

**Jim Smith Realty
 Jim Smith Realty, Inc
 PO Box 1680
 445 Pagosa (Main) Street
 Pagosa Springs, CO 81147
 Phone: 970-264-3200, Fax: 970-264-3220**

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.
 (CBS 1-7-04) Final 070704

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

**CONTRACT TO BUY AND SELL REAL ESTATE
 (RESIDENTIAL)**

Date: _____

Purchase Price: \$ See Section 4

1. AGREEMENT. Buyer agrees to buy, and the undersigned Seller agrees to sell, the Property defined below on the terms and conditions set forth in this contract.

2. DEFINED TERMS.

a. Buyer. Buyer

will take title to the real property described below as **Joint Tenants** **Tenants In Common** **Other**
 (VACANT LAND COMMON INTEREST FOR PINON HILLS RANCH - SELLER FINANCE CONTRACT)

b. Property. The Property is the following legally described real estate:

(PHR Vacant Land Parcel# = 000000000000) >
 ACCORDING TO THE RECORDED PLAT IF ANY,

in the County of ARCHULETA, Colorado, commonly known as No.

PAGOSA SPRINGS, COLORADO 81147

Street Address _____ City _____ State _____ Zip _____
 together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded.

c. Dates and Deadlines.

Item No.	Reference	Event	Date or Deadline
1	§ 5a	Loan Application Deadline	N/A
2	§ 5b	Loan Commitment Deadline	N/A
3	§ 5c	Buyer's Credit Information Deadline	Acceptance +5 Days
4	§ 5c	Disapproval of Buyer's Credit Deadline	Acceptance +15 Days
5	§ 5d	Existing Loan Documents Deadline	N/A
6	§ 5d	Objection to Existing Loan Documents Deadline	N/A
7	§ 5d	Approval of Loan Transfer Deadline	N/A
8	§ 6a(4)	Appraisal Deadline	15 Days Before Closing
9	§ 7a	Title Deadline	Acceptance +10 Days
10	§ 7d	Survey Deadline	Acceptance +15 Days
11	§ 8d	Survey Objection Deadline	Acceptance +20 Days
12	§ 7b	Document Request Deadline	Acceptance +15 Days

PREPARED BY: Administrator, Administrator

13	§7d(2) & § 8a	Governing Documents Objection Deadline and Title Objection Deadline	Acceptance +20 Days
14	§ 8b	Off-Record Matters Deadline	Acceptance +10 Days
15	§ 8b	Off-Record Matters Objection Deadline	Acceptance +20 Days
16	§ 8a	Right Of First Refusal Deadline	
17	§ 10	Seller's Property Disclosure Deadline	Acceptance +5 Days
18	§ 10a	Inspection Objection Deadline	Acceptance +15 Days
19	§ 10b	Resolution Deadline	Acceptance +20 Days
20	§ 10c	Property Insurance Objection Deadline	Acceptance +20 Days
21	§ 11	Closing Date	Today +30 Days
22	§ 16	Possession Date	Closing Date +-
23	§ 16	Possession Time	6 PM
24	§ 27	Acceptance Deadline Date	Today +5 Days
25	§ 27	Acceptance Deadline Time	6 PM
26	Section 2d	Sec 2d Disclosures Deadline	Acceptance +5 Days

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d. Attachments. The following are a part of this contract:
Check applicable box(es) if included;
(X) ADDENDUM A; (X) PINON HILLS RANCH DEVELOPER DISCLOSURES () ADDENDUM B;

Note: The following disclosure forms are attached but are not a part of this contract:
(X) NOTICE TO BUYER-DISCLOSURES;

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e. Applicability of Terms. A check or similar mark in a box means that such provision is applicable. The abbreviation "N/A" means not applicable. The abbreviation "MEC" (mutual execution of this contract) means the latest date upon which both parties have signed this contract.

