



SILVERTHORNE URBAN RENEWAL AUTHORITY MEETING AGENDA

WEDNESDAY, DECEMBER 10, 2014

**Meeting to commence immediately upon adjournment
of the 6:00 p.m. Town Council Meeting**

- I. CALL TO ORDER/ROLL CALL/APPROVAL OF AGENDA**
- II. CONSENT CALENDAR**
 - A. SURA Meeting Minutes, April 9, 20141
- III. ACTION ITEMS**
 - A. Resolution 2014-02; a 2014 Appropriation Resolution5
 - B. Resolution 2014-03; a 2015 URA Budget Resolution.....11
 - C. Contract to Buy and Sell Real Estate – Silverthorne Development Company
(SDC) to Silverthorne Urban Renewal Authority (SURA)17
 - D. Operating Agreement of the Blue River Real Estate Company, LLC35
 - E. Agreement for Contribution of Real Property to Limited Liability Company (Blue
River Real Estate Company, LLC)61
- IV. DISCUSSION ITEMS**
- V. ADJOURNMENT**

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Town of Silverthorne
Council Agenda Memorandum

TO: Town Council
THRU: Ryan Hyland, Town Manager *RD*
FROM: Michele Miller, Town Clerk, MMC *MM*
DATE: December 4, 2014
SUBJECT: Urban Renewal Meeting Minutes from April 9, 2014

SUMMARY: Staff asks the Urban Renewal Authority to approve the meeting minutes from April 9, 2014.

STAFF RECOMMENDATION: Staff recommends approval of the Minutes from the meeting.

PROPOSED MOTION: Included in the Consent Calendar motion.

ATTACHMENTS:
Meeting Minutes

MANAGERS COMMENTS:

SILVERTHORNE URBAN RENEWAL AUTHORITY MEETING AGENDA
Wednesday, April 9, 2014

CALL TO ORDER/ROLL CALL/APPROVAL OF AGENDA:

Those members present and answering Roll Call were Chair Bruce Butler, and Commissioners Peggy Long, Jon Bird, Russ Camp, Derrick Fowler, David Preaus, Stuart Richardson and Ann-Marie Sandquist. Staff members present were Town Manager Ryan Hyland, Executive Director Mark Leidal and Attorney Jerry Dahl.

CONSENT CALENDAR:

SANDQUIST MOVED TO APPROVE THE CONSENT CALENDAR INCLUDING THE MINUTES FROM DECEMBER 11, 2013 AND APRIL 2, 2014. MOTION SECONDED. MOTION PASSED UNANIMOUSLY BY COMMISSIONERS PRESENT.

COMMISSIONER COMMENTS

None.

STAFF COMMENTS

None.

EXECUTIVE SESSION:

FOWLER MOVED TO GO INTO EXECUTIVE SESSION AT 7:54 UNDER (§24-6-402(4)(a), C.R.S.), (§24-6-402(4)(b), C.R.S.), AND (§24-6-402(4)(e), C.R.S.) TO DISCUSS DEVELOPMENT AND REDEVELOPMENT MATTERS.

HE FURTHER MOVED TO RECONVENE THE URA MEETING AFTER THE CONCLUSION OF THE EXECUTIVE SESSION, FOR THE PURPOSE OF TAKING ANY ACTIONS DEEMED NECESSARY. MOTION SECONDED. MOTION PASSED UNANIMOUSLY BY COMMISSION.

SANDQUIST MOVED TO CONCLUDE THE EXECUTIVE SESSION, RETURN TO THE OPEN MEETING AT 8:33 P.M.

ACTION ITEMS

Resolution 2014-1, A Resolution Delegating Certain Contract Authority to the Executive Director

Ryan Hyland, Town Manager, presented Resolution 2014-01 to the Authority for consideration.

SANDQUIST MOVED TO APPROVE RESOLUTION 2014-1, A RESOLUTION DELEGATING CERTAIN CONTRACT AUTHORITY TO THE EXECUTIVE DIRECTOR AND INCLUDING THE NOT TO EXCEED FIVE MILLION, AS NOTED IN SECTION 1. MOTION SECONDED. MOTION PASSED UNANIMOUSLY BY COMMISSION.

ADJOURNMENT:

SILVERTHORNE URBAN RENEWAL AUTHORITY MEETING ADJOURNED AT 8:40 P.M.

BRUCE BUTLER, CHAIR

ATTEST

**MICHELE MILLER, URBAN RENEWAL
AUTHORITY CLERK**

These minutes are only a summary of the proceedings of the meeting. They are not intended to be comprehensive or to include each statement, person speaking or to portray with complete accuracy. The most accurate record of the meeting is the videotape of the meeting, maintained in the office of the Town Clerk.

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Silverthorne Urban Renewal Authority
Authority Agenda Memorandum

To: Chairman and Board Members
From: Donna Braun, Treasurer *DB*
Thru: Mark Leidal, Executive Director *ML*
Date: December 2, 2014 for meeting of December 10, 2014
Subject: Resolution# 2014-02 – 2014 Appropriation Resolution

SUMMARY:

The Authority is asked to consider Resolution No. 2014-02, an appropriation resolution amending the 2014 budget to allow for the adjustment to revenues and expenses as related to operations, capital projects and transfers.

PREVIOUS AUHTORITY ACTION:

The Authority allows for additional appropriations by resolution during the fiscal year for adjustments required of the Authority. Note that the Resolution complies with the Town of Silverthorne's Charter regulation Section 8.7 in that "the additional appropriations do not exceed the amount by which actual and anticipated revenues of the year and prior year available cash exceed the expenditures as estimated in the budget." The Authority currently follows the budget and financial policies of the Town of Silverthorne.

BACKGROUND:

The adjustments in this Resolution reflect actual results and projections for the remainder of the year. Prior Authority approved expenses are included. An explanation of Exhibit A is as follows:

Silverthorne Urban Renewal Authority (URA)

URA Revenues.

- The URA's has the ability to acquire properties which will be used to further the goals of the Town and URA as outlined in the 2013 URA Plan which was adopted in January of 2013. Any loans from the Town are intended to be repaid by the URA. During 2014, the URA, in partnership with Craig Realty, purchased the Acorn commercial property and made major property improvements for a total cost of \$1,468,500. The Town will loan the URA a total of \$757,046 which will require the URA budget to increase the transfer from the Town's general fund by **\$74,046**.
- The URA has a partnership with Craig Realty to purchase the Acorn Property. The purchase will be a 50/50 split between the two entities. After property improvements, the amount required from Craig Realty will need to be increased by **\$134,250**.

URA Expenses

- The URA was authorized by their Authority to purchase the Acorn commercial property. The cost of the property plus property improvements is estimated to be \$1,468,500. The property improvements have required an addition to the URA budget of \$208,500.

Silverthorne Urban Renewal Authority
Authority Agenda Memorandum

CURRENT ISSUES & FINANCIAL IMPLICATOINS

The enclosed Long Range Plans (Exhibit B) reflect the additional items and reductions of prior budgeted items of this Appropriation Resolution.

RECOMMENDATION:

Staff recommends approval of Resolution No. 2014-02.

PROPOSED MOTION:

"I MOVE TO APPROVE RESOLUTION NO. 2014-02, A RESOLUTION AMENDING THE 2014 SILVERTHORNE URBAN RENEWAL AUTHORITY BUDGET AS PRESENTED."

ATTACHMENTS:

1. Resolution #2014-02
2. Exhibit A – Appropriation breakdown
3. Exhibit B – Updated Long Range Plans

**SILVERTHORNE URBAN RENEWAL AUTHORITY
SILVERTHORNE, COLORADO
RESOLUTION NO. 2014-02**

**A RESOLUTION RECONGNIZING ADDITIONAL URBAN RENEWAL AUTHORITY
REVENUES OF \$208,296 AND APPROPRIATING URBAN RENEWAL AUTHORITY
EXPENSES IN THE AMOUNT OF \$208,500**

WHEREAS the Silverthorne Urban Renewal Authority Board may make additional appropriations by resolution during the fiscal year; and

WHEREAS, the Silverthorne Urban Renewal Executive Director has certified that additional funds are available for appropriations; and

WHEREAS, the Silverthorne Urban Renewal Authority Board is advised that certain revenues, expenses and transfers must be approved by resolution.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF THE SILVERTHORNE URBAN RENEWAL AUTHORITY OF SILVERTHORNE, COLORADO THE FOLLOWING:

Section 1:

Upon the Executive Director's certification that there are current year revenues available for appropriation in the Authority's Fund and the Board hereby makes supplemental appropriations as itemized in Exhibit "A" attached hereto.

Section 2:

The Board hereby authorizes and directs the Executive Director to enter into such contracts and execute such documents on behalf of the Authority as may be necessary and customary to expend the funds hereby appropriated for all operations, capital projects and debt within this budget as amended in accordance with the requirements of the State of Colorado and the Town of Silverthorne's Financial Policies.

Section 3:

If any provision of this Resolution or portion thereof is held by a court of competent jurisdiction to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect any other provision which can be given effect without the invalid portion.

Section 4:

All prior ordinances, resolutions, or other acts, or parts thereof, by the Urban Renewal Authority in conflict with this Resolution are hereby repealed, except that this repealer shall not be construed to revive any previously repealed or expired act, ordinance or resolution, or part thereof.

Section 5:

This Resolution shall be effective following adoption.

READ AND ADOPTED AFTER CONDUCTING A PUBLIC HEARING ON THE 10TH DAY OF DECEMBER, 2014.

**SILVERTHORNE URBAN RENEWAL AUTHORITY
SILVERTHORNE, COLORADO**

BY: _____
Bruce Butler, Chairperson

ATTEST:

BY: _____
Michele Miller, Silverthorne URA Clerk

SILVERTHORNE URBAN RENEWAL AUTHORITY
 RESOLUTION # 2014-02
 Exhibit A

URBAN RENEWAL AUTHORITY	Account #	Amount
<u>Recognize Urban Renewal Authority Fund Revenues</u>		
Reimbursement from Developer	81-81-0000-69045	\$ 134,250
Transfers In:		
Town of Silverthorne	81-96-0000-76001	74,046
Total Additional Urban Renewal Authority Fund Revenues		<u>\$ 208,296</u>
<u>Appropriate Urban Renewal Authority Fund Expenses</u>		
Land - Acorn Commercial Property	81-81-8110-86100	\$ 208,500
Total Additional Urban Renewal Authority Fund Expenses		<u>\$ 208,500</u>

TOWN OF SILVERTHORNE, COLORADO
SILVERTHORNE URBAN RENEWAL AUTHORITY
LONG RANGE PLANS

	2013 Act	2014 Bud	2014 Proj	2015 Bud	2016 Bud	2017	2018	2019
Revenues:								
TIF Revenues	-	-	-	31,463	32,092	32,734	33,389	34,057
Funding from Developers	-	734,250**	734,250	-	-	16,118	16,923	17,770
Funding from Town of Silverthorne	3,185,983	757,046	757,046	12,000	-	-	-	-
Rebate from State of Colorado	-	-	-	60,000	-	-	-	-
Revenue Total	3,185,983	1,491,296	1,491,296	103,463	32,092	48,852	50,312	51,826
Expenses:								
Professional Fees	39,236	5,000	5,000	20,000	20,000	20,000	20,000	20,000
Land - Smith Ranch Commercial	3,148,429	16,114	16,114	-	-	-	-	-
Land - Acorn	-	1,468,500**	1,468,500	29,300	30,700	32,235	33,847	35,539
Transfer to General Fund	-	-	-	-	-	-	-	-
Expenditure Total	3,187,665	1,489,614	1,489,614	49,300	50,700	52,235	53,847	55,539
INC / DED FUND BALANCE	(1,682)	1,682	1,682	54,163	(18,608)	(3,383)	(3,535)	(3,713)
PRIOR FUND BALANCE	-	(1,682)	(1,682)	-	54,163	35,555	32,172	28,637
CURRENT FUND BALANCE	(1,682)	0	-	54,163	35,555	32,172	28,637	24,924

Silverthorne Urban Renewal Authority
Authority Agenda Memorandum

To: Chairman and Board Members
From: Donna Braun, Treasurer 
Thru: Mark Leidal, Executive Director 
Date: December 2, 2014 for meeting of December 10, 2014
Subject: Resolution # 2014-03 – 2015 URA Budget Resolution

SUMMARY:

The 2015 Budget Resolution recognizes revenues, appropriates expenses, approves transfers and adopts the Silverthorne Urban Renewal Authority (URA) budget for the calendar year 2015.

PREVIOUS BOARD ACTION:

The Revised and Restated Urban Renewal Plan was approved by the Town of Silverthorne Town Council at the February 27, 2013 Council meeting. The proposed plan focuses on the need to utilize tools available through the Urban Renewal Law to assist in the creation of compact, mixed-use, pedestrian-oriented commercial district.

BUDGET MESSAGE:

The URA Staff has had the opportunity to review the URA financial activity for fiscal year 2015. The activity planned for 2015 includes:

Revenues:

- \$31,463 in property tax increment financing (TIF). This will be the first year where the URA will see some increase in assessed values of the URA district area from the 2012 base property value area and thus generate some TIF revenues.
- There is an estimated \$60,000 in State of Colorado rebates from the contamination clean-up on the Acorn commercial property.
- The Town of Silverthorne general fund will contribute \$12,000 towards general URA expenses.

Expenses

- The URA expects to spend \$20,000 in professional services in 2015.
- \$29,300 in general operating and maintenance on the Acorn commercial property which will be split evenly with Craig Realty through the LLC formed. The rebate from the State will cover the Acorn property expenses.

At the end of 2015 there is estimated to be a fund balance of \$54,163. Of that balance \$30,700 is related to the Acorn property.

RECOMMENDATION:

Staff recommends approval of Resolution No. 2014-03.

PROPOSED MOTION:

"I move to approve Resolution No. 2014-03; a resolution recognizing revenues, appropriating expenses, approving transfers and adopting the Silverthorne Urban Renewal Authority budget for the year beginning on the first day of January, 2015 and ending on the last day of December, 2015".

Silverthorne Urban Renewal Authority
Authority Agenda Memorandum

ATTACHMENTS:

1. Resolution #2014-03
2. Silverthorne URA Long Range Plan

**SILVERTHORNE URBAN RENEWAL AUTHORITY
SILVERTHORNE, COLORADO
RESOLUTION NO. 2014-03**

AN ORDINANCE RECOGNIZING REVENUES, APPROPRIATING EXPENSES, AND APPROVING TRANSFERS FOR THE YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2015 AND ENDING ON THE LAST DAY OF DECEMBER, 2015.

WHEREAS, the Silverthorne Urban Renewal Authority (URA) Treasurer, designated by URA to prepare the budget, has prepared and submitted to the URA a proposed annual budget for the URA, for the fiscal year beginning January 1, 2015 and ending December 31, 2015 and

WHEREAS, notice of the proposed budget was published in a newspaper of general circulation in Summit County prior to the public meeting scheduled in December, and;

WHEREAS, a hearing will be held at the scheduled URA meeting on December 10, 2014, and;

WHEREAS, the adopted budget is be available for review in the office of the Town of Silverthorne's Finance Director located in Town Hall, and;

WHEREAS, the URA Board shall adopt a resolution adopting the budget and appropriating moneys for the purposes therein, and;

WHEREAS, the adopted budget as submitted and summarized below recognizes revenues, appropriates expenses and approves transfers for the calendar year 2015:

NOW, THEREFORE, THE BOARD OF THE SILVERTHORNE URBAN RENEWAL AUTHORITY OF SILVERTHORNE, COLORADO ORDAINS:

Section 1:

The budget for the Silverthorne Urban Renewal Authority for the fiscal year 2015 as submitted as described below is hereby adopted, which adoption shall constitute appropriations of the amounts specified therein as Expenses from the Fund indicated; and that the estimated Beginning Balances, Revenues and Transfers is hereby declared to be a reasonable projection of the amount of Revenue available for appropriation and to provide an adequate Fund Balance at the close of the fiscal year beginning January 1, 2015 and ending December 31, 2015 more particularly described as follows:

Fund / Department	Beginning Balance	Revenue	Transfers In	Expense	Transfers Out	Ending Balance
SILVERTHORNE URA						
Transfer in from Town of Silverthorne	-	-	12,000	-	-	-
Property Tax Incentive	-	31,463	-	-	-	-
Professional Fees	-	-	-	20,000	-	-
Other	-	60,000	-	29,300	-	-
Available Funds	-	-	-	-	-	54,163
Total Silverthorne URA Fund	-	91,463	12,000	49,300	-	54,163

Section 2:

The URA Board hereby authorizes and directs the Executive Director to enter into such contracts and execute such documents on behalf of the URA as may be necessary and customary to expend the funds hereby appropriated for all operations and capital projects within

the budget as hereby adopted all in accordance with the requirements of the Town of Silverthorne's Financial Policies.

Section 3:

The budget hereby approved and adopted shall be signed by the Chairperson and URA Clerk and made a part of the public records of the Silverthorne Urban Renewal Authority of Silverthorne, Colorado.

INTRODUCED, READ, AND APPROVED THE 10TH DAY OF DECEMBER, 2014.

**SILVERTHORNE URBAN RENEWAL AUTHORITY
SILVERTHORNE, COLORADO**

BY:

Bruce Butler, Chairperson

ATTEST:

By: _____
Michele Miller, Silverthorne URA Clerk

TOWN OF SILVERTHORNE, COLORADO
SILVERTHORNE URBAN RENEWAL AUTHORITY
LONG RANGE PLANS

	2013 Act	2014 Bud	2014 Proj	2015 Bud	2016 Bud	2017	2018	2019
Revenues:								
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Funding from Town of Silverthorne	3,185,983	757,046	757,046	12,000	-	-	-	-
Rebate from State of Colorado	-	-	-	60,000	-	-	-	-
Revenue Total	3,185,983	1,491,296	1,491,296	103,463	32,092	48,852	50,312	51,826
Expenses:								
Professional Fees	39,236	5,000	5,000	20,000	20,000	20,000	20,000	20,000
Land - Smith Ranch Commercial	3,148,429	16,114	16,114	-	-	-	-	-
Land - Acorn	-	1,468,500	1,468,500	29,300	30,700	32,235	33,847	35,539
Transfer to General Fund	-	-	-	-	-	-	-	-
Expenditure Total	3,187,665	1,489,614	1,489,614	49,300	50,700	52,235	53,847	55,539
INC / DED FUND BALANCE	(1,682)	1,682	1,682	54,163	(18,608)	(3,383)	(3,535)	(3,713)
PRIOR FUND BALANCE	-	(1,682)	(1,682)	-	54,163	35,535	32,172	28,637
CURRENT FUND BALANCE	(1,682)	0	-	54,163	35,555	32,172	28,637	24,924

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Silverthorne Urban Renewal Authority
Authority Agenda Memorandum

To: Chairman and Board Members
From: Mark Leidal, Executive Director *ML*
Date: December 4, 2014 for meeting of December 10, 2014
Subject: Contract to Buy and Sell Real Estate – Silverthorne Development Company (SDC) to Silverthorne Urban Renewal Authority (SURA)

SUMMARY: The approval of the Contract to Buy and Sell Real Estate between the Silverthorne Development Company, LLC, and the Silverthorne Urban Renewal Authority will transfer the ownership of the property at 171 Blue River Parkway (Lot 1, Acorn Subdivision) to SURA.

PREVIOUS BOARD ACTION: Resolution 2014-1: A Resolution Delegating Certain Contract Authority to the Executive Director was approved by the Commissioners on April 9, 2014, authorizing the Executive Director *“to sign certain contracts and agreements related to retail strategy, including the acquisition of real property necessary to implement the retail strategy, in an amount not to exceed \$5,000,000 and to perform any lawful acts to carry out those ends.”*

There is also an Operating Agreement between the SDC and SURA for the acquisition of property.

DISCUSSION: SDC has acquired the Acorn Property located at 171 Blue River Parkway, and has removed the existing convenience store and gas station. With this contract, SDC will transfer the property to SURA. SURA will then be transferring the property to the new Blue River Real Estate Company, LLC, which is a joint partnership between SURA and Craig Realty Group – Silverthorne, LLC.

RECOMMENDATION: Although authority has already been granted to the Executive Director in Resolution 2014-1, Staff recommends approval of the Contract to Buy and Sell Real Estate for 171 Blue River Parkway between Silverthorne Development Company, LLC, and the Silverthorne Urban Renewal Authority.

PROPOSED MOTION:

“I move to approve of the Contract to Buy and Sell Real Estate for 171 Blue River Parkway between Silverthorne Development Company, LLC, and the Silverthorne Urban Renewal Authority.”

ATTACHMENTS:

Contract to Buy and Sell Real Estate – SDC to SURA for 171 Blue River Parkway



Wolfe & Company
 Jack Wolfe
 Ph: (970) 453-4342

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (CBS4-8-13) (Mandatory 1-14)

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: 11/28/2014

AGREEMENT

1. AGREEMENT. Buyer, identified in § 2.1, agrees to buy, and Seller, identified in § 2.3, 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. Buyer, *Silverthorne Urban Renewal Authority*, will take title to the Property described below as

Joint Tenants **Tenants In Common** **Other**
n/a

2.2. Assignability and Inurement. This Contract **Is** **Is Not** assignable by Buyer without Seller's prior written consent. Except as so restricted, this Contract inures to the benefit of and is binding upon the heirs, personal representatives, successors and assigns of the parties.

2.3. Seller. Seller, *Silverthorne Development Company, LLC*, 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 Summit, Colorado:

Lot 1 Acorn Subdivision, Resbdivision Tract I-6 South Silverthorne Annex
 known as No. **171 Blue River Parway Silverthorne CO 80498**,
 together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

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

2.5.1. Fixtures. All fixtures attached to the Property on the date of this Contract.

Other Fixtures: n/a

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

2.5.2. Personal Property. If on the Property, whether attached or not, on the date of this Contract, the following items are included:

n/a

Other Personal Property:

n/a

The Personal Property to be conveyed at Closing must be conveyed by Seller free and clear of all taxes (except personal property taxes for the year of Closing), liens and encumbrances, except

n/a. Conveyance will be by bill of sale or other applicable legal instrument.

