

PURCHASE AND SALE AGREEMENT

“San Carlos”

365 E. Beach Blvd.

Gulf Shores, Baldwin County, Alabama

February 7, 2009

The undersigned seller (“Seller”) and buyer (“Buyer”) hereby enter into this Purchase and Sale Agreement (this “Agreement”) and agree as follows:

1. **THE PROPERTY:** Seller agrees to sell and Buyer agrees to purchase Unit _____ of SAN CARLOS, a condominium, according to that certain Declaration of Condominium and all exhibits attached thereto, including the By-Laws dated August 25, 2006, and recorded August 30, 2006, at Instrument 997847, and being more particularly described and defined by Architect’s Certification Drawings filed in Apartment Book 24, Page 204, et seq., of the records in the Office of the Judge of Probate of Baldwin County, Alabama. **TOGETHER WITH the appropriate undivided percentage interest in the common elements as declared in said Declaration to be appurtenant to the above described unit** (hereinafter referred to as the “Property” and sometimes referred to as “Unit”) for the price and upon the terms and conditions as set forth below and further in **Exhibit "A."**

2. **THE PRICE:** The total purchase price is \$_____ (*which includes the Ten Percent (10%) Buyer's Premium as defined in Exhibit “A”*) payable at closing in cash or equivalent good funds acceptable to the Closing Agent.

3. **THE TITLE:** The Seller shall convey the Property by **Statutory Warranty Deed** in the form attached hereto as **Exhibit "B,"** free and clear of all liens and monetary encumbrances, but subject to all easements, prescriptive rights and other matters existing at law or of record as of the date of the transfer. An Owner’s Title Insurance Policy will be provided at the Seller’s expense. If a Mortgagee’s Title Insurance Policy is required, it shall be at the Buyer’s expense.

4. **CLOSING:** This sale and purchase transaction shall be closed by **Clear Title, LLC,** (“Closing Agent”) at **229 East 20th Avenue, Suite 3, Gulf Shores, AL 36542; Phone No.: (251) 980-1500,** **on or before March 9, 2009,** (“Closing Date”), time being of the absolute essence.

5. **DEFAULTS:**
 - (a) **Default by Buyer.** In the event that Buyer defaults in the performance of any obligation herein or fails to consummate the transaction contemplated herein for any reason, except a default by Seller, Seller may either (i) terminate this Agreement and retain the Earnest Money Deposit (as defined in **Exhibit “A”**), such sum being agreed upon as liquidated damages, (ii) enforce

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specific performance of this Agreement or (iii) pursue a claim against Buyer for damages, including reasonable attorneys' fees.

(b) **Default by Seller.** In the event that Seller fails to consummate the transaction contemplated herein for any reason, except Buyer's default, Buyer may, as its sole and exclusive remedy, either (i) enforce specific performance of this Agreement, or (ii) elect to terminate this Agreement and receive a refund of the Earnest Money Deposit, such sum being agreed upon as liquidated damages. With the limited exception of the foregoing, in no other event shall Buyer have any claims against Seller for damages of any kind, including, without limitation, compensatory, consequential or speculative damages.

(c) **Attorneys Fees.** In the event either party brings an action to enforce its rights hereunder, the costs of such action, including reasonable attorney's fees of the prevailing party, shall be borne by the non prevailing party.

6. **EARNEST MONEY:** Contemporaneously with the execution of this Agreement, Buyer has delivered to Seller the Earnest Money Deposit by check payable to **Clear Title, LLC**, as Escrow Agent ("Escrow Agent") at **229 East 20th Avenue, Suite 3, Gulf Shores, AL 36542**; Phone No.: **(251) 980-1500**, in the amount of \$_____. The Escrow Agent (i) shall apply same to the cash portion of the purchase price if Buyer performs Buyer's obligations hereunder; or (ii) shall refund same to Buyer if Seller fails or refuses to perform Seller's obligations hereunder and Buyer does not elect to pursue specific performance of this Agreement; or (iii) shall pay all of the Earnest Money Deposit then held by it over to Seller if Buyer fails or refuses to perform Buyer's obligations hereunder.
7. **PRORATIONS:** Prorations and adjustments shall be made at closing as follows: ad valorem taxes shall be prorated to the date of closing on the basis of the latest available information and assumed by the Buyer. All municipal taxes shall be considered paid in advance and all county taxes shall be considered paid in arrears.
8. **BROKERAGE:** Each party represents and warrants that no real estate broker or salesman has been involved in this transaction except The National Auction Group, Inc. ("Auction Company") and _____ ("Participating Broker"). Any commission due the Auction Company shall be paid simultaneously with any proceeds paid to the Seller. The parties agree that all deposits and purchase funds shall be paid to the Escrow Agent for its proper disbursement. If the Buyer defaults in closing as contemplated under this Agreement, the Earnest Money Deposit shall be paid to the Seller. If Seller seeks and obtains a judgment for specific performance of this Agreement, Auction Company shall be paid the full amount of its commission due in respect thereof.

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9. **CLOSING DOCUMENTS:** (a) To perform its closing obligations hereunder, Seller shall execute and deliver, in form for recording, said Statutory Warranty Deed and do and perform all other acts and things that are required hereby and do and perform all other acts and things as shall be reasonably required by the Closing Agent; (b) To perform its closing obligations hereunder, Buyer shall execute all documents and do and perform all other acts and things that are required hereby and do and perform all other acts and things as shall be reasonably required by the Closing Agent as conditions precedent (i) to its making and showing on its closing statement to Buyer and Seller the price, all prorations, etc., as herein provided for and contemplated, and (ii) to its issuing to Seller of its check representing the net proceeds of the sale due to Seller.

