

The AZREIA Advantage

Arizona Real Estate Investors Association Newsletter

"AZ Real as it Gets"

April 2019

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Making the Impossible Deals Possible

by Bill Cook

A realtor asked me to show her a real-world example of a deal we did that demonstrates how we make impossible deals possible. No problem, but I ask one favor: *As you read this, BEFORE reading how we structured this deal, think about how YOU would have put it together.*

In 2013, I got a call from a seller. He had a three-bedroom, two-bath home in Acworth, Georgia on Cox Farm Road. The property needed zero work – it was beautiful! Fair market value was \$70,000. His mortgage balance was \$95,000 – *making him \$25,000 upside-down in the property.* The home would rent for \$800 per month. His mortgage

payment was \$900 per month (principal, interest, taxes and insurance) – *a \$100 negative cash flow.* At the time, the home was vacant and costing the owner *over \$1,100 per month.* The financial drain was killing him. One last thing: The owner HATED tenants! His last two tenants had damaged the property costing him thousands of dollars in repairs.

The owner just wanted done, but he wouldn't consider doing a short sale or letting the home go back to the bank. He was a man of honor and integrity.

Can you make this impossible deal possible? What if I told you that structured creatively, this deal will make you *\$200 per month, risk-free...with a tens-of-thousands-of-dollars bonus at the end? Please take a few minutes to structure this deal in your head.*

Here's the agreement: Knowing that I could find a tenant who would rent the property for \$800 a month, I leased the property from the seller for \$600 per month and became his tenant. I had the right to sublease the property to another tenant. I would *only* pay the property owner rent if my tenant paid me rent. I'm responsible for the first \$50 of repairs each month, and the owner is responsible for the balance of repairs.

I was able to find a great tenant within three weeks. The owner went from losing \$1,100 per month to only losing \$300 per month (\$900 mortgage payment - \$600 rent = \$300 monthly loss). This gave him some immediate breathing room because it doesn't hurt as much to lose \$300 as it does to lose \$1,100 per month.

To lower his mortgage payment, I had him apply for a HARP loan. After two months, the lender approved his HARP loan. This lowered his mortgage payment (principal and interest) from \$755 to \$450 per month – a savings of \$305/month

Phoenix Monthly Meeting – Monday, April 8th
How to Make Impossible Deals Possible and Profitable with Bill Cook
Workshop: 5:15 pm – Partnerships & Joint Ventures with Jillian Sidoti

Tucson Monthly Meeting – Tuesday, April 9th
How to Make Impossible Deals Possible and Profitable with Bill Cook
Structured Networking

I also had him shop his homeowner's insurance with my insurance agent. This lowered his yearly policy from \$1,005 to \$590 – a savings of \$35/month.

Finally, I fought to lower the owner's property taxes. His yearly tax bill fell from \$700 down to \$351 –

a savings of \$29/month.

Bottom line: In three short months, the property owner went from *losing* \$1,100 per month to *making* \$70 per month. A very big financial swing, wouldn't you say? And this doesn't include the tax benefits the owner receives by owning rental property!

Now comes the part of creative structuring that takes this deal from good to great.

When I met the owner, I didn't want to buy his property because it was \$25,000 upside down. Write this down: It's OK to help someone *out* of the quicksand, but it's not OK to take their place *in* the quicksand.

That said, I didn't want to buy the property at that time, but I *didn't* say I never wanted to buy the property.

Continued on page 2



Executive Director's Message

In the First Five Minutes ...

I will tell you this from my very core, AZREIA's April meeting and the subsequent education and training on Saturday and Sunday will be unlike anything else you have ever experienced at AZREIA. Personally, I have never anticipated a meeting more than the one on April 8th in Phoenix and April 9th in Tucson. It is all because of our presenters – Bill Cook and Jillian Sidoti. There has never been a meeting with more talent, experience and success teaching and preparing you.

In the first five minutes of our main meeting, you will know exactly what I'm talking about. In the first five minutes of Bill Cook's presentation, you will know that someone you have never heard of before is, without a doubt, the real deal. In the first five minutes, you will realize you have met the best door knocker and deal maker ever. You will know that his 40+ years of experience knocking on doors, getting in to talk to sellers, and making deals makes him the ideal person you want to learn from. In the first five minutes, you will understand how effective creative deal making can be when done correctly. And, if you have already done a hundred deals, you will learn something new almost immediately. Bill can make the impossible possible.

