

**PREMIERE ESTATES**  
AUCTION COMPANY



AUCTIONEERS OF EXCEPTIONAL PROPERTIES

***PURCHASE CONTRACT***  
***6201 Rodgerton Drive***  
***Hollywood Hills, CA 90068***

**THIS PURCHASE CONTRACT** ("Contract") made this the 24th day of March, 2012 is entered into by and between Sharada Gonzales and Diane Takayama, Successor Co-Trustees of the Phyllis Sidewell Irrevocable Trust A dated February 4, 2008, whose address is 7635 Wentworth Street, Tujunga, CA 91042("Seller") and \_\_\_\_\_ whose address is \_\_\_\_\_("Buyer").

The Contract is entered into in connection with an **AUCTION SALE** of the real property commonly described as: 6201 Rodgerton Drive, Hollywood Hills, CA 90068 Home and 3 land parcels (APN's - 5583 004 015, 5583 004 005, 5583 004 012, 5583 004 004) (including all fixtures, Furnishings, and equipment set forth in Section 12 hereof, if any) ("Property") which is to be sold on March 24th, 2012 at an Auction Sale conducted by Premiere Estates Auction Company, Inc. ("Auctioneer" and "Broker"). Buyer was the successful bidder at the Auction Sale and the purpose of this Contract is to memorialize the terms and conditions of the purchase of the Property, the amount due to Seller and Auctioneer/Broker, and the various indemnities and obligations of Buyer and Seller ("Parties"). Buyer acknowledges that a specimen of this Contract was posted on the Auctioneer's website for Buyer to review prior to the Auction Sale and Buyer reviewed the Contract prior to making its successful bid for the Property at the Auction Sale. Buyer also acknowledges that it has had the opportunity to do whatever due diligence it believed was appropriate under the circumstances and has had the opportunity to consult with Buyer's counsel before entering into and executing this Contract and Buyer knowingly and voluntarily enters into this Contract on the terms and conditions set forth herein.

**1. AGREEMENT TO PURCHASE.** In consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the Property which has been defined above and as set forth in the Title Commitment (as defined in Section 11 below).

**2. TOTAL CONTRACT PRICE.** The total price to be paid by Buyer for the purchase of the Property ("Total Contract Price") including the escrow deposit to be made by Buyer shall be as follows and shall be paid in immediately available U.S. funds (i.e., cash, wire transfer or cashier's check drawn on a US bank account):

(a) **FINAL BID AMOUNT** ("Hammer Price") .....\$ \_\_\_\_\_  
 Plus **BUYER'S PREMIUM** equal to 10% of the Final Bid Amount  
 (which sum is to be paid to the Auctioneer pursuant to the Auction Contract)....\$ \_\_\_\_\_  
**TOTAL CONTRACT PRICE**.....\$ \_\_\_\_\_

(b) **INITIAL DEPOSIT** ("Initial Deposit") equal to 10% of the Total Contract Price (to be deposited in a non-interest bearing trust account by the Escrow Holder as defined below).....\$ \_\_\_\_\_  
 Of which \$ \_\_\_\_\_ has been provided in a cashier's check as **REGISTRATION DEPOSIT** and \$ \_\_\_\_\_ has been provided in a personal or business check.

(c) **BALANCE OF TOTAL CONTRACT PRICE**.....\$ \_\_\_\_\_  
 Due no later than two (2) business days prior to Closing (defined below). In addition, Buyer must pay amounts due from Buyer under other provisions of this Contract (see Sections 4 and 5 below).

The Initial Deposit is **NON-REFUNDABLE AND WILL CONSTITUTE LIQUIDATED DAMAGES AS SET OUT IN PARAGRAPHS THREE (3) AND TWENTY (20) BELOW IN THE EVENT OF BUYER'S BREACH AS SET FORTH BELOW.**

BUYER'S INITIALS: ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

SELLER'S INITIALS: ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

**3. CLOSING.** Closing shall be at office of SC Escrow Services on or before May 9th, 2012 (the “Closing Date”). Escrow Holder (as defined in Section 18) is hereby authorized and instructed to conduct the escrow in accordance with this Contract, its Escrow Instructions which shall follow the terms set forth herein, applicable law and custom and practice of the community in which the Escrow Holder is located, including any reporting or requirements of the Internal Revenue Code. If and to the extent there is any conflict between the escrow instructions and this Contract, the terms of this Contract will control. On the Closing Date, Seller shall deliver to Buyer a Deed to the Property, which deed shall be without warranties; express, implied or statutory, except as set out elsewhere herein. Buyer may take possession of the Property one (1) day after Closing.

