

MARCH
2024

Peak Possibilities

Your Monthly Guide to Informed Real Estate Decisions



Investment Community of the Rockies
— COLORADO REAL ESTATE INVESTORS ASSOCIATION —

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ICOR Business Member Directory

National REIA Legislative Update

By Charles Tassell, NREIA Legislative Affairs

Increased refrigerant standards.

We can go through a lot of technical data, but to sum it up ASHRAE (The American Society of Heating, Refrigerating and Air-Conditioning Engineers) standards are being tightened by the current administration and that means that refrigerant will become even more difficult to obtain, and more expensive by 2025. If you are thinking about replacing parts or equipment in 2024, you may not be alone, and there may be a tighter supply as larger companies seek to upgrade as well. If budgeting allows, start planning on upgrades, especially for older systems. It is highly unlikely that non-A1 refrigerants will be available for many more years, and even then, they will become prohibitively costly.

Bill Tracking

There are 9 key types of legislation that National REIA tracks for our members. While the issues are typically focused on housing, finance and small business, it also includes everyone's favorite subject, Rent Control! In 2023 alone there were over 4800 bills brought in all 50 states, the District of Columbia and of course in Congress. Of those, many are still in line to pass...

- Abandoned Housing 20 Bills
- Business Licensing 3,766 Bills
- House Rehabbing 203 Bills
- Housing Preservation 49 Bills
- Landlord Issues/Property Management 225 Bills
- Property Maintenance Code 23 Bills
- Real Estate Inspections 131 Bills
- Rent Control 465 Bills

Aside from all the Bills above, just the Department of Energy, the EPA, and HUD have generated another 8,648 regulations and modifications to existing regulations at the Federal level. At National REIA we focused on the 63 from the DOE, 34 from the EPA and

453 from HUD. The new EPA rules alone lowering the amount of lead dust tested for in dust wipe samples sent for lab tests in 2024 will raise the cost of tests from \$3-\$5/test to \$180+/test for an ever-shrinking universe of lead poisoning...and those cases are not typically from the low threshold situations. The new rule lowers the threshold such that testing has reached a point that laboratories have false positives

on blood lead levels and many labs will not be able to perform the basic wipe test due to the new sensitivity requirements.

Rent Control

Rent control hasn't worked anywhere. At least not for the reasons it is initially justified. Even in Minnesota last year, with a 4,000-unit development planned and only 400

constructed, once there was no exclusion for 'new builds' the developer pulled the plug on the remaining 3,600 units. Those who understand basic economics, recognize that the loss of 3,600 new units will have a definite impact on the supply and demand facets of housing in the Minneapolis / St. Paul region. While 4k housing units may not have been the silver bullet solution to price growth, the absorption of those units over a couple year period would have signaled to other developers to build as well, and the overall market — and residents — would have benefited from a strong but healthy housing market. Government interference in the market always has unintended consequences. Some time the results are minor. History has shown, New York City for example, that with Rent Control the consequences result in a skewing in the market, a redistribution of benefits and desertion of capital — both in the form of maintenance and long-term development.

Sadly, the affordability that is initially sought on behalf of working families does not manifest, with

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MARCH MEETING INFORMATION

March @ ICOR

Three things to expect in March's Real Estate Market and How Investors Plan to Navigate

For real estate investors eyeing opportunities in March's market, there are three critical factors to strategize around: Firstly, mortgage rates are expected to remain high. This means that financing for property acquisitions might incur higher costs than usual. To optimize returns, investors should explore tactics like enhancing credit scores and scouting for creative or more favorable lending options. Secondly, although housing inventory has increased compared to last year, the supply remains inadequate. January saw a 15% surge in available homes, yet the overall inventory fell short. Ideally, a healthy market maintains a four to six-month supply of homes, but the current figure sits at a mere 2.9 months. Despite the uptick in inventory, home prices continue to soar due to supply constraints. This implies that purchasing properties could be more expensive than anticipated. March presents challenges and opportunities for real estate investors. While buying might prove costly, sellers stand to benefit from the ongoing market conditions. However, uncertainty looms over how long these conditions will persist. Hence, investors looking to capitalize should act swiftly.

Colorado Springs – March 14th with Lisa Hernandez, Bear Creek Mortgage & Real Estate Investor

Denver – March 19th with Michael Webb, Buy & Hold Investor and Mortgage Banker

Fort Collins – March 21st with Northern Colorado Investor Power Couple



Colorado Springs

Thursday, March 14th

Hyatt Place Colorado Springs
503 Garden of the Gods Rd West
Colorado Springs, CO 80907



Denver

Tuesday, March 19th

Lakewood Cultural Center
470 South Allison Parkway
Lakewood, CO 80226-3123



Northern Colorado / Fort Collins

Thursday, March 21st

First American Title
2950 E Harmony Rd, Suite 399
Fort Collins, CO 80528

For full details or to register visit www.icorockies.com/events

Save the Date for ICOR's March Meetings

ICOR – Colorado Springs

Thursday, March 14th,
6 PM-9 PM (MDT)
2nd Thursday of Every Month

ICOR – Denver

Tuesday, March 19th,
6 PM-9 PM (MDT)
3rd Tuesday of Every Month

ICOR – Northern Colorado / Fort Collins

Thursday, March 21st,
6 PM-9 PM (MDT)
3rd Thursday of Every Month

Upcoming Webinars & Workshops

Why Shorts Sales, Why Now?: Six Figure Investing Webinar

Virtual

Wednesday, March 6th:

- Unlocking Profits on Modest \$250K Houses: David will unveil strategies how he turns a \$250K house into a remarkable \$150K profit.
- Strategies to Find Ready-to-Go Short Sale Clients: Learn effective approaches to identify and engage with clients ready for short sale opportunities.

