

# BOOTH & WITHERSPOON INVESTMENTS



- North Carolina Connect for Homes Plan -



*“Delivering with care, precision, and a commitment to quality”*

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Durham, NC

www.bwinvests.com • info@bwinvests.com • Fax: 919-287-2221  
919-824-4651 • 757-477-6463

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## EXECUTIVE SUMMARY

*Booth & Witherspoon Investments* is seeking funds to initiate a one-year strategic plan that will assist one or more cities in North Carolina in their goals to improve sub-standard housing, as well as to provide access to the internet for low/mid-income families and individuals.

We aim to rehabilitate 10 sub-standard homes from city's existing housing stock. These homes will be furnished with a computer and high-speed internet access. Electricity and water will be included in the rent of \$560 per month. Our plan will be implemented in three phases starting with the incorporation and start-up of our business. Properties are to be purchased in each of the phases. We are seeking \$115,000 to provide sufficient means for our business entity to flourish and the plan to be implemented.

We would like this plan to become a model that could lead to the future development of possibilities for low/mid income households. We have attached a financial statement, tools needed, and office equipment needed. Similar programs are being implemented in other parts of the country. We feel this is would be a great opportunity for all types of low-income households in North Carolina to improve their living conditions and gain access into the technological society.

Please visit our website at [www.bwinvests.com](http://www.bwinvests.com) for more information about our company.

Feel free to contact us at anytime by phone or at [boothwitherspooninvestments@yahoo.com](mailto:boothwitherspooninvestments@yahoo.com).

*Sincerely,*

**Antwain M. Booth**

Co-CEO/Chairman and Founder

919-824-4651 [abooth@bwinvests.com](mailto:abooth@bwinvests.com)

*Sincerely,*

**Jay B. Witherspoon**

Co-CEO/Chairman and Founder

757-477-6463 [jwith@bwinvests.com](mailto:jwith@bwinvests.com)



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*Booth & Witherspoon Investments* is seeking funds to initiate a strategic plan that will assist one or more cities in North Carolina in their goals to improve sub-standard housing, as well as to provide access to the internet for low-income families and individuals. Our plan is based on a year scale to rehabilitate ten sub-standard properties from the city's existing housing stock. These properties will come furnished with a personal computer and high speed internet access. We aim to maintain four of these properties to provide rental housing to low-income households, and would offer these properties to a variety of families/individuals including students, Section 8, disabled, elderly, etc. We will provide electricity and water in our rental units. The remaining six homes are intended to be for low/mid-income households for purchase to increase the stock of affordable quality homes for ownership by low/mid income citizens of North Carolina.

Our plan calls for three phases. The first phase calls for the incorporation of our business and the purchase of three initial rental properties. The second phase will be implemented after improvements have been made to the three initial rental properties and they are rented out. The second phase calls for the purchase of the first two properties that will be made available for sale and the final rental property. The third and final phase will be implemented after improvements have been made and the first property is under contract. The remaining four properties offered for sale will be purchased, improved and marketed. Any properties that haven't been sold or contracted in three months will be rented out.

We have discussed and reviewed our plan with professors, real estate brokers, and contractors and all have agreed that our plan is feasible. Our housing plan runs in accordance with the Cities' 5-year Consolidated Plans and their plans on growth, development, and housing

initiatives. Our internet access plan is based on a study done by the Center for Urban & Regional Studies for the North Carolina e-NC Authority. Almost all of the properties we have attached as targets for our initial phase are located within a development area. We have attached links to articles and a link to One-Economy and the report by the Center for Urban & Regional Studies.

### **Reasons for Action on our Plan**

We aim to provide low/mid-income households decent and affordable housing. We recognize the need for an increase in affordable housing opportunities for low/mid-income households. Communities and neighborhoods improve when residents have a chance to live in quality and affordable housing. When we improve the existing housing stock in neighborhoods and increase the flow of information through our internet access initiative, we will strengthen the city as a whole. Access to information is vital in today's society to not only foster growth of intelligence and job ability but also to improve the relationships that exist among people.