2.5.3. Trade Fixtures: With respect to trade fixtures, Seller and Buyer agree as follows:

n/a

The Trade Fixtures to be conveyed at Closing will be conveyed by Seller free and clear of all taxes (except personal property taxes for the year of Closing), liens and encumbrances, except

n/a.

Conveyance will be by bill of sale or other applicable legal instrument.

2.6. Exclusions. The following items are excluded (Exclusions):

n/a

Buyer(s) Initials _____ Seller(s) Initials _____

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

2.7.1. Deeded Water Rights. The following legally described water rights:

n/a
Any deeded water rights will be conveyed by a good and sufficient n/a deed at Closing.

2.7.2. Other Rights Relating to Water. The following rights relating to water not included in §§ 2.7.1, 2.7.3, 2.7.4 and 2.7.5, will be transferred to Buyer at Closing:

n/a
 2.7.3. Well Rights. Seller agrees to supply required information to Buyer about the well. Buyer understands that if the well to be transferred is a "Small Capacity Well" or a "Domestic Exempt Water Well" used for ordinary household purposes, Buyer must, prior to or at Closing, complete a Change in Ownership form for the well. If an existing well has not been registered with the Colorado Division of Water Resources in the Department of Natural Resources (Division), Buyer must complete a registration of existing well form for the well and pay the cost of registration. If no person will be providing a closing service in connection with the transaction, Buyer must file the form with the Division within sixty days after Closing. The Well Permit # is

n/a
 2.7.4. Water Stock Certificates: The water stock certificates to be transferred at Closing are as follows:

2.7.5. Water and Sewer Taps. Note: Buyer is advised to obtain, from the provider, written confirmation of the amount remaining to be paid, if any, time and other restrictions for transfer and use of the taps.

2.7.6. Conveyance. If Buyer is to receive any rights to water pursuant to § 2.7.2 (Other Rights Relating to Water), § 2.7.3 (Well Rights), or § 2.7.4 (Water Stock Certificates), Seller agrees to convey such rights to Buyer by executing the applicable legal instrument at Closing.

2.8. Growing Crops. With respect to growing crops, Seller and Buyer agree as follows:
n/a

3. DATES AND DEADLINES.

Item No.	Reference	Event	Date or Deadline	
1	§ 4.3	Alternative Earnest Money Deadline	<u>n/a</u>	
Title				
2	§ 8.1	Record Title Deadline	12/5/2014	Friday
3	§ 8.2	Record Title Objection Deadline	12/10/2014	Wednesday
4	§ 8.3	Off-Record Title Deadline	12/5/2014	Friday
5	§ 8.3	Off-Record Title Objection Deadline	12/10/2014	Wednesday
6	§ 8.4	Title Resolution Deadline	12/12/2014	Friday
7	§ 8.6	Right of First Refusal Deadline	<u>n/a</u>	
Owners' Association				
8	§ 7.3	Association Documents Deadline	<u>n/a</u>	
9	§ 7.4	Association Documents Objection Deadline	<u>n/a</u>	
Seller's Property Disclosure				
10	§ 10.1	Seller's Property Disclosure Deadline	12/5/2014	Friday
Loan and Credit				
11	§ 5.1	Loan Application Deadline	<u>n/a</u>	
12	§ 5.2	Loan Objection Deadline	<u>n/a</u>	
13	§ 5.3	Buyer's Credit Information Deadline	<u>n/a</u>	
14	§ 5.3	Disapproval of Buyer's Credit Information Deadline	<u>n/a</u>	
15	§ 5.4	Existing Loan Documents Deadline	<u>n/a</u>	
16	§ 5.4	Existing Loan Documents Objection Deadline	<u>n/a</u>	
17	§ 5.4	Loan Transfer Approval Deadline	<u>n/a</u>	
18	§ 4.7	Seller or Private Financing Deadline	<u>n/a</u>	
Appraisal				
19	§ 6.2	Appraisal Deadline	<u>n/a</u>	
20	§ 6.2	Appraisal Objection Deadline	<u>n/a</u>	
Survey				
21	§ 9.1	Current Survey Deadline	12/5/2014	Friday
22	§ 9.2	Current Survey Objection Deadline	12/8/2014	Monday

Buyer(s) Initials _____ Seller(s) Initials _____

168	23	§ 9.2	Current Survey Resolution Deadline	12/10/2014	Wednesday
169	Inspection and Due Diligence				
170					
171	24	§ 10.2	Inspection Objection Deadline	n/a	
172	25	§ 10.3	Inspection Resolution Deadline	n/a	
173	26	§ 10.5	Property Insurance Objection Deadline	n/a	
174	27	§ 10.6	Due Diligence Documents Delivery Deadline	n/a	
175	28	§ 10.6	Due Diligence Documents Objection Deadline	n/a	
176	29	§ 10.6	Due Diligence Documents Resolution Deadline		
177	30	§ 10.6	Environmental Inspection Objection Deadline	n/a	
178	31	§ 10.6	ADA Evaluation Objection Deadline	n/a	
179	32	§ 10.7	Conditional Sale Deadline		
180	33	§ 11.1	Tenant Estoppel Statements Deadline	n/a	
181	34	§ 11.2	Tenant Estoppel Statements Objection Deadline		
182	Closing and Possession				
183					
184	35	§ 12.3	Closing Date	12/19/2014	Friday
185	36	§ 17	Possession Date	12/19/2014	Friday
186	37	§ 17	Possession Time	4:00 p.m. MST	
187	38	§ 28	Acceptance Deadline Date	n/a	
188	39	§ 28	Acceptance Deadline Time	n/a	
189	40	n/a	n/a	n/a	
190	41	n/a	n/a	n/a	

3.1. **Applicability of Terms.** Any box checked in this Contract means the corresponding provision applies. Any box, blank or line in this Contract left blank or completed with the abbreviation "N/A", or the word "Deleted" means such provision, including any deadline, is not applicable and the corresponding provision of this Contract to which reference is made is deleted.

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

4. PURCHASE PRICE AND TERMS.

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

Item No.	Reference	Item	Amount	Amount
1	§ 4.1	Purchase Price	\$0.00	
2	§ 4.3	Earnest Money		
3	§ 4.5	New Loan		
4	§ 4.6	Assumption Balance		
5	§ 4.7	Private Financing		
6	§ 4.7	Seller Financing		
7	n/a	n/a		
8	n/a	n/a		
9	§ 4.4	Cash at Closing		\$0.00
10		TOTAL	\$0.00	\$0.00

4.2. **Seller Concession.** Seller, at Closing, will credit, as directed by Buyer, an amount of \$ n/a to assist with any or all of the following: Buyer's closing costs, (Seller Concession). Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Contract. Seller Concession will be reduced to the extent it exceeds the aggregate of what is allowed by Buyer's lender as set forth in the Closing Statement, Closing Disclosure or HUD-1, at Closing.

4.3. **Earnest Money.** The Earnest Money set forth in this section, in the form of n/a, will be payable to and held by Land Title Guarantee Company (Earnest Money Holder), in its trust account, on behalf of both Seller and Buyer. The Earnest Money deposit must be tendered, by Buyer, with this Contract unless the parties mutually agree to an **Alternative Earnest Money Deadline** (§ 3) for its payment. The parties authorize delivery of the Earnest Money deposit to the company conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money Holder has agreed to have interest on Earnest Money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on

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the Earnest Money deposited with the Earnest Money Holder in this transaction will be transferred to such fund.

4.3.1. Alternative Earnest Money Deadline. The deadline for delivering the Earnest Money, if other than at the time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline** (§ 3).

4.3.2. Return of Earnest Money. If Buyer has a Right to Terminate and timely terminates, Buyer is entitled to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 25 and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate, Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions (e.g., Earnest Money Release form), within three days of Seller's receipt of such form.

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

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

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

4.5. New Loan. (Omitted as inapplicable)

4.6. Assumption. (Omitted as inapplicable)

4.7. Seller or Private Financing. (Omitted as inapplicable)

TRANSACTION PROVISIONS

5. FINANCING CONDITIONS AND OBLIGATIONS. (Omitted as inapplicable)

5.3. Credit Information and Buyer's New Senior Loan. (Omitted as inapplicable)

5.4. Existing Loan Review. (Omitted as inapplicable)

6. APPRAISAL PROVISIONS.

6.1. Lender Property Requirements. If the lender imposes any requirements or repairs (Requirements) to be made to the Property (e.g., roof repair, repainting), beyond those matters already agreed to by Seller in this Contract, Seller has the Right to Terminate under § 25.1, (notwithstanding § 10 of this Contract), on or before three days following Seller's receipt of the Requirements, based on any unsatisfactory Requirements, in Seller's sole subjective discretion. Seller's Right to Terminate in this § 6.1 does not apply if, on or before any termination by Seller pursuant to this § 6.1: (1) the parties enter into a written agreement regarding the Requirements; or (2) the Requirements have been completed; or (3) the satisfaction of the Requirements is waived in writing by Buyer.

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

6.2.1. Conventional/Other. Buyer has the sole option and election to terminate this Contract if the Property's valuation, determined by an appraiser engaged on behalf of n/a is less than the Purchase Price. The appraisal must be received by Buyer or Buyer's lender on or before **Appraisal Deadline** (§ 3). Buyer has the Right to Terminate under § 25.1, on or before **Appraisal Objection Deadline** (§ 3), if the Property's valuation is less than the Purchase Price and Seller's receipt of either a copy of such appraisal or written notice from lender that confirms the Property's valuation is less than the Purchase Price. This § 6.2.1 is for the sole benefit of Buyer.

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

7. OWNERS' ASSOCIATIONS. This Section is applicable if the Property is located within a Common Interest Community and subject to such declaration.

7.1. Owners' Association Documents. Owners' Association Documents (Association Documents) consist of the following:

7.1.1. All Owners' Association declarations, articles of incorporation, bylaws, articles of organization, operating agreements, rules and regulations, party wall agreements;

7.1.2. Minutes of most recent annual owners' meeting;

Buyer(s) Initials _____ Seller(s) Initials _____

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

8.1.5. Copies of Title Documents. Buyer must receive, on or before **Record Title Deadline** (§ 3), copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the party or parties obligated to pay for the owner's title insurance policy.

8.1.6. Existing Abstracts of Title. Seller must deliver to Buyer copies of any abstracts of title covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline** (§ 3).

8.2. Record Title. Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the Title Documents, as set forth in § 8.4 (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline** (§ 3). Buyer's objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are not received by Buyer, on or before the **Record Title Deadline** (§ 3), or if there is an endorsement to the Title Commitment that adds a new Exception to title, a copy of the new Exception to title and the modified Title Commitment will be delivered to 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 required Title Document not timely received by Buyer, (2) any change to the Abstract of Title, Title Commitment or Title Documents, or (3) any endorsement to the Title Commitment. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection, pursuant to this § 8.2 (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.4 (Right to Object to Title, Resolution). If Seller has fulfilled all Seller's obligations, if any, to deliver to Buyer all documents required by § 8.1 (Evidence of Record Title) and Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts the condition of title as disclosed by the Abstract of Title, Title Commitment and Title Documents as satisfactory.

8.3. Off—Record Title. Seller must deliver to Buyer, on or before **Off-Record Title Deadline** (§ 3), true copies of all existing surveys in Seller's possession pertaining to the Property and must disclose to Buyer all easements, liens (including, without limitation, governmental improvements approved, but not yet installed) or other title matters (including, without limitation, rights of first refusal and options) not shown by public records, of which Seller has actual knowledge (Off-Record Matters). Buyer has the right to inspect the Property to investigate if any third party has any right in the Property not shown by public records (e.g., unrecorded easement, boundary line discrepancy or water rights). Buyer's Notice to Terminate or Notice of Title Objection of any unsatisfactory condition (whether disclosed by Seller or revealed by such inspection, notwithstanding § 8.2 and § 13), in Buyer's sole subjective discretion, must be received by Seller on or before **Off-Record Title Objection Deadline** (§ 3). If an Off-Record Matter is received by Buyer after the **Off-Record Title Deadline** (§ 3), Buyer has until the 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 to Terminate or Notice of Title Objection pursuant to this § 8.3 (Off-Record Title), any title objection by Buyer and this Contract are governed by the provisions set forth in § 8.4 (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts title subject to such rights, if any, of third parties of which Buyer has actual knowledge.

8.4. Right to Object to Title, Resolution. Buyer's right to object to any title matters includes, but is not limited to those matters set forth in §§ 8.2 (Record Title), 8.3 (Off-Record Title) and 13 (Transfer of Title), in Buyer's sole subjective discretion. If Buyer objects to any title matter, on or before the applicable deadline, Buyer has the following options:

8.4.1. Title Objection, Resolution. If Seller receives Buyer's written notice objecting to any title matter (Notice of Title Objection) on or before the applicable deadline, and if Buyer and Seller have not agreed to a written settlement thereof on or before **Title Resolution Deadline** (§ 3), this Contract will terminate on the expiration of **Title Resolution Deadline** (§ 3), unless Seller receives Buyer's written withdrawal of Buyer's Notice of Title Objection (i.e., Buyer's written notice to waive objection to such items and waives the Right to Terminate for that reason), on or before expiration of **Title Resolution Deadline** (§ 3). If either the Record Title Deadline or the Off-Record Title Deadline, or both, are extended to the earlier of Closing or ten days after receipt of the applicable documents by Buyer, pursuant to § 8.2 (Record Title) or § 8.3 (Off-Record Title), the Title Resolution Deadline also will be automatically extended to the earlier of Closing or fifteen days after Buyer's receipt of the applicable documents; or

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

8.5. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON

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THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX 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. BUYERS SHOULD INVESTIGATE THE SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE COUNTY TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY, AND BY OBTAINING FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR.

Buyer has the Right to Terminate under § 25.1, on or before **Off-Record Title Objection Deadline** (§ 3), based on any unsatisfactory effect of the Property being located within a special taxing district, in Buyer's sole subjective discretion.

8.6. Right of First Refusal or Contract Approval. If there is a right of first refusal on the Property or a right to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of such right. If the holder of the right of first refusal exercises such right or the holder of a right to approve disapproves this Contract, this Contract will terminate. If the right of first refusal is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly notify Buyer in writing of the foregoing. If expiration or waiver of the right of first refusal or approval of this Contract has not occurred on or before **Right of First Refusal Deadline** (§ 3), this Contract will then terminate.

8.7. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property, including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations, unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property, and various laws and governmental regulations concerning land use, development and environmental matters. **The surface estate may be owned separately from the underlying mineral estate, and transfer of the surface estate does not necessarily include transfer of the mineral rights or water rights. Third parties may hold interests in oil, gas, other minerals, geothermal energy or water on or under the Property, which interests may give them rights to enter and use the Property.** Such matters, and others, may be excluded from or not covered by the owner's title insurance policy. Buyer is advised to timely consult legal counsel with respect to all such matters as there are strict time limits provided in this Contract [e.g., **Record Title Objection Deadline** (§ 3) and **Off-Record Title Objection Deadline** (§ 3)].

9. CURRENT SURVEY REVIEW.

9.1. Current Survey Conditions. If the box in § 9.1.1 or § 9.1.2 is checked, Buyer, the issuer of the Title Commitment or the provider of the opinion of title if an Abstract of Title, and

ALTA Survey will receive Improvement Location Certificate, Improvement Survey Plat or other form of survey set forth in § 9.1.2 (collectively, Current Survey), on or before **Current Survey Deadline** (§ 3). The Current Survey will be certified by the surveyor to all those who are to receive the Current Survey.

9.1.1. Improvement Location Certificate. If the box in this § 9.1.1 is checked, Seller Buyer will order or provide, and pay, on or before Closing, the cost of an Improvement Location Certificate.

9.1.2. Other Survey. If the box in this § 9.1.2 is checked, a Current Survey, other than an Improvement Location Certificate, will be an **Improvement Survey Plat** or n/a. The parties agree that payment of the cost of the Current Survey and obligation to order or provide the Current Survey as follows: n/a

9.2. Current Survey Objection. Buyer has the right to review and object to the Current Survey. If the Current Survey is not timely received by Buyer or is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may, on or before **Current Survey Objection Deadline** (§ 3), notwithstanding § 8.3 or § 13:

9.2.1. Notice to Terminate. Notify Seller in writing that this Contract is terminated; or
9.2.2. Current Survey Objection. Deliver to Seller a written description of any matter that was to be shown or is shown in the Current Survey that is unsatisfactory and that Buyer requires Seller to correct.

9.3. Current Survey Resolution. If a Current Survey Objection is received by Seller, on or before **Current Survey Objection Deadline** (§ 3), and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Current Survey Resolution Deadline** (§ 3), this Contract will terminate on the **Current Survey Resolution Deadline** (§ 3), unless Seller receives Buyer's written withdrawal of the Current Survey Objection before such termination, i.e., on or before expiration of **Current Survey Resolution Deadline** (§ 3).

DISCLOSURE, INSPECTION AND DUE DILIGENCE

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

10.1. Seller's Property Disclosure. On or before **Seller's Property Disclosure Deadline** (§ 3), Seller agrees to deliver to Buyer the most current version of the applicable Colorado Real Estate Commission's Seller's

587 Property Disclosure form completed by Seller to Seller's actual knowledge, current as of the date of this Contract.
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589 **10.2. Inspection Objection.** Unless otherwise provided in this Contract, Buyer acknowledges that Seller
590 is conveying the Property to Buyer in an "as is" condition, "where is" and "with all faults." Colorado law requires
591 that Seller disclose to Buyer any latent defects actually known by Seller. Disclosure of latent defects must be in
592 writing. Buyer, acting in good faith, has the right to have inspections (by one or more third parties, personally or
593 both) of the Property and Inclusions (Inspection), at Buyer's expense. If (1) the physical condition of the Property,
594 including, but not limited to, the roof, walls, structural integrity of the Property, the electrical, plumbing, HVAC and
595 other mechanical systems of the Property, (2) the physical condition of the Inclusions, (3) service to the Property
596 (including utilities and communication services), systems and components of the Property (e.g., heating and
597 plumbing), (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity,
598 odor or noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is
599 unsatisfactory, in Buyer's sole subjective discretion, Buyer may, on or before **Inspection Objection Deadline** (§
600 3):
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604 **10.2.1. Notice to Terminate.** Notify Seller in writing that this Contract is terminated; or
605 **10.2.2. Inspection Objection.** Deliver to Seller a written description of any unsatisfactory physical
606 condition that Buyer requires Seller to correct.
607
608 **10.3. Inspection Resolution.** If an Inspection Objection is received by Seller, on or before **Inspection**
609 **Objection Deadline** (§ 3) and if Buyer and Seller have not agreed in writing to a settlement thereof on or before
610 **Inspection Resolution Deadline** (§ 3), this Contract will terminate on **Inspection Resolution Deadline** (§ 3)
611 unless Seller receives Buyer's written withdrawal of the Inspection Objection before such termination, i.e., on or
612 before expiration of **Inspection Resolution Deadline** (§ 3).
613
614 **10.4. Damage, Liens and Indemnity.** Buyer, except as otherwise provided in this Contract or other
615 written agreement between the parties, is responsible for payment for all inspections, tests, surveys, engineering
616 reports, or other reports performed at Buyer's request (Work) and must pay for any damage that occurs to the
617 Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any kind against the
618 Property for Work performed on the Property. Buyer agrees to indemnify, protect and hold Seller harmless from
619 and against any liability, damage, cost or expense incurred by Seller and caused by any such Work, claim, or
620 lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against
621 any such liability, damage, cost or expense, or to enforce this section, including Seller's reasonable attorney fees,
622 legal fees and expenses. The provisions of this section survive the termination of this Contract. This § 10.4 does
623 not apply to items performed pursuant to an Inspection Resolution.
624
625 **10.5. Insurability.** Buyer has the right to review and object to the availability, terms and conditions of
626 and premium for property insurance (Property Insurance). Buyer has the Right to Terminate under § 25.1, on or
627 before **Property Insurance Objection Deadline** (§ 3), based on any unsatisfactory provision of the Property
628 Insurance, in Buyer's sole subjective discretion.
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630 **10.6. Due Diligence.**
631 **10.6.1. Due Diligence Documents.** If the respective box is checked, Seller agrees to deliver
632 copies of the following documents and information pertaining to the Property (Due Diligence Documents) to Buyer
633 on or before **Due Diligence Documents Delivery Deadline**(§ 3):
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635 **10.6.1.1.** All contracts relating to the operation, maintenance and management of the
636 Property;
637 **10.6.1.2.** Property tax bills for the last 2 years;
638 **10.6.1.3.** As-built construction plans to the Property and the tenant improvements,
639 including architectural, electrical, mechanical, and structural systems, engineering reports, and permanent
640 Certificates of Occupancy, to the extent now available;
641 **10.6.1.4.** A list of all Inclusions to be conveyed to Buyer;
642 **10.6.1.5.** Operating statements for the past years;
643 **10.6.1.6.** A rent roll accurate and correct to the date of this Contract;
644 **10.6.1.7.** All current leases, including any amendments or other occupancy agreements,
645 pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive
646 Closing are as follows (Leases):
647 n/a
648 **10.6.1.8.** A schedule of any tenant improvement work Seller is obligated to complete but
649 has not yet been completed and capital improvement work either scheduled or in process on the date of this
650 Contract;
651 **10.6.1.9.** All insurance policies pertaining to the Property and copies of any claims
652 which have been made for the past 1 years;
653 **10.6.1.10.** Soils reports, Surveys and engineering reports or data pertaining to the
654 Property (if not delivered earlier under § 8.3);
655 **10.6.1.11.** Any and all existing documentation and reports regarding Phase I and II
656 environmental reports, letters, test results, advisories, and similar documents respective to the existence or
657 nonexistence of asbestos, PCB transformers, or other toxic hazardous or contaminated substances, and/or
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Buyer(s) Initials _____ Seller(s) Initials _____