The same is true for our workshop with Jillian Sidoti. Jillian is an amazing attorney who has worked with real estate investors her entire career. She is an expert in Joint Ventures and Partnerships and can teach everyone more than a thing or two. She cares deeply that deals are structured correctly and will prepare you to do it right.

There is a lot of change going on inside AZREIA lately. As a member you see some of it, and some is behind the scenes. What you have seen is an evolution of some of our education to a "learn, practice, do" model. The feedback from members who have been to one of the events with this model has been very good. We are still refining, but I know it is just going to get better and better.

Troy Miller, AZREIA's Associate Executive Director, is responsible for this new education model. Just as important, it is because of Troy we are having investors and educators like Bill Cook and Jillian Sidoti coming to AZREIA to share their knowledge and experience.

To implement the new education model, we are connecting several different aspects throughout AZREIA meeting week. It takes two days to implement the model for most topics. One day to teach and one day to practice and simulate the "doing." Coupled with the content delivered at the meetings and supplemented with other experts for the training and practicing, it will be a truly exceptional learning experience.



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Making the Impossible Deals Possible _____from page 1

Here's how we creatively structured the rest of the deal: The owner agreed that if I would rent his property and take away his landlord headaches, he'd give me an option to buy his property at any time within the next seven years for the balance of his mortgage at the time my option was exercised.

Think about this: In 2013, when we did this deal, the real estate market was still beaten down, but it was just starting to climb back up. Over the course of the next seven years, what would happen to the fair market value of the property? It would go up, right? And what would happen to the mortgage balance? It would go down, right?

Do you see what this purchase option allowed? It allowed time to eliminate the \$25,000 negative equity and turn it into positive equity. It allowed me to capture this property's appreciation *and* the amortization. And remember, with an option, I had the right to buy, but not the obligation to buy, which makes this a very safe deal for Kim and I.

Folks, I wasn't born knowing how to do this – creative deal structuring is a *learned* thing. Be sure to learn from seasoned, been-there-and-done-that investors. Learn the language of creative deal structuring and funding. Remember: All deals are possible!



AZREIA Advantage: The Real Estate Investment Specialists

To AirBnB or not to AirBnB? Part 2



by
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In part one of this article series, I discussed some of the pros and cons of becoming an Airbnb short term rental host. Obviously, the biggest con and the source of much apprehension for many buy and hold investors is the fact that running an Airbnb is just like running a hotel.

In other words, guests check in at a certain time. Guests check out at a certain time. In between those guests, the place must be cleaned, trash cans emptied, linens changed, towels replaced, and consumables like soap, shampoo, water, coffee and tea must be replenished.

Anyone who has ever stayed in a hotel knows exactly what I'm talking about. And unless you actually live on, or very close to the property, and you plan to do the turnover work yourself, "if" your schedule permits, you may be thinking that listing your property on Airbnb is simply not an option. However, what many investors don't know is that because of the ever increasing popularity of short term vacation rentals, an entire industry of service providers has also emerged to provide just about everything from guest messaging and check in services to house cleaning and maintenance. In short, you can run your Airbnb vacation rental virtually hands free, from any location in the world by assembling the right team and using some state-of-the-art tools.

For example, a quick Google search for "Airbnb Housekeeping Services," will turn up a wide variety of results ranging from independent, small business owners to large, nationwide chains, like Molly Maids who have also extended their services to include short term rental turnover services. A search for "Airbnb rental management," will allow you to locate companies who can manage every aspect of your short term rental. Some of these companies provide everything from optimizing your property listings and pricing to

providing around the clock response teams, such as local staff, managers and operations (i.e. cleaning and maintenance) to actual concierge services. Which means your home and your guests get a hotel experience from the privacy & exclusivity of your property.

I can't endorse or recommend any one specific company, as every property is different and may require different tasks. But, I will say that your housekeeping choice is probably the single most important, as that person, or company, will be responsible for providing a lot more than just cleaning services. This person will essentially be the eyes and ears of your rental property. In addition to cleaning, they will likely be interacting with your tenants even more than you will. They will be responsible for restocking consumables, as well as keeping track of inventory and restocking your supply closet and so on.

So, when interviewing a prospective housekeeper, be sure to ask if they have short term rental "turnover" experience. You'll also want to make sure that they are willing to provide linen and towel services, and possibly even laundry services once a week, or as needed. Again, a reliable housekeeper will more than likely become the most important member of your team. So be sure to take your time and choose that person wisely.

