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Attorneys for the Plaintiff

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

STATE OF ARIZONA ex rel. LAUREN)
KINGRY, Superintendent of the Arizona)
Department of Financial Institutions,)
Plaintiff,)
v.)
LANDMARC CAPITAL &)
INVESTMENT COMPANY,)
Defendant.)

Cause No. CV2009-020595
PETITION NO. 39

PETITION TO CONFIRM SALE OF
REAL PROPERTY LOCATED AT
LOCATED AT 11006 S. 27TH DRIVE,
LAVEEN, ARIZONA 85339
(Assigned to the Honorable Sam Myers)

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

1. On June 24, 2009, this Court entered its *Order Appointing Receiver and Order to Show Cause*, which appointed the Superintendent of the Arizona Department of Financial Institutions as Receiver of Landmarc Capital & Investment Company (“Landmarc”). On July 10, 2009, this Court entered its *Order Appointing Permanent Receiver and Injunction*. On February 27, 2010, the Court entered its *Order Placing Hayden Investments, LLC, Desert*

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

6 **Confirmation of Sale of the Property Located at 11006 S. 27th Drive**

7 2. In accordance with the Receivership Order, the Receiver has located and taken
8 possession of certain real property located at 11006 S. 27th Drive, Laveen, Arizona 85339
9 (“Property”). This Property is legally described in Exhibit “1” attached hereto and was
10 acquired by and is currently held in the name of the Landmarc Capital & Investment
11 Company. Title to the Property was acquired in the name of Landmarc Capital & Investment
12 Company, at Trustee’s Sale on January 7, 2009.

13 3. Landmarc acquired title to the Property as a result of the foreclosure of a deed
14 of trust executed by one of Landmarc’s borrowers, Vicki Thompson (“Borrower”), to
15 partially secure a promissory note given to Landmarc for a loan to Borrower of \$398,500.
16 Although fee title is vested in the name of Landmarc Capital & Investment Company, the
17 records of Landmarc indicate that a beneficial interest had been acquired in the deed of trust
18 and promissory note by several of Landmarc’s investors. Although these investors do not
19 hold legal title, they either assert a security interest or an equitable claim to this Property.
20 Accordingly, the net sale proceeds will be held in trust until the claims of these investors are
21 resolved by the Court.

1 4. In addition, the Property is subject to an equitable claim by the Borrower in a
2 lawsuit filed prior to the entry of the Receivership Order, including a Notice of Lis Pendens¹,
3 and a Proof of Claim filed by the Borrower with the Receiver pursuant to this Court's *Order*
4 *Establishing Procedures for the Adjudication of Claims, Re: Petition No. 27*. The Receiver
5 has requested that the Borrower agree to release her *Lis Pendens* with an agreement that any
6 interest she might have in the Property would attach to the net sale proceeds but she has
7 refused to enter into such an agreement.

8 5. The Receiver has filed *Petition No. 40* seeking an adjudication of the
9 Borrower's claims and *Lis Pendens*.

10 6. The Property is not occupied and is not encumbered by any indebtedness, other
11 than obligations for real estate taxes and assessments.

12 7. Because the Property is a single family residence that necessitates the
13 expenditures of time and funds to provide security and insurance for the Property, the
14 continued holding of the Property is not necessary or appropriate to protect the interests of
15 any of the persons interested in this receivership. Accordingly the Receiver commenced
16 efforts to market and sell the Property.

17 8. The sale contemplated under Exhibit "2" is conditioned upon, and will not take
18 place in the absence of, an order of this Court approving such sale after notice and a hearing.

19 _____
20 ¹ The lawsuit was originally entitled *Thompson v. Landmarc Capital & Investment Co, et al*, cause
21 number CV2009-050052. By minute entry dated December 16, 2009, Judge Ballinger ordered that
the case be consolidated with this receivership action. A *Notice of Lis Pendens* was recorded by the
Borrower with the Maricopa County Recorder on February 13, 2009, as Document No. 2009-
0124422. The Receiver has filed his *Petition No. 40* seeking an adjudication of the Borrower's Proof
of Claim filed with the Receiver and a dismissal of the claims asserted in Borrower's lawsuit.

1 9. On April 25, 2010, Robert D. Green of Sunstate Appraisals AZ submitted to the
2 Receiver an appraisal of the Property which indicated a fair market value for the property of
3 \$170,000.00. Robert D. Green has been issued Certificate No. 11439 by the State of Arizona
4 as a Certified Residential Real Estate Appraiser. The appraiser has no known interest in any
5 of the parties or in the sale of the Property.

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

9 11. On November 20, 2010, the Receiver received an offer from Alex Burton De
10 Silva and Malkanthi Lakshmi De Silva to purchase the Property for \$150,000 under terms
11 that were not acceptable to the Receiver. The Receiver thereafter submitted to Buyer a
12 counter offer which has been accepted. These documents constitute the Purchase Agreement
13 and are attached hereto as Exhibit "2". The Purchase Agreement provides for the sale of the
14 Property for \$150,000 in cash and is conditioned upon approval by this Court.

