

Class notes - Fix and Flip Workshop

Day 1

- Where to get deals
 - Real Estate IQ
 - MLS
- Deal analysis
 - ARV
 - Purchase cost
 - Rehab cost
 - Money cost
 - Closing cost
 - Extra cost
- Scope of Work
 - Rule of thumb: On average each page of SOW is about \$2,500
- Funding - what to include
 - Private money investment package
 - Bio
 - CMA
 - SOW
 - Exit Strategy
 - Their return
 - Loan
 - JV agreement
 - Hard money lender package
 - Bio, credit report
 - CMA

- SOW
 - Exit Strategy
 - Loan terms
- What sells the house?
 - Kitchen
 - Master bedroom
 - Bathrooms
 - Stage your properties
- Closing - Title company -
 - She uses One Nation Title
 - Escrow - Rehab funds - for private lender, put rehab funds in escrow at the title company
- Home insurance for home remodel
 - Builder's risk policy
 - Vacant dwelling policy
 - Landlord policy
 - Umbrella policy
- Transaction coordinator
 - Atlas Transaction coordinator services
- Taking posession
 - Squatters
 - Notice of Eviction
 - Cash for keys - pay tenants to move out
 - Leaseback - leave a large amount of cash at closing at the title company when the owner moves out as incentive
 - Hold over period - leaseback maybe \$50/day; once it is past lease back period goes up to \$250/day

- Details of the rehab - "Now What?"
 - Utilities
 - When you start: turn on Electric and water
 - Turn on Gas and internet
 - Use Arlo Pro for camera
 - Spectrum for internet
 - Make neighbors your allies in the first month (help watch out for theft)
 - Turn on camera the 2nd month
 - Permits & HOA
 - HOA
 - Should learn about HOA during due diligence process
 - Join Nextdoor and monitor how strict HOA is
 - When do you need a permit?
 - Depends on the city
 - If need to remove load bearing walls
 - Moving plumbing
 - Change window size
 - Permit for foundation fix
 - Permit application - Fill it out yourself; alternative: use a general contractor or building permit expeditor
 - Flipping Flow chart
 - Subcontracting
 - GC cost: 20-30% of rehab. - don't pay GC all at once
 - Make sure your GC is using independent contractor agreements
 - If you GC yourself:
 - Plumbers and electricians, give them 20% upfront for materials, then pay them 50% when they are just

about done.

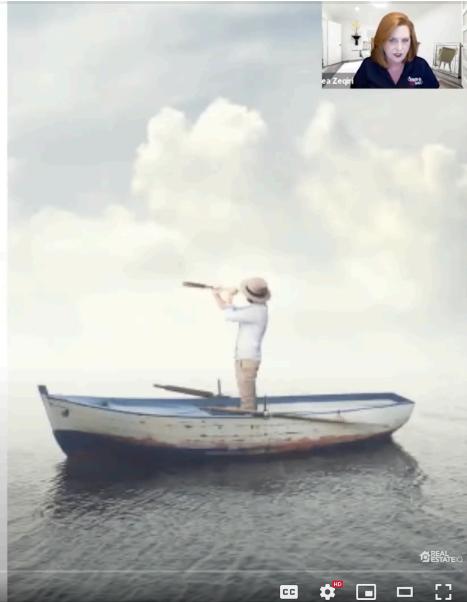
- Recommendation: Don't pay half and half. Pay independent contractor in 1/3, 1/3, 1/3
- Project manager cost: 15-20%
- Buy from material vendors
 - "Discount tiles"
- Construction draw request - draw it every \$20k (there is a cost for every draw). But draw if you need the cash
- Roof - roof scope, eagle
- Demo
- Final Payment
 - How to handle final payment. Make sure the paperwork is signed by all subcontractors before final payment
- Staging
 - Staging helps selling
- Sell through Realtor or FSBO
- 7 Reasons to use a realtor:
 1. Sell faster
 2. Reduce holding costs
 3. Sell for higher
 4. Unbiased opinion on comparing offers
 5. Safety - who is coming in and out of the house to see it
 6. Cut down tire kickers - Prequalify buyers
 7. Guide you through the selling process

WHERE

BUY A LIST

REIQ
DOOR KNOCKING
DIRECT MAIL - MARKETING SERVICES
TEXTING CAMPAIGN - COMPLIANT SERVICES
COLD CALLING - AUTO DIALERS
REALTORS
REIAS
MLS

