

MOBILE HOME
REAL ESTATE EXCISE TAX AFFIDAVIT

Submit to County Treasurer of the county in which property is located.

Chapter 82.45 RCW
Chapter 458-61A WAC

This form is your receipt when stamped by cashier.

FOR USE WHEN TRANSFERRING TITLE TO MOBILE HOME ONLY

PLEASE TYPE OR PRINT
INCOMPLETE AFFIDAVITS WILL NOT BE ACCEPTED

REGISTERED OWNER (Seller)

Name: Jutta C Tomes

Street: 1135 20th Ave Space 9

City: Clarkston State: Wa Zip code: 99403

Phone number: 208-791-9883

NEW REGISTERED OWNER (Buyer)

Name: Susan C Molina

Street: 1135 20th Ave Space 9

City: Clarkston State: WA Zip code: 99403

Phone number: 208-413-3159

LOCATION OF MOBILE HOME

Name: Cherry Hill

Street: 1135 20th Ave Space 9

City: Clarkston State: WA Zip code: 99403

LEGAL OWNER

Name: _____

Street: _____

City: _____ State: _____ Zip code: _____

PERSONAL PROPERTY PARCEL or ACCOUNT NO. 5-004-12-00-002-0000

LIST ASSESSED VALUE(S): \$ 11,700

REAL PROPERTY PARCEL or ACCOUNT NO. _____

LIST ASSESSED VALUE(S): \$ _____

MAKE	YEAR	MODEL	SIZE	SERIAL NO. or I.D.	REVENUE TAX CODE NO.
<u>MARLETT</u>	<u>1977</u>	<u>AF</u>	<u>14x70</u>	<u>H14270 FFK 60702</u>	

Date of Sale: 1-11-19

Taxable Sale Price: \$ _____

Excise Tax: State: \$ _____ 0.00

Location Local: \$ _____ 0.00

Delinquent Interest: State: \$ _____

Local: \$ _____

Delinquent Penalty: \$ _____

Subtotal: \$ _____ 0.00

State Technology Fee: \$ _____ 5.00

Affidavit Processing Fee: \$ _____ 5.00

Total Due: \$ _____ 10.00

If exemption claimed, WAC number & title:
WAC No. (Sec/Sub) 458-61A-201(B)(1)
WAC Title Gift w/o consideration

A MINIMUM OF \$10.00 IS DUE IN FEE(S) AND/OR TAX.

AFFIDAVIT

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signature of Seller/Agent: Susan Molina POA

Name (print): Susan C Molina

Date and Place of Signing: 1-11-19 Asotin

Signature of Buyer/Agent: Susan Molina

Name (print): Susan C Molina

Date & Place of Signing: 1-11-19 Asotin

TREASURER'S CERTIFICATE

I hereby certify that property taxes due ASOTIN County on the mobile home described hereon have been paid to and including the year 2018.

Date: 1/11/19 County Treasurer or Deputy: Julia Mathews

If, in selling (or otherwise transferring ownership of) a mobile home which possesses a tax lien, the seller does not inform the buyer (new owner) of such a lien, the seller is guilty of deliberate deception as it applies to Fraud and/or Theft as defined in Title 9 and 9A RCW (RCW 9.45.060, RCW 9A.56.010 (4d), and RCW 9A.56.020).

CASH \$10.00
KPM

PAID
THIS SPACE - TREASURER'S USE ONLY

JAN 11 2019
ASOTIN COUNTY
TREASURER

53877

DURABLE POWER OF ATTORNEY

JUTTA CHRISTEL TOMES the undersigned individual, domiciled and residing in the State of Washington, designates the following named persons as Attorneys in Fact to act for the undersigned as the Principal who may hereafter become disabled or incompetent.

1. Designation. My children, Brian Lee Tidwell and Susan Carol Molina, are designated as Attorneys in Fact for the Principal.

