

MAKE YOUR PROFIT

ON THE FRONT!



VINCE GARDNER'S
REALESTATE INVESTOR
START UP MANUAL VOL 1.

LEARN FROM MY EXPERIENCE NOT MY HYPE.

COPYRIGHT 2004

Table of Contents

This manual contains all of the following information

1. Starting a Real Estate Investment Company

What Does a Real Estate Investor Look Like?

a. Credit and how to use it to buy properties

b. Finding properties

c. How do I incorporate?

i. Employees

1. You

2. Immediate family members

d. Opening a business bank account

e. Getting my Financials together

2. Tips Every Investor Should Know (C.O.P. an attitude)

a. Communications

i. Talk to as many people as you can

ii. Be able to communicate what you do in 2 minutes or less (practice saying it)

iii. Cell phone

iv. Answering service (let them hear a voice)

v. Always answer your phone (or return messages ASAP)

b. Organization

- i. Have **all** your stuff together
 - 1. literally and figuratively
 - ii. Financials
 - 1. Bank Statements
 - 2. Tax Returns
 - 3. Balance Sheets
 - 4. Credit Reports
 - c. Presentation
 - i. Exude confidence
 - ii. Yes, reading is fundamental and important to you
 - 1. Newspapers
 - 2. Trade magazines
 - 3. The Internet
3. Building Alliances that Support You
- a. Knowing key people affiliated with industry
 - i. Don't underestimate the secretary
 - ii. Find out their boss' name
4. Buying Properties
- a. Rental Properties
 - b. Leasing Properties
 - c. Flipping Properties

- d. Making money on the front end
- 5. Making more money as your own General Contractor
 - a. Finding sub contractors
 - b. Bidding jobs
 - c. Employees
 - i. You
 - ii. Immediate family members

Starting a Real-Estate Investment Company

What Does a Real Estate Investor Look Like? If you go look in the mirror you will see. They are composed of everyday people who work full time jobs, part time jobs, or just plain stay at home moms. Real estate is a market that just about anyone can get into if they have the desire. Think about it, there's always plenty of property out there and there are always people who want a place to live or who want to invest. All you have to do is bring the two together.

This booklet will show you how to get in the business and be successful at it. I have already traveled the road for you and know the detours and road blocks. If you will follow the map I have drawn I assure you that you will enjoy the trip.

I will show you how to do everything you will need to do from starting a company to running a company. You will not only be a real state investor but also a successful businessperson as well. I will show you how to meet people, how to give presentations, and what you probably want more, how to make lots of money.

You will learn how to open business accounts and use those accounts to help you build a successful business. I will show you how to use your

credit and other's to buy properties also show you how to find and purchase properties. If you're ready, let's begin.

Most seminars or real-estate books only talk about the amounts of money that you can make and how fast it seems to effortlessly come in. There's a lot more to it, anyone who tells you that it's a walk in the park is misleading you. Once you get the right combination of factors in place and maintain them, then you will see what real-estate can do for you. To this day out of buying 20 to 30 properties a year I have yet to buy (on a regular basis) properties for \$600.00 like those guys on TV tell you. Maybe twice in my whole career have I paid less than \$3000.00 for a property, it does happen but you're not going to make a career out of it or consistent profits. These were either tax sale properties that someone else bought and then I bought them from them or properties that had been given to heirs that thought because of the looks of the properties were worth nothing.

The real financial rewards comes from having your corporate setup correctly so that capital gains and unforeseen taxes don't wipe you out at the end of the year, having your corporate structure set up before you start buying so that the liability is off of you personally, forming business alliances and great business relationships with those who are directly involved with you completing your transactions, for example foreclosure realtor's, title companies, bankers, mortgage companies and appraisers. Also friendships and associates are one of the best real-

estate locating tools out there. You see, people have information all the time, they may not even have an end purpose for the information or they're not interested in real-estate but they know or have info on properties that might be available at wholesale prices. Sometimes your friends don't even know it, you have to make sure to let people know what your involved in on a regular basis so that when the info is available, your in the pipeline to get it. You may think that I'm crazy but one of the best resources for wholesale properties is senior citizens. Senior citizens know other seniors and a lot of times they still own homes, homes that were bought back in the 30's and 40's for far less than what they are worth now and most of the time are owned out right by them so, they are willing to sell them for what they consider a modest or great gain but to you or me it's a bargain. The other thing with seniors is that this may be helping them out too. A lot of times they want to sell the property quick so that they can move into an assisted living set up or senior citizens complex. So, with that in mind let's move on. To consistently make super profits and I stress **consistently** make money, it is imperative that you follow a S.O.P (standard operating procedure). Also when you're out just driving around headed to the store or just looking for something to do start noticing what's around you, for example properties that look vacant and run down or for sale by owner properties, go drive around areas where you know there are properties like that and start writing down addresses. Get online on your towns city hall website

or the county website and find out who owns the property using tax records searches, it's free. You may have to do a little investigation, like talking to the neighbors on that block but it may be well worth it and it's fun and productive.

Starting a Real-Estate Investment Company (Continued)

I will also show you how to prepare your financials or if you don't have them how to get them started ASAP. Your financials will be the most important set of documents you will have in your possession regarding Real Estate Investments. These documents are the difference in you obtaining investment property loans. The compilation of these documents will determine how effective you will be in creating and sustaining your cash flow.

Now let's show you what documents you will need to start your Real Estate investment company. By supplying you with this information we are saving you lots of time and money. Most of these documents can be found in your states Secretary of State website. Just go online and punch in for example state of Georgia secretary of state and the website for your state should come up. Just follow the link that says corporations and you'll find everything there for incorporating in your state. You don't need an attorney to incorporate just go to your state building and go to the division of corporations, they will show you the forms to incorporate and it's under \$100.00 in most states to do it. They will not advise you

but they will help you fill out the forms. After reading this manual you will know which corporate entity to choose. Also to make it less time consuming, you can just download the forms from the Secretary of State in your state, fill them out from the comfort of your own home and mail in the fee with the forms and your done. Some State websites allow you to do the whole process online. The only thing you need an attorney for pertaining to corporations is if you have a partnership with others or if you want to form an LLC. I have put together a detailed breakdown for you on Corporations Vs LLC 2 pages over. This will give you to a tee everything you need to know about LLCs and Corporations so that you can make an informed decision of which one better suites your financial needs and goals. In the next Section is a list of forms you will need to start your company, most of which will be found on your states Secretary of State website.

