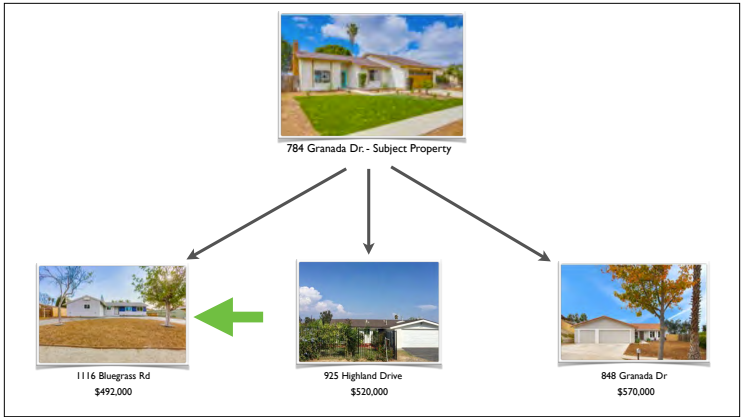
848 Granada Dr
\$570,000

What Are We Comparing?

Comparable Property Sales Adjustment Grid

Comparable Item	Subject Property	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address					
Sale Price					
Property's Living Area					
Distance to Subject					
Sale Terms					
Financing Conventions					
Date of Sale					
Location					
Neighborhood					
Street Layout					
Geographical Proximity					
Local Schools					
Lot					
Lot Area					
Lot Layout & Entrance					
Other					
Structure					
General Property Condition					
Quality of Property & Appoint					
Quality of Construction					
Age of Property					
Construction					
Construction Details/Features					
Other					
Market Conditions					
Market Condition					
Market Timing					
Seasonality & Seasonal Sales Index					
Seasonality of Market					
Market					
Timing & Timing					
Market Efficiency					
Net Adjustment Total					
Adjusted Sales Price of Comparables					
After Review Value of Subject Property					

Comparable #1





1116 Bluegrass Rd- \$492,000



Detached	Status: SOLD	List Price: \$499,000
MLS #: 180066541	Sold Price: \$492,000	Original Price: \$499,000
APN: 163-343-01-00	COE Date: 2/1/2019	Listing Type: ER
Address: 1116 Bluegrass Rd.		DOMLS: 15
City/State: Visalia, CA		MT: 15
City/State: 3	Full Baths: 2	LP/SqFt: 403.47
Optional BR: 0	Half Baths: 0	SP/SqFt: 377.09
Est. SqFt: 1,239	Zip: 92083	YB: 1960
Occupant: Just Gal	Complex: Yes	Lockbox: Yes
Occupant Phone:	CBRS: 2.50	CBRS:
Showing: Just Gal	Occupied: Vacant	HandRem: None Known

[Schedule a Showing](#)

Virtual Tour: [No](#) Map: [No](#) List: 12/27/2018 Modified: 2/1/2019 CVR: **No**

Directions: [No](#)

WOW! Beautiful Remodeled home. LARGE LOT. NEW KITCHEN with soft close cabinets. NEW Stainless Steel appliances. GAS STOVE. NEW recessed lighting. NEW QUARTZ COUNTERTOPS. NEW VINYL FLOORING. NEW windows throughout. NEW ROOFING. NEW BATHROOMS. Double sink in the half bath. Large living room with fireplace. Dining area. NEW FURNACE. NEW WATER HEATER. NEW ROLL UP GARAGE DOOR WITH OPENER. FRESHLY PAINTED interior and exterior. NEW front door. CIRCULAR DRIVEWAY FOR EXTRA PARKING.

Confirm: Agents PLEASE USE THE GRAY SENTINEL LOCKBOX NEXT TO THE CONTRACTOR LOCK BOX ON THE GAS PIPE TO THE LEFT OF THE HOUSE. Any questions, please call listing agent: Mary Beth @ 858-735-9469. Buyer must have a DU, proof of funds with offer. send offers to: marybethend@gmail.com NO FHA OFFERS--90 day rule. offer 2/1/2019 or.

HSA Fees: 0.00 / Other Fees: 0.00 /

with New Inclusions:



Major Adjustment Differences



1116 Bluegrass Rd

Better

- N/A

Worse

- Square Footage
- Age of Property
- Landscaping
- Layout Quality



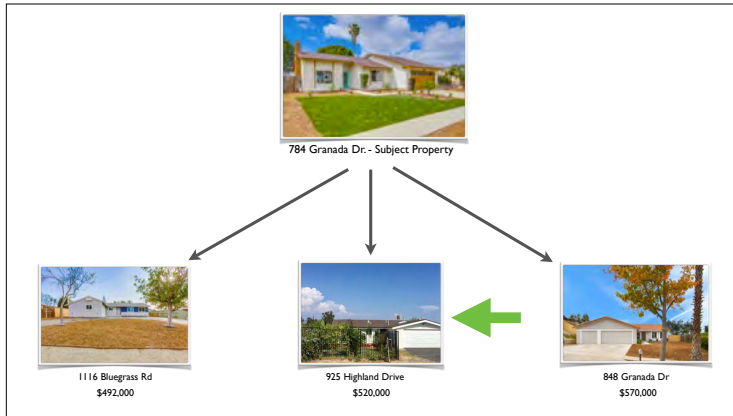
Comp Evaluator

Comparable Data	Subject Property	Comparable 1
Address	1116 Bluegrass Rd	1116 Bluegrass Rd
APN	000000000	000000000
Legal Description	0.20 Acres, More or Less	0.20 Acres, More or Less
Area Code	916	916
Year of Construction	2015	2015
Style	Contemporary	Contemporary
Exterior Siding	Stucco	Stucco
Exterior Color	White	White
Interior Features	Hardwood Floors, Granite Countertops, Stainless Steel Appliances	Hardwood Floors, Granite Countertops, Stainless Steel Appliances
Room Schedule	Living Room, Dining Room, Kitchen, Two Bedrooms, Two Bathrooms, Two Car Garage	Living Room, Dining Room, Kitchen, Two Bedrooms, Two Bathrooms, Two Car Garage
Condition	Excellent	Excellent
Quality	High	High
Location	Desirable	Desirable
View	Good	Good
Overall Rating	A	A
Value	\$1,200,000	\$1,200,000
Price per Sq Ft	\$150	\$150
Days on Market	30	30
Offer to Purchase	\$1,150,000	\$1,150,000
Comments	Excellent property, well maintained, great location.	Excellent property, well maintained, great location.
Prepared By	John Doe	John Doe
Date	10/26/2023	10/26/2023

