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5 Attorneys for the Plaintiff

6 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

7 IN AND FOR THE COUNTY OF MARICOPA

8 STATE OF ARIZONA ex rel. LAUREN )  
KINGRY, Superintendent of the Arizona )  
9 Department of Financial Institutions, )

10 Plaintiff,

v.

11 LANDMARC CAPITAL & )  
12 INVESTMENT COMPANY, )

Defendant. )

Cause No. CV2009-020595

PETITION NO. 21

PETITION TO CONFIRM SALE OF  
REAL PROPERTY LOCATED AT 20166  
WEST MOCCASIN TRAIL, BUCKEYE,  
ARIZONA AND APPROVING  
PROCEDURES FOR SELLING  
CERTAIN REAL PROPERTY VALUED  
AT LESS THAN \$100,000 WITHOUT  
FURTHER ORDER OF THE COURT.

(Assigned to the Honorable Sam Myers)

16  
17 Lauren Kingry, as the court appointed Receiver, respectfully petitions the Court as  
18 follows:

19 1. On June 24, 2009, this Court entered its *Order Appointing Receiver and Order*  
20 *to Show Cause*, which appointed the Superintendent of the Arizona Department of Financial  
21 Institutions as Receiver of Landmarc Capital & Investment Company ("Landmarc"). On July  
10, 2009, this Court entered its *Order Appointing Permanent Receiver and Injunction*. On

1 February 27, 2010, the Court entered its *Order placing Hayden Investments, LLC Desert*  
2 *Trails Holdings, LLC and Arizona Valuation Company, LLC in Receivership*. On May 12,  
3 2010, the Court entered its *Amended Order Appointing Permanent Receiver and Injunction*  
4 (collectively “Receivership Order”). The Receivership Order appointed Thomas Giallanza as  
5 Deputy Receiver and authorized the Receiver to engage and employ Special Deputy  
6 Receivers to carry on the day to day business of Landmarc.

7 **Confirmation of the Sale of the Property Located at 20166 W. Moccasin Trail**

8       2. In accordance with the Receivership Order, the Receiver has located and taken  
9 possession of certain real property, located at 20166 W. Moccasin Trail, Buckeye, Arizona  
10 85326 (“Property”). The Property consists of approximately 1.1 acres of vacant land located  
11 in a subdivision of single family residences. This Property is legally described in Exhibit “1”  
12 attached hereto and is currently held in the name of Hayden Investments, LLC, and is  
13 therefore a receivership asset under the Receivership Order. Title to the Property was  
14 acquired in the name of Hayden Investments, LLC following a Trustee Sale on October 22,  
15 2008.

16       3. The Property is not encumbered by any indebtedness, other than obligations for  
17 real estate taxes and assessments.

18       4. Because the property is vacant land and the Receiver is without knowledge of  
19 anyone asserting an interest in the Property other than in connection with real estate taxes  
20 owed on the Property, the continued holding of the Property is not necessary or appropriate to  
21

1 protect the interests of any of the persons interested in this receivership. Accordingly, the  
2 Receiver commenced efforts to market and sell the Property.

3 5. On March 10, 2010, Robert D. Green of Sunstate Appraisal AZ submitted to the  
4 Receiver an appraisal of the Property which indicated a fair market value for the Property of  
5 \$16,000.00. Robert D. Green has been issued Certificate No. 11439 by the State of Arizona  
6 as a Certified Residential Real Estate Appraiser. The Receiver has agreed to pay appraiser a  
7 fee of \$200.00 for this appraisal and the appraiser has no known interest in any of the parties  
8 or in the sale of the Property.

9 6. In addition, the Receiver engaged the services of Anthony Kurth of Homesmart  
10 Realty to market the Property, under which the Receiver agreed to pay a 6% sales  
11 commission, subject to the approval of this Court.

12 7. On April 13, 2010, the Receiver received an offer from Alvin C. Peasnall and  
13 Audrey D. Peasnall to purchase the property for \$14,000.00 under terms that were not  
14 acceptable to the Receiver. The Receiver thereafter submitted to the Buyers a counter offer  
15 which has been accepted. These documents constitute the Purchase Agreement and are  
16 attached hereto as Exhibit "2". The Purchase Agreement provides for the sale of the Property  
17 for \$15,000.00 in cash. The sales price is 93.8% of the appraised value for the Property. The  
18 sale contemplated under Exhibit "2" is conditioned upon, and will not take place in the  
19 absence of an order of this Court approving such sale after notice and hearing.

20 8. In accordance with this Court's *Order Re: Petition Number 2*, the Receiver:  
21

1           a.       Has mailed a copy of this Petition, the proposed order, and the Notice of  
2           Hearing, to all persons on the Master Service List as indicated in the Proof of Mailing  
3           filed herewith;

4           b.       Intends to publish notice of this sale in a newspaper of general  
5           circulation within the county in which this action is pending and the Property is  
6           located.

7           9.       The Receiver recommends that the Property be sold for the price and under the  
8           terms set forth in the Purchase Agreement attached as Exhibit “2”, which the Receiver  
9           believes are in the best interests of the receivership estate.

10       **Procedures for the Sale of Certain Receivership Real Property Appraised at Less Than**  
11       **\$100,000 without Further Court Order**

12           10.       The Receiver holds an interest in approximately 80 real properties, of which  
13           approximately 56 are titled wholly in the name of Landmarc Capital & Investment Company,  
14           Hayden Investments, LLC, Desert Trails Holdings, LLC or Arizona Valuation Company,  
15           LLC (“Receivership Entities”). Including the Property described in Exhibit “1” attached  
16           hereto, the Receiver has identified at least 9 real properties that (a) have an estimated fair  
17           market value under \$100,000, (b) are wholly owned by the Receivership Entities and (c)  
18           which are, to best of the Receiver’s knowledge, free of any adverse claim by any person  
19           interested in this receivership. A list of these real properties is attached as Exhibit “3”.

20           11.       The Receiver believes that given the insignificant value of the equity in these  
21           properties and the absence of any other persons with an interest, it is in the best interests of  
          this receivership for the Court to approve procedures for selling these properties without the

1 necessity of providing notice to the parties and the public and without seeking a court order  
2 confirming each sale following a hearing.

3 12. Accordingly, a separate form of order is being lodged with the Court and which  
4 grants the Receiver authority to sell real properties without notice or further order of the  
5 Court under the following conditions:

6 a. All fee title to the Property is held in the name of one of more of the  
7 following: Landmarc Capital & Investment Company, Hayden Investments, LLC,  
8 Desert Trails Holdings, LLC, Arizona Valuation Company, LLC, or any other person  
9 placed in receivership by order of this court (collectively "Receivership Entity");

10 b. The Receiver does not have actual knowledge of the existence of an  
11 adverse claim of ownership or security interest in the Property, including without  
12 limitation a claim of ownership or other interest by a loan participation lender or a  
13 claimed security or other interest by a Warehouse Credit Facility lender;

14 c. The Receiver is in possession of a written appraisal by a licensed  
15 Arizona appraiser dated within 12 months of the date of the purchase contract that sets  
16 forth a market value for the Property of \$100,000 or less or a range of values for the  
17 Property in which the highest value in the range is \$100,000 or less;

18 d. Under the terms of the purchase contract for the sale of the Property, the  
19 sale price is not less than 85% of the appraised value as set forth in the written  
20 appraisal required herein and the sales commission paid to the real estate agents does  
21 not exceed 6%; and

1 e. Any secured lien on the Property is satisfied at the time of the sale.