15 12. In accordance with this Court's Order Re: Petition Number 2, the Receiver:

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

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

EXHIBIT "ONE"

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

Parcel 1:

The West 260 feet of the East 770 feet of the Northeast quarter of the Northeast quarter of Section 14, Township 1 South, Range 2 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Except the North 755 feet thereof;

Except the south 328.15 feet thereof;

Parcel 2

Lot 12, Block 6, BELMONT PARK, according to Book 31 of Maps, Page 42, records of Maricopa County, Arizona.

Except the Southerly 7 feet.

West US

RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:
May 2005



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



1. PROPERTY

- 1a. 1. BUYER: Alex Burton De Silva, Malkanthi Lakshmi De Silva
BUYER'S NAME(S)
2. SELLER: as identified on ~~9c~~ Counter Offer No. 1 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, plus the personal property described herein (collectively the "Premises").
- 1b. 5. Premises Address: 11006 S 27TH DR Assessor's #: 300-06-032-B
6. City Laveen County: Maricopa AZ, Zip Code: 85339
7. Legal Description: _____
- 1c. 8. \$ 150,000.00 Full Purchase Price, paid as outlined below
9. \$ 1,500.00 Earnest money
10. \$ 13,500.00 Rest down
11. \$ 135,000.00 Loan
12. _____
- 1d. 13. Close of Escrow: Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's
14. office. Buyer and Seller shall comply with all terms and conditions of this Contract, execute and deliver to
15. Escrow Company all closing documents, and perform all other acts necessary in sufficient time to allow COE to
16. occur on Dec 29 2010 ("COE Date"). If Escrow Company or recorder's office
MONTH DAY YEAR
17. is closed on COE Date, COE shall occur on the next day that both are open for business.
18. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
19. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available funds
20. to Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on COE Date.
- 1e. 21. Possession: Seller shall deliver possession, occupancy, access to keys and/or means to operate all locks, mailbox, security
22. system/alarms, and all common area facilities to Buyer at COE or _____
23. Broker(s) recommend that the parties seek appropriate counsel from insurance, legal, tax, and accounting professionals
24. regarding the risks of pre-possession or post-possession of the Premises.
- 1f. 25. Addenda Incorporated: Assumption and Carryback Buyer Contingency Domestic Water Well HUD forms
26. H.O.A. Lead-Based Paint Disclosure Additional Clause On-site Wastewater Treatment Facility
27. Other: As is
- 1g. 28. Fixtures and Personal Property: Seller agrees that all existing fixtures on the Premises, and any existing personal property
29. specified herein, shall be included in this sale, including the following:
- | | | |
|--|---|--|
| 30. • free-standing range/oven | • flush-mounted speakers | • outdoor landscaping, fountains, and lighting |
| 31. • built-in appliances | • attached fireplace equipment | • water-misting systems |
| 32. • light fixtures | • window and door screens, sun screens | • solar systems |
| 33. • ceiling fans | • storm windows and doors | • pellet, wood-burning or gas-log stoves |
| 34. • towel, curtain and drapery rods | • shutters and awnings | • timers |
| 35. • draperies and other window coverings | • garage door openers and controls | • mailbox |
| 36. • attached floor coverings | • attached TV/media antennas/satellite dishes | • storage sheds |

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SELLER

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- 2j. ~~82. Changes: Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the~~
 83. LSR and shall only make any such changes without the prior written consent of Seller if such changes do not adversely affect
 84. Buyer's ability to obtain loan approval without conditions, increase Seller's closing costs, or delay COE.
- 2k. ~~85. FHA Notice (FHA Buyer Initials Required): HUD does not warrant the condition of the property. By initialing below, Buyer acknowl-~~
 86. edges receipt of Form HUD-92564-CN, "For Your Protection: Get a Home Inspection." Buyer further acknowledges that such
 87. form was signed at or before the Contract date. Signed HUD-92564-CN is attached and made a part of this Purchase Contract.
- 88. _____ (FHA BUYER'S INITIALS REQUIRED) _____ BUYER _____ BUYER

(Handwritten initials)