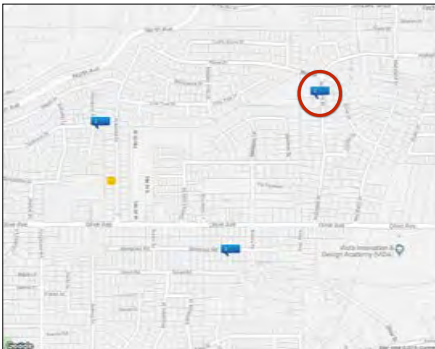
- ← Square Footage
- ← Age of Property

- ← Landscaping
- ← Layout Quality

Comparable #2



925 Highland Drive - \$520,000



925 Highland Drive



Detached

MLS #: 180045154
APR: 183-280-04-00
Address: 925 Highland Dr
City, St: Vista, CA
Bedrooms: 3
Full Baths: 2
Optional BR: 0
Half Baths: 0
Est. SqFt: 1,355
Zip: 92083
Year: 1963
Occupant: Vacant

SPECIAL LISTING SOLD

Sold Price: \$525,000
COE Date: 9/27/2018

List Price: \$519,000
Original Price: \$525,000
Listing Type: BR
DOMS: 23
MT: 26
LPSqFt: 383.03
BPSqFt: 383.76

X Street: Rose Dr.
Complex: Yes
Landscape: 2-50 CERRI
Showing: Easy to show, please text agent before showing with Agent's Name, Broker and DRE # to (658) 705 2247. Saturday Open Saturday 10-2 and Sunday 12-4
Remarks: None Known

Schedule a Showing

Short Sale: No
Mile: 108775
Use: 8/11/2018
ModRef: 9/27/2018
CPL: No

Directions: Melrose to Highland Dr, or Melrose to Olive to Highland.

Private Redwood/Turkey! Upgraded, Bright, Lovely, Single Story Home, Private, Large fully-fenced property 10K PLAT. Oversee plant life with many fruit trees, backyard perfect for gatherings with Large Covered Patio & deep sun, 30ft. 2018, Spacious family room, Fully remodeled kitchen will inspire your inner chef with granite countertop & tile backsplash, newer appliances, newer A/C & furnace & electrical system. Newer Roof & Flooring throughout, Energy saving dual pane windows & window coverings, No HOA.

Comments: Easy to show, please text agent before showing with Agent's Name, Broker and DRE # to (658) 705 2247. Email offers to: macedonkenneth@gmail.com, Broker: Power Broker Title, Western Redwood Title

HOA Fee: 0.00 /
Other Fees: 0.00 /

HO Fee Includes:



Major Adjustment Differences



925 Highland Drive

Better

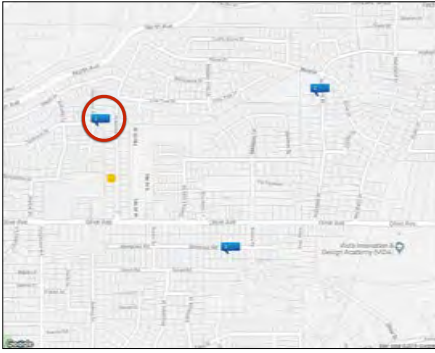
- N/A

Worse

- Square Footage
- Age of Property
- Interior Condition
- Landscaping
- Layout Quality



848 Granada Drive - \$570,000



848 Granada Drive - \$570,000



Unschool

MLS #: 190064878

APN: 143-440-04-00

Address: 848 Granada Drive

City/State: Vista, CA

Bedrooms: 4

Full Baths: 2

Optional BR: 0

Half Baths: 0

Est. SqFt: 1,450

Zlot: 92043

Yr: 1980

Occupant: Occupant Phone:

Showing: Call listing agent for details. Home is vacant and ready for show and sale. Keyless to go. Please be sure to re-lock and turn off lights. Call or text Mark with any questions at 760-834-0060.

Occupied: Vacant

Map/Directions: [Schedule a Showing](#)

Short Sale: No

Map: No

List: 1/24/2019

Modified: 2/28/2019

CVE: No

Directions: From Monroe go West on Olive, turn right on Granada Drive to home on left. From Emerald, go East on Olive, turn left on Granada Drive to home.

Home & RV lot: This fully remodeled single story home was built completely ready for sale. A return beauty with designer touches & features. 3 car gar. Room for a pool & RV parking! Besides the new "open kitchen" just about everything is new including windows, cabinets, quartz, lighting, flooring, bathroom, appliances, furnace, roof, etc. Lots of storage! Back to utility easement, so no home directly behind. Private, fenced back yard extends beyond fence so long the trailer, add a pool or??

Comments: Listing agent is seller (trustee of family trust). Home was purchased in original condition as an investment and never occupied by seller. Buyer to verify all info for own satisfaction and to assume all responsibility and will hold seller harmless. Buyer must be approved with seller's lender. John Schuler at Guaranteed Rate. Reasonable Power Flow and Condition Title - All Marbles.

HSA Fees: 0.00 /

Other Fees: 0.00 /

HO Fee Includes:

Major Adjustment Differences



848 Granada Drive

Better

- Square Footage
- Bedrooms
- Garage

Worse

- Landscaping

Repair Estimator

Repair Estimator



Address: 784 Granada Drive Vista, CA 92083 Vacant: Y Date: 2/5/19
Bed: 3 Bath: 2 Sq Ft: 1,467 Inspected By: Michelle

*Additional Mediator/Engineer/Pro Quotes Needed:

☐ Asbestos ☐ Buried Oil Tank ☐ Fire Damage ☒ Foundation/Structural ☐ Historical Home ☐ Lead Paint
☐ Mold ☐ Permit Check ☐ Pool ☐ Roof ☐ Septic System ☐ Sewer to Street ☐ Soil ☐ Well

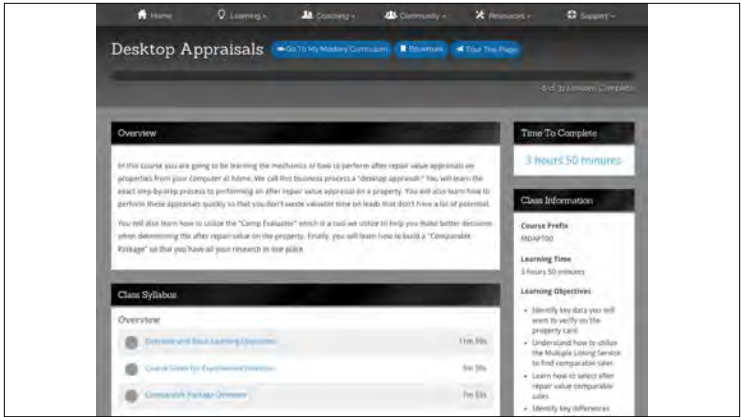
EXTERIOR

Category	Y/N	Repair Type	#	Unit	Cost	Total
Roof *		Roof (rip and replace) - architectural shingle		psf	\$4.00	
		Rollover (add a layer of shingles) - architectural shingle		psf	\$2.50	
		Roof Sheathing - plywood 1/2" remove & install		psf	\$2.00	
	Y	Roof repair/patch (hard)	2	ea	\$900.00	\$1,800
		Roof repair/patch (easy)		ea	\$600.00	
		Premium for 3 layer tear off		psf	\$0.35	

