

**TOWN OF MOUNTAIN VILLAGE
TOWN COUNCIL SPECIAL JOINT MEETING
TUESDAY, JULY 9, 9:00 AM
2nd FLOOR CONFERENCE ROOM, MOUNTAIN VILLAGE TOWN HALL
455 MOUNTAIN VILLAGE BLVD, MOUNTAIN VILLAGE, COLORADO
AGENDA**

https://us06web.zoom.us/webinar/register/WN_MCAItvKiTAaUX_XyckXVAw

Please note that times are approximate and subject to change.

	Time	Min	Presenter	Type	
1.	9:00				Call to Order
2.	9:00	15		Action	Consideration of the Ratification of a Contract to Purchase Land from the Alexander Family for the Purposes of a Regional Wastewater Treatment Plant
3.	9:15	120		Legal	Executive Session for the Purpose of: a. Receiving Legal Advice on Specific Legal Questions, to Determine Positions Relative to Matters that may be Subject to Negotiations, Developing Strategy for Negotiations and/or Instructing Negotiators, and to Discuss the Purchase, Acquisition, Lease, Transfer, or Sale of Real, Personal or Other Property Interest, all In Connection with a proposed Regional Wastewater Treatment Plant Pursuant to C.R.S. 24-6-402(4)(a), (b) and (e)
4.					Adjourn

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting Town Hall at 970-369-6429 or email: mvclerk@mtnvillage.org. A minimum notice of 48 hours is required so arrangements can be made to locate requested auxiliary aid(s).

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After registering, you will receive a confirmation email containing information about joining the webinar.

Zoom participation in public meetings is being offered as a courtesy, however technical difficulties can happen, and the Town bears no responsibility for issues that could prevent individuals from participating remotely. Physical presence in Council Chambers is recommended for those wishing to make public comments or participate in public hearings.

Public Comment Policy:

- All public commenters must sign in on the public comment sign in sheet and indicate which item(s) they intend to give public comment on.
- Speakers shall wait to be recognized by the Mayor and shall give public comment at the public comment microphone when recognized by the Mayor.
- Speakers shall state their full name and affiliation with the Town of Mountain Village if any.
- Speakers shall be limited to three minutes with no aggregating of time through the representation of additional people.
- Speakers shall refrain from personal attacks and shall keep comments to that of a civil tone.
- No presentation of materials through the AV system shall be allowed for non-agendized speakers.
- Written materials must be submitted 48 hours prior to the meeting date to be included in the meeting packet and of record. Written comment submitted within 48 hours will be accepted but shall not be included in the packet or be deemed of record.



OFFICE OF THE TOWN MANAGER
455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 417-6976

TO: Mountain Village Town Council

FROM: Michelle Haynes, Assistant Town Manager

FOR: a Special Town Council meeting on July 9, 2024

DATE: July 1, 2024

RE: Consideration of the Ratification of a Contract to Purchase Real Estate from Alexander Ranch LLLP for land for a potential Regional Wastewater Treatment Plan

EXECUTIVE SUMMARY

The Town of Mountain Village has been working closely with the Town of Telluride regarding our jointly owned existing regional wastewater plant and future improvements and upgrades. In 2023, the Town of Mountain Village also purchased 56 acres of land in Ilium Valley from the Alexander Family. In an effort to find a viable site for an expanded wastewater treatment plant, the Town of Mountain Village has been negotiating a contract to purchase 5 acres of land from the Alexander Ranch, LLLP adjacent to the down valley CDOT facility and county shop. The Town was able to reach final terms with the Alexanders, and the purchase contract was signed on June 19, 2024. The action requested today is to ask the Town Council to ratify the contract signed by the Town Manager. Once ratified, the Town of Mountain Village will begin our due diligence period to study the site feasibility for a regional wastewater treatment plant.

ATTACHMENT

- The Contract to Buy and Sell Real Estate, inclusive of an addendum, executed

BACKGROUND

The Town of Mountain Village has had preliminary conversations with the Town of Telluride about a possible alternative regional wastewater treatment plant location on the 56-acre parcel we purchased in Ilium Valley. Although a regional wastewater treatment plant could be programmed on the south side of the property, the site also required a bridge, contained steep slopes, would be situated near mixed-use and residential homes, and had challenges related to construction that would incur additional costs. Considering the expense of constructing a wastewater treatment plant, both communities endeavor to be prudent with the expenditure of taxpayer funds and find the best site for a future plant.

Both communities have been looking for solutions given the site constraints present, on the existing site and the alternative site on the Ilium housing parcel. The property under contract provides a third alternative, eliminating most of the prior constraints and concerns. This transaction also furthers the Town's valued relationship with the Alexander Family as a partner in promoting both smart growth and preservation in the Ilium Valley.

CONTRACT TERMS

Some of the terms include:

- The Town has an initial diligence period through June 30, 2025, with two 3-month extension options and an outside closing date of 20 months from signing the contract.
- Earnest Money deposit is \$50,000
- The purchase price is \$1.1 million, subject to the Seller's right to elect to have a portion of the purchase price paid in the form of a tap fee credit for up to 20 combined water/sewer taps at the future treatment plant. The final combination of taps (if any) and cash will be determined prior to closing.
- In the event we do not begin construction of a wastewater facility within seven years of closing, the Alexander family has the option to purchase the property back.
- The Town will study exclusive access to the newly created parcel during the diligence period.
- Closing is contingent on receiving subdivision approval from San Miguel County to subdivide the 5 acres from the existing 88.4-acre parcel.
- The Town would endeavor to assist the Alexander family in preserving ranching on their properties through the subdivision exemption process to create the property.
- If Council does not ratify the contract, the contract will terminate, and all earnest money will be refunded to the Town

Please see the attachment for the full scope of the contract.

STAFF RECOMMENDATION

Staff recommends the Town Council ratify the contract.

RECOMMENDED MOTION

I move to ratify the Contract to Buy and Sell Real Estate and addendum with exhibits between the Town and Alexander Ranch LLLP for the purchase of an approximately 5-acre parcel of vacant land as a potential site for a regional wastewater treatment plant.

/mbh

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.
(CBS4-6-21) (Mandatory 1-22)

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

**CONTRACT TO BUY AND SELL REAL ESTATE
(LAND)
(Property with No Residences)
(Property with Residences-Residential Addendum Attached)**

Date: June 18, 2024

AGREEMENT

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

2. PARTIES AND PROPERTY.

2.1. Buyer. The Town of Mountain Village, a home rule municipality of the State of Colorado (Buyer) will take title to the Property described below as **Joint Tenants** **Tenants In Common** **Other** Severalty.

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

2.3. Seller. Alexander Ranch, LLLP, a Colorado limited liability limited partnership (Seller) is the current owner of the Property described below.

2.4. Property. The Property is the following legally described real estate in the County of San Miguel, Colorado, which shall be more particularly described in the survey and Title Commitment:

As defined in the Addendum, known as TBD Highway 145, Telluride, CO 81430 (the Property).

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

2.5.1. Inclusions. **The following items, whether fixture or personal property, are included in the Purchase Price unless excluded under Exclusions: None.**

If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

2.5.2. Encumbered Inclusions. Any Inclusions owned by Seller (i.e., owned solar panels) must be conveyed at Closing by Seller free and clear of all taxes (except personal property and general real estate taxes for the year of Closing), liens and encumbrances, except: None.

2.5.3. Personal Property Conveyance. Conveyance of all personal property will be by bill of sale or other applicable legal instrument.

2.5.4. Leased Items. The following personal property is currently leased to Seller which will be transferred to Buyer at Closing (Leased Items): None.

2.6. Exclusions. The following items are excluded (Exclusions): None.

2.7. Water Rights, Well Rights, Water and Sewer Taps. See Addendum.

2.8. Growing Crops. Intentionally omitted.

3. DATES, DEADLINES AND APPLICABILITY.

3.1. Dates and Deadlines.

Item No.	Reference	Event	Date or Deadline
1	§ 3	Time of Day Deadline	8:00 p.m. Mountain Time
2	§ 4	Alternative Earnest Money Deadline	3 business days after MEC
		Title	
3	§ 8	Record Title Deadline (and Tax Certificate)	15 days after MEC

4	§ 8	Record Title Objection Deadline	See Addendum
5	§ 8	Off-Record Title Deadline	See Addendum
6	§ 8	Off-Record Title Objection Deadline	See Addendum
7	§ 8	Title Resolution Deadline	See Addendum
8	§ 8	Third Party Right to Purchase/Approve Deadline	N/A
		Owners' Association	
9	§ 7	Association Documents Deadline	N/A
10	§ 7	Association Documents Termination Deadline	N/A
		Seller's Disclosures	
11	§ 10	Seller's Property Disclosure Deadline	N/A
12	§ 10	Lead-Based Paint Disclosure Deadline (if Residential Addendum attached)	N/A
		Loan and Credit	
13	§ 5	New Loan Application Deadline	N/A
14	§ 5	New Loan Terms Deadline	N/A
15	§ 5	New Loan Availability Deadline	N/A
16	§ 5	Buyer's Credit Information Deadline	N/A
17	§ 5	Disapproval of Buyer's Credit Information Deadline	N/A
18	§ 5	Existing Loan Deadline	N/A
19	§ 5	Existing Loan Termination Deadline	N/A
20	§ 5	Loan Transfer Approval Deadline	N/A
21	§ 4	Seller or Private Financing Deadline	N/A
		Appraisal	
22	§ 6	Appraisal Deadline	N/A
23	§ 6	Appraisal Objection Deadline	N/A
24	§ 6	Appraisal Resolution Deadline	N/A
		Survey	
25	§ 9	New ILC or New Survey Deadline	See Addendum
26	§ 9	New ILC or New Survey Objection Deadline	See Addendum
27	§ 9	New ILC or New Survey Resolution Deadline	See Addendum
		Inspection and Due Diligence	
28	§ 2	Water Rights Examination Deadline	See Addendum
29	§ 8	Mineral Rights Examination Deadline	See Addendum
30	§ 10	Inspection Termination Deadline	See Addendum
31	§ 10	Inspection Objection Deadline	See Addendum
32	§ 10	Inspection Resolution Deadline	See Addendum
33	§ 10	Property Insurance Termination Deadline	See Addendum
34	§ 10	Due Diligence Documents Delivery Deadline	15 days after MEC
35	§ 10	Due Diligence Documents Objection Deadline	See Addendum
36	§ 10	Due Diligence Documents Resolution Deadline	See Addendum
37	§ 10	Environmental Inspection Termination Deadline	See Addendum
38	§ 10	ADA Evaluation Termination Deadline	N/A
39	§ 10	Conditional Sale Deadline	N/A
40	§ 10	Lead-Based Paint Termination Deadline (if Residential Addendum attached)	N/A
41	§ 11	Estoppel Statements Deadline	N/A
42	§ 11	Estoppel Statements Termination Deadline	N/A
		Closing and Possession	
43	§ 12	Closing Date	See Addendum
44	§ 17	Possession Date	At Closing
45	§ 17	Possession Time	At Closing
46	§ 27	Acceptance Deadline Date	N/A
47	§ 27	Acceptance Deadline Time	N/A

47 **3.2. Applicability of Terms.** If any deadline blank in § 3.1. (Dates and Deadlines) is left blank or completed with “N/A”,
 48 or the word “Deleted,” such deadline is not applicable and the corresponding provision containing the deadline is deleted. Any box
 49 checked in this Contract means the corresponding provision applies. If no box is checked in a provision that contains a selection of
 50 “None”, such provision means that “None” applies.

