

1 **Michael Baldwin, PLC**

2 Michael W. Baldwin, State Bar No. 12625  
3 12080 E 8<sup>TH</sup> Street  
4 Tucson, Arizona 85748-8903  
5 Telephone: (520) 870-0709  
6 E-Mail: Michael.Baldwin@azbar.org  
7 Attorney for Debtor

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA

*In re:*

Skyline Ridge, LLC, an Arizona limited liability  
company,

Debtor.

3400 E Finger Rock Circle  
Tucson AZ 85718,  
EIN: 86-xxxx-4126

(Chapter 11)

Case No.: 4:18-bk-01908-BMW

MOTION TO APPROVE  
SALE OF REAL PROPERTY

(5172 E Calle Brillante, Tucson, AZ 85718)  
Pima County Tax Parcel #s 109-03-7350)

Skyline Ridge, LLC, the above-captioned Debtor (hereinafter, "**Debtor**"), by and through counsel undersigned, hereby moves for an Order of this Court approving the sale of a vacant residential lot located in Tucson, Arizona. To support its motion, Debtor asserts the following:

- 1) Debtor is the owner of unimproved real property located at 5172 E Calle Brillante, Tucson, AZ 85718, Pima County Tax Parcel number 109-03-7350; the partial legal description of which is El Diamante II, Lot 19 (hereinafter referred to as the "**Real Property**").
- 2) Debtor executed an Exclusive Right-to-Sell Listing Agreement (the "**Listing Agreement**") with a licensed real estate agent, Sue Hill and Long Realty, as licensed real estate broker (hereinafter collectively referred to as "**The Realtor**"). On June 14, 2018, the Debtor moved for appointment of the Realtor (dkt# 77) and an order has

1 already been entered appointing those parties as the realtor on this parcel of real  
2 property. The Listing Agreement is attached as an exhibit.

3 3) The "Vacant Land/Lot Purchase Contract" for the Real Property is attached to this  
4 Application as Exhibit "1" and incorporated herein by this reference (the "**Purchase**  
5 **Contract**").

6 4) Escrow is being opened today at Stewart Title but the Debtor has not yet received a  
7 preliminary title report. However; Stewart Title did prepare the attached preliminary  
8 version of "ALTA Settlement Statement—Combined", dated October 3, 2018, a copy of  
9 which is attached hereto as Exhibit "2".

10 5) The Listing Agreement executed by the Debtor called for the Realtor to be paid six  
11 percent (6.0%) of the sale price as commission on the sale of The Real Property.  
12 Debtors assert that a six percent (6.0%) commission is reasonable under the  
13 circumstances of this case and the subject property<sup>1</sup>. The Realtor has performed all  
14 duties expected of The Realtor to date, and will have earned the commission when this  
15 sale closes. On such basis, Debtors request that the Order approving this sale also  
16 provide for the Realtor to be paid six percent (6.0%) of the sale price, or approximately  
17 \$7,200, from the sale proceeds. The Realtor may cause such commission to be split  
18 between the Realtor and the buyers' agent, as is consistent with their own contractual  
19 obligations.

20 6) This property is subject to only one note and deed of trust held by Northern Trust Bank  
21 ("**NTB**"). The sale price is well above the parameters of the release price that the  
22 Debtor had requested that NTB agree to for this property, upon which Debtor never  
23 obtained a response from NTB. Debtor believes that NTB will consent to this sale.

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24 <sup>1</sup> The Listing Agreement provides that if the Realtor also represented the  
25 prospective buyer, the commission would only be 5.0%, but that situation does  
not apply here.

- 1 7) The prospective purchaser that has signed the Purchase Contract for the sale of the Real  
2 Property is not an Insider of the Debtor. Rather, the prospective purchaser only came  
3 to the transaction as the result of The Realtor's listing of the Real Property on the  
4 Multiple Listing Service.
- 5 8) The Purchase Contract calls for a due diligence period of fifteen days from the "Date of  
6 Acceptance of Contract" by the Seller. Since the Seller is a Debtor-In-Possession, a  
7 clause was added into the contract that recognizes the Debtor's conditional acceptance  
8 of the offer is necessarily subject to bankruptcy court approval after due notice and a  
9 hearing. Thus, the Purchase Contract provides that Buyer's Due Diligence period begins  
10 on the date that the Court enters an Order approving the Sale of the Real Property.
- 11 9) Because the purchase contract is dependent upon financing, the Buyer will not be able  
12 to close the transaction until December 18, 2018, or shortly thereafter---which is a  
13 timeline set by the buyer's financial institution (and not far off from the first possible  
14 date a sale could close since this motion will likely be set for hearing in November, and  
15 any order approving the sale will likely become final and non-appealable in late  
16 November, 2018).
- 17 10) Debtor also requests authority from this Court to pay the costs of sale that would  
18 normally be borne by a seller in a transaction like the sale of the Real Property, including  
19 but not limited to title insurance, title company fees, and the like.
- 20 11) While Debtor and NTB disagree as to whether NTB is sufficiently oversecured, NTB has  
21 filed pleadings that acknowledge that NTB is an oversecured creditor. However, Debtor  
22 asserts that the Court can approve the sale of the Real Property solely because NTB will  
23 benefit entirely from the sale. Stated differently, Debtor asserts that NTB's Equity  
24 Cushion will increase as a result of sale of the Real Property.
- 25

12) There are some real property taxes owed on the Real Property<sup>2</sup>, but there are no homeowner's association dues, as the Real Property is not within the boundary of any nearby HOA.

13) Based upon Stewart Title's preliminary version of the Seller's Closing Statement, Debtor anticipates that NTB will receive approximately \$97,000 from the closing of this transaction.

14) Every sale by the Debtor benefits the body of creditors. One particular creditor receives instant satisfaction---they get the money. But each sale also reduces Skyline's total debt, and most importantly a reduction in total debt causes a linear reduction in the monthly debt service. Debtor's two previous sales that have already closed escrow have yielded debt reduction payments of \$344,000, and there is another sale for \$170,000 (sale price---not the amount of net debt reduction) set for approval on October 3. In addition to this sale, one is set for approval tomorrow, and if approved would close within the month of October. There is another property that is in the process of being sold for net sale proceeds to NTB, if approved, of \$650,000. And, filed contemporaneously with this motion, there is a motion for the sale of the small residential lot located in Skyline Country Club, on Calle Brillante, for a sale price of \$120,000. Once all these have closed escrow, Debtor anticipates that the NTB balance due will then be less than six figures.

15) On these facts, Debtor asserts that the requirements of 11 U.S.C. § 363(f) for the sale of property free and clear of liens, claims and interests, can readily be satisfied. However, to avoid the additional work that a § 363(f) motion imposes upon the Court, the Debtor and the creditor, and perhaps also all of the creditors in this matter, Debtor

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<sup>2</sup> Pima County filed a Proof of Claim stating that the tax due on this parcel as of the Petition Date was approximately \$3,378.73.

1 has chosen to file this Motion without actually invoking the protections of § 363(f), while  
2 awaiting a decision by NTB if it will consent to the sale. If it does not, a modified  
3 version of this motion will be filed pursuant to § 363(f)(5).