2. Powers.

(a) General Powers. The Attorneys in Fact, as fiduciary, shall have all powers of an absolute owner over the assets and liabilities of the Principal, whether located within or without the State of Washington. Without limited the powers herein, the Attorneys in Fact shall have full power, right and authority to sell, lease, rent, exchange, mortgage and otherwise deal in and with any and all property, real or personal, belonging to the Principal the same as if he or she were the absolute owner thereof. In addition, the Attorneys in Fact shall have specific powers including, but not limited to the following:

(i) Real Property. The Attorneys in Fact shall have authority to purchase, take possession of, lease, sell, convey, exchange, release, and encumber real property or any interest in real property.

(ii) Personal Property. The Attorneys in Fact shall have authority to purchase, receive, take possession of, lease, sell, assign, endorse, exchange, release, mortgage, and pledge personal property or any interest in personal property.

(iii) Claims Against Principal. The Attorneys in Fact shall have authority to pay, settle, compromise or otherwise discharge any and all claims of liability or indebtedness against the Principal and, in so doing, use any of the assets of the Attorneys in Fact and obtain reimbursements out of the Principal's funds or other assets.

(iv) Financial Accounts. The Attorneys in Fact shall have the authority to deal with accounts maintained by or on behalf of the Principal with institutions (including, without limitation, banks, savings and loan associations, credit unions, and securities dealers). This shall include the authority to maintain and close

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existing accounts, to open, maintain and close other accounts and to make deposits and withdrawals with respect to all such accounts.

(v) Community Property Agreements. The Attorneys in Fact shall have the authority to make, amend, alter or revoke any community property agreement, agreement as to status of property, or other document of similar import entered into by the Principal and the Principal's spouse.

(vi) Beneficiary Designations. The Attorneys in Fact shall have authority to make, amend, alter, or revoke any of the Principal's life insurance beneficiary designations and retirement plan beneficiary designations so long as in the sole discretion of the Attorneys in Fact such action would be in the best interests of the Principal and those interested in the Principal's estate.

(vii) Transfers to Trust. The Attorneys in Fact shall have the authority to make transfers of the Principal's property, both real and personal, to any trust created by the Principal of which the Principal is the primary beneficiary during the Principal's lifetime.

(viii) Legal Proceedings. The Attorneys in Fact shall have authority to participate in any legal action in the name of the Principal or otherwise. This shall include (a) actions for attachment, execution, eviction, foreclosure, indemnity and any other proceeding for equitable or injunctive relief; and (b) legal proceedings in connection with the authority granted in this instrument.

(ix) Disclaimer. The Attorneys in Fact shall have the authority to disclaim any interest, as defined in RCW 11.86.011, et. Seq., in any property to which the Principal would otherwise succeed, by Will, community property agreement, or otherwise, and to decline to act or resign if appointed or serving as an officer, director, executor, trustee or other fiduciary.

(b) Gifting Power. The Attorneys in Fact shall have the power to make any gifts, whether outright or in trust, during the Principal's lifetime which are consistent with the most current Will executed by or on behalf of the Principal or testamentary provisions of the most current inter vivos trust executed by or on behalf of the Principal.

(c) Health Care Decisions.

(i) General Statement of Authority Granted. The Attorneys in Fact shall have full power and authority to make health care decisions for the Principal to the same extent that the Principal could make such decisions for the Principal if the

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Principal had the capacity to do so. In exercising this authority, the Attorneys in Fact shall make health care decisions that are consistent with the Principal's desires as stated in this document or otherwise made known to the Attorneys in Fact, including, but not limited to, the Principal's desires concerning obtaining or refusing or withdrawing life-prolonging care, treatment, services, and procedures. "Health care decisions" shall include consent, refusal of consent, or withdrawal of consent to any care, treatment, service, or procedure to maintain, diagnose, or treat the Principal's physical condition.

(ii) Inspection and Disclosure of Information Relating to the Principal's Physical or Mental Health.

The Attorneys in Fact has the power and authority to do all of the following:

- (A) Request, review, and receive any information, verbal or written, regarding the Principal's physical or mental health, including, but not limited to, medical and hospital records.
- (B) Execute, on the Principal's behalf, any releases or other documents that may be required in order to obtain the above information.
- (C) Consent to the disclosure of the above information.
- (D) Consent to the donation of any of the Principal's organs for medical purposes.

