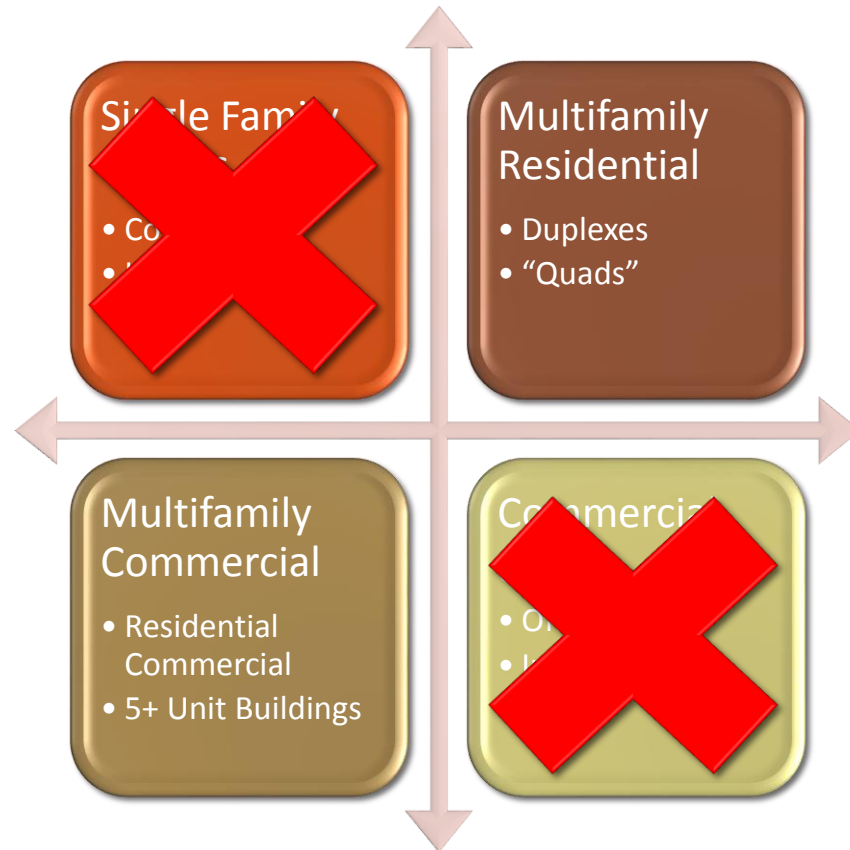


AN AMAZING STRATEGY FOR REAL ESTATE INVESTING

Presented By: Monica Main

Asset Class Options



Steps to Do This...

Select a Preferred Asset Class

- You Can Choose UP TO TWO (i.e. Residential Multifamily or 2-4 Units and Small Residential Commercial or 5 to 12 Units OR SFRs and Residential Multifamily)
- You Could Even ADD MHPs to the Equation, Focusing on 5-24 Unit Apartment Buildings and MHPs in the SAME AREA

Select a “Farm Area” ANYWHERE in the Country that CASH FLOWS By Doing BASIC Research

- You Are Limiting Yourself to ONLY ONE Area in Which to Build Your Passive Income Real Estate Empire

Find Out **EVERYTHING YOU CAN** About Farm Area

- Average Rents for Units
- Crime
- Requirements for Section 8 Housing



Step 1:

Find Cash Flowing Properties

Consider Several Areas

Look at LoopNet.com in Every Area PLUS Surrounding Cities As Shown on a Map

How Close is There to 50 Multifamily Listings (Including Surrounding Cities) in the Area?

Run the Numbers on As MANY Properties That Fit Within the 5 to 24 Unit Criteria (but You CAN Go Larger)

If MOST of Them Cash Flow By Shaving 10% to 15% Off the Asking Price, You're Golden!

If Not, Keep Looking!!

You **DO NOT** Want
0% Occupied Board-Up
Properties in Need of
Total Rehab!!



Start a New Search

Refine Your Search

Polygon Search

Draw Polygon

Price Range (USD)

0.00 to

Total \$ \$/SF \$/Acre \$/Unit

Building Size (SF)

0 to

Keywords

Property Types

Select All

- Multifamily
- Office
- Industrial
- Retail
- Land
- Agricultural
- Hotel & Motel
- Senior Housing
- Health Care
- Sport & Entertainment
- Special Purpose

0 Selected Watch Properties Create Report

Sort | 1 - 20 of 53 listings (47 bds)

Spotlight Listings - Receive Top Placement



Camelot Sky 31
Detroit, MI

Price: \$500,000
Building Size: 30,000 SF
No. Units: 31
Property Sub-type: Garden/Low-Rise

Project Code Name: Camelot Sky 31 By far the best "lost" treasure hidden from view in Detroit. Fabulous Designed Luxury Apartments from the...

Fulfills First Criteria of 50 Listings

Premium Listings - Receive Priority Placement



Sheridan Court Apartments

Detroit, MI
Property Description: Multi Family - 91 Units-Utilities included in Monthly Rent -Gas Stoves & Refrigerators -Wall to Wall Carpet -24 Hour...

Price Not Disclosed
53,700 SF Bldg
91 Units
Mid/High-Rise



2 Units Only \$3,900

Detroit, MI
Duplex only \$3,900.This property is located at 4708 30th Detroit MI 48210. Its a Duplex built in 1910.. This is a recent foreclosure. Proper...

\$3,900
3,000 SF Bldg
2 Units
Duplex/Triplex/Fourplex



La Salle Apartments

Detroit, MI
Income Property Organization is pleased to announce the exclusive marketing of the La Salle Apartments, which consists of 27 units, and is l...