2 13. The Receiver has lodged separate orders with this petition, one to confirm the  
3 sale of the real property located at 20166 W. Moccasin Trail, Buckeye, Arizona and another  
4 to approve the procedures for the sale of other similar properties with a value under \$100,000.

5 WHEREFORE, the Receiver respectfully requests that the Court enter an order:

6 1. Approving the sale as set forth in the Purchase Agreement attached as Exhibit  
7 “2” to this Petition of the Property legally described in Exhibit “1”.

8 2. Authorizing Thomas Giallanza, as Deputy Receiver, to execute all necessary  
9 documents in connection with the sale of the Property confirmed by the Court.

10 3. Approving procedures for the sale of certain real property titled in the name of  
11 the Receivership Entities with an appraised value under \$100,000 without further order of the  
12 Court in accordance with the procedures set forth herein and in the proposed order lodged  
13 with the Court.

14 Respectfully submitted this 21<sup>st</sup> day of May, 2010.

15 GUTTILLA MURPHY ANDERSON

16 /s/Patrick M. Murphy  
17 Patrick M. Murphy  
18 Attorneys for the Plaintiff

18 1157-001 (95971)

19

20

21

## **LEGAL DESCRIPTION**

### **EXHIBIT "ONE"**

The land referred to in this report is described as follows:

Lot 267, of Estrella Dells Unit Two, according to Book 94 of Maps, Page 17, records of Maricopa County, Arizona.

# VACANT LAND/LOT PURCHASE CONTRACT



If subdivided land (less than 36 acres) or unsubdivided land (36 acres to 160 acres) is being sold by a subdivider, i.e., a person who owns 6 or more lots, a public report will generally be required and an Addendum regarding subdivided or unsubdivided land must be executed by the Seller and Buyer.

This entire portion of this contract has been approved by the ARIZONA ASSOCIATION OF REALTORS® ("AAR"). This is intended to be a binding contract. No representation is made as to the legal validity or adequacy of any provisions or the tax consequences thereof. If you desire legal, tax or other professional advice, consult your attorney, tax advisor, insurance agent or professional consultant.

## 1. PROPERTY

- 1a. 1. BUYER: ALVIN C. PEASNALL & HUDREY D. PEASNALL  
BUYER'S NAME(S)
- 2. SELLER: \_\_\_\_\_ or  as identified in Section 9c  
SELLER'S NAME(S)
- 3. Buyer agrees to buy and Seller agrees to sell the real property with all improvements, fixtures, and appurtenances thereon
- 4. or incidental thereto, if any, plus the personal property described herein (collectively the "Property").
- 5. Property Address: 20166 W MOCCASIN TR Zoning: R-35
- 6. Assessor's #: 400-76-291
- 7. City: BUCKEYE County: Maricopa AZ Zip Code: 85326
- 8. Legal Description: ESTRELLA DELLS 2, LOT 267 or  see attached legal description
- 9. \$ 15,000<sup>00</sup> Full Purchase Price, paid as outlined below
- 10. \$ 1,000<sup>00</sup> Earnest money
- 11. \$ 14,000<sup>00</sup> AT CLOSE OF ESCROW.
- 12. \$ \_\_\_\_\_
- 13. \_\_\_\_\_
- 14. 14. Incidental Improvements: Buyer is purchasing the Property as vacant land. Any improvements, fixtures and appurtenances thereon are incidental thereto, plus any personal property on the Property are merely incidental, are being transferred in their existing condition ("AS IS") and Seller makes no warranty to Buyer, expressed or implied, as to their condition.
- 15. 17. Close of Escrow: Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's office.
- 16. 18. Buyer and Seller shall comply with all terms and conditions of this Contract, execute and deliver to Escrow Company all closing documents, and perform all other acts necessary in sufficient time to allow COE to occur on
- 17. 20. MAY 01 2010 ("COE Date"). If Escrow Company or recorder's office is closed on
- 18. 21. COE Date, COE shall occur on the next day that both are open for business.
- 19. 22. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
- 20. 23. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available funds
- 21. 24. to Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on COE Date.
- 22. 25. Possession: Seller shall deliver access to keys and/or means to operate all locks, mailbox and all common area facilities, subject to
- 23. 26. the rights of tenants under existing leases, to Buyer at COE or  Broker(s) recommend that the parties seek appropriate
- 24. 27. counsel from insurance, legal, tax, and accounting professionals regarding the risks of pre-possession or post-possession of the Property.
- 25. 28. Addenda Incorporated:  Assumption/Carryback  Buyer Contingency  Domestic Water Well  H.O.A.
- 26. 29.  Additional Clause  On-site Wastewater Treatment Facility  Addendum to Vacant Land
- 27. 30.  Other: \_\_\_\_\_
- 28. 31. IF THIS IS AN ALL CASH SALE, GO TO SECTION 3.

Initials: [Signature] SELLER SELLER

ARIZONA ASSOCIATION OF REALTORS®  
Form VLPC 8/07

Initials: [Signature] BUYER BUYER

Exhibit "2"




2. FINANCING

(If financing is to be other than new financing, see attached addendum.)

