

LOT SALES AGREEMENT

Dated: _____ at the Town of Crested Butte, Gunnison County, Colorado as follows:

1. **SELLER:** The Seller is:

Whetstone Vista, LLC, a Colorado limited liability company, hereafter termed "Seller".

2. **PURCHASER:** The Purchaser is:

() in joint tenancy, () as tenants in common, hereafter termed "Purchaser".

3. **LOT TO BE PURCHASED.** Seller agrees to sell and Purchaser agrees to purchase, under the terms and conditions hereafter set forth, the following described property:

Lot ____, according to the plat of Final Plat of Whetstone Vista filed _____, 2000, and bearing Reception No. _____ of the records of Gunnison County, Colorado, County of Gunnison, State of Colorado ("Lot").

4. **PURCHASE PRICE.** The purchase price of the Lot is:

\$ _____
(United States Dollars)

5. **METHOD OF PAYMENT.** The purchase price of the Lot shall be paid by Purchaser to Seller in the following manner:

5.1 A \$10,000.00 deposit toward the purchase price has already been deposited with the Title Company of Crested Butte to be held in its escrow account.

5.2 \$ _____, in good funds, shall be paid by Purchaser on the date of closing, as adjusted by any prorations to be made at closing in accordance with this Agreement.

6. **DATE OF CLOSING AND DATE OF POSSESSION.**

6.1 The date of closing shall not be less than 14 nor more than 60 days following notice of Plat Recording on a date selected by Seller.

Seller and/or the Listing Broker reserve the right to extend the date of closing for not to exceed fourteen (14) days if required due to processing or mail delays.

6.2 The date of closing shall be the date of possession.

6.3 The place of closing shall be as designated by the Listing Broker and if not otherwise designated, shall be at the offices of the Title Company of Crested Butte.

7. **GENERAL WARRANTY DEED.** On the date of closing, Seller shall execute and deliver to the Purchaser a General Warranty Deed conveying marketable title to the Lot free and clear of all liens and encumbrances except only:

7.1 Proposed Declaration of Protective Covenants and Design Guidelines for Whetstone Vista;

7.2 Easement and Right of Way recorded in Book 610 at Page 591;

7.3 Final Plat of Whetstone Vista;

7.4 Proposed Development Improvements Agreement between Seller and Gunnison County, Colorado;

7.5 Cooperative Development Agreement recorded as Reception No. 479882;

7.6 Releases of Sewer Line Easement recorded as Reception No. 499774 and Reception No. 499775;

7.7 Grant of Easement recorded as Reception No. 499776;

7.8 Board of County Commissioners of Gunnison County Resolution No. 42 Series 2000.

7.9 Taxes and assessments for the year of closing and subsequent years; and

7.10 The reservations and exceptions contained in the patents from the United States of America.

Immediately following the closing, the General Warranty Deed shall be delivered to the office of the Clerk and Recorder of Gunnison County for recording, together with the Declaration Pursuant to Section 39-14-102, C.R.S., executed by the Purchaser and the required recording fee and documentary fee.

8. TITLE INSURANCE POLICY. Not later than 7 days before closing, Seller shall deliver to the Purchaser a Commitment for Title Insurance issued by Stewart Title Insurance Company, which Commitment for Title Insurance shall agree to insure the marketability of title of the Lot for the amount of the purchase price according to the conditions and requirements set forth therein. Such Commitment for Title Insurance shall show title to be marketable in the Seller, free and clear of any liens and encumbrances, except only the following:

8.1 The items set forth in paragraphs 7.1 through 7.10 of this Agreement.

8.2 The standard printed exceptions as contained in an ALTA Owner's Policy of Title Insurance issued in the State of Colorado which are:

8.2.1 Rights or claims of parties in possession not shown by the public records.

8.2.2 Easements, or claims of easements, not shown by the public records.

8.2.3 Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any fact which a correct survey and inspection of the premises would disclose and which are not shown by the public records.

