THE JEND D SYSTEM OF REAL ESTATE INVESTING

OPTIONS, ASSIGNMENTS & WHOLESALE WORKSHOP

Legal Information Is Not the Same as Legal Advice

This booklet provides information about real estate investing; private money borrowing, lending, and / or brokering; and is designed to help users safely determine their own legal needs. Please understand that legal information is not the same as legal advice. The application of law varies with an individual's specific circumstances. Laws vary from state to state and are in constant change, and although we do everything we can to make sure our information is accurate and useful, we recommend you consult a lawyer if you want professional assurance that this information, and your interpretation of it, is appropriate to your particular situation.

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Printed and bound in the United States.



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"Live as if you were to die tomorrow. Learn as if you were to live forever."

Mahatma Gandhi

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"Do you know the difference between education and experience? Education is when you read the fine print; experience is what you get when you don't." Pete Seeger

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All documents provided are **SAMPLES** only. As with any **SAMPLE** document, you should consult an attorney as to their applicability for any particular purpose and for compliance with the laws of the state in which you reside. You acknowledge that no legal advice has been provided to you nor is any legal advice being provided to you by way of these **SAMPLE** documents being provided to you. Secured Investment Corp, Cogo Capital and The Lee Arnold System of Real Estate Investing make no claims or warranties as to these **SAMPLE** document's fitness for any particular purpose whatsoever. By using these **SAMPLE** documents, you are specifically assuming all liability for their use and agreeing to fully indemnifying Secured Investment Corp, Cogo Capital and The Lee Arnold System of Real Estate Investing from any liabilities, suits, claims, demands, causes of actions, damages, losses, costs and expenses result from your use of these **SAMPLE** document.









A real estate option contract or agreement, sometimes called a "Straight Option," is a legal agreement between the potential buyer "Optionee," of real property and the owner, "Optionor," of that property. The real estate option agreement gives the potential buyer the exclusive right to buy the property at a specific price within a specific time period. The option agreement does not impose any obligation upon the potential buyer to purchase the property. The option agreement does obligate the seller to sell at the specified price if the potential buyer exercises the option to buy in the manner described in the contract. If the buyer doesn't buy within the time frame, the seller keeps the money, or "Option Premium" used to buy the

option. This kind of creative real estate investing transaction is a unilateral contract because only the seller is bound by it.

OPTION AGREEMENT

CONTRACT CREATING RIGHT TO BUY, SELL, OR LEASE PROPERTY FOR CERTAIN PRICE WITHIN A CERTAIN PERIOD OF TIME WITHOUT THE OBLIGATION TO ACT.

- MUST BE IN WRITING AND INCLUDE CONSIDERATION
- THE SELLER IS CALLED THE "OPTIONOR"
- THE BUYER IS CALLED THE "OPTOINEE"

How is an Option Contact Used?

A straight option purchase agreement can be used by any real estate buyer who wants to control a property now but does not want to have to buy it now. It is frequently used by developers and buyers of commercial property and high end luxury homes to control property while research or planning is being conducted. A builder does not want to purchase raw ground only to find it cannot be built on or that approvals to change zoning or to subdivide the property won't go through. By the same token, the builder does not want to pay a lot of money doing feasibility tests only to find out the seller sold the property to someone else. In situations like this the builder uses a straight option contract to lock down the property.



Real estate investors will also use straight option contracts to hold on to a property for future appreciation. They know the potential of the area



and want to lock in at today's value. Other investors will get an option and sell the contract to another real estate investor. The latter would be, in essence, a wholesale of the options contract.

Real estate investors may find a homeowner who has a property he wants to sell, but is having trouble

selling. You know you could sell the property quickly because you know how to market a property and attract buyers or have a buyers list already established. So, you get an option to purchase the property and start marketing it for sale. Why would the seller do this? Because the seller got the price he wanted and you are willing to do all the work to make this real estate deal be profitable for both parties.

In any case, once the seller enters a real estate options contract, the seller no longer has choices on whether to sell the property and at what price. The seller must wait for the buyer's decision to exercise the option. The buyer is now in control. This is why the seller receives and keeps the option premium upfront.

The idea here is that an option gives you control of the property without you having to purchase it. It is creative real estate financing! You can make a profit without using any of your money. You can quick-turn a property and make fast investing profits just like when you wholesale a real estate investment.



Real estate options offer a lower-cost method to trade, invest, and profit from real estate investments. However, they are effectively an Over-



The-Counter (OTC) contract between two individual parties with no outside regulatory oversight. The involved parties must ensure that the options contract is fair. Default by the option seller is one of the major challenges in real estate options agreements. In such cases, the buyer's only recourse is a lawsuit. Real estate options investors should also consider additional expenses like fees for legal services such as drafting and registering the contract prior to entering into an options contract.

Advantages for Buyers

The benefits that the buyer of a real estate purchase option gains are many. With an option there is more time to secure financing, complete inspections, attract business partners, market the property or investigate potential pitfalls to the deal. Securing an option to purchase or control a real estate investment means that while you're researching the condition of a

property, its title or lien history, and all the things that could affect its value and settlement, you won't lose the option to purchase. All of this can take place without the threat that the seller might sell to someone else first.

In many ways the option contract is superior to the purchase and sales agreement. As a buyer you can control a



property without the obligation to buy. This control can be extended for whatever length of time the buyer and the seller agree to.

Advantages for Investor

Investors can use real estate options to secure high-profit investments at relatively low risk. Here's an example: An investor notes that a specific plot of land is in a prime location for further development, such as subdivisions or a shopping plaza. Instead of purchasing the land outright and then selling it to developers, he purchases exclusive rights to the land through an option. Once the land is under his control he can choose to sell the contract or purchase the property when he is ready and not until he is ready as long as he completes the transaction by the option date.



The investor "Optionee" understands that any instrument that places the future of a piece of real property under your control is a marketable asset and when worded properly gives the holder of that instrument all the rights and privileges of ownership, including the right to sell his/her interest in the instrument and thus the property. With the option in place, the Optionee approaches other investors and developers, offering them the land at a higher price than his locked-in option purchase price. Once his higher offer is accepted, he either sells the option itself for the purchase price or purchases the land and then flips it to the developer, pocketing the difference.

Elements of a Standard Option Contract



An option to purchase can appear as a series of clauses in a lease or rental agreement (we will discuss this later) or as a separate document. No matter the format, an option to purchase must contain the following components:

Must Be in Writing

Like any contract that pertains to land, an options agreement must comply with the "statute of frauds." This means it must be in writing including all modifications and cancellations. It also means the agreement must be signed by a minimum of the seller and buyer. A handshake or verbal agreement is not enough. You must have all parties on the title sign the option contract and date it. Be sure to check the title so you know who will need to sign the contract.



Location of the Property

If the property has an address, write it down. It wouldn't hurt to also put the parcel identification number in the contract. If it is raw ground, you may also want to put the legal description of the property in addition to the PIN number and notable boundaries.

The Option Fee (Consideration)

In order to be contractually enforceable, the option to purchase must be given in exchange for consideration, or value. The value of an option contract is usually cash, but it can be whatever



the buyer and seller agree to. There is no specific amount needed to make the contract legal. This becomes a matter of negotiation between the buyer and seller. Depending on factors such as the price of the property, the option fee can range from a few hundreds to several thousands of dollars.

Without consideration, the seller could withdraw the offer without becoming legally liable for a breach of contract. If the consideration stated has value, like \$10, it will be sufficient. This is true even if the value is minimal or clearly inadequate relative to the subject of the contract.

Option fees are typically nonrefundable. In other words, if the buyer decides not to exercise his or her option to purchase the house within the agreed-upon time frame, the buyer forfeits the option money.

The Duration of the Option Period



An option contract must conspicuously state the duration of the option period. There is no correct or preferred unit of time and option periods can range from months to years. Typically, however, in the residential context, option periods range from one to five years.

Depending on the terms of the contract,

the buyer may exercise the option to buy the property at any time during the



set option period or at a date specified in the option purchase agreement. If the buyer lets the period pass, the option expires and becomes null and void. In that situation, the buyer forfeits the option fee.

Purchase Price of the Property

An option to purchase must address the final sale price of the property that the buyer will pay. Usually, the purchase price is a set price that is determined based on the current appraisal value of the property. This approach does not take into consideration the likelihood of fluctuating property values if the option period is extended. Alternatively, the buyer and seller may agree to determine the actual value of the property by appraising the house at the time the option is exercised. Ultimately, as long as both parties are in agreement as to how the value of the house is to be determined, the option contract is enforceable.

If a court can't determine the price from the contract, either directly or by other means, or if the price, or means to calculate the price, is left to future agreement by the parties ("We'll decide the price if and when you decide to exercise the option!"), the contract will be missing an essential element and won't be enforceable.

Adherence to State and Local Laws

Some state laws specifically protect buyers and/or sellers from entering contracts they do not understand—for example, by requiring option

contracts to contain conspicuous wording in specified font size, to inform buyers of the possibility of forfeiting the option fee. (This is most common in Lease Options scenarios to be discussed later.)

To be valid and enforceable, an option to purchase must comply with the nuances of state (and any local) laws



that govern the transaction. Check with your state department of real estate



to find any applicable laws that may apply to your option to purchase contract.

Exercising an Option

To exercise an option to purchase, the Optionee (buyer) must notify the seller in writing his/her desire to exercise the option. At this point the option agreement serves as the purchase and sales agreement. The sale of the property moves forward according to the terms and conditions set forth in the contract.

When the Optionee exercises the option and purchases the property, the option payment serves as the down payment to the amount paid for the property and becomes part of what the buyer pays for the property. This determines the buyer's tax basis for the acquired property.

Likewise, the seller considers the option payment part of the property's selling price. Accordingly, both the option payment and the purchase price are included when calculating the amount realized on the sale.

Selling an Option



The Optionee may sell or exchange the option at any time during the specified period. In this case the options contract is utilized as a wholesale contract.

The option is considered an asset, and any profit or loss resulting from its sale is subject to tax laws. Section 1234(a) of the Internal

Revenue Code states that the Optionee's gain or loss from selling the



option is of the same nature as the gain or loss from the sale of the optioned property.

If the optioned property would have been a capital asset for the Optionee, any gain or loss from the option's sale or exchange is treated as capital gain or loss. Whether the capital gain or loss is long-term or shortterm depends on how long the Optionee held the option. If the underlying property qualifies as an Internal Revenue Code 1231 asset-defined as a property involved in trade and business-then a 1231 gain or loss would result from the sale of the option.

If any gain or loss from the sale or exchange of an option does not result in either capital gain or loss or 1231 gain or loss, then it is considered ordinary gain or loss.

Failing to Exercise an Option

If the Optionee does not purchase the property before the option expires, then the contract becomes null and void. The Optionor regains full control over the property and gets to keep the option fee. The Optionee loses the right to purchase the property and must renegotiate with the seller if controlling the property is still desired.

Even in the case of an option not being exercised, there are immediate tax consequences for both parties. The failure to exercise the option is treated much like a sale of the option on the date that it expires, and the following results apply:

- The Optionee reports a loss as a result of failing to exercise the option. The rules for determining the amount and the nature of the loss can be found in IRS publications address the issue.
- The Optionor reports the forfeited option payment as ordinary income, taxable in the year the option expires.

OPTION TO PURCHASE REAL ESTATE

THIS AGREEMENT, made <u>DATE OF CONTRACT</u>, by and between <u>NAME OF SELLER HERE</u>, of <u>ADDRESS OF SELLER HERE</u>, hereinafter called Optionor, and <u>NAME OF BUYER HERE</u>, hereinafter called Optionee, of <u>ADDRESS OF BUYER HERE</u>.

WITNESSETH, that for and in consideration of the sum of <u>AMOUNT PAID FOR THE OPTION</u>, paid by Optionee to Optionor, the receipt whereof is hereby acknowledged, the Optionor hereby gives and grants unto the Optionee, his heirs, personal representatives, and assigns, the right of purchasing, on or before the {date option expires}, the following described real estate — <u>ADDRESS OR LEGAL DESCRIPTION</u> <u>OF SUBJECT PROPERTY</u>, — for the total purchase price of <u>AMOUNT OF PURCHASE PRICE</u>, of which the sum of <u>AMOUNT OF DOWN PAYMENT</u>, shall be paid in cash and the balance of <u>AMOUNT OF MONEY TO BE FINANCED</u>, shall be paid as agreed upon in the finalized Contract to Purchase.

If the Optionee elects to purchase the said real estate pursuant to this Option, Optionee shall give written notice of such to Optionor, by registered or certified mail, to the above stated address on or before <u>DATE</u> <u>THAT OPTION EXPIRES</u>.

If the Optionee shall so elect to purchase said real estate, and shall mail a written notice of such election as herein provided within the time required, and shall tender the required above referenced down payment, and deliver a promissory note for the balance, properly executed and payable in accordance with the terms agreed to herein, together with a real estate mortgage or deed of trust, real estate contract or other security acceptable to Optionor, securing said note, on the real estate herein above described, then Optionor agrees to convey the real estate to Optionee, his heirs and assigns, by warranty deed, free and clear of all liens, encumbrances, or taxes, to the date of closing of the purchase. Optionor further agrees, that upon such election by Optionee to deliver to Optionee within thirty (30) days after receipt of such written notice of election to purchase, an abstract of title or a policy of title insurance in the full sum of **_\$TBD__**, showing merchantable title to said real estate, and Optionee shall have a reasonable time, not to exceed five days, to examine the title insurance and to complete and close said purchase.

If the Optionee does not exercise the privilege of purchase herein given and does not fully perform the conditions herein within the time herein stated, the privilege shall wholly cease and terminate and the sum herein paid by Optionee shall be retained by Optionor.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

Witnesses

Optionor

Witnesses

Optionee





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Finding a Property

As part of the class you will be creating a sample option contract. As

with any real estate agreement, finding a suitable property to place under contract can be challenging. For this exercise we will turn to a resource you should be familiar with – Craig's List.

Open up your computers and go to your local Craig's List page



in your favorite browser. You can try your favorite property search or go to the "search craigslist" bar on the left had side and type in "real estate for sale by owner."

	spokane.craigslist.org ionsoft 🛛 📌 Cogo Capital Loan Ofi	é iCloud R	amindare (@	http://www.	freeconfs 🔽 On	line Testing Free O	USA time toper m	an : 🔺 Pare	orts Federal Hou: »
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	my account	activities	local new	s	apts / housing	g	accounting	+finance	bend
		artists	lost+foun	d	housing swap	5	admin / off	ice	boise
	search craigslist	childcare	musician	s	housing want	ed	arch / engi	neering	butte
-	search	classes	pets		office / comm	nercial	art / media	/ design	calgary
	and a standard	events	politics		parking / stor	age	biotech / s	cience	east oregon
	event calendar	general	rideshare		real estate fo	r sale	business /	mgmt	fraser valley
	MTWTFSS	groups	volunteer	s	rooms / share	ed	customer s		great falls
	19 20 21 22 23 24 25	<u> </u>			rooms wante	d	education		helena kalispell
	26 27 28 29 30 1 2		personal	S	sublets / tem	porary	food / bev	/ hosp	kalispeli kamloops
	3 4 5 6 7 8 9	strictly pla			vacation rent		general lab		kelowna
	10 11 12 13 14 15 16		aonic sek women				governmer		kootenavs
						for sale	human res		lethbridge
			women seeking men men seeking women		antinuna.		internet en		lewiston
	help, fag, abuse, legal				antiques	farm+garden	legal / para		missoula
		men seek			appliances	free	manufactu		moses lake
	avoid scams & fraud	misc roma			arts+crafts	furniture	marketing		nanaimo
	personal safety tips	casual en			atv/utv/sno	garage sale	medical / h		olympic pen
	terms of use	missed co rants and			auto parts	general	nonprofit s		portland
		rants and	raves		baby+kid	heavy equip	real estate		pullman-moscow
	privacy policy		cussion fo		barter	household	retail / who		salem
	system status				beauty+hlth	jewelry	sales / biz		seattle
		apple	help	photo	bikes	materials	salon / spa		skagit
		arts atheist	history housing	p.o.c. politics	boats	motorcycles	security		tri-cities
	about craigslist	autos	jobs	ponucs	books	music instr	skilled trac	le / craft	vancouver
	craigslist is hiring in sf	beauty	jokes	queer	business	photo+video	software /		victoria
		bikes	kink	recover	cars+trucks	rvs+camp	systems /		wenatchee
	craigslist open source	celebs	legal	religion	cds/dvd/vhs	sporting	technical s		whistler / squamish
	craigslist blog	comp crafts	linux m4m	science	cell phones	tickets	transport	-P.Port	yakima
	best-of-craigslist	diet	manners	spirit	clothes+acc	tools	ty / film / y	rideo	us cities
		divorce	marriage	sports	collectibles	toys+games	web / info		us states
	craigslist TV	dying	media	tax	computers	trailers	writing / ed		canada
	"craigslist joe"	eco	money	travel	electronics	video gaming	[ETC]	anng	
	· · ·	feedbk	motocy	tv		wanted	[part-time	1	cl worldwide
	craig connects	film	nonprofit	vegan w4w			[part-time	1	
		fitness	open	wed		services		igs	
		fixit	outdoor	wine	automotive	legal	_	-	
		food	over 50	women	beauty	lessons	computer	event	
		frugal	parent	words	computer	marine	creative	labor	
		gaming	pets philos	writing	creative	pet	crew	talent	



Search the results for a likely property and call the owner. Yes, this is marketing 101 – we are searching for a property lead. When you find a suspect reach out and make contact. Call if a number is available. Remember that you are trying to assess the owners motivation to sell, level of urgency, asking price, amount owed on the property, condition of the property, and anything else they will tell you about the property.

Notes on the Properties:







Information Needed for the Options Agreement

In order to write the option agreement you will need to gather all the following information on at least one property:

•	Full name of seller:
•	Address of seller:
•	Full address of property:
•	Legal description of property:



To complete the option agreement you will need to acquire the following additional information:

- The buyer's name (you): ______
- Amount to be paid for the option: ______
- Amount of down payment to be paid when the option is exercised: _____
- Full amount of the purchase price: ______
- Amount of purchase price to be financed if any: ______
- Date that the option expires: _______

Writing the Option Contract

Now that have a property to write the contract on, it is time to actually do it. Go to <u>www.leearnoldsystem.com</u> in your browser and log into your Lee Arnold System Membership site.

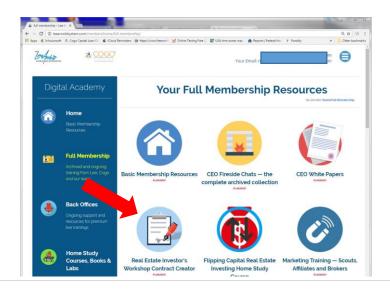




When you have completed logging into the membership site, look for the clickable text labeled, "Full Membership" along the left side of the page. Click this text. (Note that your membership site may look slightly different then the picture below.)

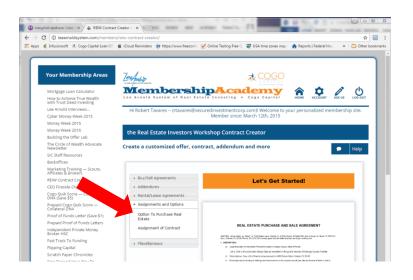


You should now see the Real Estate Investors Workshop Contract Creator icon. Click this icon to enter the Contract Creator.





On the left side of the contract creator you will find a menu of available contracts. Select the options contract under the "Assignments and Options" tab.

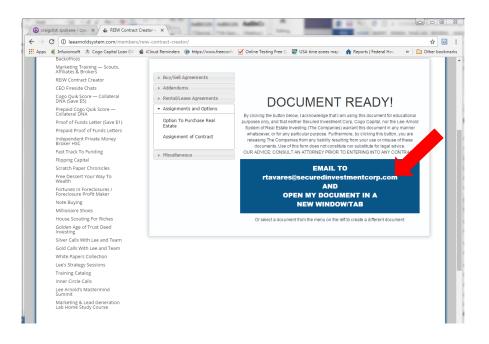


Now click the, "Let's Get Started" button at the top of the contract creator to begin the contract. Follow the onscreen prompts. You will need to fill in the information that you were told you would need a few pages back. You may examine the sample Options Contract in this book if you would like to see what your finished contract will look like.

When you have completed all the prompt screens you will arrive at an option to verify all your information. Follow the prompts to either move forward or go back to make corrections.



Now you should see a prompt that tells you your document is ready. Click the blue box to email the document to yourself and to open a PDF version if the contract online.



Your option contract is now ready for your use. You may print it out or email it as needed. Congratulations on learning to write an option Contract!





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A Real Estate Lease Option is a type of Rent-to-own agreements, also called lease-to-own agreements. It is a traditional leases agreements that also gives the tenant an option to purchase the rental property, typically a single-family house, sometime after the beginning of the tenancy. This arrangement has potential financial and other benefits to both landlords and tenants.



How is a Real Estate Lease Option Used?

When it comes to marrying real estate investing with the ability to help people, nothing matches the strategy of using lease options. Lease options allow you to make money through real estate investing while helping people achieve the dream of home ownership.

A real estate "option" is the right to buy a property at a specific price within a specified period of time. But even though you have the right to buy, you do not have an obligation to buy the property if you chose not to exercise your option. A "lease option" couples a real estate "option" with a "lease" on the property.

With a lease option, a tenant is placed in a position to ultimately own the property they are renting. The tenant makes a non-refundable deposit



(called "option consideration") for the right to ultimately buy the home by some previously agreed upon date. The lease option tenant also makes monthly rental payments and handles minor maintenance.

When home buyers have bad credit but do have enough money for a down payment, they are perfect



candidates for a lease option. They can't qualify for a new loan at the moment, but as long as the option term is two to three years, they have the time they need to clean up their credit and qualify for long-term financing.



So a lease option helps these home buyers by giving them an avenue into the real estate market and provides you with cash up front from the option consideration, monthly cash flow from the rental income, and a large chunk of cash when your lease option tenant exercises the option to buy.

If the buyer cannot exercise the option to buy in the specified time, you still keep the option consideration and monthly payments, and find another lease-option tenant.

This makes lease options a great way to make money while helping people. You earn income from your occupied property while helping others achieve their dream of home ownership. Truly win-win.

One note of caution. The laws governing Lease Options differ from state to state. You should always check the laws of the state you are working in as to the benefits and liabilities of using the Lease Option strategy. (This recommendation hold true for all the strategies discussed here in.)

Elements of a Real Estate Lease Option

A lease option or rent-to-own agreement is made up of two agreements: a standard lease agreement, and an option to purchase. These may be incorporated in one document or two separate documents.

The Lease or Rental Agreement

In a lease option agreement, the title to the house remains with the landlord until the tenant exercises his or her option and purchases the property. In other words, the starting point of this kind of an arrangement is a tenancy, not a house purchase transaction. The underlying agreement in a lease option arrangement is therefore





identical to a regular lease agreement between a landlord and a tenant, including terms such as the duration of the lease period, the amount of rent to be paid, and repair and maintenance responsibilities of landlord and tenant.

The Option to Purchase



An option to purchase grants the tenant an option (right) to buy the rental property within a specified period of time in exchange for a fee (option fee), that is usually paid up front, and/or in the form of a higher-than-market rent (some of which is applied to the house purchase). A tenant who does not exercise the option to purchase is not entitled to a refund of the option fee or any refund in rent.

