



## VACANT LAND LOT PURCHASE CONTRACT

This Contract is entered into by and between SEDONA STARS, LLC, an Arizona limited liability company ("Seller") and \_\_\_\_\_ ("Buyer"). Buyer is represented by \_\_\_\_\_ ("Buyer's Broker") and Buyer understands and agrees that Buyer's Broker may receive a commission of four percent (4%) from Seller in connection with the consummation of the sale of the Property (defined below) to Buyer.

**1. Earnest Money:** Earnest money shall be held by Broker until offer is accepted. Upon acceptance, Broker shall promptly deposit the earnest money with any escrow company to which the check is payable. If the check is payable to Broker, Broker may deposit the check in Broker's trust account or endorse the check without recourse and deposit it with a duly licensed escrow company. Buyer agrees that, if Buyer breaches this Contract, any earnest money is subject to forfeiture. If any check for earnest money is dishonored for any reason, Seller may, at Seller's option, immediately cancel this Contract pursuant to Section 32. Unless otherwise provided herein, all earnest money is considered to be part of the Purchase Price (defined below) for the Property described below. The earnest money deposited with Broker is \$\_\_\_\_\_

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

Assessor's Parcel Number: \_\_\_\_\_ Cor D'Amor Lot: \_\_\_\_\_  
Legal description: \_\_\_\_\_

**3. Incidental Improvements:** Buyer is purchasing the Property as vacant land. Any fixtures and improvements on the Property are merely incidental and are being transferred in "AS IS CONDITION."

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

5. **Full Purchase Price:** \$\_\_\_\_\_ ("Purchase Price"). Buyer acknowledges that failure to pay the required funds by the scheduled Close of Escrow other than as described in any of the following sections, shall be construed as a material breach of this Contract, and all earnest money shall be subject to forfeiture.

6. **Closing Date:** Seller and Buyer will comply with all terms and conditions of this Contract and close escrow on \_\_\_\_\_. Any earlier closing date requires written mutual agreement of Seller and Buyer. Seller and Buyer hereby agree that the Close of Escrow shall be defined as recordation of the documents. The parties to this Contract expressly agree that the failure of any party to comply with the terms and conditions of this Contract by the scheduled Close of Escrow will constitute a material breach of this Contract, rendering the Contract subject to cancellation as provided in the Section 32.

7. **Possession:** Possession and occupancy shall be delivered to Buyer **at Close of Escrow.**

8. **Escrow:** This Contract will be used as escrow instructions. The Escrow Company employed by the parties to carry out the terms of this Contract shall be:

Land America Title  
1835 W. Hwy 89A Suite 1 Sedona, Arizona 86336  
928-282-4139 (Facsimile)  
928-282-6700 (Telephone)

9. **Title and Vesting:** Method of taking title may have significant legal, estate planning and tax consequences. Buyer should obtain legal and tax advice. Buyer's marital status is: \_\_\_\_\_. Buyer will take title as: \_\_\_\_\_.

Escrow Company hereby is instructed to obtain and distribute to Buyer 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; deed restrictions; and easements. Any portion of documents that contain provisions prohibited by state or federal fair housing laws are void and unenforceable. Buyer shall have five (5) days after receipt of the Title Commitment and after receipt of notice of any subsequent exceptions to provide written notice to Seller of any of the exceptions reasonably disapproved. REFER TO SECTION 19 FOR IMPORTANT TERMS. Seller shall convey title by Special Warranty deed. Buyer shall be provided at Seller's expense a Standard Owner's Title Insurance Policy, showing the title vested in Buyer as provided above. If Buyer requests extended coverage, the additional cost shall be at Buyer's expense.

(a) If the Escrow Company also is acting as the title agency but is not the title insurer issuing the title insurance policy, the Buyer and Seller hereby instruct the Escrow Company to 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. (b) 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 hereby is instructed to modify such documents to the extent necessary to be consistent with this Contract. (c) All closing and escrow costs, unless otherwise stated herein,

shall be allocated between Seller and Buyer in accordance with local custom and applicable laws and regulations. (d) Escrow Company hereby is instructed to send to Broker(s) copies of all notices and communications directed to Seller or Buyer. Escrow Company shall provide to such Broker(s) access to escrowed materials and information regarding the escrow. (e) Any documents necessary to close the escrow may be signed in counterparts, each of which shall be effective as an original upon execution, and all of which together shall constitute one and the same instrument.

