

FIGURE 2.1 Three Stages of Business Ownership

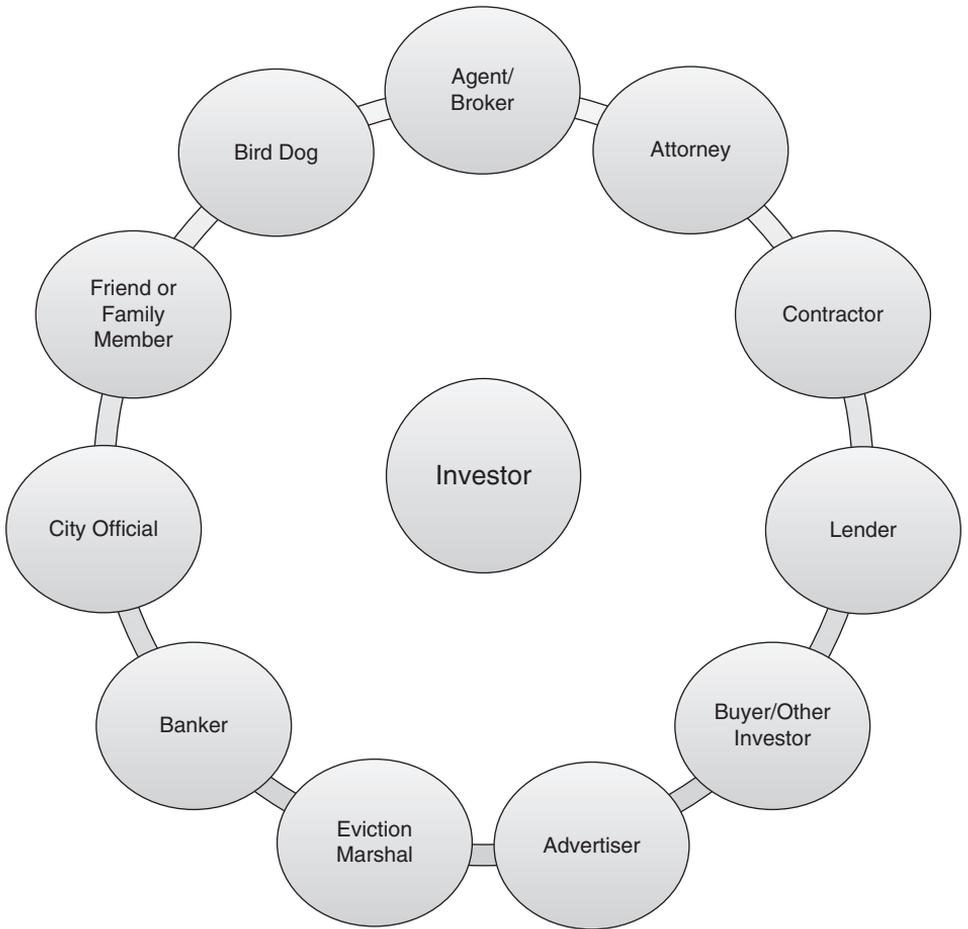


FIGURE 3.1 Players in the Networking Marketing Model

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Welcome to CT Homes Featured Property Giving Back to the Community

FIGURE 5.1 CT Homes, LLC Screenshot

Source: CT Homes, LLC.



FIGURE 7.1 Wraparound Mortgages

Seller agrees to sell and Buyer agrees to buy for the purchase price and upon the terms and conditions stated herein the real property with all buildings and other improvements thereon and all appurtenances thereto, in the same condition as they were on the date of Buyer's signature, reasonable wear and tear excepted.

2. REAL PROPERTY TO BE PURCHASED:

a) Street Address: _____

b) City/Town: _____ STATE _____ ZIP _____

c) Described as: _____

FIGURE 8.2 Description of Real Estate

3. INCLUDED IN SALE PRICE: The Real Property shall include all items permanently attached to the property on the date Buyer signed this Agreement and: all screens, storm windows, TV antenna, awnings, security, fire and smoke alarms, garage door openers with controls, venetian blinds, curtain/drapery rods, wall-to-wall carpet, plumbing and heating fixtures (except portable heaters or rented water heaters), light fixtures, shrubbery, and plants. Unless mentioned below, all personal property is excluded.

ADDITIONAL PERSONAL PROPERTY, if any, to be included:

There is no leased personal property except:

FIGURE 8.3 Included in the Sale Price

4. PURCHASE PRICE \$ _____, payable as follows:

a) By initial Deposit submitted herewith receipt of which is hereby acknowledged.....\$ _____

b) By additional Deposit due upon Seller's Acceptance.....\$ _____

c) By Proceeds of: Financing as specified in paragraph 6 below.....\$ _____

d) By _____.....\$ _____

e) Balance to be paid by certified check or bank check at Closing..... \$ _____

TOTAL PRICE TO BE PAID (Must equal Purchase Price)..... \$ _____

FIGURE 8.4 Purchase Price

5. DEPOSITS: The Deposit(s) specified above shall be made at the stated times. All Deposits shall be made by check, payable to the Listing Broker or the attorney/title company conducting the closing. All checks are subject to collection and failure of collection shall constitute a default. Except at time of closing, when the deposit shall be delivered to Seller or Seller's designee, the Listing Broker shall not pay the Deposit to anyone without the written consent of all parties to this Agreement. In the event any deposit funds payable pursuant to this Agreement are not paid by Buyer, Seller may give written notice of such failure to Buyer. If such notice is given and a period of 3 (three) days pass without Buyer paying the Deposit owed, Seller may declare Buyer in default and shall have the remedies set forth in Paragraph 14.