\$322,000
22,449 SF Bldg
27 Units
10.42% Cap Rate
Garden/Low-Rise



Worthfield

Detroit, MI
THIS OFFERING IS BEING MARKETED ON A PORTFOLIO BASIS; HOWEVER, THE SELLER WILL CONSIDER INDIVIDUAL TRANSACTIONS. Income Property Organizatio...

Price Not Disclosed
13,923 SF Bldg
27 Units
12.02% Cap Rate
Garden/Low-Rise

16 Unit Apartment Building - 11178/11180 E. 7 Mile

Multifamily | **\$269,000** | 16 Units | 10,500 SF

Watch Property ▾

Get Alerts

Contact

Expenses per year:

Taxes

- Summer. \$6,041
- Winter. \$721

Utilities

- Gas. \$6,000
- Electricity. \$800
- Water. \$6,000

Property mgt. \$14,400

Trash pickup. \$860

Building insurance \$7,153

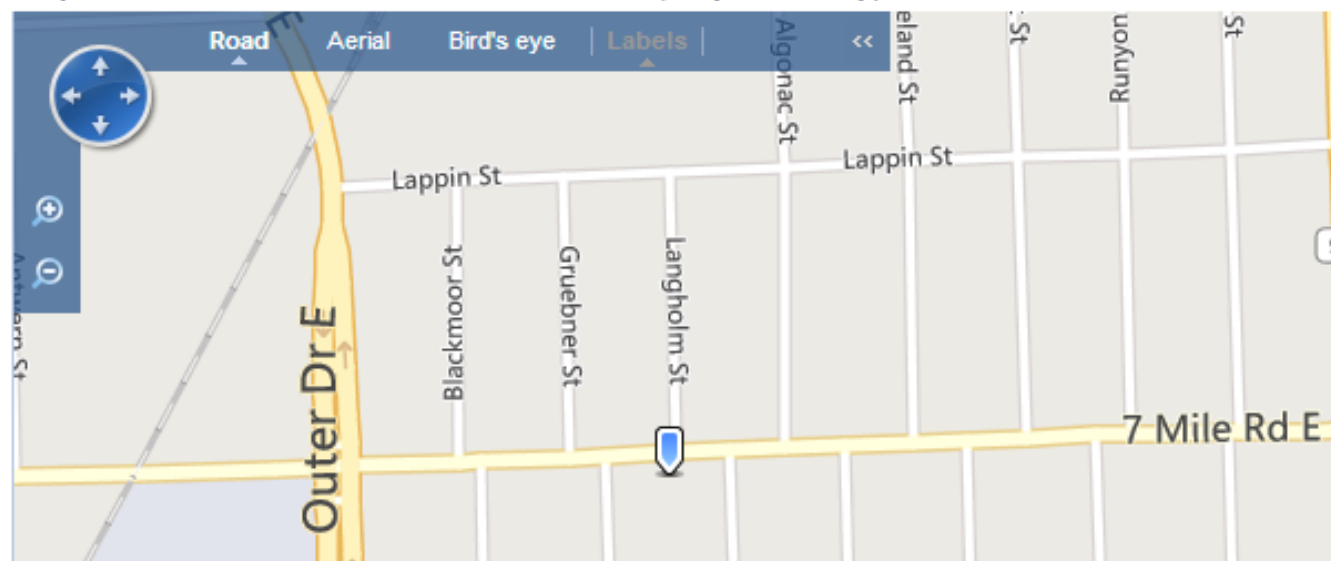
TOTAL EXPENSES: \$41,975

NET INCOME: \$21,625. (Based on 75% Occupancy)

Located on East 7 mile road, close to freeways I94 and I75, between Hoover Road and Outer Drive.

Map of 11180 E. 7 Mile Rd, Detroit, MI 48234 (Wayne County)

Hide Map





Net Operating Income (NOI)

Purchase Price	\$250,000	
NET OPERATING INCOME	\$21,625	
- Annual Debt Service	\$13,627	
- Funded Reserves	\$0	
- Leasing Commissions	\$0	
- Capital Additions	\$0	
= CASH FLOW BEFORE TAXES	\$7,998	ANNUAL
	\$667	MONTHLY

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- Not Great But At Least It's a POSITIVE Cash Flow
- This is AT a 75% Occupancy
- This is Assuming You Can Get the Property at \$250,000
- Change Elements to See How It Can Cash Flow Better by Lowering Price and Curing Occupancies

Description

16 unit apartment building built in 1968. New windows, updated roof and most apartments have newly remodeled bathrooms. Located on East 7 mile road, close to freeways I94 and I75, parking lot at back of building. Laundry facilities on-site and storage space available. On-site property manager.

12 one bedroom units and 4 studios. One bedroom apartments rent for \$500/month and studios rent for \$400/month. Property Manager lives in a rent-free studio.

YEARLY OPERATING STATEMENT

Income per year:

Based on 75% occupancy (9 one bedrooms and 2 studios occupied)

TOTAL INCOME: \$63,600

Expenses per year:

Taxes

- Summer. \$6,041

- Winter. \$721

Utilities

- Gas. \$6,000

- Electricity. \$800

- Water. \$6,000

Property mgt. \$14,400

Trash pickup. \$860

Building insurance \$7,153

TOTAL EXPENSES: \$41,975

NET INCOME: \$21,625. (Based on 75% Occupancy)

Located on East 7 mile road, close to freeways I94 and I75, between Hoover Road and Outer Drive.

Check Out Description and Start “Building” Your CFE

Anything You Don’t Have to Build With, “Fill In” Based on Prior Properties in Area

You’ll Get to Know Average Rents, Expense Ratios, Etc.