3. INCLUSIONS AND EXCLUSIONS. The Purchase Price includes the following items (Inclusions):
a. Fixtures. If attached to the Property on the date of this contract, lighting, heating, plumbing, ventilating, and air conditioning fixtures, TV antennas, inside telephone wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories), garage door openers including remote controls; and
 N/A
b. Exclusions. The following attached fixtures are excluded from this sale:
 N/A
c. Personal Property. If on the Property whether attached or not on the date of this contract: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, and all keys. If checked, the following are included: Water Softeners Smoke/Fire Detectors Security Systems Satellite Systems (including satellite dishes) and
 N/A
d. Transfer of Personal Property. The Personal Property to be conveyed at Closing shall be conveyed, by Seller, free and clear of all taxes, (except personal property taxes for the year of closing), liens and encumbrance, except
 N/A
 Conveyance shall be by Bill of Sale or other applicable legal instrument.
e. Parking and Storage Facilities. The Use Only Ownership of the following parking facilities;
 N/A
 and the following storage facilities:
 N/A

f. Water Rights. The following legally described water rights:

60 ANY AVAILABLE OR OF RECORD OR AS ITEMIZED HERE, OTHERWISE NONE.

61 Any water rights shall be conveyed by BARGAIN & SALE deed or other applicable legal instrument.

62 4. PURCHASE PRICE AND TERMS. The Purchase Price set forth below shall be payable in U. S. Dollars by Buyer as
63 as follows:
64
65 \\

Item No.	Reference	Item	Amount	Amount
1	§ 4	Purchase Price	\$	
2	§ 4a	Earnest Money		\$
3	§ 4b(1)	New First Loan		
4	§ 4b(2)	New Second Loan		
5	§ 4c	Assumption Balance		
6	§ 4d	Seller or Private Financing		
7				
8				
9	§ 4e	Cash at Closing		
10		TOTAL	\$	\$

66 Note: If there is an inconsistency between the Purchase Price on the first page and this § 4, the amount in § 4 shall control.

67 \\ a. Earnest Money. The Earnest Money set forth in this section, in the form of Earnest Money Promissory Note,
68 \\ is part payment of the Purchase Price and shall be payable to and held by GREAT DIVIDE TITLE COMPANY
69 (Earnest Money Holder), in its trust account, on behalf of both Seller and Buyer. The Earnest Money deposit shall be tendered
70 with this contract unless the parties mutually agree and set forth a different deadline in writing for its payment. The parties
71 authorize delivery of the Earnest Money deposit to the closing company, if any, at or before Closing. In the event Earnest
72 Money Holder has agreed to have interest on earnest money deposits transferred to a fund established for the purpose of
73 providing affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on
74 the Earnest Money deposited with the Earnest Money Holder in this transaction shall be transferred to such fund.

75 b. New Loan. [Omitted - Not Applicable]

76 c. Assumption. [Omitted - Not Applicable]

77 \\ d. Seller or Private Financing. Buyer agrees to execute a promissory note payable to:

78 Seller _____, as Joint Tenants Tenants in

79 Common Other PER SELLER OR THIRD PARTY INSTRUCTIONS, on the note form as indicated:

80 (UCCC - No Default Rate) NTD 82-5-04 (Default Rate) NTD 81-5-04 Other

81 _____ secured by a FIRST (1st,

82 2nd, etc.) deed of trust numbering the Property, using the form as indicated: Strict Due-On-Sale (TD 72-5-04)

83 Creditworthy (TD 73-5-04) Assumable - Not Due On Sale (TD 74-5-04) Other

84 N/A

85 \\ The promissory note shall be amortized on the basis of 15 Years Months, payable at

86 \\ \$ _____ per month including principal and interest at the rate of 8 % per annum. Payments shall

87 \\ commence 30 DAYS AFTER CLOSING and shall be due on the SAME day of each succeeding month. If not

88 \\ sooner paid, the balance of principal and accrued interest shall be due and payable 3 YEARS

89 after Closing. Payments Shall Shall Not be increased by 1/12 of estimated annual real estate taxes,

90 and Shall Shall Not be increased by 1/12 of estimated annual property insurance premium. The loan shall also contain

91 the following terms: (1) if any payment is not received within 5 calendar days after its due date, a late charge of

92 10 % of such monthly payment shall be due, (2) interest on lender disbursements under the deed of trust shall be

93 18 % per annum, (3) default interest rate shall be 18 % per annum, (4) Buyer may prepay without a penalty

94 except NONE, and (5)

95 \\ Buyer Shall Shall Not execute and deliver, at Closing, a Security Agreement and UCC Financing Statement

96 granting the holder of the promissory note a _____ (1st, 2nd, etc.) lien on the personal property included in this sale.

97 Buyer Shall Shall Not provide a mortgagee's title insurance policy, at Buyer's expense.

98 e. Cash at Closing. All amounts paid by Buyer at Closing including Cash at Closing, plus Buyer's closing costs, shall
99 be in funds which comply with all applicable Colorado laws, which include cash, electronic transfer funds, certified check,
100 savings and loan teller's check and cashier's check (Good Funds).

