

**THE
ADVANCED
PROPERTY
INVESTMENT
SYSTEM**

By Dolf de Roos, Ph.D. & Gene Burns

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LOOKING AHEAD: What You Need to Know to Get Started



Back in April 2001, I ran a series of seminars for the Learning Annex in California. To convince my audience that it's easy to beat the national average in real estate, I shared the growth rates of the top two American cities in the property market – Las Vegas, Nevada and Phoenix, Arizona.

I expounded about how significantly higher these cities were than the national average in terms of absolute population growth, proportional population growth and the capital growth of real estate values. As a presenter, you sometimes wonder whether your message is getting through. It seems that in at least one case, it did.

In the audience was Gene Burns, a guy who was smiling so much I wondered if he had been let out for a long weekend. But he kept turning up at my events – evening events, weekend events, you name it, he was there. He never asked for anything, but did share, full of enthusiasm, how he had taken the plunge. I inquired which plunge he was referring to and he said, “You know, doing the Vegas thing.”

It turns out that after hearing about the real estate market in Las Vegas, Gene went home to his delightful wife Mary and told her he was quitting his successful publishing career to invest in real estate in Las Vegas. (Gene started publications like Maximum PC, Home PC and Windows Magazine.)

By October 2001, Gene and Mary had sold everything in San Diego and relocated to Las Vegas. It took only until December of that year for them to acquire their first investment home in Las Vegas. By the end of 2002, they had acquired no fewer than 12 homes, worth in excess of \$1.5 million, all with a total net cash input of less than \$20,000.

Throughout this time, Gene kept turning up at my events. We started talking, and I invited him to speak at some of my seminars. His enthusiasm was infectious. Sometime during 2002, the student ended up knowing more than the teacher on the subject of acquiring great real estate in Las Vegas without much cash.

So, I decided to become the student. I went to Vegas and Gene showed me what he was doing. It was so simple and effective, it was remarkable.

We looked at doing some deals together. We started talking about it at events. And then the nay-sayers piped up with comments like, “You guys just got lucky with that deal,” or, even more inaccurately, “You guys are just getting those deals because Dolf is involved, and every agent wants to sell him something.”

We knew a challenge when we heard one. Gene and I looked at each other and said, “Let's buy one house a week for an entire year.” We figured that would make people realize our formula is replicable, and not dependent on us.

As I write this, we are almost halfway through the year and we are closing in on our 41st home-which means we only have 11 more to go to meet the challenge! Even if we manage to buy no more than the homes we now own, those 41 properties will likely give us financial freedom forever.

This manual is our roadmap to riches. Find out how we're getting there, and then chart your own course.

Dolf de Roos



My wife and I credit the success we've had in the last two years to one thing – putting one foot in front of the other. And boy, were some of those steps scary. But in less than two years, we have acquired more than \$2 million in property and founded a non-profit real estate club in Las Vegas.

One of the biggest obstacles when investing is not the market, not the know-how – but YOU. Most people have fears that stop them from achieving the financial freedom they deserve. My wife and I were sick and tired of corporate America. We had fears, a lot of them. We laugh at them now, but the important thing is, we overcame them, and took action.

It all started when I attended a seminar by Dolf de Roos. It's a bit surreal, but today, I am a speaker in that same seminar. Speaking to you. In the first class Dolf and I held, the participants achieved a 70 percent success rate, meaning seven out of 10 students turned that two-day event into their first deal. And why not? And why not, this could be the most exciting time ever to be investing in real estate! Interest rates are currently the lowest they've been in 40 years. Rates this low make it an ideal time to take over loans, especially when you know how to buy property keeping the current loan in place – or as the pros say, “buy property subject to the existing financing.”

Just think how many loans with terrific interest rates are out there for you to pick up! This trend may continue for the next four to five years. Take a look at the chart on page 6. Right now, there are approximately 120 million housing units in the United States. Seventy-three million are owner-occupied. At the end of the second quarter of 2002, nearly 5 percent of these homeowners were late on their mortgage payments. This means 2.4 million homes face foreclosure, or what I like to refer to as pre-foreclosure situations. This presents a huge opportunity for investors who know how to purchase these types of properties.

Another interesting fact from the Federal Reserve and Census Bureau: In 1960, half of the average American's yearly income went to pay bills, leaving roughly half for savings, college, vacation homes, etc. In the year ending 2000, 95 percent of the money an average American made went to pay off debt. Think about it. Even though interest rates are at their lowest level in years, the average American is using the equity in their home to pay off credit card bills. The crazy thing is, after the cards have been paid off, they go right out and use them, creating debt all over again.

The results are predictable. When people have financial problems, the first and largest bill that's not paid is the mortgage. Every month, the average American is just inches away from being in a pre-foreclosure situation. That's why it's so important to understand how to purchase homes that are either in the foreclosure process or in a pre-foreclosure state. There is no more motivated seller than someone facing foreclosure.

Dolf and I have chosen Las Vegas to do most of our investing, however, the information we'll share can be used anywhere. After you finish this material, I have no doubt you'll be able to find, negotiate and close on an investment property, feeling confident and safe in your investment. The documents in this book are all Nevada-friendly. Please remember these are instructional tools, and it is up to you to have them reviewed by a local real estate attorney to determine their use in the state and town where you live.

Now let's get to investing!

Gene Burns

In the U.S., nearly 2.5 million homes currently face foreclosure.

Foreclosure Facts	
U.S. Population	290 million*
U.S. Housing Units	120 million*
National Late Pays	4.6%**
Units Going to Foreclosure in 2Q 02	2.3%**
Best Guess by End of 2Q 02	2.4 million

*U.S. Census Bureau

**Mortgage Brokers Association of America

If 4.6% of Clark County pays late (and this estimate is likely low), that's about 38,000 possible motivated sellers.

A View of Vegas	
Nevada Population	2.0 million*
Las Vegas/Clark County Population	1.4 million*
Housing Units (2000)	800,000*
Delinquent in Las Vegas	50/day (2,000/month)
Going to Sale in Las Vegas	12,000/year

*U.S. Census Bureau

Though earning more, Americans are spending even more, and so their debt is increasing.

Consumer Debt by Decade					
Year	1960	1970	1980	1990	2000
Income/Household	\$6,940	\$11,260	\$24,261	\$44,027	\$64,712
Debt/Household	\$3,670	\$6,496	\$15,589	\$33,545	\$61,254
Debt-to-Income Ratio	0.53	0.58	0.64	0.79	0.95

U.S. Federal Reserve, U.S. Census Bureau

Before you put money into a deal, it's important to create a buying strategy. Then, you need to stay true to this plan. After all, how can other people help you find great deals, and how can you even describe what you're looking for if you don't know yourself?

We have created an outline for a simple investment strategy that will help you focus your plan of attack and assist your search for terrific deals. It's broken into the following segments:

Plan of Action

What is my goal and what is my plan to get there? We plan to acquire more than 52 homes this year. That's a lofty goal, but we purchase homes on a full-time basis in a very hot market, and are rather good at it.

Your plan of action may be to acquire two homes the first year, then one home a year for the next 10 years – a wonderful goal, one that is easy to accomplish and one that every person should be looking to do.

ZIP Codes

No matter what city you are investing in, you need to know which ZIP codes you want to focus on. Some investors refer to this as farm-area investing. It's a good way to focus your attention. Remember, a focused investor is a successful investor.

Since Gene lives in Las Vegas, he is very familiar with appreciating areas. If you are new to a town, or are not sure of the hot areas, go to the local chamber of commerce or a large real estate office to get this information.

Criteria

What types of properties do you want to focus on? We like to purchase single-family homes. We like three- or four-bedroom houses with two- or three-bathrooms and a two-car garage. We want newer homes in appreciating areas. We also like homes whose owners need to sell fast or are facing foreclosure. Our favorite; owners who will carry financing or agree to stay on the loan.

Financing

We buy 60 to 70 percent below market if the seller wants to sell for cash. Otherwise, our preferred method of buying homes is using the existing

financing. Our rule of thumb is to find homes that are 20 to 40 percent below market, with owner financing available.

Home Prices

This is very important for several reasons. We want to find homes the largest segment of the population will be interested in buying at a later date. The more expensive the home, the fewer number of people who will be able to qualify to rent it. In this type of economy, we look for homes ranging from \$150,000 to \$250,000.

In Las Vegas, the average price of a new home is \$187,000. That number is extremely important to know and understand. By knowing the average cost of a new home and buying only average-priced homes, we know we can always keep our homes occupied.

Search

The easiest way to search for property is using the newspaper. We look for *For Sale By Owner* listings in our targeted ZIP codes that correspond with our financing guidelines. We have a buyer's agent realtor who searches the multiple listing service (MLS) to find *OWC* (Owner Will Carry), *Owner Financing*, *Facing Foreclosure*, *Must Sell*, *Moving*, *Transferred*, *Reduced*, *Desperate Seller*, *Make Offer or Fallen Out of Escrow*.

Additionally, we use the web to look at FSBO (For Sale By Owner) sites, eBay Homes, Yahoo, HUD Homes, sheriff's sales and tax liens.

No Interest

Sometimes it's better to tell people what you're not interested in so they don't waste your time. More importantly, it keeps you focused on what you want to buy and what your buying strategy is.

The types of properties we are not interested in are condos, town homes (this may change), mobile homes and homes more than 10 years old (keep in mind, this is Vegas). We are also not interested in large acreage or horse properties.

Needs

We are currently looking for other new investors to "bird dog" properties for us. We show them our

investment strategy and let them loose. Depending on the deals they find, we give them up to \$1,000. (If you are worried they'll take the deal themselves, make it clear that you won't work with them again if you cannot trust them.)

We also list in our investment strategy we are searching for a very aggressive real estate agent who is not afraid to offend other agents with low offers. We need an agent willing to send out literally hundreds of offers.

Since the seller always pays the commission, a good seller's agent can help go through the multiple listing service and bring us good properties to consider.

It's imperative you do not rely on just one bird-dog investor or one type of seller's agent. Since the deal of the decade arrives every week, you need several people helping you find it.

Contact Information

Be sure to have several ways your bird dogs and buyer's agents can contact you. You should have a computer, e-mail, fax, cell phone with voicemail and a regular phone with a good voicemail system that you can access from anywhere in the world.

Got You Covered

We have a special memo we like to place at the end of our strategy documents:

"We are NOT interested in appraisals. Nor are we interested in the amount of 'upgrades' a seller claims to have made to a property.

Market value of a home is the price an individual would pay for that home today.

We expect that our agent will arrive at this number utilizing recent comps (within 3 to 6 months) with TIGHT criteria. This will be the ONLY acceptable form for calculating property value."

This way, there is no confusion if our agent or bird dog brings us homes that do not fit our criteria. We incorporate this type of format so when we do get something that fits our strategy, we don't hesitate to make an offer and make it "subject to" my partner's approval or "subject to" my inspector's final approval.

This is key. Do not wait to make an offer! The deal will be gone and so will your agent and bird dog. If you are serious, you must pull the trigger. Otherwise, you will be labeled a non-player and not get the best deals.

Our worksheet has given us the clarity to understand what we're looking for, what we'll pay and how we plan to buy it. We have never seen another investor use a tool like this, and we hope it will become the cornerstone of your investing.

Investment Strategy Worksheet

Plan of Action

Purchase 25 to 35 homes in specific ZIP codes with good to excellent appreciation rates. This is a long-term hold strategy! We are NOT interested in flips.

ZIP Codes

89143, 89144, 89149, 89128, 89129, 89134, 89135, 89138, 89147, 89148, 89141

Criteria

3-or4-bedroom/2- to 3-bath homes ONLY! 10 years old or newer. Pools OK. ***30% UNDER MARKET***

Financing

75% LTV or best case - subject to existing financing.

Home Prices

\$150,000 to \$250,000

Search

"OWC," "Facing Foreclosure," "Must Sell," "Reduced," "Desperate Seller."

No Interest

Condos, 2-bedroom homes, town homes, mobile homes, horse properties and homes more than 10 years old.

Need

A professional real estate buyer's agent who is aggressive and not afraid to offend other agents with low offers. You will be working with two seasoned investors. We expect the agent chosen to represent us by sending out literally hundreds of offers. However, we are SERIOUS about purchasing and controlling a minimum of 25 to 35 homes in the next six months.

Contact

Gene Burns - (*702) 658-2235 (ofc), (702) 655-3261 (fax),
(702) 480-9200 (cell), gburns98@earthlink.net, HIGHLY CONFIDENTIAL -
if chosen to represent us, we EXPECT total privacy and confidentiality.

Plan of Action

ZIP Codes

Criteria

Financing

Home Prices

Search

No Interest

Need

Contact

Fore-clo-sure n. *A proceeding in or out of court to extinguish all rights of title and interest of the owners in order to sell the property to satisfy a lien against it. To shut out, break or terminate.*

The Garn-St. Germain Act of 1982 made it virtually impossible to assume old low-interest loans. That's why many investors who buy pre-foreclosed homes keep the old loan in place and buy property "subject to the existing financing." This is not assuming the old loan.

A Notice of Default is not a completed foreclosure. A foreclosure is a process that takes time. Pre-foreclosure property can be described in two ways, depending on the type of document the loan was guaranteed by. That document will either be a Deed of Trust or a mortgage.

The legal requirements for foreclosing on delinquent loans differ according to the state you live in and which document is used to secure the loan. So, it's very important to understand the difference between these two documents.

Deed of Trust

A Deed of Trust is a contract by which title to a property is conveyed to a trustee as security for the repayment of a loan. This contract involves three parties: the trustor (the borrower); the beneficiary (the lender) and the trustee (the stakeholder).

The trustee is an independent third party—often a title, escrow or trust company. When we (the trustor) borrow money from the beneficiary (the lender), we sign a deed (called the Trust Deed) to the trustee. This deed empowers the trustee to sell the property if we fail to meet our obligation. It is very popular, because it avoids a court action.

The trustor is the owner who borrows from the lender or creditor, who is called the beneficiary. In order to control the property during the period of the loan obligation, the "bare legal" title is held by the trustee designated in the Deed of Trust.

If the borrower does not meet the obligation of the promissory note, the lender may initiate foreclosure. If the security document is a Deed of Trust, foreclosure may be sought through a trustee sale.

If foreclosure is sought as a Trust Deed, the beneficiary (the lender) sends a Declaration of Default to the trustee, who is instructed to record the Notice of Default in the county where the property is located. The foreclosure clock starts ticking the day the default is recorded. The owner usually has three months in which to bring the loan current. This is called a reinstatement period.

At the end of this period, a notice of sale is published once a week for three weeks. At the end of that publication period, the sale is set and the property is auctioned to the highest bidder. A Deed of Trust foreclosure usually takes 111 days, or four months.

The original owner of a Trust Deed has no rights after the trustee sale. This is extremely important. There is no right of redemption, but the borrower does not have any further obligation to the borrower after the sale.

Mortgage

A mortgage is a contract by which property in the form of real estate is hypothecated (pledged without turning over possession of it) for the repayment of the loan. This means that the mortgage is the security document for the promissory note offered by the borrower. A mortgage requires two parties: the borrower (the mortgagor) and the lender (the mortgagee).

When the mortgagor borrows money using a mortgage, he does not relinquish title to the property—even temporarily—although not all of the obligations of the promissory note have been met.

When the borrower defaults, the lender who expects payment must foreclose judicially, by court action. Judicial foreclosure is instituted by the mortgagee filing a lawsuit to foreclose.

The mortgagor retains the right to reinstate the obligation up to the point of the court decree. This procedure could easily take the mortgagee a year or more. Further complicating the matter is the mortgagor's right to redemption in many states.

Under the right of redemption rules, the homeowner who lost his home at a foreclosure auction is allowed to redeem the property by paying the auction sale price

plus interest to the new buyer. That's not very appealing for investors like us. That's why we like

Nevada and other Deed of Trust states.

Security Devices by State

State	Device
AL	Mortgage
AK	Deed of Trust
AZ	Deed of Trust
AR	Both
CA	Deed of Trust
CO	Deed of Trust
CT	Mortgage
DE	Mortgage
FL	Mortgage
GA	Mortgage
HI	Mortgage
ID	Deed of Trust
IL	Deed of Trust
IN	Mortgage
IA	Mortgage
KS	Mortgage
KY	Both
LA	Mortgage
ME	Mortgage
MD	Both
MA	Mortgage
MI	Mortgage
MN	Mortgage
MS	Deed of Trust
MO	Deed of Trust

State	Device
MT	Deed of Trust
NE	Deed of Trust
NV	Deed of Trust
NH	Mortgage
NJ	Mortgage
NM	Deed of Trust
NY	Mortgage
NC	Deed of Trust
ND	Mortgage
OH	Mortgage
OK	Mortgage
OR	Deed of Trust
PA	Mortgage
RI	Mortgage
SC	Mortgage
SD	Mortgage
TN	Deed of Trust
TX	Deed of Trust
UT	Deed of Trust
VA	Deed of Trust
VT	Mortgage
WA	Deed of Trust
WV	Deed of Trust
WI	Mortgage
WY	Mortgage

MAKING THE MOVE: How to Find Pre-Foreclosure Properties

Did you know, at the end of the second quarter of 2002, there were 2.4 million homes going to foreclosure? There are lots of these deals, and they are not hard to find.

First and foremost, let everyone know you are a private investor. After all, if no one knows what you do, how can you expect anyone to bring you a deal? (And if you're embarrassed to be a real estate investor, maybe you should think about keeping your day job.)

We advertise that "We buy houses," and "We stop foreclosures." We put up signs and posters and pass out business cards everywhere we go. We make flyers and door hangers, send postcards and advertise in small newspapers like The Nifty Nickel and The Penny Saver. We write religious leaders, letting them know we help stop foreclosures. We do

literally dozens of things.

We receive a NOD (Notice of Default) list every day from a title company we do a lot of business with. We also receive lists from real estate agents.

As for the people on the NOD list, we call them, write them, send postcards and leave notes on their doors. We also meet with neighbors to find out what's going on with properties. We even knock on the doors of houses in our farm area that have the most equity.

But our favorite way to find these people, is to have them respond to our ads – we just love it when **THEY CALL US!** Don't be afraid to advertise. Evaluate, measure and change your ads if necessary. This is a business, and you will need to invest in it.