671 underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller
672 warrants that no such reports are in Seller's possession or known to Seller;
673 10.6.1.12. Any Americans with Disabilities Act reports, studies or surveys concerning
674 the compliance of the Property with said Act;
675 10.6.1.13. All permits, licenses and other building or use authorizations issued by any
676 governmental authority with jurisdiction over the Property and written notice of any violation of any such permits,
677 licenses or use authorizations, if any; and
678 10.6.1.14. Other documents and information:
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683 **10.6.2. Due Diligence Documents Review and Objection.** Buyer has the right to review and
684 object to Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are
685 unsatisfactory in Buyer's sole subjective discretion, Buyer, may, on or before **Due Diligence Documents**
686 **Objection Deadline** (§ 3):

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688 **10.6.2.1. Notice to Terminate.** Notify Seller in writing that this Contract is terminated; or
689 **10.6.2.2. Due Diligence Documents Objection.** Deliver to Seller a written description of
690 any unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

691 **10.6.3. Due Diligence Documents Resolution.** If a Due Diligence Documents Objection is
692 received by Seller, on or before **Due Diligence Documents Objection Deadline** (§ 3), and if Buyer and Seller
693 have not agreed in writing to a settlement thereof on or before **Due Diligence Documents Resolution Deadline**
694 (§ 3), this Contract will terminate on **Due Diligence Documents Resolution Deadline** (§ 3) unless Seller
695 receives Buyer's written withdrawal of the Due Diligence Documents Objection before such termination, i.e., on or
696 before expiration of **Due Diligence Documents Resolution Deadline** (§ 3).
697

698 **10.6.4. Zoning.** Buyer has the Right to Terminate under § 25.1, on or before **Due Diligence**
699 **Documents Objection Deadline** (§ 3), based on any unsatisfactory zoning and any use restrictions imposed by
700 any governmental agency with jurisdiction over the Property, in Buyer's sole subjective discretion.
701

702 **10.6.5. Due Diligence – Environmental, ADA.** Buyer has the right to obtain environmental
703 inspections of the Property including Phase I and Phase II Environmental Site Assessments, as applicable.
704 Seller Buyer will order or provide **Phase I Environmental Site Assessment**, **Phase II**
705 **Environmental Site Assessment** (compliant with ASTM E1527-05 standard practices for Environmental Site
706 Assessments) and/or **Soil Inspections**, at the expense of Seller Buyer (Environmental
707 Inspection). In addition, Buyer, at Buyer's expense, may also conduct an evaluation whether the Property
708 complies with the *Americans with Disabilities Act* (ADA Evaluation). All such inspections and evaluations must be
709 conducted at such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's
710 tenants' business uses of the Property, if any.
711

712 If Buyer's Phase I Environmental Site Assessment recommends a Phase II Environmental Site
713 Assessment, the **Environmental Inspection Objection Deadline** (§ 3) will be extended by **15** days (Extended
714 Environmental Inspection Objection Deadline) and if such Extended Environmental Inspection Objection Deadline
715 extends beyond the **Closing Date** (§ 3), the **Closing Date** (§ 3) will be extended a like period of time. In such
716 event, Seller Buyer must pay the cost for such Phase II Environmental Site Assessment.
717

718 Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this §
719 10.6.5, Buyer has the Right to Terminate under § 25.1, on or before **Environmental Inspection Objection**
720 **Deadline** (§ 3), or if applicable the Extended Environmental Inspection Objection Deadline, based on any
721 unsatisfactory results of Environmental Inspection, in Buyer's sole subjective discretion.
722

723 Buyer has the Right to Terminate under § 25.1, on or before **ADA Evaluation Objection Deadline** (§ 3),
724 based on any unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.
725

726 **10.7. Conditional Upon Sale of Property.** This Contract is conditional upon the sale and closing of
727 that certain property owned by Buyer and commonly known as n/a. Buyer
728 has the Right to Terminate under § 25.1 effective upon Seller's receipt of Buyer's Notice to Terminate on or before
729 **Conditional Sale Deadline** (§ 3) if such property is not sold and closed by such deadline. This § 10.7 is for the
730 sole benefit of Buyer. If Seller does not receive Buyer's Notice to Terminate on or before **Conditional Sale**
731 **Deadline** (§ 3), Buyer waives any Right to Terminate under this provision.
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733 **10.8. Source of Potable Water (Residential Land and Residential Improvements Only).** Buyer
734 Does Does Not acknowledge receipt of a copy of Seller's Property Disclosure or Source of
735 Water Addendum disclosing the source of potable water for the Property. Buyer Does Does Not
736 acknowledge receipt of a copy of the current well permit. There is **No Well**.
737 **Note to Buyer: SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NONRENEWABLE GROUND**
738 **WATER. YOU MAY WISH TO CONTACT YOUR PROVIDER (OR INVESTIGATE THE DESCRIBED SOURCE) TO**
739 **DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.**
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741 **10.9. Existing Leases; Modification of Existing Leases; New Leases.** Seller states that none of
742 the Leases to be assigned to the Buyer at the time of Closing contain any rent concessions, rent reductions or
743 rent abatements except as disclosed in the Lease or other writing received by Buyer. Seller will not amend, alter,
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modify, extend or cancel any of the Leases nor will Seller enter into any new leases affecting the Property without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed.

11. TENANT ESTOPPEL STATEMENTS.

11.1. Tenant Estoppel Statements Conditions. Buyer has the right to review and object to any Estoppel Statements. Seller must obtain and deliver to Buyer on or before **Tenant Estoppel Statements Deadline** (§ 3), statements in a form and substance reasonably acceptable to Buyer, from each occupant or tenant at the Property (Estoppel Statement) attached to a copy of the Lease stating:

- 11.1.1. The commencement date of the Lease and scheduled termination date of the Lease;
- 11.1.2. That said Lease is in full force and effect and that there have been no subsequent modifications or amendments;
- 11.1.3. The amount of any advance rentals paid, rent concessions given, and deposits paid to Seller;
- 11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;
- 11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and
- 11.1.6. That the Lease to which the Estoppel is attached is a true, correct and complete copy of the Lease demising the premises it describes.

11.2. Tenant Estoppel Statements Objection. Buyer has the Right to Terminate under § 25.1, on or before **Tenant Estoppel Statements Objection Deadline** (§ 3), based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or before **Tenant Estoppel Statements Deadline** (§ 3). Buyer also has the unilateral right to waive any unsatisfactory Estoppel Statement.

CLOSING PROVISIONS

12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.

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

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

12.3. Closing. Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as the **Closing Date** (§ 3) or by mutual agreement at an earlier date. The hour and place of Closing will be as designated by Title Company.

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

13. TRANSFER OF TITLE. Subject to tender of payment at Closing as required herein and compliance by Buyer with the other terms and provisions hereof, Seller must execute and deliver a good and sufficient **Special Warranty** deed to Buyer, at Closing, conveying the Property free and clear of all taxes except the general taxes for the year of Closing. Except as provided herein, title will be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not. Title will be conveyed subject to:

- 13.1. Those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Buyer in accordance with **Record Title** (§8.2),
- 13.2. Distribution utility easements (including cable TV),
- 13.3. Those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge and which were accepted by Buyer in accordance with **Off-Record Title** (§ 8.3) and **Current Survey Review** (§ 9),
- 13.4. Inclusion of the Property within any special taxing district,
- 13.5. Any special assessment if the improvements were not installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, and
- 13.6. Other n/a.

14. PAYMENT OF ENCUMBRANCES. Any encumbrance required to be paid will be paid at or before Closing from the proceeds of this transaction or from any other source.

Buyer(s) Initials _____ Seller(s) Initials _____

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

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

15.2. Closing Services Fee. The fee for real estate closing services must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller Other n/a

15.3. Status Letter and Record Change Fees. Any fees incident to the issuance of Association's statement of assessments (Status Letter) must be paid by Buyer Seller One-Half by Buyer and One-Half by Seller None. Any record change fee assessed by the Association including, but not limited to, ownership record transfer fees, regardless of name or title of such fee (Association's Record Change Fee) must be paid by Buyer Seller One-Half by Buyer and One-Half by Seller None.

15.4. Local Transfer Tax. The Local Transfer Tax of n/a % of the Purchase Price must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller. None.

15.5. Private Transfer Fee. Private transfer fees and other fees due to a transfer of the Property, payable at Closing, such as community association fees, developer fees and foundation fees, must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller None. The Private Transfer fee, whether one or more, is for the following association(s): n/a in the total amount of % of the Purchase Price or \$.

15.6. Water Transfer Fees. The Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed \$ n/a for:
 Water Stock/Certificates Water District
 Augmentation Membership Small Domestic Water Company n/a and must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller None.

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

16. PRORATIONS. The following will be prorated to the Closing Date (§3), except as otherwise provided:

16.1. Taxes. Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on Taxes for the Calendar Year Immediately Preceding Closing Most Recent Mill Levy and Most Recent Assessed Valuation, or Other *The 2015 Property Taxes currently calculated for the Property include a building that has been removed. Seller will work with the County to calculate Property Taxes based on vacant commercial land.*

16.2. Rents. Rents based on Rents Actually Received Accrued. At Closing, Seller will transfer or credit to Buyer the security deposits for all Leases assigned, or any remainder after lawful deductions, and notify all tenants in writing of such transfer and of the transferee's name and address. Seller must assign to Buyer all Leases in effect at Closing and Buyer must assume Seller's obligations under such Leases.

16.3. Association Assessments. Current regular Association assessments and dues (Association Assessments) paid in advance will be credited to Seller at Closing. Cash reserves held out of the regular Association Assessments for deferred maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents. Buyer acknowledges that Buyer may be obligated to pay the Association, at Closing, an amount for reserves or working capital. Any special assessment assessed prior to Closing Date (§ 3) by the Association will be the obligation of Buyer Seller. Except however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller. Seller represents that the Association Assessments are currently payable at approximately \$ n/a per n/a and that there are no unpaid regular or special assessments against the Property except the current regular assessments and n/a. Such assessments are subject to change as provided in the Governing Documents. Seller agrees to promptly request the Association to deliver to Buyer before Closing Date (§ 3) a current Status Letter.

16.4. Other Prorations. Water and sewer charges, propane, interest on continuing loan, and n/a.

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

17. POSSESSION. Possession of the Property will be delivered to Buyer on Possession Date (§ 3) at Possession Time (§ 3), subject to the Leases as set forth in § 10.6.1.7. n/a

If Seller, after Closing, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer for payment of \$ n/a per day (or any part of a day notwithstanding § 18.1) from Possession Date (§ 3) and Possession Time (§ 3) until possession is delivered.

GENERAL PROVISIONS

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

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

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

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

19.1. Causes of Loss, Insurance. In the event the Property or Inclusions are damaged by fire, other perils or causes of loss prior to Closing in an amount of not more than ten percent of the total Purchase Price (Property Damage), Seller is obligated to repair the same before **Closing Date** (§ 3). Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** (§ 3), if the Property Damage is not repaired before **Closing Date** (§ 3) or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the Association, if any) resulting from such damage to the Property and Inclusions, plus the amount of any deductible provided for in such insurance policy. Such credit must not exceed the Purchase Price. In the event Seller has not received such insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** (§ 3) or, at the option of Buyer, Seller must assign such proceeds at Closing, plus credit Buyer the amount of any deductible provided for in such insurance policy, but not to exceed the total Purchase Price.

19.2. Damage, Inclusions and Services. Should any Inclusion or service (including utilities and communication services), system, component or fixture of the Property (collectively Service), e.g., heating or plumbing, fail or be damaged between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any insurance proceeds received by Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or replaced on or before Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** (§ 3), or, at the option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such Inclusion or Service. Such credit must not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the Association, if any, will survive Closing. Seller and Buyer are aware of the existence of pre-owned home warranty programs that may be purchased and may cover the repair or replacement of such Inclusions.

19.3. Condemnation. In the event Seller receives actual notice prior to Closing that a pending condemnation action may result in a taking of all or part of the Property or Inclusions, Seller must promptly notify Buyer, in writing, of such condemnation action. Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** (§ 3), based on such condemnation action, in Buyer's sole subjective discretion. Should Buyer elect to consummate this Contract despite such diminution of value to the Property and Inclusions, Buyer is entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value of the Property or Inclusions but such credit will not include relocation benefits or expenses, or exceed the Purchase Price.

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

19.5. Risk of Loss — Growing Crops. The risk of loss for damage to growing crops by fire or other casualty will be borne 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 the growing crops.

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

21. TIME OF ESSENCE, DEFAULT AND 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 obligation hereunder is not performed or waived as herein provided, the nondefaulting party has the following remedies:

21.1. If Buyer is in Default:

21.1.1. Specific Performance. Seller may elect to treat this Contract as canceled, in which case all Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller; and Seller may

1005 recover such damages as may be proper; or Seller may elect to treat this Contract as being in full force and effect
1006 and Seller has the right to specific performance or damages, or both.
1007 **21.1.2. Liquidated Damages, Applicable. This § 21.1.2 applies unless the box in § 21.1.1.**
1008 **is checked.** All Earnest Money (whether or not paid by Buyer) will be paid to Seller, and retained by Seller. Both
1009 parties will thereafter be released from all obligations hereunder. It is agreed that the Earnest Money specified in §
1010 4.1 is LIQUIDATED DAMAGES, and not a penalty, which amount the parties agree is fair and reasonable and
1011 (except as provided in §§ 10.4, 22, 23 and 24), said payment of Earnest Money is SELLER'S ONLY REMEDY for
1012 Buyer's failure to perform the obligations of this Contract. Seller expressly waives the remedies of specific
1013 performance and additional damages.
1014 **21.2. If Seller is in Default:** Buyer may elect to treat this Contract as canceled, in which case all
1015 Earnest Money received hereunder will be returned and Buyer may recover such damages as may be proper, or
1016 Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to specific
1017 performance or damages, or both.
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1023 **22. LEGAL FEES, COST AND EXPENSES.** Anything to the contrary herein notwithstanding, in the event of
1024 any arbitration or litigation relating to this Contract, prior to or after **Closing Date** (§ 3), the arbitrator or court must
1025 award to the prevailing party all reasonable costs and expenses, including attorney fees, legal fees and expenses.
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1029 **23. MEDIATION.** If a dispute arises relating to this Contract, prior to or after Closing, and is not resolved, the
1030 parties must first proceed in good faith to submit the matter to mediation. Mediation is a process in which the
1031 parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators
1032 cannot impose binding decisions. The parties to the dispute must agree, in writing, before any settlement is
1033 binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such
1034 mediation. The mediation, unless otherwise agreed, will terminate in the event the entire dispute is not resolved
1035 within thirty days of the date written notice requesting mediation is delivered by one party to the other at the
1036 party's last known address. This section will not alter any date in this Contract, unless otherwise agreed.
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1041 **24. EARNEST MONEY DISPUTE.** Except as otherwise provided herein, Earnest Money Holder must release
1042 the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of
1043 any controversy regarding the Earnest Money, Earnest Money Holder is not required to release the Earnest
1044 Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for any proceeding
1045 between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of competent
1046 jurisdiction, (Earnest Money Holder is entitled to recover court costs and reasonable attorney and legal fees
1047 incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a
1048 copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the
1049 lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money
1050 Holder is authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy
1051 of the Lawsuit, and has not interpleaded the monies at the time of any Order, Earnest Money Holder must disburse
1052 the Earnest Money pursuant to the Order of the Court. The parties reaffirm the obligation of **Mediation** (§ 23). This
1053 Section will survive cancellation or termination of this Contract.
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1060 **25. TERMINATION.**
1061 **25.1. Right to Terminate.** If a party has a right to terminate, as provided in this Contract (Right to
1062 Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to
1063 Terminate), provided such written notice was received on or before the applicable deadline specified in this
1064 Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right to
1065 Terminate accepts the specified matter, document or condition as satisfactory and waives the Right to Terminate
1066 under such provision.
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1069 **25.2. Effect of Termination.** In the event this Contract is terminated, all Earnest Money received
1070 hereunder will be returned and the parties are relieved of all obligations hereunder, subject to §§ 10.4, 22, 23 and
1071 24.
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1074 **26. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL.** This Contract, its exhibits and specified addenda,
1075 constitute the entire agreement between the parties relating to the subject hereof, and any prior agreements
1076 pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent
1077 modification of any of the terms of this Contract is valid, binding upon the parties, or enforceable unless made in
1078 writing and signed by the parties. Any right or obligation in this Contract that, by its terms, exists or is intended to
1079 be performed after termination or Closing survives the same.
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1083 **27. NOTICE, DELIVERY, AND CHOICE OF LAW.**
1084 **27.1. Physical Delivery.** All notices must be in writing, except as provided in § 27.2. Any document,
1085 including a signed document or notice, from or on behalf of Seller, and delivered to Buyer is effective when
1086 physically received by Buyer, any signatory on behalf of Buyer, any named individual of Buyer, any representative
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1089 of Buyer, or Brokerage Firm of Broker working with Buyer (except for delivery, after Closing, of the notice
1090 requesting mediation described in § 23 and except as provided in § 27.2). Any document, including a signed
1091 document or notice, from or on behalf of Buyer, and delivered to Seller is effective when physically received by
1092 Seller, any signatory on behalf of Seller, any named individual of Seller, any representative of Seller, or Brokerage
1093 Firm of Broker working with Seller (except for delivery, after Closing, of the notice requesting mediation described
1094 in § 23 and except as provided in § 27.2).
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1097 **27.2. Electronic Delivery.** As an alternative to physical delivery, any document, including a signed
1098 document or written notice, may be delivered in electronic form only by the following indicated methods:
1099 **Facsimile** **E-mail** **Internet.** If no box is checked, this § 27.2 is not applicable and § 27.1 governs
1100 notice and delivery. Documents with original signatures will be provided upon request of any party.
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1102 **27.3. Choice of Law.** This Contract and all disputes arising hereunder are governed by and construed in
1103 accordance with the laws of the State of Colorado that would be applicable to Colorado residents who sign a
1104 contract in Colorado for property located in Colorado.
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1107 **28. NOTICE OF ACCEPTANCE, COUNTERPARTS.** This proposal will expire unless accepted in writing, by
1108 Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of such
1109 acceptance pursuant to § 27 on or before **Acceptance Deadline Date** (§ 3) and **Acceptance Deadline Time** (§
1110 3). If accepted, this document will become a contract between Seller and Buyer. A copy of this Contract may be
1111 executed by each party, separately, and when each party has executed a copy thereof, such copies taken
1112 together are deemed to be a full and complete contract between the parties.
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1115 **29. GOOD FAITH.** Buyer and Seller acknowledge that each party has an obligation to act in good faith,
1116 including but not limited to exercising the rights and obligations set forth in the provisions of **Financing**
1117 **Conditions and Obligations** (§ 5), **Title Insurance, Record Title and Off—Record Title** (§ 8), **Current**
1118 **Survey Review** (§ 9) and **Property Disclosure, Inspection, Indemnity, Insurability, Due Diligence and**
1119 **Source of Water** (§ 10).
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1125 **ADDITIONAL PROVISIONS AND ATTACHMENTS**
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1128 **30. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the Colorado
1129 Real Estate Commission.)
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1131 **30.1 APPROVAL OF TITLE**
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1133 *The LLC hereby approves Exception 6 (taxes) subject to proration and provided it only applies to*
1134 *the current year and all subsequent years; Exception 7 (mining/water) subject to ALTA*
1135 *Endorsement 41.1-06, 41.2-06, 41.3-06, or CLTA Form 103.5-06, and either ALTA Endorsement*
1136 *35.1-06, 35.2-06, or 35.3-06; Exception 8 (easement reservations) subject to ALTA Endorsement*
1137 *28-06, 28.1-06, or 28.2-06, as well as the water and mineral endorsements described above;*
1138 *Exception 10 (plat) subject to ALTA Endorsement 26-06; as well as provide ALTA Endorsement 17-*
1139 *06 (access) or 17.1-06 ("Approved Exceptions") as shown on the Land Title Guarantee Insurance*
1140 *Company ("Title Company") Title Commitment dated effective November 19, 2014 issued under*
1141 *Order M20141873 ("Title Commitment"). Any exceptions to title other than the Approved*
1142 *Exceptions shall be removed from title to the Property prior to conveyance thereof to the LLC.*
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1147 **31. ATTACHMENTS.**

1148 **31.1.** The following attachments are a part of this Contract:
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1152 **31.2.** The following disclosure forms are attached but are not a part of this Contract:
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1156 **SIGNATURES**
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1160 _____ Date: _____
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1162 Buyer: **Silverthorne Urban Renewal Authority**
1163 **By: Mark Leidal , Director**
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1168 [NOTE: If this offer is being countered or rejected, do not sign this document. Refer to § 32]
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Seller: **Silverthorne Development Company, LLC**
By: Jack Wolfe, Manager

32. COUNTER; REJECTION. This offer is Countered Rejected.
Initials only of party (Buyer or Seller) who countered or rejected offer

Silverthorne Development Company, LLC
By: Jack Wolfe, Manager

END OF CONTRACT TO BUY AND SELL REAL ESTATE

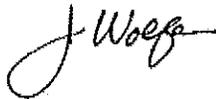
33. **BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.**
(To be completed by Broker working with Buyer)

Broker Does Does Not acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Buyer as a Buyer's Agent Seller's Agent Transaction-Broker in this transaction. This is a **Change of Status**.

Brokerage Firm's compensation or commission is to be paid by Listing Brokerage Firm
 Buyer Other n/a.

Brokerage Firm's Name: **Wolfe & Company**



Date: 11/28/2014

Broker's Name: **Jack Wolfe**
Address: **PO Box 5380 Breckenridge, CO 80424**
Ph: **(970) 453-4342** Fax: Email: **wolfejac@me.com**

34. **BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.**
(To be completed by Broker working with Seller)

Broker Does Does Not acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with the Seller as a Seller's Agent Buyer's Agent Transaction-Broker in this transaction. This is a **Change of Status**.

Brokerage Firm's compensation or commission is to be paid by Seller Buyer Other n/a.