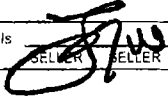
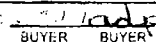
- 2a. 32 **Loan Status Report:** The AAR Vacant Land/Lot Loan Status Report ("LSR"), with, at a minimum, the Buyer's Loan Information section  
33 completed, describing the current status of the Buyer's proposed loan, is attached hereto and incorporated herein by reference.
- 2b. 34 **Financing:** This sale  is  is not contingent upon Buyer obtaining a satisfactory financing commitment within Financing  
35 Commitment Contingency Period. (If sale is not contingent on a financing commitment, go to Section 2g.)
- 2c. 36 **Financing Commitment Contingency Period:** If the sale is contingent upon Buyer obtaining a satisfactory financing  
37 commitment, Buyer shall have thirty (30) days or  \_\_\_\_\_ days after the Contract acceptance ("Financing Commitment  
38 Contingency Period") to obtain a financing commitment satisfactory to Buyer in Buyer's sole discretion, for a loan to purchase the  
39 Property or Buyer may cancel this Contract and receive a refund of the Earnest Money. **PRIOR TO THE EXPIRATION OF THE FINANC-**  
40 **ING COMMITMENT CONTINGENCY PERIOD, BUYER SHALL DELIVER TO SELLER AND ESCROW COMPANY NOTICE THAT**  
41 **BUYER HAS NOT RECEIVED SUCH SATISFACTORY FINANCING COMMITMENT OR BUYER SHALL BE DEEMED TO HAVE**  
42 **WAIVED THE FINANCING COMMITMENT CONTINGENCY AND ANY RIGHT TO CANCEL DUE TO FINANCING.**
- 2d. 43 **Financing Application:** Unless previously completed, within ten (10) days or  \_\_\_\_\_ after Contract acceptance, Buyer shall  
44 submit a formal loan application to a lender of Buyer's choice. Buyer and Seller shall promptly provide to such lender all materials  
45 and documents lender deems appropriate to facilitate such lender's processing of such loan application. Buyer instructs the lender  
46 to provide loan status updates to Broker(s) and Seller. The AAR Loan Status Update Form is available for this purpose.
- 2e. 47 **Appraisal Contingency:** Buyer's obligation to complete this sale is contingent upon an appraisal of the Property by an appraiser  
48 acceptable to lender for at least the sales price during the Financing Commitment Contingency Period.
- 2f. 49 **Loan Costs:** Buyer shall pay all costs of obtaining the loan, except as provided herein.  
50 Discount points shall be paid by  Buyer  Seller  Other: \_\_\_\_\_  
51 Discount points shall not exceed \_\_\_\_\_ total points. (Does not include loan origination fee.)  
52 A.L.T.A. Lender Title Insurance Policy shall be paid by  Buyer  Seller.  
53 Loan Origination Fee (Not to exceed \_\_\_\_\_ % of loan amount) shall be paid by  Buyer  Seller.  
54 Appraisal Fee, when required by lender, shall be paid by  Buyer  Seller  Other: \_\_\_\_\_
- 2g. 55 **Partial Release:** Buyer and Seller agree that any partial releases will be addressed under Additional Terms and Conditions  
56 or attached Addendum.
- 2h. 57 **Subordination:** If applicable, Seller carryback financing  is  is not to be subordinated to a construction loan. If Seller  
58 agrees to subordination, such subordination shall only be allowed if the Seller Carryback financing is not in default and if the  
59 Seller approves the terms and conditions of the construction loan to be recorded as a senior loan. Approval will not be  
60 unreasonably withheld. **IF SELLER SUBORDINATES THE SELLER CARRYBACK FINANCING TO A SENIOR LOAN, THE**  
61 **SELLER ACKNOWLEDGES THAT IN ORDER TO PROTECT THE SELLER CARRYBACK FINANCING, THE SELLER**  
62 **MAY HAVE TO MAKE PAYMENTS ON THE SENIOR LOAN IF THE SENIOR LOAN IS IN DEFAULT.**

3. TITLE AND ESCROW

- 3a. 63 **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the  
64 terms of this Contract shall be:  
65 **SECURITY TITLE- SANDY RICE**  
"ESCROW/TITLE COMPANY" PHONE \_\_\_\_\_  
66 FAX \_\_\_\_\_ EMAIL \_\_\_\_\_  
67 ADDRESS \_\_\_\_\_
- 3b. 68 **Title and Vesting:** Buyer will take title as determined before COE. Taking title may have significant legal, estate planning  
69 and tax consequences. Buyer should obtain legal and tax advice.
- 3c. 70 **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller directly,  
71 addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance in sufficient detail for the issuance  
72 of an extended Owner's Title Insurance Policy together with complete and legible copies of all documents that will

Initials: <u><i>[Handwritten Signature]</i></u> SELLER    SELLER	ARIZONA ASSOCIATION OF REALTORS® Form VLPC 8/07	Initials: <u><i>[Handwritten Signature]</i></u> BUYER    BUYER	
Produced with ZipForm® by ziplogix, 18070 Fifteen Mile Road, Fraser, Michigan 48026    www.ziplogix.com    Limited			

73. remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment") within fifteen (15) days after Contract acceptance.  
 74. Buyer shall have five (5) days after receipt of Title Commitment and after receipt of notice of any subsequent exceptions to pro-  
 75. vide notice to Seller of any items disapproved. Buyer shall be provided at Seller's expense a Standard Owner's Title Insurance  
 76. Policy showing the title vested in Buyer. Buyer may acquire extended coverage(s) at Buyer's own additional expense.  
 77. Seller shall convey title by general warranty deed or  \_\_\_\_\_ deed.
- 3d. 78. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and address  
 79. of the Buyer to any homeowner's association in which the Property is located. (ii) If the Escrow Company is also acting as the title  
 80. agency but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver to the Buyer and Seller, upon  
 81. deposit of funds, a closing protection letter from the title insurer indemnifying the Buyer and Seller for any losses due to fraudu-  
 82. lent acts or breach of escrow instructions by the Escrow Company. (iii) All documents necessary to close this transaction shall be  
 83. executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow Company shall modify such doc-  
 84. uments to the extent necessary to be consistent with this Contract. (iv) Escrow Company fees, unless otherwise stated herein,  
 85. shall be allocated equally between Seller and Buyer. (v) Escrow Company shall send to all parties and Broker(s) copies of all  
 86. notices and communications directed to Seller, Buyer and Broker(s). (vi) Escrow Company shall provide Broker(s) access to  
 87. escrowed materials and information regarding the escrow. (vii) If an Affidavit of Disclosure is provided, Escrow Company shall  
 88. record the Affidavit at COE.
- 3e. 89. **Prorations, Expenses and Adjustments:**  
 90. *Taxes:* Real property taxes payable by the Seller shall be prorated through COE, based upon the latest tax bill available. The  
 91. parties agree that any discrepancy between the latest tax bill available and the actual tax bill when received shall be handled  
 92. as a Post Closing Matter and Buyer or Seller may be responsible for additional tax payments to each other.  
 93. *Insurance:* If Buyer takes an assignment of the existing casualty and/or liability insurance that is maintained by Seller, the  
 94. current premium shall be prorated through COE.  
 95. *Rents, Interest and Expenses:* Rents, interest on existing notes, if transferred, utilities, and operating expenses shall be pro-  
 96. rated through COE. The Parties agree to adjust any rents received after COE as a Post Closing Matter.  
 97. *Deposits:* All deposits held by Seller pursuant to rent/lease agreement(s) shall be credited against the cash required of Buyer  
 98. at COE or  paid to Buyer by Seller at COE.
- 3f. 99. **Post Closing Matters:** The parties shall promptly adjust any item to be prorated that is not determined or determinable at COE as  
 100. a Post Closing Matter by appropriate cash payment to the other party outside of the escrow when the amount due is  
 101. determined. Seller and Buyer agree that Escrow Company and Broker(s) are relieved of any responsibility for said adjustments.
- 3g. 102. **Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with Escrow  
 103. Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions of this  
 104. Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company against any  
 105. claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees, arising from or  
 106. relating in any way to the release of Earnest Money.
- 3h. 107. **Insurance:** Buyer shall ensure that any fire, casualty, or other insurance desired by Buyer, or required by any Lender, is in  
 108. place at COE. Buyer specifically releases Broker(s) from any obligations relating to such insurance.
- 3i. 109. **Assessment Liens:** The amount of any assessment, other than homeowner's association assessments, that is a lien as of  
 110. the COE shall be:  paid in full by Seller  prorated and assumed by Buyer  paid in full by Buyer. Any assessment  
 111. that becomes a lien after COE is the Buyer's responsibility.
- 3j. 112. **IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, sign  
 113. and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to the  
 114. Foreign Investment in Real Property Tax Act (FIRPTA). Buyer and Seller acknowledge that if the Seller is a foreign person, the Buyer  
 115. (or Escrow Company, as directed by Buyer) must withhold a tax equal to 10% of the purchase price, unless an exemption applies.
- 3k. 116. **Agricultural Foreign Investment Disclosure Act:** If applicable, Buyer and Seller shall comply with the Agricultural Foreign  
 117. Investment Disclosure Act and make the required disclosures to the U.S. Department of Agriculture.
- 3l. 118. **TAX DEFERRED EXCHANGE:** Seller and Buyer are advised to consult a professional tax advisor regarding the advisability  
 119. of a tax-deferred exchange pursuant to I.R.C. §1031 or otherwise. Seller and Buyer agree to cooperate in a tax deferred  
 120. exchange provided that COE is not delayed. All additional costs in connection with any such tax deferred exchange shall be  
 121. borne by the party requesting the exchange. The non-requesting party and Broker(s) shall be indemnified and held harmless  
 122. from any liability that may arise from participation in the tax deferred exchange.

