

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

3
4 **CONTRACT TO BUY AND SELL REAL ESTATE**
5 **(INCOME – RESIDENTIAL)**
6 **(1-4 Units Larger than 1-4 Units)**

7
8 Date: _____

9 **AGREEMENT**

10 **1. AGREEMENT.** Buyer agrees to buy and Seller agrees to sell the Property described below on the terms and conditions set
11 forth in this contract (Contract).

12 **2. PARTIES AND PROPERTY.**

13 **2.1. Buyer.** _____ (Buyer) will take title
14 to the Property described below as **Joint Tenants** **Tenants In Common** **Other** _____.

15 **2.2. No Assignability.** This Contract IS NOT assignable by Buyer unless otherwise specified in **Additional Provisions**.

16 **2.3. Seller.** TARA DEVELOPMENT, LLC (Seller) is the current owner of the Property described below.

17 **2.4. Property.** The Property is the following legally described real estate in the County of LA PLATA, Colorado:

18
19
20
21
22
23 known as No. _____
24 Street Address City State Zip

25 together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto and all interest of
26 Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

27 **2.5. Inclusions.** The Purchase Price includes the following items (Inclusions):

28 **2.5.1. Inclusions – Attached.** If attached to the Property on the date of this Contract, the following items are
29 included unless excluded under **Exclusions**: lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside
30 telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems,
31 built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories) and garage door
32 openers (including _____ remote controls). If checked, the following are owned by the Seller and included (leased items should
33 be listed under **Due Diligence Documents**): **None** **Solar Panels** **Water Softeners** **Security Systems** **Satellite**
34 **Systems** (including satellite dishes). If any additional items are attached to the Property after the date of this Contract, such
35 additional items are also included in the Purchase Price.

36 **2.5.2. Inclusions – Not Attached.** If on the Property, whether attached or not, on the date of this Contract, the
37 following items are included unless excluded under **Exclusions**: storm windows, storm doors, window and porch shades, awnings,
38 blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates,
39 heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors and all keys.

40 **2.5.3. Personal Property – Conveyance.** Any personal property must be conveyed at Closing by Seller free and
41 clear of all taxes (except personal property taxes for the year of Closing), liens and encumbrances, except _____.
42 Conveyance of all personal property will be by bill of sale or other applicable legal instrument.

43 **2.5.4. Other Inclusions.** The following items, whether fixtures or personal property, are also included in the
44 Purchase Price: NONE.

45
46 **2.5.5. Parking.** The use or ownership of the following parking facilities (carport):
47 _____ Note to Buyer: If exact rights to the parking and storage facilities is a concern
48 to Buyer, Buyer should investigate.

49
50 **2.6. Exclusions.** The following items are excluded (Exclusions): NONE.

52
53
54
55

2.7. Water Rights/Well Rights.

2.7.1. Deeded Water Rights. The following legally described water rights: NONE.

3. DATES, DEADLINES AND APPLICABILITY.

3.1. Dates and Deadlines.

Item No.	Reference	Event	Date or Deadline
1	§ 30	Nonrefundable Construction Deposit Deadline	MEC + 7 days
		Title	
2	§ 8.1, 8.4	Record Title Deadline	MEC + 21 days
3	§ 8.2, 8.4	Record Title Objection Deadline	MEC + 24 days
4	§ 8.3	Off-Record Title Deadline	MEC + 21 days
5	§ 8.3	Off-Record Title Objection Deadline	MEC + 24 days
6	§ 8.5	Title Resolution Deadline	MEC + 28 days
7	§ 8.6	Right of First Refusal Deadline	N/A
		Owners' Association	
8	§ 7.2	Association Documents Deadline	MEC + 10 days
9	§ 7.4	Association Documents Termination Deadline	MEC + 12 days
		Seller's Disclosures	
10	§ 10.1	Seller's Property Disclosure Deadline	N/A
11	§ 10.10	Lead-Based Paint Disclosure Deadline	N/A
		Loan and Credit	
12	§ 5.1	New Loan Application Deadline	MEC + 7 days
13	§ 5.2	New Loan Termination Deadline	CO + 3 days
14	§ 5.3	Buyer's Credit Information Deadline	N/A
15	§ 5.3	Disapproval of Buyer's Credit Information Deadline	N/A
16	§ 5.4	Existing Loan Deadline	N/A
17	§ 5.4	Existing Loan Termination Deadline	N/A
18	§ 5.4	Loan Transfer Approval Deadline	N/A
19	§ 4.7	Seller or Private Financing Deadline	N/A
		Appraisal	
20	§ 6.2	Appraisal Deadline	CO + 1 days
21	§ 6.2	Appraisal Objection Deadline	CO + 3 days
22	§ 6.2	Appraisal Resolution Deadline	CO + 5 days
		Survey	
23	§ 9.1	New ILC or New Survey Deadline	N/A
24	§ 9.3	New ILC or New Survey Objection Deadline	N/A
25	§ 9.3	New ILC or New Survey Resolution Deadline	N/A
		Inspection and Due Diligence	
26	§ 10.3	Inspection Objection Deadline	CO + 1 days
27	§ 10.3	Inspection Termination Deadline	CO + 3 days
28	§ 10.3	Inspection Resolution Deadline	CO + 4 days
29	§ 10.5	Property Insurance Termination Deadline	CO + 1 days
30	§ 10.6	Due Diligence Documents Delivery Deadline	MEC + 21 days
31	§ 10.6	Due Diligence Documents Objection Deadline	MEC + 24 days
32	§ 10.6	Due Diligence Documents Resolution Deadline	MEC + 28 days
33	§ 10.6	Environmental Inspection Termination Deadline	N/A
34	§ 10.6	ADA Evaluation Termination Deadline	N/A
35	§ 10.7	Conditional Sale Deadline	N/A
36	§ 10.10	Lead-Based Paint Termination Deadline	N/A
37	§ 11.1, 11.2	Estoppel Statements Deadline	N/A
38	§ 11.3	Estoppel Statements Termination Deadline	N/A
		Closing and Possession	
39	§ 12.3	Closing Date	CO + 5 days
40	§ 17	Possession Date	Upon Closing
41	§ 17	Possession Time	Upon Closing
42	§ 28	Acceptance Deadline Date	SN + 10 days

56 **Note:** If **FHA** or **VA** loan boxes are checked in § 4.5.3 (Loan Limitations), the **Appraisal** deadlines **DO NOT** apply to **FHA**
57 insured or **VA** guaranteed loans.

58 **3.2. Applicability of Terms.** Any box checked in this Contract means the corresponding provision applies. If any
59 deadline blank in § 3.1 (Dates and Deadlines) is left blank or completed with the abbreviation “N/A”, or the word “Deleted,” such
60 deadline is not applicable and the corresponding provision containing the deadline is deleted. If no box is checked in a provision
61 that contains a selection of “None”, such provision means that “None” applies.

62 The abbreviation “MEC” (mutual execution of this Contract) means the date upon which both parties have signed this Contract.