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3. TITLE AND ESCROW

- 3a. 89. Escrow: This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the
 90. terms of this Contract shall be:
 91. _____ "ESCROW/TITLE COMPANY" _____ PHONE/FAX _____
- 3b. 92. Title and Vesting: Buyer will take title as determined before COE. Taking title may have significant legal, estate planning and tax
 93. consequences. Buyer should obtain legal and tax advice.
- 3c. 94. Title Commitment and Title Insurance: Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller
 95. directly, addressed pursuant to 8t and 9c or as otherwise provided, a Commitment for Title Insurance together with
 96. complete and legible copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title
 97. Commitment"), including but not limited to Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and
 98. easements. Buyer shall have five (5) days after receipt of the Title Commitment and after receipt of notice of any
 99. subsequent exceptions to provide notice to Seller of any items disapproved. Seller shall convey title by general warranty
 100. deed. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's Title
 101. Insurance Policy, or if not available, an ALTA Residential Title Insurance Policy ("Plain Language"/"1-4 units") or, if not
 102. available, a Standard Owner's Title Insurance Policy, showing title vested in Buyer. Buyer may acquire extended coverage
 103. at Buyer's own additional expense.
- 3d. 104. Additional Instructions: (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and
 105. address of the Buyer to any homeowner's association in which the Premises is located. (ii) If the Escrow Company is
 106. also acting as the title agency but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver
 107. to the Buyer and Seller, upon deposit of funds, a closing protection letter from the title insurer indemnifying the Buyer
 108. and Seller for any losses due to fraudulent acts or breach of escrow instructions by the Escrow Company. (iii) All
 109. documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form used
 110. by Escrow Company. Escrow Company shall modify such documents to the extent necessary to be consistent with this
 111. Contract. (iv) Escrow Company fees, unless otherwise stated herein, shall be allocated equally between Seller and
 112. Buyer. (v) Escrow Company shall send to all parties and Broker(s) copies of all notices and communications directed to
 113. Seller, Buyer and Broker(s). (vi) Escrow Company shall provide Broker(s) access to escrowed materials and information
 114. regarding the escrow. (vii) If an Affidavit of Disclosure is provided, Escrow Company shall record the Affidavit at COE.
- 3e. 115. Tax Prorations: Real property taxes payable by the Seller shall be prorated to COE based upon the latest tax information available.
- 3f. 116. Release of Earnest Money: In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with
 117. Escrow Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions
 118. of this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company
 119. against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees,
 120. arising from or relating in any way to the release of Earnest Money.
- 3g. 121. Prorations of Assessments and Fees: All assessments and fees that are not a lien as of the COE, including homeowner's
 122. association fees, rents, irrigation fees, and, if assumed, insurance premiums, interest on assessments, interest on encumbrances,
 123. and service contracts, shall be prorated as of COE ~~or Other~~ _____
- 3h. 124. Assessment Liens: The amount of any assessment, other than homeowner's association assessments, that is a lien as of the
 125. COE, shall be paid in full by Seller prorated and assumed by Buyer. Any assessment that becomes a lien after COE is
 126. the Buyer's responsibility.
- 3i. 127. IRS and FIRPTA Reporting: Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete,
 128. sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to
 129. the Foreign Investment in Real Property Tax Act ("FIRPTA"). Buyer and Seller acknowledge that if the Seller is a foreign person,
 130. the Buyer must withhold a tax equal to 10% of the purchase price, unless an exemption applies.

(Handwritten initials)

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<i>(Handwritten initials)</i>	SELLER
SELLER	

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 BUYER BUYER




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4. DISCLOSURES

- 4a. ~~131. Seller Property Disclosure Statement ("SPDS"): Seller shall deliver a completed AAR SPDS form to the Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any OPDS items disapproved within the Inspection Period or five (5) days after receipt of the SPDS, whichever is later.~~ TJS
- 4b. ~~134. Insurance Claims History: Seller shall deliver to Buyer a written five year insurance claims history regarding Premises for the length of time Seller has owned the Premises if less than five years) from Seller's insurance company or an insurance support organization or consumer reporting agency, or if unavailable from these sources, from Seller, within five (5) days after Contract acceptance. (Seller may obscure any reference to date of birth or social security number from the document). Buyer shall provide notice of any items disapproved within the Inspection Period or five (5) days after receipt of the claims history, whichever is later.~~ TJS
- 4c. 140. Lead-Based Paint Disclosure: If the Premises were built prior to 1978, the Seller shall: (i) notify the Buyer of any known lead-based paint ("LBP") or LBP hazards in the Premises; (ii) provide the Buyer with any LBP risk assessments or inspections of the Premises in the Seller's possession; (iii) provide the Buyer with the Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards, and any report, records, pamphlets, and/or other materials referenced therein, including the pamphlet "Protect Your Family from Lead in Your Home" (collectively "LBP information"). Buyer shall return a signed copy of the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards to Seller prior to COE.
- 146. LBP information was provided prior to Contract acceptance and Buyer acknowledges the opportunity to conduct LBP risk assessments or inspections during Inspection Period. TJS
- 148. Seller shall provide LBP information within five (5) days after Contract acceptance. Buyer may within ten (10) days or _____ days after receipt of the LBP information conduct or obtain a risk assessment or inspection of the Premises for the presence of LBP or LBP hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the LBP information or five (5) days after expiration of the Assessment Period cancel this Contract.
- 152. If Premises were constructed prior to 1978, (BUYER'S INITIALS REQUIRED)
- 153. If Premises were constructed in 1978 or later, (BUYER'S INITIALS REQUIRED)
- 4d. 154. Affidavit of Disclosure: If the Premises is located in an unincorporated area of the county, and five or fewer parcels of property other than subdivided property are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in the form required by law to the Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any Affidavit of Disclosure items disapproved within the Inspection Period or five (5) days after receipt of the Affidavit of Disclosure, whichever is later.
- 4e. ~~150. Changes During Escrow: Seller shall immediately notify Buyer of any changes in the Premises or disclosures made herein in the SPDS, or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by Section 5a, or otherwise by this Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be allowed five (5) days after delivery of such notice to provide notice of disapproval to Seller.~~ TJS

