

COURTESY
NO TITLE LIABILITY



**OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTL**

WHEN RECORDED PLEASE RETURN TO:

Koglmeier, Dobbins, Smith & Delgado, P.L.C.
715 N. Gilbert Road, Suite 5
Mesa, Arizona 85205

DATE/TIME: 04/05/07 1512

FEE: \$16.00

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FEE NUMBER: 2007-041848

**AGREEMENT FOR SALE OF
REAL PROPERTY**

Effective Date: April 29, 2006	County and State Pinal County, Arizona
GRANTOR/SELLER (Name, Address and Zip Code) Encanto Paseo at the Santans, L.L.C.	GRANTEE/BUYER (Name, Address and Zip Code) Santana Gated Community Holdings Corporation
Account Servicing Agent Capital Title 4677 South Lakeshore Drive Suite C-9 Tempe, AZ 85282	Subject Real property (Address or Location) 9355 West Skyline Drive, Queen Creek, Arizona Parcel ID # 509-09-001 Legal Description 1. <input checked="" type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> Proofed by Persons Whose Initials Appear To the Right.
Subject Real Property (Legal Description, Acreage, and Use) The Northwest quarter of the Northwest quarter of Section Eight (8), Township Three (3) South, Range Seven (7) East of the Gila and Salt River Base and Meridian, Pinal County, Arizona. Excepting Therefrom all coal, oil, gas and other mineral deposits as reserved in the Patent recorded in Book 49, Page 8 of Deeds.	

This transfer is exempt from
the affidavit of value pursuant
to A.R.S. 11-1134 69

Purchase Obligation

Buyer is obligated to pay Seller the Purchase Price as follows:

(1) PURCHASE PRICE	\$ 5,600,000
(2) CASH DOWN PAYMENT	\$ 0.00
(3) TRADE IN AND/OR DISCOUNT	\$ 0.00
(4) TOTAL DOWN PAYMENT	\$ 0.00
(5) UNPAID BALANCE OF PURCHASE PRICE (AMOUNT FINANCED)	\$ 5,600,000

FINANCE CHARGE: There will be no finance charge provided that one-third (1/3) of the total amount financed is paid by October 27, 2007 and the remaining balance is paid on or before October 27, 2008. All payments are to be paid to the account servicing agent at Capital Title Agency, 4677 S. Lakeshore Drive, Suite C-9, Tempe, Arizona. This agreement for sale shall be recorded with the Maricopa County, Arizona, County Recorder's office securing title interest in the Grantees listed above.

(a) Interest 8% per annum on the UNPAID BALANCE OF PURCHASE PRICE if the payments are not paid timely. DIFFERENTIAL	none
(6) DEFERRED PAYMENT PRICE (Item 1 plus 6)	none
(8) ANNUAL PERCENTAGE RATE	see above
(9) TOTAL OF PAYMENTS	\$ 5,600,000

The unpaid principal balance due may be paid in full at anytime without penalty and in such event, the Buyer shall not be liable for the payment of any unearned interest. Unearned interest shall be the pre-computed interest less interest, paid to date of payment. The interest to be computed on the declining balance of principal.

AGREEMENT FOR SALE OF
REAL PROPERTY

1. **Consideration.** For and in consideration of the monies constituting the Purchase Obligation and for other valuable consideration exchanged between Seller and Buyer, Seller agrees to sell and convey unto Buyer, and Buyer agrees to buy, the above described Subject Real Property pursuant to the terms of this Agreement.

2. **Conveyance.** The deed of Seller conveying the Subject Real Property to buyer, subject to liens, encumbrances, reservations, restrictions and exceptions set forth on such deed, has been delivered to the account servicing agent with First American Title which title shall be delivered to Buyer upon fulfillment of Buyer's obligations to Seller under the provisions of this Agreement.

3. **Appurtenances.** Seller agrees to sell together with the Subject Real Property all buildings and improvements now or hereafter erected thereon, and all fixtures attached to or used in connection with the Subject Real Property (including, without limiting the generality of the foregoing, all ventilating, heating, air conditioning and/or refrigeration, plumbing and lighting fixtures) together with all and singular the tenements, hereditaments and appurtenances, privileges, water and water rights, pipes, flumes and ditches and the water flowing through the same, thereunto belonging to or in any way appertaining, and the reversions, remainders, rents, issues and profits therefrom.

4. **Title in Seller.** Seller hereby covenants and warrants that they are well and truly seized of good and perfect title to the Subject Real Property conveyed in fee simple, that they have the good right and lawful authority to convey the same, that the title when conveyed will be free, clear and unencumbered except as to documents of record of which Buyer has been informed, and that Seller will warrant and forever defend the same to the Buyer, his successors and assigns against all claims whatsoever.