Gross Operating Income Calculator (complete only one section)

Enter Gross Rent (if already known, otherwise leave blank):

\$91,200

Office / Retail / Warehouse

|OR|

Multi-Family / Apartments / Mobile Home Pads

Rentable Square Feet:

10000

Average Annual Rent / Square Foot:

Annual Total:

Monthly Rent

Annual

Apartments	# Units/Pads	Per Unit/Pad	Rent
Studios	4	\$400	\$19,200
1/1	12	\$500	\$72,000
2/1	0	\$0	\$0
2/2	0	\$0	\$0
3/1	0	\$0	\$0
Other			
Total Units:	16	Total Rent:	\$91,200

Income

ALL FIGURES ANNUAL

Gross Operating Income

\$ Total

\$ Sq Ft.

91200

9.12

+ Other Income (i.e. Laundry, etc.)

0

Total Gross Operating Income

91200

- Vacancy & Credit Loss

5%

4560

0

- Other Losses

0

= GROSS OPERATING INCOME

86640

9

Expenses

G99 fx 2.5%

Licenses and Permits		\$0	0.00	0%	0%
Advertising		\$0	0.00	0%	0%
Supplies		\$0	0.00	0%	0%
Contract Services: Trash		\$0	0.00	0%	0%
Lawn Care		\$0	0.00	0%	0%
Landscaping		\$0	0.00	0%	0%
Snow Removal		\$0	0.00	0%	0%
Misc		\$0	0.00	0%	0%
Other (or "Lump Sum")		\$41,975		46%	
Replacement Reserves	2.5%	\$2,166			
TOTAL OPERATING EXPENSES		\$44,141	4.41	51%	100%

Net Income

NET OPERATING INCOME	\$42,499		DCR
- Annual Debt Service	\$10,902	<ul style="list-style-type: none"> • Lowered Price • Increased Occupancy • Yes, It Cash Flows! 	3.898
- Funded Reserves	\$0		
- Leasing Commissions	\$0		CAP Rate
- Capital Additions	\$0		21.25%
= CASH FLOW BEFORE TAXES	\$31,597		
	MONTHLY	\$2,633	

Financial Indicators

Cash On Cash Return	Gross Rent Multiplier	Operating Expense Ratio
67.81%	2.31	50.95%

Cash Flow Analysis Success

At Least 5 Out of 10 Properties Cash Flow (Either Walking In Which is PREFERRED or On the Proforma After Vacancies Are Cured)

There Are Ample Properties to Put Offers In On

Many Fit In the 5 to 24 Unit Range (But Can Go Higher IF the Price is Right)

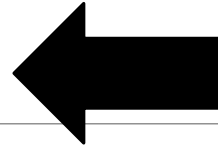
No Major Rehab, No 10% or Below Occupancy

Congratulations, You Found Your Area!!

Step 2: Structure the Deal (Financially)

100% Owner Financing

- Short-Term Lease Option with Land Contract



A True No-Cash-No-Credit Deal

80/20 Conventional Funding

- Requires Seasoned Occupancy of 85% or Higher

60/40 Hard Money

- 60% Hard Money, 40% Cash Down
- Interest Only
- Any Occupancy, Usually for Underperforming Properties

60/30/10

- 60% Hard Money, 30% Seller Carry, 10% Cash Down
- Any Occupancy
- Interest Only

~~90/10/0~~

- ~~90% LTV, 10% Cash Down~~
- ~~Requires Great Personal Credit~~



Only For Commercial-Commercial

85/15 Local Conventional

- 85% LTV, 15% Cash Down
- 85% or Higher Occupancy

100% Owner Financing

(Now Called a “Short-Term Lease Option”)

Owner Acts as “Bank” in a
Private Mortgage Contract (PMC)

MLA + ~~Private Mortgage~~

No Escrow, No “Closing”

No Legal ~~Ownership~~

Or So I Thought...

Then My Attorney Explained
Something Critical to Me...

Land Trusts DO Give You
100% Legal Ownership of a
Property



No Appraisal Needed

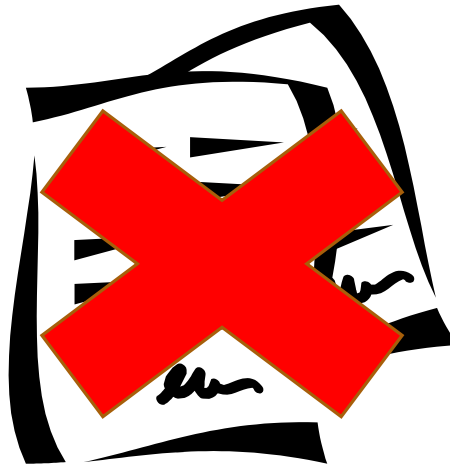
Balloon at Term End of Private Loan Term

IMPORTANT LEGAL TIP:

Put Property in a “Land Contract” or “Land Trust” Through a Licensed Attorney WHO KNOWS ABOUT LAND TRUSTS in the State Where the Deal is Located

Good News!

**There's No More Need for an
MLA (Master Lease Agreement)**



Why Land Trusts Are Freaking Awesome...

- Privacy of Ownership, Nobody Knows Who Owns the Property (Ultimate Asset and Liability Protection)
- Easy Transfer to Others Including Family
- Avoid Probate Which Generally Takes Years
- Allows for “Multiple” Ownership, Making It Crystal Clear Who Gets/Owns What Even If the Current Owner/Seller is on the Mortgage Paper/Loan
- **And Perhaps the BEST PART:** Alleviate Massive Amounts of Recourse Loans from Your Personal Credit Report...*Yes, You CAN Do This!*

But How??



Let's First Talk About the UMBRELLA

LAND TRUST

Before Setting Up a Land Trust, You **MUST** Have Your Umbrella Entity Set Up!!



