0000150966

Transcript Exhibit(s)

Docket #(s): S-20883A-13-0112

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL
2014 JAN 23 PM 3 15

Exhibit #: S-30 through S-41, S-43, S-44, S-47 through S-58, S-60 through S-71

PART 2 OF 5. FOR PART 1 PLEASE SEE BARCODE 0000150965, FOR PART 3 PLEASE SEE BARCODE 0000150967, FOR PART 4 PLEASE SEE BARCODE 0000150968, FOR PART 5 PLEASE SEE BARCODE 0000150969

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20120263571 03/29/2012 03:54
ELECTRONIC RECORDING

47249420-3-3-1--
garciaa

RECORDING REQUESTED BY
OLD REPUBLIC TITLE AGENCY

ORDER #: 4724009420

WHEN RECORDED MAIL TO

True North, LLC
11259 E Via Linda #100
Scottsdale, AZ 85259

1 of 2 4724009420

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SPECIAL WARRANTY DEED

For valuable consideration, receipt of which is hereby acknowledged, I or we, Fannie Mae A/K/A Federal National Mortgage Association organized and existing under the laws of the United States of America do hereby convey to True North, LLC, an Arizona Limited Liability Company the following real property situated in Maricopa County, Arizona:

and "exhibit B"

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

SUBJECT TO existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements and all other matters of record.

The undersigned hereby warrants the title as against all acts of the Grantor herein and no other, subject to the matters above set forth.

Dated: March 26, 2012

Federal National Mortgage Association
By: Old Republic Title Insurance Agency, Inc., an Arizona corporation, as its attorney in fact

By: Patti Shaw
Its: VP

State of Arizona
County of Maricopa

The foregoing instrument was acknowledged before me this 26 day of March, 2012 by Patti Shaw as Vice President of Old Republic Title Insurance Agency, Inc., an Arizona corporation, in its capacity as attorney in fact for Federal National Mortgage Association.

Rosemarie E. Jones
Notary Public

My commission expires: 5-28-2014

OFFICIAL SEAL
ROSEMARIE E. JONES
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires May 28, 2014

EXHIBIT
S-30
ADMITTED

http://recorder.maricopa.gov/cert.aspx?id=113646 [20120263571] 4 Pages

ORDER NO. : 4724009420-SP

EXHIBIT A

Lot 93, ROYAL OAKS UNIT 9, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 200 of Maps, page 36.

http://recorder.maricopa.gov/cert.aspx?id=113646 [20120263571] 4 Pages

ORDER NO.: 4724009420

EXHIBIT B

Grantee herein shall be prohibited from conveying captioned property to a bona fide purchaser for value for a sales price of greater than $164,400.00 for a period of 3 month(s) from the date of this deed. Grantee shall also be prohibited from encumbering subject property with a security interest in the principal amount of greater than $ 164,400.00 for a period of 3 month(s) from the date of this deed. These restrictions shall run with the land and are not personal to Grantee. This restriction shall terminate immediately upon conveyance at any foreclosure sale related to a mortgage or deed of trust.

http://recorder.maricopa.gov/cert.aspx?id=113646 [20120263571] 4 Pages

07.17.09

20120263571
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 02:02:06 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113646

http://recorder.maricopa.gov/cert.aspx?id=113646 [20120263571] 4 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20120263571 03/29/2012 03:54
ELECTRONIC RECORDING
SALES AFFIDAVIT
47249420-3-3-2-Y-
garciaa

AFFIDAVIT OF PROPERTY VAL

1. ASSESSOR'S PARCEL INDENTIFICATION NUMBER(s)
Primary Parcel: 148 (BOOK) - 20 (MAP) - 237 (PARCEL) - ____ (SPLIT LETTER)
Does this sale include any parcels that are being split / divided?
Check one: Yes ☐ No ☒
How many parcels, other than the Primary Parcel, are included in this sale?

Please list the additional parcels below (no more than four):
(1) ____ (3) ____
(2) ____ (4) ____

9. FOR OFFICIAL US
(a) County of Re
(b) Docket & Pa
(c) Date of Recc
(d) Fee/ Recordi...
Validation Codes:
(e) ASSESSOR ____ (f) DOR ____

ASSESSOR's USE ONLY

Verify Primary Parcel in Item 1: ____-____-____-____

Use code: | **Full Cash Value:**

2. SELLER'S NAME AND ADDRESS:
14221 Dallas Parkway Suite 1000D12032G
Dallas TX 75254

3. (a) BUYER'S NAME AND ADDRESS:
TRUE NORTH, LLC
11259 E Via Linda#100
Scottsdale AZ 85259
(b) Are the Buyer and Seller related? Yes ____ No X
If Yes, state relationship:

4. ADDRESS OF PROPERTY: 8607 N 53rd Drive, Glendale, Arizona 85302

5. MAIL TAX BILL TO:
TRUE NORTH, LLC
11259 E Via Linda #100
Scottsdale AZ 85259

6. PROPERTY TYPE (for Primary Parcel): **NOTE: Check Only One Box**
a. ☐ Vacant Land
b. ☒ Single Family Residence
c. ☐ Condo or Townhouse
d. ☐ 2-4 Plex
e. ☐ Apartment Building
f. ☐ Commercial or Industrial Use
g. ☐ Agricultural
h. ☐ Mobile or Manufactured Home
i. ☐ Other Use, Specify: ____

7. RESIDENTIAL BUYER'S USE: If you checked **b, c, d** or **h** in Item 6 above, please check **one** of the following:
☐ **To be occupied by owner or "family member."**
☒ **To be rented to someone other than "family member."**
See reverse side for definition of a "family member."

8. NUMBER OF UNITS: ____
For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

10. TYPE OF DEED OR INSTRUMENT **(Check Only One Box):**
a. ☐ Warranty Deed
b. ☒ Special Warranty Deed
c. ☐ Joint Tenancy Deed
d. ☐ Conctract or Agreement
e. ☐ Quit Claim Deed
f. ☐ Other:

11. SALE PRICE $ 137,000 **00**

12. DATE OF SALE (Numeric Digits): 03 (Month) / 12 (Year)
(For example: 03/05 for March 2005)

13. DOWN PAYMENT: $ 26,943.33 **00**

14. METHOD OF FINANCING
a. ☒ Cash **(100% of Sale Price)**
b. ☐ Exchange or trade
c. ☐ Assumption of existing loan(s)
d. ☐ Seller Loan (Carryback)
e. ☐ New loan(s) from financial institution:
(1) ☒ Conventional
(2) ☐ VA
(3) ☐ FHA
f. ☐ Other financing; Specify: ____

15. PERSONAL PROPERTY *(see reverse side for definition)*:
(a) Did the Sale Price in Item #11 include Personal Property that impacted the Sale Price by 5% or more? Yes ____ No X
(b) If Yes, provide the dollar amount of the Personal Property:
$ ____ **00** **AND**
briefly describe the Personal Property:

16. PARTIAL INTEREST: If only a partial ownership interest is being sold, briefly describe the partial interest:

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):
BUYER AND SELLER AS SHOWN ABOVE
Phone ( ) -

18. LEGAL DESCRIPTION *(attach copy if necessary)*:
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller/Agent
State of AZ, County of Maricopa
Subscribed and sworn to before me on this 27 day of March 20 12
Notary Public
Notary Expiration Date July 14, 2013

OFFICIAL SEAL
MELANIE TRIMARCO
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm Expires July 14, 2013

Signature of Buyer/Agent Member.
State of AZ, County of Maricopa
Subscribed and sworn to before me on this 26 day of March 20 12
Notary Public
Notary Expiration Date 7-6-2015

KIMBERLY A. COUNCE
Notary Public - State of Arizona
MARICOPA COUNTY
My Commission Expires
July 6, 2

DOR FORM 82162 (Revised 5/03)

http://recorder.maricopa.gov/recdocdata/pdf/recdocdata.aspx?id=20120263571 [2012026357] 4 Pages

STATUTES AND EXEMPTIONS

A.R.S. §§ 11-1133 and 11-1137(B) require all buyers and sellers of real property or their agents to complete and attest to this Affidavit. Failure to do so constitutes a class 2 misdemeanor and is punishable by law.

The County Assessors and the Department of Revenue use data obtained from the affidavits to develop tables and schedules for the uniform valuation of properties based on fair market value. Data supplied for an individual property will not directly affect the assessment or taxes of that property.

A.R.S. § 11-1134 exempts certain transfers from completion of the Affidavit of Property Value and the $2.00 filing fee. See the list of exemption codes below. If the transfer meets the criteria for an exemption, do not complete the Affidavit. Instead, please post the Statute Number and Exemption Code on the face of the Deed, in the area beneath the Legal Description. For example, if Exemption Code **B3** is applicable, the proper exemption notation would be A.R.S. 11-1134 **B3.**

Unless exempt, carefully complete the Affidavit, sign, notarize and submit it to the County Recorder.

LIST OF EXEMPTION CODES (A.R.S. § 11-1134)

A1. A deed that represents the payment in full or forfeiture of a recorded contract for the sale of real property.
A2. A lease or easement on real property, regardless of the length of the term.
A3. Sales to or from government: "A deed, patent or contract for the sale or transfer of real property in which an agency or representative of the United States, this state, a county, city or town of this state or any political subdivision of this state is the named grantor, and authorized seller, or purchaser."
A4. A quitclaim deed to quiet title as described in A.R.S. § 12-1103, subsection B.
A5. A conveyance of real property that is executed pursuant to a court order.
A6. A deed to an unpatented mining claim.
A7. A deed of gift.

B1. A transfer solely in order to provide or release security for a debt or obligation, including a trustee's deed pursuant to power of sale under a deed of trust.
B2. A transfer that confirms or corrects a deed that was previously recorded.
B3. A transfer between husband and wife, or parent and child with only nominal actual consideration for the transfer.
B4. A transfer of title on a sale for delinquent taxes or assessments.
B5. A transfer of title on partition.
B6. A transfer of title pursuant to a merger of corporations.
B7. A transfer by a subsidiary corporation to its parent corporation for no consideration or nominal consideration or in sole consideration for canceling or surrendering the subsidiary's stock.
B8. A transfer from a person to a trustee or from a trustee to a trust beneficiary with only nominal consideration for the transfer.
B9. A transfer of title to and from an intermediary for the purpose of creating a joint tenancy estate or some other form of ownership.
B10. A transfer from a husband and wife or one of them to both husband and wife to create an estate in community property with right of survivorship.
B11. A transfer from two or more persons to themselves to create an estate in joint tenancy with right of survivorship.
B12. A transfer pursuant to a beneficiary deed with only nominal actual consideration for the transfer.

Any instrument describing a transaction exempted by **A.R.S. § 11-1134** shall bear a notation thereof on the face of the instrument at the time of recording, indicating the specific exemption that is claimed.

DEFINITION OF FAMILY MEMBER

A.R.S. § 42-12053 provides that a property be classified as rental residential if the owner intends to rent it for more than three months during the next twelve consecutive months to someone other than a family member. "Family member" is defined as:

a. A natural or adopted son or daughter of the taxpayer or a descendent of either.
b. The father or mother of the taxpayer or an ancestor of either.
c. A stepson or stepdaughter or stepparent of the taxpayer.
d. A son-in-law, daughter-in-law, father-in-law, or mother-in-law of the taxpayer.
e. A natural or adopted sibling of the taxpayer.

DEFINITION OF PERSONAL PROPERTY

Personal Property is all other property that is <u>not</u> Real Property. In general, it is all property other than land, buildings and other permanent structures. Personal Property can be tangible or intangible. Examples of <u>tangible</u> personal property are furniture, equipment and inventory. Examples in the <u>intangible</u> category are franchises, business licenses, goodwill, and corporate stocks and bonds.

http://recorder.maricopa.gov/cert.aspx?id=113847 | 20120263571 | 4 Pages

Exhibit "A"

Legal Description of the Property

Lot Ninety Three (93), ROYAL OAKS UNIT 9, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 200 of Maps, Page 36.

http://recorder.maricopa.gov/cert.aspx?id=113647 [20120263571] 4 Pages

20120263571
I hereby certify that this is an
electronically prepared
copy of a filed affidavit at the
Maricopa County Recorder's Office

HELEN PURCELL, County Recorder
In and for the county of
Maricopa, state of Arizona
11/01/2013 02:03:28 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113647

http://recorder.maricopa.gov/cert.aspx?id=113647 [20120263571] 4 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20130144538 02/13/2013 04:02
ELECTRONIC RECORDING

507130-5-2-1--
Hoyp

Clear Title Agency of Arizona

Recording Requested by:
Clear Title Agency of Arizona

When recorded mail to:
Robert S. Christie and Margaret H. Christie
8607 North 53rd Drive
Glendale, AZ 85302

1/1

WARRANTY DEED

File No. 30-507130 (dd)

For the consideration of TEN AND NO/100 DOLLARS, and other valuable considerations, I or we,

True North LLC, an Arizona limited liability company, the GRANTOR does hereby convey to

Robert S. Christie and Margaret H. Christie, husband and wife, the GRANTEE

the following described real property situate in Maricopa County, Arizona:

LOT NINETY THREE (93), ROYAL OAKS UNIT 9, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, IN BOOK 200 OF MAPS, PAGE 36.

Subject To: Existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements and all other matters of record.

And the GRANTOR does warrant the title against all persons whomsoever, subject to the matters set forth above.

DATED: January 31, 2013

http://recorder.maricopa.gov/cert.aspx?id=113643 [20130144538] 6 Pages

EXHIBIT
S. 31
ADMITTED

File No.: 30-507130 (dd)
A.P.N.: 148-20-237 9

Warranty Deed - continued

True North LLC, an Arizona limited liability company

By: Jon Murray, As: Member

STATE OF Az)
)ss.
County of Maricopa)

On Feb 12, 2013, before me, the undersigned Notary Public, personally appeared Jon Murray, member of True North LLC, 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.

My Commission Expires: 1/29/2014 Notary Public

OFFICIAL SEAL
DENISE DAHLBERG
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Jan. 29, 2014

http://recorder.maricopa.gov/cert.aspx?id=113643 [20130144538] 6 Pages

ACCEPTANCE OF COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP

This Acceptance is to be attached to: Warranty Deed dated 02/12/2013 by and between True North LLC and Robert S. Christie and Margaret H. Christie.

That each of the undersigned individually and jointly as such Grantees hereby declare that it is their intention to accept this conveyance as community property with right of survivorship and not as joint tenants with right of survivorship and not as tenants in common, and to acquire any interest in said real property under said deed as community property with right of survivorship, and not as joint tenants with right of survivorship and not as tenants in common.

That by the execution and delivery to the Escrow Agent of this "Acceptance of Community Property with Right of Survivorship" the undersigned intend to evidence their acceptance of said deed as community property with right of survivorship, and hereby direct and authorize the Escrow Agent to attach this "Acceptance of Community Property with Right of Survivorship" to such deed upon its execution and delivery and to record this "Acceptance of Community Property with Right of Survivorship" together with such deed.

Date: 02/12/2013

Robert S. Christie

Margaret H. Christie

STATE OF **ARIZONA**)
)ss.
County of Maricopa)

On February 12, 2013, before me, the undersigned Notary Public, personally appeared **Robert S. Christie**, 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.

My Commission Expires: 7/14/14

Stephanie Wallace
Notary Public

OFFICIAL SEAL
STEPHANIE WALLACE
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires July 14, 2014

http://recorder.maricopa.gov/cert.aspx?id=1130431201301444538 of pages

ACCEPTANCE OF COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP

This Acceptance is to be attached to: Warranty Deed dated 02/12/2013 by and between True North LLC and Robert S. Christie and Margaret H. Christie.

That each of the undersigned individually and jointly as such Grantees hereby declare that it is their intention to accept this conveyance as community property with right of survivorship and not as joint tenants with right of survivorship and not as tenants in common, and to acquire any interest in said real property under said deed as community property with right of survivorship, and not as joint tenants with right of survivorship and not as tenants in common.

That by the execution and delivery to the Escrow Agent of this "Acceptance of Community Property with Right of Survivorship" the undersigned intend to evidence their acceptance of said deed as community property with right of survivorship, and hereby direct and authorize the Escrow Agent to attach this "Acceptance of Community Property with Right of Survivorship" to such deed upon its execution and delivery and to record this "Acceptance of Community Property with Right of Survivorship" together with such deed.

Date: 02/12/2013

Margaret H Christie

Robert S. Christie

Margaret H. Christie

STATE OF **ARIZONA**)
)ss.
County of Kern)

On _____, before me, the undersigned Notary Public, personally appeared **Robert S. Christie**, 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.

My Commission Expires:

Notary Public

http://recorder.maricopa.gov/cert.aspx?id=113043 [20130144538] 6 Pages

A.P.N.: **148-20-237 9** File No.: **30-507130 (dd)**

STATE OF CA)
)ss.
County of Kern)

On FEB 1 2 2013, before me, the undersigned Notary Public, personally appeared **Margaret H. Christie**, 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.

My Commission Expires:

4-2-15

Notary Public

L.M. HEATH
COMM. #1931279
NOTARY PUBLIC • CALIFORNIA
KERN COUNTY
My Comm. Exp. Apr. 2, 2015

http://recorder.maricopa.gov/cert.aspx?nu=113045 [20130144538] 6 Pages

20130144538
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 01:52:23 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113643

http://recorder.maricopa.gov/cert.aspx?id=113643 [20130144538] 01 pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20130144538 02/13/2013 04:02
ELECTRONIC RECORDING
SALES AFFIDAVIT
507130-1-2-2-Y-
Hoyp

AFFIDAVIT OF PROPERTY VALUE

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(S)
Primary Parcel: 148-20-237 9 - _____
BOOK MAP PARCEL SPLIT
Does this sale include any parcels that are being split / divided?
Check one: Yes [ ] No [X]
How many parcels, other than the Primary Parcel, are included in this sale? _____
Please list the additional parcels below (attach list if necessary):
(1) _____ (2) _____
(3) _____ (4) _____

2. SELLER'S NAME AND ADDRESS:
True North LLC
11259 East Via Linda Suite 100
Scottsdale, AZ 85259

3. (a) BUYER'S NAME AND ADDRESS:
Robert S. Christie and Margaret H. Christie
108 El Paso Street
Bakersfield, CA 93314
(b) Are the Buyer and Seller related? Yes [ ] No [X]
If Yes, state relationship:

4. ADDRESS OF PROPERTY:
8607 North 53rd Drive
Glendale, AZ 85302

5. MAIL TAX BILL TO:
Robert S. Christie and Margaret H. Christie
108 El Paso Street
Bakersfield, CA 93314

6. PROPERTY TYPE (for primary parcel): NOTE: Check Only One Box
a. [ ] Vacant land
b. [X] Single Family Residence
c. [ ] Condo or Townhouse
d. [ ] 2-4 Plex
e. [ ] Apartment Building
f. [ ] Commercial or Industrial Use
g. [ ] Agriculture
h. [ ] Mobile or manufactured Home [ ] Affixed [ ] Not Affixed
i. [ ] Other Use; Specify:

7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in item 6 above, please check one of the following:
[ ] To be used as a primary residence.
[X] Owner occupied, not a primary residence.
[ ] To be rented to someone other than a "family member".
See reverse side for definition of a "primary residence" or "family member."

8. If you checked e or f in item 6 above, indicate the number of units: _____
For Apartments, Motels / Hotels, Mobile Home / RV Parks, etc.

9. TYPE OF DEED OR INSTRUMENT (Check Only One Box):
a. [X] Warranty Deed
b. [ ] Special Warranty Deed
c. [ ] Joint Tenancy Deed
d. [ ] Contract or Agreement
e. [ ] Quit Claim Deed
f. [ ] Other:

10. SALE PRICE: $151,200.00 00

11. DATE OF SALE (Numeric Digits): 0 2 / 1 3
Month/Year

12. DOWN PAYMENT $151,200.00 00

13. METHOD OF FINANCING:
a. [X] Cash (100% of Sale Price)
b. [ ] Barter or trade
c. [ ] Assumption of existing loan(s)
d. [ ] Seller Loan (Carryback)
e. [ ] New loan(s) from Financial Institution:
(1) [ ] Conventional
(2) [ ] VA
(3) [ ] FHA
f. [ ] Other financing; Specify:

14. PERSONAL PROPERTY (see reverse side for definition):
(a) Did the Sale Price in item 10 include Personal Property that impacted the Sale Price by 5 percent or more? Yes [ ] No [X]
(b) If Yes, provide the dollar amount of the Personal Property:
$ 0.00 00 AND
briefly describe the Personal Property: _____

15. PARTIAL INTEREST: If only a partial ownership interest is being sold, briefly describe the partial interest: _____

16. SOLAR / ENERGY EFFICIENT COMPONENTS:
(a) Did the Sale Price in item 10 include solar energy devices, energy efficient building components, renewable energy equipment or combined heat and power systems that impacted the Sale Price by 5 percent or more? Yes [ ] No [X]
If Yes, briefly describe the solar / energy efficient components:

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone Number):
Clear Title Agency of Arizona
4864 East Baseline Road, Suite 106
Mesa, AZ 85206
30-507130 (dd) Phone (480)278-8430

18. LEGAL DESCRIPTION (attach copy if necessary):
Lot 93, of ROYAL OAKS UNIT 9 (200 / 36)

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTANING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller / Agent
State of Arizona, County of Maricopa
Subscribed and sworn to before me on this 1 3 day of Feb 20 1 3
Notary Public
Notary Expiration Date 1/21/2014

Signature of Buyer / Agent
State of Arizona, County of Maricopa
Subscribed and sworn to before me on this 1 3 day of Feb 20 1 3
Notary Public
Notary Expiration Date 1/21/2014

13
DOR FORM 82162 (08/2012)

OFFICIAL SEAL
DENISE DAHLBERG
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Jan. 29, 2014

OFFICIAL SEAL
DENISE DAHLBERG
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Jan. 29, 20..

http://recorder.maricopa.gov/recdocdata/pdf/20130144538 [2013 Pages

20130144538
I hereby certify that this is an
electronically prepared
copy of a filed affidavit at the
Maricopa County Recorder's Office

HELEN PURCELL, County Recorder
In and for the county of
Maricopa, state of Arizona
11/01/2013 01:57:18 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113644

http://recorder.maricopa.gov/cert.aspx?id=113644 [20130144538] 2 Pages

L|M
LORONAMEAD

Frank R. Mead, #020577
Lorona Mead, PLC
2111 E. Highland Ave., Suite 431
Phoenix, AZ 85016
(602) 385-6817 (p) • (602) 606-8300 (f)
frank@loronamead.com

Attorneys for Plaintiff

MICHAEL K. JEANES
Clerk of the Superior Court
By Michael Mejia, Deputy
Date 09/28/2012 Time 13:52:06

Description	Amount
CASE# CV2012-014885	
CIVIL NEW COMPLAINT	301.00
TOTAL AMOUNT	301.00

Receipt# 22484104

SUPERIOR COURT OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

JOHN COLLINS, Plaintiff, v. JONATHON MURRAY (AKA John or Jon Murray) and JANE DOE MURRAY, husband and wife; and TRUE NORTH, LLC, an Arizona Limited Liability Company. Defendants.	Case No: CV2012-014885 **Complaint** (Breach of Contract, Unjust Enrichment, Securities Fraud)

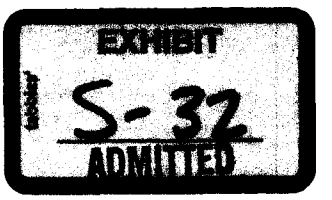
Plaintiff alleges the following:

Nature of the Action

1. The dispute arises out of an Agreement for an investment entered into between the parties, including John Collins ("Collins"), and the Defendant, Jonathon Murray ("Murray").

2. This Agreement was entered into for the purpose of investing, acquiring, and improving residential real estate in Phoenix, Arizona. The real estate was then to be sold after its improvement.

3. Collins provided the initial cash investment to acquire the property and Murray was to use his expertise as "Developer" to invest in residential real estate that could be sold for a



profit and return on Collins' investment.

4. Defendants have failed to purchase residential real estate or otherwise act upon the Agreement in any meaningful way.

5. Collins has demanded the return of his investment of $75,000.

6. Defendants refuse to account for or return Collins' $75,000.

7. With this action, Collins seeks to hold the Defendants accountable for their failure to honor their contractual promises, misrepresentations, and securities fraud.

Parties and Jurisdiction

8. Plaintiff John Collins resides in New Westminster, British Columbia, Canada.

9. Defendant John Murray resides in Maricopa County, Arizona. Murray is a member of True North, LLC. All actions taken by John Murray were taken on behalf of and for the benefit of his marital community.

10. The events that took place leading to Plaintiff's claims against Defendants occurred in Maricopa County. Jurisdiction and venue are proper in this Court.

Allegations

11. Collins and the Defendants entered into an Agreement through which Defendants would invest Collins' initial investment funds of $75,000 followed by a second $75,000 investment to be delivered upon Defendants securing real property.

12. Defendant Murray was to use his real estate expertise to find and acquire residential real estate in the Phoenix, Arizona area.

13. Defendants failed to acquire residential real estate or take any meaningful steps to

honor their contractual promises or representations despite receiving the initial $75,000 investment payment.

14. Collins has attempted to communicate with Defendants about their failure to honor the investment agreement. Defendants made additional representations and promises about the return of Collins' funds, but Defendants have refused to honor those representations or account for or return his $75,000 investment.

15. In effect, Defendants solicited investment funds from Collins, accepted his investment funds, but provided nothing in return and refuse to return those funds.

Count One
(Breach of Contract)

16. Collins realleges the preceding allegations.

17. Defendants agreed to use Collins' investment funds to "acquire, improve and sell residential real estate."

18. Under the Agreement, Defendants undertook specific obligations to use Collins' funds for this purpose.

19. Defendants have failed to honor their contractual promises and representations.

20. Defendants have breached their contractual promises by failing to acquire residential real estate and by keeping and refusing to account for the funds invested by Collins.

21. As a result of the Defendant's breaches, Collins has sustained damages.

22. This matter arises out of contract and Collins is entitled to an award of statutory interest, costs, and attorney fees under A.R.S. § 12-341.01.

ACC000003
FILE #8390

Count Two
(Unjust Enrichment)

23. Collins realleges the preceding allegations.

24. As a direct and proximate result of Defendants' wrongful retention of Collins' investment funds, Defendants have been unjustly enriched and Collins has been impoverished.

25. No justification exists for the Plaintiff's impoverishment and the corresponding enrichment of the Defendants.

26. Collins is entitled to judgment against the Defendants for the $75,000 he invested, plus interest, costs, and attorney fees under A.R.S. § 12-341.01.

Count Three
(Statutory Securities Fraud)

27. Collins realleges the preceding allegations.

28. Collins was induced by Defendants to invest in an investment program.

29. As a result of his reasonable reliance on the multiple representations from the Defendants, Collins invested $75,000 with Defendants.

30. The investment program pitched by the Defendants is a security within the meaning of A.R.S. § 44-1801(26).

31. On information and belief, the investment program is not registered for sale in Arizona within the meaning of A.R.S. § 44-1841.

32. On information and belief, the Defendants are not registered to sell securities in Arizona within the meaning of A.R.S. §44-1842 at the time of the transaction.

33. Defendants violated A.R.S. section 44-1991(A) by (1) employing a device,

ACC000004
FILE #8390

scheme, or artifice to defraud, (2) making untrue or misleading statements of fact and omitting material statements of fact, and (3) engaging in a transaction, practice, or course of business which operated as a fraud or deceit.

34. Collins' funds were deposited into an account controlled by Murray. Murray is liable as statutory control person within the meaning of A.R.S. section 44-1999.

35. Collins has been damaged as a result of the Defendants' multiple statutory violations.

Demand for Relief

Collins demands relief as follows:

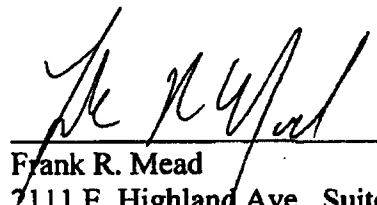
I. On the above counts and, in any alternate theory, Collins seeks judgment in the amount of $75,000 plus interest statutory interest under section 44-2001(A).

II. Attorney fees and costs under A.R.S. section 12-341.01 and section 44-2001(A).

III. Any other relief the Court deems just and proper.

DATED: September 28, 2012

Lorona Mead, PLC



Frank R. Mead
2111 E. Highland Ave., Suite 431
Phoenix, AZ 85016
Attorneys for John Collins

ACC000005
FILE #8390

Received

DEC 11 2012

Arizona Corp. Commission
Securities Division

November 27 2012

Dear securities officer,

I have attached all the information required but first I would like to explain to you what happened.

I am a canadian living in Vancouver Canada. On January 2012 I did some research online trying to find a property in Arizona for an investment. I looked at a lot of websites and one of them was www.jowen.com. It was a simple website with its title "helping people help themselves". I contacted the owner and he told me that there are seminars coming up about the real estate in Arizona and investment help. On February 23rd I took the flight from Bellingham to Arizona to attend the seminar. During the flight the booklet on the plane had a full page of this investor advertising his seminars, so it really made it more believable and more exciting.

I landed in Arizona and finally I meet Jon Murray the owner and operator of this web site. It was some kind of a party in a place near the hotel I was staying (Country Inn & Suites By Carlson Scottsdale) There were about 10 people that came for the same seminar, some of them Jon Murray's friends too. The next day at the hotel's conference room everything started to look really good as different people were arranged to participate, like insurance companies representatives, real estate agents, hard money lenders, bank agents (to explain how to open bank accounts, borrow money and what else might be required). Names can be provided upon request.
On February 24th 2012 at night we went out for dinner (covered by Jon Murray) and I had a conversation with him. During the conversation he mentioned that his intent is to get money from people like me so he can invest it into his business and return a good profit. He also said a partnership will bring even more profits but will require a larger amount of money. The next day I had a tour on properties that he was supposed to be selling and making profits. He also invited us to his house in Scottsdale showing us his place and his kids playing in the swimming pool, which made me trust him even more.

So I decided to invest with him and send thru a wire transfer as recommended by Jon Murray $75 000. A few months later it was really hard to get a hold of him and no news on any investment were coming along. I decided to hire a lawyer in Arizona to see what I can do to get my money back. Mr Frank @ Loronamead helped us to find out that he has filed for bankruptcy, and also served him on Thursday Oct 18th.

Please find all the information supporting this letter attached including e-mails and other documents.

With respect

John Michael Collins.

EXHIBIT
S-33
ADMITTED

John Collins

From: John Collins
Sent: Thursday, September 06, 2012 4:25 PM
To: John Collins; 'Jon Murray 1-855-37 JOWEN'
Cc: Elvis Bazelli; Bilal Khan; '4powerof4@[redacted] 'Jack Weatherell'
Subject: RE: 1rst Fix and Flip - Aug.3-2012

Categories: Important

Jon,

We are halfway through week 3 since you promised to sign our agreement to return our money to us. We have called you and left messages 3 times this week without any response from you.

This is our official request to see that our money is the account we transferred it to. As outlined in our contract you are required to show us that you still have our money and if you do not you would be in breach of it.

John Collins

From: John Collins
Sent: Monday, August 27, 2012 1:10 PM
To: John Collins; 'Jon Murray 1-855-37 JOWEN'
Cc: Elvis Bazelli; Bilal Khan; '4powerof4@[redacted] 'Jack Weatherell'
Subject: RE: 1rst Fix and Flip - Aug.3-2012

Jon,

OK, now we are at week 2. When are you going to do what you said you would do?

Best Regards,

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel[redacted]
Fax[redacted]

DOUGLAS
LIGHTING CONTROLS

From: John Collins
Sent: Tuesday, August 21, 2012 9:28 AM
To: 'Jon Murray 1-855-37 JOWEN'
Cc: Elvis Bazelli; Bilal Khan; '4powerof4@[redacted] 'Jack Weatherell'; John Collins
Subject: RE: 1rst Fix and Flip - Aug.3-2012

Jon,

ACC000162
FILE #8390

It has been over a week since we sent you this document. I'm sure your lawyer would have read over it in 30 seconds. What is happening now? Do we need to chase you around and waste more of everyone's time?

John

From: John Collins
Sent: Friday, August 17, 2012 1:08 PM
To: John Collins; 'Jack Weatherell'; 'Jon Murray 1-855-37 JOWEN'
Cc: Elvis Bazelli; Bilal Khan; '4powerof4@[redacted]
Subject: RE: 1rst Fix and Flip - Aug.3-2012

Hi Jon,

I spoke with Jack last night and he said you received the Promissory note to return our money to us. He also mentioned that you forwarded it to your lawyer to read over. When can we get this signed and sent back to us so that we all can sleep a little better?

Thanks,

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel[redacted]
Fax[redacted]

DOUGLAS
LIGHTING CONTROLS

From: John Collins
Sent: Friday, August 03, 2012 1:22 PM
To: John Collins; 'Jack Weatherell'; 'Jon Murray 1-855-37 JOWEN'
Cc: Elvis Bazelli; Bilal Khan
Subject: RE: 1rst Fix and Flip - Aug.3-2012

Hi Jon,

I just received a call from Jack which stated that we will have to wait until Tuesday to talk with you. I just want to be clear that when we talk it will be about how you will be sending us our money back. We are not interested in moving forward with you on any deals.

John

From: John Collins
Sent: Monday, July 23, 2012 4:57 PM
To: 'Jack Weatherell'; 'Jon Murray 1-855-37 JOWEN'
Cc: Elvis Bazelli; Bilal Khan
Subject: RE: 1rst Fix and Flip

I cannot believe what is going on here? You ask to move the call to Monday and then you bail out? I call both of you and no one is answering.
What kind of business men are you?

Someone better give me a call soon.

John

From: Jack Weatherell [mailto:jack@[redacted]
Sent: Tuesday, July 17, 2012 11:39 AM
To: John Collins; 'Jon Murray 1-855-37 JOWEN'
Cc: Elvis Bazelli; Bilal Khan
Subject: RE: 1rst Fix and Flip

Hello John and All,

Could we move our Friday call to Monday at either 2:30 or 3:30?

Jack Weatherell
Jowen Investment and Consulting Group
[redacted]

From: John Collins [mailto:JohnC@[redacted]
Sent: Monday, July 16, 2012 9:31 AM
To: John Collins; 'Jon Murray 1-855-37 JOWEN'; 'Jack Weatherell'
Cc: Elvis Bazelli; Bilal Khan
Subject: RE: 1rst Fix and Flip

Hi Jon,

When can we schedule our conference call for this Friday the 20th?

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel[redacted]
Fax.[redacted]

From: John Collins
Sent: Wednesday, July 04, 2012 1:27 PM
To: John Collins; 'Jon Murray 1-855-37 JOWEN'; 'Jack Weatherell'
Cc: Elvis Bazelli; Bilal Khan
Subject: RE: 1rst Fix and Flip

Hello,

So Jon and I talked this morning and we decided to go until the end of the 3rd week in July and see where we are at. At this time we will make a decision on whether or not to continue looking for a property or if we should get our money back and go in different directions. Elvis, Bilal and myself want to be fair to the process and to Jowen but also expect a reasonable outcome around the timing here as time is definitely money in this situation.

ACC000164
FILE #8390

Jon, can we please set up a conference call on July 20?

Regards,

John

From: John Collins
Sent: Tuesday, July 03, 2012 5:39 PM
To: 'Jon Murray 1-855-37 JOWEN'; 'Jack Weatherell'
Cc: Elvis Bazelli
Subject: RE: 1rst Fix and Flip

I missed Jon's call today unfortunately and since then I have called him back twice with no reply. I think the best option at this point is that we get our money back and move onto something else as this is only costing us and our families more in the long run.

I will be calling both of you again tomorrow.

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel[redacted]
Fax.[redacted]

From: Jon Murray 1-855-37 JOWEN [mailto:jon@[redacted]
Sent: Tuesday, June 26, 2012 10:18 PM
To: John Collins
Subject: Re: 1rst Fix and Flip

Hey John,

Sorry for the delay in getting back to you.

Today got away on my and I did not call you. I will call you tomorrow.

Jon

On Jun 26, 2012, at 12:09 PM, John Collins wrote:

He can call me on my cell[redacted]

Thanks

John

ACC000165
FILE #8390

From: Jack Weatherell [mailto:jack@[redacted]
Sent: Tuesday, June 26, 2012 11:09 AM
To: John Collins
Cc: 'Jon Murray 1-855-37 JOWEN'
Subject: RE: 1rst Fix and Flip

Hello John...I will have John contact you today...what is the best time and number to reach you?

Jack Weatherell
Jowen Investment and Consulting Group
[redacted]

From: John Collins [mailto:JohnC@[redacted]
Sent: Tuesday, June 26, 2012 10:23 AM
To: 'Jon Murray 1-855-37 JOWEN'
Cc: 'Jack Weatherell'; 'Elvis Bazelli'
Subject: RE: 1rst Fix and Flip

Hello,

Jack, Jon,

Can someone please give us a call or respond to our email?

John

From: John Collins
Sent: Friday, June 22, 2012 4:33 PM
To: 'Jon Murray 1-855-37 JOWEN'
Cc: 'Jack Weatherell'; 'Elvis Bazelli'
Subject: RE: 1rst Fix and Flip

Hi Jon,

I called you earlier today but haven't heard back yet. We are almost at the 3 month mark for our deal and are wondering **how things are looking on your end. Is there light at the end of the tunnel or should we call it quits and move on to something else. Please let me know if and when we can set up a conference call to make a decision here.**

Best Regards,

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel[redacted]
Fax[redacted]

<image001.jpg>

From: John Collins
Sent: Tuesday, June 12, 2012 9:50 AM
To: 'Jon Murray 1-855-37 JOWEN'

ACC000166
FILE #8390

Address	8607 N 53rd	1935 E Aloe	22602 N La Senda	8534 Amelia	4610 E Sharon	16451 N 45th Pl	6711 E Gary	7501 N Via De La Escuela st	2038 N 70th st	7520 E Belleview st	1875 W Aspen ave
City	Glendale	Chandler	Scottsdale	Scottsdale	Phoenix	Phoenix	Scottsdale	Scottsdale	Scottsdale	Scottsdale	Gilbert
MLS #	0	0			85032						
List Price	$ 137,900.00	$ 175,000.00	$749,000.00	$259,900.00	$222,500.00	$ 198,100.00	$ 299,000.00	$ 561,111.00	$ 179,000.00	$ 115,900.00	$ 241,000.00
Square footage	1942	2049	4091	2046	2031	1917	2244	4680	2046	1104	2832
Purchase Price	$ 137,000.00	$ 161,000.00	$ 700,000.00	$ 220,000.00	$ 203,000.00	$198,000.00	$280,000.00	$500,000.00	$140,000.00	$105,000.00	$240,000.00
Purchase Sq/Ft	70.55	78.57	171.11	107.53	99.95	103.29	124.78	106.84	68.43	95.11	84.75
ARV	$ 219,057.60	$ 225,000.69	$ 1,084,115.00	$ 323,268.00	$ 310,743.00	$ 285,057.90	$ 409,754.40	$ 898,560.00	$ 235,290.00	$ 154,560.00	$ 311,520.00
Resale Sq/Ft (Comp)	112.8	109.81	265	158	153	148.7	182.6	192	115	140	110
Rehab Cost	$ 20,000.00	$ 20,000.00	$ 125,000.00	$ 30,000.00	$ 40,000.00	$ 30,000.00	$ 30,000.00	$ 130,000.00	$ 40,000.00	$ 30,000.00	$ 30,000.00
Utilities/Misc	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00
Taxes, Warranty & Misc	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00
Closing costs	$ 2,190.58	$ 2,250.01	$ 10,841.15	$ 3,232.68	$ 3,107.43	$ 2,850.58	$ 4,097.54	$ 8,985.60	$ 2,352.90	$ 1,545.60	$ 3,115.20
Finance Fee	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00
Hard Money Cost (4 Mo)	$ 6,576.00	$ 7,728.00	$ 33,600.00	$ 10,560.00	$ 9,744.00	$ 9,504.00	$ 13,440.00	$ 24,000.00	$ 6,720.00	$ 5,040.00	$ 11,520.00
Real Estate Comissions	$ 10,952.88	$ 11,250.03	$ 54,205.75	$ 16,163.40	$ 15,537.15	$ 14,252.90	$ 20,487.72	$ 44,928.00	$ 11,764.50	$ 7,728.00	$ 15,576.00
Total Costs	$ 43,014.46	$ 44,523.04	$ 226,941.90	$ 63,251.08	$ 71,683.58	$ 59,902.47	$ 71,320.26	$ 211,208.60	$ 64,132.40	$ 47,608.60	$ 63,506.20
Cash Required	$ 56,271.00	$ 62,223.00	$ 300,895.00	$ 86,855.00	$ 92,639.00	$ 81,399.00	$ 101,735.00	$ 256,295.00	$ 77,015.00	$ 58,335.00	$ 91,815.00
Profit Estimate	$ 39,043.14	$ 19,477.65	$ 157,173.10	$ 40,016.92	$ 36,059.42	$ 27,155.43	$ 58,434.14	$ 187,351.40	$ 31,157.60	$ 1,951.40	$ 8,013.80
Cash on Cash	69.38%	31.30%	52.24%	46.07%	38.92%	33.36%	57.44%	73.10%	40.46%	3.35%	8.73%

From: Jon Murray 1-855-37 JOWEN [mailto:jon@jowen.ca]

Sent: Wednesday, June 06, 2012 1:40 PM

To: John Collins

Cc: Jack Weatherell; Elvis Bazelli

Subject: Re: 1rst Fix and Flip

Hi guys,

We have a bunch of more homes we are looking at this week to see if we can get the right one for us. I would rather take the time to get the right one than rush into one that wont make us happy ;)

I can email you the spreadsheet with the potential homes if you would like by the end of the week. Just let me know.

If you have any further questions or would like to chat, please let me know.

Sincerely,

Jon

ACC000167
FILE #8390

John Collins

From: Jon Murray 1-855-37 JOWEN [jon@[redacted]
Sent: Wednesday, June 13, 2012 8:09 PM
To: John Collins
Subject: Re: 1rst Fix and Flip
Attachments: Fix & Flip Purchases June 9.xls

Categories: DONE

Here it is in Excel.

Let me know if you have any further troubles..

On Jun 13, 2012, at 11:11 AM, John Collins wrote:

Hi John,

None of us up here use an IPhone or have Safari so we cannot open the file you sent. Can you send as a JPEG or PDF?

Best Regards,

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel.[redacted]
Fax.[redacted]

<image001.jpg>

From: Jon Murray 1-855-37 JOWEN [mailto:jon@[redacted]
Sent: Tuesday, June 12, 2012 12:36 PM
To: John Collins
Cc: Jack Weatherell
Subject: Re: 1rst Fix and Flip

Sorry for the delay. Here are the ones we are looking at now....

Jon

ACC000168
FILE #8390

On Jun 12, 2012, at 9:49 AM, John Collins wrote:

Cc: Jack Weatherell; Elvis Bazelli
Subject: RE: 1rst Fix and Flip

Hi Jon,

Is this spreadsheet on the way?

Best Regards,

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel.[redacted]
Fax[redacted]

<image001.jpg>

From: Jon Murray 1-855-37 JOWEN [mailto:jon@[redacted]
Sent: Wednesday, June 06, 2012 1:40 PM
To: John Collins
Cc: Jack Weatherell; Elvis Bazelli
Subject: Re: 1rst Fix and Flip

Hi guys,

We have a bunch of more homes we are looking at this week to see if we can get the right one for us. I would rather take the time to get the right one than rush into one that wont make us happy ;)

I can email you the spreadsheet with the potential homes if you would like by the end of the week. Just let me know.

If you have any further questions or would like to chat, please let me know.

Sincerely,

Jon

On May 29, 2012, at 9:37 AM, John Collins wrote:

Hello Jon and Jack,

We were wondering if you were having any luck with our 1rst flip. Does it look like we will be buying something soon. Please let us know what is happening.

Best Regards,

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel.[redacted]

ACC000169
FILE #8390

Fax[redacted]

<image001.jpg>

From: John Collins
Sent: Wednesday, March 28, 2012 2:32 PM
To: 'Jon Murray 1-855-37-JOWEN'; 'jack weatherell'
Subject: RE: Signed Contracts - John Collins

Hi Jon and Jack,

I just wired the money to your account. Not sure if it will be there today or tomorrow.

Best Regards,

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel[redacted]
Fax[redacted]

<image001.jpg>

From: Jon Murray 1-855-37-JOWEN [mailto:jon@[redacted]
Sent: Wednesday, March 28, 2012 12:35 PM
To: 'jack weatherell'
Cc: John Collins; John Collins
Subject: RE: Signed Contracts - John Collins

John,

I think we are all done here with respect to each having a copy of the signed documents.

Just waiting on conformation of the wire transfer. I will let you know when the funds are received at my end.

Talk to you soon.

Jon

From: jack weatherell [mailto:jackweatherell@[redacted]
Sent: Wednesday, March 28, 2012 10:04 AM
To: Jon Murray 604 846 HELP (4357)
Cc: JohnC@[redacted]
Subject: Fwd: Signed Contracts - John Collins

---------- Forwarded message ----------
From: **John Collins** <JohnC@[redacted]>

ACC000170
FILE #8390

RE: joint venture

From: **John Collins** (jmike10@[redacted]
Sent: March-28-12 1:57:21 AM
To: jon@[redacted]
Cc: jack@[redacted]
2 attachments
First Addendum.pdf (52.9 KB) , Joint Venture Agreement.pdf (466.6 KB)

Hi Jon and Jack,

See the attached signed documents. Please sign and send back to me. I will work on the money tomorrow. Should have it wired to you in the afternoon.

Best regards,

John

> From: jon@[redacted]
> To: jmike10@[redacted]
> CC: jack@[redacted]
> Subject: FW: joint venture
> Date: Wed, 21 Mar 2012 13:08:38 -0700
>
> John,
>
> It was good talking to you today.
>
> To recap what we talked about I have put the discussion topics in this
> email.
>
> 1. I can offer you full security for any monies invested by a deed of trust
> (same a mortgage in Canada) put on title on one or more properties for a
> return of 15%. You have mentioned to me a few times that you are looking
> for a higher return and want to be a part of each deal the money is used
> for. I agreed with you a few weeks ago that I would do a 50/50 joint
> venture with you if you brought to the table at least 150k. This was to be
> secured by a personal guarantee via a joint venture.
>
> 2. You visited with your lawyer who suggested you get security. As mentioned
> above, I can do that by secured lending but it is tapped out at 15%.
> Something I think we both agree does not satisfy the returns you are looking
> for.
>
> 3. I gave you a further concession of letting you put in half the money
> (75k) by this Friday via joint venture for documentation and the other 50%
> (75K) could be secured with the property(ies) that we are fix and flipping
> within the joint venture parameters. For example...
>
> a) We both sign the agreement by this Thursday (tomorrow) after you have
> contacted my references and you have decided to move forward. After we both
> have the signed copies, proceed to wire the 75k in USA funds to my business
> account so we can work on closing on one or more properties asap. I have
> attached wiring instructions for your convenience.
>
> b) Once we have a property under contract and BEFORE closing on it, we
> prepare documents to secure your second half of the cash (75k) on title of

> the property(ies) that we are purchasing. The 75k that we put on title
> would be wired directly to the title company who would put your security on
> title once they receive your funds. I would not have access to these funds
> until the deed of trust (mortgage) was secured on title. The deed of trust
> would not be higher that the after repair value of the property. For
> example...if we used 53rd ave as an example that I am in the process of
> buying (attached spreadsheet) that has a purchase price of 137k and a fixed
> up sale price of 219k, your second 75k would look like this...
>
> $109,900 first mortgage deed of trust
> $75,000 your deed of trust
> ---
> $184,600 total mortgages leaving a 34.4k equity to pay the realtor and
> wiggle room
>
> If we had a smaller priced property purchase price and spread we could do it
> with less than the full 75k and just do it over 2 properties instead.
>
> I hope all that makes sense, but if you need further clarification just let
> me know.
>
> One more thing, the joint venture and the deed of trust of the second half
> of the 75k can have your name or all your partners names on it if necessary,
> my gift to you. Just understand when the deed is put on the property and
> removed at sale, all parties will have to sign at a notory in canada and
> fedex the original documents to the title company here. It will be a pain
> for everyone, but I will allow it if it makes them more comfortable.
>
> I trust you see that I am trying to bend over backwards for all of you. If
> you need anything else, just let me know :)
>
> Please text me at [redacted] when you have received this time sensitive
> email.
>
> Sincerely,
>
> Jon
> [redacted]
>
>
>
> Helping people, Help themselves!
>
> Jon Murray
> Owner/Operator
>
> Toll Free Office and Fax
> 1-855-37-JOWEN (59636)
> Email: jon@[redacted]
> Web: www.jowen.ca
>
> Canadian Address:
> [redacted]
> [redacted], BC Canada
> [redacted]
>
> USA Address:
> [redacted]
> [redacted] Arizona USA
> [redacted]

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FILE #8390

>
> Check out our YouTube Channel...lots of great clips!
> http://www.youtube.com/user/joweninvestments?feature=mhum
>
> Join our Free mailing list!
> https://jonmurray.infusionsoft.com/app/form/manual-entry-by-jon
>
>
> -----Original Message-----
> From: Jack Weatherell [mailto:jack@[redacted]
> Sent: Wednesday, March 21, 2012 10:01 AM
> To: 'Jon Murray'
> Subject: FW: joint venture
>
>
>
> Jack Weatherell
> Jowen Investment and Consulting Group
> [redacted]
>
> -----Original Message-----
> From: John Collins [mailto:jmike10@[redacted]
> Sent: Wednesday, March 21, 2012 9:24 AM
> To: Jack Weatherell
> Subject: Re: joint venture
>
> Hi Jack,
>
> After speaking with the lawyer we have realized that we will have nothing to
> secure our money after it transfers hands. 150K is a lot of money to risk on
> a feeling of trust that I have for Jon at the moment. It is not the smartest
> business move on our end. There has to be a better way and I am willing to
> work at it. In the meantime I would like to talk to any References Jon would
> send us and I will be in contact with more people up here for advice. I have
> included 3 options that our lawyer suggested below.
>
> - Making loans and taking security/personal guarantees, registered by
> an Arizona lawyer, against the assets of the borrower(s);
> - buying properties in your name(s) and hiring a third party on a
> consultancy basis to identify, renovate, market and sell;
> - forming a US company to purchase, develop and sell the properties.
>
> Please call me to discuss further or if you have any ideas around this.
>
> John
>
>
>
> -----Original Message-----
> From: Jack Weatherell <jack@[redacted]
> Date: Wed, 21 Mar 2012 15:26:05
> To: <jmike10@[redacted]
> Subject: joint venture
>
> Hey John,
>
> I wanted to see where we are at on the Joint Venture doc...I know Jon was
> looking to have your feedback and to move forward. Please let me know where
> you and your group are at on this.
>

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> Jack Weatherell
> Jowen Investment and Consulting Group
> [redacted]
>
>

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FILE #8390

RE: Questions for Jowen from John Collins and Team

From: **Jon Murray 1-855-37-JOWEN** (jon@[redacted]
Sent: March-07-12 7:56:08 PM
To: 'John Collins' (jmike10@[redacted]
Cc: jack@[redacted]

John,

I thank you for being patient while I get back to you after visiting my lawyer yesterday.

To answer your questions…

1. Like I mentioned on the phone earlier, I am not interested in doing Joint ventures with anyone that I have not done business with before unless then do lending with me first. Joint ventures are partnerships that can offer big returns but I really like to have a good foundational relationship with the people I joint venture with as my time can be drained spending too much time making the joint venturer feel comfortable and holding their hands through the fix and flip process. The reason I make such high returns is because many people are too conservative to do fix and flips and in turn the completion is lower and we can make some really good money…usually 20k – 50k per flip. I told you that I would make an exception if you were to come in with a larger amount (150k +) so it would be worth my time. I need to be clear that I do not need joint venture partners for under that amount. I trust you understand this is nothing about you, it's just not something that is worth my time.

2. We generally buy homes with minimum 50k cash (after leveraging) that will cover the cost of down payment, repair costs, carry costs, utilities, insurance, ect. That amount is a minimum and we can do deals that require up to 150k cash on one deal…these deals typically have higher risk but also have a much higher percentage return of reward. I would like to shop the market and see what we can do with your 150k…it may be two homes at a time but it also could be one big home that would give a higher return that both homes combined for the same amount of effort. These flips generally take 3 – 4 months per house but can be a little longer if we do a higher end house.

3. How many flips could we do in one year? I guess that depends if we do 1 or 2 at a time depending on price range. Let's be conservative and say we are going to do 2 flips at a time and each flip takes 3 months and each flip makes a total profit of 20k. That would be 20k x 4 (4 houses a year) x 2 (two at a time) which would equal 160k profit on the 150k for a total return of 106% or 53% each after we split profits 50/50. If it was 1 house at a time I would only be interested if we could make 70k per house 3 times a year which would be 210k giving us a total profit of 140% or 70% each.

4. Income tax. I am no tax expert but the person you met on the tour is. The tax would be about the same as if you did this on your own in Canada from what I understand. I will be paying the 15% capital gains tax on the proceeds (which I hold back on the sale to pay the IRS) and you should only have to pay the 3% difference to the Canadian tax man (CCRA) because there is a tax treaty and you only have to pay the difference on the Canadian 18% capital gains but you will have a 15% credit in the USA so you will only be capital gain taxed the 3% difference. You may also have to pay a income tax just like everyone

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else in Canada. I will remind you again I am not a tax expert and you should seek your own tax advice before making a decision. I would suggest calling Keats and Connelly from the tour to find out how you will be effected.

5. The best way to convert large amounts of Canadian currency to US currency is a place in white rock called custom house. They can be reached at [redacted] You can call them and tell them what you are looking to do and they will walk you through it. Very simple and only takes a day or two.

6. Since you are not going to be doing a promissory note, it does not seem applicable to sent you one. What you are looking for is a joint venture agreement. I am currently working on this for you with my lawyer. I should have it by the end of the week. Please let me know if you are not interested in moving forward and I will save the time to have this document done up for you. Remember, I have made an exception to do a joint venture with you because you seem serious and you are coming in with an amount that will make it worth my extra time and expense to get a custom agreement done up for the both of us.

7. I do have several people that you can talk to for both character references as well as people that have done business with me in the past and continue to do business with me in the real estate field. Let me know if you want to move forward and I will make them available to you.

Thanks for your great questions and I look forward to hearing from you in the next day or so.

Sincerely,

Jon

[redacted] **Cell**

JOWEN
INVESTMENTS AND CONSULTING GROUP

Helping people, Help themselves!

Jon Murray

Owner/

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FILE #8390

Toll Free Office and Fax

1-855-37-JOWEN (59636)

Email: jon@[redacted]

Web: www.jowen.ca

Canadian Address:

[redacted]

[redacted] BC Canada
[redacted]

USA Address:

[redacted]

[redacted] Arizona USA

[redacted]

Check out our YouTube Channel...lots of great clips!

http://www.youtube.com/user/joweninvestments?feature=mhum

-

Join our Free mailing list!

https://jonmurray.infusionsoft.com/app/form/manual-entry-by-jon

---

From: John Collins [mailto:jmike10@[redacted]
Sent: Tuesday, March 06, 2012 7:34 PM
To: jack@[redacted] jon@[redacted]
Subject: RE: Questions for Jowen from John Collins and Team

Hi Jack,

ACC000177
FILE #8390

I got your VM. Will talk to Jon Later.

Thanks.

John

From: jack@[redacted]
To: jmike10@[redacted] jon@[redacted]
Subject: RE: Questions for Jowen from John Collins and Team
Date: Tue, 6 Mar 2012 16:33:13 -0800

Hello John...I just left a message for you on you VM re. Jon Murray getting back to you

Jack Weatherell

Jowen Investment and Consulting Group

[redacted]

From: John Collins [mailto:jmike10@[redacted]
Sent: Sunday, March 04, 2012 8:30 PM
To: jon@[redacted] jack@[redacted]
Subject: Questions for Jowen from John Collins and Team

Hello Jon and Jack,

Here are some questions we have for you before we move forward.

Could we do one deal at 60K to get things started? This could be done quickly with a promissory note on your end. It would give us a chance to safely see how long things take and would give us more confidence in the process. Given that all promises are made we would send the other 90K.

How many houses would be purchased at 60K and at 150K? How long does a flip take typically? How many flips could be projected to happen in one year if we invest 150K and what do you estimate total profits would be?

Would we be paying income tax on monies received from you?

Please explain what documentation we would get to look at as far as materials and labour purchased.

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Where is it best to convert monies from CDN to US? Up here or down there?

Do you have a sample of a previous contract or promissory note that we could look over?

Do you have any references we could contact who have done similar deals with you?

Regards,

John

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JOINT VENTURE AGREEMENT

This Joint Venture Agreement (this "Agreement") is made effective as of March 27, 2012, by and between John Collins, a individual ("Investor") and, Jon Murray a individual ("Developer") collectively referred to as "the Parties".

RECITALS

A. WHEREAS Developer has developed an expertise in acquiring, improving and reselling real estate throughout the state of Arizona.

B. WHEREAS Investor has funds available to invest and desires to invest in the acquisition, improvement and sale of real estate in select number of properties approved by Developer.

C. WHEREAS Developer and Investor desire to enter into a Joint Venture relationship which will allow Investor to invest and Developer to arrange for and manage the acquisition, improvement and resale of real estate, in accordance with the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

1. Scope and Description. By this Agreement, the parties create a joint venture to acquire, improve and sell residential real estate for profit ("Joint Venture Activity"). The principal office of the joint venture shall be at 11259 E. Via Linda, Suite #100, city of Scottsdale, County of Maricopa, State of Arizona.

2. Contributions. The Parties shall make the following contributions to the joint venture.

   A. Investor's Cash Contribution. Investor shall contribute One hundred and fifty thousand dollars ($150,000.00) in cash to the joint venture.

   B. Developer's Contribution. Developer's total contribution shall consist of devoting Developer's time and management to the venture and making full use of the expertise gained through participation in similar enterprises in the past. It is understood that Developer will make no cash contributions to the joint venture.

3. Status of Funds. All money contributions made by the Investor shall be placed in a bank account in the name of the Developer as trustee for the joint Venture. Any and all additional sums received from the sale of real estate shall be deposited in the same account. All drafts or checks issued to disburse these funds for costs, expenses, or distribution of profits may be signed by the Developer as trustee. Any interest earned on funds of the joint venture and any appreciation of real or personal property of the venture shall be recognized by the parties as an asset of the venture.

4. Responsibilities of Developer. Developer shall have the following duties and responsibilities:

A. Purchase. To negotiate the terms of and enter into agreements to purchase properties on behalf of the Joint Venture which are well suited, in the sole discretion of the Developer, for the Joint Venture Activity;

B. Secure Financing. To obtain financing for the Joint Venture Activity of approximately eighty percent (80%) loan to value, execute and deliver in Developer's name any and all instruments and documents, including, without limitation, checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; and any other documents necessary or desirable for the business of the Joint Venture Activity;

C. Title and Licensure. All legal title to property acquired by the joint venture, whether real or personal, shall be taken in the name of Developer as trustee for the Joint Venture, to be held for the Joint Venture's interest. The Developer shall be responsible for obtaining all necessary permits and approvals and for complying with all applicable ordinances and statutes;

D. Insurance. To obtain and maintain property and casualty insurance to protect the property of the Joint Venture. The premiums for such policies shall be an expense of the Joint Venture and paid from the Joint Venture's bank account;

E. Secure Property. To take any action the Developer deems necessary to secure the Joint Venture's real property, including but not limited to the ability to change locks on all doors and purchase security equipment and monitoring systems;

F. Utilities. To connect and pay for necessary utilities for contractors and for inspection by a buyer at time of resale;

G. Improvements and Repairs. To review contractor bids; negotiate, order and pay for contractor repairs and improvements; order and pay for supplies and materials; monitor contractor work and resolve deficiencies;

H. Updates. To periodically inform Investor in matters pertaining to the operations of the Joint Venture. It is understood that Investor will be kept informed, but the Developer shall not be required to advise the Investor of Developer's decisions which are routine in nature;

I. Sale of Renovated Properties. To list the properties for sale on the Multiple Listing Service with a licensed realtor, oversee the marketing of the properties to prospective buyers by the realtor, negotiate sale terms, sell the properties and execute documents to close escrow on behalf of the Joint Venture.

5. Term of Agreement. The effective date of this Agreement shall be the date first written above, and shall terminate on the date which is one (1) year following the date of this Agreement, unless extended in writing by the Parties.

6. Apportionment of Profits Resulting From Sale. In the event the property acquired by the joint venture is sold or otherwise disposed of, the proceeds of the sale may be reinvested by the Developer for use in carrying out Developer's responsibilities as

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provided in Section 5 of this Agreement. Upon termination of this Agreement, the remaining proceeds from all of the sales shall be applied as follows:

A. For payment of costs and expenses of sale;

B. For the payment of operating and maintenance expenses not otherwise paid for from the annual profits;

C. For payment of taxes and special assessments not otherwise paid for out of the annual profits;

D. For repayment of that portion of capital contribution made by Investor under Section 2A of this Agreement for the property sold;

E. The net amount remaining after the payment of the foregoing expenses shall be divided equally between the Developer and the Investor.

7. Sharing of Profits and Losses. Except as provided in Section 6 of this Agreement, the respective interests of the parties in the assets of the joint venture and in the profits earned by the joint venture or losses that may be incurred by the joint venture shall be divided equally between the Developer and the Investor.

8. Death, Divorce, Incapacity or Bankruptcy of a Party. The death, divorce, incapacity or bankruptcy of either Party shall terminate this Agreement. For purposes of this Section 8, bankruptcy shall include the filing of any petition, whether involuntary or voluntary, in bankruptcy or the appointment of a receiver for the Party. Any property owned by the Joint Venture shall be sold and the proceeds thereof distributed as provided in Section 6 of this Agreement. In the event the surviving Party does not wish to sell the property, the property shall be appraised by two disinterested appraisers, one to be appointed by the surviving Party and the other to be appointed by the executor or administrator of the deceased Party's estate. The average of the two appraisals shall be deemed to be the fair market value of the property. The cost of the appraisals shall be borne by the joint venture. The surviving Party shall pay such fair market value to the joint venture, as if the property had been sold to a third party. From such payment will be paid all of the items specified in Section 6, Paragraphs B, C and D of this Agreement. The net amount remaining after the payment of the foregoing items will be divided between the surviving Party and the estate of the deceased Party in the proportion provided for under Section 6, Paragraph E. If the surviving Party is unable to pay such fair market value, the property shall be sold and the proceeds divided as provided in Section 6.

9. Other Business Interests of Parties. The Parties agree that each Party may have other business interests which are unrelated to the Joint Venture and may engage in any other business or trade, profession or employment whatsoever, on his or her own account, or in partnership or as an employee of or as an officer, director or stockholder of any other person, firm or corporation, and he shall not be required to devote his or her entire time to the business of the joint venture.

10. Termination. On termination of this Agreement for any cause, the joint venture shall be wound up and dissolved and the proceeds there from shall be paid in accordance with Section 6 and 7 of this Agreement.

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11. Confidential Information. During the term of this Agreement, and for a period of two (2) years thereafter, Developer and Investor agree as follows:

A. Confidential Information. Investor shall not, except with the prior, written consent of Developer, directly or indirectly, provide, communicate, disclose or divulge to any individual, sole proprietorship, joint venture, partnership, limited liability company, corporation, association or any other governmental or non-governmental entity or authority (collectively "Person"), or use for Investor's own benefit or the benefit of any Person, any Confidential Information, except for information which (i) is in the public domain or (ii) the disclosure of which is required by law. Confidential Information shall mean Developer's methods, customer names, customer financial information, company financial information, Intellectual Property, employee names, company files, designs, plans, sales programs, customer contact information, manuals, systems, data files, and information about the sales, policies, pricing, practices, plans, and financial matters of the Developer, all of which shall be considered Confidential Information and the exclusive property of the Developer. Investor acknowledges the proprietary nature of the Confidential Information and understands that the Confidential Information must be maintained in strict confidence in order for the Developer to protect Developer's business and competitive position in the marketplace.

B. Remedies. Each Party agrees that in the event of a breach of any of the terms of this Section 11, the damages resulting from such breach would be difficult or impossible to ascertain, and each Party hereby agrees and consents to (i) a judgement granting injunctive or other equitable relief prohibiting the further breach of the provisions of this Section 11, and (ii) a judgement for monetary damages in the amount of the gross revenues obtained through the breach of the provisions of this Section 11.

12. Representations and Warranties of Investor. Investor represents and Warrants to Developer as of the date of this Agreement as follows:

A. Due Organization. If the Investor is a business entity, that the Investor is duly organized, validly existing and in good standing under the laws of the State of Arizona.

B. Authority; No Violation. Investor has taken all necessary action to authorize the transaction contemplated by this Agreement and Investor execution and delivery of all documents required herein and its performance hereunder. Investor's execution and delivery of this Agreement and the consummation of the transactions contemplated and required hereby do not and will not result in any violation of, or default under, any term or provision of any agreement, instrument, mortgage, loan agreement or similar document to which Investor is a party or by which Investor is bound.

C. No Litigation. There is no litigation, investigation or proceeding pending or, to the best of Investor's knowledge, contemplated or threatened against Investor which would impair or adversely affect Investor's ability to perform its obligations under this Agreement.

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D. Legal, Valid and Binding. This Agreement and all other documents and instruments which are or will be executed and delivered by Investor in connection with the transactions contemplated hereby, each constitute legal, valid and binding obligations of Investor, enforceable against Investor in accordance with their respective terms.

E. No Conflict. To Investor's knowledge, the execution, and delivery and performance of this Agreement by Investor and all other documents and instruments executed or delivered in connection with the transactions contemplated hereby, do not and will not, violate, conflict with, or contravene any judgement, order, decree, writ or injunction, or any law, rule or regulation to which Investor is subject, or result in any breach of, or constitute a default under any agreement, guarantee or contract to which Investor is a party or by which Investor or any of Investor's assets is bound.

F. No Bankruptcy or Insolvency Proceeding. Investor has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition in bankruptcy by Investor's creditors, (iii) suffered the attachment or any other judicial seizure of all, or substantially all, Investor's assets, (iv) admitted in writing its inability to pay its debts as they come due, or (v) made an offer of settlement, extension or composition to its creditors generally.

13. Representations and Warranties of Developer. Developer represents and warrants to Investor as of the date of this Agreement as follows:

A. Due Organization. If the Dealer is a business entity, that the Developer is a corporation, duly organized and validly existing and in good standing under the laws of the State of Arizona.

B. Authority; No Violation. Developer has taken all necessary action to authorize the transaction contemplated by this Agreement and Developer's execution and delivery of all documents required herein and its performance hereunder. Developer's execution and delivery of this Agreement and the consummation of the transactions contemplated and required hereby do not and will not result in any violation of, or default under, any term or provision of any agreement, instrument, mortgage, loan agreement or similar document to which Developer is a party or by which Developer is bound.

C. No Litigation. There is no litigation, investigation or proceeding pending or, to the best of Developer's knowledge, contemplated or threatened against Developer which would impair or adversely affect Developer's ability to perform its obligations under this Agreement.

D. Legal, Valid and Binding. This Agreement and all other documents and instruments which are or will be executed and delivered by Developer in connection with the transactions contemplated hereby, each constitute legal, valid and binding obligations of Developer, enforceable against Developer in accordance with their respective terms.

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E. No Conflict. To Developer's knowledge, the execution, and delivery and performance of this Agreement by Developer and all other documents and instruments executed or delivered in connection with the transactions contemplated hereby, do not and will not, violate, conflict with, or contravene any judgement, order, decree, writ or injunction, or any law, rule or regulation to which Developer is subject, or result in any breach of, or constitute a default under any agreement, guarantee or contract to which Developer is a party or by which Developer or any of Developer's assets is bound.

F. No Bankruptcy or Insolvency Proceeding. Seller has not (i) made a general assignment for the benefit or creditors, (ii) filed and voluntary petition in bankruptcy or suffered the filing of any involuntary petition in bankruptcy by Developer's Creditors, (iii) suffered the attachment or any other judicial seizure of all, or substantially all, Developer's assets, (iv) admitted in writing its inability to pay its debts as they come due, or (v) made an offer of settlement, extension or composition to its creditors generally.