101 5. FINANCING CONDITIONS AND OBLIGATIONS.

PREPARED BY: Administrator, Administrator

CBS 1-7-04, Contract to Buy and Sell Real Estate (Residential). Colorado Real Estate Commission

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102 a. **Loan Application.** [Omitted - Not Applicable]
103 b. **Loan Commitment.** [Omitted - Not Applicable]
104 c. **Credit Information.** If Buyer is to pay all or part of the Purchase Price by executing a promissory note in favor of
105 Seller or if an existing loan is not to be released at Closing, this contract is conditional upon Seller's approval of Buyer's
106 financial ability and creditworthiness, which approval shall be at Seller's sole and absolute discretion. In such case: (1) Buyer
107 shall supply to Seller by **Buyer's Credit Information Deadline** (§ 2c), at Buyer's expense, information and documents
108 concerning Buyer's financial, employment and credit condition; (2) Buyer consents that Seller may verify Buyer's financial
109 ability and creditworthiness (including obtaining a current credit report); (3) any such information and documents received by
110 Seller shall be held by Seller in confidence, and not released to others except to protect Seller's interest in this transaction; (4)
111 if Seller does not provide written notice of Seller's disapproval to Buyer by **Disapproval of Buyer's Credit Deadline** (§ 2c),
112 then Seller waives this condition. If Seller does provide written notice of disapproval to Buyer on or before said date, this contract
113 shall terminate.

114 d. **Existing Loan Review.** [Omitted - Not Applicable]

115 **6. APPRAISAL PROVISIONS.**

116 a. **Appraisal Condition.**

117 (1) **No Appraisal Condition.** This subsection a. shall not apply.
118 (2) **FHA.** It is expressly agreed that notwithstanding any other provisions of this contract, the Purchaser
119 (Buyer) shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of
120 Earnest Money deposits or otherwise unless the Purchaser (Buyer) has been given in accordance with HUD/FHA or VA
121 requirements a written statement by the Federal Housing Commissioner, Veterans Administration, or a Direct Endorsement
122 Lender setting forth the appraised value of the Property of not less than \$ _____ The Purchaser (Buyer) shall
123 have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised
124 valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban
125 Development will insure. HUD does not warrant the value nor the condition of the Property. The Purchaser (Buyer) should satisfy
126 himself/herself that the price and condition of the Property are acceptable. _____
127 (3) **VA.** If Buyer is to pay the Purchase Price by obtaining a new VA-guaranteed loan, it is agreed that,
128 notwithstanding any other provisions of this contract, Buyer shall not incur any penalty by forfeiture of Earnest Money or
129 otherwise be obligated to complete the purchase of the Property described herein, if the contract Purchase Price or cost exceeds
130 the reasonable value of the Property established by the Veterans Administration. Buyer shall, however, have the privilege
131 and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value
132 established by the Veterans Administration. _____
133 (4) **Other.** Buyer shall have the sole option and election to terminate this contract if the Purchase Price exceeds
134 the Property's valuation determined by an appraiser engaged by BUYER. _____
135 The contract shall terminate by Buyer giving Seller written notice of termination and either a copy of such appraisal or written
136 notice from lender that confirms the Property's valuation is less than the Purchase Price, received on or before **Appraisal**
137 **Deadline** (§ 2c). If Seller does not receive such written notice of termination on or before **Appraisal Deadline** (§ 2c), Buyer
138 waives any right to terminate under this subsection. _____

139 b. **Cost of Appraisal.** Cost of any appraisal to be obtained after the date of this contract shall be timely paid by
140 Buyer Seller.

141 **7. EVIDENCE OF TITLE.**

142 a. **Evidence of Title.** On or before **Title Deadline** (§ 2c) Seller shall cause to be furnished to Buyer, at Seller's expense,
143 a current commitment for owner's title insurance policy (Title Commitment) in an amount equal to the Purchase Price, ~~or~~ if
144 this box is checked, **An Abstract** of title certified to a current date. At Seller's expense, Seller shall cause the title insurance
145 policy to be issued and delivered to Buyer as soon as practicable at or after Closing. If a title insurance commitment is furnished, it
146 **Shall** **Shall Not** commit to delete or insure over the standard exceptions which relate to:

- 147 (1) parties in possession, \ \
- 148 (2) unrecorded easements, \ \
- 149 (3) survey matters, \ \ \ \ \
- 150 (4) any unrecorded mechanic's liens,
- 151 (5) gap period (effective date of commitment to date deed is recorded), and
- 152 (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing.