51 The abbreviation “MEC” (mutual execution of this Contract) means the date upon which both parties have signed this Contract. The
 52 abbreviation “N/A” as used in this Contract means not applicable.

53 **3.3. Day; Computation of Period of Days; Deadlines.**

54 **3.3.1. Day.** As used in this Contract, the term “day” means the entire day ending at 11:59 p.m., United States
 55 Mountain Time (Standard or Daylight Savings, as applicable). Except however, if a **Time of Day Deadline** is specified in § 3.1.
 56 (Dates and Deadlines), all Objection Deadlines, Resolution Deadlines, Examination Deadlines, and Termination Deadlines will end
 57 on the specified deadline date at the time of day specified in the **Time of Day Deadline**, United States Mountain Time. If **Time of**
 58 **Day Deadline** is left blank or “N/A” the deadlines will expire at 11:59 p.m., United States Mountain Time.

59 **3.3.2. Computation of Period of Days.** In computing a period of days (e.g., three days after MEC), when the
 60 ending date is not specified, the first day is excluded and the last day is included.

61 **3.3.3. Deadlines.** If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such
 62 deadline **Will** **Will Not** be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked,
 63 the deadline will not be extended.

64 **4. PURCHASE PRICE AND TERMS.**

65 **4.1. Price and Terms.** The Purchase Price is \$1,100,000 and shall be payable as set forth in the Addendum.

66 **4.2. Seller Concession.** At Closing, Seller will credit to Buyer \$0 (Seller Concession). The Seller Concession may be used
 67 for any Buyer fee, cost, charge or expenditure to the extent the amount is allowed by the Buyer’s lender and is included in the Closing
 68 Statement or Closing Disclosure at Closing. Examples of allowable items to be paid for by the Seller Concession include, but are
 69 not limited to: Buyer’s closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, charge,
 70 expense or expenditure. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this
 71 Contract.

72 **4.3. Earnest Money.** The Earnest Money set forth in this Section, in the form of a wire transfer or other good funds, will
 73 be payable to and held by Land Title Guarantee Company – Telluride (Earnest Money Holder), in its trust account, on behalf of both
 74 Seller and Buyer. The Earnest Money deposit must be tendered, by Buyer, with this Contract unless the parties mutually agree to an
 75 **Alternative Earnest Money Deadline** for its payment. The parties authorize delivery of the Earnest Money deposit to the company
 76 conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money Holder has agreed to have
 77 interest on Earnest Money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado
 78 residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest Money deposited with the Earnest
 79 Money Holder in this transaction will be transferred to such fund.

80 **4.3.1. Alternative Earnest Money Deadline.** The deadline for delivering the Earnest Money, if other than at the
 81 time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline**.

82 **4.3.2. Disposition of Earnest Money.** If Buyer has a Right to Terminate and timely terminates, Buyer is entitled
 83 to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 24 and, except as provided
 84 in § 23 (Earnest Money Dispute), if the Earnest Money has not already been returned following receipt of a Notice to Terminate,
 85 Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions (e.g., Earnest Money Release
 86 form), within three days of Seller’s receipt of such form. If Seller is entitled to the Earnest Money, and, except as provided in § 23
 87 (Earnest Money Dispute), if the Earnest Money has not already been paid to Seller, following receipt of an Earnest Money Release
 88 form, Buyer agrees to execute and return to Seller or Broker working with Seller, written mutual instructions (e.g., Earnest Money
 89 Release form), within three days of Buyer’s receipt.

90 **4.3.2.1. Seller Failure to Timely Return Earnest Money.** If Seller fails to timely execute and return the
 91 Earnest Money Release Form, or other written mutual instructions, Seller is in default and liable to Buyer as set forth in “**If Seller**
 92 **is in Default**”, § 20.2. and § 21, unless Seller is entitled to the Earnest Money due to a Buyer default.

93 **4.3.2.2. Buyer Failure to Timely Release Earnest Money.** If Buyer fails to timely execute and return the
 94 Earnest Money Release Form, or other written mutual instructions, Buyer is in default and liable to Seller as set forth in “**If Buyer**
 95 **is in Default**”, § 20.1. and § 21, unless Buyer is entitled to the Earnest Money due to a Seller Default.

96 **4.4. Form of Funds; Time of Payment; Available Funds.**

97 **4.4.1. Good Funds.** All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing
 98 and closing costs, must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified
 99 check, savings and loan teller’s check and cashier’s check (Good Funds).

100 **4.4.2. Time of Payment.** All funds, including the Purchase Price to be paid by Buyer, must be paid before or at
 101 Closing or as otherwise agreed in writing between the parties to allow disbursement by Closing Company at Closing **OR SUCH**
 102 **NONPAYING PARTY WILL BE IN DEFAULT.**

- 103 **4.4.3. Available Funds.** Buyer represents that Buyer, as of the date of this Contract, **Does** **Does Not** have
 104 funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.
 105 **4.5. New Loan.** Intentionally omitted.
 106 **4.6. Assumption.** Intentionally omitted.
 107 **4.7. Seller or Private Financing.** Intentionally omitted.

TRANSACTION PROVISIONS

- 109 **5. FINANCING CONDITIONS AND OBLIGATIONS.** Intentionally omitted.
 110 **6. APPRAISAL PROVISIONS.** Intentionally omitted.
 111 **7. OWNERS' ASSOCIATIONS. OWNERS' ASSOCIATIONS.** Intentionally omitted.

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

113 **8.1. Evidence of Record Title.**

114 **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance
 115 company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline**, Seller must furnish
 116 to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price,
 117 or if this box is checked, an **Abstract of Title** certified to a current date. Seller will cause the title insurance policy to be issued
 118 and delivered to Buyer as soon as practicable at or after Closing.

119 **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title insurance
 120 company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record Title Deadline**, Buyer must furnish to
 121 Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price.
 122 If neither box in § 8.1.1. or § 8.1.2. is checked, § 8.1.1. applies.

123 **8.1.3. Owner's Extended Coverage (OEC).** The Title Commitment **Will** **Will Not** contain Owner's
 124 Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard exceptions
 125 which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' liens, (5) gap
 126 period (period between the effective date and time of commitment to the date and time the deed is recorded) and (6) unpaid taxes,
 127 assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be paid by
 128 **Buyer** **Seller** **One-Half by Buyer and One-Half by Seller** **Other** _____.
 129 Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over
 130 any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined below,
 131 among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to object under
 132 § 8.7. (Right to Object to Title, Resolution).

133 **8.1.4. Title Documents.** Title Documents consist of the following: (1) copies of any plats, declarations, covenants,
 134 conditions and restrictions burdening the Property and (2) copies of any other documents (or, if illegible, summaries of such
 135 documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title
 136 Documents).

137 **8.1.5. Copies of Title Documents.** Buyer must receive, on or before **Record Title Deadline**, copies of all Title
 138 Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county
 139 where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the
 140 party or parties obligated to pay for the owner's title insurance policy.

141 **8.1.6. Existing Abstracts of Title.** Seller must deliver to Buyer copies of any abstracts of title covering all or any
 142 portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline**.

143 **8.2. Record Title.** Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the
 144 Title Documents as set forth in § 8.7. (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline**. Buyer's
 145 objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding § 13, or
 146 any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title
 147 Documents are not received by Buyer on or before the **Record Title Deadline**, or if there is an endorsement to the Title Commitment
 148 that adds a new Exception to title, a copy of the new Exception to title and the modified Title Commitment will be delivered to
 149 Buyer. Buyer has until the earlier of Closing or ten days after receipt of such documents by Buyer to review and object to: (1) any
 150 required Title Document not timely received by Buyer, (2) any change to the Abstract of Title, Title Commitment or Title Documents,
 151 or (3) any endorsement to the Title Commitment. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection,
 152 pursuant to this § 8.2. (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object
 153 to Title, Resolution). If Seller has fulfilled all Seller's obligations, if any, to deliver to Buyer all documents required by § 8.1.
 154 (Evidence of Record Title) and Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable

155 deadline specified above, Buyer accepts the condition of title as disclosed by the Abstract of Title, Title Commitment and Title
156 Documents as satisfactory.

157 **8.3. Off-Record Title.** Seller must deliver to Buyer, on or before **Off-Record Title Deadline**, true copies of all existing
158 surveys in Seller's possession pertaining to the Property and must disclose to Buyer all easements, liens (including, without
159 limitation, governmental improvements approved, but not yet installed) or other title matters not shown by public records, of which
160 Seller has actual knowledge (Off-Record Matters). This Section excludes any **New ILC** or **New Survey** governed under § 9 (New
161 ILC, New Survey). Buyer has the right to inspect the Property to investigate if any third party has any right in the Property not shown
162 by public records (e.g., unrecorded easement, boundary line discrepancy or water rights). Buyer's Notice to Terminate or Notice of
163 Title Objection of any unsatisfactory condition (whether disclosed by Seller or revealed by such inspection, notwithstanding § 8.2.
164 (Record Title) and § 13 (Transfer of Title), in Buyer's sole subjective discretion, must be received by Seller on or before **Off-Record**
165 **Title Objection Deadline**. If an Off-Record Matter is received by Buyer after the **Off-Record Title Deadline**, Buyer has until the
166 earlier of Closing or ten days after receipt by Buyer to review and object to such Off-Record Matter. If Seller receives Buyer's Notice
167 to Terminate or Notice of Title Objection pursuant to this § 8.3. (Off-Record Title), any title objection by Buyer is governed by the
168 provisions set forth in § 8.7. (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to Terminate or Notice
169 of Title Objection by the applicable deadline specified above, Buyer accepts title subject to such Off-Record Matters and rights, if
170 any, of third parties not shown by public records of which Buyer has actual knowledge.

