



**LIEN ABATEMENT
CERTIFICATION
PROGRAM**

Legal Information Is Not the Same as Legal Advice

This book provides information about real estate investing, private money borrowing, lending, and/or brokering. It 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 situation.

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STUDENT WORKBOOK

| | |
|--|----|
| AHA Moments | 5 |
| Lien Abatement Certification Program Introductions | 9 |
| Defining the Problem | 19 |
| Case Study 1 | 35 |
| Case Study 1 Addendums | 49 |
| Building Your Reputational Capital | 71 |

“

I will tell you how to become rich. Close the doors.
Be fearful when others are greedy.
Be greedy when others are fearful.

Warren Buffet

”

| | |
|------------------------|-----|
| Case Study 2 | 83 |
| Case Study 2 Addendums | 93 |
| Case Study 3 | 119 |
| Case Study 3 Addendums | 129 |
| Case Study 4 | 195 |
| Case Study 4 Addendums | 203 |
| Case Study 5 | 227 |
| Case Study 5 Addendums | 233 |

| | |
|--|-----|
| Notes | 243 |
| Step-by-Step Through the Process | 245 |
| Sample Code Enforcement Complaint Brochure | 259 |
| Sample Code Enforcement Complaint Form | 261 |
| Sample Fire Hazards Brochure | 263 |
| Sample Junk Vehicles Brochure | 265 |
| Sample Substandard Building Brochure | 267 |
| Sample Zoning Violations Brochure | 269 |
| Sample Rehabilitation or Demolition Plan | 271 |

“

In investing, what is comfortable is rarely profitable.

Robert Arnott

”

| | |
|--------------------------------|-----|
| Next Steps After Certification | 275 |
| Notes | 282 |

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AHA MOMENTS!

Write Your Aha Moments Here

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LIEN ABATEMENT INTRODUCTION



WELCOME & INTRODUCTION

Welcome

- Honoring our Veterans
- Pledge
- Prayer

Managing Your Expectation

- Get involved, stay involved, and become successful
- Take notes!
- Ask Questions.
- Develop your "Success Plan."
- Don't miss the "V.I.P. session."
- Pass the certification test!

A Few Things to Know

- Schedule/breaks
- How to navigate your student resources
- Communicating through the chat
- Test Link will be sent at the end of day three. The link will be good until 10am PT on Friday. Once you log into the test you will need to complete it in two hours.
- Evaluation – your chance to grade us

Our Company Motto

“

We get more of what we want, by helping others get more of what they want.

”





WELCOME & INTRODUCTION MEET OUR FAMILY OF COMPANIES:



Secured Investment Corp

Secured Investment Corp is the parent company in the organization. Through the work of its wholly owned subsidiaries, Secured Investment Corp provides real estate investors the necessary capital to finance their projects by bringing together private lenders and borrowers.

Secured Investment Corp also manages Private Equity Funds. These Private Equity Funds provide borrowers access to capital within minutes of closing their transaction.

The Private Equity Funds consist of accredited investors that invest their money with the Fund. Secured Investment Corp manages the investors' money and pays the investors a return on their investment on a quarterly basis. The Funds consistently average a double digit annualized return to our investors. - SecuredInvestmentCorp.com

Secured Investment Corp Mission Statement: "Reimagining technology to create cutting edge solutions for investors to participate in alternative, secured, high performance investments."

Names, notes and numbers:



The Lee Arnold System of Real Estate Investing

The Lee Arnold System of Real Estate Investing provides focused training that covers all aspects of real estate business. The Lee Arnold System is a powerful way for you to start investing your way to monumental wealth in the shortest time possible.

Education is a fundamental element to future success in finding, financing and selling real estate for profit. This learning stage includes training and/or mentoring to build solid understanding to successfully invest in real estate.

In this phase an investor actively works to create Active Income which includes finding a great investment, or "deal", and then borrowing to fix and flip (or fix and hold) the property for positive cash flow. We call this growth in individuals' financial capacity and competency the "Circle of Wealth". - LeeArnoldSystem.com

Lee Arnold System of Real Estate Investing Mission Statement: "To educate, train and provide access to relationships and products allowing individuals to achieve financial freedom through real estate."



WELCOME & INTRODUCTION MEET OUR FAMILY OF COMPANIES:



Cogo Capital

As the lending arm of the company, COGO Capital works with borrowers to originate, process, and close loans. COGO Capital offers private loan options for real estate investment properties within most states across the United States. - CogoCapital.com

Cogo Capital Mission Statement:

"To provide no-hassle, asset-backed, real-time private capital to real estate investors."

Names, notes and numbers:



Lake City Servicing

The servicing company for most loans originated by COGO Capital. Lake City Servicing is in our Coeur d'Alene, Idaho corporate office. Lake City Servicing is also available to service most other third-party loans. - LakeCityServicing.com

Lake City Servicing Mission Statement:

"Lake City Servicing is a comprehensive real estate loan servicing company for investors holding real estate notes for non-owner occupied residential and commercial property."



Arnold Professional Holdings

Arnold Professional Holdings is the premier rehab arm of the company. Here is where we practice what we preach. APH buys and flips properties throughout the Spokane, WA market.

The company has a construction crew and specializes in Spokane, WA. This company has a main office and warehouse located in Spokane, WA. This is by to design to allow both personnel resources and physical resources to be closer to our real estate market.



WELCOME & INTRODUCTION MEET OUR FAMILY OF COMPANIES:



He's the Solution Ministries

He's the Solution Ministries our goal is honor God in everything we do. We strive to allow our faith to be something that others can witness in our everyday lives. We endeavor to be more like Christ daily and encourage others along the way. We want to encourage you in your daily walk to show your faith, and to be BOLD in the workplace.

To this end He's the Solution Ministries sponsors an optional, non-denominational worship service at all events that last through a Sunday, consisting of the singing of hymns and praise songs as well as a verse by verse study from the Bible. The public is also welcome to attend these services!

The services start at 7:45am and end around 9am.

We also provide encouragement, support, and resources for those seeking a BOLD FAITH in the workplace. We hold weekly services via a Zoom meeting at 6:45am PST so that you can be a part of a worship service every Sunday morning no matter where you are located.

The call in number is: 408-638-0968

Meeting ID: 845 8245 2963

Passcode: 970595

Hesthesolution.com He's the Solution Ministries Slogan: "Equipping Christian business leaders for bold faith in the work place!"

Names, notes and numbers:



WELCOME & INTRODUCTION

Statement of Purpose

"We are here to learn how to improve communities by working with local governments to acquire blighted properties through the LIEN ABATEMENT process and restore these properties to be productive use in the community once again."

- Lee Arnold

- To understand the process of lien abatement
- To know who the key players are in the municipalities we live in and how to reach out to them
- To learn how to leverage the power of the community
- To understand how to leverage the resources already in place in our local governments
- To gain new understanding on how to negotiate the deal
- To increase our bottom-line profitability

Code of Conduct for the Event

The goal of our time together is to educate you on how to be a profitable real estate investor.

The Following Codes of Conduct Will Apply:

- Cell phones will not be used at any time during the scheduled sessions. Cell phones may only be used during breaks and lunch.
- You will respect each speaker during their allotted time, by listening attentively.
- You will withhold comment or commentary until the designated time to share.
- At all times, only ONE person will speak.

Notes:

Our Company-Wide Slogan:

"We get more of what we want, by helping others get more of what they want." - Lee Arnold, CEO

Circle of Wealth Philosophy:

The Circle of Wealth is at the center of everything we do here at Lee Arnold System. It is also your road map for how each division of our company can help you gain financial independence and passive income.

The Circle of Wealth has five divisions. You can enter the circle at any stage and can go back and forth as desired. Typically, people enter in at the training level and borrow funds for their real estate investments. They eventually become lenders, helping others obtain the capital needed to grow their real estate portfolios. This allows everyone, on every side, to succeed.

Ultimately, the Circle of Wealth allows you the financial independence and wealth building that you seek.





WELCOME & INTRODUCTION

Notes:

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DEFINING THE PROBLEM

The Problem:

Many possible scenarios lead to vacant property and nuisance issues:

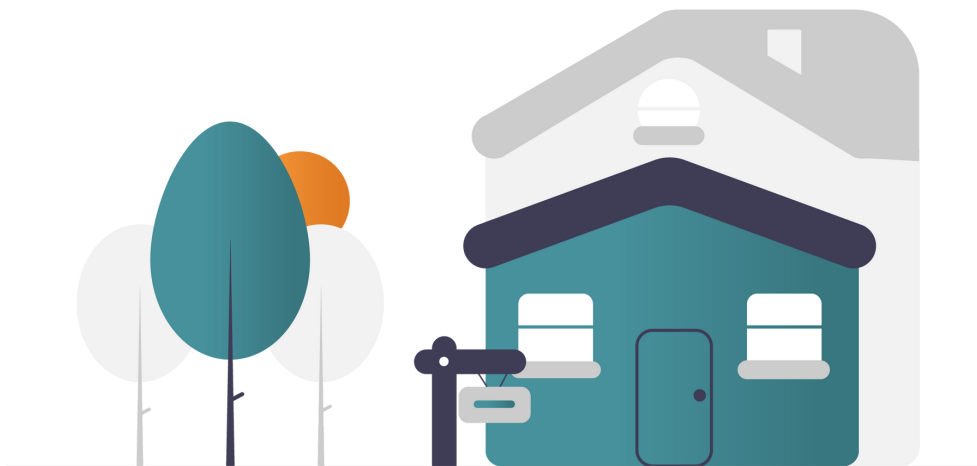
- Owner/resident does not take care of home. Property becomes blight on community
- Landlords do not take care of property. Property becomes a blight in a community
- Foreclosure is started but the process stalls, the property sits vacant – zombie property
- Death of a homeowner with no clear heir – vacant property



Definitions You Should Know:

- According to the Office of Policy Development and Research (PD&R), U.S. Department of Housing and Urban Development:
 - The absence of universal definitions of vacancy and abandonment complicates efforts to assess the number of vacant and abandoned properties nationally.
 - You'll see this in our state-by-state addendum where some states have definitions and others don't or where some states' laws center more around crime than around health-related nuisances.
- According to the National Vacant Properties Campaign (NVPC):
 - Vacant properties - residential, commercial, and industrial buildings and vacant lots that exhibit one or both of the following traits:
 - The site poses a threat of public safety (meeting the definition of a public nuisance).
 - The owners or managers neglect the fundamental duties of property ownership (e.g., they fail to pay taxes or utility bills, default on mortgages, or carry liens against the property).

- Vacant properties can include:
 - Abandoned, boarded-up buildings
 - Unused lots that attract trash and debris
 - **Grayfields** - vacant or under-performing commercial properties
 - **Brownfields** - neglected industrial properties with environmental contamination
- The NVPC monitors indicators of future vacancy and abandonment:
 - Deteriorating single-family homes
 - Apartments with significant housing code violations
 - Housing that remains vacant for long periods of time
- State laws and uniform building codes further refine what constitutes an abandoned building:
 - These vary from jurisdiction to jurisdiction.
 - Often these structures have been unoccupied for over a year, are beyond repair, and pose a serious danger to public safety.
- **Zombie foreclosures** - (sometimes called zombie title or zombie properties) The homeowner moves out after foreclosure has begun, but for some reason the foreclosure is stalled or canceled, the sale is never held, or title is never officially transferred to a new owner.
 - As a result, title remains in the homeowner's name.
 - Often, zombie foreclosures occur in low-income areas where the lender is not anxious to assume responsibility for the upkeep of the property and wants to save on taxes, as well as other costs.
 - If squatters occupy the property or it falls into severe disrepair, the bank may simply wash its hands of the property.





DEFINING THE PROBLEM

Nuisance Property - A legal term referring to the condition or use of a property that:

- Interferes with neighbors' use or enjoyment of their property
- Endangers life, health, or safety
- Is offensive to others
- Example: Under the Abandoned Property Rehabilitation Act (NJ), abandoned properties are presumed to be nuisances:
- Because of their "negative effects on nearby properties and the residents or users of those properties"
- Because of the harm they do to others
- New Jersey law authorizes local governments to use their police powers to compel the owners of nuisance properties to correct those conditions. If the owner fails to do so, the municipality can step in and correct, or abate, the conditions itself. This process is known as nuisance abatement <http://www.hcdnj.org/nuisance-abatement>
- Both vacant property and zombie foreclosures are types of nuisance properties.

Notes:

Lien abatement - The ending, reduction, or lessening of a lien.

- Chronic nuisance properties often require legal action in the form of liens to force homeowner compliance or as a means for the municipality to gain control of the property. In such circumstances, the lien stays attached to the property until it is removed or “abated.” Lien abatement, then, is the process of removing said lien by means of negotiation with the municipality or by payment.

Vacancy & Abandonment is a Complex Issue – Develop Louisville:



Video: Common Misconceptions About Vacant and Abandoned Properties in and around Louisville, KY

Notes:

The Result (Impact On Communities)

According to the Office of Policy Development and Research (PD&R), U.S. Department of Housing and Urban Development,

- Vacant and abandoned properties are linked to increased rates of crime (particularly arson) and declining property values.
- The maintenance or demolition of vacant properties is a huge expense for many cities.

Nuisance properties become havens for:

- Crime
- Drugs
- Vagrants
- Squatters

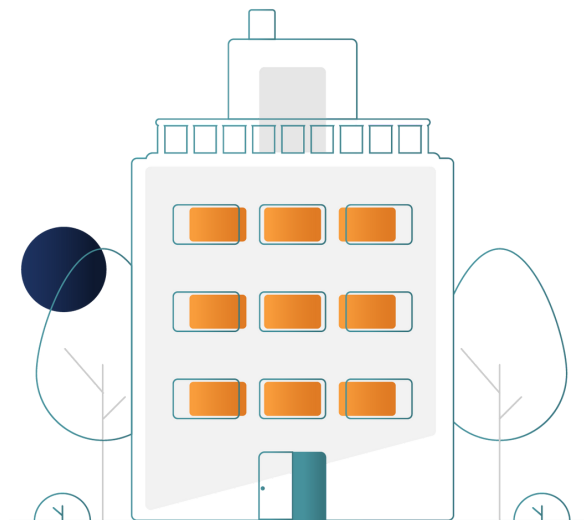
“Vacant properties are a curse. Just ask anyone who lives next to a drug den, a boarded-up firetrap, or a trash-filled lot. Abandonment often seems beyond the control of local officials, and it rarely incites a sense of urgency beyond the neighbors on the block where it occurs.”

-National Vacant Properties Campaign

Vacant and nuisance properties drain local government budgets:

- This expense grows every year that a property remains vacant or abandoned.
- Such properties produce no or little property tax income, but they require plenty of time, attention, and money.
 - A study in Austin, Texas found that blocks with vacant buildings had:
 - 3.2 times as many drug calls to police
 - 1.8 times as many theft calls twice the number of violent calls as blocks without vacant buildings
 - More than 12,000 fires break out in vacant structures each year in the US, resulting in \$73 million in property damage annually. Most are the result of arson.
 - Over the past five years:
 - St. Louis has spent \$15.5 million, or nearly \$100 per household, to demolish vacant buildings
 - Detroit spends \$800,000 per year.
 - Philadelphia spends \$1,846,745 per year cleaning vacant lots.

Notes:



Crime

Vacant properties often become a breeding ground for crime, tying up an inordinate amount of police and city resources. Studies have shown that vacant and abandoned properties have the highest correlation to the incidence of crime. Studies in Texas found that crime rates on blocks with open abandoned buildings were twice as high as rates on matched blocks without open buildings.

Common Crimes

- Drugs
- Prostitution
- Domestic Violence
- Squatters

Arson & Accidental Fires

- The National Fire Protection Association (NFPA) estimates that 6,000 firefighters are injured every year in vacant or abandoned building fires.

Public Nuisances & Health

- Vacant and abandoned properties require a disproportionate amount of public maintenance. In addition to securing buildings against criminal activity, local governments must clean and care for them to prevent a buildup of:
 - Trash
 - Illegal dumping
 - Rodents/other pests
- **Excessive noise** can also be a public nuisance issue.

House Dilapidation:



Video: “'Zombie' Homes, When Good Houses Go Bad”

Notes:

Zombie Homes - A Current Problem:



Video: "Zombie' Homes on Long Island"

Notes:

Lower Property Values

- Vacant properties rob surrounding homes and businesses of their value. In a 2001 study, researchers from Philadelphia found:
 - Houses within 150 feet of a vacant or abandoned property experienced a net loss of \$7,627 in value.
 - Properties within 150 to 300 feet experienced a loss of \$6,819.
 - Those within 300 to 450 feet experienced a loss of \$3,542.
 - Philadelphia researchers also found that "all else being equal, houses on blocks with abandonment sold for \$6,715 less than houses on blocks with no abandonment."

Lost Tax Revenue

- Taxes are often lost on vacant properties because of tax delinquency. Abandoned properties often become delinquent because the cost of paying taxes on the property may well exceed the value of the property.

Community Homeowner Costs

- Higher insurance premiums
- Poorer quality of life

Example: In an October 2017 Report on Mt. Vernon, NY:

- The investigation uncovered 21 foreclosed, bank-owned properties in Mt. Vernon, that combined caused \$3.52 million in lost property value to 764 neighboring homes.



DEFINING THE PROBLEM

- Ten publicly available zombie properties were found, which depreciated the value of 396 neighboring homes by a total of \$1.7 million.
- The six abandoned homes identified affected 261 neighboring homes and caused a total of \$1.04 million in lost property values.
- The lowest income neighborhoods of Mt. Vernon were found in zip code 10550. They were the most negatively affected, with 58% of the total calculated property value loss affecting homes in that zip code.

Example: City of Spokane, WA – As reported by the city attorney:

- \$2,000 to \$34,000 direct cost for each abandoned property in the city
- \$5,000,000 direct costs to the city for 1,500 properties
- Neighborhoods with abandoned properties experienced an average of \$64,000 reduction in value.

Many cities and counties across the country are looking for strategies for help. While some communities have yet to take the first step, others are enacting their own programs to different degrees of success.

- Many communities don't have a reliable accounting system to track of the number of vacant properties that exist within their borders.
- Many of the financial costs incurred by a jurisdiction, including demolition, fire, and nuisance abatement, are not routinely tracked.
- While anecdotal evidence abounds regarding homeowners losing their insurance because of their proximity to an abandoned house, determining the actual cost is difficult.
- Much of the data available about the costs of vacant properties is found from a variety of sources and is difficult to obtain.

Notes:

The Solution (Possible Options)

Voluntary Compliance

- Often the best way of permanently resolving a public nuisance issue is through the voluntary compliance of the individual responsible for the problem.
 - Neighbors may attempt diplomatic efforts.
 - A letter from an experienced attorney can help add the appropriate motivation to get the individual(s) responsible for the problem to remedy the situation.
- In some instances, the owner of the property may be unaware of the nuisance being caused by tenants or unauthorized squatters. In these situations, an owner is likely to appreciate the notification and quickly take measures to protect their property.
- If voluntary compliance is unsuccessful, there are several other public and private remedies that can be used to permanently fix the issue.

Private Nuisance Lawsuit

- Private nuisance - A nuisance (something that causes an annoyance) that interferes with the rights of a specific person or entity
- If a neighboring property is interfering with your use and enjoyment of your home, then you may be able to bring a private nuisance lawsuit
 - The court may order for the nuisance to cease.
 - You may be entitled to monetary damages.
- While states may vary on their definition of a private nuisance, a plaintiff must typically prove the following elements:
 - The plaintiff owns the land or has the right to possess it.
 - The defendant acted in a way that interferes with the plaintiff's enjoyment and use of his or her property.
 - The defendant's interference was substantial and unreasonable Public Nuisance Lawsuit.

Notes:



DEFINING THE PROBLEM

Public Nuisance Lawsuit

- Public nuisance - A nuisance causing problems to the general public
 - If a property is threatening the health, safety, convenience, or welfare of the community, a public nuisance lawsuit may be appropriate. In these instances, private individuals may not be able to bring a suit on their own; however, they may reach out to city officials and request the city take appropriate legal action.
 - These suits are most often initiated by neighbors' complaints to the city
 - Inspection and Abatement Warrants
 - If there is a specific issue on a property that needs attention (e.g., trash pile-up, unmaintained yard), the city can petition the court to obtain an inspection or abatement warrant to enter the property to fixing the specific issue.

Most municipalities have adopted ordinances that allow them to clean, board up, and secure abandoned buildings.

- Example, in Roanoke, Virginia, the city has taken a tougher stance on properties deemed health and safety hazards. If a property is deemed a hazard by the city, the owner is given thirty days to remediate the problem. If no action is taken, the city will:
 - Solicit input from the neighborhood
 - Perform asbestos and lead abatement
 - Solicit demolition bids
 - Raze the house
 - Place a lien on the property to try to recoup the demolition costs

Notes:

Drug Abatement and Red-Light Litigation

- There are specific laws that provide remedies for properties being unlawfully used for drugs or prostitution purposes. Occupants using a house for unlawful purposes can be evicted and the property can be court-protected from further misuse.
- To use these laws to resolve a public nuisance issue of this type, attorneys will need documented evidence of the drug or prostitution activity.
- If you suspect there is ongoing drug or prostitution activity occurring at a neighboring property, you should contact the police as they can investigate the issue and provide important facts to help attorneys take legal action.

Receiverships for Abandoned Property

- Sometimes a property is left unattended by the death of an owner, or completely abandoned.
 - It may be difficult to fix an issue if there is no one available to take responsibility for the problem.
 - In these situations, a city may petition the court to hand the property over to a qualified receiver to remedy the situation.
- A **receiver** is an individual or entity willing to take on abandoned properties, fix them, and sell to a new owner.



Notes:

Demolition

- In some instances, where a property has been abandoned and is dilapidated beyond repair, the best solution is to have the property demolished.
- You can contact local city authorities to report such a property and the city can act to have it removed if necessary.

Rehabilitation

- Rehab is clearly a better choice. One study of the St. Paul, MN budget for maintenance and security costs associated with vacant buildings revealed that while demolition saves the city significantly, the rehabilitation of a vacant building will save almost twice as much in maintenance costs.
- The same study showed that demolishing a vacant building and leaving a vacant lot in its stead led to significant loss in property tax revenue.
- The problem with rehabilitation is that many cities are ill-equipped to rehab properties.
 - They lack necessary resources.
 - They lack infrastructure to rehab.
 - They lack experience.
 - They are restricted by legal red tape and appearances of partiality.



Notes:

Cities and Communities are Taking Action



Video: “Spokane Valley considers plan to deal with nuisance properties”

Notes:

The Opportunity

As the investor, you are the hero in this story.

- You have the power to create value in these neighborhoods.
- You have the power to turn the tide of falling property values for homeowners in these community.
- You have the power to salvage the city tax base and raise the quality of life in these municipalities.
- You are the missing piece to this puzzle.
- You are the protector.
- You will make a difference!

Opportunity

- Understand and use city and state nuisance laws and code enforcement policy to force abatement of problem properties.
- Lead Source
 - These properties are a gold mine in your local market that cities desperately need help with.
 - Build relationships with your city and local government so that you become the solution to their ever-growing problem.
 - Get them to hand you deals!
- ***Must develop and maintain reputational capital!***



DEFINING THE PROBLEM

Notes:

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CASE STUDY 1

TURNING GARBAGE INTO GOLD!

How We Found the Property:

The owner, Jeanette, was going through a rough spot in her life.

- She was not able to live in her house and was getting ready to lose it.
- She saw the COGO van in the parking lot of our building.
- She came in to inquire what we could do for her.
- She was persistent and would not leave without talking to someone.



Doing Our Due Diligence:

After we spoke with Jeanette in our office, we needed to find the most updated information on Jeanette's house. We have a process that we follow, and we want you to follow the same process. Below is the process you need to follow researching a property in question:

1. **Google:** To find the most current information about the subject property turn to Google (or your preferred search engine). Enter the address of the subject property in your browser and see what comes up. Google pulls information from all sources online and aggregates it or puts the information in one place for one to view. For instance, if you were researching a property and you googled it you would find all the recent information on the subject property on the first page of Google.

Most important in this step is to determine if there is negative information about the subject property. It would be helpful to know if there was a major crime committed on the premises of the subject property. Google is always the first place to begin your search when doing your due diligence.

2. **Zillow:** The next step in the process is to research the property on Zillow. The objective in this step is to determine what most properties in the area are valued. Zillow is helpful when obtaining comparable home values and recent home sales numbers. Zillow will give a value called a "Zestimate" based on what other people think the property is worth.

According to Zillow's website "the Zestimate is a starting point and does not consider all the market intricacies that can determine the actual price a house will sell for." Meaning the value may not be accurate and will not replace an appraisal. There has not been an inspection conducted of the property, and as such the "Zestimate" is a computer-generated estimate given the available data on said property. For more information visit zillow.com/



CASE STUDY 1

3. **SendFuse: (Title Report)*** This is the most important step in the process to determine if there is equity in the subject property. If there is no equity in the subject property than you should move on to another Case Study 1 Notes: property that has equity, or you will have to consider a short sale scenario.” Refer to original document to correct.

SendFuse will provide you with title information on the subject property. SendFuse is a text driven system that makes the Rule of 56 automated! Here is how you do it.

- Text the following command to your SendFuse phone number - “Title report for _____ (put in address)” or just “Title for _____ (put in address)”. A partial address is usually acceptable. Your assistant will conduct a dynamic search and respond with a complete address for you to verify.
- Respond to your assistant with a yes or no.
 - A “yes” will immediately initiate a title report search on the property. A PDF title report will be sent to your email address on file, usually in under a minute. A text from your assistant will notify you upon completion.
 - A “no” response from you will result in your assistant asking you to verify the information you submitted so that it can try again.

It is that simple. Title reports are now just a text away!

***For more information, see full SendFuse Guide at the end of this section.**

4. **SendFuse (Skip Trace):** The last step in this process is to track the phone number of the owner of the subject property. SendFuse has a feature allowing you to skip trace the name and the number of the homeowner. Here are the steps to obtaining the needed information.

- Text “skip trace _____ (insert address)”
- SendFuse will ask you “is address _____ (inserted address) in the USA?” “Respond with ‘yes’ and we will check the information.”
- Respond appropriately.
- SendFuse will respond, “We will skip trace the number for this address and get back to you soon.”
- When the search is complete, SendFuse will respond again with, “Great! ____ (inserted address) has been skip traced. The number is accessible from your SendFuse Dashboard.” For more information visit getsendfuse.com

Notes:

Notes:

Negotiating the Deal:

With the Owner:

- Building rapport
- Finding out about her need
 - Jeanette owned a property at 2332 W. College Ave. she was able to purchase through an assistance program with the city of Spokane.
 - Since the beginning of 2012, police had received over 200 calls, mostly for drug-related activity.
 - The city filed suit against the owner, asking the court to order abatement of a public nuisance.
 - According to the suit, the owner was served with eight notices of chronic nuisance at her house since 2012 and refused to work with officers to clean up the property.
 - Spokane officials boarded up the house after a judge signed an order declaring the property a drug nuisance
 - The owner was taken to jail after police found a heroin syringe on the premises.

Notes:

Meeting her need

- Jeanette needed out of her property fast or she was going to lose it to nuisance abatement.
- See the next page for the news article that explains what happened to Jeanette prior to coming to see us. “Spokane Police Help Citizens Remove Drug House from Neighborhood.”

Spokane Police Help Citizens Remove Drug House From Neighborhood

Homeowner arrested; House closed for up to one year

Jordan Ferguson, Corporal/Patrol, PIO, 509.363.8285,
mferguson@spokanepolice.org

Through close collaboration with neighbors, the Spokane Police Department's Civil Enforcement Unit shut down a nuisance home, which was the source of more than 100 calls for service in the past year. The homeowner, Jeanette R. Johnson (52) was arrested for Possession of a Controlled Substance and Use of a Building for Unlawful Drug Purposes.

Yesterday, April 9, 2015, the Spokane Police Department's Civil Enforcement Unit (CEU) and Neighborhood Conditions Officers (NCOs), in coordination with neighbors and the Spokane City Attorney's Office, enforced a court order on a problem house in the 2300 block of W. College Ave. The address has been the source of more than 100 calls for service in the last year.

Johnson, who was arrested for Possession of a Controlled Substance and Use of a Building for Unlawful Drug Purposes, refused to work with the Neighborhood Conditions Officer to curtail the illegal drug activity at the house. Neighbors expressed concerns to the City of Spokane and the Spokane Police Department, indicating they felt threatened by the activity at the home and had to pick up syringes so children would not step on them on their way to school.

CEU, with cooperation from neighbors, obtained a court order of abatement to close down the house for up to a year and stop illegal activity at the address. CEU was able to show the court that the house was a drug nuisance as defined in Chapter 7.43 RCW and a chronic nuisance as defined in Spokane Municipal Code 10.08A.

Citizens who encounter concerns with problem properties in their neighborhood are urged to report these concerns to Crime Check at 509-456-2233.

Leveraging the Neighbors

- Communities can sue the neighbor.
- See following news article titled, “Neighbors relieved as city shuts nuisance house.”

THE SPOKESMAN-REVIEW

SPOKANE

Neighbors relieved as city shuts nuisance house



Alex pauses as he reflects on his troublesome neighbors at 2332 W. College Ave. in Spokane's West Central area. The owner of the longtime nuisance property, pictured in the background, was arrested Thursday for drug possession, and the home was boarded up. (Tyler Tjomsland)

By Rachel Alexander

Needles and broken glass. Naked people showering outside in broad daylight. A woman getting “beaten by eight people with sticks over stolen peanut butter.”

Those are just a few of the problems neighbors of a West Central house say they’ve put up with over the past three years. But 2332 W. College Ave. has been quiet since Thursday, when Spokane officials boarded up the house after a judge signed an order declaring the property a drug nuisance. The owner, Janette Johnson, 52, was taken to jail after police found a syringe with heroin on the premises.

“It’s a big relief,” said Shane Couch, who lives in a duplex next door. He said he was planning to have friends over and hang out on his porch – something he hasn’t felt safe to do since he moved in two years ago.

Alex Rehberg, who lives above Couch in the duplex, said Johnson’s arrest comes after years of work by neighbors and neighborhood conditions Officer Traci Ponto, who’s encouraged residents to report issues with the house.

“People from that house have broken into this house while I lived here three times,” Rehberg said. “I called the cops to the point where the cops told me to stop calling them.”

Since the beginning of 2012, police have received over 200 calls for service at Johnson’s house, mostly for drug-related activity. The city filed suit against Johnson on March 27, asking the court to order abatement of a public nuisance. According to the suit, Johnson was served with eight notices of chronic nuisance at her house since 2012 and refused to work with officers to clean up the property.

Police spokesman Cpl. Jordan Ferguson said the process to get a nuisance house shut down can be a long one, because officers often don’t have enough evidence to get a warrant or arrest the owner.

“The actual person that owns the house isn’t doing anything overtly illegal that we can make an arrest on,” he said.

“A lot of times, we don’t know what’s going on inside the house” because reports from neighbors are about activities happening outside, he said.

This isn’t the first time police have made some progress shutting down Johnson’s house. Police arrested her in 2007 after a confidential informant bought crack cocaine from her inside the home. She pleaded guilty to three drug-related offenses and was sentenced to 10 months in jail, court records show.

A judge declared the house a nuisance property and ordered it abated for one year on April 30, 2008. Johnson got out of jail and completed her community supervision in 2010. Then, neighbors say, the property went right back to being a problem.

“Nothing has slowed down the drug and criminal activity except boarding it up. As soon as she moved back in, the activity picks up again,” neighbor Laurie Ryan wrote in an affidavit.

The April 1 court order for abatement allows police to seize all the contents of the house and sell them, using the costs to cover expenses associated with keeping the house closed and the city’s court fees. If the sale of items inside the house doesn’t cover those costs, the city can sell the house and keep a portion of the proceeds to recover their costs.

Rehberg was home Thursday when city officials and police officers, including Ponto, came to board up Johnson’s house. He said Ponto went inside to search the house and came out grinning because she’d found drugs inside, allowing her to take Johnson into custody pending the filing of formal charges.

Ponto “cuffed her with the biggest smile on her face. It was great to watch,” he said.

With the City

- Building rapport
 - The city had liens on the property that needed to be considered prior to purchase so a relationship was started with the city.
- Finding their need
 - The city wanted a payoff on their liens to cover the expenses of abatement.
 - The city wanted the property cleaned up more than they wanted the liens paid.
- Meeting their need
 - The city was willing to negotiate significant reductions in the liens for a guarantee of rehab of the property.
 - The city provided a performance agreement requiring us to complete the rehab within nine months (see page 48).

Leveraging pressure from the city on the homeowner:

- Code enforcement
- Abatement
- Net offer to the seller

How We Closed the Deal



Video: "Signing the Deal – Case Study 1."

Notes:



The Rehab – What We Did to It



The Scope Of Work

- New siding and repairs to roof
- New stairs and external clean up
- Major trash removal
- Repair water damage
- Full kitchen gut
- Major repair of walls
- Electrical
- Plumbing & bathroom gut

By the Numbers

- Estimated Profit & Loss Statement
- Estimated Profit \$42,307.03



The Sale and Profit

- You want to improve the property to the level of the community to gain maximum return on investment.
- Remember that the goal of your rehab is to maximize profit, not to maximize the amount of rehab you accomplish!
- **Pricing**
 - Price it to move.
 - Price it for the market.
 - Price it right.

The Sale and Profit



• **Staging**

- Do it right.
- You must stage but do not over-stage!
 - Use wall hangings and small items.
 - Avoid big furniture.
 - Silk plants are great to add life.
 - DO NOT use live plants
 - Keep it inexpensive but tasteful!
 - Suggest potential uses for the room through your choice of décor.
 - Make sure all lights are on!
 - Add texture with pillows and throws.
 - Add color.



• **Listing the Property**

- Think multiple streams of income. Get your cut of the sales commission. Be an agent.
- Flyers
- Email blast
- Word of mouth
- Use professional photography & presentations!
<http://tours.tourfactory.com/tours/tour.asp?t=1524361>

Notes:

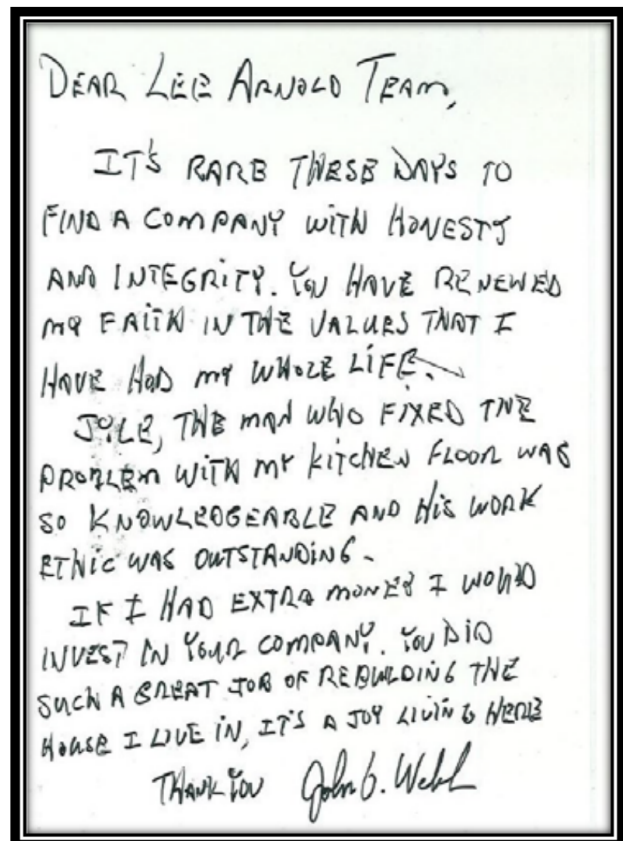
• **Actual Profit**

- From the final ALTA Settlement statement – Seller: Sale Price = \$139, 500.00

- From the Property Profit & Loss statement:
 - Total Purchase Price = \$26,416.53
 - Total Rehab = \$52,512.37

Total Profit = \$42,307.03

- Reputational Capital
 - Spokane Review Article – “An Eyesore No More!”
 - Thank you card from buyer!



Three Things We Learn From This First Deal!

- Cities will negotiate their liens as well as back taxes owed.
- Government programs will negotiate on outstanding loans for fix up or low-income housing vouchers.
- Cities have a lot of these types of properties and are excited to find investors with the capital and the wherewithal to fix them up and bring them back to productive use.

PERFORMANCE CONTRACT

For valuable consideration and for the mutual benefit to be derived hereby, the City of Spokane, a municipal corporation (the "City") and Escalade Properties, LLC, a Utah limited liability company ("Escalade") make the following recitals and agreement dated November 18th, 2015 relative to certain real property located at 2332 West College Avenue, Spokane, Washington 99201 (the "Property").

RECITALS

A. On or about April 4, 1994, the City loaned money to Janette [REDACTED], a single person ("Ms. [REDACTED]") under the auspices of the Spokane Housing Rehabilitation Program. The loan was evidenced by loan documents, a Promissory Note and was secured by a Deed of Trust dated April 4, 1994 recorded on April 7, 1994 under Spokane County Auditor's File No. 9404070508. The initial loan amount was \$38,309.00.

B. Ms. [REDACTED] has agreed to sell the Property to Escalade under the terms of a Real Estate Purchase and Sale Agreement dated September 9, 2015. The Property is currently in a state of requiring significant repairs and improvements.

C. Under the circumstances surrounding Ms. [REDACTED] and the Property, Escalade has requested that the City consider releasing its lien without requiring Ms. [REDACTED] to pay the balance owed on the Note in the amount of \$16,969.00 (the "Payoff Deficiency").

D. One of the primary reasons the City is willing to reduce its payoff is the assurance that the Property will be rehabilitated within nine (9) months from the closing date on which Escalade acquires title to the Property. For purpose of this agreement, "rehabilitation" is defined as meeting FHA Minimum Standards (as that phrase is known within the lending and appraisal industry) and issuance of a Certificate of Occupancy ("COO") by the City of Spokane Building and Planning Department.

E. The City has expressed a willingness with Escalade to release its lien at the time of closing, and not require payment in full of the Payoff Deficiency, in consideration of Escalade agreeing to perform sufficient repairs and improvements to the Property to bring the Property up to FHA Minimum Standards and to obtain a COO.

F. The parties are desirous of memorializing their agreement in writing as it relates to the Property and the assurances from Escalade as to the work it will undertake if able to purchase the Property from Ms. [REDACTED].

NOW THEREFORE, in consideration of the above-stated recitals and for further consideration, the parties make the following covenants, promises and agreement, to wit:

AGREEMENT

1. On condition of the terms of this agreement stated herein and on condition that the sale and closing of the Property from Ms. [REDACTED] to Escalade proceeds to closing, at which time Ms. [REDACTED] transfers the Property to Escalade by way of deed in return for the price being paid to Ms. [REDACTED], the City shall execute the necessary documentation, to be prepared by the Closing Agent at the expense of Escalade, that will result in the absolute, unconditional release of its current Deed of Trust lien against the Property.

2. By executing this agreement, Escalade agrees to rehabilitate the Property by performing repairs and improvements to it so as meet FHA Minimum Standards and obtain issuance of a COO by the City of Spokane Building and Planning Department.

3. As long as Escalade performs the required repairs and improvements and obtains and delivers to the City appropriate written certification¹ that the Property meets FHA Minimum Standards and that the City has issued a COO, all within nine (9) months from the date of Closing (evidenced by the date the transfer deed is recorded with the county auditor), then Escalade shall not be required to pay the Payoff Deficiency.

4. If, however, Escalade does not perform all of the required repairs and improvements and/or fails to obtain and deliver to the City appropriate written certification (see Footnote #1 below) that the Property meets FHA Minimum Standards and that the City has issued a COO, all within nine (9) months from the date of Closing (evidenced by the date the transfer deed is recorded with the county auditor), then Escalade shall be required to pay the City the Payoff Deficiency amount in cash within fifteen (15) days of written notification being mailed or delivered from the City of non-

¹ The City shall be allowed to have its compliance staff inspect the Property to determine if it meets FHA Minimum Standards. If the Property is deemed to meet FHA Minimum Standards, then the City will accept the Property as duly certified. If, however, the Property is deemed to not meet FHA Minimum Standards, then the City shall pay to have it inspected by an independent third party inspector of its choice. If that inspector certifies in writing that the Property does meet FHA Minimum Standards, the City will accept the Property as certified. If, however, that inspector concludes that the Property does not meet FHA Minimum Standards, then Escalade shall immediately reimburse the City for the cost of the inspection fee, and Escalade shall have exactly thirty (30) days in which to perform additional work to bring the Property up to FHA Minimum Standards, have the Property re-inspected at its expense, and obtain written certification from that inspector that the Property then meets FHA Minimum Standards.

compliance with the terms of this agreement. Any such notification shall be deemed delivered by the City within three (3) days after placing said notice in U.S. Mail by regular and certified mail, or by actual personal delivery to Escalade, its registered agent. If Escalade fails to pay the Payoff Deficiency as required herein, the Payoff Deficiency shall commence to accrue interest at the rate of 12% per year until paid in full.

5. The parties agree that this fully signed document shall be recorded by the Closing Agent for the Property immediately after the transfer deed is recorded and one (1) new Deed of Trust is recorded to secure a private loan to Escalade. Recordation of this agreement shall serve as constructive notice of a contingent interest that is being retained by the City in the Property to the extent of the Payoff Deficiency.

6. At such time as the City receives in a timely fashion (i.e. within nine (9) months of the Closing Date) acceptable written certification as set for the above that the Property meets FHA Minimum Standards and that a COO has been duly issued for the Property by the City of Spokane, the City shall then sign and deliver to Escalade a written statement to this effect and that the City no longer holds a contingent interest in the Property and that no Payoff Deficiency is owed by Escalade. Any such statement shall be prepared by the city at the expense of the city, and will be recorded by Escalade at its expense. Statement shall be provided to Escalade within 15 days of the request being made upon confirmation of completion.

7. Time is of the essence with regard to performance of all terms and conditions of this agreement.

8. In the event either party is required to retain the services of an attorney regarding this agreement and/or to file suit concerning the terms of the agreement, the prevailing party or innocent party in said dispute shall be entitled to recover judgment against the non-prevailing party or responsible party for all costs of suit, including a reasonable sum for attorney fees.

9. This agreement is binding upon and shall inure to the benefit of the parties hereto, their successors, heirs, assigns, agents, and legal representatives.

The parties freely, voluntarily and with full understanding of the terms and conditions of the agreement hereby execute this agreement.

**** See the next page for signatures of the parties ****

THE CITY OF SPOKANE:

By: _____
Theresa [REDACTED]
Its: City Administrator

ESCALADE PROPERTIES, LLC:

By: _____
Lee Arnold
Its: Managing Member

State of Washington S
 S
County of Spokane S

I certify that I know or have satisfactory evidence that Theresa [REDACTED] signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as City Administrator for the City of Spokane to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: November _____, 2015.

Signature of Notary Public
My Commission Expires: _____

State of Washington S
 S
County of Spokane S

I certify that I know or have satisfactory evidence that Lee Arnold signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Managing Member of Escalade Properties, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: November 18th, 2015.

