



## OFFERING SUMMARY

667 W Raines Road

Memphis, TN 38109

# UNLOCK

YOUR FINANCIAL POTENTIAL



MEMPHIS LITTLE ROCK  
**TURNkey**  
PROPERTIES



## Property Offering Tables of Contents

- I. Welcome Letter
- II. Our Seamless Process
- III. Property Offering with Neighborhood Info & Cash Flow Analysis with comparable sales
- IV. Floor Plan
- V. Renovation Scope of Work
- VI. Turnkey Properties Warranty
- VII. Insurance Information & Quote
- VIII. Property Management Overview
- IX. Testimonials and You Tube Page Link



1060 Brookfield Road  
Memphis, TN 38119  
P: 901-410-5452  
TurnkeyInvestProperties.com

To our current and prospective clients:

We appreciate your interest in our company and the chance to showcase our successful business model that has assisted investors globally in building real estate portfolios since 2008.

Contained in this packet, you will find details on our latest investment property offering. Our primary objective is to mitigate investor risk by delivering the right type of rental properties and accountability through exceptional property management services, enabling our clients to enjoy stable rental income throughout the buy-and-hold investment life cycle.

We recognize that reliable management is key to achieving profitability. Our in-house property management operates under the same principles that has enabled us to establish a portfolio of 150+ doors we have been growing since 2007.

If you have any questions, please do not hesitate to contact us at 901-410-5452. We are happy to provide any additional information you may require to ensure that you feel comfortable with your investment decision.

Best regards,

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 Podio. Podio 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 Podio you will find:

- To-do lists for tracking work.
- Message board for posting announcements and updates.
- 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





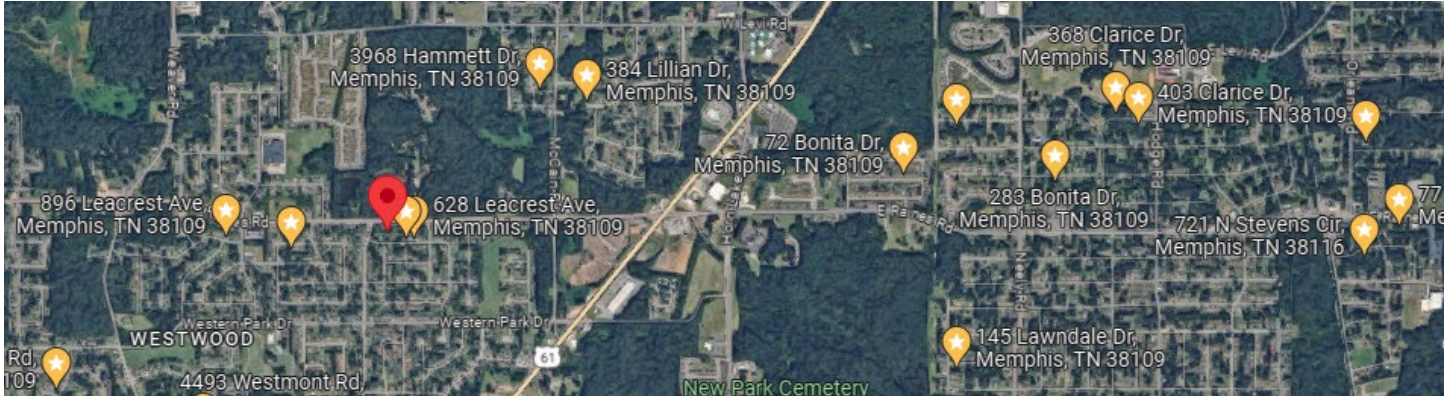
local point-of-contact regarding information on the property and for scheduling the appraisal.

- 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 with 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 Podio 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.



## 667 W Raines Road, Memphis, TN 38109

Stars below represent properties under management by CB Properties - Memphis, TN



**Bed/Bath:** 3/1

**Square Foot:** 951

**Year Built:** 1960

**Area Overview:** This home is located in the Westwood neighborhood of Memphis. It is off Highway 61 near the TN/MS state line - about 10 minutes from the airport area, which is a good source for jobs. It is also a short commute to the Tunica Casinos in Mississippi. It is home to many hard working, music loving residents.