The option portion of the lease option contract will require all the components listed in the previous section under "Option" –

- The agreement must be in writing.
- Location of the property must be stated.
- An option fee also known as "Consideration" must be stated and paid.
- The duration of the option period must be stated clearly.
- The purchase price of the property must be stated.
- Adherence to state and local laws must be followed

For a more thorough explanation of these components please see the previous section "Options."

Tenant Benefits of Lease Option Agreements

A lease option agreement could be a good choice for a tenant who wants to own a house and





reap the benefits of home ownership but, due to bad credit or other factors does not qualify for a conventional mortgage.

This type of arrangement allows a tenant to invest and build equity in a house while leaving open the option of walking away—for example, if the tenant's financial situation changes for the worse, or the tenant simply no longer wishes to live in or purchase the house. While there may be serious financial consequences (if the tenant paid a hefty option fee or has paid a lot of rent money into an escrow account), the tenant is not legally obligated to purchase the house under lease option agreements. A decision to forfeit the option will not result in foreclosure proceedings and will not impact the tenant's credit history.



Landlord Pros and Cons of Lease Option Agreements

Landlords may benefit from a lease option arrangement as well. Landlords who want to sell their rental property, but are having difficulty doing so, may find a buyer through a lease option arrangement. During the option period, the landlord enjoys a reliable,

long-term tenant, and usually does not have to deal with the expense and cost of maintaining the rental property.

Also, if the tenant does not exercise the option, the landlord retains the option fee and the funds set aside in escrow. Finally, landlords may also have various financial incentives for considering a lease option agreement. For example, a landlord with a negative cash flow may find it advantageous to receive a small amount of cash now and regular income (in the form of higher-than-normal monthly rent), and tax advantages of this arrangement, as opposed to a lump sum payment from sale of the property.

On the other hand, lease option agreements have some downsides for landlords. Because they are unilateral agreements, the landlord is contractually obligated to sell the house to the tenant, if the option is





exercised. The tenant, however, is not contractually obligated to purchase the house. Instead, the tenant may choose whether or not to exercise the option. The landlord is therefore bound by the agreement and may not sell the house to a third party during the option period.

An Option to the Lease Option - Contract for Deed

In practice, the contract for deed operates much like a lease option. In a contract for deed, the purchase of property is financed by the seller rather than a third-party lender such as a commercial bank. The arrangement can benefit buyers and sellers by extending credit to homebuyers who would not otherwise qualify for a loan. Even



some public and nonprofit housing advocacy organizations have used the contract for deed as a tool to help low- and moderate-income households attain homeownership.

Here are some of the basic facts and features of the contract for deed and suggestions for minimizing the risks associated with this mortgage substitute.

Facts and Features

A contract for deed, also known as a "bond for deed," "land contract," "Agreement-for-Deed," or "installment land contract," is a transaction in which the seller finances the sale of his or her own property. In a contract for deed sale, the buyer agrees to pay the purchase price of the property in monthly installments. This may or may not include a negotiated down payment. The buyer immediately takes possession of the property, while the seller retains the legal title to the property until the





contract is fulfilled. The buyer has the right of occupancy and, in states like Minnesota, the right to claim a homestead property tax exemption. The buyer finances the purchase with assistance from the seller, who retains a security in the property.

The contract for deed is a much faster and less costly transaction to execute than a traditional, purchase-money mortgage. In a typical contract for deed, there are no origination fees, formal applications, or high closing and settlement costs. Another important feature of a contract for deed is that seizure of the property in the event of a default is generally faster and less expensive than seizure in the case of a traditional mortgage. If the buyer defaults on payments in a typical contract for deed, the seller may cancel the contract, resume possession of the property, and keep previous installments paid by the buyer as liquidated damages. Under these circumstances, the seller can reclaim the property without a foreclosure sale or judicial action. However, laws governing the contract-cancellation process differ from jurisdiction to jurisdiction and the outcome may vary within any one state, depending on the contract terms and the facts of the specific case.

It is imperative that the seller includes language in the contract that specifically limits any equitable interest the buyer may have in the property

during the term of the contract. You should research the laws governing contact for deeds in your state and consult your legal counsel prior to the

IT IS IMPERATIVE THAT THE SELLER INCLUDES LANGUAGE IN THE CONTRACT THAT SPECIFICALLY LIMITS ANY EQUITABLE INTEREST THE BUYER MAY HAVE IN THE PROPERTY DURING THE TERM OF THE CONTRACT.



REAL ESTATE LEASE OPTION

use of any contract but a clause similar to this should suffice. "...in the event of any breach of this agreement or default on the part of the purchasers of any kind whatsoever the sellers may without notice to the purchasers exercise the following options; (a) to terminate this agreement and retain all sums of money theretofore paid by the purchasers as liquidated damages and/or the reasonable rental value of said land, and to reenter said premises and take possession thereof fully and to all intents and purposes as if the purchasers had no interest in said property whatsoever, or (b) to accelerate all sums of money secured by this agreement whether due by the literal terms hereof or not, and to foreclose this agreement in accordance with the rules of practice applicable to vendor's liens, in which event the purchasers agree to pay all costs of collection and foreclosure, including a reasonable attorney's fee."

BECAUSE OF THIS RIGHT, IT IS STRONGLY SUGGESTED THAT YOU RESTRICT THE PURCHASER'S ABILITY TO ASSIGN THE CONTRACT THROUGH A CLAUSE SIMILAR TO THIS: "...THIS AGREEMENT IS NOT ASSIGNABLE WITHOUT WRITTEN PERMISSION FROM SELLER." The contract for deed may appear to be essentially a rent-to-own arrangement. However, in a typical contract for deed, the buyer becomes responsible for the obligations of a mortgagor in possession, such as maintaining the property

and paying property taxes and casualty insurance. In addition, unless prohibited by the contract, either party may sell his or her interest in the contract. Because of this right, it is strongly suggested that you restrict the purchaser's ability to assign the contract through a clause similar to this: "...This agreement is not assignable without written permission from seller."

The IRS generally treats a contract for deed as a sale, which means the buyer has the tax benefits of ownership. Thus, the payments of interest that are made by the buyer in possession are deductible as "mortgage interest," even though the buyer does not have legal title to the property.



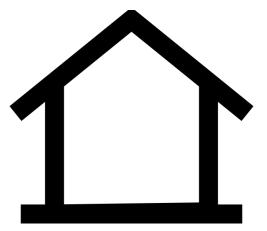
REAL ESTATE LEASE OPTION

A contract for deed seller must report the transaction as an installment sale on form IRS Form 6252. Once sold, the seller cannot claim depreciation or any other tax benefits of the property. If the buyer defaults on the contract and the seller exercises his legal option to reclaim the property, the tax code treats the transaction as a foreclosure.

Speed, Simplicity Appeal to Buyers

Homebuyers may be attracted to a contract for deed purchase for several reasons. This method may be especially appealing to homebuyers who do not qualify for a mortgage, such as people who work cash jobs and are therefore unable to prove their ability to make payments. Since the contract for deed process is significantly shorter than the mortgage-

approval process, it may attract buyers who face time constraints or have limited options, such as people who are losing their homes to foreclosure. First-time homebuyers who lack experience in the market or individuals who are wary of traditional financial organizations may also choose a contract for deed because of the relative simplicity of the buying process.



REAL ESTATE LEASE WITH OPTION TO PURCHASE

This Indenture, made and executed <u>DATE OF CONTRACT</u>, by and between <u>NAME OF</u> <u>SELLER</u>, hereinafter called the Lessor, and <u>NAME OF BUYER</u>, hereinafter called the Lessee.

Witnesseth: That for and in consideration of the sum of <u>AMOUNT OF OPTION</u> <u>CONSIDERATION</u>, to the Lessor paid by Lessee, receipt of which is hereby acknowledged by Lessor, and for and in the further consideration of the payment of the rents and the performances of the covenants contained herein on the part of the Lessee and in the manner hereinafter stated, the Lessor does hereby demise, lease and let to the Lessee, and in consideration of the premises, the Lessee does hereby lease, hire, and take from the Lessor upon the terms and conditions hereinafter set forth, the following described property:

ADDRESS OF PROPERTY ,

For the term of <u>TERM OF LEASE IN MONTHS</u>, commencing <u>DATE LEASE BEGINS</u>, through <u>DATE LEASE ENDS</u>, and for the total rent or sum of <u>TOTAL AMOUNT OF</u> <u>PAYMENTS FOR THE TERM OF THE LEASE</u>, payable monthly in advance, in installments of <u>MONTHLY PAYMENT AMOUNT</u>, each in lawful money of the United States of America, on the first day of each and every calendar month.

This lease is made subject to the following terms and conditions:

- 1. Said Lessee agrees to pay said rents to said Lessor at the time and in the manner herein provided, without any deduction whatever and free of and from all claims and demands against said Lessor of any kind or character.
- 2. Should the said Lessee fail to pay any part of the rents herein specified, at the times or in the manner herein provided, or fail faithfully to comply with or perform any other of the terms, conditions covenants and agreements of this lease on the part of said Lessee to be performed or complied with, or should said Lessee abandon the said Lessor and said Lessee shall have all the rights and remedies as provided for by law, and in any of said events, said Lessor shall be forthwith entitled to the possession of said leased premises, and may enter into and upon said leased premises, without notice to said Lessee and exclude said Lessee therefrom and from in any manner having access thereto, and remove all persons and property therefrom, and by process of law, or otherwise, take and resume possession of said leased premises, and in the removal of such property, the said Lessor shall in nowise be responsible or liable either to said Lessee, or to any other person whomsoever, for any such property or the safekeeping thereof, or for any damage whatsoever thereto or to any part thereof, and said Lessor is hereby further authorized to store such removed property in any

warehouse or other place at the expense and for the account of said Lessee; or else, even though said Lessee has breached any of the provisions of this lease and has abandoned the said leased premises, said Lessor and said lessee shall have all the rights and remedies as provided, so long as this lease, and said Lessee's rights to the possession of the leased premises, are not terminated by said Lessor. The rights of said Lessor under this section 2 of this lease shall be cumulative to all other rights or remedies given to said Lessor by law or by the terms of this lease.

3. That said leased premises shall be used, occupied and conducted exclusively as and for:

AS A SINGLE FAMILY RESIDENCE ,

and for no other purpose; and shall be used, occupied and conducted in a thoroughly orderly and respectable manner, without let, hindrance, annoyance, disturbance, detriment, injury or offense to the Lessor; that said Lessee shall not maintain or commit, nor suffer to be maintained or committed any nuisance or waste in or about said leased premises; that said Lessee shall not do or permit anything to be done in or about the said leased premises, nor bring or keep anything therein, which will in any way affect fire or other insurance on said building or any of its contents, or which shall in any way conflict with any law, ordinance, rule or regulation affecting the occupancy and use of said premises which are or may hereafter be enacted or promulgated by any public authority.

Lessee shall not construct, maintain or permit to be constructed or maintained, any sign or bill board on the roof of the building located on said demised premises, nor paint, nor hang, nor permit or authorize others to paint or hang, any sign on the outside walls thereof, unless written permission to do so be first obtained from the Lessor.

4. Said Lessee hereby agrees not to assign this lease or any interest therein nor let or underlet the whole or any part of said leased premises without the written consent of said Lessor first had and obtained, and that neither this lease, nor any interest therein shall be assigned or assignable, either by operation of law or otherwise. Said Lessor agrees not to unreasonably withhold such consent.

PROVIDED ALSO, and these presents are upon this covenant, that if the Lessee do or shall neglect or fail to perform or observe any of the covenants contained in these presents and on its part to be observed and performed for ten days after notice by the Lessor, or if the estate hereby created shall be taken on execution, and such execution shall not be satisfied, cancelled or otherwise removed within thirty days after notice by Lessor, or if the Lessee shall be adjudicated bankrupt or insolvent according to law, or if any assignment of its property shall be made for the benefit of creditors, then and in any of said cases the Lessor lawfully may enter into and upon the said premises or any part thereof in the name of the whole, and repossess the same as of the former estate of the Lessor and expel the Lessee and those claiming under and through it and remove its effects (forcibly if necessary) without being deemed guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant, and upon entry as aforesaid this lease shall determine, and the Lessee covenants that in case of such termination it will indemnify the Lessor against all loss of rent which the Lessor may incur by reason of such termination, during the residue of the term above specified.

- 5. Said Lessee agrees that the said leased premises are now in tenantable and good order and condition and that said Lessee shall keep and maintain said premises in good and sanitary order and condition, and that no alteration, repair or change whatever shall be made in or about said leased premises without the written consent of the Lessor, and that unless otherwise provided by written agreement, all alterations, improvements and changes that may be required shall be done by or under the direction of the Lessor but at the cost of the Lessee; thatall alterations, additions and improvements made in and to said leased premises shall, unless otherwise provided by written agreement be the property of the Lessor and shall remain upon, and be surrendered with said leased premises; that said Lessee shall not mar or deface in any manner the walls, woodwork, or any other part of said leased premises; that all damage or injury done to the premises or property of said Lessor by said Lessee, or by any person who may be in or upon the premises, with the consent of the Lesser, shall be paid for by the Lessee at the time the damage or injury is inflicted; and that said Lessee shall, at the termination of this lease, surrender said leased premises to the Lessor in as good order and condition as reasonable and proper use thereof will permit.
- 6. In the event of the inability of the Lessor to deliver possession of said leased premises at the time herein fixed for the commencement of the term of this lease, neither the Lessor nor the agent of said Lessor shall be liable for any damages caused thereby, nor shall this lease thereby become void or voidable, but in such event the Lessee shall not be liable for any rent until such time as the Lessor can deliver possession.
- 7. Said Lessee shall at least thirty days before the date of the expiration of this lease give to said Lessor a written notice of intention to surrender said leased premises on said date; if such notice is not given, then said Lessee shall be liable for rent of one additional month in the event that he shall have vacated said premises, at the expiration of the term of this lease.

- 8. If said Lessee holds possession of said premises after the expiration of the term of this lease, such Lessee shall become a tenant from month to month only upon the terms herein specified, but at a monthly rental of <u>MONTHLY RENTAL RATE AFTER LEASE TERM</u>
 <u>EXPIRES</u>, per month payable monthly in advance in said lawful money of the United States on the day of each month and shall continue to be such tenant until such tenancy and shall at the expiration of such month have vacated and surrendered possession of said leased premises to said Lessor.
- 9. That if the said building or the said leased premises shall be destroyed by fire or other cause or be so damaged thereby that they become untenantable and cannot be rendered tenantable within ninety days from the date of the injury this lease may be terminated by the Lessor; that in case said premises shall be so damaged as not to require a termination of the lease as above provided, then a proportionate allowance shall be made to the Lessee for the rent hereinbeforereserved corresponding to the time during which and to the portion of the premises of which the Lessee shall be so deprived. The Lessor shall be sole judge as to whether such damage has caused said building or premises to be untenantable, and as to whether they can be rendered tenantable within ninety days from the date of the injury.
- 10. Said Lessor shall have the right at all times during the term of this lease to enter said leased premises for the purpose of examining or inspecting the same, and of making such repairs or alterations therein or in other parts of said building as said Lessor shall deem necessary in connection with said premises, or said building.
- 11. Lessee agrees to pay during the term hereof, all charges made against said premises for water rates, gas, electric lights, power, heat, telephone and garbage disposal services, and for any other commodities furnished or supplied or used in or upon or about said premises.
- 12. The Lessor agrees to maintain the roof over said demised premises in good order and repair and repairs to said roof shall be made by and at the expense of the Lessor, but without liability for failure so to do unless first notified by Lessee in writing of the necessity thereof.
- 13. Said Lessee hereby waives all claims for damages that may be caused by the Lessor in reentering and taking possession of the said leased premises as herein provided or for loss or injury of, by or arising out of theft, burglary, fire, steam, gas, electricity, or defect in the building, or by or out of the breaking, leakage, or overflow of the roof, or of any pipe, sewer or plumbing, or by or out of the destruction or injury of the building, or any part thereof, or by or out of the making of any repairs, alterations, additions, or improvements to said building, or any part thereof, or by reason of loss of property, or injury or damage

to person or property occurring in said leased premises or in or about said building no matter how caused .

- 14. This lease shall be subject and subordinate at all times to the lien of any mortgage or trust deed or deeds which may now exist upon or which may be placed upon the demised premises or the property of which the demised premises are a part and the Lessee covenants that it will execute and deliver to the Lessor or the nominee of the Lessor proper subordination agreements to this effect at anytime upon the request of the Lessor and without payment being made therefor.
- 15. Each and every covenant and term hereof to be kept and performed by the Lessee is expressly made a condition, upon breach whereof said Lessor may terminate this lease and exercise all rights of entry and re-entry upon said leased premises, herein provided for.
- 16. The failure or omission of said Lessor to terminate this lease, for any violation of any of its terms, conditions or covenants shall in nowise be deemed to be a consent by the Lessor to such violation, and shall in nowise bar, stop or prevent said Lessor from terminating this lease thereafter, either for such or for any subsequent violation of any such term, condition or covenant. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any breach of any term, covenant or conditions of this lease.
- 17. That in each suit brought for the recovery of any rent due hereunder, or for the recovery of the dispossession of said demised premises, or for the breach of any of the terms, conditions or covenants of this lease, wherein said Lessor shall prevail, said Lessee shall pay said Lessor a reasonable sum as and for attorney's fees therein, the amount of which shall be determined by the court in such suit and added to and become part of the judgment therein.
- 18. The service of any and all notices of any nature and description given by said Lessor to said Lessee, when given to said Lessee or else when mailed to said Lessee addressed to said Lessee to said leased premises shall be deemed to be and constitute full and complete notice to said Lessee and shall constitute full compliance with any of the provisions of this lease or of the laws of the State of <u>IDAHO</u>, requiring personal service of notice upon said Lessee and shall constitute notice to said Lessee for any purpose whatsoever.
- 19. It is further covenanted and agreed by said Lessee that nothing herein contained and no security or guarantee which may now or hereafter be furnished said Lessor for the payment of the rent herein reserved or for the performance by said Lessee of the other terms or covenants of this lease, shall in anyway be a bar or defense to any action in

unlawful detainer, or for the recovery of said premises, or in any action which said Lessor may at any time commence for breach of any of the terms or covenants of this lease.

- 20. The word "Lessor" and the word "Lessee" as used herein include the plural as well as the singular. The neuter gender when used here, shall include the masculine and feminine.
- 21. This lease shall include and inure to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto, but nothing in this paragraph contained shall be construed to modify or impair in any manner any of the provisions and restrictions of this lease relating to the assignment of this lease or of any interest therein, or to the subletting or underletting of said leased premises or any part thereof.
- 22. The Lessee agrees that this instrument contains all of the provisions of the agreement between the parties hereto, and that no promise or agreement not contained herein shall be binding on the Lessor.
- 23. Time is the essence of this agreement.
- 24. Provided Lessee is not then in default under any of the terms and conditions of this lease, he shall have the option to purchase the leased premises on the following terms and conditions:
 - (a) the total purchase price shall be **AMOUNT OF PURCHASE** .
 - (b) the period during which Lessee may exercise his option to purchase these premises begins on <u>START DATE OF OPTION PERIOD</u>, and ends on <u>END DATE OF OPTION</u> <u>PERIOD</u>, Such exercise of option shall be in writing, signed by Lessee and delivered to Lessor.
 - (c) Lessee shall pay Lessor the purchase price of the premises as follows:
 - (d) Lessee shall secure his obligation to pay Lessor the unpaid balance of the purchase price by the execution and recording of a Mortgage or Deed of Trust in form and of priority satisfactory to Lessor.
 - (e) If Lessee exercises his option and desires a policy of title insurance, he shall pay the cost thereof. Taxes shall be prorated to the date of close of escrow. The last month's rent deposited hereunder shall be credited toward the purchase price to the extent not exhausted prior thereto.

In Witness Whereof, said parties have executed this lease the day and year first above written.

Name:	Name:
Signature:	Signature:
Witness Name:	Witness Name:
Witness Signature:	Witness Signature:
Witness Name:	Witness Name:
Witness Signature:	Witness Signature:

Signed by the Lessee:



Finding a Property

As part of the class you will be creating a sample option contract. As in the previous "options activity," a suitable subject property will be needed. For this exercise we will use one of the properties you previously researched on Craigslist. Turn back to you property information and pick a one of your calls to write up as your lease option example.



Information Needed for the Lease Options Agreement

In order to write the lease option agreement you will need to gather all the following information on at least one property:

- Full name of seller: ______
- Address of seller: ______
- Full address of property: ______

Legal description of property: ______

To complete the option agreement you will need to acquire the following additional information:



- The term of the lease in months: ______
- The date the lease begins: ______
- Amount of the monthly lease payment: _______
- The total amount of the payments for the term of the lease: ______
- A month to month rental rate if and when the term of the lease expires:
- Amount to be paid for the option: ______
- Amount of down payment to be paid when the option is exercised: _____
- Full amount of the purchase price: ______
- Amount of purchase price to be financed if any: _______
- Date that the option expires: _______

Writing the Lease Option Contract

Now that have a property to write the contract on, it is time to actually do it. Go to <u>www.leearnoldsystem.com</u> in your browser and log into your Lee Arnold System Membership site.



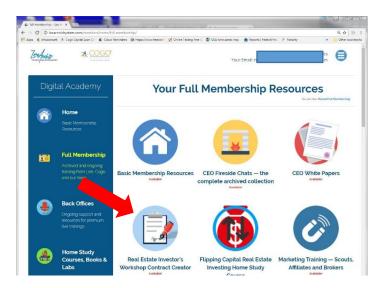


When you have completed logging into the membership site, look for the clickable text labeled, "Full Membership" along the left side of the page. Click this text. (Note that your membership site may look slightly different then the picture below.)

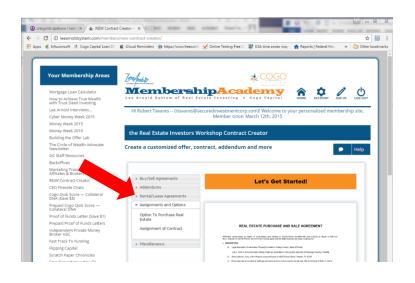




You should now see the Real Estate Investors Workshop Contract Creator icon. Click this icon to enter the Contract Creator.



On the left side of the contract creator you will find a menu of available contracts. Select the "lease with option to purchase" contract under the "Rental/Lease Agreements" tab.

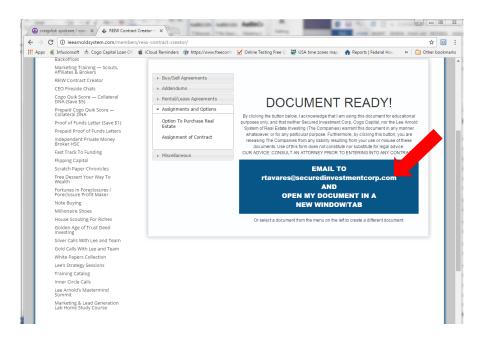




Now click the, "Let's Get Started" button at the top of the contract creator to begin the contract. Follow the onscreen prompts. You will need to fill in the information that you were told you would need a few pages back. You may examine the sample Lease Option Contract in this book if you would like to see what your finished contract will look like.

When you have completed all the prompt screens you will arrive at an option to verify all your information. Follow the prompts to either move forward or go back to make corrections.

