

5. CLOSING COSTS.

(a) **Seller's Costs.** Seller will pay all applicable documentary transfer taxes, any applicable county taxes, the costs to record any documents to release encumbrances, if any, the premium for the CLTA Owner's Policy of Title Insurance, through First American, and one-half of the escrow closing fees.

(b) **Purchaser's Costs.** Purchaser shall pay the fees for the recording of the deed and mortgage, one-half of the escrow/closing fees, lender's title insurance, and all other sale, financing and/or closing costs as applicable.

6. TERMS. This is a cash sale with a TEN PERCENT (10%) down payment due and payable to Escrow concurrently with the parties' execution of this Contract. The balance of the purchase price shall be due on or before **March 14, 2011**. **This sale is not contingent upon financing.**

THERE IS NO LOAN CONTINGENCY. PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER'S OBLIGATIONS UNDER THIS CONTRACT ARE NOT CONTINGENT UPON PURCHASER OBTAINING A LOAN FROM ANY LENDER. ACCORDINGLY, PURCHASER SHALL BE OBLIGATED TO PERFORM ITS OBLIGATIONS UNDER THIS CONTRACT WHETHER OR NOT PURCHASER CAN OBTAIN A LOAN TO FINANCE THE PURCHASE OF THE PROPERTY.

7. ESCROW INSTRUCTIONS. This Contract shall also constitute Joint Escrow Instructions to Escrow. The parties shall also execute such standard general escrow and closing instructions as Escrow customarily uses for similar transactions. In the event of a conflict between Escrow's standard, general escrow instructions and this Contract, this Contract shall be deemed to control for any and all purposes. Each party shall deposit all other instruments and funds as are necessary to close the escrow and complete the sale of the Property in accordance with the terms of this Contract.

8. DISCLAIMER; "AS-IS" CONVEYANCE; RELEASE OF CLAIMS.

PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER IS PURCHASING THE PROPERTY IN AN "AS-IS, WHERE IS" CONDITION "WITH ALL FAULTS" AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE, OR TYPE WHATSOEVER, FROM OR ON BEHALF OF SELLER OR ANY SELLER PARTY (AS DEFINED BELOW) EXCEPT FOR: (i) EXPRESS WRITTEN REPRESENTATIONS MADE BY SELLER IN THIS CONTRACT; (ii) THE DISCLOSURES MADE BY SELLER, SELLER'S BROKER AND/OR AUCTION COMPANY IN THIS CONTRACT; (iii) THE ATTACHMENTS HERETO WHEN SPECIFICALLY INCORPORATED HEREIN BY REFERENCE; AND, (iv) THE PROPERTY INFORMATION PACKET, AS POSTED ON THE INTERNET AT WWW.JPKING.COM.

PURCHASER ACKNOWLEDGES AND AGREES THAT WITH RESPECT TO THE PROPERTY, EXCEPT FOR EXPRESS REPRESENTATIONS AND COVENANTS MADE BY SELLER IN THIS CONTRACT AND THE DISCLOSURES MADE BY SELLER, SELLER'S BROKER AND/OR AUCTION COMPANY IN THIS CONTRACT, THE ATTACHMENTS HERETO AND THE PROPERTY INFORMATION PACKET, NEITHER SELLER NOR ANY SELLER'S PARTY HAS MADE, DOES MAKE OR WILL MAKE (AND SELLER AND THE SELLER PARTIES HEREBY SPECIFICALLY DISCLAIM), ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (I) THE VALUE OF THE PROPERTY; (II) THE INCOME TO BE DERIVED FROM THE PROPERTY; (III) THE SUITABILITY OF THE PROPERTY FOR ANY SPECIFIC USES; (IV) ANY POSSIBILITIES FOR FUTURE DEVELOPMENT OF THE PROPERTY; (V) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, TENANTABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (VI) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (VII) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL, GEOLOGY AND ENVIRONMENTAL CONDITION THEREOF; (VIII) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH OR UNDER ANY CODES, LAWS, RULES, ORDINANCES, REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (IX) THE MANNER, QUALITY OR TYPE OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY; (X) THE COMPLIANCE OF THE PROPERTY WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS, CODES OR REQUIREMENTS, INCLUDING, BUT NOT LIMITED TO, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, CALIFORNIA HEALTH & SAFETY CODES, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL

RESOURCE CONSERVATION AND RECOVERY ACT, THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED ("CERCLA"), THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT, THE TOXIC SUBSTANCE CONTROL ACT, AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING; (XI) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS (INCLUDING BUT NOT LIMITED TO LEAD BASED PAINT, RADON GAS, MOLD, MILDEW AND/OR ASBESTOS) AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; (XII) THE CONFORMITY OF THE IMPROVEMENTS TO ANY PLANS OR SPECIFICATIONS FOR THE PROPERTY, INCLUDING ANY PLANS AND SPECIFICATIONS THAT MAY HAVE BEEN OR MAY BE PROVIDED TO PURCHASER; (XIII) THE CONFORMITY OF THE PROPERTY WITH PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (XIV) THE DEFICIENCY OF ANY UNDERSHORE; (XV) THE DEFICIENCY OF ANY DRAINAGE; (XVI) THE EXISTENCE OF ANY VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; (XVII) WATER RIGHTS OR THE AVAILABILITY OF OR ACCESS TO WATER; AND/OR (XVIII) ANY OTHER MATTERS RELATING TO THE PROPERTY WHATSOEVER.

PURCHASER ACKNOWLEDGES AND AGREES THAT PRIOR TO EXECUTING THIS CONTRACT THAT PURCHASER WAS GIVEN THE OPPORTUNITY TO CONDUCT SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMED NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NON-EXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO THE PROPERTY, AND PURCHASER WILL RELY SOLELY UPON THE SAME. TO THE EXTENT THAT PURCHASER HAS WAIVED OR OTHERWISE DECLINED TO UNDERTAKE SUCH INSPECTIONS AND INVESTIGATIONS PRIOR TO THE CLOSING UNDER THE TERMS OF THIS CONTRACT, PURCHASER HAS KNOWINGLY AND VOLUNTARILY DONE SO, AND ACCORDINGLY WAIVED THE RIGHT TO DO THE SAME.

UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION OR OTHER DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS. PURCHASER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER AND ALL SELLER PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER AND/OR ANY SELLER PARTY AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY EXCEPT WITH RESPECT TO ANY BREACH OF ANY EXPRESS REPRESENTATION MADE BY SELLER IN THIS CONTRACT OR ANY FAILURE BY SELLER TO MAKE ANY DISCLOSURE REQUIRED BY LAW.

SUBJECT TO THE EXPRESS REPRESENTATIONS MADE BY SELLER IN THIS CONTRACT, PURCHASER HEREBY WAIVES AND RELEASES SELLER AND THE SELLER PARTIES FROM ANY PRESENT OR FUTURE CLAIMS, AT LAW OR IN EQUITY, WHETHER KNOWN OR UNKNOWN, FORESEEABLE OR OTHERWISE, ARISING FROM OR RELATING TO THE PROPERTY, THIS CONTRACT OR THE TRANSACTION CONTEMPLATED HEREBY, INCLUDING WITHOUT LIMITATION, THE PRESENCE OR ALLEGED PRESENCE OF ASBESTOS, RADON OR ANY HAZARDOUS MATERIALS OR HARMFUL OR TOXIC SUBSTANCES ON, UNDER OR ABOUT THE PROPERTY, INCLUDING ANY CLAIMS UNDER OR ON ACCOUNT OF CERCLA AND SIMILAR STATE STATUTES, AND ANY REGULATIONS PROMULGATED THEREUNDER, ANY OTHER FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION, NOW OR HEREAFTER IN EFFECT, THAT DEAL WITH OR OTHERWISE IN ANY MANNER RELATES TO ENVIRONMENTAL MATTERS OF ANY KIND, OR THE COMMON LAW.

PURCHASER SPECIFICALLY WAIVES THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”

Initials: _____
Purchaser (s) Seller Seller Seller Seller

THIS PARAGRAPH SHALL SURVIVE THE CLOSING AND ANY TERMINATION OF THIS CONTRACT.