**10. Prorations:** Taxes and homeowners' association fees, shall be prorated as of **Close of Escrow**.

**11. Insurance:** Buyer understands that any fire, casualty, or other insurance desired by Buyer should be in place at Close of Escrow.

**12. Assessments:** The amount of any assessment, other than homeowners' association assessments described in Section 17, that is a lien as of the Close of Escrow, shall be prorated and assumed by Buyer. Any assessment that becomes a lien after Close of Escrow is the Buyer's responsibility.

**13. IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to the Foreign Investment in Real Property Tax Act ("FIRPTA"). Buyer acknowledges that if the Seller is a foreign person, the Buyer must withhold a tax equal to 10% of the purchase price, unless an exemption applies.

**14. Seller Property Disclosure Statement ("SPDS"):** Seller shall deliver the SPDS to the Buyer within five (5) days after acceptance of the Contract. The Buyer shall provide written notice of any items reasonably disapproved within the Inspection Period.

**15. Environmental Due Diligence:** Seller has not caused or permitted the generation, storage, treatment, release or disposal of any hazardous waste or regulated substances at the Property except as disclosed herein or in the SPDS. Buyer will have undertaken all appropriate investigation into the previous ownership and uses of the Property consistent with commercial or customary practice.

**16. Seller's Notice of Violations:** Seller represents that Seller has no knowledge of any notice of violations of City, County, State, or Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the Property. If Seller receives notice of violations prior to Close of Escrow, Seller shall immediately notify Buyer in writing. Buyer is allowed five (5) days after receipt of notice to provide written notice to Seller of any items reasonably disapproved. REFER SECTION 19 FOR IMPORTANT TERMS.

**17. H.O.A.; Acknowledgment of Controlling Documents:** The Property is located within a homeowners' association that has fewer than 50 units. Attached to this Contract are: (1) a schedule of the existing or pending special assessments, claims and litigation, and (2) copies of

the Covenants, Conditions and Restrictions, Design Guidelines, Public Report filed with the Arizona Department of Real Estate, and the homeowners association Articles of Incorporation, Bylaws, current financial statement, including reserve statement and/or budget; and all other documents and information required by law (the "Property Documents"). Buyer acknowledges that the Property Documents impose substantial and material restrictions on the use and development of the Property.

\_\_\_\_\_ BUYER ACKNOWLEDGES THAT BUYER RECEIVED, HAD AN OPPORTUNITY TO READ AND DID READ THE PROPERTY DOCUMENTS PRIOR TO SIGNING THIS CONTRACT. **(BUYER'S INITIALS REQUIRED TO ACKNOWLEDGE BUYER READ, UNDERSTOOD AND COMPLIED WITH THIS SECTION 17.)**

Buyer is allowed five (5) days after receipt of the attached information to provide written notice to Seller of any items reasonably disapproved; REFER TO SECTION 19 FOR IMPORTANT TERMS. Any current homeowners' association assessment that is a lien as of Close of Escrow will be prorated and assumed by Buyer. Any assessment that becomes a lien after the Close of Escrow is the Buyer's responsibility. Fees related to the transfer of the Property shall be paid by Buyer. Any inspection or certification fee charged by a homeowners' association shall be paid by Seller.

**18. Physical, Environmental, and Other Inspections:** Buyer acknowledges the benefit of, and the right to have, any inspections, including tests, surveys, and other studies, of the Property at Buyer's expense to determine the value and condition of the Property. The inspections may include physical, environmental, and other types of inspections including, but not limited to, soil; square footage/acreage; designated flood hazard areas; wells; environmental hazards including, but not limited to, radon gas, fuel or chemical storage tanks, hazardous waste, landfills, high voltage electrical lines, airport overflight patterns, noise contours, transportation corridors, petrochemicals, pesticides, industrial polymers, lead, sulfuric acid or high fertilizer concentrates, and other substances, materials or products that are not natural to the Property or that are subject to regulation under environmental or public health and welfare laws and ordinances, and/or located in a federal or state Superfund area; endangered species, water quality, geologic conditions, location of property lines, water/utility use restrictions, and fees for services such as garbage or fire protection. If the presence of sex offenders in the vicinity of the Property or the occurrence of a disease, natural death, suicide, homicide or other crime on or in the vicinity of the Property is a material matter to the Buyer, it must be investigated by the Buyer during the Inspection Period. Buyer acknowledges having viewed the Property in connection with Buyer's signing this Contract.