S Corp or LLC in Your HOME STATE

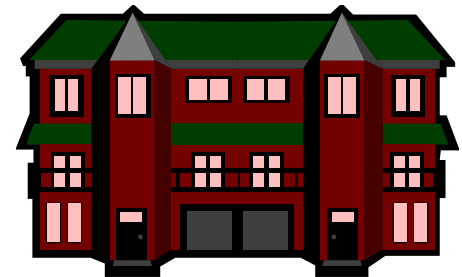
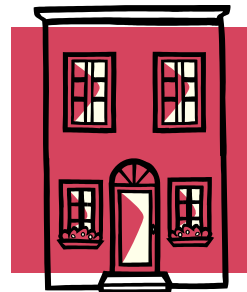
LLC REQUIRES 2 MEMBERS

Member 1: You
Member 2: Your Umbrella Entity

For an SFR Investment **AND** Your Own Personal Home...

LLC #1 in State of 1st Property Deal

LLC #2 in State of 2nd Property Deal



When a Property with a Recourse Loan is Put in a Land Trust...

You Are No Longer the “Owner” of the Property; You Are Merely a “Beneficiary”

If You Put the Land Trust Under the Umbrella Entity, “YOU” Are Not Even the Beneficiary; Your Umbrella Entity is the “Beneficiary” and You Can Be the “Director”

Regardless of Whether You Signed a Personal Guarantee (Recourse) Loan Doc, Your Legal “Ownership” is No Longer (on Paper)

Once the Deed-in-Trust is Filed/Recorded with the Grant Deed Office/Court, You Can Then Take Actions to Remove the Loan from Your Personal Credit Report

- **The Actual Trust Agreement (TA) is NOT Filed; It Stays in Your PERSONAL Files ONLY!!**

It Starts With Getting Stamped Court Copy of the New Grant Deed or Deed-in-Trust Then Sending a Copy to EACH of the Credit Bureaus Stating That the Information They Have On File is INACCURATE; The Loan Must Be Removed

You Can Do This for SFR Investment Purchases

How a Seller is Protected

- **Better Than a Run-of-the-Mill Lease-Option for the Seller**
 - **Where Tenant Gets Immediate Right/Vested Interest in the Property**
- **When a Seller Creates a Land Trust for a Buyer, the Trust is Structured to Keep Buyer from Vesting (Taking Entitlement) Until Equity Has Been Built Up**
- **Ownership on Public Record Remains the Same Until Title is Transferred Through Escrow or Attorney**
- **Seller No Longer Has Any Property Liabilities as Merely a “Beneficiary”**
- **Allows for a Seller to Sell a Property That, Perhaps, Isn’t “Seasoned” Enough or is in an Impossible Assumable Loan**

How the Buyer is Protected

- Seller **CANNOT** Sell the Property to Anyone Else or the Title Will Come Back “Clouded” or “Encumbered,” Disallowing the Close of Escrow for Another Party
- Since You Will Take Over the Payments on the Loan, You Will NOT Have to Worry About the Seller Foreclosing (Provided That YOU Make All the Payments On Time)
- Each Party is “Locked” Unless Changes Are Made (Based on It Being a “Revocable” Trust), Protecting the Buyer From a Seller “Changing His/Her Mind” on Selling the Property

How It Works...

Seller Deeds the Property to a Land Trust

Seller is the Beneficiary; Never Become a Co-Beneficiary Due to Liability Purposes and Privacy Exposure

You (the Buyer) Is a “Director” of the Trust

- **“He Who Holds the ‘Power of Direction’ of the Trust Holds the Power of the Trust’s Destiny!”**
- **In Many Cases, the Beneficiary is Also the Director – But NOT in This Case**
- **The Seller is the Beneficiary and YOU (the Buyer) Are the Director**

*“But What About the ‘Due-on-Sale’
Clause with the Lender?”*

Garn-St Germain Depository Institutions Act of 1982

**This Act Specifically ALLOWS Someone to Place a Property Into a Trust
WITHOUT Triggering the Due-on-Sale Clause As Long As the BORROWER
Remains the Beneficiary**

This Means that the Borrower is an LLC, the LLC Must Be the Beneficiary

**The Trust MUST Be Revocable and
CANNOT Convey the Rights of the Tenants on the Property**

LAND TRUST AGREEMENT

THIS LAND TRUST AGREEMENT is made this ____ day of _____, 20____,
by and between

_____, Grantor and Beneficiary,
(hereinafter referred to as the "Beneficiaries", whether one or more), and

_____, TRUSTEE of the _____
LAND TRUST (hereinafter referred to as the "Trustee", which designation shall include all
successor trustees).

WHEREAS, the Beneficiaries are about to convey or cause to be conveyed certain real
property to the Trustee, and

WHEREAS, the Trustee has agreed to accept such conveyance and hold the real property
in trust under the terms and conditions set forth below.

NOW, THEREFORE, the parties, intending to be legally bound hereby, agree as follows:

1. **TITLE.** The trust created by this instrument shall be known as THE
_____ LAND TRUST.

2. **OBJECTS AND PURPOSES OF TRUST.** The purpose of this trust is for the
Trustee to take and hold title to the property conveyed to the Trustee and to exercise the same
until its sale or other disposition.

The Trustee shall not undertake any activity which is not strictly necessary to attainment
of the foregoing objects and purposes, nor shall the Trustee transact business within the meaning
of applicable state law, or any other law, nor shall this Land Trust Agreement be deemed to be, or
create or evidence the existence of a corporation, de facto or de jure, or a Massachusetts Trust, or
any other type of business trust, or an association in the nature of a corporation, or a co-
partnership or joint venture by or between the Trustee and the Beneficiaries.