14. Arbitration of Disputes.

A. Mandatory Arbitration. Any dispute between the Parties with respect to any matter pertaining to this Agreement shall be resolved by arbitration pursuant to this Section 14; each Party hereby waiving its right to seek a judicial determination of whether either Party is in breach of, or default under, any of the terms or provisions of this Agreement. The requirement that all disputes by resolved through arbitration pursuant to this Section shall constitute an absolute defense to any court action filed by one of the parties hereto against the other, and shall enable the Party against whom such action is filed to cause such action to be dismissed or set aside at any time.

B. Governing Rules. The arbitration shall be conducted in accordance with the Arbitration Rules applicable for partnership or business entity dispute resolution (the "AAA Rules") of the American Arbitration Association (the "AAA"), except to the extent modified herein.

C. Initiation of Claim and Appointment of Arbitrator. If any dispute pertaining to this Agreement shall arise between the parties, then, after the expiration of any applicable cure period, either Party may initiate arbitration by serving written notice on the other Party of its intention to arbitrate the dispute, which notice shall contain a statement setting forth the nature of the dispute and the remedy sought. A copy of such notice shall also be filed at the local office of the AAA together with this arbitration provision and the appropriate filing fee as required by the AAA, and shall request that an arbitrator be appointed within the shortest possible period by the President or Chief Administrative Officer of the local branch or office of the AAA or any successor association or body of comparable standing if the AAA is not then in existence.

D. Qualification of Arbitrator. The arbitrator must be a member of the State Bar of Arizona actively engaged in the practice of business law with expertise in the process of deciding disputes and interpreting contracts in the field of joint venture or business entity disputes.

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E. Hearing. The arbitrator shall be sworn faithfully and fairly to determine the question at issue. Immediately following appointment, the arbitrator shall provide written notice to the parties indicating the time and location of the scheduled hearing. The hearing must be held within thirty (30) days following the date upon which the arbitrator was appointed. At least five (5) business days prior to the commencement of the arbitration hearing, the parties shall each provide to the other a statement of its position respecting the dispute in question and a list of any witnesses which such Party expects to testify at such hearing on its behalf. The arbitration proceeding shall take place in Maricopa County, Arizona. The arbitrator shall afford to the parties a hearing and the right to conduct discovery in accordance with the Arizona Rules of Civil Procedure, submit evidence, with the privilege of cross-examination on the question at issue, and shall, with all possible speed, make a determination in writing and shall give notice to the parties hereto of such determination within ten (10) days following the hearing.

F. Scope of Award. Subject to the limitations set forth herein, the arbitrator shall have the authority to award any remedy or relief that a court of the State of Arizona could order or grant, including, without limitation, specific performance of any obligation created under the Agreement, the issuance of an injunction, or the imposition of sanctions for abuse or frustration of the arbitration process.

G. Fees and Expenses. The arbitrator shall assess its fees, all other fees and costs of any such arbitration proceeding and reasonable attorneys' fees against the Party who in the arbitrator's opinion is not the prevailing party. For purposes of this paragraph, the term "prevailing party" shall mean (i) with respect to the claimant, one who is successful in obtaining substantially all of the relief sought, and (ii) with respect to the respondent, one who is successful in denying substantially all of the relief sought by the claimant. If neither Party substantially prevails, then the award for attorneys' fees shall be apportioned in the arbitrator's discretion.

H. Appointment of Successor. If any arbitrator appointed pursuant to this paragraph shall thereafter die or become unable or unwilling to act, his successor shall be appointed in the manner provided in Section 14 C.

I. Decision Binding. In any proceeding conducted pursuant to this paragraph, the decision and award of the arbitrator shall be final, binding and enforceable in any court competent jurisdiction.

15. Attorney's Fees. If either Party hereto breaches any provisions of this Agreement, the breaching party shall pay to the non-breaching party all attorneys' fees and other costs and expenses incurred by the non-breaching party in enforcing this Agreement or preparing for arbitration, legal or other proceedings, regardless of whether suit or arbitration is instituted.

16. Waiver. The excuse or waiver of the performance by a Party of any obligation of the other Party under this Agreement shall only be effective if evidenced by a written statement signed by the Party so excusing. No delay in exercising any right or

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remedy shall constitute a waiver thereof, and no waiver by Seller or Buyer of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

17. Additional Documents. No modification of this Agreement shall be deemed effective unless in writing and signed by the parties hereto.

18. Further Insight. Each Party, promptly upon the request of the other, shall execute and have acknowledged and delivered to the other, any and all further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement and which are consistent with the provisions hereof.

19. Entire Agreement. This Agreement constitutes the entire contract between the parties with regard to the joint venture contemplated hereby. All terms and conditions contained in any other writings previously executed by the parties and all other discussions, understandings or agreements regarding such joint venture and the subject matter hereof shall be deemed to be superseded hereby.

20. Inurement. Subject to Section 24, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns, if any, of the respective parties hereto.

21. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

22. Descriptive Headings. The descriptive headings of the sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any provisions hereof.

23. Time of the Essence. Time is the essence of this Agreement.

24. Assignment. No Party shall transfer or assign its interest in this Agreement without prior written consent of the other Party, which may be withheld in such Party's sole and absolute judgement and discretion.

25. Interpretation. In this Agreement, the neuter gender includes the femine and masculine, and the singular number includes the plural, and the words "person" and "party" include corporations partnerships, individuals, firms, trusts, or associations wherever the context so requires.

26. Exhibits. All exhibits attached hereto and referred to in this Agreement are incorporated herein by this reference and are part of this Agreement.

27. Execution. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The partially executed signature page of any counterpart of this Agreement may be attached to any other partially executed counterpart of this Agreement without impairing the legal effect of the signature(s) on such signature page. Facsimile copies of the executed signature pages of this Agreement shall be effective and binding upon the parties as if such signatures were original signatures.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

DEVELOPER:

Jon Murray,

a individual.

By: _____

Its: Jon Murray

INVESTOR:

John Collins,

a individual.

By: _____

Its: _____

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FILE #8390

FIRST ADDENDUM
TO JOINT VENTURE AGREEMENT

This First Addendum to the Joint Venture Agreement (the "First Addendum") is entered into this 27 day of March, 2012, by and between John Collins, a individual ("Investor") and, Jon Murray, a individual ("Developer"). Investor and Developer may be collectively referred to herein as the "Parties" or individually as a "Party".

RECITALS

WHEREAS, Investor and Developer desire to enter into a Joint Venture Agreement as of the date of this First Addendum (the "Agreement"), the terms of which are incorporated herein by reference; and

WHEREAS, Investor and Developer now wish to add the following terms the Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements contained in the Agreement, and this addendum, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties agree as follows:

1. After a real estate contract has been executed by the Developer and before the close of escrow of such purchase Developer agrees to irrevocably grant, transfer, and assign to Investor, in trust, with power of sale, for the benefit of Investor, the Joint Venture's present and future estate, right, title and interest in and to such real property purchased under the Agreement up to the lesser of:

   (a) seventy five thousand ($75,000.00); or

   (b) The fair market value of such real property as determined by the purchase price listed in the real estate contract.

2. Such Deed of Trust shall be given for the purpose of securing Investor's capital contribution to the Joint Venture.

   (a) Upon the execution of the Agreement, and at any time, and at reasonable intervals, upon request of the Investor, the Developer will give, execute, deliver, file and/or record any notice, statement, instrument, document, agreement, or other papers that the Investor may reasonably request in order to create, preserve, perfect, or validate any deed of trust granted hereafter, or to enable the Investor to exercise and enforce its rights thereunder.

   (b) Developer represents that while the Investor has not received a full return of Investor's capital contribution as required by Section 6 of the Agreement, the Developer will not sell, transfer, convey, or assign the Collateral, or any part thereof, except as allowed pursuant to the Agreement.

(c) Investor acknowledges that any Deed of Trust executed in the Investor's favor, shall be subordinate to any other deed of trust created to finance the purchase of real property from any third party investor.

IN WITNESS WHEREOF, the parties hereto have executed this First Addendum as of the date first set forth above.

DEVELOPER:

Jon Murray,

a individual.

By: _____

Its: Jon Murray

INVESTOR:

John Collins,

a individual.

By: _____

Its: _____

Demand Promissory Note

CDN $75,000.00 (Amount) Due: September 25, 2012 (Due Date)

FOR VALUE RECEIVED, the undersigned, True North LLC (the "Borrower"), and Jon Murray the "Guarantor") hereby acknowledges itself indebted to John Collins (the "Lender") and promises to pay on demand to or to the order of the Lender at the address of [redacted] BC [redacted] or as otherwise directed in writing by the Lender, the principal sum of $ Seventy Five Thousand ($75,000.00) with interest thereon at the rate of 5 % per annum, calculated monthly, not in advance, both before and after demand, maturity, default and judgment until paid.

The Lender may assign all of its right, title, and interest in, to and under this promissory note. All payments required to be made hereunder shall be made by the Borrower without any right of set off or counterclaim.

DATED: August 13, 2012

Borrower Witness

True North LLC

PER: SIGNING AUTHORITY

Guarantor Witness

(Guarantor)

Joint Venture Dissolution Agreement

WHEREAS John Collins (the "Investor") has advanced the sum of Seventy-five thousand US Dollars (USD $75,000) in contemplation under a joint venture agreement dated March 16, 2012 with True North LLC (the "Developer") and John Murray (the "Guarantor") to develop real estate in the general metropolitan area of Phoenix, AZ, and;

WHEREAS To date, the monies transmitted have not been deployed to make an investment in real estate as anticipated, and;

WHEREAS The parties wish to dissolve the Joint Venture if no suitable investment is made on or before September 27, 2012.

THEREFORE the parties agree as follow.

1. Promissory Note

The Developer agrees to enter into a promissory note with the Investor to return the monies received under the Joint Venture Agreement dated March 27, 2012.

The Guarantor further agrees to personally guarantee the balance due as a material inducement to the Investor to continue the Joint Venture Agreement dated March 27, 2012 through till September 25, 2012.

2. Ongoing Development

In the event a suitable property is secured on or before September 25, 2012, the Developer and/or Guarantor may redeem the promissory note for the sum of One Dollar of US Funds (USD $1.00).

ACC000192
FILE #8390

Agreed on the 13th day of August, 2012.

The Investor	***Witness***
_____	_____
The Developer	***Witness***
_____	_____
PER: JOHN MURRAY	
The Guarantor	***Witness***
_____	_____

ROYAL BANK OF CANADA
BURNABY BC-HASTINGS & ROSSER

ROYAL FUNDS TRANSFER
2012 MAR 28

Branch Ref No... 00400-12088-199996 Value Date..... 2012 MAR 29
ICN..... From Send Ref....

Payment Amount.....$	75,000.00	USD	Charges For... Sender
Client Rate.....	1.00477500		Serial No.....
Conversion Amount.....$	75,358.12	CAD	
Communication Collected....$	5.00	CAD	
Wire Payment Fee Collected $	25.00	CAD	
Instruction Fee.....$	0.00	CAD	
IBAN Fee.....$	0.00	CAD	
Total Fees.....$	30.00	CAD	
Client Pays Amount.....$	75,388.12	CAD	SRF Client No... 904265212

Ordering Customer:
JOHN COLLINS
[redacted]
[redacted] BC [redacted]

Remittance Information:

Debit Branch Name (Princ).. NEW WEST BC-NEW WEST MAIN BR Account
JOINT-OR 03280 503-521-7
Debit Branch Name (Fees)... NEW WEST BC-NEW WEST MAIN BR
03280 503-521-7

Intermediary Institution:

Account With Institution:

( )
WELLS GARGO BANKS, N.A.
420 MONTOMERY
SAN FRANCISCO CA US

Beneficiary Account: [redacted]8937

Beneficiary Customer:
TRUE NORTH LLC
11259 E VIA LINDA STE 100

SCOTTSDALE 85259 AZ

Sender To Receiver Information:
/INS/SWIFT CODE WFBIUS65
/INT/WELLS FARGO EMERG MATT JACKSON

Instruction Code:

Additional charges may be deducted from the payment amount by the receiving bank and/or its intermediaries ("Receiving Bank"). If this payment cannot be completed for any reasons beyond the control of Royal Bank of Canada ("RBC") you may ask RBC for a refund and RBC shall make best efforts to secure a refund from Receiving Bank and return those amounts to you. If conversion of funds is requested, the rate of exchange will be RBC's rate established at the time the refund is converted. If you need to make an inquiry regarding this payment, or if you ask that RBC attempt to amend or cancel this payment, additional charges will apply (except in cases where an error has been established on the part of RBC or the Receiving Bank).

RBC will not be responsible for any loss or damage suffered or incurred by you except in a case where there has been negligence on the part of RBC, and in any such case RBC will not be liable for any indirect, consequential or exemplary damages (including but not limited to loss of profits), regardless of the cause of action.

SIGNATURE(S): _____

00400-003
ROYAL BANK OF C
HASTINGS & ROSSER
MAR 28 2012
00400-003

Template

ACC000194
FILE #8390

John Collins

From: John Collins
Sent: Tuesday, May 29, 2012 9:37 AM
To: 'Jon Murray 1-855-37-JOWEN'; 'jack weatherell'
Cc: Elvis Bazelli
Subject: 1rst Fix and Flip

Hello Jon and Jack,

We were wondering if you were having any luck with our 1rst flip. Does it look like we will be buying something soon. Please let us know what is happening.

Best Regards,

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel[redacted]
Fax.[redacted]

DOUGLAS
LIGHTING CONTROLS

From: John Collins
Sent: Wednesday, March 28, 2012 2:32 PM
To: 'Jon Murray 1-855-37-JOWEN'; 'jack weatherell'
Subject: RE: Signed Contracts - John Collins

Hi Jon and Jack,

I just wired the money to your account. Not sure if it will be there today or tomorrow.

Best Regards,

John Collins
Application Design and Technical Services
JohnC@[redacted]
Tel.[redacted]
Fax.[redacted]

DOUGLAS
LIGHTING CONTROLS

From: Jon Murray 1-855-37-JOWEN [mailto:jon@[redacted]
Sent: Wednesday, March 28, 2012 12:35 PM
To: 'jack weatherell'
Cc: John Collins; John Collins
Subject: RE: Signed Contracts - John Collins

ACC000194.01
FILE #8390

John,

I think we are all done here with respect to each having a copy of the signed documents.

Just waiting on conformation of the wire transfer. I will let you know when the funds are received at my end.

Talk to you soon.

Jon

From: jack weatherell [mailto:jackweatherell@[redacted]
Sent: Wednesday, March 28, 2012 10:04 AM
To: Jon Murray 604 846 HELP (4357)
Cc: JohnC@[redacted]
Subject: Fwd: Signed Contracts - John Collins

---------- Forwarded message ----------
From: **John Collins** <JohnC@[redacted]
Date: Wed, Mar 28, 2012 at 9:41 AM
Subject: Signed Contracts - John Collins
To: "jackweatherell@[redacted] <jackweatherell@[redacted]

Hi Jack,

Please have these signed and sent back to me today.

Best Regards,

John Collins

Application Design and Technical Services

JohnC@[redacted]

Tel [redacted]

Fax [redacted]

ACC000195
FILE #8390

FROM

John Collins

[redacted]

[redacted] BC [redacted]

TO

Complaints
Securities Division
Arizona Corporation Commission
1300 W. Washington St., 3rd Fl.
Phoenix, AZ 85007

Received
DEC 11 2012
Arizona Corp. Commission
Securities Division

ACC000196
FILE #8390

R Registered Recommandé
Air Mail Par avion
RW 602 597 242 CA
RW 602 597 242 CA

POSTAL OUTLET
R:786318/100648
Destination: USA
Ltr O/S US
Let/Crt.pst.surd.E-U

CANAD
POST
6012010

Stacy Luedtke

From: Jon Murray 604-846-HELP (4357) [jon@[redacted]
Sent: Saturday, June 11, 2011 8:44 PM
To: rflower@[redacted]
Cc: jack@[redacted]
Subject: Joint Venture Agreement
Attachments: PARTNERSHIP AGREEMENT - Randy Flowerden.pdf; Wiring Instructions - Wells Fargo - Jonathon Murray.pdf

Randy,

Here is the joint venture agreement reflecting the $65,000 capital investment. Please read, complete your address details, sign and get back to me asap.

I have also included the wiring instructions for transfer of the US funds. Please note the wire must be sent on Monday or we will have to redo the document again to reflect the correct dates. Please let me know if Monday is going to be a problem. I would appreciate you letting me know once it is sent so I can watch for it at my end. I will let you know when I receive it.

I really look forward to creating a positive and long term investing relationship with you.

Let me know if you have any further questions.

Sincerely,

Jon
[redacted]

EXHIBIT
S-34
ADMITTED

PARTNERSHIP AGREEMENT

General Partner: Jon Murray

Limited Partner: Randy Flowerden

Term:
This Agreement shall commence on or before June 13, 2011 and expire at the end of a one year term which is June 12th 2012 or at the completion (sale) of any property during the term.

Agreement:
General Partner intends to acquire interest in fix and flip properties offered for sale hereafter as "The Properties". Both the General Partner and the Limited Partner agree to enter into a partnership to acquirer and resell said properties. Limited Partner agrees to supply the funds totalling $65,000 USD to cover cost of purchase, closing costs, agent costs, insurance costs, utility costs, repair costs, carrying costs and any other costs in acquiring, fixing and re-selling the properties.

Allocation of funds:
The use of funds is estimated and can change slightly or moderately on a property to property basis. Every transaction is different and the below is only for the sole purpose of projecting the use of funds. The general ``fix and flip`` plan is to use funds the following ways:

1. Approximately $30,000 for down payment on purchase of a property
2. Approximately $25,000 for repairs and updates
3. Approximately $5,000 for closing costs and bid fees
4. Approximately $4,500 for carry costs on mortgage at 80% loan to value for a period of 90 – 120 days
5. Approximately $500 for utilities and other minor costs

General Partner Responsibilities:

1. To search for and place offers on suitable properties for the sole purpose to `fix and flip` as described in this agreement
2. To secure financing at 80% loan to value and deliver documents to lender for release of funds
3. To hold title with personal guarantee to lender
4. To order insurance for the properties
5. To change locks on all doors and secure the properties the day of purchase
6. To connect necessary utilities for contractors and for the purpose of inspection by the seller at time of re-sale
7. To order contractor bids for work to be completed
8. To negotiate, approve and monitor contractors and bids
9. To take periodic pictures and give updates to the Limited partner on a constant basis
10. To pay out all contractors when work is completed and all deficiencies are rectified
11. To list the properties once completed on the MLS with a licensed realtor
12. To make decisions on offers and negotiate to get the best price the market will allow
13. To complete the transaction and close escrow
14. To pay out profits to Limited Partner within 24 hrs of close of escrow on re-sale

Limited Partner Responsibilities:

1. To Fund $65,000 in USD as capital for the `fix and flip` transactions
2. To keep all discussions, emails and documents with General Partner private and confidential

Compensation:
The projected number of 'fix and flip' properties to be completed during the 1 year term of this contract is 3 – 4 with a projected pre-tax net profit of $15,000 - $25,000 per each 'fix and flip' which will be shared equally. Limited partner compensation shall be 50% of the net profit, less IRS 15% capital gains withholdings, paid at the time of the final property resale close of escrow as follows:

Payment Terms:
General Partner and Limited Partner agree that funds at close of escrow will be distributed as follows;

1. Loan pay off, interest payments, closing costs, insurance, taxes, impounds and cooperating agent commissions
2. All utilities
3. All rehab costs not already paid
4. $65,000 USD Limited Partner original capital
5. All additional profit or funds received above and beyond the aforementioned amounts to be split 50/50 by The General Partner and the Limited Partner after a 15% IRS withholding is deducted

Additional Terms: This agreement is only for the Properties that the General Partner and Limited Partner have noted in this agreement and it is not applicable to any other properties or projects. The Limited Partner and the General Partner will share profits or losses 50/50.

Dispute Resolution: (a) Mediation: Any dispute or claim in law or equity arising out of this Agreement shall be submitted to mediation in accordance with standard mediation practices. (b) Arbitration: If the mediation does not result in the resolution of the dispute, General Partner and Limited Partner agree that the dispute shall be resolved by binding arbitration. The arbitration shall be conducted by a mutually agreed upon arbitrator or if the parties fail to agree upon an arbitrator, the dispute shall be resolved by American Arbitration Association arbitration. Initially, all applicable deposits, arbitrator's fees, filing fees, administrative costs and expenses shall be borne equally by the parties. However, the arbitrator shall be authorized to award or refund all costs and deposits to the prevailing party. The decision of the arbitrator shall be binding, conclusive and may be enforced in any court of competent jurisdiction.

Attorneys' Fees: In any proceeding to enforce the compensation due to either party pursuant to this Agreement the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Arizona Law: This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

Capacity: Limited Partner warrants that the Limited Partner has the legal capacity, full power and authority to enter into this Agreement and consummate the transaction contemplated hereby on the Limited Partners own behalf or on behalf of the party the Limited Partner represents, as appropriate.

Termination: Once executed this Agreement cannot be terminated by either party. It may only be cancelled in writing with consent of both parties.

Entire Agreement: This Agreement and any addenda signed by the parties shall constitute the entire Agreement between

the General Partner and the Limited Partner, and shall supersede any other written or oral agreement between the General Partner and the Limited Partner. This Agreement can be modified only by a writing signed by the General Partner and the Limited Partner.

Acceptance: The General Partner and the Limited Partner hereby agree to all of the terms and conditions herein and acknowledge receipt of a copy of this Agreement.

		Randy Flowerden
Limited Partners Signature	MO/DA/YR	**Limited Partner print name**

Address City Province Postal

[redacted]

Telephone Fax

rflowerden@[redacted]

Email

	June 11th, 2011	Jon Murray
General Partner Signature	MO/DA/YR	**General Partner**

[redacted]	[redacted]	AZ	85259
Street Address	City	Sate	Zip

[redacted]

Telephone

604-846-3329

Fax

jon@[redacted]

Email

ACC000200
FILE #8390

Jonathon Murray
Wiring Instructions

Jonathon Murray
[redacted]
[redacted] AZ USA
[redacted]

Correspondent Bank
Wells Fargo Banks, N.A.
420 Montomery
San Francisco, CA USA
94104

Account Holder	Jonathon Murray
Beneficiary Acct#	[redacted] 8765
Routing Transit #	121000248

Wells Fargo Emerg Contact in Lynden	Connie Brown 360-354-6822

Jonathon Murray Contact number	[redacted]

Stacy Luedtke

From: Jon Murray 604 846 HELP (4357) [jon@[redacted]
Sent: Monday, June 13, 2011 10:12 PM
To: 'Randy Flowerdew'
Cc: 'Jack Weatherell'
Subject: RE: Money Transfer and agreement
Attachments: PARTNERSHIP AGREEMENT - Randall Flowerdew.pdf

Randy,

So sorry about the mistake with the spelling of your name.

Here is a copy of the agreement with your name corrected and the date for Tuesday, June14th.

Let me know if you need anything else.

Sincerely,

Jon

JOWEN
INVESTMENTS AND CONSULTING GROUP
Helping people, Help themselves!

Jon Murray
Owner/Operator

Main: 604 846 HELP (4357)
Fax: 604 846 EFAX (3329)
Email: jon@[redacted]
Web: www.jowen.ca

[redacted] B.C. Canada
[redacted]

From: Randy Flowerdew [mailto:rflower@[redacted]
Sent: Monday, June 13, 2011 3:31 PM
To: jon@[redacted]
Subject: Money Transfer and agreement

Hi Jon, rec'd your joint agreement, only one problem, it's Randall Flowerdew, not Flowerden. Shouldn't make much difference but just to keep everything correct. Was away for the weekend, just got back in town to receive the email this afternoon. Don't know if it will work for Monday for the money transfer. Are you going to resend the agreement than maybe date it for Tuesday. Let me know
phn#[redacted]
Thanks Randy Flowerdew

ACC000204
FILE #8390

EXHIBIT
S-35
ADMITTED

PARTNERSHIP AGREEMENT

General Partner: Jon Murray

Limited Partner: Randall Flowerdew

Term:
This Agreement shall commence on or before June 14, 2011 and expire at the end of a one year term which is June 13th 2012 or at the completion (sale) of any property during the term.

Agreement:
General Partner intends to acquire interest in fix and flip properties offered for sale hereafter as "The Properties". Both the General Partner and the Limited Partner agree to enter into a partnership to acquirer and resell said properties. Limited Partner agrees to supply the funds totalling $65,000 USD to cover cost of purchase, closing costs, agent costs, insurance costs, utility costs, repair costs, carrying costs and any other costs in acquiring, fixing and re-selling the properties.

Allocation of funds:
The use of funds is estimated and can change slightly or moderately on a property to property basis. Every transaction is different and the below is only for the sole purpose of projecting the use of funds. The general ``fix and flip`` plan is to use funds the following ways:

1. Approximately $30,000 for down payment on purchase of a property
2. Approximately $25,000 for repairs and updates
3. Approximately $5,000 for closing costs and bid fees
4. Approximately $4,500 for carry costs on mortgage at 80% loan to value for a period of 90 – 120 days
5. Approximately $500 for utilities and other minor costs

General Partner Responsibilities:

1. To search for and place offers on suitable properties for the sole purpose to `fix and flip` as described in this agreement
2. To secure financing at 80% loan to value and deliver documents to lender for release of funds
3. To hold title with personal guarantee to lender
4. To order insurance for the properties
5. To change locks on all doors and secure the properties the day of purchase
6. To connect necessary utilities for contractors and for the purpose of inspection by the seller at time of re-sale
7. To order contractor bids for work to be completed
8. To negotiate, approve and monitor contractors and bids
9. To take periodic pictures and give updates to the Limited partner on a constant basis
10. To pay out all contractors when work is completed and all deficiencies are rectified
11. To list the properties once completed on the MLS with a licensed realtor
12. To make decisions on offers and negotiate to get the best price the market will allow
13. To complete the transaction and close escrow
14. To pay out profits to Limited Partner within 24 hrs of close of escrow on re-sale

Limited Partner Responsibilities:

1. To Fund $65,000 in USD as capital for the `fix and flip` transactions
2. To keep all discussions, emails and documents with General Partner private and confidential

Compensation:
The projected number of 'fix and flip' properties to be completed during the 1 year term of this contract is 3 – 4 with a projected pre-tax net profit of $15,000 - $25,000 per each 'fix and flip' which will be shared equally. Limited partner compensation shall be 50% of the net profit, less IRS 15% capital gains withholdings, paid at the time of the final property resale close of escrow as follows:

Payment Terms:
General Partner and Limited Partner agree that funds at close of escrow will be distributed as follows;

1. Loan pay off, interest payments, closing costs, insurance, taxes, impounds and cooperating agent commissions
2. All utilities
3. All rehab costs not already paid
4. $65,000 USD Limited Partner original capital
5. All additional profit or funds received above and beyond the aforementioned amounts to be split 50/50 by The General Partner and the Limited Partner after a 15% IRS withholding is deducted

Additional Terms: This agreement is only for the Properties that the General Partner and Limited Partner have noted in this agreement and it is not applicable to any other properties or projects. The Limited Partner and the General Partner will share profits or losses 50/50.

Dispute Resolution: (a) Mediation: Any dispute or claim in law or equity arising out of this Agreement shall be submitted to mediation in accordance with standard mediation practices. (b) Arbitration: If the mediation does not result in the resolution of the dispute, General Partner and Limited Partner agree that the dispute shall be resolved by binding arbitration. The arbitration shall be conducted by a mutually agreed upon arbitrator or if the parties fail to agree upon an arbitrator, the dispute shall be resolved by American Arbitration Association arbitration. Initially, all applicable deposits, arbitrator's fees, filing fees, administrative costs and expenses shall be borne equally by the parties. However, the arbitrator shall be authorized to award or refund all costs and deposits to the prevailing party. The decision of the arbitrator shall be binding, conclusive and may be enforced in any court of competent jurisdiction.

Attorneys' Fees: In any proceeding to enforce the compensation due to either party pursuant to this Agreement the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Arizona Law: This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

Capacity: Limited Partner warrants that the Limited Partner has the legal capacity, full power and authority to enter into this Agreement and consummate the transaction contemplated hereby on the Limited Partners own behalf or on behalf of the party the Limited Partner represents, as appropriate.

Termination: Once executed this Agreement cannot be terminated by either party. It may only be cancelled in writing with consent of both parties.

Entire Agreement: This Agreement and any addenda signed by the parties shall constitute the entire Agreement between

the General Partner and the Limited Partner, and shall supersede any other written or oral agreement between the General Partner and the Limited Partner. This Agreement can be modified only by a writing signed by the General Partner and the Limited Partner.

Acceptance: The General Partner and the Limited Partner hereby agree to all of the terms and conditions herein and acknowledge receipt of a copy of this Agreement.

Limited Partners Signature	MO/DA/YR	Randall Flowerdew **Limited Partner print name**

Address | City | Province | Postal

[redacted]
Telephone

Fax

rflowerdew@[redacted]
Email

General Partner Signature	June 11th, 2011 MO/DA/YR	Jon Murray **General Partner**

[redacted] | [redacted] | AZ | [redacted]
Street Address | City | Sate | Zip

[redacted]
Telephone

604-846-3329
Fax

jon@[redacted]
Email

ACC000207
FILE #8390

Stacy Luedtke

From: Jon Murray 604 846 HELP (4357) [jon@[redacted]
Sent: Thursday, June 16, 2011 3:53 PM
To: 'Randy Flowerdew'
Cc: 'Jack Weatherell'
Subject: RE: Wire Transfer

Just wanted to let you know I received your wire yesterday afternoon.

We already have a few properties we are looking at to get something happening.

Thanks!

Jon

JOWEN
INVESTMENTS AND CONSULTING GROUP

Helping people, Help themselves!

Jon Murray
Owner/Operator

Main: 604 846 HELP (4357)
Fax: 604 846 EFAX (3329)
Email: jon@[redacted]
Web: www.jowen.ca

[redacted] B.C. Canada

From: Randy Flowerdew [mailto:rflower@[redacted]
Sent: Tuesday, June 14, 2011 1:12 PM
To: jon@[redacted]
Subject: Wire Transfer

OK, the bullet has been bit. Money was transfered @ 1:00 PM PSTime. Make me a happy man.
Thanks Randy Flowerdew

ACC000208
FILE #8390

EXHIBIT
S-36
ADMITTED

Stacy Luedtke

From: Jon Murray 1-855-37-JOWEN [jon@jowen.ca]
Sent: Thursday, November 17, 2011 3:16 PM
To: 'Randy Flowerdew'
Cc: 'Jack Weatherell'
Subject: Update
Attachments: Purchase Contract - Amelia.pdf; 2011-11-10-8710-E-Amelia-Ave-RPT.pdf; 100 - MLS - Closing On Amelia.xls

Randy,

Hope you are doing well.

We got the close date for the house we are going to be working on. It is scheduled to close on December 2nd. Yay!

I am expecting my contractor bids to be all in by the end of the week so we will be good to go the day of close.

I have attached a basic projection of where things are at thus far as well as the inspection report and purchase contract.

The address is 8710 E Amelia, Scottsdale. This house was partially fixed up until the owner lost it to foreclosure.

If you have any questions, please feel free to contact me.

Have a great week!

Jon

JOWEN
INVESTMENTS AND CONSULTING GROUP
Helping people, Help themselves!

Jon Murray
Owner/Operator

Toll Free Office and Fax
1-855-37-JOWEN (59636)
Email: jon@jowen.ca
Web: www.jowen.ca

ACC000213
FILE #8390

EXHIBIT
S-37
ADMITTED

Canadian Address:
[redacted]
[redacted] BC Canada
[redacted]

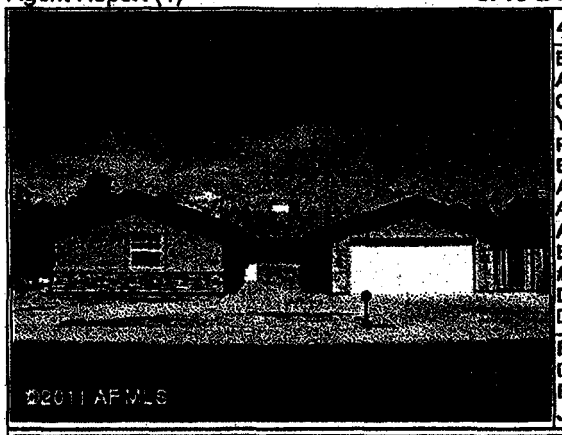
USA Address:
[redacted]
[redacted] Arizona USA
[redacted]

Check out my YouTube Channel...lots of great clips!
http://www.youtube.com/user/joweninvestments?feature=mhum

ACC000214
FILE #8390

Jon $180

Agent Report (1) **8710 E AMELIA AVE Scottsdale, AZ 85251** **$174,900**



4665594 Residential Single Family - Detached Active

Beds/Baths: 4 / 3
Approx SqFt: 1,782 / County Assessor
Guest House SqFt: 0
Year Built: 1974
Pool: None
Encoded Features: 43RXO2G1S
Approx Lot SqFt: 7,809 / County Assessor
Apx Lot Size Range: 7,501 - 10,000
Exterior Stories: 1
# of Interior Levels: 1
Dwelling Type: Single Family - Detached

Subdivision: PARK SCOTTSDALE 19
Tax Municipality: Scottsdale
Marketing Name: PARK SCOTTSDALE
Planned Cmty Name: PARK SCOTTSDALE
Model: SINGLE LEVEL
Builder Name: UNKNOWN
Hun Block: 4050 N
Map Code/Grid: P37
Bldg Number:

Ele Sch Dist: 048 - Scottsdale Unified District
Elementary School: Pueblo
Jr. High School: Mohave

High School Dist #: 048 - Scottsdale Unified District
High School: Saguaro

Cross Streets: INDIAN SCHOOL & HAYDEN **Directions:** E ON INDIAN SCHOOL TO 87TH STREET, S ON 87TH ST TO AMELIA, & E ON AMELIA TO PROPERTY.

Public Remarks: PRICED FOR IMMEDIATE SALE!!! EXCELLENT BUYER OPPORTUNITY!!! UPDATED WITH GRANITE-TRAVERTINE-&-MORE!!! (SOME FINISHING STILL NEEDED). ATTRACTIVE FRONT ELEVATION & APPEAL, 4 BDRM 3 BATH DESIGN W/2 MASTER BDRMS: MAIN MASTER FEATURES SEP SHOWER W/DUAL SHOWERHEADS & TUB, DBL SINKS, & WALK-IN CLOSET; OTHER MASTER BDRM HAS FULL BATH; 2 GUEST BDRMS WITH (1) MORE LIKE DEN OR SMALL OFFICE, 2G W/CABINETS, GREAT RM W/FIREPLACE, N/S LOT, REAR CVD PATIO, EXTRA SLAB PARKING & WIDE GATE, LARGE OPEN EAT-IN-KITCHEN, & MORE!!! SCOTTSDALE LOCATION & GREAT PROXIMITY TO 101 FREEWAY & OTHER CONVENIENCES!!! SALE IS AS-IS WHERE-IS WITH NO WARRANTIES OR REPRESENTATIONS EXPRESSED OR IMPLIED WHATSOEVER BY SELLER. NO SPDS OR CLUE REPORT AVAILABLE.

Features	Room Details	Construction & Utilities	County, Tax and Financing
Approx SqFt Range: 1,601 - 1,800 **Garage Spaces:** 2 **Carport Spaces:** 0 **Slab Parking Spaces:** 1 **Parking Features:** Atch'd Gar Cabinets **Pool - Private:** No Pool **Spa:** None **Horses:** N **Fireplace:** 1 Fireplace; Fireplace Living Rm **Property Description:** North/South Exposure **Landscaping:** Dirt Front; Dirt Back **Exterior Features:** Patio; Covered Patio(s); Circular Drive **Flooring:** Carpet; Other	**Kitchen Features:** Range/Oven Elec; Dishwasher; Built-in Microwave; Granite Countertops **Master Bathroom:** Full Bth Master Bdrm; Separate Shwr & Tub **Additional Bedroom:** Master Bdrm Split; 2 Master Bdrms; Mstr Bdr Walkin Clst **Laundry:** Wshr/Dry HookUp Only; Inside Laundry **Dining Area:** Eat-in Kitchen **Other Rooms:** Great Room; Den/Office **Basement Description:** None	**Architecture:** Ranch **Const - Finish:** Painted; Stucco; Stone **Construction:** Block; Frame - Wood **Roofing:** Comp Shingle **Fencing:** Block; Partial **Cooling:** Refrigeration **Heating:** Electric Heat **Utilities:** SRP; SW Gas **Water:** City Water **Sewer:** Sewer - Public **Services:** City Services **Technology:** Cable TV Avail; HighSpd Intrnt Aval **Energy/Green Feature:** Ceiling Fan (s)	**County Code:** Maricopa **Legal Subdivision:** PARK SCOTTSDALE 19 **AN:** 130-41-207 **Lot Number:** 2295 **Town-Range-Section:** 2N-4E-25 **Cty Bk&Pg:** **Plat:** **Taxes/Yr:** $1,212/2011 **Ownership:** Fee Simple **Week Avail Timeshare:** 0 **New Financing:** Cash; Conventional **Total Asum Mnth Pmts:** $0 **Down Payment:** $0 **Existing 1st Loan:** Treat as Free&Clear **Exist 1st Loan Terms:** **Disclosures:** Spr Fnd/WQARF/DOD; Agency Disci Req **Auction:** No **Possession:** Close of Escrow

Fees & Homeowner Association Information

HOA Y/N: N **HOA Fee/Paid:** / **HOA Transfer Fee:** **HOA Name:** **HOA Telephone:**	**HOA 2 Y/N:** N **HOA 2 Fee/Paid:** / **HOA 2 Transfer Fee:** **HOA 2 Name:** **HOA 2 Telephone:**	**Association Fee Incl:** No Fees **Assoc Rules/Info:** None	**Cap Imprv/Impact Fee:** 0 **Land Lease Fee:** $0 **PAD Fee:** $0

Listing Dates	Pricing and Sale Info	Listing Contract Info
CDOM/ADOM: 2 / 3 **List Date:** 10/21/2011 **Status Change Date:** 10/22/2011	**Original List Price:** $174,900 **List Price:** $174,900	**SA:** N / 0 **BB:** Y / % 3 % **Var:** N **Type:** ER **Other Compensation:** 0 **Special Listing Cond:** N/A

Private Rmks - DND2: VACANT ON MLS LBX. SELLER AS-IS ADDENDA & TITLE CO INFO PROVIDED AT OFFER ACCEPTANCE. SELLER REQUIRES BUYER TO VIEW PROPERTY PRIOR TO SUBMITTING AN OFFER. EMAIL OFFERS TO RUTH.MILLER@COX.NET OR FAX TO 623-551-1281 BUT PLEASE NOT BOTH.

Semi-Private Remarks:

Show Instruct - DND2: Vacant; Lkbx - ARMLS; ByrBrkr - Use Lkbx
Occupant - DND2: Vacant
Ownr/Occ Name - DND2: CLIENT
Owner/Occ Phn - DND2: 0

Alarm Code - DND2:
Gate Code - DND2:
Mech-box Code - DND2:

	Name	Office	Primary Phone	Office Phone	E-mail	Mobile and Home	Fax
LA	Jeffrey B Miller (jm116)	Realty Executives (reax57)	602-957-0748	602-957-0748	ruth.miller@cox.net	602-402-0338	623-551-1281

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RESIDENTIAL RESALE REAL ESTATE

PURCHASE CONTRACT

Document updated: February 2011

ARIZONA association of REALTORS® REAL SOLUTIONS REALTORS® SUCCESS

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1. PROPERTY

1a. 1. BUYER: JON MURRAY (BUYER'S NAME(S))

2. SELLER: OWNER ON RECORD (SELLER'S NAME(S)) or ☐ as identified in section 9c.

3. Buyer agrees to buy and Seller agrees to sell the real property with all improvements, fixtures, and appurtenances thereon
4. or incidental thereto, plus the personal property described herein (collectively the "Premises").

1b. 5. Premises Address: 8710 E AMELIA AVE Assessor's #: 130-41-207

6. City: SCOTTSDALE County: MARICOPA AZ, Zip Code: 85251

7. Legal Description: PARK SCOTTSDALE LOT 2295

1c. 8. $ 180,000.00 Full Purchase Price, paid as outlined below

9. $ 3,000.00 Earnest money

10. $ 33,000.00 CASH AT CLOSE OF ESCROW

11. $ 144,000.00 HARD MONEY LOAN

12.

13.

14.

1d. 15. Close of Escrow: Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's office. Buyer
16. and Seller shall comply with all terms and conditions of this Contract, execute and deliver to Escrow Company all closing documents,
17. and perform all other acts necessary in sufficient time to allow COE to occur on
18. November (MONTH) 22 (DAY), 2011 (YEAR) ("COE Date"). If Escrow Company or recorder's office is closed on COE Date,
19. COE shall occur on the next day that both are open for business.

20. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
21. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available funds to
22. Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on COE Date.

1e. 23. Possession: Seller shall deliver possession, occupancy, existing keys and/or means to operate all locks, mailbox, security
24. system/alarms, and all common area facilities to Buyer at COE or ☐ _____.
25. Broker(s) recommend that the parties seek appropriate counsel from insurance, legal, tax, and accounting professionals regarding
26. the risks of pre-possession or post-possession of the Premises.

1f. 27. Addenda Incorporated: ☒ AS IS ☐ Additional Clause ☐ Assumption and Carryback ☐ Buyer Contingency ☐ Domestic Water Well
28. ☐ H.O.A. ☒ Lead-Based Paint Disclosure ☐ On-site Wastewater Treatment Facility ☐ Short Sale
29. ☐ Other: AGENCY AND MOLD ADDENDUM

1g. 30. Fixtures and Personal Property: Seller agrees that all existing fixtures on the Premises, and any existing personal property
31. specified herein, shall be included in this sale, including the following:

32. • free-standing range/oven	• light fixtures	• draperies and other window coverings
33. • ceiling fans	• towel, curtain and drapery rods	• shutters and awnings
34. • attached floor coverings	• flush-mounted speakers	• water-misting systems
35. • window and door screens, sun screens	• storm windows and doors	• solar systems
36. • garage door openers and controls	• attached media antennas/ satellite dishes	• mailbox
37. • outdoor landscaping, fountains, and lighting		• central vacuum, hose, and attachments
38. • pellet, wood-burning or gas-log stoves	• attached fireplace equipment	• built-in appliances
39. • storage sheds	• timers	

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<initials> SELLER SELLER

Initials> BUYER BUYER

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40. If owned by the Seller, the following items also are included in this sale:
41. • pool and spa equipment (including any mechanical or other cleaning systems)
42. • security and/or fire systems and/or alarms
43. • water softeners
44. • water purification systems
45. Additional existing personal property included in this sale (if checked): ☐ refrigerator ☐ washer ☐ dryer as described:
46. _____
47. _____
48. ☐ Other: _____
49. _____
50. Additional existing personal property included shall not be considered part of the Premises and shall be transferred with no monetary
51. value, and free and clear of all liens or encumbrances.
52. Fixtures and leased items NOT included: _____
53. IF THIS IS AN ALL CASH SALE, GO TO SECTION 3.

2. FINANCING

2a. 54. **Pre-Qualification:** A completed AAR Pre-Qualification Form ☐ is ☐ is not attached hereto and incorporated herein by reference.

2b. 55. **Loan Contingency:** Buyer's obligation to complete this sale is contingent upon Buyer obtaining loan approval for the loan described
56. in the AAR Loan Status Update ("LSU") form without Prior to Document ("PTD") conditions no later than three (3) days prior to the
57. COE Date. If Buyer is unable to obtain loan approval without PTD conditions, Buyer shall deliver a notice of the inability to obtain
58. loan approval without PTD conditions to Seller or Escrow Company no later than three (3) days prior to the COE Date.

2c. 59. **Unfulfilled Loan Contingency:** This Contract shall be cancelled and Buyer shall be entitled to a return of the earnest money if after
60. diligent and good faith effort, Buyer is unable to obtain loan approval without PTD conditions no later than three (3) days prior to the
61. COE Date. Buyer acknowledges that prepaid items paid separately from earnest money are not refundable.

2d. 62. **Interest Rate / Necessary Funds:** Buyer agrees that (i) the inability to obtain loan approval due to the failure to lock the interest
63. rate and "points" by separate written agreement with the lender during the Inspection Period or (ii) the failure to have the down
64. payment or other funds due from Buyer necessary to obtain the loan approval without conditions and close this transaction is not
65. an unfulfilled loan contingency.

2e. 66. **Loan Status Update:** Buyer shall deliver to Seller the LSU with at a minimum lines 1-40 completed describing the current status
67. of the Buyer's proposed loan within five (5) days after Contract acceptance and instruct lender to provide an updated LSU to
68. Broker(s) and Seller upon request.

2f. 69. **Loan Application:** Unless previously completed, during the Inspection Period, Buyer shall (i) complete, sign and deliver to the
70. lender a loan application and grant lender permission to access Buyer's Trimerged Residential Credit Report; and (ii) provide
71. to lender all initial requested signed disclosures and initial Requested Documentation listed in the LSU on lines 32-35.

2g. 72. **Loan Processing During Escrow:** Buyer agrees to diligently work to obtain the loan and will promptly provide the lender with all
73. additional documentation required. Buyer shall sign all loan documents no later than three (3) days prior to the COE Date.

2h. 74. **Type of Financing:** ☐ Conventional ☐ FHA ☐ VA ☐ USDA ☐ Assumption ☐ Seller Carryback ☐ HARD MONEY
75. (If financing is to be other than new financing, see attached addendum.)

2i. 76. **Loan Costs:** All costs of obtaining the loan shall be paid by the Buyer, unless otherwise provided for herein.

2j. 77. **Seller Concessions (if any):** In addition to the other costs Seller has agreed to pay herein, Seller agrees to pay up to _____ %
78. of the Purchase Price or $ _____ for Buyer's loan costs including pre-paids, impounds and Buyer's title / escrow closing costs.

2k. 79. **VA Loan Costs:** In the event of a VA loan, Seller agrees to pay the escrow fee and up to $ _____ of loan costs not
80. permitted to be paid by the Buyer, in addition to the other costs Seller has agreed to pay herein, including Seller's concessions.

2l. 81. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the
82. Pre-Qualification Form if attached hereto or LSU provided within five (5) days after Contract acceptance and shall only make any
83. such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan
84. approval without PTD conditions, increase Seller's closing costs, or delay COE.

2m. 85. **Appraisal Contingency:** Buyer's obligation to complete this sale is contingent upon an appraisal of the Premises acceptable to
86. lender for at least the purchase price. If the Premises fails to appraise for the purchase price in any appraisal required by lender,
87. Buyer has five (5) days after notice of the appraised value to cancel this Contract and receive a refund of the Earnest Money or the
88. appraisal contingency shall be waived.

2n. 89. **Appraisal Fee(s):** Appraisal Fee(s), when required by lender, shall be paid by ☐ Buyer ☐ Seller ☐ Other _____
90. Appraisal Fee(s) ☐ are ☐ are not included in Seller's Concessions, if applicable.

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<initials SELLER | SELLER initials> BUYER | BUYER

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3. TITLE AND ESCROW

3a. 91. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the
92. terms of this Contract shall be:

93. TBD
ESCROW/TITLE COMPANY

94. _____ CITY _____ STATE _____ ZIP _____
ADDRESS

95. _____ PHONE _____ FAX _____
EMAIL

3b. 96. **Title and Vesting:** Buyer will take title as determined before COE. Taking title may have significant legal, estate planning and tax
97. consequences. Buyer should obtain legal and tax advice.

3c. 98. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller directly,
99. addressed pursuant to 8t and 9c or as otherwise provided, a Commitment for Title Insurance together with complete and legible copies
100. of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not limited to
101. Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements. Buyer shall have five (5) days after receipt of the
102. Title Commitment and after receipt of notice of any subsequent exceptions to provide notice to Seller of any items disapproved. Seller
103. shall convey title by warranty deed, subject to existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements
104. and all other matters of record. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's
105. Title Insurance Policy, or if not available, an ALTA Residential Title Insurance Policy ("Plain Language"/1-4 units") or, if not available, a
106. Standard Owner's Title Insurance Policy, showing title vested in Buyer. Buyer may acquire extended coverage at Buyer's own additional
107. expense. If applicable, Buyer shall pay the cost of obtaining the ALTA Lender Title Insurance Policy.

3d. 108. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and address of the
109. Buyer to any homeowner's association in which the Premises is located. (ii) If the Escrow Company is also acting as the title agency
110. but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver to the Buyer and Seller, upon deposit of
111. funds, a closing protection letter from the title insurer indemnifying the Buyer and Seller for any losses due to fraudulent acts or breach
112. of escrow instructions by the Escrow Company. (iii) All documents necessary to close this transaction shall be executed promptly by
113. Seller and Buyer in the standard form used by Escrow Company. Escrow Company shall modify such documents to the extent
114. necessary to be consistent with this Contract. (iv) Escrow Company fees, unless otherwise stated herein, shall be allocated equally
115. between Seller and Buyer. (v) Escrow Company shall send to all parties and Broker(s) copies of all notices and communications
116. directed to Seller, Buyer and Broker(s). (vi) Escrow Company shall provide Broker(s) access to escrowed materials and information
117. regarding the escrow. (vii) If an Affidavit of Disclosure is provided, Escrow Company shall record the Affidavit at COE.

3e. 118. **Tax Prorations:** Real property taxes payable by the Seller shall be prorated to COE based upon the latest tax information available.

3f. 119. **Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with
120. Escrow Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions of
121. this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company against
122. any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees, arising from or
123. relating in any way to the release of Earnest Money.

3g. 124. **Prorations of Assessments and Fees:** All assessments and fees that are not a lien as of the COE, including homeowner's
125. association fees, rents, irrigation fees, and, if assumed, insurance premiums, interest on assessments, interest on encumbrances,
126. and service contracts, shall be prorated as of COE or ☐ Other: _____

3h. 127. **Assessment Liens:** The amount of any assessment, other than homeowner's association assessments, that is a lien as of the
128. COE, shall be ☒ paid in full by Seller ☐ prorated and assumed by Buyer. Any assessment that becomes a lien after COE is
129. the Buyer's responsibility.

3i. 130. **IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, sign,
131. and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to the
132. Foreign Investment in Real Property Tax Act ("FIRPTA"). Buyer and Seller acknowledge that if the Seller is a foreign person, the
133. Buyer must withhold a tax equal to 10% of the purchase price, unless an exemption applies.

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4. DISCLOSURE

4a. **Seller Property Disclosure Statement ("SPDS"):** Seller shall deliver a completed AAR Residential SPDS form to the Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any SPDS items disapproved within the Inspection Period or five (5) days after receipt of the SPDS, whichever is later.

4b. **Insurance Claims History:** Seller shall deliver to Buyer a written five-year insurance claims history regarding Premises (or a claims history for the length of time Seller has owned the Premises if less than five years) from Seller's insurance company or an insurance support organization or consumer reporting agency, or if unavailable from these sources, from Seller, within five (5) days after Contract acceptance. (Seller may obscure any reference to date of birth or social security number from the document). Buyer shall provide notice of any items disapproved within the Inspection Period or five (5) days after receipt of the claims history, whichever is later.

4c. **Lead-Based Paint Disclosure:** If the Premises were built prior to 1978, the Seller shall: (i) notify the Buyer of any known lead-based paint ("LBP") or LBP hazards in the Premises; (ii) provide the Buyer with any LBP risk assessments or inspections of the Premises in the Seller's possession; (iii) provide the Buyer with the Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards, and any report, records, pamphlets, and/or other materials referenced therein, including the pamphlet "Protect Your Family from Lead in Your Home" (collectively "LBP Information"). Buyer shall return a signed copy of the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards to Seller prior to COE.

☐ LBP Information was provided prior to Contract acceptance and Buyer acknowledges the opportunity to conduct LBP risk assessments or inspections during Inspection Period.

☐ Seller shall provide LBP Information within five (5) days after Contract acceptance. Buyer may within ten (10) days or _____ days after receipt of the LBP Information conduct or obtain a risk assessment or inspection of the Premises for the presence of LBP or LBP hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the LBP Information or five (5) days after expiration of the Assessment Period cancel this Contract.

Buyer is further advised to use certified contractors to perform renovation, repair or painting projects that disturb lead-based paint in residential properties built before 1978 and to follow specific work practices to prevent lead contamination.

If Premises were constructed prior to 1978, **(BUYER'S INITIALS REQUIRED)** JM BUYER _____ BUYER

If Premises were constructed in 1978 or later, **(BUYER'S INITIALS REQUIRED)** _____ BUYER _____ BUYER

4d. **Affidavit of Disclosure:** If the Premises is located in an unincorporated area of the county, and five or fewer parcels of property other than subdivided property are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in the form required by law to the Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any Affidavit of Disclosure items disapproved within the Inspection Period or five (5) days after receipt of the Affidavit of Disclosure, whichever is later.

4e. **Changes During Escrow:** Seller shall immediately notify Buyer of any changes in the Premises or disclosures made herein, in the SPDS, or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by Section 5a or otherwise by this Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be allowed five (5) days after delivery of such notice to provide notice of disapproval to Seller.

5. WARRANTIES

5a. **Seller Warranties:** Seller warrants and shall maintain and repair the Premises so that at the earlier of possession or COE: (i) all heating, cooling, mechanical, plumbing, and electrical systems (including swimming pool and/or spa, motors, filter systems, cleaning systems, and heaters, if any), free-standing range/oven, and built-in appliances will be in working condition; (ii) all other agreed upon repairs and corrections will be completed pursuant to Section 6j; (iii) the Premises, including all additional existing personal property included in the sale, will be in substantially the same condition as on the date of Contract acceptance; and (iv) all personal property not included in the sale and all debris will be removed from the Premises.

5b. **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and any information concerning the Premises known to Seller, excluding opinions of value, which materially and adversely affect the consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for all labor, professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the COE in connection with the construction, alteration, or repair of any structure on or improvement to the Premises. Seller warrants that the information regarding connection to a sewer system or on-site wastewater treatment facility (conventional septic or alternative) is correct to the best of Seller's knowledge.

5c. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect the Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Premises or COE, Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts the Premises. **Buyer warrants that Buyer is not relying on any verbal representations concerning the Premises except disclosed as follows:**

_____

_____

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6. DUE DILIGENCE

6a. **Inspection Period:** Buyer's Inspection Period shall be ten (10) days or _____ days after Contract acceptance. During the Inspection Period Buyer, at Buyer's expense, shall: (i) conduct all desired physical, environmental, and other types of inspections and investigations to determine the value and condition of the Premises; (ii) make inquiries and consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities concerning the suitability of the Premises and the surrounding area; (iii) investigate applicable building, zoning, fire, health, and safety codes to determine any potential hazards, violations or defects in the Premises; and (iv) verify any material multiple listing service ("MLS") information. If the presence of sex offenders in the vicinity or the occurrence of a disease, natural death, suicide, homicide or other crime on or in the vicinity is a material matter to the Buyer, it must be investigated by the Buyer during the Inspection Period. Buyer shall keep the Premises free and clear of liens, shall indemnify and hold Seller harmless from all liability, claims, demands, damages, and costs, and shall repair all damages arising from the inspections. Buyer shall provide Seller and Broker(s) upon receipt, at no cost, copies of all inspection reports concerning the Premises obtained by Buyer. Buyer is advised to consult the Arizona Department of Real Estate *Buyer Advisory* provided by AAR to assist in Buyer's due diligence inspections and investigations.

6b. **Square Footage:** BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE PREMISES, BOTH THE REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON, IS APPROXIMATE. IF SQUARE FOOTAGE IS A MATERIAL MATTER TO THE BUYER, IT MUST BE INVESTIGATED DURING THE INSPECTION PERIOD.

6c. **Wood-Destroying Organism or Insect Inspection:** IF CURRENT OR PAST WOOD-DESTROYING ORGANISMS OR INSECTS (SUCH AS TERMITES) ARE A MATERIAL MATTER TO THE BUYER, THESE ISSUES MUST BE INVESTIGATED DURING THE INSPECTION PERIOD. The Buyer shall order and pay for all wood-destroying organism or insect inspections performed during the Inspection Period. If the lender requires an updated Wood-Destroying Organism or Insect Inspection Report prior to COE, it will be performed at Buyer's expense.

6d. **Flood Hazard:** Flood hazard designations or the cost of flood hazard insurance shall be determined by Buyer during the Inspection Period. If the Premises are situated in an area identified as having any special flood hazards by any governmental entity, the lender may require the purchase of flood hazard insurance. Special flood hazards may also affect the ability to encumber or improve the Premises.

6e. **Insurance:** IF HOMEOWNER'S INSURANCE IS A MATERIAL MATTER TO THE BUYER, BUYER SHALL APPLY FOR AND OBTAIN WRITTEN CONFIRMATION OF THE AVAILABILITY AND COST OF HOMEOWNER'S INSURANCE FOR THE PREMISES FROM BUYER'S INSURANCE COMPANY DURING THE INSPECTION PERIOD. Buyer understands that any homeowner's, fire, casualty, or other insurance desired by Buyer or required by lender should be in place at COE.

6f. **Sewer or On-site Wastewater Treatment System:** The Premises are connected to a:
☒ sewer system ☐ septic system ☐ alternative system

IF A SEWER CONNECTION IS A MATERIAL MATTER TO THE BUYER, IT MUST BE INVESTIGATED DURING THE INSPECTION PERIOD. If the Premises are served by a septic or alternative system, the AAR On-site Wastewater Treatment Facility Addendum is incorporated herein by reference.

(BUYER'S INITIALS REQUIRED) JM BUYER _____ BUYER

6g. **Swimming Pool Barrier Regulations:** During the Inspection Period, Buyer agrees to investigate all applicable state, county, and municipal Swimming Pool barrier regulations and agrees to comply with and pay all costs of compliance with said regulations prior to occupying the Premises, unless otherwise agreed in writing. If the Premises contains a Swimming Pool, Buyer acknowledges receipt of the Arizona Department of Health Services approved private pool safety notice.

(BUYER'S INITIALS REQUIRED) JM BUYER _____ BUYER

6h. BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES, AND AGREES THAT BROKER(S) ARE NOT QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PREMISES OR THE SURROUNDING AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO ASSIST IN BUYER'S DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE PREMISES AND THE SURROUNDING AREA IS BEYOND THE SCOPE OF THE BROKER'S EXPERTISE AND LICENSING, BUYER EXPRESSLY RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR CONDITIONS THAT COULD HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.

(BUYER'S INITIALS REQUIRED) JM BUYER _____ BUYER

6i. **Inspection Period Notice:** Prior to expiration of the Inspection Period, Buyer shall deliver to Seller a signed notice of any items disapproved. AAR's Buyer's Inspection Notice and Seller's Response form is available for this purpose. Buyer shall conduct all desired inspections and investigations prior to delivering such notice to Seller and all Inspection Period items disapproved shall be provided in a single notice.

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6j. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of items as allowed herein, Buyer shall deliver to Seller notice of the items disapproved and state in the notice that Buyer elects to either:
(1) immediately cancel this Contract and all Earnest Money shall be released to Buyer, or
(2) provide the Seller an opportunity to correct the items disapproved, in which case:

(a) Seller shall respond in writing within five (5) days or _____ days after delivery to Seller of Buyer's notice of items disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall conclusively be deemed Seller's refusal to correct any of the items disapproved.

(b) If Seller agrees in writing to correct items disapproved, Seller shall correct the items, complete any repairs in a workmanlike manner and deliver any paid receipts evidencing the corrections and repairs to Buyer three (3) days or _____ days prior to COE Date.

(c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this Contract within five (5) days after delivery of Seller's response or after expiration of the time for Seller's response, whichever occurs first, and all Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as provided, Buyer shall close escrow without correction of those items that Seller has not agreed in writing to correct.

VERBAL DISCUSSIONS WILL NOT EXTEND THESE TIME PERIODS. Only a written agreement signed by both parties will extend response times or cancellation rights.

BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN THE SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.

6k. **Notice of Non-Working Warranted Items:** Buyer shall provide Seller with notice of any non-working warranted item(s) of which Buyer becomes aware during the Inspection Period or the Seller warranty for that item(s) shall be waived. Delivery of such notice shall not affect Seller's obligation to maintain or repair the warranted item(s).

6l. **Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and most plans exclude pre-existing conditions.

☐ A Home Warranty Plan will be ordered by ☐ Buyer or ☐ Seller with the following optional coverage

_____, to be issued by _____ at a cost not

to exceed $ _____, to be paid for by ☐ Buyer ☐ Seller

☒ Buyer declines the purchase of a Home Warranty Plan.

6m. **Walkthrough(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct walkthrough(s) of the Premises for the purpose of satisfying Buyer that any corrections or repairs agreed to by the Seller have been completed, warranted items are in working condition and that the Premises is in substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer releases Seller and Broker(s) from liability for any defects that could have been discovered.

6n. **Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all inspections and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including any propane, until COE to enable Buyer to conduct these inspections and walkthrough(s).

7. REMEDIES

7a. **Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall become a breach of Contract.

7b. **Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative Dispute Resolution obligations set forth herein. In the case of the Seller, because it would be difficult to fix actual damages in the event of Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's option, accept the Earnest Money as Seller's sole right to damages; and in the event of Buyer's breach arising from Buyer's failure to deliver the notice required by Section 2b, or Buyer's inability to obtain loan approval due to the waiver of the appraisal contingency pursuant to Section 2m, Seller shall exercise this option and accept the Earnest Money as Seller's sole right to damages. An unfulfilled contingency is not a breach of Contract. The parties expressly agree that the failure of any party to comply with the terms and conditions of Section 1d to allow COE to occur on the COE Date, if not cured after a cure notice is delivered pursuant to Section 7a, will constitute a material breach of this Contract, rendering the Contract subject to cancellation.

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7c. **Alternative Dispute Resolution ("ADR"):** Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs shall be paid equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30) days after the conclusion of the mediation conference by notice to the other and in such event either party shall have the right to resort to court action.

7d. **Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in the Small Claims Division of an Arizona Justice Court (up to $2,500) so long as the matter is not thereafter transferred or removed from the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or agreement for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanics lien; or (v) any matter that is within the jurisdiction of a probate court. Further, the filing of a judicial action to enable the recording of a notice of pending action ("lis pendens"), or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the obligation to submit the claim to ADR, nor shall such action constitute a breach of the duty to mediate or arbitrate.

7e. **Attorney Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to this Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees, expert witness fees, fees paid to investigators, and arbitration costs.

8. ADDITIONAL TERMS AND CONDITIONS

8a. BUYER WAIVES THE SELLER'S PROPERTY DISCLOSURE AND CLUE REPORT

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8b. **Risk of Loss:** If there is any loss or damage to the Premises between the date of Contract acceptance and COE or possession, whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the Seller, provided, however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price, either Seller or Buyer may elect to cancel the Contract.

8c. **Permission:** Buyer and Seller grant Broker(s) permission to advise the public of this Contract.

8d. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

8e. **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations described herein.

8f. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment atCOE, if not previously paid. If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE. If Buyer is obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE FOR THE SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®, OR MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT.

8g. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original Contract. This Contract and any other documents required by this Contract may be executed by facsimile or other electronic means and in any number of counterparts, which shall become effective upon delivery as provided for herein, except that the Lead-Based Paint Disclosure Statement may not be signed in counterpart. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original.

8h. **Days:** All references to days in this Contract shall be construed as calendar days and a day shall begin at 12:00 a.m. and end at 11:59 p.m.

8i. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event from which the time period begins to run is not included and the last day of the time period is included. Contract acceptance occurs on the date that the signed Contract (and any incorporated counter offer) is delivered to and received by the appropriate Broker. Acts that must be performed three days prior to the COE Date must be performed three full days prior (i.e., if COE Date is Friday the act must be performed by 11:59 p.m. on Monday).

8j. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a writing signed by Seller and Buyer. The failure to initial any page of this Contract shall not affect the validity or terms of this Contract.

8k. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands that any subsequent offer accepted by the Seller must be a backup offer contingent on the cancellation of this Contract.

8l. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by delivering notice stating the reason for cancellation to the other party or to the Escrow Company. Cancellation shall become effective immediately upon delivery of the cancellation notice.

8m. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall bein writing and deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic mail, if email addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as indicated in Section 8r, to Seller as indicated in Section 9a and to the Escrow Company indicated in Section 3a.

8n. **Earnest Money:** Earnest Money is in the form of: ☒ Personal Check ☐ Other: _____
If applicable, Earnest Money has been received by Broker named in Section 8r and upon acceptance of this offer will be deposited with: ☒ Escrow Company ☐ Broker's Trust Account. Buyer acknowledges that failure to pay the required closing funds by the scheduled Close of Escrow, if not cured after a cure notice is delivered pursuant to Section 7a, shall be construed as a material breach of this contract and all earnest money shall be subject to forfeiture.

8o. **Release of Broker(s):** Seller and Buyer hereby expressly release, hold harmless and indemnify Broker(s) in this transaction from any and all liability and responsibility regarding financing, the condition, square footage, lot lines, boundaries, value, rent rolls, environmental problems, sanitation systems, roof, wood infestation, building codes, governmental regulations, insurance, price and terms of sale, return on investment or any other matter relating to the value or condition of the Premises. The parties understand and agree that the Broker(s) do not provide advice on property as an investment and are not qualified to provide financial, legal, or tax advice regarding this real estate transaction.

(SELLER'S INITIALS REQUIRED) _____ SELLER _____ SELLER (BUYER'S INITIALS REQUIRED) _____ BUYER _____ BUYER

8p. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and a signed copy delivered in person, by mail, facsimile or electronically, and received by Broker named in Section 8r by October 26, 2011 at 5 ☐ a.m. ☒ p.m., Mountain Standard Time. Buyer may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by this date and time, this offer shall be deemed withdrawn and the Buyer's Earnest Money shall be returned.

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<Initials> SELLER SELLER Initials> BUYER BUYER

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Residential Resale Real Estate Purchase Contract >>

8q. 389. THIS CONTRACT CONTAINS NINE PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE THAT
390. YOU HAVE RECEIVED AND READ ALL NINE PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.

8r. 391. Broker on behalf of Buyer:

392. KAREN POKORNEY (PRINT SALESPERSON'S NAME) KP054 (AGENT CODE) REALTY EXECUTIVES (PRINT FIRM NAME) REAX40 (FIRM CODE)

393. 21040 N PIMA RD (FIRM ADDRESS) SCOTTSDALE (STATE) AZ (ZIP CODE) 85255

394. (480)659-6500 (PREFERRED TELEPHONE) (480)585-9130 (FAX) NRGIZED59@AOL.COM (EMAIL)

8s. 395. Agency Confirmation: The Broker named in Section 8r above is the agent of (check one):
396. ☒ the Buyer; ☐ the Seller; or ☒ both the Buyer and Seller

8t. 397. The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt of
398. a copy hereof including the Buyer Attachment.

399. [signature] (BUYER'S SIGNATURE) 10/24/2011 (MO/DA/YR) (BUYER'S SIGNATURE) (MO/DA/YR)
JON MURRAY

400. (ADDRESS) (ADDRESS)

401. (CITY, STATE, ZIP CODE) (CITY, STATE, ZIP CODE)

9. SELLER ACCEPTANCE

9a. 402. Broker on behalf of Seller:

403. JEFFREY MILLER (PRINT SALESPERSON'S NAME) JM116 (AGENT CODE) REALTY EXECUTIVES (PRINT FIRM NAME) REAX57 (FIRM CODE)

404. 4427 N. 36th St. #101 (FIRM ADDRESS) Phoenix (STATE) AZ (ZIP CODE) 85018

405. (602)957-0748 (PREFERRED TELEPHONE) (623)551-1281 (FAX) RUTH.MILLER@COX.NET (EMAIL)

9b. 406. Agency Confirmation: The Broker named in Section 9a above is the agent of (check one):
407. ☒ the Seller; or ☒ both the Buyer and Seller

9c. 408. The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a
409. copy hereof and grant permission to Broker named on Section 9a to deliver a copy to Buyer.

410. ☐ Counter Offer is attached, and is incorporated herein by reference. Seller should sign both this offer and the Counter Offer.
411. If there is a conflict between this offer and the Counter Offer, the provisions of the Counter Offer shall be controlling.