Signature of Notary Public
My Commission Expires: 12-19-17





First American

myFirstAm® Combined Report

2332 W College Ave, Spokane, WA 99201

Property Address:
2332 W College Ave
Spokane, WA 99201

Combined Report

2332 W College Ave, Spokane, WA 99201

8/10/2016

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First American

myFirstAm® Property Profile

2332 W College Ave, Spokane, WA 99201

| Property Information | | | |
|----------------------|--------------------------------|-------------------|---------------------------------------|
| Owner(s): | Welch John D | Mailing Address: | 2332 W College Ave, Spokane, WA 99201 |
| Owner Phone: | Unknown | Property Address: | 2332 W College Ave, Spokane, WA 99201 |
| Vesting Type: | Unmarried | Alt. APN: | |
| County: | Spokane | APN: | 25133.0229 |
| Map Coord: | 9L | Census Tract: | 002300 |
| Lot#: | 22 | Block: | 10 |
| Subdivision: | Nettleton 1st Add | Tract: | |
| Legal: | Nettleton 1st Add Lt 22 Blk 10 | | |

| Property Characteristics | | | |
|--------------------------|------|----------------------|----------------|
| Use: | Sfr | Year Built / Eff. : | 1926 / 1926 |
| Zoning: | | Sq. Ft. : | 1449 |
| Bedrooms: | 4 | Lot Size Ac / Sq Ft: | 0.1331 / 5800 |
| # Rooms: | 7 | Bathrooms: | 1 |
| Pool: | | Fireplace: | Y |
| Stories: | 1.50 | Quality: | Average |
| Gross Area: | 2718 | Heating: | Forced Air Gas |
| | | Air: | |
| | | Style: | Unknown |
| | | Improvements: | |
| | | Parking / #: | / |
| | | Garage Area : | |
| | | Basement Area: | |

| Sale and Loan Information | | | |
|---------------------------|-------------------------------|------------------|--------------------------------|
| Sale / Rec Date: | 04/26/2016 / 04/28/2016 | *\$/Sq. Ft.: | \$96.27 |
| Sale Price: | \$139,500 | 2nd Mtg.: | |
| Doc No.: | <u>000006491573</u> | 1st Loan: | \$109,500 |
| Doc Type: | General Warranty Deed | Prior Sale Amt: | \$26,415 |
| Seller: | Aarnold Professional Holdings | Loan Type: | Conventional |
| | | Prior Sale Date: | 12/03/2015 |
| | | Transfer Date: | 04/28/2016 |
| | | Prior Doc No.: | 000006456917 |
| | | Lender: | Northwest Equity Solutions Inc |
| | | Prior Doc Type: | General Warranty Deed |

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

| Tax Information | | | |
|-----------------|------------|------------------|-------------|
| Imp Value: | \$64,200 | Exemption Type: | |
| Land Value: | \$18,000 | Tax Year / Area: | 2016 / 0012 |
| Total Value: | \$82,200 | Tax Value: | \$82,200 |
| Total Tax Amt: | \$1,151.86 | Improved: | 78% |

Property Profile

2332 W College Ave, Spokane, WA 99201

8/10/2016

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First American

myFirstAm® Transaction History

2332 W College Ave, Spokane, WA 99201

Transaction History

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 [click here](#).

| History Record # 1 : SALE/TRANSFER | | | |
|------------------------------------|------------------------------|------------------|-------------------------------|
| Buyer: | Welch John D | Seller: | Aarnold Professional Holdings |
| Transaction Date: | 04/26/2016 | Sale Price: | \$139,500 |
| Recording Date: | 04/28/2016 | Sale Price Type: | |
| Recorded Doc #: | 000006491573 | Title Company: | First American Title |
| Document Type: | Deed Transfer | Vesting Type: | Unmarried |

| FINANCE | | | |
|--------------------------|--------------------------------|-------------------------|-----------|
| Mortgage Recording Date: | 04/28/2016 | Mortgage Transfer Type: | Resale |
| Mortgage Document #: | 000006491574 | Mortgage Rate Type: | |
| Lender: | Northwest Equity Solutions Inc | Mortgage Term: | 30 |
| Document Type: | Trust Deed/Mortgage | Vesting Type: | Unmarried |
| Loan Amount: | \$109,500 | Mortgage Rate: | |
| Borrower 1: | Welch John D | Borrower 2: | |
| Borrower 3: | | Borrower 4: | |

| History Record # 2 : SALE/TRANSFER | | | |
|------------------------------------|--------------------------------|------------------|----------------------|
| Buyer: | Arnold Professional Holdings I | Seller: | Johnson Janette R |
| Transaction Date: | 12/03/2015 | Sale Price: | \$26,415 |
| Recording Date: | 12/07/2015 | Sale Price Type: | |
| Recorded Doc #: | 000006456917 | Title Company: | First American Title |
| Document Type: | Deed Transfer | Vesting Type: | Company |

| FINANCE | | | |
|--------------------|------------|-------------------------|-----------------------------|
| Mortgage Recording | 12/07/2015 | Mortgage Transfer Type: | Construction Loan/Financing |

<https://myfirstam.com/Polygon/MapSearch>

2/14

8/10/2016

Combined Report - myFirstAm

| | | | |
|-----------------------------|--------------------------------|----------------------------|---------|
| Date: | | | |
| Mortgage Document #: | 000006456918 | Mortgage Rate Type: | |
| Lender: | Hawthorne Robert | Mortgage Term: | 2 |
| Document Type: | Trust Deed/Mortgage | Vesting Type: | Company |
| Loan Amount: | \$65,000 | Mortgage Rate: | |
| Borrower 1: | Arnold Professional Holdings I | Borrower 2: | |
| Borrower 3: | | Borrower 4: | |

| | | | |
|-------------------------------------|-------------------------|--------------------------------|-----------|
| History Record # 3 : FINANCE | | | |
| Mortgage Recording Date: | 04/29/2004 | Mortgage Transfer Type: | Refinance |
| Mortgage Document #: | 5064699 | Mortgage Rate Type: | Fix |
| Lender: | Harco Insurance Co | Mortgage Term: | |
| Document Type: | Trust Deed/Mortgage | Vesting Type: | |
| Loan Amount: | \$15,000 | Mortgage Rate: | |
| Borrower 1: | Johnson Janette R | Borrower 2: | |
| Borrower 3: | | Borrower 4: | |

| | | | |
|---|----------------------------|-------------------------|------------------------|
| History Record # 4 : SALE/TRANSFER | | | |
| Buyer: | Johnson,Janette R | Seller: | Owner Name Unavailable |
| Transaction Date: | | Sale Price: | |
| Recording Date: | 04/04/1994 | Sale Price Type: | |
| Recorded Doc #: | 0094002385 | Title Company: | |
| Document Type: | Deed Transfer | Vesting Type: | |

Transaction History

2332 W College Ave, Spokane, WA 99201

8/10/2016

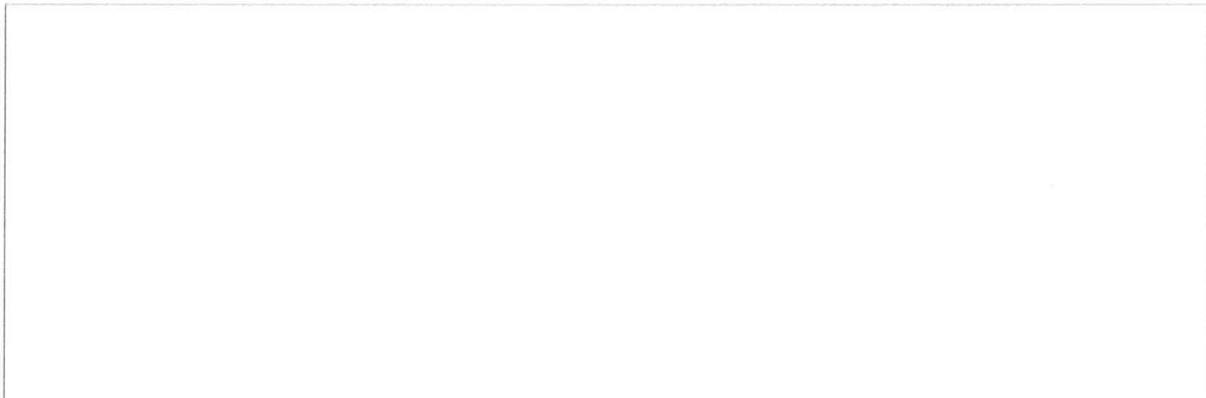
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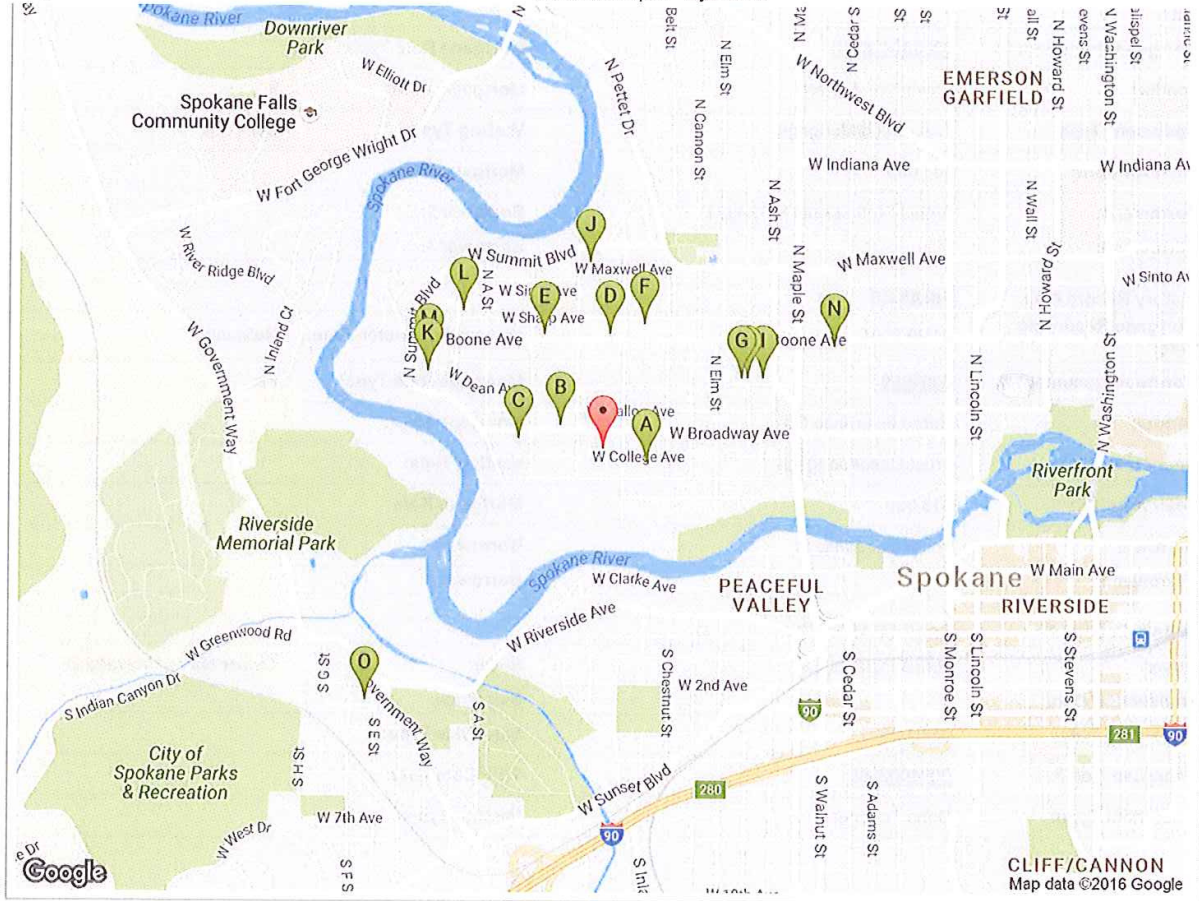


First American

myFirstAm[®] Comparable Sales

2332 W College Ave, Spokane, WA 99201





| Subject Property | | | | | | | | | |
|------------------|---------------------------------------|--|------------|------|-------|---------|-----------|------------------|---------|
| APN | Property Address | Sale Price | Year Built | Beds | Baths | Sq. Ft. | Rec. Date | Dist. from Subj. | |
| 25133.0229 | 2332 W College Ave, Spokane, WA 99201 | \$139,500 | 1926 | 4 | 1 | 1449 | | | |
| Comparable Sales | | | | | | | | | |
| A. | 25133.0806 | 2131 W College AVE, Spokane, WA 99201 | \$42,000 | 1926 | 2 | 2 | 1298 | 07/15/2016 | 0.12 mi |
| B. | 25132.3021 | 2522 W Broadway AVE, Spokane, WA 99201 | \$60,000 | 1905 | 2 | 1 | 1434 | 03/18/2016 | 0.13 mi |
| C. | 25133.0429 | 2717 W Broadway AVE, Spokane, WA 99201 | \$141,000 | 1976 | 3 | 2 | 1410 | 05/24/2016 | 0.23 mi |
| D. | 25132.2120 | 2320 W Boone AVE, Spokane, WA 99201 | \$129,000 | 1995 | 3 | 1.5 | 1591 | 05/18/2016 | 0.31 mi |
| E. | 25132.2227 | 2616 W Boone AVE, Spokane, WA 99201 | \$81,835 | 1946 | 3 | 1.5 | 1358 | 05/31/2016 | 0.35 mi |
| F. | 25132.2005 | 2203 W Sharp AVE, Spokane, WA 99201 | \$90,000 | 1935 | 3 | 1.5 | 1534 | 04/07/2016 | 0.36 mi |

8/10/2016

Combined Report - myFirstAm

| | | | | | | | | | |
|----|------------|---|-----------|------|---|---|------|------------|---------|
| G. | 25131.5721 | 1808 W Dean AVE , Spokane, WA 99201 | \$144,900 | 1995 | 3 | 1 | 1597 | 05/31/2016 | 0.43 mi |
| H. | 25131.5723 | 1802 W Dean AVE , Spokane, WA 99201 | \$105,000 | 1950 | 2 | 1 | 1560 | 06/28/2016 | 0.44 mi |
| I. | 25131.0406 | 1714 W Dean AVE , Spokane, WA 99201 | \$66,000 | 1890 | 3 | 2 | 1540 | 02/22/2016 | 0.48 mi |
| J. | 25132.1121 | 2416 W Maxwell AVE , Spokane, WA 99201 | | 1907 | 3 | 1 | 1322 | 03/11/2016 | 0.51 mi |
| K. | 25141.0311 | 1027 N Sherwood ST , Spokane, WA 99201 | \$145,000 | 1926 | 3 | 1 | 1240 | 07/22/2016 | 0.52 mi |
| L. | 25141.1002 | 1312 N Hollis ST , Spokane, WA 99201 | \$130,000 | 1927 | 2 | 2 | 1658 | 04/19/2016 | 0.54 mi |
| M. | 25141.0315 | 1111 N Sherwood ST , Spokane, WA 99201 | \$152,000 | 1931 | 3 | 1 | 1297 | 06/14/2016 | 0.54 mi |
| N. | 25131.0803 | 1417 W Boone AVE , Spokane, WA 99201 | \$41,000 | 1898 | 3 | 1 | 1332 | 03/21/2016 | 0.69 mi |
| O. | 25231.2911 | 3310 W 3rd AVE , Spokane, WA 99224 | \$232,000 | 1994 | 3 | 2 | 1660 | 07/12/2016 | 0.94 mi |

Comparable Statistics

| | <u>Average</u> | <u>Low</u> | <u>High</u> |
|----------------------------|----------------|------------|-------------|
| Sale Price: | \$111,410 | \$41,000 | \$232,000 |
| Loan Amount: | \$114,996 | \$56,100 | \$227,797 |
| Bedrooms: | 3 | 2 | 3 |
| Bathrooms: | 1 | 1 | 2 |
| Sq. Ft.: | 1455.4 | 1240 | 1660 |
| Sale \$ / Sq. Ft.*: | \$77 | \$33 | \$140 |

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

Comparable Sales

2332 W College Ave, Spokane, WA 99201

8/10/2016

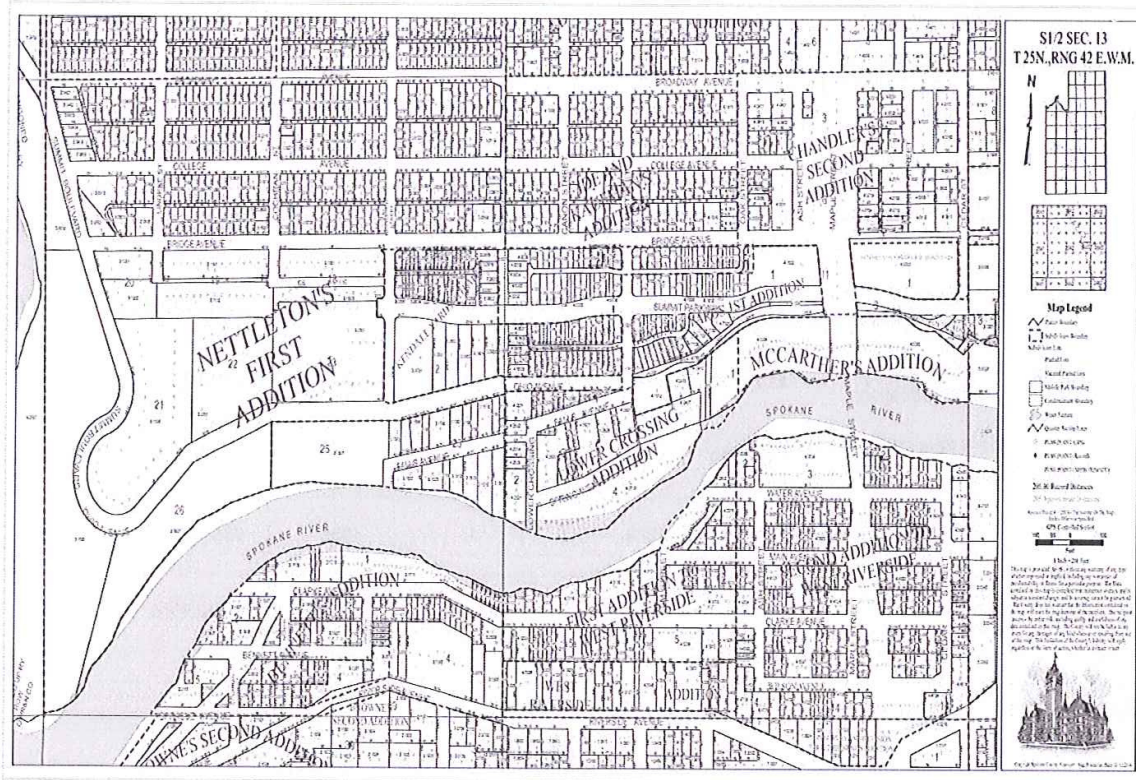
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First American

myFirstAm® Tax Map

2332 W College Ave, Spokane, WA 99201



Tax Map

2332 W College Ave, Spokane, WA 99201

8/10/2016

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First American

myFirstAm® School Information

2332 W College Ave, Spokane, WA 99201

School District: Spokane School District

District #: 5308250

Number of Schools: 3

School Name: Holmes Elementary School

Grade Span: Primary & Middle

Address: 2600 W Sharp Ave Spokane WA 99201

Number of Teachers:

Phone #: 509-354-2990

Number of Students: 423

School Name: North Central High School

Grade Span: High

Number of

| | | | |
|---------------------|--|----------------------------|--------|
| Address: | 1600 N Howard St Spokane WA 99201 | Teachers: | |
| Phone #: | 509-354-6300 | Number of Students: | 1251 |
| School Name: | Glover Middle School | Grade Span: | Middle |
| Address: | 2404 W Longfellow Ave Spokane WA 99205 | Number of Teachers: | |
| Phone #: | 509-354-6400 | Number of Students: | 634 |

Private Schools (within 5 miles)

| | | | |
|---------------------|---|--------------------|------------|
| School Name: | Little Red School House Children Center | Grade Span: | Elementary |
| Address: | 621 W Sprague Ave Spokane WA 99201 | Distance: | 1.27 mi. |
| Phone #: | 999-999-9999 | | |
| School Name: | Pallsades Christian Academy | Grade Span: | Other |
| Address: | 1115 N Government Way Spokane WA 99224 | Distance: | 1.36 mi. |
| Phone #: | 509-325-1985 | | |
| School Name: | Spokane Montessori School | Grade Span: | Elementary |
| Address: | 1909 N Wright Dr Spokane WA 99224 | Distance: | 1.46 mi. |
| Phone #: | 509-328-6466 | | |
| School Name: | Discovery School | Grade Span: | Elementary |
| Address: | 323 S Grant St Spokane WA 99202 | Distance: | 2.14 mi. |
| Phone #: | 509-838-0606 | | |
| School Name: | Cataldo Catholic School | Grade Span: | Elementary |
| Address: | 455 W 18Th Ave Spokane WA 99203 | Distance: | 2.16 mi. |
| Phone #: | 999-999-9999 | | |
| School Name: | Can Learn Academy | Grade Span: | Other |
| Address: | 600 W Cora Ave Spokane WA 99205 | Distance: | 2.21 mi. |
| Phone #: | 999-999-9999 | | |
| School Name: | St Aloysius Catholic School | Grade Span: | Elementary |

| | | | |
|---------------------|--|--------------------|------------|
| Address: | 611 E Mission Ave Spokane WA 99202 | Distance: | 2.25 mi. |
| Phone #: | 509-489-7825 | | |
| School Name: | St Charles Catholic School | Grade Span: | Elementary |
| Address: | 4515 N Alberta St Spokane WA 99205 | Distance: | 2.45 mi. |
| Phone #: | 509-327-9575 | | |
| School Name: | Gonzaga Preparatory School | Grade Span: | Secondary |
| Address: | 1224 E Euclid Ave Spokane WA 99207 | Distance: | 2.98 mi. |
| Phone #: | 509-483-8511 | | |
| School Name: | Southside Christian School | Grade Span: | Elementary |
| Address: | 401 E 30Th Ave Spokane WA 99203 | Distance: | 3.21 mi. |
| Phone #: | 509-838-8139 | | |
| School Name: | Northwest Christian Schools | Grade Span: | Elementary |
| Address: | 1412 W Central Ave Spokane WA 99205 | Distance: | 3.41 mi. |
| Phone #: | 509-328-4400 | | |
| School Name: | Cornerstone Christian Academy | Grade Span: | Other |
| Address: | 1801 E 29Th Ave Spokane WA 99203 | Distance: | 3.83 mi. |
| Phone #: | 509-835-1235 | | |
| School Name: | Faith Baptist Academy | Grade Span: | Other |
| Address: | 2804 E Euclid Ave Spokane WA 99207 | Distance: | 3.96 mi. |
| Phone #: | 509-482-6101 | | |
| School Name: | St Matthew Lutheran School | Grade Span: | Elementary |
| Address: | 6917 N Country Homes Blvd Spokane WA 99208 | Distance: | 4.04 mi. |
| Phone #: | 509-327-5601 | | |
| School Name: | Assumption Elementary School | Grade Span: | Elementary |
| Address: | 3618 W Indian Trail Rd Spokane WA 99208 | Distance: | 4.13 mi. |
| Phone #: | 999-999-9999 | | |

| | | | |
|---------------------|--|--------------------|------------|
| School Name: | Beautiful Savior Preschool & Kindergarten | Grade Span: | Elementary |
| Address: | 4320 S Conklin St Spokane WA 99203 | Distance: | 4.14 mi. |
| Phone #: | 509-747-6806 | | |
| School Name: | All Saints Catholic School | Grade Span: | Elementary |
| Address: | 3510 E 18Th Ave Spokane WA 99223 | Distance: | 4.49 mi. |
| Phone #: | 509-534-1098 | | |
| School Name: | St Patrick Catholic School | Grade Span: | Elementary |
| Address: | 5021 N Nelson St Spokane WA 99217 | Distance: | 4.53 mi. |
| Phone #: | 509-487-2830 | | |
| School Name: | Kindercare Learning Center 1266 | Grade Span: | Elementary |
| Address: | 3201 E 26Th Ave Spokane WA 99223 | Distance: | 4.53 mi. |
| Phone #: | 509-534-2319 | | |
| School Name: | Westgate Christian School | Grade Span: | Elementary |
| Address: | 7111 N Nine Mile Rd Spokane WA 99208 | Distance: | 4.62 mi. |
| Phone #: | 509-325-2252 | | |
| School Name: | St Thomas More School | Grade Span: | Elementary |
| Address: | 515 W Saint Thomas More Way Spokane WA 99208 | Distance: | 4.92 mi. |
| Phone #: | 509-466-3811 | | |
| School Name: | Joybell Christian School House | Grade Span: | Elementary |
| Address: | 4616 E 4Th Ave Spokane Valley WA 99212 | Distance: | 4.95 mi. |
| Phone #: | 509-535-8226 | | |

School Information

2332 W College Ave, Spokane, WA 99201

8/10/2016

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First American

myFirstAm® Neighbors

2332 W College Ave, Spokane, WA 99201

Neighbors

| | | | | |
|----------------------|---------------------------------------|---------------------|-----------------------------|------------------------------|
| Address: | 2334 W College Ave, Spokane, WA 99201 | Owner(s): | Roy Phillip C Roy Desirae D | |
| APN: | 25133.0230 | Sale Amount: | \$135,500 | Sale Date: 09/18/2007 |
| Beds / Baths: | 3 / 1 | Square Feet: | 1,516 | Year Built: 1905 |
| Use Code: | SFR | # Units: | 1 | Lot Size: .1331 |

| | | | | |
|----------------------|---------------------------------------|---------------------|-------------------------------|------------------------------|
| Address: | 2324 W College Ave, Spokane, WA 99201 | Owner(s): | Thies Sherri D Thies Ronald A | |
| APN: | 25133.0228 | Sale Amount: | | Sale Date: 04/30/2007 |
| Beds / Baths: | 2 / 1 | Square Feet: | 1,026 | Year Built: 1926 |
| Use Code: | SFR | # Units: | 1 | Lot Size: .1331 |

| | | | | |
|----------------------|---------------------------------------|---------------------|--------------|------------------------------|
| Address: | 2320 W College Ave, Spokane, WA 99201 | Owner(s): | Noll Ralph L | |
| APN: | 25133.0218 | Sale Amount: | \$2,325 | Sale Date: 07/29/2015 |
| Beds / Baths: | 2 / 1 | Square Feet: | 1,017 | Year Built: 1895 |
| Use Code: | SFR | # Units: | 1 | Lot Size: .2663 |

| | | | | |
|----------------------|---------------------------------------|---------------------|-------------------------|------------------------------|
| Address: | 2406 W College Ave, Spokane, WA 99201 | Owner(s): | Greenbay Properties Llc | |
| APN: | 25133.0223 | Sale Amount: | \$50,150 | Sale Date: 12/29/2004 |
| Beds / Baths: | 4 / 1 | Square Feet: | 1,438 | Year Built: 1898 |
| Use Code: | SFR | # Units: | 1 | Lot Size: .1997 |

| | | | | |
|----------------------|---------------------------------------|---------------------|----------------|------------------------------|
| Address: | 2312 W College Ave, Spokane, WA 99201 | Owner(s): | Williams Kay L | |
| APN: | 25133.0217 | Sale Amount: | \$47,000 | Sale Date: 06/02/1999 |
| Beds / Baths: | 3 / 1.5 | Square Feet: | 1,138 | Year Built: 1902 |
| Use Code: | SFR | # Units: | 1 | Lot Size: .1331 |

| | | | | |
|----------------------|--|---------------------|----------------------------------|------------------------------|
| Address: | 2325 W Broadway Ave, Spokane, WA 99201 | Owner(s): | Hansen Tyler J Hemmert Caillin M | |
| APN: | 25133.0208 | Sale Amount: | \$107,000 | Sale Date: 04/12/2011 |
| Beds / Baths: | 3 / 1 | Square Feet: | 1,628 | Year Built: 1995 |

| | | | | | |
|------------------|-----|-----------------|---|------------------|-------|
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1331 |
|------------------|-----|-----------------|---|------------------|-------|

| | | | | | |
|----------------------|--|---------------------|------------------|--------------------|------------|
| Address: | 2329 W Broadway Ave, Spokane, WA 99201 | Owner(s): | Hansen Gregory M | | |
| APN: | 25133.0207 | Sale Amount: | \$66,500 | Sale Date: | 11/12/1997 |
| Beds / Baths: | 4 / 1 | Square Feet: | 1,097 | Year Built: | 1926 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1331 |

| | | | | | |
|----------------------|--|---------------------|-----------------|--------------------|------------|
| Address: | 2403 W Broadway Ave, Spokane, WA 99201 | Owner(s): | Bt Holdings Llc | | |
| APN: | 25133.0206 | Sale Amount: | \$63,300 | Sale Date: | 12/28/2004 |
| Beds / Baths: | 3 / 1 | Square Feet: | 1,538 | Year Built: | 1926 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1331 |

| | | | | | |
|----------------------|--|---------------------|--------------------------------|--------------------|-------|
| Address: | 2319 W Broadway Ave, Spokane, WA 99201 | Owner(s): | Nelson Robert G Nelson Marie C | | |
| APN: | 25133.0210 | Sale Amount: | | Sale Date: | |
| Beds / Baths: | 4 / 1.5 | Square Feet: | 1,847 | Year Built: | 1902 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1331 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|-----------------|--------------------|------------|
| Address: | 2416 W College Ave, Spokane, WA 99201 | Owner(s): | Andre Clinton J | | |
| APN: | 25133.0224 | Sale Amount: | \$58,000 | Sale Date: | 07/30/2004 |
| Beds / Baths: | 2 / 1 | Square Feet: | 826 | Year Built: | 1909 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1997 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|-----------------|--------------------|------------|
| Address: | 2325 W College Ave, Spokane, WA 99201 | Owner(s): | Smith Rebecca D | | |
| APN: | 25133.0708 | Sale Amount: | \$61,450 | Sale Date: | 06/07/2001 |
| Beds / Baths: | 3 / 1.5 | Square Feet: | 1,266 | Year Built: | 1905 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1074 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|-----------------------------------|--------------------|------------|
| Address: | 2323 W College Ave, Spokane, WA 99201 | Owner(s): | Smith Rebecca D Nedinsky Daniel S | | |
| APN: | 25133.0709 | Sale Amount: | | Sale Date: | 11/19/2015 |
| Beds / Baths: | 3 / 1 | Square Feet: | 1,174 | Year Built: | 1901 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1612 |

| | | | | | |
|-----------------|--|---------------------|----------------|-------------------|------------|
| Address: | 2405 W Broadway Ave, Spokane, WA 99201 | Owner(s): | Lenz Leticia S | | |
| APN: | 25133.0205 | Sale Amount: | \$124,000 | Sale Date: | 05/13/2008 |

| | | | | | |
|----------------------|-------|---------------------|-------|--------------------|-------|
| Beds / Baths: | 4 / 2 | Square Feet: | 1,608 | Year Built: | 1926 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1331 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|-----------------------|--------------------|------------|
| Address: | 2306 W College Ave, Spokane, WA 99201 | Owner(s): | Cybergreen Cochre Llc | | |
| APN: | 25133.0216 | Sale Amount: | | Sale Date: | 05/21/2014 |
| Beds / Baths: | 3 / 1 | Square Feet: | 1,214 | Year Built: | 1995 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1331 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|-------------------------|--------------------|------------|
| Address: | 2315 W College Ave, Spokane, WA 99201 | Owner(s): | Escalade Properties Llc | | |
| APN: | 25133.0710 | Sale Amount: | \$29,900 | Sale Date: | 05/26/2016 |
| Beds / Baths: | 3 / 1 | Square Feet: | 1,067 | Year Built: | 1905 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1612 |

| | | | | | |
|----------------------|--|---------------------|----------------------|--------------------|------------|
| Address: | 2409 W Broadway Ave, Spokane, WA 99201 | Owner(s): | Vielbig Bernadette Y | | |
| APN: | 25133.0204 | Sale Amount: | \$87,300 | Sale Date: | 04/07/2010 |
| Beds / Baths: | 5 / 2 | Square Feet: | 2,014 | Year Built: | 1910 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1331 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|------------------|--------------------|------------|
| Address: | 2405 W College Ave, Spokane, WA 99201 | Owner(s): | Rted America Llc | | |
| APN: | 25133.0706 | Sale Amount: | | Sale Date: | 05/04/2015 |
| Beds / Baths: | 4 / 2 | Square Feet: | 2,042 | Year Built: | 1950 |
| Use Code: | DUPLEX | # Units: | 1 | Lot Size: | .1074 |

| | | | | | |
|----------------------|--|---------------------|-----------------------------|--------------------|------------|
| Address: | 2307 W Broadway Ave, Spokane, WA 99201 | Owner(s): | Stewart Martin Stewart Gale | | |
| APN: | 25133.0212 | Sale Amount: | | Sale Date: | 04/29/2003 |
| Beds / Baths: | 2 / 1 | Square Feet: | 1,330 | Year Built: | 1902 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1331 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|-----------------------|--------------------|------------|
| Address: | 2302 W College Ave, Spokane, WA 99201 | Owner(s): | Ragland Gwendaleann R | | |
| APN: | 25133.0215 | Sale Amount: | \$45,000 | Sale Date: | 11/04/2004 |
| Beds / Baths: | 2 / 1 | Square Feet: | 858 | Year Built: | 1902 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1315 |

| | | | | | |
|-----------------|---------------------------------------|---------------------|---------------------|-------------------|------------|
| Address: | 2418 W College Ave, Spokane, WA 99201 | Owner(s): | Gagliardi Richard E | | |
| APN: | 25133.0225 | Sale Amount: | \$66,500 | Sale Date: | 06/23/2008 |

| | | | | | |
|----------------------|-------|---------------------|-------|--------------------|-------|
| Beds / Baths: | 3 / 1 | Square Feet: | 1,312 | Year Built: | 1902 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1331 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|---------------|--------------------|------------|
| Address: | 2309 W College Ave, Spokane, WA 99201 | Owner(s): | Denny David R | | |
| APN: | 25133.0711 | Sale Amount: | | Sale Date: | 01/24/2011 |
| Beds / Baths: | 1 / 1 | Square Feet: | 724 | Year Built: | 1901 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1074 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|----------------------------|--------------------|------------|
| Address: | 2307 W College Ave, Spokane, WA 99201 | Owner(s): | Agee Bryan J Agee Alyssa M | | |
| APN: | 25133.0712 | Sale Amount: | \$150,000 | Sale Date: | 01/26/2016 |
| Beds / Baths: | 3 / 2 | Square Feet: | 1,568 | Year Built: | 2005 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1074 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|-----------------------------|--------------------|------------|
| Address: | 2415 W College Ave, Spokane, WA 99201 | Owner(s): | Hundrup James Johnson Nancy | | |
| APN: | 25133.0704 | Sale Amount: | | Sale Date: | 01/21/2010 |
| Beds / Baths: | 2 / 2 | Square Feet: | 936 | Year Built: | 1905 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .1074 |

| | | | | | |
|----------------------|---------------------------------------|---------------------|--|--------------------|-------|
| Address: | 2428 W College Ave, Spokane, WA 99201 | Owner(s): | Loffelmacher Harlan Loffelmacher Joyce | | |
| APN: | 25133.0227 | Sale Amount: | \$66,000 | Sale Date: | |
| Beds / Baths: | 4 / 2 | Square Feet: | 1,680 | Year Built: | 1902 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .0724 |

| | | | | | |
|----------------------|-------------------------------------|---------------------|-----------------|--------------------|-------|
| Address: | 714 N Cochran St, Spokane, WA 99201 | Owner(s): | Clawson Larry N | | |
| APN: | 25133.0226 | Sale Amount: | \$6,000 | Sale Date: | |
| Beds / Baths: | 1 / 1 | Square Feet: | 704 | Year Built: | 1890 |
| Use Code: | SFR | # Units: | 1 | Lot Size: | .0894 |

Neighbors**2332 W College Ave, Spokane, WA 99201****8/10/2016**

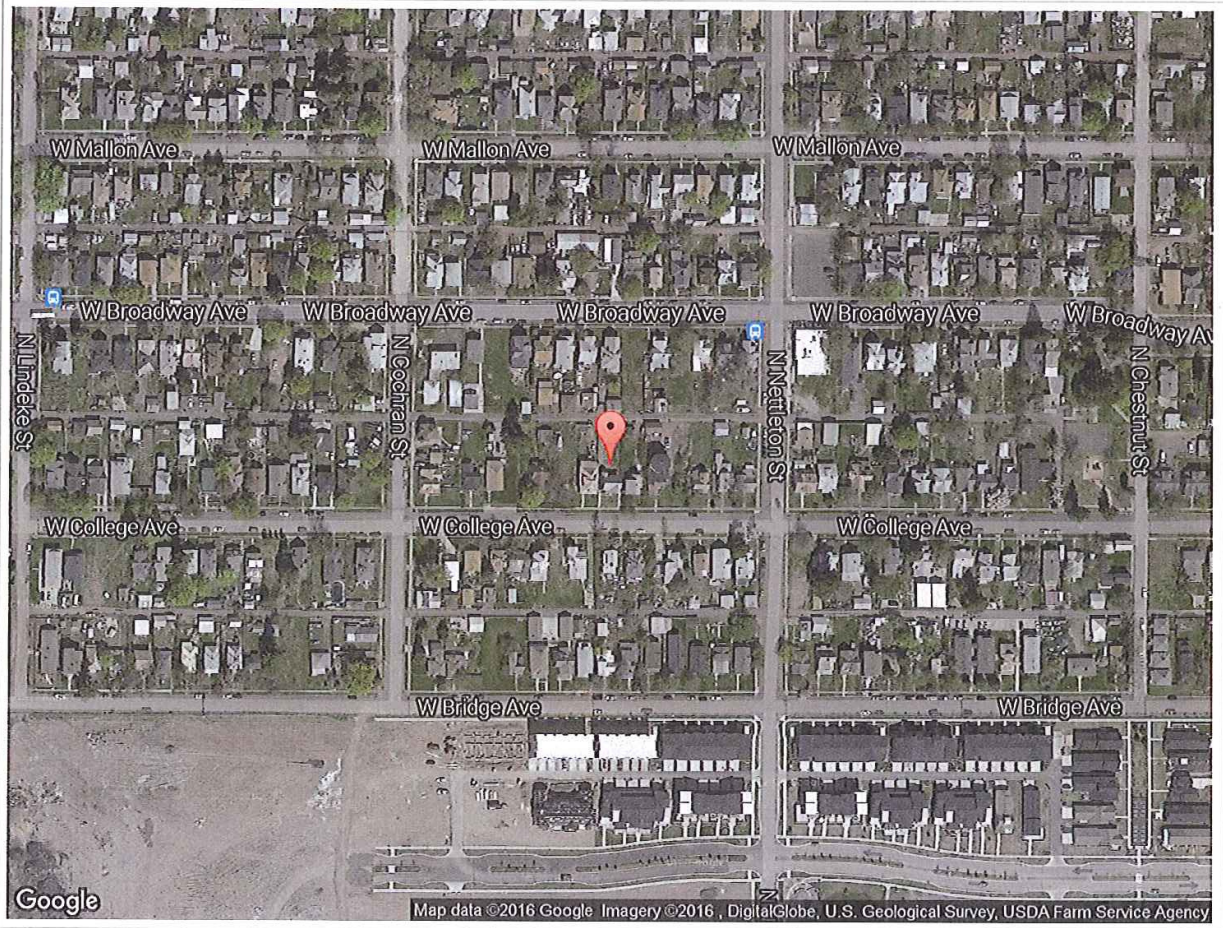
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First American

myFirstAm® Street Map

2332 W College Ave, Spokane, WA 99201



Street Map

2332 W College Ave, Spokane, WA 99201

8/10/2016

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Lake City Servicing

[REDACTED]
Coeur d'Alene, ID 83814
(800) 630-9252

[REDACTED]
Arnold Professional Holdings, Inc.

[REDACTED]
Coeur D Alene, ID 83814
Account: [REDACTED]

| | | | |
|---------------------|---------|----|-------|
| 2332 W. College Ave | Spokane | WA | 99201 |
|---------------------|---------|----|-------|

BENEFICIARY'S DEMAND FOR PAYOFF

Dear Arnold Professional Holdings, Inc.

You are authorized to use the following amounts to payoff the above-mentioned loan. All necessary legal documents will be forwarded to the trustee for Full Reconveyance upon receipt of payment in full.

| | |
|---|--------------------|
| Payoff Date | 4/30/2016 |
| Maturity Date | 1/31/2017 |
| Next Payment Due | 5/1/2016 |
| Interest Rate | 12.000% |
| Interest Paid-To Date | 4/1/2016 |
| Principal Balance | \$65,000.00 |
| Unpaid Interest | \$0.00 |
| Accrued Interest [REDACTED] | \$650.00 |
| Unpaid Late Charges | \$0.00 |
| Accrued Late Charges | \$0.00 |
| Unpaid Charges | \$0.00 |
| Prepayment Penalty | \$0.00 |
| Other Fees *For additional details see itemization attached | \$158.00 |
| Trust Balance | \$0.00 |
| Payoff Amount | \$65,808.00 |

Please add \$21.67 for each additional day past [REDACTED].
Please add \$20.00 for wire.

We reserve the right to amend this demand should any changes occur that would increase the total amount for payoff. **Please note that this demand expires on 5/6/2016**, at which time you are instructed to contact this office for additional instructions (DEMAND FORWARDING FEES ARE DUE EVEN UPON CANCELLATION OF YOUR ESCROW).

ONLY CERTIFIED FUNDS, WIRE TRANSFERS, OR A TITLE COMPANY CHECK WILL BE ACCEPTED!

Make disbursement check payable to: **Lake City Servicing**

Sincerely,

Tanya Chiono
Asset Management
800-630-9252 [REDACTED]
800-380-6492
[REDACTED]

| ITEMIZATION OF OTHER FEES | |
|---------------------------|-----------------|
| Description | Amount |
| Demand Fee | \$50.00 |
| Reconveyance Fee | \$35.00 |
| Recording Fee | \$73.00 |
| Total | \$158.00 |

Gustafson Law, Inc., PS
 ALTA Universal ID:
 1500 West Fourth Ave.
 Suite 408
 Spokane, WA 99204

Certified Copy:



File No./Escrow No. : 15-0080-C
 Print Date & Time: February 15, 2018 7:55 am
 Officer/Escrow Officer : Alissa [REDACTED]
 Settlement Location : 1500 West Fourth Ave., Suite 408
 Spokane, WA 99204

Property Address: 2332 W. College Ave.
 Spokane, WA 99201

Borrower: Arnold Professional Holdings, Inc.
 1121 E. Mullan Ave.
 Coeur d'Alene, ID

Seller: Janette [REDACTED]
 [REDACTED]
 Coeur d'Alene, ID 83814

Lender: Equity Trust Company Custodian FBO [REDACTED]

Settlement Date: December 04, 2015
 Disbursement Date: December 04, 2015

| Description | Borrower/Buyer | |
|---|----------------|-----------|
| | Debit | Credit |
| Financial | | |
| Sale Price of Property | 26,416.53 | |
| Deposit | | 100.00 |
| Loan Amount | | 65,000.00 |
| Prorations/Adjustments | | |
| Spokane County Treasurer 12/05/15 - 01/01/16 | 86.36 | |
| Loan Charges to Equity Trust Company Custodian FBO Robert [REDACTED] | | |
| % of Loan Amount (Points) to Cogo Capital | 1,300.00 | |
| Closing Services Fee to CLM Closing Services | 200.00 | |
| Consulting Fee to Cogo Capital | 2,265.00 | |
| Funding Fee to Panhandle Escrow | 300.00 | |
| Loan Servicing Fee to Lake City Servicing | 180.00 | |
| Servicing Setup Fee to Lake City Servicing | 200.00 | |

| Description | Borrower/Buyer | |
|--|----------------|---------------|
| | Debit | Credit |
| Loan Charges to Equity Trust Company Custodian FBO Robert [REDACTED] [REDACTED] (continued) | | |
| Prepaid Interest \$21.670 per day from 12/04/15 to 01/01/16 Equity Trust Company Custodian FBO Robert [REDACTED] | 606.76 | |
| | | |
| Title Charges and Escrow/Settlement Charges | | |
| Escrow Fee to Gustafson Law, Inc., PS | 385.00 | |
| Lenders Policy to First American Title Company | 497.85 | |
| | | |
| Government Recording and Transfer Charges | | |
| Recording Fees to First American Title Company | 275.00 | |
| | | |
| Miscellaneous | | |
| Homeowner's Insurance Premium to The Central Agency 12 months | 765.00 | |
| | | |
| | Debit | Credit |
| Subtotals | 33,477.50 | 65,100.00 |
| Due to Borrower | 31,622.50 | |
| Totals | 65,100.00 | 65,100.00 |

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize Gustafson Law, Inc., PS to cause the funds to be disbursed in accordance with this statement.

Borrower

Arnold Professional Holdings, Inc.

BY: _____
Lee Arnold
President/Secretary



Alissa [REDACTED]
Escrow Officer

Rule of 56 and the Debt Stack Through SendFuse

What is SendFuse?

SendFuse takes the Rule of 56 and simplifies it for you! It is a text-message-based bot that will analyze specific properties, and provide you with a preliminary title search we call a "debt stack," that can be used to determine equity. If there is equity, you can then send mail to property owners, make cold calls, and write offers that include Proof of Funds letters from COGO Capital.

How will SendFuse help me?

With a title report, you can read through a property's transaction history, including loan and liens that have been placed against the subject property. You can also obtain other details such as comparable homes and a map of the homes that surround the subject property. The SendFuse title report will even include the name and mailing address of the owner of the subject property. **Note:** if the address of the owner and the address of the subject property match, this means that the subject property is owner occupied.

How do I get SendFuse?

Easy! Visit getsendfuse.com. Sign up with your cellphone number and create a PIN. While you will generally use your cellphone's text messaging app to request information for properties, SendFuse does have a dashboard that can be accessed from getsendfuse.com. This is where you will manage your account and settings as-well-as view stored reports.



When you sign up, you will receive a welcome text from **SendFuse (407-573-7120)** and a link to your online **Dashboard**.

Important: Save this phone number in your **Contacts** to avoid confusion!

Notes:

Using SendFuse Commands

How do I use SendFuse?

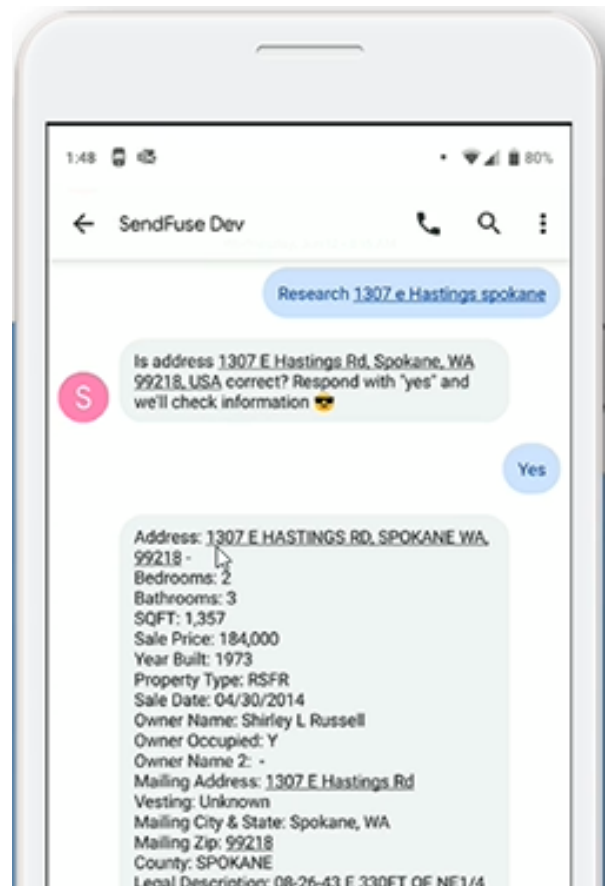
(For a full video series of in-depth instruction, visit <https://getsendfuse.com/send-fuse-support/>)

After you receive your welcome text, select **SendFuse** in your saved **Contacts**. Type in one of the following text commands to SendFuse in your text messaging app:

- **Research** {property address} - To research a property by address
- **Title for** {property address} - To run a full title report
- **Watchlist** {property address} - To add an address to your watchlist to track for a later action
- **Skip trace** {property address} - Attempt to find a phone number for the property owner
- **Send mail to** {property address} - Sends an eight postcard sequence to property owner
- **Offer for** {property address} - Sends a Letter of Intent and Proof of Funds letter from COGO Capital
- **Three Tier For** {property address} - Sends a cover letter, 3-tion offer(LOI) and Proof of Funds Letter
- **Balance** - To check your FuseCoin balance
- **Refill** - To purchase FuseCoins
- **Commands** - To see a full list of all available commands

Example for researching a property:

1. Open your cellphone's messaging app
2. Select SendFuse in your saved **Contacts**
3. Type "**Research** {property address}" in a new message to SendFuse
4. SendFuse will immediately request address confirmation
5. Reply "**Yes**" if correct
6. Review property information, including square footage, year built, owner information, legal description, etc.)

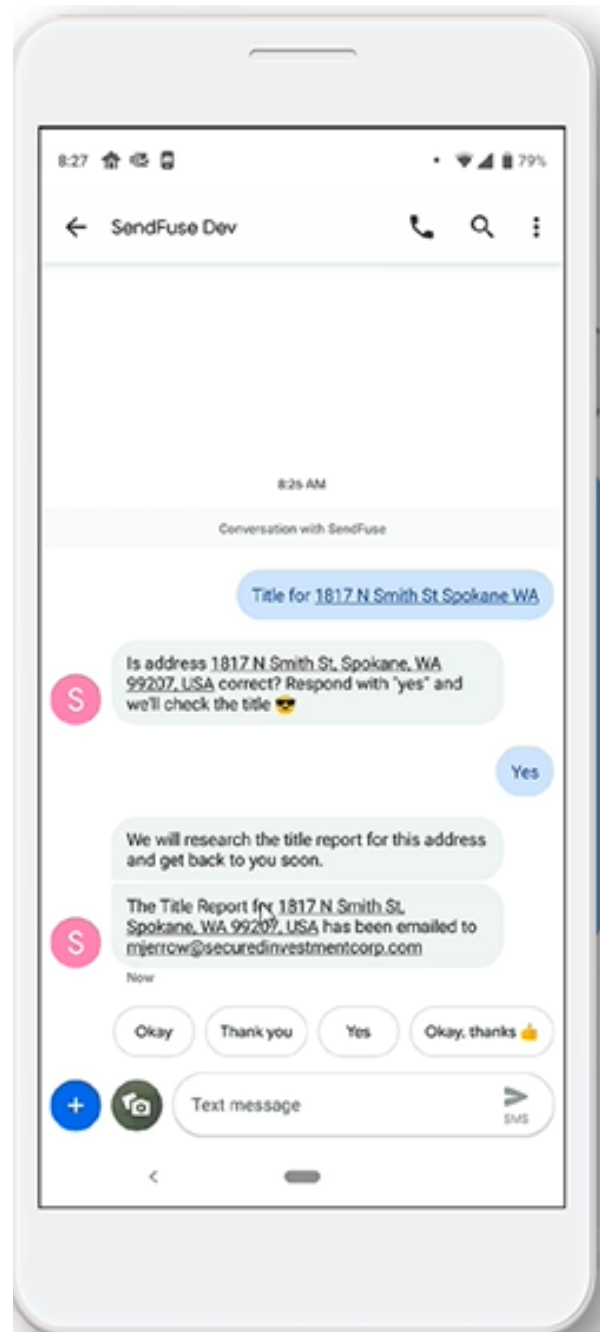


Using SendFuse Commands

Example for requesting a title report:

1. Open your cellphone's messaging app
2. Select SendFuse in your saved **Contacts**
3. Type "**Title** {property address}" in a new message to SendFuse
4. SendFuse will immediately request address confirmation
5. Reply "**Yes**" if correct
6. Wait a few moments for the title report to be run and sent to your account. It will also be sent to your email address on file with SendFuse.
7. View, download, and/or print the title report from your email or from your SendFuse **Dashboard**.