You will also want to find a reliable handy person you can count on for emergency repairs and to take care of periodic maintenance,

such as replacing heating and cooling system filters on a regular basis, etc. Your handy person should be flexible with his or her schedule and possess the necessary skills to address all aspects of home repair.

And finally, if you've ever been a property manager or owned a vacation rental, I'm sure I don't have to tell you that lost keys can be a real hassle, not to mention, a huge time waster. Inevitably, tenants will lose keys. Your maid service will lose keys. Your handy person will lose keys. And who has to make copies and deliver them? **That's right...**

YOU DO!

The solution? Just say no to keys and install E-Locks!

E-locks are Wi-Fi based, allowing you to unlock remotely in the event of a tenant lock out. They also allow you to set up individual codes for each of your team members, as well as change codes from anywhere. Again, I can't endorse or recommend any particular brand, so you'll have to do your own research to find a solution that's right for you. But, I will say that a small investment in this technology will save you countless hours of time and frustration now and in the future.

In part 3 of this series, I will be discussing how you can conduct research to find popular Airbnb areas and then use our Smart Map Comping System to locate "ready to rent deal properties" in that area.





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Oregon Passes First Statewide Rent Control Law



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by
**Mark
Zinman**

In March, Oregon became the first state in the country to pass rent control legislation. Let ... me ... repeat ... that ... Oregon became the first state in the nation's history to pass a rent control bill. Other states have previously allowed rent control legislation on a city-by-city basis, but no state had previously mandated rent control on a statewide basis. This is just the beginning and the implications are startling. Professionals in the industry believe that Oregon will be the test case for such policies and other states will wait to see the financial implication of such a decision.

The main part of the law provides that landlords can only raise rents once a year, and when they do, rent increases are capped

at 7 percent plus the yearly change in the consumer price index. Therefore, it doesn't matter what is going on in the market, it doesn't matter how much a landlord may have invested that year to repair or upgrade the property, the state is controlling the amount of money the landlord can charge. Now this doesn't apply if a landlord renovates a unit and then starts a new lease, but it definitely would deter landlords that want to improve a property while the tenant is in it. There is no benefit to a landlord to spend money on a rental with a resident in it, in the hopes of keeping that resident and increasing the rent.

This bill not only limits what a landlord can increase the rent when a lease expires, it bans no-cause evictions after the first year. No-cause evictions are simply evictions that are filed because the lease expired and the landlord didn't want to continue leasing to that tenant. A landlord must have a qualifying reason for wanting to terminate the lease, such as the desire to move into the unit or renovate it. Further, when such action is taken by a landlord and they give a notice to the tenant that a tenant must vacate, they have to pay the tenant to move.

The fact that this is done on a statewide basis, is incredibly significant. Now, landlords can't buy rentals in surrounding suburbs and hope that their residents will travel into the city. Everywhere in the state of Oregon is impacted by this law. While the bill was in the Oregon legislature, there was talk of exempting cities under 150,000 and having the bill not take effect until 2020. These suggestions were rejected and the bill has now become law, which will be effective later this year.

It is largely accepted among economists that controlling rent prices, decreases the supply of rental housing. It goes back to basic economics. While your author does believe that there is an affordable housing problem in the country, the solution is to create policies more favorable to development, high-occupancy residences and affordable housing. If governments provide more funding for affordable housing projects, more affordable housing will be built. I have spoken to large operators who believe that in the coming year, Oregon will see a significant decrease in the number of new units being built, further constricting supply. We will all have to wait to see what the numbers actually show.



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by
Jill Bright

One of our operations in Albany, Oregon opened an escrow where the purchase agreement stated: "Buyer agrees to deposit full purchase price amount into escrow account in the form of a cashier's check within seven business days of an accepted offer." The sales price was \$287,000.

The buyer's real estate agent hand-delivered a personal check in the amount of \$126,500. The check was from a third party, not the buyer. We receipted in the check; then sent a copy of the receipt to the buyer, seller and their real estate agents. We also notified them the funds could not be applied to the sale until the remitter of the funds signed Third Party Deposit Instructions. Something was fishy... The Escrow Officer questioned the fact the check was a personal check instead of a cashier's check.

The buyer asked escrow to send the instructions to him and he would get them signed. Because something didn't seem right, the Escrow Officer insisted the instructions be sent directly to the third party. The buyer indicated we were unprofessional for demanding the email for the third party depositor and he felt they should not need all of that information.

