

THE
Lee Arnold
SYSTEM OF REAL ESTATE INVESTING

REHABBING FOR RICHES

The Practical, Behind the Scene Stuff that
the TV Shows do Not Show You!



Designed to educate investors how to rehab properties correctly so
they qualify for conventional, FHA & VA financing and yield
maximum income potential!

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Legal Information Is Not the Same as Legal Advice

This booklet provides information about real estate investing, private money borrowing, lending, and brokering. It is designed to help users safely determine their own legal needs. Please understand that legal information is not the same as legal advice. The application of law varies with an individual's specific circumstances. Laws vary from state to state and are in constant change, and although we do everything we can to make sure our information is accurate and useful, we recommend you consult a lawyer if you want professional assurance that this information, and your interpretation of it, is appropriate to your particular situation.

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“Poor people have big TV’s. Rich people have big libraries.”

— Jim Rohn

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“Let him who would enjoy a good future waste none of his present.”

— Roger Babson

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“Risk comes from not knowing what you’re doing.”

- Warren Buffett

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“Genius is one percent inspiration and ninety-nine percent perspiration.”

- Thomas Edison



REHABBING FOR RICHES

WELCOME & INTRODUCTION



Designed to educate investors how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!

WELCOME & INTRODUCTION

Statement of Purpose

“We are here to learn how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!”

– Lee Arnold

- To identify the basics of rehabbing real estate
- To keep you from getting in over your head
- To operate with an *abundance* outlook
- To increase bottom line profitability
- To learn how to rehab to “exit” not rehab to your standards
- To understanding what a rehab loan looks like

Code of Conduct for the Event

The purpose of our time together is to educate you on how to be a profitable real estate investor.

To that end, the following codes of conduct will apply:

- Cell phones will not be used at any time during the scheduled sessions. Cell phones may only be used during breaks and lunch.
- You will respect each speaker during their allotted time, by listening attentively.
- **You will withhold comment or commentary until the designated time to share.**
- At all times, only **ONE (1) person will speak.**
- Be respectful, supportive and encouraging of your fellow investors
- Have fun, participate, be an active listener, and share

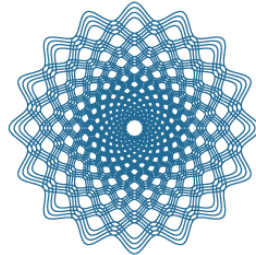
We understand that we’re all adults here, however we want everyone involved to get the most out of the day we are together, making these rules absolutely necessary!

“I will tell you how to become rich. Close the doors. Be fearful when others are greedy. Be greedy when others are fearful.”

- Warren Buffett

WELCOME & INTRODUCTION

Meet Our Family of Companies:



SECURED INVESTMENT CORP

A private mortgage company that provides real estate investors the necessary capital to finance their projects by bringing together private lenders and borrowers. This is accomplished through several of our divisions and wholly owned subsidiaries. These included Cogo Capital -The Private Money Company (the funding arm of Private Money Exchange), Lake City Servicing and The Lee Arnold System of Real Estate Investing. - SecuredInvestmentCorp.com



The education arm of our family of companies where a variety of products and services are available to help real estate investors be successful. Through this system, individuals can engage with experienced consultants, participate in several online lead generation systems, for example – Private Money Exchange – and attend in- person trainings. Our goal is to attract and train qualified real estate investors who will borrow through Cogo Capital. As investors grow their financial capacity they then can work with Secured Investment Corp as Private Mortgage Lenders. We call this growth in individuals’ financial capacity and competency the “Circle of Wealth”. - LeeArnoldSystem.com

WELCOME & INTRODUCTION



As the lending arm of the company, COGO works with borrowers to originate, process, and close loans. We have three locations including Spokane, WA; Coeur d'Alene, Idaho and Laguna Hills, Orange County, California. Cogo Capital offers private loan options within most states across the United States. -

CogoCapital.com



The servicing company of loans originated by Cogo Capital and is located in our Coeur d'Alene, Idaho corporate office. Lake City Servicing is available to service all third-party loans. -

LakeCityServicing.com

WELCOME & INTRODUCTION



First Things First

- Breaks & Bathrooms
- Meals
- Cell Phones
- Respecting All
- Your Participation
- Worship on Sunday

Secured Investment Corp Mission Statement:

“Reimagining technology to create cutting edge solutions for investors to participate in alternative, secured, high performance investments.”

The Lee Arnold System of Real Estate Investing Mission Statement:

“To educate, train and provide access to relationships and products allowing individuals to achieve financial freedom through real estate.”

Cogo Capital Mission Statement:

“To provide no-hassle, asset-backed, real-time private capital to real estate investors.”

Lake City Servicing Mission Statement:

“Lake City Servicing is a comprehensive real estate loan servicing company for investors holding real estate notes for non-owner occupied residential and commercial property.”

WELCOME & INTRODUCTION

Our Slogan:

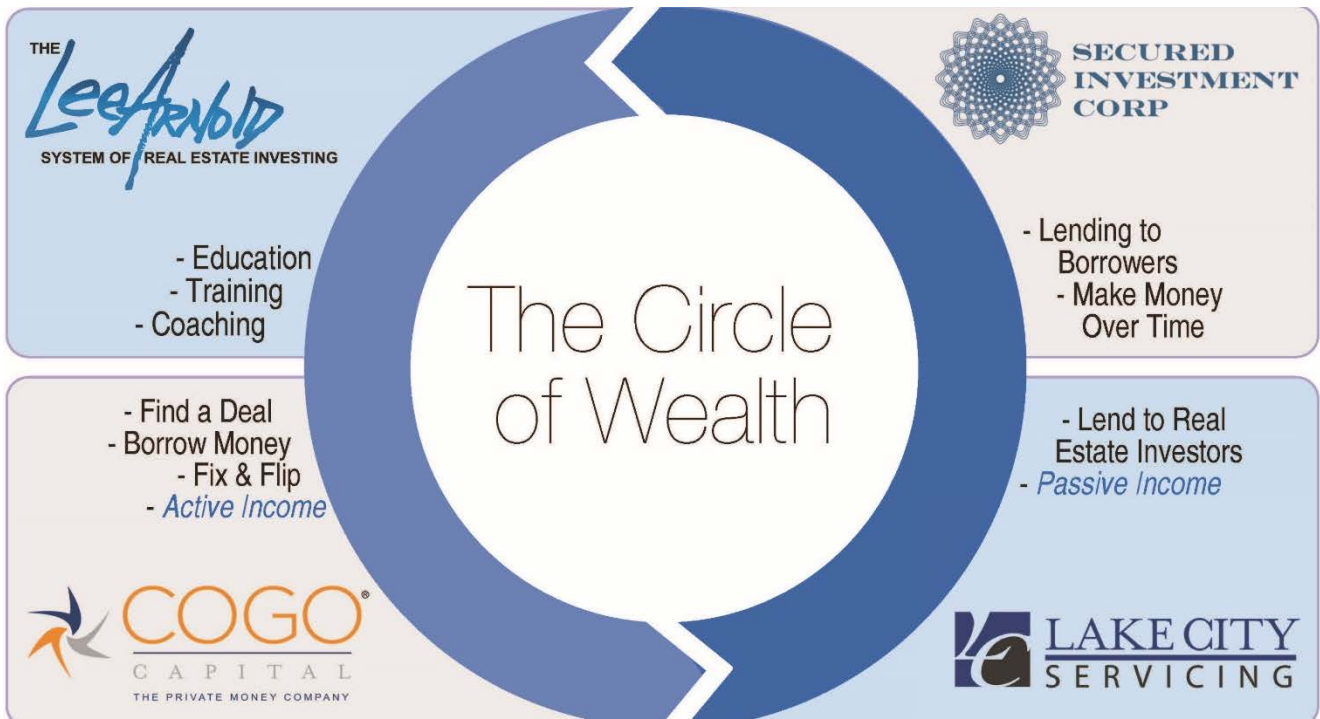
"We get more of what we want, by helping others get more of what they want."

- Lee Arnold, CEO

Circle of Wealth Philosophy:

People enter in at the training level and borrow funds for their real estate investments. They eventually become lenders in their own right helping others obtain the capital needed to grow their real estate portfolios.

This allows everyone, on every side, to succeed.



WELCOME & INTRODUCTION

Setting Expectations – The Purpose and Design of the Course

- Designed for the rehabber who is not clear on all the steps.
- A good fix and flipper can make upwards of _____ a year but this requires work. It is a _____ job.
 - Paperwork
 - Relationships – Powerteam
 - Use your Power Team – A group of people of “complementary” professions that help each other make money.
 - Real Estate Agent
 - Title Agent
 - Real Estate Attorney
 - Contractor
 - Private Money Lender
- We will teach you the process of, Acquisition to Rehab to Exit (Flip)
 1. Find property & get under contract
 2. Complete the Paperwork!
 3. Establish the work to be completed – The more detailed the better
 4. Establish the budget – It is critical that this matches the work to be done. Your budget will control the draw amounts. If it is not in your budget you cannot get paid for it in the intermediate draws!
 5. Complete the Scope and Sequence
 6. Get financing – COGO Capital or other source of financing
 7. Hire Contractor – You must VET your contractor!
 8. Schedule & complete baseline CIS inspection

How To Build
THE
**POWER
TEAM**

WELCOME & INTRODUCTION

9. First draw (up to 20%) for: Dumpsters, demo, Clean up, Plans, Permits, Temporary sewer, water, power
 10. Begin work – Target completion of items for next draw
 11. Schedule and complete CIS inspection 2
 12. Draw 2: Materials, things that need to be special ordered and require deposits – 50% of Cabinets, special order windows, flooring etc. - prep-labor
 13. Continue work to finish
 14. Schedule and complete final CIS inspection
 15. Draw 3: Finish work, completion of project – everything not checked off
 16. Market the Property & Sell
 17. Rinse and Repeat
- This is _____ rehabbing to your standards
 - This is NOT rehabbing to rent
 - Rehab to rent is a different goal and needs to have a different approach.
 - HOUSING QUALITY STANDARDS GENERAL REQUIREMENTS - At least annually, it is the responsibility of the PHA to conduct inspections of units to determine compliance with HQS prior to the execution of the entire term of the assisted lease. Inspections may be completed by PHA staff or by contract personnel. HQS consists of the following thirteen performance requirements:
<http://www.hud.gov/offices/adm/hudclips/guidebooks/7420.10G/7420g10GUID.pdf>
 - Sanitary facilities
 - Food preparation and refuse disposal
 - Space and security
 - Thermal environment



WELCOME & INTRODUCTION

- Illumination and electricity
- Structure and materials
- Interior air quality
- Water supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition and
- Smoke Detectors

- This is Rehabbing for Riches

Our intent is to show you how to Rehab and Flip a property for _____ potential.

We will show you how to make sure your property will meet FHA Home Inspection Guidelines:

You Will Ultimately Learn that:

- Cutting corners does not save you time or money in the long run. Do it right the first time!





FINDING THE DEAL GET IT UNDER CONTRACT!



Designed to educate investors how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!

FINDING THE DEAL – GET IT UNDER CONTRACT!

Finding The Deal:

The Importance of Finding a Good Deal

In Real Estate you make your money when you _____ and you realize it when you sell! You must know going in that you will make money on the deal. After accounting for the following is there still a margin for your profit?

1. Cost of _____ - First, know how much money you can get for the property once it's finished and ready to be put on the market. Your asking price depends heavily on this number since all costs in between will chip away at this profit.
2. Cost of _____ - The largest cost is typically your financing. The longer the rehab takes, the longer the house stays on the market – the more money it costs you.
3. Cost of _____ - You also have insurance, utilities, taxes, and many other costs. All those costs add up fast. The longer it takes to make repairs on a home the less profits you will make in the long run.
4. Cost of _____ - Rehabbing costs obviously depend on how extensive the damage is to the house. To manage these costs, have a budget, get estimates from several subcontractors, set timelines, and use scopes of work.
5. Cost of _____ - When the property actually goes on the market, you'll probably have staging costs and a realtor's commission to pay.

“If your dream is a big dream, and if you want your life to work on the high level that you say you do, there's no way around doing the work it takes to get you there.”

– [Joyce Chapman](#)

FINDING THE DEAL – GET IT UNDER CONTRACT!

However, this usually comes out of the income from the purchase of the property. This is usually about 6% of the rate.

Understand your Market

What does a starter home look like?

Go with the _____
for your area. This will afford you the largest resale market when you go to sell. You do not want to be rehabbing a home that nobody wants!

In most areas you will want to pursue homes that are over 1,000 square feet, 3 bedroom and have 1.5 baths. The home should be median price or below for the community it is in.

Why you should Look for Older Homes

Newer homes will obviously be owned by relatively new buyers. Most of these will have financed the home using a standard home mortgage from a bank. In this scenario there will be very little equity in the home to work with. This will severely limit the options you have to creatively purchase the property. When you pursue older properties there is a much better chance that there is equity in the property that you as an investor can work with.



_____ have a greater opportunity to have issues. They will be more run down and will need some work. They may need major work. This is a good thing as an investor. When a home needs major work you can negotiate a much lower purchase price thus creating a spread between the purchase price and the ARV that will be profitable.

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The Frappuccino Factor

Homes located within a quarter mile of a _____

_____ sell for more and appreciate at a faster rate than the US housing market as a whole. They have also historically recovered faster from price downturns in the economy.

Similar results have been documented for homes within a quarter mile of a _____

_____ but to a lesser degree.

Will You be Able to Resell It?

The goal of flipping a property is to make money. You want to retail it for the most money possible. Because many buyers will be financing their purchase through an _____, you are going to want to make sure you are aware of the FHA lending cap on mortgage. This can be researched county by county online at:

<http://www.fha.com/lending_limits>

FHA Lending Cap Guidelines – for Select Cities Around the Country

California:

LOS ANGELES County			
LOS ANGELES-LONG BEACH-ANAHEIM, CA			
Single	Duplex	Tri-plex	Four-plex
\$625,500	\$800,775	\$967,950	\$1,202,925

SAN BERNARDINO County			
RIVERSIDE-SAN BERNARDINO-ONTARIO, CA			
Single	Duplex	Tri-plex	Four-plex
\$355,350	\$454,900	\$549,850	\$683,350

ALAMEDA County			
SAN FRANCISCO-OAKLAND-HAYWARD, CA			
Single	Duplex	Tri-plex	Four-plex
\$625,500	\$800,775	\$967,950	\$1,202,925

SAN DIEGO County			
SAN DIEGO-CARLSBAD, CA			
Single	Duplex	Tri-plex	Four-plex
\$562,350	\$719,900	\$870,200	\$1,081,450

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Colorado:

ARAPAHOE County			
DENVER-AURORA-LAKEWOOD, CO			
Single	Duplex	Tri-plex	Four-plex
\$424,350	\$543,250	\$656,650	\$816,050

TELLER County			
COLORADO SPRINGS, CO			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

Florida:

ESCAMBIA County			
PENSACOLA-FERRY PASS-BRENT, FL			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

LAKE County			
ORLANDO-KISSIMMEE-SANFORD, FL			
Single	Duplex	Tri-plex	Four-plex
\$274,850	\$351,850	\$425,300	\$528,550

BROWARD County			
MIAMI-FORT LAUDERDALE-WEST PALM BEACH,			
Single	Duplex	Tri-plex	Four-plex
\$345,000	\$441,650	\$533,850	\$663,450

CLAY County			
JACKSONVILLE, FL			
Single	Duplex	Tri-plex	Four-plex
\$309,350	\$396,000	\$478,700	\$594,900

Georgia:

BUTTS County			
ATLANTA-SANDY SPRINGS-ROSWELL, GA			
Single	Duplex	Tri-plex	Four-plex
\$342,700	\$438,700	\$530,300	\$659,050

BRYAN County			
SAVANNAH, GA			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

Maryland:

BALTIMORE County			
BALTIMORE-COLUMBIA-TOWSON, MD			
Single	Duplex	Tri-plex	Four-plex
\$517,500	\$662,500	\$800,800	\$995,200

MONTGOMERY County			
WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-			
Single	Duplex	Tri-plex	Four-plex
\$625,500	\$800,775	\$967,950	\$1,202,925

Missouri:

LINCOLN County			
ST. LOUIS, MO-IL			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

BATES County			
KANSAS CITY, MO-KS			
Single	Duplex	Tri-plex	Four-plex
\$278,300	\$356,250	\$430,650	\$535,200

Nevada:

CLARK County			
LAS VEGAS-HENDERSON-PARADISE, NV			
Single	Duplex	Tri-plex	Four-plex
\$287,500	\$368,050	\$444,900	\$552,900

CARSON CITY County			
CARSON CITY, NV			
Single	Duplex	Tri-plex	Four-plex
\$286,350	\$366,550	\$443,100	\$550,650

FINDING THE DEAL – GET IT UNDER CONTRACT!

New Jersey:

BERGEN County			
NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA			
Single	Duplex	Tri-plex	Four-plex
\$625,500	\$800,775	\$967,950	\$1,202,925

WARREN County			
ALLENTOWN-BETHLEHEM-EASTON, PA-NJ			
Single	Duplex	Tri-plex	Four-plex
\$372,600	\$477,000	\$576,550	\$716,550

New Mexico:

BERNALILLO County			
ALBUQUERQUE, NM			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

SANTA FE County			
SANTA FE, NM			
Single	Duplex	Tri-plex	Four-plex
\$368,000	\$471,100	\$569,450	\$707,700

EDDY County			
CARLSBAD-ARTESIA, NM			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

DONA ANA County			
LAS CRUCES, NM			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

New York:

ALBANY County			
ALBANY-SCHENECTADY-TROY, NY			
Single	Duplex	Tri-plex	Four-plex
\$292,100	\$373,950	\$452,000	\$561,700

BRONX County			
NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA			
Single	Duplex	Tri-plex	Four-plex
\$625,500	\$800,775	\$967,950	\$1,202,925

ERIE County			
BUFFALO-CHEEKTOWAGA-NIAGARA FALLS, NY			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

JEFFERSON County			
WATERTOWN-FORT DRUM, NY			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

North Carolina:

BURKE County			
HICKORY-LENOIR-MORGANTON, NC			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

CABARRUS County			
CHARLOTTE-CONCORD-GASTONIA, NC-SC			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

BRUNSWICK County			
MYRTLE BEACH-CONWAY-NORTH MYRTLE BEACH,			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

CHATHAM County			
DURHAM-CHAPEL HILL, NC			
Single	Duplex	Tri-plex	Four-plex
\$334,650	\$428,400	\$517,850	\$643,550

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Ohio:

BROWN County			
CINCINNATI, OH-KY-IN			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

DELAWARE County			
COLUMBUS, OH			
Single	Duplex	Tri-plex	Four-plex
\$316,250	\$404,850	\$489,350	\$608,150

Oklahoma:

CANADIAN County			
OKLAHOMA CITY, OK			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

OKMULGEE County			
TULSA, OK			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

Pennsylvania:

ALLEGHENY County			
PITTSBURGH, PA			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

BUCKS County			
PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-D			
Single	Duplex	Tri-plex	Four-plex
\$379,500	\$485,800	\$587,250	\$729,800

South Carolina:

PICKENS County			
GREENVILLE-ANDERSON-MAULDIN, SC			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

BERKELEY County			
CHARLESTON-NORTH CHARLESTON, SC			
Single	Duplex	Tri-plex	Four-plex
\$322,000	\$412,200	\$498,250	\$619,250

Tennessee:

ANDERSON County			
KNOXVILLE, TN			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

CANNON County			
NASHVILLE-DAVIDSON--MURFREESBORO--FRANK			
Single	Duplex	Tri-plex	Four-plex
\$425,500	\$544,700	\$658,450	\$818,250

Texas:

CALDWELL County			
AUSTIN-ROUND ROCK, TX			
Single	Duplex	Tri-plex	Four-plex
\$331,200	\$424,000	\$512,500	\$636,900

DALLAS County			
DALLAS-FORT WORTH-ARLINGTON, TX			
Single	Duplex	Tri-plex	Four-plex
\$310,500	\$397,500	\$480,450	\$597,100

NUECES County			
CORPUS CHRISTI, TX			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

AUSTIN County			
HOUSTON-THE WOODLANDS-SUGAR LAND, TX			
Single	Duplex	Tri-plex	Four-plex
\$326,600	\$418,100	\$505,400	\$628,050

FINDING THE DEAL – GET IT UNDER CONTRACT!