Starting a Real-Estate Investment Company (Continued)

Incorporating Your Investment Company

On the next page is a checklist for starting your new venture successfully. Once you have created an entity you've created a paper trail. You will learn in subsequent chapters how to get your financials up and rolling. These steps are necessary to protect you and shield you and your family from liability. Additionally, having all the correct paper

work filed creates credibility for you to lenders, potential buyers, or credit sources that you will need to operate your real-estate investment business. Also after this stage is complete, you are also eligible to bid on city, state, and federal projects or take advantage of funds that may come available in your area for housing projects through the city or federal governments for your state. I will cover each item on the checklist and tell you where to get them. By having this information you will also be creating more opportunities for yourself in other areas of business. For example maybe you want to add a different branch to your company once it's up and running, let's say a small mortgage company or maybe an inspection company. You already have the structure set up, now as you progress and get comfortable with your company and money is flowing through it you can easily implement new divisions without starting all over. This is free; it's just good ole advice, do what you do well and let someone else do what you don't do well. In other words instead of you wearing so many hats like I did, outsource, and make some facilitator fees from being the middle man. I would rather make \$50.00 consistently every day than to make \$1000.00 every three months all because I think I know it all and can do it all. You'll spend more time spending money than making it so use wisdom and learn when to turn certain things over to people who do that certain thing better than you.

Once your structure is in place and you start generating some cash flow, skies the limit you can go as far and as fast as you want to.

Starting a Real-Estate Investment Company (Continued)

1. Forms and other documents needed to get you started.

- a. Incorporation documents - do it yourself Your local Secretary of state
- b. Limited Liability (LLC) See an attorney cost between \$350.00 - \$500.00
- c. S Corporation- Secretary of State
- d. Fictitious Name Filing- Secretary of State
- e. Tax ID Number- IRS call 1-800-829-1040 fax 1-215-516-1127 (Can Be done over the phone)
- f. Employer ID Number Dept of Treasury IRS 1-800-829-1040 (Can be done over the phone).
- g. Business License- Your city Hall
- h. Business Account-Your Local Bank
- i. Dun and Bradstreet number- www.dnb.com
- j. Business cards- vistaprint.com
- k. 1-800 numbers- STI long distance – 1-800-860-6418
- l. Your Secretary of States Website laws on businesses and procedures

These forms can be found at or by contacting these entities.

Starting a Real-Estate Investment Company (Continued)

LLC vs. S Corporations:

What are the advantages and disadvantages of incorporating vs. forming a limited liability company (LLC?)

A: S corporations and LLC's possess similarities: They offer their owners limited liability protection and are both pass-through tax entities. Pass-through taxation allows the income or loss generated by the business to be reflected on the personal income tax return of the owners. This special tax status eliminates any possibility of double taxation for the S corporations and LLC's. That's where the similarities end. The ownership of an S corporation is restricted to no more than 75 shareholders, whereas an LLC can have an unlimited number of members (owners). And while an S corporation can't have non- U.S. citizens as shareholders, an LLC can. In addition, S corporations cannot be owned by C corporations, or other S corporations, LLCs or partnerships. LLCs are not subject to these restrictions.

LLCs are also more flexible in distributing profits than S corps, wherein the corporation can only have one class of stock and your percentage of ownership determines the percentage of pass-through income. On the other hand, an LLC can have many different classes of interest, and the

percentage of pass-through income is not tied to ownership percentage. The pass-through percentage can be set by agreement of the members in the LLCs operating agreement.

S corporations aren't without their advantages, however. One person can form an S corporation, while in a few states at least two people are required to form an LLC. Existence is perpetual for S corporations.

Conversely, LLCs typically have limited life spans. A few states require LLCs to list dissolution dates in their articles of organization, and certain events such as the withdrawal or death of a member can cause LLCs to automatically dissolve.

The stock of S corporations is freely transferable, while the interest (ownership) of LLCs is not. This free transferability of interest means the shareholders of S corporations are able to sell their interest without obtaining the approval of the other shareholders. In contrast, members of LLCs would need the approval of the other members in order to sell their interest. Lastly, S corporations may be advantageous in terms of self-employment taxes in comparison to LLCs.

How to Distribute Funds

After you've gotten your corporation formed, Tax ID number, Employer ID number, business license, opened two business accounts (one for

properties, one for your construction company or general contracting company) it's time to show you how to immediately start making some money and create super duper tax breaks which are as good as getting cash. Use these examples and then modify or change them to fit your situation. As you start to build your financial statements, you will show money coming in through your new company, just use money from your current savings account or pay checks to deposit into your new business account as startup capital. You can now expense out most of the funds in the new business account on things that you already purchase everyday. This is truly a great secret weapon against taxes. Listen, you are legally allowed to pay your spouse, children or anyone in your home a salary from your home based business as long as they perform duties pertaining to the business. It is really quite simple, instead of buying clothes and other items you and your family might need from your personal funds, you can now receive a deduction on your personal and business taxes by re-routing and restructuring how you purchase. Basically you will open a savings account for each child or adult (in their name) and deposit company checks that are made out to them into their bank accounts on paydays for work done by them for the company. The employees (your children) or spouse can perform such duties as filing, cleaning, or running errands for the business etc. That money has now been expensed out by your corporation. No taxes are owed on the payroll checks because your child's or other person's income will

probably be too low to be taxed. Now when it is time to purchase items for them such as clothes, shoes etc, withdraw the funds from their accounts to pay for the items. Important note: **KEEP ALL RECEIPTS!!!**

Do this with each member in your household and reduce tax liability by an estimated 20% or more. You just simply re-routing the same funds that you would normally use on these things only now you are creating additional tax deductions and financial statements for yourself. The receipts and canceled checks you now possess go to your accountant and are added in the expense column of your corporation. The startup capital or the deposits that you make into your business account will be put into investment expense on your personal tax returns which will reduce your personal income resulting in tax deductions. Also, because you have a home based business you can write off a portion of the utilities, and office space used by your business in your home. The best way to do this is to draw up a lease between you and your corporation (This process can also be done with auto's, equipment, office furniture etc). You are simply leasing space to your corporation and by doing this the corporation now has a legitimate space to use and also a payment history. Now, you the Landlord has income on your personal side to use and on paper show income coming in from the lease which offsets your monthly mortgage payments on your personal side and lowers your debt ratio, which is definitely good. Anytime you can show on paper and in reality have a lower debt ratio and a higher income ratio your corporation

and personal financials look very attractive to lenders. Just make sure that at the end of every month you write a check from the corporation to you the landlord for the lease amount, auto lease etc. then deposit it in your personal account. All you want is the paper trail so that you can grow and harvest cash using your financial statements. Now keep in mind, what I am teaching you is meant for the business arena not borrowing for personal enjoyment. We merely use credit to wisely invest into hard assets in order to produce cash profits. Using credit should be done carefully, wisely and skillfully to maximize investment potential. In no way am I instructing you to build credit for personal reasons such as vacations, bigger homes and more stuff to own. This is strictly for use in Real Estate investments. If done correctly, your credit can be converted into cash flow which will result in substantial profits. Now, there are ways to obtain, transact and profit from Real Estate without credit. This process will be discussed in "Make your profit on the Front" Volume 2. For this Volume we will primarily discuss the Average to Good credit scenarios. If you have marginal credit or even bad, continue to read because this information is valuable and can still benefit your situation and increase your learning on the subject. Knowledge is power so get as much as you can.

