

CONTRACT FOR THE PURCHASE OF LAND

ACCOUNT NO. _____

KEY NO. _____

RIO GRANDE RANCHES OF COLORADO

Rio Grande Ranches of Colorado, Inc., Subdivider
P.O. Box 600, Alamosa, Colorado 81101

DATE _____

I (we) _____

_____ (as Joint Tenants)*,
desire to enter into a Contract for the Purchase of Land offered by Rio Grande Ranches of Colorado, Inc., in the Rio Grande Ranchos Subdivision in Costilla County, Colorado, on the terms and conditions set forth in this Contract.

We have considered the following statements prior to making this offer to purchase.

THIS IS A CONTRACT BY WHICH YOU AGREE TO PURCHASE LAND.

THE FUTURE OF VALUE OF THIS LAND, AS WELL AS ALL UNDEVELOPED REAL ESTATE, IS UNCERTAIN. YOU SHOULD NOT ASSUME THAT THE VALUE OF LAND WILL INCREASE. DO NOT ASSUME THAT YOU WILL BE ABLE TO RESELL YOUR LAND WITHOUT SIGNIFICANT COMMUNITY DEVELOPMENT AND POPULATION GROWTH.

This undeveloped land has been planned for use as a vacation home site. Electricity, water and sewage disposal are available at the purchaser's expense. Electricity is obtainable by generator, water by well, and sewage disposal by septic tank. Access will be by unpaved roads. Such roads have been dedicated to Costilla County which is responsible for maintenance upon evidence of need. If water or septic tank approval is not available, Seller will either exchange the lot for a mutually agreeable lot or refund the sum paid, upon receipt of proof of no well site from a licensed well driller or denial of a septic tank permit from Costilla County together with a Quit Claim Deed and release.

Note to Buyer: The cost of drilling a well is approximately \$23 to \$35 per foot plus the expense of a pump. Water is generally available from approximately 100 to 300 feet, depending upon the site location.

Sewage disposal is by individual septic tank costing from \$1800 to \$2200.

Electricity is available from the local cooperative power associations. The cost may be impractical because of distance to existing power lines. New generators can be purchased for \$500 to \$2500, depending upon size and make.

TERMS OF PURCHASE AND DISCLOSURES

| | | |
|---|-----------|-------------------------|
| 1. THE CASH PRICE FOR THE PROPERTY PURCHASED IS | \$ | <u>6,975.00</u> |
| 2. THE AMOUNT OF THE FIRST PAYMENT IS | \$ | <u>70.00</u> |
| 3. BALANCE DUE AFTER CREDITING FIRST PAYMENT | \$ | <u>6,905.00</u> |
| 4. ADDITIONAL CHARGES | \$ | <u>NONE</u> |
| 5. TOTAL AMOUNT TO BE FINANCED IS | \$ | <u>6,905.00</u> |
| 6. THE TOTAL AMOUNT OF FINANCE CHARGE BASED ON NO PREPAYMENT OF PRINCIPAL | \$ | <u>4,386.75</u> |
| 7. ANNUAL PERCENTAGE RATE | \$ | <u>8.00 %</u> |
| 8. BALANCE DUE, \$ <u>6,905.00</u> , SHALL BE PAYABLE IN <u>161</u> MONTHLY INSTALLMENTS OF \$ <u>70.00</u> AND ONE PAYMENT OF \$ <u>21.75</u> PAYABLE ON THE _____ DAY OF EACH MONTH BEGINNING _____ . | | |
| TOTAL DEFERRED PRICE | \$ | <u>11,361.75</u> |

LEGAL DESCRIPTION OF PROPERTY TO BE PURCHASED

UNIT XX BLOCK XXX LOT XXX 5.00 Acres
RIO GRANDE RANCHOS SUBDIVISION, COSTILLA COUNTY, COLORADO

The balance of the net purchase price shall **NOT** be deemed an obligation of Buyer(s) for the payment of money enforceable by legal action. In the event of failure to pay any installment, whether voluntary or involuntary, the Seller's sole right shall be to declare the Contract in default. See Paragraph 7 of Conditions of Sale on the reverse side hereof for Notice of Default and Refund Provisions.

Interest at the rate of 8.00 % per annum shall be charged on the unpaid balance due. Payments shall first be applied to interest with the remainder applied to the principal. Buyer(s) shall have the right to prepay the balance due or any portion thereof at any time. Such prepayment, if less than the balance due, shall be applied to principal and shall not reduce the amount of the monthly payments due thereafter.

