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8 Attorneys for the Receiver

9 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

10 IN AND FOR MARICOPA COUNTY

11	STATE OF ARIZONA ex rel. ROBERT)	
12	D. CHARLTON, Superintendent of the)	Cause No. CV2009-020595
13	Arizona Department of Financial)	
14	Institutions,)	
15	Plaintiff,)	SUPPLEMENT TO RECEIVER'S
16	v.)	PETITION NO. 96 RE: SALE OF
17	LANDMARC CAPITAL &)	APPROXIMATELY 37 ACRES OF
18	INVESTMENT COMPANY,)	LAND LOCATED NEAR FLAGSTAFF,
19	Defendant.)	ARIZONA
20)	(Court Hearing Set for September 30, 2016
21)	at 9:15 A.M.)
)	(Assigned to the Honorable Daniel Martin)
)	
)	
)	
)	

22 On September 2, 2016, the Receiver filed his Petition No. 96 seeking the Court's
23 approval of the sale of 37 acres of land located near Flagstaff Arizona ("Property"). This
24 Supplement to Petition No. 96 (1) provides notice to the Court and interested parties of a
25 competing offer on the Property, (2) corrects the accounting information contained in Petition

1 No. 96 with respect to the distribution of the net sale proceeds, and (3) proposes a revised
2 form of order approving the sale.

3 **Competing Offer**

4 After the Receiver entered into the agreement to sell the Property to Woody Mountain
5 37, LLC for \$1,650,000 and filed Petition No. 96 seeking approval of the sale, the Receiver
6 was approached by an attorney for Russell Organics, LLC, an Arizona limited liability
7 company, seeking to make a competing offer to purchase the Property. Eventually, Russell
8 Organics delivered a signed offer to purchase the Property for \$1,750,000 (attached hereto as
9 Exhibit 5) and delivered a cashier's check for \$100,000 payable to Thomas J. Giallanza,
10 Deputy Receiver of Landmarc Capital and Investment Company to hold until the hearing as
11 its earnest money deposit should the Court accept its offer. A copy of the cashier's check
12 held by Thomas J. Giallanza, the Deputy Receiver is attached hereto as Exhibit 6.

14 Although this competing offer from Russell Organics is for a purchase price that is
15 \$100,000 greater than the sale agreement presently before the Court, the Receiver cannot
16 recommend that the Court accept this competing offer for the following reasons. After
17 extensive efforts to market the sale of the Property and after several unsuccessful contracts
18 that are described more fully in Petition No. 96, the Receiver negotiated in good faith the
19 agreement pending before the Court. The Receiver believes that this agreement is fair and
20 reasonable and should be approved by the Court. The competing offer is from an entity
21 whose principal was aware of the Receiver's previous efforts to sell the Property and yet have
waited until the waning days before the hearing to make this offer. In addition, in a Federal

1 receivership, the Court would only be obligated to accept a competing offer if it were at least
2 10% greater than the agreement negotiated by the Receiver. Here the competing offer is
3 merely 6.1% greater. Counsel for Russell Organics was advised of this inadequacy prior to
4 submitting its written offer but Russell Organics elected to not increase its offer.

5 Title 28 of the United States Code prescribes procedures for the sale of real property
6 by a federal receiver. Although federal law does not govern the approval of the sale of real
7 property by an Arizona state court receiver, it can provide guidance on how to deal with
8 competing offers presented to this Court at the hearing on approval of a sale negotiated by the
9 Receiver.
10

11 (b) After a hearing, of which notice to all interested parties shall be
12 given by publications or otherwise as the court directs, the court may order the
13 sale of such realty or interest or any part thereof at private sale for cash or other
14 consideration and upon such terms and conditions as the court approves, if it
15 finds that the best interests of the estate will be conserved thereby. Before
16 confirmation of any private sale, the court shall appoint three disinterested
17 persons to appraise such property or different groups of three appraisers each to
18 appraise properties of different classes or situated in different localities. No
19 private sale shall be confirmed at a price less than two-thirds of the appraised
20 value. Before confirmation of any private sale, the terms thereof shall be
21 published in such newspaper or newspapers of general circulation as the court
directs at least ten days before confirmation. The private sale shall not be
confirmed if a bona fide offer is made, under conditions prescribed by the court,
which guarantees at least a 10 per centum increase over the price offered in the
private sale.

