



COUNTER OFFER

In re RAEL, ROMIE/ANA - CHAPTER 7 BK # RS02-16480 DN

THE PRINTED PORTION OF THIS CONTRACT HAS BEEN APPROVED BY THE ARIZONA ASSOCIATION OF REALTORS. THIS IS INTENDED TO BE A BINDING CONTRACT. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OR THE TAX CONSEQUENCES THEREOF. IF YOU DESIRE LEGAL OR TAX ADVICE CONSULT YOUR ATTORNEY OR TAX ADVISOR.

- C. 1 Counter Offer to Contract Dated March 12, 2003 between Don/Christine Garrison and Karl Anderson, Chapter 7 Trustee
C. 2 pertaining to the premises described as follows: 4210 Mercury Drive, Lake Havasu City, Arizona 86406
C. 3 Acceptance is contingent upon agreement to the following modified or additional terms and conditions:
C. 4 1. Property is being sold in AS IS condition with no expressed or implied warranties.
C. 5 2. Sale subject to Bankruptcy Court approval and overbid.

C. 50. Except as provided in this Counter Offer, the parties accept and agree to all terms and conditions of the Contract identified above.
C. 51. TIME FOR ACCEPTANCE. This Counter Offer must be accepted on or before 5:00 p.m., March 15, 2003

C. 52. The undersigned acknowledges receipt of a copy hereof.
C. 53. [Signature] 03/13/03 DATE

C. 54. [X] SELLER [] BUYER [] SELLER [] BUYER
C. 55. [] LANDLORD [] TENANT [] LANDLORD [] TENANT
KARL ANDERSON, CHAPTER 7 TRUSTEE

ACCEPTANCE OF COUNTER OFFER

C. 56. The undersigned agrees to the modified or additional terms and conditions in the above Counter Offer.
C. 57. The undersigned acknowledges receipt of a copy hereof.

C. 58. DATE DATE
C. 59. [] SELLER [] BUYER [] SELLER [] BUYER
C. 60. [] LANDLORD [] TENANT [] LANDLORD [] TENANT

C. 61. Broker File/Log No. Manager's Initials Broker's Initials Date



RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT



THE PRINTED PORTION OF THIS CONTRACT HAS BEEN APPROVED BY THE ARIZONA ASSOCIATION OF REALTORS®. THIS IS INTENDED TO BE A BINDING CONTRACT. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OR THE TAX CONSEQUENCES THEREOF. IF YOU DESIRE LEGAL, TAX OR OTHER PROFESSIONAL ADVICE, CONSULT YOUR ATTORNEY, TAX ADVISOR OR PROFESSIONAL CONSULTANT.

RECEIPT

1. Received From: Don & Christine Garrison (Husband & Wife) ("Buyer")

2. Agency Confirmation: Broker named on Line 13 is the agent of (check one):

3. the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller

4. Earnest Money: Earnest money shall be held by Broker until offer is accepted. Upon acceptance, Broker shall promptly deposit the earnest money with any escrow company to which the check is payable. If the check is payable to Broker, Broker may deposit the check in Broker's trust account or endorse the check without recourse and deposit it with a duly licensed escrow company. Buyer agrees that, if Buyer breaches this Contract, any earnest money is subject to forfeiture. If any check for earnest money is dishonored for any reason, Seller may, at Seller's option, immediately cancel this Contract pursuant to Lines 302-305. Unless otherwise provided herein, all earnest money is considered to be part of the purchase price for the Premises described below.

10. a. Amount of Earnest \$ 1000⁰⁰ b. Form of Earnest Money: Personal Check Other _____ c. Deposited With: Broker's Trust Account Escrow Company: Capital Title

12. Received By: Linda Vasel (PRINT SALESPERSON'S NAME AND AGENT CODE) Linda Vasel (SALESPERSON'S SIGNATURE) 3/12/03 (MO/DAY/YR)

13. Coldwell Banker The Judd Group Inc (PRINT NAME OF FIRM) CRBG (OFFICE CODE) (928) 855 219 (TELEPHONE)

OFFER

14. Property Description and Offer: Buyer agrees to purchase the real property and all fixtures and improvements thereon and appurtenances incidental thereto, plus personal property described below (collectively the "Premises").