FIGURE 8.5 Deposits

6. FINANCING CONTINGENCY:

a) Amount \$ _____; b) Maximum Initial Interest Rate _____%

c) Term: _____ years; d) Commitment Date: _____

e) Type: ___ Conventional Fixed ___ Variable ___ FHA ___ VA ___ CHFA ___ Other _____

Buyer's obligation is contingent upon Buyer obtaining financing as specified in this paragraph. Buyer agrees to apply for such financing immediately and diligently pursue a written mortgage commitment on or before the Commitment Date.

f). If Buyer is unable to obtain a written commitment and notifies Seller in writing by 5:00 PM on said Commitment Date, this Agreement shall be null and void and any Deposits shall be immediately returned to Buyer. Otherwise, the Financing Contingency shall be deemed satisfied and this Agreement shall continue in full force and effect.

FIGURE 8.6 Financing Contingency

7. CONDITION OF PREMISES: Buyer represents that Buyer has examined the property and is satisfied with the physical condition subject to the Inspection Contingency if applicable. Neither Seller nor any representative of the Seller or Buyer has made any representation or promise other than those expressly stated herein which Buyer has relied upon in making this Agreement.

FIGURE 8.7 Condition of Premises

8. INSPECTION CONTINGENCY:

- (a) Inspections shall be completed and results reported to Seller on or before 5:00 P.M. on: _____
- (b) Seller agrees to permit Buyer's designees to inspect the real property during the period from Seller's acceptance until the date set forth in (a) above. If Buyer is not satisfied with the physical condition of the real property, and so notifies Seller in writing prior to the date specified in (a) above, then Buyer may at Buyer's option terminate this Agreement. Buyer may give Seller the option to correct the conditions that are unsatisfactory to the Buyer. Should Buyer elect to terminate this Agreement or Seller is unwilling to correct any unsatisfactory conditions the Buyer shall notify Seller on or before 5:00P.M. on: _____ of Buyer's election to terminate this Agreement and if terminated this Agreement shall be null and void and any deposit monies paid hereunder shall be returned immediately to Buyer and neither Buyer nor Seller shall have any claims against each other under the terms of this Agreement. If Buyer fails to notify Seller as provided herein, this contingency shall be deemed satisfied and this Agreement shall continue in full force and effect.
- (c) If initiated below, Buyer does NOT choose to have any inspections performed and WAIVES any rights to object to any defects in the property that would have been disclosed by a full and complete inspection.
-

FIGURE 8.8 Inspection Contingency

9. STATEMENT RE: LEAD-BASED PAINT: The parties acknowledge that dwelling units constructed prior to 1978 are likely to contain lead-based paint which could create a health hazard. In the event that the real property which is the subject of this Agreement consists of or contains a residential unit built prior to 1978, the parties agree that each party has received, reviewed, signed and annexed hereto a completed Disclosure and acknowledgment Form re: Lead-Based Paint as required by federal HUD/EPA disclosure regulations.

FIGURE 8.9 Lead-Based Paint

10. OCCUPANCY, POSSESSION, AND CLOSING DATE: _____.

Unless otherwise stated herein, Buyer shall receive exclusive possession and occupancy with keys on Closing Date. The Real Property shall be maintained by Seller until time of Closing and shall be transferred in broom-clean condition, free of debris. Buyer shall have the right to a walk-through inspection of the Property within 48 hours prior to the Closing Date. Closing shall be held at an office to be determined by Buyer's attorney in the county where the property is located or at such place as designated by Buyer's mortgage lender.

FIGURE 8.10 Occupancy, Possession, and Closing Date

11. WARRANTY DEED: Seller agrees to convey fee simple title of the Real Property to Buyer by a good and sufficient Warranty Deed subject only to any and all provisions of any ordinance, municipal regulation, public or private law, restrictions and easements as appear of record, if any, provided they do not affect marketability of title, current real estate taxes, water and sewer charges, and current water and sewer assessment balance, if any; except in those cases where a fiduciary's Deed or other form of court-ordered deed may be required to pass title. Seller warrants that Seller has no notice of any outstanding violations from any town, city or State agency relating to the property.

FIGURE 8.11 Warranty Deed

12. MARKETABLE TITLE: Title to be conveyed by Seller shall be marketable as determined by the Standards of Title of the “YOUR STATE” Bar Association now in force. Seller further agrees to execute such documents as may be reasonably required by Buyer’s title insurance company or by Buyer’s mortgage lender. Should Seller be unable to convey Marketable Title as defined herein, Buyer may accept such Title as Seller can convey, or may reject the Unmarketable Title, receive back all Deposit money, and declare this Agreement null and void. Upon such rejection and repayment to Buyer of all sums paid on account hereof, together with the reasonable fees for the examination of title, this Agreement shall terminate and the Parties hereto shall be released from all further claims against each other.