5. **Taxes and Assessments.** Buyer shall pay to the account servicing agent who shall pay to all proper offices, all taxes and dues for water and assessments, general and special, including home owner association fees, which may be levied or assessed upon the Subject Real Property and improvements and appurtenances on or before the date when such taxes or assessments shall become delinquent, and upon Seller's written request, mail to Seller at their address the receipts evidencing such payments. Buyer shall purchase and use thereon the amount of water to which Subject Real Property is or shall be entitled, shall not abandon any water rights, power rights, or any rights of whatever nature which are appurtenant to the Subject Real Property, and shall take the same care thereof as a prudent owner would take.

6. **Liability Insurance.** Unless otherwise indicated above, Buyer shall continually keep in force, during the life of this Agreement liability insurance, with Seller as an additional insured thereunder, insuring Buyer and Seller in the amount of \$1,000,000 against any loss or damage, or any claim thereof, resulting from injury to or the death of any one person, as a result of or by reason of Seller's or Buyer's interest hereunder or the use and occupancy of the Subject Real Property by Buyer.

All policies shall contain a written obligation of the insurer to notify Seller in writing at least ten days prior to any cancellation thereof.

7. Indemnification of Parties. Buyer shall hold Seller harmless from and indemnify Seller for any and all claims raised by any third party against Seller resulting from the Seller's interest hereunder or the acts of Buyer. Such indemnification shall include Seller's reasonable attorney's fees, costs and lost compensation or profits of Seller or their agents resulting from the preparation for and participation in any litigation. Seller shall hold harmless from and indemnify Buyer's interest hereunder or the acts of any and all claims raised by any third party against Seller resulting from the Seller's interest hereunder or the acts of Seller. Such indemnification shall include Buyer's reasonable attorney's fees, costs and lost compensation or profits of Buyer or their agents resulting from the preparation for and participation in any litigation.

8. Right of Seller to Pay Obligations of Buyer. In the event Buyer fails or refuses to pay any sums due to be paid by him under the provisions of this Agreement, or fails or refuses to take any action as herein provided, then, and in such event, Seller, after ten days notice in writing to Buyer, shall have the right to pay any sum or sums due to be paid by Buyer and to do and perform any act necessary; and the amount of such sum or sums paid by Seller for the account of Buyer and the costs of any such action; together with interest thereon at the maximum legal rate per annum from the date of payment thereof by Seller until satisfaction, shall be added to the Purchase Price.

The payment by Seller of any sum or sums or the performance by Seller of any such act shall be prima facie evidence of the necessity therefor.

9. Condemnation. All awards of damages in connection with any condemnation for public use or injury to any of the Subject Real Property are hereby assigned in full and shall be paid to Seller, who may apply the same to the payment of the principal of the Purchase Obligation, the interest thereon, and any other charges and amounts secured hereby in such manner as Seller may elect. The remaining balance after Seller has been paid in full shall be paid to Buyer.

10. Care of Property. Buyer shall take reasonable care of the Subject Real Property and the buildings thereon (if applicable), or any improvements constructed by Buyer and maintain the same in good repair and condition. Buyer will not commit or permit waste upon the premises or do any act which will unduly impair or depreciate the value of the Subject Real Property. In the event that Buyer fails to maintain the subject Real Property in the same good repair and condition as at the original date of this Agreement, then Seller, at his option, may make such necessary repairs to properly maintain the Subject Real Property and tax the cost thereof to the Purchase Obligation.

11. Event of Default. Each of the following shall be deemed an event of default:

- a. The failure of Buyer to make any payment due hereunder on or before the due date thereof;

- b. The failure of Buyer to perform any duty required by this Agreement;
- c. The breach by Buyer of any covenant or warranty contained in this Agreement;
- d. The removal or attempted removal by Buyer of any property included in the Subject Real Property without the consent of Seller;
- e. Abandonment of Subject Real Property by Buyer;

12. Fair Notice of Default. The parties are desirous of giving one another fair notice of any default before any sanctions are imposed. In the event of an act of default with respect to any provision of this Agreement, neither party may institute legal action with respect to such default without first complying with the following condition:

- a. Any and all notices whatsoever and any event of default must be in writing and mailed to the other party by U.S. Certified Mail, return receipt requested.
- b. Such written notice shall set forth the nature of the communication in detail and/or of the alleged default in the performance of the terms of this Agreement and shall designate the specific paragraph(s) herein which relate to the alleged act of default.
- c. Such notice shall also contain a reasonably understandable description of the action to be taken or performed by the other party in order to cure the alleged default and the date by which the default must be remedied, which date may be not less than thirty (30) business days from the date of mailing the notice of default.

