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6
7 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
8
9 IN AND FOR THE COUNTY OF MARICOPA

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

11 Plaintiff,)

12 v.)

13 LANDMARC CAPITAL &)
INVESTMENT COMPANY,)

14 Defendant.)

Cause No. CV2009-020595

PETITION NO. 45

PETITION TO CONFIRM SALE OF
REAL PROPERTY LOCATED AT 3049
EAST MICHIGAN AVENUE, PHOENIX,
ARIZONA 85032

(Assigned to the Honorable Sam Myers)

15
16 Lauren Kingry, as the court appointed Receiver, respectfully petitions the Court as
17 follows:

18 1. On June 24, 2009, this Court entered its *Order Appointing Receiver and Order*
19 *to Show Cause*, which appointed the Superintendent of the Arizona Department of Financial
20 Institutions as Receiver of Landmarc Capital & Investment Company (“Landmarc”). On July
21 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 Sale of the Property Located at 3049 East Michigan Ave., Phoenix, AZ**

8 2. In accordance with the Receivership Order, the Receiver has located and taken
9 possession of certain real property located at 3049 East Michigan Avenue, Phoenix, Arizona
10 85032 (“Property”). This Property is legally described in Exhibit “1” attached hereto and is
11 currently held in the name of the Landmarc Capital & Investment Company. Title to the
12 Property was acquired in the name of DVH Management Corp at a Trustee’s Sale on July 14,
13 2008. Landmarc Capital & Investment Company, acquired title to the Property pursuant to a
14 Quit-Claim Deed recorded September 3, 2008.

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

17 4. Because the Property is a single family residence that necessitates the
18 expenditures of time and funds to provide security and insurance for the Property, the
19 continued holding of the Property is not necessary or appropriate to protect the interests of
20 any of the persons interested in this receivership. Accordingly, the Receiver commenced
21 efforts to market and sell the Property.

1 5. The sale contemplated under Exhibit “2” is conditioned upon, and will not take
2 place in the absence of, an order of this Court approving such sale after notice and a hearing.

3 6. On September 10, 2010, Robert D. Green of Sunstate Appraisals AZ submitted
4 an appraisal of the Property which indicates a fair market value for the Property of \$122,000.
5 Robert D. Green has been issued Certificate No. 11439 by the State of Arizona as a Certified
6 Residential Real Estate Appraiser. The Receiver has agreed to pay this appraiser a fee of
7 \$225.00 for this appraisal and the appraiser has no known interest in any of the parties or in
8 the sale of the Property.

9 7. In addition, the Receiver engaged the services of Anthony Kurth, currently with
10 brokerage firm of United Brokers Group to market the Property, under which the Receiver
11 agreed to pay a 6% sales commission, subject to the approval of this Court. At the onset of
12 the listing of the property, Anthony Kurth was employed with the brokerage firm of
13 Homesmart, however, on or about February 2, 2011, Mr. Kurth transferred his employment
14 and the listing of this property to United Brokers Group.

15 8. On March 29, 2011, the Receiver received an offer from Joel Bullock to
16 purchase the Property for \$109,000, which offer incorporated the terms required by the
17 Receiver set forth in Addendum No. 1. The offer with those terms was accepted by the
18 Receiver. These documents constitute the Purchase Agreement and are attached hereto as
19 Exhibit “2”. The Purchase Agreement provides for the sale of the Property for \$109,000 in
20 cash and is conditioned upon approval by this Court.

21 9. In accordance with this Court’s Order Re: Petition Number 2, the Receiver:

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

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

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

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

1. Approving the sale as set forth in the Purchase Agreement attached as Exhibit “2” to this Petition of the Property legally described in Exhibit “1”.
2. Authorizing Thomas Giallanza, as Deputy Receiver, to execute all necessary documents in connection with the sale of the Property confirmed by the Court.

Respectfully submitted this 3rd day of May, 2011.

GUTTILLA MURPHY ANDERSON

/s/Patrick M. Murphy
Patrick M. Murphy
Attorneys for the Plaintiff

LEGAL DESCRIPTION

EXHIBIT "1"

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

Lot 17, of Paradise Parc Side, according to the plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 286 of Maps, page 35 and Affidavit of Correction recorded June 25, 1986 in Document No. 86-320526 of Official Records.