63 **4. PURCHASE PRICE AND TERMS.**

64 **4.1. Price and Terms.** The Purchase Price set forth below is payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§ 4.1	Purchase Price	\$ See § 30	
2	§ 30	Nonrefundable Construction Deposit		See § 30
3	§ 4.5	New Loan		\$ See § 30
4	§ 4.6	Assumption Balance		\$ N/A
5	§ 4.7	Private Financing		\$ N/A
6	§ 4.7	Seller Financing		\$ N/A
7				
8				
9	§ 4.4	Cash at Closing		\$ See § 30
10		TOTAL	\$	\$ See § 30

65 **4.2. Seller Concession.** At Closing, Seller will credit to Buyer the amount of all deposits paid to Seller from Buyer under
66 the Heartwood Phase 2 Homebuyers Agreement; and an additional \$5,000, which represents the Early Bird Credit identified in the
67 Heartwood Phase 2 Homebuyers Agreement (Seller Concession). The Seller Concession may be used for any Buyer fee, cost,
68 charge or expenditure to the extent the amount is allowed by the Buyer’s lender and is included in the Closing Statement or
69 Closing Disclosure at Closing. Examples of allowable items to be paid for by the Seller Concession include, but are not limited to:
70 Buyer’s closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, charge, expense or
71 expenditure. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Contract.

72 **4.3. N/A**

73 **4.4. Form of Funds; Time of Payment; Available Funds.**

74 **4.4.1. Good Funds.** All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing
75 and closing costs, must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified
76 check, savings and loan teller’s check and cashier’s check (Good Funds).

77 **4.4.2. Time of Payment; Available Funds.** All funds, including the Purchase Price to be paid by Buyer, must be
78 paid before or at Closing or as otherwise agreed in writing between the parties to allow disbursement by Closing Company at
79 Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT.** Buyer represents that Buyer, as of the date of this
80 Contract, **Does** **Does Not** have funds that are immediately verifiable and available in an amount not less than the amount
81 stated as Cash at Closing in § 4.1.

82 **4.5. New Loan.**

83 **4.5.1. Buyer to Pay Loan Costs.** Buyer, except as otherwise permitted in § 4.2 (Seller Concession), if applicable,
84 must timely pay Buyer’s loan costs, loan discount points, prepaid items and loan origination fees as required by lender.

85 **4.5.2. Buyer May Select Financing.** Buyer may pay in cash or select financing appropriate and acceptable to
86 Buyer, including a different loan than initially sought, except as restricted in § 4.5.3 (Loan Limitations) or § 30 (Additional
87 Provisions).

88 **4.5.3. Loan Limitations.** Buyer may purchase the Property using any of the following types of loans:
89 **Conventional** **FHA** **VA** **Bond** **Other** USDA _____.

90 **4.5.4. Loan Estimate – Monthly Payment and Loan Costs.** Buyer is advised to review the terms, conditions and
91 costs of Buyer’s New Loan carefully. If Buyer is applying for a residential loan, the lender generally must provide Buyer with a
92 Loan Estimate within three days after Buyer completes a loan application. Buyer also should obtain an estimate of the amount of
93 Buyer’s monthly mortgage payment.

95 **5. FINANCING CONDITIONS AND OBLIGATIONS.**

96 **5.1. New Loan Application.** If Buyer is to pay all or part of the Purchase Price by obtaining one or more new loans
 97 (New Loan), or if an existing loan is not to be released at Closing, Buyer, if required by such lender, must make an application
 98 verifiable by such lender, on or before **New Loan Application Deadline** and exercise reasonable efforts to obtain such loan or
 99 approval.

100 **5.2. New Loan Review.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is conditional
 101 upon Buyer determining, in Buyer's sole subjective discretion, whether the New Loan is satisfactory to Buyer, including its
 102 availability, payments, interest rate, terms, conditions and cost. This condition is for the sole benefit of Buyer. Buyer has the Right
 103 to Terminate under § 25.1, on or before **New Loan Termination Deadline**, if the New Loan is not satisfactory to Buyer, in Buyer's
 104 sole subjective discretion. Buyer does not have a Right to Terminate based on the New Loan if the objection is based on the Appraised
 105 Value (defined below) or the Lender Requirements (defined below).

106 **6. APPRAISAL PROVISIONS.**

107 **6.1. Appraisal Definition.** An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged
 108 on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set
 109 forth certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property
 110 to be valued at the Appraised Value.

111 **6.2. Appraisal Condition.** The applicable appraisal provision set forth below applies to the respective loan type set forth
 112 in § 4.5.3, or if a cash transaction (i.e. no financing), § 6.2.1 applies.

113 **6.2.1. Conventional/Other.** Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the
 114 Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal**
 115 **Objection Deadline**:

116 **6.2.1.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 25.1, that this Contract is terminated;
 117 or

118 **6.2.1.2. Appraisal Objection.** Deliver to Seller a written objection accompanied by either a copy of the
 119 Appraisal or written notice from lender that confirms the Appraised Value is less than the Purchase Price (Lender Verification).

120 **6.2.1.3. Appraisal Resolution.** If an Appraisal Objection is received by Seller, on or before **Appraisal**
 121 **Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Appraisal Resolution**
 122 **Deadline**, this Contract will terminate on the **Appraisal Resolution Deadline**, unless Seller receives Buyer's written withdrawal
 123 of the Appraisal Objection before such termination, i.e., on or before expiration of **Appraisal Resolution Deadline**.

124 **6.2.2. FHA.** It is expressly agreed that, notwithstanding any other provisions of this Contract, the purchaser
 125 (Buyer) shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of
 126 Earnest Money deposits or otherwise unless the purchaser (Buyer) has been given, in accordance with HUD/FHA or VA
 127 requirements, a written statement issued by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct
 128 Endorsement lender, setting forth the appraised value of the Property of not less than the amount of the Purchase Price minus the
 129 Nonrefundable Construction Deposit amount. The purchaser (Buyer) shall have the privilege and option of proceeding with the
 130 consummation of this Contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to
 131 determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the
 132 value nor the condition of the Property. The purchaser (Buyer) should satisfy himself/herself that the price and condition of the
 133 Property are acceptable.

134 **6.2.3. VA.** It is expressly agreed that, notwithstanding any other provisions of this Contract, the purchaser (Buyer)
 135 shall not incur any penalty by forfeiture of Earnest Money or otherwise or be obligated to complete the purchase of the Property
 136 described herein, if the Contract Purchase Price minus the Nonrefundable Construction Deposit or cost exceeds the reasonable
 137 value of the Property established by the Department of Veterans Affairs. The purchaser (Buyer) shall, however, have the privilege
 138 and option of proceeding with the consummation of this Contract without regard to the amount of the reasonable value established
 139 by the Department of Veterans Affairs.