Financial Statement Development

Developing your financial statements is a key factor in buying investment properties or just buying a home period. As long as you update and maintain them they are literally “money in the bank”. To develop and or increase your financials use this concept and practice.

Start the financial process by opening a business account in your business new name. These accounts are critical to being successful in Real Estate Investments and you will use it for all of your real-estate transactions. It is imperative that this account is protected and shielded from any negative or derogatory activity. After opening this commercial account(Real Estate Investment company account) make a deposit into this business account with funds from money you have saved or from your paycheck. Your (Real Estate Investment account will only be used to transact real estate items or (buy and sell). This Deposit is an infusion of cash into your business or, just call it startup capital. Keep a record of this transaction it can also be used as a tax deduction on your personal taxes by showing that you have invested that personal capital into a business venture.

Now open another account (at a different bank, remember the rule about have more than one ally in everything that you do) for your general contracting business, renovation company, construction company etc.

This account (contracting account) will be used primarily for dispersing construction, renovation or maintenance monies to your property purchases from your (Investment company account). Follow the same steps listed above for your real estate account and make a deposit into this business account also with funds from money you have saved or from your paycheck as startup capital (keep the deposit slip).

Now that you have established yourself as a business entity, go get some business. **Your first customer can even be yourself.** Go cut your own grass, paint a room or do some maintenance on your home just like you've always done, but this time you are going to do something different. You are going to get paid to do it. You are going to hire your company as the contractor to take care of the maintenance in your own home. After you do the work on your home make a company invoice and invoice yourself from your company invoices to you the customer. Now out of your personal account you the home owner pay the business (your business) the amount that you charged for the service you provided. As you pay your business for services you just created cash flow through your business and you also show that same money leave your business when you pay yourself a payroll check from your business account to you for doing the work. Now let me explain, you just did several things in one, you created cash flow through your business, which creates receivables and receipts for your accountant to use to create your financial statements, next you created extra income on paper to yourself

when you show the business paying you a payroll check which you will then deposit into your personal account, also you now have more money moving through your personal account which will show up on your bank statements which you will show to bankers for loans and, you showed the money being expensed out from your business to you which alleviates any tax burden on your corporation. Another benefit you have created were financial and bank statements for both you and your new business while gaining more write off on your personal taxes. Also you have receipts that came from a corporation that show the repairs that were made on your home and you got paid to do it instead of some one else. Next you increased your property value, all this at the same time. Now, to make sure that your personal side doesn't get taxed more at the end of the year for the extra income you received from your business you just simply reinvest the money back into your business and make a receipt showing that you loaned the business more money which is 100% write off and if you have anything to buy or pay for just pay for it out of the business account by paying yourself a check. So now you can see by routing money in the right directions and channels you can create paper money(financial statements) that will eventually buy you use of someone else's money. As I tell you these concepts that I have personally used, you will be able to implement your ideas using the same model. Now, continue to use your business as the entity that is used to repair and maintain your property even if you hire someone else to

actually do the work. It's amazing how much tax write off you can receive by doing business with yourself. It's all in how your business structure is set up utilizing a corporation or LLC and how you distribute funds. Everything that you do to your home should be running through your business. By the end of the year you'll see what I'm talking about, you'll save thousands more which makes you thousands more. Also make sure that you keep receipts for every thing even lunch, as long as it's during the work day, it's a write off! Secret " Some of the wealthiest people in the world are sticklers about keeping receipts even for candy bars."

Financial Statement Development (Continued)

What I just showed you was basically the outline for being a General Contractor or a GC. Any time you do a service for someone or a project for yourself you're a contractor but when you do a project that you do not intend to physically do yourself but you're going to hire someone under you to do the actual work, you are considered a General Contractor. Now what I just showed you previously is a good way to know how to be a General Contractor. All of the same receipts and paperwork trails are the same except that now a third step will be added. On the next page is the information that I need you to really focus on because this is where I start conditioning you on how the whole thing works and how to implement everything into a cash producing machine for yourself through real estate investments. Keep in mind the goal is real estate but to show

you what I know and to allow you to get the concepts, I have to show you everything that is involved. In the next section I'll be speaking on being a General contractor, don't let that bother you. I'm not trying to force you into another profession or business. I'm only trying to show you what few real estate investors know. You will make more money over a shorter period of time using these techniques than you will ever make by being the typical land lord type investor.

Financial Statement Development (Continued)

Remember you're on a course that's going to lead you somewhere better than where you currently are, stay on course and build your financials. You should even find yourself making extra money being a General contractor, if you chose. That's the direction that I need you to head in because on your own properties you are going to be the general contractor. Note, that being a General Contractor is a great way to supplement your income, take a few courses from a junior college on becoming a home inspector or a basic course in construction management to speed up your education of the real-estate market. Also find a school that offers home inspection courses. These courses can be taken in one week or online and you will have your home inspectors course completion and extra knowledge of how to inspect and find all the problems in a property also, you can do home inspections for others for a fee. This can all run under your corporate structure. Home inspectors

charge between \$250 and \$500 depending on the size of the property. You will also have a greater knowledge of plumbing, electrical, and mechanical aspects of homes.

Or you can hang out with a builder, or a residential construction worker to get a hands on feel for the business and position. To become a General Contractor common sense is your best friend. The General concept here is get it done cheaper than what your getting paid to do it for without you, the General Contractor having to do the actual work.

General contractors or GC's have all the control over the whole project. You control and negotiate the cost of the project, which subcontractor gets the project, based on cost and how much you make on the General contractor fees. You can easily come across work that needs to be done so, find 2 or 3 subcontractors to bid on the work and pick the best bid and put your fee on the top. Whether it's a sheetrock job in a basement or just pouring a couple of concrete stairs, this is what gets you going in the direction that I need you to go in. Be patient, and remember you don't have to become a general contractor for a living but, this gives you experience that you can't go to school for and it will save and make you so much money in the near future that you should at least consider doing some, just to get the hang of it all. Before we move on further I must show you how to compile your financial statements that you created earlier so, in the next section I will do just that before we go any further.