The renovation highlights include:

- New Roof & Hot water heater
- New coil and A/c condenser
- Furnace - 2007
- GFCI in all wet locations
- Vinyl plank flooring installed throughout home
- New designer vanity in bathroom

<https://turnkeyproperties.box.com/vMarketingPhotosRaines>

approved resident for 8/28 move in



901-410-5452

[TurnkeyInvestProperties.com](http://TurnkeyInvestProperties.com)

## 20-25% Down Payment Worksheet

Property Address: 667 Raines

All Deals Come with 2% Seller Paid Closing Cost & 2 Year Cash Flow Boost through Waiving Monthly Mgmt Fee

Purchase Price	\$	112,900.00	Loan Amount	\$	90,320.00
Projected Rent Year 1	\$	905.00	Rate		6.88%
Year 2 of Lease Amount Projection (All leases are 2 Years with increase in year 2)	\$	955.00	Principal and Interest	\$	593.34
30 Yr. Payment (PITI)	\$	706.40	2023 Quoted Yearly Taxes & Insurance	\$	1,356.79
Property Management (0%) 2 Year Cash Flow Boost	\$	-			
<b>20% Down Payment</b>	\$	22,580.00			
Estimated Closing Cost (4%)	\$	4,516.00			
Estimated Out of Pocket Cost	\$	27,096.00			
<b>Estimated Gross Cash Flow 20% Down Year 1</b>	\$	<b>198.60</b>	<b>Year 1 Gross Cash on Cash</b>		<b>8.80%</b>
<b>Estimated Gross Cash Flow 20% Down Year 2</b>	\$	<b>248.60</b>	<b>Year 2 Gross Cash on Cash</b>		<b>11.01%</b>

Purchase Price	\$	112,900.00	Loan Amount	\$	84,675.00
Projected Rent	\$	905.00	Rate		6.25%
Year 2 of Lease Amount Projection (All leases are 2 Years with increase in year 2)	\$	955.00	Principal and Interest	\$	521.36
30 Yr. Payment (PITI)	\$	634.42	2023 Quoted Yearly Taxes & Insurance	\$	1,356.79
Property Management (0%) 2 Year Cash Flow Boost	\$	-			
<b>25% Down Payment</b>	\$	28,225.00			
Estimated Closing Cost (4%)	\$	4,516.00			
Estimated Out of Pocket Cost	\$	32,741.00			
<b>Estimated Cash Flow 25% Down Year 1</b>	\$	<b>270.58</b>	<b>Year 1 Gross Cash on Cash</b>		<b>9.92%</b>
<b>Estimated Cash Flow 25% Down Year 2</b>	\$	<b>320.58</b>	<b>Year 2 Gross Cash on Cash</b>		<b>11.75%</b>

### Rate

Rates are updated periodically at the time of the initial offering is sent out. The rate can fluctuate after the cash flow analysis is posted. Rate is based on a \$100,000 purchase. As the purchase price goes up, the rate may go up. Rate is also based on 780 credit score.

### Closing Cost

Closing cost will vary by lender and could be higher if you choose to buy down the rate. Since escrow accounts are an asset on the balance sheet, our closing cost projections do not include the pre-paid expenses of your taxes and insurance.

### Rent Variance & Lease Terms

Property Management will secure a 2-year lease with a built-in rental increase of 3% to 5% in year 2. Rents can vary typically with a +/- variance on average of \$50 based on current market conditions such as time of year, current supply of rental homes in the area, strength of tenant file who could negotiate a lower rent, etc. The higher the rent, the variance could increase. Typically, this would start at \$1,100 and higher.

### Taxes & Insurance

The estimated rate of return is based on the current appraisal year and insurance quoted through our in-house program. Shelby County, TN taxes are locked through 2024, at that time re-appraisal will happen. Pulaski County, AR rates are locked through 2027. In rare occasions, a sale can trigger re-appraisal.

### Cash on Cash Estimation



The cash flow calculation is based on gross cash flow, taking into account the known costs. However, it's important to note that this analysis doesn't factor in expenses such as vacancy, maintenance, and capital expenditures. These expenses will vary from year to year, but it's crucial to budget for them in your analysis. In the first few initial years, the cash flow may exceed what the industry considers to be normal vacancy and maintenance, as our property renovation is designed to address deferred maintenance and capital expenses and comes with our warranty.

