



Established Fall 2004

Incorporated January 1, 2006

Managing Member

Victor G. Morrison

Members

Victor G. Morrison

Marcy J. Morrison

Thomas V. Morrison

Virginia (Ginger) D. Morrison



Do you have bank CD's, retirement accounts or other investments not returning 9% to 11%?

Dear Fellow Investor,

Many people, just like you are frustrated by low returns on their investment dollars. In response to that problem, we've created a solid program that will eliminate the low returns that you're now receiving, and pay you a passive, predictable 9% to 11% interest from real estate notes.

I'm Victor Morrison, a professional real estate Investor with Arcadia Springs, LLC. My father Tom and I have completed over 20 successful transactions since 2004. We are not financial planners, but full-time buyers of single family investment properties throughout Spokane and Stevens counties.

If you turn on the news, most of what you hear is how major investment banks are going under, the stock market is plunging, foreclosures are at an all time high, and people are pulling their money from banks for fear their savings will be wiped out. There has been a lot of negative news, including \$700 billion in bailouts and more stock market rollercoaster rides. If this has caused some concern, I wanted to throw a great positive spin on things, because where there are problems, there are opportunities.

We buy homes at significant discounts and sell using our Rent-to-Own program. In today's market many home owners are having difficulty selling their homes. We are able to help sellers and offer them what no one else can, a rapid solution to their real estate problem.

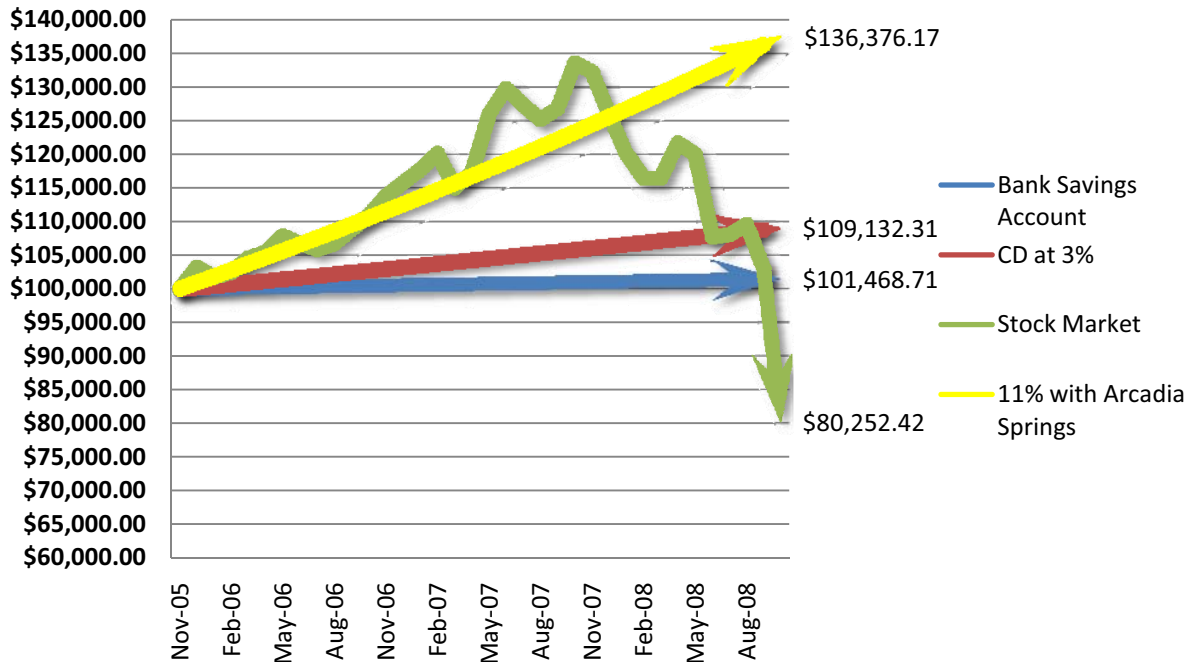
This has been a win-win-win situation for everyone involved, which makes it such a great program. The homeowner gets their real estate problem solved, our buyers are able to get into a home now and get bank financing later and our investors are handsomely rewarded for their investment. This has opened up an opportunity that I'd like to discuss with you. When we buy homes, instead of going out to get a bank loan, we use private funds, from people like you.