FIGURE 8.12 Marketable Title

13. ADJUSTMENTS: Real Estate Taxes will be adjusted as of the Closing Date. All other adjustments, including Association fees, fuel oil, water and sewer usage, interest on sewer or water assessments, utilities, rent, if any, and issues regarding funds at closing and unavailability of releases at closing and like matters shall be adjusted pro rata as of the Closing Date in accordance with the Residential Real Estate Closing Customs of "YOUR STATE", as adopted by the "YOUR STATE" Bar Association, now in force. Rent security deposits, if any, shall be credited to Buyer by Seller on the Closing Date and shall include any interest accrued to the tenant.

FIGURE 8.13 Adjustments

14. BUYER'S DEFAULT: If Buyer fails to comply with any Terms of this Agreement by the time set forth for compliance and Seller is not in default, Seller shall be entitled to all initial and additional deposit funds provided for in section 4, whether or not Buyer has paid the same, as liquidated damages and both parties shall be relieved of further liability under this Agreement. If legal action is brought to enforce any provision of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees.

FIGURE 8.14 Buyer's Default

15. RISK OF LOSS, DAMAGE: All risk of loss or damage to said property by fire, theft or other casualty until delivery of Deed shall be upon the Seller. In the event of loss or damage independently appraised at more than \$5,000.00, Buyer shall have the option to receive any insurance payment on account of said damage and take Title, or rescind this Agreement and receive back all Deposit money paid. In such case all rights and obligations of the parties under this Agreement shall terminate.

FIGURE 8.15 Risk of Loss, Damage

16. COMMON INTEREST COMMUNITY: If the property is a unit in a condominium or other common interest community, Seller will deliver the resale documents in accordance with the local statutes and customs.

FIGURE 8.16 Common Interest Community

17. LISTING BROKER: _____ PH# _____
_____ Dual Agent — If the Listing Agent is acting as a Dual Agent, a CONSENT FOR DUAL AGENCY FORM SHALL BE ATTACHED to this Agreement.

COOPERATING BROKER _____ PH# _____ Buyer Agent ___ Sub Agent

FIGURE 8.17 Listing Broker

18. PROPERTY CONDITION REPORT: Seller and Buyer acknowledge that if a written residential property condition report is required by statute and Seller has not provided Buyer with the required report, Seller will credit Buyer with the statutory fee at closing.

FIGURE 8.18 Property Condition Report

19. EQUAL HOUSING RIGHTS: This Agreement is Subject to all local statutory laws prohibiting discrimination in commercial and residential real estate transactions.

FIGURE 8.19 Equal Housing Rights

20. ADDENDUM: The following attached Addenda and/or Riders are part of this Agreement:

Seller's Property Condition Disclosure Agency Disclosure Title Lead hazards
 Dual Agency Consent Multi-family or Commercial Property Rider Other _____

FIGURE 8.20 Addendum

21. ADDITIONAL TERMS AND CONDITIONS: _____

FIGURE 8.21 Additional Terms and Conditions

22. FAX TRANSMISSION: The parties acknowledge that this Agreement and any addenda or modification and/or any notices due hereunder may be transmitted between them by facsimile machine, e-FAX, or via email and the parties intend that a faxed document containing either the original and/or copies of the parties' signatures shall be binding and of full effect.

FIGURE 8.22 Fax Transmission

23. COMPLETE AGREEMENT: This Agreement contains the entire agreement between Buyer and Seller concerning this transaction and supersedes any and all previous written or oral agreements concerning the Property. Any extensions or modifications of this Agreement shall be in writing signed by the parties.

FIGURE 8.23 Complete Agreement

24. NOTICE: Any notice required or permitted under the Terms of this Agreement by Buyer or Seller shall be in writing addressed to the Party concerned using the address stated in Paragraph 1 of this Agreement or to such party's attorney or to the party's Listing Broker or Cooperating Broker designated in paragraph 17.

FIGURE 8.24 Notice

25. BUYER AND SELLER acknowledge receipt of a copy of this Agreement upon their signing same.

FIGURE 8.25 Buyer and Seller

26. TIME TO ACCEPT: Seller shall have until _____ to accept this Agreement.

FIGURE 8.26 Time to Accept

Property Repair Estimate Sheet

• Street Address: _____ Date: ____/____/____ Inspected By: _____
 City: _____ Bedrooms: ____ Bathrooms: ____ Sq.Ft: _____ Vacant: ____