Inflation and its Effects on Tangible Assets Webinar

Virtual

Tuesday, March 13th

With inflation and its effect on the economy, investing in the stock market can be a risky business. At times like these, many investors look toward investing in tangible assets. One asset you may not know much about is mineral rights. Mineral rights can be a great option for those looking for a way to diversify their portfolio and invest in energy without the volatility of the stock market.

Navigating The New Wave: Unveiling The Hidden Short Sale Opportunities!

In Person

Saturday, March 23rd

Let's break free from the misconception that short sales are a relic of the past, especially after the Great Recession. The current real estate landscape is rife with a blue ocean of opportunities, and it's time to dive into our workshop, "Navigating the New Wave," to explore why short sales are not only relevant but crucial in today's market.

Find out more and register online at www.ICOROCKIES.com/events

SATURDAY, MARCH 23, 2024
9:00 AM - 5:00 PM • ENGLEWOOD, CO

Navigating The New Wave: Unveiling The Hidden Short Sale Opportunities!



Hello, Colorado Investors! Let's break free from the misconception that short sales are a relic of the past, especially after the Great Recession. The current real estate landscape is rife with a blue ocean of opportunities, and it's time to dive into our workshop, "Navigating the New Wave," to explore why short sales are not only relevant but crucial in today's market.

\$125 for members, \$175 for Non Members
www.icorockies.com/events/shortsaleswksp324

National REIA Legislative Update

Continued from page 1

the well-to-do holding and even sub-leasing units for years, while the owner suffers. In New York for example, many of the smaller rental buildings were purchased by legal immigrants working to build a new life in the US. Those properties have become the focus of recent changes in rent increase approval processes. The resulting market distortions are furthering the demise of buildings and holding back what could have been a redevelopment boom when interest rates were low.

The results however are often discounted by proponents who much like socialists, admit there were problems in the other areas, but they can do it right and this is the best fix for the moment. The moment. That is really the key argument. If municipalities have a longer perspective on their housing and zoning plans, they can help guide development and incentivize balanced growth. Many communities though, refuse to allow housing or "that kind" of housing at some point and as the housing scarcity grows, housing demand, and therefore prices increase. The long-term solution to the housing supply problem must be considered year by year and steadily grown. Houses are not built over-night, at least not ones people would want to live in for very long! As stakeholders in a community, it is incumbent upon us, to be involved with the zoning, and development plans at the local and county level — doing so early on and not just at the point of crisis can help the region avoid the last minute, "we have to do something now" reaction.

Court Action?

Legally speaking, Rent Control is entirely different than a mere intrusion in to the business processes via a regulation. In fact, there are cases trying to overturn previous case law about rent control being an actual taking. Yes, that kind of Unconstitutional Taking. As with most of these larger issues, it will take years to wind its way through the courts, but maybe, just maybe, the Supreme Court will consider the true impact of a governmental restriction on a citizen's ability to charge an amount in the market place for a product that a willing buyer would contractually pay. The inability to engage in market-based sales, and thereby retain the benefit of combined work and risk, leads to little more than the loss of property rights on a path similar to that of socialist and communist countries.

Evictions and avoidance

With inflation a central topic and billions paid out to cover rent during and after the Covid panic, there has been an ebb and flow to the debate. Some regions are focused on the need for money to help people pay rent and do so in a timely manner to avoid the entanglements of court proceedings and the legacy of problems they create for tenants. Mediation solutions can help when there are non-financial issues involved. Right to Counsel on the other hand tends to add delays to the process, increase court fees and reflects very little assistance to the family involved, other than providing a little more time to find another place to live. Money provided to families helps solve one of the big three issues that are financial stumbling blocks for families living pay-check to pay-check; 1. Auto problems. 2. Medical problems. 3. Short-term work displacement.

These three situations cause the majority of rent problems. With over 50% of Americans unable to put their hands on \$1,000 in the event of an emergency, these issues can cause a stumble that can be resolved for typically less than a grand. However, with attorney fees ranging from high to astronomical(!) the only benefit from going through the eviction process, and a delayed one at that, is the attorney. It doesn't help the family. They still have to move, and it will be more difficult with an eviction process on their record, and the housing provider is typically out 2-3 months of rent plus turn-over and re-marketing fees. It's no wonder attorneys always present Right-to-Counsel as a solution: because they benefit.

Junk fees

With the Whitehouse focused on Junk fees, a potential consumer protection item that most of us would concur could help, the definitions come in to play. The breadth of terms that include junk fees ranges from application fees to late fees and any other fee that is separate from rent. For the rental industry the message is clear, and potentially helpful in that transparency is a good thing. The lease should clearly define every fee that may be included depending on specific actions or inactions, and even getting them initialed could save you heartburn later. Now if only we could get that level of transparency at the pharmacy or the hospital!



