



Under Renovation



OFFERING SUMMARY

310 Bellevue Circle

Jacksonville AR 72076

UNLOCK
YOUR FINANCIAL POTENTIAL



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TurnkeyInvestProperties.com

To our current and prospective clients:

Enclosed in this packet is information about our latest investment property offering. As a turnkey provider, our goal is to maximize your cash flow through offering quality properties.

We accomplish this by doing a thorough property renovation and addressing deferred maintenance to reduce future costs and vacancies. We also add upgrades such as vinyl plank flooring and ceramic tile that are durable and make homes stand out above competing rental properties in the area.

As landlords ourselves, we know maximizing profits starts with renovation and continues with a strong management team, which we bring to you through our in-house property management company.

If you have any questions, please reach out to us at 901-410-5452. We are happy to offer any information we can to make you feel comfortable with your investment decision.

Thank you,

Alex Craig

President
Turnkey Properties



Defining Our Proven Process

Welcome to Turnkey. This document will outline our purchasing process—we find it to be a proven success in assisting clients. As a turnkey provider, our goal is to take care of the details for closing so you can enjoy the rewards of being a real estate investor.

You will be assigned a personal transaction coordinator to work with you in coordinating all tasks associated with closing to make the process as smooth and simple as possible. They will act as your personal liaison.

Once a purchase agreement has been signed by all parties, you will be sent an invitation to Basecamp. Basecamp brings everything you need for closing under one virtual roof. It makes closing on your property organized, centralized, and clear so you know what to do and where things stand. It facilitates accessing the documents and information you need in one place.

When you open Basecamp you will find:

- To-do lists for tracking work. Use these lists to organize work, set due dates, and assign responsibility so we are able to close in a timely manner.
- Message boards for posting announcements and updates. Discussion boards keep the conversation on one single page.
- A schedule for posting deadlines and milestones.
- A system for organizing the documents, files, and important notes needed for closing in one place, such as the inspection report.

Let's outline the closing process and how your transaction coordinator will assist you.

➤ Your first to-do item to address will be sending the earnest money. Your transaction coordinator will confirm it was received. After you initiate the earnest money, Turnkey takes the reins on most everything else, although it is important for you to stay in contact with your lender.

➤ From here, we will send the lender and the title company a copy of the purchase agreement and communicate to the lender that your transaction coordinator is the