Check Notice of Default Lists

Advertise in Local Newspapers

Use Mailings, Flyers and Business Cards

Talk to Realtors, Mortgage Brokers and HOAs

Post “I Stop Foreclosures” or “I Buy Houses” Signs

*By Referral, from Friends, Family,
Religious Leaders, etc.*

*Speak with Real Estate and Divorce Lawyers,
Credit Counselors*

Visit Pawn Brokers, Garage Sales

Check Probate Records, Tax Liens Sales

Drive Through Farm Areas

Look for Dead Grass, Empty Houses

Hire a Private Investigator

Look for Tenant Buyers

Default_List_for_1_2_03

LAST	SITE/MAIL	SITE/CITY	SITE	SITEZIP	PHONE	BEDS	BATH	TOTALSQ	GARAGE	YEAR	DOCDATE	LOANVAL	DOCVAL
Mora	2105 Marathon Keys Ave	North Las Vegas	NV	89031		3	2	1369	TRUE	1997	11/30/01	\$130,452.00	\$132,500.00
Kerr	2614 Respectful Ct	North Las Vegas	NV	89031		3	2.5	1171	TRUE	1999	2/26/99	\$78,732.00	\$102,630.00
Prady	8636 Shady Pines Dr	Las Vegas	NV	89143		3	2.5	2103	TRUE	2000	8/4/00	\$144,350.00	\$141,563.00
Brandon	6801 Silver Chisel Ave	Las Vegas	NV	89130	7026584427	6	3	2571	TRUE	1996	3/6/00		\$194,030.00
S B G Group	10550 Park Run Dr	Las Vegas	NV	89144		0	0	90794	FALSE	2001	12/15/98		\$0.00
Sloper	8348 Snowmass Dr	Las Vegas	NV	89128	7022552188	4	2.5	2626	TRUE	1989	1/7/97		\$198,950.00
Maddox	7837 Fort Ruby Pl	Las Vegas	NV	89128		4	2.5	1994	TRUE	1997	5/30/97	\$161,287.00	\$156,590.00
G M A C Mo	908 Duckhorn Ct Apt 20	Las Vegas	NV	89144		2	1	1159	TRUE	1998	10/17/02	\$122,220.00	\$133,615.00
Rodgers	7923 Canoe Ln	Las Vegas	NV	89145		2	2	1526	TRUE	1987	8/31/01	\$125,660.00	\$122,000.00
Williams	3705 Newton Falls St	North Las Vegas	NV	89032		4	3	2222	TRUE	2001	12/13/01	\$167,421.00	\$164,140.00
Brown	1860 Grand Prairie Ave	North Las Vegas	NV	89032		3	2	1535	TRUE	1996	6/28/96	\$109,780.00	\$110,990.00
Hall	2941 Salt Lake St	North Las Vegas	NV	89030	7023996521	3	2	1687	FALSE	1964	3/14/01		\$98,000.00
Ward	2128 Pacific Ln	North Las Vegas	NV	89032	7023825979	4	2	1342	TRUE	1998	9/1/98	\$101,333.00	\$99,209.00
Marínez	1851 King Hill St	Las Vegas	NV	89106		4	2	1244	TRUE	1996	5/17/99	\$90,256.00	\$91,000.00
Lum	1332 Meyer St	Las Vegas	NV	89101	7026491350	4	2	1327	TRUE	1968	5/1/72		\$28,500.00
Pacific Amer	241 18th St N Apt A	Las Vegas	NV	89101		2	2	930	FALSE	1984	10/15/02	\$33,600.00	\$37,617.00
Stone	1070 Clusterberry Cir	Las Vegas	NV	89110		3	2	1555	TRUE	1997	8/29/00	\$139,640.00	\$146,890.00
Fairbanks C	5601 Orchard Ln	Las Vegas	NV	89110		2	2	1186	TRUE	1984	10/29/02	\$71,200.00	\$72,964.00
Lewis	1605 Calabria Dr	Las Vegas	NV	89104	7024381503	4	2	1408	TRUE	1980	11/1/86		\$72,900.00
Todechney	5601 Ruby Creek Dr	Las Vegas	NV	89142		3	2	1231	TRUE	1998	12/10/01	\$114,577.00	\$116,890.00
Ratliff	3958 Foxboro Cir	Las Vegas	NV	89121	7024342511	3	2.5	2303	TRUE	1979	2/26/93		\$126,190.00
Carballo	5185 Timbenwood St	Las Vegas	NV	89122	7025470133	3	2	1472	TRUE	1980	7/2/93	\$74,160.00	\$94,500.00
Conner	736 Rising Brook Dr	Henderson	NV	89015	7024500652	3	2	1534	TRUE	1999	5/28/99	\$122,801.00	\$123,796.00
Esparza	1057 Sweeney Ave	Las Vegas	NV	89104	7028938343	2	1	852	TRUE	1944	11/20/01	\$106,090.00	\$103,000.00
Strabus Con	113 New York Ave W	Las Vegas	NV	89102		0	0	5950	FALSE	1963	9/4/98		\$0.00
Dhariwal	221 Chicago Ave W	Las Vegas	NV	89102		2	1	813	FALSE	1956	3/30/90		\$19,350.00
Maoran	4734 Obannon Dr Apt D	Las Vegas	NV	89102		2	2	1073	FALSE	1962	8/28/86		\$55,000.00
Esquivel	3017 Roseville Wy	Las Vegas	NV	89102		3	2	1871	FALSE	1963	11/7/97	\$105,463.00	\$107,100.00
Darners	908 Monika Wy	Las Vegas	NV	89119		3	2.5	1992	TRUE	1976	12/5/01	\$123,682.00	\$125,000.00
Alcantara	3186 Surf Spray St	Las Vegas	NV	89117		4	3	3694	TRUE	1999	12/27/01	\$259,250.00	\$305,000.00
Wheeler	6645 Tropicana Ave W Apt	Las Vegas	NV	89103		2	2	1013	FALSE	1985	2/29/00	\$80,580.00	\$79,000.00
Duhoon	4467 Verdicio Ave	Las Vegas	NV	89141		3	2	1627	TRUE	2001	5/8/01	\$147,100.00	\$161,146.00
Tsui	4284 Val Dechiana Ave	Las Vegas	NV	89141		4	3	2558	TRUE	2001	11/8/01	\$185,300.00	\$23,165.00
Mulligan	4147 Demoline Cir	Las Vegas	NV	89141		4	2	1964	TRUE	2002	12/21/01	\$192,850.00	\$214,292.00
Kinney	549 Kristin Ln	Henderson	NV	89015		3	2.5	1696	FALSE	1966	2/21/02	\$80,000.00	\$100,000.00
Ballard	2507 Kilmaron Cir	Henderson	NV	89014		3	2	1551	TRUE	1987	10/17/00	\$120,000.00	\$128,000.00
Howell Robe	2506 Dunrobin Ct	Henderson	NV	89014	7028363176	2	2	1291	TRUE	1984	3/10/94		\$0.00
Carlton	209 Lurninborg St	Henderson	NV	89074		2	2.5	1253	TRUE	1988	7/24/98	\$97,648.00	\$100,345.00
Ferrari	1457 Verde Triandos Dr	Henderson	NV	89012		4	2.5	2439	TRUE	2000	5/31/00	\$13,480.00	\$168,525.00
Britto	770 Tozzetti Ln	Henderson	NV	89012	7029148486	0	0	0	FALSE		8/29/00	\$127,250.00	\$141,400.00
Jones	807 Center St	Henderson	NV	89015	7025669624	3	2	1760	FALSE	1969	8/28/96		\$69,408.00

Hi and thanks for calling.

*I want you to know upfront this is a confidential call and
I personally have been in the same financial position
in which you now find yourself.*

*You are not a bad person. Bad financial events can and do
happen to everyone and lately, these types of events
have been happening to nice people like you.*

*I am a private investor who specializes in assisting people in your situation.
I help people and their families get out of bad situations involving their homes.*

*I am sure I will be able to help you, however, if I cannot help you personally,
I promise to put you in touch with someone who can.*

This is what I need you to do:

*At the tone, please leave your name and phone number and
I will call you back for a brief consultation.*

Thanks for calling and I look forward to speaking with you soon.

Sell or Lease Your House Today!

Moving? Transferred?
House vacant? Bad tenants?
Behind on payments? Need cash?
Double payments? Divorce? Estate Sale?

Here is Your Quick and Easy Solution!

Call 24-Hour Recorded Message:
800-555-1212, ext. 3

Fast closing – In as little as 48 hours!
Instant debt relief!
Freedom from maintenance hassles!
Written offer within 48 hours, **GUARANTEED!**

Sell Your House TODAY! 24-Hour Message 800-555-1212, ext. 3	Sell Your House TODAY! 24-Hour Message 800-555-1212, ext. 3	Sell Your House TODAY! 24-Hour Message 800-555-1212, ext. 3	Sell Your House TODAY! 24-Hour Message 800-555-1212, ext. 3	Sell Your House TODAY! 24-Hour Message 800-555-1212, ext. 3	Sell Your House TODAY! 24-Hour Message 800-555-1212, ext. 3	Sell Your House TODAY! 24-Hour Message 800-555-1212, ext. 3	Sell Your House TODAY! 24-Hour Message 800-555-1212, ext. 3	Sell Your House TODAY! 24-Hour Message 800-555-1212, ext. 3
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STOP FORECLOSURE!
GET MONEY NOW!
SAVE YOUR CREDIT.
Call FREE 24Hr. Rec
msg. 1-800-555-1212x3

I'LL BUY YOUR HOUSE – *FAST!!*

Here's your quick and easy solution:

24-Hour, **FREE** Recorded Message
Toll Free: 1-800-555-1212 ext. 3

- STOP FORECLOSURES
- INSTANT CASH!
- INSTANT Debt Relief
- FREEDOM From Maintenance Hassles
- GUARANTEED Written Offer Within 48 Hours
- HARD-TO-SELL-HOME? No Problem!
- NO EQUITY? No Problem

\$500 REWARD!!!!

For information leading to my purchasing a home in your area!!!

I BUY HOUSES ... FAST!!!!

Call me if you know someone who needs help with:

Moving? Bad Tenants? Need Fast Cash?

Vacancies? Behind on Payments? Divorce?

Foreclosure? Estate Sale? Maintenance Problems?

(800) 555-1212 Ext #3 24 Hrs.

EJB & Associates, L.L.C.

Gene Burns

Real Estate Investor

P.O. Box 1234
Las Vegas, NV 89126

Tel: (800) 555-1212
Fax: (800) 555-1112
Email: gburns@email.com

EUGENE J. BURNS
1234 Any Street, No. 3
Las Vegas, NV 89103

Dear Friend,

Thank you for taking the time to read this letter. My name is Gene Burns, and I have been blessed in my life. So, I've decided to give back, and share some of my expertise as a teacher and coach in the real estate industry. I specialize in assisting people who are either in, or, facing foreclosure on their homes.

As you can imagine, losing a home is one of the saddest, most frightening events a family can face. I have decided to help people in these situations by holding a free seminar each month to answer questions, review documents and give advice on how people may be able to save their homes from foreclosure.

A real-estate attorney is present during all seminars to handle any legal questions and offer free advice.

If there is a member of your congregation who might need help with the foreclosure process, I simply want you to be aware of this free service.

I have enclosed a copy of my latest flyer for your review.

Please feel free to contact me at the number below if you have any questions or need additional information.

God bless you,

Gene Burns

(800) 555-1212

DOING THE DEAL: From First Meeting to Final Closing

Your initial contact will usually be by phone, so it's helpful to keep a few things in mind. Number one, be empathetic, and don't act too slick or professional. Always refer to the house as the problem, and never the person. Above all, do three things: listen, listen and listen.

By listening, you will be able to determine if the property fits your investment strategy. (For example, if the house has a monthly holding cost of more than \$3,000, it may not fit.)

Once you've gotten the seller to talk a while, find out a few things. Ask questions like:

- *How old is the house?*
- *What is the first mortgage? How far behind is it?*
- *Does it have a second? Is it behind?*
- *Do you know what it will take to bring the loans current?*

- *Are there any other liens or problems?*
- *Who is on the title? A divorced spouse? Another family member? (Always check who is on the title before going to the home. You can get this information quickly from the County Recorder's Office.)*
- *What are you asking and what it is appraised for?*
- *Are you working with an agent? Will that agent release you from the contract if you find a buyer yourself? (This is very important.)*
- *Are you currently in a bankruptcy? Which type? Will the trustor let you sell the home?*

If things sound like they are in sync with your strategy, set up a time to meet. Again, we like three-bedroom, two-bath homes in nice areas with loans under \$1,000 per month. We can fill those in any economy.

Dress nicely but not powerfully. Try to be non-threatening. The sellers are in a very stressed state. You want them to feel you are there to help them, not to steal their home.

Never interrupt! Nod your head, and be empathic. Let them get it all out. They cannot get anything new into their heads until they let out some major emotional baggage. What you have to tell them won't even compute until they have unloaded this energy.

After they've finished telling you their story, the best question is:

What were you hoping I could do for you? ___ or ___

What would you like to see happen here? ___ or ___

If you could have a wish come true, what would that be?

This next part is critical. It's the most important part of the meeting:

Listen to what they say! If ever in your life you needed to be quiet and listen, this is that time.

They will tell you everything you need to know about how they would like to move forward. If you start selling them on all the great things you can do for them, you may give them ideas that could kill the deal.

Knowing what they want, need, and hope to get, enables you to decide what you can do for them. Always keep in mind that it has to work for them, but it also has to work for you.

Tell them you are an investor and you buy houses for a

living. If you are unable to do this deal, promise you will try to find another solution for them. And then keep your word. If you have really learned the foreclosure laws in your state, you will be able to give them other solutions.

Sometimes people say they will just declare bankruptcy. When we hear this, we explain the consequences of going into foreclosure. We tell them, "don't do the deal with us, but please don't go into foreclosure. Don't face 10 years of ruined credit and difficulty getting a job or even renting an apartment. There may be tax bills for the forgiven debt, and other creditors can go after you for deficiency judgments."

Always ask what is going to happen to them. Where will they go, and what will they do? Never, never promise to let them stay in the house. If they stay and stop paying rent and you have to evict them, judges will look at you as someone who lent them money and took advantage of their situation. If you have other income properties, you may let them stay there, but it's still not a good idea.

If they have a second and a third mortgage, get separate documents for each lending institution. Often, in a stressed state, the homeowner is not sure what is owed or forgets some very important information.

For that reason, it's important to carry several Authorization to Release Information forms with you. This document allows you to contact the bank and discuss the loans. Without it, you will not be able to determine what is actually owed on a house.

Before leaving, explain to the seller exactly what you plan to do. We'll go into this next.

Now it's time for some homework. Here's what you'll need to do:

- Talk to the bank and find out what it's going to take to get the loan current. The most important question you can ask is – are you ready? – *“Has this loan been recast, reorganized or altered in any way?”*
- Have your friendly real estate agent run comps.
- Determine what the home is worth.
- Find out what rents go for in that area.

With this information, you can determine if there is any equity in the property. Also, in the event you do take over the loan, it's nice to know your payment won't go up \$500 a month two months after you've taken control of the house.

Next, do a preliminary title search. Don't be foolish or cheap, just do it. If the title looks clean and the loan

is just a few months behind, then it's time to get an evaluation of the deal.

To analyze the financials, we use the REAP software program. Using this program, we are able to understand all the costs associated with a deal: the holding cost, what we can rent it for, the appreciation value, everything. Looking at the REAP generated reports, we are able to determine whether the investment is a good deal or not. Remember, never buy a house on emotion.

If a property aligns with our investment strategy, we call the seller to set up a time to go to the house with a notary and close the deal. If they don't feel comfortable doing this at home, we bring them to a title company, where we've prepared the documents for closing.

Then it's time to find a tenant buyer, and another pre-foreclosure home!

Know your investment strategy.

Advertise, evaluate and change your approach when necessary.

Once you find attractive sellers, be certain they are on the title.

Take the time to evaluate a deal and make sure it works for you.

Become an expert on everything that has to do with foreclosures — people like to deal with experts.



1. Before going to the property, make sure all of the people on the title are there.	
2. Run the comps. Be certain you know the value of the property today in the condition it is in now and add the possible reinstatement costs.	
3. Have all the documents related to the property available.	
4. Ask them to tell you their story. What happened and what are they planning to do?	
5. Look at the closing paperwork and see if the interest rate is the same as it is on the bank statement.	
6. Request to see the Deed of Trust or the mortgage paperwork from when they originally closed on the house.	
7. Do they have a second?	
8. Can you see all the docs for the second, plus all the correspondence?	
9. How did they spend that money?	
10. Ask them what they were hoping you could do for them.	
11. Ask them to ballpark everything they would need money-wise to reinstate the loan.	
12. Have them sign several Authorizations to Release Information.	
13. Have them sign a Limited Power of Attorney.	
14. Ask whether they've talked to the bank and tried to recast or get a forbearance agreement or any special repayment agreement.	
15. Do they have a contact at the bank or any other financial institution?	
16. Do they owe any back taxes?	
17. Are they in bankruptcy? Which kind, Chapter 7 or 11?	
18. Have they ever filed before?	
19. Is it being discharged?	
20. If you were to help them, they would have to vacate the home. Do they have a place to go?	

Date: _____

Name: _____

Who is on Title: _____

Address: _____

Zip Code: _____

Bedrooms: _____ Baths: _____ Garage: _____

Highlights:

Other Information:

Schools: _____

Churches: _____

Shopping: _____

Notes: _____

Date of Inquiry: _____

Property:

Home _____ Townhouse _____ Condo _____ Multi _____

Address _____

_____ Year Built _____

Bedrooms _____ Bathrooms _____ Garage _____

Square Footage _____ One Story _____ Two Story _____

Other Features _____

Financing:

Asking Price _____ Appraisal Price _____ Market Price _____

First Trust Deed _____ Payment _____

Second Trust Deed _____ Payment _____

HOA _____ Taxes _____

Reason for selling: _____

How long on the market? _____

Any other offers? _____

How the home was found:

Newspaper _____ Adv _____ Flyers _____ Networking _____

Dolf de Roos
PROPERTY PROSPERITY



▲ All detailed components of a property are entered in the main property screen allowing you to run reports and analyze it.



◀ The Property vs. Cash report compares the return on investment for a property vs. cash.

► This report illustrates who effectively makes the loan interest payments. Contributions may come from the rental income, tax credits and the investor.



REAP

REAL ESTATE ACQUISITION PROGRAM

THE WORLD'S SMARTEST SOLUTION FOR YOUR REAL ESTATE ANALYSIS

Get in the driver's seat of your investment strategy with **REAP—Real Estate Acquisition Program**

- Maximize your profits
- Minimize your risk
- Make the most of your time

REAP generates detailed reports analyzing how a property will perform for you before you buy it. Reports include:

- Investment Analysis
- Who Pays the Interest Bill
- Property Value and Debt
- Property Versus Cash
- Property Cash Flow
- Loan Analysis
- REAP Index Property Rating System

With REAP you will be able to separate the lucrative investments that will make you money year after year from the deals you should walk away from.

REAP—the knowledge you need to make astute investment decisions in your quest to build wealth through real estate.