Initials: 	©ARIZONA ASSOCIATION OF REALTORS® Form VLPC 8/07	Initials: 
SELLER SELLER		BUYER BUYER




## 4. DISCLOSURES

- 4a. 123 **Vacant Land/Lot Seller Property Disclosure Statement ("VLSPDS"):** Seller shall deliver a completed AAR VLSPDS form  
124 to the Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any SPDS items disapproved with-  
125 in the inspection Period or five (5) days after receipt of the SPDS, whichever is later.
- 4b. 126 **Additional Seller Disclosures and Information:** Seller shall provide to Buyer the following disclosures and information pertinent  
127 to the Property within five (5) days after the Contract acceptance: (i) any information known to Seller that may adversely affect the  
128 Buyer's use of the Property, (ii) any known pending special assessments, association fees, claims, or litigation, (iii) articles of incor-  
129 poration, by-laws, other governing documents, and any other documents required by law, (iv) financial statements, current rent rolls  
130 lists of current deposits, personal property lists, leases, rental agreements, service contracts, (v) soils, Phase I, or other environ-  
131 mental reports in Seller's possession, (vi) the most recent survey, if available, and (vii) any and all other agreements, documents,  
132 studies, or reports relating to the Property in Seller's possession or control provided, however, that Seller shall not be required to  
133 deliver any report or study if the written contract that Seller entered into with the consultant who prepared such report or study  
134 specifically forbids the dissemination of the report to others.
- 4c. 135 **Road Maintenance Agreement:** Seller shall provide to Buyer, within five (5) days after the Contract acceptance, a copy  
136 of any known road maintenance agreement affecting the Property.
- 4d. 137 **Seller's Obligations Regarding Wells:** If a well is located on the Property, or if the Property is to be served by a shared well,  
138 the AAR Domestic Water Well Addendum is attached hereto and incorporated by reference. At COE, if applicable, Seller shall  
139 assign, transfer and convey to the Buyer all of the water rights, or claims to water rights, if any, held by Seller that are asso-  
140 ciated with the Property.
- 4e. 141 **No Seller or Tenant Bankruptcy, Probate or Insolvency Proceedings:** Seller represents that Seller has no notice or knowl-  
142 edge that any tenant on the Property is the subject of a bankruptcy, probate or insolvency proceeding. Further, Seller is not  
143 the subject of a bankruptcy, insolvency or probate proceeding.
- 4f. 144 **Seller's Notice of Violations:** Seller represents that Seller has no knowledge of any notice of violations of City, County, State, or  
145 Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the Property.
- 4g. 146 **Environmental Disclosure:** Seller has only not knowingly caused or permitted the generation, storage, treatment, release or disposal of  
147 any hazardous waste or regulated substances at the Property except as otherwise disclosed.
- 4h. 148 **Affidavit of Disclosure:** If the Property is located in an unincorporated area of the county, and five or fewer parcels of  
149 property other than subdivided land are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in the  
150 form required by law to the Buyer within five (5) days after Contract Acceptance. Buyer shall provide notice of any Affidavit  
151 of Disclosure items disapproved within the Inspection Period or five (5) days after receipt of the Affidavit of Disclosure, whichever  
152 is later.
- 4i. 153 **H.O.A. / Condominium / Planned Community:** The Property  is  is not located within a homeowners' association/  
154 condominium/planned community. If yes, the HOA addendum is attached hereto and incorporated by reference.
- 4j. 155 **Changes During Escrow:** Seller shall immediately notify Buyer of any changes in the Property or disclosures made herein, in  
156 the SPDS or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by  
157 Section 5a, or otherwise by this Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer  
158 shall be allowed five (5) days after delivery of such notice to provide notice of disapproval to Seller.

## 5. WARRANTIES

- 5a. 159 **Seller Warranties:** Seller warrants and shall maintain and repair the Property so that at the earlier of possession or COE the  
160 Property and any personal property included in the sale, will be in substantially the same condition as on the date of Contract  
161 acceptance; and all personal property not included in the sale and all debris will be removed from the Property.
- 5b. 162 **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects  
163 and any information concerning the Property known to Seller, excluding opinions of value, which materially and adversely  
164 affect the consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for  
165 all labor, professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding  
166 the COE in connection with the construction, alteration, or repair of any structure on or improvement to the Property. Seller  
167 warrants that the information regarding connection to a sewer system or on-site wastewater treatment facility (conventional  
168 septic or alternative) is correct to the best of Seller's knowledge.

Initials SELLER <i>[Signature]</i> SELLER	ARIZONA ASSOCIATION OF REALTORS® Form VLPC 8/07	Initials BUYER BUYER	
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6f. 216 LAND DIVISIONS: LAND PROPOSED TO BE DIVIDED FOR PURPOSES OF SALE OR LEASE IS SUBJECT TO STATE,  
 217 COUNTY AND MUNICIPAL LAWS, ORDINANCES AND REGULATIONS. IF STATE, COUNTY AND MUNICIPAL  
 218 REQUIREMENTS RELATING TO THE DIVISION OR SPLITTING OF THE PROPERTY ARE A MATERIAL MATTER TO  
 219 THE BUYER, THEY MUST BE VERIFIED BY BUYER DURING THE INSPECTION PERIOD. BROKER(S) HAVE MADE  
 220 NO REPRESENTATIONS, EXPRESS OR IMPLIED, REGARDING THE ABILITY TO DIVIDE OR SPLIT THE PROPERTY.  
 221 (BUYER'S INITIALS REQUIRED) \_\_\_\_\_ adp  
 BUYER BUYER

6g. 222 ROADS: IF ROADWAYS, COST AND RESPONSIBILITY FOR ROAD MAINTENANCE, IMPROVEMENTS OR ACCESS IS  
 223 A MATERIAL MATTER TO BUYER, IT MUST BE INVESTIGATED BY BUYER DURING INSPECTION PERIOD.