16. Premises Address: 9210 Mercury Dr. Assessor's #: 11-11-219

17. City: Lake Havasu City County: Mohave AZ, Zip Code: 86406

18. Legal Description: T2247-12-2

19. Fixtures and Personal Property: Seller agrees that all existing fixtures on the Premises, and any existing personal property specified herein, shall be left upon the Premises and included in this sale, including the following: storage sheds; electrical, plumbing, heating and cooling equipment; free-standing range/oven; built-in appliances; light fixtures; ceiling fans; window and door screens, sun screens; solar systems; storm windows and doors, shutters, awnings; water-misting systems; fire detection/suppression systems; towel, curtain and drapery rods; draperies and other window coverings; attached floor coverings; attached TV antennas (excluding equipment; pellet, wood-burning or gas-log stoves; garage door openers and controls; timers; mailbox; attached TV antennas (excluding satellite dishes and operating equipment); and all existing landscaping, including trees, cacti and shrubs, fountains, and lighting. In addition, if owned by the Seller, the following items also are included in this sale: pool and spa equipment including any mechanical or other cleaning systems; security systems and/or alarms; water softeners and water purification systems.

28. Additional Existing Personal Property Included: AS IS

29. Additional personal property included herein shall be transferred with no monetary value, in AS-IS CONDITION, FREE AND CLEAR OF ANY LIENS OR ENCUMBRANCES, and SELLER MAKES NO WARRANTY of any kind, express or implied (including, without limitation, ANY WARRANTY OF MERCHANTABILITY).

32. Fixtures and Leased Equipment NOT included: _____

33. \$ 95,200⁰⁰ Full Purchase Price, paid as outlined below. Buyer acknowledges that failure to pay the required funds by the scheduled Close of Escrow other than as described in any of the following sections, shall be construed as a material breach, and all earnest money shall be subject to forfeiture.

34. \$ 1,000⁰⁰ Earnest money as indicated above

35. \$ 19,200⁰⁰ Down payment was transferred 48 hrs prior to close of escrow

36. \$ 15,000⁰⁰ New loan from lender of buyers choice

37. _____

38. _____

39. _____

40. _____

SUBJECT TO COUNTER OFFER

Initials: [Signature] SELLER

Initials: [Signature] BUYER

- 41. Closing Date: Seller and Buyer will comply with all terms and conditions of this Contract and close escrow on 6/04/03
- 42. Any earlier closing date requires written mutual agreement of Seller and Buyer. Seller and Buyer hereby agree that the Close of Escrow shall be defined as recordation of the documents. The parties to this Contract expressly agree that the failure of any party to comply with the terms and conditions of this Contract by the scheduled Close of Escrow will constitute a material breach of this Contract, rendering the Contract subject to cancellation as provided in Lines 302-305.
- 43. Escrow shall be defined as recordation of the documents. The parties to this Contract expressly agree that the failure of any party to comply with the terms and conditions of this Contract by the scheduled Close of Escrow will constitute a material breach of this Contract, rendering the Contract subject to cancellation as provided in Lines 302-305.
- 44. to comply with the terms and conditions of this Contract by the scheduled Close of Escrow will constitute a material breach of this Contract, rendering the Contract subject to cancellation as provided in Lines 302-305.
- 45. Contract, rendering the Contract subject to cancellation as provided in Lines 302-305.
- 46. Possession and Keys: Possession and occupancy shall be delivered to Buyer at Close of Escrow, or
- 47. Seller shall provide keys and/or means to operate all locks, mailboxes, security system/alarms, and access to all common area facilities
- 48. Occupancy: Buyer intends to occupy the Premises as primary residence; secondary residence; or Buyer does not intend to occupy the Premises.
- 49. IF THIS IS AN ALL CASH SALE, GO TO LINE 102.

FINANCING

51. Type of Financing: Conventional FHA VA Assumption Seller Carryback

52. This sale is contingent upon Buyer qualifying for a new first loan.

53. Conditional Loan Approval: Conditional Loan Approval ("CLA") is attached, or shall be delivered to Seller within 10 days after acceptance of the Contract. The written CLA from the Buyer's lender must be based on a loan application and Trimerged Residential Credit Report ("TMRCR") and for FHA or VA loans, show that the Seller's loan costs, pursuant to Line 80, are sufficient to obtain the loan. Buyer agrees to supply all documentation required by the lender. If such CLA is not received within the time specified, then Seller may give Buyer a five (5) day written notice to perform. If Buyer does not deliver to Escrow Company written CLA within said five (5) days, then this Contract shall be deemed cancelled and all earnest money shall be released to Buyer without further written consent of the parties and without regard to cancellation provisions provided for elsewhere in this Contract. Buyer instructs lender to send copies of such approval to Broker(s) and Seller. Buyer authorizes the lender to provide loan status updates to Broker(s).

