



OFFERING SUMMARY

3113 Ruby

Memphis, TN 38111

UNLOCK

YOUR FINANCIAL POTENTIAL



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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



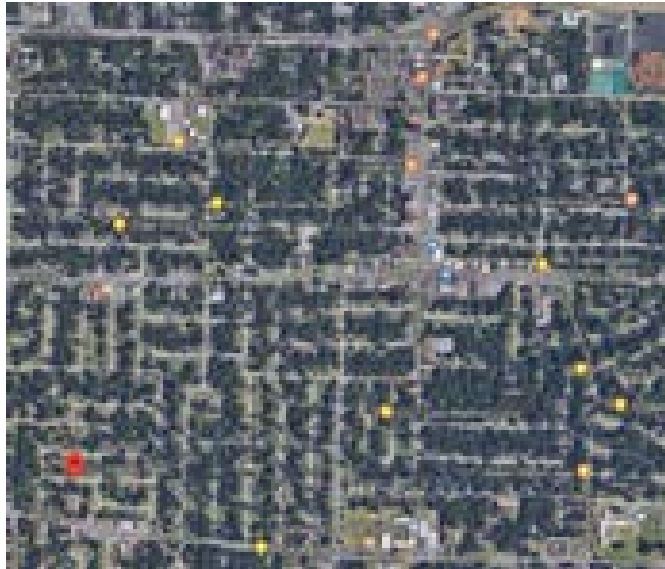
local point-of-contact regarding information on the property and for scheduling the appraisal.

- 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.



3113 Ruby, Memphis, TN, 38111

Stars below represent properties under Management by CB Properties



The Offering

This 1070 sq. ft. 3 bedroom 2 bath home is located in a nice pocket of Orange Mound, and only a couple of blocks from the Highland Strip. The Highland Strip is two blocks from the University of Memphis and has many food and entertainment options for college students.

3113 Ruby is a brick home with a BRAND NEW Roof, Hot Water Tank, and HVAC.

Disclosure: There was a fire in the hallway at the floor furnace. Due to the fire, we eliminated the use of floor furnaces and installed Central HVAC (Furnace, AC, and even new ducts). The proper permit was pulled due to the fire, and the work required by the code inspector is completed.

The home has an updated electrical system that includes smoke detectors hard-wired in the bedrooms, new circuits, switches, and outlets. A lot of plumbing updates were also made, details can be found in the scope of work on Page 9. Other highlights: NEW Flooring throughout the home, some new windows, and our team has created a laundry room.

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



Cash Flow Analysis 3113 Ruby

Purchase Price	\$27,000,000	Loan	\$19,200,000
Broker Fee	\$707,000	Down	\$7,800,000
City Payments (PMT)	\$142,440	Principal and Interest	\$348,314
Property Management (PM)	\$61,200	2018 Yearly Taxes	\$722,000
		2018 Yearly Insurance	\$162,000
20% Down Payment	\$5,400,000		
Estimated Closing Cost (CC)	\$1,000,000		
Estimated Out of Pocket Cost	\$17,600,000		
Estimated Monthly Cash Flow	\$201,360		
Cash on Cash	2.54%		

20 Year Conventional Financing

20% Down financing based on Properties List. After 4 properties, the down payment requirement drops to 20%.

Interest Rate based on current rate of 5.75%. Rates are subject to change. Estimated closing cost from our website source as of, which can be updated.

Cash on Cash

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


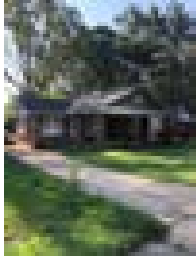

The first five years of Cash Flow should account what the investor should consider annual vacancy and commissions as our results are maintained and address different maintenance and capital expenses.