412. [signature] (SELLER'S SIGNATURE) 11/02/11 (MO/DA/YR) (SELLER'S SIGNATURE) (MO/DA/YR)

413. OWNER ON RECORD (SELLER'S NAME PRINTED) Goshen Mortgage REO, LLC (SELLER'S NAME PRINTED)

414. (ADDRESS) (ADDRESS)

415. (CITY, STATE, ZIP CODE) (CITY, STATE, ZIP CODE)

416. ☐ OFFER REJECTED BY SELLER: _____ (MONTH) _____ (DAY), _____ (YEAR) _____ (SELLER'S INITIALS)

For Broker Use Only:
Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials _____ Date _____ (MO/DA/YR)

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Residential Resale Real Estate Purchase Contract • Updated: February 2011
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MURRAY, JON

ACC000224
FILE #8390

From: Donna J. McCumbers <dmccumbers@suretylenderservices.com>
To: Karen Pokorney <nrgized59@aol.com>
Subject: RE: File 35584SL-R 8710 E Amelia Ave, Scottsdale, AZ 85251
Date: Tue, Nov 15, 2011 11:55 am

Hi Karen, I don't have anything. I saw in a prev. email it was being sent out. Do you know when it was mailed to us?

Donna McCumbers
Surety Lender Services
1 East Stow Rd.
Marlton, N.J. 08053
Direct: 856-702-6887
E-Fax: 856-702-6945
Email: dmccumbers@suretylenderservices.com

From: Karen Pokorney [mailto:nrgized59@aol.com]
Sent: Monday, November 14, 2011 4:53 PM
To: Donna J. McCumbers
Subject: Re: File 35584SL-R 8710 E Amelia Ave, Scottsdale, AZ 85251

Hi Donna, do you have the earnest money receipt for this file, thank you, Melissa

Melissa Desenberg
Assistant to Karen Pokorney

Karen Pokorney
Pokorney/Sutton Group
Realty Executives-Premier Marketing Group
Mobile: (602) 686-6464
Direct: (480) 659-6500
E-Fax: (480) 585-9130
Email: EnergizedRealtor@Gmail.com
Website: www.AZRealEstateGroup.com
ABR-Accredited Buyer Representative
CRS-Certified Residential Specialist
CNE-Certified Negotiation Expert
CSSN-Certified Short Sale Negotiator

ACC000225
FILE #8390

-----Original Message-----
From: Donna J. McCumbers <dmccumbers@suretylenderservices.com>
To: jon <jon@jowen.ca>; jeffmiller <jeffmiller@realtyexecutives.com>; nrgized59 <nrgized59@aol.com>; Jenn.Bilek <Jenn.Bilek@lendersreo.com>
Sent: Wed, Nov 9, 2011 11:10 am
Subject: File 35584SL-R 8710 E Amelia Ave, Scottsdale, AZ 85251

Hello, Please see attached title work. Please confirm the following:

Est closing date
The lender info and loan amount
Is a survey req.
Is there a Homeowners assoc. on this prop.
Any inspections req.

Thank you☺

Donna McCumbers
Surety Lender Services
1 East Stow Rd.
Marlton, N.J. 08053
Direct: 856-702-6887
E-Fax: 856-702-6945
Email: dmccumbers@suretylenderservices.com

SURETY
LENDER SERVICES
1 East Stow Road, Suite 101, Marlton, NJ 08053 Tel: 856-985-4700 Fax: 856-985-2770

INSTRUCTIONS FOR INCOMING WIRE TRANSFERS

TO:

TD BANK, N.A.
336 Route 70 East
Cherry Hill, NJ 08003

ROUTING OR ABA #
031201360

FOR CREDIT TO:
SURETY LENDER SERVICES, LLC

RamQuest General Trust Account
[redacted]2405

REFERENCE: 35584SL-R
Jon Murray

WHEN SENDING THE CLOSING PACKAGE ELECTRONICALLY,
OUR EMAIL ADDRESS IS:

slspackages@suretylenderservices.com

Date: Friday, October 28, 2011
Goshen Mortgage REO LLC
Property 8710 E Amelia Ave
Scottsdale, AZ 85251

ADDENDUM TO THE PURCHASE AGREEMENT DATED " 10/24/2011 "
Between Goshen Mortgage REO LLC and Jon Murray

- ✓ Selling price to be $ 180,000.00
- ✓ Buyer to respond within 3 business days. If no response is received on or before 11/02/2011, this offer shall become null and void.
- ✓ Buyer and agents to sign AS IS Addendum.
- ✓ Buyer and agents to sign mold disclosure and waiver.
- ✓ Buyer and agents to sign lead-based paint disclosure.
- ✓ Evidence of cash/financing to be supplied before offer will be accepted.
- ✓ In reference to 5a, seller will not guarantee that all items are operational as it is unknown. It shall be buyers responsibility to check the operations of the appliances and/or systems.
- ✓ Conveyance of marketable title by Special Warranty Deed.
- ✓ Transference of Possession immediately upon Successful Closing. No penalty for failure is applicable.
- ✓ Please delete any reference to mediation or dispute resolution due to foreclosure status of property this is not applicable. Loss and return of earnest money is the only alternative if either party defaults.
- ✓ Closing to take place within 30 days from seller's acceptance date below. If the closing date falls on a weekend or holiday, the closing will take place the following weekday. Purchaser shall make every effort to meet this deadline. If closing does not occur by the scheduled close date, through no fault of the seller, seller reserves the right to cancel this transaction. Should closing extend beyond this date, a written extension must be pre-approved by the seller. When such extension is due to a delay on the part of the buyer, and or its agents, Title Company's, appraisers or any other vendor, buyer shall pay a $50 per diem fee for each day of such extension.
- ✓ Seller recommends Surety Lender Services for all title and closing services. Should buyer elect to use Title Company other than seller's recommendation, all costs incurred exceeding Surety's standard fees will be the buyer's responsibility.

The following information must be completed and returned with this form if not using Surety:

Title Company: _____ Closer Name: _____

Title Company Phone: _____ Title Company E-mail: _____

JM (Buyer Initials) Buyer acknowledges the use of Surety Lender Services as the sole title company and elects to use this company as recommended by seller.

- ✓ In the event this Addendum conflicts with or modifies the terms and conditions of the Residential Contract to Buy and Sell Real Estate or Counter Proposal, then the terms of this Addendum shall control.

Jon [signature] 10/31/11
Buyer Date

[signature] 11/2/11
Seller Date

Buyer Date

[signature] 10/31/11
Seller's Agent Date

Karen Pokorney 10/31/11
Buyer's Agent Date

ACC000227
FILE #8390

ADDENDUM TO PURCHASE AGREEMENT

THIS ADDENDUM TO PURCHASE AGREEMENT ("Addendum") is hereby incorporated and becomes a part of the Residential Contract to Buy and Sell Real Estate dated _____, between Jon Hulley as the "Buyer" and Goshen Mortgage REO LLC, as the " Seller", for the purchase and sale of that certain real property commonly known as: 8710 E Amelia Ave, Scottsdale, AZ 85251

The purchase agreement together with the Counter Proposal and this Addendum, when signed by all of the parties, shall collectively form and be referred to as the "Contract". In the event this Addendum conflicts with or modifies the terms and conditions of the Residential Contract to Buy and Sell Real Estate or Counter Proposal, then the terms of this Addendum shall control.

The undersigned Buyer has been advised and acknowledges and agrees that:

1. The Property was acquired by the Seller through foreclosure proceedings or a deed in lieu of foreclosure.

2. The Property is not new and is being sold and conveyed in its "AS IS" "WHERE IS" condition.

3. No REPRESENTATIONS, WARRANTIES or GUARANTEES of any kind, either expressed or implied, have been made by Seller or any other person acting as Seller's representative and/or Buyer's representative regarding the Property, including but not limited to the following:

A. The condition of the Property including, but not limited to, the soils, any appliances, structural components, electrical, plumbing or mechanical systems, roof, basement, alterations, or additions that may be part of the Property;

B. Any LATENT or PATENT DEFECTS in, on or around the Property, or any component thereof, including, but not limited to, expansive or contracting soils, water leaks, drainage problems, plumbing problems, electrical problems, heating ventilation and air conditioning systems problems, mechanical system problems, safety problems, or structural problems;

C. Whether the Property is located on or near, or is affected in any way by a toxic or hazardous waste site, including but not limited to, any property listed on, or is subject to being listed on, the National Priorities List issued by the Federal Environmental Protection Agency or any list of properties published by a state or local agency responsible for regulating toxic and/or hazardous waste or substances;

D. Whether the Property contains, or is affected by, urea-formaldehyde foam insulation, fiberglass insulation, asbestos insulation, asbestos-containing materials, radon gas, PCB's, lead-based paints, lead-based solders or other contaminants in the water supply system, molds and mildews, insects, rodents, electrical transmission lines, gas supply lines, underground storage tanks, leaking underground storage tanks, contaminated soils, and/or any other substance or condition on/or near the Property which may make it uninhabitable or dangerous or which may adversely affect the health or welfare of the occupants, or the value or resale potential of the Property now or in the future.

4. It is BUYER'S SOLE RESPONSIBILITY to, at Buyer's sole expense, to obtain any inspections or testing by qualified professionals as would be necessary or appropriate, to determine any problems or defects in, on or with the Property, including, but not limited to, the types of problems or defects listed in paragraph 3 above, or any other condition of the Property.

5. Any repairs, modifications or additions which may be desired, requested or required by any insurer, guarantor, lender or municipality in or at the Property are to be completed after closing and shall not be the obligation or done at the expense of the Seller.

6. The Property is being conveyed in its "AS IS" "WHERE IS" condition, Seller makes no representation or warranty, of any kind, either expressed or implied as to the condition of the Property, the dwelling or of any of its components parts or systems therein.

7. Title to the Property will be conveyed via Special Warranty Deed signed by and delivered from the Seller to the Buyer at the time of Closing.

8. Seller will maintain the Property in its condition as of the date that the Contract is timely accepted in writing by both the Buyer and the Seller, with the Property being sold and conveyed in its then "AS IS" "WHERE IS" condition.

9. Any and all personal property listed within the Contract is hereby deleted. Any personal property included will be those items within the Property at the time that this Contract is accepted in writing by all of the parties hereto.

10. Seller will not pay for any inspection, treatment or repair of insect damage or any other damage to the Property as the Property is being sold and conveyed in its "AS IS" "WHERE IS" condition, without representation or warranty, either expressed or implied.

11. DISCLOSURE REGARDING SPECIAL TAXING DISTRICT- TAXES FOR GENERAL OBLIGATION INDEBTEDNESS:

ACC000228
FILE #8390

"Special taxing districts may be subject to general obligation of indebtedness that is paid by revenues produced from annual tax levies on the taxable property within such districts. Property owners in such districts may be placed at risk for increased mill levies and excessive tax burdens to support the servicing of such debt where circumstances arise resulting in the inability of such a district to discharge such indebtedness without such an increase in mill levies. Buyer should investigate the debt financing requirements of the authorized general obligation indebtedness of such districts, existing mill levies of such district servicing such indebtedness, and the potential for an increase in such mill levies."

Seller makes no representation whether the Property is or is not within a special taxing district, and it is the Buyer's sole responsibility to investigate whether the Property is in such a district and to investigate the debt financing associated with any such district, existing mill levies, and the potential for increase in the mill levies.

The terms of this Addendum shall survive any closing of the sale of the Property from Seller to Buyer and will not be merged by the delivery of the Special Warranty Deed from the Seller to the Buyer.

Gashen Mortgage REO LLC

10/28/11 by: Date

Buyer Date

Buyer Date

Karen Pokorney 10/28/2011

Buyer's Agent Date

10/28/11

Seller's Agent Date

This is a legal instrument. If not understood, legal, tax or other counsel should be consulted before signing

Addendum Page 2 of 2

MOLD DISCLOSURE AND WAIVER

Printed Name(s) of Buyer(s): Jon Hurley

Printed Name(s) of Seller(s): Goshen Mortgage REO LLC

Property Address: 8710 E Amelia Ave Scottsdale, AZ 85251

Recently there has been a great interest in the existence, or non existence, of different types of mold in homes, apartments, and commercial buildings. Some of the different types of mold are defined as "Toxic" and "Non-Toxic." Medical information indicates that some types of mold may cause health problems in certain human beings.

Some types of mold are not detectable by a visual inspection by the Real Estate Agent or by professional home inspectors. The property may have mold that is hidden from the Real Estate Agents, professional home inspectors, and the Seller.

The only way to determine if the home you are purchasing contains mold or other health hazards is to retain a state licensed and qualified Environmental expert who can perform specific tests to make that determination. If the presence of any mold or evidence of water intrusion or moisture has been disclosed to you, you should have that condition professionally evaluated by a qualified laboratory.

The Agent/Broker recommends that every Buyer should consider having a mold or other health hazard tests preformed by a state-licensed and appropriately qualified Environmental Expert as part of their right under the Purchase Agreement to have inspections of the property. This is especially necessary if the inspection reports or disclosure documents indicate that there is evidence of past or present moisture, standing water, visible stains, or water intrusion on the property.

All inspections, including those to detect mold or other health hazards, must be conducted and completed within the time for inspections provided in the Purchase Agreement. Any waiver or failure on the part of the buyer to complete all appropriate inspections and tests, including those for mold or other health hazards, is against the advice and recommendations of the Broker.

Mold Inspections:

Mold contaminants may exist in the Property of which Seller or their Agents are unaware. These contaminants generally grow in places where there is, or may have been, excessive moisture, such as where leakage may have occurred in roofs, pipes, walls, plant pots, or where there has been flooding; these conditions may be identified with a typical home inspection. Seller and their Agents recommend buyer(s) obtain a home inspection to better determine the condition of the Property.

Neither Seller nor their Agents are experts in the field of mold contaminants. In the event suspect mold contamination is discovered it is recommended that all buyers satisfy themselves as to property condition by having a mold inspection preformed. The cost and quality of such inspections may vary and will be at the buyer's expense. Companies able to perform appropriate inspections may be found in the Yellow Pages or on the World Wide Web under "Microbial" or "Mold Inspections" or under "Environmental and Ecological Services."

Waiver:

Buyer(s) agrees to hold Seller and their Agents harmless in the event any mold contaminants are discovered on the property. **Buyers understand mold is a naturally occurring microbe and that mold should pose no health threat unless concentrated at high levels in the living environment. The only way to determine if a mold like substance is truly mold or is present at high levels is through sample collecting and analytical testing.**

Receipt of Copy:

Buyer(s) have read this Mold Disclosure and Waiver and by their signatures hereon acknowledge receipt of a copy thereof.

Professional Advice:

Buyer(s) execute this Disclosure and Waiver with the understanding that they should consult with a professional of their choice regarding any questions or concerns before its execution.

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Legal Advice:

Buyer(s) acknowledge that this waiver does not attempt to offer legal advice. If Buyer(s)feel the need for legal advice they should consult an attorney of their choice prior to the execution of this document.

Buyers Disclosure:

Seller and their Agents have recommended that the buyer obtain a Home Inspection.
Seller and their Agents have recommended that the buyer(s) obtain a Mold Inspection.
Seller and their Agents have not and cannot verify whether or not there is any health hazard or mold present at the property.

AGREED AND ACCEPTED TO:

Buyer(s) Jon [signature]	Date: 10/28/11
Buyer(s)	Date:
Agent: Jody 3 Miller	Date: 10/28/11
Sellers Agent: Karen Pokorney	Date: 10/28/2011
Buyers Seller: Jennifer Bilek	Date: 11/7/11

Disclosure Page 2 of 2

ACC000231
FILE #8390

Realty Executives AZ - Pinnacle Peak

"AS IS" ADDENDUM

Document updated: February 2011

ARIZONA Association of REALTORS® REAL SOLUTIONS. REALTOR® SUCCESS

The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax adviser or professional consultant.

1. Seller: OWNER ON RECORD
2. Buyer: JON MURRAY
3. Premises Address: 8710 E AMELIA AVE, SCOTTSDALE, AZ 85251
4. Date: October 24, 2011

5. The following additional terms and conditions are hereby included as a part of the Contract between Seller and Buyer for the
6. above referenced Premises. All terms and conditions of the Contract are hereby included herein and delivery of all notices
7. and documentation shall be deemed delivered and received when sent as required by Section 8m of the Contract.

8. A. Seller and Buyer agree that the Premises is being sold in its existing condition ("AS IS") and Seller makes no warranty
9. to Buyer, either express or implied, as to the (1) condition of the Premises, including, but not limited to, Seller's Warranties
10. in Lines 166-168 of Section 5a, which Buyer hereby waives; (2) zoning of the Premises; or (3) Premises' fitness for any
11. particular use or purpose. However, Seller warrants and shall maintain and repair the Premises so that, pursuant to lines
12. 169-170, at the earlier of possession or COE, the Premises, including all additional existing personal property included
13. in the sale, will be in substantially the same condition as on the date of Contract acceptance and all personal property
14. not included in the sale and all debris will be removed from the Premises.

15. B. Buyer is advised to conduct independent inspection(s) and investigations regarding the Premises within the
16. Inspection Period as specified in Section 6a. Buyer retains the rights pursuant to Section 6j. Seller shall not
17. be obligated to correct any defects that may be discovered during Buyer's inspection(s) and
18. investigations or otherwise.

19. C. Notwithstanding the foregoing, if an On-Site Wastewater Treatment Facility (conventional septic or alternative
20. system) ("Facility") has been installed on the Premises, Seller and Buyer agree to complete and execute the AAR
21. On-Site Wastewater Treatment Facility Addendum and Seller agrees to pay for the Facility inspections, fees or
22. repairs as set forth therein.

23. D. Seller acknowledges that selling the Premises "AS IS" does not relieve Seller of the legal obligation to disclose all
24. known material latent defects to Buyer.

25. E. In the event that any provision contained in this Addendum conflicts in whole or in part with any of the terms
26. contained in the Contract, the provisions of this Addendum shall prevail and the conflicting terms are hereby
27. considered deleted and expressly waived by both Buyer and Seller.

28. F. Other Terms and Conditions:

29. _____

30. _____

31. BUYER ACKNOWLEDGES THAT BUYER IS HEREBY ADVISED TO SEEK APPROPRIATE COUNSEL REGARDING
32. THE RISKS OF BUYING A PROPERTY IN "AS IS" CONDITION.
33. Buyer recognizes, acknowledges, and agrees that Broker(s) are not qualified, nor licensed, to conduct due diligence with respect
34. to the premises or the surrounding area. Buyer is instructed to consult with qualified licensed professionals to assist in Buyer's due
35. diligence efforts. Because conducting due diligence with respect to the premises and the surrounding area is beyond the scope of
36. the Broker's expertise and licensing, Buyer expressly releases and holds harmless Broker(s) from liability for any defects or conditions
37. that could have been discovered by inspection or investigation. Seller and Buyer hereby expressly release, hold harmless and
38. indemnify Broker(s) in this transaction from any and all liability and responsibility regarding financing, the condition,
39. square footage, lot lines, boundaries, value, rent rolls, environmental problems, sanitation systems, roof, wood infestation,
40. building codes, governmental regulations, insurance or any other matter relating to the value or condition of the Premises.

41. X BUYER'S SIGNATURE JON MURRAY MO/DA/YR 10/24/11 X BUYER'S SIGNATURE MO/DA/YR

42. X SELLER'S SIGNATURE OWNER ON RECORD MO/DA/YR 11/02/11 X SELLER'S SIGNATURE MO/DA/YR

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Realty Executives AZ - Pinnacle Peak 21040 N Pima Road Scottsdale, AZ 85255
Phone: (602) 686-6464 Fax: (480) 585-9130 Karen Pokornay MURRAY, JON

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REAL ESTATE AGENCY DISCLOSURE AND ELECTION AND AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

Document updated: January 2009

The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax adviser or professional consultant.

1. Firm Name ("Broker") Realty Executives, Inc.
2. acting through KAREN POKORNEY (LICENSEE'S NAME) hereby makes the following disclosure.

DISCLOSURE

Before a Seller or Landlord (hereinafter referred to as "Seller") or a Buyer or Tenant (hereinafter referred to as "Buyer") enters into a discussion with a real estate broker or licensee affiliated with a broker, the Seller and the Buyer should understand what type of agency relationship or representation they will have with the broker in the transaction.

I. **Buyer's Broker:** A broker other than the Seller's broker can agree with the Buyer to act as the broker for the Buyer. In these situations, the Buyer's broker is not representing the Seller, even if the Buyer's broker is receiving compensation for services rendered, either in full or in part, from the Seller or through the Seller's broker:
   a) A Buyer's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Buyer.
   b) Other potential Buyers represented by broker may consider, make offers on, or acquire an interest in the same or similar properties as Buyer is seeking.

II. **Seller's Broker:** A broker under a listing agreement with the Seller acts as the broker for the Seller only:
   a) A Seller's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Seller.
   b) Other potential Sellers represented by broker may list properties that are similar to the property that Seller is selling.

III. **Broker Representing both Seller and Buyer (Limited Representation):** A broker, either acting directly or through one or more licensees within the same brokerage firm, can legally represent both the Seller and the Buyer in a transaction, but only with the knowledge and informed consent of both the Seller and the Buyer. In these situations, the Broker, acting through its licensee(s), represents both the Buyer and the Seller, with limitations of the duties owed to the Buyer and the Seller:
   a) The broker will not, without written authorization, disclose to the other party that the Seller will accept a price or terms other than stated in the listing or that the Buyer will accept a price or terms other than offered.
   b) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential information may be made only with written authorization.

Regardless of who the Broker represents in the transaction, the Broker shall exercise reasonable skill and care in the performance of the Broker's duties and shall be truthful and honest to both the Buyer and Seller and shall disclose all known facts which materially and adversely affect the consideration to be paid by any party. Pursuant to A.R.S. §32-2156, Sellers, Lessors and Brokers are not obligated to disclose that a property is or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender. Sellers or Sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless there is a confidentiality agreement between the parties.

THE DUTIES OF THE BROKER IN A REAL ESTATE TRANSACTION DO NOT RELIEVE THE SELLER OR THE BUYER FROM THE RESPONSIBILITY TO PROTECT THEIR OWN INTERESTS. THE SELLER AND THE BUYER SHOULD CAREFULLY READ ALL AGREEMENTS TO INSURE THAT THE DOCUMENTS ADEQUATELY EXPRESS THEIR UNDERSTANDING OF THE TRANSACTION.

ELECTION

Buyer or Tenant Election (Complete this section only if you are the Buyer.) The undersigned elects to have the Broker (check any that apply):

- [x] represent the Buyer as Buyer's Broker.
- [ ] represent the Seller as Seller's Broker.
- [ ] show Buyer properties listed with Broker's firm and Buyer agrees that Broker shall act as agent for both Buyer and Seller provided that the Seller consents to limited representation. In the event of a purchase, Buyer's and Seller's informed consent should be acknowledged in a separate writing other than the purchase contract.

Seller or Landlord Election (Complete this section only if you are the Seller.) The undersigned elects to have the Broker (check any that apply):

- [ ] represent the Buyer as Buyer's Broker.
- [ ] represent the Seller as Seller's Broker.
- [ ] show Seller's property to Buyers represented by Broker's firm and Seller agrees that Broker shall act as agent for both Seller and Buyer provided that Buyer consents to the limited representation. In the event of a purchase, Buyer's and Seller's informed consent should be acknowledged in a separate writing other than the purchase contract.

Initials: _____ / _____

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Realty Executives AZ - Pinnacle Peak 21040 N Pima Road Scottsdale, AZ 85255 Phone: (602) 484-4484 Fax: (480) 585-9130 MURRAY, JON
Karen Pokorney

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AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

1. The following disclosure is required by Federal Law in the Real Estate Settlement Procedures Act ("RESPA"). Whether you use
2. these services or not, you are entitled to know of the business relationships.

3. Realty Executives has a business relationship with Prospect Mortgage, L.L.C., through an operating division known as Desert
4. Heritage Mortgage, L.L.C. ("Desert Heritage"). Realty Executives is owned by Execu-Systems, whose owners also hold an
5. ownership interest in Realty Excellence Mortgage Services, L.L.C., which owns 50 percent of Desert Heritage. Because of this
6. relationship, any referral to Desert Heritage may provide financial or other benefit to the named companies.

7. The estimated range of charges for Desert Heritage services are:

8.	Loan Origination	0 – 2.5 points
9.	Loan Discount Preparation	$0 - $475
10.	Underwriting	$0 - $495
11.	Processing	$0 - $595
12.	Funding	$0 - $150
13.	Administration Fee	$0 - $185

14. Your actual charges for these services will be disclosed to you prior to your commitment.

15. Realty Executives a has a business relationship with American Home Shield Corporation ("AHS") and First American Home
16. Warranty Company ("FAHW"). Realty Executives is owned by Execu-Systems, whose owners also hold an ownership interest in
17. Realty Excellence Mortgage Services, L.L.C., which has a marketing agreement with AHS and FAHW for the marketing of home
18. warranty products. Because of these marketing agreements, any referral to AHS or FAHW may provide financial or other benefit
19. to the named companies.

20. YOU ARE NOT REQUIRED TO USE DESERT HERITAGE, AHS, FAHW, OR LIBERTY MUTUAL FOR ANY OF THE SERVICES
21. LISTED AS A CONDITION OF YOUR PURCHASE OR FINANCING OF THE SUBJECT PROPERTY. THERE ARE
22. FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO
23. SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICE AND THE BEST RATE FOR THESE
24. SERVICES.

25. The undersigned ☒ Buyer(s) or ☐ Seller(s) acknowledge that this document is a disclosure of duties and affiliated business
26. arrangements. This document is not an employment agreement.

27. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.

28. JON MURRAY — PRINT NAME | Goshen Mortgage REO, LLC — PRINT NAME

29. SIGNED 10/24/11 (MO/DA/YR) | SIGNED 11/02/11 (MO/DA/YR)

(Signatures Required) Form updated 05/10

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ACC000234
FILE #8390

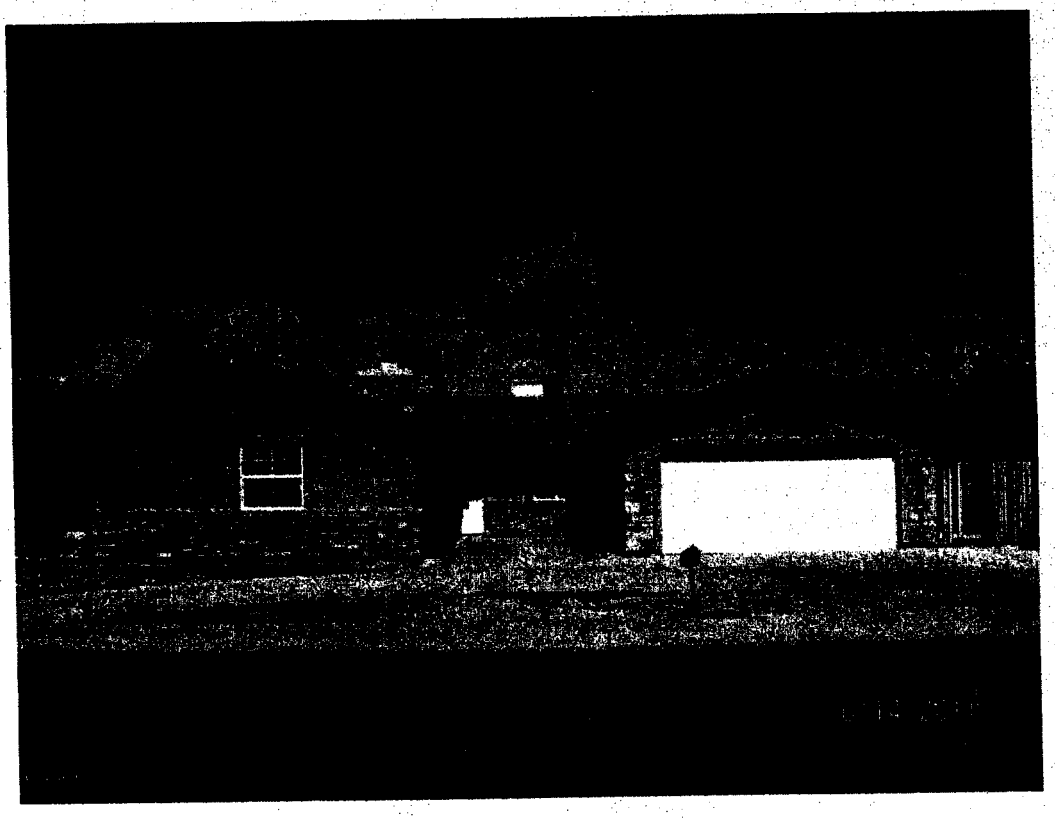
Commercial and Residential Building Inspections - Resale and New Construction

INSPECTION REPORT

ON

8710 EAST AMELIA AVENUE

SCOTTSDALE, AZ



COMPLETED FOR

JON MURRAY

DATE

11/10/2011

ACC000235
FILE #8390

INSPECTED BY: RICK HOFFMAN - AZ CERT NO 49571

7950 E. Acoma Drive, Suite 203 - Scottsdale, AZ 85260 - Phone: (480) 661-8888 - Fax (480) 661-6466 - www.ajfengineering.com

REPORT DEFINITIONS

THE SCOPE OF THIS INSPECTION IS TO REPORT THE GENERAL CONDITION OF VISIBLE PORTIONS OF THE MAJOR COMPONENTS OF THE PROPERTY AND TO INFORM THE CLIENT OF MAJOR VISIBLE DEFICIENCIES, AS THEY EXIST ON THE DATE OF THE INSPECTION. The inspection was conducted in accordance with the guidelines set forth in the Standards of Professional Practice for Arizona Home Inspectors as adopted by the AZ Board of Technical Registration (AZ SOP). We observed all major components required by the AZ SOP. A copy of the AZ SOP was included with the Inspection Agreement and given to the client prior to the inspection.

This inspection is visual only. A representative sample of building components are viewed in areas that are accessible at the time of the inspection. No destructive testing or dismantling of building components is performed. Our inspectors do not move furniture and personal property.

It is the goal of the inspection to put a home buyer in a better position to make a buying decision. However, hidden problems or problems that may have occurred prior to the home inspection may not be identified by the home inspection. You are encouraged to consult with the current owner and Seller Property Disclosure Sheet to determine adverse conditions related to the home. Although minor problems may be mentioned, this report does not attempt to list them all. Unfortunately, we cannot take away all the risk of home ownership. Ongoing maintenance and repairs will be necessary.

The inspection and report is not intended or considered as a guarantee or warranty, expressed or implied. There are warranty programs that may be obtained to insure you against failure of some major systems of the house. You are encouraged to obtain coverage through these programs.

Please refer to the Inspection Agreement for a full explanation of the scope of this inspection.

The inspection report consists of individual sections that document the inspection results for hundreds of components observed during the inspection. The report sections are arranged by building area or specific systems (i.e., kitchen, bathrooms, cooling systems, etc.). The write up at the beginning of each section describes the scope of the inspection for that particular area or system. Within each section individual components are listed. The Reference write ups explain the scope of the inspection and/or provide useful information about the systems and components.

The following definitions will assist you in reading and reviewing the report:

*FUNCTIONAL: The component materials, workmanship and function appear to be acceptable when compared with components of similar age and quality. The component appears to be functioning as intended.

*EVALUATE/REPAIR: These are components and/or systems that require evaluation, repair or replacement to remedy the finding described in the inspection report.

*ACTION ITEMS: May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system prior to close of escrow.

*NOT INSPECTED: These are components and systems that were not inspected because they may have been shutdown, gas turned off, not accessible, etc. These components/systems should be inspected prior to close of escrow.
For convenience, the summary section identifies all conditions that are categorized as an Action Item or Not Inspected. The entire report should be used in conjunction with the summary section to determine the overall condition of building/home.

ACC000236
FILE #8390

REPORT DEFINITIONS

The following abbreviations are used in the report:

A/C-Air Conditioning
Bath-Bathroom
BR-Bedroom
DR-Dining Room
E-East
FR-Family Room
GFCI-Ground Fault Circuit Interrupter
LR-Living Room
MBR-Master Bedroom
N/A - Not Applicable
NE-Northeast
N-North
NW-Northwest
SE-Southeast
S-South
SW-Southwest
TPR-Temperature Pressure Relief
W-West

The scope of the home inspection does not include environmental concerns such as lead paint, mold, radon, asbestos, etc. You are encouraged to contract with an environmental specialist for these concerns.

Mold is the latest environmental issue and has been found in Arizona. Moisture penetration, plumbing leaks, roof leaks, A/C condensate leaks and other sources of moisture are generally the cause of mold. If this inspection report or the current homeowner identifies evidence of moisture penetration/water intrusion (past or current), you may have a mold problem. We are NOT responsible for inspecting, observing, reporting or testing for the presence of mold. You may wish to consult with your insurance company or an environmental specialist about mold.

GROUNDS/SITE

This section describes the inspection results for the components located on the grounds/site (grading/drainage, sidewalks, driveway, retaining walls, fences, and patios). The following are not included in the scope of the inspection: *an assessment of geological conditions and/or site stability.

LOT GRADING & DRAINAGE - Evaluate/Repair

Reference

Our evaluation of the grading is based on a visual inspection of the property to determine if the grade is adequate to divert rain water away from the house. Because it seldom rains in Arizona, our inspection is typically not based on water flow off the property during an actual rainstorm, but is based on a visual inspection of the elevation and slope of the property relative to the surrounding properties and house. We cannot guarantee that the property grade will accommodate storm water runoff during all weather conditions. The homeowner should proceed with caution prior to making any changes to the grading. Irrigation systems and other sources of water should be kept away from the foundation to minimize the likelihood of water induced foundation problems. An evaluation of soil stability or if expansive soils are present is beyond the scope of this inspection. Underground drainage pipes cannot be inspected/judged for their effectiveness in drainage control, since we do not use a hose to check flow through drainage pipes. We suggest that you consult with the current homeowner about the property drainage when it rains.

Flood irrigation is provided to water the lawns in some Phoenix locations. Valves are opened on specific dates and water is discharged onto the property until the yard is flooded to a depth of several inches. This flooding can cause damage to the house structure. You should ensure that the property is graded in such a manner as to allow flood irrigation without damage to the house. We also suggest that you consult with the current homeowner about the flood irrigation program and its affect on the house structure.

Findings

*The grading should be improved to promote the flow of rain water away from the house (west side).

Rating - Action Item

FENCES AND GATES

Condition - Evaluate/Repair **% Visible** - 75%

Reference

Masonry walls are prone to cracking, especially at the mortar joints. We do not consider cracks to a problem unless the wall is unstable, excessively leaning or in imminent danger of failure. Wood should be periodically sealed to prolong its useful life. Wrought iron fences should be periodically wire brushed and painted to prolong their useful life.

EACH CITY HAS ITS OWN BARRIER REQUIREMENTS FOR POOL/SPA SAFETY. WE DO NOT DETERMINE CONFORMANCE WITH POOL/SPA BARRIER REQUIREMENTS. WE RECOMMEND THAT THE HOMEOWNER OBTAIN THE APPROPRIATE BARRIER REQUIREMENTS FROM THE CITY AUTHORITIES AND ENSURE THAT THE POOL/SPA BARRIERS MEET THESE REQUIREMENTS.

Overgrown foliage/vegetation is obstructing a portion of the fence and is not visible for inspection.

Findings

*Latch is missing.

Rating - Action Item

*Gate slats are broken/missing/loose.

Rating - Action Item

* Blocks are damaged/missing (west side).

Rating - Action Item

DRIVEWAY - Evaluate/Repair

Reference

Driveways are prone to cracking. We do not consider cracks to be a problem, unless the cracks are significant enough to cause a tripping hazard or adversely affect the house structure. Asphalt driveways should be periodically sealed to prolong their useful life.

Findings

*The driveway is cracked due to tree roots. The driveway is functional. The cracks should be monitored for future corrective action (i.e., removing the tree).

Rating - Monitor

GROUNDS/SITE

WALKWAYS - Functional

Reference
Masonry, concrete, flagstone and tile walkways are prone to cracking. We do not consider cracks to be a problem, unless the cracks are significant enough to cause a tripping hazard or adversely affect the house structure.

VEGETATION AFFECTING STRUCTURE - Yes

Reference
We inspect the vegetation/trees for adverse affects on the house structure/foundation. Vegetation and trees should not be located adjacent to the house/structure. Existing trees/vegetation should be periodically trimmed away from the house/structure. These recommendations are to reduce the risk in vegetation related problems to the house/structure.
Findings
*Vegetation should be trimmed away from the roof/structure.
Rating - Action Item

FRONT ENTRY - Functional

Reference
We inspect the front entry area/stoop floor, and if present the ceiling structure and covering, for function. Concrete slabs, tile, pavers and other flooring materials are prone to cracking. We do not consider cracks to be a problem, unless the cracks are significant enough to cause a tripping hazard, are excessive or have an adverse affect on the house structure.

PATIO(S) & PORCH(ES) - Evaluate/Repair

Reference
We inspect the patio/porch, railing and if present the ceiling structure and covering, for function, rot and deterioration that adversely affects the structure. Concrete slabs, tile, pavers and other flooring materials are prone to cracking. We do not consider cracks to be a problem, unless the cracks are significant enough to cause a tripping hazard, are excessive or have an adverse affect on the house structure.
Findings
*Large crack(s) observed in the floor slab (north patio).
Rating - Action Item

BUILDING EXTERIOR

This section describes the inspection results for the building exterior components. A representative sample of exterior components was inspected, such as hose bibbs, wall coverings, chimney, trim, eaves, soffits, fascias, exterior entry doors, lights, electrical receptacles and ceiling fans. The following are not within the scope of the inspection:
*cosmetic items such as paint and normal weathering;
*geological conditions or site/soil stability;
*screenings and awnings (We suggest that you contact the homeowner about the availability of screens, since they are often removed during the home selling process.);
*outbuildings, unless specifically included in the scope of work (Refer to the Inspection Agreement).

BUILDING EXTERIOR: HOSE BIBB(S) - Functional

Reference
The hose bibbs are inspected for leakage, water flow and the presence of an anti-siphone device.

BUILDING EXTERIOR: WALL CLADDING TYPE - Stone, Stucco
Stucco is prone to cracking. We do not consider cracks to be a problem unless they are excessive, large or an indicator of an underlying structural problem. For stucco that is still under warranty (typically two years from installation), the Minimum Workmanship Standards for Licensed Contractors requires that contractors repair stucco cracks under warranty that exceed 1/16" in width. Stucco cracks/voids should be periodically sealed/maintained to reduce the risk of moisture penetration, particularly on horizontal surfaces.

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FILE #8390

BUILDING EXTERIOR

BUILDING EXTERIOR: WALL CLADDING CONDITION

Condition - Evaluate/Repair **% Visible** - 75%

Reference

The underlying wall structure is not visible for inspection. We do not verify wall insulation type and R-value. We suggest that you periodically inspect the wall covering for openings and gaps around penetrations that should be sealed/caulked to prevent moisture penetration and pest intrusion.

Portions of the wall covering are not visible for inspection due to vegetation, lattices or other types of obstructions.

Findings

*Wall opening(s) and gap(s) around wall penetrations should be sealed/caulked to prevent moisture and pest intrusion (Window Frame(s); Exterior Door Frame(s)). We recommend that a licensed contractor inspect the wall covering and seal/caulk all areas of potential moisture penetration.

Rating - Action Item

*Stucco is missing/damaged and should be repaired to prevent moisture penetration (east and west house wall).

Rating - Action Item

*Stone(s) is loose (south wall).

Rating - Action Item

BUILDING EXTERIOR: CHIMNEY(S) - Evaluate/Repair

Reference

We do not make judgements about the integrity and condition of chimney flues and vents.

Findings

*The chimney flue exit should have a covered spark arrestor or screen to prevent embers from exiting the chimney.

Rating - Action Item

BUILDING EXTERIOR: SOFFITS - Functional

Reference

The soffit is the covering for the spaces under the rafter ends. We inspect the soffits for water damaged, rot or other adverse conditions. Soffits should be periodically sealed or painted to maximize their useful life.

BUILDING EXTERIOR: FASCIAS - see Roof Covering Section

Reference

We inspect the fascia for water damage, rot or other adverse conditions. Fascia should be periodically sealed or painted to maximize their useful life.

BUILDING EXTERIOR: EAVES - see Roof Covering Section

Reference

The eaves are the rafter ends and roof sheathing that overhang the exterior walls. We inspect the eaves for water damage, rot or other adverse conditions. Wood surfaces should be periodically sealed or painted to maximize their useful life.

BUILDING EXTERIOR: TRIM - Functional

Reference

We inspect the trim for water damage, rot or other adverse conditions. Trim should be periodically sealed or painted to maximize their useful life.

BUILDING EXTERIOR

BUILDING EXTERIOR: DOORS - Evaluate/Repair

Reference

Our inspection does not determine if safety glass is used. Doors should be periodically painted or sealed to prolong their useful life. Door locks that require a key to operate from the inside of the house should not be used, since they may impede exiting the house during an emergency. Most exterior door locks can be rekeyed after transfer of ownership for increased personal safety and security.

EACH CITY HAS ITS OWN BARRIER REQUIREMENTS FOR POOL/SPA SAFETY. WE DO NOT DETERMINE CONFORMANCE WITH POOL/SPA BARRIER REQUIREMENTS. TYPICALLY, OLDER HOMES DO NOT CONFORM, SINCE THEY WERE CONSTRUCTED PRIOR TO CURRENT REQUIREMENTS. WE RECOMMEND THAT THE HOMEOWNER OBTAIN THE APPROPRIATE BARRIER REQUIREMENTS FROM THE CITY AUTHORITIES AND ENSURE THAT THE POOL/SPA BARRIER MEETS THESE REQUIREMENTS. ULTIMATELY, THE HOMEOWNER IS RESPONSIBLE FOR POOL/SPA SAFETY - NEVER ALLOW YOUR CHILDREN NEAR THE POOL/SPA WITHOUT ADULT SUPERVISION.

Findings

*Door frame is water damaged (garage service door).

Rating - Action Item

BUILDING EXTERIOR: FLASHING - Evaluate/Repair

Reference

We inspect the exterior building for proper flashing, deterioration and function. Roof flashing is contained in the Roof Covering section.

Findings

*Flashing is not installed at the windows(east side). This condition increases the likelihood that rainwater will enter the house/structure.

Rating - Action Item

BUILDING EXTERIOR: LIGHT(S) & SWITCH(ES) - Evaluate/Repair

Reference

The light fixtures are tested when possible. If a light fails to illuminate, it may be due to a burned out light bulb; faulty wiring/fixture; or lights that are controlled by automatic devices such as timers, photocells, etc. We do not carry spare bulbs. Photoelectric and motion sensor lights typically cannot be tested. We recommend that you verify all exterior lights illuminate prior to close of escrow.

Findings

*Light fixture(s) is missing (porch).

Rating - Action Item

* Light fixture is not rated for exterior use(patio).

Rating - Action Item

GARAGE INTERIOR

This section describes the inspection results for the garage interior components (floor, doors, electric openers, fire separation. These components are inspected for function, excessive wear and need for repair. In some cases, all or portions of these components may not be visible for inspection due to homeowner possessions. The inspection results for the attic and roof covering are found in the attic and roof covering sections, respectively.of cove

GARAGE INTERIOR: COMMENTS & MISCELLANEOUS ITEMS - See Finding(s) Below

Findings

*The floor is at the same or higher elevation than the house interior floor slab (garage). This condition increases the likelihood for moisture penetration into the garage.

Rating - Action Item

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GARAGE INTERIOR

PERCENTAGE GARAGE INTERIOR VISIBLE/ACCESSIBLE

Floor - 100% **Walls** - 75%

Reference

All the garage floor is visible for inspection.

*Cabinets, boxes, tools, toys, shelves, etc. covered approximately 25% of the garage walls and foundation. We do not move homeowner possessions for insurance and safety reasons. Electrical receptacles and light switches may not be accessible for testing. Adverse conditions such as holes/openings in the garage fire wall, water stains, wood rot, foundation cracks, etc. may not be visible for inspection. We recommend that you inspect the garage walls/components during your pre-closing walkthrough once the homeowner removes the obstructions.

GARAGE INTERIOR: EVIDENCE OF MOISTURE PENETRATION/LEAKAGE - Yes

Findings

*The garage interior is water stained/damaged due to moisture penetration (visible at the water heater/water softener). The extent of the damage cannot be determined by a visual inspection. We recommend that you identify the source of moisture, extent of damage and corrective action.

Rating - Action Item

GARAGE INTERIOR: FLOOR

Material - Concrete **Condition** - Functional

Reference

Concrete is prone to cracking. We do not consider cracks to be a problem, unless the cracks are significant enough to cause a tripping hazard or indicate an underlying structural problem.

GARAGE: VEHICLE DOOR(S)

Type - Overhead - Sectional **Condition** - Functional

Reference

We inspect the vehicle door(s), springs, hardware and railings for wear and function. Vehicle doors that do not have an electric garage door opener are manually opened/closed to determine function. Vehicle doors that are connected to an electric garage door opener, are not disengaged from the electric opener for safety and insurance reasons. These doors are opened/closed using the electric door opener (see below).

GARAGE: ELECTRIC OPENER(S) - Functional

Reference

We operate the electric door opener(s) and inspect for function, unusual noise and excessive vibration. We test the opener safety feature by using our hand to impose a reasonable resisting force while the door is closing to determine if the door stops and reverses. Starting in approximately 1993, infrared eyes are installed near the floor on both sides of the garage door to stop the door if a person/animal passes between the infrared eyes. We test this safety feature by passing our foot in the beam path and seeing whether the garage door stops and reverses. Doors without infrared eyes can be retrofitted for improved safety.

GARAGE: FIRE SEPARATION - Present

Reference

Walls or ceilings that adjoin the house and attic structure should be constructed to provide a resistance against the spread of a fire that originates in the garage. Typically, the walls and ceilings are covered with sheetrock or are constructed of masonry material that meet the appropriate fire separation standards. We inspect the garage interior for conditions that may not provide a barrier against the spread of fire (i.e., holes, openings, inappropriate materials, etc.). We do not determine the wall/ceiling fire rating and if they comply with fire separation standards.

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GARAGE INTERIOR

GARAGE: HOUSE ENTRY DOOR(S) - Present

Reference

Our inspection does not determine if safety glass is used. Doors should be periodically painted or sealed to prolong their useful life. Door locks that require a key to operate from the inside of the house should not be used, since they may impede exiting the house during an emergency. Most exterior door locks can be rekeyed after transfer of ownership for increased personal safety and security.

EACH CITY HAS ITS OWN BARRIER REQUIREMENTS FOR POOL/SPA SAFETY. WE DO NOT DETERMINE CONFORMANCE WITH POOL/SPA BARRIER REQUIREMENTS. TYPICALLY, OLDER HOMES DO NOT CONFORM, SINCE THEY WERE CONSTRUCTED PRIOR TO CURRENT REQUIREMENTS. WE RECOMMEND THAT THE HOMEOWNER OBTAIN THE APPROPRIATE BARRIER REQUIREMENTS FROM THE CITY AUTHORITIES AND ENSURE THAT THE POOL/SPA BARRIER MEETS THESE REQUIREMENTS. ULTIMATELY, THE HOMEOWNER IS RESPONSIBLE FOR POOL/SPA SAFETY - NEVER ALLOW YOUR CHILDREN NEAR THE POOL/SPA WITHOUT ADULT SUPERVISION.

GARAGE INTERIOR: RECEPTACLE(S)

Type - 3-Hole **Condition** - Functional

Reference

The receptacles are modern 3-hole with ground. We test a representative number of receptacles for proper wiring using a plug in circuit tester.
Starting in approximately 1978, Ground Fault Circuit Interrupter (GFCI) protected receptacles were introduced in the garage interior. GFCI receptacles provide superior shock protection compared to non-GFCI protected receptacles. Homes built prior to this time do not typically have GFCI protected receptacles. Non-GFCI protected receptacles can be upgraded to GFCI receptacles for improved safety. GFCI receptacles should be tested monthly to verify proper operation.

ELECTRICAL SYSTEM

This section describes the inspection results for the electrical system and includes the service entrance cable/conduit, main electrical panel, sub-panels and interconnecting wiring. We conduct a visual inspection of these components for wear, function, rust, scorched insulation, proper breaker size, grounding, proper wiring methods and ground fault circuit interrupter protection where applicable. The inspection results for individual light fixtures, switches, receptacles and ceiling fans are described in the report sections that apply to the applicable area of the house (i.e., building exterior, interior, bathrooms, kitchen, etc.).

The electrical system construction standards and practices have changed dramatically over the years. Older houses typically do not conform to current standards (unless they have been upgraded) and their electrical systems will not provide the same level of service and safety. We do not perform load calculations to determine if the electrical system can meet the electrical demands of the home. A licensed electrician should evaluate the electrical findings identified in this report, because they may identify additional deficiencies that could not be discovered during the home inspection.

The following are outside the scope of the electrical system inspection:

*low voltage systems such as cable, telephone, door bells, security systems, low voltage lighting and intercom systems;
*sound and video systems;
*load controllers;
*timers and photoelectric sensors;
*operation of breakers and disconnect devices; and
*buried or concealed components/systems.

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You are encouraged to have a separate inspection of these systems by a specialist.

ELECTRICAL SYSTEM: COMMENTS & MISCELLANEOUS ITEMS - See Finding(s) Below

Findings

*The electrical system has undergone many unprofessional/sub-standard modifications and changes since its original

construction. We recommend that a licensed electrician evaluate the entire electrical system and make recommendations for corrective action as required.
Rating - Action Item

ELECTRICAL SERVICE ENTRY AND CABLE MATERIAL

Entrance - Underground **Cable Material** - Not Visible **Condition** - Not Visible

Reference
The service entry cable from the power company to the main electrical panel is located underground. The cable is not visible for inspection.

MAIN ELECTRICAL PANEL

Location - Exterior West **Voltage** - 120/240 Volt **Capacity** - 200 Amp

Reference
Voltage is approximate and can vary by utility company and time of day.

ELECTRICAL SYSTEM: OVERCURRENT PROTECTION DEVICES - Circuit Breakers

Circuit breakers are designed to trip and shut off the electrical current to prevent the electrical wiring and panels from overheating due to excessive electrical current (i.e., overcurrent protection devices). Circuit breaker are located in the main electrical panel and sub-panel(s) (if installed). The condition of the circuit breakers are reported in the main electrical panel or sub-panel components (see below).

MAIN ELECTRICAL PANEL: ACCESS, SERVICE GROUND AND CONDITION

Access - Cover Removed **Condition** - Evaluate/Repair

Reference
The main electrical panel is the starting point for distributing power throughout the house and typically contains circuit breakers or fuses for overcurrent protection. They are designed to trip or blow to limit the amount of electrical energy allowed through the wires to less than the what the wires can safely carry. The cover was removed to inspect the interior of the main electrical panel. We look for correct breaker size or fuse size to wire size match, presence of grounding, rust, scorched wires/insulation, and other adverse conditions. We do not operate circuit breakers, except for Ground Fault Circuit Interrupter (GFCI) breakers. If present, GFCI breakers are tripped using the test button on the GFCI circuit breaker. Circuit breakers can deteriorate over time and are more likely to fail as they age. The homeowner should manually trip the circuit breakers every six months as part of normal maintenance.

Typically, the electrical panel is grounded to a water supply pipe, ground stake or the building foundation reinforcement steel. Where visible the service ground is inspected for function and adverse conditions such as loose ground connections, missing ground, etc. Only the ground connection inside the main electrical panel is visible and sometimes the ground connection at the water supply pipe or ground stake is visible. The ground connection to the building foundation steel is underground and is not visible. We cannot determine the routing, condition or acceptability of the ground wire outside the electrical panel. Ground capacity and function is not verified. This requires expensive equipment and a specialist.

Findings
*Circuit breakers are installed to prevent damage to the circuit wires due to excessive electrical current. One (or more) circuit breaker is installed that exceeds the wire capacity (i.e. 14 gage wire attached to 30 amp circuit breaker(s)). This condition can allow the circuit wire to overheat due to excessive current. We recommend that the correct size circuit breaker(s) be installed.
Rating - Action Item

ELECTRICAL WIRING TYPE - Non-Metallic Sheathed

Starting in the early 1950's non-metallic sheathed cable or "romex" is used in the majority of wiring applications. The outer cable jacket may thermoplastic or woven fiber. Depending on when they were manufacturered, the wires may be individually wrapped in woven fibers or plastic coated for insulation.

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ELECTRICAL SYSTEM

ELECTRICAL WIRING MATERIAL

120 Volt Circuits - Copper & Aluminum **240 Volt Circuits** - Copper & Aluminum

Reference

Aluminum wiring was commonly used between the late 1960's and mid 1970's. It was introduced since it was less expensive than copper. Aluminum wire is an acceptable conductor of electricity. Other properties of aluminum wire have created potential problems at the connections to electrical receptacles, switches, light fixtures and electrical panel. First, aluminum has a higher coefficient of thermal expansion than copper. This means that when the wire heats up the aluminum tends to expand more than copper. This leads to the wire trying to move out from under the terminal screws. This phenomenon is called "creep" and can lead to poor connections and subsequent overheating.

Also, the oxide of aluminum (i.e., rust) that forms on the wire is a very poor electrical conductor. The greenish copper oxide that forms on copper wiring does not result in a problem. The oxide that forms as aluminum corrodes, can lead to higher resistance and higher temperatures.

For the above reasons, homes that use single strand aluminum wire can be an increased fire risk. Single conductor wires are typically used for the receptacle and lighting circuits. Multi-stranded aluminum wire is still used today for 240 volt circuits (Ranges, A/C, etc.) and do not pose the above problem. We recommend that a licensed electrician conduct a detailed examination of the electrical wiring and make repairs if required.

Findings

*Aluminum wire has been used for one or more of the single strand wires. These wires are for the receptacle and lighting circuits. Loose connections can occur at the receptacles, switches, light fixtures and circuit breakers that can result in overheating and subsequent increased fire risk. Please refer to our website at http://www.ajfengineering.com for additional information about aluminum wiring. The scope of our inspection does not include a detailed examination of the electrical wiring. We recommend that a licensed electrical contractor inspect the electrical wiring.

Rating - Action Item

ELECTRICAL WIRING CONDITION - *Evaluate/Repair*

Reference

The electrical wires interconnect the electrical panel(s), receptacles, switches, and lighting fixtures. We inspect the wiring for adverse conditions such as wire splices that are not in junction boxes, exposed wiring, deteriorated insulation, deteriorated/corroded conduit, etc. The majority of the electrical wiring is hidden behind finished materials and not visible for inspection.

Findings

*One (or more) wire connection is not located inside of a junction box and does not conform to approved wiring methods (west side; MBR).

Rating - Action Item

*One (or more) junction box do not have a cover, exposing the wires (various locations).

Rating - Action Item

PLUMBING SYSTEM

This section describes the inspection results for the plumbing system: water supply pipes; drain, waste and vent pipes; fuel systems; and water heater(s). We conduct a visual inspection of these components to determine functional flow, functional drainage, leakage, cross connections and function. A cross-connection is present when there is a possibility that the potable drinking water could mix with the non-potable wastewater. The most logical occurrence is when the pressure in the supply system changes or is turned off, and non-potable water is drawn into the supply system. The inspection results for the individual plumbing fixtures such as sinks, showers, tubs, etc. are described in the bathroom, kitchen, interior, garage, laundry room, & building exterior sections. The following items are outside the scope of the plumbing system inspection:

*Private onsite wells and septic systems;

*Identifying whether water supply and waste disposal systems are public or private. (We suggest that you contact the current owner or applicable utility company/entity to determine the type of sewage system.);

*Water quality testing;

*Underground pipes or pipes inside walls or floors; and

*Water treatment systems such as water softeners, reverse osmosis, charcoal filters, etc.

You are encouraged to have a separate inspection of these systems by a competent & qualified contractor.

PLUMBING SYSTEM

PLUMBING SYSTEM: WATER SUPPLY PRESSURE - Greater Than 90 psi

The water pressure is measured at an exterior hose bibb using a hand held pressure gauge. The measured pressure exceeds the recommended pressure of 90 psi. Elevated water pressure can increase the likelihood for leakage in washing machine hose, irrigation system pipes, and other plumbing components. Please note that the water pressure can vary by time of day.

Findings

*The measured water pressure is at or around 90 psi. A pressure regulator can be added to reduce the pressure to the recommended pressure of 60 to 80 psi.

Rating - Action Item

MAIN WATER SERVICE PIPING

Piping Material - Copper **Pipe Size (Inch)** - 3/4 Inch **Condition** - Functional

Reference

Service piping refers to the piping that carries the water from the city water mains to the building. The majority of service piping is buried and is not visible for inspection.

Copper is commonly used for service piping. Copper is an excellent material for water piping and should provide years of trouble free service, unless unusual water conditions exist or manufacturing defects are present. Note that the majority of the service piping is buried and not visible for inspection. The buried piping may be a material other than copper such as polybutylene (PB). PB piping has been susceptible to leakage, possibly due to faulty installation practices or materials. If the PB piping develops a leak, you may be eligible for reimbursement of the cost to replace the PB piping under several class action suits. Please refer to www.pbpiping.com or 1-800-876-4698 for additional information about the class action suits. We recommend that you consult with the current homeowner to determine if PB piping has been used for the service piping.

MAIN WATER SUPPLY SHUTOFF VALVE

Location - Exterior-Adj. to Fr. Door **Type** - Ball Valve **Condition** - Functional

Reference

An approved ball valve is installed to shut off all the water to the building in an emergency. To shut off the water, rotate the valve handle 90 degrees so that the valve handle is no longer parallel to the pipe. We check valve operability by turning the valve handle a few degrees to verify that it operates. We do not verify the valve's capability to shut off the water. The valve should be periodically operated to prevent failure due to lack of use.

INTERIOR WATER SUPPLY DISTRIBUTION PIPING MATERIAL - Copper, PEX

The water supply pipes are copper. Copper is an excellent material for water piping and should provide years of trouble free service, unless unusual water conditions exist or manufacturing defects are present. Underground pipes or pipes inside walls or floors can not be judged for sizing, leaks or corrosion.

The majority of the water supply piping is concealed by finished materials. The type of plumbing material is determined by looking at the pipe stubs next to the toilet, under the sinks and at the shower/tub (if visible). In some cases, the piping may be present in the attic, but may not be accessible or visible for inspection depending on how the attic is inspected (see attic section) or is covered by insulation. Because of our limited visible inspection, piping material other than what is identified in this report, may exist. We recommend that you consult with the current homeowner or builder to determine the interior water supply material.

The interior water supply pipes are cross-linked polyethylene (so-called PEX piping). There are several methods of connecting PEX, all of which involve mechanical fittings. Underground pipes or pipes inside walls or floors cannot be judged for sizing, leaks or corrosion.

ACC000246
FILE #8390

PLUMBING SYSTEM

INTERIOR WATER SUPPLY DISTRIBUTION PIPING CONDITION - Functional

Reference

The water supply piping carries the water to individual plumbing fixtures. We inspect/test the plumbing supply piping for functional flow, corrosion, leakage, adequate support and insulation. We test for functional flow by first turning on the shower on the 1st floor (for a single story house) or 2nd floor (for a two story house). We then verify that reasonable flow exists at the shower with two fixtures running at the same time (i.e., two sinks, a sink and toilet, etc.). Note that municipal water pressure varies with time of day and day of week and a functional test performed in the future may have different results than those obtained during this inspection. Underground pipes or pipes inside walls or floors can not be judged for sizing, leaks or corrosion.

DRAIN, WASTE AND VENT PIPE MATERIAL - ABS (Plastic)

Drain, waste and vent pipes inside walls, floors and slabs can not be inspected leaks or corrosion. Homes built between approximately 1985 and 1990 may contain defective ABS plastic drain, waste and vent piping that can result in failure and leaks at the joints. We suggest that you consult with the homeowner to determine if they have experienced any failures or problems with the drain, waste and vent system piping or you may wish to consult with a licensed plumbing contractor.

DRAIN, WASTE AND VENT PIPE CONDITION - Functional

Reference

The drain, waste and vent pipes comprise a configuration of pipes that carry waste water from the individual fixtures to the city sewer or private on-site septic system. We inspect the drain, waste and vent system for functional drainage, leakage and general state of repair. A drain is considered functional when it empties in a reasonable amount of time and does not overflow when another fixture is drained. We verify functional drainage by running all fixtures and observing whether they are functional or not. The majority of the drain system is covered by walls, ceilings and floors and not visible for inspection. Adverse conditions such as clogs, improper drain pipe slope, breaks/cracks in the pipe cannot be identified by a visual inspection. Because of the limitations of a visual inspection, we recommend that a licensed plumber conduct an examination of the drain system piping using a camera/snake system. This type of inspection typically costs $250 and uses a fiber optic snake and video camera to examine the interior of the drain system piping.

WATER HEATER #1:

Location - Garage **Size** - 40 Gallons **Type** - Electric

Age - 4 Years **Age Basis** - Nameplate

Water heaters are more likely to leak and/or require repairs as they age. The average useful life for a water heater is 8-10 years. However, because the water in the Phoenix area is extremely hard, repairs or water replacement may be necessary prior to this time. We recommend draining a few gallons from the water heater periodically to flush sludge from the bottom of the tank. However, water heater drain valves often become encrusted with deposits and do not completely close as they age. Therefore, unless the water heater is flushed regularly from the time it is new, we do not recommend operation of the drain valve except in an emergency or when the unit is replaced.
The age was determined from the nameplate affixed to the water heater.

WATER HEATER(S) CONDITION: - Evaluate/Repair

Reference

We inspect the water heater tank and connections for leakage/corrosion; presence of a temperature pressure relief (TPR) valve; presence of a shut off valve on the cold water supply pipe to the water heater; unprofessional installation practices; and that the water heater is producing hot water. The water heater thermostat should be set to maintain the water temperature at less than 120 degrees to reduce the probability of scalding. We do not verify the water heater capacity.

Findings

*The temperature pressure relief (TPR) valve discharge pipe slopes uphill and should slope continuously downhill from the TPR to the discharge pipe location. This condition can adversely affect the TPR function.

Rating - Action Item

*Flexible copper tubing is used for the temperature pressure relief (TPR) valve discharge piping. Typically, hard drawn copper piping is used.

Rating - Action Item

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FILE #8390

PLUMBING SYSTEM

*The temperature pressure relief (TPR) valve discharge pipe diameter is less than the required 3/4 inch. This condition can adversely affect the TPR function.
Rating - Action Item
*Conduit is split/cracked/separated, exposing the wires (located next to the water heater).
Rating - Action Item

BATHROOM(S)

This section describes the inspection results for the bathroom sinks, cabinets, countertops, electrical receptacles, tub, shower, toilet and ventilation. Fixtures are operated for a short time period to determine water flow, drainage and leakage. Some adverse conditions may not be identified during this short time period of operation. Shut off valves are not operated due to their high potential for leakage/failure.
*Cosmetic flaws such as scratches, stains, etc. that do not affect function are outside the scope of the inspection.

BATHROOM #1 LOCATION - MBR Bath

BATHROOM #2 LOCATION - Hall Bath

BATHROOM #3 LOCATION - NE Bedroom Bath

BATHROOMS: SINK(S) - Evaluate/Repair

Reference
We inspect the sink surface, faucet and under sink supply and drain piping for wear, water flow, leakage and drainage. Homeowner possession under the sink can prevent us from inspecting all the under sink piping/components. We do not operate under sink shut off valves due to their high potential for leakage/failure. Shut off valves are more likely to fail as they age. Normal homeowner maintenance should include replacement of older valves to ensure that they will function when required.

Findings
*Drain is slow and water collects in the sink (Hall Bath).
Rating - Action Item
Unprofessional repair noted at the under sink drain pipe (NE Bedroom Bath).
Rating - Action Item
*Under sink drain pipe is corroded (NE Bedroom Bath).
Rating - Action Item
*Under sink drain pipe is corroded/leaking (Hall Bath).
Rating - Action Item
*Sink is loose and not securely attached to the counter/wall (Hall Bath).
Rating - Action Item

BATHROOMS: COUNTER TOP(S) & CABINET(S)

Countertop(s) - Present **Cabinet(s)** - Present

Reference
Cosmetic flaws such as worn finishes, nicks, scratches and cleanliness are not within the scope of the inspection.

BATHROOMS: RECEPTACLE(S)

Type - 3-Hole **Condition** - Functional

Reference
The receptacles are modern 3-hole with ground. We test a representative number of receptacles for proper wiring using a plug in circuit tester.
Starting in approximately 1975, Ground Fault Circuit Interrupter (GFCI) protected receptacles were introduced in the bathrooms. GFCI receptacles provide superior shock protection compared to non-GFCI protected receptacles. Homes built prior to this time do not typically have GFCI protected receptacles. Non-GFCI protected receptacles can be upgraded to GFCI receptacles for improved safety. GFCI receptacles should be tested monthly to verify proper operation.

BATHROOM(S)

BATHROOMS: BATHTUB(S) - Evaluate/Repair

Reference
We inspect the tub and faucet for functional flow, functional drainage, and leakage. Typically, the drain and water supply piping are not visible for inspection.
Findings
*Faucet has a drip leak into tub (Hall Bath).
Rating - Action Item

BATHROOMS: VENTILATION - Evaluate/Repair

Reference
We inspect for the presence of either an exhaust fan, window or exterior door for ventilation. Fans are operated to determine function, excessive noise and vibration. We do not determine the fan's ability to ventilate the bathroom. Windows are reported in the Interior section.
Findings
*Exhaust fan vents to the attic and should vent to the house exterior through approved duct (MBR Bath).
Rating - Action Item

BATHROOMS: SHOWER(S) - Evaluate/Repair

Reference
The shower is operated simultaneously with the sink faucet(s) to check for adequate water flow, drainage and active leaks. The shower enclosure is inspected for function, leakage, excessive wear and state of repair. We do not determine if safety glass is used for the shower enclosure. The drain and associated piping are typically not visible for inspection and hidden leaks cannot be identified by a visual inspection. Determining the water tightness of the shower pan is not within the scope of the inspection.
Findings
*Shower floor is not properly sloped towards the drain and standing water was observed on the floor after the shower was turned off due to incomplete drainage(MBR bath).
Rating - Action Item

BATHROOMS: TOILET(S) AND BIDET(S) - Evaluate/Repair

Reference
Toilets are inspected for function, excessive wear and leakage. Starting in the early 1990's, government mandated low water use toilets are required. These toilets are prone to clogging and do not function as well as the higher water use toilets they replaced. We do not operate shut off valves due to their high potential for leakage/failure. Shut off valves are more likely to fail as they age. Normal homeowner maintenance should include replacement of older valves to ensure that they will function when required.
Findings
*Water runs continuously due to defective internal component(s) (MBR Bath).
Rating - Action Item

KITCHEN

This section describes the inspection results for the kitchen components (cabinets, counter tops, sink, disposal, dishwasher, range/cooktop, builtin microwave, exhaust fan/hood, electrical receptacles and builtin refrigerator. The following are not included in the scope of the inspection:
*free standing refrigerators, freezers, dishwashers; and
*cosmetic flaws, cleanliness and quality of materials;

KITCHEN: COUNTER TOP(S) & CABINET(S)

Countertop(s) - Present **Cabinet(s)** - Present

Reference
Cosmetic flaws such as worn finishes, nicks, scratches and cleanliness are not within the scope of the inspection.

KITCHEN

KITCHEN: SINK(S) - Evaluate/Repair

Reference
We inspect the sink surface, faucet and under sink supply and drain piping for wear, water flow, leakage and drainage. Homeowner possession under the sink can prevent us from inspecting all the under sink piping/components. We do not operate under sink shut off valves due to their high potential for leakage/failure. Shut off valves are more likely to fail as they age. Normal homeowner maintenance should include replacement of older valves to ensure that they will function when required.

Findings
*Sink cabinet interior shows evidence of a leak. This area is currently dry. We suggest that you consult with the current owner about this condition and determine if additional corrective action is required.
Rating - Monitor
*Hot water is not available at the sink.
Rating - Action Item

GARBAGE DISPOSAL - Functional

Reference
We run the garbage disposal(s) for a short time period to determine function, leakage and excessive noise/vibration. We do not determine the disposal's ability to grind up food.