171 **8.4. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION**
172 **INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE**
173 **PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK**
174 **FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT WHERE**
175 **CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH**
176 **INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE THE**
177 **SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE COUNTY**
178 **TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY AND BY OBTAINING**
179 **FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND**
180 **RECORDER, OR THE COUNTY ASSESSOR.**

181 **8.5. Tax Certificate.** A tax certificate paid for by **Seller** **Buyer**, for the Property listing any special taxing districts
182 that affect the Property (Tax Certificate) must be delivered to Buyer on or before **Record Title Deadline**. If the Property is located
183 within a special taxing district and such inclusion is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may
184 terminate, on or before **Record Title Objection Deadline**. Should Buyer receive the Tax Certificate after **Record Title Deadline**,
185 Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate received by Seller on or before
186 ten days after Buyer's receipt of the Tax Certificate. If Buyer does not receive the Tax Certificate, or if Buyer's Notice to Terminate
187 would otherwise be required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on
188 or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions of the Tax
189 Certificate and the inclusion of the Property in a special taxing district, if applicable, as satisfactory and Buyer waives any Right to
190 Terminate under this provision. If Buyer's loan specified in §4.5.3. (Loan Limitations) prohibits Buyer from paying for the Tax
191 Certificate, the Tax Certificate will be paid for by Seller.

192 **8.6. Third Party Right to Purchase/Approve. Intentionally omitted.**

193 **8.7. Right to Object to Title, Resolution.** Buyer has a right to object or terminate, in Buyer's sole subjective discretion,
194 based on any title matters including those matters set forth in § 8.2. (Record Title), § 8.3. (Off-Record Title), § 8.5. (Special Taxing
195 District) and § 13 (Transfer of Title). If Buyer exercises Buyer's rights to object or terminate based on any such title matter, on or
196 before the applicable deadline, Buyer has the following options:

197 **8.7.1. Title Objection, Resolution.** If Seller receives Buyer's written notice objecting to any title matter (Notice of
198 Title Objection) on or before the applicable deadline and if Buyer and Seller have not agreed to a written settlement thereof on or
199 before **Title Resolution Deadline**, this Contract will terminate on the expiration of **Title Resolution Deadline**, unless Seller receives
200 Buyer's written withdrawal of Buyer's Notice of Title Objection (i.e., Buyer's written notice to waive objection to such items and
201 waives the Right to Terminate for that reason), on or before expiration of **Title Resolution Deadline**. If either the Record Title
202 Deadline or the Off-Record Title Deadline, or both, are extended pursuant to § 8.2. (Record Title) or § 8.3. (Off-Record Title) the
203 Title Resolution Deadline also will be automatically extended to the earlier of Closing or fifteen days after Buyer's receipt of the
204 applicable documents; or

205 **8.7.2. Title Objection, Right to Terminate.** Buyer may exercise the Right to Terminate under § 24.1., on or before
206 the applicable deadline, based on any title matter unsatisfactory to Buyer, in Buyer's sole subjective discretion.

207 **8.8. Title Advisory.** The Title Documents affect the title, ownership and use of the Property and should be reviewed
208 carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property,
209 including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations,
210 unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property and various
211 laws and governmental regulations concerning land use, development and environmental matters.

212 **8.8.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE**
213 **PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE AND TRANSFER OF**

214 THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR WATER
215 RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL
216 ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS MAY GIVE THEM
217 RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE MINERAL ESTATE, OIL,
218 GAS OR WATER.

219 8.8.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO
220 ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A
221 MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND
222 RECORDER.

223 8.8.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT
224 TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION
225 OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING
226 OF CURRENT WELLS AND GAS GATHERING AND PROCESSING FACILITIES.

227 8.8.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL
228 INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING
229 DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL
230 AND GAS CONSERVATION COMMISSION.

231 8.8.5. Title Insurance Exclusions. Matters set forth in this Section and others, may be excepted, excluded from, or
232 not covered by the owner’s title insurance policy.

233 8.9. Mineral Rights Review. Buyer Does Does Not have a Right to Terminate if examination of the Mineral Rights
234 is unsatisfactory to Buyer on or before the Mineral Rights Examination Deadline.

235 9. NEW ILC, NEW SURVEY.

236 9.1. New ILC or New Survey. If the box is checked, (1) New Improvement Location Certificate (New ILC); or, (2)
237 New Survey in the form of an Improvement Survey Plat; is required and the following will apply:

238 9.1.1. Ordering of New ILC or New Survey. Seller Buyer will order the New ILC or New Survey. The
239 New ILC or New Survey may also be a previous ILC or survey that is in the above-required form, certified and updated as of a date
240 after the date of this Contract.

241 9.1.2. Payment for New ILC or New Survey. The cost of the New ILC or New Survey will be paid, on or before
242 Closing, by: Seller Buyer or:

243 9.1.3. Delivery of New ILC or New Survey. Buyer, Seller, the issuer of the Title Commitment (or the provider of
244 the opinion of title if an Abstract of Title), Seller’s attorney, and Buyer’s attorney will receive a New ILC or New Survey on or
245 before New ILC or New Survey Deadline.

246 9.1.4. Certification of New ILC or New Survey. The New ILC or New Survey will be certified by the surveyor to
247 all those who are to receive the New ILC or New Survey.

248 9.2. Buyer’s Right to Waive or Change New ILC or New Survey Selection. Buyer may select a New ILC or New
249 Survey different than initially specified in this Contract if there is no additional cost to Seller or change to the New ILC or New
250 Survey Objection Deadline. Buyer may, in Buyer’s sole subjective discretion, waive a New ILC or New Survey if done prior to
251 Seller incurring any cost for the same.

252 9.3. New ILC or New Survey Objection. Buyer has the right to review and object based on the New ILC or New Survey.
253 If the New ILC or New Survey is not timely received by Buyer or is unsatisfactory to Buyer, in Buyer’s sole subjective discretion,
254 Buyer may, on or before New ILC or New Survey Objection Deadline, notwithstanding § 8.3. or § 13:

255 9.3.1. Notice to Terminate. Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; or

256 9.3.2. New ILC or New Survey Objection. Deliver to Seller a written description of any matter that was to be
257 shown or is shown in the New ILC or New Survey that is unsatisfactory and that Buyer requires Seller to correct.

258 9.3.3. New ILC or New Survey Resolution. If a New ILC or New Survey Objection is received by Seller, on or
259 before New ILC or New Survey Objection Deadline and if Buyer and Seller have not agreed in writing to a settlement thereof on
260 or before New ILC or New Survey Resolution Deadline, this Contract will terminate on expiration of the New ILC or New Survey
261 Resolution Deadline, unless Seller receives Buyer’s written withdrawal of the New ILC or New Survey Objection before such
262 termination (i.e., on or before expiration of New ILC or New Survey Resolution Deadline).

263

DISCLOSURE, INSPECTION AND DUE DILIGENCE

264 10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY, DUE DILIGENCE AND SOURCE OF
265 WATER.

266 10.1. Seller’s Property Disclosure. On or before Seller’s Property Disclosure Deadline, Seller agrees to deliver to Buyer
267 the most current version of the applicable Colorado Real Estate Commission’s Seller’s Property Disclosure form completed by Seller
268 to Seller’s actual knowledge and current as of the date of this Contract.

269 **10.2. Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition.** Seller must disclose to Buyer
 270 any adverse material facts actually known by Seller as of the date of this Contract. Seller agrees that disclosure of adverse material
 271 facts will be in writing. In the event Seller discovers an adverse material fact after the date of this Contract, Seller must timely
 272 disclose such adverse fact to Buyer. Buyer has the Right to Terminate based on the Seller's new disclosure on the earlier of Closing
 273 or five days after Buyer's receipt of the new disclosure. Except as otherwise provided in this Contract, Buyer acknowledges that
 274 Seller is conveying the Property to Buyer in an "As Is" condition, "Where Is" and "With All Faults."

275 **10.3. Inspection.** Unless otherwise provided in this Contract, Buyer, acting in good faith, has the right to have inspections
 276 (by one or more third parties, personally or both) of the Property, Leased Items, and Inclusions (Inspection), at Buyer's expense. If
 277 (1) the physical condition of the Property, including, but not limited to, the roof, walls, structural integrity of the Property, the
 278 electrical, plumbing, HVAC and other mechanical systems of the Property, (2) the physical condition of the Inclusions and Leased
 279 Items, (3) service to the Property (including utilities and communication services), systems and components of the Property (e.g.,
 280 heating and plumbing), (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity, odor or
 281 noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is unsatisfactory, in Buyer's
 282 sole subjective discretion, Buyer may:

283 **10.3.1. Inspection Termination.** On or before the **Inspection Termination Deadline**, notify Seller in writing,
 284 pursuant to § 24.1., that this Contract is terminated due to any unsatisfactory condition, provided the Buyer did not previously deliver
 285 an Inspection Objection. Buyer's Right to Terminate under this provision expires upon delivery of an Inspection Objection to Seller
 286 pursuant to § 10.3.2.; or

287 **10.3.2. Inspection Objection.** On or before the **Inspection Objection Deadline**, deliver to Seller a written
 288 description of any unsatisfactory condition that Buyer requires Seller to correct.

289 **10.3.3. Inspection Resolution.** If an Inspection Objection is received by Seller, on or before **Inspection Objection**
 290 **Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Inspection Resolution Deadline**,
 291 this Contract will terminate on **Inspection Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Inspection
 292 Objection before such termination (i.e., on or before expiration of **Inspection Resolution Deadline**). Nothing in this provision
 293 prohibits the Buyer and the Seller from mutually terminating this Contract before the Inspection Resolution Deadline passes by
 294 executing an Earnest Money Release.

295 **10.4. Damage, Liens and Indemnity.** Buyer, except as otherwise provided in this Contract or other written agreement
 296 between the parties, is responsible for payment for all inspections, tests, surveys, engineering reports, or other reports performed at
 297 Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer
 298 must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify,
 299 protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such
 300 Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against
 301 any such liability, damage, cost or expense, or to enforce this Section, including Seller's reasonable attorney fees, legal fees and
 302 expenses. The provisions of this Section survive the termination of this Contract. This § 10.4. does not apply to items performed
 303 pursuant to an Inspection Resolution.

304 **10.5. Insurability.** Buyer has the Right to Terminate under § 24.1., on or before **Property Insurance Termination**
 305 **Deadline**, based on any unsatisfactory provision of the availability, terms and conditions and premium for property insurance
 306 (Property Insurance) on the Property, in Buyer's sole subjective discretion.