Deal Analyzer - Residential Flips

<p>PROPERTY INFO</p> <p>Address: 784 Granada Drive Vista, CA 92083</p> <p>Bed: 3 Bath: 2 Sq Ft: 1,467</p> <p>Year Built: 1980</p> <p>Estimated Value: \$456,598</p>	<p>PROPERTY INFO</p> <p>Address: 784 Granada Drive Vista, CA 92083</p> <p>Bed: 3 Bath: 2 Sq Ft: 1,467</p> <p>Year Built: 1980</p> <p>Estimated Value: \$456,598</p>
<p>REPAIRS & IMPROVEMENTS</p> <p>Roof (rip and replace) - architectural shingle: \$4,000</p> <p>Rollover (add a layer of shingles) - architectural shingle: \$2,500</p> <p>Roof Sheathing - plywood 1/2" remove & install: \$2,000</p> <p>Roof repair/patch (hard): \$1,800</p> <p>Roof repair/patch (easy): \$600</p> <p>Premium for 3 layer tear off: \$500</p> <p>Total Repairs: \$11,800</p>	<p>REPAIRS & IMPROVEMENTS</p> <p>Roof (rip and replace) - architectural shingle: \$4,000</p> <p>Rollover (add a layer of shingles) - architectural shingle: \$2,500</p> <p>Roof Sheathing - plywood 1/2" remove & install: \$2,000</p> <p>Roof repair/patch (hard): \$1,800</p> <p>Roof repair/patch (easy): \$600</p> <p>Premium for 3 layer tear off: \$500</p> <p>Total Repairs: \$11,800</p>
<p>ESTIMATED NET PROFIT & ROI SNAPSHOT</p> <p>Estimated Net Profit: \$38,112</p> <p>ROI: 7.59%</p>	<p>ESTIMATED NET PROFIT & ROI SNAPSHOT</p> <p>Estimated Net Profit: \$38,112</p> <p>ROI: 7.59%</p>

8. Deal Analyzer



This Weekend's Agenda

DAY 1

Investment Strategy

Off Market Wholesaling

On Market Wholesaling

Marketing Systems

DAY 2

Acquisition System STEP 1

Acquisition System STEP 2

Acquisition System STEP 3

Creating Passive Income

DAY 3

Funding Your Deals

Evaluating Commercial Properties

Leveraging Artificial Intelligence

Marketing & Closing Your Deals

Advantage



Preparing for Your Property Evaluation



**Comp Package
& Contracts**



Mobile Office

Preparing for Your Property Evaluation

Manila Folder

- Comp package
- Contracts & paperwork

Back Up Mobile Office

- Expandable file folder with contracts & paperwork
- Camera
- Lockbox
- Flashlight
- Directional signs
- Master key

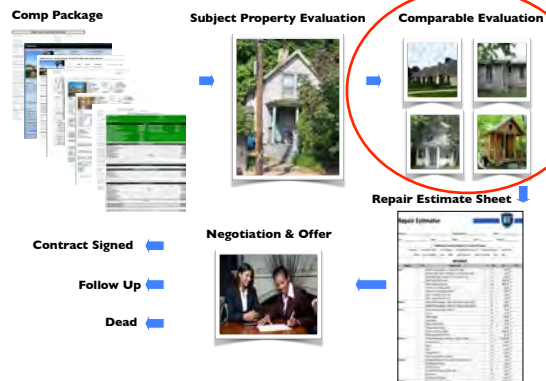
Overview of Business Process - Stage 3



Comparable Property Sales Adjustment Grid

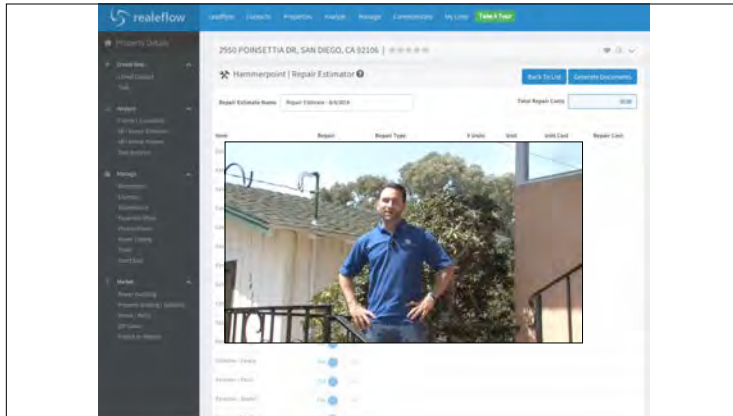
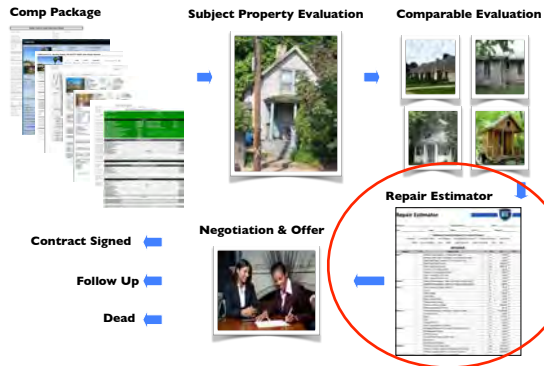
Comparable Item	Subject Property	Comparable 1	Comparable 2	Comparable 3	Comparable 4	
Address						
Year Built						
Interior Living Area						
Garage(s) Living Area						
Sub Items						
Description	Description	1 x or 11 Adjust	Description	1 x or 11 Adjust	Description	1 x or 11 Adjust
Deck or Porching Characteristics						
Year of Pool/Gaze						
Location						
Neighborhood						
Street Layout						
Forming/Condition						
Access/Driveway						
Lot						
Lot Size						
Lot Layout & Features						
Other						
Exterior						
Exterior Material/Condition						
Quality of Property & Appurtenances						
Quality of Construction						
Age of Property						
Landscaping						
General Condition						
Physical Data/Deck/Pool/Screen						
Interior						
Interior Features						
Interior Condition						
Interior Layout						
Basement & Finished Below Grade						
Functionality of Layout						
Bedrooms						
Bathrooms						
Kitchen						
Living & Dining						
Overall Condition						
Net Adjustment Total		1 x or 11	1 x or 11	1 x or 11	1 x or 11	
Adjusted Sales Price of Comparables		1	1	1	1	
After Market Value of Subject Property						