AS USED HEREIN, THE TERM “SELLER PARTY” SHALL INCLUDE SELLER’S BROKER, AUCTION COMPANY AND ANY OFFICER, DIRECTOR, SHAREHOLDER, MANAGER, MEMBER, PARTNER, OR EMPLOYEE OF SELLER, SELLER’S BROKER OR AUCTION COMPANY.

9. PROPERTY INSPECTION. Purchaser acknowledges that it is Purchaser’s sole responsibility to perform all necessary, required or intended inspections (physical, legal, economic, environmental, archeological or otherwise) of the Property; to review all property information and due diligence materials; to independently verify any information Purchaser deems important, including information available in public records; and to inquire of public officials as to the applicability of and compliance with land use and environmental laws, building ordinances, zoning, health and safety codes, and any other local, state or federal laws and regulations and to be satisfied as to the condition of the Property prior to executing this Contract.

Purchaser is responsible for the costs of all inspections, surveys, engineering reports, and environmental studies (including, but not limited to, lead-based paint tests) and for any other work performed at Purchaser’s request. Purchaser shall pay for any damage which occurs to the Property as a result of such activities, and all costs fees or charges associated with conducting any such Inspections. Purchaser shall not permit any claims or liens of any kind to be imposed against the Property for inspections, surveys, engineering reports, or for any other work performed on the Property at Purchaser’s request. Purchaser agrees to indemnify, protect and hold Seller, Seller’s Broker and Auction Company harmless against any liability, damage, cost or expense incurred, directly or indirectly, as a result of any inspection, examination, or survey of the Property, performed at the request or direction of Purchaser, either prior to, on or after the date hereof. This indemnity includes Seller’s right to recover all costs and expenses incurred by Seller to enforce this section, including Seller’s reasonable attorney’s fees. Purchaser agrees to repair any damage caused by such inspection, examination, or survey of the Property, and to restore the Property to its condition prior to such inspection, examination, or survey. This provision shall survive the Closing and any termination of this Contract.

10. TITLE.

(a) Purchaser hereby agrees to accept title to the Property subject to (i) all standard exclusions and printed exceptions set forth in the CLTA Owner’s Policy of title insurance, including all matters that would be disclosed by a current and accurate survey of the Property, or a visual inspection of the same; (ii) liens for taxes not yet due and payable; (iii) easements for public utilities affecting the Property; (iv) all other easements, covenants, restrictions and rights-of-way of record 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 referred to as the “Permitted Title Exceptions”). All applicable zoning ordinances and other land use laws and regulations and any title or other matters waived by Purchaser shall also be deemed Permitted Title Exceptions.

- (b) Seller covenants that it will not voluntarily create or cause a lien or encumbrance to attach to the Property.
- (c) The Properties are selling with all rights-of-way and easements.
- (d) Seller shall convey any mineral rights as actually owned by Seller, if any.

(e) The Seller has completed all disclosure forms as required. All forms have been posted at the auction for Bidder’s review. The Purchaser will be required to acknowledge receipt of each form by signature. The forms are shown as an attachment as referenced herein.

(f) Maps and depictions included in the marketing material are for illustration purposes only and are not warranted or guaranteed by the Seller or J.P. King.

(g) *Property Specific Disclosures:* A list of property specific disclosures has been made a part of this Contract as referenced herein.

11. FIXTURES AND PERSONAL PROPERTY. There are no fixtures or personal property whatsoever included within this sale contract.

12. TITLE DEFECTS. If prior to the Closing Date a new title exception is disclosed by an update to the Title Commitment, which exception is not one of the Permitted Title Exceptions, then, prior to the Closing Date, Purchaser may either waive such defect or give written notice (in accordance with Paragraph 21 below) to Seller and Escrow Agent no later than five (5) days from the date of discovery of such defect, whereupon Seller may, at its option, attempt to cure such defect prior to the Closing Date or decline to cure such defect. If Seller is unable or unwilling to cure, on or before the Closing Date, any defect as to which Purchaser has notified Seller as hereinabove provided and if Purchaser 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 Earnest Money Deposit (and all interest accrued thereon) shall be returned to Purchaser. Seller shall have the right, at its sole election, to extend the Closing Date by not more than SIXTY (60) DAYS to attempt to cure any such defect in title.