28 U.S.C. §2001(b)

One or more of the Beneficial Owners not in receivership may urge the Court to accept
the competing offer, however, if the Court is inclined to do so the Receiver recommends that

1 the Court first provide the original purchaser, Woody Mountain 37, LLC, an opportunity to
2 match the competing offer.

3 **Revised Accounting**

4 Included in the Receiver's Petition No. 96 were accountings of unreimbursed property
5 preservation expenses incurred by the Receiver that the Receiver sought to have reimbursed
6 from the net proceeds derived from the sale of the Property. Various issues with the
7 accounting have been brought to the Receiver's attention, which will be addressed here.

8 Attached hereto is a revised Exhibit 2 that sets forth a corrected accounting of the
9 unreimbursed property preservation expenses due to the Receiver. In addition, the Receiver's
10 original proposed order did not take into account the fact that the advances made by the
11 various beneficial owners were not in proportion to their beneficial interest in this loan. For
12 example, the Gubin Family Trust advanced more than its share while the other beneficial
13 owners advanced less than their share. Accordingly, before any prorate distribution of the net
14 sale proceeds is made to the beneficial owners, the Gubin Family Trust needs to be
15 reimbursed for its overpayment, and the other beneficial owners need to contribute the
16 remaining amount due from them. Attached as Exhibit 7 hereto is a revised accounting
17 showing that the following adjustments need to be made.
18

19 Reimbursements to Pay to:

20	Gubin Family Trust	\$5,759.25
21	Receiver of LCI	\$45,440.17

1 Advances due from remaining beneficial owners:

2	Desert Trails	\$7,640.00
3	Hayden Investments	\$7,754.03
4	Manny Daskal	\$310.98
	TBM Associates, LLC	\$19,296.97
	Barry Wiss	\$972.01

5 As shown in Exhibit 3 to Petition No. 96, the Receiver is currently holding \$15,225.43
6 in trust in connection with this Property. As shown in the attached Exhibit 6, \$5,759.25
7 should be paid to the Gubin Family Trust as reimbursement of the excess amount advanced
8 by the trust and the balance of \$9,466.18 paid to the Receiver as partial reimbursement for
9 property preservation expenses paid by the Receiver.
10

11 From the net sale proceeds, the balance of \$35,973.99 owed to the Receiver for
12 property preservation expenses should be paid from the distributable shares due to the
13 beneficial owners as provided above.

14 **Revised Proposed Order**

15 Lodged herewith is a revised form of order to effectuate these distributions.

16 Respectfully submitted this 28th day of September, 2016.

17 GUTTILLA MURPHY ANDERSON, P.C.
18 /s/Patrick M. Murphy
19 Patrick M. Murphy
Attorneys for the Receiver

20 Original of the foregoing and
21 REVISED proposed Order e-filed this
28th day of September, 2016, with:

Clerk of the Court
Maricopa County Superior Court
201 West Jefferson
Phoenix, Arizona 85003

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Copy of the foregoing and REVISED proposed
Order mailed or emailed this 28th day of September,
2016, to all persons on the attached Master Service List
and to:

Jeff Hubbard
Brier, Irish, Hubbard & Erhart, P.L.C.
2400 East Arizona Biltmore Circle
Suite 1300
Phoenix, Arizona 85016
jhubbard@bihlaw.com
Attorneys for Russell Organics, LLC

Woody Mountain 37, LLC
c/o Brian Rhoton
brhorton@capstoneecos.com

By: /s/Cynthia Ambrozic

1157-001(260440)

MASTER SERVICE LIST

State of Arizona ex rel. v. Landmarc Capital & Investment Company
IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

CV2009-020595

(Rev. September 2, 2016)

The Honorable Daniel Martin
Maricopa County Superior Court
East Court Building
101 West Jefferson, Room 412
Phoenix, Arizona 85003

Superintendent
Department of Financial Institutions
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

Thomas J. Giallanza, Deputy Receiver
TGiallanza@lcmortgage.com
c/o Department of Financial Institutions
2910 North 44th Street, Suite 310
Phoenix, Arizona 85018

Michael Fowler, Special Deputy Receiver
Arizona Department of Financial
Institutions
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2910 N. 44th Street, Suite 310
Phoenix, Arizona 85018

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Eugene and Lenore Schupak Family
Trust, dated April 4, 1991, Geoff & Katie
Ball, Lydia Ball c/o Dr. Richard Ball,
Deborah Ball

David Crantz
12884 N. 136th Street
Scottsdale, Arizona 85259

Landmarc Capital Partners
c/o Lisa Juel, Administrator
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Ltd. Partnership, LLP, OxTox Holdings,
LLC, and 1977 Gill Trust U/A 12/07/77

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LLC.