Overview of Business Process - Stage 3



Repair Estimator

Overview of Business Process - Stage 3



Inspection Checklist

Roofing Inspection Checklist		
Inspected By: _____		
Yes	No	Notes
		Are there any visible signs of sagging, rotting, or damaged decking?
		Are there any visible signs of rotting or damaged rafters or joists on the underside?
		Are there any visible signs of rotting or damaged sheathing or underlayment on the roof?
		Are there any visible signs of rotting or damaged flashing or sealant around the roof edge?
		Are there any visible signs of rotting or damaged gutters or downspouts?
		Are there any visible signs of rotting or damaged roof vents or pipes?
		Are there any visible signs of rotting or damaged roof valleys or eaves?
		Are there any visible signs of rotting or damaged roof corners or ridges?
		Are there any visible signs of rotting or damaged roof slopes or pitches?
		Are there any visible signs of rotting or damaged roof materials or components?
		Are there any visible signs of rotting or damaged roof structure or framing?
		Are there any visible signs of rotting or damaged roof insulation or vapor barrier?
		Are there any visible signs of rotting or damaged roof ventilation or exhaust fans?
		Are there any visible signs of rotting or damaged roof waterproofing or membrane?
		Are there any visible signs of rotting or damaged roof drainage or water management?
		Are there any visible signs of rotting or damaged roof safety or fall protection?
		Are there any visible signs of rotting or damaged roof access or egress?
		Are there any visible signs of rotting or damaged roof storage or equipment?
		Are there any visible signs of rotting or damaged roof maintenance or record keeping?



FortuneBuilders

Acquisitions & Wholesaling Bootcamp



This Weekend's Agenda

DAY 1

Investment
Strategy

Off Market
Wholesaling

On Market
Wholesaling

Marketing
Systems

Advantage

DAY 2

Acquisition
System
STEP 1

Acquisition
System
STEP 2

Acquisition
System
STEP 3

Creating
Passive
Income

DAY 3

Funding
Your Deals

Evaluating
Commercial
Properties

Leveraging
Artificial
Intelligence

Marketing &
Closing Your
Deals

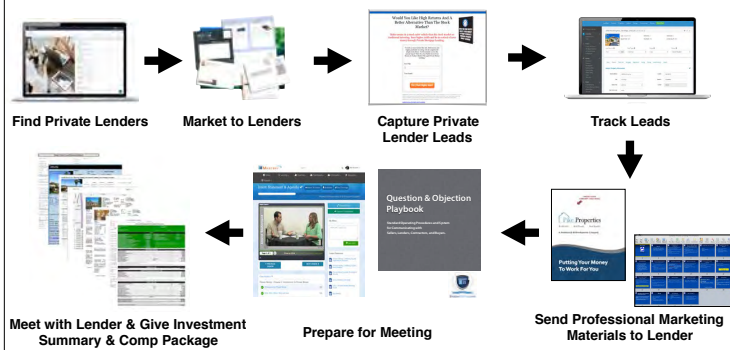
How Private Money Lending Works

How Private Money Works

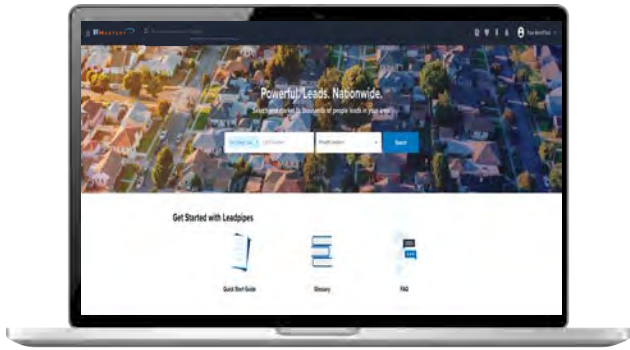


Our Private Money SYSTEM

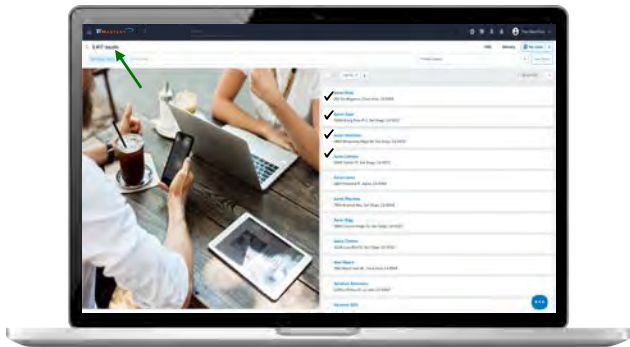
Private Money System



Step 1: Find Private Money Lenders



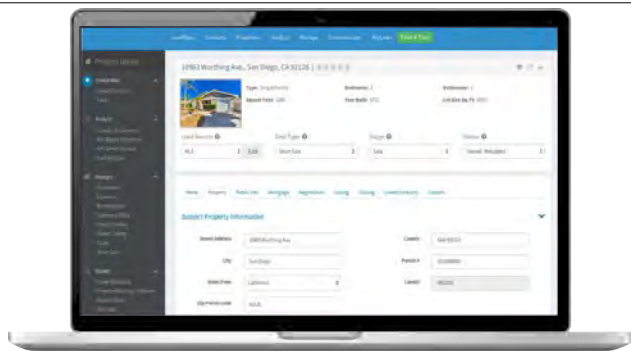
Step 1: Find Private Money Lenders



Step 3: Capture Private Lender Leads



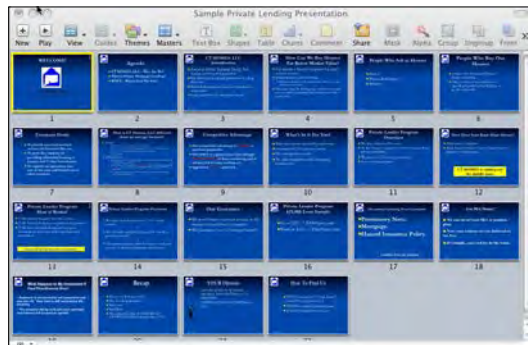
Step 4: Track Leads



Step 5: Email Credibility Packet



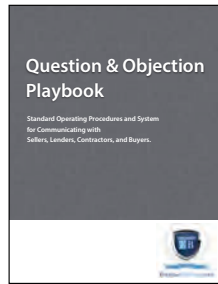
Step 5: Email Recorded Presentation Online