Inspection Checklist	Yes	# Units	No	Repair Cost Calculations	Repair Cost
1. Roof and Gutters?				Architectural Shingle (rip & Re Shingle): Roll Over Existing: Gutters *Tile Roof: Get it Inspected*	
2. Exterior Paint/Siding/ Stucco?				Paint: Siding Stucco: All New Stucco:	
3. Windows?				Vinyl replacement: Wood casing: Bay Window: Sliders:	
4. Garage Need Repair?				1 Garage Door: w/Opener Installed: 1 Car Paint: 2 Car Paint: Roof New: (Adjust up on for size) Build New: (depending on size)	
5. Yard/Landscaping/Pool?				Clean Yard (Easy): Clean Yard (Hard): POOL: Plaster only Landscape (Easy): Landscape (Hard): Pool Complete w/Equip	
6. Heating/ AC / need replacing?				Replace 1 Hot Air Furnace or Boiler: depending on size Replace 1 Wall Heater: New Duct Work: AC and Heat (install new):	
7. Plumbing Need Repair?				Plumbing: per wet location Replace 1 H2O Heater: Tankless: Septic Inspection Needed: Yes No	
8. Electrical Need Repair?				New Panel: (Aluminum Wiring Y/N) (Federal Pacific, Zinsco, other ____ Y/N) House, Rewire, New service w/New Panel: Fixtures:	
9. Basement Need Repair?				New Support Beam: Seal Basement: Replace Stairs: Engineer/Contract Quote Needed: Yes/No ____ Foundation Replace: minimum Concrete Rules of thumb: Patio Grade: (L x W x standard 4" depth) Demo: Foundation Grade: Stem Wall: linear/ft	
11. Interior Paint?				Interior Paint: Single Family: Add \$ for additional prep if needed	
12. House Need Carpet?				Quick Rule: Carpet: Ceramic Tile: Sheet Vinyl: Hardwood Install: Sand & Refinish:	
13. House Need Tile/Vinyl?					
14. Floors Need to be Sanded?					
15. Kitchen Need Repair?				Single Family Rental: Single Family Low End: Single Family Nice: Single Family High End:	
16. Kitchen Need Appliances?				Standard: Higher End: Super High End:	
17. Bathroom (Fixtures)				1 Complete Full Bath: 1 Complete Half Bath:	
18. Sheetrock need Replacing?				Acoustical ceiling removal: Single Family Patch:	
19. Dumpsters? _____					
20. Decks? _____					
21. Pergola? _____					
22. Termite Damage? _____					
23. Fence? _____					
24. Doors and Trim? _____					
25. Other: _____				Other: _____	
26. Permits/Planner/Architect				City: County: Permit Addition: (Research Your Area)	
27. Miscellaneous				Repair Cost _____ x 10-15% = _____ Other: _____	
ARV:				Total	

Professional Quotes Needed: Buried Oil Tank: Y/N FOUNDATION/ENGINEER: Y/N Mold Remediation: Y/N

ARV Features: Outside: Street: + - Curb Appeal: + - Neighbors: + - Backyard: + - Usable Lot: + -

Inside: Layout: + - (Fixable Y N) Kitchen: + - Bedrooms: + - Bathrooms: + - Master Suite: Y / N

Notes: _____

FIGURE 9.1 Property Repair Estimate Sheet System

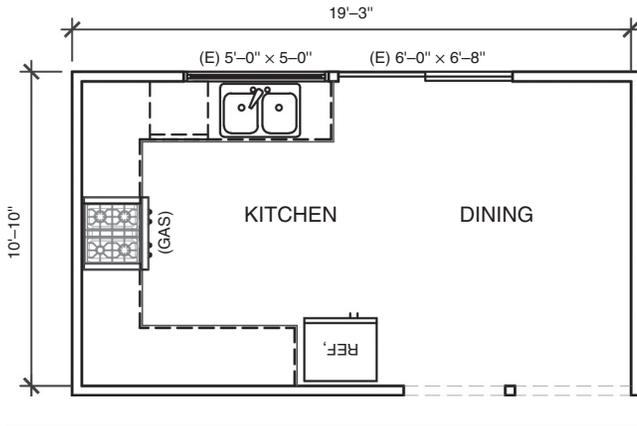


FIGURE 11.2 Desired Kitchen Layout

Fixture / Item	Price	Unit	Width	Length	Height	Link to Store Website
Cabinets **	\$23.45	varies	-	-	-	http://thd.co/1e6Mr6v
Lighting	\$9.83	each	7.5	3.25	4	http://thd.co/1mZIU3m
Range	\$629.00	each	29.875	47	28.5	http://thd.co/1mZIGsP
Freezer/Refrigerator	\$759.00	each	30	66.625	32.625	http://thd.co/1mZIKJ8
Microwave	\$259.00	each	29-7/8	16-13/32	15-1/32	http://thd.co/1lo5DEz
Dishwasher	\$369.00	each	24	35	25	http://thd.co/1jEfkeU
Sink	\$168.28	each	32.188	9	20.5	http://thd.co/1o9yXLM
Faucet	\$184.61	each	2	9.25	10	http://thd.co/1e6MK16
Garbage Disposal	\$74.96	each	6.312	11.375	6.12	http://thd.co/1mZISsg
Countertops ***	\$11.25	per 3"	5	8	7	http://thd.co/1erL9Xt
Backsplash ***	\$1.65	sq ft	6	3	-	http://bit.ly/1bLXr72
Flooring ***	\$1.99	sq ft	5	47.75	0.315	http://thd.co/1e6MSgU
Paint ***	\$116.00	per 5 gal	-	-	-	http://thd.co/1n3GRes