The buyer reluctantly provided an email address for the remitter of the funds. The instruction was executed via DocuSign® by the buyer and the alleged third party depositor, and returned to escrow the same day. No one ever questioned the fact the check was a personal check instead of a cashier's check; no one except the Escrow Officer.

As the neutral third party, there was not much, if anything, we could do. We knew the buyer should have deposited the full sales price by cashier's check, not a personal check. It was up to the seller to enforce the terms of the purchase agreement. If the buyer's

performance was not satisfactory it was up to the seller to send out a notice of default or a notice to perform.

The buyer's real estate agent told the Escrow Officer that the buyer would deposit the balance of the funds within 10 days, but the buyer never did. Instead the buyer contacted us by email full of compliments for their wonderful service. He asked they keep the account he had established open by leaving a balance of \$2,000 in the account, but instructed they wire \$124,500 to him right away.

The Escrow Officer responded to the buyer. She explained she was unable to send him any of the funds at this time because the personal check was an out-of-state check written on a different federal reserve than her trust account. She advised him it would take 10 business banking days before the funds would be available.

Next, the Escrow Officer looked closer at all of the details. They were skeptical about who actually signed the Third Party Deposit Instructions since the email was provided by the buyer who originally protested the request.

The Escrow Officer decided she needed to track down the third party themselves. They contacted National Escrow Administration and asked them to perform a search for him using specialized software. The search revealed the email address provided by the buyer is not a known email address of the third party.

The Escrow Officer picked up the phone and called the third party. She identified herself and then explained why she was calling. He was confused by her call, because he knew nothing about the purchase or that half of the purchase price had been remitted from his checking account. He wrote down the Escrow Officers full name, company name and her phone number. He even expressed he thought maybe she was in on the scam.

About 10 minutes later the third party called back. He did his own internet research and realized the Title Company was legitimate. Since he had called her, the Escrow Officer asked him to verify his date of birth and address. He did and they matched the results of the skip trace. The third party then verified with Escrow that \$126,500 had cleared his personal bank account.

Next, the Escrow Officer received a call from the fraud department of the third party's bank. Their account holder had filed a fraud report and they were investigating the circumstances. They provided us with a copy of the front and back of the cashed check. The bank also reimbursed their account holder. They deposited \$126,500 into his account but did not return the check as fraudulent to our trust account.

The bank honored the check. It appeared the buyer "washed" a real check by erasing the details on it, in order to rewrite it to use as payment of the purchase price. The buyer's real plan was not to purchase a house. Instead, the buyer was simply trying to steal the money at someone else's expense.

Another sign that this was a fraudulent transaction was the buyer was consistently emailing the office asking if the funds he requested had been sent to him. His emails were signed by "Mr.," but then he used his first name and not his last.

The buyer's emails were full of bad grammar and missing words. He even provided wire instructions for three separate accounts and two of the account holders were from Nigeria. He regularly emailed and called his real estate agent to inquire about the funds being released.

In the end, the Escrow Officer resigned from the transaction and, after receiving confirmation the funds had been unconditionally collected by their trust account, sent the money back to the third party's bank. Everyone was made whole and no one suffered a loss except for the seller who lost valuable marketing time of the property.

The moral to the story – trust your gut feeling! The Escrow Officer felt uneasy about this transaction early on. She raised red flags and ultimately stopped fraud in its tracks. As a national title company, Chicago Title has a team of people working to protect you and your assets from a potentially devastating loss!

This article was provided by contributing author:

Diana Hoffman,

Corporate Escrow Administrator/FNTG
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by
J.P. Dahdab

With freedom comes responsibility and Self-Directed IRA (SDIRA) account holders are not immune to this reality. I regularly share my insights about the long list of powerful benefits SDIRAs offer investors, but as with most things in life, there are hurdles to these accounts which I feel obliged to share as well.

In the world of SDIRAs, the burdens exist within the realm of personal accountability. Building wealth is very hard to do, but when you are a SDIRA investor, you must never overlook the work associated with the words “self-directed.” The brokerage company IRA industry is built on a digital-based environment focused on automating everything. Buy and sell transactions are done online and can be completed with a few mouse clicks, monthly retirement savings are sold via the concept of “dollar cost averaging” via ACH debits from your bank account, all holdings are valued daily and are delivered to mobile devices so you are never more than a blink away from your portfolio snapshot.