(iii) Signing Documents, Waivers, and Releases. Where necessary to implement the health care decisions that the Attorneys in Fact is authorized by this document to make, the Attorneys in Fact has the power and authority to exercise and execute, on the Principal's behalf, all of the following:

- (A) Documents titled or purporting to be a "Refusal to Permit Treatment" and "Leaving Hospital Against Medical Advice."
- (B) Any necessary waiver or release from liability required by a hospital or physician.

(iv) Prior Designations Revoked. This Durable Power of Attorney revokes any prior durable power of attorney for health care.

3. Intent to Obviate Need for Guardianship. It is the Principal's intent that the power given to the Attorneys in Fact designated herein by interpreted to be so broad as to obviate the need for the appointment of a guardian for the person or estate of the Principal. If the appointment

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of a guardian or limited guardian of the person or estate of the Principal is sought, however, the Principal nominates the then acting Attorneys in Fact designated above, if any, as the Principal's guardian or limited guardian, or if no one is then acting as Attorneys in Fact, the Principal nominates the persons designated above as Attorneys in Fact and successor attorneys in fact as guardian or limited guardian, in the same order of priority.

4. Effectiveness. This Power of Attorney shall become effective upon the disability or incompetency of the Principal. Disability shall include the inability of the Principal to manage his property and affairs effectively for reasons such as mental illness, mental deficiency, physical illness or disability, advanced age, chronic use of drugs, chronic intoxication, confinement, detention by a foreign power or disappearance. Incompetence may be established by a finding of a Court having jurisdiction over the incompetent Principal.

5. Duration. This Power of Attorney becomes effective as provided in Section 4, and shall remain in effect to the extent permitted by the laws of the State of Washington or until revoked or terminated under Sections 6 or 7, notwithstanding any uncertainty as to whether the Principal is dead or alive.

6. Revocation. This Power of Attorney may be revoked, suspended or terminated in writing by the Principal with written notice to the designated Attorneys in Fact, and if the same has been recorded, then by recording the written instrument of revocation with the Auditor of the county where the Power of Attorney is recorded.

7. Termination.

(a) By Appointment of Guardian. The appointment of a guardian of the estate of the Principal vests in the guardian, with court approval, the power to revoke, suspend or terminate this Power of Attorney as to the powers enumerated in subsections (a) and (b) of Section 2 herein. The appointment of a guardian of the person empowers the guardian to revoke, suspend or terminate, with court approval, those powers concerning health care decisions as enumerated in subsection (c) of Section 2 herein.

(b) By Death of Principal. The death of the Principal shall be deemed to revoke this Power of Attorney upon actual knowledge or actual notice being received by the Attorneys in Fact.

8. Accounting. The Attorneys in Fact shall be required to account to any subsequently appointed personal representative.

9. Reliance. The designated and acting Attorneys in Fact and all persons dealing with the Attorneys in Fact shall be entitled to rely upon this Power of Attorney so long as neither the Attorneys in Fact nor any person with whom he or she was dealing at the time of any act taken pursuant to this Power of Attorney had received actual knowledge or actual notice of any

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Durable Power of Attorney

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revocation, suspension or termination of the Power of Attorney by death or otherwise. Any action so taken, unless otherwise invalid or unenforceable, shall be binding on the heirs, devisees, legatees or personal representatives of the Principal. In addition, third parties shall be entitled to rely upon a photocopy of the signed original hereof, as opposed to a certified copy of the same.

10. Indemnity. The estate of the Principal shall hold harmless and indemnify the Attorneys in Fact from all liability for acts done in good faith and not in fraud of the Principal.

11. Applicable Law. The laws of the State of Washington shall govern this Power of Attorney.

12. Execution. This Power of Attorney signed on the 2 day of ^{Dec.} ~~November~~, 2008, to become effective as provided in Section 4.

Jutta C. Tomes
JUTTA CHRISTEL TOMES

Signed and attested to before me this 2nd day of December, 2008.