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West Bloomfield, MI 48322
The Madelene Kepes Revocable Living
Trust Dated May 22, 1984 as Amended

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One South Church Avenue, Suite 700
Tucson, Arizona 85701-1611
Roy_Kyle@LRRlaw.com
Attorney for TBM Associates

Helen and Stephen Gubin Charitable
Remainder Trust and the Gubin Family
Trust dated May 27, 1992
c/o Steve Gubin
2211 East Camelback Road, #906
Phoenix, Arizona 85016
steve@gubin.net

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Julie Rystad, Esq.
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Attorneys for Private Lenders Funding
Group

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (the “**Agreement**”) is entered into on the date indicated below, by and between Russell Organics, LLC, an Arizona limited liability company (“**Buyer**”), and Thomas J. Giallanza, in his capacity as Deputy Receiver, of Landmarc Capital & Investment Company, an Arizona corporation, in Receivership (“**Seller**”), on the following terms and conditions:

1. Receivership Matters.

(a) Court Receivership. Buyer understands and acknowledges that 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 exclusive jurisdiction of the Receivership Court. **The parties further understand and acknowledge that this Agreement is contingent on the approval of the Receivership Court. 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, (iii) that the Seller has received an offer with a better Purchase Price from a qualified offeror on essentially the same terms and conditions, or (iv) that the sale is not approved by a majority of the beneficial owners. In addition, the Court could approve the sale to Woody Mountain 37, LLC in accordance with the Receiver’s Petition No. 96 currently pending before the Receivership Court, or approve a sale of the Property to another offeror who in the determination of the Receivership Court has presented a higher and better offer for the Property. Once executed by the Buyer and delivered to the Seller, this Agreement shall constitute an offer to purchase the Property. The Buyer intends to present this offer to the Receivership Court for its approval in lieu of the Purchase Agreement previously presented by the Receiver to the Receivership Court for approval at a hearing currently scheduled for September 30, 2016.**

(b) Cancellation. The Buyer may elect in writing or in open court to withdraw this offer at any time prior to the date the Receivership Court approves this Agreement and the Seller signs the Agreement, in which event Buyer shall receive a full refund of the Earnest Money (as defined below), and the provisions of Section 7 shall apply.

(c) 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.

(d) 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 trustee's directors, officers, employees or agents.

2. Agreement. Subject to all of the terms and conditions of this Agreement, upon approval of this Agreement by the Receivership Court, Seller shall execute the Agreement and shall sell to Buyer, and Buyer agrees to purchase from Seller, approximately thirty seven (37) acres of undeveloped real property (the "**Property**") legally described on Exhibit A of that certain Commitment for Title Insurance, 1st Amendment, issued by North American Title Company, as issuing agent for North American Title Insurance Company under Order Number 21800-15-02903 with a Commitment Date of June 10, 2016 (the "**Title Commitment**"). A copy of the Title Commitment is attached hereto as Exhibit A.

3. Escrow Agent. Seller shall open an escrow ("**Escrow**") with North American Title Company; Attention: Sally Hevier ("**Escrow Agent**") to facilitate the consummation of the sale of the Property. Seller and Buyer, upon approval of the Agreement by the Receivership Court, shall execute any escrow instructions ("**Escrow Instructions**") reasonably requested by Escrow Agent in connection with opening the Escrow or otherwise facilitating the consummation of the sale of the Property. In the event of any conflict or inconsistency between the Escrow Instructions and this Agreement, the provisions of this Agreement and any Order of the Receivership Court shall prevail.