Financial Statement Development (Continued)

Assembling Your Financials

In this volume I show you how to successfully compile your financial statements, the first segment is for those who already have financial statements and some experience with them. This is the format in which bankers and mortgage companies will require before moving forward with loan pre approvals.

Self-Employed

1. Two years tax returns business and personal
2. One year's bank statements
 1. Corporate documents (Corporate certificate)
 2. Personal financial statement (current)
 3. Company balance sheet or books from accountant

Individuals

1. Two years tax returns (personal)
2. One years bank statements
3. W-2's
4. Up to date mortgage statements (if you own) or rental history
5. Personal financial statement- just pick up a blank one at a local bank and fill it out.

Financial Statement Development (Continued)

Assembling Your Financials (Continued)

Financial statements should be copied, and you must always keep the originals stored away in a safe location. Always make it a rule that no one sees your social security number unless it's a banker or someone who is accountable. And as much as possible use your tax I.D. number instead of your social. Also as one of my rule of thumbs always get a signed business card from the banker when you leave your financials for them to review. This is proof that he has your private information so that if it gets into the wrong hands the banker is liable. Also set the tone, Go the extra mile; remember the first impression is usually the lasting one so be meticulous and cover yourself. When applying for real estate loans put the properties into your corporate entity and don't let the bank talk you into putting it into your personal name. That's why you set up a corporate structure so use it even if it requires a higher rate or a down payment it is worth it. As much as possible put everything into your corporate structure that pertains to business. Cell phones contracts, utility bills from properties you own, company auto's etc. If you did not purchase an auto under your business name initially, a little know fact is that you can simply lease the auto to your business from your personal side. This way you can get all the tax deductible benefits from your auto

that is now being used as a business vehicle. This also works for any asset in which you might have owned before you started your new venture, tools, trailers, equipment etc. Most people do not even know this simple yet effective way to reduce tax liability..

You want everything on your business side under the corporation so that anything negative that happens doesn't affect your personal side or personal credit. Do this even if some businesses require activation or startup deposits, it's worth it later plus you will start to create credit for your corporation. If you have to use your personal name for security on a note, find out if the corporation can still be listed and added to the contract. This will help you increase the corporation credit in the near future and allow you eventually to use only the corporation credit for notes and loans.

On your financials make all the information for the banker effortless for him/her to find and make it very nice.

- Get a 3 ring black or white binder to insert all your financials into.
- Use dividers or labels to list each section of the documents.
Example; 2004 individual taxes, 2004 personal bank statements etc. This shows how serious you are about what you're doing.

- Always give firm handshakes and look 'em in the eye. If you arrive early and the banker is not on time, leave and re schedule.
- Reverse psychology : The banker needs to be after you not you after them. Remember “ Money follows vision and not the other way around.” Write the Vision, Make it plain.

Financial Statement Development (Continued)

Assembling Your Financials (Continued)

Remember this: Most bankers operate on half bank rule and half instinct. They can make decisions if they want to but all the guesswork needs to be taken out leaving only facts. Bankers' facts are the numbers on the deals and information on those pages. If the numbers say yes, the bankers say yes. I've received loans from small banks when I had marginal credit based on these criteria alone:

- How I was dressed (which is always business dress).
- What I say about what I need and the way in which I need it
- My financials being packaged professionally
- Also having decent credit not poor credit.
- Confidence will come with experience, observe everything

When you sit in front of a banker with your financials everything should be there with no questions to ask. Also on the front of your binder make a page that has you or your company's name on it (example: HSE Inc. Financial Statements 2004) and slip that into the insert on the front of the binder ensuring that your binder doesn't get lost in the banker's shuffle and, is a constant reminder to him that you're waiting for an answer. If you have an appointment at a certain time with a banker be early this along with other positive gestures emits a positive message to the banker. When you're in their office notice your surroundings, does he like golf, or does she have kids, notice things so that conversation is interesting and not boring, this makes the banker feel like you're a real person and they will open up more about procedures. Be yourself and tell it like it is. Never lie or hide things. It's best to tell it all up front and let them decide to ask further. If not ask, don't disclose any info that was not ask of you. Sometimes bankers don't want to know certain things so learn to listen more and do less talking, most of the time they will tell you everything you need to know, then respond. When you disclose information that wasn't required it just creates more for you to prove and explain. Your not trying to hide anything but only answer what is asked of you and remember, be a fantastic listener.

Financial Statement Development (Continued)

Assembling Your Financials (Continued)

If you are reading this manual and you currently have no financial statements but you're trying to get started, get started right away. This section shows you how to create most of the financials yourself.

1. File your taxes, you need tax returns.
 2. Open a bank account. This is proof you are making money
 3. Open a business account using a "doing business as" (DBA) account.
- File your taxes even if you get paid cash. Paying your taxes shows what you make. You will never become an investor in real-estate and be effective at it unless you pay your taxes and create a paper trail and a sufficient track record.

If you file your taxes and have returns, bank statements, and other documents but don't have enough income from your job or business, the next volume Financial Statement Development goes into detail how to easily do 3-4 steps to increase your financials and your income on paper for loan purposes. Everything works off the same concept in the real estate game as it does like for instance in sales, it's all in how you present it. If you give a good presentation you get good results, if you give a bad presentation you get bad results. Most of the profits made from real estate are all in how you present it! Also before we go to the

next section Building Alliances you need to know about paper money and liquid money. Paper money are your financial statements, Tax returns and your books from your accountant. Liquid is actual cash in your pocket or in your possession. By the end of this manual I will show you how to have both, preferably more liquid than paper. If your net worth is in the millions that's great but not fantastic, what's great is having millions in liquid assets. Most investors miss and get caught up in this scenario, buying and maintaining more properties. This is fine if you are in for the long haul. There is one thing that differentiates investors one from another, Location, Location, Location. It's not how many properties you have it's more about location. Just having property in itself is a good investment but if you want more yield and performance you have to take in location. Look ahead to the future not only short term quick cash ventures. You need to be diversified and have both working in your portfolio. In this next session we will look into alliances with other business to solidify your corporations business presence in your area.

Building Alliances

In this section I'll teach you in a few steps why you need alliances and how to build them. These alliances with key associates are critical to your success in building your business. To build a successful business

you will need two types of allies; business and personal. They are both essential in moving forward in the real estate business or any business for that matter.

Business Allies

Be creative in this. Read the business section of newspapers. Find out where people are meeting, what they are doing. You have to network a little. Start talking up your business to people, hand out your business cards at least 10 cards a day. Put free ads on the Internet and start building an Internet presence also, get a website, 1and1.com has awesome and easy do it yourself websites that anyone can put together. If you do not have an Internet presence, your wasting time, energy and money. You are always one person away from that contact that you are looking for so keep moving!