5. WARRANTIES

- 5a. 163. Seller Warranties: Seller warrants and shall maintain and repair the Premises so that, at the earlier of possession or COE: (i) all heating, cooling, mechanical, plumbing, and electrical systems (including swimming pool and/or spa, motors, filter systems, cleaning systems, and heaters, if any), free-standing range/oven, and built-in appliances will be in working condition; (ii) all other agreed upon repairs and corrections will be completed pursuant to Section 6j; (iii) the Premises, including all additional existing personal property included in the sale, will be in substantially the same condition as on the date of Contract acceptance; and (iv) all personal property not included in the sale and all debris will be removed from the Premises.
- 5b. 169. Warranties that Survive Closing: Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and any information concerning the Premises known to Seller, excluding opinions of value, which materially and adversely affect the consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for all labor, professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the COE in connection with the construction, alteration, or repair of any structure on or improvement to the Premises. Seller warrants that the information regarding connection to a sewer system or on-site wastewater treatment facility (conventional septic or alternative) is correct to the best of Seller's knowledge.



SELLER	SELLER
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5c. 176 **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect
 177. the Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Premises or
 178. COE, Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts the
 179. Premises. Buyer warrants that Buyer is not relying on any verbal representations concerning the Premises except
 180. disclosed as follows: None
 181. _____

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6. DUE DILIGENCE

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JD

6a. 182 **Inspection Period:** Buyer's Inspection Period shall be ~~ten (10) days or~~ -30- days after Contract
 183. acceptance. During the Inspection Period, Buyer, at Buyer's expense, shall (i) conduct all desired physical, environmental, and
 184. other types of inspections and investigations to determine the value and condition of the Premises; (ii) make inquiries and
 185. consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities concerning the
 186. suitability of the Premises and the surrounding area; (iii) investigate applicable building, zoning, fire, health, and safety codes to
 187. determine any potential hazards, violations or defects in the Premises, and (iv) verify any material multiple listing service
 188. ("MLS") information. If the presence of sex offenders in the vicinity or the occurrence of a disease, natural death, suicide,
 189. homicide or other crime on or in the vicinity is a material matter to the Buyer, it must be investigated by the Buyer during the
 190. Inspection Period. Buyer shall keep the Premises free and clear of liens, shall indemnify and hold Seller harmless from all
 191. liability, claims, demands, damages, and costs, and shall repair all damages arising from the inspections. Buyer shall provide
 192. Seller and Broker(s) upon receipt, at no cost, copies of all inspection reports concerning the Premises obtained by Buyer. Buyer
 193. is advised to consult the Arizona Department of Real Estate *Buyer Advisory* provided by AAR to assist in Buyer's due diligence
 194. inspections and investigations.

TPS

6b. 195 **Square Footage:** BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE PREMISES, BOTH
 196. THE REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON, IS APPROXIMATE. IF SQUARE FOOTAGE IS A
 197. MATERIAL MATTER TO THE BUYER, IT MUST BE INVESTIGATED DURING THE INSPECTION PERIOD.

6c. 198 **Wood-Destroying Organism or Insect Inspection:** IF CURRENT OR PAST WOOD-DESTROYING ORGANISMS OR
 199. INSECTS (SUCH AS TERMITES) ARE A MATERIAL MATTER TO THE BUYER, THESE ISSUES MUST BE INVESTIGATED
 200. DURING THE INSPECTION PERIOD. The Buyer shall order and pay for all wood-destroying organism or insect inspections
 201. performed during the inspection Period. If the lender requires an updated Wood-Destroying Organism or Insect Inspection Report
 202. prior to COE, it will be performed at Buyer's expense.

6d. 203 **Flood Hazard:** Flood hazard designations or the cost of flood hazard insurance shall be determined by Buyer during the
 204. Inspection Period. If the Premises are situated in an area identified as having any special flood hazards by any governmental
 205. entity, the lender may require the purchase of flood hazard insurance. Special flood hazards may also affect the ability to
 206. encumber or improve the Premises.

6e. 207 **Insurance:** IF HOMEOWNER'S INSURANCE IS A MATERIAL MATTER TO THE BUYER, BUYER SHALL APPLY FOR AND
 208. OBTAIN WRITTEN CONFIRMATION OF THE AVAILABILITY AND COST OF HOMEOWNER'S INSURANCE FOR THE
 209. PREMISES FROM BUYER'S INSURANCE COMPANY DURING THE INSPECTION PERIOD. Buyer understands that any
 210. homeowner's, fire, casualty, or other insurance desired by Buyer or required by lender should be in place at COE.

6f. 211 **Sewer or On-site Wastewater Treatment System:** The Premises are connected to a:
 212. sewer system; septic system; alternative system.

213. IF A SEWER CONNECTION IS A MATERIAL MATTER TO THE BUYER, IT MUST BE INVESTIGATED DURING THE
 214. INSPECTION PERIOD. If the Premises are served by a septic or alternative system, the AAR On-site Wastewater Treatment
 215. Facility Addendum is incorporated herein by reference.
 216.