If you were to invest with Arcadia Springs, your funds might come from cash in a bank account, CD, stock market, home equity line, or retirement account. We would pay you 9% interest on a first mortgage or 11% interest on any junior mortgages. We would give you a mortgage (with a large equity cushion) on that property, which will serve as collateral and add you to the home owner's insurance policy. We typically lease the property; the rent that we receive is always enough to cover your mortgage. The combination of the large equity cushion and positive cash flow is what makes the investment well secured. This is an excellent way to grow wealth and prepare for retirement.

Most importantly, you can take your money out of risky investments like the stock market, or underperforming investments like a CD, money market account or a savings account that is earning next to nothing. I've included a graph that shows how your investment would have compared to other investment options if you invested \$100,000 three years ago.



Other Investment Options vs. Investing with Arcadia Springs



During times like these, it's good to have options. Like I mentioned earlier, we're offering a chance for you to take advantage of the tremendous opportunity that is now available. When you are ready to take advantage of this opportunity, please give me a call.

Sincerely,

Victor Morrison
Arcadia Springs, LLC – Chief Executive Officer

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Private Lender Program

About This Guide

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This guide has been written by Arcadia Springs, LLC with the intent of providing useful information, tips, and strategies to individuals who are considering entering into private lending transactions secured by real estate. This guide assumes a basic level of understanding of the terms, processes and documents involved with private lending transactions. Note: For your convenience, we have included a glossary of key investment terms.

According to U.S. Census Data, there are over half a million outstanding private mortgages involving seller financing or private lending in the nation. Private lending provides compelling benefits for both the lender and borrower. If executed efficiently and professionally, such transactions can be a smart investment, one which results in a win-win financing arrangement for both the lender and the borrower.



Disclaimer:

Please carefully consider Arcadia Springs LLC investment objectives, risks, and associated costs or expenses before investing. Real Estate investments are not guaranteed or insured and past performance is not a guarantee of future performance. Please ask questions and ask for more information before considering any investment.

Overview

Tom and Victor Morrison have been actively engaged in real estate transactions in the Spokane area since 2004. They originally began investing in real estate individually, and formed Arcadia Springs, LLC in early 2006.

Due to their extensive marketing efforts, Arcadia Springs is able to buy properties at deep discounts, some as low as 50% below retail market prices for comparable homes. They locate single family homes, acquire them, complete necessary repairs/remodeling, and resell for a profit. Certain homes are also retained long term as part of the Company's portfolio for later sale at a higher profit.

Arcadia Springs' home office is located in Deer Park, WA (just north of Spokane) and focuses primarily on targeting the northern Spokane and southern Stevens Counties real estate markets. The Company's strong focus on solving each customer's needs has ensured its success within the community.

Arcadia Springs takes integrity very seriously. They pride themselves on producing win-win-win solutions to customers' real estate problems. They follow strict Christian values within their business transactions.

"They pride themselves on producing win-win-win solutions to customers' real estate problems"

2008-2010 Company Objectives...

- ◆ Arcadia Springs will continue purchasing homes at a discount by taking over existing financing. Arcadia Springs will also acquire homes through long term seller financing, allowing Arcadia Springs to service a greater population of sellers.
- ◆ As part of the purchase of property, Arcadia Springs will secure funds through private financing which will be utilized to bring existing loans current, pay delinquent taxes and pay the Seller their equity desired at closing.
- ◆ Arcadia Springs will repair/rehab homes as needed or sell 'as is'. Arcadia Springs will repair any safety hazards presenting unacceptable risks to Buyers and allow a prospective Buyer to negotiate a discount for the property based on the estimated cost of any additional non-safety related repairs that are needed. This approach permits the Buyer to repair the home in a manner consistent with their tastes and create "sweat" equity in the home.
- ◆ Arcadia Springs will also sell homes via Rent-to-Own to end buyers. Buyers will be given 18 months to obtain bank financing for the purchase of the property. Arcadia Springs will also sell homes that need major repair to other investors at a significant discount.
- ◆ Arcadia Springs will work with credit challenged individuals that desire to own their own home. They will refer Buyers to loan brokers for assistance in securing a bank loan to purchase the property.
- ◆ Arcadia Springs' goal for 2008-10 is to acquire and re-sell 2-3 properties each month.