Brokerage Firm's Name: **n/a**

Broker _____ Date: _____

Address: **n/a n/a, n/a n/a**

Ph: n/a Fax: n/a Email:

CBS4-8-13. CONTRACT TO BUY AND SELL REAL ESTATE (LAND)

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Buyer(s) Initials _____

Seller(s) Initials _____

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Silverthorne Urban Renewal Authority
Authority Agenda Memorandum

To: Chairman and Board Members
From: Mark Leidal, Executive Director ML
Date: December 4, 2014, for meeting of December 10, 2014
Subject: Operating Agreement of the Blue River Real Estate Company, LLC

SUMMARY: The approval of the Operating Agreement of the Blue River Real Estate Company (BRREC), LLC, is the joint partnership between the Silverthorne Urban Renewal Authority (SURA) and Craig Realty Group (CRG), LLC, for the joint ownership of property. This is a 50-50 partnership with the Executive Director of the SURA being the managing member.

PREVIOUS BOARD ACTION: Resolution 2014-1: A Resolution Delegating Certain Contract Authority to the Executive Director was approved by the Commissioners on April 9, 2014, authorizing the Executive Director *“to sign certain contracts and agreements related to retail strategy, including the acquisition of real property necessary to implement the retail strategy, in an amount not to exceed \$5,000,000 and to perform any lawful acts to carry out those ends.”*

DISCUSSION: This Operating Agreement outlines all issues relating to the joint ownership of property. With the approval of the Operating Agreement and the Contribution Agreement, the ownership of the Acorn Property, located at 171 Blue River Parkway, will be transferred to the BRREC. CRG will be purchasing half of the cost of the property as well as half of all of the expenses incurred to the date of closing for the property, including removal of the convenience store and tank removal. A budget will be prepared annually for expenses and each entity will contribute equally to the ongoing expenses for ownership of the property.

RECOMMENDATION: Although authority has already been granted to the Executive Director in Resolution 2014-1, Staff recommends approval of the Operating Agreement of the Blue River Real Estate Company, LLC.

PROPOSED MOTION: “I move to approve of the Operating Agreement of the Blue River Real Estate Company, LLC.”

ATTACHMENTS:

Operating Agreement of Blue River Real Estate Company, LLC

**OPERATING AGREEMENT
OF
BLUE RIVER REAL ESTATE COMPANY, LLC**

This Operating Agreement is made as of _____, 2014, by all of the Members of Blue River Real Estate Company, LLC (the "Company"). In consideration of our mutual promises and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), we agree as follows with respect to the administration and regulation of the affairs of the Company.

ARTICLE 1 FORMATION

1.1 Formation. The Company was formed on November 26, 2013, by filing Articles of Organization with the Colorado Secretary of State pursuant to the Colorado Act. The Company shall be deemed to have commenced business as of the date of this Agreement as first recited above.

1.2 Company Name. The business of the Company will be conducted under the name "Blue River Real Estate Company, LLC."

1.3 Office and Agent. The initial registered office of the Company in Colorado is 601 Center Circle, Silverthorne, Colorado 80498, and the name of its initial registered agent at such address is Mark Leidal. The initial principal office of the Company is also 601 Center Circle, Silverthorne, Colorado 80498. The Company may subsequently change its registered office or registered agent in Colorado in accordance with the Colorado Act.

1.4 Term. The Company will continue until its Dissolution (under Article 12) and Liquidation (under Article 13).

1.5 Definitions. The following capitalized terms, when used in this Agreement, have the meanings set forth below:

Acorn Property: Lot 1, Acorn Subdivision, Re-subdivision Tract 1-6 South Silverthorne Annex, located at 171 Blue River Parkway, Silverthorne, Colorado, and containing approximately 0.53 acres.

Affiliate: any Person who is a partner of a Member who directly or indirectly controls, or is controlled by, or is under common control with such Member; or of which 50% or more of the voting stock or other voting interests of such Person is directly or indirectly beneficially owned or held by such Member; or any Person who is a lineal ancestor or descendant (including by adoption) of a Member or who is married to a Member; or any trust formed by Member or for the benefit of such Member or any lineal ancestor or descendent, sibling, niece or nephew of such Member. The term "control", "controlled by" or "under common control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Agreement: this Operating Agreement, as it may be amended.

Articles: the Articles of Organization of the Company filed with the Colorado Secretary of State, as they may be amended.

Authority: Silverthorne Urban Renewal Authority, a public body corporate and politic organized as an urban renewal authority pursuant to the Colorado Urban Renewal Law.

Capital Account: the capital account to be established and maintained for each Member in accordance with Article 4.

Capital Contribution: any contribution of money or property by a Member to the Company.

Cash Flow: gross revenues from business activities, less [a] operating expenses, [b] capital expenditures, [c] debt service, [d] prepaid items and [e] reasonable reserves for anticipated costs.

Code: the Internal Revenue Code of 1986, as amended from time to time (including corresponding provisions of subsequent revenue laws).

Colorado Act: the Colorado Limited Liability Company Act, as it may be amended.

Company: Blue River Real Estate Company, LLC, a Colorado limited liability company, as formed under the Articles.

CRG: Craig Realty Group—Silverthorne, LLC, a Colorado limited liability company.

Dissolution: the change in the relation of the Members caused by an event of withdrawal of a Member or as otherwise provided in Article 12.

Distribution: a distribution of money or other property made by the Company with respect to an Ownership Interest.

Fair Market Value: as to any property, the price at which a willing seller will sell and a willing buyer would buy such property having full knowledge of the relevant facts, in an arm's length transaction without time constraints, and without being under any compulsion to buy or sell. In the event of disagreement on Fair Market Value, Fair Market Value shall be determined by appraisal.

Fiscal Year: the fiscal and taxable year of the Company as determined under this Agreement, including both 12 month and short taxable years.

Liquidation: the process of terminating the Company and distributing its assets to the Members under Article 13, after its Dissolution or the happening of an event causing termination under 13.2.

Losses: the Company's net loss for any Fiscal Year, determined under 5.1.

Manager:	The Person elected as Manager in the manner set forth in 7.1[a].
Member:	The Authority, CRG, and any person who is subsequently admitted as an additional Member as provided in this Agreement.
Ownership Interest:	with respect to each Person owning an interest in the Company, all of the interests of such Person in the Company (including, without limitation, an interest in the Profits and Losses, a Capital Account interest, and all other rights and obligations of such Person under this Agreement) expressed as a percentage interest (rounded to four decimal points), as initially set forth in 5.2, but as such percentages may be modified in accordance with this Agreement.
Person:	an individual, corporation, partnership, limited liability company, trust, unincorporated organization, association or other entity.
Profits:	the Company's net profit for any Fiscal Year, determined under 5.1.
Regulations:	the Treasury Regulations (including temporary regulations) promulgated under the Code, as amended from time to time (including corresponding provisions of succeeding regulations).
Third Party:	a Person not a party to this Agreement.
Third Party Offer:	a bona fide, non-collusive, binding, arm's length written offer from a Third Party stated in terms of U.S. dollars.
Transfer:	a sale, exchange, assignment, encumbrance, gift or other disposition, whether voluntary or by operation of law.
Transferee:	a Person to whom an Ownership Interest is transferred in compliance with this Agreement, having the rights and obligations specified in Article 14.
Transferor:	a Person who transfers an Ownership Interest in compliance with this Agreement.

ARTICLE 2 PURPOSES AND POWERS

2.1 Principal Purpose. The principal purpose of the Company is to own, manage, develop and/or sell the Acorn Property in the manner described in this Agreement, to acquire such other property and undertake such other and further projects as authorized under this Agreement in furtherance of the Revised and Restated Silverthorne Urban Renewal Plan as may be approved by the Members pursuant to this Agreement, and to do any and all other acts or things which may be related or incidental to, or necessary to such purposes.

2.2 Other Purposes. The Company may also engage in other business and investment activities as the Members may from time to time determine, subject to any limitations in the Colorado Act on the businesses in which a limited liability company may engage.

2.3 Powers. Subject to the other provisions of this Agreement, the purposes of the Company may be accomplished through the following powers (which are not exclusive):

- [a] To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets;
- [b] To purchase, take, receive, lease or otherwise acquire, own, hold title to, improve, use and otherwise deal with real or personal property, or an interest in it, whenever situated;
- [c] To purchase, take, acquire, receive, subscribe for, own, hold, vote, use, employ, sell, mortgage, lend, pledge or otherwise dispose of, and otherwise use and deal in and with shares or other interests in or obligations of other Persons, or direct or indirect obligations of the United States or of any government, state, territory, municipality or governmental instrumentality;
- [d] To enter into any leases, contracts or agreements concerning its assets;
- [e] To sign and deliver all instruments, including deeds, assignments, and other documents of transfer or encumbrance as may be necessary or advisable for the administration of its assets;
- [f] To settle claims and take or defend judicial and administrative proceedings;
- [g] To establish reserves for taxes, assessments, insurance premiums, repairs, maintenance, improvements, depreciation, depletion and obsolescence out of rents, profits or other income received;
- [h] To pay all expenses reasonably incurred in the administration of its assets;
- [i] To make contracts and guarantees and incur liabilities, borrow money at such rates of interest as it may determine, issue its notes, bonds and other obligations and secure any of its obligations by mortgage or pledge or all or any part of its property and income;
- [j] To invest and reinvest its funds and take and hold real property and personal property for the payment of funds so invested;
- [k] To appoint agents and define their duties and fix their compensation;
- [l] To make and alter this Agreement, not inconsistent with the Articles or with the Colorado Act, for the administration and regulation of its affairs;
- [m] To conduct its business, carry on its operations and have and exercise the powers granted by the Colorado Act; and
- [n] To do such other things and engage in such other activities related directly or indirectly to the foregoing as may be necessary, convenient or advisable to the conduct of its business, and to have and exercise all of the powers and rights conferred upon limited liability companies formed under the Colorado Act.

2.4 Title to Property. All real and personal property owned by the Company shall be owned by the Company as an entity and no Member shall have any ownership interest in such property in its individual name or right, and each Member's Ownership Interest in the Company shall be personal property for all

purposes. Except as otherwise provided in this Agreement, the Company shall hold all of its real and personal property in the name of the Company and not in the name of any Member.

ARTICLE 3 MEMBERS

3.1 **Initial Members.** The initial Members of the Company are the Authority and CRG.

3.2 **Addresses.** The initial address of each of the Members is as follows:

To Authority: Silverthorne Urban Renewal Authority
Mark Leidal, Executive Director
P.O. Box 1309
601 Center Circle
Silverthorne, CO 80498
Tel: 970-262-7362
Fax: 970-262-7311
E-Mail: mark.leidal@silverthorne.org

To CRG: Craig Realty Group – Silverthorne, LLC
c/o Craig Realty Group
4100 MacArthur Boulevard, Suite 200
Newport Beach, CA 92660
Attn: Steven L. Craig
949-224-4115; fax 949-224-4102;
steve@craigrealtygroup.com
AND Lori Sarnier Smith, Esq.
949-224-4116; fax 949-336-1942,
lori@craigrealtygroup.com
AND Rino LaRosa 949-224-4142; fax 949-224-4101;
rlarosa@craigrealtygroup.com

ARTICLE 4 COMPANY CAPITAL

4.1 **Initial Contributions.** Silverthorne Development Company LLC, a Colorado limited liability company and Affiliate and nominee of the Authority (“SDC”), has previously acquired the Acorn Property. SDC shall distribute the Acorn Property to the Authority and the Authority shall contribute the Acorn Property to the Company as a capital contribution, such contribution to be pursuant to a contribution agreement in form and content satisfactory to the SDC, the Authority and CRG, to be entered into between the Authority and the Company (“Contribution Agreement”). The Contribution Agreement shall provide for an agreed value consistent with that set forth on **Exhibit A**, and such agreed value shall include reimbursement of expenses incurred by SDC in connection with the initial acquisition of the Acorn Property and costs incurred by SDC for management, maintenance and improvement of the Acorn Property during the period that SDC and/or the Authority own the Acorn Property, all as set forth on Exhibit A. The “closing” of the contribution by the Authority of the Property as capital to the Company shall be subject to such conditions as set forth in the Contribution Agreement and shall occur on or before the date set forth in the Contribution Agreement. Concurrently with the closing of the contribution by the Authority of the Acorn Property to the Company, CRG shall contribute to the Company an amount equal to one-half of the agreed value of the Acorn Property, and an amount equal to such contribution by CRG shall be distributed by the Company to the Authority at the closing, such that, following such contributions and distribution, the Company shall own the Acorn Property with a basis equal to the agreed

value, and each of the Authority and CRG shall have capital accounts equal to one-half of the total agreed value.

4.2 Additional Contributions.

- [a] Preparation and Approval of Budget. On or about November 15 of each year, the Manager shall prepare and propose to the Members for approval an operating budget for the next subsequent fiscal year, setting forth the anticipated revenues and expenses for the year. Within 30 days after receipt of such proposed budget, the Members shall approve or disapprove the proposed budget in accordance with Section 8.8 below, and if approved, such budget is referred to herein as an "Approved Budget". The Members acknowledge and agree that it shall not be permissible to disapprove any proposed budget cost that is necessary to the holding and proper maintenance of the Company's properties, including the Acorn Property. If the proposed budget is disapproved, the Members shall then use their respective good faith diligent efforts to agree upon a revised budget until a new budget is approved. If the proposed budget is not approved by the commencement of the fiscal year for which the proposed budget was prepared, then the Manager shall continue to operate under the Approved Budget that was most recently approved, with such revisions as have been agreed to by the Members. The Approved Budget for the period from the effective date of this Agreement for the first full-year of operation is attached to this Agreement as **Exhibit B**.
- [b] Amendment of Budget. An Approved Budget may be amended or supplemented at any time only by written agreement of the Members, except with respect to an emergency. The Manager shall give prompt notice to the Members of any emergency and the anticipated cost of same.
- [c] Contributions. The Manager shall invoice the Members on a quarterly basis pursuant to the approved budget, and/or at other time in the event of an emergency, specifying the amount to be contributed by such Member, which additional Capital Contribution shall be due and payable thirty (30) days following the date of receipt of such invoice (the "Contribution Due Date"). Additional Capital Contributions will be funded by the Members pro rata in accordance with their respective percentage of Ownership Interests.
- [d] No Obligation to Advance Funds. The Manager may, but is not obligated to, advance the Manager's own funds to pay any expense, tax or charge on behalf of the Company in connection with this Agreement. If the Manager elects to advance any such funds on behalf of the Company, the Company shall repay such amount to the Manager promptly after demand. If such advances are not repaid within 30 days after demand, the Manager shall be entitled to interest on such unpaid advances at an annual rate of [this rate seems a bit high in today's market] twelve percent (12%) from the beginning of such 30-day period until such advance is paid in full.
- [e] Default. If a Member (a "Non-Contributing Member") fails to fund by the Contribution Due Date all or any portion of its share of any additional Capital Contributions that are invoiced by the Manager in accordance with Section 4.2[c] and the Non-Contributing Member remains in default thirty (30) days after the Contribution Due Date, each Member that did timely make its required Capital Contribution (a "Contributing Member") shall be entitled, without obligation, [i] to elect make the Capital Contribution of the Non-Contributing Member or [ii] to elect by sending Notice to the Company and the Non-Contributing Member to require the Company to return to such Member its additional Capital Contribution. If more than one Contributing Member elects to make the Capital Contribution of the Non-Contributing Member, such Capital Contribution shall be made pro rata by such Contributing Members in accordance with their respective percentage of Ownership Interests.

[f] Reallocation of Ownership Interests. Following each invoice for additional Capital Contributions pursuant to 4.2[c] in which all of the Members do not participate pro rata, the aggregate Ownership Interests then held by the Members will be reallocated proportionately among the Members, taking into account the amount of Capital Contributions made by the Members, such that from and after the applicable Contribution Due Date, each Member will hold that percentage of Ownership Interests that is equal to the aggregate Capital Contributions made by such Member as of the date of determination, divided by the aggregate Capital Contributions made by all Members as of the date of determination, in each case including any increased Capital Contribution made by a Contributing Member pursuant to 4.2[e].

4.3 Capital Accounts. A Capital Account will be maintained for each Member and will be credited, charged and otherwise adjusted as required by Code §704(b) and the §704(b) Regulations. Each Member's Capital Account will be:

[a] Credited with [i] the amount of cash and the Fair Market Value of any property contributed by the Member to the capital of the Company, [ii] the Member's allocable share of Profits, [iii] the amount of the liabilities of the Company assumed by the Member or secured by any property distributed to the Member and [iv] all other items properly credited to Capital Account as required by the §704(b) Regulations; and

[b] Charged with [i] the Member's allocable share of Losses, [ii] the Member's share of Distributions, [iii] the amount of liabilities of the Member assumed by the Company or secured by property contributed to the Company by the Member, and [iv] all other items properly charged to Capital Account as required by the §704(b) Regulations.

All credits and charges to capital accounts will be allocated among the Members in accordance with the provisions of Article 5. Any unrealized appreciation or depreciation with respect to any asset distributed in kind will be allocated among the Members in accordance with the provisions of Article 5 as though such asset had been sold for its Fair Market Value on the date of distribution, and the Members' Capital Accounts will be adjusted to reflect both the deemed realization of such appreciation or depreciation and the Distribution of such property.

4.4 Adjustments. The Members intend to comply with the §704(b) Regulations in all respects, and the Members agree to adjust the Capital Accounts of the Members to the full extent that the §704(b) Regulations may apply (including, without limitation, applying the concepts of qualified income offsets and minimum gain chargebacks). To this end, the Members agree to make any Capital Account adjustment that is necessary or appropriate to maintain equality between the aggregate capital accounts of the Members and the amount of capital of the Company reflected on its balance sheet (as computed for book purposes), as long as such adjustments are consistent with the underlying economic arrangement of the Members and are based, wherever practicable, on federal tax accounting principles.

4.5 Market Value Adjustments. The Members agree to make appropriate Capital Account adjustments upon any transfer of an Ownership Interest, including those that apply upon the constructive liquidation of the Company under §708(b) of the Code, all in accordance with the §704(b) Regulations.

4.6 No Additional Contributions. Except as set forth in Sections 4.1 and 4.2, no additional Capital Contributions will be required from any Member unless required by law or otherwise agreed upon in writing by all Members and upon such terms and conditions as they may agree.

4.7 Default by Member. If any Member fails to pay any required Capital Contribution at the time it is required to be paid and the same is not paid by another Member pursuant to Sections 4.2[e] and [f]

above, the Company may collect interest on the unpaid installment at the rate of fifteen percent (15%) per year from the date when due until paid. The Company is granted and shall have a first lien on each Member's Ownership Interest to secure any sums owing by such Member to the Company, and if any share of a Member's obligation remains due and payable for more than thirty (30) days after the date when due, the Company may enforce payment by and remedy available to it at law or in equity, which right shall include, and not be limited to, the right to sell either at public or private sale the interest of such defaulting Member in the Company and in the properties of the Company. The other non-defaulting Member(s) may purchase the interest of such defaulting Member at such sale. Any deficiency that may remain after the sale of the interest of such defaulting Member shall constitute an outstanding obligation for which the defaulting Member shall be liable to the Company. Any amount received by the Membership on the sale of such interest of the defaulting Member which is in excess of the amount owed to the Company (including interest) will be refunded to the defaulting Member.

4.8 Transfer. If all or part of any Ownership Interest is transferred in accordance with the terms of this Agreement, the Capital Account of the Transferor that is attributable to the transferred interest will carry over to the Transferee.

4.9 No Withdrawal. Except as specifically provided in this Agreement, no Member will be entitled to withdraw all or any part of such Member's capital from the Company or, when such withdrawal of capital is permitted, to demand a distribution of property other than money. In addition, no Member will be entitled to withdraw, resign or retire from the Company except upon the occurrence of an event described in 12.2[a], [b], or [c].

4.10 Withdrawal of Capital. No Member may receive any part of such Member's Capital Contribution out of Company assets unless all of the following conditions are satisfied:

- [a] A Member may not receive a Distribution to the extent that, after giving effect to the Distribution, all liabilities of the Company, other than liabilities to Members on account of their Ownership Interests, would exceed the Fair Market Value of the Company's assets; and
- [b] Such return of capital is either provided for in this Agreement (such as upon Liquidation of the Company) or all Members consent.

4.11 No Interest on Capital. No Member will be entitled to receive interest on its Capital Contributions or Capital Account except as set forth herein.

4.12 No Drawing Accounts. The Company will not maintain a drawing account for any Member. All Distributions to Members will be governed by Article 6 (relating to Distributions) and by Article 13 (relating to Liquidation of the Company).

4.13 Loans by Members. The Company may borrow money from any Member for Company purposes. Any such amount will be repaid on demand or upon such terms as the Company and such Member may agree (provided that the interest rate will at least equal the rate required to avoid imputed interest for federal income tax purposes). Any such advance or loan will be treated as indebtedness of the Company, and will not be treated as a Capital Contribution by a Member.

ARTICLE 5 PROFITS AND LOSSES

5.1 General Rule. For each Fiscal Year, Profits (including items of income and gain) or Losses (including items of loss and deduction) of the Company will be an amount determined in accordance with the tax accounting principles of the §704(b) Regulations (including the allocation to the Members of

depreciation, amortization, gain or loss as computed for book purposes). Except as otherwise specifically provided in this Article, Profits and Losses of the Company for each Fiscal Year will be allocated to the Members in proportion to their Ownership Interests as of the date of such allocation.

5.2 Ownership Interests. The Ownership Interest of each Member at the time of formation of the Company are as follows:

Authority:	50%
CRG:	50%

5.3 Nonrecourse Debt. If there is Company nonrecourse debt (for which no Member bears the economic risk of loss) or Member nonrecourse debt (which is nonrecourse to the Company but for which one or more Members bear the economic risk of loss), Losses attributable to any such Company nonrecourse debt will be allocated to the Members in proportion to their Ownership Interest as of the date of such allocation, and Losses attributable to any such Member nonrecourse debt will be allocated to those Members bearing the economic risk of loss.

5.4 Minimum Gain Chargeback. If there is a net decrease in the minimum gain (as defined in the §704(b) Regulations) of the Company for a Fiscal Year, items of income and gain will be allocated among the Members in the manner required to comply with the minimum gain chargeback provisions of the §704(b) Regulations. This chargeback provision will apply both to items of Company nonrecourse debt (for which no Member bears the economic risk of loss) and to items of Member nonrecourse debt (which is nonrecourse to the Company but for which one or more Members bear the economic risk of loss).