DISHWASHER(S) - Evaluate/Repair

Reference
We operate the dishwasher through a complete cycle. We inspect for leaks, unusual noises/vibrations and if the dishwasher fills and drains. We do not determine the adequacy of washing and drying functions.

Findings
*Dishwasher is not secured to the counter.
Rating - Action Item
*Dishwasher drain line under the kitchen sink should be routed so that the highest elevation of the drain line is at the flood level of the sink to prevent waste water from draining into the dishwasher by gravity (i.e., secured to under side of kitchen counter).
Rating - Action Item
*Dishwasher is leaking (visible under the dishwasher).
Rating - Action Item

KITCHEN: RANGE/OVEN/COOKTOP - Evaluate/Repair

Reference
We test the cook top burners/heating elements and oven bake and broil functions. We do not test self-and/or continuous cleaning operations, clocks, timing devices, lights, and thermostat accuracy. Appliances are not moved.

Findings
*Range anti-tip bracket is not installed.
Rating - Action Item
*The range/cooktop/oven is old and you should budget for replacement.

KITCHEN: BUILT-IN MICROWAVE - Functional

Reference
We test the built in microwave by placing a wet paper towel inside the microwave and operating the microwave on HIGH for 10 seconds. If the paper towel is warm to the touch, we rate the microwave as functional. We do not test clocks, timing devices, thermostat accuracy, power level output and programmable cooking functions.

KITCHEN

KITCHEN: RECEPTACLE(S)

Type - 3-Hole **Condition** - Functional

Reference

The receptacles are modern 3-hole with ground. We test a representative number of receptacles for proper wiring using a plug in circuit tester.

Starting in approximately 1990, Ground Fault Circuit Interrupter (GFCI) protected receptacles were introduced in kitchen. GFCI receptacles provide superior shock protection compared to non-GFCI protected receptacles. Homes built prior to this time do not typically have GFCI protected receptacles. Non-GFCI protected receptacles can be upgraded to GFCI receptacles for improved safety. GFCI receptacles should be tested monthly to verify proper operation.

Findings

*Typical for when this home was constructed, the number of kitchen receptacles and circuits does not meet current construction practice. Tripped circuit breakers/fuses may be encountered due to the lack of kitchen circuits/receptacles. If tripped breakers/fuses becomes a nuisance, we suggest that additional circuits/receptacles be installed.

KITCHEN: EXHAUST FAN AND HOOD LIGHT - Functional

Reference

We inspect the exhaust fan, duct work (if present) and hood light (if present) for function and excessive vibration/noise. We cannot determine the exhaust fan's effectiveness in removing odor and smoke. Hidden ducts cannot be inspected.

LAUNDRY ROOM/AREA

This section describes the inspection results for the laundry room/area (washing machine hookups, dryer venting, electrical receptacles, room ventilation and gas hookup. The following are not included in the scope of the inspection:

*washer and dryer;

*moving of the washer or dryer;

LAUNDRY ROOM/AREA: WATER SUPPLY HOOKUP - Evaluate/Repair

Reference

Hot and cold water supply lines are present for washer hookup. Water supply valves are not operated due to their high potential for leakage/failure. We recommend braided stainless steel hoses for washer hookup to reduce the likelihood of leakage.

Findings

*Hot and Cold water shutoff valve is leaking.

Rating - Action Item

WASHING MACHINE DRAIN - Present

Reference

We visually inspect the washing machine drain. We do not run water through the washing machine drain.

DRYER VENTING - Present

Reference

We perform a visual inspection of the dryer vent. We do not functionally test the vent. Dryer vent pipe/duct located behind walls/ceilings are not visible for inspection. We also recommend that the following steps be taken to minimize the potential for fire due to lint buildup:

*The dryer vent should be periodically cleaned by a professional to prevent lint buildup; and

*Metal duct should be used between the dryer and wall connection.

LAUNDRY ROOM: 120 VOLT RECEPTACLE(S)

Type - 3-Hole **Condition** - Functional

Reference

The receptacles are modern 3-hole with ground. We test a representative number of receptacles for proper wiring using a plug in circuit tester.

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FILE #8390

LAUNDRY ROOM/AREA

LAUNDRY ROOM/AREA: 240 VOLT DRYER RECEPTACLE

Type - 3-Hole **Condition** - Functional

Reference

The dryer receptacle uses a 3-hole 240 volt receptacle. You should verify that your dryer plug is compatible with the 3-hole receptacle.

INTERIOR

This section describes the inspection results for the interior components. A representative number of components are inspected for function, excessive wear and need for repair. In some cases, all or portions of these components may not be visible or accessible because of furnishings and personal effects. In such cases, these items are not inspected. Assessing the quality and condition of interior finishes is highly subjective. Issues such as cleanliness, cosmetic flaws, quality of materials, architectural appeal and color are outside the scope of this inspection. No comment is offered on the extent of cosmetic repairs that may be needed after removal of existing wall hangings and furniture. Your best protection is to conduct a pre-closing walkthrough when all furniture and possessions have been removed from the home. In addition, the following are outside the scope of the inspection:
*central vacuum systems.

INTERIORS: COMMENTS AND MISCELLANEOUS ITEMS - See Finding(s) Below

Findings

*We observed a substance that may be mold (living room; kitchen). Our visual inspection cannot determine if the substance is mold. We recommend that you consult with an environmental specialist.

Rating - Action Item

*Door bell is not functional.

Rating - Action Item

INTERIOR WALLS - Present

Reference

The interior walls are inspected for excessive wear, damage, large/excessive cracks that may indicate an underlying structural problem and moisture penetration. Minor cracks and imperfections are considered cosmetic in nature and can be repair as part of routine maintenance. Homeowner furnishings may prevent a full inspection of the walls. You should inspect the walls during your final pre-closing walkthrough.

INTERIOR CEILINGS - Present

Reference

The interior ceilings are inspected for excessive wear, damage, large/excessive cracks that may indicate an underlying structural problem and evidence of moisture penetration. Evidence of moisture penetration is reported in the Roof Covering section. Because it seldom rains in Arizona, it can be difficult to identify evidence of a roof leak, especially if the interior ceiling has been recently painted. Minor cracks and imperfections are considered cosmetic in nature and can be repair as part of routine maintenance. Popcorn ceilings prior to 1978 may contain asbestos and you may wish to consult with an environmental specialist.

INTERIOR FLOORS - Present

INTERIOR: EVIDENCE OF MOISTURE PENETRATION/LEAKAGE - Yes

Findings

*The building interior is water stained/damaged due to moisture penetration (living room). The extent of the damage cannot be determined by a visual inspection. We recommend that you identify the source of moisture, extent of damage and corrective action.

Rating - Action Item

INTERIOR: DOORS - Evaluate/Repair

Reference

We inspect a representative number of doors for function, excessive wear and general state of repair. Cosmetic imperfections are not reported as a defect.

Findings

*Door trim is missing (various locations).
Rating - Action Item

INTERIOR: WINDOWS

Glass Type - Double Pane **Condition** - Evaluate/Repair

Reference
We inspect a representative number of windows for function, excessive wear and general state of repair. We do not determine conformance with safety or tempered glass requirements. Fixed security bars on the window exterior may prevent exiting the home in an emergency and should be removed or replaced with removable security bars. Dual pane windows are inspected for fogging, moisture and discoloration between the window panes due to failed window seals. Window seals may have failed and not exhibit fogging or moisture depending on the humidity and air temperature. Window treatments, dirty windows, sunscreens and furniture may prevent us from identifying windows with failed seals. For these reasons, we cannot guarantee that we will be able to detect all failed window seals.

Findings
*Water stains/discoloration observed on the building interior next to the window that may be due to a window leak (NE bedroom). We recommend that you identify the source of moisture and if further correction action is required.
Rating - Action Item

* Window installed over another window prevented us from inspecting/operating the window(s) (office/den).
Rating - Not Inspected

FIREPLACE(S) - Present

Reference
We visually inspect the fireplace and flue for excessive wear and general state of repair. The flue is generally hidden behind finished material and not accessible for inspection. We do not start a fire in the fireplace to determine chimney draft, nor do we light gas fireplaces due to safety and insurance reasons. We suggest that the current homeowner demonstrate operability of gas fireplaces prior to close of escrow. Fireplace chimneys and flues should be periodically cleaned.

SMOKE DETECTOR(S) - Evaluate/Repair

Reference
Our inspection of the smoke detectors is only to verify presence and response to the detector's test button. We use a 6' step ladder to reach the test button. Smoke detectors beyond our reach cannot be tested. Older smoke detectors do not have a test button and are not tested. You may consider replacing these detectors with new detectors with a test button. Smoke detectors should be tested monthly. Specific requirements governing the installation of smoke detectors can be obtained from the local city government with regard to the type and placement within the home. We do not verify compliance with city ordinances.

Findings
*No smoke detectors are installed in this house. We recommend installing smoke detectors in accordance with local requirements.
Rating - Action Item

INTERIOR: CEILING FAN(S) - Evaluate/Repair

Reference
Ceiling fans may wobble at high speeds. Weights can be placed on the fan blades to balance and reduce fan vibration.

Findings
*The fan(s) is not functional (south bedroom; NE bedroom).
Rating - Action Item

INTERIOR: RECEPTACLE(S)

Type - 3-Hole **Condition** - Evaluate/Repair

Reference
The receptacles are modern 3-hole with ground. We test a representative number of receptacles for proper wiring using a plug in circuit tester.
We do not move furniture, boxes or other obstructions. Many receptacles may not be accessible for testing. For this reason, you may wish to test all the receptacles during your pre-closing walkthrough when all furniture and possessions are removed from the home. Receptacles should be periodically inspected to ensure they are securely attached to the junction box, broken or missing cover plates, or other adverse conditions.

Findings

INTERIOR

*The receptacle(s) is not energized (identified with blue label(s); living room).

Rating - Action Item

INTERIOR: LIGHT(S) & SWITCH(ES) - Evaluate/Repair

Reference
The light fixtures are tested when possible. If a light fails to illuminate, it may be due to a burned out light bulb; faulty wiring/fixture; or lights that are controlled by automatic devices such as timers, photocells, etc. We do not carry spare bulbs. Photoelectric and motion sensor lights typically cannot be tested. We recommend that you verify all lights illuminate prior to close of escrow.
Findings
*Light fixture(s) is missing/damaged (various locations).
Rating - Action Item

HEAT PUMP(S)

This section describes the inspection results for the heat pump system(s). A heat pump is simply an air conditioner that can work in reverse to heat the house. It uses the same components for both air conditioning and heating. The only difference is the coolant (typically Freon) circulates in one direction for cooling and circulates in the opposite direction for heating. In cooling mode, it extracts heat from the house and pumps it to the exterior of the house. In heating mode, it extracts heat from outside the house and pumps it into the house. It is the most economical system for heating with electricity. We functionally test the heat pump in either the cooling or heating mode, but not both modes, depending on the outside air temperature. If the outside air temperature is less than 60 degrees during the previous 24 hours, we test the system in the heating mode, since operation in the cooling mode can damage the system. Conversely, if the outside temperature is greater than 60 degrees during the previous 24 hours, we test the system in the cooling mode, since operation in the heating mode can damage the system. Operating the heat pump in one mode does not allow us to test/inspect the reversing valve. The heat pump system(s) is operated and the supply and return temperatures are measured with a digital thermometer to determine if the heat pump(s) is functional. We perform a visual inspection of the heat pump components.

We do not dismantle the heat pump system(s), measure the compressor amperage, measure the compressor inlet and outlet pressures, determine the cleanliness of the components or determine if recommended maintenance has been performed. Please be advised that the home warranty companies can refuse to repair a non-functional heat pump system if recommended maintenance has not been performed. For this reason, we recommend that you obtain maintenance records from the current owner and/or have a licensed A/C contractor conducted a thorough examination/service of the heat pump system(s) prior to close of escrow. After close of escrow, we recommend that a licensed A/C contractor periodically service the heat pump system(s) in accordance with manufacturer recommendations to maximize heat pump performance, efficiency and life span.

The following are outside the scope of the inspection:

*pressure tests on coolant systems; therefore no representation is made regarding coolant charge or line integrity;
*determining cooling supply adequacy and distribution balance; and
*electronic air filters.

You are encouraged to have a separate inspection of these systems/components by a specialist.ć#

HEAT PUMP #1:

Cools (Heats) - 1st Floor **Condenser Age** - 4 Years **Fan Age** - 4 Years

Age Basis - Nameplate
Heat pump systems and components are more likely to fail and require repair/replacement as they age. The average useful life for a heat pump is 10-15 years. However, the useful life can vary dramatically depending on the quality of the system/installation and whether recommended maintenance has been performed.
The age was determined from the nameplate affixed to the units.

HEAT PUMP(S)

HEAT PUMP(S) TESTED IN - Cooling Mode

Reference

The heat pump(s) was tested in the cooling mode, since the outside air temperatures was greater than 60 degrees during the previous 24-hour time period.

HEAT PUMP(S): RESPONSE TO CONTROLS - Functional

Reference

We use the thermostat to test the heat pump system's response to normal controls. Thermostats are not checked for calibration or timed functions.

HEAT PUMP(S): PERFORMANCE - Evaluate/Repair

Reference

The supply and return air temperatures are measured with a hand held digital thermometer to determine the air temperature change across the fan unit (so-called temperature split). An ideal temperature split is between 18 and 22 °F for cooling mode and 22-32 °F for the heating mode depending on the outside air temperature. The temperature split is not within the above range, indicating that the heat pump requires evaluation by a licensed contractor. Our performance evaluation is limited to measuring the temperature change across the fan unit. We cannot evaluate the adequacy or uniformity of the heat pump system during the short time duration of a home inspection. The adequacy or uniformity of the system can only be determined by living in the house for an extended time period during hot and cold weather.

Findings

*The air temperature change across the heat pump fan unit was measured with a hand held digital thermometer. An ideal temperature drop is between 18 and 22 °F. The measured temperature drop(26 degrees) is greater than this range (i.e., heat pump is producing too cold air).

Rating - Action Item

HEAT PUMP: CONDENSING UNIT(S) - Evaluate/Repair

Reference

The condensing unit encompasses all the equipment necessary to convert the refrigerant gas to a liquid and thereby reject the hot air from inside the house to the building exterior. The condenser unit is typically located outside the building. It consists of a compressor, condenser, hot gas discharge line, condensing fan, electrical panel box and some accessory components. We perform a visual inspection of these components to identify potential problems such as noisy compressor/fan, excessive vibration, improper electrical installation, etc. Note that the above discussion pertains to a heat pump operated in the cooling mode. A heat pump operated in the heating mode uses the same components, but since the freon circulates in the opposite direction, the above components are used to evaporate the freon and absorb heat from the outside air. In the heating mode, the above condenser components are called an evaporator.

Findings

*An equipment ground path (either wire or metal conduit) is not installed to the A/C condenser unit. An equipment ground path should be installed in accordance with approved methods for safety reasons.

Rating - Action Item

* Excessive number of damaged(blown) fuses noted next to the condenser. This may indicate an adverse condition with the Heat Pump. We recommend evaluation by a licensed contractor.

Rating - Action Item

HEAT PUMP(S)

HEAT PUMP: FAN UNIT(S) - Evaluate/Repair

Reference

The fan unit consists of a fan, motor and evaporator and is used to move the air through the ducts. The evaporative coil is used to transfer heat from the house air flow to the refrigerant. In doing so, the house air is cooled and the liquid refrigerant is evaporated or boiled off as it passes through the evaporator. These components are typically concealed within the air handler and cannot be directly observed, without dismantling the air handler. We do not dismantle the air handler. We inspect the outside of the unit for evidence of problems, such as excessive noise, unusual vibration, condensate leakage, etc. The humidity is extremely low in Arizona and is only elevated during the 'monsoon' season (July to September). The A/C system can only produce condensate water from July to September when the humidity is elevated. If the inspection is conducted outside this time of the year, it is not possible to inspect/determine if condensate is leaking from the fan unit. For this reason, we recommend servicing the fan unit and condensate system during the spring to prevent condensate leakage from the fan unit during the 'monsoon' season.

The above discussion refers to a heat pump operated in the cooling mode. A heat pump operated in the heating mode uses the same components, but since the freon circulates in the opposite direction, the fan unit is used to condense the freon and heat the house air. In the heating mode, the fan unit components are called a condenser.

Findings

*The condensate pipe discharges into a plumbing vent pipe (visible on roof). This condition can allow sewer gases to enter the home.

Rating - Action Item

HEAT PUMP(S): DISTRIBUTION DUCTS - Evaluate/Repair

Reference

The heat pump system uses ducts to distribute the air to the individual rooms. The majority of ducts are hidden behind finish materials and are not visible for inspection. Our inspection is limited to whether a cooling (or heating) source exists to each room. We do not measure the actual air flow, nor can we determine the uniformity or adequacy of cooling (heating) supply to the various rooms during the short time duration of a home inspection. Room to room temperature differences may occur. Factors that can result in one room/area being warmer (cooler) than the remainder of the house are: one system that cools (heats) both the 1st and 2nd floors; room(s) located the furthest distance from the fan unit; cathedral/high ceilings; room(s) with 3 exterior walls; and room(s) with low air flow at the heat pump supply register. The adequacy and uniformity of the heat pump system can only be determined by living in the house during the cooling (heating) season. For this reason, we recommend that you consult with the current homeowner about the uniformity and adequacy of the heat pump system.

We suggest that you periodically clean the duct internal surfaces.

Findings

*The return duct(s) interior is dirty. We recommend that a licensed contractor inspect/service the heat pump.

Rating - Action Item

HEAT PUMP(S): AIR FILTER - Dirty

Reference

A dirty filter may indicate a lack of maintenance on the A/C system. You may choose to have an A/C contractor clean and service the A/C unit(s). Electrostatic air filters are not within the scope of the inspection.

Findings

*Filter(s) is dirty and should be cleaned/replaced.

Rating - Action Item

ATTIC

This section describes the inspection results for the attic components (framing/structure, insulation, and ventilation). The attic also contains HVAC ducts, exhaust fan ducts, electrical wiring, plumbing vents, and other components. The inspection findings for these components can be found in the respective HVAC section, plumbing section, electrical section, etc. of this report. In many cases, the attic components are not always visible because of deep insulation, limited headroom, HVAC ducts, etc. In addition, during hot weather, our inspectors do not spend a lot of time in the attic due to high temperatures and potential health risks. All these condition make it difficult to identify all potential attic problems.

ATTIC

ATTIC ACCESS #1

Location - House **How Inspected** - Partially Entered Attic

Reference

The inspector partially entered the attic due to the presence of insulation, framing, ducts or other obstructions. This is a limited inspection of the attic and interior components.

ATTIC ACCESS #2

Location - Garage **How Inspected** - Partially Entered Attic

Reference

The inspector partially entered the attic due to the presence of insulation, framing, ducts or other obstructions. This is a limited inspection of the attic and interior components.

ATTIC: FLOOR/CEILING INSULATION

Type - Cellulose **Thickness** - Evaluate/Repair

Reference

Cellulose fiber is essentially paper, finely shredded and treated with chemicals to make it somewhat resistant to moisture, fire, rot and vermin. It is usually blown in. It is prone to settling over time. Due to its relatively low cost, cellulose is the most common insulation material used in Arizona. We do not recommend walking on the insulation since this can crush the material and decrease its effectiveness.

We inspect the floor/ceiling insulation for missing insulation, insulation thickness and variations in insulation thickness. Generally, not all the attic insulation is visible for inspection.

Findings

*Insulation is missing (west side).

Rating - Action Item

ATTIC: VENTILATION - Present

We inspect the attic space for the presence of ventilation openings. Attic ventilation reduces the attic temperature and moisture level. We do not calculate the attic ventilation area for conformance to current construction methods.

ATTIC: FRAMING

Type - Engineered Trusses **Condition** - Functional

Reference

Roof trusses support the roof sheathing and roof covering, transferring loads to the bearing walls. The bottom of the truss supports the finished ceiling. Trusses are usually engineered components assembled in a factory and delivered to the site. We inspect accessible trusses for cracks, missing truss members, rot, deterioration, etc. The bottom cord of the trusses is typically covered by insulation and not visible for inspection.

ATTIC: ROOF SHEATHING - Functional

Reference

The roof sheathing is the material directly supporting the roof covering. We inspect the sheathing for cracking, rot, deterioration and function.

ROOF COVERING

Our inspection of the roof covering system includes a visual examination of the roof covering materials, connections, penetrations and roof water drainage system. We examine the roofing material for damage, deterioration and conditions that may suggest limited remaining useful life. Our inspection focuses on conditions that may indicate a current roof leak and/or conditions that may increase the likelihood that the roof will leak. We look for water stains, bubble paint and repaired areas on the interior wall/ceiling surfaces that may indicate a roof leak. However, it seldom rains in Arizona and recent paint can conceal evidence of roof leakage. The seller property disclosure sheet should be consulted for disclosure conditions related to the roof. You should also consult with your insurance company to determine the insurability of the roof/home.

Opinions stated herein concerning the roof covering are based on the general condition of the roof covering system as evidenced by our visual inspection for the conditions that existed at the time of the inspection. Roof covering conditions can change dramatically due to the extreme weather conditions in Arizona. Our inspection does not constitute a

warranty that the roof is, or will remain, free of leaks, nor does it constitute a roofing certification and code compliance. All roofing systems require annual maintenance. Failure to perform routine roof maintenance will usually result in leaks and accelerated deterioration of the roof covering and flashing.

ROOF COVERING 1:

Location - Main House/Garage **Type** - Composition Shingles **Slope** - Medium

Reference

The roof covering material is asphalt composition. The shingles consist of asphalt impregnated felt paper, coated with an additional layer of asphalt and covered with granular materials. Some manufacturers use fiberglass matting as an alternative to felt paper. Shingles are typically installed over felt paper. Shingles are classified by weight. The most common type used today weight 210 lbs. per 100 sq. ft. of shingles (so-called square). They have an average life expectancy for twelve to fifteen years. Heaver asphalt shingles such as 225's, 235's and 320's are available and may have a useful life of up to 20 years. However, useful life can vary depending on factors such as roof facing direction, material quality, installation technique, attic ventilation, attic air temperatures, etc.

Regardless of the type of asphalt shingle used, there are two general rules with regard to wear. One, sunlight is the biggest enemy and consequently the south and west sides of the roof wear out the fastest. Second, the steeper the pitch of the roof, the longer the roof will last and the less likely the roof will leak.

As asphalt shingles wear, they loose their granular covering. The granular material protects the shingles from ultraviolet light. As it wears off, the shingles dry out and become brittle. They crack, buckle and curl. Areas where the granular material has eroded the fastest, wear out first. These may be areas around evaporative coolers that leak onto the roof covering or where trees branches rub against the shingles.

Our inspection focuses on conditions that may indicate a current roof leak and/or may increase the likelihood that the roof will leak. We look for water stains, bubble paint and repaired areas on the interior wall/ceiling surfaces that may indicate a roof leak. However, it seldom rains in Arizona and recent paint can conceal evidence of roof leakage. We look for cracked/broken/missing shingles and examine the penetrations for improper flashing and potential leakage sources. We identify shingles that have significant loss of mineral granules or other conditions that would indicate the shingles have reached the end of their useful life. The seller property disclosure sheet should be consulted for disclosure conditions related to the roof.

We recommend that a licensed roofing contractor periodically inspect the roof covering to identify and correct adverse conditions before they actually result in a roof leak.

ROOF COVERING 1:

Age - 5-10 Years **Age Basis** - Estimated

Reference

The age was estimated based on the inspector's experience. We cannot guarantee the accuracy of the age.

ROOF COVERING 1: METHOD OF INSPECTION - Walked On Roof

Reference

The inspector walked on the roof covering and visually examined the accessible components.

ROOF COVERING 1: CONDITION - Evaluate/Repair

Findings

*Water stain(s) or discoloration observed on the attic interior that may indicate a roof leak (visible above the front porch). We recommend that you identify the source of moisture and corrective action.

Rating - Action Item

*Fascia/Eave is excessively water stained due to water that is seeping under the roof covering (visible at the front porch). We recommend that you identify the source of moisture and corrective action.

Rating - Action Item

*Water stain(s) or discoloration observed on the ceiling and/or wall that may indicate a roof leak (NE bedroom). We recommend that you identify the source of moisture and corrective action.

Rating - Action Item

*Protective mineral granules are missing from the roof membrane surface (south side).

Rating - Action Item

ROOF COVERING

*Shingles have small diameter damaged areas. This condition is consistent with hail damage.
Rating - Action Item
*We recommend that a licensed roofing contractor inspect the roof and make recommendations for corrective action.
Rating - Action Item

ROOF COVERING 1: LIKELIHOOD FOR LEAKS AND MAJOR REPAIRS/REPLACEMENT - High

Reference
There is a high likelihood for roof leaks and repairs based on the age and type of roof covering. To reduce or eliminate this risk, roof covering replacement with an associated warrany may be a prudent option.

ROOF COVERING 2:

Location - Patios/Porches **Type** - Builtup Mineral Cap Sheet **Slope** - Flat/Low

Reference
Built-up roofing systems are used on flat to low slope roof pitches and consists of two, three, four or even five plys of roofing felts with a mopping of asphalt between layers (so called 2, 3, 4 or 5 ply builtup roofing system). A 5 ply roofing system is a higher quality than a 2 ply, and all variables being the same will last longer. In Arizona, most built up roofing systems are 2 or 3 ply systems. The felt plys are then capped with a mineral coated membrane to protect the felt from the sun. The underlying felt plys are not visible for inspection and the number of plys and their condition cannot be determined. Builtup roofing systems have a useful life of 8-15 years, depending on quality of materials and installation, number of plys and maintenance.

Our inspection focuses on conditions that may indicate a current roof leak and/or may increase the likelihood that the roof will leak. We look for water stains, bubble paint and repaired areas on the interior wall/ceiling surfaces that may indicate a roof leak. However, it seldom rains in Arizona and recent paint can conceal evidence of roof leakage. We look for excessive wear, splits, cracks, separation of the roofing covering at the seams and edges, and bubbles/blisters in the builtup roof covering. Penetrations in the roof covering are examined to identify conditions that may result in a roof leak. We also identify conditions that indicate the builtup roof covering has reached the end of its useful life. The seller property disclosure sheet should be consulted for disclosure conditions related to the roof.

For flat/low slope roofs, water ponding occurs when water does not completely drain off the roof and can shorten the life of the roof covering and increase the likelihood that the roof will leak. Generally accepted practice is to allow some water ponding if the roof is dry within 48 hours after rainfall. Unfortunately, since it seldom rains in Arizona, our inspection cannot usually determine if the roofing system meets this criteria.

We recommend that a licensed roofing contractor periodically inspect the roof covering to identify and correct adverse conditions before they actually result in a roof leak.

ROOF COVERING 2:

Age - 5+ Years **Age Basis** - Estimated

Reference
The age was estimated based on the inspector's experience. We cannot guarantee the accuracy of the age.

ROOF COVERING 2: METHOD OF INSPECTION - Walked On Roof

Reference
The inspector walked on the roof covering and visually examined the accessible components.

ROOF COVERING 2: CONDITION - Evaluate/Repair

Findings
*Protective mineral granules are missing from the roof membrane surface (north patio). A protective coating can be applied to the roof membrane to prolong its life.
Rating - Action Item
*Roof covering is wrinkled/buckled due to movement (north patio). The wrinkles/buckles appear not to have adversely affected the roof covering function. We recommend that you monitor this condition and take corrective action if required.
Rating - Monitor
*Roof covering is separated at the roof edges and not adequately adhering to the roof deck (north patio; east side).
Rating - Action Item

ROOF COVERING

ROOF FLASHINGS/PENETRATIONS - Evaluate/Repair

Reference

Flashings are designed to keep water out. They are used where dissimilar roofing materials meet, roof to wall joints, where roofing material changes direction, at joints, and at penetrations in the roof (i.e., skylights, chimneys, plumbing vent pipes, roof vents, etc.). The flashing locations are most likely sources of leakage. We examine the flashing for function, proper detail, unprofessional flashing, missing flashing, separated flashing, deteriorated flashing, or other adverse conditions that are a potential leak source. In many cases, roofing mastic is used for sealing flashing. Mastic can breakdown and deteriorate due to sun exposure. The mastic should be periodically inspected and renewed to prevent leakage problems.

Findings

*Improper/unprofessional flashing detail noted at the HVAC duct. We recommend that a licensed roofing contractor replace the flashing with flashing appropriate for the application.

Rating - Action Item

*Flashing is missing at the plumbing pipe penetration(s) (SW side).

Rating - Action Item

*Metal flashing is missing/not visible at the chimney.

Rating - Action Item

STRUCTURE

This section describes the inspection results for the structural components of the building, except for the attic structure. The attic structure is reported in the attic section. The structural components are examined, where visible, for proper function, excessive or unusual wear and general state of repair. Many structural components are inaccessible and not visible for inspection, because they are buried below soil or behind finishes (i.e., sheetrock, stucco, floor coverings, etc.). Since the majority of the structure cannot be viewed directly, much of the structural inspection is performed by identifying resultant symptoms of movement, damage and deterioration in the finished materials (i.e., excessive & large cracks in the interior walls/ceilings). Where there are no visible symptoms, conditions that require investigation or repair may go undetected and identification will not be possible. Our inspection is for the conditions that exist at the time of the inspection. Adverse structural conditions can occur subsequent to our inspection, that were not present at the time of the inspection. We make no representations as to the internal conditions or stability of soils, concrete footings, and foundations, except as exhibited by their performance. The following are considered outside the scope of the inspection:

*soil testing and destructive testing/examination;
*engineering or architectural services; and
*removal of finished materials to gain access to the structural components.

The inspection results for the garage floor are described in the Garage Interior section.

FOUNDATION CONFIGURATION/TYPE - Slab On Grade

Slab on grade is the most common foundation type in Arizona and consists of a poured concrete floor that rests directly on the ground. There is no basement or crawl space below the floor. At the perimeter of the slab and other load bearing locations, a concrete footer is typically placed to provide the additional support necessary for the load bearing walls and columns/posts. The footer transmits the weight of the house to the soil, without allowing the house to sink. The horizontal surface area of the footer is larger than the foundation wall and posts/columns, so that the load can be spread over a wide area. Reinforcing steel is typically placed in the footer to provide additional strength. Once the house is completed, excavated soil is backfilled next to the foundation, and the footer is not visible for inspection. Generally, only a small portion of the foundation stem wall is above the ground and visible for inspection. We inspect the visible portion of the foundation for cracking, movement, settlement, etc. they may indicate an adverse structural condition. Irrigation systems and other sources of water should be kept away from the foundation to minimize the likelihood of water induced foundation problems. An evaluation of soil stability or if expansive soils are present is beyond the scope of this inspection.

STRUCTURE

HOUSE FLOOR STRUCTURE

Type - Concrete **Visible/Accessible** - Partially Visible

Reference

The floor structure is concrete. All concrete slabs experience a certain amount of cracking due to shrinkage/settlement. Small cracks (i.e., less than ¼" wide) are not considered a structural concern. Slab cracks can be repaired with epoxy and slip sheets to reduce the likelihood that floor tiles layed over the concrete slab will crack.

Only a portion of the floor structure is visible for inspection. The remainder of the floor structure is covered by finished materials such as carpet, tile, wood, vinyl, etc. and is not visible for inspection. The floor coverings prevent detection of floor cracks in all but the most severe cases. If the client removes the carpet/floor covering, the inspector will re-inspect at an additional cost.

INTERIOR CEILING STRUCTURE

Type - see Attic section **% Visible/Accessible** - N/A - see Attic section

Reference

The ceiling structure is reported in the attic section.

EXTERIOR WALL STRUCTURE

Type - Wood Frame **% Visible/Accessible** - Partially Visible

Reference

Only a portion of the exterior wall structure is visible for inspection. The remainder of the exterior wall structure is covered by finished materials such as stucco, wood, hardboard, sheetrock, plaster, etc. and is not visible for inspection. Since the structural components cannot be viewed directly, our inspection focuses on detecting symptoms of movement, damage and deterioration, such as excessive cracking/sagging in the interior walls and ceilings. Where there are not visible symptoms, conditions that require further review or repair may go undetected and identification is not possible without destructive testing.

INTERIOR WALL STRUCTURE

Type - Wood Frame **% Visible/Accessible** - Partially Visible

Reference

Only a portion of the interior wall structure is visible for inspection. The remainder of the interior wall structure is covered by finished materials such as wood, hardboard, sheetrock, plaster, etc. and is not visible for inspection. Since the structural components cannot be viewed directly, our inspection focuses on detecting symptoms of movement, damage and deterioration, such as excessive cracking/sagging in the interior walls and ceilings. Where there are not visible symptoms, conditions that require further review or repair may go undetected and identification is not possible without destructive testing.

BEAMS

Type - Wood **% Visible/Accessible** - Partially Visible

Reference

Only a portion of the beams are visible for inspection.

COLUMNS

Type - Not Determined **% Visible/Accessible** - Not Visible

Reference

The posts are covered with finished material and are not visible for inspection.

STRUCTURAL COMPONENTS: CONDITION - Functional

ACC000261
FILE #8390

SUMMARY

Action Item

May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system.

LOT GRADING & DRAINAGE

Findings - 1

*The grading should be improved to promote the flow of rain water away from the house (west side).

FENCES AND GATES

Findings - 2

*Gate slats are broken/missing/loose.

Findings - 3

*Latch is missing.

Findings - 4

* Blocks are damaged/missing (west side).

VEGETATION AFFECTING STRUCTURE

Findings - 5

*Vegetation should be trimmed away from the roof/structure.

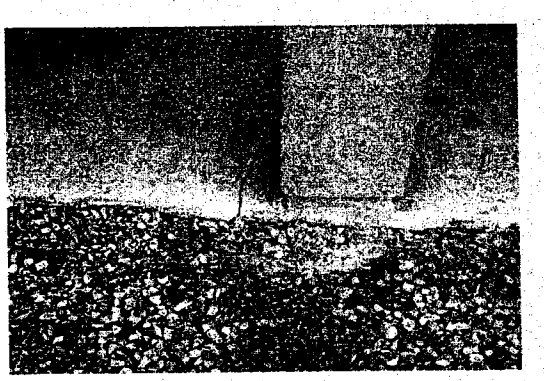
PATIO(S) & PORCH(ES)

Findings - 6

*Large crack(s) observed in the floor slab (north patio).

Action Item

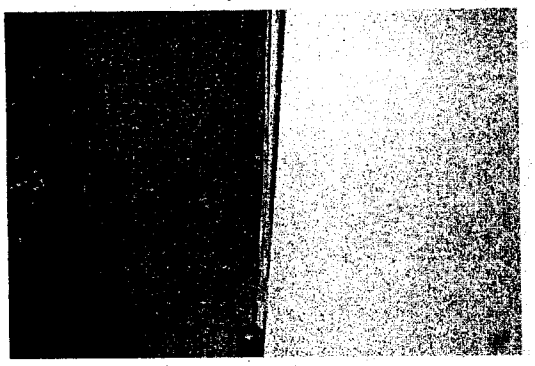
May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system.

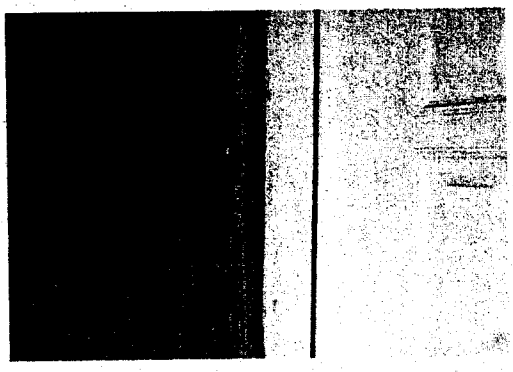


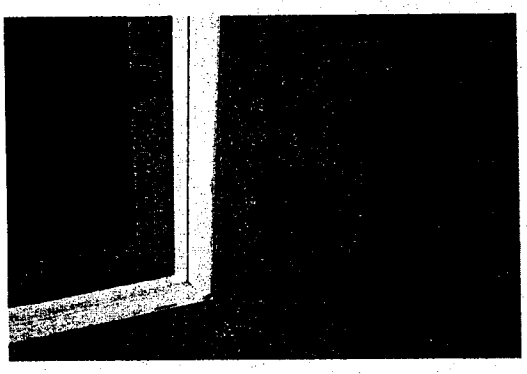
BUILDING EXTERIOR: WALL CLADDING CONDITION

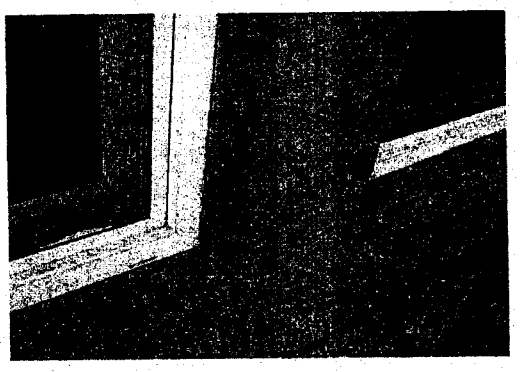
Findings - 7

*Wall opening(s) and gap(s) around wall penetrations should be sealed/caulked to prevent moisture and pest intrusion (Window Frame(s); Exterior Door Frame(s)). We recommend that a licensed contractor inspect the wall covering and seal/caulk all areas of potential moisture penetration.









Findings - 8

*Stone(s) is loose (south wall).

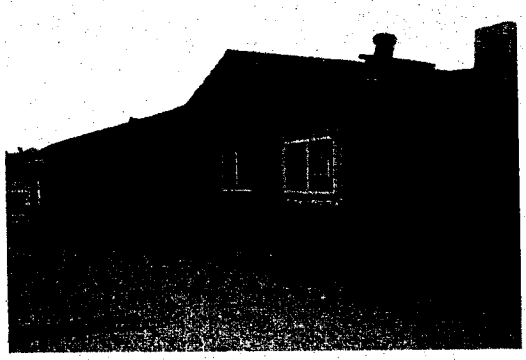
SUMMARY

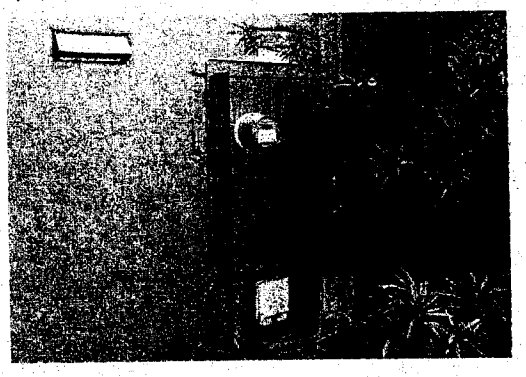
Action Item

May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system.

Findings - 9

*Stucco is missing/damaged and should be repaired to prevent moisture penetration (east and west house wall).





BUILDING EXTERIOR: CHIMNEY(S)

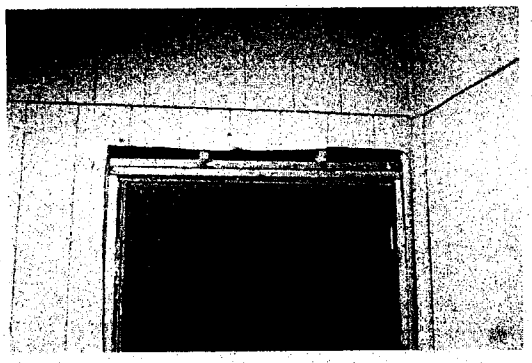
Findings - 10

*The chimney flue exit should have a covered spark arrestor or screen to prevent embers from exiting the chimney.

BUILDING EXTERIOR: DOORS

Findings - 11

*Door frame is water damaged (garage service door).



SUMMARY

Action Item

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BUILDING EXTERIOR: FLASHING

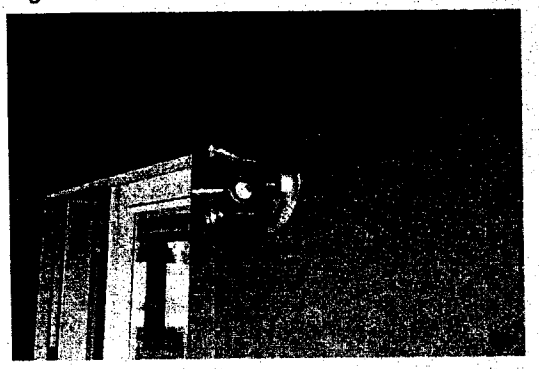
Findings - 12

*Flashing is not installed at the windows(east side). This condition increases the likelihood that rainwater will enter the house/structure.

BUILDING EXTERIOR: LIGHT(S) & SWITCH(ES)

Findings - 13

* Light fixture is not rated for exterior use(patio).



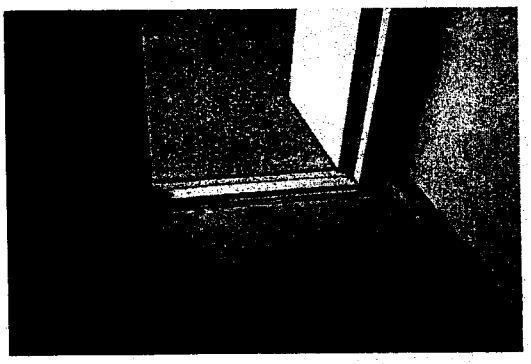
Findings - 14

*Light fixture(s) is missing (porch).

GARAGE INTERIOR: COMMENTS & MISCELLANEOUS ITEMS

Findings - 15

*The floor is at the same or higher elevation than the house interior floor slab (garage). This condition increases the likelihood for moisture penetration into the garage.



GARAGE INTERIOR: EVIDENCE OF MOISTURE PENETRATION/LEAKAGE

Findings - 16

*The garage interior is water stained/damaged due to moisture penetration (visible at the water heater/water softener). The extent of the damage cannot be determined by a visual inspection. We recommend that you identify the source of moisture, extent of damage and corrective action.

Action Item

May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system.

ELECTRICAL SYSTEM: COMMENTS & MISCELLANEOUS ITEMS

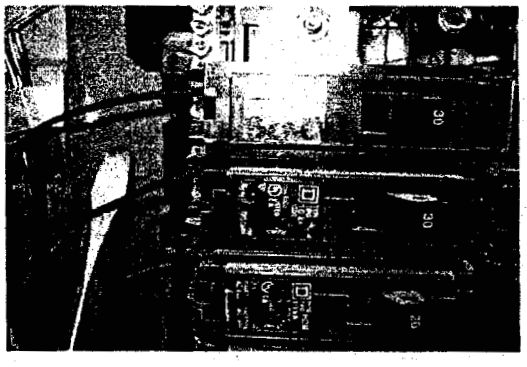
Findings - 17

*The electrical system has undergone many unprofessional/sub-standard modifications and changes since its original construction. We recommend that a licensed electrician evaluate the entire electrical system and make recommendations for corrective action as required.

MAIN ELECTRICAL PANEL: ACCESS, SERVICE GROUND AND CONDITION

Findings - 18

*Circuit breakers are installed to prevent damage to the circuit wires due to excessive electrical current. One (or more) circuit breaker is installed that exceeds the wire capacity (i.e. 14 gage wire attached to 30 amp circuit breaker(s)). This condition can allow the circuit wire to overheat due to excessive current. We recommend that the correct size circuit breaker(s) be installed.



ELECTRICAL WIRING MATERIAL

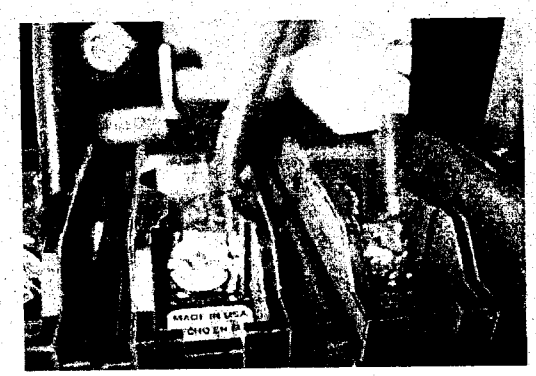
Findings - 19

*Aluminum wire has been used for one or more of the single strand wires. These wires are for the receptacle and lighting circuits. Loose connections can occur at the receptacles, switches, light fixtures and circuit breakers that can result in overheating and subsequent increased fire risk. Please refer to our website at http://www.ajfengineering.com for additional information about aluminum wiring. The scope of our inspection does not include a detailed examination o the electrical wiring. We recommend that a licensed electrical contractor inspect the electrical wiring.

SUMMARY

Action Item

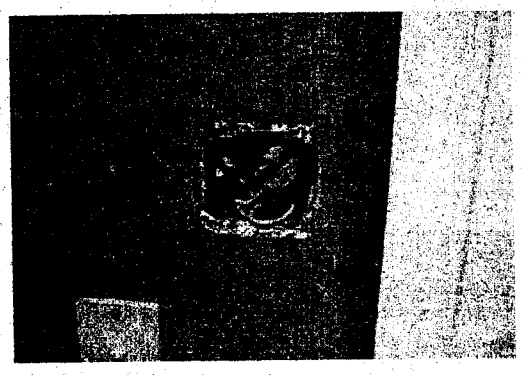
May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system.

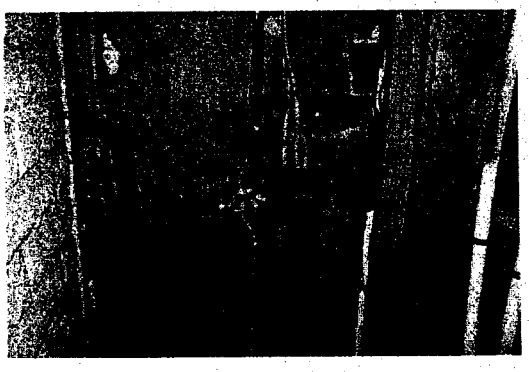


ELECTRICAL WIRING CONDITION

Findings - 20

*One (or more) junction box do not have a cover, exposing the wires (various locations).





Findings - 21

*One (or more) wire connection is not located inside of a junction box and does not conform to approved wiring methods (west side; MBR).

ACC000267
FILE #8390

SUMMARY

Action Item

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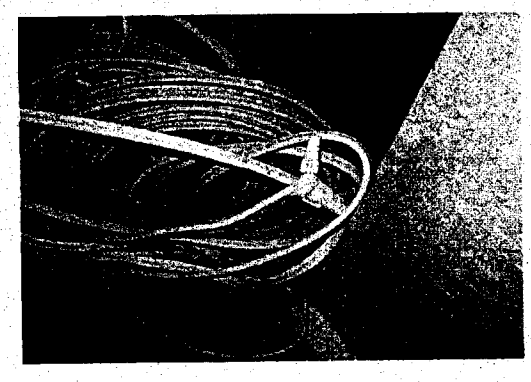
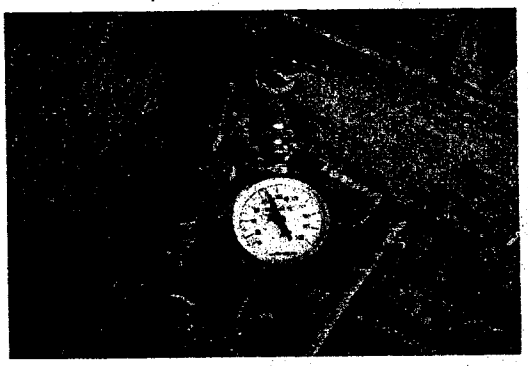


PLUMBING SYSTEM: WATER SUPPLY PRESSURE

Findings - 22

*The measured water pressure is at or around 90 psi. A pressure regulator can be added to reduce the pressure to the recommended pressure of 60 to 80 psi.



WATER HEATER(S) CONDITION:

Findings - 23

*Flexible copper tubing is used for the temperature pressure relief (TPR) valve discharge piping. Typically, hard drawn copper piping is used.

Action Item

May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system.

Findings - 24

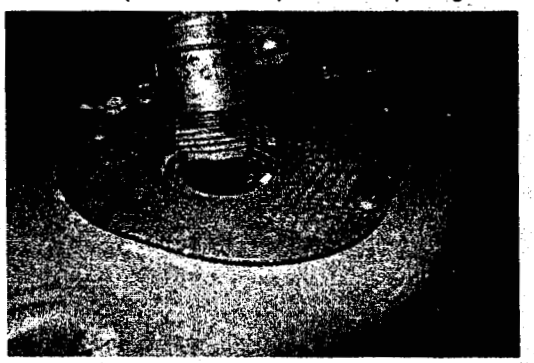
*The temperature pressure relief (TPR) valve discharge pipe diameter is less than the required 3/4 inch. This condition can adversely affect the TPR function.

Findings - 25

*The temperature pressure relief (TPR) valve discharge pipe slopes uphill and should slope continuously downhill from the TPR to the discharge pipe location. This condition can adversely affect the TPR function.

Findings - 26

*Conduit is split/cracked/separated, exposing the wires (located next to the water heater).



BATHROOMS: SINK(S)

Findings - 27

Unprofessional repair noted at the under sink drain pipe (NE Bedroom Bath).

ACC000269
FILE #8390

Action Item

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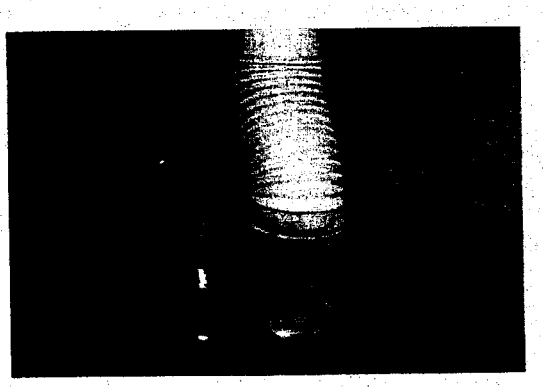
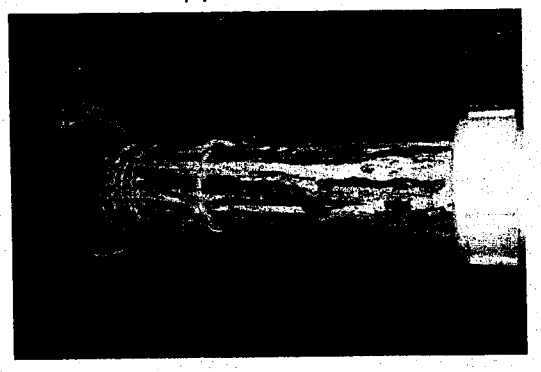


Findings - 28

*Drain is slow and water collects in the sink (Hall Bath).

Findings - 29

*Under sink drain pipe is corroded/leaking (Hall Bath).



Findings - 30

*Sink is loose and not securely attached to the counter/wall (Hall Bath).

Findings - 31

*Under sink drain pipe is corroded (NE Bedroom Bath).

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Action Item

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Findings - 32
*Faucet has a drip leak into tub (Hall Bath).

BATHROOMS: VENTILATION

Findings - 33
*Exhaust fan vents to the attic and should vent to the house exterior through approved duct (MBR Bath).

BATHROOMS: SHOWER(S)

Findings - 34
*Shower floor is not properly sloped towards the drain and standing water was observed on the floor after the shower was turned off due to incomplete drainage(MBR bath).

BATHROOMS: TOILET(S) AND BIDET(S)

Findings - 35
*Water runs continuously due to defective internal component(s) (MBR Bath).

KITCHEN: SINK(S)

Findings - 36
*Hot water is not available at the sink.

DISHWASHER(S)

Findings - 37
*Dishwasher is leaking (visible under the dishwasher).

Findings - 38
*Dishwasher drain line under the kitchen sink should be routed so that the highest elevation of the drain line is at the flood level of the sink to prevent waste water from draining into the dishwasher by gravity (i.e., secured to under side of kitchen counter).

Findings - 39
*Dishwasher is not secured to the counter.

KITCHEN: RANGE/OVEN/COOKTOP

Findings - 40
*Range anti-tip bracket is not installed.

ACC000271
FILE #8390

LAUNDRY ROOM/AREA: WATER SUPPLY HOOKUP

SUMMARY

Action Item

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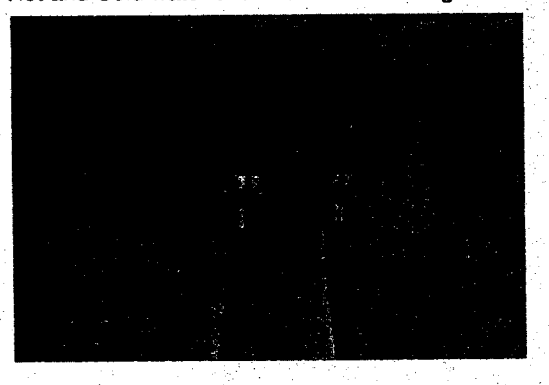
Findings - 41

*Hot and Cold water shutoff valve is leaking.



INTERIORS: COMMENTS AND MISCELLANEOUS ITEMS

Findings - 42

*Door bell is not functional.

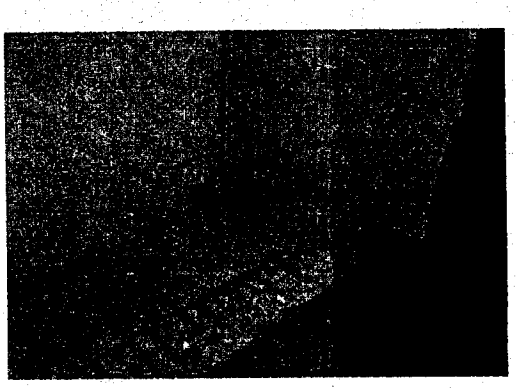
Findings - 43

*We observed a substance that may be mold (living room; kitchen). Our visual inspection cannot determine if the substance is mold. We recommend that you consult with an environmental specialist.

INTERIOR: EVIDENCE OF MOISTURE PENETRATION/LEAKAGE

Findings - 44

*The building interior is water stained/damaged due to moisture penetration (living room). The extent of the damage cannot be determined by a visual inspection. We recommend that you identify the source of moisture, extent of damage and corrective action.



INTERIOR: DOORS

Findings - 45

*Door trim is missing (various locations).

ACC000272
FILE #8390

INTERIOR: WINDOWS

Findings - 46

*Water stains/discoloration observed on the building interior next to the window that may be due to a window leak (NE

Action Item

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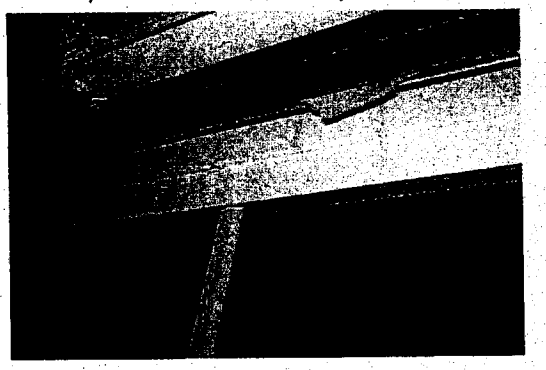
bedroom). We recommend that you identify the source of moisture and if further correction action is required.



SMOKE DETECTOR(S)

Findings - 47

*No smoke detectors are installed in this house. We recommend installing smoke detectors in accordance with local requirements.

INTERIOR: CEILING FAN(S)

Findings - 48

*The fan(s) is not functional (south bedroom; NE bedroom).

INTERIOR: RECEPTACLE(S)

Findings - 49

*The receptacle(s) is not energized (identified with blue label(s); living room).

INTERIOR: LIGHT(S) & SWITCH(ES)

Findings - 50

*Light fixture(s) is missing/damaged (various locations).

HEAT PUMP(S): PERFORMANCE

Findings - 51

*The air temperature change across the heat pump fan unit was measured with a hand held digital thermometer. An ideal temperature drop is between 18 and 22 °F. The measured temperature drop(26 degrees) is greater than this rang (i.e., heat pump is producing too cold air).

HEAT PUMP: CONDENSING UNIT(S)

Findings - 52

*An equipment ground path (either wire or metal conduit) is not installed to the A/C condenser unit. An equipment ground path should be installed in accordance with approved methods for safety reasons.

ACC000273
FILE #8390

Action Item

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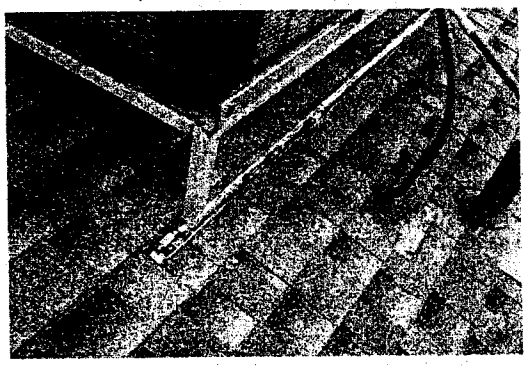
Findings - 53

* Excessive number of damaged(blown) fuses noted next to the condenser. This may indicate an adverse condition with the Heat Pump. We recommend evaluation by a licensed contractor.



HEAT PUMP: FAN UNIT(S)

Findings - 54

*The condensate pipe discharges into a plumbing vent pipe (visible on roof). This condition can allow sewer gases to enter the home.

HEAT PUMP(S): DISTRIBUTION DUCTS

SUMMARY

Action Item

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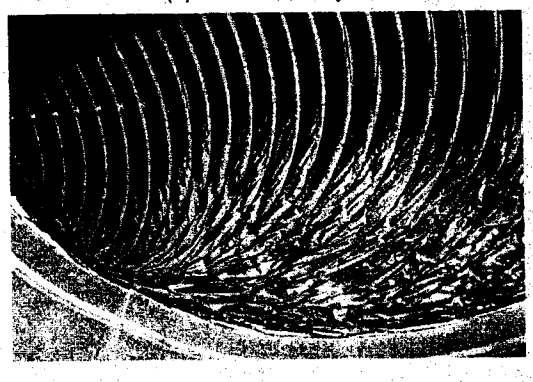
Findings - 55

*The return duct(s) interior is dirty. We recommend that a licensed contractor inspect/service the heat pump.



HEAT PUMP(S): AIR FILTER

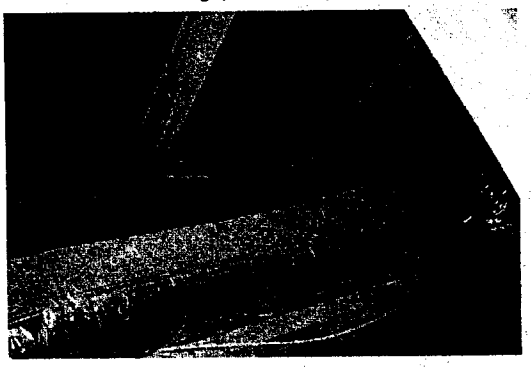
Findings - 56

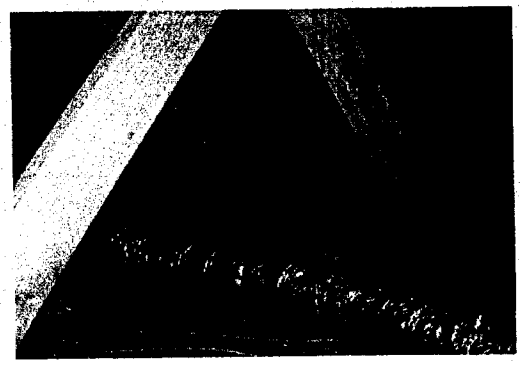
*Filter(s) is dirty and should be cleaned/replaced.

ATTIC: FLOOR/CEILING INSULATION

Findings - 57

*Insulation is missing (west side).





ROOF COVERING 1: CONDITION

Findings - 58

*We recommend that a licensed roofing contractor inspect the roof and make recommendations for corrective action.

Findings - 59

*Shingles have small diameter damaged areas. This condition is consistent with hail damage.

ACC000275
FILE #8390

Action Item

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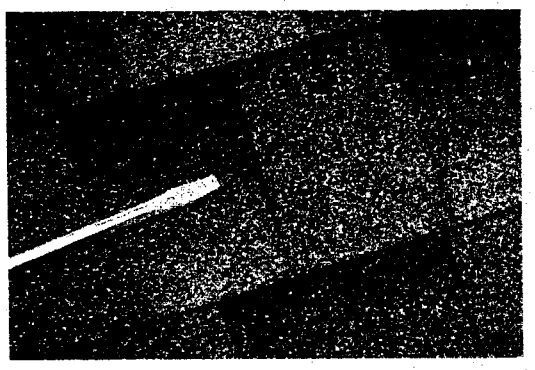
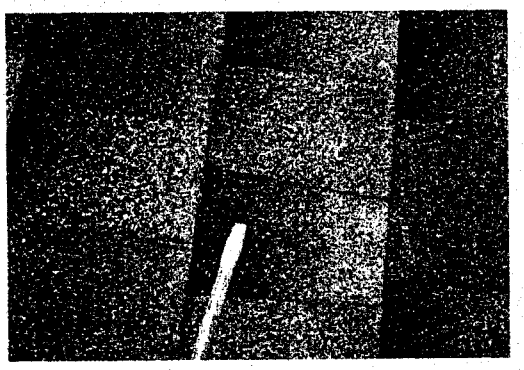
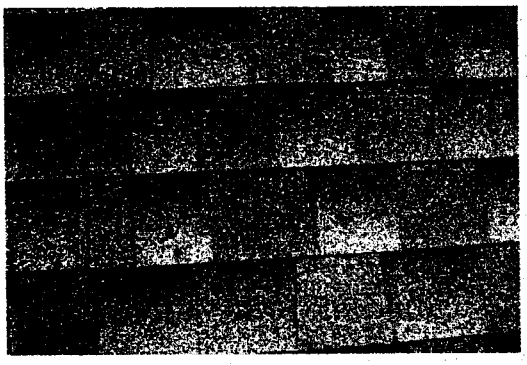
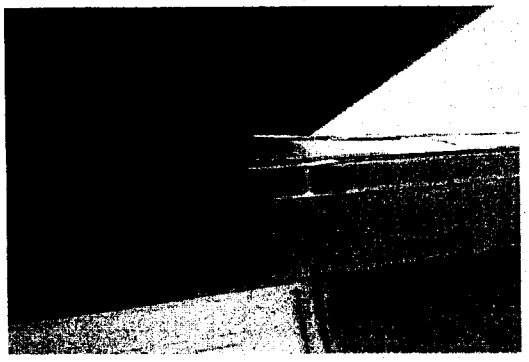


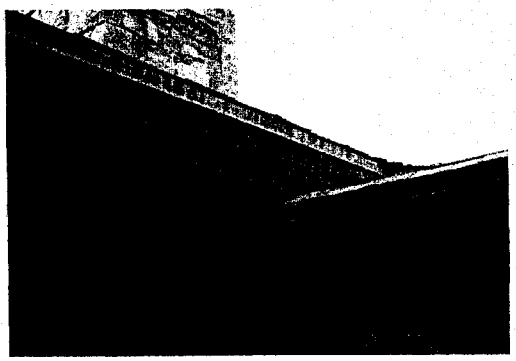




Findings - 60

*Fascia/Eave is excessively water stained due to water that is seeping under the roof covering (visible at the front porch) We recommend that you identify the source of moisture and corrective action.





ACC000276
FILE #8390

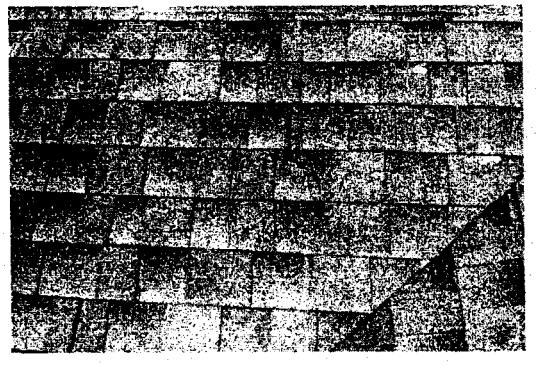
SUMMARY

Action Item

May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system.

Findings - 61

*Protective mineral granules are missing from the roof membrane surface (south side).



Findings - 62

*Water stain(s) or discoloration observed on the ceiling and/or wall that may indicate a roof leak (NE bedroom). We recommend that you identify the source of moisture and corrective action.

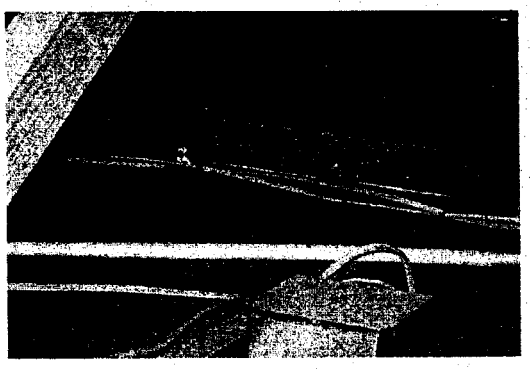
Findings - 63

*Water stain(s) or discoloration observed on the attic interior that may indicate a roof leak (visible above the front porch). We recommend that you identify the source of moisture and corrective action.

ACC000277
FILE #8390

Action Item

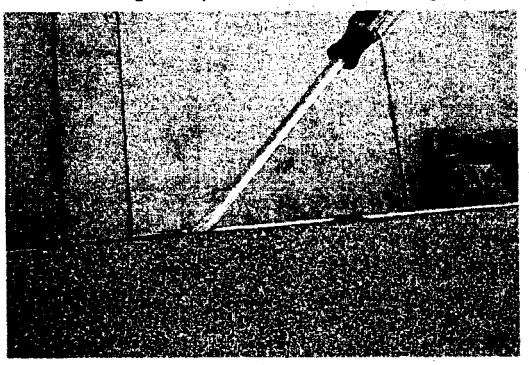
May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system.

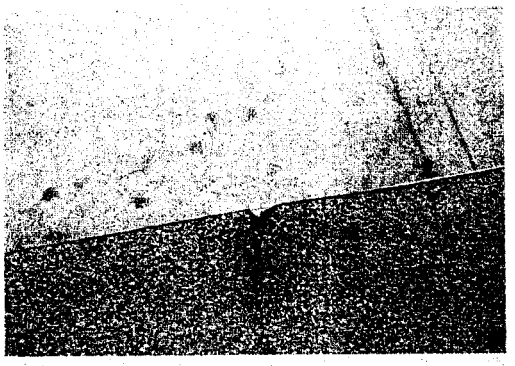


ROOF COVERING 2: CONDITION

Findings - 64

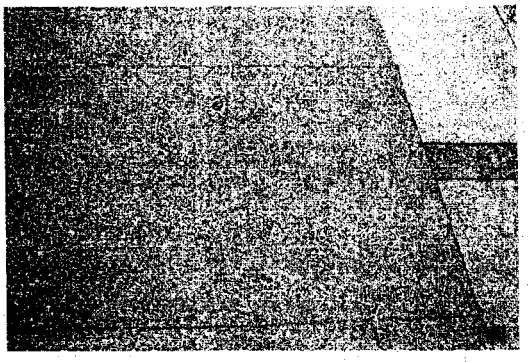
*Roof covering is separated at the roof edges and not adequately adhering to the roof deck (north patio; east side).

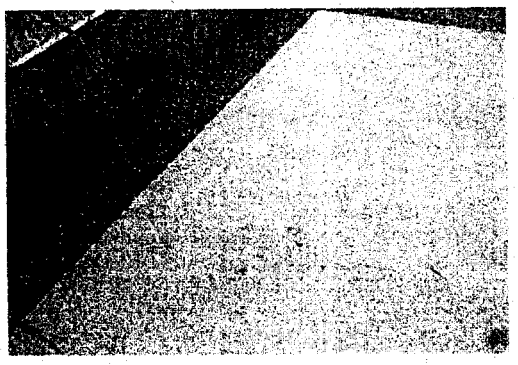




Findings - 65

*Protective mineral granules are missing from the roof membrane surface (north patio). A protective coating can be applied to the roof membrane to prolong its life.





ROOF FLASHINGS/PENETRATIONS

Findings - 66

*Flashing is missing at the plumbing pipe penetration(s) (SW side).