FIGURE 11.3 Kitchen Material Breakdown and Cost

Fixture / Item	Brand	Description	Color	Qty	Material Cost	Retail SKU
Cabinets **	Hampton Bay	Wood Cabinets; Base and Wall	White Satin	113	\$2,649.85	multiple
Lighting	Halo	Recessed Can Light	White	6	\$58.98	556219
Range	Frigidaire	Freestanding Gas Range	Stainless Steel	1	\$629.00	* 249116
Freezer/Refrigerator	Frigidaire	21 CF Top Freezer Refrigerator	Stainless Steel	1	\$759.00	100002771
Microwave	Frigidaire	1.6 CF 1000 Watt OTR Microwave	Stainless Steel	1	\$259.00	533383
Dishwasher	Frigidaire	Built-in Electric Dishwasher	Stainless Steel	1	\$369.00	166512
Sink	HOUZER	Eston Undermount Double Bowl	Stainless Steel	1	\$168.28	STC-2200SR-1
Faucet	KOHLER	Coralais 1-Hole, 1-Handle, Low-Arc	Brushed Nickel	1	\$184.61	856835
Garbage Disposal	Badger	Garbage Disposal w/ Air Gap Switch	Black	1	\$74.96	100036481
Countertops ***	Stonemark	New Venetian Gold Granite	New Venetian Gold	78	\$877.50	DT-G215
Backsplash ***	Arizona Tile	Skylights Glass SL-Kiwi Stag Joint	Kiwi Stag (Green)	59	\$97.35	SL-Kiwi
Flooring ***	Hampton Bay	Laminate Flooring	Brown	105	\$208.95	183410
Paint ***	Behr	Flat Finish (R-234 G-223 B-201)	Light Beige	1	\$116.00	custom
Total Material Cost					\$6,452.48	

FIGURE 11.4 Kitchen Material Breakdown and Cost with SKU#

MATERIALS BREAKDOWN

Material Cost: \$6,453

Labor Cost: \$1,465

Total Cost: \$7,918

Microwave
Model #533383
Price: \$220.00



Gas Range
SKU #249116
Price: \$566.10 each



Refrigerator
SKU #1000002771
Price: \$586.00



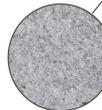
Flooring
SKU #183410
Price: \$1.99 SF



Dishwasher
SKU #166512
Price: \$275.00



Granite Counter
Model DT-G125
Price: \$9.95 per 3"



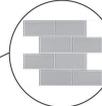
Lighting
SKU #556219
Price: \$9.83 each



Cabinets
SKU #v601287
Price: \$2,650.00



Backsplash
SKU #SL-Kiwi
Price: \$1.65 per SF



Faucet
SKU #866835
Price: \$184.61



Sink
Model STC-2200SR-1
Price: \$168.28



FIGURE 11.7 Materials Breakdown

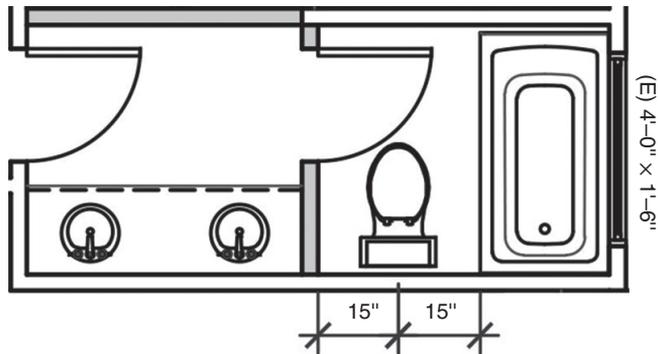


FIGURE 11.9 Desired Layout of Bathroom

Fixture / Item	Price	Unit	Width	Length	Height	Link to Store Website
Toilet	\$98.00	each	17.25"	31.62"	29.63"	http://thd.co/1mZUV8X
Lighting	\$59.97	each	18"	8.375"	5"	http://thd.co/1e71eOx
Vanity	\$279.00	each	36"	33.5"	21"	http://thd.co/1nkn3np
Mirror	\$99.00	each	32"	24"	-	http://thd.co/1nkFgkB
Countertop	\$61.00	sq ft	-	-	-	http://thd.co/1nknHg
Sink	\$140.00	each	15.62"	9.62"	21.62"	http://thd.co/1bKe8pY
Faucet	\$84.70	each	6.3"	2.75"	15"	http://thd.co/1fuJDP2
Bathub	\$347.70	each	32"	20"	60"	http://thd.co/1esN3TW
Tub & Shower Valve	\$76.45	each	6"	5"	5"	http://thd.co/1mZV5x3
Bath & Shower Fixtures	\$95.70	each	-	-	-	http://thd.co/1esN4aA
Exhaust Fan	\$59.47	each	10.25	10.5	5.75	http://thd.co/Msb5Yx
Towel Bar	\$24.98	each	4.5	24	3.25	http://thd.co/1esEp7Y
Towel Ring	\$16.98	each	-	-	-	http://thd.co/1nknUO3
Tub Enclosure **	\$2.98	sq ft	12"	24"	3/8"	http://bit.ly/1ctOP3
Tub Enclosure Accent **	\$3.98	sq ft	12"	12"	3/8"	http://bit.ly/1cJ3i5
Flooring **	\$6.38	sq ft	20"	20"	3/8"	http://thd.co/1esMQAo
Paint **	\$116.00	5 gallons	-	-	-	http://thd.co/1n3GRes
Grout	\$14.97	25 lbs bag	-	-	-	http://thd.co/1n3GRes

