

CJ Cole's

BUYER'S

WORKBOOK

owning your dream home
can be a reality

... let me show you how!



Phone: 310.823.3129
Web Site: www.venicebeachliving.com

time to make your move

Congratulations on making your first important move toward owning your own home.

You have chosen the right time to consider home ownership. With the continuing low interest rates home ownership is still affordable ... even though market values have been increasing.

If you are currently renting, you may be able to experience the significant tax benefits as well as tremendous pride of home ownership. Owning your own home can energize your desire for personal expression ... in decorating, gardening, lifestyle ... and provide a sense of security and belonging.

My main goal is to help people like you find the home of their dreams. I have always set high standards ... based on integrity, knowledge, and a dedication to superior customer service.

Owning a home is the most significant investment most of us ever make, and one that is increasingly complicated. Trust my knowledge to help you through this important decision.

10 steps to home ownership

- 1 Select a real estate professional who knows the area you would like to live in.
- 2 Meet with your agent to discuss your needs—location, size, style, special features, etc.
- 3 Arrange a meeting with a knowledgeable lender to determine your buying power.
- 4 Your real estate agent will then help you select neighborhoods in your price range.
- 5 Your real estate representative will preview homes, select those which most closely meet your needs, and arrange to tour these homes with you.
- 6 After you have found your perfect home, it's time to make a written offer. Your agent will prepare the offer, and present it to the seller. Your offer may be accepted or the seller may write a counter offer.
- 7 After an agreement is finalized, escrow will be opened and your deposit check will be deposited into the escrow trust account.
- 8 Apply for your home loan through a lender that offers a suitable qualifying process and favorable rates.
- 9 You'll review the escrow instructions, each of which must be signed by both buyer and seller. Your real estate agent will guide you through your home inspection, disclosures and monitor the progress of the transaction.
- 10 Shortly before closing, your escrow officer will notify you that final documents are ready for signing and inform you of the amount of money required for your closing costs.

When all steps have been completed, it's official. You're a homeowner!

frequently asked questions

● What is the best way to find homes in my price range ?

Choose a seasoned real estate professional who is familiar with all available listings in your area. Your Realtor has access to thousands of properties for sale, and is trained to match your needs with just the right home.

● Can't I just look for "Open House" signs in the neighborhood I like ?

This may not be a wise choice. You may waste valuable time by only seeing a fraction of the available properties, and they may not meet your needs. A knowledgeable real estate agent will inform you of all available properties, even if they are not open to the public. You may not realize it, but visiting "Open Houses" or "For Sale By Owner" homes without your agent may cause confusion about who represents you ... and you might lose your ability to work with an agent of your own choosing.

● Can my agent show me homes listed with another real estate company, or "For Sale By Owner" properties ?

Yes. Every major real estate firm participates in the multiple listing service, and therefore, mutual cooperation is welcome. Also, most owners will work with your real estate agent and allow them to represent you.

● Do I have to pay a commission for these services ?

No.

● How much commission does my agent receive ?

When you purchase a home, your agent will receive a portion of the commission, paid by the seller.

● How do I know what I can afford ?

I recommend that you meet with a knowledgeable lender who will help you determine your purchasing power. Your offer may have more credibility with a seller when they know you have already taken the first financial step.



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You already know that your home is probably your single largest and most important investment ... However, your search for the "perfect" home can prove to be both time consuming and disappointing without professional assistance. By carefully responding to the following items, I can identify and we can see those homes which best meet your needs and avoid seeing those which do not. Of course, as we see more homes and you become more familiar with what is available on the market, your needs and criteria may change. That's fine ... but this will get us started!

I am looking forward to working with you

Name: _____	Number adults that will be living in home? _____
Home address: _____ _____ _____	Number of children living at home (names/ages): _____ _____ _____
Home phone: _____	Pets: _____
Business phone: _____	Wife's employer/profession: _____
Husband's employer/profession: _____	_____
How long ? _____	How long ? _____
Location looking for home (specific areas): _____ _____ _____ _____	Do you currently own your home? _____
Price range: _____	How long have you been at your current address? _____
Amount you've set aside for down payment: _____	Have you owned real estate previously? _____
Comfortable monthly payment: _____	Where? _____
Timetable for purchase: _____	Have you seen other properties in the area? _____
Obstacle(s) to overcome before purchase: _____ _____ _____	How many/over what time? _____
	Which ones? _____ _____
	Did you write other offers? _____
	Are you working with another broker at this time? _____
	What brings you to our company? _____
	Do you have a real estate licence? _____