5.5 Qualified Income Offset. If any Member unexpectedly receives an adjustment, allocation or distribution described in §1.704-1(b)(2)(ii)(d)(4),(5) or (6) of the §704(b) Regulations, then such Member will be allocated items of income and gain in an amount and manner sufficient to eliminate any adjusted negative balance (determined under the §704(b) Regulations, including adjustments to reflect reasonably unexpected future items) in such Member's Capital Account as quickly as possible. Such items will consist of a pro rata portion of each item of Company income (including gross income) and gain of the Company for such Fiscal Year. If more than one Member receives such an allocation, such items will be allocated among them in the ratio of the adjusted negative balances in their Capital Accounts.

5.6 Priority. The general rule of allocating Profits or Losses of 5.1 will be subject first to the prior application of the nonrecourse debt allocation, and minimum gain chargeback rules of 5.3 and 5.4, and then to the application of the qualified income offset rule of 5.5.

5.7 Tax Allocations. Allocation of items of income, gain, loss and deduction of the Company for federal income tax purposes for a Fiscal Year will be allocated, as nearly as is practicable, in accordance with the manner in which such items are reflected in the allocations of Profits and Losses among the Members for such Fiscal Year. To the extent possible, principles identical to those that apply to allocations for federal income tax purposes will apply for state and local income tax purposes.

5.8 Transfer. If any Ownership Interest is transferred during any Fiscal Year of the Company (whether by liquidation of an Ownership Interest, transfer of all or part of an Ownership Interest or otherwise), the books of the Company will be closed as of the effective date of transfer. The Profits and Losses attributed to the period from the first day of such Fiscal Year through the effective date of transfer will be allocated to the Transferor, and the Profits and Losses attributed thereafter to the Transferee. In lieu of an interim closing of the books of the Company and with the agreement of the Transferor and Transferee, the Members may agree to allocate Profits and Losses for such Fiscal Year between the

Transferor and Transferee based on a daily proration of items for such Fiscal Year or any other reasonable method of allocation (including an allocation of extraordinary Company items, as determined by the Members, based on when such items are recognized for federal income tax purposes).

5.9 Contributed Property. All items of income, gain, loss and deduction with respect to property contributed (or deemed contributed) to the Company will, solely for tax purposes, be allocated among the Members as to take into account the variation between the tax basis of the property and its Fair Market Value at the time of contribution. The Members agree to make these allocations in accordance with §704(c) of the Code and applicable regulations. For example, if there is built-in gain with respect to contributed property, upon the Company's sale of that property, the pre-contribution gain would be allocated to the contributing Member (and such pre-contribution gain would not again create a Capital Account adjustment since the property was credited to Capital Account upon contribution at its Fair Market Value). In addition, the Members agree to apply §704(c) principles to eliminate book-tax disparities without regard as to how such disparity arose, all in accordance with the §704(b) Regulations.

5.10 Tax Credits. To the extent that the federal income tax basis of an asset is allocated to the Members in accordance with the Regulations promulgated under §46 of the Code, any tax credit attributable to such tax basis will be allocated to the Members in the same ratio as such tax basis. With respect to any other tax credit, to the extent that a Company expenditure gives rise to an allocation of loss or deduction, any tax credit attributable to such expenditure will be allocated to the Members in the same ratio as such loss or deduction. Consistent principles will apply in determining the Members' interests in tax credits that arise from taxable or non-taxable receipts of the Company. All allocations of tax credits will be made as of the time such credit arises. Any recapture of tax credit will, to the extent possible, be allocated to the Members in the same manner as the tax credit was allocated to them. Except as otherwise specifically provided in the §704(b) Regulations (such as the adjustments required when there is an upward or downward adjustment in the tax basis of investment credit property), allocations of tax credits and their recapture will not be reflected by any adjustment to Capital Accounts.

ARTICLE 6 DISTRIBUTIONS

6.1 Distributions. The Company will distribute its Cash Flow as follows:

[a] If Cash Flow involves the Dissolution and Liquidation of the Company incident to the sale of all or substantially all of the Company's assets, to the Members as provided in Article 13, within forty-five (45) days following receipt by the Company of such Cash Flow.

If Cash Flow does not involve the Dissolution and Liquidation of the Company incident to the sale of all or substantially all of the Company's assets, to the Members and Persons prioritized as follows, within forty-five (45) days following receipt by the Company of such Cash Flow:

[i] To the Members, pro rata, as repayment of any loans made to the Company pursuant to 4.3, if any.

[ii] To the Members, pro rata, in accordance with their respective Ownership Interests.

6.2 Payment. All Distributions will be made to applicable Members owning Ownership Interests on the date of Distribution, as reflected on the books of the Company.

6.3 Withholding. If required by the Code or by state or local law, the Company will withhold any required amount from Distributions to a Member for payment to the appropriate taxing authority. Any amount so withheld from a Member will be treated as a Distribution by the Company to such Member.

ARTICLE 7 MANAGEMENT RIGHTS

7.1 Management.

[a] The number of “managers” as defined in the Colorado Act and those Persons elected shall be fixed from time to time by the affirmative vote of the Members as set forth in Section 8.8, but initially there shall be one (1) Manager. The initial Manager is the Authority, who by executing this Agreement consents to the same. The Manager will have the power and authority to take all actions on behalf of the Company, except as such authority may be reserved to the Members under the Articles or this Agreement. The Manager shall devote such time to the Company as may be necessary for the proper performance of all duties hereunder, but the Manager shall not be required to devote full time to the performance of such duties.

[b] The Manager shall be responsible, subject to the provisions of subsection [c] below, for the management of all matters that the Manager may deem necessary or convenient to accomplish any of the purposes of the Company, including, without limitation, the maintenance, operations, management, and completion of demolition and environmental mediation of the Acorn Property. The Manager shall have the duties specified in Section 7-80-404 of the Act. The Manager shall take all actions which may be necessary or appropriate (i) for the continuation of the Company’s valid existence as a limited liability company under the Act, and (ii) for the acquisition, development, maintenance, preservation, and operation of the property of the Company in accordance with the provisions of this Agreement and applicable laws and regulations. In furtherance of the foregoing, the Manager may without further authority of the Members complete the remediation of the Acorn Property in accordance with the plan and in general conformance with the budget for such work totaling \$150,000 as disclosed to CRG. In addition, and without limiting the generality of this subsection (b) but subject to subsection [c] below, the Manager shall have the power and authority, on behalf of the Company, but subject to the same being consistent with the applicable Approved Budget:

[i] The Manager shall have the authority and the obligation to purchase liability and other insurance to protect the Company’s property and business;

[ii] To engage, on behalf of the Company accountants, legal counsel or other consultants of the Company (including Persons who are Members or affiliates of Members);

[iii] To enter into any and all other agreements on behalf of the Company with any other Person or entity for any purpose, in such forms as the Manager may approve;

[iv] To execute tax returns and pay, or cause to be paid, such taxes with respect to the assets of the Company as are required by law.

[c] Notwithstanding any contrary provision herein, the affirmative vote of the Members as set forth in Section 8.8 will be required with respect to the following:

[i] Any borrowing by the Company under any loan or series of loans, whether or not secured by Company property;

- [ii] The purchase, construction, development or other acquisition of real property by the Company;
- [iii] Taking any action pursuant any contract to which the Company is bound involving costs exceeding in the aggregate \$10,000, unless such expenditure or action has been otherwise expressly approved in an Approved Budget pursuant to Section 4.2 above.
- [iv] Any new uses and/or development of the Acorn Property;
- [v] The sale of any real property of the Company or of substantially all the assets of the Company;
- [vi] The delegation of additional authority to the Manager pursuant to paragraph 7.1[b]; and
- [vii] On any matter as required by law.

7.2 Approval of Additional Matters. Notwithstanding Section 7.1 or any other provision contained in this Agreement to the contrary, the following decisions by the Company also require the affirmative vote of the Members as set forth in Section 8.8:

- [a] The voluntary Dissolution of the Company under 12.1;
- [b] The admission of an additional Member under Article 14 upon the Transfer of an Ownership Interest;
- [c] The admission of an additional Member incident to the contribution of money or other property to the Company;
- [d] The sale of new Ownership Interests to any Person;
- [e] merger of the Company with another limited liability company, a limited partnership, a general partnership or a corporation, provided in no event shall a Member be required to become a general partner in a merger with a limited partnership or a general partnership without such Member's express written consent;
- [f] Any transaction between the Company and the Manager or in which the Manager has a material financial interest (other than in its capacity as a Member).
- [g] any assignment for the benefit of creditors of the Company, the filing of a voluntary petition in bankruptcy, or the appointment of a receiver for the Company, or knowingly suffering or causing anything to be done whereby any property of the Company may be seized or attached or taken in execution, or its ownership or possession otherwise endangered ;
- [h] taking any action which would make it impossible to carry on the ordinary business of the Company; or
- [i] causing the Company to engage in any business other than that in which it is presently engaged;

7.3 Efforts of Members. Each Member will devote such time and effort to the affairs of the Company as such Member determines to be necessary or desirable to promote the successful operation of the Company.

7.4 Other Activities. The Members may engage in or possess interests in other business ventures of any nature and description, independently or with others, whether or not such businesses are in competition with the business of the Company, and neither the Company nor any other Member will have any right by virtue of this Agreement in such independent ventures.

7.5 Compensation. The Manager shall receive compensation, if any, as agreed to in writing by the Members from time to time. The Manager initially shall not receive any compensation. The Manager shall be reimbursed for expenses incurred by Manager on behalf of the Company, provided same are consistent with the Approved Budget and provided that the Manager will pay and will not be reimbursed by the Company for the following expenses: (a) salaries, fringe benefits, travel expenses and other administrative items of the Manager or Affiliates of the Manager incidental to the organization of the Company and the acquisition of real property; (b) except as otherwise authorized herein, expenses incurred by the Manager or its Affiliates in connection with the administration of the Manager or Affiliates of the Manager, including the overhead expenses of the Manager or its Affiliates and their rent, depreciation, utilities and capital equipment; and (c) all other expenses which are unrelated to the business of the Company.

ARTICLE 8 MEETINGS OF MEMBERS

8.1 Annual Meeting. The annual meeting of the Members will be held at such time and date as determined by resolution of the Members. The purpose of the annual meeting is to review the Company's operations for the preceding calendar year and to transact such business as may come before the meeting.

8.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, may be called by any Member.

8.3 Place. The Members may designate any place within Colorado as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting is otherwise called, the place of meeting will be held at the principal office of the Company as set forth in Section 1.3 above.

8.4 Notice. Written notice of any annual meeting determined by resolution of the Members or of any special meeting must be given not less than thirty (30) days nor more than fifty (50) days before the date of the meeting. Such notice will state the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Such notice must be given, either by personal delivery, by mail, by facsimile or by other method capable of document transmission, by or at the direction of the Member calling the meeting, to each Member entitled to such notice.

8.5 Waiver of Notice. Any Member may waive, in writing, any notice that is required to be given to such Member, whether before or after the time stated in such notice. Participation by a Member in the meeting shall be deemed a waiver of any required notice.

8.6 Record Date. For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members, the date on which notice of the meeting is first given will be the record date for such determination of Members. Any such determination of Members entitled to vote at any meeting of Members will apply to any adjournment of a meeting.

8.7 Quorum. A quorum at any meeting of Members will consist of Members representing more than 50% of the Ownership Interests of the Company. Any meeting at which a quorum is present may adjourn the meeting to a place, day and hour without further notice.

8.8 Manner of Acting. The affirmative vote of Members of the Company representing in the aggregate more than 50% of all Ownership Interests within the Company will be the act of the Members.

8.9 Proxies. At all meetings of Members, a Member may vote in person or by written proxy, which is signed by the Member or by a duly authorized attorney-in-fact. Such proxy must be filed with the Company, before or at the time of the meeting. No proxy will be valid after eleven months or more from the date of its signing unless otherwise provided in the proxy.

8.10 Meetings by Telephone. The Members may participate in a meeting by means of a conference telephone or similar communications equipment by which all Members participating in the meeting can hear each other at the same time. Such participation will constitute presence in person at the meeting and waiver of any required notice.

8.11 Action Without a Meeting. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by all Members. Action so taken is effective when all Members have signed the consent, unless the consent specifies a later effective date. The record date for determining Members entitled to take action without a meeting will be the date the first Member signs a written consent.

ARTICLE 9 LIABILITY OF A MEMBER

9.1 Limited Liability. As provided in the Colorado Act, no Member of the Company is liable under a judgment, decree or order of a court in any other manner, for any debt, obligation or liability of the Company.

9.2 Capital Contribution. The Members are each liable to the Company for their respective shares (as indicated below) of the following:

- [a] The Capital Contributions agreed to be made under Article 4;
- [b] Capital that has been wrongfully or erroneously returned to such Member in violation of the Colorado Act, the Articles or this Agreement; and
- [c] Any money or other property wrongfully paid or conveyed to such Member on account of such Member's Capital Contribution.

9.3 Reliance. Each Member will be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements by [a] any of the Company's other Members, employees or committees or [b] any other Person who has been selected with reasonable care as to matters that such Person reasonably believes are within such other Person's professional or expert competence. Matters as to which such reliance may be made include the value and amount of assets, liabilities, Profits and Losses of the Company, as well as other facts pertinent to the existence and amount of assets from which distributions to Members might properly be made.

ARTICLE 10 INDEMNIFICATION

10.1 Indemnification. The Company will indemnify and hold harmless each Member, Manager and each employee or principal of a Member or Manager from any loss, liability or damage arising from, incurred as a result of, or suffered or otherwise in connection with (i) any claim that such Member is liable for any debt, obligation or liability of the Company or is directly or indirectly required to make payments in respect thereof or in connection therewith; and (ii) by any such Person by reason of any act performed or omitted to be performed, or alleged to have been performed or omitted, by such Person in connection with the business of the Company, provided that, no such Person whose action or omission to act caused the loss, liability or damage incurred or suffered may receive indemnification or avoid liability with respect to any claim, issue or matter as to which there is a final determination that such Person acted in bad faith, gross negligence or willful misconduct. A final determination means an order of any court or arbitration panel that is not appealed. This right of indemnification includes any judgment, award, settlement, cost, expenses and reasonable attorney's fees incurred in connection with the defense of any actual or threatened claim or action based on any such act or omission.

10.2 Payment. Any such indemnification will only be paid from the assets of the Company, and will be made promptly following the fixing of the loss, liability, or damage incurred or suffered by final judgment of any court, arbitration, settlement, contract or otherwise (provided that attorneys' fees and costs will be paid as incurred).

10.3 Liability Limitation. No Member shall be personally liable for the debts, obligations or liabilities of the Company solely by reason of being a Member. A Member will not be liable to the Company or any other Member for any loss, liability or damage suffered or incurred by the Company, directly or indirectly, because of any act or omission made by such Member in good faith and in the absence of gross negligence or willful misconduct.

ARTICLE 11 ACCOUNTING AND REPORTING

11.1 Fiscal Year. For income tax and accounting purposes, the Fiscal Year of the Company will end on December 31 in each year (unless subsequently changed as provided in the Code).

11.2 Accounting Method. For income tax and accounting purposes, the Company will use the accrual method of accounting (unless the Company otherwise determines, and if permitted by the Code).

11.3 Returns. The Company will cause the preparation and timely filing of all tax returns to be filed by the Company pursuant to the Code, as well as all other tax returns required in each jurisdiction (if any) in which the Company does business.

11.4 Tax Elections. The Company may make or revoke any tax election; provided, however, that the Company will make the election under §754 of the Code (relating to the optional adjustment to the tax basis of Company property) upon the written request of any Member.

11.5 Non-Colorado Members. It is anticipated that all of the Company's taxable income will be derived from sources within the State of Colorado. If any Member is not a resident of Colorado for Colorado income tax purposes, such Member agrees to file Colorado income tax returns and to pay Colorado income tax on such Member's share of Colorado taxable income, if required by Colorado income tax law.

11.6 Reports. The Company books will be closed at the end of each Fiscal Year and statements prepared showing the financial condition of the Company and its Profits or Losses from operations. Copies of these statements will be given to each Member. Following the written request of either Member, such financial statements shall be prepared and delivered to the Members quarterly. In addition, as soon as practicable after the close of each Fiscal Year, and in any event within ninety (90) days after the end of each Fiscal Year, the Company will provide each Member with all necessary tax reporting information.

11.7 Books and Records. The following records of the Company will be kept at the principal office of the Company.

- [a] A current list of the full name and last known mailing address of each Member;
- [b] A copy of the Articles and of this Agreement; and
- [c] Copies of the Company's federal and state income tax returns and reports, and copies of any Company financial statements, for the three most recent years.

Such records will be available for inspection and copying by any Member at such Member's expense, during normal business hours.

11.8 Banking. The Company may establish one or more bank accounts and safe deposit boxes. The Company may specify the persons who will be authorized to sign checks on and withdraw funds from such bank accounts and to have access to such safe deposit boxes, and may place such limitations and restrictions on such authority as the Company deems advisable.

11.9 Tax Matters Member. The Authority is designated as the "tax matters partner" under Section 6231(a)(7) of the Code, until replaced by action of the Members.

11.10 Notice of Litigation, Etc. The Members agree to provide each other with prompt notice of the commencement of any litigation, action, arbitration or other proceedings that involve the Company, any asset of the Company, or either party's rights to its interest in the Company, and to the receipt of any written threat regarding the commencement of any such proceeding.

11.11 Audit of Financial Statements. Any Member may require the Company's financial statements to be audited by a certified public accounting firm that is independent of all Members. Any audit of the Company's annual or other financial statements will be conducted at the expense of the Member requiring the audit. The selection of the auditor will be made by the Members.

ARTICLE 12 DISSOLUTION OF THE COMPANY

12.1 Dissolution. The Company will be dissolved upon the happening of any of the following events:

- [a] Thirty years from the date of the Company's organization;
- [b] The written consent of all Members; or
- [c] An event of withdrawal of a Member (as defined in 12.2).

12.2 Event of Withdrawal. An event of withdrawal of a Member occurs (but such event of withdrawal will be wrongful) when any of the following occurs:

- [a] The dissolution of any Member, unless the Members decide to continue the business of such Member within ninety (90) days after any dissolution;
- [b] The bankruptcy of the Member; or
- [c] The resignation of the Member.

Notwithstanding the foregoing, upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company, the remaining Members may unanimously agree to continue the business of the Company, in which event no dissolution shall be deemed to have occurred.

ARTICLE 13 LIQUIDATION

13.1 Liquidation. Upon Dissolution of the Company, the Company will immediately wind up its affairs and liquidate. A reasonable time will be allowed for the orderly Liquidation of the Company and the discharge of liabilities to creditors so as to enable the Company to minimize any losses attendant upon Liquidation. Any gain or loss on disposition of any Company assets in Liquidation will be credited or charged to the Members' Capital Accounts in accordance with the provisions of Articles 4 and 5.

13.2 Tax Termination. In addition to termination of the Company following its actual Liquidation under 13.1, a termination of the Company will occur for federal income tax purposes on the date the Company is terminated under §708(b)(1)(B) of the Code. Under current law, such a termination will occur if there is a sale or exchange of 50% or more of the total interest in the capital and profits of the Company within a 12 month period. Upon the happening of such a termination, a constructive Liquidation and a constructive reformation of the Company as a tax partnership will be deemed to occur for federal income tax purposes. All adjustments and computations will be made under this Agreement as if the constructive transactions had actually occurred, and the Capital Accounts of the Members in such new tax partnership will be determined and maintained in accordance with the §704(b) Regulations.

13.3 Priority of Payment. The assets of the Company will be distributed in Liquidation of the Company in the following order:

- [a] To creditors by the payment or provision for payment of the debts and liabilities of the Company (including any loans or advances that may have been made by any Member pursuant to 4.12 and the expenses of the Liquidation).
- [b] To the setting up of any reserves that are reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company.
- [c] To the payment of the Members of their respective Capital Accounts, if any, such payment to be made to each Member's Capital Account in the proportion that such Member's Capital Account Balance bears to the total amount of the total balance of all Members' Capital Accounts.
- [d] To the Members, pro rata, in accordance with their respective Ownership Interests.

13.4 Distribution to Members. Distributions in Liquidation due to the Members may be made by either or a combination of the following methods: selling the Company assets and distributing the net

proceeds or by distributing the Company assets to the Members at their Fair Market Value in kind. Any liquidating Distribution in kind to the Members may be made only if both Members approve in writing either by a pro rata Distribution of undivided interests or, if the Members unanimously agree in writing, by non pro rata distribution of specific assets at Fair Market Value on the effective date of Distribution. Any Distribution in kind may be made subject to, or require assumption of, liabilities to which such property may be subject, but only upon the express written agreement of the Member receiving the Distribution. Each Member hereby agrees to save and hold harmless the other Members from such Member's share of any and all such liabilities which are taken subject to or assumed. Appropriate and customary prorations and adjustments will be made incident to any Distribution in kind.

13.5 Deficit Capital Account. Except as otherwise specifically provided in 9.2, nothing contained in this Agreement will impose on any Member an obligation to make an additional Capital Contribution in order to restore a deficit Capital Account upon Liquidation of the Company. Each Member will look solely to the assets of the Company for the return of such Member's Capital Contribution.

13.6 Articles of Dissolution. When all debts, liabilities and obligations of the Company have been provided for or paid, and all remaining assets distributed to the Members as provided in 13.3, the Company will file articles of dissolution with the Colorado Secretary of State pursuant to the Colorado Act. At such time, the Company will also file an application for withdrawal of its certificate of authority with the Colorado Secretary of State pursuant to the Colorado Act.

ARTICLE 14 RESTRICTIONS ON TRANSFERS

14.1 General Restriction. Except as set forth in 14.4, and except for any transaction among the Members, no Member may Transfer all or any part of such Member's Ownership Interest in the Company in any manner whatsoever except with the consent of the other Members. In any event, such Transfer may be made only if the requirements of 14.2 have also been satisfied. In addition, no Member may grant a security interest in such Member's Ownership interest to one or more Persons without the consent of the other Members.