(BUYER'S INITIALS REQUIRED) ABD JD
 BUYER BUYER

6g. 217 **Swimming Pool Barrier Regulations:** During the Inspection Period, Buyer agrees to investigate all applicable state county, and
 218. municipal Swimming Pool barrier regulations and agrees to comply with and pay all costs of compliance with said regulations
 219. prior to occupying the Premises, unless otherwise agreed in writing. If the Premises contains a Swimming Pool, Buyer
 220. acknowledges receipt of the Arizona Department of Health Services approved private pool safety notice.

221. (BUYER'S INITIALS REQUIRED) ABD JD
 BUYER BUYER

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SEWER	SELLER
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 BUYER BUYER



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6h. 222. **BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES, AND AGREES THAT BROKER(S) ARE NOT**
223. **QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PREMISES OR THE**
224. **SURROUNDING AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO**
225. **ASSIST IN BUYER'S DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE**
226. **PREMISES AND THE SURROUNDING AREA IS BEYOND THE SCOPE OF THE BROKER'S EXPERTISE AND LICENSING,**
227. **BUYER EXPRESSLY RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR**
228. **CONDITIONS THAT COULD HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.**

229. (BUYER'S INITIALS REQUIRED) ABD [Signature]
BUYER BUYER

6i. 230. **Inspection Period Notice:** Prior to expiration of the Inspection Period, Buyer shall deliver to Seller a signed notice of any items
231. disapproved. AAR's Buyer's Inspection Notice and Seller's Response form is available for this purpose. Buyer shall conduct all
232. desired inspections and investigations prior to delivering such notice to Seller and all Inspection Period items disapproved shall
233. be provided in a single notice.

6j. 234. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of items as allowed herein, Buyer shall deliver to Seller
235. notice of the items disapproved and state in the notice that Buyer elects to either:
236. (1) immediately cancel this Contract and all Earnest Money shall be released to Buyer, or
237. (2) provide the Seller an opportunity to correct the items disapproved, in which case:
238. (a) Seller shall respond in writing within five (5) days or _____ days after delivery to Seller of Buyer's notice of
239. items disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall
240. conclusively be deemed Seller's refusal to correct any of the items disapproved.
241. (b) If Seller agrees in writing to correct items disapproved, Seller shall correct the items, complete any
242. repairs in a workmanlike manner and deliver any paid receipts evidencing the corrections and repairs
243. to Buyer three (3) days or _____ days prior to COE Date.
244. (c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this
245. Contract within five (5) days after delivery of Seller's response or after expiration of the time for Seller's
246. response, whichever occurs first, and all Earnest Money shall be released to Buyer. If Buyer does not cancel
247. this Contract within the five (5) days as provided, Buyer shall close escrow without correction of those items that
248. Seller has not agreed in writing to correct.

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

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

6k. 254. **Notice of Non-Working Warranted Items:** Buyer shall provide Seller with notice of any non-working warranted item(s) of which
255. Buyer becomes aware during the Inspection Period or the Seller warranty for that item(s) shall be waived. Delivery of such notice
256. shall not affect Seller's obligation to maintain or repair the warranted item(s).

6l. 257. **Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The
258. parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and
259. most plans exclude pre-existing conditions.

260. A Home Warranty Plan will be ordered by Buyer or Seller with the following optional coverage
261. _____, to be issued by _____ at a cost not to exceed
262. \$ _____, to be paid for by Buyer Seller
263. Buyer declines the purchase of a Home Warranty Plan.

6m. 264. **Walkthrough(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct walkthrough(s) of the Premises for the
265. purpose of satisfying Buyer that any corrections or repairs agreed to by the Seller have been completed, warranted items are in
266. working condition and that the Premises is in substantially the same condition as of the date of Contract acceptance. If Buyer does
267. not conduct such walkthrough(s), Buyer releases Seller and Broker(s) from liability for any defects that could have been discovered.

6n. 268. **Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all
269. inspections and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including
270. any propane, until COE to enable Buyer to conduct these inspections and walkthrough(s).

[Signature]
SELLER SELLER

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ABD [Signature]
BUYER BUYER



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7. REMEDIES

7a. 271. Cure Period: A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any 272. provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the 273. non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall become 274. a breach of Contract.

7b. 275. Breach: In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the 276. breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative Dispute 277. Resolution obligations set forth herein. In the case of the Seller, because it would be difficult to fix actual damages in the event of 278. Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's option, accept 279. the Earnest Money as Seller's sole right to damages; and in the event of Buyer's breach arising from Buyer's failure to deliver the 280. notice required by Section 2a, or Buyer's inability to obtain loan approval due to the waiver of the appraisal contingency pursuant 281. to Section 2a, Seller shall exercise this option and accept the Earnest Money as Seller's sole right to damages. An unfulfilled 282. contingency is not a breach of Contract.