Why We Utilize Private Funds

How We Can Borrow At High Rates

Good deals don't last long. When Arcadia Springs finds a good deal, we must act quickly. In order to take advantage of those good deals, we use private funds. Having money available when an opportunity arises, will often make or break a deal. Applying for a loan through a Bank is a time consuming process which often causes a Real Estate Investor to lose a valuable opportunity. Banks often approve loans based only on the purchase price and appraised value of the property alone rather than the ultimate value of the transaction. Having the money available at the needed time will make or break the deal and paying a higher interest rate is irrelevant compared to...



...The Law of Timelessness

**It's Not the Cost of Money That Counts,
It's the Availability.**

**If Money is Not Available Quickly,
the Loss of Thousands of Dollars in Profit Results.**

What Kind of Loans are Private Mortgage Loans?

Let's clarify what a private mortgage loan is. It is a loan that is made to a Real Estate Investor which is secured by a recorded Deed of Trust against the actual property that the Real Estate Investor purchases with the proceeds from the loan. That gives you, as the private lender, security. We deal with very low loan-to-value (LTV) ratio loans. Arcadia Springs provides security for loan funds provided by private parties with an equity cushion of 15% or more of the value of the property securing the loan. Banks often make loans with an equity cushion of 10% or less. Our typical cushion of equity is 20% to 50%. That provides private lenders with security beyond that typically sought by institutional lenders. It's obvious why this is a much safer approach than most lending institutions take. By loaning 90%, 95%, or even 100% of the value of the homes, banks just don't have any cushion.

You, as a private lender, won't be asked by Arcadia Springs to loan money secured by real estate with an equity cushion of less than 15%. You should never make a loan which allows for less than a 15% equity cushion compared to the value of the property which serves as security for your loan. We don't violate that rule, so you come out a winner.



Key Benefits

- ◆ You receive the same paperwork and the same recorded security protection that the banks receive when they make a loan.
- ◆ You will get market leading interest rates compared to banks.
- ◆ Banks always do very well. You will do superior to the banks through receiving the same protection but higher returns and better security (ex. 15% or more cushion of equity).

Do you know what \$10,000 is worth in three years compounded at a 2% yield? It's worth \$10,618. Do you know what \$10,000 is worth at 11% compounded interest for the same three years? It's grown to an amazing \$13,889! That's a \$3,271.00 difference - simply by increasing the Yield from 2% to 11%

That's An Extra \$1,090.33/year!!!
Increase Your Yield...Earn 11% Instead of the Average 2-4% Interest

Take a look at the following chart.....3 Year Period

| Amount | 2% Compounded | 11% Compounded | Net Increase |
|--------------|---------------|----------------|--------------|
| \$10,000.00 | \$10,618 | \$13,889 | \$3,271 |
| \$25,000.00 | \$26,545 | \$34,722 | \$8,177 |
| \$50,000.00 | \$53,089 | \$69,444 | \$16,355 |
| \$100,000.00 | \$106,178 | \$138,888 | \$32,710 |

These numbers are huge when you consider that in the above example the interest earned on the 11% investment could be reinvested to begin earning 11% too!!!!

"Now it's grown to an amazing \$13,889! That's a \$3,271.00 difference."

Real People. Real Profiles.

Chris and Mary were looking for a secure investment opportunity when they moved to Spokane. They had recently sold their home in California and were looking for a way to invest some of their equity that they had earned. The stock market had been unstable and they knew that there had to be a better way.

We had been working on purchasing a home from a client in foreclosure. We knew that it would be an ideal property for an investor to fund and earn a great return on it. Chris

and Mary were given a promissory note and second lien on the property. They were also added to the homeowners insurance for additional security. They were very pleased with the ease of transaction and their security (36% cushion of equity including private money loan).

After the current Rent-to-Own tenant purchases the property, Chris and Mary will collect \$14,388 in interest just for funding the deal.

Sources of Capital For Your Investment

Borrow Money and Lend For High Yields

Just like the banks, you can borrow money at a low rate and lend it a higher rate. Your home is an untapped resource for your investment portfolio. Many homeowners do not realize the potential that their idle equity can bring to them. You can obtain a Home Equity Line Of Credit (HELOC) for, on average, around 3.9% then lend that money out via our program for 9-11%. That is a yield spread of 5-7 percent! Let's look at some examples:



1. Equity in your home is \$20,000, Your Extra Income: \$118.34 per month or let it accrue
2. Equity in your home is \$40,000, Your Extra Income: \$236.67 per month or let it accrue
3. Equity in your home is \$60,000, Your Extra Income: \$355.00 per month or let it accrue

Investing Savings, CD's, or Extra Income:



Would you like your money to be earning interest at much healthier rates than 3%-4% returns offered by Money Markets and CDs?