13. PROPERTY IDENTIFICATION. A survey has been provided by Central Coast Engineering, dated March 25, 2008. Should the Purchaser(s) desire any additional survey it shall be at Purchaser(s) option and expense; and no adjustment or abatement shall be made to acreage or the contract purchase price if the survey varies from one provided by Seller.

14. COMMISSIONS/REFERRAL FEES.

(a) **BROKERAGE.** Buyer warrants that Buyer (check one) ... [_____ is] ... [_____ is not] ... represented by a qualified, licensed, real-estate broker in this transaction. If Buyer is represented by a broker, the broker's full name, firm, and address are: _____ . Buyer warrants not to have contacted or communicated with any real-estate agent or broker about the Property, other than Auctioneer and any broker identified in the previous paragraph, and no other real-estate agent or broker was in any way instrumental in effecting this sale of the Property, and there are no brokerage commissions, expenses, fees, or other sums due to any other real-estate agent or broker. Buyer agrees to hold Seller and Auctioneer harmless against any claim by any real-estate agent or broker not properly registered with and qualified by Auctioneer in the Buyer-Broker Incentive Program (see below), and Buyer shall indemnify Seller and Auctioneer against any action, arbitration, award, claim, cost, damage, deficiency, demand, expense, injury, judgment, liability, loss, or suit of every kind, including attorneys' fees and costs of defense, asserted by a real-estate agent or broker as a result of, or in relation to, the Auction, this Sale Contract, the transaction contemplated, or any related dealings involving Buyer, Seller, and/or Auctioneer. Buyer understands that upon closing, Seller shall pay Auctioneer a commission pursuant to the terms of a separate, written agreement.

(b) **BROKERAGE COMMISSIONS/REFERRAL FEES.** If the Buyer-Broker Incentive Program is in effect for the Auction, a properly licensed broker ("Buyer-Broker") who timely registers and qualifies with Auctioneer in accordance with the terms of this program shall be paid a commission by Seller at closing, in accordance with the terms of this program, provided that both Buyer-Broker and the Buyer that Buyer-Broker represents fulfill all requirements under the Terms of Auction, this Sale Contract, and this incentive program. If for any reason closing does not occur, including, but not limited to, the default of any party hereto, no commission shall be due or paid to any Buyer-Broker and Seller and Auctioneer shall have no liability on any basis and for any amount.

(c) **AGENCY DISCLOSURE. AUCTION COMPANY HAS ACTED AS AN AGENT FOR SELLER IN THIS TRANSACTION AND IS TO BE PAID A COMMISSION BY SELLER PURSUANT TO A SEPARATE WRITTEN AGREEMENT BETWEEN SELLER AND AUCTION COMPANY. BUYER'S BROKER IS NOT A SUBAGENT OF AUCTION COMPANY, AND IS TO BE PAID A COMMISSION BY SELLER AS REQUIRED IN PARAGRAPH 15(b) ABOVE.**

15. BUYER'S INCENTIVE PROGRAM. NOT APPLICABLE

16. BREACH OF CONTRACT BY SELLER. If Seller defaults in the performance of any of its obligations under this Contract and Closing fail to occur by reason thereof, Purchaser may terminate this Contract and receive a refund of the Earnest Money Deposit, together with any interest accrued thereon, if any, or seek specific performance of this Contract. In no event shall Seller or Auction Company be liable for any damages including special, incidental, or consequential damages, economic loss or attorneys' fees in connection with any such default.