**IF THE SUCCESSFUL BIDDER FAILS TO TIMELY CLOSE THE SALE BY THE CLOSING DATE AS AGREED, THE SUCCESSFUL BIDDER’S INITIAL DEPOSIT SHALL BE RETAINED BY THE SELLER AS LIQUIDATED DAMAGES TO COMPENSATE SELLER AND AUCTIONEER FOR THEIR DAMAGES INCURRED BY THE BUYER’S FAILURE TO PERFORM.**

At the Closing, the Seller shall convey title to the properties free and clear of all liens and encumbrances. The sale is without contingencies, and the Property is being conveyed “as is” “where is” and with no representations and warranties of any kind or nature, express, implied or statutory and shall remain subject to all Permitted Title Exceptions as described in Paragraph 11 below. The Seller agrees to execute all other documents and disclosure statements as may be required to sell or convey the Property to Buyer. In the event that Seller cancels this Contract because of Buyer’s breach, Seller shall give written notice to Buyer at Buyer’s address hereinabove. No further consent or other actions of Buyer will be necessary for the Initial Deposit to be forfeited to Seller in the event of a breach of this Agreement by Buyer and Escrow Holder is hereby instructed to release the Initial Deposit to Seller upon the termination of this Agreement because of a breach of this Agreement by Buyer.

The date set for the Closing may be extended for a period of not more than thirty (30) days following the original date upon Buyer’s payment into escrow of an “Extension Fee” equal to \$100 for each day of the extension period (including the last day). To obtain such an extension, the Buyer must (i) elect to extend the escrow by delivering written notice of such election to the Seller and Escrow no later than five (5) days before the previously scheduled closing date, and (ii) pay the Extension Fee to the Escrow Holder, which Extension Fee shall be immediately released by Escrow Holder to the Seller. **THE EXTENSION FEE SHALL BE NON-REFUNDABLE UNDER ALL CIRCUMSTANCES AND SHALL NOT BE APPLIED TOWARD THE PURCHASE PRICE OF THE PROPERTY.** The Extension Fee shall solely be used to compensate the Seller for agreeing to extend the closing.

**4. TAXES AND OTHER PRORATIONS.** In addition to the Total Contract Price set forth above, Buyer shall bear a portion of the current year’s property taxes and assessments prorated as of the date of Closing.

**5. CLOSING COSTS.** . In addition to the Total Contract Price set forth above, Buyer shall bear a portion of the Closing Costs identified below. Seller shall also bear a portion of the Closing Costs, as set forth below.

- a) **Seller’s Costs.** At Closing, Seller will pay the cost for a CLTA Standard Coverage Owner’s Policy of Title Insurance without any endorsements from USA National Title Company and all costs to transfer the Property and to release any encumbrances on the Property other than the Permitted Title Exceptions as defined below.
- b) **Buyer’s Costs.** At Closing, all the costs for recording the Grant Deed, all costs for borrower’s title insurance policy and any costs associated with Buyer’s financing to obtain the Total Contract Price for the sale of the Property. Buyer shall pay all other fees and costs in connection with any reports, inspections, due diligence, and taxes other than the prorated property taxes and shall deposit such sums as is necessary

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to pay such fees and costs at close of Escrow. To the extent that Buyer seeks any endorsements or other form of title insurance policy from USA National Title Company, such endorsements or policy shall be at Buyer's sole cost and expense.

**6. TERMS.** This is a cash sale with the Initial Deposit set forth above being held by the Escrow Holder and with the balance, inclusive of Buyer's closing costs, financing costs, and other prorated fees and costs set forth herein, due no less than two (2) business days prior to Closing. While Buyer may elect to obtain financing, this sale is not contingent upon Buyer's ability to obtain financing.

**BUYER ACKNOWLEDGES AND AGREES THAT ITS OBLIGATIONS UNDER THIS CONTRACT ARE NOT CONTINGENT UPON BUYER OBTAINING A LOAN FROM ANY LENDER OR ANY OTHER MATTER. BUYER SHALL BE OBLIGATED TO PERFORM ITS OBLIGATIONS UNDER THIS CONTRACT WHETHER OR NOT BUYER CAN OBTAIN A LOAN OR LOANS TO FINANCE ITS PURCHASE OF THE PROPERTY.**

**7. INITIAL DEPOSIT/CLOSING AGENT.** The Initial Deposit shall be paid to Escrow Holder. Escrow Holder shall be relieved from any responsibility or liability by both Seller and Buyer in connection with the discharge of their duties hereunder, except to the extent that Escrow Holder fails to exercise ordinary and reasonable care in the discharge of said duties.