### Appraisal Contingency

Our goal as a Turnkey Provider is to minimize your risk when investing in real estate, and one way we achieve this is by conducting a high-quality renovation of the property. This involves carrying out numerous repairs, updates, and improvements to the property, which may not be taken into account in the appraiser's valuation. Due to the current competitive market, we are paying more to acquire inventory, and the rising costs of materials and labor mean that our all-in costs may exceed the appraiser's valuation. However, to fulfill our Mission Statement and accomplish our objective, we aim to close contracts by not exceeding 10% over the appraiser's stated opinion of value.



Comparable Three Up Report

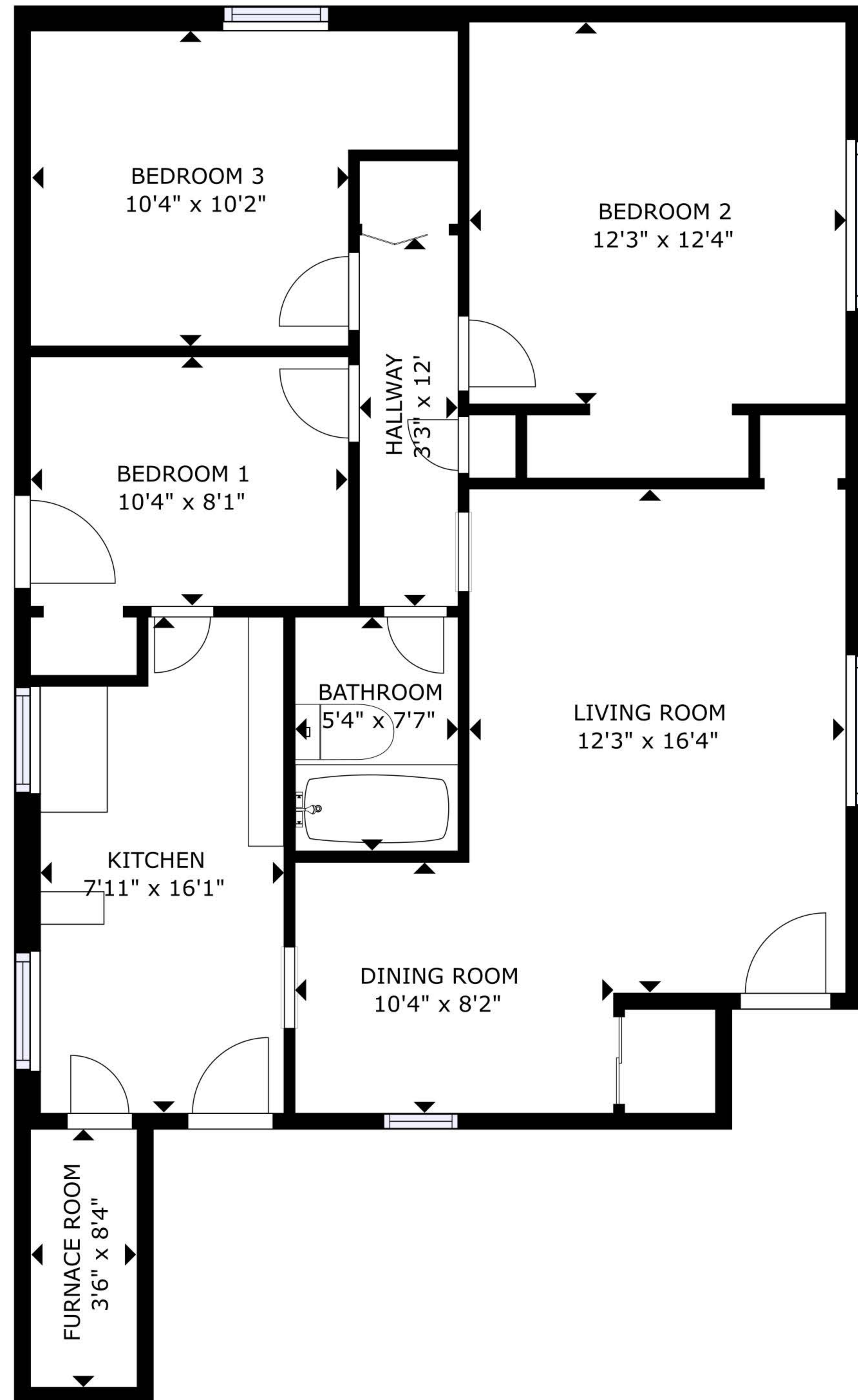
	Subject	Comparable 1	Comparable 2	Comparable 3
Property Photo			No Photo Available	
Address	667 W Raines Rd Memphis, TN 38109	637 Leacrest Ave Memphis, TN 38109	872 Western Park Dr Memphis, TN 38109	593 Bonwood Ave Memphis, TN 38109
Distance to Subject	-	0.08 mi	0.46 mi	0.48 mi
MAAR Subdivision	Chickasaw Village	Chickasaw Village	Chickasaw Village 1st Add	Chickasaw Village 2nd Add
Map	765A	765A	765A	765A
Sale Date	03/14/2019	03/13/2023	11/07/2022	01/12/2023
Sale Type	Normal Sale	Normal Sale	Normal Sale	Normal Sale
Sale Price	\$600,000	\$122,100	\$125,300	\$129,900
Seller Concessions	-	-	-	-
Adjusted Sale Price		\$122,100	\$125,300	\$129,900
Mortgage % & Type	CU	75CV	80CV	75CV
Source	Apr	Apr	Apr	Apr
Effective Date	10/04	03/09	10/22	12/22
SqFt	951	902	899	981
\$/SF	\$631.00	\$135.00	\$139.00	\$132.00
Stories	1	1	1	1
Total Rooms	5	5	5	6
Bedrooms	3	3	3	3
Baths (full.half)	1.0	1.0	1.0	1.0
Parking	C1			
Construction	Brick/Wood Composition	Wood Composition/Brick	Brick/Wood Composition	Brick/Wood Composition
Condition	C4 -Average Condition	C5 - Fair Condition	C3 - Good Condition	
Year Built	1960	1959	1962	1962
Acres	0.17	0.15	0.16	0.16
Central Air	No	No	Yes	Yes
Pool	No			
Heat	Gas	Forced	Gas	Forced
Fireplace				