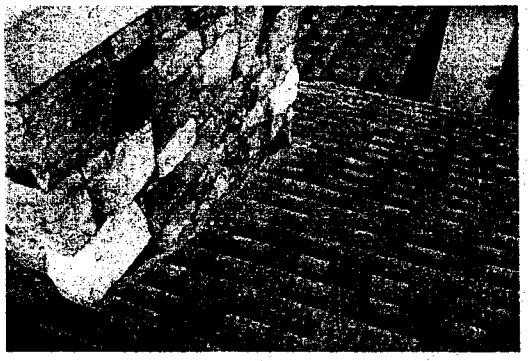
ACC000278
FILE #8390

Action Item

May include: 1). items that are no longer functioning as intended; 2). conditions that present safety issues; and 3). items that require repair, replacement, or further evaluation by a specialist. Corrective action should be completed by a qualified licensed contractor or tradesperson specializing in the type of component or system.

Findings - 67

*Metal flashing is missing/not visible at the chimney.



Findings - 68

*Improper/unprofessional flashing detail noted at the HVAC duct. We recommend that a licensed roofing contractor replace the flashing with flashing appropriate for the application.

Monitor

ACC000279
FILE #8390

KITCHEN: SINK(S)

Findings - 69

*Sink cabinet interior shows evidence of a leak. This area is currently dry. We suggest that you consult with the current owner about this condition and determine if additional corrective action is required.

SUMMARY

Monitor

ROOF COVERING 2: CONDITION

Findings - 70

*Roof covering is wrinkled/buckled due to movement (north patio). The wrinkles/buckles appear not to have adversely affected the roof covering function. We recommend that you monitor this condition and take corrective action if required

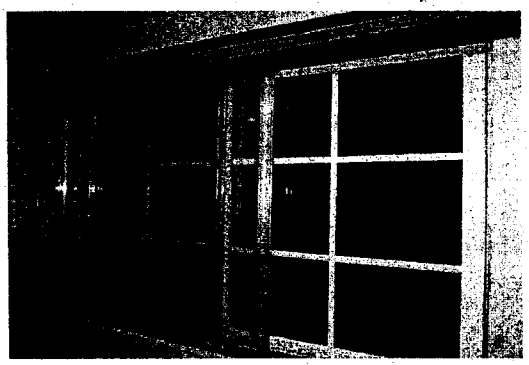
Not Inspected

These are components and systems that were not inspected because they may have been shutdown, gas turned off, no accessible, etc. These components/systems should be inspected prior to close of escrow.

INTERIOR: WINDOWS

Findings - 71

* Window installed over another window prevented us from inspecting/operating the window(s) (office/den).



ACC000280
FILE #8390

		8710
		E Amelia
City		Scottsdale
		Randy
Asking $	$	174,900.00
Sq Ft		1782
Area $ /Sq ft		140
Comp/Sell price	$	249,480.00
Offer Price	**$**	**180,000.00**
Rehab cost plus 20%	$	20,000.00
Utitlities/Misc	$	1,000.00
Finance fee	$	1,295.00
120 day % at 18%	$	8,640.00
Total Costs	$	210,935.00
Selling Price	$	249,480.00
Closing Costs 1%	$	(2,494.80)
Realtor Fees 5%	$	(12,474.00)
Net Selling Price	$	234,511.20
Net Pre tax profit	**$**	**23,576.20**
Cash Required	$	66,935.00

ACC000281
FILE #8390

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Attorneys for Randy Flowerdew and William M. Cornish

UNITED STATES BANKRUPTCY COURT

DISTRICT OF ARIZONA

In re: JONATHAN JAMES MURRAY, Debtor.	Chapter 13 No. 2:12-bk-18435-CGC
RANDALL FLOWERDEW and WILLIAM M. CORNISH, Plaintiffs, vs. JONATHAN JAMES MURRAY and WENDY MURRAY, husband and wife Defendants.	Adversary No. _____ **COMPLAINT**

EXHIBIT
S-38
ADMITTED

Plaintiffs Randall Flowerdew and William M. Cornish allege as follows for their Complaint against Defendants Jonathan James Murray and Wendy Murray objecting to discharge in the underlying bankruptcy and seeking a monetary judgment against Jonathan James Murray separately and his marital community with Wendy Murray.

Parties

1. Jonathan James Murray ("Murray") is a resident of Arizona.

2. Wendy Murray is Murray's spouse. All actions by Murray relevant to this Complaint were performed on behalf of his marital community.

3. Murray filed a petition for bankruptcy in this Court on August 16, 2012.

4. Randall Flowerdew ("Flowerdew") is a resident of British Columbia and a creditor of Murray.

5. William M. Cornish ("Cornish") is a resident of British Columbia and a creditor of Murray.

Jurisdiction and Venue

6. Flowerdew and Cornish are commencing this adversary proceeding under Rules 7001(1), 7001(4), and 7001(6), Fed.R.Bankr.P. to object to discharge in Murray's bankruptcy and to seek a monetary judgment against Murray's marital community.

7. This is a core bankruptcy proceeding pursuant to 28 U.S.C. § 157(b)(2)(I, J). This Court has jurisdiction pursuant to 28 U.S.C. §§ 157, 1334.

8. This Court is the proper venue by virtue of 28 U.S.C. § 1409(a), as this proceeding arises in a bankruptcy case that is pending in this Court.

Factual Allegations

9. Murray held seminars in Arizona in which he held himself out as being skilled and sophisticated in the real-estate business. At these seminars, Murray encouraged individuals to jointly invest with him in a plan to "fix and flip" real estate.

10. In 2011, Flowerdew and Cornish attended one of Murray's seminars in Arizona. Murray promised Flowerdew and Cornish that he would use their funds, if they agree to invest, to acquire distressed Arizona residential real estate, arrange for improvements, and then sell it for a profit. Murray further promised to repay the entire principal amount invested to Flowerdew and Cornish from the sale (or after a twelve-month period) along with a percentage of the net profits.

11. In reliance on these representations and promises, Flowerdew advanced $65,000.00 to Murray in June 2011. Flowerdew and Murray entered into a written agreement, a copy of which is attached as Exhibit A and incorporated by reference.

12. In reliance on the same representations and promises, Cornish advanced $32,500.00 to Murray in December 2011. Cornish and Murray entered into a written agreement, a copy of which is attached as Exhibit B and incorporated by reference.

13. The written agreements, among other provisions, describe Murray as a "General Partner." Moreover, the written agreement with Cornish provides that Murray will hold Cornish's funds "in trust."

14. Murray has failed to pay any funds to Flowerdew or Cornish as promised or as required under the written agreements.

15. Murray is no longer holding funds for Flowerdew or Cornish or the properties that Murray supposedly acquired using their funds.

16. Murray represented to Flowerdew that his funds were used to acquire a residence on Amelia Avenue in Scottsdale, Arizona (the "Amelia Property").

17. On August 22, 2012, after filing bankruptcy but without court permission, Murray sold the Amelia Property.

18. Murray used the proceeds of the sale of the Amelia Property for personal use and to satisfy other creditors, including to satisfy a judgment held by Art Penner.

19. Murray represented to Cornish and testified at the meeting of creditors that his funds were used to acquire a residence on 53rd Drive in Glendale, Arizona (the "53rd Drive Property").

20. According to Murray's bankruptcy schedules, he does not own the 53rd Drive Property.

21. Rather, the 53rd Drive Property is owned by True North, LLC.

22. Murray is the managing member of True North, LLC.

23. Contrary to his prior representations and testimony, Murray testified at a Rule 2004 examination that the 53rd Drive Property was acquired with another investor other than Cornish.

24. Despite the fact that True North, LLC owns real property, including the 53rd Drive Property, Murray states in his bankruptcy schedules that his ownership interest in this entity is worthless.

25. True North, LLC is Murray's alter ego and there is no meaningful distinction between the individual and the entity. Murray commingles personal assets with the assets of True North, LLC and uses the assets of True North, LLC for personal use.

26. Murray continues to list and enter into contracts to sell properties that are titled in his name personally and in the name of True North, LLC.

Count One

(Flowerdew: Exception to Discharge Under 11 U.S.C. § 523(a)(4))

27. Flowerdew incorporates all other allegations of this Complaint as part of Count One.

28. As a promoter or as a general partner, Murray owed Flowerdew fiduciary duties.

29. Murray promised to invest Flowerdew's money in Arizona real estate, with the proceeds of property sales to be held for and returned to them pursuant to the terms of their agreement.

30. Instead, Murray diverted Flowerdew's money and appropriated those funds for personal use.

31. Murray thus embezzled funds belonging to Flowerdew.

32. Murray also committed fraud or defalcation while acting in a fiduciary capacity towards Flowerdew.

33. The resulting debt is non-dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(4).

34. Flowerdew is entitled to a declaration that the resulting debt, along with any monetary judgments thereon, are non-dischargeable in bankruptcy.

Count Two

(Flowerdew: Exception to Discharge Under 11 U.S.C. § 523(a)(2))

35. Flowerdew incorporates all other allegations of this Complaint as part of Count Two.

36. Murray represented to Flowerdew that he would use his funds to invest in Arizona real estate and return the funds to Flowerdew following property sales pursuant to the terms of their agreement.

37. Murray intended for Flowerdew to rely on these representations by providing funds for his so-called "fix and flip" plan.

38. Flowerdew relied on Murray's representations by providing funds.

39. This reliance by Flowerdew was reasonable and justified under the circumstances.

40. Murray's representations were false, as he never intended to hold the properties or proceeds solely for Flowerdew, but rather to use the proceeds for personal use or to pay other creditors.

41. As a direct and proximate cause of Murray's false representations, Flowerdew has suffered damages equal to the amount invested.

42. The resulting debt is non-dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(2).

43. Flowerdew is entitled to a declaration that the resulting debt, along with any monetary judgments thereon, are non-dischargeable in bankruptcy.

Count Three

(Flowerdew: Exception to Discharge Under 11 U.S.C. § 523(a)(19)

44. Flowerdew incorporates all other allegations of this Complaint as part of Count Three.

45. Murray sold securities to Flowerdew.

46. Upon information and belief, Murray did not register to sell securities or otherwise comply with applicable securities laws and regulations.

47. Murray also used fraud, deceit, and manipulation in connection with the sale of securities to Flowerdew.

48. The resulting debt is non-dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(19).

49. Flowerdew is entitled to a declaration that the resulting debt, along with any monetary judgments thereon, are non-dischargeable in bankruptcy.

Count Four

(Flowerdew: Monetary Judgment for State-Law Breach of Contract)

50. Flowerdew incorporates all other allegations of this Complaint as part of Count Four.

51. Murray promised to repay funds to Flowerdew pursuant to the terms of a written agreement.

52. Flowerdew fully performed his obligations under the agreement.

53. Murray breached the agreements by failing to repay funds to Flowerdew as promised.

54. Flowerdew has suffered damages equal to the amount owed under the agreement.

55. Murray entered into the agreements with Flowerdew on behalf of his marital community.

56. The resulting debt is an obligation of Murray's marital community.

57. Flowerdew is entitled to monetary judgment against Murray's marital community for the amounts owed under the agreements.

58. Flowerdew is also entitled to recover his attorneys' fees and costs pursuant to the terms of the agreements or, alternatively, under Arizona law.

Count Five
(Flowerdew: Monetary Judgment for State-Law Breach of Fiduciary Duty or Embezzlement)

59. Flowerdew incorporates all other allegations of this Complaint as part of Count Five.

60. As a promoter or as a general partner, Murray owed Flowerdew fiduciary duties.

61. Murray promised to invest Flowerdew's money in Arizona real estate, with the proceeds of property sales to be held for and returned to them pursuant to the terms of their agreement.

62. Instead, Murray diverted Flowerdew's money and appropriated those funds for personal use.

63. Murray's conduct breached his fiduciary duties to Flowerdew.

64. Murray's breach of fiduciary duty has caused damages to Flowerdew equal to the amount solicited.

65. Murray was acting for his marital community in soliciting funds from Flowerdew.

66. The resulting debt is an obligation of Murray's marital community.

67. Flowerdew is entitled to monetary judgment against Murray's marital community for damages incurred due to Murray's breach of fiduciary duty.

68. Flowerdew is also entitled to recover his attorneys' fees and costs pursuant to the terms of the agreements or, alternatively, under Arizona law.

Count Six
(Flowerdew: Monetary Judgment for State-Law Fraud)

69. Flowerdew incorporates all other allegations of this Complaint as part of Count Six.

70. Murray represented to Flowerdew that he would use his funds to invest in Arizona real estate and return the funds to Flowerdew following property sales pursuant to the terms of their agreement.

71. Murray intended for Flowerdew to rely on these representations by providing funds for his so-called "fix and flip" plan.

72. Flowerdew relied on Murray's representations by providing funds.

73. This reliance by Flowerdew was reasonable and justified under the circumstances.

74. Murray's representations were false, as he never intended to hold the properties or proceeds solely for Flowerdew, but rather to use the proceeds for personal use or to pay other creditors.

75. As a direct and proximate cause of Murray's false representations, Flowerdew has suffered damages equal to the amount invested.

76. Murray was acting for his marital community in soliciting funds from Flowerdew.

77. The resulting debt is an obligation of Murray's marital community.

78. Flowerdew is entitled to monetary judgment against Murray's marital community for damages incurred due to Murray's fraud.

79. Flowerdew is also entitled to recover his attorneys' fees and costs pursuant to the terms of the agreements or, alternatively, under Arizona law.

Count Seven
(Flowerdew: Monetary Judgment for Securities Violations)

80. Flowerdew incorporates all other allegations of this Complaint as part of Count Seven.

81. Murray sold securities to Flowerdew.

82. Upon information and belief, Murray did not register to sell securities or otherwise comply with applicable securities laws and regulations.

83. Murray also used fraud, deceit, and manipulation in connection with the sale of securities to Flowerdew.

84. Murray violated applicable securities laws and regulations.

85. As a direct and proximate cause of Murray's securities violations, Flowerdew has suffered damages equal to the amount invested.

86. Murray was acting for his marital community in selling securities to Flowerdew.

87. The resulting debt is an obligation of Murray's marital community.

88. Flowerdew is entitled to monetary judgment against Murray's marital community for damages and available penalties due to Murray's violations of securities laws.

89. Flowerdew is also entitled to recover his attorneys' fees and costs pursuant to the terms of the agreements or, alternatively, under applicable law.

Count Eight

(Flowerdew: Objection to Discharge Under 11 U.S.C. §§ 727, 1144, or 1328)

90. Flowerdew incorporates all other allegations of this Complaint as part of Count Eight.

91. Murray failed to list in his schedules all assets—including the Amelia Avenue Property and a property on Barcelona Drive in Gilbert, Arizona.

92. Murray failed to ascribe in his schedules any value to his membership interest in True North, LLC, even though that entity owns at least two real-estate parcels (including the 53rd Drive Property) and appears to constitute the Debtor's "alter ego."

93. Information about the omitted assets was required under 11 U.S.C. § 521(a).

94. Murray has also failed to file monthly statements of income and expenses for True North, LLC as demanded by the Chapter 13 trustee.

95. Murray failed to seek court approval—or even disclose—post-petition transactions—including the sale of the property on Amelia Avenue in Scottsdale and the satisfaction of the Penner judgment.

96. Seeking court approval for these transactions was required under 11 U.S.C. § 363(b).

97. Murray provided false testimony at his meeting of creditors, under oath, about the sale of the Amelia Avenue Property.

98. Murray provided false testimony at either his meeting of creditors or a Rule 2004 examination, under oath, about the 53rd Drive Property.

99. To obtain a discharge, Murray is required to comply with the Bankruptcy Code and be honest and forthright in disclosing and discussing his assets and financial affairs.

100. Murray has failed to comply with the Bankruptcy Code and has not been honest and forthright in disclosing his assets and financial affairs.

101. Flowerdew is entitled to an order denying to Murray any discharge in bankruptcy.

Prayer for Relief
(*Flowerdew*)

WHEREFORE, Plaintiff Randall Flowerdew prays for relief against Defendants Jonathan James Murray and Wendy Murray, husband and wife, as follows:

A. Pursuant to Counts One, Two, or Three – a declaration that Flowerdew's claims, along with any monetary judgments entered thereon, are non-dischargeable in bankruptcy;

B. Pursuant to Counts Four, Five, Six, or Seven – a monetary judgment against Jonathan James Murray and Wendy Murray, husband and wife, for a principal amount of $65,000.00, additional damages and penalties as proven at trial, attorneys' fees, costs, and expenses, and prejudgment and post-judgment interest;

C. Pursuant to Count Eight – an order denying to Jonathan James Murray a discharge of any debts in bankruptcy; and

D. Pursuant to all Counts – additional relief as the Court deems appropriate.

Count Nine
(*Cornish: Exception to Discharge Under 11 U.S.C. § 523(a)(4)*)

102. Cornish incorporates all other allegations of this Complaint as part of Count Nine.

103. As a promoter or as a general partner, Murray owed Cornish fiduciary duties.

104. Murray promised to invest Cornish's money in Arizona real estate, with the proceeds of property sales to be held for and returned to them pursuant to the terms of their agreement.

105. Instead, Murray diverted Cornish's money and appropriated those funds for personal use.

106. Murray thus embezzled funds belonging to Cornish.

107. Murray also committed fraud or defalcation while acting in a fiduciary capacity towards Cornish.

108. The resulting debt is non-dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(4).

109. Cornish is entitled to a declaration that the resulting debt, along with any monetary judgments thereon, are non-dischargeable in bankruptcy.

Count Ten

(Cornish: Exception to Discharge Under 11 U.S.C. § 523(a)(2))

110. Cornish incorporates all other allegations of this Complaint as part of Count Ten.

111. Murray represented to Cornish that he would use his funds to invest in Arizona real estate and return the funds to Cornish following property sales pursuant to the terms of their agreement.

112. Murray intended for Cornish to rely on these representations by providing funds for his so-called "fix and flip" plan.

113. Cornish relied on Murray's representations by providing funds.

114. This reliance by Cornish was reasonable and justified under the circumstances.

115. Murray's representations were false, as he never intended to hold the properties or proceeds solely for Cornish, but rather to use the proceeds for personal use or to pay other creditors.

116. As a direct and proximate cause of Murray's false representations, Cornish has suffered damages equal to the amount invested.

117. The resulting debt is non-dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(2).

118. Cornish is entitled to a declaration that the resulting debt, along with any monetary judgments thereon, are non-dischargeable in bankruptcy.

Count Eleven

(Cornish: Exception to Discharge Under 11 U.S.C. § 523(a)(19)

119. Cornish incorporates all other allegations of this Complaint as part of Count Eleven.

120. Murray sold securities to Cornish.

121. Upon information and belief, Murray did not register to sell securities or otherwise comply with applicable securities laws and regulations.

122. Murray also used fraud, deceit, and manipulation in connection with the sale of securities to Cornish.

123. The resulting debt is non-dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(19).

124. Cornish is entitled to a declaration that the resulting debt, along with any monetary judgments thereon, are non-dischargeable in bankruptcy.

Count Twelve

(Cornish: Monetary Judgment for State-Law Breach of Contract)

125. Cornish incorporates all other allegations of this Complaint as part of Count Twelve.

126. Murray promised to repay funds to Cornish pursuant to the terms of a written agreement.

127. Cornish fully performed his obligations under the agreement.

128. Murray breached the agreements by failing to repay funds to Cornish as promised.

129. Cornish has suffered damages equal to the amount owed under the agreement.

130. Murray entered into the agreements with Cornish on behalf of his marital community.

131. The resulting debt is an obligation of Murray's marital community.

132. Cornish is entitled to monetary judgment against Murray's marital community for the amounts owed under the agreements.

133. Cornish is also entitled to recover his attorneys' fees and costs pursuant to the terms of the agreements or, alternatively, under Arizona law.

Count Thirteen
(*Cornish: Monetary Judgment for State-Law Breach of Fiduciary Duty or Embezzlement*)

134. Cornish incorporates all other allegations of this Complaint as part of Count Thirteen.

135. As a promoter or as a general partner, Murray owed Cornish fiduciary duties.

136. Murray promised to invest Cornish's money in Arizona real estate, with the proceeds of property sales to be held for and returned to them pursuant to the terms of their agreement.

137. Instead, Murray diverted Cornish's money and appropriated those funds for personal use.

138. Murray's conduct breached his fiduciary duties to Cornish.

139. Murray's breach of fiduciary duty has caused damages to Cornish equal to the amount solicited.

140. Murray was acting for his marital community in soliciting funds from Cornish.

141. The resulting debt is an obligation of Murray's marital community.

142. Cornish is entitled to monetary judgment against Murray's marital community for damages incurred due to Murray's breach of fiduciary duty.

143. Cornish is also entitled to recover his attorneys' fees and costs pursuant to the terms of the agreements or, alternatively, under Arizona law.

Count Fourteen
(*Cornish: Monetary Judgment for State-Law Fraud*)

144. Cornish incorporates all other allegations of this Complaint as part of Count Fourteen.

145. Murray represented to Cornish that he would use his funds to invest in Arizona real estate and return the funds to Cornish following property sales pursuant to the terms of their agreement.

146. Murray intended for Cornish to rely on these representations by providing funds for his so-called "fix and flip" plan.

147. Cornish relied on Murray's representations by providing funds.

148. This reliance by Cornish was reasonable and justified under the circumstances.

149. Murray's representations were false, as he never intended to hold the properties or proceeds solely for Cornish, but rather to use the proceeds for personal use or to pay other creditors.

150. As a direct and proximate cause of Murray's false representations, Cornish has suffered damages equal to the amount invested.

151. Murray was acting for his marital community in soliciting funds from Cornish.

152. The resulting debt is an obligation of Murray's marital community.

153. Cornish is entitled to monetary judgment against Murray's marital community for damages incurred due to Murray's fraud.

154. Cornish is also entitled to recover his attorneys' fees and costs pursuant to the terms of the agreements or, alternatively, under Arizona law.

Count Fifteen
(*Cornish: Monetary Judgment for Securities Violations*)

155. Cornish incorporates all other allegations of this Complaint as part of Count Fifteen.

156. Murray sold securities to Cornish.

157. Upon information and belief, Murray did not register to sell securities or otherwise comply with applicable securities laws and regulations.

158. Murray also used fraud, deceit, and manipulation in connection with the sale of securities to Cornish.

159. Murray violated applicable securities laws and regulations.

160. As a direct and proximate cause of Murray's securities violations, Cornish has suffered damages equal to the amount invested.

161. Murray was acting for his marital community in selling securities to Cornish.

162. The resulting debt is an obligation of Murray's marital community.

163. Cornish is entitled to monetary judgment against Murray's marital community for damages and available penalties due to Murray's violations of securities laws.

164. Cornish is also entitled to recover his attorneys' fees and costs pursuant to the terms of the agreements or, alternatively, under applicable law.

Count Sixteen

(*Cornish: Objection to Discharge Under 11 U.S.C. §§ 727, 1144, or 1328*)

165. Cornish incorporates all other allegations of this Complaint as part of Count Sixteen.

166. Murray failed to list in his schedules all assets—including the Amelia Avenue Property and a property on Barcelona Drive in Gilbert, Arizona.

167. Murray failed to ascribe in his schedules any value to his membership interest in True North, LLC, even though that entity owns at least two real-estate parcels (including the 53rd Drive Property) and appears to constitute the Debtor's "alter ego."

168. Information about the omitted assets was required under 11 U.S.C. § 521(a).

169. Murray has also failed to file monthly statements of income and expenses for True North, LLC as demanded by the Chapter 13 trustee.

170. Murray failed to seek court approval—or even disclose—post-petition transactions—including the sale of the property on Amelia Avenue in Scottsdale and the satisfaction of the Penner judgment.

171. Seeking court approval for these transactions was required under 11 U.S.C. § 363(b).

172. Murray provided false testimony at his meeting of creditors, under oath, about the sale of the Amelia Avenue Property.

173. Murray provided false testimony at either his meeting of creditors or a Rule 2004 examination, under oath, about the 53rd Drive Property.

174. To obtain a discharge, Murray is required to comply with the Bankruptcy Code and be honest and forthright in disclosing and discussing his assets and financial affairs.

175. Murray has failed to comply with the Bankruptcy Code and has not been honest and forthright in disclosing his assets and financial affairs.

176. Cornish is entitled to an order denying to Murray any discharge in bankruptcy.

Prayer for Relief
(*Cornish*)

WHEREFORE, Plaintiff William M. Cornish prays for relief against Defendants Jonathan James Murray and Wendy Murray, husband and wife, as follows:

A. Pursuant to Counts Nine, Ten, or Eleven – a declaration that Cornish's claims, along with any monetary judgments entered thereon, are non-dischargeable in bankruptcy;

B. Pursuant to Counts Twelve, Thirteen, Fourteen, or Fifteen – a monetary judgment against Jonathan James Murray and Wendy Murray, husband and wife, for a principal amount of $32,500.00, additional damages and penalties as proven at trial, attorneys' fees, costs, and expenses, and prejudgment and post-judgment interest;

C. Pursuant to Count Sixteen – an order denying to Jonathan James Murray a discharge of any debts in bankruptcy; and

D. Pursuant to all Counts – additional relief as the Court deems appropriate.

DATED this 10th day of December 2012.

GAMMAGE & BURNHAM, P.L.C.

By/s/Gregory J. Gnepper
Kevin J. Blakley
Gregory J. Gnepper
Attorneys for Randall Flowerdew and William M. Cornish

EXHIBIT A

ACC003399
FILE #8390

PARTNERSHIP AGREEMENT

General Partner: Jon Murray

Limited Partner: Randall Flowerdew

Term:
This Agreement shall commence on or before June 14, 2011 and expire at the end of a one year term which is June 13th 2012 or at the completion (sale) of any property during the term.

Agreement:
General Partner intends to acquire interest in fix and flip properties offered for sale hereafter as "The Properties". Both the General Partner and the Limited Partner agree to enter into a partnership to acquirer and resell said properties. Limited Partner agrees to supply the funds totalling $65,000 USD to cover cost of purchase, closing costs, agent costs, insurance costs, utility costs, repair costs, carrying costs and any other costs in acquiring, fixing and re-selling the properties.

Allocation of funds:
The use of funds is estimated and can change slightly or moderately on a property to property basis. Every transaction is different and the below is only for the sole purpose of projecting the use of funds. The general ``fix and flip`` plan is to use funds the following ways:

1. Approximately $30,000 for down payment on purchase of a property
2. Approximately $25,000 for repairs and updates
3. Approximately $5,000 for closing costs and bid fees
4. Approximately $4,500 for carry costs on mortgage at 80% loan to value for a period of 90 – 120 days
5. Approximately $500 for utilities and other minor costs

General Partner Responsibilities:

1. To search for and place offers on suitable properties for the sole purpose to `fix and flip` as described in this agreement
2. To secure financing at 80% loan to value and deliver documents to lender for release of funds
3. To hold title with personal guarantee to lender
4. To order insurance for the properties
5. To change locks on all doors and secure the properties the day of purchase
6. To connect necessary utilities for contractors and for the purpose of inspection by the seller at time of re-sale
7. To order contractor bids for work to be completed
8. To negotiate, approve and monitor contractors and bids
9. To take periodic pictures and give updates to the Limited partner on a constant basis
10. To pay out all contractors when work is completed and all deficiencies are rectified
11. To list the properties once completed on the MLS with a licensed realtor
12. To make decisions on offers and negotiate to get the best price the market will allow
13. To complete the transaction and close escrow
14. To pay out profits to Limited Partner within 24 hrs of close of escrow on re-sale

ACC003400
FILE #8390

Limited Partner Responsibilities:

1. To Fund $65,000 in USD as capital for the `fix and flip` transactions
2. To keep all discussions, emails and documents with General Partner private and confidential

Compensation:
The projected number of 'fix and flip' properties to be completed during the 1 year term of this contract is 3 – 4 with a projected pre-tax net profit of $15,000 - $25,000 per each 'fix and flip' which will be shared equally. Limited partner compensation shall be 50% of the net profit, less IRS 15% capital gains withholdings, paid at the time of the final property resale close of escrow as follows:

Payment Terms:
General Partner and Limited Partner agree that funds at close of escrow will be distributed as follows;

1. Loan pay off, interest payments, closing costs, insurance, taxes, impounds and cooperating agent commissions
2. All utilities
3. All rehab costs not already paid
4. $65,000 USD Limited Partner original capital
5. All additional profit or funds received above and beyond the aforementioned amounts to be split 50/50 by The General Partner and the Limited Partner after a 15% IRS withholding is deducted

Additional Terms: This agreement is only for the Properties that the General Partner and Limited Partner have noted in this agreement and it is not applicable to any other properties or projects. The Limited Partner and the General Partner will share profits or losses 50/50.

Dispute Resolution: (a) Mediation: Any dispute or claim in law or equity arising out of this Agreement shall be submitted to mediation in accordance with standard mediation practices. (b) Arbitration: If the mediation does not result in the resolution of the dispute, General Partner and Limited Partner agree that the dispute shall be resolved by binding arbitration. The arbitration shall be conducted by a mutually agreed upon arbitrator or if the parties fail to agree upon an arbitrator, the dispute shall be resolved by American Arbitration Association arbitration. Initially, all applicable deposits, arbitrator's fees, filing fees, administrative costs and expenses shall be borne equally by the parties. However, the arbitrator shall be authorized to award or refund all costs and deposits to the prevailing party. The decision of the arbitrator shall be binding, conclusive and may be enforced in any court of competent jurisdiction.

Attorneys' Fees: In any proceeding to enforce the compensation due to either party pursuant to this Agreement the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Arizona Law: This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

Capacity: Limited Partner warrants that the Limited Partner has the legal capacity, full power and authority to enter into this Agreement and consummate the transaction contemplated hereby on the Limited Partners own behalf or on behalf of the party the Limited Partner represents, as appropriate.

Termination: Once executed this Agreement cannot be terminated by either party. It may only be cancelled in writing with consent of both parties.

Entire Agreement: This Agreement and any addenda signed by the parties shall constitute the entire Agreement between

ACC00340
FILE #8390

EXHIBIT B

ACC003402
FILE #8390

PARTNERSHIP AGREEMENT

General Partner: Jon Murray

Limited Partner: Bill Cornish

Term:
This Agreement shall commence on Thursday December 22, 2011 and expire at the end of a 12 month term.

Agreement:
General Partner intends to acquire an interest in a fix and flip property offered for sale hereafter as "Property". Both the General Partner and the Limited Partner agree to enter into a partnership to acquiror and resell said property. Limited Partner agrees to supply the funds totalling $32,500 USD to cover half the cost of purchase, closing costs, agent costs, insurance costs, utility costs, repair costs, carrying costs and any other costs in acquiring, fixing and re-selling the property. The average cost to fix and flip each property is $65,000.

Allocation of funds:
The use of funds is estimated and can change slightly or moderately on a property to property basis. Every transaction is different and the below is only for the sole purpose of projecting the use of funds. The general "fix and flip" plan is to use funds the following ways:

1. Approximately $30,000 for down payment on purchase of property
2. Approximately $20,000 for repairs and updates
3. Approximately $5,000 for closing costs and (bid fees if applicable)
4. Approximately $4,500 for carry costs on mortgage at 80% loan to value for a period of 90 days
5. *Approximately $500 for utilities and other minor costs*

General Partner Responsibilities:

1. To search for and place offers on suitable properties for the sole purpose to 'fix and flip' as described in this agreement
2. To secure financing at 80% loan to value and deliver documents to lender for release of funds
3. To hold title with personal guarantee to lender
4. To order insurance for the property
5. To change locks on all doors and secure the property the day of purchase
6. To connect necessary utilities for contractors and for the purpose of inspection by the seller at time of re-sale
7. To order contractor bids for work to be completed
8. To negotiate, approve and monitor contractors and bids
9. To take periodic pictures and give updates to the Limited partner on a constant basis
10. To pay out all contractors when work is completed and all deficiencies are rectified
11. To list the property once completed on the MLS with a licensed realtor
12. To make decisions on offers and negotiate to get the best price the market will allow
13. To complete the transaction and close escrow
14. To pay out profits to Limited Partner within 24 hrs of close of escrow on re-sale

Limited Partner Responsibilities:

1. To Fund $32,500.00 in USD as half the capital for the 'fix and flip' transaction
2. To keep all discussions, emails and documents with General Partner private and confidential

Compensation:
Limited partner compensation shall be 25% of the net profit, less IRS 15% capital gains withholdings, paid at the time of the resale close of escrow as follows:

Payment Terms:
General Partner and Limited Partner agree that funds at close of escrow on resale of each property will be distributed as follows:

1. Loan pay off, interest payments, closing costs, insurance, taxes, impounds and cooperating agent commissions.
2. All utilities
3. All rehab costs not already pa
4. $32,500 USD Limited Partner original capital payed out to Limited Partners trust account with General Partner and held in trust for next property to be "fixed and flipped" inside the 12 month term
5. All additional profit or funds received above and beyond the aforementioned amounts to be split 75/25 by The *General Partner and the Limited Partner after a 15% IRS withholding is deducted.* The limited partner receives the 25% split.

Additional Terms: This agreement is only for the Property that the General Partner and Limited Partner have noted in this agreement and it is not applicable to any other properties or projects.

Dispute Resolution: (a) Mediation: Any dispute or claim in law or equity arising out of this Agreement shall be submitted to mediation in accordance with standard mediation practices. (b) Arbitration: If the mediation does not result *in the resolution of the dispute, General Partner and Limited Partner* agree that the dispute shall be resolved by binding arbitration. The arbitration shall be conducted by a mutually agreed upon arbitrator or if the parties fail to agree upon an arbitrator, the dispute shall be resolved by American Arbitration Association arbitration. Initially, all applicable deposits, *arbitrator's fees, filing fees, administrative costs and expenses shall be borne equally by the parties. However, the* arbitrator shall be authorized to award or refund all costs and deposits to the prevailing party. The decision of the arbitrator shall be binding, conclusive and may be enforced in any court of competent jurisdiction.

Attorneys' Fees: In any proceeding to enforce the compensation due to either party pursuant to this Agreement the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Arizona Law: This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

Capacity: Limited Partner warrants that the Limited Partner has the legal capacity, full power and authority to enter into this Agreement and consummate the transaction contemplated hereby on the Limited Partners own behalf or on behalf of the party the Limited Partner represents, as appropriate.

Termination: Once executed this Agreement cannot be terminated by either party. It may only be cancelled in writing with consent of both parties.

Entire Agreement: This Agreement and any addenda signed by the parties shall constitute the entire Agreement between the General Partner and the Limited Partner, and shall supersede any other written or oral agreement between the General

Partner and the Limited Partner. This Agreement can be modified only by a writing signed by the General Partner and the Limited Partner.

Acceptance: The General Partner and the Limited Partner hereby agree to all of the terms and conditions herein and acknowledge receipt of a copy of this Agreement.

Dec. 22 2011 — William M. Cornish

Limited Partners Signature — MO/DA/YR — **Limited Partner print name**

[redacted] — [redacted] — B.C — [redacted]

Street Address — City — Province/State — Postal/Zip

[redacted] — Telephone

Fax

bill cornish @ [redacted]

Email

December 22, 2011 — Jon Murray

General Partner Signature — MO/DA/YR — **General Partner print name**

[redacted] — [redacted] — AZ — [redacted]

Street Address — City — State — Zip

[redacted] — Telephone

1-800-975-6370 — Fax

jon@[redacted]

Email

ACC003405
FILE #8390

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20111010170 12/08/2011 08:19
ELECTRONIC RECORDING

RECORDATION REQUESTED BY:
SURETY LENDER SERVICES
1 EAST STOW RD
MARLTON, 08053

1323356497509-3-2-1--
mcdevittr

35584 SL-R

FOR RECORDER'S USE ONLY

SPECIAL WARRANTY DEED

For good consideration in the amount of One Hundred and Eighty Thousand Dollars and 00/100 ($180,000.00), I (we) GOSHEN MORTGAGE REO, LLC whose mailing address is 411 Putnam Ave., Greenwich, CT 06830, hereby bargain, deed and convey to ION MURRAY, the following described land in MARICOPA County, free and clear with WARRANTY COVENANTS; to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Grantor, for itself and its heirs, hereby covenants with Grantee, its heirs, and assigns, that Grantor is lawfully seized in fee simple of the above-described premises; that it has a good right to convey; that the premises are free from all encumbrances; that Grantor and its heirs, and all persons acquiring any interest in the property granted, through or for Grantor, will, on demand of Grantee, or its heirs or assigns, and at the expense of Grantee, its heirs or assigns, execute and instrument necessary for the further assurance of the title to the premises that may be reasonably required; and the Grantor and its heirs will forever warrant and defend all of the property so granted to Grantee, its heirs, against every person lawfully claiming the same or any part thereof.

EXHIBIT
S-39
ADMITTED

http://recorder.maricopa.gov/cert.aspx?id=113631 [20111010170] 4 Pages

WITNESS the hands and seal of said Grantors this 30th day of November, 2011.

GOSHEN MORTGAGE REO, LLC

By: Jennifer Bilek

Title: Asset Manager

Name: Jennifer Bilek

STATE OF ~~ARIZONA~~ Colorado
COUNTY OF Arapahoe } SS.

The foregoing instrument was acknowledged before me this 30th (date) by Jennifer Bilek of GOSHEN MORTGAGE REO, LLC a _____ limited liability company, on behalf of the limited liability company.

(seal)

CECILIE E. CHAVEZ NOTARY PUBLIC STATE OF COLORADO

Notary Public
My Commission Expires: 10/24/2015

http://recorder.maricopa.gov/cert.aspx?id=113631 [20111010170] 4 Pages

FIDELITY NATIONAL TITLE INSURANCE COMPANY
AS ISSUING AGENT 1-800-943-1196

Title No SUR-35584SL-R

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF Maricopa, STATE OF Arizona, AND IS DESCRIBED AS FOLLOWS:

LOT 2295, PARK SCOTTSDALE 19, ACCORDING TO BOOK 157 OF MAPS, PAGE 34, RECORDS OF MARICOPA COUNTY, ARIZONA.

Parcel ID:

Commonly known as 8710 East Amelia Avenue, Scottsdale, AZ 85251
However, by showing this address no additional coverage is provided

http://recorder.maricopa.gov/cert.aspx?id=113631 [20111010170] 4 Pages

20111010170
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 01:26:08 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113631

http://recorder.maricopa.gov/cert.aspx?id=113631 [20111010170] 4 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20111010170 12/08/2011 08:19
ELECTRONIC RECORDING
SALES AFFIDAVIT
1323356497509-2-2-2-Y-
mcdevittr

AFFIDAVIT OF PROPERTY VALU

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(s)

Primary Parcel: 130 - 41 - 207 - ____
BOOK MAP PARCEL SPLIT LETTER

Does this sale include any parcels that are being split / divided?
Check one: Yes ☐ No ☑

How many parcels, other than the Primary Parcel, are included in this sale? _____

Please list the additional parcels below (no more than four):

(1) _____ (3) _____

(2) _____ (4) _____

9. FOR OFFICI

(a) County of Rec

(b) Docket & Pag

(c) Date of Reco

(d) Fee / Recording Number: _____

Validation Codes:

(e) ASSESSOR _____ (f) DOR _____

ASSESSOR'S USE ONLY

Verify Primary Parcel in Item 1: _____ - _____ - _____ - _____

Use Code: Full Cash Value: $

2. SELLER'S NAME AND ADDRESS:
Goshen Mortgage REO. LLC
411 Putnam Avenue
Greenwich CT

3. (a) BUYER'S NAME AND ADDRESS:
Jon Murray
11259 E. Villa Linda Ste 100
Scottsdale AZ 85259

(b) Are the Buyer and Seller related? Yes ☐ No ☑
If Yes, state relationship:

4. ADDRESS OF PROPERTY:
8710 E. Amelia Ave, Scottsdale AZ 85251

5. MAIL TAX BILL TO:
8710 E. Amelia Ave, Scottsdale AZ 85251
Jon Murray

6. PROPERTY TYPE (for Primary Parcel): NOTE: Check Only One Box

a. ☐ Vacant Land
b. ☑ Single Family Residence
c. ☐ Condo or Townhouse
d. ☐ 2-4 Plex
e. ☐ Apartment Building
f. ☐ Commercial or Industrial Use
g. ☐ Agricultural
h. ☐ Mobile or Manufactured Home
i. ☐ Other Use; Specify: _____

7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in Item 6 above, please check one of the following:

☑ To be occupied by owner or "family member."
☐ To be rented to someone other than "family member."

See reverse side for definition of a "family member."

8. NUMBER OF UNITS: ____

For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

10. TYPE OF DEED OR INSTRUMENT (Check Only One Box):

a. ☐ Warranty Deed
b. ☑ Special Warranty Deed
c. ☐ Joint Tenancy Deed
d. ☐ Contract or Agreement
e. ☐ Quit Claim Deed
f. ☐ Other:

11. SALE PRICE: $ 180,000 00

12. DATE OF SALE (Numeric Digits): 12 / 11
Month Year
(For example: 03 / 05 for March 2005)

13. DOWN PAYMENT: $ 0 00

14. METHOD OF FINANCING:

a. ☑ Cash (100% of Sale Price)
b. ☐ Exchange or trade
c. ☐ Assumption of existing loan(s)
d. ☐ Seller Loan (Carryback)
e. ☐ New loan(s) from financial institution:
(1) ☐ Conventional
(2) ☐ VA
(3) ☐ FHA
f. ☐ Other financing; Specify: _____

15. PERSONAL PROPERTY *(see reverse side for definition)*:

(a) Did the Sale Price in Item #11 include Personal Property that impacted the Sale Price by 5% or more? Yes ☐ No ☑

(b) If Yes, provide the dollar amount of the Personal Property:
$ _____ 00 AND
briefly describe the Personal Property:

16. PARTIAL INTEREST: If only a partial ownership interest is being sold, briefly describe the partial interest: NA

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):
FNAS
6500 Pinecrest Dr #600 Plano TX
75024 Phone 972-473-1300

18. LEGAL DESCRIPTION *(attach copy if necessary)*:
See attached

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller/Agent
State of Colorado, County of Arapahoe
Subscribed and sworn to before me on this 5th day of December 2011
Notary Public
Notary Expiration Date 10/14/2015
Cecilie E. Chavez
Notary
Expires: 10/14/2015

Signature of Buyer/Agent
State of Texas, County of Collin
Subscribed and sworn to before me on this 8th day of Dec 2011
Notary Public
Notary Expiration Date 7/10/14

M. WYCOUGH
Notary Public, State of Texas
My Commission Expires
July 10, 2014

DOR FORM 82162 (Revised 5/02)

http://recorder.maricopa.gov/cert.aspx?id=113635 [20111010170] 3 Pages

Exhibit A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF Maricopa, STATE OF Arizona, AND IS DESCRIBED AS FOLLOWS:

LOT 2295, PARK SCOTTSDALE 19, ACCORDING TO BOOK 157 OF MAPS, PAGE 34, RECORDS OF MARICOPA COUNTY, ARIZONA.

Parcel ID:

Commonly known as 8710 East Amelia Avenue, Scottsdale, AZ 85251
However, by showing this address no additional coverage is provided

http://recorder.maricopa.gov/cert.aspx?id=113635 [20111010170] 3 Pages

20111010170

I hereby certify that this is an
electronically prepared
copy of a filed affidavit at the
Maricopa County Recorder's Office

HELEN PURCELL, County Recorder
In and for the county of
Maricopa, state of Arizona
11/01/2013 01:36:40 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113635

http://recorder.maricopa.gov/cert.aspx?id=113635 [20111010170] 3 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20120813712 09/10/2012 03:15
ELECTRONIC RECORDING

47289792-2-4-2--
Hoyp

RECORDING REQUESTED BY
OLD REPUBLIC TITLE AGENCY

ORDER #: 4728009792

WHEN RECORDED MAIL TO

Nathan J. Bakken
8710 E Amelia Ave
Scottsdale, AZ 85251

2 of 3

SPACE ABOVE THIS LINE FOR RECORDER'S USE

WARRANTY DEED

For valuable consideration, receipt of which is hereby acknowledged Jon Murray, a married man, as his sole and separate property

Do hereby convey to Nathan J. Bakken, a single man

the following real property situated in Maricopa County, Arizona:

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

SUBJECT TO existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements and all other matters of record.

The undersigned hereby warrants the title against all persons whomsoever, subject to the matters above set forth.

Dated: August 22, 2012

Jon Murray

State of Arizona
County of Maricopa

The foregoing instrument was acknowledged before me this 23 day of August 2012
by Jon Murray

Notary Public

NOREEN KONIECZNY
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires June 19, 2015

EXHIBIT
S-40
ADMITTED

http://recorder.maricopa.gov/cert.aspx?id=113634 [20120813712] 3 Pages

ORDER NO. : 4728009792-NK

EXHIBIT A

Lot 2295, PARK SCOTTSDALE 19, according to Book 157 of Maps, page 34, records of Maricopa County, Arizona.

http://recorder.maricopa.gov/cert.aspx?id=113634 [20120813712] 3 Pages

20120813712
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 01:34:09 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113634

http://recorder.maricopa.gov/cert.aspx?id=113634 [20120813712] 3 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
FOI 20120813712 09/10/2012 03:15
ELECTRONIC RECORDING
SALES AFFIDAVIT
47289792-2-4-3-Y-
Hoyp

AFFIDAVIT OF PROPERTY VALUE

1. ASSESSOR'S PARCEL INDENTIFICATION NUMBER(S)
   Primary Parcel: 130 - 41 - 207 - ____
   BOOK MAP PARCEL SPLIT
   Does this sale include any parcels that are being split / divided?
   Check one: Yes ☐ No ☒
   How many parcels, other than the Primary Parcel, are included in this sale? 0
   Please list the additional parcels below (attach list if necessary):
   (1) ____ (2) ____
   (3) ____ (4) ____

2. SELLER'S NAME AND ADDRESS:
   JON MURRAY
   8710 E Amelia Ave
   Scottsdale AZ 85251

3. (a) BUYER'S NAME AND ADDRESS:
   NATHAN J. BAKKEN
   3313 N 68th St, #205E
   Scottsdale AZ 85251
   (b) Are the Buyer and Seller related? Yes ☐ No ☒
   If Yes, state relationship:

4. ADDRESS OF PROPERTY:
   8710 E Amelia Ave, Scottsdale, Arizona 85251

5. MAIL TAX BILL TO:
   NATHAN J. BAKKEN
   8710 E Amelia Ave
   Scottsdale AZ 85251

6. PROPERTY TYPE (for Primary Parcel): NOTE: Check Only One Box
   a. ☐ Vacant Land
   b. ☒ Single Family Residence
   c. ☐ Condo or Townhouse
   d. ☐ 2-4 Plex
   e. ☐ Apartment Building
   f. ☐ Commercial or Industrial Use
   g. ☐ Agricultural
   h. ☐ Mobile or Manufactured Home ☐ Affixed ☐ Not Affixed
   i. ☐ Other Use; Specify:

7. RESIDENTIAL BUYER'S USE: If you checked **b, c, d** or **h** in Item 6 above, please check one of the following:
   ☒ To be used as a primary residence.
   ☐ To be rented to someone other than a "family member."
   ☐ Owner occupied, not a primary residence.
   See reverse side for definition of a "primary residence" or "family member."

8. If you checked **e** or **f** in Item 6 above, indicate the number of units: ____
   For Apartments, Motels / Hotels, Mobile Home / RV Parks, etc.

9. TYPE OF DEED OR INSTRUMENT (Check Only One Box):
   a. ☒ Warranty Deed
   b. ☐ Special Warranty Deed
   c. ☐ Joint Tenancy Deed
   d. ☐ Contract or Agreement
   e. ☐ Quit Claim Deed
   f. ☐ Other:

10. **SALE PRICE:** $ 269,000.00

11. DATE OF SALE (Numeric Digits): 07 / 12
    Month / Year

12. DOWN PAYMENT $ 13,450.00

13. METHOD OF FINANCING:
    a. ☐ Cash (100% of Sale Price)
    b. ☐ Barter or trade
    c. ☒ Assumption of existing loan(s)
    d. ☐ Seller Loan (Carryback)
    e. ☒ New loan(s) from financial Institution:
    (1) ☒ Conventional
    (2) ☐ VA
    (3) ☐ FHA
    f. ☐ Other financing; Specify:

14. PERSONAL PROPERTY (see reverse side for definition):
    (a) Did the Sale Price in Item 10 include Personal Property that impacted the Sale Price by 5 percent or more? Yes ☐ No ☒
    (b) If Yes, provide the dollar amount of the Personal Property:
    $ ____ AND
    briefly describe the Personal Property:

15. PARTIAL INTEREST: If only a partial ownership interest is being sold, briefly describe the partial interest:

16. SOLAR / ENERGY EFFICIENT COMPONENTS:
    (a) Did the Sale Price in Item 10 include solar energy devices, energy efficient building components, renewable energy equipment or combined heat and power systems that impacted the Sale Price by 5 percent or more? Yes ☐ No ☒
    If Yes, briefly describe the solar / energy efficient components:

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone Number):
    BUYER AND SELLER AS SHOWN ABOVE

18. LEGAL DESCRIPTION (attach copy if necessary):
    attached

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller / Agent
State of Arizona, County of Maricopa
Subscribed and sworn to before me on this 23 day of Aug 2012
Notary Public
Notary Expiration Date 6-19-15

Signature of Buyer / Agent
State of Arizona, County of Maricopa
Subscribed and sworn to before me on this ____ day of ____
Notary Public
Notary Expiration Date 12-1-15

NOREEN KONIECZNY
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires June 19, 2015

ILENE R. SEMER
Notary Public - State of Arizona
MARICOPA COUNTY
My Commission Expires
December 1, 2015

DOR FORM 82162 (01/2012)

http://recorder.maricopa.gov/cert.aspx?id=113632 [20120813712] 3 Pages

ORDER NO. : 4728009792-NK

EXHIBIT A

Lot 2295, PARK SCOTTSDALE 19, according to Book 157 of Maps, page 34, records of Maricopa County, Arizona.

http://recorder.maricopa.gov/cert.aspx?id=113632 [20120813712] 3 Pages

20120813712

I hereby certify that this is an
electronically prepared
copy of a filed affidavit at the
Maricopa County Recorder's Office

HELEN PURCELL, County Recorder
In and for the county of
Maricopa, state of Arizona
11/01/2013 01:31:05 PM

By Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113632

http://recorder.maricopa.gov/cert.aspx?id=113632 [20120813712] 3 Pages

PARTNERSHIP AGREEMENT

General Partner: Jon Murray

Limited Partner: Soda Cajee

Term:
This Agreement shall commence on or before June 21, 2011 and expire at the end of a one year term which is June 20th 2012 or at the completion (sale) of any property during the term.

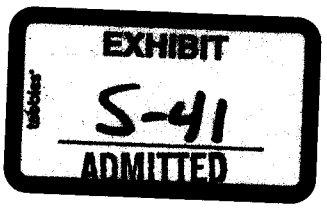
Agreement:
General Partner intends to acquire interest in fix and flip properties offered for sale hereafter as "The Properties". Both the General Partner and the Limited Partner agree to enter into a partnership to acquirer and resell said properties. Limited Partner agrees to supply the funds totalling $50,000 USD to cover cost of purchase, closing costs, agent costs, insurance costs, utility costs, repair costs, carrying costs and any other costs in acquiring, fixing and re-selling the properties.

Allocation of funds:
The use of funds is estimated and can change slightly or moderately on a property to property basis. Every transaction is different and the below is only for the sole purpose of projecting the use of funds. The general ''fix and flip'' plan is to use funds the following ways:

1. Approximately $20,000 for down payment on purchase of a property
2. Approximately $21,000 for repairs and updates
3. Approximately $5,000 for closing costs and bid fees
4. Approximately $3,500 for carry costs on mortgage at 80% loan to value for a period of 90 – 120 days
5. Approximately $500 for utilities and other minor costs

General Partner Responsibilities:

1. To search for and place offers on suitable properties for the sole purpose to 'fix and flip' as described in this agreement
2. To secure financing at 80% loan to value and deliver documents to lender for release of funds
3. To hold title with personal guarantee to lender
4. To order insurance for the properties
5. To change locks on all doors and secure the properties the day of purchase
6. To connect necessary utilities for contractors and for the purpose of inspection by the seller at time of re-sale
7. To order contractor bids for work to be completed
8. To negotiate, approve and monitor contractors and bids
9. To take periodic pictures and give updates to the Limited partner on a constant basis
10. To pay out all contractors when work is completed and all deficiencies are rectified
11. To list the properties once completed on the MLS with a licensed realtor
12. To make decisions on offers and negotiate to get the best price the market will allow
13. To complete the transaction and close escrow
14. To pay out profits to Limited Partner within 24 hrs of close of escrow on re-sale



Limited Partner Responsibilities:

1. To Fund $50,000 in USD as capital for the 'fix and flip' transactions
2. To keep all discussions, emails and documents with General Partner private and confidential

Compensation:
The projected number of 'fix and flip' properties to be completed during the 1 year term of this contract is 3 – 4 with a projected pre-tax net profit of $15,000 - $25,000 per each 'fix and flip' which will be shared equally. Limited partner compensation shall be 50% of the net profit, less IRS 15% capital gains withholdings, paid at the time of the final property resale close of escrow as follows:

Payment Terms:
General Partner and Limited Partner agree that funds at close of escrow will be distributed as follows;

1. Loan pay off, interest payments, closing costs, insurance, taxes, impounds and cooperating agent commissions
2. All utilities
3. All rehab costs not already paid
4. $50,000 USD Limited Partner original capital
5. All additional profit or funds received above and beyond the aforementioned amounts to be split 50/50 by The General Partner and the Limited Partner after a 15% IRS withholding is deducted

Additional Terms: This agreement is only for the Properties that the General Partner and Limited Partner have noted in this agreement and it is not applicable to any other properties or projects. The Limited Partner and the General Partner will share profits or losses 50/50.

Dispute Resolution: (a) Mediation: Any dispute or claim in law or equity arising out of this Agreement shall be submitted to mediation in accordance with standard mediation practices. (b) Arbitration: If the mediation does not result in the resolution of the dispute, General Partner and Limited Partner agree that the dispute shall be resolved by binding arbitration. The arbitration shall be conducted by a mutually agreed upon arbitrator or if the parties fail to agree upon an arbitrator, the dispute shall be resolved by American Arbitration Association arbitration. Initially, all applicable deposits, arbitrator's fees, filing fees, administrative costs and expenses shall be borne equally by the parties. However, the arbitrator shall be authorized to award or refund all costs and deposits to the prevailing party. The decision of the arbitrator shall be binding, conclusive and may be enforced in any court of competent jurisdiction.

Attorneys' Fees: In any proceeding to enforce the compensation due to either party pursuant to this Agreement the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Arizona Law: This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

Capacity: Limited Partner warrants that the Limited Partner has the legal capacity, full power and authority to enter into this Agreement and consummate the transaction contemplated hereby on the Limited Partners own behalf or on behalf of the party the Limited Partner represents, as appropriate.

Termination: Once executed this Agreement cannot be terminated by either party. It may only be cancelled in writing with consent of both parties.

Entire Agreement: This Agreement and any addenda signed by the parties shall constitute the entire Agreement between

the General Partner and the Limited Partner, and shall supersede any other written or oral agreement between the General Partner and the Limited Partner. This Agreement can be modified only by a writing signed by the General Partner and the Limited Partner.

Acceptance: The General Partner and the Limited Partner hereby agree to all of the terms and conditions herein and acknowledge receipt of a copy of this Agreement.

Limited Partners Signature MO/DA/YR — Soda Cajee **Limited Partner print name**

[redacted] Address — [redacted] City — BC Province — [redacted] Postal

[redacted] Telephone — 604 467-4445 Fax

soda@[redacted] Email

June 16th, 2011 — Jon Murray

General Partner Signature MO/DA/YR — **General Partner print name**

[redacted] Street Address — [redacted] City — AZ Sate — [redacted] Zip

[redacted] Telephone — 604-846-3329 Fax

jon@[redacted] Email

Soda Caje

From: Soda Caje [soda@[redacted]
Sent: Monday, June 20, 2011 11:38 AM
To: 'Jon Murray 604 846 HELP (4357)'
Cc: Zia Caje
Subject: RE: RE: FW:

No Problem... and thanks for your quick response.. The paperwork for Kirk will be couriered today and I'm going to the bank shortly.. Have a good flight... Soda

Soda Cajee
Vice President
Countrywide Communications Inc. (Telus)
[redacted] (Office)
[redacted] (Fax)

From: Jon Murray 604 846 HELP (4357) [mailto:jon@[redacted]
Sent: Monday, June 20, 2011 11:23 AM
To: Soda Caje
Cc: Jack Weatherell
Subject: Re: RE: FW:

In bankruptcy trust funds are not affected. You funds are being invested in a specific property in trust.

Hope that answers your question.

I am about to take off on my flight to phoenix. I really hope you are wiring the funds today as we need to get started and I do not want to change the documents for the 4th time.

Thanks so much!

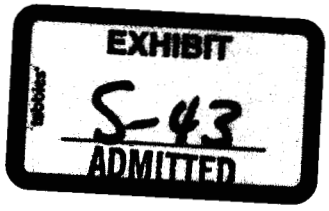
Jon

Jowen Investments & Consulting

Helping people, Help themselves!

Jon Murray
Owner/Operator

Main: [redacted]
Fax: [redacted]
Email: jon@[redacted]
Web: www.jowen.ca



Address:
[redacted] B.C. Canada

ACC001999
FILE #8390

[redacted]

Check out my YouTube Channel...lots of great clips!
http://www.youtube.com/user/joweninvestments?feature=mhum

On Jun 20, 2011, at 11:08 AM, Soda Caje <soda@[redacted]> wrote:

Hi Jon,

We have one more question: In the event of bankruptcy how will our money be protected??

I received the Insurance forms from Kirk which I have to sign and courier back with a check and my ID... I'm in the process of doing that now and once I receive your return email I'll wire the money...

Thanks,

Soda

Soda Cajee

Vice President

Countrywide Communications Inc. (Telus)

[redacted] (Office)

[redacted] (Fax)

From: Jon Murray 604 846 HELP (4357) [mailto:jon@[redacted]
Sent: Friday, June 17, 2011 11:37 AM
To: Soda Caje
Cc: Zia Caje
Subject: Re: FW:

Got it thanks!

ACC002000
FILE #8390

Jon

Jowen Investments & Consulting

Helping people, Help themselves!

Jon Murray

Owner/Operator

Main: [redacted]

Fax: [redacted]

Email: jon@[redacted]

Web: www.jowen.ca

Address:

[redacted]

[redacted] B.C. Canada

[redacted]

Check out my YouTube Channel...lots of great clips!

http://www.youtube.com/user/joweninvestments?feature=mhum

On Jun 17, 2011, at 11:29 AM, Soda Caje <soda@[redacted]> wrote:

Hi Jon... Attached is the signed Partnership Agreement... Soda

ACC002001
FILE #8390

Soda Cajee

Vice President

Countrywide Communications Inc. (Telus)

[redacted] (Office)

[redacted] (Fax)

From: Julie Banks [mailto:julie@[redacted]
Sent: Friday, June 17, 2011 11:16 AM
To: Soda Caje
Subject:

JULIE BANKS | ADMINISTRATION | COUNTRYWIDE COMMUNICATIONS |

TELUS | THE FUTURE IS FRIENDLY ®

OFFICE: [redacted]

FAX: [redacted]

ENSURE YOUR SAFETY WHEN DRIVING, ASK ME ABOUT HANDS FREE OPTIONS FOR ALL BLUETOOTH ENABLED PHONES

<img-110617183021.pdf>

Soda Caje

From: Zia Caje [zia@[redacted]
Sent: Thursday, October 27, 2011 1:14 PM
To: jon@[redacted]
Cc: Soda Caje
Subject: RE: Update

Hi Jon,

Thank you for the reply and listing update. The property we are most interested in is the 1007 W Barcelona, Gilbert. That seemed most our comfort level.

Please inform us about the details of the house, possible pics and any info you can provide us.

Thanks so much.

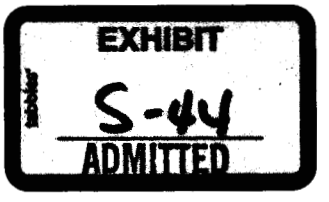
Zia & Soda Cajee

ZIA CAJEE | CORPORATE SALES | COUNTRYWIDE COMMUNICATIONS |
TELUS | THE FUTURE IS FRIENDLY ®
MOBILE: [redacted]
OFFICE: [redacted]
FAX: [redacted]
ENSURE YOUR SAFETY WHEN DRIVING, ASK ME ABOUT HANDS FREE OPTIONS FOR ALL BLUETOOTH ENABLED PHONES

From: Soda Caje [mailto:soda@[redacted]
Sent: Tuesday, October 25, 2011 1:45 PM
To: Zia Caje
Subject: FW: Update

FYI

Soda Cajee
Vice President
Countrywide Communications Inc. (Telus)
[redacted] (Office)
[redacted] (Fax)



ACC001997
FILE #8390

Oct 27/2011

	6144 Hannibal	6028 E Hobart	5926 E Julep	1007 W Barcelona	1136 N Palm
City	Mesa	mesa	mesa	gilbert	gilbert
Asking $	$ 109,900.00	$ 112,500.00	$ 142,900.00	$ 138,140.00	$ 139,900.00
Sq Ft	1895	1965	1749	1817	2458
Area $ /Sq ft	84	84	106	97	73
Comp/Sell price	$ 159,180.00	$ 165,060.00	$ 185,394.00	$ 176,249.00	$ 179,434.00
Offer Price	**$ 90,000.00**	**$ 75,100.00**	**$ 120,000.00**	**$ 122,000.00**	**$ 120,000.00**
Rehab cost plus 20%	$ 25,000.00	$ 45,000.00	$ 20,000.00	$ 15,000.00	$ 20,000.00
Utitlities/Misc	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00
Finance fee	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00	$ 1,295.00
120 day % at 18%	$ 4,320.00	$ 3,604.80	$ 5,760.00	$ 5,856.00	$ 5,760.00
Total Costs	$ 121,615.00	$ 125,999.80	$ 148,055.00	$ 145,151.00	$ 148,055.00
Selling Price	$ 159,180.00	$ 165,060.00	$ 185,394.00	$ 176,249.00	$ 179,434.00
Closing Costs 1%	$ (1,591.80)	$ (1,650.60)	$ (1,853.94)	$ (1,762.49)	$ (1,794.34)
Realtor Fees 5%	$ (7,959.00)	$ (8,253.00)	$ (9,269.70)	$ (8,812.45)	$ (8,971.70)
Net Selling Price	$ 149,629.20	$ 155,156.40	$ 174,270.36	$ 165,674.06	$ 168,667.96
Net Pre tax profit	**$ 28,014.20**	**$ 29,156.60**	**$ 26,215.36**	**$ 20,523.06**	**$ 20,612.96**
Cash Required	$ 49,615.00	$ 65,919.80	$ 52,055.00	$ 47,551.00	$ 52,055.00

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20130706036 08/01/2013 04:20
ELECTRONIC RECORDING

07503140-1-3-1--
hoyp

When recorded mail to:

07503140-EBR

HOMESTEAD AFFIDAVIT

The undersigned, being first duly sworn, state(s) under oath as follows:

1. I (we) are at least eighteen years old.
2. I (we) reside within the State of Arizona.
3. I (we) currently reside in a dwelling located on the real property described below, which has a street address of: **1007 W. Barcelona Dr.**.
4. I (we) have resided at the property described below since November, 2012.
5. I (we) declare that the property described below is my (our) homestead.
6. I (we) have not executed, at any time prior to the date of this affidavit, a declaration of abandonment of homestead or a waiver of homestead.
7. I (we) have not abandoned the homestead.
8. The legal description of the property where I (we)reside is:
   - (Real Property):

Lot 21, SEAPORT VILLAGE, according to Book 310 of Maps, Page 14, records of Maricopa County, Arizona.

- (Mobile Home):
  Make: ___
  Year: ___ Model: ___
  Serial (Registration) No.: ___

EXHIBIT
S-47
ADMITTED

Jon Murray Date: _____

Date: _____

STATE OF ARIZONA
County of **Maricopa** } ss

This Homestead Affidavit was acknowledged, subscribed and sworn to before me this **1** day of August, **2013** by **Jon Murray**

Notary Public

My commission expires: 1-1-17

OFFICIAL SEAL
EILEEN BROWN
NOTARY PUBLIC - STATE OF ARIZONA
MARICOPA COUNTY
My Comm. Expires January 1, 2017

http://recorder.maricopa.gov/cert.aspx?id=113648 [20130706036] 2 Pages

20130706036
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 02:05:29 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113648

http://recorder.maricopa.gov/cert.aspx?id=113648 [20130706036] 2 Pages

Recording Requested by:
First American Title Insurance Company

When recorded mail to:
Jon Murray
11259 East Via Linda Suite 100
Scottsdale, AZ 85259

7/3

SPECIAL WARRANTY DEED

File No. **6666073d (MG)**

For the consideration of TEN AND NO/100 DOLLARS, and other valuable considerations, I or we,

Wells Fargo Bank, N.A., as Trustee for The Certificateholders of Master Asset-Backed Securities TrusT 2007-NCW, Mortgage Pass-Through Certificates, series 2007-NCW, the GRANTOR does hereby convey to

Jon Murray, a married man as his sole and separate property, the GRANTEE

the following described property situate in **Maricopa** County, **Arizona**:

LOT TWENTY-ONE (21), SEAPORT VILLAGE, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 310 OF MAPS, PAGE 14.

Subject To: Existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, rights of way and easements of record.

And the GRANTOR binds itself and its successors to warrant the title as against its acts and none other, subject to the matters set forth.

THE GRANTEE(S), OR PURCHASER(S), OF THE PROPERTY MAY NOT RE-SELL, RECORD AN ADDITIONAL CONVEYANCE DOCUMENT, OR OTHERWISE TRANSFER TITLE TO THE PROPERTY WITHIN 60 DAYS FOLLOWING THE GRANTOR'S EXECUTION OF THIS DEED.

DATED: October 31, 2011

EXHIBIT
S-48
ADMITTED

http://recorder.maricopa.gov/cert.aspx?id=113649 [20111016740] 3 Pages

File No.: **6666073d (MG)**
A.P.N.: **302-30-984 9**

Warranty Deed - continued

Wells Fargo Bank, N.A., as Trustee for The Certificateholders of Master Asset-Backed Securities TrusT 2007-NCW, Mortgage Pass-Through Certificates, series 2007-NCW

By: Bank of America, N.A., successor by merger to BAC Home Loans Servicing, L.P., FKA Countrywide Home Loans Servicing, L.P.

By: Tanna Weber, AVP

STATE OF Arizona)
)ss.
County of Maricopa)

On November 8, 2011, before me, the undersigned Notary Public, personally appeared Stephanie Xelowski, 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.

My Commission Expires:
August 5, 2015

Notary Public Stephanie Xelowski

STEPHANIE XELOWSKI
NOTARY PUBLIC - ARIZONA
Maricopa County
My Commission Expires
August 5, 2015

http://recorder.maricopa.gov/cert.aspx?id=113649 [20111016740] 3 Pages

http://recorder.maricopa.gov/cert.aspx?id=113649 [20111016740] 3 Pages

20111016740
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 02:07:48 PM

By _____ Recorder

To Verify this purchase visit

AFFIDAVIT OF PROPERTY VALUE

1. ASSESSOR'S PARCEL NUMBER(S) (primary parcel number):
Primary Parcel: 302-30-984 9 - _____
BOOK MAP PARCEL SPLIT LETTER
Does this sale include any parcels that are being split / divided?
Check one: Yes [ ] No [x]
How many parcels, other than the Primary Parcel, are included in this sale? _____
Please list the additional parcels below (no more than four):
(1)_____ (3)_____
(2)_____ (4)_____

9. ***FOR OFFICIAL USE ONLY: Buyer and Seller leave blank***
(a) County of Recordation: _____
(b) Docket & Page Number: _____
(c) Date of Recording: _____
(d) Fee / Recording Number: _____
Validation Codes:
(e) ASSESSOR: _____ (f) DOR _____
ASSESSOR'S USE ONLY
Verify Primary Parcel in Item 1: ____-____-____-____
Use Code: **Full Cash Value: $**

2. SELLER'S NAME AND ADDRESS:
Wells Fargo Bank, N.A., as Trustee for T
2380 Performance Dr.
Richardson, TX 75082

3. (a) BUYER'S NAME AND ADDRESS:
Jon Murray
11259 East Via Linda Suite 100
Scottsdale, AZ 85259
(b) Are the Buyer and Seller related: Yes _____ No x
If yes, state relationship:

4. ADDRESS OF PROPERTY:
1007 West Barcelona Drive
Gilbert, AZ 85233

5. MAIL TAX BILL TO:
Jon Murray
11259 East Via Linda Suite 100
Scottsdale, AZ 85259

6. PROPERTY TYPE (for Primary Parcel): **NOTE: Check Only One Box**
a [ ] Vacant Land
b [x] Single Family Residence
c. [ ] Condo or Townhouse
d [ ] 2-4 Plex
e. [ ] Apartment Building
f. [ ] Commercial or Industrial Use
g [ ] Agricultural
h [ ] Mobile or Manufactured Home
i. [ ] Other Use, Specify:

7. RESIDENTIAL BUYER'S USE: If you checked b, c, d, or h in Item 6 above, please check **one** of the following:
[ ] **To be occupied by owner or "family member."**
[x] **To be rented to someone other than "family member."**
See reverse side for definition of a "family member."

8. NUMBER OF UNITS: [ ]
For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

10. TYPE OF DEED OR INSTRUMENT **(Check Only One Box)**:
a. [ ] Warranty Deed
b. [x] Special Warranty Deed
c. [ ] Joint Tenancy Deed
d [ ] Contract or Agreement
e [ ] Quit Claim Deed
f. [ ] Other

11. **SALE PRICE:**	122,000.00	00

12. DATE OF SALE (Numeric Digits): 10/11
Month Year
(For example: 03 / 05 for March 2005)

13. DOWN PAYMENT: $	~~122,000.00~~ 56,000	00

14. METHOD OF FINANCING:
a. [ ] Cash **(100% of Sale Price)**
b. [ ] Exchange or trade
c. [ ] Assumption of existing loan(s)
d. [ ] Seller Loan (Carryback)
e. [ ] New loan(s) from Financial Institution:
(1) [ ] Conventional
(2) [ ] VA
(3) [ ] FHA
f. [X] Other financing; Specify: Private

15. PERSONAL PROPERTY *(see reverse side for definition)*:
(a) Did the Sale Price in Item #11 include Personal Property that Impacted the Sale Price by 5% or more? Yes_____ Nox_____
(b) If Yes, provide the dollar amount of the Personal Property:
$ 0.00 | 00 **AND**
briefly describe the Personal Property:

16. PARTIAL INTEREST: If only a partial ownership interest is being sold, briefly describe the partial interest:

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):
First American Title Insurance Company
2125 East Warner Road, Suite 103
Tempe, AZ 85284
6666073d (MG) Phone (480)777-0614

18. LEGAL DESCRIPTION *(attach copy if necessary)*:
Lot 21, of SEAPORT VILLAGE (310 / 14)

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller/Agent
State of Arizona, County of Maricopa
Subscribed and sworn to before me on this 8th day of November
Notary Public Stephanie Xelowski
Notary Expiration Date August 5, 2015

IN COUNTERPART
Signature of Buyer/Agent
State of_____, County of
Subscribed and sworn to before me on this
day of
Notary Public
Notary Expiration

Reproduction by First American Title Insurance 05/2003

STEPHANIE XELOWSKI
NOTARY PUBLIC - ARIZONA
Maricopa County
My Commission Expires
August 5, 2015

http://recorder.maricopa.gov/cert.aspx?id=113650 [20111016740] 3 Pages

AFFIDAVIT OF PROPERTY VALUE

1. ASSESSOR'S PARCEL NUMBER(S) (primary parcel number):
Primary Parcel: 302-30-984 9 - _____
BOOK MAP PARCEL SPLIT LETTER
Does this sale include any parcels that are being split / divided?
Check one: Yes [ ] No [x]
How many parcels, other than the Primary Parcel, are included in this sale? _____
Please list the additional parcels below (no more than four):
(1)_____ (3)_____
(2)_____ (4)_____

2. SELLER'S NAME AND ADDRESS:
Wells Fargo Bank, N.A., as Trustee for T
2380 Performance Dr.
Richardson, TX 75082

3. (a) BUYER'S NAME AND ADDRESS:
Jon Murray
11259 East Via Linda Suite 100
Scottsdale, AZ 85259
(b) Are the Buyer and Seller related: Yes _____ No x
If yes, state relationship:

4. ADDRESS OF PROPERTY:
1007 West Barcelona Drive
Gilbert, AZ 85233

5. MAIL TAX BILL TO:
Jon Murray
11259 East Via Linda Suite 100
Scottsdale, AZ 85259

6. PROPERTY TYPE (for Primary Parcel): **NOTE: Check Only One Box**
a [ ] Vacant Land
b [x] Single Family Residence
c. [ ] Condo or Townhouse
d [ ] 2-4 Plex
e. [ ] Apartment Building
f. [ ] Commercial or Industrial Use
g [ ] Agricultural
h [ ] Mobile or Manufactured Home
i. [ ] Other Use, Specify:

7. RESIDENTIAL BUYER'S USE: If you checked **b, c, d,** or **h** in Item 6 above. please check **one** of the following:
[ ] **To be occupied by owner or "family member."**
[x] **To be rented to someone other than "family member."**
See reverse side for definition of a "family member."

8. NUMBER OF UNITS: [ ]
For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

9. ***FOR OFFICIAL USE ONLY: Buyer and Seller leave blank***
(a) County of Recordation: _____
(b) Docket & Page Number: _____
(c) Date of Recording: _____
(d) Fee / Recording Number: _____
Validation Codes:
(e) ASSESSOR: _____ (f) DOR _____
ASSESSOR'S USE ONLY
Verify Primary Parcel in Item 1: ____-____-____-____
Use Code: **Full Cash Value: $**

10. TYPE OF DEED OR INSTRUMENT **(Check Only One Box)**:
a. [ ] Warranty Deed
b. [x] Special Warranty Deed
c. [ ] Joint Tenancy Deed
d [ ] Contract or Agreement
e [ ] Quit Claim Deed
f. [ ] Other

11. **SALE PRICE:** **122,000.00** **00**

12. DATE OF SALE (Numeric Digits): 10/11
Month Year
(For example: 03 / 05 for March 2005)

13. DOWN PAYMENT: $ ~~122,000.00~~ 26,000 **00**

14. METHOD OF FINANCING:
a. [ ] Cash **(100% of Sale Price)**
b. [ ] Exchange or trade
c. [ ] Assumption of existing loan(s)
d. [ ] Seller Loan (Carryback)
e. [ ] New loan(s) from Financial Institution:
(1) [ ] Conventional
(2) [ ] VA
(3) [ ] FHA
f. [X] Other financing; Specify: Private

15. PERSONAL PROPERTY *(see reverse side for definition):*
(a) Did the Sale Price in Item #11 include Personal Property that Impacted the Sale Price by 5% or more? Yes _____ No x
(b) If Yes, provide the dollar amount of the Personal Property:
$ 0.00 **00** **AND**
briefly describe the Personal Property:

16. PARTIAL INTEREST: If only a partial ownership interest is being sold, briefly describe the partial interest:

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):
First American Title Insurance Company
2125 East Warner Road, Suite 103
Tempe, AZ 85284
6666073d (MG) Phone (480)777-0614

18. LEGAL DESCRIPTION *(attach copy if necessary):*
Lot 21, of SEAPORT VILLAGE (310 / 14)

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller/Agent
State of AZ, County of Maricopa
Subscribed and sworn to before me on this 9 day of Dec 2011
Notary Public Mary F. Gorman
Notary Expiration Date Aug 10, 2012

OFFICIAL SEAL
MARY F. GORMAN
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Aug. 10, 2012

Signature of Buyer/Agent
State of AZ, County of Maricopa
Subscribed and sworn to before me on this 9th day of December 2011
Notary Public Christine Russell House
Notary Expiration 8-4-14

Reproduction by First American Title Insurance 05/2003

OFFICIAL SEAL
CHRISTINE HOUSE
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Aug. 4, 2014

In Counterpart

http://recorder.maricopa.gov/cert.aspx?id=113650 [20111016740] 3 Pages

http://recorder.maricopa.gov/cert.aspx?id=113650 [20111016740] 3 Pages

20111016740
I hereby certify that this is an
electronically prepared
copy of a filed affidavit at the
Maricopa County Recorder's Office

HELEN PURCELL, County Recorder
In and for the county of
Maricopa, state of Arizona
11/01/2013 02:09:09 PM

By Recorder

To Verify this document visit

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20130706037 08/01/2013 04:20
ELECTRONIC RECORDING

07503140-1-3-2--
hoyp

at the request of Pioneer Title Agency, Inc.

When recorded mail to
Michael S. Prior
881 S. Sapphire Ln.
Anaheim, CA 92807

07503140-EBR

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Tax Parcel No.: 302-30-984

WARRANTY DEED

For the consideration of Ten Dollars, and other valuable consideration, I or we,

Jon Murray, A Married Man, as his Sole and Separate Property do/does hereby convey to

Michael S. Prior, A Single Man

the following real property situated in Maricopa County, Arizona:

Lot 21, SEAPORT VILLAGE, according to Book 310 of Maps, Page 14, records of Maricopa County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record.

The Grantor warrants the title against all persons whomsoever.

DATED: August 1, 2013

Jon Murray

EXHIBIT
S-49
ADMITTED

State of Arizona }
} ss.
County of Maricopa }

The foregoing instrument was acknowledged before me this 1 day of August, 2013, by Jon Murray.

NOTARY PUBLIC
My commission expires: 1-1-17

OFFICIAL SEAL
EILEEN BROWN
NOTARY PUBLIC - STATE OF ARIZONA
MARICOPA COUNTY
My Comm. Expires January 1, 2017

http://recorder.maricopa.gov/cert.aspx?id=113651 [20130706037] 2 Pages

20130706037
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 02:11:34 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113651

http://recorder.maricopa.gov/cert.aspx?id=113651 [20130706037] 2 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20130706037 08/01/2013 04:20
ELECTRONIC RECORDING
SALES AFFIDAVIT
07503140-2-3-3-Y-
hoyp

AFFIDAVIT OF PROPERTY VALUE

FOR

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(S)

Primary Parcel:	302-30-984			
	BOOK	MAP	PARCEL	SPLIT

Does this sale include any parcels that are being split / divided?
Check one: Yes ☐ No ☑

How many parcels, other than the Primary Parcel, are included in this sale? _____

Please list the additional parcels below (attach list if necessary):

(1) _____ (2) _____

(3) _____ (4) _____

2. SELLER'S NAME AND ADDRESS:
Jon Murray
11259 E. Via Linda #100
Scottsdale, AZ 85259

3. (a) BUYER'S NAME AND ADDRESS:
Michael S. Prior
881 S. Sapphire Ln.
Anaheim, CA 92807

(b) Are the Buyer and Seller related? Yes ☐ No ☑
If Yes, state relationship:

4. ADDRESS OF PROPERTY:
1007 W. Barcelona Dr.
Gilbert, AZ 85233

5. MAIL TAX BILL TO:
Michael S. Prior
881 S. Sapphire Ln.
Anaheim, CA 92807

6. PROPERTY TYPE (for Primary Parcel): NOTE: Check Only One Box

a. ☐ Vacant Land
b. ☑ Single Family Residence
c. ☐ Condo or Townhouse
d. ☐ 2-4 Plex
e. ☐ Apartment Building
f. ☐ Commercial or Industrial Use
g. ☐ Agricultural
h. ☐ Mobile or Manufactured Home ☐ Affixed ☐ Not Affixed
i. ☐ Other Use, Specify: _____

7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in Item 6 above, please check one of the following:

☐ To be used as a primary residence.
☐ Owner occupied, not a primary residence.
☑ To be rented to someone other than a "family member."

See reverse side for definition of a "primary residence" or "family member."

8. If you checked e or f in Item 6 above, indicate the number of units: __
For Apartments, Motels / Hotels, Mobile Home / RV Parks, etc.

9. TYPE OF DEED OR INSTRUMENT (Check Only One Box):

a. ☑ Warranty Deed
b. ☐ Special Warranty Deed
c. ☐ Joint Tenancy Deed
d. ☐ Contract or Agreement
e. ☐ Quit Claim Deed
f. ☐ Other:

10. SALE PRICE: $ 175,000.00

11. DATE OF SALE (Numeric Digits): 07 13
Month / Year

12. DOWN PAYMENT $ 175000.00

13. METHOD OF FINANCING:

a. ☑ Cash (100% of Sale Price)
b. ☐ Barter or trade
c. ☐ Assumption of existing loan(s)
d. ☐ Seller Loan (Carryback)
e. ☐ New loan(s) from financial institution:
(1) ☐ Conventional
(2) ☐ VA
(3) ☐ FHA
f. ☐ Other financing; Specify: _____

14. PERSONAL PROPERTY (see reverse side for definition):
(a) Did the Sale Price in Item 10 include Personal Property that impacted the Sale Price by 5 percent or more? Yes ☐ No ☑
(b) If Yes, provide the dollar amount of the Personal Property:
$ _____ 00 AND
briefly describe the Personal Property: _____

15. PARTIAL INTEREST: If only a partial ownership interest is being sold, briefly describe the partial interest: _____

16. SOLAR / ENERGY EFFICIENT COMPONENTS:
(a) Did the Sale price in Item 10 include solar energy devises, energy efficient building components, renewable energy equipment or combined heat and power systems that impacted the Sale Price by 5 percent or more? Yes ☐ No ☑
If Yes, briefly describe the solar / energy efficient components:

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone Number):
Pioneer Title Agency, Inc.
7310 N. 16th St, Suite 250, Phoenix, AZ 85020
Phone: (602) 943-0065

18. LEGAL DESCRIPTION (attach copy if necessary):
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller / Agent
State of Arizona, County of Maricopa
Subscribed and sworn to before me on this 1 day of August 2013
Notary Public
Notary Expiration Date

OFFICIAL SEAL
EILEEN BROWN
NOTARY PUBLIC - STATE OF ARIZONA
MARICOPA COUNTY
My Comm. Expires January 1, 2017

Signature of Buyer / Agent
State of Arizona, County of Maricopa
Subscribed and sworn to before me on this 1 day of August 2013
Notary Public
Notary Expiration Date

OFFICIAL SEAL
EILEEN BROWN
NOTARY PUBLIC - STATE OF ARIZONA
MARICOPA COUNTY
My Comm. Expires January 1, 2017

DOR FORM 82162 (08/2012)

http://recorder.maricopa.gov/cert.aspx?id=113052 [20130706037] 3 Pages

Escrow No. 07503140-016-EBR

EXHIBIT "A"
Legal Description

Lot 21, SEAPORT VILLAGE, according to Book 310 of Maps, Page 14, records of Maricopa County, Arizona.

http://recorder.maricopa.gov/cert.aspx?id=113652 [20130706037] 3 Pages

20130706037
I hereby certify that this is an
electronically prepared
copy of a filed affidavit at the
Maricopa County Recorder's Office

HELEN PURCELL, County Recorder
In and for the county of
Maricopa, state of Arizona
11/01/2013 02:12:51 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113652

http://recorder.maricopa.gov/cert.aspx?id=113652 [20130706037] 3 Pages

Dee Morin

From: Rebecca Warburton [rwarburton@[redacted]
Sent: Tuesday, March 05, 2013 4:40 PM
To: Dee Morin
Cc: Stacy Luedtke
Subject: Re: Jowen Investments (Jon Murray)
Attachments: MDA Agreement.pdf; ATT00001..htm; Wire Transfer.pdf; ATT00002..htm

I hunted around, and did find some more documentation. I don't have a copy of the MDA Agreement with Jon's signature, but I've attached what I do have - this was the $5,000 in Jan 2011 for training. I'll forward some emails that show where/when I met Jon, and clearly show the $5,000 deal and the involvement of Jack Weatherell. I also found some info on the wire transfer of $20,000 that mentions Jon Murray, attached. There are many more emails from Jack about various matters if you need them. Luckily, I never delete email.

I also found, from Jan 2011 which is when I did the $5,000, an address for Jon Murray. Perhaps you could tell me if you think this is still current:
[redacted]
[redacted] AZ [redacted]

If you can't read anything on the wire transfer document, ask me - the original was faint as well as the bank's printer was running out of toner. But I can ready everything on the original.

EXHIBIT
S-50
ADMITTED

Name: Rebecca Warburton
Hm:
Cell: [redacted]
Fax:

Email: rwarburton@[redacted]

January 19, 2011

RE: Million Dollar Apprentice Program (MDA)

I am looking forward to working with you and seeing your success through our MDA program.

**Please fill out the client profile, sign and date the form and scan and email it to jack@jowen.ca

1. Program Cost: As we discussed the cost(s) of the Million Dollar Apprentice (MDA) program is regularly $6,500 but it has been offered to you at $5000. Jowen Investment and Consulting Group has received your payment in full.

2. The Terms: The MDA Program will provide information and training in Real Restate Investing specifically to but not limited to the US Foreclosure markets. The MDA participants cannot and will not share or sell any information to friends, business associates, or other investors.

3. The Program: This twenty six (26) week program includes weekly conference calls with Jon Murray and/or his team or individuals chosen by Jon Murray and/or course directors that can best provide valuable information and student/expert discourse on investing techniques and industry related topics, Monthly webinar featuring experts in the industry as well as special Guest Hosts with topics and information on building a successful real estate investing business. Access to the exclusive MDA website which will contain downloadable investing content as well as industry expert contact, special Jowen Investment and Consulting Group offers, investing evaluation spreadsheet application, group forum and much more. The program will also include a three day foreclosure tour in your choice of either Las Vegas or Phoenix areas (valued at $2500). These tours are designed to give hands on experience, with the guidance and personal assistance from Jon Murray and his top rate Power Team of Industry experts, in actual investing. While on tour the MDA participants will attend real estate auctions, walk foreclosure properties, meet in group and one on one with Jon's personal realtors, tax consultants property managers, banks and lenders, auction experts, home inspectors and insurance agents. While on tour MDA participants will have the opportunity to actually evaluate and present offers on investment properties should they wish to do so.

The MDA program is currently slated to begin February 28th 2011. Each participant will be contacted directly prior to the start of the program in order to asses needs and goals as well as answer any questions the participants may have regarding the program.

4. The Materials: Electronic and print materials are included at no additional cost.

5. Disclaimer: Client has been made aware that the relationship with the MDA instructors and management of the program is in no way to be construed as counseling in Medical, Psychological, Legal, financial or any type of therapy. In the event the Client feels the need for any of the above, it is the responsibility of the Client to seek such professional(s) as Client deems necessary. Further, the MDA program is only rendering an opinion and will not be held liable for any loss the clients may incur resulting from any MDA Session.

6. Indemnification: Client agrees to Indemnify and defend the MDA/Jowen Investments and Consulting Ltd its agents, affiliates and licensees from any third party claim or liability (including without limitation reasonable legal fees) arising out of this program, consultation and products use.

7. Confidentiality: The MDA participant will treat all personal and business told to him/her as proprietary, privileged and confidential as the law will allow.

RW Initials

8. Legal: This MDA program is designed to provide accurate and authoritative information and training in regard to the subject matter covered. It is provided with the understanding that this program, MDA program and materials are not engaged in rendering legal, accounting, financial services or advice. There is no unilateral cancellation allowed in the agreement. All areas have different laws that change quite frequently; It is recommended that the services of a competent professional and or Attorney of your province or state be retained to advise and review the materials/program before you use them. In the event of a legal action the Province of British Columbia, Canada will serve as Jurisdiction for all legal actions/filings.

9. Acknowledgement: The undersigned, client(s) hereby acknowledge that he/she has read this agreement, understands it, agrees to it and has/have been given a copy. As written, this agreement constitutes the entire agreement between the Client and Jowen Investments and Consulting Ltd.

Client Profile

Name: ___Rebecca Warburton_____
Spouses Name:___Bill Warburton_____
Occupation: ____Health Economist_____
Annual Income: __$85,000_____ Number of Dependents: ___1____

What are your financial/income goals from our prospective association during the next 26 weeks? $__Do one deal requiring no money down, generate funds for future deals._____

What are your personal goals from our prospective association during the next 26 weeks? Learn how to do real estate deals with no money down, or little money down, and quick returns.

What are your long term goals? Have several rental properties that generate passive income.

What are your short term Goals? __Generate enough cash to make the long term goal possible.

What are you willing to do to achieve your Goals NOW? __Spend the time learning_____

Do you want to develop your own real estate investing business? __Yes_____

In what field of endeavor? ___Probably residential, e.g. own rental houses or apartment buildings.

When do you wish to schedule our initial MDA program Consultation? __Most weekday afternoons work (1-5 pm). However I will be out of town (less spare time) Feb 15-18 and Feb 20-23._____

Do you have any specific question(s) that we can answer?__I'm not sure I know what questions to ask yet. Looking forward to learning more about no-money-down deals and also how to spot good long-term properties (once I have the cash to acquire those)._____

Any Comments ?

Sign x _____

Print Name x Rebecca Warburton

Jon Murray

Cell [redacted]
Office (604) 846-HELP (4357)
Fax (604) 846-EFAX (3329)

Jowen Investments and Consulting
Helping people, Help themselves!
E-MAIL: jon@[redacted]

Initials

Acceptance: The General Partner and the Limited Partner hereby agree to all of the terms and conditions herein and acknowledge receipt of a copy of this Agreement.

Rebecca Nunn Warburton

Limited Partners Signature MO/DA/YR

Limited Partner print name

[redacted] BC [redacted]

[redacted] Home
Cell

Jon Murray

General Partner Signature MO/DA/YR

General Partner print name

[redacted] AZ [redacted]

480-823-4357 Telephone
604-846-3329 Fax
jon@[redacted] Email

Canada Trust

WIRE PAYMENT INSTRUCTIONS

Date: Friday July 15, 2011

Branch 0984

Wire Payment ID: 110715B2354600
Financial Transaction ID: 55091

Wire Payment Amount: 20,000.00 USD
Handling Fees: 50.00 CAD

Sending Customer: MRS REBECCA N WARBURTON
Street Address: 1370 OLIVE ST
City: VICTORIA
Province/State: BC
Country: CANADA (CA)
Sending Customer Reference Account: [redacted]634

Receiving Customer: JON MURRAY
Street Address: [redacted]
City: [redacted]
Province/State: AZ
Country: UNITED STATES (US)
Account IBAN: [redacted]8768
Customer Code:

Settlement Bank: WELLS FARGO BANK
Street Address: 1780 FRONT STREET
City: [illegible]
Province/State: WA
Country: UNITED STATES (US)
Bank Code: WFBIUS6S
Intermediary Bank Account:

TERMS AND CONDITIONS

Wire Payment Instructions: By signing below, the customer confirms that (a) the information set out in the Wire Payment Instructions (the "Form") is accurate and complete and (b) authorizes The Toronto-Dominion Bank (the "Bank") to execute the wire payment based on this information. The customer will not have any recourse to the Bank due to the inaccuracy or insufficiency of any information in the Form. If the Form describes an account number for an account held by someone other than the beneficiary named in the Form, the Bank may execute the wire payment to the account number shown in the Form notwithstanding such inconsistency.

Bank Handling Fees: The customer agrees to pay to the Bank the Handling Fees shown on the Form.

Other Party Fees: The Bank may use the services of its affiliates, a foreign correspondent and/or another third party (the "Other Parties") acting in each case as principal and not as the customer's agent to send wire payments. The customer agrees that the Other Parties may charge a fee for their services, and that these fees, together with any fees charged by the beneficiary bank, might be deducted from the Wire Payment Amount resulting in the beneficiary receiving an amount less than the Wire Payment Amount. These fees are not always known to the Bank. In no event shall the Bank be held liable for any fees so deducted. The customer acknowledges that the Bank may receive revenue as a result of the imposition of these fees charged by the Other Parties or the beneficiary bank.

Foreign Currency Conversions: The customer authorizes the Bank to send the wire payment in the currency of the Wire Payment Amount shown on the Form. If the customer is paying for the Wire Payment Amount in a currency other than the currency of the Wire Payment Amount, the Bank is authorized to convert such currency into the currency of the Wire Payment Amount. The rate of exchange to be used in any such conversion will be determined by the Bank and the customer acknowledges being advised of, and authorizing the use of exchange. The customer understands that the exchange rate being used may result in revenue being earned on the conversion by the Bank. The customer acknowledges that the beneficiary bank may (a) reject a wire payment or (b) convert the wire payment for any reason, including for the reason that the wire payment was sent in a currency other than the local currency of the beneficiary's bank or that the wire payment is not in the currency of the beneficiary's account. Foreign wire payments may be subject to delays for reasons including time zone issues, the remote location of the beneficiary bank and cultural differences with respect to holidays.

Canada Trust

Date: Friday, July 15, 2011
Branch: 998

Wire Payment ID: 110715B2354600
Finaacial Transaction ID: 55091

Rejected Payments: If a wire payment is sent in a currency other than the currency of the customer's account and such wire payment is subsequently returned for any reason, the Bank may convert the amount of the returned wire payment back to the currency of the customer's account at the exchange rate determined by the Bank at the time of receipt of the funds from the beneficiary bank and if conversion is made, will credit that converted amount to the customer's account. The customer understands that (a) the exchange rate at time of conversion may result in revenue being earned on the conversion by the Bank, (b) the beneficiary bank may charge fees for a rejected wire payment, and (c) the amount to be credited back to the customer's account for a returned wire payment may be more or may be less than the original amount of the wire payment. The Bank will not be liable for any losses the customer may incur due to changes in the foreign currency exchange rates or for any rejection of a wire payment by the beneficiary bank.

Liability: The customer agrees that the Bank shall not be liable to the customer or to any other person for any loss or damage which may be suffered as a result of the Bank sending the wire payment, including as a result of any delay or mistake in sending the wire payment, any rejection of the wire payment by the beneficiary bank or any measures taken by the government of the foreign country, unless the loss or damage is directly caused by the Bank's gross negligence or willful misconduct. The customer agrees that the Other Parties shall not be liable to the customer for any loss or damage which may be suffered as a result of the Bank/Other Parties sending the wire payment, including as a result of any delay or mistake in sending the wire payment, any rejection of the wire payment by the beneficiary bank or any measures taken by the government of the foreign country, unless the loss or damage is directly caused by the Other Parties' gross negligence or willful misconduct. In no event shall the Bank be liable for any act or omission, or any gross negligence or willful misconduct of the Other Parties. The Bank and/or the Other Parties may be required, by their own internal policies and/or by law, to reject or block certain wire payments to specified sanctioned countries or persons. The Bank and/or the Other Parties will not be liable for wire payments that are rejected or for funds that have been ordered blocked by law. Furthermore, the Bank will not be liable for any loss or damage suffered as a result of the insolvency of the Other Parties or the insolvency or acts or omissions of the beneficiary bank. In no event shall the Bank or the Other Parties be liable for any consequential, special, indirect or punitive damages.

The Bank may debit any account the customer has with the Bank with the Wire Payment Amount and the Handling Fees, unless the customer elects a different payment method. The customer agrees to the foregoing terms and conditions.

Customer Signature/Authorized Signature

Dee Morin

From: Stacy Luedtke
Sent: Monday, March 04, 2013 3:30 PM
To: Dee Morin
Subject: FW: 2nd revised agreement
Attachments: PARTNERSHIP AGREEMENT - Rebecca Warburton - Revised July 14 2011.pdf; ATT00001..htm

Stacy L. Luedtke
Arizona Corporation Commission, Securities Division
(602) 364-0790 (direct line)

From: Rebecca Warburton [mailto:rwarburton@[redacted]
Sent: Monday, March 04, 2013 3:22 PM
To: Stacy Luedtke
Subject: Fwd: 2nd revised agreement

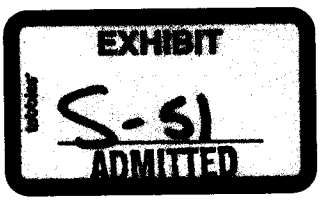
And here is the body of the agreement.

Rebecca Warburton
[redacted] BC
[redacted]

Begin forwarded message:

From: "Jon Murray 604-846-HELP (4357)" <jon@[redacted]
Subject: 2nd revised agreement
Date: 14 July 2011 10:22:12 PM PDT
To: rwarburton@[redacted]
Cc: Jack Weatherell <jack@[redacted]

Rebecca,
Attached is a newly revised copy of the agreement.
I have added the below line to the explanation of the term...
{The Limited partner is invited to "roll over" proceeds after the one year term in similar future opportunities if she so desires.}
I hope that with this last change we are good to go for tomorrow without any further delays.
Thanks for giving us the opportunity to work with you!
Sincerely,
Jon



PARTNERSHIP AGREEMENT

General Partner: Jon Murray
Limited Partner: Rebecca Nunn Warburton

Term:
This Agreement shall commence on or before July 15, 2011 and expire at the end of a one year term which is July 14, 2012 or at the completion (sale) of any property during the term. The Limited partner is invited to "roll over" proceeds after the one year term in similar future opportunities if she so desires.

Agreement:
General Partner intends to acquire interest in fix and flip properties offered for sale hereafter as "The Properties". Both the General Partner and the Limited Partner agree to enter into a partnership to acquirer and resell said properties. Limited Partner agrees to supply the funds totaling $25,000 USD ($20,000 new funds + $5,000 credited funds) to cover approximately 50% of the cost of purchase, closing costs, agent costs, insurance costs, utility costs, repair costs, carrying costs and any other costs in acquiring, fixing and re-selling the properties.

Allocation of funds:
The use of funds is estimated and can change slightly or moderately on a property to property basis. Every transaction is different and the below is only for the sole purpose of projecting the use of funds. The general ``fix and flip`` plan is to use funds listed above as 50% of the total required capital to fund a deal. The other 50% of the capital may be provided by the General Partner OR another 3rd party; whichever the General Partner decides necessary. The total funds for a deal of $50,000 USD ($25,000 from the Limited Partner and $25,000 from the General Partner OR other sources) will be used in the following ways:

1. Approximately $20,000 for down payment on purchase of a property
2. Approximately $21,000 for repairs and updates
3. Approximately $5,000 for closing costs and bid fees
4. Approximately $3,500 for carry costs on mortgage at 80% loan to value for a period of 90 – 120 days
5. Approximately $500 for utilities and other minor costs

General Partner Responsibilities:

1. To search for and place offers on suitable properties for the sole purpose to `fix and flip` as described in this agreement
2. To secure financing at 80% loan to value and deliver documents to lender for release of funds
3. To hold title with personal guarantee to lender
4. To order insurance for the properties
5. To change locks on all doors and secure the properties the day of purchase
6. To connect necessary utilities for contractors and for the purpose of inspection by the seller at time of re-sale
7. To order contractor bids for work to be completed
8. To negotiate, approve and monitor contractors and bids
9. To take periodic pictures and give updates to the Limited partner on a constant basis
10. To pay out all contractors when work is completed and all deficiencies are rectified
11. To list the properties once completed on the MLS with a licensed realtor
12. To make decisions on offers and negotiate to get the best price the market will allow
13. To complete the transaction and close escrow
14. To pay out profits to Limited Partner within 24 hrs of close of escrow on re-sale

Limited Partner Responsibilities:

1. To Fund $25,000 in USD as capital for the `fix and flip` transactions
2. To keep all discussions, emails and documents with General Partner private and confidential

Compensation:
The projected number of 'fix and flip' properties to be completed during the 1 year term of this contract is 3 – 4 with a projected pre-tax net profit of $15,000 - $25,000 per each 'fix and flip'. Limited partner compensation shall be 25% of the net profit, less IRS 15% capital gains withholdings, paid at the time of the final property resale close of escrow as follows:

Payment Terms:

General Partner and Limited Partner agree that funds at close of escrow will be distributed as follows;

1. Loan pay off, interest payments, closing costs, insurance, taxes, impounds and cooperating agent commissions
2. All utilities
3. All rehab costs not already paid
4. $25,000 USD Limited Partner original capital
5. $25,000 USD to General Partner or 3rd party to be decided
6. All additional profit or funds received above and beyond the aforementioned amounts to be split 75% to the General Partner and 25% to the Limited Partner after a 15% IRS withholding is deducted
7. As per existing agreement between Limited Partner and outside investing partner, General Partner agrees to adhere to Limited Partner's contractual obligation of disbursement of profits as follows and listed in Limited Partners outside contract:

Additional Terms:
This agreement is only for the Properties that the General Partner and Limited Partner have noted in this agreement and it is not applicable to any other properties or projects. The Limited Partner and the General Partner will share profits or losses 75/25 with the 75 being in favor of the General Partner.

Dispute Resolution: (a) Mediation: Any dispute or claim in law or equity arising out of this Agreement shall be submitted to mediation in accordance with standard mediation practices. (b) Arbitration: If the mediation does not result in the resolution of the dispute, General Partner and Limited Partner agree that the dispute shall be resolved by binding arbitration. The arbitration shall be conducted by a mutually agreed upon arbitrator or if the parties fail to agree upon an arbitrator, the dispute shall be resolved by American Arbitration Association arbitration. Initially, all applicable deposits, arbitrator's fees, filing fees, administrative costs and expenses shall be borne equally by the parties. However, the arbitrator shall be authorized to award or refund all costs and deposits to the prevailing party. The decision of the arbitrator shall be binding, conclusive and may be enforced in any court of competent jurisdiction.

Attorneys' Fees: In any proceeding to enforce the compensation due to either party pursuant to this Agreement the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Arizona Law: This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

Capacity: Limited Partner warrants that the Limited Partner has the legal capacity, full power and authority to enter into this Agreement and consummate the transaction contemplated hereby on the Limited Partners own behalf or on behalf of the party the Limited Partner represents, as appropriate.

Termination: Once executed this Agreement cannot be terminated by either party. It may only be cancelled in writing with consent of both parties.

Entire Agreement: This Agreement and any addenda signed by the parties shall constitute the entire Agreement between the General Partner and the Limited Partner, and shall supersede any other written or oral agreement between the General Partner and the Limited Partner. This Agreement can be modified only by a writing signed by the General Partner and the Limited Partner

Acceptance: The General Partner and the Limited Partner hereby agree to all of the terms and conditions herein and acknowledge receipt of a copy of this Agreement.

Rebecca Nunn Warburton

Limited Partners Signature MO/DA/YR

Limited Partner print name

[redacted] BC [redacted]

[redacted] Home
Cell

Jon Murray

General Partner Signature MO/DA/YR

General Partner print name

[redacted] AZ [redacted]

[redacted] Telephone
Fax
jon@[redacted] Email

Dee Morin

From: Stacy Luedtke
Sent: Monday, March 04, 2013 3:27 PM
To: Dee Morin
Subject: FW: Revised agreement
Attachments: Full page photo.pdf; ATT00001..htm

Stacy L. Luedtke
Arizona Corporation Commission, Securities Division
(602) 364-0790 (direct line)

From: Rebecca Warburton [mailto:rwarburton@[redacted]
Sent: Monday, March 04, 2013 3:21 PM
To: Stacy Luedtke
Subject: Fwd: Revised agreement

Jon's signature.

Rebecca Warburton
[redacted] BC
[redacted]

Begin forwarded message:

From: "Jon Murray 604-846-HELP (4357)" <jon@[redacted]
Subject: RE: Revised agreement
Date: 15 July 2011 9:18:19 AM PDT
To: 'Rebecca Warburton' <rwarburton@[redacted]
Cc: Jack Weatherell <jack@[redacted]

Please see my signed copy for you attached.
Jon

From: Rebecca Warburton [mailto:rwarburton@[redacted]
Sent: July-14-11 10:17 PM
To: Jon Murray 604-846-HELP (4357)
Cc: jack@[redacted]
Subject: Re: Revised agreement
I've attached a signed agreement in pdf, with a few comment bullets for you - none of them are deal-breakers though we should amend and make a new version.
I've also attached a scanned-in (manually signed) pdf of the signature page, that you can append to the agreement as sent - no change needed - I will sign the one emailed by Jon last night.
So, we have an agreement based on the contract sent last night. If you want to edit wording re/ my comments we can sign that one later.
I'll be wiring $20,000 tomorrow to:

Jon Murray
Wells Fargo Bank
1780 Front St. Lynden Wa.
Acct. # [redacted]8765
Swift code# WFBIUS6S
Let's make some money!!
Thanks to both of you for this opportunity!

Acceptance: The General Partner and the Limited Partner hereby agree to all of the terms and conditions herein and acknowledge receipt of a copy of this Agreement.

Rebecca Nunn Warburton

Limited Partners Signature MO/DA/YR 07/15/2011

Limited Partner print name

[redacted] BC [redacted]

[redacted] Home
Cell

Jon Murray

General Partner Signature MO/DA/YR 07/15/2011

General Partner print name

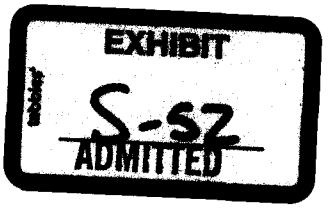
[redacted] AZ [redacted]

[redacted] Telephone
Fax
Email

From:	Rebecca Warburton
To:	Stacy Luedtke
Subject:	People at Jon Murray"s seminar
Date:	Monday, March 04, 2013 3:51:37 PM
Attachments:	CardsAgenda.pdf ATT00001..txt

Here are some business cards and the agenda for the tour. David Baxter said homes could be financed with 25% down.

I'm not sure all of the people whose cards I have were there, but I got these cards that day. The agenda shows who actually presented and I added two speakers who weren't on the handout (done at the time so it should be reliable).



Liberty Mutual.

Liberty Mutual Group
10304 N. Hayden Rd. Suite 4
Scottsdale, AZ 85258
Phone: 480-483-8467 x 58161
Tollfree: 800-203-0594
Fax: 480-948-2578

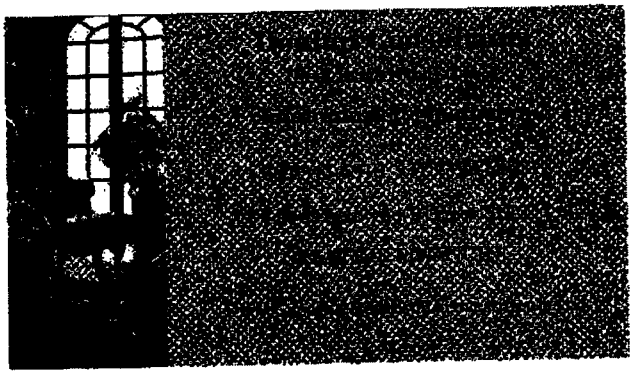
Jennifer Bouchard
Service Specialist
jennifer.bouchard@libertymutual.com

Arizona Western Insurance Agency
Personal, Commercial & Group Insurance
13951 N. SCOTTSDALE RD., SUITE 212
SCOTTSDALE, AZ 85254-3402
(480) 483-3311 Ext. 25 FAX (480) 998-2270
email: dennisb@azwesternins.com

Dennis H. Burch, CIC

HANSON
CAPITAL GROUP

Keith Katz
Principal
4430 North Civic Center Plaza
Suite 102
Scottsdale, AZ 85251
m: 480.776.4210
o: 602.633.4791
e: keith@investazhouses.com
investazhouses.com



17851 N. 85th St., Suite 205
Scottsdale, AZ 85255

480.538.5663 direct
480.221.0819 cellular
800.839.4025 ext. 5663 toll free
480.302.7903 fax

usbank.com

PRESIDEN
CLUB

David Baxt
Private Mortgage Ban
david.baxter@usbank.c

usban

SARA MCMAHON
CERTIFIED ESCROW OFFI

First American Title Insurance Compa.

TEL 480.563.9034 • FAX 866.314.2283
EMAIL smcmahon@firstam.com
www.thinkfirstam.com

KEYLAND
FINE PROPERTIES

Jim Venezia
Owner | President

7033 E. Greenway Pkwy, Suite 15
Scottsdale, AZ 85254
O. 480.398.4700 | F. 480.305.1
D. 480.398.4708 | C. 602.418.3
E. jvenezia@keylandproperties

Liberty Mutual.

VALERIE MOWERS, SR SALES REPRESENTAT
10304 N Hayden Rd, Ste 4
Scottsdale, AZ 85258
Ph 480-483-8467 Cell 480-310-1657
Fax 480-948-2578
Email: Valerie.mowers@libertymutual.com

ACC000517
FILE #8390

BRADLEY POKORNEY
REALTOR®

Cell: (602) 695-0900
Bus: (480) 659-6500
Fax: (480) 585-9130
www.AZRealEstateGroup.com
Brad@AZRealEstateGroup.com

REALTY EXECUTIVES

POKORNEY / SUTTON GROUP
23200 North Pima Road, Suite 200 Scottsdale, AZ 85255

REALTY EXECUTIVES

POKORNEY / SUTTON GROUP

Cell: (602) 686-6464
Bus: (480) 659-6500
Fax: (480) 585-9130
Karen@AZRealEstateGroup.com
23200 North Pima Road, Suite 200
Scottsdale, AZ 85255

KAREN POKORNE
The "ENERGIZED" REALTC
www.AZRealEstateGroup.

KEATSCONNELLY

ENRICHING YOUR CROSS-BORDER LIFESTYLE

MR. DALE A. WALTERS
CERTIFIED PUBLIC ACCOUNTANT
PERSONAL FINANCIAL SPECIALIST
CERTIFIED FINANCIAL PLANNER™ (US AND CANADA)
NAPFA - REGISTERED FINANCIAL ADVISOR

Mr. Walters is a partner and the CEO of KeatsConnelly, the largest cross-border wealth management firm in North America that specializes in assisting Canadians and Americans realize their dreams of a cross-border lifestyle. Serving clients for over thirty years, Dale has twice been named one of the top financial advisors in the US by *Mutual Fund Magazine*, and has led the firm to numerous awards, including Phoenix Chamber's Impact award for Company Culture, the Alfred P. Sloan award for Workplace Flexibility and the Better Business Bureau award for Ethics.

Dale is a frequent speaker and author on US-Canada financial planning and tax related issues, and is the author of *Buying Real Estate in the US – The Concise Guide for Canadians.*

EDUCATION
BACHELOR OF SCIENCE IN ACCOUNTING, 1989
Arizona State University, Tempe, Arizona

CERTIFICATIONS
CERTIFIED FINANCIAL PLANNER™ (CANADA), 2000
Financial Planners Standards Council of Canada

PERSONAL FINANCIAL SPECIALIST, 1996
American Institute of Certified Public Accountants

CERTIFIED PUBLIC ACCOUNTANT, 1992
Arizona Board of Accountancy

CERTIFIED FINANCIAL PLANNER™ (US), 1985
Certified Financial Planner Board of Standards, Inc.

AWARDS & RECOGNITION
Outstanding Leadership Award – AZ Family College Savings Plan Oversight Committee, 2008
Finalist for Phoenix Chamber of Commerce Small Business Person of the Year award, 2006
Top US Financial Advisor – *Mutual Funds Magazine*, 2001 & 2002

MEMBERSHIPS
Hospice of the Valley – Board Member
Rotary International, Club 100 - Member
American Institute of Certified Public Accountants – Member

3336 North 32nd Street, Suite 100
Phoenix, AZ 85018-6241
Phone: 602.955.5007 ¤ Facsimile: 602.224.5874

Renaissance Commons • 1880 N. Congress Ave.
Suite 302 • Boynton Beach, FL 33426-8071
Phone: 561.659.7401 ¤ Facsimile: 561.659.7089

www.keatsconnelly.com

PHOENIX FORECLOSURE TOUR

COUNTRY INN AND SUITES

10801 N 89TH SCOTTSDALE 85260

JUNE 21st-JUNE 23rd

Tuesday Evening Red Robin 6-9pm

8:00 BREAKFAST !

Wednesday June22nd

9:00-9:30	Jon Murray (Host of tour)
9:30-10:00am	Valerie Mowers (Liberty Mutual Insurance Company)
	Dennis Birch - Arizona ins. w/ flips (see presentation)
10:00-11am	Sharon (AJF Engineering Home Inspection)
11:00-Noon	Tom Newell (First American Title Company)
11:30	Jason Westlake
Noon-1:00pm	Keith Katz (Hanson Capital Group Hard money lender)
1:00-2:00	Lunch and Break (Jon Murray to provide lunch)
2:00-3:00	David Baxter (US Bank)
3:00-4:00	Dale Walters (CPA Keats, Connelly and Associates) book "Across the Borde
4:00-5:00	Aaron Dutcher and Chris Long (RA Inc Real Estate, LLC)

Thursday June 23rd

9:00-4:00 Foreclosure Showings with Brad Pokorney

Lunch on the bus provided by Brad Pokorney (Realty Executives)

BOALE, WOOD
& COMPANY LTD.
INSOLVENCY CONSULTANTS & TRUSTEE IN BANKRUPTCY

1140 – 800 W Pender Street
Vancouver, BC V6C 2V6
Tel 604 605 3335
Fax 604 605 3359
www.boalewood.ca

District of: British Columbia
Division No: 3
Court No: B120005
Estate No: 11-253465

FORM 67

Notice of Bankruptcy and First Meeting of Creditors

(Subsection 102(1) of the Act)

In the Matter of the bankruptcy of Jon MURRAY

Take notice that:

1. A bankruptcy order was made against Jon MURRAY on the 9th day of May, 2012, and the undersigned, Boale, Wood & Company Ltd., was appointed as Trustee of the estate of the bankrupt by the court, subject to affirmation by the creditors of the Trustee's appointment or substitution of another Trustee by the creditors.

2. The first meeting of creditors of the bankrupt will be held on the 30th day of May, 2012, at 10:00 AM o'clock, at the office of 2nd Floor Boardroom, at 230 - 830 West Pender Street, Vancouver, British Columbia.

3. To be entitled to vote at the meeting, a creditor must lodge with the Trustee, before the meeting, a proof of claim and, where necessary, a proxy.

4. Enclosed with this notice is a form of proof of claim, a form of proxy, and a list of creditors with claims amounting to 25 dollars or more, showing the amounts of their claims.

5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

6. Included pursuant to paragraph 102(3) of the Act, is information concerning the financial situation of the bankrupt and the obligation of the bankrupt to make payments to the estate of the bankrupt, as required under section 68 of the Act.

Dated at Vancouver, this 17th day of May, 2012.

EXHIBIT
Witness
S-63
ADMITTED

Boale, Wood & Company Ltd.
Trustee

ACC000411
FILE #8390

Office of the Superintendent of Bankruptcy Canada | Bureau du surintendant des faillites Canada

An Agency of Industry Canada | Un organisme d'Industrie Canada

District of BRITISH COLUMBIA
Division No. 03 - Vancouver
Court No. 11-253465
Estate No. 11-253465

In the Matter of the Bankruptcy of:
JON MURRAY
Debtor

BOALE, WOOD & COMPANY LTD.
Trustee

ORDINARY ADMINISTRATION

Security: $0

Date of Bankruptcy: May 9, 2012

Meeting of Creditors: May 30, 2012, 10:00
1140 - 800 WEST PENDER STREET
VANCOUVER, BRITISH COLUMBIA

Chair: Trustee

Designated Person: JON MURRAY

CERTIFICATE OF FILING OF A BANKRUPTCY ORDER - Section 43

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify, that:

- the aforenamed trustee, filed for my endorsement, a bankruptcy order appointing the trustee under section 43(9) of the Bankruptcy and Insolvency Act, Trustee of the Estate of the aforenamed Debtor;
- provisions for the avoidance of certain settlements and preferences where applicable, begin before the initial bankruptcy event date and end on the date of bankruptcy, both dates included.

The designated person is required:

- to perform all duties imposed upon a bankrupt by the Bankruptcy and Insolvency Act and in particular, attend the first meeting of creditors and upon request appear before the Official Receiver for examination.

The said trustee is required:

- to serve upon the designated person, a copy of the bankruptcy order bearing the Official Receiver's endorsement and where applicable a notice of examination;
- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable to call in the prescribed manner, a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the Official Receiver.

Date: May 16, 2012

for LOUISE LAVOIE

Official Receiver

#2000 - 300 W. Georgia St., Vancouver, BRITISH COLUMBIA, V6B 6E1, 877/376-9902

Canada

ACC000412
FILE #8390

Creditor List

Boale, Wood & Company Ltd.

Date of Report: 17/05/2012 MURRAY, Jon OSB 11-253465 File 11-253465 VANCOUVER

Claim Status:

Generated By: Marianne Ting

T	Creditor's Name and Address	Ref No	170 Report	Material Change	Amended Payments	Meeting Requested	Amount Declared	Amount Filed	Amount Admitted	CS
S	DORIS EICHSTADT [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$109,000.00	$0.00	$0.00	N
S	RANDOLPH O. PERSSON, TRUSTEE c/o KENWOOD MORTGAGE INVESTMENT, INC. [redacted] Arizona, [redacted] USA	APN 217-34-198-3	☐	☐	☐	☐	$28,000.00	$0.00	$0.00	N
S	RRL IRA HOLDINGS, LLC Attn: Ronda R. Lalonde [redacted] Arizona, [redacted] USA	APN 217-34-198-3	☐	☐	☐	☐	$109,200.00	$0.00	$0.00	N
S	SPENO INVESTMENTS, L.L.C. Attn: Mark A. Speno [redacted] Arizona, [redacted] USA	APN 217-34-198-3	☐	☐	☐	☐	$142,800.00	$0.00	$0.00	N
Sub Total for Secured							**$389,000.00**	**$0.00**	**$0.00**	
U	ART PENNER Attn: Wayne Neufeld c/o [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$1.00	$0.00	$0.00	N
U	ART PENNER Attn: William Scott Jenkins Jr. c/o Ryckle Carlock & Applewhite [redacted] Arizona, [redacted] USA		☐	☐	☐	☐	$1.00	$0.00	$0.00	N
U	CARMEN SINCLAIR Attn: Shadrin M. Brooks c/o RTM Lawyers LLP [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$126,000.00	$0.00	$0.00	N
U	GLORIA CARVALHO [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$1.00	$0.00	$0.00	N
U	ROBERT HASELL Attn: Vicki Tickle c/o Fasken Martineau Dumoulin LLP [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$115,322.78	$0.00	$0.00	N
U	TRUDY NGUYEN Attn: Jeff W. Yuen c/o DUSEVIC & CO. [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$1.00	$0.00	$0.00	N
Sub Total for Unsecured							**$241,326.78**	**$0.00**	**$0.00**	
Grand Total							**$630,326.78**	**$0.00**	**$0.00**	

CS (Claim Status): Admitted = A, Disallowed = D, Not Proven = N, Secured Asset Released = S, Partially Disallowed = P, To be Reviewed = R

ACC000413
FILE #8390

BOALE.WOOD

TRUSTEE IN BANKRUPTCY
#1140 – 800 West Pender Street
Vancouver, BC V6C 2V6

Tel: (604) 605-3335
Fax: (604) 605-3359
www.boalewood.ca

FORM 31
Proof of Claim
(Section 50.1, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1), and Paragraphs 51(1)(*e*) and 66.14(*b*) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

_____

_____

In the Matter of the Bankruptcy (*or* Proposal, *or* Receivership) of _____
(*Name of debtor*) of _____ (*city and province*)
and the claim of _____, creditor.

I, _____ (*name of creditor or representative of the creditor*), of
_____ (*city and province*), do hereby certify:

1. That I am a creditor of the above-named debtor (*or* that I am _____ (*state position or title*) of _____ (*name of creditor or representative of the creditor*)).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy (*or* the date of the receivership, *or in the case of a proposal,* the date of the notice of intention *or* of the proposal, *if no notice of intention was filed*), namely the ____ day of _____, 2012, and still is, indebted to the creditor in the sum of $_____, as specified in the statement of account (*or* affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (***The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.***)
4. (*Check and complete appropriate category.*)

( ) **A. UNSECURED CLAIM OF $_____**

(*Other than a securities firm customer as contemplated by Section 262 of the Act*)

That in respect of this debt, I do not hold any assets of the debtor as security and
(*Check appropriate description*)

( ) Regarding the amount of $ _____, I claim a right to a priority under section 136 of the Act.
( ) Regarding the amount of $ _____, I do not claim a right to a priority.
(*Set out on an attached sheet details to support priority claim.*)

( ) **B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE $_____**

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(*Give full particulars of the claim, including the calculations upon which the claim is based.*)

(X) **C. SECURED CLAIM OF $_____**

That in respect of this debt, I hold assets of the debtor valued at $_____ as security, particulars of which are as follows:
(*Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.*)

( ) **D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF $_____,**

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of $_____,
(*Attach a copy of sales agreement and delivery receipts.*)

( ) **E. CLAIM BY WAGE EARNER OF $_____**

( ) That I hereby make a claim under subsection 81.3(8) of the Act in the amount of $_____,
( ) That I hereby make a claim under subsection 81.4(8) of the Act in the amount of $_____,

( ) **F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF $_____.**

That I hereby make a claim under subsection 81.5 of the Act in the amount of $_____.
That I hereby make a claim under subsection 81.6 of the Act in the amount of $_____.

( ) **G. CLAIM AGAINST DIRECTOR $_____,**

(*To be completed when a proposal provides for the compromise of claims against directors.*)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(*Give full particulars of the claim, including the calculations upon which the claim is based.*)

Page 2 →

( ) **H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM $_____**

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(*Give full particulars of the claim, including the calculations upon which the claim is based.*)

5. That, to the best of my knowledge, I am (*or* the above-named creditor is) (*or* am not *or* is not) related to the debtor within the meaning of section 4 of the Act, and have (*or* has) (*or* have not *or* has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (*or, if the creditor and the debtor are related within the meaning of Section 4 of the Act or were not dealing with each other at arm's length,* within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (*Provide details of payments, credits and transfers at undervalue.*)

(***Applicable only in the case of the bankruptcy of an individual.***)
( ) I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____day of _____, 2012.

_____ _____
Creditor Witness

Phone Number: _____

Fax Number: _____

Email Address: _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.
Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

NOTE: If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

INSTRUCTIONS: Instructions on how to complete the proof of claim form can be found at www.boalewood.ca under the forms tab.

FORM 36
GENERAL PROXY
(Where A Creditor is a Corporation, the Proxy Must be Completed and Signed in the Corporate Name)

IN THE MATTER OF THE BANKRUPTCY / PROPOSAL / RECEIVERSHIP OF:

_____,
(Name of Debtor)

WE, _____, of the City of _____ in the Province of
(Name of Corporation)
_____, a creditor in the above matter, hereby appoint

_____ of the _____
(Name of Proxy) *(City & Province)*

to be our general proxy in the above matter except as to the receipt of dividends with / without power to appoint another general proxy in our place.

Dated at the City of _____, in the Province of _____ this ____day of_____,2012.

_____ _____
(Corporate Name) *(Signature of Witness)*

_____ _____
(Address) *(Signature of Proxy Grantor)*

BOALE, WOOD
INSOLVENCY CONSULTANTS & TRUSTEE IN BANKRUPTCY

1140 – 800 W Pender Street
Vancouver, BC V6C 2V6
Tel 604 605 3335
Fax 604 605 3359
www.boalewood.ca

District of: British Columbia
Division No: 3
Court No: B120005
Estate No: 11-253465

FORM 67

Notice of Bankruptcy and First Meeting of Creditors

(Subsection 102(1) of the Act)

In the Matter of the bankruptcy of Jon MURRAY

Take notice that:

1. A bankruptcy order was made against Jon MURRAY on the 9th day of May, 2012, and the undersigned, Boale, Wood & Company Ltd., was appointed as Trustee of the estate of the bankrupt by the court, subject to affirmation by the creditors of the Trustee's appointment or substitution of another Trustee by the creditors.

2. The first meeting of creditors of the bankrupt will be held on the 30th day of May, 2012, at 10:00 AM o'clock, at the office of 2nd Floor Boardroom, at 230 - 830 West Pender Street, Vancouver, British Columbia.

3. To be entitled to vote at the meeting, a creditor must lodge with the Trustee, before the meeting, a proof of claim and, where necessary, a proxy.

4. Enclosed with this notice is a form of proof of claim, a form of proxy, and a list of creditors with claims amounting to 25 dollars or more, showing the amounts of their claims.

5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

6. Included pursuant to paragraph 102(3) of the Act, is information concerning the financial situation of the bankrupt and the obligation of the bankrupt to make payments to the estate of the bankrupt, as required under section 68 of the Act.

Dated at Vancouver, this 17th day of May, 2012.

Boale, Wood & Company Ltd.
Trustee

ACC000416
FILE #8390

Office of the Superintendent of Bankruptcy Canada | Bureau du surintendant des faillites Canada

An Agency of Industry Canada | Un organisme d'Industrie Canada

District of BRITISH COLUMBIA
Division No. 03 - Vancouver
Court No. 11-253465
Estate No. 11-253465

In the Matter of the Bankruptcy of:
JON MURRAY
Debtor

BOALE, WOOD & COMPANY LTD.
Trustee

ORDINARY ADMINISTRATION

Security: $0

Date of Bankruptcy: May 9, 2012

Meeting of Creditors: May 30, 2012, 10:00
1140 - 800 WEST PENDER STREET
VANCOUVER, BRITISH COLUMBIA

Chair: Trustee

Designated Person: JON MURRAY

CERTIFICATE OF FILING OF A BANKRUPTCY ORDER - Section 43

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify, that:

- the aforenamed trustee, filed for my endorsement, a bankruptcy order appointing the trustee under section 43(9) of the Bankruptcy and Insolvency Act, Trustee of the Estate of the aforenamed Debtor;
- provisions for the avoidance of certain settlements and preferences where applicable, begin before the initial bankruptcy event date and end on the date of bankruptcy, both dates included.

The designated person is required:

- to perform all duties imposed upon a bankrupt by the Bankruptcy and Insolvency Act and in particular, attend the first meeting of creditors and upon request appear before the Official Receiver for examination.

The said trustee is required:

- to serve upon the designated person, a copy of the bankruptcy order bearing the Official Receiver's endorsement and where applicable a notice of examination;
- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable to call in the prescribed manner, a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the Official Receiver.

Date: May 16, 2012

for LOUISE LAVOIE

Official Receiver

#2000 - 300 W. Georgia St., Vancouver, BRITISH COLUMBIA, V6B 6E1, 877/376-9902

Canada

ACC000417
FILE #8390

Creditor List **Boale, Wood & Company Ltd.**

Date of Report: 17/05/2012 MURRAY, Jon OSB 11-253465 File 11-253465 VANCOUVER

Claim Status:

Generated By: Marianne Ting

T	Creditor's Name and Address	Ref No	116 Report	Material Change	Amended Payments	Meeting Requested	Amount Declared	Amount Filed	Amount Admitted	CS
S	DORIS EICHSTADT [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$109,000.00	$0.00	$0.00	N
S	RANDOLPH O. PERSSON, TRUSTEE c/o KENWOOD MORTGAGE INVESTMENT, INC. [redacted] Arizona, [redacted] USA	APN 217-34-196-3	☐	☐	☐	☐	$28,000.00	$0.00	$0.00	N
S	RRL IRA HOLDINGS, LLC Attn: Ronda R. Lalonde [redacted] Arizona, [redacted] USA	APN 217-34-196-3	☐	☐	☐	☐	$109,200.00	$0.00	$0.00	N
S	SPENO INVESTMENTS, L.L.C Attn: Mark A. Spence [redacted] Arizona, [redacted] USA	APN 217-34-196-3	☐	☐	☐	☐	$142,800.00	$0.00	$0.00	N
Sub Total for Secured							**$389,000.00**	**$0.00**	**$0.00**	
U	ART PENNER Attn: Wayne Neufeld c/o [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$1.00	$0.00	$0.00	N
U	ART PENNER Attn: William Scott Jenkins Jr. c/o Ryckle Carlock & Applewhite [redacted] Arizona, [redacted] USA		☐	☐	☐	☐	$1.00	$0.00	$0.00	N
U	CARMEN SINCLAIR Attn: Shadrin M. Brooks c/o BTM Lawyers LLP [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$126,000.00	$0.00	$0.00	N
U	GLORIA CARVALHO [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$1.00	$0.00	$0.00	N
U	ROBERT HASELL Attn: Vicki Tipide c/o Fasken Martineau Dumoulin LLP [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$115,322.78	$0.00	$0.00	N
U	TRUDY NGUYEN Attn: Jeff W. Yuen c/o DUSEVIC & CO. [redacted] British Columbia, [redacted] Canada		☐	☐	☐	☐	$1.00	$0.00	$0.00	N
Sub Total for Unsecured							**$241,326.78**	**$0.00**	**$0.00**	
Grand Total							**$630,326.78**	**$0.00**	**$0.00**	

CS (Claim Status): Admitted = A, Disallowed = D, Not Proven = N, Secured Asset Released = S, Partially Disallowed = P, To be Reviewed = R

ACC000418
FILE #8390

BOALE WOOD

TRUSTEE IN BANKRUPTCY
#1140 – 800 West Pender Street
Vancouver, BC V6C 2V6

Tel: (604) 605-3335
Fax: (604) 605-3359
www.boalewood.ca

FORM 31
Proof of Claim
(Section 50.1, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1), and Paragraphs 51(1)(*e*) and 66.14(*b*) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:
[redacted] BC [redacted]

In the Matter of the Bankruptcy (or Proposal, or Receivership) of JON MURRAY
(*Name of debtor*) of [redacted] (*city and province*) [redacted], AZ
and the claim of NICHAL RAM, creditor.

I, NICHAL ARMINDAL RAM (*name of creditor or representative of the creditor*), of [redacted] BC (*city and province*), do hereby certify:

1. That I am a creditor of the above-named debtor (*or* that I am _____ (*state position or title*) of _____ (*name of creditor or representative of the creditor*))
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy (*or* the date of the receivership, *or in the case of a proposal*, the date of the notice of intention *or* of the proposal, *if no notice of intention was filed*), namely the 21 day of DEC, 2012, and still is, indebted to the creditor in the sum of $ 65,000, as specified in the statement of account (*or* affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (***The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.***)
4. (*Check and complete appropriate category.*)

( ) **A. UNSECURED CLAIM OF $** 65,000

(*Other than a securities firm customer as contemplated by Section 262 of the Act*)

That in respect of this debt, I do not hold any assets of the debtor as security and
(*Check appropriate description*)

( ) Regarding the amount of $ 65,000, I claim a right to a priority under section 136 of the Act.
( ) Regarding the amount of $ _____, I do not claim a right to a priority.
(*Set out on an attached sheet details to support priority claim.*)

( ) **B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE $**_____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(*Give full particulars of the claim, including the calculations upon which the claim is based.*)

(X) **C. SECURED CLAIM OF $**_____

That in respect of this debt, I hold assets of the debtor valued at $_____ as security, particulars of which are as follows:
(*Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security document.*)

( ) **D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF $**_____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of $_____.
(*Attach a copy of sales agreement and delivery receipts.*)

( ) **E. CLAIM BY WAGE EARNER OF $**_____

( ) That I hereby make a claim under subsection 81.3(8) of the Act in the amount of $_____.
( ) That I hereby make a claim under subsection 81.4(8) of the Act in the amount of $_____.

( ) **F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF $**_____

That I hereby make a claim under subsection 81.5 of the Act in the amount of $_____.
That I hereby make a claim under subsection 81.6 of the Act in the amount of $_____.

( ) **G. CLAIM AGAINST DIRECTOR $** 65,000

(*To be completed when a proposal provides for the compromise of claims against directors.*)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(*Give full particulars of the claim, including the calculations upon which the claim is based.*)

Page 2 →

( ) **H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM $** _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(*Give full particulars of the claim, including the calculations upon which the claim is based.*)

5. That, to the best of my knowledge, I am (*or* the above-named creditor is) (*or* am not *or* is not) related to the debtor within the meaning of section 4 of the Act, and have (*or* has) (*or* have not *or* has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (*or, if the creditor and the debtor are related within the meaning of Section 4 of the Act or were not dealing with each other at arm's length,* within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (*Provide details of payments, credits and transfers at undervalue.*)

(*Applicable only in the case of the bankruptcy of an individual.*)
( ) I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at SURREY, this 19 day of DEC, 2012.

Creditor Witness

Phone Number: [redacted]
Fax Number:
Email Address: [redacted]

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.
Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

NOTE: If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

INSTRUCTIONS: Instructions on how to complete the proof of claim form can be found at www.boalswood.ca under the forms tab.

FORM 36
GENERAL PROXY
(Where A Creditor is a Corporation, the Proxy Must be Completed and Signed in the Corporate Name)

IN THE MATTER OF THE BANKRUPTCY / PROPOSAL / RECEIVERSHIP OF:

_____,
(Name of Debtor)

WE, _____, of the City of _____ in the Province of
(Name of Corporation)
_____, a creditor in the above matter, hereby appoint

_____ of the _____
(Name of Proxy) *(City & Province)*

to be our general proxy in the above matter except as to the receipt of dividends with / without power to appoint another general proxy in our place.

Dated at the City of _____, in the Province of _____ this _____day of_____,2012.

_____ _____
(Corporate Name) *(Signature of Witness)*

_____ _____
(Address) *(Signature of Proxy Grantor)*

PARTNERSHIP AGREEMENT

General Partner: Jon Murray

Limited Partner: Nischal Ram

Term:
This Agreement shall commence on Monday, October 31st, 2011 and expire at the end of a 12 month term (October 30th, 2012)

Agreement:
General Partner intends to acquire an interest in a fix and flip property offered for sale hereafter as "Property". Both the General Partner and the Limited Partner agree to enter into a partnership to acquirer and resell said property. Limited Partner agrees to supply the funds totalling $65,000 USD to cover cost of purchase, closing costs, agent costs, insurance costs, utility costs, repair costs, carrying costs and any other costs in acquiring, fixing and re-selling the property.

Allocation of funds:
The use of funds is estimated and can change slightly or moderately on a property to property basis. Every transaction is different and the below is only for the sole purpose of projecting the use of funds. The general ``fix and flip`` plan is to use funds the following ways:

1. Approximately $30,000 for down payment on purchase of property
2. Approximately $20,000 for repairs and updates
3. Approximately $5,000 for closing costs and (bid fees if applicable)
4. Approximately $4,500 for carry costs on mortgage at 80% loan to value for a period of 90 days
5. Approximately $500 for utilities and other minor costs

General Partner Responsibilities:

1. To search for and place offers on suitable properties for the sole purpose to `fix and flip` as described in this agreement
2. To secure financing at 80% loan to value and deliver documents to lender for release of funds
3. To hold title with personal guarantee to lender
4. To order insurance for the property
5. To change locks on all doors and secure the property the day of purchase
6. To connect necessary utilities for contractors and for the purpose of inspection by the seller at time of re-sale
7. To order contractor bids for work to be completed
8. To negotiate, approve and monitor contractors and bids
9. To take periodic pictures and give updates to the Limited partner on a constant basis
10. To pay out all contractors when work is completed and all deficiencies are rectified
11. To list the property once completed on the MLS with a licensed realtor
12. To make decisions on offers and negotiate to get the best price the market will allow
13. To complete the transaction and close escrow
14. To pay out profits to Limited Partner within 24 hrs of close of escrow on re-sale

Limited Partner Responsibilities:

1. To Fund $65,000 in USD as capital for the `fix and flip` transaction
2. To keep all discussions, emails and documents with General Partner private and confidential

Compensation:
Limited partner compensation shall be 50% of the net profit, less IRS 15% capital gains withholdings, paid at the time of the resale close of escrow as follows:

Payment Terms:
General Partner and Limited Partner agree that funds at close of escrow on resale of each property will be distributed as follows;

1. Loan pay off, interest payments, closing costs, insurance, taxes, impounds and cooperating agent commissions
2. All utilities
3. All rehab costs not already paid
4. $65,000 USD Limited Partner original capital payed out to Limited Partners trust account with General Partner and held in trust for next property to be "fixed and flipped" inside the 12 month term
5. All additional profit or funds received above and beyond the aforementioned amounts to be split 50/50 by The General Partner and the Limited Partner after a 15% IRS withholding is deducted

Additional Terms: This agreement is only for the Property that the General Partner and Limited Partner have noted in this agreement and it is not applicable to any other properties or projects.

Dispute Resolution: (a) Mediation: Any dispute or claim in law or equity arising out of this Agreement shall be submitted to mediation in accordance with standard mediation practices. (b) Arbitration: If the mediation does not result in the resolution of the dispute, General Partner and Limited Partner agree that the dispute shall be resolved by binding arbitration. The arbitration shall be conducted by a mutually agreed upon arbitrator or if the parties fail to agree upon an arbitrator, the dispute shall be resolved by American Arbitration Association arbitration. Initially, all applicable deposits, arbitrator's fees, filing fees, administrative costs and expenses shall be borne equally by the parties. However, the arbitrator shall be authorized to award or refund all costs and deposits to the prevailing party. The decision of the arbitrator shall be binding, conclusive and may be enforced in any court of competent jurisdiction.