Exhibit "1"

HomeSmart

RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:
February 2011



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: Joel Bullock, BUYER'S NAME(S)
- 2. SELLER: AS IDENTIFIED IN ADDENDUM 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: 3049 East Michigan Avenue Assessor's # 214-02-364
- 6. City: Phoenix County: Maricopa AZ, Zip Code: 85032
- 7. Legal Description: Paradise Parc Side Lot #17
- 1c. 8. \$ 109,000 Full Purchase Price, paid as outlined below
- 9. \$ 4000 Earnest money
- 10. \$ 105000 TO BE OBTAINED THRU FINANCING
- 11. \$ _____
- 12. _____
- 13. _____
- 14. _____
- 15. Close of Escrow: Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's office. 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
- 16. _____ ("COE Date"). If Escrow Company or recorder's office is closed on COE Date,
- 17. _____
- 18. _____
- 19. COE shall occur on the next day that both are open for business.
- 20. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
- 21. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available funds to
- 22. Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on COE Date.
- 1e. 23. Possession: Seller shall deliver possession, occupancy, existing keys and/or means to operate all locks, mailbox, security
- 24. system/alarms, and all common area facilities to Buyer at COE or
- 25. Broker(s) recommend that the parties seek appropriate counsel from insurance, legal, tax, and accounting professionals regarding
- 26. the risks of pre-possession or post-possession of the Premises.
- 1f. 27. Addenda Incorporated: AS IS Additional Clause Assumption and Carryback Buyer Contingency Domestic Water Well
- 28. H.O.A. Lead-Based Paint Disclosure On-site Wastewater Treatment Facility Short Sale
- 29. Other: _____
- 1g. 30. Fixtures and Personal Property: Seller agrees that all existing fixtures on the Premises, and any existing personal property
- 31. specified herein, shall be included in this sale, including the following:
- 32. • free-standing range/oven • light fixtures • draperies and other window coverings
- 33. • ceiling fans • towel, curtain and drapery rods • shutters and awnings
- 34. • attached floor coverings • flush-mounted speakers • water-misting systems
- 35. • window and door screens, sun screens • storm windows and doors • solar systems
- 36. • garage door openers and controls • attached media antennas/satellite dishes • mailbox
- 37. • outdoor landscaping, fountains, and lighting • attached fireplace equipment • central vacuum, hose, and attachments
- 38. • pellet, wood-burning or gas-log stoves • timers • built-in appliances
- 39. • storage sheds

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- 40. If owned by the Seller, the following items also are included in this sale:
- 41. • pool and spa equipment (including any mechanical or other cleaning systems)
- 42. • security and/or fire systems and/or alarms
- 43. • water softeners
- 44. • water purification systems

45. Additional existing personal property included in this sale (if checked): refrigerator washer dryer as described:

46. _____

47. _____

48. Other: _____

49. _____

50. Additional existing personal property included shall not be considered part of the Premises and shall be transferred with no monetary value, and free and clear of all liens or encumbrances.