140 **6.3. Lender Property Requirements.** If the lender imposes any written requirements, replacements, removals or repairs,
 141 including any specified in the Appraisal (Lender Requirements) to be made to the Property (e.g., roof repair, repainting), beyond
 142 those matters already agreed to by Seller in this Contract, this Contract terminates on the earlier of three days following Seller's
 143 receipt of the Lender Requirements, or Closing, unless prior to termination: (1) the parties enter into a written agreement to satisfy
 144 the Lender Requirements; (2) the Lender Requirements have been completed; or (3) the satisfaction of the Lender Requirements is
 145 waived in writing by Buyer.

146 **6.4. Cost of Appraisal.** Cost of the Appraisal to be obtained after the date of this Contract must be timely paid by
 147 Buyer Seller. The cost of the Appraisal may include any and all fees paid to the appraiser, appraisal management company,
 148 lender's agent or all three.

149 **7. OWNERS' ASSOCIATION.** This Section is applicable if the Property is located within a Common Interest Community
150 and subject to the declaration (Association).

151 **7.1. Common Interest Community Disclosure.** THE PROPERTY IS LOCATED WITHIN A COMMON
152 INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR THE COMMUNITY. THE OWNER OF
153 THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS' ASSOCIATION FOR THE
154 COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE
155 ASSOCIATION. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL
156 OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY
157 ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE
158 ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE
159 DECLARATION, BYLAWS AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE
160 OWNER FROM MAKING CHANGES TO THE PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE
161 ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION.
162 PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE
163 FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY
164 READ THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF
165 THE ASSOCIATION.

166 **7.2. Association Documents to Buyer.** Seller is obligated to provide to Buyer the Association Documents (defined
167 below), at Seller's expense, on or before **Association Documents Deadline**. Seller authorizes the Association to provide the
168 Association Documents to Buyer, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon
169 Buyer's receipt of the Association Documents, regardless of who provides such documents.

170 **7.3. Association Documents.** Association documents (Association Documents) consist of the following:

171 **7.3.1.** All Association declarations, articles of incorporation, bylaws, articles of organization, operating
172 agreements, rules and regulations, party wall agreements and the Association's responsible governance policies adopted under
173 § 38-33.3-209.5, C.R.S.;

174 **7.3.2.** Minutes of: (1) the annual owners' or members' meeting and (2) any executive boards' or managers'
175 meetings; such minutes include those provided under the most current annual disclosure required under § 38-33.3-209.4, C.R.S.
176 (Annual Disclosure) and minutes of meetings, if any, subsequent to the minutes disclosed in the Annual Disclosure. If none of the
177 preceding minutes exist, then the most recent minutes, if any (§§ 7.3.1 and 7.3.2, collectively, Governing Documents); and

178 **7.3.3.** List of all Association insurance policies as provided in the Association's last Annual Disclosure, including,
179 but not limited to, property, general liability, association director and officer professional liability and fidelity policies. The list
180 must include the company names, policy limits, policy deductibles, additional named insureds and expiration dates of the policies
181 listed (Association Insurance Documents);

182 **7.3.4.** A list by unit type of the Association's assessments, including both regular and special assessments as
183 disclosed in the Association's last Annual Disclosure;

184 **7.3.5.** The Association's most recent financial documents which consist of: (1) the Association's operating budget
185 for the current fiscal year, (2) the Association's most recent annual financial statements, including any amounts held in reserve for
186 the fiscal year immediately preceding the Association's last Annual Disclosure, (3) the results of the Association's most recent
187 available financial audit or review, (4) list of the fees and charges (regardless of name of title of such fees or charges) that the
188 Association's community association manager or Association will charge in connection with the Closing including, but not limited
189 to, any fee incident to the issuance of the Association's statement of assessments (Status Letter), any rush or update fee charged for
190 the Status Letter, any record change fee or ownership record transfer fees (Record Change Fee), fees to access documents, (5) list
191 of all assessments required to be paid in advance, reserves or working capital due at Closing and (6) reserve study, if any (§§ 7.3.4
192 and 7.3.5, collectively, Financial Documents);

193 **7.3.6.** Any written notice from the Association to Seller of a "construction defect action" under § 38-33.3-303.5,
194 C.R.S. within the past six months and the result of whether the Association approved or disapproved such action (Construction
195 Defect Documents). Nothing in this Section limits the Seller's obligation to disclose adverse material facts as required under §
196 10.2 (Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition) including any problems or defects in the
197 common elements or limited common elements of the Association property.

198 **7.4. Conditional on Buyer's Review.** Buyer has the right to review the Association Documents. Buyer has the Right to
199 Terminate under § 25.1, on or before **Association Documents Termination Deadline**, based on any unsatisfactory provision in
200 any of the Association Documents, in Buyer's sole subjective discretion. Should Buyer receive the Association Documents after
201 **Association Documents Deadline**, Buyer, at Buyer's option, has the Right to Terminate under § 25.1 by Buyer's Notice to
202 Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive
203 the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing**
204 **Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to
205 Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory and Buyer waives any
206 Right to Terminate under this provision, notwithstanding the provisions of § 8.6 (Right of First Refusal or Contract Approval).

207 **8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.**

208 **8.1. Evidence of Record Title.**

209 **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance
210 company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline**, Seller must furnish
211 to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase
212 Price, or if this box is checked, an **Abstract of Title** certified to a current date. Seller will cause the title insurance policy to be
213 issued and delivered to Buyer as soon as practicable at or after Closing.

214 **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title insurance
215 company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record Title Deadline**, Buyer must furnish to
216 Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price.
217 If neither box in § 8.1.1 or § 8.1.2 is checked, § 8.1.1 applies.

218 **8.1.3. Owner's Extended Coverage (OEC).** The Title Commitment **Will** **Will Not** contain Owner's
219 Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard
220 exceptions which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics'
221 liens, (5) gap period (period between the effective date and time of commitment to the date and time the deed is recorded) and (6)
222 unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC
223 will be paid by **Buyer** **Seller** **One-Half by Buyer and One-Half by Seller** **Other** _____.
224 Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over
225 any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined
226 below, among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to
227 object under § 8.5 (Right to Object to Title, Resolution).

228 **8.1.4. Title Documents.** Title Documents consist of the following: (1) copies of any plats, declarations,
229 covenants, conditions and restrictions burdening the Property and (2) copies of any other documents (or, if illegible, summaries of
230 such documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title
231 Documents).

232 **8.1.5. Copies of Title Documents.** Buyer must receive, on or before **Record Title Deadline**, copies of all Title
233 Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county
234 where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the
235 party or parties obligated to pay for the owner's title insurance policy.

236 **8.1.6. Existing Abstracts of Title.** Seller must deliver to Buyer copies of any abstracts of title covering all or any
237 portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline**.

