



Honorable Estates LLC
Real Estate Solutions You Can Trust

Your Guide for Private
Money Lending with Us

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Who Are We?

Honorable Estates is an up and coming real estate solutions company that buys and sells properties throughout the Eastern United States. We specialize in buying distressed homes at a significant discount, then renovating and reselling them to retail home buyers and landlords. Founded in 2018 by married partners Abe and Nikki Kamerman, Honorable Estates is excited to be part of a national real estate recovery network. We aspire to contribute to the economic rejuvenation of Galloway, NJ and its neighborhoods.

Since its inception, Honorable Estates has passionately pursued the goal to help the people in our community find answers to their real estate needs. Through our extensive education and real estate network, we've developed a solid foundation of real estate knowledge, with the integrity to follow up on promises and make successful deals happen.

Notable Facts about Honorable Estates

- Full service real estate solutions company in New Jersey, specialized in buying and selling property
- Focused on providing solutions for homeowners and value for investors by locating and renovating distressed properties.
- Our goal is to provide the absolute highest level of service to our clients

OUR MISSION

When a passion for real estate is combined with a commitment to uncompromising ethics, amazing things will happen. At Honorable Estates, it's our goal to not only have a positive effect on ourselves and our families - but also to inspire, motivate and create lasting change in everyone we encounter. We will treat our clients and team members with respect at all times. It is our goal to become the kind of real estate company that you can trust and would refer to your friends and loved ones. Our company will dedicate itself to everlasting education and professional growth that will inspire the leaders of tomorrow.

REAL ESTATE KNOWLEDGE & EXPERIENCE:

We have invested a great deal of time, energy and capital investment into our real estate education, attending the nation's premier real estate investing education program - FortuneBuilders Mastery. Beyond the principles of sound investing, we were trained on how to build a successful business based on systems and predictability. Having completed over 1,000 real estate deals, FortuneBuilders coaches and systems have allowed us to strategically invest in real estate, grow and expand our business, and our coaches are available for us to leverage when analyzing our real estate deals.

Who Are We?



Abe, Nikki, and Zeke Kamerman

THE STORY OF HONORABLE ESTATES

Abe and Nikki met at Camp Perry, Ohio in August 2011. It was almost a “love at first sight” story and they were married exactly one year later in 2012. At the time Abe was an appliance repair technician and Nikki worked as a CNA in the hospital. Soon after they married Abe joined the United States Coast Guard where he currently serves. It was during his 4th year in the Coast Guard that the family moved to the state of New Jersey.

One of Abe’s goals has always been to be an entrepreneur and own his own business. It was also Nikki’s goal to be able to “give back” to

the community and make a big mark on the world in a positive way. When they discovered the proven systems of real estate investing offered by FortuneBuilders, they knew this was the right vehicle to make all those dreams a reality.

Since the beginning of 2018, we have been actively pursuing our education into real estate investing. Our core business lies within our systems, education and knowledge of the real estate industry. We did not just buy a CD off the Internet and become a real estate investor overnight. We have spent thousands of dollars and countless hours learning how to be successful in this business and how to do it the right way the first time. Through our affiliation, we are connected with a national network of investors that provide continual support and weekly trainings on changes throughout our industry. This process has allowed us to circumvent many pitfalls most novice investors would make early on. Learning the hard way is not a phrase in our vocabulary, and we certainly would not ask anyone to invest with us if we weren’t confident enough to invest ourselves! We are looking forward to a fruitful first year as new investors and business owners.

Our Business Model

OVERALL INVESTMENT APPROACH

Our overall investment strategy and specialty is to purchase distressed properties at a deep discount – usually 30% to 50% below market value, and renovate and sell those properties to retail homebuyers and landlords.

At Honorable Estates, we pride ourselves on having a strong foundation of real estate knowledge and training. Our focus is on providing SOLUTIONS for our clients and finding VALUE for our investors by locating ugly, vacant homes that are eye sores and putting them back into use after renovation.

INVESTMENT BUYING CRITERIA

Our goal is to buy distressed homes in stable areas where there is still strong buying demand. Part of our grand vision is to improve the overall quality of living in both urban and suburban neighborhoods. In addition to improving overall quality of life, we are committed to increasing the value of real estate in our community. Our company builds value by rehabilitating properties that are in significant need of repairs. We are able to target distressed properties and breathe new life back into them by renovating and improving the condition of the property. By doing so, we are able to create beautiful homes and encourage home ownership.