52. Fixtures and leased items NOT included: _____

53. IF THIS IS AN ALL CASH SALE, GO TO SECTION 3.

2. FINANCING

- 2a. 54. **Pre-Qualification:** A completed AAR Pre-Qualification Form is is not attached hereto and incorporated herein by reference.
- 2b. 55. **Loan Contingency:** Buyer's obligation to complete this sale is contingent upon Buyer obtaining loan approval for the loan described in the AAR Loan Status Update ("LSU") form without Prior to Document ("PTD") conditions no later than three (3) days prior to the COE Date. If Buyer is unable to obtain loan approval without PTD conditions, Buyer shall deliver a notice of the inability to obtain loan approval without PTD conditions to Seller or Escrow Company no later than three (3) days prior to the COE Date.
- 2c. 59. **Unfulfilled Loan Contingency:** This Contract shall be cancelled and Buyer shall be entitled to a return of the earnest money if after diligent and good faith effort, Buyer is unable to obtain loan approval without PTD conditions no later than three (3) days prior to the COE Date. Buyer acknowledges that prepaid items paid separately from earnest money are not refundable.
- 2d. 62. **Interest Rate / Necessary Funds:** Buyer agrees that (i) the inability to obtain loan approval due to the failure to lock the interest rate and "points" by separate written agreement with the lender during the Inspection Period or (ii) the failure to have the down payment or other funds due from Buyer necessary to obtain the loan approval without conditions and close this transaction is not an unfulfilled loan contingency.
- 2e. 66. **Loan Status Update:** Buyer shall deliver to Seller the LSU with at a minimum lines 1-40 completed describing the current status of the Buyer's proposed loan within five (5) days after Contract acceptance and instruct lender to provide an updated LSU to Broker(s) and Seller upon request.
- 2f. 69. **Loan Application:** Unless previously completed, during the Inspection Period, Buyer shall (i) complete, sign and deliver to the lender a loan application and grant lender permission to access Buyer's Trimerged Residential Credit Report; and (ii) provide to lender all initial requested signed disclosures and Initial Requested Documentation listed in the LSU on lines 32-35.
- 2g. 72. **Loan Processing During Escrow:** Buyer agrees to diligently work to obtain the loan and will promptly provide the lender with all additional documentation required. Buyer shall sign all loan documents no later than three (3) days prior to the COE Date.
- 2h. 74. **Type of Financing:** Conventional FHA VA USDA Assumption Seller Carryback _____
75. (If financing is to be other than new financing, see attached addendum.)
- 2i. 76. **Loan Costs:** All costs of obtaining the loan shall be paid by the Buyer, unless otherwise provided for herein.
- 2j. 77. **Seller Concessions (if any):** In addition to the other costs Seller has agreed to pay herein, Seller agrees to pay up to _____ % of the Purchase Price or \$ _____ for Buyer's loan costs including pre-pays, impounds and Buyer's title / escrow closing costs.
- 2k. 79. **VA Loan Costs:** In the event of a VA loan, Seller agrees to pay the escrow fee and up to \$ _____ of loan costs not permitted to be paid by the Buyer, in addition to the other costs Seller has agreed to pay herein, including Seller's concessions.
- 2l. 81. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the Pre-Qualification Form if attached hereto or LSU provided within five (5) days after Contract acceptance and shall only make any such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan approval without PTD conditions, increase Seller's closing costs, or delay COE.
- 2m. 85. **Appraisal Contingency:** Buyer's obligation to complete this sale is contingent upon an appraisal of the Premises acceptable to lender for at least the purchase price. If the Premises fails to appraise for the purchase price in any appraisal required by lender, Buyer has five (5) days after notice of the appraised value to cancel this Contract and receive a refund of the Earnest Money or the appraisal contingency shall be waived.
- 2n. 89. **Appraisal Fee(s):** Appraisal Fee(s), when required by lender, shall be paid by Buyer Seller Other _____
90. Appraisal Fee(s) are are not included in Seller's Concessions, if applicable.

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3. TITLE AND ESCROW

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

93.    
ESCROW/TITLE COMPANY

94. ADDRESS CITY STATE ZIP

95. EMAIL PHONE FAX

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

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

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

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

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

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


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

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

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4. DISCLOSURE

- 134. Seller Property Disclosure Statement ("SPDS"): Seller shall deliver a completed SPDS to the Buyer
- 135. five (5) days after Contract acceptance. Buyer shall provide notice of any SPDS items disapproved within the Inspection Period or
- 136. five (5) days after receipt of the SPDS, whichever is later.
- 4b. 137. Insurance Claims History: Seller shall deliver to Buyer a written five-year insurance claims history regarding Premises (or a claims
- 138. history for the length of time Seller has owned the Premises if less than five years) from Seller's insurance company or an insurance
- 139. support organization or consumer reporting agency, or if unavailable from these sources, from Seller, within five (5) days after Contract
- 140. acceptance. (Seller may obscure any reference to date of birth or social security number from the document). Buyer shall provide
- 141. notice of any items disapproved within the Inspection Period or five (5) days after receipt of the claims history, whichever is later.
- 4c. 142. Lead-Based Paint Disclosure: If the Premises were built prior to 1978, the Seller shall: (i) notify the Buyer of any known lead-based
- 143. paint ("LBP") or LBP hazards in the Premises; (ii) provide the Buyer with any LBP risk assessments or inspections of the Premises in
- 144. the Seller's possession; (iii) provide the Buyer with the Disclosure of Information on Lead-based Paint and Lead-based Paint
- 145. Hazards, and any report, records, pamphlets, and/or other materials referenced therein, including the pamphlet "Protect Your Family
- 146. from Lead in Your Home" (collectively "LBP Information"). Buyer shall return a signed copy of the Disclosure of Information on Lead-
- 147. Based Paint and Lead-Based Paint Hazards to Seller prior to COE.
- 148. LBP Information was provided prior to Contract acceptance and Buyer acknowledges the opportunity to conduct LBP risk
- 149. assessments or inspections during Inspection Period.
- 150. Seller shall provide LBP Information within five (5) days after Contract acceptance. Buyer may within ten (10) days
- 151. or _____ days after receipt of the LBP Information conduct or obtain a risk assessment or inspection of the Premises for the
- 152. presence of LBP or LBP hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the LBP Information or five
- 153. (5) days after expiration of the Assessment Period cancel this Contract.
- 154. Buyer is further advised to use certified contractors to perform renovation, repair or painting projects that disturb lead-based paint in
- 155. residential properties built before 1978 and to follow specific work practices to prevent lead contamination.
- 156. If Premises were constructed prior to 1978, (BUYER'S INITIALS REQUIRED)

