

**VACANT LAND
CONTRACT TO BUY AND SELL REAL ESTATE
LINCOLN HIGHLANDS III LIMITED
THE HIGHLANDS AT BRECKENRIDGE**

**THE STATE OF COLORADO HAS NOT PREPARED OR ISSUED THIS DOCUMENT
NOR HAS IT PASSED ON THE MERITS OF THE SUBDIVISION DESCRIBED HEREIN.**

1. PARTIES AND PROPERTY.

_____, buyer(s) [Buyer], (as joint tenants/tenants in common agrees to buy and the undersigned seller(s)[Seller], agrees to sell, on the terms and conditions set forth in this contract, the following described real estate in the County of Summit, Colorado, to wit:

Lot _____ ("Property"), The Highlands at Breckenridge, _____ Subdivision ("Subdivision") as shown on the plat thereof recorded in the real property records of Summit County, Colorado.

known as No. _____ Breckenridge Colorado 80424
Street Address City State Zip

together with all interest of Seller in vacated streets and alleys adjacent thereto, all easements and other appurtenances thereto, all improvements thereon and all attached fixtures thereon, except as herein excluded (collective the Property).

2. INCLUSIONS/EXCLUSIONS. The purchase price includes the following items:

- (a) Water Rights. Purchase price to include the following water rights: **None**
- (b) Growing crops. With respect to the growing crops Seller and Buyer agree as follows: **None**

PURCHASE PRICE AND TERMS. The purchase price shall be \$ _____, payable in U.S. dollars by Buyer as follows: (Complete the following applicable terms below.)

Earnest Money. \$ 7,500.00 in the form of _____, as earnest money deposit and part payment of the purchase price, payable to and held by Title Company of The Rockies (* see paragraph 29 below) on behalf of both Seller and Buyer.

The balance of \$ _____ (purchase price less earnest money) shall be paid as follows:

(1) Cash at Closing. \$ _____, plus closing costs, to be paid by Buyer at closing in funds which comply with all applicable Colorado laws, which include cash, electronic transfer funds, certified check, savings and loan teller's check, and cashiers check (Good Funds). Subject to the provisions of Section 4, if the existing loan balance at the time of closing shall be different from the loan balance in Section 3, the adjustment shall be made in Good Funds at closing or paid as follows: _____.

(2) New Loan. \$ _____ by Buyer obtaining a new loan. This loan will be secured by a first deed of trust.

4. FINANCING CONDITIONS AND OBLIGATIONS.

(a) Loan Application(s). If Buyer is to pay all or part of the purchase price as set forth in Section 3 by obtaining a new loan, Buyer shall make written application within three calendar days from acceptance of this contract. Buyer shall cooperate with Seller and lender to obtain loan approval, diligently and timely pursue same in good faith, execute all documents and furnish all information and documents required by the lender, and, subject to Section 3, timely pay the cost of obtaining such loan.

(b) Loan Approval. If Buyer is to pay all or part of the purchase price by obtaining a new loan as specified in Section 3, this contract is conditional upon lender's approval of the new loan on or before twenty one (21) calendar days after date of Seller's signature. If not so approved by said date, this contract shall terminate.

5. APPRAISAL PROVISION. (Check one box only.) This Section 5 _____ shall shall not apply.

If this Section 5 applies, as indicated above, Buyer shall have the right to terminate this contract if the purchase price exceeds the Property's valuation determined by an appraiser engaged by lender. If Seller receives a copy of such appraisal or written notice from lender which confirms the Property's valuation is less than the purchase price, on or before fourteen (14) calendar days after date of Seller's signature (Appraisal Deadline), this contract shall terminate. Buyer shall have the privilege and option of proceeding with consummation of this contract without regard to the amount of the appraised valuation. Upon closing, Buyer waives any objection to the Property's valuation.

6. COST OF APPRAISAL. Cost of any appraisal to be obtained after the date of this contract shall be timely paid by Buyer.

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

8. EVIDENCE OF TITLE. Seller shall furnish to Buyer, at Seller's expense, a current commitment for owner's title insurance policy in an amount equal to the purchase price on or before fourteen (14) calendars days after date of Seller's signature (Title Deadline). Buyer may require of Seller that copies of instruments (or abstracts of instruments) listed in the schedule of exceptions (Exceptions) in the title insurance commitment also be furnished to Buyer at Seller's expense. This requirement shall pertain only to instruments shown of record in the office of the clerk and recorder of the designated county or counties. The title insurance commitment, together with any copies or abstracts of instruments furnished pursuant to this Section 8, constitute the title documents (Title Documents). Buyer, or Buyer's designee, must request Seller, in writing, to furnish copies or abstracts of instruments listed in the schedule of exceptions no later than three (3) calendar days after Title Deadline. Seller will pay the premium at closing and have the title insurance policy delivered to Buyer as soon as practicable after closing.