INVESTMENT STRATEGIST

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Balancing Having a Heart with Money: Denver's Evolving Political Landscape on Landlord Laws

Introduction

Denver, often touted as a city with a heartbeat pulsating with cultural diversity and economic dynamism, finds itself at the crossroads of a nuanced and evolving political landscape regarding landlord laws. The intersection of heart and money, reflecting the interests of tenant rights groups, has sparked a series of legislative changes that are reshaping the way housing is managed in the Mile-High City.

The Heart: Tenant Advocacy and Social Responsibility

At the heart of Denver's evolving landlord laws is a growing movement for tenant rights and social responsibility. As the city experiences a surge in population and a subsequent housing demand, there is a palpable concern about housing affordability and accessibility. Tenant advocacy groups have been instrumental in pushing for legislative changes that prioritize the rights and well-being of renters.

One significant development has been the emphasis on rent control measures and restrictions on eviction. Advocates argue that stable housing is a fundamental human right and that affordable rents are essential for the social fabric of the city. As a result, Denver has seen the implementation of HB23, Just Cause for Eviction that is currently becoming law.

Moreover, there has been a push for more inclusive and transparent leasing practices. Tenant rights organizations have successfully campaigned for increased disclosure requirements and inspection requirements, ensuring that renters are well-informed about their rights, potential rent increases, and the conditions of their lease agreements. The state lowered the income requirement for tenants to just two months income per month of rent, raising the risk for landlords, but adding opportunities for tenants.

The Money: Property Owners' Perspectives and Economic Realities

On the flip side, property owners and real estate developers assert their rights to manage their investments profitably. The economic realities of maintaining and upgrading rental properties in a rapidly growing city are cited as significant factors in this ongoing debate. Property owners argue that restrictive landlord laws could stifle investment in housing, potentially leading to a shortage of rental units and exacerbating the affordability crisis.

As an investment broker, I have a lot of listings right now. My owners want to sell their properties as they do not see the new landlord laws in Colorado as favorable. While everyone agrees that there is a need for affordable housing, no one really wants to pay for it. Tabor in Colorado caps the ability of the government to pay unlimited amounts towards

tenant housing. Thus, the costs are being pushed to the owners, who will then sell the properties and lower the housing stock. Then, due to supply and demand, there are less homes, and higher prices, and an outcry for more laws. It is a spiral we need to get out of.

Finding Middle Ground: Political Compromises and Collaborations:

Is there hope for Denver? Community forums, stakeholder consultations, and collaborative policy-making could hopefully become the norm as policymakers seek to strike a delicate balance as they see the housing stock decline. Engaging both tenants and property owners in the decision-making process would be essential as a goal in crafting legislation that reflects the diverse needs of Denver's population.

Conclusion

Denver laws for real estate are changing quickly, and as a result I am seeing a lot of owners sell out of their properties and move the money into other states.

Please call me for a consultation if you are considering selling your investment property or buying something out of state. Our next workshop for free investment education can be found on my website, www.realestateambitions.com



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What is HO-6 Insurance and Why Do I Need It?

Condo Unit Owners Insurance is sometimes referred to as an "HO6". An HO6, is a specific insurance policy that a condo unit owner would purchase to provide coverage where the HOA master policy does not provide coverage for the unit owner. An increasing insurance trend is that Homeowner Associations are requiring the unit owners to carry an HO6 policy to protect their interior unit, upgrades, personal property, personal liability and loss assessment.

When a Condo/Townhouse unit owner pays their monthly HOA fees, these fees include such items as, exterior maintenance of buildings and grounds, security, as well as maintenance of the HOA. One of the largest portions of the monthly HOA fees, is the insurance. The master insurance policy usually covers the building exterior and common areas that are included in your association's CC&Rs (Covenants, conditions and restrictions). CC&Rs are very important as they are specific to each HOA. Some CC&R's require coverage to a limited portion of the interior units within the master policy while others transfer this risk to the unit owner. This is where an HO6 policy is needed to pick up the interior walls and contents coverage. Always have your insurance Agent check with your association if your master policy is an "All Inclusive" or "Exterior Only". HO-6 policies for a rental or personal condos or townhomes should cover the following:

- Interior building coverage may include the original fixtures, cabinets or improvements.
- Personal property such as appliances, clothes, electronics, furniture, etc.
- Liability protection as a landlord or owner-occupied unit
- Loss of rents
- Loss assessment

Currently, Insurance Companies are renewing Master HOA policies with large percentage deductibles. An example of this might be, an HOA is insured for \$20,000,000 and the deductible is 5% or \$1,000,000. Most HOA Boards do not have the operating capital to cover such a large deductible. This is where the HO6 can be so important for the unit owner. The coverage that would potentially pay for this deductible is "Loss Assessment."

Loss Assessment is the coverage included in the HO-6 policy that protects the unit owners in the event of damages to common areas and/or exterior buildings. In Colorado, the most common use of the loss assessment endorsement is when there is a hailstorm causing building damage. The unit owner can then file a claim with their HO6 policy, and this would pay all or part of the large deductible or assessment. The idea of claiming the large deductible on the HO6 is nothing more than a risk transfer to the unit owners HO6 policy.

If your loss assessment coverage isn't sufficient, ask your agent to

increase the amount of coverage to satisfy the deductible amount. If the higher limit isn't available, I suggest you should shop around to find an insurer who could protect you better.

