

# What Box? 2025

ADVANCED Creative  
Deal-Structuring  
Strategies

## Bill & Kim Cook

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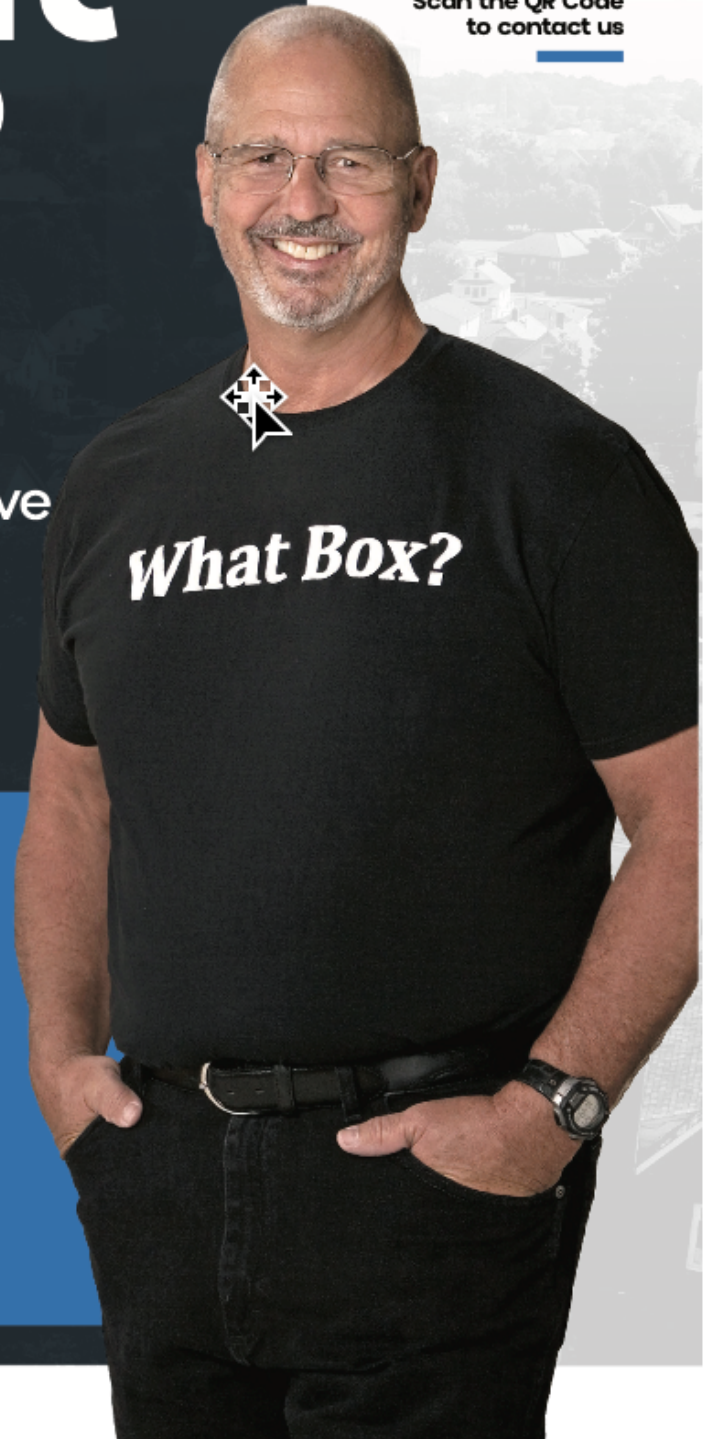


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# What Box? 2025 Seminar Schedule

*(Eastern Time Zone)*

## **Friday, September 12, 2025**

Pizza Party by Pool – Meet and Greet..... 6:00 p.m. to 9:00 p.m.

## **Saturday, September 13, 2025**

Registration..... 8:00 to 9:00 a.m.  
Class..... 9:00 to 10:30 a.m.  
Break ..... 10:30 to 10:45 a.m.  
Makenna Dombeck..... 10:45 to 12:15 p.m.  
Lunch..... 12:15 to 1:30 p.m.  
Class..... 1:30 to 2:30 p.m.  
Break ..... 2:30 to 2:40 p.m.  
Class..... 2:40 to 3:50 p.m.  
Break ..... 3:50 to 4:00 p.m.  
Class..... 4:00 to 5:00 p.m.  
Panel: Q & A ..... 5:00 to 6:00 p.m.

## **Sunday, September 14, 2025**

Class..... 9:00 to 10:30 a.m.  
Break ..... 10:30 to 10:45 a.m.  
Class..... 10:45 to 12:15 p.m.  
Lunch..... 12:15 to 1:30 p.m.  
Class..... 1:30 to 2:30 p.m.  
Break ..... 2:30 to 2:40 p.m.  
Class..... 2:40 to 3:50 p.m.  
Break ..... 3:50 to 4:00 p.m.  
Class..... 4:00 to 5:00 p.m.

## **Monday, September 15, 2025**

At poolside: *Your best takeaways* ..... 9:00 to 10:30 a.m.

# This Is Your Warning!

Neither Bill or Kim Cook are CPAs or attorneys. They have never played one on TV. For that matter, they probably have never stayed at a Holiday Inn Express.

Bottomline: Verify *anything* and *everything* in this manual using someone **YOU** trust and who **YOU** verify is a competent professional of **YOUR** choosing, where **YOU** invest.

All material in this manual is for classroom instruction only. It's here to cause you to think, be curious, and use your imagination. This course's goal is to have questions asked and topics debated.

Remember: **YOU** are 100% responsible for **YOUR** decisions and **YOUR** actions! **YOU** are responsible for **YOU**!

Documentation in this course may be appropriate in one state, but not in another state. Do **NOT** use any documentation and/or creative deal structuring tools discussed or shown in this course unless you have **PERSONALLY** verified that they are kosher where **YOU** live and invest.

A creative deal structuring and/or funding technique suitable for one transaction is definitely **NOT** suitable for all transactions.

Be warned: The information offered in this course is offered with the understanding that neither the publisher nor the author(s) is/are engaged in rendering legal, accounting, or other professional services.

Bill Cook will fail miserably at being politically correct. If your feelings are easily hurt, if you are often offended, if you believe in participation trophies, if you believe government has the best answers, Bill is the wrong teacher for you. It's best to get your attendance money refunded now and leave.

There, you've been warned!

Bill and Kim Cook

# Jack Miller, Pete Fortunato & Dyches Boddiford

Often, with real estate investing, being at the right place, at the right time, and taking action, can change your life...*sometimes forever!*

In 1997, while attending a Georgia REIA meeting, Kim and I first heard Dyches Boddiford teach. He changed our lives forever!

One of the first pieces of advice Dyches gave me was to attend Jack Miller's seminars in Tampa, Florida. I had no clue who Jack was, but if Dyches said take Jack's class, I was, by gosh, going to take Jack's class.

I remember sitting in my first Jack Miller seminar in 1998. I spent the entire two-day event having no clue what Jack was talking about. Without a doubt, I was the most ignorant investor in the room.

Thankfully I was smart enough to recognize that the room was packed with been-there-and-done-that investors. It was obvious most had taken Jack's classes many times. They encouraged me. They said creative deal structuring would one day make sense if I would just stick with it.

At that seminar, I was observant enough to notice that at each break, 15 to 20 attendees would gather around a strange, dark-haired man sitting on the back row. Curiosity caused me to nudge my way into this group so I could hear what the strange man was saying. As it was with Jack and Dyches, I had no clue what the strange man was talking about, but I did admire the gusto, force, and belief with which he spoke. This man was, of course, Peter Fortunato.

*This is important:* Though I didn't understand anything Jack, Pete, and Dyches talked about back then, I knew I had found the real estate investing teachers for whom I'd been searching. They were teaching the language of **advanced** creative deal structuring, the language I was thirsting to learn.

From that day to this, though Jack went to heaven in 2009, and Dyches joined him there in 2024, I still listen to them almost daily by going to **CashFlowDepot.com**. Also, Kim and I attend most every seminar taught by Pete Fortunato, every time he teaches.

Back in 1997 and 1998, I didn't know Kim and I were climbing onto the shoulders of giants. It was simply a case of being at the right place at the right time and taking the right action – attending nearly every class they taught and then implementing what we had learned!

It's very important I make something crystal clear: Most every lesson you hear me teach, please know it is a lesson I learned from one of these three giants. And while we're at it, let's throw John Schaub and David Tilney into this group of giants.

There is no way, *absolutely no way*, Kim and I could have achieved our level of success without the knowledge, creativity, guidance, patience, and help of these five great men!

Love you,

Bill

## About Bill & Kim Cook

Bill and Kim are a husband-and-wife real estate investing team. Bill creatively constructed his first deal in 1990 in Shreveport, Louisiana. He and Kim have been teaching other investors to do the same since 1997. They became full-time real estate investors in 1998.

Their core belief is that real estate investing is ***not*** about buying, selling, or renting houses. It's about ***helping people solve their real estate problems!***

Their investment portfolio consists of single-family rental homes, mobile homes, and a small mobile home park. In addition, they lend, own notes, options, and stocks.

With more than 35-years of face-to-face dealmaking experience, Bill is one of the most imaginative ***advanced*** creative deal structurers in the country. Whether you need to know how to creatively construct, or creatively fund, or creatively hold, or creatively sell a property, Bill is the person many ***experienced*** real estate investors call for advice.

In addition, Bill is one of a handful of real estate investors who has the know-how, skill, and experience to work with Pure Options. Less than 1% of the real estate investing world has ever heard of a Pure Option, even though it's one of the most effective deal structuring tools in the business. For more than 25 years, Bill has used Options to generate cash flow, profit and to protect Kim's and his assets.

Bill and Kim built their business square on the back of knocking on homeowners' doors. Why? Because it's the ***fastest, cheapest and most effective way*** to get ***face-to-face*** with homeowners and make ***written*** offers. For nearly 55 years, since 1972, Bill has made his living knocking on homeowners' doors and being invited in.

In 2022, Jackie Lange handed the reins of **CashFlowDepot.com** to Bill and Kim. This site is home to all of Jack Miller's teaching materials. Lonnie Scruggs materials, too. Content wise, for real

estate investors and creative deal structuring, there's no other website on earth that can match its content!

For 14 years (from 2001 through 2015), Bill and Kim founded and ran North Georgia REIA in Cartersville, Georgia. With more than 2,400 members, it was one of the largest and most successful real estate investing groups in the country. At the end of 2015, Bill and Kim closed their REIA's doors so they could begin traveling fulltime in their motorhome.

For 13 years (from 2002 through 2015), Bill wrote a weekly syndicated real estate investing newspaper column. At the end of 2015, Bill turned his column over to his good friend Joe English in Calhoun, Georgia.

Bill is quick to point out that he and Kim are standing on the shoulders of creative dealmaking giants. **Jack Miller**, **Peter Fortunato**, and **Dyches Boddiford** have been their primary real estate investing teachers since the 1990s. Add to this mix **John Schaub** and **David Tilney**. Much of what Bill and Kim know has been learned from these creative deal structuring originators.

From 2018 to 2025, Bill and Kim lived full time in their 40-foot, diesel pusher, Tiffan Phaeton motorhome. This year (2025) Bill and Kim sold their motorhome, bought their forever home and now live in Venice, Florida.

To learn more about Bill and Kim, to see courses they teach, to see their many videos about advance creative deal structuring strategies, and to watch interviews with some of the best, most experienced real estate investors in the country, please visit **BillandKimCook.com**.

You are welcome to call Bill with your deal-structuring questions. His phone number is 770-815-8727.

**Website:** [BillandKimCook.com](http://BillandKimCook.com)

**Facebook Page:** Bill and Kim Cook

**YouTube Channel:** Bill and Kim Cook

# Our Other Courses For Sale

We hope, after spending time studying this course, you have a much clearer understanding of **ADVANCED Creative Deal Structuring and Structure Stacking**.

Please know you can't learn all there is to know about real estate investing from one manual, one course, one seminar, one bootcamp, or from one teacher. Becoming a master of anything requires years of study plus lots of hands-on experience.

If you want to pursue your real estate investing education, please know we have a variety of courses for sale. In fact, when we include CashFlowDepot.com, Kim and I offer access to more real estate investing education than does anyone else in the country.

Best of all, with our courses, we offer an unconditional 30-days moneyback guarantee.

## A List of Our Courses

- **What Box? Home Study Course..... \$697.00**
- **The Power of Options Home Study Course..... \$697.00**
- **The Ultimate Creative Deal Structuring Course..... \$1,297.00**
- **How to Knock on a Homeowner's Door and Make Written Offers ..... \$197.00**
- **How To Use a Financial Calculator ..... \$147.00**
- **CashFlowDepot.com (Jack Miller's REI Courses) .. \$299.00**

To learn more about these courses, go to [BillandKimCook.com](http://BillandKimCook.com) or call Bill at 770-815-8727.

## What Is “*What Box?*” About?

Many will say What Box? is about advanced creative deal structuring, structure stacking, and advanced dealmaking strategies. They are right. But the thing is, when you boil What Box? down to its essence, it's simply about learning how to better help people solve their real estate problems. It's about being solution driven rather than technique driven. It's about kitchen tables, curiosity, questions, listening, T-bars, imagination, caring, accords, memorialization and **taking action!**

A strange thing began happening around 2012. As America began recovering from the great housing collapse of 2008, flipping houses became all the rage. This encouraged “mentors” and “coaches” to come out of the woodwork touting the great virtues of flipping and wholesaling.

As flipping and wholesaling caught fire, the skills required to creatively construct deals began to ebb. By 2015, probably 95% of offers made to sellers by investors were based on the ever so creative *70-cents-on-the-dollar-minus-expenses* formula. This type of offer often requires the investor to get shed of the property as quickly as possible – preferably before he or she owns it.

Before my flipping and wholesaling friends blow a gasket, please don't think I'm putting down quick-turn properties. Kim and I have done a ton of them over the years. Heck, we used profits from our flip, wholesale, and assignment deals to get our rental properties free and clear, as well as to put food on the table and keep a roof over our heads.

My point is this: Because the overall focus for the past twelve years has primarily been on quick-turning properties, and because real estate values have rapidly increase during this time, there is now a generation of real estate investors who have no clue how to creatively buy or creatively fund a deal, nor do they know what to do when the music stops and real estate values begin to level off or fall.

For this generation, if a property can't be bought for 70-cent's-on-the-dollar (minus expenses), then in most minds there is no deal to be done.

Think of it this way: Picture a flipper or wholesaler opening their deal structuring toolbox. When they peer inside what do they find? A single tool. The proverbial **Big Damn Hammer**.

Facing foreclosure? **WHAM!** Here's your 70-cent-on-the-dollar offer. Hate your tenants? **WHAM!** Here's your 70-cent-on-the-dollar offer. Moving? **WHAM!** Here's your 70-cent-on-the-dollar offer. Need a bigger house? **WHAM!** Here's your 70-cent-on-the-dollar offer. Don't want to move? **WHAM!** Here's your 70-cent-on-the-dollar offer. Owe more than your house is worth? **WHAM!** Here's your 70-cent-on-the-dollar offer.

For real estate investors, dealmaking needs to be brought back to the forefront...to be relearned. To help accomplish this goal, Kim and I decided to focus our teaching on **ADVANCED** creative dealmaking.

The first course we teach is this course, *What Box?* At *What Box?* we focus on using multiple deal structuring tools to make a single transaction succeed. I call this **Structure Stacking**. We also discuss **ADVANCED** real estate investing strategies.

*What Box?* is designed for experienced real estate investors. That said, because creative deal structuring is a language, and the best way to learn any language is by emersion, we recommend less experienced real estate investors **DO** attend! A newer investor may not understand what's being discussed, but he/she will get a glimpse behind the creative dealmaking curtain and see what's possible.

The second one-of-a-kind course we teach is *The Power of Options*. You can learn more about this seminar at [BillandKimCook.com](http://BillandKimCook.com)

Gotta throw in our *Door Knocking and Offer Making* course, as well as our *How To Use a Financial Calculator* course.

Why do Kim and I teach *What Box*? When we got into real estate investing, God smiled upon us. God gave us absolutely *THE BEST* teachers from whom to learn: Jack Miller, Pete Fortunato, Dyches Boddiford, John Schaub, Jimmy Napier, Prentiss Yates, Mike Meeker, Jack Fullerton, Jack Easton, and Mic Blackwell.

We feel the best way to thank these incredible teachers, teachers who spent countless hours patiently answering my many real estate investing questions, is to pass on the lessons they taught us.

It's good to have you with us. Thank you for being here!

Bill & Kim Cook



Can two single-syllable words really have this big of an impact on a person's life? What did Pete's email say? Remember, I wrote a column about Pete Fortunato being the greatest "*outside the box*" thinker.

Pete's email simply – and only – read: "**What Box?**"

And with that, I went off the deep end. I sat in front of our fire pit for three days. All I did was gaze into the flames and contemplate Pete's reality-shattering message.

All my business life – and this is the case for most of us – I was instructed to think *outside* the box. Then along comes Pete, bending the universe the way only he can.

A few days later I drove to Madeira Beach, Florida and met with Pete. I had questions that needed answers. Pete simply pointed out that after attending his seminars since 1999, I'd entirely missed his most important core lesson. All this time, he *wasn't* teaching us how to think *outside* the box – he was teaching us that **THERE IS NO BOX!**

In discussing his mind-warping insight, Pete, in his tone of *it's-critical-that-you-fully-understand-this* said, "Bill, if you say you're thinking outside the box, then you're acknowledging there is a box. If you think there is a box, then you'll never reach your full potential as a creative deal structurer. The truth is, there is no box! You can be as creative as you want – *so long as you help the other person get to a position THEY like better than their current position.*"

How could I have been so obtuse for so long and missed such a *key* point?

If you want to become a better, wiser, more accomplished real estate investor, remember that our job is to help people get what they want. It's about them, not us. If you combine this mindset with the persistent effort of regularly getting face-to-face with sellers, along with getting together with other been-there-and-done-that investors, you will get exactly what you want out of life.

Most importantly of all, remember Pete's ever-so-wise words: "**What Box?**"

Thanks, Mr. Fortunato!

## Bill's Bible for *Bill*

Currently, I'm getting ready for What Box? 2025. This is the yearly, two-day seminar Kim and I host each September in Tampa, Florida and on Zoom. The topic is **ADVANCED** Creative Deal Structuring Strategies.

While there are thousands of folks teaching real estate investing, only a handful are experienced enough to teach **ADVANCED** deal making strategies.

Which teacher is at the top of the mountain? Mr. Pete Fortunato. There's no one else like him on the planet. He has been structuring mind-bending, universe-altering deals for more than five decades. Jack Miller, a legendary real estate investor who passed away in 2009, said Pete is the most creative dealmaker he's ever met. Jack said it all!

While working on this manual, I made a list of the most important lessons I've learned about real estate investing.

At first, I titled this column, *Bill's Bible*. I quickly realized this was a terrible title because it implied that what I wrote should be treated as if it came down from heaven. As if it outlines **THE** way.

As you will soon read, I do not believe there is a **THE** way. We each develop our own unique style that allows us to succeed as real estate investors. While there is no **THE** way, there is most definitely a **YOUR** way, and **YOUR** way will morph and improve over time.

To correct my mistake, I changed the title to *Bill's Bible for Bill*. Much better don't you think? My advice is to create your own bible. Of all the lessons you've learned, it's fun figuring out which ones are most important to you.

(SEE NEXT PAGE)

Let me share with you some of the lessons in *Bill's Bible for Bill*.

## **There Is No THE Way**

*There is no THE way.* There is only YOUR way, and YOUR way will continually adapt and modify.

Example: You begin real estate investing with near zero knowledge or experience. Maybe you begin life as a flipper or wholesaler.

Later, you decide to acquire some single-family rentals.

You realize there is much you don't know, so you turn to YouTube videos, but discover they're skimpish on details. You then find yourself forking over chunks of cash to "gurus," only to realize most "gurus" are light on real-world information. Next you focus on learning from a handful of very experienced, successful real estate investor teachers...like Jack Miller, Pete Fortunato, and Dyches Boddiford. Let's throw in John Schaub, Jimmy Napier, David Tilney, and Prentiss Yates into this group.

You then realize Performance Master Leasing is one heck of a way to control property and build cash flow.

You then become interested in affordable housing and begin acquiring Lonnie Deals.

This leads to buying a trailer park or two.

This leads to duplexes.

This leads to apartments.

This leads to storage units.

As you gain experience as a landlord, you find there is great need for mid-term (corporate) rentals and begin acquiring them.

As your assets and net worth grow, you realize you have a HUGE

target on your back. You learn about entities, trusts, and asset protection.

You also begin thinking about TAX FREE income for your later years. You learn about self-directed Roth, solo 401k, and HSA accounts.

As you continually gain experience at the kitchen table, you discover there are some property owners, for a variety of reasons, who don't want to sell YET. To solve these folks' problems, you learn to do Options and Pure Options.

As you gain financial freedom, you no longer must pinch pennies or labor for a living. You have more money at the end of the month than you did at the beginning. What do you do with the extra money? You become a hard money lender.

Once most of your investment money is lent out, you realize the value of wrapping and Dorsie Deals.

At a point, you realize that because you have so many investment properties, all your time is spent managing properties and people. You learn to do 1031s and trade two or three of your D & C properties for an A property. You also sell some of your B and C properties to owner-occupants while giving owner financing (Note: if you choose to do this, expect to encounter Pete Fortunato's wrath...and he'll probably hang an embarrassing award around your neck for being stupid enough to trade houses for paper.)

You end up with fewer properties, but because they're all top-quality properties and performing notes, your net cash flow actually increases while your workload dramatically decreases. You say goodbye to all those landlording headaches the C & D properties generated.

Somewhere along the way, because of your success, other investors (Starters, Estate Builders, and Enders) seek you out asking for advice, guidance, and education. You begin teaching and maybe writing and maybe starting a REIA and maybe doing some coaching.

As you push into your 50s and 60s, you realize your estate plan is non-existent. You learn about estate planning.

With financial freedom comes a desire to help more people, to spend more time with family, and to travel. The idea of cleaning gutters and filling rentals bores you. You turn over your properties to an up-and-coming investor who is successful at Master Leasing. This frees up your time to accomplish the things you find most important in life. You buy a RV and travel the country with your beautiful redheaded wife. You jump on airplanes and cruise ships and travel the world. You decide to move to another country for a period of time to learn a new language...like espanol.

In your 50s and 60s, many of your great teachers begin aging out. When you realize you are slowly losing your oracles of real estate investing knowledge, sadness and terror set in. Why terror? With most of your mentors gone, who do you turn to when you have questions?

You s-l-o-w-l-y begin to realize you know the answers. You realize that in your own way, YOU are now the oracle other investors turn to when seeking answers and advice. It makes you chuckle.

This leads to a new group of closeknit friends who are 10 to 20 years YOUNGER than you. Because you're realizing that the most valuable asset in life truly is TIME, you want to impart your most important life lessons on anyone who wishes to learn. You start leading trips like Backpack REIA, Ski REIA, Scuba REIA, Bike Touring REIA, Cruise REIA, World Traveling REIA, Pilot REIA....

Yep, there is no **THE** way. My friend, there is only **YOUR** way...and it will constantly evolve.

Hang on tight. Work hard. Have fun, my friend!

## **Real Estate Investing Is Simple, NOT Easy**

Successful real estate investing is not a sit-on-your-butt thing, nor is it a watch-a-lot-of YouTube-videos thing. Succeeding at real estate investing is simple to do, but *don't* make the mistake of confusing simple and easy. Becoming a successful real estate investor is anything but easy.

When Kim and I were starting, our goal was simple: make 25 **written** offers each week. Our week was not done until we had made the 25th **written** offer. This meant we worked our butts off! Have **YOU** ever made **25 written** offers in a **single** week? Give it a try, see how much work it takes.

I'm *not* telling you that you must make 25 written offers a week. Remember there is no *THE* way! I am saying you need to get *face to face* with sellers on a *regular* basis and make *written* offers. This is the alpha and Omega of real estate investing.

When an investor calls to say they are failing, and about to quit, it only takes asking them **two** questions to get to the heart of their problem.

**Question #1:** How many **written** offers have you made in the last **30 days**?

**Question #2:** How many **written** offers have you made in the last **12 months**?

Almost always their answers are **ZERO**, and a **number less than TEN!**

If only more investors would heed my advice and meet with more sellers and make more written offers, the number of real estate investors who quit would *decrease*. Unfortunately, because making written offers requires a lot of hard work, hard work most would-be investors are not willing to do, they have no alternative but to quit, and so they do.

Want to succeed at real estate investing? Find more people to help and find more problems to solve! It truly is this **simple!**

*(Turn to next page)*

## Door Knocking Works

The *fastest, cheapest, and most effective* way to get *face to face* with sellers and make *written* offers is to knock on homeowners' doors.

The one thing most investors **never** want to do is to knock on a seller's door.

Folks, since I was 12-years old (1972), I've made my living knocking on homeowners' doors and being invited in. That's more than 50 years of door-knocking experience.

You have two choices. **Choice #1:** Listen to people who've *never* knocked on a homeowner's door tell you that it *doesn't* work. **Choice #2:** Listen to someone who's been doing it successfully for more than 50 years tell you it *most definitely* works. Who you believe is up to you.

I'm not going to do a how-to-knock-on-someone's-door segment in this manual. I have a great manual about door knocking and offer making that you can purchase on our website or at the check-in desk out front.

Know this: I'm not asking you to be a full-time door knocker. However, think about a *certain* house that you drive by on a *regular* basis that when you look at it you ask yourself: *Why is that house like that? I wonder if the owner wants to sell? That's the door I think you should stop at.*

## Not Doing T-Bars

I've been preaching and teaching the value of T-Bars for as long as I can remember. I show example after example of deals Kim and I have done, and the only reason we got the deal was because we did a T-Bar.

The purpose of the T-Bar is simple; it's to get the answer to Pete Fortunato's *famous* question: “Why are you selling **SUCH** a nice house like this?”

Bottom line: Oftentimes the sellers WHY is more important than their how much. A purchase-and-sale agreement only shows the *how much*. Nowhere in it is the seller's WHY discussed.

If you're only using a purchase-and-sale agreement, I promise you're walking right past an *untold* number of deals. As it is with options, I'm flabbergasted by the number of real estate investors who refuse to use a T-bar at the seller's kitchen table.

This is a fact: The **most** important tool I use as an advanced creative deal maker is the T-bar. Throughout this manual you'll see a T-bar used in most every deal. I wonder how investors can **NOT** use T-bars and succeed.

## Gray Hair and Bald Heads

Especially in my early years of real estate investing, when I didn't know how to make a deal work, I turned to the wise, experienced, real estate investors in my network. You know, the investors with gray hair and bald heads.

More often than not, I brought them into my deal. What *they* got was part of the deal that I brought to the table. What I got was funding, but more importantly, I gained their experience and know how. Yes, I gave up profit and cash flow to bring them in, but I also made a lot more money **AND** side stepped a lot of foolish errors along the way.

Because I quickly turned to the bald heads and gray hair, I did deals that I had no clue how to do. More importantly, I did these deals, which gained me experience, instead of wholesaling the deals to other investors and gaining no experience.

When it comes to bringing experience investors into your deal, don't be penny wise and pound foolish.

## If You Give Me Just One Tool

If you take everything from Kim and me, all of our assets and capital, but left us with our knowhow and experience, and forced us to start over with the caveat that we could only use **ONE** creative deal structuring tool, that tool would be Master Leasing. The best teacher for Master Leasing is David Tilney (DavidTilney.com).

And if you were kind, I mean really, really kind, and gave us **TWO** deal structuring tools to use, the second tool would be Options.

And dare I say it - *I dare, I dare* - if you were drunk with kindness and gave me **THREE** deal structuring tools to put in my creative-deal-structuring toolbox, that third tool would be Lonnie Deals.

For the record, because we're asked this often, my fourth and fifth tools would be Owner Financing and Subject-to Deals.

I share this with you because newer investors often ask which created tools should they learn to use first. The above is my answer - *my opinion* - to this question.

# Different Deal Structuring Tools We Use

In a previous chapter, I described the deal-structuring toolbox of an investor who strictly flips or wholesales. Most of the time, their toolbox contains but one tool: **The Big Damn Hammer**.

Now let's look in the deal-structuring toolbox that Kim and I use. Notice there are many more tools available for us to put into action. With these additional tools, does it make sense that we can structure deals that a flipper/wholesaler can't even conceive? Because we have so many deal-structuring tools at our disposal, do you see we can do deals the flipper/wholesaler considers to be impossible?

This is why you are here; to learn how to use multiple tools from the list on the next bunch of pages to make "impossible" deals not only possible, but also profitable. When we use multiple deal structuring tools to make a single transaction possible, we call this **Structure Stacking**.

Long ago, I learned a very important lesson from Pete Fortunato. There is no such thing as an impossible deal, however, there is such a thing as an impossible seller, buyer, tenant, landlord, borrower, lender, etcetera.

The following are many, but not all, of the creative tools we use, along with a brief description of each.

## The Big Damn Hammer

Since 2012, this has been the most popular "creative" structuring tool used by real estate investors. Commonly, it's 70% of a property's fair market values minus all expenses.

This technique relies on capturing a property's equity. If the target property has little or no equity, or the property owner doesn't want to sell, it's game over for this deal structuring tool.

## The T-Bar

For me, the T-bar is the single most-important tool I use to creatively structure deals. No other tool in real estate investing comes close to matching a T-bar's structuring power.

People ask how we decide which structuring tools to use when putting together an offer. Easy answer, the seller *tells* us how to structure our offer. For this to work, it requires us to ask a **LOT** of questions, *especially* the *hard* questions, and then to **LISTEN** and **WRITE DOWN** what the seller says. Asking the hard questions is how we learn the *source* and *depth* of the seller's real estate pain. We know any offer we make must *eliminate* or *reduce* the seller's pain. If we're able to accomplish this, the likely hood the seller will accept our offer increases significantly.

Remember: Our job as real estate investors, and you'll hear me say this a million times, is NOT to buy, sell, and rent real estate. Our job is to solve people's real estate problems. That said, before you can solve someone's real estate problem, you must first have a clear understanding of what that problem is. A T-bar allows you to accomplish this goal.

The T-bar Kim and I use as real estate investors has a father, a mother, and their baby. The father is Benjamin Franklin. The mother is Peter Fortunato. (Don't think I don't like calling Pete a "mother."). Their baby is me.

**Daddy Franklin:** For 18 years, when selling Electrolux vacuums door to door, often I used the Ben Franklin close to sell my vacs. This was a closing technique invented by Ben Franklin. I drew a big **T** on a piece of paper. At the top of the left side of the **T** I wrote the word "YES." At the top of the right side of the **T** I wrote the word "NO."

When using this close, I'd have the buyer list the reasons she ***should*** purchase a new Electrolux on the right side. On the left side, the buyer would list the reasons she ***shouldn't*** purchase a new Electrolux.

I won't go into any more detail about the Ben Franklin close. You can watch it in action on You Tube. Point is, it relies on a T-bar.

**Momma Pete:** In the 1990s, I first saw Mr. Fortunato use his version of the T-bar. He used it differently than how I used it when selling vacs. That aside, immediately I recognized T-bars could be used in real estate.

**Baby Bill:** In the early 2000s, I combined what I learned from Pete about T-bars with what I had learned from Benjamin Franklin about T-bars to create my own unique version of the T-bar I could use when solving folks' real estate problems.

Let's begin by letting you see my T-bar.

*(See next page for T-bar)*

**A T-bar Offer**

9-22-2007  
STONE BRIDGE COURT

CURRENT POSITION	POTENTIAL POSITION
- You HAVE A VACANT RENTAL	→ NO MORE VACANT RENTAL
- You ARE 2 months Behind on Stonebridge mortgage	→ Will Be CURRENT ON Stone-Bridge mortgage
- You ARE ONE month Behind on Your Home Mortgage	→ You Will Be CURRENT ON Your Home MORTGAGE
- You OWE YOUR PARENTS \$4000	→ You Will Be ABLE TO Pay OFF YOUR PARENTS
- Stonebridge HAS Repairs You need to make	→ You Will NOT Need TO make ANY REPAIRS
- You ARE WORRIED ABOUT LOOSING StoneBRIDGE TO FORECLOSURE	→ You Will NEVER Need TO WORRY ABOUT StoneBRIDGE AGAIN.
- IF YOU SELL StoneBRIDGE, You Will Need to Clean up THE PROPERTY	→ You Will NOT Need to CLEAN OR Fix Anything

OFFER

- WE Will BUY Your house in 5 Days.
- You Will Get \$10,000 AT CLOSING
- From Your \$10,000, Your Parents Will be PAID OFF. Your Home mortgage Will Be Brought CURRENT. The mortgage on Stonebridge Will Be Brought CURRENT.
- WE Will Pay ALL CLOSING COST.
- WE Will make YOUR mortgage Payments, on YOUR MORTGAGE, For YOU, According TO THE TERMS OF YOUR NOTE.

When at a seller's kitchen table, I ask the owner for paper so I can "make some notes." The "notes" I'm making is actually a T-bar.

I draw a large T on the sheet of paper. On the top left I write "*Current Position.*" On the top right I write "*Potential Position.*"

Under "Current Position," I list all of the seller's pain points. I'm able to learn these pain points by initially asking Pete Fortunato's famous question: "Why are you selling ***SUCH*** a nice house like this?" This is followed with many more questions with the purpose of fully understanding the seller's real estate problem(s).

For the record, T-bars are the ***MOST IMPORTANT*** tool I use as a real estate investor. The T-bar tells me ***HOW*** to structure my offer. (i.e. Which deal structuring tools to use.)

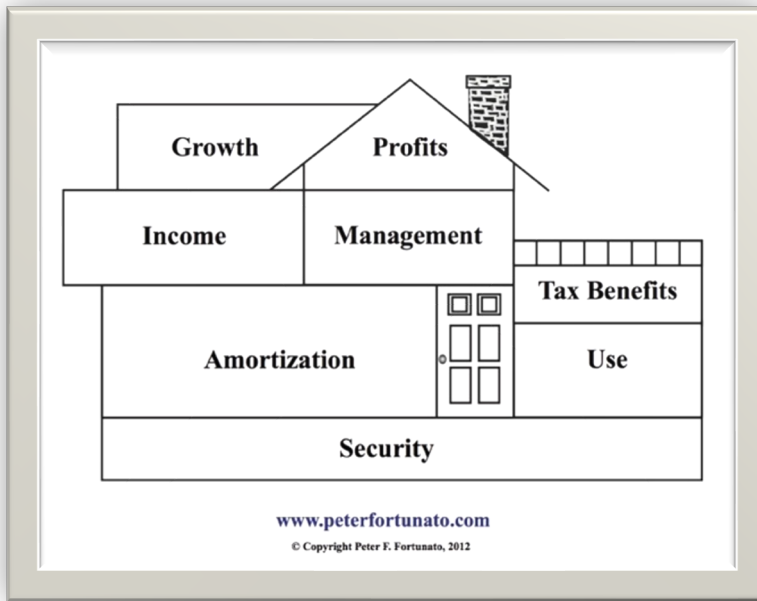
## **Pete Fortunato's Benefits House**

When we were baby real estate investors, when visualizing the best way to manifest a creative offer, I saw a house only as sticks and bricks. I failed to see it as a bundle of benefits.

In 1999, while attending my first Pete Fortunato seminar, Pete put up a picture of his Benefits House (see below). To me, it was like being struck by a bolt of lightning!

For the first time, I realized a property was not just sticks and bricks. Rather, a property is a bundle of benefits – 8 benefits actually.

*(See next page for Pete's Benefits House)*



This is Pete Fortunato's Benefits House. Do you see the 8 benefits that are possible with every deal?

The 8 benefits are: Growth, Income, Profit, Amortization, Management, Tax Benefits, Use, and most important of all and the foundation of **EVERY** deal, *Security!*

Now for the good stuff. As an investor, you don't have to keep all the benefits for yourself. You can sell/give/trade some of the benefits to others while keeping the benefits you most want for yourself.

When I got home, I had Pete's Benefits House blown up to poster size. I hung it above my desk. From that moment forward, when talking to someone on the phone about a creative structure, staring at the poster helped me think of creative ways to make an impossible situation possible. I advise you to do the same.

*(See next page for picture of Pete's Benefits house as a poster)*



This was my desk at our horse ranch. Do you see Pete's Benefit's House above my desk?

## Pure Option

Likely you've heard the term Lease Option. This technique is when a Lease and an Option are used together to make a single transaction work. (aka Structure Stacking)

A Pure Option is when an Option is used by itself.

## Right of First Refusal

A Right of First Refusal is an Option, that's not an Option, but it is an Option, but it's not an Option, but it is an Option...huh?

By definition, an Option is a unilateral contract. One party must perform, while the other party may perform. With this particular tool, neither party can make the other party perform.

For example: Optionor goes to sell the property and finds a willing buyer, the Optionee has the right to step into that buyer's shoes. But what if the Optionor never sells the property? The optionee is out of luck.

Thus, if the Optionor decides to sell, the Right of First Refusal turns into an Option. But if the Optionor never chooses to sell, the Right of First Refusal never turns into an Option.

Ain't the world of Options grand?

## Master Lease

With a Master Lease, a tenant (investor) rents a property from the property owner. At the same time, the tenant (investor) has a right to rent the property to his/her tenant (user).

Master Leases are also known as Wrapping Leases, or Sandwich Leases.

How much do I like Master Leasing? If you took away all the assets Kim and I possess and made us start over, *and we were allowed to use only one creative deal structuring tool*, the tool I'd choose is a Master Lease.

## Performance Master Lease

A Performance Master Lease and a Master Lease are identical except for one thing. With a ***Performance*** Master Lease, the tenant (investor) is not required to pay rent to the property owner until the user tenant (user) pays rent to the tenant (investor). In other words, as an investor, you don't pay your landlord until your tenant pays you. This makes for a very safe deal structure.

## Tenant Lease

An owner of a property (landlord) rents his/her property to a tenant, giving the tenant use of the property.

## Subject-to Deal

Normally, when a house is sold, at closing, title transfers from the seller to the buyer. At the same time, if the property is mortgaged, the seller's note is paid off, and the mortgage is cancelled.

(Mortgages are used in judicial foreclosure states, and Deeds of Trust are used in non-judicial foreclosure states.)

With a Subject-to Deal, the seller's note is ***not*** paid off at closing, and the seller's mortgage is ***not*** cancelled. The seller's note and mortgage remain in effect. The buyer agrees to make the **SELLER'S** mortgage payments, on the **SELLER'S** mortgage, for the **SELLER**, until the SELLER'S note is paid in full according to the terms of the **SELLER'S** note.

## Subject-to Deal Wraps

This is a Subject-to Deal (see above) with one very important change. Once the investor has bought the property subject to the seller's mortgage, the investor then sells the property to an owner-occupant buyer. At closing, the original seller's note and mortgage remains in effect. At the same time, the buyer gives the investor/seller a new note and mortgage. This new note and mortgage "wraps around" the original seller's note and mortgage.

For the record, unless the underlying note and mortgage is in my name, Kim and I will ***NOT*** do Subject-To Wrap deals. ***Way too many things can go wrong!***

## 121 Deal

This structure refers to IRS code section 121. To keep it simple, it's called a 121 Deal.

If you live in a property for two of the past five years, and it's your primary residence, when you sell the property, you get to keep \$250,000 of the gain tax free. (\$500,000 for married couples)

You're allowed to do a 121 Deal every two years! (Actually, two years and one day.)

Think about this: If you are married, you have the opportunity to make \$500,000 tax free every two years. It's an outstanding deal structure. I don't understand why 121 Deals aren't used way more often. (Actually, I know why they're not used more often, but if I say it out loud, because it's a derogatory comment about women, Kim will hit me!)

## **Seller Financing**

It's when the seller sells the property to a buyer, but instead of being paid all cash at closing, the seller agrees to accept a Purchase Money Note instead.

## **Owner Carry-back Financing**

This is another name for of Seller Financing (see above).

## **Second Bite of The Apple Deal**

After completing a transaction, revisiting the terms of the accord with the anticipation of making the deal better.

## **Institutional Lenders**

As investors, we turn to a variety of sources for deal funding. One of these sources is Institutional Lenders.

No need to go into a lot of detail here. Think of banks and mortgage brokers.

## **Private Money Lenders**

As investors, we turn to a variety of sources for deal funding. One of these sources is Private Money Lenders.

Our Private Money Lenders usually know very little about real estate investing. Their primary goal is to be paid a higher interest rate than what they receive from their bank. Equally important, they want to make sure their money is safe and secure.

These days, our Private Money Lenders are happy getting between 5% and 6% interest on their loans.

Experience teaches us that most of our Private Money Lenders will lend for a term of several months up to 20 years.

## **Hard Money Lenders**

As investors, we turn to a variety of sources for deal funding. One of these sources is Hard Money Lenders.

I've heard two main stories as to why it's called "hard money." First, the collateral for the loan is a "hard" asset. Real estate. Second, and a lot more colorful of a story, is because Hard Money Lenders charge high interest rates, which makes the loan "hard" to pay back.

These days, many Hard Money Lenders are currently charging between 8% to 15% interest and one to five points on a six to twelve-month note.

Many hard money lenders we know are experts in the field of real estate investing. Often, they know your deal better than you know your deal! This is one of the main differences between Private Money Lenders and Hard Money Lenders.

Don't be fooled. Many Hard Money Lenders profess to be Private Money Lenders. Remember, there's a world of difference between the two!

## **Equity Sharing Notes**

What makes an Equity Sharing Note different from a standard note, is in addition to paying interest, the borrower agrees to pay the lender a portion of the property's profit and/or cash flow, which is considered additional interest.

## **Performance Notes**

Think Performance Master Lease. As the note payor, you are not required to pay your lender until the person in the property (your tenant or note payor) pays you.

## **Wraps**

Real estate investing is all about spreads. Example: a house costs you \$1,000 per month to own. You're able to rent this house to a tenant for \$2,000 a month. Your spread is \$1,000 per month. (\$2,000 per month rent - \$1,000 per month expenses)

Wraps can also be used with mortgages.

## **Walking The Mortgage**

Moving a note's collateral from the property securing the note to a completely different property.

## Walking The Note

The mortgage on a property stays in place, but the promissory note is moved to a different property, and this new property becomes this note's collateral.

Now for the kicker: even though the note has moved from one property to another, and often from one borrower to another, nothing about the note changes. Nothing changes in any way! In addition, the mortgage on the original property is assigned to the property owner of the property where you just moved the note.

I know, this is beyond confusing. We've covered this ADVANCED technique during prior What Box? seminars.

I learned this from Pete Fortunato.

## Stumbling The Mortgage

This is a finance technique that Dyches Boddiford and I came up with. We didn't know what to call this technique. We settled on Stumbling the Mortgage.

This is where a note and mortgage are secured to one property, and for a variety of reasons the note must be paid off and the mortgage cancelled. The thing is, neither the borrower nor the lender wants the note paid off.

The solution: The lender agrees to accept a new property as collateral. Because the new property is held by a trustee of a trust that's different from the original property owner, and NEW note and mortgage must be drawn up showing the NEW borrower and the NEW loan collateral. (This is what makes this different from a Walking the Mortgage deal.) The new note amount and terms pick up exactly were the old note and terms left off. Financially, it's as if the note had never been paid off.

As I write this, please realize that this, in fact, is exactly what happened. I never paid off Dyches' note. No matter, Dyches

satisfied the mortgage against the original property that was used as security, and he cancelled the promissory note. But here's the thing, he never received payment-in-full on the note. Instead, I gave Dyches a new note and new mortgage that was secured to the new property this was to be used as collateral for Dyches' loan to me. As I said above, I continued making note payments to Dyches. The amortization schedule ***never*** changed.

Interesting, huh?!

## One Mortgage Securing Multiple Notes

Most investors ***WRONGLY*** believe a mortgage or deed of trust can only be used to secure a single promissory note to a single property.

Three thoughts on this.

Second thought first: A mortgage can secure ***multiple*** promissory notes from ***multiple*** lenders to a ***single*** property.

First thought second: The purpose of a mortgage or deed of trust is to secure a promise – ***ANY PROMISE*** – to a property making the property the collateral for the promise. This means a mortgage or deed of trust can be used to secure options, leases, purchase and sale agreements, etc., to a property and that property becomes the collateral for the promise. This means that if the promise is not kept, the person/entity receiving the promise has the right to foreclose on the property.

Third thought third: A mortgage or deed of trust can be used to secure a promissory note (or any other promise) to **MULTIPLE** properties. This is known as cross collateralization.

I learned much of the above from Pete Fortunato!

## **Cross Collateralization**

A mortgage or deed of trust can be used to secure a promissory note (or any other promise) to **MULTIPLE** properties. This is known as cross collateralization.

## **Using Options and Notes as Loan Collateral**

Over the decades, Kim and I have acquired many options and have received many notes. You probably are in a similar boat.

When Kim and I have needed an influx of cash to complete a deal, a number of times we went to our lenders to borrow the needed funds. With some, not all, of our lenders, they agreed to let us use one or more of our options or notes as collateral for our loan.

Point: Don't fall into the trap of thinking that only real estate is acceptable loan collateral.

## **Self-directed Retirement Accounts**

There's a ton on information out there about self-directed retirement accounts. Some of this information is sound, much of it is wacko.

Kim and I each have solo 401k accounts with a Roth component. I also have a self-directed Roth IRA account, as well as a self-directed HSA (Health Savings Account).

If I were giving a choice of having only one of these accounts, without a doubt it would be a solo 401k with a Roth component.

We do NOT have checkbook control of our self-directed accounts, nor do we want it. I like my custodian keeping up with my records.

Speaking of custodians, over the decades, we've used a number of custodians. For the last bunch of years, we've been with Advanta.

We like them just fine. More importantly, we **L-O-V-E** Larissa Greene with Advanta. Her number is 727-581-9853.

## **Loan Modification**

Lots of Loan Modifications were done during COVID. (I still believe it should be called the China Virus.)

With a Loan Modification (or “Loan Mod” if you want to be a hip investor), the amount of the note and/or the terms of the note are permanently changed.

Example of a Loan Mod: A borrower has a note balance of \$450,000, 4.9% interest, with 23 years to pay. The lender agrees to modify the loan (promissory note). The new note terms are \$390,000 balance, at 3.2% interest, with 35 years to pay.

The key thing with Loan Mods is the changes to the promissory note are PERMANENT!

## **Forbearance Agreement**

Many believe a Forbearance Agreement and a Loan Modification are the same thing. They can't be more wrong.

A Forbearance Agreement is a TEMPORARY fix to a borrower's problem. A Loan Mod is a PERMANENTE fix to a borrower's problem.

Example of a Forbearance Agreement: Borrower is \$15,000 in arrears. The borrower, for whatever reason, can't make any mortgage payments for the next three months.

The lender and borrower agree to a Forbearance Agreement. For the next three months, the borrower doesn't have to make any mortgage payments. Whew!

However, at the end of three months, the borrower must pay the full three months of mortgage payments he/she failed to pay, PLUS the full arrears of \$15,000.

Many borrowers who agree to a Forbearance Agreement end up losing their home to foreclosure a few months later.

## **Fighting Property Taxes**

Most Americans don't fight their property taxes. They wrongly believe you can't fight city hall and win. I'm here to tell you that you CAN fight and you CAN win!

Kim and I began fighting our property taxes in 2006. Since then, we've appealed our property taxes 163 times. We've been successful 140 times (through 2025). This is an 85.9% winning percentage. As my daddy used to say, "Not too bad for a Catholic."

I've gone as far as taking three of our properties to court and demanding a jury trial. The trial took two days. I had an absolute blast. We won one and lost two appeals.

One of the first things I learned about fighting our property taxes is that the entire system is rigged. There's nothing fair about it. The people who work in the Bartow County Assessor's office are terrific, but they speak a very different, unique language that only tax assessors understand.

When I first heard Jack Miller, Pete Fortunato, and Dyches Boddiford teach, I didn't understand a single word they said either. How come? Because I was not yet fluent in the language of creative deal making.

Folks, same goes for the Assessor's office. It took me three years before I began understanding their language, but when I did, we were off to the races!

You may want to watch a video I shot after the completion of the jury trial we demanded in 2021. You'll find it on our website:

**BillandKimCook.com.** In the search bar, enter “Our Property Tax Fight.” Here’s the best thing, the video was shot in Truth or Consequences, New Mexico. Yep, there really is such a place!



## Foreclosing On Myself

What? That’s a thing? Why would you want to foreclose on yourself?

Back in the red-hot real estate market of 2004 and 2005, Kim and I discovered how to foreclose on ourselves. Yes, it was a real foreclosure. It was done on properties we wanted to flip but *didn’t* have the time and/or money to rehab.

Picture a foreclosure auction in a RED-HOT real estate market. Investors are chomping at the bit to buy property. Due to their competitive nature, most investors regularly WAY over paid for houses. Well, since they’re so eager to WAY over pay for a house, and since properties at the foreclosure auction are often not in the best of shape, and because all buyers at the foreclosure auction are CASH buyers, we help these investors get what they want.

Kim and I used this technique again when the real estate market came roaring back in 2013 and 2014.

## **Paper Holding Trust**

I first saw a Title Holding Trust used by Dyches Boddiford. From 2018 through 2024, Dyches and I worked very hard polishing this trust vehicle to where it now sings and dances.

For the record, Dyches Boddiford is the big brother I never had. I love the man and am forever more grateful for all he's taught me. I miss him very much!!!

A title hold trust, at least the way we've designed ours, holds paper. To be more specific, it holds notes and options.

## **Title Holding Trust**

This is another name for land trust. Frankly, I like the name Title Holding Trust (because this is what it holds – titles) much more than way over used term “land trusts.”

## **Personal Property Trust**

This holds most everything that's not real estate.

Kim and I use Personal Property Trusts to hold the title to our cars, our bank accounts, guns, etc.

## **Lonnie Deals**

Kim and I *LOVE* our Lonnie Deals!

These types of creative structures were named after Mr. Lonnie Scruggs. He came up with this special, unique, and VERY profitable creative deal structure.

You buy a mobile home in a mobile home park for cash (or you can buy it on terms), and then you sell the trailer giving owner financing.

Example: You buy a mobile home in a mobile home park for \$5,000. You spend \$2,000 shining it up. You then sell it for \$23,000. You get \$3,000 down. You get a \$20,000 note, 10 years, 18% interest, \$360.37 per month.

You are in the note business, not the rental business. You hold title to the mobile home until the payors pay it off. The payors are responsible for all repairs, taxes, insurance, utilities, and lot rent.

Is this deal structure rewarding? Do you know how to figure the yearly yield on this deal? How does **108% yield per year** grab you?

If you don't know how to use a financial calculator, we offer our financial calculator course on our website for \$147. It's an important tool successful real estate investors use daily.