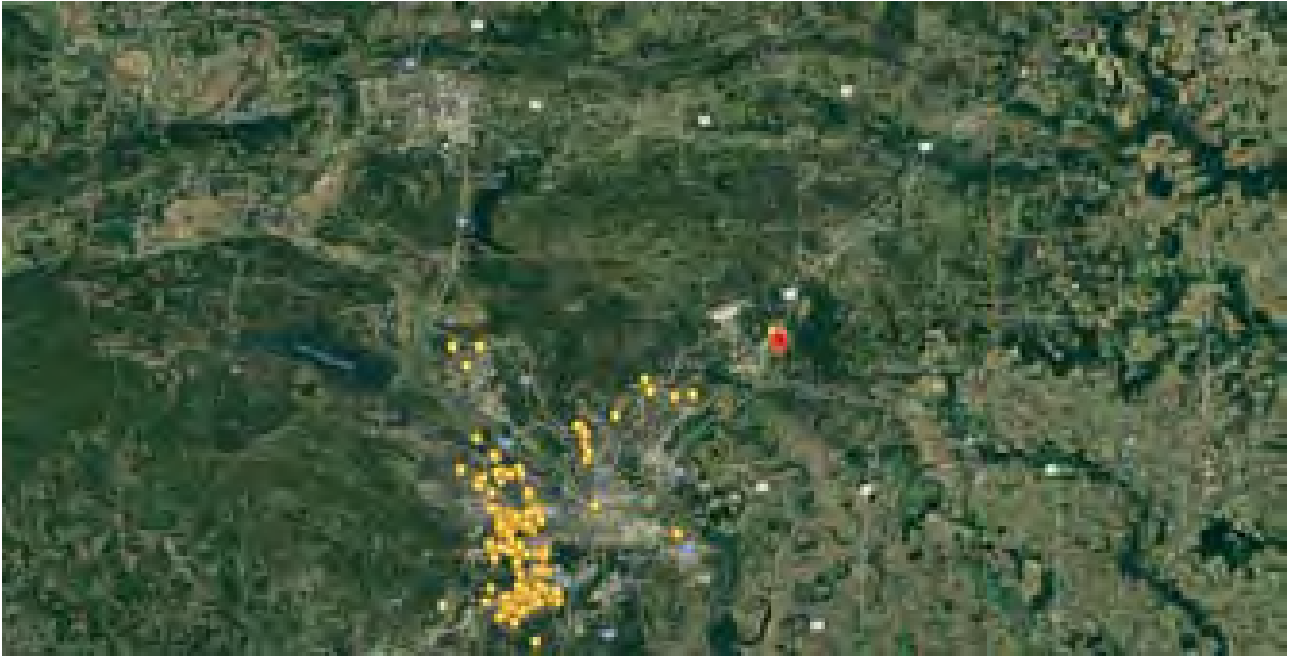


local point-of-contact regarding information on the property and for scheduling the appraisal.

- Next, your transaction coordinator will provide you with an insurance quote from our preferred carrier, Insight Risk Management, for you to review. If you wish to move forward with the policy, your coordinator will be happy to connect you and your lender from IRM.
- When the rehab has been completed on your new property, your coordinator will give you the option to use one of our recommended inspectors or choose one of your own. If you choose a recommended inspector, you will be copied on all coordinating emails. If you choose an inspector of your own, provide the inspector with your coordinator's telephone number so they can arrange the inspection.
- At this point we will notify your lender that we are ready for the appraisal. The appraiser will contact your coordinator directly to schedule the appraisal.
- The inspection will take place and a report will be sent to you. You will share the report with your coordinator so you can review it, mark it up, and they can give it to our project manager. Our project manager will address all issues and send your coordinator the corresponding repair pictures that they will share with you.
- When you receive the appraisal from your lender we ask if you could please upload it to Basecamp so we may have a record of it.
- At this time, closing is right around the corner. It is crucial to stay in constant contact with your lender so we may close on the property. The lender will receive the appraisal, it will go into underwriting, and then you will receive the clear to close. The title company will work directly with you and your lender to schedule a signing and closing date that works for everyone.
- When you close on the property, your transaction coordinator will connect you directly to your account manager with our property management team. When applicable, your coordinator will update you on a weekly basis on the leasing status of the property. This will round out our *complete* turnkey operation.



310 Bellevue Circle, Jacksonville, AR 72076



Bed/Bath: 2/1
Square Feet: 1,736
Lot sq ft: 3,850

The Offering

This is a 2 bed/1 bath duplex in the Jacksonville area of LR. The tenants are responsible for all utilities; landlord provides lawn care.

Jacksonville is a suburb NE of Little Rock with a population of 28,364. About a 10-15 minute drive from downtown LR, the big selling point and driver on Jacksonville is the Little Rock Air Force Base located there. Many will be stationed there for several years before being transferred, so it is an ideal rental area. Little Rock AFB is the C-130 Hercules training base for the Department of Defense, training C-130 pilots, navigators, flight engineers, and loadmasters from all branches of the US military in tactical airlift and aerial delivery. The host unit at Little Rock AFB is the 19th Airlift Wing (19 AW), assigned to the Air Mobility Command 21st Expeditionary Mobility Task Force. The wing provides the Department of Defense the largest C-130 Hercules transport fleet in the world, supplying humanitarian airlift relief to victims of disasters, as well as airdropping supplies and troops into the heart of contingency operations in hostile areas.