Note: SendFuse will respond to each command with a prompt to proceed, then will send you a result. Certain commands may elicit further prompts if additional responses are needed. All reports can be found on your SendFuse Dashboard.



Using SendFuse Commands

Some of the most helpful information is the name and mailing address of the owner of the subject property. Remember, if the address of the owner and the address of the subject property match, this means that the property is owner occupied. This information allows you to begin marketing to the owner through the send mail command or make offer command and then to skip trace the owner so you can follow up with a phone call.

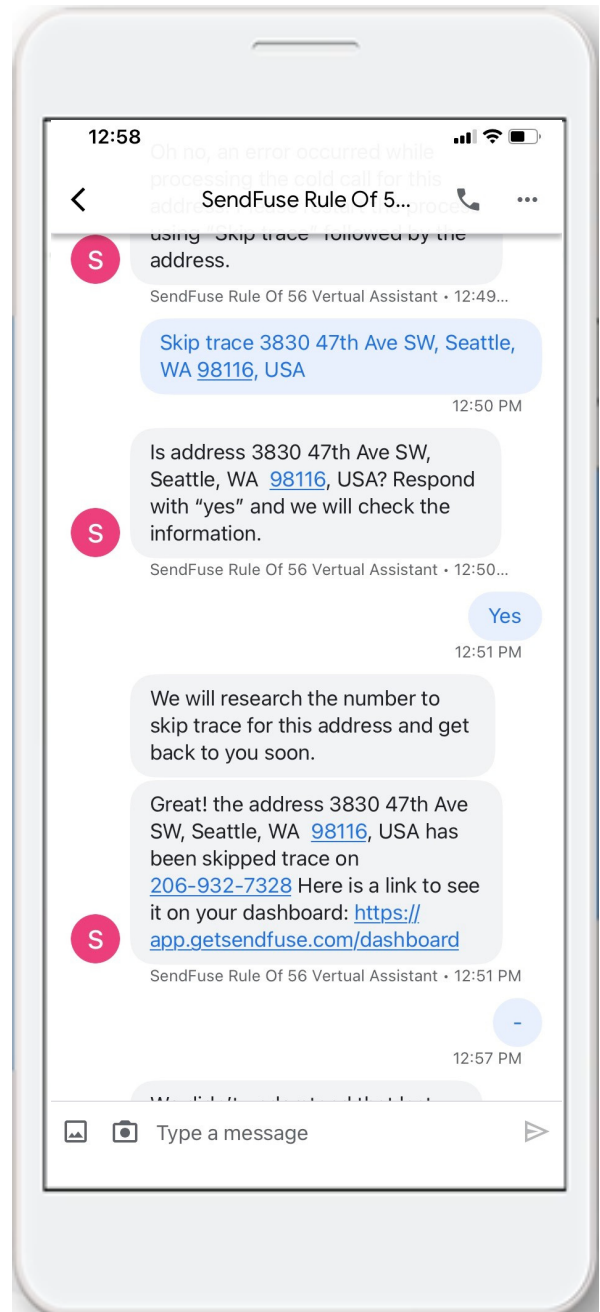
Example for requesting a skip trace:

1. Open your cellphone's messaging app
2. Select SendFuse in your saved

Contacts

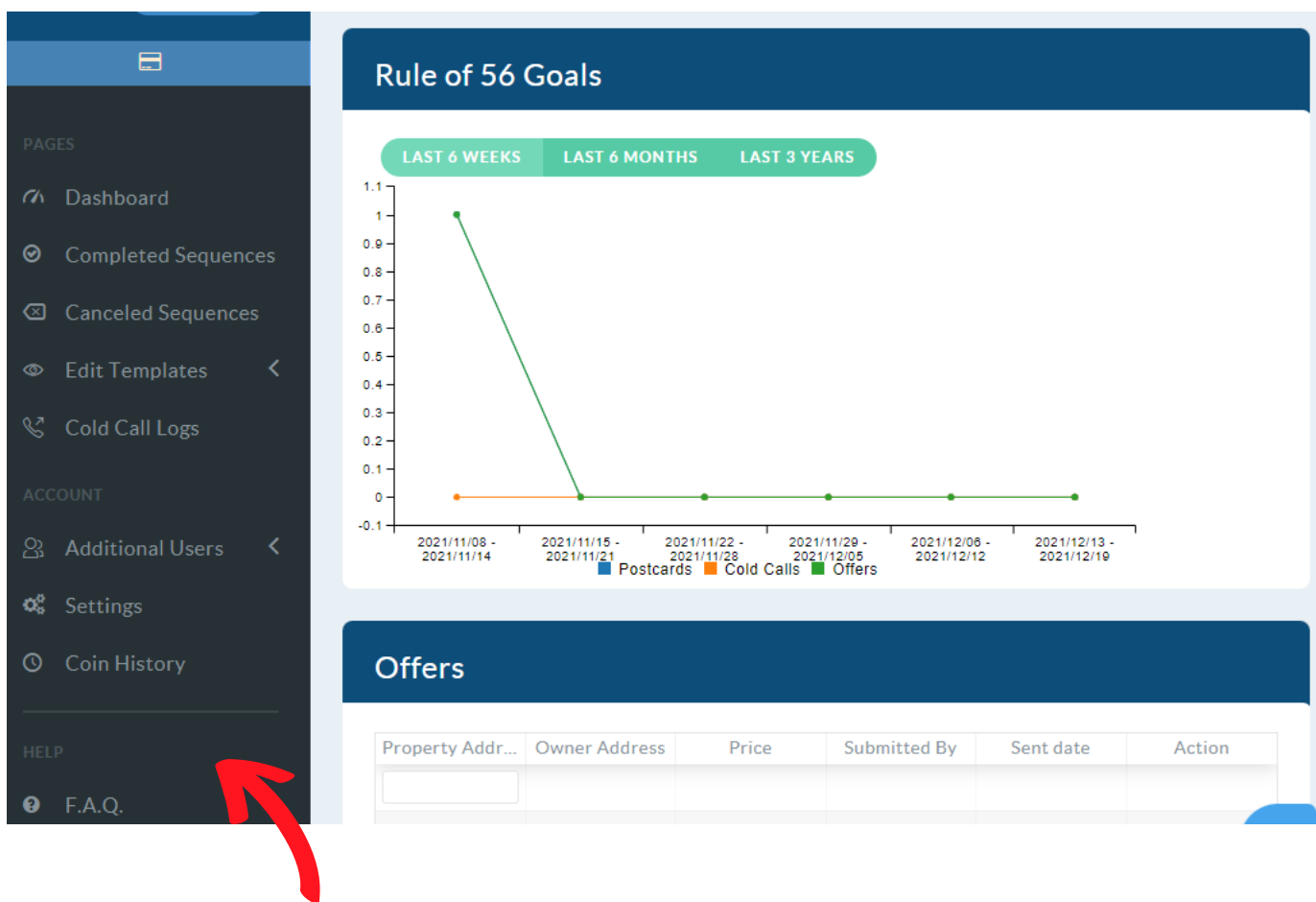
3. Type "Skip trace {property address}" in a new message to SendFuse
4. SendFuse will immediately request address confirmation
5. Reply "Yes" if correct
6. SendFuse will respond with "We will research the number to skip trace for this address, get back to you soon."
7. After a moment, SendFuse will respond with the phone number "Great! {property address} has been skip traced. The number is {phone number}. Here is a link to see it on your dashboard."

Note: SendFuse will also allow you to upload a list of homeowners in the skip trace section of the dashboard. Here you can order skip tracing on the whole list all at once!



Using Your SendFuse Dashboard

Below is the browser-based SendFuse **Dashboard** getsendfuse.com, where you will set up and manage your account, track your research, and view requested property information:



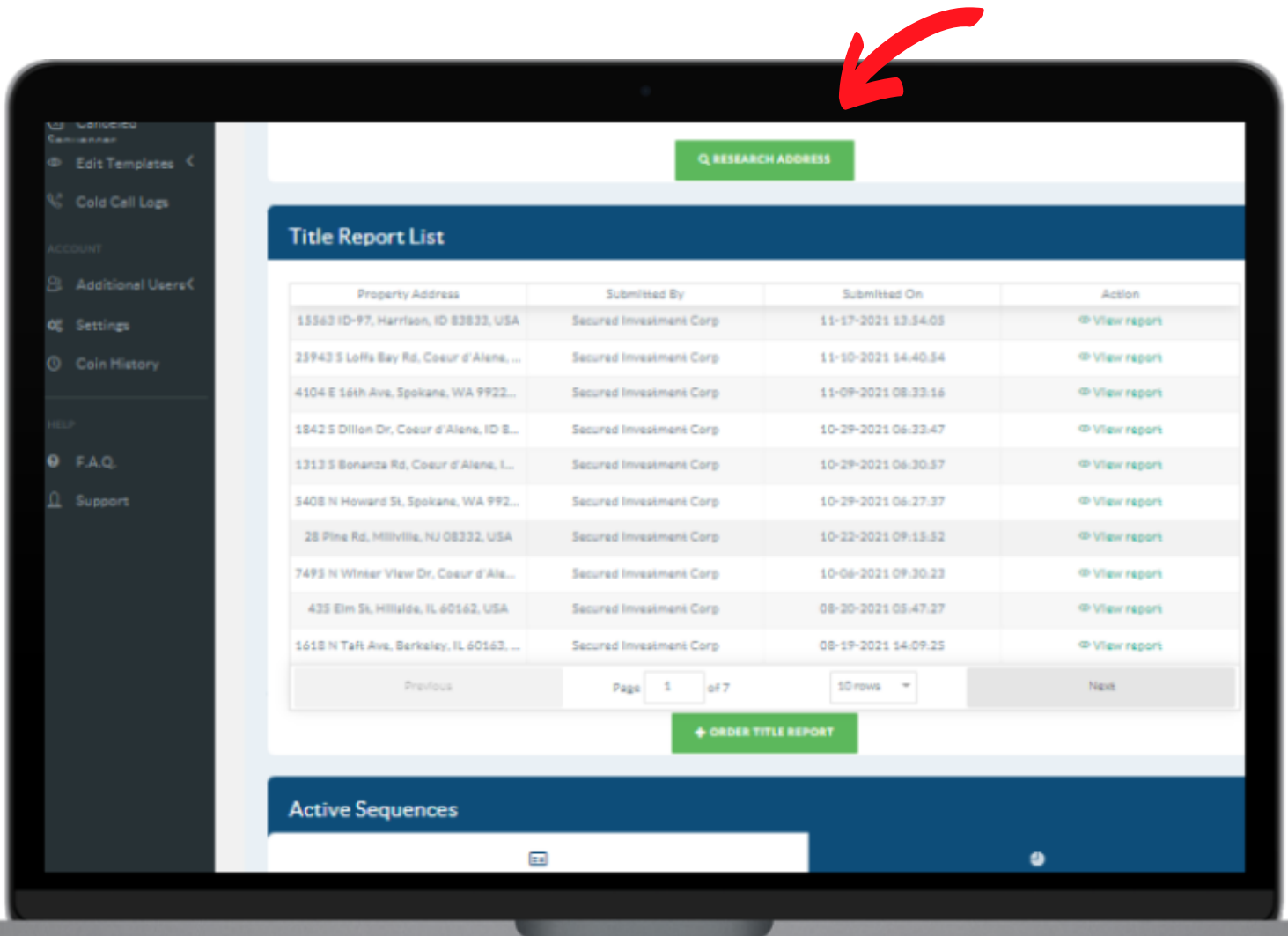
In the left-hand menu, you can find:

- **Dashboard** - shows all your activity
- **Completed** and **Canceled Sequences** - track postcard mailings
- **Edit Templates** - change the text on your postcards
- **Additional Users** - add your birddogs
- **Settings** - confirm and edit your contact information
- **Coin History** - manage your account balance
- **FAQ** - answers for common questions
- **Support** - full instructional video series and Help contact information

Using Your SendFuse Dashboard

In the center section of the **Dashboard**, you can find:

- **Rule of 56 Goals** - track cold calls, postcards, and offers
- **Offers** - list and details of all offers made including PDF copies of each
- **Three Tiered Offers** - list and details of all three-option offers made including PDF copies of each
- **Research Property** - list and details of all researched properties
- **Title Report** - list of property reports
- **Active Sequences** - list of owners currently receiving mailings from you
- **Watchlist** - list of properties not ready for action
- **Skip Trace** - list of owners and contact information



Interpreting the Debt Stack

Once you have identified a potential investment, **our goal is to find out the history, or the "story" of a property to determine equity.**

We want to answer the following questions:

- What is the property worth?
- What is owned on the property?
- How much can I sell it for?

Always start your property research with **Google**. Do a search of the address in Google; if the first page of Google has no red flags (criminal activity, fires, etc.), we're good.

Move on to **Zillow**. Do a search of the address in Zillow to get a *Zestimate* (a comps-based estimate).

Next, use the **SendFuse Title Report** (*Property Profile Report*) will provide you with a great deal of useful information on a property, including:

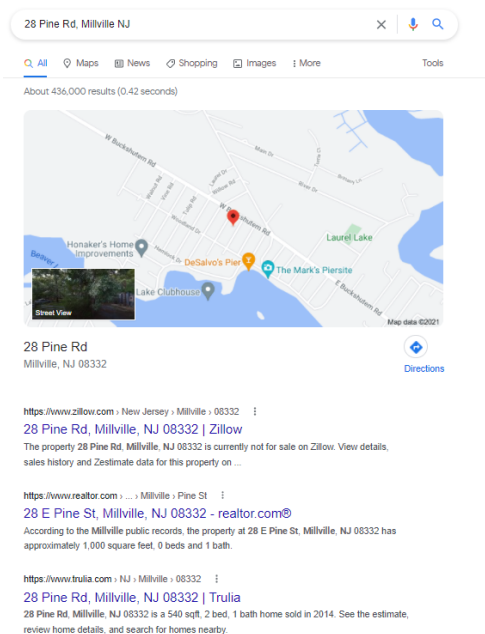
- Current owner
- Property characteristics
- Most recent loan and sale
- Assessment and taxes
- Previous mortgages, refinances, and sales
- Title changes
- Map with comps
- Area sales analysis
- Nearby next sellers and out-of-state owners

Determining equity using the debt stack requires a little sleuthing, but if you take the time to do the math, you can get a good idea.



Interpreting the Debt Stack

Let's take a look at this example, located at **28 Pine Rd, Millville NJ**. After running a search, Google has no negative stories on the first page.



Running a Zillow search results in photos, a description, neighborhood evaluation, map and lot lines, other pertinent information, and a Zestimate of \$67,600. Now look at the Zillow "Lot Lines" view of the property that includes rooftop values. This will allow you to come up with a ballpark estimate of value.

Zillow Edit Save Share

2 bd | 1 ba | 540 sqft
 28 Pine Rd, Millville, NJ 08332

● **Off market** | Zestimate®: **\$67,600** | Rent Zestimate®: **\$1,399/mo**
 Est. refi payment: \$423/mo **Refinance your loan**

Home value Owner tools Home details Neighborhood details

Looking to save?
 Refinancing your mortgage at a lower interest rate could mean significant savings. Find a lender in minutes and see if you could save.

Interpreting the Debt Stack

Next, run the SendFuse commands for **Research Property**, and then run the **Title For** (*you may use the text-based commands on your cellphone or run the reports directly from your Dashboard*). From your cell phone or **Dashboard**, review both reports. Take a moment to examine the owner information, property characteristics, recent sale, and assessed taxes.

To calculate equity, the key items you'll want to use in the report are:

- Recording Date
- Transfer Value and Transfer Amount
- Type of Sale
- Buyers and Sellers
- Transaction Flags

Note: The first time you read a title report, it may seem confusing, but familiarizing yourself with the terminology will make it easier for you each time you research.

To get the "story" from the **Title Report**, we always start at the bottom of the **Resale** list and work our way up to the current owner. Make note of every transaction date, the amount, the financing, the type of sale, and who are the buyers and sellers. On some reports, there may be multiple pages of transaction records while others may have few or just one record.

We can see on our property the current owner is **Mr. Parlman**. This property's **most recent sale** has a transfer date of **April 10, 2014**, for **\$30,000** from **Mr. Crane**, using an **attorney** to transfer title.

OWNER INFORMATION

| | | | |
|----------------|---------------------------------|------|---------------------|
| Primary Owner: | PARLIMAN JOHN R | APN: | 10-00171-0000-02124 |
|----------------|---------------------------------|------|---------------------|

RECENT SALE & LOAN

| | | | |
|-----------------|------------|--------------------|-----------------|
| Transfer Date: | 2014-04-10 | Seller: | CRANE WILLIAM G |
| Transfer Value: | \$ 30,000 | Doc #: | 2014-458707 |
| Cost/SF: | \$ 0 | First Loan Amount: | \$ 0 |
| Sale Type: | | Title Company: | ATTORNEY ONLY |
| Lender: | | | |

Interpreting the Debt Stack

To build the history of this property, we go to the end of the Resale records. The oldest and first recorded item in the **Resale** list is a **cash transaction, by attorney (Ba)**, of **\$25,095** on **October 7, 2005** from a **Mr. Lewis** to **Mr. Crane**.

| RESALE | | | |
|---------------------|---------------------------|------------------|--------------|
| Recording Date: | October 07, 2005 | Transfer Amount: | \$ 25,095.00 |
| Type of Sale: | Ba | First TD: | \$ 0.00 |
| Doc #: | 2005-212589 | Doc Type: | G |
| Title Co: | -- | Rate Type: | -- |
| Mortgage Doc #: | - | Lender: | -- |
| Buyer Name(s): | Crane William G | Buyer Vesting: | -- / -- |
| Seller Name(s): | Lewis Charles V | | |
| Transaction Flag's: | Cash Transaction, Re-Sale | | |

The next (*and most current as we noted in the **Recent Sale & Loan** section*) **Resale** item is recorded **April 5, 2014** from **Mr. Crane** to **Mr. Parlman**. The purchase amount is **\$30,000** in a **cash transaction, by attorney**, so it appears there is no mortgage. This resale history is relatively simple and straightforward.

| RESALE | | | |
|---------------------|---------------------------|------------------|--------------|
| Recording Date: | April 05, 2014 | Transfer Amount: | \$ 30,000.00 |
| Type of Sale: | Ba | First TD: | \$ 0.00 |
| Doc #: | 2014-458707 | Doc Type: | G |
| Title Co: | Attorney Only | Rate Type: | -- |
| Mortgage Doc #: | - | Lender: | -- |
| Buyer Name(s): | Parlman John R & Vicki L | Buyer Vesting: | -- / Hw |
| Seller Name(s): | Crane William G | | |
| Transaction Flag's: | Cash Transaction, Re-Sale | | |

Interpreting the Debt Stack

Question: Does this property most likely have significant equity?

Answer: Based on recent records reflecting an absence of a mortgage, refinance, or liens, it is likely that this home has significant equity.

Note: Each property you research will tell a different story, and many can get very complex. Take some time to learn the process and unravel the history.

Notes:



BUILDING YOUR REPUTATIONAL CAPITAL



BUILDING YOUR REPUTATIONAL CAPITAL

Why is the First Deal the Hardest Deal?

How to get over the first deal hang-ups so you can line up deals and profit over and over again!

Why is The First Deal the Hardest Deal?

- Most successful people have gone through this phase at one stage or another in their lives.
- They had enough reasons to give up their dreams but chose otherwise.
- What did they have that separates them from most everyone else?
- They have only one thing working for them... persistence!

The Science Behind Not Doing Anything

- Did you know that a staggering 92% of people that set New Year's goals never actually achieve them? That's according to research conducted by the University of Scranton.
- A LexisNexis survey showed that, on average, employees spend more than half their workdays receiving and managing information rather than using it to do their jobs!
- We've all done it, and if you're like me -- a driven entrepreneur -- failing to meet goals can set you back and leave you discouraged and frustrated.

Notes:

So, What's Stopping You?

The 5 Things Keeping You From a Successful Deal

1

#1: Because change and the unknown are scary, there is a natural inclination to want to delay beginning for as long as possible.

We let the what-ifs crowd out action with questions like:

- What if the City Attorney won't give me the time of day?
- What if he/she will? (Sometimes success is scarier than failure.)
- What if I can't find the homeowner?
- What if the homeowner won't negotiate with me?
- What if they accept my offer... then what?

2

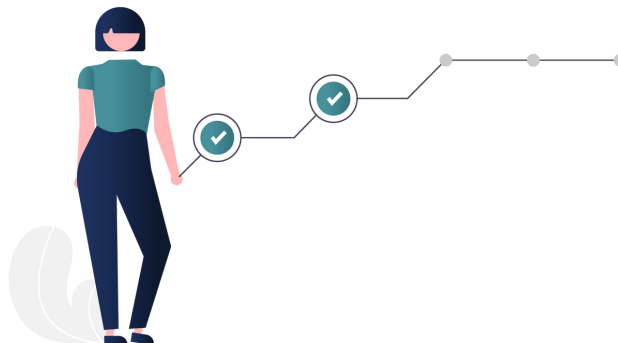
#2: No one wants to fail. A **fear of failure** is essentially a fear of shame.

- Shame is a toxic emotion because instead of feeling bad about our actions (guilt) or our efforts (regret), shame makes us feel bad about who we are. Shame gets to the core of our egos, identities, and self-esteem, and can halt us in our tracks.
- Therefore, the easiest way not to fail and feel shame is to never do anything at all (especially anything new).

3

#3: Perhaps even worse than failing is looking silly.

- No one wants to be told--after the new venture has failed--that "you didn't think it through."
- To keep that from happening you fall into the analysis paralysis trap and just think about the opportunity and study the competition and research everything there is to research.
- There is always one more thing you can check, or one more person you can talk to (all of which keeps you busy, but never really accomplishing anything of value).



4

#4: You don't have the resources

- You convince yourself you don't have sufficient knowledge, money, staff, approvals, etc., to start something new. (You never want to go into battle without a full complement of resources, right? So, it is better to delay until you get them.)

HINT: Money and staff only come after you start experiencing success.

5

#5: Life is busy and gets in the way.

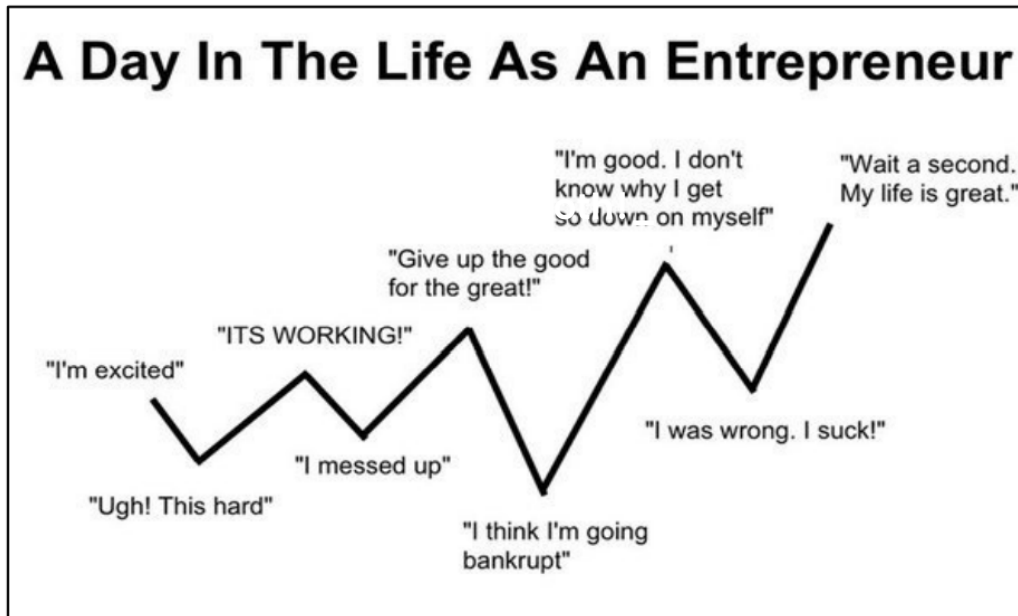
- We are all busy and our "to do" lists are incredibly long as it is.
- Who has time to develop or devote time to anything new right now, right? Especially when there is TV to watch, shopping to do, or time to waste!

I've heard all of these excuses...some of you are going to use them when you finish this class on Thursday...

**You Can Have Excuses
Or You Can Have Money
But You Can Never Have Both!**



There is Something You Need to Realize, Being an Entrepreneur is Hard and a Lot of Work



But If You Don't Do It, Someone Else Is... And They're Signing Your Paycheck

97% of the people who quit too soon are employed by the 3% that never give up

How to Stay Active and Avoid the Excuses

1

#1. Structure Your Day Around Income-Producing Activities Only

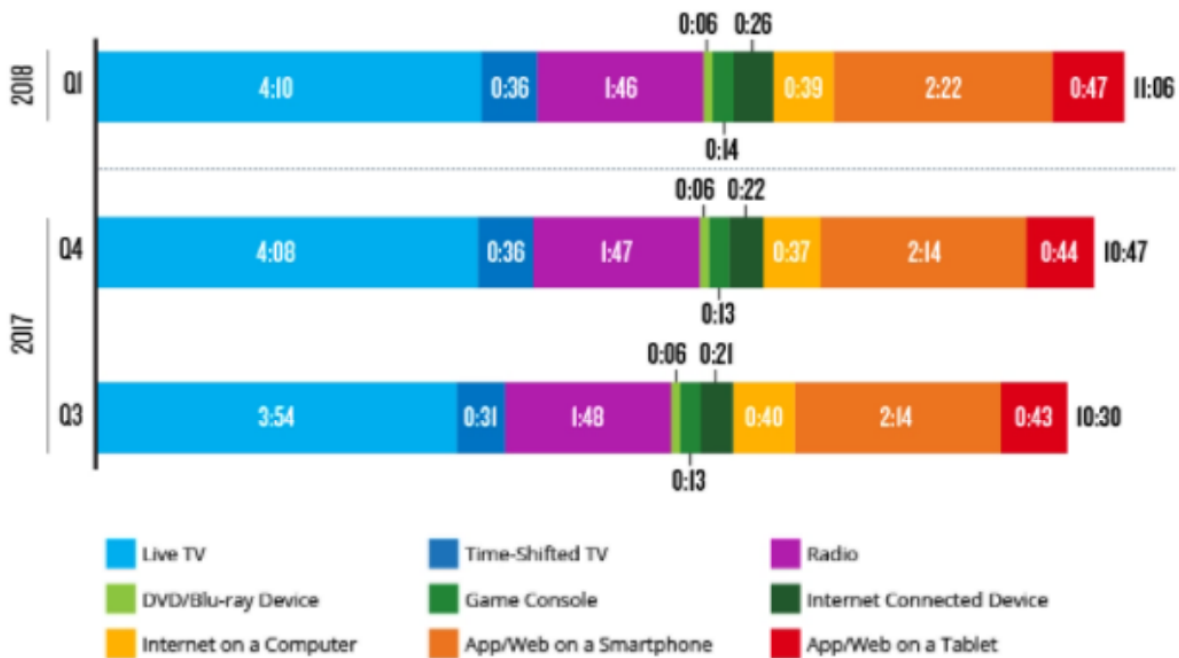
- Use a work chore chart.
- Because our ability to make quality, long-term decisions deteriorates with each additional choice we make, big or small, be like the most successful people and structure your day to cut down on the amount of decisions you need to make.
- Tackle your most important task first thing in the morning when your willpower reserves are at your fullest and try to make small decisions as automatic as possible.

2

#2. Limit the Amount of Information You Consume

- For any problem we face, there is a virtually limitless supply of information we can delve into.
- Reading with a specific goal in mind allows you to get through large amounts of information without getting overwhelmed.
- No matter how much information, how much data that you have, there will always be more.
- Make the decision with the information that you have available now, then adapt and change it later if you need to.

Typical Consumption (Too Much Info!)



3

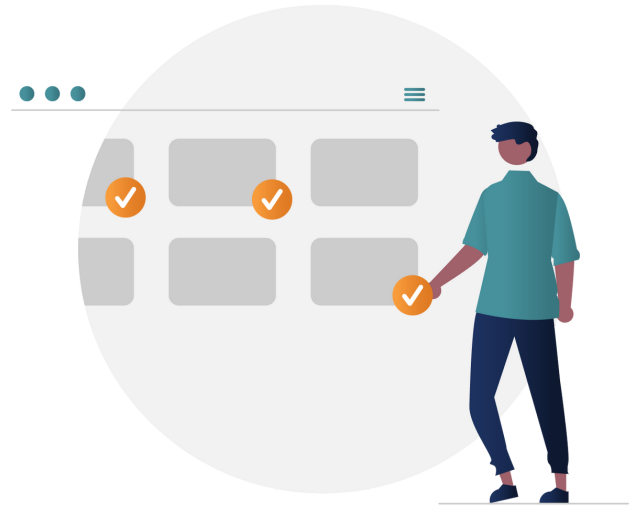
#3. Set a Deadline

- Parkinson's Law states that work expands to fill the amount of time you've allotted it. If you give yourself an hour to do a task, it will take an hour. If you give yourself 15 minutes to complete the same task, it will take 15 minutes. Don't give yourself more time than necessary!
- And make your deadline as public as possible. Tell a coworker or friend who will help to hold you accountable to your decision deadline, or even commit to a deadline on social media.

4

#4. Know Your Objective

- Review your top five goals as a company (even if that company is just you) at the start of every workday.
- As a result, your main goals are always at the top of your mind when you need to decide what to prioritize or when faced with a difficult business or marketing decision.
- Anything that doesn't align with your current goals, postpone or eliminate



Now, all the vision boards, writing goals down, and thinking positive thoughts are great.

But most people forget to do the work

The Work is Getting the Deal Done!!!

What If...

I could help you do your first lien abatement deal?

You could watch and learn on your first deal without ALL the risks, and that keeps ALL the excuses fresh on your mind?

Would You Do It?



BUILDING YOUR REPUTATIONAL CAPITAL

Introducing the Master Lien Abatement Workshop

PARTICIPATION ALERT:

Get Your First Deal Done with Us!!!

What You'll Learn: Day #1

- Review the nuisance and lien abatement process
- Skip trace homeowners
- Make out-bound calls
- Mock offer-writing session (how to write a net offer)
- Research your local market and the municipality players and make appointments to meet with them the following week
- How to manage your landing page
- Learn how to market on social media

What You'll Learn: Day #2

- Attend code enforcement meeting
- Meet the contractor (at the property)
- Go through our house with the contractor
- Develop scope of work, budget & draw schedule
- Drive run downs

What You'll Learn: Day #3

- Learn how to get millions in private capital and become the advanced loan consumer
- Meet the appraiser at the property
- Learn what appraisers look for to determine value
- Step-by-step process of getting your deal funded (from application to closing)
- Drive run downs

What You'll Learn: Day #4

- Closing out the loan
- Line up the construction process
- Meet with APH with the plan
- Sign the Participation Agreement
- Record your landing page video voiceover



BUILDING YOUR REPUTATIONAL CAPITAL

Other Great Bonuses

Delivered at the Master Workshop

- Landing page about your lien abatement service (customized to your business)
- Commercial for your landing page (rights to our reputational capital) with all your personalized information in it
- Direct mail pieces for neighbors (we'll show you how to get the neighbors involved and on your side)

And Participation on a Real Lien Abatement Deal!!!

What Does That Look Like?

You'll share in the upside without any downside!

- Because the first deal is always the hardest, we'll do your first deal with you (we'll work on it here).

Notes:



BUILDING YOUR REPUTATIONAL CAPITAL

- Only 20 primaries can participate (limited amount allowed in each Master Workshop)
- You'll be a part of the loan process (see how it's done)
- No money in, but you'll participate in the profit!

You'll Not Only Get a Deal Under Your Belt, You'll Build Your Acumen and Reputational Capital!!!

Why Is This Important?

Because of our proposal for your success!

If you complete FOUR (4) deals within ONE (1) year, you will receive a total reimbursement of your tuition. Those deals must be completed in the year following the workshop, you must use COGO financing, and you must provide us with before and after pictures and submit pictures of your profit checks.

Our Deal Together Counts Towards the Four!

- That means you only have to do THREE on your own to get your money back!!!

Notes:



BUILDING YOUR REPUTATIONAL CAPITAL

What You'll Receive...

- Four days of in-depth, hands-on training on the lien abatement process (finding, acquiring, and closing)
- Guided research of your own local market
- First deal done for you (all the upside, all the knowledge, but none of the risk, and counts toward our Success Proposal)
- Professional landing page, commercial, and mailings

Remember My First Four Deals?

- Deal #1 Profit = \$42,307.03
- Deal #2 Profit = \$23,951.83
- Deal #3 Profit = \$21,146.54
- Deal #4 Profit = \$50,671.31

Over \$138,000 in profit!!!

Just One of Those Deals Will Pay for Your Tuition...

- Submit three deals and we'll give you back your tuition investment
- (That's on top of your profit)!

Your Tuition is Paid for With the Deals You Do!

- Remember, I made it easier by doing your first deal with you!
- You can make excuses or you can make money...
- Which one are you going to choose to do?



Notes:



CASE STUDY 2

TURNING GARBAGE INTO GOLD!

How We Found the Property:



This property is across the street from Case Study 1

- Birds of a feather flock together.
- Make sure you are advertising your investment company name and brand while you are fixing the property.
- Neighbors see these signs as well as the houses across the street and bring you leads.



How we found the owner

- The owner, June, was visiting her property and saw the work we were doing on Case Study 1.
- She approached the work crew about buying her property!

Notes:

The Opportunity & Potential

- The property had been condemned by the city health department and she was living with her daughter.
- The basement was full of raw sewage and June did not have the resources to get it fixed.
- What the city deems an overbearing issue is often not as bad as they say it is.
- The city told us the cost to repair the plumbing would be \$15-20k because that is the amount the city was quoted. I believe the plumber saw that the client was the city, assumed government funding, and quoted a ridiculous price.

Not everything is as it seems - Experience, as well as having an inquiring mind to research everything, will save you a fortune and allow you access to deals that others will not touch or believe will cost more to repair than they will.

- Upon inspection of the property, we discovered that the house did have a raw sewage back-up but was only a five-gallon bucket full. Nothing like they had described.
- Our plumber scoped the line to discovered that it had been clogged with feminine hygiene products which simply need to be snaked. We fixed the plumbing for much less than what the city quoted.
- Always do your due diligence.
- By the numbers
 - Estimated profit & loss statement
 - Estimated profit \$23,951.83

Notes:

Negotiating the Deal:

With the Owner

- June owned the property @ 2315 W. College Ave. through an assistance program with the city of Spokane.
- Due to her poor health and financial situation she was unable and unwilling to make the repairs needed to make the property livable.
- She agreed to sell the property on the condition that the City of Spokane would release her of all liens against the property.
- See the signed Purchase & Sales agreement, at the end of this section - "Subject to City of Spokane releasing June of all liens against the property."
- I used the net offer strategy on this property. This is a strategy I now use often.
- "June to receive up to \$15,000 but not less than \$12,500. Buyer to pay all applicable closing costs."

With the City

- After the positive outcome from Case Study 1, the city was anxious to work with us on this new property.
- The city was more than willing to make concessions in exchange for us taking responsibility for the property and getting it fixed and back on the market.
- We had to bring the county taxes current at closing – See the HUD statement at end of section - Line 1304
- We also brought the City of Spokane delinquent water bill current - Line 1303
- **Note:** Water bills are rarely negotiable

Note: When working with cities, there is a possibility that you may be directed to a *land bank*. Most of your land banks are in the Eastern Region of the United States.

Notes:

Land Banks and Land Trusts

What is a Land bank?

“Land banks are public or community-owned entities created for a single purpose: to acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties –the worst abandoned houses, forgotten buildings, and empty lots.”

Source: Center for Community Progress.

How Does a Land Bank Operate?

Sell or convey property through locally developed policies that reflect the community’s priorities

1. Sell through negotiated sales
2. Transfer property for other than monetary consideration
3. Sell, lease, and manage property with terms deemed to be in the interest of the land bank
5. Use land bank financing tools for tax-foreclosed and other targeted properties
6. Support local planning decisions by adhering to local priorities as to use and transferee of land bank-owned properties

What are the Programs of a Land Bank?

- Demolition
- Property maintenance
- Rental management
- Land use planning
- Sales
- Real estate development and rehabilitation
- Land assembly for development

Land Bank Programs– Develop Louisville



Video: Global Metro Louisville, KY Land Bank Programs

Notes:

How Can You Partner With A Land Bank?

Most land banks have properties that they desperately need to remove from their inventory. They are looking for people who have a plan for the property and the resources to make it happen.

If you can show them you have a plan and the resources to make the plan a reality (i.e. COGO Capital) then you can buy properties in your market for a dollar!

Case in Point: George Armstrong & Willie Gerald Bought a \$1.00 Lucrative Lien House

- After going through our system, George Armstrong and Willie Gerald found a program in their city that allows people to buy some of the thousands of vacant homes for just \$1 to either renovate or demolish.
- Because of our training, they “learned to take something that’s bad and make it look like a castle” (not too hard when your initial investment is just \$1.00!!!)

The Rehab – What We Did to It

The Scope of Work

- New windows, fresh paint outside, landscaping
- Backyard clean-up & tree removal
- Fresh paint inside, new carpet, lighting





- Rehabbed existing kitchen cabinets, new appliances
- Remember, the goal is to maximize profits, not the amount of the rehab!
- Three bedrooms – paint, carpet, staging
- Restored the property to include a full garage. This was an important selling feature in this neighborhood.
- Inside laundry room
- Completely refurbished bathroom
- Ready for sale!

Notes:



CASE STUDY 2

Listing the Property

- <http://tours.tourfactory.com/tours/tour.asp?t=1637769>

Three Things We learn From This Deal

1. Birds of a feather flock together.
 - Every rehab is a marketing magnet!
 - Use your rehabs to attract other potential sellers.
2. The NET Offer
 - This a powerful strategy in negotiation.
 - It gives the seller peace of mind that you do care about what they get out of the deal.
3. **There is NO SUBSTITUTE or doing your own due diligence and having your own eyes on the property!**

Notes:



CASE STUDY 2

Notes:

A large, empty rectangular box with a light blue border, intended for taking notes.

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
SPECIFIC TERMS

- Date: April 21, 2016 MLS No.: _____ Offer Expiration Date: April 29, 2016
- Buyer: Escalade Properties LLC
Buyer _____ Status _____
- Seller: June [redacted]
Seller _____ Seller _____
- Property: Tax Parcel No(s): 2 5133.0710 (Spokane County)
Address: 2315 W College Ave Spokane WA 99201
City State Zip
Legal Description: Attached as Exhibit A.
- Included Items: stove/range; refrigerator; washer; dryer; dishwasher; hot tub; fireplace insert;
 wood stove; satellite dish; security system; attached television(s); attached speaker(s); microwave;
 other _____
- Purchase Price: \$ 25,000 Dollars
- Earnest Money: \$ 8500 Check; Note; Other Cash (held by Selling Firm; Closing Agent)
- Default: (check only one) Forfeiture of Earnest Money; Seller's Election of Remedies
- Title Insurance Company: GUSTAFSON LAW
- Closing Agent: a qualified closing agent of Buyer's choice; Augusta [redacted]
- Closing Date: 5/26/2016; Possession Date: on Closing; Other _____
- Services of Closing Agent for Payment of Utilities: Requested (attach NWMLS Form 22K); Waived
- Charges/Assessments Levied Before but Due After Closing: assumed by Buyer; prepaid in full by Seller at Closing
- Seller Citizenship (FIRPTA): Seller is; is not a foreign person for purposes of U.S. Income taxation
- Agency Disclosure: Selling Broker represents: Buyer; Seller; both parties; neither party
Listing Broker represents: Seller; both parties

16. Addenda: BUYER IS A LICENSED AGENT WITH KELLER WILLIAMS, BUT IS ACTING AS BUYER NOT AS AGENT. SELLER IS NOT REPRESENTED. PROPERTY PURCHASED IN ITS AS IS CONDITION, NO WARRANTIES. JUNE TO RECEIVE UP TO \$15,000 BUT NOT LESS THAN \$12,500. BUYER TO PAY ALL APPLICABLE CLOSING COSTS.

Buyer's Signature: _____ Date: 4/21/2016
Buyer's Address: 1121 E Mullan Ave
Coeur d'Alene ID 83814
City, State, Zip: _____
Phone No.: _____ Fax No.: _____
Buyer's E-mail: _____

Selling Firm: _____ MLS Office: _____
Selling Broker (Print): _____ MLS LAGN: _____
Phone No.: _____ Firm Fax: _____
Selling Firm Document E mail Address: _____
Selling Broker's E mail Address: _____
Selling Broker DOL License No.: _____ Selling Firm DOL License: _____

Seller's Signature: June [redacted] Date: 4/21/2016
Seller's Address: _____
City, State, Zip: Spokane WA 99201
Phone No.: _____ No.: _____
Seller's E-mail: _____

Buyer is a licensed agent with Keller Williams, but is acting as buyer not as agent. Seller is not represented. Property purchased in its as is condition, no warranties. June to receive up to \$15,000, but not less than \$12,500. Buyer to pay all applicable closing costs.

Subject to - City of Spokane Recreational Use Easement
Liens Against the Property

4/21/2016
J. [Redacted]
Copyright 2015 Northwest Multiple Listing Service
ALL RIGHTS RESERVED

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

- a. **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 funds from loans, the sale of other 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 Closing Agent. If Buyer delivers the Earnest Money to Selling Broker, Selling Broker will deposit any check to be held by Selling Firm, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance, whichever occurs later. If the Earnest Money is held by Selling Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Firm's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer shall reimburse Selling Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Firm is over \$10,000.00 Buyer has the option to require Selling Firm to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer 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 less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Selling Firm may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Selling Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the addresses and/or fax numbers provided herein.

Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest Money to the other party or the parties. The party(s) shall execute such form and deliver the same to the Closing Agent. If either party fails to execute the release form, a party may make a written demand to the Closing Agent for the Earnest Money. Pursuant to RCW 64.04, Closing Agent shall deliver notice of the demand to the other party within 15 days. If the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand within 10 days of the expiration of the 20 day period. If Closing Agent timely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an interpleader action within 60 days of such objection or inconsistent demand, unless the parties provide subsequent consistent instructions to Closing Agent to disburse the earnest money or refrain from commencing an interpleader action for a specified period of time. Pursuant to RCW 4.28.080, the parties consent to service of the summons and complaint for an interpleader action by first class mail, postage prepaid at the party's usual mailing address or the address identified in this Agreement. If the Closing Agent complies with the preceding process, each party shall be deemed to have released Closing Agent from any and all claims or liability related to the disbursement of the Earnest Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so under this Agreement, that party shall be in breach of this Agreement. For the purposes of this section, the term Closing Agent includes a Selling Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$500.00 for the costs thereof.

- c. **Included Items.** Any of the following items, including items identified in Specific Term No. 5 if the corresponding box is checked, located in or on the Property are included in the sale: built-in appliances; wall-to-wall carpeting; curtains, drapes and all other window treatments; window and door screens; awnings; storm doors and windows; installed television antennas; ventilating, air conditioning and heating fixtures; trash compactor; fireplace doors, gas logs and gas log lighters; irrigation fixtures; electric garage door openers; water heaters; installed electrical fixtures; lighting fixtures; shrubs, plants and trees planted in the ground; and other fixtures; and all associated operating remote controls. Unless otherwise agreed, if any of the above items are leased or encumbered, Seller shall acquire clear title before Closing.
- d. **Condition of Title.** Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title.
- e. **Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of Homeowner's Policy of Title Insurance for One-to-Four Family Residence, from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed. If the Title Insurance Company selected by the parties will not issue a Homeowner's Policy for the Property, the parties agree that the Title Insurance Company shall instead issue the then-current ALTA standard form Owner's Policy, together with homeowner's additional protection and inflation protection endorsements, if available. The Title Insurance Company

[Redacted] 4/21/2016 [Redacted] 4/21/2016
 Buyer's Initials Date Buyer's Initials Date Seller's Date Seller's Initials Date

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

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

f. Closing and Possession. This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, 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 Seller. Seller shall deliver keys and garage door remotes to Buyer on the Closing Date or on the Possession Date, whichever occurs first. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller shall maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is entitled to possession. Seller shall not enter into or modify existing leases or rental agreements, service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld. If possession transfers at a time other than Closing, the parties shall execute NWMLS Form 65A (Rental Agreement/Occupancy Prior to Closing) or NWMLS Form 65B (Rental Agreement/Seller Occupancy After Closing) (or alternative rental agreements) and are advised of the need to contact their respective insurance companies to assure appropriate hazard and liability insurance policies are in place, as applicable.

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

g. Section 1031 Like-Kind Exchange. If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party shall cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding the Assignment paragraph of this Agreement, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

h. Closing Costs and Prorations and Charges and Assessments. Seller and Buyer shall each pay one-half of the escrow fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner's association dues shall be prorated as of Closing. Buyer shall pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by, Seller. Buyer shall pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement from the supplier as to the quantity and current price and provides such statement to the Closing Agent. Seller shall pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 12, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller shall provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).