In the alternative investment world of SDIRAs, the opposite is true. Alternative asset Custodians and Administrators, like Vantage, help facilitate investor transactions and provide the IRA reporting services the IRS requires, but the individual account holders bear the majority of the workload on their shoulders. It is not

automated. There is a lot of paperwork, signatures, investment research and learning that are the individual investor’s responsibility.

That’s why anyone that has heard me speak publically knows that I emphasize the fact that SDIRAs are NOT for everyone. To fully understand the value of SDIRAs, you must embrace the benefits and tolerate the burdens. We have to take the little amount of annoying realities with the long list of great things SDIRAs offer. Do I like filling out my Fair Market Value (FMV) form every year on all my IRA alternative assets? Heck no! Am I thrilled about completing the stack of documents required to buy and sell my retirement holdings? Nope. I do it because I have to in order to reap the immense benefits of the investment returns I expect my IRA to receive in the long term from the alternative investments I have chosen.

We offer our clients e-signature capabilities in an effort reduce the paper intensive aspects typically involved with the SDIRA process, but the entire experienced can’t be 100% digital at this time. With the immergence of alternative asset marketplaces, real estate crowdfunding portals and technological innovations such as blockchain, we believe it is simply a matter of time before most of the burdens of SDIRA investing are eliminated. For me, the empowering benefits of SDIRAs largely outweigh the burdens, but each Self-Directed IRA account holder must decide if they share my sentiment and can look past some of the nuances to reap the upside.

For more information about
Real Estate IRAs, please visit:
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AZREIA Advantage: Lending Expert

Random Things to Know in Lending



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by
**Andrew
Augustyniak**

Reasons to Refinance

Seemingly every day I encounter someone who should take a serious look at refinancing their mortgage but does not pursue one. The primary reason is that they do not know that they should or how to review their mortgage. To help you determine if a mortgage review and possible refinance is the right decision, I have put together a list of scenarios that make a refinance a great option:

- **Taking Cash Out:** Utilizing the equity in your home to take cash out to consolidate debt or pay for home renovations can be much less costly than other financing options.
- **Reduction or Removal of Mortgage Insurance:** If you purchased your home with an FHA loan or less than 20% for a down payment then you are most likely

paying mortgage insurance. Refinancing into a conventional loan could lower or even remove mortgage insurance.

- **Increase in Equity:** If your home has appreciated in value, it is likely the increase could help you lower your rate or drop the pesky mortgage insurance.
- **High Interest Rate:** If you have an interest rate above 6%, there is a reasonable chance that a refinance could lower your rate. Not only can a lower rate reduce your monthly payment, but it will save you \$1000's over the loan term in interest.
- **Shorter Loan Term:** Reducing the term on your mortgage will save you \$1000's in interest. The payment can be slightly higher, but the savings in the long run are substantial.

There should always be a goal in mind when considering a refinance.

Do's and Don'ts During the Mortgage Process

Do's

- Notify the lender of your compensation changes from your loan application
- Notify your lender of your address changes at any point

- Obtain homeowners insurance with the minimum coverage equal to the amount of your total loan or replacement value of the home
- Keep a paper trail of any large deposits
- Notify the lender if you move funds from one account to another

Don'ts

- Acquire any additional credit lines or make any large purchases on existing credit
- Change jobs. A change in compensation may affect your ability to qualify. Lenders may verify employment on the day of closing as a quality control check.
- Co – Sign with anyone to obtain a line of credit or make a purchase. It will show up on your credit report as an additional debt.
- Negotiate your contract with an allowance and expect to get money back at closing. An allowance can be used to pay closing costs or prepaids. If you are doing an escrow holdback, that is ok as the money will be held in escrow.

Have a great month and let me know if you have any specific questions pertaining to your own personal situation.



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Monthly Meetings

AZREIA Phoenix Meeting

Monday, April 8
Celebrity Theatre

AZREIA Prescott Meeting

Tuesday, April 2
Yavapai Title

AZREIA Tucson Meeting

Tuesday, April 9
Tucson Assn. of Realtors

Phoenix Real Estate Club

Tuesday, April 23
24th St. Conference Center

In April, we are laser-focused on Creative Deal Making, the tools, the strategies, and even the foundational work that the most seasoned investors utilize. Our workshop will focus on the foundation of every creative deal, partnering and joint ventures. Jillian Sidoti, Real Estate & Syndication Attorney, will drill down on the tricks and pitfalls that you should know when beginning your due diligence with your next deal partner. This will be followed by Creative Deal and Offer Making Expert, Bill Cook, who will show you how to make the least attractive deal work, through deal structuring and creative financing.

