

Exhibit 2

AUCTION AGREEMENT



(Form AMA-Standard, Revised 2/18)

This Auction Agreement (the "Agreement") is entered into effective as of January 8, 2019, by and between Braunco Inc. ("BRAUN") whose address is 438 Pacific Coast Highway, Hermosa Beach CA 90254 and Elkhorn Ridge, LLC, a Utah Limited Liability Company – A Receivership ("Seller") whose address is P.O. Box 1836, Salt Lake City, UT 84110.

RECITALS

- A. Seller of real property described as 37 unimproved land parcels RP0281915-16-17-18-19-20-21-22-23-24-25-26-27 29-30 32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53 and including the parcels which include the roads and common areas in bulk as one lot and is defined as the "Property" located at the neighborhood is bordered on the north by 11400 North, south by Big Bugle Road, east by Interstate 15, and on the west by mountains. The neighborhood's name is Malad Summit in Oneida County Utah.
- B. Seller and BRAUN are unaffiliated
- C. The Seller signing the contract is conditioned on obtaining Court approval of this contract.
- D. Seller desire that BRAUN auction the Property. In consideration of the mutual covenants and obligations contained herein and other good and valuable consideration, the receipt and adequacy and sufficiency of which are hereby mutually acknowledged, Seller and BRAUN hereby agree as follows:

TERMS & CONDITIONS

- 1. **EXCLUSIVE RIGHT TO SELL.** Seller hereby employ the services of BRAUN and grant to BRAUN the exclusive and irrevocable right to auction the Property in accordance with the terms hereof, the Property as of the date this contract is approved by the Court. This contract expires on July 30, 2019.
- 2. **COMPENSATION TO BRAUN AND BROKER** As set forth more fully below, in consideration for its work to market and auction the Property, BRAUN will be compensated an amount equal to ten percent (10%) commission of the Successful Bid (defined below). In consideration for Seller's promises set forth herein, Seller agrees to have paid from escrow to BRAUN and Buyer's Broker the commission under the terms and conditions agreed by Seller as set forth in this Agreement. Buyer's Broker will be a three percent (3%) commission.
- 3. **AUCTION TERMS; DATE; METHODOLOGY; SALE.**
 - (a) **Auction.** BRAUN shall arrange, promote and conduct a sale of the Property on the terms and conditions specified below to the person who makes the highest qualified bid for the Property being sold (the "Successful Bidder").

A "qualified bid," as that term is used herein, is made by a person ("Qualified Bidder") who has furnished a Registration Deposit of \$20,000 to escrow or BRAUN, provides proof of funds to purchase the property as approved by the Seller and pre approval of a loan (if applicable).

The Successful Bidder is referred to herein as "Buyer" of the subject Property.

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[Signature]

The auction process shall be deemed to be successfully completed upon Seller's acceptance of the winning bid ("Successful Bid"). Thereafter, Seller agrees to promptly execute a purchase and sale agreement and escrow instructions for the sale of the subject Property (collectively, the "Purchase and Sale Agreement") with Successful Bidder. The Purchase and Sale Agreement shall contain such additional items and conditions as may be authorized by this Agreement and agreed upon by both Seller and Buyer.

(b) Auction Date. Sealed bids are due to BRAUN on the auction date set by agreement between Seller and BRAUN, which is expected to occur in Spring 2019 (the "Auction Date"). The Seller may sell the property prior to the auction date. Bids are accepted anytime from the execution date of this contract to the auction date.

(c) Auction Methodology- Minimum Bid: Sealed Bid Auction. BRAUN may confirm a sale to the Successful Bidder at auction or Pre-Auction if the minimum bid price of \$200,000 is achieved. If the sale occurs Pre-Auction, separate approval by the court will be required. Only the Seller has the authority to confirm a sale price less than the minimum bid price.