238 **8.2. Record Title.** Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the
239 Title Documents as set forth in § 8.5 (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline**.
240 Buyer's objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding
241 § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or
242 Title Documents are not received by Buyer on or before the **Record Title Deadline**, or if there is an endorsement to the Title
243 Commitment that adds a new Exception to title, a copy of the new Exception to title and the modified Title Commitment will be
244 delivered to Buyer. Buyer has until the earlier of Closing or ten days after receipt of such documents by Buyer to review and object
245 to: (1) any required Title Document not timely received by Buyer, (2) any change to the Abstract of Title, Title Commitment or
246 Title Documents, or (3) any endorsement to the Title Commitment. If Seller receives Buyer's Notice to Terminate or Notice of
247 Title Objection, pursuant to this § 8.2 (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.5
248 (Right to Object to Title, Resolution). If Seller has fulfilled all Seller's obligations, if any, to deliver to Buyer all documents
249 required by § 8.1 (Evidence of Record Title) and Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection
250 by the applicable deadline specified above, Buyer accepts the condition of title as disclosed by the Abstract of Title, Title
251 Commitment and Title Documents as satisfactory.

252 **8.3. Off-Record Title.** Seller must deliver to Buyer, on or before **Off-Record Title Deadline**, true copies of all existing
253 surveys in Seller's possession pertaining to the Property and must disclose to Buyer all easements, liens (including, without
254 limitation, governmental improvements approved, but not yet installed) or other title matters (including, without limitation, rights
255 of first refusal and options) not shown by public records, of which Seller has actual knowledge (Off-Record Matters). This Section
256 excludes any **New ILC** or **New Survey** governed under § 9 (New ILC, New Survey). Buyer has the right to inspect the Property
257 to investigate if any third party has any right in the Property not shown by public records (e.g., unrecorded easement, boundary
258 line discrepancy or water rights). Buyer's Notice to Terminate or Notice of Title Objection of any unsatisfactory condition
259 (whether disclosed by Seller or revealed by such inspection, notwithstanding § 8.2 (Record Title) and § 13 (Transfer of Title)), in
260 Buyer's sole subjective discretion, must be received by Seller on or before **Off-Record Title Objection Deadline**. If an Off-
261 Record Matter is received by Buyer after the **Off-Record Title Deadline**, Buyer has until the earlier of Closing or ten days after
262 receipt by Buyer to review and object to such Off-Record Matter. If Seller receives Buyer's Notice to Terminate or Notice of Title
263 Objection pursuant to this § 8.3 (Off-Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.5
264 (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the

265 applicable deadline specified above, Buyer accepts title subject to such Off-Record Matters and rights, if any, of third parties not
266 shown by public records of which Buyer has actual knowledge.

267 **8.4. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION**
268 **INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE**
269 **PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK**
270 **FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT WHERE**
271 **CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH**
272 **INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE THE**
273 **SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE COUNTY**
274 **TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY AND BY OBTAINING**
275 **FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND**
276 **RECORDER, OR THE COUNTY ASSESSOR.**

277 A tax certificate from the respective county treasurer listing any special taxing districts that effect the Property (Tax
278 Certificate) must be delivered to Buyer on or before **Record Title Deadline**. If the Property is located within a special taxing
279 district and such inclusion is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may object, on or before **Record**
280 **Title Objection Deadline**. If the Tax Certificate shows that the Property is included in a special taxing district and is received by
281 Buyer after the **Record Title Deadline**, Buyer has until the earlier of Closing or ten days after receipt by Buyer to review and
282 object to the Property's inclusion in a special taxing district as unsatisfactory to Buyer.

283 **8.5. Right to Object to Title, Resolution.** Buyer's right to object, in Buyer's sole subjective discretion, to any title
284 matters includes those matters set forth in § 8.2 (Record Title), § 8.3 (Off-Record Title), § 8.4 (Special Taxing District) and § 13
285 (Transfer of Title). If Buyer objects to any title matter, on or before the applicable deadline, Buyer has the following options:

286 **8.5.1. Title Objection, Resolution.** If Seller receives Buyer's written notice objecting to any title matter (Notice
287 of Title Objection) on or before the applicable deadline and if Buyer and Seller have not agreed to a written settlement thereof on
288 or before **Title Resolution Deadline**, this Contract will terminate on the expiration of **Title Resolution Deadline**, unless Seller
289 receives Buyer's written withdrawal of Buyer's Notice of Title Objection (i.e., Buyer's written notice to waive objection to such
290 items and waives the Right to Terminate for that reason), on or before expiration of **Title Resolution Deadline**. If either the
291 Record Title Deadline or the Off-Record Title Deadline, or both, are extended pursuant to § 8.2 (Record Title), § 8.3 (Off-Record
292 Title) or § 8.4 (Special Taxing Districts), the Title Resolution Deadline also will be automatically extended to the earlier of
293 Closing or fifteen days after Buyer's receipt of the applicable documents; or

294 **8.5.2. Title Objection, Right to Terminate.** Buyer may exercise the Right to Terminate under § 25.1, on or
295 before the applicable deadline, based on any title matter unsatisfactory to Buyer, in Buyer's sole subjective discretion.

296 **8.6. Right of First Refusal or Contract Approval.** N/A

297 **8.7. Title Advisory.** The Title Documents affect the title, ownership and use of the Property and should be reviewed
298 carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property,
299 including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations,
300 unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property and
301 various laws and governmental regulations concerning land use, development and environmental matters.

302 **8.7.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE**
303 **PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE AND TRANSFER**
304 **OF THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR**
305 **WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS,**
306 **GEOHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS**
307 **MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE**
308 **MINERAL ESTATE, OIL, GAS OR WATER.**

309 **8.7.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO**
310 **ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A**
311 **MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND**
312 **RECORDER.**

313 **8.7.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT**
314 **TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION**
315 **OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING**
316 **OF CURRENT WELLS AND GAS GATHERING AND PROCESSING FACILITIES.**

317 **8.7.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL**
318 **INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING**
319 **DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL**
320 **AND GAS CONSERVATION COMMISSION.**

321 **8.7.5. Title Insurance Exclusions.** Matters set forth in this Section and others, may be excepted, excluded from,
322 or not covered by the owner's title insurance policy.

323 **8.8. Consult an Attorney.** Buyer is advised to timely consult legal counsel with respect to all such matters as there are
324 strict time limits provided in this Contract (e.g., **Record Title Objection Deadline** and **Off-Record Title Objection Deadline**).

325 **9. NEW ILC, NEW SURVEY.** Seller shall provide to buyer prior to the due diligence document delivery deadline a copy of
326 all surveys in its possession that include the Property.

327

DISCLOSURE, INSPECTION AND DUE DILIGENCE

328 **10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY, DUE DILIGENCE, AND SOURCE**
329 **OF WATER.**

330 **10.1. Seller's Property Disclosure.** N/A

331 **10.2. Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition.** Seller must disclose to Buyer
332 any adverse material facts actually known by Seller as of the date of this Contract. Seller agrees that disclosure of adverse material
333 facts will be in writing. In the event Seller discovers an adverse material fact after the date of this Contract, Seller must timely
334 disclose such adverse fact to Buyer. Buyer has the Right to Terminate based on the Seller's new disclosure on the earlier of
335 Closing or five days after Buyer's receipt of the new disclosure. Except as otherwise provided in this Contract, Buyer
336 acknowledges that Seller is conveying the Property to Buyer in an "As Is" condition, "Where Is" and "With All Faults."