	Must Have	Would Like	Don't Care	Don't Want
Number of bedrooms				
Master suite				
Maids room				
Number of bathrooms				
With tub				
With shower				
Spa				
Large living room				
Fireplace				
Wet bar				
Room for piano				
Hardwood floors				
Formal dining room				
Large kitchen				
Breakfast nook				
Built-ins				
Gas stove				
Dishwasher				
Family room				
Den (or guest bedroom)				
Home office				
With clients				
Laundry inside				
Central heat				
Air conditioning				
Security system				

	Must Have	Would Like	Don't Care	Don't Want
Style of home				
Traditional				
Mediterranean				
Contemporary				
View				
Canal front				
Oceanfront				
Ocean view				
Mountains/canyon				
City lights				
Guest house/rental unit				
Garage - number of cars				
Attached				
Carport acceptable				
Room for rec. veh.				
Patio/lanai				
Spa				
Large yard				
Grass/garden area				
Pool				
Room for pool				
Fenced				
Tennis court				
Alley				
Public schools				
Private schools				

Lifestyle (i.e. entertain large groups, entertain frequently, enjoy outdoor entertaining, "sun worshiper", morning sun in bedroom, enjoy gardening, enjoy cooking): _____

Special requirements (i.e. bedrooms on one level, first floor bedroom, dog run, special closet/storage needs, 2 story, etc.): _____

Condition of home (please place a #1 in the one you are most interested in buying, #2 in your second choice, etc.):

- _____ "Move-in" condition - don't want to do anything to the house.
- _____ Okay to paint/re-carpet/wallpaper, etc.
- _____ Cosmetic fixer-upper - in addition to #2, may need to update bathroom/kitchen, etc.
- _____ Structural fixer-upper - in addition to #3, may need to replace plumbing, new electrical wiring, etc.
- _____ Remodel - add rooms or modify original floor plan.

The floor plan of a home is more important than the actual number of square feet. However, please give me an idea of how large a home you want by square footage: _____ What lot size do you want: _____

Additional comments: _____

Once an agreement between you and the seller has been finalized, escrow is ready to be opened.

Escrow essentially allows for a disinterested third party (escrow holder) to keep all valuables/documents in trust until certain conditions are fulfilled.

Why you need an escrow. As the buyer, you want the assurance that no funds will change hands until all of the instructions in the transaction have been followed. This may include completion of all inspections and any repairs that were agreed upon.

How escrow works. The escrow holder is obligated to safeguard the loan documents while they are in their possession, and to disburse funds and/or convey title only when all provisions of the escrow have been complied with.

These provisions are written in the escrow instructions, which are drafted from the provisions agreed upon in the purchase agreement by all parties involved in the transaction.

The escrow officer will process the escrow, in accordance with the escrow instructions, and when all conditions required in the escrow can be met or are achieved, the escrow will be "closed."

The escrow officer will endeavor to expedite the timely closing by keeping all parties informed; will handle the funds/documents in accordance with the instructions; will pay all bills as authorized; will respond to authorized requests from the principals; will close the escrow only when all terms and conditions have been met; will distribute the funds in accordance with instructions and provide a written closing statement of the charges and credits of your account.

Your responsibilities during escrow. Your most important role during this time is to read and understand your escrow instructions. Be sure to ask your escrow officer to explain anything you don't understand, however, any legal questions would need to be directed to your attorney.

In order to expedite the closing of escrow, don't be afraid to ask, "What can I do to expedite the closing of this escrow?"

You should also respond quickly to correspondence. In addition, when you are required to deliver funds into the escrow, make sure they are in the form required by the escrow officer. Cashier's checks or wired funds are preferred over personal checks because of the time required to clear, and escrow can only close on cleared funds.

When the escrow officer closes the escrow, it may take a few days to process all of the paperwork and distribute it to all principals. As the new owner, you will receive your recorded deed directly from the County Recorder's office.



4 Steps to Know Which Home You Can Afford

Step 1 - Income

Summarize your monthly income. Include your income and your spouse's or co-applicant's income. To calculate monthly income multiply weekly wages by 4.33 and bi-weekly wages by 2.16.

INCOME SOURCES		GROSS MONTHLY INCOME
Salaries	you co-applicant	
Commissions & Overtime (average of last 3 years)	you co-applicant	
Dividends & Interest	you co-applicant	
Other Continuing Income (please specify)	you co-applicant	
#1 TOTAL MONTHLY INCOME		#1

Step 2 - Debts

Include all regular payments made by you or your co-applicant for things such as auto loans, student loans, credit cards, etc. Do not include monthly utility payments.

