

*Putting Your Money To Work For You*

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## WHO WE ARE

RealtyWithRich is a professional, full service real estate solutions firm that focusses on buying and selling properties throughout Coachella Valley. We specialize in buying distressed homes, renovating, and reselling them to retail home buyers and landlords. Founded by Richard and Pauline Owens, RealtyWithRich is excited to be part of the area's renaissance and we aspire to continue contributing to the economic rejuvenation of Palm Springs and its neighborhoods.

Our goal is to re-develop a large number of single family and multi-family properties throughout the Valley with the intention of revitalizing communities and encouraging home ownership. Our mission is to rejuvenate neighborhoods and increase the standard of living by improving the overall quality of housing for the residents.

### IMPORTANT FACTS ABOUT REALTYWITHRICH

- Leading full service real estate solutions company in Coachella Valley, specializing in buying and selling homes
- We provide solutions for homeowners and value for investors and buyers by locating and renovating distressed properties
- Our goal is to provide the absolute highest level of service to our clients



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## OUR MISSIONS

When a passion for real estate is combined with talented individuals who have an uncompromising drive to succeed, amazing things will happen. At RealtyWithRich, 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. One of our motto's is “People first...profit second.” Our company will dedicate itself to everlasting education and professional growth that will make the leaders of tomorrow.

## OUR STORY

Born and raised in Coachella Valley, and after graduating from Palm Springs High School, I joined the US Navy and was stationed on the east coast where I met my wife Pauline. Following six years of military service, then fifteen years in the marketing and signage business, I returned to federal service joining the Defense Intelligence Agency in Washington DC. My long-held goal of getting involved in real estate was realized in 2015 in Virginia where I became a licensed part-time real estate agent with Coldwell Banker Elite prior to my departure from federal service in 2016.

As a full-time realtor, I continued to learn the business of real estate, a passion fueled by the love of exploring homes, communities, and neighborhoods surrounding metropolitan Washington DC. There, I was often found deeply entrenched in residential remodeling projects where I also put my experience to work assisting clients in making informed decisions regarding the purchase of older homes.



With my acquired knowledge of real estate, and Pauline's sense of style, architecture, and design, we purchased a foreclosed property in Fredericksburg that sold in 2017 following a complete remodel. With a desire to expand our real estate investment goals and an ambition to get back home to the enchanting mid-century modern architecture so common to Palm Springs and the greater Coachella Valley, we moved to Palm Springs and formed RealtyWithRich, LLC in early 2018.

Pauline and I are highly motivated, knowledgeable, ethical, resourceful, and qualified to handle any real estate transaction. We are equally committed to helping people with their real estate needs and making successful deals happen, we have the integrity to follow up on our promises, and the expertise to navigate any transaction to ensure our clients are fully informed to make the best decisions possible.





## OUR BUSINESS MODEL

Our overall investment strategy and specialty is to purchase distressed properties, then renovate and sell those properties to retail homebuyers and landlords. At RealtyWithRich, we pride ourselves on having a strong foundation of real estate knowledge and training. Our focus is on providing SOLUTIONS for homeowners and finding VALUE for our buyers and investors by locating homes in need of repair, renovating them, then putting them back to use with greater value.

Our core business lies within our systems, education and knowledge of the real estate industry. We did not become real estate investors overnight. We have spent thousands of dollars to learn how to be successful in this business and 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 training on changes throughout our industry. This process has allowed us to circumvent many pitfalls most novice investors would make. Learning the hard way is not a phrase in our vocabulary, and we certainly would not ask anyone to invest in us if we weren't confident enough to invest in ourselves!

*We Follow a Strict Due Diligence Process that is a systematic and disciplined approach to purchasing investment properties. This rigorous set of criteria includes but is not limited to the following.*

- Comparable property analysis and examination by a certified, independent appraiser
- An economic study of the neighborhood, city planning and development
- 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



#### TYPES OF PROPERTIES WE TARGET

- Distressed properties in significant need of repairs
- Properties where sellers need to sell quickly
- Properties owned free and clear

## OUR BUSINESS MODEL ...contd

**Our Investment Criteria** Our goal is to purchase 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.

We are able to target distressed properties and breathe new life back into them with highly-skilled renovations and improvements. 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. 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 un-calculated risks.