Personal Allies

Talk to everybody, your family, and your friends. Let them know that you have started a business. Tell them to tell their friends. Ask them if they have any business associates; ask them to introduce you to them.

You should have at least two key allies for each of the following categories for your real estate ventures. The following is a list (not limited to just these), key allies you will need:

- a. Bankers; preferably small banks
- b. Loan Officers (Mortgage Companies)
- c. Title Companies
- d. Real Estate Agents
- e. General and sub contractors
- g. Appraisers
- h. Certified Home Inspectors

Building Alliances (Continued)

Why do you need at least two? When one is busy or not doing their job you always have a back up. Stick with the same people if they are doing their job; let them know that you're going to give them the business as long as they do their part. As they continue to hear your name and see you moving towards purchasing they will start to throw you a bone or two. If it's a Realtor they might tell you about a foreclosure that hasn't been listed yet or, tell you of a buyer for a property that you just purchased. I've experienced these and more by using the same key people over and over, and as you make them money and become a reliable source to them they start to look out for your best interest to protect theirs.

Also one other note, you need to treat your Realtor like the banker, don't let them know your weaknesses, make them think you have endless

resources to buy what ever you want because if they sense that you are just getting started sometimes they will not be as aggressive in showing you the good stuff right away. Always come to them with what you want and turn down anything outside of that. You have to stay in control and set all rules, the rules that govern whether you purchase or not. Use these same principles with the appraiser and the inspector and remember everyone's fees are negotiable. Also, the appraiser will give you more value on the appraisal if he/she knows what you're going to do in the rehab or renovation so, make a rehab list from your construction company invoices and turn it in when you order the appraisal.

Make the appraiser's job easier by faxing them an order form with all the information on the property. Normally they will already have these forms; just ask them to fax you one, and make yourself copies of it, do this with the title company or the closing attorney also. Whenever your deals go smooth everybody's job is easier and as they continue to see your name on order forms you get brownie points with them. Make impressions, lasting ones, remember their first names, get cell numbers when possible and if they have a Nextel and you have one key in their code make them feel like they're on a winning team, your winning team. Maybe buy them a dozen donuts for the office this always goes over good with them and their employees.

Credit and How to Use it to Buy Properties

This chapter deals with everyone's "challenge" 1) you have good credit but not enough or you don't know how much you have, 2) You have ok credit that needs to get better or, 3) You have no credit at all. Note: This program is designed for those just listed, NOT those with "bad credit". If you have bad credit, to use these proven methods you will have to first clean up your credit.

But, if you fit in one of the other three categories I will show you how to fix all three scenarios.

Good Credit

This section is for the people that have good credit but want more here are a few simple and easy steps to increase your credit score.

1. Payoff any debt that you've had over 12 months if possible. (As long as you've made payments for over 12 months you have sufficient payment histories. You may have to pull cash out of your home to do so but you'll definitely be paying a lower rate on credit cards and high interest items also, that note will show paid in full, paying off installment loans like (auto's or furniture) boost your score up. Paying off revolving loans such as (credit cards or store charge cards) totally can result in a negative or unproductive credit rating.

Credit and How to Use it to buy Properties (Continued)

Good Credit (Continued)

2. Credit cards: Do not totally pay your credit cards off; you will get a negative rating in most cases. It will show paid in full, with no lates but credit card payoffs affect your score to the negative. Leave a small manageable balance and continue to pay the small monthly payments at least for 12 months.

3. Avoid applying for credit in too many places. After 12 inquiries (credit checks) a month, your credit score starts to take a negative hit and goes down. Avoid trying to get more credit until your ready to use it.

4. Try to never co-sign for another party; this is definitely a way to get negative remarks on your credit.

Marginal credit

If you have marginal credit (a couple of lates) this is what you do.

1. Get credit where you can on smaller items and pay the payments on time, remember your working towards something bigger than that payment so get it handled. Normally a department store or a home improvement store (Home Depot or Lowe's) card with a low limit is best if your going to get credit, also get it in the area in which you're business is

going to operate. Lowe's or Home Depot accounts are highly preferable. The best scenario is that you have the money but you use your card so that at the end of the month you can pay the balance off or you plan to leave a small balance and just pay monthly payments until paid. Do that every month for 3 months and boom, your score just escalates. Remember it takes 3 months most of the time for good or bad credit to hit your credit report so be patient.

Credit and How to Use it to buy Properties (Continued)

No credit

You don't have many options but the one that works every time is to go and get a secured credit card, one that you have to put your own money in to start it. After you get one, go to the mall and visit a jewelry store. Buy something cheap like for \$200.00 and ask if you put half on your card can they finance you for the other half, in most cases they will probably finance you without your card but that's just a few examples of how to increase your credit score. Pay the payments for 3 months and there you go you just created a credit score. Now build off that.

Bidding- Realtor Foreclosure vs. Courthouse Foreclosures

To buy foreclosures from Realtors you must have in your possession a pre-qualified letter from a lender. You can't even bid unless you have this letter. Once you get it let your Realtor keep a copy on file so that when you want to put in an offer you don't have to run all over town to catch up with them to give them a copy. Fax and email paperwork as much as possible and avoid running errands all day. Be ready to give an earnest deposit check for \$500.00 to \$1000.00. Tell the agent to hold it as long as he/she can before depositing it. When you put offers on multiple properties this helps to stagger the outward cash flow. In most cases a Realtor can make a copy of the check and send that to the bank or the attorney that's holding the property. Before you close you will have to produce the money for the earnest deposit but always have the Realtor add the earnest in as a credit or tell banker to make your loan for the contract amount, plus the earnest deposit. Because when you get into buying like I do, you can rack up quite a bit in earnest deposits that you wouldn't get back other wise. This way you are sure to get back those deposits at closing. If you're asking why I'm encouraging going through a Realtor for foreclosures verses maybe scanning the local foreclosure hearings and notices out of the paper is simply so that you avoid wasting your time. I've tried it and on occasion you can get in on a deal, but if you really want to make some great consistent income and have control, keep listening and you will see the method to my madness.