 BUYER

 BUYER

- 4d. 158. Affidavit of Disclosure: If the Premises is located in an unincorporated area of the county, and five or fewer parcels of property
- 159. other than subdivided property are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in the form required
- 160. by law to the Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any Affidavit of Disclosure items
- 161. disapproved within the Inspection Period or five (5) days after receipt of the Affidavit of Disclosure, whichever is later.
- 162. _____
- 163. the SPDS, or otherwise. Such notice shall be considered an update of the SPDS. If Seller is already obligated by Section 5a
- 164. or otherwise by this Contract or amendments hereto, to correct or repair the changed item disclosed, Buyer shall be allowed
- 165. _____ days after delivery of such notice to provide notice of disapproval to Seller.

5. WARRANTIES

- 5a. 166. Seller Warranties: Seller warrants and shall maintain and repair the Premises so that at the earlier of possession or COE: (i) all
- 167. heating, cooling, mechanical, plumbing, and electrical systems (including swimming pool and/or spa, motors, filter systems, cleaning
- 168. systems, and heaters, if any), free-standing range/oven, and built-in appliances will be in working condition; (ii) all other agreed upon
- 169. repairs and corrections will be completed pursuant to Section 6j; (iii) the Premises, including all additional existing personal property
- 170. included in the sale, will be in substantially the same condition as on the date of Contract acceptance; and (iv) all personal property
- 171. not included in the sale and all debris will be removed from the Premises.
- 5b. 172. Warranties that Survive Closing: Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and
- 173. any information concerning the Premises known to Seller, excluding opinions of value, which materially and adversely affect the
- 174. consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for all labor,
- 175. professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the COE in
- 176. connection with the construction, alteration, or repair of any structure on or improvement to the Premises. Seller warrants that the
- 177. information regarding connection to a sewer system or on-site wastewater treatment facility (conventional septic or alternative) is
- 178. correct to the best of Seller's knowledge.
- 5c. 179. Buyer Warranties: Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect the
- 180. Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Premises or COE,
- 181. Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts the Premises.
- 182. Buyer warrants that Buyer is not relying on any verbal representations concerning the Premises except disclosed as follows:
- 183. None
- 184. _____

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6. DUE DILIGENCE

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

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

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

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

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

6f. 213. **Sewer or On-site Wastewater Treatment System:** The Premises are connected to a:

- 214. sewer system septic system alternative system

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

(BUYER'S INITIALS REQUIRED)

BUYER _____ BUYER _____

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

223.

(BUYER'S INITIALS REQUIRED)

BUYER _____ BUYER _____

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

231.

(BUYER'S INITIALS REQUIRED)