Whitaker

Notary Public in and for the State
of Washington, residing at Asotin.
My Commission Expires: 5-1-09



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TOMES, JUTTA
1115 HIGHLAND AVE TRLR 83
CLARKSTON WA 99403-2848

49 93 3
34930

Reassignment by vehicle dealer	Federal regulation and state law requires you to state the mileage in connection with the transfer of ownership. Failure to complete this odometer statement or providing a false statement may result in fines and/or imprisonment.	
	I certify, to the best of my knowledge, the odometer reading is: <input checked="" type="checkbox"/> _____ (no tenths) Transfer date ____/____/____ Odometer reading in miles	
	This reading is (check one): <input type="checkbox"/> the actual mileage of the vehicle <input type="checkbox"/> in excess of its mechanic limits <input type="checkbox"/> not the actual mileage.	
	Signature of transferee/buyer X	Signature of transferor/seller X
	PRINT name of transferee/buyer	PRINT name of transferor/seller
Address of transferee/buyer		
Address of transferor/seller		
Buying dealer's state license number (if applicable)		
Selling dealer's state license number (if applicable)		
Reassignment by vehicle dealer	Federal regulation and state law requires you to state the mileage in connection with the transfer of ownership. Failure to complete this odometer statement or providing a false statement may result in fines and/or imprisonment.	
	I certify, to the best of my knowledge, the odometer reading is: <input checked="" type="checkbox"/> _____ (no tenths) Transfer date ____/____/____ Odometer reading in miles	
	This reading is (check one): <input type="checkbox"/> the actual mileage of the vehicle <input type="checkbox"/> in excess of its mechanic limits <input type="checkbox"/> not the actual mileage.	
	Signature of transferee/buyer X	Signature of transferor/seller X
	PRINT name of transferee/buyer	PRINT name of transferor/seller
Address of transferee/buyer		
Address of transferor/seller		
Buying dealer's state license number (if applicable)		
Selling dealer's state license number (if applicable)		

Lienholder to be recorded and shown on the new Certificate of Ownership (Title).

Name of lienholder _____ Address of lienholder _____
Lienholder customer account number _____
Washington driver license number or Unified Business Identifier (UBI) _____

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**REAL ESTATE EXCISE TAX
SUPPLEMENTAL STATEMENT**
(WAC 458-61A-304)

This form must be submitted with the Real Estate Excise Tax Affidavit (FORM REV 84 0001A) for claims of tax exemption as provided below. Completion of this form is required for the types of real property transfers listed in numbers 1-3 below. Only the first page of this form needs original signatures.

AUDIT: Information you provide on this form is subject to audit by the Department of Revenue. **In the event of an audit, it is the taxpayers' responsibility to provide documentation to support the selling price or any exemption claimed.** This documentation must be maintained for a minimum of four years from date of sale. (RCW 82.45.100) Failure to provide supporting documentation when requested may result in the assessment of tax, penalties, and interest. Any filing that is determined to be fraudulent will carry a 50% evasion penalty in addition to any other accrued penalties or interest when the tax is assessed.

PERJURY: Perjury is a class C felony which is punishable by imprisonment in a state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars (\$5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1C)).

The persons signing below do hereby declare under penalty of perjury that the following is true (check appropriate statement):

1. **DATE OF SALE:** (WAC 458-61A-306(2))

I, (print name) _____, certify that the _____
(type of instrument), dated _____, was delivered to me in escrow by _____
(seller's name). **NOTE:** Agent named here must sign below and indicate name of firm. The payment of the tax is considered current if it is not more than 90 days beyond the date shown on the instrument. If it is past 90 days, interest and penalties apply to the date of the instrument.

Reasons held in escrow: _____

Signature

Firm Name

2. **GIFTS:** (WAC 458-61A-201) The gift of equity is non-taxable; however, any consideration received is not a gift and is taxable. The value exchanged or paid for equity plus the amount of debt equals the taxable amount. One of the boxes below must be checked. Both Grantor (seller) and Grantee (buyer) must sign below.