54. Base Loan Amount: \$ 75,000 If applicable, upfront MIP or VA funding fee may be added to the loan.

55. Term of Loan: 30 yr

56. Type Of Loan: Fixed Rate Adjustable Rate Other

57. Interest Rate: Interest rate shall not exceed 7.0 % as an annual rate for a fixed rate loan or an initial rate for an adjustable rate loan.

58. Buyer agrees to establish the interest rate and "points" by separate written agreement with the lender during the Inspection Period.

59. Buyer does not "lock" the interest rate and points during the Inspection Period, and thereafter is unable to close escrow because the loan terms described herein are no longer available, earnest money shall be subject to forfeiture.

60. Appraisal: The Buyer's obligation to complete this sale is contingent upon an appraisal of the Premises by an appraiser acceptable to the lender for at least the sales price. The party responsible for paying for the appraisal shall do so within five (5) days after Contract

61. acceptance or Failure to pay for appraisal within the time specified shall constitute a material breach of this Contract rendering the Contract subject to cancellation as provided in Lines 302-305 of this Contract.

62. Loan Costs: Private Mortgage Insurance is required for certain types of loans and will be paid by Buyer at the Close of Escrow in a manner acceptable to lender. The following may be paid by either party:

63. Discount points paid by: Buyer Seller Other

64. Discount points shall not exceed: 0 total points. (does not include origination fee)

	Buyer	Seller	
65. A.L.T.A. Lender Title Insurance Policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Loan Origination Fee (Not to exceed _____ % of loan amount) <input checked="" type="checkbox"/>
66. Appraisal Fee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Paid by Buyer and <input type="checkbox"/> Paid by Seller and reimbursed by Buyer at closing

67. Other Loan Costs: In the event of FHA or VA loans, Seller agrees to pay up to \$ _____ of loan costs not permitted to be paid by the Buyer. In addition, in VA loans, Seller agrees to pay the escrow fee. All other costs of obtaining the loan shall be paid by the Buyer.

SUBJECT TO COUNTER OFFER

Initials: [Signature] SELLER

Initials: [Signature] BUYER

83. **Notice To FHA Buyer (Initials Required):** HUD does not warrant the condition of the property. By initialing below Buyer
 84. acknowledges receipt of Form HUD-92584-CN, "For Your Protection: Get a Home Inspection". Buyer further acknowledges the
 85. such form was signed at or before the Contract date. Signed HUD-92584-CN is attached and made a part of this Purchase Contract
 86.

(FHA Buyer's Initials Required) _____ BUYER _____ SELLER _____

GENERAL LOAN PROVISIONS

87. **Release Of Broker:** Any loan described in this Contract will be independently investigated and evaluated by Seller and/or Buyer, who
 88. hereby acknowledge that any decision to enter into any loan arrangements with any person or entity will be based solely upon such independent
 89. investigation and evaluation. Buyer and Seller further release, hold harmless and indemnify Broker(s) from any and all liability regarding
 90. any loan arrangements and acknowledge that no Broker is responsible for Buyer's or Seller's decisions concerning the desirability or acceptability
 91. of any loan or any terms thereof.
 92. **Changes:** Buyer shall not make any changes in the loan program or financing terms described in this Contract without the prior
 93. written consent of Seller unless such changes do not adversely affect Buyer's ability to qualify for the loan, increase Seller's closing
 94. costs, or delay the closing date.
 95. **Return Of Earnest Money:** Unless otherwise provided herein, Buyer is entitled to a return of the earnest money if, after a diligent and good
 96. faith effort, Buyer does not qualify for a loan described in this Contract. Buyer is aware that failure to have the funds necessary to obtain
 97. the loan and close this transaction shall be considered a material breach of contract and not a failure to qualify for the loan. Buyer
 98. acknowledges that prepaid items paid separately from earnest money are not refundable.
 99. **RESPA:** The Real Estate Settlement Procedures Act ("RESPA") requires that no Seller of property that will be purchased with the
 100. assistance of a federally-related mortgage loan shall require, directly or indirectly, as a condition of selling the property, that title insurance
 101. covering the property be purchased by the Buyer from any particular title company.