3. **TRUST PROPERTY.** The Beneficiaries are about to convey or cause to be
conveyed to the Trustee in trust certain real property as described more particularly in Schedule
"A" attached hereto and made a part hereof. This property, together with any property later
added to the trust, shall be designated as the "Trust Property". The Trustee will hold the Trust
Property according to the terms and conditions of this Land Trust Agreement for the purposes,
terms and conditions contained herein until such time as all of the Trust Property has been sold or
otherwise conveyed, or until this trust has been terminated. The Trustee shall maintain a list of
the Trust Property, which shall be designated as Schedule "B" under this Agreement.

4. **POWERS AND DUTIES OF TRUSTEE.** The Trustee shall have all of the
powers allowed to him by the provisions of the state law governing this Trust (see Paragraph 15).

The Trustee shall specifically have the power to make and execute contracts for the lease
or sale of the Trust Property, mortgages secured by the Trust Property, option agreements for the
sale or lease of the Trust Property and to otherwise dispose of the Trust Property as the Trustee
shall be directed by the majority in interest of the Beneficiaries. In addition, the Trustee shall
have the power to perform any act that the majority in interest direct the Trustee to perform. The
Trustee shall exercise his powers only upon the written direction of a majority in interest of the
Beneficiaries.

The Trustee shall have the duty to maintain an accurate record of the Beneficiaries of this
Trust, which record shall include the name and address of the Beneficiaries and their respective
interests in the Trust and be designated as Schedule "C". The Trustee shall only have such other
duties as required in writing by a majority in interest of the Beneficiaries.

The Trustee shall not have the power to bind the Beneficiaries personally to any debt or
obligation without the express written consent of the Beneficiaries.

5. **COMPENSATION OF TRUSTEE.** The Trustee shall be compensated for his
services as Trustee according to the Schedule of Compensation set forth in Schedule "D" attached
hereto and made a part hereof. The Trustee shall be promptly reimbursed by the Beneficiaries for
expenses incurred by the Trustee in the administration of the Trust. The Trustee shall have a lien
on the Trust Property for any unpaid compensation or un-reimbursed expenses.

The Trustee shall not be obligated to advance any money on account of this Trust. The
Trustee shall not be obligated to commence any legal action or to defend against any legal action
unless the Trustee, in his sole discretion, is satisfied with the security provided by the Beneficiaries
for the payment of the Trustee's costs and expenses in connection with the litigation.

If the Trustee shall pay or incur any liability to pay any money on account of this Trust, or
incur any liability to pay any money on account of being made a party to any litigation as a result
of holding title to the Trust Property or otherwise in connection with this Trust, without regard to
the cause of action asserted or complaint filed, the Beneficiaries, jointly and severally, agree that on
demand they will pay to the Trustee all such payments or liabilities, his expenses incurred in
connection therewith, including reasonable attorneys' fees, and any other sums advanced by the
Trustee on behalf of the Trust for any reason whatsoever. These amounts, if not immediately paid
to the Trustee, shall bear interest at the rate of ten (10%) percent per annum until paid in full.
These amounts and any compensation due to the Trustee, until paid in full to the Trustee, shall
constitute a lien on the Trust Property. Further, as long as these amounts or any compensation
due to the Trustee remain unpaid, the Trustee shall not have any obligation to take any action with
regard to the Trust Property.

6. **LIABILITY OF TRUSTEE.** The Trustee shall not be personally liable for any
obligation of the Trust. No Beneficiaries shall be able to bind the Trustee nor contract on his
behalf without the Trustee's express written consent. The Trustee and any successor Trustee
shall not be required to give a bond. Each Trustee is liable only for his own actions and then only
as a result of his own gross negligence or bad faith.

SAMPLE
LAND TRUST
AGREEMENT



**Back to the
Structure
of the Deal...**

Let Me Show You How
This is Done in REAL Life





- Find a Cash Flowing Property in Your Farming Area
 - This is Done By Running a CFE
- Check Out the Ownership Information (to Make Sure It Is NOT Bank-Owned)

Research for 13600 La Salle, Detroit, MI 48238 (Wayne County)

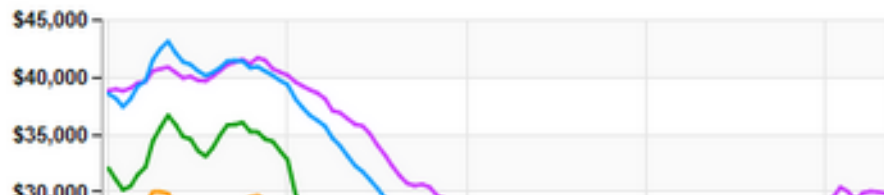
- Demographics – Population, income & other demographics near 13600 La Salle
- Research Price – Recent sales of similar properties
- Property Record Data – Historical listings, current tax, mortgage, owners & tenant info for this building



[Contact Listing Broker](#) to find out more details.

Asking Price Index Trends for Detroit, MI Multifamily For Sale

Asking Prices Multifamily for Sale Detroit, MI (\$/Unit)



	Sep 14	vs. 3 mo. prior	Y-O-Y
State	\$29,908	-0.1%	+10.0%
Metro	\$26,537	-2.1%	+11.5%
County	\$19,160	-8.5%	+8.7%

13600 La Salle Boulevard, Detroit, MI 48238

- Summary
- Sale & Lease
- Stats & Trends
- Property
- Owner & Mortgage**
- Tenant
- Tax
- More ▾

Summary

Sale & Lease Info [View Details ▶](#)

Currently Active For Sale (1)
Property Comps (2)
Historical For Sale (1)

Stats & Trends [View Details & Use Calculator ▶](#)

	This Property	Nearby Properties	City Index
Asking Price \$/Unit	\$9,962.98	\$8,378.92	n/a

Property Details [View Details ▶](#)

Primary Property Type: Multifamily
Property Sub-type: Garden/Low-Rise
Building Size: 20,708 SF

Owner & Mortgage Info [View Details ▶](#)

Current Owner: Martin Lasalle LLC



[View More Photos ▶](#)



[View Larger Maps ▶](#)

Options

- Print
- Create Report
- Edit This Record
- Add a Note
- Report Error

Get Featured Here

Update this property record to get your logo and profile link here – free. [Submit a photo or information.](#)

LoopNet's Research Team reviews all submissions prior to publishing new information.