Overall, insurance policies have many rules and limitations. I suggest to not rely only on your HOA master insurance policy to be the only coverage for your condo unit. By purchasing an HO6 unit owner policy, you will avoid any unplanned costs and surprises. Best of all, these policies are affordable. The average cost is \$450 annually. If you have more questions about your HO-6, CC&Rs or your HOA's master policy coverage, please contact me. I will be glad to assist and explain the coverages you should have for your rental or personal condo.



Sure, you have a roof over your head, but do your investments have the right coverage?

How can I help?

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How to Maximize Your Investments Funds With Partnering

It's no secret that people choose self-directed IRAs because of the many benefits they offer, like reducing taxes and providing options for alternative investments in your retirement portfolio. They are also very powerful accounts for real estate investors, as they allow the possibility for utilizing creative investment strategies. But how do you invest if your account is small? One of the great features of self-directed IRAs is that they don't have to be used on their own. Self-directed IRAs can work together to increase your buying power using a beneficial strategy called "partnering".

What is Partnering?

Partnering is when one entity (or more) and an IRA come together to put up the funds for an investment. In this strategy, all parties have a vested percentage of ownership in the deal. When doing this, the ownership percentages are decided at the beginning of the investment and must remain the same throughout the life of the investment. This means that any profit the investment receives is returned based on this percentage of ownership. Additionally, the IRA would be responsible for its percentage of any expense associated with the investment, too. For example, let's say you partnered your IRA with your friend's IRA to purchase a rental property for \$200,000. Your IRA invested \$150,000 or 75% and your friend's IRA invested \$50,000 or 25%. When any expenses occur, 75% of the expense must be paid from your IRA, and 25% will be paid from your friend's IRA. When you earn rental income, your IRA receives 75% of the earnings and your friend's IRA receives 25%.

Partnering doesn't have to be done with just retirement accounts. You can partner with any self-directed account, including Health Savings Accounts (HSA) and Coverdell Education Savings Accounts (ESA). You can also partner any type of alternative assets, such as real estate, notes, and private placements. This is an easy way to leverage your IRA and other people's IRAs to take advantage of more investment opportunities.

Who Could Benefit From Partnering?

Partnering is a great strategy for a variety of people. For investors who are just getting started, partnering allows the chance to participate. Even owning only a small percentage of a total investment allows a small dollar IRA to gradually grow. For example, parents will often partner their child's ESA with their IRAs so they have more investment opportunities.

There are also many occasions when a good deal on an investment property is available, but an investor doesn't have enough money in their IRA to make up the total cost of the purchase. Being able to partner with another IRA account or another money partner provides the ability to purchase the larger investment.

It is also beneficial for account holders that have multiple IRAs. For those who want to utilize all of their accounts at once, this is a great way to

have all accounts involved in one deal. Overall, partnering provides more possibilities for accounts to be involved in deals when they may not have been able to before.

Who Can Your IRA Partner With?

You can partner with anyone. You can partner with your spouse, your children, your friends, your business partners and their self-directed accounts. Not only can one or multiple accounts be partnered together, self-directed IRAs can also partner with personal funds. When partnering with personal funds, your IRA has a percentage of ownership and you do, too. This is not the same as doing a transaction with yourself. Keep in mind that when partnering with yourself or other disqualified persons, the percentage of ownership is decided at the time of purchase and must remain the same throughout the life of the investment.

How is Partnering Different than a Prohibited Transaction?

If you haven't heard about disqualified people and prohibited transactions, it's important to know these terms to better understand how partnering is different. Disqualified parties are certain people or entities that your IRA is not allowed to transact business with. Your IRA cannot buy, sell, loan, trade, or extend a service to or receive a benefit from either directly or indirectly with a disqualified party. How partnering is different is that you are not receiving a personal benefit from the transaction other than the growth of your investment. Your IRA and the other investor's IRA are pooling resources to purchase an investment. As long as you are not purchasing the real estate investment from a disqualified party and you are keeping the ownership percentages the same throughout the life of the investment, it is not a prohibited transaction.





Partnering Dos and Don'ts

1. Do your due diligence – Perform due diligence on both the investment and the person you are partnering with.

2. Do know the rules – While you can partner with a disqualified party, you still cannot violate the prohibited transaction rules.

3. Do check the structure of the partnership – Ensure the ownership percentages stay consistent, including your percentage of expenses. Note: your custodian will automatically split the earnings for you.

4. Don't do business with anyone you don't know and trust – Ensure they are someone you can work with and always do your due diligence.

5. Don't partner on an investment that you already hold title to – You cannot partner with someone on an investment you already own or is owned by a disqualified party.

6. Don't pay expenses on your investment with personal funds – This is no different than any other investment held by your IRA. Your share of the expenses must come from your self-directed account. Your partner's share of the expenses must come from their self-directed account.

Being able to combine funds with other investors and IRAs opens a door to a whole new world of possibilities. Understanding how to partner accounts will allow more investors to grow their retirement savings faster. For more information on partnering or how to maximize all of your self-directed IRAs, give a Quest Trust Company IRA Specialist a call at 855-FUN-IRAS (855-386-4727). To learn more about how to get started investing with a self-directed IRA, schedule a 1-on-1 consultation with an IRA Specialist by clicking [HERE](#).