6h. 224 Survey: A survey  shall  shall not be performed. If yes, the survey shall be performed by a licensed surveyor  
 225 within the inspection Period or \_\_\_\_\_ days after Contract acceptance.  
 226 Cost of the survey shall be paid by  Seller  Buyer  Other: \_\_\_\_\_  
 227 The survey shall be performed in accordance with the Arizona State Board of Technical Registration's "Arizona Land  
 228 Boundary Survey Minimum Standards"

- 6i. 229 Survey instructions are:
- 230  A boundary survey and survey plat showing the corners either verified  
 231 or monumentation.
  - 232  A survey certified by a licensed surveyor, acceptable to Buyer and the Title  
 233 Company, in sufficient detail for an American Land Title Association ("ALTA")  
 234 Owner's Policy of Title Insurance with boundary, encroachment or survey except-  
 235 tions and showing all improvements, utility lines and easements on the Property  
 236 or within five (5) feet thereof.
  - 237  Other survey terms: \_\_\_\_\_  
 238 \_\_\_\_\_  
 239 \_\_\_\_\_

240 Buyer shall have five (5) days after receipt of results of survey or map to provide written notice of disapproval to the Seller.  
 241 (BUYER'S INITIALS REQUIRED) \_\_\_\_\_ adp  
 BUYER BUYER

6j. 242 WELL WATER/WATER RIGHTS: IF WELL WATER/WATER RIGHTS IS/ARE A MATERIAL MATTER TO THE BUYER, IT  
 243 MUST BE VERIFIED BY BUYER DURING THE INSPECTION PERIOD.

6k. 244 BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES AND AGREES THAT BROKER(S) ARE NOT  
 245 QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PROPERTY OR THE SUR-  
 246 ROUNDING AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO  
 247 ASSIST IN BUYER'S DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE  
 248 PROPERTY AND SURROUNDING AREA IS BEYOND THE SCOPE OF THE BROKERS EXPERTISE AND LICENSING,  
 249 BUYER EXPRESSLY RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR  
 250 CONDITIONS THAT COULD HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.  
 251 (BUYER'S INITIALS REQUIRED) \_\_\_\_\_ adp  
 BUYER BUYER

6l. 252 Inspection Period Notice: Prior to expiration of the Inspection Period, Buyer shall deliver to Seller a signed notice of any  
 253 items disapproved. The AAR Vacant Land/Lot Buyer's Inspection Notice and Seller's Response Form is available for this  
 254 purpose Buyer shall conduct all desired inspections and investigations prior to delivering such notice to Seller and all  
 255 Inspection Period items disapproved shall be provided in a single notice

6m. 256 Buyer Disapproval: If Buyer, in Buyer's sole discretion, disapproves of item(s) as allowed herein, Buyer shall deliver  
 257 to Seller notice of the items disapproved and state in the notice that Buyer elects to either:  
 258 (1) immediately cancel this Contract and all Earnest Money shall be released to Buyer or  
 259 (2) provide the Seller an opportunity to correct the items disapproved in which case  
 260 (a) Seller shall respond in writing within five (5) days or \_\_\_\_\_ days after delivery to Seller of Buyer's notice of  
 261 items disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall  
 262 conclusively be deemed Seller's refusal to correct any of the items disapproved.  
 263 (b) If Seller agrees in writing to correct item(s) disapproved, Seller shall correct the items, complete any  
 264 repairs in a workmanlike manner and deliver any paid receipts evidencing the corrections and repairs  
 265 to Buyer three (3) days or \_\_\_\_\_ days prior to COE Date.

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

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

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

6n 275 **Inspection(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct inspection(s) of the Property for  
 276 the purpose of satisfying Buyer that any corrections agreed to by the Seller have been completed and that the Property is in  
 277 substantially the same condition as on the date of Contract acceptance. If Buyer does not conduct such  
 278 inspection(s), Buyer releases Seller and Broker(s) from liability for any defects that could have been discovered.

## 7. REMEDIES

7a. 279 **Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any  
 280 provision of this Contract the other party shall deliver a notice to the non-complying party specifying the non-compliance. If  
 281 the non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period") the failure to comply shall  
 282 become a breach of Contract.

7b. 283 **Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the  
 284 breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative  
 285 Dispute Resolution obligations set forth herein. In the case of the Seller, because it would be difficult to fix actual damages in  
 286 the event of Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's  
 287 option, accept the Earnest Money as Seller's sole right to damages. An unfulfilled contingency is not a breach of Contract.

7c. 288. **Alternative Dispute Resolution ("ADR"):** Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this  
 289 Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs shall be paid  
 290 equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or claims shall  
 291 be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the scheduling of an  
 292 arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the American Arbitration  
 293 Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The decision of the arbitrator shall  
 294 be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdic-  
 295 tion. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30) days after the conclusion of the  
 296 mediation conference by notice to the other and in such event either party shall have the right to resort to court action.

7d. 297 **Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in the Small  
 298 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  
 299 claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or agreement  
 300 for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's lien, or (v) any matter that is within the  
 301 jurisdiction of a probate court. Further, the filing of a judicial action to enable the recording of a notice of pending action ("lis pendens")  
 302 or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the  
 303 obligation to submit the claim to ADR, nor shall such action constitute a breach of the duty to mediate or arbitrate.

7e. 304 **Attorneys Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating  
 305 to this Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney  
 306 fees, expert witness fees, fees paid to investigators, and arbitration costs.



Initials Sellers BUYER	ARIZONA ASSOCIATION OF REALTORS® Form VLPC 8:07	Initials BUYER BUYER
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### 8. ADDITIONAL TERMS AND CONDITIONS

8a. 307. SALE CONTIGENT UPON AND SUBJECT TO BUYER OBTAINING PERMITS TO PLACE MANUFACTURED HOME  
 308 ON PROPERTY.  
 309 SELLER TO PROVIDE SEPTIC INSPECTION AS REQUIRED BY ARIZONA STATUE.  
 310 LINES 123-125 OF CONTRACT TO BE OMITTED. BANK OWNED PROPERTY, BUYER AGREES TO WAIVE  
 311 THE SPDS.  
 312 \_\_\_\_\_  
 313 \_\_\_\_\_  
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 336 \_\_\_\_\_

8b. 337 **Risk of Loss:** If there is any loss or damage to the Property between the date of Contract acceptance and COE or possession,  
 338 whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the Seller,  
 339 provided, however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price,  
 340 either Seller or Buyer may elect to cancel the Contract

8c. 341 **Permission:** Buyer and Seller grant Broker(s) permission to advise the public of this Contract.