Utah:

SALT LAKE County			
SALT LAKE CITY, UT			
Single	Duplex	Tri-plex	Four-plex
\$304,750	\$390,100	\$471,550	\$586,050

UTAH County			
PROVO-OREM, UT			
Single	Duplex	Tri-plex	Four-plex
\$293,250	\$375,400	\$453,750	\$563,950

Virginia:

AMELIA County			
RICHMOND, VA			
Single	Duplex	Tri-plex	Four-plex
\$535,900	\$686,050	\$829,250	\$1,030,600

ARLINGTON County			
WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-			
Single	Duplex	Tri-plex	Four-plex
\$625,500	\$800,775	\$967,950	\$1,202,925

BEDFORD County			
LYNCHBURG, VA			
Single	Duplex	Tri-plex	Four-plex
\$292,100	\$373,950	\$452,000	\$561,700

CHESAPEAKE CITY County			
VIRGINIA BEACH-NORFOLK-NEWPORT NEWS, VA			
Single	Duplex	Tri-plex	Four-plex
\$458,850	\$587,400	\$710,050	\$882,400

Washington:

KING County			
SEATTLE-TACOMA-BELLEVUE, WA			
Single	Duplex	Tri-plex	Four-plex
\$517,500	\$662,500	\$800,800	\$995,200

PEND OREILLE County			
SPOKANE-SPOKANE VALLEY, WA			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

West Virginia:

BOONE County			
CHARLESTON, WV			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

PUTNAM County			
HUNTINGTON-ASHLAND, WV-KY-OH			
Single	Duplex	Tri-plex	Four-plex
\$271,050	\$347,000	\$419,425	\$521,250

FINDING THE DEAL – GET IT UNDER CONTRACT!



My Best Kept Secrets for Locating the Most Profitable Deals in Every Market

How do you make your Phone Ring?

- What have you been doing to date for marketing?
 - How is it working?
 - What are the deficits?
 - What do you need to change?
- Why do we market?
 - Lead generation
 - Leads = Revenue
 - We are looking for clients - people we can make money with
 - Suspect to prospects to clients – know the triggers that move people.

Marketing Research

It takes an average of _____ contacts before receiving a response from a prospect. This includes all forms of communication, direct mail, email, phone call, face to face etc... So do not give up on your marketing just because you do not get instant results. Be consistent. Yes, do test and measure each campaign that you conduct. Make adjustments when the results (or lack of results) dictate but keep your marketing going.

Even when the response to your marketing begins to overwhelm you, do not stop. Keep going with your marketing. Too many responses is a good problem to have. This will allow you to be more selective with the deal you decide to do.

FINDING THE DEAL – GET IT UNDER CONTRACT!

Direct Mail Campaigns – the Benefits

- _____
- _____
- Controllable
- Scalable
- Reduced Waste
- Avoid Unqualified Properties
- _____
- Easy to Personalize
- Less Competition
- _____



Craig's List

- Call "For Sale By Owner"
- Advertise for homes

Driving for Dollars

The process of driving targeted subdivisions with the intent of locating for rent or for sale by owner signs, distressed, and/or abandoned properties.

Red flags you should pay attention to:

- For Rent Signs
- For Sale by Owner Signs
- _____
- Boarded up or Broken Windows
- Mailboxes Filled to the Brim
- _____
- Piled up Newspapers
- Overgrown Vegetation

FINDING THE DEAL – GET IT UNDER CONTRACT!

Tips for Driving for Dollars

- Define Your Market Area: **Don't waste time in the car.** Stake out set locations in areas you want to invest in
- Bring a note pad, pen, and camera. Record addresses and take pictures of the property of interest
- After you finish your drive, return home and research the properties you located on your county's local Central Appraisal District (CAD)
- During the research phase you will want to filter out properties that do not fit your criteria. This should include ALL bank owned properties.
- For instance, if you are looking for high equity properties you need to look for deed dates 15+ years back.
- Once you have selected all the properties that fit your criteria, create a final list. This list will be used in your marketing.
- _____
- _____
- If the owner address and property address match, it is an owner occupied home. If the owner address and property address are a mismatch, it is an absentee owner.
- Mail a yellow letter or post card. In my business, I receive the best response rate by using a letter template specifically designed for the _____.

Networking

As an investor you should constantly be networking. Network where ever you go and with everyone you talk with. Always ask people for a referral, "Do you know anyone who wants (needs) to sell their house?"



FINDING THE DEAL – GET IT UNDER CONTRACT!

Bird dogs & Wholesalers

Bird dogs and wholesalers should _____ a substitute for your own marketing campaigns but they can provide you with good deals. Do not be afraid to use both bird dogs and wholesalers if the deals make sense. Check the numbers. **DO NOT TRUST WHAT OTHERS TELL YOU!**

Get the Property Under Contract

Traditional wisdom for a residential purchase using a mortgage from a bank says that you should shop for your loan first and see how much you qualify for. This does not hold true for investment property using private money. You need to have the property under contract first _____ pursuing private money funding. This makes many uncomfortable but becomes more palatable when you realize the contract is not the end of the negotiation. The contract is just the beginning.

Once the property is under contract and you have had a chance to inspect the property, a renegotiation is in order. Your inspection will either confirm your due diligence or provide more information that you can use to adjust your calculations. If your inspection does turn up unforeseen items that affect the profitability of the deal, bring those items to the attention of the seller and renegotiate.

Quick Rehab Estimations

You will need an estimate for rehab cost when you write your initial offer. Use _____ for your rehab costs.

FINDING THE DEAL – GET IT UNDER CONTRACT!

This is just a rough, conservative estimate. Remember, after the inspection you can renegotiate.

The 3 Tiered Offer



In an offer to purchase real estate, you include not only the price you are willing to pay, but other details of the purchase as well. This includes how you intend to finance the home, your down payment, who pays what closing costs, what inspections are performed, timetables, whether personal property is included in the purchase, terms of cancellation, any repairs you want performed, which professional services will be used, when you get physical possession of the property, and how to settle disputes should they occur.

Anchoring

Before you actually write the offer you need work on anchoring the selling price where you need it to be. Subconsciously anchor the price with the seller by talking about your research in the neighborhood and what houses are worth. Ask them what the assessed value is. This is almost always lower. Finally ask “If I pay you all cash and I pay you quickly what is the least you can accept?” Follow up with “Is that the _____?”

Questions to Ask

There are other questions to ask as well prior to writing your offer. Ask if it is listed. (You should know the answer to this before you ask this.) Always ask for a referral. Do you have any other properties to sell?

Ask the seller what their needs are. Do you need a large amount of cash or would you benefit more from monthly payments. As a landlord they are used to receiving

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monthly checks and may prefer this if they know that it is an option.

Temper the Offer

Remind them that if they take a large lump sum they will pay a large capital gains tax on the deal but that you could structure the deal that includes some owner financing that would provide some money down with monthly payments. They will still pay capital gains but they will reduce their tax exposure. Let them know that you will include some options in your offer.

As you construct your offer include the following 3 parts to the offer:

1. Low-Ball Cash Offer – < 50% of asking/value
2. A Small Down Payment with a Seller Carried Second – 65% of asking/value
3. 100% Seller Financing – 80% of asking/value

Low-Ball Cash Offer

This offer will be all cash. It will be the lowest of the 3 offers. If done correctly, this amount will offend the seller. That is ok. Remember there are two other offers to come. This offer is admittedly a low-ball offer that sets the subsequent two offers up as being better ones and more worthy of consideration.

A Small Down Payment w/ a Seller Carry

This offer mixes some cash with the rest being a seller carry. Because you will include terms that are advantages to you are able to offer more than cash alone. This offer should be constructed to appeal to the seller who



FINDING THE DEAL – GET IT UNDER CONTRACT!

expressed a need for some cash up front but does not need all the cash at once.

All Seller Financing

This option requires the least out of pocket from the investor. This, coupled with advantageous terms will allow you to make the highest offer through this option. This is the ultimate win – win option. The investor controls a new property with no money out of pocket, the seller gets his/her house sold and is able to maintain a monthly income.

Mathematics Behind The Offer



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VIDEO TRAINING NOTES

VIDEO TRAINING NOTES

VIDEO TRAINING NOTES



FUNDING THE DEAL

REHAB LOANS & PAPERWORK



Designed to educate investors how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!

FUNDING THE DEAL

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Funding with COGO Capital

General Applicant Requirements

- Applicant/Borrower must be an existing, valid US business entity (LLC, corporations, partnerships, trusts, etc.)
- _____ is required - (40% or more owners of entity are required to be personal guarantors)
- US business entities with ownership by foreign nationals are permitted to borrow

Property Requirements

- Non-owner occupancy only
- Property types – SFR, duplexes, triplexes, 4-plexes, condos, townhouses, MFH's, and commercial
- Clear title required.
- Hazard insurance premium paid at closing. (Including flood insurance when applicable)
- 3rd party independent appraisals by an approved national company – this will be ordered by Cogo Capital.
- Property must be habitable or funds are held in escrow.
- Lease agreements required on all subject properties that are rented
- Licensed Contractor bids are required on all repair work needed.

"The dictionary is the only place that success comes before work. Work is the key to success, and hard work can help you accomplish anything."

— *Vince Lombardi*

Types of Loans

Basic Loan

- 1st trust deed lending only

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- Interest only
- Minimum Loan Amount = \$15,000
- Maximum Loan Amount = _____
- 3 to 24 Month Terms
- No pre-payment penalty
- Financial condition – down payment, Construction/rehab costs, closing costs, and 3 months reserves required
- Cross-collateralization allowed

Refinance

1. Business purpose only.
2. * All funds being used to go back into the current project or cross collateralization
3. Cogo Capital will lend up to 65% of as-is appraised value.
4. If borrower receives more than 10% (of loan amount) cash out at closing, then the loan defaults to a cash-out transaction.

Cash Out

Cogo Capital will fund up to 50% of the as-is appraised value.

Purchase

Cogo Capital will lend up to 80% of purchase price or 65% of as-is appraised value, whichever is less.

ARV

Cogo capital can lend up to 55% of the ARV appraised value.

Sources for where to find the money for your down payment if necessary:

- Equity partner
- Family or friend
- Equity in a free and clear property



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- Seller carry-back
- 401k or self-directed ira
- Gap funder
- Cash

Complete the Paperwork

If you are going to get a rehab loan you will have to do the paperwork!

Establish the Work to be Completed

The more detailed your plans are the more favorable your loan request will be to those who must evaluate it regardless of where you go to obtain your capital. Cogo Capital evaluates a rehab project on three levels, Refresh, Repair, or Remodel. These are the Three R's of Rehabbing.

The loan programs available for your project will depend on the how the value is ascertained, "As-Is" or "ARV" and which of these values is needed to structure the loan properly. If a borrower is rehabbing or renovating the property with loan funds, a combined "As-Is" and "ARV" appraisal report should be ordered.

Refresh

Cosmetic polish, Aesthetics, Non Habitability items that don't need (but can have) a licensed contractor to complete the work.



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Usual Work Items

- _____
- Flooring (carpet, tile, laminate, linoleum)
- Basic Fixture Upgrades (disconnect/reconnect)
- _____
- Gutters
- _____
- Simple Wall and Ceiling Repairs (patching drywall, replacing sheetrock)
- Doors and Trim
- Cabinet/Vanity Replacement, Refinishing, or Fixing

Borrower Responsibilities to Cogo

- Bids, estimates, and/or material lists/invoices, including labor costs with the “budget/scope of work/draw schedule” form for all work to be completed.
*To be done before appraisal to assure correct value is given.
- Photos or video of before condition not supplied by an appraisal.
- Completion of work photos or videos and verified paid invoices for draw releases.

The budget form submitted and approved with your loan package will be used to determine your draws. We will not release amounts in excess of those amounts listed in the bids; thus you will be responsible for any excess amounts. For example, if your itemized bid listed \$2,000 for kitchen cabinets, but the final cost was \$2,500 we will only release \$2,000 once we receive photos or video. However, if your itemized bid listed \$2,000 for kitchen cabinets, but the final

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cost was \$500 we will release \$2,000 once we receive photos or video.

Repair

Work that usually requires permits and a licensed contractor, subcontractor, or professional.

Usual Work Items

- Heating, Ventilation and Air Conditioning
- Plumbing Repair/Replacement Including Hot Water Tank
- Electrical Repair/Replacement
- _____
- _____
- _____
- Demo (Removal of Items Requiring a Permit)
- Decks & Patios
- Fireplace/Woodstove and Chimney
- Structural Items
- Foundation
- _____

Borrower Responsibilities to Cogo

- “Budget/Scope of Work/Draw Schedule” form with attached bids and estimates from licensed and insured contractors, subcontractors, or trade professional. All bids and estimates must be thorough and complete. If bids or work are in question, a baseline inspection (**\$325, performed by CIS**) will be required.
*To be done _____ appraisal to assure correct value is given.



SCOPE OF WORK

THE DIVISION OF WORK TO BE PERFORMED UNDER A CONTRACT OR SUBCONTRACT IN THE COMPLETION OF A PROJECT, TYPICALLY BROKEN OUT INTO SPECIFIC TASKS WITH DEADLINES.

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- Copies of licenses and insurances from the contractors, subcontractors, or trade professionals completing the work.
- Photos or video of before condition not supplied by an appraisal.
- Completion of work photos or videos and verified paid invoices for draw releases.
- Copies of permits and/or inspection reports from local jurisdiction.

The budget form submitted and approved with your loan package will be used to determine your draws. We will not release amounts in excess of those amounts listed in the bids; thus you will be responsible for any excess amounts. For example, if your itemized bid listed \$2,000 for kitchen cabinets, but the final cost was \$2,500 we will only release \$2,000 once we receive photos or video. However, if your itemized bid listed \$2,000 for kitchen cabinets, but the final cost was \$500 we will release \$2,000 once we receive photos or video.



Remodel

Complete Upgrade/Replacing, Change of floor plan and living space, Building permits required (General and Specialty Items), Certificate of occupancy needed at completion (CO), May need approved plans and/or engineering.

Usual Work Items

- Complete Gut and Rebuild
- New Additions
- New Bathrooms
- _____
- Heating System Change

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- _____
- New Decks and/or Patios
- Fireplace/Woodstove Addition/Removal
- Chimney Addition/Removal
- Foundation Replacement
- Structural Integrity Items
- _____
- New Electrical



Borrower Responsibilities to Cogo

- “Budget/Scope of Work/Draw Schedule” form with complete plans, engineering (if applicable), _____, estimates, and draw schedule. *To be done before appraisal to assure correct value is given.
- Copies of licenses and insurances from the contractors, subcontractors, or trade professionals completing the work.
- Full Construction Inspection Specialists (CIS) services required. This includes initial baseline inspection, bid review, draw request inspections, the process of lien waivers, and monitoring of invoices.

Draw process for Repair & Remodel Projects

Rehab monies are escrowed along with contingency funds depending on scope of work:

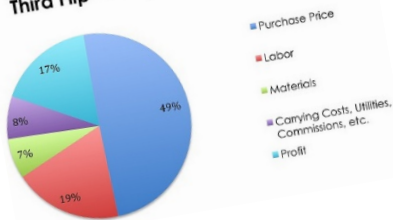
- \$0 - \$20,000 Project Budget –
130% Contingency Reserve of Budget Amount
- \$20,001 - \$40,000 Project Budget –
120% Contingency Reserve of Budget Amount
- \$40,001 - \$100,000 Project Budget –
115% Contingency Reserve of Budget Amount
- \$100,001 + Project Budget –
110% Contingency Reserve of Budget Amount

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The scope of work will dictate the number of draws that will be in each rehab loan package. The options are 3, 5, or 7 draws. This includes an inspection prior to each draw. The first inspection will serve as the baseline. The last inspection will be the final inspection. The remainder are progress inspections.

Third Flip - Budget Breakdown



Establish the Budget

It is critical that this matches the work to be done. Your budget will control the draw amounts. If it is not in your budget you cannot get paid for it in the intermediate draws!

The “Construction Work Scope & Budget”

You will be provided a working copy of this document at the end of the training. A full printed version of the Work Scope document, the Recap by Area document and the Budget with the Draw Schedule can be found in the back of this workbook in the resource section.

Line Item #	Items Incl.	Item Description	Budget	% of Area Cost	Owner	Contractor	Sub	Permit Needed?	Est./Bid Attached?	Refresh/Repair/Remodel - Circle One - Work to be done/materials to be used - add notes
100	X	Soft Costs	Budget	%	O	C	S	Y/N	X	Notes:
101		Plans		0%						
102		Permits		0%						
103		Architect		0%						
104		Superintendent		0%						
105		Temp Power		0%						
106		Temp Toilet		0%						
107		Temp Water		0%						
108		Dump/Trash		0%						
109				0%						
110				0%						
111				0%						
		Total Cost	\$ -							
200	X	Rough Electrical	Budget	%	O	C	S	Y/N	X	Notes:
201		Panel Main/Subs		0%						
202		Wiring		0%						
203		Outlets		0%						
204		Smoke Alarms		0%						
205		CO Detectors		0%						

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Zoning Codes

Zoning sets up, within a defined area, the types of buildings and what they will be used for. For example, a residential area will typically be zoned to restrict the number of single-family home on the lot and will specify the minimum square footage that the lot must contain.

Zoning is regulated based on maps approved by the jurisdiction controlling the area. Often a variance may be obtained in some cases if a property owner wants to build something not allowed in the property's zone. This will typically involve the need to submit a formal request outlining the new usage being requested and payment of a fee.

To find out more about zoning in areas that you are considering investing in, visit the municipality's website in which the property resides. A simple internet search using the "city" name, "State" name, and the words "Zoning Codes," should get you to the info you are looking for. Here are a few links for cities around the country.