In the report by the Center for Urban & Regional studies for the North Carolina e-NC Authority, the report states "The Connectivity to the internet of Low-Income Urban residents should be raised to the priority of a political and economic development issue." We would aim to simplify the technology, as the report states by working with local providers and distributors.

Our plan would have to take into account not only providing computers and internet access but providing knowledge and training. "The most successful and long-standing of these programs often involve combining the talents and resources of community groups, local government, educational institutions, and private industry such as the Dell Tech-Know program in Charlotte and the CTEP program in Durham." (Pg.54 High speed, Howarth and Rohe).

According to the High Speed report, children were affected negatively by lack of access; "While after-school programs went some way to filling the need, children without fulltime access to a computer were considered at higher risk for falling behind in school and not reaching their full scholastic potential." In a lot of households, as the report states, children are usually the ones

with the most knowledge of computers. In the age of online predators, it is very important for parents to get an upper hand on this technology to help keep children monitored and safe.

According to the article, "Broadband Hookup in Every Home", the push to get more internet access to low-income families is underway. There are numerous innovations underway to implement this idea as evidenced by the BPL or "broadband over power line" efforts of Surprise, AZ in the article "Surprise set to tap latest in broadband" in the Arizona Republic's June 26, 2006 issue. These publications show that this is a direction that our society is headed in. We hope that this plan can become a model that can be implemented throughout our state and region. We are at least doubling the property taxes on each one of our properties received by municipalities with implementation of this plan, as well as providing a better means of communication between the municipalities and their citizens.

### **Initial start-up and first phase**

More info about our start-up plan can be obtained from our attached business plan. Booth & Witherspoon Investments aims to incorporate as an S-corporation which allows for us to pass through taxation to our individual tax returns. We have estimated that our initial start up funding needed is \$115,000. This breaks down to initial down payment and closing costs on the first phase properties at est.\$10,000 and carrying costs of \$677 per month (est. combined price of properties combined is \$95,000, @ 8.5% interest , \$8,000 down). Average values of the properties we are targeting for our first year plans are around \$32,000. The renovation budget for first phase is \$9,600 to \$15,000 depending on property selected. We aim to put a personal computer and accessories in each of our properties that will have a typical value of \$500 and at least \$60.00 per month in high-speed internet costs (Clearwire's current lowest offer). This amount can vary depending on help received from high speed internet providers and computer manufacturers. Estimated average rent of our properties is \$560 per month. We estimate that we will commence the second phase of the plan in three ½ months after start-up. After this three month interval we would have collected \$5,040 in rent, paid out est. \$2,031 in carrying costs and

increased the average value of our properties from \$32,000 to conceivably around \$60,000+.

*(Refer to our business plan for more information.)*

After the first phase we will also incur \$32,017.17 in costs due to start up and business operation costs. These costs are for electricity and water for the units, transportation costs, tools and equipment, phone, wireless, internet access costs, incorporation, and permits/licenses. These costs are broken down further more in the financial statement. This leaves \$55,951.83 after completion of first phase.

### **Second Phase**

This phase will have the same costs in regard to initial down payment and closing costs at est. \$10,000 and carrying costs of \$677 per month (est. combined price of properties is \$95,000, @ 8.5% interest , \$8,000 down). The renovation budget for second phase is the same at \$9,600 to \$15,000. The overall carrying costs are increased by \$1,354.00 to \$3,385 overall, assuming one property is sold. We will have collected \$6,720 in rent with the additional rental unit added, as well as increased the value of that rental property. We anticipate the sales price of the property sold will be around \$67,300 and we will net \$34,000. The last month of the second phase is when we aim to rent an office and purchase office equipment and a company car. We estimate the office equipment and company car to cost altogether \$7,300. This would be in addition to approximately \$ 23,274.94 in regular operation cost of this three month period.