17. LIQUIDATED DAMAGES FOR BREACH OF CONTRACT BY PURCHASER. IN THE EVENT PURCHASER DEFAULTS IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS CONTRACT, SELLER SHALL BE ENTITLED TO RETAIN THE ENTIRE EARNEST MONEY DEPOSIT (TEN PERCENT (10%) OF THE TOTAL CONTRACT PRICE) AS LIQUIDATED DAMAGES ("LIQUIDATED DAMAGES AMOUNT"). BY INITIALING BELOW, PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF SUCH A BREACH OF THIS CONTRACT BY PURCHASER WOULD BE EXTREMELY DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT THE LIQUIDATED DAMAGES AMOUNT IS THE PARTIES' BEST AND MOST ACCURATE ESTIMATE OF THE DAMAGES SELLER WOULD SUFFER IN THE EVENT THE TRANSACTION CONTEMPLATED IN THIS CONTRACT FAILS TO CLOSE, AND THAT SUCH ESTIMATE IS REASONABLE UNDER THE CIRCUMSTANCES (INCLUDING SUCH FACTORS AS THE AUCTION AND MARKETING COSTS INCURRED BY SELLER IN CONNECTION WITH THIS TRANSACTION) EXISTING ON THE DATE OF THIS CONTRACT. PURCHASER AND SELLER AGREE THAT SELLER'S RIGHT TO RETAIN THE LIQUIDATED DAMAGES AMOUNT SHALL BE THE SOLE REMEDY OF SELLER AT LAW IN THE EVENT OF SUCH A BREACH OF THIS CONTRACT BY PURCHASER. THE PAYMENT OF SUCH LIQUIDATED DAMAGES AMOUNT IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTION 3275 OR SECTION 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER UNDER CALIFORNIA CIVIL CODE SECTIONS 1671, 1675, 1676 AND 1677. NOTHING IN THIS CONTRACT SHALL, HOWEVER, BE DEEMED TO LIMIT PURCHASER'S LIABILITY TO SELLER FOR DAMAGES OR INJUNCTIVE RELIEF FOR BREACH OF PURCHASER'S INDEMNITY OBLIGATIONS UNDER PARAGRAPH 10 ABOVE OR FOR ATTORNEYS' FEES AND COSTS AS PROVIDED IN PARAGRAPH 30 BELOW.

ACCEPTED AND AGREED TO:

SELLER'S INITIALS

PURCHASER'S INITIALS

19. CASUALTY. Except as herein provided, all risk of loss with respect to damage to the Property shall be borne by Seller until the Closing Date; thereafter, all risk of loss shall be borne by Purchaser. 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 Closing, Seller shall have the option to restore the Property to its pre-casualty condition or to cancel this Contract. If Seller cancels this Contract, Purchaser's Earnest Money Deposit and all interest accrued thereon shall be returned to Purchaser as a complete and final settlement of all of Seller's obligations hereunder. Should Seller desire to restore the Property to its pre-casualty condition, Seller shall so notify Purchaser and thereafter have 120 days to complete such restoration, with the Closing Date to be postponed accordingly.

20. SEX OFFENDERS NOTICE. The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the California Penal Code. The data base is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service. (Cal. Civ. Code §2079.10a.)

21. NOTICES. All notices under this Contract shall be deemed delivered when personally delivered or mailed postage prepaid, certified or registered mail, return receipt requested, or when delivered by a courier service to the addresses set forth next to the signature of each party below. A copy of all notices given hereunder shall be delivered to Auction Company at the address set forth in Paragraph 29(c) below and Escrow at the address set forth in Paragraph 3 above.

22. WAIVER. No failure or delay on the part of Seller in exercising neither any right of Seller nor 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.

23. ENTIRE AGREEMENT; AMENDMENT. This Contract constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written 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 the Purchaser and Seller. The attachments, exhibits, schedules, and addenda attached to this Contract are hereby incorporated therein.

24. 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.

25. SEVERABILITY. The invalidity of any provision of this Contract shall not affect the validity or enforceability of any other provision set forth herein.

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

27. 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.

28. 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. Facsimile signatures shall be as valid as an original.

29. ACKNOWLEDGMENT. Each person signing this Contract on behalf of Purchaser hereby certifies to Seller that he or she 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 the Purchaser entity for which they are executing this agreement. If Purchaser is a for-profit entity, non-profit organization, or public agency, each person signing this Contract on behalf of Purchaser hereby certifies and further warrants to Seller that he or she has the authority to execute this Contract on behalf of Purchaser, and that Purchaser shall be bound by the matters contained herein.