MSR WD

MSD WD

MSD WD

~~283. Alternative Dispute Resolution ("ADR"): Buyer and Seller agree to mediate any dispute or claim arising out of or relating to 284. this Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs shall 285. be paid equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or 286. claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the 287. scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the 288. American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The 289. decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in 290. any court of competent jurisdiction. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty 291. (30) days after the conclusion of the mediation conference by notice to the other and in such event either party shall have the 292. right to resort to court action.~~

7d. 293. Exclusions from ADR: The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in 294. the Small Claims Division of an Arizona Justice Court (up to \$2,500) so long as the matter is not thereafter transferred or 295. removed from the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of 296. trust, mortgage, or agreement for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's 297. lien; or (v) any matter that is within the jurisdiction of a probate court. Further, the filing of a judicial action to enable the 298. recording of a notice of pending action ("lis pendens"), or order of attachment, receivership, injunction, or other provisional 299. remedies shall not constitute a waiver of the obligation to submit the claim to ADR, nor shall such action constitute a breach of 300. the duty to mediate or arbitrate. The parties agree that all matters described herein shall be submitted to the Receivership Court in cause No. CV2009-020595.

MSD WD

7e. 301. Attorney Fees and Costs: The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to this 302. Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees, expert 303. witness fees, fees paid to investigators, and arbitration costs.

8. ADDITIONAL TERMS AND CONDITIONS

8a. 304. ~~Seller will not provide SPDS and/or CLUE report as section 1a and 1b states~~ 305. ~~in the purchase contract. Lines 131-132 are to be omitted on the purchase~~ 306. ~~contract.~~

MSD WD

307. _____
308. _____
309. _____
310. _____
311. _____
312. _____
313. _____
314. _____
315. _____

SELLER SELLER

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BUYER BUYER

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8b. 316. **Risk of Loss:** If there is any loss or damage to the Premises between the date of Contract acceptance and COE or possession, 317. whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the Seller, provided, 318. however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price, either Seller or 319. Buyer may elect to cancel the Contract.

8c. 320. **Permission:** ~~Buyer and Seller grant Broker(s) permission to advise the public of this Contract.~~

TPB

ABD

8d. 321. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

8e. 322. **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations 323. described herein.

8f. 324. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by 325. separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment at COE, if not previously paid. 326. If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE. If Buyer is 327. obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE FOR THE 328. SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®, OR 329. MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT.

8g. 330. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original Contract. This Contract 331. and any other documents required by this Contract may be executed by facsimile or other electronic means and in any number of 332. counterparts, which shall become effective upon delivery as provided for herein, except that the Lead-Based Paint Disclosure Statement may 333. not be signed in counterpart. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original.

8h. 334. **Days:** All references to days in this Contract shall be construed as calendar days and a day shall begin at 12:00 a.m. and end at 11:59 p.m.

8i. 335. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event from 336. which the time period begins to run is not included and the last day of the time period is included. Contract acceptance occurs on 337. the date that the signed Contract (and any incorporated counter offer) is delivered to and received by the appropriate Broker. Acts 338. that must be performed three days prior to the COE Date must be performed three full days prior (i.e., if COE Date is Friday the 339. act must be performed by 11:59 p.m. on Monday).

8j. 340. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and 341. Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a writing 342. 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. 343. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands that 344. any subsequent offer accepted by the Seller must be a backup offer contingent on the cancellation of this Contract.

8l. 345. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by delivering 346. notice stating the reason for cancellation to the other party or to the Escrow Company. Cancellation shall become effective 347. immediately upon delivery of the cancellation notice.

8m. 348. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in writing 349. and deemed delivered and received when (i) hand-delivered, (ii) sent via facsimile transmission, (iii) sent via electronic mail, if 350. email addresses are provided herein, or (iv) sent by recognized overnight courier service, and addressed to Buyer as indicated in 351. Section 8r, to Seller as indicated in Section 9a and to the Escrow Company indicated in Section 3a.

8n. 352. **Earnest Money:** Earnest Money is in the form of: Personal Check Other: _____ 353. If applicable, Earnest Money has been received by Broker named in Section 8r and upon acceptance of this offer will be 354. deposited with: Escrow Company Broker's Trust Account

8o. 355. **Release of Broker(s):** Seller and Buyer hereby expressly release, hold harmless and indemnify Broker(s) in this 356. transaction from any and all liability and responsibility regarding financing, the condition, square footage, lot lines, 357. boundaries, value, rent rolls, environmental problems, sanitation systems, roof, wood infestation, building codes, 358. governmental regulations, insurance or any other matter relating to the value or condition of the Premises.

359.

(BUYER'S INITIALS REQUIRED)

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BUYER
WJD
BUYER

8p. 360. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and a 361. signed copy delivered in person, by mail, facsimile or electronically, and received by Broker named in Section 8r 362. by Nov 26 2006 at 5:00 a.m. p.m., Mountain Standard Time. Buyer 363. may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by 364. this date and time, this offer shall be deemed withdrawn and the Buyer's Earnest Money shall be returned.

8q. 365. THIS CONTRACT CONTAINS NINE PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE THAT 366. YOU HAVE RECEIVED AND READ ALL NINE PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.