The ability to identify a wise real estate investment is certainly a learned skill. We have been thoroughly trained and possess this skill - along with the intuition to spot these great investment opportunities in today's market.

Not every opportunity is a “good deal”, and we have built our company on a stable foundation knowing our numbers. If the numbers don't make sense to us it certainly won't make sense to our investors. Our goal is to be in business for many years and brand a company that will be passed down to our children, which cannot be accomplished by taking uncalculated risks.

We Follow a Strict Due Diligence Process

We have a systematic and disciplined approach when purchasing investment properties, putting each potential investment through a strict due diligence process. This rigorous set of criteria includes, but is not limited to, the following:

- Comparable property analysis
- Demographics of area, marketability, and growth potential
- Statistics on the crime rate
- Public transportation and schools
- Overall condition of the property, including heating and air, plumbing, electrical, roof and structural condition

Private Lending

WHAT IS PRIVATE LENDING?

A private money loan is a loan that is given to a real estate investor, secured by real estate. Private money investors are given a first or second position mortgage lien that secures their legal interest in the property and secures their investment. When we have isolated a home that is well under market value, we give our private lenders an opportunity to fund the purchase and rehab of the home.

Essentially, private money lending is your opportunity to become the bank, reaping the profits just like a bank would. It's a great way to generate cash flow and produce a predictable income stream - while at the same time, provide excellent security and safety for your principle investment. You can do what the banks have been doing for years...make a profitable return on investments backed by real estate. There is no other investment vehicle like it.

Sources of Private Money:

- Home Equity Line
- Cash
- 401k
- Self-Directed IRA
- Personal Savings, Trust Fund, or any other money sitting around...

Through private money lending, you have the opportunity to become the bank

Why Private Lending Is So Compelling

- **You make money while your sleeping**
- Passive income (minimal time involved)
- No dealing with tenants
- No manual labor renovating properties
- No dealing with unscrupulous contractors
- Short-term use of lenders money
- Sense of security that money will be coming back soon
- Secure collateral position in marketable and liquid real estate
- Borrowers do the HARD WORK of finding the collateral
- Borrowers put THEIR TIME and LABOR into lender's collateral
- Borrower takes majority of the risk
- If lender must foreclose, lender makes even more money
- Multiple loans can be made at one time
- It is easy and clean work
- It give you more free time for doing thing you love
- Profits can be tax free
- **It is PROFITABLE with no cap on earnings**

HOW THE PROCESS WORKS

The process is simple. We find an extremely undervalued property we want to purchase - and once you give us the green light, we borrow the funds from you to purchase and renovate the property. At closing, you receive a mortgage on the home along with other important documents. Next stage is the property renovation. Once the renovations are complete (typically 3-6 months depending on the size of the project), we'll list and sell the property. When it's time for closing, you'll receive your principle plus a 6% to 10% interest payment. It's just that simple! The goal is to keep turning that money for you and keep you making substantial profits so you keep coming back to us – building a long term mutually beneficial relationship.

Private Lending

INVESTMENT DEAL SCENARIO

Here's what the numbers would look like on a typical renovation project, with a 6 month hold (including rehab & re-sell time) with a private lender return of 10%.

Purchase Price:	\$ 95,000
Repair Cost:	\$ 68,000
Total Invested: (6 Month Hold)	\$163,000
<u>Sale price</u>	<u>\$250,000</u>
Lender Potential Return on Investment	= \$ 8,150

Next let's compare the numbers to a bank.

Sitting in Bank	Real Estate Private Lending
\$163,000 x 1% APR interest	\$163,000 x 10% APR interest
12 Month Term = \$1,630 ROI 6 Month Term = \$815 ROI	12 Month Term = \$16,300 ROI 6 Month Term = \$8,150 ROI
	<i>*Backed by Real Estate Private Lending</i>

HOW YOU BENEFIT FROM PRIVATE LENDING

You, as the private money lender can benefit greatly from investing your capital. A real estate mortgage/deed of trust provides you with security instruments you would not get with other investments. You also have added layers of protection because of how we buy, and because you have recourse available to you in case we were to default on the loan.

*You are making a 10x
greater return
ON YOUR MONEY!*

RISKS VS. REWARDS

Stock Market	Real Estate Private Lending
Completely Unsecured	Secured by Deed of Trust or Mortgage Deed
Completely Uninsured	Collateral is Fully Insured
Invest at Market Price	Collateralized Below Market Value
Returns Are Unknown	Returns Are Fixed and Agreed Upon Term
	Tangible Asset

Bank or Credit Union saving acct	Minimum Balance	APR
Jersey Shore CU	\$0	0.10%*
TD	\$100k – \$249,999.99	0.30%*
PNC	\$1 – 2,499.99	0.01%*

*Info from bank and CU websites as of 19May2018

Private Lending

It's a win/win opportunity for both the lender and borrower

Because of our buying strategy, we are able to offer our buyers a fully renovated home at or below everything else in the neighborhood. We walk away from hundreds of "close" deals that do not meet our specific buying criteria, and we simply won't buy unless it makes sense for everyone involved.

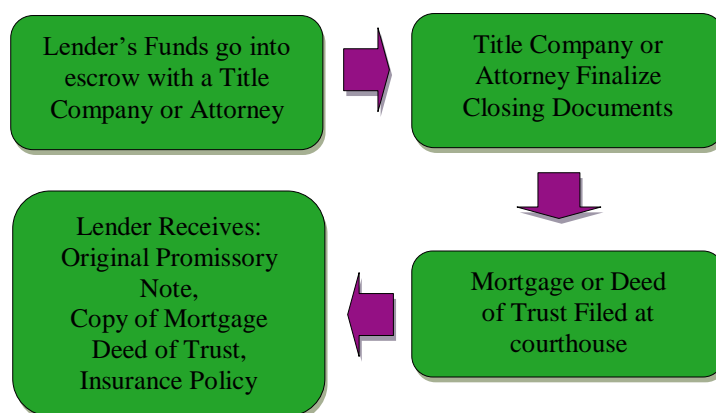
HOW WE PROTECT OUR LENDERS

Each property we acquire is put through a rigorous evaluation process in order to assess the profitability before the property is ever purchased. "Integrity" is an essential part of our business, and we only make sound investment decisions. Also, for your protection, you are also provided these documents to secure your investment capital:

Promissory Note: This is your collateral for your investment capital

Deed of Trust/Mortgage: This is the document that is recorded with the county clerk and recorder to publicly secure your investment against the real property that we are providing as collateral

Hazard Insurance Policy: This is where you as the private lender would be listed as the "Mortgagee" for your protection in case of fire or natural disaster, etc.



Overview of the Closing Process

We also pay for a title search as well as a title policy on the home just as we would in a typical transaction. In the event of any damage to the property, insurance distributions would be used to rebuild or repair the property, or used to repay you.

Investing With a Self-Directed IRA Account

Most people think that an IRA can only be used to purchase investments, like stocks and mutual funds. But that's not true! You can get private mortgage loans using the funds which are already in your IRA'S and other retirement plans.

As it pertains to lending for real estate investments, enter the Self-Directed IRA. The IRS has set forth guidelines on what you can and cannot invest in with your IRA. Many people are surprised at the scope of options available. From tax liens, gold, real estate investments and real estate notes, IRA's are much more powerful than most people ever realized. If you add to that power of a Roth IRA which allows you to enjoy your earnings tax-free or deferred, and you've got a fast road to an easy retirement!

Private Lending

However, in order for you to use retirement accounts for loans, they must first be administered by a third party custodian. After selecting your custodian, you simply send a transfer form to them and they'll do all the work for you, once you've done that you are ready to make private mortgage loans. We would be happy to recommend the custodian we've worked with in the past who can assist you with setting up your account.

Taking the Next Steps

GETTING STARTED WITH US

If we haven't already, it's important to sit down and discuss all these details in person. We will need a clear definition of what your goals are, i.e. long term investment or short term, and the amount you are comfortable initially investing. At that point, we will present you with any current opportunities that fit that criteria or contact you as soon as we have one that fits.

Contact us today!

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Email: Info@HonorableEstates.com

Website: www.HonorableEstates.com

Facebook: fb.me/HonorableEstates

Investment Terms & Conditions

- Interest Rate – 6% to 10% on average
- Payment Schedule – paid monthly on the 1st of the month or one lump sum at closing
- Mortgage Terms – 12 months (*projects usually completed in 3 to 6 months*)
- Return of Principal and Interest – paid back at closing
- 1st or 2nd Lien position
- Option to renew
- All documents recorded

REFERRAL PROGRAM

Word of mouth is typically how we are able to work with private lenders like you. It would be greatly appreciated if you passed our information on to anyone that may be interested in the opportunity to be a lender. In our business, it's always important that we have a steady stream of lenders. Once you've done a few deals with us and you've learned how we're purchasing so low, you may attempt to do it on your own. If that's your goal, we're happy to help you any way we can.



Frequently Asked Questions

HOW IS THE MONEY USED?

On a new home purchase requiring renovations. The cost will be allocated to the purchase price, renovations, carrying costs, cost to resell, and also a small buffer for unexpected expenses.

WHY DON'T YOU GET A TRADITIONAL LOAN?

There are many reasons, but the primary reason is, time and negotiation leverage. Many of the homes we are purchasing are in need of a quick sale within 10-14 days. A traditional bank requires 30-45 days to close a loan. Also, our leverage is far greater when we purchase using cash funds. Many traditional home sales fall out of contract because of financing issues, and this allows us to negotiate a much lower purchase price and reduce our risk.

Lending guidelines are also continually changing. New requirements include applications, approvals, junk fees, and strict investor guidelines. They also limit the number of investment properties that can be purchased by one company.

ARE YOU REALLY HELPING SELLERS?

Absolutely. With your cash funding we can offer something very few buyers can. We are buying on their timeline in as little as 10-14 days. Knowing that we're going to renovate the home and buying in as-is condition is a very important factor to most sellers of distressed property. They also won't have to pay any additional fees.

WHAT IF THE MARKET GETS WORSE AND VALUES GO DOWN?

This is a great question and valid concern. However, our strategy is not to speculate 3 years down the road. Our goal is to purchase quickly and sell even faster. Most of our projects are complete in 1-2 months and will be sold in 4-5 months. The market doesn't tend to shift that dramatically in a matter of months - it's typically a longer process for an area to decline. Remember, we're buying in strategic areas where inventory is already low and demand is high; this greatly minimizes our risk.

WHAT IF I'M ON A SHORT-TERM NOTE AND SELL THE HOME AFTER ONLY 1 MONTH?

It's extremely important to us that we do not waste your time. However, occasionally, situations may occur where we find a buyer immediately. In this scenario, we provide you with two options: we can either move the note to another property, or provide you with a minimum of 3 months interest. Most investors see the strength of our purchase ability at that point, and simply move the note to another property.

WHEN WILL I RECEIVE PAYMENTS?

Typically, we pay one large lump sum at closing on a short-term note. This is much easier to manage for both of us, especially if we're working out of a retirement account. On a longer note, we will pay monthly, just like a typical mortgage.

Frequently Asked Questions

IS THERE A GUARANTEE ON YOUR INVESTMENT?

No. There is no government backed guarantee on these privately held real estate notes. You're deriving protection from the equity in the real estate. If at any time we were to default on the note, you have legal right to take the home (essentially foreclose on us). Many investors laugh about this one and say, "I hope you're a day behind on payments I'd gladly take this one off your hands". You have to remember we plan for the worst, and our homes have thousands of dollars of equity in them; and worse case scenario, often times is we don't make "as much" as we hoped for.

HAS THE IRS APPROVED USE OF RETIREMENT ACCOUNTS IN THIS MANNER?

Yes, there are established tax guidelines, and it is completely legal. However, we always recommend the services of a custodian to invest retirement funds tax deferred or tax-free.

WHO BUYS INSURANCE?

We do. We pay for a title search and also a title policy on the home, just as we would in a typical transaction.

WHAT KIND OF INSURANCE POLICY DO YOU GET ON THE HOME?

If we purchase a renovation, we purchase a builders risk policy (Vacant Dwelling Policy). In case of any damage, insurance distributions would be used to rebuild or repair the property, or used to pay you off.

HOW MUCH IS IT GOING TO COST ME TO LEND TO YOU?

It is our policy to pay for all the closing costs so that your entire investment goes to work for you. We will pay for the closing agent, document preparation fees, notary fees, overnight mail fees, bank wire fees and recording costs. We do not charge any fees or commissions to our private lenders.

WILL MY MONEY BE POOLED WITH OTHER INVESTORS?

No, we do not pool funds. Your funding will be tied to one piece of property secured by a deed of trust.

IF YOU DEFAULT ON THE LOAN, HOW DO I ACQUIRE THE PROPERTY?

In this unlikely scenario, we would simply transfer ownership of the property to you, if possible. If for any reason we did not (or could not), then you have all the legal rights of a secured lender. The best way to legally protect your interest in case of a default would be to hire an attorney. They normally would seek to get your investment back, any unpaid interest, any collection costs, all your attorney fees and maybe even more. A legal representative could advise you if it makes sense to foreclose or seek ownership the property to protect or recoup your investment.