**How Do We Purchase Homes So Far Below Market Value?** At RealtyWithRich, we have created a marketing machine that produces a consistent flow of high-quality leads. We are very different from our competitors because we don't just put in offers on MLS properties – we take it to the next level. Our creative marketing strategies allow us to reach the homeowner directly, before the property goes to a real estate agent to be listed on the MLS; whereas, the purchase price would escalate.

**How We Sell Properties** There are many methods we use to sell properties very quickly. We invest a lot of time and money marketing



## OUR BUSINESS MODEL ...contd

To build a strong list of buyer clients for our homes. Despite what the media says, there are tons of buyers out there who are aware that numerous buying opportunities exist in today's real estate market. The problem is: they just don't know how to identify and analyze them to ensure they are actually getting a good value. That's where we come in. We are constantly on the hunt for the next great buying opportunity and use proven techniques to analyze investment properties. We are able to identify great buying opportunities for retailers, landlords, and other rehabbers.

**What's Our Competitive Advantage?** Our company can acquire great deals on properties because we have the ability to act quickly and can close with CASH on the seller's timeline. This is why we can buy properties at such a discount. Obtaining loans through private money lenders gives us this competitive advantage over other investors who sometimes take weeks to go through the time-consuming bank approval process in order to purchase properties. We have an aggressive TEAM approach, and a top-notch ability to expand our client base through our knowledge of deal structuring and advanced real estate techniques.

We also employ marketing strategies as soon as we purchase a home – giving us a fair advantage over a realtor. Typically, most realtors don't spend time or money on marketing or lead

These are some of the marketing strategies we use to locate great deals way below market value:

The Internet and social media outlets such as: Primary website, Facebook business, buyer and seller squeeze pages and You Tube.

Direct mail campaigns: Pre-foreclosure, back taxes, free and clear, code violations, divorce, expired listings, and non-owner occupied.

Other strategies: Networking events, wholesalers, door knocking and door hangers, and house banners.





## OUR BUSINESS MODEL ...contd

generation strategies. As a result, it can sometimes take months to attract potential buyers. Often times, we are able to find our own buyers allowing us to secure a strong sales price and avoid paying commissions. Our renovation process is also down to a science with handpicked and proven construction crews who know we are not retail clients. We pay wholesale prices to all contractors and typically get bulk discounts on all materials.

Investing with us also provides a win-win for the homeowner as well. With your cash funding, we can offer homeowners something that very few buyers can. We are helping sellers by purchasing their homes on their timeline -- in as little as 10-14 days. Knowing that we're going to renovate the home and we are buying in as-is condition is a very important factor to sellers who live in older, outdated homes, or those needing repairs. These sellers will also not be required to pay any attorney fees, closing costs, home warranties, inspection fees, commissions, etc. We are not the perfect fit for everyone; but for the seller with the right motivation, these features are a necessity.

Most homeowners have no idea what options are available to them beyond listing a house with a

### ADVANTAGES TO WORKING WITH US

We have the business systems and knowledge to purchase properties QUICKLY and with CASH.

We create value by finding ugly, vacant homes and putting them back in use after renovation.

We pay wholesale prices to all contractors and typically get bulk discounts on all materials.

We have a creative marketing system to find and purchase properties before they're ever listed.

We find our own buyers allowing us to secure a strong sales price and save on sales commissions.



## OUR BUSINESS MODEL ...contd

realtor or trying to sell the house on their own and just hoping for the best. We provide a unique alternative to listing their house on their own or with a realtor.

When we work directly with a home seller, what we provide can not only make for a smooth transaction, but it can also add up to thousands upon thousands of dollars in savings as compared to selling a home through traditional means. Consider the differences:

TRADITIONAL BUYER	CASH BUYER
Bank Financing	CASH
1-8% of home value is need for repairs	None (Sold AS-IS)
45+ days to closing	Closing in 14 days or less
6% of sales price for commissions	No commissions paid
1-6% of sales price for closing	No closing costs paid
Mandatory Appraisal	No appraisal contingency
59 days on the market – area average <sup>1</sup>	0 days on the market

<sup>1</sup>Palm Springs Regional Association of Realtors, January 2020 Desert Housing Report, calendar year 2019 average.







## PRIVATE LENDING

A private money loan is a loan that is given to a real estate investor, secured by real estate. Private money lenders are given a first or second mortgage 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. Through that process, the lender can yield extremely high interest rates – 4 or 5 times the rates you can get on bank CD's and other traditional investment plans. Sources of private money include 401Ks, self-directed IRA accounts, profit sharing, personal savings, trust funds, and many are tax deferred profits.

Essentially, private money become the bank, reaping the great way to generate cash flow stream - while at the same time, 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.

**THROUGH PRIVATE MONEY LENDING, YOU HAVE THE OPPORTUNITY TO BECOME THE BANK**

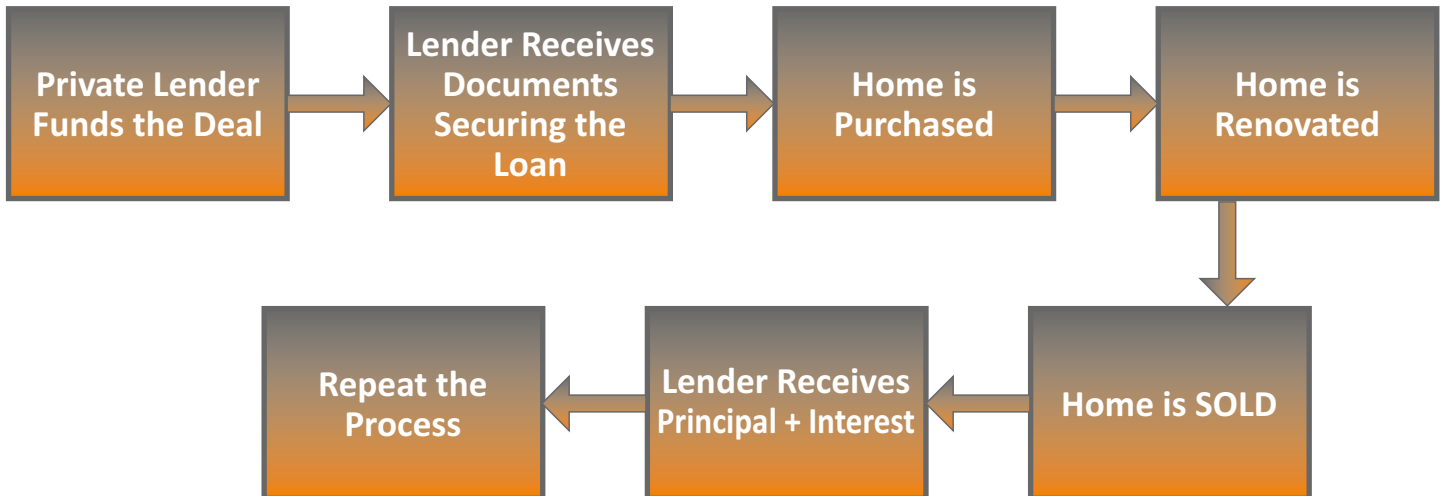
lending is your opportunity to profits just like a bank would. It's a and produce a predictable income provide excellent security and

**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



## PRIVATE LENDING ...contd

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 10% interest payment. It's just that simple! The goal is to keep you making substantial profits so you keep coming back to us – building a long term mutually beneficial relationship.



**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% APR.

Purchase Price:	\$285,000
Repair Cost:	\$68,000
Total loan: (6 month hold)	\$353,000
Sales Price:	\$425,000
Lender Potential Return on Investment =	\$17,650

**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.



We currently pay 4-5 times what a typical bank CD is paying. Our rates will fluctuate very little all depending on the purchase price and rehab involved. The lower the price we pay for a home, we can pay a little higher rate to make sure our lenders make it worth their time. Private lending means you can relax while the money is in a truly safe place, working for you.

Our equity is built in the purchase of the home, where we are buying 30-40% below a retail buyer – that creates instant equity at purchase. Also, in a typical transaction, we cut out the middleman cost, such as: commissions, mortgage broker fees, loan fees; and our attorney costs are also lower because there is less work for them to review.

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 simply won’t buy unless it makes sense for everyone involved. There are many reasons private lending is so compelling, here we list a few:

- 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 MONEY into lender's 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
- You make money while you are sleeping

### WHAT'S IN IT FOR YOU?

- Your loan is secured by real estate
- High returns on your money
- A predictable income stream because rates fluctuate very little
- No management costs
- No daily headaches with managing



## RISK vs Reward - You are making a 10x greater return on your money!

Sitting in the Bank	Real Estate Private Lending
\$100,000 X 1% interest	\$100,000 X 10% interest
12 Month term = \$1,000 ROI	12 Month term = \$10,000 ROI

*\*Backed by Real Estate*

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	Agreed upon fixed rate of return

*\*Tangible assett*



## HOW IT HELPS OUR BUSINESS

Private money lenders bring speed and efficiency to our transactions, and our leverage is far greater when we purchase using private cash funds . 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. Many traditional home sales fall out of contract because of financing issues. Using quick cash as leverage allows us to negotiate a much lower purchase price and reduce our risk.

Being able to offer a fast closing with private funds motivates sellers to take our offer over the competition, and entices them to take a much lower price than they would from a conventional buyer. Also, lending guidelines are also continually changing and are requiring applications,



## HOW IT HELPS OUR BUSINESS ...contd

approvals, junk fees and strict investor guidelines. They also limit the number of investment properties that can be purchased by one company. On a new home purchase requiring renovations, private lender funds will be allocated to the purchase price, renovations, carrying costs, cost to resell and a small buffer for unexpected expenses.

**WE PROTECT OUR LENDERS** Mortgages offer the banks solid, long-term, fixed returns. You can put yourself in the position of the bank by directing your investment capital, including retirement funds to well-secured real estate mortgages. Mortgages have ultimate safety because if default occurs, the bank can recover its investment as the first lien holder on the property.

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

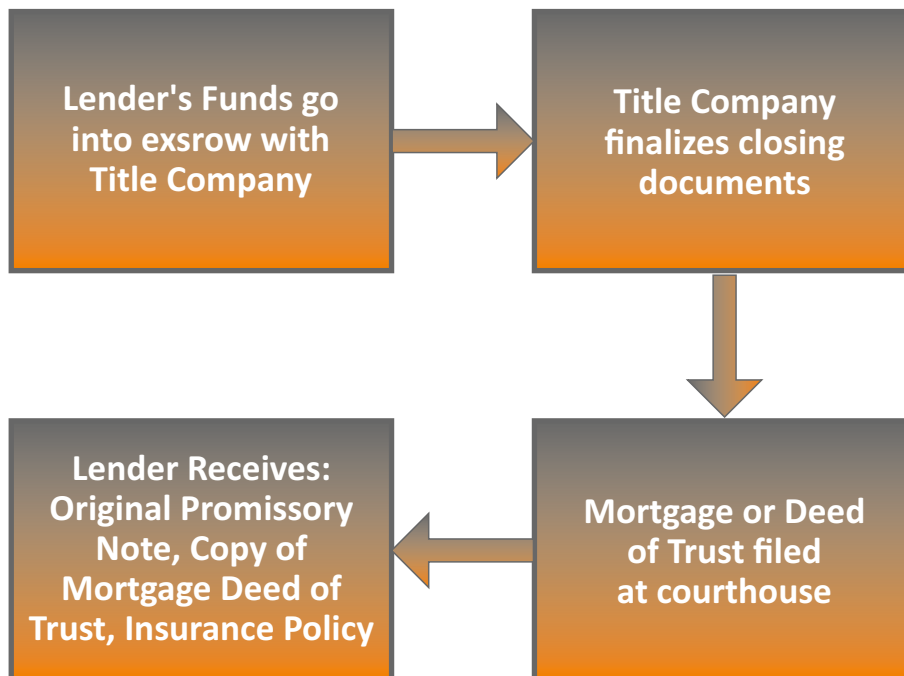
**Deed of Trust/Mortgage** This is the document that is recorded with the county clerk and recorder to publicly secure your investment against the real property that we are providing as collateral

**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.



## HOW IT HELPS OUR BUSINESS ...contd

We do pay for a title search as well as a title policy on the home just as we would in a typical transaction. For a rental investment with a long-term note, we always keep a valid hazard insurance policy on the property to protect against casualties. You'll be named as a mortgagee and notified if the insurance was not kept current. 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. The figure below illustrates the closing process.







## COMMON WAYS LENDERS FUND DEALS

**Cash** held in most types of bank accounts can be accessed quickly and can fund your deals in minutes, instead of hours or days. Fees are generally minimal for wire transfers and cashier's checks.

**A home equity line of credit** is a very powerful source of funding that many people have and don't even think of. Unleveraged equity is dead money and it's not making any interest. You can easily tap into that money. It's a way to make sure you're in first position when we're ready to pull the trigger and buy a property.

**Personal/business loans** and "signature lines of credit" can be obtained from most banks or credit unions by anyone with good credit and a stable income.

**Retirement accounts** More and more private money lenders are using their IRA funds to invest in real estate. A self-directed IRA is essentially the same as a traditional IRA, but allows you to purchase a broader range of investments, including real estate.

**Liquid Securities & Investments** are a way to put your savings to work earning more money. However, if your stocks and investments have not performed as you had expected, it might be time to consider other investments. As you know, stocks can be liquidated as and when you wish. Sometimes you need to liquidate your investments because you need the money for something you want to purchase such as real estate.



## COMMON WAYS LENDERS FUND DEALS ...contd

**Using 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!

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

### RETIREMENT ACCOUNTS THAT CAN BE SELF-DIRECTED

- Roth IRA's
- Traditional IRA's
- SEP IRA's
- SIMPLE IRA's
- 401k (solo)
- 401k (qualified plan)
- Educational Savings Accounts
- Health Savings Accounts

\*Profits can be tax free or tax deferred when you invest with one of these vehicles







## LENDING TERMS & CONDITIONS

**Minimum Lending** When working with private lenders, \$100,000 is our minimum standard investment. When first investing with us, a lower initial investment amount may be agreed upon to ensure you're confident when working with our company.

**Mortgage Terms** The majority of our loans are set up on a 12 month note; however, it depends on the size of the project. If we are doing a teardown and rebuild, we will have to wait on the county inspectors for many approvals - thus causing delays. We account for all of those details upfront and will give you estimated time frame for the return on your investment. Also, we do not pool funds - your funding will be tied to one piece of property secured by a deed of trust.

**Payment Schedule** 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.

**First and Second Lien Position** The Investor, as "mortgagor," has the right of first lien holder and Power of Sale on the property. You are probably used to hearing the term first and second mortgage. The second mortgage is a junior lien because it's in 2nd position. The senior lien or first mortgage must be paid prior to the 2nd lien.

### INVESTMENT TERMS AND CONDITIONS

- Minimum Investment - \$100,000
- Interest Rate – 10% on average
- Payment Schedule – paid 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





# EXAMPLES OF OUR WORK

2841 E Vincentia Road Palm Springs, CA

**BEFORE**



**AFTER**





# EXAMPLES OF OUR WORK

2841 E Vincentia Road Palm Springs, CA

BEFORE



AFTER





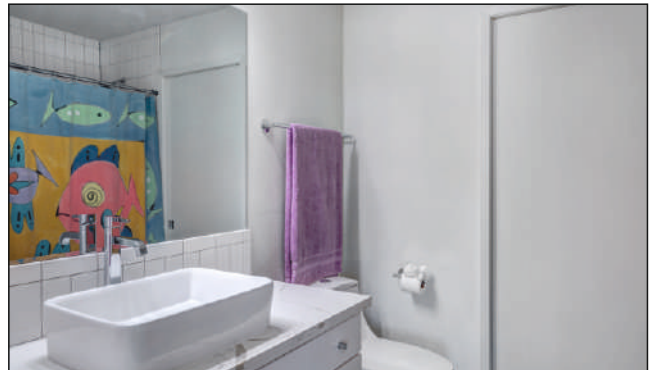
# EXAMPLES OF OUR WORK

2841 E Vincentia Road Palm Springs, CA

BEFORE



AFTER





## LET'S GET STARTED

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 or short term, and the amount you are comfortable initially lending. 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.

If you have any questions, please contact me directly:

**Richard Owens**

(760) 991-9500

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*These materials are intended only for discussion purposes and should not be relied upon in evaluating the merits of investing in any securities. Potential investors who express an interest in investing will be provided with additional materials.*







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