BUYER _____ BUYER _____

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

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BUYER BUYER



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- 6j. 236. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of items as allowed herein, Buyer shall deliver to Seller notice
- 237. of the items disapproved and state in the notice that Buyer elects to either:
- 238. (1) immediately cancel this Contract and all Earnest Money shall be released to Buyer, or
- 239. (2) provide the Seller an opportunity to correct the items disapproved, in which case:
- 240. (a) Seller shall respond in writing within five (5) days or _____ days after delivery to Seller of Buyer's notice of items
- 241. disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall conclusively be deemed
- 242. Seller's refusal to correct any of the items disapproved.
- 243. (b) If Seller agrees in writing to correct items disapproved, Seller shall correct the items, complete any repairs in a
- 244. workmanlike manner and deliver any paid receipts evidencing the corrections and repairs to Buyer three (3) days
- 245. or _____ days prior to COE Date.
- 246. (c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this Contract within five (5) days
- 247. after delivery of Seller's response or after expiration of the time for Seller's response, whichever occurs first, and all
- 248. Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as provided,
- 249. Buyer shall close escrow without correction of those items that Seller has not agreed in writing to correct.
- 250. VERBAL DISCUSSIONS WILL NOT EXTEND THESE TIME PERIODS. Only a written agreement signed by both parties will extend
- 251. response times or cancellation rights.
- 252. BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN THE
- 253. SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE
- 254. TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.
- 6k. 255. **Notice of Non-Working Warranted Items:** Buyer shall provide Seller with notice of any non-working warranted item(s) of which
- 256. Buyer becomes aware during the Inspection Period or the Seller warranty for that item(s) shall be waived. Delivery of such notice
- 257. shall not affect Seller's obligation to maintain or repair the warranted item(s).
- 6l. 258. **Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The
- 259. parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and
- 260. most plans exclude pre-existing conditions.
- 261. A Home Warranty Plan will be ordered by Buyer or Seller with the following optional coverage
- 262. TBD, to be issued by _____ at a cost not
- 263. to exceed \$ _____, to be paid for by Buyer Seller
- 264. Buyer declines the purchase of a Home Warranty Plan.
- ~~265. [REDACTED]~~
- ~~266. purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, warranted items are in~~
- ~~267. working condition and that the Premises is in substantially the same condition as of the date of Contract acceptance. If Buyer does~~
- ~~not cancel such Walkthrough(s), Buyer releases Seller and Broker(s) from liability for any defects that could have been discovered.~~
- 6n. 269. **Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all inspections
- 270. and walkthrough(s) upon reasonable notice by Buyer. ~~[REDACTED]~~

7. REMEDIES

- 7a. 272. **Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any provision
- 273. of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the non-
- 274. compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall become a
- 275. breach of Contract.
- 7b. 276. **Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the breaching
- 277. party in any claim or remedy that the non-breaching party may have in law or equity, ~~[REDACTED]~~
- ~~[REDACTED]~~ In the case of the Seller, because it would be difficult to fix actual damages in the event of Buyer's
- 279. breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's option, accept the
- 280. Earnest Money as Seller's sole right to damages; and in the event of Buyer's breach arising from Buyer's failure to deliver the notice
- 281. required by Section 2b, ~~[REDACTED]~~
- 282. Seller shall exercise this option and accept the Earnest Money as Seller's sole right to damages. An unfulfilled contingency is not
- 283. a breach of Contract. The parties expressly agree that the failure of any party to comply with the terms and conditions of Section 1d
- 284. to allow COE to occur on the COE Date, if not cured after a cure notice is delivered pursuant to Section 7a, will constitute a material
- 285. breach of this Contract, rendering the Contract subject to cancellation.

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

- 7d. 295. **Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in the
 296. Small Claims Division of an Arizona Justice Court (up to \$2,500) so long as the matter is not thereafter transferred or removed from
 297. the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or
 298. agreement 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
 299. within the jurisdiction of a probate court. Further, the filing of a judicial action to enable the recording of a notice of pending action ("lis
 300. pendens"), or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the
 301. obligation to submit the claim to ADR, nor shall such action constitute a breach of the duty to mediate or arbitrate.
- 7e. 302. **Attorney Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to this
 303. Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees, expert
 304. witness fees, fees paid to investigators, and arbitration costs.

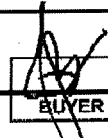
8. ADDITIONAL TERMS AND CONDITIONS

- 8a. 305. POOL MUST BE IN OPERABLE CONDITION
- 306. PRIOR TO COE
- 307. _____
- 308. Refer to addendum No. 1 for terms of section 1d lines 15 through _____
- 309. The buyer accepts addendum No. 1 and agrees to the modified or additional terms and conditions of this _____
- 310. _____
- 311. and acknowledges receipt _____
- 312. _____
- 313. Buyer is encouraged to seek inspections, appraisals, and legal investigation/advice if _____
- 314. _____
- 315. The parties agree that all matters described herein shall be submitted to the Receivership Court in case No. _____
- 316. _____
- 317. _____
- 318. _____
- 319. _____
- 320. _____
- 321. _____
- 322. _____
- 323. _____
- 324. _____
- 325. _____
- 326. _____
- 327. _____
- 328. _____
- 329. _____
- 330. _____
- 331. _____
- 332. _____
- 333. _____
- 334. _____

 **SELLER** | **SELLER**

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8b. 335. **Risk of Loss:** If there is any loss or damage to the Premises between the date of Contract acceptance and COE or possession, 336. whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the Seller, provided, 337. however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price, either Seller or 338. Buyer may elect to cancel the Contract.