13600 La Salle Boulevard, Detroit, MI 48238

Summary

Sale & Lease

Stats & Trends

Property

Owner & Mortgage

Tenant

Tax

More ▾

Owner & Mortgage History**4/30/2010**

APN/Parcel ID	08010217-22
Owner	Martin Lasalle Llc
Address	30300 Northwestern Hwy #317, Farmington Hills, MI 48334-3481
Rights	Corporation
Sale Price	Available with Sales Comp Purchase

**Not an REO****2/2/2009**

Event	REO/Bank Owned
APN/Parcel ID	08010217-22
Owner	Lasalle Coml Mtg Secs Inc 200
Address	13600 Lasalle, Detroit, MI 48201
Rights	Corporation
Sale Price	\$400,000.00

This is a Good Sign!**4/23/2007**

APN/Parcel ID	08010217-22
Owner	Abacus Management Group Llc
Address	Po Box 28004, Detroit, MI 48228
Rights	Corporation
Sale Price	\$750,000.00

Options



Print



Create Report



Edit This Record



Add a Note



Report Error

Get Featured Here

Update this property record to get your logo and profile link here – free. [Submit a photo or information.](#)

LoopNet's Research Team reviews all submissions prior to publishing new information.

Circumvent the Listing Agent:
Submit the Offer Directly to
the Seller on Record



Two Parts to the “Offer” Equation

- 1) The Proposal (in Letter Form)
- 2) The Hybrid LOI/Offer (Optional)



□
November 13, 2014

Monica Main

Main Investment Group Inc.

28170 Avenue Crocker, Suite 109

Valencia, CA 91355

(661) 295-5050

Martin Lasalle LLC

30300 Northwestern Hwy., #317

Farmington Hills, MI 48334

RE: Short-Term Lease Option

To Whom It May Concern;

Thank you for taking the time to consider the option of a short-term lease-option for your property located at 13600 La Salle in Detroit, Michigan.

I am prepared to offer you \$269,000 for the property located on La Salle. However, since your property is underperforming at an 81% occupancy level – which disallows my being able to qualify for a conventional mortgage requiring a seasoned 90% occupancy level – I would like the opportunity to present to you a lease-option proposal/offer in order to cure the vacancy level to qualify for conventional loan terms.

I have a lender that has preliminarily offered me a first-position loan at an 80% LTV for your property when the property is at a seasoned 90% occupancy level. However, they made it very clear that as long as the property is at the current 81% occupancy level, they are unable to offer me a loan at this time.

Conventional mortgage requiring a seasoned 90% occupancy level. I would like the opportunity to present to you a lease-option proposal/offer in order to cure the vacancy level to qualify for conventional loan terms.

I have a lender that has preliminarily offered me a first-position loan at an 80% LTV for your property when the property is at a seasoned 90% occupancy level. However, they made it very clear that as long as the property is at the current 81% occupancy level, they are unable to offer me a loan at this time.

In order to make this a win-win situation for both of us, I am proposing the following:

- o Purchase price: \$269,000
- o Lease-option term: 36 months with up to 12 additional months to secure/finalize funding
- o Interest rate on purchase price amount: 4%
- o Monthly Payment for 36 months: \$1,284.25 www.mortgage-calc.com
- o Total Amount of Payments: \$46,233 **Amount of Each Payment x 36 Months (or Term)**
- o Payments to be credited toward down payment at escrow: \$26,900 **10% of Price**
- o Cash down from buyer due at closing of escrow: \$26,900 **Remaining 10% of Price**

On this lease-option you will be making a total of \$31,434.47 in interest. This means that since the purchase price is \$269,000, you will actually be making more on this deal than you anticipated in the extra interest payments

Now, you're probably asking yourself why you would want to participate in a short-term lease-option as being proposed above. Remember, I already have a first-position lender lined up to fund this deal when the occupancy is at 90% or above. As already indicated, my lender (nor can any other conventional lender or bank) cannot fund a property that is underperforming. I'm sure you'd prefer getting an all-cash offer but that may take several years to come by, if you come by it at all.

If you've wanted to sell your property and you've been having difficulty, you'll finally get the property sale that you've wanted. Your alternative is to find another buyer, possibly waiting several years, forcing you to find an all-cash buyer since your property will never allow an investor to qualify for a conventional loan. The harsh reality is that many larger investors aren't interested in any property that has the amount of units you have in your building, making an all-cash sale from an investor (domestic or from overseas) improbable at this time.

Additionally, working this kind of arrangement with me will allow you to defer your capital gains tax obligation since you do not have to pay taxes on any amounts not yet received in the sale of your property (or property sale profits).

If, for whatever reason, you don't feel secure in this transaction, please remember that this entire arrangement will be drawn up by an attorney at my expense under a land trust agreement. This will guarantee that the entire transaction stays legitimate and above-board for both parties involved

Upon your agreeing to this lease-option arrangement, we can construct a lease-option agreement outlining the details of this financial arrangement before taking the final step of having an attorney create a land trust. We can also have an attorney look over our initial lease-option agreement arrangement to ensure that it's equally fair on both sides.