337 **10.3. Inspection.** Unless otherwise provided in this Contract, Buyer, acting in good faith, has the right to have inspections
338 (by one or more third parties, personally or both) of the Property and Inclusions (Inspection), at Buyer's expense. If (1) the
339 physical condition of the Property, including, but not limited to, the roof, walls, structural integrity of the Property, the electrical,
340 plumbing, HVAC and other mechanical systems of the Property, (2) the physical condition of the Inclusions, (3) service to the
341 Property (including utilities and communication services), systems and components of the Property (e.g., heating and plumbing),
342 (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity, odor or noise (whether on or
343 off the Property) and its effect or expected effect on the Property or its occupants is unsatisfactory, in Buyer's sole subjective
344 discretion, Buyer may:

345 **10.3.1. Inspection Objection.** On or before the **Inspection Objection Deadline**, deliver to Seller a written
346 description of any unsatisfactory condition that Buyer requires Seller to correct; or

347 **10.3.2. Terminate.** On or before the **Inspection Termination Deadline**, notify Seller in writing, pursuant to §
348 25.1, that this Contract is terminated due to any unsatisfactory condition. **Inspection Termination Deadline will be on the**
349 **earlier of Inspection Resolution Deadline or the date specified in § 3.1 for Inspection Termination Deadline.**

350 **10.3.3. Inspection Resolution.** If an Inspection Objection is received by Seller, on or before **Inspection Objection**
351 **Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Inspection Resolution Deadline**,
352 this Contract will terminate on **Inspection Resolution Deadline** unless Seller receives Buyer's written withdrawal of the
353 Inspection Objection before such termination, i.e., on or before expiration of **Inspection Resolution Deadline**.

354 **10.4. Damage, Liens and Indemnity.** Buyer, except as otherwise provided in this Contract or other written agreement
355 between the parties, is responsible for payment for all inspections, tests, surveys, engineering reports, or other reports performed at
356 Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer
357 must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify,
358 protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such
359 Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against
360 any such liability, damage, cost or expense, or to enforce this Section, including Seller's reasonable attorney fees, legal fees and
361 expenses. The provisions of this Section survive the termination of this Contract. This § 10.4 does not apply to items performed
362 pursuant to an Inspection Resolution.

363 **10.5. Insurability.** Buyer has the right to review and object to the availability, terms and conditions of and premium for
364 property insurance (Property Insurance). Buyer has the Right to Terminate under § 25.1, on or before **Property Insurance**
365 **Termination Deadline**, based on any unsatisfactory provision of the Property Insurance, in Buyer's sole subjective discretion.

366 **10.6. Due Diligence.**

367 **10.6.1. Due Diligence Documents.** If the respective box is checked, Seller agrees to deliver copies of the following
368 documents and information pertaining to the Property (Due Diligence Documents) to Buyer on or before **Due Diligence**
369 **Documents Delivery Deadline:**

370 **10.6.1.3.** As-built construction plans to the Property and the tenant improvements, including architectural,
371 electrical, mechanical and structural systems; engineering reports; and permanent Certificates of Occupancy, to the extent now
372 available; and

373 **10.6.1.13.** All permits, licenses and other building or use authorizations issued by any governmental
374 authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use authorizations,
375 if any.

376 **10.6.2. Due Diligence Documents Review and Objection.** Buyer has the right to review and object to Due
377 Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory, in Buyer's sole subjective
378 discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline**:

379 **10.6.2.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 25.1, that this Contract is
380 terminated; or

381 **10.6.2.2. Due Diligence Documents Objection.** Deliver to Seller a written description of any
382 unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

383 **10.6.2.3. Due Diligence Documents Resolution.** If a Due Diligence Documents Objection is received by
384 Seller, on or before **Due Diligence Documents Objection Deadline** and if Buyer and Seller have not agreed in writing to a
385 settlement thereof on or before **Due Diligence Documents Resolution Deadline**, this Contract will terminate on **Due Diligence**
386 **Documents Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Due Diligence Documents Objection
387 before such termination, i.e., on or before expiration of **Due Diligence Documents Resolution Deadline**.

388 **10.6.3. Zoning.** Buyer has the Right to Terminate under § 25.1, on or before **Due Diligence Documents Objection**
389 **Deadline**, based on any unsatisfactory zoning and any use restrictions imposed by any governmental agency with jurisdiction over
390 the Property, in Buyer's sole subjective discretion.

391 **10.6.4. Due Diligence – Environmental, ADA.** N/A

392 **10.7. Conditional Upon Sale of Property.** N/A

393 **10.8. Source of Potable Water (Residential Land and Residential Improvements Only).** Buyer **Does** **Does Not**
394 acknowledge receipt of a copy of Seller's Property Disclosure or Source of Water Addendum disclosing the source of potable water
395 for the Property. There is **No Well**. Buyer **Does** **Does Not** acknowledge receipt of a copy of the current well permit.

396 **Note to Buyer: SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NONRENEWABLE GROUND**
397 **WATER. YOU MAY WISH TO CONTACT YOUR PROVIDER (OR INVESTIGATE THE DESCRIBED SOURCE) TO**
398 **DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.**

399 **10.9. Existing Leases; Modification of Existing Leases; New Leases.** N/A

400 **10.10. Lead-Based Paint.** N/A

401 **10.11. Carbon Monoxide Alarms. Note:** If the improvements on the Property have a fuel-fired heater or appliance, a
402 fireplace, or an attached garage and include one or more rooms lawfully used for sleeping purposes (Bedroom), the parties
403 acknowledge that Colorado law requires that Seller assure the Property has an operational carbon monoxide alarm installed within
404 fifteen feet of the entrance to each Bedroom or in a location as required by the applicable building code.

405 **10.12. Methamphetamine Disclosure.** If Seller knows that methamphetamine was ever manufactured, processed, cooked,
406 disposed of, used or stored at the Property, Seller is required to disclose such fact. No disclosure is required if the Property was
407 remediated in accordance with state standards and other requirements are fulfilled pursuant to § 25-18.5-102, C.R.S. Buyer further
408 acknowledges that Buyer has the right to engage a certified hygienist or industrial hygienist to test whether the Property has ever
409 been used as a methamphetamine laboratory. Buyer has the Right to Terminate under § 25.1, upon Seller's receipt of Buyer's
410 written Notice to Terminate, notwithstanding any other provision of this Contract, based on Buyer's test results that indicate the
411 Property has been contaminated with methamphetamine, but has not been remediated to meet the standards established by rules of
412 the State Board of Health promulgated pursuant to § 25-18.5-102, C.R.S. Buyer must promptly give written notice to Seller of the
413 results of the test.

414 **11. ESTOPPEL STATEMENTS.** N/A

415

CLOSING PROVISIONS

416 **12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.**

417 **12.1. Closing Documents and Closing Information.** Seller and Buyer will cooperate with the Closing Company to
418 enable the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If
419 Buyer is obtaining a loan to purchase the Property, Buyer acknowledges Buyer's lender is required to provide the Closing
420 Company, in a timely manner, all required loan documents and financial information concerning Buyer's loan. Buyer and Seller
421 will furnish any additional information and documents required by Closing Company that will be necessary to complete this
422 transaction. Buyer and Seller will sign and complete all customary or reasonably-required documents at or before Closing.