4 **WHEREFORE**, Debtor moves for an Order of this Court providing as follows:

5 **(A)** APPROVING AND AUTHORIZING the Debtor to execute and deliver all contracts,  
6 agreements, assignments, conveyances or other documents, including those listed in  
7 the Purchase Contract and to take such other action that may be necessary to perform  
8 the terms and provisions of that sale contract, and to take such other action that may  
9 be necessary for the closing of sale by the Debtor;

10 **(B)** Pioneer Title is authorized to pay over the sale proceeds in the following order:

- 11 1) Pay any real property tax debt that is due for the subject property;  
12 2) Pay any homeowners association fees that are due to the HOA from Debtor on this  
13 Real Property;  
14 3) Pay the seller's costs of sale and other costs of closing customarily borne by a seller  
15 including, but not limited to, the payment of any real property tax due, or a pro rata  
16 portion of any real property tax about to come due, and convey said payment to the  
17 Pima County Treasurer; and  
18 4) Pay to The Realtor a six percent (6%) commission (approximately \$19,200) to be  
19 paid at the time of closing;  
20 5) Pay the remaining sale proceeds to The Northern Trust Company, *dba* Northern  
21 Trust Bank.

22 Respectfully submitted this 4th day of October, 2018.  
23 MICHAEL BALDWIN, PLC;

24 By: /s/ Michael Baldwin AzStB#12625  
25 Michael W. Baldwin

1 Copy of the foregoing electronically transmitted this 4<sup>th</sup> day of October 2018, to the following:

2 Jennifer Giamo, Esq,  
3 Office of the United States Trustee  
4 [Jennifer.A.Giaino@usdoj.gov](mailto:Jennifer.A.Giaino@usdoj.gov)

5 All parties who have filed a Notice of Appearance in this case

6 A Notice of Hearing will be filed, and the Notice of Hearing along with this Pleading will be mailed and or  
7 electronically transmitted to all parties on the Master Mailing List.




8 /s/ Michael Baldwin, PLC

# Exhibit 1

# H.O.A. CONDOMINIUM / PLANNED COMMUNITY ADDENDUM

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February 2015

 <b>ARIZONA</b> association of <b>REALTORS®</b>	<p>The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.</p>	 
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## SELLER'S NOTICE OF H.O.A. INFORMATION

- Seller: Skyline Ridge LLC
- Premises Address: 5172 E Calle Brillante, Tucson, AZ 85718-1800 Lot 053 2-19
- Date: \_\_\_\_\_
- INSTRUCTIONS: (1) Homeowner's association ("H.O.A.") information to be completed by Seller at the time of listing the Premises for sale.
- (2) Upon completion, this Addendum shall be uploaded to the multiple listing service, if available, or delivered to prospective buyers upon request prior to prospective buyer's submission of a Purchase Contract to Seller.

## ASSOCIATION(S) GOVERNING THE PREMISES

- H.O.A.: Skyline Ridge HOA Contact Info: Nadeen Stitt
- Management Company (if any): \_\_\_\_\_ Contact Info: 310-721-4111
- Amount of Dues: \$ \_\_\_\_\_ How often?: \_\_\_\_\_ Dena Stitt@mac.com
- Amount of special assessments (if any): \$ \_\_\_\_\_ How often?: \_\_\_\_\_ Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_  
MO/DA/YR MO/DA/YR
- Master Association (if any): Skyline Country Club Estates Contact Info: Coleen Holland
- Management Company (if any): N/A Contact Info: 520) 299-1184
- Amount of Dues: \$ 561.81 How often?: Annual (10/1)
- Amount of special assessments (if any): \$ N/A How often?: \_\_\_\_\_ Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_  
MO/DA/YR MO/DA/YR
- Other: \_\_\_\_\_ Contact Info: \_\_\_\_\_
- Amount of Dues: \$ \_\_\_\_\_ How often?: \_\_\_\_\_

## FEES PAYABLE UPON CLOSE OF ESCROW

- Transfer Fees: Association(s) fees related to the transfer of title, H.O.A. \$ \_\_\_\_\_ Master Association \$ 400.00 200.00
- Capital Improvement Fees, including, but not limited to, those fees labeled as community reserve, asset preservation, capital reserve, working capital, community enhancement, future improvement fees, or payments, H.O.A. \$ \_\_\_\_\_ Master Association \$ N/A
- Prepaid Association(s) Fees: Dues, assessments, and any other association(s) fees paid in advance of their due date, H.O.A. \$ N/A
- Master Association \$ N/A
- Disclosure Fees: Association(s) Management/Company(ies) costs incurred in the preparation of a statement or other documents furnished by the association(s) pursuant to the resale of the Premises for purposes of resale disclosure, lien estoppels and any other services related to the transfer or use of the property. Pursuant to Arizona law, Disclosure Fees cannot be more than an aggregate of \$400.00 per association.
- As part of the Disclosure Fees, each association may charge a statement or other documents update fee of no more than \$50.00 if thirty (30) days or more have passed since the date of the original disclosure statement or the date the documents were delivered. Additionally, each association may charge a rush fee of no more than \$100.00 if rush services are required to be performed within seventy-two (72) hours after the request, H.O.A. \$ \_\_\_\_\_ Master Association \$ 200.00
- Other Fees: IN COLLECTIONS - Maxwell & Morgan - contact for total

- SELLER CERTIFICATION: By signing below, Seller certifies that the information contained above is true and complete to the best of Seller's actual knowledge as of the date signed. Broker(s) did not verify any of the information contained herein.

- DocuSigned by: Almad Zarifi 9/21/2018 5:20:21 PM PDT Charles Sellars, csellars@hoalaw.biz
- SELLER'S SIGNATURE \_\_\_\_\_ MO/DA/YR \_\_\_\_\_
- SELLER'S SIGNATURE Skyline Ridge LLC MO/DA/YR \_\_\_\_\_

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Long Realty - Foothills, 4051 E. Sunrise Drive Ste. 101 Tucson AZ 85718  
Phone: 520.918.5475 Fax: 520-887-3681 Sue Hill

Calle Brillante

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## H.O.A. Condominium / Planned Community Addendum &gt;&gt;

**ADDITIONAL OBLIGATIONS**

36. If the homeowner's association has less than 50 units, no later than ten (10) days after Contract acceptance, the Seller shall provide in writing to Buyer the information described below as required by Arizona law.
- 37.
38. If the homeowner's association has 50 or more units, Seller shall furnish notice of pending sale that contains the name and address of the Buyer to the homeowner's association within five (5) days after Contract acceptance and pursuant to Section 3d of the Contract. Escrow Company is instructed to provide such notice on Seller's behalf. The association is obligated by Arizona law to provide information described below to Buyer within ten (10) days after receipt of Seller's notice.
- 40.
- 41.
42. **BUYER IS ALLOWED FIVE (5) DAYS AFTER RECEIPT OF THE INFORMATION FROM THE SELLER(S) OR HOMEOWNER'S ASSOCIATION TO PROVIDE WRITTEN NOTICE TO SELLER OF ANY ITEMS DISAPPROVED.**
- 43.

**INFORMATION REQUIRED BY LAW TO BE PROVIDED TO BUYER:**

- 44.
45. 1. A copy of the bylaws and the rules of the association.
46. 2. A copy of the declaration of Covenants, Conditions and Restrictions ("CC&Rs").
47. 3. A dated statement containing:
48. (a) The telephone number and address of a principal contact for the association, which may be an association manager, an association management company, an officer of the association or any other person designated by the board of directors.
- 49.
50. (b) The amount of the common expense assessment and the unpaid common expense assessment, special assessment or other assessment, fee or charge currently due and payable from the Seller.
- 51.
52. (c) A statement as to whether a portion of the unit is covered by insurance maintained by the association.
53. (d) The total amount of money held by the association as reserves.
54. (e) If the statement is being furnished by the association, a statement as to whether the records of the association reflect any alterations or improvements to the unit that violate the declaration. The association is not obligated to provide information regarding alterations or improvements that occurred more than six years before the proposed sale. Seller remains obligated to disclose alterations or improvements to the Premises that violate the declaration. The association may take action against the Buyer for violations apparent at the time of purchase that are not reflected in the association's records.
- 55.
- 56.
- 57.
- 58.
59. (f) If the statement is being furnished by the Seller, a statement as to whether the Seller has any knowledge of any alterations or improvements to the unit that violate the declaration.
- 60.
61. (g) A statement of case names and case numbers for pending litigation with respect to the Premises or the association, including the amount of any money claimed.
- 62.
63. 4. A copy of the current operating budget of the association.
64. 5. A copy of the most recent annual financial report of the association. If the report is more than ten pages, the association may provide a summary of the report in lieu of the entire report.
- 65.
66. 6. A copy of the most recent reserve study of the association, if any.
67. 7. Any other information required by law.
68. 8. A statement for Buyer acknowledgment and signature as required by Arizona law.



H.O.A. Condominium / Planned Community Addendum &gt;&gt;

**BUYER'S ACKNOWLEDGMENT AND TERMS**

69. Buyer: Stavros Athanasiou and/or assigns
70. Seller: Skyline Ridge LLC
71. Premises Address: 5172 E Calle Brillante, Tucson, AZ 85718-1800
72. Date: 09/20/18
73. The following additional terms and conditions are hereby included as part of the Contract between Seller and Buyer for the
74. above referenced Premises.
75. Transfer Fees shall be paid by: ☐ Buyer ☒ Seller ☐ Other: \_\_\_\_\_
76. Capital Improvement Fees shall be paid by: ☐ Buyer ☒ Seller ☐ Other: \_\_\_\_\_
77. Buyer shall pay all Prepaid Association Fees.
78. Seller shall pay all Disclosure Fees as required by Arizona law.
79. In a financed purchase, Buyer shall be responsible for all lender fees charged to obtain Association(s)/Management Company(ies) documents.
80. Other fees: \_\_\_\_\_
81. \_\_\_\_\_
82. BUYER VERIFICATION: Buyer may contact the Association(s)/Management Company(ies) for verbal verification of association FEES
83. PAYABLE UPON CLOSE OF ESCROW.
84. ASSESSMENTS: Any current homeowner's association assessment which is a lien as of Close of Escrow shall be paid in full by Seller.
85. Any assessment that becomes a lien after Close of Escrow is Buyer's responsibility.
86. **ADDITIONAL TERMS AND CONDITIONS**
87. \_\_\_\_\_
88. \_\_\_\_\_
89. \_\_\_\_\_
90. \_\_\_\_\_
91. BUYER ACKNOWLEDGMENT: By signing below, Buyer acknowledges receipt of all three (3) pages of this addendum and acknowledges
92. that although Seller has used best efforts to identify the amount of the fees stated herein, the precise amount of the fees may not be known
93. until written disclosure documents are furnished by the Association(s)/Management Company(ies) per Arizona law (A.R.S. § 33-1260 and
94. § 33-1806). Buyer further acknowledges that Broker(s) did not verify any of the information contained therein. Buyer therefore agrees to hold
95. Seller and Broker(s) harmless should the FEES PAYABLE UPON CLOSE OF ESCROW prove incorrect or incomplete.
96. The undersigned agrees to the additional terms and conditions set forth above and acknowledges receipt of a copy hereof.
97. Stavros Athanasiou 09/20/2018
98. ^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR
99. SELLER'S ACCEPTANCE:
100. \_\_\_\_\_
101. ^ SELLER'S SIGNATURE MO/DA/YR
- DocuSigned by: Almad Zarifi 9/21/2018 5:20:21 PM PDT
- ^ SELLER'S SIGNATURE MO/DA/YR
- Skyline Ridge LLC

**For Broker Use Only:**

Brokerage File/Log No.: \_\_\_\_\_ Manager's Initials: \_\_\_\_\_ Broker's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

MO/DA/YR

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**BUYER ATTACHMENT**Document updated:  
February 2016

*This attachment should be given to the Buyer prior to the submission of any offer and is not part of the Vacant Land/Lot Contract's terms.*



# ATTENTION BUYER!

*You are entering into a legally binding agreement.*

- ☐ 1. **Read the entire contract *before* you sign it.**
- ☐ 2. **Review the Seller's Property Disclosure Statement and other disclosures (See Section 4a and 4b).**
  - This information comes directly from the Seller.
  - Investigate any blank spaces, unclear answers or any other information that is important to you.
- ☐ 3. **Review the Due Diligence Paragraph (see Section 6a).**

Verify square footage/acreage (see Section 6b)  
 Verify whether the property is served by city or private sewer and its availability status (see Section 6e); OR  
 If an on-site wastewater treatment system has been installed on the Property (see Section 6e), AND  
 If a well has been installed on the Property (see Sections 4d and 6k)
- ☐ 4. **Apply for your loan now, if you have not done so already, and provide your lender with all requested information (see Section 2d).**

It is your responsibility to make sure that you and your lender deliver the necessary funds to escrow in sufficient time to allow escrow to close on the agreed upon date.
- ☐ 5. **Read the title commitment (see Section 3c).**
- ☐ 6. **Read the CC&R's, use restrictions, and all other governing documents including design guidelines (see Section 3c), especially if the property is governed by a homeowners association.**
- ☐ 7. **Conduct a thorough final inspection (see Section 6o). If the property is unacceptable, speak up. After the closing may be too late.**

You can obtain information through the Buyer's Advisory at <http://www.aaronline.com>.

**Remember, you are urged to consult with an attorney, inspectors, and experts of your choice in any area of interest or concern in the transaction.** Be cautious about verbal representations, advertising claims, and information contained in a listing. *Verify anything important to you.*

**Buyer's Check List**

Buyer Attachment • Updated: February 2016  
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Russ Lyon Sotheby's International Realty - Tucson, 3450 E. Sunrise Drive, Suite 150 Tucson AZ 85718  
 Phone: 520-906-0367 Fax: Marta Harvey

5172 E Calle

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 Desc Purchase Contract Page 5 of 15



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**VACANT LAND/LOT  
PURCHASE CONTRACT**Document updated:  
February 2016