Austin, TX:

<https://austintexas.gov/department/zoning>

Ontario, CA:

<http://www.ci.ontario.ca.us/index.aspx?page=597>

Atlanta, GA:

<http://www.atlantaga.gov/index.aspx?page=385>

Dallas, TX:

<http://dallascityhall.com/departments/sustainabledevelopment/planning/Pages/zoning.aspx>

St. Louis, MO:

<https://www.stlouis-mo.gov/government/departments/public-safety/building/zoning/>

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Permits

Why Permit?

Permits are required by law and are intended to ensure your safety as well as the safety of any future owners of the property and the community. Work requiring permits are regulated by city or county ordinance. Work without a permit may be subject to removal or other costly remedies.



Permits help protect property values. If your construction project does not comply with the codes adopted by your community, the value of your investment could be reduced. Property insurers may not cover work or damages caused by work done without permits and inspections.

When property is sold through a multiple listing association, the owner is required to disclose any improvements or repairs made and if permits and inspections were obtained. Many financial institutions will not finance a purchase without proof of a final inspection. If you decide to sell a home or building that has had modifications without a permit, you may be required to tear down the addition, leave it unoccupied or do costly repair.

Your permit allows the code official to reduce potential hazards of unsafe construction as well as provide for public health, safety and welfare. By following code guidelines, your completed project will meet minimum standards of _____ and will be less likely to cause injury to you, your family, and your friends or future owners. Mandatory inspections complement the contractor's experience and act as a system of checks and balances resulting in a safer project.

What Needs Permitted?

The regulations vary from municipality to municipality, so the bottom line is you should call your _____

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_____. When in doubt about whether or not something needs permitted just ask.

In general, an owner or authorized agent who intends to construct, enlarge, alter, repair, move, demolish or change the occupancy of a residential building or erect, install, enlarge, alter, repair, remove, convert or replace an electrical, gas, mechanical or plumbing system regulated by the Uniform Construction Code will be required to obtain a permit. An ordinary repair does not typically require a permit. Note that the following are not ordinary repairs in many jurisdictions:

- Cutting away a wall, partition or portion of a wall.
- The removal or cutting of any structural beam or load-bearing support.
- The removal or change of any required means of egress, or rearrangement of parts of a structure affecting the egress requirements.
- The addition to, alteration of, replacement or relocation of any standpipe, water supply, sewer, drainage, drain leader, gas, soil, waste, vent or similar piping, electric wiring or mechanical.



Cost for a permit varies widely and depends on the location and scope of the construction and the municipality that governs the property.

For larger projects, certain inspections are required, and fees are generally intended to cover the costs of those inspections.

Engineered Plans

If you alter the square footage of the home you are rehabbing you will need _____ plans! Because this

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can add greatly to the expense of your project, you should consider carefully the rewards and liabilities involved before you add square footage to your project. Using existing space in the home such as unused attic space or unused basements to add rooms and usable space can be a cost effective way to achieve the same purpose.



Insurance

The owner must make sure the proper insurance coverages are in place before rehab begins. The standard COGO loan requires a _____ Hazard Insurance Policy, a Land Lord Policy or a Vacant Policy. A rehab loan will require a Course of Construction or Builders Risk Policy.

How to Make Sure You Stretch Your Dollar to Increase Your End Profit

- Build relationships with local suppliers, set up direct accounts
- Wholesale pricing with your supplier
- Discount for buying in bulk
- Use a contractor who has a “net 30” account with suppliers or set one up yourself
- Rehab to exit (flip) - not rehab to your standards. Do not over improve.
- Sales tax exemptions - Resale Certificate

What is A Resale Certificate and Who Can Use One?

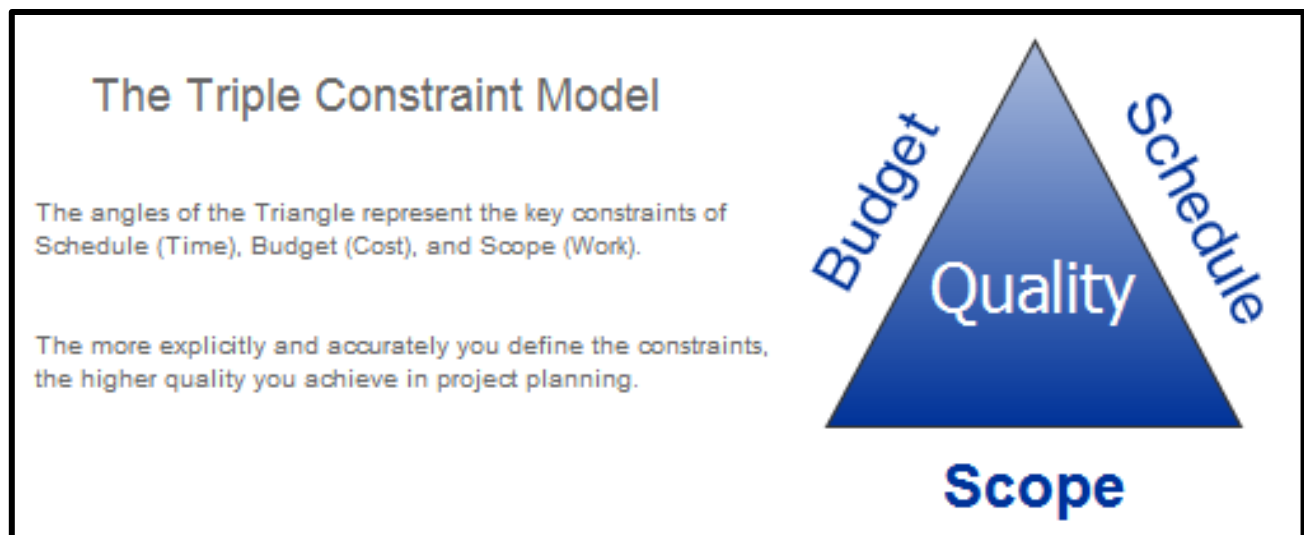
Resale certificates are used by purchasers, when acquiring property for resale in its present form or as components of other property. They are also used to

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purchase taxable services that become a part of property for resale in some states. States that allow for resale exemptions either accept a state issued resale certificate or, in some cases, a multi-state certificate.

A business which is registered for sales and use tax can use a resale certificate only when the merchandise being purchased is to be resold by the business. A business cannot use a resale certificate to purchase merchandise that they will use and consume in the conduct of business. Any merchandise obtained upon resale certificate is subject to sales and use tax if it is used or consumed by the purchaser in any manner, and must be reported and the tax paid thereon direct to the appropriate jurisdiction.



FUNDING THE DEAL REHAB LOANS & PAPERWORK

THE
LeafArnold
SYSTEM OF REAL ESTATE INVESTING

**SPECIAL
PRESENTATION**



Designed to educate investors how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!

THE
LeafArnold
SYSTEM OF REAL ESTATE INVESTING

HOW TO GET
100% Financing



Designed to educate investors how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!

HOW TO GET 100% FINANCING

Deal Structuring

Real estate deal structuring refers to the process by which real estate investors arrange and re-arrange the financing terms of a property purchase so that both buyer and seller walk away satisfied.

To do this you must know:

- The seller's wants and wishes regarding their property.
- Your maximum allowable offer, the price above which you will not be able to make a profit or be able to structure an attractive deal for yourself or your buyers (if you're a real estate wholesaler).
- How to give sellers more than one way to sell you their property, by making "option" offers rather than just "one-price" offers.

An investment in
knowledge pays the
best interest.

–Benjamin Franklin

1. Owner Financing

- This is the most common way to get 100% financing.
- Current owner agrees to finance all, or some, of the purchase price. If just some, get the remaining amount from Cogo Capital (or another private money source).

4 OPTIONS

1. Principal Paid at Later Date

- No monthly payments
- No interest payments

2. Monthly Payments

Principal to be divided into monthly payments.

HOW TO GET 100% FINANCING

3. Interest-Only Payments

Interest-only payments with the principal to be paid off in 5 years

4. Interest and Principal Payments

2. Subject-To Deals

Mortgage stays in current owner's name, but deed is transferred to your name.

WHOLESALE BUYERS

SIGN UP USING THE FORM BELOW



1. **Wholesaling Subject-To:** Instead of closing the deal yourself and taking over the loan, you can wholesale the deal to another investor who will take over the loan. One of the best ways to wholesale a subject-to deal is to retail buyers.
2. **Lease Optioning a Subject-To:** The second way to make money is by buying the house subject-to and selling it on a lease option to a tenant/buyer. You might take over a loan for \$200,000 and give your tenant the option to buy it at \$240,000. This means you'll make a nice \$40,000 spread when the house sells.
3. **Holding the Subject-To Deal as a Rental Property:** Holding onto the property as a long term rental. For example, when you take over a property subject-to, you might tell the owner that you'll have the loan out of his name within 10 years. So, for 10 years you get cash flow and an increase in equity while the loan is in somebody else's name.

3. Equity Share w/Investor

You will share equity with the investor who gave you cash to secure the deal.

HOW TO GET 100% FINANCING

Example:

Investor gives you 35% for the down payment. Cogo Capital gives you 65%. In exchange for the down, you agree to give the investor part of the monthly cashflow and/or profits from the deal.

4. Equity Share w/Owner

Owner transfers title to an entity in which you both are partners. The property is refinanced for the purchase price.

In exchange, you agree to give the investor part of the monthly cashflow and/or profits from the deal.

5. Seller Carry-Back

If a seller owns their property free and clear, the seller can carry the note for the buyer.

Example:

A buyer wants to purchase a house, but doesn't have the down to qualify. Seller may offer to hold a note in second position in the amount needed. For instance, house is being sold for \$100,000 and the buyer qualifies for \$65,000 with COGO Capital, owner may "carry back" \$35,000 in a second mortgage. The buyers then make payments to the seller and lender until they refinance or sell the property.

6. Line of Credit

Take out a line of credit for 35% of the down on the property secured by:

- You
- Your Property
- Another property you own



HOW TO GET 100% FINANCING

- Your business
- Get the remaining amount from COGO Capital

7. Substitution of Collateral

If you are purchasing a property that has great equity and is priced below value, and you own property that is free and clear, you can use the second property as collateral for your down.

Get the remaining amount from Cogo Capital

What is Cogo Capital Money?

80 % OF PURCHASE PRICE

OR

65% of Appraised "as is" Value

Whichever is Less

*Leave behind the
middle class
money scramble*

**PREPARE TO ENTER
THE CIRCLE OF
WEALTH!**

8. The Inner Circle

Members may receive up to 100% of

- _____
- Closing Fees
- _____

As long as the total loan amount doesn't exceed **65%** of the appraised value. (ARV)

HOW TO GET 100% FINANCING

This will be contingent on your mentor's approval for your first 3 transactions.

Inner Circle: Example One

- Purchase Price - \$115,000
- Rehab - \$30,000
- "ARV" After Repaired Value - \$200,000
- Estimated Closing Costs - \$9,500
- Max Loan Amount - \$130,000

Inner Circle: Example Two

- Purchase Price - \$50,000
- Rehab - \$20,000
- "ARV" After Repaired Value - \$135,000
- Estimated Closing Costs - \$7,000
- Max Loan Amount - \$87,750

Inner Circle: Example Three

- Purchase Price - \$350,000
- Rehab - \$80,000
- "ARV" After Repaired Value - \$725,000
- Estimated Closing Costs - \$20,000
- Max Loan Amount - \$471,250

What is the Inner Circle, REALLY?

A Cooperative Alliance

Economic advantages maybe realized by any person who surrounds him or herself with advice, counsel, and personal cooperation of a group who is willing to lend him or her their whole-hearted aid in the spirit of perfect harmony (this is the basis of every great fortune in history).



HOW TO GET 100% FINANCING

A Mental Alliance

No two minds ever come together without thereby creating a third invisible, intangible force which may be likened to a third mind.



Gerald Gonieczki Sr.

“The whole 3-day experience was well put together. I couldn’t have asked for anything more. I’m well equipped to put everything into practice.”

Monique LeValley

“Lee and Regan answered my questions on how you can approach a homeowner and recommend a short sale, if appropriate. I am now able to feel confident that I can explain the process to a homeowner. Thank you.”



Dan Shaker

“Driving around and looking at several properties really helped us put things into perspective. There is money to be made on EVERY DEAL. It’s just knowing “how much” and “how long would it take” that is important to know.

This is great. There is no fluff. Lee showed us that we will be as successful as we want to be.”



Warren, OH

- Purchase Price - \$24,000
- Rehab - \$6,500
- “ARV” Value - \$59,000
- Loan Amount – \$38,350

- Needed \$150 to close



HOW TO GET 100% FINANCING

Susan Holm

“My ‘aha’ moment was how to transform calls into productive leads. Those calls helped demonstrate there is something to potentially get out of every call. Very Good to experience.”



Mary Holt

“I liked the trips to the two houses! It is good to see when and where to spend on rehabs and what is not profitable. I also found the phone calls that Lee received to be very helpful. To hear the calls live is almost priceless.”

Baltimore, MD

- Purchase Price - \$175,000
- As-Is Value - \$220,000
- Loan Amount – (1st) \$143,000

- Loan Amount – (2nd) \$195,000
- Rehab - \$140,400
- After Repaired Value - \$520,000
- Total Cost: \$338,000
- Value: \$520,000
- Holding Cost: \$18,000
- Profit: \$109,000
- Cash Down: \$ (647)



HOW TO GET 100% FINANCING



Mary Kay Yeager

"I learned a great deal – my confidence has increased! My biggest aha moment was that putting an offer together to start the process is not too hard or difficult to do. I also enjoyed listening to Lee take phone calls and learning how to turn a potentially negative call into a positive, i.e. another lead."

"Creativity comes from spontaneous meetings, from random discussions. You run into someone, you ask what they're doing, you say 'Wow,' and soon you're cooking up all sorts of ideas."

- Steve Jobs

You come to Spokane/Coeur d'Alene and Shadow me for 3 days Doing What Has and Continues to Make Me Millions of Dollars...

- Pulling the Right Lists
- Dialing for Dollars
- Knocking on Doors
- Drafting Purchase and Sales Agreements
- Negotiating Short Pays on 1st and 2nd loans
- Pulling Title Without Going to the Courthouse
- Hitting the Auction with Cash in Hand (Yes you are going to see the master bidder in action)

Extra Bonuses Include...

- 6 Teleconference Calls with Me (Personally)
- 4 Day Funding Tour
- Lifetime Gold and Silver Calls
- Access to ALL products and Resources (except for the Broker Certification Program)
- Inner Circle Calls
- Personal Loan Officer Who Has Your Back

HOW TO GET 100% FINANCING

AND...

Platinum Funding Bonus:

100% Financing on approved residential deals
(including purchase price, closing and rehab costs)

Working with Me One-On-One Has Its Benefits...

Robert and Joan Hawthorne

Real Life Example	
1857 E. 9th Ave	
Purchase Price: \$110,000	Contracted for: \$260,000



HOW TO GET 100% FINANCING

Working with Me One-On-One Has Its Benefits...
Irma Martinez

Real Life Example 1117 West Kiernan

Purchase Price:
\$68,000

Sold For:
\$134,900



My Guarantee

**500% Profit or
\$100,000 in 1 Year
(or I'll continue to coach you and hold
your hand until you do)**

I'm Discounting Myself 85% Off in November – WHY?
We Have A Brand New Fund! SIHYFI!

HOW TO GET 100% FINANCING

The SIHYFII Offers More!

- Acquisition Funding
- ARV Funding
- Funding at Auction

John McDonald

Stonington, CT

- Purchase Price - \$750,000
- Rehab - \$92,000
- “ARV” After Repaired Value - \$750,000

- Loan Amount – \$265,000
- Seller Carry - \$600,000
- Rental Income - \$4,000 Month



Mike Fleming

Killeen, TX

- Purchase Price - \$27,000
- Rehab - \$0
- “As-Is” Value - \$43,000

- Loan Amount – \$27,950
- Needed \$ 5,000 to close
- Rental Income - \$800 Month



Chris Cox

Wilder, KY

- Purchase Price - \$45,000
- Rehab - \$0
- “ARV” Value - \$120,000
- Loan Amount – \$71,000
- \$16,000 Cash back at Closing



HOW TO GET 100% FINANCING

We Need 10 Trained Individuals to Give it to!

We'll see you at our next Inner Circle...

- To achieve your goals, you need to be on the lookout for the opportunity to make connections wherever you go. Welcome these chance encounters and opportunities.

The person with the skill set you need to get your new business off the ground may be sitting right next to you _____

... don't miss the chance to meet him or her!



HOW TO GET 100% FINANCING



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CONTRACTORS, CONTRACTS & THE DRAW PROCESS



Designed to educate investors how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!

CONTRACTORS, CONTRACTS & THE DRAW PROCESS

Hiring a Contractor

You must _____ your contractor! – Use the COGO Capital Contractor Questionnaire as your application. See the Resources section of your notebook for a full printed copy of the questionnaire. See “Contractor Questionnaire Form.” (Also available in the Back Office!)

- Require that the contractor provide evidence of having performed work on similar projects with like scopes of work.
- Require copies of all local business licensing being required and evidence of their meeting state contracting license requirements.
- Ask if they have any letters of references for past projects available.
- Require evidence detailing their insurance capabilities for general liability, vehicles, property, general umbrella, workers compensation, or errors and omissions, if applicable.
- What percentage of the work do they normally perform themselves?
- List all suppliers with which they currently have trade credit with and the amounts available to them.
- List subcontractors with which they have had working relationships with for the past five years (minimum).
- List bonding companies that they have worked with before or that they are currently registered with or under bond with.
- Ask if they would provide resumes of all principals within the organization and name the industry associations or organizations that they are current members of.
- Have a percentage detail provided of the types of construction they have primarily been involved with over

Opportunity is missed by most people because it is dressed in overalls and looks like work.

–*Thomas Edison*

CONTRACTORS, CONTRACTS & THE DRAW PROCESS



the past 5 year. Commercial, Residential, Institutional, Religious ...

- Have a list provided of any and all legal actions, and the nature of them, that their firm has been involved with over the past five years.
- Ask to be provided with the names of two subcontractors that can be contacted for reference purposes.
- Request to see a sample of a project schedule that they had developed in the past

The Construction Contract

Construction projects are extremely complex undertakings and are usually governed by highly _____. The use of a contract will reduce the likelihood of disputes during and after the project. While any one of hundreds of clauses in a large contract can be crucial, certain issues are important on almost every job.

Here are the top ten most important clauses in a typical construction contract. Focusing on these clauses prior to commencing a construction project will reduce the conflicts that can arise on the job.

I. Payment

- What documents must be submitted for payment?
- How quickly will the contractor get paid?
- Retainage
- What third-party roles may impact the payment process?
- What right to interest on late payment?
- What provisions for billing disputed work?

CONTRACTORS, CONTRACTS & THE DRAW PROCESS

II. Pay-When-Paid Clauses

The Contractor shall promptly pay each _____, upon receipt of payment from the Owner, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.