423 **12.2. Closing Instructions.** Colorado Real Estate Commission's Closing Instructions **Are** **Are Not** executed with
424 this Contract.

425 **12.3. Closing.** Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as
426 the **Closing Date** or by mutual agreement at an earlier date. The hour and place of Closing will be as designated by mutual
427 agreement by Buyer and Seller.

428 **12.4. Disclosure of Settlement Costs.** Buyer and Seller acknowledge that costs, quality and extent of service vary
429 between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

430 **13. TRANSFER OF TITLE.** Subject to Buyer's compliance with the terms and provisions of this Contract, including the
431 tender of any payment due at Closing, Seller must execute and deliver the following good and sufficient deed to Buyer, at Closing:

432 special warranty deed general warranty deed bargain and sale deed quit claim deed personal representative's
433 deed _____ deed. Seller, provided another deed is not selected, must execute and deliver a good
434 and sufficient special warranty deed to Buyer, at Closing.

435 Unless otherwise specified in §30 (Additional Provisions), if title will be conveyed using a special warranty deed or a general
436 warranty deed, title will be conveyed "subject to statutory exceptions" as defined in §38-30-113(5)(a), C.R.S.

437 **14. PAYMENT OF LIENS AND ENCUMBRANCES.** Unless agreed to by Buyer in writing, any amounts owed on any liens
438 or encumbrances securing a monetary sum, including, but not limited to, any governmental liens for special improvements
439 installed as of the date of Buyer's signature hereon, whether assessed or not and previous years' taxes, will be paid at or before
440 Closing by Seller from the proceeds of this transaction or from any other source.

441 **15. CLOSING COSTS, CLOSING FEE, ASSOCIATION FEES AND TAXES.**

442 **15.1. Closing Costs.** Buyer and Seller must pay, in Good Funds, their respective closing costs and all other items required
443 to be paid at Closing, except as otherwise provided herein.

444 **15.2. Closing Services Fee.** The fee for real estate closing services must be paid at Closing by Buyer Seller
445 One-Half by Buyer and One-Half by Seller Other _____.

446 **15.3. Status Letter and Record Change Fees.** At least fourteen days prior to **Closing Date**, Seller agrees to promptly
447 request the Association to deliver to Buyer a current Status Letter. Any fees incident to the issuance of Association's Status Letter
448 must be paid by None Buyer Seller One-Half by Buyer and One-Half by Seller. Any Record Change Fee must
449 be paid by None Buyer Seller One-Half by Buyer and One-Half by Seller.

450 **15.4. Local Transfer Tax.** The Local Transfer Tax of _____% of the Purchase Price must be paid at Closing by
451 None Buyer Seller One-Half by Buyer and One-Half by Seller.

452 **15.5. Private Transfer Fee.** Private transfer fees and other fees due to a transfer of the Property, payable at Closing, such
453 as community association fees, developer fees and foundation fees, must be paid at Closing by None Buyer Seller
454 One-Half by Buyer and One-Half by Seller. The Private Transfer fee, whether one or more, is for the following
455 association(s): Heartwood Homeowners Association in the total amount of \$100.00.

456 **15.6. Water Transfer Fees.** The Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed
457 \$ _____ for:

458 Water Stock/Certificates Water District
459 Augmentation Membership Small Domestic Water Company _____

460 and must be paid at Closing by None Buyer Seller One-Half by Buyer and One-Half by Seller.

461 **15.7. Sales and Use Tax.** Any sales and use tax that may accrue because of this transaction must be paid when due by
462 None Buyer Seller One-Half by Buyer and One-Half by Seller.

463 **15.8. FIRPTA and Colorado Withholding.**

464 **15.8.1. FIRPTA.** The Internal Revenue Service (IRS) may require a substantial portion of the Seller's proceeds be
465 withheld after Closing when Seller is a foreign person. If required withholding does not occur, the Buyer could be held liable for
466 the amount of the Seller's tax, interest and penalties. If the box in this Section is checked, Seller represents that Seller IS a
467 foreign person for purposes of U.S. income taxation. If the box in this Section is not checked, Seller represents that Seller is not a
468 foreign person for purposes of U.S. income taxation. Seller agrees to cooperate with Buyer and Closing Company to provide any
469 reasonably requested documents to verify Seller's foreign person status. If withholding is required, Seller authorizes Closing
470 Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if
471 withholding applies or if an exemption exists.

472 **15.8.2. Colorado Withholding.** The Colorado Department of Revenue may require a portion of the Seller's
473 proceeds be withheld after Closing when Seller will not be a Colorado resident after Closing, if not otherwise exempt. Seller
474 agrees to cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's status. If
475 withholding is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should inquire
476 with Seller's tax advisor to determine if withholding applies or if an exemption exists.

477 **16. PRORATIONS AND ASSOCIATION ASSESSMENTS.** The following will be prorated to the **Closing Date**, except as
478 otherwise provided:

479 **16.1. Taxes.** Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the
480 year of Closing, based on Taxes for the Calendar Year Immediately Preceding Closing Most Recent Mill Levy and
481 Most Recent Assessed Valuation, adjusted by any applicable qualifying seniors property tax exemption, qualifying disabled
482 veteran exemption or Other _____.

483 **16.2. Rents.** N/A

484 **16.3. Association Assessments.** Current regular Association assessments and dues (Association Assessments) paid in
485 advance will be credited to Seller at Closing. Cash reserves held out of the regular Association Assessments for deferred
486 maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents.
487 Buyer acknowledges that Buyer may be obligated to pay the Association, at Closing, an amount for reserves or working capital.
488 Any special assessment assessed prior to **Closing Date** by the Association will be the obligation of Buyer Seller. Except
489 however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature
490 hereon, whether assessed prior to or after Closing, will be the obligation of Seller. Seller represents there are no unpaid regular or
491 special assessments against the Property except the current regular assessments and _____.
492 Association Assessments are subject to change as provided in the Governing Documents.

493 **16.4. Other Prorations.** Water and sewer charges, propane, interest on continuing loan and None.

494 **16.5. Final Settlement.** Unless otherwise agreed in writing, these prorations are final.

495 **17. POSSESSION.** Possession of the Property will be delivered to Buyer on **Possession Date** at **Possession Time**, subject to
496 the Leases as set forth in § 10.6.1.7.

497 If Seller, after Closing, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable
498 to Buyer for payment of \$100 per day (or any part of a day notwithstanding § 18.1) from **Possession Date** and **Possession Time**
499 until possession is delivered.

500

GENERAL PROVISIONS

501 **18. DAY; COMPUTATION OF PERIOD OF DAYS, DEADLINE.**

502 **18.1. Day.** As used in this Contract, the term "day" means the entire day ending at 11:59 p.m., United States Mountain
503 Time (Standard or Daylight Savings, as applicable).