14.2 General Conditions on Transfers. Without limiting the requirement of consent of the Members as provided in this Article 14 for any transfer of an Ownership Interest where required by this Article 14, no Transfer of an Ownership Interest by a Member will be effective unless all of the conditions set forth below are satisfied:

- [a] Unless waived by the other Members, the Transferor signs and delivers to the other Members an undertaking in form and substance satisfactory to the other Members to pay all reasonable expenses incurred by the Company and such other Members in connection with the Transfer (including reasonable fees of counsel and accountants and the costs to be incurred with any additional accounting required in connection with the Transfer, and the cost and fees attributable to preparing, filing and recording such amendments to the Articles or other organizational documents or filings as may be required by law);
- [b] The Transferor has signed and delivered to the other Members a copy of the assignment of the Ownership Interest to the Transferee, in form and substance satisfactory to such other Members;
- [c] The Transferee signs and delivers to the other Members an agreement to be bound by this Agreement; and
- [d] The Transfer is in compliance with the other provisions of this Article.

Except as otherwise agreed in writing by the Transferor, Transferee and the other Members, the Transfer of an Ownership Interest will be effective as of 11:59 p.m. (local time) on the last day of the month in which all of the above conditions have been satisfied. Upon the effective date, the Company will amend 5.2 to reflect the new Ownership Interests of all Members.

14.3 Rights of Transferees.

- [a] Unless all Members have consented to the transfer of an Ownership Interest and the admission of the Transferee as a Member, any transfer of an Ownership Interest shall constitute a breach under this Agreement by the transferring Member and any Transferee of an Ownership Interest will, on the effective date of the Transfer, have only those rights of an assignee as specified in the Colorado Act, (entitling the Transferee to receive, to the extent of the Ownership Interest transferred, only the Distributions to which the Transferor would be entitled, and such other rights as set forth in this Section 14.3[a]. Without limiting the generality of the foregoing, a Transferee who has not been admitted as a Member with the approval of the Members shall not be entitled to any vote, consent or agreement for purposes of any provisions of this Agreement relating to any vote, consent or agreement of the Members. A transferee who has not been admitted as a Member shall have the right to inspect records and receive information specified in Sections 11.6 and 11.7 and the annual budget provided for in Section 4.2[a].
- [b] At such time as all Members approve the transfer of an Ownership Interest and the admission of the Transferee as an additional Member (or unless such Transferee is already a Member), the Transferee shall have all rights and obligations of a Member set forth in this Agreement.
- [c] Notwithstanding any Transfer of an Ownership Interest, such interest in the hands of the Transferee will remain subject to all of the restrictions contained in this Agreement (including the restrictions on Transfer contained in this Article). A Transferee who has not been admitted as a member. Subject to the provisions of this Article 14, the term Member as used in this Agreement also includes any immediate or remote Transferee of such Member's Ownership Interest (to the extent of the Ownership Interest transferred).

14.4 Transfers to Affiliates; Transfers of Interests in CRG. Notwithstanding the provisions of 14.1 and 14.3, but subject to the requirements of 14.2, a Member may transfer to an Affiliate (and any subsequent Transferee may transfer to an Affiliate) all or any portion of the Ownership Interest of such Member (or such subsequent Transferee). The other Members agree to consent to the admission of such Transferee as a Member of the Company, in the place and stead of the Transferor to the extent of the Ownership Interest Transferred. Notwithstanding anything to the contrary in this Article 14, nothing in this Article 14 shall preclude the transfer of ownership interests in CRG, so long as CRG does not, except as otherwise permitted by this Article 14, transfer its Ownership Interest in the Company.

ARTICLE 15 BUY-OUT PROVISIONS

15.1 Occurrence of Buy/Sell Event. The following provisions shall apply during the period that the membership of the Company consists of two (2) Members. A "Buy/Sell Event" shall be deemed to have occurred hereunder if a Deadlock Notice is delivered and the Deadlock Matter is not resolved by agreement of the parties within thirty (30) days thereafter. A "Deadlock Matter" shall mean any matter or thing, regardless of the materiality thereof, on which the Members cannot in good faith agree. A

"Deadlock Notice" is a notice delivered by a Member to the other Member stating that (x) in the opinion of the party sending the notice (in such party's sole discretion), a Deadlock Matter has occurred and (y) if such Deadlock Matter is not resolved within thirty (30) days thereafter, then a Buy/Sell Event shall be deemed to have occurred.

15.2 Delivery of Buy/Sell Proposal. At any time after a Buy/Sell Event has occurred and not less than thirty (30) days have elapsed since the delivery of a Deadlock Notice, either Member (the "Proposing Member") may deliver a written offer ("Buy/Sell Offer") to the other Member (the "Non-Proposing Member"). The Buy/Sell Offer shall (i) state that the Proposing Member offers to purchase the Ownership Interests of the Non-Proposing Member at the purchase price set forth in the Buy/Sell Proposal ("Buy/Sell Purchase Price"); and (ii) state that the Proposing Member offers to sell the Ownership Interests of the Proposing Member to the Non-Proposing Member for the Buy/Sell Purchase Price. The Buy/Sell Purchase Price shall be calculated as of the date the Buy/Sell Offer is delivered (the "Buy/Sell Effective Date") and shall assume that all third party indebtedness of the Company outstanding on the Buy/Sell Effective Date will remain in place at the Buy/Sell closing (which assumption shall be solely for purposes of this calculation, and is not intended to supersede the provisions of Section 15.9) and all assets of the Company as of the Buy/Sell Effective Date will remain owned by the Company, including, without limitation, all cash and cash equivalents. Within thirty (30) days following receipt of a Buy/Sell Offer, the Non-Proposing Member shall deliver a response in writing to the Proposing Member, either (i) accepting the offer of the Proposing Member to purchase the Ownership Interest of the Non-Proposing Member for the Buy/Sell Purchase Price; or (ii) accepting the offer of the Proposing Member to sell the Ownership Interest of the Proposing Member to the Non-Proposing Member for the Buy/Sell Purchase Price. In the event the Non-Proposing Member does not respond to the Buy/Sell Offer within thirty (30) days following receipt thereof, the Non-Proposing Member shall be deemed to have accepted the offer of the Proposing Member to purchase the Ownership Interest of the Non-Proposing Member for the Buy/Sell Purchase Price.

15.3 Closing. The closing of the purchase and sale of the Ownership Interest pursuant to the Buy/Sell Offer ("Buy/Sell Closing") shall take place on or before the date which is sixty (60) days after the Buy/Sell Effective Date (time being of the essence) at the principal offices of the Company, at which time the selling Member (the "Seller") shall convey to the purchasing Member (the "Purchaser") the Seller's Ownership Interest in the Company and the Purchaser shall pay to Seller an amount in cash or immediately available funds equal to the Purchase Price. At the Buy/Sell Closing, the Seller and Purchaser shall execute and deliver to the other any documents reasonably necessary to deliver good title to the Ownership Interest being sold, free and clear of all liens, and to release the Seller from any and all obligations as a Member under this Agreement accruing from and after the Buy/Sell Closing.

15.4 Default by Purchaser. If the Purchaser shall fail to timely consummate the Buy/Sell Closing for any reason other than the default of the Seller, then, following written notice to the defaulting Purchaser and a ten (10) day cure period, (i) the Seller shall have the right to purchase the Ownership Interest of the Purchaser at a price equal to 95% of the applicable Purchase Price, or (ii) the Seller shall have the right to terminate the buy/sell transaction, in which event the Purchaser shall reimburse the Seller for all of its costs incurred in connection therewith, including reasonable attorneys' fees. If the Seller does not elect to so purchase, the Offer shall terminate and be of no effect, but the provisions of this Article relating to future "buy-sell" rights shall remain in effect.

15.5 Default by Seller. If the Seller shall fail to timely consummate the Buy/Sell Closing for any reason other than the default of the Purchaser, then, following written notice to the defaulting Seller and a ten (10) day cure period, the Purchaser shall be entitled to all of its remedies at law or in equity, including, without limitation (i) the right of specific performance, in which event the Purchaser shall be entitled to receive all costs, expenses and damages (including, without limitation, reasonable attorneys'

fees) incurred by the Purchaser in obtaining such specific performance and (ii) the right to terminate the buy/sell transaction, in which event the Seller shall reimburse the Purchaser for all of its costs, expense and damages (including, without limitation, reasonable attorneys' fees) incurred in connection with the buy/sell transaction.

ARTICLE 16 GENERAL PROVISIONS

16.1 Implementation of the Agreement. The Authority shall maintain authority to implement this Agreement through the SURA Executive Director. All interpretations and amendments shall require the consideration, action and written consent of the Authority Board.

16.2 Amendment. This Agreement may be amended at any time and from time to time, but only by a written instrument signed and approved by all Members.

16.3 Governing Law; Interpretation. The laws of the State of Colorado will govern this Agreement and the construction of any of its terms. If any provision is unenforceable or invalid for any reason, the remainder of this Agreement will continue in effect. All pronouns (and any variation) will be deemed to refer to the masculine, feminine, neuter, singular or plural as the context may require or permit. The word "include" (and any variation) is used in an illustrative sense rather than a limiting sense.

16.4 Waiver of Certain Rights. The Members agree that irreparable damage would occur if any Member should bring an action in court to dissolve the Company. Accordingly, each Member accepts the provisions under this Agreement as such Member's sole entitlement on Dissolution and Liquidation of the Company and hereby waives and renounces (to the fullest extent permitted by law) such Member's right to seek a court decree of dissolution or to seek the appointment by a court of a liquidator for the Company. Each Member further waives and renounces any alternative rights which might otherwise be provided by law upon the happening of an event of withdrawal under 12.2 with respect to such Member and accepts the provisions under this Agreement as such Member's sole entitlement upon the happening of such event.

16.5 Waiver of Partition Right. Each Member hereby waives and renounces any right that such Member may have, prior to the Dissolution and Liquidation of the Company, to maintain any action for partition with respect to the Company's property.

16.6 Specific Performance. If any Member proposes to Transfer all or any part of such Member's Ownership Interest in violation of the terms of this Agreement, the Company or any other Member may apply to any court of competent jurisdiction for an injunctive order prohibiting such proposed disposition except upon compliance with the terms of this Agreement, and the Company or any other Member may institute and maintain any action or proceeding against the Member proposing to make such Transfer in violation of this Agreement, and the Transfer will be null and void and of no force and effect. Similar injunctive relief and specific performance may be obtained by the Company or any Member against any third party to compel compliance with the terms of this Agreement. The Person against whom such action or proceeding is brought hereby waives the claim or defense that an adequate remedy at law exists, and such Person agrees not to urge in any such action or proceeding the claim or defense that such remedy at law exists.

16.7 Arbitration. Except as provided in 16.5, if any controversy or claim arising out of this Agreement cannot be settled by the Members, the controversy or claim will be settled by an individual or corporation selected by the written agreement of the Members or, if they cannot agree, by arbitration in accordance with the then applicable provisions of the Commercial Arbitration Rules of the American

Arbitration Association and pursuant to the Colorado Uniform Arbitration Act, as it may be amended, and judgment on such arbitration award may be entered in any court having jurisdiction.

16.8 Attorneys' Fees. Should any action be brought to enforce or interpret this Agreement, the prevailing party in such action shall receive from the defaulting party all reasonable costs and expenses, including reasonable attorneys' fees (and reasonable fees of legal assistants), incurred by the prevailing party in such action. For the purposes of this Section, the term "prevailing party" shall include a party who withdraws a claim in consideration for payment allegedly due or performance allegedly owed or other consideration in substantial satisfaction of the claim withdrawn.

16.9 Time and Notices. All notices or deliveries required under this Agreement shall either be (i) hand-delivered, (ii) given by certified mail directed to the address of a Member set forth in 3.2, (iii) given by overnight courier directed to the address of a Member set forth in 3.2 (iv) by facsimile transmission to a Member's facsimile number set forth in 3.2, with a hard copy to follow by one of the methods set forth in the foregoing (i) through (iii); or (v) by electronic or email transmission to a Member's email address set forth in 3.2 with a hard copy to follow by one of the methods set forth in the foregoing (i) through (iii). All notices so given shall be considered effective, (i) if hand delivered, when received, (ii) if by certified mail, three (3) days after deposit, certified mail postage prepaid, with the United States Postal Service, (iii) if by overnight courier, one (1) day after deposit with overnight courier company (iv) if by facsimile transmission, upon receipt of a machine-generated confirmation of a complete transmission of all pages, or (v) if by electronic or email transmission, upon receipt. Any Member may change the address, facsimile number or email address to which future notices shall be sent by notice given in accordance with this Section. All notices will be sent to a Member at the address, facsimile number or email address set forth in Section 3.2 above. In computing the period of days, the date of personal delivery of date or deemed receipt of such notice will be included. Any Member may waive, in writing, any notice required to be given pursuant to this Agreement, whether before or after such required notice.

16.10 Binding Effect. Except as otherwise provided in this Agreement, this Agreement will be binding upon, and will inure to the benefit of, the Members and their respective successors and assigns. Any such successor-in-interest or assignee will succeed to the benefits and burdens of such Person's predecessor-in-interest in proportion to the Ownership Interest transferred. No provision of this Agreement will be enforceable by any creditor of the Company for such creditor's benefit.

16.11 Further Assurances. Without additional consideration, each Member hereby agrees to sign, acknowledge and deliver any further instruments and documents as the Company determines to be necessary or desirable [a] to ensure its status as a limited liability company in any jurisdiction where it owns property or transacts business or [b] to comply with any law, rule or regulation applying to the Company.

16.12 Waiver. No waiver, express or implied, by any Member with respect to any breach or default by any other Member in the performance of such Member's obligations under this Agreement will be deemed a waiver of any further or other breach or default by such other Member. Failure on the part of any Member to declare any other Member to be in breach or default, regardless of how long such failure continues, will not constitute a continuing waiver.

16.13 Entire Agreement. This Agreement sets forth the entire agreement and understanding of the Members in respect of the transactions contemplated by this agreement, and supersedes all prior agreements, arrangements and understandings relating to its subject matter.

16.14 Multiple Counterparts; Electronic Signatures. This Agreement may be signed in one or more identical counterparts which, when taken together, will be deemed to constitute the original of this Agreement. Signatures may be transmitted by electronic means and shall be binding as originals.

16.15 Headings. The section and other headings contained in this Agreement are inserted only as a matter of convenience and for reference, and do not affect, define, or limit the scope, meaning, intent, or interpretation of the text of this Agreement.

IN WITNESS WHEREOF, all of the Members have signed this Operating Agreement of Blue River Real Estate Company, LLC to be effective upon the date first set forth above.

SILVERTHORNE URBAN RENEWAL AUTHORITY,
a public body, corporate and politic

By: _____
Mark Leidal, Executive Director

ATTEST:

Authority Secretary

APPROVED AS TO FORM:

Authority General Counsel

CRAIG REALTY GROUP – SILVERTHORNE, LLC,
a Colorado limited liability company

By: Eureka Realty Partners, Inc.
a California corporation,
Manager

By: _____
Steven L. Craig, President

EXHIBIT A

Acorn Property Income & Expenses for 2014

	Silverthorne Development LLC TOTAL	Silverthorne URA Activity TOTAL	Activity for the Remainder of 2014 (as of 11/18/2014) TOTAL	TOTAL all 2014 Activity
REVENUES				
Silverthorne Development LLC	100.00	-	-	100.00
Silverthorne Urban Renewal Authority	1,425,000.00	-	-	1,425,000.00
State of Colorado - Rebate	-	-	-	-
Town of Silverthorne	-	55,951.66	-	55,951.66
Total Revenues	1,425,100.00	55,951.66	-	1,481,051.66
EXPENSES				
Property Costs				
Escrow	25,000.00	-	-	25,000.00
Land	1,175,000.00	-	-	1,175,000.00
Closing Costs	306.00	-	-	306.00
Prepaid Property Tax	(2,643.83)	-	-	(2,643.83)
Broker Commission	-	36,000.00	-	36,000.00
Total Property Costs	1,197,662.17	36,000.00	-	1,233,662.17
Services:				
Legal	517.50	13,841.66	5,000.00	19,359.16
Insurance	1,099.50	-	-	1,099.50
Utilities - Electric & Gas	984.40	-	-	984.40
Utilities - Water/Sewer	919.43	-	523.09	1,442.52
Site Assessment	3,500.00	4,870.00	-	8,370.00
Survey	-	1,240.00	-	1,240.00
Bank Charges	8.00	-	-	8.00
Building Removal	63,000.00	-	-	63,000.00
Tanks Removal	120,177.50	-	-	120,177.50
Tank Registration	105.00	-	-	105.00
Fencing	-	-	6,084.00	6,084.00
Property Management	12,675.00	-	-	12,675.00
Total Services	202,986.33	19,951.66	11,607.09	234,545.08
Total Expenses	1,400,648.50	55,951.66	11,607.09	1,468,207.25

Balance 12,844.41

(11,607.09)

EXHIBIT B

Blue River Real Estate Company LLC Income & Expenses for 2015 Budget

		<u>TOTAL</u>
<u>REVENUES</u>		
State of Colorado - Rebate	60,000.00	
Craig Realty Group	-	
Silverthorne URA	-	
		<u>60,000.00</u>
Total Revenues		<u>60,000.00</u>
<u>EXPENSES</u>		
Expenses:		
Legal	3,000.00	
Insurance	1,000.00	
Property Taxes	17,000.00	
Utilities - Water/Sewer	2,200.00	
Site Assessment	-	
Survey	-	
Bank Charges	100.00	
Tanks Contamination	5,000.00	
Property Management	1,000.00	
		29,300.00
		<u>29,300.00</u>
Total Expenses		<u>29,300.00</u>
Estimated Profit/(Loss)		<u><u>30,700.00</u></u>

Silverthorne Urban Renewal Authority
Authority Agenda Memorandum

To: Chairman and Board Members
From: Mark Leidal, Executive Director *ML*
Date: December 4, 2014, for meeting of December 10, 2014
Subject: Agreement for Contribution of Real Property to Limited Liability Company (Blue River Real Estate Company, LLC)

SUMMARY: The approval of the Agreement for Contribution of Real Property to Limited Liability Company will transfer the property located at 171 Blue River Parkway (Lot 1, Acorn Subdivision, to the Blue River Real Estate Company (BRREC), LLC.

PREVIOUS BOARD ACTION: Resolution 2014-1: A Resolution Delegating Certain Contract Authority to the Executive Director was approved by the Commissioners on April 9, 2014, authorizing the Executive Director *“to sign certain contracts and agreements related to retail strategy, including the acquisition of real property necessary to implement the retail strategy, in an amount not to exceed \$5,000,000 and to perform any lawful acts to carry out those ends.”*

DISCUSSION: In lieu of a contract to transfer the Acorn property to the BRREC, this Contribution Agreement allows for the transfer of the property from the Silverthorne Urban Renewal Authority (SURA) to the BRREC. BRREC is a joint partnership between SURA and Craig Realty Group – Silverthorne (CRG). With the approval of the Operating Agreement for BRREC and this Contribution Agreement, all issues relating to the joint ownership of property will be completed and a closing transferring the property can take place. CRG will be purchasing half of the cost of the property as well as half of all of the expenses incurred to the date of closing for the property, including removal of the convenience store and tank removal. The total costs for all of these activities amounts to approximately \$1.46 million.

RECOMMENDATION: Although authority has already been granted to the Executive Director in Resolution 2014-1, Staff recommends approval of the Agreement for Contribution of Real Property to Limited Liability Company (Blue River Real Estate Company, LLC).

PROPOSED MOTION: *“I move to approve of the Agreement for Contribution of Real Property to Limited Liability Company (Blue River Real Estate Company, LLC).”*

ATTACHMENTS:

Agreement for Contribution of Real Property to Limited Liability Company (Blue River Real Estate Company, LLC).

**AGREEMENT FOR CONTRIBUTION OF REAL PROPERTY TO LIMITED
LIABILITY COMPANY**

THIS AGREEMENT FOR CONTRIBUTION OF REAL PROPERTY TO LIMITED LIABILITY COMPANY (this "Agreement") is made as of _____, 2014 by and between SILVERTHORNE URBAN RENEWAL AUTHORITY, a public body, corporate ad politic, (the "Authority") and CRAIG REALTY GROUP – SILVERTHORNE, LLC a Colorado limited liability company ("CRG") and BLUE RIVER REAL ESTATE COMPANY, LLC, a Colorado limited liability company (the "LLC").

RECITALS:

A. The Authority is the owner of that certain real property consisting of approximately 0.53 acres located in the 171 Blue River Parkway, Silverthorne, Colorado, more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Land"), together with all improvements now or hereafter constructed thereon, all rights, privileges, easements, licenses and interests appurtenant thereto, including without limitation, all mineral, oil, gas, water and water rights, and all intangible property owned or held by The Authority in connection with the Land, including without limitation, development rights, governmental approvals and land entitlements (collectively, the "Property"). The Authority has heretofore acquired the Property from its affiliate, Silverthorne Development Company, a Colorado limited liability company ("SDC"). SDC previously acquired the Property from PCP, LLC, a Colorado limited liability company and Bold Petroleum, Inc., a Colorado corporation (collectively, "Prior Owner").

B. The Authority and CRG have heretofore formed the LLC and have entered into an Operating Agreement dated _____, 2014 ("Operating Agreement") governing the LLC. Section 4.1 of the Operating Agreement provides for the Authority to convey the Property to the LLC. The Authority is conveying the Property to the LLC pursuant to the terms and conditions of this Agreement. Capitalized terms not defined this Agreement shall have the meanings ascribed to such terms in the Operating Agreement.

NOW, THEREFORE, incorporating the foregoing recitals and in consideration thereof, in consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

TERMS AND CONDITIONS

ARTICLE 1

CONVEYANCE OF PROPERTY TO LLC

Subject to all of the terms, conditions and provisions of this Agreement and the Operating Agreement, and for the issuance to the Authority of a fifty percent (50%) interest as member in the LLC, the Authority hereby agrees to contribute and convey the Property to the LLC. Possession of the Property shall be delivered to the LLC as of the date of recordation of the warranty deed. The Authority shall be entitled to a credit to the Authority's Capital Account

with the LLC in the amount of _____ Dollars (\$ _____) ("Capital Account Credit") on account of such contribution and conveyance, such Capital Account Credit to be made at the time set forth in the LLC Operating Agreement. Conveyance of the Property shall occur within ten (10) business days following formal approval by the Authority but in no event later than December 31, 2014 ("Outside Closing Date"). The term "Closing" shall mean the date that the warranty deed to the Property in favor of the LLC is recorded in the official records of Summit County, Colorado.