Min Sale Price: \$122,100  
 Max Sale Price: \$129,900  
 Median Sale Price: \$125,300

Min Sqft: 899  
 Max Sqft: 981  
 Avg Sqft: 927

3 Comparables  
 Avg Sale Price: \$125,767  
 Avg \$/SF: \$136





GROSS INTERNAL AREA

FLOOR 1: 929 sq ft

TOTAL: 929 sq ft

SIZES AND DIMENSIONS ARE APPROXIMATE, ACTUAL MAY VARY.

## **667 W Raines SOW**

### **Roof**

Estimates 15-20 years old. (Will Replace)

### **General Spec**

See Property Checklist

### **Interior Paint Plan**

3 color spec (Trim, Walls, and Ceiling)

### **Exterior Paint Plan**

Pressure wash the entire house

3 color spec (Siding, Trim, Fascia)

### **Fence/Gate Plan**

N/A

### **Exterior**

Repair Damaged Siding

Replace rotted wood on fascia

Repair damaged soffit

Black Board Exterior Storage

Security Door (1x)

Exterior Doors (2x)

Box in Post Under Garage

New mailbox

### **Landscaping**

Option 1

Trim bushes back to fence line in backyard

Remove vegetation growing alongside house

### **HVAC**

Sub verify furnace is in working condition (If not replace)

Replace Coil

Install AC Condenser

### **Electrical Plan**

Electrical sub verifies all electrical in working order

Replace ALL Outlets, Switches and Plates (White)

Install GFCI Receptacles in Wet Locations

Run wire in living area to install ceiling fan

### **Plumbing**

Test and verify all plumbing works  
Hot Water Tank- Will Replace  
New Washer Box/Hook Up  
New toilet (1x), hoses, faucets, shower hardware, overflow cap, and drain

### **Interior Door Plan**

New Doors (x9)  
New Door Knobs/Hinges Brushed Nickel

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

LVP throughout property

### **Front Living/Dining Space**

Repair holes and cracks in sheetrock  
Spec Ceiling Fan-Living Area  
Spec Flushed Light-Dining Area

### **Kitchen**

Delta Foundations 2-Handle Standard Kitchen Faucet with Side Sprayer in Stainless Steel  
New Sink. New Base Cabinets/Uppers/  
Close off doorway leading into storage  
Close off doorway leading into bedroom