Attorneys' Fees: In any proceeding to enforce the compensation due to either party pursuant to this Agreement the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Arizona Law: This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

Capacity: Limited Partner warrants that the Limited Partner has the legal capacity, full power and authority to enter into this Agreement and consummate the transaction contemplated hereby on the Limited Partners own behalf or on behalf of the party the Limited Partner represents, as appropriate.

Termination: Once executed this Agreement cannot be terminated by either party. It may only be cancelled in writing with consent of both parties.

Entire Agreement: This Agreement and any addenda signed by the parties shall constitute the entire Agreement between the General Partner and the Limited Partner, and shall supersede any other written or oral agreement between the General Partner and the Limited Partner. This Agreement can be modified only by a writing signed by the General Partner and the

Limited Partner.

Acceptance: The General Partner and the Limited Partner hereby agree to all of the terms and conditions herein and acknowledge receipt of a copy of this Agreement.

Limited Partners Signature MO/DA/YR **Limited Partner print name** NISCHAL RAM

Street Address [redacted] City [redacted] Province/Sate B.C. Postal/Zip [redacted]

Telephone [redacted] Fax [redacted]

Email Nischalram@[redacted]

General Partner Signature May 25, 2011 MO/DA/YR **General Partner print name** Jon Murray

Street Address [redacted] City [redacted] State AZ Zip [redacted]

Telephone [redacted] Fax [redacted]

Email jon@[redacted]

Canada Trust

WIRE PAYMENT INSTRUCTIONS

Date: Monday October 31, 2011

Branch: 175

Wire Payment ID: 111031B1363100
Financial Transaction ID: 912074

Wire Payment Amount: 65,000.00 USD
Handling Fees: 80.00 CAD

Sending Customer: MRS ZAVEENA RAM
Street Address: [redacted]
City: [redacted]
Province/State: BC
Country: CANADA (CA)
Sending Customer Reference Account: 175 7138029

Receiving Customer: JONATHON MURRY
Street Address: [redacted]
City: [redacted]
Province/State: AZ
Country: UNITED STATES (US)
Account#: [redacted] 8765
Customer Code:

Settlement Bank: WELLS FARGO
Street Address: 420 MONTOMERY
City: SAN FRANCISCO
Province/State: CA
Country: UNITED STATES (US)
Bank Code:
Intermediary Bank Account#:

TERMS AND CONDITIONS

Wire Payment Instructions: By signing below, the customer confirms that (a) the information set out in the Wire Payment Instructions (the "Form") is accurate and complete and (b) authorizes The Toronto-Dominion Bank (the "Bank") to execute the wire payment based on this information. The customer will not have any recourse to the Bank due to the inaccuracy or insufficiency of any information in the Form. If the Form describes an account number for an account held by someone other than the beneficiary named in the Form, the Bank may execute the wire payment to the account number shown in the Form notwithstanding such inconsistency.

Bank Handling Fees: The customer agrees to pay to the Bank the Handling Fees shown on the Form.

Other Party Fees: The Bank may use the services of its affiliates, a foreign correspondent and/or another third party (the "Other Parties"), acting in each case, as principal and not as the customer's agent, to send wire payments. The customer agrees that the Other Parties may charge a fee for their services, and that these fees, together with any fees charged by the beneficiary bank, might be deducted from the Wire Payment Amount resulting in the beneficiary receiving an amount less than the Wire Payment Amount. These fees are not always known to the Bank. In no event shall the Bank be held liable for any fees so deducted. The customer acknowledges that the Bank may receive revenue as a result of the imposition of these fees charged by the Other Parties or the beneficiary bank.

Foreign Currency Conversions: The customer authorizes the Bank to send the wire payment in the currency of the Wire Payment Amount shown on the Form. If the customer is paying for the Wire Payment Amount in a currency other than the currency of the Wire Payment Amount, the Bank is authorized to convert such currency into the currency of the Wire Payment Amount. The rate of exchange to be used in any such conversion will be determined by the Bank and the customer acknowledges being advised of, and authorizing the rate of exchange. The customer understands that the exchange rate being used may result in revenue being earned on the conversion by the Bank. The customer acknowledges that the beneficiary bank may (a) reject a wire payment or (b) convert the wire payment for any reason, including for the reason that the wire payment was sent in a currency other than the local currency of the beneficiary bank or that the wire payment is not in the currency of the beneficiary's account. Foreign wire payments may be subject to delays for reasons including time-zone issues, the remote location of the beneficiary bank and cultural differences with respect to holidays.

Canada Trust

Date: Monday October 31, 2011
Branch: 175

Wire Payment ID: 111031B1363100
Financial Transaction ID: 912074

Rejected Payments: If a wire payment is sent in a currency other than the currency of the customer's account and such wire payment is subsequently returned for any reason, the Bank may convert the amount of the returned wire payment back to the currency of the customer's account at the exchange rate determined by the Bank at the time of receipt of the funds from the beneficiary bank and if converted, the Bank will credit that converted amount to the customer's account. The customer understands that (a) the exchange rate being used may result in revenue being earned on the conversion by the Bank, (b) the beneficiary bank may charge fees for a rejected wire payment, and (c) the amount to be credited back to the customer's account for a returned wire payment may be more or may be less than the original amount of the wire payment. The Bank will not be liable for any losses the customer may incur due to changes in the foreign currency exchange rates or for any rejection of a wire payment by the beneficiary bank.

Liability: The customer agrees that the Bank shall not be liable to the customer or to any other person for any loss or damage which may be suffered as a result of the Bank sending the wire payment, including as a result of any delay or mistake in sending the wire payment, any rejection of the wire payment by the beneficiary bank or any measures taken by the government of the foreign country, unless the loss or damage is directly caused by the Bank's gross negligence or willful misconduct. The customer agrees that the Other Parties shall not be liable to the customer for any loss or damage which may be suffered as a result of the Bank/Other Parties sending the wire payment, including as a result of any delay or mistake in sending the wire payment, any rejection of the wire payment by the beneficiary bank or any measures taken by the government of the foreign country, unless the loss or damage is directly caused by the Other Parties' gross negligence or willful misconduct. In no event shall the Bank be liable for any act or omission, or any gross negligence or willful misconduct of the Other Parties. The Bank and/or the Other Parties may be required, by their own internal policies and/or by law, to reject or block certain wire payments to specified sanctioned countries or persons. The Bank and/or the Other Parties will not be liable for wire payments that are rejected or for funds that have been ordered blocked by law. Furthermore, the Bank will not be liable for any loss or damage suffered as a result of the insolvency of the Other Parties or the insolvency or acts or omissions of the beneficiary bank. In no event shall the Bank or the Other Parties be liable for any consequential, special, indirect or punitive damages.

The Bank may debit any account the customer has with the Bank with the Wire Payment Amount and the Handling Fees, unless the customer elects a different payment method. The customer agrees to the foregoing terms and conditions.

_____
Customer Signature/Authorized Signature

ACC000425
FILE #8390

Canada Trust

Branch: 0175 SURREY FLEETWOOD
15960 FRASER HIGHWAY UNIT
601
SURREY, BC

Date: Oct 31, 2011, 12:43 PM
Ref #: 009120746 - ZJES
Card #: [redacted]7227

From: [redacted]8029
Debit Memo Wire to
Customer
RAM N Z
65,000.00 USD

To: Wire Payment

JONATHON MURRY

Payment ID
111031B1363100
65,000.00 USD

To: 175-469 Wire Processing
Fee
40.00

To: 175-469 Wire Service Fee
40.00

From: 115-550282
Withdrawal
RAM Z N
80.00

Account Balances:
[redacted]8029: 6,264.18 USD
[redacted]0282: 13,934.91

Banking can be this comfortable

Canada Trust

[illegible] SURREY FLEETWOOD
[illegible] FRASER HIGHWAY UNIT
[illegible]
SURREY, BC

[illegible] PM
[illegible] - ZPAR
[illegible]7227

[illegible]
[illegible] Transfer
[illegible]
65,000.00

[illegible]
[illegible] Transfer
[illegible]
65,000.00 USD

[illegible] Ref
[illegible]
[illegible] 1.000000
[illegible]

[illegible] can be this comfortable

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20120311962 04/13/2012 04:41
ELECTRONIC RECORDING

1334360137185-2-3-1--
leonardil

STEWART TITLE & TRUST OF PHOENIX
RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:

TRUE NORTH, LLC
11259 E. VIA LINDA SUITE 100
SCOTTSDALE, AZ 85259

ESCROW NO.: **11112780 011 BAH**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

Fannie Mae, A/K/A Federal National Mortgage Association, organized and existing under the laws of the United States of America

do/does hereby convey to

True North, LLC, an Arizona limited liability company

the following real property situated in **Maricopa** County, **ARIZONA**:

Lot 34, SAGUARO CANYON, according to Book 579 of Maps, Page 9, records of Maricopa County, Arizona.

GRANTEE HEREIN SHALL BE PROHIBITED FROM CONVEYING CAPTIONED PROPERTY TO A BONAFIDE PURCHASER FOR VALUE FOR A SALES PRICE OF GREATER THAN **$193,200.00** FOR A PERIOD OF **3** MONTHS FROM THE DATE OF THIS DEED. GRANTEE SHALL ALSO BE PROHIBITED FROM ENCUMBERING SUBJECT PROPERTY WITH A SECURITY INTEREST IN THE PRINCIPAL AMOUNT OF GREATER THAN **$193,200.00** FOR A PERIOD OF **3** MONTHS FROM THE DATE OF THIS DEED. THESE RESTRICTIONS SHALL RUN WITH THE LAND AND ARE NOT PERSONAL TO GRANTEE. THIS RESTRICTION SHALL TERMINATE IMMEDIATELY UPON CONVEYANCE AT ANY FORECLOSURE SALE RELATED TO A MORTGAGE OR DEED OF TRUST

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this 4/13/2

EXHIBIT
S-54
ADMITTED

spwarr01

http://recorder.maricopa.gov/cert.aspx?id=113654 [20120311962] 3 Pages

Escrow No.: **11112780**

SELLER:

Fannie Mae A/K/A Federal National Mortgage Association, organized and existing under the laws of the United States of America
By: Stewart Title Company, Attorney in Fact

By: RICHARD LARSEN,
Assistant Secretary

State of **ARIZONA** } ss

County of **Maricopa**

On 4-13-12, before me, the undersigned, a Notary Public in and for said County and State, personally appeared RICHARD LARSEN as Assistant Secretary of Stewart Title Company as Attorney in Fact for Fannie Mae A/K/A Federal National Mortgage Association, organized and existing under the laws of the United States of America,

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.

WITNESS my hand and official seal.

Signature

For Notary Seal Or Stamp

OFFICIAL SEAL
PATTI LARSEN
Notary Public - Arizona
Maricopa County
Expires Feb. 7, 2015

http://recorder.maricopa.gov/cert.aspx?id=113654 [20120311962] 3 Pages

20120311962
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 02:15:22 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113654

http://recorder.maricopa.gov/cert.aspx?id=113654 [20120311962] 3 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20120311962 04/13/2012 04:41
ELECTRONIC RECORDING
SALES AFFIDAVIT
1334360137185-1-3-2-Y-
leonardil

AFFIDAVIT OF PROPERTY VALU

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(s)

Primary Parcel: 303-42-467
BOOK MAP PARCEL SPLIT LETTER

Does this sale include any parcels that are being split / divided?

Check one: Yes ☐ No ☑

How many parcels, other than the Primary Parcel, are included in this sale? _____

Please list the additional parcels below (no more than four):

(1) (3)

(2) (4)

9. FOR OFFIC

(a) County of Re

(b) Docket & Pag

(c) Date of Reco

(d) Fee/Recordin

Validation Codes:

(e) ASSESSOR _____ (f) DOR _____

ASSESSOR'S USE ONLY

Verify Primary Parcel in Item 1: _____-_____-_____-_____

Use Code: Full Cash Value: $

2. SELLER'S NAME AND ADDRESS

Fannie Mae, A/K/A Federal National Mortgage Association, organized and existing under the laws of the United States of America

14221 Dallas Parkway, Dallas, TX 75254

10. TYPE OF DEED OR INSTRUMENT (Check Only One Box):

a. ☐ Warranty Deed d. ☐ Contract or Agreement

b. ☑ Special Warranty Deed e. ☐ Quit Claim Deed

c. ☐ Joint Tenancy Deed f. ☐ Other:

3. (a) BUYER'S NAME AND ADDRESS:

True North, LLC

11259 E. via Linda Suite 100

Scottsdale, AZ 85259

(b) Are the Buyer and Seller related? Yes ____ No ✓✓

If Yes, state relationship:

11. SALE PRICE: $ 161,000.00

12. DATE OF SALE (Numeric Digits): 04 / 2012
Month Year

(For example: 03 / 05 for March 2005)

13. DOWN PAYMENT: $ 16,100.00

14. METHOD OF FINANCING:

a. ☐ Cash (100% of Sale Price)

b. ☐ Exchange or Trade

c. ☐ Assumption of existing loan(s)

d. ☐ Seller Loan (Carryback)

e. ☐ New loan(s) from financial institution:

(1) ☐ Conventional

(2) ☐ VA

(3) ☐ FHA

f. ☑ Other financing; Specify:

hard money lender

4. ADDRESS OF PROPERTY:

1935 E Aloe Pl, Chandler, AZ 85249

5. MAIL TAX BILL TO:

True North, LLC

11259 E. via Linda Suite 100Scottsdale, AZ 85259

6. PROPERTY TYPE (for Primary Parcel): NOTE: Check Only One Box

a. ☐ Vacant Land

b. ☑ Single Family Residence

c. ☐ Condo or Townhouse

d. ☐ 2-4 Plex

e. ☐ Apartment Building

f. ☐ Commercial or Industrial Use

g. ☐ Agricultural

h ☐ Mobile or Manufactured Home

i. ☐ Other Use; Specify:

15. PERSONAL PROPERTY *(see reverse side for definition):*

(a) Did the Sale Price in Item #11 include Personal Property that impacted the Sale Price by 5% or more? Yes ____ No ✓✓

(b) If Yes, provide the dollar amount of the Personal Property:

$ _____ 00 AND

briefly describe the Personal Property: none

7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in Item 6 above, please check one of the following:

☐ To be occupied by owner or "family member."

☑ To be rented to someone Other than "family member."

See reverse side for definition of a "family member."

16. PARTIAL INTEREST: If only a partial ownership interest is being sold, Briefly describe the partial interest: none

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):

Stewart Title & Trust of Phoenix, Inc.

244 W. Osborn Rd Phoenix, AZ 85013

Phone (602) 462-8000

8. NUMBER OF UNITS: _____

For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

18. LEGAL DESCRIPTION *(attach copy if necessary)*

Lot(s) 34, of SAGUARO CANYON, Map Book 579, Map Page 9

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller/Agent

State of Arizona, County of Maricopa

Subscribed and sworn to before me this 13 day of April, 2012

Notary Public

Notary Expiration Date

OFFICIAL SEAL
PATTI LARSEN
Notary Public - Arizona
Maricopa County
Expires Feb. 7, 2015

Signature of Buyer/Agent

State of Arizona, County of Maricopa

Subscribed and sworn to before me this 13 day of April, 2012

Notary Public

Notary Expiration Date

OFFICIAL SEAL
PATTI LARSEN
Notary Public - Arizona
Maricopa County
Expires Feb. 7, 2015

http://recorder.maricopa.gov/cert.aspx?id=113655 [20120311962] 2 Pages

20120311962
I hereby certify that this is an
electronically prepared
copy of a filed affidavit at the
Maricopa County Recorder's Office

HELEN PURCELL, County Recorder
In and for the county of
Maricopa, state of Arizona
11/01/2013 02:16:43 PM

By Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113655

http://recorder.maricopa.gov/cert.aspx?id=113655 [20120311962] 2 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20121077818 11/28/2012 12:26
ELECTRONIC RECORDING

RECORDING REQUESTED BY
Magnus Title Agency
AND WHEN RECORDED MAIL TO:
RICK J. GILROY

4032358-1-4-2--
ramirezp

ESCROW NO.: **04032358 - 742 - SC3**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

2/3

Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,
True North, LLC, an Arizona limited liability company
do/does hereby convey to
Rick J. Gilroy, An Unmarried Man
the following real property situated in Maricopa County, ARIZONA:

Lot 34, **SAGUARO CANYON**, according to Book 579 of Maps, page 9; and Affidavit of Correction recorded February 27, 2002 in instrument No. 2002-0199791, records of Maricopa County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record. And I or we do warrant the title against all persons whomsoever, subject to the matters set forth above.

Dated: November 14, 2012

SELLER:

True North, LLC, An Arizona Limited Liability Company

By: Jonathon Murray
Its: Member

EXHIBIT
S-55
ADMITTED

State of **ARIZONA** }ss:
County of **Maricopa**

On 11/20/2012, before me,
The Undersigned Trudell Kolpack,
a Notary Public in and for said County and State, personally appeared **True North, LLC, an Arizona limited liability company, by Jonathon Murray, its Member**
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

FOR NOTARY SEAL OR STAMP

Trudell Kolpack
NOTARY PUBLIC -- ARIZONA
MARICOPA COUNTY
My Commission Expires
August 3, 2013

RESCLPKG

http://recorder.maricopa.gov/cert.aspx?id=113656 [20121077818] 2 Pages

20121077818
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 02:19:27 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113656

http://recorder.maricopa.gov/cert.aspx?id=113656 [20121077818] 2 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20121077818 11/28/2012 12:26
ELECTRONIC RECORDING
SALES AFFIDAVIT
4032358-1-4-3-Y-
ramirezp

Magnus Title Agency

AFFIDAVIT OF PROPERTY VALUE

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(S)

Primary Parcel:	303-42-467			
	BOOK	MAP	PARCEL	SPLIT

Does this sale include any parcels that are being split / divided?
Check one: Yes ☐ No ☑

How many parcels, other than the Primary Parcel, are included in this sale? _____

Please list the additional parcels below (attach list if necessary):

(1) _____ (2) _____

(3) _____ (4) _____

2. SELLER'S NAME AND ADDRESS:
True North, LLC, an Arizona limited liability company
11259 East Via Linda, #100
Scottsdale, AZ 85259

3. (a) BUYER'S NAME AND ADDRESS:
Rick J. Gilroy
2600 East Springfield Place, Unit 73
Chandler, AZ 85286

(b) Are the Buyer and Seller related? Yes ☐ No ☑
If Yes, state relationship:

4. ADDRESS OF PROPERTY:
1935 East Aloe Place
Chandler, AZ 85286

5. MAIL TAX BILL TO:
Rick J. Gilroy
1935 East Aloe Place
Chandler, AZ 85286

6. PROPERTY TYPE (for Primary Parcel): NOTE: Check Only One Box
a. ☐ Vacant Land
b. ☑ Single Family Resident
c. ☐ Condo or Townhouse
d. ☐ 2-4 Plex
e. ☐ Apartment Building
f. ☐ Commercial or Industrial Use
g. ☐ Agricultural
h. ☐ Mobile or Manufactured Home ☐ Affixed ☐ Not Affixed
i. ☐ Other Use; Specify:

7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in Item 6 above, please check one of the following:
☑ To be used as a primary residence.
☐ Owner occupied, not a primary residence.
☐ To be rented to someone other than a "family member."
See reverse side for definition of a "primary residence" or "family member."

8. If you checked e or f in Item 6 above, indicate the number of units: _
For Apartments, Motels / Hotels, Mobile Home / RV Parks, etc.

9. TYPE OF DEED OR INSTRUMENT (Check Only One Box):
a. ☑ Warranty Deed
b. ☐ Special Warranty Deed
c. ☐ Joint Tenancy Deed
d. ☐ Contract or Agreement
e. ☐ Quit Claim Deed
f. ☐ Other:

10. **SALE PRICE:** $ **234,900.00**

11. DATE OF SALE (Numeric Digits): 11/12
Month / Year

12. DOWN PAYMENT $ 8221.50

13. METHOD OF FINANCING:
a. ☐ Cash (100% of Sale Price)
b. ☐ Barter or trade
c. ☐ Assumption of existing loan(s)
d. ☐ Seller Loan (Carryback)
e. ☑ New loan(s) from financial institution:
(1) ☐ Conventional
(2) ☐ VA
(3) ☑ FHA
f. ☐ Other financing; Specify:

14. PERSONAL PROPERTY (see reverse side for definition):
(a) Did the Sale Price in Item 10 include Personal Property that impacted the Sale Price by 5 percent or more? Yes ☐ No ☑
(b) If Yes, provide the dollar amount of the Personal Property:

$	0	00	AND

briefly describe the Personal Property: none

15. PARTIAL INTEREST: If only a partial ownership interest is being sold, briefly describe the partial interest: none

16. SOLAR / ENERGY EFFICIENT COMPONENTS:
(a) Did the Sale price in Item 10 include solar energy devises, energy efficient building components, renewable energy equipment or combined heat and power systems that impacted the Sale Price by 5 percent or more? Yes ☐ No ☑
If Yes, briefly describe the solar / energy efficient components:
none

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone Number):
True North, LLC, an Arizona limited liability company
11259 East Via Linda, #100, Scottsdale, AZ 85259

18. LEGAL DESCRIPTION (attach copy if necessary):
Lot(s) 34, of Saguaro Canyon, Map Book 579, Map Page 09

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller / Agent
State of Arizona, County of Pinal
Subscribed and sworn to before me on this 27 day of Nov 2012
Notary Public Cyr
Notary Expiration Date 2/16/15

OFFICIAL SEAL
STACEY CYR
NOTARY PUBLIC - State of Arizona
PINAL COUNTY
My Comm. Expires Feb. 16, 2015

Signature of Buyer / Agent
State of Arizona, County of Pinal
Subscribed and sworn to before me on this 27 day of Nov 2012
Notary Public Cyr
Notary Expiration Date 2/16/15

OFFICIAL SEAL
STACEY CYR
NOTARY PUBLIC - State of Arizona
PINAL COUNTY
My Comm. Expires Feb. 16, 2015

DOR FORM 82162 (01/2012)

http://recorder.maricopa.gov/cert.aspx?id=113657 [20121077818] 2 Pages

20121077818
I hereby certify that this is an
electronically prepared
copy of a filed affidavit at the
Maricopa County Recorder's Office

HELEN PURCELL, County Recorder
In and for the county of
Maricopa, state of Arizona
11/01/2013 02:20:35 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113657

http://recorder.maricopa.gov/cert.aspx?id=113657 [20121077818] 2 Pages

Form Print on7/9/2013 12:56:51 PM

open solutions

JEFF JOHN COLEMAN
[redacted], BC [redacted]
CANADA

Phone #: [redacted]
DOB: [redacted]

Share Account Number: [redacted]7602
Member Since: [redacted]
Gender: Male(Male)

Relationship Profile - COLEMAN, J.

Transaction Detail

Account Number	[redacted]4168	Status	Completed	Cash Box Number	64
Transaction Number	58	Parent Account Number	[redacted]8844	Queue / Application	
Hold Account Number		Parent Transaction Number	4139	Originating Person	LEANNE MARIE SWAAN (155)
Amount	(15,004.29)	Reversed Transaction Number		Approving Person	
Type	Internal Withdrawal	Pre-Authorized Transaction / Instance Number		Transaction Description	$14350.00 USD WIRE TO JONATHON MURRAY- ARIZONA
				Confirmation Number	
				Offline	No

Check Info

Check Number		Trace Number	
Returning Institution Name		Maker	
Return Reason			
Returning Institution ABA Name			

Retirement Info

Date / Time

Activity Date	31-Dec-2011
Activity Time	11:20:12 AM
Post Date	31-Dec-2011
Effective Date	31-Dec-2011

Description Info

Description: $14350.00 USD WIRE TO JONATHON MURRAY- ARIZONA

Transaction / Balance Detail

Transaction / Balance Description	Transaction Amount	Status
Note Balance	(15,004.29) (CAD)	Completed

EXHIBIT S-56 ADMITTED

ACC003334
FILE #8390

From: jeff c
To: Dee Morin
Subject: RE:
Date: Tuesday, July 16, 2013 3:41:42 PM

---

the other part which is hard to prove is 2000 cash which wasn't in his name, the other check for 3000 went to Jack Weatherall

---

From: dmorin@azcc.gov
To: jeff32_1@[redacted]
Date: Tue, 16 Jul 2013 14:32:31 -0700
Subject: RE: RE:

Yes we do, If it is easier to scan and e-mail please do that.

Fax (602) 714-8120

From: jeff c [mailto:jeff32_1@[redacted]
Sent: Tuesday, July 16, 2013 10:37 AM
To: Dee Morin
Subject: RE:

do you have a fax number

From: dmorin@azcc.gov
To: jeff32_1@[redacted]
Date: Tue, 16 Jul 2013 08:37:37 -0700
Subject: RE:
Hi Jeff,

If you can email that information, I would really appreciate it. Thanks Jeff.

EXHIBIT
S-57
ADMITTED

From: jeff c [mailto:jeff32_1@[redacted]
Sent: Sunday, July 14, 2013 7:01 PM
To: Dee Morin
Subject:

hi Dee I have been able to get proof of my transactions to Jon Murray from my bank into his account

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e-mail postmaster@azcc.gov ==========

========== This footnote confirms that this email message has been scanned to detect malicious content. If you experience problems, please e-mail postmaster@azcc.gov ==========

From: Michael Martin
To: Stacy Luedtke
Subject: Fw: Fwd: 8607 N. 53rd Drive
Date: Wednesday, April 10, 2013 9:28:05 PM

----- Forwarded Message -----
From: Michael Martin <m.martin3@[redacted]>
To: Jon Murray 1-800-975-6370 Ext 2 <jon@jowen.ca>
Sent: Saturday, September 8, 2012 3:15 PM
Subject: Re: Fwd: 8607 N. 53rd Drive

Looks great! Thanks, Jon

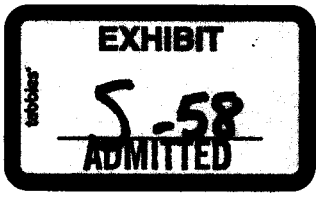
From: Jon Murray 1-800-975-6370 Ext 2 <jon@jowen.ca>
To: "m.martin3@[redacted]" <m.martin3@[redacted]>
Sent: Saturday, September 8, 2012 2:59 PM
Subject: Fwd: 8607 N. 53rd Drive

Let me know if you have any troubles viewing it!

Jon

Follow this link to see the page:

Click to view listing(s)



From: Michael Martin
To: Stacy Luedtke
Subject: Re: Arizona Corporation Commission Inquiry
Date: Wednesday, April 10, 2013 8:46:39 PM
Attachments: contract pg1.pdf
contract pg2.pdf
contract pg3.pdf
investment check.pdf

Ms. Luedtke,

Attached is the executed contract as well as the check made out to Mr. Murray. I will also forward some emails between Jon and I had. I also have Facebook messages, would you like a copy of those as well?

Here is my home address:

[redacted] AZ. [redacted]

Thank you,

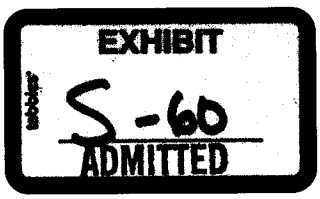
Michael Martin
[redacted]

From: Stacy Luedtke <SLuedtke@azcc.gov>
To: "'m.martin3@[redacted]'" <m.martin3@[redacted]
Sent: Tuesday, April 9, 2013 2:41 PM
Subject: Arizona Corporation Commission Inquiry

Mr. Martin –
Thank you for speaking with my investigator, Mr. Morin, about your investment. Can you please provide your home address as well as a fully executed copy of your investment contract with Mr. Murray? If you have any email correspondence with Mr. Murray, please forward that as well. Thank you again.

Stacy L. Luedtke
Staff Attorney
Arizona Corporation Commission,
Securities Division
1300 W. Washington, 3rd Floor
Phoenix, AZ 85007
(602) 364-0790 (direct line)

This message and any of the attached documents contain information from the Office of the Securities Division of the Arizona Corporation Commission, that may be confidential and/or privileged. If you are not the intended recipient, you may not read, copy, distribute, or use this information, and no privilege has been waived by your inadvertent receipt. If you have received this transmission in error, please notify the sender by reply e-mail and then delete this message. Thank you.



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PARTNERSHIP AGREEMENT

General Partner: Jon Murray

Limited Partner: Michael Martin

Term:
This Agreement shall commence on Monday January 30, 2012 and expire at the end of a 12 month term with original capital and any profits being returned to the limited partner.

Agreement:
General Partner intends to acquire an interest in a fix and flip property offered for sale hereafter as "Property". Both the General Partner and the Limited Partner agree to enter into a partnership to acquirer and resell said property. Limited Partner agrees to supply the funds totalling $25,000 USD to cover half the cost of purchase, closing costs, agent costs, insurance costs, utility costs, repair costs, carrying costs and any other costs in acquiring, fixing and re-selling the property. The average cost to fix and flip each property is $50,000.

Allocation of funds:
The use of funds is estimated and can change slightly or moderately on a property to property basis. Every transaction is different and the below is only for the sole purpose of projecting the use of funds.. The general ``fix and flip`` plan is to use funds the following ways:

1. Approximately $20,000 for down payment on purchase of property
2. Approximately $20,000 for repairs and updates
3. Approximately $5,000 for closing costs and (bid fees if applicable)
4. Approximately $4,500 for carry costs on mortgage at 80% loan to value for a period of 90 days
5. Approximately $500 for utilities and other minor costs

General Partner Responsibilities:

1. To search for and place offers on suitable properties for the sole purpose to `fix and flip` as described in this agreement
2. To secure financing at 80% loan to value and deliver documents to lender for release of funds
3. To hold title with personal guarantee to lender
4. To order insurance for the property
5. To change locks on all doors and secure the property the day of purchase
6. To connect necessary utilities for contractors and for the purpose of inspection by the seller at time of re-sale
7. To order contractor bids for work to be completed
8. To negotiate, approve and monitor contractors and bids
9. To take periodic pictures and give updates to the Limited partner on a constant basis
10. To pay out all contractors when work is completed and all deficiencies are rectified
11. To list the property once completed on the MLS with a licensed realtor
12. To make decisions on offers and negotiate to get the best price the market will allow
13. To complete the transaction and close escrow
14. To pay out profits to Limited Partner within 24 hrs of close of escrow on re-sale

Limited Partner Responsibilities:

1. To Fund $25,000 in USD as capital for the `fix and flip` transaction
2. To keep all discussions, emails and documents with General Partner private and confidential

Compensation:
Limited partner compensation shall be 25% of the net profit, less IRS 15% capital gains withholdings, paid at the time of the resale close of escrow as follows:

Payment Terms:
General Partner and Limited Partner agree that funds at close of escrow on resale of each property will be distributed as follows;

1. Loan pay off, interest payments, closing costs, insurance, taxes, impounds and cooperating agent commissions
2. All utilities
3. All rehab costs not already paid
4. $25,000 USD Limited Partner original capital paid out to Limited Partners trust account with General Partner and held in trust for next property to be "fixed and flipped" inside the 12 month term
5. All additional profit or funds received above and beyond the aforementioned amounts to be split 25/75 by The General Partner and the Limited Partner after a 15% IRS withholding is deducted

Additional Terms: This agreement is only for the Property (or properties) that the General Partner and Limited Partner have noted in this agreement and it is not applicable to any other properties or projects.

Dispute Resolution: (a) Mediation: Any dispute or claim in law or equity arising out of this Agreement shall be submitted to mediation in accordance with standard mediation practices. (b) Arbitration: If the mediation does not result in the resolution of the dispute, General Partner and Limited Partner agree that the dispute shall be resolved by binding arbitration. The arbitration shall be conducted by a mutually agreed upon arbitrator or if the parties fail to agree upon an arbitrator, the dispute shall be resolved by American Arbitration Association arbitration. Initially, all applicable deposits, arbitrator's fees, filing fees, administrative costs and expenses shall be borne equally by the parties. However, the arbitrator shall be authorized to award or refund all costs and deposits to the prevailing party. The decision of the arbitrator shall be binding, conclusive and may be enforced in any court of competent jurisdiction.

Attorneys' Fees: In any proceeding to enforce the compensation due to either party pursuant to this Agreement the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Arizona Law: This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

Capacity: Limited Partner warrants that the Limited Partner has the legal capacity, full power and authority to enter into this Agreement and consummate the transaction contemplated hereby on the Limited Partners own behalf or on behalf of the party the Limited Partner represents, as appropriate.

Termination: Once executed this Agreement cannot be terminated by either party. It may only be cancelled in writing with consent of both parties.

Entire Agreement: This Agreement and any addenda signed by the parties shall constitute the entire Agreement between the General Partner and the Limited Partner, and shall supersede any other written or oral agreement between the General

ACC003514
FILE #8390

Partner and the Limited Partner. This Agreement can be modified only by a writing signed by the General Partner and the Limited Partner.

Acceptance: The General Partner and the Limited Partner hereby agree to all of the terms and conditions herein and acknowledge receipt of a copy of this Agreement.

01/30/12

Limited Partners Signature MO/DA/YR

Michael Martin

Limited Partner print name

[redacted]

Street Address

City

AZ

Province/Sate

[redacted]

Postal/Zip

[redacted]

Telephone

Fax

m.martin3@[redacted]

Email

January 30, 2012

General Partner Signature MO/DA/YR

Jon Murray

General Partner print name

[redacted]

Street Address

[redacted]

City

AZ

State

[redacted]

Zip

1-800-975-6370

Telephone

1-800-975-6370

Fax

jon@[redacted]

Email

Bank of America

Cashier's Check

No. 009438530

Notice to Purchaser - In the event this check is lost, misplaced or stolen, a sworn statement and 90-day waiting period will be required prior to replacement. This check should be negotiated within 90 days.

Date JANUARY 30, 2012

91-170/1221
NAZ

Banking Center OLD TOWN SCOTTSDALE

3330434 00002 0009438530

MICHAEL MARTIN
Remitter (Purchased By)

03-14-37/4H 09-2005

Pay **TWENTY FIVE THOUSAND DOLLARS AND 00 CENTS**

$ **25000.00**

To The Order Of **JON MURRAY**
REAL ESTATE INVESTMENT

Non-Negotiable

Authorized Signature

Bank of America, N.A.
Phoenix, AZ

VOID AFTER 90 DAYS

Customer Copy
Retain For Your Records

252563682

ACC003516
FILE #8390

Dee Morin

From: Eric & Jenny [jener@[redacted]
Sent: Friday, March 29, 2013 11:32 AM
To: Dee Morin
Subject: Re: Dee Morin - Special Investigator - AZCC Securities Division
Attachments: Prom Note - Eric and Jen Popma 2013.pdf; Prom Note - Eric and Jen Popma.2012,pdf.pdf

Dee Morin:

Enclosed are the two agreements we have with Jon Murray, one for last year, and a repeat for the current year. We have signed, and scanned a copy back to Jon, and can send you these as well, if they are of any value. However, a scanned copy from our scanner is not very clear.

As stated in our telephone conversation, Jon has not yet paid the interest payment for the past year.

Please keep us in touch with your process,

Thanks,
Eric & Jen Popma

----- Original Message -----
From: Dee Morin
To: 'jener@[redacted]
Sent: Friday, March 29, 2013 10:55 AM
Subject: FW: Dee Morin - Special Investigator - AZCC Securities Division

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From: Dee Morin
Sent: Friday, March 29, 2013 10:48 AM
To: 'Jenner@[redacted]
Subject: Dee Morin - Special Investigator - AZCC Securities Division

Mr. Pompa,

This is Dee Morin. Just verifying that you are speaking to an actual representative of the Securities Division.

Dee Morin
Special Investigator
Arizona Corporation Commission, Securities Division
1300 W. Washington St., Third Floor
Phoenix, AZ 85007
Direct: (602) 364- 1027
E-mail: dmorin@azcc.gov

Note: This e-mail may contain PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual(s) to whom it is addressed. If you are not an intended recipient of this e-mail, you are hereby notified that any unauthorized use, dissemination or copying of this e-mail or the information contained in it or attached to it is strictly prohibited. If you have received this e-mail in error, please delete it and immediately notify the person named above by reply e-mail. THANK YOU.

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Jon Murray Promissory Note

Date: February 27, 2013

Lender:
Name: Eric & Jen Popma[redacted]

Borrower:
Name: Jon Murray [redacted]
[redacted], Arizona
[redacted]

Advance Date: February 28, 2013

Payment Provisions:

Principal Amount:	$50,000.00 USD
Term:	12 Months
Borrowing Fee:	18% calculated annually
Total Principle & Interest	$59,000.00
Repayment Date:	February 27, 2014 (no payments need to be made until due date)
Collateral:	Personal Guarantee by Jon Murray

Jon Murray has agreed to payout the loan, plus borrowing fee on or before February 27, 2014 without any early payment fees/penalties.

Lender: **Eric & Jen Popma** X _____

X _____

Borrower: **Jon Murray** X _____

ACC001927
FILE #8390

Jon Murray Promissory Note

Date: February 26, 2012

Lender:
Name: Eric & Jen Popma [redacted]

Borrower:
Name: Jon Murray [redacted]
[redacted] Arizona
[redacted]

Advance Date: February 28, 2012

Payment Provisions:

Principal Amount:	$50,000.00 USD
Term:	12 Months
Borrowing Fee:	18% calculated annually
Total Principle & Interest	$59,000.00
Repayment Date:	February 27, 2013 (no payments need to be made until due date)
Collateral:	Personal Guarantee by Jon Murray

Jon Murray has agreed to payout the loan, plus borrowing fee on or before February 26, 2012 without any early payment fees/penalties.

Lender: **Eric & Jen Popma** X _____

X _____

Borrower: **Jon Murray** X _____

Dee Morin

From: Brian Guenther [brianguenther@[redacted]
Sent: Saturday, March 30, 2013 7:31 AM
To: Stacy Luedtke
Subject: FW: Lending options

Attachments: Facebook links to fixers.docx; References of Jon Murray.pdf

Facebook links to fixers.docx ...

References of Jon Murray.pdf (...

Hi Stacy,

This was the email I got asking if I would be interested in investing with Jon.

Brian Guenther
[redacted]

-----Original Message-----
From: Jon Murray [mailto:jonm@[redacted]
Sent: June-29-12 10:27 AM
To: brianguenther@[redacted]
Subject: Lending options

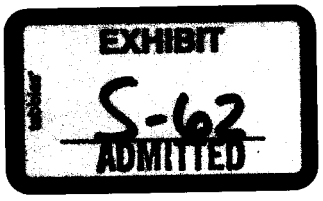
Brian,

It was great talking with you this morning.

As far as our lending program, we are currently seeking capital for our fix and flip ventures and are presently offering two options...

1. We can provide secured opportunities that will produce you 12% (calculated annually) on the homes we are buying, rehabbing and re-selling.
The turnaround time on each property varies between 60 days to 6 months, depending on the size of the project and the price point of the property.
The secured funds are directed to the closing title company which secures the note on title. When the property is resold, you are paid out from the closing funds directly from the title company as this would be structured as a mortgage. The LTV (loan to value), does not exceed 80% of the ARV (After repair value). We pay all closing costs on this secured note, so you will have no hidden costs. This option pays out 1% monthly (12% annually) while the funds are being used and the note is on a title of a home.

2. We can provide unsecured opportunities that will produce 18% (calculated annually) on a one year term by way of promissory note. This second option pays out 1.5% monthly (18% annually) for the duration of the one year term.
The note is personally guaranteed by myself and may be rolled into larger joint venture projects with us at the end of the term, if you so choose.



Please keep in mind that in the first option, the rate is only paid out when the funds are on title of a property and that the rate could be significantly lower annually if there are any periods between the time of payout and securing the next property. For example; if we buy the first property with you and you fund it on January 1st for 4 months and then the next one you fund is 30 days after the closing of the first property and it sells within 6 months, your money is only working with us for 10 months equaling a 10% return annually. The second option produces you 18% regardless of down time between properties at our end.

I have attached a list of a few homes we have fixed and flipped recently as well as some references you are welcome to contact.

If you have any further questions, please do not hesitate to call.

Success in all your endeavors,

Jon Murray
"Mr. Fixer"
1-800-975-6370 ext 2

ACC002112
FILE #8390

Facebook links to fixers!

Southshore 1 (profit 52k)
http://www.facebook.com/media/set/?set=a.499152981548.269086.622311548&l=fbc3e6e2ac

Saratoga (profit 25k)
http://www.facebook.com/media/set/?set=a.495414301548.267198.622311548&l=0346d49855

Southshore 2 (profit 45k)
http://www.facebook.com/media/set/?set=a.10150144364596549.282407.622311548&l=5395120973

Palo Verde (profit 12k)
http://www.facebook.com/media/set/?set=a.473929881548.254297.622311548&l=f472e3128d

81st (profit 35k)
http://www.facebook.com/media/set/?set=a.10150144358356549.282403.622311548&l=cbbcf0bc36

Sunset (profit 18k)
http://www.facebook.com/media/set/?set=a.10150189311516549.304144.622311548&l=f259fb5372

References of Jon Murray

The names and contact information contained in this document are held in the strictest level of confidence. The purpose of the reader of this document having the below names and contact information is for the sole purpose of making a decision whether to execute a business relationship with Jon Murray and or his company. The reader agrees not to sell, share, use this information other than purpose stated. Please be sensitive to the parties listed below' time when contacting.

Rejean Julien – Investor/Mentee
[redacted]
rejeandaman@[redacted]

Dan Moore – Investor/Mentee
[redacted]
dewalt@[redacted]

Eric Popma – Investor/Family Friend
[redacted]
jener@[redacted]

Dan Lemond – Investor/Mentee
[redacted]
dlsummit@[redacted]

Dee Morin

From: Brian Guenther [brianguenther@[redacted]
Sent: Saturday, March 30, 2013 7:37 AM
To: Stacy Luedtke
Subject: FW: RE: Prom note
Attachments: CCE13072012_00000.jpg

Hi Stacy,

This is when I sent the note back to him

Brian Guenther
[redacted]

From: Brian Guenther [mailto:brianguenther@[redacted]
Sent: July-13-12 11:31 AM
To: Jon Murray (jon@jowen.ca)
Subject: RE: Prom note

Hi Jon,

Attached please find the signed prom note.
I talked to my bank and ordered the wire to be sent but I deal with the Manulife Bank and they are based out of Ontario, so when I talked to them it was 11:00 am Friday and they said it was to late for them to send a wire out today, I guess it had to go out by 1:00 their time.
So the wire will take place on Monday and is all set to go. The bank said their will be a $50.00 fee for the wire.
Please let me know if there are any problems and make sure you repay me as I can not afford to lose that much money.

Brian Guenther
[redacted]

EXHIBIT
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ADMITTED

ACC002125
FILE #8390

Lender:
Name: Brian Guenther
[redacted]

Borrower:
Name: Jon Murray [redacted]
[redacted] Arizona
[redacted]

Advance Date: July 12, 2012

Payment Provisions:

Principal Amount:	$200,000.00 USD
Term:	12 Months
Rate:	20% (Calculated annually)
Interest Amount:	$40,000.00 USD
Monthly Payment amount:	$3,333.33
Per Diem:	$109.59
Principle Repayment Date:	July 11, 2013
Collateral:	Personal Guarantee by Jon Murray

Jon Murray has agreed to payout the loan, on or before July 11, 2013 JM without any early payment fees/penalties. If loan is not paid out in full by July 11, 2013, the rate on any balance escalates to 30% annually.

Lender: **Brian Guenther** X Brian Guenther

Borrower: **Jon Murray** X

Witness: **Rejean Julien** X

Notary:

Notary for Jon Murray

STATE OF ARIZONA
COUNTY OF MARICOPA
This instrument was acknowledged before me
This 10 day of July, 20 12
In witness whereof I hereunto set my hand and official seal
NOTARY PUBLIC

GINA CARUSIELLO
Notary Public
Maricopa County, Arizona
My Comm. Expires 06-27-15

ACC002126
FILE #8390

Dee Morin

From: Brian Guenther [brianguenther@[redacted]
Sent: Saturday, March 30, 2013 7:38 AM
To: Stacy Luedtke
Subject: FW: Prom note

Hi Stacy,

Him receiving note.

Brian Guenther
[redacted]

From: Jon Murray 1-800-975-6370 Ext 2 [mailto:jon@jowen.ca]
Sent: July-13-12 11:35 AM
To: Brian Guenther
Subject: Re: Prom note

Perfect! I will get those checks out for you on Monday. You will get paid and hopefully we can make this a long investing career together ;)

Jon

Helping People, Help Themselves!

Jon Murray
Owner/Operator

Toll Free Office and Fax
1-800-975-6370 ext 2
Email: jon@jowen.ca
Web: www.jowen.ca

Canadian Address:
[redacted]
[redacted] BC Canada
[redacted]

USA Address:
[redacted]
[redacted] Arizona USA
[redacted]

Check out our YouTube Channel...lots of great clips!
http://www.youtube.com/user/joweninvestments?feature=mhum

Join our Free mailing list!
https://jonmurray.infusionsoft.com/app/form/manual-entry-by-jon

EXHIBIT
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ADMITTED

ACC002119
FILE #8390

On Jul 13, 2012, at 11:31 AM, "Brian Guenther" <brianguenther@[redacted] wrote:

Hi Jon,

Attached please find the signed prom note.
I talked to my bank and ordered the wire to be sent but I deal with the Manulife Bank and they are based out of Ontario, so when I talked to them it was 11:00 am Friday and they said it was to late for them to send a wire out today, I guess it had to go out by 1:00 their time.
So the wire will take place on Monday and is all set to go. The bank said their will be a $50.00 fee for the wire.
Please let me know if there are any problems and make sure you repay me as I can not afford to lose that much money.

Brian Guenther
[redacted]

<CCE13072012_00000.jpg>

FREE Canadian & USA Real Estate

Foreclosure Tips and Information!

Interesting Image

First Name *

Last Name *

Email *

Phone Number *

Submit

ACC002121
FILE #8390

JOINT VENTURE AGREEMENT

This Joint Venture Agreement (this "Agreement") is made effective as of April 12, 2012, by and between Jason Baker, a individual ("Investor") and, Jon Murray a individual ("Developer") collectively referred to as "the Parties".

RECITALS

A. WHEREAS Developer has developed an expertise in acquiring, improving and reselling real estate throughout the state of Arizona.

B. WHEREAS Investor has funds available to invest and desires to invest in the acquisition, improvement and sale of real estate in select number of properties approved by Developer.

C. WHEREAS Developer and Investor desire to enter into a Joint Venture relationship which will allow Investor to invest and Developer to arrange for and manage the acquisition, improvement and resale of real estate, in accordance with the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

1. Scope and Description. By this Agreement, the parties create a joint venture to acquire, improve and sell residential real estate for profit ("Joint Venture Activity"). The principal office of the joint venture shall be at 11259 E. Via Linda, Suite #100, city of Scottsdale, County of Maricopa, State of Arizona.

2. Contributions. The Parties shall make the following contributions to the joint venture.

   A. Investor's Cash Contribution. Investor shall contribute Fifty thousand dollars ($50,000.00) in cash to the joint venture.

   B. Developer's Contribution. Developer's total contribution shall consist of devoting Developer's time and management to the venture and making full use of the expertise gained through participation in similar enterprises in the past. It is understood that Developer will make no cash contributions to the joint venture.

3. Status of Funds. All money contributions made by the Investor shall be placed in a bank account in the name of the Developer as trustee for the joint Venture. Any and all additional sums received from the sale of real estate shall be deposited in the same account. All drafts or checks issued to disburse these funds for costs, expenses, or distribution of profits may be signed by the Developer as trustee. Any interest earned on funds of the joint venture and any appreciation of real or personal property of the venture shall be recognized by the parties as an asset of the venture.

4. Responsibilities of Developer. Developer shall have the following duties and responsibilities:

EXHIBIT
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ADMITTED

A. Purchase. To negotiate the terms of and enter into agreements to purchase properties on behalf of the Joint Venture which are well suited, in the sole discretion of the Developer, for the Joint Venture Activity;

B. Secure Financing. To obtain financing for the Joint Venture Activity of approximately eighty percent (80%) loan to value, execute and deliver in Developer's name any and all instruments and documents, including, without limitation, checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; and any other documents necessary or desirable for the business of the Joint Venture Activity;

C. Title and Licensure. All legal title to property acquired by the joint venture, whether real or personal, shall be taken in the name of Developer as trustee for the Joint Venture, to be held for the Joint Venture's interest. The Developer shall be responsible for obtaining all necessary permits and approvals and for complying with all applicable ordinances and statutes;

D. Insurance. To obtain and maintain property and casualty insurance to protect the property of the Joint Venture. The premiums for such policies shall be an expense of the Joint Venture and paid from the Joint Venture's bank account;

E. Secure Property. To take any action the Developer deems necessary to secure the Joint Venture's real property, including but not limited to the ability to change locks on all doors and purchase security equipment and monitoring systems;

F. Utilities. To connect and pay for necessary utilities for contractors and for inspection by a buyer at time of resale;

G. Improvements and Repairs. To review contractor bids; negotiate, order and pay for contractor repairs and improvements; order and pay for supplies and materials; monitor contractor work and resolve deficiencies;

H. Updates. To periodically inform Investor in matters pertaining to the operations of the Joint Venture. It is understood that Investor will be kept informed, but the Developer shall not be required to advise the Investor of Developer's decisions which are routine in nature;

I. Sale of Renovated Properties. To list the properties for sale on the Multiple Listing Service with a licensed realtor, oversee the marketing of the properties to prospective buyers by the realtor, negotiate sale terms, sell the properties and execute documents to close escrow on behalf of the Joint Venture.

5. Term of Agreement. The effective date of this Agreement shall be the date first written above, and shall terminate on the date which is one (1) year following the date of this Agreement, unless extended in writing by the Parties.

6. Apportionment of Profits Resulting From Sale. In the event the property acquired by the joint venture is sold or otherwise disposed of, the proceeds of the sale may be reinvested by the Developer for use in carrying out Developer's responsibilities as

provided in Section 5 of this Agreement. Upon termination of this Agreement, the remaining proceeds from all of the sales shall be applied as follows:

A. For payment of costs and expenses of sale;

B. For the payment of operating and maintenance expenses not otherwise paid for from the annual profits;

C. For payment of taxes and special assessments not otherwise paid for out of the annual profits;

D. For repayment of that portion of capital contribution made by Investor under Section 2A of this Agreement for the property sold;

E. The net amount remaining after the payment of the foregoing expenses shall be divided equally between the Developer and the Investor.

7. Sharing of Profits and Losses. Except as provided in Section 6 of this Agreement, the respective interests of the parties in the assets of the joint venture and in the profits earned by the joint venture or losses that may be incurred by the joint venture shall be divided equally between the Developer and the Investor.

8. Death, Divorce, Incapacity or Bankruptcy of a Party. The death, divorce, incapacity or bankruptcy of either Party shall terminate this Agreement. For purposes of this Section 8, bankruptcy shall include the filing of any petition, whether involuntary or voluntary, in bankruptcy or the appointment of a receiver for the Party. Any property owned by the Joint Venture shall be sold and the proceeds thereof distributed as provided in Section 6 of this Agreement. In the event the surviving Party does not wish to sell the property, the property shall be appraised by two disinterested appraisers, one to be appointed by the surviving Party and the other to be appointed by the executor or administrator of the deceased Party's estate. The average of the two appraisals shall be deemed to be the fair market value of the property. The cost of the appraisals shall be borne by the joint venture. The surviving Party shall pay such fair market value to the joint venture, as if the property had been sold to a third party. From such payment will be paid all of the items specified in Section 6, Paragraphs B, C and D of this Agreement. The net amount remaining after the payment of the foregoing items will be divided between the surviving Party and the estate of the deceased Party in the proportion provided for under Section 6, Paragraph E. If the surviving Party is unable to pay such fair market value, the property shall be sold and the proceeds divided as provided in Section 6.

9. Other Business Interests of Parties. The Parties agree that each Party may have other business interests which are unrelated to the Joint Venture and may engage in any other business or trade, profession or employment whatsoever, on his or her own account, or in partnership or as an employee of or as an officer, director or stockholder of any other person, firm or corporation, and he shall not be required to devote his or her entire time to the business of the joint venture.

10. Termination. On termination of this Agreement for any cause, the joint venture shall be wound up and dissolved and the proceeds there from shall be paid in accordance with Section 6 and 7 of this Agreement.

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11. Confidential Information. During the term of this Agreement, and for a period of two (2) years thereafter, Developer and Investor agree as follows:

A. Confidential Information. Investor shall not, except with the prior, written consent of Developer, directly or indirectly, provide, communicate, disclose or divulge to any individual, sole proprietorship, joint venture, partnership, limited liability company, corporation, association or any other governmental or non-governmental entity or authority (collectively "Person"), or use for Investor's own benefit or the benefit of any Person, any Confidential Information, except for information which (i) is in the public domain or (ii) the disclosure of which is required by law. Confidential Information shall mean Developer's methods, customer names, customer financial information, company financial information, Intellectual Property, employee names, company files, designs, plans, sales programs, customer contact information, manuals, systems, data files, and information about the sales, policies, pricing, practices, plans, and financial matters of the Developer, all of which shall be considered Confidential Information and the exclusive property of the Developer. Investor acknowledges the proprietary nature of the Confidential Information and understands that the Confidential Information must be maintained in strict confidence in order for the Developer to protect Developer's business and competitive position in the marketplace.

B. Remedies. Each Party agrees that in the event of a breach of any of the terms of this Section 11, the damages resulting from such breach would be difficult or impossible to ascertain, and each Party hereby agrees and consents to (i) a judgement granting injunctive or other equitable relief prohibiting the further breach of the provisions of this Section 11, and (ii) a judgement for monetary damages in the amount of the gross revenues obtained through the breach of the provisions of this Section 11.

12. Representations and Warranties of Investor. Investor represents and Warrants to Developer as of the date of this Agreement as follows:

A. Due Organization. If the Investor is a business entity, that the Investor is duly organized, validly existing and in good standing under the laws of the State of Arizona.

B. Authority; No Violation. Investor has taken all necessary action to authorize the transaction contemplated by this Agreement and Investor execution and delivery of all documents required herein and its performance hereunder. Investor's execution and delivery of this Agreement and the consummation of the transactions contemplated and required hereby do not and will not result in any violation of, or default under, any term or provision of any agreement, instrument, mortgage, loan agreement or similar document to which Investor is a party or by which Investor is bound.

C. No Litigation. There is no litigation, investigation or proceeding pending or, to the best of Investor's knowledge, contemplated or threatened against Investor which would impair or adversely affect Investor's ability to perform its obligations under this Agreement.

D. Legal, Valid and Binding. This Agreement and all other documents and instruments which are or will be executed and delivered by Investor in connection with the transactions contemplated hereby, each constitute legal, valid and binding obligations of Investor, enforceable against Investor in accordance with their respective terms.

E. No Conflict. To Investor's knowledge, the execution, and delivery and performance of this Agreement by Investor and all other documents and instruments executed or delivered in connection with the transactions contemplated hereby, do not and will not, violate, conflict with, or contravene any judgement, order, decree, writ or injunction, or any law, rule or regulation to which Investor is subject, or result in any breach of, or constitute a default under any agreement, guarantee or contract to which Investor is a party or by which Investor or any of Investor's assets is bound.

F. No Bankruptcy or Insolvency Proceeding. Investor has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition in bankruptcy by Investor's creditors, (iii) suffered the attachment or any other judicial seizure of all, or substantially all, Investor's assets, (iv) admitted in writing its inability to pay its debts as they come due, or (v) made an offer of settlement, extension or composition to its creditors generally.

13. Representations and Warranties of Developer. Developer represents and warrants to Investor as of the date of this Agreement as follows:

A. Due Organization. If the Dealer is a business entity, that the Developer is a corporation, duly organized and validly existing and in good standing under the laws of the State of Arizona.

B. Authority; No Violation. Developer has taken all necessary action to authorize the transaction contemplated by this Agreement and Developer's execution and delivery of all documents required herein and its performance hereunder. Developer's execution and delivery of this Agreement and the consummation of the transactions contemplated and required hereby do not and will not result in any violation of, or default under, any term or provision of any agreement, instrument, mortgage, loan agreement or similar document to which Developer is a party or by which Developer is bound.

C. No Litigation. There is no litigation, investigation or proceeding pending or, to the best of Developer's knowledge, contemplated or threatened against Developer which would impair or adversely affect Developer's ability to perform its obligations under this Agreement.

D. Legal, Valid and Binding. This Agreement and all other documents and instruments which are or will be executed and delivered by Developer in connection with the transactions contemplated hereby, each constitute legal, valid and binding obligations of Developer, enforceable against Developer in accordance with their respective terms.

E. No Conflict. To Developer's knowledge, the execution, and delivery and performance of this Agreement by Developer and all other documents and instruments executed or delivered in connection with the transactions contemplated hereby, do not and will not, violate, conflict with, or contravene any judgement, order, decree, writ or injunction, or any law, rule or regulation to which Developer is subject, or result in any breach of, or constitute a default under any agreement, guarantee or contract to which Developer is a party or by which Developer or any of Developer's assets is bound.

F. No Bankruptcy or Insolvency Proceeding. Seller has not (i) made a general assignment for the benefit or creditors, (ii) filed and voluntary petition in bankruptcy or suffered the filing of any involuntary petition in bankruptcy by Developer's Creditors, (iii) suffered the attachment or any other judicial seizure of all, or substantially all, Developer's assets, (iv) admitted in writing its inability to pay its debts as they come due, or (v) made an offer of settlement, extension or composition to its creditors generally.

14. Arbitration of Disputes.

A. Mandatory Arbitration. Any dispute between the Parties with respect to any matter pertaining to this Agreement shall be resolved by arbitration pursuant to this Section 14; each Party hereby waiving its right to seek a judicial determination of whether either Party is in breach of, or default under, any of the terms or provisions of this Agreement. The requirement that all disputes by resolved through arbitration pursuant to this Section shall constitute an absolute defense to any court action filed by one of the parties hereto against the other, and shall enable the Party against whom such action is filed to cause such action to be dismissed or set aside at any time.

B. Governing Rules. The arbitration shall be conducted in accordance with the Arbitration Rules applicable for partnership or business entity dispute resolution (the "AAA Rules") of the American Arbitration Association (the "AAA"), except to the extent modified herein.

C. Initiation of Claim and Appointment of Arbitrator. If any dispute pertaining to this Agreement shall arise between the parties, then, after the expiration of any applicable cure period, either Party may initiate arbitration by serving written notice on the other Party of its intention to arbitrate the dispute, which notice shall contain a statement setting forth the nature of the dispute and the remedy sought. A copy of such notice shall also be filed at the local office of the AAA together with this arbitration provision and the appropriate filing fee as required by the AAA, and shall request that an arbitrator be appointed within the shortest possible period by the President or Chief Administrative Officer of the local branch or office of the AAA or any successor association or body of comparable standing if the AAA is not then in existence.

D. Qualification of Arbitrator. The arbitrator must be a member of the State Bar of Arizona actively engaged in the practice of business law with expertise in the process of deciding disputes and interpreting contracts in the field of joint venture or business entity disputes.

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FILE #8390

E. Hearing. The arbitrator shall be sworn faithfully and fairly to determine the question at issue. Immediately following appointment, the arbitrator shall provide written notice to the parties indicating the time and location of the scheduled hearing. The hearing must be held within thirty (30) days following the date upon which the arbitrator was appointed. At least five (5) business days prior to the commencement of the arbitration hearing, the parties shall each provide to the other a statement of its position respecting the dispute in question and a list of any witnesses which such Party expects to testify at such hearing on its behalf. The arbitration proceeding shall take place in Maricopa County, Arizona. The arbitrator shall afford to the parties a hearing and the right to conduct discovery in accordance with the Arizona Rules of Civil Procedure, submit evidence, with the privilege of cross-examination on the question at issue, and shall, with all possible speed, make a determination in writing and shall give notice to the parties hereto of such determination within ten (10) days following the hearing.

F. Scope of Award. Subject to the limitations set forth herein, the arbitrator shall have the authority to award any remedy or relief that a court of the State of Arizona could order or grant, including, without limitation, specific performance of any obligation created under the Agreement, the issuance of an injunction, or the imposition of sanctions for abuse or frustration of the arbitration process.

G. Fees and Expenses. The arbitrator shall assess its fees, all other fees and costs of any such arbitration proceeding and reasonable attorneys' fees against the Party who in the arbitrator's opinion is not the prevailing party. For purposes of this paragraph, the term "prevailing party" shall mean (i) with respect to the claimant, one who is successful in obtaining substantially all of the relief sought, and (ii) with respect to the respondent, one who is successful in denying substantially all of the relief sought by the claimant. If neither Party substantially prevails, then the award for attorneys' fees shall be apportioned in the arbitrator's discretion.

H. Appointment of Successor. If any arbitrator appointed pursuant to this paragraph shall thereafter die or become unable or unwilling to act, his successor shall be appointed in the manner provided in Section 14 C.

I. Decision Binding. In any proceeding conducted pursuant to this paragraph, the decision and award of the arbitrator shall be final, binding and enforceable in any court competent jurisdiction.

15. Attorney's Fees. If either Party hereto breaches any provisions of this Agreement, the breaching party shall pay to the non-breaching party all attorneys' fees and other costs and expenses incurred by the non-breaching party in enforcing this Agreement or preparing for arbitration, legal or other proceedings, regardless of whether suit or arbitration is instituted.

16. Waiver. The excuse or waiver of the performance by a Party of any obligation of the other Party under this Agreement shall only be effective if evidenced by a written statement signed by the Party so excusing. No delay in exercising any right or

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FILE #8390

remedy shall constitute a waiver thereof, and no waiver by Seller or Buyer of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

17. Additional Documents. No modification of this Agreement shall be deemed effective unless in writing and signed by the parties hereto.

18. Further Insight. Each Party, promptly upon the request of the other, shall execute and have acknowledged and delivered to the other, any and all further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement and which are consistent with the provisions hereof.

19. Entire Agreement. This Agreement constitutes the entire contract between the parties with regard to the joint venture contemplated hereby. All terms and conditions contained in any other writings previously executed by the parties and all other discussions, understandings or agreements regarding such joint venture and the subject matter hereof shall be deemed to be superseded hereby.

20. Inurement. Subject to Section 24, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns, if any, of the respective parties hereto.

21. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

22. Descriptive Headings. The descriptive headings of the sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any provisions hereof.

23. Time of the Essence. Time is the essence of this Agreement.

24. Assignment. No Party shall transfer or assign its interest in this Agreement without prior written consent of the other Party, which may be withheld in such Party's sole and absolute judgement and discretion.

25. Interpretation. In this Agreement, the neuter gender includes the femine and masculine, and the singular number includes the plural, and the words "person" and "party" include corporations partnerships, individuals, firms, trusts, or associations wherever the context so requires.

26. Exhibits. All exhibits attached hereto and referred to in this Agreement are incorporated herein by this reference and are part of this Agreement.

27. Execution. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The partially executed signature page of any counterpart of this Agreement may be attached to any other partially executed counterpart of this Agreement without impairing the legal effect of the signature(s) on such signature page. Facsimile copies of the executed signature pages of this Agreement shall be effective and binding upon the parties as if such signatures were original signatures.

ACC001942
FILE #8390

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

DEVELOPER:

Jon Murray,

a individual.

By: _____

Its: April 12/12

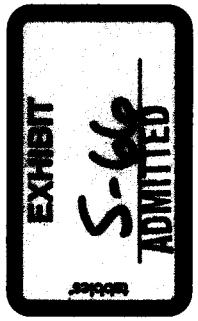
INVESTOR:

Jason Baker,

a individual.

By: Jason Baker

Its: April 12/12



ACC003332
FILE #8390

0006251 — Office AU #

11-24 — 1210(8)

CASHIER'S CHECK

SERIAL #: 0625100404

ACCOUNT#: [redacted] 1434

Purchaser: KYMBERLY L MEYER
Purchaser Account: [redacted] 6219
Operator I.D.: az002471 az003309

August 16, 2012

PAY TO THE ORDER OF ***TRUE NORTH LLC***
RE: KYMBERLY MEYER

Sixty-five thousand dollars and no cents

$65,000.00

WELLS FARGO BANK, N.A.
21040 N TATUM BLVD
PHOENIX, AZ 85050
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 65,000.00

NON-NEGOTIABLE

Purchaser Copy

FB004 M4203 12096343

SUPREME COURT
OF
BRITISH COLUMBIA
SEAL
20-Apr-12
New Westminster
REGISTRY

Amended pursuant to Rule 6-1(1)(a)(i)
Original Notice of Claim filed November 23, 2011

No. S138720
New Westminster Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

CARMEN SINCLAIR

PLAINTIFF

AND:

JONATHAN MURRAY also known as JON MURRAY

DEFENDANT

AMENDED NOTICE OF CIVIL CLAIM

name and address of each plaintiff

Carmen Sinclair
c/o BTM Lawyers LLP
[redacted]
[redacted] BC [redacted]

name and address of each defendant

Jonathan Murray aka Jon Murray
[redacted]
[redacted] BC [redacted]

This action has been started by the plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

(a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
(b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

(a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
(b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff,

(a) if you were served with the notice of civil claim anywhere in Canada, within 21 days after that service,
(b) if you were served with the notice of civil claim anywhere in the United States of America, within 35 days after that service,
(c) if you were served with the notice of civil claim anywhere else, within 49 days after that service, or
(d) if the time for response to civil claim has been set by order of the court, within that time.

EXHIBIT
S-67
ADMITTED

CLAIM OF THE PLAINTIFF

Part 1:STATEMENT OF FACTS

1. The Plaintiff Carmen Sinclair is a psychiatric nurse with an address for service at 301 – 2502 St. Johns Street, Port Moody, British Columbia.

2. The Defendant Jonathan Murray, also known as Jon Murray, is a businessman with an address at [redacted] British Columbia.

Joint Venture

3. In or around October 2010 the Defendant invited the Plaintiff to invest in a "Fix and Flip" real estate scheme whereby the Plaintiff would purchase an interest in real estate located in Phoenix, Arizona and/or Las Vegas Nevada, and the Defendant would:

    a. Identify the property to be purchased;

    b. Attend to all legal matters relating to the purchase of the investment property;

    c. Make all arrangements necessary to renovate the investment property;

    d. Market and sell the investment property; and

    e. Provide a return on investment from the proceeds of sale.

4. On or around November 18, 2010 the Plaintiff and the Defendant executed a Joint Venture Agreement dated for reference November 15, 2010 (the "Joint Venture Agreement").

5. The Joint Venture Agreement included the following terms:

    a. The Plaintiff and the Defendant would enter into a joint venture together to purchase, renovate and sell a residential property to be located in Phoenix, Arizona;

    b. The Plaintiff would invest US$50,000 in the joint venture;

    c. The Plaintiff would receive a projected annualized return on investment of 215.8%;

    d. The Plaintiff would receive a return of her investment from the Defendant in 90 days;

    e. The Plaintiff and the Defendant would each own a 50% interest in the property;

    f. Any profits generated from the property would be shared equally by the Plaintiff and the Defendant;

g. The Defendant would hold the legal title to the property and would hold the Plaintiff's interest in the property in trust;

h. The Defendant would be responsible for the day-to-day business and financial affairs of the property;

i. The Defendant would report to the Plaintiff in writing not less than semi-annually with respect to the operation and management of the property;

j. The Defendant would maintain accurate books and records of account relating to the joint venture and the property; and

k. The Defendant would obtain annual financial statements including a balance sheet and income statement relating to the joint venture.

6. The Joint Venture Agreement included a Declaration of Trust, which provided that the property would be held in trust by the Defendant for the Plaintiff. The Declaration of Trust is expressly subject to the jurisdiction of the Courts of British Columbia.

7. On or around December 1, 2010 the Plaintiff paid the Defendant US$50,000 pursuant to the Joint Venture Agreement.

8. In breach of the Joint Venture Agreement and the Declaration of Trust the Defendant has:

a. Failed to pay the Plaintiff a return on her investment within 90 days, or at all;

b. Failed to share the profits generated by the Property with the Plaintiff;

c. Failed to manage the day-to-day business and financial affairs of the Property in a reasonable manner, or at all;

d. Failed to report to the Plaintiff with respect to the operation and management of the Property;

e. Failed to maintain accurate books and records of account relating to the joint venture and the Property;

f. Failed to obtain annual financial statements including a balance sheet and income statement relating to the joint venture and the Property; and

g. Converted to his own use and benefit the Property and the Plaintiff's investment therein.