153 Any additional premium expense to obtain this additional coverage shall be paid by Seller.

154 b. **Copies of Exceptions.** On or before **Title Deadline** (§ 2c), Seller, at Seller's expense shall furnish to Buyer and
155 _____, (1) a copy of any
156 plats, declarations, covenants, conditions and restrictions burdening the Property, and (2) if a title insurance commitment is
157 required to be furnished, and if this box is checked **Copies of any Other Documents** (or, if illegible summaries of such
158 documents) listed in the schedule of exceptions (Exceptions). Even if the box is not checked, Seller shall have the obligation
159 to furnish these documents pursuant to this subsection if requested by Buyer any time on or before **Document Request Deadline**
160 (§ 2c). This requirement shall pertain only to documents as shown of record in the offices of the clerk and recorder. The abstract
161 or title insurance commitment, together with any copies or summaries of such documents furnished pursuant to this section,
162 constitute the title documents (Title Documents).

163 c. **Survey.** On or before **Survey Deadline** (§ 2c) **Seller** **Buyer** shall cause Buyer and the issuer of the Title
164 Commitment or the provider of the opinion of title if an abstract, to receive a current **Improvement Survey Plat**
165 **Improvement Location Certificate** If this box is checked, see Addendum B Paragraph 3.
166 (the description checked is known as Survey). An amount not to exceed \$ 1000 for Survey shall be paid by
167 **Buyer** **Seller**. If the cost exceeds this amount, Buyer shall pay the excess on or before Closing unless Buyer delivers to
168 Seller before Survey is ordered, Buyer's written notice allowing the exception for survey matters.

169 d. **Common Interest Community Governing Documents.**

170 (1) **Not Applicable.** This subsection d. shall not apply.

171 (2) **Conditional on Buyer's Review.** Seller shall cause to be furnished to Buyer, at Seller's expense, on or before
172 **Title Deadline** (§ 2c) a current copy of the owners' association declarations, bylaws, rules and regulations, party wall
173 agreements, minutes of most recent annual owners' meeting and minutes of any directors' meetings during the 6 month period
174 immediately preceding the Title Deadline, if any (herein collectively "Governing Documents"), most recent financial documents
175 consisting of (a) annual balance sheet, (b) annual income and expenditures statement, and (c) annual budget (herein collectively
176 "Financial Documents"), if any. Written notice of any unsatisfactory provision in any of these documents signed by Buyer, or on
177 behalf of Buyer, and given to Seller on or before **Governing Documents Objection Deadline** (§ 2c), (which is the same as
178 **Title Objection Deadline** (§ 2c), shall terminate this contract. If Seller does not receive written notice from Buyer within such
179 time, Buyer accepts the terms of said documents, and Buyer's right to terminate this contract pursuant to this subsection is
180 waived, notwithstanding the provisions of § 8e.

181 (3) **Not Conditional on Review.** Buyer acknowledges that Seller has delivered a copy of the Governing Documents
182 and Financial Documents. Buyer has reviewed them, agrees to accept the benefits, obligations and restrictions that they impose
183 upon the Property and its owners and waives any right to terminate this contract due to such documents, notwithstanding the
184 provisions of § 8e.

185 8. TITLE AND SURVEY REVIEW.

186 a. **Title Review.** Buyer shall have the right to inspect the Title Documents. Written notice by Buyer of unmerchantability
187 of title, form or content of Title Commitment or of any other unsatisfactory title condition shown by the Title Documents,
188 notwithstanding § 12, shall be signed by or on behalf of Buyer and given to Seller on or before **Title Objection Deadline** (§ 2c),
189 or within five (5) calendar days after receipt by Buyer of any change to the Title Documents or endorsement to the Title
190 Commitment together with a copy of the document adding any new Exception to title. If Seller does not receive Buyer's notice
191 by the date specified above, Buyer accepts the condition of title as disclosed by the Title Documents as satisfactory.