For one, courthouse step properties are like going to the casino, it's a gamble and the odds really are against you. You never have access to go inside the property, you might look at it from the outside but on the inside could be nothing, no walls, no floor, it might be a 20 foot drop straight down, you wouldn't know. Also with the courthouse step properties give you no assurance of the title condition to the property like how many liens, judgments or lawsuits are against it. Unless you know how to thoroughly check the title yourself or before the bidding day, get the title work done and pay for it, you don't know anything in regards to the title condition. If you did have a good title and had a good house to buy you better be ready to come up with some cash, because you're going to be bidding against people that might potentially have more cash than you or someone who doesn't know any better. Most of the tax sales bring out the sharks and the guppies, meaning the heavy hitters and beginners. Some of these guys show up at tax sales with armed guards and a brief case full of cash. They plan to buy everything in sight. These guys drive the prices up because it's all about quantity to them. The more they buy the more they make so, they are out there to get it. The guppies are those who are trying to get something for nothing, dreamers who sometimes snag a worm but for the most part make it hard for you to move forward with your investment plans. Don't be discouraged, you can still get some deals but like I said, it depends on you, whether you want consistent profits or one here and 8 months later one there.

Bidding- Realtor Foreclosure vs. Courthouse Foreclosures

(Continued)

Another downside is you have to pay for all courthouse sale properties with cash. They don't take checks, money orders or cashiers checks and your bank won't loan on these because you have to bid first and you really don't know how much your going to end up paying for the property and neither does your bank. The only way that a bank would fund you on something like this is if you put your own home up as collateral and get a line of credit to draw from. But seriously who has time to do all of that, spending weeks looking through the paper, driving around looking at the outside of the properties only, spending a whole day outside on the courthouse steps and still possibly ending up with nothing because you got out bid by some one who had guppy syndrome. Don't waste your time unless you just have time to waste. Also in regards to the Realtor; make sure when you bid on any property to waive the inspection period, it gives you an edge on getting the bid over others. Learn to inspect the property yourself. If you took my advice, you may have already obtained your home inspectors certification and can inspect the property yourself or you have watched someone else inspect a property and have a clue about how to successfully do one. If not, have your first few properties inspected by a certified inspector, watch everything he looks at and ask questions, you'll get first hand experience and after those are done you can inspect the others yourself. Use this same concept with other things;

don't just hire people to do everything for you, watch them so that at worst you at least know how they do it. These skills come in handy so that if you have to use a different person or company they can't pull the wool over your eyes because you already know what to expect. The more you learn from watching people that you hire, such as Realtors, inspectors, construction personnel, the more it broadens your experience and knowledge and, it's free.

Knowing Your Investment Plan of Attack

Now let's start really getting into it. Having a diversified portfolio in the stock market is going to be the key to success in the markets; well it's no different in the real estate game. There are four major sectors of residential real estate for you to use and manipulate to your advantage.

1. buying and renting,
2. buying fixing and flip
3. Buy fix and Lease to own
4. Buy, fix, lease to own, refinance and hold.

You can use one and be successful but when the economy changes, and bankers policies change you have to be ready or diversified to handle the unexpected. And then there are money trends you need to know about also. To give you an example, in Kansas City where I'm from, when I first started out I thought the game was pulling some equity on the purchase then renting, then the bank that I dealt with changed lending policies right in the middle of my momentum, that's why in the previous chapters I talked about having two of everything like two bankers. Anyway to make a long story short the

bank said they couldn't give me the rehab (fix up) funds up front anymore and that I would have to do construction draws, also that they couldn't lend me any more money because I already had six properties going at the same time. Man, just as making huge profits on the front started, the bank stopped it; so I could either be a cry baby or find another way to get large sums of cash. Now listen up this is a major factor, because I bought these properties for 50-60% of their total value and I still had mega room for an escape route if needed. I'll talk more in detail about having options built in when you buy so that you can always bail if you have to, but right now let's go back to having a diversified portfolio. Now, the Real Estate market was hot because of section 8 government funded renting, investors were all over me to sell them the properties wholesale. Well, because of purchasing under the market value which is the key, and mostly in the inner city where the real estate gold mines are, I sold them wholesale, why? Because I could, for the most part I didn't have anything to lose, I had already made my profit on the purchase or on the rehab. I know you're wondering how to do that so I'll tell you. In most cases it's simple it's a matter of paperwork and knowing that you can do it. It took me 2 years to find out how. After you get the bid on the house and your offer has been accepted by the seller, that's when you get to work.

Knowing Your Investment Plan of Attack (Continued)

After you have located the property, successfully bid, and have a contract signed on it and know that your bid was accepted, order your appraisal and get that process started because it will take about 3-4 days to get the appraisal finished and to your bank, next the seller will have title work done for you if you bought through a Realtor, so make sure that they get the correct information for your bank so there's no delay. Make sure that your Realtor has your bank's fax, phone and email. As the process goes, you will have to check on everyone to make sure their doing there job, it comes with the territory, time is not on your side and if your time is wasted it means your money may be also. Now, your banker already knows you're rehabbing the property, that's why you're there now, on your construction company invoice that you made from your computer program, compile your repair invoice for the property. If you don't know what to charge for each item don't worry, while the bank is preparing everything for the purchase cost, you are preparing the repair list. The first draw will be simply for the cost of the property and closing costs. Most banks that offer these loans only charge you 1 point origination which equates to 1% times the purchase price, the appraisal, inspection, and title company fees, the Realtors fee is taken care of by the sellers side if it's a foreclosure and should not be on the your side of the settlement statement. You want to make sure that you do not hire a

Buyer's agent but go through a REO Realtor who mainly specializes in foreclosure listing. They normally get paid a flat fee by the seller which will be the financial institution that took back the property. Always review settlement statements before signing off on them, one entry in the wrong location could mean a two week delay for you or a loss of profits. Call around to local papers like, the Thrifty Nickel, cheap or free publications, and find 3 or four rehab or home repair guys. These guys are everywhere, I even find them buying supplies at places like Home Depot or Lowe's so just get a card from them and don't worry. Have them go to the property to bid on everything that needs to be done. Once you receive their bids everything you need to put on your list to the bank, was just done for you at no charge. After you get the bids, average them out and adjust certain things that sound high to get your bid on your construction company invoice to be in line with what you want to have in the house verses what its worth. For example if the properties sales price \$30,000 and it's worth \$80,000 when complete but you have a bid from a subcontractor for \$50,000 that's no good, the contractor just ate up your profit. You either find someone else to do it a lot cheaper or get that guy to come down in his price. Normally you can get any (individual) subcontractor to come down between \$5000- \$10,000 just by telling them what you intend to spend on the project. Tell them you only have \$15,000 to do the work with and see what they say, you'll find one that will do it trust me. On most properties I only spend \$10,000 – \$15,000

because laborers are everywhere and need work, the market is perfect right now for lower than average labor cost. Also you can find out from any Realtor what an area's comps are or average values of homes sold before you bid. This way you'll start to get a feel for what certain sections of town are roughly worth. Normally it depends on previous sales, how many bedrooms and if any, how many updates were done.

Knowing Your Investment Plan of Attack (Continued)

Of course you would know before you bid what the comps are for properties you're looking for so before you get this far you would have already known that, let's use an example of \$80,000, what the average property has sold for. This is very important, your appraiser will probably ask if you want a "subject to" appraisal" or an "as-is" appraisal. You always want a "subject to"; this means that subject to the rehab being complete that the house is worth the appraiser's amount of \$80,000.00. For your banker to loan you whatever percentage they loan on these kinds of loans this makes the difference between you making money or not on the front why? Because, most banks only loan at tops, 80% of the appraised value so in this case they will loan you \$63,000, now hopefully if you bought the house at the 50-60% of the value like I've done on all my deals, some even more, you should have only paid at tops \$30,000 for the property in question now, add in closing cost and fees and you should have roughly \$31,000.00 in it so far if, you are using a small bank

if you are using a mortgage company your fees will be much higher, between \$3000.00 - \$5,000.00. Here's the best part, this is where you come out on top of the game, take the estimates and change them to higher if the bids you have are lower or change them lower if all the bids you have are higher to match with what you have to have in the entire property after the rehab is done and after you get your general contractor fee, everything included. Now after reviewing your numbers fax your construction invoice to the banker, everything on the estimate should be priced at the retail cost even though your crews are doing it at wholesale, that's between you and the construction crew. If your banker does these loans on a regular basis, by looking at the numbers he won't question the invoice as long as the property cost and the rehab equal the LTV or loan to value. In this case it does, at 80% your good. Now I can't control or know if your banker will say, you will have to use construction draws or if he plans to just give you the whole check up front at closing. More than likely he's going to tell you construction draws, which are fine. Just to let you know he might even tell you that you have to put up money for the materials, then when your crews get done with that section, bring in the invoices and he'll pay them this is fine also if you have to, you'll get your fees as soon as that section of the rehab is done.

Knowing Your Investment Plan of Attack (Continued)

I always negotiated with the banker to break each section of the rehab down into a couple of sections and give me a draw for a combination of things instead of one thing at a time. Remember, if you have to go this route consider yourself a General Contractor, this is a part of having a diversified portfolio. Some good tips on how to get more money upfront from the draws are to list all the big items first on your invoice. These are things that a general contractor would do first anyway like, always list the roof if it needs one; the roof protects everything else under it. On a roof job alone, the general contractor (you) should make 30% of the cost of the repair. You're probably saying great but how is this possible? Here are some good tips on how to get more money upfront from the draws, there are two reasons why you're going to make 30%, and one is because you're going to find a crew to do it for the other 70% or cheaper so you can make the other 30-40% as your general contractor fee.

There are guys everywhere, just drive to any inner city Home Depot and hang out at the front door talking to guys who look like there working and you'll have a crew of your own in less than 30 minutes. These guys know other guys who want to make some money. How do I know, because that's how I found my crews, go to places where they go. At times I found guys who could paint and do odds and ends just waiting at the door looking for work. Most of the time and I know this sounds crazy but

I never paid any more than \$1000.00 to paint the whole exterior of a three bedroom house with two colors, that's with paint and labor, normally this would cost \$2500. Now just to give you an example of what you just made from just the roof portion, the roof for example on a 3 bedroom 1100 square foot home to tear off and replace should cost retail about \$5000.00. Well that's what your invoice estimate was to the bank but out of that you just made \$1500.00 for being the general contractor because you had already negotiated with the roofers for them to do the job for \$3500. And all you had to do was find the guys, right up a contract with them for the work to be done and the price and you made \$1500.00 now, here comes the sweet part, you may have 10 other sections on your invoice on this particular property, and even if you only made \$1000.00 per section from being the GC on your own projects, you still make \$10,000 dollars on the FRONT! This is profit made before the retail sale of the property or before you rent or lease the property. Builders build homes not just to sell them but for the profit on the front from being the GC or general contractor. New home retail sales make the builder a profit margin of only 7-10%. You ask why? Because they make more actually by buying the land, clearing the land and building the house on the land. The details on how to become a developer and how to become a builder will be in the next "Make Your Profit on the Front" manual.

Knowing Your Investment Plan of Attack (Continued)

As you keep finding other crews to do the other sections, your project gets done quicker making your general contractor fees come in faster and at 30% of the rehab going to you, on this particular project, you just made \$9000.00- \$10,000, in your pocket, the key is in the rehab or the renovation which ever one you call it. We haven't even talked about what additional profit you'll make when you sell it or lease/option the property. Implementing a lease/option agreement will allow you to profit further by charging a down payment for the property plus the amount made over your payment. This also includes the tax write off you'll receive from the interest on the note and maintenance which will also be done by your company. Now that was just one scenario, I've always managed to make \$10,000 to \$15,000 and the occasional \$20,000.00 and in some instances \$30,000 plus just from being the general contractor on my own purchases. After the rehab I usually make between \$5000.00-\$13,000 selling it to a home buyer or leasing it and then refinancing it to pay off the construction loan while pulling out some equity. (On the "re-fi", the lenders normally loan on investment properties higher LTV'S depending on your credit score).

After the construction loan is paid off you just keep repeating the process. As you get more experience and credit you will be able to buy multiple properties within the same time frame and double or triple your revenues like I've done. Now you're on to something. It's up to you how far and how fast to roll it. Easily create \$10-20,000 per month with this method used by me personally.

Building Wealth Instead of Chasing It

Now back to the project at hand. Don't let all the hype of buying notes and so called buying real estate with no money or credit cloud your focus, those are good, and some times work when applicable. I've been there and done that and have always had more consistent cash flow, higher yields, and I don't know about you but, the tax deductions from owning some properties might be in itself worth it for some of you. The reason why you always see those guys on TV filming their infomercials from some beach or some boat out on the ocean is because they're selling more books than properties. The real estate game is a good one. It has been since there's been land. There's nothing now that hasn't been done in one form or another already. Have you ever noticed that when you see those infomercials that they never have a book that tells you how to set up your business or that capital gains taxes from flipping properties can come back to destroy you if you don't know it exist. These basic real estate principles and procedures that I'm sharing with

you are actual, not if all the pieces did some how come together by happenstance. Let's use the proven way, how it really works. The hype is already there, and that's the opportunity to use these tools to consistently build wealth, I didn't say millionaire, the magic word that makes people go buy the tapes, cd's and seminars, the term used was wealth building. Let me give you an example. If you own a home now, your already building wealth, buy the time you pay off your home the value of it will in most cases triple. As you pay it down the spread becomes wider. The home you use for shelter and where your kids grew up is now worth thousands more than when you began to pay for it, for example, my grandmother lives in a duplex that she and my grandfather bought back in 1940, they paid \$12,000 for the place back then, and that was a lot of money then, now, that same place that's older and that has been used for 65 years is now worth \$100,000.00. Now that's building wealth!