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

**1. PROPERTY**

- 1a. 1. **BUYER:** Stavros Athanasiou, and/or Assigns  
BUYER'S NAME(S)
2. **SELLER:** Skyline Ridge LLC or ☐ as identified in section 9c.  
SELLER'S NAME(S)
3. Buyer agrees to buy and Seller agrees to sell the real property with all improvements, fixtures, and appurtenances thereon
4. or incidental thereto, if any, plus the personal property described herein (collectively the "Property").
- 1b. 5. Property Address: 5172 E Calle Brillante Zoning: CR4/Pima
6. Assessor's #(s): 109-03-7530
7. City: Tucson County: Pima AZ, Zip Code: 85718-1800
8. Legal Description: El Diamante II Lot 19 or ☐ see attached legal description.
- 1c. 9. \$ 120,000.00 Full Purchase Price, paid as outlined below
10. \$ 3,000.00 Earnest money
11. \$ 117,000.00 Cash due at close of escrow
12. \$
- 13.
- 1d. 14. **Incidental Improvements:** Buyer is purchasing the Property as vacant land. Any improvements, fixtures and appurtenances
15. thereon or incidental thereto, are being transferred in their existing condition ("AS IS") and Seller makes no warranty to Buyer,
16. expressed or implied, as to their condition except as provided for in section 5a.
- 1e. 17. **Fixtures and Personal Property:** Seller agrees that all existing fixtures on the Property, and any existing personal property
18. specified herein, shall be included in this sale, including the following:
19. None
- 20.
21. Personal property included herein shall be transferred with no monetary value, and free and clear of all liens
22. or encumbrances.
23. Fixtures and leased items NOT included: None
- 1f. 24. **Close of Escrow:** Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's office.
25. Buyer and Seller shall comply with all terms and conditions of this Contract, execute and deliver to Escrow Company all closing
26. documents, and perform all other acts necessary in sufficient time to allow COE to occur on
27. December 18th, 2018 ("COE Date"). If Escrow Company or recorder's office is closed on  
MONTH DAY YEAR
28. COE Date, COE shall occur on the next day that both are open for business.
29. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
30. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available
31. funds to Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on COE Date.

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SELLER	SELLER	BUYER	BUYER

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Phone: 520-906-0367 Fax: Marta Harvey

5172 E Calle




**Vacant Land/Lot Purchase Contract >>**

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

**2. FINANCING**

- 2a. 43. **Type of Financing:** ☐ Conventional ☐ FHA ☐ VA ☐ USDA ☐ Assumption ☐ Seller Carryback  
 44. ☐ \_\_\_\_\_  
 45. (If financing is to be other than new financing, see attached addendum.)
- 2b. 46. **Financing:** This sale ☐ is ☐ is not contingent upon Buyer obtaining a satisfactory financing commitment within Due Diligence Period pursuant to Section 6a. (If sale is not contingent on a financing commitment, go to Section 2k.)
- 2c. 48. **Financing Commitment Contingency Period:** If the sale is contingent upon Buyer obtaining a satisfactory financing commitment, Buyer shall have the Due Diligence Period to obtain a financing commitment, including appraised value, satisfactory to Buyer in Buyer's sole discretion, for a loan to purchase the Property or Buyer may cancel this Contract and receive a refund of the Earnest Money. PRIOR TO THE EXPIRATION OF THE DUE DILIGENCE PERIOD, BUYER SHALL DELIVER TO SELLER AND ESCROW COMPANY NOTICE THAT BUYER HAS NOT RECEIVED SUCH SATISFACTORY FINANCING COMMITMENT OR BUYER SHALL BE DEEMED TO HAVE WAIVED THE FINANCING COMMITMENT CONTINGENCY AND ANY RIGHT TO CANCEL DUE TO FINANCING.
- 2d. 55. **Pre-Qualification:** If using Conventional, FHA, VA, or USDA financing, a completed AAR Pre-Qualification Form is attached hereto and incorporated by reference.
- 2e. 57. **Loan Status Update:** Buyer shall deliver to Seller the Loan Status Update (LSU) with at a minimum lines 1-40 completed describing the current status of the Buyer's proposed loan within ten (10) days after Contract acceptance and instruct lender to provide an updated LSU to Broker(s) and Seller upon request.
- 2f. 60. **Loan Processing During Escrow:** Buyer agrees to diligently work to obtain the loan and will promptly provide the lender with all additional documentation required. Buyer shall sign all loan documents no later than three (3) days prior to the COE Date.
- 2g. 62. **Loan Costs:** Buyer shall pay all costs of obtaining the loan, except as provided herein.
- 2h. 63. **VA Loan Costs:** In the event of a VA loan, Seller agrees to pay the escrow fee and up to \$ \_\_\_\_\_ of loan costs not permitted to be paid by the Buyer, in addition to the other costs Seller has agreed to pay herein, including Seller's Concessions.
- 2i. 66. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the Pre-Qualification Form if attached hereto or LSU provided within ten (10) days after Contract acceptance and shall only make any such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan approval without Prior to Document (PTD) conditions, increase Seller's closing costs, or delay COE.
- 2j. 70. **Appraisal Fee(s):** Appraisal Fee(s), when required by Lender, shall be paid by ☐ Buyer ☐ Seller  
 71. ☐ Other \_\_\_\_\_  
 72. Appraisal Fee(s) ☐ are ☐ are not included in Seller Concessions, if applicable.
- 2k. 73. **Partial Release, if applicable:** Buyer and Seller agree that any partial releases will be addressed under Additional Terms and Conditions or attached Addendum. Broker(s) recommend the parties seek appropriate counsel regarding the risks of partial release.

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

**3. TITLE AND ESCROW**

- 3a. 83. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the terms of this Contract shall be:
85. **Stewart Title** (520) 327-7373  
"ESCROW/TITLE COMPANY" PHONE
86. (520) 322-3546 michelle.jolly@stewart.com  
FAX EMAIL
87. 3939 E. Broadway, Tucson, AZ 85711  
ADDRESS
- 3b. 88. **Title and Vesting:** Buyer will take title as determined before COE. Taking title may have significant legal, estate planning and tax consequences. Buyer is advised to obtain legal and tax advice.
- 3c. 90. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller directly, addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete and legible copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not limited to Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements within fifteen (15) days after Contract acceptance. Buyer shall have prior to the expiration of the Due Diligence Period to provide written notice of any items disapproved. Buyer shall be provided, at Seller's expense, a Standard Owner's Title Insurance Policy showing the title vested in Buyer. Buyer may acquire extended coverage(s) at Buyer's own additional expense.
97. Seller shall convey title by warranty deed, subject to existing taxes, assessments, covenants, restrictions, rights of way, easements and all other matters of record or ☐ deed.
- 3d. 99. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and address of the Buyer to any homeowner's association in which the Property is located. (ii) If the Escrow Company is also acting as the title agency but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver to the Buyer and Seller, upon deposit of funds, a closing protection letter from the title insurer indemnifying the Buyer and Seller for any losses due to fraudulent acts or breach of escrow instructions by the Escrow Company. (iii) All documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow Company shall modify such documents to the extent necessary to be consistent with this Contract. (iv) Escrow Company fees, unless otherwise stated herein, shall be allocated equally between Seller and Buyer. (v) Escrow Company shall send to all parties and Broker(s) copies of all notices and communications directed to Seller, Buyer and Broker(s). (vi) Escrow Company shall provide Broker(s) access to escrowed materials and information regarding the escrow. (vii) If an Affidavit of Disclosure is provided, Escrow Company shall record the Affidavit at COE.
- 3e. 110. **Prorations, Expenses and Adjustments:**
111. **Taxes:** Real property taxes payable by the Seller shall be prorated through COE, based upon the latest tax bill available.
112. The parties agree that any discrepancy between the latest tax bill available and the actual tax bill when received shall be handled as a Post Closing Matter and Buyer or Seller may be responsible for additional tax payments to each other.
114. **Rents, Interest and Expenses:** Rents; interest on existing notes, if transferred; utilities; and operating expenses shall be prorated through COE. The Parties agree to adjust any rents received after COE as a Post Closing Matter.
116. **Deposits:** All deposits held by Seller pursuant to rent/lease agreement(s) shall be credited against the cash required of Buyer at COE or ☐ paid to Buyer by Seller at COE.
- 3f. 118. **Post Closing Matters:** The parties shall promptly adjust any item to be prorated that is not determined or determinable at COE as a Post Closing Matter by appropriate cash payment to the other party outside of the escrow when the amount due is determined. Seller and Buyer agree that Escrow Company and Broker(s) are relieved of any responsibility for said adjustments.

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- 3g. 122. **Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with  
123. Escrow Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions  
124. of this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company  
125. against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees,  
126. arising from or relating in any way to the release of Earnest Money.
- 3h. 127. **Assessment Liens:** The amount of any assessment, other than homeowner's association assessments, that is a lien as of  
128. the COE shall be: ☒ paid in full by Seller ☐ prorated and assumed by Buyer ☐ paid in full by Buyer. Any assessment that  
129. becomes a lien after COE is the Buyer's responsibility.
- 3i. 130. **IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete,  
131. sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant  
132. to the Foreign Investment in Real Property Tax Act (FIRPTA). Buyer and Seller acknowledge that if the Seller is a foreign  
133. person, the Buyer (or Escrow Company, as directed by Buyer) must withhold a tax of up to 15% of the purchase price, unless an  
134. exemption applies.
- 3j. 135. **Agricultural Foreign Investment Disclosure Act:** If applicable, Buyer and Seller shall comply with the Agricultural Foreign  
136. Investment Disclosure Act and make the required disclosures to the U.S. Department of Agriculture.
- 3k. 137. **TAX DEFERRED EXCHANGE:** If Seller or Buyer intends to enter into a tax-deferred exchange pursuant to I.R.C. §1031  
138. or otherwise, all additional costs in connection with any such tax-deferred exchange shall be borne by the party requesting the  
139. exchange. The non-requesting party agrees to cooperate in the tax-deferred exchange provided that the non-requesting party  
140. incurs no additional costs and COE is not delayed. The parties are advised to consult a professional tax advisor regarding the  
141. advisability of any such exchange. The non-requesting party and Broker(s) shall be indemnified and held harmless from any  
142. liability that may arise from participation in the tax deferred exchange.

**4. DISCLOSURES**

- 4a. 143. **Vacant Land/Lot Seller Property Disclosure Statement ("VLSPDS"):** Seller shall deliver a completed AAR VLSPDS form to  
144. the Buyer within five (5) days after Contract acceptance.
- 4b. 145. **Additional Seller Disclosures and Information:** Seller shall provide to Buyer the following disclosures and information  
146. pertinent to the Property within five (5) days after the Contract acceptance: (i) any information known to Seller that may  
147. adversely affect the Buyer's use of the Property, (ii) any known pending special assessments, association fees, claims, or  
148. litigation, (iii) articles of incorporation; by-laws; other governing documents; and any other documents required by law, (iv)  
149. financial statements, current rent rolls, lists of current deposits, personal property lists, leases, rental agreements, service  
150. contracts, (v) soils, Phase I, or other environmental reports in Seller's possession, (vi) the most recent survey, if available,  
151. and (vii) any and all other agreements, documents, studies, or reports relating to the Property in Seller's possession or control  
152. provided, however, that Seller shall not be required to deliver any report or study if the written contract that Seller entered into  
153. with the consultant who prepared such report or study specifically forbids the dissemination of the report to others.
- 4c. 154. **Road Maintenance Agreement:** Seller shall provide to Buyer, within five (5) days after the Contract acceptance, a copy  
155. of any known road maintenance agreement affecting the Property.
- 4d. 156. **Seller's Obligations Regarding Wells:** If a well is located on the Property, or if the Property is to be served by a shared  
157. well, the AAR Domestic Water Well Addendum is attached hereto and incorporated by reference. At COE, if applicable,  
158. Seller shall assign, transfer and convey to the Buyer all of the water rights, or claims to water rights, if any, held by Seller  
159. that are associated with the Property.
- 4e. 160. **No Seller or Tenant Bankruptcy, Probate or Insolvency Proceedings:** Seller represents that Seller has no notice or  
161. knowledge that any tenant on the Property is the subject of a bankruptcy, probate or insolvency proceeding. Further, Seller  
162. is not the subject of a bankruptcy, insolvency or probate proceeding.
- 4f. 163. **Seller's Notice of Violations:** Seller represents that Seller has no knowledge of any notice of violations of City, County, State,  
164. or Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the  
165. Property.
- 4g. 166. **Environmental Disclosure:** Seller has not knowingly caused or permitted the generation, storage, treatment, release or  
167. disposal of any hazardous waste or regulated substances at the Property except as otherwise disclosed.
- 4h. 168. **Affidavit of Disclosure:** If the Property is located in an unincorporated area of the county, and five or fewer parcels of property  
169. other than subdivided land are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in the form required  
170. by law to the Buyer within five (5) days after Contract Acceptance. Buyer shall provide notice of any Affidavit of Disclosure items  
171. disapproved within five (5) days after receipt of the Affidavit of Disclosure.

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- 4i. 172. **H.O.A. / Condominium / Planned Community:** The Property ☒ is ☐ is not located within a homeowners' association/ 173. condominium/planned community. If yes, the HOA addendum is attached hereto and incorporated by reference.
- 4j. 174. **Changes During Escrow:** Seller shall immediately notify Buyer of any changes in the Property or disclosures made herein, in the 175. SPDS, or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by Section 5a, or 176. otherwise by this Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be allowed prior 177. to the expiration of the Due Diligence Period or five (5) days after delivery of such notice, whichever is later, to provide notice of 178. disapproval to Seller.

**5. WARRANTIES**

- 5a. 179. **Seller Warranties:** Seller warrants and shall maintain and repair the Property so that at the earlier of possession or COE the 180. Property and any personal property included in the sale, will be in substantially the same condition as on the date of Contract 181. acceptance; and all personal property not included in the sale and all debris will be removed from the Property.
- 5b. 182. **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and 183. any information concerning the Property known to Seller, excluding opinions of value, which materially and adversely affect the 184. consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for all labor, 185. professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the COE 186. in connection with the construction, alteration, or repair of any structure on or improvement to the Property. Seller warrants 187. that the information regarding connection to a sewer system or on-site wastewater treatment facility (conventional septic 188. tank or alternative system) is correct to the best of Seller's knowledge.
- 5c. 189. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect 190. the Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Property or 191. COE, Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts 192. the Property. **Buyer warrants that Buyer is not relying on any verbal representations concerning the Property** 193. **except disclosed as follows:** None
194. \_\_\_\_\_