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SELLER SELLER

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BUYER



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8r. 367. Broker on behalf of Buyer:

368. Stephen Ledford SL336 WEST USA Dale C Hillard WSA006
369. 4505 E Chandler Blvd suite 200 Chandler AZ 85048
370. (602) 743-4817 (480) 247-2853 DreamHomeFinder@StephenLedford.com

8s. 371. Agency Confirmation: The Broker named in Section 8r above is the agent of (check one):
372. [X] the Buyer; [] the Seller; or [] both the Buyer and Seller

8t. 373. The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt of
374. a copy hereof including the Buyer Attachment.

375. Alex Burton De Silva 11/20/2010 MO/DAYR Malkanthi Lakshmi De Silva 11/20/2010 MO/DAYR
376. ADDRESS ADDRESS
377. CITY STATE ZIP CODE CITY STATE ZIP CODE

9. SELLER ACCEPTANCE

9a. 378. Broker on behalf of Seller:

379. PRINT SALESPERSON'S NAME AGENT CODE PRINT FIRM NAME FIRM CODE
380. FIRM ADDRESS STATE ZIP CODE
381. TELEPHONE FAX EMAIL

9b. 382. Agency Confirmation: The Broker named in Section 9a above is the agent of (check one):

383. [] the Seller; or [] both the Buyer and Seller

9c. 384. The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a
385. copy hereof and grant permission to Broker named on Section 9a to deliver a copy to Buyer.

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

388. SELLER'S SIGNATURE MO/DAYR SELLER'S SIGNATURE MO/DAYR
389. as identified on Counter Offer No. 1 SELLER'S NAME PRINTED
390. ADDRESS ADDRESS
391. CITY STATE ZIP CODE CITY STATE ZIP CODE

392. [] 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

SELLER SELLER

<Initials

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BUYER BUYER



West USA Realty

ON-SITE WASTEWATER TREATMENT FACILITY ADDENDUM

Document updated:
October 2006



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ABP
LED

1. Seller: as identified on 9c Counter Offer No. 1
2. Buyer: Alex Burton De Silva, Malkanthi Lakshmi De Silva
11006 S 27TH DR
3. Premises Address Laveen, 85339
4. Date: November 20, 2010

[Handwritten initials]

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.~~

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13. Facility Inspection: ~~Seller shall have the Facility inspected at Seller's expense within ten (10) business days 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.~~

Buyer, during the inspection period shall have the Facility inspected at its cost

[Handwritten initials]

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

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LED

[Handwritten initials]

25. Additional Terms: _____
26. _____
27. _____
28. _____
29. _____
30. _____
31. _____

32. *[Signature]* 11/20/2010
^ BUYER'S SIGNATURE MO/DA/YR
Alex Burton De Silva

[Signature] 11/20/2010
^ BUYER'S SIGNATURE MO/DA/YR
Malkanthi Lakshmi De Silva

33. _____ MO/DA/YR
^ SELLER'S SIGNATURE
as identified on 9c

_____ MO/DA/YR
^ SELLER'S SIGNATURE

On-site Wastewater Treatment Facility Addendum - Updated: October 2006
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West USA Realty 4505 E. Chandler Blvd #200 Phoenix, AZ 85048
Phone (602)743-4817 Fax: _____

Stephen Ledford

11006 S 27TH DR

Produced with ZipForm® by zipLogix 18070 Fifteen Mile Road Fraser, Michigan 48026 www.ziplogix.com



"AS IS" ADDENDUM

Document updated
August 2009



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ABD
1/6/10

- 1. Seller: as identified on ~~9c~~ Counter Offer No. 1
- 2. Buyer: Alex Burton De Silva, Malkanthi Lakshmi De Silva
- 3. Premises Address: 11006 S 27TH DR, Laveen, 85339
- 4. Date: November 20, 2010

5. The following additional terms and conditions are hereby included as a part of the Contract between Seller and Buyer for the above referenced Premises. All terms and conditions of the Contract are hereby included herein and delivery of all notices 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 to Buyer, either express or implied, as to the (1) condition of the Premises, including, but not limited to, Seller's Warranties in Lines 163-166 of Section 5a, which Buyer hereby waives; (2) zoning of the Premises; or (3) Premises' fitness for any particular use or purpose. However, Seller warrants and shall maintain and repair the Premises so that, pursuant to lines 167-168, at the earlier of possession or COE, the Premises, including all additional existing personal property included in the sale, will be in substantially the same condition as on the date of Contract acceptance and all personal property 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 Inspection Period as specified in Section 6a. Buyer retains the rights pursuant to Section 6j. Seller shall not be obligated to correct any defects that may be discovered during Buyer's inspection(s) and investigations or otherwise.

ABD
1/6/10

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

TDS

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

Counter Offer No. 1

ABD
1/6/10

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

TDS

28. F. Other Terms and Conditions:

31. BUYER ACKNOWLEDGES THAT BUYER IS HEREBY ADVISED TO SEEK APPROPRIATE COUNSEL REGARDING 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 to the premises or the surrounding area. Buyer is instructed to consult with qualified licensed professionals to assist in Buyer's due diligence efforts. Because conducting due diligence with respect to the premises and the surrounding area is beyond the scope of the Broker's expertise and licensing, Buyer expressly releases and holds harmless Broker(s) from liability for any defects or conditions that could have been discovered by inspection or investigation. Seller and Buyer hereby expressly release, hold harmless and indemnify Broker(s) in this transaction from any and all liability and responsibility regarding financing, the condition, square footage, lot lines, boundaries, value, rent rolls, environmental problems, sanitation systems, roof, wood infestation, building codes, governmental regulations, insurance or any other matter relating to the value or condition of the Premises.