Now you should see a prompt that tells you your document is ready. Click the blue box to email the document to yourself and to open a PDF version if the contract online.



Your lease option contract is now ready for your use. You may print it out or email it as needed. Congratulations on learning to write a lease option Contract!









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A wrap-around mortgage, morecommonly known as a "wrap," is a form of secondary financing for the purchase of real property. In this form of financing the seller

extends to the buyer a junior mortgage which wraps around and exists in addition to any superior mortgages already secured by the property. Under a wrap, a seller accepts a secured promissory note from the buyer for the amount due on the underlying mortgage plus an amount up to the remaining purchase price.

At first glance, the debts secured by the underlying trust deed and the all-inclusive carryback trust deed appear to over-encumber the property. However, the amount of the junior mortgage note wraps around and is inclusive of the underlying loan balance. Thus, the separate trust deed balances cannot be added together to determine the total amount of encumbrances on the property. The junior mortgage amount is the total amount of encumbrances.

To put it simply the wrap takes a preexisting loan and absorbs it into a new loan. The new loan is made by the seller of the property to the new owner.

The Basics of how it Works

In a typical home sale, the buyer obtains a mortgage and uses that money to pay the seller. The seller takes the money, pays off whatever he still owes on his own mortgage and pockets the remainder as profit.





In a wrap-around deal, the seller's mortgage stays in place, and a second mortgage is created for the buyer, at a higher interest rate than the one on the seller's mortgage. That second mortgage "wraps around" the



first, hence the name. This second mortgage is called an "All Inclusive Trust Deed" or AITD. The buyer takes possession of the property and makes monthly payments to the seller; the seller uses some of that money to pay his own monthly mortgage bill and pockets whatever is left over as profit.

When an investor enters the picture he/she serves as a middle man between the seller and the buyer. Typically it is the investor that creates the deal, negotiates all the agreements, works out all the paperwork and finds the end buyer. In so doing the investor creates a spread between what the buyer pays and the seller receives. This becomes the profit for the investor.

Example

Say a seller has a house valued at \$405,000, and he owes \$250,000 on his mortgage at 6 percent interest. His payment is about \$1,500 a month. The investor negotiates a deal with the seller to receive \$400,000 for the property and 5% as a loan rate. The investor sets up a wraparound

deal with a buyer, who will put \$25,000 down (\$20,000 going to the seller and \$5,000 going to the investor) and finance the rest at 7 percent interest (5% for the seller and 2% for the investor.)

Every month, the buyer sends the Investor a check based on a \$380,000 loan at 7 percent interest. That's about \$2,528.15 a month.





So the seller receives his 5% or \$2,039.92 out of which he makes his loan payment of \$1,500 and then pockets the extra \$539.92 a month. When the seller eventually pays of his loan, the entire \$2,039.92 become profit.

The Investor is receiving his 2% or \$488.23 each month on top of the \$5,000 he made for setting up the deal.

Now if the investor is smart he will set all this up and have Lake City Servicing service the note. In so doing Lake City Servicing will collect the monthly payments, pay the mortgagor from the sellers first note, pay the seller and pay the investor. The investor has now created an income



stream of over \$400 a month that he does not have to do anything to receive! What a deal!

Benefits

For buyers who are unable to get approved for a regular mortgagebecause of bad credit, for example--a wrap-around can be a path to homeownership. There are several benefits of AITDs as it will save the buyer from needing to apply for a traditional mortgage. An AITD will save time and money, and allows the seller to sell their home to people that may be unable to qualify for lending. For a seller, the AITD gives them a larger buyer pool to work with to sell their home. An AITD offers extreme flexibility, which is beneficial if the original loan has a low interest rate.

Buyer/Seller Risks

There are some risks with an AITD. The main risk is the first mortgage carries a "Due on Sale" clause – see below. The other risk is the possibility that the buyer will not be able to pay the loan as they will default on payments. When this happens the seller will not able to get their





mortgage payment paid, but they will still be responsible for the first mortgage payment.

Due-on-Sale Risk

Mortgages typically have a provision known as "due on sale," which gives the lender the right to "call" the entire loan--that is, demand repayment in full--if the home is sold. A wrap-around arrangement can come apart instantly if the seller's lender exercises this option.











What is An Assignment?

An assignment is a sales transaction where the original buyer of a property, the "assignor," allows another buyer, the "assignee," to take over the buyer's rights and obligations of the Agreement of Purchase and



Sale. This typically involves a fee being paid by the assignee to the assignor. This normally takes place before the original buyer closes on the property.

The instrument used to execute this assignment transaction becomes an addendum to the original Purchase and Sales Agreement. Once the addendum is executed, the assignee now holds all the rights and obligations of the original sale and will be the one who ultimately completes the deal with the seller.

In other words, an assignment allows the buyer of a home to sell his/her interest the property before they take possession of it. The assignor make a profit from the property that they controlled but never owned. This may sound too good to be true but investors are doing just that every day all across the country!

Pre-requisites for the Transfer of a Purchase & Sale Agreement Using an Assignment Contract



The execution of an assignment of contract requires a few things to be in place before the actual assignment can take place. These requirements include:

 An executed (signed), assignable real estate purchase and sale contract between you and the property seller.



- A willing cash buyer (or a buyer whose lender will loan on assignments).
- An executable assignment contract that transfers the rights and the responsibilities of the original purchase and sale contract from you to your investor buyer. This becomes an addendum added to the Purchase and Sales Agreement.
- A settlement attorney or title company to verify clean, unencumbered title and to coordinate the closing.

Steps To An Assignment of Contract

Wholesaling real estate through contract assignments generally follows a sequence of steps. Here is how it works



step by step from the beginning. We will start with finding the good deal.

1. Find a Motivated Seller

First let's begin with what a motivated seller is. This is an individual who NEEDS to sell a property normally very quickly. There is usually some sort of distress going on in their lives. There is a huge disparity between *want* to sell and *need* to sell. Knowing which category your seller falls into is the first step in identifying how to handle the situation.



If I want to sell, there is no since of urgency. There's normally no timeframe in which to finalize the sale. However, "need to sell" sounds like this: "I have to sell this house now because I'm moving to Maryland to take care of my ailing mother, and I have no other family members in the area." This is a "need to sell" scenario.

Meanwhile, "want to sell" sounds a lot different: "I'm curious to see what my house is worth because I may be selling next year." As you can see, there is a reason behind the need to sell versus the second scenario, where there is just curiosity.



2. Get the Purchase & Sale Contract

Before you can assign the contract you must have property under contract to begin with. Work with your motivated seller to get a signed purchase and sales agreement between the two of you. At this point it would be good to verify that your contract does not contain a "no assignment clause." If It does negotiate it out with the seller.



3. Double Check the Contract for Any Limitations or Prohibitions

If you have not already done so, check for anti-assignment clauses. Sometimes the prohibition is not a separate clause but is included in another provision. Look for language that states, "This agreement may not be assigned." If you find such language, you may not be able to assign the agreement unless the other party consents.

4. Find your Buyer

Here is where your of marketing comes into play again. Working to find your end buyer can be daunting, but once you have a solid buyer, you can begin the process of closing the transaction. First, when you find your



buyer (via Craigslist ads, Zillow, email marketing etc.), you should require a nonrefundable earnest money deposit.

Having the buyer furnish a nonrefundable earnest money deposit secures your position in making a profit. This money will become yours whether the transaction closes or not. The earnest money can be as much or as little you require within reason. I've seen deposits of

hundreds of dollars up to \$5,000. When the buyer deposits the earnest money, you then know that your buyer has a real interest in the property and is willing to move forward. This fee is normally held by the title company or the closing attorney.



5. Execute an Assignment

If you are not prohibited from assigning the contract, prepare and enter into an assignment of contract: an agreement that transfers the parties' rights and obligations. This document becomes an addendum on the purchase and sales agreement.

6. Provide Notice to the Obligor

After you have assigned your contract rights to the assignee, you should provide notice to the original contracting party (referred to as the obligor). This notice will effectively relieve you of any liability under the



contract, unless the contract says differently (for instance, if the contracts says that the assignor guarantees the performance of the assigned contract or the contract prohibits an assignment) or the assignment is prohibited by law.

7. Everyone goes home happy!

What more needs to be said!



Common Challenges

Any number of things can go wrong when you're flipping homes. Here are a few of the most common complications that can lead to a smooth transaction:

• Assignee cannot settle on date agreed to in the contract, postponement or annulment of contract.

• Seller decides 15 minutes before settlement, on the 20th day, that she will not sell, or will not sell at the agreed upon contract price.



• Settlement company discovers that Seller does not possess clean and marketable/transferable title because she originally purchased the house from her cousin, but never worked with a settlement company (or attorney) and did not purchase title insurance.

These are just a few of the scenarios that you want to prevent or overcome by careful planning, deal structuring and use of well thought out contract clauses and terms, both in your original real estate contract, and in the subsequent assignment contract.

Anti-Assignment Clauses

If you're making a contract and you don't want assignment to be an option, you need to clearly state that in your agreement. Below are three variations of anti-assignment clauses that can be used in a contract.



EXAMPLE 1: Consent Required for Assignment

Assignment. Neither party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other. Any assignment or delegation in violation of this section shall be void.

EXAMPLE 2: Consent Not Needed for Affiliates or New Owners

Assignment. Neither party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other. However, no consent is required for an assignment that occurs (a) to an entity in which the transferring party owns more than 50% of the assets, or (b) as part of a transfer of all or substantially all of the assets of the transferring party to any party. Any assignment or delegation in violation of this section shall be void.

EXAMPLE 3: Consent Not Unreasonably Withheld

Assignment. Neither party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of other. Such consent shall not be unreasonably withheld.



Any assignment or delegation in violation of this section shall be void.

Anti-assignment clauses can also be modified to prohibit only one of the parties from assigning rights. Also, when preparing an anti-assignment clause, keep in mind that you can prevent only "voluntary" assignments; you cannot prevent assignments that are ordered by a court or that are mandatory under law--for example, in a bankruptcy proceeding.

Assignment of Contract

For value received the undersigned, <u>YOUR NAME HERE</u>, as assignor and holder of that certain real estate contract entered on <u>DATE OF CONTRACT</u>, between <u>YOUR SELLERS</u> <u>NAME HERE</u>, as seller, and <u>YOUR NAME HERE</u>, as purchaser, for the sale and purchase of the following real estate:

ADDRESS OF THE PROPERTY

does hereby assign, transfer and set over to <u>YOUR BUYERS NAME HERE</u>, as assignee, the said real estate contract, and said assignor does bargain, sell and convey said described premises to said assignee, who hereby assumes and agrees to fulfill the conditions of said real estate contract.

Date this assignment agreed to: **DATE OF ASSIGNMENT CONTRACT**

Assignor (printed)

Signature of Assignor

Assignee (printed)

Signature of Assignee

STATE OF ______ COUNTY OF ______

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared _______ to me known to be the person described in and who executed the foregoing instrument and acknowledged before me that he executed the same.

WITNESS: my hand and official seal in the County and State last aforesaid this

Date

Notary Public

My Commission Expires







Wholesaling Real Estate

Wholesaling is the formal name given to the process by which the "Wholesaler" gets a property under contract at a discount, marks up the cost of the contract in order to create a "fee for services" and then turns around and sells the contract through an instrument such as a real estate assignment contract.

The great thing about wholesaling real estate is that you don't need to take ownership of the property. Once



you have the property under contract, (option contract, purchase & sale, other) you assign the contract to another buyer who will close on the property in your place. There is no risk, and you can do it with little or no money down! You can make big bucks from property you don't own! Let's look at how easy wholesaling real estate is.

Step One: Find a Property

If you are advertising correctly, your phone will ring off the hook. Find a property with sufficient equity and get busy. Let's use the example of a property worth \$100,000 that you negotiate down to a buying price of \$55,000. You fill out your sales contract with the homeowner as the seller and you as the buyer.



One of the first lines on the sales contract is a place for the buyers' name. This is a good place to include the wholesale language "and/or assigns." You will put your business name on the buyers line and then state "and/or assigns." Please note that this is actually not required to wholesale or assign the contract because all contracts are assignable unless they specifically say otherwise. The strategy to write in your assigns language is a great way to be transparent with your seller and let them know



you may need to pass this deal off to a partner depending on your current work load.

Please note, almost all industry approved real estate sales forms do include language that prohibits the assigning of a contract. This is why it is never recommended that you look for property off the MLS if you are wholesaling. Real estate agents must use the industry forms. If you work directly with the seller it is much easier to write your own contract and be

able to wholesale the property.

If you do find a good deal on the MLS or you are forced, for some other reason, to use an



industry approved form do not fret, there are ways to get around the clause. You must understand that contracts are just written agreements between to individuals/entities. As such, all parts of the contract are open to negotiation. The clause on the industry approved real estate sales forms that limits assignment of the contract simply means you must get approval from the seller to assign the property. A simple amendment to the contract stating the assignment is approved is enough to keep you in the wholesale business!

Bank owned property is another poor choice for a whole sale strategy. Banks rarely accept the "and/or assigns" language. If you want to wholesale REO property you will most likely have to close on the property first and then turn around and re-sell it to the end investor. This may be problematic if there is a seasoning period in your contract. Watch out for this and plan accordingly.

To make the contract binding, you have to leave a deposit with the homeowner at the time of signing. When working with real estate agents the deposit can be in the hundreds or typically thousands of dollars. PLEASE KNOW THAT THIS IS NOT REQUIRED! An amount as little as \$1 is all that is needed legally make a contact binding, depending on state regulations. It is recommended that you find out your state's minimum and always start there stating that this is the minimum the state requires for a binding contract, even if it is \$10. This way, if you are unable to wholesale the property, you are not out a lot of money.





\$10! Who would take that? You would be surprised. If you are confident in your offer and explain that this is your standard contract, most will accept it without question. Try

something like this: "We typically give a \$10 deposit and close in 45 days. That won't be a problem, will it?" They always say, "Okay." The only reason a homeowner won't take \$10 is because of the way you present it. Speak with confidence.

Step Two: Start Building Your Buyers List

This is a list of rehabbers who will buy your wholesale properties. First run an ad in the paper, on Craig's list and anywhere else you can think about, that says something like:

Handyman, investor special Great deal for rehabbers! 555-555-5555

OR

Investor special Thousands below market--Won't last! 555-555-5555



When investors begin calling, get their information. Find out what types of property they are looking for. Take their name, number, fax, and email, and put that information in a database. Then the next time you find another deal, you'll have a list of buyers. Run your ads for sixty to ninety days. Even if you sell your property the next day, keep the ads running. Simply tell those that call that your inventory has just been depleted but that you are constantly renewing it. Ask what kind of property they are looking for and collect their contact info. Tell them that you will contact them as soon as you have the next property under contract.





Do you have many bandit signs in your area? Most people are annoyed by these, and see them as a negative but to the wholesaler they are golden. You see, a bandit sign represents a rehabber or another wholesaler who is actively looking for properties. As a wholesaler yourself you should be calling ever one of those numbers you can find. Have the discussion about what they are looking for, get

their contact email, and add them to your mailing list. So, the next time you see a bandit sign,...MAKE THE CALL!

Every time you get a deal under contract, email your list and boom--the deal will be gone. Remember, the faster you find a buyer, the faster you get paid.



Step Three: Negotiate a Deal with Your Rehabber

This is how a wholesale real estate transaction might look. Say the house will be worth \$100,000 ARV. The homeowners are distressed--either they are behind in their payments or facing foreclosure. They have to move quickly.

Say they owe \$50,000 on the property, and they need \$5,000 to move and pay deposits for their new place. (Remember, you know this because you have asked them what they are seeking as a result of your assistance.) You offer them \$55,000, and they accept.



The house is worth \$100,000 ARV. You figure it will take approximately \$15,000 in repairs to get it to market condition. You have a rehabber lined-up, and you know he'll pay 65% of the retail value. You decide to sell it to him for \$65,000, making \$10,000 as your assignment fee.



The new price is \$55,000 to the homeowners and \$10,000 to you for putting the deal together. The rehabber will fix-up the property and make the difference between the \$65,000 and the \$100,000 fair market value.

If the rehabber does a good job on the property and keeps rehab costs low, the potential profit is \$15,000 to \$20,000. Not too bad either!

Step Four: Prepare for Closing

Using your investor-friendly title company, move towards a closing. The beauty about title companies is that they do all the work for you. All

you have to do is find the deal, wholesale it to your rehabber, and go to closing to collect your check. The title company does the rest. It can be that simple!













FOLLOW-UP

The training you have just received becomes infinitely more valuable if you choose to implement what you have just learned. With that in mind it is now time to create a road map for you to follow in the days and months to come. What steps do you need to take as you implement your training?

Spend a few moments to organize your thoughts then write down those things you need to start doing in response to the training you have just been through. Organize your action points into things you needs to do immediately - as soon as you get home, things you need to get accomplished in the next month, and things you should accomplish in the next 90-days.

Things to do as soon as I get home:

- •
- •
- - -
- •



FOLLOW-UP

Things to do within the next month:

- •
- •
- •
- •
- •

Things to do in the next 90-days:

•

•



*my***FirstAm**[®] Combined Report

1603 S Ash St, Spokane, WA 99203

Property Address:

1603 S Ash St Spokane, WA 99203

Combined Report

1603 S Ash St, Spokane, WA 99203

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my FirstAm[®] Property Profile

First American

1603 S Ash St, Spokane, WA 99203

Owner(s):	Ausburn Mary G	Mailing Address:	1603 S Ash St, Spokane, WA 99203
Owner Phone:	Unknown	Property Address:	1603 S Ash St, Spokane, WA 99203
Vesting Type:		Alt. APN:	
County:	Spokane	APN:	25251.1436
Map Coord:	9N	Census Tract:	004200
Lot#:	77, 78	Block:	14
Subdivision:	Cannon Hill Add	Tract:	
Legal:	Cannon Hill Add Pt Of L77-78	B14 N5ft Of W124ft Of L77 W124ft	Of L78

Property Cha	racteristics					
Use:	Sfr	Year Built / Eff.	: 1947 / 1947		Sq. Ft. :	1137
Zoning:		Lot Size Ac / Sq	Ft: 0.1566 / 6	820	# of Units:	1
Bedrooms:	2	Bathrooms:	1		Fireplace:	Y
# Rooms:	4	Quality:	Average		Heating:	Forced Air Gas
Pool:		Air:			Style:	Bungalow
Stories:	1	Improvements:			Parking / #:	Detached Garage /
Gross Area:	1137	Garage Area :	336		Basement Area	::
Sale and Loar	n Information					
Sale / Rec Date	: 04/19/2006 / 04/26/2006	*\$/Sq. Ft.:	\$138.08		2nd Mtg.:	\$23,550
Sale Price:	\$157,000	1st Loan:	\$125,600		Prior Sale Amt:	\$133,000
Doc No.:	5371256	Loan Type:	Conventional		Prior Sale Date:	12/14/2004
Doc Type:	Warranty Deed	Transfer Date:	04/26/2006		Prior Doc No.:	5158085
Seller:	Hustead, Deborah L	Lender:	Wells Fargo B	ank	Prior Doc Type:	Warranty Deed
\$/Sq.Ft. is a cal	culation of Sale Price divided	by Sq.Feet.				
Tax Informa	tion					
Imp Value:	\$81,400	Exe	mption Type:			
Land Value:	\$43,750	Tax	Year / Area:	2016 / 0010		
Total Value:	\$125,150	Тах	Value:	\$125,150		
Total Tax Amt:	\$1,821.19	Imp	roved:	65%		

1603 S Ash St, Spokane, WA 99203

9/23/2016



my FirstAm[®] Transaction History

1603 S Ash St, Spokane, WA 99203

Transaction History provides records for the past ten years. To request additional information, please contact your local Sales Representative, Customer Service Department, or for an additional fee you may <u>click here</u>.

History Record # 1 :	SALE/TRANSFER		
Buyer:	Ausburn,Mary G	Seller:	Ausburn,James D
Transaction Date:	07/09/2009	Sale Price:	
Recording Date:	08/03/2009	Sale Price Type:	
Recorded Doc #:	5821090	Title Company:	
Document Type:	Deed Transfer	Vesting Type:	

History Record # 2 :	FINANCE		
Mortgage Recording Date:	12/16/2008	Mortgage Transfer Type:	Refinance
Mortgage Document #:	5743649	Mortgage Rate Type:	Var
Lender:	Boeing Employees Cu	Mortgage Term:	
Document Type	Trust Deed/Mortgage	Vesting Type:	Husband & Wife
Loan Amount:	\$159,000	Mortgage Rate:	
Borrower 1:	Ausburn Mary G	Borrower 2:	Ausburn James D
Borrower 3:		Borrower 4:	

SALE/TRANSFER		
Ausburn, James D & Mary G	Seller:	Hustead,Deborah L
04/19/2006	Sale Price:	\$157,000
04/26/2006	Sale Price Type:	Confirmed
5371256	Title Company:	Stewart Title
Deed Transfer	Vesting Type:	Husband & Wife
0 5	usburn,James D & Mary G 4/19/2006 4/26/2006 371256	Ausburn, James D & Mary G Seller: 4/19/2006 Sale Price: 4/26/2006 Sale Price Type: 371256 Title Company:

Continued on next page ...

my FirstAm[®] Transaction History

	FINANCE		
Mortgage Recording Date:	04/26/2006	Mortgage Transfer Type:	Resale
Mortgage Document #:	5371257	Mortgage Rate Type:	Fix
Lender:	Wells Fargo Bank	Mortgage Term:	
Document Type	Trust Deed/Mortgage	Vesting Type:	Husband & Wife
Loan Amount:	\$125,600	Mortgage Rate:	
Borrower 1:	Ausburn Mary G	Borrower 2:	Ausburn James D
Borrower 3:		Borrower 4:	
	FINANCE		
Mortgage Recording Date:	04/26/2006	Mortgage Transfer Type:	
Mortgage Document #:	5371258	Mortgage Rate Type:	Fixed
Lender:	Wells Fargo Bank	Mortgage Term:	
Document Type	Trust Deed/Mortgage	Vesting Type:	Husband & Wife
Loan Amount:	\$23,550	Mortgage Rate:	
Borrower 1:	Ausburn Mary G	Borrower 2:	Ausburn James D
Borrower 3:		Borrower 4:	
History Record # 4 :	FINANCE		
Mortgage Recording Date:	07/13/2005	Mortgage Transfer Type:	Refinance
Mortgage Document #:	5243900	Mortgage Rate Type:	Var
Lender:	Spokane Teachers Cu	Mortgage Term:	
Document Type	Trust Deed/Mortgage	Vesting Type:	Single Woman
Loan Amount:	\$30,000	Mortgage Rate:	
Borrower 1:	Hustead Deborah L	Borrower 2:	
Borrower 3:		Borrower 4:	
History Record # 5 :	SALE/TRANSFER		
Buyer	Liveteed Debereh I	Caller	

Buyer:	Hustead, Deborah L	Seller:	Mitchell,Matthew
Transaction Date:	12/14/2004	Sale Price:	\$133,000
Recording Date:	12/15/2004	Sale Price Type:	
Recorded Doc #:	5158085	Title Company:	First American Title
Document Type:	Deed Transfer	Vesting Type:	Single Woman

Continued on next page ...