**6. DUE DILIGENCE**

- 6a. 195. **Due Diligence Period:** Buyer's due diligence and inspection period shall be thirty (30) days or \_\_\_\_\_ days after Contract acceptance 196. ("Due Diligence Period"). During Due Diligence Period Buyer shall perform all inspections and investigations to satisfy Buyer with respect 197. to the physical condition of the Property, financing, appraised value, the condition of title to the Property and as to the feasibility and 198. suitability of the Property for Buyer's intended purpose. During the Due Diligence Period, Buyer, at Buyer's expense, shall: (i) conduct all 199. desired physical, environmental, and other types of inspections and investigations to determine the value and condition of the Property; 200. (ii) make inquiries and consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities 201. concerning the feasibility and suitability of the Property and the surrounding area for the Buyer's intended purpose; (iii) investigate 202. applicable building, zoning, fire, health, and safety codes including applicable swimming pool barrier regulations to determine any 203. potential hazards, violations or defects in the Property; and (iv) verify any material multiple listing service ("MLS") information. If the 204. presence of sex offenders in the vicinity or the occurrence of a disease, natural death, suicide, homicide or other crime on or in the vicinity 205. is a material matter to the Buyer, it must be investigated by the Buyer during the Due Diligence Period. Buyer shall keep the Property free 206. and clear of liens, shall indemnify and hold Seller harmless from all liability, claims, demands, damages, and costs, and shall repair all 207. damages arising from the inspections. Buyer shall provide Seller and Broker(s) upon receipt, at no cost, copies of all inspection reports 208. concerning the Property obtained by Buyer. If Buyer cancels this Contract, Buyer shall return all documents provided by the Seller and 209. provide Seller with copies of all reports or studies generated by Buyer, provided, however, that Buyer shall not be required to deliver any 210. such report or study if the written contract that Buyer entered into with the consultant who prepared such report or study specifically 211. forbids the dissemination of the report or study to others. Buyer is advised to consult the Arizona Department of Real Estate *Buyer* 212. *Advisory* provided by AAR to assist in Buyer's due diligence inspections and investigations.
- 6b. 213. **Square Footage/Acreage:** **BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE/ACREAGE OF THE** 214. **PROPERTY, BOTH THE REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON IS APPROXIMATE. IF SQUARE** 215. **FOOTAGE/ACREAGE IS A MATERIAL MATTER TO THE BUYER; IT MUST BE INVESTIGATED DURING THE DUE** 216. **DILIGENCE PERIOD.**
- 6c. 217. **Flood Hazard:** Flood hazard designations or the cost of flood hazard insurance shall be determined by Buyer during the Due 218. Diligence Period. If the Property is situated in an area identified as having any special flood hazards by any governmental entity, the 219. lender may require the purchase of flood hazard insurance. Special flood hazards may also affect the ability to encumber or improve 220. the Property.

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- 6d. 221. Insurance: IF INSURANCE IS A MATERIAL MATTER TO THE BUYER, BUYER SHALL APPLY FOR AND OBTAIN  
 222. WRITTEN CONFIRMATION OF THE AVAILABILITY AND COST OF INSURANCE FOR THE PROPERTY FROM BUYER'S  
 223. INSURANCE COMPANY DURING THE DUE DILIGENCE PERIOD. Buyer understands that any fire, casualty, or other  
 224. insurance desired by Buyer or required by Lender should be in place at COE.
- 6e. 225. Sewer or On-site Wastewater Treatment System: The Property ☐ does ☒ does not contain an on-site wastewater  
 226. treatment system. If the Property is served by a conventional septic tank or alternative system, the AAR On-site Wastewater  
 227. Treatment Facility Addendum is incorporated herein by reference.  
 228. IF A SEWER CONNECTION, OR THE AVAILABILITY OF A SEWER CONNECTION, IS A MATERIAL MATTER TO THE  
 229. BUYER, IT MUST BE INVESTIGATED DURING THE DUE DILIGENCE PERIOD.  
 230. (BUYER'S INITIALS REQUIRED) SA  
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- 6f. 231. Site/Soil Evaluation For Installation of On-site Wastewater Treatment Facility: If the suitability of the Property for  
 232. installation of an on-site wastewater treatment facility (conventional septic tank or alternative system) and associated costs  
 233. are material to the Buyer, Buyer shall complete a site/soil evaluation and investigate all on-site wastewater treatment facility  
 234. installation costs within the Due Diligence Period. NOTE: Buyer is advised that the site/soil evaluation is not binding on  
 235. the State-delegated County agency in any future permitting decision as to the suitability of the design or type of  
 236. facility for the Property.
- 6g. 237. LAND DIVISIONS: LAND PROPOSED TO BE DIVIDED FOR PURPOSES OF SALE OR LEASE IS SUBJECT TO  
 238. STATE, COUNTY AND MUNICIPAL LAWS, ORDINANCES AND REGULATIONS. IF STATE, COUNTY AND MUNICIPAL  
 239. REQUIREMENTS RELATING TO THE DIVISION OR SPLITTING OF THE PROPERTY ARE A MATERIAL MATTER TO  
 240. THE BUYER, THEY MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD. BROKER(S) HAVE MADE  
 241. NO REPRESENTATIONS, EXPRESS OR IMPLIED, REGARDING THE ABILITY TO DIVIDE OR SPLIT THE PROPERTY.  
 242. (BUYER'S INITIALS REQUIRED) SA  
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- 6h. 243. ROADS: IF ROADWAYS, COST AND RESPONSIBILITY FOR ROAD MAINTENANCE, IMPROVEMENTS OR ACCESS IS A  
 244. MATERIAL MATTER TO BUYER, IT MUST BE INVESTIGATED BY BUYER DURING DUE DILIGENCE PERIOD.
- 6i. 245. Survey: A survey ☐ shall ☒ shall not be performed. If to be performed, the survey shall be performed by a licensed  
 246. surveyor within the Due Diligence Period or \_\_\_\_\_ days after Contract acceptance.  
 247. Cost of the survey shall be paid by ☐ Seller ☐ Buyer ☐ Other: \_\_\_\_\_  
 248. The survey shall be performed in accordance with the Arizona State Board of Technical Registration's "Arizona Land Boundary  
 249. Survey Minimum Standards".
- 6j. 250. Survey instructions are:  
 251. ☐ A boundary survey and survey plat showing the corners either verified  
 252. or monumentation.  
 253. ☐ A survey certified by a licensed surveyor, acceptable to Buyer and the Title  
 254. Company, in sufficient detail for an American Land Title Association ("ALTA")  
 255. Owner's Policy of Title Insurance with boundary, encroachment or survey  
 256. exceptions and showing all improvements, utility lines and easements on  
 257. the Property or within five (5) feet thereof.  
 258. ☐ Other survey terms: \_\_\_\_\_  
 259. \_\_\_\_\_  
 260. \_\_\_\_\_  
 261. (BUYER'S INITIALS REQUIRED) SA  
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- 6k. 262. WELL WATER/WATER RIGHTS: IF WELL WATER/WATER RIGHTS IS/ARE A MATERIAL MATTER TO THE BUYER, IT  
 263. MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD.
- 6l. 264. BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES AND AGREES THAT BROKER(S) ARE  
 265. NOT QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PROPERTY OR THE  
 266. SURROUNDING AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO  
 267. ASSIST IN BUYER'S DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE  
 268. PROPERTY AND SURROUNDING AREA IS BEYOND THE SCOPE OF THE BROKERS EXPERTISE AND LICENSING,  
 269. BUYER EXPRESSLY RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR  
 270. CONDITIONS THAT COULD HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.  
 271. (BUYER'S INITIALS REQUIRED) SA  
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- 6m. 272. **Due Diligence Period Notice:** Prior to expiration of the Due Diligence Period, Buyer shall deliver to Seller a signed notice of  
 273. any items disapproved. AAR's Vacant Land/Lot Buyer's Due Diligence Notice and Seller's Response form is available for this  
 274. purpose. Buyer shall conduct all desired inspections and investigations prior to delivering such notice to Seller and all Due  
 275. Diligence Period items disapproved shall be provided in a single notice.
- 6n. 276. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of any aspect of the Property, financing, title, or other  
 277. matter, Buyer shall deliver to Seller notice of the items disapproved and state in the notice that Buyer elects to either:  
 278. (1) immediately cancel this Contract and all Earnest Money shall be released to Buyer, or  
 279. (2) provide the Seller an opportunity to correct the items disapproved, in which case:  
 280. (a) Seller shall respond in writing within five (5) days or \_\_\_\_\_ days after delivery to Seller of Buyer's notice of  
 281. items disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall  
 282. conclusively be deemed Seller's refusal to correct any of the items disapproved.  
 283. (b) If Seller agrees in writing to correct item(s) disapproved, Seller shall correct the items, complete any  
 284. repairs in a workmanlike manner and deliver any paid receipts evidencing the corrections and repairs  
 285. to Buyer three (3) days or \_\_\_\_\_ days prior to COE Date.  
 286. (c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this Contract within five  
 287. (5) days after delivery of Seller's response or after expiration of the time for Seller's response, whichever occurs first,  
 288. and all Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as  
 289. provided, Buyer shall close escrow without correction of those items that Seller has not agreed in writing to correct.
290. VERBAL DISCUSSIONS WILL NOT EXTEND THESE TIME PERIODS. Only a written agreement signed by both parties will  
 291. extend response times or cancellation rights.
292. BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN  
 293. THE SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE  
 294. TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.
- 6o. 295. **Inspection(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct inspection(s) of the Property for  
 296. the purpose of satisfying Buyer that any corrections agreed to by the Seller have been completed and that the Property is in  
 297. substantially the same condition as on the date of Contract acceptance. If Buyer does not conduct such inspection(s), Buyer  
 298. releases Seller and Broker(s) from liability for any defects that could have been discovered.

**7. REMEDIES**

- 7a. 299. **Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any  
 300. provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If  
 301. the non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall  
 302. become a breach of Contract.
- 7b. 303. **Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the  
 304. breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative  
 305. Dispute Resolution obligations set forth herein. In the case of the Seller, because it would be difficult to fix actual damages  
 306. in the event of Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at  
 307. Seller's option, accept the Earnest Money as Seller's sole right to damages. An unfulfilled contingency is not a breach of  
 308. Contract. The parties expressly agree that the failure of any party to comply with the terms and conditions of Section 1f to  
 309. allow COE to occur on the COE Date, if not cured after a cure notice is delivered pursuant to Section 7a, will constitute a  
 310. material breach of this Contract, rendering the Contract subject to cancellation.
- 7c. 311. **Alternative Dispute Resolution ("ADR"):** Buyer and Seller agree to mediate any dispute or claim arising out of or relating  
 312. to this Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs  
 313. shall be paid equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes  
 314. or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in  
 315. the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to  
 316. the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The  
 317. decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in  
 318. any court of competent jurisdiction. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30)  
 319. days after the conclusion of the mediation conference by notice to the other and in such event either party shall have the right to  
 320. resort to court action.
- 7d. 321. **Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in the  
 322. Small Claims Division of an Arizona Justice Court (up to \$3,500) so long as the matter is not thereafter transferred or removed from  
 323. the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or  
 324. agreement for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's lien; or (v) any matter that  
 325. is within the jurisdiction of a probate court. Further, the filing of a judicial action to enable the recording of a notice of pending action

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**Vacant Land/Lot Purchase Contract >>**


326. ("lis pendens") or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the  
 327. obligation to submit the claim to ADR, nor shall such action constitute a breach of the duty to mediate or arbitrate.

- 7e. 328. **Attorneys Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to  
 329. this Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees,  
 330. expert witness fees, fees paid to investigators, and arbitration costs.

**8. ADDITIONAL TERMS AND CONDITIONS**

- 8a. 331. All parties to this transaction acknowledge that the terms of this Contract  
 332. are subject to the approval of the bankruptcy court. All parties acknowledge that it  
 333. may take about a month for court approval.  
 334. \_\_\_\_\_  
 335. Nothing shall limit a Seller from accepting subsequent offers from subsequent Buyer  
 336. (s) and submitting them to the bankruptcy court for consideration. All parties  
 337. understand and agree that the bankruptcy court may elect to allow Seller to sell the  
 338. Subject Property only to the holder of the Contract with terms and conditions most  
 339. acceptable to the court.  
 340. \_\_\_\_\_  
 341. Seller agrees to give notice to Buyer within 24 hours of bankruptcy court approval,  
 342. and this date shall be deemed the date of Contract acceptance for purposes of all  
 343. applicable Contract time periods.  
 344. \_\_\_\_\_  
 345. Buyer reserves the right to withdraw their offer any time prior to Seller obtaining  
 346. bankruptcy court approval for the sale according to the terms submitted by that Buyer.  
 347. Buyer may cancel their offer and receive a refund of their earnest money by delivering  
 348. written notice of same to Seller's representative.  
 349. \_\_\_\_\_  
 350. \_\_\_\_\_  
 351. \_\_\_\_\_  
 352. \_\_\_\_\_  
 353. \_\_\_\_\_  
 354. \_\_\_\_\_  
 355. \_\_\_\_\_  
 356. \_\_\_\_\_  
 357. \_\_\_\_\_  
 358. \_\_\_\_\_  
 359. \_\_\_\_\_  
 360. \_\_\_\_\_
- 8b. 361. **Risk of Loss:** If there is any loss or damage to the Property between the date of Contract acceptance and COE or  
 362. possession, whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the  
 363. Seller, provided, however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase  
 364. price, either Seller or Buyer may elect to cancel the Contract.
- 8c. 365. **Permission:** Buyer and Seller grant Broker(s) permission to advise the public of this Contract.
- 8d. 366. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.
- 8e. 367. **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations  
 368. described herein.

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SELLER	SELLER

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BUYER	BUYER

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**Vacant Land/Lot Purchase Contract >>**

- 8f. 369. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed  
370. by separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment at COE, if not previously  
371. paid. If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE.  
372. If Buyer is obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE  
373. FOR THE SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF  
374. REALTORS®, OR MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT.
- 8g. 375. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original  
376. Contract. This Contract and any other documents required by this Contract may be executed by facsimile or other  
377. electronic means and in any number of counterparts, which shall become effective upon delivery as provided for herein.  
378. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original.
- 8h. 379. **Days:** All references to days in this Contract shall be construed as calendar days and a day shall begin at 12:00 a.m. and  
380. end at 11:59 p.m.
- 8i. 381. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event  
382. from which the time period begins to run is not included and the last day of the time period is included. Contract acceptance  
383. occurs on the date that the signed Contract (and any incorporated counter offer) is delivered to and received by the  
384. appropriate Broker. Acts that must be performed three days prior to the COE Date must be performed three full days prior (i.e.,  
385. if COE Date is Friday the act must be performed by 11:59 p.m. on Monday).
- 8j. 386. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller  
387. and Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a  
388. writing signed by Seller and Buyer. The failure to initial any page of this Contract shall not affect the validity or terms of this  
389. Contract.
- 8k. 390. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands  
391. that any subsequent offer accepted by the Seller must be a backup offer contingent on the cancellation of this Contract.
- 8l. 392. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by  
393. delivering notice stating the reason for cancellation to the other party or to the Escrow Company. Cancellation shall become  
394. effective immediately upon delivery of the cancellation notice.
- 8m. 395. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in  
396. writing and deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic  
397. mail, if email addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as  
398. indicated in Section 8q, to Seller as indicated in Section 9a and to the Escrow Company indicated in Section 3a.
- 8n. 399. **Earnest Money:** Earnest Money is in the form of: ☒ Personal Check ☐ Other \_\_\_\_\_  
400. If applicable, Earnest Money has been received by Broker named in Section 8q and upon acceptance of this offer will be  
401. deposited with: ☒ Escrow Company ☐ Broker's Trust Account. Buyer acknowledges that failure to pay the required  
402. closing funds by the scheduled Close of Escrow, if not cured after a cure notice is delivered pursuant to Section 7a, shall be  
403. construed as a material breach of this contract and all earnest money shall be subject to forfeiture.
- 8o. 404. **RELEASE OF BROKER(S):** SELLER AND BUYER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY  
405. BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING FINANCING, THE  
406. CONDITION, SQUARE FOOTAGE/ACREAGE, LOT LINES, BOUNDARIES, VALUE, RENT ROLLS, ENVIRONMENTAL  
407. PROBLEMS, SANITATION SYSTEMS, ABILITY TO DIVIDE OR SPLIT THE PROPERTY, BUILDING CODES, GOVERNMENTAL  
408. REGULATIONS, INSURANCE, PRICE AND TERMS OF SALE, RETURN ON INVESTMENT, OR ANY OTHER MATTER  
409. RELATING TO THE VALUE OR CONDITION OF THE PROPERTY.
410. (BUYER'S AND SELLER'S INITIALS REQUIRED) DS  
SELLER SELLER BUYER BUYER
- 8p. 411. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and  
412. a signed copy delivered in person, by mail, facsimile or electronically, and received by Broker named in Section 8q  
413. by September 21, 2018 at 2pm ☐ a.m. / ☒ p.m., Mountain Standard Time. Buyer  
414. may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by this  
415. date and time, this offer shall be deemed withdrawn and the Buyer's Earnest Money shall be returned.  
416. THIS CONTRACT CONTAINS TEN PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. ENSURE THAT YOU HAVE  
417. RECEIVED AND READ ALL TEN PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.

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SELLER	SELLER

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**Vacant Land/Lot Purchase Contract >>****8q. 418. Broker on behalf of Buyer:**

419. Marta Harvey 11916 SA520155000  
 PRINT SALESPERSON'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

420. Russ Lyon Sotheby's Int'l Realty 472203

421. 3450 E Sunrise Dr Ste 150 Tucson AZ 85718 LC646682008

8r. 422. (520) 906-0367 (480) 624-3300 Marta.Harvey@RussLyon.com  
 PREFERRED TELEPHONE FAX EMAIL

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

8s. 424. ☒ the Buyer; ☐ the Seller; or ☐ both the Buyer and Seller

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

427. Stavros Athanasiou 09/20/2018 ^ BUYER'S SIGNATURE MO/DA/YR  
 Stavros Athanasiou and/or Assigns

428. ADDRESS ADDRESS

429. CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

**9. SELLER ACCEPTANCE****9a. 430. Broker on behalf of Seller:**

431. PRINT SALESPERSON'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

432. PRINT FIRM NAME FIRM MLS CODE

433. FIRM ADDRESS STATE ZIP CODE FIRM STATE LICENSE NO.

434. PREFERRED TELEPHONE FAX EMAIL

**9b. 435. Agency Confirmation: The Broker named in Section 9a above is the agent of (check one):**

436. ☒ the Seller; or ☐ both the Buyer and Seller

**9c. 437. The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a  
 438. copy hereof and grant permission to Broker named in Section 9a to deliver a copy to Buyer.**

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

DocuSigned by: 9/21/2018 5:20:21 PM PDT

441. Almad Zarifi MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR  
 D3DF5B0B2BC5461 SELLER'S NAME PRINTED

442. Skyline Ridge LLC SELLER'S NAME PRINTED

443. ADDRESS ADDRESS

444. CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

☐ OFFER REJECTED BY SELLER: MONTH DAY YEAR (SELLER'S INITIALS)

**For Broker Use Only:**

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



# Exhibit 2

File No./Escrow No.: 288309

Print Date & Time: 10/3/2018 6:06:07 PM

Officer/Escrow Officer: Michelle Jolly

Stewart Title & Trust of Tucson

3939 E. Broadway Blvd

Tucson, AZ 85711

(520) 327-7373

Property Address:

5172 E CALLE BRILLANTE  
TUCSON, AZ 85718 (PIMA)  
(109-03-7530, 109-03)

Borrower:

STAVROS ATHANSIOU

Seller:

SKYLINE RIDGE LLC., AN ARIZONA LIMITED LIABILITY COMPANY  
Ahmad Zarifi  
6595 E Placita Alhaja  
Tucson, AZ 85750

Settlement Date:

12/18/2018

Disbursement Date:

Seller		Description	Borrower	
Debit	Credit		Debit	Credit
		Deposits, Credits, Debits		
	\$120,000.00	Sale Price of Property	\$120,000.00	
		Deposit		\$3,000.00
		Prorations		
	\$71.42	County Taxes 12/18/2018 to 1/1/2019 @ \$1,862.04/Year	\$71.42	
		Commissions		
\$3,600.00		Real Estate Commission to Long Realty Company		
\$3,600.00		Real Estate Commission to Russ Lyon Sotheby's International Realty		
\$199.00		to Long Realty Company		
		Title Charges		
		Title - Lender's Title Insurance to Stewart Title & Trust of Tucson		
\$546.00		Title - Owner's Title Insurance to Stewart Title & Trust of Tucson		
\$239.50		Title - Settlement or closing fee to Stewart Title & Trust of Tucson	\$239.50	
\$20.00		Title - Courier Fee to Stewart Title & Trust of Tucson	\$20.00	
\$25.00		Title - Wire Processing Fee to Stewart Title & Trust of Tucson	\$20.00	
\$85.00		Title - Lien Release/Reconveyance Fee to Stewart Title & Trust of Tucson		
\$50.00		Title - Overnight Delivery Processing Fee to Stewart Title & Trust of Tucson	\$50.00	
		Government Recording and Transfer Charges		
\$72.00		Misc Recording Fee to Stewart Title & Trust of Tucson \$72.00		
		Additional Settlement Charges		
\$5,000.00		Association Dues(estimate of back dues) lien recorded to Skyline Country CLub		
\$200.00		resale disclosure fee to Skyline Country Club		
\$200.00		HOA Transfer Fee to Skyline Country Club		
\$8,861.04		Back taxes due #109 03 7530 through Jan 2019 to Pima County Treasurer		
Seller			Borrower	
Debit	Credit		Debit	Credit
\$22,697.54	\$120,071.42	Subtotals	\$120,400.92	\$3,000.00
		Due From Borrower		\$117,400.92
\$97,373.88		Due To Seller		
\$120,071.42	\$120,071.42	Totals	\$120,400.92	\$120,400.92

SUBSTITUTE FORM 1099 SELLER STATEMENT: The information contained herein is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

SELLER INSTRUCTIONS: If this real estate was your principal residence, file form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of form 4797, Form 6252 and/or Schedule D (Form 1040). This transaction does not need to be report on Form 1099-S if you sign a certification containing assurances that any capital gain from this transaction will be exempt from tax under new IRS Code Section 121. You are required by law to provide the Settlement Agent with your correct taxpayer identification number. If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law.

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize Stewart Title & Trust of Tucson to cause the funds to be disbursed in accordance with this statement.

**BORROWER(S)**

STAVROS ATHANSIOU

**SELLER(S)**

SKYLINE RIDGE LLC., AN ARIZONA LIMITED LIABILITY COMPANY

**SETTLEMENT COORDINATOR**

Michelle Jolly