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SYNDICATION EXPERT

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Navigating Form D and Blue Sky Filings in Private Equity Raises

In the realm of private equity fundraising, there exist essential regulatory requirements that firms must adhere to when soliciting investments from accredited investors. Among these are Form D filings and compliance with Blue Sky laws. These regulatory mechanisms are designed to ensure transparency, protect investors, and maintain the integrity of financial markets. Understanding these requirements is crucial for private equity firms seeking to navigate the fundraising process successfully.

What is Form D?

Form D is a document required by the Securities and Exchange Commission (SEC) under Regulation D of the Securities Act of 1933. It serves as a notice of an exempt offering of securities. Private companies that raise capital through the sale of securities must file Form D with the SEC within 15 days after the first sale of securities. This form provides essential information about the offering, including the issuer, the type of securities being offered, the total offering amount, and the types of investors participating.

Key Components of Form D

Issuer Information: This includes details about the company offering the securities, such as its name, address, and contact information.

Securities Offered: Form D specifies the type of securities being offered, whether they are equity, debt, or another financial instrument.

Investor Information: It provides insights into the types of investors participating in the offering, including whether they are accredited or non-accredited investors.

Total Offering Amount: This indicates the total amount of capital the issuer intends to raise through the offering.

Exemption Claimed: Form D outlines the specific exemption from registration under the Securities Act of 1933 that the issuer is relying on to conduct the offering.

What are Blue Sky Laws?

Blue Sky laws are state regulations designed to protect investors from securities fraud. These laws vary from state to state and govern the registration and sale of securities within each jurisdiction. The term "Blue Sky" originates from a Supreme Court decision in 1917, where the court referred to speculative ventures that had no more substance than so many feet of "blue sky." Compliance with Blue Sky laws is essential for issuers to legally offer and sell securities in individual states.

Blue Sky Filings Process

Review State Requirements: Before conducting a private equity raise,

issuers must review the Blue Sky laws of each state where they intend to offer securities to ensure compliance.

Registration or Exemption: Depending on the state's requirements, issuers may need to register their offering with the state securities regulator or qualify for an exemption from registration.

File Necessary Documents: Issuers must file the required documents, which may include Form D, along with any additional state-specific forms and fees, with the appropriate state authorities.

Obtain Clearance: Once the filings are submitted, issuers must wait for clearance from the state securities regulators before commencing the offering.

Importance of Compliance

Compliance with Form D filings and Blue Sky laws is crucial for private equity firms for several reasons:

Legal Compliance: Failure to comply with SEC regulations and state Blue Sky laws can result in severe penalties, including fines, sanctions, and legal liabilities.

Investor Confidence: Demonstrating compliance with regulatory requirements enhances investor confidence and trust in the offering, fostering better relationships with investors.

Market Integrity: Upholding regulatory standards preserves the integrity of the financial markets, contributing to overall market stability and investor protection.

Conclusion

Navigating Form D filings and Blue Sky compliance is a fundamental aspect of private equity fundraising. By understanding and adhering to these regulatory requirements, issuers can ensure legal compliance, foster investor confidence, and maintain the integrity of financial markets. Engaging legal counsel with expertise in securities law is advisable to navigate the complexities of these regulatory frameworks effectively. In doing so, private equity firms can conduct successful fundraising campaigns while upholding the highest standards of transparency and accountability.



How Mineral Rights Work

Mineral rights are like real estate, flipped upside down. Instead of owning property above the surface, mineral rights investors own everything below the surface. Owning mineral rights means you have the right to extract a mineral— or receive payment for the extraction of minerals— from the earth. In the United States, mineral rights work like property. They can be sold, transferred, or leased, and they can be separate from the surface rights. Minerals rights can be owned for an entire parcel of land, in fractions, for specific types of minerals, or to a specific depth interval.

How Mineral Rights Work

So, how does this all work? Let's say you own some 128 mineral acres in the middle of Oklahoma's Anadarko Basin. If you lease it to an oil company for three years, you could get \$2,000 per mineral acre as a lease bonus (\$256,000 total). On top of that, you could also receive 18.75% of all future revenue for oil and gas produced and sold from your 128 mineral acres. As wells are added to your drilling unit, you would get more revenue streams added to your net income. As a mineral owner, you would pay \$0 for exploration, \$0 for production, and would be responsible for 0% of the liabilities.

Benefits of Owning Mineral Rights

While rental income from real estate can be subject to market fluctuations and tenant vacancies, mineral rights typically provide dependable monthly income that supplies investors with a reliable and passive income stream.

These benefits include receiving royalties from the sale of minerals as monthly checks. These are paid by energy companies that lease the rights and develop the minerals. In this situation, a very typical royalty is 12.5-25%

of the revenue generated by the minerals on that land. It's quite lucrative!

Conveniently, mineral rights owners don't have to pay for the cost of drilling, developing land, or maintaining equipment. Also, mineral rights owners don't take on the liabilities that, say, the actual oil company that does the drilling takes on. Furthermore, it's more liquid than general real estate and usually generates recurring income.

Another advantage to mineral rights ownership is being able to use tax code 1031. This lets you defer capital gains taxes on any real property sale by reinvesting the proceeds in mineral properties.

These benefits make mineral rights ownership a low-risk, high-yield, and attractive source of passive income.

Conclusion

If you want to invest in mineral rights to generate passive income from the real property but have limited time or experience, you could partner with an existing mineral rights investment professional. In this scenario, you need to be a high-net-worth individual or an accredited investor. You would have direct access to and ownership of tangible assets without the pain of trying to untangle mineral rights laws on your own.