III. Project Delivery Systems and Contractor's Design Responsibilities

- Construction Management and Design/Build Projects
- Shop Drawing Review

IV. Differing Site Conditions

Underground rock, water, or objects, such as unused tanks or buried structures, add to the cost of completing the construction project. These cost increases are often significant, and as a result, unanticipated physical site conditions, or "differing site conditions," provide the grounds for many construction claims. It is imperative, therefore, for both owners and contractors to undertake certain precautions and employ certain strategies to minimize the risk that a differing site condition will be encountered during the course of a project.

V. Dispute Clauses

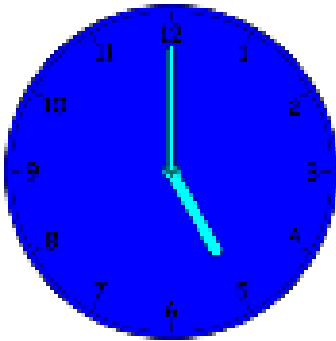
Procedures to resolve claims and disputes are _____ components to all construction contracts.

CONTRACTORS, CONTRACTS & THE DRAW PROCESS

Diverse parties, shifting relationships, and high levels of risk inevitably result in disputes. Thus, it is imperative to create an appropriate roadmap by which the parties can resolve their differences. This process must be able to work both during construction and after substantial completion.

VI. Liquidated Damages

These clauses almost always work by assigning a daily charge for substantial completion later than the scheduled date.



VII. Delay and Extensions of Time

Every construction project has a schedule that determines, in advance, the sequence of work. Unfortunately, it is a rare occurrence for a construction project to progress to completion without some disruption to the original schedule. In most cases, these disruptions cause delays, which in turn cost the owner or contractor, or both, time and money. The contract documents dictate which party is responsible for the delay and whether the contractor is entitled to an extension of time or for reimbursement of costs incurred as a result of the delay.

VIII. Indemnification and Insurance

An important function of the contract drafting process is identifying risks and negotiating their allocation among the parties. The party most apt to handle the risk should assume it, provided that the party is adequately compensated.

IX. Notice-of-Claim Requirements

Most construction contracts require parties who are asserting a claim to provide prompt notice to the other party. Such notices most commonly apply when a contractor encounters a field condition that will delay the work or cause cost overruns. The typical clause requires

CONTRACTORS, CONTRACTS & THE DRAW PROCESS

notice of a claim within a certain number of days of the time the claimant learns of the facts leading to the claim and in any event prior to the date on which the claimant begins to expend extra funds for which it will seek compensation.

X. Termination Clauses

Perhaps the worst thing that can happen on a construction project is contract _____ . Everyone loses money in that situation, and some parties will lose a significant amount of money. Litigation very frequently follows terminations. Terminations arise in three situations: terminations for convenience by the owner; terminations for cause by the owner; and terminations for cause by the contractor.



Other Suggested Items for Inclusion in GC Contracts

For better protection of the lender and the borrower, we would recommend that these clauses be inserted into all contracts between the borrower and the general contractor.

1. Progress Payment Submittal Requirements (Attachment to Agreement)
2. Change Order / Extra Work / Extended Schedule Notification to Lender
3. Contractor Performance/Replacement Clause – Failure to Perform
4. Lender Indemnification and Hold Harmless Agreement
5. Lenders Option to Verify Proposed Construction Costs
6. Additional Insured Requirements Naming Lender
7. Project Schedule (Attachment to Agreement)
8. Liquidated Damage / Acceleration Clause
9. Lenders Right to Enter Inspect Property
10. Lien Release Policy Clause

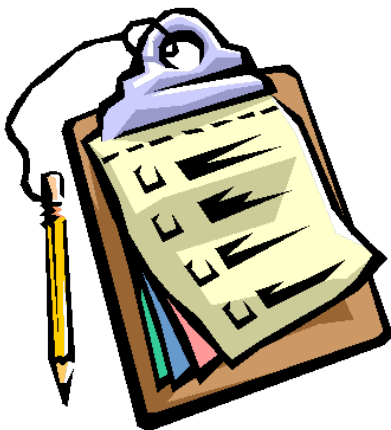
CONTRACTORS, CONTRACTS & THE DRAW PROCESS

How the Draw Process Works

Handing over the entire amount being borrowed for the rehab to a contractor would be foolish and asking for trouble. When dealing with large amounts of cash, accountability becomes a must. The _____ is designed to provide just this sort of accountability so as to protect both the lender's and the borrower's investment in the property being rehabbed.

This accountability is accomplished through a series of payments (called draws) that are only paid out as needed and only after proof has been supplied that sufficient work has been completed to warrant each disbursement of funds.

For the purpose of this example, a 3 draw process will be discussed.



Schedule & Complete Baseline CIS Inspection

Prior to *any* work on the property commencing, the property will need to be thoroughly inspected and documented by CIS – Construction Inspection Specialists.

CIS will also conduct a scope of work verification/cursory bid review related to the rehabilitation work on the subject property to establish whether the line item work listed in the bid is sufficient to satisfy the scope of work.

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First Draw

Once the first inspection is completed the first draw can be paid out. This may be as much as _____ of the overall rehab budget. These funds are to be used for the following:

- Dumpsters
- Demo
- Clean up
- Plans
- Permits
- Temporary sewer, water & power
- Materials needed to begin work

Begin Work

During this first phase of work you should carefully monitor the progress to make sure the initial _____ is being accomplished. You must target for completion the items necessary for the next draw.

Schedule & Complete CIS Inspection 2

The following documents will need to be submitted prior to the second inspection for progress payment consideration.

- Completed progress payment request spreadsheet
- Current invoices/receipts (w/corresponding line item numbers)
- Lien documents (w/corresponding line item numbers)
- Potential project schedule/cost changes detailed



CONTRACTORS, CONTRACTS & THE DRAW PROCESS

- Copies of current permit card

After the above documents are submitted the second inspection can take place. This will serve to verify that the project is moving forward as planned and that benchmarks previously agreed to in the scope of work have been completed. At the conclusion of the inspection CIS will submit a full report to Secured Investment Corp and only then can the funds for draw 2 be released.

Draw 2

Following the successful completion of inspection 2, the second draw will be released. These funds will be for:

- _____
- Items that need to be special ordered and require deposits – 50% of Cabinets, special order windows, flooring etc.
- Labor that has been completed

Continue Work to Finish

During this second phase of work you should again monitor the progress to make sure the work is being accomplished on schedule. The next draw is after the final inspections so you must complete all work planned.



Schedule and Complete Final CSI Inspection

The following documents will need to be submitted prior to the final inspection for final payment consideration.

- Completed final payment request spreadsheet

CONTRACTORS, CONTRACTS & THE DRAW PROCESS

- Current invoices/receipts (w/corresponding line item numbers)
- Lien documents (w/corresponding line item numbers)
- Potential project schedule/cost changes detailed
- Copies of current permit card

After the above documents are submitted the final inspection can take place. This will serve to verify that all work has been completed as planned. At the conclusion of the inspection CIS will submit a full report to Secured Investment Corp and only then can the funds for draw 3 be released.

Draw 3

This is the final draw of the project. It should reflect payment of remainder of the funds set up for the rehab.



“It is time for us to stand and cheer for the doer, the achiever, the one who recognizes the challenge and does something about it.”

–Vince Lombardi



CONTRACTORS, CONTRACTS & THE DRAW PROCESS

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MAXIMIZING YOUR RETURN ON INVESTMENT



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The Least Expensive Way to Get the Most Return on Your Investment

Kitchens on a Budget

- Repaint or reface cabinets (instead of replacing them). You can save hundreds (even thousands) of dollars if the cabinets are in good shape and just need to be refaced or refinished
- Install butcher block counters (vs. marble or stone)
- Replace the avocado green appliances with nice GE or Kenmore versions – go _____!
(vs. Wolf and Miele)
- Install a new stainless steel sink
- Install a new faucet
- Apply new shelf liner to all cabinet shelves and drawers
- Replace light fixtures

Bathrooms on a Budget

- Repaint or reface cabinets
- Install new fixtures
- Repaint or resurface the tub
- Replace the toilet seat
- Replace old towel hangers
- Replace shower curtains
- Apply a fresh bead of caulk around the edges and base of the tub or shower, around the sink, and around the base of the toilet
- Scrub the grout between any tiles thoroughly
- Unless it's in REALLY good shape, it's a worthwhile investment to replace the sink and vanity to a modern cabinet and a light colored sink

"Invest in yourself. Your career is the engine of your wealth."

- Paul Clitheroe

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Walls and Floors on a Budget

- Walls: Real estate experts always advise giving walls and trim a fresh coat of _____ (an attractive neutral two-tone color is the most salable).
- Definitely remove paneling and wall paper. This is a must.
- _____, texture and paint popcorn ceilings. Another must!
- Flooring: If you're replacing flooring, opt for wall-to-wall beige carpeting, hardwood laminate or solid hardwood, depending on the neighborhood and your budget.
- TIP: A light coat of paint in an unfinished basement makes the area look clean, bright -- and more valuable.



Mechanics

- Change the furnace filters.
- Clean or replace the hot water tank.
- Repair any leaky faucets.
- Unclog any plugged or slow drains.

The Devil is in the Details - Consider Making these Inexpensive Cosmetic Improvements.

Replace

- _____
- Light switch and socket plates
- Toilet seats
- _____
- Ceiling fans
- Lighting fixtures
- _____

MAXIMIZING YOUR RETURN ON INVESTMENT

The 5 Deadly Sins of Rehabbing + 5 More That are Almost as Bad!

- Thinking this is an _____, get rich quick strategy
- Jumping in with little research: 90% of your time will be spent researching, viewing, negotiating and more research on the property.
- Doing all the work yourself to save _____:
 - If the level of workmanship is substandard, it will affect your resale price.
 - It is false economy to save yourself \$35 dollars per hour by doing it yourself if you normally earn \$50 per hour.
- Paying your contractor up front for his work! – Do _____ do this!
- Not taking the time to calculate your MAO and sticking to it. Your rehab is doomed before you even start if you do not buy it right!
 - Using the 70% Rule to calculate MAO
 - The ARV is \$200,000
 - Take the ARV (\$200,000) and multiply it by 70%. This equals \$140,000
 - Deduct your repair costs from that \$140,000. Let's say the rehab will cost \$40,000
 - Using the 70% rule, you have now determined that the maximum price you want to pay (or MAO) is \$100,000
- Not sticking to your _____ and to the budget. Don't make it bigger and better as you go along or you'll pick away at your profits. The great temptation of renovating is to do too much to achieve the "WOW" factor.
- Quitting your day job to fix and flip
- Not having a real exit strategy



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- Not getting the education and help you need along the way
- Listing the property before renovations are done: Buyers don't think like investors and won't see what you see in a half-rehabbed project. Buyers only want to see the end-product. Don't jump the gun and market an unfinished rehab

9 types of Home Improvements that Will Make or Break Profitability



- Minor/major Bathroom Remodel
- _____
- Minor/major Kitchen remodel
- Exterior improvements – Siding, Paint, Front Entry including door
- Attic bedroom conversion
- Deck, patio or porch addition

- _____
- Replacement Windows

- _____

This site compares average cost for 36 popular remodeling projects with the value those projects retain at resale in 102 U.S. markets. Check out this year's trends and how they compare to prior years.

<http://www.remodeling.hw.net/cost-vs-value/2015/>

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What’s a Do-it-Yourself Job and What’s a “I wouldn’t touch that with a 10-foot pole” Job



FHA Home Inspection Checklist & Guidelines

This checklist was compiled as help for investors to ensure that they are renovating properties to _____ so as to ensure that the buyers of their finished rehab projects will qualify for financing. While this does not guarantee that the property will pass inspection and qualify it is a great example of all the areas you should address prior to putting your house up for sale on the open market.



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Site Hazards and Nuisances

Presence of the following may indicate unacceptable property conditions:

- Sinkholes
- Active or planned gas-drilling within 300 feet
- 75 feet of operating oil/gas well with no visible mitigation measures
- Abandoned oil or gas well within 10 feet
- Slush pits
- Excessive noise or hazard from heavy traffic area
- Dwelling or improvements within 10 feet of easement for high-pressure gas/petroleum line
- Dwelling or improvements within fall distance for overhead towers (high-voltage, radio/TV, cell phone, etc.)
- Excessive smoke, fumes, offensive noises or odors
- Stationary storage tanks with more than 1000 gallons of flammable or explosive material

Soil Contamination

Presences of the following may indicate unacceptable property condition:

- Surface evidence of underground storage tank
- Proximity to dumps, landfills, industrial sites that could contain hazardous materials
- Presence of pools of liquid, pits, ponds, lagoons, stained soils or pavement

Grading and Drainage

Presence of the following may indicate unacceptable property conditions:

- Grading does not provide drainage away from structures
- Standing water near structures



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Individual Water and Sewage Systems

Presence of the following may indicate unacceptable property conditions:

- Private sewage system shows evidence of failure
- Separation between well and septic drain field less than 100 ft (75 ft may be acceptable if local authorities allow)
- Separation between well and property line is less than 10 ft (if local authority requires greater distance that requirement must be met)
- Property lacks connection to public water (Lender/jurisdiction may require water test and connection to public water if feasible)

Wood Destroying Insects

Presence of the following may indicate unacceptable property conditions:

- Structure is ground level & wood is touching ground
- House or other structures show obvious evidence of infestation
- Local jurisdiction requires inspection
- Lack of Inspection when it is customary to the area



Private Road Access

Presence of the following may indicate unacceptable property conditions:

- Property inaccessible by foot or vehicle
- Property accessible only by private road without permanent recorded easement

Floor Support Systems

Presence of the following may indicate unacceptable property conditions:

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- Significant cracks
- Evidence of water damage
- Evidence of spongy/weak/rotted flooring

Framing/Walls/Ceiling



Presence of the following may indicate unacceptable property conditions:

- Significant cracks
- Visible holes in exposed areas that could affect structure
- Damaged plaster, sheetrock, or ceiling materials in homes constructed before 1978
- Significant water damage

Attic

Presence of the following may indicate unacceptable property conditions:

- Inadequate access
- Evidence of holes
- Support structure damaged
- Significant water damage visible from interior
- No ventilation by vent, fan, or window

Basement

Presence of the following may indicate unacceptable property conditions:

- Blocked or inadequate access
- Evidence of significant water damage
- Significant cracks or erosion in exposed areas that affect structural soundness
- Crawl space blocked or inadequate for maintenance (recommended 18 inches)
- Support beams not intact
- Excessive dampness or ponding of water

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Slab

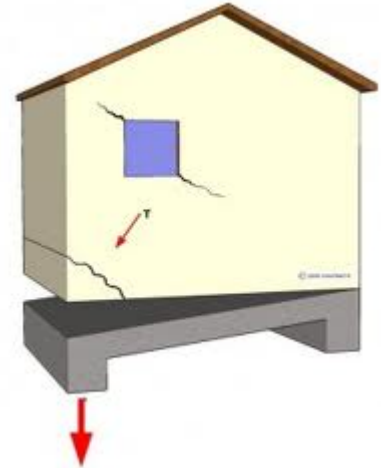
Presence of the following may indicate unacceptable property conditions:

- Significant cracks that could affect structural soundness

Roof

Presence of the following may indicate unacceptable property conditions:

- Missing tiles, shingles, flashing, etc.
- Signs of leakage



Furnace/Heating System

Presence of the following may indicate unacceptable property conditions:

- Unit does not turn on
- Heat is not emitted
- Unusual noise
- Smoke or irregular smell
- Significant holes or deterioration on unit

Electrical System

Presence of the following may indicate unacceptable property conditions:

- Electrical switches don't work
- Outlets don't work
- Presence of smoke or sparks from outlet
- Exposed frayed or unconnected wiring
- Lack of GFI outlets in water areas – kitchen, bath, laundry

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Plumbing System

Presence of the following may indicate unacceptable property conditions:

- Significant drop or limitation in water pressure
- No hot water
- Toilets don't function or have been removed
- Toilet leaks
- Sinks/bathtub/shower leaks (very minor leaks may be acceptable)
- Sinks/bathtub/shower does not work or have been removed
- Swimming pools not operational, in bad repair or not maintained

Paint

Presence of the following may indicate unacceptable property conditions:

- Chipped or peeling paint on interior or exterior of home and/or structures and improvements if home built before 1978
- Chipped or peeling paint on exterior surfaces if finish is unprotected (ie. Bare wood) if home built after 1978

Other

Presence of the following may indicate unacceptable property conditions:

- Missing or inoperable exterior doors
- Broken or missing stairs
- Absence of built-in appliances
- Absence of free-standing stove (Santa Ana HOC only)



*See Resource Section, "HUD Checklist."

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**SPECIAL
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PROPERTY REHAB TOUR DEBRIEF

PROPERTY REHAB TOUR DEBRIEF

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STAGING FOR MAXIMUM PROFIT



Designed to educate investors how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!

STAGING FOR MAXIMUM PROFIT

Staging the Property

Staging is the practice of placing furniture, wall art, nick knacks, and/or other objects throughout the home to make it look more “lived-in.” Most real estate experts agree that a staged home sells much faster and for more money than one that is un-staged.

10 Staging tips to turn your home into buyer bait!

1. _____ . -
You know the saying: You never have a second chance to make a first impression. "The outside of your home is the first thing guests see."
2. _____ . -
Clutter is a sales killer! Less is more.
3. Furniture is not needed for a good home stage but if you must use furniture, pay attention to traffic flow and float it away from walls when possible.
4. Let the sun shine in. – Light and bright is always better. This will make rooms look larger.
5. _____ ! - Do not rely on Mother Nature for all your lighting. Increase the wattage in your lamps and fixtures. Aim for a total of 100 watts for every 50 square feet. Layer lighting. Use a combination of overhead, floor, table, and accent lighting to create great ambience.
6. Make your art sing. - Hang pictures on different planes so that your eye goes up and down as it

Great things are done by a series of small things brought together.

- *Vincent Van Gogh*

STAGING FOR MAXIMUM PROFIT

travels around the room - it creates interest on your walls. Art displayed creatively makes the art stand out more and shows off your space.

7. Accessorize with flair. - When it comes to eye-pleasing accessorizing, three is the magic number. Rather than setting your trio of accessories out in a row, imagine a triangle and place one object at each point. The eye naturally "reads" the room from left to right, so putting a striking object in the far right corner will automatically draw your gaze there and make the room seem bigger.



8. Appeal to the _____. - Staging is not just about what it looks like. You must eliminate musty and stale air smells. Bake cookies, burn scented candles or use air freshener.
9. Pay attention to the _____ you hear in the house. If street noise or other sounds are an issue, find a way to mitigate the problem.
10. Bring the outdoors in. - Take clippings of branches or twigs and put them in a large vase in the corner of a room to add height -- it's a great structural piece that doesn't cost anything. Budding clippings or unfurling fern fronds herald the arrival of spring, summer blooms add splashes of cheerful color and holly branches heavy with berries look smashing in winter. Look for ways to add elegance and texture any time of year.