8.2.4 Any lien, or right to a lien, for services, labor, or material heretofore or hereafter, furnished, imposed by law and not shown by the public records.

8.2.5 Taxes and assessments which are a lien or are now due and payable; any tax, special assessment, charge or lien imposed for or by any special taxing district or for water and sewer service; any unredeemed tax sales.

Such exception is subject to the following:

8.2.5.1 At or prior to closing this exception shall be modified by endorsement to read: "Taxes for the year of closing, a lien, but not yet due and payable."

8.2.5.2 The obligation for the payment of taxes and assessments is set forth in paragraph 9 of this Agreement.

The Seller shall, at closing, sign a Final Affidavit in a form acceptable to the title insurance company to delete exception 8.2.4 above from the Owner's Policy of Title Insurance.

Within 45 business days after the date of closing, Seller shall deliver to Purchaser the Owner's Policy of Title Insurance, in accordance with the Commitment for Title Insurance, insuring the Purchaser's title to the Lot in the amount of the purchase price.

9. **PRORATIONS.** The Seller shall, on or before the date of closing, provide to the Purchaser a current certificate of taxes due issued by the Gunnison County Treasurer. Seller shall pay the real estate taxes and assessments and all property owners association assessments levied against the Lot for all years prior to the date of closing. Real estate taxes and assessments and property owners association assessments due and payable for the year in which the sale is closed shall be prorated as of the date of closing and for the purpose of such proration the prior year's real estate taxes and assessments shall be utilized as a final settlement. Purchaser assumes and agrees to pay all subsequent real estate taxes and assessments and the real estate taxes and assessments for the year of closing and property owners association assessments, subject to the proration being made as above provided. Assessments imposed by Whetstone Vista Association, Inc. shall be prorated to the date of closing. Purchaser shall pay at closing a reserve deposit equal to one-fourth of the regular annual assessments imposed by Whetstone Vista Association, Inc.

10. **WARRANTIES AND REPRESENTATIONS.** Seller and Purchaser agree that the following warranties and representations apply to this Agreement:

10.1 The Purchaser, or his or her representative, has inspected the Lot to the extent that the Purchaser deems necessary and relies upon Purchaser's own judgment and inspection of the Lot to enter into this Agreement and to purchase the Lot.

10.2 The Seller, the Listing Broker and their agents and representatives, make no warranty or representation as to the status or condition of the Lot except only for the warranties and representations of the Seller explicitly as set forth in this Agreement.

10.3 The Seller, the Listing Broker, their agents and representatives, have made no representation as to the investment potential of the Lot.

10.4 On or before December 31, 2001, electrical service, telephone lines, cable television lines, natural gas lines, water lines, sewer lines and roads shall be installed at Seller's expense and in place adjacent to the Lot. The installation and obtaining of all utility service from such location shall be at Purchaser's expense. Provided, however, the obligation of the Seller under this paragraph shall be suspended to the extent and for the period that performance is prevented by any cause beyond its reasonable control, including, without limitation, labor

disputes, acts of god, laws, regulations, or orders of any governmental entity, orders of court, inability to obtain any required authorization, acts of war or conditions arising out of or attributable to war, riot, civil strike, insurrection or rebellion, fire, explosion, earthquake, storm, flood or other adverse weather conditions, delay or failure by suppliers or materialmen, contractors or subcontractors, shortage of, or inability to obtain, labor, supplies or materials.

10.5 The lot will be served by the following utilities and streets, which utilities shall be installed adjacent to the Lot by Seller on or before December 31, 2001:

10.5.1 Central water service will be provided by the Whetstone Vista Association, Inc., subject to the obligation of Purchaser to pay a tap fee, presently \$8,000.00.

10.5.2 Central sewer service will be provided by the East River Regional Sanitation District, subject to Purchaser's obligation to pay a tap fee, presently \$8,000.00..