There will always be a need for minerals. At Eckard Enterprises, our goal is to use our deep expertise in oil and gas to maximize investments and returns. Let us be your guide. We'll provide you with the expert resources and background necessary to make insightful energy investments. Contact us to learn more about mineral rights investing today.



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Control The Banking Function

In the world of personal finance, the Infinite Banking Concept (IBC) emerges as a revolutionary strategy, empowering individuals to break free from traditional banking and investment institutions' clutches. This concept, pioneered by R. Nelson Nash, is not just a financial strategy but a paradigm shift towards achieving financial independence and security.

The essence of Infinite Banking lies in utilizing the cash value of properly structured whole life insurance policies as a personal banking system. This allows individuals to borrow against their policy to invest in real estate, pay back the loan at their own pace, and simultaneously earn cash value accumulation along the way. This unique blend of liquidity, safety, and growth offers real estate investors a level of flexibility and control that traditional banks and investment institutions cannot match.

For real estate investors, the importance of controlling the banking function in their lives cannot be overstated. Traditional financial institutions often prioritize their interests, imposing terms and conditions that may not align with the investors' goals. These entities dictate loan terms, interest rates, and repayment schedules, leaving investors in a position where their financial strategies are influenced by external factors. Infinite Banking, however, places investors in the driver's seat, enabling them to finance their projects on their terms without external interference.

This autonomy is particularly crucial in the fast-paced world of real estate investing, where timing and the ability to act swiftly can make the difference between securing a lucrative deal and missing out on an opportunity. The conventional route of securing financing through banks & other lenders often involves lengthy approval processes, during which prime investment opportunities can slip away. By contrast, Infinite Banking offers immediate access to funds, allowing investors to capitalize on opportunities with agility.

In addition to providing a source of financing, Infinite Banking instills a sense of responsibility and control over one's financial future. Real estate investors, in particular, benefit from this empowerment, as it enables them to make more informed and strategic decisions.

Moreover, the Infinite Banking Concept even extends its utility to personal and family financial planning. From debt recapturing, to college savings, to car loans, mortgages, family savings, and even retirement income, the Infinite Banking Concept can truly act as your privatized family bank throughout one's life. The concept of generational wealth takes on a new dimension as well. By establishing a system where wealth is not merely accumulated but also efficiently transferred across generations, families can ensure financial stability and growth for their descendants for generations to come.

In conclusion, the Infinite Banking Concept is not just a financial strategy, but a pathway to financial sovereignty. It challenges the traditional dependency on banks and financial institutions, offering a blueprint for managing and growing wealth independently. By embracing Infinite Banking, real estate investors can unlock a new level of financial freedom, positioning themselves to take advantage of opportunities with greater ease. In the process, they not only achieve their financial goals but also pave the way for a future where their financial destiny is firmly in their own hands.

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**UNBRIDLED
WEALTH**



The Three Pillars of Real Estate Success: Networking, Education, and Masterminds

Let's not kid ourselves, successful real estate investors have worked their tails off to be in that place you can imagine yourself — handling profitable transactions between ski runs, on a sailboat, while lounging in a chair in your favorite beach location, or wherever your vision takes you to soak in life and get in some chill time.

Prosperous investors will tell you that they didn't reach their current heights by chance; rather, they employed a three-pronged approach that encompasses networking, education, and participation in a mastermind group. These pillars are not just isolated strategies but are interconnected elements crucial for building a foundation of success.

Networking: Build Bridges to Opportunities

Networking is the first step towards success in real estate. Beyond just shaking hands and exchanging business cards, networking is about building meaningful relationships that can lead to potential partnerships and collaborations. Attend ICOR networking events to connect with like-minded individuals, potential team members, and gain insights from experienced speakers.

Education: The Foundation of Informed Decision-Making

Real estate is a dynamic field, and successful investors understand the importance of never-ending education. Attending workshops, seminars, and staying updated on market trends are essential to make informed decisions. The more knowledge you accumulate, the better equipped you are to navigate the complexities of real estate transactions. In the digital age, access to educational resources is abundant, allowing investors from anywhere in the world to stay ahead of the curve. ICOR provides the ideal blend of in-person and online events that are designed to stay on top of the latest market trends.

Mastermind: Accountability Through a Community of Support

A real estate investor's mastermind group is the glue that binds networking and education into actionable strategies. Without it, all the energy, time and money invested in memberships and events can be wasted when you fail to take action once you walk in the door. This group acts as your reliable community of support, helping you navigate challenges and providing a fresh perspective on your investment goals. In times of crisis, having a group to objectively discuss and strategize can make a significant difference. Whether it's overcoming setbacks or celebrating successes, a mastermind group keeps you on track and ensures that you don't face the challenges of real estate investment alone.

What is the ICOR Mastermind Program?

The ICOR Mastermind Program is a collaboration with the Investors Network Community (INC) Mastermind Program. It is a structured and facilitated meeting with a consistent group of colleagues who share a

commitment to each other's success. Think of it as meeting for coffee with a small group of colleagues, but with a focused agenda led by a facilitator. Each member gets dedicated time to discuss their goals, plans, and challenges, receiving valuable input and accountability from the group. The structure ensures that discussions remain productive, contributing to each member's growth and success.