9. TITLE.

(a) Title Review. Buyer shall have the right to inspect the Title Documents. Written notice by Buyer of unmerchantability of title or any other unsatisfactory title condition shown by the Title Documents or abstract shall be signed by or on behalf of Buyer and given to Seller on or before three (3) calendar days after Title Deadline, or within five (5) calendar days after receipt by Buyer of any Title Document(s) or endorsement(s) adding new Exception(s) to the title commitment together with a copy of the Title Document adding new Exception(s) to title. If Seller does not receive Buyer's notice by the date(s) specified above, Buyer accepts the condition of title as disclosed by the Title Documents as satisfactory.

(b) Matters Not Shown by the Public Records. Seller shall deliver to Buyer, on or before the Title Deadline set forth in Section 8, true copies of all lease(s) and survey(s) in Seller's possession pertaining to the Property and shall disclose to Buyer all easements, liens or other title matters not shown by the public records of which Seller has actual knowledge. Buyer shall have the right to inspect the Property to determine if any third party(s) has any right in the Property not shown by the public records (such as an unrecorded easement, unrecorded lease, or boundary line discrepancy). Written notice of any unsatisfactory condition(s) disclosed by Seller or revealed by such inspection shall be signed by or on behalf of Buyer and given to Seller on or before fourteen (14) calendar days after date of Seller's signature. If Seller does not receive Buyer's notice by said date, Buyer accepts title subject to such rights, if any, of third parties of which Buyer has actual knowledge.

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

OBLIGATION INDEBTEDNESS OF SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICT SERVICING SUCH INDEBTEDNESS, AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES. In the event the Property is located within a special taxing district and Buyer desires to terminate this contract as a result, if written notice is given to Seller on or before the date set forth in subsection 9(b), this contract shall then terminate. If Seller does not receive Buyer's notice by the date specified above, Buyer accepts the effect of the Property's inclusion in such special taxing district(s) and waives the right to so terminate.

(d) Right to Cure. If Seller receives notice of unmerchantability or other defect of title, Seller may, but shall not be obligated to, remove or cure such defects of title. If Seller attempts to remove or cure such defects, Seller shall be entitled to an adjournment of the closing date, if necessary, for a period of 30 days in which to remove or cure such defects prior to the adjourned closing date. Seller shall be entitled to use the proceeds from the closing to cure or remove any such defect of title which may be removed by payment of an ascertainable sum of money. Seller shall also be entitled to provide Buyer with title insurance protection against any such defect of title and such title insurance protection shall be deemed to satisfy Seller's obligation to remove or cure such defect of title. If Seller is unable to remove or cure all such defects of title within such period, Buyer may elect either to waive such defects or to terminate this Contract. Notwithstanding the foregoing, any adjournment of closing provided by this Paragraph 3 b shall be subject to the requirement that Closing must occur less than 180 days after the signing of this Contract.

10. INSPECTION. Buyer or any designee, shall have the right to have inspection(s) of the physical condition of the Property, at Buyer's expense. If written notice of any unsatisfactory condition, signed by or on behalf of Buyer, is not received by Seller on or before fourteen (14) days after date of Seller's signature (Objection Deadline), the physical condition of the Property shall be deemed to be satisfactory to Buyer. If such notice is received by Seller as set forth above, and if Buyer and Seller have not agreed, in writing, to a settlement thereof on or before seven (7) calendar days after receipt of such notice by Seller (Resolution Deadline), this contract shall terminate three calendar days following the Resolution Deadline; unless, within the three calendar days, Seller receives written notice from Buyer waiving objection to any unsatisfactory condition. Buyer is responsible for and shall pay for any damage which occurs to the Property as a result of such inspection. Buyer acknowledges that he has been afforded an opportunity to inspect the Property, and accepts the Property "AS IS," with all faults, latent or patent.

11. DATE OF CLOSING. The date of closing shall be _____, 20____, or by mutual agreement at an earlier date. The hour and place of closing shall be as designated by Seller. The closing and delivery of the warranty deed conveying title to Buyer shall occur no later than 180 days after the date of this contract.

