



OFFERING SUMMARY
7124 Twin Oaks Road
Little Rock, AR 72209

UNLOCK
YOUR FINANCIAL POTENTIAL



MEMPHIS LITTLE ROCK
TURNkey
PROPERTIES



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

To our current and prospective clients:

Enclosed in this packet is information about our latest investment property offering. This offering will give you property specific information needed for your due diligence in order to make an informed purchase decision.

Our goal is to be the premier turnkey supplier of income producing properties by providing investors worldwide a way to passively invest in stable, cash flowing real estate, by focusing internally on customer service and renovations that will reduce vacancy and maintenance, and ultimately reduce our investors risk. Our simple formula for success is to provide the Right Properties in good areas with quality rehabs within the Right Markets that provide sustainable cash flow and having the Right Property Management that will operate the property in the investors best interest.

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 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

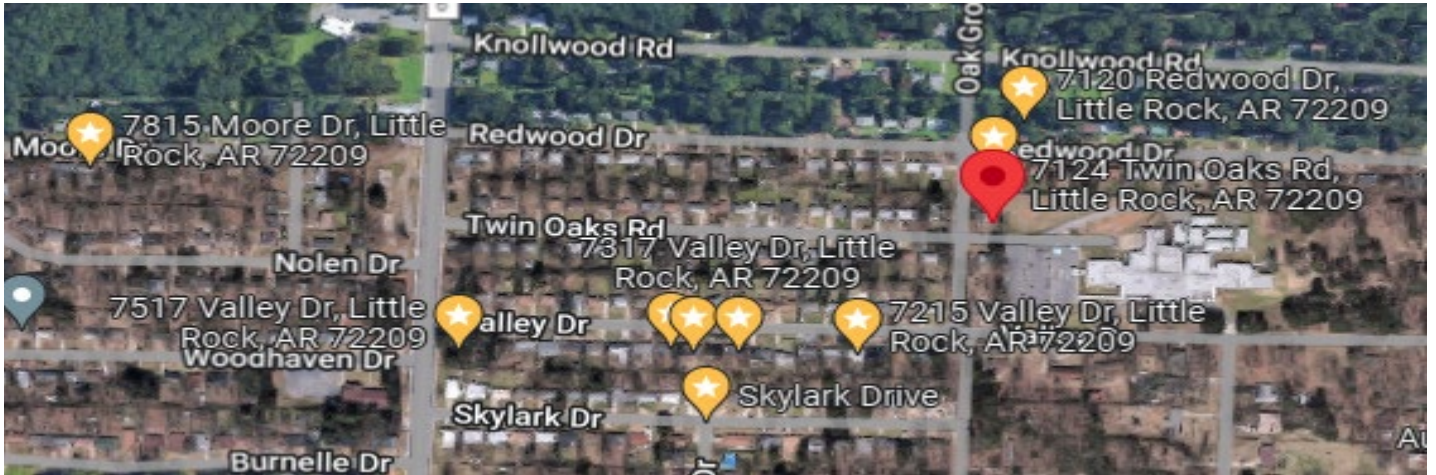


local point-of-contact regarding information on the property and for scheduling the appraisal.

- 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.

7124 Twin Oaks Road, Little Rock, AR 72209

Stars below represent properties under management by Hoffman Properties - Little Rock, AR



Bed/Bath: 3/1

Square Foot: 912

Year Built: 1966

Area Overview: The Cloverdale Watson area of Little Rock has a lovely, established feel to it, with wide streets and mature trees. The neighborhood and shopping district were developed in the mid-1960s. Within a half-mile is I-30, a major interstate through Arkansas. I-30 connects directly with downtown Little Rock and feeds into both of the major freeways in Little Rock (430 and 630). The area is solidly blue-collar, with many residents working in nearby industrial and warehousing jobs along the I-30 corridor.

The renovation highlights include:

- New HVAC, Roof & Hot Water Heater
- Vinyl plank flooring in all high traffic areas
- New kitchen cabinets, granite counter tops and appliances (Range and Dishwasher)
- Freshly painted inside and out

<https://turnkeyproperties.box.com/v/MarketingPhotos7124TwinOaks>



MEMPHIS LITTLE ROCK

TURNkey

PROPERTIES

| item | Description |
|----------------------|---|
| Interior repairs | Repair damage subfloor in kitchen, and bathroom- Remove gas heater in the hallway, and cap gas line, and repair wall-Repair sheetrock |
| Painting | Interior walls/trim/ceilings, and house exterior |
| Kitchen | Install new cabinets, granite countertops, hardware, sink and faucet-Make access for a dishwasher |
| Appliances | Electric range-Vent-hood-Dishwasher |
| Plumbing | New water heater-Laundry box |
| Lighting | Install new fixtures through the house |
| Miscellaneous | Install new blinds, locks, and doorknobs -Smoke detector-Trash hauling-House cleaning |
| Doors | Install 2 exterior, 6 interiors, and set bifold |
| Bathroom | Hall: Install new tub with surround, vanity, faucet, mirror, sink, exhaust fan, accessory kit, toilet, and shower head/faucet-Remove window and repair wall-Remove heater, and cap gas line |
| Flooring-Carpet | Install in all the bedrooms |
| Flooring-Laminate | Install in hall, living room, kitchen, and bathroom |
| HVAC | 1New furnace, condenser and coil-Replace supply box, return box, and monoxide carbon pipes-New thermostat, air vents, return grill with filter, and insulation-New return base-Replace duct work |
| Roof | Replace roof |
| Exterior repair | Pressure wash-Repair soffit, and fascia-Replace broken glass on windows-Remove chain link-Install new crawlspce door-Replace siding |
| Landscaping and yard | Landscaping and clean yard |



901-410-5452

TurnkeyInvestProperties.com

25% Down Payment Worksheet

Property Address: 7124 Twin Oaks

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

| | | | |
|--|------------------|--------------------------------------|--------------|
| Purchase Price | \$ 114,900.00 | Loan Amount | \$ 86,175.00 |
| Projected Rent Year 1 | \$ 950.00 | Rate | 6.99% |
| Year 2 of Lease Amount Projection (All leases are 2 Years with increase in year 2) | \$ 975.00 | Principal and Interest | \$ 572.75 |
| 30 Yr. Payment (PITI) | \$ 722.76 | 2023 Quoted Yearly Taxes & Insurance | \$ 1,800.17 |
| <i>Property Management (0%) 2 Year Cash Flow Boost</i> | \$ - | | |
| 25% Down Payment | \$ 28,725.00 | | |
| Estimated Closing Cost (4%) | \$ 4,596.00 | | |
| Estimated Out of Pocket Cost | \$ 33,321.00 | | |
| Estimated Gross Cash Flow 25% Down Year 1 | \$ 227.24 | Year 1 Gross Cash on Cash | 8.18% |
| Estimated Gross Cash Flow 25% Down Year 2 | \$ 252.24 | Year 2 Gross Cash on Cash | 9.08% |

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

Floor Plan





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 \$130 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 \$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



Date: 11/8/2023

Thank you for your interest in the Turnkey Property management insurance program. 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 Turnkey property management manages 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, Turnkey property management has 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 \$130 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 \$130. 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: **\$2,500** 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.

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.



Property Management 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 You Tube Logo Below to Get There!