8d. 342 **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona

8e. 343 **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations  
 344 described herein



Initials SELLER SELLER	ARIZONA ASSOCIATION OF REALTORS® Form VLPC 8/07	Initials:          BUYER BUYER
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- 8f. 345. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by  
 346 separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment at COE, if not previously paid.  
 347 If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE. If Buyer  
 348 is obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE FOR THE  
 349 SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®, OR  
 350 MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT.
- 8g. 351. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original.  
 352 Contract. This Contract and any other documents required by this Contract may be executed by facsimile or other  
 353 electronic means and in any number of counterparts, which shall become effective upon delivery as provided for herein.  
 354 All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original.
- 8h. 355. **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  
 356 end at 11:59 p.m.
- 8i. 357. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event  
 358 from which the time period begins to run is not included and the last day of the time period is included. Contract acceptance  
 359 occurs on the date that the signed Contract (and any incorporated counter offer) is delivered to and received by the appropriate  
 360 Broker. Acts that must be performed three days prior to the COE: Date must be performed three full days prior (i.e., if COE  
 361 Date is Friday the act must be performed by 11:59 p.m. on Monday)
- 8j. 362. **Entire Agreement:** This Contract, and any addenda and attachments shall constitute the entire agreement between Seller and  
 363 Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a writing  
 364 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. 365. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands that  
 366 any subsequent offer accepted by the Seller must be a backup offer contingent on the cancellation of this Contract.
- 8l. 367. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by  
 368 delivering notice stating the reason for cancellation to the other party or to the Escrow Company. Cancellation shall become  
 369 effective immediately upon delivery of the cancellation notice.
- 8m. 370. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in writing  
 371 and deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic mail,  
 372 if email addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as  
 373 indicated in Section 8q, to Seller as indicated in Section 9a and to the Escrow Company indicated in Section 3a.
- 8n. 374. **Earnest Money:** Earnest Money is in the form of:  Personal Check  Other \_\_\_\_\_  
 375 If applicable, Earnest Money has been received by Broker named in Section 8q and upon acceptance of this offer will be  
 376 deposited with:  Escrow Company  Broker's Trust Account
- 8o. 377. **RELEASE OF BROKER(S): SELLER AND BUYER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY**  
 378. **BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING FINANCING, THE**  
 379. **CONDITION, SQUARE FOOTAGE/ACREAGE, LOT LINES, BOUNDARIES, VALUE, RENT ROLLS, ENVIRONMENTAL**  
 380. **PROBLEMS, SANITATION SYSTEMS, ABILITY TO DIVIDE OR SPLIT THE PROPERTY, BUILDING CODES, GOVERNMENTAL**  
 381. **REGULATIONS, INSURANCE OR ANY OTHER MATTER RELATING TO THE VALUE OR CONDITION OF THE PROPERTY.**  
 382. (BUYER'S INITIALS REQUIRED) \_\_\_\_\_  
 BUYER BUYER
- 8p. 383. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and  
 384 a signed copy delivered in person, by mail, facsimile or electronically, and received by Broker named in Section 8q  
 385. by April 15, 2010 at 5:04  a.m. /  p.m., Mountain Standard Time.  
 386 Buyer may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received  
 387 by this date and time, this offer shall be deemed withdrawn and the Buyer's Earnest Money shall be returned.  
 388 THIS CONTRACT CONTAINS TEN PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE THAT  
 389 YOU HAVE RECEIVED AND READ ALL TEN PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.



Initials: <u>AW</u>	©ARIZONA ASSOCIATION OF REALTORS® Form VLPC 8/07	Initials: <u>ADP</u>	BUYER BUYER
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8q. 390 Broker on behalf of Buyer:

391 MATT HIATT MH328 SERVICE FIRST REALTY LLC SRVC01  
 PRINT SALESPERSON'S NAME AGENT CODE PRINT FIRM NAME FIRM CODE

392 7272 E. GAINES RANCH RD #79 SCOTTSDALE AZ 85258  
 FIRM ADDRESS STATE ZIP CODE

393 (602) 620-7999 (480) 473-9907 MATTHIATT@AOL.COM  
 TELEPHONE FAX EMAIL

8r. 394 Agency Confirmation: The Broker named in Section 8q above is the agent of (check one):

395  the Buyer  the Seller or  both the Buyer and Seller

8s. 396 The undersigned agree to purchase the Property on the terms and conditions herein stated and acknowledge receipt of a copy hereof including the Buyer Attachment.

398 \_\_\_\_\_ BUYER'S SIGNATURE MO DAYR  
 \_\_\_\_\_ BUYER'S SIGNATURE MO DAYR

399 \_\_\_\_\_ ADDRESS  
 \_\_\_\_\_ ADDRESS

400 \_\_\_\_\_ CITY STATE ZIP CODE  
 \_\_\_\_\_ CITY STATE ZIP CODE

9. SELLER ACCEPTANCE

9a. 401 Broker on behalf of Seller:

402 \_\_\_\_\_ PRINT SALESPERSON'S NAME AGENT CODE PRINT FIRM NAME FIRM CODE

403 \_\_\_\_\_ FIRM ADDRESS STATE ZIP CODE

404 \_\_\_\_\_ TELEPHONE FAX EMAIL

9b. 405 Agency Confirmation: The Broker named in Section 9a above is the agent of (check one):

406  the Seller or  both the Buyer and Seller

9c. 407 The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a copy hereof and grant permission to Broker named in Section 9a to deliver a copy to Buyer.

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

411 [Signature] 4/13/10 SELLER'S SIGNATURE MO DAYR  
 \_\_\_\_\_ SELLER'S SIGNATURE MO DAYR

412 \_\_\_\_\_ SELLER'S NAME PRINTED  
 \_\_\_\_\_ SELLER'S NAME PRINTED

413 \_\_\_\_\_ ADDRESS  
 \_\_\_\_\_ ADDRESS

414 \_\_\_\_\_ CITY STATE ZIP CODE  
 \_\_\_\_\_ CITY STATE ZIP CODE

415  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 DAYR

This form is available for sale by the professional real estate industry. The use of this form is recommended to identify the user as a REALTOR® (REALTOR® is a registered collective membership mark that may be used only by real estate licensees who are members of the NATIONAL ASSOCIATION OF REALTORS® and who subscribe to its Code of Ethics).  
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# ON-SITE WASTEWATER TREATMENT FACILITY ADDENDUM

Document updated  
October 2006



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1 Seller \_\_\_\_\_  
 2 Buyer: ALVIN C. PEASHALL, ANDREW R. PEASHALL  
 20166 W MOCCASIN TR  
 3 Premises Address: BUCKEYE, 85326  
 4 Date: April 13, 2010

5 The following additional terms and conditions are hereby included as a part of the Contract between Seller and Buyer for the above  
6 referenced Premises

7 An On-Site Wastewater Treatment Facility (conventional septic or alternative system) ("Facility") has been installed on the  
8 Premises/Property. The Arizona Department of Environmental Quality ("ADEQ") rules require a pre-transfer inspection and transfer  
9 of ownership of the Facility whenever a Premise/Property is sold or otherwise transferred

10 **Facility Documents:** Seller shall deliver to Buyer copies of all documents pertaining to the Facility in Seller's possession within five (5)  
11 days after Contract acceptance. Buyer shall provide notice of any items disapproved within the Inspection Period or five (5) days after  
12 receipt of the documents, whichever is later.