**8. DISCLAIMER OF WARRANTIES; "AS-IS" CONVEYANCE; INDEMNITIES.**

- a) BUYER WARRANTS, ACKNOWLEDGES AND AGREES THAT BUYER IS PURCHASING THE PROPERTY IN AN "AS-IS, WHERE IS" CONDITION "WITH ALL FAULTS" AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, WHETHER EXPRESS, IMPLIED OR STATUTORY, OF ANY KIND, NATURE, OR TYPE WHATSOEVER, FROM OR ON BEHALF OF THE SELLER OR BROKER/AUCTIONEER, EXCEPT AS ARE EXPRESSLY CONTAINED IN THIS AGREEMENT.
- b) BUYER ACKNOWLEDGES AND AGREES THAT SELLER AND BROKER/AUCTIONEER (WHETHER AS AUCTIONEER OR AS SELLER'S BROKER) HAVE NOT, DO NOT, AND WILL NOT MAKE ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY AS TO THE VALUE, PHYSICAL CONDITION, SQUARE FOOTAGE, ENVIRONMENTAL CONDITION (INCLUDING BUT NOT LIMITED TO WETLANDS, FLOOD PLAIN, LEAD BASE PAINT, RADON GAS, ASBESTOS), MINERAL RIGHTS, FISHING RIGHTS, ZONING, CONDITION OF THE PROPERTY, OPERABILITY, HABITABILITY, TENANTABILITY, SUITABILITY, MERCHANTABILITY, PROFITABILITY, FITNESS FOR PURPOSE, MARKETABILITY, PAST OR PRESENT COMPLIANCE WITH ANY RULES, REGULATIONS, COVENANTS OR RESTRICTIONS, DEVELOPMENT POTENTIAL OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PROPERTY.
- c) Buyer further acknowledges and agrees that it has been, and will continue to be, Buyer's responsibility to make such legal, factual and other inquiries and investigations and due diligence as Buyer deems necessary, desirable or appropriate with respect to the Property. Buyer acknowledges that it has executed this Contract based solely on its own independent due diligence investigations and findings, and not in reliance on any information provided by Seller, Auctioneer/Broker or their respective affiliates, agents, officers, employees or representatives. Buyer has not relied, and is not relying, upon any information, document, sales brochures or other literature, maps or sketches, projection, pro forma, statement,

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representation, guarantee or warranty (whether express or implied, oral or written, material or immaterial) that may have been given by or made by or on behalf of the Seller or Broker/Auctioneer, and knowingly and voluntarily enters into this Contract and will defend, indemnify and hold Auctioneer/Broker harmless (with counsel reasonably acceptable to Auctioneer) from any and all claims with respect to any problems or issues with the Property of any kind or nature.

- d) Buyer shall look only to Seller, and not to Auctioneer/Broker, as to all matters regarding any duties or obligations pursuant to the terms of this Contract and with respect to the Property. The Auctioneer/Broker shall not be responsible or liable in any way if the Seller fails or refuses to or cannot deliver title hereunder or otherwise fails to close escrow.
- e) Without in any way limiting the generality of the preceding subparagraphs (a) through (d) and subparagraph (f) and subparagraph (g) below, Buyer specifically acknowledges and agrees and hereby waives, releases and discharges any claim it has, might have had, or may in the future have against the Seller or Auctioneer/Broker with respect to: the condition of the Property, either patent or latent; Buyer's ability or inability to obtain or maintain building permits, either temporary or final certificates of occupancy or other permits or licenses for the use or operation of the Property, and/or certificates of compliance for the Property; the actual or potential income or profits to be derived from the Property; the real estate taxes or assessments now or hereafter payable thereon; the compliance with any environmental protection, pollution or land use laws, rules, regulations or requirements; and any other state of facts which exist with respect to the Property or the use and occupancy of the Property.
- f) In addition, Buyer shall carry such workers compensation, liability, property damage and other insurance necessary to protect Seller and Broker/Auctioneer from any claims of any kind arising out the Property and with respect to any damage or liability arising there from.
- g) Buyer further agrees to release, defend, indemnify and hold Seller and Broker/Auctioneer harmless from any claims or contentions that Seller and Broker/Auctioneer in any way violated or did not comply with the Americans with Disabilities Act in connection with the sale or use of the Property.
- h) Buyer further affirmatively acknowledges and agrees that the Auctioneer/Broker has made no representations of any kind to Buyer including, but not limited to, the condition, use, operation, habitability, zoning, value, size, income or profits, environmental condition, rights, or any other matter with respect to the Property and Buyer agrees that should any lawsuit be filed by or against Auctioneer/Broker and Seller with respect to the Property, Buyer shall defend, indemnify, and hold Auctioneer/Broker harmless from any claims, costs, expenses, liabilities, damages, actions, or causes of action including payment of any and all attorneys fees and costs incurred by Auctioneer/Broker in any Court, reference proceeding, arbitration, administrative hearing, or bankruptcy proceeding
- i) **Buyer acknowledges its receipt and approval of that certain Natural Hazard Disclosure Statement relating to the Property (the "Natural Hazard Disclosure Statement") and that certain Disclosure Regarding Real Estate Agency Relationship (the "Agency Disclosure Statement") (collectively, the Natural Hazard Disclosure Statement and the Agency Disclosure Statement are referred to herein as the "Disclosure Statements")**