 Transaction History
 1603 S Ash St, Spokane, WA 99203
 9/23/2016
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*my***FirstAm**[®] Transaction History

	FINANCE		
Mortgage Recording Date:	12/15/2004	Mortgage Transfer Type:	Resale
Mortgage Document #:	5158086	Mortgage Rate Type:	Fix
Lender:	Homestreet Bank	Mortgage Term:	
Document Type	Trust Deed/Mortgage	Vesting Type:	Single Woman
Loan Amount:	\$106,400	Mortgage Rate:	
Borrower 1:	Hustead Deborah L	Borrower 2:	
Borrower 3:		Borrower 4:	

History Record # 6 :	FINANCE		
Mortgage Recording Date:	05/05/2004	Mortgage Transfer Type:	Refinance
Mortgage Document #:	5067153	Mortgage Rate Type:	Var
Lender:	Usaa Fsb	Mortgage Term:	
Document Type	Trust Deed/Mortgage	Vesting Type:	
Loan Amount:	\$84,150	Mortgage Rate:	
Borrower 1:	Mitchell Matthew	Borrower 2:	Mitchell Melinda B
Borrower 3:		Borrower 4:	

History Pocord #7:			
History Record # 7 :	FINANCE		
Mortgage Recording Date:	06/06/2003	Mortgage Transfer Type:	Refinance
Mortgage Document #:	4905671	Mortgage Rate Type:	Fix
Lender:	Usaa Fsb	Mortgage Term:	
Document Type	Trust Deed/Mortgage	Vesting Type:	
Loan Amount:	\$72,335	Mortgage Rate:	
Borrower 1:	Mitchell Matthew	Borrower 2:	Mitchell Melinda
Borrower 3:		Borrower 4:	

Continued on next page ...

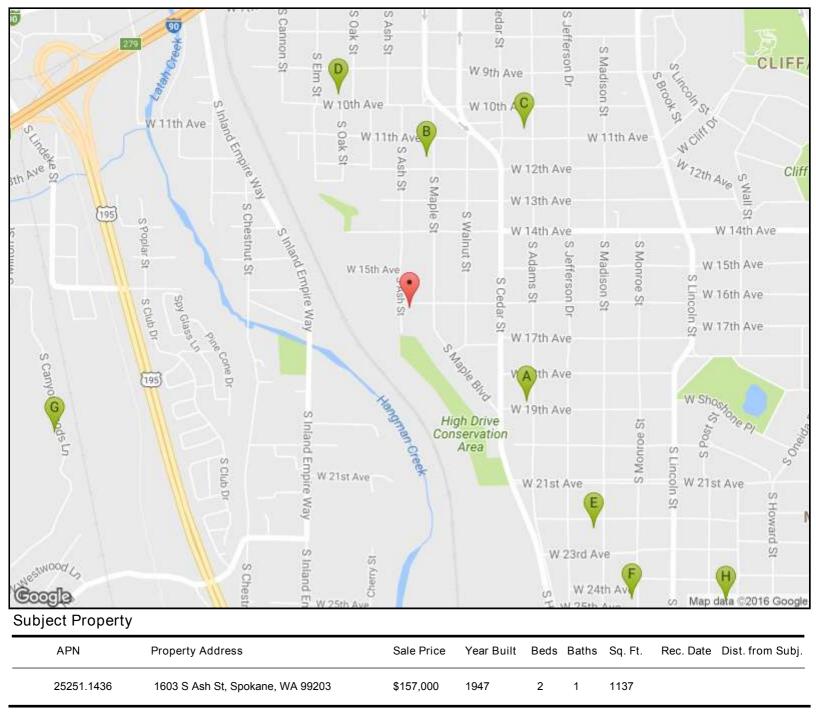
*my***FirstAm**[®] Transaction History

History Record # 8 :	SALE/TRANSFER		
Buyer:	Mitchell, Matthew & Melinda B	Seller:	Cook,Kenneth W & Joanne M
Transaction Date:	10/09/1997	Sale Price:	\$72,500
Recording Date:	10/10/1997	Sale Price Type:	
Recorded Doc #:	0004150074	Title Company:	Pacific North West Title
Document Type:	Deed Transfer	Vesting Type:	



*my***FirstAm**[®] Comparable Sales

1603 S Ash St, Spokane, WA 99203



Comparable Sales

Comparable Sales

09/23/2016

*my***FirstAm**[®] Comparable Sales

Subject Property

	APN	Property Address	Sale Price	Year Built	Beds	Baths	Sq. Ft.	Rec. Date	Dist. from Subj.
	25251.1436	1603 S Ash St, Spokane, WA 99203	\$157,000	1947	2	1	1137		
Com	parable Sales								
Α.	35302.3109	1304 W 19th AVE ,Spokane, WA 99203	\$200,000	1917	2	1.5	1170	05/31/2016	0.30 mi
В.	25244.1610	1120 S Maple ST , Spokane, WA 99204	\$140,900	1936	2	1	1034	08/11/2016	0.30 mi
С.	35193.1610	1308 W 11Th AVE , Spokane, WA 99204	\$179,300	1936	3	1.5	1200	04/20/2016	0.43 mi
D.	25244.5209	1812 W 10th AVE , Spokane, WA 99204	\$120,000	1939	4	1	1228	06/01/2016	0.45 mi
Ε.	35303.0902	1107 W 22nd AVE ,Spokane, WA 99203	\$196,000	1926	3	1	1080	06/17/2016	0.57 mi
F.	35303.2102	2416 S Monroe ST , Spokane, WA 99203	\$279,900	1913	4	1.5	1214	08/25/2016	0.73 mi
G.	25252.5305	1924 S Canyon Woods LN ,Spokane, WA 99224	\$235,900	2016	3	2	1272	08/17/2016	0.75 mi
H.	35303.2404	710 W 25th AVE ,Spokane, WA 99203	\$205,000	1931	2	1	1195	06/28/2016	0.86 mi

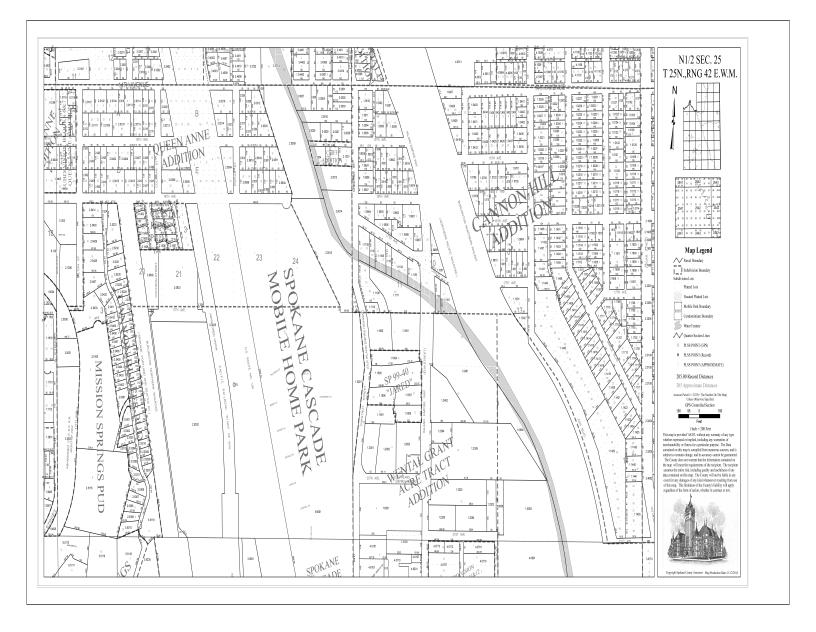
Comparable Sta	Comparable Statistics					
	<u>Average</u> :	Low :	High :			
Sale Price:	\$194,625	\$120,000	\$279,900			
Loan Amount:	\$177,949	\$90,000	\$265,905			
Bedrooms:	3	2	4			
Bathrooms:	1	1	2			
Sq. Ft.:	1174.125	1034	1272			
Sale \$ / Sq. Ft.*:	\$166	\$116	\$220			

*\$/Sq.Ft. is a calculation of Sale Price divided by Sq.Ft.



my **FirstAm[®]** Tax Map

1603 S Ash St, Spokane, WA 99203



9/23/2016



my FirstAm[®] School Information

First American

1603 S Ash St, Spokane, WA 99203

strict #: 530825	50	Number of Schools: 3	
School Name:	Roosevelt Elementary School	Grade Span:	Primary & Middle
Address:	333 W 14Th Ave Spokane WA 99204	Number of Teachers:	
Phone #:	509-354-4040	Number of Students:	506
School Name:	Lewis And Clark High School	Grade Span:	High
Address:	521 W 4Th Ave Spokane WA 99204	Number of Teachers:	
Phone #:	509-354-7000	Number of Students:	1887
School Name:	Sacajawea Middle School	Grade Span:	Middle
Address:	401 E 33Rd Ave Spokane WA 99203	Number of Teachers:	
Phone #:	509-354-5500	Number of Students:	816

	DIS (within 5 miles)		
School Name:	Cataldo Catholic School	Grade Span:	Elementary
Address:	455 W 18Th Ave Spokane WA 99203	Distance:	0.83 mi.
hone #:	999-999-9999		
School Name:	Little Red School House Children Center	Grade Span:	Elementary
ddress:	621 W Sprague Ave Spokane WA 99201	Distance:	1.35 mi.
hone #:	999-999-9999		
School Name:	Discovery School	Grade Span:	Elementary
ddress:	323 S Grant St Spokane WA 99202	Distance:	1.73 mi.
hone #:	509-838-0606		

Continued on next page ...

School Information 1603 S Ash St, Spokane, WA 99203

Page 1 (of 3)

my FirstAm[®] School Information

	Southside Christian School	Grade Span:	Elementary
Address:	401 E 30Th Ave Spokane WA 99203	Distance:	1.76 mi.
^o hone #:	509-838-8139		
School Name:	Beautiful Savior Preschool & Kindergarten	Grade Span:	Elementary
Address:	4320 S Conklin St Spokane WA 99203	Distance:	2.58 mi.
^{>} hone #:	509-747-6806		
School Name:	Cornerstone Christian Academy	Grade Span:	Other
Address:	1801 E 29Th Ave Spokane WA 99203	Distance:	2.6 mi.
^p hone #:	509-835-1235		
School Name:	St Aloysius Catholic School	Grade Span:	Elementary
Address:	611 E Mission Ave Spokane WA 99202	Distance:	2.75 mi.
Phone #:	509-489-7825		
School Name:	Palisades Christian Academy	Grade Span:	Other
Address:	1115 N Government Way Spokane WA 99224	Distance:	2.83 mi.
Phone #:	509-325-1985		
School Name:	Spokane Montessori School	Grade Span:	Elementary
Address:	1909 N Wright Dr Spokane WA 99224	Distance:	2.94 mi.
^o hone #:	509-328-6466		
School Name:	Montessori Central Association	Grade Span:	Elementary
Address:	5720 S Perry St Spokane WA 99223	Distance:	3.4 mi.
Phone #:	509-448-9856		
School Name:	Can Learn Academy	Grade Span:	Other
Address:	600 W Cora Ave Spokane WA 99205	Distance:	3.46 mi.

Continued on next page ...

School Information 1603 S Ash St, Spokane, WA 99203

9/23/2016

my FirstAm[®] School Information

School Name:	Kindercare Learning Center 1266	Grade Span:	Elementary
Address:	3201 E 26Th Ave Spokane WA 99223	Distance:	3.5 mi.
Phone #:	509-534-2319		
School Name:	All Saints Catholic School	Grade Span:	Elementary
Address:	3510 E 18Th Ave Spokane WA 99223	Distance:	3.65 mi.
Phone #:	509-534-1098		
School Name:	Gonzaga Preparatory School	Grade Span:	Secondary
Address:	1224 E Euclid Ave Spokane WA 99207	Distance:	3.75 mi.
^{>} hone #:	509-483-8511		
School Name:	St Charles Catholic School	Grade Span:	Elementary
Address:	4515 N Alberta St Spokane WA 99205	Distance:	4.11 mi.
^{>} hone #:	509-327-9575		
School Name:	Faith Baptist Academy	Grade Span:	Other
Address:	2804 E Euclid Ave Spokane WA 99207	Distance:	4.45 mi.
^{>} hone #:	509-482-6101		
School Name:	Joybell Christian School House	Grade Span:	Elementary
Address:	4616 E 4Th Ave Spokane Valley WA 99212	Distance:	4.49 mi.
^{>} hone #:	509-535-8226		
School Name:	Northwest Christian Schools	Grade Span:	Elementary
Address:	1412 W Central Ave Spokane WA 99205	Distance:	4.96 mi.

School Information 1603 S Ash St, Spokane, WA 99203



First American

my FirstAm[®] Neighbors

1603 S Ash St, Spokane, WA 99203

Address:	1609 S Ash St, Spokane, WA 99203		Owner(s):	Abbey Timothy D Abbe	ey Nanne E	
APN:	25251.1437	Sale Amount:	\$197,000		Sale Date:	08/23/2001
Beds / Baths:	4 / 2.5	Square Feet:	2,516		Year Built:	1955
Use Code:	SFR	# Units:	1		Lot Size:	.4412
Address:	1527 S Ash St, Spokane, WA 99203		Owner(s):	Krueger Ronald L		
APN:	25251.0315	Sale Amount:	\$32,477		Sale Date:	02/11/1999
Beds / Baths:	3 / 1	Square Feet:	1,382		Year Built:	1980
Use Code:	SFR	# Units:	1		Lot Size:	.2324
Address:	1604 S Maple Blvd, Spokane, WA 99	9203	Owner(s):	Meagher G C Meaghe	er W	
APN:	25251.1401	Sale Amount:			Sale Date:	
Beds / Baths:	2 / 1.5	Square Feet:	1,188		Year Built:	1939
Use Code:	SFR	# Units:	1		Lot Size:	.0322
Address:	1608 S Maple Blvd, Spokane, WA 99	9203	Owner(s):	Matlack Rebecca		
APN:	25251.1402	Sale Amount:	\$200,000		Sale Date:	09/14/2015
Beds / Baths:	2 / 1	Square Feet:	1,242		Year Built:	1928
Use Code:	SFR	# Units:	1		Lot Size:	.1664
Address:	1612 S Maple Blvd, Spokane, WA 9	9203	Owner(s):	Lehtonen Sanna		
APN:	25251.1403	Sale Amount:	\$234,500		Sale Date:	08/04/2014
Beds / Baths:	4/3	Square Feet:	2,318		Year Built:	1930
Use Code:	SFR	# Units:	1		Lot Size:	.1664
Address:	1528 S Maple St, Spokane, WA 992	03	Owner(s):	Rector Julie A		
APN:	25251.0314	Sale Amount:	\$140,000		Sale Date:	
Beds / Baths:	4 / 4	Square Feet:	6,360		Year Built:	1939
Use Code:	SFR	# Units:	2		Lot Size:	.155

Neighbors 1603 S Ash St, Spokane, WA 99203

my **FirstAm**[®] Neighbors

Address:	1521 S Ash St, Spokane, WA 99203	•	Owner(s):	Smith Dale A		
APN:	25251.0316	Sale Amount:	\$113,976		Sale Date:	02/04/2004
Beds / Baths:	3/2	Square Feet:	1,836		Year Built:	1956
Use Code:	SFR	# Units:	1		Lot Size:	.2324
Address:	1608 S Ash St, Spokane, WA 99203	;	Owner(s):	Daehlin Steven R Dae	ehlin Wanda	M
APN:	25251.0804	Sale Amount:	\$237,000		Sale Date:	08/04/2004
Beds / Baths:	3/3	Square Feet:	3,259		Year Built:	1978
Use Code:	SFR	# Units:	1		Lot Size:	.5165
Address:	1620 S Maple Blvd, Spokane, WA 9	9203	Owner(s):	Frederick Lin M		
APN:	25251.1404	Sale Amount:	\$229,000		Sale Date:	06/17/2010
Beds / Baths:	3/2	Square Feet:	1,616		Year Built:	1929
Use Code:	SFR	# Units:	1		Lot Size:	.1664
Address:	1524 S Maple St, Spokane, WA 99203		Owner(s):	Mulrine Daniel R Jr		
APN:	25251.0313	Sale Amount:			Sale Date:	
Beds / Baths:	2/1	Square Feet:	1,275		Year Built:	1930
Use Code:	SFR	# Units:	1		Lot Size:	.155
Address:	1631 S Ash St, Spokane, WA 99203	1631 S Ash St, Spokane, WA 99203		Apel David Apel Kathleen		
APN:	25251.1431	Sale Amount:	\$250,000		Sale Date:	09/26/2013
Beds / Baths:	4 / 2.5	Square Feet:	1,910		Year Built:	1957
Use Code:	SFR	# Units:	1		Lot Size:	.2829
Address:	1706 W 17th Ave, Spokane, WA 99203		Owner(s):	: Obrien Peter J Obrien Carol L		
APN:	25251.0803	Sale Amount:	\$41,000		Sale Date:	04/17/2000
Beds / Baths:	3 / 2.5	Square Feet:	1,621		Year Built:	2000
Use Code:	SFR	# Units:	1		Lot Size:	.1722
				Lee Robert W	Lot Size:	.1722
Use Code:	SFR		Owner(s):	Lee Robert W		.1722 01/31/2015
Use Code: Address:	SFR 1624 S Maple Blvd, Spokane, WA 9 25251.1405	9203	Owner(s):	Lee Robert W		01/31/2015

Continued on next page ...

Neighbors

1603 S Ash St, Spokane, WA 99203

my **FirstAm**[®] Neighbors

Address:	1518 S Maple St, Spokane, WA 992	03	Owner(s):	Whitson P L		
APN:	25251.0312	Sale Amount:	\$43,000		Sale Date:	
Beds / Baths:	1/1	Square Feet:	1,116		Year Built:	1939
Use Code:	SFR	# Units:	1		Lot Size:	.155
Address:	1511 S Ash St, Spokane, WA 99203		Owner(s):	Nelson Ralph J		
APN:	25251.0317	Sale Amount:			Sale Date:	03/19/2008
Beds / Baths:	2/2	Square Feet:	1,676		Year Built:	1941
Use Code:	SFR	# Units:	1		Lot Size:	.3099
Address:	1526 S Ash St, Spokane, WA 99203	,	Owner(s):	Henry Kathleen J Hen	ry Julie D	
APN:	25251.0724	Sale Amount:	\$459,900		Sale Date:	06/18/2007
Beds / Baths:	4 / 2.5	Square Feet:	3,349		Year Built:	1910
Use Code:	SFR	# Units:	1		Lot Size:	.5165
Address:	1514 S Maple St, Spokane, WA 992	03	Owner(s):	Turman Michael Turm	an Julie D	
APN:	25251.0311	Sale Amount:	\$92,900		Sale Date:	07/27/1995
Beds / Baths:	2 / 1	Square Feet:	900		Year Built:	1930
Use Code:	SFR	# Units:	1		Lot Size:	.155
Address:	1628 S Maple Blvd, Spokane, WA 99203		Owner(s):	Underwood Jeff P		
APN:	25251.1406	Sale Amount:	\$385,000		Sale Date:	02/29/2012
Beds / Baths:	5/2	Square Feet:	3,080		Year Built:	1930
Use Code:	SFR	# Units:	1		Lot Size:	.3399
Address:	1512 S Ash St, Spokane, WA 99203		Owner(s):	Montgomery Ryan W	Montgomery	Joan M
APN:	25251.0702	Sale Amount:			Sale Date:	05/11/2005
Beds / Baths:	2/2	Square Feet:	2,103		Year Built:	1942
Use Code:	SFR	# Units:	1		Lot Size:	.3099
Address:	1522 W 16th Ave, Spokane, WA 99203		Owner(s):	Johnson R L		
APN:	25251.0228	Sale Amount:			Sale Date:	
Beds / Baths:	3/2	Square Feet:	1,438		Year Built:	1985
Use Code:	SFR	# Units:	1		Lot Size:	1527

Continued on next page ...

Neighbors 1603 S Ash St, Spokane, WA 99203

9/23/2016

*my***FirstAm**[®] Neighbors

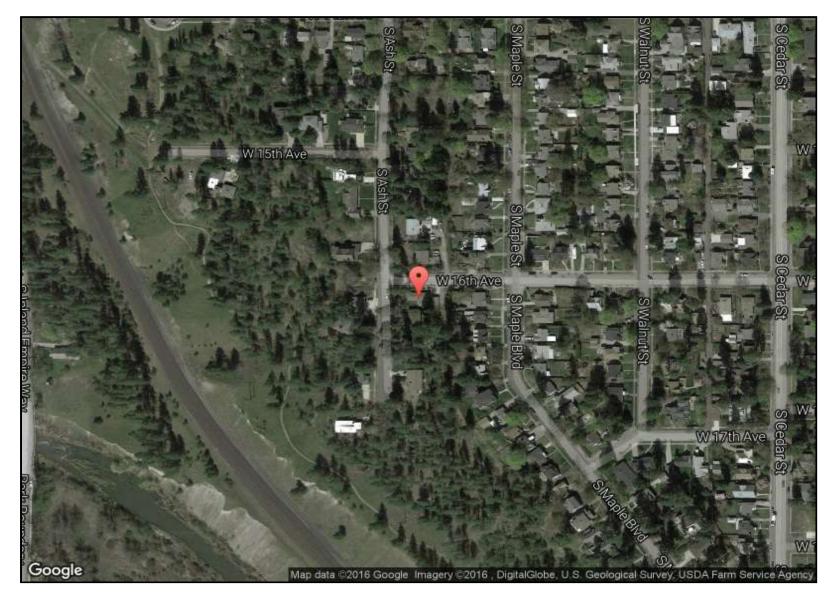
Address:	1510 S Maple St, Spokane, WA 99203		Owner(s): Lytken Scott Lytken Rosemarie			
APN:	25251.0310	Sale Amount:	\$74,500		Sale Date:	
Beds / Baths:	3 / 1	Square Feet:	894		Year Built:	1930
Use Code:	SFR	# Units:	1		Lot Size:	.155
Address:	1603 S Maple Blvd, Spokane, WA 99	9203	Owner(s):	Bradley Michael R		
APN:	25251.1516	Sale Amount:	\$206,000		Sale Date:	10/15/2008
Beds / Baths:	3 / 1	Square Feet:	1,558		Year Built:	1931
Use Code:	SFR	# Units:	1		Lot Size:	.1607
Address:	1607 S Maple Blvd, Spokane, WA 99203		Owner(s):	Nelson Mark J		
APN:	25251.1515	Sale Amount:	\$130,000		Sale Date:	04/28/2001
Beds / Baths:	2/2	Square Feet:	1,384		Year Built:	1966
Use Code:	SFR	# Units:	1		Lot Size:	.1607
Address:	1503 S Ash St, Spokane, WA 99203		Owner(s):): Brothers Randal L Brothers Deniseg		
APN:	25251.0318	Sale Amount:	\$152,500		Sale Date:	07/18/1995
Beds / Baths:	4 / 3.5	Square Feet:	1,992		Year Built:	1994
Use Code:	SFR	# Units:	1		Lot Size:	.155
Address:	1611 S Maple Blvd, Spokane, WA 99203		Owner(s):	Johnson Richard Johr	ison Lori	
APN:	25251.1514	Sale Amount:	\$87,000		Sale Date:	
Beds / Baths:	2 / 1	Square Feet:	964		Year Built:	1945
Use Code:	SFR	# Units:	1		Lot Size:	.1607
L						

9/23/2016



*my***FirstAm**[®] Street Map

1603 S Ash St, Spokane, WA 99203



1603 S Ash St, Spokane, WA 99203

9/23/2016

OPTION TO PURCHASE REAL ESTATE

THIS AGREEMENT, made **September 24, 2016**, by and between **Mary G. Ausburn**, of **1603 South Ash Street, Spokane, WA, United States**, hereinafter called Optionor, and **Equity Trust #Z12251 FBO Lee Arnold**, hereinafter called Optionee, of **1 Equity Drive, Columbus, OH, United States**.