If you have any questions about this proposal, please feel free to contact me at (661) 295-5050. I'm looking forward to hearing from you soon.

Sincerely,



Monica Main
(661) 295-5050
Monica_Main@att.net

Include a Professional Business Card

**"I Want Your Property...
And I'm Willing to Make You
An Offer You CAN'T REFUSE!"**

Call Me RIGHT NOW!

Monica Main
Real Estate Investor

**Office: (661) 367-2400
Cell: (661) 644-0760**

monica@monicamain.com



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November 13, 2014

Monica Main
Main Investment Group Inc.
28170 Avenue Crocker, Suite 109
Valencia, CA 91355
(661) 295-5050

Martin ~~Lasalle~~ LLC
30300 Northwestern Hwy., #317
Farmington Hills, MI 48334

RE: Short-Term Lease Option

To Whom It May Concern:

Thank you for taking the time to consider the option of a short-term lease-option for your property located at 13600 La Salle in Detroit, Michigan.

I am prepared to offer you \$269,000 for the property located on La Salle. However, since your property is underperforming at an 81% occupancy level – which disallows my being able to qualify for a conventional mortgage requiring a seasoned 90% occupancy level – I would like the opportunity to present to you a lease-option proposal/offer in order to cure the vacancy level to qualify for conventional loan terms.

I have a lender that has preliminarily offered me a first-position loan at an 80% LTV for your property when the property is at a seasoned 90% occupancy level. However, they made it very clear that as long as the property is at the current 81% occupancy level, they are unable to offer me a loan at this time.

In order to make this a win-win situation for both of us, I am proposing the following:

- o Purchase price: \$269,000
- o Lease-option term: 36 months with up to 12 additional months to secure/finalize funding
- o Interest rate on purchase price amount: 4%
- o Monthly Payment for 36 months: \$1,284.25
- o Total Amount of Payments: \$46,233
- o Payments to be credited toward down payment at escrow: \$26,900
- o Cash down from buyer due at closing of escrow: \$26,900

On this lease-option you will be making a total of \$31,434.47 in interest. This means that since the purchase price is \$269,000, you will actually be making more on this deal than you anticipated in the extra interest payments.

Now, you're probably asking yourself why you would want to participate in a short-term lease-option as being proposed above. Remember, I already have a first-position lender lined up to fund this deal when the occupancy is at 90% or above. As already indicated, my lender (nor can any other conventional lender or bank) cannot fund a property that is underperforming. I'm sure you'd prefer getting an all-cash offer but that may take several years to come by, if you come by it at all.

Send By Priority Mail



Agree on Price...

Agree on Interest...

Agree on Term...

Calculate Payments



Where to Get the 10% Down

= Cash Flow

**Must Have Enough Cash Flow
To Make This Deal Work**

Property Information

Property Type

- Single Family Residence
- Apartment Building (5 or more)
- Commercial - Commercial
- Duplex
- Self-Storage
- Other
- Triplex
- Mobile Home Park
- Quad

Acquisition Information

Asking Price	Offer Price		
\$269,000	\$269,000		Price Per Square Foot
	\$53,800	- Down Payment	Per Unit
	\$215,200	- Mortgages (enter info below)	
	\$0	- Buyer/Repair Credit	
	\$2,152	+ Loan Points	
	\$13,450	+ Closing Costs	
	\$0	+ Other Acquisition Costs	
	\$69,402	= Initial Investment	
	\$5,000	- Security Deposits	
	\$64,402	= Final Investment	



20%

1%

5%

Financing Information / Assumptions

Description

Income Property Organization is pleased to announce the exclusive marketing of the La Salle Apartments, which consists of 27 units, and is located Detroit, Michigan.

La Salle Apartments possesses many unique architectural features, which provide a certain character to the property that is not prevalent in the marketplace. Moreover, it is clear that the various owners over the years have taken great care to ensure the preservation of the quality and aesthetics of the property. The units themselves entail very spacious floorplans with gorgeous refinished hardwood floors. Additionally, the common areas are very well maintained, and little to no deferred maintenance is present, which is an absolute rarity for the Detroit market. Recent Capital improvements include replacement windows (2003), major roof repair (2004), and fencing around the perimeter (2003). Lastly, the mechanical systems and infrastructure of the property are also in excellent condition, with both the boiler and hot-water tank being replaced within the last 10 years.

La Salle is situated off La Salle Boulevard, approximately ½ mile from the M-10 (Lodge Freeway) and Davison Freeway interchange. As a result of this location, tenants enjoy easy access to an abundance of retailers and employers in the area. La Salle Apartments consists of 27 units in one low-rise building, laundry facilities, a maintenance shop, and ample off-street parking.

Financial Summary

Net Operating Income

Actual

\$33,552

Map of 13600 La Salle, Detroit, MI 48238 (Wayne County)

[Hide Map](#)



Net Operating Income (NOI)

Purchase Price	\$269,000	
NET OPERATING INCOME	\$33,552	
- Annual Debt Service	\$14,663	
- Funded Reserves	\$0	
- Leasing Commissions	\$0	
- Capital Additions	\$0	
= CASH FLOW BEFORE TAXES	\$18,889	ANNUAL
	\$1,574	MONTHLY

\$18,889 x
3 Years =
\$56,667

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GS
GREAT SUCCESS

Cash Flow Evaluator

Property Notes

Speedy Price Finder

Asking Price Finder

Net Operati

D53 : 10000

Lawn Care		\$0	0.00	0%	0%
Landscaping		\$0	0.00	0%	0%
Snow Removal		\$0	0.00	0%	0%
Misc		\$0	0.00	0%	0%
Other (or "Lump Sum")		\$60,000		46%	
Replacement Reserves	2.5%	\$3,078			
TOTAL OPERATING EXPENSES		\$63,078	6.31	51%	100%