8d. 340. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

8e. 341. **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations described herein.

8f. 342. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by 343. separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment at COE, if not previously paid. 344. If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE. If Buyer is 345. obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE FOR THE 346. SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®, OR 347. MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT.

8g. 348. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original Contract. This 349. Contract and any other documents required by this Contract may be executed by facsimile or other electronic means and in any 350. number of counterparts, which shall become effective upon delivery as provided for herein, except that the Lead-Based Paint 351. Disclosure Statement may not be signed in counterpart. All counterparts shall be deemed to constitute one instrument, and each 352. counterpart shall be deemed an original.

8h. 353. **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 354. end at 11:59 p.m.

8i. 355. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event from 356. which the time period begins to run is not included and the last day of the time period is included. Contract acceptance occurs on the 357. date that the signed Contract (and any incorporated counter offer) is delivered to and received by the appropriate Broker. Acts that 358. must be performed three days prior to the COE Date must be performed three full days prior (i.e., if COE Date is Friday the act must 359. be performed by 11:59 p.m. on Monday).

8j. 360. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and 361. Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a writing signed 362. by Seller and Buyer. The failure to initial any page of this Contract shall not affect the validity or terms of this Contract.

8k. 363. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands that 364. any subsequent offer accepted by the Seller must be a backup offer contingent on the cancellation of this Contract.

8l. 365. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by delivering 366. notice stating the reason for cancellation to the other party or to the Escrow Company. Cancellation shall become effective 367. immediately upon delivery of the cancellation notice.


8m. 368. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in writing and 369. deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic mail, if email 370. addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as indicated in Section 371. 8r, to Seller as indicated in Section 9a and to the Escrow Company indicated in Section 3a.

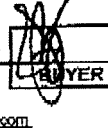
8n. 372. **Earnest Money:** Earnest Money is in the form of: Personal Check Other: _____ 373. If applicable, Earnest Money has been received by Broker named in Section 8r and upon acceptance of this offer will be deposited 374. with: Escrow Company Broker's Trust Account. Buyer acknowledges that failure to pay the required closing funds by the 375. scheduled Close of Escrow, if not cured after a cure notice is delivered pursuant to Section 7a, shall be construed as a material 376. breach of this contract and all earnest money shall be subject to forfeiture.

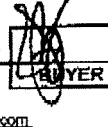
8o. 377. **Release of Broker(s):** Seller and Buyer hereby expressly release, hold harmless and indemnify Broker(s) in this transaction 378. from any and all liability and responsibility regarding financing, the condition, square footage, lot lines, boundaries, value, 379. rent rolls, environmental problems, sanitation systems, roof, wood infestation, building codes, governmental regulations, 380. insurance, price and terms of sale, return on investment or any other matter relating to the value or condition of the 381. Premises. The parties understand and agree that the Broker(s) do not provide advice on property as an investment and are 382. not qualified to provide financial, legal, or tax advice regarding this real estate transaction.

383. **(SELLER'S INITIALS REQUIRED)** _____ **(BUYER'S INITIALS REQUIRED)** _____

8p. 384. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and a signed copy delivered 385. in person, by mail, facsimile or electronically, and received by Broker named in Section 8r 386. by APRIL 7, 2011 at 5:00 a.m. p.m., Mountain Standard Time. 387. Buyer may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by this 388. date and time, this offer shall be deemed withdrawn and the Buyer's Earnest Money shall be returned. >>>

 **SELLER** | **SELLER**

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 **Bullock 3049 E**

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

8r. 391. Broker on behalf of Buyer:

392. Stacey Gross sg347 HomeSmart CR101
PRINT SALESPERSON'S NAME AGENT CODE PRINT FIRM NAME FIRM CODE
393. 3131 E. CAMELBACK RD #125, Phoenix AZ 85048
FIRM ADDRESS STATE ZIP CODE
394. (602) 418-2833 (602) 749-6545 stacey.gross@yahoo.com
PREFERRED TELEPHONE FAX EMAIL

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

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

399. Joel Bullock 3/29/11 MO/DA/YR * BUYER'S SIGNATURE MO/DA/YR
* BUYER'S SIGNATURE
400. Joel Bullock ADDRESS
401. CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

9. SELLER ACCEPTANCE

9a. 402. Broker on behalf of Seller:

403. Anthony Kurth ak129 United Brokers Group unbr002
PRINT SALESPERSON'S NAME AGENT CODE PRINT FIRM NAME FIRM CODE
404. 106 S. Kyrene Rd. Suite Chandler AZ 85226
FIRM ADDRESS STATE ZIP CODE
405. (480) 330-6978 (480) 212-102 anthony@kurthproperties.com
PREFERRED TELEPHONE FAX EMAIL

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

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

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

412. Thomas J. Gallucci 4/4/11 MO/DA/YR * SELLER'S SIGNATURE MO/DA/YR
* SELLER'S SIGNATURE
413. THOMAS J. GALLUCCI, DEPUTY RECEIVER SELLER'S NAME PRINTED
414. 14555 N. CAMELBACK RD, SUITE 340 ADDRESS
415. SCOTTDALE, AZ 85254 CITY, STATE, ZIP CODE

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

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



Addendum No. 1

This is an addendum by the Seller, Thomas J. Giallanza, Deputy Receiver, to the Offer by the Buyer dated March 29, 2011 ("Buyer's Offer"). In consideration of the mutual promises and covenants set forth in this addendum, Seller agrees to sell and Buyer agrees to buy the Property described below on the terms and conditions set forth in this addendum, 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 addendum, is located at 3049 E. Michigan avenue Phoenix, AZ 85032("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. Landmark Capital, et al 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 Joel Bullock.

4. Purchase Price. The Purchase Price, which Buyer agrees to pay for the Property is \$109,000. 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 addendum a total of \$4,000 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 JB
Buyer's Initials _____

Seller's Initials TJG


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. Buyer waives Seller Property Disclosure Statement, Clue report, loss claim history report, and public report.

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 upon acceptance of this addendum.
- (c) Title/Escrow company to facilitate the transaction is to be North American Title Company, 3200 E. Camelback Road, Suite 150, Phoenix, AZ 85018
- (d) All utilities necessary for the buyer to inspect the property are to be turned on by the buyer and at the buyers cost.

9. Court Receivership. The Buyer understands and acknowledges that the Seller was duly appointed the Deputy 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 addendum, 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 ten days (10) days from the date of the Buyer's acceptance of this addendum 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 AB
Buyer's Initials _____

Seller's Initials TJS

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 addendum is signed by the Buyer or an authorized representative and a signed copy of this addendum delivered in person, by mail, or by facsimile and received by the Receiver, or Anthony Kurth of United Brokers Group on or before April 1, 2011 at 5pm, Mountain Standard Time, or unless the Offer has been previously withdrawn by the Receiver, this addendum shall be considered withdrawn on the date and time set forth above in this Paragraph. Until this addendum 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.

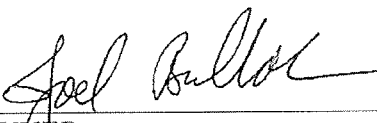
20. Signed Original. In order to facilitate the filing of appropriate pleadings with the Receivership Court, the parties agree to execute at least one original of this addendum and all other contract documents and to provide such originals to the Seller.

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 addendum and agrees to the modified or additional terms and conditions in the above addendum and acknowledges receipt of a copy hereof.

Buyer Acceptance

Dated: 4-1-11



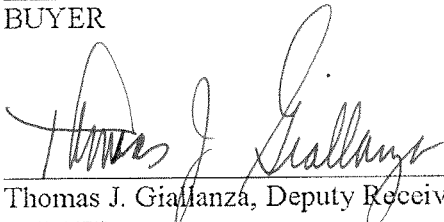
BUYER

Dated: _____

BUYER

Seller Acceptance

Dated: 4/4/11



Thomas J. Giallanza, Deputy Receiver
SELLER