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

i. Sale Information. Listing Broker and Selling Broker are authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all Closing Agents, appraisers, title insurance companies, and others related to this Sale, to furnish the Listing Broker and/or Selling Broker, on request, any and all information and copies of documents concerning this sale.





j. Seller Citizenship and FIRPTA. Seller warrants that the identification of Seller's citizenship status for purposes of U.S. income taxation in Specific Term No. 14 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment in Real Property Tax Act ("FIRPTA") at Closing and provide the certification to the Closing Agent. If Seller is a foreign person for purposes of U.S. income taxation, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

Buyer's Initials: [Redacted] Date: 4/20/2016
Seller's Initials: J. [Redacted] Date: 4/21/2016

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

- k. Notices.** In consideration of the license to use this and NWMLS's companion forms and for the benefit of the Listing Broker and the Selling Broker as well as the orderly administration of the offer, counteroffer or this Agreement, the parties irrevocably agree that unless otherwise specified in this Agreement, any notice required or permitted in, or related to, this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed given only when the notice is received by Seller, by Listing Broker or at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed given only when the notice is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. Receipt by Selling Broker of a Form 17, Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, homeowners' association documents provided pursuant to NWMLS Form 22D, or a preliminary commitment for title insurance provided pursuant to NWMLS Form 22T shall be deemed receipt by Buyer. Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning the party or causing a copy of the notice to be delivered to the party's address shown on this Agreement. Buyer and Seller must keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice.
- l. Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less, except for any time period relating to the Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement.
- m. Facsimile and E-mail Transmission.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will confirm facsimile transmitted signatures by signing an original document. E-mail transmission of any signed original document or a direct link to such document, and retransmission of any such e-mail, shall be the same as delivery of an original, provided that the e-mail is sent to both Selling Broker and Selling Firm or both Listing Broker and Listing Firm at the e-mail addresses on page one of this Agreement. At the request of either party, or the Closing Agent, the parties will confirm e-mail transmitted signatures by signing an original document.
- n. Integration and Electronic Signatures.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in electronic form has the same legal effect and validity as a handwritten signature.
- o. Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the Buyer on the first page of this Agreement.
- p. Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 8, shall apply:
- i. Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure.
- ii. Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.
- q. Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement the prevailing party is entitled to reasonable attorneys' fees and expenses.
- r. Offer.** Buyer shall purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 p.m. on the Offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.

| | | | | | | | |
|---|--------------------|---|--------------------|---|--------------------|--------------------|---|
|  | <i>[Signature]</i> |  | <i>[Signature]</i> |  | <i>[Signature]</i> | <i>H/21/0 2010</i> |  |
| Buyer's Initials | Date | Buyer's Initials | Date | Seller's Initials | Date | Seller's Initials | Date |



RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT

GENERAL TERMS

Continued

- s. **Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of the Seller's name and the Seller's warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, the other party's broker, or at the licensed office of the other party's broker. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 173-178
- t. **Offer and Counteroffer Expiration Date.** If no expiration date is specified for an offer/counteroffer, the offer/counteroffer shall expire 2 days after the offer/counteroffer is delivered by the party making the offer/counteroffer, unless sooner withdrawn. 179-181
- u. **Agency Disclosure.** Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are the same person representing both parties then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency." 182-189
- v. **Commission.** Seller and Buyer shall pay a commission in accordance with any listing or commission agreement to which they are a party. The Listing Firm's commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing. Seller and Buyer hereby consent to Listing Firm or Selling Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Firm and Selling Firm, as applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Firm(s). In any action by Listing or Selling Firm to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. Seller and Buyer agree that the Firms are intended third party beneficiaries under this Agreement. 191-198
- w. **Cancellation Rights/Lead-Based Paint.** If a residential dwelling was built on the Property prior to 1978, and Buyer receives a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (NWMLS Form 22J) after mutual acceptance, Buyer may rescind this Agreement at any time up to 3 days thereafter. 199-201
- x. **Information Verification Period and Property Condition Disclaimer.** Buyer shall have 10 days after mutual acceptance to verify all information provided from Seller or Listing Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within 10 days of mutual acceptance. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 202-206

Buyer and Seller agree, that except as provided in this Agreement, all representations and information regarding the Property and the transaction are solely from the Seller or Buyer, and not from any Broker. The parties acknowledge that the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Brokers has agreed to independently investigate or confirm any matter related to this transaction except as stated in this Agreement, or in a separate writing signed by such Broker. In addition, Brokers do not guarantee the value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. Some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. Brokers do not have the expertise to identify or assess defective products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer's satisfaction and to retain inspectors qualified to identify the presence of defective materials and evaluate the condition of the Property as there may be defects that may only be revealed by careful inspection. Buyer is advised to investigate whether there is a sufficient water supply to meet Buyer's needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner's, flood, earthquake, landslide, and other available coverage. Buyer and Seller acknowledge that home protection plans may be available which may provide additional protection and benefit to Buyer and Seller. Brokers may assist the parties with locating and selecting third party service providers, such as inspectors or contractors, but Brokers cannot guarantee or be responsible for the services provided by those third parties. The parties shall exercise their own judgment and due diligence regarding third-party service providers.

| | | | | | | | |
|---|------------------|------------------|------|---|------------------|-------------------|------|
|  | <u>4/21/2016</u> | | |  | <u>4/16/2016</u> | | |
| Buyer's Initials | Date | Buyer's Initials | Date | Seller's Initials | Date | Seller's Initials | Date |

PRE-CLOSING DRAFT

05/05/2014 2:28:21 PM

| | | | |
|---|------------------|--|------------------|
| a. Settlement Statement (HUD-1) | | OMB No. 2502-0265 | |
| B. Type of Loan | | | |
| 1. <input type="checkbox"/> FHA 2. <input type="checkbox"/> RFS 3. <input type="checkbox"/> Conv. Unins. 4. <input type="checkbox"/> VA 5. <input type="checkbox"/> Conv. Ins. | | 6. File Number College | 7. Loan Number |
| 8. Mortgage Insurance Case Number | | | |
| C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals. | | | |
| D. Name and Address of Borrower Escalade Properties, LLC 1121 E. Mullan Ave. Coeur d' Alene, ID 83814 | | E. Name and Address of Seller June [REDACTED] [REDACTED] Ave. Spokane, WA 99201 | |
| F. Name and Address of Lender Gustafson Law, Inc., P.S. 1500 West 4th Ave., Suite 408 Spokane, WA 99201 | | | |
| G. Property Location 2315 W. College Ave. Spokane, WA 99201 | | H. Settlement Agent 509-456-0400 Alissa [REDACTED] Gustafson & Hogan, P.S. Gustafson Law, Inc., P.S. 1500 West 4th Ave., Suite 408 Spokane, WA 99201 | |
| I. Settlement Date 05/26/16 Disbursement Date 05/26/16 | | | |
| J. Summary of Borrower's Transaction | | K. Summary of Seller's Transaction | |
| 100. Gross Amount Due from Borrower | | 400. Gross Amount Due to Seller | |
| 101. Contract sales price | 29,000.00 | 401. Contract sales price | 29,000.00 |
| 102. Personal property | | 402. Personal property | |
| 103. Settlement charges to borrower (line 1400) | 2,281.00 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for Items paid by seller in advance | | Adjustments for Items paid by seller in advance | |
| 106. City/town taxes to | | 406. City/town taxes to | |
| 107. County taxes 05/26/16 to 07/01/16 | 137.98 | 407. County taxes 05/26/16 to 07/01/16 | 137.98 |
| 108. Assessments to | | 408. Assessments to | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. Gross Amount Due from Borrower | 31,418.98 | 420. Gross Amount Due to Seller | 29,137.98 |
| 200. Amounts Paid By Or In Behalf Of Borrower | | 500. Reductions in Amount Due To Seller | |
| 201. Deposit or earnest money | | 501. Excess deposit (see instructions) | |
| 202. Principal amount of new loan(s) | | 502. Settlement charges to seller (line 1400) | 6,637.98 |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. | | 504. Payoff of first mortgage loan City of Spokane Payoff | 10,000.00 |
| 205. | | 505. Payoff of second mortgage loan | |
| 206. | | 506. Proceeds to June [REDACTED] | 12,500.00 |
| 207. | | 507. | |
| 208. | | 508. | |
| 209. | | 509. | |
| Adjustments for Items unpaid by seller | | Adjustments for Items unpaid by seller | |
| 210. City/town taxes to | | 510. City/town taxes to | |
| 211. County taxes to | | 511. County taxes to | |
| 212. Assessments to | | 512. Assessments to | |
| 213. | | 513. | |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. Total Paid by/for Borrower | 0.00 | 520. Total Reduction Amount Due Seller | 29,137.98 |
| 300. Cash At Settlement from/to Borrower | | 600. Cash At Settlement to/from Seller | |
| 301. Gross amount due from borrower (line 120) | 31,418.98 | 601. Gross amount due to seller (line 420) | 29,137.98 |
| 302. Less amounts paid by/for borrower (line 220) | (0.00) | 602. Less reductions in amount due seller (line 520) | (29,137.98) |
| 303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower | 31,418.98 | 603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller | 0.00 |

The Public Reporting Burden for this collection of information is estimated to average 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a correctly validated IRS control number. Do not enter this information if it is not applicable. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

PRE-CLOSING DRAFT

05/06/2014 @ 2016

| L. Settlement Charges | | | | | |
|--|-------------|-------------|----------------|---|---|
| 700. Total Real Estate Broker Fees | | | | \$ | |
| Division of Commission (line 700) as follows: | | | | | |
| 701. \$ | to | | | Paid From Borrower's Funds At Settlement | Paid From Seller's Funds At Settlement |
| 702. \$ | to | | | | |
| 703. Commission paid at Settlement | | | | | |
| 704. | | | | | |
| 800. Items Payable In Connection With Loan | | | | | |
| 801. Our origination charge | | \$ | (from GFE #1) | | |
| 802. Your credit or charge (points) for the specific interest rate chosen | | \$ | (from GFE #2) | | |
| 803. Your adjusted origination charges | | | (from GFE #A) | | |
| 804. Appraisal fee to | | | (from GFE #3) | | |
| 805. Credit Report to | | | (from GFE #3) | | |
| 806. Tax service to | | | (from GFE #3) | | |
| 807. Flood certification | | | (from GFE #3) | | |
| 808. | | | | | |
| 809. | | | | | |
| 810. | | | | | |
| 811. | | | | | |
| 812. | | | | | |
| 813. | | | | | |
| 814. | | | | | |
| 900. Items Required By Lender To Be Paid In Advance | | | | | |
| 901. Daily interest charges from to @ \$/day | | | (from GFE #10) | | |
| 902. Mortgage insurance premium for months to | | | (from GFE #3) | | |
| 903. Homeowner's insurance for years to | | | (from GFE #11) | | |
| 904. | | | | | |
| 905. | | | | | |
| 1000. Reserves Deposited With Lender | | | | | |
| 1001. Initial deposit for your escrow account | | | (from GFE #9) | | |
| 1002. Homeowner's Insurance | months @ \$ | per month | \$ | | |
| 1003. Mortgage insurance | months @ \$ | per month | \$ | | |
| 1004. Property taxes | months @ \$ | per month | \$ | | |
| 1005. | months @ \$ | per month | \$ | | |
| 1006. | months @ \$ | per month | \$ | | |
| 1007. | months @ \$ | per month | \$ | | |
| 1008. Aggregate escrow adjustment | | | \$ | | |
| 1100. Title Charges | | | | | |
| 1101. Title services and lender's title insurance | | | (from GFE #4) | | |
| 1102. Settlement or closing fee to Gustafson Law, Inc., P.S. | \$ | | | 850.00 | |
| 1103. Owner's title insurance to First American | | | (from GFE #5) | 309.80 | |
| 1104. Lender's title insurance | \$ | | | | |
| 1105. Lender's title policy limit | \$ | | | | |
| 1106. Owner's title policy limit | \$ | | | | |
| 1107. Agent's portion of the total title insurance premium | | \$ | | | |
| 1108. Underwriter's portion of the total title insurance premium | | \$ | | | |
| 1109. | | | | | |
| 1110. | | | | | |
| 1111. | | | | | |
| 1112. | | | | | |
| 1113. | | | | | |
| 1200. Government Recording and Transfer Charges | | | | | |
| 1201. Government recording charges | | | (from GFE #7) | | |
| 1202. Deed \$ | Mortgage \$ | Release \$ | | | |
| 1203. Transfer taxes | | | | | |
| (from GFE #8) | | | | | |
| 1204. City/county tax/stamps: | Deed \$ | Mortgage \$ | | | |
| 1205. State tax/stamps: | Deed \$ | Mortgage \$ | | | |
| 1206. | | | | | |
| 1207. 1.78% Excise Tax to Spokane County Treasurer | \$ | | | 521.20 | |
| 1208. | | | | | |
| 1300. Additional Settlement Charges | | | | | |
| 1301. Required services that you can shop for | | | (from GFE #6) | | |
| 1302. Reconveyance Fees to Spokane County Auditor/Trustee | \$ | | | 600.00 | |
| 1303. Delinquent Water Bill to City of Spokane | \$ | | | | 695.38 |
| 1304. 2015 Taxes to Spokane County Treasurer | | | | | 5,153.75 |
| 1305. 2016 First Half Taxes to Spokane County Treasurer | | | | | 788.85 |
| 1306. | | | | | |
| 1307. | | | | | |
| 1308. | | | | | |
| 1309. | | | | | |
| 1310. | | | | | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | 2,281.00 | 6,637.98 |

| Comparison of Good Faith Estimate (GFE) and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|--|--------------------------|---------------------|-------|
| Charges That Cannot Increase | HUD-1 Line Number | | |
| Our origination charge | # 801 | 0.00 | 0.00 |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | 0.00 | 0.00 |
| Your adjusted origination charges | # 803 | 0.00 | 0.00 |
| Transfer taxes | # 1203 | 0.00 | 0.00 |

| Charges That in Total Cannot Increase More Than 10% | | Good Faith Estimate | HUD-1 |
|---|--------|---------------------|----------------------------|
| Government recording charges | # 1201 | 0.00 | 0.00 |
| Owner's title insurance | # 1103 | 0.00 | 309.80 |
| Total | | 0.00 | 309.80 |
| Increase between GFE and HUD-1 Charges | | 309.80 | (Enter GFE amounts) |

| Charges That Can Change | | Good Faith Estimate | HUD-1 |
|---|--------|---------------------|-------|
| Initial deposit for your escrow account | # 1001 | 0.00 | 0.00 |
| Daily interest charges | # 901 | 0.00 | 0.00 |
| Homeowner's insurance | # 903 | 0.00 | 0.00 |

Loan Terms

| | | | | | | | |
|---|--|---|--|--|--------------------------|--------------------------|--------------------------|
| Your initial loan amount is | \$ | | | | | | |
| Your loan term is | Null years. | | | | | | |
| Your initial interest rate is | % | | | | | | |
| Your initial monthly amount owed for principal, interest, and any mortgage insurance is | <input checked="" type="checkbox"/> includes <input type="checkbox"/> Principal <input type="checkbox"/> Interest <input type="checkbox"/> Mortgage Insurance | | | | | | |
| Can your interest rate rise? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of % . The first change will be on and can change again every after . Every change date, your interest rate can increase or decrease by % . Over the life of the loan, your interest rate is guaranteed never to be lower than % or higher than % . | | | | | | |
| Even if you make payments on time, can your loan balance rise? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$. | | | | | | |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, the first increase can be on and the monthly amount owed can rise to \$. The maximum it can ever rise to is \$. | | | | | | |
| Does your loan have a prepayment penalty? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$. | | | | | | |
| Does your loan have a balloon payment? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years on . | | | | | | |
| Total monthly amount owed including escrow account payments | <input checked="" type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. <input type="checkbox"/> You have an additional monthly escrow payment of \$ that results in a total initial monthly amount owed of \$. This includes principal, interest, any mortgage insurance and any items checked below. <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> Property taxes</td> <td><input type="checkbox"/> Homeowner's insurance</td> </tr> <tr> <td><input type="checkbox"/> Flood insurance</td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table> | <input type="checkbox"/> Property taxes | <input type="checkbox"/> Homeowner's insurance | <input type="checkbox"/> Flood insurance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Property taxes | <input type="checkbox"/> Homeowner's insurance | | | | | | |
| <input type="checkbox"/> Flood insurance | <input type="checkbox"/> | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | | | | | | |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

PRE-CLOSING DRAFT

05/06/2014 20:20:16

Addendum to Settlement Statement

This page is attached to and made part of the Settlement Statement in the matter described on Page 1 of the Settlement Statement.

I have carefully reviewed this Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the Settlement Statement.

Borrower(s) Escalade Properties, LLC Seller(s) _____ 05/26/16
June _____

The Settlement Statement which I have prepared is a true and accurate account of funds received and funds disbursed or to be disbursed for this transaction.

05/26/16 _____ Alissa _____, Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

Gustafson Law, Inc., PS
ALTA Universal ID:
1500 West Fourth Ave.
Suite 408
Spokane, WA 99201

File No./Escrow No. : ██████████
Print Date & Time: November 1, 2016 8:53 am
Officer/Escrow Officer : Steve Gustafson
Settlement Location : 1500 West Fourth Ave., Suite 408
Spokane, WA 99201

Property Address: 2315 W College Avenue
Spokane, WA 99201

Borrower: ██████████
██████████
Spokane Valley, WA 99212

Seller: Escalade Properties, LLC
1121 E Mullan Avenue
Coeur D'Alene, ID 83814

Lender: Guild Mortgage Company

Settlement Date: October 31, 2016
Disbursement Date: October 31, 2016

FINAL

| Seller | | Description | Borrower | |
|----------|------------|---|------------|------------|
| Debit | Credit | | Debit | Credit |
| | | Financial | | |
| | 124,900.00 | Sale Price of Property | 124,900.00 | |
| | | Deposit | | 1,000.00 |
| | | Loan Amount | | 121,153.00 |
| 1,873.50 | | Seller Credit | | 1,873.50 |
| | | Prorations/Adjustments | | |
| | 206.87 | County Taxes 10/31/16 - 01/01/17 | 206.87 | |
| | | Loan Charges to Guild Mortgage Company | | |
| | | Tax Certification Fee | 60.00 | |
| | | Underwriting Fee | 595.00 | |
| | | Wire Transfer Fee | 30.00 | |
| | | Appraisal Fee to Norquist, Kevin Eric | 545.00 | |
| | | Credit Report Fee to Informative Research | 43.00 | |

| Seller | | Description | Borrower | |
|-----------|--------|--|------------------|--------|
| Debit | Credit | | Debit | Credit |
| | | Loan Charges to Guild Mortgage Company (continued) | | |
| | | Flood Certification Fee to Informative Research | 8.50 | |
| | | Prepaid Interest \$12.862 per day from 10/31/16 to 11/01/16 Guild Mortgage Company | 12.86 | |
| | | | | |
| | | Impounds | | |
| | | Homeowner's Insurance to Guild Mortgage Company 3.000 months at \$55.29/month | 165.88 | |
| | | Property Taxes to Guild Mortgage Company 3.000 months at \$104.00/month | 311.99 | |
| | | Aggregate Adjustment to Guild Mortgage Company | | 0.02 |
| | | | | |
| | | Title Charges and Escrow/Settlement Charges | | |
| 410.00 | | Closing Fee to Gustafson Law, Inc., PS | 410.00 | |
| | | lenders policy to First American Title Company | 1,010.59 | |
| 701.12 | | owners policy to First American Title Company | | |
| | | Sub Escrow Fee to First American Title Company | 98.46 | |
| | | | | |
| | | Commissions | | |
| 3,747.00 | | 3%commission to Keller Williams Spokane Main | | |
| 3,747.00 | | 3%commission to John L Scott | | |
| | | | | |
| | | Government Recording and Transfer Charges | | |
| | | Recording Fees to First American Title Company | 92.00 | |
| 2,228.22 | | 1.78%Excise Tax to Spokane County Treasurer | | |
| 73.00 | | City Enforcement Lien Removal to First American Title Company | | |
| | | Recording Fee to First American Title Company | 74.00 | |
| | | | | |
| | | Payoff(s) | | |
| 80,153.33 | | Payoff of First Mortgage Loan to Lake City Servicing | | |
| | | Loan Payoff | 0.00 | |
| | | Total Payoff | <u>80,153.33</u> | |
| | | | | |
| | | Miscellaneous | | |
| | | Homeowner's Insurance Premium to Enumclaw P & S Insurance 12 months | 663.51 | |
| 550.00 | | Final utility holdback to City of Spokane | | |

| Seller | | Description | Borrower | |
|------------|------------|---------------------------------------|------------|------------|
| Debit | Credit | | Debit | Credit |
| | | Miscellaneous (continued) | | |
| 450.00 | | Home Warranty to American Home Shield | | |
| | | Title Premium Adjustment Amount | | 466.00 |
| | | | | |
| Seller | | Subtotals | Borrower | |
| Debit | Credit | | Debit | Credit |
| 93,933.17 | 125,106.87 | | 129,227.66 | 124,492.52 |
| | | Due from Borrower | | 4,735.14 |
| 31,173.70 | | Due to Seller | | |
| 125,106.87 | 125,106.87 | Totals | 129,227.66 | 129,227.66 |

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize Gustafson Law, Inc., PS to cause the funds to be disbursed in accordance with this statement.

Borrower

Seller

Escalade Properties, LLC

BY: _____
Lee Arnold, Member

Steve Gustafson

ADDENDUM #2 10/18/2016 *UH*

ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated October 03, 2016 9/23/16 1
between [Redacted] Buyer ("Buyer") 2
and Escalade Properties, LLC Seller ("Seller") 3
concerning 2315 West College Ave Spokane WA 99201 (the "Property"). 4
Address City State Zip

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

SELLER TO:

1. Seal cracks in concrete patio. 6
2. Cut back shrubs and trees so they are at least 5 feet from structure. 7
3. Change soil grade to slope away from foundation, downspouts, window wells and exterior steps. 8
4. Fasten loose siding. 9
5. Install seal around all exterior doorways so that air/moisture isn't allowed to enter home. 10
6. Replace burnt out/missing bulbs inside/out of home, verify all light switches work properly if fixture/switches are not properly working. 11
7. Verify exterior hose bibs are working properly/not leaking. 12
8. Add handrails to all stairways.(interior/exterior) 13
10. Add minimum 6mil barrier in areas where earth is not covered in crawlspace. 14
11. Repair/replace areas of missing/loose insulation in basement/crawlspace. 15
12. Seal heat ducts where they are pulling apart. 16
13. Provide receipt for 2016 furnace service, replace thermostat per inspector's note on furnace. 17
14. Secure loose bathroom sink. 18
15. Repair damaged walls/trim/etc where water entered the home. 19
16. Remedy areas where concrete comes up past the base of the siding so that it does not trap moisture. 20
17. Water seal all windows, gaps, cracks and areas of transilions/penetrations. 21
18. Remove water from carpet where entered the home in front room. 22
19. Correct gaps in fascia. 23
20. Repair garage roof/decking. 24
21. Certify house roof is installed properly, make necessary repairs and replace missing/damaged shingles, repair replace missing/cracked/gapped flashing, replace cracked chimney/plumbing/electrical mast flashing and add nails/nails where needed. 25
22. Install attic access from inside of home in a location that makes the most sense by seller. 26
23. Verify water heater is installed properly and in good working order. 27
24. Repair shower head connection. 28

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

Buyer's Initials Date Buyer's Initials Date *[Signature]* 10/18/2016 Seller's Initials Date Seller's Initials Date

PRE-INSPECTION AGREEMENT

This Pre-Contract Inspection Agreement ("Agreement") is made this 8/30/16 1
between [Redacted] ("Buyer") 2
and Escalade Properties LLC ("Seller") 3
in anticipation of the negotiation of a purchase and sale agreement between them for the real property located at 4
2315 W. College Ave Spokane WA 99201 (the "Property"). 5
Address City State Zip

1. **Pre-Contract Inspection.** Seller agrees that Buyer may inspect the Property at a mutually convenient time and date. Buyer's inspection may include, at Buyer's option, the structural, mechanical and general condition of the improvements to the Property, compliance with building and zoning codes, an inspection of the Property for hazardous materials, a pest inspection, and a soils/stability inspection. The inspection must be performed by Buyer or a person licensed (or exempt from licensing) under Chapter 18.280 RCW. 6-9
2. **Buyer's Obligations.** All inspections are to be (a) ordered by Buyer (b) performed by an inspector of Buyer's choice and (c) completed at Buyer's expense. Buyer shall not alter the Property or any improvements on the Property without first obtaining Seller's permission. Buyer is solely responsible for interviewing and selecting all inspectors. Buyer shall restore the Property and all improvements on the Property to the same condition they were in prior to the inspection. Buyer shall be responsible for all damages resulting from any inspection of the Property performed on Buyer's behalf. 10-16
3. **Sewer Inspection.** Buyer's inspection of the Property may; may not (may, if not checked) include an inspection of the sewer system, which may include a sewer line video inspection and assessment and may require the inspector to remove toilets or other fixtures to access the sewer line. 17-19
4. **Oil Storage Tanks.** Any inspection regarding oil storage tanks or contamination from such tanks shall be limited solely to determining the presence or non-presence of oil storage tanks on the Property, unless otherwise agreed to in writing by Buyer and Seller. 20-22
5. **No Further Obligation.** The parties understand that this Agreement does not obligate the Buyer or Seller to consider or enter into a purchase and sale agreement. 23-24
6. **Attorneys' Fees.** If Buyer or Seller institutes suit against the other concerning this Agreement, the prevailing party is entitled to attorneys' fees and expenses. 25-26
7. **Indemnification.** Buyer shall indemnify, defend, and hold Seller harmless from any and all costs and claims for personal injury that arise as a result of Buyer's conducting the inspection, except insofar as any such claims arise from Seller's negligence or intentional misconduct. 27-29

[Redacted] 2 Sept 16 [Redacted] 8/31/2016 30
Buyer's Signature Date Seller's Signature Date

Buyer's Signature Date Seller's Signature Date 31

**COUNTEROFFER ADDENDUM
TO REAL ESTATE PURCHASE AND SALE AGREEMENT**

All terms and conditions of the offer (Real Estate Purchase and Sale Agreement) dated 8/31/2016,
concerning 2315 WEST College Ave Spokane WA 99201 (the "Property"),
by, Escrow Properties, LLC, as Seller
and the undersigned [Redacted], as Buyer
are accepted, except for the following changes.

The Purchase Price shall be \$ 132,900

Other.

1. Seller will insure a 6 foot, white privacy fence surrounding the grassy area on the rear yard. Fence will be completed prior to the opening!!
2. Seller is a licensed Washington Real Estate Agent with Kelle Williams Spokane.
3. Kent Phillips, Buyer's agent, is not the seller's true agent "the Lee Arnold team". Kelle Williams Spokane will be acting as the agent of the Seller.

This counteroffer shall expire at 9:00 p.m. on 9/1/2016 (if not filled in, two days after it is delivered), unless it is sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the counterofferor, their broker or at the licensed office of their broker. If this counteroffer is not so accepted, it shall lapse and the 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.

[Redacted Signature] 8/31/2016 [Redacted Signature] 2 Sept 16,
Signature Date Signature Date

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

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
SPECIFIC TERMS

1. Date: 8/30/16 MLS No.: _____ Offer Expiration Date: 8/31/16 5pm
2. Buyer: _____
3. Seller: Escalade Properties LLC
4. Property: Tax Parcel No(s): 25133.0710 (Spokane County)
2315 W College Ave. Spokane WA 99201
Address City State Zip
Legal Description: Attached as Exhibit A.
5. Included Items: stove/range; refrigerator; washer; dryer; dishwasher; hot tub; fireplace insert;
 wood stove; satellite dish; security system; attached television(s); attached speaker(s); microwave;
 other _____
6. Purchase Price: \$ 130,400.00 Dollars
7. Earnest Money: \$ 500.00 Check; Note; Other Cashier LLC (held by Selling Firm; Closing Agent)
8. Default: (check only one) Forfeiture of Earnest Money; Seller's Election of Remedies
9. Title Insurance Company: First American Title
10. Closing Agent: a qualified closing agent of Buyer's choice; Gustafson Law Allist
11. Closing Date: 9/30/16; Possession Date: on Closing; Other _____
12. Services of Closing Agent for Payment of Utilities: Requested (attach NWMLS Form 22K); Waived
13. Charges/Assessments Levied Before but Due After Closing: assumed by Buyer; prepaid in full by Seller at Closing
14. Seller Citizenship (FIRPTA): Seller is; is not a foreign person for purposes of U.S. income taxation
15. Agency Disclosure: Selling Broker represents: Buyer; Seller; both parties; neither party
Listing Broker represents: Seller; both parties
16. Addenda: 22A, 22J, Title Legal Description Exhibit A, 17, SAR-BC
TO Enclose Backyard with white vinyl Fencing at Sellers
Expense Grass Area only

| | | | |
|---|---|--|--|
| Buyer's Signature: _____ | Date: <u>30 Aug 16</u> | Seller's Signature: _____ | Date: <u>8/31/2016</u> |
| Buyer's Signature: _____ | Date: _____ | Seller's Signature: _____ | Date: _____ |
| Buyer's Address: _____ | City, State, Zip: <u>Spokane WA 99201</u> | Seller's Address: _____ | City, State, Zip: <u>1121 Mullan Ave</u> |
| Phone No. _____ | Fax No. _____ | Phone No. _____ | Fax No. _____ |
| Buyer's E-mail Address: _____ | _____ | Seller's E-mail Address: _____ | _____ |
| Selling Firm: _____ | MLS Office No. _____ | Listing Firm: <u>Keller Williams The Lee Arnold team</u> | MLS Office No. <u>872</u> |
| Selling Broker (Print): <u>K.W. The Lee Arnold Team</u> | MLS LAG No. <u>312</u> | Listing Broker (Print): <u>Lee Arnold</u> | MLS LAG No. <u>15079</u> |
| Phone No. _____ | Firm Fax No. _____ | Phone No. _____ | Firm Fax No. _____ |
| Selling Firm Document E-mail Address: _____ | _____ | Listing Firm Document E-mail Address: _____ | _____ |
| Selling Broker E-mail Address: _____ | _____ | Listing Broker's E-mail Address: _____ | _____ |
| Selling Broker DOL License No. _____ | Selling Firm DOL License No. _____ | Listing Broker DOL License No. _____ | Listing Firm DOL License No. _____ |

**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS**

Continued

- a. **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 funds from loans, the sale of other 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 Closing Agent. If Buyer delivers the Earnest Money to Selling Broker, Selling Broker will deposit any check to be held by Selling Firm, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance, whichever occurs later. If the Earnest Money is held by Selling Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Firm's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer shall reimburse Selling Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Firm is over \$10,000.00 Buyer has the option to require Selling Firm to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer 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 less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Selling Firm may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Selling Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the addresses and/or fax numbers provided herein.

Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest Money to the other party or the parties. The party(s) shall execute such form and deliver the same to the Closing Agent. If either party fails to execute the release form, a party may make a written demand to the Closing Agent for the Earnest Money. Pursuant to RCW 64.04, Closing Agent shall deliver notice of the demand to the other party within 15 days. If the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand within 10 days of the expiration of the 20 day period. If Closing Agent timely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an interpleader action within 60 days of such objection or inconsistent demand, unless the parties provide subsequent consistent instructions to Closing Agent to disburse the earnest money or refrain from commencing an interpleader action for a specified period of time. Pursuant to RCW 4.28.080, the parties consent to service of the summons and complaint for an interpleader action by first class mail, postage prepaid at the party's usual mailing address or the address identified in this Agreement. If the Closing Agent complies with the preceding process, each party shall be deemed to have released Closing Agent from any and all claims or liability related to the disbursement of the Earnest Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so under this Agreement, that party shall be in breach of this Agreement. For the purposes of this section, the term Closing Agent includes a Selling Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$500.00 for the costs thereof.

- c. **Included Items.** Any of the following items, including items identified in Specific Term No. 5 if the corresponding box is checked, located in or on the Property are included in the sale: built-in appliances; wall-to-wall carpeting; curtains, drapes and all other window treatments; window and door screens; awnings; storm doors and windows; installed television antennas; ventilating, air conditioning and heating fixtures; trash compactor; fireplace doors, gas logs and gas log lighters; irrigation fixtures; electric garage door openers; water heaters; installed electrical fixtures; lighting fixtures; shrubs, plants and trees planted in the ground; and other fixtures; and all associated operating remote controls. Unless otherwise agreed, if any of the above items are leased or encumbered, Seller shall acquire clear title before Closing.
- d. **Condition of Title.** Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title.
- e. **Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of Homeowner's Policy of Title Insurance for One-to-Four Family Residence, from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed. If the Title Insurance Company selected by the parties will not issue a Homeowner's Policy for the Property, the parties agree that the Title Insurance Company shall instead issue the then-current ALTA standard form Owner's Policy, together with homeowner's additional protection and inflation protection endorsements, if available. The Title Insurance Company

Buyer's Initials _____ Date _____ Buyer's Initials _____ Date _____ Seller's Initials _____ Date _____ Seller's Initials _____ Date _____

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

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

- f. **Closing and Possession.** This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, 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 Seller. Seller shall deliver keys and garage door remotes to Buyer on the Closing Date or on the Possession Date, whichever occurs first. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller shall maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is entitled to possession. Seller shall not enter into or modify existing leases or rental agreements, service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld. If possession transfers at a time other than Closing, the parties shall execute NWMLS Form 65A (Rental Agreement/Occupancy Prior to Closing) or NWMLS Form 65B (Rental Agreement/Seller Occupancy After Closing) (or alternative rental agreements) and are advised of the need to contact their respective insurance companies to assure appropriate hazard and liability insurance policies are in place, as applicable.

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

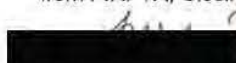

- g. **Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party shall cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding the Assignment paragraph of this Agreement, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

- h. **Closing Costs and Prorations and Charges and Assessments.** Seller and Buyer shall each pay one-half of the escrow fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner's association dues shall be prorated as of Closing. Buyer shall pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by, Seller. Buyer shall pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement from the supplier as to the quantity and current price and provides such statement to the Closing Agent. Seller shall pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 12, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller shall provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).

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

- i. **Sale Information.** Listing Broker and Selling Broker are authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all Closing Agents, appraisers, title insurance companies, and others related to this Sale, to furnish the Listing Broker and/or Selling Broker, on request, any and all information and copies of documents concerning this sale.

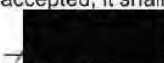

- j. **Seller Citizenship and FIRPTA.** Seller warrants that the identification of Seller's citizenship status for purposes of U.S. income taxation in Specific Term No. 14 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment in Real Property Tax Act ("FIRPTA") at Closing and provide the certification to the Closing Agent. If Seller is a foreign person for purposes of U.S. income taxation, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

 2/10/2016 _____ Date
 8/31/2016 _____ Date
Buyer's Initials Date Seller's Initials Date Seller's Initials Date

**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS**

Continued

- k. Notices.** In consideration of the license to use this and NWMLS's companion forms and for the benefit of the Listing Broker and the Selling Broker as well as the orderly administration of the offer, counteroffer or this Agreement, the parties irrevocably agree that unless otherwise specified in this Agreement, any notice required or permitted in, or related to, this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed given only when the notice is received by Seller, by Listing Broker or at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed given only when the notice is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. Receipt by Selling Broker of a Form 17, Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, homeowners' association documents provided pursuant to NWMLS Form 22D, or a preliminary commitment for title insurance provided pursuant to NWMLS Form 22T shall be deemed receipt by Buyer. Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning the party or causing a copy of the notice to be delivered to the party's address shown on this Agreement. Buyer and Seller must keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice.
- l. Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less, except for any time period relating to the Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement.
- m. Facsimile and E-mail Transmission.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will confirm facsimile transmitted signatures by signing an original document. E-mail transmission of any signed original document or a direct link to such document, and retransmission of any such e-mail, shall be the same as delivery of an original, provided that the e-mail is sent to both Selling Broker and Selling Firm or both Listing Broker and Listing Firm at the e-mail addresses on page one of this Agreement. At the request of either party, or the Closing Agent, the parties will confirm e-mail transmitted signatures by signing an original document.
- n. Integration and Electronic Signatures.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in electronic form has the same legal effect and validity as a handwritten signature.
- o. Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the Buyer on the first page of this Agreement.
- p. Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 8, shall apply:
- i. Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure.
 - ii. Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.
- q. Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement the prevailing party is entitled to reasonable attorneys' fees and expenses.
- r. Offer.** Buyer shall purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 p.m. on the Offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.

x  30 Aug 16  8/31/2016
Buyer's Initials Date Buyer's Initials Date Seller's Initials Date

**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS**

Continued

- s. **Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of the Seller's name and the Seller's warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, the other party's broker, or at the licensed office of the other party's broker. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 173-178
- t. **Offer and Counteroffer Expiration Date.** If no expiration date is specified for an offer/counteroffer, the offer/counteroffer shall expire 2 days after the offer/counteroffer is delivered by the party making the offer/counteroffer, unless sooner withdrawn. 179-181
- u. **Agency Disclosure.** Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are the same person representing both parties then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency." 182-190
- v. **Commission.** Seller and Buyer shall pay a commission in accordance with any listing or commission agreement to which they are a party. The Listing Firm's commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing. Seller and Buyer hereby consent to Listing Firm or Selling Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Firm and Selling Firm, as applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Firm(s). In any action by Listing or Selling Firm to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. Seller and Buyer agree that the Firms are intended third party beneficiaries under this Agreement. 191-198
- w. **Cancellation Rights/Lead-Based Paint.** If a residential dwelling was built on the Property prior to 1978, and Buyer receives a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (NWMLS Form 22J) after mutual acceptance, Buyer may rescind this Agreement at any time up to 3 days thereafter. 199-201
- x. **Information Verification Period and Property Condition Disclaimer.** Buyer shall have 10 days after mutual acceptance to verify all information provided from Seller or Listing Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within 10 days of mutual acceptance. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 202-206

Buyer and Seller agree, that except as provided in this Agreement, all representations and information regarding the Property and the transaction are solely from the Seller or Buyer, and not from any Broker. The parties acknowledge that the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Brokers has agreed to independently investigate or confirm any matter related to this transaction except as stated in this Agreement, or in a separate writing signed by such Broker. In addition, Brokers do not guarantee the value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. Some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. Brokers do not have the expertise to identify or assess defective products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer's satisfaction and to retain inspectors qualified to identify the presence of defective materials and evaluate the condition of the Property as there may be defects that may only be revealed by careful inspection. Buyer is advised to investigate whether there is a sufficient water supply to meet Buyer's needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner's, flood, earthquake, landslide, and other available coverage. Buyer and Seller acknowledge that home protection plans may be available which may provide additional protection and benefit to Buyer and Seller. Brokers may assist the parties with locating and selecting third party service providers, such as inspectors or contractors, but Brokers cannot guarantee or be responsible for the services provided by those third parties. The parties shall exercise their own judgment and due diligence regarding third-party service providers. 207-221

[Redacted]

Angie
Date

Buyer's Initials Date

[Redacted]

8/31/2016
Date

Seller's Initials Date

Seller's Initials Date

FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated 8/30/16 1
between [Redacted] ("Buyer") 2
and Escalate Properties LLC ("Seller") 3
concerning 2315 W College Ave Spokane WA 99201 (the "Property"). 4
Address City State Zip

1. LOAN APPLICATION/WAIVER OF CONTINGENCY. 5

- a. **Loan Application.** This Agreement is contingent on Buyer obtaining the following type of loan or loans to purchase the Property (the "Loan(s)"): Conventional First; Conventional Second; Bridge; VA; FHA; USDA; Home Equity Line of Credit; Other _____ (the "Financing Contingency"). Buyer shall pay \$ 0; or 0 % of the Purchase Price down, in addition to the Loans and make application for the Loans to pay the balance of the Purchase Price and pay the application fee, if required, for the subject Property within 5 days (5 days if not filled in) after mutual acceptance of this Agreement. For the purposes of this Addendum, "application" means the submission of Buyer's financial information for the purposes of obtaining an extension of credit including Buyer's name, income, social security number (if required), the Property address, purchase price, and the loan amount. 10-14
- b. **Waiver of Financing Contingency.** If Buyer (i) fails to make application for financing for the Property within the agreed time; (ii) changes the type of loan at any time without Seller's prior written consent; or (iii) changes the lender without Seller's prior written consent after the agreed upon time to apply for financing expires, then the Financing Contingency shall be deemed waived. Buyer's waiver of the Financing Contingency under this Paragraph 1(b) also constitutes waiver of Paragraph 7 (Appraisal Less Than Sales Price). For purposes of this Addendum, "lender" means either the party to whom the application was submitted or the party funding the loan. 15-20

2. LOAN INFORMATION. 21

- a. **Seller's Request for Loan Information.** At any time 10 days (10 days if not filled in) after mutual acceptance, Seller may give, once, a notice requesting information related to the status of Buyer's loan application ("Request for Loan Information"). NWMLS Form 22AL may be used for this notice. 22-24
- b. **Buyer's Loan Information Notice.** Within 3 days (3 days if not filled in) of receiving Seller's Request for Loan Information, Buyer shall give notice of the status of Buyer's loan application ("Loan Information Notice"). Buyer's notice shall be on NWMLS Form 22AP and shall include the date of application, the name of lender, a list of the information that Buyer has provided to lender, and a warranty that Buyer has provided all information requested by lender. 25-29
- c. **Failure to Provide Loan Information Notice.** If Buyer fails to timely give to Seller a completed Loan Information Notice, Seller may give the Right to Terminate Notice described in Paragraph 3 (Seller's Right to Terminate) at any time after the date that the Loan Information Notice is due. 30-32

3. SELLER'S RIGHT TO TERMINATE. 33

- a. **Right to Terminate Notice.** At any time 30 days (30 days if not filled in) after mutual acceptance, Seller may give notice that Seller may terminate the Agreement at any time 3 days after delivery of that notice (the "Right to Terminate Notice"). NWMLS Form 22AR may be used for this notice. 34-36
- b. **Termination Notice.** If Buyer has not previously waived the Financing Contingency, Seller may give notice of termination of this Agreement (the "Termination Notice") any time following 3 days after delivery of the Right to Terminate Notice. If Seller gives the Termination Notice before Buyer has waived the Financing Contingency, this Agreement is terminated and the Earnest Money shall be refunded to Buyer. NWMLS Form 22AR shall be used for this notice. If not waived, the Financing Contingency shall survive the Closing Date. 37-41
- c. **Appraisal Less Than Sales Price.** Buyer's waiver of the Financing Contingency under this Paragraph 3 will; or will not (will, if not filled in) constitute waiver of Paragraph 7 (Appraisal Less Than Sales Price). 42-43

- 4. **LOAN COST PROVISIONS.** Seller shall pay up to \$ 0; or 0 % of the Purchase Price (\$0.00 if not filled in), which shall be applied to Buyer's Loan(s) and settlement costs, including prepaids, loan discount, loan fee, interest buy down, financing, closing or other costs allowed by lender. That amount shall include the following costs that lender is prohibited from collecting from Buyer: (a) up to \$300.00 for Buyer's Loan(s) 44-47

[Redacted] 30 Aug 16 [Redacted]
 Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date

**FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT**
Continued

- and settlement costs for FHA/USDA/VA loans; and (b) Buyer's share of the escrow fee for a VA loan. Seller shall pay the costs for (a) and (b), even if the amount agreed upon in this Paragraph 4 is insufficient to pay for those costs. 48 49
5. **EARNEST MONEY.** If Buyer has not waived the Financing Contingency, and is unable to obtain financing by Closing after a good faith effort then, on Buyer's notice, this Agreement shall terminate. The Earnest Money shall be refunded to Buyer after lender confirms in writing (a) the date Buyer's loan application for the Property was made, including a copy of the loan estimate that was provided to Buyer; (b) that Buyer possessed sufficient funds to close; and (c) the reasons Buyer was unable to obtain financing by Closing. If Seller terminates this Agreement, the Earnest Money shall be refunded without need for such confirmation. 50 51 52 53 54 55
6. **INSPECTION.** Seller agrees to permit inspections required by lender, including but not limited to structural, pest, heating, plumbing, roof, electrical, septic, and well inspections. Seller is not obligated to pay for such inspections unless otherwise agreed. 56 57 58
7. **APPRAISAL LESS THAN SALE PRICE.** 59
- a. **Notice of Low Appraisal.** If lender's appraised value of the Property is less than the Purchase Price, Buyer may, within 3 days after receipt of a copy of lender's appraisal, give notice of low appraisal, which shall include a copy of lender's appraisal. NWMLS Form 22AN may be used for the notices in this Paragraph 7. 60 61 62
- b. **Seller's Response to Notice of Low Appraisal.** Seller shall, within 10 days after Buyer's notice of low appraisal, give notice of: 63 64
- (i) A reappraisal or reconsideration of value, at Seller's expense, by the same appraiser or another appraiser acceptable to lender, in an amount not less than the Purchase Price. Buyer shall promptly seek lender's approval of such reappraisal or reconsideration of value. The parties are advised that lender may elect not to accept a reappraisal or reconsideration of value; 65 66 67 68
- (ii) Seller's consent to reduce the Purchase Price to an amount not more than the amount specified in the appraisal or reappraisal by the same appraiser, or an appraisal by another appraiser acceptable to lender, whichever is higher. (This provision is not applicable if this Agreement is conditioned on FHA, VA, or USDA financing. FHA, VA, and USDA financing does not permit the Buyer to be obligated to buy if the Seller reduces the Purchase Price to the appraised value. Buyer, however, has the option to buy at the reduced price.); or 69 70 71 72 73
- (iii) Seller's rejection of Buyer's notice of low appraisal. 74
- If Seller timely delivers notice of reappraisal, reconsideration of value, or consent to reduce the Purchase Price, and lender accepts Seller's response, then Buyer shall be bound by Seller's response. 75 76
- c. **Buyer's Reply.** Buyer shall have 3 days from either Seller's notice of rejection of low appraisal or, if Seller fails to respond, the day Seller's response period ends, whichever is earlier, to (a) waive the Financing Contingency or (b) terminate the Agreement, in which event the Earnest Money shall be refunded to Buyer. Buyer's inaction during this reply period shall result in termination of the Agreement and return of the Earnest Money to Buyer. The Closing date shall be extended as necessary to accommodate the foregoing times for notices. 77 78 79 80 81
8. **FHA/VA/USDA - Appraisal Certificate.** If this Agreement is contingent on Buyer obtaining FHA, VA, or USDA financing, notwithstanding any other provisions of this Agreement, Buyer is not obligated to complete the purchase of the Property unless Buyer has been given in accordance with HUD/FHA, VA, or USDA requirements a written statement by FHA, VA, USDA or a Direct Endorsement lender, setting forth the appraised value of the Property (excluding closing costs). Buyer shall pay the costs of any appraisal. If the appraised value of the Property is less than the Purchase Price, Paragraph 7 above shall apply. 82 83 84 85 86 87
- Purpose of Appraisal.** The appraised valuation is arrived at only to determine the maximum mortgage FHA, VA, or USDA will insure. FHA, VA, or USDA do not warrant the value or the condition of the Property. Buyer agrees to satisfy himself/herself that the price and condition of the Property are acceptable. 88 89 90
9. **EXTENSION OF CLOSING.** If, through no fault of Buyer, lender is required by 12 CFR 1026 to give corrected disclosures to Buyer due to (a) a change in the Annual Percentage Rate ("APR") of Buyer's Loan(s) by .125% or more for a fixed rate loan or .250% or more for an adjustable rate loan; (b) a change in the loan product; or (c) the addition of a prepayment penalty, then upon notice from Buyer, the Closing Date shall be extended for up to 4 days to accommodate the requirements of Regulation Z of the Truth in Lending Act. This paragraph shall survive Buyer's waiver of this Financing Contingency. 91 92 93 94 95 96

 30 Aug 16 _____
Buyer's Initials Date Buyer's Initials Date

 5/31/2016 _____
Initials Date Seller's Initials Date



SPOKANE ADDENDUM TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement ("Agreement") dated 8/30/16,
20 16 between [REDACTED] ("Buyer"), and
Escalade Properties, LLC ("Seller") concerning:
2315 W College Ave (the "Property");

1. ADVICE TO SEEK EXPERT ADVICE ON MATTERS OUTSIDE BROKER'S EXPERTISE. Each of the parties to the Agreement acknowledged that brokers are not in a position to offer expert advice on matters outside their expertise and that the parties have been advised to seek expert advice on such matters from qualified experts/professionals having proper licensing in the state of Washington when applicable. Each of the parties acknowledges being advised not to use the services of anyone not licensed in Washington to perform in any matter where a license is required by law. By way of example and not limitation, the parties acknowledge that:

a. If any party has questions or concerns regarding legal issues arising in connection with the Agreement, transaction, Property, or any property or other disclosure, they should consult with an attorney (parties may confirm the licensing and disciplinary history of attorneys at www.wsba.org).

b. If any party has questions or needs advice or assistance in any way related to the Agreement or transaction, they should consult with a CPA, tax attorney or other qualified tax professional (parties may confirm the licensing and disciplinary history of CPAs at www.cpaboard.wa.gov).

c. Brokers are not qualified to advise regarding the condition of any property and recommend that Buyer utilize the services of a licensed professional inspector to inspect the Property (parties may confirm the licensing of a professional home inspector at www.dol.wa.gov/business/homeinspectors).

d. If any inspector or other qualified professional recommends that matters related to the Property or transaction be further investigated, tested or reviewed, the parties are advised to carefully review the recommendations and follow up as suggested.

e. Repair, remodeling and construction of homes and buildings should only be performed in accordance with law (by licensed contractors when a license is required) (parties may confirm the licensing status of a contractor at <https://secure.lni.wa.gov/verify/>).

f. On-site sewage disposal systems, including septic tanks, should be inspected by trained inspectors licensed by the local city or county sewer district having jurisdiction over the subject property and licensing should be able to be confirmed with that agency;

g. Water well tests are customarily performed by inspectors licensed as water well contractors under RCW, Chapter 18.27 or by qualified engineers (contractor registrations may be confirmed as stated in subparagraph e., and engineering licensing can be confirmed at <https://fortress.wa.gov/dol/dolprod/bpdLicenseQuery>).

h. Soil conditions, ground and surface water issues and stability issues are customarily evaluated by qualified geotechnical or soils engineers or hydrologists.