Cash Flow Analysis 310 Bellevue Circle

Proposed Price	\$124,000.00	Loan		\$82,000.00
Reserve Fund	\$1,000.00	Res.		1,000.00
W/S Escrow (2011)	\$42,500.00	Prepaids and Reserves		\$42,500.00
Property Management (2011)	\$12,000.00	2011 Property Taxes		\$12,000.00
		2011 Property Insurance		\$1,000.00
20% Down Payment	\$24,800.00			
Estimated Closing Costs (4%)	\$4,960.00			
Estimated Cost of Project Close	\$29,760.00			
Estimated Monthly Cash Flow	\$402.00			
Cash on Cash	17.8%			

30 Year Conventional Financing
 30% Down Financing Available on Properties 1-4 After 4 properties, 50% down payment requirement drops to 20%.
 Interest Rate based on current rate of 3.75%. Rate can fluctuate in steps. Interest closing cost does not include escrow steps, which can be optional.

Cash on Cash
 Cash on Cash is based on full cost (See heading above) and does not include Property Management and Vacant Expectations. These expenses are shared by the lender and will vary from year to year.
 The first five years of Cash Flow should exceed what the industry would consider normal vacancy and maintenance as variables are minimized and address additional maintenance and capital expenses.

Rent Range
 Rent can vary generally with a 10% increase in savings of 10% based on current market conditions with a base of your current target of rental fees in the area, though it may be higher or lower depending on local rent, etc. The higher the rent, the more cash flow. Typically the rent will start at \$1.00 and higher.

Turnkey Properties has vetted strategic lenders that specialize in investor loans that are able to complete loans in an timely manner with competitive rates. These lenders have experienced underwriters who know which documents to request, thus eliminating obscure document request that often times slow down the lending process and cause unnecessary additional work on all parties. While we have no problem with our clients utilizing lenders of their choice, we find it necessary to waive the 1st month lease up fee if lenders outside our network do not close within the specified contract date, if and only if the lender or lender request is the cause of the missed contract date.

Please request preferred lender list.

2 STRATEGIC MARKETS. ONE STRATEGIC TEAM

310 Bellevue Circle Unit A Scope of Work

Capex Items

New Roof
New Hot Water Tank
AC Condenser 2012
Furnace 2017

General Spec

Replace Blinds as Necessary
Closet rods in all closets
Interior 3 color Paint
Interior door open and close smoothly
Smoke Detector installed
Check insulation around all exterior doors
Replace all light fixtures
Interior Door & knobs replaced as necessary

Kitchen & Area off Kitchen

Granite Countertops
New cabinet hardware
New Faucets

Flooring

Vinyl Plank in high traffic areas, tile in kitchen & laundry room, & carpets in the bedroom

Plumbing Spec

Check all valves, P-traps and DWV pipe for leaks (replace supply lines, valves and p-traps as necessary).
Check shower drains and area drains for proper installation and drainage
Inspect plumbing in crawl space and attic
Check toilet for property installation. Repair and replace as necessary
Repair & replace exterior hose bibs as necessary
Check Washer Box for property function and drain fall and venting
Install extension pipe on temperature/pressure relief valve on HWT if needed
New faucets where necessary.

Electrical Spec

All outlets work and verified through tester
No open grounds/all new outlets and switches
Weather heads checked and replaced/repared as necessary
All interior and exterior outlets/switches tested
All interior/exterior lights working
Proper Breaker Amps in box for reciprocating item
Update non-code panels and fuse boxes to breakers if necessary

HVAC

Check ducts

Clean/replace wall/ground vents

Exterior Spec

All windows open and lock, check for cracks

Exterior Soffit, siding and fascia repair

Repair soffit, fascia, and siding (rotted wood)

Paint

Repair fence and gate as necessary

Landscaping

Improve curb appeal through yard cut, shrub clean up, lay mulch and plant bushes

Bathrooms

Ceramic Tile

Vanity replacement as necessary

New Faucets and Lighting

Crawlspaces

Inspect and make necessary repairs

310 Bellevue Circle Unit B Scope of Work

Capex Items

New Roof
New Hot Water Tank
HVAC 2017

General Spec

Replace Blinds as Necessary
Closet rods in all closets
Interior 3 color Paint
Interior door open and close smoothly
Smoke Detector installed
Check insulation around all exterior doors
Replace all light fixtures
Interior Door & knobs replaced as necessary