STAGING FOR MAXIMUM PROFIT

The Psychology of Curb Appeal

Your home's appearance has a psychological effect on potential buyers. If the exterior of the house and yard is well-maintained, buyers enter the home with positivity, believing the interior will measure up to the standards set outside. If the exterior looks poorly maintained, buyers enter the home with a negative mindset, specifically looking for problems.

Attract buyers with a clean, mowed front yard, a colorful planter, and welcome mat. If the home's landscaping is overgrown and neglected, trim out the excess and plant a few inexpensive foundation bushes near the front.

TIP: Mulch flowerbeds with a dark-colored mulch to add instant charm.

How to Appeal to the Buyer

Real Estate has an emotional dimension that other investment vehicles do not. People make the decision to purchase a home based on their feelings. Use this to your advantage. The subconscious appeal that you create may affect your sales price and help you sell more quickly. Create an atmosphere that will charm buyers and make them want to own the home.

For men, size matters. They like big yards, _____
_____ and big square footage.

Women want to know how the master bedroom “feels” and what the view is like from there and whether the floor plan flows well for entertaining or keeping an eye on children. She will be sold on the kitchen so make it
_____.



STAGING FOR MAXIMUM PROFIT

If you do not replace the appliances you must clean them thoroughly inside and out. Everyone knows to give the cabinets a facelift but do not neglect the inside. Expend the extra time and energy to give the inside of the cabinets a good cleaning.

Women control or influence \$7 trillion in consumer spending annually and make 85% of all purchase decisions, according to a number of experts. In real estate single women account for more than twice as many home purchases as their male counterparts. Even when a single man does buy a home he almost always brings a woman with him to confirm that this is the right place to buy.

Realtor statistics are now showing that in _____ of their sales, if the woman likes the home, the man goes along with it. Spousal gratification is a big reason men often play second fiddle in making decisions about big purchases.

What it all boils down to is that the smart money is on women as the one you must ultimately appeal to. Make the woman happy with the property and everyone is happy!



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MARKETING THE PROPERTY



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MARKETING THE PROPERTY

To Market, To Market

The goal when marketing your home is to gain as much exposure in the market as possible. Increased exposure in the housing market will put your home in front of the greatest number of potential buyers. The larger your pool of buyers, the higher the likelihood you will field multiple offers. Let's face it, multiple offers is a good thing when you are selling. Any time you receive multiple offers, you're fostering an atmosphere where prospective buyers will offer their highest and best price in order to compete with other offers.

The most effective strategy is to run a promotional blitz as soon as your home hits the market. But do not start prematurely. You want to make sure the property is in pristine condition before any of these marketing strategies are deployed.

Tools that you should incorporate in this marketing blitz include (but may not be limited to):

- Use _____ such as flyers, pamphlets, postcards, etc. that buyers can take home (be sure to include photos and list major selling points).
- Place your listing on the _____ (MLS) complete with all descriptive details (more in the next session).
- Use professional quality _____ and/or virtual tour of your home on the internet and include lots of pictures. There is nothing worse to a potential home buyer than to find a house they may be interested in on the internet only to discover there is just a few lousy pictures available to look at. Contrary to popular belief this will not make them come and look at the house. They will just move on to one that does provide good pictures.

"Wealth is the ability to truly experience life."

- *Henry David Thoreau*

MARKETING THE PROPERTY



- Feature the listing on numerous websites such as Zillow, and your agency's company website. The list of potential sites is quite long.
- Post the listing on social media sites like Facebook, Twitter, and Pinterest.
- See if you can set up an "Agent Tour" the first week on the market.

Timing is Money

If you list at the wrong time it will cost you. Real estate markets are cyclic. You cannot assume that you will make money tomorrow just because prices are rising today. Here are a few suggestions to help you increase profits.

- Find out what the market is doing in your area. Real estate markets are very localized. Take the time to learn your market and do not depend on national or even state trends.
- Real estate trends can be altered by significant events in a community.
 - Has a big employer pulled out of a small community?
 - Has a big employer moved into the community?
 - This can drastically effect housing prices. Know your market trends!
- _____
to maximize your profit during the selling cycle. As you track how the cycle fluctuates throughout the year, strategically buy several homes when the cycle is at its low point so that you rehab them during the off-selling time and have them ready for market when the cycle peaks again.

MARKETING THE PROPERTY

Other Marketing Considerations

Pricing

Stay Within the _____
of the Neighborhood. - If you over build for the neighborhood you will not be able to find comps to justify your price and you will not be able to recoup your costs. Keep the work comparable to the neighborhood you are in.

Using the MLS

List on the MLS: More eyes means a faster sale. Time is money in this business, and the longer your money and energy are tied up into one deal, the longer you are missing out on the next deal.

Check out these two home tours from previous Lee Arnold rehabs:

<http://tours.tourfactory.com/tours/tour.asp?t=1360354>

<http://tours.tourfactory.com/tours/tour.asp?t=1322583>

Do Not Hesitate to Use Competent Realtor

80%+ of all home sales are completed through a real estate agent. Do not miss out on all these potential buyers! Ask for weekly reports (or better yet, have a phone conversation about the progress at least once per week) and make sure your agent is keeping your property a priority. Remember “the squeaky wheel gets the grease.” So be squeaky!



MARKETING THE PROPERTY

THE
Leaf Arnold
SYSTEM OF REAL ESTATE INVESTING

TYING IT
ALL TOGETHER



Designed to educate investors how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!

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Value Adds When Selling Real Estate

Location

- Data shows homes in areas adjacent to the city center often tend to gain value much more quickly than homes in the city center. The “halo effect.”
- Starbucks Effect
- Worst house in the hottest neighborhood

Properties with High “Walk Scores”

- Areas where houses and workplaces are close to schools, parks, shops and near transportation hubs.
- These amenities are popular with buyers in today’s market place.

Properties on Named Street

- Zillow research has shown that properties on named streets are 2% higher than # street names.

Midrange Upgrades

- When looking at return on investment, midrange upgrades prove to have the best returns when compared to high end upgrades.

Longer MLS Listings

- Zillow research has shown that properties with a longer listing (up to 250 words) consistently sell for more.

“Money isn't everything...but it ranks right up there with oxygen.”

- *Rita Davenport*

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Using the Correct Vocabulary in Your Listing

Zillow research has shown that the following words in a listing can affect the final sale price of a home by as much as the values listed:

- Luxurious: +8.2%
- _____ +6.5%
- Fantastic: +2.8%
- _____ +5.9%
- Gentle: +2.3%
- _____ +1.5 to 4.2%
- Remodeled: +1.7 to 2.9%
- _____ +4.5%
- Beautiful: +2.3%
- _____ +0.7%
- Exquisite: +1.9%
- _____ +1.1 to 4.2%
- Pergola: +4.0%
- _____ +1.7 to 2.9%



Keep in mind that the words above are not magic bullets. They magically bring value to a property just because they are used. These key words must realistically match features in the home to be effective.

Value Minuses When Selling Real Estate

Over Pricing

Over pricing the home on the initial listing can hurt you in the long run. The data says that when a home is initially overpriced it eventually sells for less than market value.

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Potential buyers pass by the property because it is priced above market value. When the seller eventually lowers the price to market value potential buyers now become leery as to why the home did not sell. They look at the days on market and they question what is wrong with the property. They start to expect a lower price and offer lower prices because of this.

Using In-Correct Vocabulary in Your Listing

Zillow research has shown that the following words in a listing can affect the final sale price of a home by as much as the values listed: (look for these when you are buying. Do not use them if you are selling.)

- _____ -6.6%
- Investor: -5.3 to -6.6%
- _____ -4.3%
- TLC: -4.2 to -8.7%
- _____ -2.0%
- Bargain: -3.5%
- _____ -2.5 to -7.5%
- Unique:

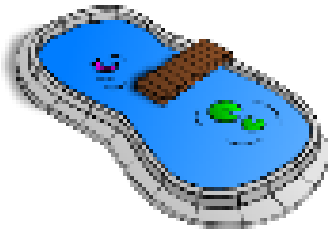
Properties on Numbered Street

It seems there is more to a street name than one might think. Even though numbers may be easier to remember and use, research has shown that home buyer prefer properties on named streets vs numbered streets and this is reflected in the selling price. When the address of a property is on a numbered street it will sell for less on average.



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A Few Things that People Think Add Significant Value But Don't



- Swimming Pools
- Upscale/expensive Landscaping
- High End Appliances/Upgrades
- Whirlpool Baths
- Sunrooms
- Home office at the expense of a bedroom
- New roof

Rehabbing Checklist – The How too's of Getting a Rehab Loan

PLANNING – PACKAGING



- Select property
- Prepare master plan of work to be done.
- Select a general contractor.
- Develop a specific scope of work for the project.
- Prepare a budget and time line of work to be done.
- Get property under contract.

UNDERWRITING APPROVAL

- Submit loan package to Lender for review and conditional approval, including:
 - Scope of work
 - Application
 - Signed around purchase and sale agreement for property
 - Corporate entity supporting documentation

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- Two months of recent bank statements
- Resume and/or prior rehab experience
- Obtain an “as is” and an “as repaired” valuation of the project.

CONSTRUCTION PHASE

- Execution of the construction contract with the general contractor. The contractor should provide proof of his bonding and evidence of insurance.
- Borrower and general contractor should develop a time line for work to be performed and consistent with the conditionally approved budget.
- Borrower should review and understand the draw process, how to request, support documentation, etc.
- During rehab any changes and/or additions to the budget will be the responsibility of the Borrower.
- Borrower is responsible to monitor subcontractors' and suppliers' payments to insure that all subcontractors and suppliers are being paid in a timely manner by the contractor.



DRAW PROCESS

- Borrower will be required to provide photos of completed work prior to draw release.
- The number of draws we allow for any one project vary between 1 and 7 depending upon the extent of work being done. Borrower will be responsible for any 3rd party costs and expenses associated with their draw request.
- The anticipated turnaround time for processing and disbursing a draw request is 24-48 business hours.
- Draw requests can be disbursed via wire or check:

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- Wire – please provide your bank’s name/address/phone, account holder name, account number and routing number.
- Check – please provide the mailing address to send the check to.



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SUPPLEMENTAL REHABBING RESOURCES



Designed to educate investors how to rehab properties correctly so they qualify for conventional, FHA & VA financing and yield maximum income potential!

Inspection Checklist

Housing Choice Voucher Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(Exp. 04/30/2018)

Public reporting burden for this collection of information is estimated to average 0.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number

Assurances of confidentiality are not provided under this collection.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to determine if a unit meets the housing quality standards of the section 8 rental assistance program.

Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of the name and address of both family and the owner is mandatory. The information is used to determine if a unit meets the housing quality standards of the Section 8 rental assistance program. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family participation.

Name of Family		Tenant ID Number	Date of Request (mm/dd/yyyy)
Inspector		Neighborhood/Census Tract	Date of Inspection (mm/dd/yyyy)
Type of Inspection	Date of Last Inspection (mm/dd/yyyy)		PHA
Initial	Special	Reinspection	

A. General Information			Housing Type (check as appropriate) Single Family Detached Duplex or Two Family Row House or Town House Low Rise: 3, 4 Stories, Including Garden Apartment High Rise; 5 or More Stories Manufactured Home Congregate Cooperative Independent Group Residence Single Room Occupancy Shared Housing Other
Inspected Unit		Year Constructed (yyyy)	
Full Address (including Street, City, County, State, Zip)			
Number of Children in Family Under 6			
Owner			
Name of Owner or Agent Authorized to Lease Unit Inspected		Phone Number	
Address of Owner or Agent			

B. Summary Decision On Unit (To be completed after form has been filled out)				
<input type="checkbox"/>	Pass	Number of Bedrooms for Purposes of the FMR or Payment Standard	Number of Sleeping Rooms	
<input type="checkbox"/>	Fail			
<input type="checkbox"/>	Inconclusive			

Inspection Checklist						
Item No.	1. Living Room	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
1.1	Living Room Present					
1.2	Electricity					
1.3	Electrical Hazards					
1.4	Security					
1.5	Window Condition					
1.6	Ceiling Condition					
1.7	Wall Condition					
1.8	Floor Condition					

* Room Codes: 1 = Bedroom or Any Other Room Used for Sleeping (regardless of type of room); 2 = Dining Room or Dining Area;
 3 = Second Living Room, Family Room, Den, Playroom, TV Room; 4 = Entrance Halls, Corridors, Halls, Staircases; 5 = Additional Bathroom; 6 = Other

Item No.	1. Living Room (Continued)	Yes Pas	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
1.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
2. Kitchen						
2.1	Kitchen Area Present					
2.2	Electricity					
2.3	Electrical Hazards					
2.4	Security					
2.5	Window Condition					
2.6	Ceiling Condition					
2.7	Wall Condition					
2.8	Floor Condition					
2.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
2.10	Stove or Range with Oven					
2.11	Refrigerator					
2.12	Sink					
2.13	Space for Storage, Preparation, and Serving of Food					
3. Bathroom						
3.1	Bathroom Present					
3.2	Electricity					
3.3	Electrical Hazards					
3.4	Security					
3.5	Window Condition					
3.6	Ceiling Condition					
3.7	Wall Condition					
3.8	Floor Condition					
3.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
3.10	Flush Toilet in Enclosed Room in Unit					
3.11	Fixed Wash Basin or Lavatory in Unit					
3.12	Tub or Shower in Unit					
3.13	Ventilation					

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		
4.10	Smoke Detectors					
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		
4.10	Smoke Detectors					
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?			<input type="checkbox"/> Not Applicable		

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)	
4.1	Room Code * and Room Location	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination						
4.3	Electrical Hazards						
4.4	Security						
4.5	Window Condition						
4.6	Ceiling Condition						
4.7	Wall Condition						
4.8	Floor Condition						
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable		
4.10	Smoke Detectors						
4.1	Room Code* and Room Location	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear	____ Floor Level	
4.2	Electricity/Illumination						
4.3	Electrical Hazards						
4.4	Security						
4.5	Window Condition						
4.6	Ceiling Condition						
4.7	Wall Condition						
4.8	Floor Condition						
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable		
4.10	Smoke Detectors						
5. All Secondary Rooms (Rooms not used for living)							
5.1	None Go to Part 6						
5.2	Security						
5.3	Electrical Hazards						
5.4	Other Potentially Hazardous Features in these Rooms						

Item No.	6. Building Exterior	Yes Pass	No Fail	In - Conc.	Comment	Final Approval Date (mm/dd/yyyy)
6.1	Condition of Foundation					
6.2	Condition of Stairs, Rails, and Porches					
6.3	Condition of Roof/Gutters					
6.4	Condition of Exterior Surfaces					
6.5	Condition of Chimney					
6.6	Lead Paint: Exterior Surfaces Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed 20 square feet of total exterior surface area?				Not Applicable	
6.7	Manufactured Home: Tie Downs					
7. Heating and Plumbing						
7.1	Adequacy of Heating Equipment					
7.2	Safety of Heating Equipment					
7.3	Ventilation/Cooling					
7.4	Water Heater					
7.5	Approvable Water Supply					
7.6	Plumbing					
7.7	Sewer Connection					
8. General Health and Safety						
8.1	Access to Unit					
8.2	Fire Exits					
8.3	Evidence of Infestation					
8.4	Garbage and Debris					
8.5	Refuse Disposal					
8.6	Interior Stairs and Common Halls					
8.7	Other Interior Hazards					
8.8	Elevators					
8.9	Interior Air Quality					
8.10	Site and Neighborhood Conditions					
8.11	Lead-Based Paint: Owner's Certification				Not Applicable	

If the owner is required to correct any lead-based paint hazards at the property including deteriorated paint or other hazards identified by a visual assessor, a certified lead-based paint risk assessor, or certified lead-based paint inspector, the PHA must obtain certification that the work has been done in accordance with all applicable requirements of 24 CFR Part 35. The Lead -Based Paint Owner Certification must be received by the PHA before the execution of the HAP contract or within the time period stated by the PHA in the owner HQS violation notice. Receipt of the completed and signed Lead-Based Paint Owner Certification signifies that all HQS lead-based paint requirements have been met and no re-inspection by the HQS inspector is required.

C. Special Amenities (Optional)

This Section is for optional use of the HA. It is designed to collect additional information about other positive features of the unit that may be present. Although the features listed below are not included in the Housing Quality Standards, the tenant and HA may wish to take them into consideration in decisions about renting the unit and the reasonableness of the rent. Check/list any positive features found in relation to the unit.