And if you want to learn more about Lonnie Deals, join **CashFlowDepot.com**. It's the **only** place you'll find Lonnie Scruggs' courses!

## Deed for Note Deal

Deed for Note Deal is a term I came up with when meeting with Gary Floyd, President of United Community Bank in Adairsville, Georgia, during the Great Recession.

His bank had foreclosed on a property. Because his bank was in financial trouble, and was being squeezed by the feds, and was likely to go under (as many banks did in 2008 and 2009), Gary asked that I quickly buy the foreclosed property from his bank so he could get it off his books. In doing so, his books would improve, which meant his bank could live another day. (NOTE: Because of Gary's

hard work, United Community Bank did not go under during the Great Recession, however **four** other banks in our small town did go under.)

For Gary's deal to work for us, we needed his bank to give us owner financing. Yes, we all know banks **don't** give owner financing.

I knew better than to use the term "Owner Financing." Instead, I told Gary we could buy the property as long as we did a Deed for Note Deal. (Yes, I pulled this term out of my butt!)

Gary asked, "Bill, what in the heck is a Deed for Note Deal?"

I explained, "Gary, at closing, you give me the warranty deed to the property, and I give you a secured promissory note to the property."

It took five full minutes to explain this creative deal structuring technique to Gary, plus I had to use a salt and pepper shaker as props. That said, he finally agreed to do a Deed for Note Deal.

And what, exactly, is a Deed for Note Deal? It's just another name for owner financing. ;)

## **Conclusion**

Are these all the deal structuring tools we use? No. There are many others, but most of the above techniques are covered in this course.

A few of these structures I came up with on my own, but the vast majority, like 99.99% of them were learned from Jack Miller, Pete Fortunato, and Dyches Boddiford.

If your goal is to become fluent in the language of ADVANCED Creative Deal Making, you may want to do what we did. Find two or three great been-there-and-done-that real estate investing teachers and attend everything they teach every time they teach it.

To this day, I still attend most every seminar Pete teaches, and I go to CashFlowDepot.com almost daily to learn from Jack Miller, Dyches Boddiford, Lonnie Scruggs, and so many others!

# T-bar Offers

A **T-bar Offer** is the most important document Kim and I use as real estate investors. It's what makes our offer drastically different from all other offers the seller will receive.

The reason T-bar Offers are so effective can be boiled down to one sentence: Sometimes the seller's why is more important than their how much. Let your mind chew on this little ditty for a while.

## The Birth of the T-bar Offer

Sometime after Kim and I shifted from Starters to Estate Builders, we used my three-page Purchase Agreement to make written offers.

Around 2003, while door knocking in my five-mile circle around the Cartersville, Georgia Walmart, a seller invited me inside to see the house she and her husband were selling.

After getting the obligatory tour of the house, we finally made it to the kitchen table. Almost an hour of asking her questions later, I had a good understanding of why she and her husband were selling, what the sellers wanted, and why they wanted it.

I took out my purchase contract and made a written offer to buy the property.

Time for a sidebar. During the hour spent asking the seller questions, I made extensive notes of the seller's answers to Pete's famous question, "Why are you selling **SUCH** a nice house like this?" My notes were written in the form of a T-bar.

To make a T-bar, take out a sheet of paper. Draw a big T on the sheet. On the top left, write Current Position. On the top right, write Potential Position.

The left-hand side is used to make a list of the seller's current uncomfortable situation caused by the owning of the property she wants to sell. The right-hand side is used to list what happens to

the seller's uncomfortable situation if she will just say yes to my offer. Thus: Current Position and Potential Position.

Back to the story. After handing my Purchase Agreement to the seller, she asked if I would also leave the T-bar I'd drawn up. Until that moment, I'd never thought about, nor had been asked to leave a T-bar with a seller. Not minding a bit, I handed the seller the T-bar.

Looking back, this one decision created one of the biggest monumental shifts in my investing life. Weeks later, when the realization of what I'd done made its full impact, from that day to this, I always leave the seller with a T-bar.

Three weeks later, this seller called and asked if my offer was still good. Know that I *didn't* know who was on the other end of the phone, what I had offered, where the house was located, or when the offer had been made.

What did I say to the caller? "Yes, ma'am, it is. What's your address and when can we meet?" Remember, the thing I'm always after is a face-to-face meeting!

After being invited into the sellers' house the second time, we sat at the kitchen table. This time her husband was home. I noticed something remarkable; something that would forever change the way I made written offers.

On the kitchen table were both the Purchase Agreement and the T-bar I had written three weeks prior. The thing was the two documents were not in similar condition. The Purchase Agreement was pristine. The pages were lily-white and unbent. It was as if the Purchase Agreement had been sealed and left untouched in a vault. On the other hand, the T-bar looked as if it had been to hell and back. The paper was wrinkled. A corner was torn. There were visible food stains on the paper. It was easy to tell the T-bar and been held and read many, many times.

As we discussed their situation there at the table, it became obvious that the sellers were accepting my offer because of their why. To them, their why was much more important than their how much.

A Purchase Agreement *only* shows the *how much*. It doesn't even hint at the seller's *why*. This means if you are *only* using Purchase Agreements to make written offers, you are leaving out the most important reason a seller is selling her house...*the why!*

For the next year, when presenting written offers, I'd give the seller *both* our Purchase Agreement and a T-bar. Then one day I asked myself why I was still using a formal Purchase Agreement. Why not just use a T-bar and then write my offer on the bottom of the page? And that's how my "**T-bar Offer**" was born. This is why these days I rarely use my Purchase Agreement. The T-bar Offer has become my "purchase agreement" and "sale agreement" of choice.

One more thing to contemplate: It's probably also true that your competition is also only using a standard Purchase Agreement. That said, what if you started using T-bars? Would this one act set you apart from your competition? Would you become known as the person<sup>1</sup> who listens, cares, and solves sellers' problems while the rest are known to be poor listeners who only make 70-cent-on-the-dollar offers?

## How to Write a T-bar Offer

In the coming pages you'll see two examples of T-bar Offers I've written. Both were real-world deals. The second T-bar Offer was written for the buyers of our horse ranch. In other words, you can use a T-bar when buying or selling a property.

When writing a T-bar Offer, I'm usually sitting at the seller's kitchen table. It gives me a good writing surface, plus the TV is usually on in the den, and a TV is a pesky distraction.

Look at the following two real-world T-bar Offers. They'll give you a good idea about what your T-bar Offer should look like.

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Notice when you look at the bottom of the second T-bar Offer, I only made a single offer, not a Teeter-totter Offer. With all the information the seller gave me, I structured a win-win offer the buyer was likely to accept. This is true with most of the T-bar Offers I make.

One more thing, both of these properties were listed with realtors.

*(Turn to next page to see T-bars)*

### T-bar #1: Main Street (Teeter-Totter Offer)

5-5-2022  
143 MAIN STREET  
MARY THOMPSON - OWNER

Asking: \$160,000

CURRENT POSITION	POTENTIAL POSITION
- HOUSE ON MARKET 4 MONTHS	→ You can have house sold w 10 days
- HOUSE NEEDS UPDATING & LANDSCAPING	→ You DON'T HAVE TO FIX, CLEAN ANYTHING
- HUSBAND IS IN DALLAS	→ You can be in DALLAS in 10 days
- TIRED OF SHOWING HOUSE	→ NEVER SHOW HOUSE AGAIN
- HARD BEING A SINGLE PARENT	→ CAN BE WITH HUSBAND w 10 days
- WANT TO BE w DALLAS FOR NEW SCHOOL YEAR FOR KIDS	→ Kids will be in DALLAS schools BY START OF SCHOOL YEAR
- HATES CUTTING THE GRASS	→ NEVER CUT THE GRASS AGAIN
- FRUSTRATED WITH REACTOR	→ ONCE CLOSED, NO MORE REACTOR
- THAS TO CLEAN BEFORE MOVING	→ You DON'T HAVE TO CLEAN ANYTHING
- DOESN'T WANT LOW BALL OFFERS	→ IF OFFER MEETS YOUR ASKING PRICE

MARY,

I LOVE your HOUSE. I WANT TO OWN A HOME HERE. IF MY OFFER IS EVER OF INTEREST, LET'S TALK OVER COFFEE.

Bill Cook 770-815-8727

OFFER #1: I WILL PAY \$160,000. I WILL GIVE \$30,000 DOWN & MAKE MONTHLY PAYMENTS OF \$700.

OFFER #2: I CAN PAY \$75,560 CASH. I CAN CLOSE IN 7 DAYS. I WILL BUY HOUSE AS IS.

## T-bar #2: Boyd Mountain Road

7-27-2018

141 Boyd Mt Rd - TALKING TO BUYERS

CURRENT POSITION	POTENTIAL POSITION
- WHERE THEY LIVE, IT HAS SUBDIVISION COVENANTS	→ NO MORE COVENANTS
- DOESN'T LIKE NOSEY NEIGHBORS	→ NO MORE NOSEY NEIGHBORS
- CAN'T PARK EQUIPMENT TRAILER IN DRIVEWAY	→ <del>NO</del> CAN PARK YOUR EQUIPMENT TRAILER ANYWHERE YOU WANT.
- RULES ABOUT WATER USAGE	→ NO WATER USAGE RULES - ON A WELL
- HE LIKES TO RIDE MOTOR CYCLES, CAN'T WHERE HE LIVES	→ RIDE DIRT BIKE ALL DAY LONG. BUILD A TRACK ON THE 34 ACRES.
→ CAN'T HUNT WHERE HE LIVES	→ CAN HUNT ON HIS OWN LAND.
→ HE WANTS A BIG SHOP SO HE CAN WORK ON CLIENTS MACHINES	→ CAN HAVE A SHOP AS BIG AS YOU WANT IT TO BE
→ WANTS <del>TO</del> TO KEEP EQUIPMENT AT HIS HOUSE	→ YOU CAN KEEP ALL OF YOUR EQUIPMENT HERE - TONS OF ROOM TO EXPAND.
→ HE LIKES TO BUY & SELL EQUIPMENT	→ YOU'LL BE ABLE TO BUY & SELL EQUIPMENT
→ CAN'T HAVE TWO MORTGAGES. MUST GET RID OF THEIR HOUSE TO BUY THIS HOUSE WITH INSTANT MORTGAGE.	→ IF I SOLD YOU HOUSE FOR A LOT LESS THAN \$497,000, YOU MAY BE ABLE TO QUALIFY FOR A 2 <sup>ND</sup> MORTGAGE.

### OFFER TO SELL

- I WILL SELL YOU RANCH FOR \$300,000. YOU WILL GET A MORTGAGE FOR \$300,000.
- YOU WILL GIVE ME AN OPTION TO BUY THE RANCH BACK AT ANY TIME IN THE NEXT 30 YEARS. FOR \$300,000.
- I WILL GIVE YOU AN OPTION TO BUY MY OPTION ANYTIME IN THE NEXT YEAR FOR \$297,000

# Ender: What Comes Next?

Jack Miller taught us the three stages a real estate investing:

## **Stage 1: Starter**

This is an investor who has done between zero and five deals. They are green, and still learning how to spell, “real estate investing.”

## **Stage 2: Estate Builder**

Most successful, experienced real estate investors realize along the way that the real goal a real estate investing is financial freedom. This is when your assets are working for you instead of you working for your assets. In other words, the goal is to acquire and hold rental property, notes, and options.

## **Stage 3: Ender**

Enders are real estate investors who have achieved financial freedom. They're able to comfortably live on the mailbox money they receive. They no longer have to toil in the hot sun grinding out a living.

Don't mistake being an ender with being retired. Most Enders continue investing in real estate, but they also take time, hopefully a lot of time, to stop and smell the roses.

John Schaub's wife never liked the term “Ender.” Instead, she liked the term “Spender.”

My friend Chad Carson doesn't like the term, “Ender” either. He refers to this category of investor as a “Harvester.”

I agreed with Chad on this one. I like the word Harvester much better than the term Ender.

This summer I read a story about the life expectancy of men in America. Did you know that the average American male lives until

75.8 years old? At the same time, the average American female lives until 81.1 years old.

This got me to wondering, do men die early because women are so good at making them miserable, which encourages a man to seek an early grave, or do women live a lot longer because men have the ability to make women's lives ever more joyous so women stick around for as long as they can?

This year (2025) I turned 65 years old. It seems like only a few years ago I was 18 and graduating high school. Where has the time gone?

This year I spent time learning about Social Security and Medicare. Doing this shook me to my core. During this time, I took a good look at my face in a magnifying mirror this on the wall in our bathroom in our new home in Venice, Florida. I didn't much like what I saw: wrinkles, yellowing teeth, age spots, and a bald head. Why Kim stays married to me I'll never know.

That day I realized that if I live an average life expectancy, I only have 10 years left on earth. I only have 10 years to accomplish the things that are on my bucket list.

Folks, to level with you I've got to tell you this insight landed on me like a ton of bricks.

It is true what they say: the most precious commodity on earth is time!

To bring this realization and to even greater focus, earlier this year (2025) I joined my friends Bob Dressman and Chris Gleize at a 10-day mastermind in Panama. Because the three of us are Enders, we spoke a lot about what comes next.

One of my biggest aha moments was thoroughly driven home by both Bob and Chris. They questioned why I spent so much time on the phone answering questions and solving investors real estate problems. They also question why I lived like a miser.

At first, I gave them a lot of pushback. After some time, after doing a poor job of defending myself, I concluded they were right.

When one combines my aha moments from Panama with the article I read this summer, it's easy to conclude that these two aha moments are life-altering, one-two punches.

I began wondering which big things I would want to accomplish if I only had 10 years left on earth.

Most of you who are reading this are much younger than me. You're on the other side of the bell curve. That said, I have a question for you. If you only had 10 years to live what are the THREE most important things you'd want to accomplish? (list them below)

1.

2.

3.

For me, the *most important* goal I want to achieve is to make sure Kim can live comfortably and without any financial worries for the rest of her life even if she lives to 120 years old. Part of this is to have a solid estate plan in place so Kim and my office manager Terrah aren't running around like chickens with their heads cut off trying to figure things out if I were to die tomorrow.

My *second most important* goal is to get the fat off me once and for all. I need to get back to 185 pounds. The best way to accomplish this is to spend two hours each morning stretching, exercising, and doing cardio work.

My third most important goal is to spend time with good friends. Equally as important, I want to see as much of the world as is possible.

Truly, time is God's most precious asset!

Looking back, there's something I did when I was 45 years old that was very smart. You should take a page out of my book and copy my actions.

When I got around wise, seasoned real estate investors I ask the following three questions:

1. What did you do right?
2. What did you do wrong?
3. What didn't you do that you wished you would have done?

Here are the answers I heard most often to these three questions:

1. What did you do right? **Answer: I began buying real estate.**
2. What did you do wrong? **Answer: I sold way too many of my good houses early on.**
3. What didn't you do that you wished you would have done?  
**Answer: I didn't stop and smell the roses when we achieved financial freedom. Instead, I kept grinding and my family suffered because of my mistake!**

Please don't think of me as a negative Nelly. As you will see in one of the following chapters, I'm a very optimistic fellow. At the same time, I understand statistics and ratios; they are not to be ignored.

Like most people, I don't consider myself to be average. But then, I didn't consider my good friends Dyches Boddiford and Nick Burbee to be average either, and they both passed away before there were 75.8 years old.

There, I've said my piece. Now it's time to hear from the other side of the bell curve. It's time to listen to my friend Makenna Dombeck. She's 18 years old. She's one of the smartest, most perceptive, and most reliable people I have ever met.

# Makenna Dombeck: Ways Investors Can Work With Their Kids

I first met Makenna Dombeck in 2017 when she was 10 years old. Kim and I had stopped by to see her mom and dad at their home in Wisconsin.



Within minutes of meeting Makenna, Kim and I knew she was a very, very special person! We feel privileged that from that moment to this, she has allowed us to be part of her life.

Kim and I were never able to have kids, but if we had had a daughter, we'd want her to be like Makenna.

People say there's no such thing as a born real estate investor. McKenna proves this wrong. Her mom and dad have been investing in real estate since before she was born. She grew up participating in the family's deals.

In 2017, when she was 10 years old, she kicked my ass in a game of Cash Flow. I don't believe I'll ever be able to live this down!



I believe Makenna enjoys kicking my butt maybe a little too much. She's a fierce competitor, and lord knows she's gotten more than enough practice at it!



In 2018, She went out door knocking with me and made one of her first written offers. Like I said, Makenna is an amazing young woman!



Mini real estate investing parents wonder about the best ways to get their kids involved in what they do. Who better to take advice from than someone who is walked in these shoes.

Kim and I hope you enjoy meeting and learning from McKenna as much as we have!

# The Laws of Abundance, Attraction, and Manifestation

In an earlier chapter, I wrote about my life expectancy being 75.8 years. Reading that chapter may cause you to assume that I'm a negative thinker. Not true!

Fact is, I'm a **HUGE** believer in the law of attraction! Actually, I believe in the Law of Abundance, the Law of Attraction, and the Law of Manifestation.

**What is the Law of Abundance?** It is the belief in *limitless*. You can give a limitless number of compliments to people. There is a limitless number of good people in the world. There is a limitless number of good deeds that can be done. There's a limitless supply of money. There is a limitless number a good real estate investing deals to do.

**What Is the Law of Attraction?** We all have the ability to attract what we think about. If you believe something good is coming your way, you're right. On the other hand, if you believe something bad is headed your way, you're still right.

**What is the law of Manifestation?** We all have the ability to create. In other words, maybe something doesn't exist now, but if the right person wants it to exist, and will work diligently to make it exist, then that thing will be manifested into existence. Examples of this are an airplane, the light bulb, Elon Musk's rockets, hell, this manual. None of these things existed until someone came along who believed in an idea and worked diligently to make the idea a reality.

Here's something you may not know: Did you know the Law of Attraction is biblical? It's true! Read Proverbs 23:7 in the Good Book - *“As you think, so will you be.”* Let me say this a different way in my words: *“I am what I think about. My thoughts determine my life. I determine my thoughts.”*

So, you see, if I think I'll only live another 10 years, I'm probably right. But if I expect to live well into my 80s, and I'll work hard to stay healthy, I'm probably also right.

After learning that a life expectancy for a man in America is only 75.8 years, I began a quest to better understand where this number came from. Was I working with just some of the facts or all of the facts?

Turns out I was only working with some of the facts. I learned that if a man in America lives to the age of 65, then statistics show that man has a life expectancy of 83 years! What? You mean I'm not likely to die in 10 years? You mean according to the numbers I'm likely to live another 23 years?

And the news only gets better. It turns out genetics play a big part and how long one lives. My dad, who did not take very good care of himself, live to the age of 80. My mother, who has taken magnificent care of herself, is 90 years old and going strong. With this new data, according to the medical field, I'm likely to live into my late 80s or early 90s. That's some good news right there!

All that said, I'm glad I put a lot of thought into the things I'd most want to do if I only had another 10 years to live. There's nothing like a hard deadline to help you focus on what needs to be done the most. Example: how much work are you able to get done in the three days before you go on a two-week vacation? Given that deadline, often you accomplish more in those three days than you do in any 10-day stretch that doesn't include a hard deadline, right?

I believe we all have the ability to be the person we want to be. The problem is, doing the things the person you want to be does is extremely difficult. It's much easier, and way more fun being a person who plays a lot of video games, or watches lots of YouTube clips, or smokes dope, or drinks too much, or spends time in strip joints.

Long ago, and I don't remember who I learned this from, I learned that it's important to write a description, a detailed description, of the person you want to be. Then each morning, soon after you get up, you need to read this description. It allows you to begin your

day with the vision in your mind's eye of the person you're striving to be. Here's the thing: to be this person, every day you have to do what this person does.

I called this written, detailed description my **I AM Card**.

It embarrasses me to include my I Am Card in this manual. It's something I hold very close to the vest, as well as very close to my heart. That said, I've decided to include it just so you can see what an I AM Card looks like.

Please know that your Card will be very different from mine. The person you want to be is different from the person I want to be. The key is to put your description to paper. Also, know that your I AM Card will continually change over the years. It's not written in stone. Remember this!

## **Bill's I Am Card**

SEE GOD. FROM WHERE DID I COME? NO WHERE; NOW HERE.

WHY WAS I PUT ON EARTH?

- 1)TO BE IN HARMONY WITH GOD. GIVE. I AM THAT I AM
- 2)TO BELIEVE IN THE LAWS OF ABUNDANCE, ATTRACTION, AND MANIFESTATION
- 3)TO REACH MY FULL POTENTIAL
- 4)TO BE A LOVING HUSBAND TO KIM
- 5)TO SHOW FOLKS HOW TO ACHIEVE FINANCIAL FREEDOM SO THEY CAN BE THEIR BEST SELVES

MY MANTRA: "I CAN! I WILL!!!"

I'M GRATEFUL FOR ALL THAT I AM AND ALL THAT I HAVE

I LOVE LIFE – ALL LIFE – IT MAKES ME SMILE!

I LOVE KIM. SHE IS AN ANGEL WALKING. SHE'S MY GIFT FROM GOD. HER WINGS PROTECT ME!

I AM WHAT I THINK ABOUT. MY THOUGHTS DETERMINE MY LIFE. I DETERMINE MY THOUGHTS. (Proverbs 23:7 – As you think, so shall you be)

FOCUS ON THE SOLUTION, NOT THE PROBLEM

ACCETUATE THE POSTIVIE. EMIMINATE THE NEGATIVE.

KNOW MY CADENCE

QUIET TIME IS IMPORTANT TIME – THIS IS WHEN MY IMAGINATION IS MOST CREATIVE. THIS IS WHEN I HEAR GOD THE CLEAREST – *EVEN WHEN GOD IS ONLY WHISPERING.*

MY FIVE DAILY GOALS:

1. BE GRATEFUL, PRAY, ENVISION
2. TELL KIM I LOVE HER & THAT SHE'S BEAUTIFUL
3. STRETCH & EXERCISE
4. EAT HEALTHY. INTERMITENT FAST.
5. FIND PEOPLE TO HELP. FIND PROBLEMS TO SOLVE

MY 9 PILLARS OF SUCCESS: **LOVE**, GIVE, BELIEVE, CURIOSITY, IMAGINATION, BE COURAGEOUS, ACCOMPLISH, PERSISTENCE, CHARACTER

I'M CURIOUS. I ASK A LOT OF QUESTIONS. I'M A GOOD LISTENER.

I'M A MASTER NEGOTIATOR – I LEARN WHAT THE PERSON WANTS, DISCOVER WHY THEY WANT IT, T-BAR IT, AND THEN HELP THEM GET IT

I'M A CREATIVE DEAL STRUCTURER. ALL DEALS ARE POSSIBLE. THERE IS NO BOX!

I'M A KNOWLEDGEABLE, MOTIVATIONAL AND VISUAL TEACHER.

I'M A CLEAR, CONCISE & FUNNY WRITER

I PRODUCE ENTERTAINING, KNOWLEDGE-FILLED VIDEOS

I'M UNDERSTANDING, OPEN MINDED AND SEE ONLY GOODNESS IN PEOPLE

I'M CALM IN A STORM OF CHAOS.

I'M SLOW TO ANGER. I **ALWAYS** FORGIVE!

I BRAG ON OTHERS – NEVER, EVER, EVER, MYSELF! I SEE YOU!

I SPEAK SLOWLY. I SPEAK CLEARLY. I PRONOUNCE EACH WORD!

I'M ORGANIZED

I RECEIVE MAILBOX MONEY BY INVESTING IN SINGLE-FAMILY HOMES, MOBILE HOME PARKS, NOTES, OPTIONS AND STOCKS

I LIVE WELL BELOW MY MEANS. I AM FINANCIALLY FREE!  
THE NET INCOME FROM MY INVESTMENT ASSETS > MY EXPENSES

I WILL GET EXACTLY WHAT I WANT IN LIFE IF I JUST HELP ENOUGH OTHER PEOPLE GET WHAT THEY WANT (ZIG ZIGLAR)

# Why Do Subject-to Deals?

This is NOT a **HOW** to do Subject-to Deals course. Rather, in this chapter, we'll discuss **WHY** do Subject-to Deals. In addition, you'll see a number of Subject-to Deals Kim and I have done recently, as well as an explanation as to why we structured these deals the way we did.

What Box? 2025 is an **ADVANCED** Creative Deal Structuring course. We don't teach folks how to use a specific deal structuring tool, rather my job is to show folks how to use a variety of deal structuring tools to make a single transaction possible. This is known as Structure Stacking.

If you want to learn how to use a **specific** tool, like Subject-to Deals, you should get our Ultimate Creative Deal Structuring Home Study Course. This is a 4-day seminar Vena Jones-Cox and I taught for four years. It includes a 460-page manual, video from the four days of class work, plus all of our documents. You can learn more about this course at [BillandKimCook.com](http://BillandKimCook.com)

**OK, you go first, list three reasons to DO Subject-to Deals:**

- 1.
- 2.
- 3.

**Now list three reasons to NOT do Subject-to Deals:**

- 1.
- 2.
- 3.

## What Is a Subject-to Deal?

Most of the time, when a seller sells a property, the title transfers from the seller to the buyer, and if the seller has a mortgage against the property, that mortgage is paid off.

When doing a Subject-to Deal, at closing the title transfers from seller to buyer, no problem. Now comes the part that makes a Subject-to Deal a Subject-to Deal. Even though the title transfers from the seller to the buyer, the seller's mortgage is ***NOT*** paid off. It remains in place. The buyer is ***NOT*** assuming the seller's mortgage. To be clear, it is not a *loan assumption*. Rather, the **SELLER'S** mortgage stays in place, and the buyer promises to make the **SELLER'S** mortgage payments, on the **SELLER'S** mortgage, for the **SELLER**, until the **SELLER'S** mortgage is paid off in accordance with the terms of their note

The sellers agreed to let us buy their property and leave their mortgage in place. We agreed to make their mortgage payments on their mortgage for them until their mortgage was paid off according to the terms of their note

## How Is a Subject-to Deal Different from a Loan Assumption?

With a loan assumption, the note and mortgage is transferred into the buyer's name. The buyer becomes responsible for the note and mortgage.

With a Subject to Deal, because the mortgage stays in the seller's/borrower's name, even though the buyer now owns the property, the seller/borrower is still responsible for the note and mortgage.

With a loan assumption, if the buyer fails to make timely mortgage payments, because the note and mortgage are in the buyer's name, the buyer's credit is affected.

With a Subject-to Deal, if the buyer fails to make timely mortgage payments, because the note and mortgage remain in the seller's/borrower's name, the seller's/borrower's credit is affected!

As you can see, great trust between the seller and buyer is required.

One last thing to add: With a Subject-to Deal, if the buyer fails to make timely mortgage payments on the seller's mortgage, if the lender is forced to foreclose, the lender can still take the property no matter whose name is on the deed because the property is the collateral for the loan. That said, because the note and mortgage remained in the seller's/borrower's name, the seller's/borrower's credit will reflect the foreclosure, not the buyer's.

## **Why Would Any Sane Seller Agree to a Subject-to Deal?**

In a word, "necessity!"

As you will see in the following deals in this chapter, the seller wanted to be shed of the property. In some cases, a seller needs a fast closing. In some cases, the seller wants to get his or her price. In some cases, the seller doesn't have the time or the money to repair the property.

Like I said, for some reason the seller needs to be shed of the property and often is willing to chew off his or her arm to accomplish this.

## **The Dreaded *Due on Sale* Clause**

Kim and I did our first Subject-to Deal in 1998. From then until now, Kim and I have never had a mortgage called due with any of our Subject-to Deals, nor with any of the other deal structuring tools we have used.

Here's an interesting tidbit: When I get together with my experienced real estate investing friends, friends who have done many Subject-to Deals, the one topic that ***doesn't*** come up is the Due on Sale clause. On the other hand, when meeting with new investors who have never done a Subject-to Deal, it seems the only thing we talk about is the Due on Sale clause and their overwhelming fear of it!

I wonder why this is.

In the 27 years Kim and I have done Subject-to Deals, including Subject-to Deals on two of our personal homes, we have never had a mortgage called due. *Never!*

Why aren't we scared of Subject-to Deals and the dreaded Due on Sale clause? Because we understand that if a seller sells us his or her property subject to his or her mortgage, that the Due on Sale clause has been violated, which means the seller's/borrower's mortgage is in default.

Hang with me for a minute. There are many ways a borrower's mortgage can go into default. If the borrower fails to make his or her monthly payment, the mortgage is in default. If the borrower fails to pay his or her property taxes, the mortgage is in default. If the borrower fails to keep insurance on the property with the lender named as mortgagee, the mortgage is in default. If the borrower doesn't maintain the property, the mortgage is in default.

OK, we've established that there are a number of ways a borrower's mortgage can go into default. If the mortgage goes into default, does this mean the lender can foreclose the next day and take the property from the borrower? Of course not!

If a mortgage goes into default, and the lender discovers the default, the lender first contacts the borrower to let the borrower know the mortgage is in default. The lender also gives the borrower time to cure the default. If the borrower cures the default, which means the mortgage is no longer in default, then the lender no longer has the right to foreclose on the property.

Let's bring this full circle. If a borrower is in default for not paying his or her mortgage payments, how does the borrower cure this default? The borrower pays up the arrears, correct?

How does the borrower correct a default caused by not paying his or her property taxes? He or she pays the property taxes, correct?

And what about the borrower who lets the property insurance lapse? The borrower reinstates the property insurance, correct?

Are you getting the idea? If, for whatever reason, the borrower's mortgage goes into default, if the default is corrected, then the mortgage is no longer in default, which means the lender cannot foreclose on the property.

So, what about the Due on Sale clause? What caused the default? Title transferred to someone else without the mortgage being paid off, right? So how would you cure this default? Here's an idea: transfer the title back to the seller/borrower. This way the mortgage is no longer in default, which means there can be no foreclosure.

OK, this is said simply, but a lot goes into the investor having the ability to transfer the property back to the seller/borrower, **and then to have the seller/lender transfer the property back to the investor once the default is cured.**

As I said at the beginning of this chapter, it is not in the realm of this seminar to teach folks how to do Subject-to Deals. Rather, it's to discuss why doing Subject-to Deals is a good idea in this market.

Kim and I wrote and taught our first Subject-to Deal course in 2001. When I thought we retired at the end of 2015, I pulled our Subject-to Deal course from the market. I'm now in the process of re-writing our Subject-to Deal course so it includes some of the Subject-to Deals we've done in the past few years, plus I'm adding my updated paperwork. This home study course will be offered for sale by the end of the year. The price will be \$697. Please call me if you're interested in being added to the list of investors who will get our Subject-to Deal course first.

## Why Do Subject-to Deals?

In the past two years, three of the deals we've done have been Subject-to Deals. The number one reason Kim and I structured these transactions to be Subject-to Deals is because of the low interest rates. By low interest rates, I mean both the interest rate we'd be forced to pay if we got a new mortgage (around 8% interest) as well as the interest rate we got by doing Subject-to Deals (around 3% interest). You've got to admit, getting a mortgage at 3% interest is a lot better, a lot more profitable, and much more affordable than getting a mortgage at 8% interest.

The reasons for doing Subject-to Deals doesn't stop at more affordable interest rates. They also make closings less expensive, allow much quicker closings, and are a form of owner financing.

These days, go out and try to fund a deal. If you go to an institutional lender, you'll fill out mountains of paperwork, be required to go through at least three colonoscopies, get charged huge closing cost, all to get an 8% interest loan. On the other hand, hard money loans or much simpler to get. Of course, for this simplification you'll need to give your first born as collateral and get a warm fuzzy feeling you get when paying 12% interest.

Kim and I never sit down with sellers with a preconceived notion of doing a Subject-to Deal. As you will see in the coming deals, when doing the T bar with the seller, it becomes apparent that the best creative deal structuring tool to use is a Subject-to Deal.

There's no reason to be scared of Subject-to Deals. The Due on Sale clause, based on our nearly 30 years of Subject-to Deal experience in multiple states and market conditions, is that it's a great big ol' nothing burger!

# Subject-to Deal Case Study: Boyd Mountain Road



## About This Property

In 1999, Kim found this property for sale in Adairsville, Georgia. The four-bedroom, three-bath brick ranch sat on 33 acres of property. Though the property was rough, Kim believed that with a lot of work we could turn it into a beautiful horse ranch.

There was only one problem. The sellers were asking \$359,900, of which we only had \$12,000 in the bank, and there was no way we could qualify for a mortgage big enough to purchase this property.

Another problem was that in 1999, Kim and I were still baby real estate investors. We were just learning the language of creative deal making. Through this time, I'd only done one Subject-to Deal and

that was the year before. I did not fully understand the ins and outs of this type of deal structure.

Kim's directions were very clear. She didn't care how I did it, she just wanted me to buy this property for us. She told me it was the house of her dreams and her forever home. How could I say no to that?

## **The Purchase Problems We Faced**

To get this deal done, Kim and I would need to sell our small, 5-acre horse ranch in Sutallee, Georgia. Problem was the sellers wanted an immediate sale, but selling our Sutallee property would take at least four months.

In addition, because we could not qualify for a mortgage, we needed the seller to agree to some sort of owner financing if they wanted us to buy their home.

And remember, I had learned how to do Subject-to Deals the year before, and we'd only done one Subject-to Deal to date. In other words, I didn't really know what I was doing.

## **How We Structured Our Offer**

- We asked the sellers to lower their purchase price from \$359,900 to \$265,000.
- The sellers agreed to let us buy their property and leave their mortgage in place. We agreed to make their mortgage payments on their mortgage for them until their mortgage was paid off according to the terms of their note

The balance of their mortgage at the time we bought the property was \$112,078.

Their interest rate was 8.25%, with monthly principal and interest payments of \$1,358.20, with 12 years left on the note.

- The sellers agreed to let us give them a secured owner-carry note for \$141,900 at 0% interest, no payments, and due when we sold our Sutallee horse ranch.
- Because the sellers were VERY anxious to sell, they accepted our Subject-to, Owner-carry offer.

## **The Results**

We bought this property on July 7, 1999.

Our purchase price was \$265,000.

We came out of pocket \$10,743 to buy this property. It was close to all the cash we had in the bank.

Though we made no promise to the seller to pay off their mortgage early, because Kim and I like free-and-clear property, we paid our ranch off in 2008 – as we entered the heart of the Great Recession.

We sold this property in 2018, moved into our motorhome, and then for the next 7 years we traveled America moving every 7 to 14 days seeing all there was to see.

Truly, this was the house of Kim's dream. I'm ever so glad I had learned the basics of structuring a Subject-to Deal and buying this home for Kim!

On the following pages, you'll see some of the paperwork used to make this deal happen.

# Deal Documentation

## HUD-1 Page 1

**A. SETTLEMENT STATEMENT** U.S. Department of Housing and Urban Development OMB No. 2502-0265

<b>B. Type of Loan</b>			
1. ___ FHA 2. ___ FmHA 3. ___ Conv. Unins.	6. File Number	7. Loan Number	8. Mortgage Insurance Case Number
4. ___ VA 5. ___ Conv. Ins.	BFLY1688	0014651053	
<b>C. NOTE:</b> This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked (P.O.C.) were paid outside the closing; they are shown here for information purposes and are not included in the totals.			
<b>D. Name and Address of Borrower</b>		<b>E. Name and Address of Seller</b>	
WILLIAM T. COOK, JR. KIM A. COOK  14 BOYD MOUNTAIN ROAD ADAIRSVILLE, GA 30103		GE CAPITAL MORTGAGE SERVICES, INC.  625 MARYVILLE CENTER DRIVE ST. LOUIS, MO 63141	
<b>G. Property Location</b>		<b>H. Settlement Agent</b>	
14 BOYD MOUNTAIN ROAD ADAIRSVILLE, GA 30103		Daniel O'Connor Duncan, P.C. d/b/a The Law Offices Duncan & Rose Place of Settlement 125 CHURCH STREET SUITE 100 MARIETTA, GA 30060	
		<b>I. Settlement Date</b> 07/07/99	
<b>J. SUMMARY OF BORROWER'S TRANSACTION:</b>		<b>K. SUMMARY OF SELLER'S TRANSACTION:</b>	
<b>100. Gross Amount Due From Borrower</b>		<b>400. Gross Amount Due To Seller</b>	
101. Contract sales price	265,000.00	401. Contract sales price	265,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	859.50	403.	
104.		404.	
105.		405.	
<b>Adjustments for items paid by seller in advance</b>		<b>Adjustments for items paid by seller in advance</b>	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110. ESCROW ACCOUNT CREDIT TO SELLER <i>WHAT IS THIS FOR</i>	559.00	410. ESCROW ACCOUNT CREDIT TO SELLER	559.00
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER	266,418.50	420. GROSS AMOUNT DUE TO SELLER	265,559.00
<b>200. Amounts Paid By or In Behalf of Borrower</b>		<b>500. Reductions In Amount Due To Seller</b>	
201. Deposit or earnest money	1,000.00	501. Excess Deposit (see instructions)	1,000.00
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	153.00
203. Existing loan(s) taken subject to	112,078.27	503. Existing loan(s) taken subject to	112,078.27
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209. PROMISSORY NOTE TO SELLER	141,900.00	509. PROMISSORY NOTE TO SELLER	141,900.00
<b>Adjustments for items unpaid by seller</b>		<b>Adjustments for items unpaid by seller</b>	
210. City/town taxes to		510. City/town taxes to	
211. County taxes 01/01 to 07/07	696.33	511. County taxes 01/01 to 07/07	696.33
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER	255,674.60	520. TOTAL REDUCTION AMOUNT DUE SELLER	255,827.60
<b>300. Cash At Settlement From or To Borrower</b>		<b>600. Cash At Settlement To or From Seller</b>	
301. Gross amount due from borrower (line 120)	266,418.50	601. Gross amount due to seller (line 420)	265,559.00
302. Less amounts paid by/for borrower (line 220)	255,674.60	602. Less reduction amount due seller (line 520)	255,827.60
303. CASH FROM BORROWER	10,743.90	603. CASH TO SELLER	9,731.40



HUD-1 Page 1 – Zoomed In

**Contract Sale Price: \$265,000**

J. SUMMARY OF BORROWER'S TRANSACTION:	
100. Gross Amount Due From Borrower	
101. Contract sales price	265,000.00
102. Personal property	
103. Settlement charges to borrower (line 1400)	859.50
104.	

**As buyers, took control of the seller's Escrow account**

108. Assessments	to	
109.		
110. ESCROW ACCOUNT CREDIT TO SELLER	WHAT IS THIS FOR	559.00
111.		
112.		

Many “real estate professionals” will tell you a Subject-to Deal is illegal. Then why pre-printed on every HUD-1 since the mid-1970s, on lines 203 and 503, does it read, “Existing Loan(s) taken subject to?”


201. Deposit or earnest money	1,000.00	501. Excess Deposit (see instructions)	1,000.00
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	153.00
203. Existing loan(s) taken subject to	112,078.27	503. Existing loan(s) taken subject to	112,078.27
204.		504. Payoff of first mortgage loan	

**Promissory Note To Seller: \$141,900**

207.		
208.		
209. PROMISSORY NOTE TO SELLER		141,900.00
Adjustments for items unpaid by seller		
210. City/town taxes	to	

HUD-1 Page 1 - Zoomed In

**Cash From Buyer: \$10,743.90**

	302. Less amounts paid by/for borrower (line 220)	255,674.60
	303. CASH FROM BORROWER	10,743.90

**Warranty Deed - us buying Boyd Mountain**

**7-7-1999: Warranty Deed - us buying**

Return, Recorded Document to:  
 The Law Offices Of Duncan & Rose  
 125 Church Street, Suite 100  
 Marietta, Ga 30060

BARTOW COUNTY, GEORGIA  
 REAL ESTATE TRANSFER TAX

JUL - 9 1999

PAID \$ 153.00  
 TISH JOHNSON, CSC

Rec'd #99-16512  
 FILED FOR RECORD  
 99 JUL -9 PM 3:40  
 TISH JOHNSON, C.S.C.  
 BARTOW COUNTY, GA.

**JOINT TENANCY WITH SURVIVORSHIP  
 WARRANTY DEED**

STATE OF GEORGIA, COUNTY OF COBB FILEBFLY1688

**This Indenture** made this **7th** day of **July**, in the year **One Thousand Nine Hundred Ninety-Nine**, between \_\_\_\_\_ of the County of COBB, State of Georgia, as party or parties of the first part, hereinafter called Grantor, and **WILLIAM T. COOK, JR. and KIM A. COOK**, as joint tenants with survivorship and not as tenants in common as parties of the second part, hereinafter called Grantees (the words "Grantor" and "Grantees" to include their respective heirs, successors and assigns where the context requires or permits).

# Seller's Owner-carry Note

## Our Note to the Sellers

### NOTE

\$141,900.00

MARIETTA, GA

JULY 7, 1999

FOR VALUE RECEIVED, I promise to pay to the order of \_\_\_\_\_ the principal sum of ONE HUNDRED FORTY ONE THOUSAND NINE HUNDRED AND NO/100-----(\$141,900.00) in legal tender of the United States, with interest thereon from date at the rate of 8.25% (EIGHT AND ONE-FOURTH PER CENT) per annum, on the unpaid balance until paid. Principal and interest shall be payable at the office of holder or such other place as the holder hereof may designate in writing.

#### This Note shall be due and payable as follows:

Maker of this note shall make a payment of principal and all unpaid accrued interest on or before August 31, 1999.

Maker herein reserves the right to prepay this indebtedness in whole or in part without penalty.

Should any installment not be paid when due, or should the maker, or makers, hereof fail to comply with any of the terms or requirements of this note, the entire unpaid principal sum evidenced by this note, with all accrued interest, shall, at the option of the holder, and without notice to the undersigned, become due and may be collected forthwith, time being of the essence of this contract. It is further agreed that failure of the holder to exercise this right of accelerating the maturity of the debt, or indulgence granted from time to time, shall in no event be considered as a waiver of such right of acceleration or estop the holder from exercising such right.

Installments not paid when due shall bear interest at the rate of (15%) per cent per annum from maturity. Should this note, or any part of the indebtedness evidenced hereby, be collected by law or through an Attorney-at-Law, the holder shall be entitled to collect Attorney's fees in an amount equal to fifteen (15) per cent of the principal and interest, and all costs of collection .

And each of the undersigned, whether principal, surety, guarantor, endorser, or other party, severally waives and renounces, each for himself and family, any and all homestead and exemption rights either of us, or the family of either of us, may have under or by virtue of the laws of the State of Georgia, or any other State, or the United States, as against this debt or any renewal or extension thereof, and further waives demand, protest, notice of demand, protest and non-payment.

WITNESS my hand and seal this 7th day of July, 1999.

*Paid in full this 31<sup>st</sup> day of August, 1999.  
Nicole D. Verduci  
Verduci*

*[Signature]*  
\_\_\_\_\_  
Jim A. Cook

[Seal

Mortgage Invoice 2-4-2005: Still in seller's name

# Seller's Mortgage Invoice: 2-4-2025



Return Mail Operations  
PO Box 14411  
Des Moines IA 50306-3411



#BWNDXCT  
#9360014651053023#

000444

DOMINIQUE VERDUCI  
NICOLE VERDUCI  
P.O. BOX 22  
ADAIRSVILLE GA 30103-0022



Who we  
Bought  
from

## Monthly Mortgage Statement

Statement Date 02/04/05

Loan Number

### Customer Service

Online  
yourwellsfargomortgage.com

Telephone  
(800) 222-0238

TTY Deaf/Hard of Hearing  
(800) 934-9998

Fax  
(866) 278-1179

Payments  
P.O. Box 17123  
Baltimore MD 21297

Correspondence  
PO Box 10335  
Des Moines IA 50306-0335

### Important Messages

Because you're a valued customer, we're continually looking for new ways to help you reach your homeownership and financial goals. Should you ever need assistance, please don't hesitate to call on us. We appreciate your business!

### Summary

Payment (Principal, Interest)	\$1,358.20
Optional Product(s)	\$ .00
<b>Current Monthly Payment</b>	<b>\$1,358.20</b>
Overdue Payments	\$ .00
Unpaid Late Charge(s)	\$ .00
Other Charges	\$ .00
<b>TOTAL PAYMENT DUE 04/01/05</b>	<b>\$1,358.20</b>

### Property Address

141 BOYD MT RD  
ADAIRSVILLE GA 30103

Unpaid Principal Balance **\$56,693.93**  
*(Contact Customer Service for your payoff balance)*

Interest Rate **8.250%**  
Interest Paid Year-to-Date **\$397.35**

BALANCE

### Activity Since Your Last Statement

Date	Description	Total	Principal	Interest	Escrow	Late Charge	Other
02/04	PRINCIPAL PMT	\$141.80	\$141.80				
02/04	PAYMENT	\$1,358.20	\$960.85	\$397.35			

Interest Paid in the amount of \$5,377.90  
is included on your IRS Form 1098 for Tax Year 2004.

# Cancellation of Mortgage

## Notice of Satisfaction - 11-7-2008

DOC# 016430  
FILED IN OFFICE  
11/07/2008 10:15 AM  
BK:2328 PG:1012-1012  
GARY BELL  
CLERK OF SUPERIOR  
COURT  
BARTOW COUNTY

SATISFIED  
FOR CANCELLATION  
SEE BOOK 2328 PG 1012  
GARY BELL, C.S.C.  
BARTOW COUNTY, GA



Recording Requested By: WELLS FARGO HOME MORTGAGE  
When Recorded Return To: WELLS FARGO HOME MORTGAGE MAC X9901-L1R 2701 WELLS FARGO WAY,  
MINNEAPOLIS, MN 55467



### DISCHARGE OF DEED TO SECURE DEBT

WFHM - CLIENT 708 #:0014651053 "VERDUCI" Lender ID:724060/758858221 Bartow, Georgia

Prepared By: Kristi Doherty, WELLS FARGO HOME MORTGAGE 2701 WELLS FARGO WAY, X9901-L1R,  
MINNEAPOLIS, MN 55467 800-288-3212

The indebtedness referred to in that certain Deed to Secure Debt from DOMINIQUE VERDUCI AND NICOLE VERDUCI A/K/A NICOLE D VERDUCI to CROSSLAND MORTGAGE CORP., Dated: 08/05/1994 and filed of record on 08/11/1994 in Book/Reel/Liber: 000840, Page/Folio: 0165, of the office of the Clerk of the Superior Court of Bartow County, Georgia as Instrument No.: N/A having been paid in full and cancelled by the undersigned on the date shown below and the undersigned being the present record holder and owner of such deed; or the undersigned being the present owner of such secured interest by virtue of being the original grantee or the heir, devisee, executor, administrator, successor, transferee or assignee, or the servicing agent to whom indebtedness was paid on behalf of or by grantor, the Clerk of such Superior Court is authorized and directed to cancel that deed of record, as provided in Code Section 44-14-4 of the O. C. G. A. for other mortgage cancellations.



Property Address: 141 BOYD MOUNTAIN ROAD, ADAIRSVILLE, GA 30103

In witness whereof, the undersigned has set hand and seal.

# Subject-to Deal Case Study: Old Highway 41



## About This Property

At the beginning of 2006, we asked Tarah Whitlock to leave the bank she managed and come to work with us full time. Tarah had been my primary banker since 2001. When it came to banking work, she was fantastic. I thought who better to help me with our real estate investing business than an experienced banker who ran a bank.

By the spring of 2006, Kim, Tara, and I had outgrown the home office we're using at the ranch. Kim insisted we buy some sort of office building.

In May 2006, Kim found a nice two-story, four-bedroom, three-bath home, with a separate three-car garage, plus a fishing pond in the back. She told me it was exactly what we needed. Note: I learned long ago not to argue with the Redhead.

The seller was asking \$219,900. Kim offered him \$157,000. After several weeks of back-and-forth negotiation, the seller agreed to sell

to us for \$158,790. Don't ever try to negotiate with the Redhead, you'll lose!

At closing, we paid cash for the property. Then on August 7, 2006, we refinanced the property with an institutional lender. We borrowed \$168,000 and gave a 30-year, fixed-rate mortgage with an interest rate of 6.875% and monthly payments of \$1,103.64 (principal and interest).

## The Property Problem We Faced

In 2010, because we were in the heart of the Great Recession and times were very tough, we made the decision to sell the property. We realized we no longer needed an office. Kim, Tara, and I could continue working together but didn't need to be under the same roof. Kim and I would work from the ranch, and Tara would work from her house.

In order to sell our property at Old Highway 41 for maximum price, we decided to sell it and offer owner financing. The problem was we still had 26 years left on our institutional mortgage.

In 2010, we knew that if we sold the office the conventional way, because of the huge real estate downturn we were experiencing, the property would sell for around \$115,000, which meant we'd lose money! However, if we put the property up for sale and offered owner financing, it would sell for around \$180,000.

The only way we could sell the property and offer owner financing was to leave our institutional first position mortgage in place and get a purchase money note from the buyer and record it in second position.

Let me say this again: in order to sell the property and get maximum price, we would have to sell our property but **NOT** pay off the first position institutional mortgage against our property, and at closing, the buyer would give us a secured second position purchase money note.

Let's say it in a different way: when our property sold the warranty deed would be transferred to the buyer. The buyer would now be the owner of record. At the same time, we would not pay off our mortgage against the property and instead leave it in place. At closing, the buyer would give us a purchase money note that would be recorded in second position

Do you see that this deal, because the sellers' (Kim and me) mortgage is ***not*** getting paid off, is similar to the last deal we covered. That's right, this is also a Subject-to Deal

Would this creative structure violate our Due on Sale clause? Yes, it would because the institutional mortgage was not paid off when title transferred from seller to buyer.

Did this stop us from moving forward with our plan? Not for a second!

## **What Did the Buyer Say?**

In 2010, when we put this property up for sale, we found great buyers. It was a husband and wife with a couple of kids. The year before they lost their house to foreclosure, which meant they could not qualify for an institutional mortgage, which meant they were forced to live in an apartment complex. They hated where they lived. They thought like and acted like homeowners, not tenants.

They were thrilled with the prospect of buying a really nice home and getting owner financing. They were open to our creatively structured offer.

I made sure these buyers fully understood what a Subject-to Deal was, that our institutional mortgage would remain in place, that they'd give us a new purchase money note which would be secured against the property via a security deed, and that we'd close with our attorney Lee Perkins in Cartersville, Georgia.

## Our Selling Terms

The buyer agreed to pay \$189,900 for the property on May 27, 2010. The buyer would give us a Purchase Money Note in the amount of \$186,500. The note would be for 30 years, at an interest rate of 7.03% compounding, with monthly payments of \$1,245 dollars (principal and interest and no escrow), they'd give us lenders title, and they'd pay all closing costs.

## Things to Know About This ADVANCED Creative Deal Structure

Most of you of heard me say many times that there is no THE way to invest in real estate. There is only YOUR way, and YOUR way will continually change and improve over time.

Long ago Kim and I decided that with the Subject-to Deals we acquired, we would never sell those properties to an owner occupant while wrapping the underlying subject-to note.