### **Third and final phase**

The last phase will last the final 6 months and start with est. \$33,111.89 cash. The likely sale of the second property at the beginning of this phase will net an est. \$30,000. This will push the beginning cash to \$63,111.89 We will incur \$13,000 in initial down payment and closing costs (total \$125,000 @ 8.5%, \$10,000 down). The renovation budget will be \$15,000 for the properties. The carrying costs of the rental properties will be \$902.67 a month for a total of \$5,416. Properties for sale will have a potential carrying cost of \$221 per month per property. We estimate that each property carrying 2 1/4 months for a total of \$1,989. Collect \$13,440 in

rent for the final 6 months and net approximately \$150,000 at \$37,500 per sale. The final 6 month operation costs are \$46,549.88. (*Refer to our business plan and this proposal's financial statement for more information.*)

## **Marketing**

Our marketing costs come from the investment costs in our business plan. There is an overall \$178,000 allotted to the 10 properties. Our marketing costs come from the following: fees associated with newspapers at estimated \$30 an ad per property; We will use the two newspapers that have the biggest audiences to advertise our properties at a cost of aprox. \$700/year; an allotment to search engines for search engine placement of \$400 dollars; real estate signs at a cost of \$100; Realtor fee's of \$500 and multiple listing fees of \$1,117; the Real Estate Book and the Apartment Guide will be used as well. We will advertise on our website with pictures and eventually an online video of each property. We will also rely upon the office of housing and community development to find eligible families and individuals. We estimate that we will spend \$4000 overall on marketing concerns.

We will send variations of our plan to different localities in order to see what help we can receive for implementation. We feel we can implement this plan in more cities than one, so we are open to any possible help and will modify this plan according to current company situation. We have included our tools needed, sources, office equipment needs, and references. Please note that our business plan differs in that it takes into consideration the goods we sell as well as avenues to offset cost, increasing our overall gross profit and percentage allotted to salary. Please visit our website at [www.bwinvests.com](http://www.bwinvests.com) for more information about our company.

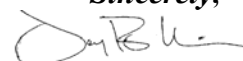
*Feel free to contact us at anytime by phone or at [boothwitherspooninvestments@yahoo.com](mailto:boothwitherspooninvestments@yahoo.com).*

*Sincerely,*



**Antwain M. Booth**  
Co-CEO/Chairman and Founder  
919-824-4651 [abooth@bwinvests.com](mailto:abooth@bwinvests.com)

*Sincerely,*



**Jay B. Witherspoon**  
Co-CEO/Chairman and Founder  
757-477-6463 [jwith@bwinvests.com](mailto:jwith@bwinvests.com)



# BOOTH & WITHERSPOON INVESTMENTS

## Proposal Financial Statement

	1st phase	2nd phase	3rd phase	Total
<b>Carrying costs</b>	2031	3385	7405	12821
<b>Ini. Down payment and closing costs</b>	10000	10000	13000	33000
<b>renovation</b>	15000	15000	15000	45000
<b>Rent received</b>	5,040	6720	13440	25,200
<b>Net Sales</b>		34000	150000	184000
<b>Buis. Operation</b>				
<b>salary</b>	19868.94	19868.94	39737.88	79475.8
<b>electricity</b>	900	1200.75	2401.5	4502.25
<b>transportation</b>	1267.75	1267.75	2535.5	5071
<b>water</b>	125	125	250	500
<b>Technology</b>	812.5	812.5	1625	3250
<b>Tot. Recurring Cost</b>	22974.19	23274.94	46549.88	92799
<b>Tools const.</b>				
<b>Equip</b>	5842.98			5842.98
<b>Fees/incorporation</b>	3200			3200
<b>office Equip</b>		2800		2800
<b>company car</b>		4500		4500
<b>Marketing</b>				4000
<b>Office Rent</b>		600	3600	4200
<b>Total Cost</b>	59048.17	59559.94	85554.88	208163
<b>Total Revenue</b>	5,040	40720	163440	209,200

Positive Cash at Conclusion

1037

## **REFERENCES:**

May 25, 2006

To Whom It May Concern:

I am writing this letter in reference to Antwain Booth and Jay Witherspoon. Both of them are employees of Tripp's Restaurant at Wendover Ave. Greensboro, NC. Jay is currently working with the Tripp's in Virginia Beach, Va. Mr. Witherspoon and Mr. Booth were both hired by me personally and have worked for the company for more than two years.