Risk Range

Risks can vary slightly with a 7% interest rate range of 127 based on current market conditions such as time of year, current supply of rental houses in the area, strength of tenant base who could negotiate a lower rent, etc. The higher the rent, the returns 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				No Photo Available
Address	3113 Ruby Ln Memphis, TN 38111	796 Newell St Memphis, TN 38111	763 S Prescott St Memphis, TN 38111	1445 Catherine St Memphis, TN 38111
Distance to Subject	-	0.61 mi	0.84 mi	0.64 mi
MAAR Subdivision	Eastern Hills	Goochs Carnes Ave	Prescott Cir	Cherokee
Map	757D	757B	757B	757F
Sale Date	06/13/2018	09/24/2018	08/31/2018	01/17/2019
Sale Type	Normal Sale	Normal Sale	Normal Sale	Normal Sale
Sale Price	\$35,000	\$81,500	\$90,000	\$67,000
Seller Concessions	-	-	-	-
Adjusted Sale Price	\$35,000	\$81,500	\$90,000	\$67,000
Mortgage % & Type	CU	98FH	92TF	79CV
Source	Apr	Tax	Apr	Tax
Effective Date	07/06	12/14	06/16	12/14
SqFt	1096	1564	1629	1003
\$/SF	\$32.00	\$52.00	\$55.00	\$67.00
Stories	1	1	1	1
Total Rooms	6	7	6	4
Bedrooms	3	3	3	2
Baths (full,half)	1.0	1.0	2.0	1.0
Parking				G2D
Construction	Brick/Wood Composition	Brick	Metal, Vinyl	Brick
Condition	C4 -Average Condition		C4 -Average Condition	
Year Built	1952	1925	1940	1953
Acres	0.17	0.17	0.19	0.23
Central Air	No		Yes	
Pool	No		No	
Heat	Gas	Forced	Gas	Forced
Fireplace		1	1	

Min Sale Price: \$67,000
 Max Sale Price: \$90,000
 Median Sale Price: \$81,500

Min Sqft: 1,003
 Max Sqft: 1,629
 Avg Sqft: 1,399

3 Comparables
 Avg Sale Price: \$79,500
 Avg \$/SF: \$58

3113 Ruby

Roof

GAF Weathered Gray 25 Year Tab Shingle SKU214628

General Spec

See Property Checklist

Interior Paint Plan

Doors, Walls, Trim and Ceiling

Exterior

Rekey to Master and Tenant Key

Paint siding and trim

2 New window

Screens installed

Add Address Numbers to Mail Box

Security Door x 2

Back Light Hampton Bay 1 Light, SKU#245746

New Gate

Repair front steps

Install flood light

Landscaping

Option 1

HVAC

New HVAC system and ducts

New venting and new gas line to furnace and hot water tank

Electrical Plan

Permit pulled – update in accordance to Shelby County building inspection

Hard wire bedrooms with smoke detector

Ran new circuits

Install new 220 outlet for dryer

Ran circuits for exterior motion light

Rewire 1/3 of the house

New switches and outlets

Install GFCI

Plumbing

Run new washing machine outlet drain and line for new laundry room

Replace copper pipe with pex in areas where needed

Replace CPVC water line with Pex in bathroom 2

Repair damaged DWV pipe

Install frost free hose bibs

New Hot Water Heater

Repair valve trim kits

New toilet install x 2 with new angle stop valves in hall bath

New faucets

Insulate first 18" of water pipe

New shower strainer in bath #2

1 1/2" san tee on the drainage line to the shower also the waste and overflow is dripping on the tub in the hall bathroom in the crawl space.

Hall Tub-cut out the existing cast iron p-trap with lead adapter and code coupling on a new PVC DWV P-trap and waste and overflow.

New shower heads in bathrooms

Interior Door Plan

Paint and door knob match

Flooring Plan (Excluding Bathrooms. Add ABC to flooring plan where applicable)

Vinyl plank flooring in high traffic living areas

Vinyl in kitchen and bathrooms

Carpet in bedrooms

Front Living Space

Clarkson 44" Brush Nickel Fan, SKU#1000725632

Dining Room

Commercial Electric 2 Light Brushed Nickel, , SKU# 701704

Kitchen

Brush Nickel Hinges & Knobs SKU# 572222 & 127708

Delta Foundations 2 handle Kitchen Faucet with Side Sprayer Chrome, SKU# 1000119369

Keep Existing Sink

Commercial Electric 2 Light Brushed Nickel, SKU# 701704

New countertop

Hallway

Spec Commercial Electric 2 Light Brushed Nickel, SKU# 701704

Hall Bathroom

3 light bar Cordelia Lighting, SKU# 644212

18" to 24" Surplus Shaker White with W/T Top

See plumbing SOW

Master Bathroom

New Vanity and light bar

See Plumbing SOW

Bedroom 1 & Master Bedroom

Ceiling Fan

Bedroom 2

Spec light



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: 2/4/2019

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.

- 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: 3113 Ruby Lane, Memphis, TN 38111

Premium + Tax = \$503.84

- Building limit: \$96,300 (1070 sq ft)
- Business income limit: \$12,000
- Deductible: \$2,500 for all perils.
- General Liability limit: \$1mm per occurrence / \$3mm in aggregate.



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