We made this decision because we wanted to avoid the potential problem of selling a home to an owner occupant and then having some sort of problem with the underlying subject-to mortgage

With our Subject-to Deals, if someone wanted to buy the property from us but couldn't afford to pay for it right then, we'd consider doing a Lease with an Option Deal with them.

So why did we agree to sell this property subject to the underlying secured institutional mortgage? What made this transaction different from the one I just described in the paragraph above? Answer: with our Old Highway 41 deal, the mortgage was in our name. **OUR NAME!** This meant that if anything happened with the underlying mortgage, I could easily fix it.

## Where Does This Deal Stand Today?

Our buyers bought this property on May 27, 2010. That was 15 years ago. They still live in and love the property. The property is in better condition today than it was when they bought it. They're very proud of their home!

Today, as it has always been, this property cash flows \$141.36 per month.

You might look at this and say, "Bill, that ain't very much mailbox money." Just remember the alternative. If Kim and I had been forced to sell this property in 2010, we would have gotten maybe \$115,000 while owing our lender approximately \$155,000. This would have equated to a **\$40,000 loss** at a time when we could least afford it.

On January 1, 2025, the balance on the buyer's second position purchase money note was \$140,361.10.

On January 1, 2025, the balance on our first position institutional note was \$111,508.20.

Today, this property has a fair market value of approximately \$350,000.

It goes without saying, this deal has worked out well for **all** of us. It's a deal of which Kim and I are very proud.

# Deal Documentation

## HUD-1: Us Buying Old Highway 41

We bought Old Highway 41 on 5-22-2006 for \$168,790.54. We paid cash at closing. We refinanced this property a few months later in August and got an institutional loan.

### HUD-1 Buying property on 5-22-2006

<b>D. Name and Address of Borrower</b> K. ANDERSON, Trustee P.O. BOX 22 ADAIRSVILLE, GA 30103		<b>E. Name and Address of Seller</b> MARK DAN HENSLEY MARLENE V. HENSLEY		<b>F. Name and Address of Lender</b>	
<b>G. Property Location</b> 787 OLD HIGHWAY 41, ADAIRSVILLE, GA 30103		<b>H. Settlement Agent</b> COX BYINGTON, P.C.		<b>I. Settlement Date</b> 05/22/06 DD: 05/22/06	
<b>J. SUMMARY OF BORROWER'S TRANSACTION:</b>		<b>K. SUMMARY OF SELLER'S TRANSACTION:</b>			
<b>100. GROSS AMOUNT DUE FROM BORROWER</b>		<b>400. GROSS AMOUNT DUE TO SELLER</b>			
101. Contract sales price	158,790.54	401. Contract sales price		158,790.54	
102. Personal property		402. Personal property			
103. Settlement charges to borrower (line 1400)	829.25	403.			
104.		404.			
105.		405.			
<b>Adjustments for items paid by seller in advance</b>		<b>Adjustments for items paid by seller in advance</b>			
106. City/town taxes	to	406. City/town taxes	to		
107. County taxes	to	407. County taxes	to		
108. Assessments	to	408. Assessments	to		
109.		409.			
110.		410.			
111.		411.			
112.		412.			
<b>120. GROSS AMOUNT DUE FROM BORROWER</b>		<b>420. GROSS AMOUNT DUE TO SELLER</b>		<b>158,790.54</b>	
<b>200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER</b>		<b>500. REDUCTIONS IN AMOUNT TO SELLER</b>			

# Our Institutional Note: Page 1

**Note Date:** August 7, 2006.

**Principal Borrower:** \$168,000

**Note Terms:** 30 years, 6.8750% interest with monthly payments of \$1,103.64

**Borrower:** Kim Cook

## Institutional Note: \$168,000

**NOTE**

---

**August 07, 2006**  
[Date]

**Adairsville**  
[City]

**787 Old Highway 41**  
**Adairsville, GA 30103**  
[Property Address]

**Georgia**  
[State]

**1. BORROWER'S PROMISE TO PAY**  
In return for a loan that I have received, I promise to pay **U.S. \$ 168,000.00** (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **Taylor, Bean & Whitaker Mortgage Corp.**

I will make all payments under this Note in the form of cash, check or money order.  
I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**  
Interest **will be charged** on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of **6.8750%**.  
The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

**3. PAYMENTS**  
**(A) Time and Place of Payments**  
I will pay principal and interest by making a payment every month.  
I will make my monthly payment on the **1st** day of each month beginning on **October 01, 2006**.  
I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on **September 01, 2036**, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."  
I will make my monthly payments at **Taylor, Bean & Whitaker Mortgage Corp., 1417 North Magnolia Ave, Ocala, FL 34475** or at a different place if required by the Note Holder.

**(B) Amount of Monthly Payments**  
My monthly payment will be in the amount of **U.S. \$1,103.64**

## Security Deed: Securing Instrument Used to Secure Note

**This is the securing instrument used to secure the institutional note**

After Recording Return To:  
COX, BYINGTON, CORWIN, NEIDRACH & DURHAM  
104 STONEWELL STREET  
CARTERSVILLE, GA 30120

Notice: This mortgage is subject to special rules under the Georgia Fair Lending Act.

Purchasers and assignees of this mortgage may be liable for all claims and defenses by the borrower with respect to the mortgage.

Notice: This is a mortgage subject to special rules under the federal Truth in Lending Act. Purchasers or assignees of this mortgage could be liable for all claims and defenses with respect to the mortgage that the borrower could assert against the creditor.

[Space Above This Line For Recording Data]

**SECURITY DEED** ←

MIN: 100029500012970087

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated **August 07, 2006**, together with all Riders to this document.

**(B) "Borrower" is Kim A. Cook** ←

HUD\_1 Closing Statement: Buyers Buying Property from US

# Hud-1 Closing Statement

A. Settlement Statement		U.S. Department of Housing and Urban Development		OMB Approval No. 2502-0265	
<b>B. Type of Loan</b>					
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> Conv. Unins.	6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.	C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.			
D. Name & Address of Borrower:		E. Name & Address of Seller:		F. Name & Address of Lender:	
Adairsville, GA 30103		D. Cooper as Trustee P.O. Box 22 Adairsville, GA 30103		Shakerag Debt, LLC P.O. Box 22 Adairsville, GA 30103	
G. Property Location: 787 Old Hwy 41 Adairsville, GA 30103		H. Settlement Agent: The Cody Group Place of Settlement United Community Bank Adairsville, GA 30103		I. Settlement Date 28-May-10	
J. Summary of Borrower's Transaction			K. Summary of Seller's Transaction		
100. Gross Amount Due From Borrower			400. Gross Amount Due To Seller		
101. Contract sales price.	\$189,500.00	401. Contract sales price	\$189,500.00		
102. Personal Property	-	402. Personal Property	\$ -		
103. Settlement charges to borrower (line 1400)	\$793.00	403. Settlement charges to seller (line 1400)	\$793.00		
104.		404.			
105.		405.			
Adjustments for items paid by seller in advance			Adjustments for items paid by seller in advance		
106. City/town taxes \$ - to	\$ -	406. City/town taxes to	\$ -		
107. County taxes \$ - to	\$ -	407. County taxes to	\$ -		
108. Assessments \$ - to	\$ -	408. Assessments to	\$ -		
109.		409.			
110.		410.			
111.		411.			
112.		412.			
120. Gross Amount Due From Borrower	\$ 190,293.00	420. Gross Amount Due To Seller	\$190,293		
200. Amounts Paid By Or In Behalf of Borrower			500. Reductions In Amount Due To Seller		
201. Deposit or earnest money		501. Excess deposit (see instructions)			
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)			
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to			
204. NEW LOAN AND NOTE	\$186,500	504. Payoff of first mortgage loan			
205.		505. Payoff of second mortgage loan			
206.		506. Note held by seller/The Cody Group	\$186,500		
207.		507.			
208.		508.			
209.		509.			
Adjustments for items unpaid by seller			Adjustments for items unpaid by seller		
210. City/town taxes to	\$0.00	510. City/town taxes to	\$0.00		
211. County taxes to		511. County taxes to			
212. Assessments to		512. Assessments to	\$ -		
213.		513.	\$ -		
214.		514.	\$ -		
215.		515.	\$ -		
216.		516.	\$ -		
217.		517.	\$ -		
218.		518.	\$ -		
219.		519.	\$ -		
220. Total Paid By/For Borrower	\$ 186,500.00	520. Total Reduction Amount Due Seller	\$186,500.00		
300. Cash At Settlement From/To Borrower			600. Cash At Settlement To/From Seller		
301. Gross Amount due from borrower (line 120)	\$ 190,293.00	601. Gross amount due to seller (line 420)	\$190,293.00		
302. Less amounts paid by/for borrower (line 220)	\$ (186,500.00)	620. Less reductions in amt. due seller (line 520)	\$186,500.00		
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$ 3,793.00	603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$3,793.00		

## HUD-1: Sale price of property

**Sale Price: \$189,500**

Adairsville, GA 30103		Adairsville, GA 30103		Adairsville, GA 30103	
G. Property Location: 787 Old Hwy 41 Adairsville, GA 30103		H. Settlement Agent: The Cody Group		I. Settlement Date	
		Place of Settlement United Community Bank Adairsville, GA 30103		28-May-10	
J. Summary of Borrower's Transaction			K. Summary of Seller's Transaction		
<b>100. Gross Amount Due From Borrower</b>			<b>400. Gross Amount Due To Seller</b>		
101. Contract sales price.	\$189,500.00	401. Contract sales price	\$189,500.00		
102. Personal Property	-	402. Personal Property	\$		-
103. Settlement charges to borrower (line 1400)	\$793.00	403. Settlement charges to seller (line 1400)	\$793.00		
104.		404.			

# Warranty Deed – Title Transfers from Sellers (Kim and me) to Buyers

02/09/2010 06:16 6785502155 NORTH GEORGIA HOMES PAGE 01/03

3

DOC# 005610  
 FILED IN OFFICE  
 06/07/2010 01:33 PM  
 BK:2423 PG:370-372  
 GARY BELL  
 CLERK OF SUPERIOR  
 COURT  
 BARTOW COUNTY  
*Gary Bell*  
 REAL ESTATE TRANSFER 1  
 AX  
 PAID: \$189.50

Return Recorded Document to:  
 D. Cooper as Trustee  
 P.O. Box 22  
 Adairsville, GA 30103

PT. 61. 008. 2010. 002222

**WARRANTY DEED**

STATE OF GEORGIA

COUNTY OF BARTOW

This Indenture made this 27<sup>th</sup> day of May, 2010, between **D. Cooper as Trustee of the Old Highway 41 Trust, dated May 14, 2010**, as party or parties of the first part, hereinafter called Grantor (seller), and \_\_\_\_\_, as party or parties of the second part, hereinafter called Grantee (buyer) (the words "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context requires or permits).

# Purchase Money Note – Page 1

## Purchase Money Note

19/2010 06:08 6785002100 NORTH GEORGIA HOMES PAGE 01/03

We record notes  
with our  
security deeds  
&  
mortgages

DOC# 005612  
FILED IN OFFICE  
06/07/2010 01:33 PM  
BK:2423 PG:377-379  
GARY BELL  
CLERK OF SUPERIOR  
COURT  
BARTOW COUNTY

D. Cooper as Trustee  
P.O. Box 22  
Adairsville, GA 30103

**PURCHASE MONEY NOTE**

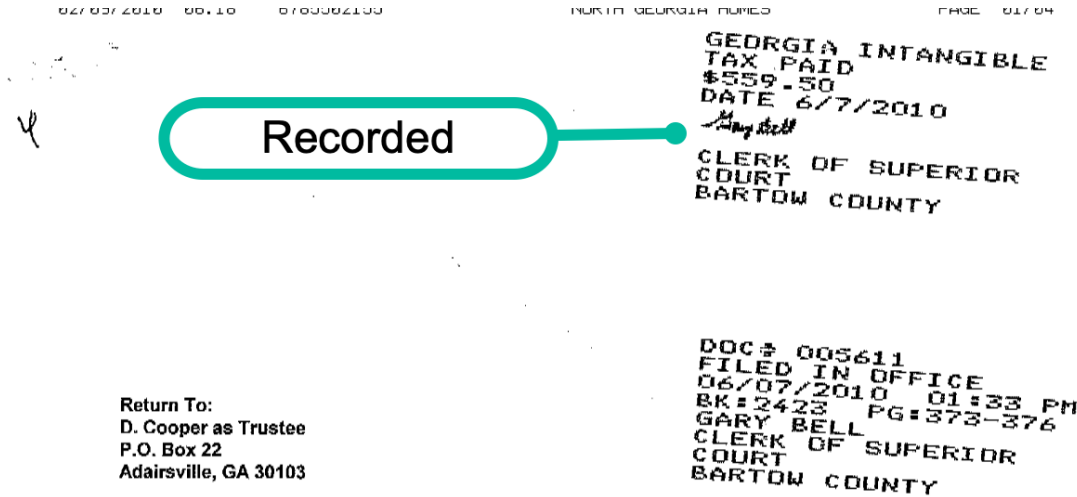
Purchase Money Note

Amount Loaned: \$ 186,500.00  
Loan Date: May 27, 2010  
Adairsville, Georgia

FOR VALUE RECEIVED the undersigned \_\_\_\_\_  
\_\_\_\_\_ promises to pay to the order of Shakerag Debt LLC the principal sum of One Hundred and Eighty-Six Thousand Five Hundred Dollars (\$186,500.00) in legal tender of the United States, with interest from May 27, 2010 at the rate of 7.03% per annum, compounded monthly, on the unpaid balance until paid. If any payment is not paid when due or if payment made does not cover all interest accrued through date of payment, remaining interest accrued shall be added to principal and shall bear interest at the note rate. Principal and interest shall be payable at the office of holder or at any such other place as the holder hereof may designate in writing, in monthly payments of \$1,245.00 each with the first such payment being due and payable on June 15, 2010 and on the 15<sup>th</sup> day of each succeeding month thereafter together with one final installment consisting of all remaining principal and interest accrued thereon plus any other outstanding amounts due and payable May 15, 2040 in certified or cash funds. Notwithstanding, after Twenty (20) months, from date of origination, Holder shall have the right to call the debt hereby secured upon giving maker a 30-day notice.

# Security Deed With Wrap Clause

In Georgia, Security Deeds are used to secure notes.



STATE OF GEORGIA  
COUNTY OF BARTOW

## DEED TO SECURE DEBT

THIS INDENTURE, made the 27<sup>th</sup> day of **May, 2010**, is between \_\_\_\_\_ of the County of **Bartow**, and State of **Georgia**, as party or parties of the first part, hereinafter called Grantor (borrower), and **Shakerag Debt LLC**, whose address is **P.O. Box 22, Adairsville, Georgia 30103**, party of the second part, hereinafter called Grantee (lender):

WITNESSETH, that Grantor, for and in consideration of the sum of **One Hundred and Eight-Six Thousand Five Hundred Dollars (\$186,500.00)** in credit extended at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, alienated, conveyed and confirmed, and by these presents does grant, sell, alien, convey and confirm unto said Grantee, successors and assigns, the following described property, to wit:

**See Attached Exhibit "A"**

(Property also known by the street address: 787 Old Highway 1, Adairsville, Georgia 30103)

The financing referenced in this deed to secure debt represents a portion of the purchase price of the property described herein.

**WRAP CLAUSE:** This deed is subject to a security deed in favor of **Centar (formally known as Taylor, Bean and Whitaker)** dated **May 22, 2006**, and recorded in **Deed Book 2095, Page 62**, Bartow County records, which the Grantor herein has not assumed nor agreed to pay and the Grantee herein, by acceptance of this deed, does specifically agree to continue to pay according to the terms of said deed so long as this deed and the accompanying note is not in default.

## Detailed View of Wrap Clause

The purpose of this Wrap Clause is to tell the world that the seller's mortgage was **NOT** paid off when the seller sold the property to the buyer.

It tells the world the **SELLER** (Kim and me) continues to be responsible for paying the underlying note.

The diagram consists of four black arrows pointing downwards from the explanatory text above to specific parts of a deed document. The first arrow points to the property address: "(Property also known by the street address: 787 Old Highway 41, Adairsville, Georgia 30103)". The second arrow points to the sentence: "The financing referenced in this deed to secure debt represents a portion of the purchase price of the property described herein." The third arrow points to the start of the yellow highlighted wrap clause: "WRAP CLAUSE: This deed is subject to a security deed in favor of Cenlar (formally known as Taylor, Bean and Whitaker) dated May 22, 2006, and recorded in Deed Book 2095, Page 62, Bartow County records, which the Grantor herein has not assumed nor agreed to pay and the Grantee herein, by acceptance of this deed, does specifically agree to continue to pay according to the terms of said deed so long as this deed and the accompanying note is not in default." The fourth arrow points to the end of the wrap clause.

See Attached Exhibit "A"

(Property also known by the street address: 787 Old Highway 41, Adairsville, Georgia 30103)

The financing referenced in this deed to secure debt represents a portion of the purchase price of the property described herein.

**WRAP CLAUSE:** This deed is subject to a security deed in favor of Cenlar (formally known as Taylor, Bean and Whitaker) dated May 22, 2006, and recorded in Deed Book 2095, Page 62, Bartow County records, which the Grantor herein has not assumed nor agreed to pay and the Grantee herein, by acceptance of this deed, does specifically agree to continue to pay according to the terms of said deed so long as this deed and the accompanying note is not in default.

## Buyer's/Payor's 2024 1098 Mortgage Interest Statement

This is the 2024 1098 Mortgage Interest Statement we sent our buyers.

#1) This is a 1098

#2) This is for the 2024 tax year

#3) The buyer/payor paid \$10,060.32 in interest on his Purchase Money Note to us

#4) The buyer's/payor's mortgage balance at the end of 2024 was \$145,240.78

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-1380 <b>Form 1098</b> (Rev. January 2022) For calendar year <b>2024</b>		<b>Mortgage Interest Statement</b>
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <b>WHAT BOX LLC</b> <b>POST OFFICE BOX 22</b> <b>ADAIRSVILLE, GA 30103</b>				
RECIPIENT'S/LENDER'S TIN	PAYER'S/BORROWER'S TIN	<b>1</b> Mortgage interest received from payer(s)/borrower(s)* <b>\$ 10060.32</b>	<b>3</b> Mortgage origination date <b>05/27/2010</b>	<b>Copy C For Recipient/ Lender</b>
		<b>2</b> Outstanding mortgage principal <b>\$ 145240.78</b>	<b>5</b> Mortgage insurance premiums <b>\$</b>	
Street address (including apt. no.) <b>787 OLD HWY 41</b>		<b>4</b> Refund of overpaid interest <b>\$</b>		<b>For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.</b>
City or town, state or province, country, and ZIP or foreign postal code <b>ADAIRSVILLE, GA 30103</b>		<b>6</b> Points paid on purchase of principal residence <b>\$</b>		
<b>9</b> Number of properties securing the mortgage <b>1</b>	<b>10</b> Other	<b>7</b> If address of property securing mortgage is the same as PAYER'S/BORROWER'S address, the box is checked, or the address or description is entered in box 8. <input checked="" type="checkbox"/>		
Account number (see instructions)		<b>8</b> Address or description of property securing mortgage (see instructions)		
		<b>11</b> Mortgage acquisition date		

Form **1098** (Rev. 1-2022) (Keep for your records) [www.irs.gov/form1098](http://www.irs.gov/form1098) Department of the Treasury - Internal Revenue Service

## Kim's 2024 1098 Mortgage Interest Statement

This shows we continue to make the underlying mortgage payments on Kim's institutional loan for Old 41 Highway. At the same time,

# 2024 1098 Mortgage Interest Statement

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		*Caution: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB No. 1545-1380 <b>Form 1098</b> (Rev. January 2022) For calendar year <b>2024</b>	<b>Mortgage Interest Statement</b>
[REDACTED]					
1 Mortgage interest received from payer(s)/borrower(s)* \$ <b>7,486.90</b>		2 Outstanding mortgage principal \$ <b>111,508.20</b>		3 Mortgage origination date <b>08/07/2006</b>	
RECIPIENT'S/LENDER'S TIN	PAYER'S/BORROWER'S TIN	4 Refund of overpaid interest \$ <b>0.00</b>		5 Mortgage insurance premiums \$ <b>0.00</b>	
PAYER'S/BORROWER'S name <b>KIM COOK</b>		6 Points paid on purchase of principal residence \$ <b>0.00</b>			
Street address (including apt. no.) <b>PO BOX 22</b>		7 <input type="checkbox"/> If address of property securing mortgage is the same as PAYER'S/BORROWER'S address, the box is checked, or the address or description is entered in box 8.			
City or town, state or province, country, and ZIP or foreign postal code <b>ADAIRSVILLE, GA 30103</b>		8 Address or description of property securing mortgage <b>787 OLD HIGHWAY 41 ADAIRSVILLE, GA 30103</b>			
9 Number of properties securing the mortgage <b>01</b>	10 Other				
Account number (see instructions)				11 Mortgage acquisition date	

Form 1098 (Rev. 1-2022)

(Keep for your records)

www.irs.gov/Form1098

Department of the Treasury - Internal Revenue Service

# Subject-to Deal Case Study: Reynolds Bridge Road



## 15 Structuring Tools Used To Make This Deal Successful

What Box? 2025 is about **ADVANCED** creative deal structuring.

The mission of this course is ***not*** to teach you how to use ***individual*** deal structuring tools. The mission of this course is to let you see

behind the curtain at what ***advanced*** creative deal making really looks like. Specifically, when Kim and I are putting together a creative offer, most of the time more than one creative deal structuring tool is used to make a single transaction possible. We call this ***Structure Stacking!***

This Reynolds Bridge Road deal is a great example of Structure Stacking in action. Here are the main structuring tools we used to make this deal acceptable for all parties involved.

- A bandit sign
- Meeting face to face with the seller
- T-bar
- Non-conforming Purchase Agreement
- Buying the property As Is
- Got purchase funding from a Private Money Lender
- Promissory Note
- No Due on Sale Clause in the Security Deed
- Lease Agreement
- Option Agreement
- Exercised Option
- Wrap Around Limited Warranty Deed
- Purchase Money Note
- Wrapping Deal
- Subject-to Deal

This is almost **15 creative deal structuring tools** working together in harmony to make a **single** transaction succeed!

## About This Property

In 2017, Kim put out a big bandit sign in Kingston, Georgia. When the owner of Reynolds Bridge Road saw Kim's sign, he called her.

Kim learned the man wanted to sell because he could no longer go in the house because his wife had committed suicide there. It was a very sad situation, and he was a very motivated seller. He just wanted done!

The property consisted of a three-bedroom, two-bath house, a 20x20 foot craft workshop, and a 30x50 foot mechanical shop, all on 1.7 acres. The property was in good shape and in a great location.

Kim initially offered the seller \$41,000. He turned down this offer.

When Kim met with the seller again, she asked questions to find his pain points. She asked questions to get the answer to Pete Fortunato's famous question, "Why are you selling such a nice house like this?"

Here's what Kim learned:

- The house still had a lot of his deceased wife's things inside.
- The 20x20 craft shop was loaded with his deceased wife's pottery material.
- His 30x50 mechanical shop was overflowing with all kinds of junk he'd collected over the years.
- The seller didn't want to deal with any of these problems. He never wanted to return to the property again. He just wanted it done!

Once Kim better understood the seller's pain points, she offered to pay \$43,500 and buy the property as is. She explained to the seller that in accepting her offer he could get what he really wanted, to never have to go back to the property again. He accepted Kim's offer.

## Structuring This Deal

Once the seller accepted our offer, Kim and I discussed how do best fund this deal and what to do with the property once we bought it.

It was 2017. Kim and I were Enders in full bloom. We were in the process of whittling down our number of rentals and weren't looking to acquire more. Our focus was to move into our motor home in 2018 and travel the country for a few years.

So, what to do with this property? It was a great deal we didn't want to lose by flipping it to another investor. We decided our best long-term strategy was to rent the house to a tenant/buyer for one year and then sell the property to the tenant/buyer and offer owner financing.

With this structure, we could retain control of the property for many years without the headaches of having to take care the property's toilets.

To fund the deal, we would turn to one of our private money lenders. Because our plan was to sell the property after 12 months and give owner financing, which meant the private money lender's note would need to stay in place (a Subject-to Deal), the Due on Sale clause would **NOT** be included in the mortgage (Georgia uses Security Deeds, aka Deeds of Trust).

## Funding This Deal

After buying the property, we turn to Mrs. Treadaway, one of our Private Money Lenders. We explained how we wanted to structure

this deal and explained why the Due on Sale clause could not be included in the mortgage.

By the way, why did we not want a do on sale clause in Mrs. Treadaway's mortgage? Though Mrs. Treadaway fully understood why we were structuring the deal the way we did, and she was on board with it, because Mrs. Treadaway was in her late 70s, if something bad happened to her I'd then have to deal with her heirs. When dealing with heirs there's always a chance they won't live up to the agreement as it was originally agreed to between Mrs. Treadaway and us. After inheriting the note, they may do whatever it takes to get the property back or force the note to be immediately paid off. I felt it best, because I planned to sell the property in a year, give owner financing, while leaving Mrs. Treadaway's note in place (a Subject-to Deal), to make sure the heirs could not call the note due.

It's wise for you to remember this structure!

Here are the terms of the loan Mrs. Treadaway agreed to give us:

- The note would be for \$55,000 and secured to the property via a Security Deed.
- 10 years, 5.061%, \$585 per month, amortizing, with no Due on Sale clause

## **What's the Difference Between a Hard Money and Private Money Loan?**

Kim and I for examples of hard money lenders. We're experienced investors who often understand the borrower's deal transaction better than the borrower does. To boot, our loans come at a high interest rate and often include points.

Mrs. Treadaway is it great example of a Private Money Lender. She is not an experienced real estate investor, nor is she familiar with creative deal making. That said, she's smart and understands the difference between a good investment and a bad investment. For

example, with this deal Mrs. Treadaway had the choice of keeping her money in the bank earning 0.4% interest or making a secured loan to us and making 5.061%.

Is common to hear Hard Money Lenders refer to themselves as Private Money Lenders because they lend as an individual not as an institution. They're not wrong, I just don't agree with them.

## **Leasing This Property with an Option to Buy**

It took us about 30 days to get the property cleaned up and ready for market. We then put several *Owner Financing* signs in the yard. If you ever want to become the most popular seller in town, offer owner financing. It works like a charm!

We received around 80 applications in five days. After selecting the top five applications I drove to each applicant's house and did a surprise face-to-face interview.

Of the five applicants, one stood out above all the others. Their big question was how this worked. Here's what I told them:

- Before we would agree to sell our house and give them owner financing, they first had to prove they'd 1) take good care of the property, 2) make their payments on time, 3) be a good neighbor, and 4) be easy to work with. If they did these four things, then after a year we would sell them the property and offer them owner financing.
- If they failed to accomplish any one of these four things, we would not sell them the house nor offer them owner financing.

Do you see what deal structure we're using here? We're agreeing to lease them the property for one year while granting them the exclusive right to buy the property and get owner financing (an option!).

Said a different way, before we agree to owner finance them our property, they must **FIRST** prove to us they will take good care of the property and pay us on time.

We also explained in detail that if we sold them the house and gave owner financing, that our underlying mortgage to Mrs. Treadaway would stay in the property's chain of title until it was paid off. We'd always be responsible for paying Mrs. Treadaway's mortgage, and they'd always be responsible for paying their mortgage that we hold.

On May 23, 2017, we rented the property to the tenant/buyers for \$1,120 per month.

On May 23, 2017, we gave an Option to the tenant/buyers with the following terms:

- Option began on May 23, 2017
- Option expires on June 1, 2018
- Option must be exercised after February 1, 2018, and before June 1, 2018
- Option Consideration: \$1.00
- Option Strike Price: \$140,000
- \$0 of the monthly rental payments apply toward strike price
- If Optionee exercises Option, if they give \$10,000 down, the Optionor will give owner financing with the following terms:
  - \$130,000 Purchase Money Note
  - 360 months, 7.679% compounding interest, \$925 per month (principal and interest)
- Option is non-assignable for Optionee
- Option is non-recordable

## **Creatively Selling This Property**

In early 2018, our tenants/buyers let us know they were ready to exercise their option and buy the property.

Because the tenants/buyers had done everything they promised they would do, we agreed to sell them the property and give them owner financing.

The tenants/buyers exercise their option and bought the property on February 6, 2018. The sale closed according to the terms of the option agreement we gave the tenants/buyers the previous year. The property closed at our long-time real estate attorney's office, Lee Perkins.

## **How This Subject-to Deal Sale Was Closed**

As Subject-to Deals go, this closing was very, very easy for the following reasons:

- Over the past year, I had met with the buyers a bunch of times, each time explaining that if they exercised their option and bought the property, our Private Money Lender's note would remain in place. Their Purchase Money Note would be recorded in second position and wrap our first position Promissory Note. Their promise was to pay their note to us, and our promise was to pay our note to Mrs. Treadaway.
- We had a long history with our real estate attorney of doing subject to closings. Lee was able to fully explain to the buyers all the terms of the closing.
- Mrs. Treadaway, who I met with regularly, was fully aware and on board with the transaction.
- The buyers were thrilled with this deal! Because of a foreclosure in their past, they never thought they'd be able to own a beautiful home again. Now here they were buying the home of their dreams!

## Conclusion

What follows is the important memorialization (documentation) this deal generated.

Many gurus say that real estate investing is easy. Maybe to them it is, but I have found real estate investing, especially when you're doing advanced creative deal structuring, is beyond difficult. I said beyond difficult, not impossible.

I hope you take time to read through this deal, as well as look at the paperwork on the following pages, often. Know that I could never have done a deal like this if I had not sat at the feet of the masters, Jack Miller, Peter Fortunato, and Dyches Boddiford, and learned everything they had to teach.

I can't say how it is for you; I can only tell you how it is for me. It was critical that I found a couple of great teachers early on and then I spent decades attending every class they taught every time they taught it.

Don't let this deal overwhelm you. Real estate investing is a language, and as it is with all languages you have to immerse yourself in that language in order to become fluent.

In putting together this case study, I had to go back and study this deal again. It has been nearly 10 years since Kim and I did this transaction. There's a lot of water under the bridge. Reflecting, I'm very proud of how we found this deal, structured it, funded it, and worked it. It makes me want to get out and get back to door knocking!

# Deal Documentation

## HUD-1 (page 1): Buying Reynolds Bridge Road

This is the closing statement when Kim and I bought Reynolds Bridge Road.

#1. The property address

#2. Purchase Date

#3. Purchase Price: \$43,500

#4. Total Purchase Price With Closing Costs: \$50,138.47

marked "p.o.c." were paid outside the closing; they are shown here for information purposes and are not included in the totals.

D. Name and Address of Borrower T. Bramlett as Trustee of the RBR #1 Trust, dated February 23, 2017 P.O. Box 22 Adairsville, GA 30103		E. Name and Address of Seller		F. Name and Address of Settlement Agent P.O. BOX 22 ADAIRSVILLE, GA 30103	
G. Property Location 317 REYNOLDS BRIDGE ROAD KINGSTON, GA 30145		H. Settlement Agent (770-386-1980) F. LEE PERKINS, P.C. 327 E. MAIN ST. CARTERSVILLE, GA 30120 Place of Settlement 327 E. MAIN ST CARTERSVILLE, GA 30120		I. Settlement Date 02/23/17 DD: 02/23/17	
J. SUMMARY OF BORROWER'S TRANSACTION:			K. SUMMARY OF SELLER'S TRANSACTION:		
100. GROSS AMOUNT DUE FROM BORROWER			400. GROSS AMOUNT DUE TO SELLER		
101. Contract sales price	43,500.00		401. Contract sales price		43,500.00
102. Personal property			402. Personal property		
103. Settlement charges to borrower (line 1400)	922.50		403.		
104.			404.		
105.			405.		
Adjustments for items paid by seller in advance			Adjustments for items paid by seller in advance		
106. City/town taxes	to		406.	to	
107. County taxes	to		407.	to	
108. Assessments	to		408.	to	
109.			409.		
110.			410.		
111.			411.		
112.			412.		
120. GROSS AMOUNT DUE FROM BORROWER	44,422.50		420. GROSS AMOUNT DUE TO SELLER		43,500.00
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER			500. REDUCTIONS IN AMOUNT TO SELLER		
201. Deposit or earnest money			501. Excess Deposit (see instructions)		
202. Principal amount of new loan(s)	50,000.00		502. Settlement charges to seller (line 1400)		0.00
203. Existing loan(s) taken subject to			503. Existing loans taken subject to		
204.			504. Payoff of first mortgage loan		
205.			505. Payoff of second mortgage loan		
206.			506.		
207.			507.		
208.			508.		
209.			509.		
Adjustments for items unpaid by seller			Adjustments for items unpaid by seller		
210. City/town taxes	to		510. City/town taxes	to	
211. County taxes	01/01/17 to 02/23/17	138.47	511. County taxes	01/01/17 to 02/23/17	138.47
212. Assessments	to		512. Assessments	to	
213.			513.		
214.			514.		
215.			515.		
216.			516.		
217.			517.		
218.			518.		
219.			519.		
220. TOTAL PAID BY / FOR BORROWER	50,138.47		520. TOTAL REDUCTION AMOUNT DUE SELLER		138.47
300. CASH AT SETTLEMENT FROM OR TO BORROWER			600. CASH AT SETTLEMENT TO OR FROM SELLER		
301. Gross amount due from borrower (line 120)	44,422.50		601. Gross amount due to seller (line 420)		43,500.00
302. Less amounts paid by/for borrower (line 220)	50,138.47		602. Less reduction amount due to seller (line 520)		138.47
303. CASH TO BORROWER	5,715.97		603. CASH TO SELLER		43,361.53

## Letter to Mrs. Treadaway Requesting Loan

June 1, 2017

Jeanette Treadaway  
P.O. Box 89  
Adairsville GA 30103

Dear Jeanette,

I'm sending you this because we already have a mortgage with you. This means we have a history of working together, and you know that we live up to our promises and make our payments on time.

Kim and I recently bought another investment property at 317 Reynolds Bridge Road, Kingston, Georgia 30145. Purchase price was \$43,500. Rehab expense was \$12,000. It's a 3-bedroom, 2-bath home and has a 20x20 workshop, plus a huge 30x50 enclosed shop. Both shops have concrete floors and power. It's on about 1.1 acres, and is in a nice, convenient-to-get-to area – Reynolds Bridge runs between Kingston and Highway 411.

Our exit strategy: To rent this house to a tenant-buyer. Then in 2018, sell the property to the tenant buyer with owner financing. This is the main exit strategy we're using these days. In fact, we're about to sell our horse ranch, and we'll sell it with owner financing because this strategy is so effective.

On May 23, 2017, we rented this property to a nice couple in their mid-fifties. Their rent is \$1,120. If they take good care of the property and make on-time payments, we've agreed to sell them this property with owner financing in 2018. Sale price is \$140,000. Terms: \$10,000 down, \$925/month, 30-year mortgage at 7.679% interest.

What we need: A \$55,000 mortgage, it will be in first position. Terms: 120 monthly payments (10 years) at 5.061% compounding interest with payments of \$585.

If you have money sitting in a CD or savings account earning less than 5.061% interest, please consider my offer. Again, your mortgage will be in first position on this property.

If this interests you and you'd like to discuss it, please give me a call and we'll set a time to meet.

Thanks much!

Bill Cook  
770-815-8727

## Promissory. Note to Mrs. Treadaway

This is the Promissory Note we gave to Mrs. Treadaway.

We borrowed \$55,000 on June 5, 2017.

Note Terms: 120 monthly payments of. \$585.00 at 5.061% interest compounding.

### PROMISSORY NOTE



**Amount Loaned: \$ 55,000.00**

**Loan Date: June 5, 2017**

**Collateral Property: 317 Reynolds Bridge Road, Kingston GA 30145**

FOR VALUE RECEIVED the undersigned, **T. Bramlett as Trustee of the RBR #1 Trust, Dated February 23, 2017**, (Payor) promises to pay to the order of **Jeanette Treadaway** (Note Holder) and heirs, the sum of **Fifty-five Thousand & 00/100's (\$55,000.00) Dollars** in legal tender of the United States, with interest beginning on **June 5, 2017**. Principal and interest shall be payable at the office of the holder or at any such other place as the holder hereof may designate in writing. Interest shall be paid at a rate of **5.061%**, compounded monthly, on the unpaid balance until paid, in **monthly** payments of **\$585.00** each, with the first such payment being due and payable on **July 1, 2017** and on the **1<sup>st</sup> day** of each succeeding month there after together with *one final installment* consisting of all remaining principal and interest accrued there on plus any other outstanding amounts due and payable on **June 1, 2027** in certified or cash funds.

AMOUNT OF MONTHLY PAYMENT: **\$585.00**

MAKE PAYMENTS PAYABLE TO: **Jeanette Treadaway**

MAIL PAYMENTS TO: **P.O. Bo: Adairsville GA 30103**

# Full Promissory Note to Mrs. Treadaway – page 1

## PROMISSORY NOTE

**Amount Loaned: \$ 55,000.00**

**Loan Date: June 5, 2017**

**Collateral Property: 317 Reynolds Bridge Road, Kingston GA 30145**

FOR VALUE RECEIVED the undersigned, **T. Bramlett as Trustee of the RBR #1 Trust, Dated February 23, 2017**, (Payor) promises to pay to the order of **Jeanette Treadaway** (Note Holder) and heirs, the sum of **Fifty-five Thousand & 00/100's (\$55,000.00) Dollars** in legal tender of the United States, with interest beginning on **June 5, 2017**. Principal and interest shall be payable at the office of the holder or at any such other place as the holder hereof may designate in writing. Interest shall be paid at a rate of **5.061%**, compounded monthly, on the unpaid balance until paid, in **monthly** payments of **\$585.00** each, with the first such payment being due and payable on **July 1, 2017** and on the 1<sup>st</sup> day of each succeeding month there after together with *one final installment* consisting of all remaining principal and interest accrued there on plus any other outstanding amounts due and payable on **June 1, 2027** in certified or cash funds.

AMOUNT OF MONTHLY PAYMENT: **\$585.00**

MAKE PAYMENTS PAYABLE TO: **Jeanette Treadaway**

MAIL PAYMENTS TO: **P.O. Box 89, Adairsville GA 30103**

If fulfillment of any provision hereof or any transaction related hereto or to any indebtedness secured hereby, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provisions herein contained operate or would prospectively operate to invalidate this Note in whole or in part, then such clause or provision only shall be held for naught, as though not herein contained, and the remainder of this Note shall remain operative and in full force and effect.

Any installment not received within **fifteen (15) days** of the due date of said installment, shall bear a late charge of **twenty dollars (\$20.00)**.

In the event any installment is made by personal check, and such check is returned by the financial institution on which it is drawn without payment of same, for any reason, the Note Holder shall be entitled to collect from the borrower a handling fee of \$20.00. Such fee shall be in addition to any other fees and costs allowed by this Note.

If Payor(s) gives a Security Deed with this Note, then should any installment not be paid within 30 days of the payment's due date, or should the maker(s) hereof fail to comply with any of the terms or requirements of the Security Deed of even date herewith, conveying title to real property located in Land Lot **248** of the **16<sup>th</sup> District, Bartow County** County, Georgia known more commonly as **317 Reynolds Bridge Road, Kingston GA 30145** as security for this indebtedness, the entire unpaid principal sum evidenced by this note, with all accrued interest, shall, at the option of holder, and without notice to the undersigned, become due and may be collected forthwith, time being of the essence of this contract. It is further agreed that failure of the Note Holder to exercise this right of accelerating the maturity of the debt, or indulgence granted from time to time, shall in no event be considered as a waiver of such right of acceleration or estop the holder from exercising the right.

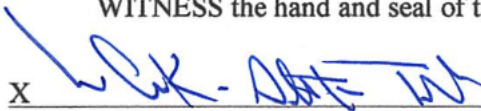
Payer shall have the right to prepay the principal balance in whole or part at any time with no pre-payment penalty. Any partial prepayment shall be applied against the principal balance and shall not extend or postpone the due date of any subsequent installment or change the amount of such installments.

## Full Promissory Note to Mrs. Treadaway – page 2

BK:2927 PG:245

And each of the undersigned, whether principal, surety, guarantor, endorser, or other party, severally waives and renounces each for himself and family, any and all homestead and exemption rights either of us, or the family of either of us, may have under or by virtue of the laws of the State of Georgia, or any other State, or the United States, as against this debt or any renewal or extension thereof, and further waives demand, protest, presentment, notice of demand, protest and non-payment.

WITNESS the hand and seal of the undersigned.

X  (Seal)

Borrower – W. Cook, Alternate Trustee

# Security Deed with NO Due on Sale Clause - page 1

**RECEIVED**  
Clerk of Superior Court - Bartow Co. Ga  
06/13/2017 03:30 PM

DOCH 007380  
FILED IN OFFICE  
6/13/2017 03:41 PM  
BK:2927 PG:241-246  
MELBA SCOGGINS  
CLERK OF SUPERIOR COURT  
BARTOW COUNTY  
*Melba Scoggins*  
GEORGIA INTANGIBLE  
TAX PAID  
\$165.00

Return To:  
T. Bramlett as Trustee  
P.O. Box 22  
Adairsville, GA 30103

STATE OF GEORGIA  
COUNTY OF BARTOW

## SECURITY DEED

THIS INDENTURE, made the 5<sup>th</sup> day of June, 2017, is between T. Bramlett as Trustee of the RBR #1 Trust, dated February 23, 2017 of the County of Bartow, and State of Georgia, as party or parties of the first part, hereinafter called Grantor (borrower), and Shirley Jeanette Treadaway, whose address is P.O. Box 89, Adairsville Georgia 30103, party of the second part, hereinafter called Grantee (lender):

WITNESSETH, that Grantor, for and in consideration of the sum of Fifty-five Thousand & 00/100's Dollars (\$55,000.00) in credit extended at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, alienated, conveyed and confirmed, and by these presents does grant, sell, alien, convey and confirm unto said Grantee, successors and assigns, the following described property, to wit:

**SEE EXHIBIT "A" FOR LEGAL DESCRIPTION, ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE**

(Property also known by as: 317 Reynolds Bridge Road, Kingston GA 30145)

**SEE EXHIBIT "B" FOR PURCHASE MONEY NOTE, ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE**

**SEE EXHIBIT "C" FOR LIST OF TRUSTEE POWERS, ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE**

**TO HAVE AND TO HOLD** the said bargained premises with all and singular the rights, members and appurtenances thereto appertaining, to the only proper use, benefit and behoof of Grantee, successors and assigns, in fee simple; and Grantor, the said bargained premises, unto Grantee, successors and assigns, against Grantor, and the heirs, executors and administrators of Grantor, and against all and every other person or persons (except as may be otherwise expressly stated herein) shall and will WARRANT AND FOREVER DEFEND.

This conveyance is made under the provisions of the Code of Georgia pertaining to deeds to secure debt, and upon payment of the debt hereby secured, this security deed shall be canceled and surrendered pursuant thereto, the debt hereby secured being one promissory note of even date in the amount of \$55,000.00 due and payable according to its terms June 1, 2027. (Date Note Matures)

Unless applicable law provides otherwise, all payments received by Grantee while debt is not accelerated, shall be applied as follows: First, to principal due under the Note; second, to interest due under the Note; third, to late fees due under the Note.

It is the intention of this instrument to secure the indebtedness hereinabove described.

And the said Grantor hereby covenants, for so long as said indebtedness, or any part thereof, shall remain unpaid, to pay all taxes and assessments that may be liens upon said premises, as they become due; and to keep the improvements on said premises insured in company or companies acceptable to said Grantee against loss or damage by fire and lightning, and extended coverage, in an amount sufficient to

# Security Deed with NO Due on Sale Clause - page 2

cover any losses; with loss, if any, payable to said Grantee, and shall deliver the policies of insurance to the said Grantee; and that any tax, assessment, payment on any prior lien, or premium of insurance, not paid when due by Grantor, may be paid by the Grantee, and any sum so paid shall be added to the amount of said principal debt as part thereof, shall draw interest from the time of said payment at note rate and shall, with interest, be covered by the security of this deed. Grantee may at any time require an escrow to meet these obligations.

Should the said Grantee receive any money for damages covered by insurance, such money shall be immediately given to said Grantor to enable said Grantor to repair or replace improvements, or for any other purpose, without affecting the lien of this deed for the full amount secured hereby before such damage or such payment took place.

If Grantor fails to perform the covenants and agreements contained in this Deed to Secure Debt, then Grantee may do and pay for whatever is necessary to protect the value of the Property and Grantee's rights in the Property. Grantee's actions may include paying any sums secured by a lien which has priority over this Deed to Secure Debt, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Grantee may take action under this paragraph, Grantee does not have to do so.

Time being of the essence of this contract, the Grantee shall have the right to accelerate the maturity of the debt hereby secured, by declaring the entire debt to be in default and immediately due and payable, upon the failure of Grantor to make any payment when due and giving Grantor sixty (90) days to cure the failure, pursuant to the note hereby secured, or upon failure of Grantor to perform any obligation or make any payment required of Grantor by the terms of this deed.

In the case the debt hereby secured shall not be paid when it becomes due by maturity in due course, or by reason of a default as herein provided, Grantor hereby grants to Grantee and assigns, the following irrevocable power of attorney: To sell the said property at auction, at the usual place for conducting sales at the Court House in the county where the land or any part thereof lies, in said State, to the highest bidder for cash, after advertising the time, terms and place of such sale once a week for four weeks immediately preceding such sale (but without regard to the number of days) in the newspaper published in the county where the land lies, or in the paper in which the Sheriff's advertisements for such county are published and after giving any notice as may be required by Code § 44-14-162.2, all other notice being hereby waived by Grantor, and Grantee or any person on behalf of Grantee, or assigns, may bid and purchase at such sale and thereupon execute and deliver to the purchaser or purchasers at such sale a sufficient conveyance of said premises in fee simple, which conveyance shall contain recitals as to the happening of the default upon which the execution of the power of sale herein granted depends, and the Grantor hereby constitutes and appoints Grantee and assigns, the agent and attorney in fact of Grantor to make such recitals, and hereby covenants and agrees the recitals so to be made by Grantee, or assigns, shall be binding and conclusive upon Grantor, and the heirs, executors, administrators, and assigns of Grantor, and that the conveyance to be made by Grantee or assigns, shall be effectual to bar all equity of redemption of Grantor or the successors in interest of Grantor, in and to said premises, and Grantee or assigns, shall collect the proceeds of such sale, and after reserving therefrom the entire amount of principal and interest due, together with the amount of any taxes, assessments and premiums of insurance theretofore paid by Grantee, together with all costs and expenses of collection and sale, shall pay any over-plus to Grantor, or to the heirs or assigns of the Grantor as provided by law.

The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

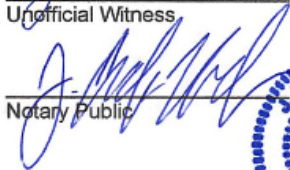
This deed and the note or notes hereby secured shall be deemed and construed to be contracts executed and to be performed in Georgia; and the invalidation of any portion shall not invalidate the remainder.

IN WITNESS WHEREOF, Grantor has signed and sealed this instrument the day and year first above written.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

  
\_\_\_\_\_  
Unofficial Witness

X  (SEAL)  
\_\_\_\_\_  
Grantor - W. Cook, Alternate Trustee

  
\_\_\_\_\_  
Notary Public



## Letter to Tenant/Buyer: How Deal Will Work

5-23-2017

David and Rita,

This is an explanation to the accord to which we are agreeing.

1. If you rent the house for one year and abide by the terms and conditions of the lease - mainly: 1) Take good care of the property inside and out. 2) Make on-time payments. 3) Be easy to work with. 4) Be a good neighbor. - we will sell the property to you and give you owner financing.
2. The property consists of the house, the 20x20 building and the 30x50 building. It will **not** included the vacant lot at the rear of the property. We will have a new survey done to break this single property into two parcels that reflect the above description.
3. When you buy the property, it will be subject to the underlying mortgage we have with our lender. In other words, each month we pay the underlying mortgage, and each month you pay the mortgage you gave to us.
4. You will pay all closing costs and attorney fees. We estimate this to be between \$1,800 and \$2,300.
5. At closing, your \$1,000 security deposit will be returned to you. You can use this as part of your down payment.
6. You are renting/buying this property "As Is". This is not a normal rental or sale for us. Instead, it gives you the opportunity to own your home without having to go through the difficulties of getting an institutional mortgage.
7. You will be buying the property for \$140,000. You will give \$10,000 down and a Promissory Note and Security Deed in the amount of \$130,000. Your interest rate will be 7.679% compounding interest. You will make 360 monthly payments of \$925. There is no pre-payment penalty or balloon.
8. While you are renting, your monthly payment will be \$1,120. If your rent payment is postmarked on or before the 1st of the month, you get a \$50 rent discount, which drops your payment to \$1,070.

Bill Cook  
property manager  
770-815-8727

# Lease Agreement – Page 1

## RESIDENTIAL LEASE CONTRACT

*The following are the terms and conditions of this Residential Rental Contract. To summarize, you need to i) Take good care of the property. ii) Make in-full and on-time payments. iii) Be comfortable to work with. iv) Be a good neighbor. If you do these four things, we'll have a long relationship. If you fail to do any one of these four things, we'll be forced to ask you to leave.*

This Residential Lease Contract is a legally binding contract between the Resident and Management. Resident is advised to seek the advice of legal counsel prior to signing this Contract. The Resident acknowledges that they have received a copy of this Contract. No oral statements made by Management and/or any of Management's representatives shall be binding. The Property Manager (if any) is Management's agent. The Resident understands that by signing this Contract, the Resident gives up consumer rights.

### EACH RESIDENT MUST INITIAL THE BOTTOM OF EACH PAGE AND SIGN PAGE 10

This Residential Lease Contract (hereinafter referred to as the "Lease" or "Agreement" or "Lease Agreement") is entered into this 23<sup>rd</sup> day of May, 2017, and is between **The Cody Group** (hereinafter referred to as "Management" or "Landlord") and \_\_\_\_\_ (hereinafter referred to as "Resident"). Management rents to Resident, and Resident rents from Management, the property (hereinafter referred to as the "Residence" or "Property") located at: Reynolds Bridge Road, Kingston GA 30145; the full legal description of which is the same as recorded with the Clerk of the Superior Court of Bartow County, and is made a part hereof by reference.

Key Code: 003. Filter size: 20x30x1

This Lease Begins on May 23, 2017. This Lease Ends on April 30, 2018.