While some may hesitate due to the associated costs, the benefits of a professional mastermind group far outweigh the investment. The ICOR Mastermind is affordable for every level of investor and utilizes the INC Program's facilitator to run the group. The facilitator is responsible for organizing and managing the sessions, ensuring they stay focused and productive, and following up with procedures to keep members accountable to their commitments. The goal is not just camaraderie but specific, goal-oriented discussions and processes that propel your real estate career forward.

Successful real estate investors understand that networking, education, and mastermind groups are not isolated strategies but interconnected elements that contribute to their prosperity. By embracing these pillars, you too can build a solid foundation for your real estate investment business, setting yourself on the path to success and achieving the lifestyle you envision.

Are you interested in joining the next real estate investor mastermind? Schedule an exploration meeting to learn more about or get your questions answered how the mastermind can work for you! Click here to schedule now: <https://calendly.com/icorockies/icor-mentor-match>





RENTAL EXPERT

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How To: DIY Energy Audit for Rental Properties

In the contemporary landscape of property management, energy efficiency has become a pivotal aspect, particularly for small rental properties. Conducting a Do-It-Yourself (DIY) energy audit is an invaluable step for landlords, offering insights into how to enhance energy efficiency, reduce operational costs, and contribute to environmental sustainability. This comprehensive guide will delve into the nuances of conducting such an audit, including the use of the latest technology, the manifold benefits for landlords, and strategies for maintaining efficiency post-audit.

Why Conducting an Energy Audit is Important

Unveiling Hidden Costs and Saving Opportunities

An energy audit serves as a critical tool in identifying hidden energy leaks and inefficiencies in a property. These issues, often overlooked, can cumulatively lead to significant energy wastage and, consequently, inflated utility bills. By pinpointing these areas, a landlord can take targeted actions to rectify them, leading to considerable savings in the long term.

Enhancing Tenant Comfort and Retention

Energy-efficient properties are not only cost-effective but also offer increased comfort for tenants, which can be a decisive factor in tenant retention and attraction. By ensuring that the rental property is well-insulated, properly heated, and free from drafts, landlords can improve the living conditions, thereby boosting tenant satisfaction and loyalty.

Environmental Impact

An energy-efficient property greatly reduces its carbon footprint, contributing positively to environmental conservation efforts. This aspect is increasingly becoming a priority for both property owners and tenants who are environmentally conscious.

The Latest Technology in Energy Audits

Cutting-Edge Tools for Precise Assessment

The evolution of technology has introduced sophisticated tools that make energy audits more precise and less intrusive. Infrared cameras, for example, can visually display areas of heat loss, identifying poorly insulated spots or hidden leaks. Similarly, smart thermostats and energy monitors can provide real-time data on energy usage, allowing for a more dynamic approach to managing energy consumption.

DIY Energy Audit Apps

Numerous mobile applications are now available that guide landlords through a step-by-step process of conducting an energy audit. These apps often include features like energy calculators, checklists, and tips for energy-saving, making the audit process more user-friendly and accessible.

Benefits to Landlords

Long-term Cost Reduction

The most tangible benefit of conducting an energy audit is the reduction in utility costs. By identifying and addressing energy inefficiencies, landlords can significantly lower their energy bills. This cost reduction not only improves the profitability of the rental property but also can be an attractive selling point for potential tenants.

Increased Property Value

Properties with proven energy efficiency often fetch higher market values and rental rates. Energy-efficient features are increasingly becoming a key criterion for property valuation, making an energy audit a wise investment for property enhancement.

Legal Compliance and Incentives

In many regions, there are legal requirements for energy efficiency in rental properties. Conducting an energy audit ensures compliance with these regulations, avoiding potential fines or legal issues. Additionally, landlords may qualify for government incentives, tax breaks, or rebates for implementing energy-saving measures.

Conducting the DIY Energy Audit

Heating and Cooling Systems: The Efficiency Core

Inspecting the heating and cooling systems is crucial. Ensuring that these systems are functioning at peak efficiency can significantly reduce energy consumption. This includes cleaning or replacing filters, checking for leaks in ductwork, and considering the age and efficiency of the system. Regular maintenance can prevent costly repairs and inefficiencies.

Insulation: The Hidden Defender

Adequate insulation is vital for maintaining energy efficiency. Areas like attics, walls, basements, and crawl spaces should be inspected for adequate insulation. Infrared cameras can be invaluable in this process, revealing areas where heat is escaping.

Detecting and Sealing Air Leaks

Air leaks around windows, doors, and other openings can be a major source of energy loss. A thorough inspection can identify these leaks, which can then be sealed with caulk or weather-stripping. This simple measure can significantly improve energy efficiency and reduce heating and cooling costs.

Lighting: The Low-Hanging Fruit

Lighting is one of the easiest areas to improve energy efficiency. Replacing incandescent bulbs with LED lights can lead to substantial energy savings. Assessing the lighting needs in each room and optimizing accordingly can both improve the ambiance and reduce energy consumption.



Water Heating: A Stealthy Energy Consumer

Water heating can account for a significant portion of a property's energy usage. Checking the water heater's insulation, reducing the temperature setting, and insulating pipes can enhance efficiency. For older water heaters, considering an upgrade to a more energy-efficient model could be a wise decision.