13 **Facility Inspection:** Seller shall have the Facility inspected at Seller's expense within six (6) months prior to Close of Escrow, but in no  
14 event later than **three (3) days prior to Close of Escrow**, by an inspector recognized by the applicable governmental authority as qualified  
15 to inspect the type of Facility installed on the Premises. Seller shall deliver the completed report of inspection to the Buyer upon receipt.

16 **Repair Costs:** Seller shall pay for repairs to correct physical or operational deficiencies in the Facility identified by the Facility  
17 inspector, provided that such repairs do not exceed one percent (1%) of the purchase price or  \$ \_\_\_\_\_  
18 If repair costs exceed the amount that the Seller agrees to pay, (i) Buyer may immediately cancel this Contract or (ii) Seller may cancel  
19 this Contract unless Buyer agrees in writing to pay such costs in excess of the amount that the Seller is obligated to pay.

20 **Notice of Transfer:** Buyer shall deliver to Escrow Company a completed Arizona Department of Environmental Quality Notice of  
21 Transfer of Ownership of an On-Site Wastewater Treatment Facility form ("Notice of Transfer") prior to Close of Escrow. Escrow  
22 Company is instructed to file the Notice of Transfer and the filing fee(s) with the applicable governmental authority at **Close of Escrow**.

23 **Notice of Transfer Filing Fee:** The Notice of Transfer Filing Fee and any other Facility transfer of ownership fees shall be paid by.  
24  Buyer  Seller

25 **Additional Terms:** \_\_\_\_\_  
 26 \_\_\_\_\_  
 27 \_\_\_\_\_  
 28 \_\_\_\_\_  
 29 \_\_\_\_\_  
 30 \_\_\_\_\_  
 31 \_\_\_\_\_

32  BUYER'S SIGNATURE \_\_\_\_\_ MO/DA/YR  BUYER'S SIGNATURE \_\_\_\_\_ MO/DA/YR  
*Andrew R. Peashall* 04/13/10

33  SELLER'S SIGNATURE \_\_\_\_\_ MO/DA/YR  SELLER'S SIGNATURE \_\_\_\_\_ MO/DA/YR

On-site Wastewater Treatment Facility Addendum - Updated October 2006  
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"AS IS" ADDENDUM



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1. Seller:
2. Buyer: ALVIN C. FRASER & AUDREY D. FRASER
3. Premises Address: 20166 W. MOCCASIN TR., BUCKEYE, 85326
4. Date: April 13, 2010

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 163-166 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
12 167-168 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:

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 BUYER'S SIGNATURE [Signature] MO/DA/YR 4/13/10
42 SELLER'S SIGNATURE [Signature] MO/DA/YR



### Counter Offer No. 1

This is a Counter Offer by the Seller, Lawrence J. Warfield, Special Deputy Receiver, to the Offer by the Buyer dated April 13, 2010 ("Buyer's Offer"). In consideration of the mutual promises and covenants set forth in this Counter Offer, Seller agrees to sell and Buyer agrees to buy the Property described below on the terms and conditions set forth in this Counter Offer, and to the extent not inconsistent herewith, the terms and conditions set forth in the Buyer's Offer.

1. Property. The real property, which is the subject of this Counter Offer, is located at 20166 W. Moccasin Trail, Buckeye, AZ 85326 ("Property").

2. Seller. The Seller is Lawrence J. Warfield, in his capacity as the Special Deputy Receiver appointed by the Superior Court of Arizona in the action entitled State of Arizona v. Landmark Capital, et al CV2009-020595 ("Receivership Court"). The Taxpayer Identification Number for the Seller is 86-0959744. The Seller is the appointed as the Receiver of the Property.

3. Buyer. The Buyer is Alvin C. Peasnell & Audrey D. Peasnell

4. Purchase Price. The Purchase Price, which Buyer agrees to pay for the Property is \$15,000. The Purchase Price shall not be adjusted by any overage or shortage in area of the Property. The Purchase Price shall be paid as follows:

(a) Buyer shall deposit with Escrow Agent within two (2) days of the Buyer's acceptance of this Counter Offer a total of \$5,000 cash earnest money deposit (the "Earnest Money") which shall become non-refundable, except as otherwise provided in Paragraphs 8, 9, and 10 below. If Buyer does not so cancel this Agreement, and if Seller does not so cancel this Agreement, and, provided further, if Seller does not otherwise default hereunder, the Earnest Money shall be credited towards the Sales Price if Buyer purchases the Property.

5. Deed. At the Close of Escrow, Seller shall convey title to the Property to Buyer by Special Warranty Deed (the "Deed"), subject to taxes and assessments not delinquent, reservations in patents, all easements, rights-of-way, covenants, conditions, restrictions, declarations, all matters that an accurate survey or a physical inspection of the Property would disclose and all matters to which Buyer has agreed.

6. Disbursements. Upon the Close of Escrow, the full amount of the Purchase Price, less any closing costs that the Seller has expressly agreed to pay, shall be disbursed to Seller.

Buyer's Initials

Seller's Initials

Buyer's Initials

7. Property Sold "As Is." The Property is being sold "AS IS" and the Seller is not providing any warranties. Buyer expressly acknowledges that there may be present on the Property asbestos in friable form, aluminum wiring, mold, or other conditions that might affect the Buyers decision to purchase the Property. Buyer further acknowledges that Buyer has not relied on any warranties, promises, projections, calculations, understandings or representations, express or implied, of Seller or of any agent or representative of Seller, relating to the Property, and, Buyer is acquiring the Property in its present condition and state of repair, "AS IS", with all defects, latent or apparent. Buyer further acknowledges that any information of any type which Buyer has received or may receive from Seller or Seller's agents is furnished on the express condition that Buyer shall make an independent verification of the accuracy (including without limitation calculations) of such information, all such information being furnished without any warranty or liability whatsoever. The Seller has acquired possession of the Property pursuant to Court order and has not occupied the Property and therefore Seller cannot and will not provide any Seller Disclosure Statements.

8. Additional Terms.

- (a) The cost of all inspections to be performed and paid by Buyer.
- (b) Buyer to provide evidence of funds sufficient to close escrow during the inspection period.
- (c) Line 91 shall be:
  - (i) Security Title Agency, c/o Sandy Rice, 480-998-1470
- (d) Septic tank to be inspected at Seller's expense

9. Court Receivership. The Buyer understands and acknowledges that the Seller was duly appointed the Receiver in the Receivership State of Arizona v. Landmarc Capital, et al CV2009-020595 (the "Receivership Court") and that the Property and this transaction are under the jurisdiction of the Receivership Court. The parties further understand and acknowledge that this Agreement is contingent on the approval of the Receivership Court and that the Receivership Court could decline to approve the Agreement for various reasons, including without limitation that the sale price is not fair or that a sale of the Property is not in the best interests of the estate.

10. Cancellation. In the event Seller is unable, within 60 days of the Buyer's acceptance of this Counter Offer, to obtain the approval of the Receivership Court, the Buyer or the Seller may elect in writing to cancel this Agreement and any Escrow and receive a full refund of the Earnest Money. Upon a cancellation in accordance with the provisions of this Paragraph, all documents deposited in Escrow by Seller and Buyer shall be returned to the party depositing the document, and this Agreement shall terminate.