192 b. **Matters not Shown by the Public Records.** Seller shall deliver to Buyer, on or before **Off-Record Matters Deadline**
193 (§ 2c) true copies of all leases and surveys in Seller's possession pertaining to the Property and shall disclose to Buyer all
194 easements, liens (including, without limitation, governmental improvements approved, but not yet installed) or other title
195 matters (including, without limitation, rights of first refusal, and options) not shown by the public records of which Seller has
196 actual knowledge. Buyer shall have the right to respect the Property to determine if any third party has any right in the Property
197 not shown by the public records (such as an unrecorded easement, unrecorded lease, or boundary line discrepancy). Written
198 notice of any unsatisfactory condition disclosed by Seller or revealed by such inspection, notwithstanding § 12, shall be signed
199 by or on behalf of Buyer and given to Seller on or before **Off-Record Matters Objection Deadline** (§ 2c). If Seller does not
200 receive Buyer's notice by said date, Buyer accepts title subject to such rights, if any, of third parties of which Buyer has actual
201 knowledge.

202 c. **Survey Review.** Buyer shall have the right to inspect Survey. If written notice by or on behalf of Buyer of any
203 unsatisfactory condition shown by Survey, notwithstanding § 8b or § 12, is received by Seller on or before **Survey Objection**
204 **Deadline** (§ 2c) then such objection shall be deemed an unsatisfactory title condition. If Seller does not receive Buyer's notice
205 by **Survey Objection Deadline** (§ 2c), Buyer accepts Survey as satisfactory.

206 d. **Special Taxing Districts.** SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO
207 GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL
208 TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN
209 SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND EXCESSIVE TAX
210 BURDENS TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE
211 RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS
212 WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYER SHOULD INVESTIGATE THE DEBT
213 FINANCING REQUIREMENTS OF THE AUTHORIZED GENERAL OBLIGATION INDEBTEDNESS OF
214 SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICT SERVICING SUCH INDEBTEDNESS,
215 AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES.

216 In the event the Property is located within a special taxing district and Buyer desires to terminate this contract as a result,
217 if written notice is received by Seller on or before **Off-Record Matters Objection Deadline** (§ 2c) this contract shall then
218 terminate. If Seller does not receive Buyer's notice by such date, Buyer accepts the effect of the Property's inclusion in such
219 special taxing district and waives the right to terminate.

220 e. **Right to Object, Cure.** Buyer's right to object shall include, but not be limited to those matters listed in § 12. If Seller
221 receives notice of unmerchantability of title or any other unsatisfactory title condition or commitment terms as provided in
222 subsections 8 a, b, c and d above, Seller shall use reasonable efforts to correct said items and bear any nominal expense to correct
223 the same prior to Closing. If such unsatisfactory title condition is not corrected to Buyer's satisfaction on or before Closing, this

- 286 by Buyer in accordance with § 8a (Title Review),
 287 **b.** distribution utility easements (including cable TV),
 288 **c.** those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge
 289 and which were accepted by Buyer in accordance with § 8b (Matters not Shown by the Public Records) and § 8c (Survey
 290 Review).
 291 **d.** inclusion of the Property within any special taxing district,
 292 **e.** the benefits and burdens of any declaration and party wall agreements, if any, and
 293 **f.** other GENERAL EXCEPTIONS

294 **13. PAYMENT OF ENCUMBRANCES.** Any encumbrance required to be paid shall be paid at or before Closing from the
 295 proceeds of this transaction or from any other source.

296 **14. CLOSING COSTS, DOCUMENTS AND SERVICES.** Buyer and Seller shall pay, in Good Funds, their respective
 297 Closing costs and all other items required to be paid at Closing, except as otherwise provided herein. Buyer and Seller shall
 298 sign and complete all customary or reasonably required documents at or before Closing. Fees for real estate Closing services
 299 shall be paid at Closing by **One-half by Buyer and One-half by Seller** **Buyer** **Seller** **Other**

300 N/A

301 Any fees incident to the issuance of owners' association's statement of assessments (Status Letter) shall be paid by
 302 **Buyer** **Seller.** Any fees incident to the transfer from Seller to Buyer assessed by the owner's association (Owners'
 303 Association Transfer Fee) shall be paid by **Buyer** **Seller.**

304 \\\ The local transfer tax of \\\ % of the Purchase Price shall be paid at Closing by **One-half by Buyer** \\\
 305 \\\ and One-half by Seller **Buyer** **Seller** **Other** \\\

306 Any sales and use tax that may accrue because of this transaction shall be paid when due by **Buyer** **Seller.**

307 **15. PRORATIONS.** The following shall be prorated to **Closing Date** (§ 2c), except as otherwise provided:

308 **a. Taxes.** Personal property taxes, if any, and general real estate taxes for the year of Closing, based on **Taxes for the**
 309 **Calendar Year Immediately Preceding Closing** **Most Recent Mill Levy and Most Recent Assessment** **Other**

310 N/A

311 **b. Rents.** Rents based on **Rents Actually Received** **Accrued.** Security deposits held by Seller shall be credited
 312 to Buyer. Seller shall assign all leases to Buyer and Buyer shall assume such leases.