FIGURE 11.10 Bathroom Material Breakdown and Cost

Fixture / Item	Brand	Description	Color	Qty	Material Cost	Retail SKU
Toilet	Glacier Bay	2-piece 1 GPF Flush Saver Elongated	White	1	\$98.00	173239
Lighting	Hampton Bay	3-Light Vanity Wall Fixture	Stainless Steel	1	\$59.97	292995
Vanity	Glacier Bay	Vanity Cabinet	Java Oak	1	\$279.00	997390
Mirror	Glacier Bay	Glacier Bay Hampton Framed Mirror	Brown	1	\$99.00	598716
Countertop	LG Hausys	Viatera 2 in. Quartz Countertop	Ultra White	5	\$305.00	LG-Q5125-VT
Sink	American Standard	Studio Rectangular Undermount Sink	White	1	\$140.00	344024
Faucet	GROHE	Eurostyle Cosmopolitan 1-Hole 1-Handle	Chrome	1	\$84.70	23042002
Bathtub	Sterling Plumbing	Ensemble 5 ft. Right Drain Bathtub	White	1	\$347.70	71121120-0
Tub & Shower Valve	GROHE	Pbv Rough-in Valve in Chrome	Chrome	1	\$76.45	172387
Bath & Shower Fixtures	GROHE	Bauloop Shower Combination	Starlight Chrome	1	\$95.70	27547000
Exhaust Fan	NuTone	NuTone 110 CFM Exhaust Fan	White	1	\$59.47	672R
Towel Bar	Delta	Kaya Towel Bar	Polished Chrome	1	\$24.98	229219
Towel Ring	Delta	Kaya Towel Ring	Polished Chrome	1	\$16.98	232565
Tub Enclosure **	Arizona Tile	Fibra Series	Linen	54	\$160.92	36300
Tub Enclosure Accent **	Arizona Tile	Skylights Glass SL-Spa Melange	SL-Spa Mélange	9	\$35.82	SL-SPA
Flooring **	DalTile	Veranda Pearl Porcelain Tile	Pearl	40	\$255.20	200068
Paint **	Behr	Semi Gloss (R-234 G-223 B-201)	Light Beige	1	\$116.00	-
Grout	Custom Building Product	Polyblend #382 Sanded Grout	Bone Color	1	\$14.97	123852
Total Material Cost					\$2,269.86	

FIGURE 11.11 Bathroom Material Breakdown and Cost with SKUs

MATERIALS BREAKDOWN

Material Cost: \$2,270

Labor Cost: \$1,530

Total Cost: \$3,800



FIGURE 11.14 Materials Breakdown for Bathroom

QUOTE ITEMIZATION FORM

PROPERTY ADDRESS: _____

CONTRACTOR: _____

Time needed to complete project: _____

****Fill in all appropriate blanks pertinent to this scope of work:**

EXTERIOR:

- Demolition/Dumpsters \$ _____
- Landscaping \$ _____
- Driveway/walkway \$ _____
- Roof \$ _____
- Paint/Siding \$ _____
- Windows \$ _____
- Doors \$ _____
- Misc.
 - Explain _____ \$ _____
 - Explain _____ \$ _____

INTERIOR:

- Demolition/Dumpsters \$ _____
 - HVAC \$ _____
 - Plumbing \$ _____
 - Electrical/Lighting \$ _____
 - Framing \$ _____
 - Sheetrock/Taping \$ _____
 - Paint \$ _____
 - Doors/Trim \$ _____
 - Flooring (Carpet) \$ _____
 - Flooring (Hardwood) \$ _____
 - Flooring (Tile) \$ _____
 - Appliances \$ _____
 - Kitchen Misc. (fixtures, countertops, etc.) \$ _____
 - Bathroom(s) Misc. (fixtures, vanity, etc.) \$ _____
 - Misc.
 - Explain _____ \$ _____
 - Explain _____ \$ _____
 - Explain _____ \$ _____
 - **Total Project Cost** \$ _____
-

FIGURE 11.15 Quote Itemization Form

PROPERTY SALE ENTRIES**Sample Property Address**

Date:

x		1 Profit Analysis	
	12/13/13	2 Buying HUD	
	3/28/14	3 Selling HUD	
x		4 Copy of Check from Sale	
x		5 Quick Report	
x		6 Journal Entry	
x		7 Class Income Statement/P&L Statement	

Profit Analysis

1 Acquisition Analysis	Actual	Pre-Project Analysis	Annual Average
Holding time in days	105		119
Profit	\$ 27,096.51	\$ 20,000.00	\$ 39,875.32
Improvement Cost	\$ 24,875.51	\$ 25,000.00	\$ 78,207.81
Utilities Cost	\$ 52.41		\$ 462.39
Insurance	\$ 526.00		\$ 1,145.76
Financing Cost	\$ 3,999.87		\$ 22,145.61
Staging Costs	\$ 1,086.00		\$ 2,153.47
Marketing Costs	\$ 378.00		\$ 416.06

2 Rehab Analysis

Rehab Start Date	12/26/13
Days from close date to start date	13
# of days in rehab	63
Improvement savings or (overage)	\$ 124.49

3 Sales Analysis

List Date	2/27/14
List Price	\$ 225,000.00
Offer Acceptance Date	2/4/14
# of days from listing to contract	5
Offer Acceptance Price	\$ 245,000.00
Days in Escrow	24

FIGURE 19.1 Profit-Analysis Report

Entry #	Account #	Account Name	Memo	Debit	Credit	Class
1.	1500	15 Red St	Deposit paid— 15 Red St	5,000		15 Red St
	1000	Checking Acct	Deposit paid— 15 Red St		5,000	15 Red St
2.	1500	15 Red St	Purchase 15 Red St	100,000		15 Red St
	1500	15 Red St	Points	1,000		15 Red St
	1500	15 Red St	Attorney and other fee	325		15 Red St
	2100	Liability new loan	15 Red St		80,000	15 Red St
	1000	15 Red St	Funds to close		21,325	15 Red St

3. Record the Rehab Costs and the Carrying Costs

You can record costs in QuickBooks using either a journal entry or a check. The example journal entries are below.