Kitchen & Area off Kitchen

Granite Countertops
New cabinet hardware
New Faucets

Flooring

Vinyl Plank in high traffic areas, tile in kitchen & laundry room, & carpets in the bedroom

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Check all valves, P-traps and DWV pipe for leaks (replace supply lines, valves and p-traps as necessary).
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OUR MAINTENANCE GUARANTEE

Property inspections are not always successful in finding all the flaws with a property as our home inspections are done typically while the home is vacant or soon after a tenant moves into the property. Such flaws that are present may only surface when a tenant has been living in a house cycling and running simultaneous items within the major systems of the house. To protect our clients cash flow and give them piece of mind with their purchase, all Turnkey Properties come with a maintenance guarantee of 90/180 days after the purchase date listed on the closing settlement statement. If a tenant is not in place at time of closing, the warranty would begin after tenant occupancy as listed by the 1st day on the tenant lease.



The 90-day warranty covers items within the 4 walls of the home. The 180-day warranty covers the HVAC system of the house. Depending on when the property was bought, it may be impossible to test the entire heating and air system. For example, if a property was bought in January, it would be impossible to test the AC for property function. The 180-day warranty is designed to give our investor piece of mind that the heating and air system is functioning properly.

Between our renovation, the client's property inspection and this warranty, we are successful in in substantially reducing the maintenance cost well below our projections during the first few years of ownership, especially during the initial tenant lease. This warranty is our commitment that we stand by the work performed during the renovation of the property and from the inspector's punch list; however, there are a few items that can happen completely out of our control, which are listed in the exclusions below.

Certain items are excluded from the 90/180 day warranty. These items include:

- Damage done due to tenant negligence
- Vandalism/Theft
- Acts of God
- Force Majeure
- Power Surges
- Appliances not installed by Memphis Turnkey
- Pilot lighting of Furnace
- Vermin
- Products that fall under Manufactures warranty

Property Address: _____

Buyer: _____

Seller: Turnkey Properties, GP

Date: _____



Dear Investor,

As you know, we are constantly developing new techniques and ideas for maximizing the returns on our properties. One of our largest expenses is insurance, and thus we have worked with a local broker, Insight Risk Management, to put together a program that will afford all of our clients the best possible coverage at the most competitive rates. By aggregating all of our insurance purchasing with a single company, we have been able to leverage the volume to get better pricing than can be achieved by any one investor.

This program is tailored specifically for our rental properties and has the following coverages:

1. Replacement cost coverage so that the insurance company is obligated to replace the property, subject to the deductible, without any allowance for depreciation or similar limitations
2. Limits of \$90 a square foot, which should be appropriate under most circumstances, though you should review your own home to ensure this is sufficient
3. Lost rents of \$12,000 a year should a large loss occur
4. \$2,500 deductible without any other charges such as depreciation or coinsurance
5. \$1,000,000 of general liability coverage per location, thus providing separate limits for each house. There is a \$3,000,000 aggregate.
6. Standard general liability wording without any exclusions for assault, battery, sexual abuse or animals
7. No coverage for contents, so you are not paying for any contents that you do not own
8. There is no vacancy limitation. Theft and vandalism is covered the entire term.
9. "A" rated carrier

A typical house costs about 33% less on this program than with other carriers, and no individual underwriting is required.

Sincerely

A handwritten signature in black ink, appearing to read "Alex Craig".

Alex Craig
President
Turnkey Properties



Hoffman Team Little Rock Fee Structure

- The fee structure for Hoffman Team Little Rock mirrors the fee structure for CB Properties in Memphis. Reference CB Properties's fee structure above for fee structure.
- Because both companies are licensed brokers as required by both states' real estate commissions, the specific property management agreement for each company conforms with the respective states' real estate laws.