WITNESSETH, that for and in consideration of the sum of **\$5,000.00** paid by Optionee to Optionor, the receipt whereof is hereby acknowledged, the Optionor hereby gives and grants unto the Optionee, his heirs, personal representatives, and assigns, the right of purchasing, on or before the {date option expires}, the following described real estate — Cannon Hill Add Pt Of L77-78 B14 N5ft Of W124ft Of L77 W124ft Of L78 — for the total purchase price of **\$130,599.20** of which the sum of **\$0.00** shall be paid in cash and the balance of **\$0.00** shall be paid as agreed upon in the finalized Contract to Purchase.

If the Optionee elects to purchase the said real estate pursuant to this Option, Optionee shall give written notice of such to Optionor, by registered or certified mail, to the above stated address on or before **October 24, 2016**.

If the Optionee shall so elect to purchase said real estate, and shall mail a written notice of such election as herein provided within the time required, and shall tender the required above referenced down payment, and deliver a promissory note for the balance, properly executed and payable in accordance with the terms agreed to herein, together with a real estate mortgage or deed of trust, real estate contract or other security acceptable to Optionor, securing said note, on the real estate herein above described, then Optionor agrees to convey the real estate to Optionee, his heirs and assigns, by warranty deed, free and clear of all liens, encumbrances, or taxes, to the date of closing of the purchase. Optionor further agrees, that upon such election by Optionee to deliver to Optionee within thirty (30) days after receipt of such written notice of election to purchase, an abstract of title or a policy of title insurance in the full sum of **\$130,599.20** showing merchantable title to said real estate, and Optionee shall have a reasonable time, not to exceed five days, to examine the title insurance and to complete and close said purchase.

If the Optionee does not exercise the privilege of purchase herein given and does not fully perform the conditions herein within the time herein stated, the privilege shall wholly cease and terminate and the sum herein paid by Optionee shall be retained by Optionor.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

Witnesses

Optionor

Witnesses

Optionee

OPTION TO PURCHASE REAL ESTATE

THIS AGREEMENT, made **September 24, 2016**, by and between **Mary G. Ausburn**, of **1603 South Ash Street, Spokane, WA, United States**, hereinafter called Optionor, and **Escalade Properties, LLC**, hereinafter called Optionee, of **1121 E. Mullan Ave Coeur D' Alene, ID 83814.**.

WITNESSETH, that for and in consideration of the sum of **\$100.00** paid by Optionee to Optionor, the receipt whereof is hereby acknowledged, the Optionor hereby gives and grants unto the Optionee, his heirs, personal representatives, and assigns, the right of purchasing, on or before the October 24, 2016 the following described real estate —<u>1603 South Ash Street Spokane WA 99203</u> Cannon Hill Add Pt Of L77-78 B14 N5ft Of W124ft Of L77 W124ft Of L78 — for the total purchase price of **\$130,599.20 -or** the remaining payoff of the underlying loan currently showing as held by Boeing Employees Credit Union dated 12/16/2008 as Mortgage Document #5743649. Buyer will put \$4,900 down towards the purchase price in the form of cash at the time of settlement. Total down payment will be \$5,000- seller to pay all additional closing costs.

If the Optionee elects to purchase the said real estate pursuant to this Option, Optionee shall give written notice of such to Optionor, by registered, certified mail, or hand delivered to the above stated address on or before **October 24, 2016**.

If the Optionee shall so elect to purchase said real estate, and shall mail, email or hand deliver a written notice of such election as herein provided within the time required, and shall tender the required above referenced down payment, and deliver a promissory note for the balance, properly executed and payable in accordance with the terms agreed to herein, together with a real estate mortgage or deed of trust, real estate contract or other security acceptable to Optionor, securing said note, on the real estate herein above described, then Optionor agrees to convey the real estate to Optionee, his heirs and assigns, by an All Inclusive Trust Deed (AITD), free and clear of all liens except the Ioan referenced above, encumbrances, or taxes, to the date of closing of the purchase. Optionor further agrees, that upon such election by Optionee to deliver to Optionee within thirty (30) days after receipt of such written notice of election to purchase, an abstract of title or a policy of title insurance in the full sum of **an amount to be determined at time of closing**, showing merchantable title to said real estate, and Optionee shall have a reasonable

time, not to exceed thirty days, to examine the title insurance and to complete and close said purchase.

If the Optionee does not exercise the privilege of purchase herein given and does not fully perform the conditions herein within the time herein stated, the privilege shall wholly cease and terminate and the sum herein paid by Optionee shall be retained by Optionor. And Optionor retains the \$100 deposit as damages.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

Witnesses

Optionor

COUNTEROFFER ADDENDUM TO REAL ESTATE PURCHASE AND SALE AGREEMENT

All te	rms and conditions	of the offer (Real Estate	e Purchase and Sale Agreer	nent) dated	Septe	ember 23, 2016
once	erning 2315 West	College Ave	Spokane		<u>99201</u>	<u>(t</u> he "Property"),
у, <u> </u>	Address Jamie M. Hold	ahl	City	State , AS	Zip	Buyer
-	he undersigned			, as		Seller
re a	ccepted, except fo	r the following changes.				
т	he Purchase Pric	e shall be \$				
_						
′ c	Other.					
1	Paragraph 11 - (Closing Date to be Ch	anged to Monday Octob	er 31, 2010	6.	
	On the Financing read:	g Addendum To Pure	chase and Sale Agreeme	nt Paragra	ph 4 - t	o be changed to
	Seller Shall pay t costs.	up to 1.5% of the Pu	rchase price to be applied	l to Buyer	's Loan	and Settlement
A	All other terms o	of the agreement to re	emain as presented.			
			-			

This counteroffer shall expire at 9:00 p.m. on <u>September 25, 2016</u> (if not filled in, two days after it is delivered), 27

unless it is sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the counteroffer or, ²⁸ their broker or at the licensed office of their broker. If this counteroffer is not so accepted, it shall lapse and the ²⁹ Earnest Money shall be refunded to Buyer.

All other terms and conditions of the above offer are incorporated herein by reference as though fully set forth. ³¹

Signature	Date	Signature	Date
The above counteroffer is accepted.			
Signature	Date	Signature	Date

Assignment of Contract

For value received the undersigned, **Escalade Properties**, **LLC**, as assignor and holder of that certain real estate contract entered on **September 24, 2016**, between **Mary G. Ausburn**, as seller, and **Escalade Properties**, **LLC**, as purchaser, for the sale and purchase of the following real estate:

1603 South Ash Street Spokane WA 99203

does hereby assign, transfer and set over to **Amereihn Holdings, LLC**, as assignee, the said real estate contract, and said assignor does bargain, sell and convey said described premises to said assignee, who hereby assumes and agrees to fulfill the conditions of said real estate contract.

Date this assignment agreed to: September 26, 2016.

Assignor (printed)	Signature of Assignor
Assignee (printed)	Signature of Assignee
STATE OF CO	UNTY OF
personally appeared	e me, an officer duly qualified to take acknowledgments, to me known to be the person described in and who acknowledged before me that he executed the same.
WITNESS: my hand and official seal in th	e County and State last aforesaid this
 Date	

Notary Public

My Commission Expires

Assignment of Contract

For value received in the amount of **\$2,500**, the undersigned, **Escalade Properties, LLC**, as assignor and holder of that certain real estate Option to Purchase contract entered on **September 24, 2016**, between **Mary G. Ausburn**, as seller, and **Escalade Properties, LLC**, as purchaser, for the sale and purchase of the following real estate:

1603 South Ash Street Spokane WA 99203

does hereby assign, transfer and set over to **Amereihn Holdings, LLC**, as assignee, the said real estate contract, and said assignor does bargain, sell and convey said described premises to said assignee, who hereby assumes and agrees to fulfill the conditions of said Option To Purchase Real Estate Contract.

Date this assignment agreed to: September 26, 2016.

Assignor (printed)

Signature of Assignor

Assignee (printed)

Signature of Assignee

By Signing, I Tom Amereihn as managing member of Amereihn Holdings, LLC acknowledge the payment of \$2,500 to Escalade Properties, LLC in the form of check for the above assignment agreement.

Assignee (printed)

Signature of Assignee

By Signing, I Lisa Walker, as managing member of Escalade Properties LLC acknowledge receipt of the payment of \$2,500 to Escalade Properties, LLC in the form of check (Check# _____) for the above assignment agreement.

Assignor (printed) Signature of Assignor

REAL ESTATE PURCHASE AND SALE AGREEMENT

PARTIES: Amereihn Holdings, LLc, as "Seller", of

and Jean and Zippy Exantus as "Buyer" of

, Phone: _____, hereby agree that the Seller shall sell and Buyer shall buy the

I. DESCRIPTION:

, Phone:

a) Legal description of real estate ("Property") located in Spokane County County, State of Washington:

Cannon Hill Add Pt Of L77-78 B14 N5ft Of W124ft Of L77 W124ft Of L78

b) Street address, if any, of the Property being conveyed is: 1603 South Ash Street, Spokane, WA 99203, United States

c) Personal property including all buildings and improvements on the property and all right, title and interest of Seller in and to adjacent streets, roads, alleys and rights-of-way, and:

II. PURCHASE PRICE: \$179,900.00

PAYMENT:

- a) Cash Deposit(s) to be held in escrow by Alissa Razykowski Gustafson Law Offices in the amount of \$26,000.00 and promissory note to be held in same escrow as additional earnest Buyer's default in the amount of \$0.00.
- b) Subject to assumption of Mortgage in favor of n/a_____ bearing interest at 0.000% per annum and payable as to principal and interest \$0.00 per month, having an approximate present principal balance of \$0.00.
- c) Purchase money mortgage and note bearing interest at 7.710% on terms set forth herein below. in the principal amount of \$153.900.00.
- d) Other: n/a_____\$0.00
- e) Balance to close, (U.S. Cash, certified or cashier's check) subject to adjustments and prorations \$0.00.

TOTAL \$179,900.00

f) All funds held in escrow shall be placed in an interest bearing account at the direction of Buyer. with interest accruing to the benefit of Buyer and either applied toward the purchase price at closing or returned to Buyer in the event and for any reason the transaction does not close.

III. FINANCING: If the purchase price or any part thereof is to be financed by a third party loan, this Contract for Sale and Purchase ("Contract"), is conditioned upon the Buyer obtaining a firm commitment for said loan within September 24, 2016 days from the date hereof, at an interest rate not to exceed 7.710%; for a term of 30 years; and in the principal amount of \${financing|Amount}. Buyer agrees to

Seller Initials ______ Buyer Initials _____

Page 1 of 9

make application for, and to use reasonable diligence to obtain said loan. Should Buyer fail to obtain said loan or to waive Buyer's rights hereunder within said time. Buyer may cancel Contract.

IV. TITLE EVIDENCE: Within twenty 20 days from the date of Contract, Seller shall, at his expense, deliver to Buyer or his attorney, in accordance with Paragraph XI, a commitment for title insurance with fee owner's title policy premium to be paid by Seller at closing.

V. TIME FOR ACCEPTANCE AND EFFECTIVE DATE: If this offer is not executed by both of the parties hereto on or before September 24, 2016, the aforesaid deposit(s) shall be, at the option of the Buyer, returned to him and this offer shall thereafter be null and void. The date of Contract ("Effective Date") shall be the date when the last one of the Seller and Buyer has signed this offer.

VI. CLOSING DATE: This transaction shall be closed and the deed and other closing papers delivered on October 12, 2016, unless extended by other provisions of Contract, or by written agreement of the Parties.

VII. RESTRICTIONS, EASEMENTS, LIMITATIONS: The Buyer shall take title subject only to: zoning, restrictions, prohibitions and other requirements imposed by governmental authority; Restrictions and matters appearing on the plat or otherwise common to the subdivision; Public utility easements of record; Taxes for year of closing and subsequent years, assumed mortgages and purchase money mortgages, if any;

Other:

provided, however, that none of the foregoing shall prevent use of the property for the purpose of

VIII. OCCUPANCY: Seller represents that there are no parties in occupancy other than Seller, but if Property is intended to be rented or occupied beyond closing, the fact and terms thereof shall be stated herein, and the tenant(s) shall be disclosed pursuant to Paragraph XVII. Seller agrees to deliver occupancy of Property at time of closing unless otherwise specified below.

IX. ASSIGNABILITY: Buyer may assign this Contract.

X. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions inserted herein or attached hereto as Addenda shall control all printed provisions in conflict therewith.

XI. EVIDENCE OF TITLE: Within twenty (20) days from the date hereof, Seller, at Seller's sole cost and expense, shall cause a title insurance company mutually acceptable to the Parties ("Title Company") to issue and deliver to Buyer an ALTA Form B title commitment ("Title Commitment") accompanied by one copy of all documents affecting the Property, and which constitute exceptions to the Title Commitment. Buyer shall give Seller written notice on or before twenty (20) days from the date of receipt of the Title Commitment, if the condition of title as set forth in such Title Commitment and survey is not satisfactory in Buyer's sole discretion. In the event that the condition of title is not acceptable, Buyer shall state which exceptions to the Title Commitment are unacceptable. Seller shall, at its sole cost and expense promptly undertake and use its best efforts to eliminate or modify all unacceptable matters to the reasonable satisfaction of Buyer. In the event Seller is unable with the exercise of due diligence to satisfy said objections within thirty (30) days after said notice, Buyer may, at its option: (i) extend the time period for Seller to satisfy said objections, (ii) accept title subject to the objections raised by Buyer, without an adjustment in the purchase price, in which event said objections shall be deemed to be waived for all purposes, or (iii) rescind this Agreement, whereupon the deposit described herein shall be returned to

Seller Initials ______ Buyer Initials ______

Page 2 of 9

Buyer and this Agreement shall be of no further force and effect.

XII. EXISTING MORTGAGES TO BE ASSUMED: Seller shall furnish to Buyer within twenty (20) days from execution hereof a statement from all mortgagee(s) setting forth principal balance, method of payment, interest rate and whether the mortgage(s) is in good standing. If a mortgage requires approval of the Buyer by the mortgagee in order to avoid default, or for assumption by the Buyer of said mortgage, and:

- a) the mortgagee does not approve the Buyer, the Buyer may rescind the contract, or
- b) the mortgagee requires an increase in the interest rate or charges a fee for any reason in excess of \$500.00, the Buyer may rescind the Contract unless Seller elects to pay such increase or excess. Seller and Buyer each shall pay 50% of any such fee. Buyer shall use reasonable diligence to obtain approval. The amount of any escrow deposits held by mortgagee shall be credited to Seller.

XIII. PURCHASE MONEY MORTGAGES: The purchase money note and mortgage, if any, shall provide for a thirty (30) day grace period in the event of default if it is a first mortgage and a 15 day grace period in the event of default if a second mortgage; shall provide for right of prepayment in whole or in part without penalty; shall be assumable and shall not provide for acceleration or interest adjustment in event of resale of the Property. Said mortgage shall require the owner of the encumbered Property to keep all prior liens and encumbrances in good standing.

XIV. CURRENT SURVEY: Within fifteen (15) days from the date hereof, Seller, at Seller's sole cost and expense, shall furnish a current survey of the Property prepared and certified by a duly registered Land Surveyor. The survey as to the Property shall:

- a) Set forth an accurate legal description; and
- b) Locate all existing easements and rights-of-way (setting forth the book and page number of the recorded instruments creating the same), alleys, streets, and
- c) Show any encroachments; and
- d) Show all existing improvements (such as buildings, power lines, fences, etc.); and
- e) Show all dedicated public streets provided access and whether such access is paved to the property line; and
- f) Show the location of any easements necessary for the furnishing of off-site improvements; and
- g) Be certified to the Seller, the Buyer, the Title Company and any lender that may be involved in the transaction.

In the event the survey or the recertification thereof shows any encroachments of any improvements upon, from, or onto the Property, or on or between any building set-back line, a property line, or any easement, except those acceptable to Buyer, in Buyer's sole discretion, said encroachment shall be treated in the same manner as a title defect under the procedure set forth of notice thereof with

XV. TERMITES: The Buyer, within time allowed for delivery of evidence of title and examination thereof, or no later than ten (10) days prior to closing, whichever date occurs last, may have the improvements inspected at Buyer's expense by a certified pest control operator to determine whether there is any visible active termite infestation or visible existing damage from termite infestation in the improvements. If Buyer is informed of either or both of the foregoing, Buyer will have ten (10) days from date of notice thereof

within which to have all damages, whether visible or not, inspected and estimated by a licensed building or general contractor. Seller shall pay valid costs for treatment and repair of all damage up to 1 1/2% of Purchase Price. Should such costs exceed that amount, Buyer shall have the option of canceling Contract within five (5) days after receipt of contractor's repair estimate by giving written notice to Seller, or Buyer may elect to proceed with the transaction, in which event Buyer shall receive a credit at closing of an amount equal to 1 1/2% of said Purchase Price. "Termites" shall be deemed to include all wood destroying organisms.

XVI. INGRESS AND EGRESS: Seller warrants that there is ingress and egress to the Property sufficient for the intended use as described in Paragraph VII hereof the title to which is in accordance with Paragraph XI above.

XVII. LEASES: Seller shall, not less than fifteen (15) days prior to closing, furnish to Buyer copies of all written leases and estoppel letters from each tenant (if any) specifying the nature and duration of said tenant's occupancy, rental rates and advanced rent and security deposits paid by tenant. In the event Seller is unable to obtain such letter from each tenant, the same information shall be furnished by Seller to Buyer within said time period in the form of a Seller's affidavit, and Buyer may thereafter contact tenants to confirm such information. Seller shall deliver and assign all original leases to Buyer at closing.

XVIII. LIENS: Seller shall, both as to the Property and personalty being sold hereunder, furnish to Buyer at time of closing an affidavit attesting to the absence, unless otherwise provided for herein, of any financing statements, claims of lien or potential lienors known to Seller and further attesting that there have been no improvements to the Property for ninety (90) days immediately preceding date of closing. If the property has been improved within said time, Seller shall deliver releases or waivers of all mechanic's liens, executed by general contractors, subcontractors, suppliers, and material men, in addition to Seller's lien affidavit setting forth the names of all such general contractors, subcontractors, suppliers and material men and further reciting that, in fact, all bills for work to the Property which could serve as a basis for a mechanic's lien have been paid or will be paid at closing.

XIX. PLACE OF CLOSING: Closing shall be held in the county wherein the Property is located, at the office of the attorney or other closing agent designated by Buyer; provided, however, that if a portion of the purchase price is to be derived from an institutional mortgagee, the requirements of said mortgagee as to time of day, place and procedures for closing, and for disbursement of mortgage process, shall control, anything in this contract to the contrary notwithstanding.

XX. TIME: Time is of the essence of this Contract. Any reference herein to time periods of less than six (6) days shall in the computation thereof, exclude Saturdays, Sundays and legal holidays, and any time period provided for herein which shall end on a Saturday. Sunday or legal holiday shall extend to 5:00 p.m. of the next business day.

XXI. DOCUMENTS FOR CLOSING: Seller shall furnish deed, closing statement, mechanic's lien affidavit, assignments of leases, and any corrective instruments that may be required in connection with perfecting the title. Buyer shall furnish mortgage, mortgage note, security agreement, and financing statement.

XXII. EXPENSES: State documentary stamps which are required to be affixed to the instrument of conveyance, intangible tax on and recording of purchase money mortgage to Seller, and cost of recording any corrective instruments shall be paid by Seller. Documentary stamps to be affixed to the note or notes secured by the purchase money mortgage, cost of recording the deed and financing statements shall be paid by Buyer.

XXIII. PRORATION OF TAXES: Taxes for the year of the closing shall be prorated to the date of closing. If the closing shall occur before the tax rate is fixed for the then current year, the apportionment of taxes shall be upon the basis of the tax rate of the preceding year applied to the latest assessed valuation.

Seller Initials ______ Buyer Initials ______

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Subsequent to the closing, when the tax rate is fixed for the year in which the closing occurs, Seller and Buyer agree to adjust the prorations of taxes and, if necessary, to refund or pay, as the case may be, an amount necessary to effect such adjustments. This provision shall survive closing.

XXIV. PERSONAL PROPERTY INSPECTION, REPAIR: Seller warrants that all major appliances, heating, cooling, electrical, plumbing systems, and machinery are in working condition as of six (6) days prior to closing. Buyer may, at his expense, have inspections made of said items by licensed persons dealing in the repair and maintenance thereof, and shall report in writing to Seller such items as found not in working condition prior to taking of possession thereof, or six (6) days prior to closing, whichever is first. Unless Buyer reports failures within said period, he shall be deemed to have waived Seller's warranty as to failures not reported. Valid reported failures shall be corrected at Seller's cost with funds therefore escrowed at closing. Seller agrees to provide access for inspection upon reasonable notice.

XXV. RISK OF LOSS: If the improvements are damaged by fire or other casualty prior to closing, and the costs of restoring same does not exceed 3% of the assessed valuation of the improvements so damaged, cost of restoration shall be an obligation of the Seller and closing shall proceed pursuant to the terms of Contract with costs therefor escrowed at closing. In the event the cost of repair or restoration exceeds 3% of the assessed valuation of the improvements so damaged, Buyer shall have the option of either taking the Property as is, together with either the said 3% or any insurance proceeds payable by virtue of such loss or damage, or of canceling the Contract and receiving return of deposit(s) made hereunder.

XXVI. MAINTENANCE: Notwithstanding the provisions of Paragraph XXIV, between Effective Date and Closing Date, all personal property on the premises and real property, including lawn, shrubbery and pool, if any, shall be maintained by Seller in the condition they existed as of Effective Date, ordinary wear and tear excepted, and Buyer or Buyer's designee will be permitted access for inspection prior to closing in order to confirm compliance with this standard.

XXVII. PROCEEDS OF SALE AND CLOSING PROCEDURE: The deed shall be recorded upon clearance of funds and evidence of title continued at Buyer's expense, to show title in Buyer, without any encumbrances or change which would render Seller's title unmarketable from the date of the last evidence, and the cash proceeds of sale shall be held in escrow by Seller's attorney or by such other escrow agent as may be mutually agreed upon for a period of not longer than five (5) days from and after closing date. If Seller's title is rendered unmarketable, Buyer shall within said five (5) day period, notify Seller in writing of the defect and Seller shall have thirty (30) days from date of receipt of such notification to cure said defect. In the event Seller fails to timely cure said defect, all monies paid hereunder shall, upon written demand therefor and within five (5) days thereafter, be returned to Buyer and, simultaneously with such repayment, Buyer shall vacate the Property and reconvey same to the Seller by special warranty deed. In the event Buyer fails to make timely demand for refund, he shall take title as is, waiving all rights against Seller as to such intervening defect except as may be available to Buyer by virtue of warranties, if any, contained in deed.

XXVIII. ESCROW: Any escrow agent receiving funds is authorized and agrees by acceptance thereof to promptly deposit and to hold same in escrow and to disburse same subject to clearance thereof in accordance with terms and conditions of Contract. Failure of clearance of funds shall not excuse performance by the Buyer.

