

**PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**

THIS PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS made April 25, 2009, by and between R. KARRMS, LLC, a Nevada limited liability company (hereinafter “Seller”) and \_\_\_\_\_, OR ASSIGNEE/DESIGNEE (hereinafter “Purchaser”) (the “Agreement”). This Agreement constitutes both an Agreement between Purchaser and Seller and joint escrow instructions to Chicago Title Company (“Escrow Agent”), Tina Lucero (“Escrow Officer”), with respect to the transactions contemplated hereby.

**WITNESSETH:**

For and in consideration of the mutual covenants and conditions herein contained, Seller and Purchaser agree as follows:

1. Property. Seller agrees to sell and convey, and Purchaser agrees to purchase and pay for the following, all of which is referred to in this Agreement as the “Property”:

That certain property, 6435 Karms Park Court, Las Vegas, Nevada 89118, described as an approximate 12,170 square foot warehouse-office building (inclusive of approximately 1,772 square feet of Mezzanine space) situated on an approximate .53 acre parcel commonly referred to as APN 163-35-811-002 (the “Property”), shown on the attached Exhibit “A” and incorporated herein by reference.

2. Purchase Price. The total purchase price of the Property shall be the amount of \_\_\_\_\_ (\$ \_\_\_\_\_) (“Purchase Price”) payable in cash at Closing (as hereinafter defined).

3. Deposit. Commensurate with the execution of this Agreement, Purchaser has delivered a deposit in the amount of Ten Percent (10%) of the Purchase Price, equal to \_\_\_\_\_ (\$ \_\_\_\_\_) (the “Deposit”) in cash, personal check or cashier’s check payable to Escrow Agent, which Deposit shall be deposited in escrow by Escrow Agent, and upon verification of Good Funds, shall be immediately released to Seller. The released Deposit is non-refundable subject only to a Seller’s default as set forth herein, and shall be applied to payment of the Purchase Price at Closing (as hereinafter defined).

4. NO Feasibility Period.

Purchaser, as evidenced by Purchaser’s signature herein, has reviewed, understands and approves all facets of the Property, the condition of its Title subject only to reconveyance of certain Deeds of Trust, and acknowledges that all due diligence is complete, and Seller is delivering the Property to Buyer without any further time periods allotted for review.

5. Condition of Property Purchased. Purchaser acknowledges that Purchaser is buying the Property in an “as-is, where-is” condition without warranty express or implied from the Seller. Seller shall, at closing, assign any and all warranties it has obtained from its subcontractors to Purchaser.

6. Closing.

a. Date and Place. The Closing of the sale of the Property by Seller to Purchaser (the “Closing”) shall occur no later than May 25, 2009.

b. Seller’s Obligations at Closing. At the Closing, Seller shall deliver, or cause to be delivered, to Purchaser the following:

(1) Grant Bargain and Sale Deed. Seller shall execute and deliver to Escrow Agent for recording a Grant, Bargain and Sale Deed in form and substance reasonably satisfactory to Purchaser, fully executed and acknowledged by Seller, conveying the Property to Purchaser.

Seller’s Initials \_\_\_\_\_  
Purchaser’s Initials \_\_\_\_\_

(2) Owner's Title Policy. Seller shall cause the Escrow Agent to issue and deliver to Purchaser a CLTA standard coverage owner's policy of title insurance ("**Owner's Title Policy**") in the amount of the Purchase Price, insuring that Purchaser is owner of the Property subject only to such matters as approved by Purchaser. In the event that Purchaser elects to obtain an ALTA policy, Purchaser shall pay for the increased charge for an ALTA title policy.

(3) Other Instruments. Seller shall execute and deliver such other documents as are customarily executed in the State of Nevada in connection with the conveyance of real property, including all required closing statements, releases, affidavits, evidences of authority to execute the documents, and any other instruments that may reasonably be required by the Escrow Agent.

(4) Possession. Purchaser shall have all rights of possession at Closing.

c. Purchaser's Obligations at Closing.

(1) Payment of Purchase Price. At Closing, Purchaser shall pay the Purchase Price in cash (or by Certified Check, Cashier's Check, wire transfer of funds into Escrow, all of which shall constitute "cash" for purpose of this Agreement), less the amount of the Deposit to be paid to Seller at the Closing, and subject to any adjustments for prorations and other credits provided for in this Agreement.