12. TRANSFER OF TITLE. Subject to tender or payment at closing as required herein and compliance by Buyer with the other terms and provisions hereof, Seller shall execute and deliver a good and sufficient warranty deed to Buyer, on closing, conveying the Property free and clear of all taxes except the general taxes for the year of closing, and except _____ NONE _____. Title shall be conveyed free and clear of all liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not; except (i) distribution utility easements (including cable TV), (ii) those matters reflected by the Title Documents accepted by Buyer in accordance with subsection 9(a), (iii) those rights, if any, of third parties in the Property not shown by the public records in accordance with subsection 9(b), (iv) inclusion of the Property within any special taxing district, and (v) subject to building and zoning regulations.

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

14. CLOSING COSTS, DOCUMENTS AND SERVICES. Buyer and Seller shall pay, in Good Funds, their respective closing costs and all other items required to be paid at closing, except as otherwise provided herein. Buyer and Seller shall sign and complete all customary or required documents at or before closing. Fees for real estate closing services shall not exceed \$200.00 and shall be paid at closing by Seller and Buyer equally. Fees for loan closing, if any, shall be paid by Buyer. The local transfer tax of one (1) % of the purchase price shall be paid at closing by Buyer. Any sales and use tax that may accrue because of this transaction shall be paid when due by Buyer.

15. PRORATIONS. General taxes for the year of closing, based on the taxes for the calendar year immediately preceding closing, rents, water and sewer charges, owner's association dues, and interest on continuing loan(s), if any, and _____ ALL _____ shall be prorated to date of closing.

16. POSSESSION. Possession of the Property shall be delivered to Buyer as follows: upon delivery of the deed at closing, subject to the following lease(s) or tenancy(s): _____ NONE _____. If Seller, after closing fails to deliver possession on the date herein specified, Seller shall be subject to eviction and shall be additionally liable to Buyer for payment of \$ 50.00 per day from the date of agreed possession until possession is delivered.

17. CONDITION OF AND DAMAGE TO PROPERTY. Except as otherwise provided in this contract, the Property shall be delivered in the condition existing as of the date of this contract, ordinary wear and tear excepted. In the event the Property shall be damaged by fire or other casualty prior to the time of closing, in an amount of not more than ten percent of the total purchase price, Seller shall be obligated to repair the same before the date of closing. In the event such damage is not repaired within said time or if the damages exceed such sum, this contract may be terminated at the option of Buyer. Should Buyer elect to carry out this contract despite such damage, Buyer shall be entitled to credit for all insurance proceeds resulting from such damage to the Property, not exceeding, however, the total purchase price. Should any service(s) fail or be damaged between the date of this contract and the date of closing or the date of possession, whichever shall be earlier, then Seller shall be liable for the repair or replacement of such service(s) with a unit of similar size, age and quality, or an equivalent credit, less any insurance proceeds received by Buyer covering such repair or replacement.

18. TIME OF ESSENCE/REMEDIES. Time is of the essence hereof. If any note or check received as earnest money hereunder or any other payment due hereunder is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived as herein provided, and such failure is not cured within 20 days of written notice thereof, there shall be the following remedies:

IF BUYER IS IN DEFAULT (check one box only.):

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

(2) Liquidated Damages. All payments and things of value received hereunder (or, if less, 15% of the Purchase Price) shall be forfeited by Buyer and retained on behalf of Seller and both parties shall thereafter be released from all obligations hereunder. It is agreed that such payments and things of value are LIQUIDATED DAMAGES and (except as provided in subsection (c)) are SELLER'S SOLE AND ONLY REMEDY for Buyer's failure to perform the obligations of this contract. Seller expressly waives the remedies of specific performance and additional damages, provided that Seller shall be entitled to sue for and recover actual damages for losses suffered and costs incurred by Seller due to damage to the Property arising out of the activities of Buyer and its agents, contractors, and representatives

(b) IF SELLER IS IN DEFAULT: Buyer may elect to treat this contract as cancelled, in which case all payments and things of value received hereunder shall be returned and Buyer may recover actual compensatory damages not to exceed \$10,000 (AND EXCLUDING PUNITIVE, EXPECTANCY AND CONSEQUENTIAL DAMAGES, AS TO WHICH BUYER EXPRESSLY WAIVES ALL RIGHTS AND CLAIMS), or Buyer may elect to treat this contract as being in full force and effect and Buyer shall have the right to specific performance.

(c) COSTS AND EXPENSES. Anything to the contrary herein notwithstanding, in the event of any arbitration or litigation arising out of this contract, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney fees.