**19. Buyer Responsibility Regarding Inspections and Investigations:** Buyer is advised to obtain inspections and investigations of the Property. Buyer acknowledges that Buyer should make inquiries and consult government agencies, lenders, insurance agents, architects, surveyors, engineers and other appropriate persons and entities concerning the use of the Property and the surrounding areas under applicable building, zoning, fire, health, and safety codes, and for evaluation of potential hazards. Buyer acknowledges that more than one inspection may be required. Buyer shall keep the Property free and clear of liens; shall indemnify and hold Seller harmless from all liability, claims, demands, damages, and costs; and shall repair

all damages arising from the inspections. Buyer shall provide Seller and Broker(s) upon receipt, at no cost, copies of all reports concerning the Property obtained by Buyer. The Inspection Period is the Buyer's sole opportunity to discover any existing defects prior to Close of Escrow.

\_\_\_\_\_ **(BUYER'S INITIALS ARE REQUIRED TO ACKNOWLEDGE THAT BUYER READ AND UNDERSTOOD SECTION 19.)**

**SQUARE FOOTAGE/ACREAGE: BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OR ACREAGE OF THE PROPERTY IS APPROXIMATE. IF SQUARE FOOTAGE OR ACREAGE IS A MATERIAL MATTER TO THE BUYER, BUYER MUST VERIFY THE PROPERTY'S SQUARE FOOTAGE OR ACREAGE DURING THE INSPECTION PERIOD.**

**20. Buyer Inspection Period:** Buyer's Inspection Period shall be **fifteen (15) days** after Seller's acceptance of the Contract ("Inspection Period"). Buyer shall sign and cause to be delivered to Seller written notice of any items reasonably disapproved within Inspection Period. Notice shall be provided on the attached Buyer's Inspection Notice.

**21. Buyer Reasonable Disapproval:** If Buyer reasonably disapproves of items as provided herein, Buyer shall deliver to Seller written notice of the items reasonably disapproved, and state in the written notice that Buyer elects either to: (a) immediately cancel this Contract without further written consent of the parties, in which event all earnest money will be released to Buyer, or (b) provide the Seller an opportunity to correct the items reasonably disapproved. If Buyer elects option (b), Seller shall respond in writing within **five (5) days** after delivery to Seller of Buyer's notice of items reasonably disapproved. If Seller is unwilling or unable to agree to correct any of the items reasonably disapproved by Buyer, including making any repairs in a workmanlike manner, Buyer may either: (a) cancel this Contract by written notice to Seller within five (5) days after receipt of Seller's response or after expiration of the time period for Seller's response, whichever occurs first, in which case all earnest money shall be released to Buyer; or (b) proceed with the transaction, in which case Seller is not obligated to correct those items Seller has not agreed to correct in writing. Any extensions of these time periods must be agreed to in a writing signed by Seller and Buyer.

**BUYER'S FAILURE TO GIVE WRITTEN NOTICE OF REASONABLE DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN THE SPECIFIED TIME PERIODS SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE TRANSACTION WITHOUT CORRECTION OF ANY REASONABLY DISAPPROVED ITEMS THAT SELLER HAS NOT AGREED TO CORRECT IN WRITING.**

**22. Seller's Responsibility Regarding Inspections:** Seller shall make the Property available for all Buyer's inspections upon reasonable notice by Buyer. Seller acknowledges that items warranted by the Seller must be maintained or repaired as provided in Section 28. Any agreed upon repairs or other actions to correct items reasonably disapproved shall be completed by Seller prior to Close of Escrow.

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

**LAND DIVISIONS: LANDS PROPOSED TO BE DIVIDED FOR PURPOSES OF SALE OR LEASE ARE SUBJECT TO STATE, COUNTY AND MUNICIPAL LAWS, ORDINANCES AND REGULATIONS. IF STATE, COUNTY, AND MUNICIPAL REQUIREMENTS RELATING TO THE DIVISION OR SPLITTING OF THE PROPERTY ARE A MATERIAL MATTER TO THE BUYER, THEY MUST BE VERIFIED BY BUYER DURING THE INSPECTION PERIOD.**

**24. Road Maintenance Agreement:** Seller shall provide to Buyer, within five (5) days after acceptance of this Contract, a copy of any known road maintenance agreement currently in effect.