### **Hallway**

Spec Flushed Light  
Install smoke detectors/carbon monoxide detectors

### **Hall Bathroom**

Install Brian-NuTone 50 CFM Ceiling/Wall Mount Bathroom Exhaust Fan SKU #1000686084  
Install new faucet handle and shower head  
Reglaze and Caulk Existing Tub  
Install new vanity  
New Toilet  
Demo Tile/Install Plastic Shower Surround

### **Bedroom 1**

Repair holes and cracks in sheetrock  
Frame back door for window  
Spec Flushed Light

### **Bedroom 2**

Repair holes and cracks in sheetrock  
Spec Flushed Light

### **Master Bedroom (2nd Room on the Left)**

Repair holes and cracks in sheetrock/ceiling  
Spec Ceiling Fan



## TURNKEY MAINTENANCE WARRANTY

As home inspections are typically done while the home is vacant or soon after a tenant moves in, inspections are not always successful in finding all the flaws with a property. Such flaws may only surface with time and tenant usage.

To protect our clients' cash flow and give them peace of mind, all Turnkey Properties come with a 90/180/365 day Maintenance Warranty. 365 days on anything we have addressed during our renovation (which can be found on the Scope of Work), 180-day maintenance on the HVAC system and 90 days within the 4 walls of the house (which would include everything, including the items we did not address). The Maintenance Warranty begins after the purchase date listed on the closing settlement statement. If a tenant is not in place at the time of closing, the warranty shall be extended appropriately beginning on the lease start date to give a full 90/180/365 day Maintenance Warranty.



Between renovation, property inspection, and this warranty, we are successful in substantially reducing maintenance costs during the first 18-month tenant lease, which helps in building our clients' cash flow reserves.

This warranty is our commitment that we stand by the work performed during property renovations and from the inspector's punch list. However, there are a few circumstances that are completely out of our control, which are listed in the exclusions below.

### **Certain circumstances are excluded from the 90/180/365 day warranty, including:**

- Damage due to tenant negligence
- Vandalism/Theft
- Acts of God
- Force Majeure
- Power Surges
- Property is not managed by CB Properties or the Hoffman Team voids the entire warranty
- Appliances not installed by Memphis Turnkey
- Pilot lighting of furnace
- Vermin
- Products that fall under manufactures warranty
- Damage due to fire
- This policy defaults to a 30/180 (30 within the 4 walls and 180 on HVAC) if the property is discounted beyond list price.

Property Address: \_\_\_\_\_

Buyer: \_\_\_\_\_

Seller: \_\_\_\_\_

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 \$100 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. \$5,000 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 \$2,000,000 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', is positioned below the word 'Sincerely'.

Alex Craig  
President  
Turnkey Properties



# Quick Quote

Report for Q0702-01-02C

Quote Date: 04/20/2023

Quote ID: 89615

Insight Risk Management

7200 Goodlett Farms Parkway  
CORDOVA, TN 38016

Insured Name	Property Address	Property Desc
	667 W Raines Road MEMPHIS TN 38109	Single Family Dwelling - Tenant

Construction Type	Bldg SqFt	Acres	Flood Zone	Sprinklers	Swimming Pool	Year Built	#Units
MASONRY	951	0.0	NOT REQ	N	N	1960	1

Cvg Desc	Cvg Amount	Effective Date	Annualized Premium
Building	\$109,500.00	04/20/2023	<b>\$669.96</b>
Liability	\$1,000,000.00	04/20/2023	
Loss of Rental Income	\$12,000.00	04/20/2023	

### Disclaimer

This is a Quick Quote and does not constitute a request for coverage, nor does it imply an offer of coverage from the carrier. Applicable surcharges and fees may vary based on effective date of the request for coverage. This Quick Quote considers current term rates and coverages only. Property characteristics may require SES to report a request for coverage to the insurance company underwriter. Premium amount may be subject to adjustment at underwriter's direction, or the request for coverage may be declined. You and your retail broker will be notified should this occur. Monthly premium can be calculated by dividing the annualized premium by 12. If monthly billing is applicable, the first month's invoice may be higher due to LB and/or XSLB coverage being charged. Please note, quotes for Multi-Family properties (5+ units) must be requested directly from SES Support, as Quick Quotes are not valid for our Multi-Family product/program.



Date: 10/26/2022

Thank you for your interest in the CB Properties & J Hoffman insurance program. It is written with Rockingham Casualty Company, an "A" rated carrier. Below is a summary of the program. If you have any questions, please feel free to reach out to us. This program was specifically designed for the rental houses that CB Properties and J Hoffman manage and has been tailored to fit their profile. Thus, 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. Likewise, CB Properties and J Hoffman have control over the overall program.