(2) Other Instruments. Purchaser shall execute and deliver such other documents as are customarily executed in the State of Nevada in connection with the conveyance of real property, including all required closing statements, releases, affidavits, evidences of authority to execute the documents, and any other instruments that may reasonably be required by the Escrow Agent.

d. Prorations. All real estate taxes relating to the Property for the year of the Closing shall be prorated as of the date of Closing between Seller and Purchaser. Purchaser shall take title to the Property subject to any outstanding unpaid assessments. If the amount of taxes for that year are not known at the time of Closing, the prorations shall be based on an estimate of the taxes for the year of Closing, and when the tax information becomes available, Seller or Purchaser may request reimbursement from the other party for any excess amount charged to that party at the Closing. Likewise, any other amounts normally prorated between Seller and Purchaser, if any, shall be prorated between Seller and Purchaser as of the date of Closing.

e. Closing Costs. Seller and Purchaser each agree to pay the following costs at the Closing:

(1) Paid by Seller. Seller agrees to pay the cost of preparing the Grant, Bargain and Sale Deed; the premium for the CLTA Owner's Title Policy; the real property transfer taxes or documentation taxes; the cost of preparing and recording any releases and other documents necessary to convey the Property in accordance with this Agreement; one-half (1/2) of any escrow or closing fee charged by the Escrow Agent; Seller's attorney's fees and any other similar closing costs customarily paid by a seller of real property.

(2) Paid by Purchaser. Purchaser agrees to pay the recording fee for the Grant, Bargain and Sale Deed; one-half (1/2) of any escrow or closing fee charged by the Escrow Agent; Purchaser's attorney's fees and any other similar closing costs customarily paid by a purchaser of real property, including but not limited to, any costs associated with Purchaser's financing for the Property, or any charges associated with upgrading the CLTA Owner's Title Policy to the ALTA form, including any specific Title Policy Endorsements required by Buyer's Lender.

7. Default and Liquidated Damages.

a. PURCHASER DEFAULT. IF PURCHASER DEFAULTS UNDER THIS AGREEMENT, SELLER, IN LIEU OF ALL OTHER REMEDIES SELLER MAY HAVE AT LAW OR EQUITY, SHALL BE ENTITLED TO RECEIVE THE DEPOSIT FROM ESCROW AGENT ("LIQUIDATED DAMAGES"). IT IS AGREED BETWEEN PURCHASER AND SELLER THAT THE LIQUIDATED DAMAGES AMOUNT CONSTITUTES THE AMOUNT OF DAMAGES TO BE INCURRED BY SELLER AS A RESULT OF A DEFAULT BY PURCHASER AND THE LIQUIDATED DAMAGES SHALL BE PAID TO SELLER AS LIQUIDATED DAMAGES FOR A DEFAULT OF PURCHASER UNDER THIS AGREEMENT BECAUSE OF THE DIFFICULTY, INCONVENIENCE AND UNCERTAINTY OF ASCERTAINING ACTUAL DAMAGES FOR SUCH DEFAULT.

SELLER: \_\_\_\_\_ PURCHASER: \_\_\_\_\_

b. Seller Default. In the event of a default by Seller, Purchaser shall have available to it any and all applicable remedies at law or in equity.

8. Seller Disclosure. To the actual knowledge of Seller, there are no pending or threatened lawsuits. Seller hereby discloses to Buyer that the Property is located within the McCarran Airport flight path.

9. Auction Company and Brokerage Fees. Buyer acknowledges that the Property is being sold in a Public Auction, and that Auction Company, Broker and Cooperating Brokers, if any, shall be entitled to receive compensation as defined within the "Listing Agreement For Sale At Public Auction" between Seller and Auction Company. Said fees shall be equal to Ten Percent (10%) of the winning bid. Further disclosure is made that certain members of the Managers of the R. KARRMS, LLC are licensed Real Estate Brokers in the State of Nevada, and are entitled to participate in said brokerage fees..

10. Section 1031 Exchange. The parties hereby agree to cooperate with the other party in a tax-deferred exchange should either party so elect. However, Seller cooperation shall not, in any event, extend the date of Closing as defined hereinabove. The affecting party hereby agrees to indemnify the other party from any and all costs, taxes, assessments and/or liability that may be proximately caused by such tax-deferred exchange. In the event either party affects a tax-deferred exchange, such exchange shall not otherwise delay the Closing nor shall the other party be required to take title to any property so as to accommodate the other party's exchange.

11. Miscellaneous.

a. Acknowledgment of CC&Rs. Purchaser acknowledges that the purchase and sale of the Property contemplated by this Agreement is subject to the Declaration of Covenants, Conditions, Restrictions and Grant and Reservation of Easements for Sunset Corporate Park ("CC&Rs") recorded with respect to the Property. Purchaser understands, acknowledges and agrees that its use of the Property is restricted in accordance with the terms of the CC&Rs, which Purchase has already reviewed and approved as further evidenced by its signature therein.

b. No Assignment. Other than as provided for in this Agreement, neither this Agreement nor any of Purchaser's rights hereunder may be assigned or transferred by Purchaser to any party without the prior written consent of Seller, which may be withheld by Seller in its sole and absolute discretion.

c. Notices.