Order online today at www.DolfRealEstate.com

MINIMUM SYSTEM REQUIREMENTS: Windows: 95, 98, ME, 2000, NT 4.0 or XP, 400 MHz or faster Pentium, 64 MB RAM, CD-ROM drive (for hard copy version only) Mouse, Macintosh users must use a PC emulator

Documents Needed to Buy

- Authorization to Release Information _____
- Limited Power of Attorney _____
- Binding Legal Agreement _____
- Grant, Bargain and Sale Deed _____
- State of Nevada Declaration of Value _____
- Agreement to Sell Real Estate _____
- Due-on-Sale Clause _____

Additional Documents Needed to Buy in a Trust

- Trust Agreement _____
- Beneficial Interest Into the Trust _____
- Assignment of the Beneficial Interest _____
- Letter to the insurance company _____
- Letter to the bank _____

Checklist of Costs and Documents

- Unconditional withdrawal for the real estate agent _____
- Authorization to Release Information _____
- Existing loan information _____
- Interest rate and payment _____
- Ask to see the deed _____
- Ask for title insurance _____
- Trust Deed and relevant documents _____
- HOA payment book _____
- Most current bank statements _____
- Letters from the bank, lawyers, etc. _____
- Any correspondence demanding payment _____
- Any restructuring or recasting of the existing loan _____
- Personal loans secured by the property _____

Carrying Costs

Bringing the loan current _____
 Back payments _____
 1st _____
 2nd _____
 3rd _____
 Late fees _____
 Attorney fees _____
 HOA _____
 Taxes _____
 Insurance _____
 Liens mechanic _____
 Taxes _____
 Title insurance _____
 Preliminary title search _____
 Document recording fees _____
 Notary _____
 Copying _____
 Overnight document fees _____
 Water _____
 Pool repair _____
 Landscape _____
 Appraisal _____
 Inspection _____
 Roof inspection _____
 Furnace _____
 Trees _____
 Handyman _____
 Advertising _____
 Re-keying _____

 Total \$ _____

Holding Costs

Mortgage payments _____
 HOA fees _____
 Paint _____
 Carpet _____
 Repairs _____
 Replacement appliances _____
 Water _____
 Power _____
 Trash _____
 Landscape _____
 Pool/spa _____
 Advertising to sell FSBO _____
 Cost to sell by realtor _____
 Pest control _____

 Total \$ _____

The State of Nevada compiled this document to explain the ins and outs of a trust. We suggest you

become familiar with this information.

WHAT IS A TRUST

NEVADA LEGAL FORMS and BOOKS INCORPORATED
3020 W. Charleston Blvd.
Las Vegas, NV 89102

702/870-8977
RV 980916

FREE R00403

Think of a trust as a holding pen, a place where you put your assets before they are released to the people or organizations that you designate to eventually receive them. A trust is a legal entity and so are you. Because you and the trust are separate legal entities, anything you transfer from you to the trust becomes property of the trust. The trust then holds the property for your benefit, or for the benefit of those whom you designate.

A trust consists of four components.

The grantor, who creates the trust.

The beneficiaries, who receive the benefits (income and/or principal) of the trust. The grantor can also be a beneficiary.

The assets which are the properties transferred to the trust.

The trustee, who is the person or entity that manages the trust's assets and distributes the property according to terms established by the grantor. The grantor can also be the trustee, at least while the grantor is alive.

Trusts can be set up while you are alive (the legal term for this is *intervivos*) or they can be established upon your death by your Will (known as testamentary). Revocable trusts can be changed or revoked by the grantor.

Irrevocable trusts cannot be changed after they are created.

GRANTORS –

A multi-millionaire may be a grantor, a retired factory worker may be a grantor, you may be a grantor. Anyone wishing to set up a trust, and transfer his or her assets to that trust is known as the grantor of that trust. The grantor may also be a beneficiary, and the grantor may also be the trustee.

BENEFICIARIES –

Just as they are in a Will, the beneficiaries of a trust are those who receive the income and/or property of the trust. All property transferred to the trust will be distributed eventually to the beneficiaries.

Testamentary trusts can be established in your Will to come into existence at the time of your death and then administered. A popular testamentary trust is a trust established for minor children, but only if neither parent survives. The trustee will administer this trust to meet your child's financial needs.

Trusts may also be established to fund education costs for grandchildren.

Spouses often are the beneficiaries of trusts. Trusts established to regulate the amount, control, and circumstances of distribution are common.

Spouses' needs and situations can change over the years, and having specific limitations on the distribution of the trust assets may prove beneficial.

Beneficiaries of trusts are not always human beings. Charitable trusts are often established to provide annual distributions to a worthy cause of your choosing.

ASSETS –

Plenty of work goes into setting up a trust, but the work is not finished until the (*intervivos*) trust is funded with your assets. The benefits of the trust will only apply to those assets which are actually transferred into it, which means retitling your assets into the name of the trust. This process can take plenty of time and money. Bank accounts, stock portfolios, real estate and even business interests need to be changed from your name to the name of the trust.

But not all assets belong in the trust. You should not transfer any tax-deferred retirement accounts because such a transfer will be treated as a taxable distribution and may even be subject to a 10% penalty.

Furthermore, the trust should not be the owner of a life insurance policy on our life if your estate might be worth more than \$625,000 at your death.

There are also personal and emotional reasons why you may want to keep certain assets, such as jewelry or keepsakes, out of the trust. However, don't overlook the possibility that your survivors may have to probate your estate just to be able to distribute assets that were left out of the trust.

You should always create a Pour-over Will to accompany an *intervivos*, revocable trust, which will pour these assets over into your trust at the time of your death, if necessary.

TRUSTEES –

The person or organization responsible for managing the trust, is the trustee. The trustee can be a friend or relative, a hired third party, or the grantor himself/herself. In many cases the grantor acts as the trustee during his or her

lifetime, at least while he or she is able and willing. Husbands and wives may decide to establish themselves as co-trustees, serving together until one dies or is no longer able to serve, and then the surviving spouse continues as trustee, now serving alone to administer the departed spouse's trust. It is also necessary to name a successor trustee to take over for the initial trustee or co-trustees, often upon the death of the grantor. The successor trustee performs many of the duties similar to the executor of a Will. It may also be necessary for the successor trustee to take over when the grantor/trustee becomes ill, disabled, or mentally incompetent.

If your estate is not large, it is common to name a friend or relative as the successor trustee. Many times a friend or relative may waive the trustee's fees. However, for large estates many grantors prefer to hire a trustee from a bank's trust department. A professional trustee possesses business skills that may be necessary in dealing with large estates, he or she is emotionally unattached to the trust, and a professional trustee is immortal.

WHAT IS A LIVING TRUST?

A Will comes into play only after you die, but a living trust can actually start benefiting you while you are still alive. A living trust is a trust established during your lifetime. It is revocable, which allows for you to make changes. You will transfer substantially all of your property into your living trust during your lifetime, and any omitted assets can be transferred into the trust at the time of death through the use of a simple Pour-over Will. You should always make a Pour-over Will at the time that you establish your trust.

A living trust will be used as the mechanism to manage your property before and after your death, as well as provide how those assets, and the income earned by the trust, are distributed after your death. If you should become incapacitated or disabled, the trust is in place to manage your financial affairs, usually by a successor trustee, if you were serving as trustee. A living trust is not subject to probate, and therefore, all provisions of the trust will remain private.

JOINT LIVING TRUST –

Joint living trusts are also possible. They simply combine the assets of a husband and wife into a single trust

governed by a single trust document. However, if estate tax minimization is important (for combined estates which will exceed \$625,000), the joint living trust must be very carefully drafted with the help of an attorney in order to achieve the desired goals.

You can make your own legally valid living trust without the help of an attorney. Learn how to do it yourself.

BENEFITS OF A LIVING TRUST–

A living trust can be useful to avoid probate in your own state, and especially in other states where you also own property, preserve privacy establish a mechanism to manage your property if you become incompetent, and make it harder for family members to challenge your distribution wishes (compared to a Will).

However, a living trust is not for everyone. If avoiding probate is one of your primary reasons for establishing a living trust, it's essential that all of your assets be placed into the trust. If any are missed, it may be necessary to probate the estate in order to transfer the few excluded assets. Also, titling all of the property in the name of the estate can be cumbersome and it becomes an issue whenever you buy or sell property.

Residency issues also are a factor in choosing a living trust instead of a Will. Many states will not allow non-residents to serve as the executor of an estate, but they will allow an out-of-state trustee of a living trust to serve.

TAX CONSEQUENCES FOR SPOUSES –

Using a living trust does not provide any advantages over the use of a traditional Will in saving state taxes. However, under either method-living trust or traditional Will – one or more of a different type of trust can be established that will minimize estate taxes and/or control the distribution of property beyond the life of the surviving spouse. For example, a credit shelter trust (also referred to as a credit trust, bypass trust, B-trust or Family Trust) is set up to minimize estate taxes, a marital trust (also referred to as an A-trust, and which could also be QTIP trust or a power-of-appointment trust or a disclaimer trust) may be established to obtain estate tax advantages, provide for the surviving spouse while alive, and direct the disposition of the assets after the death of the surviving spouse.

Revised 9/9/98

1. Seller signs the "Binding Legal Agreement"
2. Determine if the Title Company will insure a Land Trust
 - a. If not, transfer Property into an LLC
3. Have all documents notarized and recorded in the County Recorder's Office
4. Due Diligence
 - a. Compare local rents vs. existing mortgage payments
 - b. Run comps to determine value
 - c. Order a Preliminary Title Report (PTR) to show encumbrances on Property
 - d. Check for existence of current title insurance
 - e. Obtain Authorization to Release Loan Information from Seller and fax to lender Confirm loan balances
 - f. Check PTR for liens, taxes due or Homeowners Association assessments
 - g. Do a records check to see if any judgments have been attached to the Property
 - h. Ask if there has been any work by licensed contractors on the Property during the previous ninety days (potential Mechanic's Liens)
 - i. Arrange for a professional home inspection
 - j. If possible, obtain original loan documents. These should include:
 - i. Closing Statement
 - ii. Promissory Note
 - iii. Deed of Trust/Mortgage
 - iv. Title Insurance Policy
 - v. Copy of recorded Deed
5. Future Financing Obstacles
 - a. Stay in contact with Seller if signatures on future documents or transfers are required
6. Closing Issues
 - a. Put original "Binding Legal Agreement" in closing documents
 - b. Conduct closing at Title Company
 - c. Have Seller deed property into the name of the newly formed LLC
 - d. Designate LLC as Trustee of the Land Trust and Seller as Beneficiary of the Trust
 - e. Use the correct deeds for your jurisdiction. Consult with legal counsel if necessary. Deeds and other conveyance documents must be notarized
 - f. Seller executes the Assignment of Beneficial Interest in Land Trust in favor of Investor
 - g. Seller executes Due on Sale Disclosure Addendum
 - h. Arrange for Renter's insurance and name Seller as additional insured
 - i. Utilize Authorization to Release Information to obtain payment coupons, etc. from lender
 - j. Change the locks and garage door codes
 - k. Have title company record deed; do not record Assignment of Beneficial Interest

Now it's time to legally make the property your own.
Be sure to complete these tasks in the following order:

1. Complete Purchase Agreement from seller to buyer, detailing the minutiae of the deal (transfer of personal property, closing costs, etc.). You may have already done this if you signed the deal before this closing.
2. Sign Declaration of Land Trust naming seller as beneficiary and investor as trustee.
3. Sign and notarize the Warranty Deed from seller into land trust. (In most states, this deed may be to the trustee on behalf of the land trust. Ask a good real estate attorney which is the most common way for property to be transferred into a land trust in your area.)
4. Assign the Beneficial Interest Form (notarized and two copies) from seller to investor. Now the investor is the beneficiary of the trust.
5. Seller signs CYS letter subject to the deal.
6. Get Limited Power of Attorney from seller to you.
7. Transfer insurance from seller to trustee of land trust to be held in trust for the land trust.
8. Get seller to sign a letter to the lender giving them notice that they have decided to put the property into trust for financial planning purposes, naming you as their trustee.
9. Get any payment books (or "coupon books") from seller and all their property files. Get all keys and garage-door clickers, etc.
10. If the seller is carrying back any of the financing, get:
 - A signed Promissory Note (with you as borrower and the seller as lender)
 - The Deed of Trust or mortgage with you as trustor and seller as beneficiary/mortgagee
 - A record of the deed

Do not record the Assignment of Beneficial Interest!
You now own the property and can market and sell it yourself.

Date: _____

Via Facsimile No. _____

TO:

(Name of Mortgage Holder)

(Address)

(City, State, Zip)

By this written notice, I (We) authorize (Name of Mortgage Holder) to release any and all information regarding loan number _____ to _____, [if entity: "and its officers and/or agents or assigns"]. This authorization shall remain in full force and effect until rescinded by me (us) in a subsequent written notice of such to you.

I (We) further authorize (Name of Mortgage Holder) to forward any documentation regarding the above-referenced loan to _____ by mail, facsimile, hand delivery or any other manner of transmission.

_____ SSN _____
(Borrower)

_____ SSN _____
(Co-Borrower)

*This document authorizes one person to act on another's behalf.
It can grant complete authority or be limited to certain acts and/or periods.
It allows you to act as if you owned the property and helps
you change over the water, power, HOA, etc.*

LIMITED POWER OF ATTORNEY

Know All Men by These Presents: That _____
the undersigned (jointly and severally, if more than one) hereby make, constitute and appoint

_____ my true and lawful Attorney for me and in my name, place and stead and for my use and benefit,
LIMITED TO THE REAL PROPERTY HEREIN DESCRIBED AS FOLLOWS:

*Lot _____ (—) in Block _____ (—), as shown by map thereof on file in Book _____ of
Plats, page _____, in the Office of the County Recorder of Clark County, Nevada*

APN _____

Commonly known as:

(a) To ask, demand, sue for, recover, collect and receive each and every sum of money, debt, account, legacy, bequest, interest, dividend, annuity and demand (which now is or hereafter shall become due, owing or payable) belonging to or claimed by me, and to use and take any lawful means for the recovery thereof by legal process or otherwise, and to execute and deliver a satisfaction or release thereof, together with the right and power to compromise or compound any claim or demand;

(b) To exercise any or all of the following powers as to real property, any interest therein and/or any building thereon: To contract for, purchase, receive and take possession thereof and of evidence to title thereto; to lease the same for any term or purpose, including leases for business, residence, and oil and/or mineral development; to sell, exchange, grant or convey the same with or without warranty; and to mortgage, transfer in trust, or otherwise encumber

or hypothecate the same to secure payment of a negotiable or non-negotiable note or performance of any obligation or agreement;

(c) To exercise any or all of the following powers as to all kinds of personal property and goods, wares and merchandise, choses in action and other property in possession or in action: To contract for, buy, sell, exchange, transfer and in any legal manner deal in and with the same: and to mortgage, transfer in trust, or otherwise encumber or hypothecate the same to secure payment of a negotiable or non-negotiable note or performance of any obligation or agreement;

(d) To borrow money and to execute and deliver negotiable or non-negotiable notes thereof with or without security, and to loan money and receive negotiable or non-negotiable notes thereof with such security as he shall deem proper;

(e) To create, amend, supplement and terminate any trust and to instruct and advise the trustee of any trust wherein I am or may be trustor or beneficiary; to represent and vote stock, exercise stock rights, accept and deal with any dividend, distribution or bonus, join in any corporate financing, reorganization, enforcement or foreclosure, singly or in conjunction with others of any corporate stock, bond, note, debenture or other security; to compound, compromise, adjust, settle and satisfy any obligation, secured or unsecured, owing by or to me and to give or accept any property and/or money whether or not equal to or less in value than the amount owing in payment, settlement or satisfaction thereof;

(f) To transact business of any kind or class and as my act and deed to sign, execute, acknowledge and deliver any deed, lease, assignment of lease, covenant, indenture, indemnity, agreement, mortgage, deed of trust, assignment of mortgage or of the beneficial interest under deed of trust, extension or renewal of any obligation, subordination or waiver of priority, hypothecation, bottomry, charter-party, bill of lading, bill of sale, bill, bond, note, whether negotiable or non-negotiable, receipt, evidence of debt, full or partial release or satisfaction of mortgage, judgment and other debt, request for partial or full reconveyance of deed of trust and such other instruments in writing of any kind or class as may be necessary or proper in the premises.

Giving and Granting unto my said Attorney full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or

appropriate to be done in and about the premises as fully to all intents and purposes as I might or could do if personally present, hereby ratifying all that my said Attorney shall lawfully do or cause to be done by virtue of these presents. The powers and authority hereby conferred upon my said Attorney shall be applicable to all real and personal property or interests therein now owned or hereafter acquired by me and wherever situate.

My said Attorney is empowered hereby to determine in his sole discretion the time when, purpose for and manner in which any power herein conferred upon him shall be exercised, and the conditions, provisions and covenants of any instrument or document which may be executed by him pursuant hereto; and in the acquisition or disposition of real or personal property, my said Attorney shall have exclusive power to fix the terms thereof for cash, credit and/or property, and if on credit with or without security.

The undersigned, if a married woman, hereby further authorizes and empowers my said Attorney, as my duly authorized agent, to join in my behalf, in the execution of any instrument by which any community real property or any interest therein, now owned or hereafter acquired by my spouse and myself, or either of us, to be sold, leased, encumbered, or conveyed.

When the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

Witness my hand this _____ day of _____ 2003.

Owner _____ Date _____

ESCROW NO.
ORDER NO.
RECORDERS INSTRUMENT NO.

WHEN RECORDED MAIL TO:

STATE OF NEVADA } SS.
COUNTY OF _____ }

On _____ before me, the
undersigned, a Notary Public in and for said
County and State, personally appeared

known to me to be the person ____ described in
and who executed the foregoing instrument,
who acknowledged to me that ____ he ____ executed
the same freely and voluntarily and for the uses
and purposes therein mentioned.

WITNESS my hand and official seal.

Notary Public in and for Said County and State

This document is used at the first meeting with a “motivated seller.” It states that you and the seller will perform agreed-upon activities and enables you to have some written agreement while you do your due diligence. It is not completely binding, but it does offer some peace of mind by showing that the seller has agreed in principal to your offer.

BINDING LEGAL AGREEMENT

_____ (“Seller”)

and

_____ (“Buyer”)

Seller agrees to sell _____ (the “Property”) for \$_____.

Seller agrees to sell the Property for Buyer’s simply taking over the payments of \$_____ per month.

Seller agrees to allow access to all banking information regarding the Property.

Seller warrants that there are no other encumbrances on the Property.

Seller warrants that all taxes are paid and current, that the loan has not been recast, and that no forbearance agreement has been given.

Seller agrees to stay on the loan for at least _____ years.

Seller agrees to leave all appliances, fixtures, blinds, etc. in working order.

Seller is entering into this agreement willingly and warrants that s/he was not forced or coerced into this agreement.

Buyer agrees to cover payments associated with the Property.

SELLER

DATE

BUYER

DATE

*This security document conveys ownership in real property in Nevada.
Any deed is a legal document conveying title to a property.*

APN:

WHEN RECORDED MAIL TO:

Name

Street Address

City & State

GRANT, BARGAIN AND SALE DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

*** Name of Grantor ***

hereby GRANT(S), BARGAIN(S), SELL(S) and CONVEY(S) to

*** Name of Grantor ***

that property in _____ County, Nevada, described as:

See Exhibit "A" attached hereto and made a part hereof.

(Exhibit "A" shall contain the legal description of the property)

OR you can state the legal description in this area.

Dated: _____

(Signature)

(Signature)

STATE OF NEVADA)

) SS.