4. Purchase Price and Payment Terms. The purchase price ("**Purchase Price**") to be paid by Buyer for the Property shall be One Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$1,750,000.00). The Purchase Price shall be due and payable as follows:

(a) One Hundred Thousand Dollars (\$100,000.00) of earnest money shall be delivered to Seller in the form of a bank or cashier's check not later than September 27, 2016 (which sum, together with any and all interest earned thereon, shall be referred to as the "**Earnest Money**").

(b) The balance of the Purchase Price, less the Earnest Money, shall be deposited by Buyer into Escrow in cash or by other immediately available funds on or prior to the Closing Date (as defined below), subject to closing costs, adjustments, and pro-rations as provided herein.

5. Earnest Money. The Earnest Money shall be held by the Receiver until the Court decides whether to accept this offer and approve this Agreement, in which case the Earnest Money shall apply as a credit toward payment of the Purchase Price at Close of Escrow. If this Agreement is not approved by the Court at the hearing scheduled for September 30, 2016, or any continuance

of the hearing, the Earnest Money shall be returned to Buyer.

6. Escrow Opening and Closing. The opening of escrow (the “**Opening of Escrow**”) shall occur when Escrow Agent receives a fully executed counterpart of this Agreement signed by Buyer and Seller. The Escrow Agent shall sign and date this Agreement on the space provided at the end of this Agreement, indicating that Escrow has been opened as of such date. The date set for conveyance of title to the Property and the performance of all conditions (except those conditions expressly required to be performed earlier pursuant to this Agreement) relating thereto (“**Closing**” or “**Closing Date**” or “**Close of Escrow**”) shall occur on the date that is ten (10) business days after the Receivership Court enters a final, non-appealable order approving this Agreement and the consummation of the transaction contemplated hereby.

7. Termination. Upon any termination by either of the parties hereto as expressly allowed under this Agreement, (a) the Earnest Money shall be delivered to the party that this Agreement specifies is entitled thereto, (b) all other documents, instruments, and funds delivered into Escrow shall be returned to the party that delivered the same into Escrow, and (c) the parties shall thereafter be relieved from further liability hereunder, except with respect to any obligations under this Agreement that are expressly stated to survive any termination of this Agreement.

8. Owner’s Title Policy; Closing Costs.

(a) Title Insurance Costs. Buyer intends to obtain an ALTA Extended Owner’s Policy of Title Insurance (Form 2006) in favor of Buyer for the Property (“**Title Policy**”). The issuance of a Title Policy or the exceptions contained therein, shall not be a condition to Buyer’s obligation to consummate this Agreement. Seller shall pay that portion of the premium for the Title Policy equal to the premium for a standard coverage owner’s title insurance policy in the amount of the Purchase Price, and Buyer shall pay (i) the additional portion of the premium for the Title Policy required to obtain ALTA extended coverage, and (ii) any charges for any endorsements requested by Buyer.

(b) Recording and Escrow Costs. At Closing, Seller shall pay the recording fees with respect to the Deed and any releases of encumbrances and one-half of the Escrow fees, and Buyer shall pay one-half of the Escrow fees. Except as provided herein, any other fees or charges shall be paid as is customary in the County in which the Property is located.

(c) Proration of Taxes. All non-delinquent real estate taxes and assessments on the Property shall be prorated between Buyer and Seller as of the Closing Date based on the actual current tax bill, but if such tax bill has not yet been received by Seller by the Closing Date, such proration shall be based upon the currently assessed value multiplied by the applicable tax rate for the immediately preceding calendar year. All improvement and special liens and assessments shall be paid in full by Seller at or before the Closing. All prorations will be final.

10. Intentionally Deleted.

11. Deed and Other Documents. The Property shall be conveyed to Buyer, upon Close of Escrow, by special warranty deed (the “**Deed**”), subject to taxes and assessments, , reservations in patents, all easements, rights-of-way, covenants, conditions, restrictions, declarations, and all matters that an accurate survey or a physical inspection of the Property would disclose. The Deed shall be deposited with Escrow Agent on or before the Close of Escrow and shall be recorded at the Close of Escrow. Buyer hereby authorizes and directs Escrow Agent to execute on behalf of Buyer an Affidavit of Value required by Arizona law to be provided to the County Recorder in order to record the Deed. Seller agrees to execute an Affidavit of Value.