TITLE AND ESCROW

102. **Escrow:** This Contract will be used as escrow instructions. The Escrow Company employed by the parties to carry out the terms of this
 103. Contract shall be:
 104. Capital Title - Jima Walton 928 8505 1080
 (ESCROW COMPANY) (TELEPHONE)

105. **Title and Vesting:** Taking title may have significant legal, estate planning and tax consequences. Buyer should obtain legal and tax advice.
 106. Buyer's marital status is: Married

107. Buyer will take title as:
 108. determined before Close of Escrow community property with right of survivorship community property
 109. joint tenants with right of survivorship sole and separate property tenants in common
 110. Other: _____

111. Escrow Company is hereby instructed to obtain and distribute to Buyer a Commitment for Title Insurance together with complete and legible
 112. copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not limited to
 113. Conditions, Covenants and Restrictions; deed restrictions; and easements. Any portion of documents that contain provisions prohibited
 114. by state or federal fair housing laws are void and unenforceable. Buyer shall have five (5) days after receipt of the Title Commitment
 115. and after receipt of notice of any subsequent exceptions to provide written notice to Seller of any of the exceptions reasonably desired.
 116. REFER TO LINES 238-253 FOR IMPORTANT TERMS. Seller shall convey title by general warranty deed. Buyer shall be provided
 117. at Seller's expense an American Land Title Association ("ALTA") Homeowner's Title Insurance Policy, or if not available, an ALTA
 118. Residential Title Insurance Policy ("Plain Language" #1-4 units) or, if not available, a Standard Owner's Title Insurance Policy, showing
 119. the title vested in Buyer as provided in Lines 107-110. Buyer may acquire extended coverage at Buyer's own additional expense.
 120. (a) If the Escrow Company is also acting as the title agency but is not the title insurer issuing the title insurance policy, the Buyer and
 121. Seller hereby instruct the Escrow Company to deliver to the Buyer and Seller, upon deposit of funds, a closing protection letter from the
 122. title insurer indemnifying the Buyer and Seller for any losses due to fraudulent acts or breach of escrow instructions by the Escrow
 123. Company. (b) All documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form
 124. used by Escrow Company. Escrow Company is hereby instructed to modify such documents to the extent necessary to be consistent
 125. with this Contract. (c) All closing and escrow costs, unless otherwise stated herein, shall be allocated between Seller and Buyer
 126. accordance with local custom and applicable laws and regulations. (d) Escrow Company is hereby instructed to send to Broker(s) copies
 127. of all notices and communications directed to Seller or Buyer. Escrow Company shall provide to such Broker(s) access to escrow
 128. materials and information regarding the escrow. (e) Any documents necessary to close the escrow may be signed in counterparts, each
 129. of which shall be effective as an original upon execution, and all of which together shall constitute one and the same instrument.
 130. **Prorations:** Taxes, homeowners' association fees, rents, irrigation fees, and, if assumed, insurance premiums, interest on assessments
 131. interest on encumbrances, and service contracts shall be prorated as of Close of Escrow or Other: _____
 132. **Insurance:** Buyer understands that any fire, casualty, or other insurance desired by Buyer should be in place at Close of Escrow.
 133. Buyer specifically releases Broker(s) from any obligations relating to such insurance.

- 134. **Assessments:** The amount of any assessment, other than homeowners' association assessments on Lines 160-161, which is a lien as of the
- 135. Close of Escrow, shall be paid in full by Seller promised and assumed by Buyer. Any assessment that becomes a lien after
- 136. Close of Escrow is the Buyer's responsibility.
- 137. **IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to the Foreign Investment in
- 138. Real Property Tax Act ("FIRPTA"). Buyer acknowledges that if the Seller is a foreign person, the Buyer must withhold a tax equal to 10% of the
- 139. purchase price, unless an exemption applies.
- 140.

DISCLOSURES

- 141. **Seller Property Disclosure Statement ("SPDS"):** Seller shall deliver the SPDS to the Buyer within five (5) days after acceptance of
- 142. the Contract. The Buyer shall provide written notice of any items reasonably disapproved within the Inspection Period.
- 143. **Seller's Notice of Violations:** Seller represents that Seller has no knowledge of any notice of violations of City, County, State or
- 144. Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the Premises.
- 145. If Seller receives notice of violations prior to Close of Escrow, Seller shall immediately notify Buyer in writing. Buyer is allowed five (5)
- 146. days after receipt of notice to provide written notice to Seller of any items reasonably disapproved. REFER TO LINES 238-253 FOR
- 147. IMPORTANT TERMS.

148. **H.O.A./Condominium/P.U.D.:** If the Premises are located within a homeowners' association/condominium/planned unit development:

149. (a) the current regular association dues are \$ _____ monthly, or _____

150. additional homeowners' association fees are \$ _____ monthly, or _____

151. (b) If the homeowners' association has less than 50 units, no later than ten (10) days after acceptance of the Contract, the Seller shall:

152. (1) disclose in writing to Buyer any known existing or pending special assessments, claims or litigation, and (2) provide to Buyer copies

153. of Covenants, Conditions and Restrictions; Articles of Incorporation; bylaws; other governing documents; homeowners' association

154. approval of transfer, if applicable; current financial statement including reserve statement and/or budget, and any other documents and

155. information required by law.