2. INSPECTIONS AND TESTS. There may be defects present in any property. None of the real estate Firms or brokers involved in this transaction is an expert regarding the identification of, detection of, presence of, concealed defects. While not an exhaustive list and by way of example and not limitation, Buyer acknowledges having been advised that some matters that can adversely affect a property are as follows:

Initials: BUYER: [REDACTED] DATE: 30 Aug. 16 SELLER: [REDACTED] DATE: 8/30/16
BUYER: _____ DATE: _____ SELLER: _____ DATE: _____

a. Smoke detectors are required by law to be installed in all dwelling units (RCW 43.44.110). Parties are advised to install and maintain smoke detectors meeting nationally accepted standards and in accordance with manufacturer recommendations in all dwellings.

b. Carbon monoxide alarms are required by law to be installed in single-family residences before they can be sold (RCW 19.27.5300). Parties are advised to install and maintain carbon monoxide alarms meeting nationally accepted standards and in accordance with manufacturer recommendations in all dwellings.

c. Mold can grow inside dwellings and present health hazards, and the presence of mold may or may not be detected in a professional home inspection and a complete mold assessment may require the services of a mold specialist. Mold Information can be obtained from the Environmental Protection Agency, including its publication "A Brief Guide to Mold, Moisture, and Your Home" that may be obtained via the Internet at www.epa.gov/iaq/molds/index.html

d. Wood destroying organisms (such as termites, carpenter ants and other insects), as well as fungi, that consume, remove or destroy wood products may not be detected in a professional home inspection, and a home inspector will not provide a complete wood destroying organism inspection unless the inspector is also licensed as a structural pest inspector with the Washington Department of Agriculture and your inspection contract also includes this service.

e. Radon is a colorless, odorless gas that can be present inside dwellings and other structures that can severely and adversely affect the health of occupants. A professional home inspection will likely not include testing for the presence of radon and a radon test would require the services of a radon specialist. Radon information can be obtained from the Environmental Protection Agency at www.epa.gov/radon.

f. Asbestos was at one time used in homes and other construction and may be present in existing structures. If inhaled, asbestos fibers can severely and adversely affect people's health. A professional home inspection may not include a complete examination and testing for the presence of asbestos and, if asbestos is present in a home, any removal will require use of a licensed contractor that also has an asbestos contractor's certificate. Asbestos information can be obtained from the Environmental Protection Agency at www.epa.gov/asbestos.

g. Other indoor organic compounds may also be present in a home and you can obtain additional information regarding these from various sources, including the Washington State Department of Health, www.dh.wa.gov/CommunityandEnvironment/Contaminants.

Seller acknowledges that Seller has the sole responsibility for disclosing to Buyer in writing any knowledge Seller has regarding the presence of adverse conditions affecting the Property, including but not limited to the above. Buyer acknowledges that Buyer is solely responsible for determining whether to undertake any professional evaluation or inspection to determine the presence, effect of, and recommended course of treatment or pursuit of treatment for any known, disclosed or potential adverse matters affecting the Property. The above is intended as general advice and not as a substitute for professional advice.

3. LENDER RELEASE OF CONSUMER DISCLOSURE INFORMATION. Each Buyer acknowledges that the Listing Real Estate Brokerage Firm and its assigned broker(s), Selling Real Estate Brokerage Firm and its assigned broker(s), and the Closing Agent may be able to assist in identifying and correcting information contained in any Disclosure Statement or similar document provided to Buyer(s) in connection with any loan being obtained for the purchase of the Property. Accordingly, each Buyer consents to disclosure of any Disclosure Statement or similar document to all of the above and directs the lender(s) involved in this transaction to provide full disclosure of such Disclosure Statement or similar document to each of the above at the same time such information is disclosed to Buyer(s).

Initials: BUYER: [redacted] DATE: 30 Aug 16 SELLER: [redacted] DATE: 8/31/2016
BUYER: _____ DATE: _____ SELLER: _____ DATE: _____



CASE STUDY 3

TURNING GARBAGE INTO GOLD!

How We Found the Property:

- This property came directly from the Spokane city attorney.
- The city had been working with this property for years trying to remedy the situation.
- They needed help and contacted Lee.



Background

- The original owner had died, which legally left the property to her three adult children.
- The two sisters had moved out of the house long before their mother died, but the adult brother, Michael, was living with his mother at the time of her death and continued to do so afterward.
- Michael's mental health was an issue and drug use only made it worse. He would often yell at and threaten neighbors repeatedly.
- Police were called to the house more than 50 times from the beginning of 2015, often for mental health issues, disturbances, and to check on his welfare.
- The house had gone without power and water for months, and Michael was using a 5-gallon bucket in the backyard as a toilet.

Notes:

- Michael slept in the basement, entering and exiting through a ground-level window, and had tipped the kitchen refrigerator to cover the stairs so no one else could enter the basement.
- His nest in the basement included a board tied to electric wires he had ripped out of the wall.
- Once he was inside, he'd use the wires to pull the board into the window and wind them around hooks, keeping anyone from following him inside.



- For heat, he burned pieces of the wall in a newspaper stand he stole off the street.
- The two sisters were contacted through information provided by the city attorney, and they were anxious to sell the property because they were getting ready to lose it due to code and health violations.
- The drug addict brother was another story. He could not be found.
- He was squatting in the property and every time a process server showed up to hand him the court order, he wouldn't answer the door. In his defense however, the front door was screwed shut and could not be opened.

Notes:



- The strategy of service by publication was discovered on this house.
- When a person cannot be identified to serve, you can publish the legal notice in the newspaper in the county that the matter is being tried in and they will have to appear in court. If they fail to appear because of the service by publication, the court will award a judgment in your favor allowing you legal possession and the ability to evict. This was a great and powerful strategy that I did not know about prior to this house project.

"Service by Publication"

Definition from law.com:

Serving a summons or other legal document in a lawsuit on a defendant by publishing the document in an advertisement in a newspaper of general circulation. Service by publication is used to give "constructive notice" to a defendant who is intentionally absent, in hiding, unknown (as a possible descendant of a former landowner), and only when allowed by a judge's order based on a sworn declaration of the inability to find the defendant after "due diligence" (trying hard). Service by publication is commonly used in a divorce action to serve a spouse who has disappeared without leaving a forwarding address or to give notice to people who might have a right to object to a "quiet title" action to clear title to real property.

<http://dictionary.law.com/Default.aspx?selected=1928>

Steps to Service by Publication (may vary)

First, you need to make every reasonable effort to find the other party and document the efforts made. If you are unable to locate the other party, then you must present your documentation to a judge and ask him/her to allow service by publication.

STEP ONE

Prepare the following papers:

- Motion for Service by Publication
- Affidavit (describing what you have done to locate the other party). This must be signed in front of a Notary Public.
- Order for Service by Publication (you complete the proposed order and later ask the clerk to have it signed.)
- A cover letter to be sent to the newspaper you have chosen to publish your notice
- A verification form that will be filled out by the newspaper and returned to you

STEP TWO

- Take the forms, your complaint, and any other documentation you have to the court clerk's office. Tell the clerk that you need to have the order signed by the judge and attested by the clerk. You may not even need to see the judge. If you do, he or she will probably want to ask you about your efforts to find the other party or to ask you about the dates when the legal notices will be published.
- You will not have to prepare a summons to file with your complaint. The judge's Order for Service by Publication and the publication itself will be treated as the summons.

Notes:

STEP THREE

- Send a copy of the signed Order for Service by Publication with a filled-in cover letter to the newspaper along with the verification for the newspaper to fill out and return to you. You should also include your payment to the newspaper, unless the newspaper will bill you later.
- Publication must begin within 20 days of the date on which the judge signs your order. Immediately arrange with the newspaper to be sure that this deadline is met.

STEP FOUR

- You will get verification in the mail from the newspaper. This will include the completed verification form showing that the notice was published for three consecutive weeks (the time for verification varies by state.) Copies of the notice as it appeared in the newspaper should be included.
- Once you get the verification back, file it with the court clerk's office. Service by Publication is complete 21 days after the notice appeared in the paper. Hearing dates can now be scheduled if you have received the verification back from the newspaper.
- Once the service by publication was complete, the way was clear to move forward with the purchase of the property.

Notes:



The Opportunity & Potential

- Initial research yielded an ARV of \$159,900
- Purchase price was \$25,000

The Rehab – What We Did

- The hauling away of trash was expensive because the condition of the property was so bad that not even professional trash haulers were willing to do the work.



- New siding and windows all the way around
- Completely new kitchen



- The basement was finished with 2 bedrooms, 1 bath, and a living space, turning this 2/1 house into a 4/2 home.
- Utility room with laundry downstairs
- Completely gutted and rebuilt
- Main floor master bedroom
- Basement bathroom
- Ready for sale!



Listing the Property

<http://tours.tourfactory.com/tours/tour.asp?t=1719107>

Three Things We Learned From this Deal

1. Service by publication!
2. I scheduled my timelines on this house too tight and as a result paid a premium to get the house trashed out.
 - Better planning and scheduling would have saved about \$4,000 in the trash out process.
3. Neighbors can be your greatest friend and ally.
 - The neighbors on this house were so appreciative of this house being cleaned up that they made for great referral partners, sound bites in news stories, and podcasts.
 - They were also very willing to give testimonials about our work and ethics and the way we conducted business.
 - Additionally, they watched the house for us. They made sure no one was coming in and stealing out tools or messing with our project, and they alerted us whenever something was going on with the property or being done to the property



CASE STUDY 3

Notes:

A large, empty rectangular box with a light blue border, intended for taking notes on the case study.

Lori Phillips

From: [REDACTED] Matthew <[REDACTED]>
Sent: Tuesday, July 26, 2016 8:17 AM
To: Lee Arnold; [REDACTED]
Cc: [REDACTED]
Subject: RE: HELP!!!

This is excellent news. Great work Lee! The SPD has not filed a chronic nuisance abatement on 6117 N. Cedar and we will hold off as long as you are making progress. The property has been placed into the building official process and has a status hearing August 16 at 1:30. I would recommend contacting Melissa [REDACTED] [REDACTED] as she is point on this property for code enforcement.

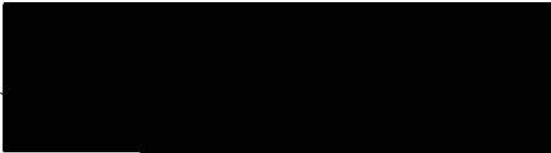
Please keep me in the loop. I am very interested in how this legal process works for Mr. [REDACTED]

Lee – if we come into contact with Michael, who should we put him into contact with?

Best Regards,



Matthew [REDACTED] City of Spokane | Office of the City Attorney | Assistant City Attorney
[REDACTED]
808 W. Spokane Falls Blvd. 5th Floor, Municipal Bldg. Spokane, WA 99201-3326



From: Lee Arnold [REDACTED]
Sent: Monday, July 25, 2016 10:55 PM
To: [REDACTED] Matthew; [REDACTED]
Cc: [REDACTED]
Subject: HELP!!!

Hello Matthew, Alissa, John and Dawn,

Attached please find a purchase and sale agreement between my Entity, Escalade Properties, LLC and two Of the three owners of the property located at 6117 North Cedar Street, Spokane WA 99205.

Matthew [REDACTED] The Assistant City Attorney of the City of Spokane asked us to reach out to these individuals as they have a Property that is in significant decline and in need of substantial repair.

It was previously owned by Sharron [REDACTED],
Who passed away in 2013.
Unfortunately, at the time of her passing she did not have a Will, which leaves
The three remaining siblings as the owner(s).

Two of the siblings, Colleen [REDACTED] and Michelle [REDACTED],
would like to sell the property as the city is beginning to assess fines against it for the condition that it is in.
They have agreed to a purchase price of \$25,000, cash, subject to approval of the city,
perfection and transfer of the title, and final removal of any of mom's items that are still present in the house prior to
settlement.
(see Addendum #1 to the Purchase and Sale Agreement)

Unfortunately, they have a brother named "Michael [REDACTED]", who was living in the property.
He was recently arrested on drug charges and is nowhere to be found.
The city has boarded up the property due to its excessive abatement issues and the fact that it is no longer habitable.

The sisters would like to move forward with a sale of the property to avoid further legal action against them.
Unfortunately, they cannot make contact with the brother, nor do they know where he is to get him to sign anything.

John and Dawn – they are hopeful that there is some legal process where the brother can be served as to his rights
under the law, or have service by publication if he cannot be found.
They would also be willing to sell the property and have 1/3rd of the total sales proceeds held in trust until their brother
can be found at which time funds can be released to him.
In the event that the brother is arrested or incarcerated for any period of time, they would be agreeable to having those
proceeds used for any medical treatment or drug rehab that the
City or the State deemed necessary for his recovery and care.

Alissa – I have notified you on this email to bring you up to speed with what is going on. Please open escrow on this
property and know that we are prepared to close as quickly as possible.
You will see a settlement date in the purchase and sale agreement for October 19, 2016. This is not the desired closing
date, it is simply there as a place holder as I was not sure the duration of the legal process that John would require
to take to get the title perfected and able to transfer.
This process could take a couple of weeks, or a couple of months.
John – please manage all of our expectations as to when the sale and/or transfer of this property
from the current owners to me could possibly take place.

Matthew – I have cc'd you on this email string to let you know that we have made contact with the owners and believe
we are moving in the right direction. Any assistance you can provide as it relates to the city giving us some leeway on
time to get this matter settled and closed around would be much appreciated. In the meantime, please let us know if
there is anything you would like to see done with the property between now and settlement to make the property safer
for the surrounding neighbors and less of a burden for the city. While our efforts cannot be too financially excessive or
time intensive until we know that we can and will own the asset, we are willing to do whatever we can, within reason, to
assist the city with this challenging property. Please let us know what you would like to see from us moving forward.

I have attached a preliminary title report from First American Title for everyone's information.

Please let me know what else you require to get this matter resolved quickly.

I look forward to working with all of you on this interesting challenge!

Yours in Success,

Cogo Capital.com

800-341-9918

"Nations Fastest Growing Provider of Private Funds to Real Estate Investors, Nation Wide".

Ask about becoming a private money lender through our nationwide platform!

Sent from my iPhone

On Jul 26, 2016, at 7:51 AM, John L. [REDACTED] wrote:

Lee,

I need one of the sisters to be the Personal Representative. She will need to sign the petition and other documents for the estate. Whoever it is needs to call and make an appointment.

Thanks.

John L. [REDACTED]

8414 N. Wall, Suite A
Spokane, Wa 99208-6171

[REDACTED]

From: Lee Arnold [REDACTED]
Sent: Tuesday, July 26, 2016 7:44 AM
To: [REDACTED]
Subject: Re: HELP!!!

Hi John,

Thanks for the quick response.

I told the sisters that I would cover the legal costs to get this done and then we would take it out of the closing proceeds as they don't have any additional cash to get this taken care of. Let's proceed! What's the next step?!

Lee A. Arnold
CEO
Secured Investment Corp/
Cogo Capital.com
[REDACTED]

"Nations Fastest Growing Provider of Private Funds to Real Estate Investors, Nation Wide".

Ask about becoming a private money lender through our nationwide platform!

Sent from my iPhone

On Jul 26, 2016, at 7:15 AM, John L. [REDACTED] wrote:

Good morning Lee.

This is not a significant great problem although it will take a probate by administration to allow the sale. The probate process without a will (an administration) takes a little more in the way of court approval and may require a Bond which is not a great expense. The administration will require filing fee, publication and attorney's fees of approximately \$3,000.00. This is unfortunate as the estate is so small. Let me know if I may be of assistance here.

John H. [REDACTED]

8414 N. Wall, Suite A
Spokane, Wa 99208-6171

[REDACTED]

From: Lee Arnold [REDACTED]
Sent: Monday, July 25, 2016 10:55 PM
To: [REDACTED], Matthew [REDACTED]
Dawn [REDACTED]
Cc: [REDACTED]
Subject: HELP!!!

Hello Matthew, Alissa, John and Dawn,

Attached please find a purchase and sale agreement between my Entity, Escalade Properties, LLC and two Of the three owners of the property located at 6117 North Cedar Street, Spokane WA 99205.

Matthew [REDACTED] The Assistant City Attorney of the City of Spokane asked us to reach out to these individuals as they have a Property that is in significant decline and in need of substantial repair.

It was previously owned by Sharron [REDACTED] Who passed away in 2013. Unfortunately, at the time of her passing she did not have a Will, which leaves The three remaining siblings as the owner(s).

Two of the siblings, Colleen [REDACTED] and Michelle [REDACTED] would like to sell the property as the city is beginning to asses fines against it for the condition that it is in. They have agreed to a purchase price of \$25,000, cash, subject to approval of the city, perfection and transfer of the title, and final removal of any of moms items that are still present in the house prior to settlement. (see Addendum #1 to the Purchase and Sale Agreement)

Unfortunately, they have a brother named "Michael [REDACTED]", who was living in the property. He was recently arrested on drug charges and is nowhere to be found. The city has boarded up the property due to its excessive abatement issues and the fact that it is no longer habitable.

The sisters would like to move forward with a sale of the property to avoid further legal action against them. Unfortunately, they cannot make contact with the brother, nor do they know where he is to get him to sign anything.

John and Dawn – they are hopeful that there is some legal process where the brother can be served as to his rights under the law, or have service by publication if he cannot be found. They would also be willing to sell the property and have 1/3rd of the total sales proceeds held in trust until their brother can be found at which time funds can be released to him. In the event that the brother is arrested or incarcerated for any period of time, they would be agreeable to having those proceeds used for any medical treatment or drug rehab that the City or the State deemed necessary for his recovery and care.

Alissa – I have notified you on this email to bring you up to speed with what is going on. Please open escrow on this property and know that we are prepared to close as quickly as possible. You will see a settlement date in the purchase and sale agreement for October 19, 2016. This is not the desired closing date, it is simply there as a place holder as I was not sure the duration of the legal process that John would require. To take to get the title perfected and able to transfer. This process could take a couple of weeks, or a couple of months. John – please manage all of our expectations as to when the sale and/or transfer of this property. From the current owners to me could possibly take place.

Matthew – I have cc'd you on this email string to let you know that we have made contact with the owners and believe we are moving in the right direction. Any assistance you can provide as it relates to the city giving us some leeway on time to get this matter settled and closed around would be much appreciated. In the meantime, please let us know if there is anything you would like to see done with the property between now and settlement to make the property safer for the surrounding neighbors and less of a burden for the city. While our efforts cannot be to financially excessive or time intensive until we know that we can and will own the asset, we are willing to do whatever we can, within reason, to assist the city with this challenging property. Please let us know what you would like to see from us moving forward.

I have attached a preliminary title report from First American Title for everyone's information.

Please let me know what else you require to get this matter resolved quickly.

I look forward to working with all of you on this interesting challenge!

Yours in Success,

Lee Arnold
CEO

Secured Investment Corp

1121 E Mullan Ave.
Coeur d'Alene ID 83814



<image001.png>
www.SecuredInvestmentCorp.com

<image002.png><image003.png><image004.png><image005.png>

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8414 N. Wall, Suite A
Spokane, Wa 99208-6171

From: Lee Arnold [REDACTED]
Sent: Tuesday, July 26, 2016 8:15 AM
To: [REDACTED]
Subject: Re: HELP!!!

I will coordinate with the sisters to come in and see you. Please give me several times that work for you and I'll set it up to have them come in.

Lee A. Arnold
CEO
Secured Investment Corp/
Cogo Capital.com
800-341-9918
"Nations Fastest Growing Provider of Private Funds to Real Estate Investors, Nation Wide".
Ask about becoming a private money lender through our nationwide platform!
Sent from my iPhone

On Jul 26, 2016, at 8:00 AM, John L. [REDACTED] wrote:

Because of the attorney client relationship established, I will need the sister who will be appointed by the court as personal representative to visit with me at my office. Both sisters are welcome to com in.

John H. [REDACTED]

8414 N. Wall, Suite A
Spokane, Wa 99208-6171

From: Lee Arnold [REDACTED]
Sent: Tuesday, July 26, 2016 7:53 AM
To: [REDACTED]
Subject: Re: HELP!!!

Hi John-
Can you send all of these documents to me and we will coordinate a time with the sisters to sign?

Lee A. Arnold
CEO
Secured Investment Corp/

Lori Phillips


From: Lee Arnold
Sent: Tuesday, July 26, 2016 11:06 AM
To: John L
Cc: [REDACTED]
Subject: RE: HELP!!!

Lori – please make contact with Colleen and Michelle and coordinate a time to meet with John at his office in Spokane on the morning of August 1st or August 2nd, 2016 between 8am and 11am. Also, please plan on being in attendance for that meeting as well.

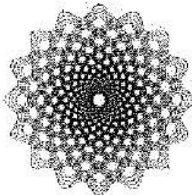
Please let John and I know which of these days the sellers have agreed to.

Thanks,

Lee Arnold
CEO

1st 8AM


Secured Investment Corp
1121 E Mullan Ave.
Coeur d'Alene ID 83814
Tel: 800.341.9918 ext. 1801
Fax: 888.897.0237



**SECURED
INVESTMENT
CORP**

www.SecuredInvestmentCorp.com



From: John L [REDACTED]
Sent: Tuesday, July 26, 2016 11:01 AM
To: Lee Arnold <[REDACTED]>
Subject: RE: HELP!!!

Lee,

I will be available in the morning of 8/1 or 8/2.

John H. [REDACTED]

JAN 17 2017

SPOKANE COUNTY CLERK

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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF SPOKANE

In the Matter of the Estate of:

SHARRON [REDACTED]
d.o.d. May 5, 2013,

Deceased.

NO. 16-4-01177-4

DECLARATION OF COMPLETION OF
PROBATE RESERVING TAX AUTHORITY

TO THE CLERK OF THE COURT:

COMES NOW Colleen [REDACTED] in her capacity as Personal Representative of the estate of Sharron [REDACTED], Deceased, and declares as required by law that:

Sharron [REDACTED] died testate on May 5, 2013, in Spokane County, State of Washington. That at the time of her death she was a resident of Spokane County, Washington, and left an estate in which an order was entered on August 15, 2016, appointing Colleen [REDACTED] as administrator of the estate of Sharron [REDACTED], Deceased, in the Superior Court of Spokane County, Washington.

That each creditor's claim which was justly due and properly presented as required by law has been paid or otherwise disposed of by agreement with the creditor, and that the amount of estate taxes due as the result of the decedent's death has been determined.

[REDACTED]

1 The personal representative has completed the
2 administration of the decedent's estate without court intervention,
3 and the estate is ready to be closed, except for the final payment of
4 taxes and of interest and penalties thereon, if any, as permitted
5 under RCW 11.16.114;

6 The amount of fees and costs advanced paid or to be paid to
7 each of the following: (i) Personal representative or representatives;
8 (ii) attorney's fees and costs advanced; (iii) accountant or
9 accountants; and that the personal representative believes the fees to
10 be reasonable and does not intend to obtain court approval of the
11 amount of the fees or to submit an estate accounting to the court for
12 approval.

13 Unless an heir of Sharron [REDACTED] Deceased, petitions
14 the Court for an Order requiring the Personal Representative to obtain
15 court approval of the amount of fees paid or to be paid to the
16 personal representative, lawyers, appraisers, or accountants, or for
17 an order requiring an accounting, or both, within thirty (30) days of
18 the date of filing a declaration of completion, the Personal
19 Representative will be automatically discharged without further order
20 of the court and the representative's powers will cease thirty (30)
21 days after the filing of the completion of probate, and the
22 declaration of completion of probate shall, at that time, be the
23 equivalent of the entry of a decree of distribution in accordance with
24 chapter 11.76 RCW for all legal intents and purposes and this estate
25 is declared closed.

26 DATED this 10 day of January, 2017.

27
28 
29 COLLEEN [REDACTED]
Personal Representative

JAN 17 2017

SPOKANE COUNTY CLERK

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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF SPOKANE

In the Matter of the Estate of:

SHARRON [REDACTED]
d.o.d. May 5, 2013,

Deceased.

NO. 16-4-01177-4

INVENTORY AND APPRAISEMENT

| | | |
|----|---|-------------|
| 1. | Real Property @ 6117 N. Cedar St., Spokane, WA: | \$25,000.00 |
| 2. | Stocks and Bonds: | \$0.00 |
| 3. | Mortgages, Notes, etc.: | \$0.00 |
| 4. | Bank Accounts and Money: | \$0.00 |
| 5. | Furniture and Household Goods: | \$0.00 |
| 6. | All Other Personal Property: | \$0.00 |
| | TOTAL: | \$25,000.00 |

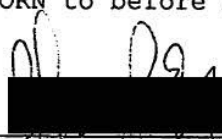

1 STATE OF WASHINGTON)
2 County of Spokane) ss.
3)

4 The undersigned Personal Representative or the authorized
5 officer thereof, being first duly sworn upon oath, deposes and says:

6 The Schedules attached hereto are a true inventory of all
7 of the property of this estate which has come into my possession or
8 knowledge, including: 1) Real property with legal description and
9 assessed valuation; 2) Stocks and bonds; 3) Mortgages, notes and other
10 written evidence of debt; 4) Bank accounts and money; 5) Furniture and
11 household goods; 6) All other personal property including partnership
12 interest; 7) A statement of all encumbrances, liens or other secured
13 charges against the items listed thereon, and the appraised values are
14 those of the Personal Representative. The Decedent's date of death
15 was May 5, 2013.

16
17  
18 COLLEEN 

19 SUBSCRIBED AND SWORN to before me this 16 day of
20 January, 2017.

21 
22 

23 NOTARY PUBLIC in and for the State
24 of Washington, residing at Spokane
25 My commission expires:

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Michael [REDACTED]
6117 N. Cedar Street
Spokane, WA 99205

Dawn [REDACTED]
DAWN A. [REDACTED]

SUBSCRIBED AND SWORN to before me this 17 day of January,
2017.



[Signature]
JOHN H. LOEFFLER
NOTARY PUBLIC in and for the State
of Washington, residing at Spokane
My commission expires: 01/23/2020

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COPY
ORIGINAL FILED

JAN 19 2017

SPOKANE COUNTY CLERK

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF SPOKANE

In the Matter of the Estate of:

SHARRON [REDACTED]
d.o.d. May 5, 2013,

Deceased.

NO. 16-4-01177-4

NOTICE OF FILING OF
DECLARATION OF
COMPLETION OF PROBATE

NOTICE IS GIVEN that the attached Declaration of Completion of Probate was filed by the undersigned in the above-entitled Court on the 17 day of January, 2017; unless you shall file a Petition in the above-entitled Court requesting the Court to approve the reasonableness of the fees, or for an accounting, or both, and serve a copy thereof upon the Personal Representative or the Personal Representative's lawyer, within thirty (30) days after the date of the filing, the amount of fees paid or to be paid will be deemed reasonable, the acts of the Personal Representative will be deemed approved, the Personal Representative will be automatically discharged without further order of the court, and the Declaration of Completion of Probate will be final and deemed the equivalent of a Decree of Distribution entered under Chapter 11.76 RCW.



NOTICE OF FILING OF DECLARATION OF COMPLETION OF
PROBATE - Page 1

OLSON, LOEFFLER & LANDIS, P.S.
8414 North Wall Street, Suite A
Spokane, WA 99208-6171
[REDACTED]

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If you file and serve a petition within the period specified, the undersigned will request the Court to fix a time and place for the hearing of your petition, and you will be notified of the time and place thereof, by mail, or personal service, not less than ten (10) days before the hearing on the Petition.

DATED this ____ day of January, 2017.

By: 
COLLEEN 
Personal Representative

SEP 16 2016

SPOKANE COUNTY CLE

SUPERIOR COURT of WASHINGTON for SPOKANE COUNTY

In the Matter of the Estate of

AFFIDAVIT of PUBLICATION

SHARRON [REDACTED],
Deceased.

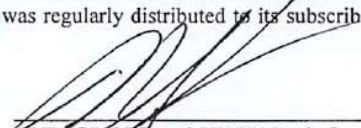
NO. 16-4-01177-4

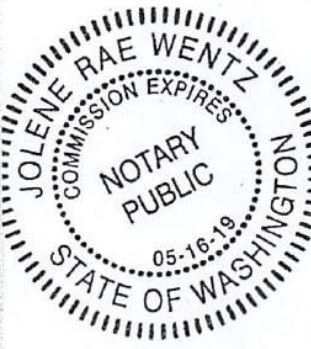
NOTICE TO CREDITORS

STATE of WASHINGTON
County of Spokane


MICHAEL HUFFMAN being first duly sworn on oath deposes and says that he is the **EDITOR** of the Spokane Valley News Herald, a weekly newspaper. That said newspaper is a legal newspaper and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continually as a weekly newspaper in Spokane County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of said newspaper, which said newspaper had been approved as a legal newspaper by order of the Superior Court of the State of Washington in and for Spokane County. That the following is a true copy of a **Legal Notice** as it was published in regular issues commencing on the **2nd day of September, 2016, the 9th day of September, 2016,** and ending on the **16th day of September, 2016,** all dates inclusive, and that such newspaper was regularly distributed to its subscribers during all of said period:

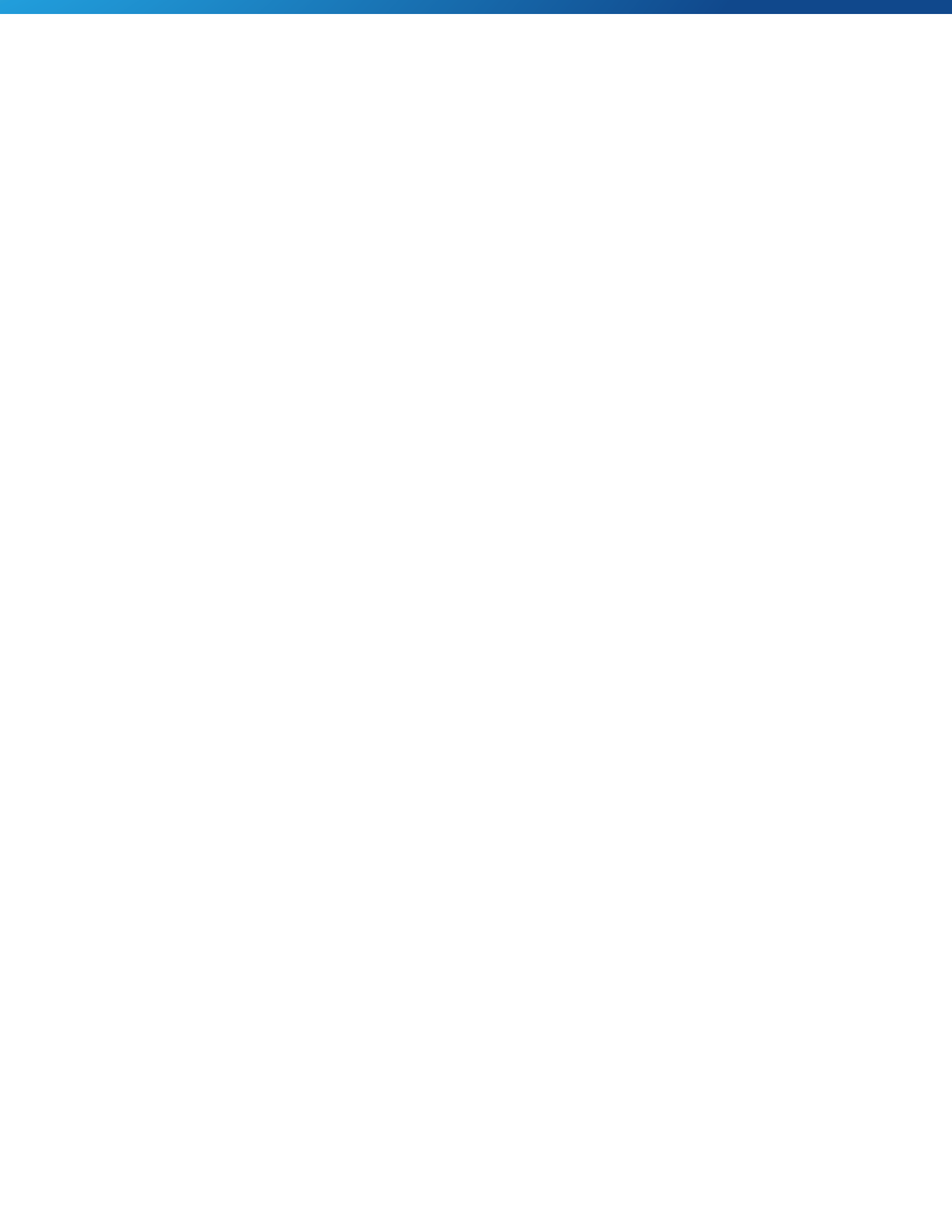
**PROBATE
NOTICE TO CREDITORS
IN THE SUPERIOR COURT OF THE
STATE OF WASHINGTON
IN AND FOR THE
COUNTY OF SPOKANE
RCW 11.40.030
NO. 16-4-01177-4**
In the Matter of the Estate of:
SHARRON [REDACTED]
d.o.d. May 5, 2013,
Deceased.
The personal representative named below has been appointed as Personal Representative of this estate. Any person having a claim against the decedent must, before the time the claim would be barred by any otherwise applicable statute of limitations, present the claim in the manner as provided in RCW 11.40.070 by serving on or mailing to the personal representative or the personal representative's attorney at the address stated below a copy of the claim and filing the original of the claim with the court. The claim must be presented within the later of: (1) Thirty days after the personal representative served or mailed the notice to the creditor as provided under RCW 11.40.020(3); or (2) four (4) months after the date of first publication of this Notice. If the claim is not presented within this time frame, the claim is forever barred, except as otherwise provided in Section 11 of this act and RCW 11.40.060. This bar is effective as to claims against both the decedent's probate and non-probate assets.
Date of First Publication:
September 2, 2016
Personal Representative:
Colleen M. Scott
Attorney for the Personal Representative:
John H. Loeffler
Address for Mailing or Service:
John H. Loeffler
Attorney for Estate
8414 North Wall Street, Suite A


SUBSCRIBED and SWORN to before me
this **16th day of September, 2016**
State of Washington
County of Spokane



I certify that I know or have satisfactory evidence that Michael Huffman is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.


Jolene Rae Wentz
Title: Notary Public
My appointment expires: 05-16-2019



From: [REDACTED]

From: Michelle [REDACTED]

[REDACTED]

[REDACTED] Dawn [REDACTED]

Sent: Tuesday, September 20, 2016 9:10 AM

To: Michelle [REDACTED] Lee Arnold

Cc: Lori [REDACTED]

Subject: RE: [REDACTED] Estate

For your records, I've attached a conformed copy of the Affidavit of Publication of Notice to Creditors. The time period for any creditors to make any claims on the estate would be up as of January 3, 2017. We will be able to close down the estate any time after that date. I've mailed a hard copy of this document directly to Ms. [REDACTED] for her records. Thanks.

Dawn A. [REDACTED]

John H. [REDACTED]

Olson, Loeffler & Landis, P.S.
Attorneys at Law
8414 North Wall Street, Suite A
Spokane, WA 99208-6171

[REDACTED]

From: Michelle [REDACTED]

Sent: Monday, August 29, 2016 4:30 PM

To: Dawn [REDACTED] Lee Arnold

Cc: Lori [REDACTED]

Subject: RE: [REDACTED] Estate

Hello Dawn,

We will work on getting a copy of the death certificate on our end. Please go ahead and schedule the

closing.

Thank you for the update,

Michelle [REDACTED]
[REDACTED]

Secured Investment Corp
1121 E Mullan Avenue
Coeur d'Alene, ID 83814
800-971-5988 x1805

From: Dawn [REDACTED]
Sent: Monday, August 29, 2016 4:25 PM
To: Lee Arnold <[REDACTED]>
Cc: Michelle [REDACTED] Lori [REDACTED]
[REDACTED]
Subject: [REDACTED] Estate

Lee,

Mr. [REDACTED] asked that I send you this email. I just got off the phone with Colleen [REDACTED] as I was asking for a copy of the death certificate for Sharron [REDACTED] for our file. She indicated to me that she may not have a copy anymore and was going to look for it. If she does not have one, she'll have to request one and until she can get a copy, Mr. [REDACTED] is suggesting that you wait to sign any purchase and sale agreement until we have a copy in our possession. Thanks.

Dawn A. [REDACTED]

John [REDACTED]

Olson, Loeffler & Landis, P.S.
Attorneys at Law
8414 North Wall Street, Suite A
Spokane, WA 99208-6171
[REDACTED]

This message has been scanned by Sophos Gateway.
This message and any files or attachments transmitted with it may contain confidential, proprietary or privileged information and are intended for the use of the intended addressee(s) only. All rights are reserved. If you received this message in error or are not an intended recipient, please notify the sender and delete this message immediately. If you are not the intended recipient, you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited. No obligation, contractual or otherwise, is created by the transmission of this message. Views or opinions presented in this message are solely those of the author and do not necessarily represent those of the organization. This message is being recorded; you have no expectation of privacy in this message. This email transmission cannot be guaranteed to be secure or error-free, as information could be intercepted, corrupted, lost,

STATE OF WASHINGTON
DEPARTMENT OF HEALTH

CERTIFICATE OF DEATH

CERTIFICATE NUMBER: 2013-008140

LOCAL FILE NUMBER: 1705

DATE ISSUED: 08/30/2016

FEE NUMBER: 0003201071

GIVEN NAMES: SHARRON
LAST NAME: [REDACTED]

COUNTY OF DEATH: SPOKANE
DATE OF DEATH: MAY 05, 2013
HOUR OF DEATH: 06:40 P.M.
SEX: FEMALE
AGE: 74 YEARS

SOCIAL SECURITY NUMBER: [REDACTED]

HISPANIC ORIGIN: NO, NOT HISPANIC
RACE: WHITE

BIRTHDATE: DECEMBER 16, 1938
BIRTHPLACE: SPOKANE, WASHINGTON

MARITAL STATUS: DIVORCED
SPOUSE:

OCCUPATION: HOUSEKEEPER
INDUSTRY: HOTEL
EDUCATION: HIGH SCHOOL GRADUATE OR GED COMPLETED
US ARMED FORCES? NO

INFORMANT: COLLEEN [REDACTED]
RELATIONSHIP: DAUGHTER
ADDRESS: 5321 N A STREET, SPOKANE, WA 99205

PLACE OF DEATH: HOSPITAL
FACILITY OR ADDRESS: PROVIDENCE SACRED HEART MEDICAL CENTER
CITY, STATE, ZIP: SPOKANE, WASHINGTON 99204

RESIDENCE STREET: 6117 N CEDAR
CITY, STATE, ZIP: SPOKANE, WASHINGTON 99205
INSIDE CITY LIMITS? YES
COUNTY: SPOKANE
TRIBAL RESERVATION: NOT APPLICABLE
LENGTH OF TIME AT RESIDENCE: 44 YEARS

FATHER/PARENT: WALTER [REDACTED]
MOTHER/PARENT: [REDACTED]

METHOD OF DISPOSITION: CREMATION
PLACE OF DISPOSITION: FOOTHILLS CREMATORY
CITY, STATE: SPOKANE, WA
DISPOSITION DATE: MAY 08, 2013

FUNERAL FACILITY: SPOKANE CREMATION & FUNERAL SERVICE
ADDRESS: 2832 N RUBY
CITY, STATE, ZIP: SPOKANE WA 99207
FUNERAL DIRECTOR: WILLIAM D ROSSEY

CAUSE OF DEATH:

- A. LEFT LOBAR PNEUMONIA
INTERVAL: HOURS
- B. UNSTABLE C1-C2 FRACTURES WITH SPINAL CORD SWELLING, SURGICALLY REPAIRED
INTERVAL: 4 DAYS
- C. BLUNT IMPACT - FALL
INTERVAL: 4 DAYS
- D.
INTERVAL:

OTHER CONDITIONS CONTRIBUTING TO DEATH:
THROMBOCYTOPENIA, UNKNOWN CAUSE

DATE OF INJURY: MAY 01, 2013
HOUR OF INJURY: UNKNOWN
INJURY AT WORK? NO
PLACE OF INJURY: RESIDENCE

LOCATION OF INJURY: 6117 N CEDAR ST
CITY, STATE, ZIP: SPOKANE, WASHINGTON 99205
COUNTY: SPOKANE

DESCRIBE HOW INJURY OCCURRED:
FELL WHILE WALKING OUTSIDE AT HOME

MANNER OF DEATH: ACCIDENT
AUTOPSY: NO
AVAILABLE TO COMPLETE THE CAUSE OF DEATH? NOT APPLICABLE
DID TOBACCO USE CONTRIBUTE TO DEATH? NO
PREGNANCY STATUS, IF FEMALE: NOT APPLICABLE

ME/CORONER: SALLY S. AIKEN, MD
TITLE: MEDICAL EXAMINER
ME/CORONER
ADDRESS: 5901 N LIDGERWOOD ST STE 24B
CITY, STATE, ZIP: SPOKANE WA 99208
DATE SIGNED: MAY 06, 2013

STATUS OF DECEDENT, IF A TRANSPORTATION INJURY:
NOT APPLICABLE

ITEM(S) AMENDED: NONE

NUMBER(S): NONE
DATE(S): NONE



CASE REFERRED TO ME/CORONER: NO
FILE NUMBER: 13-1485

ATTENDING PHYSICIAN:
NOT APPLICABLE

LOCAL DEPUTY REGISTRAR:
PEGGY WETMORE
DATE RECEIVED: MAY 08, 2013

DOH 01-003 (10/15)

From: [REDACTED]
Sent: Wednesday, August 24, 2016 9:01 AM
To: Lee Arnold; Accounting
Cc: Lori Phillips; Cheryl Young; Michelle Mendez
Subject: RE: Dickey Estate

Good morning Lee.

We have obtained the court's order appointing Colleen [REDACTED] as administrator of the [REDACTED] estate. The order included nonintervention authority which means the Colleen may sign documents to sell the property at this time. We have sent her copies of the court's order and the letters of administration.

Thank you.

John H. Loeffler

8414 N. Wall, Suite A
Spokane, Wa 99208-6171
Phone: [REDACTED]
[REDACTED]

"ASAP"
Spokane called and left message John will call back

From: Lee Arnold [mailto:[REDACTED]]
Sent: Wednesday, August 10, 2016 7:21 PM
To: John L; Accounting
Cc: Lori Phillips; Cheryl Young; Michelle Mendez
Subject: Re: HELP!!!

Hi John,

I apologize, I thought the retainer had been sent.

Accounting- please
Asked the retainer to John's office.

Thanks,

Lee A. Arnold
CEO
Secured Investment Corp/
[Cogo Capital.com](http://CogoCapital.com)
800-341-9918

"Nations Fastest Growing Provider of Private Funds to Real Estate Investors, Nation Wide".
Ask about becoming a private money lender through our nationwide platform!
Sent from my iPhone

May 5 2013
Spokane
Spokane - Herret

On Aug 10, 2016, at 4:22 PM, John L. <[REDACTED]> wrote:

Lee,

I will need to file the probate. We do not need to serve Mr. [REDACTED] with the documents. The important thing for us is to file the probate and attempt to get non-intervention authority. We would appreciate the retainer forwarded to our office as we will need the filing fee.

Thanks.

John H. Loeffler

8414 N. Wall, Suite A
Spokane, Wa 99208-6171
Phone: [REDACTED]
[REDACTED]

From: Lee Arnold [mailto:[REDACTED]]
Sent: Wednesday, August 10, 2016 3:59 PM
To: [REDACTED] Matthew; [REDACTED] Dawn [REDACTED]
Cc: [REDACTED] Lori [REDACTED] Michelle [REDACTED] Cheryl [REDACTED]
Subject: RE: HELP!!!

Thanks for the heads up Matthew.

John – is there anything we can do with this gentlemen while he is incarcerated to expedite the sales process?

Please let us know,

Lee Arnold
CEO

Secured Investment Corp
1121 E Mullan Ave.
Coeur d'Alene ID 83814
Tel: 800.341.9918 [REDACTED]
Fax: 888.897.0237

<image001.png>
www.SecuredInvestmentCorp.com

<image002.png><image003.png><image004.png><image005.png>

From: [REDACTED], Matthew [mailto:m [REDACTED]]
Sent: Wednesday, August 10, 2016 3:06 PM
To: Lee Arnold <[REDACTED]>; [REDACTED] Dawn [REDACTED]
[REDACTED]
Cc: [REDACTED] Lori [REDACTED]
Subject: RE: HELP!!!
Importance: High

Michael [REDACTED] (6117 N. Cedar) was arrested for 1st degree trespass today. He is being held on a booking exception. Starting immediately there is a likely 24 hour window to contact Mr. [REDACTED] at the Spokane County jail.

<image006.jpg>

Matthew [REDACTED] | City of Spokane | Office of the City Attorney | Assistant City Attorney
[REDACTED]
808 W. Spokane Falls Blvd. 5th Floor, Municipal Bldg. Spokane, WA 99201-3326
<image007.png> <image008.png> <image009.png>

Confidential & Privileged
Legal Materials

Your cooperation is requested; no disclosure authorized
without express consent of client(s) and City Attorney.

From: [REDACTED] Matthew
Sent: Tuesday, July 26, 2016 8:17 AM
To: 'Lee Arnold'; [REDACTED]
Cc: [REDACTED]
Subject: RE: HELP!!!

This is excellent news. Great work Lee! The SPD has not filed a chronic nuisance abatement on 6117 N. Cedar and we will hold off as long as you are making progress. The property has been placed into the building official process and has a status hearing August 16 at 1:30. I would recommend contacting Melissa [REDACTED] as she is point on this property for code enforcement.

Please keep me in the loop. I am very interested in how this legal process works for Mr. [REDACTED].

Lee – if we come into contact with Michael, who should we put him into contact with?

Best Regards,

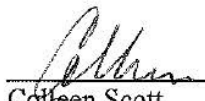
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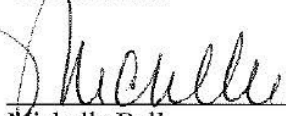
Matthew [REDACTED] | City of Spokane | Office of the City Attorney | Assistant City Attorney
[REDACTED]
808 W. Spokane Falls Blvd. 5th Floor, Municipal Bldg. Spokane, WA 99201-3326
<image007.png> <image008.png> <image009.png>

AUTHORIZATION FORM DATED 7/24/2016

I, Colleen [redacted] and Michelle [redacted], hereby authorize Escalade Properties, LLC, Lee A. Arnold, Washington State Real Estate Agent and Managing Member of Escalade Properties, LLC and Lori [redacted] Washington State Licensed Real Estate Agent, to discuss my deceased mother's property located at 6117 North Cedar Ave Spokane WA 99205. Our mother passed away several years ago and did not have a will. We are authorizing the above parties' permission to discuss the property with any state appointed representative, or attorney, or necessary individual to assist us in being able to sell this property to Escalade Properties LLC, Located at 1121 E. Mullan Ave Coeur d'Alene, ID 83814. This Authorization will remain in effect until I (we) specifically notify said parties that this authorization is void or no longer valid.