Entry #	Account #	Account Name	Memo	Debit	Credit	Class
1.	1500-1	Improvements	contractor payment	4,000		15 Red St
	1000	Checking Acct			4,000	15 Red St
2.	1500-2	Utilities	Electric Bill— month 1	50		15 Red St
	1000	Checking Acct			50	15 Red St
3.	1500-3	Debt Service	loan payment	300		15 Red St
	1000	Checking Acct			300	15 Red St
4.	1500-1	Improvements	contractor payment #2	6,000		15 Red St
	1000	Checking Acct			6,000	15 Red St
5.	1500-2	Utilities	Electric—month 2	50		15 Red St
	1000	Checking Acct			50	15 Red St
6.	1500-3	Debt Service	loan payment	300		15 Red St
	1000	Checking Acct			300	15 Red St

4. Record the Sale of the Rehab Property

Entry #	Account #	Account Name	Memo	Debit	Credit	Class
1.	1500-1	Improvements	Record sale		10,000	15 Red St
	9900-2	Cost of Property Sold	Record sale	10,000		15 Red St
2.	1500-2	Utilities	Record sale		100	15 Red St
	9900-2	Cost of Property Sold	Record sale	100		15 Red St
3.	1500-3	Debt Service	Record sale		600	15 Red St
	9900-2	Cost of Property Sold	Record sale	600		15 Red St
4.	1500	15 Red St	Record sale		106,325	15 Red St
	9900-2	Cost of Property Sold	Record sale	106,325		15 Red St
5.	9900-1	Gross Sales Proceeds	Record sale		160,000	15 Red St
	2100	Liability—15 Red Street	Record sale— payoff loan	80,000		15 Red St
	9900-2	Cost of Property Sold	Sale closing costs	5,000		15 Red St
	1000	Checking Acct		75,000		15 Red St

The results of all the transactions on your cash and income statement can be summarized next:

Cost of Property Sold (Cash out):

Deposit for purchase	\$5,000
Funds to complete purchase	\$21,325
Improvement Costs	\$10,000
Holding costs and debt service	\$700
Pay loan	\$80,000
Sale closing costs	\$5,000
Total Cost of property sold	\$122,025
Sales Proceeds (Cash In):	\$160,000
Total Gain	\$37,975

TABLE 21.1 Investor 2's Financial Picture

Principal	12%	Gross	35% Tax	Net
\$100,000	\$12,000	\$112,000	\$4,200	\$107,800
\$107,800	\$12,936	\$120,736	\$4,527	\$116,208
\$116,208	\$13,945	\$130,153	\$4,880	\$125,272
\$125,272	\$15,032	\$140,305	\$5,261	\$135,043
\$135,043	\$16,205	\$151,249	\$5,671	\$145,577

