

**REAL ESTATE PURCHASE CONTRACT
AND ESCROW INSTRUCTIONS**

SELLER:

LC River Holdings, LLC
2812 N Norwalk Suite 105
Mesa AZ 85215

Buyer hereby agrees to buy and Seller hereby agrees to sell the real property described below under the following terms and conditions;

1. LEGAL DESCRIPTION.

Lot _____ of RIVER RUN ESTATES, Apache County, Arizona

2. PURCHASE PRICE.

The total purchase price shall be \$_____ payable as follows;

- a) \$_____ Earnest money by personal check to be deposited with Escrow Agent.
- b) \$_____ Balance of cash payment, in the form of a cashier's check or wire transfer, to be deposited with Escrow Agent on or before close of escrow.
- c) \$_____ By Note and First Deed of Trust to be paid to the Seller in monthly installments of \$_____ or more, which include interest at the rate of 5.75% per annum on the unpaid principal balance from close of escrow. The first installment shall be payable one month after close of escrow with additional payments due monthly thereafter until all principal and accrued interest is paid in full. If Buyer pays the entire unpaid principal balance in full on or before eighteen months after close of escrow, Buyer shall be entitled to a discount at the time of payoff equal to ten percent of the unpaid balance.

TRUTH IN LENDING STATEMENT

If Buyer is purchasing using financing provided by Seller, following is information about cost of financing and the terms of the Note and Deed of Trust:

- Annual Percentage Rate** - The annual interest rate including service fees _____%.
- Amount Financed – Consists of the cash price less the down payment. \$_____.
- Total of Payments – The total amount you will pay in monthly installments \$_____.
- Finance Charge** – The total cost of interest and service fees \$_____.
- Total Sales Price – The total purchase price including finance charges \$_____.

Security Interest – You are giving a security interest in the real property being purchased.

The Note may be prepaid in whole or in part at any time without penalty. The Note is due on sale and is not transferrable. The Note shall provide for a late payment fee equal to 10% of the payment amount on all payments received in excess of 15 days after the due date. Late payment fees will be first deducted from the monthly payments, then interest will be deducted and the balance will be applied toward principal. The promissory note shall provide for a default interest rate of 12% per annum if Buyer is declared in default for failing to meet his payment obligations under the note and Deed of Trust.

Buyer shall make all payments direct to LC River Holdings, LLC, 2812 N. Norwalk, Suite 105, Mesa, Arizona 85215. The Seller shall hold the original note and upon payment in full shall issue a full release and reconveyance for recording. No collection fees will be charged to Buyer. Cost of recording the release and reconveyance will be paid by Buyer.

—

3. ESCROW.

This contract shall be placed in escrow with Pioneer Title Agency, Inc., 240 S. White Mountain Road, Show Low, Az 85901, phone 928-537-4222. Buyer and Seller hereby agree that this document constitutes both a purchase contract and escrow instructions. Escrow Agent shall have no responsibility for any of the assurances being made by Seller in this agreement. If this contract is terminated prior to close of escrow, escrow agent is hereby irrevocably instructed to terminate and cancel the escrow, and to dispose of any funds held in accordance with the terms of this contract. Close of Escrow shall take place on or before _____.

Buyer and Seller shall each pay one half of the escrow fee and each party shall pay all other costs chargeable to each in accordance with the prevailing custom.

Taxes will be prorated as of close of escrow based on the most current information available from the Apache County Treasurers office. The Seller's portion of property taxes will be charged to the Seller and credited to the Buyer at close of escrow. It will be the Buyers responsibility to pay taxes when due.

4. TITLE.

Title to the lot will be conveyed by Special Warranty Deed subject only to the encumbrance described in paragraph 2 of this contract and the exceptions shown on the title report. Seller shall provide Buyer with a Standard Title Insurance Policy at Sellers expense, which will reflect the conditions of this contract.

5. BUYERS CONTINGENCIES

Within fifteen days after both parties have executed this purchase contract Buyer shall:

- a) Review the preliminary title report to be delivered to Buyer by Pioneer Title.
- b) Review the Public Report delivered to Buyer by Seller.
- c) Review the CCR's and Architectural Guidelines provided by Seller.
- d) Physically inspect the property
- e) Investigate any other issues that impact Buyers decision to purchase including schools, utility services and community issues.

Buyer may, at Buyers sole discretion, deliver a written notice to the Escrow Agent prior to the expiration of the Contingency Period terminating this Agreement and the Escrow. In this event the Agreement and Escrow shall be immediately terminated and the earnest money refunded to Buyer without further instruction from either party.

If Buyer has not delivered a written notice to Escrow Agent terminating this Agreement prior to expiration of the Contingency Period, then the contingencies shall be deemed removed and the earnest money shall be nonrefundable to Buyer.

By electing not to terminate, Buyer represents that Buyer has performed the reviews, investigations and inspections described above and agrees to take title to the property subject to the exceptions shown in the report and any changes agreed to by the Parties.

6. OTHER PROVISIONS.

- a) Possession of the lot shall be delivered to Buyer at close of escrow.
- b) The use of the masculine, feminine or neuter shall be deemed to include the others when the tense requires. The use of the singular or plural shall be deemed to include the other when the tense requires.
- c) This contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.
- d) In the event that any provision or portion of any provision of this contract shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not

affect the remaining portion of that provision, or any other provision hereof, as each provision of this contract shall be deemed to be severable from all other provisions.

e) This purchase contract shall be construed in accordance with the laws of the State of Arizona.

f) This Contract, together with any attached addendum's or exhibits signed by the parties, shall constitute the entire contract and agreement between the parties and shall supersede any other written or oral agreements. This purchase contract and/or addendums to the contract may be executed in counterpart or electronically and a fax or emailed copy shall be treated as an original.

g) All documents and funds necessary to close escrow shall be deposited in escrow with the escrow agent. Buyer and Seller agree to execute all documents necessary to close this transaction in the standard form used by the escrow agent, which escrow agent shall amend to reflect the terms and conditions of this contract. In the event of conflict between the provisions of this contract and the escrow instructions, the provisions of this contract shall be controlling.

h) Seller has reviewed the Public Report issued by the Arizona Department of Real Estate and is in compliance with the terms of the exemption granted to Seller.

7. BUYER REPRESENTATIONS AND AGENCY DISCLOSURE.

Buyer hereby makes the following representations to Seller:

a) Each person signing this Contract on behalf of the Buyer has the capacity, power and authority to enter into this Contract.

b) Buyer acknowledges that Arizona Realty Inc., an Arizona Corporation, represents the Seller in this transaction. Arizona Realty has an obligation to deal fairly and honestly with Buyer and to disclose all material facts that might impact Buyers decision to purchase the property. All other real estate companies represent only the Buyer and are not subagents of the Seller.

c) Buyer acknowledges that principals of the Seller are Arizona licensees.

8. DEFAULT.

If Buyer shall fail to pay the balance of the down payment when due, or shall otherwise default with respect to his obligations under this contract prior to close of escrow, Seller may, at Sellers option, elect to enforce the terms of this contract and require specific performance of the Buyer or elect to accept the earnest money as liquidated damages and immediately terminate this purchase contract.

If Buyer or Seller shall file suit against the other to enforce the provisions of this contract, the prevailing party shall be entitled to collect from the other party reimbursement for court costs, attorney's fees and other related expenses awarded by the Court.

9. COVENANTS, CONDITIONS AND RESTRICTIONS (CCR'S)

All prospective Buyers should read the Declaration of Covenants, Conditions and Restrictions of River Run Estates (CCR's) before making an offer to purchase. Buyer hereby acknowledges receipt of a copy of the River Run Estates CCR's.

10. ARCHITECTURAL REVIEW COMMITTEE

All homes in River Run Estates must meet the requirements set forth in the deed restrictions and Architectural Guidelines.

A lot owner should contact the Review Committee prior to submittal of building plans to verify the current fees for review, inspections and construction deposit as they are subject to change.

11. TIME.

Time is of the essence of this agreement.

BUYER HAS THE LEGAL RIGHT TO RESCIND (CANCEL) THIS AGREEMENT WITHOUT CAUSE OR REASON OF ANY KIND AND TO THE RETURN OF ANY MONEY OR OTHER CONSIDERATION UNTIL MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY BUYER EXECUTED THIS AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF RESCISSION TO THE SELLER. FURTHER, IF THE BUYER DOES NOT INSPECT THE LOT OR PARCEL PRIOR TO THE EXECUTION OF THIS AGREEMENT, BUYER SHALL HAVE A SIX MONTH PERIOD TO INSPECT THE LOT, AND AT THE TIME OF THE INSPECTION SHALL HAVE THE RIGHT TO UNILATERALLY RESCIND THE AGREEMENT.

YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THE CONTRACT OR AGREEMENT. IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THIS CONTRACT OR AGREEMENT MAY BE REVOKED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.

THE SELLER SHALL GIVE A PROSPECTIVE PURCHASER A COPY OF THE PUBLIC REPORT AND AN OPPORTUNITY TO READ AND REVIEW IT BEFORE THE PROSPECTIVE PURCHSER FINALIZES THIS TRANSACTION.

BUYER:

I hereby agree to purchase the subject property on the terms and conditions contained herein. I hereby acknowledge receipt of a copy of this Purchase Contract, the Public Report, the CCR's and the Architectural Design Guidelines. I warrant that I have physically inspected the property before signing this contract.

Date: _____

Buyer Signature

Print Name

Buyer Signature

Print Name

Telephone

Email

Manner in which title will be Held

Address

SELLER:

I hereby agree to sell the property on the terms and conditions described herein, subject to the terms of any counter offer that may be attached.

LC River Holdings, LLC
By: RRJ Ventures, LLC, it's Manager

Date

EXHIBIT A

REQUIRED RECEIPT FOR PUBLIC REPORT

The developer shall furnish you, as a prospective customer, with a copy of the public Report required by the Arizona Department of Real Estate. It is recommended that you read the report before you make any written offer to purchase or lease an interest in the development, and before you pay any money or other consideration toward the purchase or lease of an interest in the development.

FOR YOUR PROTECTION, PLEASE DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE REPORT AND HAVE HAD THE OPPORTUNITY TO READ IT. BY SIGNING THIS RECEIPT, THE BUYER HAS ACCEPTED THE PUBLIC REPORT AND ACKNOWLEDGES THE INFORMATION IT CONTAINS.

RIVER RUN ESTATES LOT NUMBER _____

PUBLIC REPORT REGISTRATION #

I understand that the report is not a recommendation or endorsement of the development by the Arizona Department of Real Estate, but is for information only.

Buyer

Buyer

Current Address

Date