12. Remedies.

(a) Default by Seller. If Seller shall breach any of the terms or provisions of this Agreement, and such breach continues for five (5) business days after Buyer provides Seller with written notice thereof, Buyer may: (i) waive the effect of such matter and proceed to consummate this transaction; (ii) terminate this Agreement, receive a full refund of the Earnest Money, and in which event the provisions of Section 7 shall apply.

(b) Default by Buyer. If Buyer shall breach any of the terms or provisions of this Agreement, and such breach continues for five (5) business days after Seller provides Buyer with written notice thereof, then Seller may waive such breach, or Seller may, as its exclusive remedy, immediately terminate this Agreement, in which event Seller may retain the Earnest Money as liquidated damages and as consideration for the acceptance of this Agreement and for taking the Property off the market, and not as a penalty, and the provisions of Section 7 shall apply. Buyer and Seller have determined and hereby agree that it would be impractical or extremely difficult, if not impossible, to ascertain with any degree of certainty the amount of damages which would be suffered by Seller if Buyer fails to purchase the Property in accordance with the provisions of this Agreement, and the parties agree that a reasonable estimate of such damages under the circumstances is an amount equal to the Earnest Money.

13. No Brokers. Seller and Buyer warrant, each to the other, that they have not dealt with any finder, broker or real estate sales person in connection with this purchase and sale transaction. If any person shall assert a claim to a finder’s fee or brokerage commission on account of alleged employment as a finder or broker in connection with this purchase and sale transaction, the party under whom the finder or broker is claiming shall and does hereby indemnify the other party against, and agrees to hold the other party harmless from, any such claim and all costs, expenses and liabilities incurred in connection with such claim or any action or proceeding brought on such claim, including, but not limited to, attorneys’ and witness fees and court costs in defending against such claim. The indemnity provided in this Section shall survive Close of Escrow or earlier termination of this Agreement.

14. Seller's Representations, Warranties and Additional Covenants. Seller hereby represents, warrants and covenants (with the understanding that Buyer is relying on said representations, warranties and covenants) that:

(a) Seller has previously entered into an agreement for the sale of the Property to another party and has submitted that agreement to the Receivership Court for approval. The Receiver is not accepting this offer and will not accept this offer until and only if the Receivership Court declines to approve the sale to the party with whom the Receiver has the agreement and instead approves this Agreement. In the event the Receivership Court approves this offer and authorizes the Receiver to execute this agreement, the Seller represents that it has the full right, power, and authority to sell the Property to Buyer as provided in this Agreement and to carry out Seller's obligations hereunder, subject to approval of this Agreement by the Receivership Court as provided in Section 1(a).

(b) Seller is the Receiver for the owner of the Property appointed by the Receivership Court.

15. Buyer's Representations, Warranties and Additional Covenants. Buyer hereby represents, warrants and covenants that:

(a) Buyer has full right, power and authority to purchase the Property from Seller as provided in this Agreement and to carry out its obligations hereunder. The individual(s) executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms hereof and thereof. This Agreement is, and all other instruments, documents and agreements to be executed and delivered by Buyer in connection with this Agreement shall be, duly authorized, executed and delivered by Buyer and shall be valid, binding and enforceable obligations of Buyer.

(b) Property Sold "As Is." The Property is being sold "AS IS" and other than the representations and warranties contained in the Buyer's Offer, the Seller is not providing any warranties. Buyer expressly acknowledges that there may be present on the Property 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 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, if any, 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, Clue reports, loss claim history reports, VLSPDS; and public report, if any.

16. Notices. Any and all notices, demands or requests required or permitted hereunder shall be in writing and shall be effective upon personal delivery or email or facsimile transmission (facsimile transmission must include verification of transmission) or two (2) business days after being deposited in the U. S. Mail, registered or certified, return receipt requested, postage prepaid, or one (1) business day after being deposited with any commercial air courier or express service, addressed as follows:

To Buyer: Thomas Russell
740 Airport Boulevard
Salinas, California 93912
Telephone: 831-755-1398
FAX: 831-755-1373
Email: tombo@pim4u.com

With a copy to: Brier, Irish, Hubbard & Erhart, P.L.C.
2400 East Arizona Biltmore Circle, Suite 1300
Phoenix, Arizona 850106
Attn: Jeff Hubbard
Telephone: 602-515-0160
FAX: 602-522-3945
Email: jhubbard@bihlaw.com