156. (c) If the homeowners' association has 50 or more units, Seller shall furnish written notice of pending sale that contains the name and

157. address of the Buyer to the homeowners' association within five (5) days after acceptance of the Contract.

158. (d) Buyer is allowed five (5) days after receipt of the information from the Seller or homeowners' association to provide written notice to

159. Seller of any items reasonably disapproved; REFER TO LINES 238-253 FOR IMPORTANT TERMS.

160. (e) Any current homeowners' association assessment which is a lien as of Close of Escrow to be:

161. paid in full by Seller promised and assumed by Buyer

162. Any assessment that becomes a lien after the Close of Escrow is the Buyer's responsibility.

163. (f) Fees related to the transfer of the Premises shall be paid by Seller Buyer Other: _____

164. (g) Any inspection or certification fee charged by a homeowners' association shall be paid by Seller.

166. **Notice to Buyer of Swimming Pool Barrier Regulations (Initials Required):** Seller and Buyer acknowledge that the State of Arizona has

167. swimming pool barrier regulations which are outlined in the Arizona Department of Health Services Private Pool Safety Notice. A swimming pool

168. is defined as an above or below ground swimming pool or contained body of water intended for swimming, exclusive of public or semi-public

169. swimming pools ("Swimming Pool"). The parties further acknowledge that the county or municipality in which the Premises are located may have

170. different Swimming Pool barrier regulations than the state. During the Inspection Period, Buyer agrees to investigate all applicable state, county,

171. and municipal Swimming Pool barrier regulations and, unless reasonably disapproved within the Inspection Period, agrees to comply with and

172. pay all costs of compliance with said regulations prior to possession of the Premises.

173. **BUYER'S INITIALS ACKNOWLEDGE 1) EXISTENCE OF SWIMMING POOL BARRIER REGULATIONS and 2) If these Premises contain a**

174. **Swimming Pool, RECEIPT OF THE ARIZONA DEPARTMENT OF HEALTH SERVICES APPROVED PRIVATE POOL SAFETY NOTICE AS**

REQUIRED BY A.R.S. §38-1681 (E).

(BUYER'S INITIALS ARE REQUIRED)

BUYER: CS BUYER: DS

176. **Home Warranty Plan:** Buyer and Seller are advised to investigate the various coverage options available for purchase

177. Buyer acknowledges that the coverage under any home warranty plan generally excludes pre-existing conditions.

177. Buyer and Seller agree to the purchase of a Home Warranty Plan with the following optional coverage _____

178. at a cost not to exceed \$ _____, to be paid by Buyer, Seller, and to be issued by _____

179. Buyer and Seller elect not to purchase a Home Warranty Plan.

SUBJECT TO COUNTER OFFER

Initials: _____ SELLER _____ BUYER

Initials: CS DS BUYER BUYER

180. **Lead-Based Paint Disclosure (Initials Required):** If the Premises were built prior to 1978, the Seller shall: (1) notify the Buyer of any known
 181. lead-based paint or lead-based paint hazards in the Premises; (2) provide the Buyer with any lead-based paint risk assessments or inspections
 182. of the Premises in the Seller's possession; (3) provide the Buyer with the Disclosure of Information on Lead-based Paint and Lead-based
 183. Paint Hazards, and any report, records, pamphlets, and/or other materials referenced therein, including the pamphlet
 184. "Protect Your Family from Lead in Your Home" (collectively "Lead Information"). Lead Information was provided prior to Contract
 185. acceptance and Buyer acknowledges the opportunity to conduct lead-based paint risk assessments or inspections during Inspection Period.

186. Seller shall provide Lead Information within five (5) days after Contract acceptance. Buyer may within ten (10) days or _____ days
 187. after receipt of the Lead Information conduct or obtain a risk assessment or inspection of the Premises for the presence of lead-based paint
 188. or lead based-paint hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the Lead Information or five (5) days
 189. after expiration of the Assessment Period cancel this Contract in Buyer's sole discretion by delivering written notice of cancellation to Seller.