D. Questions to ask the Tenant (Optional)
1. Living Room

- High quality floors or wall coverings
- Working fireplace or stove Balcony, patio, deck, porch Special windows or doors
- Exceptional size relative to needs of family
- Other: (Specify)

2. Kitchen

- Dishwasher
- Separate freezer
- Garbage disposal
- Eating counter/breakfast nook
- Pantry or abundant shelving or cabinets
- Double oven/self cleaning oven, microwave
- Double sink
- High quality cabinets
- Abundant counter-top space
- Modern appliance(s)
- Exceptional size relative to needs of family
- Other: (Specify)

3. Other Rooms Used for Living

- High quality floors or wall coverings
- Working fireplace or stove Balcony, patio, deck, porch Special windows or doors
- Exceptional size relative to needs of family
- Other: (Specify)

4. Bath

- Special feature shower head
- Built-in heat lamp
- Large mirrors
- Glass door on shower/tub
- Separate dressing room
- Double sink or special lavatory
- Exceptional size relative to needs of family
- Other: (Specify)

5. Overall Characteristics

- Storm windows and doors
- Other forms of weatherization (e.g., insulation, weather stripping) Screen doors or windows
- Good upkeep of grounds (i.e., site cleanliness, landscaping, condition of lawn)
- Garage or parking facilities
- Driveway
- Large yard
- Good maintenance of building exterior
- Other: (Specify)

6. Disabled Accessibility

Unit is accessible to a particular disability. Yes No
Disability

1. Does the owner make repairs when asked? Yes ~~XXXXXXXXXX~~ [~~AAA~~
2. How many people live there? _____
3. How much money do you pay to the owner/agent for rent? \$ _____
4. Do you pay for anything else? (specify) _____
5. Who owns the range and refrigerator? (insert O = Owner or T = Tenant) Range _____ Refrigerator _____ Microwave _____
6. Is there anything else you want to tell us? (specify) Yes ~~XXXXXXXXXX~~ [~~AAA~~

E. Inspection Summary/Comments (Optional)

Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

Tenant ID Number	Inspector	Date of Inspection (mm/dd/yyyy) Address of Inspected Unit
------------------	-----------	---

Type of Inspection	Initial	Special	Reinspection
Item Number	Reason for "Fail" or "Pass with Comments"		Rating

Continued on additional page Yes No

Line Item #	Items Incl.	Item Description	Budget	% of Area Cost	Owner	Contractor	Sub	Permit Needed?	Esty/Bid Attached?	Refresh/Repair/Remodel - Circle One - Work to be done/materials to be used - add notes
100	X	Soft Costs	Budget	%	O	C	S	Y/N	X	Notes:
101		Plans		0%						
102		Permits		0%						
103		Architect		0%						
104		Superintendent		0%						
105		Temp Power		0%						
106		Temp Toilet		0%						
107		Temp Water		0%						
108		Dump/Trash		0%						
109				0%						
110				0%						
111				0%						
		Total Cost	\$ -							
200	X	Rough Electrical	Budget	%	O	C	S	Y/N	X	Notes:
201		Panel Main/Subs		0%						
202		Wiring		0%						
203		Outlets		0%						
204		Smoke Alarms		0%						
205		CO Detectors		0%						
206		Cable Lines		0%						
207				0%						
208				0%						
209				0%						
		Total Cost	\$ -							
300	X	Rough Plumbing	Budget	%	O	C	S	Y/N	X	Notes:
301		Septic		0%						
302		Sewer		0%						
303		Water Lines		0%						
304		Traps & Clean-Outs		0%						
305		Piping Vents		0%						
306		Fire Sprinklers		0%						
307				0%						
308				0%						
309				0%						
		Total Cost	\$ -							
400	X	Mechanical	Budget	%	O	C	S	Y/N	X	Notes:
401		Rough Ductwork		0%						
402		Heating Unit		0%						
403		AC Unit		0%						
404		Heat Pump		0%						
405		Hot Water Tank		0%						
406		Finish Ductwork		0%						
407		Gas Piping		0%						
408				0%						
409				0%						
410				0%						
		Total Cost	\$ -							

Line Item #	Items Incl.	Item Description	Budget	% of Area Cost	Owner	Contractor	Sub	Permit Needed?	Est/Bid Attached?	Refresh/Repair/Remodel - Circle One - Work to be done/materials to be used - add notes
500	X	Kitchen	Budget	%	O	C	S	Y/N	X	
501		Demo		0%						
502		Rough Carpentry		0%						
503		Windows		0%						
504		Insulation		0%						
505		Drywall		0%						
506		Painting		0%						
507		Cabinets		0%						
508		Plumbing Fixtures & Finish		0%						
509		Electrical Fixtures & Finish		0%						
510		Countertops		0%						
511		Appliances		0%						
512		Finish Carpentry		0%						
513		Hardware & Accessories		0%						
514		Flooring		0%						
515		Clean Up		0%						
516				0%						
		Total Cost	\$ -							
600	X	Dining Room	Budget	%	O	C	S	Y/N	X	
601		Demo		0%						
602		Rough Carpentry		0%						
603		Windows		0%						
604		Insulation		0%						
605		Drywall		0%						
606		Painting		0%						
607		Cabinets		0%						
608		Doors & Trim		0%						
609		Electrical Fixtures & Finish		0%						
610		Finish Carpentry		0%						
611		Finish Hardware		0%						
612		Flooring		0%						
613		Clean Up		0%						
614				0%						
		Total Cost	\$ -							
700	X	Living Room	Budget	%	O	C	S	Y/N	X	
701		Demo		0%						
702		Rough Carpentry		0%						
703		Windows		0%						
704		Fireplace		0%						
705		Insulation		0%						
706		Drywall		0%						
707		Painting		0%						
708		Doors & Trim		0%						
709		Electrical Fixtures & Finish		0%						
710		Finish Carpentry		0%						
711		Finish Hardware		0%						
712		Flooring		0%						
713		Clean Up		0%						
714				0%						
		Total Cost	\$ -							

Line Item #	Items Incl.	Item Description	Budget	% of Area Cost	Owner	Contractor	Sub	Permit Needed?	Est/Bid Attached?	Refresh/Repair/Remodel - Circle One - Work to be done/materials to be used - add notes
800	x	Family Room	Budget	%	O	C	S	Y/N	X	
801		Demo		0%						
802		Rough Carpentry		0%						
803		Windows		0%						
804		Fireplace		0%						
805		Insulation		0%						
806		Drywall		0%						
807		Painting		0%						
808		Doors & Trim		0%						
809		Electrical Fixtures & Finish		0%						
810		Finish Carpentry		0%						
811		Finish Hardware		0%						
812		Flooring		0%						
813		Clean Up		0%						
814				0%						
815				0%						
816				0%						
817				0%						
		Total Cost	\$ -							
900	x	Hallways	Budget	%	O	C	S	Y/N	X	
901		Demo		0%						
902		Rough Carpentry		0%						
903		Windows		0%						
904		Insulation		0%						
905		Drywall		0%						
906		Painting		0%						
907		Doors & Trim		0%						
908		Electrical Fixtures & Finish		0%						
909		Finish Carpentry		0%						
910		Finish Hardware		0%						
911		Flooring		0%						
912		Clean Up		0%						
913				0%						
		Total Cost	\$ -							
1000	x	Stairways	Budget	%	O	C	S	Y/N	X	
1001		Demo		0%						
1002		Rough Carpentry		0%						
1003		Windows		0%						
1004		Insulation		0%						
1005		Drywall		0%						
1006		Painting		0%						
1007		Doors & Trim		0%						
1008		Electrical Fixtures & Finish		0%						
1009		Finish Carpentry		0%						
1010		Finish Hardware		0%						
1011		Flooring		0%						
1012		Clean Up		0%						
1013				0%						
1014				0%						
		Total Cost	\$ -							

Line Item #	Items Incl.	Item Description	Budget	% of Area Cost	Owner	Contractor	Sub	Permit Needed?	Est/Bid Attached?	Refresh/Repair/Remodel - Circle One - Work to be done/materials to be used - add notes
1100	X	Laundry Room	Budget	%	O	C	S	Y/N	X	
1101		Demo		0%						
1102		Rough Carpentry		0%						
1103		Windows		0%						
1104		Insulation		0%						
1105		Drywall		0%						
1106		Cabinets		0%						
1107		Painting		0%						
1108		Doors & Trim		0%						
1109		Plumbing Fixtures & Finish		0%						
1110		Electrical Fixtures & Finish		0%						
1111		Finish Carpentry		0%						
1112		Finish Hardware		0%						
1113		Flooring		0%						
1114		Appliances		0%						
1115		Clean Up		0%						
1116				0%						
		Total Cost	\$ -							
1200	X	Master Bedroom	Budget	%	O	C	S	Y/N	X	
1201		Demo		0%						
1202		Rough Carpentry		0%						
1203		Windows		0%						
1204		Fireplace		0%						
1205		Insulation		0%						
1206		Drywall		0%						
1207		Closets		0%						
1208		Painting		0%						
1209		Doors & Trim		0%						
1210		Electrical Fixtures & Finish		0%						
1211		Finish Carpentry		0%						
1212		Finish Hardware		0%						
1213		Flooring		0%						
1214		Clean Up		0%						
1215				0%						
		Total Cost	\$ -							
1300	X	Bedroom 2	Budget	%	O	C	S	Y/N	X	
1301		Demo		0%						
1302		Rough Carpentry		0%						
1303		Windows		0%						
1304		Insulation		0%						
1305		Drywall		0%						
1306		Closets		0%						
1307		Painting		0%						
1308		Doors & Trim		0%						
1309		Electrical Fixtures & Finish		0%						
1310		Finish Carpentry		0%						
1311		Finish Hardware		0%						
1312		Flooring		0%						
1313		Clean Up		0%						
1314				0%						
		Total Cost	\$ -							

Line Item #	Items Incl.	Item Description	Budget	% of Area Cost	Owner	Contractor	Sub	Permit Needed?	Est/Bid Attached?	Refresh/Repair/Remodel - Circle One - Work to be done/materials to be used - add notes
1400	X	Bedroom 3	Budget	%	O	C	S	Y/N	X	
1401		Demo		0%						
1402		Rough Carpentry		0%						
1403		Windows		0%						
1404		Insulation		0%						
1405		Drywall		0%						
1406		Closets		0%						
1407		Painting		0%						
1408		Doors & Trim		0%						
1409		Electrical Fixtures & Finish		0%						
1410		Finish Carpentry		0%						
1411		Finish Hardware		0%						
1412		Flooring		0%						
1413		Clean Up		0%						
1414				0%						
		Total Cost	\$ -							
1500	X	Bedroom 4/Den	Budget	%	O	C	S	Y/N	X	
1501		Demo		0%						
1502		Rough Carpentry		0%						
1503		Windows		0%						
1504		Insulation		0%						
1505		Drywall		0%						
1506		Closets		0%						
1507		Painting		0%						
1508		Doors & Trim		0%						
1509		Electrical Fixtures & Finish		0%						
1510		Finish Carpentry		0%						
1511		Finish Hardware		0%						
1512		Flooring		0%						
1513		Clean Up		0%						
1514				0%						
		Total Cost	\$ -							
1600	X	Master Bathroom	Budget	%	O	C	S	Y/N	X	
1601		Demo		0%						
1602		Rough Carpentry		0%						
1603		Windows		0%						
1604		Insulation		0%						
1605		Drywall		0%						
1606		Cabinets/Medicine Chest		0%						
1607		Painting		0%						
1608		Tub/Shower & Enclosure		0%						
1609		Plumbing Fixtures		0%						
1610		Plumbing Finish		0%						
1611		Doors & Trim		0%						
1612		Electrical Fixtures & Finish		0%						
1613		Finish Carpentry		0%						
1614		Hardware & Accessories		0%						
1615		Flooring		0%						
1616		Clean Up		0%						
1617				0%						
		Total Cost	\$ -							

Line Item #	Items Incl.	Item Description	Budget	% of Area Cost	Owner	Contractor	Sub	Permit Needed?	Est/Bid Attached?	Refresh/Repair/Remodel - Circle One - Work to be done/materials to be used - add notes
1700	X	Bathroom 2	Budget	%	O	C	S	Y/N	X	
1701		Demo		0%						
1702		Rough Carpentry		0%						
1703		Windows		0%						
1704		Insulation		0%						
1705		Drywall		0%						
1706		Cabinets/Medicine Chest		0%						
1707		Painting		0%						
1708		Tub/Shower & Enclosure		0%						
1709		Plumbing Fixtures		0%						
1710		Plumbing Finish		0%						
1711		Doors & Trim		0%						
1712		Electrical Fixtures & Finish		0%						
1713		Finish Carpentry		0%						
1714		Hardware & Accessories		0%						
1715		Flooring		0%						
1716		Clean Up		0%						
		Total Cost	\$ -							
1800	X	Bathroom 3	Budget	%	O	C	S	Y/N	X	
1801		Demo		0%						
1802		Rough Carpentry		0%						
1803		Windows		0%						
1804		Insulation		0%						
1805		Drywall		0%						
1806		Cabinets/Medicine Chest		0%						
1807		Painting		0%						
1808		Tub/Shower & Enclosure		0%						
1809		Plumbing Fixtures		0%						
1810		Plumbing Finish		0%						
1811		Doors & Trim		0%						
1812		Electrical Fixtures & Finish		0%						
1813		Finish Carpentry		0%						
1814		Hardware & Accessories		0%						
1815		Flooring		0%						
1816		Clean Up		0%						
1817				0%						
		Total Cost	\$ -							
1900	X	Garage	Budget	%	O	C	S	Y/N	X	
1901		Demo		0%						
1902		Rough Carpentry		0%						
1903		Windows		0%						
1904		Insulation		0%						
1905		Drywall		0%						
1906		Cabinets		0%						
1907		Painting		0%						
1908		Doors & Trim		0%						
1909		Garage Door		0%						
1910		Garage Door Opener		0%						
1911		Flooring		0%						
1912		Clean Up		0%						
		Total Cost	\$ -							

Line Item #	Items Incl.	Item Description	Budget	% of Area Cost	Owner	Contractor	Sub	Permit Needed?	Est/Bid Attached?	Refresh/Repair/Remodel - Circle One - Work to be done/materials to be used - add notes
2000	X	Exterior	Budget	%	O	C	S	Y/N	X	Notes:
2001		Roofing & Facia		0%						
2002		Truss Repair		0%						
2003		Venting Replacement		0%						
2004		Painting/Stucco		0%						
2005		Siding & Trim		0%						
2006		Decking/Porches		0%						
2007		Landings/Stairways		0%						
2008		Gutters/Downspouts		0%						
2009		Entry Doors		0%						
2010		Landscaping		0%						
2011		Patio		0%						
2012		Flatwork/Walks		0%						
2014		Driveway		0%						
2015		Pool/Spa		0%						
2016		Trash Enclosure		0%						
2013		Mail Box		0%						
2014		Clean Up		0%						
2015				0%						
2016				0%						
2017				0%						
		Total Cost	\$ -							
2100	X	Other...	Budget	%	O	C	S	Y/N	X	Notes:
2101				0%						
2102				0%						
2103				0%						
2104				0%						
2105				0%						
2106				0%						
2107				0%						
2108				0%						
2109				0%						
2110				0%						
2111				0%						
2112				0%						
2113				0%						
2114				0%						
2115				0%						
2116				0%						
2117				0%						
2118				0%						
2119				0%						
2120				0%						
		Total Cost	\$ -							

Recap By Area

Area	Budget	% of Project	% of Budget Released
Soft Costs	\$ -	0%	0%
Rough Electrical	\$ -	0%	0%
Rough Plumbing	\$ -	0%	0%
Mechanical	\$ -	0%	0%
Kitchen	\$ -	0%	0%
Dining Room	\$ -	0%	0%
Living Room	\$ -	0%	0%
Family Room	\$ -	0%	0%
Hallways	\$ -	0%	0%
Stairways	\$ -	0%	0%
Laundry Room	\$ -	0%	0%
Master Bedroom	\$ -	0%	0%
Bedroom 2	\$ -	0%	0%
Bedroom 3	\$ -	0%	0%
Bedroom 4/Den	\$ -	0%	0%
Master Bathroom	\$ -	0%	0%
Bathroom 2	\$ -	0%	0%
Bathroom 3	\$ -	0%	0%
Garage	\$ -	0%	0%
Exterior	\$ -	0%	0%
Other...	\$ -	0%	0%
Area Total	\$ -	0%	0%

		Item Description	Budget Amount	Draw 1	Draw 2	Draw 3	Draw 4	Draw 5	Draw 6	Draw 7	Drawn to Date	Remaining Balance	% of Budget Remaining
100	x	Soft Costs		Date	Date	Date	Date	Date	Date	Date			
101		Plans	\$ -								\$0.00	\$0.00	0%
102		Permits	\$ -								\$0.00	\$0.00	0%
103		Architect	\$ -								\$0.00	\$0.00	0%
104		Superintendent	\$ -								\$0.00	\$0.00	0%
105		Temp Power	\$ -								\$0.00	\$0.00	0%
106		Temp Toilet	\$ -								\$0.00	\$0.00	0%
107		Temp Water	\$ -								\$0.00	\$0.00	0%
108		Dump/Trash	\$ -								\$0.00	\$0.00	0%
109			\$ -								\$0.00	\$0.00	0%
110			\$ -								\$0.00	\$0.00	0%
111			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
200	x	Electrical											
201		Panel Main/Subs	\$ -								\$0.00	\$0.00	0%
202		Wiring	\$ -								\$0.00	\$0.00	0%
203		Outlets	\$ -								\$0.00	\$0.00	0%
204		Smoke Alarms	\$ -								\$0.00	\$0.00	0%
205		CO Detectors	\$ -								\$0.00	\$0.00	0%
206		Cable Lines	\$ -								\$0.00	\$0.00	0%
207			\$ -								\$0.00	\$0.00	0%
208			\$ -								\$0.00	\$0.00	0%
209			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
300	x	Rough Plumbing											
301		Septic	\$ -								\$0.00	\$0.00	0%
302		Sewer	\$ -								\$0.00	\$0.00	0%
303		Water Lines	\$ -								\$0.00	\$0.00	0%
304		Traps & Clean-Outs	\$ -								\$0.00	\$0.00	0%
305		Piping Vents	\$ -								\$0.00	\$0.00	0%
306		Fire Sprinklers	\$ -								\$0.00	\$0.00	0%
307			\$ -								\$0.00	\$0.00	0%
308			\$ -								\$0.00	\$0.00	0%

309			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
400	x	Mechanical											
401		Rough Ductwork	\$ -								\$0.00	\$0.00	0%
402		Heating Unit	\$ -								\$0.00	\$0.00	0%
403		AC Unit	\$ -								\$0.00	\$0.00	0%
404		Heat Pump	\$ -								\$0.00	\$0.00	0%
405		Hot Water Tank	\$ -								\$0.00	\$0.00	0%
406		Finish Ductwork	\$ -								\$0.00	\$0.00	0%
407		Gas Piping	\$ -								\$0.00	\$0.00	0%
408			\$ -								\$0.00	\$0.00	0%
409			\$ -								\$0.00	\$0.00	0%
410			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
500	x	Kitchen											
501		Demo	\$ -								\$0.00	\$0.00	0%
502		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
503		Windows	\$ -								\$0.00	\$0.00	0%
504		Insulation	\$ -								\$0.00	\$0.00	0%
505		Drywall	\$ -								\$0.00	\$0.00	0%
506		Painting	\$ -								\$0.00	\$0.00	0%
507		Cabinets	\$ -								\$0.00	\$0.00	0%
508		Plumbing Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
509		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
510		Countertops	\$ -								\$0.00	\$0.00	0%
511		Appliances	\$ -								\$0.00	\$0.00	0%
512		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
513		Hardware & Accessories	\$ -								\$0.00	\$0.00	0%
514		Flooring	\$ -								\$0.00	\$0.00	0%
515		Clean Up	\$ -								\$0.00	\$0.00	0%
516			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%

600 x Dining Room													
601	Demo	\$ -									\$0.00	\$0.00	0%
602	Rough Carpentry	\$ -									\$0.00	\$0.00	0%
603	Windows	\$ -									\$0.00	\$0.00	0%
604	Insulation	\$ -									\$0.00	\$0.00	0%
605	Drywall	\$ -									\$0.00	\$0.00	0%
606	Painting	\$ -									\$0.00	\$0.00	0%
607	Cabinets	\$ -									\$0.00	\$0.00	0%
608	Doors & Trim	\$ -									\$0.00	\$0.00	0%
609	Electrical Fixtures & Finish	\$ -									\$0.00	\$0.00	0%
610	Finish Carpentry	\$ -									\$0.00	\$0.00	0%
611	Finish Hardware	\$ -									\$0.00	\$0.00	0%
612	Flooring	\$ -									\$0.00	\$0.00	0%
613	Clean Up	\$ -									\$0.00	\$0.00	0%
614		\$ -									\$0.00	\$0.00	0%
	Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
700 x Living Room													
701	Demo	\$ -									\$0.00	\$0.00	0%
702	Rough Carpentry	\$ -									\$0.00	\$0.00	0%
703	Windows	\$ -									\$0.00	\$0.00	0%
704	Fireplace	\$ -									\$0.00	\$0.00	0%
705	Insulation	\$ -									\$0.00	\$0.00	0%
706	Drywall	\$ -									\$0.00	\$0.00	0%
707	Painting	\$ -									\$0.00	\$0.00	0%
708	Doors & Trim	\$ -									\$0.00	\$0.00	0%
709	Electrical Fixtures & Finish	\$ -									\$0.00	\$0.00	0%
710	Finish Carpentry	\$ -									\$0.00	\$0.00	0%
711	Finish Hardware	\$ -									\$0.00	\$0.00	0%
712	Flooring	\$ -									\$0.00	\$0.00	0%
713	Clean Up	\$ -									\$0.00	\$0.00	0%
714		\$ -									\$0.00	\$0.00	0%
	Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%