Phoenix Workshop – Partnerships & Joint Ventures: The Foundation of Creative Deal Making with Jillian Sidoti

In Arizona's lucrative real estate market there are tons of bargains to be found, that's IF you can come up with the cash. Many people are lacking capital, tapped out, or can't qualify for bank financing. What's the solution? **Partners!** Attorney Jillian Sidoti will speak at AZREIA's April 5:15 PM Workshop about how you can create lucrative partnerships & joint ventures in real estate. From simple buy and flip to apartment buildings, Jillian will discuss the due diligence process of partnering and setting up joint ventures when it comes to creative financing.

Market Update & Market News with Alan Langston

The latest in trend analysis for the US, Arizona and Greater Phoenix including existing homes, new homes, foreclosures and traditional sales. Full analysis of Fix & Flip and Rental markets. Plus, the latest Market News affecting your business.

Phoenix & Tucson Main Meetings – How to Make Impossible Deals Possible and Profitable with Bill Cook

If you'd like to turn all your "impossible" leads into "possible" and "profitable" deals, make sure that you don't miss the AZREIA April Main Presentation with real estate creative finance and offer making expert, **Bill Cook!** We're continually told that to reach our full potential as real estate investors, we must work outside the box. At the beginning of Bill's discussion, he'll explain why this advice is wrong. It's not about working outside some box that counts. To reach our full potential, we must realize there is no box! To be a successful real estate investor, consider this: The job of a real estate investor is not to buy, sell or rent houses. Our job is to solve people's real estate problems.

To achieve financial freedom, you must go out looking for problems to solve and people to help. In other words, look for peoples' uncomfortable circumstances. This one shift in your thinking can completely alter your life's financial outcome. At the AZREIA meeting, as we talk about creative deal structuring, you'll gain a clearer understanding of these five most-important things. You'll also see examples of a number of our creatively constructed and funded real-world deals. If you've been wanting to turn all your impossible trash leads into profitable cash deals, you won't want to miss this.

Prescott Main Meeting – Prescott Valley Growth, Economic Development Plans

by Ben Hooper, Town of Prescott Valley Economic Development Coordinator. Prescott Valley is aggressively growing. What does this mean for YOUR local investments? What opportunities are you overlooking? Ben Hooper represents the retail and commercial development aspects of economic development. He will share with us activities in the area, growth expectations, and his 2019 predictions.

Phoenix Real Estate Club

The Best Real Estate Investing Networking Anywhere! Haves & Wants, Structured Networking activities and the Market Discussion all combine to make the Club an integral part of any active investor's month.

Phoenix Agenda

5:15 – Workshop
6:00 – Trade Show & Guest Orientation
6:45 – Main Meeting – Market Update & Featured Presentation
9:00 – Adjourn

Tucson Agenda

5:15 – Open Networking
5:45 – Networking: Investor-to-Investor, I Have – I Want, Tucson Market Discussion
7:15 – Main Meeting
8:30 – Adjourn

Prescott Agenda

5:30 – Networking, "Haves and Wants" & Market Overview
6:00 – Main Meeting
7:15 – Adjourn

Phoenix Real Estate Club

5:30 – Open Networking
6:00 – Networking: Investor-to-Investor, Haves & Wants, Market Discussion
7:30 – Main Meeting
8:30 – Adjourn





AZREIA Calendar of Events

Check www.azreia.org for the current schedule.