Monthly Rental Payment: \$1,120.00

Make Your Checks Payable To: **The Cody Group**

Mail Rental Payments To: **P.O. Box 22, Adairsville, GA 30103**

Rental Payment Due Date: **The fifth (5<sup>th</sup>) day of each month**

Property Manager(s): Bill Cook – 770-815-8727

Resident(s) Who Signed This Lease and His/Her/Their Phone Number(s):

Name: \_\_\_\_\_

Cell: \_\_\_\_\_ Home: \_\_\_\_\_ Work: \_\_\_\_\_

Name: Rita Mauldin

Cell: \_\_\_\_\_ Home: same Work: \_\_\_\_\_

Resident's Initials: DM RM

## Lease Agreement – Page 2

A Security Deposit of \$1,000 will be held in escrow at United Community Bank, in Adairsville, Georgia 30103.

Names of Each Child Living at This Residence: 0

The Total Number of People Who Will Be Living at This Property:  
Adults: 2 Children: 0

The Resident's rental payment in the amount of \$1,120 *must be received on or before the 5<sup>th</sup> day of each month*. If a *partial* rental payment is paid, Management has the right to collect the balance due despite any statement on/with the Resident's payment. In addition, if any late fees and/or penalties are still owed to Management, these fees are considered to be additional rent.

Description of Each Pet: (breed, weight, age and name): NONE

**NOTE: FOR INSURANCE PURPOSES, NO PETS *OF ANY KIND* ARE ALLOWED AT OR IN THE PROPERTY WITHOUT MANAGEMENT'S PRIOR *WRITTEN* APPROVAL. SEE ITEM 11 OF THIS AGREEMENT FOR OUR *FULL* PET POLICY.**

*The Resident, in consideration of Management agreeing to let the Resident rent this property, agrees to all of the following terms and conditions:*

### 1. RENT

- (a) Each month's rental payment must be *received* on or before the 5<sup>th</sup> day of each month. Resident's rental payment must be sent to the address indicated on page one of this Agreement (next to the heading: "Mail Rental Payments To:"). At Management's discretion, this address may be changed at some future date. If the address is changed, the Resident will receive written notification from Management.
- (b) Management does not accept the U. S. Postal Service as its agent for payment or rent. Mailing a rental payment does not constitute payment of the rent. If, *for any reason*, a rental payment is not received on or before the 5<sup>th</sup> day of the month, then the Resident is responsible for paying the payment along with any and all late fees.
- (c) The Resident's bank account must have sufficient funds to cover the rental payment. A postdated check that cannot be deposited by the rent's due date will not qualify as an on-time payment.
- (d) Unless applicable law provides otherwise, all payments received by Management, shall be applied as follows: First, to any late fees and/or penalties due under the terms and conditions of this Agreement. Second, to any unpaid rent(s). Third, to current month's rent payment.

### 2. DISCOUNTED RENT

- (a) Each month, the Resident has the opportunity to get a \$50 discount off of the regular monthly rent amount. In order to receive this \$50 discount, the Resident's monthly rental payment must be *post marked* on or before the *1<sup>st</sup> day* of the month *and* Management must receive this payment no later than the 5<sup>th</sup> day of the month. In addition, *all* of the Resident's previous rental payments, as well as any outstanding late fees and late penalties, must be current in order for the discounted rent to apply.

### 3. LATE FEES

- (a) Time is of the essence. If the Resident's rental payment is received after the 5<sup>th</sup> of the month, then that month's rental payment will be considered late and the Resident will incur a *late fee of \$50, plus a \$3 per day late fee for each day the payment is late*. All late fees will be considered additional rent.

### 4. BOUNCED CHECKS

## Lease Agreement – Page 3

- (a) If the Resident sends a check that is returned due to “Insufficient Funds,” the Resident must pay a returned check charge of \$50, which will be considered additional rent.
- (b) Because the Resident’s rental check bounced, Management will view this situation as a late rental payment. This means the Resident will also be responsible for paying the late fee. (See 3(a))
- (c) In addition, if the Resident has a check returned due to “Insufficient Funds,” Management may require that some or all future rental payments be in the form of Certified Funds or Money Orders.

### 5. RESIDENT’S SECURITY DEPOSIT

- (a) The purpose of the Resident’s Security Deposit is to secure the Resident’s obligations listed in this Lease Agreement.
- (b) If the Resident’s Security Deposit is kept in an interest bearing account, any interest earned from the account belongs to Management.
- (c) **The Resident may not use the Security Deposit as the final month’s rental payment.**
- (d) Nothing in this Agreement will prevent Management from keeping the Security Deposit for nonpayment of the rental payment, late fee, or for any damage repair costs, or for the expense of cleaning the Property.
- (e) The Resident acknowledges that a copy of the Move-in Check List was received before this Agreement was signed.
- (f) If the Resident violates this Agreement, the Resident agrees to forfeit his/her/their/its Security Deposit.

### 6. IF THE RESIDENT IS IN DEFAULT OF THIS LEASE AGREEMENT

- (a) If Resident fails to abide by all terms and conditions of this Agreement, then the Resident is in default of this Agreement.
- (b) If the Resident is in default of this Lease Agreement, Management has the right to immediately terminate this Lease Agreement and require the Resident to immediately move from the property.

### 7. ABANDONMENT

- (a) If Management attempts to contact the Resident by **a)** mailing the Resident a letter, or **b)** taping a letter to the door of the residence, or **c)** calling the Resident on the phone, and if the Resident fails to call Management within 24 hours, and Management believes the Resident has abandoned the property, the Resident gives Management specific authority to presume the property has been abandoned, as well as agrees that Management can take immediate possession of the Property and dispose of any and all of the Resident’s personal property remaining at the Residence in any manner Management chooses, without any recourse whatsoever on the part of the Resident, as full liquidated damages for the lost rents or damages sustained by Management because of said abandonment.

### 8. LANDLORD’S RIGHT OF ACCESS

- (a) Management, or Management’s agents, may enter the Residence without notice for inspection, repairs, maintenance and/or emergencies even if the Resident, or the Resident’s representative, is not there.
- (b) During the final 30 days of this Agreement, Management, or Management’s agents, may show the Property (both the interior and exterior) between the hours of 9 am and 7:30 pm to other prospective renters and/or homebuyers.
- (c) During the final 30 days of this Agreement, Management may put a “For Sale” or “For Rent” sign (or other similar marketing signs) and/or a flier box in and/or near the Property’s yard.

### 9. USE OF PREMISES

- (a) This Residence shall be used and occupied *exclusively* by the Resident and the people listed on this Lease Agreement.
- (b) This Property is a single-family dwelling, and no part of this Property will be used *at any time* during the term of this Agreement by the Resident for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a private single-family residence.

## Lease Agreement – Page 4

- (c) The Resident is responsible for the behavior and conduct of all persons at the Property; this includes all visitors. The Resident is responsible for making sure visitors act in a respectful manor and that they don't disturb the neighbors.
- (d) The Resident agrees to keep the noise level at a level that does not bother or annoy any of the neighbors.

### 10. TAKING CARE OF THE PROPERTY

- (a) The Resident agrees that the Property is in good working order and accepts this Leased Property in an "as is" condition unless otherwise noted in writing in this Agreement.
- (b) The Resident will keep the Property neat and clean and in good condition, free of all trash, rubbish, or anything that Management may consider to be clutter. In addition, the Resident will keep the Property safe against fire, water, snow and ice damage.
- (c) The Resident agrees to keep the grass cut, bushes and shrubs trimmed, and flowerbeds weeded. If the Resident fails to maintain the yard, the Resident understands that Management will hire a landscape company to maintain the yard at the Resident's expense. The cost of this expense is considered to be additional rent.
- (d) All garbage must be kept in plastic trash bags. The plastic trash bags are to be deposited in garbage cans with the lid sealed. Garbage is not allowed to remain at the property for more than one week. At the Resident's expense, the Resident has the choice of either hiring a sanitation company to pick up the garbage on a regular basis or taking the trash to the county's trash dump on at least a weekly basis.
- (e) The Resident agrees to buy and replace the air-conditioning filter(s) every three months (or sooner if the filter is dirty.) If a dirty air filter is discovered during an inspection, Management will replace the filter, and the Resident agrees to pay a service fee of \$20, which will be due within seven (7) days. *NOTE: The best air filters to buy are the \$7 to \$8 pleated filters sold at most hardware stores.*
- (f) The Resident agrees to keep snow and ice clear of all driveways, sidewalks, decks, etc. If the Resident fails to keep snow and ice clear of all driveways, sidewalks, decks, etc., then the Resident is wholly responsible for any and all injuries, deaths, or mishaps caused by any snow and/or ice.
- (g) The Resident agrees not to change or add any locks to the windows or doors without Management's written permission. The Resident agrees to pay any and all costs associated with the removal of any and all locks the Resident installed without Management's written permission. In addition, if Resident removes Property's original locks, the Resident agrees to pay to have new locks installed at Resident's expense.

### 11. PETS

- (a) While our company is pet friendly, no pets of any kind are allowed at or in the Residence without Management's prior written permission. Any animals found at the premise and not listed on Management's Residential Lease Agreement - *see page 2 of this Agreement* - will be presumed to be strays and will be disposed of in accordance with local ordinances.
- (b) Resident warrants that the pet(s) has never injured any person or other animal or caused any property damage.
- (c) Resident shall be strictly liable for the entire amount of any injury to any person or property caused by the pet, and shall indemnify Management for all costs of litigation and attorney's fees resulting from same.
- (d) No more than 2 pets are allowed at the property, and no pet may weigh more than 40 pounds.
- (e) If the Resident has Management's written permission to keep a pet(s) at the property, the Resident agrees to pay a monthly \$25 per pet fee.
- (f) If fleas are discovered at the property, Management will immediately hire a professional exterminator to treat the entire property until all fleas are dead. Resident is 100% responsible for all costs associated with this task. The treatment may require the Resident to temporarily move from the property - the Resident will be 100% responsible for these costs as well.

## Lease Agreement – Page 5

- (g) Management reserves the right to immediately ban any and all pets from the Property if the Resident does not maintain and clean up after the pet(s) or if Management considers the pet(s) to be a nuisance.
- (h) For insurance purposes, at ***no time*** are the following breeds - *or a mix of the following breeds* - allowed at the property: Akita, Chow, Doberman, Pit bulls, Staffordshire Bull Terrier, Rottweiler, or any other aggressive dog breed.

*NOTE: Because of the huge increase in the number of pet related damage and injury cases, insurance companies are rapidly and dramatically increasing insurance premiums paid by landlords. The result is fewer and fewer landlords are able to allow pets. How YOU take care of YOUR pet(s) will determine whether they will be allowed at the property.*

### 12. PEST CONTROL

- (a) Any and all pest control is the sole responsibility of the Resident. The Resident agrees to pay for all costs and fees associated with any and all pest control expenses.
- (b) If, during a periodic property inspection, the Property Manager discovers insects in/on the property, the Property Manager will immediately contact an exterminator to remedy the problem. The Resident agrees to immediately repay Management for all costs associated with the extermination treatment. The cost of the extermination treatment is considered to be additional rent.

### 13. APPLIANCES

- (a) The Resident agrees to immediately notify Management when an appliance is not working properly.
- (b) If it is determined that the damage was caused by the Resident's abuse and/or neglect of the appliance, the Resident agrees to pay for the total repair and/or replacement cost (including any service call fees) of the improperly working appliance.
- (c) When this Lease Agreement terminates, the Resident agrees to return any and all appliances in the same condition and working order in which they were received when Resident moved in.

### 14. VEHICLES

- (a) The Resident agrees to keep all parked cars, motorcycles, trucks, and other similar vehicles in the Property's parking area. The grass is not considered to be a parking area. The Resident also agrees to have current license plates and (if required by the county) current inspection stickers on all vehicles at all times.
- (b) The Resident agrees not to park a commercial vehicle, motor home, camper, boat, airplane, trailer, or other such vehicle at the Property without Management's written permission.
- (c) At no time can the Resident engage in painting, repairing, or servicing vehicles at the Property.

### 15. FROZEN OR BROKEN WATER PIPES

- (a) **When the temperature drops below freezing (32 degrees Fahrenheit), the Resident agrees to let the faucets drip in order to prevent the waterline from freezing and/or breaking.**
- (b) If Resident fails to let the faucets drip and a waterline breaks, the Resident is responsible for all resulting damage to the Property as well as any loss/damage to the Resident's and/or the Resident's guest's personal property. The cost of any repairs is considered to be additional rent.

### 16. TELEPHONES, SATELLITE, AND CABLE SERVICES

- (a) Management does not guarantee the availability of telephone, cell, satellite, and/or cable service.
- (b) Before any new services can be installed, the Resident must first have Management's written approval.
- (c) Satellite dishes **CANNOT** be installed on the home's roof. If a Satellite dish is discovered attached to the roof, it will be immediately removed by Management, and the Resident will incur a minimum of a \$200 roof repair fee, which will be consider additional rent.

### 17. SMOKE DETECTORS

- (a) Management has supplied the Property with working smoke detectors.

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- (b) The Resident is responsible for making sure the smoke detectors are in proper working order by testing them on a regular basis.
- (c) The Resident agrees to replace each smoke detector's battery as necessary.
- (d) The Resident agrees to immediately notify Management in writing and to call the Property Manager to notify him/her/them whenever the smoke detector is not working properly or fails to operate.
- (e) The Resident acknowledges an understanding of how to operate and test the smoke detector.
- (f) The Resident agrees not to disconnect any of the smoke detectors, nor allow anyone else to disconnect any of the smoke detectors at the Property. If, for any reason, a smoke detector(s) is disconnected, then the Resident is responsible for any and all injuries, damages, and or losses suffered by any and all persons at the Property.

### 18. UTILITIES

- (a) Three days after Resident signs this Agreement, Management will have all utilities in Management's name shut off.
- (b) The Resident is responsible for paying all utilities and garbage service. Resident indemnifies Management against any cost or obligations for the provision of any such services or utilities. If any of the utility services are disconnected prior to the termination of this Agreement, then the Resident will be in default of this Agreement.

### 19. REPAIRS TO THE PROPERTY

- (a) The Resident agrees to immediately notify Management in writing and to call the Property Manager(s) to notify him/her/them of any and all dangerous and/or defective conditions that may arise in, on or around the Property. If the Resident fails to properly notify Management and the Property Manager(s) of any and all dangerous and/or defective conditions, then the Resident is wholly responsible for any and all injuries, deaths, or mishaps caused by the dangerous and/or defective conditions.
- (b) Any and all damage caused by the Resident and/or the Resident's guest(s) is 100% the Resident's responsibility. All costs associated with repairing the damage will be paid for by the Resident. The Resident agrees to have all repairs completed within seven (7) days. After seven days, if all repairs have not been completed or have not been completed to Management's satisfaction, Management may hire a contractor to make or complete the repairs. The Resident is responsible for paying the contractor's bill when it is received. The cost of the repair is considered to be additional rent.
- (c) The Resident agrees to pay for any and all costs associated with clogged drains and/or stopped up toilets.
- (d) Management cannot be held responsible for any loss or inconveniences caused by a dangerous and/or defective condition(s) at or in the Property.

### 20. ALTERATIONS TO THE PROPERTY

- (a) The Resident is not allowed to make any alterations to any building(s), the yard, the Residence, etc., without Management's written permission. This includes painting the walls, adding wall coverings including adding shelving, changing the carpet or vinyl floors, adding a deck, etc.
- (b) In addition, Resident agrees not to put any tape, thumb tacks, push pins, stickers, etc., on any doors, door frames, windows, or window frames. In addition, Resident will not put any stickers on walls or ceilings.
- (c) If the Resident has received Management's written permission to make any changes to the Property, the changes become part of the Property and will remain with the Property if the Resident moves, unless Management and the Resident have made a written agreement to the contrary.

### 21. DAMAGE TO PROPERTY

- (a) If the Property is destroyed, or if the Property is damaged to the extent that Management deems the Property is not livable because of fire, water, ice, earthquake, wind, and/or other catastrophe, then the Resident must immediately move from the Residence.



## Lease Agreement – Page 7

- (b) If a fire or other catastrophe damages or destroys the Property and it was caused by the Resident, or the Resident's family, or the Resident's visitor(s), then Resident agrees to accept **full** responsibility for the loss. This includes paying for all damage and repairs to the property.

### 22. ILLEGAL ACTIVITY

- (a) **At Management's option, this Lease Agreement may immediately be terminated and the Resident agrees to immediately move from the Property if it is discovered that the Resident, or a person(s) listed on this Lease, or any guest(s) of the Resident is involved in buying, selling, using, storing, or producing any type of illegal drugs, or any other violations of any law.**
- (b) **If illegal activity is suspected, Management will fully cooperate with the authorities.** Any such action by Management shall not be considered an invasion of the Resident's privacy. The Resident agrees to waive any and all claims of trespass, defamation, or invasion of privacy against Management when Management is working with the police department, sheriff's department, or any other law enforcement agencies.

### 23. UNAUTHORIZED OCCUPANTS

- (a) If a Resident has an unauthorized occupant(s) move into the Residence, Management has the right to:
  - (i) Immediately terminate this Residential Lease Contract; or
  - (ii) Require the Resident to pay an additional ***\$150 per month*** for each unauthorized occupant.
- (b) The Resident is responsible for paying any and all damage caused by any and all unauthorized occupant(s).
- (c) *An unauthorized occupant is anyone who is not listed on this Agreement and has stayed at this rental property for 14 consecutive days, or stays at the property 15 or more non-consecutive days during any 30-day period.*

### 24. NOTICES MUST BE IN WRITING

- (a) All communication between Management and Resident must be ***in writing***. This protects both Management and the Resident from any "he said - she said" confusion or misunderstandings.
- (b) Management agrees to send all written notices to the Resident via first class mail, or certified mail, or to hand deliver or have notices hand delivered to the Resident's last known address. If the Resident is not there, the written notice will be placed on the Residence in a conspicuous place.
- (c) The Resident agrees to send all notices in writing to Management via first class or certified mail.
- (d) The Resident agrees to send all notices to Management's address indicated on page one of this agreement next to the heading "Mail Rental Payment To:".

### 25. INDEMNIFICATION

- (a) Management does not insure any of the Resident's personal property.
- (b) **Management strongly advises the Resident carry at least fire and liability insurance in an amount satisfactory to the Resident in order to protect the Resident and the Resident's guest(s) and all of his/her/their/its personal property.**
- (c) If there is any loss of property due to fire, act(s) of God, theft, burglary, or any other means, the Resident agrees to relieve Management of all responsibility. The Resident agrees to pay for any loss or claim that is filed.
- (d) Management is not liable for any damage or injury to the Resident, or any other person, or to any property, occurring at the Residence, or at any common area, unless the damage was due to the gross neglect or unlawful act of Management or one of Management's agents.
- (e) The Resident does hereby indemnify, release, and hold harmless Management and Management's agents from and against any and all suits, actions, claims, judgments, and expenses arising out of or relating to any loss of life, bodily or personal injury, property damage, or other demand, claim or action of any nature arising out of or related to this Lease or the use of this Property.

*Dick*      *o.*

## Lease Agreement – Page 8

- (f) The Resident releases Management from liability for, and agrees to indemnify Management against all losses incurred by Management as a result of the Resident's failure to fulfill any condition of this Agreement or any damage or injury happening in or about the Property to the Resident or the Resident's guests, invitees, or licensees or such persons' property, unless the damage was due to the gross neglect or unlawful act of Management or one of Management's agents.

### 26. NOT BEING ABLE TO MOVE INTO PROPERTY

- (a) If, for any reason, Management is not able to let the Resident move into the Residence, the Resident agrees not to hold Management liable for any damages.

### 27. RESIDENT MAY NOT ASSIGN OR SUBLET

- (a) The Resident may not assign this Lease or sublet this Property.

### 28. NO JURY TRIAL

- (a) If legal action between Landlord and Resident becomes necessary, both parties agree to waive their rights to a jury trial. Instead, both parties agree that all disputes may be settled by a judge of appropriate jurisdiction.
- (b) Should it become necessary for Management to hire an attorney to enforce any of the conditions or covenants in this Agreement, including collection of late rental payments, late fees and penalties, or gain possession of the Property, the Resident agrees to pay all expenses incurred by Management, including reasonable attorney fees.

### 29. BANKRUPTCY

- (a) If Resident becomes insolvent or if a bankruptcy proceeding is begun by or against the Resident during this tenancy, Management is hereby irrevocably authorized at Management's option to cancel this Agreement for default. No receiver, trustee or other judicial officer shall have any right, title or interest in or to the above described property by virtue of this Agreement or the claims of the Resident or any third party claims.

### 30. WAIVER

- (a) If Management fails to enforce any clause(s) in this Lease Agreement, it shall not be considered a waiver. Management may enforce this clause(s) at any other time without penalty.
- (b) Any waiver Management gives the Resident must be *in writing*.

### 31. SEVERABILITY

- (a) If any provision(s) of this Agreement or the application of this Agreement, for any reason, and to any extent, be invalid or unenforceable, then all other clauses that are legal will not be affected.

### 32. HOLDING OVER

- (a) Either Management or the Resident can terminate this Agreement at the end of the term of this Lease by giving a thirty day (30) *written* notice to the other party.
- (b) If neither party is given a written notice to terminate this Agreement, then this Agreement will be automatically extended on a month-to-month basis with all of the terms and conditions of this Agreement remaining in effect until either party terminates this Agreement.
- (c) All Lease Agreements prior to this Lease Agreement are void.

### 33. EARLY TERMINATION OF THIS LEASE AGREEMENT

- (a) The Resident may terminate this Agreement prior to its ending date by doing the following:
- (i) Give Management a fifteen-day (15) *written* notice of intent to terminate this Agreement early; and
  - (ii) Leave the Property in a clean, ready-to-rent condition.
- (b) Management may terminate this Agreement prior to its ending date by doing the following:
- (i) Give Resident a twenty-one day (21) *written* notice of intent to terminate this Agreement early

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### 34. JOINT AND INDIVIDUAL LIABILITY

- (a) If more than one resident signs this Lease Agreement, each is responsible *individually or jointly* for making each and every monthly payment in-full and on-time. In other words, if one Resident moves out, then the Resident who moved out and/or all the remaining Residents and/or just one of the remaining Residents is/are responsible for making each month's *full* rental payment on time. It also means that Management can seek a judgment for unpaid rent against any or all of the Residents who signed this Agreement if the full rent is not paid by the due date.

### 35. MOVE-IN INSPECTION FORM

- (a) The Resident agrees to give Management a filled out Move-in Inspection Form before signing this Lease Agreement. The Resident is responsible for making any and all repairs to the Property that are not listed on the Move-in Inspection Form.
- (b) If the Resident does not provide Management with a completed Move-in Inspection Form at the time of the Lease signing, the Resident has five days to return this form to Management *via certified mail with a return receipt requested*. If the Resident's completed Move-in Inspection Form is not received within five (5) days, the Resident agrees the Property is in satisfactory condition and that no damage was found.

### 36. LEAD-BASE PAINT NOTICE

- (a) The E.P.A., a branch of the Federal Government, requires all Landlords who want to lease out a property that was built prior to 1978, to disclose known information on lead-based paint hazards before a lease takes effect. Leases must include a federal form about lead-based paint.
- (b) The Resident acknowledges reading the attachment at the end of this Lease called "Protect Your Family from Lead in Your Home" before signing this Lease EM DM (Resident's Initials)

### 37. NO ESTATE IN LAND

- (a) This Lease shall create the relationship of Landlord and Resident between Management and the Resident; no estate shall pass out of Management; the Resident has only a usufruct and not an estate for years.

### 38. THE LEASE ENDS AND THE RESIDENT WON'T MOVE

- (a) At the end of this Lease, if the Resident was supposed to move from the Property but hasn't, then the Resident agrees to pay Management rent at a rate of \$75.00 per day until the Resident vacates - or is vacated - from the Property.

### 39. MANAGEMENT DOES NOT OWN PROPERTY.

- (a) Resident acknowledges that Management does not own the Property and that this Lease may be subject to a Master Lease Agreement under which Management is obligated.

### 40. RETURN OF THE RESIDENT'S SECURITY DEPOSIT

- (a) The Resident *cannot* use the Security Deposit as payment for the last month's rent.
- (b) In order for the Resident to receive a full refund of his/her/their Security Deposit, the following must occur:
- 1) The Resident cannot be in violation of any of the terms and conditions in this Lease Agreement.
  - 2) The Resident must be current on all rental payments. In addition, all late fees and penalties (if any) must be paid.
  - 3) The Resident must return all keys and/or garage door openers to Management.
  - 4) The property has no interior/exterior damage other than normal wear and tear, plus what the Resident listed on his/her/their Move-in Inspection Form.
  - 5) All of the Resident's personal property has been moved from the Property.
  - 6) The interior and exterior of the property – including the stove, dishwasher (if any), refrigerator (if any), washer and/or dryer (if any), bathroom, yard, etc. – has been *thoroughly* cleaned.

# Lease Agreement – Page 10

- 7) The carpets, wood floors, tile floors, etc. have been **thoroughly** cleaned.
- 8) All of the light fixtures have been cleaned, all burned out or missing light bulbs have been replaced, and a new air filter has been installed.

**These attached and initialed pages are the entire Lease Agreement between Management and the Resident. The Resident acknowledges that a copy of this Lease Agreement has been received. The Resident understands that no oral statement made by Management or by any of Management’s representatives shall be binding. The Resident understands that this Agreement cannot be modified unless it is attached to this Agreement and is signed by both the Resident and Management (or one of Management’s agents).**

**If the Resident does not understand any part of this Lease Agreement, then the Resident should seek the advice of a competent attorney before signing this Agreement.**

X \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5-23-17

X   
 \_\_\_\_\_  
**Management’s Agent’s Signature**

**Resident’s Name (print)**

X \_\_\_\_\_  
 \_\_\_\_\_

5-23-17

**Resident’s Signature & Date**

\_\_\_\_\_  
 \_\_\_\_\_

**Resident’s Name (print)**

## Option Agreement – Page 1

### OPTION AGREEMENT (used when giving a lease/option)

STATE OF GEORGIA

COUNTY OF BARTOW

This Option Agreement is made this 23<sup>rd</sup> day of May (month), 2017, between W. Cook as Alternate Trustee of the RBR#1 Trust and his/her/their/its heirs, successors, administrators and assigns, hereinafter called the Optionor (the one selling this option), and [REDACTED] and his/her/their/its heirs, successors, administrators and assigns, hereinafter called the Optionee (the one buying this option).

**Subject Property:** The property commonly known as [REDACTED] Reynolds Bridge Road, Kingston, GA 30145 (See Exhibit "A" for a copy of The Property's legal description.)

Whereas Optionor desires to grant an option to purchase and the Optionee desires to receive an option to purchase the above described property it is agreed as follows:

1. **CONSIDERATION:** The Optionor, in consideration for the Optionee being in full and faithful compliance with all terms and conditions of that certain Residential Lease Contract dated May 23, 2017, between The Cody Group (Landlord) and [REDACTED] (Resident(s)) and being paid a **Non-Refundable Option Consideration Fee of \$1.00** along with other good and valuable consideration, acknowledges that the Optionee has an exclusive right to buy the above described property.
2. **OPTION AGREEMENT DATES:** This Option Agreement begins on the 23<sup>rd</sup> day of May (month), 2017. This Option Agreement expires on the 30<sup>th</sup> day of May (month), 2018. The Optionee may exercise the right to purchase the property at any time after February 1, 2018 and prior to June 1, 2018. The Optionee must notify Optionor in writing of intent to purchase at least 60 days prior to purchasing. (Notice shall be deemed given if mailed by certified mail on the day following postmark on the certified mail receipt.)
3. **IF OPTION IS NOT EXERCISED:** Should Optionee, or his/her/their/its heirs, successors, administrators and assigns, not exercise this option to purchase the property prior to the option expiration date, the Optionor may retain all consideration as full liquidated damages and all obligations of each party shall terminate.
4. **IF OPTION IS EXERCISED:**
  - a. The purchase price of the property will be **One Hundred and Forty Thousand Dollars (\$140,000.00)**. This \$140,000.00 will be the net to the Optionor.
  - b. The closing will take place at a location, date and time to be designated by the Optionor.

## Option Agreement – Page 2

- c. All of the Optionee's Non-Refundable Option Consideration Fee will be applied toward the purchase price of the property.
  - d. \$0 of the Optionee's Monthly Rental Payment that is received in-full and on or before the Rental Payment Due Date, will be applied toward the purchase price of the property. (For Monthly Rental Payment and Rental Payment Due Date, see Residential Lease Contract referenced in Section 1 of this Option Agreement.) If Optionee does not exercise option to purchase, then Optionee forfeits to the Optionor any and all portions of rental payments that would have been applied to the purchase price of the property.
  - e. If the Optionee is in compliance with above referenced Rental Lease Contract, Optionor agrees to provide owner financing to the Optionor with the following terms: The Optionor will give \$10,000 down (U.S. funds), plus a recordable and securable Promissory Note in the amount of \$130,000, 360 monthly payments of \$925 at 7.679%.
  - f. If, at any time, the Optionee is in default of the above referenced Rental Contract, this Option Agreement is immediately terminated.
5. **REPAIRS:** Optionee agrees to pay the first **\$100.00** of repair costs to the property that may occur during each calendar month.
  6. **CONVEYANCE:** If the Optionee notifies the Optionor in accordance with Section #2 of this Option Agreement of Optionee's intent to take legal title to the property, then within 30 days of receipt of such notice, the Optionor will deliver fee simple title to the Optionee by Limited Warranty Deed, free and clear of all liens and encumbrances except those currently attached to property. The Optionee will pay all closing costs and any financing costs when title transfers.
  7. **SHOULD OPTIONOR FAIL:** Should Optionor fail, for whatever reason, to deliver marketable title to Optionee, the Optionor shall return Optionee's entire Non-Refundable Option Consideration Fee. In addition, the Optionor shall pay the Optionee **\$1,000.00**. This sum shall constitute liquidated damages in full settlement of all claims of Optionee. It is agreed to by the parties that such liquidated damages are not a penalty and are a good faith estimate of Optionee's actual damages, which are difficult to ascertain.
  8. **NON-ASSIGNABLE:** The Optionee cannot assign this Option Agreement to a third party without the Optionor first agreeing to the assignment in writing.
  9. **NON-RECORDABLE:** This Option Agreement shall NOT be recorded.
  10. **NULL AND VOID:** If a rental payment is not received on time, the Optionor may terminate this Option Agreement without notice. In addition, if the Residential Lease Contract is terminated for any reason, then Optionor may terminate this Option Agreement without notice.

### Option Agreement – Page 3

**11. GOVERNING LAW:** This Agreement, and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the state of Georgia. The parties herein waive trial by jury and agree to submit to the personal jurisdiction and venue of a court of subject matter jurisdiction located in Bartow County, State of Georgia. In the event that litigation results from or arises out of this Agreement or the performance thereof, the parties agree to reimburse the prevailing party’s reasonable attorney’s fees, court costs, and all other expenses, whether or not declared by the court as costs, in addition to any other relief to which the prevailing party may be entitled. In such event, no action shall be entertained by said court or any court of competent jurisdiction if filed more than one year subsequent to the date the cause(s) of action actually accrued, regardless of whether damages were otherwise as of said time calculable.

**12. TIME:** Time is of the essence for this Option Agreement.

**13. SEVERABILITY:** In the event any part of this Option Agreement be construed as unenforceable, the remaining parts of this Agreement shall remain in full force and effect as though the unenforceable part or parts were not written into this Option Agreement.

**14. ENTIRE AGREEMENT:** This Agreement and any attached addendum constitutes the sole and entire Agreement between the parties, and no representation, promise, or inducement not included in this Agreement, oral or written, shall be binding upon any party hereto.

**IN WITNESS WHEREOF,** the parties have signed this Agreement the day and year first above written. If more than one party is shown as Optionor or Optionee, and should less than all sign, then the party or parties signing warrant they are acting as agent to sign for any party not signing this Agreement.

I/We have read and understand both the Residential Lease Contract and this Option Agreement. I/We have been advised that if we have any questions, that we should seek legal council before signing. I/We have received a copy the Option Agreement prior to signing. I/We understand that no oral statements made by the Optionor and/or the Optionor’s representatives shall be binding and that the written and printed material contained herein is the sole agreement between the parties.

This Option Agreement was signed on May 23, 2017.

\_\_\_\_\_  
(sign)  
Optionor (Print) W. Cook, Alternate  
Trustee

\_\_\_\_\_  
(sign)  
Optionee (Print)

\_\_\_\_\_  
(sign)  
Optionee (Print)

## Letter to Tenant/Buyer: You Can Buy Now

**The Cody Group  
P.O. Box 22  
Adairsville, GA 30103  
770.815.8727**

January 13, 2018

██████████  
██████████ Reynolds Bridge Road  
Kingston, GA 30145

Dear ██████████

This concerns your right to buy the property at ██████████' Reynolds Bridge Road.

On May 23, 2017, we signed a Purchase and Sale Agreement. According to the agreement, you have the right to buy this property on or before April 30, 2018.

Terms of the sale:

- Purchase Price: \$140,000
- Down Payment: \$10,000
- We will owner finance the property to you
- Note Terms: \$130,000; 360 monthly payments of \$925; interest rate of 7.679%; no pre-payment penalty
- Closing attorney will be Lee Perkins
- Buyer pays all closing costs

We are ready to sell you the property. Again, you have the right to buy the property with the above pre-agreed to terms and conditions at any time between now and April 30, 2018.

We know that ██████████ had surgery last year. This may have caused a financial strain. If this is the case, let's meet and find a solution to the problem.

If you have any questions, please call Bill Cook, your property manager, at 770-815-8727.

Sincerely,

Mrs. Tullos  
Office Manager

# Purchase Agreement – page 1

## SALE AGREEMENT

Offer Date: 5-23-2017 Subdivision: Kingston Estates  
 Seller: W. Cook AS ALTERNATE TRUSTEE OF THE RBR #1 TRST Phone: 770-815-8727 (Bill Cook)  
 Buyer: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Property Address: Reynolds Bridge Rd, Kingston Ga 30145  
 (INCLUDES HOUSE, 20x20 + 30x50, BUT DOES NOT INCLUDE VACANT LOT)

The Buyer and the Seller agree that the Buyer will buy and the Seller will sell the above described real property under the following terms and conditions:

1. Price: \$ 140,000
2. Terms: \$10,000 DOWN. BUYER WILL GIVE A PROMISSORY NOTE AND SECURITY WARRANTY DEED: #130,000 @ 7.679% COMPOUNDING INTEREST, WITH 360 MONTHLY PAYMENTS OF \$925. BUYER WILL PAY ALL CLOSING COSTS + ATTORNEY'S FEES. BUYER WILL GIVE SELLER LENDER'S TITLE POLICY.
3. Conveyance: Insurable title to the property will be delivered to the Buyer, by a WARRANTY Deed subject to any security deeds, liens, restrictions, encumbrances or easements of record and property taxes for the year of closing.
4. Possession: Possession of the property and occupancy, with all keys and garage door openers, will be delivered to the Buyer within 0 days from when title transfers.
5. Property is sold "As Is": WTC (All parties agree that the Property will be sold "As Is".)
6. Proration of Property Taxes: Property taxes will be pro-rated for the year and as of the date when title transfers.
7. Other Provisions:
  - A. Entire Agreement: This Agreement constitutes the sole and entire agreement between the parties hereto and no modification of this Agreement shall be binding unless signed by all parties to this Agreement. No representation, promise or inducement not included in this Agreement shall be binding upon any party hereto. Any assignee shall fulfill all the terms and conditions of this Agreement.
  - B. Survival of Agreement: All conditions or stipulations not fulfilled at time of closing shall survive the closing until such time as the conditions or stipulations are fulfilled.
  - C. Time of Essence: Time is of the essence for this Agreement.
  - D. Legal Counsel: This is a legally binding contract. All parties should seek legal advice before signing.
  - E. Other Offers: As consideration, Buyer grants to Seller the right to cancel this Agreement at any time and for any reason prior to the Buyer buying the property. The Seller can accept any other offer for the property. If Seller cancels this Agreement, all earnest money (see #5 of this Agreement) will be returned to Buyer.
8. Acceptance: This agreement will become a binding contract once accepted by the Buyer and signed by both the Buyer and Seller. If Buyer doesn't accept and sign this agreement before 5-30-2017, this agreement will be void.
9. Closing: This transaction shall be closed at LEE PERKINS OFFICE - CARROLLVILLE GA on or before Apr. 30, 2018, but NOT before 1-1-2018.

## Purchase Agreement – page 2

10. **Special Stipulations:** The following Special Stipulations, if any, if conflicting with any exhibit, addendum, or preceding paragraph, shall control.

X Kim Cook as Agent  
Seller's Signature and Date

X ND  
Seller's Signature and Date

X ND  
Realtor's Signature and Date

X [Redacted] 5-23-17  
Buyer's Signature and Date

X [Redacted] 5-23-17  
Buyer's Signature and Date

# HUD-1: Tenant/Buyer Buying Reynolds Bridge Road

**F. LEE PERKINS, P.C.,**  
BUYER'S AND SELLER'S COMBINED CLOSING STATEMENT

<b>B. Type of Loan</b>							
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number L18054	7. Loan Number	8. Mortgage Insurance Case Number		
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.						
<b>C. Note:</b> This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.							
<b>D. Name and Address of Buyer</b>  REYNOLDS BRIDGE ROAD KINGSTON, GA 30145		<b>E. Name and Address of Seller</b> T. Bramlett as Trustee of the RBR #1 Trust, dated February 23, 2017 P.O. Box 22 Adairsville, GA 30103			<b>F. Name and Address of Lender</b> WHAT BOX, LLC P.O. BOX 22 ADAIRSVILLE, GA 30103		
<b>G. Property Location</b> 317 REYNOLDS BRIDGE ROAD KINGSTON, GA 30145				<b>H. Settlement Agent</b> (770-386-1980) F. LEE PERKINS, P.C. 327 E. MAIN ST. CARTERSVILLE, GA 30120		<b>I. Settlement Date</b> 02/06/18 DD: 02/06/18	
<b>J. SUMMARY OF BUYER'S TRANSACTION:</b>				<b>K. SUMMARY OF SELLER'S TRANSACTION:</b>			
<b>100. GROSS AMOUNT DUE FROM BUYER</b>				<b>400. GROSS AMOUNT DUE TO SELLER</b>			
101. Contract sales price		140,000.00		401. Contract sales price		140,000.00	
102. Personal property				402. Personal property			
103. Settlement charges to buyer (line 1400)		1,677.00		403.			
104.				404.			
105.				405.			
<b>Adjustments for items paid by seller in advance</b>				<b>Adjustments for items paid by seller in advance</b>			
106. City/town taxes	to			406. City/town taxes	to		
107. County taxes	to			407. County taxes	to		
108. Assessments	to			408. Assessments	to		
109.				409.			
110.				410.			
111.				411.			
112.				412.			
<b>120. GROSS AMOUNT DUE FROM BUYER</b>				<b>420. GROSS AMOUNT DUE TO SELLER</b>			
<b>200. AMOUNTS PAID BY OR IN BEHALF OF BUYER</b>				<b>500. REDUCTIONS IN AMOUNT TO SELLER</b>			
201. Deposit or earnest money		1,000.00		501. Excess Deposit (see instructions)		1,000.00	
202. Principal amount of new loan(s)		130,000.00		502. Settlement charges to seller (line 1400)		0.00	
203. Existing loan(s) taken subject to				503. Existing loans taken subject to			
204.				504. Payoff of first mortgage loan			
205.				505. Payoff of second mortgage loan			
206.				506.			
207.				507. SELLER FINANCED EQUITY		130,000.00	
208.				508.			
209.				509.			
<b>Adjustments for items unpaid by seller</b>				<b>Adjustments for items unpaid by seller</b>			
210. City/town taxes	to			510. City/town taxes	to		
211. County taxes	01/01/18 to 02/06/18	94.88		511. County taxes	01/01/18 to 02/06/18	94.88	
212. Assessments	to			512. Assessments	to		
213.				513.			
214.				514. Additional Down Payment		8,905.12	
215.				515.			
216.				516.			
217.				517.			
218.				518.			
219.				519.			
<b>220. TOTAL PAID BY / FOR BUYER</b>				<b>520. TOTAL REDUCTION AMOUNT DUE SELLER</b>			
<b>300. CASH AT SETTLEMENT FROM OR TO BUYER</b>				<b>600. CASH AT SETTLEMENT TO OR FROM SELLER</b>			
301. Gross amount due from buyer (line 120)		141,677.00		601. Gross amount due to seller (line 420)		140,000.00	
302. Less amounts paid by/for buyer (line 220)		131,094.88		602. Less reduction amount due to seller (line 520)		140,000.00	
303. CASH	FROM BUYER	10,582.12		603. CASH	TO SELLER	0.00	

## HUD-1 Enlarged

**Total Sale Price of Property: \$140,000**

<b>K. SUMMARY OF SELLER'S TRANSACTION:</b>	
<b>400. GROSS AMOUNT DUE TO SELLER</b>	
401. Contract sales price	140,000.00
402. Personal property	
403.	

**Amount of Buyer's Purchase Money Note**

506.	
<b>507. SELLER FINANCED EQUITY</b>	<b>130,000.00</b>
508.	
509.	

**We sold property for \$140,000 and didn't pay any closing costs**

520. TOTAL REDUCTION AMOUNT DUE SELLER	140,000.00
<b>600. CASH AT SETTLEMENT TO OR FROM SELLER</b>	
601. Gross amount due to seller (line 420)	140,000.00
602. Less reduction amount due to seller (line 520)	140,000.00

# Wrap Around Limited Warranty Deed – page 1

Return Recorded Document to:  
F. LEE PERKINS, P.C.,  
327 E. MAIN ST.  
CARTERSVILLE, GA 30120

Wrap Around  
**LIMITED**  
WARRANTY DEED

COPY

STATE OF GEORGIA  
COUNTY OF BARTOW

FILE #: L18054

**THIS INDENTURE** made this 6th day of February, 2018, between T. Bramlett as Trustee of the RBR #1 Trust, dated February 23, 2017, as party or parties of the first part, hereinunder called Grantor, and [redacted] as party or parties of the second part, hereinafter called Grantee (the words "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context requires or permits).

**WITNESSETH** that: Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations in hand paid, at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto the said Grantee.

**ALL THAT TRACT OR PARCEL OF LAND** lying and being in Land Lots 247 and 248 of the 16th District, 3rd Section, Bartow County, Georgia, and being more particularly described as follows:

**BEGINNING** at an iron pin found at the intersection of the eastern right-of-way of Reynolds Bridge Road with the northern right-of-way of Bradley Trail; thence running along the eastern right-of-way of Reynolds Bridge Road north 01 degrees 58 minutes 47 seconds east 175.00 feet to an iron pin; thence north 88 degrees 12 minutes 30 seconds east 162.78 feet to an iron pin; thence continuing north 87 degrees 19 minutes 26 seconds east 91.75 feet to an iron pin set; thence running south 01 degrees 55 minutes 28 seconds east 173.73 feet to an iron pin set on the northern right-of-way of Bradley Trail; thence along said right-of-way south 87 degrees 42 minutes 46 seconds west 266.44 feet to an iron pin found on the eastern right-of-way of Reynolds Bridge Road, which is the Point of Beginning.

Said property being a portion of the property obtained by Grantor herein at Deed Book 2902, Page 692 Bartow County, Georgia records, and containing 1.039 acres and being shown as Tract 1 on plat for James E. Smith by Johnny R. Knight, GRLS No. 1912, which plat is dated October 12, 2004, and is attached hereto as "Exhibit A."

# Wrap Around Limited Warranty Deed – page 2

This Deed is given subject to all easements and restrictions of record.

This deed is a Wrap-around Conveyance and is subordinate and inferior to, and subject to, a Security Deed in favor of Shirley Jeanette Treadaway dated June 5, 2017, and recorded in Deed Book 2927, Pages 241 - 246, Bartow County records, which the Grantee herein has not assumed nor agreed to pay. The Grantor and Grantee herein acknowledge by Grantee's acceptance of this Deed, that Grantee is aware and understands that the aforementioned loan has not been satisfied and that said conveyance is subject thereto. The conveyance herein and the payments under the purchase money Note associated herewith are subject to the terms and conditions set forth in the "Wrap Cause" contained in the purchase money security deed from Grantee herein in favor of What Box, LLC.

TO HAVE AND TO HOLD the said tract or parcel of land, together with all and singular the rights, members and appurtenances thereof, to the same being, belonging or in anywise appertaining, to the only proper use, benefit and behoof of the said Grantee, forever in FEE SIMPLE.

AND THE SAID Grantor will warrant and forever defend the right and title to the above described property unto the said Grantee against the claims of all persons by, through and under the above named grantor.

IN WITNESS WHEREOF, Grantor has hereunto set grantor's hand and seal this day and year first above written.

Signed, sealed and delivered in presence of:

Witness

\_\_\_\_\_

\_\_\_\_\_ (SEAL)

T. Bramlett as Trustee of the RBR #1 Trust, dated February 23, 2017

By: J. English, Alternate Trustee  
See Attached Ex. B for appointment as Alternate Trustee

\_\_\_\_\_

Notary Public

\_\_\_\_\_ (SEAL)



## Wrap Around Limited Warranty Deed – Wrap Language

**This deed is a Wrap-around Conveyance and is subordinate and inferior to, and subject to, a Security Deed in favor of Shirley Jeanette Treadaway dated June 5, 2017, and recorded in Deed Book 2927, Pages 241 - 246, Bartow County records, which the Grantee herein has not assumed nor agreed to pay. The Grantor and Grantee herein acknowledge by Grantee's acceptance of this Deed, that Grantee is aware and understands that the aforementioned loan has not been satisfied and that said conveyance is subject thereto. The conveyance herein and the payments under the purchase money Note associated herewith are subject to the terms and conditions set forth in the "Wrap Cause" contained in the purchase money security deed from Grantee herein in favor of What Box, LLC.**

## Purchase Money Note – page 1

### PURCHASE MONEY NOTE

**Loan Amount: \$ 130,000.00**

**Loan Date: February 6, 2018**

**Cartersville, Georgia**

**Buyer:** \_\_\_\_\_

**Note Holder: What Box LLC**

**Collateral: \_\_\_\_\_ Reynolds Bridge Road, Kingston GA 30145**

#### **Buyer's Promise to Pay**

AS PARTIAL CONSIDERATION, and part of terms of sales for the property at \_\_\_\_\_ Reynolds Bridge Road, Kingston GA 30145, the undersigned Buyer (Maker), \_\_\_\_\_, promises to pay to the Note Holder What Box LLC, or assigns, the principal sum of One Hundred and Thirty Thousand and 00/XX Dollars (\$130,000.00), together with interest at a rate of 7.679% per annum, compounded monthly on all unpaid principal and interest, payable in the lawful money of the United States (or in other currency acceptable to the Note Holder.) Payments shall be made at P.O. Box 22, Adairsville GA 30103 or other such address as the Note Holder may direct, in the following manner:

Interest will accrue and compound monthly beginning on February 6, 2018. Payments of Nine Hundred and twenty-five and 00/XX Dollars (\$925.00), or more, principal and interest are due on or before the 1<sup>st</sup> day of each month beginning on March 1, 2018 and continuing thereafter until the entire principal balance and all accrued interest and late charges have been paid in full. Payments will be applied first to late fees, then to interest and finally to principal. The entire balance of principal, interest and any other outstanding indebtedness of the Maker to the Note Holder is due and payable on February 1, 2048.

**SEE EXHIBIT "A" FOR LEGAL DESCRIPTION, ATTACHED HERETO  
AND MADE A PART HEREOF BY REFERENCE**

## Purchase Money Note – page 2

AMOUNT OF MONTHLY PAYMENT: **\$925.00**

MAKE PAYMENTS PAYABLE TO: **What Box LLC**

MAIL PAYMENTS TO: **P.O. Box 22, Adairsville GA 30103**

If fulfillment of any provision hereof or any transaction related hereto or to any indebtedness secured hereby, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provisions herein contained operate or would prospectively operate to invalidate this Note in whole or in part, then such clause or provision only shall be held for naught, as though not herein contained, and the remainder of this Note shall remain operative and in full force and effect.

In the event any installment is made by personal check, and such check is returned by the financial institution on which it is drawn without payment of same, for any reason, the holder of this Note shall be entitled to collect from the borrower a handling fee of 5% of the amount of such check or \$50, whichever is greater. Such fee shall be in addition to any other fees and costs allowed by this Note. Also, the Note Holder can demand that all future payments be made in the form of Postal Money Orders or Certified Funds.

Any installment not received within ten (10) days of the due date of said installment, shall bear a late charge ten (10%) percent of the amount of said installment, minimum \$25.00.

Should any installment not be paid when due, or should the maker, or makers, hereof fail to comply with any of the terms or requirements of the Security Deed of even date herewith, conveying title to real property located in **Bartow County, Georgia** known as **Reynolds Bridge Road, Kingston GA 30145** (Target Property) as security for this indebtedness, the entire unpaid principal sum evidenced by this note, with all accrued interest, shall, at the option of holder, and without notice to the undersigned, become due and may be collected forthwith, time being of the essence of this contract. Default under any other obligation of maker, or makers, jointly and severally, to note holder, shall be considered a default under this note also. It is further agreed that failure of the holder to exercise this right of accelerating the maturity of the debt, or indulgence granted from time to time, shall in no event be considered as a waiver of such right of acceleration or estop the holder from exercising the right.

Installments not paid when due shall bear interest at the highest rate allowed by law per annum from maturity. Should this note, or any part of the indebtedness evidenced hereby, be collected by law or through an attorney-at-law, the holder shall be entitled to collect Attorney's fees and all costs of collection.

Maker shall have the right to prepay the principal balance in whole or part at any time. Any partial prepayment shall be applied against the principal balance and shall not extend or postpone the due date of any subsequent installment or change the amount of such installments.

A Right of First Refusal is hereby granted to the Maker to match any offer accepted by the Maker for the Target Property. The Note Holder may purchase the Target Property from the Maker by paying to the Maker a price equal in amount and terms to the net (after costs of sale and payment of principal and interest) proceeds which Maker would receive if the accepted transfer agreement closed. This right of first refusal applies to any sale of the Target Property.

And each of the undersigned, whether principal, surety, guarantor, endorser, or other party, severally waives and renounces each for himself and family, any and all homestead and exemption rights either of us, or the family of either of us, may have under or by virtue of the laws of the State of Georgia, or any other State, or the United States, as against this debt or any

### Purchase Money Note – page 3

renewal or extension thereof, and further waives demand, protest, presentment, notice of demand, protest and non-payment.

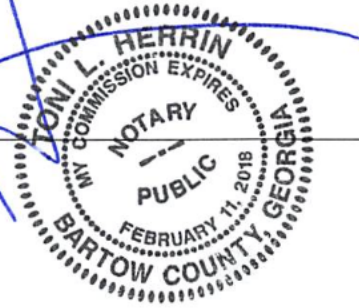
WITNESS the hand and seal of the undersigned.