307 **10.6. Due Diligence.**

308 **10.6.1. Due Diligence Documents.** Seller agrees to deliver copies of the following documents and information
 309 pertaining to the Property and Leased Items (Due Diligence Documents) to Buyer on or before **Due Diligence Documents Delivery**
 310 **Deadline**:

311 **10.6.1.1. Occupancy Agreements.** All current leases, including agricultural, mineral, and oil and gas leases
 312 and any amendments thereto or other occupancy agreements, pertaining to the Property. Those leases or other occupancy agreements
 313 pertaining to the Property that survive Closing are as follows (Leases): all existing leases and licenses

314 **10.6.1.2. Leased Items Documents.** Intentionally omitted.

315 **10.6.1.3. Encumbered Inclusions Documents.** Intentionally omitted.

316 **10.6.1.4. Other Documents.** If the respective box is checked, Seller agrees to additionally deliver copies

317 of the following:

318 **10.6.1.4.1.** All contracts relating to the operation, maintenance and management of the
 319 Property;

320 **10.6.1.4.2.** Property tax bills for the last 2 years;

321 **10.6.1.4.3.** As-built construction plans to the Property and the tenant improvements, including
 322 architectural, electrical, mechanical and structural systems; engineering reports; and permanent Certificates of Occupancy, to the
 323 extent now available;

324 **10.6.1.4.4.** A list of all Inclusions to be conveyed to Buyer;

- 328 **10.6.1.4.5.** Operating statements for the past _____ years;
- 329 **10.6.1.4.6.** A rent roll accurate and correct to the date of this Contract;
- 330 **10.6.1.4.7.** A schedule of any tenant improvement work Seller is obligated to complete but
- 331 has not yet completed and capital improvement work either scheduled or in process on the date of this Contract;
- 332 **10.6.1.4.8.** All insurance policies pertaining to the Property and copies of any claims which
- 333 have been made for the past _____ years;
- 334 **10.6.1.4.9.** Soils reports, geotechnical reports, inspection reports, surveys and engineering
- 335 reports or data pertaining to the Property (if not delivered earlier under § 8.3.);
- 336 **10.6.1.4.10.** Any and all existing documentation and reports regarding Phase I and II
- 337 environmental reports, letters, test results, advisories and similar documents respective to the existence or nonexistence of asbestos,
- 338 PCB transformers, or other toxic, hazardous or contaminated substances and/or underground storage tanks and/or radon gas. If no
- 339 reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to
- 340 Seller;
- 341 **10.6.1.4.11.** Any *Americans with Disabilities Act* reports, studies or surveys concerning the
- 342 compliance of the Property with said Act;
- 343 **10.6.1.4.12.** All permits, licenses and other building or use authorizations issued by any
- 344 governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use
- 345 authorizations, if any; and
- 346 **10.6.1.4.13.** Other: topographical maps, aerial photographs, and any appraisals of the Property;
- 347 a copy of the most valuation notice for the Property and documents pertaining to the most recent tax appeal for the Property; any
- 348 plans or drawings for the Property; and description of all water rights appurtenant to the Property and copies of all decrees, orders
- 349 diversion records, water court applications, well permit documents, and any other documents related to any water right or well permit
- 350 appurtenant to the Property.

351

352 **10.6.2. Due Diligence Documents Review and Objection.** Buyer has the right to review and object based on the Due

353 Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory, in Buyer's sole subjective

354 discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline**:

355 **10.6.2.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated;

356 or

357 **10.6.2.2. Due Diligence Documents Objection.** Deliver to Seller a written description of any

358 unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

359 **10.6.2.3. Due Diligence Documents Resolution.** If a Due Diligence Documents Objection is received by

360 Seller, on or before **Due Diligence Documents Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement

361 thereof on or before **Due Diligence Documents Resolution Deadline**, this Contract will terminate on **Due Diligence Documents**

362 **Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Due Diligence Documents Objection before such

363 termination (i.e., on or before expiration of **Due Diligence Documents Resolution Deadline**).

364 **10.6.3. Zoning.** Buyer has the Right to Terminate under § 24.1., on or before **Due Diligence Documents Objection**

365 **Deadline**, based on any unsatisfactory zoning and any use restrictions imposed by any governmental agency with jurisdiction over

366 the Property, in Buyer's sole subjective discretion.

367 **10.6.4. Due Diligence – Environmental, ADA.** Buyer has the right to obtain environmental inspections of the

368 Property including Phase I and Phase II Environmental Site Assessments, as applicable. **Seller** **Buyer** will order or provide

369 **Phase I Environmental Site Assessment, Phase II Environmental Site Assessment** (compliant with most current version of the

370 applicable ASTM E1527 standard practices for Environmental Site Assessments) and/or _____,

371 at the expense of **Seller** **Buyer** (Environmental Inspection). In addition, Buyer, at Buyer's expense, may also conduct an

372 evaluation whether the Property complies with the *Americans with Disabilities Act* (ADA Evaluation). All such inspections and

373 evaluations must be conducted at such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's

374 tenants' business uses of the Property, if any.

375 If Buyer's Phase I Environmental Site Assessment recommends a Phase II Environmental Site Assessment, the **Environmental**

376 **Inspection Termination Deadline** will be extended by _____ days (Extended Environmental Inspection

377 Objection Deadline) and if such Extended Environmental Inspection Objection Deadline extends beyond the **Closing Date**, the

378 **Closing Date** will be extended a like period of time. In such event, **Seller** **Buyer** must pay the cost for such Phase II

379 Environmental Site Assessment.

380 Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this § 10.6.4., Buyer has the

381 Right to Terminate under § 24.1., on or before **Environmental Inspection Termination Deadline**, or if applicable, the Extended

382 Environmental Inspection Objection Deadline, based on any unsatisfactory results of Environmental Inspection, in Buyer's sole

383 subjective discretion.

384 Buyer has the Right to Terminate under § 24.1., on or before **ADA Evaluation Termination Deadline**, based on any

385 unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.

386 **10.7. Conditional Upon Sale of Property. Intentionally omitted.**

387 **10.8. Source of Potable Water (Residential Land and Residential Improvements Only).** Buyer Does Does Not
 388 acknowledge receipt of a copy of Seller's Property Disclosure or Source of Water Addendum disclosing the source of potable water for
 389 the Property. There is No Well. Buyer Does Does Not acknowledge receipt of a copy of the current well permit.
 390 **Note to Buyer: SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NONRENEWABLE GROUND**
 391 **WATER. YOU MAY WISH TO CONTACT YOUR PROVIDER (OR INVESTIGATE THE DESCRIBED SOURCE) TO**
 392 **DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.**

393 **10.9. Existing Leases; Modification of Existing Leases; New Leases.** Intentionally omitted; see Addendum.

394 **10.10. Lead-Based Paint.** [Intentionally Deleted - See Residential Addendum if applicable]

395 **10.11. Carbon Monoxide Alarms.** [Intentionally Deleted - See Residential Addendum if applicable]

396 **10.12. Methamphetamine Disclosure.** [Intentionally Deleted - See Residential Addendum if applicable]

397 **11. TENANT ESTOPPEL STATEMENTS.** Intentionally omitted.

398

399

CLOSING PROVISIONS

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

401 **12.1. Closing Documents and Closing Information.** Seller and Buyer will cooperate with the Closing Company to enable
 402 the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If Buyer is
 403 obtaining a loan to purchase the Property, Buyer acknowledges Buyer's lender is required to provide the Closing Company, in a
 404 timely manner, all required loan documents and financial information concerning Buyer's loan. Buyer and Seller will furnish any
 405 additional information and documents required by Closing Company that will be necessary to complete this transaction. Buyer and
 406 Seller will sign and complete all customary or reasonably required documents at or before Closing.

407 **12.2. Closing Instructions.** Colorado Real Estate Commission's Closing Instructions Are Are Not executed with this
 408 Contract.

409 **12.3. Closing.** Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as
 410 the **Closing Date** or by mutual agreement at an earlier date. At Closing, Seller agrees to deliver a set of keys for the Property to
 411 Buyer. The hour and place of Closing will be as designated by Buyer and Seller.

412 **12.4. Disclosure of Settlement Costs.** Buyer and Seller acknowledge that costs, quality and extent of service vary between
 413 different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

414 **12.5. Assignment of Leases.** Intentionally omitted; see Addendum.

415 **13. TRANSFER OF TITLE.** Subject to Buyer's compliance with the terms and provisions of this Contract, including the tender
 416 of any payment due at Closing, Seller must execute and deliver the following good and sufficient deed to Buyer, at Closing: special
 417 warranty deed general warranty deed bargain and sale deed quit claim deed personal representative's deed
 418 _____ deed. Seller, provided another deed is not selected, must execute and deliver a good and sufficient
 419 special warranty deed to Buyer, at Closing.

420 Unless otherwise specified in § 29 (Additional Provisions), if title will be conveyed using a special warranty deed or a general
 421 warranty deed, title will be conveyed "subject to statutory exceptions" as defined in §38-30-113(5)(a), C.R.S.

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

426 **15. CLOSING COSTS, FEES, ASSOCIATION STATUS LETTER AND DISBURSEMENTS, TAXES AND**
 427 **WITHHOLDING.**

428 **15.1. Closing Costs.** Buyer and Seller must pay, in Good Funds, their respective closing costs and all other items required
 429 to be paid at Closing, except as otherwise provided herein.

430 **15.2. Closing Services Fee.** The fee for real estate closing services must be paid at Closing by Buyer Seller **One-**
 431 **Half by Buyer and One-Half by Seller** **Other** _____.

432 **15.3. Association Fees and Required Disbursements.** Intentionally omitted.

433 **15.4. Local Transfer Tax.** Any Local Transfer Tax must be paid at Closing by Buyer Seller **One-Half by Buyer**
 434 **and One-Half by Seller** N/A.

435 **15.5. Sales and Use Tax.** Any sales and use tax that may accrue because of this transaction must be paid when due by
 436 **Buyer** Seller **One-Half by Buyer and One-Half by Seller** N/A.

437 **15.6. Private Transfer Fee.** Any private transfer fees and other fees due to a transfer of the Property, payable at Closing,
 438 such as community association fees, developer fees and foundation fees, must be paid at Closing by Buyer Seller
 439 One-Half by Buyer and One-Half by Seller N/A.

440 **15.7. Water Transfer Fees.** Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed
 441 \$ _____ for:

442 Water Stock/Certificates Water District
 443 Augmentation Membership Small Domestic Water Company _____
 444 and must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller N/A.

445 **15.8. Utility Transfer Fees.** Utility transfer fees can change. Any fees to transfer utilities from Seller to Buyer must be
 446 paid by Buyer Seller One-Half by Buyer and One-Half by Seller N/A.