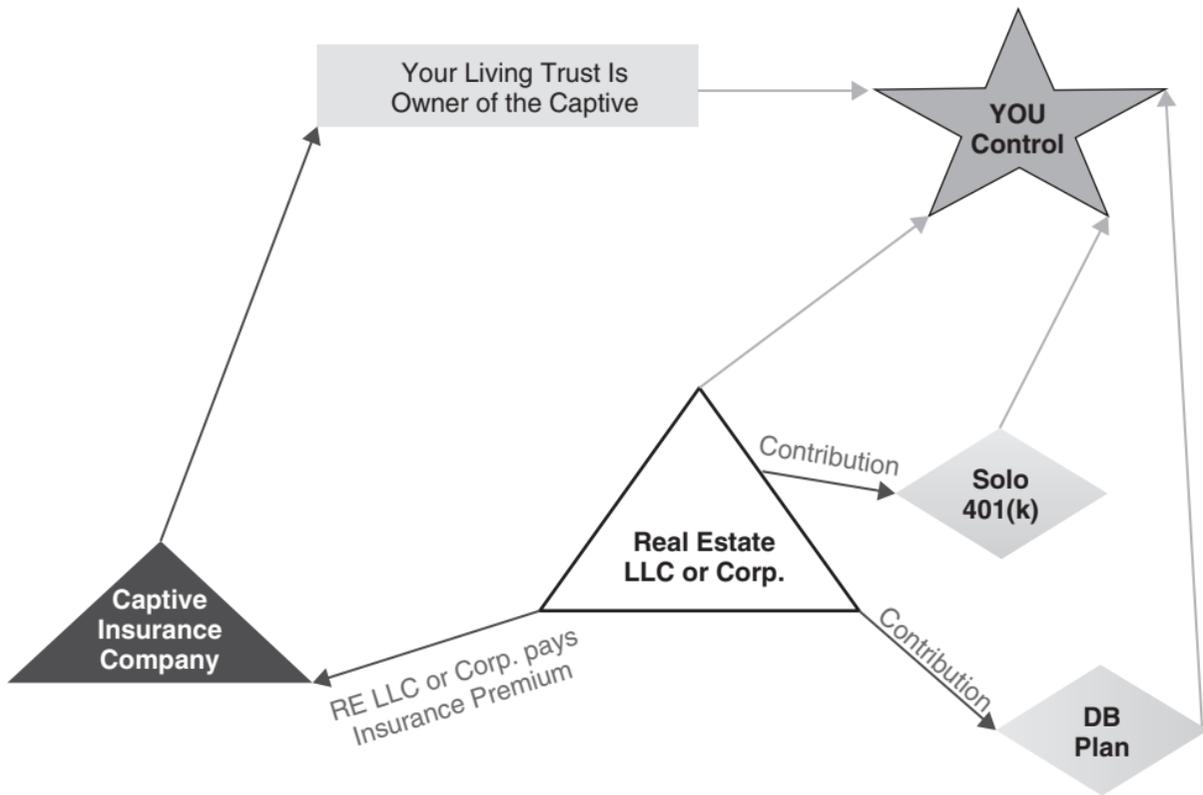


FIGURE 21.1 Asset Protection and Entity Structure

If you make 200k in Real Estate Income this Year w/ Financial Literacy!



☞ Real Estate Income w/ new BZ's	= \$200,000
☞ Solo 401k Contribution	Less (\$52,000)
☞ Taxable AGI after 401k Contribution	= \$148,000
☞ Defined Benefit Plan***	Less (\$20,000)
☞ Taxable AGI after Defined Benefit Cont.	= \$128,000
☞ <u>Captive Insurance Premium***</u>	<u>Less (\$100,000)</u>
☞ Taxable AGI Income as a BZ's owner	= \$28,000
☞ <i>At a 35% tax rate you owe \$9,800 in taxes leveraging IRS sponsored rules to save for your own Retirement</i>	

FIGURE 21.2 If You Make \$200,000 in Real Estate Income this Year with Financial Literacy

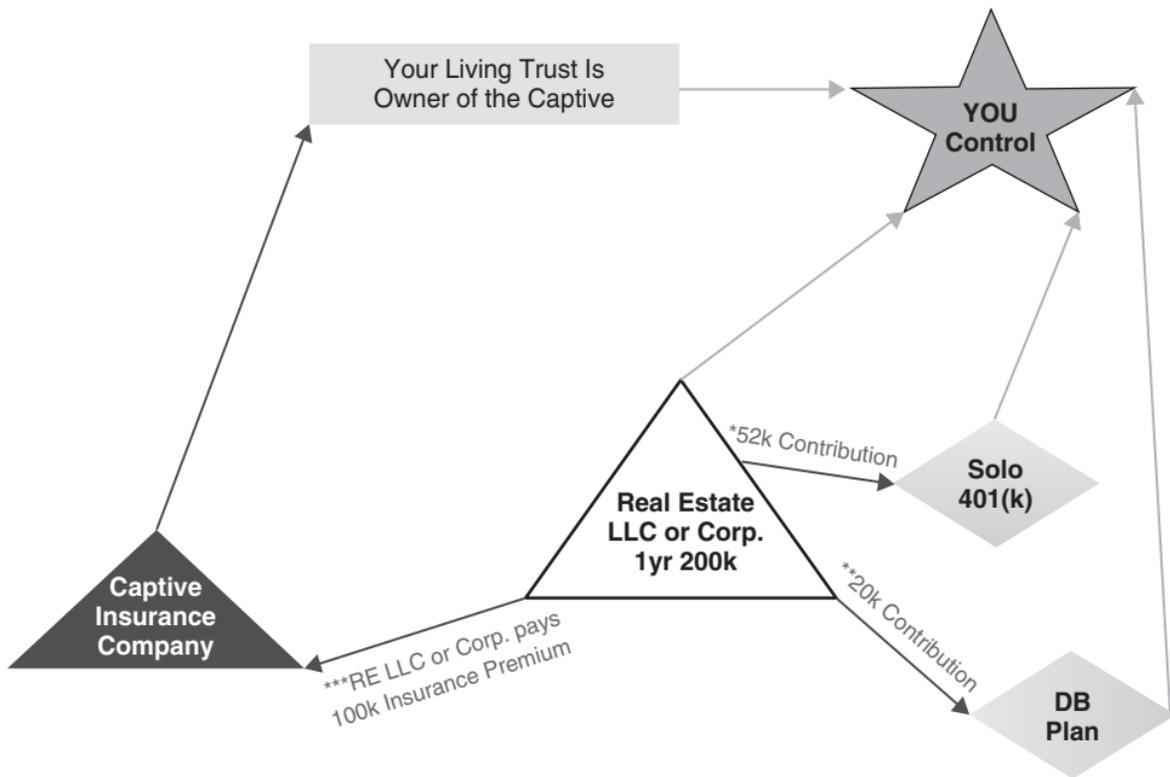


FIGURE 21.3 Asset Protection and Entity Structure 200K Real Estate Earning Example