313 **c. Association Assessments.** Current regular owners' association assessments and association dues. Owners' association
 314 assessments paid in advance shall be credited to Seller at Closing. Cash reserves held out of the regular owners' association
 315 assessments for deferred maintenance by the owners' association shall not be credited to Seller except as may be otherwise
 316 provided by the Governing Documents. Any special assessment by the owners' association for improvements that have been
 317 installed as of the date of Buyer's signature hereon shall be the obligation of Seller. Any other special assessment assessed
 318 prior to **Closing Date** (§ 2c) by the owners' association shall be the obligation of **Buyer** **Seller.** Seller represents
 319 \ that the amount of the regular owners' association assessment is currently payable at \$ 750.00

320 per YEAR and that there are no unpaid regular or special assessments against the Property
 321 except the current regular assessments and except

322 NONE

323 Such assessments are subject to change as provided in the Governing Documents. Seller agrees to promptly request the owners'
 324 association to deliver to Buyer before **Closing Date** (§ 2c) a current statement of assessments against the Property.

325 \\\ **d. Loan Assumption/Mortgage Insurance.** \\\ FHA or private mortgage insurance premium, if any, **Shall** **Shall** \\
 326 \\\ Not be apportioned to Closing Date (§ 2c). Any such amount shall be apportioned as follows: \\\

327 N/A

328 **e. Other Prorations.** Water and sewer charges; interest on any continuing loan, and
 329 ANY OTHER DUES OR FEES.

330 **f. Final Settlement.** Unless otherwise agreed in writing, these prorations shall be final.

331 **16. POSSESSION.** Possession of the Property shall be delivered to Buyer on **Possession Date** and **Possession Time** (§ 2c),
 332 subject to the following leases or tenancies:

333 \\\ **CHECK ONE:** () **NONE** () **LEASE OR TENANCY DESCRIBED AS FOLLOWS:**

334 If Seller, after Closing, fails to deliver possession as specified, Seller shall be subject to eviction and shall be additionally
 335 liable to Buyer for payment of \$ 100 per day from the **Possession Date** (§ 2c) until possession is delivered.

336 Buyer **Does** **Does Not** represent that Buyer will occupy the Property as Buyer's principal residence.

337 **17. NOT ASSIGNABLE.** This contract shall not be assignable by Buyer without Seller's prior written consent. Except as so
 338 restricted, this contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns
 339 of the parties.

340 **18. INSURANCE; CONDITION OF, DAMAGE TO PROPERTY AND INCLUSIONS.** Except as otherwise provided in
 341 this contract, the Property, Inclusions or both shall be delivered in the condition existing as of the date of this contract, ordinary
 342 wear and tear excepted.

343 **a. Casualty Insurance.** In the event the Property or Inclusions shall be damaged by fire or other casualty prior to Closing,
 344 in an amount of not more than ten percent of the total Purchase Price, Seller shall be obligated to repair the same before the

345 **Closing Date** (§ 2c). In the event such damage is not repaired within said time or if the damages exceed such sum, this contract
346 may be terminated at the option of Buyer by delivering to Seller written notice of termination. Should Buyer elect to carry out
347 this contract despite such damage, Buyer shall be entitled to a credit, at Closing, for all the insurance proceeds resulting
348 from such damage to the Property and Inclusions payable to Seller but not the owners' association, if any, plus the amount
349 of any deductible provided for in such insurance policy, such credit not to exceed the total Purchase Price.

350 **b. Damage, Inclusions and Services.** Should any Inclusion or service (including systems and components of the
351 Property, e.g. heating, plumbing, etc.) fail or be damaged between the date of this contract and Closing or possession, whichever
352 shall be earlier, then Seller shall be liable for the repair or replacement of such Inclusion or service with a unit of similar size,
353 age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion,
354 service or fixture is not the responsibility of the owners' association, if any, less any insurance proceeds received by Buyer
355 covering such repair or replacement. Seller and Buyer are aware of the existence of pre-owned home warranty programs
356 that may be purchased and may cover the repair or replacement of some Inclusions.