10.5.3 Electrical service will be provided by Gunnison County Electric Association.

10.5.4 Telephone service will be provided by US West Communications and/or its successor.

10.5.5 Natural gas service will be provided by Greeley Gas Company.

10.5.6 Streets will be plowed and maintained by the Whetstone Vista Association, Inc.

10.5.7 The completion and installation of the infrastructure, including the utilities and streets, is secured by the Development Improvements Agreement between Seller and Gunnison County, Colorado.

10.6 Seller shall have the right to store and stockpile material on the Lot during the construction of roads and utilities; provided, however, that if Purchaser is building a house at the time of the construction of the road or utilities, the storing and stockpiling will not be done in a manner which would interfere with the house construction. This right to store and stockpile material on the Lot shall survive the closing, and shall be a burden which runs with the land until December 31, 2001 at which time such right shall expire.

10.7 Purchaser is aware of the fact that the Lot is within and subject to assessment by the East River Regional Sanitation District, which imposes property taxes, special assessments, availability of service fees, tap fees and monthly service charges, and subject to Whetstone Vista Association, Inc., which impose regular and special property owners association assessments. The Lot is also within the Crested Butte Fire Protection District which imposes property taxes.

SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND EXCESSIVE TAX BURDENS TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. PURCHASER SHOULD INVESTIGATE THE DEBT FINANCING REQUIREMENT OF THE AUTHORIZED GENERAL OBLIGATION INDEBTEDNESS OF SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICTS SERVICING SUCH INDEBTEDNESS, AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES.

10.8 Purchaser shall be responsible for paying all sewer tap fees, special assessments and/or availability of service fees charged by the East River Regional Sanitation District, which will provide central sewer service to Whetstone Vista.

11. FEES AND EXPENSES.

11.1 The Seller shall pay all fees and expenses for (1) the premium for the Commitment for Title Insurance and the Owner's Policy of Title Insurance; (2) any real estate commissions incurred by Seller as a result of this sale; (3) all attorneys' fees, costs and expenses incurred by Seller to close this transaction, including the preparation of all legal documents; (4) one-half of the fees charged by the Title Company of Crested Butte as the Escrow Agent to close this transaction.

11.2 Purchaser shall pay all fees and expenses for (1) one-half of the fees charged by the Title Company of Crested Butte as the Escrow Agent to close this transaction; (2) the premium for any Loan Policy of Title Insurance. To the extent that Purchaser incurs any real estate commissions, attorneys' fees, professional fees, express shipping charges or other costs, fees and expenses pertaining to this transaction, other than as set forth in paragraph 11.1 above, the Purchaser shall be responsible for and shall pay the same.

12. **DEFAULT.** Seller and Purchaser hereby covenant and agree as follows:

12.1 If Purchaser shall fail, neglect or refuse to make any payments required to be made under this Agreement on the date that the same are due and payable or otherwise fail to comply with the terms and conditions of this Agreement, Seller shall have the following rights:

12.1.1 It is admitted Seller shall have suffered damages by reason of such default, and the parties desire and intend to liquidate such damages and it is difficult to ascertain at the time of entering into this Agreement the actual damages occurring from a breach of this Agreement and therefore Seller shall be entitled to retain as its actual damages all amounts paid by Purchaser under this Agreement through the date of default together with earned interest thereon.

12.1.2 The payment of such damages shall constitute a full and complete settlement between Seller and Purchaser and upon such payment this Agreement shall be terminated in its entirety and no further rights shall accrue hereunder.

12.2 If Seller shall fail, neglect or refuse to comply with the terms of this Agreement on or before the date of closing, the Purchaser shall have the right to have returned to him/her any amounts paid under this Agreement together with earned interest (if such amounts have been placed in an interest bearing account) as a full and complete settlement between the parties. The payment of such amount shall constitute a full and complete settlement between Seller and Purchaser and upon such payment this Agreement shall be terminated in its entirety and no further rights shall accrue hereunder. In the alternative, Purchaser shall have the right to specifically enforce this Agreement.

13. **RECEIPT OF DOCUMENTS.** Purchaser hereby acknowledges that prior to the execution of this Agreement Purchaser has received copies of the documents referred to in paragraph 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8 and 7.10, above and the Articles of Incorporation and Bylaws of Whetstone Vista Association, Inc.