Appliances and Electronics: The Silent Energy Drainers

Old and inefficient appliances can be major contributors to high energy bills. Using a power meter to assess the energy usage of each appliance can help identify which ones are the most inefficient. Implementing practices like unplugging electronics when not in use and using energy-efficient appliances can make a noticeable difference.

Post-Audit Actions and Maintenance

Regular Maintenance for Sustained Efficiency

Post-audit, it is crucial to maintain the efficiency gains achieved. This includes regular maintenance of heating and cooling systems, monitoring for new leaks or insulation issues, and keeping a vigilant eye on the property's overall energy consumption.

Tenant Engagement and Education

Engaging tenants in energy-saving practices can amplify the benefits of an energy audit. Educating tenants about simple measures like turning

off lights when not in use, using energy-efficient appliances, and reporting maintenance issues promptly can further enhance energy efficiency.

Monitoring Effectiveness and Making Adjustments

Utilizing Technology for Continuous Monitoring

Post-implementation, it's important to monitor the effectiveness of the energy-saving solutions. Smart meters and energy management systems can provide real-time data, allowing for adjustments to be made as necessary. This continuous monitoring ensures that the property remains at optimal energy efficiency.

Analyzing Bills and Gathering Feedback

A simple yet effective way to gauge the success of energy-saving measures is to compare current utility bills with those from previous periods. Additionally, soliciting feedback from tenants about their comfort and any changes in their energy consumption habits can provide valuable insights.

Conclusion

Conducting a DIY energy audit for a small rental property is a proactive step that yields numerous benefits. From cost savings to environmental stewardship, the advantages are clear and impactful. By following this guide, landlords can not only enhance the value and attractiveness of their properties but also contribute positively to the broader goal of energy conservation.

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ESTATE PLANNING EXPERT

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Conversations About Money and Death You Need to Have With Your Parents Right Now

If you've given any thought about estate planning, you probably associate it with preparing for death. But did you know that there are critical reasons (and significant benefits) for planning while you're still well and alive? That's why I refer to my services as Life & Legacy Planning. When done right, planning for your assets and your death is something that should start right now through honest, open conversations with your family.

It starts by talking with your parents, siblings, and children about what you want the future of your family to look like, how you'd like assets managed, and what type of care each family member would want in the event of a debilitating or terminal illness.

You may have already started a conversation about estate planning with your family. But in this article, I dive deeper into the conversations you need to have right now to truly understand your family's financial picture and plan for the future in the best way.

Keep reading to learn the two conversations about money and death you need to have right now.

Conversation #1: What Exactly Do Your Parents Own?

Initiating the first conversation involves posing fundamental questions to your parents and the older members of your family: "What do we have? Where is it? And, how would I access it if you weren't here to guide me?"

The potential risk to your family's wealth is intricately tied to the costs incurred in the event of a passing. Beyond the visible expenses of funerals, burial, or cremation, and end-of-life medical care, there exists a myriad of unseen costs.

Unclaimed assets, amounting to approximately \$70 billion in various departments across the U.S., often slip through the cracks because family members don't know where the assets are, how to get them, or that they even exist.

Because of this, **tracking and documenting assets, including crypto assets, before incapacity or death is essential to protecting your family's wealth** when someone dies or becomes incapacitated.

It may be difficult to bring up this topic with your parents or other family members, but how you approach it with them will make all the difference. The secrecy of asset locations or the fear of appearing greedy may hinder an open discussion between family members, but this can be overcome by building trust between relatives and entire generations. For the junior generation, building trust involves understanding the root causes of distrust and stepping into a mature, caring perspective for

the greater family good. Similarly, senior generations can nurture trust by taking ownership of past parenting shortcomings and demonstrating faith in the individuals their children have become — after all, if you raised your children with a sense of financial and personal responsibility, you should be able to trust them!

Navigating these challenges may be daunting, but the rewards of building trust and initiating this crucial conversation are immeasurable. Use the conversation as an opportunity to record the locations and access permissions of family assets. If you aren't sure how to do this, we can help you create a clear inventory of your assets so nothing is lost when death or illness strike.

Conversation #2: What Are Their Wishes for Long-Term Care?

The next conversation you need to have with your parents is about long-term care planning. This conversation extends beyond financial considerations and looks into the emotional intricacies of care, posing questions about who will provide care if your parents become incapacitated or disabled, how it will be administered, and the potential burdens on loved ones.

While money can be a less vulnerable entry point to this conversation, the core involves the tender question of personal care. Addressing concerns such as, "Who will take care of me? How will I be cared for? Will I be a burden on my loved ones?" brings a level of vulnerability that goes beyond financial considerations.

Neglecting this conversation can leave crucial decision-making up to the medical system, often resulting in undesirable outcomes and accumulating costs. By engaging in the long-term care conversation, clarity emerges on preferences, funding, and avenues for protection against unforeseen care costs.

Let Us Guide The Conversation

If initiating these conversations feels challenging or uncomfortable, we can help. At Law Mother, we focus on building personal relationships with our clients and their families, and can help guide you and your family through difficult discussions and tough questions about your family's assets and wishes.

It starts with a Family Wealth Planning Session, where we look at everything you own and everyone you love to identify gaps in your family's security and make a plan that ensures everything will be cared for the way you want when you die or if you become incapacitated.

To learn more, schedule a complimentary 15-minute discovery call with us visit Lawmother.com/go

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