30. ADDITIONAL DEFINED TERMS.

(a) The term "Closing" as used herein shall mean the consummation of the sale and conveyance of the Property to Purchaser as evidenced by the recordation of a Grant Deed by Escrow.

(b) Seller's Broker is Lora Pankey-Eade (license#01360731), whose address is 179 Niblick Road, #225, Paso Robles, California 93446.

(c) The term "Auction Company" as used herein refers to J.P. King Auction Company, Inc., whose address is 179 Niblick Road, #225, Paso Robles, California 93446.

(d) The term "Buyer Broker Incentive Program" refers to written guidelines of the same name, provided to brokers and real estate agents representing prospective bidders by Auction Company, prior to the holding of the auction of the Property.

(e) The term "Buyer Broker Incentive Form" refers to the form of the same name that is to be completed and delivered to Auction Company representatives by brokers and real estate agents representing prospective bidders prior to the holding of the auction of the Property.

(f) The term "Title Commitment" refers to the Preliminary Report (Order No. 4001-3436944) as of January 7, 2011, issued by First American Company, with respect to the Property, a copy of which Title Commitment is attached to this Contract.

31. ATTORNEYS' FEES. If any arbitration or court action is commenced between the parties, the Prevailing Party in that arbitration or court action shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees and costs. "Prevailing Party" shall include without limitation a party who dismisses a court action or arbitration proceeding in exchange for sums allegedly due; the party who receives performance from the other party for an alleged breach of contract or a desired remedy where the performance is substantially equal to the relief sought in any arbitration or court action; or the party determined to be the prevailing party by a court of law or the arbitrator(s).

32. ARBITRATION OF DISPUTES. ANY DISPUTE OR CLAIM IN LAW OR EQUITY BETWEEN SELLER AND PURCHASER ARISING OUT OF THIS CONTRACT WILL BE DECIDED BY NEUTRAL BINDING ARBITRATION IN ACCORDANCE WITH THE CALIFORNIA ARBITRATION ACT (CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1280 ET SEQ.), AND NOT BY COURT ACTION EXCEPT AS PROVIDED BY CALIFORNIA LAW FOR JUDICIAL REVIEW OF ARBITRATION PROCEEDINGS. IF THE PARTIES CANNOT AGREE UPON AN ARBITRATOR, A PARTY MAY PETITION THE SUPERIOR COURT OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED FOR AN ORDER COMPELLING ARBITRATION AND APPOINTING AN ARBITRATOR. SERVICE OF THE PETITION MAY BE MADE BY FIRST CLASS MAIL, POSTAGE PREPAID, TO THE LAST KNOWN ADDRESS OF THE PARTY SERVED. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

THE PARTIES AGREE THAT THE FOLLOWING PROCEDURE WILL GOVERN THE MAKING OF THE AWARD BY THE ARBITRATOR: (A) A TENTATIVE AWARD WILL BE MADE BY THE ARBITRATOR WITHIN THIRTY DAYS FOLLOWING SUBMISSION OF THE MATTER TO THE ARBITRATOR; (B) THE TENTATIVE AWARD WILL EXPLAIN THE FACTUAL AND LEGAL BASIS FOR THE ARBITRATOR'S DECISION AS TO EACH OF THE PRINCIPAL CONTROVERTED ISSUES; (C) THE TENTATIVE AWARD WILL BE IN WRITING UNLESS THE PARTIES AGREE OTHERWISE; PROVIDED, HOWEVER, THAT IF THE HEARING IS CONCLUDED WITHIN ONE DAY, THE TENTATIVE AWARD MAY BE MADE ORALLY AT THE HEARING IN THE PRESENCE OF THE PARTIES. WITHIN TEN DAYS AFTER THE TENTATIVE AWARD HAS BEEN SERVED OR ANNOUNCED, ANY PARTY MAY SERVE OBJECTIONS TO THE TENTATIVE AWARD. UPON OBJECTIONS BEING TIMELY SERVED, THE ARBITRATOR MAY CALL FOR ADDITIONAL EVIDENCE, ORAL OR WRITTEN ARGUMENT, OR BOTH. IF NO OBJECTIONS ARE FILED, THE TENTATIVE AWARD WILL BECOME FINAL WITHOUT FURTHER ACTION BY THE PARTIES OR ARBITRATOR. WITHIN THIRTY DAYS AFTER THE FILING OF OBJECTIONS, THE ARBITRATOR WILL EITHER MAKE THE TENTATIVE AWARD FINAL OR MODIFY OR CORRECT THE TENTATIVE AWARD, WHICH WILL THEN BECOME FINAL AS MODIFIED OR CORRECTED.

THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 128.5 AUTHORIZING THE IMPOSITION OF SANCTIONS AS A RESULT OF BAD FAITH ACTIONS OR TACTICS WILL APPLY TO THE ARBITRATION PROCEEDINGS. A PREVAILING PARTY WILL ALSO BE ENTITLED TO AN ACTION FOR MALICIOUS PROSECUTION IF THE ELEMENTS OF SUCH CAUSE OF ACTION ARE MET.

THE FOLLOWING MATTERS ARE EXCLUDED FROM ARBITRATION: (A) A JUDICIAL OR NON-JUDICIAL FORECLOSURE OR OTHER ACTION OR PROCEEDING TO ENFORCE A DEED OF TRUST, MORTGAGE OR REAL PROPERTY SALES CONTRACT AS DEFINED IN CALIFORNIA CIVIL CODE SECTION 2985; (B) AN UNLAWFUL DETAINER ACTION; (C) THE FILING OR ENFORCEMENT OF A MECHANICS' LIEN; (D) ANY MATTER THAT IS WITHIN THE JURISDICTION OF A PROBATE COURT, BANKRUPTCY OR SMALL CLAIMS COURT; OR (E) AN ACTION FOR PERSONAL INJURY OR WRONGFUL DEATH. THE FILING OF A JUDICIAL ACTION TO ENABLE THE RECORDING OF A NOTICE OF PENDING ACTION, FOR ORDER OF ATTACHMENT, RECEIVERSHIP, INJUNCTION, OR OTHER PROVISIONAL REMEDIES, WILL NOT CONSTITUTE A WAIVER OF THE RIGHT TO ARBITRATE UNDER THIS PROVISION.

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 ABOVE 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 "ARBITRATION OF DISPUTES" PROVISION ABOVE. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. 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 "ARBITRATION OF DISPUTES" PROVISION ABOVE TO NEUTRAL ARBITRATION.

SELLER'S INITIALS

PURCHASER'S INITIALS

33. GOVERNING LAW. This Contract shall be governed by and construed in accordance with California law.

34. ATTACHMENTS/EXHIBITS. The following Attachments/Exhibits are attached hereto and fully incorporated herein by reference for all purposes.

Exhibit A	Property Specific Disclosures
Attachment I	California Confirmation of Real Estate Agency Relationships
Attachment II	Natural Hazard Disclosures Report
Attachment III	Title Commitment
Attachment IV	Road Easement (applicable to both ranches)

IN WITNESS WHEREOF, the parties being duly authorized and empowered have agreed to the terms herein and executed this Sale Contract intending to be legally bound.

ADDRESS:

7390 Cattle Drive
Santa Margarita, CA

SELLER:

Signature _____
Catherine A. Twisselman, Individual

Signature _____
Rowland W. Twisselman, Individual

SELLER: Twisselman Family Trust,
Dated February 8, 2006

P.O. Box 4701
San Luis Obispo, CA

Signature _____
Karen P. Twisselman, Trustee

Signature _____
Timothy L. Twisselman, Trustee

ADDRESS:

BUYER:

Signature _____

Print Name _____

Social Security No. _____

Federal Tax ID No. _____

Phone No. (Work) _____

(Home) _____

ADDRESS:

BUYER:

Signature _____

Print Name _____

Social Security No. _____

Federal Tax ID No. _____

Phone No. (Work) _____

(Home) _____