MARCH MONTHLY MEETINGS	SUBGROUPS An important benefit of AZREIA Plus Membership	
<ul style="list-style-type: none"> • AZREIA – Prescott <i>Tuesday, April 2</i> • AZREIA – Phoenix <i>Monday, April 8</i> • AZREIA – Tucson <i>Tuesday, April 9</i> • Phoenix Real Estate Club <i>Tuesday, April 23</i> 	<ul style="list-style-type: none"> • Income Property Owners <i>Thursday, April 4</i> • Burley <i>Tuesday, April 9</i> • Beginners <i>Thursday, April 18</i> • Notes <i>Thursday, April 18</i> • Fix & Flip <i>Wednesday, April 24</i> 	<ul style="list-style-type: none"> • Tucson New Investors <i>Tuesday, April 2</i> • Tucson Wholesaling <i>Tuesday, April 16</i> • Tucson Mastermind <i>Tuesday, April 23</i>
Creative Real Estate Academy April 13-14, 2019		
<p>This TWO DAY content-rich, intensive academy was created to show you what fast, furious, and successful investors are using to navigate the new world of creative real estate finance and deal structuring. We are presenting a forum where local and national experts can present and discuss their own strategies and philosophies. We have called in the heavy hitters to bring you the best of the best in Arizona and across the nation.</p>		
<p>INFORMATION & REGISTRATION ONLINE AT WWW.AZREIA.ORG</p>		

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Dawn Kirkpatrick,
SFR, CLHMS, CNE

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CRS, ABR, CIRI, CSSN, CSSPE, e-Pro, SFR, RSPS

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- *Silver Team Award - 2012*
- *Bronze Team Award - 2011*
- *Scottsdale Association of Realtors Top Producer - 2012*
- *Top 1% of Agents in MLS - 1st Half 2013*



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Property Listings

Complete listings online:
www.azreia.org

Single Family Detached	Address	City	Price	Beds / Baths	Contact	Telephone
Wholesale/FSBO	5521 W. Creedance Blvd	Glendale	\$469,000	4 / 3	Mark Boyer	602-935-1810
Wholesale/Owner/Agent	4550 E. Janice Way	Phoenix	\$415,000	4 / 2	Thomas Lee	602-428-9049
Wholesale/Owner/Agent	3630 N. 37th St	Phoenix	\$394,750	4 / 3	Thomas Lee	602-428-9049
Wholesale/Owner/Agent	4980 S. Peachwood Dr	Gilbert	\$340,000	3 / 3	Thomas Lee	602-428-9049
Retail / Realtor	1872 E. Watson Dr	Tempe	\$334,900	4 / 2	Kathleen Karneth	480-236-0281
Wholesale / Realtor	3102 E. Wetherfield	Phoenix	\$310,000	3 / 2	Ed Ferris	480-244-4856
Wholesale / Realtor	7453 E. Almeria Rd	Scottsdale	\$270,000	3 / 2	Luke Basler	480-798-9522
Wholesale/Owner/Agent	1809 E. Concora Dr	Tempe	\$250,000	4 / 2	Brandon Simmons	602-888-9817
Wholesale/Owner/Agent	3026 N. 34th St	Phoenix	\$249,000	3 / 2	Brandon Simmons	602-888-9817
Wholesale/Owner/Agent	4734 N. 61st Ave	Phoenix	\$239,900	4 / 2	Luke Basler	480-798-9522
Wholesale/FSBO	8626 N. 50th Ln	Glendale	\$225,000	4 / 2	George Vinson	602-738-6608
Wholesale/Owner/Agent	20017 N. 1st Ave	Phoenix	\$223,500	3 / 3	Brandon Simmons	602-888-9817
Wholesale/Owner/Agent	10501 W. Pleasant Valley Rd	Sun City	\$217,950	3 / 2	Thomas Lee	602-428-9049
Wholesale/Owner/Agent	10131 W. Palmer Dr	Sun City	\$156,000	2 / 2	Thomas Lee	602-428-9049
Wholesale/Owner/Agent	627 W. Doggie Dr	Safford	\$139,750	3 / 2	Thomas Lee	602-428-9049
Wholesale/Owner/Agent	8520 W. Palm Ln #1504	Phoenix	\$132,900	3 / 2	Thomas Lee	602-428-9049
Wholesale/Owner/Agent	2118 W. Elm St	Phoenix	\$122,500	2 / 1	Brandon Simmons	602-888-9817
Wholesale/Owner/Agent	2094 Supancheck Rd	Show Low	\$97,950	6 / 2	Thomas Lee	602-428-9049
Wholesale/Owner/Agent	219 W. Jahns Pl	Casa Grande	\$60,000	3 / 2	Brandon Simmons	602-888-9817

Mobile Home with/Land	Address	City	Price	Beds / Baths	Contact	Telephone
Wholesale/Owner/Agent	2767 W. Cody St	Apache Junction	\$104,500	3 / 2	Brandon Simmons	602-888-9817