(d) Auction Terms.

i. The payment to BRAUN of the commission hereunder is a condition precedent to the closing of escrow for the sale of the subject Property.

ii. The Successful Bidder will be required to immediately provide a non-refundable deposit totaling twenty percent (20%) of the Purchase Price (the "Initial Deposit"), with due credit being given for the Registration Deposit made by the Successful Bidder as defined in Paragraph 3(a). The Initial Deposit shall be deposited upon the opening of escrow for the sale of the Property with Northern Title Escrow Company ("Escrow Company") and shall be held pending close of escrow. The balance of the Purchase Price shall be deposited into escrow prior to Closing or in accordance with the escrow instructions relating to the sale of the Property. If escrow closes, the Purchase Price shall be disbursed by the escrow holder as provided herein, and after disbursement to BRAUN, the balance shall be disbursed as provided in the escrow instructions including any amendments thereof.

iii. At Closing, Seller shall convey marketable title to the property free and clear of all liens and encumbrances, save and except for the following (the "Permitted Exceptions"): any validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing restrictions, covenants, conditions, oil and gas leases, mineral interests, and water interests outstanding in persons other than Seller, and other instruments, other than conveyances of the surface fee estate, that affect the Property; validly existing rights of adjoining owners in any walls and fences situated on a common boundary; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or overlapping of improvements; all rights, obligations, and other matters arising from and existing by reason of any applicable governmental district, agency or authority; and current taxes will be pro-rated as of the date of closing.


iv. Seller and BRAUN agree that Seller shall sell the property with no sale contingencies. Buyer may obtain financing from a lender and the financing contingency may not be a contingency to close escrow. Seller will execute other documents and disclosure statements regarding the property as may be required to sell or convey title to the Property upon Closing.

(e) Pre-Auction Sale:

If a Purchase Agreement for the Property is executed subsequent to court approval of this Agreement but prior to the Auction Date ("Pre-Auction Sale"), Seller agrees Seller is obligated to pay BRAUN the commission. For purposes of calculating the initial Deposit in such a Pre-Auction Sale, an offer to purchase the Property that is accepted by the Seller, shall be treated as the Successful Bid and that any such transaction shall provide for an

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initial deposit as set forth in paragraph 3. The buyer under a Pre-Auction offer to purchase the property which was accepted shall also be referred to as the "Buyer" herein.

4. DUTIES OF SELLER AND BRAUN

(a) Seller agrees to assist in preparing the Property for sale by providing or performing the following in a timely manner: furnish to BRAUN all information readily available to Seller which BRAUN determines is needed to promote the sale of the Property including surveys if any, legal descriptions, maps, inspection reports, appraisals, deeds, mortgages, floor plans, subdivision restrictions, association by-laws and Purchase and Sale Contract.

(b) Unless previously obtained by or provided to BRAUN, Seller agrees to furnish to BRAUN within fifteen (15) days following court approval of this Agreement, a title insurance Pro Forma Title commitment ("Title Company"). The title insurance commitment shall provide that: (i) has good, clear, marketable and insurable title to the Property; and (iii) the title insurance company will issue a policy of title insurance on the Property to the purchasers and their mortgagees at normal rates and subject only to normal exceptions and the Permitted Exceptions.

(c) Northern Title Escrow Company, to act as funds agent and closing agent and, in that capacity, to disburse the proceeds of each sale of Property in accordance with the terms of this Agreement and such escrow instructions as shall be executed by Seller and Buyer with respect to each such Property. BRAUN will promptly cooperate with all reasonable requests in order to ensure that the sale is closed as soon as possible. Seller and Buyer shall be responsible for their own escrow and title fees and expenses as customary.

5. REPRESENTATIONS AND WARRANTIES OF SELLER.

Seller, or an entity wholly owned by Seller, represents and warrants which representations and warranties shall survive up to the sale of the Property that (a) Seller is the sole legal fee owner of the Property and has full authority to sell same; (b) that no person or entity has any right of first refusal, option to purchase, or other similar right to or interest in the Property; (c) there are no liens or encumbrances on the Property other than those reflected on the preliminary title report; (d) and, to the best of Seller's knowledge there are no issues or problems concerning the ability to acquire insurance on the Property.

6. RELIANCE UPON REPRESENTATIONS SELLER.

Seller acknowledges that:

(a) BRAUN is not performing any due diligence regarding the title to, condition of or deficiencies with, if any, the Property and is relying upon the Title Company, Seller's representations, warranties and indemnities as provided herein.

(b) The nature and condition of the Property is not warranted nor guaranteed by BRAUN.