(1) Any and all notices and demands by any party hereto to any other party or Escrow Agent, required or desired to be given hereunder shall be in writing and shall be validly given or made only if personally delivered or deposited in the United States mail, certified or registered, postage prepaid, return receipt requested or if made by Federal Express or other

similar delivery service keeping records of deliveries and attempted deliveries. Service shall be conclusively deemed made upon receipt if personally delivered or, if delivered by mail or delivery service, on the first business day delivery is attempted or upon receipt, whichever is sooner.

(2) Any notice or demand to Seller shall be addressed to:

R. Karrms, LLC  
c/o Steve Fink-email: ziggyelman@msn.com  
Matt Pearson-email: Nevadacommdev@aol.com  
4955 South Durango Drive, Suite 166  
Las Vegas, Nevada 89113  
Phone: (702) 241-5863 Fax: (702) 341-3333

(3) Any notice or demand to Purchaser shall be addressed to

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(4) Any notice or demand to Escrow Agent shall be addressed to:

Chicago Title of Nevada  
c/o Tina Lucero-email: [LuceroT@ctt.com](mailto:LuceroT@ctt.com)  
3980 Howard Hughes Parkway, Suite 100  
Las Vegas, Nevada 89109  
Phone: (702) 836-8000 Fax: (702) 836-8160

(5) The parties and Escrow Agent may change their address for the purpose of receiving notices or demands as herein provided by a written notice given in the manner aforesaid to the others, which notice of change of address shall not become effective, however, until the actual receipt thereof by the others.

d. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, executors, administrators, estate, legal representatives, successors and assigns.

e. Severability. If any of the terms and conditions hereof shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other of the terms and conditions hereof and the terms and conditions hereof thereafter shall be construed as if such invalid, illegal, or unenforceable terms or conditions had never been contained herein.

f. Entire Agreement. The terms and conditions hereof relating to the subject matter described herein: (i) constitute the entire agreement and understanding between the Seller and the Purchaser; (ii), supersede all prior agreements, and understandings, written or oral, between the Purchaser and the Seller, excepting the existing lease agreement which will remain in full force and effect in the event the Purchaser fails to close the contemplated Purchase; and (iii) may not be modified or amended except by an instrument mutually executed and delivered by the Seller and the Purchaser.

g. Time. Time is of the essence to the performance of any provisions of this Agreement. If the date for performance of any provisions of the Agreement is a Saturday, Sunday, or banking holiday (in the State of Nevada), the date for performance shall be extended until the next day that is not a Saturday, Sunday or banking holiday.

h. Interpretation. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

i. Waiver. Either the Purchaser or the Seller may specifically waive any breach of the terms and conditions hereof by the other party, but no waiver specified in this Section shall constitute a continuing waiver of similar or other breaches of the terms and conditions hereof. All remedies, rights, undertakings, obligations, and agreements contained herein shall be cumulative and not mutually exclusive.

j. Attorney's Fees. Should either the Purchaser, the Seller, or the Broker employ an attorney or attorneys to enforce any of the terms and conditions hereof, or to protect any right, title, or interest created or evidenced hereby, the non-prevailing party in any action pursued in courts of competent jurisdiction shall pay to the prevailing party all reasonable costs, damages, and expenses, including attorneys' fees, expended or incurred by the prevailing party.

k. Governing Law. This Agreement shall be governed by and construed in accordance with the substantive and procedural laws of the State of Nevada. The exclusive venue of any action or proceeding arising out of or in connection with this Agreement shall be Clark County, Nevada. Each party hereby consents to the personal jurisdiction of any court of competent subject matter jurisdiction sitting in Clark County, Nevada, and to the service of process in accordance with the laws of the State of Nevada and any rules applicable to any such court.

l. Headings. The headings herein are for reference purposes only and shall not affect the meaning or interpretation of the terms and conditions hereof.

m. Effective Date. The Effective Date shall be April 25, 2009.

n. Construction. Both parties hereto have participated in the construction of this Agreement and any ambiguities shall not be interpreted against either party as being the constructing party.

o. Counterparts. This Agreement may be executed in counterpart. Each counterpart of this Agreement shall constitute an original, and all such counterparts taken together shall constitute one and the same agreement.

**IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.**

**R. KARRMS, LLC**

**BUYER**

By \_\_\_\_\_  
Steven M. Fink, Manager  
Real Estate Consulting Services, LLC  
Its Manager

By \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Matthew G. Pearson, President  
Nevada Commercial Development, Inc.  
Its Manager

Dated: \_\_\_\_\_