XXIX. ATTORNEY FEES AND COSTS: In connection with any litigation including appellate proceedings arising out of this Contract, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

XXX. (a) DEFAULT BY SELLER: In the event that Seller should fail to consummate the transaction contemplated herein for any reason, except Buyer's default; (i) Buyer may enforce specific performance of this Agreement in a court of competent jurisdiction and in such action shall have the right to recover damages suffered by Buyer by reason of the delay in the acquisition of the Property, or (ii) may bring suit

Seller Initials ______ Buyer Initials ______

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for damages for breach of this Agreement, in which event, the deposit made hereunder shall be forthwith returned to Buyer, or (iii) declare a default, demand and receive the return of the deposit. All rights, powers, options or remedies afforded to Buyer either hereunder or by law shall be cumulative and not alternative and the exercise of one right, power, option or remedy shall not bar other rights, powers, options or remedies allowed herein or by law.

XXX. (b) DEFAULT BY BUYER: In the event Buyer should fail to consummate the transaction contemplated herein for any reason, except default by Seller or the failure of Seller to satisfy any of the conditions to Buyer's obligations, as set forth herein, Seller shall be entitled to retain the earnest money deposit, such sum being agreed upon as liquidated damages for the failure of Buyer to perform the duties and obligations imposed upon it by the terms and provisions of this Agreement and because of the difficulty, inconvenience and uncertainty of ascertaining actual damages, and no other damages, rights or remedies shall in any case be collectible, enforceable or available to Seller other than as provided in this Section, and Seller agrees to accept and take said deposit as Seller's total damages and relief hereunder in such event.

XXXI. MEMORANDUM OF CONTRACT RECORDABLE, PERSONS BOUND AND NOTICE: Upon the expiration of the inspection period described in paragraph XXXVI, if Buyer has elected to proceed with purchase of the property, the parties shall cause to be recorded, at Buyer's option and expense, in the public records of the county in which the property is located, an executed Memorandum of Contract as attached hereto. This Contract shall bind and inure to the benefit of the Parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by or to the attorney for either party shall be as effective as if given by or to said party.

XXXII. PRORATIONS AND INSURANCE: Taxes, assessments, rent, interest, insurance and other expenses and revenue of the Property shall be prorated as of date of closing. Buyer shall have the option of taking over any existing policies of insurance on the Property, if assumable, in which event premiums shall be prorated. The cash at closing shall be increased or decreased as may be required by said prorations. All references in Contract to prorations as of date of closing will be deemed "date of occupancy" if occupancy occurs prior to closing, unless otherwise provided for herein.

XXXIII. CONVEYANCE: Seller shall convey title to the Property by statutory warranty deed subject only to matters contained in Paragraph VII hereof and those otherwise accepted by Buyer. Personal property shall, at the request of Buyer, be conveyed by an absolute bill of sale with warranty of title, subject to such liens as may be otherwise provided for herein.

XXXIV. UTILITIES: Seller shall, at no expense to Seller, actively work with Buyer to assist Buyer in obtaining electricity, water, sewage, storm drainage, and other utility services for development of the Property.

XXXV. ENGINEERING PLANS AND STUDIES: Upon the execution hereof, Seller shall furnish to Buyer all engineering plans, drawings, surveys, artist's renderings and economic and financial studies which Seller has, if any, relating to the Property, and all such information may be used by Buyer in such manner as it desires; provided that in the event Buyer fails to purchase the Property for any reason other than Seller's default, all such information shall be returned to Seller together with any information that Purchaser may have compiled with respect to the Property.

XXXVI. INSPECTION OF PROPERTY: Buyer shall have sixty (60) days from the date hereof to determine the elevation, grade, and topography of the Property and to conduct engineering and soil boring tests as the Buyer deems necessary in order to determine the usability of the Property. Buyer may in its sole and absolute discretion, give notice of termination of this Agreement at any time prior to the expiration of the sixty (60) day inspection period, and upon such termination, all deposits held in escrow shall be returned to Buyer.

Seller Initials ______ Buyer Initials ______

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XXXVII. PENDING LITIGATION: Seller warrants and represents that there are no legal actions, suits or other legal or administrative proceedings, including cases, pending or threatened or similar proceedings affecting the Property or any portion thereof, nor has Seller knowledge that any such action is presently contemplated which might or does affect the conveyance contemplated hereunder.

XXXVIII. SURVIVAL OF REPRESENTATIONS AND WARRANTIES: The representations and warranties set forth in this Contract shall be continuing and shall be true and correct on and as of the closing date with the same force and effect as if made at that time, and all of such representations and warranties shall survive the closing and shall not be affected by any investigation, verification or approval by any party hereto or by anyone on behalf of any party hereto.

XXXIX. ACQUIRING APPROVALS: The obligation of Buyer to close is conditioned upon Buyer's having acquired all the necessary approvals and permits to use the property for

XL. OTHER AGREEMENTS: No prior or present agreements or representations shall be binding upon any of the Parties hereto unless incorporated in this Contract. No modification or change in this Contract shall be valid or binding upon the Parties unless in writing, executed by the Parties to be bound thereby.

XLI. SPECIAL CLAUSES: _____

Seller Initials _____ Buyer Initials _____ Pa

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Executed by Seller(s) on:	
Signature of Seller	Name of Seller (Printed)
Signature of Seller	Name of Seller (Printed)
Executed by Buyer(s) on:	
Signature of Buyer	Name of Buyer (Printed)
Signature of Buyer	Name of Buyer (Printed)

FOR NOTARY

STATE OF _____

COUNTY

_____, on the ______ day of ______, year of _____, before me, a Notary In Public in and for the above state and county, personally appeared |§Seller|, known to me or proved to be the person(s) named in and who executed the foregoing instrument, and being first duly sworn, such person(s) acknowledged that he or she/they executed said instrument for the purposes therein contained as his or her/their free and voluntary act and deed.

NOTARY PUBLIC

My Commission Expires:

FOR NOTARY

STATE OF _____

COUNTY OF COUNTY ____

In _____, on the _____ day of _____, year of _____, before me, a Notary Public in and for the above state and county, personally appeared |§Buyer|, known to me or proved to be the person(s) named in and who executed the foregoing instrument, and being first duly sworn, such person(s) acknowledged that he or she/they executed said instrument for the purposes therein contained as his or her/their free and voluntary act and deed.

NOTARY PUBLIC

My Commission Expires:

REAL ESTATE PURCHASE AND SALE AGREEMENT

PARTIES: Amereihn Holdings, LLC, as "Seller", of

and Jean and Zippy Exantus as "Buyer" of

buy the

I. DESCRIPTION:

, Phone:

a) Legal description of real estate ("Property") located in **Spokane County** County, State of **Washington**:

Cannon Hill Add Pt Of L77-78 B14 N5ft Of W124ft Of L77 W124ft Of L78

b) Street address, if any, of the Property being conveyed is: **1603 South Ash Street, Spokane, WA 99203, United States**

c) Personal property including all buildings and improvements on the property and all right, title and interest of Seller in and to adjacent streets, roads, alleys and rights-of-way, and:

II. PURCHASE PRICE: \$179,900.00

PAYMENT:

- a) Cash Deposit(s) to be held in escrow by Alissa Razykowski Gustafson Law Offices in the amount of \$1,000.00.
- b) Subject to assumption of Mortgage in favor of: N/A
- c) Purchase money mortgage and note bearing interest at **7.710%** on terms set forth herein below, in the principal amount of **\$153,900.00**.
- d) Other: N/A -
- e) Balance to close, (U.S. Cash, certified or cashier's check) \$25,000

TOTAL \$179,900.00

f) All funds held in escrow shall be placed in a non-interest bearing account.

III. FINANCING: The purchase price will be financed by the seller Amereihn Holdings, LLC at an interest rate not to exceed

7.710%; for a term of 30 years; and in the principal amount of \$153,900.

IV. TITLE EVIDENCE: Within five (5) days from the date of Contract, Seller shall, at his expense, deliver to Buyer or his attorney, in accordance with Paragraph XI, a commitment for title insurance with fee owner's title policy premium to be paid by Seller at closing.

V. TIME FOR ACCEPTANCE AND EFFECTIVE DATE: If this offer is not executed by both of the parties hereto on or before **September 24, 2016**, the aforesaid deposit(s) shall be, at the option of the Buyer, returned to him and this offer shall thereafter be null and void. The date of Contract ("Effective Date") shall be the date when the last one of the Seller and Buyer has signed this offer.

VI. CLOSING DATE: This transaction shall be closed and the deed and other closing papers delivered on October 12, 2016, unless extended by other provisions of Contract, or by written agreement of the Parties.

VII. RESTRICTIONS, EASEMENTS, LIMITATIONS: The Buyer shall take title subject only to: zoning, restrictions, prohibitions and other requirements imposed by governmental authority: Restrictions and matters appearing on the plat or otherwise common to the subdivision; Public utility easements of record; Taxes for year of closing and subsequent years, assumed mortgages and purchase money mortgages.

VIII. OCCUPANCY: Seller represents that there are no parties in occupancy.

IX. ASSIGNABILITY: Buyer may NOT assign this Contract.

X. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions inserted herein or attached hereto as Addenda shall control all printed provisions in conflict therewith.

XI. EVIDENCE OF TITLE: Within five (5) days from the date hereof, Seller, at Seller's sole cost and expense, shall cause a title insurance company mutually acceptable to the Parties ("Title Company") to issue and deliver to Buyer an ALTA Form B title commitment ("Title Commitment") accompanied by one copy of all documents affecting the Property, and which constitute exceptions to the Title Commitment. Buyer shall give Seller written notice on or before five (5) days from the date of receipt of the Title Commitment, if the condition of title as set forth in such Title Commitment and survey is not satisfactory in Buyer's sole discretion. In the event that the condition of title is not acceptable, Buyer shall state which exceptions to the Title Commitment are unacceptable. Seller shall, at its sole cost and expense promptly undertake and use its best efforts to eliminate or modify all unacceptable matters to the reasonable satisfaction of Buyer. In the event Seller is unable with the exercise of due diligence to satisfy said objections within five (5) days after said notice, Buyer may, at its option: (i) extend the time period for Seller to satisfy said objections, (ii) accept title subject to the objections raised by Buyer, without an adjustment in the purchase price, in which event said objections shall be deemed to be waived for all purposes, or (iii) rescind this Agreement, whereupon the deposit described herein shall be returned to

Buyer and this Agreement shall be of no further force and effect.

XII. EXISTING MORTGAGES TO BE ASSUMED: N/A

XIII. SELLER FINANCED MORTGAGES: The Seller Financed note and deed of trust, if any, shall provide for a thirty (30) day grace period. Payments received 31 days from due date will be deemed delinquent and applicable fee shall apply. Late fees shall be assessed at 10% of the monthly amount owing.

XIV. CURRENT SURVEY: Seller Will not provide a survey.

XV. TERMITES: Property to be purchased as is, without representation as to condition or title from the seller. Buyer beware.

XVI. INGRESS AND EGRESS: Property to be purchased as is, without representation as to condition or title from the seller. Buyer beware.

XVII. LEASES: N/A

XVIII. LIENS: Property to be purchased as is, without representation as to condition or title from the seller. Buyer beware.

XIX. PLACE OF CLOSING: Gustafson Law C/o Alissa Razyskowski with offices at: 1500 W 4th Ave #408, Spokane, WA 99201

XX. TIME: Time is of the essence of this Contract. Any reference herein to time periods of less than six (6) days shall in the computation thereof, exclude Saturdays, Sundays and legal holidays, and any time period provided for herein which shall end on a Saturday, Sunday or legal holiday shall extend to 5:00 p.m. of the next business day.

XXI. DOCUMENTS FOR CLOSING: Seller shall furnish deed, closing statement, mechanic's lien affidavit, assignments of leases, and any corrective instruments that may be required in connection with perfecting the title. Buyer shall furnish mortgage, mortgage note, security agreement, and financing statement at time of closing.

XXII. EXPENSES: State documentary stamps which are required to be affixed to the instrument of conveyance, intangible tax on and recording of purchase money mortgage to Seller, and cost of recording any corrective instruments shall be paid by Seller. Documentary stamps to be affixed to the note or notes secured by the purchase money mortgage, cost of recording the deed and financing statements shall be paid by Buyer.

XXIII. PRORATION OF TAXES: Taxes for the year of the closing shall be prorated to the date of closing. If the closing shall occur before the tax rate is fixed for the then current year, the apportionment of taxes shall be upon the basis of the tax rate of the preceding year applied to the latest assessed valuation.

Subsequent to the closing, when the tax rate is fixed for the year in which the closing occurs, Seller and Buyer agree to adjust the prorations of taxes and, if necessary, to refund or pay, as the case may be, an amount necessary to effect such adjustments. This provision shall survive closing.

XXIV. PERSONAL PROPERTY INSPECTION, REPAIR: Buyer may, at his expense, have inspections made of said items by licensed persons dealing in the repair and maintenance thereof, and shall report in writing to Seller such items as found not in working condition prior to taking of possession thereof, or six (6) days prior to closing, whichever is first. Unless Buyer reports failures within said period, he shall be deemed to have waived Seller's warranty as to failures not reported. Valid reported failures shall be corrected at Seller's cost with funds therefore escrowed at closing. Seller agrees to provide access for inspection upon reasonable notice. Property to be purchased as is, without representation as to condition or title from the seller. Buyer beware.

XXV. RISK OF LOSS: If the improvements are damaged by fire or other casualty prior to closing, and the costs of restoring same does not exceed 3% of the assessed valuation of the improvements so damaged, cost of restoration shall be an obligation of the Seller and closing shall proceed pursuant to the terms of Contract with costs therefor escrowed at closing. In the event the cost of repair or restoration exceeds 3% of the assessed valuation of the improvements so damaged, Buyer shall have the option of either taking the Property as is, together with either the said 3% or any insurance proceeds payable by virtue of such loss or damage, or of canceling the Contract and receiving return of deposit(s) made hereunder.

XXVI. MAINTENANCE: Notwithstanding the provisions of Paragraph XXIV, between Effective Date and Closing Date, all personal property on the premises and real property, including lawn, shrubbery and pool, if any, shall be maintained by Seller in the condition they existed as of Effective Date, ordinary wear and tear excepted, and Buyer or Buyer's designee will be permitted access for inspection prior to closing in order to confirm compliance with this standard.

XXVII. PROCEEDS OF SALE AND CLOSING PROCEDURE: The deed shall be recorded upon clearance of funds and evidence of title continued at Buyer's expense, to show title in Buyer, without any encumbrances or change which would render Seller's title unmarketable from the date of the last evidence, and the cash proceeds of sale shall be held in escrow by Seller's attorney or by such other escrow agent as may be mutually agreed upon for a period of not longer than five (5) days from and after closing date. If Seller's title is rendered unmarketable, Buyer shall within said five (5) day period, notify Seller in writing of the defect and Seller shall have thirty (30) days from date of receipt of such notification to cure said defect. In the event Seller fails to timely cure said defect, all monies paid hereunder shall, upon written demand therefor and within five (5) days thereafter, be returned to Buyer and, simultaneously with such repayment, Buyer shall vacate the Property and reconvey same to the Seller by special warranty deed. In the event Buyer fails to make timely demand for refund, he shall take title as is, waiving all rights against Seller as to such intervening defect except as may be available to Buyer by virtue of warranties, if any, contained in deed.

XXVIII. ESCROW: Any escrow agent receiving funds is authorized and agrees by acceptance thereof to promptly deposit and to hold same in escrow and to disburse same subject to clearance thereof in accordance with terms and conditions of Contract. Failure of clearance of funds shall not excuse performance by the Buyer. Alissa Razykowski acting as title agent on behalf of Gustafson Law Offices.

XXIX. ATTORNEY FEES AND COSTS: In connection with any litigation including appellate proceedings arising out of this Contract, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

XXX. (a) DEFAULT BY SELLER: Property to be purchased as is, without representation as to condition or title from the seller. Buyer beware.

XXX. (b) DEFAULT BY BUYER: In the event Buyer should fail to consummate the transaction contemplated herein for any reason, except default by Seller or the failure of Seller to satisfy any of the conditions to Buyer's obligations, as set forth herein, Seller shall be entitled to retain the earnest money deposit, such sum being agreed upon as liquidated damages for the failure of Buyer to perform the duties

Seller Initials ______ Buyer Initials ______

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and obligations imposed upon it by the terms and provisions of this Agreement and because of the difficulty, inconvenience and uncertainty of ascertaining actual damages, and no other damages, rights or remedies shall in any case be collectible, enforceable or available to Seller other than as provided in this Section, and Seller agrees to accept and take said deposit as Seller's total damages and relief hereunder in such event.

XXXI. MEMORANDUM OF CONTRACT RECORDABLE, PERSONS BOUND AND NOTICE: Upon the expiration of the inspection period described in paragraph XXXVI, if Buyer has elected to proceed with purchase of the property, the parties shall cause to be recorded, at Buyer's option and expense, in the public records of the county in which the property is located, an executed Memorandum of Contract as attached hereto. This Contract shall bind and inure to the benefit of the Parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by or to the attorney for either party shall be as effective as if given by or to said party.

XXXII. PRORATIONS AND INSURANCE: Taxes, assessments, rent, interest, insurance and other expenses and revenue of the Property shall be prorated as of date of closing. Buyer shall have the option of taking over any existing policies of insurance on the Property, if assumable, in which event premiums shall be prorated. The cash at closing shall be increased or decreased as may be required by said prorations. All references in Contract to prorations as of date of closing will be deemed "date of occupancy" if occupancy occurs prior to closing, unless otherwise provided for herein.

XXXIII. CONVEYANCE: Seller shall convey title to the Property by statutory warranty deed subject only to matters contained in Paragraph VII hereof and those otherwise accepted by Buyer. Personal property shall, at the request of Buyer, be conveyed by an absolute bill of sale with warranty of title, subject to such liens as may be otherwise provided for herein.

XXXIV. UTILITIES: Seller shall, at no expense to Seller, actively work with Buyer to assist Buyer in obtaining electricity, water, sewage, storm drainage, and other utility services for development of the Property.

XXXV. ENGINEERING PLANS AND STUDIES: Upon the execution hereof, Seller shall furnish to Buyer all engineering plans, drawings, surveys, artist's renderings and economic and financial studies which Seller has, if any, relating to the Property, and all such information may be used by Buyer in such manner as it desires; provided that in the event Buyer fails to purchase the Property for any reason other than Seller's default, all such information shall be returned to Seller together with any information that Purchaser may have compiled with respect to the Property.

XXXVI. INSPECTION OF PROPERTY: Buyer shall have ten (10) days from the date hereof to determine the elevation, grade, and topography of the Property and to conduct engineering and soil boring tests as the Buyer deems necessary in order to determine the usability of the Property. Buyer may in its sole and absolute discretion, give notice of termination of this Agreement at any time prior to the expiration of the ten (10) day inspection period, and upon such termination, all deposits held in escrow shall be returned to Buyer.

XXXVII. PENDING LITIGATION: Seller warrants and represents that there are no legal actions, suits or other legal or administrative proceedings, including cases, pending or threatened or similar proceedings affecting the Property or any portion thereof, nor has Seller knowledge that any such action is presently contemplated which might or does affect the conveyance contemplated hereunder.

XXXVIII. SURVIVAL OF REPRESENTATIONS AND WARRANTIES: Property to be purchased as is, without representation as to condition or title from the seller. Buyer beware.

XXXIX. ACQUIRING APPROVALS: The obligation of Buyer to close is conditioned upon Buyer's having acquired all the necessary approvals and permits to use the property for a single family residence.

XL. OTHER AGREEMENTS: No prior or present agreements or representations shall be binding upon any of the Parties hereto unless incorporated in this Contract. No modification or change in this Contract shall be valid or binding upon the Parties unless in writing, executed by the Parties to be bound thereby.

XLI_SPECIAL CLAUSES: N/A

Executed by Seller(s) on:	
Signature of Seller	Name of Seller (Printed)
Signature of Seller	Name of Seller (Printed)
Executed by Buyer(s) on:	
Signature of Buyer	Name of Buyer (Printed)
By Signing, I Tom Amereihn, as managing m Amereihn Holdings, LLC acknowledge the pa \$1,000 to Gustafson Law, in the form of che above Purchase and Sale Agreement.	yment of
Seller (printed) Signature of Selle	er
By Signing, I, Jean Exantus and Zippy Exantus acknowledge remitting a check to Gustafson I amount of \$1,000 recevied by Tom Amere delivered to Alissa Razykowski of Gustaf (Check#) for the above Purchase agreement	aw in the ign to be son Law.

Buyer (printed) Signature of Buyer

Buyer (printed) Signature of Buyer

PROJECT MANAGEMENT/CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT ("Agreement") is made effective this 4th day of August, 2016, ("Effective Date") by and between Escalade Properties, LLC, and its affiliates and subsidiaries ("Consultant/Partner") and Altamont Investment, LLC ("Owner"),

RECITALS

The Owner owns that certain real property generally located at 4522 S. Altamont Street, Spokane, WA 99210, which is legally described as:

Hillsview Add L3 B2

and referenced on Exhibit A attached hereto and incorporated by this reference (the "Property").

Owner is desirous of rehabbing the Property in order to sell the Property for an increased price based on a fully rehabbed, retail sale.

Owner desires Consultant's assistance with respect to certain matters set forth on Exhibit B attached hereto and incorporated by this reference (the "Services").

The Consultant desires to accept the engagement and perform the Services, upon the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, the mutual promises and covenants made, and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties enter into this Agreement.

Scope of Services; Non-Exclusive. Owner retains Consultant in Consultant's 1. professional capacity to provide the specific Services described on Exhibit B. Except as set forth on Exhibit B, Consultant shall have no other responsibilities unless and until this Agreement and Exhibit B have been amended or modified in a writing executed by both parties. Nothing in this Agreement shall be deemed to preclude Consultant from performing similar services or other services for any other person or entity.

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CONSULTING AGREEMENT

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2. <u>Compensation</u>. For performance of the Services, Consultant shall receive as compensation of Fifty percent (50%) of the net profit which is calculated accordingly. From the proceeds of the retail sale, estimated to be between \$269,900- 279,900, the Estimated calculation looks like this.

Sales price \$279,900,

Real Estate Commissions

3.0% - To buyers Agent - \$8,397

1.5% To Seller's Agent - \$4,198.59 (Lee Arnold Keller Williams Spokane)

Excise tax of 1.78% - \$4,982.22 (Spokane County Assessor)

Basis to Seller of -\$190,000

Recovery of Rehab Investment by Escalade Properties, LLC, of

~\$40,000 maximum.

Estimated Net Profit : \$32,322.19

50% to Each Party: \$16,161.10 - Estimated

The Compensation shall be earned upon completion of the retail sale and distribution of of the proceeds from the sale of the Property. The Consultant shall receive the Compensation out of escrow at the closing of the purchase and sale contract for the Property (the <u>"PSA"</u>). Owner hereby consents to Consultant providing this Agreement to the escrow closing agent for purposes of receiving payment.

3. <u>Term of Agreement</u>. The term of this Agreement shall commence on the Effective Date and terminate on the day the Purchase and Sale agreement closes, unless extended in writing by mutual agreement of the parties. This Agreement cannot be terminated for any reason prior to the date on which the PSA closes.