14. **NOTICES.** All notices and other communications required or permitted under this Agreement shall be in writing and shall be, as determined by the person giving such notice, either hand delivered, mailed by registered or certified mail, return receipt requested or by telecopier or telegraphic communication to the required party at the following addresses:

SELLER: Ron L. Young, Managing Member
Whetstone Vista, LLC
P.O. Box 639
Pierre, SD 57501-0639
Telephone: (605) 224-1900
Telecopier: (605) 224-1800

PURCHASER: as set forth following the Purchaser's signature

Notice shall be deemed delivered at the time of personal delivery, telecopier or telegraphic communication or when mailed to the required party. Any party may change its address by giving written notice of a change of address to the other party in the manner above provided.

15. **ENTIRE AGREEMENT.** This Agreement constitutes the entire and only agreement between the parties regarding the subject matter hereof. All prior negotiations, agreements, representations and understandings, whether written or oral, are merged into and superseded by this Agreement and shall be of no further force and effect.

16. **APPLICABLE LAW.** This Agreement is executed in Gunnison County, Colorado, and shall be interpreted, construed and governed by the laws of the State of Colorado.

17. **JURISDICTION AND VENUE.** Exclusive jurisdiction and venue of any action as to this Agreement and the interpretation, enforcement or the determination of the rights and duties of the parties hereto shall be the County Court or District Court of Gunnison County, Colorado. Each party submits to the personal jurisdiction of the County Court or District Court of Gunnison County, Colorado and waives any and all rights under the laws of any other State or County to object to the jurisdiction of the County Court or District Court of Gunnison County, Colorado as to any action pertaining to this Agreement.

18. **ATTORNEYS' FEES.** If any legal action is commenced or maintained in Court, whether in law or in equity, by any party to this Agreement as to the interpretation, enforcement, construction or the determination of the right and duties of the parties to this Agreement or any document provided herein, the prevailing party in any such action shall be entitled to reasonable attorneys' fees together with all reasonable costs and expenses incurred in such action.

19. **TIME IS OF THE ESSENCE.** It is expressly agreed that time is of the essence of this Agreement.

20. **WAIVER.** No consent to or waiver of (whether express or implied) by any party to exercise any right under this Agreement upon a default of any other party shall be deemed a consent to or waiver of such party as to any other default by any such other party of the same or any other right, duty or obligation under this Agreement. Failure by a party to complain of, continue to complain of or pursue a remedy with respect to any act or failure to act of any other party or the failure of a party to declare any other party in default, regardless of how long such default may continue, shall not constitute a waiver by such party of its rights or remedies, either under this Agreement or at law or in equity.

21. **TERMINATION.** This Agreement and the terms and conditions thereof shall remain in full force and effect until fully performed by the parties and it is understood and agreed that the terms and conditions of this Agreement shall survive the date of closing and shall not be merged nor extinguished by any instrument of conveyance or assignment.

22. **COUNTERPARTS.** This Agreement and any other documents or instruments required under this Agreement may be executed in counterparts, each of which shall for all purposes be deemed an original and all of which together shall constitute one and the same agreement, document or instrument.

23. **TELECOPIER (FAX) SIGNATURE.** The parties agree that a signature to this Agreement or any document relating hereto transmitted by telecopier shall be the binding signature of such party for the purpose of this Agreement.

24. **PROFESSIONAL ADVICE.** The Seller and the Broker have recommended that the Purchaser obtain the advise of Purchaser's legal counsel regarding this Agreement and all required documents for the closing of the transaction represented by this Agreement.

25. **AGENCY DISCLOSURE.** The Listing Broker, and its sales agents, represent the Seller or the transaction as indicated by the information adjacent to the Listing Broker's signature at the end of this Agreement. Broker discloses that Ron L. Young, Managing Member of Whetstone Vista, LLC is a licensed real estate sales broker. The Selling Broker represents Purchaser or the transaction, as indicated by the information adjacent to the Selling Broker's signature at the end of this Agreement.