COUNTY OF _____)

On _____ before me, the undersigned,
a Notary Public in and for said State, personally appeared

personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s)
on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

WITNESS my hand and official seal

Signature _____

Name _____

**STATE OF NEVADA
DECLARATION OF VALUE**

FOR RECORDERS OPTIONAL USE ONLY	
Document/Instrument#:	_____
Book: _____	Page: _____
Date of Recording: _____	
Notes: _____	

1. Assessor Parcel Number (s)

- a) _____
- b) _____
- c) _____
- d) _____

2. Type of Property:

- | | | | |
|-----------------------------|--------------|-----------------------------|-----------------|
| a) <input type="checkbox"/> | Vacant Land | b) <input type="checkbox"/> | Single Fam Res. |
| c) <input type="checkbox"/> | Condo/Twnhse | d) <input type="checkbox"/> | 2-4 Plex |
| e) <input type="checkbox"/> | Apt. Bldg. | f) <input type="checkbox"/> | Comm'l/Ind'l |
| g) <input type="checkbox"/> | Agricultural | h) <input type="checkbox"/> | Mobile Home |
| i) <input type="checkbox"/> | Other | | |

3. Total Value/Sales Price of Property:

Deed in Lieu of Foreclosure Only (value of property) \$ _____

Transfer Tax Value: \$ _____

Real Property Transfer Tax Due: \$ _____

4. If Exemption Claimed:

- a. Transfer Tax Exemption, per NRS 375.090, Section: _____
- b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: _____ %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month.

Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature _____ Capacity _____

Signature _____ Capacity _____

SELLER (GRANTOR) INFORMATION

(REQUIRED)

Print Name: _____

Address: _____

City: _____

State: _____ Zip: _____

BUYER (GRANTEE) INFORMATION

(REQUIRED)

Print Name: _____

Address: _____

City: _____

State: _____ Zip: _____

COMPANY/PERSON REQUESTING RECORDING

(REQUIRED IF NOT THE SELLER OR BUYER)

Print Name: _____ Escrow # _____

Address: _____

City: _____ State: _____ Zip: _____

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED)

This agreement between a buyer and a seller of real property sets forth the price and other terms of sale. It will always be used when buying a property. This particular document favors the buyer with special provisions to aid the buyer if s/he needs to get out of the deal.

AGREEMENT TO SELL REAL ESTATE

_____, as Seller,

and _____ or assigns as Buyer, hereby agree that the Seller shall sell and the Buyer shall buy the following described property UPON THE TERMS AND CONDITIONS HEREINAFTER SET FORTH, which shall include the STANDARDS FOR REAL ESTATE TRANSACTIONS set forth within this agreement.

1. LEGAL DESCRIPTION of real estate commonly known as _____
_____ County, State of _____

To Wit:

2 PURCHASE PRICE _____ Dollars.

(a) Deposit to be held in trust by _____ \$ _____

(b) Approximate principal balance of first mortgage to which conveyance shall be made subject to, if any, Mortgage holder: _____ \$ _____

(c) Other: _____ \$ _____

(d) Other: _____ \$ _____

(e) Cash, certified or cashiers check on closing and delivery of deed (or such greater or lesser amount as may be necessary to complete payment of purchase price after credits, adjustments and prorations). \$ _____

3. PRORATIONS: Taxes, insurance, interest, rents and other expenses and revenue of said property shall be prorated as of date of closing.

4. ACCESS: Buyer shall be entitled a key and be entitled to access property to show partners, lenders, inspectors/contractors and other interested parties prior to closing. Buyer may place a sign on the property prior to closing to help Buyer find end user for property.

5. EXECUTION IN COUNTERPARTS: This agreement may be executed in counterparts and by facsimile signatures. This agreement becomes effective as of the date of the last signature.

6. DEFAULT BY BUYER: If the buyer fails to perform any of the covenants of this contract, all money paid to Seller by Buyer as aforesaid shall be retained by or for the account of the Seller as consideration for the execution of this contract and as agreed liquidated damages and in full settlement of any and all claims for damages.

7. DEFAULT BY SELLER: If the Seller fails to perform any of the covenants of this contract, the aforesaid money paid by the Buyer, at the option of the Buyer, shall be returned to the Buyer on demand; or the Buyer shall have the right of specific performance.

8. **CONVEYANCE:** Seller to deliver to Buyer Fee Simple title by a General Warranty Deed free from any liens, restrictions, encumbrances, or easements not specifically referenced in this agreement. Seller expressly agrees and understands that buyer is taking title subject to the existing financing described above, and is not expressly assuming responsibility for the underlying loans. If the actual loan balance of above loan(s) is less than stated herein, the purchase price shall be reduced to reflect this difference; if the actual loan balance(s) is more than stated herein, then Buyer's required cash payment shall be reduced accordingly. Seller agrees to waive tax and insurance escrows held by said lender(s) or its (their) assigns.
9. **INSPECTIONS:** Buyer or his agent may inspect all appliances, air conditioning and heating systems, electrical systems, plumbing, machinery, sprinklers and pool system included in the sale. Seller shall pay for repairs necessary to place such items in working order at the time of closing. Within 48 hours before closing, Buyer shall be entitled, upon reasonable notice to Seller, to inspect the premises to determine that said items are in working order. Unless specifically excluded in this agreement, all other items of personal property located in or on the property shall be included in the sale shall be transferred by Bill of Sale with warranty of title. Seller expressly warrants that property, improvements, buildings or structures, the appliances, roof, plumbing, heating and/or ventilation/air conditioning systems are in good and working order. This clause shall survive closing of title.
10. **LEASES:** If this is an income property, Seller shall provide Buyer with an accounting and assignment of security deposits at closing. Seller agrees to defend and indemnify Buyer for any and all claims, judgments and lawsuits related to the wrongful withholding of security deposits that arose out of events or circumstances arising before closing of title. This clause shall survive closing of title.
11. **NO JUDGMENTS:** Seller warrants that there are no judgments threatening the equity of this property, and that there is no bankruptcy pending or contemplated by any titleholder. Seller will not further encumber the property and an affidavit may be recorded at Buyer's expense putting the public on notice that the closing of this contract will extinguish liens and encumbrances hereafter recorded.
12. **CLOSING:** Closing shall be held on or about _____, 20____, unless extended no more than 60 days by either party in writing, at a time and place designated by Buyer. Buyer shall choose the escrow, title, and/or closing agent.
13. **TIME IS OF THE ESSENCE:** Time is of the essence for this agreement. Parties will diligently pursue the completion of this transaction.
14. **DOCUMENTS FOR CLOSING:** Buyer shall pay for preparation of deed, note, mortgage, any corrective instruments required for perfecting the title, and closing statement and submit copies of same to Seller at closing.
15. **EXPENSES:** State documentary stamps required on the instrument of conveyance, the cost of recording any corrective instruments to title, and title insurance shall be paid by the Seller. Documentary stamps to be affixed to the note secured by the purchase money mortgage, intangible tax on the mortgage, and the cost of recording the deed and purchasing money mortgage shall be paid by the Buyer. All other closing costs shall be split 50/50.
16. **INSURANCE:** As consideration for this purchase the Seller will assign all insurance policies on this property to the Buyer and Seller will grant to Buyer a limited power of attorney to deal with the lender(s) and insurance provider(s) with respect to this property.
17. **RISK OF LOSS:** If this property is damaged prior to transfer of title, Buyer has the option of choosing to either accept any insurance proceeds with the title to the property in "as is" condition, or canceling this agreement and accepting the return of all deposits.

18. MAINTENANCE: Between the date of contract and the date of closing, the property, including the lawn, shrubbery and pool, if any, shall be maintained by the Seller in the condition as it existed as of the date of the contract, ordinary wear and tear to be expected.

19. DEFECTS: Seller warrants subject property to be free from hazardous substances and from violation of any zoning, environmental, building, health, or other governmental codes or ordinances. Seller further warrants that there are no material or other known defects or facts regarding this property which would adversely affect the value of the property.

20. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions inserted in this form shall control all printed provisions in conflict therewith.

21. OTHER AGREEMENTS: No agreements or representations, unless incorporated in this contract, shall be binding upon any of the parties.

22. The buyer will have _____ days to complete the Due Diligence to determine that all information concerning the property and said loans is correct and accurate. If the Seller finds that the Buyer had misrepresented the true nature of the property, liens or monies due, the Buyer will not be held accountable to this contract.

Seller

Date

Buyer

Date

Seller

Date

Seller

Date

Seller

Date

“DUE ON SALE” DISCLOSURE ADDENDUM

This Addendum to the Purchase and Sale Agreement dated _____ by and between _____ as Seller and _____ as Purchaser will serve as a disclosure and acknowledgement of certain issues surrounding the “due on sale” clause typically found in mortgages and deeds of trust. The parties understand, acknowledge and agree as follows:

1. Seller hereby acknowledges that the mortgage(s)/deeds of trust securing the property located at _____ (the “Property”) contain(s) provisions authorizing the lender to demand that the existing loans be paid in full upon the transfer of the ownership interest in the Property. Seller also acknowledges that the existing loans will remain in Seller’s name and on Seller’s credit report as an obligation of Seller, and Purchaser has agreed only to make the underlying monthly payments on the loans.
2. In the event a lender calls the existing loans due and payable, Purchaser will have the option, in its sole and absolute discretion, to obtain alternative financing for the Property. If Purchaser opts not to obtain alternative financing for the Property, Seller understands that Seller may be required to pay the entire balance due under the existing loans. Seller also understands and acknowledges that should he or she be unable to pay off the existing loans or refinance the Property, the Property will be subject to foreclosure. In this event, Purchaser agrees to execute any required documents or transfers necessary for Seller to obtain any such financing, and agrees that Purchaser’s interest in the Property will be extinguished. Seller agrees to defend, indemnify and hold Purchaser harmless from any liability arising from a lender exercising the due on sale clause.
3. At any time requested by Purchaser, Buyer agrees to execute any documents necessary for the efficient management, maintenance, financing or transfer of the Property.
4. Seller acknowledges that he or she has had the opportunity to seek appropriate legal counsel as to the rights and obligations set forth above.

Seller

Purchaser

TRUST AGREEMENT

THIS AGREEMENT AND DECLARATION OF TRUST (the "Agreement") is made and entered into this _____ day of _____, 200____, by and between _____ as Grantor(s)/Settlor(s) and _____ as Beneficiaries (herein collectively referred to as "Beneficiaries"), whose address is _____, and

_____ as Trustee of the trust created hereby (herein referred to as the "Trustee," which designation shall include all successor trustees) whose address is _____.

The Beneficiaries will convey or cause to be conveyed to the Trustee by deed, fee simple absolute, certain real property described in Exhibit "A," (the "Trust Property") which shall be held in trust by Trustee, for the benefit of the Beneficiaries, under the terms and conditions set forth in this Agreement

Now, therefore, the Parties to this Trust Agreement agree as follows:

1. Declaration of Trust. The trust created by the Grantor(s)/Settlor(s) herein shall be known as the _____ (the "Trust").
2. Trust Property. The Trustee shall hold the Trust Property for the following uses and purposes:
 - a. To realize appreciation in Trust Property value;
 - b. To realize income through the rental, lease option or similar use of the Trust Property;
 - c. For any other commercially viable use and purpose.
3. Consideration. No consideration has been paid by the Trustee to the Grantor(s)/Settlor(s) for the conveyance of the Trust Property to the Trust. The conveyance will be accepted and held by the Trustee subject to all existing liens, encumbrances, easements, restrictions or other clouds or claims.
4. Beneficiaries. The persons named above are the Beneficiaries of the Trust and shall be entitled to the proceeds of the Trust property, including, without limitation, earnings, rents, and realized gains or other disposition of the Trust Property.

The Beneficiaries will also have certain rights as to the Trust Property, namely: the right to direct the Trustee to transfer, convey or otherwise control, manage and transact business with regard to ownership of the Trust Property.

5. Trustee. The Trustee shall have certain powers and duties with respect to the Trust Property, and shall exercise such powers and conduct such duties at the written direction of the Beneficiaries. Those duties include:
 - a. To manage, control, grant options on, sell (for cash or on deferred payments), convey, exchange, partition, divide, improve and repair the Trust Property.
 - b. To enter into leases for the Trust Property for specified terms not exceeding the term of this Trust.
 - c. To collect rents, obligations and all other payments due to the Trust, and to deposit such payments in a bank or depository account as instructed by the Beneficiaries.
 - d. To pay all necessary and proper expenses of the Trust, including, without limitation, federal, state and local taxes and assessments.
 - e. To employ any accountant, attorney, corporate fiduciary, or any other agent or agents to assist the

- Trustee in the administration of this Trust and to rely on the advice given by these agents.
- f. To contract with or employ licensed contractors, property managers, realtors, and such other persons as are necessary to the prudent business operation of the Trust Property.
 - g. To make repairs and improvements to the Trust Property as directed by the Beneficiaries.
 - h. To keep an accurate accounting of the receipts and disbursements made on behalf of the Trust.
 - i. To borrow money on behalf of the Trust and to issue promissory notes and secure such notes by the use of a mortgage, deed of trust or similar security instrument upon the Trust Property.
 - j. To take possession of the Trust Property and to take all lawful action to minimize any physical or monetary damage to or waste of the Trust Property.
 - k. To execute any document, including, without limitation, leases, deeds, contracts, options, agreements, instruments and releases necessary for the business operation of the Trust Property.
 - l. To represent the Trust and Beneficiaries in legal proceedings relating to the Trust Property.
6. Trustee's Individual Transaction with Trust. The Trustee shall have the power to loan or advance the Trustee's own funds to the Trust for any trust purpose, with interest at current rates; to receive security for such loans in the form of a mortgage, pledge, deed of trust, or other encumbrance of any assets of the Trust.
 7. Compensation of Trustee. For services rendered to the Trust, the Trustee shall receive an annual payment in the amount of \$_____.
 8. Liability of Trustee. In its duties on behalf of the Trust, the Trustee shall be liable only for willful acts or acts that constitute gross negligence or bad faith.
 9. Removal of Trustee. At any time during the term of this Trust, the Beneficiaries shall have the power to remove a Trustee from his office or appoint a successor Trustee. The exercise of this power shall be done only by a written instrument signed by all Beneficiaries. Upon receipt of such notice, the Trustee shall, within Ten (10) days deliver all books, records, bank account information, keys, security deposits, leases and funds in his or her possession, and execute any documents necessary to convey title and/or authority over the Trust and the Trust Property to the successor Trustee.
 10. Resignation of Trustee. The Trustee may resign his position by giving Thirty (30) days written notice to Beneficiaries. Following receipt of such notice, the Beneficiaries shall appoint a successor Trustee. The Trustee's resignation, however, shall not be effective until the Trustee and successor Trustee sign an affidavit which attests to their action in a form which is acceptable for recording in the applicable governmental registry in the county in which the Trust Property is located. If the Trust Property is recorded in the name of the Trustee himself, the resigning Trustee shall also execute a deed in the proper form and manner for recording in the county in which the property is located. Such deed and/or affidavit shall be recorded only upon the written direction of the Beneficiaries.
 11. If a successor Trustee is not appointed within Sixty (60) days following the resignation of a Trustee, this Agreement shall terminate, and the resigning Trustee shall deliver all books, records, bank account information, keys, security deposits, leases and funds in his or her possession, and execute any documents necessary to convey title to the Trust Property to the Beneficiaries according to their respective ownership interests.

Any successor Trustee shall have all of the rights, powers and interests in the Trust Property and be subject to all of the duties and obligations of a Trustee as herein described. In the event of the death or disability of the Trustee, the Beneficiaries shall appoint successor trustee as herein described.

12. Death of Beneficiary. In the event of the death of any Beneficiary, his or her right and interest hereunder,

except as otherwise provided, shall pass to his or her executor or administrator and to his heirs at law.

13. Beneficiary not Bound by Trustee. The Trustee shall not be an agent of or a partner of the Beneficiaries, and shall not have the power to bind the Beneficiaries personally. Any person or corporation contracting with the Trustee, as well as any Beneficiary, shall look solely to the funds and the Trust Property for payment under such contract, or for the payment of any debt, mortgage, judgment, or decree, or for any money that may otherwise become due or payable, whether by reason or failure of the Trustee to perform the contract, or for any other reason, and neither the Trustee nor the Beneficiaries shall be liable personally therefore.
14. Third Parties and Trustee. No party who contracts with the Trustee shall be furnished any information regarding this Trust, nor the authority of the Trustee to direct and manage the affairs of the Trust Property, nor have the ability to inquire as to whether the terms and conditions of this Trust have been complied with. Furthermore, any party to whom the Trustee leases, conveys, or who furnishes financing or other debt secured by the Trust Property, shall be entitled to only that information regarding this Trust as is required by law, or as ordered by a court of competent jurisdiction.
15. Recording of Agreement. Neither this Agreement nor any summary of the contents hereof shall be placed on record in the county in which the Trust Property is situated.
16. Term of Agreement. This agreement shall continue for a period of twenty years from the date of its execution. The Trustee shall contact all Beneficiaries in writing at least twelve months prior to that time. The trustee shall place the Trust Property for public sale, pay all debts due and owing with regard to the Trust Property, and remit the proceeds to the Beneficiaries according to their respective interests in the Trust. The Beneficiaries may choose to renew this agreement for a term of twenty additional years by submitting their intention in writing to the Trustee.

If any portion of the Trust Property is in any manner or time period capable of being held in this Land Trust for longer period of time than is permitted under the laws of the state law governing this Agreement, or the vesting of any interest under this Land Trust could possibly occur after the end of such permitted time period, then, upon the occurrence of the foregoing, the Trustee is directed to immediately terminate the Trust and to distribute the Trust Property to the Beneficiaries as their respective interests may appear at the time of the termination of the Trust. As much as possible, the Trustee will maintain the Trust Property intact and not liquidate it, but, rather, distribute the Trust Property in kind.

17. Income Tax Returns. The Trustee shall not be obligated to file any income tax returns with respect to the Trust, except as required by law, and the Beneficiaries individually shall report and pay their share of income taxes on the earnings and avails of the Trust Property or growing out of their interest under this Trust. In the event an informational return is required by law, the Trustee agrees to execute the same after contacting all the Beneficiaries. It is the intention of the parties that this agreement does not create a "trust" under the definition as set forth in Section 301.7701-4(a) of the Procedure and Administration Regulations of the Internal Revenue Code.
18. Assignment of Beneficial Interest. The interest of a Beneficiary, or any part of that interest, may be transferred only by a written assignment, executed in duplicate and delivered to the Trustee. If there is more than one beneficiary, the remaining Beneficiaries must first approve of said transfer in writing. The remaining Beneficiaries shall have a Sixty (60) day right of first refusal to purchase said interest. Unless stated otherwise, any assignment of beneficial interest hereunder shall also include the power of direction and revocation of this trust agreement. Any Beneficiary who assigns his interest in full shall forever waive his right to revoke this trust agreement.