1. Home Value \$100,000. Your Investment: \$75,000 (25% cushion of equity), Your Return: **9% on a first mortgage, paying \$562.50 per month—\$33,750 over 5 years.**
2. Home Value \$170,000. Your Investment: \$34,000 (20% of value). Your Return: **11% on a junior mortgage, paying \$13,222 in 3 years.**
3. Home Value \$180,000. Your Investment: \$50,000 (72% cushion of equity). Your Return: **9% on a first mortgage, paying \$375 per month—\$45,000 over ten years.**

Tax Free Investing With Your IRA

Shouldn't your IRA be earning money at healthier rates for your retirement (secured) than 3%-4% returns? Why gamble with stocks?

Examples with a 11% Return over 3 years:

1. Home Value \$185,000, Your Investment: \$21,000 = **\$8,166 in Interest**
2. Home Value \$265,000, Your Investment: \$37,000 = **\$14,389 in Interest**
3. Home Value \$110,000, Your Investment: \$10,000 = **\$3,889 in Interest**

We'll help you convert your IRA's to Self Directed IRA's for Real Estate investing through Equity Trust Company. ETC can explain how you can build tax free wealth using a self directed IRA.

Visit www.trustetc.com/real-estate-ira/real-estate-ira.html for more information.



"We'll help you convert your IRA's to Self-Directed IRA's for Real Estate investing through Equity Trust Corp."

6419 Kathleen Drive, Nine Mile Falls

Purchased: 9/2008 for \$110,000

Remodeling: \$1000

Cash Flow: \$458/month

Selling via Rent-to-Own: \$189,900

Pvt Lender Investment: \$21,000

Profit to Pvt Lender: \$8,166 in 3 yrs



3011 W Hoffman, Spokane



Purchased: 8/2008 for \$143,729 on 10 year owner contract

Remodeling: \$3,500

Cash Flow: \$403/month

Selling via Rent-to-Own: \$179,900

Pvt Lender Investment: \$50,000

Profit to Pvt Lender: \$60,000 over 10 years

"Selling via Rent-to-Own allows our buyers to rent the property until they are ready to purchase."

508 E Walton, Spokane

Purchased: 11/2007 for \$113,920

Remodeling: \$1,500

Cash Flow: \$114/month

Selling via Rent-to-Own: \$159,900

Pvt Lender Investment: \$0

Profit to Pvt Lender: none used



1104 W Gordon, Spokane

Purchased: 9/2007 for \$110,500
Remodeling: \$0 selling 'As Is'
Cash Flow: \$892/month
Selling via Rent-to-Own: \$179,900
Pvt Lender Investment: \$0
Profit to Pvt Lender: none used



1503 N Mesa, Spokane Valley



Purchased: 7/2007 for \$159,341
Remodeling: \$0 sold 'As Is'
Cash Flow: \$637/month
Selling via Rent-to-Own: \$249,500
Pvt Lender Investment: \$52,000
Profit to Pvt Lender: \$20,222 in 3 yrs

"Arcadia Springs started with a Fix and Flip business model. In the Summer of 2007, they changed to a Sell via Rent-to-Own business model."

303 W Montgomery, Spokane

Purchased: 2/2007 for \$40,000
Remodeling: \$68,914
Cash Flow: \$0
Sold: 5/2007 for \$159,500
Profit to ASI: \$17,545
Profit to Hard Lender: \$13,695

Before



After

2209 W Boone, Spokane

Purchased: 8/2006 for \$51,153
Remodeling: \$54,151
Cash Flow: \$0/month
Sold: 6/2007 for \$139,500
Profit to ASI: \$23,996
Profit to Pvt Lender: \$10,200 over 10 months



Before



After

319 E 3rd, Deer Park

Before



After

Purchased: 12/2005 for \$66,344
Remodeling: \$51,665
Cash Flow: \$0/month
Sold: 8/2006 for \$165,000
Profit to ASI: \$35,620
Profit to Pvt Lender: No Pvt Lender

*"Arcadia Springs prides
 it's self on quality
 craftsmanship."*

116 N Stevens, Deer Park

Purchased: 9/2005 for \$76,596
Remodeling: \$59,040
Cash Flow: \$0/month
Sold: 3/2006 for \$168,500
Profit to ASI: \$33,813
Profit to Pvt Lender: No Pvt Lender



Testimonials

Bill Lockwood, MD
Private Investor

I was very thankful to discover the low risk, high interest opportunities offered by Arcadia Springs. They are meticulous in their selection of safe, reliable investment homes, and are always cautious in establishing a low loan to value investment. They have loan sizes to accommodate anyone. And they are thorough in their explanation of their business, but refreshingly low pressure in their interactions.

In these troublesome economic times, Arcadia Springs is a welcome addition to my portfolio.

Erik Bloomfeldt
Investment Planner

I know the Morrison's personally and am impressed by their business model, integrity and how they are helping the people with whom they do business.

encourage my clients to take a look at their investment opportunity for safe, consistent, predictable returns.

Chris & Mary Narog
Private Investors

We have been investing in real estate for over 14 years and the work involved often makes us wonder if it is worth the effort. When investing with Arcadia Springs, you are investing monies like banks do and getting returns that far outpace any other investment vehicle out there.

Contrary to the national press, the Spokane housing market is still growing. Now is a great time to invest, homeowners and banks are dumping properties well below market value, ensuring a nice profit.

We have been very satisfied with our experience with Arcadia Springs and will invest more with them in the future.

Our Moto—Everyone Must Win

Tom and Victor,

July 18, 2007

Wow, it is truly hard to find people as honest and helpful as you two. We owe a debt of gratitude to Arcadia Springs.

Within just a couple of days after Stanley and I spoke to you, you were here at the house, trying to figure out how to solve our problems. You offered not only to take over our house payments and remove this problem from our life, but you also offered to purchase one of our cars that we no longer needed. Just by purchasing the car, you would have saved us over \$250.00 per month in insurance and car payments we did not have the money to make.

What surprised us the most was when you came to the house with intentions of doing the final paperwork to purchase our home and you walked away without purchasing. We spent several hours that day talking about the bankruptcy and what would be in our best interest. You took the time to call and talk to our bankruptcy attorney and the Spokane County Treasure's Office about our back taxes. When it was all said and done, you helped us to realize that selling to you right now was not in our best interest. It would be better to sell after our bankruptcy was complete.

We are so grateful that you are not just looking out for yourselves, but you truly want to help people with their problems and do what is best for everyone.

Thanks again for all you have done for us and especially for your honesty,

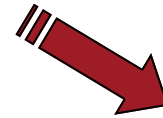
Stanley and Rosemarie Siegal
Spokane, WA

P.S. – If you would like, you can use this letter to show to others. If we can help others that are having problems with their home realize that you guys are the real thing, we would be glad to help.

"In these troublesome economic times, Arcadia Springs is a welcome addition to my portfolio."

Process Map For Our Program

Start:



We negotiate to purchase a property for a discount. Ensuring a large cushion of equity.



We send out Lender Opportunity Packages to request funding for a deal. (Including comps and all the deal details.)



Finish:



Closing:

- ◆ Lender provides certified funds to the closing agent.
- ◆ All documents are signed and the transaction is complete.

A lender is selected and provides a Letter of Commitment (LOC) to fund the project according to the contract closing date.



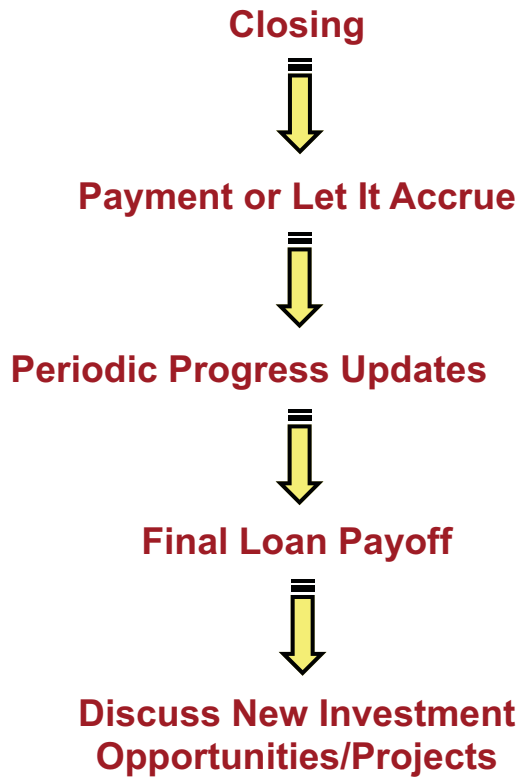
The contract is sent to the closing agent, title search is ordered, and they will start preparing the rest of the documents.



Key Documents Created for You at Closing as a Lender:

1. Promissory Note
2. Deed of Trust
3. Title Insurance Policy
4. Fire/Hazard Insurance

Post Closing Process



The Wealth Building Process



Growth Over Time

Learn More . . .

What is a promissory note?

A promissory note is a legally-binding promise to repay a specified amount over a specified period of time. It is a legal document which includes:

A Description of the Debt: The key element to a promissory note, this is usually the first section and contains a detailed description of the debt, clearly identifying the borrow, lender, the loan amount, and the interest rate to be paid. The promissory note obligates the borrower to the debt, and the obligation becomes the borrower's personal liability.

A Description of the Repayment Plan:

This section spells out the schedule of due dates and payment amounts to which the borrower is agreeing. Most payments are the same amount due on a pre-specified date every month (known as an amortized schedule). Or, the payments may accrue interest month over month and be paid at the end of the loan.

Note: Promissory notes also contain numerous other clauses which are less important but are still required to establish the various rights and obligations of each party.

Frequently Asked Questions

Why does it make sense to have passive investments in real estate?

Most people go through life letting others make decisions for them and they are not in control of how their money is invested or what it earns. That means they'll never really know if what their investing in will give them enough of a return to take care of their future, their family, the kid's college, or their retirement. Because of that, they're playing guesswork games with their money and hoping they'll get in or out at the right time and it's virtually impossible to always make the "right decisions." By becoming a private lender who invests passively in real estate, you can get 9%-11% fixed returns, secured by local real estate. Since your returns are fixed, that means they never change. They'll also be much higher than CD's, money markets, commodities, and most stocks and mutual funds.

What is private lending?

Once we started making money buying, selling and holding single family houses, we realized we had a lot of friends and family members that were tired of the ups and downs of the stock market. We discovered a method of working with them as a silent partner on our real estate investments by putting their investment capital to use by lending it to us at much higher returns secured by the houses we were buying. We needed small amounts of capital to buy houses and do small renovations so we could sell the properties and make a profit. You see we needed to act quickly to get good deals that came along every week and we didn't want to deal with banks because they would limit the amount of deals we could do. Since our friends had investments that were getting low, inconsistent, risky and unsecured returns, it gave them an opportunity to make more money without losing sleep at night watching the stock charts. Investing with us, they had a completely "hands off" way of earning 9%-11% fixed returns, secured by local real estate. Since their returns were fixed and never changed, it allowed them to plan and make better decisions with their future.

Can I use my I.R.A. or 401k to lend from?

Absolutely; in fact, that's what some of our investors do. You must be in control over where your investments go from your I.R.A. or 401k, and you can take any old I.R.A. or 401k that you have and roll it over in to a self-directed I.R.A. There's no penalty for doing this because you're not taking a distribution, you're simply changing the Administrator to one that allows you to self-direct where the funds go. Doing it this way, you can make all of your gains tax deferred without counting on someone else to get you 9%-11% fixed returns day in and day out. The company we use and most people use is Equity Trust Company. You can get a FREE Information Packet via their website at www.trustetc.com to learn how simple it is to do. You simply fill out a form and send them your last statement; they'll do the rest and bring your funds to your new account. The entire process only takes approximately two weeks.

Why would an investor be willing to pay such high returns?

The availability of the short term capital was more important than the cost. We needed to move quickly to purchase from sellers who are willing to happily and eagerly give us equity in homes for FREE in exchange for peace of mind or debt relief and we didn't have time to go through banks because the process just takes too long. Also, since we are buying properties with large amounts of equity in them, it allows us to give away a portion of our profits back to you through repaying the original loan amount plus a generous interest on top of it. By the way, if you use a credit card, pull it out and look at the interest rate you pay. Every time you use it, you're putting the availability of the funds ahead of the short term cost just like we do when we buy and sell houses.

"Doing it this way, you can make all of your gains tax deferred without counting on someone else to get you 9%-11% fixed returns day in and day out."

Frequently Asked Questions (Cont.)

Are high interest loans like this new to real estate?

Absolutely not! This is a multi-billion dollar industry that has been around for decades. There are companies out there like the Money Store, Household Finance, Beneficial, Ford Credit and numerous others. Their niche is to lend money to homeowners who typically use the money for home improvements or even loan consolidations. The loans are secured by a Second Mortgage on the property. Our niche is to borrow the money the same way, except we'll use it only for the funding necessary to buy, renovate and carry the property until we sell it; also secured by a mortgage against one property.

How is the private lender protected when they lend money?

First off, you choose which properties in which you want to invest and your money will never be pooled; you'll have one mortgage secured against one property. That means there will always be a very large hedge factor between what you loan and the available profit or equity in the house. We are serious investors who have taken over 750 hours of training on Buying and Selling Houses, Marketing, and Business Management. In addition to that, there are also four key items that secure your investment each time you lend:

A promissory note which states the exact fixed return that you will receive.

Whatever the note says is what you'll receive.

A mortgage (security deed, deed to secure debt, or trust deed) will be created by the real estate attorney, Title Company, or escrow agent to put the property as collateral for your loan. That means you will have a lien on the property and I cannot sell it without paying you off.

A Lender's title insurance policy will protect you against any title issues or claims that may arise.

A Hazard Insurance Policy will be in place for your protection in case of an unexpected catastrophe or problem.

Also, since there is such a large hedge factor in the amount of funds that you lend versus the equity in the property, even if something happened to us, you can always sell the property and make more than you'd make off the interest.

Who handles all of the paperwork?

A real estate attorney, Title Company or Escrow Agent will handle all of the paperwork. You'll send your funds directly to their office and make them payable to them. The Closing Agent won't disperse any funds until all of the documents that secure your investment are in place and signed off on. They'll create the promissory note that states the terms of your loan, the mortgage instrument that gives you collateral, and the title insurance policy. We'll also send you a copy of the Hazard Insurance Policy. It is customary that we, as the Borrower, will pay for all of the closing costs to secure your investment. It is usually just deducted from what you lend us. You'll get the original note signed off by us, your Borrower that day, as well as a copy of your title insurance policy. You'll receive a copy of the mortgage that day, and then once it is filed in the county and recorded in the Deed Books; you'll get a stamped copy in the mail a few weeks later. By the way, the only person that needs to sign anything is us, as the Borrower, so you do not even have to go unless you want to. Keep in mind that you're always welcome to go to closing if you want to.

"There will always be a very large hedge factor between what you loan and the available profit or equity in the house."

Frequently Asked Questions (Cont.)

Do I have to collect payments on these loans?

No you don't. When you tell us that you're ready to make more money, we'll ask you the following: Are you looking for the highest growth return possible, or are you looking to get cash flow from this investment? If you are looking for the highest return possible, then you can agree to just let the interest accrue every month. That means there will be no interest payment until the house is sold. Then you will receive the original loan amount back plus all of the interest. If you are looking for cash flow, I can set it up where an escrow company collects and tracks the payment for you. It is customary that I pay for the Escrow Company and not you. By the way, if you use the self-directed IRA through Equity Trust, they can collect payments for you for a small monthly fee that I as your Borrower will pay.

Do these loans pay down or are they interest only?

Typically the loans are interest only. That means none of the monthly interest goes towards your principal loan amount and you earn interest on top of interest every month. If you want to, you can do an amortizing loan where some of each month's payment goes towards the principal balance and the rest goes towards interest. You'll make more money if you do interest only.

How long are the typical loans and how much do I need to invest?

The length of the loan and the amount you invest are what you say. You get to create the rules since you are the Lender. Typical loans range from 6-60 months and all of them are due upon the sale of the house where a new buyer gets a new loan. You can invest as little as \$10,000. Most loans range from \$10,000 to \$90,000 depending on the property. By the way, if you ever lend and then need to pull your capital back out, there are no fees for early withdrawal. Just tell us that you need to get out and give me 30-45 days to make it happen. We'll either cash you out ourselves, or we may even replace your private loan with another one. When you get your money and interest back, you'll have to sign a Satisfaction and/or Quit Claim Deed to clear your lien against the title.

Is private lending really a safe investment?

In our opinion it's much better than the stock market because you have no ups and downs to worry about. You might make money in the stock market one month or one year, and then get wiped out the next. When it's all said and done most people get returns that barely keep up with inflation. By investing in real estate, you won't be gambling on Companies that you have no control over or know little about who is running them. Your investment loans are secured by local real estate, you'll get fixed returns of 9%-11% that never change, there are no fees or commissions, no early withdrawal penalties, and there will be large spreads or hedge factors of equity versus your investment. You'll just need to use common sense and take a look at what the property is worth, what's owed and what you're lending. Remember, you don't have to put all of your investment funds into real estate; but it's a great place to get consistent, predictable and reliable returns.

How do I get started?

Just contact us and tell us when you're ready to get started making more money. We'll take you to lunch or dinner so we can discuss the amount you have available to lend, the interest rate, and the length of the loan. Our job will then be to go out and find a property that matches your needs. When we do, you'll arrange for the funds to be sent to the attorney or title company. A closing will be set up at the attorney or Title Company's office and you can sit back and watch your investment grow. You'll get fixed returns that never change, that are secured by local real estate.

"Your investment loans are secured by local real estate, you'll get fixed returns of 9%-11% that never change..."

Glossary of Terms

Loan-to-Value (LTV):

A lending risk ratio calculated by dividing the total amount for the mortgage or loan by the appraised value of the property. Ex.) Holding a mortgage for \$70,000 on a home appraised at \$100,000 would be a 70% LTV.

After Repaired Value (ARV):

The worth of a property after all identified repairs have been completed.

Promissory Note:

A document signed by a borrower promising to repay a loan under agreed-upon terms. This can also be referred to as a note.

Deed of Trust:

The document used in some states instead of a mortgage. Title is conveyed to a trustee rather than to the borrower.

Title Insurance:

Insurance to protect a lender or owner against loss in the event of a property ownership dispute.

Hazard Insurance:

Insurance that covers property damage caused by fire, wind, storms, and other similar risks. Sometimes earthquakes and floods are also covered, while other times they are not.

Mortgage:

A loan to finance the purchase of real estate, usually with specified payment periods and interest rates. The borrower (mortgagor) gives the lender (mortgagee) a lien on the property as collateral for the loan.

Second Mortgage:

A mortgage on real estate which has already been pledged as collateral for an earlier mortgage. The second mortgage carries rights which are subordinate to those of the first.

Lien:

A legal claim against an asset which is used to secure a loan and which must be paid when the property is sold. Liens can be structured in many different ways. In some cases, the creditor will have legal claim against an asset, but not actually hold it in possession, while in other cases the creditor will actually hold on to the asset until the debt is paid off. The former is a more common arrangement when the asset is productive, since the creditor would prefer that the asset be used to produce a stream of income to pay off debt rather than just held in possession and not used. A claim can hold against an asset until all the obligations to the creditor are cleared (a general lien), or just until the obligations against that particular assets are cleared (a particular lien).



Concluding Comments

We hope that you have found this guide helpful and that we have demonstrated the benefits of the awesome power of making private mortgage loans. If it appeals to you, you can get started right now. While most people are complaining about the low rates they are getting on their CD's and other low paying investments, you could be receiving a return of 9-11% all of the time.....

Are You Now Ready to Take Action?

Don't let other people control your money so you only get a return that barely keeps up with inflation. Take control and make sure that when you get ready to retire, you can do what you want without worrying about money, and if you are retired, squeeze every interest dollar out that you can.

Private lending is an incredible way to build wealth in a hurry that most people aren't aware exists. If you have more questions please give us a call. Perhaps we can get together for lunch or just chat on the phone. Arcadia Springs, LLC would love to work with you to build a long-term partnership to fulfill your investment needs. Do not hesitate to contact us if you have additional questions or if you have suggestions for future editions of this guide.

Call Us to Setup a Consultation



Discuss your investments goals and objectives with Tom or Victor Morrison who can help you structure a private lending solution that best fits your needs at:

**Call Tom at 509-710-7626,
Victor at 509-999-9206 or
Arcadia Springs Office at 509-385-7560**

Hours of Operation are M-F: 8:30am—6pm PST*

*Note: Weekend appointments are available upon request

Visit us on the web at: www.ArcadiaSprings.com

Sincerely,



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