10. **CLOSING; CLOSING COSTS:** *Approximate* closing costs are described and shall be paid by the parties as set forth on **Exhibit "C"** attached hereto. Possession shall be delivered after the closing and funding. **Closing shall take place on or before March 9, 2009, unless otherwise agreed to in writing by the parties.**

11. **PROPERTY CONDITION:** This Property is selling subject to the **Declaration of Condominium Of San Carlos, a condominium, and all Exhibits thereto, including the By-Laws of San Carlos Condominium Association, Inc.**, any existing rights-of-way, easements, encroachments, zoning regulations, governmental agency regulations, environmental conditions, leases, adverse possession, restrictions, sewer assessments and all other matters of record. This Property is selling in **"AS IS, WHERE IS"** condition, without warranty or representation, either statutory or otherwise expressed or implied.

12. **FIXTURES AND PERSONALTY:** To the extent that any of the following items are now situated on or attached to the Property, this purchase and sale shall include the following: all plumbing, heating, lighting and electrical fixtures and systems, appliances, all carpeting, all cabinets and built-ins, blinds and window hardware (excluding, however, any blinds and window hardware provided or installed by Coastal Dreams by Design, LLC in the model units), and all other items and things permanently attached to the Property. Notwithstanding the foregoing, this purchase and sale shall expressly exclude any furniture in the Unit, as well as any furniture, blinds or window hardware provided or placed in the Unit by Coastal Dreams by Design, LLC.

13. **RISK OF LOSS:** Risk of condemnation or fire or other casualty loss shall remain with Seller until closing, and if any condemnation or unrepaired fire or other casualty damage occurs, Buyer has the option of (i) closing without diminution of the price upon taking assignments from Seller (which Seller covenants to make) of all condemnation awards and/or fire and other casualty insurance claims or (ii) of releasing Seller hereunder and having the return of the Earnest Money Deposit paid by Buyer on account hereof.

14. **NOTICES:** Notices required or permitted hereby shall be in writing, mailed postage prepaid by certified or registered mail, return receipt requested, to the Seller and the Buyer at their respective

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addresses as set forth below, or to such other address designated by either party by written notice to that effect:

If to Buyer: _____

Phone: (____) _____
Fax: (____) _____

If to Seller: Canyon-Gulf Shores Condominium Company, LLC
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Fax: (310) 272-1569
Attn: Maria Stamolis

15. **ENTIRE AGREEMENT:** This Agreement, including all exhibits referenced and attached hereto, represents the entire and final Agreement between the parties, superseding and canceling all prior oral and written communications and agreements between them, their agents and representatives, and this Agreement may not subsequently be changed or amended except in writing signed by the parties.

16. **DISCLAIMER AS TO AUCTION COMPANY:** Buyer shall look only to Seller as to all matters regarding this Agreement and the Property. The Auction Company shall not be responsible or liable in any way (i) if Seller fails or refuses to or cannot close title hereunder or (ii) if the Property is affected in any way, is in need of attention or repairs or is in any other way unsatisfactory to Buyer as Buyer may determine before closing.

17. **AUCTION COMPANY NOTICE OF AGENCY RELATIONSHIP:** Buyer acknowledges that the Auction Company is acting as agent for the Seller in this transaction and is to be paid a fee by the Seller pursuant to a separate written agreement between Seller and the Auction Company. The Buyer further acknowledges that the Auction Company is not acting as agent for the Buyer in this transaction. Any third party broker is not a subagent of the Auction Company.

18. **AGENCY DISCLOSURE:**

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The listing company, The National Auction Group, Inc. is:

(Two blocks may be checked)

An agent of the seller.

INITIAL: _____ / _____

An agent of the buyer.

An agent of both the seller and buyer and is acting as a limited consensual dual agent.

Assisting the _____ buyer _____ seller as a transaction broker.

The selling company, The National Auction Group, Inc. is:

(Two blocks may be checked)

An agent of the seller.

INITIAL: _____ / _____

An agent of the buyer.

An agent of both the seller and buyer and is acting as a limited consensual dual agent.

Assisting the _____ buyer _____ seller as a transaction broker.

19. **1031 EXCHANGE:** It is understood that Seller or Buyer may wish to make a like kind tax-deferred exchange, therefore; Seller or Buyer shall have the right to assign their rights to an intermediary for the purposes of effecting a like kind exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended (“Section 1031”, “exchange”, or a “tax-free exchange”); provided, however, that in no event shall the foregoing extend the Closing Date beyond March 9, 2009. Seller and Buyer agree to execute any documents as reasonably necessary to effect such an exchange. The exchanging party will pay any costs associated with said exchange.

20. **ATTACHMENTS HERETO:**

- Exhibit A - Terms & Conditions of Auction;
- Exhibit B – Sample Statutory Warranty Deed;
- Exhibit C - Estimated Closing Costs;
- Exhibit D – Receipt of Condominium Documents; and
- Exhibit E- Any Addendum hereto.

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BUYER REPRESENTS AND WARRANTS THAT BUYER AND BUYER'S EXPERTS HAVE THOROUGHLY AND CAREFULLY INSPECTED THE PROPERTY AND AGREE TO PURCHASE SAME "AS IS, WHERE IS," "WITH ALL FAULTS, IF ANY."

IN WITNESS WHEREOF, the parties have executed this Agreement on the 7th day of February, 2009.

SELLER:

CANYON-GULF SHORES CONDOMINIUM COMPANY, LLC (fka San Carlos Condominium Company, L.L.C.), an Alabama limited liability company

By: _____
Name: Maria Stamolis
Title: Authorized Signatory

BUYER:

(signature)
Print Name: _____

SS#: _____

(signature)
Print Name: _____

SS#: _____

Address: _____

Phone No.: _____

Email: _____

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