Monthly payments shall be forwarded to the address specified by the seller in writing. (An amortization table will be furnished for your use upon request.)

REFUND AND CANCELLATION PRIVILEGE

Buyer(s) have the unconditional right to cancel this contract upon written notice to the Seller within one year of the date of this agreement and to receive from the Seller **ALL** of the payments including interest paid to Seller.

EXCHANGE PRIVILEGE

Seller agrees that Buyer(s) shall have the right to amend this contract to change the lot under contract to another lot at any time prior to the issuance of a deed provided the lot is available for sale by Seller. Amendment shall be by execution of a notarized form of amendment supplied by Seller. All payments previously made shall apply to amended contract.

*Strike if not applicable

CONDITIONS OF SALE

1. The land herein described is subject to recorded oil and mineral leases and easements for rights-of-way and drainage purposes. Buyer(s) shall receive all of any oil, gas and mineral rights owned by Seller as of date of the Contract.
2. Upon payment in full, the Seller shall deliver a general warranty deed, conveying title to said property to Buyer(s), free and clear of all encumbrances except restrictions, conditions, reservations and easements of record, together with the mineral rights owned by Seller at time of the Contract. Title insurance may be obtained at Buyer(s) expense.
3. All recording costs of the deed shall be paid by Seller.
4. The Buyer(s) hereby agree, during the term of this agreement and any extension or renewal thereof, to pay promptly when due, all taxes, assessments and charges of every kind and nature now or hereafter assessed, levied, charged or imposed against or upon said property. Upon failure by the Buyer(s) to so pay said taxes, assessments and charges, the Seller shall have the right to pay the same, together with any and all cost, penalties and legal costs which may be added thereto. The Buyer(s) will reimburse the Seller for such taxes, levies, or assessments paid by the Seller within sixty (60) days of receipt of a statement from Seller. Failure to pay said statements shall constitute a default of the terms of this agreement.
5. Buyer(s) acknowledge and agree that the Seller may substitute a comparable lot for the lot described on page 1 of this Contract if the lot Buyer(s) have been allocated is, for any reason, not available.
6. Upon execution of the contract, Buyer(s) shall be entitled to possession of the property set forth in the agreement. Seller shall be entitled to enter upon said property for inspection, and shall have authority to control the use of the property for hunting, grazing and other purposes until Buyer(s) has assumed actual possession and control of the premises or until the contract is paid in full. No building or improvement shall be constructed upon said property or removed from said property by Buyer(s) without consent of Seller until deed has been issued. Buyer(s) shall comply with all regulations, conditions, codes and permit requirements as put forth by the Costilla County Land Use Code.
7. NOTICE OF DEFAULT AND REFUND: In the event of default or breach of this agreement by Buyer(s) of, any obligation required of Buyer(s) by this agreement, Seller shall notify Buyer(s) in writing of such default and allow buyer at least twenty (20) days from the date the notice is received to remedy the default or breach of this agreement. The failure of delay of Seller to exercise any of its options after notice of default or breach shall not operate as a waiver of the right of Seller to exercise such option for the same or subsequent default at any time thereafter. If Buyer(s) does not remedy the default, Seller will refund whatever amount remains at the time of default after subtracting 15% of the purchase price of the lot (excluding interest owed) from the amount paid under the contract, exclusive of interest. In any event, if Buyer(s) has paid, including interest, more than 40% of the cash purchase price of the lot, Seller will refund Buyer(s) 65% of the payments made in excess of 40% of the cash purchase price of the lot.
8. Buyer(s) agree that they shall hold Seller harmless from any claim for injury asserted by Buyer(s) or their invitees or licensees arising from any event occurring on the subject property prior to the delivery of the deed to the property to Buyer(s) or their assignees.

YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE 365TH DAY FOLLOWING THE SIGNING OF THE CONTRACT OR AGREEMENT. IF YOU DO NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AN URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELLED AT YOUR OPTION FOR TWO (2) YEARS FROM THE DATE OF SIGNING.

BUYER(S):

_____ Age _____

_____ Age _____

Address of Buyer(s):

_____ Telephone _____

ACCEPTED:

RIO GRANDE RANCHES OF COLORADO, INC.

By: _____