DEBTS	UNPAID BALANCE	MONTHLY PAYMENT
Installment Debt (department stores, credit cards, etc.) (please specify)		
Auto Loans		
Real Estate (itemized)		
Other Debts (itemized)		
Alimony and Child Support		
#2 TOTAL MONTHLY DEBT		#2

Step 3 - Home Payments

Using the table on the right, you will be able to estimate your monthly principal and interest payment on a 30-year loan at the current rate in effect. Remember, the mortgage amount does not include your down payment or closing costs.

HOME PAYMENTS	MONTHLY PAYMENT
Principal and Interest Payment	
1/12 of Annual Property Tax	
1/12 of Annual Insurance Premium	
Condominium Maintenance Fee	
#3 TOTAL HOME MONTHLY PAYMENT	#3

To Calculate Your Monthly Payment For Principal & Interest

Multiply the amount of your loan (in thousands) by the monthly payment in the table below for the applicable interest rate.

INTEREST RATE	MONTHLY PAYMENT	INTEREST RATE	MONTHLY PAYMENT
5.00%	\$ 5.37	8.00%	\$ 7.34
5.50%	\$ 5.68	8.50%	\$ 7.69
6.00%	\$ 6.00	9.00%	\$ 8.05
6.50%	\$ 6.32	9.50%	\$ 8.41
7.00%	\$ 6.66	10.00%	\$ 8.78
7.50%	\$ 7.00	10.50%	\$ 9.15

$$\frac{\text{amount of loan (in thousands)}}{\text{monthly payment (from table above)}} \times \text{monthly payment (from table above)} = \text{monthly principal and interest payment}$$

Step 4 - Pre-Qualify Yourself

You can easily prequalify yourself on a specific home or determine the price range that is practical for your budget.

Take answer from #3 and divide by answer from #1 _____% (Should be 28% or less)

Take answer from #2, add answer from #3 and divide by answer from #1 _____% (Should be 36% or less)

financing terms

Adjustable Rate Mortgage (ARM). A mortgage loan that allows the interest rate to fluctuate over the term of the loan. Two of the benefits of an ARM are that the initial rate is lower than other types of loans and these loans are usually assumable.

Amortization. A gradual paying off of a debt by periodic installments.

Annual Percentage Rate (APR). The total finance charge (interest, loan fees, points) expressed as a percentage of the loan amount.

Appraisal. The estimated value of a property, usually done by a lender-approved appraiser. This opinion of value is then used by the lender in its loan approval process.

Cap. The limit on how much an interest rate or monthly payment can change, either at each adjustment or over the life of the mortgage.

Conventional Loan. A mortgage loan other than one guaranteed by the Veteran's Administration or insured by the Federal Housing Administration.

Deed of Trust. A legal document used in California instead of a mortgage, by which the borrower pledges a piece of real property as security for repayment of a loan.

Fannie Mae. Federal National Mortgage Association (FNMA). A privately owned corporation created by Congress to support the secondary mortgage market. It purchases and sells conventional home mortgages.

Fixed Rate Mortgage. A home loan for which the interest rate and monthly payments do not change during the term of the loan.

Loan Application. Documents required by a lender that generally includes the borrower's financial and employment data and personal information, plus a description of the loan requested.

Loan Approval. The lender agrees to make the loan to a borrower on a property. The loan approval should include the interest rate, a summary of the terms of the loan, and a date by which escrow must be closed.

Loan Documents. The actual paperwork that the lender generates in conjunction with the escrow company to process the loan.

Origination Fees. Charges to a borrower to cover the costs of issuing the loan, such as credit checks, appraisal and title report expenses.

PITI. Loan principal, interest on the loan, property taxes, and home owner's insurance.

Points. Lender's loan fees. Each point equals 1% of the loan amount.

Prepayment Penalty. A fee charged if a loan is paid off before its due.

Private Mortgage Insurance (PMI). Insurance required by most lenders when the down payment is less than 20%. This insurance protects the lender against default on the part of the borrower.

Seller Financing. The seller agrees to make the loan rather than a bank or savings and loan.

home inspections

Question:

What is a home inspection?

Answer:

A home inspection is an overview of the physical condition of a property. A home inspection is a visual inspection; that is, the inspector does not look behind walls or under carpeting or take apart equipment. The following are some of the items that a home inspector generally inspects: roof, electrical components, plumbing components, heating and air conditioning systems, sinks, toilets, walls and windows.