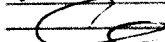
(c) The Property will be sold subject to all recorded liens and encumbrances (except for liens and encumbrances resulting from mortgages and deeds of trust, or mechanics liens, which shall be removed from record prior to close).

PAYMENTS TO BRAUN.

(a) BRAUN's commission shall be due and payable through escrow as a condition to the close thereof and shall be deducted from the first proceeds of the sale at the close of escrow. No funds shall be disbursed to any party without commission being paid to BRAUN.

(b) In the event that any Buyer of the Property sold at auction or Pre-Auction or Post Auction shall default on or otherwise fail to close the purchase transaction, Seller agrees that the escrow holder shall pay to BRAUN

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from the subject escrow an amount equal to twenty five percent (25%) of amounts received from any Buyer which have become non-refundable.

(c) Except for the payments required to be made from escrow to BRAUN as provided herein and in this Paragraph 6, in the event of a default by Buyer which results in the escrow for the sale of the Property not Closing, Seller shall have no other or further liability to BRAUN or LISTING BROKER.

(d) Seller shall reimburse BRAUN for marketing and advertising in the amount no greater than Fifteen Thousand Dollars (\$15,000) through the close of escrow. If a sale is not consummated, the Seller is obligated to reimburse BRAUN no later than 10 days after the auction date.

7. CONVEYANCE OF THE PROPERTY. Through escrow Seller warrants and agrees that Seller shall:

- (a) Be in a position and will convey marketable title to Buyer;
- (b) Convey Property by Receiver's Deed; and
- (c) Be responsible for the payment of Seller's share of any escrow, closing or recording costs as provided in the applicable escrow instructions.

8. DISPUTES

(a) Any dispute or claim in law or equity arising between the parties out of this Agreement, the Property, or any resulting transaction, Seller and BRAUN agree to have the Receivership Court provide dispute resolution.

(b) The parties agree that the limit of any and all damages that may be awarded to BRAUN or the Sellers by the Court are capped at the commission due to BRAUN.

10. LIMITATION OF LIABILITY

BRAUN an is not responsible for the security of the Property nor for inspecting the Property on any periodic basis.

(a) BRAUN is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from including but not limited to injuries or damages caused by:

- i. Acts of third parties (for example, vandalism or theft);
- ii. A dangerous condition on the Property; or
- iii. The Property's non-compliance with any law or ordinance
- iv. Seller providing incorrect information regarding the property.

11. DISCLAIMER.

Seller acknowledges that neither BRAUN nor any of its agents, employees, or representatives have guaranteed or promised that the Property, in whole or in part, shall produce a specific price or that a certain minimum price will be bid.

12. MISCELLANEOUS.

(a) Notices. All notices desired or required to be given under this Agreement by either party to the other shall be in writing and either delivered personally, delivered by a professional courier service (such as Federal Express, UPS or the like), sent by certified mail, return receipt requested, postage prepaid, and addressed to

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the party at the addresses set forth in the introductory paragraph, or to such other address as each respective party may designate from time to time by notice to the other.

(b) Binding Effect. This Agreement is binding upon the parties hereto and their respective successors, heirs and assigns.

(c) Severability. If any term or provision of this Agreement is held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability will not affect the legality, validity or enforceability of the remainder of this Agreement.

(d) Facsimile Signatures. Facsimile signatures shall be valid as original.

(e) Governing Law. This agreement is governed by California law.

(f) Counterparts. This Agreement may be executed in counterparts and treated as a single document.

(g) Integration. This Agreement constitutes the entire Agreement of the parties and may not be modified except by an Agreement.

(h) This agreement has been entered into solely for the benefit of the parties signing this agreement. The parties, by entering into this agreement, do not intend to benefit any other third party and do not intend to bestow upon any third party any rights or entitlement. The parties to this agreement do not intend to create a right in any third party to compel performance of, or to otherwise assert any rights under, this agreement.

IN WITNESS WHEREOF, the parties have agreed to the terms and conditions herein and have executed this agreement on the respective dates set forth below.

"SELLER"

Wayne Klein, Receiver of Elkhorn Ridge, LLC

By: Wayne Klein, Receiver

Print: Wayne Klein

Date: January 8, 2019

"BRAUN"

By: 

Print: Zed Braun

Date: 1/8/19

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