357 **c. Walk-Through and Verification of Condition.** Buyer, upon reasonable notice, shall have the right to walk through
358 the Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this contract.

359 **19. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this document, Buyer and Seller acknowledge
360 that the respective broker has advised that this document has important legal consequences and has recommended the
361 examination of title and consultation with legal and tax or other counsel before signing this contract.

362 **20. TIME OF ESSENCE, DEFAULT AND REMEDIES.** Time is of the essence hereof. If any note or check received as
363 Earnest Money hereunder or any other payment due hereunder is not paid, honored or tendered when due, or if any other
364 obligation hereunder is not performed or waived as herein provided, there shall be the following remedies:

365 **a. If Buyer is in Default:**

366 (1) **Specific Performance.** Seller may elect to treat this contract as canceled, in which case all payments and
367 things of value received hereunder shall be forfeited and retained on behalf of Seller, and Seller may recover such damages as
368 may be proper, or Seller may elect to treat this contract as being in full force and effect and Seller shall have the right to specific
369 performance or damages, or both.

370 (2) **Liquidated Damages.** All payments and things of value received hereunder shall be forfeited by Buyer and
371 retained on behalf of Seller and both parties shall thereafter be released from all obligations hereunder. It is agreed that such
372 payments and things of value are LIQUIDATED DAMAGES and (except as provided in subsection c) are SELLER'S SOLE
373 AND ONLY REMEDY for Buyer's failure to perform the obligations of this contract. Seller expressly waives the remedies of
374 specific performance and additional damages.

375 **b. If Seller is in Default:** Buyer may elect to treat this contract as canceled, in which case all payments and things of
376 value received hereunder shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to
377 treat this contract as being in full force and effect and Buyer shall have the right to specific performance or damages, or both.

378 **c. Costs and Expenses.** In the event of any arbitration or litigation relating to this contract, the arbitrator or court shall
379 award to the prevailing party all reasonable costs and expenses, including attorney and legal fees.

380 **21. MEDIATION.** If a dispute arises relating to this contract, prior to or after closing, and is not resolved, the parties shall
381 first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial
382 person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties
383 to the dispute must agree before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share
384 equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute
385 is not resolved within 30 calendar days of the date written notice requesting mediation is sent by one party to the other at the
386 party's last known address. This section shall not alter any date in this contract, unless otherwise agreed.

387 **22. EARNEST MONEY DISPUTE.** In the event of any controversy regarding the Earnest Money and things of value
388 (notwithstanding any termination of this contract or mutual written instructions), Earnest Money Holder shall not be required
389 to take any action. Earnest Money Holder may await any proceeding, or at its option and sole discretion, interplead all parties
390 and deposit any money or things of value into a court of competent jurisdiction and shall recover court costs and reasonable
391 attorney and legal fees.

392 **23. TERMINATION.** In the event this contract is terminated, all payments and things of value received hereunder shall be
393 returned and the parties shall be relieved of all obligations hereunder, subject to §§ 10d, 21 and 22.

394 **24. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the Colorado Real Estate
395 Commission.)

396 1) **GRACE PERIOD:** Time is of the Essence, however no dates in this contract shall be considered late
until 9am of the 3rd business day after the Deadline Date. This Grace Period is separate from and
not in addition to the Automatic Extension Period in Addendum A, Paragraph 5. This Grace Period
shall NOT apply to the Acceptance Deadline Date; Nor shall the Grace Period apply to the Possession
Date unless the Closing Date is affected in which case both dates shall be adjusted the same. This
Grace Period shall not apply to any date in an Amend/Extend to the Contract.

2) **PROFESSIONAL ADVICE:** All Parties to this Contract are again hereby advised to obtain Legal and
Professional advise in regards to the purchase and sale of said property. Buyer is hereby advised
to obtain a property survey and a professional inspection of the property, well, septic system,
etc.

PREPARED BY: Administrator, Administrator

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Buyer acknowledges that Buyer will be responsible to install an on-site septic system and drill a well for their residential water and sewer service, which shall meet the minimum standards of the San Juan Basin Health Department. Vacant land should be inspected for its suitability for septic systems. Neither Seller nor Broker are aware of the existence of any harmful substance located on the Property, including but not limited to radon gas, lead based paint, or asbestos, unless specific disclosure has been made. Nevertheless, Buyer is advised to have property inspected and/or tested to Buyer's satisfaction.