447 **15.9. FIRPTA and Colorado Withholding.**

448 **15.9.1. FIRPTA.** The Internal Revenue Service (IRS) may require a substantial portion of the Seller's proceeds be
 449 withheld after Closing when Seller is a foreign person. If required withholding does not occur, the Buyer could be held liable for the
 450 amount of the Seller's tax, interest and penalties. If the box in this Section is checked, Seller represents that Seller IS a foreign
 451 person for purposes of U.S. income taxation. If the box in this Section is not checked, Seller represents that Seller is not a foreign
 452 person for purposes of U.S. income taxation. Seller agrees to cooperate with Buyer and Closing Company to provide any reasonably
 453 requested documents to verify Seller's foreign person status. If withholding is required, Seller authorizes Closing Company to
 454 withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if withholding applies or
 455 if an exemption exists.

456 **15.9.2. Colorado Withholding.** The Colorado Department of Revenue may require a portion of the Seller's proceeds
 457 be withheld after Closing when Seller will not be a Colorado resident after Closing, if not otherwise exempt. Seller agrees to
 458 cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's status. If withholding
 459 is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's
 460 tax advisor to determine if withholding applies or if an exemption exists.

461 **16. PRORATIONS AND ASSOCIATION ASSESSMENTS.**

462 **16.1. Prorations.** The following will be prorated to the **Closing Date**, except as otherwise provided:

463 **16.1.1. Taxes.** Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes
 464 for the year of Closing, based on Taxes for the Calendar Year Immediately Preceding Closing Most Recent Mill Levy
 465 and Most Recent Assessed Valuation, Other _____.

466 **16.1.2. Rents.** Intentionally omitted; see Addendum.

467 **16.1.3. Other Prorations.** None.

468 **16.1.4. Final Settlement.** Unless otherwise specified in Additional Provisions, these prorations are final.

469 **16.2. Association Assessments.** Intentionally omitted.

470 **17. POSSESSION.** Possession of the Property and Inclusions will be delivered to Buyer on **Possession Date** at **Possession Time**,
 471 subject to the Leases as set forth in § 10.6.1.1.

472 If Seller, after Closing occurs, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally
 473 liable to Buyer, notwithstanding § 20.2. (If Seller is in Default), for payment of \$500 per day (or any part of a day notwithstanding
 474 § 3.3., Day) from **Possession Date** and **Possession Time** until possession is delivered.

475

GENERAL PROVISIONS

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

479 **18.1. Causes of Loss, Insurance.** In the event the Property or Inclusions are damaged by fire, other perils or causes of loss
 480 prior to Closing (Property Damage) in an amount of not more than ten percent of the total Purchase Price and if the repair of the
 481 damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance proceeds,
 482 will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under § 24.1., on
 483 or before **Closing Date**, if the Property is not repaired before **Closing Date**, or if the damage exceeds such sum. Should Buyer elect
 484 to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were
 485 received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus the amount of any
 486 deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event Seller has not received
 487 the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the Property repaired prior to
 488 Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if acceptable to Seller's
 489 insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the parties or their attorney

490 requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and will receive due to such
491 damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the insurance claim.

492 **18.2. Damage, Inclusions and Services.** Should any Inclusion or service (including utilities and communication services),
493 system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged between the date
494 of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion
495 or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or
496 replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any insurance proceeds received by
497 Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or replaced on or before
498 Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, or, at the
499 option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such Inclusion or Service. Such credit must
500 not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the Association, if any, will survive
501 Closing.

502 **18.3. Condemnation.** In the event Seller receives actual notice prior to Closing that a pending condemnation action may
503 result in a taking of all or part of the Property or Inclusions, Seller must promptly notify Buyer, in writing, of such condemnation
504 action. Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, based on such condemnation action, in Buyer's
505 sole subjective discretion. Should Buyer elect to consummate this Contract despite such diminution of value to the Property and
506 Inclusions, Buyer is entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value
507 of the Property or Inclusions, but such credit will not include relocation benefits or expenses or exceed the Purchase Price.

508 **18.4. Walk-Through and Verification of Condition.** Buyer, upon reasonable notice, has the right to walk through the
509 Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this Contract.

510 **18.5. Home Warranty. [Intentionally Deleted]**

511 **18.6. Risk of Loss – Growing Crops.** The risk of loss for damage to growing crops by fire or other casualty will be borne
512 by the party entitled to the growing crops as provided in § 2.8. and such party is entitled to such insurance proceeds or benefits for
513 the growing crops.

514 **19. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this Contract, Buyer and Seller acknowledge that
515 their respective broker has advised that this Contract has important legal consequences and has recommended: (1) legal examination
516 of title; (2) consultation with legal and tax or other counsel before signing this Contract as this Contract may have important legal
517 and tax implications; (3) to consult with their own attorney if Water Rights, Mineral Rights or Leased Items are included or excluded
518 in the sale; and (4) to consult with legal counsel if there are other matters in this transaction for which legal counsel should be
519 engaged and consulted. Such consultations must be done timely as this Contract has strict time limits, including deadlines, that must
520 be complied with.

521
522 **20. TIME OF ESSENCE, DEFAULT AND REMEDIES.** Time is of the essence for all dates and deadlines in this Contract.
523 This means that all dates and deadlines are strict and absolute. If any payment due, including Earnest Money, is not paid, honored
524 or tendered when due, or if any obligation is not performed timely as provided in this Contract or waived, the non-defaulting party
525 has the following remedies:

526 **20.1. If Buyer is in Default:**

527 **20.1.1. Specific Performance.** Seller may elect to cancel this Contract and all Earnest Money (whether or not paid
528 by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest Money is not a penalty, and the parties agree the
529 amount is fair and reasonable. Seller may recover such additional damages as may be proper. Alternatively, Seller may elect to treat
530 this Contract as being in full force and effect and Seller has the right to specific performance or damages, or both.

531 **20.1.2. Liquidated Damages, Applicable. This § 20.1.2. applies unless the box in § 20.1.1. is checked.** Seller may
532 cancel this Contract. All Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that
533 the Earnest Money amount specified in § 4.1. is LIQUIDATED DAMAGES and not a penalty, which amount the parties agree is
534 fair and reasonable and (except as provided in §§ 10.4. and 21), such amount is SELLER'S ONLY REMEDY for Buyer's failure to
535 perform the obligations of this Contract. Seller expressly waives the remedies of specific performance and additional damages.

536 **20.2. If Seller is in Default:**

537 **20.2.1. Specific Performance, Damages or Both.** Buyer may elect to treat this Contract as canceled, in which case
538 all Earnest Money received hereunder will be returned to Buyer and Buyer may recover such damages as may be proper.
539 Alternatively, in addition to the per diem in § 17 (Possession) for failure of Seller to timely deliver possession of the Property after
540 Closing occurs, Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to specific performance
541 or damages, or both.

542 **20.2.2. Seller's Failure to Perform.** In the event Seller fails to perform Seller's obligations under this Contract, to
543 include, but not limited to, failure to timely disclose Association violations known by Seller, failure to perform any replacements or
544 repairs required under this Contract or failure to timely disclose any known adverse material facts, Seller remains liable for any such
545 failures to perform under this Contract after Closing. Buyer's rights to pursue the Seller for Seller's failure to perform under this
546 Contract are reserved and survive Closing.

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

550 **22. MEDIATION.** If a dispute arises relating to this Contract (whether prior to or after Closing) and is not resolved, the parties
 551 must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps
 552 to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is
 553 binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator
 554 and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire
 555 dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at that
 556 party's last known address (physical or electronic as provided in § 26). Nothing in this Section prohibits either party from filing a
 557 lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. This
 558 Section will not alter any date in this Contract, unless otherwise agreed.

559 **23. EARNEST MONEY DISPUTE.** Except as otherwise provided herein, Earnest Money Holder must release the Earnest
 560 Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding
 561 the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective
 562 discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest
 563 Money into a court of competent jurisdiction (Earnest Money Holder is entitled to recover court costs and reasonable attorney and
 564 legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of
 565 the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one
 566 hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest
 567 Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit and has not interpleaded the monies at the time
 568 of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the
 569 obligation of § 22 (Mediation). This Section will survive cancellation or termination of this Contract.

570 **24. TERMINATION.**

571 **24.1. Right to Terminate.** If a party has a right to terminate, as provided in this Contract (Right to Terminate), the
 572 termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written
 573 notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or
 574 before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as satisfactory
 575 and waives the Right to Terminate under such provision.

576 **24.2. Effect of Termination.** In the event this Contract is terminated, and all Earnest Money received hereunder is timely
 577 returned to Buyer, the parties are relieved of all obligations hereunder, subject to §§ 10.4. and 21.

578 **25. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS.** This Contract, its exhibits and specified
 579 addenda, constitute the entire agreement between the parties relating to the subject hereof and any prior agreements pertaining
 580 thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms
 581 of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or
 582 obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the same.
 583 Any successor to a party receives the predecessor's benefits and obligations of this Contract.

584 **26. NOTICE, DELIVERY AND CHOICE OF LAW.**

585 **26.1. Physical Delivery and Notice.** Any document or notice to Buyer or Seller must be in writing, except as provided in
 586 § 26.2. and is effective when physically received by such party, any individual named in this Contract to receive documents or
 587 notices for such party, Broker, or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing
 588 must be received by the party, not Broker or Brokerage Firm).

589 **26.2. Electronic Notice.** As an alternative to physical delivery, any notice may be delivered in electronic form to Buyer or
 590 Seller, any individual named in this Contract to receive documents or notices for such party, Broker or Brokerage Firm of Broker
 591 working with such party (except any notice or delivery after Closing, cancellation or Termination must be received by the party, not
 592 Broker or Brokerage Firm) at the electronic address of the recipient by facsimile, email or **CTME**.

593 **26.3. Electronic Delivery.** Electronic Delivery of documents and notice may be delivered by: (1) email at the email address
 594 of the recipient, (2) a link or access to a website or server provided the recipient receives the information necessary to access the
 595 documents, or (3) facsimile at the facsimile number (Fax No.) of the recipient.

596 **26.4. Choice of Law.** This Contract and all disputes arising hereunder are governed by and construed in accordance with
 597 the laws of the State of Colorado that would be applicable to Colorado residents who sign a contract in Colorado for real property
 598 located in Colorado.

599 **27. NOTICE OF ACCEPTANCE, COUNTERPARTS.** This proposal will expire unless accepted in writing, by Buyer and
600 Seller, as evidenced by their signatures below and the offering party receives notice of such acceptance pursuant to § 26 on or before
601 **Acceptance Deadline Date** and **Acceptance Deadline Time**. If accepted, this document will become a contract between Seller and
602 Buyer. A copy of this Contract may be executed by each party, separately and when each party has executed a copy thereof, such
603 copies taken together are deemed to be a full and complete contract between the parties.