Question:

Why have a professional home inspection?

Answer:

Your own inspection will not be as comprehensive as a professional inspection because you are not trained to "see" everything a home inspector can see. It is recommended that you avoid having a friend or relative who happens to be a "handy man" do the inspection rather than using a professional.

Question:

What should I be looking for in a home inspector?

Answer:

The home inspector should be willing to provide a written report covering its inspection. The home inspector should be a member of a professional organization for home inspectors and should carry professional liability insurance. Further, a home inspector should provide you with references and a fee schedule.

Question:

What is excluded from a home inspection?

Answer:

While home inspectors will conduct a more comprehensive inspection than you, home inspectors are "generalists;" that is, they have broad knowledge about many aspects of the physical condition of property but do not have specific knowledge regarding every aspect.

Thus, home inspectors may recommend that you have a specialist conduct further inspections with respect to certain items the home inspector checks (such as the roof, plumbing or electrical components) or items that are completely excluded from the inspection (such as structural conditions, geological conditions and environmental hazards).

Question:

Can the home inspector identify structural additions built without a permit?

Answer:

Yes. The home inspectors on the list have indicated that, if they are given permits and certificates of occupancy for the property being inspected, they will identify for the buyer structural additions that appear to have been built without a permit or for which a certificate of occupancy has not been issued. This information is important because the buyer may be required to incur expenses after the close of escrow to bring the property up to current codes or to demolish such additions.

Question:

Who arranges for the home inspection?

Answer:

Generally, the buyer arranges and pays for the home inspection.

Question:

How do I find the right home inspector?

Answer:

You should contact several home inspectors and ask about their qualifications, services and fees. I have included in this brochure a list of home inspectors who have indicated that, as of the date the list was compiled, they provide written reports, belong to a professional association for home inspectors or hold a contractor's license, and carry professional liability insurance. The list does not represent all home inspectors with these qualifications and services.

It is also important to use a home inspector who cannot benefit financially from the findings of his or her report and, therefore, it is recommended that you use someone who is not involved in the remodeling or repair business.

I encourage you to make your own selection of a home inspector based on the criteria that are important to you.

List of Home Inspectors

Apple Home Inspections • Jeffrey Carlisle
310.306.0632

Bob Holmes Inspections • Bob Holmes
310.701.9012

Boatwright Home Inspections • Joe Hard or Tim Boatwright
310.390.8282

John Mettle Building Inspection • John Mettle
310.457.1851

LaRocca Inspection Systems • John LaRocca
818.951.1795

This list of inspectors is provided as a courtesy to my buyers. The selection of a particular inspector (including an inspector listed in this brochure) shall be at the buyer's sole discretion. I recommend that if a buyer desires to use an inspector that is not on the list, the buyer use someone who adheres to the standards of the professional associations for home inspectors and who is insured under a professional liability policy. As to the matters for which a buyer has consulted an inspector, the buyer shall rely solely upon the inspector and not on Venice Beach Living. Buyer to independently confirm all information, insurance, qualifications and services directly with home inspector selected by Buyer.

seller disclosures

Real Estate Transfer Disclosure Statement:

California law requires all sellers of residential property provide a written statement disclosing the conditions of the property to the buyer. The law not only applies to homeowners selling their home through a licensed real estate agent, but also those who choose to sell their home by themselves. It is designed to protect both the buyer of a home, by providing a record of any defects or other potential problems, and the seller from any future liability as a result of defects discovered after the closing of a transaction. Also included are transactions for multiple-family dwellings with up to four units, such as a duplex or fourplex, and condominiums.

Within the number of days specified in the purchase agreement for a residential property, the seller must provide to the buyer a Real Estate Transfer Disclosure Statement on a prescribed form. This form requires disclosure, based on the seller's personal knowledge, all matters relating to the property's structure and systems and other conditions that may effect the value of the property. Within five days of receiving this form, or the agreed upon time period, the buyer must either accept it or give written notice of rescission of the purchase agreement. If the seller determines the form was not complete because of new information or circumstances, he or she can amend the statement or correct the defects. Both must be done and acknowledged by the buyer before closing. By amending the statement, the seller allows the buyer an extra five days to rescind the agreement.

Other required seller disclosures/compliance include:

- Agency Disclosure
- Lead-Based Paint Hazards Disclosure
- Natural Hazard Disclosure
- Residential Earthquake Hazards Report
- Data Base Disclosure (regarding registered sex offenders)
- Smoke Detector Statement of Compliance
- Water Heater Statement of Compliance
- Water Conservation Compliance

about pest control ...

A Wood Destroying Pest & Organism Inspection Report (commonly referred to as a termite or pest control report) contains findings as to the presence or absence of evidence of wood destroying pests and organisms (ie. termite infestations, termite damage, fungus damage, etc.) in visible and accessible areas and contains recommendations for correcting any infestations or infections found. Reports are governed by the Structural Pest Control Act and regulations

The Structural Pest Control Act requires inspection of only those areas which are visible and accessible at the time of inspection. Some areas of a structure are not accessible to inspection, such as the interior of hollow walls, spaces between floors, areas concealed by carpeting, appliances, furniture or cabinets. Infestations or infections may be active in these areas without visible and accessible evidence. Carpets, furniture or appliances are not moved and windows are not opened during a routine inspection. The exterior surface of the roof is also not inspected. In the event damage or infestation found during the inspection is later found to extend further than anticipated, a supplemental report will be issued .

All pesticides and fungicides must be applied by a state certified applicator and in accordance with the manufacturer's label requirements.

Typically the seller is responsible for certifying that the property is free of active infestation and that all damage that has been caused by infestation is repaired (section 1). It is usually the buyer's responsibility to do section 2 items (those which may lead to future infestation/damage). If, as a seller, you feel the cost of the pest control work will be significant, we do advise having a pest control inspection prior to listing so you are aware of the cost in advance of negotiating an offer.

make moving easy ...

Whether you're planning a move across town or across the country, making the move hassle-free is what it is all about. Besides the traditional garage sale and packing boxes, there are a few details you won't want to forget before you begin loading the truck ...

PLAN AHEAD

Experts recommend scheduling moves at least one month in advance, especially during the peak moving season between May and September. Some estimates indicate 80 percent of all moving and storage business is done when schools are out. That's when employees are most likely to be transferred. Take the time to get as much information as possible from moving companies before selecting one. Check on truck size and availability. Ask about moving supplies, such as boxes, dollies and furniture pads. Find out about protection plans for your possessions. Ask about lost or damaged property claim procedures. Determine price differences in packing the truck yourself or having it professionally packed. Get estimates.

SAVE YOUR RECEIPTS

Many of your moving expenses are tax deductible, so hang onto your receipts. Consult with your tax advisor to find out what is deductible, or call the Internal Revenue Service and request Publication 521: "Tax Information On Moving Expenses" to find out which moving expenses you can deduct.

CHANGE YOUR ADDRESS

Stop by your local post office and pick up a free change-of-address kit. The packet includes change-of-address cards to notify magazine publishers, charge accounts, clubs, organizations, insurance and investment companies about your move. The kit also has an address forwarding card for the post office.

COLLECT DOCUMENTS

If you're moving out of the area, you'll need to gather your family's personal records. Remember to get your medical and dental records, school transcripts, legal documents, titles, bank records, tax returns, stocks and bonds certificates, birth certificates, passports and insurance documents. Be sure to empty your safe deposit box.

CANCEL UTILITIES

When you cancel your telephone, gas, electric, garbage, water and other utilities, call and order service for your new home. You'll be able to make telephone calls, plug in the vacuum and do a load of laundry the minute you step into your new home.

UTILITY PHONE NUMBERS FOR VENICE

LA Department of Water & Power (Electric, Water & Sewer)	800-342-5397
The Gas Company	800-427-2200
Verizon (Phone)	800-483-5000
Time Warner (Cable)	888-892-2253

what cj will do for you ...

- I am a real estate professional with a reputation for excellence and a sincere desire that all of my clients find the best possible home to fit their needs and lifestyle.
- I know the Venice housing market inside out, and can help you avoid many wrong turns during your home search. I know all of the homes available in Venice and often even know of homes that may be coming on the market in the immediate future. Because I personally visit each home I am able to determine which homes best fit your needs and budget, saving you valuable time.

I can also help simplify the complexities of home financing. I can put you in touch with a lender that will work with you to qualify for the home you choose.

I can provide knowledgeable information about a neighborhood's surrounding community, schools, churches, shopping, recreation, dining spots, traffic patterns, and proposed redevelopment issues that could affect the home's future value.

I will assess your needs and guide you to the houses that most fit your personality and desires. You can help me by completing the "Profile of Your Dream Home" worksheet in this booklet. With this information, you'll be on your way to finding the home that's right for you.

I arrange for you to see the homes that most fit your needs, and accompany you so that you are aware of each home's features as well as any faults.