**9. SELLER REPRESENTATIONS AND INDEMNITIES.** Seller represents that: (1) Seller has the full and complete authority to enter into this Agreement and convey the Property in accordance with the terms hereof; and (2) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act as defined in paragraph 16 below.

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**10. PROPERTY INSPECTION.**

- a) It is the Buyer's sole responsibility to (1) perform all inspections (physical, legal, economic, environmental, archeological, geological, pest, or otherwise) on the Property and to be satisfied as to its condition prior to entering into this Contract; and (2) to review all property information and due diligence materials with respect to the Property, including, without limitation, the Disclosure Statements, prior to entering into this Contract; and (3) to independently verify any information it deems important including information available in public records; and (4) to inquire of public officials as to the applicability of and compliance with land use and environmental laws, building ordinances, zoning, health & safety codes, and any other local, state or federal laws and regulations.
  
- b) Buyer shall be responsible for the costs of all inspections, surveys, engineering reports, environmental studies, including, but not limited to, lead-based paint tests, or for any other work performed at Buyer's request and Buyer shall pay for any damage which occurs to the Property as a result of such activities. Buyer shall not permit any claims or liens of any kind against the Property for inspections, surveys, engineering reports, or for any other work performed on the Property at Buyer's request. Buyer agrees to defend, indemnify, protect and hold Seller and Auctioneer/Broker harmless from and against any liability, damage, cost or expense incurred, directly or indirectly, by Seller or Auctioneer/Broker as result of Buyer's inspection, examination or survey of the Property, either prior to, on or after the date hereof. This indemnity includes the indemnified parties' right to recover all costs and expenses incurred by such parties to enforce this Section, including reasonable attorneys' fees whether any lawsuit or arbitration is commenced in connection with this Agreement. Buyer further agrees to repair any damage caused by such inspections and to restore the Property to its condition prior to the inspection. This provision shall survive the Closing Date and any termination of this Contract. Buyer and/or their agents may not enter upon the Property without first obtaining Seller's written authorization to do so, to be granted upon Seller's sole discretion. Buyer agrees that it shall cause all contractors, agents and other inspectors who enter onto the Property to conduct the inspections, surveys, reports or other work to have liability insurance in an amount reasonably acceptable to Seller, and shall provide Auctioneer/Broker or Seller with a certificate of liability insurance, naming Seller and Broker/Auctioneer as additional insureds, for their review and approval prior to Buyer's and each such contractor, agent or inspector's entry onto the Property.

**11. TITLE**

- a) As set forth above, Seller shall cause a CLTA Owner's Title Commitment to be delivered to Buyer with standard coverage and no endorsements ("Title Commitment") for review and inspection. Buyer hereby agrees to accept title to the Property subject to:
  - (i) all standard exclusions and printed exceptions set forth in the Title Commitment, including, but not limited to, all matters that would be disclosed by a current and accurate survey of the Property;
  - (ii) liens for taxes and assessments not yet due and payable;
  - (iii) easements for public utilities affecting the Property;
  - (iv) all other easements or claims to easements, covenants, conditions, restrictions and rights-of-way affecting the Property;
  - (v) rights and claims of parties in possession; and
  - (vi) all title exceptions referenced in the Title Commitment (the foregoing title matters are herein collectively referred to as the "Permitted Title Exceptions"). Any applicable zoning ordinances, land use laws and regulations, taxes for the current year and those matters, if any, which are waived by Buyer pursuant to this Paragraph 11, shall also be deemed Permitted Title Exceptions.

