

Investor Purchasing Properties Checklist

- Once you identify a property you want to purchase, you will sign a contract. The price of each property is set by our Wholesalers and the prices of these properties are non-negotiable.

Name of Seller: _____

Phone: _____

Email: _____

Property Address: _____

- Please fax or email this contract to Jessica Snarr (jessicas@realwealthnetwork.com) or fax at 925-226-4966. If you have an LLC set up, you may sign the purchase contract on behalf of your LLC. Appears as “(your name), Member (LLC name)”

- An earnest money deposit of between \$1,000-\$3,000 will be required to hold a property and will be kept either in an escrow account or with an attorney, in accordance with each individual states requirement. Some markets may require a higher deposit.

Earnest Money Amount: \$ _____

Date Funds Needed: _____

Date Sent: _____

- Order a home inspection by an independent 3rd party prior to closing. Please refer to the Wholesaler for a contact in that area. Since the inspectors are working on your behalf, they will look for problems with the property that may need repair or improvement. Be sure to ask for a write-up along with corresponding photos of their findings. Many older homes will have a longer list of findings, but many of those items will be things expected in older homes (cracks in sidewalks, etc.) Major concerns should be foundation, structural, mechanical, mold, roof, and safety issues. The purchase contract should have contingencies for inspections, but there will be a time restriction on when this must be completed.

Last Date Home Inspection Can Be Done: _____

Home Inspector: _____

Email: _____

Date Ordered: _____

- For all closings you will have a closing agent (or closing attorney) depending on the state. The Wholesaler will provide the details on who this person is and how to get in contact with that person. This person may be referred to as a closing attorney or as a title company (or agent). In many states, a title company is also the escrow company. We recommend that you order title insurance to ensure clean title. If there is a defect in chain of title, you will have recourse against the title company. Please consult the Wholesaler for a contact on this as well.

Name of Title Company: _____

Name of Representative: _____

Email: _____

Date Contacted: _____

- Property Insurance: Contact the wholesaler for a contact to get insurance for your home. The insurance broker will be able to go over what your insurance policy will include and depending on the state there may be additional options to add to your insurance. The broker may need to send a copy of the certificate over to the Closing Agent.

Name of Insurance Broker: _____

Date Certification Provided: _____

Annual Cost: _____ Monthly Cost: _____

- Final Settlement Statement: You should receive this statement shortly before closing. It will include a list of the charges that will need to be paid to finalize the purchase of the property. The charges that you are responsible for will include the purchase price for the property, "Settlement Charges to borrower", less the amount of the earnest money deposit. If you put down an earnest money deposit and you DO NOT see that reflected on your settlement statement, contact your Closing Agent immediately to correct the settlement statement.

- Wiring Funds: Make sure funds arrive on or a few days before the closing date. You will receive the wire instructions for the closing from the Closing Agent.

Home Inspections

You have the right to request repairs based on the inspection report. This is why we recommend having contingencies in your purchase contract. If the seller and purchaser cannot come to an agreement on repairs, purchaser these contingencies give you the right to cancel the contract and receive full earnest money refunds.

Example language to write-in to the contract: "Purchaser has the right to request repairs based on the inspection report. If Seller and Purchaser cannot come to an agreement on repairs to be made, Purchaser has the right to cancel the contract and receive the full earnest money."

Insurance

Order insurance on property if you decide to move forward in purchasing the property. Wholesalers will have contacts for this in each market. We recommend a minimum of \$500,000 liability insurance in your landlord policy.

Another form of insurance you should consider is vacancy insurance. If your property is vacant for more than 30 days, homeowner insurance can be reduced or eliminated. In many instances, vacancy insurance can serve as a bridge for homeowners insurance in the chance that your property is vacant for an extended period of time. Please check with your insurance provider to confirm that this is true for the policy you purchase. Keep in mind that the cost-benefit may not warrant the insurance policy.

Umbrella policies are ordinarily given to homeowners in the United States. However, some companies provide commercial umbrella policies for investment properties that will cover LLC's. Depending on the policy, this insurance can give up to \$5 million of additional protection. Again, check with your insurance carrier for the details of the coverage.

Asset Protection

If you are buying multiple properties, consider establishing an LLC in the state in which you are buying. This LLC would be held under your parent Wyoming LLC. Or if you like, you may choose to have your Wyoming LLC register to "do business" in the state in which you are buying. But first check to see if the state requires this because it may not or consult an attorney.

If you are only buying more than one property, the head LLC may be enough to hold all properties. Our US attorney's suggest 1-3 properties be held in one LLC, but no more than a \$500,000 equity.

Closing

If you are no longer in town, you may have the title company or attorney (depending on the state) email you the closing documents with wire instructions. Please consult Jessica Snarr on

each deal so that we can provide you with the most updated information that will be pertinent to your investment.

- o Sign where indicated
- o Wire funds (many investors are using www.ozforex.com).
- o Overnight or fax the documents back to the title company.

After Purchase

- Let us know if you have any questions or concerns. If we don't know, we can't help.
- Keep an eye on your property management company's performance. While we have approved the companies in advance and have received positive feedback from other investors, things can change over time.

Rehabs

The Real Wealth Network is aware that, in some cases, our wholesaler's inventory is in the process of rehab or will need to undergo renovation. In these instances, it is our position that you wait until the property is rehabbed completely before purchasing. This way you can get an inspection and know exactly what you are getting.

However, in some cases you may decide to purchase a property before it is complete. In this case, we recommend you hold at least half of the rehab funds in an escrow account until you receive proof that the first phase of the rehab is complete.