Net Income

NET OPERATING INCOME		\$60,042
- Annual Debt Service		\$14,663
- Funded Reserves		\$0
- Leasing Commissions		\$0
- Capital Additions		\$0
	ANNUAL	\$45,379
= CASH FLOW BEFORE TAXES	MONTHLY	\$3,782

Proforma Numbers
Based on Increasing
Occupancy and
Boosting Rents

DCR	4.095
CAP Rate	22.32%



Assuming It Takes a Full Year to Boost Performance/Rents,
Anticipated 3-Year Cash Flow is **\$109,647**

Financial Indicators

Cash On Cash Return 70.46%	Gross Rent Multiplier 2.18	Operating Expense Ratio 51.23%
Gross Income / Rentable SF \$12.31	Gross Expenses / Rentable SF (\$6.31)	Internal Rate of Return 73.09%

To Make This Deal Work...

Term Should Be 36 Months MINIMUM

- Term Can Be As Little as 12 Months to Entice a Stubborn or “Firm” Seller

Purchase Price Should Be Agreed AT or Slightly Below Current Market (Based on “Comps”)

Certain Percentage of Payments Should Be “Agreed” to Go Toward the Down Payment

- Usually You’ll Want to Make It a Flat 10% of the Agreed Purchase Price

You Should Plan to Come in With 10% Cash AT CLOSING Which Comes From the Property Cash Flow That You Will SET ASIDE!!

- Many Conventional Lenders Will Cover an 80% LTV with 10% Cash and 10% “Vouched For” by Seller (Seller Affidavit)

Works BEST With Under-Performing Properties Where You Can BUILD UP the Occupancy (to 90%+) During the Term

How the Structure Works...

Agree to Purchase Price, Interest, and Term

For Example, \$1,000,000 Purchase Price on a 4% Fully Amortized Interest Over 36 Months (Giving Yourself Another “Padding” Year to Secure Funding, If Needed)

Go to a Mortgage Calculator Online to Find Your Payments (or Use the CFE)

Assume You’ll Be Putting 10% Into Escrow Meaning That Terms Are on 90% or \$900,000 for the Structure

Since You Still Have to “Cover” the Other \$100,000 for the Down Payment, You’ll Have to Structure the Percentage of Payments to Reflect That Amount Within the Term

For Example...

Monthly Payment on a 30-Year \$900,000 Mortgage is About \$4,300 Per Month

Since the Term is 36 Months, You Have to Figure In What Percentage of the Payments Will Add Up to \$100,000 in 36 Months

In This Case, It's 65% (Equals \$100,620 in 3 Years to Be Applied Toward the Down Payment)

When You Go Into Escrow (in 3 Years) Escrow Instructions Will Specify (As Per the Seller) That \$100,620 Has ALREADY BEEN PAID While Another \$100,000 Is Due Into Escrow ASAP

Step 3:

Draft and Submit a Hybrid LOI/Offer

Draft It and Submit It

You Are LEGALLY PROTECTED

They Will Usually Counter You

Don't Have ANY Fear in Doing This

- **Worst They Can Say is *F*** You!!***

Submit 5 Per Week, You'll Have AT LEAST One Deal Within 2 Weeks!

TERMS OF PURCHASE:

Seller to agree to a 36-month lease-option term at a sale price of \$1,000,000 on a fully-amortized mortgage term of 30 years at 5% interest; a total of 65% of the total payments or \$100,620 will be credited toward the purchase price as a partial down payment, representing approximately 10% of the purchase price. Another 10% of the purchase price (or \$100,000) will be deposited into escrow at the time of opening escrow (in 36 months). The remaining balance of 80% (or \$800,000) will be funded by a conventional lender at approximately a 5% interest rate at a fully amortized 30-year term. This is based on the assumption that this under-performing property can be brought up from a 65% occupancy to a 90% seasoned occupancy to qualify for this conventional mortgage, as per current qualification requirements.

EARNEST MONEY DEPOSIT:

[AMOUNT] upon opening of escrow and an additional [AMOUNT] upon completion of the [AMOUNT] period, at which time the earnest money shall be refundable in the event that the Seller fails to provide the documents and/or funding as requested.

EMD = 3% of Offer Price

Do Not Offer If You Don't Have It!!

INSPECTION PERIOD:

Buyer, at its sole and unfettered discretion, shall be allowed a thirty (30) day period from opening of escrow to review all documentation, obtain third-party reports, and otherwise approve the Property. If Buyer determines that, for any

When Working the Numbers on ANY
Property...

Do You Have a
CASH FLOW

Walking IN the Deal?

If Not...

Lower Price

Lower Interest

How to “Sell” the Idea of a 100% Lease-Option to a Property Owner/Seller

Defer Taxes

Take Over

Under-Performing Property

Sell Property in a Raw Market

**No Closing Costs, Commissions,
and Concessions**

Require CASH and Credit

Before Doing ANY of the Other Financial Structures, Rebuild Credit and Get Some Cash!

If You Have BAD Credit, Start With Lease Option Deals Now

If You Have a 680+ FICO Now and Some Cash (At Least 10%), Start with 60/30/10 or 85/15 Deals

Find Deals Between \$200,000 and \$500,000 to Start...Go Up to \$800,000

- **Yes, These Are “Recourse” Loans But You Can “Land Contract” These to Pull Them Off Your Personal Credit After Closing**
- **By Getting a “Portfolio” in a Specific Area, You Can Get a “Blanket” Commercial Loan Over \$1,000,000 (Non-Recourse) Later As An Additional Option**

Do Your \$1,000,000 and Over Deals By Your 3rd or 4th Acquisitions