Grantor (seller) gifts equity valued at \$ _____ to grantee (buyer).

NOTE: Examples of different transfer types are provided on the back. This is to assist you with correctly completing this form and paying your tax.

"Consideration" means money or anything of value, either tangible (boats, motor homes, etc) or intangible, paid or delivered, or contracted to be paid or delivered, including performance of services, in return for the transfer of real property. The term includes the amount of any lien, mortgage, contract indebtedness, or other encumbrance, given to secure the purchase price, or any part thereof, or remaining unpaid on the property at the time of sale. **"Consideration"** includes the assumption of an underlying debt on the property by the buyer at the time of transfer.

A: Gifts with consideration

- Grantor (seller) has made and will continue to make all payments after this transfer on the total debt of \$ _____ and has received from the grantee (buyer) \$ _____ (include in this figure the value of any items received in exchange for property). Any consideration received by grantor is taxable.
- Grantee (buyer) will make payments on _____% of total debt of \$ _____ for which grantor (seller) is liable and pay grantor (seller) \$ _____ (include in this figure the value of any items received in exchange for property). Any consideration received by grantor is taxable.

B: Gifts without consideration

- There is no debt on the property; Grantor (seller) has not received any consideration towards equity. No tax is due.
- Grantor (seller) has made and will continue to make 100% of the payments on total debt of \$ _____ and has not received any consideration towards equity. No tax is due.
- Grantee (buyer) has made and will continue to make 100% of the payments on total debt of \$ _____ and has not paid grantor (seller) any consideration towards equity. No tax is due.
- Grantor (seller) and grantee (buyer) have made and will continue to make payments from joint account on total debt before and after the transfer. Grantee (buyer) has not paid grantor (seller) any consideration towards equity. No tax is due.

Has there been or will there be a refinance of the debt? YES NO

If grantor (seller) was on title as co-signor only, please see WAC 458-61A-215 for exemption requirements.

The undersigned acknowledges this transaction may be subject to audit and have read the above information regarding record-keeping requirements and evasion penalties.

Ausa M. Miller POA
Grantor's Signature

Ausa M. Miller
Grantee's Signature

3. **IRS "TAX DEFERRED" EXCHANGE** (WAC 458-61A-213)

I, (print name) _____, certify that I am acting as an Exchange Facilitator in transferring real property to _____ pursuant to IRC Section 1031, and in accordance with WAC 458-61A-213.

NOTE: Exchange Facilitator must sign below.

Exchange Facilitator's Signature

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WAC 458-61A-201 Gifts. (1) Introduction. Generally, a gift of real property is not a sale, and is not subject to the real estate excise tax. A gift of real property is a transfer for which there is no consideration given in return for granting an interest in the property. If consideration is given in return for the interest granted, then the transfer is not a gift, but a sale, and it is subject to the real estate excise tax to the extent of the consideration received.

(2) Consideration. See WAC 458-61A-102 for the definition of "consideration." Consideration may also include: *(a)* Monetary payments from the grantee to the grantor; or *(b)* Monetary payments from the grantee toward underlying debt (such as a mortgage) on the property that was transferred, whether the payments are made toward existing or refinanced debt.

(3) Assumption of debt. If the grantee agrees to assume payment of the grantor's debt on the property in return for the transfer, there is consideration, and the transfer is not exempt from tax. Real estate excise tax is due on the amount of debt assumed, in addition to any other form of payment made by the grantee to the grantor in return for the transfer. However, equity in the property can be gifted.

(4) Rebuttable presumption regarding refinancing transactions. *(a)* There is a rebuttable presumption that the transfer is a sale and not a gift if the grantee is involved in a refinance of debt on the property within six months of the time of the transfer. *(b)* There is a rebuttable presumption that the transfer is a gift and not a sale if the grantee is involved in a refinance of debt on the property more than six months from the time of the transfer.

(5) Documentation. *(a)* A completed real estate excise tax affidavit is required for transfers by gift. A supplemental statement approved by the department must be completed and attached to the affidavit. The supplemental statement will attest to the existence or absence of underlying debt on the property, whether the grantee has or will in the future make any payments on the debt, and whether a refinance of debt has occurred or is planned to occur. The statement must be signed by both the grantor and the grantee. *(b)* The grantor must retain financial records providing proof that grantor is entitled to this exemption in case of audit by the department. Failure to provide records upon request will result in subsequent denial of the exemption.

(6) Examples. (a) Overview. The following examples, while not exhaustive, illustrate some of the circumstances in which a grant of an interest in real property may qualify for this exemption. These examples should be used only as a general guide. The taxability of each transaction must be determined after a review of all the facts and circumstances.

(b) Examples--No debt. (i) John conveys his residence valued at \$200,000 to Sara. John comes off of the title. There is no underlying debt on the property, and Sara gives John no consideration for the transfer. The conveyance from John to Sara qualifies for the gift exemption from real estate excise tax. *(ii)* Keith and Jean, as joint owners, convey their residence valued at \$200,000 to Jean as her sole property. There is no underlying debt on the property. In exchange for Keith's one-half interest in the property, Jean gives Keith \$10,000. Keith has made a gift of \$90,000 in equity, and received consideration of \$10,000. Real estate excise tax is due on the \$10,000.

(c) Examples--Existing debt. (i) Josh conveys his residence valued at \$200,000 to Samantha. Josh has \$25,000 in equity and an underlying debt of \$175,000. Josh continues to make the mortgage payments out of his own funds, and Samantha does not contribute any payments toward the debt. Since Josh continues to make the payments, there is no consideration from Samantha to Josh, and the transfer qualifies for exemption as a gift. *(ii)* Josh conveys the residence to Samantha, and after the transfer, Samantha begins to make payments on the debt. Josh does not contribute to the payments on the debt after the title is transferred. Josh has made a gift of his \$25,000 equity, but real estate excise tax is due on the \$175,000 debt that Samantha is now paying. *(iii)* Dan conveys his residence valued at \$200,000 to himself and Jill as tenants in common. Dan has \$25,000 in equity and an underlying debt of \$175,000. Dan and Jill open a new joint bank account, to which they both contribute funds equally. Mortgage payments are made from their joint account. There is a rebuttable presumption that real estate excise tax is due on the conveyance because Jill appears to be contributing toward payments on the debt. In that case, real estate excise tax is due on the consideration given by Jill, (50% of the underlying debt) based upon her contributions to the joint account. The tax will be calculated on a one-half interest in the existing debt (\$87,500). *(iv)* Dan conveys the residence to himself and Jill. Dan has \$25,000 in equity, and a mortgage of \$175,000. Dan and Jill open a new joint bank account, which is used to make the mortgage payments, but Dan contributes 100% of the funds to the account. The conveyance is exempt from real estate excise tax, because Jill has not given any consideration in exchange for the transfer. *(v)* Bob conveys his residence valued at \$200,000 to himself and Jane as tenants in common. Bob has \$25,000 equity, and an underlying debt of \$175,000. Bob and Jane have contributed varying amounts to an existing joint bank account for many years prior to the conveyance. Mortgage payments have been made from the joint account both before and after the transfer. The conveyance is exempt from real estate excise tax, because Jane's contributions toward the joint account from which the payments are made is not deemed consideration in exchange for the transfer from Bob (because she made contributions for many years before the transfer as well as after the transfer, there is no evidence that her payments were consideration for the transfer). *(vi)* Bill and Melanie, as joint owners, convey their residence valued at \$200,000 to Melanie, as her sole property. There is an underlying debt of \$170,000. Prior to the transfer, both Bill and Melanie had contributed to the monthly payments on the debt. After the transfer, Melanie begins to make 100% of the payments, with Bill contributing nothing toward the debt. Bill's equity (\$15,000) is a gift, but Melanie's taking over the payments on the mortgage is consideration received by Bill. Real estate excise tax is due on \$85,000 (Bill's fractional interest in the property multiplied by the outstanding debt at the time of transfer: 50% x \$170,000). *(vii)* Casey and Erin, as joint owners, convey their residence to Erin. There is an underlying debt of \$170,000 in both their names. For the three years prior to the transfer, Erin made 100% of the payments on the debt. After the transfer, Erin continues to make 100% of the payments. The transfer is exempt from the real estate excise tax because Erin made all the payments on the property before the transfer as well as after the transfer; there is no evidence that her payments were consideration for the transfer.

(d) Examples--Refinanced debt. (i) Bob conveys his residence to himself and Jane. Within one month of the transfer, Bob and Jane refinance the underlying debt of \$175,000 in both their names, but Bob continues to make the payments on the debt. Jane does not contribute any funds toward the payments. The conveyance qualifies for the gift exemption because Jane gave no consideration for the transfer. *(ii)* Casey and Erin, as joint owners, convey their residence valued at \$200,000 to Erin as sole owner. There is an underlying mortgage on the property of \$170,000. Prior to the transfer, Casey and Erin had both contributed to the monthly mortgage payments. Within one month of the transfer, Erin refinances the mortgage in her name only and begins to make payments from her separate account. In this case, there is a rebuttable presumption that this is a disguised sale; since Erin, through her refinance, has assumed sole responsibility for the underlying debt. Real estate excise tax is due on \$85,000 (Casey's fractional interest in the property multiplied by the total debt on the property: 50% x \$170,000). *(iii)* Kyle conveys his residence valued at \$200,000 to himself and Amy as tenants in common. Kyle has \$25,000 in equity, and an underlying debt of \$175,000. Within one month of the transfer, Kyle and Amy refinance the mortgage in both their names, and open a joint bank account to which they contribute funds equally. Payments on the new mortgage are made from the joint account. There is a rebuttable presumption that Amy's contributions to the joint account are consideration for the transfer, since Amy appears to have agreed to pay half of the monthly debt payment, and real estate excise tax may be due. The measure of the tax is one-half of the underlying debt to which Amy is contributing (\$87,500). *(iv)* Kyle conveys his residence to himself and Amy. Kyle continues to make the payments on the underlying debt of \$175,000. Nine months after the transfer, Kyle and Amy refinance the property in both of their names. After the refinance, Kyle and Amy contribute equally to a new joint bank account from which the mortgage payments are now made. Amy's contribution to the mortgage nine months after the transfer is not deemed consideration in exchange for the transfer from Kyle to the two of them as tenants in common. The conveyance will qualify for the gift exemption.

(e) Example--Refinanced debt--"Cosigner." Charlie and Sadie, a married couple, own a residence valued at \$200,000 with an underlying mortgage of \$170,000. Sadie receives the property when they divorce. After a few months, Sadie tries to refinance, but her credit is insufficient to obtain a loan in her name only. Aunt Grace offers to assist her by becoming a "co-borrower" on the loan. As a result, the bank requires that Aunt Grace be added to the title. Following the refinance, Sadie makes 100% of the payments on the new debt, and Aunt Grace gives no consideration for being added to the title. The conveyance adding Aunt Grace to the title is exempt from real estate excise tax. Although the quitclaim deed from Sadie to Aunt Grace may be phrased as a gift, the transfer is exempt as Aunt Grace's presence on the title acts as an exempt security interest to protect Aunt Grace in the event Sadie defaults on her mortgage. See WAC 458-61A-215 for this exemption.

(f) Example--Rental or commercial property. Sue owns a rental property valued at \$200,000, with an underlying mortgage of \$175,000. Sue conveys the property to herself and Zack as tenants in common. Prior to the transfer, the rental income went to a bank account in Sue's name only; and she made the mortgage payments from that account. After the transfer, Zack's name is added to the bank account. The rental income is now deposited in the joint account, and the mortgage payments are made from that account. There is a rebuttable presumption that this is a taxable transaction, because this appears to be a business arrangement. As a business venture, one-half of the rental income now belongs to Zack, and is being contributed toward payment of the mortgage. The real estate excise tax will be due on the one-half interest of the debt contributed by Zack (\$87,500).