Buyer's Initials

Buyer's Initials

Seller's Initials

11. Inspection. Buyer shall have fifteen days (15) days from the date of the Buyer's acceptance of this Counter Offer to complete the Buyer's inspection of the Property, and Seller grants Buyer reasonable access to the Property for that purpose. If Buyer does not disapprove of the condition of the property within this period, Buyer shall be deemed to have accepted the condition of the Property. If Buyer timely disapproves of the condition of the Property in writing, then, upon notice to Seller of Buyer's objections, Seller shall have until Close of Escrow to eliminate the objectionable items; or, Seller may, within five (5) days from Buyer's notice, notify Buyer that Seller does not intend to eliminate the objectionable items, and Buyer's sole and exclusive remedy shall be to either waive his objection (in which case Close of Escrow shall occur subject to such matters) or to cancel this Agreement and receive a full refund of the Earnest Money.

12. Possession. Possession of the Property shall be delivered to Buyer at Close of Escrow.

13. Release and Indemnity. Seller is hereby released from all responsibility and liability regarding the condition (including, without limitation, the presence of environmental hazards or substances) or valuation or utility of the Property. Buyer agrees that Buyer will not attempt to assert any claims of liability against Seller for furnishing such information, nor shall Buyer assert any claims of liability against Seller for the existence of or damages arising out of the existence of asbestos, mold or other environmental hazards, and Buyer agrees to indemnify and hold Seller free and harmless for, from and against any and all such claims of liability. Buyer agrees to indemnify Seller and hold Seller harmless for, from and against all claims, damages, costs and expenses (including attorneys' fees) attributable, directly or indirectly, to Buyer's inspection of the Property or to the breach by Buyer of any obligation hereunder or the inaccuracy of any representation or warranty made by Buyer or in any instrument delivered pursuant hereto or in connection with the transactions contemplated hereby. This indemnity shall survive the Closing.

14. Assignment and Nomination. Buyer may not assign or otherwise transfer Buyer's rights under this Agreement without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. Any such assignee shall accept in writing the terms and conditions of this Agreement and of any supplements or Escrow Instructions that may have been entered into as of the time of the assignment. In no event shall any assignment extend the Close of Escrow.

15. No Liability. Buyer agrees that no receivers, directors, officers, employees or agents of Seller have any personal obligation hereunder, and that such party shall not seek to assert any claim or enforce any rights against such bankruptcy trustees, directors, officers, employees or agents.

Buyer's Initials MB  
Buyer's Initials adp

Seller's Initials TH

16. Further Documentation. Each party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

17. Exclusive Jurisdiction of the Receivership Court. The Receivership Court shall have exclusive jurisdiction to resolve any dispute arising under this Agreement.

18. Close of Escrow. The sale shall close within 15 days of completion of the last of the requirements set forth in Paragraph 10 above.

19. Time of the Essence. Time is of the essence and unless the Buyer's acceptance of this Counter Offer is signed by the Buyer or an authorized representative and a signed copy of this Counter Offer delivered in person, by mail, or by facsimile and received by the Special Deputy Receiver, or by Anthony Kurth of Square One Realty on or before April 16, 2010 at 5 PM, Mountain Standard Time, or unless the Counter Offer has been previously withdrawn by the Special Deputy Receiver, this Counter Offer shall be considered withdrawn on the date and time set forth above in this Paragraph. Until this Counter Offer has been accepted as provided above, the Parties understand that the Property can be sold or leased to someone else or either Party may withdraw the offer to buy or sell the Property. The undersigned acknowledge receipt of a copy hereof.

20. Signed Original. In order to facilitate the filing of appropriate pleadings with the Receivership Court, the parties agree to execute at least one original of this Counter Offer and all other contract documents and to provide such originals to the Seller.

21. Entire Agreement. This agreement supersedes any other agreement, whether oral or in writing, between the parties regarding the subject of this agreement, and renders such other agreements between the parties null and void.

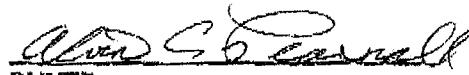
Dated: April 15, 2010

  
Lawrence J. Warfield, Special  
Deputy Receiver, SELLER

**Acceptance**

The Buyer accepts the above Counter Offer and agrees to the modified or additional terms and conditions in the above Counter Offer and acknowledges receipt of a copy hereof.

Dated: April 15/2010

  
BUYER

  
BUYER

## REO Owned by Receivership Entity With Estimated Value of \$100,000 or Less

No.	Account	Original Borrower	Estimated Liquidation Value	Title	Address	Principal Loan Balance	Valuation Amount	Valuation Explanation	Beneficial Owners per LCI Records
1	08061942	Loyola-Sauza	11,900	TDUS to Hayden Investments dtd 2/1/2010	2.5 acres of land, Goodyear (Parcel # 400-53-031)	17,000			Hayden (100%)
2	07020915	Monte Vista Home Solutions, (Gandara, Charley)	13,600	TDUS to Hayden Investments rcd 11/17/08 at 2008-98545 MCR.	20166 W. Moccasin Trail, Buckeye	55,000	16,000	App. 3/10/10	Hayden (100%)
3	07020919	Asuncion	31,500	TDUS to LCI at 2008-648886 MCR.	3231 N. 43rd Ave, Phoenix	31,500	52,000	INT 1/11/10	Hayden (100%)
4	07030977	Bassett	24,650	QCD from LCI to Arizona Valuation rcd 11/10/08 at 2008-966196 MCR.	221 South California Street, Chandler	84,941	29,000	App. 11/23/09	Desert Trails (100%)
5	REO1001	Desert Trails	29,750	QCD from Jeff Peterson to Desert Trails Holdings, LLC rcd 12/3/08 at 2008-1028674 MCR.	6308 North 65th Drive, Glendale	146,942	35,000	BPO 3/17/10	Desert Trails (100%)
6	06050370	Garcia	55,250	QCD from LCI to Hayden Investments, LLC rcd 11/10/08 at 2008-966189 MCR.	414 East 7th Drive, Mesa	145,922	65,000	BPO 3/17/10	Hayden (100%)



**REO Owned by Receivership Entity With Estimated Value of \$100,000 or Less**

No.	Account	Original Borrower	Estimated Liquidation Value	Title	Address	Principal Loan Balance	Valuation Amount	Valuation Explanation	Beneficial Owners per LCI Records
7	06040293	Reagan	61,924	QCD from LCI to Desert Trails Holdings, rcd 11/10/08 at 2008-966282 MCR.	5824 South 343rd Drive, Tonopah	85,250			Desert Trails (100%)
8	06100774	Pribyl	68,000	QCD from LCI to Desert Trails Holdings at 2008-966187 MCR.	1246 South Hobson, Mesa	192,500	80,000	App. 11/23/09	Desert Trails (100%)
9	06040340	Newton	70,550	QCD from LCI to Hayden Investments, LLC at 2008-108383 PinalCR.	2367 East Olivine Road, Queen Creek	178,500	83,000	BPO 3/17/10	Hayden (100%)