X \_\_\_\_\_ (Seal)

X \_\_\_\_\_ (Seal)

X \_\_\_\_\_  
Witness

X \_\_\_\_\_  
Notary



# Security Deed Recorded – page 1

DOCH 001750  
FILED IN OFFICE  
2/14/2018 10:44 AM  
BK:2982 PG:387-395  
MELBA SCOGGINS  
CLERK OF SUPERIOR COURT  
BARTOW COUNTY

*Melba Scoggins*

GEORGIA INTANGIBLE  
TAX PAID  
\$390.00

**RECEIVED**

Clerk of Superior Court - Bartow Co. Ga  
02/14/2018 10:16 AM

~~Return To:~~  
~~K. Anderson as Trustee~~ **F. Lee Perkins, P.C.**  
~~P.O. Box 22~~ **327 E. Main Street**  
~~Adairsville, GA 30103~~ **Cartersville, GA 30120**

STATE OF GEORGIA  
COUNTY OF BARTOW

## SECURITY DEED

THIS INDENTURE, made the **6th** day of **February 2018**, is between [redacted] of the County of **Bartow**, and State of **Georgia**, as party or parties of the first part, hereinafter called Grantor (Buyer), and **What Box LLC**, whose address is **P.O. Box 22, Adairsville GA 30103**, party of the second part, hereinafter called Grantee (Note Holder):

WITNESSETH, that Grantor, for and in consideration of the sum of **One Hundred and Thirty Thousand and 00/XX Dollars (\$130,000.00)** in credit extended at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, alienated, conveyed and confirmed, and by these presents does grant, sell, alien, convey and confirm unto said Grantee, successors and assigns, the following described property, to wit:

***SEE EXHIBIT "A" FOR LEGAL DESCRIPTION, ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE***

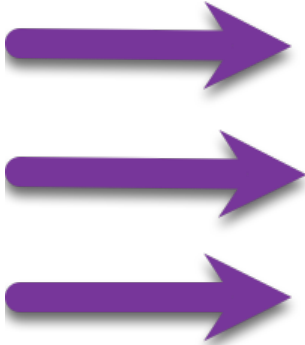
{Property also known by the street address: [redacted] Reynolds Bridge Road, Kingston GA 30145}

The financing referenced in this deed to secure debt represents a portion of the purchase price of the property described herein.

Notwithstanding, after Twenty-four (24) months, from date of origination, Holder shall have the right to call the debt hereby secured upon giving maker a 30-day notice.

## Security Deed Recorded + Wrap Clause – page 2

*SEE EXHIBIT "B" FOR PURCHASE MONEY NOTE, ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE*



**WRAP CLAUSE:** This deed is a Wrap-around Security Deed and is subordinate and inferior to, and subject to, a Security Deed in favor of **Shirley Jeanette Treadaway** dated **June 5, 2017**, and recorded in **Deed Book 2927, Pages 241 - 246**, Bartow County records, which the Grantor herein has not assumed nor agreed to pay and the Grantee herein, by acceptance of this deed, does specifically agree, as long as the terms of the Grantor's Note and Security Deed are not in default, to make all monthly payments to the underlying (wrapped) mortgage holder in a timely manner. If Grantee falls 120 days behind on any mortgage payment to the underlying lien holder and doesn't correct the default within 160 days of falling behind, Grantee will record a "Discharge of Deed to Secure Debt" in favor of Grantor's Note and Security Deed which will "Satisfy" (cancel) Grantor's mortgage to Grantee.

**TO HAVE AND TO HOLD** the said bargained premises with all and singular the rights, members and appurtenances thereto appertaining, to the only proper use, benefit and behoof of Grantee, successors and assigns, in fee simple; and Grantor, the said bargained premises, unto Grantee, successors and assigns, against Grantor, and the heirs, executors and administrators of Grantor, and against all and every other person or persons (except as may be otherwise expressly stated herein) shall and will **WARRANT AND FOREVER DEFEND**.

This conveyance is made under the provisions of the Code of **Georgia** pertaining to deeds to secure debt, and upon payment of the debt hereby secured, this security deed shall be canceled and surrendered pursuant thereto, the debt hereby secured being one **Purchase Money Note** of even date in the amount of **\$130,000.00** due and payable according to its terms **February 1, 2048**. (Date Note Matures)

Unless applicable law provides otherwise, all payments received by Grantee while debt is not accelerated, shall be applied as follows: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under any other terms of this agreement and note except principal and interest; fourth, to interest due; and last, to principal due.

Any conveyance (including a transfer of beneficial interest) of the within described property (except a conveyance by operation of law or for the sole purpose of securing a debt) without the prior written consent of Grantee herein, its successors and assigns, shall constitute a default under the terms of this deed and the note secured hereby.

It is the intention of this instrument to secure not only the indebtedness hereinabove described but also any other and further indebtedness which may now or hereafter be owing by Grantor hereto, or any person who has executed the note which this deed secures, as co-signer, surety or guarantor, to the Grantee herein and to successors in title.

Any default under any prior or subordinate liens, security deeds or other matters having priority over or subordinate to this deed to secure debt shall constitute a default under the terms of this deed to secure debt. Further, the default of any debt or security from grantor or any person who has executed the note which this deed secures, as co-signer, surety or guarantor to grantee shall constitute a default under this deed and the notes which it secures.

It is agreed that the Grantee shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the loan secured hereby.

## Security Deed Recorded – page 3

As further security for the debt herein described, Grantor hereby sells, assigns, sets over and transfers to the Grantee all of the rent which shall hereafter become due or be paid for the use of the above described property, reserving only the right to the Grantor to collect said rents so long as there is no default in the obligations of the Grantor under this deed or in payment of the debt hereby secured. In the event of such default in said debt or any part thereof, principal or interest, or in the performance of any obligation of the Grantor under this deed, Grantee may enter upon said premises and collect the rents therefrom and the Grantee is hereby constituted and appointed as Grantor's agent and attorney in fact to collect such rents by any appropriate proceeding, and Grantee is authorized to pay a rental or real estate agent ten (10%) commission for collecting such rents. The net amount so collected shall be applied towards the debt hereby secured.

And the said Grantor hereby covenants, for so long as said indebtedness, or any part thereof, shall remain unpaid, to keep the said premises in as good condition as they now are – this includes keeping the yard landscaped and the home in a good, clean condition; to pay all taxes and assessments that may be liens upon said premises, as they become due; and to keep the improvements on said premises insured in company or companies acceptable to said Grantee against loss or damage by fire and lightning, and extended coverage, in an amount sufficient to cover any losses; with loss, if any, payable to said Grantee, and shall deliver the policies of insurance to the said Grantee; and that any tax, assessment, payment on any prior lien, or premium of insurance, not paid when due by Grantor, may be paid by the Grantee, and any sum so paid shall be added to the amount of said principal debt as part thereof, shall draw interest from the time of said payment at note rate and shall, with interest, be covered by the security of this deed. Grantee may at any time require an escrow to meet these obligations.

Should the said Grantor receive any money for damages covered by insurance, such money shall be immediately given to the Grantee to enable said Grantee to repair or replace improvements, or for any other purpose, without affecting the lien of this deed for the full amount secured hereby before such damage or such payment took place.

If Grantor fails to perform the covenants and agreements contained in this Security Deed, or there is a legal proceeding that may significantly affect Grantee's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Grantee may do and pay for whatever is necessary to protect the value of the Property and Grantee's rights in the Property. Grantee's actions may include paying any sums secured by a lien which has priority over this Security Deed, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Grantee may take action under this paragraph, Grantee does not have to do so.

Any amounts disbursed by Grantee under this agreement shall become additional debt of Grantor secured by this Security Deed. Unless Grantor and Grantee agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Grantee to Grantor requesting payment. In addition, an administrative fee of fifty dollars or an amount equal to ten percent (10%) of advanced funds, whichever is greater, shall be assessed; however, such fee will only be assessed once for each default and shall not accrue interest. Grantor shall make immediate payment of such monies advanced including administrative fees. Failure of Grantee to demand immediate payment does not waive Grantee's right to collect such monies.

Time being of the essence of this contract, the Grantee shall have the right to accelerate the maturity of the debt hereby secured, by declaring the entire debt to be in default and immediately due and payable, upon the failure of Grantor to make any payment when due, pursuant to the note hereby secured, or upon failure of Grantor to perform any obligation or make any payment required of Grantor by the terms of this deed.

## Security Deed Recorded – page 4

BK: 2982 PG: 390

And Grantor further covenants and agrees that the possession of said premises, during the existence of said indebtedness, by Grantor, or any persons claiming under Grantor, shall be that of tenant under Grantee, or assigns, during the due performance of all the obligations aforesaid, and that in case of a sale as hereinafter provided, Grantor, or any person in possession under Grantor, shall then become and be tenants holding over or tenants at sufferance and shall forthwith deliver possession to the purchaser at such sale, or be summarily dispossessed, in accordance with the provisions of law applicable to tenants holding over.

In the event of default in the indebtedness hereby secured, either in due course or by acceleration as herein provided, or in the event of default in the performance of any of the obligations required of the Grantor by the terms of this deed, the Grantee shall be entitled to have a receiver appointed for the property herein described, in connection with or as a part of any proceeding to foreclose this deed or to enforce any of its terms or the collection of all or any part of said debt and Grantor agrees to the appointment of such receiver without proof of insolvency or other equitable grounds and hereby appoints the Grantee as attorney in fact with authority to consent for the Grantor to the appointment of such receiver.

**In the case the debt hereby secured shall not be paid when it becomes due by maturity in due course, or by reason of a default as herein provided, Grantor hereby grants to Grantee and assigns, the following irrevocable power of attorney: To sell the said property at auction, at the usual place for conducting sales at the Court House in the county where the land or any part thereof lies, in said State, to the highest bidder for cash, after advertising the time, terms and place of such sale once a week for four weeks immediately preceding such sale (but without regard to the number of days) in the newspaper published in the county where the land lies, or in the paper in which the Sheriff's advertisements for such county are published and after giving any notice as may be required by Code § 44-14-162.2, all other notice being hereby waived by Grantor, and Grantee or any person on behalf of Grantee, or assigns, may bid and purchase at such sale and thereupon execute and deliver to the purchaser or purchasers at such sale a sufficient conveyance of said premises in fee simple, which conveyance shall contain recitals as to the happening of the default upon which the execution of the power of sale herein granted depends, and the Grantor hereby constitutes and appoints Grantee and assigns, the agent and attorney in fact of Grantor to make such recitals, and hereby covenants and agrees the recitals so to be made by Grantee, or assigns, shall be binding and conclusive upon Grantor, and the heirs, executors, administrators, and assigns of Grantor, and that the conveyance to be made by Grantee or assigns, shall be effectual to bar all equity of redemption of Grantor or the successors in interest of Grantor, in and to said premises, and Grantee or assigns, shall collect the proceeds of such sale, and after reserving therefrom the entire amount of principal and interest due, together with the amount of any taxes, assessments and premiums of insurance or other payments theretofore paid by Grantee, with accrued interest at the note rate from date of payment, together with all costs and expenses of collection and sale and 15% of the aggregate amount due for attorney fees, shall pay any over-plus to Grantor, or to the heirs or assigns of the Grantor as provided by law.**

The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

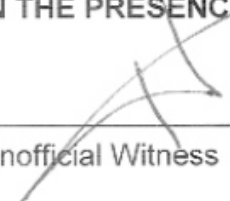
# Security Deed Recorded – page 5

BK:2982 PG:391

This deed and the note or notes hereby secured shall be deemed and construed to be contracts executed and to be performed in Georgia; and the invalidation of any portion shall not invalidate the remainder.

IN WITNESS WHEREOF, Grantor has signed and sealed this instrument the day and year first above written.

**SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:**

  
\_\_\_\_\_  
Unofficial Witness

X \_\_\_\_\_ (SEAL)  
Grantor: \_\_\_\_\_

  
\_\_\_\_\_  
Notary Public

X \_\_\_\_\_ (SEAL)  
Grantor \_\_\_\_\_



## Insurance: We're Named as Mortgagee

When we give owner financing, we make sure the payor lists us on his insurance policy as Mortgagee.

# Insurance Declarations Page

<b>DECLARATIONS</b>		Coverage afforded by this policy is provided by: State Farm Fire and Casualty Company 11350 Johns Creek Parkway Duluth, GA 30098-0001  A Stock Company with Home Offices in Bloomington, Illinois.
We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.		
<b>Policy Number</b> [Redacted]		
<b>Named Insured and Mailing Address</b> [Redacted] REYNOLDS BRIDGE RD KINGSTON, GA 30145-2217		
The Policy Period begins and ends at 12:01 a.m. Standard Time at the residence premises. 02/02/2018 <b>Effective Date</b> <b>12 months - Policy Period</b> 02/02/2019 <b>Expiration of Policy Period</b>	<b>Automatic Renewal</b> - If the Policy Period is shown as <b>12 months</b> , this policy will be renewed automatically subject to the premiums, rules and forms in effect each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.	
<b>Limit of Liability - Section 1</b> \$137,000                      Dwelling (Coverage A) <b>Policy Type</b> Homeowners Policy A1 - Replacement Cost - Similar Construction Increased Dwelling Up to \$27,400 - Option ID	<b>Deductibles - Section 1</b> 1% \$1,370 ALL LOSSES In case of loss under this policy, the deductible will be applied per occurrence and will be deducted from the amount of the loss. Other deductibles may apply - refer to your policy.	
<b>Location of Premises</b> 317 REYNOLDS BRIDGE RD KINGSTON, GA 30145-2217	<b>Policy Premium</b> \$1,128.00	
<b>Forms, Options, &amp; Endorsements</b> Back-Up Sewer/Drain - Dwelling/Listed Property (10000) FP 7955 Homeowners Policy	Fungus (Including Mold) Limited Coverage	
<b>Mortgagee &amp; Addl. Interests</b> MORTGAGEE WHAT BOX, LLC PO BOX 22 ADAIRSVILLE, GA 30103-0022	<b>Agent Name &amp; Address</b> [Redacted] [Redacted]	

# The HUGE Mistake I Made with Reynold's Bridge Road

As pointed out earlier, leading up to 2018, when Kim and I decided to sell our horse ranch and move fulltime into our motorhome so we could travel the country, we made the decision to sell 28 of our 35 rental homes.

In 2016 and 2017, of these 28 properties, we sold one for cash and 27 were sold giving owner financing and taking back Purchase Money Notes.

I was WAY past confident that the real estate market had hit its peak and would take a dive in 2018. This is another reason we decided to sell; so, we could harvest a big chunk of our real estate profit before the downturn.

The final part of my "brilliant" plan was after turning our rentals into Purchase Money Notes, when 2021 rolled around and the real estate market began recovering from the eminent, and predicted-by-everyone downturn, Kim and I would trade our Notes back into single-family rental houses, again capturing a huge profit.

I know, clever, huh?

Do YOU remember seeing any real estate down turn in 2018? How about in 2019, 2020, 2021, or 2022? Yep, the downturn never happened, but appreciation sure did...a TON of it!!!

In 2022, my good friend Pete Fortunato, gave me an award called the Georgia Enrichment Program Award.

He said I deserved the award because I'd helped 28 Georgia families improve their capital standing by at least \$100,000 each. In other words, each of the 28 rental homes we sold in 2016 and 2017 had gone up an average of \$100,000 each. Ouch!

Pete then pointed out this meant Kim and I had walked away from \$2.8 million dollars in appreciation. If you include the rent increases

we COULD have gotten, my boneheaded move cost us approximately \$3.2 million dollars! Triple ouch!

Now let's look how I compounded my mistake.

Most every time I sell a property and give owner financing, at closing I have the buyer give me an Option that allows Kim and me to capture a percentage of the property's appreciation over time. In other words, when the seller sells the property, we share with the seller the property's appreciation. This "sharing" normally runs between 5% and 25%.

In 2016 and 2017, because I was SO confident we'd enter a real estate downturn in 2018, I failed to get a single Option to share in any these properties' appreciation.

Bonehead!!!!

Whenever I'm around Pete, he's more than happy to share this story about my Georgia Participation Program Award.

## **How We're Fixing This Mistake**

On the following pages, you'll see the letter we send to everyone we owner financed a house to, including the folks at Reynold's Bridge Road. My goal is to rectify the mistakes I made in 2016 and 2017, when I failed to get a Participation Option.

Because property taxes and property insurance have skyrocketed over the past five or six years, some of the people we sold homes to have let us know that they are worried that soon they may not be able to afford their home.

This letter is my solution to those concerns.

If a homeowner is willing to give up part of their property's appreciation since buying their house, each year moving forward, Kim and I may be willing to pay a percentage of their home's

property taxes and property insurance, allowing the owners to afford and continue to live in their home.

We're interested to see if any of these folks agree with and accept our solution to their real estate problem. What do you think?

## Offer To Pay Insurance & Taxes for Option – page 1

**The Cody Group  
P.O. Box 22  
Adairsville, GA 30103  
770.815.8727**

June 22, 2023

[REDACTED]  
317 Reynolds Bridge Road  
Kingston, GA 30145

Dear [REDACTED]

We hope your summer is going well.

We're very much aware of the huge cost increases homeowners are experiencing for property taxes and homeowner's insurance. These increases are due to today's rapid inflation. It's hitting everyone hard.

Several folks we've owner financed homes to have called to explain the financial difficulties they now face. They're concerned they may no longer be able to afford their home.

We've developed a strategy to help folks cover the huge cost increases for both property taxes and homeowner's insurance. This will alleviate concern about losing one's home.

Here's how this works:

- Using your 2022 property tax and homeowner's insurance expenses as a baseline, beginning with your 2023 property tax and homeowner's insurance bills, we will pay all increases in these two bills.

**Example 1:** *If in 2022, your property tax bill was \$800, and in 2023 it increased to \$1,500, we will pay the \$700 difference (\$1500 - \$800 = \$700).*

**Example 2:** *If in 2022, your homeowner's insurance policy was \$1,200, and in 2023 it increased to \$1,600, we will pay the \$400 difference (\$1,600 - \$1200 = \$400).*

If you agree to our proposal, we will pay both your property tax bill increase (\$700 was used in Example 1), as well as your homeowner's insurance bill increase (\$400 was used in Example 2).

In addition, beginning in 2023, we will fight your property taxes each year. We've very effective at fighting and winning property tax disputes. Since 2006, we've fought our property taxes 153 times and won 130 times – this is an 84% winning percentage.

- We will do this each year moving forward.

## Offer To Pay Insurance & Taxes for Option – page 2

- In return, we ask for the right to share in a portion of your property's profit when you sell your home one day in the future.

If this sounds like something you'd like to know more about, please call Bill Cook at 770-815-8727. He'll be happy to meet with you to explain the details of our offer.

Sincerely,

Mrs. Tullos  
Office Manager

# Subject-to Deal Case Study: 7 Stonebridge Court



## How are Subject-to Deals Negotiated?

Investors who have *never* negotiated or have *never* successfully negotiated a Subject-to Deal before are often of the firm belief that no homeowner would ever sell his or her property and leave his or her mortgage in place just because the buyer promises to make the seller's mortgage payments for the seller.

Earlier in this course, we talked about the Law of Attraction. I believe in this law 100%! If you believe you'll never get a Subject-to Deal, you're right. If you believe your *next* Subject-to Deal is right around the corner, you're also right.

Said another way, investors who have never done a Subject-to Deal, are great at talking themselves out of it ever happening.

I've included 7 Stonebridge Court in this course because it's a great example of how easy it is to negotiate a successful Subject-to Deal.

**Here are the basics of what happened:**

- The property owner called us in late 2024. His dad had passed away. The son (executor of his father's estate) needed to get the house sold quickly. The house needed a good bit of updating, plus lots of his father's belongings needed to go away. The son didn't have time to deal with this real estate problem.
- The property, once it was fixed up, would have a fair market value of about \$350,000.
- The property needed a \$35,000 rehab.
- There was a mortgage against the property with the following terms:
  - Mortgage Balance: \$175,600
  - 30-year fixed rate mortgage taken out in 2022
  - Interest Rate: 2.75% compounding
  - Monthly Payments: \$776.57 (principal and interest)
  - Neighborhood Rent Rate: \$2,100 per month
- The seller's asking price was \$280,000
- I told the seller I'd pay his \$280,000 asking price if he would agree to leave his dad's mortgage in place and moving forward, let us make the monthly mortgage payments for the next 27 years.

I also told the son he wouldn't need to fix or clean anything. We'd buy the property AS IS.

- The seller asked questions about how this would work. Once he felt comfortable with the transaction, he accepted our offer.
- This negotiation took a total of 30 minutes.

Here's a critical thing to remember: When I heard the son's asking price I didn't haggle with him. We both knew he was asking a fair price. When the seller also agreed to the Subject-to Deal, there was no need to haggle about the price.

When a great deal is staring you in the face, don't lose it by continuing to talk. Take the deal down! Just say YES!!!!

## **Why Was the Seller Motivated to Sell?**

The reason the seller wanted to be shed of his dad's property could be boiled down to one thing: Time!

The property needed a lot of work before it could be put on the market. He was a contractor and fully aware of this. Because he worked six days a week, and because he lived 45 minutes away, he did not have time to deal with the property. He just needed it gone!

The seller accepted our offer because we made it very easy for him to accept our offer. We agreed to give him everything he wanted. He wanted to walk out of the house and never come back. Our offer gave him EVERYTHING he wanted: the opportunity to walk out of the house and never come back.

Real estate investing is simple, not easy. I simply asked the seller Pete Fortunato's famous question, "Why are you selling such a nice house like this?"

Next, I carefully listened to his answers and wrote his answers down in the form of a T-bar. After studying the T bar for about 30 seconds,

it became obvious the deal structuring tool to use was a Subject-to Deal.

I wish I could tell you there was more to it than this, but there wasn't.

## **Why Were Kim and I Motivated to Buy?**

First, it was a great home on a great street in a great neighborhood in a great part of town, and it was inside our five-mile circle.

Second, we had owned the home next door since 2007. It has been one of our outstanding rental properties.

Third, as a rental this property would cash flow beautifully because the mortgage payments were only \$776.00 per month and the property would rent for \$2,100 per month.

Fourth, because it was a Subject-to Deal, we wouldn't have to go through the grind nor the expense of getting new financing.

Fifth, with an interest rate of only 2.75%, it would be simple to pay off the mortgage quickly, which would give us another free and clear house. Our favorite!

Sixth, Kim and I are on a mission to buy five more single-family rentals. This deal is helping us reach our goal.

## **Conclusion**

It took the seller several months to get the estate settled. Once he let us know the courts had given him permission to sell, we closed two weeks later.

Kim oversees our rehabs. It took her two months to complete the rehab to this property. Kim did a beautiful job with the rehab. I believe the rehab cost approximately \$40,000.

I took over from there because it's my responsibility to find and manage great tenants. It took a week of doing open houses to find the perfect tenant. The house is now rented for \$2,100 per month.

Hope this case study gives you the courage to do a Subject-to Deal. Just remember, Subject-to Deals are complicated. If you don't know what you are doing, then bring someone into your deal that has a lot of Subject-to Deal experience.

What follows are the documents we used to purchase this property subject to the seller's mortgage.

# Deal Documentation

## T-bar

The most important tool I use as a real estate investor is the T-bar. I have no clue why a LOT more investors don't use T-bars. This is the T-bar for 7 Stonebridge Court.

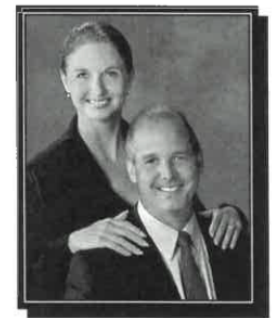
11-16-2024 (AST)  
7 Stonebridge, Cartersville Ga 30121  
SELLER: [REDACTED]

CURRENT POSITION	POTENTIAL POSITION
MUST SELL DECEASED FATHER'S HOUSE	WE'LL BUY DECEASED FATHER'S HOUSE.
HE SEEKS A QUICK SALE	→ we'll buy quickly
HE'D RATHER NOT USE REALTOR	→ WE'RE NOT REALTORS, WE'RE BUYERS
DOESN'T WANT TO DO TRASH OUT	→ we'll do TRASH OUT
DOESN'T WANT TO DO REPAIRS	→ we'll buy house AS IS
DOESN'T WANT TO PAY FOR REHAB	→ we'll buy house AS IS
HE BELIEVES HOUSE NEEDS \$30,000+ IN REPAIRS	→ we'll buy house AS IS + we'll do the REPAIRS
DOESN'T WANT TO DRIVE BACK & FORTH FROM CALHOUN	→ He never has to return to THE PROPERTY.
HE DOESN'T WANT TO GET EATEN UP BY CLOSING FEES	→ we'll pay all closing costs.
HE THINKS \$280,000 IS A FAIR PRICE, DOESN'T WANT TO DICKER	→ we'll pay \$280,000. No Dickering. Price is A FAIR Price

## Notice to Release Information

When doing our due diligence, often we must be able to talk to the seller's mortgage company. A Notice to Release gets us the permission we need to do this.

**North Georgia Homes**  
P.O. Box 22  
Adairsville, GA 30103  
770 815-8728-Kim direct  
678-550-2155-fax  
[Kim@BartowRealEstate.com](mailto:Kim@BartowRealEstate.com)



To Whom It May Concern:

I hereby authorized you to release any and all information regarding my loan, including loan status, interest rate, payoff amount, amount of monthly payment, late charges, penalties, attorney fees, foreclosing information, and any additional fees (if applicable) to:

**North Georgia Homes: Kim Cook, Terrah Whitlock, Bill Cook**

It is requested that this information be faxed immediately to North Georgia Homes:

Signed  \_\_\_\_\_

Date: 3/13/25

(PLEASE PRINT CLEARLY)

Borrower \_\_\_\_\_

Borrower's SSN \_\_\_\_\_

Address: 7 Stondbridge CT SE

City/State/Zip: Cartersville GA 30121-2958

Lender Freedom Mortgage

Lender Phone Number or Address 855-690-5900

Lender's Email Address CustomerCare@Freedommortgage.com

Account or Loan # .....5547

FreedomPayoffRequest@freedommortgage.com

## Purchase Agreement

Many investors get hung up with trying to use the PERFECT Purchase Contract. For more than 10 years most of my offers begin life as bullets on a sheet of paper. This allows my offer to be more understandable.

11-16-2024

**OUR OFFER** ←

- We'll pay \$280,000
- We'll pay ALL closing costs
- We want to close with our attorney, Lee Perkins
- We'll buy property AS IS. You don't have to fix or clean or throw out anything
- We can close within 7 days of you accepting our offer
- You need to be appointed executor
- Judge will need to approve sale, so with other heirs (your brother & sister)
- We'll buy property subject to your dad's \$178,000 30-year 2.9% mortgage that is current.
- At closing, we'll pay you \$102,000 cash  
(280,000 - 178,000 mortgage balance = \$102,000 equity)

## Attorney Closing Instructions

We almost always use an attorney to close our deals. Without fail, we always send the closing attorney a Closing Instructions letter. It helps us all to be on the same page.

Closing Info for Lee Perkins



Lee,

We need to schedule closing. It needs to be a time that works for you and the seller.

Here's the basic info you'll need to begin title search

This will be a Subject-to Deal

We get mortgage escrow

Property Address: 7 Stonebridge Court, Cartersville 30121

Borrower: Haden L. [redacted] (deceased)

Executor: [redacted] x (son)

[redacted] phone and email: [redacted]

Name of title holding trust: Mullinax – Stonebridge Title Holding Trust

Trustee: T. Whitlock as Trustee

Sale price \$280,000.

Payoff through 3-31-2025 is \$175,622.52. Per diem after March 31, 2025 is \$13.20.

Amount to [redacted] x (\$280,000 – note balance on date of closing = amount of cash to [redacted]. EXAMPLE: If mortgage balance is \$175,000, then \_\_\_\_\_ \$280,000 - \$175,000 = \$105,000 to [redacted] n)

I've included a copy of the borrower's note, SD, and mortgage statement.

We pay all closing costs

Property taxes will be prorated

We want title insurance

Were 2024 property taxes paid and are they current?

## HUD-1 to Purchase – page 1 only

When it comes to Subject-to Deals, the most important thing to know on the HUD-1 are lines 203 and 503. These two lines read, “Existing Loan(s) Taken Subject To”. Whenever someone tells you Subject-to Deals are illegal, point to lines 203 and 503 and ask the wiseacre why this is pre-printed on all HUD-1s since the mid-1970s.

- #1) Address. #2) purchase dated. 3) Contact purchase price.
- #4) Lines 203 and 503.

B. Type of Loan			
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number L25172
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.		7. Loan Number
		8. Mortgage Insurance Case Number	
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.			
D. Name and Address of Buyer T. WHITLOCK TRUSTEE OF THE MULLINAX- STONEBRIDGE TITLE HOLDING TRUST		E. Name and Address of Seller	
		F. Name and Address of Lender	
G. Property Location 7 STONEBRIDGE COURT CARTERSVILLE, GA 30121		H. Settlement Agent F. LEE PERKINS P.C.	
		I. Settlement Date 04/02/2025	
J. SUMMARY OF BUYER'S TRANSACTION:		K. SUMMARY OF SELLER'S TRANSACTION:	
100. GROSS AMOUNT DUE FROM BUYER		400. GROSS AMOUNT DUE TO SELLER	
101. Contract sales price	280,000.00	401. Contract sales price	280,000.00
102. Personal property		402. Personal property	
103. Settlement charges to buyer (line 1400)	2,748.00	403. Settlement charges to seller (line 1400)	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes	to	406. City/town taxes	to
107. County taxes	to	407. County taxes	to
108. Assessments	to	408. Assessments	to
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BUYER	282,748.00	420. GROSS AMOUNT DUE TO SELLER	280,000.00
200. AMOUNTS PAID BY OR IN BEHALF OF BUYER		500. REDUCTIONS IN AMOUNT TO SELLER	
201. Deposit or earnest money		501. Excess Deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	0.00
203. Existing loan(s) taken subject to	175,648.92	503. Existing loans taken subject to	175,648.92
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes	to	510. City/town taxes	to
211. County taxes	01/01/25 to 04/02/25	511. County taxes	01/01/25 to 04/02/25
212. Assessments	to	512. Assessments	to
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY / FOR BUYER	176,239.81	520. TOTAL REDUCTION AMOUNT DUE SELLER	176,239.81
300. CASH AT SETTLEMENT FROM OR TO BUYER		600. CASH AT SETTLEMENT TO OR FROM SELLER	
301. Gross amount due from buyer (line 120)	282,748.00	601. Gross amount due to seller (line 420)	280,000.00
302. Less amounts paid by/for buyer (line 220)	176,239.81	602. Less reduction amount due to seller (line 520)	176,239.81
303. CASH	FROM BUYER	603. CASH	TO SELLER
			103,760.19

## Warranty Deed

We're often asked when doing a Subject-to Deal, how do we take title. Since 2001, we use Title Holding Trusts...also known as Land Trusts.

In this case, title rests with **T. Whitlock Trustee of the Mullinax-Stonebridge Title Holding Trust.**

Return Recorded Document to:  
F. LEE PERKINS LAW  
327 E. MAIN STREET  
CARTERSVILLE, GA 30120  
File #L25172

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STATE OF GEORGIA  
COUNTY OF BARTOW

### **WARRANTY DEED**

This Indenture made this 2nd day of April, 2025 between [REDACTED] AS, ADMINISTRATOR OF THE ESTATE OF HADEN L. MULLINAX, as party or parties of the first part, hereinafter called Grantor, and **T. WHITLOCK TRUSTEE OF THE MULLINAX-STONEBRIDGE TITLE HOLDING TRUST**, as party or parties of the second part, hereinafter called Grantee (the words "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context requires or permits).

**W I T N E S S E T H** that: Grantor, for and in consideration of the sum of **TEN AND 00/100'S (\$10.00) Dollars** and other good and valuable considerations in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto the said Grantee,

**ALL THAT TRACT OR PARCEL OF LAND** lying and being in the City of Cartersville, and in Land Lot 262 of the 4th District, 3rd Section, Bartow County, Georgia, and being parts of Lots 31, 32, and 33 of Stonebridge Subdivision, as shown by plat thereof for Haden L. Mullinax recorded at Plat Book 45, Page 176, Bartow County, Georgia, records, which plat is incorporated herein by reference and made a part hereof for a more complete description of the property conveyed.

**FOR INFORMATIONAL PURPOSES ONLY:**

Street Address: 7 Stonebridge Court, Cartersville, Georgia 30121  
Tax Map Reference: C031-0001-030

# Limited Irrevocable Power of Attorney

When doing Subject-to Deals, you ALWAYS want to get a Power of Attorney that specifically allows you to deal with the property, escrow account, insurance account, and mortgage company.

**LIMITED IRREVOCABLE POWER OF ATTORNEY**

STATE OF GEORGIA  
COUNTY OF BARTOW

That I/we, \_\_\_\_\_ as Administrator of the Estate of Haden L. Mullinax, resident(s) of Bartow County, State of Georgia, being desirous of arranging for the transaction of business through an attorney in fact, have appointed, named and constituted, and by these presents do \_\_\_\_\_ name, \_\_\_\_\_ constitute and \_\_\_\_\_ irrevocably appoint William T. Cook, Jr., Kim A. Cook, Terrah Whitlock, What Box LLC, and Cash Flow REI, Inc. as my true and lawful attorney in fact. Any of these individuals or entities may act individually. I authorize said attorney in fact, for me, and in my name, place and stead:

(a) To act on my/our behalf pertaining to any matters concerning property located at 7 Stonebridge Court, City of Cartersville, County of Bartow, State of Georgia, shown on attached Exhibit A, including the right to obtain any and all mortgage information, insurance information, and to act on my/our behalf pertaining to any secured notes and deeds to secure debt applicable to such property and to any insurance applicable to such property;

(b) To purchase, cancel, change, sign, endorse, receive, and deposit any checks, drafts, or other proceeds pertaining to any insurance or insurance claims applicable to the above described property for the benefit of the then current title holder and/or beneficiary or beneficiaries;

(c) To sign, endorse, receive, and deposit any checks, drafts, or other proceeds pertaining to any escrow refunds or tax refunds applicable to the above described property;

(d) To negotiate and arrange any transactions pertaining to any loans secured against the above described property with any lender or lender's servicing agent with authority to act on behalf of such loan holder.

In the event that the party holding this power of attorney has any interest in the property described herein, or is the designated agent for any party having any interest in the property described herein, *then this power of attorney is deemed to be irrevocable by the grantor of the power* unless the holder of the power has expressly consented to the revocation and such express consent appears on any document revoking this power of attorney.

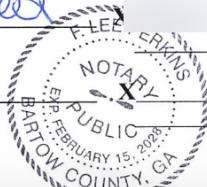
This power of attorney shall remain effective until the same is revoked by written instrument recorded in the Office of the Clerk of the Superior Court of Bartow County, State of Georgia.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed our seals, this 2nd day of April, 2025.

Signed, sealed and delivered  
In the presence of:

Jeddy Heel James  
Witness

\_\_\_\_\_  
Notary Public





# Subject-to Mortgage Statement We Pay Each Month



FOR RETURN SERVICE ONLY  
PLEASE DO NOT SEND PAYMENTS TO THIS ADDRESS  
P.O. BOX 619063  
DALLAS, TX 75261-9063

**Mortgage Statement**  
Statement Date 04/04/25

1-807-42360-0031202-002-1-000-010-000-000  
[Barcode]



7 STONEBRIDGE CT SE  
CARTERSVILLE GA 30121-2958

### Contact Information

Phone: 855-690-5900  
Customer Care: Monday - Friday 8:00am – 8:00pm ET  
Saturday 9:00am – 2:00pm ET  
Find us on the web at: [www.freedommortgage.com](http://www.freedommortgage.com)

Loan Number  
Payment Due Date 05/01/25

**Amount Due\*\* \$1,177.19**  
If payment is received after 05/16/25, \$47.08 late fee will be charged.

Property Address: STONEBRIDGE CT SE  
CARTERSVILLE GA 30121

### Account Information

Outstanding Principal	\$174,806.44
Deferred Balance	\$0.00
Interest Rate	2.750%
Prepayment Penalty	No
Escrow Balance	\$1,702.02
Unapplied Funds	\$0.00

### Explanation of Amount Due

Principal	\$365.97
Interest	\$400.60
Escrow/Impound (for Taxes and/or Insurance)	\$410.62
<b>Regular Monthly Payment</b>	<b>\$1,177.19</b>
Total Fees & Charges	\$0.00
Overdue Payment	\$0.00
Unpaid Late Charges	\$0.00
Other/Optional Products	\$0.00
<b>Total Amount Due**</b>	<b>\$1,177.19</b>

### Transaction Activity (03/04/25 - 04/04/25)

Transaction Description	Date	Interest Paid To Date	Transaction Effective Date	Transaction Amount	Interest Paid	Principal Paid	Escrow Paid	Late Charges Paid	Fees Paid	Optional Insurance	Unapplied Funds
Payment	04/04/25	04/01/25	04/04/25	\$1,177.19	\$401.43	\$365.14	\$410.62	\$0.00	\$0.00	\$0.00	\$0.00
Nsf Fee	04/04/25	04/01/25	04/04/25	\$30.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30.00	\$0.00	\$0.00

IMPORTANT NOTICE: TO THE EXTENT YOUR OBLIGATION HAS BEEN DISCHARGED IN BANKRUPTCY, IS SUBJECT TO THE AUTOMATIC STAY OR IS PROVIDED FOR IN A CONFIRMED PLAN, THIS COMMUNICATION IS FOR REGULATORY COMPLIANCE AND/OR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE A DEMAND FOR PAYMENT OR AN ATTEMPT TO IMPOSE PERSONAL LIABILITY FOR SUCH OBLIGATION.

### Past Payments Breakdown

	Paid Last Month	Paid Year to Date
Principal	\$365.14	\$1,455.55
Interest	\$401.43	\$1,610.73
Escrow (Taxes and Insurance)	\$410.62	\$1,502.48
Fees**	\$30.00	\$60.00
Late Charges	\$0.00	\$0.00
Partial Payment Unapplied*	\$0.00	\$0.00
<b>Total</b>	<b>\$1,207.19</b>	<b>\$4,628.76</b>

\*Partial Payments: Any funds received that are less than a full periodic payment may be applied to your account, promptly returned to you, or held in a non-interest bearing account until enough funds are received to apply to a full periodic payment.

\*\*Amounts listed here will include other/optional products, if applicable.

### Important Messages

#### Spring remodeling season is here!

Take advantage of the cash you may have available from the equity in your home to fund your dream home renovations—or use it for whatever you can imagine. For 35 years, we've been helping people access their home equity, and you could be next. Call **844-837-4176** or visit **FreedomMortgage.com/vetscash** to get started today.

NMLS ID# 2767 ([www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org))

\*\*This balance represents the known Amount Due as of the printing of this statement. If you are delinquent, this balance may not represent full reinstatement of your obligation. Please contact us regarding your up-to-date reinstatement balance at 855-690-5900.

Additional information is provided on the back of the statement.

DETACH AND RETURN BOTTOM PORTION WITH YOUR PAYMENT

# VA Promissory Note – page 1 only

## NOTE

**NOTICE: THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.**

February 8, 2022  
[Date]

Hodgenville,  
[City]

Kentucky  
[State]

7 Stonebridge Ct SE, Cartersville, GA 30121  
[Property Address]

### 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. **\$187,775.00** (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **Magnolia Bank, Inc., a Kentucky Chartered Bank.**

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

### 2. INTEREST

Interest **will be charged** on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of **2.750 %.**

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

### 3. PAYMENTS

#### (A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the **1st** day of each month beginning on **April 1, 2022.**

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on **March 1, 2052,** I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at **637 South Lincoln Blvd, PO Box 264  
Hodgenville, KY 42748**

or at a different place if required by the Note Holder.

#### (B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. **\$766.57.**

## Lease Agreement – page 1 only

We found great tenants for this property. Rent is \$2,095/month

### **RESIDENTIAL RENTAL CONTRACT**

*The following are the terms and conditions of this Residential Rental Contract. To summarize, you need to i) Take good care of the property. ii) Make in-full and on-time payments. iii) Be enjoyable to work with. iv) Be a good neighbor. If you do these four things, we'll have a long relationship. If you fail to do any one of these four things, we'll be forced to ask you to leave.*

This Residential Rental Contract is a legally binding contract between the Resident and Management. Resident is advised to seek the advice of legal counsel prior to signing this Contract. The Resident acknowledges that they have received a copy of this Contract. No oral statements made by Management and/or any of Management's representatives shall be binding. The Property Manager (if any) is Management's agent. The Resident understands that by signing this Contract, the Resident gives up consumer rights. The Cody Group is a division of Cash Flow REI, Inc.

**EACH RESIDENT MUST INITIAL THE BOTTOM OF EACH PAGE AND SIGN PAGE 10**

See

This Residential Rental Contract (hereinafter referred to as the "Contract" or "Agreement") is entered into this 14<sup>th</sup> day of June, 2025, and is between **The Cody Group** (hereinafter referred to as "Management" or "Landlord") and \_\_\_\_\_ e (hereinafter referred to as "Resident"). Management rents to Resident, and Resident rents from Management, the property (hereinafter referred to as the "Residence" or "Property") located at: **7 Stonebridge Court, Cartersville GA 30121**; the full legal description of which is the same as recorded with the Clerk of the Superior Court of **Bartow** County, and is made a part hereof by reference.

Key Code: 002. Filter size: 002.

*4 auto garage door open*

This Contract Begins on **June 14, 2025**. This is month-to-month Contract.

**Monthly Rental Payment: \$2,095.00**

# How to Fight Your Property Taxes and Win!

First, know that each state's property tax laws are unique to that state. Below, I talk about fighting property taxes in Georgia. It will be different in your state, but at the same time, it will be similar. It's kind of like listing to a Yankee, a Rebel, and a Cajun speaking English. All three are speaking the same language, but you can't tell it by listing to them.

Kim and I began fighting our property taxes in 2006 in Bartow County, Georgia. We reached a point where we felt enough was enough. We didn't mind paying our fair share of property taxes...but we didn't want to pay one dime more than we were supposed to!

From 2006 through 2025, Kim and I appealed our property taxes 163 times. We've won our appeals 140 times. This equates to an 85.9% winning percentage. As my daddy used to say, not too bad for a Catholic.

You can fight your property taxes and win. To be successful, as it is with creative deal structuring, you must learn the language. You must understand the rules laid out by the Assessor's Office, the Board of Assessors, the Tax Commissioner's Office, and the Board of Equalization. When attending a hearing, pounding your fist on the table and yelling at bureaucrats won't get you anywhere. (Did you hear that, Pete???)

Kim and I have not only used our ability to lower property tax bills to increase cash flow on our rental properties, but we've also used it to cut ourselves into other deals, for example, we acquired a fair number of our Option Deals by agreeing to successfully fight property owner's property taxes.

The culmination of our fighting property taxes happened on August 2 & 3, 2021. We took three of our property tax fights all the way to a jury trial in Bartow County, Georgia. We lost two of the cases and won one. We were well pleased with the result. If you go to our

website (BillandKimCook.com) you can find a video about this trial and its results.

What follows are two recent property tax fights where we had BIG wins! I've included the documentation used during the property tax appeals process

## **Fighting Property Taxes on River Shoals Drive**

In 2024, my real estate attorney Lee Perkins called. He was hopping mad about his 2024 property tax bill. The county had raised the value of his home from \$822,689 to \$947,944. This equates to a \$125,255 increase or looked at another way, a 15% increase in value in one year. Crazy!

I love Lee! He's been my real estate attorney since 2001. He's one of the smartest fellers I've ever met. I gotta say, it surprised me that he called me asking for help with this property tax problem.

I immediately agreed to represent him and his property tax fight. I began gathering the ammunition I'd need to prove the case. It was decided that we would use both comparable sales and uniformity to prove the tax assessor had overvalued Lee's home.

On July 2, 2024, I filed a written appeal with the tax assessor's office. I claimed the actual value of the property was only \$700,000.

Several weeks later I met face to face with one of the assessors. Based on the evidence I had submitted the assessor agreed that their value of \$947,944 was too high. At the same time, she said my value of \$700,000 was too low.

After some back and forth we reached a negotiated fair market value for Lee's House of \$850,000. This was nearly a \$100,000 decrease in value, which saved Lee a pretty penny. In addition, I got the assessor to lock in Lee's value for an additional two years. This meant the value of Lee's house would be locked in for 2024, 2025, and 2026.

You may be wondering whether winning a property tax appeal is a rare event. As I said above, Kim and I win nearly 86% of our appeals.

Want more proof? I also fought Lee's property taxes in 2023 on his office building. In 2022, the value of the building was \$335,576. And in 2023, The tax assessor's office raised this value to \$538,882.

Once again, I appealed Lee's property taxes. When presenting in front of the board of equalization, I got them to lower the value to \$450,000 and got them to lock in that value for 2023, 2024, and 2025.

Here's a question for you: what if back in 2006 I had given up and not fought my property taxes? What if I had believed as gospel the old adage you can't fight City Hall and win?

One of my proudest moments is standing up for myself in 2006. I was 100% right to say enough was enough. And though it's been a long steep hill to climb to learn how to fight my property taxes successfully I'm ever so glad I did. It's my hope that you do too!

On the following pages You'll see the documentation used in Lee's 2024 property tax fight on his personal residence.

# Lee's 2024 Annual Notice of Assessment

This assessment was mailed to Lee on May 24, 2024. The Assessor's Office increased the value of his home from \$822,689 to \$947,944. That's a HUGE one-year increase.

BARTOW COUNTY BOARD OF ASSESSORS  
135 W CHEROKEE AVE  
# 126  
CARTERSVILLE GA 30120-3182

PT-306 (revised Jan 2016)

\*\*\*\*\*AUTO\*\*5-DIGIT 30120  
15538432 8254-RNA 14951 1 1 1



RIVER SHOALS DR SE  
CARTERSVILLE GA 30120-6514



### Official Tax Matter - 2024 Tax Year

This correspondence constitutes an official notice of ad valorem assessment for the tax year shown above.

Annual Assessment Notice Date: 5/24/2024

Last date to file a written appeal: 7/8/2024

\*\*\* This is not a tax bill - Do not send payment \*\*\*

County property records are available online at: bartowcountygga.gov

8254-RNA 5/22/23 K

The amount of your ad valorem tax bill for the year shown above will be based on the **Appraised** (100%) and **Assessed** (40%) values specified in BOX 'B' of this notice. **You have the right to submit an appeal regarding this assessment to the County Board of Tax Assessors.** If you wish to file an appeal, you must do so in writing no later than 45 days after the date of this notice. If you do not file an appeal by this date, your right to file an appeal will be lost. Appeal forms which may be used are available at <https://dor.georgia.gov/documents/property-tax-appeal-assessment-form>.

At the time of filing your appeal you must select one of the following appeal methods:

- (1) County Board of Equalization (value, uniformity, denial of exemption, or taxability)
- (2) Arbitration (value)
- (3) County Hearing Officer (value or uniformity, on non-homestead real property or wireless personal property valued, in excess of \$500,000)

All documents and records used to determine the current value are available upon request. For further information regarding this assessment and filing an appeal, you may contact the county Board of Tax Assessors which is located at 135 West Cherokee Ave. Suite 126 - Cartersville, GA 30120 and which may be contacted by telephone at: (770) 387-5090. Your staff contacts are Jarrod Roberts, Susie Strickland, Nikki Huskins, David Chatman, Judy Brinkley, Holly Jones, Benn King, Trevor Geisen, and Penny Anglin.

Additional information on the appeal process may be obtained at <https://dor.georgia.gov/property-tax-real-and-personal-property>

Account Number	Property ID Number	Acreage	Tax Dist	Covenant Year	Homestead
		1.60	01		YES-L1
<b>Property Description</b> RIVERSHOALS AT ETOWAH VALLEY LL 9					
<b>Property Address</b> 36 RIVER SHOALS DRIVE SE					
	<b>Taxpayer Returned Value</b>	<b>Previous Year Fair Market Value</b>	<b>Current Year Fair Market Value</b>	<b>Current Year Other Value</b>	
<b>100% Appraised Value</b>	0	822,689	947,944	0	
<b>40% Assessed Value</b>	0	329,076	379,178	0	

#### REASONS FOR ASSESSMENT NOTICE

52 -Market value update

The estimate of your ad valorem tax bill for the current year is based on the previous or most applicable year's millage rate and the fair market value contained in this notice. The actual tax bill you receive may be more or less than this estimate. This estimate may not include all eligible exemptions.

Taxing Authority	Other Exempt	Homestead Exempt	Net Taxable Value	Millage	Estimated Tax
COUNTY	0	10,000	369,178	0.007490	2,765.14
CARTERSVILLE	0	0	379,178	0.002910	1,103.41
PARK & REC	0	0	379,178	0.000400	151.67
C'VILLE SCHOOL	0	0	379,178	0.013500	5,118.90

**Total Estimated Tax** 9,139.12

# Appeal of Assessment for Lee's Home

This is the written appeal I turned into the Assessor's office

BARTOW County Board of Assessors (770)387-5090 / FAX: (770)606-2390																	
APPEAL OF ASSESSMENT FOR DIGEST YEAR: 2024																	
Name		PERKINS DAWN S & FRANK L JR															
Address		36 RIVER SHOALS DR SE															
City		State	Zip														
CARTERSVILLE		GA	30120														
Home Phone		Work Phone															
		770-815-8721															
Email Address																	
Property / Appeal Type (Check One)																	
<input checked="" type="checkbox"/> Real	<input type="checkbox"/> Personal	<input type="checkbox"/> Motor Vehicle	<input type="checkbox"/> Manufactured Home														
Property ID Number	Account Number		43400														
Property Description																	
Specify Grounds for Appeal:																	
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: left;">Check all that apply</th> </tr> <tr> <td>Value</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>Uniformity</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Taxability</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Exemption Denied</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Breach of Covenant</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Denial of Covenant</td> <td><input type="checkbox"/></td> </tr> </table>		Check all that apply		Value	<input checked="" type="checkbox"/>	Uniformity	<input type="checkbox"/>	Taxability	<input type="checkbox"/>	Exemption Denied	<input type="checkbox"/>	Breach of Covenant	<input type="checkbox"/>	Denial of Covenant	<input type="checkbox"/>	<p style="text-align: center;"><b>You must select only one of the following options:</b></p> <input checked="" type="checkbox"/> BOE: appeal to the county board of equalization with appeal to the superior court (any / all grounds) <input type="checkbox"/> * ARBITRATION: to arbitration with an appeal to the superior court (valuation only) <input type="checkbox"/> HEARING OFFICER: for (1) nonhomestead real property (and contiguous real property) or (2) wireless personal property account(s) with a FMV in excess of \$500,000, to a hearing officer with appeal to superior court (value and uniformity only) <input type="checkbox"/> * SC: Directly to Superior Court (requires consent of BOA) (any / all grounds) * Additional Cost / Fees May apply	
Check all that apply																	
Value	<input checked="" type="checkbox"/>																
Uniformity	<input type="checkbox"/>																
Taxability	<input type="checkbox"/>																
Exemption Denied	<input type="checkbox"/>																
Breach of Covenant	<input type="checkbox"/>																
Denial of Covenant	<input type="checkbox"/>																
Owner's value assertion (required) <span style="border: 1px solid black; padding: 2px;">700,000</span>																	
Property Owner Comments																	
WE DO NOT BELIEVE THE 2024 NOTICE OF ASSESSMENT VALUE IS CORRECT.																	
Property Class: <input checked="" type="checkbox"/> Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Agricultural <input type="checkbox"/> Other																	
Signature of Property Owner or Agent Bill Cook - Agent		Date 7-2-2024															
NOTE: If the appeal form is signed by an agent, a letter of authorization must accompany the filing of the appeal.																	
Agent's Address:		Agent's Phone #															
Po Box 22		770-815-8721															
ADAIRSVILLE GA 30103		Agent's Email Address:															
NOTE: Filing of this document will create a review of the county's assessment. Reasonable notice is herein provided that an onsite inspection of the subject property by a member of the county appraisal staff may be performed.																	
Assessors Use Only	Previous Year Value	Taxpayer's Returned Value	Current Year Value														
100%	822,689	No return filed by property owner	947,944														
40%	329,076		379,178														
Date Received:	Received By:																

# Successful Appeal – Value Lowered to \$850,000

BARTOW County Board of Assessors  
 135 W CHEROKEE AVE SUITE 126  
 CARTERSVILLE GA 30120  
 (770)387-5090

BILL COOK  
 PO BOX 22  
 ADAIRSVILLE GA 30103

**Official Tax Matter - 2024 Tax Year**  
 This correspondence constitutes an official notice of ad valorem assessment for the tax year shown above.  
**Assessment Notice Date: 7/24/2024**  
**Last date to file a written continuation of appeal: 08/23/2024**  
 \*\*\* This is not a tax bill - Do not send payment \*\*\*  
 County property records are available online at: bartowcountyga.gov

\*\*\* AGENT COPY \*\*\*

The Board of Assessors has reviewed your appeal of the valuation or denial in question and has made adjustments in the current year assessment. **The adjusted current year assessment is indicated in 'BOX B' of this notice.** You have the right to continue your appeal to the previously selected appellant entity by filing a written request for appeal continuation, to the County Board of Assessors at the address shown above, no later than the date shown above as the **'Last date to file written continuation of appeal'**.