**25. Surveys:** A survey shall not be performed by Seller. \_\_\_\_\_ Buyer waives a survey, and accepts a copy of the most recent survey, if available, and any current corner monuments shown thereon or identified on the ground. **(BUYER'S INITIALS ARE REQUIRED TO ACKNOWLEDGE BUYER'S WAIVER OF A NEW SURVEY AND ACCEPTANCE OF SELLER'S EXISTING SURVEY.)**

**26. Water/Water Rights:** IF WATER/WATER RIGHTS ARE A MATERIAL MATTER TO THE BUYER, BUYER MUST VERIFY THIS DURING THE INSPECTION PERIOD. At Close of Escrow, if applicable, Seller shall assign, transfer and convey to the Buyer all of the water rights, if any, held by Seller that are associated with the Property. Seller agrees to execute, acknowledge and deliver to Buyer such additional documents and instruments regarding any water rights including, but not limited to an assignment of or deed to any water rights acquired, grants or conveyances of water rights, use rights, well maintenance agreements or any other documents necessary for Buyer to acquire the rights to use any water and any wells serving the Property.

**27. Final Inspection:** The Seller grants Buyer and any representative of Buyer reasonable access to conduct a final inspection of the Property for the purpose of satisfying Buyer that any corrections agreed to by the Seller have been completed, and that the Property is in substantially the same condition as on the date of acceptance of the Contract.

**28. Seller Warranties:** Seller warrants and shall maintain and/or repair the Property so that, at the earlier of possession or Close of Escrow, the Property shall be in substantially the same condition as on the date of the acceptance of this Contract.

**29. Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect the Buyer's ability to close escrow or complete the

obligations of this Contract. At the earlier of possession of the Property or Close of Escrow, (a) Buyer warrants to Seller that Buyer has conducted all desired independent investigations and accepts the Property and (b) Buyer acknowledges that there will be no Seller warranty of any kind, except as stated in Section 28.

**30. Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer all material latent defects and any information concerning the Property known to Seller, excluding opinions of value, that materially and adversely affect the consideration to be paid by Buyer. Prior to the Close of Escrow, Seller warrants that payment in full will have been made for all labor, professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the Close of Escrow in connection with the construction, alteration, or repair of any structure on or improvement to the Property.

**31. Remedies for Breach:** If either party breaches in any respect any material obligation under this Contract, the non-breaching party may elect to be released from all obligations under this Contract by canceling this Contract as provided in Section 32. The non-breaching party may thereafter proceed against the party in breach upon any claim or remedy that the non-breaching party may have in law or equity. In the case of the Seller, because it would be difficult to fix actual damages in the event of Buyer's breach, the amount of the earnest money may be deemed a reasonable estimate of the damages; and Seller may, at Seller's option, accept the earnest money deposit, as Seller's sole right to damages. If the non-breaching party elects not to cancel this Contract, the non-breaching party may proceed against the party in breach for specific performance of this Contract or any of its terms, in addition to any claim or remedy that the non-breaching party may have in law or equity. If either party pursues specific performance of this Contract, that party does not waive the right to cancel this Contract pursuant to Section 32 at any time and proceed against the breaching party as otherwise provided herein, in law or equity. If Buyer or Seller files suit against the other to enforce any provision of this Contract or for damages sustained by reason of its breach, all parties prevailing in such action, on trial and appeal, shall receive their reasonable attorneys' fees and costs as awarded by the court. Costs shall include, without limitation: attorneys' fees, expert witness fees, fees paid to investigators, and court costs.

**32. Cancellation:** Except as otherwise provided herein, any party who wishes to cancel this Contract because of any material breach by the other party, and who is not in material breach except as occasioned by a material breach by the other party, may cancel this Contract by delivering written notice of cancellation to either the breaching party or to the Escrow Company stating the nature of the breach. Cancellation shall become effective immediately upon delivery of the written notice of cancellation to either the breaching party or Escrow Company.

**33. Release of Earnest Money:** If a dispute between Buyer and Seller arises regarding earnest money deposited with Escrow Company, Buyer and Seller authorize Escrow Company to release earnest money pursuant to the terms and conditions of this Contract. Buyer and Seller specifically authorize Escrow Company to act in its sole and absolute discretion in the release of earnest money. Buyer and Seller agree to hold harmless and indemnify Escrow Company against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorneys' fees, arising from or relating in any way to the release of earnest money.