Property Management FYIs

- To provide the possible best customer service to our investors and tenants, property management pays one month in arrears. This allows us to quickly service our tenant's maintenance issues and request wired funds, which can be an inconvenience for our investors.
- We collect a security deposit from our tenants prior to their moving into the property, which is held in a trust account for the term of the lease. Upon moving out, these funds are used to pay for any repairs required above normal wear and tear and for any unpaid rent that is due. The remaining balance (if any) is then returned to the exiting tenant.
- Upon closing on your new investment property, we will provide you with contact information for all three of our licensed agents. These agents can be contacted at any time and are able to answer any questions concerning your new property.
- Upon closing, our support staff will send you an introduction letter and a management agreement. We will also provide you with a telephone number that is available 24/7. Our intent is to provide all our investors, as well as tenants, the best service possible.
- We use Property Boss Solutions as our property management software. We have a long relationship with this software company and maintain complete confidence in the services it provides to us, our investors, and our tenants. This software allows for online portal access to your account.
- The threshold for requesting owner permission to move forward with a maintenance request is \$400. If you allow the request, you will get a notification for every service or repair. This provides you an opportunity to engage us with questions about any maintenance.
- To ensure all communications are clear, we send copies of all invoices and bills for any expenses incurred during the month to our investors. This supporting documentation should fully explain the reason and cost of each and every expense and we will provide pictures of any repair item per request.

Date: 8/21/2018

Thank you for your interest in the J Hoffman Properties insurance program. It is written with Great American E & S Insurance Company. Below is a summary of the program. If you have any questions, please feel free to reach out to us. Becky Parker is the program administrator and can be reached at +1 901-202-8647 or bparker@irmllc.com.

- **This program was specifically designed for the rental houses that J Hoffman Properties manages and has been tailored to fit their profile. Thus, in order to qualify for the program, your house must presently be managed by them. If at any time this is not the case, we will have to arrange for an alternative insurance arrangement for you.**
- Perils: Special. This is the broadest coverage available, excluding earthquake and flood.
- Valuation basis: Replacement cost. The policies replace any damaged building, without subtracting any amounts for depreciation, provided you rebuild. The alternative valuation basis is called Actual Cash Value, but this should be avoided if possible because it can leave an owner without sufficient coverage to cover losses.
- Limit: We use county property records to estimate the square footage of the building. If this is incorrect, then please let us know. Buildings are insured for \$90 a square foot.
- Contents: No contents coverage is typically provided as most owners have no contents in the building.
- Business income: **\$24,000** loss of rents is included to protect against lost income due to an insurable event.
- Sewer backup sublimit of \$10,000 per location.
- Deductible: **\$2,500** per occurrence.
- Liability: each house has a dedicated \$1mm limit per occurrence / \$2mm in aggregate limit. Thus, any liability losses that occur to other members of the program have no effect on the limits that you will have dedicated to your home.
- **Vacancy: There is no limitation. Theft and vandalism are covered.**
- Additional insureds: the management company and any lenders are automatically included as additional insureds on the policy at no extra charge.
- Coverage is contingent on CIS, Services receiving the premium and no coverage is in force until such premium has been received. Coverage will be effective from the Start Date and run 12 months. You will be contacted at renewal to see if you would like to renew coverage.

Based on the information that we have been provided, below is a quote for your investment property:

Property Address: 310 Bellevue Circle, Jacksonville, AR 72076

Premium + Tax =\$876.65

- Building limit: \$156,240 (1736 sq ft)
- Business income limit: \$24,000
- Deductible: \$2,500 for all perils.
- General Liability limit: \$1mm per occurrence / \$2mm in aggregate.



Video Testimonials

Click on the Image Below to Hear What our Clients are Saying About Us!



Turnkey Client of the Month

Also Check Out the Rest of Our [YouTube](#) Page for Interesting Videos about our Company, Real Estate Tips and Past Renovations. Click on The You Tube Logo Below to Get There!



www.youtube.com/user/memphisturnkey