504 **18.2. Computation of Period of Days, Deadline.** In computing a period of days (e.g., three days after MEC), when the
505 ending date is not specified, the first day is excluded and the last day is included. If any deadline falls on a Saturday, Sunday or
506 federal or Colorado state holiday (Holiday), such deadline Will Will Not be extended to the next day that is not a
507 Saturday, Sunday or Holiday. Should neither box be checked, the deadline will not be extended.

508 **19. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND**
509 **WALK-THROUGH.** Except as otherwise provided in this Contract, the Property, Inclusions or both will be delivered in the
510 condition existing as of the date of this Contract, ordinary wear and tear excepted.

511 **19.1. Causes of Loss, Insurance.** In the event the Property or Inclusions are damaged by fire, other perils or causes of
512 loss prior to Closing (Property Damage) in an amount of not more than ten percent of the total Purchase Price and if the repair of
513 the damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance
514 proceeds, will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under
515 § 25.1, on or before **Closing Date**, if the Property is not repaired before **Closing Date**, or if the damage exceeds such sum. Should
516 Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance
517 proceeds that were received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus
518 the amount of any deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event
519 Seller has not received the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the
520 Property repaired prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if
521 acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the
522 parties or their attorney requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and
523 will receive due to such damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the
524 insurance claim.

525 **19.2. Damage, Inclusions and Services.** Should any Inclusion or service (including utilities and communication
526 services), system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged
527 between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement
528 of such Inclusion or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the
529 maintenance or replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any insurance
530 proceeds received by Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or
531 replaced on or before Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 25.1, on or before
532 **Closing Date**, or, at the option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such Inclusion or
533 Service. Such credit must not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the
534 Association, if any, will survive Closing.

535 **19.3. Condemnation.** In the event Seller receives actual notice prior to Closing that a pending condemnation action may
536 result in a taking of all or part of the Property or Inclusions, Seller must promptly notify Buyer, in writing, of such condemnation
537 action. Buyer has the Right to Terminate under § 25.1, on or before **Closing Date**, based on such condemnation action, in Buyer's

538 sole subjective discretion. Should Buyer elect to consummate this Contract despite such diminution of value to the Property and
539 Inclusions, Buyer is entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value
540 of the Property or Inclusions but such credit will not include relocation benefits or expenses, or exceed the Purchase Price.

541 **19.4. Walk-Through and Verification of Condition.** Buyer, upon reasonable notice, has the right to walk through the
542 Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this Contract.

543 **19.5. Home Warranty.** Seller and Buyer are aware of the existence of pre-owned home warranty programs that may be
544 purchased and may cover the repair or replacement of such Inclusions.

545 **20. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this Contract, Buyer and Seller acknowledge
546 that the respective broker has advised that this Contract has important legal consequences and has recommended the examination
547 of title and consultation with legal and tax or other counsel before signing this Contract.

548 **21. TIME OF ESSENCE, DEFAULT AND REMEDIES.** Time is of the essence for all dates and deadlines in this
549 Contract. This means that all dates and deadlines are strict and absolute. If any payment due, including the Nonrefundable
550 Construction Deposit, is not paid, honored or tendered when due, or if any obligation is not performed timely as provided in this
551 Contract or waived, the non-defaulting party has the following remedies:

552 **21.1. If Buyer is in Default:**

553 **21.1.1. N/A**

554 **21.1.2. Liquidated Damages, Applicable.** Seller may cancel this Contract. All of the Nonrefundable Construction
555 Deposit (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Nonrefundable
556 Construction Deposit specified in § 30 is LIQUIDATED DAMAGES and not a penalty, which amount the parties agree is fair and
557 reasonable and (except as provided in §§ 10.4, 22, 23 and 24), said payment of the Nonrefundable Construction Deposit is
558 SELLER'S ONLY REMEDY for Buyer's failure to perform the obligations of this Contract. Seller expressly waives the remedies
559 of specific performance and additional damages.

560 **21.2. If Seller is in Default:** Buyer may elect to treat this Contract as canceled, in which case all of the Nonrefundable
561 Construction Deposit received hereunder will be returned to Buyer..

562 **22. LEGAL FEES, COST AND EXPENSES.** Anything to the contrary herein notwithstanding, in the event of any arbitration
563 or litigation relating to this Contract, prior to or after **Closing Date**, the arbitrator or court must award to the prevailing party all
564 reasonable costs and expenses, including attorney fees, legal fees and expenses.

565 **23. MEDIATION.** If a dispute arises relating to this Contract (whether prior to or after Closing) and is not resolved, the parties
566 must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps
567 to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is
568 binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator
569 and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire
570 dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at
571 that party's last known address (physical or electronic as provided in § 27). Nothing in this Section prohibits either party from
572 filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation.
573 This Section will not alter any date in this Contract, unless otherwise agreed.

574 **24. N/A.**

575 **25. TERMINATION.**

576 **25.1. Right to Terminate.** If a party has a right to terminate, as provided in this Contract (Right to Terminate), the
577 termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written
578 notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or
579 before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as
580 satisfactory and waives the Right to Terminate under such provision.

581 **25.2. Effect of Termination.** In the event this Contract is terminated, the parties are relieved of all obligations hereunder,
582 subject to §§ 10.4, 22, 23 and 24. BUYER UNDERSTANDS AND AGREES THAT SELLER IS CONSTRUCTING A
583 CUSTOMIZED HOME FOR BUYER PURSUANT TO THE TERMS OF THIS CONTRACT AND IN THE EVENT OF
584 TERMINATION BY THE BUYER OR IF THE CONTRACT AUTOMATICALLY TERMINATES DUE TO THE FAILURE
585 OF THE PARTIES TO RESOLVE ANY OBJECTION, SELLER SHALL RETAIN THE NONREFUNDABLE
586 CONSTRUCTION DEPOSIT. THE ONLY CIRCUMSTANCE WHEREIN THE NONREFUNDABLE CONSTRUCTION
587 DEPOSIT SHALL BE RETURNED TO BUYER IS IF SELLER TERMINATES OR DEFAULTS UNDER THIS CONTRACT.

588 **26. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS.** This Contract, its exhibits and specified
589 addenda, constitute the entire agreement between the parties relating to the subject hereof and any prior agreements pertaining

590 thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the
591 terms of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right
592 or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the
593 same. Any successor to a party receives the predecessor's benefits and obligations of this Contract.

594 **27. NOTICE, DELIVERY AND CHOICE OF LAW.**

595 **27.1. Physical Delivery and Notice.** Any document, or notice to Buyer or Seller must be in writing, except as provided in
596 § 27.2 and is effective when physically received by such party, or any individual named in this Contract to receive documents or
597 notices for such party.

598 **27.2. Electronic Notice.** As an alternative to physical delivery, any notice, may be delivered in electronic form to Buyer
599 or Seller, or any individual named in this Contract to receive documents or notices for such party, at the electronic address of the
600 recipient by email.