ARTICLE 2

TITLE AND SURVEY MATTERS

2.1 Approval of Title. The LLC hereby approves Exceptions 6 (taxes) subject to proration and provided it only applies to the current year and all subsequent years; Exception 7 (mining/water) subject to ALTA Endorsement 41.1-06, 41.2-06, 41.3-06, or CLTA Form 103.5-06, and either ALTA Endorsement 35.1-06, 35.2-06, or 35.3-06; Exception 8 (easement reservations) subject to ALTA Endorsement 28-06, 28.1-06, or 28.2-06, as well as the water and mineral endorsements described above; Exception 10 (plat) subject to ALTA Endorsement 26-06; as well as provide ALTA Endorsement 17-06 (access) or 17.1-06 ("Approved Exceptions") as shown on the Land Title Guarantee Insurance Company ("Title Company") Title Commitment dated effective November 19, 2014 M20141873 issued under Order _____ ("Title Commitment"). Any exceptions to title other than the Approved Exceptions shall be removed from title to the Property prior to conveyance thereof to the LLC.

2.2 Title Policy. Title Company shall cause to be issued and delivered to the LLC as of the date of recordation of the Deed an ALTA extended coverage owner's policy of title insurance ("Title Policy"), with liability in the amount of the Capital Account Credit, covering the Property and showing title vested in the LLC free of encumbrances other than the Approved Exceptions.

ARTICLE 3

CLOSING DOCUMENTS

3.1 LLC. The LLC agrees that it shall execute, acknowledge if appropriate, and deliver to The Authority such funds and/or documents as may be necessary to comply with the terms of this Agreement, including without limitation, the following documents, each of which shall be in form reasonably satisfactory to the Authority and CRG, and in such form as may be required by applicable law:

- (a) Two duplicate originals of a General Assignment ("General Assignment");
- (b) Such other documents as are customary for transfers of real property in the State of Colorado, including without limitation (i) Approval of Deed, Bill of Sale and Tenancy; (ii) Purchaser's Final Affidavit and Agreement; (ii) Statement of Settlement; and

(c) Such funds and other items and instruments as may be necessary in order to comply with this Agreement.

3.2 The Authority. The Authority agrees that it will execute, acknowledge if appropriate, and deliver to the LLC such funds and or documents as may be necessary in order to comply with this Agreement, including without limitation, the following:

(a) A Warranty Deed conveying the Land to the LLC ("Deed");

(b) Two duplicate originals of the General Assignment;

(c) Such other documents as are customary for transfers of real property in the State of Colorado, including without limitation, (i) an original FIRPTA Certification by Transferor; (ii) Agreement for Taxes; (iii) Utility Agreement; (iv) Request for Water/Sewer Status; (v) Bill of Sale; (vi) Statement of Authority; (vii) Statement of Settlement; and

(d) Such funds and other items and instruments as may be necessary in order to comply with this Agreement.

ARTICLE 4

ESCROW PROVISIONS

4.1 Escrow Instructions. The parties intend to coordinate this conveyance among them and refrain from opening a formal escrow for the conveyance of the Property to the LLC. If the parties elect to open an escrow ("Escrow"), such escrow will be opened with the Title Company and this Agreement, when signed by the Authority and the LLC, shall also constitute escrow instructions to the Title Company (Title Company may also be referred to in this Agreement as "Escrow Holder"). If required by the Title Company, the Authority and the LLC agree to execute Title Company's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail.

4.2 General Escrow Provisions. Title Company shall deliver the Title Policy to the LLC and instruct the Summit County Clerk and Recorder to mail the Deed to the LLC at the address set forth in Section 6.13 after recordation. All funds received in the Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Summit County, Colorado, and may be disbursed to any other general escrow account or accounts. All disbursements shall be made by Escrow Holder's check.

4.3 Affixation of Revenue Stamps. Escrow Holder is hereby specifically instructed to attach documentary transfer and/or revenue stamps to the Deed only after recordation of the Deed.

4.4 Prorations; Security Deposits; Utility and Governmental Deposits.

(a) All non-delinquent general and special real property taxes and assessments (other than assessments which are not Approved Exceptions) shall be prorated to the date of recordation of the Deed on the basis of a thirty (30) day month and a three hundred sixty day (360) year. In the event that property taxes are assessed on a parcel of real property which includes land other than the Property, such proration shall include only taxes attributable to the Property, calculated in terms of total gross square feet of land assessed pursuant to the tax statement versus total gross square footage of the Property. Any supplemental tax bills received after recordation of the Deed shall be paid by The Authority to the extent they relate to a period prior to recordation of the Deed and by the LLC to the extent they relate to a period after recordation of the Deed. If a supplemental tax bill covers a period commencing before and continuing after the date of recordation of the Deed, the party named in the bill will pay the tax and the other party shall reimburse the first party its pro rata share within thirty (30) days after receipt of a copy of the tax bill and evidence of the second party's payment of same.

(b) Utilities and other income or expenses of the Property which are payable by or to the owner of the Property shall be prorated to the date of recordation of the Deed on the basis of a thirty (30) day month and a three hundred sixty (360) day year. In the event final amounts with respect to said prorations are not available as of Closing, the proration shall be done on an estimated basis and the parties shall prepare a final proration within sixty (60) days following Closing. Any party who is obligated to pay net amounts based on said final proration shall reimburse the other party said amount within thirty (30) days after completion of the final proration.

(c) The Authority and the LLC shall cause all utilities which are in the name of the Authority (or its predecessor) to be transferred to the name of the LLC as of the recordation of the Deed or as soon thereafter as practicable.

(d) The provisions of this Section 4.4 shall survive Closing. If either party fails to pay its pro rata share of taxes or other expenses by the times herein provided, interest shall accrue on all unpaid amounts from when owing until paid at five percent (5%) over the Federal Discount Rate quoted by the Federal Reserve Bank of San Francisco on the 25th day of the month preceding the date interest commences to accrue.

4.5 Payment of Costs. The Authority shall pay any documentary transfer taxes. The LLC shall pay any Escrow fee, all charges for recording the Deed and the title insurance premium for ALTA owner's coverage and any endorsements thereto. The Authority and the LLC shall each be responsible for their respective attorneys' fees and costs. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.

4.6 Information Report. The "Reporting Person" within the meaning of Treasury Regulation Section 1.6045-4(e)(5) with respect to the transactions contemplated by this Agreement shall be the Authority, unless an escrow is used for the conveyance of the Property, in which event it shall be Escrow Holder, at 256 Dillon Ridge Road, #B14, P.O. Box 4288,

Dillon, CO 80435P. It is agreed that the Authority and Escrow Holder are eligible persons under Section 1.6045-4(e)(5)(ii) of said Regulations. The Authority (or if an escrow is used, Escrow Holder) hereby agrees to be responsible for complying with the reporting and other requirements of Internal Revenue Code Section 6045(e) and the income tax regulations promulgated thereunder. Pursuant to said regulations, the address for the transferor and transferee are as set forth for the Authority and the LLC respectively in Section 6.13, and the identifying information regarding the real estate transferred is the legal description for the Property set forth on Exhibit "A" attached hereto. The Authority or if applicable, Escrow Holder, agrees to file the form required by said regulations between the end of the calendar year in which the Closing occurs and February 28 of the following calendar year. The LLC and the Authority agree (i) to cooperate with Escrow Holder and with each other in completing any report and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-S as such may be hereafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereafter promulgated by the Treasury Department with respect thereto; (ii) that the LLC and the Authority, their respective employees and attorneys, and Escrow Holder and its employees may disclose this Agreement to the Internal Revenue Service this Agreement pursuant to Internal Revenue Code Section 6045(e); (iii) that neither the LLC nor the Authority shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information; and (iv) to retain this Agreement for at least four (4) years following the close of the calendar year in which the Deed is recorded.

4.7 Brokerage Commissions. The Authority, CRG and the LLC each represent and warrant to the other parties that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. The Authority, CRG and the LLC each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties. Attached hereto as Exhibit "B" is a Seller's Property Disclosure executed by the Authority in accordance with Colorado law ("Disclosure Statement"), the disclosures of which are hereby incorporated herein by reference, and attached hereto as Exhibit "B-1" is a list of environmental reports pertaining to the Property ("Environmental Disclosure"). Except as set forth on the Disclosure Statement or the Environmental Disclosure, the Authority hereby makes the following representations and warranties to the LLC, each of which (i) is material and relied upon by the LLC in making its determination to enter into this Agreement; (ii) is true in all respects as of the date hereof and shall be true in all respects on the date of Closing on the Property; and (iii) shall survive the Closing of the contribution of the Property to the LLC as well as any future transfer of the Property by the LLC or any transferee, successor or assignee of the LLC for a period of three (3)

years; provided, however, that in the event the LLC delivers to the Authority written notice specifically alleging a breach of any representation or warranty within such three (3) year period, such three (3) year period shall be tolled, subject to any applicable statute of limitations period.

The LLC acknowledges and agrees that the Authority acquired the Property from SDC and that SDC acquired the Property from Prior Owner. For purposes of the following representations and warranties, the term "Authority's Best Knowledge" where used hereinbelow means such knowledge as has been acquired or reasonably would have been acquired by the Authority and/or SDC in the course of overseeing the Property as a governmental entity, in the course of conducting its due diligence and investigation in connection with the acquisition of the Property from the Prior Owner, and during the period of ownership of the Property by either SDC or the Authority.

(a) The Authority has received no notice or knowledge that any governmental authority or any employee or agent thereof considers the present or proposed operation, use or ownership of the Property to violate or have violated any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof, or that any investigation has been commenced or is contemplated respecting such possible violations, and the Property conforms to all applicable ordinances and other laws, orders, permits, rules, regulations and requirements, and to all covenants, conditions and restrictions affecting or relating to the Property, any operation thereof, or the use, occupancy or operation thereof.

(b) All utilities, including without limitation, water, sewer, gas, electric, telephone and drainage facilities required by law or for the normal operation of the Property are installed to the property lines of the Property, are all in good working order and are adequate to service the Property and the Property has adequate fire protection.

(c) The Property has adequate means of ingress and egress to and from public highways for the use proposed by the LLC. Any streets, roads and off-site improvements necessary for access to or for utilization of the Property or any part thereof have been completed, dedicated and accepted for maintenance and public use by the appropriate governmental authorities or are otherwise owned and maintained by local governments for public use except for interior project streets which are privately maintained. To Authority's Best Knowledge, there are no facts or conditions which will result in the termination of the present access to and from any portion of the Property to any utility services or to existing highways and roads or the termination or expiration of any conditional use permits, sign permits or similar governmental permits.

(d) No easements are or will be required over private property located outside of the Property for such access and full utilization or in connection with any utilities. To Authority's Best Knowledge, there are no encroachments on the Property from adjoining property, and the Property does not encroach on any adjoining property, easements or streets

(e) There are no intended public improvements which will result in any charge being levied or being assessed against or in the creation of any lien upon any of

the Property. There exist no assessments which constitute a lien or encumbrance against the Property or improvements constructed thereon which have not been paid prior to the time they were due.

(f) To Authority's Best Knowledge, there exist no soil or other problems which would render the Property unsuitable for use.

(g) To Authority's Best Knowledge, there are no existing, proposed or contemplated plans to widen, modify or realign any street or highway or any existing, proposed or contemplated eminent domain proceedings that would affect the Property or any portion thereof.

(h) There are no pending or, to Authority's Best Knowledge, threatened litigation, allegations, lawsuits or claims, whether for personal injury, property damage, landlord-tenant disputes, property taxes, contractual disputes or otherwise, which do or may affect the Property or the operation or value thereof, and there are no actions or proceedings pending or, to Authority's Best Knowledge, threatened against the Authority before any court or administrative agency in any way connected with the Property and neither the entering into of this Agreement nor the consummation of the transactions contemplated hereby will constitute or result in a violation or breach by the Authority of any judgment, order, writ, injunction or decree issued against or imposed upon it. There is no action, suit, proceeding or investigation pending or, to Authority's Best Knowledge, threatened against the Authority which would become a cloud on the LLC's title to and have a material adverse impact upon the Property or any portion thereof or which questions the validity or enforceability of the transaction contemplated by this Agreement or any action taken pursuant hereto in any court or before or by any federal, district, county, or municipal department, commission, board, bureau, agency or other governmental instrumentality.

(i) There are no contracts, leases, claims or rights affecting the Property and no agreements entered into by or under the Authority, SDC, or, to Authority's Best Knowledge, Prior Owner, shall survive the recordation of the Deed that would adversely affect the LLC's rights with respect to the Property except those agreements which are Approved Exceptions or which are described in the General Assignment and the Property is in compliance with all applicable contracts, covenants and agreements affecting the Property.

(j) As used herein, "Hazardous Substances" means any substance, material or waste defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic substance, or other similar term, including without limitation, petroleum products or byproducts, which is or becomes regulated by any federal, state or local governmental authority, statute, regulation or ordinance. The Authority hereby represents and warrants that, to Authority's Best Knowledge and except as disclosed in the Disclosure Statement or the Environmental Disclosure concerning the removal and mediation of the underground storage tanks; (i) there exist no Hazardous Substances in excess of levels permitted by applicable law, on, under or around the Property, groundwater, or otherwise; (ii) the Authority has received no written notice from any

third parties, prior owners of the Property, or any federal, state or local governmental agency, indicating that any additional hazardous waste remedial or clean-up work will be required; (iii) there are not any onsite spills, releases, discharges or disposal of Hazardous Substances which have occurred or are presently occurring on any of the Property; (iv) no spills or disposal of Hazardous Substances have occurred or are presently occurring off the Property as a result of any activities on the Property; and (v) there exist no underground gasoline or other storage tanks on, under or about the Property. Nothing in the foregoing shall alter any obligations of the Authority, SDC or Prior Owner under applicable federal, state or local law.

(k) Neither the entering into of this Agreement nor the consummation of the transactions contemplated hereby will constitute or result in any default or event that with the notice or lapse of time, or both, would be a default, breach or violation of any lease, mortgage, deed of trust or other agreement, instrument or arrangement by which the Authority or the Property are bound.

(l) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not, as of closing, violate any provision of, or require any consent, authorization or approval under, any law or administrative regulation or any order, award, judgment, writ, injunction or decree applicable to, or any governmental permit or license issued to the Authority. All consents, authorizations and approvals necessary for the execution, delivery and performance by the Authority under this Agreement have been obtained or will have been obtained as of Closing.

All representations and warranties made hereunder are in addition to any representations and warranties implied by law and in no event shall this Section 5.1 be construed to limit, diminish or reduce any obligation of disclosure implied upon the Authority or SDC by law.

5.2 Indemnity. The Authority shall hold harmless, indemnify and defend, to the extent allowed by law, the LLC and the Property from and against (i) except for obligations, liabilities, claims, liens and encumbrances disclosed herein or which the LLC specifically agrees by the terms of this Agreement to assume or take subject, any and all obligations, liabilities, claims, liens or encumbrances, whether direct, contingent or consequential and no matter how arising, in any way related to the Property and arising or accruing on or before the date first above written, or in any way related to or arising from any act, conduct, omission, contract or commitment of the Authority at any time or times on or before the date of the closing for the conveyance of the Property, including without limitation, any damage to the Property or injury to or death of any person, employees or agents of the Authority ; (ii) any loss or damage to the LLC resulting from any material inaccuracy or material breach of any representation or warranty of the Authority or resulting from any breach or default by the Authority under this Agreement, or any other agreements relating to this transaction; and (iii) all costs and expenses, including attorney's fees, relating to any actions, suits or judgments incident to any of the foregoing.

ARTICLE 6

MISCELLANEOUS

6.1 Assignment. The LLC shall not have the right to assign this Agreement or any interest or right hereunder or under the Escrow or to nominate another party to take title to the Property without the Authority 's prior written consent, which consent may be withheld in the Authority's sole and absolute discretion.

6.2 Successors and Assigns. Subject to the limitations of Section 6.1, this Agreement shall be binding upon the parties hereto and their respective heirs, representatives, transferees, successors and assigns. The Authority's obligations under this Agreement shall inure to the benefit of the LLC, CRG, any purchaser or lessee of the LLC, and their respective heirs, representatives, transferees, successors and assigns, and all such parties shall be deemed third party beneficiaries of the Authority's obligations and covenants under this Agreement. The transfer of all or any part of the interest of any party hereunder in the Property shall not release the Authority of its obligations under this Agreement.

6.3 Time of Essence. Time is of the essence in this Agreement and with respect to each covenant and condition hereof. The LLC and the Authority each specifically agrees to strictly comply and perform its obligations herein in the time and manner specified and waives any and all rights to claim such compliance by mere substantial compliance with the terms of this Agreement.

6.4 Qualification; Authority. Each individual executing this Agreement on behalf of a partnership, public body, corporate and politic, organized as an urban renewal authority pursuant to Colorado Law, limited liability or corporation represents and warrants that such entity is duly formed and is authorized to do business in the State of Colorado and that he or she is duly authorized to execute and deliver this Agreement on behalf of such entity in accordance with authority granted under the formation documents of such entity, and under Colorado Urban Renewal Law and, if a corporation, by a duly passed resolution of its Board of Directors, that all

conditions to the exercise of such authority have been satisfied, and that this Agreement is binding upon such entity in accordance with their respective terms. Upon request of either party or Title Company, the Authority, CRG and the LLC agree to deliver such documents reasonably necessary to evidence the foregoing.

6.5 Attorneys' Fees. In the event of any dispute between the parties hereto arising out of the subject matter of this Agreement, or in connection with the Property, the prevailing party in such action shall be entitled to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding in addition to its recoverable court costs.

6.6 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of Colorado in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

6.7 No Waiver. No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party hereto under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party hereto of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

6.8 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

6.9 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

6.10 Merger of Prior Agreements and Understandings. This Agreement, the Operating Agreement and other documents incorporated herein or in the Operating Agreement by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

6.11 Covenants to Survive. The covenants and agreements contained herein shall survive the recordation of the Deed and, subject to the limitations on assignment contained in Section 6.1 above, shall be binding upon and inure to the benefit of the parties hereto and their representatives, heirs, successors and assigns.

6.12 Execution in Counterpart. This Agreement and any modifications, amendments or supplements thereto may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

6.13 Notices. All notices or deliveries required under this Agreement shall either be (i) hand-delivered to the address of a party set forth below, (ii) given by certified mail, (iii) given by overnight courier (iv) by facsimile transmission, with a hard copy to follow by one of the methods set forth in the foregoing (i) through (iii); or (v) by electronic or email transmission to a party's email address set forth below with a hard copy to follow by one of the methods set forth in the foregoing (i) through (iii). All notices so given shall be considered effective, (i) if hand delivered, when received, (ii) if by certified mail, three (3) days after deposit, certified mail postage prepaid, with the United States Postal Service, (iii) if by overnight courier, one (1) day after deposit with overnight courier company (iv) if by facsimile transmission, upon receipt of a machine-generated confirmation of a complete transmission of all pages, or (v) if by electronic or email transmission, upon receipt. All notices will be sent to a party at the address, facsimile number or email address set forth below. In computing the period of days, the date of personal delivery of date or deemed receipt of such notice will be included. Any party may waive, in writing, any notice required to be given pursuant to this Agreement, whether before or after such required notice.

To the LLC: To the addresses for the Authority and CRG set forth below

To Authority: Silverthorne Urban Renewal Authority
601 Center Circle
P.O. Box 1309
Silverthorne, CO 80498
Attn: Mark Leidal
Tel: 970-262-7362
Fax: 970-262-7311
E-Mail: mark.leidal@silverthorne.org

With copy to: Murray Dahl Kuechenmeister & Renaud LLP
1530 16th Street, Second Floor
Denver, CO 80202
Attn: Malcolm M. Murray, Esq.
Tel: 303-493-6670; (D) 303-493-6677
Fax: 303-477-0965
E-Mail: mmurray@mdkrlaw.com

To CRG: Craig Realty Group – Silverthorne, LLC
c/o Craig Realty Group
4100 MacArthur Boulevard, Suite 200
Newport Beach, CA 92660
Attn: Steven L. Craig
Tel: 949-224-4115

Fax: 949-224-4102
Email: steve@craigrealtygroup.com

With copy to: Craig Realty Group – Silverthorne, LLC
c/o Craig Realty Group
4100 MacArthur Boulevard, Suite 200
Newport Beach, CA 92660
Attn: Lori Sarner Smith, Esq.
Tel: 949-224-4116
Fax: 949-336-1942
E-mail: lori@craigrealtygroup.com

And with copy to: Craig Realty Group – Silverthorne, LLC
c/o Craig Realty Group
4100 MacArthur Boulevard, Suite 200
Newport Beach, CA 92660
Attn: Rino LaRosa
Tel: 949-224-4142
Fax: 949-224-4101
E-mail: rlarosa@craigrealtygroup.com

6.14 Exhibits. Exhibits “A” and “B”, attached hereto, are hereby incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Contribution of Real Property to Limited Liability Company as of the date set forth above.

SILVERTHORNE URBAN RENEWAL AUTHORITY,
a public body, corporate and politic

By: _____

Name: _____

Title: _____

ATTEST:

Authority Secretary

APPROVED AS TO FORM:

Authority General Counsel

CRAIG REALTY GROUP – SILVERTHORNE, LLC,
a Colorado limited liability company

By: Eureka Realty Partners, Inc.
a California corporation,
Manager

By: _____
Steven L. Craig, President

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

The Land is that certain real property located in the Town of Silverthorne, County of Summit, State of Colorado, more particularly described as follows:

LOT 1, ACORN SUBDIVISION, ACCORDINGLY TO THE PLAT FILED APRIL 25, 2003, UNDER RECEPTION NO. 716186, COUNTY OF SUMMIT, STATE OF COLORADO

also known by street and number as 171 Blue River Parkway, Silverthorne, CO 80498

EXHIBIT B



Wolfe & Company
 Jack Wolfe
 Ph: (970) 453-4342

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (SPD19-10-11) (Mandatory 1-12)

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

SELLER'S PROPERTY DISCLOSURE (ALL TYPES OF PROPERTIES)

THIS DISCLOSURE SHOULD BE COMPLETED BY SELLER, NOT BY BROKER.

Seller states that the information contained in this Disclosure is correct to Seller's CURRENT ACTUAL KNOWLEDGE as of this Date. Any changes will be disclosed by Seller to Buyer promptly after discovery. Seller hereby receipts for a copy of this Disclosure. If the Property is part of a Common Interest Community, this Disclosure is limited to the Property or Unit itself, except as stated in Section L. Broker may deliver a copy of this Disclosure to prospective buyers.

Note: If an item is not present at the Property or if an item is not to be included in the sale, mark the "N/A" column. The Contract to Buy and Sell Real Estate, not this Disclosure form, determines whether an item is included or excluded; if there is an inconsistency between this form and the Contract, the Contract controls.

Date: 12/2/2014

Property Address: 171 Blue River Parkway Colorado CO 80498

Seller: Silverthorne Urban Renewal Authority, Mark Leidal, Executive Director

I. IMPROVEMENTS							
<input type="checkbox"/> If this box is checked, there are no structures or improvements on the Property; do not complete Sections A-G.							
A.	STRUCTURAL CONDITIONS Do any of the following conditions now exist or have they ever existed:	Yes	No	Do Not Know	N/A	Comments	
1	Structural problems				<input checked="" type="checkbox"/>		
2	Moisture and/or water problems				<input checked="" type="checkbox"/>		
3	Damage due to termites, other insects, birds, animals or rodents				<input checked="" type="checkbox"/>		
4	Damage due to hail, wind, fire or flood				<input checked="" type="checkbox"/>		
5	Cracks, heaving or settling problems				<input checked="" type="checkbox"/>		
6	Exterior wall or window problems				<input checked="" type="checkbox"/>		
7	Exterior Artificial Stucco (EIFS)				<input checked="" type="checkbox"/>		
8	Any additions or alterations made				<input checked="" type="checkbox"/>		
9	Building code, city or county violations				<input checked="" type="checkbox"/>		
B.	ROOF Do any of the following conditions now exist:	Yes	No	Do Not Know	N/A	Comments	
1	Roof problems				<input checked="" type="checkbox"/>		
2	Roof material: Age						
3	Roof leak: Past				<input checked="" type="checkbox"/>		
4	Roof leak: Present				<input checked="" type="checkbox"/>		
5	Damage to roof: Past				<input checked="" type="checkbox"/>		
6	Damage to roof: Present				<input checked="" type="checkbox"/>		
7	Roof under warranty until Transferable				<input checked="" type="checkbox"/>		
8	Roof work done while under current roof warranty				<input checked="" type="checkbox"/>		
9	Skylight problems				<input checked="" type="checkbox"/>		
10	Gutter or downspout problems				<input checked="" type="checkbox"/>		
		IN WORKING CONDITION					
C.	APPLIANCES Are the following now in working condition:	Yes	No	Do Not Know	Age If Known	N/A	Comments
1	Built-in vacuum system & accessories					<input checked="" type="checkbox"/>	
2	Clothes dryer					<input checked="" type="checkbox"/>	
3	Clothes washer					<input checked="" type="checkbox"/>	

Buyer(s) Initials _____ Seller(s) Initials _____

4	Dishwasher					<input checked="" type="checkbox"/>
5	Disposal					<input checked="" type="checkbox"/>
6	Freezer					<input checked="" type="checkbox"/>
7	Gas grill					<input checked="" type="checkbox"/>
8	Hood					<input checked="" type="checkbox"/>
9	Microwave oven					<input checked="" type="checkbox"/>
10	Oven					<input checked="" type="checkbox"/>
11	Range					<input checked="" type="checkbox"/>
12	Refrigerator					<input checked="" type="checkbox"/>
13	T.V. antenna: <input type="checkbox"/> Owned <input type="checkbox"/> Leased					<input checked="" type="checkbox"/>
14	Satellite system or DSS dish: <input type="checkbox"/> Owned <input type="checkbox"/> Leased					<input checked="" type="checkbox"/>
15	Trash compactor					<input checked="" type="checkbox"/>

		IN WORKING CONDITION					
D.	ELECTRICAL & TELECOMMUNICATIONS	Yes	No	Do Not Know	Age If Known	N/A	Comments
Are the following now in working condition:							
1	Security system: <input type="checkbox"/> Owned <input type="checkbox"/> Leased					<input checked="" type="checkbox"/>	
2	Smoke/fire detectors: <input type="checkbox"/> Battery <input type="checkbox"/> Hardwire					<input checked="" type="checkbox"/>	
3	Carbon Monoxide Alarm: <input type="checkbox"/> Battery <input type="checkbox"/> Hardwire					<input checked="" type="checkbox"/>	
4	Light fixtures					<input checked="" type="checkbox"/>	
5	Switches & outlets					<input checked="" type="checkbox"/>	
6	Aluminum wiring (110)					<input checked="" type="checkbox"/>	
7	Electrical: Phase Voltage Amps					<input checked="" type="checkbox"/>	
8	Telecommunications (T1, fiber, cable, satellite)					<input checked="" type="checkbox"/>	
9	Inside telephone wiring & blocks/jacks					<input checked="" type="checkbox"/>	
10	Abandoned communication cables: <input type="checkbox"/> Yes <input type="checkbox"/> No					<input checked="" type="checkbox"/>	
11	Ceiling fans					<input checked="" type="checkbox"/>	
12	Garage door opener					<input checked="" type="checkbox"/>	
13	Garage door control(s) #					<input checked="" type="checkbox"/>	
14	Intercom/doorbell					<input checked="" type="checkbox"/>	
15	In-wall speakers					<input checked="" type="checkbox"/>	
16	220 volt service	<input checked="" type="checkbox"/>					
17	Landscape lighting					<input checked="" type="checkbox"/>	

		IN WORKING CONDITION					
E.	MECHANICAL	Yes	No	Do Not Know	Age If Known	N/A	Comments
Are the following now in working condition:							
1	Air conditioning:						
	Evaporative cooler					<input checked="" type="checkbox"/>	
	Window units					<input checked="" type="checkbox"/>	
	Central					<input checked="" type="checkbox"/>	
	Computer room					<input checked="" type="checkbox"/>	
2	Attic/whole house fan					<input checked="" type="checkbox"/>	
3	Vent fans					<input checked="" type="checkbox"/>	
4	Humidifier					<input checked="" type="checkbox"/>	
5	Air purifier					<input checked="" type="checkbox"/>	
6	Sauna					<input checked="" type="checkbox"/>	
7	Hot tub or spa					<input checked="" type="checkbox"/>	
8	Steam room/shower					<input checked="" type="checkbox"/>	
9	Pool					<input checked="" type="checkbox"/>	
10	Heating system:						
	Type Fuel					<input checked="" type="checkbox"/>	
	Type Fuel					<input checked="" type="checkbox"/>	
11	Water heater: Number of Fuel type Capacity					<input checked="" type="checkbox"/>	

Buyer(s) Initials _____ Seller(s) Initials _____

12	Fireplace: Type	Fuel							<input checked="" type="checkbox"/>
13	Fireplace insert								<input checked="" type="checkbox"/>
14	Stove: Type	Fuel							<input checked="" type="checkbox"/>
15	When was fireplace/wood stove, chimney/flue last cleaned: Date:	<input type="checkbox"/> Do not know							<input checked="" type="checkbox"/>
16	Fuel tanks:	<input type="checkbox"/> Owned <input type="checkbox"/> Leased							<input checked="" type="checkbox"/>
17	Radiant heating system: Hose Type	<input type="checkbox"/> Interior <input type="checkbox"/> Exterior							<input checked="" type="checkbox"/>
18	Overhead door								<input checked="" type="checkbox"/>
19	Entry gate system								<input checked="" type="checkbox"/>
20	Elevator/escalators								<input checked="" type="checkbox"/>
21	Lift/hoist/crane								<input checked="" type="checkbox"/>

		IN WORKING CONDITION						
F.	WATER, SEWER & OTHER UTILITIES	Yes	No	Do Not Know	Age If Known	N/A	Comments	
	Are the following now in working condition:							
1	Water filter system: <input type="checkbox"/> Owned <input type="checkbox"/> Leased							<input checked="" type="checkbox"/>
2	Water softener: <input type="checkbox"/> Owned <input type="checkbox"/> Leased							<input checked="" type="checkbox"/>
3	Sewage problems: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Do not know							
4	Lift station (sewage ejector pump)							<input checked="" type="checkbox"/>
5	Drainage, storm sewers, retention ponds		<input checked="" type="checkbox"/>					
6	Grey water storage/use		<input checked="" type="checkbox"/>					
7	Plumbing problems: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Do not know							
8	Sump pump		<input checked="" type="checkbox"/>					
9	Underground sprinkler system			<input checked="" type="checkbox"/>				
10	Fire sprinkler system							<input checked="" type="checkbox"/>
11	Polybutylene pipe: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Do not know							
12	Galvanized pipe: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Do not know							
13	Backflow prevention device: <input type="checkbox"/> Domestic <input type="checkbox"/> Irrigation <input type="checkbox"/> Fire <input type="checkbox"/> Sewage			<input checked="" type="checkbox"/>				
14	Irrigation pump		<input checked="" type="checkbox"/>					
15	Well pump							<input checked="" type="checkbox"/>

		IN WORKING CONDITION						
G.	OTHER DISCLOSURES—IMPROVEMENTS	Yes	No	Do Not Know	Age If Known	N/A	Comments	
1	Included fixtures and equipment now in working condition							<input checked="" type="checkbox"/>
2								
3								
4								

II. GENERAL								
H.	USE, ZONING & LEGAL ISSUES	Yes	No	Do Not Know	N/A	Comments		
	Do any of the following conditions now exist:							
1	Current use of the Property							Vacant Land
2	Zoning violation, variance, conditional use, violation of an enforceable PUD or non-conforming use		<input checked="" type="checkbox"/>					
3	Notice or threat of condemnation proceedings		<input checked="" type="checkbox"/>					
4	Notice of any adverse conditions from any governmental or quasi-governmental agency that have not been resolved		<input checked="" type="checkbox"/>					
5	Violation of restrictive covenants or owners' association rules or regulations					<input checked="" type="checkbox"/>		
6	Any building or improvements constructed within the past one year from this Date without approval by the Association or the designated approving body		<input checked="" type="checkbox"/>					
7	Notice of zoning action related to the Property		<input checked="" type="checkbox"/>					

Buyer(s) Initials _____ Seller(s) Initials _____

8	Notice of ADA complaint or report			<input checked="" type="checkbox"/>		
9	Other legal action		<input checked="" type="checkbox"/>			

I.	ACCESS, PARKING, DRAINAGE & SIGNAGE	Yes	No	Do Not Know	N/A	Comments
	Do any of the following conditions now exist:					
1	Any access problems		<input checked="" type="checkbox"/>			
2	Roads, driveways, trails or paths through the Property used by others	<input checked="" type="checkbox"/>				
3	Public highway or county road bordering the Property	<input checked="" type="checkbox"/>				
4	Any proposed or existing transportation project that affects or is expected to affect the Property			<input checked="" type="checkbox"/>		
5	Encroachments, boundary disputes or unrecorded easements	<input checked="" type="checkbox"/>				Trash dumpster and parking from adjacent property to the north.
6	Shared or common areas with adjoining properties		<input checked="" type="checkbox"/>			
7	Cross-parking agreement, covenants, easements		<input checked="" type="checkbox"/>			
8	Requirements for curb, gravel/paving, landscaping			<input checked="" type="checkbox"/>		
9	Flooding or drainage problems: Past		<input checked="" type="checkbox"/>			
10	Flooding or drainage problems: Present		<input checked="" type="checkbox"/>			
11	Signs: <input type="checkbox"/> Owned <input type="checkbox"/> Leased				<input checked="" type="checkbox"/>	
12	Signs: Government or private restriction problems			<input checked="" type="checkbox"/>		

J.	WATER & SEWER SUPPLY	Yes	No	Do Not Know	N/A	Comments
	Do any of the following conditions now exist:					
1	Water Rights Type: Town Water		<input checked="" type="checkbox"/>			
2	Water tap fees paid in full	<input checked="" type="checkbox"/>				Water taps were paid for gas station/convenience store.
3	Sewer tap fees paid in full	<input checked="" type="checkbox"/>				Sewer taps were paid for gas station/convenience store.
4	Subject to augmentation plan		<input checked="" type="checkbox"/>			
5	Well required to be metered		<input checked="" type="checkbox"/>			
6	Type of water supply: <input checked="" type="checkbox"/> Public <input type="checkbox"/> Community <input type="checkbox"/> Well <input type="checkbox"/> Shared Well <input type="checkbox"/> Cistern <input type="checkbox"/> None If the Property is served by a Well, a copy of the Well Permit <input type="checkbox"/> Is <input type="checkbox"/> Is Not attached. Well Permit #: _____ <input type="checkbox"/> Drilling Records <input type="checkbox"/> Are <input type="checkbox"/> Are Not attached. Shared Well Agreement <input type="checkbox"/> Yes <input type="checkbox"/> No. The Water Provider for the Property can be contacted at: Name: <u>Town of Silverthorne</u> Address: _____ Web Site: _____ Phone No.: _____ <input type="checkbox"/> There is neither a Well nor a Water Provider for the Property. The source of potable water for the Property is [describe source]: _____ SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NONRENEWABLE GROUND WATER. YOU MAY WISH TO CONTACT YOUR PROVIDER (OR INVESTIGATE THE DESCRIBED SOURCE) TO DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.					
7	Type of sanitary sewer service: <input checked="" type="checkbox"/> Public <input type="checkbox"/> Community <input type="checkbox"/> Septic System <input type="checkbox"/> None <input type="checkbox"/> Other If the Property is served by an on-site septic system, supply to buyer a copy of the permit. Type of septic system: <input type="checkbox"/> Tank <input type="checkbox"/> Leach <input type="checkbox"/> Lagoon					

K.	ENVIRONMENTAL CONDITIONS	Yes	No	Do Not Know	N/A	Comments
	Do any of the following conditions now exist or have they ever existed:					
1	Hazardous materials on the Property, such as radioactive, toxic, or biohazardous materials, asbestos, pesticides, herbicides, wastewater sludge, radon, methane, mill tailings, solvents or petroleum products			<input checked="" type="checkbox"/>		
2	Underground storage tanks		<input checked="" type="checkbox"/>			
3	Aboveground storage tanks		<input checked="" type="checkbox"/>			
4	Underground transmission lines			<input checked="" type="checkbox"/>		
5	Animals kept in the residence				<input checked="" type="checkbox"/>	
6	Property used as, situated on, or adjoining a dump, land fill or municipal solid waste land fill		<input checked="" type="checkbox"/>			
7	Monitoring wells or test equipment		<input checked="" type="checkbox"/>			
8	Sliding, settling, upheaval, movement or instability of earth or expansive soils on the Property			<input checked="" type="checkbox"/>		
9	Mine shafts, tunnels or abandoned wells on the Property			<input checked="" type="checkbox"/>		

Buyer(s) Initials _____

Seller(s) Initials _____

10	Within governmentally designated geological hazard or sensitive area			<input checked="" type="checkbox"/>		
11	Within governmentally designated flood plain or wetland area		<input checked="" type="checkbox"/>			
12	Governmentally designated noxious weeds (within last 3 years only) If yes, see Section O.		<input checked="" type="checkbox"/>			
13	Dead, diseased or infested trees or shrubs		<input checked="" type="checkbox"/>			
14	Environmental assessments, studies or reports done involving the physical condition of the Property	<input checked="" type="checkbox"/>				
15	Property used for any mining, graveling, or other natural resource extraction operations such as oil and gas wells		<input checked="" type="checkbox"/>			
16	Endangered species on the Property		<input checked="" type="checkbox"/>			
17	Archeological features, fossils, or artifacts on the Property		<input checked="" type="checkbox"/>			
18	Interior of improvements of Property tobacco smoke-free				<input checked="" type="checkbox"/>	
19	Other environmental problems	<input checked="" type="checkbox"/>				Contaminated soils removed in 09/14

L. COMMON INTEREST COMMUNITY-ASSOCIATION PROPERTY						
Do any of the following conditions now exist:						
	Yes	No	Do Not Know	N/A	Comments	
1				<input checked="" type="checkbox"/>		
2				<input checked="" type="checkbox"/>		
3				<input checked="" type="checkbox"/>		

M. OTHER DISCLOSURES — GENERAL						
Do any of the following conditions now exist:						
	Yes	No	Do Not Know	N/A	Comments	
1		<input checked="" type="checkbox"/>				
2		<input checked="" type="checkbox"/>				
3		<input checked="" type="checkbox"/>				
4		<input checked="" type="checkbox"/>				
5		<input checked="" type="checkbox"/>				
6		<input checked="" type="checkbox"/>				

III. LAND						
N. CROPS, LIVESTOCK & LEASES						
Do any of the following conditions now exist:						
	Yes	No	Do Not Know	N/A	Comments	
1				<input checked="" type="checkbox"/>		
2				<input checked="" type="checkbox"/>		
3				<input checked="" type="checkbox"/>		
4				<input checked="" type="checkbox"/>		
Any land leased from others: <input type="checkbox"/> State <input type="checkbox"/> BLM <input type="checkbox"/> Federal <input type="checkbox"/> Private <input type="checkbox"/> Other						
O. NOXIOUS WEEDS						
Do any of the following conditions now exist:						
The Colorado Noxious Weed Management Act (35-5.5-101-119 C.R.S) enables County and City governments to implement noxious weeds management programs to reclaim infested acres and protect weed-free land. For a directory of county weed supervisors call 303-239-4173 or see: www.colorado.gov/ag/weeds .						
Have any of the following occurred to the Property:						
	Yes	No	Do Not Know	N/A	Comments	
1			<input checked="" type="checkbox"/>			
2			<input checked="" type="checkbox"/>			
3			<input checked="" type="checkbox"/>			

Buyer(s) Initials _____

Seller(s) Initials _____

4	Have noxious weed management actions been implemented?			<input checked="" type="checkbox"/>		
5	Have herbicides been applied?			<input checked="" type="checkbox"/>		
P. OTHER DISCLOSURES — LAND						
	Do any of the following conditions now exist:	Yes	No	Do Not Know	N/A	Comments
1	Any part of the Property enrolled in any governmental programs such as Conservation Reserve Program (CRP), Wetlands Reserve Program (WRP), etc.		<input checked="" type="checkbox"/>			
2	Conservation easement		<input checked="" type="checkbox"/>			
3						
4						
5						

Seller and Buyer understand that the real estate brokers do not warrant or guarantee the above information on the Property. Property inspection services may be purchased and are advisable. This form is **not** intended as a substitute for an inspection of the Property.

ADVISORY TO SELLER:

Failure to disclose a known material defect may result in legal liability.

The information contained in this Disclosure has been furnished by Seller, who certifies to the truth thereof based on Seller's CURRENT ACTUAL KNOWLEDGE.

Date: _____

Seller: **Silverthorne Urban Renewal Authority, Mark Leidal, Executive Director**

Seller: _____ Date: _____

ADVISORY TO BUYER:

1. Even though Seller has answered the above questions to Seller's current actual knowledge, Buyer should thoroughly inspect the Property and obtain expert assistance to accurately and fully evaluate the Property to confirm the status of the following matters:

- a. the physical condition of the Property;
- b. the presence of mold or other biological hazards;
- c. the presence of rodents, insects and vermin including termites;
- d. the legal use of the Property and legal access to the Property;
- e. the availability and source of water, sewer, and utilities;
- f. the environmental and geological condition of the Property;
- g. the presence of noxious weeds; and
- h. any other matters that may affect Buyer's use and ownership of the Property that are important to Buyer as Buyer decides whether to purchase the Property.

2. Seller states that the information is correct to "Seller's current actual knowledge" as of the date of this form. The term "current actual knowledge" is intended to limit Seller's disclosure only to facts actually known by the Seller and does not include constructive knowledge or "common knowledge" or what Seller "should have known" about the Property. The Seller has no duty to inspect the Property when this Disclosure is filled in and signed.

3. Valuable Information may be obtained from various local/state/federal agencies, and other experts may assist Buyer by performing more specific evaluations and inspections of the Property.

4. Boundaries, location and ownership of fences, driveways, hedges, and similar features of the Property may become the subjects of a dispute between a property owner and a neighbor. A survey may be used to determine the likelihood of such problems.

5. Whether any item is included or excluded is determined by the contract between Buyer and Seller and not this Seller's Property Disclosure.

6. Buyer acknowledges that Seller does not warrant that the Property is fit for Buyer's intended purposes or use of the Property. Buyer acknowledges that Seller's indication that an item is "working is not to be construed as a warranty of its continued operability or as a representation or warranty that such item is fit for Buyer's intended purposes.

7. Buyer hereby receipts for a copy of this Disclosure.

Buyer: _____ Date: _____

Buyer: _____ Date: _____

SPD19-10-11. SELLER'S PROPERTY DISCLOSURE (ALL TYPES OF PROPERTIES)

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Buyer(s) Initials _____ Seller(s) Initials _____

EXHIBIT "B -1"
ENVIRONMENTAL DISCLOSURE

1. Phase I Environmental Site Assessment, March 6, 2014, Pickering, Cole, and Hivner
2. Phase II Limited Site Investigation, April 2, 2014, Pickering, Cole & Hivner LLC
3. Asbestos-Containing Materials Survey, July 7, 2014, Pickering, Cole & Hivner LLC
4. Letter concerning Acorn Store soil testing, August 26, 2014, Origins Laboratory, Inc.
5. Email concerning Acorn Store tank removal, August 29, 2014, Eagle Environmental Consulting, Inc.
6. Site Map – Acorn Soil Sample and Boring Locations, August 28, 2014, Eagle Environmental Consulting, Inc.
7. Letter of "No Further Action", November 13, 2014, State of Colorado Department of Labor and Employment, Division of Oil and Public Safety

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