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b) Seller covenants that it will not voluntarily create or cause any lien or encumbrance to attach to the Property between the dates of this Contract and the Closing Date, except as may be necessary, in Seller's sole reasonable discretion, in its ordinary course of business with respect to the Property or in its normal operation of the Property.

c) Seller will convey any mineral, water, oil, and gas rights as actually owned by Seller to Buyer, if any.

**12. FIXTURES AND PERSONAL PROPERTY.** This Property includes all the following personal property (none), and all permanent improvements thereon, including those items which pursuant to applicable law are a part of the real property.

**13. TITLE DEFECTS.** If the Title Commitment reveals a material defect in title which is not one of the Permitted Title Exceptions, or if prior to the Closing Date, a new material defect in title is disclosed by an updated supplement to the Title Commitment, which defect is not one of the Permitted Title Exceptions, prior to the Closing Date, Buyer may either waive such defect or give written notice to Seller and Escrow Holder not later than five (5) days from the date of discovery of such defect in title, pursuant to Paragraph 18, which in no event shall be more than twenty (20) days from the date of the close of the Auction. Seller may, at its option, attempt to cure such defect prior to the Closing or decline to cure such defect. If Seller is unable or unwilling to cure, on or before the Closing Date, any material defect as to which Buyer has notified Seller as hereinabove provided and if Buyer does not waive such defect on or prior to the Closing Date by written notice to Seller, this Contract shall be terminated without liability to either party and the Initial Deposit shall be returned to Buyer. Seller shall have the right, at its sole election, to extend the Closing Date by not more than [30] days to attempt to cure any defect in title.

**14. SURVEY; ENVIRONMENTAL REPORTS.** Should Buyer desire a survey of the Property or request to conduct an environmental investigation as to the Property, it shall be at Buyer's option and expense. Should the survey show a greater or fewer number of square feet in the Property, no adjustment will be made to the Total Contract Price. Such survey or environmental investigation must be completed prior to the date of the Auction.

**15. HAZARDOUS SUBSTANCES:** Seller and Buyer expressly acknowledge that the Broker/Auctioneer have made any independent investigation or determination with respect to the existence or nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances or gases, or any other toxic or hazardous condition in or about the Property, or for the presence of underground storage tanks. Any such investigation or determination shall be the responsibility of Buyer. Neither the Seller nor Broker/Auctioneer shall be held responsible for any claims arising out of hazardous or toxic substances in or about the Property or which in any way arise out of or from the Property.

**16. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA) AND WITHHOLDING AFFIDAVIT:** The Foreign Investment in Real Property Tax Act ("FIRPTA") requires every person who purchases real property located within the United States from a "foreign person" to deduct and withhold from the Seller's proceeds ten percent (10%) of the gross sales price, with certain exceptions, and to pay the amount withheld to the Internal Revenue Service. A "foreign person" includes a non-resident alien individual, foreign corporation, foreign partnership, foreign trust and foreign estate. Seller and Buyer agree to execute and deliver, as appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to carry out the provisions of FIRPTA. Seller warrants that it is not a foreign person as defined by FIRPTA. Seller and Buyer further agree to execute any instrument, affidavit or statement and to perform any actions reasonable or necessary to complete the documentation for the particular state in which the Property is located concerning real property transfer taxes, tax withholding and other documentation reasonable required by the Escrow Holder or any title company.

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**17. BROKERS AND COMMISSIONS**

- a) Premiere Estates Auction Company (Listing Agent) is the agent of (check one):  the Seller exclusively; or  both the Buyer and the Seller. \_\_\_\_\_ (Selling Agent if not the same as Listing Agent) is the agent of (check one):  the Buyer exclusively; or  the Seller exclusively; or both  the Buyer and the Seller.
  
