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5 Attorneys for the Plaintiff

6 THE SUPERIOR COURT OF THE STATE OF ARIZONA

7 IN AND FOR THE COUNT OF MARICOPA

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

Plaintiff,

11 v.)

12 LANDMARC CAPITAL &)
INVESTMENT COMPANY,)

13 Defendant.)

Cause No. CV2009-020595

PETITION NO. 29

14 PETITION FOR ORDER CONFIRMING)
THE SALE OF REAL PROPERTY)
LOCATED AT 2519 LILLIE AVE.,)
KINGMAN, ARIZONA 86401)

(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.

6 2. In accordance with the Receivership Order, the Receiver has located and taken
7 possession of certain real property located at 2519 Lillie Avenue, Kingman, Arizona 86401
8 (“Property”). This Property is legally described in Exhibit “1” attached hereto and was
9 acquired by and is currently held in the name of the Defendant Landmarc Capital &
10 Investment Company. Landmarc acquired title to the Property pursuant to a Trustee’s Deed
11 upon Sale recorded June 8, 2009.

12 3. Although fee title is vested in the name of Landmarc, the records of Landmarc
13 indicate that this Property resulted from the foreclosure of a deed of trust in which a
14 beneficial interest had been acquired by one of Landmarc’s investors. Although this investor
15 does not hold legal title, it asserts an equitable claim to this Property. Accordingly, the net
16 sale proceeds will be held in trust until the claim of this investor is resolved by the Court.

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

19 5. Because the Property is a single family residence that necessitates the
20 expenditures of time and funds to provide security and insurance for the Property, the
21 continued holding of the Property is not necessary or appropriate to protect the interests of

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

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

5 7. On April 13, 2010, Russell G. Petry submitted an appraisal of the Property
6 which indicates a fair market value for the Property of \$25,000. Russell G. Petry has been
7 issued Certificate No. 20079 by the State of Arizona as a Certified Residential Real Estate
8 Appraiser. The Receiver has agreed to pay this appraiser a fee of \$375.00 for this appraisal
9 and the appraiser has no known interest in any of the parties or in the sale of the Property.

10 8. In addition, the Receiver engaged the services of Linda Ginest of Realty
11 Executives Mohave, to market the Property, under which the Receiver agreed to pay a 6%
12 sales commission, subject to the approval of this Court.

13 9. On August 31, 2010, the Receiver received an offer from Brian Burroughs and
14 Sandy Burroughs to purchase the Property for \$34,500 under terms that were not acceptable
15 to the Receiver. The Receiver thereafter submitted to Buyer a counter offer which has been
16 accepted. These documents constitute the Purchase Agreement and are attached hereto as
17 Exhibit "2". The Purchase Agreement provides for the sale of the Property for \$34,500 in
18 cash and is conditioned upon approval by this Court.

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

LOT 13, BLOCK 10, OF CECIL DAVIS ADDITION UNIT #3, ACCORDING TO THE
PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MOHAVE
COUNTY, ARIZONA, RECORDED IN TRACT 63-122074.

Exhibit "1"

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: Brian Burroughs, Sandy Burroughs BUYER'S NAME(S)
2. SELLER: LANDMARC CAPITAL & INVESTMENT 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: 2519 Lillie Ave Assessor's #: 321-05-072E
6. City: Kinman County: Mohave AZ, Zip Code: 86401
7. Legal Description: Cecil Davis Addition Unit No 3 Blk 10 Lot 13
- 1c. 8. \$ 34,500.00 Full Purchase Price, paid as outlined below
9. \$ 1,000.00 Earnest money evidenced by per.ck.deposited upon acceptance
10. \$ 33,500.00 to be paid by cash at C.O.E.
11. \$ _____
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 September MONTH 21 DAY, 2010 YEAR ("COE Date"). If Escrow Company or recorder's office
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: _____
- 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 |

SELLER SELLER

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- 37. If owned by the Seller, the following items also are included in this sale:
- 38. • pool and spa equipment (including any
- 39. mechanical or other cleaning systems) • security and/or fire systems and/or alarms • water softeners • water purification systems
- 40. Additional existing personal property included in this sale (if checked): refrigerator washer dryer
- 41. As described: paint, tile, cabinets (kitchen) countertops, sink, doors, knobs,
- 42. light fixtures, blinds, dishwasher, tile board,
- 43. Other: Buyers want to buy property as it sits with everything that is there
- 44. at time of showing. Nothing to be removed.
- 45. _____
- 46. Additional existing personal property included shall not be considered part of the Premises and shall be transferred with no
- 47. monetary value, and free and clear of all liens or encumbrances.
- 48. Fixtures and leased items NOT included: _____
- 49. IF THIS IS AN ALL CASH SALE, GO TO SECTION 3.

2. FINANCING

- 2a. 50. Loan Contingency: Buyer's obligation to complete this sale is contingent upon Buyer obtaining loan approval for the loan
- 51. described in the AAR Loan Status Report without conditions no later than COE Date. If Buyer is unable to obtain loan approval
- 52. without conditions by COE Date, Buyer shall deliver a notice of the inability to obtain loan approval without conditions to Seller or
- 53. Escrow Company no later than COE Date.
- 2b. 54. Unfulfilled Loan Contingency: This Contract shall be cancelled and Buyer shall be entitled to a return of the Earnest Money if
- 55. after diligent and good faith effort, Buyer is unable to obtain loan approval without conditions by COE Date. Buyer is aware that
- 56. failure to have the down payment or other funds due from Buyer necessary to obtain the loan approval without conditions and
- 57. close this transaction is not an unfulfilled loan contingency. Buyer acknowledges that prepaid items paid separately from earnest
- 58. money are not refundable.
- 2c. 59. Appraisal Contingency: Buyer's obligation to complete this sale is contingent upon an appraisal of the Premises by an appraiser
- 60. acceptable to lender for at least the sales price. If the Premises fails to appraise for the sales price, Buyer has five (5) days after notice
- 61. of the appraised value to cancel this Contract and receive a refund of the Earnest Money or the appraisal contingency shall be waived.
- 2d. 62. Loan Status Report: The AAR Loan Status Report ("LSR") with, at a minimum, the Buyer's Loan Information section completed,
- 63. describing the current status of the Buyer's proposed loan, is attached hereto and incorporated herein by reference.
- 2e. 64. Loan Application: Unless previously completed, within five (5) days after Contract acceptance, Buyer shall (i) complete, sign and
- 65. deliver to the lender a loan application with requested disclosures and documentation; (ii) grant lender permission to access
- 66. Buyer's Trimerged Residential Credit Report; and (iii) pay all required loan application fees.
- 2f. 67. Loan Processing During Escrow: Buyer agrees to diligently work to obtain the loan and will promptly provide the lender with all
- 68. additional documentation required. Buyer instructs the lender to provide loan status updates to Broker(s) and Seller. Buyer shall
- 69. sign all loan documents no later than three (3) days prior to the COE Date.
- 2g. 70. Type of Financing: Conventional FHA VA Assumption Seller Carryback cash _____
- 71. (If financing is to be other than new financing, see attached addendum.)
- 2h. 72. Loan Costs: Private Mortgage Insurance is required for certain types of loans and shall be paid by Buyer at COE in a manner
- 73. acceptable to lender. The following may be paid by either party:
- 74. Discount points shall be paid by: Buyer Seller Other _____
- 75. Discount points shall not exceed: _____ total points (Does not include loan origination fee)
- 76. A.L.T.A. Lender Title Insurance Policy shall be paid by Buyer Seller
- 77. Loan Origination Fee (Not to exceed _____ % of loan amount) shall be paid by Buyer Seller
- 78. Appraisal Fee, when required by lender, shall be paid by Buyer Seller Other _____
- 2i. 79. Other Loan Costs: In the event of an FHA or VA loan, Seller agrees to pay up to \$ _____ of loan
- 80. costs not permitted to be paid by the Buyer, in addition to the other costs Seller has agreed to pay herein. In addition, for VA
- 81. loans, Seller agrees to pay the escrow fee. All other costs of obtaining the loan shall be paid by the 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 132. (5) days after Contract acceptance. Buyer shall provide notice of any SPDS items disapproved within the Inspection Period or 133. five (5) days after receipt of the SPDS, whichever is later.
- 4b. 134. Insurance Claims History: Seller shall deliver to Buyer a written five-year insurance claims history regarding Premises (or a 135. claims history for the length of time Seller has owned the Premises if less than five years) from Seller's insurance company or 136. an insurance support organization or consumer reporting agency, or if unavailable from these sources, from Seller, within five 137. (5) days after Contract acceptance. (Seller may obscure any reference to date of birth or social security number from the 138. document). Buyer shall provide notice of any items disapproved within the Inspection Period or five (5) days after receipt of the 139. claims history, whichever is later.
- 4c. 140. Lead-Based Paint Disclosure: If the Premises were built prior to 1978, the Seller shall: (i) notify the Buyer of any known 141. lead-based paint ("LBP") or LBP hazards in the Premises; (ii) provide the Buyer with any LBP risk assessments or inspections 142. of the Premises in the Seller's possession; (iii) provide the Buyer with the Disclosure of Information on Lead-based Paint and 143. Lead-based Paint Hazards, and any report, records, pamphlets, and/or other materials referenced therein, including the 144. pamphlet "Protect Your Family from Lead in Your Home" (collectively "LBP Information"). Buyer shall return a signed copy of 145. 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 147. assessments or inspections during Inspection Period.
- 148. Seller shall provide LBP Information within five (5) days after Contract acceptance. Buyer may within ten (10) days or 149. _____ days after receipt of the LBP Information conduct or obtain a risk assessment or inspection of the Premises 150. for the presence of LBP or LBP hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the LBP 151. 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) BB SB
BUYER BUYER
- 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 155. property other than subdivided property are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in 156. the form required by law to the Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any 157. Affidavit of Disclosure items disapproved within the Inspection Period or five (5) days after receipt of the Affidavit of 158. Disclosure, whichever is later.
- 4e. 159. Changes During Escrow: Seller shall immediately notify Buyer of any changes in the Premises or disclosures made herein, in 160. the SPDS, or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by Section 161. 5a, or otherwise by this Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be 162. allowed five (5) days after delivery of such notice to provide notice of disapproval to Seller.

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 164. heating, cooling, mechanical, plumbing, and electrical systems (including swimming pool and/or spa, motors, filter systems, 165. cleaning systems, and heaters, if any), free-standing range/oven, and built-in appliances will be in working condition; (ii) all other 166. agreed upon repairs and corrections will be completed pursuant to Section 6j; (iii) the Premises, including all additional existing 167. personal property included in the sale, will be in substantially the same condition as on the date of Contract acceptance; and (iv) 168. 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 170. any information concerning the Premises known to Seller, excluding opinions of value, which materially and adversely affect the 171. consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for all labor, 172. professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the COE in 173. connection with the construction, alteration, or repair of any structure on or improvement to the Premises. Seller warrants that the 174. information regarding connection to a sewer system or on-site wastewater treatment facility (conventional septic or alternative) is 175. correct to the best of Seller's knowledge.

[Signature]
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



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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: _____
- 181. _____

6. DUE DILIGENCE



- 6a. 182. **Inspection Period:** Buyer's Inspection Period shall be ten (10) days or _____ 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.
- 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)  
- 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)  



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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)

 BUYER  BUYER

8l. 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

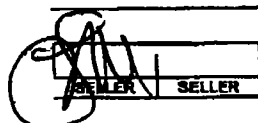
262. \$ _____, to be paid for by Buyer Seller

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.

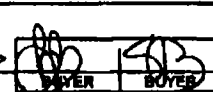
6n. 268. Seller's Responsibility Regarding Inspections and Walkthrough(s): Seller shall make the Premises available for all 269. inspections and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including 270. any propane, until COE to enable Buyer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

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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 2c, 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.
- 7c. 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.
- 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

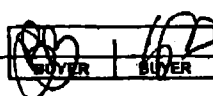
- 8a. 304. Buyer and Seller to split customary title and closing fees.
- 305. Termite inspection to be paid for by Seller.
- 306. _____
- 307. _____
- 308. _____
- 309. _____
- 310. _____
- 311. _____
- 312. _____
- 313. _____
- 314. _____
- 315. _____



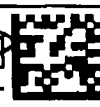
 SELLER SELLER

</initials

Initials>



 BUYER BUYER



Residential Resale Real Estate Purchase Contract >>

8r. 367. Broker on behalf of Buyer:

368. Kris Stokes-Eads AGENT CODE Realty Executives-Mohave PRINT FIRM NAME FIRM CODE
369. 2404 Stockton Hill Road FIRM ADDRESS Jacksonville AZ STATE 854 ZIP CODE
370. (928) 718-1200 TELEPHONE (928) 753-3697 FAX soldbrvkrj@citlink.net EMAIL

8s. 371. Agency Confirmation: The Broker named in Section 8r above is the agent of (check one):

372. [] 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. Brian Burroughs BUYER'S SIGNATURE 08/31/2010 MO/DAYR Sandy Burroughs BUYER'S SIGNATURE 08/31/2010 MO/DAYR

376. 1710 White Cliffs ADDRESS 1710 White Cliffs ADDRESS

377. Kingman, AZ 86401 CITY, STATE, ZIP CODE Kingman, AZ 86401 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. [X] Counter Offer is attached, and is incorporated herein by reference. Seller should sign both this offer and the Counter Offer.
387. [X] If there is a conflict between this offer and the Counter Offer, the provisions of the Counter Offer shall be controlling.

388. [Signature] 9/1/2010 SELLER'S SIGNATURE MO/DAYR [Signature] SELLER'S SIGNATURE MO/DAYR

389. LAURENCE CAPITAL & INVESTMENT SELLER'S NAME PRINTED SELLER'S NAME PRINTED

390. PO BOX 14050 ADDRESS ADDRESS

391. Scottsdale, AZ 85267 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

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS (SALES)

Document updated



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- 1. Premises Address: 2519 LILLIE AVE, KINGMAN, AZ 86401
- 2. Lead Warning Statement: Every buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint, which may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women.
- 3. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and to notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint or lead-based paint hazards is recommended prior to purchase.

1. SELLER'S DISCLOSURE (Seller must complete and initial sections a, b and c below)

- 10. (a) Lead-based paint and/or lead-based paint hazards (check either 1 or 2 below):
 - 11. Seller is aware that lead-based paint and/or lead-based paint hazards are present in the residence(s) and/or building(s) included in this sale. (Explain) SELLER HAS NO KNOWLEDGE OF PROPERTY
 - 12. Seller has no knowledge of any lead-based paint and/or lead-based paint hazards in the residence(s) and building(s) included in this sale.
- 14. (SELLER'S INITIALS REQUIRED) [Signature] SELLER
- 15. (b) Records and reports available to the seller (check either 1 or 2 below):
 - 16. Seller has provided the buyer with all available records and reports relating to lead-based paint and/or lead-based paint hazards in the residence(s) and building(s) included in the sale. (List documents) _____
 - 17. Seller has no reports or records relating to lead-based paint and/or lead-based paint hazards in the residence(s) and building(s) included in this sale.
- 19. (SELLER'S INITIALS REQUIRED) [Signature] SELLER
- 21. (c) Seller acknowledges Seller's obligation to disclose to any real estate agent(s) to whom the seller directly or indirectly is to pay compensation with regard to the transaction contemplated by this disclosure any known lead-based paint or lead-based paint hazards in the premises to be sold, as well as the existence of any reports or records relating to lead-based paint or lead-based paint hazards in the premises to be sold. Seller further acknowledges that this disclosure accurately reflects the entirety of the information provided by the seller to the agent(s) with regard to lead-based paint, lead-based paint hazards, and lead-based paint risk-assessment or inspection reports and records.
- 25. (SELLER'S INITIALS REQUIRED) [Signature] SELLER

2. BUYER'S ACKNOWLEDGMENT (Buyer must complete and initial sections a, b and c below)

- 27. (a) Buyer has read the information set forth above, and has received copies of the reports, records, or other materials listed above, if any.
- 28. (BUYER'S INITIALS REQUIRED) _____ BUYER
- 29. (b) Buyer has received the pamphlet *Protect Your Family From Lead in Your Home*.
- 30. (BUYER'S INITIALS REQUIRED) _____ BUYER
- 31. (c) Buyer has (check one):
 - 32. Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 - 33. Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.
- 36. (BUYER'S INITIALS REQUIRED) _____ BUYER

3. AGENT'S ACKNOWLEDGMENT (Any real estate agent who is to receive compensation from the seller or the listing agent with regard to the transaction contemplated in this disclosure must initial below.)

- 37. The agent(s) whose initials appear below has (have) ensured the seller's compliance under the Residential Resale Lead-Based Paint Hazard Reduction Act of 1992 by the seller's use and completion of this disclosure form.
- 38. (AGENT'S INITIALS REQUIRED) [Signature]
- 40. Certification of Accuracy: By signing below each signatory acknowledges that he or she has reviewed the above information, and certifies that to the best of his or her knowledge the information provided by the signatory is true and accurate.
- 42. [Signature] 5/14/2010
 - SELLER'S SIGNATURE _____ MO/DAY/YR
 - BUYER'S SIGNATURE _____ MO/DAY/YR
- 43. [Signature]
 - SELLER'S SIGNATURE _____ MO/DAY/YR
 - BUYER'S SIGNATURE _____ MO/DAY/YR
- 44. [Signature] 5-13-10
 - LISTING AGENT'S SIGNATURE _____ MO/DAY/YR
 - COOPERATING AGENT'S SIGNATURE _____ MO/DAY/YR

Realty Executives Mohave

CONSENT TO LIMITED REPRESENTATION ("CONSENT")

BROKER REPRESENTS BOTH SELLER AND BUYER OR BOTH LANDLORD AND TENANT

Document updated:
December 2002



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1. Buyer/Tenant ("Buyer"): Brian Burroughs, Sandy Burroughs

2. Seller/Landlord ("Seller"): LANDMARC CAPITAL & INVESTMENT

3. Subject Property: 2519 Lillie Ave, Kingman, AZ 86401

4. Firm Name ("Broker"): Realty Executives-Mohave

5. Consent: Buyer and Seller consent that Broker, acting through the Licensee(s) named below, will represent both parties in the transaction.

6. One Licensee: _____ (NAME)

7. Two Licensees: Kris Stokes-Eads, who, through the Broker, has been representing the Buyer;

8. and Linda Gineat, who, through the Broker, has been representing the Seller.

9. Duties and Limitations: The Broker now represents both Buyer and Seller and both parties understand that neither Broker nor Broker's Licensee(s) can represent the interests of one party to the exclusion or detriment of the other party. The parties understand and further consent to the following:

10. a) The Licensee or each Licensee represents both the Buyer and the Seller with limitations of the duties owed to the Buyer and the Seller, such as:

- 11. 1) The Licensee(s) will not, without written authorization, disclose to the other party that the Seller will accept a price or terms other than stated in the listing or that the Buyer will accept a price or terms other than offered;
- 12. 2) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential information may be made only with written authorization. This does not relieve each Licensee of any legal obligation to disclose all known facts which materially and adversely affect the consideration to be paid by any party to the transaction.
- 13. 3) Pursuant to A.R.S. §32-2156, Sellers, Lessors and Broker/Licensee(s) are not obligated to disclose that the Subject Property is or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender.

- 14. b) The Licensee(s) shall exercise reasonable skill and care in the performance of their duties.
- 15. c) The Licensee(s) shall be obligated at all times to deal honestly with all parties.
- 16. d) The duties of the Licensee(s) in this transaction do not relieve the Seller or the Buyer from the responsibility to protect their own interests.

17. 26. Compensation: Compensation to the Broker shall be paid pursuant to separate agreement(s).

18. 27. Prior Agreements: Seller and Buyer understand this Consent does not replace prior agreements entered into with Broker and such agreements shall remain in effect. However, to the extent that the terms of this Consent contradict or conflict with the terms of prior agreements, this Consent shall supersede.

19. 30. Termination: If the Seller and Buyer do not enter into a contract relating to the Subject Property or if the transaction between the Seller and the Buyer fails to close, the parties agree that this Consent is terminated, and the parties shall have no further rights or obligations pursuant to this Consent.

20. 33. Indemnification: Seller and Buyer agree to indemnify and hold Broker harmless against any and all claims, damages, losses, expenses or liabilities including attorneys' fees and costs incurred by Broker in any defense thereof arising from Broker's role of limited representation.

21. 36. THE UNDERSIGNED PARTIES ACKNOWLEDGE THAT THEY HAVE THOROUGHLY READ, UNDERSTOOD AND APPROVED THIS CONSENT AND ACKNOWLEDGE RECEIPT OF A COPY.

38. Brian Burroughs 08/31/2010
BUYER'S SIGNATURE MO/DA/YR
Brian Burroughs

Sandy Burroughs 08/31/10
BUYER'S SIGNATURE MO/DA/YR
Sandy Burroughs

39. [Signature] 08/31/2010
SELLER'S SIGNATURE MO/DA/YR
LANDMARC CAPITAL & INVESTMENT

[Signature] MO/DA/YR
SELLER'S SIGNATURE MO/DA/YR

Consent to Limited Representation ("Consent") - Updated: December 2002
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Realty Executives Mohave 2404 Stockton Hill Rd. Suite F Kingman, AZ 86401
Phone: 928.718.7629 236 Fax: 928.753.4590 Kristine Stokes-Eads sandy Burroughs

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Realty Executives Mohave
"AS IS" ADDENDUM

Document updated:
 August 2008



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1. Seller: LANDMARC CAPITAL & INVESTMENT
2. Buyer: Brian Burroughs , Sandy Burroughs
3. Premises Address: 2519 Lillie Ave, Kingman, AZ 86401
4. Date: August 31, 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.

6. **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.
7. **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.
8. **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.
9. **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.
10. **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.
11. **F.** Other Terms and Conditions:

12. **BUYER ACKNOWLEDGES THAT BUYER IS HEREBY ADVISED TO SEEK APPROPRIATE COUNSEL REGARDING THE RISKS OF BUYING A PROPERTY IN "AS IS" CONDITION.**

13. 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.

14. Brian Burroughs 8/31/10
 BUYER'S SIGNATURE MO/DA/YR
 Brian Burroughs

15. Sandy Burroughs 8/31/10
 BUYER'S SIGNATURE MO/DA/YR
 Sandy Burroughs

16. [Signature] 9/1/2010
 SELLER'S SIGNATURE MO/DA/YR
 LANDMARC CAPITAL & INVESTMENT

17. [Signature]
 SELLER'S SIGNATURE MO/DA/YR

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Counter Offer No. 1

This is a Counter Offer by the Seller, Lawrence J. Warfield, Special Deputy Receiver, to the Offer by the Buyer dated August 31, 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 2519 Lillie Ave, Kingman, AZ 86401, ("Property").

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

3. Buyer. The Buyer is Brian and Sandy Burroughs

4. Purchase Price. The Purchase Price, which Buyer agrees to pay for the Property is \$34,500. The Purchase Price shall not be adjusted by any overage or shortage in area of the Property. The Purchase Price shall be paid as follows:

(a) Buyer shall deposit with Escrow Agent within two (2) days of the Buyer's acceptance of this Counter Offer a total of \$2,500 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 monies held in escrow the Purchase Price, less any closing costs that the Seller has expressly agreed to pay, shall be disbursed to Seller and the Buyer shall exercise a Deed of Trust and Note as further described herein, in the amount of \$32,000.

Buyer's Initials

BSB

Seller's Initials

LJW

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

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

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

Buyer's Initials

Seller's Initials

10. Inspection. Buyer shall have ten days (10) 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 ~~ten~~ (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.

AB
BB

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

12. 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.

13. 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.

Buyer's Initials

AB BB

Seller's Initials

AW

14. 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.

15. 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.

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

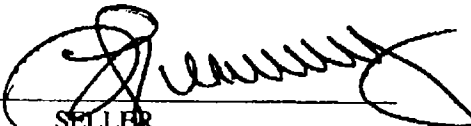
17. Close of Escrow. The sale shall close within 5 days of completion of the last of the requirements set forth in Paragraph 10 above.

18. 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 Deputy Receiver or Special Deputy Receiver, or by September 2, 2010 at 5 PM, Mountain Standard Time, or unless the Counter Offer has been previously withdrawn by the Deputy Receiver or Special Deputy Receiver, this Counter Offer shall be considered withdrawn on the date and time set forth above in this Paragraph. Until this Counter Offer has been accepted as provided above, the Parties understand that the Property can be sold or leased to someone else or either Party may withdraw the offer to buy or sell the Property. The undersigned acknowledge receipt of a copy hereof.

19. 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.

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


Dated: 9/1/10


SELLER
LAWRENCE J. WARFIELD
SPECIAL DEPUTY RECEIVER

Acceptance

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

Dated: BB 9-1-10


BUYER