601 **27.3. Electronic Delivery.** Electronic Delivery of documents and notice may be delivered by: (1) email at the email
602 address of the recipient, or (2) a link or access to a website or server provided the recipient receives the information necessary to
603 access the documents.

604 **27.4. Choice of Law.** This Contract and all disputes arising hereunder are governed by and construed in accordance with
605 the laws of the State of Colorado that would be applicable to Colorado residents who sign a contract in Colorado for real property
606 located in Colorado.

607 **28. NOTICE OF ACCEPTANCE, COUNTERPARTS.** This proposal will expire unless accepted in writing, by Buyer and
608 Seller, as evidenced by their signatures below and the offering party receives notice of such acceptance pursuant to § 27 on or
609 before **Acceptance Deadline Date**. If accepted, this document will become a contract between Seller and Buyer. A copy of this
610 Contract may be executed by each party, separately and when each party has executed a copy thereof, such copies taken together
611 are deemed to be a full and complete contract between the parties.

612 **29. GOOD FAITH.** Buyer and Seller acknowledge that each party has an obligation to act in good faith including, but not
613 limited to, exercising the rights and obligations set forth in the provisions of **Financing Conditions and Obligations; Title**
614 **Insurance, Record Title and Off-Record Title; New ILC, New Survey; and Property Disclosure, Inspection, Indemnity,**
615 **Insurability, Due Diligence, and Source of Water.**

616

ADDITIONAL PROVISIONS AND ATTACHMENTS
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617 **30. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the Colorado Real Estate
618 Commission.)

619 **30.1 CO and SN.**

620 (a) As used herein, the abbreviation "CO" (certificate of occupancy) means the date upon which Seller has obtained a
621 certificate of occupancy from La Plata County for the residence to be built on the Property. The CO shall be no later than twenty-
622 four (24) months from the date of this Contract. If Seller has not obtained a certificate of occupancy within twenty-four (24)
623 months from the date of this Contract, Buyer may, but is not obligated to, provide Seller with written notice terminating this
624 Agreement. In such case, Seller shall return the Nonrefundable Construction Deposit.
625
626
627

628 (b) As used herein, the abbreviation "SN" (Seller notice) means the date upon which Seller provides notice to Buyer of the
629 right to enter into this Contract under the terms of the Phase 2 Homebuyers Agreement.
630

631 **30.2 Nonrefundable Construction Deposit.** Buyer shall submit to Seller the Nonrefundable Construction Deposit within seven
632 (7) days of MEC in the amount equal to 10% of the Purchase Price minus any and all previous deposit payments made by Buyer
633 to Seller under the Heartwood Phase 2 Homebuyers Agreement. The Nonrefundable Construction Deposit shall be submitted
634 directly to Seller in the form of a personal check or direct deposit into Seller's bank account. Buyer understands and agrees that
635 the Nonrefundable Construction Deposit will be returned to Buyer *only if* Seller terminates this Contract or defaults on the terms
636 hereunder. Buyer agrees that the Nonrefundable Construction Deposit is necessary for Seller to construct a home on the Property
637 to Buyer's specifications and Seller's retention of the Nonrefundable Construction Deposit is not a penalty. At Closing, the
638 Nonrefundable Construction Deposit will be credited toward the Purchase Price as identified in Section 4.1 herein.
639

640 **30.3. Home Construction.** Seller shall be responsible for constructing a home on the Property (the "Home"). Buyer selected the
641 home design with the specifications identified on Addendum 1 attached hereto for the Home (the "Home Design and
642 Specifications"). Seller shall construct the Home according to the Home Design and Specifications. Seller agrees to obtain a

643 certificate of occupancy within twenty-four (24) months from the date of this Contract. Seller and Buyer may agree to a punch list
644 that identifies work to be completed on the House after Closing and the timeframe for completing such work. Seller represents and
645 warrants that the Home will be constructed in a workmanlike manner and shall free from material defects in workmanship and
646 materials for a period of one (1) year after Closing. Notwithstanding the foregoing, Seller does not warrant appliances and other
647 components conveyed as part of the Home, which are subject to separate manufacturer's warranties relating to such appliances and
648 other components.

649
650 **30.4. Purchase Price.**

651 (a) The Purchase Price shall be the cost of the land, as identified on Addendum 2 attached hereto and incorporated
652 herein, plus the cost of the House and carport(s), if any, as identified on Home Cost Worksheet, attached hereto as Addendum 3.
653 Seller and Buyer may adjust the Purchase Price through written change orders that are signed by both Seller and Buyer. In the
654 event of such a change order, no further amendment to this Contract needs to occur in order to identify the new Purchase Price.
655

656 (b) Buyer shall designate in writing to Seller and Title Company the New Loan Amount and the Cash at Closing
657

658
659 **30.5. Association Documents.** All Association Documents are located at <https://www.heartwoodcohousing.com>. Buyer agrees
660 that Seller has satisfied its obligation of delivering Association Documents according to Section 7 herein.
661

662 **30.6 No Third-Party.** Buyer and Seller represent and warrant that no real estate agent is involved in this transaction and no third
663 party may claim commission as a result of the closing on the Property. Buyer may choose to retain a third-party to assist with any
664 aspect of the transaction contemplated herein; however, Buyer shall indemnify and hold harmless Seller from any claims by said
665 third-party.
666

667 **30.7 Force Majeure.** Whenever a party is required to perform an obligation under this Contract by a certain time, said time shall
668 be deemed extended so as to take into account events of "Force Majeure", but only to the extent to which the failure to perform
669 was occasioned by any such event. "Force Majeure" means any of the following events that prevents or materially delays, retards
670 or hinders a party's performance of its duties hereunder: act of God; fire; earthquake; flood; explosion; war; invasion; insurrection;
671 riot; mob violence; sabotage; vandalism; inability to procure or a general shortage of labor, equipment, facilities, materials or
672 supplies in the open market; failure of transportation; strikes; lockouts; condemnation; requisition; plague, epidemic, pandemic,
673 outbreaks of infectious disease or any other public health crisis, including quarantine or other employee restrictions; acts of
674 governmental, civil, military or naval authorities; or any other cause, whether similar or dissimilar to the foregoing, beyond such
675 party's reasonable control. A party claiming the benefit of this Section shall, as soon as reasonably practicable after the occurrence
676 of any such event of Force Majeure, (a) provide written notice to the other party of the nature and extent of any such Force
677 Majeure condition; and (b) use commercially reasonable efforts to remove or avoid any such causes and resume and diligently
678 pursue performance as soon as reasonably practicable

679 **31. OTHER DOCUMENTS.**

680 **31.1.** The following documents are a part of this Contract:
681 Addendum 1, Home Design and Specification
682 Addendum 2, Land Cost
683 Addendum 3, Home Cost Worksheet
684

685 **31.2.** The following documents have been provided but are not a part of this Contract:
686
687 Phase 2 Homebuyers Agreement

688

SIGNATURES

689 Buyer's Name: _____ Buyer's Name: _____

Buyer's Signature Date Buyer's Signature Date

Address: _____ Address: _____