190. If Premises were constructed prior to 1978, BUYER'S INITIALS ARE REQUIRED HERE BUYER
BUYER

191. If Premises were constructed in 1978 or later, BUYER'S INITIALS ARE REQUIRED HERE BUYER
BUYER

INSPECTIONS AND WARRANTIES

192. **INSPECTIONS (INITIALS REQUIRED)**

193. **Physical, Environmental, and Other Inspections:** Buyer acknowledges the benefit of, and the right to have, any inspections
 194. including tests, surveys, and other studies, of the Premises at Buyer's expense to determine the value and condition of the Premises.
 195. The inspections may include physical, environmental, and other types of inspections including, but not limited to, square footage, wood
 196. infestation, roof, designated flood hazard areas, structural, plumbing (such as galvanized or polybutylene pipes), verification of
 197. sewer/septic connection, well, heating, air conditioning, electrical and mechanical systems, appliances, soil, foundation, pool/spa and
 198. related equipment, cost of compliance with Swimming Pool regulations, environmental hazards (such as asbestos, formaldehyde,
 199. radon gas, lead-based paint, fuel or chemical storage tanks, hazardous waste, landfills, high voltage electrical lines, airport overflight
 200. patterns, transportation corridors; and/or location in a federal or state Superfund area), endangered species, water quality, geologic
 201. conditions, location of property lines, water/utility use restrictions, and fees for services (such as garbage or fire protection). If the pres-
 202. ence of sex offenders in the vicinity of the Premises or the occurrence of a disease, natural death, suicide, homicide or other crime
 203. or in the vicinity of the Premises is a material matter to the Buyer, it must be investigated by the Buyer during the Inspection Period.

204. **SQUARE FOOTAGE: BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE PREMISES, BOTH
 205. THE REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON, IS APPROXIMATE. IF SQUARE FOOTAGE IS A MATERIAL
 206. MATTER TO THE BUYER, IT MUST BE VERIFIED DURING THE INSPECTION PERIOD.**

207. **Wood Infestation Inspection:** During the Inspection Period, Buyer will place in escrow a Wood Infestation Report of all residences and buildings
 208. included in this sale prepared by a qualified licensed pest control operator consistent with the rules and regulations of the Structural Pest Control
 209. Commission of the State of Arizona. The cost of the report shall be paid by Buyer or Seller at a cost not to exceed \$ _____.

210. If the lender requires an updated Wood Infestation Report, it will be performed at Buyer's expense. If wood infestation is found on any
 211. such Wood Infestation Report, REFER TO LINES 238-253 FOR IMPORTANT TERMS. IF CURRENT OR PAST WOOD INFESTATION
 212. (SUCH AS TERMITES) IS A MATERIAL MATTER TO THE BUYER, IT MUST BE INVESTIGATED DURING THE INSPECTION PERIOD.

213. **Flood Hazard:** If the Premises are situated in an area identified as having any special flood hazards by any governmental entity
 214. including, but not limited to, being designated as a special flood hazard area by the Federal Emergency Management Agency ("FEMA"), the
 215. Buyer's lender may require the purchase of flood hazard insurance at the Close of Escrow or some future date. Special flood hazards may
 216. affect the ability to encumber or improve the Premises now or at some future date. Flood hazard designation of the Premises or cost of
 217. flood hazard insurance shall be determined by Buyer during the Inspection Period.

218. **Seller's Obligations Regarding Wells:** If any well is located on the Premises, Seller shall deliver to Escrow Company, before Close of
 219. Escrow, a copy of the Arizona Department of Water Resources ("ADWR") "Registration of Existing Wells." Escrow Company is hereby
 220. instructed to send to the ADWR a "Change of Well Information" (A.R.S. §45-593). Seller does not warrant the gallons per minute as reflect-
 221. ed on the ADWR certification of registration. Buyer may verify gallons per minute during Inspection Period through a certified flow test.

222. **Buyer Responsibility Regarding Inspections and Investigations:** Buyer is advised by Broker to obtain inspections and
 223. investigations of the Premises. Buyer acknowledges that Buyer should make inquiries and consult government agencies, lenders, insur-
 224. ance agents, architects, and other appropriate persons and entities concerning the use of the Premises and the surrounding areas
 225. under applicable building, zoning, fire, health, and safety codes, and for evaluation of potential hazards. Buyer acknowledges that more
 226. than one inspection may be required. Buyer shall keep the Premises free and clear of liens, shall indemnify and hold Seller harmless
 227. from all liability, claims, demands, damages, and costs, and shall repair all damages arising from the inspections. Buyer shall provide
 228. Seller and Broker(s) upon receipt, at no cost, copies of all reports concerning the Premises obtained by Buyer. The Inspection Period
 229. is the Buyer's sole opportunity to discover any existing defects prior to Close of Escrow. Buyer waives any claim for an item warranted
 230. by the Seller if Buyer becomes aware of such claim during the Inspection Period and does not notify the Seller in writing of such, as
 231. provided in the Buyer's Reasonable Disapproval provisions at lines 238-253.