**34. Mediation:** Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this Contract, any alleged breach of this Contract, or services provided in relation to this Contract before resorting to court action. Any agreement signed by the parties pursuant to the mediation conference shall be binding. All mediation costs will be paid equally by the parties to the Contract. Disputes shall include claims for earnest money or representations made by the Buyer or Seller in connection with the sale, purchase, financing, condition, or other aspect of the Property to which this Contract pertains, including, without limitation, allegations of concealment, misrepresentation, negligence and/or fraud.

**35. Exclusions from Mediation:** The following matters are excluded from mediation hereunder: (a) any action brought in the Small Claims Division of an Arizona Justice Court (up to \$2,500), as long as the matter is not thereafter transferred or removed from the Small Claims Division; (b) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or agreement for sale; (c) an unlawful entry or detainer action; (d) the filing or enforcement of a mechanic's lien; or (e) any matter that is within the jurisdiction of a probate court. The filing of a judicial action to enable the recording of a notice of pending action, or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the obligation to mediate under this provision, nor shall it constitute a breach of the duty to mediate.

**36. Risk Of Loss:** If there is any loss or damage to the Property between the date of acceptance of this Contract and the Close of Escrow or possession, whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the Seller, provided, however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price, either Seller or Buyer may elect to cancel the Contract by written notice.

**37. Permission:** Buyer and Seller grant Broker(s) permission to advise the public of this Contract.

**38. Arizona Law:** This Contract shall be governed by Arizona law.

**39. Time is of the essence.**

**40. Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by separate written agreement(s). Any separate written agreement(s) shall be delivered to Escrow Company for payment at Close of Escrow, if not previously paid.

**41. Entire Agreement:** This Contract, and any addenda and attachments signed by the parties, shall constitute the entire agreement between Seller and Buyer, and shall supersede any other written or oral agreement between Seller and Buyer. This Contract can be modified only by a writing signed by Seller and Buyer. A fully executed facsimile copy of the entire agreement shall be treated as an original Contract. The failure to initial any page of this Contract will not affect the validity or terms of this Contract. This Contract may be executed in any number of

counterparts, and will become effective upon delivery as provided for herein. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original. Neither Seller, nor Buyer shall be bound by any understanding, agreement, promise, or representation, express or implied, written or verbal, not specified herein.

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

**43. Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until Close of Escrow. Seller understands that any subsequent offer accepted by the Seller must be a backup offer, namely, contingent on the cancellation of this Contract.

**44. Selection of Builder:** Buyer acknowledges that the Property is within the Cor D'Amor Development and Buyer intends to construct a residence on the Property. Buyer represents that Buyer already has discussed the construction of such residence with a residential builder selected by Buyer in Buyer's sole and absolute discretion, without relying on Seller for such determination. Buyer intends to use \_\_\_\_\_ to construct such residence.

**45. Acceptance:** This is an offer to purchase the Property. Unless acceptance is signed by Seller and a signed copy delivered in person, by mail, or facsimile, and received by Buyer by \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_\_ AM/PM, MST, or unless this offer to purchase has been previously withdrawn by Buyer, this offer to purchase shall be deemed withdrawn and the Buyer's earnest money shall be returned.

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

**THE 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 OHER CONSIDERATION BY SENDING OR DELIVERING A WRITTEN NOTICE OF RESCISSION TO THE SELLER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY THE BUYER EXECUTED THIS CONTRACT. IF THE BUYER DOES NOT INSPECT THE PROPERTY BEFORE THE EXECUTION OF THIS CONTRACT, THE BUYER SHALL HAVE SIX MONTHS TO INSPECT THE PROPERTY AND AT THE TIME OF INSPECTION SHALL HAVE THE RIGHT TO UNILATERALLY RESCIND THIS CONTRACT.**

**OFFER:**  
\_\_\_\_\_  
(Buyer's Name)

**ACCEPTANCE:**  
**SEDONA STARS, LLC**  
**an Arizona limited liability company**

\_\_\_\_\_  
**Buyer**  
**Dated:** \_\_\_\_\_

\_\_\_\_\_  
**Kenneth J. Schroeder, Member**  
**Dated:** \_\_\_\_\_