19. Individual Liability of Trustee. The Trustee shall not be required, in dealing with the Trust Property or in otherwise acting under this Agreement, to enter into any individual contract or other individual obligation whatsoever; nor to make itself individually liable to pay or incur the payment of any damages, attorneys' fees, fines, penalties, forfeitures, costs, charges or other sums of money whatsoever. The Trustee shall have no individual liability or obligation whatsoever arising from its ownership, as Trustee, of the legal title to the Trust Property, or with respect to any act done or contract entered into or indebtedness incurred by it in dealing with the Trust Property or in otherwise acting under this Agreement, except only as far as the Trust Property and any trust funds in the actual possession of the Trustee shall be applicable to the payment and discharge of that liability or obligation.
20. Reimbursement and Indemnification of Trustee. If the Trustee shall pay or incur any liability to pay any money on account of this Trust, or incur any liability to pay any money on account of being made a party to any litigation as a result of holding title to the Trust Property or otherwise in connection with this Trust the Beneficiaries, jointly and severally, agree that on demand they will pay to the Trustee all such payments made or liabilities incurred by the Trustee, together with its expenses, including reasonable attorneys' fees, and that they will indemnify and hold the Trustee harmless of and from any and all payments made or liabilities incurred by it for any reason whatsoever as a result of this Agreement.
21. Unanimous Direction of Beneficiaries. Wherever an act, decision or direction is required by the "Beneficiary" or "Beneficiaries" herein, said designation shall be deemed to mean all of the Beneficiaries acting in a unanimous agreement, unless a lesser percentage is so specified.
22. Governing Law. This Agreement, and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the State of _____. The parties herein waive trial by jury and agree to submit to the personal jurisdiction and venue of a court of subject matter jurisdiction located in the County in which the property sits. In the event that litigation results from or arises out of this Agreement or the performance thereof, the parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled. In such event, no action shall be entertained by said court or any court of competent jurisdiction if filed more than one year subsequent to the date the cause(s) of action actually accrued regardless of whether damages were otherwise as of said time calculable.
23. Binding Effect. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon any successor trustee under it, as well as upon the executors, administrators, heirs, assigns and all other successors in interest of the Beneficiaries.
24. Annual Reports. The Trustee shall prepare an annual report for the Beneficiaries of all income and expense during the preceding calendar year. This annual report shall be prepared and distributed to the Beneficiaries no later than March 1st of each year.
25. Termination of this Agreement. This Trust may be terminated upon Thirty (30) days written notice signed by all of Beneficiaries and delivered to the Trustee. Upon the termination of this Agreement, the Trustee shall deliver all books, records, bank account information, keys, security deposits, leases and funds in his possession, and execute any documents necessary to convey title to the Trust Property to the Beneficiaries as their interests may appear.
26. Entire Agreement. This Agreement contains the entire understanding between the parties and may be amended, revoked or terminated only by written agreement signed by the Trustee and all of the Beneficiaries.

27. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, then the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.
28. Gender and Number. As used in this Trust, the masculine, feminine or neuter gender and the singular or plural number shall each be considered to include the others whenever the context so requires.
29. Headings. The headings in this Agreement are for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

EXECUTED as of the day and year first written above.

Beneficiary Name

Beneficiary Name

Beneficiary Signature

Beneficiary Signature

Trustee Name

Trustee Signature

EXHIBIT “A”

Description of Trust Property

(write legal description of the property on this page)

**PURCHASE AND SALE AGREEMENT AND
EARNEST MONEY DEPOSIT RECEIPT**

1. **DEPOSIT.** _____ (“Seller”) received from _____ (“Buyer(s)”), the sum of \$_____ as a deposit on the purchase of the property located in _____ County, _____, known as Lot _____ in the subdivision map recorded _____, _____ as Instrument _____ in Book _____ of the Official Records of the County Recorder of _____ County, _____, the street address of which is: _____ (the “Property”).

Summary of Terms:

A. Total Purchase Price	\$ _____
B. Deposit	\$ _____
C. Financed Amount	\$ _____
D. Total A-(B+C)	\$ _____
E. Estimated Prorations	\$ _____
F. Estimated Balance Due On or Before Closing	\$ _____

NOTE: THE FOLLOWING ADDENDA ARE ATTACHED HERETO AND INCORPORATED INTO THIS CONTRACT:

___ DUE ON SALE DISCLOSURE ADDENDUM

2. **PURCHASE AND SALE.** Buyer agrees to purchase and Seller agrees to sell the Property, and all appurtenances, fixtures and mutually agreed upon personal property on the terms and conditions set forth herein.
3. **ESCROW.** An escrow shall be opened within Five (5) days following the date of acceptance by the Seller. This Agreement shall serve as the escrow instructions until or unless escrow instructions are subsequently submitted by the escrow company without amendment and signed by the Buyer and Seller.
4. **TITLE.** The Property shall be conveyed by _____ Deed, subject to the taxes for the fiscal year; covenants, conditions and restrictions; reservations; easements; district levies; rights of way; special tax, if any, created under special assessment districts; and other matters of record as of close of escrow.
5. **CLOSING COSTS.** Seller shall be responsible for the payment, at closing, the amount required to cover closing costs which shall include, but not be limited to, the Seller’s prorated portion of the property taxes or assessments, escrow fees, recordation of deed, community association assessments, if required, and such other closing costs as are usual or necessary.
6. **DEPOSIT.** It is agreed that any deposit be held in escrow in a non-interest bearing account.
7. **CLOSING DATE.** Buyer and Seller agree that the closing date shall be on or before _____, 200___ (the “Closing Date”). The Closing Date may be extended by Buyer for Two (2) weeks, upon notification to escrow by Buyer. As used herein, “close of escrow” shall mean the day that the title and loan documents have been recorded. The provisions of this Agreement shall prevail and not be superseded by the escrow instructions.

8. **POSSESSION.** Seller shall surrender possession of the Property in clean condition, free of any personal property or debris. Seller shall be liable to Buyer for liquidated damages in the amount of \$ _____ per day for any delay in Buyer obtaining possession of the Property.
9. **FINANCING.** This Agreement is contingent upon Buyer's ability to obtain new financing in the amount of \$ _____, at an interest rate acceptable to Buyer in its absolute and sole discretion. In the event that Seller provides financing, or in the event that Seller remains obligated on the existing financing, Buyer agrees to execute a promissory note in the amount of \$ _____. In the event of default of Buyer on such promissory note, Seller only has recourse against the property and there shall be no recourse against the Buyer or any entity controlled by Buyer. If Buyer is unable to obtain either new financing or Seller financing, this Purchase Agreement is terminated and escrow will refund all deposits.
10. **SELLER'S WARRANTIES.** Seller expressly represents and warrants that the Property, and all buildings and improvements, appliances, HVAC and plumbing systems, and all other parts of the Property are in good operating condition. Seller's warranties shall survive the Closing Date.
11. **ACCESS.** Buyer shall have reasonable access to the Property prior to the Closing Date to conduct inspections of the Property. Buyer shall also have the ability to market the Property for rent or sale prior to the Closing Date and Seller agrees to facilitate such access by Buyer.
12. **SEVERABILITY.** If any term, condition or provision of this Agreement is declared illegal or invalid, for any reason, by a court of competent jurisdiction, the remaining terms, conditions and provisions of this Agreement shall remain in full force and effect.
13. **WAIVER.** The waiver by Buyer of any term, condition or provision of this Agreement shall not be construed as a waiver of any other term, condition or provision of this Agreement.
14. **TITLE INSURANCE.** At the close of escrow, and as a condition thereto, _____ Company shall issue to the Buyer at Seller's cost, a standard CLTA owner's policy of title insurance with liability equal to the Total Purchase Price.
15. **TIME OF ESSENCE.** Time is of the essence for the parties' obligations hereunder.
16. _____ **LAW.** This Agreement shall be interpreted in accordance with the laws of the state of _____ and the parties hereto consent to the exclusive jurisdiction of the state and federal courts located in _____ County, _____. In the event either party is required to commence legal action to enforce any of the provisions of this Agreement, the prevailing party in such action shall be entitled to its reasonable attorneys' fee.

Seller

Date

Print Name

Seller

Date

Print Name

Address

Telephone: Home (____) _____ Office (____) _____

Buyer

Date

Print Name

Buyer

Date

Print Name

Address

Telephone: Home (____) _____ Office (____) _____

ASSIGNMENT OF BENEFICIAL INTEREST IN TRUST

_____, (“Assignor”), for the sum of ten dollars (\$10) and other good and valuable consideration, the receipt of which is hereby acknowledged, hereby assigns all right, title and interest in the beneficial interest, including all power of direction, transfer and revocation, of the _____ Trust (the “Trust”), created _____, 20__ , pursuant to the terms and conditions of that certain Trust Agreement by and between _____ as Grantor(s) and _____ as Trustee(s), which holds title to that certain real property located at _____ in the County of _____, State of _____ to _____ (“Assignee”).

Assignor warrants that it has the full power and authority to assign and transfer said interest. Assignor further warrants that this assignment is irrevocable and includes any and all benefit resulting from the establishment of the Trust.

Assignor

Assignor

State of _____
County of _____ :ss

This instrument was acknowledged before me on _____, 20__ by

NOTARY PUBLIC

My commission expires _____

[NOTARY SEAL]

Assignee accepts this Assignment of Beneficial Interest in Trust subject to the terms and conditions of the Trust Agreement.

Assignee

Assignee

Trustee acknowledges the receipt of this Assignment of Beneficial Interest in Trust, subject to the terms and conditions of the Trust Agreement.

Trustee

*This document is a note — or IOU — stating that the loan is secured
by a lien on the property in the form of a Deed of Trust.*

This is the only way to secure money you lend.

NOTE SECURED BY DEED OF TRUST

(Straight Note)

\$ _____, 20____
_____, Nevada

_____ after date, for value received,

undersigned promise(s) to pay to _____, on order, the sum

of _____ DOLLARS (\$ _____),

with interest from _____, 20____, until paid, at the rate of

_____ percent (_____%) per annum; payable

_____.

Should default be made in payment of any installment of principal or interest or in the performance of any obligation contained in the Deed of Trust by which this note is secured, the whole sum of principal and interest shall become immediately due at the option of the holder hereof. Principal and interest payable in lawful money of the United States. If undersigned promise(s) to pay such sum as the Court may fix as attorney's fees in said action.

This note is secured by a DEED OF TRUST of even date herewith.

(type name here)

(type name here)

DO NOT DESTROY THIS NOTE: When paid, this note with
Deed of Trust securing same must be surrendered
to trustee for cancellation before reconveyance
will be made.

*A Lis Pendens is a lien on a property notifying the world that a pending legal action involves said property. Until it is removed, you cannot close escrow.
If your property has a Lis Pendens recorded against it, this is the only document you can use to have the Lis Pendens removed.*

NOTICE OF CANCELLATION OF LIS PENDENS

The undersigned, _____, has heretofore recorded a Notice of Lis Pendens on the _____ day of _____, 20_____, as Document No. _____ in Book No. _____, against the following described property situated in the State of Nevada, County of Clark:

APN:

The undersigned hereby states the legal action concerning the property has been resolved and requests the Office of the County Recorder, Clark County, Nevada, mark the aforementioned Lis Pendens cancelled and discharged of record in the books in which same is entered and docketed.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20_____.

Signature _____

Print or type name

STATE OF NEVADA }

RECORDING REQUESTED BY AND MAIL TO

SS #

COUNTY OF ()

NAME

ADDRESS

This instrument was acknowledged before me on _____
(date)

CITY/ST/ZIP

BY

If applicable mail tax statements to

NAME

(Names of Person(s))

ADDRESS

Notary Public

CITY/ST/ZIP

SPACE BELOW THIS LINE FOR RECORDERS USE ONLY
After Recording Return To:

-----[Space Above This Line For Recording Data]-----
DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) **“Security Instrument”** means this document, which is dated _____, _____, together with all Riders to this document.
- (B) **“Borrower”** is _____. Borrower is the trustor under this Security Instrument.
- (C) **“Lender”** is _____. Lender is a _____ organized and existing under the laws of _____. Lender’s address is _____. Lender is the beneficiary under this Security Instrument.
- (D) **“Trustee”** is _____.
- (E) **“Note”** means the promissory note signed by Borrower and dated _____, _____. The Note states that Borrower owes Lender _____ Dollars (U.S. \$ _____) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than _____.
- (F) **“Property”** means the property that is described below under the heading “Transfer of Rights in the Property.”
- (G) **“Loan”** means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
- (H) **“Riders”** means all riders to this Security Instrument that are executed by Borrower. The following riders are to be executed by Borrower [check box as applicable]:
- Adjustable Rate Rider Condominium Rider Second Home Rider
 Balloon Rider Planned Unit Development Rider Other(s) [specify] _____
 1-4 Family Rider Biweekly Payment Rider _____
- (I) **“Applicable Law”** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
- (J) **“Community Association Dues, Fees and Assessments”** means all dues, fees, assessments and other

charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

- (K) **“Electronic Funds Transfer”** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
- (L) **“Escrow Items”** means those items that are described in Section 3.
- (M) **“Miscellaneous Proceeds”** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
- (N) **“Mortgage Insurance”** means insurance protecting Lender against the nonpayment of, or default on, the Loan.
- (O) **“Periodic Payment”** means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
- (P) **“RESPA”** means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, “RESPA” refers to all requirements and restrictions that are imposed in regard to a “federally related mortgage loan” even if the Loan does not qualify as a “federally related mortgage loan” under RESPA.
- (Q) **“Successor in Interest of Borrower”** means any party that has taken title to the Property, whether or not that party has assumed Borrower’s obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower’s covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower, in consideration of the debt and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the

_____ of _____:
[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

which currently has the address of _____
[Street]
_____, _____ (“Property Address”):
[City] [State, Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record and liens for taxes for the current year not yet due and payable.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

- 1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

- 2. Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment

received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

- 3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than twelve monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than twelve monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. **Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of

insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. **Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.
7. **Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the

Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. **Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.
9. **Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. **Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain

coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until the Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

- 11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender. If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds. Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

- 12. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.
- 13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

- 14. Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note).

Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

- 15. Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.
- 16. Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.
- 17. Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument.
- 18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five (5) days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

- 21. Hazardous Substances.** As used in this Section 21: (a) “Hazardous Substances” are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) “Environmental Law” means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) “Environmental Cleanup” includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an “Environmental Condition” means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

- 22. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower’s breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option, and without further demand, may invoke the power of sale, including the right to accelerate full payment of the Note, and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys’ fees and costs of title evidence. If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute written notice of the occurrence of an event of default and of Lenders’ election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the persons prescribed by Applicable Law.

Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

24. Substitute Trustee. Lender at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

25. Assumption Fee. If there is an assumption of this loan, Lender may charge an assumption fee of U.S. \$ _____.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Borrower

Borrower

State of Nevada

(County) of _____

This instrument was acknowledged before me on _____ (date) by _____
(name(s) of person(s)).

(Seal, if any)

(Signature of notarial officer)

_____ Title (and Rank)

My commission expires: _____

A Quitclaim Deed transfers without warranty whatever interest or title a grantor may have at the time the conveyance is made. You will use this document frequently when working with couples that are divorcing. This deed does convey title, but we prefer to have the seller sign a regular deed.

RECORDING REQUESTED BY:

WHEN RECORDED MAIL AND, UNLESS OTHERWISE SHOWN BELOW, MAIL TAX STATEMENTS TO:

Order No.
Escrow No.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Quitclaim Deed

On this day, «Seller1»and «Seller2», GRANTOR(s),

DECLARE(s) that for and in consideration of the sum of \$10 and other good and valuable consideration, receipt of which is hereby acknowledged, does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

_____ Grantee(s)

the following described real property in the City of _____,
County of _____, State of _____:

«PropertyLegal»

TO HAVE AND HOLD the same, together with all and singular the appurtenances thereunto, of all interest, equity and claim whatsoever the Grantor(s) may have, either in law or equity, for the proper use, benefit and behalf of the Grantee(s) forever.

Dated _____

STATE OF _____ **Seller, Grantor 1**

COUNTY OF _____ } S.S.

On _____ before me, _____

_____ **Seller, Grantor 2**

personally appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies). And that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. (This area for official notarial seal.)

Signature _____

MAIL TAX STATEMENTS AS DIRECTED ABOVE

*This letter instructs the escrow company that is holding funds on the property
you just bought to release the funds to you, the new owner.*

ESCROW LETTER

To Whom It May Concern:

At the time my loan, number _____, is paid off, or if the insurance policy is changed to canceled, please apply any remaining balance in my escrow account to reduce the loan amount and so reflect on your payoff letter.

Thank you for your cooperation.

Signature

Date

Social Security Number

Print Name

Signature

Date

Social Security Number

Print Name

Property Address

January 5, 2003

Dear folks at ABC Home Equity,

Thank you for your great service. I am writing this letter to request that you send all my monthly equity line statements to my new bookkeeper:

Eugene J. Burns
P.O. Box 1234
Las Vegas, NV 89126

Eugene will be paying my bills for me. As always, if there is a problem please contact me directly.

Thank you,

Kimberly T. Cummins
Kimberly T. Cummins

Chase Manhattan Mortgage Corporation
3415 Vision Drive
Columbus, OH 43219
1-800-848-9136 Customer Service
1-800-582-0542 TDD / Text Telephone

July 10, 2002

953.75

~~████████████████████~~
██████████ Walingwood Drive
North Las Vegas, Nevada 89031-5015

RE: CMMC Loan # 1930079213

Dear Mortgagor:

The investor has approved your request for a Loan Modification. The new interest rate will be at 7.5% effective August 1, 2002, through and including March 1, 2028, until principal and interest are paid in full. The new Principal & Interest is \$787.35 and Escrow is \$166.40, for a total per month of \$953.75 starting with the August 1, 2002 payment, until further notice.

Please forward a cashiers check or money order(s) (only), (payable to Chase Manhattan Mortgage Corporation) in the amount of \$3,060.99 for Late charges, Foreclosure fees, Property Inspection fees, plus other miscellaneous fees previously discussed. **Your next payment of \$953.75 will be due on August 1, 2002.**

+ 3109+33.47 4045.83 4999.58

Failure to return this Loan Modification Agreement and the money by the stipulated date will cause the modification agreement to be cancelled and the collections and/or foreclosure process to continue immediately. There will not be another opportunity to modify your loan.

Enclosed are two copies of the modification agreement that must be signed by you and notarized by a notary public and witnessed by two unbiased parties. Both copies of the Loan Modification Agreement and the money must be returned by July, 2002 to the address below:

Chase Manhattan Mortgage Corporation
3415 Vision Drive
Columbus, OH 43219-6009
Attention: Denise Favours/Homeowner's Assistance Department

All mortgage payments are due on the first of each month.

During the modification process, please forward all monthly payments to the address above in the form of a cashiers check or money order(s). You will not receive statements during this process. Upon completion, you will receive a letter directing you where to send future payments.

**Late charges will be assessed if the payments are not received by the 16th day of each month.

Should you have any questions or comments, please contact at 800-446-8939 between the hours of 8:00 A.M. to 4:00 P.M. EST.

Sincerely,



Denise Favours
Homeowner's Assistance Analyst
Enclosure

This letter gives notice to the insurance company that the seller has put the property into a trust and has named the buyer as the trustee.

May 12, 2003

RE: Policy Number _____ for _____ Las Vegas, Nevada

Dear Sir or Madam:

We recently put our property into trust for financial planning reasons. Please change our policy to reflect that the "named insured" should be _____, Trustee of the _____ Land Trust created _____ 2003. Obviously you will still keep our lenders on the policy as "additionally insured parties."

If you have any questions, please call _____.

Also, please change the mailing address for your records

Thank you,

P.S. We are no longer going to be using the house as a primary residence so we'll need to make sure that the policy reflects that it will be an income property. We are hoping this will lower our insurance costs, but you can work through that with our trustee. Thanks again for your help!