Step 6: Prepare for Meeting



Learn Presentation



Learn Objections

Step 7: Meet with Lender & Present Investment



Investment Summary & Comp Package

This Weekend's Agenda

DAY 1

Investment Strategy

Off Market Wholesaling

On Market Wholesaling

Marketing Systems

Advantage

DAY 2

Acquisition System STEP 1

Acquisition System STEP 2

Acquisition System STEP 3

Creating Passive Income

DAY 3

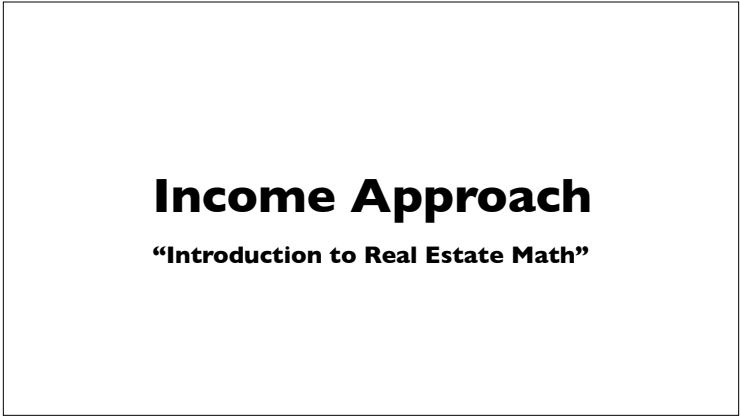
Funding Your Deals

Evaluating Commercial Properties

Leveraging Artificial Intelligence

Marketing & Closing Your Deals









Active Investor



Passive Investor



Fund



Apartments - 47 units
29,000 sq. ft



Retail - 22,000 sq. ft



Retail / Mixed Use - 183,185 sq. ft



Office - 27,000 sq. ft



Active
Investor



Student Housing/Retail - 500 units
300,000 sq. ft



Apartments 181 units
195,000 sq. ft



Hotel - 26 rooms - 6,117 sq. ft

762,302 Square Feet
\$72 Million Property Value



321 units - Las Vegas, NV



320 units - Henderson, NV



410 units - Las Vegas, NV



168 units - Fort Worth, TX



Passive
Investor



344 units - Seattle, WA



321 units - Redmond, WA



456 units - Vista, CA

2,340 Apartment Units
\$511 Million Property Value



Retail/Office - 101,285 sq. ft



Retail/Office - 69,000 sq. ft



Retail/Office - 14,700 sq. ft



Mixed Use - 14,895 sq. ft

3

Fund

591,000+ Square Feet

\$65 Million Property Value



Apartments - 29,000 sq. ft



Retail - 81,000 sq. ft



Retail - 29,120 sq. ft



Mixed Use - 142,215 sq. ft



Office/Apartments 110,000 sq. ft

Imagine this property comes across your desk...



Income Approach to Real Estate Valuation - Value Add Apartment Project			
123 Main St. Apartment Building (Purchase)			
Property Address:	123 Main St.	Profit (If Apartment Building is Sold)	
Type of Property:	Apartment Building	Base Price (Value of Property at P. CAPX)	\$1,800,000
Purchase Price:	\$1,500,000	- Less: Purchase Price	\$1,800,000
Loan Amount (70%):	\$1,050,000	- Less: Renovation	\$200,000
Short Payoff (20%) - Equity Raised:	\$450,000	- Less: Transaction/Cost of Sale (7%)	\$200,000
Rehabilitation Cost (CAPEX) - Equity Raised:	\$100,000	Profit:	\$200,000
Total Equity Raised:	\$550,000		
YEAR 1		YEAR 2	
# of Units:	25	# of Units:	25
Reserve Portion of Building:	10,000	Square Footage of Building:	10,000
Monthly Rent Per Unit:	\$1,500	Monthly Rent Per Unit:	\$1,500
Annual Property Operating Data		Annual Property Operating Data	
Potential Gross Income:	\$360,000	Potential Gross Income:	\$360,000
- Vacancy Rate (20%):	\$72,000	- Vacancy Rate (20%):	\$72,000
+ Gross Operating Income (GOI):	\$270,000	+ Gross Operating Income (GOI):	\$270,000
Annual Operating Expenses		Annual Operating Expenses	
- Operating Expenses (40%):	\$108,000	- Operating Expenses (40%):	\$108,000
+ Net Operating Income (NOI):	\$162,000	+ Net Operating Income (NOI):	\$162,000
Annual Debt Service (5% rate 25 year term):	\$81,180	Annual Debt Service (5% rate 25 year term):	\$81,180
Annual Cash Flow:	\$80,820	Annual Cash Flow:	\$80,820
Simple Comparison Analysis		Simple Comparison Analysis	
Price Per Square Foot:		Price Per Square Foot:	
Initial Analysis - Key Metrics:		Initial Analysis - Key Metrics:	
Capitalization (CAP) Rate:		Capitalization (CAP) Rate:	
Cash on Cash Return:		Cash on Cash Return:	
Debt Coverage Ratio:		Debt Coverage Ratio:	

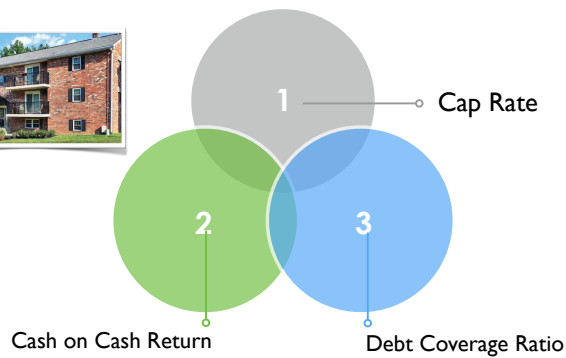


Price Per Square Foot

$$\frac{\text{Purchase Price}}{\text{\# of Square Feet}} = \text{Price Per Square Foot}$$

$$\frac{\$1,500,000}{15,000} = \$100 \text{ sq. ft}$$

Initial Deal Analysis - 3 Key Numbers



Capitalization (CAP) Rate

$$\frac{\text{Net Operating Income (NOI)}}{\text{Purchase Price}} = \text{CAP Rate}$$

Expresses a relationship between a property's value and its Net Operating Income (NOI) for the current or upcoming year. It does not take debt into account.