Property Address: 6117 North Cedar Road Spokane WA 99205

 [redacted] 7-25-16 [redacted]
Colleen Scott Date PH#

 [redacted] 7/25/16 [redacted]
Michelle Bell Date PH#

Lee A. Arnold
Lori Phillips
Secured Investment Corp
1121 E. Mullan Ave
Coeur d' Alene, ID 83814
[redacted]



OFFICE OF
NEIGHBORHOOD SERVICES
CODE ENFORCEMENT
808 W. SPOKANE FALLS BLVD.
SPOKANE, WASHINGTON 99201-3343

July 14, 2016

**NOTICE OF SUMMARY HEARING
CERTIFIED**

Sharon [REDACTED]
6117 N Cedar St
Spokane WA 99205

**RE: BUILDING OFFICIAL'S SUMMARY HEARING OF AN ABANDONED, UNFIT, AND
SUBSTANDARD HOUSE AT 6117 N CEDAR, SPOKANE, WASHINGTON 99205
PARCEL NO: 26361.0108
LEGAL DESCRIPTION: SPECKS ADD S51FT L7 B1**

This letter serves as notice that a Summary Hearing was held before me on July 14, 2016, the Building Official for the City of Spokane, regarding the aforementioned property. At the Summary Hearing, Code Enforcement staff presented evidence of ownership and conditions of this property. The following are the findings of facts that resulted in a Spokane Police Department Civil Enforcement Unit referred complaint June 17, 2016 and evidence provided by SPD resulting from Law Enforcement action on July 6, 2016.

FINDINGS

VIOLATION OF SMC 17F.070.400 SUBSTANDARD BUILDING

- A. Dilapidation: exterior decay, water damage. Findings: Peeling paint, dilapidated eaves and soffits. SPD body cam shows damage to siding.
- B. Structural defects: foundation, wall and roof framing. Findings: SPD reports caving in roof with missing shingles and holes. SPD reports holes in walls and body cam shows holes through siding.
- C. Unsanitary conditions: waste accumulation, health hazards. Findings: Yard waste, scrap wood, possible junk vehicle, and miscellaneous debris in yard. Water off since September 15, 2015, therefore there is no water for sanitation. Garbage collection stopped since September 15, 2015, SPD body cam shows interior full of garbage and waste that almost completely impedes movement in most rooms. SPD report #16-246738 states that black mold was visible throughout the house. SPD body cam shows bottles filled with urine and bathroom demolished with no operable plumbing fixtures. SPD report #16-246738 states residence floor completely covered by debris, garbage, and broken down furniture, and that garbage in the house was piled almost ceiling high to the point of impeding the effectiveness of a K-9 unit.
- D. Defective/inoperable plumbing. Findings: Water off since September 15, 2015, therefore there is no water for sanitation.
- E. Inadequate weatherproofing: siding, roofing, glazing. Findings: Roll roofing may not be effective. Eaves are damaged. SPD reports broken windows and body cam shows windows covered with screens and plastic. Body cam shows holes in siding. SPD report #16-246738 states front door off hinges.
- G. Inoperable or inadequate heating system. Findings: Avista reports power off at meter since January 14, 2016, therefore there is no power for a heating system. SPD reports furnace broken and use of combination of metal newspaper stand, barbecue smoker, and keratin fuel as heat source.
- H. Hazardous electrical conditions. Findings: Avista meter dismantled. SPD body cam shows holes in ceiling where overhead light fixtures likely once were. SPD body cam shows outlets removed from walls inside or otherwise damaged.

- L. Defects increasing the hazards of fire, accident or other calamity. Findings: SPD reports use of combination of metal newspaper stand, barbeque smoker, and keratin fuel as heat source. SPD report #16-246738 states occupant was having fires inside residence on living room floor. SPD report #16-246738 states residence full of hazardous debris including sharp sticks. SPD reports doors are unable to lock. Yard waste pile in rear yard held together with garden hose. SPD body cam shows and SPD report #16-246738 confirms interior walls either stripped down to studs or have holes through drywall throughout majority of house. Body cam shows door barricaded with large appliance creating obstruction to evacuation in case of fire. Body cam shows house interior filled with garbage and waste that impedes movement and could cause falling or tripping hazards and prevent access and impede movement by first responders or fire fighters. SPD report #16-246738 states the basement stairwell completely filled with debris. SPD report #16-246738 states that evidence of habitation were present including fresh food and a cot. All these defects increase the hazards of fire, accident, or other calamity in the house.

VIOLATION OF SMC 10.08A.020 H(1)(f)(ii)(5) An abandoned or vacant building, structure, or part thereof not securely closed to entry.

VIOLATION OF UNFIT SMC 17F.070.410

The building is unfit due to quantity and extent of substandard conditions. The building official or hearing examiner may determine that the building/structure is unfit for human habitation and order demolition if any of the substandard conditions listed in SMC 17F.070.400 are found to exist to such an extent as to be dangerous or injurious to the health or safety of the building's occupants or community.

The building official or hearing examiner may order demolition if any of the substandard conditions listed in SMC 17F.070.400 are found to exist to such an extent as to be dangerous or injurious to the health or safety of the buildings occupants or community.

BUILDING OFFICIAL'S ORDER

Conditions on the property are substandard due to no water, no power, and other noted conditions as defined by Spokane Municipal Code SMC 17F.070.400, and are a nuisance as defined in SMC 10.08A.020 due to: unsecured buildings, and may be considered abandoned under SMC 17F.070.030.

The conditions noted above warrant a **"DO NOT OCCUPY"** order for the safety and protection of occupants and public. By authority of SMC 17F.070.510 entitled "Emergency Action," I hereby order the occupants to vacate the house and garage and to not allow residency.

By authority of SMC 17F.070.510 entitled "Emergency Action," I hereby order the City of Spokane to securely board the house and garage immediately upon executing the DO NOT OCCUPY order. The charge for boarding will be placed as a lien on the property.

Lifting of the "DO NOT OCCUPY" order may be considered before the hearing date if violations are remedied through reconnection of utilities through legal means including permits and inspections. Call the Inspector Supervisor at 625-6108 for an inspection of the property before re-occupation.

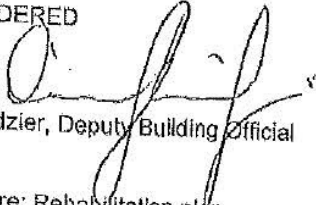
The buildings are to be kept secure and are not to be occupied until such time as repairs are made, permits are issued, and inspections complete.

The charge for boarding will be placed as a lien on the property.

Please note: Prior to any demolition activity, contact Spokane Regional Clean Air Agency at (509) 477-4727. The inspection results are required by the Washington State Department of Labor and

Industries to be maintained on file and available upon request by the Department of Labor and Industries (WAC 296-62-07721).

SO ORDERED



D. Skindzier, Deputy Building Official

Enclosure: Rehabilitation plan
Sharon [REDACTED]

DS:CK:mh\

PC: D. [REDACTED] Deputy Building Official

Rehabilitation or Demolition Plan

****Due no later than one week prior to Hearing****



Office of Neighborhood
Services and Code
Enforcement
808 W Spokane Falls Blvd,
Spokane WA 99201-3333
(509) 625-8083
Fax: (509) 625-6802
beautifyspokane.org

Your Hearing Date _____

I plan to: Rehab Demo

Property Address: _____

Notarized documentation must be provided for any authorized representative of the property owner.

| | |
|----------------------|-------|
| Property Owner | _____ |
| Mailing Address | _____ |
| City, State, Zip | _____ |
| Phone with area code | _____ |
| email | _____ |

Office Use Only

Plan Approved By _____

Date _____

| | | | |
|----------------------|-------|--------------------|-------|
| Contractor Name | _____ | Business License # | _____ |
| Address | _____ | City, State, Zip | _____ |
| Phone with area code | _____ | Email address | _____ |

Home owners *cannot* obtain permits under SMC 17G.010.070 for:

- Structures exceeding 12 units
- Structures exceeding three stories in height
- The purpose of selling a property. Homeowners must own and occupy the house for at least one year before certain permits will be issued.
- Mechanical work such as gas appliances

Building permits can be issued to the owner for occupancies, including rentals.

Permits are issued on condition that all work be done by the owner-permittee and others as allowed by law.

An electrical permit will be issued to an owner on condition that all work be done by the owner. Owner may receive help from a friend, but not for payment. Electrical contractors must apply for their own permit.

Contact the City Building Department at (509) 625-6300 for information on required permits.

_____ Please initial here acknowledging your understanding of the permit requirements.

Please provide Cost estimates on the reverse side of this form. Incomplete forms will not be accepted.

Revised 07/07/14

Rehab or Demo Plan page 2. Cost Estimates and Plan to Secure

| The Following Section should correspond to the "Findings" section of your Building Official Letter | \$ Cost Estimate \$ |
|--|---------------------|
| A. Dilapidation: Exterior decay, water damage | |
| B. Structural defects: Foundation, wall and roof framing | |
| C. Unsanitary Conditions: Waste accumulation, health hazards | |
| D. Defective/inoperable plumbing | |
| E. Inadequate Weatherproofing: siding roofing and glazing | |
| G. Inoperable or inadequate heating system | |
| H. Hazardous electrical conditions | |
| J. Structure used in the manufacture of methamphetamine or any other illegal drugs and has been condemned by the Spokane County Health District and the owner has failed to abate the nuisance condition | |
| K. Fire Damaged structure | |
| L. Defects increasing the hazards of fire , accident or other calamity | |
| Demolition Cost | |
| Other: Please identify _____ | |
| Grand Total: | |
| **My plan to keep this building secure is: | |

_____ (initial) I am aware that an asbestos survey may be required prior to beginning this plan.

I certify by my signature below that I have the financial resources to complete the rehabilitation:

Estimated Starting Date _____ Estimated Completion _____

****Required**

AUTHORIZATION FORM DATED 7/24/2016

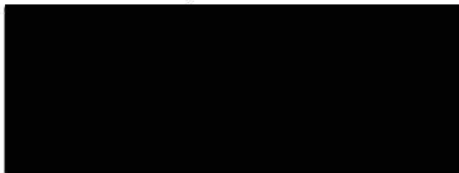
I, Colleen Scott and Michelle Bell, hereby authorize Escalade Properties, LLC, Lee A. Arnold, Washington State Real Estate Agent and Managing Member of Escalade Properties, LLC and Lori Phillips, Washington State Licensed Real Estate Agent, to discuss my deceased mother's property located at 6117 North Cedar Ave Spokane WA 99205. Our mother passed away several years ago and did not have a will. We are authorizing the above parties' permission to discuss the property with any state appointed representative, or attorney, or necessary individual to assist us in being able to sell this property to Escalade Properties LLC, Located at 1121 E. Mullan Ave Coeur d'Alene, ID 83814. This Authorization will remain in effect until I (we) specifically notify said parties that this authorization is void or no longer valid.

Property Address: 6117 North Cedar Road Spokane WA 99205

| | | |
|---------------|------|-----|
| Colleen Scott | Date | PH# |
|---------------|------|-----|

| | | |
|---------------|------|-----|
| Michelle Bell | Date | PH# |
|---------------|------|-----|

Lee A. Arnold
Lori Phillips
Secured Investment Corp
1121 E. Mullan Ave
Coeur d' Alene, ID 83814



Lee's original

**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
SPECIFIC TERMS**

1. Date: July 25, 2016 MLS No.: _____ Offer Expiration Date: N/A *see addendum*
2. Buyer: Escalade Properties, LLC A limited liability company
3. Seller: Colleen [redacted] Michelle [redacted]
Seller Seller Status
4. Property: Tax Parcel No(s): 26361.0108 (Spokane County)
6117 N Cedar Street Spokane WA 99205
Address City State Zip
Legal Description: Attached as Exhibit A.
5. Included Items: stove/range; refrigerator; washer; dryer; dishwasher; hot tub; fireplace insert;
 wood stove; satellite dish; security system; attached television(s); attached speaker(s); microwave;
 other Any thing left in the property 5 days after settlement will become the property of the buyer
6. Purchase Price: \$ 25,000.00 Twenty-Five Thousand Dollars
7. Earnest Money: \$ 500.00 Check; Note; Other Promissory Note (held by Selling Firm; Closing Agent)
8. Default: (check only one) Forfeiture of Earnest Money; Seller's Election of Remedies
9. Title Insurance Company: Allisa Razykowski Gustafson Law
10. Closing Agent: a qualified closing agent of Buyer's choice; Allisa Razykowski Gustafson Law
11. Closing Date: 10/19/2016; Possession Date: on Closing; Other 5 days after settlement
12. Services of Closing Agent for Payment of Utilities: Requested (attach NWMLS Form 22K); Waived
13. Charges/Assessments Levied Before but Due After Closing: assumed by Buyer; prepaid in full by Seller at Closing
14. Seller Citizenship (FIRPTA): Seller is; is not a foreign person for purposes of U.S. income taxation
15. Agency Disclosure: Selling Broker represents: Buyer; Seller; both parties; neither party
Listing Broker represents: Seller; both parties
16. Addenda: See Addendum #1




Escalade Properties, LLC 7/25/2016
Buyer's Signature Date
Lee Arnold is managing member
Buyer's Signature Date
1121 E. Moulton Ave
Buyer's Address
Coew J. Ave, WA 99214
City, State, Zip
Phone No. _____ Fax No. _____
Buyer's E-mail Address
keber.williams@century
Selling Firm _____ MLS Office No. _____
Selling Broker (Print) _____ MLS LAG No. _____
7/25/2016
Phone No. _____ Firm Fax No. _____
Selling Firm Document E-mail Address _____
Selling Broker's E-mail Address _____
Selling Broker DOL License No. _____ Selling Firm DOL License No. _____

Michelle [redacted] 7/25/16
Seller's Signature Date
Allisa 7-25-16
Seller's Signature Date
Spokane WA 99205
Seller's Address
City, State, Zip
Phone No. _____ Fax No. _____
Seller's E-mail Address _____
5321 N. A St.
Listing Firm _____ MLS Office No. _____
Spokane WA 99205
Listing Broker (Print) _____ MLS LAG No. _____
Colleen [redacted]
Phone No. _____ Firm Fax No. _____
Listing Firm Document E-mail Address _____
Listing Broker's E-mail Address _____
Listing Broker DOL License No. _____ Listing Firm DOL License No. _____

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

- a. **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 funds from loans, the sale of other 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 Closing Agent. If Buyer delivers the Earnest Money to Selling Broker, Selling Broker will deposit any check to be held by Selling Firm, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance, whichever occurs later. If the Earnest Money is held by Selling Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Firm's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer shall reimburse Selling Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Firm is over \$10,000.00 Buyer has the option to require Selling Firm to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer 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 less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Selling Firm may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Selling Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the addresses and/or fax numbers provided herein.
- Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest Money to the other party or the parties. The party(s) shall execute such form and deliver the same to the Closing Agent. If either party fails to execute the release form, a party may make a written demand to the Closing Agent for the Earnest Money. Pursuant to RCW 64.04, Closing Agent shall deliver notice of the demand to the other party within 15 days. If the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand within 10 days of the expiration of the 20 day period. If Closing Agent timely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an interpleader action within 60 days of such objection or inconsistent demand, unless the parties provide subsequent consistent instructions to Closing Agent to disburse the earnest money or refrain from commencing an interpleader action for a specified period of time. Pursuant to RCW 4.28.080, the parties consent to service of the summons and complaint for an interpleader action by first class mail, postage prepaid at the party's usual mailing address or the address identified in this Agreement. If the Closing Agent complies with the preceding process, each party shall be deemed to have released Closing Agent from any and all claims or liability related to the disbursement of the Earnest Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so under this Agreement, that party shall be in breach of this Agreement. For the purposes of this section, the term Closing Agent includes a Selling Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$500.00 for the costs thereof.
- c. **Included Items.** Any of the following items, including items identified in Specific Term No. 5 if the corresponding box is checked, located in or on the Property are included in the sale: built-in appliances; wall-to-wall carpeting; curtains, drapes and all other window treatments; window and door screens; awnings; storm doors and windows; installed television antennas; ventilating, air conditioning and heating fixtures; trash compactor; fireplace doors, gas logs and gas log lighters; irrigation fixtures; electric garage door openers; water heaters; installed electrical fixtures; lighting fixtures; shrubs, plants and trees planted in the ground; and other fixtures; and all associated operating remote controls. Unless otherwise agreed, if any of the above items are leased or encumbered, Seller shall acquire clear title before Closing.
- d. **Condition of Title.** Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title.
- e. **Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of Homeowner's Policy of Title Insurance for One-to-Four Family Residence, from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed. If the Title Insurance Company selected by the parties will not issue a Homeowner's Policy for the Property, the parties agree that the Title Insurance Company shall instead issue the then-current ALTA standard form Owner's Policy, together with homeowner's additional protection and inflation protection endorsements, if available. The Title Insurance Company

 7/24/16  7/25/16  7-25-16

Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

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





- f. **Closing and Possession.** This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, 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 Seller. Seller shall deliver keys and garage door remotes to Buyer on the Closing Date or on the Possession Date, whichever occurs first. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller shall maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is entitled to possession. Seller shall not enter into or modify existing leases or rental agreements, service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld. If possession transfers at a time other than Closing, the parties shall execute NWMLS Form 65A (Rental Agreement/Occupancy Prior to Closing) or NWMLS Form 65B (Rental Agreement/Seller Occupancy After Closing) (or alternative rental agreements) and are advised of the need to contact their respective insurance companies to assure appropriate hazard and liability insurance policies are in place, as applicable.
- RCW 19.27.530 requires the seller of any owner-occupied single-family residence to equip the residence with a carbon monoxide alarm(s) in accordance with the state building code before a buyer or any other person may legally occupy the residence following the sale. The parties acknowledge that the Brokers are not responsible for ensuring that Seller complies with RCW 19.27.530. Buyer and Seller shall hold the Brokers and their Firms harmless from any claim resulting from Seller's failure to install a carbon monoxide alarm(s) in the Property.
- g. **Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party shall cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding the Assignment paragraph of this Agreement, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.
- h. **Closing Costs and Prorations and Charges and Assessments.** Seller and Buyer shall each pay one-half of the escrow fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner's association dues shall be prorated as of Closing. Buyer shall pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by, Seller. Buyer shall pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement from the supplier as to the quantity and current price and provides such statement to the Closing Agent. Seller shall pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 12, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller shall provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).
- Buyer is advised to verify the existence and amount of any local improvement district, capacity or impact charges or other assessments that may be charged against the Property before or after Closing. Seller will pay such charges that are or become due on or before Closing. Charges levied before Closing, but becoming due after Closing shall be paid as agreed in Specific Term No. 13.
- i. **Sale Information.** Listing Broker and Selling Broker are authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all Closing Agents, appraisers, title insurance companies, and others related to this Sale, to furnish the Listing Broker and/or Selling Broker, on request, any and all information and copies of documents concerning this sale.
- j. **Seller Citizenship and FIRPTA.** Seller warrants that the identification of Seller's citizenship status for purposes of U.S. income taxation in Specific Term No. 14 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment in Real Property Tax Act ("FIRPTA") at Closing and provide the certification to the Closing Agent. If Seller is a foreign person for purposes of U.S. income taxation, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date
9/28/16 7/25/16 7-25-16

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

- k. **Notices.** In consideration of the license to use this and NWMLS's companion forms and for the benefit of the Listing Broker and the Selling Broker as well as the orderly administration of the offer, counteroffer or this Agreement, parties irrevocably agree that unless otherwise specified in this Agreement, any notice required or permitted in, or related to, this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed given only when the notice is received by Seller, by Listing Broker or at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed given only when the notice is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. Receipt by Selling Broker of a Form 17, Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, homeowners' association documents provided pursuant to NWMLS Form 22D, 22D, or a preliminary commitment for title insurance provided pursuant to NWMLS Form 22T shall be deemed receipt by Buyer, Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning the party or causing a copy of the notice to be delivered to the party's address shown on this Agreement. Buyer and Seller must keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice.
- l. **Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less, except for any time period relating to the Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement.
- m. **Facsimile and E-mail Transmission.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will confirm facsimile transmitted signatures by signing an original document. E-mail transmission of any signed original document or a direct link to such document, and retransmission of any such e-mail, shall be the same as delivery of an original, provided that the e-mail is sent to both Selling Broker and Selling Firm or both Listing Broker and Listing Firm at the e-mail addresses on page one of this Agreement. At the request of either party, or the Closing Agent, the parties will confirm e-mail transmitted signatures by signing an original document.
- n. **Integration and Electronic Signatures.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in electronic form has the same legal effect and validity as a handwritten signature.
- o. **Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the Buyer on the first page of this Agreement.
- p. **Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 8, shall apply:
 - i. **Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure.
 - ii. **Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.
- q. **Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement the prevailing party is entitled to reasonable attorneys' fees and expenses.
- r. **Offer.** Buyer shall purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 p.m. on the Offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.

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|  | <u>7/25/16</u> |  | <u>7/25/16</u> |  | <u>7/25/16</u> |  | <u>7-25-16</u> |
| Buyer's Initials | Date | Buyer's Initials | Date | Seller's Initials | Date | Seller's Initials | Date |

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

- s. **Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of the Seller's name and the Seller's warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, the other party's broker, or at the licensed office of the other party's broker. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 173-178
- t. **Offer and Counteroffer Expiration Date.** If no expiration date is specified for an offer/counteroffer, the offer/counteroffer shall expire 2 days after the offer/counteroffer is delivered by the party making the offer/counteroffer, unless sooner withdrawn. 179-181
- u. **Agency Disclosure.** Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are the same person representing both parties then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency." 182-189
- v. **Commission.** Seller and Buyer shall pay a commission in accordance with any listing or commission agreement to which they are a party. The Listing Firm's commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing. Seller and Buyer hereby consent to Listing Firm or Selling Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Firm and Selling Firm, as applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Firm(s). In any action by Listing or Selling Firm to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. Seller and Buyer agree that the Firms are intended third party beneficiaries under this Agreement. 191-198
- w. **Cancellation Rights/Lead-Based Paint.** If a residential dwelling was built on the Property prior to 1978, and Buyer receives a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (NWMLS Form 22J) after mutual acceptance, Buyer may rescind this Agreement at any time up to 3 days thereafter. 199-201
- x. **Information Verification Period and Property Condition Disclaimer.** Buyer shall have 10 days after mutual acceptance to verify all information provided from Seller or Listing Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within 10 days of mutual acceptance. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 202-206

Buyer and Seller agree, that except as provided in this Agreement, all representations and information regarding the Property and the transaction are solely from the Seller or Buyer, and not from any Broker. The parties acknowledge that the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Brokers has agreed to independently investigate or confirm any matter related to this transaction except as stated in this Agreement, or in a separate writing signed by such Broker. In addition, Brokers do not guarantee the value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. Some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. Brokers do not have the expertise to identify or assess defective products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer's satisfaction and to retain inspectors qualified to identify the presence of defective materials and evaluate the condition of the Property as there may be defects that may only be revealed by careful inspection. Buyer is advised to investigate whether there is a sufficient water supply to meet Buyer's needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner's, flood, earthquake, landslide, and other available coverage. Buyer and Seller acknowledge that home protection plans may be available which may provide additional protection and benefit to Buyer and Seller. Brokers may assist the parties with locating and selecting third party service providers, such as inspectors or contractors, but Brokers cannot guarantee or be responsible for the services provided by those third parties. The parties shall exercise their own judgment and due diligence regarding third-party service providers. 207-221


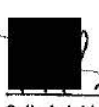
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|  | <u>7/25/16</u> |  | <u>7/25/16</u> |  | <u>7/25/16</u> |  | <u>7-25-16</u> |
| Buyer's Initials | Date | Buyer's Initials | Date | Seller's Initials | Date | Seller's Initials | Date |

EXHIBIT "A"

THE SOUTH 51 FEET OF LOT 7, BLOCK 1, SPECKS ADDITION, ACCORDING TO
PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 28, IN THE CITY OF
SPOKANE, SPOKANE COUNTY, WASHINGTON.

SELLER

BUYER

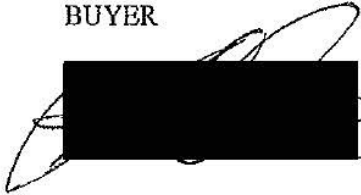
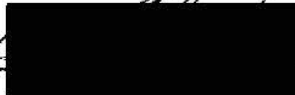
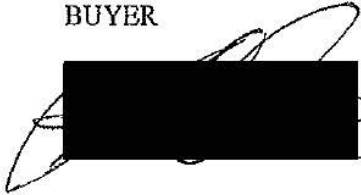



9/2/2016

EXHIBIT "A"

THE SOUTH 51 FEET OF LOT 7, BLOCK 1, SPECKS ADDITION, ACCORDING TO
PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 28, IN THE CITY OF
SPOKANE, SPOKANE COUNTY, WASHINGTON.

SELLER

BUYER



9/2/2016

Form 22J
Disclosure Lead Based Paint & Hazards
Rev. 7/10
Page 2 of 2

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DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

Addendum to Purchase & Sale or Lease Agreement

Continued

Buyer's/Lessee's Acknowledgment 40

(c) Buyer/Lessee has received copies of all information listed above. 41

(d) Buyer/Lessee has received the pamphlet "Protect Your Family from Lead in Your Home." 42

(e) Buyer has (check one below only if Purchase and Sale Agreement): 43

Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards. 44 45

Accepted an opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards on the following terms and conditions: 46 47

This Agreement is conditioned upon a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards, to be performed by a risk assessor or inspector at the Buyer's expense. (Intact lead-based paint that is in good condition is not necessarily a hazard. See the EPA pamphlet "Protect Your Family From Lead in Your Home" for more information). 48 49 50 51

This contingency SHALL CONCLUSIVELY BE DEEMED SATISFIED (WAIVED) unless Buyer gives written notice of disapproval of the risk assessment or inspection to the Seller within _____ (10 days if not filled in) after receiving this Disclosure. Buyer's notice must identify the specific existing deficiencies and corrections needed and must include a copy of the inspection and/or risk assessment report. 52 53 54 55 56

The Seller may, at the Seller's option, within _____ days (3 days if not filled in) after Seller's receipt of Buyer's disapproval notice, give written notice that Seller will correct the conditions identified by Buyer. If Seller agrees to correct the conditions identified by Buyer, then it shall be accomplished at Seller's expense prior to the closing date, and Seller shall provide Buyer with certification from a risk assessor or inspector demonstrating that the condition(s) has been remedied prior to the closing date. In lieu of correction, the parties may agree on any other remedy for the disapproved condition(s), including but not limited to cash payments from Seller to Buyer or adjustments in the purchase price. If such an agreement on non-repair remedies is secured in writing before the expiration of the time period set forth in this subparagraph, then this contingency will be deemed satisfied. 57 58 59 60 61 62 63 64 65

If the Seller does not give notice that the Seller will correct the conditions identified in Buyer's risk assessment or inspection, or if the parties cannot reach an agreement on alternative remedies, then Buyer may elect to give notice of termination of this Agreement within _____ days (3 days if not filled in) after expiration of the time limit in the preceding subparagraph or delivery of the Seller's notice pursuant to the preceding subparagraph, whichever first occurs. The earnest money shall then be returned to the Buyer and the parties shall have no further obligations to each other. Buyer's failure to give a written notice of termination means that the Buyer will be required to purchase the Property without the Seller having corrected the conditions identified in Buyer's risk assessment or inspection and without any alternative remedy for those conditions. 66 67 68 69 70 71 72 73 74

Buyer waives the right to receive an amended Real Property Transfer Disclosure Statement (NWMLS Form No. 17 or equivalent) pursuant to RCW 64.03 based on any conditions identified in inspection and/or risk assessment report(s). 75 76 77

Buyer has reviewed the information above and certifies, to the best of Buyer's knowledge, that the statements made by Buyer are true and accurate. 78 79

Buyer/Lessee Date Buyer/Lessee Date 80

Brokers' Acknowledgment 81

Brokers have informed the Seller/Lessor of the Seller's/Lessor's obligations under 42 U.S.C. 4852(d) and are aware of their responsibility to ensure compliance. 82 83

Selling Broker Date Listing Broker Date 84

Buyer/Lessee Initials Date Buyer/Lessee Initials Date Seller/Lessor Initials Date Seller/Lessor Initials Date

EARNEST MONEY PROMISSORY NOTE

\$ 500.00 Spokane, Washington 1

FOR VALUE RECEIVED, Escalade Properties, LLC 2
Buyer

_____ ("Buyer") 3
Buyer

agree(s) to pay to the order of due at closing (Selling Firm or Closing Agent) 4

the sum of Five Hundred Dollars 5

(\$ 500.00), as follows: 6

within 3 days following mutual acceptance of the Purchase and Sale Agreement. 7

* _____ . 8

This Note is evidence of the obligation to pay Earnest Money under a real estate Purchase and 9

Sale Agreement between the Buyer and The Estate of Sharon 10
Seller

[Redacted] ("Seller") 11
Seller

dated July 25, 2016, Buyer's failure to pay the Earnest Money 12
strictly as above shall constitute default on said Purchase and Sale Agreement as well as on this Note. 13

If this Note shall be placed in the hands of an attorney for collection, or if suit shall be brought to collect 14
any of the balance due on this Note, the Buyer promises to pay reasonable attorneys' fees, and all 15
court and collection costs. 16

Date: July 25, 2016 17

BUYER [Redacted Signature] 18

BUYER _____ 19

* "On closing" or similar language is not recommended. Use a definite date.

Form 17
Seller Disclosure Statement
Rev. 7/15
Page 1 of 6

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

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SELLER: Estate of [REDACTED] 1
Seller Seller

To be used in transfers of improved residential real property, including residential dwellings up to four units, new construction, condominiums not subject to a public offering statement, certain timeshares, and manufactured and mobile homes. See RCW Chapter 64.06 for further information. 2
3
4

INSTRUCTIONS TO THE SELLER 5

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property check "NA." If the answer is "yes" to any asterisked (*) item(s), please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written purchase and sale agreement between Buyer and Seller. 6
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NOTICE TO THE BUYER 11

THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT 6117 N Cedar, CITY Spokane. 12
13

STATE WA, ZIP 99205, COUNTY Spokane ("THE PROPERTY") OR AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. 14
15

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT, IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT. 16
17
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THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER. 23
24
25

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES. 26
27
28
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31
32

SELLER IS/ IS NOT OCCUPYING THE PROPERTY. 33

I. SELLER'S DISCLOSURES: 34
If you answer "Yes" to a question with an asterisk (), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet. 35
36

| | | YES | NO | DONT KNOW | N/A | |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|----|
| 1. TITLE | | | | | | |
| A. Do you have legal authority to sell the property? If no, please explain. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 39 |
| *B. Is title to the property subject to any of the following? | | | | | | 40 |
| (1) First right of refusal | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 41 |
| (2) Option | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 42 |
| (3) Lease or rental agreement | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 43 |
| (4) Life estate? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 44 |
| *C. Are there any encroachments, boundary agreements, or boundary disputes? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 45 |
| *D. Is there a private road or easement agreement for access to the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 46 |
| *E. Are there any rights-of-way, easements, or access limitations that may affect the Buyer's use of the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 47 |
| *F. Are there any written agreements for joint maintenance of an easement or right-of-way? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 49 |
| *G. Is there any study, survey project, or notice that would adversely affect the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 50 |
| *H. Are there any pending or existing assessments against the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 61 |

[REDACTED] 10-10-16
SELLER'S INITIALS Date SELLER'S INITIALS Date

Form 17
Seller Disclosure Statement
Rev. 7/15
Page 2 of 6

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**
(Continued)

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| | YES | NO | DON'T KNOW | N/A | 52 |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|-----|
| *I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that would affect future construction or remodeling? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 53 |
| | | | | | 54 |
| | | | | | 55 |
| *J. Is there a boundary survey for the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 56 |
| | | | | | 57 |
| *K. Are there any covenants, conditions, or restrictions recorded against the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 58 |
| | | | | | 59 |
| | | | | | 60 |
| | | | | | 61 |
| PLEASE NOTE: Covenants, conditions, and restrictions which purport to forbid or restrict the conveyance, encumbrance, occupancy, or lease of real property to individuals based on race, creed, color, sex, national origin, familial status, or disability are void, unenforceable, and illegal. RCW 49.60.224. | | | | | |
| 2. WATER | | | | | 62 |
| A. Household Water | | | | | 63 |
| (1) The source of water for the property is: <input type="checkbox"/> Private or publicly owned water system | | | | | 64 |
| <input type="checkbox"/> Private well serving only the subject property * <input type="checkbox"/> Other water system | | | | | 65 |
| *If shared, are there any written agreements? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 66 |
| | | | | | 67 |
| * (2) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 68 |
| | | | | | 69 |
| * (3) Are there any problems or repairs needed? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 70 |
| | | | | | 71 |
| (4) During your ownership, has the source provided an adequate year-round supply of potable water? .. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 72 |
| If no, please explain: | | | | | 73 |
| | | | | | 74 |
| * (5) Are there any water treatment systems for the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 75 |
| If yes, are they: <input type="checkbox"/> Leased <input type="checkbox"/> Owned | | | | | 76 |
| | | | | | 77 |
| * (6) Are there any water rights for the property associated with its domestic water supply, such as a water right permit, certificate, or claim? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 78 |
| (a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed? .. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 79 |
| * (b) If yes, has all or any portion of the water right not been used for five or more successive years? .. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 80 |
| | | | | | 81 |
| * (7) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 82 |
| | | | | | 83 |
| | | | | | 84 |
| | | | | | 85 |
| | | | | | 86 |
| | | | | | 87 |
| | | | | | 88 |
| B. Irrigation Water | | | | | 89 |
| (1) Are there any irrigation water rights for the property, such as a water right permit, certificate, or claim? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 90 |
| | | | | | 91 |
| * (a) If yes, has all or any portion of the water right not been used for five or more successive years? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 92 |
| | | | | | 93 |
| * (b) If so, is the certificate available? (If yes, please attach a copy.) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 94 |
| | | | | | 95 |
| * (c) If so, has the water right permit, certificate, or claim been assigned, transferred, or changed? .. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 96 |
| | | | | | 97 |
| * (2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 98 |
| If so, please identify the entity that supplies water to the property: | | | | | 99 |
| | | | | | 100 |
| | | | | | 101 |
| | | | | | 102 |
| C. Outdoor Sprinkler System | | | | | 103 |
| (1) Is there an outdoor sprinkler system for the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 104 |
| | | | | | 105 |
| * (2) If yes, are there any defects in the system? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 106 |
| | | | | | 107 |
| * (3) If yes, is the sprinkler system connected to irrigation water? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 108 |
| | | | | | 109 |
| 3. SEWER/ON-SITE SEWAGE SYSTEM | | | | | 110 |
| A. The property is served by: | | | | | 111 |
| <input type="checkbox"/> Public sewer system <input type="checkbox"/> On-site sewage system (including pipes, tanks, drainfields, and all other component parts) | | | | | 112 |
| <input type="checkbox"/> Other disposal system | | | | | 113 |
| Please describe: | | | | | 114 |
| | | | | | 115 |

SELLER'S INITIALS Date 10-10-16

SELLER'S INITIALS _____ Date _____

Form 17
Seller Disclosure Statement
Rev. 7/15
Page 3 of 6

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

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(Continued)

| | YES | NO | DON'T KNOW | N/A | 98 |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|-----|
| B. If public sewer system service is available to the property, is the house connected to the sewer main? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 99 |
| If no, please explain: | | | | | 100 |
| | | | | | 101 |
| *C. Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 102 |
| | | | | | 103 |
| D. If the property is connected to an on-site sewage system: | | | | | 104 |
| *(1) Was a permit issued for its construction, and was it approved by the local health department or district following its construction? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 105 |
| (2) When was it last pumped? | | | | | 106 |
| | | | | | 107 |
| *(3) Are there any defects in the operation of the on-site sewage system? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 108 |
| (4) When was it last inspected? | | | | | 109 |
| By whom: | | | | | 110 |
| (5) For how many bedrooms was the on-site sewage system approved? _____ bedrooms | | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 111 |
| E. Are all plumbing fixtures, including laundry drain, connected to the sewer/on-site sewage system? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 112 |
| If no, please explain: | | | | | 113 |
| | | | | | 114 |
| *F. Have there been any changes or repairs to the on-site sewage system? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 115 |
| G. Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 116 |
| If no, please explain: | | | | | 117 |
| | | | | | 118 |
| *H. Does the on-site sewage system require monitoring and maintenance services more frequently than once a year? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 119 |
| | | | | | 120 |

NOTICE: IF THIS RESIDENTIAL REAL PROPERTY DISCLOSURE IS BEING COMPLETED FOR NEW CONSTRUCTION WHICH HAS NEVER BEEN OCCUPIED, SELLER IS NOT REQUIRED TO COMPLETE THE QUESTIONS LISTED IN ITEM 4 (STRUCTURAL) OR ITEM 5 (SYSTEMS AND FIXTURES). 121
122
123

4. STRUCTURAL

| | | | | | |
|---|---|--|-------------------------------------|--------------------------|-----|
| *A. Has the roof leaked within the last 5 years? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 124 |
| *B. Has the basement flooded or leaked? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 126 |
| *C. Have there been any conversions, additions or remodeling? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 127 |
| *(1) If yes, were all building permits obtained? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 128 |
| *(2) If yes, were all final inspections obtained? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 129 |
| D. Do you know the age of the house? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 130 |
| If yes, year of original construction: | | | | | 131 |
| *E. Has there been any settling, slippage, or sliding of the property or its improvements? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 132 |
| *F. Are there any defects with the following: (If yes, please check applicable items and explain) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 133 |
| <input type="checkbox"/> Foundations | <input type="checkbox"/> Decks | <input type="checkbox"/> Exterior Walls | | | 134 |
| <input type="checkbox"/> Chimneys | <input type="checkbox"/> Interior Walls | <input type="checkbox"/> Fire Alarms | | | 135 |
| <input type="checkbox"/> Doors | <input type="checkbox"/> Windows | <input type="checkbox"/> Patio | | | 136 |
| <input type="checkbox"/> Ceilings | <input type="checkbox"/> Slab Floors | <input type="checkbox"/> Driveways | | | 137 |
| <input type="checkbox"/> Pools | <input type="checkbox"/> Hot Tub | <input type="checkbox"/> Saunas | | | 138 |
| <input type="checkbox"/> Sidewalks | <input type="checkbox"/> Outbuildings | <input type="checkbox"/> Fireplaces | | | 139 |
| <input type="checkbox"/> Garage Floors | <input type="checkbox"/> Walkways | <input type="checkbox"/> Siding | | | 140 |
| <input type="checkbox"/> Wood Stoves | <input type="checkbox"/> Elevators | <input type="checkbox"/> Incline Elevators | | | 141 |
| <input type="checkbox"/> Stairway Chair Lifts | <input type="checkbox"/> Wheelchair Lifts | <input type="checkbox"/> Other _____ | | | 142 |
| *G. Was a structural pest or "whole house" inspection done? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 143 |
| If yes, when and by whom was the inspection completed? | | | | | 144 |
| | | | | | 145 |
| H. During your ownership, has the property had any wood destroying organism or pest infestation? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 146 |
| I. Is the attic insulated? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 147 |
| J. Is the basement insulated? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 147 |

SELLER'S INITIALS _____ Date 10.10.16
SELLER'S INITIALS _____ Date

Form 17
Seller Disclosure Statement
Rev. 7/15
Page 4 of 6

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**
(Continued)

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| | YES | NO | DONT KNOW | N/A | 148 |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|-----|
| 5. SYSTEMS AND FIXTURES | | | | | 149 |
| *A. If any of the following systems or fixtures are included with the transfer, are there any defects? If yes, please explain: _____ | | | | | 150 |
| Electrical system, including wiring, switches, outlets, and service | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 152 |
| Plumbing system, including pipes, faucets, fixtures, and toilets | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 153 |
| Hot water tank | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 154 |
| Garbage disposal | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 155 |
| Appliances | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 156 |
| Sump pump | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 157 |
| Heating and cooling systems | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 158 |
| Security system: <input type="checkbox"/> Owned <input type="checkbox"/> Leased | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 159 |
| Other | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 160 |
| *B. If any of the following fixtures or property is included with the transfer, are they leased? (If yes, please attach copy of lease.) | | | | | 161 |
| Security System: | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 163 |
| Tanks (type): | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 164 |
| Satellite dish: | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 165 |
| Other: | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 166 |
| *C. Are any of the following kinds of wood burning appliances present at the property? | | | | | 167 |
| (1) Woodstove? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 168 |
| (2) Fireplace insert? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 169 |
| (3) Pellet stove? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 170 |
| (4) Fireplace? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 171 |
| If yes, are all of the (1) woodstoves or (2) fireplace inserts certified by the U.S. Environmental Protection Agency as clean burning appliances to improve air quality and public health? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 172 |
| D. Is the property located within a city, county, or district or within a department of natural resources fire protection zone that provides fire protection services? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 174 |
| E. Is the property equipped with carbon monoxide alarms? (Note: Pursuant to RCW 19.27.530, Seller must equip the residence with carbon monoxide alarms as required by the state building code.) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 176 |
| F. Is the property equipped with smoke alarms? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 178 |
| 6. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS | | | | | 179 |
| A. Is there a Homeowners' Association? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 180 |
| Name of Association and contact information for an officer, director, employee, or other authorized agent, if any, who may provide the association's financial statements, minutes, bylaws, filing policy, and other information that is not publicly available: _____ | | | | | 181 |
| B. Are there regular periodic assessments? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 184 |
| \$ _____ per <input type="checkbox"/> month <input type="checkbox"/> year | | | | | 185 |
| <input type="checkbox"/> Other: _____ | | | | | 188 |
| *C. Are there any pending special assessments? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 187 |
| *D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 189 |
| 7. ENVIRONMENTAL | | | | | 191 |
| *A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 192 |
| *B. Does any part of the property contain fill dirt, waste, or other fill material? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 194 |
| *C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquakes, expansive soils, or landslides? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 195 |
| D. Are there any shorelines, wetlands, floodplains, or critical areas on the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 197 |
| *E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 198 |
| *F. Has the property been used for commercial or industrial purposes? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 200 |

SELLER'S INITIALS 10.10.16 Date
SELLER'S INITIALS _____ Date

Form 17
Seller Disclosure Statement
Rev. 7/15
Page 5 of 8

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

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Northwest Multiple Listing Service
ALL RIGHTS RESERVED

| | YES | NO | DONT KNOW | N/A | 202 |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|-----|
| *G. Is there any soil or groundwater contamination? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 203 |
| *H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 204 |
| *I. Has the property been used as a legal or illegal dumping site? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 205 |
| *J. Has the property been used as an illegal drug manufacturing site? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 206 |
| *K. Are there any radio towers in the area that cause interference with cellular telephone reception? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 207 |
| 8. LEAD BASED PAINT (Applicable if the house was built before 1978). | | | | | 208 |
| A. Presence of lead-based paint and/or lead-based paint hazards (check one below): | | | | | 211 |
| <input type="checkbox"/> Known lead-based paint and/or lead-based paint hazards are present in the housing (explain): | | | | | 212 |
| <input type="checkbox"/> Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing. | | | | | 213 |
| B. Records and reports available to the Seller (check one below): | | | | | 214 |
| <input type="checkbox"/> Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below). | | | | | 215 |
| <input type="checkbox"/> Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing. | | | | | 216 |
| 9. MANUFACTURED AND MOBILE HOMES | | | | | 217 |
| If the property includes a manufactured or mobile home, | | | | | 218 |
| *A. Did you make any alterations to the home? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 219 |
| If yes, please describe the alterations: | | | | | 220 |
| *B. Did any previous owner make any alterations to the home? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 221 |
| *C. If alterations were made, were permits or variances for these alterations obtained? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 222 |
| 10. FULL DISCLOSURE BY SELLERS | | | | | 223 |
| A. Other conditions or defects: | | | | | 224 |
| *Are there any other existing material defects affecting the property that a prospective buyer should know about?..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 225 |
| B. Verification | | | | | 226 |
| The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property. | | | | | 227 |
| _____ Seller | | | | | 228 |
| _____ Date | | | | | 229 |
| _____ Seller | | | | | 230 |
| _____ Date | | | | | 231 |

If the answer is "Yes" to any asterisked (*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s).

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Form 17
Seller Disclosure Statement
Rev. 7/15
Page 6 of 6

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

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(Continued)

II. NOTICES TO THE BUYER 262

1. SEX OFFENDER REGISTRATION 263

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT 264
 AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT 265
 AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS. 266

2. PROXIMITY TO FARMING 267

THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN 268
 CLOSE PROXIMITY TO A FARM. THE OPERATION OF A FARM INVOLVES USUAL AND CUSTOMARY AGRICULTURAL 269
 PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT. 280

III. BUYER'S ACKNOWLEDGEMENT 281

- 1. BUYER HEREBY ACKNOWLEDGES THAT:** 282
- A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by 283
 utilizing diligent attention and observation. 284
 - B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and 285
 not by any real estate licensee or other party. 286
 - C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information 287
 provided by Seller, except to the extent that real estate licensees know of such inaccurate information. 288
 - D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller. 289
 - E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has 290
 received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s). 291
 - F. If the house was built prior to 1978, Buyer acknowledges receipt of the pamphlet *Protect Your Family From Lead in Your 292
 Home.* 293

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S 294
 ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER 295
 AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY 296
 SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY 297
 DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU 298
 MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT. 299

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES 300
 THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE 301
 LICENSEE OR OTHER PARTY. 302

 Buyer Date Buyer Date 303
 304

2. BUYER'S WAIVER OF RIGHT TO REVOKE OFFER 305

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and 306
 waives Buyer's right to revoke Buyer's offer based on this disclosure. 307

 Buyer Date Buyer Date 308
 309

3. BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT 310

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right, 311
 However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive 312
 the receipt of the "Environmental" section of the Seller Disclosure Statement. 313

 Buyer Date Buyer Date 314
 315

SELLER'S INITIALS Date SELLER'S INITIALS Date
 [Redacted] 10.10.16 [Redacted] [Redacted]

ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated July 25, 2016 1
between Escalade Properties, LLC ("Buyer") 2
Buyer Buyer
and Colleen [REDACTED] Michelle [REDACTED] ("Seller") 3
Seller Seller
concerning 6117 N Cedar Street Spokane WA 99205 (the "Property"). 4
Address City State Zip

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

1. Purchase is subject to approval by City regarding Abatement liens and fines. 6
 2. Sale is subject approval of the court as to the estate of Sharron Dickey. 7
 3. Sale is Subject to, Buyer, working with title attorney to transfer clear title. 8
 4. Buyer is paying cash and is purchasing the property in its as is condition without representation 9
or warranty as to condition or title from the seller. 10
 5. Buyer will be responsible to report to the city as to the status of the required abatement repairs 11
and condition. 12
 6. Buyer will absorb all fees related to the legal process to obtain clear title to be recovered from the 13
sales proceeds at time of closing. 14
 7. Lee Arnold is the managing member of Escalade Properties, LLC and is a Washington State real 15
estate agent with Keller Williams Spokane. 16
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ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

[REDACTED] 7/25/2016 [REDACTED] 7/25/16 [REDACTED] 7-25-16
Buyer's Initials Date Buyer's Initials Date Seller's Initials Date

- THE PARTIES' INTERESTS IN THE DOCUMENTS MAY DIFFER.
- THE PARTIES HAVE A RIGHT TO BE REPRESENTED BY LAWYERS OF THEIR OWN SELECTION.

BY SIGNING THESE INSTRUCTIONS, EACH PARTY ACKNOWLEDGES:

I have been specifically informed that the closing agent is not acting as representative or advocate of either or any party concerning the merits of the transaction or the documents that will be used to close the transaction. The closing agent has not offered any legal advice or referred me to any named attorney, but has clearly requested that I seek legal counsel if I have any doubt concerning the transaction or these instructions. I have had adequate time and opportunity to read and understand these instructions and all other existing documents referred to in these instructions.