604 **28. GOOD FAITH.** Buyer and Seller acknowledge that each party has an obligation to act in good faith including, but not limited
605 to, exercising the rights and obligations set forth in the provisions of **Title Insurance, Record Title and Off-Record Title; New**
606 **ILC, New Survey; and Property Disclosure, Inspection, Indemnity, Insurability, and Due Diligence.**

ADDITIONAL PROVISIONS AND ATTACHMENTS

608 **29. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the Colorado Real Estate
609 Commission.)

610
611 29.1. **Ratification:** This Contract has been executed by the Town Manager of Buyer but is conditional upon ratification by
612 the Town Council of Mountain Village at the next regular meeting of the Council that is scheduled to occur at least 48 hours
613 after MEC. Should the Town Council fail to ratify the Contract, then it shall be null and void and any Earnest Money
614 tendered by Buyer shall be fully refunded to Buyer. Notwithstanding the date of ratification by Town Council, MEC shall
615 be the date the Contract is signed by both Seller and the Town Manager.

616
617 29.2. **Addendum.** The Addendum is incorporated herein by this reference. The provisions in the Addendum shall supersede
618 and replace any inconsistent provisions of any section of this Contract.

619
620 29.3 **1031 Exchange.** The Parties shall cooperate with each other should Seller elect to pursue a 1031 exchange,
621 provided that the Buyer is not required to incur liability for participating in the exchange and closing is not otherwise
622 delayed.

623
624 29.4 **Brokers.** Neither Buyer or Seller is currently represented by a broker with respect to this transaction. Each party shall
625 be responsible for payment of any commissions of their respective brokers due as a result of this transaction. Each party
626 agrees, to the extent permitted by law, to indemnify and defend the other against any amounts claimed by any other agents
627 or brokers claiming through such indemnifying party. This indemnity will survive Closing or any termination of this
628 Contract.

629
630 29.5 **Notice.** As provided in Section 26 hereof, any document or notice to Buyer shall be directed to Paul Wisor, Town
631 Manager, at pwisor@mtnvillage.org, and Michelle Haynes, Planning Director, at mhaynes@mtnvillage.org. Any notice to
632 Seller will be directed to Dave Alexander at davealexander@montrose.net with a copy to Thomas G. Kennedy at
633 tom@tklaw.net

634
635 29.6 **TABOR:** Since Buyer is a municipality subject to Colorado’s Taxpayer Bill of Rights, the Parties hereto agree that
636 Section 10.4 shall be replaced to read as follows:

637
638 Buyer, except as otherwise provided in this Contract or other written agreement between the parties, is responsible for
639 payment of all inspections, tests, surveys, engineering reports, or other reports performed at Buyer’s request (Work)
640 and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer must not permit
641 claims or liens of any kind against the Property for Work performed on the Property. To the extent permitted by law,
642 Buyer agrees to indemnify, protect, and hold Seller harmless from and against any liability, damage, cost or expense
643 incurred by Seller and caused by any such Work, claim, or lien; provided, however, any claims made pursuant to this
644 provision are limited to actual damages and that are asserted within the 2024 fiscal year or the 2025 fiscal year if closing
645 under the Contract occurs in 2025. This indemnity includes Seller’s right to recover all costs and expenses incurred by
646 Seller to defend against any such liability, damage, cost or expense, or to enforce this Section, including Seller’s
647 reasonable attorney fees, legal fees and expenses. The provisions of this Section survive the termination of this
648 Contract. This § 10.4. does not apply to items performed pursuant to an Inspection Resolution.

649
650 The foregoing notwithstanding, as a condition to either Closing or the release of any Earnest Money to Buyer should the
651 Contract be properly terminated by either Buyer or Seller, Buyer shall provide reasonably acceptable evidence to Seller that
652 all fees, costs and expenses for any work done on the Property at the direction or request of Buyer have been fully paid and
653 copies of full and final executed lien waivers and releases have been obtained from each consultant or contractor have been

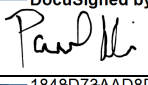
654 provided to Seller. If required by the title company for Closing, Buyer will execute and deliver its indemnity, subject to
655 applicable law, to the Title Company and Seller (in a form required by the title company) certifying the status of work or
656 services it caused to be performed which could give rise to a lien. Buyer will provide to Seller budget resolutions for 2024
657 and 2025 confirming that Buyer has appropriated (2024) or will appropriate (2025) sufficient funds to fully cover the
658 Earnest Money deposit, Cash at Closing (defined in Addendum), and cost of Buyer's proposed Work. If Buyer fails to
659 appropriate such funds for 2025 by the deadline required under Colorado law, Seller may terminate the Contract.

660 **30. OTHER DOCUMENTS.**

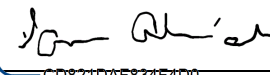
661 **30.1. Documents Part of Contract.** The following documents are a part of this Contract: Addendum to Contract to Buy
662 and Sell Real Estate (Vacant Land) and its exhibits (the Addendum).

663
664
665 **30.2. Documents Not Part of Contract.** The following documents have been provided but are **not** a part of this Contract:
666 None.

667 **SIGNATURES**

668 Buyer's Name: Town of Mountain Village Buyer's Name: _____
DocuSigned by: _____
 June 19, 2024
1848073AAD8D48E... Date Buyer's Signature _____ Date
Address: 55 Mountain Village Blvd., Suite A Address: _____
Mountain Village, CO 81435 Phone No.: _____
Phone No.: 970-728-8000 Email Address: _____
Email Address: pwisor@mtnvillage.org

669 **[NOTE: If this offer is being countered or rejected, do not sign this document.]**

Seller's Name: Alexander Ranch, LLLP Seller's Name: _____
DocuSigned by: _____
 June 19, 2024
CD821DAF834F4D0... Date Seller's Signature _____ Date
Address: P.O. Box 829 Address: _____
Norwood, CO 81423 Phone No.: _____
Phone No.: 970-596-8895 Fax No.: _____
Fax No.: _____ Email Address: _____
Email Address: davealexander@montrose.net

670 **END OF CONTRACT TO BUY AND SELL REAL ESTATE**

671

**ADDENDUM TO
CONTRACT TO BUY AND SELL REAL ESTATE (VACANT LAND)**

THIS ADDENDUM TO CONTRACT TO BUY AND SELL REAL ESTATE (VACANT LAND) (“**Addendum**”) is entered into by and between The Town of Mountain Village, a home rule municipality of the State of Colorado (“**Buyer**”) and Alexander Ranch LLLP, a Colorado limited liability limited partnership (“**Seller**”) as part of that certain Contract to Buy and Sell Real Estate (Vacant Land) dated June 18, 2024 (the “**Contract**”) between Seller and Buyer. Any capitalized terms not defined herein shall have the meaning given to them in the Contract.

1. **The Property.** Seller is the owner of certain real property located in unincorporated San Miguel County known as Assessor Parcel No. 456331300021 comprising approximately 88.4 acres as generally depicted on Exhibit A (collectively, the “**Existing Parcel**”). The property to be conveyed to Buyer is an approximately 5-acre portion of the Existing Parcel depicted on Exhibit B, together with the interests, mineral and other subsurface rights, easements, rights, benefits, improvements, and attached fixtures appurtenant thereto and all interest of Seller in vacated streets and alleys adjacent thereto, except as may be excluded in the Contract (the “**Conveyed Parcel**” or the “**Property**”), the boundaries and legal description of which will be agreed upon by Buyer and Seller prior to submission of an application for Subdivision Approval (defined below). Buyer desires and intends to develop a portion of the Existing Parcel for a regional wastewater treatment plant (the “**RWWTP**”). That portion of the Existing Parcel not conveyed to Buyer, together with the interests, mineral and other subsurface rights, easements, rights, benefits, improvements, and attached fixtures appurtenant thereto will be retained by Seller (the “**Retained Parcel**”). The sale is contingent upon Buyer using the Conveyed Parcel only for a RWWTP and not any other use or activity, unless approved by Seller in its sole, subjective discretion. This requirement and restriction shall be included in the conveyance deed.

During the Study Period, the Parties shall meet and confer to discuss the location for access and utilities to serve the Conveyed Parcel, which could be over a portion of the Retained Parcel if so agreed by the Parties and would result in the Seller granting and conveying an easement for access and/or utilities over a portion of the Retained Parcel on mutually acceptable terms and conditions (the “**Access Easement**”).

Additionally, as of the date of this Contract, the parties anticipate that the boundaries of the Conveyed Parcel will not extend to the middle of or be defined by the boundaries of the San Miguel River and, in that event, Seller agrees to grant a perpetual easement benefitting the Conveyed Parcel for discharge from the RWWTP to the San Miguel River (the “**Discharge Easement**”), which Discharge Easement shall be included with the Conveyed Parcel. The location and dimensions of the Access Easement and Discharge Easement will be sufficient to meet San Miguel County and other regulatory agency standards and shall be established and agreed upon by the parties prior to submission of an application for Subdivision Approval. The use and effectiveness of the Access Easement, Discharge Easement and any other easements granted in connection with this transaction is contingent upon the development and operation of the RWWTP. If the RWWTP is not developed, the easements shall be terminated and extinguished if the Seller elects to exercise its buyback option set forth in Section 8 of this Addendum.

While the legal description of the Conveyed Parcel and the Retained Parcel in this Contract may not be complete or accurate, this Contract shall nevertheless be valid and enforceable, and the legal description shall be completed or corrected to meet the requirements of the title company that has, or will, issue the title commitment; provided, however, that in all events, the boundaries and configuration of the Conveyed Parcel, Access Easement, Discharge Easement, and the Retained Parcel and the associated legal descriptions, including terms and conditions of any easements being granted, are subject to the mutual

approval of the Seller and Buyer and if not mutually agreeable to each Party, either Party may terminate the Contract and, in such event, the Earnest Money shall be returned to Buyer.

2. **Purchase Price.**

A. The purchase price for the Conveyed Parcel shall be \$1,100,000.00 (“**Purchase Price**”) which is payable in cash at Closing (“**Cash at Closing**”), subject to subsection B, below.