232. **BUYER SPECIFICALLY RELEASES, HOLDS HARMLESS AND INDEMNIFIES BROKER(S) FROM ANY LIABILITY FOR ANY
 233. DEFECTS IN THE PREMISES WHICH COULD HAVE BEEN DISCOVERED BY SUCH INSPECTIONS AND INVESTIGATIONS**

234. SUBJECT TO COUNTER OFFER (BUYER'S INITIALS ARE REQUIRED) BUYER BUYER

Initials: _____

Initials: _____

346. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and Buyer, and
 347. shall supersede any other written or oral agreement between Seller and Buyer. This Contract can be modified only by a writing signed by
 348. Seller and Buyer. A fully executed facsimile copy of the entire agreement shall be treated as an original Contract. The failure to initial any
 349. page of this Contract will not affect the validity or terms of this Contract. This Contract may be executed in any number of counterparts,
 350. and will become effective upon delivery as provided for herein. All counterparts shall be deemed to constitute one instrument, and each
 351. counterpart shall be deemed an original. Neither Seller, Buyer nor any Broker shall be bound by any understanding, agreement, promise,
 352. or representation, express or implied, written or verbal, not specified herein. The Seller and the Buyer acknowledge that the Broker(s) are
 353. third-party beneficiaries of this Contract.

354. **Construction of Language:** All references to days in this Contract shall be construed as calendar days.

355. Buyer understand property sold "as is", but reserves the
 356. right to a 10 day inspection period. No warranties or
 357. guaranties are being issued.
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385 **Addenda Incorporated:** Assumption and Carryback Addendum Lead-Based Paint Disclosure
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387 **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until Close of Escrow. Seller
 388 understands that any subsequent offer accepted by the Seller must be a backup offer, namely, contingent on the cancellation of
 389 this Contract. **SUBJECT TO COUNTER OFFER**

390. Release of Broker(s): SELLER AND BUYER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY ALL
 391. BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING THE CONDITION,
 392. SQUARE FOOTAGE, LOT LINES OR BOUNDARIES, VALUE, RENT ROLLS, ENVIRONMENTAL PROBLEMS, SANITATION
 393. SYSTEMS, ROOF, WOOD INFESTATION AND WOOD INFESTATION REPORT, COMPLIANCE WITH BUILDING CODES OR
 394. OTHER GOVERNMENTAL REGULATIONS, OR ANY OTHER MATERIAL MATTERS RELATING TO THE PREMISES.

395. Acceptance: This is an offer to purchase the Premises. Unless acceptance is signed by Seller and a signed copy delivered in person, by mail, or
 396. facsimile, and received by Buyer or by Broker named on Lines 12-13 by March 18 2003 at 12:00 AM/PM MST,
 397. or unless this offer to purchase has been previously withdrawn by Buyer, this offer to purchase shall be deemed withdrawn and the
 398. Buyer's earnest money shall be returned.

399. THIS CONTRACT CONTAINS NINE (9) PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE THAT YOU
 400. HAVE RECEIVED AND READ ALL NINE (9) PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.

401. The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt of a copy hereof.

402. Christi Jamis 3-12-03 [Signature] 3-12-03
 BUYER'S SIGNATURE MOD/YR BUYER'S SIGNATURE MOD/YR
 403. 2624 Rainbow N
 ADDRESS
 404. Lake Havasu City AZ 86403
 CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

ACCEPTANCE

405. Agency Confirmation: The following agency relationship(s) is hereby confirmed for this transaction:

406. Listing Broker: _____ (PRINT SALESPERSON NAME AND AGENT CODE) (PRINT FIRM NAME AND OFFICE CODE) (TELEPHONE)

407. ← Is the agent of (check one): the Seller exclusively, or both the Buyer and Seller

408. Seller Receipt of Copy: The undersigned acknowledge receipt of a copy hereof and grant permission to Broker named on
 409. Lines 12-13 to deliver a copy to Buyer.