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Joint Venture Agreement

The Tennyson Group, LLC and Upbeat Investments, Inc., have agreed to enter a partnership to buy, renovate, and resell a property located at 2074 Rushmore Ct, Lewisville, TX 75067, (subsequently referred to as "The Property"). The Tennyson Group, LLC and Upbeat Investments, Inc collectively (subsequently referred to as "Investors") agree to the following relationship:

Responsibilities and Terms of Agreement:

1. The term of this agreement is retroactive to when the contract was signed, and will continue until a resale is ultimately closed with an end-buyer and proceeds are distributed.
2. Funding for rehab will be supplied by Pickering Properties, LLC (also known as "The Funding Source") to purchase The Property from Marc A Nelson and/or Heirs and hold The Property while it is being improved and marketed for sale, and resale of The Property. One hundred percent (100%) of all initial funding is the sole ownership of Pickering Properties, LLC. Existing loan to CitiMortgage taken Subject To will be equal responsibility 50/50 per month payments from The Tennyson Group, LLC & Upbeat Investments, LLC.
3. The Tennyson Group, LLC and Upbeat Investments, LLC, will be signing the purchase and sales contracts in that capacity on behalf of this joint venture.
4. The Tennyson Group, LLC, will coordinate the funding for The Property. Transactional Fees, which include Purchase Fees, Sell Fees and Expense Processing, will be an expense of The Property. All expenses to procure, sell, and modernize the Property will be paid by The Funding Source.
5. House Renovators, LLC (Subsidiary of The Tennyson Group, LLC) will be the Project Manager responsible for completing the Statement of Work within a 90 day period. Her responsibilities include; managing the Contractors and Subcontractors, maintaining the schedule, insuring the work is performed correctly and of good quality and meeting the requirements of the state and city code. Requirements include the property permits to perform the work if required by the state and the city. In addition, House Renovators, LLC, is responsible for submitting all draw requests to One Nation Title to obtain reimbursement for the effort.

Funding Criteria:

1. Signed Joint Venture by The Tennyson Group, LLC and Upbeat Investments, LLC.
2. CMA Provided.
3. Statement of Work agreed to as Exhibit A.
4. Insurance Invoice received. In addition, the insurance contract must also name The Tennyson Group, LLC and Upbeat Investments, LLC, as co-insured. Pickering Properties, LLC to also be named as additional insured.
5. The following documents will need to be vested as (in the name of) the Tennyson Group, LLC and Upbeat Investments, LLC.
 - Closing Disclosure Statement
 - Title
 - Draft of Deed
 - Contract/Purchase Agreement
 - CMA
 - Insurance
 - Wiring Instructions

Borrower Acknowledgement

Tennyson Group LLC

This signature marks the successful payment of origination points for the rehab loan for 2914 Green Oaks Dr, Garland, TX 75040.

DocuSigned by:

Lea Zeqiri

ACCE098887BA43B

Date: 7/3/2021

By: Lea Zeqiri

As the _____ President _____ for the company

Lender Acknowledgement

BEST HOME INVESTORS LLC

Date: _____

By: Varun Khetarpal

As the _____ President _____ for the company

Loan Origination Date	6/7/21
Rehab Lender's Name	Best Home Investors LLC
Rehab Lender Address	4143 Napoli Way, Irving, TX, 75038
Borrower	Tennyson Group LLC
Borrower Address	18519 Shelton Way, Dallas, TX 75252
Property Address	2914 Green Oaks Dr, Garland, TX 75040
Loan Amount	\$55000
Interest Rate (Due on Closing)	10%
Payment Amount due on Closing	
Term / Maturity Date	12/1/2021
Origination Points Owed by Borrower	2
Origination Points – paid at purchase closing	2
Prepayment Penalty (or min interest owed)	N/A
Loan Extension	N/A
Loan Extension Points	N/A
Personal Guaranty (Y/N)	N/A
Who pays document preparation fee	Borrower at closing

Why It Matters:

Liens
Affidavits of Heirship
Probate
PreForeclosure
Missing Homeowners
Title Clouds
Fraudulent Claims
Payoff Statements & Reinstatements
Title Insurance
Title Searches



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