Loan

9. On or around November 23, 2010, the Plaintiff and the Defendant entered into a loan agreement, whereby the Plaintiff agree to loan, and the Defendant agreed to borrow, $50,000 to be repaid with interest in the amount of $5,000 not later than February 1, 2011 (the "Loan Agreement").

10. It was an implied term of the Loan Agreement that any amount not paid after February 1, 2011 would be subject to interest at an annual rate of 12%.

11. On or around December 1, 2010, the Plaintiff loaned the Defendant $50,000 in accordance with the terms of the Loan Agreement.

12. On or around February 2, 2011 the Plaintiff demanded that the Defendant repay the CDN$50,000 loan plus $5,000 interest pursuant to the Loan Agreement, but in breach of the Loan Agreement the Defendant has failed to do so.

13. On or around February 12, 2011 the Defendant paid the Plaintiff $1,000 on account of the Loan Agreement, but the Defendant has failed to make any further payment despite the Plaintiff demanding that he do so.

Part 2: RELIEF SOUGHT

1. An accounting of all income and expenses of the joint venture.

2. Damages for breach of the Joint Venture Agreement.

3. Damages for breach of trust.

4. Judgment in debt in the amount of $55,000 (the "Debt").

5. Interest on the Debt at an annual rate of 12%, and in the alternative in accordance with the *Court Order Interest Act*, R.S.B.C. 1996 c. 79.

6. Punitive damages.

7. Interest.

8. Costs.

9. Such further and other relief as this Honourable Court may deem just.

Part 3: LEGAL BASIS

1. The Plaintiff claims against the Defendant for breach of contract, the particulars of which are set out in paragraphs 8 and 12 of the Statement of Facts herein.

2. The Plaintiff claims against the Defendant for breach of trust, the particulars of which are set out in paragraph 8 of the Statement of Facts herein.

3. The Plaintiff claims against the Defendant in debt, the particulars of which are set out in paragraph 12 of the Statement of Facts herein.

Plaintiff's Address for Delivery: BTM LAWYERS LLP
Barristers and Solicitors
[redacted]
[redacted], BC [redacted]
Attention: SMB

Fax number address for service (if any): 604 937-5577

E-mail address for service (if any): N/A

Place of trial: New Westminster, British Columbia

The address of the registry is: 651 Carnarvon Street, New Westminster, BC, V3M 1C9.

Date: November 23, 2011

Signature of
☐ plaintiff ☒ lawyer for plaintiff

BTM LAWYERS LLP

Rule 7-1(1) of the Supreme Court Civil Rules states:

(1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
  (a) prepare a list of documents in Form 22 that lists
    (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
    (ii) all other documents to which the party intends to refer at trial, and
  (b) serve the list on all parties of record.

APPENDIX

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

set out a concise summary of the nature of the claim and the relief required in the action

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

[*Check one box below for the case type that best describes this case*]

A personal injury arising out of:

- ☐ a motor vehicle accident
- ☐ medical malpractice
- ☐ another cause

A dispute concerning:

- ☐ contaminated sites
- ☐ construction defects
- ☐ real property (real estate)
- ☐ personal property
- ☐ the provision of goods or services or other general commercial matters
- ☒ investment losses
- ☒ the lending of money
- ☐ an employment relationship
- ☐ a will or other issues concerning the probate of an estate
- ☐ a matter not listed here

Part 3: THIS CLAIM INVOLVES:

[*Check all boxes below that apply to this case*]

- ☐ a class action
- ☐ maritime law
- ☐ aboriginal law
- ☐ constitutional law
- ☐ conflict of laws
- ☒ none of the above
- ☐ do not know

Part 4:

[If an enactment is being relied on, specify which one. Do not list more than three enactments.]

1. *Court Order Interest Act*, R.S.B.C. 1996 c. 79

ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE BRITISH COLUMBIA

The plaintiff claims to serve this pleading/petition on the defendant, Jonathan Murray, outside British Columbia on the ground that this action:

1. Is brought against a trustee in relation to the carrying out of a trust where
    a. The trustee is ordinarily resident in British Columbia;
    b. By the express terms of the trust document, the trust is governed by the law of British Columbia.
2. Concerns contractual obligations, and
    a. The contractual obligations, to a substantial extent, were to be performed in British Columbia; and
    b. By its express terms, the contract is governed by the law of British Columbia.
3. Concerns a business carried on in British Columbia.

JOINT VENTURE AGREEMENT

This Agreement is made as of the 15th day of November, 2010.

BETWEEN:

Jonathon Murray

AND:

Carmen Sinclair,

WHEREAS:

A. The Co-Owners intend to purchase or have purchased the Property.

B. The Co-Owners wish to enter into this Agreement to set forth their respective rights and obligations with respect to owning the Property.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and of the mutual covenants, promises and agreements hereinafter set forth the Parties hereto agree each with the other as follows:

0. **INTERPRETATION**

0.1. **Definitions.** In this Agreement, those words and phrases as set out in Schedule "A", unless there is something in the context inconsistent therewith, shall have the meanings as set out in Schedule "A".

0.2. **Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of the Province of British Columbia and the Country of Canada.

0.3. **Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity,

EXHIBIT
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ADMITTED

legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

0.4. **Included Words.** Wherever the singular or the masculine is used herein., the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the Parties so require.

0.5. **Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

0.6. **Cross-Reference.** Unless otherwise stated, a reference herein to a numbered or lettered clause or paragraph refers to the clause or paragraph of each part bearing the number or letter in this Agreement.

0.7 **Accounting Terminology.** All accounting terms not defined in this Agreement shall have those meanings generally ascribed to them in accordance with generally accepted accounting principles, applied consistently.

0.8. **Schedules.** The following are the Schedules to this Agreement:

"A"	Definitions
"B"	Declaration of Trust
"C"	Life Insurance Policies
"D"	Valuations

0.9. **Interpretation.** For the purpose of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

a) **"Agreement"** means this Agreement (including the Schedules attached hereto) as it may from time to time be amended pursuant to the provisions hereof;

b) all references to designated "Articles", "Sections", "Paragraphs", "Schedules" or other subdivisions are to the designate Articles, Sections, Paragraphs, Schedules and other subdivisions of this Agreement;

c) the words "hereof", "hereunder", "herein" and similar expressions refer to the whole of this Agreement and not to any particular Article, Section, Paragraph, Schedule or other subdivision;

d) all payments required to be made pursuant to the provisions of this

Agreement shall be made in USA currency, by cash or cheque;

e) any reference to a statute includes and is a reference to such statute, the regulations thereunder, the amendments to such statute and regulations which are in force at the relevant time, and to any statute or regulation that may be passed which has the effect of superseding such statute or regulations;

f) where the time for doing an act falls or expires on a day other than a day upon which the Bank of the Co-Owners is open for business to the public, the time for doing such act will be extended to the next day upon which such branch is open for business to the public;

g) "arms length" has the meaning which such term has under the Income Tax Act (Canada).

1. FORMATION OF THE JOINT VENTURE

1.1. PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to co-ordinate the ownership by the Co-Owners of their separate undivided interests in the Property and to set forth the rights and obligations between the Co-Owners. For greater certainty, it is understood that the activities of the Co-Owners hereunder will not require the acquisition by them, as Co-Owners, of any additional real property or interest therein unless the Co-Owners unanimously agree to do so. The Co-Owners acknowledge and agree that they have acquired the Property as an investment and each proposes to hold his or her respective Interest in the Property for an indefinite period of time as set forth herein.

1.2. TITLE

The Parties own the Property and shall be entitled to the gains and income therefrom and shall be responsible for the contributions to the Property in the proportions as set forth herein.

1.3. TENANCY-IN-COMMON

The Property shall be owned beneficially by the Co-Owners as tenants-in-common. Unless this Agreement otherwise provides, all revenues and benefits derived from, and all obligations and liabilities incurred in respect of, the Property shall be shared by the Co-Owners on the basis of their Venturer Percentage Interest which is set

forth for each Co-Owner in Schedule "A" hereto.

1.4. **RELATIONSHIP OF THE CO-OWNERS**

This Agreement creates a joint venture to carry out the purposes as set forth herein and does not create a partnership between the Parties nor does it authorize any Party to act as agent or trustee for the other Party SAVE AND EXCEPT as set out in this Agreement.

1.5. **TERM**

The term of this Agreement shall start as of the date of this Agreement, and shall continue, unless sooner terminated in accordance with other provisions of this Agreement, for so long as the Co-Owners or any of their heirs, executors, administrators, successors or permitted assigns hold any interest in or have any obligations with respect to the Property.

1.6. **TRUST**

If for any reason one of the Parties is not shown on the legal title of the Property as one of the legal owners, the Party who is on title as the legal owner shall hold in trust for the other Party that other Party's respective interest in the Property as set forth in this Agreement and if so required by that other Party shall enter into a Declaration of Trust acknowledging this trust arrangement in registerable form pursuant to the Land Title Act, (British Columbia) in the form attached hereto as Schedule "B".

1.7. **REGISTRATION OF TRUST**

If possible, any of the Co-Owners shall have the right to register the Declaration of Trust on the title to the Property at that Co-Owner's own expense.

1.8. **ACKNOWLEDGEMENT**

The Investor hereby acknowledges and confirms that the Investor's decision to enter into this Joint Venture was made solely on the basis of:

a. the facts of the projected Property analysis which the Investor hereby confirms that he has independently verified;

b. the provisions of this Agreement;

c. the advice received by the Investor from his chosen professionals and personal advisers, competent in the Investor's opinion to offer said advice and totally independent of the Finder.

d. the Investor has not relied upon any representations or warranties made by the Finder.

1.9. **LEGAL ADVICE**

Each of the Parties hereby acknowledges that he or she:

a. understands his or her respective rights and obligations under this Agreement;

b. has been advised that he or she should seek independent legal advice with respect to this Agreement;

c. is signing the Agreement voluntarily;

d. believes that the provisions of this Agreement adequately discharges the present and future responsibilities of the Parties to one another with respect to the contents hereof, and that this Agreement will not result in circumstances that are unconscionable or unfair to either Party; and

e. understands that Thompson & Elliott acts solely for the Finder and in no way acts for the Investor.

2. **MANAGEMENT**

2.1. **DECISIONS**

a. The Co-Owners hereby create the position of Financial Manager and appoint the Financial Manager as named in Schedule "A" to conduct the day to day financial affairs of the Property. The Financial Manager may be one of the Co-Owners. The Financial Manager may be in the discretion of the Co-Owners:

i) a person; or

ii) a corporation.

2.2. **MEETINGS OF THE CO-OWNERS**

Meetings of the Co-Owners shall be held at the request of any Co-Owner upon at

least three (3) business days notice delivered pursuant to paragraph 8.2. of this Agreement, unless such notice is waived in writing by the Co-Owners. Any such notice of meeting shall include an agenda of the business to be introduced together with relevant background materials. A quorum for any meetings shall consist of all of the Co-Owners who shall be present in person or by telephone throughout the meeting. In the event that a quorum is not present within one half hour for the time appointed for the meeting, the meeting shall stand adjourned for the same day in the next week at the same time and place, and if at the adjourned meeting a quorum is not present within one half hour from the time appointed for the meeting the members present shall be deemed a quorum for the purpose of such meeting only. Each Co-Owner shall be entitled to one vote for each one percent of Venture Percentage Interest the Co-Owner owns in the Property. The majority decision representing more than fifty (50%) percent of the Venture Percentage Interest as it relates to gains in the Property at any meeting of the Co-Owners shall be binding upon the Co-Owners. Any resolution consented to and signed in writing by Co-Owners holding a majority of the Venture Percentage Interest in the Property shall be valid as if such resolution has been passed at a meeting of the Co-Owners.

2.3. **FINANCIAL MANAGER**

Without in any way diminishing the ultimate responsibility of the Co-Owners, the Co-Owners may delegate duties to the Financial Manager or any other person by resolution. The Co-Owners hereby delegate to the Financial Manager the duties of the Financial Manager itemized in this Agreement. The Co-Owners may from time to time delegate other duties to the Financial Manager or cancel or amend previous delegated duties in any way the Co-Owners deem appropriate. The Financial Manager shall be responsible for the day-to-day operations of the Property and may unilaterally carry out all day-to-day duties with respect to the Property.

2.4. **DUTIES OF FINANCIAL MANAGER**

The acts of the Financial Manager shall bind the Co-Owners when such acts are within the Financial Manager's authority. In addition to the duties delegated to the Financial Manager elsewhere in this Agreement and without restricting the generality of the provisions set forth in paragraph 2.3. herein, the Financial Manager is hereby delegated the following duties:

a. The Financial Manager shall report to and take direction and instructions from the Co-Owners and shall serve at the pleasure of the Co-Owners;

b. The Financial Manager shall conduct the day-to-day business with respect to the maintaining of the Property;

c. The Financial Manager shall appoint, supervise and if necessary replace the

property manager, leasing agent or any other professional support person or firm that the Financial Manager deems appropriate for the proper operation and management of the Property;

d. The Financial Manager shall approve or disapprove entry on behalf of the Co-Owners into transactions, agreements, contracts or other arrangements unless it is elsewhere provided in this Agreement that the Financial Manager has no such authority to do so;

e. The Financial Manager shall report in writing to the Co-Owners not less frequently than semi-annually with respect to the operation and management of the Property.

2.5. **REMUNERATION TO THE MANAGER**

The Financial Manager shall be reimbursed for any reasonable out-of-pocket expenses incurred in the normal course of the Financial Manager's duties including, without restricting the generality of the foregoing:

a. Shipping and handling service for transporting documents to and from the Co-Owners and to and from suppliers and other contractors;

b. Reasonable travel expenses for visits to the Property.

c. Financial manager shall receive any rental income over 4% annually, after expenses, not to exceed 4% of yearly rents after expenses.

Otherwise, the Financial Manager shall not be entitled to any other compensation for acting as Financial Manager unless agreed to unanimously by the Co-Owners.

2.6. **NOTICES REGARDING CONFLICTS**

Each Co-Owner shall give notice in advance to the other Co-Owner and receive the consent from the other Co-Owner if a Co-Owner proposes to enter into a business transaction on behalf of the Joint Venture with a party with which such Co-Owner is not at arms length.

2.7. **SCOPE OF AUTHORITY AND INDEMNIFICATION**

No Party shall enter into any commitment binding upon the Co-Owners, except for:

a. actions expressly provided for in this Agreement;

b. actions expressly provided for by resolution;

c. actions by the Financial Manager within the scope of his or her authority; and

d. actions by the property manager within the scope of his/or her authority.

Each Co-Owner shall indemnify and hold harmless the other Co-Owner and their related suppliers, directors and officers from and against any and all claims, demands, losses, damages, liabilities and other proceedings, judgments and awards, and costs and expenses (including but not limited to solicitors' fees) arising directly or indirectly, in whole or in part, out of any breach of this provision by such Co-Owner or his related supplier, affiliates, officers, agents or employees.

3. **FINANCIAL MATTERS**

3.1. **INITIAL FINANCIAL CONTRIBUTIONS**

Contemporaneously with the execution hereof, each of the Co-Owners shall make the Initial Financial Contributions to the Joint Venture as set out in Schedule "A" hereto sufficient to provide the necessary funds to complete the purchase of the Property and provide the necessary funds to carry out the terms of this Agreement.

3.2. **ADDITIONAL FINANCIAL CONTRIBUTIONS**

It is the intention of the Co-Owners that all initial cash requirements of the Joint Venture be satisfied through the Initial Financial Contributions. To the extent that the Joint Venture requires funds in addition to the Initial Financial Contributions either initially or later, the Co- Owners hereby agree to make Additional Financial Contributions as agreed to by the Co-Owners in the percentages as defined in Schedule "A" in order to enable the joint venture to carry out the purpose of this Agreement. The amount of money in the Reserve shall be maintained in the bank account of the Joint Venture at the amount agreed to in this Agreement for the term of this Agreement. If the amount of money in the Reserve falls below the amount set forth in this Agreement the applicable Co-Owners shall contribute the necessary money to replenish the Reserve in monthly payments commencing on the 1st day of each month after notice of the need from replenishment is given by any Co-Owner to the other and payments shall continue until the Reserve is fully replenished.

3.3 Subject to paragraph 3.2 herein, in the event Additional Financial Contributions are required:

a. Each Co-Owner shall have Thirty (30) days from the date of a cash call for Additional Financial Contributions ("Date of Cash Call") by the Financial Manager to contribute the Additional Financial Contributions.

b. If any Co-Owner (Defaulting Co-Owner") fails to co-operate or to meet such a call for Additional Financial Contributions within the Thirty (30) days (the "Date of First Default"), then the other Co-Owner (the "Contributing Co-Owner") shall in addition to those rights as set forth in paragraph 4 herein, forthwith have the right to advance the Additional Financial Contributions on behalf of the Defaulting Co-Owner (the "Defaulted Additional Financial Contributions").

c. If the Contributing Co-Owner advances the Default Additional Financial Contributions on behalf of a Defaulting Co-Owner the Defaulting Co-Owner shall or shall cause to be paid to the Contributing Co-Owner:

i) the amount of the Defaulted Additional Financial Contribution;

ii) the reasonable costs of the Contributing Co-Owner relating to obtaining money to make the Defaulted Additional Financial Contribution; and

iii) interest equal to the greater of Twenty (20%) percent per annum or the prime commercial lending rate of The Royal Bank of Canada at the time of the Defaulted Additional Financial Contribution is made plus Six (6%) percent.

d. If and so long as the Defaulting Co-Owner is a defaulting co-owner as a result of a default hereunder, all and any monies payable to the Defaulting Co-Owner on account of the Joint Venture shall be paid to the Contributing Co-Owner until the Contributing Co-Owner has recovered those monies as set forth in paragraph 3.3 (c) herein.

e. For so long as party is a Defaulting Co-Owner the Contributing Co-Owner shall have the unfettered right to make decisions on behalf of the Defaulting Co-Owner pursuant to this Agreement.

4. DEFAULT

4.1. EVENTS OF DEFAULT

Any of the following events shall constitute a default ("Default") in respect of a Co-Owner hereunder:

a. If a Co-Owner shall fail to perform any of its obligations under this Agreement.

b. If an order shall be made or an effective resolution passed for the winding up or liquidation of a Co-Owner.

c. If any Co-Owner shall:

   i) admit in writing his or her inability to pay his or her debts generally as they become due;

   ii) make an assignment for the benefit of his or her creditors or take any other similar action for the protection or benefit of creditors;

   iii) file a petition in bankruptcy or a petition to take advantage or any other law of Canada or any province thereof for the relief of insolvent persons;

   iv) have consented to or acquiesced in the appointment of any trustee in bankruptcy, or receiver or liquidator of the said Co-Owner; or

   v) on petition in bankruptcy filed against it, be adjudicated a bankrupt.

d. If a court of competent jurisdiction shall enter an order, judgment or decree approving a petition against the Co-Owner seeking a reorganization, arrangement, liquidation, dissolution or similar relief under any applicable law or statute for the relief or aid of debtors and such order, judgment or decree shall not be vacated or set aside or stayed within Sixty (60) days from the entry thereof;

e. If under the provisions of any law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Co-Owner or of the whole or any substantial part of the Co-Owner or of his or her Interest in the Property and such custody or control shall not terminate or be stayed within Sixty (60) days from the date of assumption of such custody or control;

f. If an encumbrance holder shall take possession of the Interest of a Co-Owner in the Property or any substantial part thereof or if a distress or execution or any similar process be levied or enforced against the same and remain unsatisfied for a period of Ten (10) days.

g. If a Co-Owner fails to meet the call for Additional Financial Contributions as set forth in paragraph 3.3 herein.

4.2. **NOTICE OF DEFAULT**

Upon the occurrence of a Default under Paragraph 4.1. in respect of a Co-Owner, (the "Defaulting Co-Owner) the other Co-Owner shall have the right to give the Defaulting Co-Owner a notice of Default which shall set forth the nature of the Default. The Defaulting Co-Owner shall have Thirty (30) days after the date of receipt of such notice of Default to cure the same, except as otherwise provided herein, or such longer period of time as may be reasonably necessary the Defaulting Co-Owner in good faith commences action forthwith to cure the Default and thereafter proceeds with diligence to cure the same and if he or she provides to the other Co-Owner, on request, reasonable evidence as to the steps being taken by it to cure the Default and if such steps are reasonable in the circumstances.

4.3. **SALE OF INTEREST ON FAILURE TO CURE DEFAULT**

a. If a Default set forth in Paragraph 4.1.(a) occurs and is not cured as set forth in Paragraph 4.2 hereof or if any other Default shall occur and be continuing, the other Co-Owner shall be entitled, in addition to any other remedies that they may have at law or in equity to require the Defaulting Co-owner to dispose of his or her Interest in the Property by giving written notice to the Defaulting Co-Owner identifying the nature of the Default and requiring the Defaulting co-Owner to comply with the provisions of this paragraph. Forthwith upon the giving of such notice, the Defaulting Co-Owner shall list his or her separate Interest in the Property for sale with an independent duly qualified realtor and if the Defaulting Co-Owner shall fail to do so the other Co-Owner is hereby irrevocably appointed as the attorney of the Defaulting Co-Owner to do so. The independent realtor shall have, unless the other Co-Owner otherwise agrees, Sixty (60) days to obtain bona fide offers from persons dealing at arms length with the Defaulting Co-Owner to purchase the Interest of the Defaulting Co-Owner in the Property and such realtor shall submit to the other Co-Owner all offers received.

b. If at the end of the Sixty (60) day listing period (or of any extension or re-listing thereof pursuant to subsection (c) hereof) a bona fide offer or offers have been received from persons dealing at arms length with the Defaulting Co-Owner and the other Co-Owner which provide for the purchase of the Interest of the Defaulting Co-Owner to the Property for the payment of the purchase price in cash or partly on reasonable credit terms (but excluding any exchange of property or other non-cash consideration except for the assumption of any existing mortgages on the Property), for completion for

the purchase within Ninety (90) days of acceptance of the offer and for acceptance of the offer following compliance with this section, unless waived by the other Co-Owner (any of which offers is herein referred to as an "Acceptable Offer"), the other Co-Owner shall be entitled to purchase the separate Interest of the Defaulting Co-Owner in the Property in accordance with the provisions contained in this Paragraph 4.3. mutatis mutandis on all of the terms of the Acceptable Offer which provides for the greatest total consideration. For such purposes the Defaulting Co-Owner shall be deemed to have given a Notice of Offer on the later of the last day of such listing period and the date of delivery to the other Co-Owner of copies of all Acceptable Offers. If the other Co-Owner fails to exercise his or her rights pursuant to this section, the Interest of the Defaulting Co-Owner shall be sold by the Defaulting Co-Owner to the person who has in the opinion of the other Co-Owner made the best Acceptable Offer on the condition that such person enters into an agreement with the not-defaulting Co-Owner to be bound by all the terms and provisions hereof and to be subject to all the liabilities and obligations herein of the Defaulting Co-Owner, and that the proceeds of the purchase are made available (before being paid to the Defaulting Co-Owner) to cure any Default of the Defaulting Co-Owner (to the extent possible) hereunder.

c. If at the end of the Sixty (60) day listing period (or of any extension or relisting thereof as provided below), no Acceptable Offer has been received, then, at the option of the other Co-Owner to be exercised within Fifteen (15) days after the end of such period, either:

i) the Interest of the Defaulting Co-Owner may be re-listed with the same realtor or with another independent duly qualified realtor for a further Sixty (60) day period, and so from time to time; or

ii) the other Co-Owner shall be entitled to purchase all (but not less than all) of the Interest of the Defaulting co-owner in the Property at the fair market value thereof at Seventy Five (75%) percent of the fair market value thereof, such fair market value to be determined by an appraiser appointed pursuant to the provisions of Paragraph 4.4 herein and in such event the purchase shall be for cash (but may involve the assumption by the other Co-Owners of the liability of the Defaulting Co-Owner in any existing mortgages on the Property) and shall be completed within Sixty (60) days of the date of exercise by the other Co-Owner of the option to purchase such Interest; or

iii) the other Co-Owner may decide not to do either of (i) or (ii) above, but shall not by such decision waive any of his or her rights to subsequently proceed under the provisions of this Paragraph 4.3. to

require the Defaulting Co-Owner to dispose of his or her Interest in the Property at any time while the Defaulting co-Owner remains or is at any subsequent time in Default.

d. Any offer which is not an Acceptable Offer pursuant to the terms hereof shall not be accepted by the Defaulting Co-Owner.

4.4 **APPOINTMENT OF APPRAISER**

a. Whenever an Appraiser is required for the determination of any matter provided for in this Agreement, such Appraiser shall be appointed either by the unanimous agreement of the Co-Owners or in the event that the Co-Owners are unable to agree upon an Appraiser within Fourteen (14) days after a notice of the need of an Appraiser has been given by any Co-Owner to the other, by registered mail upon request of either Co-Owner, or if such registered mail shall refuse or fail to act within a period of Fourteen (14) days after such request, by the Supreme Court of British Columbia upon the request of any Co-Owner.

b. The Appraiser shall have access to all books of account records, vouchers, cheques, papers and documents of the Co-Owners which may relate to the Property. The Co-Owners shall co-operate with the Appraiser for such purpose and provide all information and documents requested by him. In the determination of fair market value, the Appraiser shall have regard to all relevant considerations including historical and potential performance and shall make all proper and necessary allowances for contingent or other liabilities. The Appraiser shall have the right to retain such experts, including appraisers, as he may deem necessary to assist him in making such valuation.

c. The Appraiser shall report his determination of any matter referred to him pursuant hereto in writing to the Co-owners and such report shall be binding upon them. At the time of his appointment, the Appraiser shall be requested to make such report within Thirty (30 days) after his appointment, but he shall not make any report until he has given each of the Co-Owners reasonable opportunity to present arguments and evidence in respect thereof.

d. The Appraiser shall be deemed to be acting as an expert and not as arbitrator, and the fees and expenses of the Appraiser shall be paid by the Co-Owners in proportion to the respective Venture Percentage Interest in the Property, or as the Appraiser shall otherwise equitably apportion.

4.5. **INDEMNITY**

Each Co-Owner agrees that in the event that a third party requires that the Co-Owners be jointly and severally liable for any obligations arising in the course of pursuing the Joint Venture undertakings or related activities (the "Joint Venture Undertakings"), the respective liability of each of the Co-Owners, as between themselves, shall be limited to their respective agreed upon liability as set forth in this Agreement of the total liability for which the Co-Owners are required to become jointly and severally liable. Each Co-Owner (hereinafter called the "Indemnifying Co-Owner") agrees to indemnify and save harmless the other Co-Owner (hereinafter called the "Indemnified Co-Owner") to the extent of that portion of all monies which the Indemnified Co-Owner may be required to pay or liability to which they have or may become subject by reason of any such joint and several liability or by reason of any actions, proceedings, liability, claims, damages, costs and expenses in relation thereto or arising therefrom, which is in excess of the respective Co-Owner's liability of the total liability for which the Co-Owners are required to become jointly and severally liable and which has been paid by the Indemnified Co-Owner. In the event that any Indemnified Co-Owner shall pay any "Excess", defined as monies paid pursuant to any demand from any third person in excess of his or her liability, the other Co-Owner shall forthwith upon demand pay to the Indemnified Co-Owner all the Excess so paid by the Indemnified Co-Owner.

5. **TRANSFER OF OWNERSHIP**

5.1. **RIGHT OF FIRST REFUSAL**

The Parties agree that there shall be a right of first refusal arrangement on the following terms and conditions:

a. Each Co-Owner as grantor ("Grantor"), grants to the other Co-Owner as grantee ("Grantee"), a right of first refusal to acquire the Grantor's Interest, or any portion thereof on the terms set out in this paragraph. The Grantor shall specifically include the Co-Owner himself and his or her heirs, assigns, executors, creditors or any other parties that may be entitled at any time to dispose of the Grantor's Interest.

b. **"First Refusal Offer"** means any offer or agreement to sell, purchase, lease, transfer, assign, pledge, mortgage, hypothecate or in any other way to convey or dispose (such action being a "Disposition") either directly or indirectly, all or any portion of his or her Interest. For the purposes of this paragraph a Disposition shall include the sale of the shares of a corporate Co-Owner such that Control of a corporate Co-Owner changes.

c. The Grantor shall not permit a Disposition of his or her Interest until he or she has first offered to the Grantee the right to acquire all or part of the Grantor's Interest contained in the First Refusal Offer on the identical terms and conditions set out therein. Upon receipt of any First Refusal Offer, the Grantor shall immediately deliver to the Grantee a complete and true originally executed copy thereof.

d. Upon delivery by the Grantor to the Grantee of the First Refusal Offer, the Grantee shall have Five (5) days to advise the Grantor whether he or she elects to acquire the Interest contained in the First Refusal Offer on the same terms and conditions set out therein. If the Grantee does not advise the Grantor in writing within the required time, the Grantee shall be deemed to have rejected such First Refusal Offer.

e. If the Grantee does not elect to acquire the Interest offered, the Grantor may then proceed with the Disposition of his or her Interest, but only on the terms and conditions as contained in the First Refusal Offer. If the terms and conditions of the First Refusal Offer are at any time changed in any way following the Grantee's rejection or deemed rejection of the First Refusal Offer, the Grantor shall not complete such Disposition unless and until he or she has again first complied with all such requirements of this Paragraph.

f. If the Grantee does not elect to acquire the Interest, and the transaction contemplated by the First Refusal Offer does not close, the Grantee's right of first refusal as set forth herein shall survive. If the First Refusal Offer is only with respect to a portion of the Grantor's Interest, the right of first refusal shall continue to apply to the remainder of the Grantor's Interest.

g. The Grantor agrees to require as a condition of any First Refusal Offer that the purchaser of any Interest shall agree in writing directly with the Grantee to be bound by this Agreement. All Parties hereby agree that the said purchaser shall not receive good title until he or she has first executed this Agreement and any other documents as may be reasonably required by the Financial Manager and the Grantee.

h. If the Grantee advises the Grantor that it elects to acquire the Interest offered, then the transaction shall close in accordance with the terms of the First Refusal Offer.

i. If the First Refusal Offer contains any conditions which are required to be waived or met by the intended purchaser, the Grantor shall also provide to the Grantee, promptly upon the waiving or meeting of such conditions, evidence ("Evidence") that the purchaser's conditions have been waived or met. The Five day period (as set forth in paragraph 5(d) of this Paragraph)

commences when the First Refusal Offer and the Evidence have both been delivered to the Grantee.

5.2. **COMPULSORY BUY-SELL**

The Parties hereby agree that there shall be a compulsory buy-sell arrangement on the following terms and conditions.

a. Any Co-Owner ("Offeror") shall at any time be entitled to give notice "(Offer") to any other Co-Owner ("Offeree") to unconditionally sell the Offeror's Interest to the Offeree. The Interest to be sold or purchased pursuant to Paragraph 5.2. shall be all of the Interest in the Property owned by the Seller including, without limiting the generality of the foregoing, the entitlement to the return of the applicable Initial Financial Contribution and Additional Financial Contribution.

b. The Offer must be for a specified purchase. The Offer shall be irrevocable by the Offeror for a period of Thirty (30) days from the date of its delivery to the Offeree. The Offer shall state a place of closing ("Place of Closing") and a closing date ("Closing Date") which shall be Thirty (30) days after acceptance of the Offer if such is a business day, or otherwise the next business day.

c. The Offeree shall be entitled, at any time during the period of Thirty (30) days following the delivery of the Offer, to give the Offeror a written notice electing to either:

   i) accept the Offer; or

   ii) the Offeree may elect to sell all of the Offeree's Interest to the Offer at the same rate and on the same terms and conditions mutatis mutandis, in which the Offeror will sell his or her Interest to the Offeree.

   Upon delivery of such notice, the Offeror and the Offeree shall be bound to complete such purchase and sale in accordance with such terms. If the Offeree shall fail to give such notice within the said period, he or she shall be conclusively deemed to have accepted the Offer of the Offeror for the Offeree purchasing the Interest of the Offeror as set forth in paragraph 5.2 (a) herein and shall be bound to purchase Interest of the Offeror in accordance with the terms of the Offer.

d. From and after the closing of the purchase and sale contemplated by this Paragraph, the purchasing party ("Purchasing Party") shall assume all

indebtedness or obligations to third parties which the selling party ("Selling Party") properly incurred in connection with the Property and the Joint Venture. The Purchasing Party shall make all reasonable attempts to have the Selling Party released from any and all obligations pursuant to mortgages, loans, and otherwise prior to the closing of the purchase and sale contemplated by this section. If it is not possible to obtain such releases the Purchasing Party shall provide to the Selling Party indemnities as the Selling party may reasonably require.

e. If the Selling Party is not represented at the Place of Closing at the Date of Closing, or is represented but fails for any reason to deliver to the Purchasing Party the required documents, then the purchase price for the Interest being purchased shall be deposited by the Purchasing Party into a special account at the main Vancouver branch of The Royal Bank of Canada with interest for the account of the Purchasing Party. Such deposit shall constitute valid and effective payment of the purchase price for the Interest being purchased to the Selling Party.

f. If the purchase price for the Interest being purchased is deposited pursuant to the Paragraph above, then from and after the date of such deposit, and even though the appropriate documents and assignments evidencing the purchase and sale of the Interest being purchased have not been delivered to the Purchasing Party, the purchase of the Interest being purchased shall be deemed to have been fully completed and all right, title, benefit, and interest, both at law and in equity, in and to the Interest being purchased shall be conclusively deemed to have been transferred and assigned to and become vested in the Purchasing Party, or of any transferee, assignee or any other person having any interest, legal or equitable, therein or thereto shall cease and determine, provided, however, that the Selling party shall be entitled to receive the purchase price so deposited without interest upon delivery to the Purchasing Party of the appropriate documents duly executed and required by the Purchasing Party.

g. The Selling Party hereby irrevocably constitutes and appoints the Purchasing Party as his true and lawful attorney-in-fact and agent for, in the name of and on behalf of the Selling Party to execute and deliver in the name of the Selling Party all such assignments, transfers, deeds and instruments as may be necessary effectively to transfer and assign the Interest being purchased or any part thereof, to the Purchasing Party, or his nominee. Such appointments and power of attorney shall not be revoked by the insolvency, bankruptcy or winding up of the Selling Party who hereby ratifies, confirms and agrees to ratify and confirm all that the Purchasing Party may lawfully do or cause to be done by virtue of this provision. The Selling Party hereby

irrevocably consents to any transfer of the Interest being purchased or any part thereof made pursuant to these provisions.

h. If the Purchasing Party fails to close at the Date of Closing, then Thirty (30) days later the Purchasing Party shall be obligated to sell his Interest being purchased to the Selling Party for Eighty (80%) percent of the purchase price as set out in this section in the Offer with the Twenty (20%) percent reduction being liquidated damages and not a penalty.

5.3. **GUARANTEES**

Notwithstanding any other provisions of this Agreement, if pursuant to the terms of this Agreement, on the sale of the Interest of a Co-Owner, a vendor shall be contingently liable or responsible as guarantor of any indebtedness, liability or obligation of the Joint Venture or the Property, the purchaser of such Interest shall use his or her best efforts to secure the release of the vendor from any and all such guarantees, failing which the purchaser shall deliver indemnities and security therefore to the vendor as the vendor may reasonably require.

5.4. **INDEBTEDNESS**

If, on the date of closing of the sale of any Interest:

a. the vendor is indebted to the Co-Owner or any other Party, the purchaser shall pay on the date of closing to the Co-Owner or such other Party such amount of the purchase price as will discharge such indebtedness owing by the vendor;

b. a purchaser is indebted to the vendor, then the amount of such indebtedness shall at the option of the vendor be payable on the date of closing;

c. the Co-Owner is indebted to the vendor, then such indebtedness immediately prior to sale shall be added to the purchase price payable for the Interest and shall be payable in the same manner as the payment terms of the purchase price for the Interest provided however that the vendor shall deliver to the purchaser a valid assignment of such indebtedness.

6. **SALE IN THE EVENT OF DEATH**

6.1. **INSURANCE**

Each of the Co-Owners may own and maintain the policies of insurance on the life of the other respective Co-Owner as described in Schedule "C" attached hereto and

made part hereof. The Joint Venture shall pay from the Joint Venture funds all premiums on the policies during the continuance and force of this Agreement as they become due. If any premium is not paid within Twenty (20) days after its due date the insured person under that policy shall have the right to pay such premium and be reimbursed therefore by the Joint Venture. The insurer in each policy is hereby authorized and directed to give the insured upon his or her written request any information with respect to the status of any policy on his or her life. The Parties may apply dividends on such policies toward the payment of any premiums. The Parties shall vary the amounts of life insurance from time to time so that the amount of life insurance on the life on any Co-Owner shall not be less than the aggregate amount of the value of the Interest of that Co-Owner in the Property and this Agreement shall extend to and include any additional policies issued pursuant hereto, such additional policies to be listed in Schedule "C". Each of the Co-Owners shall use his or her best efforts to permit the other Co-Owner to obtain such life insurance, including attending for physical examinations and answering such questions as may be necessary.

6.2. **PURCHASE AND SALE**

Upon the death of any of the Co-Owners (hereinafter called the "Deceased Co-Owner") the personal representative of the deceased Co-Owner shall sell to the other Co-Owner and the other Co-Owner shall purchase from the personal representative of the Deceased Co-Owner all of the Interest in the Property owned by the Deceased Co-Owner at the time of his or her death, at a price to be determined in accordance with the provisions of Paragraph 6.2. hereof and upon the terms set forth in Paragraphs 6.3. and 6.4.

6.3. **PRICE**

The Co-Owners agree that the present value of their respective Interest in the Property is that amount as contained in Schedule "D" attached hereto. Within Thirty (30) days at the end of each calendar year or so soon thereafter as possible the Co-Owners, acting unanimously, shall redetermine the value of their Interest in the Property and shall indicate such value by endorsement upon Schedule "D" attached hereto and made a part hereof. Should the Co-Owners fail to indicate such value by endorsement upon Schedule "D" for the calendar year immediately proceeding the death of the Deceased Co-Owner, the most recent valuation as endorsed upon Schedule "D" shall be used for the purpose of this Paragraph. Should there be no valuation endorsed on Schedule "D" the value of the Interest of the Deceased Co-Owner shall be determined by an independent, qualified appraiser appointed by and governed by paragraph 4.4 of this Agreement *mutatis mutandi*.

6.4. **LIFE INSURANCE PROCEEDS**

The proceeds of the policies of life insurance on the life of the Deceased Co-Owner shall, to the extent required be promptly applied toward payment in accordance with the terms of this Agreement of the purchase price of the Interest in the Property then owned by the personal representative of the Deceased Co-Owner. If there are no insurance proceeds or if the amount of the indebtedness to the personal representative of the Deceased Co-Owner exceeds the proceeds of life insurance, the balance of indebtedness owed by the surviving Co-Owner to the personal representative of the Deceased Co-Owner shall be paid by the surviving Co-Owner by cash or at the election of the surviving Co-Owner in Thirty-Six (36) monthly instalments with such payments to commence on the first anniversary of the date of the death of the Deceased Co-Owner. In the event that the life insurance proceeds exceeds the price to purchase the Interest of the personal representatives of the Deceased Co-Owner, the surplus of such proceeds shall be the property of the surviving Co-Owner.

6.5. **PAYMENT AND DELIVERY**

Upon the death of the Deceased Co-Owner the surviving Co-owner shall:

i) as applicable, make claim for and collect proceeds of the life insurance policies issued on the life of the Deceased Co-Owner; and

ii) close the transaction for the purchase of the Interest in the Property now owned by the personal representative of the Deceased Co-Owner and pay to the Estate of the Deceased Co-Owner the proceeds of the life insurance policies of the Deceased Co-Owner collected by it, to the extent required; provided that the surviving Co-Owner shall have simultaneously received from the personal representative of the Deceased Co-Owner all releases and acknowledgements of payment of debts from the Joint Venture to the personal representatives and the appropriate transfers of the title to the Property herein required to be sold by the personal representative for the Deceased Co-Owner to the surviving Co-Owner together with all such legal instruments as may be necessary or required to transfer to the surviving Co-Owner all the Interest of the personal representative of the Deceased Co-Owner in the Property.

7. **ACCOUNTING AND DISTRIBUTIONS**

7.1. **BOOKS**

At all times during the term hereof, the Co-Owners shall cause accurate books and records of account to be maintained in which shall be entered all matters relating to

the Joint Venture, including all income, expenditures, assets and liabilities.

7.2. **ANNUAL FINANCIAL STATEMENTS**

The Financial Manager shall cause to be prepared annual financial statements ("Financial Statements") including a balance sheet and income statement, on an accrual basis, within Sixty (60) days of the Calendar year end, suitable for the preparation of Co-Owner's Canadian Income Tax Returns.

7.3. **LOCATION AND RIGHTS OF INSPECTION**

The Co-Owner's books and records of account shall be kept at all times at the place or places selected by the Co-Owners. Any Co-Owner or his authorized representative shall have the right ("Right to Inspection") to inspect, examine and copy the books, records, files, securities and other documents of the Co-Owners at reasonable times at his or her own expense.

7.4. **SPECIAL TAX REQUIREMENTS**

If a Co-Owner requires information for his Canadian Income Tax Return which is not part of the Financial Statements accepted by the Co-Owners, such Co-Owner or his authorized representative shall have the Right of Inspection at his own expense.

7.5. **BANK ACCOUNTS**

The Co-Owners shall maintain a bank account with respect to the Property at The Bank of Montreal Chilliwack branch and the Financial Manager shall be the authorized signatory for such bank account.

7.6. **ALLOCATIONS AND DISTRIBUTIONS**

After allowing for reserves as deemed prudent by the Co-Owners for operating losses, capital improvements and working capital, cash available for distribution shall be distributed at such time or times chosen by the Co-Owners buy not later than January 31 of each year as follows:

a. if it is rental income surpluses, pro rata on the Rental Percentage Participation as set forth in Schedule "A"; and

b. if it is net capital appreciation surpluses realized through the sale of the Property or increasing mortgage financing on the Property, after payment of amounts owing to arms-length third parties in the following order:

i) Initial Financial Contribution shall be repaid to the Co-Owner, based

on the contribution of cash, pro rata between Reserves, Down Payment and Closing Costs;

ii) Additional Financial Contributions shall be repaid to the Co-Owners, based on the contribution of cash, pro rata between Negative Cash Flow, Repairs and Reserve Top Up; and

iii) The balance shall be distributed based on the Venture Percentage Interest of each Co-Owner as set forth in Schedule "A".

7.7. **OBLIGATIONS**

The debts, obligations and liabilities of any nature related to the Property and the Joint Venture shall be paid by the Co-Owners on the basis as set forth in the definition of Venture Percentage Interest as set forth in Schedule "A".

8. **GENERAL PROVISIONS**

8.1. **COMPLETE AGREEMENT**

a. This Agreement constitutes the entire Agreement between the Parties and supersedes all agreements, representations, warranties, statements, promises and understandings, oral or written, with respect to the subject matter hereof, and no Party hereto shall be bound by nor charged with any oral or written agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement or the Schedules attached hereto.

b. This Agreement may not be amended, altered or modified except by a written agreement signed by all Parties.

8.2. **NOTICES**

All notices under this Agreement shall be in writing and shall be delivered to the Parties such that the notice is received in person by:

i) hand delivery (including delivery by a commercial courier service); or

ii) facsimile transmissions;

8.3. **CHANGE OF ADDRESSES**

By giving to the Co-Owners or any other Co-Owner at least Five (5) days written notice, the Parties shall have the right from time to time to change their respective address to any address within British Columbia.

8.4. **SURVIVAL OF RIGHTS**

This Agreement shall be binding upon and enure to the benefit of the Parties hereto, their respective heirs, executors, legal representatives and permitted successors or assigns.

8.5. **TIME**

Time shall be and remain of the essence.

8.6. **FURTHER ASSURANCES**

The Co-Owners shall execute all other documents and instruments and do all of the things necessary to implement and carry out the terms of this Agreement.

8.9. **COUNTERPART**

This Agreement may be executed in counterpart in the same form and such parts so executed shall together form one original Agreement and such parts shall be read together and construed as if all Parties had executed one Agreement and that all counterparts shall be deemed dated the date of the Agreement as set forth on the face page of this Agreement.

8.10. **WAIVER**

No waiver by any Party of any breach of any condition, covenant or agreement hereof shall constitute a waiver of any other condition, covenant or agreement.

8.11. **RECITALS**

The Parties hereby irrevocably and mutually acknowledge and declare that the statements contained in the recitals to this Agreement are true in substance and in fact and that the recital shall be considered part of this Agreement with respect to the interpretation of this Agreement.

8.12. **ARBITRATION**

In the event of any bona fide dispute arising between the Co-Owners under this Agreement, such dispute shall immediately be referred to an arbitrator, agreed upon by the Co-Owners or, in the event that they cannot agree upon such arbitration of any arbitrator under the *Commercial Arbitration Act*, Revised Statutes of British Columbia, and amendments thereto or such other Statute or Statutes of like effect being in force in British Columbia, and the decision of such arbitrator shall be final and binding upon the parties. Costs of the arbitration shall follow the award, unless otherwise determined by the arbitrator. Any adjustment required to be make by reason of any such decision of the arbitrator shall be made within Seven (7) days thereof.

IN WITNESS WHEREOF the Parties have hereto executed this Agreement as of the date of Agreement set forth on the face page of this Agreement.

SIGNED SEALED AND DELIVERED)
In the Presence of:)
)
Jon Murray)
Name:)
[redacted])
Address)
Chuk Businessman.)
Occupation)
)

SIGNED SEALED AND DELIVERED)
In the Presence of)
)
Carmen Sinclair)
Name:)
[redacted])
Address [redacted] BC)
Psychiatric Nurse)
Occupation)

SCHEDULE "C"

LIFE INSURANCE POLICIES

Schedule of Life Insurance Policies purchased pursuant to Agreement dated for reference the [illegible] day of November, 2010.

LIFE INSURED

Insured Co-Owner	Jonathon Murray
Policy Number	021876977L
Face Amount	$1,300,000.00
Policy Owned and Paid By:	Jon Murray or Survivors Empire Life Broker: Money Concepts Chilliwack Agent: Kirk Dzaman

SCHEDULE "D"

VALUATION OF THE PROPERTY AS AT THE DATE INDICATED

Date	Value of Property	Investor Capital to be paid
November 15, 2010	To Be Determined (see attached projections)	$50,000 US Currency

The investor is investing $50,000 (US funds) to joint venture with Jon Murray on a buy fix and re-sell in Phoenix, Az or Las Vegas, NV. Returns for this joint venture are projected at 100% – 200% per annum. The post tax returns will be split equally (50/50) between the Investor and the finder.

Fix and Flip basic cashflow analysis

Purchase price	$ 80,000.00
80% LTV financing	$ 64,000.00
Fixed Sell price	$ 130,000.00

Down Payment 20% of Purchase price	$ 16,000.00
Closing costs @ 3%	$ 2,400.00
Finance fee @ 2%	$ 1,280.00
3 payments	$ 2,880.00
Repairs/Updates	$ 12,000.00
Contingency - 20% of repair/updates	$ 2,400.00
Upfront Costs	$ 36,960.00

1 pay twice

Selling closing costs	$ 2,600.00
Realtor fees	$ 6,500.00
Total Costs	$ 46,060.00

Projected pre- tax profit	$ 19,940.00
90 day projected return	53.95%
Annual projected return	215.80%
Annual project return 50/50 split	107.90%

SCHEDULE "A"

In this Agreement the words and phrases as defined in the body of this Agreement shall have those meanings as set forth in the body of this Agreement and as well the following words and phrases unless there is something in the context inconsistent therewith shall have the following meanings:

"Additional Financial Contributions" means any additional cash contributions required by the Co-Owners subsequent to the Initial Financial Contribution. These may be broken down into the categories of Negative Cash Flow, Repairs and Reserve Top Up. The Co-Owners shall make contributions to these categories on the following basis:

	Name of Co-Owner	***Percentage***
Negative Cash Flow:	Investor – Carmen Sinclair	50%
	Finder - Jon Murray	50%
Repairs:	Investor – Carmen Sinclair	50%
	Finder - Jon Murray	50%
Reserve Top Up:	Investor – Carmen Sinclair	50%
	Finder - Jon Murray	50%

"Closing Costs" means the amount of funds required to pay for expenses incidental to the purchase of the Property including, but without restricting the generality of the foregoing, legal fees and related costs, fees for initial accounting advice, property purchase tax, goods and services taxes and any other government taxes or levies on account to the purchase of the Property, fees for fire insurance binders, fees for Form B's and Form F's, real estate fees (if applicable), mortgage brokerage fee and mortgage insurance fees, but shall exclude the Down Payment and the Reserve.

"Control or Controls" means

1. the right to exercise a majority of the votes which may be put at a general meeting of a corporation; and

2. the right to elect or appoint directly or indirectly a majority of the directors of a corporation or other persons who have the right to manage or supervise the management of the affairs and business of the corporation

"Co-Owners or Parties" means the Investor and the Finder and "Co-Owner or Party" means any one of them.

"Declaration of Trust" means that Declaration to be signed by the Trustee (as defined in the Declaration of Trust) wherein the Trustee declares that the Trustee holds the Property in trust for the Beneficiaries (as defined in the Declaration of Trust) and this Declaration of Trust should be in the form as attached hereto as Schedule "B ".

"Down Payment" means the amount of funds required to complete the purchase of the Property as adjusted for the normal adjustments such as property taxes, rents, security deposits, utilities and maintenance fees but shall exclude the Closing Costs and the Reserve.

"Financial Manager" means Jon Murray

"Finder" means Jon Murray

"Initial Financial Contributions" means the amount that the Co-Owners have initially contributed to the Joint Venture. These contributions may be broken down into the categories of Down Payment, Closing Costs, and Reserve. The Co-Owners shall make contributions to these categories on the following basis:

	Name of Co-Owner	***Percentage***
Down Payment:	Investor	100%
	Finder	0%
Closing Costs:	Investor	100%
	Finder	0%
Reserve:	Investor	100%
	Finder	0%

"Interest" means all the right title and Interest of a Co-Owner in and to the Property, any loan and accrued interest thereon, any Initial Financial Contribution, any Additional Financial Contribution and any other right or claim the Co-Owner may have against the Property as a Co-Owner and the Co-Owner's Interest in and to this Agreement

"Joint Venture" means the arrangement between the Co-Owners as set forth in this Agreement.

"Negative Cash Flow" means the amount by which the expenses of the Joint Venture exceed the revenues of the Joint Venture for a given period of time.

"Property" to be determined rehab property in Phoenix, AZ.

"Rental Percentage Participation" means the share of any monies received in respect of the rental income or other income derived from the Property (excluding any gains received with respect to the sale of the Property) which shall be shared by the Co-owners on the following bases:

Name of Co-Owner	*Percentage*
Investor	50%
Finder	50%

"Repairs" means any repairs to the Property required to maintain the Property such that at a minimum the Property is in the condition the Property was in at the date of purchase by the Co-owners.

"Reserve" means a reserve to cover expenses and shortfalls which shall be equal to three months rent related to the Property as estimated by the Co-Owners.

"Reserve Top Up" means any monies required from the Co-owners to maintain the Reserve at the agreed upon amounts of funds.

"Venture Percentage Interest" means the share of any gains incurred in respect of the sale of the Property which shall be shared by the Co-Owners on the following bases:

Name of Co-Owner	***Percentage***
Investor	50%
Finder	50%

and the Co-Owners shall be obligated to pay the liabilities with respect to the Property on the following basis:

Name of Co-Owner	***Percentage***
Investor	50%
Finder	50%

SCHEDULE "B"

DECLARATION OF TRUST

THIS DECLARATION dated the 15th day of November, 2010.

WHEREAS:

A. **Jon Murray** (hereinafter referred to as the "Trustee") will be the legal owner of property to be determined in the city of Phoenix, in the State of Arizona

(hereinafter referred to as the "Property")

B. The Trustee will acquired the legal title for the to be determined Property on or before December 15, 2010.

C. The Trustee holds the Property in trust for Carmen Sinclair (hereinafter referred to as the Beneficiaries") on the terms herein set forth.

NOW THEREFORE THIS DECLARATION WITNESSETH THAT:

1. **The Trust.** The Trustee hereby acknowledges and declares that the Trustee will be the registered and legal owner of the Property and does hold the Property in trust for the Beneficiary on the terms herein contained in that agreement between the Beneficiaries dated for reference the 15th day of November, 2010.

2. **Sale.** The Trustee has the right to make any sale, pledge, hypothecation, gift or other transfer of the Property or any interest in the Property for valuable consideration or otherwise without the express written consent of all the Beneficiaries.

3. **Proceeds of Sale.** Upon any sale, hypothecation or transfer or other disposition of the Property pursuant to the provisions of this Declaration of Trust or otherwise, the Trustee shall pay any proceeds received from the sale, hypothecation, transfer or other disposition of the Property to the Beneficiaries for the Beneficiaries' sole use and benefit absolutely and forever.

4. **Income From The Property.** Any rent monies, income, or other benefits (the "Benefits") accruing from the Property shall be the property of the Beneficiaries and upon receipt of any Benefits by the Trustee, the Trustee shall upon receipt of direction from the Beneficiaries pay the Benefits to the Beneficiaries for the Beneficiaries' sole use absolutely and forever.

5. **Payments.** The Beneficiaries shall pay any monies (the "Payments") on account of any liability with respect to the Property to the Trustee within a reasonable period of time after the Trustee delivers to the Beneficiaries notice of the Payments and written proof of the Payments.

6. **Transfer.** The Trustee shall transfer or cause to transfer the "Transfer") legal ownership of the Property to the Beneficiaries herein within Five (5) days of receipt by the Trustee of written notice from the Beneficiaries and the Beneficiaries shall pay all legal fees on account of the Transfer.

7. **Beneficiaries.** The Beneficiaries agrees to indemnify and save harmless the Trustee against any and all liability, loss, cost, action, claim or expense resulting from the Trustee's holding of title to or dealing with the property as directed by the Beneficiaries from time to time, except to the extent that the same results from a dishonest, fraudulent or negligent act or omission of the Trustee or the Trustee's agent.

8. **Other Agreements.** The Trustee covenants to abide by and comply with the terms and condition of any leases, mortgages, listing agreements or other agreements between the Trustee and any other party(ies) or between the Beneficiaries and any other party(ies) with respect to the Property.

9. **Reimbursement of Expenses.** Any Payments or disbursements made by the Trustee in respect of the Property in accordance with this Declaration will be made as the agent of any and for the account of the Beneficiaries as principal, and expended by the Trustee in connection with the property with the written consent or direction of the Beneficiaries. The Trustee will not be entitled to any remuneration or any revenue or profit in respect of the Property for acting as Trustee under this Declaration.

10. **Time Limitation.** The powers herein conferred on the Trustee will not extend beyond the expiration of Eighty (80) years from the date of execution and delivery of this Declaration, unless renewed.

11. **Enurement.** This Declaration of Trust shall be binding upon and enure to the benefit of the respective heirs, executors, administrators, successors and assigns of the Beneficiaries and the Trustee.

12. **Notices.** Any notice to be given under the Declaration of Trust shall be duly and properly given if couriered or delivered by hand addressed as follows:

Jon Murray
[redacted]
[redacted] BC [redacted]

13. **Preambles.** The preamble clauses shall form a part of the Declaration of Trust with respect to the interpretation of this Declaration of Trust.

14. **Further Assurances.** The parties will perform all such other acts and things and execute all such other documents as are necessary or desirable to evidence or carry out the terms or intent of this Declaration of Trust.

15. **Gender and Number.** Words importing the masculine gender include the feminine and neuter genders, and words in the singular include the plural, and vice versa.

16. **Governing Law.** This Declaration of Trust and all matters arising hereunder will be governed by and construed in accordance with the laws of the Province of British Columbia, which will be deemed to be the proper law hereof, and the courts of British Columbia will have the non-exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Declaration of Trust and the validity, existence and enforceability hereof.

17. **No Waiver.** No failure or delay on the part of either party in exercising any right, power or privilege under this Declaration of Trust will operate as a waiver thereof. Except as may be limited herein, either party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Declaration of Trust or any other remedy available to it and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of making any election.

18. **Amendment.** This Declaration of Trust may be altered or amended only by an agreement in writing signed by the parties hereto.

IN WITNESS WHEREOF the parties have executed this Declaration of Trust as of the date first above written.

Signed, Sealed and Delivered)
By the Trustee in the presence of:)

Jon Murray
Name

[redacted]
Address

[redacted]

Chilliwack
Businessman
Occupation

(Consented To And Agreed Upon)

Signed, Sealed and Delivered)
By the Beneficiary in the presence of:)

Carmen Sinclair
Name

[redacted]
Address

[redacted] BC

Nurse
Occupation

Sinclair, Carmen

From: sinclair@[redacted]
Sent: February 17, 2011 9:14 AM
To: Sinclair, Carmen
Subject: Fwd: RE: 3 responses
Attachments: 206 E Palo Verde Final Invoice.pdf

---------- Forwarded message ----------
From: **Jon Murray 604 846 HELP (4357)** <jon@jowen.ca>
Date: Feb 16, 2011
Subject: RE: 3 responses
To: 'carmen sinclair' <sinclair@[redacted]

Here are the answers to your questions...

1. The address of the fix and flip is 206 E Palo Verde, Gilbert Arizona. The MLS number is 4519862. You will see lots of good pictures of the finished product on the MLS listing online. The cost of purchase was $116,800 (plus $3000 auction bid fees) and the cost of repairs was $15,564.68. All the repairs have been paid in full. The monthly payments are currently at $1395 per month and are current. Once we have an accepted offer, I will have a full statement of adjustments for the closing costs, realtor fees, HOA fees, property taxes and final utilities cost. I am not sure where you are getting a $15,000 profit figure on your original $50k. The profits (or losses) will be split equally as per our agreement when the property closes.
2. I would suggest that we draft a extension to the promissory note for the 15th of March. I can offer an excellent rate of 8% from February 2nd on, which is substantially higher than the going rate. I await your approval on this before drafting the document.
3. I have not blocked your from twitter or facebook. A few weeks ago, I did however change my privacy settings so only accepted friends can follow me on either site. I did this for personal reasons which I am sure you can respect.

Sincerely,

Jon

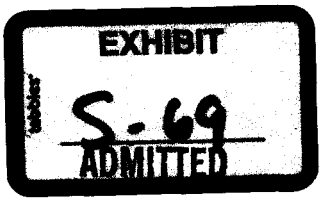
From: carmen sinclair [mailto:sinclair@[redacted]
Sent: Tuesday, February 15, 2011 8:46 PM
To: Jon Murray
Subject: 3 responses

1.I want all the particulars of the fix and flip that I will get $15,000. on my $50,00. US investment.
You have not provided me with ANY Info on this deal, yet you will not get me out of it as I have requested.

2. I would like a date when I can expect the $55,000. that was promised me for Feb 1/11, as per you promissory note.
3. I notice that you have blocked me from all your twitter and facebook

I look forward to your response to the above 3 points.

Carmen



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20101124985 12/28/2010 10:03
ELECTRONIC RECORDING

21012665td2-2-1-1--
sarabiam

WHEN RECORDED MAIL TO :
JONATHON MURRAY
10635 E. TOPAZ DRIVE
SCOTTSDALE, AZ 85258

Great American Title Agency
Forward Tax Statements to :
JONATHON MURRAY
10635 E. TOPAZ DRIVE
SCOTTSDALE, AZ 85258

T & B File # 10-46713
Mortgage Co.# 0201357431
Title Co. # 21012665

EXEMPT TRANSACTION – NO AFFIDAVIT
ARS 11-1134 (B)(1)

TRUSTEE'S DEED UPON SALE

Michael A. Bosco, Jr. , as the duly appointed Trustee (or successor Trustee or Substituted Trustee), under a Deed of Trust referred to below, and herein called "Trustee", does hereby grant without any covenant or warranty to :

Jonathon Murray, a married man

herein called Grantee, the following described real property situated in **Maricopa** County, described as :

Lot 58, COLONIA GRANDE, according to Book 195 of Maps, Page 17, records of Maricopa County, Arizona.

This conveyance is made pursuant to the powers including the power of sale conferred upon Trustee by said Deed of Trust executed **Royce R. Kinnison and Joann Kinnison, husband and wife, as joint tenants with right of survivorship** , as Trustor, recorded on **04/19/06**, Instrument No./Docket-Page: **2006-0520283** Official Records in the Office of the County Recorder of **Maricopa** County, **AZ** and in compliance with the laws of the State of Arizona authorizing this conveyance and is effective upon the payment by the purchaser of the price bid in accordance with ARS §§ 33-810 and 33-811.

http://recorder.maricopa.gov/cert.aspx?id=113658 [20101124985] 3 Pages

EXHIBIT
S-70
ADMITTED

Said property was sold by Trustee at Public auction on December 9, 2010, at the place named in the Notice of Trustee's Sale. "Grantee", being the highest bidder at such sale, became the purchaser of said property and made payment thereof to said Trustee for the amount bid, namely $116,800.00, which payment was made either entirely in cash or by the satisfaction, protanto, of the obligation then secured by said Deed of Trust, together with the foreclosure and expenses relative thereto.

IN WITNESS WHEREOF, MICHAEL A. BOSCO, JR., as Trustee, has this day caused his name to be hereunto affixed.

Michael A. Bosco, Jr.

State of Arizona)
)ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 13th day of December, 2010, by Michael A. Bosco, Jr., as Trustee.

My Commission Expires:

OFFICIAL SEAL
MARY P. DOBOS
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires Oct. 22, 2014

Notary Public

http://recorder.maricopa.gov/cert.aspx?id=113658 [20101124985] 3 Pages

20101124985
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 02:22:14 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113658

http://recorder.maricopa.gov/cert.aspx?id=113658 [20101124985] 3 Pages

Great American Title Agency

Great American Title Agency, Inc.

AFTER RECORDING MAIL TO:
Misioneras Carmelitas de Santa Teresa del Nino Jesus, Inc., a California Nonprofit corporation
206 E Palo Verde St.
Gilbert, AZ 85296

ESCROW No. **00477556 -011JD1** 2/3

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20110229363 03/16/2011 02:57
ELECTRONIC RECORDING

477556-1-4-2--
Palumboa

This area reserved for County Recorder

Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations,

Jonathon Murray, A married man, as his sole and separate property

does hereby convey to

Misioneras Carmelitas de Santa Teresa del Nino Jesus, Inc., a California Nonprofit corporation

the following real property situated in Maricopa County, ARIZONA:

Lot 58, COLONIA GRANDE, according to Book 195 of Maps, Page 17, records of Maricopa County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

The undersigned hereby warrants the title against all persons whomsoever, subject to the matters set forth.

Dated: 03/14/2011

Jonathon Murray

STATE OF Province of BC } ss
County of City of Chilliwack

This instrument was acknowledged before me this March 14, 2011
by **Jonathon Murray**

Notary Public
My commission will expire Permanent

SCOTT ARON SIMPSON

A Notary Public in and for Sta
Province of British Columbia

EXHIBIT
S-71
ADMITTED

20110229363
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 11/01/2013 02:24:13 PM

By _____ Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113659

http://recorder.maricopa.gov/cert.aspx?id=113659 [20110229363] 2 Pages

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20110229363 03/16/2011 02:57
ELECTRONIC RECORDING
SALES AFFIDAVIT
477556-2-4-3-Y-
Palumboa

AFFIDAVIT OF PROPERTY VALUE

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(s)

Primary Parcel: 304-23-142
BOOK MAP PARCEL SPLIT LETTER

Does this sale include any parcels that are being split / divided?

Check one: Yes ☐ No ☑

How many parcels, other than the Primary Parcel, are included in this sale? _____

Please list the additional parcels below (no more than four):

(1) _____ (3) _____

(2) _____ (4) _____

9. FOR OFFICIAL
(a) County of Record
(b) Docket & Page N
(c) Date of Recording
(d) Fee / Recording I

Validation Codes:

(e) ASSESSOR _____ (f) DOR _____

ASSESSOR'S USE ONLY

Verify Primary Parcel in Item 1: _____-_____-_____-_____

Use Code: Full Cash Value: $

2. SELLER'S NAME AND ADDRESS

Jonathon Murray
10635 E Topaz Dr
Scottsdale AZ 85258

3. (a) BUYER'S NAME AND ADDRESS:

Misioneras Carmelitas de Santa Teresa del Nino Jesus, Inc., a California Nonprofit corporation
419 E Washington Avenue, Unit D, Gilbert, AZ 85234

(b) Are the Buyer and Seller related? Yes ____ No ☑
If Yes, state relationship:

4. ADDRESS OF PROPERTY:

206 E Palo Verde St., Gilbert, AZ 85296

5. MAIL TAX BILL TO:

Misioneras Carmelitas de Santa Teresa del Nino Jesus, Inc., a California Nonprofit corporation

6. PROPERTY TYPE (for Primary Parcel): NOTE: Check Only One Box

a. ☐ Vacant Land
b. ☑ Single Family Residence
c. ☐ Condo or Townhouse
d. ☐ 2-4 Plex
e. ☐ Apartment Building
f. ☐ Commercial or Industrial Use
g. ☐ Agricultural
h ☐ Mobile or Manufactured Home
i. ☐ Other Use; Specify:

7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in Item 6 above, please check one of the following:

☐ To be occupied by owner or "family member."
☑ To be rented to someone Other than "family member."

See reverse side for definition of a "family member."

8. NUMBER OF UNITS: ____

For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

10. TYPE OF DEED OR INSTRUMENT (Check Only One Box):

a. ☑ Warranty Deed
b. ☐ Special Warranty Deed
c. ☐ Joint Tenancy Deed
d. ☐ Contract or Agreement
e. ☐ Quit Claim Deed
f. ☐ Other:

11. SALE PRICE: $ 160,000.00

12. DATE OF SALE (Numeric Digits): 02 / 11
Month Year
(For example: 03 / 05 for March 2005)

13. DOWN PAYMENT: $ 0.00

14. METHOD OF FINANCING:

a. ☐ Cash (100% of Sale Price)
b. ☐ Exchange or trade
c. ☐ Assumption of existing loan(s)
d. ☑ Seller Loan (Carryback)
e. ☐ New loan(s) from financial institution:
(1) ☐ Conventional
(2) ☐ VA
(3) ☐ FHA
f. ☐ Other financing; Specify:

15. PERSONAL PROPERTY (see reverse side for definition):

(a) Did the Sale Price in Item #11 include Personal Property that impacted the Sale Price by 5% or more? Yes ____ No ☑

(b) If Yes, provide the dollar amount of the Personal Property:

$ _____ 00 AND

briefly describe the Personal Property:

16. PARTIAL INTEREST: If only a partial ownership interest is being sold, Briefly describe the partial interest: _____

17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):

Great American Title Agency,
1255 W Baseline Rd., D192, Mesa, AZ 85202
Phone: 602.773.3330

18. LEGAL DESCRIPTION (attach copy if necessary)*
SEE ATTACHED "LEGAL DESCRIPTION"

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller/Agent
State of Arizona, County of Maricopa
Subscribed and sworn to before me this 16 day of March, 20 11
Notary Public
Notary Expiration Date

Signature of Buyer/Agent
State of Arizona, County of MARICOPA
Subscribed and sworn to before me this 16 day of MARCH, 20 11
Notary Public
Notary Expiration Date 11/30/2013

SCOTT ANON SIMPSON
A Notary Public in and for the Province of British Columbia

DOR Form 82162 (Revised 5/2003)

LEGAL DESCRIPTION

Lot 58, COLONIA GRANDE, according to Book 195 of Maps, Page 17, records of Maricopa County, Arizona.

20110229363
I hereby certify that this is an
electronically prepared
copy of a filed affidavit at the
Maricopa County Recorder's Office

HELEN PURCELL, County Recorder
In and for the county of
Maricopa, state of Arizona
11/01/2013 02:25:19 PM

By Recorder

To Verify this purchase visit
http://recorder.maricopa.gov/cert.aspx?id=113660

http://recorder.maricopa.gov/cert.aspx?id=113660 [20110229363] 3 Pages