- Perils: Special. This is the broadest coverage available, though it excludes earthquake and flood. For more information about special perils, please follow this link: <https://www.irmi.com/term/insurance-definitions/special-perils>
- 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, which depreciates the property and thus does not fully cover the cost to rebuild
- Older roofs: Any roof over 10 years is covered with actual cash value. Thus, owners will not receive the full cost to rebuild for older roofs since much of their useful life has already been exhausted.
- Limit: All houses are insured for a minimum of \$110 a square foot, though higher values can be used if you desire. Construction prices have increased recently so using a higher value is important. We use the County Assessor pages to estimate the square footage of the building and then multiply by \$110. If this is incorrect, then please let us know. Finally, if your house is valued at more than \$500,000, it is not eligible for the program.
- Other structures: We only insure the primary dwelling. If there are other detached structures such as carports or pool houses, then please let us know.
- Contents: No contents coverage is typically provided as most owners have no contents in the building. If your case is different, please let us know and it can be added.
- Business income: **\$12,000** loss of rents is included to protect against loss income due to an insurable event. This is \$1,000 a month, but if you need a higher limit, please let us know.
- Equipment breakdown: included with a \$1,000 deductible. This covers artificial electrical current and sudden / accidental breakdowns, but not simply old equipment whose useful life is exhausted.
- Deductible: **\$5,000** per occurrence. For houses valued at over \$250,000, a 2% wind / hail deductible applies. Finally, vacant houses have a \$10,000 deductible.

- General Liability: each house has a dedicated \$1,000,000 limit per occurrence / \$2,000,000 aggregate. 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 or reduction in coverage, other than the larger deductible. Theft and vandalism are covered.**
- Additional insureds: the management company as well as any lenders are automatically included as additional insureds on the policy at no extra charge.

**To place coverage, we require the following:**

- **Owner's written acceptance of quote and confirmation that CB Properties/J Hoffman is the property manager for the foreseeable future (e-mail is acceptable)**
- **Full name, address, phone number, and e-mail of the entity or person that owns, or will own, the property**
- **Mortgage company or lender, if any, with e-mail, complete address, and account number if available**
- **If this is a new purchase, the anticipated closing date**
- **If this is not a new purchase, the desired effective date of the coverage**
- **Payment (provided at closing if this is a new purchase). This program only accepts checks and credit/debit card payments. An invoice will be provided, and all payments will go to CIS, Services.**

If this property is a new purchase, we will send the certificate of coverage to the lender and/or closing attorney who will include the insurance premium as part of the closing costs. Otherwise, we will invoice the owner directly via e-mail.

Thank you for the opportunity to provide you a quote.



# CB Properties Memphis Fee Structure



- The monthly management fee is 10% of rent collected with a minimum of \$50. Turnkey clients enjoy a discounted rate of 9%.
- After purchase, the first tenant placement fee is waived. This is 80% of the first month's rent or \$800, whichever is greater thereafter.
- In addition to the vendor invoice and materials purchased, there is a 15% maintenance fee.
- There is a 5% fee if property management pays any invoices on the owner's behalf (i.e. attorney invoices, utility invoices, taxes, insurance, etc.) The owner has the option to pay these to avoid any additional markup.
- Lease renewal fees are \$195 for a 1-year lease and \$325 for a 2-year lease. This will be returned to the owner if the tenant moves out before fulfilling half of the renewal without the tenant paying a lease break fee.

## 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 any maintenance issues our tenants experience and request wired funds, which can be an inconvenience for our investors.
- We collect a reservation fee from our tenants in lieu of a security deposit. While this acts *like* a security deposit, it differs in that property management doesn't keep these funds in an escrow account. Instead, it is paid to the investor as income after tenant occupancy. This essentially means you'll receive your security deposit upfront rather than when a tenant moves 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 whenever you call. This system allows us to provide best-practice customer service, which is a priority for us!
- We use PropertyWare property management software. For the best customer service, we strongly recommend utilizing the portal to communicate with your portfolio manager.
- The threshold for requesting owner permission on maintenance is \$400.
- We have clear transparency with our billing and maintenance. You will see before and after pictures along with a vendor invoice to match.



# Client Video Testimonials

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



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