- b) **BROKERAGE.** Buyer warrants and represents that (check one):  Buyer is not represented by a broker; or  Buyer is represented by \_\_\_\_\_ and Buyer has not dealt with any other broker other than \_\_\_\_\_. If for any reason Buyer is represented by a broker, then Buyer's broker shall be entitled to a commission equal to Two and One Half Percent (2.5%) of the Final Bid Amount, but only if Buyer's broker has properly registered Buyer with the Auctioneer according to the terms as outlined in the Broker's Registration Form. If Buyer is not represented by a broker, Buyer then warrants and represents that Buyer has had the opportunity to contact or obtain a broker or real estate agent but has freely and voluntarily not done so and has not contacted or communicated with any other real estate agent or broker [other than the broker named above] about the possible purchase of the Property other than the Auctioneer, and that to the best of Buyer's knowledge there are no brokerage fees, commissions or sums due to any other broker or real estate agent. Buyer shall defend, indemnify and hold Seller and Broker/Auctioneer harmless against the claims of any real estate agent or broker claiming a commission or fee for the sale of the Property including, but not limited to, any attorneys' fees or costs incurred by Seller and Broker/Auctioneer as a result of such claim. This provision shall survive the Closing and termination of this Contract.
  
- c) **AGENCY DISCLOSURE.** BROKER/AUCTIONEER HAS ACTED AS AGENT FOR SELLER IN THIS TRANSACTION AND IS TO BE PAID A COMMISSION AS SET OUT IN THE TERMS OF THIS AGREEMENT AND THAT CERTAIN AUCTION CONTRACT BETWEEN SELLER AND BROKER/AUCTIONEER.
  
- d) **AUCTIONEER AND BROKER** Seller and Buyer acknowledge that Auctioneer/Broker shall be compensated in accordance with the Auction Contract entered into by and between Seller and Broker/Auctioneer AND THAT BROKER/AUCTIONEER HAVE NO RESPONSIBILILTY OR LIABILITY OF ANY KIND OR NATURE TO BUYER AND HAVE MADE NO REPRESENTATIONS OR WARRANTIES REGARDING THE PROPERTY.

**18. ESCROW AND COSTS.** Escrow shall be opened for the sale of the Property with SC Escrow Services on the date of the Auction Sale. Buyer shall deposit the Initial Deposit with the Escrow Holder at the time of the Auction Sale (and upon any agreement to extend the Closing Date) on the terms and conditions as outlined. Seller and Buyer will each pay their own share of Escrow costs which shall be paid at the closing of the sale of the Property on the Closing Date. Buyer shall deposit with Escrow Holder all sums requested by Escrow Holder to pay for costs of Escrow and all other costs here provided herein on or before the Closing Date. The Escrow Holder shall prepare Escrow Instructions consistent with the terms of this Contract. Unless otherwise agreed in writing by Seller and Buyer ("the Parties"), no changes shall be made to the Escrow Instructions or this Contract. A copy of this Contract shall be delivered to Escrow Holder concurrently with the opening of Escrow. All of Buyer's Premium shall be paid through escrow to the Auctioneer and any commission payable to any broker shall be paid through escrow at the close of Escrow on the Closing Date. The Parties acknowledge that Escrow Holder will have terms in the Escrow Instructions in addition to the terms set forth herein and the Parties agree to execute the Escrow Instructions so long as the terms of the Escrow Instructions are consistent with the terms of this Contract. The Parties agree to comply with the deadlines for the Closing of this sale as set forth herein and in the Escrow Instructions. Seller and Buyer will execute such additional documents and instruments as may be

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reasonable and necessary to close the sale of the Property and complete the Escrow. The validity of this Contract is not affected as to whether Escrow Holder executes this Contract or not. In the event of a default by Buyer as set forth herein, the Initial Deposit is forfeit as per the terms of this Contract.

**19. BREACH OF CONTRACT BY SELLER.** If Seller materially defaults in the performance of any of its obligations pursuant to this Agreement and the Closing of the sale of the Property set forth herein on or before the Closing Date does not occur because of a material breach of this Contract by Seller, Buyer may terminate this Agreement and receive back the Initial Deposit. In the event of a breach of this Contract by Seller, in no event shall Auctioneer be liable for specific performance or for any damages including special, general, incidental or consequential damages, punitive damages, or economic loss and/or attorneys' fees, all of which are hereby waived. Further, if Seller breaches the Contract before the sale closes, Seller shall not be liable for any incidental, consequential, punitive damages or economic loss to Buyer.