To Seller: Thomas J. Giallanza, Deputy Receiver
Landmarc Capital & Investment Company
c/o Arizona Department of Financial Institutions
2910 N. 44th Street, Suite 310
Telephone: 602-791-7456
FAX: 602-381-1225
Email: tgiallanza@lcmortgage.com

With a Copy to: Guttilla Murphy Anderson, P.C.
City North
5415 East High Street
Phoenix, Arizona 85054
Telephone: 480-304-8300
FAX: 480-304-8301
Email: pmurphy@gamlaw.com

To Escrow Agent: North American Title Company
3200 East Camelback Road, Suite 250
Phoenix, Arizona 85016
Attn: Sally Hevier
Telephone: 602-280-7500
FAX: 866-488-1907
Email: shevier@NAT.com

Buyer, Seller or Escrow Agent may change its address for notice by giving notice of change of address in the manner provided above. The inability to deliver because of a changed address of which no notice was given, or rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any telephone numbers provided in this Agreement are for aiding informal communications only and notices shall not be effective if only provided orally. An attorney for Buyer or Seller may give any notice hereunder on behalf of his client if such notice states that the attorney is giving notice on behalf of his client.

17. Time of the Essence. Time is of the essence of this Agreement, and Buyer and Seller hereby agree to perform each and every obligation hereunder in a prompt and timely manner; provided, however, that if the date for the performance of any action or the giving of any notice which is required hereunder, occurs on a Saturday, Sunday or legal holiday, the date for performance or giving of notice shall be the next succeeding business day.

18. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid or prohibited hereunder, such provision shall be ineffective to the extent of such prohibition or invalidation which shall not invalidate the remainder of such provision or the remaining provisions of this Agreement.

19. Waiver. The waiver by either party hereto of any right granted to it hereunder shall not be deemed to be a waiver of any other right granted herein, nor shall same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

20. Legal Fees. In the event it becomes necessary for either Seller or Buyer to employ legal counsel or to bring action at law or other proceeding to enforce any of the terms, covenants or conditions of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its costs and expenses incurred, including its reasonable attorneys' fees, from the other party.

21. Entire Agreement; Amendments. This Agreement contains the entire agreement of the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements, arrangements and understandings between the parties, and no other agreement, statement or promise made by either party hereto that is not contained herein shall be binding or valid. This Agreement may be amended only by written document signed by each of the parties hereto.

22. Counterparts; Electronic Signatures; Signed Original. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Signatures transmitted by facsimile and emailed PDF signatures shall be valid as originals. In order to facilitate the filing of appropriate pleadings with the Receivership Court, following the Opening of Escrow, the parties agree to execute at least one original of this Agreement and to provide such originals to the Seller.

23. Assignment. Buyer may with Seller's written approval, assign Buyer's rights under this Agreement to an entity managed by the principals of the Buyer so long as the assignment is not inconsistent with the disclosure made to the Receivership Court and approved in writing by the Seller in Seller's sole discretion. If Seller shall approve an assignee in writing, any such assignee shall have accepted 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.

24. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, devisees, personal and legal representatives, successors and assigns.

25. Governing Law. This Agreement shall be construed and interpreted under, and governed and enforced according to the laws of the State of Arizona. The Receivership Court shall have exclusive jurisdiction to resolve any dispute arising under this Agreement.

26. Further Instruments. Each party shall, whenever and as often as it shall be requested by the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and documents, as may be necessary in order to complete the sale, conveyance and transfer herein provided and to do any and all things as may be requested in order to carry out the intent and purpose of this Agreement; provided, such instruments or actions shall not increase or expand the parties' respective obligations or liabilities beyond those that are contemplated by this Agreement

27. Non-Foreign Person. Seller represents and warrants that it is not a "foreign person", as that term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended, (the "**Code**"). Prior to Close of Escrow, Seller shall furnish to Buyer and Escrow Agent Seller's United States taxpayer identification number and such affidavit and other information as Buyer or Escrow Agent may determine to be necessary or reasonable under Section 1445(b)(2) of the Code, or otherwise, to assure that Buyer shall not be subject to United States federal income tax withholding liability under Section 1445 of the Code. Seller shall in any event indemnify and hold harmless Buyer from and against any such cost, loss or liability that Buyer may incur under said Section 1445 of the Code.