All documents and records used to determine the current value are available upon request. For further information regarding this assessment and filing a continuation of the appeal, you may contact the county Board of Tax Assessors which is located at 135 W CHEROKEE AVE SUITE 126 CARTERSVILLE, GA 30120 and which may be contacted by telephone at: (770) 387-5090.

Your appraisal staff contacts are **JARROD ROBERTS** and **TREVOR GEISEN**.

If you are satisfied with the adjusted value on this notice, no action is required. The amount of your final ad valorem tax bill for the tax year shown will be based on the adjusted values specified in this notice.

Additional information on the appeal process may be obtained at <http://dor.georgia.gov/property-tax-real-and-personal-property>

Account Number	Property ID Number	Acreage	Tax Dist	Covenant Year	Homestead
		1.60	01		Yes-L1
<b>Property Description</b>					
<b>Property Address</b> 36 RIVER SHOALS DRIVE					
	Taxpayer Returned Value	Previous Year Fair Market Value	Current Year Fair Market Value	Current Year Other Value	
100% Appraised Value	0	822,589	850,000	0	
40% Assessed Value	0	29,076	10,000	0	
<b>Reasons for Assessment Notice</b>					
Market value update;					
The estimate of your ad valorem tax bill for the current year is based on the previous or most applicable year's millage rate and the fair market value contained in this notice. The actual tax bill you receive may be more or less than this estimate. This estimate may not include all eligible exemptions.					
Taxing Authority	Other Exempt	Homestead Exempt	Net Taxable	Millage	Estimated Tax
STATE	0	2,000	0	0.000000	0.00
COUNTY	0	10,000	330,000	7.490000	2,471.70
CARTERSVILLE	0	0	340,000	2.910000	989.40
PARK & REC	0	0	340,000	0.400000	136.00
C'VILLE SCHOOL	0	0	340,000	13.500000	4,590.00
<b>Total Estimated Tax</b>					<b>\$8187.10</b>

## Fighting Property Taxes on Clubhouse Drive

Earlier this year (2025), we received a letter from the Bartow County Board of Assessors. Was it a birthday card? Was it a congratulations card? Nope, it was the Board of Assessors letting us know that in their eyes our little trailer park had increased in value climbing from \$133,257 to \$283,979!

If you do the math, you'll discover this is a *WHOPPING* \$170,722 increase in value. This equates to a 151% increase. Folks, I was sure this had to be some sort of record!

When faced with a 151% increase in property taxes you can do one of two things:

- You can play ostrich, wave the white flag, and stick your head in the sand while you cry for Mama
- Or you can say I'm mad as hell and I'm not going to take it anymore!

In 2006, we felt we had had enough and started saying, "We're mad as hell and we're not going to take it anymore!" This one decision has caused us to fight our property taxes 163 times with us winning 140 of those disputes. I have no idea how much tax money we've saved over the past 20 years, but it is a lot!!!

If you feel your property taxes are too high, I encourage you to take the time and make the effort to learn how to fight your property taxes. Once you learn the language and know what you're doing, I promise you'll win a majority of your appeals.

This year, with this record increase in value, we were more than willing to step forward and fight.

On May 27, 2025, we received the Annual Notice of Assessment letter from the Tax Assessor's office letting us know about *their* HUGE increase in value on our little trailer park in White, Georgia.

On July 10, 2025, we filed our written appeal in the Tax Assessor's office. Using the Income Approach, I estimated our trailer park's

value to be \$193,430. I included a copy of my Income Approach to value.

On August 6, 2025, we received a Notice of Decrease in Value from the tax assessor's office. Even though I had not met with them, they agreed that my \$193,400 value was accurate, and their \$283,979 value was inaccurate.

Here's a little ditty most property taxpayers in Georgia don't know: Because my appeal was to the Tax Assessor's office, I had not appeared in front of the Board of Equalization. Because I had not yet appeared in front of the Board of Equalization this meant our property's decreased value was only good for one year – 2025. In Georgia, if you win and want to get your appealed property's value locked in for two additional years, the appeal *must* be signed off by the Board of Equalization. Problem is, no bureaucrat will tell you this. It's a lesson Kim and I learned the hard way.

Back to the Notice of Decrease in Value letter from the Tax Assessor's office dated August 6, 2025. They requested I sign the compromise and mail it back to them. Instead, I called and said that if they would get the Board of Equalization to agree to a three-year lock-in, I'd be happy to sign the compromise. (It pays to know what you are doing!)

On September 9, 2025, I received a letter from the Board of Equalization agreeing to the three-year lock in. This means our little trailer park's tax value will remain at \$193,430 for 2025, 2026, and 2027.

You may be wondering why the Assessor's office so quickly agreed 100% with the value I had determined when using the Income Approach. If you will recall a few pages back I said that in 2021, to fight my property taxes, I had requested and gotten a jury trial. In that trial, one of the properties I was disputing was our little trailer park. Of three properties I disputed during the trial, I won the trailer park dispute. Needless to say, when I tell the Tax Assessors office I plan to appeal their value all the way to a jury trial, they know I'm not bluffing.

What follows are the documents used in our 140<sup>th</sup> **successful** property tax fight.

# 2025 Annual Notice of Assessment

**Bartow County Board of Assessors**  
 2025 Real Property  
 135 W Cherokee Ave, Suite 126  
 Cartersville, GA 30120  
 770-387-5090

PT-306H (revised April 2025)

**Official Tax Matter - 2025 Tax Year**

This correspondence constitutes an official notice of ad valorem assessment for the tax year shown above.

**Annual Assessment Notice Date:**  
**May 27, 2025**

**Last date to file a written appeal:**  
**July 11, 2025**

**\*\*\* This is not a tax bill - Do not send payment \*\*\***  
 County property records are available online at:  
[www.qpublic.net/ga/bartow/](http://www.qpublic.net/ga/bartow/)

**Official Tax Matter**  
**2025 Real Assessment**

FORWARDING SERVICE REQUESTED

**\*\*THIS IS NOT A BILL \*\***

*APPEAL!!! → Income Approach*



15G002

\*\*\*\*\*AUTO\*\*5-DIGIT 30103 16 12 3579 1AV 0.545

CLUBHOUSE DRIVE TRUST THE  
 PO BOX 22  
 ADAIRSVILLE GA 30103-0022



The amount of your ad valorem tax bill for the year shown above will be based on the **Appraised** (100%) and **Assessed** (40%) values specified in **BOX 'B'** of this notice. **You have the right to submit an appeal regarding this assessment to the County Board of Tax Assessors.** You must appeal no later than 45 days after the date of this notice, or your right to file an appeal will be lost. Forms and additional information on the appeal process may be obtained at <http://dor.georgia.gov/documents/property-tax-appeal-assessment-form>.

At the time of filing your appeal you must select one of the following appeal methods:

**A**

- (1) County Board of Equalization (value, uniformity, denial of exemption, or taxability)
- (2) Arbitration (value)
- (3) County Hearing Officer (value or uniformity, on non-homestead real property or wireless personal property valued in excess of \$500,000)

All documents, records and methods used to determine the current value are available upon request. For further information regarding this assessment and filing an appeal, you may contact the county Board of Tax Assessors which is located at 135 W Cherokee Ave, Suite 126 Cartersville, GA 30120 or by telephone at 770-387-5090. **Your staff contacts are Judy Brinkley, Penny Anglin, Toni Rozier, Trevor Giesen, Nikki Huskins, Marie Hall, Holly Wallen, Benn King, and David Chatman.**

Additional information on the appeal process may be obtained at <http://dor.georgia.gov/property-tax-real-and-personal-property>

Account Number	Property ID Number	Acreage	Tax Dist	Covenant Year	Homestead
		1.08	05		S0
<b>Property Description</b>					
<b>Property Address</b> 11 CLUBHOUSE DR					
<b>Taxpayer Returned Value</b>		<b>Previous Year Fair Market Value</b>	<b>Current Year Fair Market Value</b>	<b>Current Year Other Value *</b>	
100% <b>Appraised Value</b>		0	113,257	283,979	0
40% <b>Assessed Value</b>		0	45,303	113,592	0

**B**

\* The "Current Year Other Value" reflects appraised and assessed value of any preferential assessment for properties or any portion of properties meeting certain requirements. The exemptions to "Current Year Fair Market Value" assessed values for these types of properties are provided under "Other Exemption Value".

## Appeal of 2025 Assessment

In Georgia, when making an appeal, one must state the value he/she thinks it should be. In this case, using the Income Approach, I determined the value to be \$193,430.

APPEAL OF ASSESSMENT FOR DIGEST YEAR : 2025																	
Appeal No: _____																	
Name	CLUBHOUSE DRIVE TRUST		Home Phone														
Address	PO Box 22 ADAIRSVILLE GA 30103		Work Phone														
Address			Email Address														
City	State	Zip															
Property / Appeal Type (Check One) <input checked="" type="checkbox"/> Real <input type="checkbox"/> Personal <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Manufactured Home																	
Property ID Number		Account Number															
Property Description	11 CLUBHOUSE DRIVE																
Specify Grounds for Appeal:		You must select only one of the following options:															
<table border="1"> <tr><th colspan="2">Check all that apply</th></tr> <tr><td>Value</td><td><input type="checkbox"/></td></tr> <tr><td>Uniformity</td><td><input type="checkbox"/></td></tr> <tr><td>Taxability</td><td><input type="checkbox"/></td></tr> <tr><td>Exemption Denied</td><td><input type="checkbox"/></td></tr> <tr><td>Breach of Covenant</td><td><input type="checkbox"/></td></tr> <tr><td>Denial of Covenant</td><td><input type="checkbox"/></td></tr> </table>		Check all that apply		Value	<input type="checkbox"/>	Uniformity	<input type="checkbox"/>	Taxability	<input type="checkbox"/>	Exemption Denied	<input type="checkbox"/>	Breach of Covenant	<input type="checkbox"/>	Denial of Covenant	<input type="checkbox"/>	<input checked="" type="checkbox"/> BOE: appeal to the county board of equalization with appeal to the superior court (any / all grounds) <input type="checkbox"/> * ARBITRATION: to arbitration with an appeal to the superior court (valuation is only grounds that may be appealed to arbitration) <input type="checkbox"/> HEARING OFFICER: for (1) nonhomestead real property (and contiguous real property) or (2) wireless personal property account(s) with a FMV in excess of \$750,000, to a hearing officer with appeal to superior court (value and uniformity only) <input type="checkbox"/> * SC: Directly to Superior Court (requires consent of BOA) (any / all grounds)	
Check all that apply																	
Value	<input type="checkbox"/>																
Uniformity	<input type="checkbox"/>																
Taxability	<input type="checkbox"/>																
Exemption Denied	<input type="checkbox"/>																
Breach of Covenant	<input type="checkbox"/>																
Denial of Covenant	<input type="checkbox"/>																
INCOME Owner's value assertion (required)		193,430															
Property Owner Comments: WE REQUEST ALL INFORMATION ASSESSORS OFFICE USED TO DETERMINE VALUE. WE USED INCOME APPROACH (ATTACHED) TO FIND VALUE.																	
Property Class <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Agricultural <input type="checkbox"/> Other: _____																	
Signature of Property Owner or Agent Bill Cook Agent		Date 7-10-2025															
NOTE: If the appeal form is signed by an agent, a letter of authorization must accompany the filing of the appeal.																	
Agent's Address: Bill Cook PO Box 22 ADAIRSVILLE GA 30103		Agent's Phone #: 770-815-8727 Agent's Email Address: _____															
NOTE: Filing of this document will create a review of the county's assessment. Reasonable notice is herein provided that an onsite inspection of the subject property by a member of the county appraisal staff may be performed.																	

## Our Appeal Using the Income Approach – page 1

There are multiple ways to appeal one’s property value for property tax purposes: Comps, Uniformity, Income. In this case, we chose to use the Income Approach.

July 10, 2025  
11 Clubhouse Drive, White GA 30184  
Property ID: \[REDACTED]  
Account #: \[REDACTED]  
Appeal #: 0

**We believe the fair market value of this property on January 1, 2025 was \$193,430.00**

### We’re Using: Income Approach to Value

- Read Book: Georgia Department of Revenue  
Local Government Services Division  
Course II: Income Approach to Value
- Read Book: Georgia Department of Revenue  
Local Government Services Division  
Application of the Income Approach to Value

I'm reminding the Assessors that I'm willing to go to court if they refuse to negotiate with me.

**In our 2021 jury trial in Bartow County Superior Court, the jury found the income approach did apply to 11 Clubhouse Drive. The Assessor’s Office and the BOE set this property’s value at \$155,413. The jury, after considering the Income Approach Appeal, lower this property’s value to \$109,762 – about a 30% reduction in value.**

**Key: The jury reached a decision that the Income Approach did apply, and should be heavily weighted, to this income producing property.**

**Effective Gross Income:** ←

Potential Gross Income .....	\$45,570.00
Vacancy .....	<\$750.00>
<b>Effective Gross Income .....</b>	<b>\$44,820.00</b>

**Reserves:** ←

Electrical Work to Park (10 yrs @ \$7,000).....	\$700.00
Plumbing Work to Park (10 years @ \$8,500).....	\$850.00
Sewer Work to Park (10 years @ \$4,000) .....	\$400.00
Roof (15 yrs @ \$14,000) .....	\$933.00
Gutters (15 yrs @ \$2,000).....	\$133.00
HVACs (15 yrs @ \$6,000).....	\$400.00
Window A/Cs (10 yrs @ \$9,200) .....	\$920.00
Water Heaters (12 years @ \$7,500).....	\$625.00

## Our Appeal Using the Income Approach – page 2

Exterior Paint (8 years @ \$7,500).....	\$938.00
Interior Paint (3 years @ \$7,000).....	\$2,333.00
Windows Replaced (20 years @ \$12,000).....	\$600.00
Refinish Wood Floors (5 years @ \$3,000).....	\$600.00
Replace Trailer Flooring (4 years @ 6,000).....	\$1,500.00
Refrigerator (10 years @ \$4,500).....	\$450.00
Stove (10 years @ \$3,100).....	\$310.00
Dishwasher (10 years @ \$1,250).....	\$125.00
Pet Control (5 years @ \$2,400).....	\$480.00
<b>Total Reserves</b> .....	<b>\$12,297.00</b>

**Expenses:**

Insurance.....	\$3,900.00
Utilities.....	\$400.00
Management.....	\$4,482.00
Repairs .....	\$3,098.00
Landscaping .....	\$1,300.00
Reserves .....	\$12,297.00
<b>Total Expenses</b> .....	<b>\$25,477.00</b>

**Net Income:**

Effective Gross Income.....	\$44,820.00
<u>Total Expenses</u> .....	<u>&lt;\$25,477.00&gt;</u>
<b>Net 2024 Income</b> .....	<b>\$19,343.00</b>

Property's Fair Market Value = Net Income / Capitalization Rate

$$\$193,430.00 = \$19,343.00 / 10\% \text{ Cap Rate}$$

**Using Tax Assessor's Income Approach, the fair market value for 11 Clubhouse Drive, on January 1, 2025 was \$193,430.00.**

Bill Cook – Park Manager  
770-815-8727

## 2025 Notice of Reassessment

The Assessor's Office reduced our property's value to our Income Approach number: \$193,430!

BARTOW County Board of Assessors  
 135 W CHEROKEE AVE SUITE 126  
 CARTERSVILLE GA 30120  
 (770)387-5090

CLUBHOUSE DRIVE TRUST THE  
 PO BOX 22

ADAIRSVILLE GA 30103--002

11/13/2024 10:00:00 AM (09/05/2025)

**Official Tax Matter - 2025 Tax Year**

This correspondence constitutes an official notice of ad valorem assessment for the tax year shown above.

**Assessment Notice Date: 8/6/2025**

**Last date to file a written continuation of appeal:  
09/05/2025**

**\*\*\* This is not a tax bill - Do not send payment \*\*\***

County property records are available online at: [bartowcountyga.gov](http://bartowcountyga.gov)

The Board of Assessors has reviewed your appeal of the valuation or denial in question and has made adjustments in the current year assessment. The adjusted current year assessment is indicated in "BOX B" of this notice. You have the right to continue your appeal to the previously selected appellant entity by filing a written request for appeal continuation, to the County Board of Assessors at the address shown above, no later than the date shown above as the 'Last date to file written continuation of appeal'.

All documents and records used to determine the current value are available upon request. For further information regarding this assessment and filing a continuation of the appeal, you may contact the county Board of Tax Assessors which is located at 135 W CHEROKEE AVE SUITE 126 CARTERSVILLE, GA 30120 and which may be contacted by telephone at: (770) 387-5090.

Your appraisal staff contacts are PENNY ANGLIN and BENN KING.

If you are satisfied with the adjusted value on this notice, no action is required. The amount of your final ad valorem tax bill for the tax year shown will be based on the adjusted values specified in this notice.

Additional information on the appeal process may be obtained at: <http://dor.georgia.gov/property-tax-real-and-personal-property>

Account Number	Property ID Number	Acreage	Tax Dist	Covenant Year	Homestead
		1.08	05		None
Property Description	LL297 D5				
Property Address	11 CLUBHOUSE DR				
	Taxpayer Returned Value	Previous Year Fair Market Value	Current Year Fair Market Value	Current Year Other Value *	
100% Appraised Value	0	113,257	193,430	0	0
40% Assessed Value	0	45,303	77,372	0	0

\* The "Current Year Other Value" reflects appraised and assessed value of any preferential assessment for properties or any portion of properties meeting...

# Board of Equalization 3-year Value Lock-in

We received this notice from the Board of Assessor's on September 9, 2025. It states our \$193,430 negotiated value is locked in for 2025, 2026, and 2027!!!!

APPEAL WAIVER AND RELEASE			
<b>APPEALTYPE</b>		<b>Control #</b>	
Date:	September 09, 2025	PIN	
		Acct #	
<b>Owner:</b>	CLUBHOUSE DRIVE TRUST THE	<b>Address</b>	PO BOX 22 ADAIRSVILLE, GA 30103-002

Both parties (County and taxpayer) agree that:

• the fair market value to be		**	193,430
• the property to be:	<input type="checkbox"/> taxable	<input type="checkbox"/> not taxable	
• the property to be assessed:	<input type="checkbox"/> uniform	<input type="checkbox"/> not uniform	
• the property for homestead exemption sought:	<input type="checkbox"/> qualifies	<input type="checkbox"/> does not qualify	
• the property for special assessment sought:	<input type="checkbox"/> qualifies	<input type="checkbox"/> does not qualify	
• a breach of covenant:	<input type="checkbox"/> has occurred	<input type="checkbox"/> has not occurred	
• action on Submitted Appraisal:	<input type="checkbox"/> accepted	<input type="checkbox"/> rejected	

(Option 1) I the undersigned after consulting with all parties do hereby cease and waive any appeal filed with the BARTOW County Board of Tax Assessors for tax year 2025 and do not wish to pursue any further action for this year and accept the agreed value may be subject to change for the next two successive tax years.

(Option 2) I the undersigned after consulting with all parties do hereby cease and waive any appeal filed with the BARTOW County Board of Tax Assessors for tax year 2025 and do not wish to pursue any further action for this year and accept the agreed value for the 2025, 2026, & 2027 tax years ONLY.

Options listed are pursuant to §9, C.G.A. 48-5-299(c)

Signed:

Bill Cook - Agent  
(Taxpayer or Taxpayer's Agent)

Date:

9-9-2025

Value Information	Original FMV	283,979
	Adjustment	90,549

Approved by Chief Appraiser:

Signed:

[Signature]  
(Chief Appraiser)

Date:

9-9-25

# What Are Options and Pure Options?

## What is an Option?

Options are one of the absolute best creative deal structuring tools in real estate investing, but one of the least understood and used tools in real estate investing.

Options are a low risk, high profit, creative deal making vehicle.

An Option is a great deal structuring tool you can use whether you're buying, selling, renting, or speculating.

Simply stated, an Option is the ***right to buy*** a property rather than an ***obligation to buy*** a property. Said a different way, it's a case of **CAN** buy, rather than **MUST** buy.

To continue driving this point home, an Option is not a ***right*** to real estate. It's an ***interest*** in the right to real estate.

Options allow you to control gain and cash flow ***without*** ownership. Most new investors wrongly believe that they must own a property before they can get the benefits of appreciation, amortization, and cash flow. Owning a property can be riskier than owning the right to buy the property.

An Option is a bet between the Optionor (giver of the Option) and Optionee (receiver of the Option). Often the Optionor hopes the Option will not be exercised, which will allow the Optionor to keep the property and retain the Option consideration fee. On the other hand, the Optionee is betting he/she will exercise the Option, which will allow him/her to capture what was negotiated in the Option agreement: the property's profit, amortization, appreciation, cash flow, etc.

When is an agreement **not** an Option? Two cases: *First*, when neither party can cancel the contract. *Second*, when neither party can make the other party perform.

An Option is a creature of the state. Your state's laws control Options in your state. Each state's laws are different concerning Options. The Option laws Kim and I abide by in Georgia are likely to be different from the laws in your state. Hire good legal counsel. Know your state's laws. Be sure the Option documents you use are in legal compliance with your state's laws.

Often Options depend on appreciation for their gain in value. But if so structured, Options can also capture some or all of a property's amortization, cash flow and tax benefits.

An Option allows you to control a property for little or no money. You can abandon an Option with no adverse consequences. You go into an Option already knowing the most you have at risk in the deal.

Here's a biggie: *An Option is not a loan of money!* It can't be overstressed how important this one benefit is for the property owner granting the Option, as well as to the real estate investor acquiring the Option.

Your goal as Optionee is to gain control of a property for as long as possible. This allows you to see what the property does, what the area does, what the economy does, before ever having to pull the trigger, exercise your option, and buy the target property.

An Option allows you to pass the "football" way down the field. In doing so, you get to pick when and if you exercise the Option. You can wait until real estate values are at a highwater mark. What's better, safer, and more profitable than buying low and selling high? Simple answer: Optioning low and exercising high! Optioning low allows you to not guess about what the market may do; it allows you to wait to see what it does **and then take action!**

Options can transfer from the Optionor (giver of the Option) to the Optionee (receiver of the Option) a property's appreciation, amortization, cash flow, and tax benefits. Best of all it does this without the Optionee incurring the liability risk that comes with property ownership.

Options can, if so structured, allow you to avoid the thrill of management. For example: If you get a Master Lease in addition to

an Option, and the Master Lease is assignable, you will be able to escape the thrill of management.

Options can give you maximum leverage without the risks associated with ownership and being on the hook for the promissory note. Remember, the Option fee (AKA Option Consideration) is the only money (if money was used as consideration) you have invested in the deal – and are at risk of losing. Said another way, the Option consideration is your entire risk in the deal.

One of the best things about Options is they give you time to see your profit clearly ***before*** buying the property. Think of it like test driving a car before you buy. Options allow you to reduce your risk of failure because you aren't being forced to guess what the future holds.

An Option can be zero interest financing. To accomplish this, use a lease and an Option together. Have all your rent payments to the property owner applied to the Option's strike price. This, in essence, means you're making principal-only payments, which is the same thing as a zero-interest note.

An Option is a title flaw. It can be used to greatly reduce or increase a property's value.

With Options, you make money by capturing future appreciation. You can also capture current equity, plus amortization, and cash flow.

## How Can Options Be Used?

What follows will floor you, especially if the only thing you know about Options is *leaseoptions*.

Options can be used to...

- Buy a property
- Sell a property

- Park a property (put a property in a holding pattern until you're ready to acquire it)
- Protect a property (a secured option is a title flaw)
- Help someone who DOESN'T want to sell their home
- Help someone who DOESN'T want to sell their home right now.
- Help someone who needs money but can't get a loan
- Help someone buy a property they can't possibly afford for a price they can easily afford
- Help someone who can't afford to repair their home
- Capture some or all of a property's appreciation AFTER you've sold it
- Capture some or all of a property's appreciation that you don't yet own
- Sell a property for a seller who doesn't want to use a realtor

After reading the above list, can you think of any other tool in your creative deal structuring toolbox that's more versatile or can solve more problems?

## **What's the Difference Between an Option and a Pure Option?**

For most real estate investors, their only experience with Options is when an Option is used hand-in-hand with a Lease Agreement.

Most mistakenly believe leaseoption is a single word...a single deal-structuring tool. A single document. This is wrong.

A Lease Option deal is *TWO* deal structuring tools working *together* to make a *single* transaction work.

By the way, whenever two or more deal structuring tools are used together to make a single transaction work, (example: a Subject-to Deal with an owner-carry mortgage, plus a lease and purchase option to the tenant/optionee) it's known as **Structure Stacking**.

Correctly stated, a "leaseoption" is called a "lease with an option to purchase." The lease grants someone USE of the property. The Option grants someone the RIGHT TO BUY THE PROPERTY at a pre-agreed to price, for pre-agreed to terms, within a pre-agreed to time frame.

When an Option is used by itself, when a lease agreement is not involved, we call this a **Pure Option**.

Throughout this course, I'll use the word "Option" even when discussing a Pure Option.

## **Don't Let Options Scare You**

You may not realize this, but you use Options almost every day?

For example, you find a house that you like and think you may want to buy. You make a written offer to the seller. In the contract you state the agreement is contingent upon you getting financing that's acceptable to you. Or maybe you state the contract is contingent upon you getting an acceptable inspection of the property. Or perhaps you state the contract is contingent upon you selling your current house first. Can we agree that all of these are acceptable and often-used contingencies to have in a purchase and sale agreement?

Did you notice that what was just described is not a purchase and sale contract (though it might say that on the top of the document), but rather it's an Option contract? Once all parties sign, the seller is locked into selling to you, but you are not locked into buying from

them *unless* you're able to get acceptable financing, or an acceptable home inspection, or get your house sold.

# Granting Prospective Tenant an Option to Lease

As a landlord, you may run into a problem Kim and I regularly run into when seeking a good tenant for an investment property. You find the perfect tenant but your perfect tenant, for a variety of reasons, can't sign the lease right away. Maybe they need days, weeks or months before they can do a lease-up.

What do you do when this happens? What's the best way to solve this problem?

When we run into this, and the prospective tenant really wants our property, often they'll offer to forward us the first month's rent to hold the property, or worse still, offer to forward us their security deposit to hold the property.

Neither of these solutions sit well with Kim and me. Why not? Think about it, if they forward us their first month's rent in return for holding the property and then they fail to rent our property, they will want their money back, right? This kind of excitement we don't need.

If they forwarded us their security deposit, it makes things even worse. Think about it. A tenant's security deposit is **THEIR** money, **NOT** your money. If they fail to rent from you and then **DEMAND** their security deposit back, if this goes in front of a judge, what do you think the odds are you'll win?

So, what to do?

Long ago, we learned to use an **Option to Lease** to solve this problem.

With an Option to Lease, the prospective tenant is **BUYING** the right to lease your property for pre-agreed to terms, within a pre-agreed to time frame. If they don't exercise their Option to rent the property, if the Option is so structured, they forfeit their ***non-refundable consideration*** fee.

Because they're **NOT** forfeiting their first month's rent or their security deposit, if the matter found itself in front of a judge, you'd be standing on much firmer ground! I mean heck, even a judge can make sense out of something called a **NON-REFUNDABLE** option fee!

The following is an *Option to Lease* we gave to two prospective tenants in 2023. They wanted to rent our property on Stonebridge. They needed some time to get out of their current rental property before they could sign a lease with us.

By the way, these two tenants are still in this property. They've never been late on rent and have taken great care of our property. What if Kim and I, instead of selecting these wonderful tenants, had gone with some other tenant because that tenant could have moved in right away?

Landlords should use an Option to Lease when facing a similar situation.

# Option To Rent Agreement – page 1

## OPTION TO RENT AGREEMENT (given when perspective tenant wants to rent property)



STATE OF GEORGIA

COUNTY OF BARTOW

This Option To Rent Agreement is made this 1<sup>st</sup> day of March (month), 2023, between The Cody Group and his/her/their/its heirs, successors, administrators and assigns, hereinafter called the Optionor (the one selling this option), and Andrew and Ashleigh hereinafter called the Optionee (the one buying this option).

**Subject Property:** The property commonly known as 5 Stonebridge Court, Cartersville GA 30121

Whereas Optionor desires to grant an Option To Rent, and the Optionee desires to receive an Option To Rent the above described property it is agreed as follows:



1. **CONSIDERATION:** The Optionor, in consideration for being paid a **Non-Refundable Option Consideration Fee** of **\$1,000.00**, along with other good and valuable consideration, acknowledges that the Optionee has an exclusive right to rent the above described property.



2. **OPTION AGREEMENT DATES:** This Option Agreement begins on the 1<sup>st</sup> day of March (month), 2023. This Option Agreement expires on the 20<sup>th</sup> day of March (month), 2023. The Optionee must notify Optionor by phone of intent to rent at least 3 days prior to meeting to sign the Rental Contract.



3. **IF OPTION IS NOT EXERCISED:** Should Optionee not exercise this Option To Rent the property prior to the option expiration date, the Optionor shall retain all consideration as full liquidated damages and all obligations of each party shall terminate.




4. **IF OPTION IS EXERCISED:**

- a. The Optionee must meet with Optionor or Optionor’s successors, administrators or assigns and sign the Rental Contract, Move-in Inspection Report, and all other Lease-up documents required by Optionor.
- b. All of the Optionee’s Non-refundable Option Consideration fee of **\$1,000.00** will apply toward the March rent payment.
- c. If the Optionee (and all adults named on the Rental Contract) fails to sign the rental contract, or any and all required paperwork, on or before this Option To Rent agreement expires, or Optionee does not have full funds IN CASH to pay the full Security Deposit and first month’s rent, the Optionee acknowledges that his/her/their full Option Consideration Fee will be forfeited, and he/she/they will




## Option To Rent Agreement – page 2

forfeit the right to rent the property.



**Example 1:** Optionee pays the Optionor a Non-refundable Option Consideration Fee of \$950 dollars for the right to rent a certain house. The Optionee agrees to lease the property on or before the 1<sup>st</sup> of next month. On the 1<sup>st</sup> of next month, the Optionee and the Optionor meet at the property. The Optionee signs all required paperwork and pays the full Security Deposit and first month rent in cash. The Optionee's full Non-refundable Option Fee is applied to the Security Deposit and/or first month's rent. The Optionee is given keys and takes possession of the property.

**Example 2:** Optionee pays the Optionor a Non-refundable Option Consideration Fee of \$950 dollars for the right to rent same certain property. The Optionee agrees to lease the property on or before the 1<sup>st</sup> of next month. On the 1<sup>st</sup> of next month, the Optionee does not have the full Security Deposit and first month rent in cash. Then this Option to Rent is terminated and the Optionee forfeits the full Non-refundable Option Consideration Fee.

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- 
- 
5. **SHOULD OPTIONOR FAIL:** Should Optionor fail, for whatever reason, to rent property to Optionee, the Optionor shall return Optionee's entire Non-Refundable Option Consideration Fee. In addition, the Optionor shall pay the Optionee **\$1,000.00**. This sum shall constitute liquidated damages in full settlement of all claims of Optionee. It is agreed to by the parties that such liquidated damages are not a penalty and are a good faith estimate of Optionee's actual damages, which are difficult to ascertain.
  6. **NON-ASSIGNABLE:** The Optionee cannot assign this Option Agreement to a third party without the Optionor first agreeing to the assignment ***in writing***.
  7. **NON-RECORDABLE:** This Option Agreement shall NOT be recorded.
  8. **NULL AND VOID:** If the Optionee does not pay all monies due and sign the Rental Contract, the Optionor may declare this Option null and void without notice.
  9. If a rental payment is not received on time, the Optionor may terminate this Option Agreement without notice. In addition, if the Residential Lease Contract is terminated for any reason, then Optionor may terminate this Option Agreement without notice.
  10. **GOVERNING LAW:** This Agreement, and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the state of **Georgia**. The parties herein waive trial by jury and agree to submit to the personal jurisdiction and venue of a court of subject matter jurisdiction located in **Bartow** County, State of **Georgia**. In the event that litigation results from or arises out of this Agreement or the performance thereof, the parties agree to reimburse the prevailing party's reasonable attorney's fees, court costs, and all other expenses, whether or not declared by the court as costs, in addition to any other relief to which the prevailing party may be entitled. In such event, no action shall be entertained by said court or any court of competent jurisdiction if filed more than one year subsequent to the date the cause(s) of action actually accrued, regardless of whether damages were otherwise as of said time calculable.

## Option To Rent Agreement – page 3

**11. TIME:** Time is of the essence for this Option Agreement.

**12. SEVERABILITY:** In the event any part of this Option Agreement be construed as unenforceable, the remaining parts of this Agreement shall remain in full force and effect as though the unenforceable part or parts were not written into this Option Agreement.

**13. ENTIRE AGREEMENT:** This Agreement and any attached addendum constitutes the sole and entire Agreement between the parties, and no representation, promise, or inducement not included in this Agreement, oral or written, shall be binding upon any party hereto.

**IN WITNESS WHEREOF,** the parties have signed this Agreement the day and year first above written. If more than one party is shown as Optionor or Optionee, and should less than all sign, then the party or parties signing warrant they are acting as agent to sign for any party not signing this Agreement.

I/We have read and understand both the Rental Contract and this Option To Rent agreement. I/We have been advised that if we have any questions, that we should seek legal council before signing. I/We have received a copy the Option Agreement prior to signing. I/We understand that no oral statements made by the Optionor and/or the Optionor’s representatives shall be binding and that the written and printed material contained herein is the sole agreement between the parties.

This Option Agreement was signed on March 1, 2023.

\_\_\_\_\_ (sign)  
Optionor (Print) \_\_\_\_\_

\_\_\_\_\_ (sign)  
Optionee (Print) \_\_\_\_\_

\_\_\_\_\_ (sign)  
Optionee (Print) \_\_\_\_\_

# Who Will Grant You an Option and Why?

Close your eyes. In your mind's eye, picture yourself being financially free. Each month, an amount of mailbox money comes to you allowing you to do what you want, when you want, where you want, why you want, with whom you want.

For most of us, when we achieve financial freedom, we want to spend a big chunk of our time traveling. The problem is, as landlords, we don't have as much time as we would like to travel.

If only we could find a smart, experience, hard working real estate investor who would take the daily landlording grind off our hands. Heck, if we found this person, who knows, we may be willing to trade a portion of our property's cash flow and future appreciation for freedom.

Does this give you any ideas?

## Landlords Who Hate Tenants

Most would-be real estate investors wrongly believe landlording is a born-knowing-how-to-do-it thing. Silly rabbits!

A large percentage of landlords will cut off their right arm to be shed of tenants.

If you have the skills to effectively manage tenants and rental property, try to imagine the number of failing landlords you can help.

Often, these landlords like the monthly cash flow their investment property generates, as well as the tax advantages that come with owning rental property.

Doesn't this type of situation have Master Lease with the Purchase Option written all over it?

## **A Seller on a Deserted Island**

For the past twelve years, the real estate market boomed. In 2023 and 2024, inflation slowed the economy. Beginning in the middle of 2024, at least in Florida, property values and rents fell. By 2025, houses that were selling for \$780,000 at the beginning of 2024 could be bought for \$600,000. Single-family houses that rented for \$2,500 now rent for \$1,800. VRBOs that brought in \$6,000 a month now bring in \$4,000 a month...when they're occupied. No doubt a real estate slow down kicked in in 2024. It's the first real estate slow down since 2012.

What comes next? Do you know what the real estate market will look like next year? How about in five years? Does anyone know for certain?

Here's what we do know. When the market turns and there are more sellers than buyers, it's awful to have a house on the market and not have a single written offer come in for months. In this type of economy, sellers feel like they're on a desert island all by themselves. It's a lonely, scary, frustrating place.

Sellers will consider most any offer as long as it gets the real estate problem off their back.

And if you think this type of market can't ever happen again, Kim and I have been through three real estate down cycles ***not*** including this one. We're certain we'll face several more before our time on earth is over.

A particularly exciting time to be a real estate investor was 2007 through 2012.

## **Homeowners Who Want to Avoid Debt**

There is a huge difference between equity financing and debt financing.

With debt financing, money is borrowed, your debt is increased, your monthly payments go up, you have less money to spend each month, and life is often harder.

On the other hand, with equity financing - selling something you have of value - because this isn't a loan, debt doesn't increase, and monthly payments don't go up.

When a homeowner sells an Option to an Optionee, it's a form of equity financing, not debt financing.

## **Homeowners Who Can't Get A Loan**

Due to a strict credit market, many homeowners who have a big chunk of equity in their home can't get a bank loan due to a substandard credit score and/or Dodd-Frank rules.

Before 2010, Kim and I regularly made loans to owner-occupant homeowners using their property as collateral. After Dodd-Frank passed, we decided these types of loans were too risky.

The cheese is always moving. Back in 2010 when the cheese moved, Kim and I switched from making loans to owner-occupants to buying Options from them.

Remember, buying an Option is not the same thing as making a loan. If cash is used to purchase the Option, that money is not owed back. No interest is paid. No monthly payments are collected.

An Option is not a loan!

# Memorialization

Real estate investors regularly ask who writes our documents. I write all our documents.

Kim and I have been fortunate to learn from the very best real estate investing teachers on the planet: Jack Miller, Pete Fortunato, and Dyches Boddiford.

By regularly attending their seminars, over the years I learned how to properly construct our paperwork.

Here's a great Jack Miller quote: "Pay people to do things for you. Don't pay people to think for you."

We encourage you to learn to write your own documents. This is the best way to know what your paperwork allows and doesn't allow.

Is it a tough skill to master? Yes, it is, but it's a skill well worth mastering. Is it frustrating in the beginning because you don't know what to write? Of course it is, but with time you improve.

One thing I did to learn how to do paperwork was to form a study group. My little study group of four, five, or six investors met regularly at the seminars we attended.

As a group, we put a deal on the board. Next, we'd discuss how that deal could be structured, funded, and exited. Then we made a list of documents we'd need to use to memorialize the deal. Finally, as a group, we drew up those needed documents.

There's no way to overemphasize how important these exercises were when I was a baby real estate investor.

A word of caution: It's imperative your documents (memorialization) perfectly match what all parties involved agree to. If someone believes one thing was agreed to, but the paperwork states something different, a problem that didn't need to exist now does. You can bet your sweet bippy that a mistake like this can quickly blow up in ever one's faces. (If you're a millennial, you may need to

look up “sweet bippy.” For those of us who watched Laugh-In, we’re way ahead of the game.)

# Parking A Property with An Option: West Beach Street, Tampa, Florida

## How to Creatively Structure When You Can't Yet Close?

In 2023, Kim and I found a three-bedroom, one-bath, single-family home in a nice neighborhood in Tampa, Florida we wanted to buy. Problem was that the property and the seller had many, many problems that needed to be resolved before we felt comfortable enough to close on the deal.

To boot, Kim and I had never bought real estate in Florida. We weren't versed in Florida real estate law. We didn't know Florida's landlord/tenant laws. Our real estate documents worked wonderfully in Georgia, but we knew they wouldn't work in Florida. In Georgia, we close with our real estate attorney of 20+ years. In Florida, title companies are used. Georgia is a non-judicial deed of trust state. Florida is a judicial foreclosure state.

As you can see, Kim and I were way out of our element. It was like being baby real estate investors all over again. And this was just the tip of the iceberg.

The real problems were embedded with the *property* and the *seller*. Our concern was not having our *Georgia* problem-solving team in place. Remember, we were buying an investment property in a new state. It felt like everyone was speaking a different language from the language we understood.

## The Property and Seller's Problems

Here is a short and incomplete list of the problems the property and seller brought to the table. Before we could buy the property, every one of the following problems would need to be resolved before we could buy the property.

Oh, did I mention the owner was scheduled to lose her free and clear property on December 21, 2023, at the Hillsborough Property Tax Auction? That's right, the owner hadn't paid her property taxes in several years and was about to lose her house!

OK, here are just a few of the problems that needed to be resolved **before** we could buy the property.

- The owner was broke. She did not have the money to pay her back property taxes and stop the property tax auction.
- The owner only owned 50% of the property. Her mother, who was deceased, and who died without a will, owned the other 50%.
- The mother's estate had yet to be probated. The seller didn't have the money to probate her mother's will.
- The owner was a hoarder. Her house was free and clear. She couldn't afford to live anywhere else.
- The owner had cancer.
- When the owner's mom died, the owner didn't have the money to cremate her mom's remains. The county cremated her mom's remains. The county demanded payment for the cremation and would not release the mom's death certificate until they were reimbursed. (I'm not kidding!)
- The owner's grandmother left a life insurance policy to the owner. The owner was due approximately \$13,000. She didn't know how to get the life insurance money she was due.
- The owner had credit card debt that had charged off.
- In the middle of all this, November 2023, the owner let a door-to-door salesman into her house. He sold her \$52,000 worth of solar panels that were installed on her 15-year-old-needs-to-be-replaced roof.

How did she afford to pay for the solar panels? Great question! I have no clue!!!

## Dealing With the Elephant in the Room

I first met with the seller on September 18, 2023. This is when I learned that on December 21, 2023, 95 days away, she would lose her free-and-clear house at the property tax auction. I also learned she lived on Social Security and couldn't afford to live anywhere else. To add to the mess, she only owned 50% of the property. Her deceased mother owned the other 50%. Her mother died without a will and her estate had not been probated.

We can agree these are big problems. These are problems we as real estate investors come across far too often. We can also agree that these types of problems require time to solve. Unfortunately, time was ***not*** our friend.

Let's add one more thing to the mix. On October 11, 2023, Kim and I would fly to Spain for a month. Our being out of the country for a month made the time crunch worse.

Here's the ***IMPORTANT*** lesson. The clock was ticking way too fast. The property tax auction was just around the corner. We had to find some way to slow time down. We did it with a secured Option.

No way were Kim and I going to jump through lots of hoops, spend lots of money, only to have the property owner change her mind, back out of our accord and sell her home to someone else. We needed our accord locked in place.

We did this with a Pure Option secured by a mortgage.

## How Did We Creatively Structure This Deal?

Yes, indeed. How did we structure this deal.

Our accord was modified several times as Kim and I kept uncovering not-told-about-before problems. Here's the final accord that took us to closing.

- The seller's house was valued at \$225,000.
- The property was free and clear.
- The property needed about \$4,000 in work.
- The seller was a hoarder who lived on Social Security. She couldn't afford to live anywhere else.
- Agreed to Sale Price: \$149,481
- Seller agreed to owner finance the property to us
- Note Terms:
  - Nothing down
  - Balance: \$149,481
  - 0% interest
  - Monthly payments of \$500 until paid in full
- We agreed to rent back to the seller for \$0 for as long as she was able to remain in the property.

When she could no longer remain in the property, the lease would end, and we'd take possession of the property.

Our long-term goal is to keep this house as a rental property.

## **How Did We Slow the Clock Down?**

Once all parties agreed to the accord, the seller agreed to grant Kim and me the right to buy her home any time in the next 20 years for

the agreed to price and terms. Yep, you guess it, an Option. A mortgage would be used to secure the Option to the property.

The Option Consideration for the Option Contract was our agreement to pay the seller's property tax arrearage.

## **Why Did Kim and I Do This Deal?**

About now you're probably wondering why Kim and I agreed to do this deal. It's an OK deal, but it's most definitely not a *GREAT* deal.

Kim and I are in our mid-sixties. We can't help but to be grateful every single day of our life. Because God has been so kind to us, we feel a strong need to help others who haven't had it so good.

When I first met with this seller, she told me something that rocked my world. I decided then and there to do what I could to help her.

Around 2021, the seller's mom had a bad stroke at the house. The ambulance rushed her to the hospital. Her life was saved.

The seller's mom was in the hospital for months. The seller often went to the hospital to spend time with her mom.

The time came when the mother was going to be released and sent home. Very good news for all.

A few days before the mom came home, the seller went missing in action. The seller wasn't at the hospital when her mom was released.

An ambulance took the mother home. When they got there, the door was locked. The EMTs had to break the front door in to get the mother into the house.

When they entered the home, they heard a noise in the back of the house. When they investigated, they found the daughter (seller) trapped under a bureau that had fallen on her. She'd been trapped

under the bureau for 7 days! Count them: 1 – 2 – 3 – 4 – 5 – 6 – 7 days!!!!

The EMTs put the mother in a chair and then loaded the daughter onto a gurney and raced back to the hospital!

The daughter (seller) was in bad shape and near death. While in the hospital recovering, the daughter (seller) had a stroke. She remained in the hospital for months.

While the daughter was in the hospital recovering from all that was wrong with her, her mother, while at home, suffered another stroke and died.

Due to the daughter's condition, she could not take care of her mom, nor attend the funeral. In fact, until we began working with her, she didn't know where her mom's body had been taken, nor did she know her mom had been cremated.

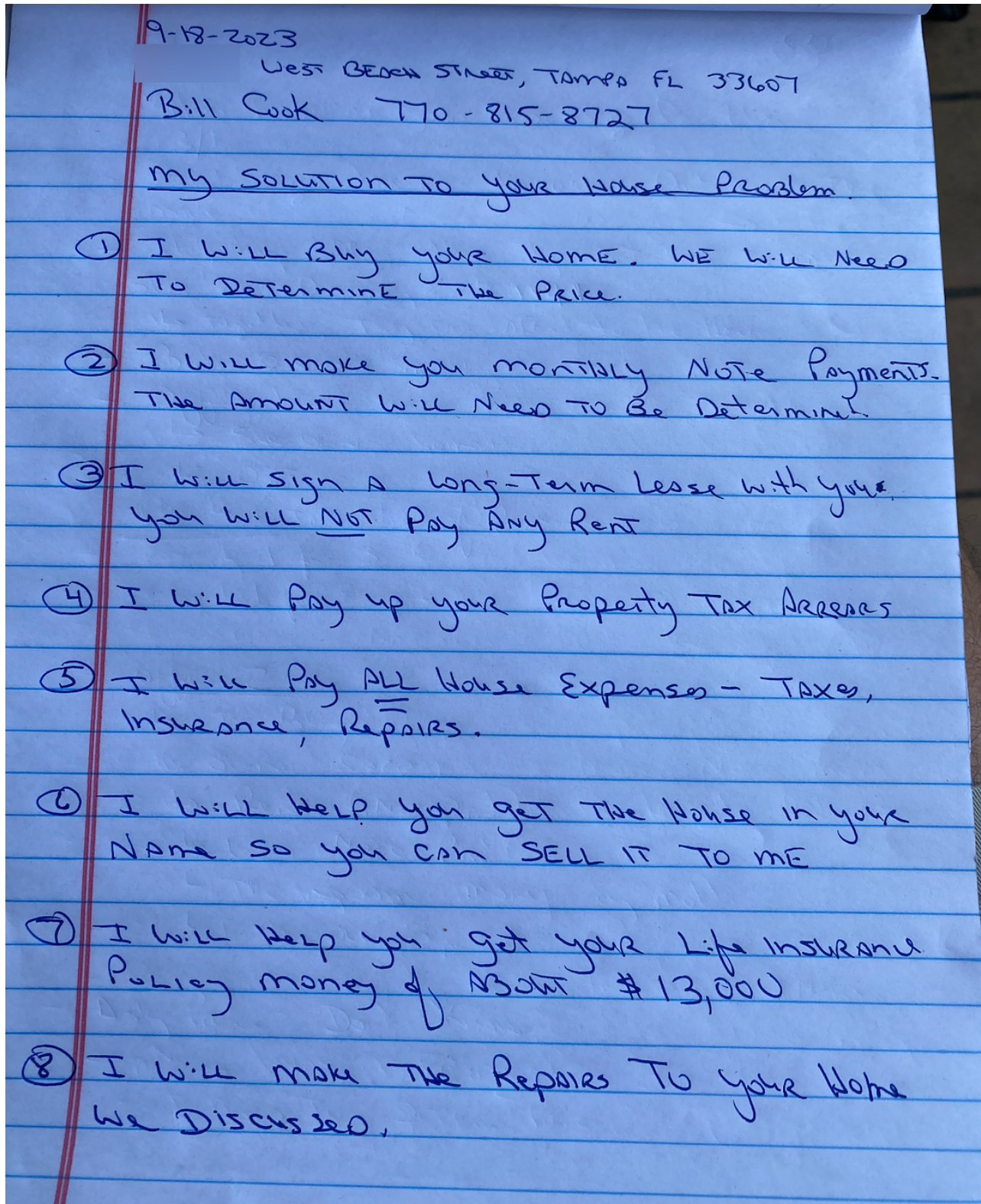
Folks, if there was ever someone who needed a break, she was it. The thought of her losing her house at the property tax auction and being put on the street was a bridge too far for Kim and me. We did this deal and are glad we did.