800	x	Family Room											
801		Demo	\$ -								\$0.00	\$0.00	0%
802		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
803		Windows	\$ -								\$0.00	\$0.00	0%
804		Fireplace	\$ -								\$0.00	\$0.00	0%
805		Insulation	\$ -								\$0.00	\$0.00	0%
806		Drywall	\$ -								\$0.00	\$0.00	0%
807		Painting	\$ -								\$0.00	\$0.00	0%
808		Doors & Trim	\$ -								\$0.00	\$0.00	0%
809		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
810		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
811		Finish Hardware	\$ -								\$0.00	\$0.00	0%
812		Flooring	\$ -								\$0.00	\$0.00	0%
813		Clean Up	\$ -								\$0.00	\$0.00	0%
814			\$ -								\$0.00	\$0.00	0%
815			\$ -								\$0.00	\$0.00	0%
816			\$ -								\$0.00	\$0.00	0%
817			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
900	x	Hallways											
901		Demo	\$ -								\$0.00	\$0.00	0%
902		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
903		Windows	\$ -								\$0.00	\$0.00	0%
904		Insulation	\$ -								\$0.00	\$0.00	0%
905		Drywall	\$ -								\$0.00	\$0.00	0%
906		Painting	\$ -								\$0.00	\$0.00	0%
907		Doors & Trim	\$ -								\$0.00	\$0.00	0%
908		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
909		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
910		Finish Hardware	\$ -								\$0.00	\$0.00	0%
911		Flooring	\$ -								\$0.00	\$0.00	0%
912		Clean Up	\$ -								\$0.00	\$0.00	0%
913			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1000	x	Stairways											

1001		Demo	\$ -								\$0.00	\$0.00	0%
1002		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1003		Windows	\$ -								\$0.00	\$0.00	0%
1004		Insulation	\$ -								\$0.00	\$0.00	0%
1005		Drywall	\$ -								\$0.00	\$0.00	0%
1006		Painting	\$ -								\$0.00	\$0.00	0%
1007		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1008		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1009		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
1010		Finish Hardware	\$ -								\$0.00	\$0.00	0%
1011		Flooring	\$ -								\$0.00	\$0.00	0%
1012		Clean Up	\$ -								\$0.00	\$0.00	0%
1013			\$ -								\$0.00	\$0.00	0%
1014			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1100	x	Laundry Room											
1101		Demo	\$ -								\$0.00	\$0.00	0%
1102		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1103		Windows	\$ -								\$0.00	\$0.00	0%
1104		Insulation	\$ -								\$0.00	\$0.00	0%
1105		Drywall	\$ -								\$0.00	\$0.00	0%
1106		Cabinets	\$ -								\$0.00	\$0.00	0%
1107		Painting	\$ -								\$0.00	\$0.00	0%
1108		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1109		Plumbing Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1110		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1111		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
1112		Finish Hardware	\$ -								\$0.00	\$0.00	0%
1113		Flooring	\$ -								\$0.00	\$0.00	0%
1114		Appliances	\$ -								\$0.00	\$0.00	0%
1115		Clean Up	\$ -								\$0.00	\$0.00	0%
1116			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1200	x	Master Bedroom											
1201		Demo	\$ -								\$0.00	\$0.00	0%

1202		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1203		Windows	\$ -								\$0.00	\$0.00	0%
1204		Fireplace	\$ -								\$0.00	\$0.00	0%
1205		Insulation	\$ -								\$0.00	\$0.00	0%
1206		Drywall	\$ -								\$0.00	\$0.00	0%
1207		Closets	\$ -								\$0.00	\$0.00	0%
1208		Painting	\$ -								\$0.00	\$0.00	0%
1209		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1210		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1211		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
1212		Finish Hardware	\$ -								\$0.00	\$0.00	0%
1213		Flooring	\$ -								\$0.00	\$0.00	0%
1214		Clean Up	\$ -								\$0.00	\$0.00	0%
1215			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1300	x	Bedroom 2											
1301		Demo	\$ -								\$0.00	\$0.00	0%
1302		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1303		Windows	\$ -								\$0.00	\$0.00	0%
1304		Insulation	\$ -								\$0.00	\$0.00	0%
1305		Drywall	\$ -								\$0.00	\$0.00	0%
1306		Closets	\$ -								\$0.00	\$0.00	0%
1307		Painting	\$ -								\$0.00	\$0.00	0%
1308		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1309		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1310		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
1311		Finish Hardware	\$ -								\$0.00	\$0.00	0%
1312		Flooring	\$ -								\$0.00	\$0.00	0%
1313		Clean Up	\$ -								\$0.00	\$0.00	0%
1314			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1400	x	Bedroom 3											
1401		Demo	\$ -								\$0.00	\$0.00	0%
1402		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1403		Windows	\$ -								\$0.00	\$0.00	0%

1404		Insulation	\$ -								\$0.00	\$0.00	0%
1405		Drywall	\$ -								\$0.00	\$0.00	0%
1406		Closets	\$ -								\$0.00	\$0.00	0%
1407		Painting	\$ -								\$0.00	\$0.00	0%
1408		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1409		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1410		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
1411		Finish Hardware	\$ -								\$0.00	\$0.00	0%
1412		Flooring	\$ -								\$0.00	\$0.00	0%
1413		Clean Up	\$ -								\$0.00	\$0.00	0%
1414			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1500	x	Bedroom 4/Den											
1501		Demo	\$ -								\$0.00	\$0.00	0%
1502		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1503		Windows	\$ -								\$0.00	\$0.00	0%
1504		Insulation	\$ -								\$0.00	\$0.00	0%
1505		Drywall	\$ -								\$0.00	\$0.00	0%
1506		Closets	\$ -								\$0.00	\$0.00	0%
1507		Painting	\$ -								\$0.00	\$0.00	0%
1508		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1509		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1510		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
1511		Finish Hardware	\$ -								\$0.00	\$0.00	0%
1512		Flooring	\$ -								\$0.00	\$0.00	0%
1513		Clean Up	\$ -								\$0.00	\$0.00	0%
1514			\$ -								\$0.00	\$0.00	0%
1515			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1600	x	Master Bathroom											
1601		Demo	\$ -								\$0.00	\$0.00	0%
1602		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1603		Windows	\$ -								\$0.00	\$0.00	0%
1604		Insulation	\$ -								\$0.00	\$0.00	0%
1605		Drywall	\$ -								\$0.00	\$0.00	0%

1606		Cabinets/Medicine Chest	\$ -								\$0.00	\$0.00	0%
1607		Painting	\$ -								\$0.00	\$0.00	0%
1608		Tub/Shower & Enclosure	\$ -								\$0.00	\$0.00	0%
1609		Plumbing Fixtures	\$ -								\$0.00	\$0.00	0%
1610		Plumbing Finish	\$ -								\$0.00	\$0.00	0%
1611		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1612		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1613		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
1614		Hardware & Accessories	\$ -								\$0.00	\$0.00	0%
1615		Flooring	\$ -								\$0.00	\$0.00	0%
1616		Clean Up	\$ -								\$0.00	\$0.00	0%
1617			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1700	x	Bathroom 2											
1701		Demo	\$ -								\$0.00	\$0.00	0%
1702		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1703		Windows	\$ -								\$0.00	\$0.00	0%
1704		Insulation	\$ -								\$0.00	\$0.00	0%
1705		Drywall	\$ -								\$0.00	\$0.00	0%
1706		Cabinets/Medicine Chest	\$ -								\$0.00	\$0.00	0%
1707		Painting	\$ -								\$0.00	\$0.00	0%
1708		Tub/Shower & Enclosure	\$ -								\$0.00	\$0.00	0%
1709		Plumbing Fixtures	\$ -								\$0.00	\$0.00	0%
1710		Plumbing Finish	\$ -								\$0.00	\$0.00	0%
1711		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1712		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1713		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
1714		Hardware & Accessories	\$ -								\$0.00	\$0.00	0%
1715		Flooring	\$ -								\$0.00	\$0.00	0%
1716		Clean Up	\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1800	x	Bathroom 3											
1801		Demo	\$ -								\$0.00	\$0.00	0%
1802		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1803		Windows	\$ -								\$0.00	\$0.00	0%

1804		Insulation	\$ -								\$0.00	\$0.00	0%
1805		Drywall	\$ -								\$0.00	\$0.00	0%
1806		Cabinets/Medicine Chest	\$ -								\$0.00	\$0.00	0%
1807		Painting	\$ -								\$0.00	\$0.00	0%
1808		Tub/Shower & Enclosure	\$ -								\$0.00	\$0.00	0%
1809		Plumbing Fixtures	\$ -								\$0.00	\$0.00	0%
1810		Plumbing Finish	\$ -								\$0.00	\$0.00	0%
1811		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1812		Electrical Fixtures & Finish	\$ -								\$0.00	\$0.00	0%
1813		Finish Carpentry	\$ -								\$0.00	\$0.00	0%
1814		Hardware & Accessories	\$ -								\$0.00	\$0.00	0%
1815		Flooring	\$ -								\$0.00	\$0.00	0%
1816		Clean Up	\$ -								\$0.00	\$0.00	0%
1817			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
1900	x	Garage											
1901		Demo	\$ -								\$0.00	\$0.00	0%
1902		Rough Carpentry	\$ -								\$0.00	\$0.00	0%
1903		Windows	\$ -								\$0.00	\$0.00	0%
1904		Insulation	\$ -								\$0.00	\$0.00	0%
1905		Drywall	\$ -								\$0.00	\$0.00	0%
1906		Cabinets	\$ -								\$0.00	\$0.00	0%
1907		Painting	\$ -								\$0.00	\$0.00	0%
1908		Doors & Trim	\$ -								\$0.00	\$0.00	0%
1909		Garage Door	\$ -								\$0.00	\$0.00	0%
1910		Garage Door Opener	\$ -								\$0.00	\$0.00	0%
1911		Flooring	\$ -								\$0.00	\$0.00	0%
1912		Clean Up	\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2000	x	Exterior											
2001		Roofing & Facia	\$ -								\$0.00	\$0.00	0%
2002		Truss Repair	\$ -								\$0.00	\$0.00	0%
2003		Venting Replacement	\$ -								\$0.00	\$0.00	0%
2004		Painting/Stucco	\$ -								\$0.00	\$0.00	0%
2005		Siding & Trim	\$ -								\$0.00	\$0.00	0%

2006		Decking/Porches	\$ -								\$0.00	\$0.00	0%
2007		Landings/Stairways	\$ -								\$0.00	\$0.00	0%
2008		Gutters/Downspouts	\$ -								\$0.00	\$0.00	0%
2009		Entry Doors	\$ -								\$0.00	\$0.00	0%
2010		Landscaping	\$ -								\$0.00	\$0.00	0%
2011		Patio	\$ -								\$0.00	\$0.00	0%
2012		Flatwork/Walks	\$ -								\$0.00	\$0.00	0%
2014		Driveway	\$ -								\$0.00	\$0.00	0%
2015		Pool/Spa	\$ -								\$0.00	\$0.00	0%
2016		Trash Enclosure	\$ -								\$0.00	\$0.00	0%
2013		Mail Box	\$ -								\$0.00	\$0.00	0%
2014		Clean Up	\$ -								\$0.00	\$0.00	0%
2015			\$ -								\$0.00	\$0.00	0%
2016			\$ -								\$0.00	\$0.00	0%
2017			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2100	x	Other...											
2101			\$ -								\$0.00	\$0.00	0%
2102			\$ -								\$0.00	\$0.00	0%
2103			\$ -								\$0.00	\$0.00	0%
2104			\$ -								\$0.00	\$0.00	0%
2105			\$ -								\$0.00	\$0.00	0%
2106			\$ -								\$0.00	\$0.00	0%
2107			\$ -								\$0.00	\$0.00	0%
2108			\$ -								\$0.00	\$0.00	0%
2109			\$ -								\$0.00	\$0.00	0%
2110			\$ -								\$0.00	\$0.00	0%
2111			\$ -								\$0.00	\$0.00	0%
2112			\$ -								\$0.00	\$0.00	0%
2113			\$ -								\$0.00	\$0.00	0%
2114			\$ -								\$0.00	\$0.00	0%
2115			\$ -								\$0.00	\$0.00	0%
2116			\$ -								\$0.00	\$0.00	0%
2117			\$ -								\$0.00	\$0.00	0%
2118			\$ -								\$0.00	\$0.00	0%

2119			\$ -								\$0.00	\$0.00	0%
2120			\$ -								\$0.00	\$0.00	0%
		Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
		PROJECT TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%

Contractor Questionnaire



Contractor/Builder Questionnaire

BUSINESS NAME		BUSINESS TYPE: <input type="checkbox"/> CORPORATION <input type="checkbox"/> LLC <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> SOLE PROPRIETOR <input type="checkbox"/> OTHER:	
STREET ADDRESS		BUSINESS ID #	CONTRACTOR'S LICENSE #
CITY/STATE/ZIP		EXPIRATION DATE	LICENSED STATES
PHONE	EMAIL	YRS IN BUSINESS UNDER NAME	

OWNERS

NAME	TITLE	OWNERSHIP %
NAME	TITLE	OWNERSHIP %
NAME	TITLE	OWNERSHIP %
NAME	TITLE	OWNERSHIP %

BUSINESS HISTORY

YEARS IN BUSINESS	TYPES OF VENTURES		
SPEC <input type="checkbox"/> CUSTOM <input type="checkbox"/> PUD <input type="checkbox"/>	DEVELOPMENT <input type="checkbox"/>	REMODELS <input type="checkbox"/>	OTHER: <input type="checkbox"/> <input type="checkbox"/>
DESCRIBE OVERALL OPERATIONS			
LIST EDUCATION / EXPERIENCE			
OTHER BUSINESS NAMES & LICENSES USED IN THE LAST 10 YEARS (DESCRIBE OPERATIONS)			

GENERAL INFORMATION

NAME OF CURRENT INSURANCE CARRIER FOR: GENERAL LIABILITY _____		
WORKER'S COMP _____	VEHICLES _____	PROPERTY/UMBRELLA _____
PERCENTAGE OF CURRENT OPERATIONS:		
GENERAL CONTRACTOR _____ %	SUBCONTRACTOR _____ %	CONSTRUCTION MANAGER _____ %
DO YOU USE SUBCONTRACTORS? <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, complete the following:		
PERCENTAGE OF SUBCONTRACTED WORK: _____ % ANNUAL SUBCONTRACTING COST (Labor & Materials) \$ _____		

INDICATE THE % OF CONSTRUCTION WORK PERFORMED BY YOU: **(MUST TOTAL 100%)**

RESIDENTIAL _____% **COMMERCIAL** _____%

BREAK DOWN EACH OF THE ABOVE PERCENTAGES BY: (THE SUM OF THE 3 PERCENTAGES IN EACH SHOULD EQUAL THE AMOUNT ABOVE.)

New Construction	_____%	New Construction	_____%
Remodeling/Repair	_____%	Remodeling/Repair	_____%
Other	_____%	Other	_____%

OF PROJECTS COMPLETED

PREVIOUS YEAR	2-5 YEARS AGO
\$50,000-\$74,000	\$50,000-\$74,000
\$75,000-\$99,000	\$75,000-\$99,000
\$100,000-\$124,000	\$100,000-\$124,000
\$125,000-\$174,000	\$125,000-\$174,000
\$175,000-\$249,000	\$175,000-\$249,000
\$250,000 AND OVER	\$250,000 AND OVER
TOTAL FROM ABOVE	TOTAL FROM ABOVE

SALES OR PROJECTS COMPLETED

WITHIN PAST 24 MONTHS		
DATE SOLD/ DATE COMPLETED	SALES PRICE/ CONTRACT PRICE	TYPE <input type="checkbox"/> CUSTOM <input type="checkbox"/> SPEC <input type="checkbox"/> REMODEL <input type="checkbox"/> OTHER
ADDRESS		
DATE SOLD/ DATE COMPLETED	SALES PRICE/ CONTRACT PRICE	TYPE <input type="checkbox"/> CUSTOM <input type="checkbox"/> SPEC <input type="checkbox"/> REMODEL <input type="checkbox"/> OTHER
ADDRESS		
DATE SOLD/ DATE COMPLETED	SALES PRICE/ CONTRACT PRICE	TYPE <input type="checkbox"/> CUSTOM <input type="checkbox"/> SPEC <input type="checkbox"/> REMODEL <input type="checkbox"/> OTHER
ADDRESS		
DATE SOLD/ DATE COMPLETED	SALES PRICE/ CONTRACT PRICE	TYPE <input type="checkbox"/> CUSTOM <input type="checkbox"/> SPEC <input type="checkbox"/> REMODEL <input type="checkbox"/> OTHER
ADDRESS		

CUSTOMER REFERENCES (LIST INDIVIDUALS MAY BE CONTACTED - CUSTOM/REMODEL JOBS COMPLETED)

NAME	ADDRESS	PHONE

CURRENT PROJECTS

LIST CURRENT PROJECTS CURRENTLY UNDERWAY THAT ARE SIMILAR IN SCOPE, INCLUDING VALUES & REFERENCES:

CREDIT REFERENCES

MAJOR SUBCONTRACTORS

EXCAVATING	PHONE	FAX
FOUNDATION	PHONE	FAX
FRAMING	PHONE	FAX
ELECTRICAL	PHONE	FAX
PLUMBING	PHONE	FAX
HEATING	PHONE	FAX
DRYWALL	PHONE	FAX
OTHER	PHONE	FAX

MAJOR SUPPLIERS

CONCRETE	DATE OPENED	HIGHEST BALANCE \$	PHONE
LUMBER/TRUSSES	DATE OPENED	HIGHEST BALANCE \$	PHONE
PLUMBING	DATE OPENED	HIGHEST BALANCE \$	PHONE
WINDOWS	DATE OPENED	HIGHEST BALANCE \$	PHONE
SIDING	DATE OPENED	HIGHEST BALANCE \$	PHONE
CABINETS	DATE OPENED	HIGHEST BALANCE \$	PHONE
FLOORING	DATE OPENED	HIGHEST BALANCE \$	PHONE
OTHER	DATE OPENED	HIGHEST BALANCE \$	PHONE

INSTITUTIONAL LENDERS/NON-CUSTOM LOANS

LENDER	CONTACT PERSON
LOAN NUMBER	PHONE
LENDER	CONTACT PERSON
LOAN NUMBER	PHONE

OTHER BUSINESSES OWNED/OPERATIONS OF ALL OWNERS

BUSINESS NAME	% OF OWNERSHIP	CONTACT PERSON	PHONE
BUSINESS NAME	% OF OWNERSHIP	CONTACT PERSON	PHONE
BUSINESS NAME	% OF OWNERSHIP	CONTACT PERSON	PHONE
BUSINESS NAME	% OF OWNERSHIP	CONTACT PERSON	PHONE

DECLARATIONS

A. Have there been any loses, claims or suits against you in the past five years?	Yes <input type="checkbox"/> No <input type="checkbox"/>
B. Are there any claims or legal actions pending against any of the entities?	Yes <input type="checkbox"/> No <input type="checkbox"/>
C. Do any of the entities named in the application have knowledge of any pre-existing act, omission, event, condition or damages to any person or property that may potentially give rise to any future claim or legal action against them?	Yes <input type="checkbox"/> No <input type="checkbox"/>
D. Have you been accused of faulty construction in the past 5 years?	Yes <input type="checkbox"/> No <input type="checkbox"/>
E. Have you been accused of breaching a contract in the past 5 years?	Yes <input type="checkbox"/> No <input type="checkbox"/>
F. Have you ever filed any Mechanic Liens in the past 5 years?	Yes <input type="checkbox"/> No <input type="checkbox"/>
G. Have any of your projects in the past five years been liened?	Yes <input type="checkbox"/> No <input type="checkbox"/>

Please provide a resume of principal or firm owner.