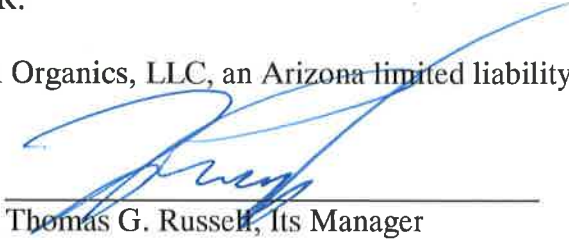
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IN WITNESS WHEREOF, Buyer and Seller have placed their signatures.

BUYER:

Russell Organics, LLC, an Arizona limited liability company

By:



Thomas G. Russell, Its Manager

Dated

9/26/16

SELLER:

Landmarc Capital and Investment Company,
an Arizona corporation, in receivership

By:

Thomas J. Giallanza, Deputy Receiver

Dated

ACCEPTANCE OF ESCROW AGENT

The undersigned Escrow Agent hereby (a) accepts the Escrow created by the foregoing Agreement, (b) agrees to act in accordance with the terms of this Agreement, (c) agrees to deliver to Buyer an insured closing protection letter from North American Title Insurance Company, and (d) confirms that the Opening of Escrow occurred on September ___, 2016.

North American Title Company

By: _____
Its: _____

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

CASHIER'S CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

BMO  Harris Bank

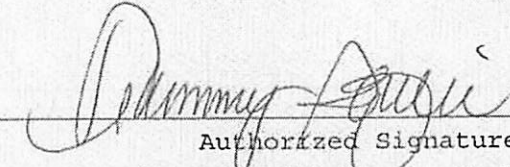
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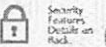
2-28/710

PAY One Hundred Thousand and 00/100*****

TO THE
ORDER OF THOMAS J GIALLANZA
DEPUTY RECEIVER OF LANDMARC
CAPITAL & INVESTMENT COMPANY
REMITTER RUSSELL ORGANICS

DATE AMOUNT
09/27/2016 \$100,000.00


Authorized Signature



Drawer: BMO Harris Bank N.A. 29(09467)