## **The Documents You'll See on the Following Pages:**

- T-bar Offer
- Probate Order
- Tax Deed Redemption
- Check to Pay Property Taxes
- Purchase and Sale Agreement
- Option Agreement

- Mortgage to Secure Option
- Receipt for Mortgage to Secure Option
- HUD-1 to Purchase
- Warranty Deed
- Owner Carry Note

## T-bar Offer to Purchase



# Circuit Court Probate Division – Settling Mother’s Estate

IN THE CIRCUIT COURT FOR HILLSBOROUGH COUNTY, FLORIDA  
PROBATE DIVISION

Case Number: 23-CP-004046



IN RE: ESTATE OF

[Redacted Name]

Deceased.

## ORDER DETERMINING HOMESTEAD REAL PROPERTY

On the petition of Natalie Marie Granade of the Estate of [Redacted] for an Order Determining Homestead Real Property, the Court finding that all interested persons have been served proper notice of this hearing, or have waived notice thereof; that the material allegations of the petition are true; that the decedent was domiciled in Hillsborough County, Florida at the time of death; that decedent was not survived by a spouse or minor children; and that at the time of death, the decedent owned certain real property described in the petition, on which decedent resided; it is

**ADJUDGED** that the following-described property:

### PROTECTED HOMESTEAD INTEREST IN REAL PROPERTY:

Title is currently vested as fee simple title in the name of Catherine Granade Corzo as to a one half interest

[Redacted Property Description]

**Estimated Value/homestead**

**EXEMPT**

constituted the homestead of the above decedent within the meaning of Section 4 of Article X of the Florida Constitution.

**ADJUDGED FURTHER** that the above-described property descended to the heir-at-law Natalie Marie Granade as set forth in the Petition pursuant to the law.

**ORDERED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Electronically Conformed 12/11/2023  
Denise Pomponio

\_\_\_\_\_  
Circuit Judge

cc: plax@americanhometitle.com

# Property Tax Sale: Tax Deed Redemption

Nancy C. Millan, Hillsborough County Tax Collector  
For Customer Service, please call 813.635.5200

2020 TAX DEED REDEMPTION

Account No. A1806160000

Date: 04/10/2023	Amount Due	\$12,540.09	\$12,714.99
TDA #11621	If Paid By	Sep 29, 2023	Oct 30, 2023

*Past due taxes:*  
~~\$12,540.09~~ \$12,714.99

Legal Description:  
MAC FARLANE PARK  
W 23 FT OF LOT 3 AND LOT 4 BLOCK 58

Property Location  
3004 W BEACH ST.  
TAMPA,  
33607



Keep this portion for your records.  
WALK-IN CUSTOMERS PLEASE BRING FOR YOUR RECEIPT

Description	
Bidder #	6375759
Certificate #	13971
Certificate Year	2021
Tax Year	2020

\*  
INCLUDES TAX YEARS 2020, 2021, 2022  
CERTIFIED FUNDS REQUIRED (CASH, CASHIER'S CHECK OR MONEY ORDER)

Postmark dates are not honored. The amount due is based on date of receipt in our office. Amounts are subject to change at any time.

Nancy C. Millan, Hillsborough County Tax Collector

2020 TAX DEED REDEMPTION

Account No. A1806160000

3004 W BEACH ST,  
TAMPA.

Date: 04/10/2023	Amount Due	\$12,540.09	\$12,714.99
TDA #11621	If Paid By	Sep 29, 2023	Oct 30, 2023

Detach this portion and return it with your payment

Description	
Bidder #	6375759
Certificate #	13971
Certificate Year	2021
Tax Year	2020
Application Date	04/10/2023
Application #	11621


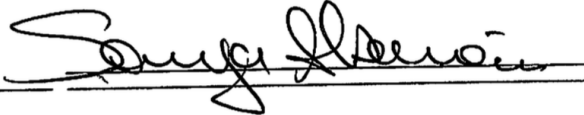
INCLUDES TAX YEARS 2020, 2021, 2022

Pay in US funds to:

Nancy C. Millan, Tax Collector  
2506 N Falkenburg Rd.  
Tampa, FL 33619

CATHERINE CORZO ET AL  
3004 W BEACH ST  
TAMPA, FL 33607-2929

# Check: To Pay Property Tax Arrearage: \$13,636.82

MEMO:	VOID AFTER 90 DAYS	0212292
REMITTER WHAT BOX LLC	 <b>Bank OZK</b> Member FDIC	Dec 4, 2023
		81-727/829 01 2024007508
	TAX COLLECTOR OF HILLSBOROUGH COUNTY	\$13,636.82
PAY TO THE ORDER OF	**Thirteen Thousand Six Hundred Thirty Six and 82/100*****	
		DOLLARS
<b>CASHIER'S CHECK</b>		
<small>NOTICE TO CUSTOMER: As a condition to this institution's issuance of this check, purchaser agrees to provide an indemnity bond prior to the refund or replacement of this check in the event it is lost, misplaced or stolen.</small>		

# Purchase Agreement – page 1

**PURCHASE AGREEMENT**  
(use when buying a property)

Offer Date: 10-7-2023 Subdivision: \_\_\_\_\_

Seller: \_\_\_\_\_ Phone: \_\_\_\_\_

Buyer: Bill Cook Phone: 770-815-8727

Property Address: \_\_\_\_\_ West Branch Street, Tampa FL

**Legal Description:** The Legal Description for the above property will be attached as "Exhibit A" within 72 hours after this agreement becomes a legally binding contract.

The Buyer, and the Seller (including the Seller's heirs, successors, legal representatives and assigns) agree that the Buyer will buy and the Seller will sell the above described real property under the following terms and conditions:



1. **Price:** \$ 180,000

2. **Terms:** WE WILL make 480 monthly Payments of \$400 per month.

3. **Conveyance:** Fee simple title to the property, with an owner's title insurance policy guaranteeing marketable title, will be delivered to the Buyer, or to the Buyer's assigns, by a General Warranty Deed free from any liens, restrictions, encumbrances, easements or encroachments not specifically referenced in this contract. Risk of loss to the property shall be borne by the Seller until title transfers.

4. **Possession:** Possession of the property and occupancy, with all keys and garage door openers, will be delivered to the Buyer when title transfers.

5. **Expenses:** The Buyer will prepare and pay for the preparation and recording of all notes, deeds and options. The Seller will pay for the transfer tax and the intangible tax stamps on all deeds, notes and options. Real property taxes will be prorated based on the current year's tax without allowance for discounts, such as homestead or other exemptions. All real estate commissions, and any other real estate fees, will become due and payable only after Seller has conveyed to the Buyer good and marketable title to said property by General Warranty Deed.



6. **Earnest Money:** Earnest money, if any, will be paid to N/A (Holder) in the amount of \$ N/A within 72 hours after this agreement becomes a legally binding contract. At the time of closing, earnest money, to be held in escrow by the Holder, will be applied to the purchase price of the subject property. All earnest money will be returned to the Buyer within 24 hours if title does not transfer in accordance with this agreement.



7. **Inspections:** This contract is contingent upon the Buyer's inspection and approval of the subject property prior to the transfer of title. If inspection is not satisfactory for any reason, then Buyer may declare this Agreement void and will immediately receive a full refund of all earnest money. The Seller agrees to provide unlimited access to the subject property to the Buyer and Buyer's representatives, with all utilities (power, water, gas) turned on. Seller will remove all personal property not included in this sale and deliver the subject property vacated and clean, with all trash removed at the walk-through inspection immediately preceding title transfer. If the property is accepted, it will convey in "AS IS" condition. Any personal property left at the property after title transfers will be considered abandoned property left by the Seller and the Buyer may dispose of said personal property in any manner he/she/they/it wishes.

## Purchase Agreement – page 2

- 8. **Defects:** Seller warrants property to be free from hazardous substances and from violations of zoning, environmental, building, health or other governmental codes or ordinances, and that there are no known defects or facts regarding this property that could adversely affect the value of said property.
- 9. **Survey:** Seller agrees to provide a survey of the property certified within 30 days of closing.
- 10. **Termite Letter:** Seller will provide an Infestation Report prepared by a licensed pest control operator within 5 days after acceptance of this agreement.
- 11. **No Judgments:** Seller warrants that there are no judgments threatening the equity in subject property, and that there is no bankruptcy pending or contemplated by any title-holder. Seller will not further encumber the property.
- 12. **Default:** If the Buyer or Seller fails to perform any covenant of this contract, the defaulting party will pay to the other party \$500 as consideration for the execution of this contract and as agreed liquidated damages in full settlement of any claims for damages.
- 13. **Other Provisions:**
  - A. **Entire Agreement:** This Agreement constitutes the sole and entire agreement between the parties hereto and no modification of this Agreement shall be binding unless signed by all parties to this Agreement. No representation, promise or inducement not included in this Agreement shall be binding upon any party hereto. Any assignee shall fulfill all the terms and conditions of this Agreement.
  - B. **Working:** All electrical, plumbing, mechanical, heating and cooling systems and appliances will be in good working order and functioning properly. Carpeting, drapes and rods, blinds, ranges, refrigerators, heaters, air conditioners, built in appliances, and ceiling fans will be clean, operable and delivered with transfer of title to real estate.
  - C. **Survival of Agreement:** All conditions or stipulations not fulfilled at time of closing shall survive the closing until such time as the conditions or stipulations are fulfilled.
  - D. **Time of Essence:** Time is of the essence for this Agreement.
  - E. **Legal Counsel:** This is a legally binding contract. All parties should seek legal advice before signing.
- 14. **Acceptance:** This agreement will become a binding contract once accepted by the Seller and signed by both the Buyer and Seller. If Seller doesn't accept and sign this agreement before 10-10-2023, this agreement will be void.
- 15. **Closing:** This transaction shall be closed at To Be Determined on or before \_\_\_\_\_.

16. **Special Stipulations:** The following Special Stipulations (if any) (see Exhibit "B"), if conflicting with any exhibit, addendum, or preceding paragraph, shall control.

<p>X _____ Seller's Signature and Date <u>N/A</u></p> <p>X <u>N/A</u> Seller's Signature and Date</p> <p>X <u>N/A</u> Realtor's Signature and Date</p>	<p>X <u>Bill Cook</u> <u>10-7-2023</u> Buyer's Signature and Date</p> <p>X <u>N/A</u> Buyer's Signature and Date</p>
--	--

# Purchase Agreement – page 3



## Exhibit “B”

This is for the purchase of [redacted] ~~Condominium~~ property at [redacted] West Branch Street, Tampa FL

- → We will pay off the property tax arrearage currently totaling \$12,714.99.
- → We will pay all closing costs.
- → We will help get the property into Natalie’s name so she can sell the house to us.
- → We will help Normal get the insurance money she is due from her grandmother’s insurance policy.
- → We will give [redacted] a long-term lease agreement that will allow her to rent the property for \$0.
- → We will make the following repairs to the property:
  - → Replace locks on front door.
  - → Modify kitchen cabinet so new refrigerator can push back into place.
  - → Replace bathroom toilet.
  - → Repair two den lights.
  - → Repair storage room light.
  - → Replace carport door lock.
  - → We will have a dumpster delivered. It will only be there for 3 to 5 days. Sellers will be able to dispose of any belongs in the house they no longer want.

-----  
Bill Cook – Buyer

-----  
[redacted] – Seller

# Option Agreement – Recorded – page 1



## EXHIBIT "A"

### OPTION AGREEMENT

(Granting the Optionee the Exclusive Irrevocable Right and Option to Purchase Real Property)

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

This Option Contract made this 28<sup>th</sup> day of November, 2023, between [redacted] [redacted], whose address and contact information is [redacted] Beach Street, Tampa, Florida 33607, and what Box LLC, whose address and contact information is PO Box 22, Adairsville, Georgia 30103, and his/her/their/its heirs, successors, administrators and assigns, hereinafter called the Optionee.



OPTIONEE'S PHONE NUMBER: 770-815-872



OPTIONEE'S ADDRESS: PO Box 22, Adairsville GA 30103

SUBJECT PROPERTY: The Property with the mailing address of [redacted] Beach Street, Tampa, Florida, 33607, and with the legal description of:

*SEE EXHIBIT "A" FOR LEGAL DESCRIPTION, ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE*

Whereas Optionor desires to grant an option to purchase and the Optionee desires to receive an option to purchase the Subject Property described above, the Optionor and Optionee agreed as follows:



1. → **CONSIDERATION:** The Optionor, in consideration for receiving Option Consideration of the Optionee agreeing to pay all property taxes in arrearage, along with other good and valuable consideration, the receipt whereof is hereby acknowledged, acknowledges and agrees that the Optionee has an *exclusive irrevocable right* to buy the above described Subject Property.



2. → **OPTION AGREEMENT DATES:** This Option Agreement begins on the 28<sup>th</sup> day of November (month), 2023. This Option Agreement expires on the 28<sup>th</sup> day of November (month), 2043. The Optionor grants to Optionee the right to purchase the Subject Property.

## Option Agreement – Recorded – page 2

The Optionee may exercise right to purchase the Subject Property at any time after ~~November 28, 2023~~ and on or before ~~November 28, 2043~~. The Optionee must notify Optionor in writing of intent to purchase at least 30 days prior to purchasing. Notice shall be deemed given if mailed to Optionor's last known address and mailed by certified mail with return receipt requested on the day following postmark on the certified mail receipt.

3. → **IF OPTION IS NOT EXERCISED:** Should Optionee not exercise this option to purchase the property prior to the option expiration date, the Optionor may retain all consideration as full liquidated damages and all obligations of each party shall terminate.

4. → **IF OPTION IS EXERCISED:**

*(Basic Option)*

a. → The Total Purchase Price of the Subject Property will be **One Hundred and Sixty-five Thousand and 00/100 (\$165,000.00) Dollars**. All of the Optionee's Option Consideration Fee will apply to the property's Total Purchase Price.

*EXAMPLE: The Total Purchase Price for the property is \$250,000. The Option Consideration Fee paid by the Optionee is \$1,000. In the event the Optionee exercises this option to purchase the Subject Property, the total amount owed to the Optionor at the time of purchase will be \$249,000. (\$250,000 Total Purchase Price - \$1,000 Option Consideration Fee = \$249,000 to the Optionor)*

b. → Closing Costs: Will be paid by the Optionee

c. → In the event that the Option is exercised, the closing will take place at a location, date, time, and with an attorney or closing agent or title company designated by the Optionee.


5. → **REPAIRS:** If Optionee believes repairs need to be made to the Subject Property, the Optionee will inform the Optionor in writing sent by U.S. mail. The Optionor agrees to make the needed repairs within 7 days. If the Optionor, for whatever reason, fails to make the repairs within 7 days, then the Optionee may have the needed repairs made, and then **three times** the cost of the repairs made will be credited to the Optionee's Option Consideration Fee. All of the Optionee's Option Consideration Fee will be credited to the cash owed to the Optionor in the event the Optionee exercises this Option and purchases Subject Property.

*EXAMPLE: The Optionee informs the Optionor that the Subject Property needs the roof replaced and the repair will cost \$8,000. The Optionor contracts and pays to have the roof repaired. The matter of the repair has been agreeably handled.*

*On the other hand, if Optionor fails, for whatever reason, to replace the roof, the Optionee, to protect the property and the Optionee's interest in the property, pays \$8,000 to have the roof replaced. The Optionee will then be credited \$24,000 toward the Optionee's Option*

## Option Agreement – Recorded – page 3

*Consideration Fee (\$8,000 repair cost x 3 = \$24,000. All of the Optionee's Option Consideration Fee will apply to the Total Purchase Price in the event the Optionee exercises this Option.)*



**6. → OPTION EXTENSION:** Optionee may extend this Option Agreement to **November 28, 2052** by paying Optionor an Option Extension Fee of **\$1,000.00** on or before the date this Option Agreement expires. The entire amount of the Option Extension Fee will apply to the Option Consideration Fee. All of the Optionee's Option Consideration Fee will be credited to the cash owed (if any) to the Optionor when legal title transfers.

**7. → CONVEYANCE:** If Optionee shall notify Optionor of Optionee's intent to take legal title to the Subject Property before this Option terminates, then within 30 days of receipt of such notice, Optionor will deliver fee simple interest in title to the Optionee, or Optionee's heirs or assigns, by Warranty Deed, free and clear of all liens or encumbrances, except those of record the original date of signing of this Agreement.

Optionor warrants that the existing mortgage(s) will be current in all payments of principal, interest and escrow amounts required by the Mortgagee when legal title transfers, and that, as of such transfer date, there will be no outstanding property taxes or governmental assessments.

Optionor will not further encumber the Subject Property after the date of this contract, and this contract may be recorded at the Optionee's expense. *The recording of this contract puts the Public on notice that all liens and encumbrances filed subsequent to this contract will automatically extinguish upon the exercise of this contract.*


In the event of a foreclosure or bankruptcy of the Optionor, the Optionor's rights of redemption shall transfer to the Optionee without further compensation and this contract shall serve as conveyance without further action.

**8. → SPECIAL PROVISIONS:** No agreements, unless incorporated herein, shall be binding upon the Optionee or the Optionor. Prorations and adjustments upon transfer of title will be based upon date of transfer.

**9. → OPTIONEE PROTECTIVE CLAUSE:** In the event the Optionor defaults on any mortgage(s) secured to the Subject Property, including non-payment of mortgage, not paying property taxes, not keeping the property insured for at least the cost of replacement, or if a lien or other encumbrance is placed against the property, or if the property is not maintained which causes a reduction in the Subject Property's fair market value, then Title to this property shall immediately pass to the Optionee without further compensation from the Optionor, as partial compensating damages. Optionor agrees Optionee can take title subject to existing mortgage(s).



**10. → RECORDABILITY:** This Option Agreement may be recorded.



**11. → ASSIGNABILITY:** The Optionor is not permitted to assign this Agreement. The Optionee is allowed to assign this Agreement.

# Option Agreement – Recorded – page 4



¶  
12. ~~GRAMERICAL ADJUSTMENTS:~~ The covenants here contained shall bind and the benefits and advantages shall inure to the successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural and/or the singular; the use of any gender shall include both genders; the use of the word mortgage shall include mortgage and/or deed of trust. ¶

¶  
13. ~~GOVERNING LAW:~~ This Agreement, and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the state of Florida. ¶

¶  
14. ~~TIME:~~ Time is of the essence for this Option Agreement. ¶

¶  
15. ~~SEVERABILITY:~~ In the event any part of this Option Agreement be construed as unenforceable, the remaining parts of this Agreement shall remain in full force and effect as though the unenforceable part or parts were not written into this Option Agreement. ¶

¶  
IN WITNESS WHEREOF, the parties have signed this Agreement the day and year first above written. If more than one party is shown as Optionor or Optionee, and should less than all sign, then the party or parties signing warrant they are acting as agent to sign for any party not signing this Agreement. ¶

¶  
Receipt is hereby acknowledged by Optionor of Optionee's willingness to pay all property taxes in arrears so the Property Tax Auction on December 21, 2023 is cancelled. All money paid by Optionee to cancel the December 21, 2023 Property Tax Auction will apply to Total Sale Price. ¶

¶  
This option is granted by the Optionor to the Optionee on **November 28, 2023**. ¶

¶  
Optionor: ..... Optionee: ¶

¶  
Witness: ¶

¶  
Notary Public ¶

# Mortgage to Secure Option – page 1

RETURN TO:  
Bill Cook  
PO Box 22  
Adairsville, GA 30103



INSTRUMENT #: 2023542141  
11/30/2023 at 03:44:24 PM  
Deputy Clerk: EBAYNE  
Cindy Stuart, Clerk of the Circuit  
Court Hillsborough County

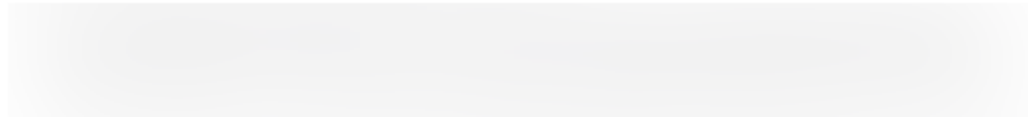
## MORTGAGE To Secure Option



This indenture, made this 28<sup>th</sup> day of November, 2023, between [redacted] West Branch Street, Tampa, Florida, 33607, and her heirs, successors, administrators and assigns, hereafter Mortgagor and What Box LLC of PO Box 22, Adairsville, Georgia, 30103, and his successors, administrators and assigns, hereinafter Mortgagee. \* A single woman

Whereas, the said Mortgagor has, for and in consideration of the Mortgagee agreeing to pay all property taxes in arrearage, along with other good and valuable consideration, the receipt whereof is hereby acknowledged, obligates herself to the said Mortgagee to deliver fee simple title to that certain parcel of real estate, legally described below, which obligation is evidenced by Option Agreement of even date herewith, attached hereto and by reference herein made a part hereof (see Exhibit "A"), to secure to the Mortgagee the compliance and performance of the Mortgagor in meeting both the letter and the spirit of the Option Agreement attached hereto, Natalie Marie Granade and her heirs, successors, administrators and assigns, hereinafter called Mortgagor does hereby mortgage, grant and convey to Mortgagee the following described land, situate, lying and being in the County of Hillsborough, state of Florida, to wit:

The land together with the improvement thereon at [redacted] West Beach Street, Tampa, Florida, 33607 legally described as:



*SEE EXHIBIT "A" FOR OPTION AGREEMENT, ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE*

## Mortgage to Secure Option – page 2

And the said Mortgagor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of the persons whomsoever. Provided always, that if the said Mortgagor, her heirs, legal representatives or assigns, shall meet both the letter and the spirit of the agreement evidenced by said Option Agreement and perform, comply with and abide by each and every of the stipulations, agreements conditions and covenants and expenses, including reasonable attorney's fees, which the Mortgagee may incur in enforcing the Option Agreement secured by this mortgage, then, this mortgage and the estate hereby created shall cease and be null and void and the Mortgagee shall deliver to the Mortgagor an executed satisfaction of the Mortgage.

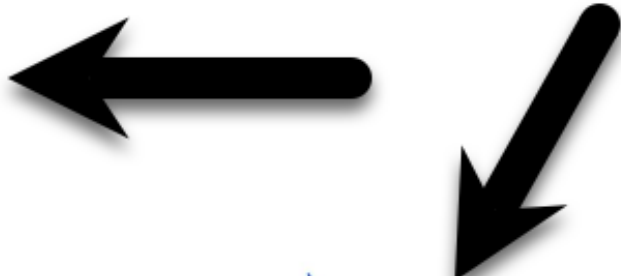
In Witness Whereof, the Mortgagor sets her hand and seal this 28<sup>th</sup> day November, 2023. Signed, [redacted] the presence of:

Natalie Marie

Mortgagor - Natalie [redacted]

Titan Steele

Witness Titan Steele



STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me <sup>\*</sup>this 28<sup>th</sup> day of November 2023 by Natalie Marie Granade, hereinafter called Mortgagor, being personally known to me or who presented a Driver's License as identification. Witness my hand and official seal.

*\*By means of physical presence*

My commission expires:

Notary Public: Beatriz



# Receipt: To Record Mortgage to Secure Option



Cindy Stuart  
 Clerk of the Circuit Court  
 419 Pierce St. Rm 140  
 TAMPA, FL 33602  
 (813) 276-8100

Customer Information					
Name	Address	Address2	City	State	Zip
what box llc				FL	

Payment Summary	
Transaction #: 6485021 Receipt #: 6317877 Location: TAMPA Q Code: Walk In Return Code: Over the Counter Agent Ref Num:	Cashier: EBayne Receipt Date: 11/30/2023 3:44:41 PM Total Fees: \$52.50 Total Payments: \$52.50 Amount Due: \$0.00

Payment		
Type	Check #	Amount
Credit		\$52.50

Transaction Items			
Mortgage - ORI	Instrument No: 2023542141 Date: 11/30/2023 3:44:24 PM		
Index Fees @ 1st 4 Names Free Additional=\$0.00 each	1	1	\$0.00
Recording Fees @ 1st Page=\$10.00 Additional = \$8.50 each	6	1	\$52.50
Intangible Taxes @ \$2.00 per \$1000	0.00	1	\$0.00
Intangible Taxes @ \$2.00 per \$1000	0.00	1	\$0.00
Mortgage Doc Stamps @ \$0.35 per \$100.00	0.00	1	\$0.00
Mortgage Doc Stamps @ \$0.35 per \$100.00	0.00	1	\$0.00

TO PAY TO RECORD  
 OPTION @ SECURED  
 L \$ 52.50  
 11-30-2023

# HUD-1 to Purchase Property

*(P.O.) were paid outside the closing. They are shown here for informational purposes and are not included in the totals.*

D. Buyer:	K. Anderson, as Trustee of the West Beach Street Land Trust, dated January 29, 2024 P.O. Box 22 Adairsville, Georgia 30103
E. Seller:	3004 W. Beach St. Tampa, Florida 33607-2929
F. Lender:	3004 W. Beach St. Tampa, Florida 33607 3004 W. Beach St.
G. Property:	Tampa, Hillsborough County, Florida 33607-2929 Lot 4 and the West 23 feet of Lot 3, Block 58, MACFARLANE PARK SUBDIVISION, a subdivision, according to the plat thereof recorded in Plat Book 2, Page 82, of the Public Records of Hillsborough County, Florida.
H. Settlement Agent:	Gulfside Title Services, LLC Place of Settlement: 7763 Starkey Road, Seminole, Florida 33777 Pinellas County
I. Settlement Date:	February 20, 2024

J. Summary of Buyer's Transaction		K. Summary of Seller's Transaction	
<b>100. Gross Amount Due From Buyer:</b>		<b>400. Gross Amount Due To Seller:</b>	
101. Contract Sales Price	150,260.00	401. Contract Sales Price	150,260.00
102. Personal Property		402. Personal Property	
103. Settlement Charges to Buyer (line 1400)	11,807.00	403.	
<b>Adjustments for Items Paid by Seller in Advance:</b>		<b>Adjustments for Items Paid by Seller in Advance:</b>	
106. City / Town Taxes		406. City / Town Taxes	
107. County / Parish Taxes		407. County / Parish Taxes	
108. Assessments		408. Assessments	
<b>120. Gross Amount Due from Buyer:</b>	<b>162,067.00</b>	<b>420. Gross Amount Due to Seller:</b>	<b>150,260.00</b>
<b>200. Amounts Paid by or in Behalf of Buyer:</b>		<b>500. Reductions in Amount Due to Seller:</b>	
201. Deposit / Earnest Money		501. Excess Deposit (see instructions)	
202. Principal Amount of New Loan		502. Settlement Charges to Seller (Line 1400)	0.00
203. Existing Loan(s)		503. Existing Loan(s)	
204.		504. Payoff of First Mortgage	
205.		505. Payoff of Second Mortgage	
206.		506. Purchase Money Mortgage	
<b>Adjustments for Items Unpaid by Seller:</b>		<b>Adjustments for Items Unpaid by Seller:</b>	
210. City / Town Taxes		510. City / Town Taxes	
211. County / Parish Taxes		511. County / Parish Taxes	
212. Assessments		512. Assessments	
213. Reimbursement for fess buyer paid	779.00	513. Reimbursement for fess buyer paid	779.00
214. Seller Held Purchase Money Note	149,481.00	514. Seller Held Purchase Money Note	149,481.00
<b>220. Total Paid by / for Buyer:</b>	<b>150,260.00</b>	<b>520. Total Reductions in Amount Due Seller:</b>	<b>150,260.00</b>
<b>300. Cash at Settlement from / to Buyer:</b>		<b>600. Cash at Settlement to / from Seller:</b>	
301. Gross Amount due from Buyer (line 120)	162,067.00	601. Gross Amount due to Seller (line 420)	150,260.00
302. Less Amount Paid by/for Buyer (line 220)	150,260.00	602. Less Reductions Amount due Seller (line 520)	150,260.00
<b>303. Cash From Buyer:</b>	<b>\$11,807.00</b>	<b>603. Cash From Seller:</b>	<b>\$0.00</b>

**Purchase Price**  
**\$149,481**

# Warranty Deed

## General Warranty Deed

Made this February 20 2024 A.D. By [redacted], a single woman, whose address is: 3004 W. Beach St., Tampa, Florida 33607-2929, hereinafter called the grantor, to **K. Anderson, as Trustee of the West Beach Street Land Trust, dated January 29, 2024, with full power and authority, to protect, conserve, sell, lease, encumber or otherwise manage and dispose of said property, (hereinafter referred to as the "Trustee", which designation shall include all successor trustees)** whose post office address is: P.O. Box 22, Adairsville, Georgia 30103, hereinafter called the grantee:

(Whenever used herein the term "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations)

**Witnesseth**, that the grantor, for and in consideration of the sum of Ten Dollars , (\$10.00) and other valuable considerations, receipt whereof is hereby acknowledged, hereunto grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the grantee, all that certain land situate in Hillsborough County, Florida, viz:

Lot 4 and the West 23 feet of Lot 3, Block 58, MACFARLANE PARK SUBDIVISION, a subdivision according to the plat thereof recorded in Plat Book 2, Page 82, of the Public Records of Hillsborough County, Florida.

Parcel ID Number: A180616.0000

**Bought: February 20, 2024**

See attached Exhibit "A"

**Together** with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

**To Have and to Hold**, the same in fee simple forever.

**And** the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances except taxes accruing subsequent to December 31, 2023.

# Owner Carry Note (Owner Financed Note) – page 1

## PURCHASE MONEY NOTE

Date: February 20, 2024

Amount of Purchase Money Note: \$149,481.00

Owner Carry Note  
\$149,481  
0% interest  
\$500/month

As partial consideration, and part of the terms of sale for the property at 3004 West Beach Street, Tampa FL 33607, the undersigned Buyer (Payor), K. Anderson as Trustee of the West Beach Street Land Trust, will pay to the Seller (Note Holder), Natalie Marie Granade, the principal sum of One Hundred and Forty-nine Thousand Four Hundred and Eighty-one and 00/100 (\$149,481.00) Dollars, together with simple interest rate of 0.00% on the unpaid principal balance. Principal-only payments will be paid in consecutive monthly installments of Five Hundred and 00/100 (\$500.00) Dollars, or more, beginning on March 20, 2024, and continuing until December 20, 2048, when any balance then unpaid is due in full.

Principal and interest shall be payable at 3004 West Beach Street, Tampa FL 33607 or at such other place the Note Holder shall designate.

Failure to pay any monthly installment within 10 days of the date due, Payor will pay a late charge to the Note Holder. The amount of the late charge will be \$50.00.

The Payor will be in default of this Purchase Money Note 30 days after receiving a non-payment notice from the Note Holder. Notice shall be deemed given if mailed to the Payor's last known address and mailed by certified mail with return receipt requested.

If the Payor is in default, the payor has 30 days to cure the default. If the Payor does not cure the default by the end of the default period, the Note Holder may require the Payor to immediately pay the full amount of unpaid principal and all unpaid interest and late charges.

Payor is using this extension of credit, which are part of the terms of the sale of this property, in a commercial venture in which I expect to make a substantial profit. The commercial purpose is confirmed by the Buyer and Seller.

Owner Carry Note (Owner Financed Note) – page 2

**Right of First Refusal built into note just incase  
note holder decides to sell her note**

A Right of First Refusal is hereby granted to the Payor to match any offer accepted by the Note Holder for the sale of this Purchase Money Note. The Payor may purchase this Purchase Money Note from the Note Holder by paying to the Note Holder a price equal in amount and terms to the net proceeds, which the Note Holder would receive if the accepted sale of this Note had happened. This Right of First Refusal applies to any sale or assignment of this Purchase Money Note.

*K. Anderson as Trustee of the West Beach Street Trust*  
Payor: K. Anderson as Trustee of the West Beach Street Trust

# Securing Options

## What Are the Biggest Worries with Options?

Some of the most common questions investors ask when considering doing Option work are:

- “What if I acquire an Option to buy a property, and when I’m ready to exercise my Option to buy, the property owner refuses to sell?”
- “What if I acquire an Option, and the owner sells the property to someone else?”
- “What if I acquire an Option, and then the owner goes out, gets three more mortgages against the property, which wipes out all of the property’s equity?”
- “What if I acquire an Option, and then the owner gets a lien or judgement filed against the property?”
- “What if I acquire an Option, and then the owner lets the property fall into disrepair?”
- “What if I acquire an Option, and then the property goes into foreclosure?”
- “What if I acquire an Option with a strike price of \$250,000, and then the market tanks and the property’s value falls to \$150,000 on the date I’m supposed to exercise my Option?”

The simple answer to all these concerns (except the last one) is to secure your Option to the property so that it’s a recorded lien against the property. Remember: When an Option is secured to a property with a Mortgage or Deed of Trust, it becomes a title flaw, and title flaws can be a **VERY** powerful negotiating tool!

We continually hear “gurus” advise Optionees to record a *Memorandum of Option* in the county courthouse where the property is located. Frankly, I can't DISAGREE more!

Though a recorded Memorandum of Option will let the public know that an Option is encumbering a property, because it **can** be closed over, and because it's not a secured lien, I believe it's not the most effective way to secure an Option – *or for that matter any other promise* – to a property.

What is the best tool to use to secure an Option to a property and deal with the above concerns? Read on, brave investor!

## Why Secure Options

Pete Fortunato, more than anyone else, taught me the most about how and why to secure our Options to a property.

When we first started doing Options, I gave no thought to securing them to anything. I didn't even know that was a thing.

One day, someone told me to record something called a Memorandum of Option, so that's what we started doing.

In the mid 2000s, while attending one of Pete seminars, he talked about an Option he held against a property in the Orlando, Florida area, you know, Disneyworld.

After several years of owning the Option that was secured to the property with a Memorandum of Option, he drove to the property to give it a look see. Imagine his surprise when he found a large hotel complex sitting on what should have been his land. Come to find out, when that land sold, because Pete had only recorded a Memorandum of Option, and because Memorandum of Options are not secured liens, and because an Option is a right, not an obligation, his Option was completely ignored at closing. Oops!

I know what you're thinking. Why didn't Pete sue the closing title company, or the seller, or the buyer for making such an egregious

and expensive mistake. If you must ask this question, then you don't know Pete. Pete avoids things like courts, judges, and attorneys at all costs. He calls such things, "a soul-stealing experience."

After that event, Pete went to the drawing board to figure out a way for this to never happen again. His solution was pure genius!

Instead of using a Memorandum of Option, Pete began securing his Options using a Mortgage or Deed of Trust. This made all the difference in the world. No one has ever closed over the top of one of his Options again. Problem solved!

Very few people in the real estate world fully grasp the purpose of Mortgages and Deeds of Trust. Most believe these securing tools are only used to secure Promissory Notes – a loan of money – to a property. They can't be more wrong!

What Mortgages and Deeds of Trust actually do is secure promises to a property. In other words, the property being secured becomes the collateral for the promise being made.

Yes, the promise can be a Promissory Note. But a promise can also be an Option agreement. It can be a Purchase and Sale agreement. It can be a Power of Attorney. It can be any promise made between people.

It's worth repeating: Mortgages and Deeds of Trust secure promises, it can be any promise, not just a Promissory Note.

You can bet dollars to donuts that almost no one in your hometown is aware of this INCLUDING real estate attorneys, realtors, mortgage brokers, title agents, other real estate investors, people who work in the courthouse, and deed dogs.

## **How to Secure Options to a Property**

In the mid 2000s, after learning how to do it from Pete Fortunato, the first time Kim and I attempted to secure an Option to a property

using a Security Deed (Deeds of Trust in Georgia are called Security Deeds), we were stopped cold by the Clerk of Courts.

When we handed the Security Deed to the Clerk of Courts, because what was being secured was a 15-year Option agreement, she told us we owed Intangible Tax.

I explained that what was being secured was not a Promissory Note, but an Option (a right to purchase the property in the future), and because the purchase hadn't yet happened, and because an Option is not a loan of money, no Intangible tax nor transfer tax was owed.

This caused the girl's eyes in the Clerk of Courts office to cross.

It took two hours of back-and-forth conversation, along with several conversations with Peter Olson, the county attorney, before the Clerk of Courts office agreed with my (Pete's) argument that an Option could be secured to a property using a Security Deed, and because an Option was not a loan of money, no Intangible Tax was owed, and because I hadn't yet bought the property, no transfer tax was owed.

Since this go-round with the Clerk of Courts office, they've never again given us the least bit of static when we show up to record an Option using a Security Deed, which secures our Option to the property.

Because Kim made the decision to move to Florida, we've begun doing Option work in Florida.

The first Option I acquired was on a single-family house in Tampa. Just as it was in Bartow County, Georgia, when I tried to record this Option while using a mortgage (Florida is a Mortgage state, not a Deed of Trust state) to secure it to the property, they told me flat out that I **MUST** pay intangible tax!

Folks, I was in Tampa, Hillsborough County to be precise, the home of Jack "*The King of Options*" Miller. He recorded many Mortgages that secured Option here back in the day. No way was a bureaucrat going to deny me.

As I did in Georgia, I worked my way up through the chain of command. Each level of bureaucracy insisted that I was required to pay intangible tax, it didn't matter that what I was securing was an Option and not a promissory note.

After an hour and a half, I finally spoke to someone with some juice. This person agreed that because what was being recorded and secured by a mortgage was not a loan, no intangible tax was due. And with that, my mortgage securing the Option was recorded.

Please know the chances are nearly 100% that the first time you attempt to secure an Option using a Mortgage or Deed of Trust in your courthouse, you will get pushback.

When this happens, and it WILL happen, be polite. Do not be like Pete Fortunato. When he got pushback, he asked the person at the Clerk of Courts office, "Is there anybody competent who works here?"

Let me add, over the years Kim and I have acquired many Options. Most were recorded in the county courthouse and secured to the property using a Security Deed. A number of times, we've received phone calls from real estate attorneys, mortgage brokers, and deed dogs inquiring about a Security Deed securing our Option. Never, not once, has one of our Options been closed over the top of.

We ***strongly*** recommend you learn how Mortgages and/or Deeds of Trust work in your state.

## **Great Jack Miller Lesson**

Here's one of the best lessons Jack Miller taught us, and this lesson explains why Kim and I are so particular about how we secure our Options.

"The better your Options is secured, the more valuable your Option become."

# Pelican Point: Creatively Buying Our Forever Home



## How We Found the Property

In 2023, after Venice, Florida suffered severe hurricane damage, our good friend, Ed Taylor, who we lovingly refer to as “*The Mayor of Venice*” because he knows EVERYBODY, called. Ed said, “Billy, you and Kim need to come down here to do some Option work. You say you always stop at a property that has a blue tarp on the roof in hopes of doing an Option deal, well, now EVERY house in Venice has a blue tarp on the roof.”

Instead of heading out west, Kim and I drove our motorhome to Venice, Florida and parked it.

It wasn't long after getting here that Kim said, “Honey, I love Venice. I want to live here the rest of my life. And with that, she began searching, knocking doors, going to open houses and yard sales, etc.”

She narrowed down where she wanted her forever house to Pelican Point Subdivision.

In the fall of 2024, while driving through Pelican Point for the millionth time, she stopped to visit with a homeowner standing in her yard. Kim told the nice lady that she wanted to buy a home in the subdivision and live there forever. The lady promised to keep an eye out.

Two months later, the lady called back to say their circumstances had changed, and she and her husband wanted to sell their house and move to Vermont.

## **Our First Face-to-Face Negotiation**

On November 19, 2024, Kim and I met with the sellers, Lynn and Chris, for the first time. This meeting was held at their home. To be more precise, we sat on their beautiful lanai.

Being outdoors has always been very important to Kim. She loves back porches like nobody you ever met. It's safe to say if you give Kim the choice between being inside the house or outside on the back porch, she'll choose the back porch every time!

In 2023, when Kim made the decision to live in Venice, Florida, her focus was Pelican Point subdivision. The two prerequisites the home had to have was a big, beautiful lanai and a pool. Being on the golf course was important but not critical.

For more than a year, Kim and I had been making written offers in Pelican Point. A couple of offers were almost accepted, but nothing had materialized, which meant we continued living in our Tiffin Phaeton motorhome.

When I walked in to Lynn and Chris's home and saw the size of their lanai, and then the beautiful pool, I realized this was the home for which Kim had been searching.

Our meeting with the sellers began, as it always does, with me asking Pete Fortunato's famous question, "Why are you selling such a nice house like this?"

Of course, while asking my questions I was making a T-bar.

When I finished the T-bar, I had no doubt that Lynn and Chris were motivated sellers. I turned to Kim and asked, "Kim, do you want this house?" I asked this question in front of Lynn and Chris.

Kim took a deep breath and her eyes moistened. She said, "Yes, Bill, I would love to live here!"

Next, I turned to Lynn and asked, "Lynn, do you really want to sell your home?" Lynn, who was a straightforward man, confirmed he wanted to sell.

I studied the T-bar for about two minutes well we all sat there. I then turned to Lennon said, "Lynn, if you will work with me, you'll be able to sell your house when YOU'RE ready to sell for the amount that YOU want to be paid, \$580,000. Is this OK by you?" Lynn said that it was.

Using a tablet, and having done no due diligence, I wrote up our offer to buy Lynn's and Chris's home and handed it to Lynn.

My offer was to pay Lynn \$580,000 for his home. This was \$40,000 above the property's current fair market value. In return for paying Lynn his asking price, I asked that he let me buy his home subject to his mortgage (I didn't use the term "subject to" when talking to Lynn). That's right, I was structuring a Subject-to Deal.

This conversation happened on November 19, 2024. Kim and I bought Lynn's and Chris's home five months later on April 16, 2025. The price and terms we paid were the **exact** price and terms I listed on a sheet of paper (my offer) on November 19, 2024, and handed to Lynn.

Sure, during those five months there were many ups and downs, many concerns that need to be dealt with, and many questions to be

asked and answered. Over the five months, Kim and I had 20 face-to-face meetings with Lynn and Chris.

Did you hear that? To make this deal happen, 20 face-to-face meetings were required. Out of curiosity, on average how many times do you meet with a seller before you give up?

## **Thank You Ed Taylor**

On the following pages, you'll see some of the paperwork used to memorialize this deal.

Kim and I want to thank Ed Taylor. It was because of Ed that we came to Venice. When we arrived, we had no thoughts of making Venice our forever home. Because Ed took us under his wing, because of the wonderful way he leads Sarasota REIA, he made Kim and me want to be part of his community.

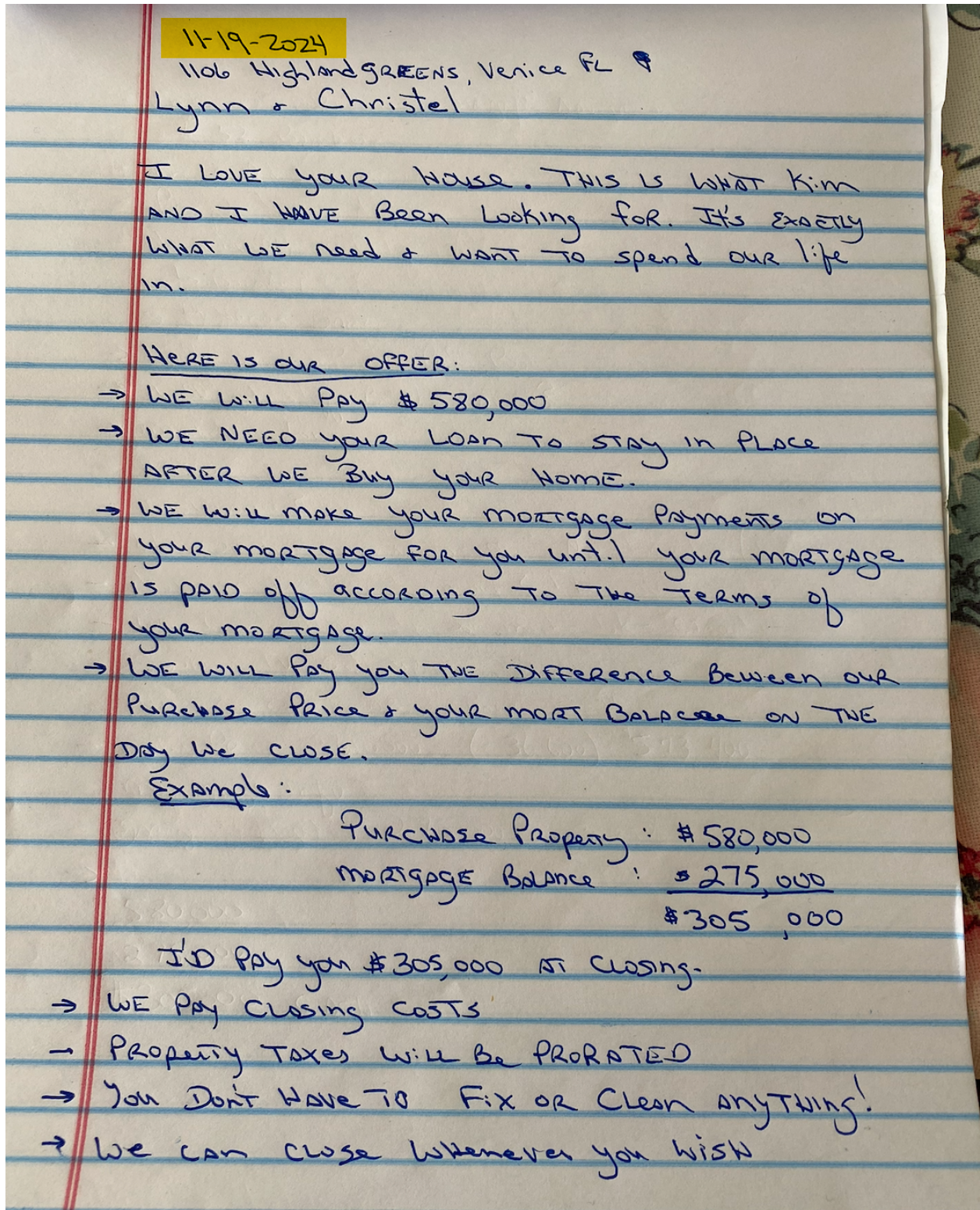
Thank you, Ed Taylor!

# Deal Documentation

## T-bar

11-19-2024 (#58)		
1109 Highwinds Greens Drive, Venice FL Sellers: Lynn + CHRIS Holmes		
- Kim found them (chris) while Door Knocking. THEIR house was NOT for sale, NOR WERE THEY THINKING ABOUT selling. Kim met her in October 2024		
	T-BAR	
	CURRENT POSITION	POTENTIAL POSITION
> Due to Health, He (Lynn) needs to sell	→ WE want to Buy your house.	
> NOT SURE WHEN they'll move to Vermont	→ We are Flexible as to when we can Buy your Property	
> He wants His Price: \$	→ We will pay your ASKING Price.	
> He doesn't want to list with a REATOR because of the Required Showings	→ We are NOT REATORS. We want to own the Property.	
> They'd prefer to NOT Fix or CLEAN Anything	→ You Don't need to Fix or <del>clean</del> Clean Any Thing.	
> He has a DUCT work cleaning due scheduled	→ You Don't have to clean the DUCTS.	
> He's concerned about Prepp house for sale	→ You Don't have to Prep house for sale. Will Buy IT AS IS.	

## Hande Written Offer



## Hand Written Structure Explanation to Sellers – page 1

1-22-2024

**I HAND DELIVERED THIS LETTER TO LYNN AND WE DISCUSSED CONTENTS FACE TO FACE. KIM AND CHRIS WERE THERE.**

Lynn and Chris,

Included with this letter are 5 newspaper columns I wrote that describe Subject-to Deals. This is the type of purchase structure I'm asking to do when we buy your house. The date each column was published is written in ink at the top of each page.

Lynn, I want to answer as clearly as possible the concerns you asked about concerning our proposed purchase structure.

**First**, when we buy your property, from that point forward, Kim and I are responsible for making the monthly mortgage payments on your mortgage. Neither you nor Chris nor your heirs will be required to make the mortgage payments.

**Second**, it's important you fully understand what will happen if Kim and I fail to live up to our promise to pay your mortgage. Because the house is the collateral for the loan, if we don't do as promised, the lender will have the right to foreclose and sell the property to the highest bidder at a public auction.

Because the house has a fair market value of about \$540,000, with a loan balance of approximately \$275,000, the lender will easily recover the full amount they are owed (\$275,000).

At the same time, if the lender forecloses, Kim and I will be hurt severely. We will lose the approximately \$305,000 we're paying you at closing. That said, you can see why Kim and I will make each monthly mortgage payment in full and on time.

**Third**, you may wonder what will happen if Kim and I pass away. As it is with most everyone who passes, our heirs will inherit the property and then will sell it. When it sells, your mortgage will be paid off.

**Fourth**, if you agree to this sale structure, here's what's "in it" for you and Chris:

- You will sell your house for \$580,000, which is approximately \$40,000 above the current fair market value of \$540,000 (this is based on recent comparable sales in your neighborhood).

## Hand Written Structure Explanation to Sellers – page 2

- You will not be forced to list your house with a realtor and pay a 6% real estate selling commission. (Commission will be approximately \$20,400 based on a sale price of \$540,000.)
- You will leave closing with considerably more cash in your pocket than if you listed and sold your home through a realtor.

*Example: We will pay \$40,000 above the estimated fair market value.*

*On top of this, if you list with a realtor, and if your property sells at fair market value (approximately \$540,000), you'll pay the following at closing:*

- *Mortgage payoff (approximately \$275,000)*
- *Real estate commissions (approximately \$20,400)*
- *Some of the closing costs (approximately \$5,000)*
- *Getting your property ready to sell (approximately \$5,000)*

*You'll net approximately **\$234,600** cash at closing.*

*If you sell to us, you'll walk away with approximately **\$305,000**. (\$580,000 sale price - \$275,000 mortgage balance = \$305,000).*

*This is about **\$70,400 MORE** than you'd get by using a realtor.*

- You will not need to fix or clean or reorganize anything. If you list with a realtor, they will require all these things be done.
- When packing, take everything you want to take with you to Vermont, and leave anything you don't want to take at the house.
- You and Chris will not need to leave your home every time a realtor wants to show your property.
- You and Chris will not need to leave every time a realtor wants to host an open house.
- We can purchase your property whenever it's convenient to you.
- A seller is likely to ask for a discount off your home's fair market value (approximately \$540,000). A seller is also likely to ask you to pay some or all the closing costs.

## Hand Written Structure Explanation to Sellers – page 3

Kim and I are agreeing to pay more than the property's fair market value. At the same time, we are agreeing to pay the closing costs.

*Bottomline: Lynn, you will make more money, you will sell your home quicker, you will have less work to do to get your home ready to sell, and you won't incur the frustration of having to leave your home every time a realtor wants to show the property.*

**Fifth**, with this selling structure, here's what's "*in it*" for Kim and me:

- If we are forced to get a mortgage, the interest rate for a 30-year fixed-rate mortgage currently hovers around 7.1%. By agreeing to make your mortgage payments on your mortgage for you according to the terms of your mortgage, the interest rate will be approximately 3.25%.
- If Kim and I are forced to get a new mortgage, the lender will charge us between \$8,000 to \$10,000 in lender fees. With a Subject-to Deal, we will not incur these silly fees.