GREATER LAS VEGAS ASSOCIATION OF REALTORS[®]

1760 E. SAHARA AVE. • LAS VEGAS, NEVADA 89104-3706 • (702) 732-8177



Multiple Listing Service



WITHDRAWAL/TERMINATION ORDER

ADDRESS/DESCRIPTION 2205 [REDACTED] MLS# [REDACTED]
MLS AREA 103 PROPERTY TYPE flor CURRENT PRICE \$ 259,000
TO: [REDACTED] COMPANY

The undersigned, being the owner(s) of property described above, hereby authorizes the following changes, which are to be made a part of the original listing contract:

WC (1) Withdrawal from the Multiple Listing Service (does not terminate listing contract).
Conditional (list conditions) -- Effective Date _____

WU (2) Termination of Listing Contract and Withdrawal from the Multiple Listing Service.
Unconditional (list exceptions) -- Effective Date 18 July 02

The receipt of a copy of this authorization is hereby acknowledged.

Broker [REDACTED] Owner [Signature]
Listing Agent [REDACTED] Owner
Date [REDACTED] 20[REDACTED] 20[REDACTED]

NOTE:

THIS FORM DOES NOT CONSTITUTE A VALID WITHDRAWAL/TERMINATION ORDER UNLESS SIGNED BY THE BROKER OF THE LISTING OFFICE.

THE OTHER SIDE OF THE COIN: The Rent-to-Own Equation

The key to successful property ownership is finding the right people to put into your property. The traditional renter is just that – a renter – someone who doesn't take care of your property and constantly calls you to fix things.

The only way we want to control single-family homes, is to find people with an "owner" mentality. For example, people who want to own homes but have had some credit problems in the past or those who can't qualify to purchase a house in the traditional way.

The people looking for rent-to-buy or lease-to-own properties have good jobs, but still have some credit

challenges. These people will take better care of your home, because they are planning to buy it. Think about it. You have just solved the number-one reason people don't like to invest in homes: fixing toilets and other maintenance requirements you, as a landlord, are expected to provide. The solution is to give nice people a second chance to own their own homes.

You will always demand an option payment or down payment from the prospective rent-to-own buyer. This large down payment helps insure the rent will always be on time, because they know if they miss a rent payment they will forfeit the option to purchase the house and lose their option or down payment money.

I have tried several methods, and the one that works best for me is the Sunday real estate classifieds. I place my ads in the *Homes for Sale and Unfurnished Homes for Rent* sections.

I have also created a Web site that costs only \$240 a year to run. Its address is <http://renttoownlv.com>. On it, I feature photos of properties with their descriptions and prices. This Web site has been very lucrative for me.

I also have a 24-hour voicemail system in place. That way, I'm not bothered at home, and I can check it several times a day. I just contact the voicemail company and send new scripts every time I have a new property.

I place very professional-looking Rent-to-Own signs in the front yards of my rental properties, along with a weather-protected flyer dispenser. (I make sure the dispenser is always full!) I even visit the neighbors and introduce myself as representing the property. I tell them I'm looking for someone who'll fit nicely into the neighborhood. People are often excited by the chance to pick their own neighbor.

I've also created a Wanted Poster that advertises a reward to anyone who finds a good rent-to-own person for me. I've tried open-house events, but I find them tedious and not a good use of my time. Still, if you have one only house, you may want to hold an open house and have very professional-looking signs made.

Another great way to find the right people to rent-to-own property is to contact religious centers and give out flyers. Las Vegas churches are filled with congregants who'd like to live closer – and your property is a perfect solution for them.

Once You've Found Them

In your recorded message, mention that a down payment is required. Never say how much you require, just instruct them to tell you how much they have to work with. Remember, you will need at least \$1,000 more than the first, last and security deposit. If you get less than that, you have a renter. Obviously, you never have to call back the people who don't have any down payment.

I always instruct people to drive by the house first to see if it's something they'd be interested in. I then have them call me if they'd like to see the inside.

If they like it, I tell them to bring their checkbook for the credit application and to hold the property. I also tell them that these types of homes go very quickly – which they do – so they should be ready to make a decision.

When you find several candidates, invite them all over at the same time. This causes competition for the property and makes serious people commit faster.

Request that each person interested in the property fill out a credit application for \$20. If they do not fill one out, you can tell they're not serious, and you can move on to the next person. Make sure you can read the credit application, and ask if they have a relative you can call in order to verify the information.

After you run a credit check, verify their employment and their ability to pay the rent, require the down payment and first month's rent in advance in the form of a cashier's check. Never take the property off the market until you have at least a \$1,000 non-refundable deposit.

The Worksheet

When I acquire a house, I immediately include at least a \$15,000 profit for myself. Based on the incorporated profit, I show the prospective buyer how much the house will cost at the end of two years. I have enclosed an excellent rent-to-buy worksheet to explain that cost.

Tell them that they must rent the house for two years and have each month's rent in on time. Only at the end of two years will they have an exclusive option to buy the home. They will not be obligated to buy, but they will give up their down payment.

Depending on how much appreciation the area has experienced, I usually go with 6% appreciation for myself, making sure the buyer will have some built-in appreciation if they decide to buy in two years.

The Final Paperwork and Meeting

I have included the Lease Agreement and the separate Option Agreement. Make sure you emphasize that

they must follow all the agreements on the lease. If they do so, they – and only they – will have an exclusive option to buy the house. But if life changes, they will not be forced to buy the house, as with other lease-option programs.

Remember, they will not have an equitable interest in the home, and they are not to record anything against the home. They are renters, and as such, if you have to

evict them, it is easier than if they had an equitable interest. In that instance, you would have to foreclose on them, and that is not easy to do.

Since they are going to own the home, make it crystal clear that you do not fix anything. I tell them this several times. Not only do I not fix anything, I do not know how to fix anything, and you would never want me to fix anything of yours.

1. The best method is to find a tenant first, then find the house.
2. Once you have locked up the property, start your marketing. **DO NOT WAIT!**
3. Introduce yourself to the neighbor on each side and request that they help you fill the property.
4. Contact your buyer's agent and place the property back on MLS as Rent-to-Own or Lease Option.
5. Post a professional sign with your Web site or e-mail address on it.
6. Run ads in the Sunday real estate section of the local newspaper. If the house is less expensive, use smaller publications, such as *The Nifty Nickel* and military newspapers.
7. If you have a Web site, post a photo and the highlights of the house on it.
8. Deliver your Wanted Poster to every home in the neighborhood.
9. Contact local religious centers, churches and temples with the Wanted Poster.
10. Send letters to the relocation manager and human resources manager of the largest employers in the area.
11. Keep track of the day you controlled the property and make a timeline from the highest rent to how low you will go after 90 days.
12. Search the Web for relocation companies and offer a referral fee if they bring you a client.
13. Try your local chamber of commerce to get a free link.
14. Hook up with the owner of a large apartment building who has incentive programs for tenants to assist them with Rent-to-Own homes if they remain good tenants.
15. Hold an open house and place Wanted Posters everywhere.
16. Find out when a big yard sale is planned and hold your open house on the same day.
17. Have a new realtor use your house to practice holding open houses.
18. Make business cards that have your Rent-to-Own information on it and pass them out everywhere.
19. If you haven't rented the property in 90 days, consider using HUD as a Section 8.
20. If all else fails, place an ad that reads **MUST SELL – LOW DOWN – OWC** and sell it as a Lease Option, Contract of Sale or Rent-to-Own. Just be sure to always leave at least a \$15,000 profit in it for you.

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NW
RENT TO OWN!!!
(800) 555-1212
www.website.com

NW: Near Ann Rd/95
4/3 w/ Fam rm, backyd,
5733 Heather Wood St.
\$1195

NW: Near Simmons &
Lone Mtn. 3/2 w/ fam.
room & backyard.
2621 Tahiti Ave. \$1195.

Summerlin near DI/215
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All homes are New &
come w/ appliances +
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**Nice family to live in your
Neighborhood!**

We specialize in Rent to Own homes.
This means there are no banks to deal with
and you don't have to have perfect credit.

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or to get a free listing of other rent to own
homes, simply call (800) 555-1212 or
e-mail _____**

**1234 Main Street
(800) 555-1212
www.website.com**



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- Rented Out
- Debt Relief
- AZ Qual-Loans
- Vegas Links
- Partners
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*If you have any credit problems
we can still get you a new home.*



VLV HOUSING
(800) 555-1212

Fax: (800) 555-1112
email: yourname@email.com

Rent to Own this Month!

Now anyone can have the American Dream of owning his or her own home. This system was designed for good people that had some credit challenges in the past. All we ask is that you come up with a small down payment, pay the monthly rent on time and keep the home in good condition, and at the end of 2 years you will have an exclusive option to buy the home, but not an obligation to buy. We apply all your down payment to the purchase of the home and allow extra money to be paid every month to be used as rent credits.

Rent to Own Homes in Las Vegas

Rent To Own LV for all your rent to own needs including, Las Vegas rent to own, rent to own las vegas, las vegas rentals to own, renttoown las vegas, las vegas rentals and own, las vegas rent to own homes, rent to own home las vegas, Las Vegas rent to own, rent to own las vegas, las vegas rentals to own, renttoown las vegas, las vegas rentals and own, las vegas rent to own homes, rent to own home las vegas. You can own in Las Vegas instead of just renting.

Lease to Own Las Vegas for all your leasing needs including, Las Vegas Lease to own, lease to own Las Vegas, Las Vegas Lease to own, Lease to own Las Vegas, leasetoown Las Vegas, lease properties, Lease to own Vegas, You can own instead of just renting

Hello and thanks for calling.

If you are not familiar with Rent-to-Own, this could be the perfect way to own your next home. All we ask is that you pay the rent on time for 2 or 3 years, keep the home in good condition and then we will sell you the property at the agreed upon time and price. Nothing could be easier!

Currently, we have one property, which is located in NW Las Vegas off Simmons and Lone Mountain. This is a new home with 3 bedrooms, 2 full bathrooms, a large family room and a big back yard. The rent for this home is only \$1,600 per month with Rent Credits.

Here's what you need to do for us. Please drive by the home to see if this is the property and neighborhood you would love to live in. If this is the home you want, simply call us back and we will set up a time for you to view the property. Upon signing the agreements you will need an option payment that will not be less than \$5,000.00.

Thanks for your call and we look forward to working with you.

RENT TO OWN



3 Bed 2 Full Baths & Den
Big Back Yard
Near shops and schools

1234 W. Main Street, Las Vegas

(800) 555-1212

Address of property: _____

To guarantee compliance with the Federal Fair Housing Acts, a separate application and a \$20.00 non-refundable processing fee is required for each person over the age of 18 who will reside at the property.

Current monthly rent or house payment _____ Date you would like to move _____

Name _____ Social Security Number _____

Home phone _____ Work phone _____

Drivers License no. _____

Address _____ City _____ State _____ Zip _____

How long at present address? _____ Occupancy dates _____

Why moving? _____

Landlord's name and phone no. _____

Before that I lived at _____

Occupancy dates _____

Landlord's name and phone no. _____

Current employer _____ Phone _____

Address _____ City _____ State _____ Zip _____

Position/job description _____ Monthly take-home pay _____

Superior's name and position _____ Phone no. _____

How long have you been working there? _____

In Case of Emergency Contact _____

Address _____

Phone _____ Relationship _____

CREDIT REFERENCES AND BANK ACCOUNTS

1. BANK ACCOUNT _____

2. CREDIT REFERENCES _____

3. CREDIT CARDS _____

4. CREDIT CARDS _____

DATE

APPLICANT'S SIGNATURE

Date of Birth

Applicant hereby authorizes Landlord to verify this application through an Investigative Report and a Credit Report. A non-refundable fee of \$20.00 for processing is required before verification can begin.

Date ____/____/____

_____ (“Tenant”) has deposited \$_____ (the “Deposit with
_____ (“Landlord”), as consideration for Landlord’s preparation of lease and option
purchase documents for the property located at _____ (the “Property”).

Landlord shall have the option to apply the Deposit to the last month’s rent, security deposit or any option payment in its sole and absolute discretion. The Deposit is refundable only as prescribed by the terms and conditions of any lease and/or option purchase agreement entered into between the Landlord and the Tenant. Tenant acknowledges that Landlord shall incur certain costs in removing the Property from the rental market and in preparing the lease and/or purchase option documents. If no further agreement is entered into between Tenant and Landlord, this Deposit shall be forfeited by Tenant to Landlord as liquidated damages.

The Deposit shall in no way act as an option payment to purchase the Property. Any such option payment must be deposited with Landlord pursuant to a separate Option Agreement entered into between Landlord and Tenant.

(Tenant)

Deposit Received \$_____

(Landlord and/or Agent for Landlord)

Purchased home for: \$ _____

Comps out at: \$ _____

Added-profit and holding costs: \$ _____

Asking price as of the day you placed house on market: \$ _____

Appreciation (determined by the location): **13% - 20%**

Average appreciation in Las Vegas: 13%

Seller (you) take: _____%

Buyer gets: _____%

You multiply \$ _____ x _____ % = cost of home year 1 \$ _____

You then take \$ _____ x _____ % = final cost end of year 2 \$ _____

Show what the equity will be if the home appreciates at _____%.

\$ _____ x _____ % = \$ _____ + \$ _____ = in year 1 \$ _____

\$ _____ x _____ % = \$ _____ + \$ _____ = total appreciation \$ _____

Now compare what you are selling the property for \$ _____

What the home will be worth at the end of 2 years \$ _____

They will have equity \$ _____

Your Profit **CONFIDENTIAL** \$ _____

Not only have you allowed the buyer to rent-to-own a home from you, but you have also ensured they will have shared appreciation.

This Residential Lease (this "Lease") dated as of _____, 200__ is entered into by and between _____, LLC, a _____ limited liability company (the "Landlord") and _____ (the "Tenant").

SECTION 1. LEASE.

Landlord hereby leases to Tenant, and Tenant leases from Landlord, the premises located at _____ (collectively, the "Leased Premises"), on the terms and conditions contained in this Lease.

SECTION 2. TERM.

The term of this Lease shall commence on _____, 200__, for a period of ____ months, until _____, 200__. If the Landlord and Tenant mutually agree, the parties may enter into a new lease for a specified term. If no new lease is entered into, this Lease shall continue on a month-to-month basis, until either Landlord or Tenant terminates this Lease upon thirty (30) days prior written notice to the other (the "Term").

SECTION 3. DEPOSIT.

Tenant has delivered to Landlord a deposit in the amount of _____ Dollars (\$_____) (the "Deposit"). The Deposit shall be held by Landlord as security for the performance of Tenant's obligations under this Lease pursuant to Section 17 (the "Security Deposit").

SECTION 4. RENT.

Rent shall be _____ Dollars (\$_____) per month (the "Monthly Rent"), payable in advance, due on the first (1st) day of each calendar month to Landlord or Landlord's authorized agent at the following address: _____, or at any other place designated by Landlord from time to time. If Tenant takes possession of the Leased Premises on a date other than the first day of a calendar month, the first rent payment shall be prorated in accordance with the then remaining number of days in the month. Tenant agrees to pay a charge of One Hundred Dollars (\$100.00) for each dishonored check.

SECTION 5. UTILITIES.

Tenant shall be responsible for making arrangement for the timely payment in full of all amounts due relating to any and all utilities and services to the Leased Premises incurred during the Lease Term, except for _____, which shall be paid by Landlord. Landlord shall not be in default of this Lease, and shall not be responsible or liable in any manner for any damage or nuisance to Tenant as a result of: (a) the installation, usage, or interruption in use of any utility or service; (b) any failure or delay in furnishing such utility or service when such failure is beyond the control of Landlord or is associated with necessary repairs or alterations to the Leased Premises; or (c) any curtailment or rationing of any utility or service. For any utility or service paid for or provided by Landlord hereunder, Tenant shall use such utility or service in amounts reasonably required in connection with use of the Leased Premises as a residence as stated in Section 6 and, when applicable, reasonably commensurate with the average usage of such utilities or services for the same period of time in prior years. Tenant shall be liable to pay Landlord for any excessive utility and service usage in violation of this Section 5 in the amount of the difference between the actual usage and reasonable usage.

SECTION 6. USE.

The Leased Premises shall be used as a private dwelling with no more than _____ (____) persons inhabiting the Leased Premises during any month, and for no other purpose, without Landlord's prior written consent. Without Landlord's prior written consent, Tenant may not use or maintain a waterbed on the Leased Premises. Tenant may not repair any automobiles or any other motor vehicles, heavy machinery, or equipment, anywhere on the Leased Premises or in or around the building of which the Leased Premises

are a part, including the parking area, garage, and driveway. Tenant agrees not to keep or maintain any pets on the Leased Premises without the prior written consent of Landlord, which consent Landlord may withhold in Landlord's sole discretion. Tenant agrees to comply with any covenants or agreements pertaining to the use of the Leased Premises, including, but not limited to, any declaration of covenants, conditions, and restrictions ("CC&Rs") pertaining to the Leased Premises, whether in force as of the commencement of the Lease Term or thereafter enacted. Tenant further agrees to comply with any and all rules and regulations adopted by Landlord pertaining to the Leased Premises, whether in force as of the commencement of the Lease Term or thereafter enacted.

SECTION 7. COMPLIANCE WITH LAW.

Tenant shall comply with all laws, statutes, ordinances, and requirements of all city, county, state, and federal authorities now or later in force pertaining to the use of the Leased Premises including, without limitation, the CC&Rs. Tenant shall be solely responsible for and shall indemnify, defend, and hold harmless Landlord for any liability, costs (including reasonable attorneys' fees), losses, fines or claims asserted against Landlord with respect to, arising out of, or related to Tenant's failure to comply with any laws, statutes, ordinances, or requirements of all city, county, state, or federal authorities now or later in force pertaining to the use of the Leased Premises including, without limitation, a violation or failure to comply with the CC&Rs.

SECTION 8. MAINTENANCE AND ALTERATIONS.

Except as set forth in this Lease, Tenant agrees that as of the delivery of possession the Leased Premises are in good working order and repair. Landlord may, at any time prior to Tenant's entry into possession, give Tenant a detailed inventory of furniture, fixtures, and furnishings in the Leased Premises, and Tenant shall be deemed to have possession of all the furniture, fixtures, and furnishings in good condition and repair, unless Tenant objects in writing within five (5) days after receipt of the inventory. Tenant shall, at Tenant's own expense and at all times, maintain the Leased Premises in good working order and repair, including all equipment, appliances, furniture, fixtures, and furnishings, and shall surrender the Leased Premises at termination of this Lease in as good condition as received, normal wear and tear excepted. Tenant shall be responsible for damages caused by Tenant's negligence and that of Tenant's family, invitees, and guests. Tenant shall also be responsible for any damage to the Leased Premises caused by pets or animals owned by Tenant, Tenant's family, invitees, or guests. Tenant shall not paint, paper, or otherwise redecorate or make alterations in any manner to the Leased Premises without the prior written consent of Landlord. Any alterations or improvements shall be made in a good and workmanlike manner, by persons approved by Landlord, and shall be diligently prosecuted to completion. Tenant shall not commit or allow any person to commit any act resulting in the destruction, defacement, damage, impairment, or removal of any part of the Leased Premises, including, without limitation, wall, ceiling, and floor coverings, or the furniture, fixtures, and furnishings of the Leased Premises.