(d) TIMING FOR CLAIMS; CONSENT TO VENUE AND JURISDICTION. ANY ACTION OR CLAIM TO BE COMMENCED BY BUYER AGAINST SELLER UNDER OR ON ACCOUNT OF THIS CONTRACT SHALL BE COMMENCED, IF AT ALL, WITHIN ONE YEAR AFTER THE CLOSING OF TITLE; OTHERWISE, ANY SUCH ACTION SHALL BE DEEMED WAIVED AND RELEASED BY BUYER. BUYER EXPRESSLY CONSENTS TO VENUE AND JURISDICTION IN THE COURTS OF COLORADO WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS CONTRACT, AND AGREES TO ACCEPT SERVICE OF PROCESS BY REGISTERED OR CERTIFIED MAIL TO THE ADDRESS GIVEN AS BUYER'S ADDRESS HEREUNDER AS WELL AS BY ANY OTHER METHOD AUTHORIZED BY COLORADO LAW. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE CLOSING.

19. EARNEST MONEY DISPUTE. Notwithstanding any termination of this contract, Buyer and Seller agree that, in the event of any controversy regarding the earnest money and things of value held by broker or closing agent, unless mutual written instructions are received by the holder of the earnest money and things of value, broker or closing agent shall not be required to take any action but may await any proceeding, or at broker's or closing agent's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction.

20. ALTERNATIVE DISPUTE RESOLUTION: MEDIATION. If a dispute arises between the parties relating to this contract, the parties agree to submit the

dispute to mediation. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediator. If mediation proves unsuccessful, the parties may then proceed with such other means of dispute resolution as they so choose.

21. RECOMMENDATION OF LEGAL COUNSEL. By signing this document, Buyer and Seller acknowledge that the Selling Company or the Listing Company has advised that this document has important legal consequences and has recommended the examination of title and consultation with legal and tax or other counsel before signing this contract.

22. TERMINATION. In the event this contract is terminated, all payments and things of value received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to Section 19.

23. SELLING COMPANY BROKER RELATIONSHIP. The selling broker, _____, and its salespersons have been engaged as Representative for Buyer. Selling Company has previously disclosed in writing to the Buyer that different relationships are available which include buyer agency, seller agency, subagency, or transaction broker.

24. NOTICE TO BUYER. Any notice to Buyer shall be effective when received by Buyer, or, if this box is checked X when received by Selling Company.

25. NOTICE TO SELLER. Any notice to Seller shall be effective when received by Seller.

26. MODIFICATION OF THIS CONTRACT. No subsequent modification of any of the terms of this contract shall be valid, binding upon the parties, or enforceable unless made in writing and signed by the parties.

27. ENTIRE AGREEMENT. This contract constitutes the entire contract between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this contract.

28. NOTICE OF ACCEPTANCE: COUNTERPARTS. This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice if such acceptance on or before _____, 20 ____ (Acceptance Deadline). If accepted, this document shall become a contract between Seller and Buyer. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.

29. ADDITIONAL PROVISIONS:

(a) Original signatures of the parties hereto on copies of this contract transmitted by facsimile shall be deemed originals for all purposes and such copies will be binding on the parties.

(b) See Addendum to Purchase Agreement for additional provisions hereof.

(c) * All funds paid by Buyer prior to deliver of the deed will be held in trust by the person or entity named herein as the holder of such funds in trust pursuant to the terms and conditions of an Escrow Agreement between Seller and such holder.

(d) **** YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THE CONTRACT OR AGREEMENT. IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELLED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.**

Buyer

Buyer
Date of Buyer's signature _____, 20 ____ Date of Buyer's signature _____, 20 ____
Buyer's Address _____

Seller:
LINCOLN HIGHLANDS III LIMITED,
a Colorado limited partnership
By: _____
a Colorado corporation and
and General Partner
By: _____
Its: _____

Date of Seller's signature _____, 20 ____
Seller's Address: 0069 Marksberry Way, Post Office Box 8029, Breckenridge, Colorado 80424.

Title Company of The Rockies acknowledges receipt of the earnest money deposit specified in Section 3, and Selling Company confirms its Broker Relationship as set forth in Section 23.

Selling Company _____
Name and Address

By: _____, 20 ____
Signature Date

Title Company of The Rockies, 108 North Ridge Street, Breckenridge, Colorado 80424
Name and Address

By: _____, 20 ____
Signature Date

NOTE: Closing Instructions should be signed at the time this contract is signed.