Capitalization (CAP) Rate

$$\frac{\text{Net Operating Income (NOI)}}{\text{Purchase Price}} = \text{CAP Rate}$$

$$\frac{\$135,000}{\$1,500,000} = 9\% \text{ CAP}$$

Cash-on-Cash Return

$$\frac{\text{Annual Cash Flow}}{\text{Initial Cash Investment}} = \text{Cash-on-Cash Return}$$

Cash-on-Cash Return

$$\frac{\text{Annual Cash Flow}}{\text{Initial Cash Investment}} = \text{Cash-on-Cash Return}$$

$$\frac{\$53,820}{\$650,000} = 8.28\%$$

Debt Coverage Ratio

$$\frac{\text{Net Operating Income (NOI)}}{\text{Annual Debt Service}} = \text{Debt Coverage Ratio}$$

The ability of an asset to produce enough annual cash flow to cover the annual debt service. Banks usually want to see a number greater than 1.25

Debt Coverage Ratio

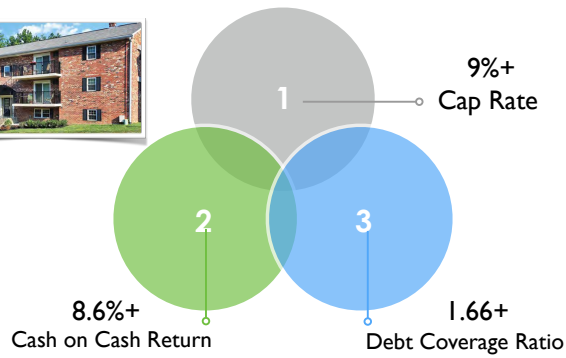
$$\frac{\text{Net Operating Income (NOI)}}{\text{Annual Debt Service}} = \text{Debt Coverage Ratio}$$

$$\frac{\$135,000}{\$81,180} = 1.66$$



How does the deal look so far?

Initial Deal Analysis - 3 Key Numbers



Due Diligence Checklists

- 1 Financial**
 - Rent Roll
 - TTM Income & Expenses
 - Rent Growth Projections
 - Renovation & CAPEX Timing
 - Debt Financing
 - Equity Financing
 - Sale Assumptions
- 2 Physical Property**
 - Building Inspection
 - Service Contracts
 - Building plans
 - Environmental
 - Zoning
- 3 Legal**
 - Title
 - Leases
 - Compliance
- 4 Internal**
 - Market Survey
 - Comparables
 - Employment



We move forward - what's our business plan?

- 1 Value Add Renovations**
- 2 Rent to Market**
\$1,500 → \$1,600
- 3 Lease 4 of 5 Vacant Units**



YEAR 2	
# of Units	20
Square Footage of Building	15,000
Monthly Rent Per Unit	\$1,500
Annual Property Operating Data	
Potential Gross Income	\$300,000
- Vacancy Rate (5%)	\$15,000
= Gross Operating Income (GOI)	\$285,000
Annual Operating Expenses	
- Operating Expenses (45%)	\$128,250
= Net Operating Income (NOI)	\$156,750
Annual Debt Service (8% rate 25 year term)	\$81,180
Annual Cash Flow	

$$\begin{array}{rcl} \$200,640 & - & \$81,180 \\ \text{Net Operating Income} & \text{Annual Debt Service} & \\ \hline & & \$119,460 \\ & & \text{Annual Cash Flow} \end{array}$$

*Any examples depicting income or earnings are not to be interpreted as expected or typical. All income or earnings statements are only depicted to you better understand how to analyze the math involved in analyzing a commercial real estate investment.

Profit (if Apartment Building is Sold)	
Sale Price (Value of Property at 7 CAP)	
- Less Purchase Price	\$1,500,000
- Less Renovation	\$200,000
- Less Transaction/Cost of Sale (7%)	\$200,640
Profit	

$$\frac{\text{Net Operating Income}}{\text{CAP Rate}} = \text{Value of Property}$$

$$\frac{\$200,640}{.07} = \$2,866,285$$

Value of Property

Profit (if Apartment Building is Sold)	
Sale Price (Value of Property at 7 CAP)	
- Less Purchase Price	\$1,500,000
- Less Renovation	\$200,000
- Less Transaction/Cost of Sale (7%)	\$200,640
Profit	

$$\begin{array}{rcl} \$2,866,285 & \text{(Sale Price)} & \\ - \$1,500,000 & \text{(Purchase Price)} & \\ - \$200,000 & \text{(Renovation)} & \\ - \$200,640 & \text{(Transaction/Cost of Sale)} & \\ \hline \$965,645 & \text{(Profit)} & \end{array}$$

You have a decision to make....

What could we do to decrease expenses?

Decreasing Operating Expenses

- RUBS - utility bill back to tenants
- Water conservation
- Energy saving common lighting
- Multiple insurance quotes
- Property tax appeal
- Price shop all vendor contracts
- Property management efficiencies
- Going paperless
- In house marketing
- Reduce maintenance expenses



Decrease Operating Expenses 5%

YEAR 2	
# of Units	20
Square Footage of Building	15,000
Monthly Rent Per Unit	\$1,600
Annual Property Operating Data	
Potential Gross Income	\$384,000
- Vacancy Rate (5%)	\$19,200
= Gross Operating Income (GOI)	\$364,800
Annual Operating Expenses	
- Operating Expenses (40%)	\$145,920
= Net Operating Income (NOI)	\$218,880
Annual Debt Service (6% rate 25 year term)	\$81,180
Annual Cash Flow	\$137,700



Decrease Operating Expenses 5%

	Operating Expenses at 45%	Operating Expenses at 40%
Net Operating Income	\$200,640	\$218,880
Sale Price (at 7 CAP)	\$2,866,286	\$3,126,857
Profit	\$965,645	\$1,226,617
Profit Difference		\$260,972

What else could we do to increase the value of the property?



How We Can Enhance The Value of the Property

- Laundry facilities
- Utility bill back
- Parking
- Covered parking
- Garages
- Private backyards
- Storage lockers
- Package lockers
- Trash pick up at door
- Late fees
- Day care
- Pet fees
- Vending machines
- Built in increases
- Cleaning fees
- Property amenities
- Renters insurance
- Application / Move in fees
- Application fees
- Real time rental software
- Appliance upgrade package
- Cell tower leases

Big Picture Lesson!

Commercial Opportunities Will Cross Your Desk





This Weekend's Agenda				
DAY 1	Investment Strategy	Off Market Wholesaling	On Market Wholesaling	Marketing Systems
	Advantage			
DAY 2	Acquisition System STEP 1	Acquisition System STEP 2	Acquisition System STEP 3	Creating Passive Income
DAY 3	Funding Your Deals	Evaluating Commercial Properties	Leveraging Artificial Intelligence	Marketing & Closing Your Deals









EVERY INDUSTRY *IS SHIFTING*

Leaders are creating new customers through a new kind of business model

HEALTH CARE REAL ESTATE EDUCATION HOSPITALITY
TECHNOLOGY MEDIA TRAVEL RETAIL

BEALFLOW

THE BEST COMPANIES HAVE REPOSITIONED THEMSELVES

Away from mass marketing
to using
MACHINE LEARNING AND ARTIFICIAL INTELLIGENCE
to create Smart Data for business growth

BEALFLOW

In the last 20 Years, 52% of the Fortune 500 Companies have disappeared

1955	VS.	2015
Average Life Expectancy - 75 Years -		Average Life Expectancy - 15 Years -

BEALFLOW

WHO SURVIVED *THE SHIFT*?

REALEFLOW

WHIRLPOOL & IBM Collaborate on Connected Appliances

REALEFLOW

COCA COLA

who is drinking, what brands, and what prompts them

REALEFLOW



PROCTER AND GAMBLE
18 or 182 years old?

REALEFLOW



**Which NEW Fortune 500 Companies
are Built on Smart Data?**

REALEFLOW



The Smart Data Companies
Amazon, Google, Facebook, Netflix


REALEFLOW









Companies evolve from
Unwanted Pests to **Welcomed Guests**




Appealing
Message




Solving a
Problem



Anywhere
Real Time



Triggers
Immediate Action



Referrable
Experience

REALFLOW

IT'S A NEW WAY OF THINKING

#TIMINGISEVERYTHING

MASS MARKETING



SMART DATA

REALFLOW

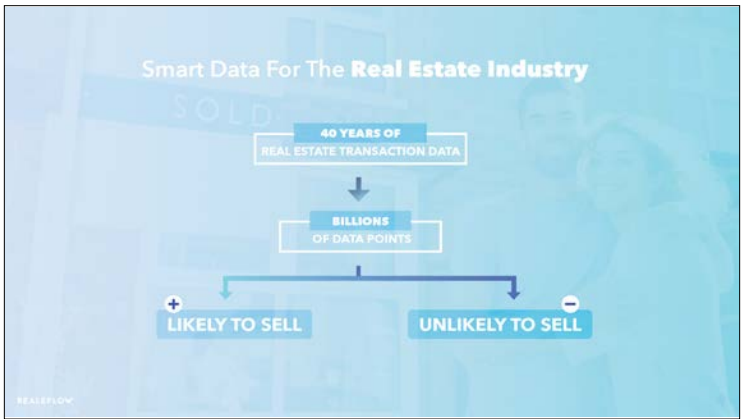
The Most **Unusual Answer Ever**



REALFLOW







SELLABILITY

← **INDEX** →

1-1000 - Propensity To Sell In the Next 90 Days
Higher Score = Higher Propensity

REALFLOW

Proving the Model
(and a strange twist)

REALFLOW

TEST CELL 1

Absentee Owners
3.1% ITS Rate

TEST CELL 2

Retail Scored Leads
5.4% ITS Rate
74% Improvement

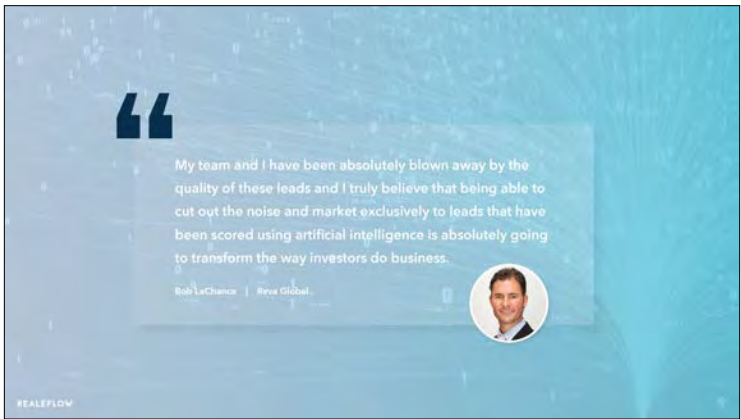
TEST CELL 3

Investor & Wholesale Scored Leads
11.5% ITS Rate
275% Improvement

REALFLOW








“

“Our Leadpipes AI mailers went out and the leads are on fire! I have had 13 calls in 24 hours and I only sent out about 60 letters.”

Janet Hooten | Janes Buy Houses



REALFLOW

This Weekend's Agenda

DAY 1

Investment Strategy

Off Market Wholesaling

On Market Wholesaling

Marketing Systems

Advantage

DAY 2

Acquisition System STEP 1

Acquisition System STEP 2

Acquisition System STEP 3

Creating Passive Income

DAY 3

Funding Your Deals

Evaluating Commercial Properties

Leveraging Artificial Intelligence

Marketing & Closing Your Deals



Building a Buyers List



5 Ways to Find Investor Buyers

- Attending Networking Events
- Leveraging Your Sales Team
- Online Marketing
- Social Media
- Cash Buyers List in Realeflow

#1 Networking Events

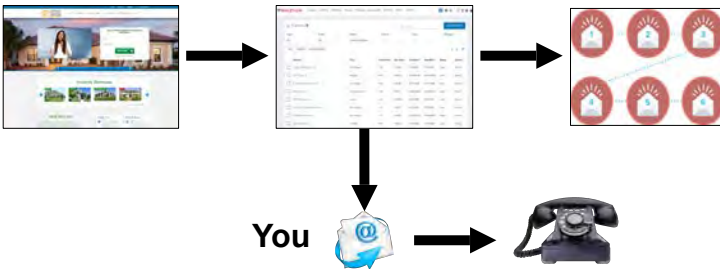
- Auctions
- REIA Events
- Landlord Associations
- Chamber of Commerce Events
- HBA Meetings
- Networking Lead Groups
- Contractor Associations

#2 Leveraging Your Sales Team



- Realtors
- Mortgage Brokers
- Hard Money Lenders
- Attorney's
- Insurance Agent
- Contractors
- REO Agent

#3 Online Marketing - Buyer Squeeze Page



#4 Social Media Presence



- Establishes further credibility
- Generate leads

Social Media System



Social Media System

- Free Foreclosure List - Call For Your List Today
555.555.5555 or visit www.YourWebsite.com
- Foreclosure Properties for Sell - Must Sell Quickly - Call
555.555.5555