Building Wealth Instead of Chasing It (Continued)

Just think if you multiplied that scenario times 20 or 30 properties you'd be worth \$3,000,000 because by then your tenants would have paid the notes off for you and you children and their children would have a better start in life than we've had. That's wealth building for the future. I'm going to teach you that and wealth building for the present. Through this next series of manuals by the time you're done you're going to have an

overall view and knowledge of how to go out, do, and be successful in the real estate game.

Flip or Not to Flip

Flips; you've heard the term and thought "Man, why is everybody saying that word?" It's because it's the latest buzz word for saying sell fast or selling without doing any fix up like wholesaling. Basically you're just quickly selling the property. I mean if I were selling anything I would want to sell it fast anyway. Now there's two ways of selling things fast, whether its properties, cars or anything for that matter; and they are

1. Buy it right; thus having room to move it cheaper and hopefully faster or;

2. Sell cheap and lose money on it because you didn't buy it right.

I'll give you plenty of tips about this one because it's not cut out for every one. Once you've gotten the concepts on how to approach real-estate investments from covering all the material in this book, you will have a pretty advanced idea of how this can now work for you. Flips I will tell you can get you into a little trouble if you're not careful, and I'm sure your asking how? Well for example, if you do buy the properties right and you have an end buyer and for instance one year you flip 5 properties, and let's say you made a total of \$50,000 off all the transactions, well at the end of the year Uncle Sam is going to want his 24- 30% of that profit you just made you and him. That's right, up to 30% of what you made which is called (capital gains) can come back to haunt you if you hadn't read

this first. Most investors don't think of this until it's too late, like after you spent the profit on things through the year and now you don't have the cash to pay your capital gains tax which in this case could be \$15,000.00 or 30% of what you made. There are a couple of ways to offset that:

1. Owning properties that you plan to keep for the long haul and use the interest and maintenance as write off.

2. Pay Uncle Sam along the way. Monthly or quarterly based on estimates.

3. Donate your estimated capital gains to a 501 C 3 Non For Profit Charity and get a Tax Credit against what your going to owe Uncle Sam. (Redirect tax dollars legally to aid others)

Using the entity that I had you open up as a construction company earlier in the book was to help shield you from some of the tax liability. By doing it this way, the properties that you just flipped (even if you really didn't have to do any work to them) have your construction company perform inspections on the property and charge yourself the bill or go over some ideas about what you plan to sell the property for with your wife or business partner and charge yourself a consulting fee from your entity, it's perfectly legal, just think, if you had a consultant or an inspector go to property to give you reports about that property, would they do it for free? You get the idea.

Of course not, they will be sending you the bill. So instead of doing that, your personal construction company will bill you personally for any services rendered, and at the end of the year your accountant will deduct those expenses from each properties profits and save you some money from the capital gains tax. It may not get you out of all of it but it will significantly reduce your liability.

Lease to Own/ Option

Lease to own... my hero, why? Because it's the best thing since running water. On a lease to own, you are giving the occupant ownership even though they are not the owner, let me further explain. The agreements that I currently use state that I am basically leasing them the property for a period of let's say 3 years with the option to own it after the entire note is paid. Basically how it works is they pay my payment plus the taxes and insurance plus \$200 - \$300 over my payment as my profit for financing them. The best part is they are responsible for all repairs and that includes maintenance as well. One of the other number one reasons to "lease to own" is because you also collect a down payment for the property, in most cases if the property is a pretty nice one I've charged up to as much as \$15,000.00 down. Now let me explain something the, \$15,000 down is **non refundable**, also when I give them the sales price on the option portion which comes after the lease period

it's always \$15,000 to \$20,000 over what I owe on the property and I do that for two reasons:

1. The down payment from a lease to own agreement is pure 100% profit, when they give you the money down you simply deduct that from the balance owed but remember you have already marked the property up \$15 - \$20 thousand over what you actually owe.

2. The down payment becomes your pocket money and you let the tenant pay off the rest of your loan while you still earn monthly income over your payment, all the while you have no maintenance or upkeep. I personally don't even go by the properties anymore unless their payment has not been made. As long as you have insurance on it, don't worry about it. If for some reason they don't keep up with the payments and you have to evict them, you've already been paid up front, just get them out as soon as you can, go clean the property up and do another lease to own and do it all over again. You might make more off the property on down payments than anything else. Just for the record, a property that I still own has had two "lease to own" tenants in it all in the same year. The first person after putting down \$5000.00 cash stopped paying her payments and I had to evict her, it took about 2 months to get her out but right after the property was cleaned up and available the second tenant came in and also put \$5000.00 down. Well as it's turned out she is still in there and the payments are coming in on time and every thing's fine. So in one year I received \$10,000 in cash just in down payments, not to

mention the \$200.00 per month over my payment I receive as positive cash flow. This one scenario has nothing to do with the money that I had already made off the property when I bought it or what I just put in my pocket after refinancing it this winter. In all just to give you an example, over a 2 year period I have personally made over \$40,000 off this one property while someone else is paying the note. This is what can be done if you just follow the information contained in the manual. Having options available is the key, if you do not know that they exist, you will be limited to only what you know. Remember, "Uncommon efforts result in Uncommon yields."

Wisdom from the author:

Please listen and listen good, through all of my business endeavors losses and gains I will never be able to give better advice as to what I have to say right now. It's ok to make lots of money but as I know all too well that if you do not have a purpose for the resources that you are a manager over like, investing into other people, helping those in need etc, there is a good chance that the power of money can and will take you out. The LOVE of money has a way of deceiving you into believing even, that you do enough to help others when in reality, you don't. Remember, life is not all about you or me, it's about God first, others second, and yourself last. With that combination you can't lose!

Remember that **THE LOVE OF MONEY IS THE ROOT OF ALL EVIL**
Timothy 6:10.

Don't create an Idol or a False God by lusting after money. Life is so short and has more things to enjoy than just money. Sometimes we can focus so much on material things that we forget about everything else. It becomes the whole focus of our existence. If this is you Beware!

If you want to be prosperous financially read the verse below.

Luke 6:38

Give and it will be given unto you; good measure, pressed down, and shaken together, and running over, shall men give unto your bossom.

In Genesis 1:26, God gave us dominion over the earth not it over us.

For Personal consulting services just contact me at

info@bigrealestateprofits.com