Date: August 31, 2016

Es

BY

Lee Arnold
Managing Member

Estate of Sharron

BY:

Colleen M.
Personal Representative

Buyer's Mailing Address:
1121 E Mullan Avenue
Coeur d'Alene, ID 83814

Seller's Mailing Address:

Buyer's phone:

Seller's phone:

Fax:

Fax:

Gustafson Law, Inc., PS

1500 West Fourth Ave., Suite 408
Spokane, WA 99201
Phone: (509)456-0400
Fax: (509)456-0422

**DISCLOSURE TO THE PARTIES
UNDER APR 12**

Date: August 31, 2016

Escrow No.: 16-1063-C

IN ACCORDANCE WITH THE REQUIREMENTS OF A.P.R. 12 OF THE SUPREME COURT OF THE STATE OF WASHINGTON, GUSTAFSON LAW, INC., PS AND THE CLOSING OFFICER SPECIFIED BELOW HAVE THE DUTY TO INFORM YOU OF THE FOLLOWING:

1. The Closing Officer is not acting as the advocate or representative of either of the parties;
2. The Closing Officer will prepare documents which affect the legal rights of both parties;
3. The parties may have differing interest in the documents;
4. The parties have the right to be represented by lawyers of their own selection and each party may have a separate lawyer;
5. The Closing Officer cannot give legal advice to the parties concerning the manner in which the documents affect those parties.

The Closing Officer is only permitted to select and complete documents which have been approved by the Limited Practice Board in accordance with a written Purchase and Sales Agreement which contains all of the basic terms of the transaction. The Closing Officer is not permitted to negotiate terms which are not included in the written Purchase and Sale Agreement. The Closing Officer is not permitted to practice law.

In this transaction your Closing Officer is: Alissa Raczykowski

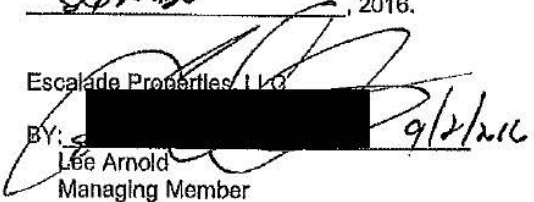
GUSTAFSON LAW, INC., PS

Alissa Raczykowski
CRO No. 2843

Please acknowledge receipt of the foregoing Notice of Compliance with A.P.R. 12 and that you have read the same by signing your name(s) to the copy of this Notice on the signature line(s) below. (If such Notice has been hand delivered or mailed to you, please return the copy of the Notice showing your signature(s) in the enclosed, self-addressed envelope.) We will be unable to continue with the closing until we have received the signed Notice from you.

I have received and read a copy of the Disclosure, and understand its contents this 22nd day of September, 2016.

Escalade Properties, LLC

BY: 
Lee Arnold
Managing Member

Estate of Sharron Lea Dickey

By: _____
Colleen _____ Personal Representative

City of Spokane
Code Enforcement
808 W Spokane Falls Blvd
Spokane WA 99201
Ph: 509-625-6083
Fax: 509-625-6802

AUTHORIZATION TO ENTER PROPERTY AND ABATEMENT OF NUISANCE CONDITION

RE: Removal of Car in Back yard

Parcel: 26361.0108

Address: 6117 N Cedar

I (print) Lee Arnold am the

- Legal owner(s)
- Resident
- OMT/Mortgagee
- Asset manager
- Property Preservation Company

for the above listed property and hereby consent to provide the City of Spokane employees and their agents access to the above listed property for the purpose of abating/correcting the nuisance conditions(s) existing on the property.

That in providing the City of Spokane and its agents access to the property that I/we by signing this document constitutes a waiver to bring an action against the City of Spokane for the entry and the abatement of the nuisance condition on the property.

I further understand that the abatement of the nuisance conditions(s) can result in costs being assessed as a lien on the property.

(Print) Lee Arnold

(Signature) [Redacted]

10/14/16
Date

Property Owner/Resident/Responsible Party

Contact Information:

Phone: [Redacted]

Owner/Agent Address: 1121 E MULLAN AVE
COUR D ALENE ID 83814



JUNK VEHICLE AFFIDAVIT REQUEST

CITY OF SPOKANE CODE ENFORCEMENT
800 WEST SPOKANE FALLS BLVD
BOX 165
SPOKANE WA 99201-3333
(509)625-6083 FX: 625-6802

DATE _____

HULK SLIPS ARE FOR DESTRUCTION OF THE VEHICLE ONLY - NOT FOR TITLE

LOCATION OF VEHICLE 6117 N. Cedar Back Yard

VEHICLE ACCESSIBLE? YES NO DOGS/ANIMALS? YES NO

| | | | |
|--------------|----------|--------|--|
| VEHICLE #1: | LICENSE# | STATE: | |
| VIN#: | | | |
| DESCRIPTION: | | | |
| VEHICLE #2: | LICENSE# | STATE: | |
| VIN#: | | | |
| DESCRIPTION: | | | |
| VEHICLE #3: | LICENSE# | STATE: | |
| VIN#: | | | |
| DESCRIPTION: | | | |

YOU ARE THE: PROPERTY OWNER RENTER
MANAGER OTHER

MAILING ADDRESS: (TO SEND HULK SLIP)
NAME Escalade Properties PHONE [REDACTED]
ADDRESS 1121 E. MULLAN AVE
CITY COEUR D'ALENE STATE ID ZIP CODE 83814

PROPERTY OWNER NAME: Escalade Properties PHONE: [REDACTED]
ADDRESS 1121 E. MULLAN AVE
CITY COEUR D'ALENE STATE ID ZIP CODE 83814

FOR ADDITIONAL INFORMATION OR TO ADD MORE VEHICLES

SEE OTHER SIDE 



JUNK VEHICLE AFFIDAVIT REQUEST

CITY OF SPOKANE CODE ENFORCEMENT
808 WEST SPOKANE FALLS BLVD
BOX 185

SPOKANE WA 99201-3333
(509)625-6083 FX: 625-6802

ADDITIONAL COMMENTS:

A Junk vehicle is a vehicle that meets 3 of the following 4 criteria:

1. Is three years old, or older
2. Is extensively damaged, such as broken windows, missing wheels/tires or missing motor
3. Is apparently inoperable
4. Has an approximate fair market value equal to the value of the scrap in it. Scrap value is approx. \$60.

See RCW 46.12.38 for more information

ATTENTION:

If the vehicle does not meet these criteria, or if it is an abandoned vehicle, please call a towing company for a private impound.

Check the Code Enforcement Website for further information: www.beautifyspokane.org

H:\share\Hulk sllp request form 2008.xls

ALTA Universal ID:

Purchase of Cedar

File No./Escrow No. : 16-1063-C
Print Date & Time: November 1, 2016 12:17 pm
Officer/Escrow Officer : Alissa [REDACTED]
Settlement Location :

Property Address: 6117 N Cedar Street
Spokane, WA 99205

Borrower: Escalade Properties, LLC
1121 E Mullan Avenue
Coeur d'Alene, ID 83814

Seller: Estate of Sharron [REDACTED]
5321 N A Street
Spokane, WA 99205

Lender:

Settlement Date: August 31, 2016
Disbursement Date: August 31, 2016

| Seller | | Description | Borrower | |
|--------|-----------|--|-----------|--------|
| Debit | Credit | | Debit | Credit |
| | | Financial | | |
| | 25,000.00 | Sale Price of Property | 25,000.00 | |
| | | Prorations/Adjustments | | |
| 252.99 | | County Taxes 07/01/16 - 08/31/16 | | 252.99 |
| | | Title Charges and Escrow/Settlement Charges | | |
| 250.00 | | Closing Fee to Gustafson Law, Inc., PS | 250.00 | |
| 582.63 | | Owner's Policy to First American Title Company | | |
| | | Commissions | | |
| 750.00 | | Commission to Keller Williams Spokane Main | | |
| | | Government Recording and Transfer Charges | | |
| | | Recording Fees to First American Title Company | 74.00 | |

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize to cause the funds to be disbursed in accordance with this statement.

Borrower

Escalade Properties, LLC

BY: _____
Lee Arnold
Managing Member

Seller

Estate of Sharron [REDACTED]

BY: _____
Colleen [REDACTED]
Personal Representative

Alissa [REDACTED]
Escrow Officer

From: [REDACTED]

From: Michelle [REDACTED]
Sent: Thursday, September 28, 2017 4:30 PM
To: [REDACTED]
Subject: FW: 6117 N Cedar- Previous owner

From: Danielle [REDACTED]
Sent: Monday, February 06, 2017 10:00 AM
To: Lee Arnold [REDACTED]; [REDACTED]
Subject: 6117 N Cedar- Previous owner

Hello,

Just got a call from the neighbor at 6117 N Cedar. The guy is back again hanging around the house and trying to get in. He was verbally attacking the neighbor and trying to taunt him to come outside. Crime check has been called. He is very concerned about the safety of the next home owner and this guy hanging around and thinking it is still his home.

I suggest we have a crew member go over to ensure he did not damage any of the property.

Let me know if you need anything else.

Thanks.

Danielle [REDACTED]
Project Manager

Secured Investment Corp
1121 E Mullan Ave.
Coeur d'Alene ID 83814
Tel: 800.341.9918 ext. 1215
Fax: 866.264.8601

6117 N CEDAR ST | Spokane, Washington 99205
4 Beds, 2 Baths MLS #: 201711446

Raise your family here! NEW kitchen! NEW Stainless Steel Appliances! NEW Bathrooms! NEW hardwood floors! NEW Paint! NEW Carpet! NEW Egress Windows! NEW Finished basement! Large closets! 4 bed/2 bath freshly remodeled home that sparkles. Nice size tree-lined, partially fenced yard for family gatherings. Great neighborhood, close to shopping, good schools. This home is priced to sell quickly, and it will. Make sure you move fast on this one.

LEE ARNOLD
509-953-1000

lee1@securedinvestmentcorp.com



kw SPOKANE
KELLER WILLIAMS
REALTY

\$189,900



- Forced Air
- Hardwood Floors
- Basement - Finished
- SS Appliances
- New Bathrooms
- New Bathroom
- Granite Counters
- New Kitchen
- Large Closets



See the Virtual Tour! www.tourfactory.com/1719107

Equal Housing Opportunity | All Information Deemed Reliable but not Guaranteed 509-953-1000



Lee Arnold
Keller Williams Realty Spokane
509-953-1000
lee1@securedinvestmentcorp.com
<http://agent-108784.pages.tourfactory.com>

VIEW
THE
TOUR



THE SPOKESMAN-REVIEW

SPOKANE

Before and after: House flip in north Spokane turns nuisance into new start

Mon., Feb. 20, 2017, 5:45 a.m.



Lee Arnold, founder and CEO of Cogo Capital walks through the backyard of a known problem house at 6117 N. Cedar St. on Thursday, Sept. 22, 2016, in Spokane, Wash. (/The Spokesman-Review)





By Rachel

When he bought the house last September, Lee Arnold said it was the second-worst one he'd ever been inside.

The two-story ranch house at 6117 N. Cedar St. had fallen far beyond what most people would call disrepair. The original owner had died, leaving her adult son, Michael, living there. His mental health issues and drug use worsened, causing him to yell at and threaten neighbors repeatedly.

Aleah McGinnis, who lives next door with her husband and 2-year-old son, said Michael would scream, break things and tear the house apart day and night.

"It was scary," she said. "He woke us up quite a few nights."

Police were called to the house more than 50 times from the beginning of 2015, often for mental health issues, disturbances and welfare checks. Then Arnold's company bought the house.

Arnold owns Cogo Capital, part of a network of real estate investment companies, and specializes in flipping distressed, foreclosed and abandoned homes. In 2015, he began working with the city to facilitate sales of chronic nuisance houses, often buying them from owners where the city's hands were tied.

The first day inside the house on Cedar was surprising, even for Arnold. The house had gone without power and water for months, and Michael was using a 5-gallon bucket in the backyard as a toilet. Michael slept in the basement, entering and exiting through a ground-level window, and had tipped the kitchen refrigerator to cover the stairs so no one else could enter the basement.

His nest in the basement included a board tied to electric wires he had ripped out of the wall. Once he was inside, he'd use the wires to pull the board into the window and wind them around hooks, keeping anyone from following him inside. For heat, he burned pieces of the walls in a newspaper stand he stole off the street.

It wasn't Arnold's worst house ever. That distinction belongs to a house where he found "250 gallons of urine in the basement," he explained. But it was close.

Spokane City Attorney Matt Folsom, who works with the Police Department on chronic nuisance properties, said officers exhausted their options trying to get Michael help. He didn't want to work with mental health counselors. A judge ruled he didn't meet the criteria for involuntary commitment based on mental illness. Since he technically owned part of the house, he wasn't committing a crime by living there. Every time the city boarded the house up because of substandard conditions, he would break back in.

Shortly before Cogo bought the house, a team of police officers went inside, trying to find Michael with police dogs.

“It was such a mess in there we couldn’t find him,” Folsom said.

After their mother’s death, Michael and his two sisters owned the home. The sisters were willing to sell it, but the city couldn’t offer them real estate advice or work with them to make that happen, so Folsom called Arnold.

Arnold met with the sisters, who said they just wanted the value of the land, about \$26,000. They published notice of the sale, which a judge approved after Michael failed to appear in court. The sisters set up a trust so their brother will get his third of the money from the sale if he’s ever well enough to collect it, Arnold said. Cogo paid the city about \$4,800 to cover outstanding fines and abatement costs on the property.

In September, Cogo hired a crew to begin hauling trash out, part of the process of gutting the house before refurbishing it. The detritus included empty Gatorade bottles, pieces of the walls Michael had torn off, notebook paper with drawings of a robot on it and a book, “Time Traps and Proven Strategies for Swamped Salespeople,” on the kitchen floor.

When the crew finished for the day, a Cogo staff member stayed behind to walk through the property and discovered Michael, covered in insulation, standing out on the porch. He’d apparently been hiding in the attic the whole time, Arnold said.

Cogo gutted the house, finishing the basement and adding a new bathroom, gas heating and egress windows to give the house a total of four bedrooms. The house went on the market for \$189,900 in early February and had a full-price offer within a few days. Cogo put about \$85,000 into the rehabilitation, making it one of the company’s more profitable flips.

The Cedar house is the fourth city nuisance house Cogo has refurbished. The first, a longtime drug den on West College Avenue, was [purchased by a retiree from Whidbey Island last spring](#).

Michael has been around a few times since the sale, Arnold said, but police have been able to get him to leave. He’s currently couch-surfing around north Spokane, Arnold said.

McGinnis, the neighbor, said the neighborhood has been much calmer since the rehabilitation started. She said she hopes Michael is able to get help.

Without the chaos next door, McGinnis said she’ll now be able to sell her home if she ever wants to move.

“They did a really good job on it,” she said.

Robert Tavares

Subject: FW: Another on complete
Attachments: Cedar Flyer.pdf

From: Lee Arnold
Sent:
To: Matt
Cc:
Subject: Another on complete

Hi Matthew,

Wanted to send you the latest home we finished on 6117 North Cedar.
This was the house with the two sisters and the brother,
Colleen [REDACTED], Michelle [REDACTED] and their brother Michael [REDACTED].

This was by far one of the worst houses we've ever had to deal with but it turned out very nice.

The neighbors are very happy with the finished product and are grateful to the City of Spokane for getting this taken care of.

Please let me know if there are any other challenged properties we can help you with.

Looking forward to the meeting in April. Thanks again for the invite.

Here is the virtual tour:
<http://www.tourfactory.com/1719107>

I attached a flyer as well.

Yours in Success,

Lee Arnold
CEO

Secured Investment Corp

Secured Investment Corp is not a provider of legal services or advice, and nothing contained herein is intended to convey or constitute legal advice to you or any other individuals. There is no substitute for obtaining expert legal advice with respect to any legal matters or questions you may have regarding your business transactions, contracts, investments, or other matters in which you have an interest. If you have any legal questions or concerns, you should direct them to your attorney.



CASE STUDY 4

TURNING GARBAGE INTO GOLD!

How We Found the Property:

- This property also came directly from the Spokane city attorney.
- The neighbors banded together to force the city to do something.
- The city needed help and contacted Lee.



Video: Neighbors Band Together to Shut Down Chronic Problem

Notes:

Background:

- SPD said officers had responded to the address 57 times over the past year for drugs, possible prostitution, reckless driving, property crimes, and bothering neighbors.
- Neighbors organized and partnered with their neighborhood conditions officer to petition to Spokane County Superior Court to shut the property down.
- SPD officers were at the house on Thursday while contractors worked to clear, secure, and board up the property. Any returning tenants would be arrested for trespassing.



- Not all these abandoned, abated, or boarded up properties are in bad or questionable neighborhoods. This house was in a very desirable area of town.
- Ray, the owner of the subject property, 3505 W. Indian Trail, was a painter.
- He and his wife got divorced, and his difficulty was compounded by a rough patch he was having with his business. This led him down the path of drugs to cope.
- He eventually began to sell drugs as well as running a prostitution ring in the basement of the house to make money to pay for drugs.
- He used to be an active, successful member of the community but drugs took their toll.

Notes:

Negotiating the Deal

- Ray had been removed from the premises by law enforcement. He was getting ready to lose ownership of the property.

• As a result, I was able to negotiate with his lender to accept the back payments, or “arrears,” to bring the loan current, and then I took over the underlying loan.

- This is known as an all-inclusive trust deed (also referred to as a “subject to financing” deal). This is referred to a “subject to” deal because the deal is subject to financing in place. It is up to the buyer to fix the order of how payments are made.)

• Properties that have equity but still have an underlying mortgage, and have a highly motivated seller, are great prospects for deals.

- As a result, I came in with a small amount of capital to bring the arrears current, took over the underlying loan for six months until the property sold, and then used cash to fix it up.

• I did not need to get a COGO loan which saved me considerable money in fees resulting in a \$52,000 profit and over a 200% annualized return.

- Part of our deal included me purchasing a new tire for Ray’s vehicle after he came to the office one day to sign some paperwork.



The Opportunity & Potential

- ARV (selling price): \$198,900.00
- Purchase price: \$79,318.25
- Rehab: \$47,431.15
- Selling costs: \$21,479.29
- PROFIT: \$50,671.31

The Rehab – What We Did



- Main floor living space remodel



- Basement living space
- Kitchen
- Bathroom remodel
- Bedrooms
- Yard and patio cleaned up
- Ready for sale!

Listing the Property

<http://tours.tourfactory.com/tours/tour.asp?t=1706594>

Three Things We Learned From this Deal

1. Abandoned, abated, or boarded up properties can be found in all parts of town!
2. Not all abatement properties are free and clear. If a mortgage exists along with a fair amount of equity, the property is a good candidate for an all-inclusive trust deed.
3. This house could have been discovered long before it was on the city's radar.
 - We could have simply pulled a list of mortgages that were written prior to 2010. These loans are 10 years or older. Loans of this age or older, like Ray's, can have substantial equity in the house and not require a short sale agreement or negotiating with anyone.
 - This house easily fell under our category of an equity deal as it only required bringing the loan current.
 - Purchasing a list of 30, 60, or 90-day mortgage lates would have also produced this deal without involvement from the city. The only caveat to this, of course, is if the city was not applying pressure on him and had previously kicked him out, I'm not confident he would have been willing to sell.

Notes:



CASE STUDY 4

Notes:

A large, empty rectangular box with a light blue border, intended for taking notes on the case study.

Spokane

Neighbors fight to get nuisance house closed

By: Colleen O'Brien (<http://www.kxly.com/meet-the-team/colleen-o'brien/176326542>)

Posted: Feb 21, 2013 07:11 PM PST Updated: Nov 20, 2016 10:22 PM PST



SPOKANE, Wash. - Homeowners in the Indian Trail neighborhood made their final Hail Mary effort Thursday to shut down a suspected drug house that they say has caused problems for them for nearly a year.

Under city municipal code, a judge can rule that a house is a "chronic nuisance" and order it boarded up for a year. The 35 neighbors who showed up in court have kept meticulous notes and surveillance of the so-called problem house and hoped that would be enough to convince a Superior Court Judge.

The house, located at 10150 North Seminole Drive, was last raided in late January and police say they found meth inside the house. Seven people were arrested, but neighbors say those people were back in the house the next day and back to business as usual. More arrests were made two weeks later when a stolen vehicle was discovered.

Neighbors said they've dealt with drug deals, drug-fueled fights, vandalism, threats, burglaries and packed Judge Kathleen O'Conner's courtroom to plead their case, but it would not be a good day for them.

Nuisance house Thursday hearing

City Attorney Mary Muramatsu stood before Judge O'Conner with more than 100 pieces of evidence.

"I'm here before the court today seeking emergency relief on behalf of the Woodridge Neighborhood," Muramatsu said.

With no sign of the owner of the problem house, Marcy Pratt, testimony to deem the property a chronic nuisance under city code, and ultimately shut it down, continued with Spokane Police Officer Paul Taylor. He's been the point of contact for neighbors throughout the year-long ordeal.

As Taylor began to explain his experience with the problem house, jaws dropped as Marcy Pratt walked into the courthouse late and took a seat in the front row. Though she had been subpoenaed Wednesday, Pratt had no lawyer and that was key to what happened next.

"I did try to call some lawyers last night and this morning, but I do feel like I'm entitled to have an attorney present and I would like to have a continuance if possible," Pratt told Judge O'Conner.

Judge O'Conner granted Pratt 24 more hours to get a lawyer, but warned that she is still under a restraining order that restricts her from having, making or selling drugs from her house. It also rules that she cannot have guests inside her house.

"There never has been any drug sales or anything," Pratt stated.

Upon that announcement her neighbors burst out laughing in the audience, to which the judge scolded them for not keeping proper composure in the courthouse.

Neighbors filed out of the courthouse quickly, some saying they needed to rush home for fear of retaliation from the people Pratt associates with. Mostly, they felt let down by Thursday's proceedings.

"It's disappointing yeah, but we do want everyone to have their day in court and I think she does deserve a lawyer to be there, I think she'll still lose," neighbor Dana Moss said.

Pratt maintains her innocence, claiming drugs have been planted in her car and any problems at the home came from poor judgment of people she called friends.

"There's no drugs, there never has been any drugs," Pratt paused. "Okay, I did have someone at my house, he came at five in the morning and him and his girlfriend had a fight out on the front yard."

Judge O'Connor made it very clear to Pratt that she has 24 hours to find a lawyer or the hearing to decide if her home is a chronic nuisance will go on without her.

The next hearing is scheduled for Friday afternoon.

[Spokane](#)

Neighbors band together to shut down chronic problem house

Posted: Oct 09, 2016 06:13 PM PDT Updated: Nov 20, 2016 07:43 PMPST



2:18 / 2:18



Neighbors band together to shut down chronic problem house

SPOKANE, Wash. - Neighbors in Spokane successfully worked together to shut down what police are calling a "chronic problem house."

Neighbors, like Kevin Cash, say the Indian Trail area is normally a peaceful neighborhood.

"It's a wonderful neighborhood. We've lived here for a number of years and we are close with our neighbors," Cash said.

ADVERTISING



Except one home on the corner of Indian Trail Road has been a major problem.

"When it's affecting the neighborhood in negative way, it's affecting all of us. It's going too far," Cash said.

He says his neighbors saw illegal activity often at the home.

"Like drugs and the smell of production of methamphetamine. There are stories of prostitutes going in and out of there. It's spooky. I got kids, I don't want them here with that potential stuff going on," Cash said.

The house sits right across from a school crosswalk zone. Spokane police officers have responded to the home 57 times in the last year.

This isn't the only home like this in Spokane. Back in May, another nuisance home in north Spokane was shut down thanks to a city ordinance which changes the definition of "chronic nuisance property" to include homes that have three nuisance activities in 60 days or seven within 12 months.

Through cooperation with their neighborhood conditions officer and the city attorney's office, Kevin and his neighbors succeeded in shutting down this problem property.

"We banded together as a community and as a neighborhood, looking out for one another and we helped the city take care of it," Cash said.

Officers secured the property. If the tenants return, they will be arrested for trespassing.

"Glad to be over and done with it," Cash said.

Spokane Police say if you have a problem property in your neighborhood, contact your Neighborhood Conditions Officer for more information on the abatement process.

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SUPERIOR COURT, STATE OF WASHINGTON, COUNTY OF SPOKANE

CITY OF SPOKANE, a municipal corporation,

Plaintiff,

v.

DARREL [REDACTED], property owner of
3505 W. Indian Trail Road, Spokane,
Washington;

Acceptance Capital Mortgage Corporation, a
lien holder;

Defendants.

No. 16-2-03132-8

COST BILL

TO: CLERK OF THE COURT;

TO: Defendant Darrel [REDACTED].

Comes now Plaintiff City of Spokane, by and through its undersigned attorney of
record and submits the following cost bill pursuant to RCW 7.43.080(1):

//

COST BILL – PAGE 1

Michael J. Piccolo, Interim City Attorney
OFFICE OF THE CITY ATTORNEY
5th Floor Municipal Building
Spokane, WA 99201-3326

[REDACTED]

| | | |
|----|--|-------------------|
| 1. | Superior Court Filing Fee | \$ 240.00 |
| 2. | Service of Process on Acceptance Capital Mortgage Corporation by Eastern Washington Attorney Service | 40.00 |
| 3. | Litigation Guarantee | 817.42 |
| 4. | Boarding of 3505 W. Indian Trail Road by KB Construction on October 6, 2016 | 714.28 |
| 5. | Code Enforcement Clean-up Charges on 10/07/16 | 345.12 |
| 6. | Certified Copy of Lis Penden | 6.00 |
| 7. | Recording Lis Penden with County Auditor | 75.00 |
| 8. | Re-Boarding of 3505 W. Indian Trail Road by KB Construction on October 14, 2016 | 67.37 |
| | TOTAL | \$2,305.19 |

STATE OF WASHINGTON :
:ss.
County of Spokane :

Matthew [REDACTED], being first duly sworn on oath, deposes and says that he is attorney of record for plaintiff in the above-entitled matter and that the foregoing is a true bill of costs and disbursements necessarily incurred in said cause and court.

Matthew [REDACTED]
Assistant City Attorney
Attorney for City of Spokane

SUBSCRIBED AND SWORN to before me this ____ day of October, 2016.

Notary Public in and for the State
of Washington, residing in _____.
My commission expires _____.

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DECLARATION OF SERVICE

I declare, under penalty of perjury, that on the ___ day of October, 2016, I caused a true and correct copy of the foregoing "Cost Bill," to be delivered to the parties below in the manner noted:

| | |
|---|--|
| Darrel [REDACTED] 3505 W. Indian Trail Road Spokane, WA 99208 Defendant | <input type="checkbox"/> VIA FACSIMILE <input type="checkbox"/> VIA U.S. MAIL <input type="checkbox"/> VIA OVERNIGHT SERVICE <input type="checkbox"/> VIA HAND DELIVERY |
| Acceptance Capital Mortgage Corporation 12810 E. Nora Ave. Ste. F nmls #7671 Spokane, WA 99216 Defendant Lien Holder | <input type="checkbox"/> VIA FACSIMILE <input type="checkbox"/> VIA U.S. MAIL <input type="checkbox"/> VIA OVERNIGHT SERVICE <input type="checkbox"/> VIA HAND DELIVERY |
| Franklin [REDACTED] 113 E. Magnesium Rd., Unit D Spokane, WA 99208 Registered Agent for Acceptance Capital Mortgage Corporation | <input type="checkbox"/> VIA FACSIMILE <input type="checkbox"/> VIA U.S. MAIL <input type="checkbox"/> VIA OVERNIGHT SERVICE <input type="checkbox"/> VIA HAND DELIVERY |

City Attorney's Office
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3326

COST BILL – PAGE 3

Michael [REDACTED] Interim City Attorney
OFFICE OF THE CITY ATTORNEY
5th Floor Municipal Building
Spokane, WA 99201-3326
[REDACTED]

\$50,000 HALLOWEEN HAUNT GIVEAWAY OCT 1-27

DETAILS



Spokane - Coeur d'Alene

7 Day Forecast Video Forecast Alerts
Radar Weather School Closings

SPOKANE 49° COEUR D'ALENE 47°



HOME NEWS WEATHER SPORTS ENTERTAINMENT HOME & FAMILY FEATURES VIDEO COMMUNITY
SPOKANE NORTH IDAHO NORTHWEST NATION/WORLD FIRE WATCH MONEY POLITICS ALERT CENTER

SPD, neighbors shut down Indian Trail nuisance house

Published On: Oct 07 2016 02:22:40 PM PDT



SPOKANE, Wash. -A nuisance house in the Indian Trail neighborhood was shut down thanks to neighbors working with Spokane Police officers.

The neighbors near the house, located at 3505 W. Indian Trail, worked with SPD officers, their Neighborhood Conditions Officer, and the Spokane City Attorney's Office.

SPD said officers have responded to the address 57 times over the past year for drugs, possible prostitution, reckless driving, property crimes, and bothering neighbors.

Neighbors organized and partnered with their Neighborhood Conditions Officer to petition to Spokane County Superior Court to shut the property down.

SPD officers were at the house on Thursday while contractors worked to clear, secure, and board up the property. Any returning tenants will be arrested for trespassing.

If you have a problem property in your neighborhood, contact your Neighborhood Conditions Officer.

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UP NEXT // Prosecutor: Bo Kirk shot over road rage

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LOCAL NEWS HEADLINES

End of the line for the Metaline Falls train

4 Things To Know Oct 31

Spokane law enforcement reminds parents of the trick-or-treat dos and don'ts

Suspected bank robber lives 6 blocks from crime scene

Alleged nuisance property burns down

Bundy attorney cited for failing to comply with order

4 Things To Know For Oct 28

Colfax brings old hospital to life with the undead

Spokane Co. Sheriff urging phone scam awareness

Bank robbery suspect arrested

Organic ingredients & easy recipes, delivered.



Contact KXLY

E-NEWS REGISTRATION



KXLY.com Email Newsletters

Sign up for Breaking News, Daily Headlines, Severe Weather Alerts & more!

The KXLY.com Message Hub



8103 N Division St
Spokane, WA 99208
509-467-5107

Store: 332
Invoice: 33200290165
Salesperson: Bryan R T

Work Order 33200290162

Customer Information

Customer ID: 506-01001
Name: LEE A ARNOLD
Address: [REDACTED]
City, State, WA 99019
Phone: [REDACTED]

Vehicle Information

Vehicle:
Color:
Mileage:
License:

Les Schwab Invoice

| Qty | Product Code | Product Description | Price/ea | FET | Amount |
|-----|--------------|--------------------------|----------|--------|---------|
| 1 | 13718 | WHEEL SPIN BALANCE | \$13.50 | \$0.00 | \$13.50 |
| 1 | 126187 | 215/45R-17 87V SS-595 BW | \$91.99 | \$0.00 | \$91.99 |

Parts Subtotal: \$91.99
Labor Subtotal: \$13.50
Sales Tax: \$9.17
Tire Tax: \$1.00

| | |
|----------------|-----------------|
| Invoice | \$115.66 |
|----------------|-----------------|

Payment Method:



\$115.66

DOT: DOTUX0K3616

Qty: 1

WARNING: THE FOLLOWING APPLIES TO VEHICLES WITH MODIFIED SUSPENSION/RIDE HEIGHT
The suspension/ride height of this vehicle has been modified. As a result, this vehicle may handle differently than that of factory equipped vehicles. As with any vehicle, extreme care must be used to prevent loss of control or roll-over during sharp turns or abrupt maneuvers. Always wear seat belts and drive safely, recognizing that reduced speeds and specialized driving techniques may be required. Failure to drive this vehicle safely may result in serious injury or death. Do not drive this vehicle unless you are familiar with its unique handling characteristics and are confident of your ability to maintain control under all driving conditions. Some modifications (and combinations of modifications) are not recommended and may not be permitted in your state. Consult your owner's manual, the instructions accompanying this product and state laws before undertaking these modifications. You are responsible for the legality and safety of the vehicle you modify using these components.

Remember to rotate your tires every 5,000 miles for maximum mileage - and it's free!

Les Schwab electronically registers your tire purchase with the tire manufacturer at no charge to you, in accordance with NHTSA's tire registration requirements.

Your car may have a tire pressure monitoring system that uses a warning light to alert the driver of low tire pressure or system failure. Pursuant to NHTSA, Les Schwab must install all tire and wheel combinations with functioning TPMS sensors; including tires and custom wheels or winter tires and wheels. The TPMS light may illuminate after routine service and require additional action. We offer and recommend monthly air checks.

Free air checks for the life of the tires.

THANK YOU FOR YOUR BUSINESS

Invoice Date/Time: 11-08-2016 04:32 PM

Page 1 of 2



2818 N Government Way
Coeur D Alene, ID 83815
208-765-8505

Store: 83
Invoice: 8300472495
Salesperson: Bobbi L F

Work Order 8300472422

Customer Information

Vehicle Information

Customer ID: 506-01001
Name: LEE A ARNOLD
Address: [REDACTED]
City, State, WA 99019
Phone: [REDACTED]

Vehicle:
Color:
Mileage:
License:

THANK YOU FOR YOUR BUSINESS

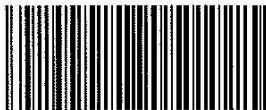
Authorized By:

LEE A ARNOLD (801) 574-4020 10-31-16 02:14 PM \$116.59

ASSIGNMENT OF WARRANTIES - LIMITATION OF REMEDIES. SELLER ASSIGNS TO PURCHASER ALL RIGHTS AND REMEDIES UNDER MANUFACTURER EXPRESS AND IMPLIED WARRANTIES BUT OTHERWISE EXCLUDES ALL LIABILITY FOR WARRANTY DAMAGES. INCIDENTAL AND CONSEQUENTIAL DAMAGES OF ANY TYPE WHATSOEVER EXCLUDED TO EXTENT LAW ALLOWS. ALL CLAIMS AND RETURNED GOODS MUST BE ACCOMPANIED BY THIS INVOICE.

Customer Signature X

[REDACTED SIGNATURE]



* indicates promotional price
For more information on our products and services, visit www.LesSchwab.com.
All parts new unless specified.

Invoice Date/Time: 10-31-2016 04:13 PM

From: Matt
Sent:
To: Lee Arnold
Subject: RE: 3505 W. Indian Trail
Attachments: Cost Bill.doc

Lee – the City’s costs on 3505 W. Indian Trail are \$2,305.19, see attached. If you can agree to pay our costs as part of the closing then you save us the trouble of filing the cost bill and receiving a judgment on the 3505 W. Indian Trail. Let me know. Thanks.



Matthew | City of Spokane | Office of the City Attorney | Assistant City Attorney

Confidential & Privileged
Legal Materials

Your cooperation is requested; no disclosure authorized without express consent of client(s) and City Attorney.

From: Lee Arnold
Sent:
To: Matthew
Cc:
Subject: 3505 W. Indian Trail

Hi Matthew,

I wanted to let you know that we met with Ray [REDACTED] the current owner of the property located at 3505 West Indian Trail Road, Spokane WA 99208. Ray has agreed to sell us the property so we can get it cleaned up and back into a good working condition. We have signed around a purchase and sale agreement and are scheduled to close on Friday November 4 2016. I have spoken with Doug about gaining access to the property for a physical inspection prior to closing and he instructed me to contact you for access.

Is it ok with you ok if my crew and I remove the plywood from the back door and access the property for inspection or would you prefer I schedule a showing with an officer of the city present? Either way works as long as I can do it before Friday. We would put the plywood back over the door upon completion of the inspection. Let me know which direction you would prefer we go here.

Thanks Matt!

Lee Arnold
CEO
Secured Investment Corp

From: Matthew
Date:
To: Lee Arnold
Subject: 3505 W. Indian Trail

Hello – we abated a chronic nuisance property (3505 W. Indian Trail) a couple weeks ago. The owner, Ray XXXXXXXXX, expressed an interest to sell. His number is XXX.XXXX. Let me know if something works out. Thanks.

Matthew | City of Spokane | Office of the City Attorney | Assistant City Attorney

Confidential & Privileged
Legal Materials

Your cooperation is requested; no disclosure authorized
without express consent of client(s) and City Attorney.

Robert Tavares

Subject: FW: New property

From: Alissa
Sent:
To: Lee Arnold, Michelle
Cc:
Subject: RE: New property

I have an email into Mathew Xxxxxxxx. We will need the lis pendens removed or a letter stating that it will be removed and the injunction is lifted. And they also need to calculate the abatement costs for removal of those two matters on title.

Alissa
Gustafson Law, Inc., P.S.

From: Lee Arnold
Sent:
To: Michelle
Cc: Alissa
Subject: Re: New property

Hi Alissa,

Please let me know what other information you need. I need this to close today. Let me know!

Thanks,

Lee A. Arnold
CEO
Secured Investment Corp/
www.CogoCapital.com
800-341-9918

"Nations Fastest Growing Provider of Private Funds to Real Estate Investors, Nation Wide".

Ask about becoming a private money lender through our nationwide platform!

Sent from my iPhone

Michelle wrote:

[Here you go.](#)

From: Alissa
Sent:
To: Michelle
Cc: Lee Arnold
Subject: RE: New property

Okay I will still need the mortgage information to order a statement of account.

Alissa

Gustafson Law, Inc., P.S.

From: Michelle

Sent:

To: Alissa

Cc: Lee Arnold

Subject: RE: New property

Alissa,

Per the P&S agreement, we are not paying off the mortgage, we assumed the payments. As for the other items, please refer to P&S agreement. If you need anything else, please let me know.

Michelle

Executive Assistant

Secured Investment Corp

From: Alissa

Sent:

To: Michelle

Subject: RE: New property

The title on this has quite a few issues so I don't think we'll be closing today. We will need information to order the payoff on the mortgage and then there is a lis pendens and two items filed by the county regarding abatement that will need to be resolved. Has Lee been working with Rob at the City like before on homes with these types of problems?

Alissa

Gustafson Law, Inc., P.S.

From: Michelle

Sent:

To: Alissa

Subject: RE: New property

Hello Alissa,

Can you tell me when this property closes today? The seller is extremely anxious for his check, so I need to stay on top of it.

Thanks!

Michelle

Executive Assistant

Secured Investment Corp

From: Alissa
Sent:
To: Michelle
Subject: RE: New property

Okay thank you Michelle.

Alissa
Gustafson Law, Inc., P.S.

From: Michelle
Sent:
To: Alissa
Cc:
Subject: New property

Hello Alissa,
We have a new property that will need your assistance. The address is 3505 W Indian Trail Road, Spokane, WA 99208.

Let me know if you need anything else.

Michelle
Executive Assistant

Secured Investment Corp

This message and any files or attachments transmitted with it may contain confidential, proprietary or privileged information and are intended for the use of the intended addressee(s) only. All rights are reserved. If you received this message in error or are not an intended recipient, please notify the sender and delete this message immediately. If you are not the intended recipient, you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited. No obligation, contractual or otherwise, is created by the transmission of this message. Views or opinions presented in this message are solely those of the author and do not necessarily represent those of the organization. This message is being recorded; you have no expectation of privacy in this message. This email transmission cannot be guaranteed to be secure or error-free, as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender, therefore, does not accept liability for any errors or omissions in the contents of this message which arise as a result of email transmission. IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication, unless expressly stated otherwise, was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties

Robert Tavares

Subject: FW: 3505 W. Indian Trail

From: Alissa

Sent:

To: Lee Arnold

Cc: Michelle

Subject: RE: 3505 W. Indian Trail

Okay if this is a wrap of an underlying contract then I need a seller financing addendum and the other addendum needs to say that the property will NOT be transferred free and clear of liens because the mortgage lien is staying on title. Also everyone needs to sign a disclosure that states that if the lender triggers their due on sale clause for selling the property subject to the mortgage without consent that the mortgage will immediately be paid in full. And then I will need proof of insurance, showing the seller as an additional insured/mortgagee and instruction on what is being done with the existing escrow account with the mortgage company, is seller to be credited for the balance in that account? Also how will the payments be serviced? Are we hiring an escrow collection company? Is the seller making the payments on their own each month once you pay him (or the escrow company) or will you pay the monthly amount directly to the mortgage company which will likely alert them to the fact that the property has been sold? Once I have all of that I can apply to the Department of Licensing for a waiver as required by statute for seller financing transactions.

Alissa

Gustafson Law, Inc., P.S.

From: Lee Arnold

Sent:

To: Alissa

Cc: Michelle

Subject: RE: 3505 W. Indian Trail

Ok Alissa –

Here is the math that I have

Ray is responsible for:

County Taxes \$281.65

Lien Releases to Gustafson \$150

Final Hold back City of Spokane \$1,000

Lien Payoff of City of Spokane \$2,383.42

Final Water Bill Paid to City of Spokane \$498.00

For a total closing cost to Ray of: \$4,313.07

His Gross is \$12,500

Net then to Ray is \$8,186.93 However,

He has Received the following

\$200 – Cash on October 31, 2016

\$116.59 – Tire on October 31, 2106 – Les Schwab – paid by buyer

\$300 – Cash on Friday November 4th, 2106.

\$500 Cash today November 8th, 2016

Net to seller is \$7,070.34 – Buyer is taking over underlying payments.

Lee is to bring \$12,500 plus
\$2,379.55 Keller Williams for Commissions
\$870 Escrow closing fee to Gustafson Law
\$727.20 – Owners Policy to First American Title

Total to be brought by buyer Escalade Properties, LLC is
\$16,476.75

Also, Lee wanted to be sure that you've had a chance to see this.

[Click Here Now >>](#)

Lee Arnold

CEO

Secured Investment Corp

www.SecuredInvestmentCorp.com

From: Alissa
Sent:
To: Lee Arnold
Subject: 3505 W. Indian Trail

Hi Lee,

Here's where I'm at with the numbers. I wasn't sure if you have released more than \$300 to the seller or not, please let me know if you have. Once you give the go ahead on the numbers I email my docs to you and get Mr. XXXXXXXX in to sign.

Alissa

Rule 6 Law Clerk



Property Profit and Loss

Property address: 3505 W Indian Trail

Purchase Date: 11/1/2016

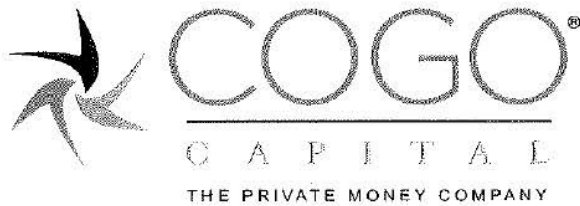
Cash Outflow (Investment)

| | | |
|-----------------------------|-----------|-------------------|
| Purchase of Property | \$ | 79,318.25 |
| Total Fix up and Repair | \$ | 47,431.15 |
| Selling Costs | \$ | 21,479.29 |
| Est Total Investment | \$ | 148,228.69 |

Target Sale Price **\$ 198,900.00**

Est Profit **\$ 50,671.31**

Closing Date 3/1/2017



December 2, 2016

Dear Neighbors,

We would like to reach out to you and your families to let you know that we are in the process of rehabilitating the home located at 3505 W Indian Trail. We understand that there has been a lot concerning activity at this home in the past. We would like to reassure you that we are working to improve this home to its original glory so that it will no longer be a nuisance to the community.

If you have any concerns, please feel free to contact me, Danielle [REDACTED] or [REDACTED]

We thank you for your patience with us as we improve this home and bring peace back to this beautiful neighborhood.

Sincerely,

A handwritten signature in black ink, appearing to read "Danielle", followed by a black rectangular redaction box.

Danielle [REDACTED]
Cogo Project Manager

3505 W INDIAN TRAIL | Spokane, Washington 99208

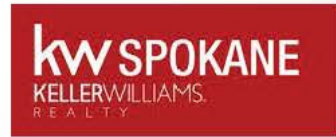
3 Beds, 2 Baths MLS #: 201710736

Outstanding family home in fantastic neighborhood. Beautiful hard wood floors, new paint, carpet and large windows give an open airy feel to this updated rancher. 5 bedrooms (2 basement non-egress) 2 bath with large living room and family room both with beautiful gas fireplaces. Kitchen boasts new stainless steel appliances. Enjoy the large covered patio porch overlooking the peaceful fenced backyard with storage shed. Quiet neighborhood, close to shopping and good schools. This one won't last!

LEE ARNOLD

509-953-1000

lee1@securedinvestmentcorp.com



\$199,900



- Gas Fireplaces
- Hardwood Floors
- Basement - Finished
- Garage - Attached
- Fenced Yard
- Covered Porch
- Large Family Room
- SS Appliances
- Storage Shed



See the Virtual Tour! www.tourfactory.com/1706594



Lee Arnold
 Keller Williams Realty Spokane
 509-953-1000
 lee1@securedinvestmentcorp.com

VIEW
 THE
 TOUR



Robert Tavares

Subject: FW: Indian Trail update
Attachments: Indian Trail flyer.pdf

From: Lee Arnold
Sent:
To: Matthew, Rob
Cc:
Subject: Update on Ray XXXXXXXXX

Hi Matt and Rob,

I pray you both had a great Christmas holiday and a fantastic New Year!
I'm excited for a very productive 2017.

I wanted to update you on the XXXXXXX (Ray) XXXXXXX Property Located at 3505 West Indian Trail Road, Spokane WA 99208.

The house is finally complete and went live on the market today.
Attached is the sales flier as well as the virtual tour video so you can see the transformation.

<http://www.tourfactory.com/1706594>

The other property we have been working on is 6117 North Cedar. This property is also very close to completion and will be going on the market in the next two weeks.

I believe the quality of the construction done to these homes will attract very deserving and respectful homeowners that the "Concerned Neighbors", will be
Very pleased to welcome to the neighborhood!!

Thanks again for allowing us the opportunity to assist the City in cleaning up these troubled properties.

Please let me know if there are any other "challenges" we can help the City address.

Yours in Success,

Lee Arnold
CEO

Secured Investment Corp

www.SecuredInvestmentCorp.com



From: Michelle
Sent:
To: CDA All
Subject: New Home Listed in Spokane! Please share!

Hi Everyone,
We listed a new rehab home at 3505 W Indian Trail, Spokane, WA. This is on a large lot. Perfect for a large family. Has beautiful hard wood floors, lots of light and two gas fireplaces! I'm attaching a flyer and sharing the virtual tour link. Please share with anyone you think may be interested. Let's get this one sold!!!!

<http://www.tourfactory.com/1706594>

Michelle
Executive Assistant

Secured Investment Corp



CASE STUDY 5

TURNING GARBAGE INTO GOLD!

How We Found the Property:



- This property is 2302 W. College Drive, Spokane, WA. (Does that street sound familiar?)
- It is just five properties east of our very first lien abatement property!
- This lien abatement property was listed on the MLS.

Background:

- Neighborhood complaints.
- Email from city attorney.
- We knew the comps.
- We jumped first.
- Gwendaleann had some equity in the property and was smart enough to know it. She was attempting to get something out of the sale.
- She very much wanted to retrieve some of her personal belongings from the property, but due to the nuisance abatement order from the court, she could not legally be on the property.
- This was one of her motivating factors.
- She had enlisted the services of a real estate agent in the hopes of selling the property before she lost it all.
- Druggies and squatters were using the property prior to it being boarded up.
- Like so many lien abatement properties, it was a blight on neighborhood.



- Gwendaleann was working with a real estate agents, making it more difficult be creative with the negotiation.
- In the end she wanted cash and access to her property.
- After we ran all the numbers, we gave her what she wanted.

The Opportunity & Potential

- ARV (Selling Price): \$179,000
- Purchase price: \$65,325
- Rehab: \$40,000
- Selling Costs: \$20,688.50
- PROFIT: \$53,886.50

Notes:

The Rest Of The Story

- After closing on the property, we ended up wholesaling it for a quick profit (see pages 227-228 for HUD statement from the wholesale).
- We sold it for \$82,900. Our all-in costs were \$66,110.37. Our profit was \$16,789.63.
- We maintain our reputational capital with the city because we know and trust the rehabber we sold it to.

