



OFFERING SUMMARY

3050 Arrendale

Memphis, TN 38118

**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 Purchase 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



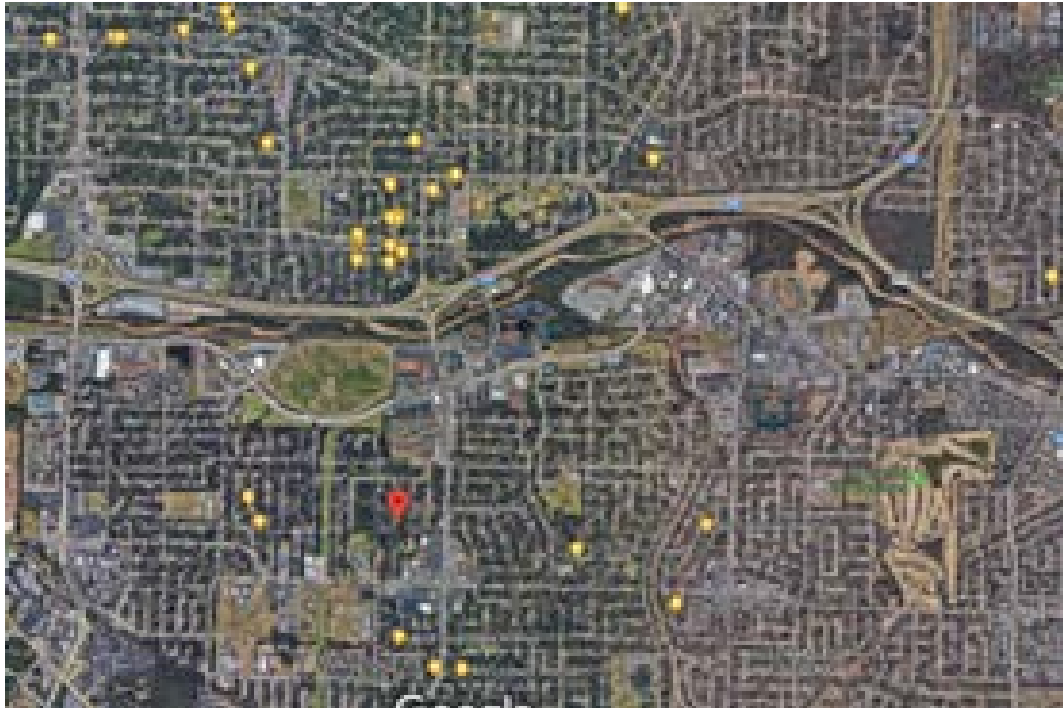
local point-of-contact regarding information on the property and for scheduling the appraisal.

- 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.



# 3050 Arrendale, Memphis, TN, 38118

Stars below represent properties under Management by CB Properties Memphis



## The Offering

This 1483 sq. ft. 3 bedroom 2 bath home may have been built in 1959, but the renovations done by our team will give this home the face lift it needs. What we like about this house is the living space, size and layout which gives it an advantage over other houses in the area. Within the mean of the rent range, the house cash flows well. What we like about the area is the history we have in the neighborhood of quick renting, which is a common theme for houses inside and close to the I-240 loop. This gives quick access to most parts of the city within 25 minutes, including the airport/Fed Ex area and other logistics jobs that is the driver of the Memphis economy.

A map of other CB Properties managed homes in the area is in the area is above.

## Area Highlights

- Located near Fed Ex / Airport Jobs
- Located blocks from several thousand warehouse/logistics types jobs
- Close proximity to I-240
- Downtown / Midtown in 20 minutes

## Area Housing Profile

- 50% Owner Occupant vs Rental
- 60% of SFH are 3 Bedroom, 21% are 4 bedroom, 16% are 5 bedroom and 1% is 2 bedrooms
- Population for the housing profile is 1,194



## 20% Cash Flow Analysis 3050 Arrendale

Purchase Price	\$44,000.00	Loan	\$27,420.00
Median Rent	\$771.00	Rent	\$,770.00
30 Yr. Payment (PITI)	\$,481.70	Principal and Interest	\$,098.00
Property Management (PM)	\$70.00	2018 Yearly Taxes	\$1,042.00
		2018 Yearly Insurance	\$600.00
20% Down Payment	\$8,800.00		
Estimated Closing Cost (4%)	\$1,760.00		
Estimated Out of Pocket Cost	\$23,270.00		
Estimated Monthly Cash Flow	\$264.30		
Cash on Cash	15.6%		

### 30 Year Conventional Financing

20% Down financing based on Properties 1-4. After 4 properties, the down payment requirement jumps to 25%.

Interest Rate based on current rate of 3.75%. Rates are subject to change. Estimated closing cost does not include income tax, which can be optional.

### Cash on Cash

Cash on Cash is based on all cash flow based on income cost. Does not include Taxes, Maintenance and Capital Expenditures. These expenses that should be budgeted and will vary from year to year.

The first five years of Cash Flow should account what the industry would consider normal vacancy and maintenance as our rents are guaranteed and address deferred maintenance and capital expenses.

### Rent Range

Rents can vary typically with a +/- variance an average of \$27 based on current market conditions such as time of year, current supply of rental homes in the area, strength of lease for other rental properties in same area, etc. The higher the rent, the volume could increase. Typically this would start at \$1,000 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.

Comparable Three Up Report				
	Subject	Comparable 1	Comparable 2	Comparable 3
Property Photo				
Address	3050 Arrendale St Memphis, TN 38118	3065 Randy Ln Memphis, TN 38118	2993 Capri St Memphis, TN 38118	3064 Danville Rd Memphis, TN 38118
Distance to Subject	-	0.60 mi	0.37 mi	0.38 mi
MAAR Subdivision	Parkway Village Blk A-2	Winchester Heights Blk A	Winchester Heights 3rd Add	Winchester Heights 3rd Add
Map	772B	772B	772B	772B
Sale Date	08/22/2012	08/06/2018	09/28/2018	08/14/2018
Sale Type	Normal Sale	Normal Sale	Normal Sale	Normal Sale
Sale Price	\$52,000	\$75,000	\$80,000	\$76,000
Seller Concessions	-	-	-	-
Adjusted Sale Price	\$52,000	\$75,000	\$80,000	\$76,000
Mortgage % & Type	80CV	CU	90TF	CU
Source	Apr	Tax	MLS	Tax
Effective Date	10/07	12/14	07/14	12/14
SqFt	1527	1224	1312	1199
\$/SF	\$34.00	\$61.00	\$61.00	\$63.00
Stories	1	1	1	1
Total Rooms	7	6	6	5
Bedrooms	3	3	3	3
Baths (full.half)	2.0	1.0	1.0	1.0
Parking	C2D	C1A	C1A	C1A
Construction	Wood Composition/Brick	Brick	Brick/Wood Composition	Brick
Condition	C4 -Average Condition			
Year Built	1959	1958	1963	1961
Acres	0.24	0.17	0.18	0.27
Central Air	Yes	Yes	No	
Pool	No		No	
Heat	Gas	Forced	Gas	Forced
Fireplace		1		

Min Sale Price: \$75,000  
 Max Sale Price: \$80,000  
 Median Sale Price: \$76,000

Min Sqft: 1,199  
 Max Sqft: 1,312  
 Avg Sqft: 1,245

3 Comparables  
 Avg Sale Price: \$77,000  
 Avg \$/SF: \$62



## **3050 Arrendale**

### **Roof**

GAF Weathered Gray 25 Year Tab Shingle SKU214628

### **General Spec**

Blinds throughout

Lightbulbs in all sockets

Bedroom & Hallway lightbulbs 100w Soft White

Exterior Lightbulbs 100w Soft White

Interior 3 Color Paint (Walls, Trim and Ceiling)

Paint Doors

New blinds across front and room to the right of living room

All new gold doorknobs (except 1)

### **Exterior**

Rekey to Master and Tenant Key

Repair Siding, Facia and Soffit. Paint Siding, Trim and Shutters Spec Colors

Mailbox Plan

Back Light Ok

Keep Existing Front Light

New Gate

Remove Address Numbers

Pressure wash front porch

Paint back deck

New lattice under deck

New Gutters along the front with downspouts

New downspout in back of house

Remove wasp nest from side window

Clean windows

Repair/encase bent support pole on far right

Storm window replacement (front left & back right)

### **Landscaping**

Option 1

### **HVAC**

Furnace is 2011

AC Unit 2016

### **Electrical Plan**

Outlets and Switches Swapped out (white)

GFCI Receptacles in Wet Locations

### **Plumbing**

Test and verify all plumbing works  
Keep Hot Water Tank (2012)  
Repair vent collar over hot water tank  
Modify for dishwasher installation  
Cap off old washing machine connections  
Install dishwasher (plumb for it)  
Bring 1" pipe tied into waste system to code  
Repair leak on waste pipe going to toilet in master shower  
Support WMOB drain line. Check venting

### **Main Living Space**

Keep Hardwood Floor & Poly  
Middleton 42" Brush Nickel SKU# 1002592780

### **Secondary Living Space (Right of Living Room)**

Thick Pad Carpet  
Keep Existing Light

### **Dining Room**

Keep Hardwood and Poly  
Commercial Electric 2 Light Brushed Nickel, , SKU# 701704

### **Kitchen**

Drywall any opens around DWV and Supply (Undersink)  
Install Fire Extinguisher  
Kidde Battery Operated Smoke Detector with Ionization Sensor SKU #198092  
Delta Foundations 2 handle with Side Sprayer Chrome, SKU# 1000119369  
Keep Existing Sink  
Paint Cabinets  
Keep Existing Flooring  
Brush Nickel Hinges & Knobs SKU# 572222 & 127708  
Commercial Electric 2 Light Brushed Nickel, SKU# 701704  
Hot Point Black HDA2100HBB (Dishwasher)  
30" Black Vent A Hood SKU#435140  
Install cabinet over vent a hood  
Repair, Kilz and Paint--Add liner Under Sink  
End Cap for Countertop  
Remove tile countertop  
Accommodate Dishwasher

### **Room off Kitchen**

Floor ok  
Remove existing ceiling and replace with drywall  
Commercial Electric 2 Light Brush Nickel, SKU#701704

### **Secondary Room of Kitchen**

Keep ceiling

Commercial Electric 2 Light Brush Nickel, SKU#701704

### **Laundry**

Spec Commercial Electric 2 Light Brushed Nickel, SKU# 701704

Keep Existing Flooring

Keep ceiling

### **Hallway**

Keep Existing Lighting

Keep Hardwood and Poly

Kidde Battery Operated Smoke Detector with Ionization Sensor SKU #198092

### **Hall Bathroom**

Texture Paint

Drywall any open holes around DWV and Supply

4 Light Hampton Bay Chrome Raceway Vanity Light, SKU # 644257

Nutone 50 CFM (60 sq sf) Wall/Ceiling Mount Bathroom Exhaust Fan SKU #1000686084

Paint Vanity New Brush Nickel Hardware

Keep Vanity Top and Remove from SOW

Bergamo Gris 12 in. x 24 in. Glazed Ceramic Floor Tile SKU #1001308727

Tub Surround Bergamo Gris 12 in. x 24 in. Glazed Ceramic Tile SKU #1001308727

Keep Existing Toilet

New Toilet Seat

Glacier Bay 4" Chrome Faucet, SKU# 505838

Glacier Bay 3-Spray 3.45 in. Fixed Shower Head in Chrome, SKU #1002847992

Full Beveled Mirror

### **Master Bathroom**

Texture Paint

Drywall any open holes around DWV and Supply

3 light bar Cordelia Lighting, SKU# 644212

Nutone 50 CFM (60 sq sf) Wall/Ceiling Mount Bathroom Exhaust Fan SKU #1000686084

Keep Vanity

Ceramic Tile

2-piece 1.28 GPF High Efficiency Single Flush Round Toilet, SKU #340995

New Toilet Seat

Glacier Bay 4" Chrome, SKU# 505838

Glacier Bay 3-Spray 3.45 in. Fixed Shower Head in Chrome, SKU #1002847992

### **Bedroom 1**

Keep Hardwood and Poly Floor

Commercial Electric 2 Light Brushed Nickel, SKU# 701704

### **Bedroom 2**

Keep Hardwood and Poly Floor

Commercial Electric 2 Light Brushed Nickel, SKU# 701704  
New Flat Panel Door

**Master Bedroom**

Keep Hardwood and Poly

Middleton 42" Brush Nickel SKU# 1002592780



## 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 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

Alex Craig  
President  
Turnkey Properties

Date: 10/16/2018

Thank you for your interest in the CB 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](mailto:bparker@irmllc.com).

- This program was specifically designed for the rental houses that CB 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, though it excludes 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 the Shelby County Assessor 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: **\$12,000** loss of rents is included to protect against loss 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 / \$3mm 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 as well as any lenders is 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: 3050 Arrendale St, Memphis, TN 38118**

**If the coverage is effective before 11/1/18, Premium + Tax = \$603.86**

**If the coverage is effective 11/1/18 or later, Premium + Tax = \$640.67**

- Building limit: \$133,470 (1483 sq ft)



## CB Properties Memphis Fee Structure

- Monthly management fee is 9% of rent collected with a minimum of \$50. Memphis Turnkey clients have a discounted rate of 8%.
- After purchase, first tenant placement fee is waived—75% of first month's rent or \$750, whichever is greater thereafter.
- In addition to vendor invoice and materials purchased, there is a 15% maintenance fee.
- If property management pays any invoices on the owner's behalf (i.e. attorney invoices, utility invoices, taxes, insurance) there is a 5% fee. Owner has the option to pay these to avoid the additional markup.
- There is a \$150 lease renewal fee. This will be returned to the owner if the tenant moves out before fulfilling half of the renewal.

## 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.
- In most cases, we collect a reservation fee from our tenants in lieu of a security deposit. The reservation acts a security deposit, but instead of property management keeping those funds in an escrow account, it is paid to the investor as income after tenant occupancy. In other words, it is like getting your security deposit up front instead of upon move out.
- You will be assigned a portfolio manager to act as your point of contact for all communications. This portfolio manager will also be the point of contact for the tenant. Upon closing, you will be given that individual's direct line and an investor hotline so you are practically guaranteed to get a person on the phone. This system allows best-practice customer service—a priority for us.
- We use Property Ware as our property management software. For best customer service, we strongly recommend utilizing the portal to communicate with your portfolio manager.
- 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.
- We focus on transparency with our billing and maintenance. You will see before-and-after pictures and a vendor invoice to match. Our goal is for our investors to never question whether a service was completed.





# 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](http://www.youtube.com/user/memphisturnkey)