4. Independent Contractor Status. The parties intend that an independent contractor relationship will be created by this Agreement. Owner is interested only in the results to be achieved by Consultant, and Consultant may work part or full time for others. The conduct and control of the work lies solely with Consultant, and Consultant has the sole discretion to determine the manner and means of providing the Services. The Consultant is not required to follow Owner's instructions and is not subject to Consultant's supervision; *provided, however*, the Consultant's employees are not subject to the supervision or management of Owner, who will consult with Owner only upon request with respect to such employees and who shall not have any authority over such employees. Because Consultant shall be treated in all respects as an independent contractor and not an employee, no deductions or withholdings applicable to payments to employees shall be made from payments to Consultant pursuant to this Agreement.

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Owner shall report income to Consultant on IRS Form 1099-Misc. Consultant is not an employee of Owner and shall not be treated as an employee of Consultant for any purpose. It is agreed that it is the obligation of Consultant to report as self-employment income all Compensation received by Consultant pursuant to this Agreement. Consultant shall indemnify Owner and hold it harmless to the extent of any obligation imposed by law upon Consultant to pay any federal, state, or local withholding taxes, social security, medical, dental, workers' compensation, disability insurance, or similar items in connection with any payment made to Consultant by Owner pursuant to this Agreement.

5. <u>Compliance with Laws</u>. Notwithstanding anything contained herein to the contrary, Consultant shall comply with all present and future relevant and applicable federal, state, and local laws, regulations, licensing requirements, and other governmental requirements in performing its obligations and exercising its rights under this Agreement. Consultant will be responsible for pulling of all applicable building permits on behalf of the owner as necessary to comply with Spokane County Construction Codes.

6. <u>Code of Conduct.</u> Notwithstanding anything contained herein to the contrary, in carrying out the Services under this Agreement, Contactor shall: (i) conduct business in a manner that reflects favorably at all times on the Owner and the good name, goodwill, and reputation of the Owner; (ii) avoid deceptive, misleading or unethical practices that are or might be detrimental to the Owner; (iii) make no false or misleading representations with regard to the Owner; (iv) not publish or employ, or cooperate in the publication or employment of, any misleading or deceptive advertising material with regard to the Owner; and (v) identify itself as an independent business.

7. Indemnification.

a. <u>By Consultant</u>. Consultant shall be solely responsible for Consultant's conduct hereunder and Consultant hereby agrees to defend, indemnify, and hold harmless Owner from and against all liability, losses, damage, expenses (including attorneys' fees), costs, claims, suits, demands, actions, causes of action, proceedings, judgments, assessments, and deficiencies and charges arising out of or relating to (i) the negligence or intentional misconduct of Consultant in performance of the Services; (ii) any breach by Consultant of any provision of this Agreement; and (iii) any act or omission of Consultant contrary to the terms and conditions of this Agreement. This indemnification provision shall survive the termination of this Agreement.

b. <u>By Owner</u>. Owner shall be solely responsible for Owner's conduct hereunder and in relation to the obligations of Owner in rehabilitating the Property. Owner hereby agrees to defend, indemnify, and hold harmless Consultant from and against all liability, losses, damage, expenses (including attorneys' fees), costs, claims, suits, demands, actions, causes of action, proceedings, judgments, assessments, and deficiencies and charges arising out of or relating to (i) the negligence or intentional misconduct of Owner is his, her or its management of the rehabilitation work for the Property; (ii) any breach by Owner of any provision of this Agreement; and (iii) any act

PAGE 13 124 pPage

or omission of Owner contrary to the terms and conditions of this Agreement. This indemnification provision shall survive the termination of this Agreement.

8. <u>Notices</u>. All notices or other written communications hereunder will be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt of an electronic confirmation thereof, (ii) one (1) business day after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as set forth on the signature page.

9. <u>Additional Documents.</u> Each party shall execute such additional documents as may reasonably be requested by the other party to effectuate the provisions of this Agreement.

10. <u>Assignment.</u> No party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Any purported assignment without the other party's prior written consent will be void ab initio.

11. <u>Authorization; Binding Effect.</u> Each party represents to the other that its execution of this Agreement has been authorized by all necessary corporate action and that this Agreement constitutes a binding obligation of such party. Each individual who executes this Agreement on behalf of a party represents to all parties that he or she is authorized to do so. This Agreement will bind each party's successors and permitted assigns.

12. <u>Attorneys' Fees</u>. If a party is in default under this Agreement, the other party will have the right, at the expense of the defaulting party, to retain an attorney to make demand, enforce remedies, or otherwise protect or enforce the rights of the non-defaulting party. A party in default shall pay all attorneys' fees and costs so incurred.

13. <u>Consent Required to Amend or Waive</u>. No amendment or modification of any provision of this Agreement will be effective unless made in writing and signed by each of the parties. Any amendment or waiver effected in accordance with this Section will be binding on each party and all of such party's successors and permitted assigns, whether or not any such party, successor or assignee entered into or approved such amendment or waiver.

14. <u>Entire Agreement</u>. This Agreement sets forth the entire understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings between the parties regarding the subject matter of this Agreement.

15. <u>**Governing**</u> <u>**Law:**</u> <u>**Consent**</u> <u>to</u> <u>**Jurisdiction**</u>. Each party specifically acknowledges and agrees that this Agreement and its interpretation and enforcement are governed by the laws of the State of Idaho. Furthermore, each party irrevocably (i) submits to the jurisdiction of any federal or state court of the State of Idaho located in

PAGE 14 8/4/2016 14/00 8/4/2015 1389 Page 2016

Kootenai County, Idaho for the purpose of any suit, action or other proceeding arising out of this Agreement or any of the agreements or transactions contemplated hereby (each, a <u>"Proceeding"</u>), (ii) agrees that all claims in respect of any Proceeding may be heard and determined in any such court, (iii) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (iv) agrees not to commence any Proceeding other than in such courts and (v) waives, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum.

16. <u>No Waiver</u>. No waiver by any party of any right or default under this Agreement will be effective unless in writing and signed by the waiving party. No such waiver will be deemed to extend to any prior or subsequent right or default or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

17. <u>Severability</u>. If for any reason any provision of this Agreement is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Agreement will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced.

18. <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement. The counterparts of this Agreement may be executed and delivered by facsimile or other electronic signature (including, but not limited to, DocuSign) by any of the parties to any other party and the receiving party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if an originally hand signed original had been received.

[Remainder of page intentionally left blank]

PAGE 15 1010 8/6/2016 100 8/6/2016 100 8/8/2016 133 | Page

SIGNATURE PAGE CONSULTING AGREEMENT

IN WITNESS WHEREOF, Owner and Consultant have executed this Assignment effective as of the date set forth above.

CONSULTANT:

Escalade Properties LLC

By:			/
	tature)		8 14/2016
	e: Lee A.	Arnold	

Its: Managing Member

OWNER:

If an entity:

Altamont Investments, LLC

A Limited Liability Company Formed in the state of \underline{WA}

By:_		
ITS:		
(Print Name)		
(Signature)		
(Print Name)	1 1	
(Signature)	í	

See Exhibit A - C

PAGE 16 KAO 8/4/2014 134 Page

EFIMIST A PAGE 1 OF 7 First American 44.014

myFirstAm* **Combined Report**

4522 S Altamont St, Spokane, WA 99223

Property Address:

4522 S Altamont St Spokane, WA 99223

Combined Report

4522 S Allamoni St, Spokane, WA 99223

08/04/2018

All information contained herein is subject to the Linitation of Liability for Informational Report set forth on the last page hereof. @2005-2016 First American Financial Corporation and/or its afritales. All rights reserved,

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PAGE 2 OF 7

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First American

my FirstAm* Property Profile

4522 S Altamont St, Spokane, WA 99223

Owner(s):	Altamont Investment LIc	Malling Address:	
Owner Phone:	Unknown	Property Address:	4522 S Altamont SI, Spokane, WA 99223
Vesting Type:	Corporation	Alt, APN:	
County:	Spokane	APN:	34041.0303
Map Coord:		Gensus Traci:	004900
Loi#:	3	Block:	2
Subdivision:	Hillsview Add	- Tract:	
Legal:	Hillsview Add 1.3 B2		

Use:	Sír	Year Built / Eff.	: 1972/1972	Sq. Ft. :	2392
Zoning:		Lot Size Ac / S	4 Ft: 0.2227 / 9700	# of Units:	1
Bodrooms:	4	Bathrooms:	3	Fireplace;	Y
# Rooms:	7	Quality:	Average	Heating:	Forced Air Gas
Pool:		Alr:	γ	Style:	Split Foyer
Stories:	1	Improvements	· · · · · ·	Parking / #:	Altached Garage
Gross Area:	3240	Garage Area :	504	Basement Are	əa:
Sale and Loa	n Information				
Sale / Roc Date	a: 12/27/2012 / 12/28/2012	*\$/Sq. Ft.:	98 H.H	2nd Mtg.:	
Sale Price:		1st Loan:	2511	Prior Sale Am	\$172,250
Doc No.:	000006162609	Loan Type:		Prior Sale Date	e: 10/04/2012
Doc Type:	Deed	Transfer Dale:	12/28/2012	Prior Doc No.;	000006136618
Seller:	Olson Kyle L & Kathrine A	Londor;		Prior Doc Type	: General Warranty

*\$/Sq.Ft. is a calculation of Sale Price divided by Sq.Feet.

Imp Value:	\$155,000	Exemption Type:		
Land Value:	\$40,000	Tax Year / Area:	2016/0010	
Total Value:	\$195,000	Tax Value:	\$195,000	
Total Tax Amt:	\$2,852.69	Iniproved;	79%	

Property Profile

4622 S Altamont St, Spokane, WA 99223

8/4/2016

Pago 1 (of 1)

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(1-8 14/2016 8/6/2016 1861 Page 8/8/2016



First American

PAR 3 OF 7

my FirstAm* Transaction History

4522 S Altamont St, Spokane, WA 99223

Transaction History provides records for the past len years. To request additional information, please contact your local Sales Representative, Customer Service Department, or for an additional fee you may allock here.

History Record # 1:	SALE/TRANSFER		
Buyer:	Allamont Investment LIC	Sollor:	
Transaction Date:	12/27/2012	Sale Price:	
Recording Date:	12/28/2012	Sale Price Type:	
Recorded Doc #:	000006162609	Title Company:	
Document Type:	Deed Transfer	Vesting Type:	Company

	SALE/TRANSFER	. K.	
Buyer:		Seller:	Mace Charlotte L
Transaction Date:	10/04/2012	Sale Price:	\$172,250
Recording Date:	10/09/2012	Sale Price Type:	
Recorded Doc #:	000006136618	Title Company:	First American Tille Insurance
Document Type:	Deed Transfer	Vesting Type:	Husband & Wile

	FINANCE				
Mortgage Recording Date:	10/09/2012 Mortgage Transfer Type:		: Resale		
Mortgage Document #:	000006136619	Mortgage Rate Type:			
Londer:	Homestreet Bk	Morigage Term:	15		
Document Type	Trust Deed/Mortgage	Vosting Type:	Husband & Wife		
Loan Amount:	\$129,180	Mortgage Rate:			
Borrower 1:	Olson Kyle L	Botrower 2:	Olson Kathrine A		
Borrower 3:		Borrower 4:			

Continued on next page...

 Transaction History
 4622 S Allamont 81, Spokano, WA 90223
 8/4/2016
 Page 1 (of 2)

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4 8 14/2016 8/6/2016 16457 1 Pages/2016 1650 8 8/2016

myFirstAm[®] Transaction History

Page Yor 7

4522 S Altamont St, Spokane, WA 99223

History Record # 3 :	SALE/TRANSFER			
Buyer:	Mace Charlotte L	Seller:	Wilhelm Claudia A	
Transaction Date:	05/29/2012	Sale Price:		
Recording Date:	06/12/2012	Sale Price Type:		
Recorded Doc #:	000006100246	Title Company:	Altorney Only	
Document Type:	Deed Transfer	Vesting Type:	Separate / Marrie	

History Record # 4 :	SALE/TRANSFER		
Buyer:	Wilhelm, Claudia	Seller:	Boyce,Ruth G
Transaction Date:	05/17/2006	Sale Price:	\$200,000
Recording Date:	05/19/2006	Sale Price Type:	Confirmed
Recorded Doc #:	5381966	Title Company:	First American Title
Document Type:	Deed Transfer	Vesting Type:	Single

Transaction History 4522 S Altamont St, Spokane, WA 99223

8/4/2016

Page 2 (of 2)

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1 8/24/2016 1/40 8/6/2016 1/138/180/180/1016 V.80/180/180/1016

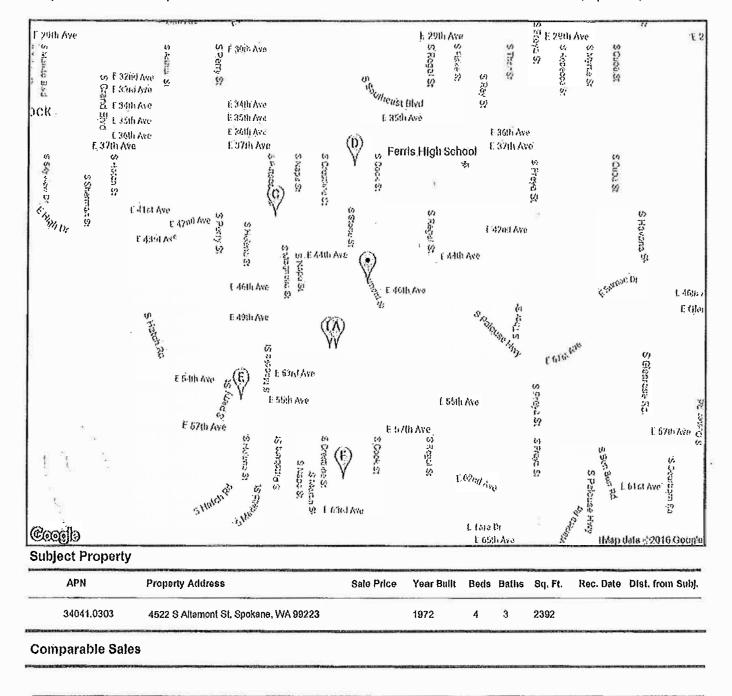
Payl Sof 7



First American

myFirstAm⁶ Comparable Sales

4522 S Altamont St, Spokane, WA 99223



Comparable Sales

4522 S Altanioni SI, Spokane, WA 99223

08/04/2016

Page 1 (of 3)

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0/ 5/24/2016 1/ 0 8/0/2016 1/38 189 199 1016

myFirstAm^{*} Comparable Sales

Subject Property

	APN	Property Address	Sale Price	Year Built	Beds	Baths	Sq. Ft.	Rec. Date	Dist. from Sub
	34041.0303	4522 S Allamont St. Spokane, WA 99223		1972	4	3	2392		
Con	nparable Sal	es					Cine of the second		
Α.	34041.4804	2215 E 51st LN , Spokane, WA 99223	\$385,500	2008	2	2	2497	07/06/2016	0.33 mi
8.	34041.4801	2203 E 51sl LN , Spokane, WA 99223	\$335,000	2012	3	2	2424	06/17/2016	0.35 ml
C,	35333.1305	4109 S Pillsburg ST , Spokane, WA 99203	\$282,500	1958	3	2	2472	05/17/2016	0.53 mt
D.	35334.0609	3825 S Slone ST , Spokane, WA 99223	\$220,000	1962	3	2	2065	07/14/2016	0.54 ml
E.	34042.8701	5511 S Hogan LN , Spokane, WA 99223	\$312,000	2003	2	2	2034	06/06/2016	0.80 mi
F.	34044.0413	6104 S Stone ST , Spokane, WA 99223	\$219,900	1966	3	2	2343	06/29/2016	0.90 mi

PASE 6 OF 7

KAN 8/8/2016 KAN 8/6/2016 KSN 8/8/2016

Gomparable Sales

4522 S Altamont St, Spokane, WA 99223

08/04/2016

Page 2 (of 3)

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myFirstAm Comparable Sales

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Comparable Sta	tistics		
e de l'ar anna 69 d'har a sua anna an gu gu anna chuir an san gao	Avoraçe :	Low :	<u>High</u> :
Sale Price:	\$292,483	\$219,900	\$385,600
Loan Amount:	\$279,000	\$254,250	\$303,750
Bedrooms:	3	2	3
Bathrooms:	2	2	2
Sq. Ft.:	2305.833	2034	2497
Saie \$ / Sq. Ft.*;	\$127	\$108	\$154

*\$/Sq.FI. Is a calculation of Sale Price divided by Sq.Ft.

H 8/4/2016 1640 8/8/2016 1680 8/8/2016

 Comparable Sales
 4522 S Allamont SI, Spokane, WA 99223
 08/04/2016
 Page 3 (of 3)

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EXHIBIT B SERVICES

Escalade Properties, LLC will be partnering with Altamont Investments, LLC to complete the rehab on a property located at 4522 South Altamont Street, Spokane, WA 99223. Escalade will be investing up to \$40,000 (See Exhibit C – Cost Break Down – Repair Costs –Budget vs Actual) to have work on the property completed by Arnold Professional Holdings, LLC – a licensed Bonded and Insured Contractor in the state of Washington, both entities with a mailing address of: 1121 E. Mullan Ave Coeur D' Alene, ID 83814

Seller, Altamont Investments, LLC at the time of the signing of this agreement represents that the property is free of any liens or encumbrances so that clear title will be transferred to the end buyer. All fee's associated with ownership of the property during the course of this agreement, including, property taxes, water, electrical, sewer, gas, debt service if any, will be born 100% by the seller.

During the term of this agreement all construction costs, related materials, supplies and man power will be supplied and paid for 100% by Escalade Properties, LLC, the Consultant/Partner, an amount not to exceed \$40,000. (See Exhibit C – Cost Break Down – Repair Costs –Budget vs Actual)

Upon completion of the renovation, the property will be staged, photographed, and listed by Lee Arnold, the managing member of both Escalade Properties, LLC and Arnold Professional Holdings, LLC as well as a licensed Real Estate Broker in the State or Washington who's license is held at Keller Williams Spokane. List price is expected to be between \$279,900- \$299,900 depending on market condition and comparable sales at the time of listing.

Altamont Investments, LLC will retain ownership through the term of this agreement, and will be responsible to sign the listing agreement, sales collateral and subsequent sales documentation as necessary to transfer title to the end, retail buyer.

Terms of this agreement are confidential to all parties not included in this agreement.

ABT el 6/2016 KABT el 6/2016 KSO 8/8/2016

CONSULTING AGRLEMENT

CAPITAL

Exhibit C

Cost Breakdown

Repair Costs - Budget vs. Actual

Borrower's Name	4522 S Altamont St, Spokane WA								
llem	T	Actual Gost	Estimate Cost	Change Order	Antount Remaining				
1 Appliances			2,350.00						
2 Cabinets/Hardware/Countertops		1993	4,000.00		1				
3 Carpets		2.03	3,000.00						
4 Cnorle steps, Palio, Drive									
5 Decks			· · · · · · · · · · · · · · · · · · ·		- 3-				
6 Downspouts & Gutters									
7 Drywall/Tape/Texture/Sheetrock			700.00	Sustained and states	and the second second				
8 Electicial			500.00						
9 Exterior & Garage Doors			1,800.00						
10 Exterior Painting			500.00						
11 Finish Hardware			2,500.00						
12 Finish Labor									
13 Fireplace			3,000.00		199 (F				
14 Foolings & Foundation					1000				
15 Framing Labor		- 10 miles - 10 miles	400.00						
16 Framing Maleria/Trusses		2							
17 Hauling, Dumping, Recycle			700.00						
18 Hardwood Floors			300.00						
19 Heating/Air Conditioning (HVAC)			375.00						
20 Insulation	-		010.00						
21 Interior Doors/Trim			200.00						
22 Interior Dools/Thin 22 Interior Painting			1,700.00						
23 Kitchen Sink/Disposal/Other Kitchen			600.00						
23 Nichen Sink/DisposarOther Nichen			600.00						
24 Landscaping (Sod, Tree Removal, plants, rock) 25 Lino/Tile/Vinyl			500.00						
			500.00						
26 Masonry, Veneer & Chim.			200.00						
27 Plans/Arch/Survey/Engr.					(<u>1</u>				
28 Plumbing			1,600.00		327.0				
29 Plumbing Finish (sinks, toilets, tubs)		anile and in the second	1,400.00	**					
30 Rental (Equipment)			13						
31 Rooling	20	0.000							
32 Sanitation		3 <u>-</u>							
33 Sewer/Spetic									
34 Siding	1.0	21			- 6. 1.				
35 Sky Lights									
36 Sprinkler System			200.00		1.0				
37 Temp Power/Excavation									
38 Wallpaper/Paneling		· · · · · · · · · · · · · · · · · · ·							
39 Water Hook-up/Water Heater					1				
40 Windows/sliders	1	(3.8 -	10. O						
Garage floor									
Cleaning/nictures		1010-0-001 01100	875.00						
APH Labor (\$3,000 per week)			12,000.00						
Olher Labor			1	1					
Other Supplies/Items									
Sublotal			40,000.00						
Backoul Andiances			40,00,00						
Backoul APH Labor									
	20%								
Contingency Tratel Develop	20%		40.000.001						
Total Repairs		-	40,000.00						

Check

1/ 5/14/2016 1/409 \$16/2016 1/60 \$18/2016

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Ros	n 21 idential Purchaso & Saly Agreetnent - W15		ÓCopyright 2015 Rest Multiplo Listing Sarvice I, RIGITTS RESERVED
Pag		RCHASE AND SALE AGREEMENT	
1.	Dato: 05/13/2016 MLS No.: n/a	Offer Expiration Date: _05	16/2016
2.	Buyer: Foray investment Group, LLC and/or assig	ns Acu	C
3.	Seller:	5.912	
	Property: Tex Parcel No(s).: 35193.3219	y Spokane	Countral
4,	1008 W 14th Avo		County) VA 99204
	Address		17 24
	Logal Description: Allachud as Exhibit A.		
y.	Included Items: A stoyedrange. D refrigerator: D wash D wood stove: A satellite dish: D socurity system: A a O other	n: U dryor; U dishwasher; U hol lub; Itached Iolovision(s); U allachud speako 	U fireplace inseri; n(s); Umicrowave;
G .	Purchase Price: \$ 100,000.00		Dollars
7,	Earnost Monay: S 1,000.000 CI Check: CI Note: C) Ol	nor (held by Ci Selling Pi	m; \${Closing Agent}
8.	Default: (check only one) X Forfeiture of Euroest Monuy: Q &		
9.	The Insurance Company: Gustalson Law		
10,	Closing Agont: 3 a qualified closing agont of Buyer's choices	0	
	Closing Date: .on/before.05/27/2016_: Possession		
	Services of Closing Agent for Paymont of Utilities: D Req		
	Charges/Assessmente Levied Before but Due After Closing: Seller Chizenship (FIRPTA): Seller Cl is: (X is not a foreign		-
	Agoncy Disclosure: Selling Bryly jourosonis: C Buyer: C		
16.	Addenda: <u>Buyer to pay all closing costs. Buyer</u>		
	5/13/10		5-17-11
F.c.	p. y signature Date		5- 12-11.
Bug	on's Signalura Date	°-	Dalo
		1 11 11 11 11 11 11 11 11 11 11 11 11 1	
	いる Address	Seller's Address	
Ca	Doala, F1.3447.8 , state, žip 52-222-9712	City, Stato, Zep	
	no No. Fax No.	Physio No.	Fax No.
	A STATESS	Ruker's F.ma' Addiase	
Sel	Toa Flan XLS O'Aco Ii).	Histor Fun	MIS Office No.
Se	the Broker (Print) I.L.S.LAG No.	Listing E: Gier (Print)	MLS LAG No.
Pho	ne No, Tourn For No.	Prione No.	Fum Fax No.
Sel	ing Flum Document C-mail Addross	ไม่มีกา Fron Document Funith Address	
Sel	ion Broker's (I-ma) Addross	Liting Braker's Compil Address	
SA	too Brater DBL Usease No. Sation Even DDL Usease No.	Listin Bioker DOL Liseaso No. 10	ston Firm DOL Licensa Mo