MEMO

BMO Harris Bank N.A., Chicago, IL

⑈64470755⑈ ⑆071000288⑆ 288⑈791⑈7⑈

BMO  Harris Bank

PURCHASER'S RECEIPT - RETAIN FOR YOUR RECORDS

NOT NEGOTIABLE 64470755

PAY One Hundred Thousand and 00/100*****

TO THE
ORDER OF THOMAS J GIALLANZA
DEPUTY RECEIVER OF LANDMARC
CAPITAL & INVESTMENT COMPANY

DATE AMOUNT
09/27/2016 \$100,000.00

REMITTER

Presidio 37 Loan/Property Preservation Expenses Paid by Landmarc/Receiver

Loan No. 07121849

Date	Payee/Payor	Description	Amount
06/24/09	Burch & Cracchiolo, PA	Attorney Fees & Costs	320.50
06/09/11	Burch & Cracchiolo, PA	Attorney Fees & Costs	1,929.46
06/27/11	Burch & Cracchiolo, PA	Attorney Fees & Costs	608.03
01/09/14	Burch & Cracchiolo, PA	Attorney Fees & Costs	225.05
03/05/15	Burch & Cracchiolo, PA	Foreclosure Fees & Costs	694.30
03/12/15	Burch & Cracchiolo, PA	Attorney Fees & Costs	788.59
03/16/16	Burch & Cracchiolo, PA	Attorney Fees & Costs	66.51
06/10/16	Stewart Title & Trust		2,826.00
01/12/09	Burch & Cracchiolo, PA	Attorney Fees & Costs	258.31
02/12/09	Burch & Cracchiolo, PA	Attorney Fees & Costs	320.88
04/10/09	Burch & Cracchiolo, PA	Attorney Fees & Costs	390.00
04/30/09	Burch & Cracchiolo, PA	Attorney Fees & Costs	737.71
04/30/09	Burch & Cracchiolo, PA	Attorney Fees & Costs	321.56
05/31/09	Burch & Cracchiolo, PA	Attorney Fees & Costs	227.50
06/30/09	Burch & Cracchiolo, PA	Attorney Fees & Costs	501.71
07/31/09	Burch & Cracchiolo, PA	Attorney Fees & Costs	160.31
05/07/10	Lawyers Title		350.00
09/29/10	Niebling Appraisals	Appraisal	8,000.00
05/20/11	AFCO-GL Insurance	Insurance	1,397.00
06/27/11	Trust Account	Negative Trust Account	822.44
08/30/11	Security Title Agency		200.00
05/31/12	RP Ryan Insurance	Insurance	382.00
11/07/12	Coconino County Treasurer	Property taxes	44,575.59
07/11/13	Cushman & Wakefield	Insurance	2,500.00
08/15/13	Cushman & Wakefield	Insurance	2,500.00
08/23/13	Berkshire Hathaway	Insurance	383.00
08/26/13	CDS Liab. Ins.	Insurance	90.86
09/16/13	Thomas Giallanza		30.08
05/01/14	Berkshire Hathaway	Insurance	419.00
10/21/15	Coconino County Treasurer	Property taxes	7,592.87
09/30/15	RP Ryan Insurance	Insurance	214.00
03/16/16	From Trust Account	Reimbursement	(7,592.87)
			<u>72,240.39</u>
Reimbursements & Adjustments			
06/27/11	TBM Associates, LLC		(11,206.04)
12/17/12	Manny Daskal		(1,114.39)
12/21/12	Wiss		(3,532.17)
08/23/13	Gubin Family Trust		(10,947.61)
	Rounding Adjustment		(0.01)
	Total Reimbursements & Adjustments		<u>(26,800.22)</u>
	Net Unreimbursed Expenses due the Receiver		<u><u>45,440.17</u></u>

Exhibit 2 (Corrected)

07121849-Presido West 37 LLC

09/27/16

Date	PayName	Reference	Memo	Total Amount	BROKER	07121853	13.40% DESERTTRAI	9.10% GUBINWARE	13.60% HAYDEN	2.50% MANNY	53.50% TBMWARE	7.90% WISS
06/24/09	Balance Forward			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
06/09/11	Lovitt & Touche' Inc.	LCI2500		(\$822.44)		(\$822.44)						
06/27/11	Landmarc Capital & Investment	Reimburse Negative Trust		\$822.44		\$822.44						
01/09/14	North American Title	Forfeiture of Escrow Deposit		\$13,025.00		\$13,025.00						
03/05/15	North American Title	Forfeiture of Escrow Deposit		\$120,000.00		\$120,000.00						
03/12/15	Coconino County Treasurer	CK 3185		(\$102,513.93)		(\$102,513.93)						
03/16/16	LCI	CK 3218	Reimburse for Prop Taxes	(\$7,592.87)		(\$7,592.87)						
06/10/16	Coconino County Treasurer	CK 3225	Property taxes	(\$7,692.77)		(\$7,692.77)						
Subtotals				\$15,225.43	\$0.00	\$15,225.43	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Payment to Gubin for excess advances				(\$5,759.25)		(5,759.25)						
Payment to the Receiver				(\$9,466.18)		(\$9,466.18)						
				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Balance of loan charges paid to Receiver				(\$35,973.99)			(7,640.00)	-	(7,754.03)	(310.98)	(19,296.97)	(972.01)
Balances				(\$35,973.99)	\$0.00	\$0.00	(\$7,640.00)	\$0.00	(\$7,754.03)	(\$310.98)	(\$19,296.97)	(\$972.01)

Calculation of Amounts Due to or from Claimants (Beneficial Owners)

Claimants	Approved %	Share of Total Loan Charges	Adjustments and Advances	Repayment from Impound	Allocation of Impound Funds	Due from Claimant
TBM	53.5%	38,648.61	(11,206.04)		(8,145.61)	19,296.97
Desert Trails	13.4%	9,680.21			(2,040.21)	7,640.00
Hayden	13.6%	9,824.69			(2,070.66)	7,754.03
Gubin	9.1%	6,573.88	(10,947.61)	5,759.25	(1,385.51)	-
Wiss	7.9%	5,706.99	(3,532.17)		(1,202.81)	972.01
Manny Daskal	2.5%	1,806.01	(1,114.39)		(380.64)	310.98
	100.00%	72,240.39	(26,800.21)	5,759.25	(15,225.43)	35,973.99