**20. BREACH OF CONTRACT BY BUYER. IN THE EVENT THAT THE TRANSACTION CONTEMPLATED HEREUNDER SHALL FAIL TO CLOSE AS A RESULT OF BUYER'S DEFAULT AND SELLER THEN GIVES NOTICE TO BUYER THAT SELLER HAS CANCELLED THIS CONTRACT, THEN SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO BUYER. THE PARTIES HEREBY EXPRESSLY AGREE THAT IN SUCH EVENT, IN ADDITION TO ALL OTHER MONIES TO BE PAID BY BUYER HEREUNDER AND PURSUANT TO THE BIDDER'S REGISTRATION FORM EXECUTED BY BUYER IN CONNECTION WITH THIS SALE, SELLER SHALL RECEIVE AS SELLER'S LIQUIDATED DAMAGES AN AMOUNT EQUAL TO THE INITIAL DEPOSIT. THE PARTIES EXPRESSLY AGREE THAT BECAUSE THE PRECISE AMOUNT OF SELLER'S DAMAGES CAUSED BY BUYER'S DEFAULT WOULD BE EXTREMELY DIFFICULT TO CALCULATE ACCURATELY, THE AGREED-UPON LIQUIDATED DAMAGES DESCRIBED HEREIN IS NOT UNREASONABLE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THIS AGREEMENT IS ENTERED INTO. NOTWITHSTANDING ANY OTHER PROVISION HEREOF, RECEIPT BY SELLER OF LIQUIDATED DAMAGES SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY FOR BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY; PROVIDED, HOWEVER, THE FOREGOING SHALL NOT LIMIT BUYER'S OBLIGATIONS TO PAY TO SELLER ALL ATTORNEYS' FEES AND COSTS OF SELLER TO ENFORCE THE PROVISIONS OF THIS PARAGRAPH 20 AND/OR BUYER'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT. THE RETENTION OF THE INITIAL DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER.**

BUYER'S INITIALS \_\_\_\_

SELLER'S INITIALS \_\_\_\_

Further, in the event that Seller is unable to collect on any check delivered by Buyer to Seller or Escrow Holder, then, at Seller's option, without notice, this Contract may be terminated immediately and all Liquidated Damages become immediately due and payable.

**21. CASUALTY.** Except as may otherwise be provided herein, all risk of loss with respect to damage to the Property shall be borne by Seller until the Closing Date; thereafter, all right or risk of loss shall be borne by Buyer. In the event that the Property is, in the opinion of Seller, significantly damaged or is destroyed by fire or other casualty or hazard prior to the Closing Date, Seller shall have the option to restore the Property to its pre-casualty condition or to cancel this Contract and Buyer's Initial Deposit shall be returned as a complete and final settlement to Buyer of all of Seller's obligations hereunder. Should Seller desire to restore the Property to its pre-

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SELLER'S INITIALS: ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

casualty condition, Seller shall so notify Buyer and thereafter have 120 days to complete such restoration, with the Closing Date to be postponed accordingly.

**22. NOTICES.** Notice may, unless otherwise provided herein, be given or served (a) by delivering the same in person or by commercial courier, (b) by facsimile transmission, if the time of facsimile delivery is confirmed by sender's receipt of a transmission report, generated by sender's facsimile machine, which confirms that the facsimile was successfully transmitted in its entirety and provided the facsimile was forwarded prior to 5:00 P.M. PST or (c) by depositing the same into custody of a nationally recognized overnight delivery service. Notice given in any manner shall be effective only if and when received at the address specified in the opening paragraph between the hours of 8:00 A.M. and 5:00 P.M. of any business day (Monday through Friday) with delivery made after such hours to be deemed received the following business day. For the purposes of notice, the addresses of Seller and Buyer shall, until changed as hereinafter provided, be as set forth in the opening paragraph. The parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by at least five (5) days written notice to the other party. All notices shall also be provided to Escrow Holder and Broker/Auctioneer.

**23. DISPUTES.** In the event of any dispute or disagreement between the Parties concerning any issue relating to this Agreement that is not settled between the Parties or is not settled by virtue of retention of an independent mediator, such dispute or disagreement shall be decided by neutral, binding arbitration and not by court action before a single arbitrator in accordance with the rules of the American Arbitration Association ("AAA"), except as may be provided by law for the judicial review of arbitration awards and proceedings. Any statutory limitations on arbitration awards shall not apply to such arbitration proceedings, and the limitations on liability set forth in this Agreement shall apply in any such arbitration proceedings. The arbitrator must have not less than ten years of real estate mediation experience.

**NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "DISPUTES" PROVISION. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "DISPUTES" PROVISION TO NEUTRAL ARBITRATION.**

	<b>Buyer's Initials</b> _____ / _____	<b>Seller's Initials</b> _____ / _____
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**24. WAIVER.** No failure or delay on the part of Seller in exercising either any right of Seller or any action on the part of Seller or any course of dealing or partial performance shall be deemed a waiver of any right of Seller set forth herein or a modification of any terms set forth herein.

**25. ADDITIONAL PROVISIONS:** Any additional provisions set forth on any attached exhibits, and initialed by all Parties, or any other documents executed by the Parties to amend or supplement this Contract, are hereby made a part of this Contract.

**26. ENTIRE AGREEMENT; AMENDMENT.** This written Contract and the Exhibits, Schedules Amendments and Addenda attached hereto and made a part of this Contract signed by Seller and Buyer (if any) constitute the entire and complete agreement between the Parties hereto and supersede any prior oral or written

BUYER'S INITIALS: ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

SELLER'S INITIALS: ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

agreements between the parties with respect to the Property. This Contract may not be amended, altered, modified or discharged except by an instrument in writing signed by Buyer and Seller. The Parties shall execute such other documents, instruments and agreements as may be reasonably necessary in order to comply with the terms of this Contract and close the sale of the Property. This Agreement shall be governed under and pursuant to the laws of the State of California.

**27. HEADINGS.** The paragraphs or section headings herein are for convenience of reference only and shall not be deemed to vary the content of this Contract or the covenants, agreements, representations, and warranties herein, set forth, or limit the provisions or scope thereof.

**28. SEVERABILITY.** The invalidity of any provision of this Contract shall not affect the validity or enforceability of any other provision set forth herein unless such provision is material to the transaction contemplated by the Parties in entering into this Contract.

**29. ASSIGNMENT.** Buyer may not assign this Contract or Buyer's rights hereunder without the prior written consent of Seller, which consent may be given or withheld in Seller's sole discretion.

**30. BINDING EFFECT.** This Contract shall be binding upon and inure to the benefit of the Parties hereto, and their respective successors, personal representatives, legal representatives, heirs and assigns.

**31. COUNTERPARTS.** The Contract may be executed in one or more counterparts, each of which shall have the force and effect of an original, and all of which shall constitute but one document.

**32. ACKNOWLEDGEMENT.** Buyer certifies that the person signing this Contract on behalf of the Buyer is of legal age and has full legal capacity and authority to understand, execute and deliver this Contract on behalf of himself or herself or on behalf of Buyer. If Buyer is purchasing the Property on behalf of a corporation, partnership, limited liability company, joint venture, non-profit organization, or public agency, the person signing this Contract is executing this Contract on behalf of such entity and Buyer certifies to Seller the person executing this Contract on behalf of Buyer has the authority to execute this Contract on behalf of such entity and Seller shall not have to inquire as to such authority and all corporate or other resolutions have been obtained to allow such person to execute this Contract on behalf of Buyer.

**33. ATTORNEYS FEES:** In the event of any action, proceeding, bankruptcy or arbitration arising out of this Agreement or the sale of the Property, except as otherwise set forth herein, the prevailing party shall be entitled to its reasonable attorneys' fees and costs of suit incurred in such action, arbitration, proceeding, or bankruptcy.

**34. TIME IS OF THE ESSENCE:** Time is of the essence in this Contract for the performance of all conditions, covenants and promises set forth herein.

Signatures on following page

BUYER'S INITIALS: ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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SELLER'S INITIALS: ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

IN WITNESS WHEREOF, the Parties hereto have duly executed this Contract as of the day and year first above written.

**SELLER:** \_\_\_\_\_

**SELLER:** \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**BUYER:**

**BUYER:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Social Security No. \_\_\_\_\_

Social Security No. \_\_\_\_\_

Phone: \_\_\_\_\_

Phone: \_\_\_\_\_

Email \_\_\_\_\_

Email \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**LISTING BROKER:** **Premiere Estates Auction Company**

**SELLING BROKER:** \_\_\_\_\_

License #: 01375969 \_\_\_\_\_

License #: \_\_\_\_\_

Agent: Anthony Fitzgerald \_\_\_\_\_

Agent: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

License #: \_\_\_\_\_

License #: \_\_\_\_\_

BUYER'S INITIALS: ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

SELLER'S INITIALS: ( \_\_\_\_\_ ) ( \_\_\_\_\_ )