SECTION 9. ENTRY.

Landlord shall have the right to enter the Leased Premises for the purposes of making necessary or agreed repairs and for showing the Leased Premises to prospective tenants, purchasers, or mortgagees, provided that, except in the case of an emergency, such entry shall be made during normal business hours and upon at least twenty-four (24) hours' prior notice. In the case of an emergency or Tenant's abandonment or surrender of the Leased Premises, Landlord or Landlord's agent may enter the Leased Premises at any time without obtaining Tenant's prior consent. Tenant agrees not to change the locks or add locks to the entrances of the Leased Premises without the prior consent of Landlord and without providing Landlord with a key to any new or additional locks.

SECTION 10. INDEMNIFICATION.

Landlord shall not be liable for any damage or injury to Tenant or any other person, or to any property, occurring on the Leased Premises or any part of the Leased Premises or in common areas, unless the damage is the proximate result of the negligence or willful misconduct of Landlord, Landlord's agents, or Landlord's employees. Tenant agrees to indemnify, defend, and hold harmless Landlord for any liability, costs (including reasonable attorneys' fees), or claims for personal injuries or property damage caused by the negligent, willful, or intentional act or omission to act of Tenant or Tenant's guests or invitees, or from any unauthorized liens placed on the Leased

Premises, including, but not limited to, mechanics' liens and judgment liens, placed on the Leased Premises by Tenant, at Tenant's direction, or occurring in any manner as a result of Tenant's occupancy of the Leased Premises. Each party hereto waives the right of subrogation against the other party.

SECTION 11. DELAY OF POSSESSION.

If delivery of possession of the Leased Premises by Landlord at the commencement of the Term is delayed, other than by any act or omission of Tenant, Landlord shall not be liable for any damage caused by the delay, nor shall this Lease be void or voidable, but Tenant shall not be liable for any rent until possession is delivered. Tenant may terminate this Lease by giving Landlord at least five (5) days' written notice if possession is not delivered within ten (10) days of the commencement of the Term.

SECTION 12. ASSIGNMENT AND SUBLETTING.

Tenant shall not assign this Lease or any interest under this Lease or sublet the Leased Premises or any portion of the Leased Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld. Landlord's consent shall not be deemed unreasonably withheld for any reasonable objection, including, but not limited to the following: (a) the proposed assignee or subtenant does not have the financial ability or stability to carry out the tenant's obligations under this Lease; (b) the proposed assignee or subtenant would change the use of the Leased Premises; (c) the proposed assignee or subtenant has a poor credit history or poor history with previous landlords; or (d) the proposed assignee or subtenant does not satisfy the standards then used by Landlord for approving tenants in the building in which the Leased Premises are located.

SECTION 13. ABANDONED PROPERTY.

If Tenant abandons or surrenders the Leased Premises, Landlord may consider any personal property left on the Leased Premises to be abandoned and may dispose of it in the following manner: (a) Landlord shall cause the removal, inventory, and storage of the personal property for at least thirty (30) days following the end of the Lease Term or abandonment of the Leased Premises by Tenant, as applicable, whereupon Landlord may charge Tenant the reasonable costs of removal, inventory, and storage and may deduct such amount from the Security Deposit or seek any other available remedies; and (b) after expiration of thirty (30) days, Landlord may sell or keep the property in satisfaction of Landlord's reasonable costs incurred, including all amounts owing to Landlord under this Lease, and costs of removal, inventory, and storage of the personal property, provided that Landlord has first mailed a notice of Landlord's intention of doing so at Tenant's last known address and has allowed Tenant at least fourteen (14) days' time to respond; or (c) Landlord may act in any manner allowed by state law or other applicable law. Landlord shall not be responsible for damage to abandoned property while in Landlord's possession unless caused by the willful act or negligence of Landlord.

SECTION 14. SUBORDINATION.

This Lease is and shall be subject and subordinate to the lien evidenced by the recording of any deed of trust, UCC-1 financing statement, or similar instrument in the _____ County, _____, Records; provided, however, that any creditor of Landlord may elect, at its sole option, that its security interest shall be subordinate in whole or part to this Lease. Within ten (10) days after written request of Landlord, or of any holder of any deed of trust or other security interest affecting the Leased Property, Tenant shall in writing subordinate its rights under this Lease. However, Tenant shall be entitled to obtain from Landlord or any lender or other person requesting such subordination a written agreement providing that as long as Tenant is not in Default (as hereinafter defined) hereunder, this Lease shall remain in full force and effect for the full Term.

SECTION 15. DEFAULT.

If Tenant fails to pay monthly rent when due, or fails to perform any term of this Lease, or abandons the Leased Premises, or denies Landlord access to the Leased Premises, or commits any other act defined as a default under this Lease, after not less than five (5) days' written notice of default given when and as required by law, then Tenant shall be deemed to be in default of its obligations under this Lease (a "Default").

SECTION 16. REMEDIES.

If the event of Default, except as limited by law, Landlord may elect to:

- (a) continue this Lease in effect and enforce all Landlord's rights and remedies under this Lease, including the right to recover the monthly rent as it becomes due; or
- (b) at any time, terminate all of Tenant's rights under this Lease and recover from Tenant all damages Landlord may incur by reason of the breach of this Lease, including, but not limited to, the cost of recovering the Leased Premises and the worth at the time of the termination or at the time of an award, if suit is instituted to enforce this provision, of the amount by which the unpaid monthly rent for the balance of the Term exceeds the amount of the rental loss that the Tenant proves could be reasonably avoided; or
- (c) pursue a judicial action seeking damages or injunctive relief against Tenant for recovery of the Leased Premises and for amounts owing to Landlord under this Lease; or
- (d) retake possession of the Leased Premises; or
- (e) pursue any and all other rights and remedies allowed under this Lease or allowed by law.

SECTION 17. SECURITY DEPOSIT.

Landlord shall not be obligated to pay interest on the Security Deposit or any portion thereof. Landlord will hold the Security Deposit for the full and timely performance by Tenant of Tenant's obligations under this Lease, including payment of monthly rent and cleaning, maintaining, and repairing the Leased Premises after surrender. If all or any portion of Tenant's Security Deposit is applied by Landlord during the Term of this Lease, Landlord may demand that Tenant replenish the full amount applied. Tenant's failure to replenish the amount within five (5) days after written demand will constitute a Default under this Lease. The balance of all unapplied Security Deposits and, if applicable, other deposits shall be refunded within thirty (30) days from the date possession is delivered to Landlord or Landlord's agent, together with a statement showing any charges made against the deposits by Landlord.

SECTION 18. ATTORNEY FEES.

In any legal action brought by either party to enforce the terms of this Lease or relating to the Leased Premises, the Prevailing Party (as hereinafter defined) shall be entitled to all costs incurred in connection with that action, including reasonable attorney fees. "Prevailing Party" shall include, without limitation, a party who dismisses an action in exchange for sums or performance allegedly due; the party who receives performance from the other party for an alleged breach of contract or a desired remedy when the performance is substantially equal to the relief sought in an action; or the party determined to be the prevailing party by a court of law.

SECTION 19. WAIVER.

No failure of Landlord to enforce any term of this Lease shall be deemed a waiver, nor shall any acceptance of a partial payment of rent due hereunder be deemed a waiver of Landlord's right to the full amount of rent. No waiver of any performance required of Tenant under this Lease shall be effective unless in writing and signed by Landlord.

SECTION 20. NOTICES.

Any notice to be given under this Lease shall be in writing and sent by: (a) certified mail, return receipt requested, in which case notice

will be deemed delivered three (3) business days after deposit, postage prepaid, in the United States Mail; (b) a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier; (c) hand delivery, in which case notice shall be deemed delivered upon receipt; or (d) telecopy or similar means if a copy of the notice is also sent by United States Certified Mail, in which case notice shall be deemed delivered on transmittal by telecopier or other similar means, provided that a transmission report is generated reflecting the accurate transmission of the notices, as follows:

If to Landlord:

Attn:

Fax Number:

If to Tenant:

Fax Number:

_____ is the name and address of the person authorized to manage the Leased Premises on behalf of Landlord.

SECTION 21. SUCCESSORS AND ASSIGNS.

This Lease is binding upon and inures to the benefit of the heirs, assigns, successors, executors, and administrators of Landlord and Tenant.

SECTION 22. TIME.

Time is of the essence in this Lease.

SECTION 23. HOLDING OVER.

Any holding over after expiration of the Lease Term, with the consent of Landlord, shall be construed as a month-to-month tenancy in accordance with the terms of this Lease, as applicable.

SECTION 24. LATE CHARGES AND DEFAULT INTEREST.

If Tenant fails to pay the Monthly Rent within five (5) days after the due date, Tenant agrees that it would be impracticable or extremely difficult to fix the actual damage to Landlord caused by that failure and therefore agrees to pay a late charge equal to the greater of five percent (5%) of the amount due or Five Hundred Dollars (\$500), which Tenant agrees represents a reasonable estimate of actual costs incurred by Landlord. Landlord shall also be entitled to recover interest on unpaid Monthly Rent amounts owing at the rate of ten percent (10%) per annum, commencing on the date on which the delinquent amount was due. The amounts due under this Section are in addition to and not in lieu of any other remedies of Landlord.

SECTION 25. CONSTRUCTION.

Headings at the beginning of each Section are solely for the convenience of the parties and are not a part of and shall not be used to interpret this Lease. The singular form shall include plural, and vice versa. This Lease shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to Sections are to this Lease.

SECTION 26. FURTHER ASSURANCES.

Whenever requested to do so by the other party, each party shall execute, acknowledge, and deliver any further conveyances, agreements, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents, estoppel certificates stating the terms of this Lease and specifying any deposits paid, and any further instruments and documents as may be necessary, expedient, or proper to complete any conveyances, transfers, sales, and agreements contemplated by this Lease. Each party also agrees to do any other acts and to execute, acknowledge, and deliver any documents requested to carry out the intent and purpose of this Lease.

SECTION 27. THIRD-PARTY RIGHTS.

Nothing in this Lease, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies under or by reason of this Lease.

SECTION 28. INTEGRATION.

This Lease and the attached exhibits contain the entire agreement between the parties regarding the subject matter of the Lease, and this Lease expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the parties regarding those matters.

SECTION 29. COUNTERPARTS.

This Lease may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

SECTION 30. AMENDMENT.

This Lease may not be amended or altered except by an instrument in writing executed by Landlord and Tenant.

SECTION 31. PARTIAL INVALIDITY.

Any provision of this Lease that is unenforceable or invalid or the inclusion of which would adversely affect the validity, legality, or enforcement of this Lease shall have no effect, but all the remaining provisions of this Lease shall remain in full force.

SECTION 32. EXHIBITS.

All attached exhibits are incorporated in this Lease by reference.

SECTION 33. JOINT AND SEVERAL LIABILITY.

If Tenant is more than one person, each person shall be jointly and severally liable for the performance of Tenant's obligations under this Lease.

SECTION 34. GOVERNING LAW.

The validity, meaning, and effect of this Lease shall be determined in accordance with _____ law.

Tenant has executed this Lease as of the date first above written.

TENANT

Name

TENANT'S SPOUSE (IF ANY)

Name

Landlord accepts and agrees to this Lease.

LANDLORD

By _____

_____, Manager

This Residential Lease with Purchase Option (this "Lease") dated as of this ____ day of _____, 200__ is entered into between _____, LLC, a _____ limited liability company (the "Landlord"), and _____ (the "Tenant").

SECTION 1. LEASE.

Landlord hereby leases to Tenant, and Tenant leases from Landlord, the premises located at _____ and all items of personal property located therein as of the date hereof (collectively, the "Leased Premises") on the terms and conditions contained in this Lease.

SECTION 2. TERM.

The term of this Lease shall commence on _____, 200__ and continue for a period of _____ (____) months (the "Term").

SECTION 3. DEPOSIT.

Within five (5) days of the date hereof, Tenant shall deliver to Landlord a deposit in the amount of _____ Dollars (\$_____) in immediately available funds (the "Deposit"). The Deposit shall be held by Landlord as security for the performance of Tenant's obligations under this Lease pursuant to Section 17.

SECTION 4. RENT.

Rent shall be _____ Dollars (\$_____) per month (the "Monthly Rent"), payable in advance, due on the first (1st) day of each calendar month to Landlord at the following address: _____, or at any other place designated by Landlord from time to time. Monthly Rent shall be paid in immediately available funds (e.g., cashiers' check, wire transfer) and shall be considered paid by Tenant only when actually received by Landlord. The amount of the Monthly Rent shall automatically increase by three percent (3%) on each one year anniversary of the Lease Term. If Tenant takes possession of the Leased Premises on a date other than the first day of a calendar month, the first Monthly Rent payment shall be prorated in accordance with the then remaining number of days in the month and shall be paid by Tenant on the date it takes possession of the Leased Premises. Tenant agrees to pay to Landlord, on demand, a charge of Twenty-five Dollars (\$25) for any dishonored check.

SECTION 5. UTILITIES.

Tenant shall be responsible for making arrangement for the timely payment in full of all amounts due relating to any and all utilities and services to the Leased Premises incurred during the Lease Term. Landlord shall not be in default of this Lease, and shall not be responsible or liable in any manner for any damage or nuisance to Tenant as a result of: (a) the installation, usage, or interruption in use of any utility or service; (b) any failure or delay in furnishing such utility or service when such failure is beyond the control of Landlord or is associated with necessary repairs or alterations to the Leased Premises; or (c) any curtailment or rationing of any utility or service.

SECTION 6. USE.

The Leased Premises shall be used as a private dwelling with no more than five (5) persons inhabiting the Leased Premises during any month, and for no other purpose, without Landlord's prior written consent. Without Landlord's prior written consent, which consent Landlord may withhold in Landlord's sole discretion, Tenant may not use or maintain a waterbed on the Leased Premises. Tenant may not repair any automobiles or any other motor vehicles, heavy machinery, or equipment, anywhere on the Leased Premises or in or around the building of which the Leased Premises are a part, including the parking area, garage, and driveway. Tenant shall not to keep or maintain any pets on the Leased Premises without the prior written consent of Landlord, which consent Landlord may withhold in Landlord's sole discretion, and Tenant shall not smoke or allow its guests or invitees to smoke inside of the Lease Premises. Tenant

agrees to comply with any covenants or agreements pertaining to the use of the Leased Premises, including, but not limited to, any declaration of covenants, conditions, and restrictions (“CC&Rs”) pertaining to the Leased Premises, whether in force as of the commencement of the Lease Term or thereafter enacted, and shall immediately reimburse Landlord for any cost or expense incurred by Landlord arising out of Tenant’s failure to comply with this provision. Tenant further agrees to comply with any and all rules and regulations adopted by Landlord pertaining to the Leased Premises, whether in force as of the commencement of the Lease Term or thereafter enacted.

SECTION 7. COMPLIANCE WITH LAW.

Tenant shall comply with all laws, statutes, ordinances, and requirements of all city, county, state, and federal authorities now or later in force pertaining to the use of the Leased Premises including, without limitation, the CC&Rs. Tenant shall be solely responsible for and shall indemnify, defend, and hold harmless Landlord for any liability, costs (including reasonable attorneys’ fees), loss, fines or claims asserted against Landlord with respect to, arising out of, or related to Tenant’s failure to comply with any laws, statutes, ordinances, or requirements of all city, county, state, or federal authorities now or later in force pertaining to the use of the Leased Premises including, without limitation, a violation or failure to comply with the CC&Rs.

SECTION 8. MAINTENANCE AND ALTERATIONS; RULES AND REGULATIONS.

- (a) **Maintenance and Alterations.** Except as set forth in this Lease, Tenant agrees that as of the date of delivery of possession the Leased Premises to Tenant, the Leased Premises are in good working order and repair. Landlord may, at any time prior to Tenant’s entry into possession, give Tenant a detailed inventory of furniture, fixtures, and furnishings in the Leased Premises, and Tenant shall be deemed to have possession of all the furniture, fixtures, and furnishings in good condition and repair, unless Tenant objects in writing within five (5) days after receipt of the inventory. Tenant shall, at Tenant’s own expense and at all times, maintain the Leased Premises in good working order and repair, including all equipment, appliances, furniture, fixtures, and furnishings, and shall surrender the Leased Premises at termination of this Lease in as good condition as received, normal wear and tear excepted. Tenant shall be responsible for damages caused by Tenant’s negligence and that of Tenant’s family, invitees, and guests. Tenant shall also be responsible for any damage to the Leased Premises caused by pets or animals owned by Tenant, Tenant’s family, invitees, or guests. Tenant shall not paint, paper, or otherwise redecorate or make alterations in any manner to the Leased Premises without the prior written consent of Landlord. Any alterations or improvements shall be made in a good and workmanlike manner, by persons approved by Landlord, and shall be diligently prosecuted to completion. Tenant shall not commit or allow any person to commit any act resulting in the destruction, defacement, damage, impairment, or removal of any part of the Leased Premises, including, without limitation, wall, ceiling, and floor coverings, or the furniture, fixtures, and furnishings of the Leased Premises.
- (b) **Rules and Regulations.** Without limiting the generality of Tenant’s obligations set forth in Section 8(a), Tenant shall observe the following rules regarding maintenance of the Leased Premises during the Term, in addition to any other rules or regulations later adopted by Landlord. Tenant shall:
- (i) Not obstruct the driveways, sidewalks, courts, entryways, stairs and/or halls, which shall be used for the purposes of ingress and egress only;
 - (ii) Keep all windows, glass, window coverings, doors, locks and hardware in good, clean order and repair;
 - (iii) Not obstruct or cover the windows or doors;
 - (iv) Not leave windows or doors in an open position during any inclement weather;
 - (v) Not hang any laundry, clothing, sheets, etc. from any window, rail, porch or balcony nor air or dry any of same within any yard area or space;

- (vi) Not cause or permit any locks or hooks to be placed upon any door or window without the prior written consent of Landlord;
- (vii) Keep all air conditioning filters clean and free from dirt;
- (viii) Keep all lavatories, sinks, toilets, and all other water and plumbing apparatus in good order and repair and shall use same only for the purposes for which they were constructed. Tenant shall not allow any sweepings, rubbish, sand, rags, ashes or other substances to be thrown or deposited therein. Any damage to any such apparatus and the cost of clearing stopped plumbing resulting from misuse shall be borne by Tenant;
- (ix) Shall (and shall cause its family members, guests and invitees to) at all times maintain order in the Leased Premises and at all places on the Leased Premises, and shall not make or permit any loud or improper noises, or otherwise disturb other residents or neighbors of the Leased Premises;
- (x) Keep all radios, television sets, stereos, phonographs, etc., turned down to a level of sound that does not annoy or interfere with other residents or neighbors of the Leased Premises;
- (xi) Deposit all trash, garbage, rubbish or refuse in the locations provided therefor and shall not allow any trash, garbage, rubbish or refuse to be deposited or permitted to stand on the exterior of the Leased Premises other than in a proper trash receptacle;
- (xii) Supply, test (on a regular basis) and maintain smoke detector(s), carbon monoxide detector(s) and fire extinguisher(s) on the Leased Premises, in such number and amount as is reasonable for the size and layout of the Leased Premises (but in any event, all separate rooms and hallways should have a separate smoke detector and there should be at least one carbon monoxide detector and at least three (3) fire extinguishers in the Leased Premises at all times.