3) MINERAL RIGHTS: Any and All Mineral, Oil, Gas, Ore and aggregate (including Gravel) rights held by Seller shall be conveyed to Buyer at Closing, if any.

4) Buyer understands that Pinon Hills Ranch will be developed in phases and that additional acreage may be assembled and added to the master plan. Seller has disclosed that future phases may utilize a higher density, rural clustering concept to accommodate the lay of the land.

5) Some tracts of land have experienced large increased in property taxes as a result of forfeiting their agricultural tax status. The purchase of real estate has tax consequences. Buyer is advised to seek professional tax counsel. Broker does not give tax advise.

6) SELLER FINANCING: Section 3.d.

If Seller Financing is provided for in the contract, Broker may obtain and provide Buyer's credit report and/or financial statement to Seller and Seller's Agent.

Buyer 1 SS# _____ Birth Date: _____

Buyer 2 SS# _____ Birth Date: _____

397 25. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL. This agreement constitutes the entire contract between
398 the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged
399 and integrated into this contract. No subsequent modification of any of the terms of this contract shall be valid, binding upon
400 the parties, or enforceable unless made in writing and signed by the parties. Any obligation in this contract that, by its terms,
401 is intended to be performed after termination or Closing shall survive the same.

402 26. NOTICE, DELIVERY AND CHOICE OF LAW.

403 a. Physical Delivery. Except for the notice requesting mediation described in § 21, and except as provided in § 26b
404 below, all notices must be in writing. Any notice to Buyer shall be effective when received by Buyer or by Selling Brokerage
405 Firm, and any notice to Seller shall be effective when received by Seller or Listing Brokerage Firm.

406 b. Electronic Delivery. As an alternative to physical delivery, any signed document and written notice may be delivered
407 in electronic form by the following indicated methods only: Facsimile E-mail None . Documents with original
408 signatures shall be provided upon request of any party.

409 c. Choice of Law. This contract and all disputes arising hereunder shall be governed by and construed in accordance
410 with the laws of the State of Colorado that would be applicable to Colorado residents who sign a contract in this state for property
411 located in Colorado.

412 27. NOTICE OF ACCEPTANCE, COUNTERPARTS. This proposal shall expire unless accepted in writing, by Buyer and
413 Seller, as evidenced by their signatures below, and the offering party receives notice of acceptance pursuant to § 26 on or before
414 Acceptance Deadline Date (§ 2c) and Acceptance Deadline Time (§ 2c). If accepted, this document shall become a contract
415 between Seller and Buyer. A copy of this document may be executed by each party, separately, and when each party has executed
416 a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.

417
418

BUYER _____ DATE _____

BUYER _____ DATE _____

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419
420

[NOTE: If this offer is being countered or rejected, do not sign this document. Refer to § 28]

SELLER _____ DATE _____

SELLER _____ DATE _____

421 **28. COUNTER; REJECTION.** This offer is Countered Rejected.

422 Initials only of party (Buyer or Seller) who countered or rejected offer _____

423

END OF CONTRACT

424

Note: Closing Instructions and Earnest Money Receipt should be signed on or before Title Deadline (§ 2c).

425

426

427

428

429 **BROKER ACKNOWLEDGMENTS.** The undersigned Brokers acknowledge receipt of the Earnest Money deposit specified
430 in § 4 and, while not parties to the contract, agree to cooperate upon request with any mediation conducted under § 21.

431

432

433 \ The Selling Broker is a Buyer's Agent Transaction-Broker in this transaction.

434

435 \ The Listing Broker is a Seller's Agent Transaction-Broker in this transaction.

436

437 **BROKER'S COMPENSATION DISCLOSURE.**

438 Selling Brokerage Firm's compensation or commission is to be paid by Listing Brokerage Firm

439

440

Buyer Other PER MLS OR SEPARATE AGREEMENT WHEN/IF PROPERTY CLOSURES

441 (To be completed by Listing Broker) Listing Brokerage Firm's compensation or commission is to be paid by:

442

443

444

445

Selling Brokerage Firm's Name:

Jim Smith Realty
Jim Smith Realty, Inc
PO Box 1680
445 Pagosa (Main) Street
Pagosa Springs, CO 81147
Phone: 970-264-3200, Fax: 970-264-3220

By: _____

Signature Administrator

Date

453 \ Listing Brokerage Firm's Name: SAME AS ABOVE

454

455

456

Date: _____ Broker

457

458

Address: _____
Phone No.: _____ Fax No.: _____

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