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Form 21 Rosidantial Pirchaso & Solo Aixeemsol Rev. 7/15 Page 2 of 5 RESIDENT

SCopyight 2015 Northwest Matthew Listing Service

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT

- Purchase Price. Buyer shall pay to Seller the Purchase Price, including the Earnest Money, in cash at Closing, unless otherwise specified in this Agreement. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement and is not relying on any contingent source of funds, including funcis from loans, the sale of other a property, gifts, retirement, or future earnings, except to the extent otherwise specified in this Agreement.
- b. Earnest Money. Buyer shall deliver the Earnest Money within 2 days after mutual acceptance to Selling Broker or to 5 Closing Agont. If Buyer delivers the Earnest Money to Selling Broker, Selling Broker will deposit any check to be held by 6 Selling Firm, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance. 7 whichever occurs later. If the Earnest Money is held by Selling Firm and is over \$10,000.00 it shall be deposited into an 6 interest bearing trust account in Selling Firm's name provided that Buyer completes an IRS Form W-9. Interest, II any, 9 after deduction of bank charges and feas, will be paid to Buyer. Buyer shall reimburse Salling Him for bank charges and less in excess of the interest corned. It any. If the Earnest Money held by Selling Firm is over \$10,000,00 Buyer 10 11 has the option to require Selling Firm to deposit the Earnest Money into the Hausing Trust Fund Account, with the interest paid to the State Treasurer, it both Seller and Duyer so agree in writing. If the Buyer does not complete an IRS Form W-9 before Selling Firm must deposit the Earnest Money or the Earnest Money is \$10,000.00 or lass, the Earnest 12 13 14 Money shall be deposited into the Housing Trust Fund Account. Solling Firm may transfer the Earnest Money to Closing 15 Agent at Closing. If all or part of the Earnest Money is to be relunded to Buyer and any such costs rentain unpaid, the 16 Selling Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written venilication of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the 17 18 addresses and/or fax numbers provided herein. 19

Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest 20 Money to the other party of the parties. The party(s) shall execute such form and deliver the same to the Closing Agant. 21 If either praty (eils to execute the release form, a party may make a written domand to the Closing Agent for the Earnest 22 Money, Pursuant to RCW 64.04, Closing Agrat shall deliver notice of the demand to the other party within 15 days. If 23 the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the 24 Earnest Money b the party making the demand within 10 days of the oxpiration of the 20 day period. If Closing Agent 25 limely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an 20 Interpleader action willin 60 days of such objection or inconsistent demand, unless the parties provide subsequent 27 consistent instructions to Closing Agent to distance the earnest money or rolrain from commencing an interpleador 28 action for a specified pural of time. Pursuant to RCW 4.28.080, the parties consent to savide of the summons and 20 complaint for an Interpleader action by first class mill, postage propald of the party's usual mailing address or the 30 address identified in this Agreement. If the Closing Agent complies with the proceeding process, each party shall be 31 deemed to have released Closing Agont from any and all claims or liability related to the disburset of the Earnest -32 Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so 33 under this Agreement, that party shall be in breach of this Agreement. For the purposes of this soulon, the torm Closing Agent includes a Selling Firm holding the Earnest Money. The parties authorize the party commoncling an interploader 34 35 action to deduct up to \$500.00 for the costs thereof, 36

- c. Included Items. Any of the following items, including items identified in Specific Term No. 5 if the corresponding box is 37 checked, located in or on the Property are included in the sele; built-in appliances; wall-to-wall carpeting; curtelns, 38 dropes and all utter window treatments; window and door screens; awnings; storm dnors and windows; Installed 39 television antennos; ventilating, air conditioning and heating fixtures; trash compactor; fireplace doors, gastogs and gas 40 log lighters; firigation fixtures; electric garage door openers; water heaters; installed electrical fixtures; lighting fixtures; 41 stinutes, plants and trees planted in the ground, and other fixtures; and all socialed operating remote controls. Unless 42 elitewise agreed, if any of the above items are leased or encombared, Seller shall acquire clear title before Closing. 43
- cl. Condition of Title. Unless otherwise specified in this Agreement, tille to the Property shall be marketable at Closing. 44 The following shall not exuse the tille to be unmarketable: rights, reservations, covenants, conditions and restrictions, 45 presently of record and general to the area; assements and encreachments, not materially affecting the value of or 46 unduly interforing with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Monetary 47 enclimbrances or llons not assumed by Buyer, shall be paid or discharged by Selfer on or before Closing. Tille shall be 46 conveyed by a Statulory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate 49 Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey efter 50 acquired thile.
- e. Title insurance. Seller authorizes Buyer's lender or Closing Agent, al Seller's exponse, to apply for the then-current 52 ALTA form of Homeowner's Policy of Title Insurance for One-to-Four Family Residence, from the Title Insurance 53 Company. If Seller previously received a proliminary commitment from a Title Insurance Company that Buyer declines 64 to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party 55 applying for title insurance shall pay any title concellation fee, in the event such a fee is essessed. If the Title Insurance 56 Company selected by the parties will not issue a Homeowner's Policy for the Property, the parties agroe that the Title 57 Insurance Company shall instead issue the then-current ALTA standard form Owner's Policy, together with 50 Company shall instead inflation protection endorsements. If available, The Title Insurance Company 59

Buyer's Initials	Na:9	Buyer's Initials	Dala	Bekers Indials	0019	Seller's Initials	Late

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RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT

shall send a copy of the preliminary commitment to Soller. Listing Broker, Buyar and Selling Broker. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and of Exceptions in the Policy and Special Exceptions consistent with the Condition of Title herein provided. If title cannot be 62 made so insurable prior to the Closing Date, then as Buyer's sole and exclusive remedy, the Earnest Money shall, 63 unless Buyer elects to waive such detects or encumbrances, be refunded to the Buyer, loss any unpaid costs described 64 in this Agreement and this Agreement shall horeupon be ferminated. Buyer shall have no right to specific performance 65 or damages as a consequence of Seller's nability to provide Instrable title.

Closing and Possession. This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date fails 67 on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, 68 f. the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holday, or day when the county recording office is closed. "Closing" means the date on which all documents are recorded and the sale proceeds are available to Selfer. Selfer shall distivar keys and garage door remotos to Buyer on the Closing Date or on 69 70 71 the Possession Date, whichever occurs first. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date, Solier shall methods the Property in its present condition, normal wear and tear excepted, until the Buyer is entitled to 72 73 possession. Soller shall not enter into or modify existing leases or rental agreements. service contracts, or othor agreements offecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, 74 75 which shall not be unreasonably withheld. If possession transfers at all me other than Closing, the parties shall execute NWMLS Form 65A (Rental Agreement/Occupancy Prior to Closing) or NWMLS Form 65B (Rental Agreement/Seller 76 77 Occupancy After Closing) (or alternative rental agreements) and are advised of the need to contact likely respective 78 institution of companies to assure appropriate hazard and liability insurance policios are in place, as applicable. 79

RCW 19.27.630 requires the seller of any owner-occupied single-family residence to equip the residence with a carbon an onoxide elarm(s) in accordance with the state building code before a buyer or any other person may legally occupy at the residence following the sale. The perties acknowledge that the Brokers are not responsible for ensuring that Seller according with RCW 19.27.530. Buyer and Seller shall hold the Brokers and their Firms harmless from any claim as resulting from Seller's failure to install a carbon monoxide elarm(s) in the Property.

g. Section 1031 Like-Kind Exchange. If either Buyer or Soller Intends for this transaction to be a part of a Section 1031 85 like-kind oxchange, then the other party shall cooperate in the completion of the like-kind oxchange so long as the 06 cooperating party incurs no additional liability in doing so, and so long as any expensions (including allo/reys' fees and 07 costs) incured by the cooperating party that are related only to the exchange are part or reimbursed to the cooperating 06 go Section 1031 like-kind exchange may essign this Agreement to the Agreement, any party completing 08 section 1031 like-kind exchange may essign this Agreement to its qualified intermolitary or any entity sot up for the 90 section 1031 like-kind exchange.

Closing Coste and Proralions and Charges and Assessments. Seller and Buyer shall each pay one-half of the 92 escrew fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, 93 and lienable homeowar's association datas shall be prorated as of Closing. Buyer shall pay Buyer's loan costs, 94 including credit report, appraisal charge and lender's ultit browner, unless provided otherwise in his Agreement. If my 95 payments are delinquent on encumbrances which will remain attor Closing, Closing Agent is Instructed to pay such 96 delinquencies at Closing from money dus, or to be path by, Seller, Buyer shall pay for remaining fuel in the latark II, 97 prior to Closing. Seller obtains a written statement from the supplier as to the quantity and current price and provides 98 such statement to the Closing Agent. Seller shall pay all utility charges, including unbilled charges. Unless waived in 99 Specific Term No. 12, Seller and Buyer request the scrytices of Closing Agent in disbursing funds necessary to salisfy 100 uppaid utility charges in accordance with RGW 60.80 mid Seller shall provide the names and addresses of ell utilities 101 provide the names and addresses of ell utilities 102 or 102 gruivalent).

Buyer is advised to verify the existence and amount of any local improvement district, capacity or impact charges or 104 other assessments that may be charged agains; the Property hofore or after Closing, Softer will pay such charges likel 105 are or become due on or before Closing. Charges levied before Closing, but becarring due after Closing shall be paid 100 as agreed in Specific Term No. 13.

- Sale Information. Listing Broker and Salling Broker are authorized to report this Agreement (including price and all 400 terms) to the Multiple Listing Service that published R and to its members, financing institutions, appraisers, and anyone 109 else related to this sale. Buyer and Selfer expressly authorize all Closing Agents, appraisers, little insurance companies, 110 and others related to this Sale, to furnish the Listing Broker and/or Selling Broker, on request, any and all information 111 and copies of documents concerning this sale.
- J. Solior Citizenship and FIRPTA. Sellerwarrants that the identification of Seller's citizenship status for purposes of U.S. 113 income texation in Specific Term No. 14 is correct. Seller shall execute a cartification (NWMLS Form 22E or equivalent) 114 under the Foreign investment in Real Property Tax Act ("FIRPTA") at Closing and provide the certification to the Closing 116 Agent. If Seller is a foreign person for purposes of U.S. Income taxation, and this transaction is not otherwise exampt 116 from 116 Term Agent. If Seller is a foreign person for purposes of U.S. Income taxation, and this transaction is not otherwise exampt 116 from 116 Term Agent. If Seller is a foreign person for purposes of U.S. Income taxation, and this transaction is not otherwise exampt 116 from 116 Term Agent. Seller is a foreign person for purposes of U.S. Income taxation, and this transaction is not otherwise exampt 116 from 116 Term Agent. If Seller is a foreign person for purposes of U.S. Income taxation.

Suver's Insiels	Date	Buver's knowls	Date	Solici's lablais	Date	Seller's Initials	Date

Form 21 Residential Purchase & Sele Agreement Roy. 7/15 Page 4 of 5

Copyright 2016 Nothwest Multiple Listing Service RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT GENERAL TERMS

- k. Nolices. In consideration of the license to use this and NWMLS's companion forms and for the benefit of the Listing 110 Broker and the Selling Broker as well as the orderly administration of the offer, counteroffer or this Agreement, the 119 parties irrevocably agree that unless otherwise specified in this Agreement, any notice required or permitted in, or 120 related to, this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be 121 signed by at least one Buyer and shall be deemed given only when the notice is received by Seller, by Listing Broker or 122 at the licensed office of Listing Boker. Notices to Buyer must be signed by at least one Selfor and shall be durined 123 given only when the notice is received by Buyer, by Sching Broker or at the licensed office of Selfing Broker, Receipt by 124 Selfing Broker of a Form 17, Disclosure of Information on Load-Based Paint and Lead-Based Point Hazards, Public 125 Offering Statement or Resale Certificate. homeowners' association documents provided pursuant to NWMLS Form 120 22D, or a preliminary commitment for title insurance provided pursuant to NWMLS Form 22T shall be deemed receipt 127 by Buyer. Selling Broker and Lialing Broker have no responsibility to advise of receipt of a notice beyond either phoning 120 the party of causing a copy of the notico to be delivered to the party's address shown on this Agreement. Buyer and 129 Selfer must keep Selfing Broker and Listing Broker advised of their whoreabouts in order to receive prompt notification 130 of receipt of a notice. 131
- Computation of Time. Unless otherwise specified in this Agreement, any period of lime measured in days and stated 132 in this Agreement shall start on the day following the event commencing the period and shell expire at 9:00 p.m. of the 133 ١. Is the Agreement strain start on the cay blocking the event contracticing the period and shall explore at 500 pMr. of the fast last calendar day of the specified period of time. Except for the Possession Date, if the fast day is a Saturday, Sunday 134 or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day linal is not a 135 Saturday, Sunday or legal holiday. Any specified period of 5 days or less, except for any time period rolating to the 138 Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on 137 a specific coloneer dole. The event shall occur on that date, except for the county recording office is closed, shall occur on the 139 next day that is not a Saturday, teget holiday as terined in RCW 1.16.050. If day when the county recording office is closed, shall occur on the 139 next day that is not a Saturday. Sunday, leget holiday, or day when the county recording office is closed, if the parties 140 agree upon and altach a legal description after this Agruement Is signed by the offerce and delivored to the offeror, then 141 for the purposes of computing time, nutual acceptance shall be deemed to be on the date of delivery of an accepted 142 offer or counteroffer to the offeren, rather than on the dule, the legal description is attached. Time is of the essence of 143 this Agreement 144
- m. Facility and E-mail Transmission. Facility transmission of any signed original document, and retransmission of 145 any signed lacsimile transmission, shall be the same as dolivery of an original. At the request of other party, or the 146 Closing Agent, the parties will contirm facsimile transmitted signatures by signing an original doctmont. E-mail 147 transmission of any signed original document or a direct tink to such document, and retransmission of any such p-mail. 148 shall be the same as delivery of an original, provided that the e-mail is sont to both Solling Broker and Selling Firm or 149 both Listing Broker and Listing Firm of the e-mail addresses on page one of this Agreement. At the request of either 150 party, or the Closing Agent, the parties will confirm e-mail transmitted signatures by signing an original document.
- Integration and Electronic Signatures. This Agroement constitutes the entire understanding between the parties and 152 n. supersedes all prior or contemperaneous uncerstandings and representations. No modification of this Agreement shall 153 be effective unless egreed in writing and signed by Buyar and Seller. The partice acknowledge that a signature in 154 electronic form has the same legal effect and validity as a handwritten signature. 155
- Assignment, Buyer may not assign this Agreement, or Duyer's rights hereunder, without Seller's prior withen consent, 150 Q, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the 157 159 Buyer on the first page of this Agreement.
- Default, In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following 159 provision, us identified in Specific Term No. 6 shall apply: 160
 - 1 orfolture of Earnest Monoy. That portion of the Earnest Money that does not exceed five percent (6%) of the 16f Purchase Price shall be forferind to the Seller as the sole and exclusive remedy available to Saller for such failure. 162
 - Seller's Election of Remotiles. Seller may, at Sellor's option, (a) keep the Earnest Monoy as liquidated damages 163 as the sole and exclusive remody avaitable to Sellar for such falluro, (b) bring suit against Buyer for Seller's actual 184 li. damages, (b) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue 165 any other rights or remedies available at law or inquity. 103
- Professional Advice and Attorneys' Fees. Buyer and Seller are advised to seek the counsel of an attorney and a 187 G. carlified public accountant to raview the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for 168 such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement the prevailing party 169 is enlilled to reasonable altomeys' lees and expenses. 170
- Offer. Buyer shall purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 171 r. p.m. on the offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective unlit a 172 signed notives received by Buyar, by Selling Broker or at the licensed office of Selling Broker. If this-after is not so 173 accepted. It shall loose and any Lamest Money shall be rolunded to Buyar 174

BUVE/SIMMANS Date	Hiver's Initists Dolo	Sel or's Initialy	dig17.	Sachar's talledo	Dola	Ý

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RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT

Continued

- S. Counteroffer. Any change in the terms presented in an offer or counteroffer, other than the insurtion of the Soller's 173 name and the Seller's warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, 174 then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer. Unless 175 sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, like other party's 176 broker, or at the times office of the other party's broker. If the counteroffer is not so accepted, it shall lapse and any 177 Earnest Money shall be counted to Buyer.
- t. Offer and Counteroffer Expiration Date. If no explicitly date is specified for an offer/counteroffer, the 179 offer/counteroffer shall expire 2 days offer the offer/counteroffer is delivered by the party making the offer/counteroffer, 180 unless sooner withdrawn.
- Agency Disclosure. Solling Firm, Solling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and 102 Selling Broker's Managing Broker (if any) represent the same path that Selling Broker represents. Listing Firm, Listing 103 Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same path that Selling Broker are different persons 165 atfiliated with the same Firm, then both Buyer and Seller contam their consent to Designated Broker, Branch Manager 166 (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are different persons 165 atfiliated with the same Firm, then both Buyer and Seller contam their consent to Designated Broker, Branch Manager 166 (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are 187 the same parts then both Buyer and Seller contam their consent to that person and his/her 163 Designated Broker. Branch Manager 166 (if any), and Managing Broker (if any), and Hamaging Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are 187 the same person representing both parties then both Buyer and Seller contam their consent to their person and his/her 163 Designated Broker. Branch Manager 116 any), and Managing Broker (if any) representing both parties as dual agents. All 189 patiles acknowledge receipt of the pany hot enlitted "The Law of Real Estate Agency."
- v. Commission. Settor and Buyer shall pay a commission in accordance with any listing or commission agreement to 191 which they are a party. The Listing Firm's commission shall be apportioned between Listing Firm and Selling Firm as 192 specified in the listing. Seller and Buyer hereby consent to Listing Firm and Selling Firm, as applicable, a portion of their 194 funds in accordance with any issues the commission (s) and irrevocably instruct the Closing Agent to disburse the commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) 195 directly to the Firm(s). In any action by Listing or Selling Firm to enforce this paragraph, the prevailing party is culticative to 198 court costs and reasonable altometry fees. Seller and Buyer agree that the Firms are intended third party beneficiaries 197 under this Agreement.
- W. Cancellation Rights/Load-Based Paint. If a residential dwalling was built on the Property prior to 1978, and Buyer 199 receives a Disclosure of Information on Lead-Based Paint and Load-Based Paint Hazards (NVVMLS Form 223) after 200 multial acceptance, Buyer may resched this Agreement at any time up to 3 days thereafter.
- x. Information Vortification Period and Property Condition Disclaimer. Buyer shall have 10 days after mutual 202 acceptance to verify all information provided from Seller or Listing Firm related to the Property. This contingency shall 203 be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within 10 days of mutual 204 acceptance. If Buyer gives timely notice under this section, then this Agreement shall forminate and the Earnest Money 205 shall be founded to Buyer. 203

Buyer and Selter agree, that except as provided in this Agreement, all representations and information regarding the 207 Property and the transaction are solary from the Selteror Buyer, and not from any Broker. The parties acknowledge that 209 the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that 209 none of the Brokers has agreed to independently investigate or continu any matter related to this transaction except as 210 value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, 212 colling, insulation, elocifical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because 213 of possible defects or health inazards. Some properties may have other defects arising alter construction, such as 214 drainage, leakage, past, rol and mold problems. Brokers due diligence to inspect the Property to Buyer's salisfaction 216 products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer's salisfaction 216 products as there may be defects that may only be revealed by careful inspection. Buyer is advised to investigate the cost of insurance 219 for the Property, including, but not limited to homeowner's, flood, earthqueke, landslide, and other evailable coverage. 220 Buyer and Seller tecknowlodge that home motoching plans with locating and soleling third party sorvice providers. Buyer and Seller tecknowlodge that home motoching plans with locating and soleling that gories provide addition 221 and benefit to Buyer on Selter. Brokers may passis the pathos with locating and soleling third party sorvice providers. 223 third parties. The parties shall exercise their own judgment and due eligence regording third party sorvice providers. 224



Assignment of Contract

For the value received of \$ 5,000.00	Foray Investment Group, LLC	("Assignor")
hereby assigns and otherwise transfers ("assigns")	to Escalade Properties, LLC	("Assignee")
all rights, title and interest held by Assignor in and	to the contract described as follows:	

Contract dated May	16th, 20,16, between	anc
Foray Investment Group, LLC	, concerning the	property located at 1008 W 14th Ave
Spokane, WA 99204		

Assignor warrants and represents that said contract is in full force and effect and is fully assignable. Assignor further warrants that it has the full right and authority to transfer said contract and that contract rights herein transferred are free of lien, encumbrance or adverse claim. Said contract has not been modified and remains on the terms contained theroin.

Assignce hereby assumes and agrees to perform all remaining and obligations of Assignor under the contract and agrees to indemnify and hold Assignor harmless from any claim or demand resulting from non-performance by Assignce. Assignce shall be entitled to all monies remaining to be paid under the contract, which rights are also assigned herounder.

This Assignment shall become effective as of the date last executed and shall be binding upon and inure to the benefit of the partles, their successors and assigns.

Dated: 5/18/16____

Assignor	127	
Assignee	As mantsing reason	1.1.6
nt	of Escavior propulation	U.U.C

Consei

I hereby consent to this Assignment of Contract affirming that no modification of the contract is made or intended, except that Assignce is now and hereafter substituted for Assignor.

Dated:

Signature

Name of Third Party

Specialty Training Evaluation

Using at least 3 sentences, please comment on any components of the training you foundexceptional, low

How did you first hear about this training?

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ntee				

With the knowledge you have obtained from this training what do you envision yourself accomplishing over the next 12 months?

Specialty Training Evaluation

	Not likely						Very likely			
How likely are you to recommend this course to a colleague or a friend?	1	2	3	4	5	6	7	8	9	10
How likely are you to use the education you received during this training?	1	2	3	4	5	6	7	8	9	10
How likely are you to recommend other educational courses, from the Lee Arnold System of Real Estate Investing, to a colleague or friend?	1	2	3	4	5	6	7	8	9	10
	<u>Extr</u>	eme	ely F	oor			_	S	Supe	rior
Please rate the quality of your overall experience with Secured Investment Corp Staff during THIS training.	1	2	3	4	5	6	7	8	9	10

nen . .ing at least 3 senten... clude a list of other courses y. <u>Please 80 to the</u> <u>http://www.surveymonkey.com/r/streto complete this</u> <u>evaluation online: omplete this</u> <u>Surveymonkey.com/r/STWOAW092316-HSC</u> Other Constructive Comments you would like to share.

Full Name - Printed: