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5 Attorneys for the Receiver

6 THE SUPERIOR COURT OF THE STATE OF ARIZONA

7 IN AND FOR THE COUNTY 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. 78
PETITION TO CONFIRM SALE OF
REAL PROPERTY LOCATED AT 24892
N. 107TH WAY, SCOTTSDALE,
ARIZONA 85255

(Assigned to the Honorable Lisa Flores)

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

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

1 10, 2009, this Court entered is *Order Appointing Permanent Receiver and Injunction*. On
2 February 27, 2010, the Court entered its *Order Placing Hayden Investments, LLC, Desert*
3 *Trails Holdings, LLC and Arizona Valuation Company, LLC in Receivership*. On May 12,
4 2010, the Court entered its *Amended Order Appointing Permanent Receiver and Injunction*
5 (collectively "Receivership Order"). The Receivership Order appointed Thomas Giallanza as
6 Deputy Receiver.

7 2. In accordance with the Receivership Order, the Receiver has located and taken
8 possession of a vacant residential lot located at 24892 N. 107th Way, Scottsdale, Arizona
9 85255 ("Property"). This Property is legally described in Exhibit "1" attached hereto and
10 according to the preliminary title report obtained by the Receiver ownership is currently held
11 in the name Landmarc Capital Partners, LLC, an Arizona limited liability company
12 ("Partners") as to 9.09% interest, Desert Trails Holdings, LLC, an Arizona limited liability
13 company as to 17.7055% interest, Hayden Investments, LLC, an Arizona limited liability
14 company as to 10.7553% interest and Landmarc Capital & Investment Company, an Arizona
15 corporation as to 62.4492% interest.

16 3. The Property is vacant land and is not encumbered by any indebtedness, other
17 than obligations for real estate taxes and assessments. The taxes and homeowner's
18 association assessments are estimated to be approximately \$41,114.66. ("Indebtedness").

19 4. The Court has previously determined that the beneficial interest in the Property
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1 is held as follows: The Gubin Family Trust (50.47%) and the Receiver (49.53%).¹

2 Accordingly, since Partners has no interest in the Property it has executed and delivered to the
3 Receiver a Quit Claim Deed dated June 19, 2013.

4 5. The continued holding of the Property is not necessary or appropriate to protect
5 the interests of any persons interested in this receivership. Moreover, since the Receiver
6 holds a substantial beneficial interest in the Property the liquidation of the Property is
7 essential to the prompt resolution of this receivership and to pay for the administrative costs
8 of the receivership. Accordingly, the Receiver commenced efforts to market and sell the
9 Property.

10 6. The Property was appraised by the Plaintiff in March, 2009 for \$500,000. A
11 current appraisal has not been performed but the Receiver has obtained comparable sales data
12 for sales within the same area ranging from \$2.31/sf. to \$6.65/sf. By comparison the sale
13 described below is for \$12.66/sf.

14 7. In addition, the Receiver engaged the services of Mark Petersen and City to
15 City Commercial to market the Property, under which the Receiver agreed to pay a 6% sales
16 commission, subject to the approval of this Court.

17 8. On May 15, 2013, the Receiver received an offer from Kristina Cashman to
18 purchase the Property for \$230,000 under terms that were not acceptable to the Receiver.
19 The Receiver thereafter submitted to Buyer a counter offer which has been accepted. These
20

21 ¹ *Order Deferring Resolution of The Claimed First Out Rights and Claimed Interests in the Presidio
197 Loan and Approving Remaining Recommendations of the Receiver, Re: Petition No. 54 entered
on May 21, 2012.*

1 documents constitute the Purchase Agreement and are attached hereto as Exhibit "2". The
2 Purchase Agreement provides for the sale of the Property for \$230,000 in cash and is
3 conditioned upon approval by this Court.

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

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

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

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

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

15 1. Approving the sale as set forth in the Purchase Agreement attached as Exhibit
16 "2" to this Petition of the Property legally described in Exhibit "1".

17 2. Authorizing the Receiver to satisfy the Indebtedness secured by the Property in
18 an amount deemed by the Receiver to be fair and reasonable.

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LEGAL DESCRIPTION

Lot 45, Artesano at Troon Canyon, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 420, page 14.

Exhibit "1"

PRUDENTIAL ARIZONA PROPERTIES
VACANT LAND/LOT
PURCHASE CONTRACT

Document updated:
February 2013



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.



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

1. PROPERTY

1a. 1. BUYER: Kristina Cashman
BUYER'S NAME(S)

2. SELLER: Owner of Record or as identified in Section 9c.
SELLER'S NAME(S)

3. Buyer agrees to buy and Seller agrees to sell the real property with all improvements, fixtures, and appurtenances thereon
4. or incidental thereto, if any, plus the personal property described herein (collectively the "Property").

1b. 5. Property Address: 24892 N 107th Way Zoning: R-4R

6. Assessor's #(s): 217-55-579

7. City: Scottsdale County: Maricopa AZ, Zip Code: 85255

8. Legal Description: Artesano At Troon Canyon MCR 420-14 or see attached legal description.

1c. 9. \$ 230,000.00 Full Purchase Price, paid as outlined below

10. \$ 4,000.00 Earnest money Deposited upon contract acceptance

11. \$ 53,500.00 Additional cash at close of escrow

12. \$ 172,500.00 5/1 ARM lot loan

13. _____

1d. 14. Incidental Improvements: Buyer is purchasing the Property as vacant land. Any improvements, fixtures and appurtenances
15. thereon or incidental thereto, are being transferred in their existing condition ("AS-IS") and Seller makes no warranty to Buyer,
16. expressed or implied, as to their condition except as provided for in section 5a.

1e. 17. Fixtures and Personal Property: Seller agrees that all existing fixtures on the Property, and any existing personal property
18. specified herein, shall be included in this sale, including the following:

19. _____

20. _____

21. Personal property included herein shall be transferred with no monetary value, and free and clear of all liens
22. or encumbrances.

23. Fixtures and leased items NOT included: _____

1f. 24. Close of Escrow: Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's
25. office. Buyer and Seller shall comply with all terms and conditions of this Contract, execute and deliver to Escrow
26. Company all closing documents, and perform all other acts necessary in sufficient time to allow COE to occur on
27. June 26th, 2013 ("COE Date"). If Escrow Company or recorder's office is closed on
MONTH DAY YEAR

28. COE Date, COE shall occur on the next day that both are open for business.

29. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
30. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available funds
31. to Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on COE Date.

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- 1g. 32. **Possession:** Seller shall deliver access to keys and/or means to operate all locks, mailbox, and all common area facilities, subject to the 33. rights of tenants under existing leases, to Buyer at COE or _____ . Broker(s) recommend that the parties seek appropriate 34. counsel from insurance, legal, tax, and accounting professionals regarding the risks of pre-possession or post-possession of the Property.
- 1h. 35. **Addenda Incorporated:** Additional Clause Assumption/Carryback Buyer Contingency Domestic Water Well 36. H.O.A. Market Conditions Advisory On-site Wastewater Treatment Facility Short Sale Vacant Land/Lot 37. Purchase Contract Addendum Regarding Subdivided or Unsubdivided Land 38. Other: _____
- 1i. 39. **IF THIS IS AN ALL CASH SALE:** Buyer shall provide Seller, within five (5) days or _____ days after Contract acceptance, 40. either a Letter of Credit or a Source of Funds Letter from a financial institution documenting the availability of funds to 41. close escrow as agreed. Section 2 shall not apply, GO TO SECTION 3.

2. FINANCING

- 2a. 42. **Type of Financing:** Conventional FHA VA USDA Assumption Seller Carryback 43. _____ 44. (If financing is to be other than new financing, see attached addendum.)
- 2b. 45. **Financing:** This sale is is not contingent upon Buyer obtaining a satisfactory financing commitment within 46. **Due Diligence Period** pursuant to Section 6a. (If sale is not contingent on a financing commitment, go to Section 2k.)
- 2c. 47. **Financing Commitment Contingency Period:** If the sale is contingent upon Buyer obtaining a satisfactory financing commitment, 48. Buyer shall have the Due Diligence Period to obtain a financing commitment, including appraised value, satisfactory to Buyer in Buyer's 49. sole discretion, for a loan to purchase the Property or Buyer may cancel this Contract and receive a refund of the Earnest Money. 50. **PRIOR TO THE EXPIRATION OF THE DUE DILIGENCE PERIOD, BUYER SHALL DELIVER TO SELLER AND ESCROW COMPANY 51. NOTICE THAT BUYER HAS NOT RECEIVED SUCH SATISFACTORY FINANCING COMMITMENT OR BUYER SHALL BE DEEMED 52. TO HAVE WAIVED THE FINANCING COMMITMENT CONTINGENCY AND ANY RIGHT TO CANCEL DUE TO FINANCING.**
- 2d. 53. **Pre-Qualification:** A completed AAR Pre-Qualification Form is is not attached hereto and incorporated herein 54. by reference.
- 2e. 55. **Loan Status Update:** Buyer shall deliver to Seller the Loan Status Update (LSU) with at a minimum lines 1-40 completed describing 56. the current status of the Buyer's proposed loan within five (5) days after Contract acceptance and instruct lender to provide an 57. updated LSU to Broker(s) and Seller upon request.
- 2f. 58. **Loan Processing During Escrow:** Buyer agrees to diligently work to obtain the loan and will promptly provide the lender with all 59. additional documentation required. **Buyer shall sign all loan documents no later than three (3) days prior to the COE Date.**
- 2g. 60. **Loan Costs:** Buyer shall pay all costs of obtaining the loan, except as provided herein.
- 2h. 61. **VA Loan Costs:** In the event of a VA loan, Seller agrees to pay the escrow fee and up to \$ _____ of loan costs not 62. permitted to be paid by the Buyer, in addition to the other costs Seller has agreed to pay herein, including Seller's Concessions.
- 2i. 63. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the 64. Pre-Qualification Form if attached hereto or LSU provided within five (5) days after Contract acceptance and shall only make any 65. such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan 66. approval without Prior to Document (PTD) conditions, increase Seller's closing costs, or delay COE.
- 2j. 67. **Appraisal Fee(s):** Appraisal Fee(s), when required by Lender, shall be paid by Buyer Seller 68. Other _____ 69. Appraisal Fee(s) are are not included in Seller Concessions, if applicable.
- 2k. 70. **Partial Release, if applicable:** Buyer and Seller agree that any partial releases will be addressed under Additional Terms 71. and Conditions or attached Addendum. Broker(s) recommend the parties seek appropriate counsel regarding the risks of 72. partial release.

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- 2l. 73. **Subordination:** If applicable, Seller carryback financing is is not to be subordinated to a construction loan. If Seller 74. agrees to subordination, such subordination shall only be allowed if the Seller Carryback financing is not in default and if the 75. Seller approves the terms and conditions of the construction loan to be recorded as a senior loan. Approval will not be 76. unreasonably withheld. **IF SELLER SUBORDINATES THE SELLER CARRYBACK FINANCING TO A SENIOR LOAN, THE 77. SELLER ACKNOWLEDGES THAT IN ORDER TO PROTECT THE SELLER CARRYBACK FINANCING, THE SELLER MAY 78. HAVE TO MAKE PAYMENTS ON THE SENIOR LOAN IF THE SENIOR LOAN IS IN DEFAULT.** Broker(s) recommend the 79. parties seek appropriate counsel regarding the risks of subordination.

3. TITLE AND ESCROW

- 3a. 80. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the 81. terms of this Contract shall be:

82. North American Title Insurance Comp (602) 294-2200
"ESCROW/TITLE COMPANY" PHONE

83. FAX _____ EMAIL _____

84. ADDRESS _____

- 3b. 85. **Title and Vesting:** Buyer will take title as determined before COE. Taking title may have significant legal, estate planning and tax 86. consequences. Buyer is advised to obtain legal and tax advice.

- 3c. 87. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller directly, 88. addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete and legible 89. copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not 90. limited to Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements within fifteen (15) days after 91. Contract acceptance. Buyer shall have prior to the expiration of the Due Diligence Period to provide written notice of any items 92. disapproved. Buyer shall be provided, at Seller's expense, a Standard Owner's Title Insurance Policy showing the title vested in 93. Buyer. Buyer may acquire extended coverage(s) at Buyer's own additional expense.

94. Seller shall convey title by warranty deed, subject to existing taxes, assessments, covenants, restrictions, rights of way, easements 95. and all other matters of record or _____ deed.

- 3d. 96. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and address 97. of the Buyer to any homeowner's association in which the Property is located. (ii) If the Escrow Company is also acting as the 98. title agency but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver to the Buyer and Seller, 99. upon deposit of funds, a closing protection letter from the title insurer indemnifying the Buyer and Seller for any losses due to 100. fraudulent acts or breach of escrow instructions by the Escrow Company. (iii) All documents necessary to close this transaction 101. shall be executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow Company shall modify 102. such documents to the extent necessary to be consistent with this Contract. (iv) Escrow Company fees, unless otherwise stated 103. herein, shall be allocated equally between Seller and Buyer. (v) Escrow Company shall send to all parties and Broker(s) copies 104. of all notices and communications directed to Seller, Buyer and Broker(s). (vi) Escrow Company shall provide Broker(s) access 105. to escrowed materials and information regarding the escrow. (vii) If an Affidavit of Disclosure is provided, Escrow Company shall 106. record the Affidavit at COE.

- 3e. 107. **Prorations, Expenses and Adjustments:**

108. **Taxes:** Real property taxes payable by the Seller shall be prorated through COE, based upon the latest tax bill available. The 109. parties agree that any discrepancy between the latest tax bill available and the actual tax bill when received shall be handled 110. as a Post Closing Matter and Buyer or Seller may be responsible for additional tax payments to each other.

111. **Rents, Interest and Expenses:** Rents; interest on existing notes, if transferred; utilities; and operating expenses shall be prorated 112. through COE. The Parties agree to adjust any rents received after COE as a Post Closing Matter.

113. **Deposits:** All deposits held by Seller pursuant to rent/lease agreement(s) shall be credited against the cash required of Buyer 114. at COE or paid to Buyer by Seller at COE.

- 3f. 115. **Post Closing Matters:** The parties shall promptly adjust any item to be prorated that is not determined or determinable at COE 116. as a Post Closing Matter by appropriate cash payment to the other party outside of the escrow when the amount due is 117. determined. Seller and Buyer agree that Escrow Company and Broker(s) are relieved of any responsibility for said adjustments.


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- 3g. 118. **Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with
119. Escrow Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions of
120. this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company against
121. any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees, arising from or
122. relating in any way to the release of Earnest Money.
- 3h. 123. **Assessment Liens:** The amount of any assessment, other than homeowner's association assessments, that is a lien as of the
124. COE shall be: paid in full by Seller prorated and assumed by Buyer paid in full by Buyer. Any assessment that becomes
125. a lien after COE is the Buyer's responsibility.
- 3i. 126. **IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, sign,
127. and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to the
128. Foreign Investment in Real Property Tax Act (FIRPTA). Buyer and Seller acknowledge that if the Seller is a foreign person, the Buyer
129. (or Escrow Company, as directed by Buyer) must withhold a tax equal to 10% of the purchase price, unless an exemption applies.
- 3j. 130. **Agricultural Foreign Investment Disclosure Act:** If applicable, Buyer and Seller shall comply with the Agricultural Foreign
131. Investment Disclosure Act and make the required disclosures to the U.S. Department of Agriculture.
- 3k. 132. **TAX DEFERRED EXCHANGE:** If Seller or Buyer intends to enter into a tax-deferred exchange pursuant to I.R.C. §1031 or
133. otherwise, all additional costs in connection with any such tax-deferred exchange shall be borne by the party requesting the
134. exchange. The non-requesting party agrees to cooperate in the tax-deferred exchange provided that the non-requesting party
135. incurs no additional costs and COE is not delayed. The parties are advised to consult a professional tax advisor regarding the
136. advisability of any such exchange. The non-requesting party and Broker(s) shall be indemnified and held harmless from any
137. liability that may arise from participation in the tax deferred exchange.

4. DISCLOSURES

- 4a. 138. **Vacant Land/Lot Seller Property Disclosure Statement ("VLSPDS"):** Seller shall deliver a completed AAR VLSPDS form to
139. the Buyer within five (5) days after Contract acceptance.
- 4b. 140. **Additional Seller Disclosures and Information:** Seller shall provide to Buyer the following disclosures and information pertinent
141. to the Property within five (5) days after the Contract acceptance: (i) any information known to Seller that may adversely affect
142. the Buyer's use of the Property, (ii) any known pending special assessments, association fees, claims, or litigation, (iii) articles of
143. incorporation; by-laws; other governing documents; and any other documents required by law, (iv) financial statements, current
144. rent rolls, lists of current deposits, personal property lists, leases, rental agreements, service contracts, (v) soils, Phase I, or other
145. environmental reports in Seller's possession, (vi) the most recent survey, if available, and (vii) any and all other agreements,
146. documents, studies, or reports relating to the Property in Seller's possession or control provided, however, that Seller shall not
147. be required to deliver any report or study if the written contract that Seller entered into with the consultant who prepared such
148. report or study specifically forbids the dissemination of the report to others.
- 4c. 149. **Road Maintenance Agreement:** Seller shall provide to Buyer, within five (5) days after the Contract acceptance, a copy
150. of any known road maintenance agreement affecting the Property.
- 4d. 151. **Seller's Obligations Regarding Wells:** If a well is located on the Property, or if the Property is to be served by a shared
152. well, the AAR Domestic Water Well Addendum is attached hereto and incorporated by reference. At COE, if applicable, Seller
153. shall assign, transfer and convey to the Buyer all of the water rights, or claims to water rights, if any, held by Seller that are
154. associated with the Property.
- 4e. 155. **No Seller or Tenant Bankruptcy, Probate or Insolvency Proceedings:** Seller represents that Seller has no notice or knowledge
156. that any tenant on the Property is the subject of a bankruptcy, probate or insolvency proceeding. Further, Seller is not the
157. subject of a bankruptcy, insolvency or probate proceeding.
- 4f. 158. **Seller's Notice of Violations:** Seller represents that Seller has no knowledge of any notice of violations of City, County, State, or
159. Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the Property.
- 4g. 160. **Environmental Disclosure:** Seller has not knowingly caused or permitted the generation, storage, treatment, release or disposal
161. of any hazardous waste or regulated substances at the Property except as otherwise disclosed.
- 4h. 162. **Affidavit of Disclosure:** If the Property is located in an unincorporated area of the county, and five or fewer parcels of property other
163. than subdivided land are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in the form required by law to the
164. Buyer within five (5) days after Contract Acceptance. Buyer shall provide notice of any Affidavit of Disclosure items disapproved within
165. five (5) days after receipt of the Affidavit of Disclosure.

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- 4i. 166. **H.O.A. / Condominium / Planned Community:** The Property is is not located within a homeowners' association/
- 167. condominium/planned community. If yes, the HOA addendum is attached hereto and incorporated by reference.
- 4j. 168. **Changes During Escrow:** Seller shall immediately notify Buyer of any changes in the Property or disclosures made herein, in the SPDS,
- 169. or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by Section 5a, or otherwise by
- 170. this Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be allowed prior to the expiration of
- 171. the Due Diligence Period or five (5) days after delivery of such notice, whichever is later, to provide notice of disapproval to Seller.

5. WARRANTIES


- 5a. 172. **Seller Warranties:** Seller warrants and shall maintain and repair the Property so that at the earlier of possession or COE the
- 173. Property and any personal property included in the sale, will be in substantially the same condition as on the date of Contract
- 174. acceptance; and all personal property not included in the sale and all debris will be removed from the Property.
- 5b. 175. **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and
- 176. any information concerning the Property known to Seller, excluding opinions of value, which materially and adversely affect the
- 177. consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for all labor,
- 178. professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the COE in
- 179. connection with the construction, alteration, or repair of any structure on or improvement to the Property. Seller warrants that
- 180. the information regarding connection to a sewer system or on-site wastewater treatment facility (conventional septic tank or
- 181. alternative system) is correct to the best of Seller's knowledge.
- 5c. 182. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect
- 183. the Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Property or
- 184. COE, Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts the
- 185. Property. **Buyer warrants that Buyer is not relying on any verbal representations concerning the Property**
- 186. **except disclosed as follows: none**
- 187.

6. DUE DILIGENCE

- 6a. 188. **Due Diligence Period:** Buyer's due diligence and inspection period shall be thirty (30) days or _____ days after the Contract acceptance
- 189. ("Due Diligence Period"). During Due Diligence Period Buyer shall perform all inspections and investigations to satisfy Buyer with respect to
- 190. the physical condition of the Property, financing, appraised value, the condition of title to the Property and as to the feasibility and suitability
- 191. of the Property for Buyer's intended purpose. During the Due Diligence Period, Buyer, at Buyer's expense, shall: (i) conduct all desired physical,
- 192. environmental, and other types of inspections and investigations to determine the value and condition of the Property; (ii) make inquiries and
- 193. consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities concerning the feasibility and
- 194. suitability of the Property and the surrounding area for the Buyer's intended purpose; (iii) investigate applicable building, zoning, fire, health,
- 195. and safety codes including applicable swimming pool barrier regulations to determine any potential hazards, violations or defects in the
- 196. Property; and (iv) verify any material multiple listing service ("MLS") information. If the presence of sex offenders in the vicinity or the occurrence
- 197. of a disease, natural death, suicide, homicide or other crime on or in the vicinity is a material matter to the Buyer, it must be investigated by the
- 198. Buyer during the Due Diligence Period. Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from all
- 199. liability, claims, demands, damages, and costs, and shall repair all damages arising from the inspections. Buyer shall provide Seller and
- 200. Broker(s) upon receipt, at no cost, copies of all inspection reports concerning the Property obtained by Buyer. If Buyer cancels this Contract,
- 201. Buyer shall return all documents provided by the Seller and provide Seller with copies of all reports or studies generated by Buyer, provided,
- 202. however, that Buyer shall not be required to deliver any such report or study if the written contract that Buyer entered into with the consultant
- 203. who prepared such report or study specifically forbids the dissemination of the report or study to others. Buyer is advised to consult the Arizona
- 204. Department of Real Estate *Buyer Advisory* provided by AAR to assist in Buyer's due diligence inspections and investigations.
- 6b. 205. **Square Footage/Acreage:** BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE/ACREAGE OF
- 206. THE PROPERTY, BOTH THE REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON IS APPROXIMATE. IF
- 207. SQUARE FOOTAGE/ACREAGE IS A MATERIAL MATTER TO THE BUYER; IT MUST BE INVESTIGATED DURING THE
- 208. DUE DILIGENCE PERIOD.
- 6c. 209. **Flood Hazard:** Flood hazard designations or the cost of flood hazard insurance shall be determined by Buyer during the Due Diligence
- 210. Period. If the Property is situated in an area identified as having any special flood hazards by any governmental entity, the lender may
- 211. require the purchase of flood hazard insurance. Special flood hazards may also affect the ability to encumber or improve the Property.


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SELLER	SELLER

<Initials

Initials>

	
BUYER	BUYER



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6d. 212. Insurance: IF INSURANCE IS A MATERIAL MATTER TO THE BUYER, BUYER SHALL APPLY FOR AND OBTAIN WRITTEN
213. CONFIRMATION OF THE AVAILABILITY AND COST OF INSURANCE FOR THE PROPERTY FROM BUYER'S INSURANCE
214. COMPANY DURING THE DUE DILIGENCE PERIOD. Buyer understands that any fire, casualty, or other insurance desired by
215. Buyer or required by Lender should be in place at COE.

6e. 216. Sewer or On-site Wastewater Treatment System: The Property does does not contain an on-site wastewater treatment
217. system. If the Property is served by a conventional septic tank or alternative system, the AAR On-site Wastewater Treatment
218. Facility Addendum is incorporated herein by reference.

219. IF A SEWER CONNECTION, OR THE AVAILABILITY OF A SEWER CONNECTION, IS A MATERIAL MATTER TO THE
220. BUYER, IT MUST BE INVESTIGATED DURING THE DUE DILIGENCE PERIOD.

221. (BUYER'S INITIALS REQUIRED)

DS KC
BUYER BUYER

6f. 222. Site/Soil Evaluation For Installation of On-site Wastewater Treatment Facility: If the suitability of the Property for installation
223. of an on-site wastewater treatment facility (conventional septic tank or alternative system) and associated costs are material to
224. the Buyer, Buyer shall complete a site/soil evaluation and investigate all on-site wastewater treatment facility installation costs
225. within the Due Diligence Period. NOTE: Buyer is advised that the site/soil evaluation is not binding on the State-delegated
226. County agency in any future permitting decision as to the suitability of the design or type of facility for the Property.

6g. 227. LAND DIVISIONS: LAND PROPOSED TO BE DIVIDED FOR PURPOSES OF SALE OR LEASE IS SUBJECT TO STATE,
228. COUNTY AND MUNICIPAL LAWS, ORDINANCES AND REGULATIONS. IF STATE, COUNTY AND MUNICIPAL
229. REQUIREMENTS RELATING TO THE DIVISION OR SPLITTING OF THE PROPERTY ARE A MATERIAL MATTER TO THE
230. BUYER, THEY MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD. BROKER(S) HAVE MADE NO
231. REPRESENTATIONS, EXPRESS OR IMPLIED, REGARDING THE ABILITY TO DIVIDE OR SPLIT THE PROPERTY.

232. (BUYER'S INITIALS REQUIRED)

DS KC
BUYER BUYER

6h. 233. ROADS: IF ROADWAYS, COST AND RESPONSIBILITY FOR ROAD MAINTENANCE, IMPROVEMENTS OR ACCESS IS
234. A MATERIAL MATTER TO BUYER, IT MUST BE INVESTIGATED BY BUYER DURING DUE DILIGENCE PERIOD.

6i. 235. Survey: A survey shall shall not be performed. If to be performed, the survey shall be performed by a licensed surveyor
236. within the Due Diligence Period or _____ days after Contract acceptance.

237. Cost of the survey shall be paid by Seller Buyer Other: _____

238. The survey shall be performed in accordance with the Arizona State Board of Technical Registration's "Arizona Land Boundary
239. Survey Minimum Standards".

- 6j. 240. Survey instructions are:
- 241. A boundary survey and survey plat showing the corners either verified or monumentation.
 - 242. A survey certified by a licensed surveyor, acceptable to Buyer and the Title Company, in sufficient detail for an American Land Title Association ("ALTA") Owner's Policy of Title Insurance with boundary, encroachment or survey exceptions and showing all improvements, utility lines and easements on the Property or within five (5) feet thereof.
 - 243. Other survey terms: _____

244. _____

245. _____

246. (BUYER'S INITIALS REQUIRED)


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6k. 252. WELL WATER/WATER RIGHTS: IF WELL WATER/WATER RIGHTS IS/ARE A MATERIAL MATTER TO THE BUYER, IT MUST
253. BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD.

6l. 254. BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES AND AGREES THAT BROKER(S) ARE NOT
255. QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PROPERTY OR THE SURROUNDING
256. AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO ASSIST IN BUYER'S
257. DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE PROPERTY AND
258. SURROUNDING AREA IS BEYOND THE SCOPE OF THE BROKERS EXPERTISE AND LICENSING, BUYER EXPRESSLY
259. RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR CONDITIONS THAT COULD
260. HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.

261. (BUYER'S INITIALS REQUIRED)

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SELLER SELLER

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- 6m. 262. **Due Diligence Period Notice:** Prior to expiration of the Due Diligence Period, Buyer shall deliver to Seller a signed notice of any
- 263. items disapproved. AAR's Vacant Land/Lot Buyer's Due Diligence Notice and Seller's Response form is available for this purpose.
- 264. Buyer shall conduct all desired inspections and investigations prior to delivering such notice to Seller and all Due Diligence Period
- 265. items disapproved shall be provided in a single notice.
- 6n. 266. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of any aspect of the Property, financing, title, or other matter,
- 267. Buyer shall deliver to Seller notice of the items disapproved and state in the notice that Buyer elects to either:
 - 268. (1) Immediately cancel this Contract and all Earnest Money shall be released to Buyer, or
 - 269. (2) provide the Seller an opportunity to correct the items disapproved, in which case:
 - 270. (a) Seller shall respond in writing within five (5) days or _____ days after delivery to Seller of Buyer's notice of
 - 271. items disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall
 - 272. conclusively be deemed Seller's refusal to correct any of the items disapproved.
 - 273. (b) If Seller agrees in writing to correct item(s) disapproved, Seller shall correct the items, complete any
 - 274. repairs in a workmanlike manner and deliver any paid receipts evidencing the corrections and repairs
 - 275. to Buyer three (3) days or _____ days prior to COE Date.
 - 276. (c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this Contract within five
 - 277. (5) days after delivery of Seller's response or after expiration of the time for Seller's response, whichever occurs first,
 - 278. and all Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as
 - 279. provided, Buyer shall close escrow without correction of those items that Seller has not agreed in writing to correct.
- 280. VERBAL DISCUSSIONS WILL NOT EXTEND THESE TIME PERIODS. Only a written agreement signed by both parties will
- 281. extend response times or cancellation rights.
- 282. BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN THE
- 283. SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE
- 284. TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.
- 6o. 285. **Inspection(s):** Seller grants Buyer and Buyer's Inspector(s) reasonable access to conduct inspection(s) of the Property for
- 286. the purpose of satisfying Buyer that any corrections agreed to by the Seller have been completed and that the Property is in
- 287. substantially the same condition as on the date of Contract acceptance. If Buyer does not conduct such inspection(s), Buyer
- 288. releases Seller and Broker(s) from liability for any defects that could have been discovered.

7. REMEDIES

- 7a. 289. **Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any
- 290. provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the
- 291. non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall
- 292. become a breach of Contract.
- 7b. 293. **Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the
- 294. breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative Dispute
- 295. Resolution obligations set forth herein. In the case of the Seller, because it would be difficult to fix actual damages in the event
- 296. of Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's option,
- 297. accept the Earnest Money as Seller's sole right to damages. An unfulfilled contingency is not a breach of Contract. The parties
- 298. expressly agree that the failure of any party to comply with the terms and conditions of Section 1f to allow COE to occur on the
- 299. COE Date, if not cured after a cure notice is delivered pursuant to Section 7a, will constitute a material breach of this Contract,
- 300. rendering the Contract subject to cancellation.
- 7c. 301. **Alternative Dispute Resolution ("ADR"):** Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this
- 302. Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs shall be paid
- 303. equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or claims shall
- 304. be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the scheduling of an
- 305. arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the American Arbitration
- 306. Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The decision of the arbitrator shall
- 307. be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction.
- 308. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30) days after the conclusion of the mediation
- 309. conference by notice to the other and in such event either party shall have the right to resort to court action.
- 7d. 310. **Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in the Small
- 311. Claims Division of an Arizona Justice Court (up to \$2,500) so long as the matter is not thereafter transferred or removed from the small
- 312. claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or agreement
- 313. for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's lien; or (v) any matter that is within the
- 314. jurisdiction of a probate court. Further, the filing of a judicial action to enable the recording of a notice of pending action ("lis pendens"),

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 SELLER SELLER

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315. or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the
316. obligation to submit the claim to ADR, nor shall such action constitute a breach of the duty to mediate or arbitrate.

7e. 317. **Attorneys Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to
318. this Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees,
319. expert witness fees, fees paid to investigators, and arbitration costs.

8. ADDITIONAL TERMS AND CONDITIONS

- 8a. 320. **A Vacant Land Seller's Property Disclosure will NOT be provided by seller in this**
- 321. **transaction.**
- 322. _____
- 323. _____
- 324. _____
- 325. _____
- 326. _____
- 327. _____
- 328. _____
- 329. _____
- 330. _____
- 331. _____
- 332. _____
- 333. _____
- 334. _____
- 335. _____
- 336. _____
- 337. _____
- 338. _____
- 339. _____
- 340. _____
- 341. _____
- 342. _____
- 343. _____
- 344. _____
- 345. _____
- 346. _____
- 347. _____
- 348. _____
- 349. _____

8b. 350. **Risk of Loss:** If there is any loss or damage to the Property between the date of Contract acceptance and COE or possession,
351. whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the Seller, provided,
352. however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price, either Seller or
353. Buyer may elect to cancel the Contract.

8c. 354. **Permission:** Buyer and Seller grant Broker(s) permission to advise the public of this Contract.

8d. 355. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

8e. 356. **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations
357. described herein.


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- 8f. 358. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by 359. separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment at COE, if not previously paid. 360. If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE. If Buyer 361. is obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE FOR THE 362. SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®, OR 363. MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT.
- 8g. 364. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original Contract. 365. This Contract and any other documents required by this Contract may be executed by facsimile or other 366. electronic means and in any number of counterparts, which shall become effective upon delivery as provided for herein. 367. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original.
- 8h. 368. **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 369. end at 11:59 p.m.
- 8i. 370. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event from 371. which the time period begins to run is not included and the last day of the time period is included. Contract acceptance occurs 372. on the date that the signed Contract (and any incorporated counter offer) is delivered to and received by the appropriate Broker. 373. Acts that must be performed three days prior to the COE Date must be performed three full days prior (i.e., if COE Date is Friday 374. the act must be performed by 11:59 p.m. on Monday).
- 8j. 375. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and 376. Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a writing 377. signed by Seller and Buyer. The failure to initial any page of this Contract shall not affect the validity or terms of this Contract.
- 8k. 378. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands 379. that any subsequent offer accepted by the Seller must be a backup offer contingent on the cancellation of this Contract.
- 8l. 380. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by 381. delivering notice stating the reason for cancellation to the other party or to the Escrow Company. Cancellation shall become 382. effective immediately upon delivery of the cancellation notice.
- 8m. 383. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in writing 384. and deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic mail, if 385. email addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as indicated 386. in Section 8q, to Seller as indicated in Section 9a and to the Escrow Company indicated in Section 3a.
- 8n. 387. **Earnest Money:** Earnest Money is in the form of: Personal Check Other Wire Transfer 388. If applicable, Earnest Money has been received by Broker named in Section 8q and upon acceptance of this offer will be deposit- 389. ed with: Escrow Company Broker's Trust Account. Buyer acknowledges that failure to pay the required closing funds 390. by the scheduled Close of Escrow, if not cured after a cure notice is delivered pursuant to Section 7a, shall be construed as a 391. material breach of this contract and all earnest money shall be subject to forfeiture.
- 8o. 392. **RELEASE OF BROKER(S): SELLER AND BUYER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY 393. BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING FINANCING, THE 394. CONDITION, SQUARE FOOTAGE/ACREAGE, LOT LINES, BOUNDARIES, VALUE, RENT ROLLS, ENVIRONMENTAL 395. PROBLEMS, SANITATION SYSTEMS, ABILITY TO DIVIDE OR SPLIT THE PROPERTY, BUILDING CODES, GOVERNMENTAL 396. REGULATIONS, INSURANCE, PRICE AND TERMS OF SALE, RETURN ON INVESTMENT, OR ANY OTHER MATTER RELATING 397. TO THE VALUE OR CONDITION OF THE PROPERTY.** 398. (BUYER'S AND SELLER'S INITIALS REQUIRED)

 SELLER SELLER BUYER BUYER
- 8p. 399. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and 400. a signed copy delivered in person, by mail, facsimile or electronically, and received by Broker named in Section 8q 401. by May 17, 2013 at 5:00 a.m. / p.m., Mountain Standard Time. Buyer 402. may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by this date 403. and time, this offer shall be deemed withdrawn and the Buyer's Earnest Money shall be returned. 404. THIS CONTRACT CONTAINS TEN PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. ENSURE THAT YOU HAVE 405. RECEIVED AND READ ALL TEN PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.

 SELLER SELLER

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8q. 406. Broker on behalf of Buyer:

407. Dan Ward DW404 Prudential Arizona Properties PRAZ06
 PRINT SALESPERSON'S NAME AGENT CODE PRINT FIRM NAME FIRM CODE

408. 28190 N Alma School RD Suite 111 Scottsdale AZ 85262
 FIRM ADDRESS STATE ZIP CODE

409. (602) 391-3661 (480) 718-7772 dan.ward@pruaz.com
 PREFERRED TELEPHONE FAX EMAIL

8r. 410. Agency Confirmation: The Broker named in Section 8q above is the agent of (check one):

411. the Buyer; the Seller; or both the Buyer and Seller

8s. 412. The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt of a copy hereof including the Buyer Attachment.

DocuSigned by:
 414. Kristina Cashman 05/15/2013 Kristina Cashman
 BUYER'S SIGNATURE MO/DAYR BUYER'S SIGNATURE MO/DAYR

415. _____ ADDRESS ADDRESS

416. _____ CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

9. SELLER ACCEPTANCE

9a. 417. Broker on behalf of Seller:

418. Mark Peterson mp288 City to City Commercial benj01
 PRINT SALESPERSON'S NAME AGENT CODE PRINT FIRM NAME FIRM CODE

419. 7201 E. Camelback Rd., Ste 210 Scottsdale AZ 85251
 FIRM ADDRESS STATE ZIP CODE

420. (480) 355-2222 mark.peterson@inbox.com
 PREFERRED TELEPHONE FAX EMAIL

9b. 421. Agency Confirmation: The Broker named in Section 9a above is the agent of (check one):

422. the Seller; or both the Buyer and Seller

9c. 423. The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a copy hereof and grant permission to Broker named in Section 9a to deliver a copy to Buyer.

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

427. Thomas J. Gallone 5/20/13 Deny Receiver
 SELLER'S SIGNATURE MO/DAYR SELLER'S SIGNATURE MO/DAYR

428. Owner of Record - LANDMARC CAPITAL & INVESTMENT COMPANY
 SELLER'S NAME PRINTED SELLER'S NAME PRINTED

429. _____ ADDRESS ADDRESS

430. _____ CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

431. 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



PRUDENTIAL ARIZONA PROPERTIES
H.O.A. CONDOMINIUM /
PLANNED COMMUNITY ADDENDUM

Document updated:
February 2007



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- 1. Seller: Owner of Record
- 2. Buyer: Kristina Cashman
- 3. Premises Address: 24892 N 107th Way, Scottsdale, AZ 85255
- 4. Date: May 15, 2013

- 5. The following additional terms and conditions are hereby included as a part of the Contract between Seller and Buyer for the above
- 6. referenced Premises.
- 7. If the Premises are located within a homeowner's association or a condominium/planned community:
- 8. Dues and Fees: The current regular association dues are: \$ _____ monthly, or \$ 3,100.00 / Annually ;
- 9. Additional homeowner's association fees are: \$ _____ monthly, or \$ 70.00 / Annually ;
- 10. Any current homeowner's association assessment which is a lien as of Close of Escrow to be:
- 11. paid in full by Seller prorated and assumed by Buyer.
- 12. Any assessment that becomes a lien after the Close of Escrow is the Buyer's responsibility.
- 13. Any transfer fees charged by a homeowner's association(s) shall be paid by Seller Buyer Other _____
- 14. Any inspection, certification or resale disclosure statement fee charged by the HOA for the cost of providing the resale
- 15. information required by law shall be paid by Seller.
- 16. Other Fees: A homeowner's association may require fees, deposits or other payment at COE. These charges vary and may be
- 17. labeled as community reserve, asset preservation, capital reserve, working capital, community enhancement or future improvement
- 18. fees, payments, deposits or otherwise. Any of these fees or deposits or similar payment required by a homeowner's
- 19. association upon the conveyance of the Premises shall be paid by Seller Buyer Other _____
- 20. If the homeowner's association has less than 50 units, no later than ten (10) days after Contract acceptance, the Seller shall
- 21. provide in writing to Buyer the information described below as required by Arizona law.
- 22. If the homeowner's association has 50 or more units, Seller shall furnish notice of pending sale that contains the name and
- 23. address of the Buyer to the homeowners' association within five (5) days after Contract acceptance and pursuant to Section 3d of
- 24. the Contract has instructed Escrow Company to provide such notice on Sellers behalf. The association is obligated by Arizona law
- 25. to provide the information described below to Buyer within ten (10) days after receipt of Seller's notice.
- 26. Buyer is allowed five (5) days after receipt of the information from the Seller or homeowner's association to provide written notice
- 27. to Seller of any items disapproved.

28. Kristina Cashman 05/15/2013
 BUYER'S SIGNATURE MO/DA/YR BUYER'S SIGNATURE MO/DA/YR

29. Honda J. Chellappa 5/20/13
 SELLER'S SIGNATURE MO/DA/YR SELLER'S SIGNATURE MO/DA/YR

Owner of Record DEPUTY RECEIVER

30. Information required by law to be provided:
- 31. 1. A copy of the bylaws and the rules of the association.
 - 32. 2. A copy of the declaration of Covenants, Conditions and Restrictions ("CC&Rs").
 - 33. 3. A dated statement containing:
 - 34. (a) The telephone number and address of a principal contact for the association, which may be an association manager, an association management
 - 35. company, an officer of the association or any other person designated by the board of directors.
 - 36. (b) The amount of the common regular assessment and the unpaid common regular assessment, special assessment or other assessment, fee or charge
 - 37. currently due and payable from the Seller.
 - 38. (c) A statement as to whether a portion of the unit is covered by insurance maintained by the association.
 - 39. (d) The total amount of money held by the association as reserves.
 - 40. (e) If the statement is being furnished by the association, a statement as to whether the records of the association reflect any alterations or improvements to
 - 41. the unit that violate the declaration. The association is not obligated to provide information regarding alterations or improvements that occurred more than
 - 42. six years before the proposed sale. Seller remains obligated to disclose alterations or improvements to the Premises that violate the declaration. The
 - 43. association may take action against the Buyer for violations apparent at the time of purchase that are not reflected in the association's records.
 - 44. (f) If the statement is being furnished by the Seller, a statement as to whether the Seller has any knowledge of any alterations or improvements to the unit that
 - 45. violate the declaration.
 - 46. (g) A statement of case names and case numbers for pending litigation with respect to the Premises or the association.
 - 47. 4. A copy of the current operating budget of the association.
 - 48. 5. A copy of the most recent annual financial report of the association. If the report is more than ten pages, the association may provide a summary of the report in
 - 49. lieu of the entire report.
 - 50. 6. A copy of the most recent reserve study of the association, if any.
 - 51. 7. Any other information required by law.
 - 52. 8. A statement for Buyer acknowledgment and signature as required by Arizona Law.

For Broker Use Only:

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

(Added February 2012)



PRUDENTIAL ARIZONA PROPERTIES

MARKET CONDITIONS ADVISORY

Document updated:
August 2009



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The real estate market is cyclical and real estate values go up and down.

The financial market also changes, affecting the terms on which a lender will agree to loan money on real property. It is impossible to accurately predict what the real estate or financial market conditions will be at any given time.

The ultimate decision on the price a Buyer is willing to pay and the price a Seller is willing to accept for a specific property rests solely with the individual Buyer and Seller. The parties to a real estate transaction must decide on what price and terms they are willing to buy or sell in light of market conditions, their own financial resources and their own unique circumstances.

The parties must, upon careful deliberation, decide how much risk they are willing to assume in a transaction. Any waiver of contingencies, rights or warranties in the Contract may have adverse consequences. Buyer and Seller acknowledge that they understand these risks.

Buyer and Seller assume all responsibility should the return on investment, tax consequences, credit effects, or financing terms not meet their expectations. The parties understand and agree that the Broker(s) do not provide advice on property as an investment. Broker(s) are not qualified to provide financial, legal, or tax advice regarding a real estate transaction. Therefore, Broker(s) make no representation regarding the above items. Buyer and Seller are advised to obtain professional tax and legal advice regarding the advisability of entering into this transaction.

THE UNDERSIGNED ACCEPT AND UNDERSTAND THE FOREGOING AND ACKNOWLEDGE RECEIPT OF A COPY OF THIS ADVISORY.

DocuSigned by:

Kristina Cashman
BUYER'S SIGNATURE
832379C8B59B42F
Kristina Cashman
05/15/2013
MO/DAYR

^ BUYER'S SIGNATURE MO/DAYR

Wm J. Sullivan
SELLER'S SIGNATURE
5/20/13
MO/DAYR
Owner of Record, *Security RECEIVER*

^ SELLER'S SIGNATURE MO/DAYR

Market Conditions Advisory • Updated: August 2009
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PRUDENTIAL ARIZONA PROPERTIES 28190 North Alma School Road Scottsdale, AZ 85262
Phone: (602)391-3661 Fax: Daniel Ward

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Counter Offer No. 1

This is a Counter Offer by the Seller, Thomas J. Giallanza, Deputy Receiver, to the Offer by the Buyer dated May 15, 2013 ("Buyer's Offer"). In consideration of the mutual promises and covenants set forth in this Counter Offer No.1 ("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 24892 N. 107th Way, Scottsdale, AZ 85255 ("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 and Investment Company, et al, in Cause No. CV2009-020595 ("Receivership Court"). The Taxpayer Identification Number for the Seller is 86-0959744. The Seller was appointed as the Deputy Receiver of the Property.

3. Buyer. The Buyer is Kristina Cashman.

4. Purchase Price. The Purchase Price, which Buyer agrees to pay for the Property is \$ 230,000. The Purchase Price shall not be adjusted by any overage or shortage in area of the Property. The Purchase Price shall be paid as follows:

(a) Buyer shall initially deposit with Escrow Agent within two (2) days of the Buyer's acceptance of this Counter Offer a total of \$ 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.

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 conditions that might affect the Buyer's 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, AS IS, with all

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defects, latent or apparent. Buyer further acknowledges that any information of any type which Buyer has received or may receive from Seller or Seller's agents is furnished on the express condition that Buyer shall make an independent verification of the accuracy (including without limitation calculations) of such information, all such information being furnished without any warranty or liability whatsoever. The Seller has acquired possession of the Property pursuant to Court order and has not occupied the Property and therefore Seller cannot and will not provide any Seller Disclosure Statements. Buyer waives receipt of the Seller Property Disclosure Statement, Clue report, loss claim history report, VLS/PDS, and public report.

8. Additional Terms.

- (a) Buyer agrees to pay the cost of all inspections to be performed.
- (b) Buyer agrees that during the first three (3) days of the inspection period, Buyer will provide Seller with either a Letter of Credit or a source of funds. Letter from a financial institution documenting the availability of funds sufficient to provide \$55,500.00 at COE to close escrow as agreed.
- (c) The parties agree that the following lines appearing on the Vacant Land/Lot Purchase Contract are deleted:
 - (i) Lines 14 through 23,
 - (ii) Line 37,
 - (iii) Lines 43 through 44,
 - (iv) Lines 61 through 62,
 - (v) Lines 83 through 84,
 - (vi) Lines 130 through 165,
 - (vii) Lines 168 through 171,
 - (viii) Lines 236 through 250,
 - (ix) Lines 298 through 316,
 - (x) Lines 322 through 342, and
 - (xi) Line 354.


(d) The parties agree that line 2 and line 428 of the Vacant Land/Lot Purchase Contract shall read as follows:

428 Landmark Capital and Investment Company, in Receivership

(e) The parties agree that the following word, number and punctuation shall be added immediately following the colon in line 8 of the Vacant Land/Lot Purchase Contract: Lot 45.

(f) The parties agree that line 37 of the Vacant Land/Lot Purchase Contract shall be deleted.

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(g) The parties agree that line 38 of the Vacant Land/Lot Purchase Contract shall read as follows:

Other: Real Estate Agency Disclosure & Election - Ward

(h) The parties agree that the Purchase Contract shall at line 83 and the subsequent line shown below be deemed to read as though the following numbers, symbols and words were inserted:

83 14635 N. Kierland, Suite 110, Scottsdale, AZ 85254
84 agraaham@nat.com Phone: 480-596-5022 Fax: 866-488-1907

(k) The parties agree that the Order of the Receivership Court shall supersede all fees, charges, dues, assessments, deposits, or obligations of Seller to the H.O.A. whether the subject of a lien or not that may otherwise be referenced in the H.O.A. addendum attached to the Purchase Contract. All such matters will be more fully determined as part of the approval referenced in Paragraph 9, below. *Seller represents that Buyer will not be responsible for past due or unpaid HOA dues or assessments.*

(l) The parties agree that line 398 of the Vacant Land/Lot Purchase Contract shall read as though initialed by the Buyer.

(m) The parties agree that the remainder of the sentence at line 401 of the Vacant Land/Lot Purchase Contract shall be modified to read:

"...by May 20, 2013 at 6:00 p.m., Mountain Standard Time."

9. Court Receivership. The Buyer understands and acknowledges that the Seller was duly appointed in the Receivership of the State of Arizona v. Landmark Capital and Investment Co., et al, in cause No. CV2009-020595 (the "Receivership Court") and that the Property and this transaction are under the jurisdiction of the Receivership Court. The parties further understand and acknowledge that this Agreement is contingent on the approval of the Receivership Court and that the Seller will NOT seek such approval until the thirty (30) day inspection period has successfully concluded, as noted below. The Receivership Court could decline to approve the Agreement for various reasons, including without limitation; (i) that the sale price is not fair, (ii) that a sale of the Property is not in the best interests of the Receivership estate; or (iii) that the sale is not approved by the beneficial owners.

10. Cancellation. In the event Seller is unable, within 90 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.

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11. Inspection. Buyer shall have thirty (30) days from the date of the Buyer's acceptance of this Counter Offer to complete the Buyer's inspection of the Property, and Seller grants Buyer reasonable access to the Property for that purpose. If Buyer does not disapprove of the condition of the property within this period, Buyer shall be deemed to have accepted the condition of the Property. If Buyer timely disapproves of the condition of the Property in writing, then, upon notice to Seller of Buyer's objections, Seller shall have until Close of Escrow to eliminate the objectionable items; or, Seller may, within five (5) days from Buyer's notice, notify Buyer that Seller does not intend to eliminate the objectionable items, and Buyer's sole and exclusive remedy shall be to either waive his objection (in which case Close of Escrow shall occur subject to such matters) or to cancel this Agreement and receive a full refund of the Earnest Money.

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

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


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. If consent is given, any such assignee shall accept in writing the terms and conditions of this Agreement and of any supplements or Escrow Instructions that may have been entered into as of the time of the assignment. In no event shall any assignment extend the Close of Escrow.

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

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

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

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18. Close of Escrow. The sale shall close within 10 days following completion of the last of the requirements set forth in Paragraph 9, above.

19. Time of the Essence. Time is of the essence and unless the Buyer's acceptance of this Counter Offer is signed by the Buyer or an authorized representative and a signed copy of this Counter Offer delivered in person, by mail, or by facsimile and received by the Deputy Receiver, or Mark Peterson at City to City Commercial on or before May 24, 2013 at or before 11:00 a.m., Mountain Standard Time, or unless the Offer has been previously withdrawn by the Receiver, this Counter Offer shall be considered withdrawn on the date and time set forth above in this Paragraph. Until this Counter Offer has been accepted as provided above, the Parties understand that the Property can be sold or leased to someone else or either Party may withdraw the offer to buy or sell the Property. The undersigned acknowledge receipt of a copy hereof.

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

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

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

Buyer Acceptance:

DocuSigned by:
Kristina Cashman
Kristina Cashman

Dated: 5/24/2013

Seller:
Landmark Capital and Investment Co.

By: Thomas J. Gallanza
Thomas J. Gallanza, Deputy Receiver

Dated: May 20, 2013

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Seller's Initials [Signature]