26. **FOREIGN PERSON TRANSFEROR.** The Seller warrants that it is not subject to withholding as defined under the Internal Revenue Code Section 897 and the Internal Revenue Code Section 1445 (Foreign Person Transferor) and agrees to execute any required Affidavit at closing to that effect. An executed Affidavit by the Seller shall be provided to the Purchaser on or before the time of closing.

27. **PROCEEDS REPORTING REQUIREMENT.** Under current tax law, the Broker or the designated closing agent, is required to report to the Internal Revenue Service on Form 1099B the proceeds paid to Seller. The Seller shall supply to Broker at closing the information necessary to complete such form and to include the tax identification number, name, address and ownership of Seller.

28. **BINDING AGREEMENT.** This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective successors, assigns, representatives and heirs.

29. **FINANCING CONTINGENCY.** Purchaser's obligation to perform hereunder is expressly contingent upon Purchaser obtaining a commitment for financing on terms satisfactory to Purchaser in the amount of \$_____ on or before _____, 2000. Within 7 days following the signing of this Agreement, Purchaser shall apply for such financing and timely submit all financial statements and other documentation required to support such application. If such financing has not been approved by the date set forth above in this paragraph 29, Purchaser shall have the right to declare this Lot Sales Agreement and all related agreements null and void, in which event all deposits hereunder, plus accrued interest, if any, shall be promptly refunded to Purchaser.

30. **NO RECORDATION.** Purchaser agrees not to record this Agreement or any notice hereof without the express prior written consent of the Seller. Purchaser further agrees that the recording of this Agreement without such prior consent shall constitute a material breach of this agreement by Purchaser.

Executed as of the date first above written.

SELLER

Whetstone Vista, LLC,
a Colorado limited liability company

By: _____
Ron L. Young, Managing Member

PURCHASER'S RIGHT OF RESCISSION. IN ACCORDANCE WITH SECTION 12-61-403(3)(I), COLORADO REVISED STATUTES, THE PURCHASER SHALL HAVE THE RIGHT TO RESCIND THIS AGREEMENT, WITH OR WITHOUT CAUSE AND AT THE PURCHASER'S SOLE OPTION, BY TELEGRAM, MAIL OR HAND DELIVERY AT ANY TIME WITHIN FIVE CALENDAR DAYS FOLLOWING THE DATE OF THE PURCHASER'S EXECUTION OF THIS AGREEMENT. SUCH REQUEST SHALL BE CONSIDERED MADE IF BY MAIL WHEN POSTMARKED, AND IF BY TELEGRAM WHEN FILED FOR TELEGRAPHIC TRANSMISSION, AND IF BY HAND DELIVERY WHEN DELIVERED TO THE SELLER'S PLACE OF BUSINESS. UPON SUCH RIGHT OF RESCISSION HAVING BEEN EXERCISED, THE SELLER SHALL PROMPTLY REFUND TO PURCHASER ALL MONIES THEN PAID BY PURCHASER IN GOOD FUNDS AS DEFINED IN SECTION 38-35-125, COLORADO REVISED STATUTES, WHEREUPON THIS AGREEMENT SHALL AUTOMATICALLY BE RENDERED NULL AND VOID. THIS RIGHT OF RESCISSION CANNOT BE WAIVED.

PURCHASER

Address of Purchaser:

SSN/EIN _____
Telephone: _____
Facsimile: _____

ACKNOWLEDGMENT OF LISTING BROKER

Red Lady Realty, the Listing Broker, confirms the agency disclosure(s) set forth below.

SELLING BROKER

- () represents Purchaser
- () represents transaction

By: _____

LISTING BROKER

- () represents Seller
 - () represents transaction
- RED LADY REALTY, INC.

By: _____
(name of agent)

Title: _____
215 Elk Avenue, P.O. Box 190
Crested Butte, CO 81224
Telephone: (970) 349-5007
Facsimile: (970) 349-5463