41. [Signature] 11/20/2010
BUYER'S SIGNATURE MO/DA/YR
Alex Burton De Silva

[Signature] 11/20/2010
BUYER'S SIGNATURE MO/DA/YR
Malkanthi Lakshmi De Silva

42. _____ MO/DA/YR
SELLER'S SIGNATURE
as identified on 9c

_____ MO/DA/YR
SELLER'S SIGNATURE



Counter Offer No. 1

This is a Counter Offer by the Seller, Thomas J. Giallanza, Deputy Receiver, to the Offer by the Buyer dated November 21, 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 11006 S. 27th Drive Laveen, AZ 85339("Property").

2. Seller. The Seller is Thomas J. Giallanza, in his capacity as the Deputy Receiver appointed by the Superior Court of Arizona in the action entitled State of Arizona v. Landmarc Capital and Investment Company, et al, in Cause No. CV2009-020595 ("Receivership Court"). The Taxpayer Identification Number for the Seller is 86-0959744. The Seller was appointed as the Deputy Receiver of the Property.

3. Buyer. The Buyer is Alex Burton De Silva and Malkanthi Lakshmi De Silva.

4. Purchase Price. The Purchase Price, which Buyer agrees to pay for the Property is \$150,000. 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 initially 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.

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

Buyer's Initials ABD

Seller's Initials TJG

Buyer's Initials [Signature]

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. **Buyer waives receipt of the Seller Property Disclosure Statement, Clue report, loss claim history report, and public report.**

8. Additional Terms.

- (a) Buyer agrees to pay the cost of all inspections to be performed.
- (b) Buyer agrees to provide evidence of funds sufficient to close escrow during the inspection period.
- (c) All utilities necessary for the Buyer to inspect the property are to be activated by the Buyer and at the Buyer's expense.
- (d) Title/Escrow company to facilitate the transaction is to be Great American Title: Attention: Sharon Greenburg, (Phone) 602-773-3288.
- (e) The Buyer agrees to prepay the first year of property insurance and provide proof of such insurance (with Seller as an additional insured) to Seller and deposit a Certificate of Insurance reflecting such terms with Escrow Agent not less than three (3) days prior to COE. Buyer agrees to maintain such property insurance until the Seller is fully repaid. as described below.
- (f) A portion of the purchase price shall be financed by the Seller and paid for by Buyer as follows:
 - (i) The Buyer agrees that so long as Buyer has first deposited in escrow not less than five (5) days prior to COE a sum that equals 10% of the purchase price **plus** all costs required by this agreement from Buyer to close escrow, then Seller agrees to provide carry-back financing to the Buyer at COE for 90% of the purchase price. The Buyer agrees to pay Seller interest for the carry-back loan at the rate of 6% per annum. The carry-back loan shall be interest-only and the Buyer agrees to make monthly payments of interest on the first day of each month until the principal balance is paid in full. There will be no pre-payment penalty. The principal balance will become due 540 days after COE.
 - (ii) Buyer shall execute a Promissory Note and Deed of Trust in favor of the Seller and on the terms described in 8(e) and 8(f)(i), above, and include the customary terms for late fees, penalties and default. Escrow agent shall record the Deed of Trust against the insured premises and deliver the original Promissory Note to Seller or its loan servicing designee along with the Loan policy and endorsements described above.
 - (iii) Buyer will pay for Seller's loan policy, recording fees, loan title and inspection fees, loan policy endorsements, if any; and all loan servicing

Buyer's Initials
Buyer's Initials

Seller's Initials

fees. **The obligation to pay Seller's loan servicing fees will survive the COE and will survive the transfer of title.**

9. Court Receivership. The Buyer understands and acknowledges that the Seller was duly appointed in the Receivership of the State of Arizona v. Landmarc Capital and Investment Co., et al, in cause No. 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.

11. Inspection. Buyer shall have thirty-days (30) 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.

Buyer's Initials ABD

Buyer's Initials ABD

Seller's Initials TJD

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.

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 Receiver, or Anthony Kurth of Home Smart Realty on or before _____, Mountain Standard Time, or unless the Offer has been previously withdrawn by the 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.

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.

Buyer's Initials AGD

Buyer's Initials AD

Seller's Initials TJS

Buyer Acceptance:

Dated: 11/28/10

Ali
BUYER

Dated: 11/28/10

Al Bedwa
BUYER

Seller Acceptance:

Dated: November 29, 2010

Landmarc Capital and Investment Co.

By: Thomas J. Giallanza
Thomas J. Giallanza, Deputy Receiver
SELLER

Buyer's Initials ABD

Buyer's Initials ABD

Seller's Initials TJG