Landlord reserves the right to modify, cancel or supplement the foregoing rules and regulations upon delivery of Notice to Tenant, and such rules and regulations, as modified, canceled or supplemented, shall be effective immediately.

SECTION 9. ENTRY.

Landlord shall have the right to enter the Leased Premises for the purposes of making necessary or agreed repairs and for showing the Leased Premises to prospective tenants, purchasers, or mortgagees, provided that, except in the case of an emergency, such entry shall be made during normal business hours and upon at least twenty-four (24) hours' prior notice. In the case of an emergency or Tenant's abandonment or surrender of the Leased Premises, Landlord or Landlord's agent may enter the Leased Premises at any time without obtaining Tenant's prior consent. Tenant agrees not to change the locks or add locks to the entrances of the Leased Premises without the prior consent of Landlord and without providing Landlord with a key to any new or additional locks.

SECTION 10. INDEMNIFICATION.

Landlord shall not be liable for any damage or injury to Tenant or any other person, or to any property, occurring on the Leased Premises or any part of the Leased Premises or in common areas, unless the damage is the proximate result of the gross negligence or willful misconduct of Landlord, Landlord's agents, or Landlord's employees. Tenant agrees to indemnify, defend, and hold harmless Landlord for any liability, costs (including reasonable attorneys' fees), or claims for personal injuries or property damage caused by the negligent, willful, or intentional act or omission to act of Tenant or Tenant's guests or invitees, or from any unauthorized liens placed on the Leased Premises, including, but not limited to, mechanics' liens and judgment liens, placed on the Leased Premises by Tenant, at Tenant's direction, or occurring in any manner as a result of Tenant's occupancy of the Leased Premises. Each party hereto waives the right of subrogation against the other party.

SECTION 11. DELAY OF POSSESSION.

If delivery of possession of the Leased Premises by Landlord at the commencement of the Term is delayed, other than by any act or omission of Tenant, Landlord shall not be liable for any damage caused by the delay, nor shall this Lease be void or voidable, but Tenant shall not be liable for any rent until possession is delivered. Tenant may terminate this Lease by giving Landlord at least five (5) days' written notice if possession is not delivered within thirty (30) days of the commencement of the Term.

SECTION 12. ASSIGNMENT AND SUBLETTING.

Tenant shall not assign this Lease or any interest under this Lease or sublet the Leased Premises or any portion of the Leased Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld. Landlord's consent shall not be deemed unreasonably withheld for any reasonable objection, including, but not limited to the following: (a) the proposed assignee or subtenant does not have the financial ability or stability to carry out the tenant's or obligations under this Lease; (b) the proposed assignee or subtenant would change the use of the Leased Premises; (c) the proposed assignee or subtenant has a poor credit history or poor history with previous landlords; or (d) the proposed assignee or subtenant does not satisfy the standards then used by Landlord for approving tenants in the building in which the Leased Premises are located. Any consent to the assignment of Lease shall not be deemed to be an assignment to the Option (as hereinafter defined).

SECTION 13. ABANDONED PROPERTY.

If Tenant abandons or surrenders the Leased Premises, Landlord may consider any personal property left on the Leased Premises to be abandoned and may dispose of it in the following manner: (a) Landlord shall cause the removal, inventory, and storage of the personal property for at least thirty (30) days following the end of the Lease Term or abandonment of the Leased Premises by Tenant, as applicable, whereupon Landlord may charge Tenant the reasonable costs of removal, inventory, and storage and may deduct such amount from the Deposit or seek any other available remedies; and (b) after expiration of thirty (30) days, Landlord may sell or keep the property in satisfaction of Landlord's reasonable costs incurred, including all amounts owing to Landlord under this Lease, and costs of removal, inventory, and storage of the personal property, provided that Landlord has first mailed a notice of Landlord's intention of doing so at Tenant's last known address and has allowed Tenant at least fourteen (14) days' time to respond; or (c) Landlord may act in any manner allowed by state law or other applicable law. Landlord shall not be responsible for damage to abandoned property while in Landlord's possession unless caused by the willful act or negligence of Landlord.

SECTION 14. SUBORDINATION.

This Lease is and shall be subject and subordinate to the lien evidenced by the recording of any deed of trust, UCC-1 financing statement, or similar instrument in the _____ County, _____, Records; provided, however, that any creditor of Landlord may elect, at its sole option, that its security interest shall be subordinate in whole or part to this Lease. Within ten (10) days after written request of Landlord, or of any holder of any deed of trust or other security interest affecting the Leased Property, Tenant shall in writing subordinate its rights under this Lease. However, Tenant shall be entitled to obtain from Landlord or any lender or other person requesting such subordination a written agreement providing that as long as Tenant is not in Default (as hereinafter defined) hereunder, this Lease shall remain in full force and effect for the full Term.

SECTION 15. DEFAULT.

If Tenant fails to pay Monthly Rent within five (5) days of when such payment was due (with no notice on the part of Landlord being required), or fails to perform any other obligation set forth in this Lease, or abandons the Leased Premises, or denies Landlord access to the Leased Premises, or commits any other act defined as a default under this Lease, after not less than five (5) days' written notice of default given by Landlord to Tenant at the address of the Leased Premises, then Tenant shall be deemed to be in default of its obligations under this Lease (a "Default"). Moreover, Tenant fully understands, acknowledges and agrees that the late payment of rent pursuant to

this Section shall constitute a material event of Default of this Lease which shall affirmatively act to terminate the Tenant's right to exercise its option to purchase the Leased Premises pursuant to Section 19.

Tenant's Initials _____

SECTION 16. REMEDIES.

In the event of Default, except as limited by law, Landlord may elect to:

- (a) continue this Lease in effect and enforce all Landlord's rights and remedies under this Lease, including the right to recover the monthly rent as it becomes due; or
- (b) at any time, terminate all of Tenant's rights under this Lease and recover from Tenant all damages Landlord may incur by reason of the breach of this Lease, including, but not limited to, the cost of recovering the Leased Premises and the worth at the time of the termination or at the time of an award, if suit is instituted to enforce this provision, of the amount by which the unpaid monthly rent for the balance of the Term exceeds the amount of the rental loss that the Tenant proves could be reasonably avoided; or
- (c) pursue a judicial action seeking damages or injunctive relief against Tenant for recovery of the Leased Premises and for amounts owing to Landlord under this Lease; or
- (d) retake possession of the Leased Premises; or
- (e) pursue any and all other rights and remedies allowed under this Lease or allowed by law.

SECTION 17. DEPOSIT.

Landlord shall not be obligated to pay interest on the Deposit or any portion thereof. Landlord will hold the Deposit for the full and timely performance by Tenant of Tenant's obligations under this Lease, including payment of Monthly Rent and cleaning, maintaining, and repairing the Leased Premises after surrender. If all or any portion of Tenant's Deposit is applied by Landlord during the Term of this Lease, Tenant shall replenish the full amount applied upon demand by Landlord. Tenant's failure to replenish the amount within five (5) days after written demand will constitute a Default under this Lease. The balance of all unapplied Deposits and, if applicable, other deposits shall be refunded within thirty (30) days from the date possession is delivered to Landlord or Landlord's agent, together with a statement showing any charges made against the deposits by Landlord.

SECTION 18. ATTORNEY FEES.

In any legal action brought by either party to enforce the terms of this Lease or relating to the Leased Premises, the Prevailing Party (as hereinafter defined) shall be entitled to all costs incurred in connection with that action, including reasonable attorney fees. "Prevailing Party" shall include, without limitation, a party who dismisses an action in exchange for sums or performance allegedly due; the party who receives performance from the other party for an alleged breach of contract or a desired remedy when the performance is substantially equal to the relief sought in an action; or the party determined to be the prevailing party by a court of law.

SECTION 19. PURCHASE OPTION.

In addition to all other rights that Tenant has under this Lease to use and occupy the Leased Premises during the Term, Landlord grants Tenant an option ("Option") to purchase the Leased Premises for the sum of _____ Dollars (\$_____) ("Purchase Price") on the following terms and conditions:

- (a) Option Consideration. As consideration for Landlord's grant to Tenant of the Option, Tenant shall, in addition to

performing its obligations hereunder (including, without limitation, the timely payment of the Monthly Rent), deliver to Landlord on the date hereof the sum of _____ Dollars (\$_____) (the "Option Consideration"), which shall be nonrefundable to Tenant.

(b) Payment of Purchase Price. The Purchase Price shall be payable as follows:

- (i) The Option Consideration shall be credited against the Purchase Price if Tenant exercises the Option and the purchase and sale of the Leased Premises is consummated. If Tenant does not exercise the Option prior to expiration of the Option or if Tenant exercises the Option but does not close the purchase of the Leased Premises, Landlord may retain the Option Consideration as Landlord's sole property as liquidated damages and as additional consideration for the Option.
- (ii) The amount of _____ Dollars (\$_____) of each timely payment of Monthly Rent made by Tenant under the Lease prior to exercise of the Option shall be credited against the Purchase Price if Tenant exercises the Option and the purchase and sale of the Leased Premises is consummated. If Tenant does not exercise the Option prior to expiration of the Option or if Tenant exercises the Option but does not close the purchase of the Leased Premises, Landlord may retain such amounts as Landlord's sole property as rent for the Leased Premises and as additional consideration for the Option.
- (ii) The amount of _____ Dollars (\$_____) shall be deposited in an escrow account (the "Escrow Account") upon exercise of the Option that is established by Landlord, with such amounts to be applied against the Purchase Price at the Closing (as hereinafter defined). If Tenant does not close the purchase of the Leased Premises, Landlord may retain all amounts in the Escrow Account as Landlord's sole property as liquidated damages and as additional consideration for the Option.
- (iii) The balance of the Purchase Price shall be due at the Closing and shall be delivered to the Escrow Account by cashier's check or other immediately available funds.

(c) Term of Option. This Option may be exercised at any time after the commencement of the Term and at any time prior to ninety (90) days preceding the date of expiration of the Term (the "Option Term"). Upon expiration of the Option Term or upon the occurrence of an event of Default, Landlord shall be released from all obligations under this Option, and all Tenant's rights pursuant to the Option shall cease.

(d) Transferability of Option. Notwithstanding Section 12, this Option may be assigned only with the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. The Option granted under this Lease is personal to Tenant and may not be separated from or transferred independently from the Lease.

(e) Exercise of Option. The Option shall be exercised by giving written notice (the "Exercise Notice") to Landlord (in the manner set forth in Section 21) prior to the end of the Option Term definitively indicating Tenant's desire to purchase the Leased Premises. It is a condition to the effectiveness of the Exercise Notice that Tenant not then be in default under the Lease, and that an event of Default has not occurred that remains uncured, or that a late payment of rent has been made. If Tenant is in default under this Lease at the time Tenant gives the Exercise Notice or if an event of Default shall have occurred and remain uncured, the Exercise Notice would then be void.

(f) Purchase Agreement. Promptly after receipt of the Exercise Notice, Landlord shall forward to Tenant, and Tenant shall execute, a purchase agreement in the form provided by Landlord and reasonably acceptable to Tenant, pursuant to which Tenant shall purchase the Leased Premises ("Purchase Agreement"). The Purchase Agreement shall provide, among other things, that:

- (i) The purchase and sale of the Lease Premises (the "Closing") shall be consummated as promptly as possible after delivery of the Exercise Notice, but in no event later than thirty (30) days after delivery of the Exercise Notice;

- (ii) Tenant will remain responsible for all obligations under the Lease (including, without limitation, payment of Monthly Rent), during the time period after exercise of the Option but prior to Closing;
- (iii) The Purchase Price shall be the amount set forth herein and shall be payable in the manner set forth in Section 19(b); and
- (iv) At the Closing, the Leased Premises will be conveyed to Tenant in an "as-is" condition with all faults and with no representation or warranty (express or implied) of any type or nature; provided, however, Landlord shall remove any voluntary liens on the Premises other than customary utility and avigation easements and other typical liens or encumbrances incurred in the ordinary course of Landlord's or Tenant's use, occupancy or ownership of the Premises. Tenant represents and warrants (and will so represent and warrant in the Purchase Agreement) that any exercise of the Option will be based on Tenant's own investigation of the Premises, and Tenant assumes the risk that adverse conditions may not have been revealed by its own investigation.

The Purchase Agreement shall provide such other terms, conditions and covenants as is customary for a residential real estate transaction in _____ County, _____.

- (g) Landlord's Covenants, Representations, and Warranties. Landlord covenants that during the Option Term and until the Closing (assuming this Option is exercised), Landlord will not encumber the Leased Premises in any way nor grant any property or contract right relating to the Leased Premises without the prior written consent of Tenant.
- (h) Tenant's Covenants, Representations, and Warranties. Tenant represents and warrants that this Lease and the Option granted herein are not to be construed, in any manner, as an installment land sale contract or equitable mortgage or any other similar agreement, and that prior to Closing, Tenant has no interest in the Leased Premises other than Tenant's leasehold interest.
- (i) Memorandum of Option. Tenant shall not cause a memorandum of option to be recorded with the Clark County Recorders Office unless: (a) Landlord shall have consented to such recordation, which consent may be withheld in Landlord's sole and absolute discretion; and (b) the memorandum of option is in form and substance reasonably satisfactory to Landlord and Landlord's counsel.

SECTION 20. WAIVER.

No failure of Landlord to enforce any term of this Lease shall be deemed a waiver, nor shall any acceptance of a partial payment of rent due hereunder be deemed a waiver of Landlord's right to the full amount of rent. No waiver of any performance required of Tenant under this Lease shall be effective unless in writing and signed by Landlord.

SECTION 21. NOTICES.

Any notice ("Notice") to be given under this Lease shall be in writing and sent by: (a) certified mail, return receipt requested, in which case notice will be deemed delivered three (3) business days after deposit, postage prepaid, in the United States Mail; (b) a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier; (c) hand delivery, in which case notice shall be deemed delivered upon receipt; or (d) telecopy or similar means if a copy of the notice is also sent by United States Certified Mail, in which case notice shall be deemed delivered on transmittal by telecopier or other similar means, provided that a transmission report is generated reflecting the accurate transmission of the notices, as follows:

If to Landlord:

If to Tenant:

SECTION 22. SUCCESSORS AND ASSIGNS.

This Lease is binding upon and inures to the benefit of the heirs, assigns, successors, executors, and administrators of Landlord and Tenant.

SECTION 23. TIME.

Time is of the essence in this Lease.

SECTION 24. HOLDING OVER.

Any holding over after expiration of the Lease Term, with the consent of Landlord, shall be construed as a month-to-month tenancy in accordance with the terms of this Lease, as applicable. The terms and conditions of this Lease shall apply to any holding over after the expiration of the Lease Term without the consent of Landlord, except that Monthly Rent shall be one hundred and fifty percent (150%) of the amount of Monthly Rent payable in the final month of the Lease Term. Any collection of Monthly Rent by Landlord after expiration of the Lease Term shall not be deemed Landlord's consent to continued occupancy of the Leased Premises by Tenant and Landlord waives no rights by its collection of Monthly Rent after expiration of the Lease Term.

SECTION 25. LATE CHARGES AND DEFAULT INTEREST.

If Tenant fails to pay the Monthly Rent within five (5) days after the due date, Tenant agrees that it would be impracticable or extremely difficult to fix the actual damage to Landlord caused by that failure and therefore agrees to pay a late charge of One Hundred Dollars (\$100), which Tenant agrees represents a reasonable estimate of actual costs incurred by Landlord. Landlord shall also be entitled to recover interest on unpaid Monthly Rent amounts owing at the rate of ten percent (10%) per annum, commencing on the date on which the delinquent amount was due. The amounts due under this Section are in addition to and not in lieu of any other remedies of Landlord.

SECTION 26. CONSTRUCTION.

Headings at the beginning of each Section are solely for the convenience of the parties and are not a part of and shall not be used to interpret this Lease. The singular form shall include plural, and vice versa. This Lease shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to Sections are to this Lease.

SECTION 27. FURTHER ASSURANCES.

Whenever requested to do so by the other party, each party shall execute, acknowledge, and deliver any further conveyances, agreements, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents, estoppel certificates stating the terms of this Lease and specifying any deposits paid, and any further instruments and documents as may be necessary, expedient, or proper to complete any conveyances, transfers, sales, and agreements contemplated by this Lease. Each party also agrees to do any other acts and to execute, acknowledge, and deliver any documents requested to carry out the intent and purpose of this Lease.

SECTION 28. THIRD-PARTY RIGHTS.

Nothing in this Lease, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies under or by reason of this Lease.

SECTION 29. INTEGRATION.

This Lease and the attached exhibits contain the entire agreement between the parties regarding the subject matter of the Lease, and this Lease expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the parties regarding those matters.

SECTION 30. COUNTERPARTS.

This Lease may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

SECTION 31. AMENDMENT.

This Lease may not be amended or altered except by an instrument in writing executed by Landlord and Tenant.

SECTION 32. PARTIAL INVALIDITY.

Any provision of this Lease that is unenforceable or invalid or the inclusion of which would adversely affect the validity, legality, or enforcement of this Lease shall have no effect, but all the remaining provisions of this Lease shall remain in full force.

SECTION 33. GOVERNING LAW.

The validity, meaning, and effect of this Lease shall be determined in accordance with _____ law.

Tenant has executed this Lease as of the date first above written. If there is more than one person executing this Lease as Tenant, each signatory shall be jointly and severally liable for the obligations of Tenant pursuant to the Lease.

TENANT

Name

Print Name

Name

Print Name of spouse

LANDLORD

By _____

_____, Manager

NOTICE TO PAY RENT OR IN THE ALTERNATIVE TO QUIT

*If all goes well, you'll never need this form.
But we've included it just in case.*

TO: _____

and all tenants in possession.

TAKE NOTICE that you are hereby required to pay to the undersigned landlord or agent the amount of rent now in default for the period as stated herein:

DATE TENANCY COMMENCED: _____

AMOUNT OF PERIODIC RENT RESERVED: _____

CLEANING DEPOSIT: _____

SECURITY DEPOSIT: _____

RENT IN ADVANCE (in advance of 1st month): _____

DATE RENT BECAME DELIQUENT: _____

TIME TENANT IN POSSESSION WITHOUT PAYING RENT: _____

AMOUNT OF RENT DUE AND DELIQUENT: _____

If you fail to pay the rent as hereto demanded you have the alternative of surrendering the above said premises at or before noon, the 5th day following the day of this service. The tenant is hereby advised of his/her right to contest such notice by filing within 5 days an Affidavit with the Justice of the Peace that he/she is not in default in payment of such rent.

Upon compliance of such notice:

The landlord or his agent may apply by Affidavit to the Justice of the Peace of the township wherein the dwelling, apartment, or mobile home is located. Such Justice of the Peace may thereupon issue an Order directing the Sheriff or Constable of the County to remove the tenant within 24 hours after receipt of the Order.

This is intended as a FIVE (5) DAY NOTICE TO PAY RENT OR IN THE ALTERNATIVE TO QUIT.

DATED this _____ day of _____, 20____

LANDLORD or AGENT

Telephone: _____