Please provide a copy of a recent project schedule that you developed for a project.

WARRANTY: The purpose of the Contractor’s Questionnaire is to assist in the vetting process. Information contained herein is specifically relied upon in determination of the preferred general contractor. The undersigned, therefore warrants that the information contained herein (consisting of four pages) is true and accurate to the best of his knowledge, information and belief.

CONTRACTOR

SIGNATURE OF APPLICANT: *	DATE
Name & Title:	

*Must be owner, executive officer or partner of the company.

LISTING OF SUBCONTRACTOR INSURANCE COVERAGE

Subcontractor		General Liability	Workman’s Compensation
Subcontractor Company	Company	Company	Company
	Dates	Dates	Dates
	Contact	Coverage	Coverage
	Tax ID Number		
Subcontractor Company	Company	Company	Company
	Dates	Dates	Dates
	Contact	Coverage	Coverage
	Tax ID Number		
Subcontractor Company	Company	Company	Company
	Dates	Dates	Dates
	Contact	Coverage	Coverage
	Tax ID Number		
Subcontractor Company	Company	Company	Company
	Dates	Dates	Dates
	Contact	Coverage	Coverage
	Tax ID Number		
Subcontractor Company	Company	Company	Company
	Dates	Dates	Dates
	Contact	Coverage	Coverage
	Tax ID Number		
Subcontractor Company	Company	Company	Company
	Dates	Dates	Dates
	Contact	Coverage	Coverage
	Tax ID Number		
Subcontractor Company	Company	Company	Company
	Dates	Dates	Dates
	Contact	Coverage	Coverage
	Tax ID Number		

LISTING OF SUBCONTRACTOR INSURANCE COVERAGE

Subcontractor	General Liability	Workman’s Compensation
Subcontractor Company	Company	Company
	Dates	Dates
Contact	Coverage	Coverage
Tax ID Number		
Subcontractor Company	Company	Company
	Dates	Dates
Contact	Coverage	Coverage
Tax ID Number		
Subcontractor Company	Company	Company
	Dates	Dates
Contact	Coverage	Coverage
Tax ID Number		
Subcontractor Company	Company	Company
	Dates	Dates
Contact	Coverage	Coverage
Tax ID Number		
Subcontractor Company	Company	Company
	Dates	Dates
Contact	Coverage	Coverage
Tax ID Number		
Subcontractor Company	Company	Company
	Dates	Dates
Contact	Coverage	Coverage
Tax ID Number		
Subcontractor Company	Company	Company
	Dates	Dates
Contact	Coverage	Coverage
Tax ID Number		

Project Name:	Smith Remodel				Start Date:	Week #1			Completion Date:	Week #10	
Project Address:	234 Reagan Ranch Road, San Clemente, CA					Estimated Budget:	\$185,000.00				
Contractor Name:	O'Reilly & Sons Construction					Contractor Contact:	Jeff Harkey				
Item of Work	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
Overall Demolition											
Foundation Work											
Exterior Structure											
Roofing Work											
Framing											
Electrical											
HVAC											
Plumbing											
Insulation											
Drywall											
Painting											
Finish Carpentry											
Floor Coverings											

INVOICE LOG FOR DRAW REQUEST



Project Name: _____ Draw #: _____
 Project Address: _____ Date: _____
 Contractor: _____ From: _____



Details

Line Item #	Vendor/Subcontractor	Item Description	Invoice Date	Invoice #	Invoice Amount	Amount Requested	Payment Method/Comments:
TOTAL							

Waiver Release Instructions

Conditional and Unconditional Waiver and Release Forms

General Principles: No lien release is binding unless the claimant executes (signs) and delivers a waiver and release. If signed by the claimant or his or her authorized agent, the signed form is effective to release:

- the owner;
- the construction lender; and
- the surety (in the case of a payment bond).

Be careful: paying your contractor (and/or getting a release from your contractor) does not guarantee that other claimants, like subcontractors and suppliers, are paid. A claimant is a person who, if not paid, can file a lien on your home.

To be effective, the waiver and release forms must follow substantially one of the forms set forth in [Civil Code Section 3267](#). The four forms are:

1. Conditional Waiver and Release Upon Progress Payment

Use this form when the claimant is required to execute a waiver and release in exchange for or in order to induce the payment of a progress payment and the claimant has not been paid. This form is useful when the claimant has not been paid yet, but will be paid out of a progress payment that is not the final payment. This conditional waiver and release is only effective if the claimant is *actually paid*. This release does not cover all items. See the "[Conditional Waiver And Release Upon Progress Payment](#)" form for more information.

2. Unconditional Waiver and Release Upon Progress Payment

Use this form when the claimant is required to execute a waiver and release in exchange for or in order to induce payment of a progress payment and the claimant asserts in the waiver that he or she has in fact been paid the progress payment. This release does not cover all items. See the "[Unconditional Waiver And Release Upon Progress Payment](#)" form for more information.

3. Conditional Waiver and Release Upon Final Payment

Use this form when the claimant is required to execute a waiver and release in exchange for or in order to induce the payment of a final payment and the claimant has not been paid. This release is only binding if there is evidence of payment to the claimant. Evidence of payment may be demonstrated by:

- the claimant's endorsement on a single check or a joint payee check which has been paid by the bank upon which it was drawn; or
- written acknowledgment of payment given by the claimant.

See the "[Conditional Waiver and Release Upon Final Payment](#)" form for more information.

4. Unconditional Waiver and Release Upon Final Payment

Use this form when the claimant is required to execute a waiver and release in exchange for, or in order to induce payment of, a final payment *and* the claimant asserts in the waiver he or she has in fact been paid the final payment. See the "[Unconditional Waiver and Release Upon Final Payment](#)" form for more information.

Caution: in the case of a conditional release, the release is only binding if there is evidence of payment to the claimant. Evidence of payment may be demonstrated by:

- the claimant's endorsement on a single check or a joint payee check which has been paid by the bank upon which it was drawn; or
- Written acknowledgment of payment given by the claimant.

Conditional Waiver & Release Upon Progress Payment

Civil Code 3262(d) (1)

UPON RECEIPT by the undersigned of a check from _____ in the sum of \$_____ payable to _____ and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanic's lien, stop notice or bond right the undersigned has on the job of _____ located at _____ to the following extent.

THIS RELEASE covers a progress payment for all labor, services, equipment or materials furnished only and does not cover any retentions retained before or after the release date; extras furnished before the release date for which payment has not been received; extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanic's lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between parties to the contract based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for furnished labor, services, equipment, or material covered by this release if that furnished labor, services, equipment, or material was not compensated by the progress payment.

Before any receipt of this document relies on it, said party should verify evidence of payment to the undersigned.

EXECUTED on this _____ day of _____, 20__.

Company Name

By

Signature

Title

NOTE: This form complies with the requirements of Civil Code Section 3262(d)(1). It is to be used by a party who applies for a progress payment when the progress check has not yet cleared the bank. This release only becomes effective when the check, properly endorsed, has cleared the bank.



Conditional Waiver & Release Upon Progress Payment

Civil Code 3262(d) (1)

UPON RECEIPT by the undersigned of a check from **(Maker of Check)** in the sum of **\$(Amount of check)** payable to **(Payee of check)** and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanic's lien, stop notice or bond right the undersigned has on the job of **(Owner)** located at **(Job Description)** to the following extent.

THIS RELEASE covers a progress payment for all labor, services, equipment or materials furnished only and does not cover any retentions retained before or after the release date; extras furnished before the release date for which payment has not been received; extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanic's lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between parties to the contract based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for furnished labor, services, equipment, or material covered by this release if that furnished labor, services, equipment, or material was not compensated by the progress payment.

Before any receipt of this document relies on it, said party should verify evidence of payment to the undersigned.

EXECUTED on this _____ day of _____, 20__.

Company Name

By _____
Signature

Title

NOTE: This form complies with the requirements of Civil Code Section 3262(d)(1). It is to be used by a party who applies for a progress payment when the progress check has not yet cleared the bank. This release only becomes effective when the check, properly endorsed, has cleared the bank.

SUBCONTRACTOR & MATERIAL SUPPLIER
Progress Payment Release Form

SUBCONTRACTOR or SUPPLIER:

Date:

Invoice: _____

Job: _____

Job No: _____

SUBCONTRACT OR P.O. AMOUNT:	_____
APPROVED CHANGE ORDERS:	_____
REVISED CONTRACT AMOUNT: WORK	_____
COMPLETED TO DATE :	_____
LESS PREVIOUSLY BILLING:	_____
CURRENT BILLING:	_____
LESS RETENTION 10%: NET	_____
AMOUNT DUE:	_____

CONDITIONAL WAIVER AND RELEASE UPON PROGRESS

The undersigned does hereby acknowledge that upon receipt by the undersigned of a check from _____ in the sum of _____ and when the check has been properly endorsed and has been paid by the bank upon which it was drawn, this document shall become effective to release pro tanto any and all claims, mechanic's or material men's lien, equitable lien, stop notice, or claim rights which the undersigned has on the above referenced job.

This release covers final payment for all labor, services, equipment, materials furnished and/or claims through _____.

NOTICE: BEFORE ANY RECIPIENT OF THIS DOCUMENT RELIES ON IT, SAID PARTY SHOULD VERIFY EVIDENCE OF PAYMENT TO THE UNDERSIGNED.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF _____ THAT THE ABOVE IS A TRUE AND CORRECT STATEMENT.

Signature: _____

Title:

Date:

Subscribed and sworn before me this

_____ day of _____, 20__

Notary Public:

UNCONDITIONAL WAIVER AND RELEASE UPON PAYMENT

The undersigned does hereby acknowledge that the undersigned has been paid and has received progress payments from _____ in the sum of \$_____ for labor, services, equipment or materials furnished to the above referenced job and does hereby release pro tanto any and all claims, mechanic's or material men's lien, equitable lien, stop notice, or bond claim rights which the undersigned has on the above referenced job. This release covers progress payments for labor, services, equipment, materials furnished and/or claims through this ___ day of _____ only and does not cover any retention or items furnished after that date.

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID USE A CONDITIONAL RELEASE FORM.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF _____ THAT THE ABOVE IS A TRUE AND CORRECT STATEMENT.

Signature _____

CONTRACTOR SERVICES AGREEMENT

This agreement is entered into on this ___ day of ___, 20__ by and between _____ (hereinafter referred to as "Contractor") and _____ (hereinafter referred to as "Client") for services to be rendered at: _____ Contractor will commence work on or before _____ and will perform same on a daily basis. This work shall be completed on or before _____.

Contractor and Client hereby agree to the following:

- 1. Independent Contractor:** Contractor and Client intend this Agreement to be one of independent contractor and client. Accordingly, Contractor retains the sole right to control or direct the manner in which the services prescribed herein are to be performed. Subject to the foregoing, Client retains the right to inspect, to stop work, to prescribe alterations, and generally to supervise the work to insure its quality and conformity with that specified in this Agreement. Contractor and Client understand that it is the Contractor's sole and complete responsibility to pay all employment taxes, including Federal and State withholding taxes, Social Security, and obtain insurance, including worker's compensation coverage and public liability insurance arising out of or relating to this Agreement. Contractor warrants that upon signing of this agreement that Contractor has obtained all stated and necessary insurance and that it will be kept in full force and effect until the completion of the work contracted for herein. As such, contractor herewith agrees to sole and complete liability for any injury to self or contractor's workers.
- 2. Services Provided:** Contractor agrees to perform the services listed in this contract (as contained in Exhibit "A", attached hereto and made a part hereof by reference) on behalf of the Client.
- 3. Building Permits:** _____ is responsible for obtaining building permit as required.
- 4. Inspections:** Contractor is responsible for arranging for and passing all required building inspections.
- 5. Cleanup:** Contractor is responsible for cleaning up/hauling and disposal of any debris created by services performed.
- 6. Payment: Client agrees to pay \$ _____ for labor and materials (except light fixtures).** Contractor will receive payments from the Client as outlined in the payment schedule as contained in Exhibit "B", attached hereto and made a part hereof by reference. Payment will be made within three (3) days of notification by Contractor provided all services have been inspected and approved by Client. Client agrees to inspect services performed within two (2) days of notification and immediately provide Contractor a written list of any deficiencies that will prevent payment.
- 7. Communications:** Contractor and Client agree that communication between the parties is vital to the rapid completion of this contract. Each herewith agree to promptly respond to any message from the other party. Each further agrees to provide the other with any change of contact telephone numbers.
- 8. Waiver of Contractual Right:** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
- 9. Term/Termination:** This Agreement shall terminate automatically upon completion by _____ of the Services required by this agreement.
- 10. Amendment:** This Agreement may be modified or amended if the amendment is made in writing and is signed by both parties.

CONTRACTOR SERVICES AGREEMENT (Continued)

11. Entire Agreement: There are no other agreements, promises or understandings between these parties except as specifically set forth herein. This legal and binding Agreement will be construed under Florida Law, parties should seek competent legal advice. If "Scope of Work" forms are attached, the agreement contained in that document is hereby made a part hereof by reference.

12. Special Stipulations: The following stipulations, if in conflict with any of the preceding, shall control:

Completion of Work: Contractor agrees to pay Client \$100 per business day (Monday – Friday) as liquidated damages, for each business day work has not been completed. Contractor and Client agree that change orders may require changes to the timeline and will discuss any changes in dates as a result of change orders requested. Work shall be deemed completed once house has passed all inspections meets FHA loan guidelines. Note: Swimming pool is a separate item not included in our scope of work for this contract.

Delays resulting from acts of God (storms, tornados, etc...), government (shut downs, inspector delays, etc...), suppliers (materials not in stock, vendor issues, materials, etc...), client decisions and draws not received in a timely manner will impact the timeline and these situations will require Contractor and Client to determine the impact on the completion date. The items listed above are only examples of things that can impact the completion date and therefore, should be noted that this should include any things that are beyond the reasonable control of the Contractor to meet the specified completion date.

In the event of early completion, Contractor will be compensated One Hundred Dollars (\$100.00) per business day, for each business day completed prior to Completion Date.

Contractor shall deliver the Improvements to the Client free of all liens, claims, security interests or encumbrances that might have arisen from the performance of the Work.

Reasonable Requests. Contractor agrees to accommodate the reasonable requests of the Lender. Client acknowledges and agrees, however, that the loan documents that Contractor is asked to sign must be in a form reasonably acceptable to Contractor and that such documents will not alter the rights and obligations of the parties under this Agreement. Insofar as the relationship between Client and Contractor is concerned, the terms and conditions of this Agreement shall not be superseded or modified by the Client's loan documentation unless the superseded or modified provision in this Agreement is identified, annotated and initialed by the parties.

Insurance. Certificates of Insurance acceptable to the Client and Lender shall be delivered to the Client and Lender prior to the commencement of the Work. These certificates shall contain a provision that coverage *afforded under the policies* will not be cancelled unless at least fifteen (15) days prior written notice has been given to the Client and Lender.

Client and Lender shall be named as additional insured on all applicable insurance policies maintained under this contract, as evidenced by a Certificate of Additional Insurance delivered to the Client and Lender prior to commencing the Work.

Subcontractors. Contractor may subcontract all or any portion of the Work to other contractors; *provided however*, that Contractor assumes full responsibility for acts or omissions of a subcontractor and the subcontractor's agents, employees, and assigns and shall make good any damage sustained by Client for any performance failure by such subcontractors. It is contractor's responsibility prior to paying subcontractors or suppliers to have a lien release waiver signed for each invoice. Copies of each waiver to be provided to Client prior to the next scheduled draw.

Prior to the receipt of any Draw, except an initial Draw; Contractor shall furnish to the Client full and unconditional releases from any claim or mechanic's lien for that portion of the work for which payment had been made by Contractor or any subcontractor.

Indemnification Release. Contractor shall defend, indemnify and hold Client and Lender and each of Client and Lender's agents, members, managers and representatives, from and against any and all liability, claims, damages, losses, costs and expenses (including attorneys' fees), injuries or deaths to any persons, and for loss of or damage to the Property or Improvements arising under or by reason of this Agreement, including, but not limited to: (i) Contractor's violation of any Codes; (ii) as a result of any act, omission or conduct or breach of this Agreement of or by Contractor; or (iii) from defective work by Contractor.

Contractor shall defend, indemnify, and hold Client and Lender and each of Client and Lender's agents, members, managers and representatives, from and against any and all claims of lien on the Property by any subcontractor, supplier and/or vendor. In the event that a lien is placed on the Property by a third party, Contractor shall immediately resolve the situation, or if the situation cannot be resolved, Contractor shall provide a lien release bond to release the lien within thirty (30) days of Client receiving notice of the lien. Neither securing the lien release nor posting of a bond shall relieve the Contractor of any duties and responsibilities under this Agreement. The cost of any premiums associated with such bonds shall be the sole responsibility of the Contractor and shall not be part of or cause an increase in the Contract Price. If the Contractor fails to secure release of or bond off a construction lien, the Client has the right, but not the obligation, to settle any such claim by direct payment to the claimant if the Client determines, in its sole discretion, that such payment is the most economical or advantageous method of settling the dispute. The Contractor shall promptly reimburse the Client for such payment. If Contractor does not reimburse Client, the Client has the right to offset any progress payment (including the final payment) by all costs and expenses (including attorneys' fees) incurred by Client in releasing or obtaining a bond for said lien.

IN WITNESS WHEREOF, all of the parties hereto affix their hands and seals.

Client

Date

Contractor:

Date

**EXHIBIT “A” TO THE
CONTRACTOR
SERVICES AGREEMENT**

Services to Be Provided

This Exhibit is part of the Contractor Services Agreement dated the ___ day of __, _____, between _____, as Contractor, and _____, as Client thereof.

(Any attached “Scope of Work” forms shall also become a part hereof.)

See Attached Excel Spread Sheet (Also Part of Exhibit “A”)

Property Address

TRAIN INVEST BORROW GROW LEND EARN PROSPER SUCCEED

CIRCLE OF WEALTH

\$\$\$



Where Are You in the Circle Of Wealth?