B. As part of the consideration for this Agreement, it is the intent of the Parties to provide Seller with the right to elect to acquire certain rights to connect up to twenty single-family residences to the RWWTP at any time after it is operational (each right is referred to herein as a “**Tap Fee Credit**”). Each of the Tap Fee Credits are allocated on the water usage of one single-family residence, but may be converted to non-residential uses, which would be determined based upon a customary unit equivalency formula. The Parties stipulate that the value of each Tap Fee Credit is \$43,000/water and sewer tap (“**Tap Fee Credit Unit Valuation**”). Prior to Closing Seller may elect to obtain up to twenty Tap Fee Credits and, if so elected, the Purchase Price shall not change, but the amount of Cash at Closing due from Buyer at closing shall be reduced by an amount equal to the Tap Fee Credit Unit Valuation multiplied by the number of Tap Fee Credits Seller elects to acquire. Each Tap Fee Credit so obtained shall be appurtenant to and run with the Retained Parcel and any future subdivisions thereof as well as any other property owned by Seller or its affiliates within the Service Boundaries of the RWWTP. In addition, the Seller shall have the right to sell, transfer and assign some or all of the Tap Fee Credits it acquires from the Buyer to any person or party owning property within the Service Boundaries of the RWWTP, which Tap Fee Credits would also be capable of conversion from serving a residential use to a non-residential use. At Closing, the Parties will enter into an agreement on mutually agreeable terms and conditions, addressing the foregoing issues relating to the provision of Tap Fee Credit (the “**Tap Fee Agreement**”). In the event that Seller does not elect to acquire any Tap Fees Credits at Closing, Buyer agrees that it shall enter into an agreement where it agrees to serve any future development on the Retained Parcels or other property owned by Seller or its affiliates that is located within the Service Boundaries of the RWWTP on terms and conditions, including the payment of tap fees, uniformly charged to users at a lower “in district” rate (if there are such rate differentials provided for in the RWWTP rate structure). As of the date of this Agreement, it is unknown whether the future RWWTP will be owned and operated by Buyer or by a governmental authority including Buyer and some other local government entity. The Parties further acknowledge that construction and operation of the RWWTP faces multiple contingencies including but not limited to obtaining all required permits and regulatory approvals and adequate funding. Additionally, the transferability of tap fees and connection rights may be restricted by applicable provisions of the Mountain Village Municipal Code, the regulations of a new governmental entity that owns and operates the RWWTP, or by the terms of future third party agreements relating to the proposed RWWTP. Buyer agrees to make reasonable, good faith efforts to satisfy such contingencies and to authorize the provisions of this subsection via appropriate contractual terms with third parties and/or code amendments as may be required. In the event that Seller elects to obtain the Tap Fee Credits as set forth above but Buyer is unable, despite good faith efforts, to provide the Tap Fee Credit under the terms set forth herein, then Buyer shall have the option instead to pay to Seller the amount of the Tap Fee Credit Unit Valuation together with interest thereon at the rate of 8% per annum or other rate agreed to by the parties in the Tap Fee Agreement from the date of Closing through the date of payment in full satisfaction of the obligations of this Section B.

C. Within fifteen (15) business days from mutual execution of this Agreement, Purchaser shall deliver to Land Title Guarantee Company (the “**Title Company**”) an initial deposit in the amount of Fifty Thousand Dollars (\$50,000.00) (the “**Escrow Payment**” or “**Earnest Money Deposit**”), which Earnest Money Deposit shall be applied toward the Purchase Price and Cash at Closing. Any interest earned on the Deposit shall be applicable to the Purchase Price or, if this Agreement is terminated, shall be released to the party entitled to receive the same at the time of termination. At Closing, the balance of the

Cash at Closing shall be paid by cash, wire transfer, or certified or cashier's check and a Tap Fee Agreement shall be entered into by the parties.

3. **Study Period.**

A. Buyer shall have until June 30, 2025 at 5:00 p.m. Mountain Time (the "**Study Period**") to: (A) evaluate the title conditions, requirements and exceptions in the Title Commitment, survey matters (including completion of the New Survey), off record matters, leaseholds, any improvements, and zoning, subdivision, annexation, and land use issues concerning the Conveyed Parcel; (B) inspect the physical conditions affecting the Conveyed Parcel; (C) secure any necessary funding or financing for the purchase of the Conveyed Parcel, if required by Buyer; (D) evaluate any and all other conditions affecting or concerning the Conveyed Parcel and Buyer's intended use of the same deemed relevant to Buyer; and (E) resolve any objections regarding any of the foregoing with Seller (the "**Study Matters**"). Subject to Section 29.6 of the Contract, all of Buyer's investigations shall be undertaken at Buyer's cost and expense. Buyer and its agents and consultants shall have the right to enter upon the Property during the Study Period for the purpose of investigating the suitability of the site for Buyer's intended uses at a day and time that is mutually convenient to the Parties.

B. During the Study Period, Buyer will evaluate and analyze locations of utilities and infrastructure, including water and sewer main lines, necessary to serve and operate the anticipated RWWTP and the need for additional easements to accommodate such utilities and infrastructure. In connection therewith, the parties shall meet and confer to discuss in good faith and seek to agree regarding on mutually acceptable locations and dimensions of such easements that may need to be located on the Retained Parcel, provided that the Parties recognize and agree that nothing herein shall obligate Seller to grant or convey any such easements.

C. In the event Buyer has not terminated the Contract during the Study Period, Buyer may, at Buyer's option, extend the Study Period for one (1) additional ninety (90) day period (the "**First Extension Period**") by notifying Seller in writing of its intent to do so on or before the last day of the Study Period. The First Extension Period shall commence on the business day immediately following the end of the Study Period and, upon commencement, \$15,000.00 of the Earnest Money shall become, at that time, nonrefundable (except in the event of a default by Seller) and shall be released to Seller but fully applicable to the Purchase Price at Closing.

D. In the event Buyer has not terminated the Contract during the First Extension Period, Buyer may, at Buyer's option, extend the Inspection Period for one (1) additional ninety (90) day period (the "**Second Extension Period**") by notifying Seller in writing of its intent to do so on or before the last day of the First Extension Period. The Second Extension Period shall commence on the business day immediately following the end of the Second Extension Period and, upon commencement, an additional \$15,000.00 of the Earnest Money shall become, at that time, nonrefundable (except in the event of a default by Seller) and shall be released to Seller but fully applicable to the Purchase Price at Closing.

E. Buyer shall have the right to terminate this Contract for any reason in Buyer's sole discretion by written notice delivered to Seller before the end of the Study Period, First Extension Period, or Second Extension Period, as applicable. In that event, the Contract shall terminate and the Earnest Money, plus interest, shall be returned to Buyer subject to and not including any released Earnest Money paid to Seller in connection with the provision of the First Extension Period or Second Extension Period provided for above, and both parties shall be relieved of any further obligations hereunder except those that expressly survive termination. In the event Buyer has not terminated the Contract on or before the last day of the Study Period or any extension period, as applicable, all remaining Earnest Money shall become non-refundable, except in the event of a default by Seller, and be fully applicable to the Purchase Price.

F. In the event Buyer terminates the Contract, Buyer agrees to provide copies to Seller of all reports, studies, data, engineering and surveyor work product, and other information generated by Buyer or its consultants regarding the Property (collectively, “**Buyer’s Reports**”).

4. **Due Diligence Documents.** Seller will provide Buyer copies of the Due Diligence Documents indicated in the Contract, to the extent such documents and materials exist and are in the reasonable possession and control of Seller. Seller shall not be required to prepare, execute or deliver a Seller Property Disclosure.

5. **Survey.** Buyer, at its expense, shall cause its surveyor to survey the Existing Parcel and create an Improvement Survey Plat (“New Survey”) called for in the Contract, along with legal descriptions for the Remaining Parcel, Conveyed Parcel and any Access Easement and Discharge Easement agreed to by the Parties. The New Survey will be prepared from an on-the-ground inspection by a surveyor registered in the State of Colorado, which surveyor shall, seasonal conditions permitting, appropriately locate, stake, and flag all boundary corners of the Property. This survey shall be prepared in accordance with requirements of C.R.S. §38-51-102(9). The New Survey shall contain a certification in form reasonably acceptable to Buyer benefiting Buyer, any lender designated by Buyer, and the company providing the title commitment.

6. **Subdivision/Land Use Approvals.**

A. Seller and Buyer acknowledge and agree that the closing of the sale of the Property and the transaction contemplated in the Contract is expressly contingent upon the successful subdivision or other lawful means resulting in the creation of the Conveyed Parcel and the Retained Parcel as separate parcels on those terms and conditions deemed acceptable to Seller and Buyer respectively in their sole discretions (the “**Subdivision Approval**”). Upon mutual execution of the Contract (“MEC”), the parties shall cooperate in good faith to, as soon as practicable, specify the precise legal boundaries of the Conveyed Parcel and the Retained Parcel through the preparation of a New Survey and parcel map of the Conveyed Parcel and the Retained Parcel by Buyer’s surveyor. Thereafter, Buyer, following consultation with and approval of Seller, will prepare and submit a land use application to San Miguel County for a Subdivision Exemption for Essential Community Facilities, and/or other agreeable application (the “**Subdivision Exemption Application**”). If necessary for the type of application to be submitted, the Subdivision Exemption Application may designate and describe the Conveyed Parcel as intended to be used and developed for essential governmental or community facilities, including a RWWTP, and provide that the Retained Parcel(s) are approved and can continue to be used and developed for its historic or existing uses and such other future uses and activities identified by Seller allowed under its applicable or future zoning (“**Retained Parcel Allowable Uses**”). The Parties shall meet and confer to review, discuss and, where applicable, seek to resolve any issues and concerns that Seller may identify that could affect its ability to undertake the Retained Parcel Allowable Uses, which resolutions would be a condition to Seller’s obligation to close on the sale of the Conveyed Parcel to the Buyer unless the condition is waived by Seller in its reasonable discretion. Seller shall have the right to review and approve the Subdivision Exemption Application before it is submitted to the County. Seller and Buyer shall each be responsible for any respective terms and conditions imposed as a result of the Subdivision Exemption Application related to their respective development proposals, it being recognized that the Retained Parcel Allowable Uses are pre-existing, grandfathered uses and are not expected to result in conditions such as onsite or offsite infrastructure improvements.

B. After Closing, Buyer may elect to annex the Conveyed Parcel into the Town of Mountain Village and/or apply development restrictions on the Conveyed Parcel under its laws, codes, and regulations, which would be completed by Buyer without the need for any involvement from the Seller, provided that no such annexation shall obligate Seller to include any of its holdings to join any such

annexation. Unless requested or otherwise consented to by Seller, the Retained Parcel will not be annexed into the Town of Mountain Village at any time.

C. The Parties agree that the actions by the County with respect to the Subdivision Approval or other related reviews shall not: (a) result in any change to the Retained Parcel Allowable Uses, (b) result in changes to the size, location, or boundary of the Conveyed Parcel or Retained Parcel except as agreed to by Buyer and Seller, (c) impose conditions, restrictions or requirements concerning Seller's use of and access to the County Road adjacent to the Retained Parcel and/or the Highway #145 intersection, or (d) impose requirements for infrastructure improvements to accommodate the Retained Parcel Allowable Uses. If (1) such conditions will be imposed by the County as conditions of the Subdivision Approval and the same are not consented to by Seller, (2) conditions will be imposed on the Subdivision Approval affecting the Conveyed Parcel that are not acceptable to Buyer in Buyer's sole subjective discretion, or (3) the County denies the Subdivision Approval, Buyer and Seller agree to meet and confer as soon as practical for up to thirty days or such longer period that the Parties may agree upon, to allow the parties to discuss other mutually acceptable governmental review processes, timelines, costs, and other relevant factors that would allow for the creation of the Conveyed Parcel and Retained Parcel and establish applicable zoning, land use, access and other infrastructure requirements for the respective parcels, which shall be on terms and conditions acceptable to both parties. If the parties are unable to reach such an agreement within said period, Buyer or Seller may terminate the Contract, and all Earnest Money deposited by Buyer and not previously released to Seller as provided herein will be returned to Buyer.

D. The parties agree that the obligation of Buyer and Seller to close on the Property is subject to obtaining a final, non-appealable Subdivision Approval from the applicable governmental entity and recording of the subdivision plat or other instrument creating the Conveyed Parcel and the Retained Parcel. The Closing Date shall occur within ten (10) business days of the later of the effective date of the Subdivision Approval, the end of the First Extension Period, or the end of the Second Extension Period, as applicable; provided that in no event shall the Closing Date extend beyond the date that is 20 months from MEC ("**Outside Closing Date**"), unless a later date is mutually agreed to in writing by both parties. If not agreed and closing does not occur, then the Contract shall terminate as of the Outside Closing Date and Buyer shall be entitled to a return of any remaining Earnest Money, provided that Buyer is not otherwise in default. The Subdivision Exemption Plat or other applicable instrument will be recorded before or simultaneously with a successful closing, at Seller's election. The legal description of the Property in the Title Commitment shall be updated upon Subdivision Approval and recordation of the subdivision plat or other appropriate instrument. In the event Subdivision Approval is: (i) denied or granted with unacceptable conditions as provided above, (ii) not obtained by the Outside Closing Date or such other date agreed upon by the Parties, or (iii) issued by the County, but is then appealed by another party, Buyer or Seller may terminate this Contract within 5 business days of the effective date of the applicable County action or the appeal of the Subdivision Approval and, upon termination, Buyer shall be entitled to a return of all Earnest Money not previously released to Seller as provided herein, provided that Buyer is not otherwise in default. The parties acknowledge that if a Subdivision Approval is issued by the County, but is appealed by another party, the Seller is not obligated to pursue the appeal and could elect to withdraw the application for the Subdivision Approval.

E. All costs related to subdivision of the Existing Parcel, including all surveying costs and expenses, shall be paid for by Buyer. Additionally, if the application requires the provision of any consulting reports relating to Buyer's development of the Conveyed Property, such as a traffic report, Buyer shall retain and directly pay for such consultant reports in a timely manner. Buyer will provide copies of any reports it commissions for the Existing Parcel in connection with the subdivision process to Seller. Any such reports relating to the development of the Retained Parcel shall be coordinated and paid for directly by Seller in a timely manner.

7. **Existing Uses and Leases.** Buyer agrees that all existing uses of the Conveyed Parcel may continue to occur until a development permit is issued for the RWWTP, subject to compliance with any written or verbal agreements regarding such uses as the same may be amended, and any such written or verbal agreements will survive Closing. Seller shall provide copies of all written agreements and a summary of any verbal agreements regarding use of the Conveyed Parcel by the Due Diligence Documents Delivery Deadline.

8. **Buy-Back Option.** If Buyer has not commenced the construction of a RWWTP on the Conveyed Parcel within seven years of the Closing or such later date agreed to by the Parties, Seller shall have the option, but not the obligation, to repurchase the Conveyed Parcel from Buyer for the portion of the Purchase Price reflecting the payment of Cash at Closing. The reconveyance would also be triggered if the Buyer permanently suspends efforts to develop a RWWTP on the Conveyed Parcel. The Conveyed Parcel would be conveyed to Seller free and clear of any monetary liens or encumbrances as well as any easements, covenants or restrictions, including any easements contemplated to be granted and conveyed to Buyer by Seller hereunder. By the end of the Study Period, the parties shall negotiate and agree to the terms of a separate agreement setting forth the terms of the buy-back option, which agreement shall be executed at Closing and shall be binding upon successors and assigns and run with title to the Retained Parcel.

9. **Cooperation.** Seller and Buyer agree to cooperate fully with respect to the Subdivision Approval. In this regard, Seller agrees to execute all necessary petitions, agreements, consents, applications, and all other documents reasonably required to obtain the Subdivision Approval, to pursue and present the Subdivision Exemption Application to the County, and to pursue any other matter reasonably related to the Subdivision Approval.

10. **Operations.** Seller agrees, through and including the Closing Date, and at the Seller's sole cost and expense, to (a) keep all existing insurance policies affecting the Property, or any portion thereof in full force and effect; (b) provide all services and continue to operate, manage, and maintain the Property in such condition so that the Property will be in the same condition on the Closing Date as on the date of the Contract; (c) keep Buyer timely advised of any repair or improvement required to keep the Property in a safe and orderly condition; (d) complete any such repairs or improvements in a timely fashion prior to Closing; or (e) not create or cause to be created any new leases, licenses, use agreements, easements or other encumbrances against the Property that would extend beyond closing without notification to and the consent of Buyer, which consent shall not be unreasonably withheld.

11. **Seller Warranties.** Seller represents and warrants as of the date of the Contract and as of the Closing Date that the following facts and circumstances are true and correct to the actual, reasonable knowledge and belief of Seller, without any duty to further investigate the matter:

A. This Contract constitutes a legal and binding agreement of the Seller enforceable in accordance with its terms and that there exists no restriction on the right of Seller to transfer, sell, convey and assign the Property except as provided herein.

B. Except as may be disclosed in writing to Buyer, Seller has received no notice of, and has no knowledge of any ending or threatened litigation, proceeding, or investigation by any governmental authority or any other person against or otherwise affecting the Property, nor does Seller know of any grounds for any such litigation, proceeding, or investigation.

C. Seller has received no notice of any condemnation proceedings or any special assessment against the whole or any part of the Property other than disclosed in writing to Buyer.

D. Except as may be disclosed in writing to Buyer in the Due Diligence Documents or as set forth in Seller's Property Disclosure Form, Seller has no present knowledge or notice of any patent or latent defects, soils deficiencies, or subsurface abnormalities existing on the Property.

E. Except as may be disclosed in writing to Buyer, Seller has not received any notice, written or otherwise, from any government or quasi-government agency requiring the correction of any condition with respect to the Property, or any part thereof.

F. No assessments billed will be owing prior to Closing for street paving, curbing, sanitary sewers, storm sewers, or other municipal or governmental improvements.

G. There are no delinquent bills for work, labor, or materials done, performed, or furnished that would give rise to a mechanic's lien against the Property.

H. Except as may be disclosed in writing to Buyer, Seller has received no notice of and has no knowledge of any violation or non-conformity of the Property under applicable building, zoning, and other land use regulations of San Miguel County, Colorado.

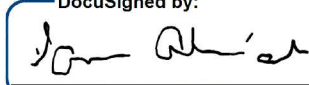
The representations and warranties of Seller shall survive the Closing for a period of one (1) year. Notwithstanding the foregoing, Buyer acknowledges that Buyer is relying on its own investigation and analysis of the Property and that said Property is being purchased on an "AS IS"/"WHERE IS" basis, subject to such representations and warranties of Seller.

12. **Authority; Signatures.** Seller and Buyer each represent to the other party that it has full right and power to enter into the Contract (including this Addendum) and to close the sale of the Property, subject to obtaining the Subdivision Approval. Further, the person signing on behalf of each party has the authority to so sign and to bind the party for which he or she signs; provided that Buyer's signature is subject to ratification as provided in Section 29.1 of the Contract. The parties consent to the use of electronic signatures on the Contract and this Addendum, which electronic signatures shall be binding.

This Addendum, upon execution by the parties, becomes an integral part of the Contract, and, except as amended or modified by this Addendum, the Contract, in all other respects, remains the same.

SELLER

Alexander Ranch, LLLP

DocuSigned by:

June 19, 2024
Name: David Alexander
Date
Title: partner

BUYER

Town of Mountain Village

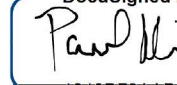
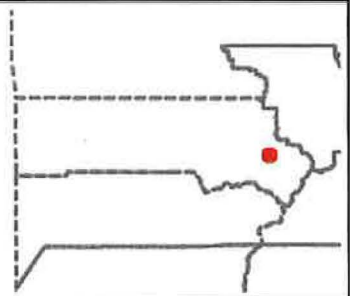
DocuSigned by:

June 19, 2024
Name: Paul Wisor
Date
Title: Paul Wisor, Town Manager

EXHIBIT A

Existing Parcel



San Miguel County, Colorado
Map Viewer



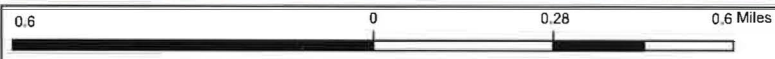
Legend

- Road
- Regional Road
- County Boundary
- Town Boundary
- Tax Parcels cache

Map Generated
4/9/24 12:59 PM

Notes

1: 18,056



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION
www.sanmiguelcountyco.gov

DocuSign Envelope ID: 1E17459F-67CD-4258-A838-8FA3F93FAD87

EXHIBIT B

Depiction of Existing Parcel and Conveyed Parcel

PROPOSED LAND AREA

ALEXANDER PROPERTY

APPROXIMATELY 0.5 MILE NW OF TOWN OWNED PROPERTY



SAN MIGUEL
COUNTY

STATE OF
COLORADO

HWY 145

USFS

ALEXANDER
RANCH LLLP

APPX. 5 ACRES

PRINCE H CHARLES
AND JESSIE H

TOWN OF MOUNTAIN VILLAGE
Town Council Meeting
July 9, 2024
9:00 a.m.

During Mountain Village government meetings and forums, there will be an opportunity for the public to speak. If you would like to address the board(s), we ask that you approach the podium, state your name and affiliation, and speak into the microphone. Meetings are filmed and archived and the audio is recorded, so it is necessary to speak loud and clear for the listening audience. If you provide your email address below, we will add you to our distribution list ensuring you will receive timely and important news and information about the Town of Mountain Village. Thank you for your cooperation.

NAME: (PLEASE PRINT!!)

Geneva Shavnette
Elena Levin

EMAIL: _____

EMAIL: elevin@telluride-co.gov

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