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

413. The undersigned agree to sell the Premises on the terms and conditions herein stated, as modified by the count
 offer of 3/12/03

414. [Signature] 03/13/03 _____
 SELLER'S SIGNATURE MOD/YR SELLER'S SIGNATURE MOD/YR
 415. Karl Anderson, Trustee
 SELLER'S NAME PRINTED SELLER'S NAME PRINTED
 416. _____
 ADDRESS ADDRESS
 417. _____
 CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

For Broker Use Only:

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

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WEB SITE www.lakehavasucrealestate.com
E-MAIL chjudd@coldwellbanker.com

SEWER DISCLOSURE

Buyer and Seller are advised that most areas in Lake Havasu City will eventually require hooking up to the city sewer system. Buyer and Seller are advised that installation of a septic system on new construction does not eliminate the requirement to hook up to the sewer when it is available. This information was provided to the seller by the city, as of

for the property located at: 4210 Mercury Dr Lake Havasu City, AZ 8640

- Has been hooked up to the sewer.
Will be hooked up to the sewer approximately
Is not schedule to be sewerred at this time.

You will be contacted by the city approximately 6 months before you are scheduled to be hooked up to the sewer system.

A \$2000.00 "Treatment Capacity Fee" will be billed to the owner of record upon installation of the sewer hook-up. The owner of record at the time of hook-up may finance the \$2000.00 through the city for a period of 10 years. Upon a change of ownership, after installation of the sewer system, any balance owing on the "Treatment Capacity Fee" must be paid in full no later than the close of escrow.

If the seller has received a "Sewer Residential Information" letter the buyer must receive a copy, understand its terms and indicate the same by initialing here:

BUYER IS ADVISED TO CONTACT THE CITY IF THEY REQUIRE ANY ADDITIONAL INFORMATION ON THE SEWER PROGRAM, OR TO VERIFY ANY OF THIS INFORMATION PROVIDED. (LAKE HAVASU CITY, FINANCE DEPARTMENT, MARCI MITTEN, 855-2116 X4117)

SUBJECT TO COUNTER OFFER
[Signature] 03/13/03
Seller Date

Buyer Date

Buyer Date

Seller Date

**ADDITIONAL TERMS
TO ALL SALES/BUYERS**

Buyer(s) acknowledges and agrees that:

1. All sales shall be subject to notice requirements of the U.S. Bankruptcy Code and approval of the U.S. Bankruptcy Court and is subject to overbid by other interested prospective buyers.

2. The United States Bankruptcy Court Central District of California, retains full jurisdiction over all matters now pending or that may arise at any time in the future concerning any and all aspects of this transaction.

3. If the Trustee is unable to complete escrow/sale because of unknown defects in the title, or because the liens and encumbrances exceed the amounts known to the Trustee, or by being divested of title by the Bankruptcy Court, or because the income tax consequences of the sale are excessive, or for any sale, trustee/seller in his absolute discretion may cancel any escrow or rescind and contract to sell, in such case buyer's sole damages will be limited to the refund of his/her deposit less escrow charges and bond charges of the Trustee.

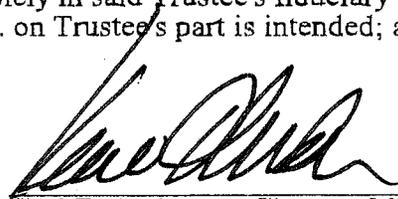
4. Seller to approve in writing all **DISBURSEMENTS**. Escrow is not authorized to disburse any funds to anyone without the prior written approval of the undersigned Trustee.

5. Seller is a fiduciary trustee in bankruptcy, acting in the course of administration of the bankruptcy trust estate of Romie O. Rael; Ana M. Rael aka Ana M. Cruz; fdba A & R Vending, Bankruptcy Case No. RS02-16480DN now pending in the United States Bankruptcy Court Central District of California, Riverside Division, 3420 Twelfth Street, Riverside, California, before the Honorable David N. Naugle, U.S. Bankruptcy Judge, and is selling said property pursuant to the provisions of the Bankruptcy Code and the Bankruptcy Court Orders issued thereunder; that Seller has never seen the property, is selling the property in an "as is" condition, and Seller makes no warranties or representations whatsoever pursuant to California Civil Code §1102-1102.13, or any other provision of California law or otherwise, except as expressly set forth pursuant to terms of the sales agreement and escrow agreement; that this sale is under the auspices and full jurisdiction of the United States Federal Court system including, but not limited to, the United States Bankruptcy Court.

6. Signature by the Trustee is solely in said Trustee's fiduciary capacity in the within case; no personal liability for costs, fees, etc. on Trustee's part is intended; any liability is strictly the liability of the bankrupt estate.

DATED:

4/10/03



Karl T. Anderson, Chapter 7 Trustee

DATED:

Don Garrison, Buyer

DATED:

Christine Garrison, Buyer

LAW OFFICES OF
BEST BEST & KRIEGER LLP
3750 UNIVERSITY AVENUE
POST OFFICE BOX 1028
RIVERSIDE, CALIFORNIA 92502