#5 Cash Buyers List

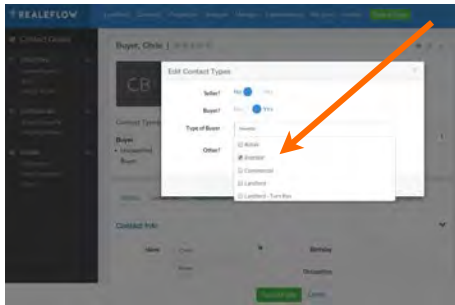


#5 Cash Buyers List

Have the Ability to Capture Leads & the Technology to Manage them

Let Realeflow Manage Your Leads

Let Realeflow Manage Your Leads

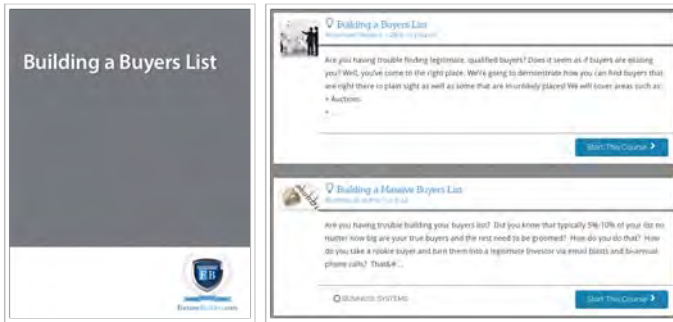


Build Trust with Buyers in an Automated Fashion

Assign Lead to an Autoresponder Campaign

- General - Any new buyer lead
- Real Estate Investment Tips
- Wholesale Buyer Campaign
- Landlord Campaign
- Realtor Campaign
- Contractor Campaign
- Mortgage Broker Campaign

Leverage Mastery Tools & Resources



Prescreening Buyer Leads

Investor Buyer Prequalification Sheet

First & Last Name: _____ Date: _____
 Company Name: _____ Years in Business: _____
 Address: _____ Home Phone: _____
 City: _____ State: _____ Zip: _____ Cell Phone: _____
 Email: _____ Work Phone: _____
 Lead Source: _____ Fax: _____

Your Experience/Property Needs:

What is your rehab experience/how many projects have you completed?

What type of properties are you looking to purchase?

☐ Rehabs (cosmetics) ☐ Rental Properties (long-term)
☐ Rehabs (full gut single family) ☐ Land
☐ Rehabs (full gut multi) ☐ Other: _____

In what areas are you looking to purchase properties? _____

What price range of properties are you looking to buy? \$ _____ to \$ _____

How many properties are you looking to purchase/rehab in the next six months? _____

Marketing to Find a Buyer

- **Website:** Add property to your core website
- **Emails:** Email wholesale package to your buyers list & sales team
- **Text:** Text messages buyers list
- **Phone:** Personally call your top buyers

***include proper disclaimer on all your marketing materials**

Marketing to Find a Buyer

Body of Email

- Sales Price
- Estimated Repairs
- ARV
- Closing Date
- Types of Offers
- And....?

Attached to Email

- Sold Comps
- Property Card
- List of Repairs
- Pics of Property

Communicating with Other Investor Buyers

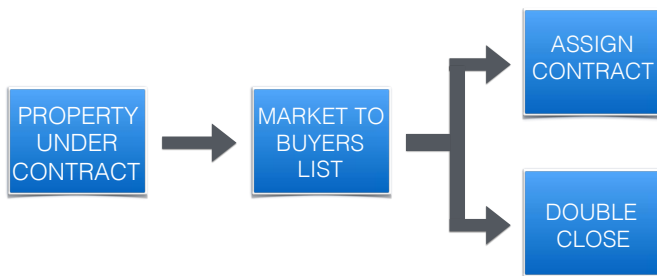
Things We Should Expect from Buyers

- Easy to Work With
- Can make Quick Decisions
- Non-Refundable Deposits
- Quick Close with Cash
- Transparent Transactions

Negotiating with Investor Buyers

- Know their objections ahead of time
- Pre-frame and control the conversation
- Know your information
- Create an environment of competition
- Always check everything

Closing Wholesale Deals



Assignment Checklist

Wholesale Assignment Checklist

INITIAL SELLER MEETING

- ☐ **Purchase & Sale Agreement:** Execute a standard Purchase & Sale Agreement with all homeowners of the subject property to gain equitable interest in the property.
- ☐ **Access Time:** Coordinate and set appropriate times to show property to prospective buyers.
Times determined: _____
- ☐ **Lockbox:** Install lockbox when applicable (i.e. vacant house etc.) and seller is flexible enough to let this happen.
- ☐ **Pictures:** Take good photos of the main areas of the property (front, back, living room, kitchen, bedrooms, bathrooms etc.). Save them to include in marketing campaigns and for email blasts to potential buyers.

MARKET TO FIND BUYER

- ☐ **Website:** Add property to website with pictures and on classified listing websites.
- ☐ **For Sale Signs:** Put For Sale sign in yard and surrounding area of house with appropriate phone number.
- ☐ **For Sale Directional Signs:** Put out six For Sale directional signs.

Escrow Checklist

Escrow Checklist



ESCROW & CLOSING COMMUNICATION

- ☐ **Update Realeflow with Escrow Information**
Depending on what state you are closing in you may either use an escrow company, a title company, or an attorney to perform the closing. Regardless, you want to make sure you enter the contact information for all parties involved in the closing.
- ☐ **Escrow Take Sheet (Completed and Sent to Escrow)**
An Escrow Take Sheet is one page form that you send to escrow that informs them of all the basic information Escrow will need to open Escrow. This form can come from Escrow or you can use the template form created on the Mastery website. The form essentially let's escrow know all the details about the deal and all the parties to the deal. It includes information about the property being sold like the property address, the price being sold for, loan information, seller and buyer and agent information.
- ☐ **Commission Instructions (Sent to Escrow)**
You may include this information on the Escrow Take Sheet or you may send over a separate form or email outlining what agents are involved in the transaction and what they are getting paid.
- ☐ **Referral Commission Instructions & Authorization (Sent to Escrow)**
If there are any referral fees being paid out to other agents make sure Escrow has a Commission Instruction/Authorization form filled out for those agents.
- ☐ **Deposit (Sent to Escrow)**
Make sure the deposit gets wired or sent to Escrow.
- ☐ **Deposit Verified and Receipt of Deposit**
Verify with Escrow that the Deposit has been received by Escrow. You generally want to do this within five business days. When escrow receives the deposit they will send back a Receipt of Deposit for your records. The money is held in Escrow's trust account.
- ☐ **Purchase & Sale Agreement (Sent to**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

[illegible]

[illegible]

[illegible]



FortuneBuilders Oath

"I will never quit. I persevere and thrive on adversity and use failure as a stepping stone toward my goals. I commit to being stronger mentally and persevering in face of doubt, skepticism, resistance and despite setbacks. If knocked down, I will get back up, every time with more resolve. I will positively contribute to the team & community and draw on every remaining ounce of my strength to grow personally and to pursue the best version of myself."

FortuneBuilders Core Values

- Ethics & Integrity** | Do the right thing.
- Inspire** | Motivate and help others to achieve their goals.
- Educate** | Believe in and commit to personal development & growth.
- Lead** | Take action & following through. Persevere & don't give up.
No Excuses. How you do anything is how you do everything.
- Crush It** | Enjoy every moment and do it with passion.