Land	Address	City	Price	Acres	Contact	Telephone
Wholesale	1524 E. Yucca St	Phoenix	\$84,750	.6 acre	Thomas Lee	602-428-9049
Wholesale	10920 S. Blackforde Rd	Tucson	\$9,995	1.08 acre	Brad LaSalle	520-977-8010
Retail	3831 N. 8th St	Phoenix	\$215,000	.2 acre	Luke Basler	480-798-9522
Wholesale	1811 E. Sheridan St	Phoenix	\$120,000	.25 acre	Luke Basler	480-798-9522

Condo / Townhouse	Address	City	Price	Beds / Baths	Contact	Telephone
Retail / Realtor	101 N. 7th St #119	Phoenix	\$189,500	2 / 2	Tim Winter	303-929-7796

Multi-Housing	Address	City	Price	Units	Contact	Telephone
Wholesale	3946 E. Earll Dr	Phoenix	\$349,000	Duplex	Jose Jimenez	480-704-4200
Wholesale	8220 W. Monaco	Arizona City	\$150,000	Tri-plex	Greg McKinley	480-650-3084
Wholesale	1221 South 10th Avenue	Phoenix	\$124,000	Tri-plex	Mike Del Prete	602-501-2426
Wholesale	210 W. Blackridge Dr	Tucson	\$95,000	Duplex	Brad LaSalle	520-977-8010
Wholesale	2254 W. Southern Ave	Phoenix	\$520,000	4-plex	Jeremy Thrasher	916-501-5038

Note: All real estate advertising in this newsletter and on our website is subject to the Federal Fair Housing Act of 1968. Please visit www.azreia.org for complete notice on fair housing and for additional information on each property listed.



Q: I signed an option agreement to sell a house, and the buyer also has a separate lease. During the term of the lease, the tenant paid late 3 times but now wants to exercise the option and buy the property. Can I terminate the option?

A: Your rights are controlled by the terms of the option, but most likely you are not going to be able to terminate the option if you never evicted the tenant and their only breach was that they paid the rent late, but they always ended up paying in full. Courts do have a policy of enforcing option agreements as written and a person must perform the option in accordance with its material terms. The most important thing is whether the option agreement clearly states that a breach of the lease results in a termination of the agreement. If

such language is included, while the tenant may have paid late, if you never pursued an eviction against them, the lease was never legally terminated. You could argue that it was breached by the late payment, but there was never a ruling to determine the breach; if you get sued by the buyer to enforce the option, a judge could find that late payment of the rent, without an eviction, is not a material breach. Whether there is a material breach depends on whether there is an event that frustrates the purpose of the agreement; paying late, but always paying, may not reach this standard. Therefore, there is a lot of risk in terminate the option in such a situation.

Mark B. Zinman, Williams, Zinman & Parham P.C.

Information contained in this article is for informational purposes only and should not be considered legal advice. You should always contact an attorney for legal advice and not rely on information published here.

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Meeting April 8, 5:15-9:00 p.m.

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AZREIA Monthly Meetings at a Glance

Phoenix Workshop – Partnerships & Joint Ventures: *The Foundation of Creative Deal Making with Jillian Sidoti*

Creating lucrative partnerships & joint ventures in real estate. From simple buy and flip to apartment buildings, Jillian will discuss the due diligence process of partnering and setting up joint ventures when it comes to creative financing.

Market Update & Market News with Alan Langston

The latest in trend analysis for the US, Arizona and Greater Phoenix including existing homes, new homes, foreclosures and traditional sales. Full analysis of Fix & Flip and Rental markets. Plus, the latest Market News affecting your business.

Phoenix Main Meeting – How to Make Impossible Deals Possible & Profitable with Bill Cook

The job of a real estate investor is not to buy, sell or rent houses. Our job is to solve people's real estate problems. Bill will talk about using creative deal structuring to solve these problems. You'll also see examples of creatively constructed and funded real-world deals.

Tucson Main Meeting – How to Make Impossible Deals Possible & Profitable with Bill Cook

Jillian Sidoti and Bill Cook tag team to discuss the three powerful principles you must look at before you begin to think of creative financing. Most deals come from someone else's problems and understanding what and how you meet the needs of the person sitting on the other side of the table.

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Prescott Main Meeting – Prescott Valley Growth, Economic Development Plans with Ben Hooper

Town of Prescott Valley Economic Development Coordinator, Ben Hooper, will discuss the aggressive growth of Prescott Valley, what it means for your local investing and opportunities you may be overlooking?