Lynn, as you and Chris have questions, feel free to give me a call. I'll gladly answer your questions as clearly as possible.

Thank you,

Bill Cook  
770-815-8727

# Option Agreement – page 1

## EXHIBIT “A”

### OPTION AGREEMENT

(Granting the Optionee the Exclusive Irrevocable Right and Option to Purchase Real Property)

STATE OF FLORIDA

COUNTY OF SARASOTA

This Option Contract made this 18<sup>th</sup> day of February, 2025, between [REDACTED], husband and wife, whose address and contact information is 1106 Highland Greens Drive, Venice, Florida 34285, and his/her/their/its heirs, successors, administrators and assigns, hereinafter called the Optionor, and W. Cook as Trustee of the Highland Greens Drive Estate Trust, whose address and contact information is PO Box 22, Adairsville, Georgia, and his/her/their/its heirs, successors, administrators and assigns, hereinafter called the Optionee.

**OPTIONEE’S PHONE NUMBER: 770-815-8727**

**OPTIONEE’S ADDRESS: PO Box 22, Adairsville GA 30103**

**SUBJECT PROPERTY:** The Property with the mailing address of 1106 Highland Greens Drive, Venice Florida, 34285-5662, with Parcel ID Number: 0425150003, and with the legal description of:

***SEE MORTGAGE OF EVEN DATE FOR LEGAL DESCRIPTION***

Whereas Optionor desires to grant an option to purchase and the Optionee desires to receive an option to purchase the Subject Property described above, the Optionor and Optionee agreed as follows:

- 1. CONSIDERATION:** The Optionor, in consideration for receiving Option Consideration of the Optionee treating Optionor’s bed bug infestation, along with other good and valuable consideration, the receipt whereof is hereby acknowledged, acknowledges and agrees that the Optionee has an *exclusive irrevocable right* to buy the above described Subject Property.
- 2. OPTION AGREEMENT DATES:** This Option Agreement begins on the **18<sup>th</sup> day of February 2025**. This Option Agreement expires on the **31<sup>st</sup> day of December 2030**. The Optionor grants to Optionee the exclusive right to purchase the Subject Property. The Optionee may exercise his/her/their/its right to purchase the Subject Property at any time

## Option Agreement – page 2

after Optionor acquires a new place to live, or moves from the property, or can no longer maintain the property, and on or before **December 31<sup>st</sup>, 2030**. The Optionee must notify Optionor in writing of intent to purchase at least 30 days prior to purchasing. Notice shall be deemed given if mailed to Optionor's last known address and mailed by certified mail with return receipt requested on the day following postmark on the certified mail receipt.

3. **IF OPTION IS NOT EXERCISED:** Should Optionee not exercise this option to purchase the property prior to the option expiration date, the Optionor may retain all consideration as full liquidated damages, and all obligations of each party shall terminate.
4. **IF OPTION IS EXERCISED:**
  - a. The Total Purchase Price of the Subject Property will be **Five Hundred and Eighty Thousand Dollars (\$580,000.00)**. *All* of the Optionee's Option Consideration Fee, if any, will apply to the property's Total Purchase Price.

In the event the Optionee elects to exercise this option, Optionor grants Optionee the right to purchase Subject Property free and clear of all liens or encumbrances except those specifically noted in this contract, which Optionee may take subject to.

Optionor understands that if Optionee exercises his/her/their/its right and purchases Subject Property subject to Optionor's mortgage(s), then at closing, the Optionor's mortgage(s) will *not* be paid off. Instead, the Optionee agrees to make the Optionor's mortgage(s) payments on the Optionor's mortgage(s) for the Optionor until Optionor's mortgage(s) is paid in full according to the terms of the Optionor's mortgage(s). The Optionee does not promise to pay off Optionor's mortgage(s) early. The Optionee does promise to pay off Optionor's mortgage(s) at the end of the term of the note.

The Optionee will pay Optionor in cash the difference (if any) between the Total Purchase Price and the balance of the Optionor's mortgage(s) being taken subject-to.

*EXAMPLE: In the option agreement, the Optionor agreed to sell Subject Property to Optionee for \$580,000. The Optionor also agreed to sell Subject Property subject-to his existing mortgage. The Optionee paid \$100.00 to Optionor as an Option Consideration Fee.*

*Some months later, Optionee elects to exercise his option and buys Subject Property. The Total Sale Price is \$580,000. At the time of sale, the Optionor's mortgage balance is \$275,000.*

*At closing, Optionee pays Optionor \$304,900 cash (\$580,000 sale price - \$275,000 mortgage balance - \$100 Option Consideration Fee = \$304,900).*

## Option Agreement – page 3

*When Optionee exercises option and purchases Subject Property, he does so subject-to Optionor's mortgage.*

- b. Encumbrances Specifically noted in this contract that may be taken subject to:

**Lender/Servicer:** [REDACTED]

**Lender/Servicer Address:** [REDACTED]

**Lender/Servicer Phone:** [REDACTED]

**Borrower(s):** [REDACTED]

**Account Number:** [REDACTED]

**Mortgage Balance as of 11-4-2024:** \$277,016.58

**Monthly Payment:** \$1,281.05

**Interest Rate:** 3.10%

- c. Closing Costs: Paid by Optionee

- d. In the event that the Option is exercised, the closing will take place at a location, date, time, and with an attorney or closing agent or title company designated by the Optionee.

5. **OPTION EXTENSION:** Optionee may extend this Option Agreement to **12-31-2035** by paying Optionor an Option Extension Fee of **\$1,000.00** on or before the date this Option Agreement expires. The entire amount of the Option Extension Fee will apply to the Option Consideration Fee. *All* of the Optionee's Option Consideration Fee will be credited to the cash owed (if any) to the Optionor when legal title transfers.
6. **CONVEYANCE:** If Optionee shall notify Optionor of Optionee's intent to take legal title to the Subject Property before this Option terminates, then within 30 days of receipt of such notice, Optionor will deliver fee simple interest in title to the Optionee, or Optionee's heirs or assigns, by Warranty Deed, free and clear of all liens or encumbrances, except those of record the original date of signing of this Agreement.

Optionor warrants that the existing mortgage(s) will be current in all payments of principal, interest and escrow amounts required by the Mortgagee when legal title transfers, and that, as of such transfer date, there will be no outstanding property taxes or governmental assessments.

Optionor will not further encumber the Subject Property after the date of this contract, and this contract may be recorded at the Optionee's expense. *The recording of this contract puts the Public on notice that all liens and encumbrances filed subsequent to this contract will automatically extinguish upon the exercise of this contract.*

In the event of a foreclosure or bankruptcy of the Optionor, the Optionor's rights of redemption shall transfer to the Optionee without further compensation and this contract shall serve as conveyance without further action.

## Option Agreement – page 4

7. **SPECIAL PROVISIONS:** No agreements, unless incorporated herein, shall be binding upon the Optionee or the Optionor. Prorations and adjustments upon transfer of title will be based upon date of transfer.
  8. **RECORDABILITY:** This Option Agreement may be recorded.
  9. **ASSIGNABILITY:** The Optionor is not permitted to assign this Agreement. The Optionee is allowed to assign this Agreement.
  10. **GRAMMATICAL ADJUSTMENTS:** The covenants here contained shall bind and the benefits and advantages shall inure to the successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural and/or the singular; the use of any gender shall include both genders; the use of the word mortgage shall include mortgage and/or deed of trust.
- 
11. **GOVERNING LAW:** This Agreement, and all transactions contemplated hereby, shall be governed by, construed, and enforced in accordance with the laws of the state of **Florida**.
  12. **TIME:** Time is of the essence for this Option Agreement.
  13. **SEVERABILITY:** In the event any part of this Option Agreement be construed as unenforceable, the remaining parts of this Agreement shall remain in full force and effect as though the unenforceable part or parts were not written into this Option Agreement.

# Option Agreement – page 5

IN WITNESS WHEREOF, the parties have signed this Agreement the day and year first above written. If more than one party is shown as Optionor or Optionee, and should less than all sign, then the party or parties signing warrant they are acting as agent to sign for any party not signing this Agreement.

This option is granted by the Optionor to the Optionee on **February 18, 2025**.

**1106 Highland Greens Drive, Venice Florida, 34285-5662**

**WITNESSES:**

Nancy Kalin  
Signature – Witness 1  
Nancy Kalin  
Print Name  
Address: 4107 S Tamiami Trail Venice FL  
34293

[Signature]  
Signature – Witness 2  
Joel J Wernick  
Print Name  
Address: 4107 S Tamiami Trail Venice FL  
34293

**OPTIONOR:**

By [Redacted]  
Address: 1106 Highland Greens Dr, Venice FL 34285

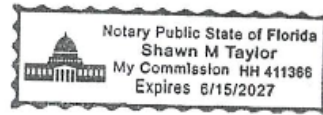
By [Redacted]  
Address: 1106 Highland Greens Dr, Venice FL 34285

STATE OF FLORIDA  
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization on 2/19, 2025, by Shawn M Taylor.

[Signature]  
Signature of Notary Public  
Print, Type/Stamp Name of Notary

Personally Known: \_\_\_\_\_ or Produced Identification: FL DL  
Type of Identification Produced: H 452-521-37-373-D  
H 452-118-38-785-D



# Recorded Mortgage Securing Option – page 1

PREPARED BY:  
Bill Cook  
PO Box 22  
Adairsville GA 30103

✓ RETURN TO:  
Bill Cook  
PO Box 22  
Adairsville GA 30103



RECORDED IN OFFICIAL RECORDS  
INSTRUMENT # 2025025891 7 PG(S)  
February 19, 2025 03:43:45 PM  
KAREN E. RUSHING  
CLERK OF THE CIRCUIT COURT  
SARASOTA COUNTY, FL



## MORTGAGE To Secure Option Agreement



This indenture, made this 18<sup>th</sup> day of **February, 2025**, between \_\_\_\_\_, \_\_\_\_\_, a married couple, of **1106 Highland Greens Drive, Venice, Florida 34285**, and their heirs, successors, administrators and assigns, hereafter Mortgagor and **W. Cook as Trustee of the Highland Greens Drive Estate Trust of PO Box 22, Adairsville, Georgia, 30103**, and his/her/their successors, administrators and assigns, hereinafter Mortgagee.

Whereas, the said Mortgagor has, for and in consideration of the Mortgagee agreeing to pay above market value for the property, and to treat bedbugs at the property, along with other good and valuable consideration, the receipt whereof is hereby acknowledged, obligates themselves to the said Mortgagee to deliver fee simple title, subject to the mortgage, to that certain parcel of real estate, legally described below, which obligation is evidenced by Option Agreement of even date herewith, attached hereto and by reference herein made a part hereof (see Exhibit "A"), to secure to the Mortgagee the compliance and performance of the Mortgagor in meeting both the letter and the spirit of the Option Agreement attached hereto, Lynn A. Holmes and Christel T. Holmes and their heirs, successors, administrators and assigns, hereinafter called Mortgagor does hereby mortgage, grant and convey to Mortgagee the following described land, situate, lying and being in the County of Sarasota, state of Florida, to wit:

The land together with the improvement thereon at 1106 Highland Greens Drive, Venice, Florida 34285 legally described as:



## Recorded Mortgage Securing Option – page 2

**SEE EXHIBIT "A" FOR OPTION AGREEMENT, ATTACHED HERETO  
AND MADE A PART HEREOF BY REFERENCE**

And the said Mortgagor does hereby fully warrant the title to said land and will defend the same against the lawful claims of the persons whomsoever. Provided always, that if the said Mortgagor, her heirs, legal representatives or assigns, shall meet both the letter and the spirit of the agreement evidenced by said Option Agreement and perform, comply with and abide by each and every of the stipulations, agreements conditions and covenants and expenses, including reasonable attorney's fees, which the Mortgagee may incur in enforcing the Option Agreement secured by this mortgage, then, this mortgage and the estate hereby created shall cease and be null and void and the Mortgagee shall deliver to the Mortgagor an executed satisfaction of the Mortgage.

In Witness Whereof, the Mortgagor sets her hand and seal this 18<sup>th</sup> day February 2025. Signed, sealed and delivered in the presence of:

\_\_\_\_\_  
Mortgagor –

\_\_\_\_\_  
Mortgagor –

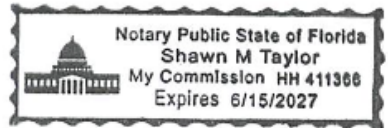
*Narcie Kalin*

Witness

**STATE OF FLORIDA  
COUNTY OF SARASOTA**

The foregoing instrument was acknowledged before me by means of physical presence, this 18<sup>th</sup> day of February 2025, by Lynn A. Holmes and Christel T. Holmes, a married couple hereinafter called Mortgagor, being personally known to me or who presented a Driver's License as identification. Witness my hand and official seal.

My commission expires: *6/15/2025*



Notary Public: *Shawn M Taylor*

# Closing Instructions to Attorney – page 1

## Closing Instructions to Attorney

Date April 8, 2025

Dear Chad and Madison:

These instructions are for the following loan-

Buyer: W. Cook as Trustee of the Highland Greens Drive Trust

PO Box 22

Adairsville GA 30103

Phone No. 770-815-8727

Purchase Property: 1106 Highland Greens Drive, Venice, Florida 34285

Seller:

1106 Highland Greens Drive

Venice, Florida 34285

Phone No. \_\_\_\_\_

Sale Price: \$580,000

Terms: Buyer will buy property subject-to existing first mortgage with \_\_\_\_\_ account number \_\_\_\_\_, with mortgage balance of \$274,746.11. Buyer will pay seller \$305,253.89 (minus prorated 2025 property taxes) cash at closing.

- SUBJECT-TO LOAN:** \_\_\_\_\_ 3. Account Number \_\_\_\_\_ 30-year fixed rate loan at 3.15% interest. Monthly mortgage payment of \$1,281.05 (PI)
- BUYER GETTING NEW LOAN SECURED IN 2<sup>ND</sup> POSITION :** Buyer will get new loan that will be in second position to subject-to first. Lender will be \_\_\_\_\_, Reginald Lal Trustee, \_\_\_\_\_. Amount of note will be \$75,000. Terms to be determined.

Borrower will pay for lender's title policy

For info about this 2<sup>nd</sup> position loan, please contact:

Carrie Crowder

## Closing Instructions to Attorney – page 2

3. **CLOSING PROTECTION LETTER:** Please send us your Closing Protection Letter prior to the closing. Funds will not be wired until this letter is received.
4. **FUNDS:** Funds totaling the amount of \$305,253.89 + closing costs will be wired to your account. Please provide wiring instructions as soon as possible.
5. **TITLE INSURANCE:** Buyer wants title insurance. Buyer will pay for title insurance
6. **SURVEY:** X Waived  Survey required. Please assure survey matches legal description and survey exception to Title Policy is removed.
7. **PROPERTY INSURANCE:** Buyer will provide proof of insurance for the property
8. **TAXES & OTHER ASSESSMENTS:** Please obtain Tax Report. Ensure that all taxes due are paid in full for all government taxing entities. Also, verify any utilities, sanitation or other government or quasi-government bills that could affect the property are paid in full.
9. **BANKRUPTCY SEARCH:** Please perform a judgment, tax lien and bankruptcy search on ALL borrowers and provide a copy of this report by email.
10. **RUSH RECORDING:** Please rush record all appropriate documents and forward to our office immediately upon recording. Charge rush recording fees to borrower.
11. **OTHER DOCUMENTS:** Your office shall prepare all documents relevant to this transaction and in compliance with state law. Provide signed, recorded, blue-ink originals, true and certified copies, or copies as appropriate as soon as practical following the closing:
  - a. HUD-1 or HUD-1A with Acknowledgment and Receipt
  - b. Copy of recorded Mortgage
  - c. Copy of Warranty Deed
  - d. Copy of new 2<sup>nd</sup> position note
  - e. Copy of new 2<sup>nd</sup> position mortgage
  - f. Copy of title policy
  - g. All other documents signed during closing

Please provide your closing protection letter and your wiring instructions as confirmation of receipt of these instructions to us by email no later than 48 hours before the scheduled closing.

**Closing Statement (not a HUD-1) – page 1 only**

**Sale Price: \$580,000**

**Loan Amount: Reggie Lal's 2<sup>nd</sup> position PML \$75,000**

**Seller Credit: This is the seller's S2 Mortgagee: \$275,746.11**

**Our Cash to Close: \$251,000**

File #:		Property	1106 Highland Greens Drive	Settlement Date	04/16/2025
Print Date & Time:	04/16/2025 at 10:51 AM EDT		Venice, FL 34285	Disbursement Date	04/16/2025
Attorney:	Chad L. Gates Esq.	Buyer	W. Cook, Trustee of The Highland Greens Drive Estate Trust u/a/d		
Settlement Location:	2070 Ringling Boulevard Sarasota, FL, 34237		04/16/2025 dated April 16, 2025		
		Seller	1106 Highland Greens Drive Venice, FL 34285		
		Lender			

Seller			Buyer	
Debit	Credit		Debit	Credit
		<b>Financial</b>		
	\$580,000.00	Sale Price of Property	\$580,000.00	
		Loan Amount		\$75,000.00
\$274,746.11		Seller Credit		\$274,746.11
		Borrower Funds		\$251,000.00
		<b>Prorations/Adjustments</b>		
\$1,563.01		County Taxes 01/01/2025 to 04/16/2025		\$1,563.01
	\$964.17	HoA Dues 04/16/2025 to 06/30/2025	\$964.17	
	\$296.97	Non-Ad Valorem Assessments 04/16/2025 to 09/30/2025	\$296.97	
		<b>Government Recording and Transfer Charges</b>		
		Recording Fees	\$232.50	
		---Deed: \$18.50		
		---Mortgage: \$214.00		
		Documentary Stamp Tax (Deed) to Sarasota County Clerk	\$4,060.00	
		E-File Fee to Simplifile	\$10.00	
		Documentary Stamp Tax (Mortgage) to Sarasota County Clerk	\$262.50	
		Intangible Tax (Mortgage) to Sarasota County Clerk	\$150.00	
		<b>Title Charges &amp; Escrow / Settlement Charges</b>		
		Title - Closing Fee to Band Gates & Dramis PL	\$750.00	
		Title - Digital Archive Fee to Band Gates & Dramis PL	\$25.00	
		Title - Lien Search to Exacta Lien Search	\$235.00	
		Title - Title Search to Title Resources	\$95.00	
\$30.00		Title - Wire Transfer Fee to Band Gates & Dramis PL		
		Title - Lender's Title Policy to Title Resources Guaranty Company	\$431.25	
		Title - Owner's Title Policy to Title Resources Guaranty Company	\$2,568.75	

# Seller Subject-to Acknowledgement Form – page 1 only

## SELLER'S ACKNOWLEDGEMENT FORM – SUBJECT-TO DEAL

I, \_\_\_\_\_ (Seller), on this 16<sup>th</sup> day of April, 2025, am selling my property commonly known as 1106 Highland Greens Drive Venice FL (The Property), to W. Cook AS TRUSTEE OF Highland greens DR Estate Trust (Buyer) and or assigns, according to the terms and conditions contained in the Purchase Agreement (The Agreement) dated 4-16-2025.

I acknowledge that the following is true:

- C.K. J.H. 1. I understand that I am selling my property subject-to my mortgage(s).
- C.K. J.H. 2. I understand that this is known as a "Subject-to Deal".
- C.K. J.H. 3. I understand that when I sell my property, my mortgage(s) will not be paid off. Instead, my mortgage will remain in my name.
- C.K. J.H. 4. I understand that the buyer is not assuming my mortgage(s). Instead, the buyer is agreeing to make *my* mortgage payments on *my* mortgage for *me*.
- C.K. 5. I understand that by selling my property and not paying off my mortgage(s), I'm in violation of the Due on Sale clause in my Security Deed. Additionally, I understand that my lender has the right to call my mortgage due at any time. I accept this risk as part of the consideration for getting my property sold.
- C.K. 6. I understand that even though I am selling my property, if the buyer fails to make my mortgage payments on my mortgage for me, the lender will hold me responsible for my mortgage, and that my lender has the right to foreclose on the property because the property is the collateral for the mortgage.
- C.K. 7. I understand that because my mortgage(s) will remain in my name after the sale of my property, it may affect my ability to get new loans.
- C.K. 8. I acknowledge that the buyer has not agreed to pay off my mortgage(s) early.
- C.K. J.H. 9. I acknowledge that there are no judgments threatening the equity in the subject property, and that there is no bankruptcy pending or contemplated by any title-holder.
- C.K. 10. I indemnify and hold the real estate broker(s) (if any) and closing attorney involved in this transaction, as well as the buyer of this property, harmless regarding this transfer subject to the existing debt.
- C.K. J.H. 11. I will not further encumber this property.
- C.K. 12. I acknowledge that the buyer has recommended that if I have any questions about selling my property subject to my mortgage, I should seek legal council.

# Warranty Deed Showing Subject-to Mortgage – page 1

RECORDED IN OFFICIAL RECORDS  
INSTRUMENT # [REDACTED] 2 PG(S)

4/16/2025 2:16 PM

KAREN E. RUSHING

CLERK OF THE CIRCUIT COURT

SARASOTA COUNTY, FLORIDA

SIMPLIFILE

Receipt # 3327219

Prepared by and return to:  
Chad L. Gates Esq.  
Band Gates & Dramis PL  
2070 Ringling Boulevard  
Sarasota, FL 34237  
(941) 366-8010  
File Number: 25-048

Doc Stamp-Deed: \$4,060.00

## Warranty Deed

Made on April 16, 2025, by [REDACTED], husband and wife, whose address is [REDACTED] (hereinafter called the "Grantor"), to **W. Cook, Individually and as Trustee of The Highland Greens Drive Estate Trust dated April 16, 2025**, with full power and authority to protect, to conserve, to convey, to sell, to lease, to encumber, or otherwise manage and dispose of the property pursuant to Florida Statute 689.073, whose post office address is **1106 Highland Greens Drive, Venice, FL 34285** (hereinafter called the "Grantee"):

(Whenever used herein the term "Grantor" and "Grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations)

**Witnesseth**, that the Grantor, for and in consideration of the sum of **\$580,000.00** and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the grantee, all that certain land situate in **Sarasota** County, Florida, viz:

[REDACTED]

Parcel ID Number: [REDACTED]

### Subject To:

1. **That certain mortgage** or deed of trust dated March 30, 2021, recorded April 1, 2021 in Official Records Instrument No. 2021058621 of the Public Records of Sarasota County, Florida, **given by Grantor to secure a note in the original principal amount of \$300,000.00**, in favor of MERS as Nominee for Caliber Home Loans, Inc., and any and all modifications, extensions, renewals or replacements thereof.
2. All **easements, covenants, restrictions, and reservations** of record, if any.

**Together** with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

**To Have and to Hold**, the same in fee simple forever.

**And** the Grantor hereby covenants with said grantee that the Grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that

# Limited Irrevocable Power of Attorney

**LIMITED IRREVOCABLE POWER OF ATTORNEY**

STATE OF FLORIDA

COUNTY OF SARASOTA

That I/we, \_\_\_\_\_s, resident(s) of Sarasota County, State of Florida, being desirous of arranging for the transaction of business through an attorney in fact, have appointed, named and constituted, and by these presents do name, constitute and irrevocably appoint William T. Cook, Jr., Kim A. Cook, Terrah Whitlock, What Box LLC, and Cash Flow REI, Inc. as my true and lawful attorney in fact. Any of these individuals or entities may act individually. I authorize said attorney in fact, for me, and in my name, place and stead:

(a) To act on my/our behalf pertaining to any matters concerning property located at 1106 Highland Greens Drive, City of Venice, County of Sarasota, State of Florida, shown on attached Exhibit A, including the right to obtain any and all mortgage information, insurance information, and to act on my/our behalf pertaining to any secured notes and deeds to secure debt applicable to such property and to any insurance applicable to such property;

(b) To purchase, cancel, change, sign, endorse, receive, and deposit any checks, drafts, or other proceeds pertaining to any insurance or insurance claims applicable to the above described property for the benefit of the then current title holder and/or beneficiary or beneficiaries;

(c) To sign, endorse, receive, and deposit any checks, drafts, or other proceeds pertaining to any escrow refunds or tax refunds applicable to the above described property;

(d) To negotiate and arrange any transactions pertaining to any loans secured against the above described property with any lender or lender's servicing agent with authority to act on behalf of such loan holder.

In the event that the party holding this power of attorney has any interest in the property described herein, or is the designated agent for any party having any interest in the property described herein, *then this power of attorney is deemed to be irrevocable by the grantor of the power* unless the holder of the power has expressly consented to the revocation and such express consent appears on any document revoking this power of attorney.

This power of attorney shall remain effective until the same is revoked by written instrument recorded in the Office of the Clerk of the Superior Court of Sarasota County, State of Florida.


IN WITNESS WHEREOF, we have hereunto set our hands and affixed our seals, this 16<sup>th</sup> day of April, 2025.

Signed, sealed and delivered

In the presence of:

[Signature]  
Witness

X. \_\_\_\_\_

[Signature]  
Notary Public  


X. \_\_\_\_\_

# Title Holding Trust – page 1 only

## TITLE HOLDING TRUST AGREEMENT

STATE OF FLORIDA  
COUNTY OF SARASOTA

THIS TRUST AGREEMENT, dated this 16<sup>th</sup> day of April 2025, known as Highland Greens Drive Estate Trust, is to certify that W. Cook is duly authorized to accept and execute trusts within the State of Florida, as Trustee hereunder, is about to take title of the following described real estate and possession of any related personal property in Sarasota County, Florida, to wit:

**See Exhibit "A"**

When Trustee has taken title thereto, or to any other real estate deceded to him or her as Trustee hereunder, or received any related personal property, he or she will hold the same for the uses and purposes and upon the trusts hereinafter set forth.

IT IS UNDERSTOOD AND AGREED between the parties hereto, and by any successors or assigns of parties hereto, as follows:

1. That, subject to the power of direction hereinafter provided for, the Trustee hereunder shall have and is hereby granted full power and authority in dealing with real or related personal property of the Trust, to improve, manage and protect said premises or any part thereof, to contract and sell, to grant options to purchase, to sell on any terms, to take back, foreclose and release mortgages, to convey either with or without consideration, to donate, dedicate, mortgage, pledge as collateral or otherwise encumber said property, or any part thereof, from time to time to lease said property, or any part thereof, in possession or reversion, by leases to commence in praesenti or in futuro, and upon any terms and for any period or periods of time, not exceeding in the case of any single demise the term of 99 years, and to renew or extend leases upon terms and for any period or periods of time and to amend, change or modify leases and the terms and provisions thereof at any time or times hereafter; to contract to make leases and to grant options to lease and options to renew leases and options to purchase the whole or any part of the reversion and to contract respecting the manner of fixing the amount of present and future rentals; to exchange said property or any part thereof, for other real or personal property; to release, convey or assign any right, title or interest in or to said property or any part thereof; for other real or personal property, to grant easements or charges of any kind; to release, convey or assign any right, title or interest in or to said premises or any part thereof; and to deal with said property and every part thereof in all other ways and for other considerations as it would be lawful for any person owning the same to deal with the same, whether similar to or different from the ways above specified; at any time or times hereafter.

2. That, the following named person(s) (or his successors in interest as hereinafter provided for) shall be the beneficiaries of this Trust and be entitled to the earnings, avails and proceeds of said property in the percentages shown, to wit:

[Redacted], **Beneficiary of 50% undivided interest**

3. That, pursuant to the powers and rights hereinafter set forth, the Trustee shall hold, convey, lease, mortgage, or otherwise deal with the said real or related personal property only when authorized to do so on the written direction of the person or persons then constituting the beneficiaries hereunder, acting jointly or severally, provided, however, that the Trustee shall not be required to enter into any personal obligation or liability in dealing with said real or related personal property nor make itself personally liable for any damages, costs, expenses, fines, or penalties. Trustee, at his or her sole discretion, may refuse to act so long as any money is due to Trustee hereunder. Otherwise, the Trustee shall not be required to inquire into the propriety of any such written direction.

4. That, parties hereto agree privacy is a primary objective since disclosure of terms of this Agreement, associated documents, the parties hereto or verbal communications between parties could be detrimental to the concern in many aspects, particularly in reduced profits. Therefore, all parties to this Agreement agree that the names of the parties, their capacities held in this Agreement, the terms and conditions of this Agreement, any collateral documents, or any verbal or written communications,

# Real Estate Investing Columns

## You Gotta Outthink Bureaucrats

A common problem we all face as real estate investors is falling prey to bureaucrats. I believe bureaucrats have crashed and burned nearly as many win-win deals as has sellers who said no to an offer.

Sadly, inexperienced investors don't yet know that it's OK, in fact it's their duty to question authority!

I'm reminded of a great Jack Miller quote: "If you can't outthink a bureaucrat, you have no business being in business."

Concerning bureaucrats, the biggest lesson I learned from Jack is when a bureaucrat tells you you **MUST** or **MUSTN'T** do something, don't take their word for it. Instead, ask for chapter and verse. "What does chapter and verse mean?" you ask. Simple, ask the bureaucrat for the code section – the law – that requires you to do or not do that thing.

Here's a recent example of this at work. Some months back Kim and I made a loan to Melfin to buy a trailer park in Rome, Georgia. Since buying the park, he evicted all the deadbeat tenants and has begun rehabbing each trailer. (Yes, I use the terms "trailers" and "trailer parks.")

About two months ago, two bureaucrats from Rome descended on Melfin and threatened to condemn his park. The chief bureaucrat told him he had to remove two of the trailers, secure the other trailers (board them up), apply for building permits, and remodel the trailers according to code.

I got a very worried call from Melfin almost immediately.

A meeting was scheduled with the two bureaucrats at Melfin's park. Upon meeting face to face, the chief bureaucrat told me what he **REQUIRED** be done.

“Required” is a strong word. It means: *Officially compulsory*.

Wow, *officially compulsory*, ain't that a kick in the crotch. And this is where most newer investors cow down. This is why you want experienced, seasoned real estate investors...you know, investors with grey hair and bald heads...in your deal with you or at least looking over your shoulder. They've been around the block a time or two and will help you navigate uncharted waters.

When the bureaucrat said “required,” I asked for the code section. He looked at me blankly, then repeated what I had just said, “Code section?”

“Yeah, the law,” I said. “If what you say is required, then there must be laws on the books stating such.”

I then pointed out that all the trailers in Melfin's park had VIN numbers. Because they have VIN numbers, they're considered to be a vehicle, like a car, a RV, a house boat, a plane, etc. This means the building code that's used for houses doesn't apply to mobile homes.

Next, I asked about the code section concerning the two trailers the bureaucrat said ***MUST*** be removed. You're gonna love this. The bureaucrat said, “There's no law that says they *must* be removed, it's just that if I owned this park, I'd remove those two trailers and replace them with new ones.”

“If YOU owned the park, you'd remove the two trailers? You mean it's not the law?” I asked. Then I just let the bureaucrat babble while he hung there in the wind. He knew he had gotten ahold of a tar baby, but unfortunately, he wasn't Brer Rabbit.

I'm reminded of a great Pete Fortunato quote (aka Peteism): “Don't let someone's traditions affect your transactions.”

Lest you think bureaucrats are only government employees, in my world, lawyers and realtors fall into this category as well, because many love telling me – OFTEN WRONGLY – what I can and can't do.

Let's take realtors first. Y'all know I door knock. This means I also knock on sellers' doors that have realtors' signs in the yard. If only I had a nickel for every realtor who called to chew me out and inform me that what I was doing was illegal. (For the record, it's not the least bit illegal, though there are rules for realtors who knock on *other realtors'* listed properties.)

Now let's look at lawyers. Some years back, Kim and I were at a closing in Georgia buying a property. A Title Holding Trust would be used to hold title.

At closing, I explained to the attorney that I'd be signing the docs as the Alternate Trustee. He told me it was illegal to use an Alternate Trustee in Georgia if the Trustee was in town. Huh?

I asked for chapter and verse. Guess what the attorney *couldn't* produce? Yep, you guessed it, the code section that said an Alternate Trustee can't be used if the Trustee is in town.

And this is where it got good. I asked the attorney why he said using an Alternate Trustee was illegal when in fact it wasn't. He said, "Bill, I've never seen anyone use an Alternate Trustee before. I don't even know what an Alternate Trustee is. To be safe, I thought it was best to not use an Alternate Trustee, so I told you it was an illegal thing to do."

Can you believe that? Damn bureaucrats!

The problem with bureaucrats is that too often what they tell you is based on what the bureaucrat deems is procedural correctness; what the bureaucrat desires to have happen. It's NOT based on law. That said, unless you know to ask for chapter and verse, because the bureaucrat states something as if it were the eleventh commandment, you believe him or her.

We hear the phrase "public servant." We take this, wrongly it seems, to mean *servant of the people*. Unfortunately, way too many bureaucrats define public servant as *demigod who is not to be questioned!*

I need to pause for a second. Certainly, I don't think this fits the bill for all or even most government employees, lawyers, and realtors. Experience has taught me the vast majority of bureaucrats are extremely helpful, and many have kept me from making some powerfully big and stupid mistakes. I'm very grateful for their guidance!

Let's look at two more examples of bureaucrats in action.

Let's go back to the early 2000s when I first tried to secure (using a Security Deed) an Option to a property. I took the signed, witnessed, and notarized Security Deed to the Clerk of Court's office in Bartow County, Georgia.

Upon handing the document to the clerk, she told me I owed a hefty Intangible Tax. I explained that an Option was being secured to the property, not a Promissory Note. Because of this, no Intangible Tax was due.

The clerk told me the law clearly stated that whenever a Security Deed was recorded, Intangible Tax was due, plus a Security Deed could only be used to secure Promissory Notes, not Options. If I wanted to record an Option, I needed to use a Memorandum of Option.

Once again, I asked for chapter and verse. An hour-and-a-half later, and after a number of face-to-face conversations with her superiors, it was realized that there was no law forbidding me from securing an Option to a property via a Security Deed, and because it wasn't a loan of money, no Intangible Tax was owed.

Fast forward to earlier this year. I needed to secure an Option using a mortgage to a property in Tampa, Florida. The clerk told me the exact same thing. An hour later, and after several face-to-face meetings with the clerk's superiors, the mortgage securing my Option was recorded and no Intangible Tax was paid. Different state. Same results.

It's important to know that when I'm dealing with a bureaucrat, I'm not a fist pounder. I don't yell. I don't get frustrated. I don't raise my voice. My smile doesn't disappear. I do my best to not let my

smartassness come out. And when we're done, I make sure to thank everyone involved and return soon after with a box of cookies or a gift card to a nice restaurant.

When negotiating a chapter-and-verse disagreement with bureaucrats, let curiosity be your number one emotion, not anger or frustration. A simple question like, "Would you please explain this to me in a way I understand it?" will take you much further toward achieving your goal than will cursing and fist pounding.

When it comes to bureaucrats, I try my best to NOT be like my friend Pete Fortunato. He's famous for walking into government offices and inquiring, "Does anybody competent work here?" (I kid you not!)

As real estate investors, one of the skills we need to master is learning how to fight back against bureaucrats. Just because someone tells you a thing is a certain way, it don't make it so. If you tell me it's the law, then I'm going to ask you to show me that law. If you can't, then it means I can.

## What is Structure Stacking?

Experienced real estate investors rely on advanced creative deal structuring to help make impossible deals profitable. Often a technique called *Structure Stacking* comes into play.

What is Structure Stacking? It's when two or more creative deal structuring tools are used together to make a single transaction possible.

Most folks who got into real estate investing after 2012, know little about creative deal making.

Why is this? Since 2012, real estate has rapidly appreciated, mortgage interest rates have dropped to all-time lows, there's been a huge shortage of single-family homes, and rents have shot up like a rocket.

Real estate investing, under these conditions, takes no brain power nor much deal structuring skill to succeed. Buy a house for fair market value, let it appreciate for about a year, sell it, and pocket a \$100,000 profit. Simple, right?

But what happens when the cheese moves? For the first time since 2012, beginning in August 2022, we began seeing a chink in the armor. As the Federal Reserve continues working with interest rates trying to bring inflation under control, mortgage interest rates have more than doubled from 2022, which is causing real estate values to level off, and in some areas around the country, dare I say it, home values are...*falling!*

When appreciation ends, when home values head south, when mortgage rates climb, when lender's tighten lending standards, when days-on-market turn into months-on-market, those who are fluent in the language of creative deal structuring don't run for cover screaming, "The sky is falling!" Instead, because of a lack of competition, they see opportunities *everywhere!* They do more great deals than ever before!

A couple of questions: Are you fluent in the language of advanced creative deal structuring? Do you know how to do Structure Stacking deals?

If either of your answers to these two questions is, "No," then when do **YOU** think is the best time to start learning how to creatively structure **YOUR** deals?

Is Structure Stacking a skill worth mastering? Have you counted the number of leads you've thrown in Trashcan City because you (wrongly) believed there was no deal there? Have you taken time to wonder how much these thrown-away leads have cost you?

Most investors who came on the scene after 2012 are solely focused on wholesaling and/or flipping. This means they believe to do a deal they must get the property under contract for seventy cents on the dollar minus all expenses.

If a seller won't agree to this offer, we call it **THE BIG DAMN HAMMER** offer, many would-be investors simply throw this valuable lead away.

What if you had the creative tools in **YOUR** deal structuring toolbox to buy a property, pay *more* than its fair market value, and still make a great return on your investment? Interested?

Right now, you may be confused about Advanced Creative Deal Structuring in general and Structure Stacking in particular. Perhaps the best way to understand these two techniques is to see them in action.

The following are three deals that were creatively structured using Structure Stacking. These three deals will help you see more clearly how creative deal making works.

### **Deal #1**

A seller was being relocated and needed a quick sale of her home. The home was in good shape; it just needed interior paint and some carpet. The seller agreed to a Subject-to Deal.

Most investors think, great, no problem, I'll get out my Subject-to paperwork and whip this deal together. Problem was, by itself, strictly as a Subject-to Deal, this deal wouldn't work because the seller's property had nearly \$200,000 in equity, an amount the investor did not have in the bank.

To construct an acceptable offer for the seller, we did some structure stacking.

First, at closing, using a warranty deed, title transferred from the seller's name to a title holding trust (land trust). The buyer was the beneficiary of the trust.

Second, at closing, the seller's mortgage was left in place. The buyer agreed to make the seller's mortgage payments, on the seller's mortgage, for the seller, until the seller's mortgage was paid

in full according to the terms of the seller's note. (aka Subject-to Deal)

Third, the seller received \$10,000 cash at closing – the amount the seller requested.

Fourth, the seller also received a secured promissory note in the amount of \$170,000, 30 years, 4% interest-only, with monthly payments of \$566.67, and a balloon payment of \$170,000 due in 180 months.

With this structure, as a rental, after all expenses, this property cash flows \$275 per month.

Without Structure Stacking, solely as a Subject-to Deal, do you see that this deal never would have closed?

In addition to doing a Subject-to Deal, the other creative tools used to make this deal work were a land trust, owner-carry note, and a mortgage to secure the owner-carry note to the property.

Do you see that four creative tools were used to make this single acquisition possible, and that without using these four tools, this transaction never would have occurred?

## **Deal #2**

In 2012, during the Great Recession, a landlord wanted \$85,000 for his rental property. Problem was the property's fair market value was only \$70,000...21% below the seller's asking price. (Remember, this was during the Great Recession and real estate values had tanked!)

We agreed to his way-to-high asking price provided he agreed to our purchase terms (how we'd pay for the property).

Here's our accord: Kim and I paid the seller his full, way-above-market asking price of \$85,000. At closing, we gave the seller \$2,000 cash and a Purchase Money Note for \$83,000 with 360

monthly payments of \$417 at 4.43% interest. This was an Owner Financed Deal.

We loved the house and the neighborhood. We believed the rental house would be a very profitable long-term hold. We knew the property would cash flow and our tenants would cover all the investment home's expenses.

Fast forward to today. Two years ago, we completed a huge (\$145,000) rehab to this property. We've changed this property from a four-bedroom, two-bath home with a closed floor plan, to a four-bedroom, three-bath home with an open floor plan. In addition, to dramatically increase cash flow, we're altering this property's use from a long-term rental to a mid-term rental.

Today, the mortgage balance to the seller stands a little above \$65,000. The property's current fair market value is around \$350,000. Best of all, as a rental, this property will now bring in \$5,000 per month!

Here are the creative tools we used to make this deal successful: Purchase Money Note, Pro-borrower Security Deed, Trust Agreement, Estopple Letter from seller's tenants, Lease Agreement, Second Bite of the Apple Deal, Private Money Lender who agreed to use a different property for note collateral.

Without creative deal structuring, without having these tools in our deal structuring toolbox, no way would this high yielding and monstrously cash-flowing deal have been possible.

### **Deal #3**

A few years ago, I took a group of 60 real estate investors door knocking. We were not in Georgia.

At one of the houses, the owner pointed to the house across the street and said, "My neighbors are about to put their house on the market. He's retiring soon and wants to move to Florida."

We call these Shadow Sellers. A Shadow Seller is someone who will put their home on the market within the next 12 months, but it's not on the market yet. Neighbors often point to the Shadow Sellers in their neighborhood.

As a group, we quickly marched across the street and knocked on the Shadow Seller's door. The owner confirmed what his neighbor had said.

He told us his house was worth about \$165,000, and he wouldn't take a dime less than \$165,000.

His was a nice three-bedroom, two-bath, two-car garage, stepless ranch. It was in great condition; it only need a \$3,000 interior paint job.

After inviting all 60 of us in, he let us know that he wanted a quick sale, would rather not go through the hassle and cost of using realtors, and said it would be five months before he would be ready to move to Florida. We also learned his home was free and clear, and market rents in the neighborhood were \$1,350 per month.

Remember, I found this deal by knocking on the homeowner's door. I'm about to make a creative purchase offer the owner is likely to accept. The problem is, I do NOT want to own this home. It's NOT in my five-mile investing circle...heck, it's not even in my state!

Given this information, and putting yourself in my shoes, how would **YOU** structure this deal? Before reading further, take a few minutes and put an offer together.

The Shadow Seller and the T-bar told us what he wanted: He wanted a fast closing, he needed five months to move out, and he wanted to sell his home for \$165,000.

Below is my offer, which the seller accepted. Why did the seller accept my offer? Because he got everything he wanted.

I agreed to pay \$165,000 for his house. I would pay \$5,000 down and give him a secured promissory note for \$160,000 and make 360 monthly payments of \$610 at 2.23% interest. In addition, we'd rent

him his home back for five months for \$810 per month, and he agreed to cover any repairs that need to be made during his five-month rental period.

Now comes the big question? Who's going to own and manage this rental? Not me, that's for sure! The property is states away from where Kim and I live.

How would **YOU** solve this problem? Give this some thought before reading further.

One of the investors who was door knocking with me that day was an experienced landlord. He and his wife owned 8 single-family rentals in this town. I asked, "What is it you seek, cash flow (net rental profit), upside (appreciation and amortization) , or some of both?" He replied, "Heck, we're estate builders, we need more monthly income, we prefer the cash flow."

I agreed to assign the contract to this experienced investor. This means that after closing, he would own the house; he'd get the tax benefits of owning a rental; he'd keep all the cash flow this nice home produces.

In exchange, at closing, the investor gives me a Pure Option that will be secured to the property using a mortgage. It gives me the right to buy this property from him at any time within the next 35 years for ***THE THEN BALANCE OF THE MORTGAGE.***

When I say, "FOR THE THEN BALANCE OF THE MORTGAGE," this means that my purchase price will be whatever the investor owes the seller at the time I exercise my option. In other words, with every mortgage payment the investor makes to the seller, my purchase price drops.

Ready to get your mind bent? What will my purchase price for this property be when the owner-carry mortgage is paid off thirty years from now? Would you believe ZERO dollars??? Neat creative structure, huh?!

Here are the creative tools used to make this one deal possible:

- Purchase and Sale Agreement
- Contract Assignment Agreement
- Title Holding Trust
- Owner-carry Promissory Note
- Owner-carry Mortgage to secure note
- Lease Agreement between investor and seller (5 months)
- Lease Agreement between investor and tenant/occupant (12 months – once seller moves to Florida)
- Pure Option Agreement
- Mortgage to secure Pure Option Agreement

Without using these 9 creative deal structuring tools, there's no way this deal would have been successful.

## Conclusion

Understanding the language of creative deal making allowed these three deals to be successfully completed. But what if we didn't *fluently* speak this language? There's no way any of these three deals would have been possible, costing us hundreds of thousands of dollars in lost appreciation and cash flow.

Join us at **BillandKimCook.com** to learn the language of advanced creative deal structuring and structure stacking. Our site is geared for experienced real estate investors.

## The Music is in the Man

In my early twenties, I thought that to be successful, I must look successful. I bought a Mercedes Benz, a gold Rolex watch and some Brooks Brothers suits. Dean Kates, who was my mentor back then, told me the following story to help me understand that greatness comes from within, *not* from what you own – that bling is pretty much meaningless!

So, here's the story:

After many years away, a world-famous violinist returned to his small hometown in Georgia. He came to play a benefit concert to raise much-needed funds for his high school's music program. Because the violinist was one of the very best musicians in the world, the town spared no expense and rolled out the red carpet for him.

At a reception held two hours before the concert, many of the performer's high school chums showed up to pat him on the back and wish him well. As a group, they asked to see his one-of-a-kind Stradivarius that had been built in the 17<sup>th</sup> century. It was said that the music that flowed from his Stradivarius was the sweetest, purest, most heart-touching melody the world has ever known.

But not everyone was thrilled by the much-celebrated maestro's return. In a dark corner of the reception hall stood Barney. Back in high school orchestra, Barney had been first chair violin until this now-famous artist joined the group and "stole" his spot. It was an insult that Barney could never forgive, forget or get over!

Barney knew that if he had the Stradivarius, he'd be just as famous – *heck, probably more famous* – than this so-called concert legend. And with that, a twisted idea hatched in Barney's mind.

Unseen, Barney snuck into the dressing room and stole the famous son's renowned violin. As he slithered out the back of the concert hall, he smiled a crooked smile as he thought: *I've destroyed the man I hate most in this world – his concert playing days are over!*

Minutes before the performance was to begin, the theft of the Stradivarius was discovered. But as we all know, the show must go on!

When the world-famous violinist took the stage, a quiet hush descended upon the packed house. He spoke: "Ladies and gentlemen, thank you for being here. As most of you know, it seems my Stradivarius has been stolen." With that, a man walked on stage and handed him a cheap, mass-produced, \$100 violin that had just been purchased at the local music store.

The maestro thanked the owner of the store who had just handed him the \$100 violin. With that, the lights dimmed, and the violinist

began to play. Softly at first, but with each passing note the beauty, strength and grace of his playing soared into the upper reaches of the concert hall. Never before had such moving music been heard. Tears of delight filled the audiences' eyes.

Out on the street, Barney could hear what could only be described as a heaven-sent melody. It quickly dawned on him that his wicked deed hadn't ruined the performance. With or without a Stradivarius, only beautiful music flowed forth from his high school nemesis' fingertips. Head down and ashamed, Barney melted into the night.

The crowd rose, and with cheers and thunderous applause, they thanked their favorite son for his incredible, never-to-be-forgotten performance!

Once the audience quieted, the world-famous violinist spoke: "Many *mistakenly* think my music comes from a very expensive, one-of-a-kind instrument. As you just heard, this is not the case. In fact, it's not the case for any of us! Inside each one of us is a handful of unique talents placed there by God. It's our job – *our responsibility* – to discover these talents and develop them to the fullest. And here's the thing: accomplishing this requires tons of hard, persistent and determined work. And the thing is, you, *and only you*, can do this work!"

"Surely, I say unto you: The music is not in the instrument. The music is in the man!"

## **Are You a Butterfly or a Caterpillar?**

It can be argued that a butterfly and a caterpillar are one and the same. OK, maybe they are – *but not at the same time!* It's one or the other – *but not both!* So, which are you?

As real estate investors, we all start off the same – as caterpillars. We just know the basics: how to crawl, eat leaves and poop. Our world is limited to the tiny branch we're clinging to. We're not much

to look at, and we're preyed upon by just about every creature in the animal kingdom. Our life expectancy is about 12 seconds.

Now here's the thing: God didn't mean for caterpillars to *stay* caterpillars. He meant for them to grow and develop into beautiful, high-flying, far-traveling butterflies...but only those that are *hardworking* and *resourceful* get to complete the journey from caterpillar to butterfly.

Let's ask again: *Which are you?* Do you realize that it's *your* choice?

We have a friend named Bob. Bob is a good guy – a real likeable fellow. He has a good J-O-B but wants more. We've known him since 2004. Bob knows how to talk to sellers. He understands the paperwork behind a deal. He knows a good deal from a bad one. He has the financial resources to pay for a property. Want to know how many deals Bob has done? ZERO! NADA! GOOSE EGG! NOTHING! Bob is stuck being a caterpillar.

We also have friends named Joey and Ashley English. They're in their thirties and expecting their fourth child. They got interested in becoming real estate investors around 2011. They are a couple who won't be denied!

Every time we talk, they have another deal to tell me about. In the beginning, my advice was to pass on the "wonderful" deal they found because it wasn't much of a good deal at all. Even though I told them "No!" about 50 times, they *wouldn't* quit.

Then they finally came across a deal worth doing and bought it. Since those early days, they've helped a lot of people solve their real estate problems. They've done a lot of really great deals. They are now solid, experienced, successful real estate investors!

It was beautiful watching Joey and Ashley (and all their tater tots) go through their metamorphosis. They are no longer caterpillars. They are now full-grown butterflies! And here's the best thing: Now that they're butterflies, they can NEVER go back to being caterpillars!

We feel sorry for folks who refuse to make the leap...who are stuck clinging to the “safety” of their twig. They think they are grasping security. The truth is, they are anchored to mediocrity and if they continue doing what they are doing, they will never reach anything close to their full potential. Always remember: God doesn't make junk! He wants you to be great! He needs *you* to be the best *you* that *you* can be!

So, which are you, a butterfly or a caterpillar? The world loves butterflies and looks on them with awe. Meanwhile, caterpillars are bombarded with pesticides and cuss words.

Become a butterfly!

# Thank You for Attending *What Box?* **2025**

Kim and I want to thank you for attending this year's What Box? 2025.

What's the most important thing you do when you get home? Find people to help and problems to solve!

Get out and get face-to-face with sellers! Begin your conversation with sellers with Pete's famous question: Why are you selling **SUCH** a nice house like this?

Be curious. Ask questions. Use a T-bar. Make a written offer and hand it to the seller. Get busy!

Love y'all,

Bill and Kim Cook