In regards to both Mr. Booth and Mr. Witherspoon they are both always hard working and punctual. I never had any issues, either professionally or personally, with them. I would have no issues with hiring either one of them again. If I was to leave my current position, Mr. Booth and Mr. Witherspoon would be two of the first people I would seek to employ in my new venture.

I would expect them both to succeed in any arena that they choose. Given the right circumstances I would enjoy a chance to operate a business venture with Mr. Booth and Mr. Witherspoon.

Feel free to contact me regarding either or both of them.

Sincerely,

Jack Groff  
Asst. General Manager  
Tripp's Restaurant  
(336)854-9518 bus.  
(336)653-5672 cell

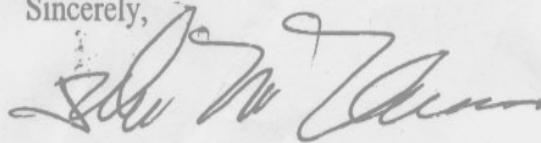
John M. Herrmann  
Manager  
Dalton Dining Hall  
Dining Services  
P.O. Box 6896  
Radford University  
Radford, VA. 24143

12/8/01

To Whom It May Concern:

Antwain Booth has worked under me for the last year and a half. He has risen to a supervisory position. He has had excellent attendance and shown growth and maturity in his job performance. His co-workers count on Antwain, "It will be OK tonight Antwain is coming in". I have heard that sentence more than once. He receives my recommendation for any position that you feel he has the ability and aptitude for.

Sincerely,



John M. Herrmann



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### Initial Tools Needed & Prices

1. Laser distance measurer cost approx.\$99
2. hammers – 3 @ \$2.00
3. Power Rollers – 39.99
4. 60 Piece Paint Brush set – Sierra Tools – 14.99 & initial 4 piece set at \$3
5. Extension Pole - \$9
6. Pro Laser Line Level/Stud Finder - \$44
7. 3 Pcs. Electric Tool Kit (Drill\Grinder\Jig Saw) – 2 @ \$90/each
8. Heavy Duty Circular Saw with Electric Brake and Rear Pivot Depth of Cut Adjustment with Kit Box - \$150
9. Compound Miter Saw 10 - \$160
10. Table Saw - \$475
11. Tool set - \$80
12. Trimmer - \$45
13. Black & Decker 4-in-1 Sander - \$55
14. \*Can get a combo set of drill/sander/saw - \*229
15. Pipe Wrench - \$40
16. Drywall trowel - \$16
17. Step Ladder - \$22
18. 6ft. ladder - \$35-40
19. Blower - \$59
20. Lawn mower - \$125-150
21. Cleaning supplies - \$200
22. Pressure washer - \$80
23. garden tools - \$55
24. Truck – \$3000

<b>Total:</b>	<b>\$5,842.98</b>
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## Office Equipment

2 Computers	@	\$942
2 Cell phones	@	\$175
2 Office desks	@	\$100
2 Office Chairs	@	\$25
Fridge	@	\$180
Microwave	@	\$40
Printers	@	\$300
Wireless Broadband router	@	\$56
Misc. ( paper, furniture etc.)	@	\$688

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Total :	\$2,800
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## **Sources**

Goot, Robert. "A Broadband hookup in Every Home". Wired News. 11 February 2003.  
<http://www.wired.com/news/politics/0,1283,57249,00.html>

Howarth, Robin and Rohe, William. "High-Speed Internet Connectivity in North Carolina's Urban's Distressed Areas". Center for Urban & Regional Studies. Prepared for North Carolina e-NC Authority. April 2005.  
<http://curs.unc.edu/curs-pdf-downloads/recentlyreleased/HispeedInternetConnectivity.pdf>

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Zlomek, Erin. "Surprise Set to Tap Latest in Broadband" The Arizona Republic.  
AZCentral.com 26 July 2006.  
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