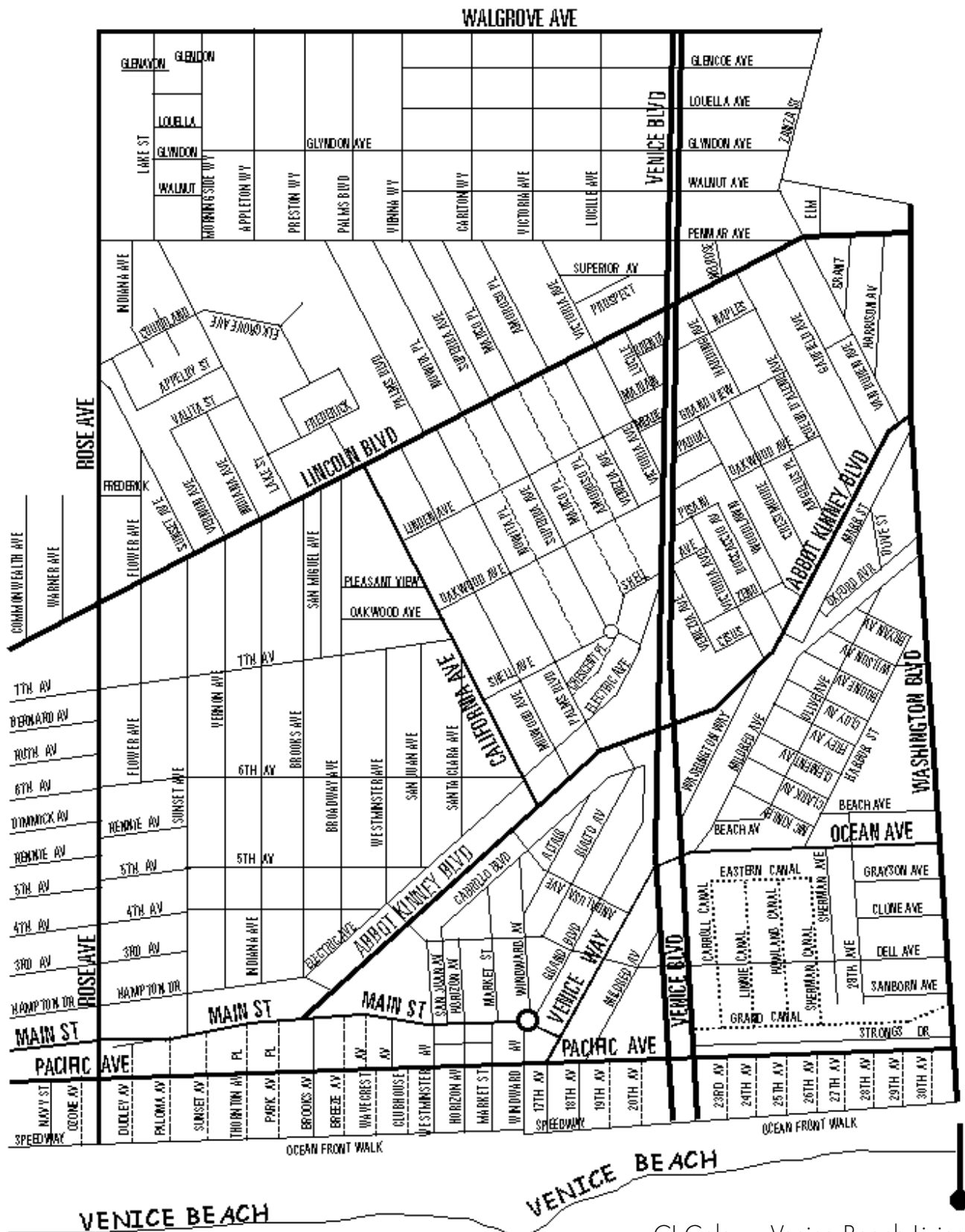
I will stay in touch with you to keep you advised of what new listings are available, if any prices or terms have changed on homes you've seen, or even to tell you which homes will be open on the weekend for your viewing.

I will give you the facts you will need to make a decision, including comparable information on other homes that have recently sold.

I will represent you during the negotiations to make sure your interests are protected.

The information that I obtain for you is without cost to you. This is because I generally receive payment by a commission that the seller pays. However, that doesn't affect the dedication or the spirit of teamwork that I will put into helping you find and buy the home you're dreaming of. After all, my success depends on your success.

welcome to venice ...





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