13. Default. In the event of default and after proper, written certified and mailed notice has been sent, Seller, in addition to all other rights provided herein and/or by law or equity, may forfeit the rights of buyer hereunder. Such forfeiture shall be in the manner prescribed by law in effect at the time of default. In the event of forfeiture, buyer shall forfeit any and all rights and interests hereunder in and to the Subject Real Property and all appurtenances thereto, and Buyer shall surrender to Seller, forthwith, peaceful possession of the Subject Real Property and shall forfeit to Seller any and all payments made hereunder, together with any and all improvements placed on the Subject Real Property by Buyer.

14. Defaults on Prior Encumbrances. In the event there are other encumbrances upon the Subject Real Property which are prior in time or prior in right, then and in that event, Seller shall indemnify Buyer and to remedy any such encumbrances. In the event that Seller fails to comply with those terms and becomes in default on those obligations, such default shall be considered a default of this Agreement, and Buyer or his successors in interest may deduct the monies necessary to remedy such default from the payments due under this Agreement to so remedy such encumbrances.

15. **Peaceful Possession.** Until default is made under any provision of this Agreement as hereinbefore provided, Buyer may continue in the peaceful possession of all the Subject Real Property.

16. **Satisfaction of the Purchase Obligation.** When Buyer has fully satisfied the Purchase Obligation together with all other obligations hereunder, Buyer shall request that Seller serve notice to the account serving agent requesting Agent to record the deed from Seller to Buyer, which deed Agent will be holding pursuant to Paragraph 2 (Conveyance).

17. **Notices.** Copies of all notices and communications concerning this Agreement shall be mailed to the parties at the addresses:

Grantors - Sellers
715 N. Gilbert Road
Mesa, AZ 85203

Grantees - Buyers
P.O. Box 31387
Mesa, AZ 85275-1387

Any change of address shall be communicated to the other party in writing. Any documents or correspondence that relates to this Agreement shall be dispatched by certified mail, return receipt requested. For all documents mailed to persons in the continental United States, the time period shall begin running on the day following the date that the document is postmarked. For documents mailed to persons outside the continental United States, the time period begins to run ten (10) days following the date that the document is postmarked.

18. **Headings.** The marginal or topical headings of the several paragraphs are for convenience only and do not define, limit or construe the contents of these paragraphs.

19. **Waiver.** Any waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach hereof.

20. **Succession of Benefits.** The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, personal representatives, conservators, and permitted assigns.

21. **Interpretation.** It is intended by all parties to this Agreement that the laws of Arizona are to be used in the interpretation of the rights and duties of the parties under this Agreement.

22. **Entire Agreement.** The terms of this Agreement constitute the entire agreement between the parties, and the parties represent that there are no collateral agreements or side agreements not otherwise proved for within the terms of this Agreement.

23. **Time of Essence.** Time is of the essence in this Agreement and every term, condition, covenant and provision hereof.

24. **Modification.** No modification of this Agreement shall be binding unless evidenced by an agreement in writing and signed by both parties.

25. **Requirements of Escrow Agent.** In the event Escrow Agent requires further documentation before accepting this Agreement, Buyer and Seller agree to comply with Escrow Agent's request so long as these additional requirements do not substantively change this Agreement.

26. **Additional Provisions:**

Signatures of Seller:

Encanto Paseo of the Santans, LLC
By Lot 33 High In The Country, LLC

By:


Its: Managing Member

Signatures of Buyer:

Santan Gated Community Holding
Corporation

By:

Its: President

STATE OF: <u>Arizona</u> COUNTY OF: <u>Maricopa</u> <u>412107</u> Date of this Acknowledgement:	Acknowledgement. On this date, before me, a Notary Public, personally appeared: <u>J. D. Dobbins</u> known to me or satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that he executed the same. If this person's name is subscribed in a representative capacity, it is for the principal named and in the capacity indicated.	Signature of Notary Public: <u>Claire Hansing</u> Notary Expiration Date: 
STATE OF: <u>Arizona</u> COUNTY OF: <u>Maricopa</u> <u>412107</u> Date of this Acknowledgement:	Acknowledgement. On this date, before me, a Notary Public, personally appeared: <u>William S. Pickson</u> known to me or satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that he executed the same. If this person's name is subscribed in a representative capacity, it is for the principal named and in the capacity indicated.	Signature of Notary Public: <u>Claire Hansing</u> Notary Expiration Date: 