Four Things We Learned From this Deal

1. Birds of a feather flock together! We already knew this, but it reminded us of it once again.

2. Not all lien abatement properties necessitate working with the city.

3. We had to move fast to take advantage of the opportunity

4. When you narrow your farm area, you can set your own comps.

The Finished Property

<https://venture-publishing.com/2302-W-College-Ave>





CASE STUDY 5

Notes:

A large, empty rectangular box with a light blue border, intended for taking notes on the case study.



RETURN NAME and ADDRESS

Office of the City Attorney

808 W. Spokane Falls Blvd.

Spokane, WA 99201-3326

Please Type or Print Neatly and Clearly All Information

Document Title(s)

Notice of Lis Pendens

Reference Number(s) of Related Documents

Grantor(s) (Last Name, First Name, Middle Initial)

Gwendaleann [REDACTED]

Grantee(s) (Last Name, First Name, Middle Initial)

City of Spokane

Legal Description (Abbreviated form is acceptable, i.e. Section/Township/Range/Qtr Section or Lot/Block/Subdivision)

LOT 16 BLK 10 NETTLETON'S 1ST ADD

Assessor's Tax Parcel ID Number 25133.0215

The County Auditor will rely on the information provided on this form. The Staff will not read the document to verify the accuracy and completeness of the indexing information provided herein.

Sign below only if your document is Non-Standard.

I am requesting an emergency non-standard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some parts of the text of the original document. Fee for non-standard processing is \$50.

Signature of Requesting Party

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FILED
FEB 21 2019
Timothy W. Fitzgerald
SPOKANE COUNTY CLERK

SUPERIOR COURT, STATE OF WASHINGTON, COUNTY OF SPOKANE

CITY OF SPOKANE, a municipal corporation,

Plaintiff,

v.

GWENDALEANN B. BAGLAND, a single person, and property owner of 2302 W. College Avenue, Spokane, Washington;

SPOKANE FEDERAL CREDIT UNION, a lienholder; and

PARTIES IN POSSESSION of 2302 W. College Avenue, Spokane, Washington, and all other persons or parties unknown claiming any right, title, estate, lien, or interest in the real estate described in the complaint herein,

Defendants.

No. **19200843-32**

NOTICE OF LIS PENDENS

TO THE ABOVE-NAMED DEFENDANTS AND TO ALL WHOM IT MAY CONCERN.

NOTICE IS HEREBY GIVEN that an action has been commenced and is now pending in the above-entitled Court, brought by the above-named City of Spokane, as Plaintiff, against the above-named defendants; and the purpose and object of said

NOTICE OF LIS PENDENS - 1


Michael C. Ormsby, City Attorney
OFFICE OF THE CITY ATTORNEY
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3326
(509) 625-6225
FAX (509) 625-6277

1 action is to declare the property described below a drug nuisance pursuant to the
2 provisions of Chapter 7.43 RCW and a chronic nuisance pursuant to the provisions of
3 Chapter 10.08A Spokane Municipal Code and enter an order of abatement
4 immediately closing the property against use for any purpose until further order of the
5 court, which property is in the City of Spokane, County of Spokane, State of
6 Washington, identified as tax parcel number 25133.0215 and legally described as:
7

8 LOT 16, BLOCK 10, NETTLETON'S 1ST ADDITION, AS PER PLAT
9 RECORDED IN VOLUME "A" OF PLATS, PAGE 98, RECORDS OF
10 SPOKANE COUNTY;

11 SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE,
12 STATE OF WASHINGTON.

13 DATED this 20th day of February, 2019.

14 
15 _____
16 Matthew M. F. [redacted], WSBA #40043
17 Assistant City Attorney
18 Attorney for Plaintiff

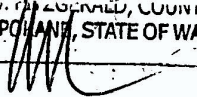
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27 NOTICE OF LIS PENDENS - 2

28
Michael C. Ormsby, City Attorney
OFFICE OF THE CITY ATTORNEY
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3326
(509) 625-6225
FAX (509) 625-6277

I certify that the document is a true and correct copy
of the original on file and of record in my office.

ATTEST

FEB 21 2019

HIMONET W. DE ZURENDO, COUNTY CLERK
COUNTY OF SPOKANE, STATE OF WASHINGTON
BY  DEPUTY



M-0 20 1 01 0 2 1 1



Disbursement Authorization Form
Page 1 of 1

Keller Williams Realty Spokane
799 S Stevens St
Spokane, WA 99204

Expires 06/01/19

DA # 41871
Property Address 2302 College Ave
Spokane, WA 99201
Seller Gwendaleann
Buyer Escalade Properties
Subdivision

Closing Date 03/29/19
Contract Date 03/25/19
Type of Sale B
Sales Price \$65,325.00
Commission \$3,266.25
Tax \$.00
Commercial Fee \$.00
Loan/GF#
Fax #

Title Company
Closing Officer

When signed below, Keller Williams Realty Spokane authorizes the total commission of \$3,266.25 to be disbursed by separate check and delivered as indicated. If for any reason the amounts on the checks are different from this letter of authorization YOU MUST OBTAIN NEW APPROVAL. Sales associates are not authorized to modify commission agreements.

Table with 2 columns: Description and Amount. Rows include Keller Williams Realty Spokane (\$775.51), Chad Kennedy (\$1,251.91), The Lee Arnold Team (\$1,189.84), and two B&O TAX entries (\$19.59 and \$29.40).

Date: 03/29/2019 1:00:48 PM Approved by: Ken [redacted] - Designated Broker
Keller Williams Realty Spokane

All checks must be delivered to Keller Williams Realty Spokane along with copies of the FINAL HUD statement and a copy of this form.

Questions? [redacted]

Please make one check payable to Keller Williams Realty Spokane for: \$2,014.34

Gustafson Law, Inc., PS
ALTA Universal ID:
1500 West Fourth Ave.
Suite 408
Spokane, WA 99201

File No./Escrow No. : 19-0367-C
Print Date & Time: April 1, 2019 12:25 pm
Officer/Escrow Officer : Alissa Raczykowski
Settlement Location : 1500 West Fourth Ave., Suite 408
Spokane, WA 99201

Property Address: 2302 W College Ave
Spokane, WA 99201

Borrower: Escalade Properties, LLC
701 E Front Ave., 2nd Floord
Coeur d' Alene, ID 83814

Seller: Gwendaleann [REDACTED]
2302 W College Ave
Spokane, WA 99201

Lender:

Settlement Date: March 29, 2019

Disbursement Date: March 29, 2019

FINAL

| Seller | | Description | Borrower | |
|----------|-----------|--|-----------|--------|
| Debit | Credit | | Debit | Credit |
| | | Financial | | |
| | 65,325.00 | Sale Price of Property | 65,325.00 | |
| | | Deposit | | 100.00 |
| | | Prorations/Adjustments | | |
| | 275.37 | County Taxes 03/29/19 - 07/01/19 | 275.37 | |
| | | Title Charges and Escrow/Settlement Charges | | |
| 410.00 | | Escrow - Closing Fee to Gustafson Law, Inc., PS | 410.00 | |
| 473.28 | | Owner's Policy to WFG Title Company | | |
| | | Commissions | | |
| 1,306.50 | | Real Estate Agent Commission to Keller Williams | | |
| 1,959.75 | | Real Estate Agent Commission to Keller Williams | | |
| | | Government Recording and Transfer Charges | | |

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize Gustafson Law, Inc., PS to cause the funds to be disbursed in accordance with this statement.

Borrower

Escalade Properties, LLC

BY: _____
Sarah Tooker
Controller

Seller

Gwendaleann [REDACTED]

Alissa Raczowski

Gustafson Law, Inc., PS
ALTA Universal ID:
1500 West Fourth Ave.
Suite 408
Spokane, WA 99201

File No./Escrow No. : 19-0447-C
Print Date & Time: May 21, 2019 7:40 am
Officer/Escrow Officer : Alissa Raczykowski
Settlement Location : 1500 West Fourth Ave., Suite 408
Spokane, WA 99201

Property Address: 2302 W College Ave
Spokane, WA 99202

Borrower: TLC4 Houses, LLC
[REDACTED]
Coeur d' Alene, ID 83814

Seller: Escalade Properties, LLC
701 E Front Ave, 2nd Floor
CDA, ID 83814

Lender: Secured Investment High Yield Fund II, LLC

Settlement Date: May 17, 2019
Disbursement Date: May 17, 2019

FINAL

| Description | Seller | |
|--|------------|-----------|
| | Debit | Credit |
| Financial | | |
| Sale Price of Property | | 82,900.00 |
| Prorations/Adjustments | | |
| County Taxes 05/17/19 - 07/01/19 | | 130.28 |
| Title Charges and Escrow/Settlement Charges | | |
| Escrow - Closing Fee to Gustafson Law, Inc., PS | 410.00 | |
| Owner's Policy to First American Title Company | 701.32 | |
| Government Recording and Transfer Charges | | |
| 1.78% Excise Tax to Spokane County Treasurer | 1,480.62 | |
| Payoff(s) | | |
| Payoff of First Mortgage Loan to Lake City Servicing | 121,021.95 | |
| Loan Payoff 0.00 | | |
| Total Payoff <u>121,021.95</u> | | |

| Description | Seller | |
|---|--------------|---------------|
| | Debit | Credit |
| Miscellaneous | | |
| Final Utility Holdback to City of Spokane | 300.00 | |
| | Debit | Credit |
| Subtotals | 123,913.89 | 83,030.28 |
| Due from Seller | | 40,883.61 |
| Totals | 123,913.89 | 123,913.89 |

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize Gustafson Law, Inc., PS to cause the funds to be disbursed in accordance with this statement.

Seller

Escalade Properties, LLC

BY: _____
 Sarah Tooker
 Controller

 Alissa Raczkowski
 Escrow Officer



Notes:

A large, empty rectangular box with a light blue border, intended for taking notes.



Notes:



**STEP BY STEP
THROUGH THE
PROCESS
TURNING GARBAGE INTO GOLD!**

Identify the Players:

City Attorney

- The city attorney is the attorney representing the city or municipality.
- Is an elected or appointed position.
- In the strong mayor form of government, the city attorney often reports to the mayor.
- The city attorney may report to the city council or the city manager in the council-manager form of government.

Code Enforcement Officer

- A sworn or non-sworn inspector, officer, or investigator; employed by a city, or county, or city and county
- Has specialized training
- Depending on the municipality, primary duties are the prevention, detection, investigation, and enforcement of violations of laws regulating:
 - Public nuisance
 - Public health, safety, and welfare
 - Public works
 - Business activities and consumer protection
 - Building standards
 - Land-use
 - Municipal affairs



Notes:



STEP-BY-STEP THROUGH THE PROCESS

City Planner

- Works to help communities become better places to live, work, grow up in, and play
- Helps decide the location of buildings, where new parks might be needed, and what areas in the community need changes
- Interprets a community's zoning code
- Helps create a vision or what the community will become

City Housing Authority

- A governmental body that governs some aspect of the territory's housing
- Often providing subsidized rent qualified residents

Know the Code (Law)

State Law

- See Addendum
- Every state will have state nuisance laws on the books.

City

- Code violation
 - Search for “Code Violation Your City or County Name”

Below is an example of search results for “Code Violation Spokane”

Nuisance activity means and includes:

- 1. Any civil code violation as defined by state law or local ordinance occurring around or near the property, including, but not limited to, the following Activities, conditions, or behavior*
 - a. Litter and rubbish*
 - b. Fire hazard from vegetation and debris*
 - c. Any dangerous animal violations*
 - d. Fire code violation*
 - e. Alcoholic beverage control violations, as defined in city code*



STEP-BY-STEP THROUGH THE PROCESS

f. General Nuisance:

i. any act or omission, as provided in Chapter 7.48 RCW or Chapter 9.66 RCW or which unreasonably:

1. interferes with the comfort, solitude, health or safety of others; or
2. Offends common sensibilities and senses by way of extreme noise, light or odor; or
3. obstructs or renders hazardous for public passage any public way or place; or
4. pollutes or renders less usable any watercourse or water body.

ii. maintaining or permitting upon any land:

1. refrigerator, freezer or another insulated container within which a child could suffocate;
2. a pit, excavation, swimming pool, well or another uncovered hole into which a person could fall;
3. lumber, metal, plastic, paper, cardboard, or other scrap material deposited in such place and manner as to constitute a hazardous attraction to children;
4. unused or junk vehicle or machinery or parts unless enclosed and secured as required by law for wrecking yards or junk yards;
5. an abandoned or vacant building structure or part thereof not securely closed to entry;
6. toxic, radioactive, caustic, explosive, malodorous or septic substances, such as putrescent animal, fish or fowl parts, animal or vegetable waste matter, excrement and any material likely to attract or breed flies or rats, unless kept in proper receptacles as provided by the health and refuse laws; or
7. structure, collection of wood, cloth, paper, plastic or glass material, vegetation or flammable substances kept in such manner as to create a substantial risk of combustion or spread of fire.

Notes:



STEP-BY-STEP THROUGH THE PROCESS

2. Any criminal conduct, including the attempt and/or conspiracy to commit any criminal conduct, as defined by state or local ordinance occurring on, around, near or having a nexus to a property, including but not limited to:

- a. Stalking, harassment
- b. Failure to disperse
- c. Disorderly conduct
- d. Assault: including domestic violence assault, reckless endangerment
- e. Prostitution
- f. Patronizing a prostitute
- g. Disorderly house, as defined by city ordinance:
- h. Indecent exposure
- i. Lewd conduct
- j. Any firearms or dangerous weapons violations:
- k. Noise
- l. Loitering for the purpose of engaging in drug-related activity
- m. Drug-related activity
- n. Gang-related activity, as defined by city code
- o. Any crimes of domestic violence
- p. Any violation of any protection order authorization
- q. Warrant arrests, or any instance in which a DOC (Department of Corrections) offender is located at a property while in violation of DOC supervision
- r. Reckless driving, driving under the influence, vehicular homicide and assault
- s. Possession of stolen property
- t. Trafficking in stolen property and/or criminal profiteering
- u. Theft, trafficking, or unlawful possession of commercial metal property
- v. Identity theft
- w. Rendering criminal assistance
- x. Possession of stolen vehicle

Notes:



STEP-BY-STEP THROUGH THE PROCESS

Code Enforcement



Video: "Pierce County Nuisance Properties"

Notes:

What You're Looking For

- Criminal violation
- Chronic nuisance:
 - A property on which nuisance activity is observed on three or more occasions during any 60-day period or on which nuisance activity is observed on seven or more occasions during any twelve-month period
 - A property where, pursuant to a valid search warrant, evidence of drug-related activity has been identified two or more times
 - Any abandoned property where nuisance activity exists.
 - Vacant homes
 - Zombie homes

Understand How it Works

- Some municipalities will have proactive enforcement.
- The Chronic Nuisance Department is actively looking for nuisance properties and code violations.
- Attorneys may be assigned to local police departments to prosecute criminal abatement
 - Drugs
 - Prostitution
 - Other illegal activity

Most Municipalities Will Be Complaint Driven



Video: “Neighbors protest zombie house in SE Portland”

Notes:

Complaint Driven Action

- Does the city require a complaint before initiating action?
- How many complaints are needed?
- What is required to raise the issue to a level that triggers enforcement?
 - See Sample Code Enforcement handout, City of Spokane.
 - See Sample Complaint form, City of Spokane.

Nuisance Abatement

- Litigation to force compliance or gain control
- Private nuisance lawsuit

Receivership

- Forced sale of property
- Can happen based on code violation or criminal violation





STEP-BY-STEP THROUGH THE PROCESS

Possible Scenario:

- Citizen complains about a public nuisance
- City officials, code enforcement, or police investigate complaint
- If the complaint is substantiated:
 - The owner may be cited or served a notice to abate the nuisance within a certain time frame.

Below is an example from San Buenaventura, CA, notice of hearings for summary abatement.

A.

Notices. “When a department head reasonably believes a nuisance to exist the department head shall cause a written notice to be mailed and conspicuously posted on the premises. This notice shall be entitled in letters not less than one inch in height and substantially in the following form:

**Notice of Hearing to Determine Existence of
Public Nuisance and Order to Abate
In Whole or Part
(Abatement Cost Lien)**

NOTICE IS HEREBY GIVEN that on the _____ day of _____ / _____ / _____, the _____ Department of the City of San Buenaventura intends to ascertain whether certain premises or property situated in the City of San Buenaventura, California, known and designated as _____, constitute a public nuisance subject to an order to abate by cleaning or clearing the property, rehabilitation of the premises or by the repair or demolition of structures situated thereon. If the premises or property, in whole or in part, is found to constitute a public nuisance as defined by Section _____ of the San Buenaventura Municipal Code, and if the same is not promptly abated by the owner as ordered by the hearing officer, such nuisance may be abated by City personnel or its contractors. If abated by City personnel or its contractors, the cost of these proceedings, all prior code enforcement efforts concerning this condition of the property, and the cleaning, clearing, rehabilitation, repair, or demolition by the City will constitute a special assessment and a Nuisance Abatement Lien upon such land until paid. The City may foreclose on any such lien to reimburse the City for these costs.

The alleged violations consist of the following: The methods of abatement available are:

All persons having any objection to, or interest in, said matters are hereby notified to attend a hearing to be conducted by the City Manager or designee of the City of San Buenaventura to be held at _____ on _____, _____ at the hour of _____. m., when their testimony and evidence will be heard and given due consideration. Dated: _____ Department Head



STEP-BY-STEP THROUGH THE PROCESS

B.
Mailing/posting.
“Service of the hearing notice shall be by posting on the affected property and by registered or certified mail (postage fully prepaid) addressed to the owner of the property at the address appearing on the last equalized assessment roll or the supplemental roll, whichever is more current prior to mailing of the hearing notice. The hearing notice shall be posted on the property and mailed at least ten days before the time fixed for such hearing. Proof of posting and mailing shall be by declaration. The failure of any person to receive the notice shall not affect the validity of any proceedings under this article.”

When Should You Intervene?

- If conditions at the property warrant, the residents may be forcibly removed, and the property sealed by enforcement officers.
- This is a great place for you as the investor to intervene in the process. Once the owner has been notified, they now have proper motivation to act before they lose their property.

The Lien

- If voluntary compliance does not happen, the city, at their expense, may intervene and bill the owner for abatement expenses.
- An unpaid abatement bill will trigger a lien on the property.
- The property will be placed on a watch list.
- The property may be forced into receivership and sold at auction by the municipality to recoup costs.

Notes:



STEP-BY-STEP THROUGH THE PROCESS

Offer Your Services

- Let the players identified above know you can help.
- Local investor working together with local municipality to improve the community
- It's a partnership.
- Local laws can support your efforts as the investor/rehabber.

A Competitive Sport? Not Really!

- Understand that they will be concerned about appearances of favoritism.
 - Let them know that you are more than willing to compete.
 - They can provide information to other investors.
 - Don't worry, most other investors are lazy and will not do the work necessary to contact the owners and get the property under contract.
- You may need to work with the city to help them understand how to use current laws on the books.

Help Them to See What's in it For Them WIFM!

- Board-ups bring blight and are not a good solution
- You can return property to productive use
- You can turn blight to bright
- Or vacant to value
- **Garbage to Gold**

Let Them Know What is in it For You:

- You want to help the community.
- Improving the community helps your family, friends, and business.
- Be up front with them; you are a for-profit business

Notes:

Develop Community Support



Video: “Zombie homes in Portland causing frustration”

Notes:

How To Do This in Your Local Area?

- Talk with neighbors
- Neighborhoods should come together to deal with nuisance properties.
- Build community support to rid neighborhoods of blight.
- Teach neighbors about how their property is being negatively affected.
- Encourage campaigns to get city officials to take action.



STEP-BY-STEP THROUGH THE PROCESS

Notes:

A large, empty rectangular box with a light blue border, intended for taking notes during the step-by-step process.



STEP-BY-STEP THROUGH THE PROCESS

Notes:

A large, empty rectangular box with a light blue border, intended for taking notes during the step-by-step process.

What Does Code Enforcement Do?

- Enforces Land Use Violations on private property within Spokane City Limits.
- Seeks voluntary compliance to remove or alleviate the condition.
- Assures that the minimum level of acceptance is met or exceeded.

Types of Violations

- Land Use Violations
- Animals
- Auto Storage
- Junk Vehicles
- Public Right of Way
- Accessory Structures & Uses
- Home Occupation
- Yard Sales
- Signs
- Vacant & Dangerous Buildings
- Refuse
- Fire Hazards
- Nuisance
- Graffiti
- Abandoned Vehicles

Questions?

Feel free to call or contact us at:

CITY OF SPOKANE
OFFICE OF NEIGHBORHOOD SERVICES
& CODE ENFORCEMENT
808 W. Spokane Falls Blvd.
Spokane, WA 99201



www.BeautifySpokane.org

Phone: 509-625-6083

Fax: 509-625-6802

Email: CodeEnforcement@SpokaneCity.org

Printed on recycled paper.

Code Enforcement Complaint Forms

Responsibilities
of
Complainant

CITY OF SPOKANE

OFFICE OF
NEIGHBORHOOD SERVICES
& CODE ENFORCEMENT

Beginning the Process

Complaint Forms Available At:

- City Hall, 808 W. Spokane Falls Blvd.
- www.BeautifulSpokane.org
- www.SpokaneNeighborhoods.org
- Neighborhood COPS Shops



Submitting the Form

- Email: CodeEnforcement@SpokaneCity.org
- At your local COPS Shop
- By Mail: Code Enforcement
6th floor Municipal Building
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3333
- By fax: (509) 625.6802
- Remember: **FORMS MUST BE SIGNED** – anonymous complaints not accepted, non-disclosure option available.

Types of Citations

Civil Citation

- Similar to a speeding ticket.
- Provide a legal record of illegal actions.
- Holds a monetary fine that is required to be paid by the violator.
- Cases are usually proceed in court without any required participation from the complainant.
- Always a possibility that you may be called upon as a witness.



Criminal Citation

- More serious than civil citation.
- May include not only monetary fines, but also jail time, probation and other actions that the courts may deem necessary to levy against violators.
- Holds a monetary fine that is required to be paid by the violator.
- As the complainant you will likely be called upon to provide testimony against the violator.



Information For Complainants

A Complaint is A Legal Action

Code complaints are vital to ensuring our communities are clean and safe, but remember that filling out a code complaint is a legal matter that should not be taken lightly.



Complaint Forms Must Be Signed!

If you choose to not disclose your identity, you will most likely remain so. If the case goes to court, the defendant may be able to petition the court for a release of the complainants name. The City of Spokane will only release your name if you choose disclosure or by order of a court of law.





Neighborhood Services,
Code Enforcement, & Parking
 808 W Spokane Falls Blvd
 Spokane Wa 99201-3333
 (509) 625-6083 Fax 625-6802

COMPLAINT FORM

Please complete this form and return it to the address at left or via email at CodeEnforcement@SpokaneCity.org.
 Provide as many relevant details as possible.

COMPLAINT TYPES (Check all that apply)

| | | |
|--------------------------|---|--|
| <input type="checkbox"/> | Garbage/Debris | <i>Yard debris including household garbage, furniture, appliances and misc. junk. SMC 13.02</i> |
| <input type="checkbox"/> | Graffiti | <i>Graffiti on buildings, fences, walls, etc. SMC 10.10.090</i> |
| <input type="checkbox"/> | Right of Way Violation Obstruction | <i>Blocking a pedestrian path, broken sidewalks, collapsed retaining walls, modifications of grade, basketball hoop, skateboard ramp, pile of materials or buildings in the right of way, vegetation obstruction, snow obstructing sidewalks, plowing snow into the right of way. SMCs 17C, 17F & 12.01 & 12.02</i> |
| <input type="checkbox"/> | Substandard Building | <i>Substandard includes broken or missing doors or windows, fire damage, leaning walls, sagging or holes in the roof. SMC 17F.070</i> |
| <input type="checkbox"/> | Vegetation Fire Hazard | <i>Tall, dry vegetation during hot, dry weather and fire hazard season has been declared. SMC 10.08</i> |
| <input type="checkbox"/> | Zoning Violation | <i>Parking in the front yard, illegal home business, continuous yard sales, living in a camper or RV, sign code violations and building setback violations. SMC 17C.110-340</i> |

VEHICLE COMPLAINT TYPES (Check all that apply)

| | | | |
|--------------------------|--|--------------------------|---|
| <input type="checkbox"/> | Abandoned Vehicle (on the street): <i>Vehicle without a known owner and that appears inoperable. SMC 16A.61.651(A)</i> | <input type="checkbox"/> | Junk Vehicle: <i>Junk vehicles on private property or on the street, Junk vehicle criteria: at least three (3) years old, extensively damaged, apparently inoperable. SMC 10.16</i> |
| <input type="checkbox"/> | Parking Too Close to Driveway, Crosswalk, Stop Sign, Alley, Etc. or Against Signage: <i>Parking in, in front of, or in too close proximity to a driveway, alley, stop sign, crosswalk, fire hydrant, bicycle lane, etc. or stopping, standing or parking where official.</i> | <input type="checkbox"/> | Disabled Parking/Placard Abuse: <i>Unauthorized use, improper display, or lack of a disabled placard/plate in a marked disabled stall or making the access aisle inaccessible. SMC 16A.61.381</i> |
| <input type="checkbox"/> | Wrong Direction Parking: <i>Parking a vehicle against the flow of traffic. SMC 16A.61.575</i> | <input type="checkbox"/> | Parking in Alley: <i>Parking in an alley in a manner that obstructs traffic or otherwise does not adhere to regulations. SMC 16A.61.563</i> |
| <input type="checkbox"/> | Registration Violation: <i>Parking a vehicle on the street with registration tabs improperly displayed or expired for more than 45 days. SMC 16A.61.567</i> | <input type="checkbox"/> | Non-Passenger Vehicle in Residential Zone: <i>Parking a motor home, trailer, camper, watercraft, or other non-passenger vehicle in a residential zone. SMC 16A.61.562</i> |
| <input type="checkbox"/> | Continuous Parking: <i>Parking continuously on a block face for more than 24 hours. SMC 16A.61.561.A</i> | <input type="checkbox"/> | Other: <i>To report a violation that is not listed, please complete "Additional Comments" on the next page.</i> |

ADDRESS COMPLAINT IS LOCATED AT

CONTINUE ON NEXT PAGE

COMPLAINANT INFORMATION

A SIGNED COMPLAINT FORM IS NECESSARY BEFORE CODE ENFORCEMENT OR PARKING SERVICES CAN INVESTIGATE, UNLESS A LIFE THREATENING ISSUE EXISTS. **ANONYMOUS COMPLAINTS ARE NOT ACCEPTED.**

Print Your Name: _____ Phone Number: _____

Your Address: _____ City & ZIP: _____

Your Signature: _____ Date of Submittal _____

Confidentiality preference: Disclosure of information revealing your identity will depend on application of the public disclosure law, chapter 42.56RCW, other applicable statutes and whether the complaint is criminally prosecuted. Please initial in the space that indicates whether you desire information revealing your identity be disclosed. Failure to initial will result in information being subject to disclosure.

By checking Do Not Disclose I am indicating that the disclosure of my name would endanger my life, physical safety or property.

initial: _____ **DO NOT DISCLOSE** _____ **YOU MAY DISCLOSE**

The violation must be visible from the public right of way, or you must indicate that you would like us to contact you for permission to view the site from your property.

I give you permission to view the site from my property: Yes No

I request that an acknowledgement of this complaint be sent:

by email to _____

by mail to _____

| VEHICLE COMPLAINT | VEHICLE COMPLAINT |
|------------------------|------------------------|
| Vehicle #1 Information | Vehicle #2 Information |
| MAKE: | MAKE: |
| MODEL: | MODEL: |
| LICENSE #: | LICENSE #: |
| COLOR: | COLOR: |
| OTHER DESCRIPTION: | OTHER DESCRIPTION: |

COMPLAINT SUMMARY/ADDITIONAL INFORMATION

How long has the violation existed? _____

Property Occupant (if known): _____

Additional Comments:

How To File A Complaint

Complaint Form Available At:

- City Hall, 808 W. Spokane Falls Blvd.
- www.BeautifySpokane.org
- www.SpokaneNeighborhoods.org

Submitting the Form

- Email: CodeEnforcement@SpokaneCity.org
- At your local COPS Shop
- By Mail: Code Enforcement
6th floor Municipal Building
808 W Spokane Falls Blvd.
Spokane, WA 99201-3333
- By fax: (509) 625.6802
- Remember: **FORMS MUST BE SIGNED** – an anonymous complaints not accepted, non-disclosure option available.

Remember

- In case of fire, CALL 911
- Code Enforcement **ONLY** deals with tall dry vegetation and debris after fire hazard criteria are met during the official Fire Season.
- Other fire hazards that are of concern, the Spokane Fire Department should be contacted.
- To report a potential fire hazard, contact the Fire Marshal's Office at 625-7000.

Questions?

Feel free to call or contact us at:

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Fire Hazards



CITY OF SPOKANE
OFFICE OF
NEIGHBORHOOD SERVICES
& CODE ENFORCEMENT

Examples of Fire Hazards



Tall, Dry Vegetation Close to House!

Is it a Fire Hazard?

According to SMC 10.080.040 the following are considered when determining whether or not vegetation at a site is a hazard:

1. Is the situation present between May 1st to November 30th.
2. Has there been a lack of rain for 10 continuous days which has negatively affected the soil moisture content?
3. Has the average air temperature been above 70 degrees Fahrenheit for 10 consecutive days?
4. Is the length of the grass or other vegetative material, whether standing or matted, 10 inches or more?
5. Is the vegetation within 10 feet of a combustible fence or other combustible structure?

Debris As A Fire Hazard

- It must be of considerable dryness and flammability to be able to combust and spread.
- Neatly stacked lumber, stacks of firewood, scrap metal etc. are not considered a fire hazard.
- Most cases of debris accumulation are dealt with as solid waste rather than a fire hazard.



Neatly Stacked Wood Away From House Is Not A Violation!

After A Complaint Form Has Been Filed

- A Code Enforcement Officer will inspect the property and make a determination if a violation of the code exists.
- If a violation is found, a Notice of Violation will be issued to the property owner and occupants with a date that the property must be brought into compliance.

What If The Property Is Non-Compliant?

In most cases, the issue is taken care of after the Notice is sent but if the property is not brought into compliance the city may either:

- Have the vegetation cut and removed at cost to the owner/occupants,
- Remove the debris at cost to the owner/occupants, or
- Issue a citation for \$536.00 to the owner and occupants.



Junk Vehicles Are Considered A Nuisance

The State of Washington and City of Spokane have deemed junk vehicles to be a public nuisance.

Junk vehicles are considered a public nuisance due to the fact that they are more than an eyesore. Some other factors that have been considered are that they:

- detract from the residential aspect of the neighborhood and reduce property values.
- can be hazardous attraction to children and often have sharp edges, broken glass and are up on unsteady jacks, etc.
- are often left in open areas where they are noticed by many people.
- have toxic fluids and other material that often leak on to the ground.



Junk Vehicles



Questions?

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CITY OF SPOKANE
OFFICE OF
NEIGHBORHOOD SERVICES
& CODE ENFORCEMENT

What Is A Junk Vehicle?

“Junk Vehicle” under SMC 10.16.010F is a vehicle certified under RCW 46.55.230 as meeting at least three of the following requirements:

1. Is the fair market value equal only to the approximate value of the scrap of the vehicle?
2. Is it three years old or older?
3. Is it extensively damaged, such damage including but not limited to:
 - A broken window or windshield.
 - Missing wheels, tires, motor or transmission?
4. Is it apparently inoperable?

Are There Exceptions?

According to SMC 10.16.030 exemptions include:

- Completely enclosed within a building in a lawful manner where it is not visible from the street or other public or private property.
- Vehicles on private property in connection with the business of a licensed dismantler or licensed vehicle dealer and is fenced according to the provisions of RCW 46.80.130.

Filing A Complaint

Fill Out A Complaint Form Available At:

- City Hall, 808 W. Spokane Fall Blvd.
- www.BeautifySpokane.org
- www.SpokaneNeighborhoods.org
- Neighborhood COPS Shops

Submitting the Form

- Email: CodeEnforcement@SpokaneCity.org
- At your local COPS Shop
- By Mail: Code Enforcement
6th floor Municipal Building
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3333
- By fax: (509) 625.6802
- Remember: **FORMS MUST BE SIGNED** – anonymous complaints not accepted, non-disclosure option available.

Complaint Process

1. An officer will investigate the report to verify if the vehicle meets the criteria.
2. Notification will be given to the property owner that the vehicle is in violation of the Spokane Municipal Code.
3. The owner is given 15 days to remove the vehicle.

Did You Receive A Notice Of Violation?

- You can store the junk vehicle in a fully enclosed building where it is not visible. Covering it with a tarp is NOT an approved storage method.
- If you can't store the vehicle you will need to remove the vehicle. Whether you put it in a storage unit, a friends garage, sell it, or take it to a junkyard, it is up to you.

Failure to Comply

Failure to comply may result in:

- Citations of \$536.00 a day
- Ordering the removal, at a cost to you.



Police Matters

If the junk vehicle is in the street or curbside, you can call My Spokane at, 311.

If the vehicle is blocking the street or alley call Crime Check, 456-2233.



What is a

Substandard Building?

This brochure depicts the 12 criteria for Substandard Buildings. One or more must be met, measured on extent of the damage. An unfit building is one which the criteria listed are present and to such an extent as to warrant demolition.

SMC 17E.070.410

Building Official Process

1. Buildings are turned in by citizens or agencies to Code Enforcement.
2. An Officer investigates to see if the building meets the criteria of SMC 17E.070.400 & 410
3. The Deputy Building Official reviews the case and if in violation, schedules a public hearing.
4. The property owner presents the evidence at the hearing of why the building is not substandard/unfit, or provides plans to rehabilitate, or demolish the building.
5. If the building is unfit and not demolished by the property owner, the City will complete the demolition and place a lien on the property to recover the costs.

Filing A Complaint

Complaint Forms Available At:

- City Hall, 808 W. Spokane Falls Blvd.
- www.SpokaneNeighborhoods.org
- Neighborhood COPS Shops
- www.BeautifySpokane.org

Submitting the Form

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Spokane, WA 99201-3333
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- Remember: **FORMS MUST BE SIGNED** — an anonymous complaints not accepted, non-disclosure option available.

Questions?

Feel free to call or contact us at:

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& CODE ENFORCEMENT
808 W. Spokane Falls Blvd.
Spokane, WA 99201



www.BeautifySpokane.org

Phone: 509-625-6083

Fax: 509-625-6802

Email: CodeEnforcement@SpokaneCity.org

Printed on recycled paper.

Substandard Buildings



CITY OF SPOKANE

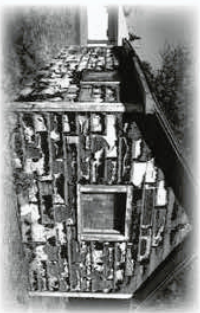
OFFICE OF

NEIGHBORHOOD SERVICES
& CODE ENFORCEMENT

**Twelve Criteria For
Substandard Buildings**
SMC. 17F.070.400

A. DILAPIDATION:

Exterior decay, water damage.



B. STRUCTURAL DEFECTS:

Defects to the foundation, walls and roof framing.



C. UNSANITARY CONDITIONS:

Accumulated waste, health hazards.



**D. DEFECTIVE/INOPERABLE
PLUMBING**



**E. INADEQUATE
WEATHERPROOFING:**

Siding, roofing and glazing.



**F. NO ACTIVATED UTILITY SERVICE
FOR ONE YEAR**



**G. INOPERABLE OR INADEQUATE
HEATING SYSTEM**



**H. HAZARDOUS ELECTRICAL,
CONDITIONS**



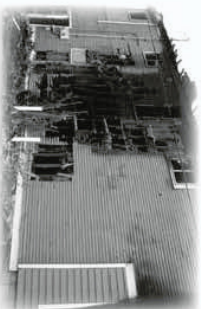
**I. STRUCTURE HAS BEEN
BOARDED FOR MORE THAN
ONE YEAR**



**J. STRUCTURE USED IN
MANUFACTURING OF DRUGS
& CONDEMNED**



K. FIRE DAMAGED STRUCTURE



**L. DEFECTS INCREASE HAZARD OF
FIRE, ACCIDENT OR CALAMITY**



What is a Land Use Violation?

Any use made of a property or structure other than the permitted uses for that zone found in the Spokane Municipal Code Title 17C.

Filing A Complaint

Complaint Forms Available At:

- City Hall, 808 W. Spokane Falls Blvd.
- www.beautifyspokane.org
- www.spokaneneighborhoods.org
- Neighborhood COPS Shops

Submitting the Form

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Questions?

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Printed on recycled paper.

Zoning Violations

Common Violations & What To Do About Them

CITY OF SPOKANE

OFFICE OF
NEIGHBORHOOD SERVICES
& CODE ENFORCEMENT

Common Zoning Violations

PARKING IN FRONT YARD:

Parking in the front yard outside of the driveway is prohibited. SMC 17C.230



SIGNS:

Typical sign complaints are: signs placed in the public right of ways, illegal billboards and too much signage. SMC 17C.240



YARD SALES:
Citizens are allowed to have two yard sales per year lasting a maximum of three days per sale. SMC 10.45.030



RECREATIONAL CAMPING:

A recreational vehicle, tent, hut, or other temporary shelter may not be occupied on private property for more than 14 days in a consecutive 12-month period. SMC 17C.319



HOME BUSINESS REGULATIONS:

A business of such scale and method of operation as to be incidental and accessory to the residential use of the property. The following are **not**:

- Auto repair,
- Contractor storage area,
- Repair of large appliances and or furniture,
- Tea room or reception spaces for rent, SMC 17C.340



RESIDENTIAL FENCING/CLEARVIEW TRIANGLE

The negative effects of fences can include the creation of street walls that inhibit police and community surveillance, decrease the sense of community, hinder emergency access and the safe movement of pedestrians and vehicles, and create an unattractive appearance.

- Front yard fence height: 42 in.
- Side & Rear Yard Maximum of 72 in
- Clear view triangle: 36 in. SMC 17C.110.230

SETBACK AREA:

Development is prohibited on lots that are not of sufficient area, dimension, and frontage to meet minimum zoning requirements in the base zone.

ANIMALS:

The Municipal Code emphasizes the significance and responsibility of pet owners, and keepers are expected to meet the requirements in SMC 17C.310. Some areas regulated include:

- Too many animals
- Animals improperly kept
- 4 dogs & 4 cats per dwelling unit.
- Small domestic animals
- Large domestic animals
- Bee keeping



LIVING IN AN ILLEGAL STRUCTURE:

A recreational vehicle, tent, hut, or other temporary shelter may not be occupied on private property, except for a manufactured home park or a mobile home park, for more than 14 days in a consecutive 12-month period. SMC 17C.319



For More Information:

This is partial list of some common zoning violations. For more information, please visit our website at:
www.BeautifullySpokane.org
www.SpokaneCity.org

Rehabilitation or Demolition Plan



Office of Neighborhood Services and Code Enforcement

808 W. Spokane Falls Blvd.
Spokane, WA 99201-3333
(509) 625-6083
Fax: (509)625-6802
beautifyspokane.org

Due no later than one week prior to Hearing
Incomplete forms will be returned for completion

Your Hearing Date _____

| |
|---|
| I plan to: Rehab <input type="checkbox"/> Demo <input type="checkbox"/> |
| Property Address: |

Notarized documentation must be provided for any authorized representative of the property owner.

| | |
|--------------------|-----|
| Property Owner | |
| Mailing Address | |
| City, State, Zip | |
| Phone | () |
| Email Address | |
| Contractor Name | |
| Business License # | |
| Address | |
| City, State, Zip | |
| Phone | () |
| Email Address | |

FOR OFFICE USE ONLY

Approved Not Approved

Signature _____

Date: _____

Additional Comments:

Consult with the Development Services Center on the 3rd Floor of City Hall or call (509) 625-6114 for details about permit and inspection requirements. Work performed without required permits will be subject to penalty fees.

| | | | |
|--|--|----------------------------|--|
| Date permits or Contracts will be obtained: | | | |
| Estimated Start Date: | | Estimated Completion Date: | |
| Estimated overall costs to complete the rehabilitation or demolition including all permit fees and contract costs. | | | |

_____ (initial) "I am aware that all demolitions require an asbestos survey and that an asbestos survey may be required prior to beginning certain phases of work.

_____ (initial) "In lieu of rehabilitation, I plan to demolish the substandard structure(s). I also understand that accessory structures may not remain on a lot without a primary structure, unless a building permit for a replacement structure has been submitted to the Development Services Center."

"I certify by my signature below that I have the financial resources to complete the rehabilitation or demolition:"

X _____ Date _____

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8. Hazardous electrical conditions:

9. Structure used in the manufacture of methamphetamine or any other illegal drugs and has been condemned by the Spokane Regional Health District and the owner has failed to abate the nuisance condition:

10. Fire damaged structure:

11. Defects increasing the hazards of fire, accident or other calamity:

12. **REQUIRED:** Site Security- re-secure structures and remove transient(s), illegal dumping, graffiti, and/or dry vegetation:

If I am not in the area the following entity is designated in my place to carry out the above tasks:

Name: _____ **Address:** _____

Phone Number: __ (____) _____

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NEXT STEPS AFTER CERTIFICATION



NEXT STEPS AFTER CERTIFICATION

WHEN YOU ARE CERTIFIED, HERE ARE YOUR MARCHING ORDERS!

Research Your City

- Identify key persons in your municipality.
- Do research online
- Go to your city office and ask who is responsible for code enforcement and nuisance abatement.
 - City attorney
 - Code enforcement officer
 - City planner
 - City housing authority Find out about local laws
- Conduct the following internet searches:
 - Code enforcement
 - Code enforcement guide
 - Code violation
 - General nuisance
 - Chronic nuisance
 - Nuisance abatement
 - Reporting a public nuisance
- Build your understanding of how the process works (and does not work) in your city.
- Talk to the key persons in your municipality. Research Community Groups.
- Look for groups dealing with nuisance properties in their neighborhoods.
- Find out about issues they are dealing with.
- You want to develop the persona of being “The Fixer.”

Notes:



NEXT STEPS AFTER CERTIFICATION

Go to Public Hearings:

- Public hearings take place after the homeowner misses the deadline on the notice of abatement.
- This is where the homeowner is required to present a rehab/demolition plan.
- This is prior to the city taking legal action to place a lien on the property, abate the property themselves, and/or foreclose on the property.
- Rarely does the homeowner show up, but the address and homeowner's name is disclosed to the public.

Offer Your Services

Develop a relationship with the city.

- Municipalities need investors to acquire and rehab these properties.
- They want these properties to return to productivity.
- Cities are desperately looking for solutions – be the solution.

Develop partnerships with local community groups.

- Educate them on the process.
- Homeowners want good neighbors.
- Homeowners want these properties to look good. It helps their property values.
- You can be the answer to their prayers. Help them see how you can help.
- Leverage your training.
- Leverage your title as certified lien abatement specialist.

Notes:

The City and Community Desperately Want and Need Your Help!



Video: "Zombie Homes Spokane."

They are looking to partner with the private investor.

Notes:

Develop Your Reputational Capital

Your ability to perform will be key to developing and maintaining these partnerships.

- Show the city that you are an ally.
- They must know that you will follow through on your commitments.
- Give them confidence in your abilities.

Don't Be a One-Trick Pony

one-trick pony

Syllabification: one-trick po·ny

noun *informal*: A person or thing with only one special feature, talent, or area of expertise.

- Nuisance properties and lien abatement cannot be your only acquisition strategy.
- Don't put all your eggs in one basket.
- Make sure you are working other strategies as well.
- Keep your business diversified.
- You need to have MULTIPLE acquisition strategies

- Out-of-state owner high equity properties
- Auction properties
- Short sales
- Bird dogs
- 60, 90 days late
- Pre-foreclosure
- Probate
- Be the go-to specialist in your area
- Attend the Master Lien Abatement Workshop (get your first deal done!)
- Improve your skills
- Learn the nuances of negotiation strategy
- Add to your reputational capital

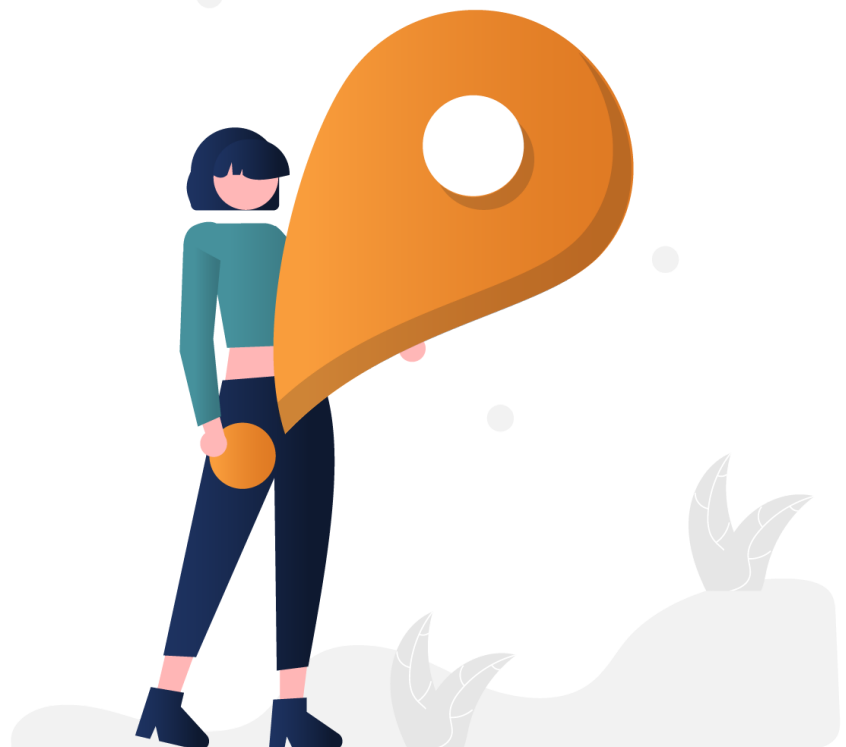
Once the Nuisance Property is Identified:

Contact the owner

- If they no longer live at the residence, you will need to skip trace the owner to find contact info.
- They are a motivated seller at this point, so jump straight to the phone call if possible.

Negotiate the sale

- Build rapport.
- Identify need.
- Meet the need.
- Make sure you identify all debt on the property:
 - Beyond the mortgage, there may very well be city liens as well as utility liens on the property. Make sure these get factored into your offer.
 - Negotiate with lien holders if necessary.
- Sign the Purchase & Sale agreement – Get it under contract!



Contact COGO Capital – www.cogocapital.com 800.473.6051

- Start the application process.
- Get your contractor in place.
- Develop your detailed scope of work.
- Order your appraisal.
- Complete the application process.
- Close the deal.

Get to Work

- Follow your scope of work and draw schedule to get the rehab done.
 - Monitor your rehab closely.
 - Stick to your scope of work.
 - Keep the rehab on schedule.
- Stage, list, and sell the property.
- Cash your profit check!

Rinse and Repeat:

- It is time to do it again.
- You should have several properties in your pipeline
- Get the next one going!
- Don't stop!



Notes:



NEXT STEPS AFTER CERTIFICATION

Notes:



NEXT STEPS AFTER CERTIFICATION

Notes:



NEXT STEPS AFTER CERTIFICATION

Notes: