

**PURCHASE CONTRACT, RECEIPT AND ESCROW
INSTRUCTIONS**

This Purchase Contract, Receipt and Escrow Instructions (the Contract) is entered into this _____ day of _____, 20____, by and between.

SELLER: AZNORTH Development Inc.
2410 E Route 66, Flagstaff, AZ 86004

PURCHASER: Name _____
Street Address _____
City, State, Zip _____
Home Phone _____ Work Phone _____

AGENCY CONFIRMATION

SELLING AGENT _____ Office _____
Is representing the buyer as a Buyer's Broker _____
Is representing both Buyer and Seller as a Limited Dual Agent _____
Is representing the Seller as Seller's Agent _____

Title will be taken as: Joint Tenants with Rights of Survivorship _____
(Check one)
Community Property _____
Community Property with Rights of Survivorship _____
Sole and Separate Property _____
To be determined before close of escrow _____

Under the following terms and conditions:

1. PURCHASE. Seller hereby agrees to sell and Purchaser hereby agrees to buy for the price and terms set forth herein that certain property, together with all rights and appurtenances thereto, situated in the COUNTY OF COCONINO, STATE OF ARIZONA, described as follows:

Lot _____, Majestic View Estates, created and shown on the plat of record in the office of the County Recorder of Coconino County, Arizona, recorded in Case 9 Map 95.

Property Street Address _____, Flagstaff, AZ 86001.

Initial _____
Seller

Initial _____/_____
Buyer/Buyer

2. PURCHASE PRICE. Purchaser agrees to pay to Seller a total purchase price as follows:

- \$ _____ **Full Purchase Price paid as outlined below.**
- \$ _____ Earnest money – To be held by Broker until offer is accepted.
- \$ _____ Additional earnest deposit to be released to Seller if applicable.
- \$ _____ Balance of down payment due on or before close of escrow.
- \$ _____ Balance of purchase price – due before close of escrow.

All Earnest Money to be deposited with:

- _____ Fidelity National Title upon acceptance of this contract.
- _____ Fidelity National Title, Release to seller by _____, 20_____.

3. APPLICATION FOR FINANCING. Purchaser will _____ will not _____ need a permanent loan to finance this transaction. If Purchaser has indicated he will need a permanent loan to finance this transaction, he agrees to make application for said loan within (5) business days and that he will furnish all necessary information required by the proposed lender. Purchaser will diligently and in good faith cooperate with Seller and the institutional lender in the procedures for qualifying Purchaser for a mortgage.

Within (10) calendar days after acceptance of this contract, Purchaser must place in escrow a written conditional loan approval from the lender based on a completed loan application and Trimerged Residential Credit Report (TMRCR). If such conditional loan approval is not received within the time specified, the Seller may, at Seller’s option, give Purchaser a five (5)-calendar day written notice to perform. If Purchaser does not deliver to Escrow Company written conditional loan approval within said 5 days, then this Contract shall be deemed canceled and all earnest money shall be released to Purchaser without further written consent of the parties. Purchaser instructs lender to send copies of such approval to Broker(s) and Seller. Purchaser authorizes the lender to provide loan status updates to Broker(s). It is understood and agreed that all expenses incidental to any such loan shall be the obligation of the Purchaser.

4. METHOD OF CONVEYANCE. At close of escrow, Seller shall convey the real property to Buyer, by Special Warranty Deed, free and clear of all liens and encumbrances, subject only to the usual printed exceptions and exclusions contained in the policy of title insurance. Seller shall further deposit with Escrow Agent, on or before close of escrow, a duly executed and acknowledged Affidavit of Real Property Value, together with such other documents as may be necessary to convey the subject property to Buyer.

5. CONTINGENCIES. This transaction shall be contingent upon the following:
- A) Buyer's review and approval of preliminary title report.
 - B) Buyer obtaining financing for the purchase price, if necessary. All costs associated with Buyer's financing shall be paid by Buyer.
 - C) Buyer's review and approval of Public Report.

Initial _____
Seller

Initial_____/_____
Buyer/Buyer

D) Buyer's review, inspection and testing of all other matters pertaining to the property, including but not limited to, verifying possible floodways, at Buyer's expense.

E) Upon close of escrow, all matters pertaining to the property will be deemed accepted by Buyer unless Buyer notifies Seller and Escrow Agent, in writing, of its objections. Such notice must be given by Buyer at least ten (10) days prior to close of escrow. If objections are given by Buyer, Seller shall have the option of remedying the objection prior to close of escrow or terminating this transaction.

6. ESCROW. Seller and Purchaser hereby employ Fidelity National Title as Escrow Agent and hereby adopt the Standard Printed Terms of the Escrow Instructions now used by Escrow Agent except as modified. In the event of any conflict between the terms of the standard printed terms of Escrow Instructions now used by Escrow Agent and the terms of this contract, the terms contained in this Contract shall prevail. Purchaser agrees to submit all information and execute all documents as requested by Escrow Agent within five (5) days of being requested to do so in writing by Escrow Agent. Failure or refusal by Purchaser to execute such documents within this prescribed time period shall entitle Seller, in addition to all other rights and remedies granted hereunder, to cancel this Contract.

7. COMPLETIONS AND CLOSING OF ESCROW. Buyer and Seller will comply with all terms and conditions of this contract and agree to close of escrow on _____, 20____. Any earlier or later close requires mutual written agreement between Buyer and Seller.

The closing shall take place at the Title Company or at such other location or by such other means as Seller may designate. Seller and Purchaser instruct the escrow agent to accept this instrument as its escrow instructions. Purchaser shall pay the fee for recording the deed and Seller shall pay the fee for recording the affidavit of value. Insurance, taxes and assessments with respect to the property shall be prorated as of the earlier of the close of escrow or the time purchaser shall assume possession of the property. As between Seller and Purchaser costs of fees arising from Purchaser's transactions for permanent financing shall be paid by Purchaser.

Close of escrow to be defined as recordation of the documents.

At close of escrow, Seller shall provide Buyer with a standard owner's policy of title insurance for the full amount of the purchase price, effective as of the close of escrow, insuring Buyer that fee simple title to the property is vested in Buyer. The cost of said policy of title insurance shall be paid by Seller.

8. MEMBERSHIP. Purchaser understands that upon the close of escrow he shall be member of the following property owner's association and will be required to pay the following dues to such association. The first six (6) months of dues will be collected at close of escrow. Future dues will be payable annually.

Initial _____
Seller

Initial ____/____
Buyer/Buyer

MAJESTIC VIEW ESTATES HOME OWNER'S ASSOCIATION
Current Dues \$50.00 Monthly

Purchaser acknowledges that the above referenced dues structure may be subject to change. Purchaser additionally agrees to be bound by the Articles of Incorporation and the Bylaws of the above referenced associations and to all Declarations and Supplemental Declarations of Covenants and Restrictions, which are filed of record.

9. NO ORAL CHANGES OR REPRESENTATIONS. Seller wishes to avoid any misunderstandings concerning the purchases of the Unit and it is the policy of the Seller not to enter into any oral agreement or to ask Purchaser to rely on any oral representations concerning the Unit. The entire agreement between Purchaser and Seller must be expressed in writing. PURCHASER ACKNOWLEDGES THAT THERE ARE NO UNDERSTANDINGS, REPRESENTATIONS OR PROMISES OF ANY KIND THAT HAVE BEEN MADE TO INCLUDE THE EXECUTION OF THIS CONTRACT AND THAT THIS CONTRACT SETS FORTH IN FULL THE ENTIRE AGREEMENT AND UNDERSTANDINGS BETWEEN THE PARTIES. PURCHASER FURTHER ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY ORAL AGREEMENT, STATEMENT, REPRESENTATION OR OTHER PROMISES THAT IS NOT EXPRESSED IN WRITING IN THIS CONTRACT. No salesman or Broker has any authority to modify the terms herein not any authority to make any representations or agreements not contained in this Contract and no person on behalf of Seller is authorized to make any future oral agreement upon which Purchaser may rely to cancel change or modify any portion of this Contract. This Contract supersedes any and all prior understandings and agreements. This Contract may be amended or modified only by an agreement in writing signed by Purchaser and Seller.

10. TIME. Time is of the essence of this contract.

11. POSSESSION. Both title to and possession of the Lot shall remain with Seller until this transaction is closed and a deed is delivered to Purchaser. Until all monies due and payable to Seller have been paid in full, all requisite documents have been executed, occupancy has been permitted, no personal property of any kind may be installed or placed on the Lot by Purchaser.

12. SELLER'S RETENTION OF RIGHTS IN THE PROJECT. For the purpose of completing the sale promotion of this project, of which the Unit is a part, until the sale of all Lots in the project, Seller is hereby given full right and authority to maintain or establish at the project all models, sales office, advertising signs and banners and lighting, if any, in connection herewith, together with the right of ingress and egress and transient parking through the project. This clause shall survive the closing contemplated herein and the delivery of the deed to the Purchaser.

13. DEFAULT.

A) If Seller fails to perform any of the covenants to this Contract, all monies paid by Purchaser pursuant hereto shall be returned to Purchaser, upon demand, and thereafter all parties shall be relieved of further liability hereunder, or Purchaser shall have the right to specific performance.

Initial _____
Seller

Initial _____/_____
Buyer/Buyer

B) If Purchaser fails to close on the scheduled closing date, Seller shall give Purchaser five days to close. In the event Purchaser cannot comply, this contract will be canceled and Seller will retain all monies paid to him for upgrades and changes. In the event Purchaser has released funds to Seller upon acceptance of this contract, such funds will be returned to Purchaser when Seller has sold and closed on said unit to another party and recouped the cost of carrying the unit past the original close date and any other costs due to buyer's non performance.

14. ASSIGNMENT. This agreement is personal to Purchaser and may not be assigned or transferred by Purchaser without the prior written consent of the Seller, which consent may be arbitrarily withheld by the Seller in the Seller's sole discretion. Any attempted assignment in violation of the provision shall be void.

15. INSPECTION. Buyer shall have ten (10) days from execution of this agreement in which to conduct whatever tests, inspections, and other evaluations (including, but not limited to FEMA building requirements, if applicable) Buyer's deems necessary to ensure the property meets the specific needs of Buyer. If the Buyer reasonably disapproves of the property, the Buyer shall, on or before termination of the due diligence period, give written notice to Seller and Escrow Agent of its intent to terminate this transaction. If Buyer fails to give such notice, Buyer shall be deemed to have accepted the property and to proceed with this transaction.

Buyer has physically inspected the property. Initial _____/_____
Buyer/Buyer

Buyer has not physically inspected the property. Buyer will disclose to Seller whether Buyer has physically inspected the property within ten (10) days from execution of this agreement. Initial _____/_____
Buyer/Buyer

16. BINDING EFFECT. This Contract shall be binding upon, and inure to the benefit of, the heirs, successors, executors, administrators, and legal representatives of the respective parties.

17. AMENDMENTS. Seller shall not be bound by any purported amendment to this contract not in writing and signed by Seller, and Seller shall be entitled to refuse any changes in or additions to the plans and specifications which Purchaser may request.

18. LIABLE. It is agreed that if this contract is signed by more than one Purchaser, each Purchaser shall be jointly and severally liable hereunder. This singular in number as used herein shall be deemed to include the plural, and the masculine gender shall be deemed to include feminine and neuter, whenever the context requires.

19. VALIDITY. The invalidity or enforceability of any provision of this contract shall not affect or impair the validity or enforceability of any other provisions hereof.

20. CANCELLATION. In the event of any cancellation by either party as authorized by this contract, Purchaser shall have no further right, title or interest in and to the property. Prior to refund of any deposits to Purchaser (if Purchaser is entitled to any refund), Purchaser shall execute whatever documents are requested by Seller to effect said cancellation.

Initial _____
Seller

Initial _____/_____
Buyer/Buyer

21. APPLICABLE LAW. The applicable law regarding the interpretation of this Contract or any controversy arising from this Contract shall be the law of the location of the real property which is subject to this Contract.

22. OTHER CONDITIONS. Only a cashier's check, certified funds, or wire transfer will be acceptable as cash due from the Purchaser at closing.

23. ADDITIONAL TERMS AND CONDITIONS.

24. ACKNOWLEDGEMENTS. Purchaser hereby acknowledges, certifies and affirms that the statements initialed below are true and accurate:

a. Prior to the execution hereof, Purchaser has personally inspected Majestic View Estates. Initialed _____

b. Prior to the execution hereof, Purchaser has received a copy of the Covenants, Conditions, and Restrictions.

c. The law and regulations of the real estate commissioner requires that owner, agent or sub-divider of this subdivision furnish you, as a prospective customer, with a copy of the public report as approved by the Arizona Department of Real Estate. It is recommended that you read the public report prior to making any written offer to purchase or lease an interest in the subdivision and before you pay any money toward the purchase or lease of an interest in the subdivision. **For your protection please do not sign this receipt until you have received a copy of the public report on Majestic View Estates and have had the opportunity to read it.** I understand the report is not a recommendation or endorsement of the subdivision, but it is for information only. I hereby acknowledge receipt of the public report.

Initialed _____

d. Majestic View Estates subdivision is being served groundwater by Majestic Views Domestic Water Improvement District. The developer has chosen not to demonstrate a 100-year adequate water supply. The criteria for physical, legal and continuous availability as set forth in A.A.C. R12-15-717 were not demonstrated, and proof of adequate water quality as set forth in A.A.C. R12-15-718 was not provided. Therefore the Department must find the water supply to be *inadequate*. For additional information please contact the Arizona Department of Water Resources at 602-417-2465.

Initial _____
Seller

Initial _____/
Buyer/Buyer

25. BROKERS. Seller agrees to pay Purchaser's Broker a commission only as agreed to in writing between Seller and Purchaser's Broker. Purchaser agrees that Seller is not responsible for any representations or statements of Purchaser's Broker that are inconsistent with those set fourth herein.

26. PRINCIPAL AS LICENSEE. Licensee shall not act as a Seller, directly or indirectly, in a real estate transaction without informing the other parties to the transaction, in writing prior to or concurrent with any binding agreement, that he or she has a real estate license and is acting as a principal. **BUYERS TO UNDERSTAND THAT TOM BREWSTER, THE MANAGING OWNER/SELLER, IS A LICENSED REAL ESTATE BROKER IN THE STATE OF ARIZONA.**

The attached "Addendum to Purchase Contract" shall be considered a part of this contract and incorporated therein by this reference if this box is checked.

In witness whereof, this Purchase Contract, Receipt and Escrow Instructions is executed on the day and year first written above and Purchaser hereby acknowledges receipt of a copy of this Contract. **The Developer shall give a prospective purchaser a copy of the public report and an opportunity to read and review it before the prospective purchaser signs this document.**

THE PURCHASER OR LESSEE 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 BY SENDING OR DELIVERING A WRITTEN NOTICE OF RESCISSION TO THE SELLER OR LESSOR BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY THE PURCHASER OR LESSEE EXECUTED THE AGREEMENT. IF THE PURCHASER OR LESSEE DOES NOT INSPECT THE LOT OR PARCEL BEFORE THE EXECUTION OF THE AGREEMENT, THE PURCHASER OR LESSEE SHALL HAVE SIX MONTHS TO INSPECT THE LOT OR PARCEL AND AT THE TIME OF INSPECTION SHALL HAVE THE RIGHT TO UNILATERALLY RESCIND THE AGREEMENT.

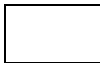
Initial _____
Seller

Initial _____/_____
Buyer/Buyer

THE PURCHASER SHALL BE GIVEN A COPY OF THE PUBLIC REPORT BEFORE SIGNING THIS DOCUMENT.

_____	_____	_____	_____
Purchaser	Date	Purchaser	Date
_____		_____	
Address		Address	
_____		_____	
City, State, Zip		City, State, Zip	

Counter Offer is attached, and is incorporated herein by reference. If there is a conflict between this contract and the counter offer, the provisions of the counter offer shall be controlling.



AZNORTH

_____	_____
Seller or Authorized Representative	Date

Broker log No. _____ Manager's initials _____ Broker's initials _____ Date _____

05/15/06

